

MONTHLY REVIEW

CREDIT, BUSINESS AND AGRICULTURAL CONDITIONS



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RICHMOND, VIRGINIA

MAY 31, 1931

BUSINESS in the Fifth Federal reserve district showed conflicting tendencies in April and the first half of May. In some lines of trade developments followed seasonal trends, while in others unseasonal results were noted. Business activity in all lines, whether showing seasonal progress or retrogression or not, was on a lower level than in other recent years. At the Federal Reserve Bank of Richmond, the volume of rediscounts failed to show a normal seasonal increase last month, and at the middle of May only seven of fifty-three of the district's largest member banks were borrowing at the reserve bank. Deposits in reporting member banks increased between the middle of April and the middle of May, both demand and time deposits increasing, but loans by the same banks decreased, contrary to custom at this time of the year when credit for crop planting is needed. The volume of both reserve bank and member bank credit outstanding in this district is smaller at present than at the same time last year. On the other hand, bank deposits are higher than those of May 1930, increased time deposits more than offsetting a moderate decline in demand deposits. Debits to individual accounts figures for four weeks ended May 13 showed a moderate seasonal reduction in comparison with debits in the four weeks ended April 15, 1931, but were materially lower than aggregate debits in the four weeks ended May 14 last year. However, lower price levels this year partly account for the decline in 1931 debits figures. The commercial failure statistics for April in the Fifth District made about the worst showing for any April on record, although the district record in liabilities involved in April failures compared more favorably with April 1930 figures than the National liability figures. Employment conditions last month showed less than seasonal improvement, and the fact that the large number of people who are out of employment or who are working only part time are unable to make their usual purchases is an influence in the lower level in all lines of trade. Bituminous coal production in April declined materially

from March production and was much below production in April 1930. The textile industry in the United States made further progress in April over March, but Fifth district mills did not keep pace with the rest of the country. South Carolina and Virginia mills increased their cotton consumption in April over March, but consumption last month in North Carolina mills fell behind that of the earlier month. Cotton prices in April and May ruled lower than in the preceding two months or the same time last year, declining on May 15 to the lowest figure since the World War. Department store sales in April averaged 8.2 per cent less in dollar amount than sales in April 1930, but a considerable part of the decline was due to the earlier Easter date this year, which threw a large part of the special buying into March. Total sales during the first four months of 1931 averaged only 2.7 per cent less than sales in the first four months of 1930, a very favorable comparison in view of price changes during the year, practically all of which changes were downward. Wholesale trade in five leading lines was in considerably less volume in April 1931 than in April 1930, but groceries, dry goods and hardware showed increased sales in comparison with March sales. All five lines report lower sales for the first four months this year than sales in the corresponding period last year. Although the outlook for good prices for agricultural products this year is not good at present, weather and soil conditions are quite favorable for large yields of most of the crops grown in the Fifth reserve district. The supply of moisture in the ground, which was badly depleted by the record drought of last summer and fall, has been restored by frequent rains in April and May, and early crops are making good progress. On the whole, grain prospects in the district are good, and farmers appear to be planting considerably more food and feed crops this season, in an attempt to make themselves more nearly independent of their money crops. Farming expenses are also being held to the lowest possible levels this spring.

Reserve Bank Statement

ITEMS	000 omitted		
	May 15, 1931	April 15, 1931	May 15, 1930
Rediscounts held	\$ 13,576	\$ 14,475	\$ 16,851
Open market paper	100	104	9,105
Government securities	29,983	16,983	12,640
Total earning assets	43,659	31,562	38,596
Circulation of Fed. Res. notes	76,028	78,483	67,643
Members' reserve deposits	60,438	62,075	63,229
Cash reserves	103,293	118,223	102,693
Reserve ratio	73.79	82.41	77.20

Effective May 15, 1931, the Federal Reserve Bank of Richmond reduced its rediscount rate on all classes of paper from $3\frac{1}{2}$ per cent to 3 per cent, the new rate superseding the one established on July 18, 1930. Although there was some seasonal increase in country bank borrowing last month, incident to crop planting needs, the aggregate volume of rediscounts held by the Richmond Bank declined by \$899,000 between April 15 and May 15. The holdings of bankers acceptances purchased in the open market were nominal in both April and May, but the Bank increased its total earning assets by purchases from other Federal reserve banks of \$13,000,000 of Government securities. Federal reserve notes in actual circulation continued a seasonal decline between the middle of April and the middle of May, decreasing \$2,455,000 during the period. Aggregate reserve balances of member banks at the Federal Reserve Bank of Richmond declined by \$1,637,000 between April 15 and May 15, country banks drawing on their reserves to meet agricultural needs. The several changes mentioned, especially the purchase of Government securities for temporary investment, lowered the Bank's cash reserves by \$14,930,000, and reduced the ratio of reserves to note and deposit liabilities combined by 8.62 points.

Comparison of condition figures for May 15, 1931, with those for May 15 last year shows a decline of \$3,275,000 in rediscounts for member banks, and a drop of \$9,005,000 in the portfolio of open market paper, but these decreases in earning assets were more than offset by an increase amounting to \$17,343,000 in holdings of Government securities, so that during the year the total earning assets of the Federal Reserve Bank of Richmond rose by \$5,063,000. However, the rate of return on earning assets this year is materially lower than the average rate a year ago. The circulation of Federal reserve notes of the Richmond reserve bank was \$8,385,000 higher on May 15 this year than on May 15, 1930, but member bank reserve deposits held by the Bank decreased \$2,791,000 during the same period. Aggregate cash reserves of the Federal Reserve Bank of Richmond were practically the same at the middle of May in both years, but the ratio of cash reserves to note and deposit liabilities combined was 3.41 points lower on the 1931 date.

Member Bank Statement

ITEMS	000 omitted		
	May 13, 1931	April 15, 1931	May 14, 1930
Loans on stocks and bonds (including Government)	\$160,163	\$161,826	\$197,028
All other loans	262,630	262,266	285,238
Total loans and discounts	422,793	424,092	482,266
Investment in stocks and bonds	214,373	222,909	160,595
Reserve balance with F. R. Bk	40,892	38,263	41,028
Cash in vaults	15,238	13,777	11,398
Demand deposits	337,031	331,198	346,538
Time deposits	262,025	259,033	247,302
Borrowed from F. R. Bank	2,193	3,720	3,797

The figures in the above table show the principal items of condition as of three dates for fifty-three member banks in thirteen of the leading cities of the Fifth reserve district. It should be understood that the figures shown reflect the composite condition of the reporting banks on the report dates only, and are not necessarily the highest or lowest figures that occurred during the period under review.

Between April 15 and May 13, both this year, total loans and discounts at the fifty-three reporting banks declined by \$1,299,000, a drop in security loans amounting to \$1,663,000 more than offsetting a slight seasonal increase in all other loans, which at this season are chiefly for agricultural needs incident to crop planting, fertilizer purchases, etc. For the first time in many months, investments in bonds and stocks declined between the middle of April and the middle of May, decreasing by \$8,536,000. The reporting banks reduced their borrowing at the reserve bank by \$1,527,000 between April 15 and May 13, and increased their reserve balances by \$2,629,000. Cash in vaults rose by \$1,461,000 during the month, and aggregate deposits increased by \$8,825,000, demand deposits rising by \$5,833,000 and time deposits gaining \$2,992,000. A material increase in demand deposits at this season, when correspondent banks in agricultural regions need their funds and city merchants are paying for spring goods sold during the Easter period, is an unusual occurrence.

When condition figures for May 13, 1931, are compared with those reported for May 14, 1930, the great decline in the demand for credit this year is clearly shown. During the year total loans and discounts held by the fifty-three reporting banks declined \$59,473,000, of which a decrease in security loans accounted for \$36,865,000 and a drop in all other loans accounted for \$22,608,000. In spite of the close relationship between loans and deposits, the latter showed an aggregate increase of \$5,216,000 during the past year, a decline of \$9,507,000 in demand deposits being more than offset by an increase in time deposits amounting to \$14,723,000. To employ their funds, the reporting banks increased their investments in bonds and stocks by \$53,778,000, increased their cash in vaults by \$3,840,000, and reduced their borrowing at the reserve bank by \$1,604,000. On May 13, 1931, only seven of the fifty-three reporting banks were bor-

rowing at the reserve bank, compared with seventeen which were borrowing on May 14, 1930.

Savings and Time Deposits

Both mutual savings banks and reporting member banks made further gains in savings and time deposits during the past month. Aggregate deposits in the twelve mutual savings banks in Baltimore at the end of April 1931 totaled \$207,110,308, compared with \$204,327,056 on March 31, 1931, and \$195,174,471 on April 30, 1930. Time deposits in fifty-three regularly reporting member banks in the Fifth district totaled \$262,025,000 on May 13, in comparison with \$259,033,000 on April 15 this year and \$247,302,000 on May 14, 1930.

Debits to Individual Accounts

CITIES	000 omitted		
	Total debits, four weeks ended		
	May 13, 1931	April 15, 1931	May 14, 1930
Asheville, N. C.....	\$ 10,737	\$ 11,963	\$ 21,633
Baltimore, Md.	352,321	341,727	411,481
Charleston, S. C.....	15,695	16,537	28,090
Charleston, W. Va.....	38,036	34,780	42,387
Charlotte, N. C.....	41,177	44,582	47,229
Columbia, S. C.....	18,158	23,814	31,149
Cumberland, Md.	7,216	7,297	8,457
Danville, Va.	5,394	5,430	6,584
Durham, N. C.....	19,868	23,047	22,587
Greensboro, N. C.....	17,314	18,530	19,925
Greenville, S. C.....	15,243	14,580	16,428
Hagerstown, Md.	8,289	8,367	9,448
Huntington, W. Va.....	15,679	14,418	19,312
Lynchburg, Va.	15,310	15,244	16,270
Newport News, Va.....	10,350	9,562	10,309
Norfolk, Va.	46,008	43,237	54,696
Portsmouth, Va.	4,151	3,928	4,648
Raleigh, N. C.....	15,947	19,130	26,134
Richmond, Va.	111,377	113,304	120,416
Roanoke, Va.	24,476	22,887	27,931
Spartanburg, S. C.....	9,000	9,459	11,684
Washington, D. C.....	221,076	231,762	217,780
Wilmington, N. C.....	11,558	12,481	14,845
Winston-Salem, N. C...	27,678	32,431	32,233
District totals	\$1,062,058	\$1,078,497	\$1,221,656

Aggregate payments by checks drawn on clearing house banks in twenty-four cities of the Fifth Federal reserve district are shown in the accompanying table for three equal periods of four weeks, ended May 13, 1931, April 15, 1931, and May 14, 1930, thus affording an opportunity for comparison of the latest figures with those for the preceding like period this year and the corresponding period a year ago. These payments by check are generally referred to as debits to individual accounts, and eliminate the duplication represented by bank drafts, which are as a rule merely transfers of funds between banks.

Total debits in the reporting cities during the four weeks ended May 13 this year totaled \$16,439,000, or 1.5 per cent, less than debits during the immediately preceding four weeks, ended April 15, 1931, but the decline was seasonal and was due to the inclusion of

quarterly payments around April 1 in the earlier period. Nine of the twenty-four reporting cities showed higher figures for the more recent period. Among the larger centers, Baltimore, Norfolk and Charleston, W. Va., reported higher figures for the current four weeks, but Washington, Richmond, Charlotte and Winston-Salem reported lower figures.

In comparison with debits reported for the four weeks ended May 14, 1930, those for the corresponding four weeks this year, ended May 13, 1931, show a total decline of \$159,598,000, or 13.1 per cent, at least a considerable part of which was doubtless due to lower price levels this year. Every reporting city except Newport News and Washington showed lower figures for the 1931 period, and the increases reported by these two cities were very small, the former gaining 4/10 of 1 per cent and the latter 1.5 per cent.

Commercial Failures

Bankruptcies in the Fifth Federal reserve district in April were more numerous than in any other April on record, 156 failures being reported by R. G. Dun & Co., but the number was less than failures in any earlier month this year. Liabilities involved in April insolvencies totaling \$3,873,402 also compared unfavorably with all preceding Aprils except that of 1930, when liabilities totaling \$7,244,020 were reported. In number of failures, April 1931 showed an increase over April 1930 of 20 per cent for the Fifth district against only 8.4 per cent for the United States, but in aggregate liabilities last month showed a decrease of 46.5 per cent for the Fifth district in comparison with an increase of 3.7 per cent for the United States. Nine of the twelve reserve districts reported more insolvencies in April 1931 than in April 1930, and seven of the twelve districts also reported increased liabilities this year.

Employment

No current figures on employment are available for the Fifth reserve district, but it does not appear that conditions improved materially during the past month. The demand for workers normally increases in the spring and early summer, and this has been true to some extent this year, but construction work has not shown the usual expansion and therefore the increase in the demand for workers on outside building projects is less this year. Factories in the district have not increased operating time, and public building work partly undertaken to relieve unemployment is slow in getting started.

Coal Production

Production of bituminous coal in the United States during the month of April amounted to 28,478,000 net tons, compared with 33,870,000 tons mined in March 1931 and 35,860,000 tons in April 1930. Total production of soft coal during the present calendar year to May 9 (approximately 110 working days) amounts to 140,713,000 net tons, a materially smaller amount

than for any other year during the past five.

The May 2 report of the Bureau of Mines, Department of Commerce, showed production figures by states for March. West Virginia with an output of 8,385,000 net tons was in second place, Pennsylvania with 8,772,000 tons ranking first. The three coal producing states of the Fifth district, West Virginia, Virginia and Maryland, dug 27.9 per cent of all soft coal mined in the United States in March, compared with 27.7 per cent reported by the district in March a year ago.

Retail coal prices have been reduced to summer levels throughout the Fifth district, and in most places are the same as prices quoted in the summer of 1930. Freight and delivery costs account for most of the retail price of coal, and therefore fluctuations in wholesale prices at the mines play relatively little part in fixing retail prices.

Textiles

Two or three months ago the textile industry began to show signs of improvement, and the Fifth district mills kept pace until April, but during that month consumption of cotton dropped slightly below the March figure and the percentage of total consumption which was attained by the Fifth district declined. Fifth district mills consumed 220,895 bales of cotton in April this year, of which North Carolina mills used 114,918 bales, South Carolina mills 94,969 bales, and Virginia mills 11,008 bales. In March 1931, Fifth district mills consumed 220,902 bales and in April 1930 used 230,968 bales. Consumption in the Fifth district was 43.42 per cent of National consumption in April 1931, a lower figure than 45.03 per cent in March this year, and exactly the same percentage as in April 1930. Most of the recent development of the Southern textile industry has been farther south than the Fifth district.

Cotton Statistics

After showing some strength during February and March, the cotton market softened in April, and worked gradually downward through the first half of May. From an average price of 9.48 cents per pound paid in ten Southern spot markets for middling cotton on April 17, the price dropped to 8.89 cents two weeks later and then rose to 9.31 cents on May 8. However, after that date the price turned downward again, and on May 15, the latest date for which quotations are available, averaged only 8.80 cents per pound, the lowest price reported since the collapse of the cotton market in the early days of the World War. On May 16 last year the average price was 15.17 cents, a difference of \$31.85 a bale in favor of the earlier year.

Consumption of cotton in the United States in April 1931 totaled 508,744 bales, compared with 490,586 bales used in March this year and 531,911 bales in April 1930. Total consumption for the nine months of the present cotton season—August 1 to April 30—amounted to 3,899,272 bales, compared with 4,848,298 bales consumed in the corresponding period of the 1929-1930 season. Manufacturing establishments held 1,370,044 bales on April 30, compared with 1,477,758

bales held on March 31 and 1,662,215 bales on April 30, 1930. Public warehouses and compresses held 6,034,295 bales in storage at the end of April this year, compared with 6,642,648 bales so held a month earlier and 3,637,046 bales on April 30 last year. April exports totaled 391,871 bales, compared with 349,762 bales sent abroad in April 1930. Exports during the nine months of this cotton year totaled 5,905,654 bales, compared with 6,120,526 bales shipped over seas during the corresponding nine months ended April 30, 1930. Spindles active at some time during April numbered 26,645,404, compared with 26,489,832 in March this year and 28,851,122 in April 1930.

Cotton consumption in the cotton growing states totaled 390,418 bales in April, compared with 383,552 bales used in March and 412,232 bales in April 1930. Last month's consumption in the cotton growing states amounted to 76.74 per cent of National consumption, a smaller percentage than 78.18 per cent in March this year or 77.50 per cent in April 1930. Of the 390,418 bales of cotton consumed in the cotton growing states in April, the Fifth district mills used 220,895 bales, or 56.58 per cent, compared with 56.03 per cent of Southern consumption attained in the district in April last year.

In the cotton growing section of the Fifth district, comprising the two Carolinas and some counties in southeastern Virginia, the weather was favorable for cotton planting, but temperatures have been too low for best development and the crop is not as far advanced as it should be at this time of the year. However, there has been plenty of rain in recent weeks, and the conditions are good for rapid development of cotton as soon as the weather turns warm. No official acreage statistics are available, but reports believed to be reasonably accurate indicate some reduction in acreage this season. Probably a reduction in the use of fertilizer under the 1931 crop of cotton will be more important in cutting production than the smaller acreage, unless unusually favorable weather during the growing season neutralizes the effect of less commercial plant food. The reduction in the use of fertilizer was due to inability of many farmers to finance their usual supply of it.

Tobacco Manufacturing

A report on taxes on manufactured tobacco collected by the Treasury Department during the nine months ended March 31, 1931, was issued by the Bureau of Internal Revenue on May 5. In the United States as a whole, taxes collected during the nine months ended March 31 this year were less than those collected in the corresponding period ended March 31, 1930, but taxes paid on tobacco products manufactured in the Fifth district increased during the later period, due to a marked increase in cigarette production in Richmond. Total taxes collected in the United States on tobacco products in the nine months ended March 31, 1931, amounted to \$327,328,115, and of this amount the Fifth district states paid \$254,102,325, or 77.6 per cent. The proportion of the total tax paid

by the district increased this year, the district showing an increase of 3.3 per cent in contrast to a National decrease of 1.4 per cent. During the period ended March 31, 1931, North Carolina paid \$182,844,513, a little under 56 per cent of the entire amount paid in the United States. Virginia, although far behind North Carolina in total payment, ranked second with \$69,495,796, or 21 per cent of the National total. Although North Carolina, Virginia and West Virginia manufacture between a third and a half of the pipe and chewing tobacco made in the country, taxes paid on cigarettes amounting to \$231,891,645 made up over 91 per cent of the district's total payment. The cigarette tax paid by the district in the nine months ended March 31, 1930, indicates production of 77,297,215,000 cigarettes during the period under review, an increase of 2,828,422,000 cigarettes in comparison with production in the nine months ended March 31, 1930. During the later period, the number of cigarettes made in North Carolina decreased 1,318,332,000, but at the same time the number made in Virginia, all at Richmond, rose by 4,146,785,000 cigarettes. A new factory, manufacturing one of the most popular brands of cigarettes, was finished and began production about the middle of 1930.

Agricultural Notes

Weather in the Fifth reserve district has been favorable for farm work this spring, although generally low temperatures retarded germination of seed and growth of plants to some extent. On the whole, however, the cool weather was beneficial, holding back fruit buds until danger of frost damage was past and causing grain to develop good root systems. Prospects for this year's wheat and oat crops are considerably better than in average years in Virginia and the two Carolinas, but in Maryland and West Virginia grain prospects are only fair. Throughout most of the district pastures, although late, are fair or better, and fruit prospects are considerably above normal. Early potato crops are excellent, especially in the commercial section of South Carolina. Much corn has been planted, and the land was thoroughly prepared. The amount of fertilizer put under this year's crops was less than is generally used, due to inability to finance it's purchase. Agricultural statisticians report increased acreages in food and feed crops this year, probably due to an unsatisfactory price situation for nearly all money crops. Cotton and tobacco farmers know that they are faced with very large reserve stocks of both cotton and tobacco, which does not argue favorably for much improvement in this year's prices, and therefore a larger number of farms than usual appear to be trying to make a living for themselves and their stock independently of their cash crops.

Construction

Building permits issued during April in thirty-two Fifth district cities compared very unfavorably with the volume of permits issued in April last year, Baltimore being the only city to make a really creditable showing for the month, and Baltimore's figures were

due in large part to efforts to obtain permits before a new zoning ordinance went into effect on May 1. Permits for new construction issued in the thirty-two cities last month numbered 2,582, of which 1,879 were issued in Baltimore. Estimated valuation figures for new work totaled \$8,712,743 last month, \$5,379,360 of which was reported from Baltimore. Only three of the thirty-two reporting cities showed higher total valuation figures for all classes of work in April 1931 than in April 1930, these being Baltimore, Richmond and Rock Hill, S. C. As previously stated, Baltimore's increase was due to a desire to escape restrictions of a new zoning ordinance, and Richmond's increase was due to low figures in April 1930 rather than to high figures last month. Rock Hill's increase was chiefly due to an unusual amount of alteration and repair work this year.

Contracts actually awarded for construction work in the Fifth district in April 1931 totaled \$21,936,600, according to figures collected by the F. W. Dodge Corporation. This figure shows a decrease of 47 per cent below awards totaling \$40,971,884 in April 1930. Contracts for residential types of construction last month totaled \$7,434,610, or approximately 34 per cent of the whole, compared with about 23 per cent of the April 1930 awards going for residential work.

Retail Trade, 35 Department Stores

	Richmond	Baltimore	Washington	Oth. Cities	District
April 1931 sales, compared with sales in April 1930:	-14.1	-11.7	-1.7	-9.9	-8.2
Tot. sales in 4 mths. of 1931, comp. with 1st 4 mths. of 1930:	-6.0	-4.6	+2.6	-9.6	-2.7
April 30, 1931 stocks, compared with stocks on April 30, 1930:	-15.8	-13.5	-11.0	-19.2	-13.7
April 30, 1931 stocks, compared with stocks on March 31, 1931:	+8.5	-2.0	+ .3	- .3	+ .1
Number of times stock was turned in April 1931:	.323	.337	.346	.262	.329
Number of times stock was turned since January 1, 1931:	1.221	1.24	1.285	.887	1.207
Percentage of April 1, 1931, receivables collected in April:	32.4	25.2	32.7	29.6	28.8

Retail trade in the Fifth reserve district in April, as reflected in sales by 35 department stores, was in smaller amount than trade in April 1930, partly due to the earlier date of Easter this year which caused a relatively large part of spring buying of clothing to be done in March. Sales in the 35 stores last month averaged 8.2 per cent less than sales in April 1930, but a majority of the reporting stores showed larger declines, the average being reduced by the relatively good record made by the reporting stores in Washington. Washington's record during earlier months this year also brought up the cumulative sales percentage for the first four months of the year, these sales averaging only 2.7 per cent less than sales in the corresponding period of the preceding year.

Stocks carried by the 35 reporting department stores increased an average of 1/10 of 1 per cent between the first of April and the first of May, but at the end of April average stocks were 13.7 per cent smaller in selling value than on April 30, 1930, the decline being

due partly to closer buying and partly to lower prices for most lines of merchandise this year. The stores turned their stock .329 times in April, and between January 1 and April 30 turned them 1.207 times, a better record than 1.047 times stock was turned in the first four months of 1930.

Collections in April were better than in April last year. In April 1931 the reporting stores collected 28.8 per cent of receivables outstanding on April 1, in comparison with 27.2 per cent of outstanding receivables collected in April 1930. Both Baltimore and Washington reported better collections last month, but the Other Cities reported a decline, chiefly because in 1930 the Richmond stores were included in this group.

Wholesale Trade, 65 Firms

Wholesale trade in April in the Fifth reserve district exceeded that of March in groceries, dry goods and hardware, but was less in shoes and drugs. In comparison with April 1930 sales, those of April 1931 showed material declines in all five lines for which statistics are available, the declines being due in part to lower prices this year. In total sales since January 1, all lines show smaller sales than in the first four months of last year.

	24	9	6	15	11
	Groceries	Dry Goods	Shoes	Hardware	Drugs
April 1931 sales, compared with sales in April 1930:	-15.9	-15.5	-10.1	-24.9	→ 8.4
April 1931 sales, compared with sales in March 1931:	+ .3	+12.9	-21.3	+12.3	- 3.7
Jan.-April 1931 sales, compared with sales in Jan.-April 1930:	-18.1	-28.3	-11.5	-29.5	- 5.4
April 30, 1931 stocks, compared with April 30, 1930 stocks:	-14.6(8*)	-28.2(4*)	-18.2(6*)	- 8.2(8*)	—
April 30, 1931 stocks, compared with March 31, 1931 stocks:	- 5.1(8*)	- 6.4(4*)	- 8.6(6*)	- 3.8(8*)	—
Percentage of April 1, 1931, receivables collected in April:	60.9(14*)	37.6(6*)	44.1(6*)	30.7(12*)	57.1(8*)

—Denotes decreased percentage. *Number of reporting firms.

Stocks carried by the reporting wholesale firms decreased seasonally in all lines during April, and at the end of the month were also lower than stocks a year earlier.

Collections in April in wholesale lines were better in all lines except drugs than in March this year, but three of the five lines reported slower collections in comparison with those of April 1930. Dry goods and shoe collections in April 1931 were better than collections in April 1930, but groceries, hardware and drugs reported lower percentages of receivables collected in April than in the same month last year.

(Compiled May 21, 1931)

BUILDING OPERATIONS FOR THE MONTHS OF APRIL 1931 AND 1930.

No.	CITIES	Permits Issued				New Construction		Alterations		Increase or Decrease of Total Valuation	No.
		New		Repairs		1931	1930	1931	1930		
		1931	1930	1931	1930						
1	Baltimore, Md.....	1,879	616	1,021	1,222	\$ 5,379,360	\$ 4,948,920	\$ 490,080	577,200	\$ 343,320	1
2	Cumberland, Md.....	15	6	1	12	8,330	12,050	250	6,010	— 9,480	2
3	Frederick, Md.....	5	12	6	13	227	6,554	580	5,988	— 11,735	3
4	Hagerstown, Md.....	19	25	1	5	16,420	26,228	200	3,780	— 13,388	4
5	Salisbury, Md.....	21	30	7	13	16,300	199,375	2,775	6,550	— 186,850	5
6	Danville, Va.....	5	9	8	6	600	27,440	7,405	2,768	— 22,203	6
7	Lynchburg, Va.....	14	26	26	23	46,860	190,640	9,418	10,195	— 144,557	7
8	Norfolk, Va.....	92	73	43	42	97,135	125,925	21,715	22,045	— 29,120	8
9	Petersburg, Va.....	3	4	7	3	1,700	21,800	3,025	800	— 17,875	9
10	Portsmouth, Va.....	16	23	33	24	16,900	71,235	16,565	8,900	— 46,670	10
11	Richmond, Va.....	60	73	72	71	282,700	228,627	25,182	57,326	— 21,929	11
12	Roanoke, Va.....	12	35	31	30	264,225	272,000	12,249	23,202	— 18,728	12
13	Bluefield, W. Va.....	7	14	10	4	13,040	32,455	4,035	3,690	— 19,070	13
14	Charleston, W. Va.....	26	59	9	19	166,250	205,900	8,125	20,300	— 51,825	14
15	Clarksburg, W. Va.....	13	28	12	10	6,015	18,655	7,350	13,325	— 18,615	15
16	Huntington, W. Va.....	11	14	4	20	6,900	17,891	10,300	15,000	— 15,691	16
17	Asheville, N. C.....	20	5	15	41	27,381	7,690	3,205	26,200	— 3,304	17
18	Charlotte, N. C.....	31	45	31	36	167,275	277,485	10,446	1,748	— 101,512	18
19	Durham, N. C.....	7	19	9	8	29,350	138,050	8,140	9,420	— 109,980	19
20	Greensboro, N. C.....	17	11	39	40	27,280	15,033	28,255	60,068	— 19,566	20
21	High Point, N. C.....	17	15	6	2	45,875	61,800	1,350	1,600	— 16,175	21
22	Raleigh, N. C.....	8	16	6	14	23,800	100,375	1,675	10,100	— 85,000	22
23	Rocky Mount, N. C.....	2	11	2	10	6,450	35,850	400	4,710	— 33,710	23
24	Salisbury, N. C.....	0	4	0	2	0	12,300	0	550	— 12,850	24
25	Wilmington, N. C.....	8	6	6	10	9,400	26,600	6,000	13,300	— 24,500	25
26	Winston-Salem, N. C.....	23	31	132	86	38,610	357,095	33,842	48,110	— 332,753	26
27	Charleston, S. C.....	9	6	29	42	10,200	22,375	7,640	23,405	— 27,940	27
28	Columbia, S. C.....	14	16	29	26	43,600	50,900	10,490	8,235	— 5,045	28
29	Greenville, S. C.....	8	11	21	57	35,975	70,200	6,435	30,665	— 58,455	29
30	Rock Hill, S. C.....	11	14	18	5	18,660	17,260	30,870	2,500	— 29,770	30
31	Spartanburg, S. C.....	8	17	26	17	14,975	40,475	7,210	18,218	— 36,508	31
32	Washington, D. C.....	201	196	418	314	1,890,950	4,475,200	315,730	303,520	— 2,572,040	32
	Totals.....	2,582	1,470	2,078	2,227	\$ 8,712,743	\$12,114,383	\$1,090,942	\$1,339,428	\$—3,650,126	

— Denotes decrease.

* These figures not included in totals.

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.

BUSINESS CONDITIONS IN THE UNITED STATES

(Compiled by the Federal Reserve Board)

Output of manufactures and employment at factories showed little change from March to April, and output of mines, which ordinarily decreases at this season, also remained unchanged. Wholesale prices continued to decline, and money rates eased further.

Production and Employment

Industrial production, as measured by the Board's seasonally adjusted index which covers both manufactures and mines, increased from 88 per cent of the 1923-1925 average in March, to 89 in April, compared with 82, the low point reached last December. Steel mill activity declined by considerably more than the usual seasonal amount, while in the automobile industry there was a larger than seasonal increase in output, according to preliminary reports. Consumption of cotton by domestic mills continued to increase, contrary to the usual seasonal movement, while there was a decrease in unfilled orders for cotton cloth, which was only partly seasonal in nature; consumption of wool, which ordinarily declines in April, increased considerably; at silk mills activity declined. There were large increases in the output of petroleum and anthracite coal, while production of bituminous coal declined by about the usual seasonal amount.

The number employed in factories at the middle of April was about the same as a month earlier. In car-building shops and in establishments producing machinery, employment decreased considerably, while in the automobile and cement industries there were seasonal increases, and in the fertilizer industry a larger than seasonal increase. Employment at textile mills declined by less than the seasonal amount, reflecting chiefly a slight increase in employment at cotton mills, and a small decrease in the clothing industry; at mills producing woolen and silk goods declines in employment were larger than usual. Factory payrolls declined somewhat in April.

Value of building contracts awarded, which fluctuates widely from month to month, declined considerably in April, according to the F. W. Dodge Corporation, and decreases were reported in all the leading classes of construction. In the first four months of the year total awards decreased 26 per cent from the corresponding period of 1930, reflecting declines of 10 per cent for residential building, 17 per cent for public works and utilities, 25 per cent for educational building, 43 per cent for factories, and 57 per cent for commercial buildings.

Distribution

Freight-car loadings showed about the usual seasonal increase in April. Department store sales increased 9 per cent from March, and the Board's index, which makes allowance for the usual seasonal variations including changes in the date of Easter, stood at 105 per cent of the 1923-1925 average, compared with 97 per cent in March.

Wholesale Prices

The general level of wholesale prices declined 1.6 per cent further in April, according to the Bureau of Labor Statistics. In the first half of May, prices of many leading commodities were reduced further, and for the six-week period as a whole there were large declines in the prices of cotton, silk, and textiles; live-stock and dairy products; cement, petroleum products, and nonferrous metals.

Bank Credit

Loans and investments of reporting member banks in leading cities declined by about \$150,000,000 between April 1 and the middle of May, reflecting substantial liquidation in loans on securities and in all other loans, largely commercial. This liquidation of loans was offset in part by further larger additions to the banks' investments, which on May 13 were over \$1,000,000,000 larger than at the beginning of the year.

Volume of reserve bank credit declined somewhat in the six weeks ending on May 16. Contrary to the usual seasonal tendency, there was some further increase in currency demand for the period, reflecting chiefly banking disturbances in the Middle West. Gold imports continued in considerable volume and supplied the member banks with sufficient funds to meet the additional demand for currency, and also to reduce somewhat the amount of reserve bank credit outstanding.

Money rates declined to new low levels during May. Rates on bankers' acceptances, which had declined from $1\frac{1}{2}$ per cent in the middle of April to $1\frac{1}{4}$ per cent by the end of the month, were reduced to $\frac{7}{8}$ per cent by the 19th of May. Rates on commercial paper declined from a range of $2\frac{1}{4}$ - $2\frac{1}{2}$ to a range of 2 - $2\frac{1}{4}$ per cent.

At the reserve banks buying rates on bankers' acceptances were reduced in April and the first half of May, and in May discount rates were also reduced, the rate at the Federal Reserve Bank of New York being lowered to $1\frac{1}{2}$ per cent.