

MONTHLY REVIEW

CREDIT, BUSINESS AND AGRICULTURAL CONDITIONS



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RICHMOND, VIRGINIA

JUNE 30, 1931

THERE was no marked change in business or industry in the Fifth Federal reserve district in May and the first half of June. Trade appears to be marking time; immediate needs are being filled as they arise, but few advanced orders are being placed or future commitments made. At the Federal Reserve Bank of Richmond, credit extended to member banks increased moderately between May 15 and June 15, and the Bank further increased its total earning assets by purchases of bankers' acceptances in the open market. Federal reserve notes in actual circulation declined seasonally last month, by about the usual amount. Loans by member banks in leading cities of the Fifth district declined slightly between the middle of May and the middle of June, and the banks also decreased their investments in stocks and bonds, but their deposits increased a little during the period. Outstanding loans on June 10, 1931, were 13 per cent less than a year ago, but aggregate deposits were slightly higher on the 1931 date. Debits to individual accounts figures in twenty-four trade centers of the Fifth district were lower in the aggregate during the four weeks ended June 10 than during the preceding like period, ended May 13, but on a daily basis the later period was a little higher than the earlier one. Debits in the four weeks ended June 10, 1931, were 9.7 per cent less than debits in the four weeks ended June 11, 1930, a not very unfavorable comparison in view of price changes during the year. No material change in the number of unemployed workers in the district occurred in May and early June. The most important occurrence during the period under review in labor circles was approval, by the workmen affected, of the Southern Railway's plan to put all shop employees on a five day week basis at the same hourly wage, this being done in preference to further reduction in the number of workers. Coal production in May continued relatively low, but on a daily basis slightly exceeded the rate of pro-

duction in April. The textile industry as a whole failed last month to measure up to the rate of operations in the preceding year, but Fifth district mills did better than the average for the nation and consumed more cotton than in May 1930. Spot cotton prices continued downward during the past month and early in June reached the lowest point since the early days of the World War, but turned upward slightly at the middle of the month. Tobacco manufacturing continued in larger volume than in May 1930, the increase being entirely in cigarette production, of which the Fifth district makes about 87.5 per cent of the national output. Permits for building issued in the leading cities of the district in May exceeded in total valuation the permits issued in May last year, but the increase was due to high figures in a few cities and in most localities construction is still far below normal for this season of the year. Retail trade in May, as reflected in department store sales, was approximately 9 per cent less in dollar value than trade in May last year, and sales in the first five months of this year averaged 4 per cent less than sales in the corresponding period last year. The district percentages for both May and the first five months of the year were better than the figures for the nation as a whole. After last year's severe drought and low prices for farm products, much depends upon the results of farming this year. It is too early in the season to form any opinion as to prospective production except for grain crops, all of which are turning out well on reduced acreage in most sections. However, conditions for agriculture have thus far been favorable, and hay crops, grasses, and trees have shown remarkable recovery from last summer's damage. Early season indications point to good results this year insofar as quantity is concerned, but there are as yet no signs of material improvement in prices for the chief money crops of the Fifth district.

Reserve Bank Statement

ITEMS	000 omitted		
	June 15 1931	May 15 1931	June 15 1930
Rediscounts held	\$ 18,273	\$ 13,576	\$ 19,476
Open market paper.....	4,314	100	6,448
Government securities.....	29,983	29,983	16,044
Total earning assets.....	52,995	43,659	41,968
Circulation of Fed Res. notes.....	73,083	76,028	67,288
Members' reserve deposits.....	59,022	60,438	64,138
Cash reserves.....	86,753	103,293	106,216
Reserve ratio.....	65.43	73.79	76.60

Credit extended to member banks by the Federal Reserve Bank of Richmond increased slightly between May 15 and June 15, this year, rediscounts held rising by \$4,697,000. The Bank further increased its earning assets by purchase of bankers' acceptances in the open market, this item in the statement rising by \$4,214,000 during the month. Total earning assets of the Richmond reserve bank rose \$9,336,000 between the middle of May and the middle of June. Federal reserve notes in actual circulation declined by \$2,945,000 during the past month, a seasonal decrease, and member bank reserve deposits decreased during the same period by \$1,416,000. The several changes in the statement previously mentioned, with others of less importance, lowered the cash reserves of the Federal Reserve Bank of Richmond by \$16,540,000 between May 15 and June 15, and also reduced the ratio of cash reserves to note and deposit liabilities combined by 8.36 points.

A comparison of condition figures on June 15, 1931, with those on June 15, 1930, shows larger figures for Government security holdings and Federal reserve notes in circulation this year, but all other items show declines. Total earning assets of the Federal Reserve Bank of Richmond rose by \$11,027,000 during the year, an increase of \$13,939,000 in the Bank's holdings of Government securities more than offsetting declines of \$1,203,000 in rediscounts for member banks and \$2,134,000 in the portfolio of open market paper. Federal reserve notes in actual circulation totaled \$5,795,000 more on June 15, 1931, than on June 15, 1930. Member bank reserve deposits declined by \$5,116,000 during the year under review. These several changes in the Bank's statement, with others, lowered the cash reserves of the Federal Reserve Bank of Richmond by \$19,463,000 between June 15 last year and June 15 this year, and the ratio of cash reserves to note and deposit liabilities combined decreased 11.17 points.

Member Bank Statement

Fifty-three member banks in thirteen leading cities of the Fifth Federal reserve district make weekly condition reports to the Federal Reserve Bank of Richmond, and the accompanying table shows the totals of the principal items for the latest available date, June 10, 1931, in comparison with

ITEMS	000 omitted		
	June 10 1931	May 13 1931	June 11 1930
Loans on stocks and bonds (including Governments)	\$160,629	\$160,163	\$201,929
All other loans.....	258,970	262,630	281,129
Total loans and discounts.....	419,599	422,793	483,058
Investments in stocks & bonds.....	205,935	214,373	162,156
Reserve bal. with F. R. Bank.....	39,525	40,892	40,010
Cash in vaults.....	15,302	15,238	13,942
Demand deposits.....	339,437	337,031	347,890
Time deposits	262,622	262,025	253,285
Borrowed from F. R. Bank.....	5,422	2,193	3,899

corresponding figures a month and a year earlier. It should be understood that the figures 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 May 13 and June 10, this year, total loans and discounts at the fifty-three reporting banks declined by \$3,194,000, a decrease of \$3,660,000 in all other loans more than offsetting a small increase of \$466,000 in loans on securities. The reporting banks also reduced their investments in bonds and stocks by \$8,438,000 during the past month, and lowered their reserve balances at the Federal Reserve Bank of Richmond by \$1,367,000, the last named change being of a temporary nature. On June 10, cash in vaults totaled approximately the same as on May 13, but aggregate deposits in the reporting institutions rose by \$3,003,000 during the month, demand deposits rising by \$2,406,000 and time deposits increasing by \$597,000. The banks increased their borrowing at the Federal reserve bank by \$3,229,000 between May 13 and June 10, this year.

A comparison of the condition figures for June 10, 1931, with those for June 11, 1930, shows a marked shift of funds from loans to investments. During the past year, loans on securities declined by \$41,300,000 and all other loans, which are chiefly agricultural or commercial, decreased by \$22,159,000, a total decline in loans and discounts amounting to \$63,459,000. During the same period, the reporting banks increased their investments in stocks and bonds by \$43,779,000, and on June 10 their investments in securities amounted to 49 per cent of their loans, an unusually high percentage. Aggregate reserve balance of the fifty-three banks at the reserve bank changed very little during the year, but on June 10, 1931, their cash in vault was higher than on June 11, 1930, by \$1,360,000. Total deposits in the reporting banks increased \$884,000 during the past year, in spite of the marked decline in loans and discounts, a rise of \$9,337,000 in time deposits exceeding a reduction of \$8,453,000 in demand deposits. The accumulation of time deposits at rates which are unprofitable under present credit conditions in this country is becoming a problem to bankers. On June 10 this year the fifty-three reporting banks were borrowing \$1,-

523,000 more from the reserve bank than they were borrowing on June 11, 1930, but only eight of these banks were borrowing on the 1931 date in comparison with thirteen on the corresponding date last year.

Savings and Time Deposits

Savings and time deposits continue to increase in the Fifth district. On May 31, 1931, aggregate deposits in twelve mutual savings banks in Baltimore totaled \$207,926,317, compared with \$207,110,308 on April 30, 1931, and \$195,057,396 on May 31, 1930. Time deposits in fifty-three regularly reporting member banks in the Fifth district totaled \$262,622,000 on June 10, in comparison with \$262,025,000 on May 13 this year and \$253,285,000 on June 11, 1930.

Debits to Individual Accounts

CITIES	000 omitted		
	Total debits, four weeks ended		
	June 10, 1931	May 13, 1931	June 11, 1930
Asheville, N. C.....	\$ 10,544	\$ 10,737	\$ 25,699
Baltimore, Md.....	341,884	352,321	380,026
Charleston, S. C.....	15,186	15,695	25,750
Charleston, W. Va.....	33,125	38,036	39,472
Charlotte, N. C.....	40,622	41,177	45,799
Columbia, S. C.....	23,025	18,158	25,859
Cumberland, Md.....	7,121	7,216	8,282
Danville, Va.....	5,347	5,394	5,944
Durham, N. C.....	20,289	19,868	21,521
Greensboro, N. C.....	16,864	17,314	20,674
Greenville, S. C.....	13,350	15,243	15,494
Hagerstown, Md.....	7,324	8,289	8,633
Huntington, W. Va.....	16,013	15,679	19,421
Lynchburg, Va.....	14,976	15,310	16,619
Newport News, Va.....	9,499	10,350	11,045
Norfolk, Va.....	45,172	46,008	53,238
Portsmouth, Va.....	4,541	4,151	4,477
Raleigh, N. C.....	16,888	15,947	19,673
Richmond, Va.....	111,608	111,377	113,790
Roanoke, Va.....	23,506	24,476	27,240
Spartanburg, S. C.....	8,574	9,000	11,466
Washington, D. C.....	219,138	221,076	216,177
Wilmington, N. C.....	11,072	11,558	11,893
Winston-Salem, N. C.....	28,690	27,678	28,396
District Totals.....	\$1,044,358	\$1,062,058	\$1,156,588

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 June 10, 1931, May 13, 1931, and June 11, 1930, thus affording an opportunity for comparison of the latest available figures with those for the preceding like period this year and the corresponding period a year ago. In comparing 1931 with 1930 figures, it should be remembered that generally lower price levels this year affect the comparison.

For the four weeks ended June 10 this year, seven cities reported higher figures than for the preceding four weeks, ended May 13, but only three cities reported higher figures than for the corresponding four weeks of 1930. The cities which

showed higher figures than for the preceding month were Portsmouth and Richmond, Virginia; Huntington, West Virginia; Durham, Raleigh and Winston-Salem, North Carolina; and Columbia, South Carolina. Cities reporting higher figures than for the corresponding period last year were Portsmouth, Virginia, Washington, D. C., and Winston-Salem, North Carolina. The district debits for the four weeks ended June 10, 1931, averaged 1.7 per cent less than debits for the four weeks ended May 13, 1931, and 9.7 per cent less than debits for the like period ended June 11, 1930. The daily average of debits during the four weeks ended June 10, 1931, was larger than the daily average for the four preceding weeks this year, the later period containing fewer business days on account of holidays.

Commercial Failures

Business failures in the Fifth reserve district numbered 149 in May, compared with 124 in May 1930, an increase of 20.2 per cent, but last month's aggregate liabilities involved were only \$2,296,923 compared with \$3,067,805 in May last year, a decrease of 25.1 per cent. The number of failures in May 1931 was the lowest reported for any month this year, but exceeded the number of failures in May of any other year since 1922. May 1931 liabilities were the lowest since last November, and were exceeded by May figures in eight of the past twelve years, 1919, 1920, 1926 and 1929 being the only years in which lower liabilities were reported in May than were reported for May 1931. The United States reported 2,248 failures in May, compared with 2,179 in May last year, an increase of 3.2 per cent this year, but liabilities last month totaling \$53,371,212 showed a decline of 3.9 per cent in comparison with \$55,541,462 in liabilities for May 1930. Eight of the twelve reserve districts reported more failures for the 1931 month, but only five districts reported increased liabilities.

Employment

The month of May and early June witnessed little if any change in employment conditions in the Fifth reserve district, and relief agencies continued to receive an unusually large number of calls for assistance from people who cannot find sufficient work to maintain themselves and their families. Coal production is below that of 1930, building has not shown much seasonal increase this spring, and practically all of the industries of the Fifth district except tobacco factories are operating less time than at this date in 1930. Some of the railroads serving the Fifth district have put their shop forces on a five-day week basis, without any reduction in the hourly wage, and the Southern railway is making plans to adopt the same working period in the near future. This arrangement will reduce the income of all shopmen, but will retain all employees. Except where hours of labor have been shortened, wages thus far have held up fairly well,

but there is a gradual downward trend in evidence, especially among small industrial plants which lack financial strength to meet the unfavorable conditions of the depression.

Coal Production

The total production of bituminous coal in the United States in May 1931 amounted to 28,314,000 net tons, compared with 28,478,000 tons mined during April and 35,954,000 tons in May last year. Daily average production in May this year of 1,115,000 tons slightly exceeded the average of 1,104,000 tons in April 1931 but compared unfavorably with a daily average of 1,362,000 tons mined in May 1930. Total production of soft coal during the present calendar year to June 6 (approximately 133 working days) amounted to 167,207,000 tons, the lowest figure for the corresponding period of recent years. A survey of the bituminous coal market issued in May by the Bureau of Mines stated that production was unusually low this year on account of the general depression in industry, but in addition mild weather in heavy consuming sections of the North and West had kept down consumption figures and perhaps of equal significance seems to have been an inclination of consumers to liquidate their stocks of coal to a minimum before contracting for additional tonnage.

The May 23 report of the Bureau of Mines, Department of Commerce, gave coal production figures for the month of April. West Virginia continued in second place with 7,447,000 net tons. The states of West Virginia, Virginia and Maryland mined a total of 8,388,000 tons in April, slightly more than 29 per cent of the National production. Average daily production in the United States in April was the lowest for any month free from labor disturbances since April 1921.

Summer prices are in effect in retail yards in the Fifth district, in most cases at about the same levels as in the summer of 1929 and 1930. The wholesale price of coal is lower this year than a year ago, but there has been no reduction in freight rates or in handling charges at local yards.

Textiles

Opinions vary as to whether or not textile mills made any progress in May and early June, but on the whole the mills of the Fifth district appear to have done better than those in other sections. Cotton consumption in the Fifth district in May totaled 208,822 bales, of which North Carolina mills used 109,793 bales, South Carolina mills 88,784 bales, and Virginia mills 10,245 bales. These figures are all lower than the figures for April 1931 consumption, but the North Carolina and South Carolina figures, and the total for the district, are higher than the corresponding figures for May 1930. Consumption of cotton in the district totaled 220,895 bales in April 1931 and 199,858 bales in May 1930. May 1931 consumption in Virginia and the Carolinas was 44.8 per cent of National consumption, a higher

figure than either 43.4 per cent of National consumption in April 1931 or 42.2 per cent in May 1930.

Cotton Statistics

Between the middle of May and the middle of June, spot cotton prices on ten leading Southern markets declined further. In our *Review* last month we quoted the average price for middling upland cotton, $\frac{7}{8}$ inch staple, as 8.80 cents per pound on May 15. On May 22 the average price was 8.54 cents, and on May 29 it was 8.09 cents. On June 5 the average price had dropped below the 8 cents line to 7.96 cents, and continued downward to 7.62 cents on June 9, but recovered somewhat and moved back up to 8.07 cents on June 12, the latest date for which figures are available. The June 12 price compared with 13.28 cents per pound on June 13, 1930, a difference of \$26 per bale in favor of the earlier year.

Consumption of cotton in the United States in May 1931 totaled 465,770 bales, compared with 508,744 bales used in April this year and 473,284 bales in May 1930. Total consumption for the ten months of the present cotton season—August 1 to May 31—amounted to 4,365,042 bales, compared with 5,321,582 bales consumed in the corresponding period of the 1929-1930 season. Manufacturing establishments held 1,258,222 bales on May 31, compared with 1,370,044 bales held on April 30 and 1,527,853 bales on May 31, 1930. Public warehouses and compresses held 5,494,025 bales in storage at the end of May this year, compared with 6,034,295 bales so held a month earlier and 3,379,414 bales on May 31 last year. May exports totaled 335,796 bales, compared with 208,695 bales sent abroad in May 1930. Exports during the ten months of this cotton year totaled 6,241,450 bales, compared with 6,329,221 bales shipped over seas during the corresponding ten months ended May 31, 1930. Spindles active at some time during May numbered 26,397,906, compared with 26,645,404 in April this year and 28,357,908 in May 1930.

Cotton consumption in the cotton growing states totaled 362,136 bales in May, compared with 390,418 bales used in April and 370,087 bales in May 1930. Last month's consumption in the cotton growing states amounted to 77.75 per cent of National consumption, a higher figure than 76.74 per cent in April this year but below the average of 78.20 per cent in May 1930. Of the 362,136 bales of cotton consumed in the cotton growing states in May, the Fifth district mills used 208,822 bales, or 57.66 per cent, compared with only 54 per cent of Southern consumption attained in the district in May last year.

In the cotton growing section of the Fifth reserve district, comprising the Carolinas and a group of counties in Virginia along the southern border of the state, cotton is up in most localities to fair to good stands, but the plants are small, due to unseasonably cool weather and some deficiency in

moisture. The cotton was planted with less commercial fertilizer this year, and in South Carolina the boll weevil is present in large numbers. Agricultural agents report that little poisoning of the fields has been done, and they are urging the cotton growers to check the weevils now to prevent very serious damage as soon as squares begin forming on the plants. No acreage figures on cotton are available at present, but there appears to have been only a moderate reduction this year. Probably reduced use of fertilizer and the weevil will affect the year's production more than the change in acreage, but it is too early in the season to form any opinion on probable production in 1931.

Tobacco Manufacturing

No figures are available on tobacco manufacturing by states for the month of May, but in the United States cigarettes manufactured last month numbered 10,447,680,180, an increase of 1.4 per cent over 10,300,767,513 cigarettes produced in May 1930. The Fifth district manufactured about 87.5 per cent of all cigarettes made in the United States, and therefore the district made approximately 9,000,000,000 cigarettes in May this year. The number of cigars and the pounds of smoking and chewing tobacco manufactured in the United States in May 1931 declined moderately from the figures of May 1930, in line with the trend in evidence for the period since the World War.

Agricultural Notes

Maryland crops improved materially during May, and the outlook early in June was very encouraging. Production of wheat is estimated at 7,140,000 bushels, compared with 11,707,000 bushels harvested in 1930, but this year's acreage is only 420,000 acres against 509,000 acres last year. No forecast has been made of oat production this year, but the condition of the crop was 90 per cent of normal on June 1, compared with 77 per cent a year ago. Hay and pasture conditions are not up to average for the past ten years, but considering the effects of last summer's drought the hay crops and grasses have made remarkable recovery, due to frequent spring rains. A good bloom was reported for all varieties of fruit and considerably better than average yields are now indicated. Peach prospects are especially good. Early potatoes came up to a good stand and are doing well, on a smaller acreage than last year. Corn, although somewhat damaged by cut worms, is growing rapidly, and the crop in general is good.

Virginia crop prospects have seldom been as uniformly promising as they are at the present time, according to the State Agricultural Statistician. The season has been quite favorable since the early April rains, and reports from nearly every county record well above average conditions of growing crops. Planting of all crops, with the exception of tobacco, cotton and peanuts, the planting of which

has been somewhat delayed by rains in a few localities, is well advanced. Corn planting is about completed, and where the crop is up the stand is good, although growth was somewhat retarded by cool nights in May. Winter grains and pastures made very rapid recovery from the effects of dry weather last summer and fall. There was practically no frost damage during the spring. Wheat continued to improve in May and indications are for a fair crop over the entire state. The stand is rather thin, due to dry weather at planting time, but the heads are well developed and a yield only a little below normal is indicated. Oat prospects averaging 90 per cent compare with only 64 per cent at this time last year. Hay crops made splendid progress during May, but because of the severe damage done last year's seedings by the drought the crop this year will probably be well below average in both volume and quality. Pastures recovered better than hay fields, and excellent grazing is now available all over the state. Indications point to a record fruit crop in Virginia this season. The bloom developed later than usual, and for the first time in many years there was no frost damage of consequence. Orchards in general have been well sprayed and cared for, which will materially reduce damage from insects and disease. Peach trees are so heavily loaded that it will be necessary to hand thin the trees.

West Virginia crops were benefited by favorable weather in May, although in some sections rains delayed corn planting. Fruit prospects are exceptionally good and indications are for a yield well above the five-year average. The June 1 condition of wheat was better than a year ago, but this year's acreage is smaller and the yield of 1,822,000 bushels is less than 2,345,000 bushels harvested in 1930. The condition of the oat crop on June 1 was 88 per cent, compared with 64 per cent a year ago. Hay crops are much better than at this time last year, and pastures are practically up to the ten-year average.

North Carolina crops improved in May, and on June 1 indications were for good yields of all grains. Hay crops were in better condition than at this time last year, and pastures were fully up to the average for the past ten years. Hay and grass roots were not damaged in the Carolinas last summer as much as they were in the upper section of the Fifth reserve district.

South Carolina on the whole has had less favorable weather in recent weeks than other states in the Fifth reserve district. May was too cool for plant growth and there was too much rain in the upper section of the state. Since June 1, sections of the state have begun to need additional moisture. On the whole, however, crop prospects in the first half of June were good. Grain yields are turning out well, the wheat crop of 770,000 bushels comparing with 538,000 bushels in 1930, and a yield of oats of approximately 12,000,000 bushels being a million bushels above the state's largest crop

previous to this year. The State Statistician reports that there was a decrease of about 20 per cent in fertilizer used under 1931 crops, which may affect yields materially next fall.

Construction

Building permits issued in thirty-two leading Fifth district cities in May 1931 were fewer in number than those issued in May 1930, but last month's estimated valuation figures totaled 12 per cent above the figures for May last year. Ten of the thirty-two cities reported higher figures last month than for the corresponding month last year, the largest number of cities to report increased figures in many months. Most of the 12 per cent increase was in Washington, Salisbury, N. C., and Winston-Salem, Washington reporting a larger gain than the total increase for the district. In spite of the higher figures reported by ten cities, the volume of building provided for in May was relatively small except in Washington, Roanoke, Salisbury, N. C., and Winston-Salem. Among the other larger cities, Norfolk reported a fair amount for permits issued last month, but Baltimore, Richmond, Charlotte and Charleston, W. Va., reported low figures in proportion to population.

Contracts actually awarded for construction work in the Fifth district in May 1931 totaled \$20,971,802, according to figures collected by the F. W. Dodge Corporation. This figure shows a decrease of 30 per cent below awards totaling \$29,942,510 in May 1930. Contracts for residential types of construction last month totaled \$6,681,837, or approximately 32 per cent of the whole, compared with about 22 per cent in May 1930, when residential contracts totaled only \$6,579,780.

Retail Trade, 35 Department Stores

	Richmond	Baltimore	Washington	Other Cities	District
May 1931 sales, compared with sales in May 1930:	-7.5	-10.1	-5.4	-20.4	-9.2
Total sales in 5 mos. of 1931, compared with 1st 5 mos. of 1930:	-6.4	-5.9	.8	-12.2	-4.2
May 31, 1931, stocks, compared with stocks on May 31, 1930:	-20.0	-10.1	-8.2	-17.5	-11.6
May 31, 1931, stocks, compared with stocks on April 30, 1931:	-3.6	-.8	-1.3	-1.2	-1.3
Number of times stock was turned in May 1931:	.351	.33	.343	.246	.326
Number of times stock was turned since January 1, 1931:	1.582	1.574	1.633	1.136	1.537
Percentage of May 1, 1931, receivables collected in May:	32.1	24.7	32.3	28.2	28.2

Department store sales in the Fifth reserve district in May were 9.2 per cent less in dollar amount than in May 1930, but on an actual daily basis the decline was only 5.6 per cent, most of which was doubtless due to price recessions during the year.

Aggregate sales in the first five months of 1931 were 4.2 per cent less than total sales in the corresponding period last year.

Stocks on the shelves of the reporting stores on May 31, 1931, totaled 11.6 per cent less, at retail selling values, than stocks on May 31, 1930, and also showed a decline of 1.3 per cent since April 30 this year. Stocks were turned an average of .326 times during the month of May, and since January 1 stocks have been turned an average of 1.537 times, a considerably higher figure than 1.358 times stocks were turned during the first five months of 1930.

Collections in the 35 reporting stores averaged 28.2 per cent of receivables outstanding on May 1, exactly the same percentage of outstanding receivables collected in May last year.

Wholesale Trade, 65 Firms

	24 Groceries	9 Dry Goods	6 Shoes	15 Hardware	11 Drugs
May 1931 sales, compared with sales in May 1930:	-18.0	-22.9	1.9	-23.4	-10.3
May 1931 sales, compared with sales in April 1931:	-1.5	-10.9	-3.0	-.6	-6.6
Jan.-May 1931 sales, compared with sales in Jan.-May, 1930:	-18.1	-27.3	-9.1	-28.2	-6.3
May 31, 1931, stocks, compared with May 31, 1930, stocks:	-9.8(8*)	-29.3(4*)	-20.9(5*)	-6.1(8*)
May 31, 1931, stocks, compared with April 30, 1931, stocks:	.1(8*)	-6.1(4*)	-.9(5*)	-4.9(8*)
Percentage of May 1, 1931, receivables collected in May:	58.5	34.2	43.2	32.2	54.4

—Denotes decreased percentage. *Number of reporting firms.

Wholesale trade in the Fifth reserve district in May 1931, as reflected in reports from sixty-five firms representing five lines, was in less volume than in the preceding month, April, and was also below the level of May 1930 except in shoes, which showed a small increase in sales in the 1931 month. In total sales since January 1, all lines show smaller sales than in the first five months of last year.

Stocks of groceries increased slightly during May, but at the end of that month all lines showed smaller stocks than those on hand on May 31, 1930.

Wholesale collections slowed up distinctly during May. The percentages of outstanding receivables collected in all lines except hardware were lower than the percentages for April this year, and were also lower in all lines except shoes than in May 1930.

(Compiled June 20, 1931)

BUILDING OPERATIONS FOR THE MONTHS OF MAY 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.....	473	532	934	1,444	\$ 2,726,760	\$ 2,928,080	\$ 560,400	653,120	\$- 294,040	1
2	Cumberland, Md.....	8	18	5	10	5,555	36,580	1,275	18,690	- 48,440	2
3	Frederick, Md.....	7	7	10	7	21,550	13,668	9,600	2,567	14,915	3
4	Hagerstown, Md.....	14	16	6	5	54,065	26,515	1,250	7,398	21,402	4
5	Salisbury, Md.....	25	16	9	12	30,925	18,630	4,175	9,250	7,220	5
6	Danville, Va.....	6	10	7	9	370	17,600	3,430	3,280	- 17,080	6
7	Lynchburg, Va.....	18	7	20	22	36,181	65,225	11,478	5,480	- 23,046	7
8	Norfolk, Va.....	105	67	50	34	133,975	146,696	26,075	10,179	3,175	8
9	Petersburg, Va.....	2	8	8	5	14,000	42,100	5,930	7,740	- 29,910	9
10	Portsmouth, Va.....	12	14	27	31	10,945	12,515	14,060	18,430	- 5,940	10
11	Richmond, Va.....	60	74	64	64	129,643	193,148	38,437	144,150	- 169,218	11
12	Roanoke, Va.....	22	32	16	27	276,098	176,684	6,350	48,439	57,325	12
13	Bluefield, W. Va.....	4	9	5	7	5,705	6,150	2,475	4,855	- 2,825	13
14	Charleston, W. Va.....	23	52	8	16	30,165	133,245	3,800	17,450	- 116,730	14
15	Clarksburg, W. Va.....	8	22	12	18	24,225	34,480	6,265	6,550	- 10,540	15
16	Huntington, W. Va.....	18	13	6	5	18,840	45,405	4,750	1,000	- 22,815	16
17	Asheville, N. C.....	6	8	14	35	1,195	24,430	36,817	14,525	- 943	17
18	Charlotte, N. C.....	20	45	29	58	58,570	355,861	131,106	45,955	- 212,140	18
19	Durham, N. C.....	9	13	13	18	60,270	42,050	6,575	8,842	15,953	19
20	Greensboro, N. C.....	14	9	47	42	43,278	19,816	56,739	43,074	37,127	20
21	High Point, N. C.....	13	13	3	3	18,530	45,115	1,775	8,340	- 33,150	21
22	Raleigh, N. C.....	12	11	7	5	3,205	15,145	11,702	13,300	- 13,538	22
23	Rocky Mount, N.C.....	5	22	1	8	12,600	31,838	900	13,450	- 31,788	23
24	Salisbury, N. C.....	4	5	5	1	167,500	16,700	13,000	300	163,500	24
25	Wilmington, N. C.....	5	8	12	7	1,800	22,800	15,300	4,200	- 9,900	25
26	Winston-Salem, N. C.....	31	28	178	64	189,105	103,535	38,895	20,807	103,658	26
27	Charleston, S. C.....	8	13	24	26	21,250	65,350	7,365	13,818	- 50,553	27
28	Columbia, S. C.....	10	17	29	35	38,600	70,200	20,085	26,775	- 38,290	28
29	Greenville, S. C.....	10	6	11	20	54,825	38,450	6,760	65,525	- 42,390	29
30	Rock Hill, S. C.....	4	4	7	9	11,220	11,750	2,960	5,565	- 3,135	30
31	Spartanburg, S. C.....	3	11	23	23	885	59,200	7,345	4,870	- 55,840	31
32	Washington, D. C.....	185	107	698	426	4,538,150	2,519,825	395,429	512,587	1,901,167	32
	Totals.....	1,144	1,217	2,288	2,496	\$ 8,739,985	\$ 7,338,786	\$1,452,503	\$1,760,511	\$ 1,093,191	

— 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.

BUSINESS CONDITIONS IN THE UNITED STATES

(Compiled by the Federal Reserve Board)

Volume of industrial production showed little change between April and May, following upon increases for four consecutive months, while factory employment declined by the usual seasonal amount. The general level of wholesale prices continued to decline.

Production and Employment

Volume of industrial production, as measured by the Board's seasonally adjusted index, was about the same in May as in April, 9 per cent larger than in December, and 14 per cent smaller than in May 1930. Steel output continued to decline more rapidly than is usual at this season, and consumption of cotton by domestic mills was also curtailed, while wool consumption continued to increase, contrary to the usual seasonal tendency, and shoe production, which ordinarily declines in May, showed little change; daily average output of automobiles, according to preliminary reports, was about the same as in April. During the first three weeks of June activity at steel mills declined further.

In the first five months of the year taken as a whole, output of textile mills and shoe factories has been in about the same volume as in the corresponding period of last year, while output of steel, automobiles, and lumber has been about one-third smaller.

Changes in employment from the middle of April to the middle of May were of the usual seasonal character in many manufacturing industries. In the iron and steel industry, however, at car building shops, and at establishments producing machinery, employment declined considerably, while it increased in the automobile and tire industries. At textile mills employment increased somewhat, contrary to seasonal tendency, while in the clothing industry the number employed decreased.

Value of building contracts awarded in May was somewhat smaller than in April, reflecting chiefly a decline in awards for public works and utilities. In the first half of June, daily average value of contracts awarded increased somewhat, reflecting larger awards for public works and utilities, offset in part by decreases in awards for other types of construction.

Distribution

Sales by department stores decreased in May, contrary to the usual seasonal tendency, and the Board's index declined to the level prevailing before the sharp

increase in April. Total freight-car loadings increased somewhat less than usual.

Wholesale Prices

The general level of wholesale prices declined 2.7 per cent further in May, according to the Bureau of Labor Statistics, reflecting large decreases in prices of agricultural products, textiles, nonferrous metals, and building materials. In the first half of June prices of livestock, which had declined rapidly in April and May, advanced, while prices of petroleum continued to decline.

Bank Credit

Loans and investments of reporting member banks in leading cities declined further by about \$285,000,000 in the four weeks ending June 17, reflecting reductions in loans on securities. "All other" loans, largely commercial, have shown little change since the early part of May. The banks' investments, which reached a new high level late in April, were reduced somewhat during May and have fluctuated within a range from \$7,800,000,000 to \$7,850,000,000 since that time.

During the four weeks ending June 17 there were imports of gold from Argentina and Canada, and in addition a large amount of gold previously earmarked for foreign account was released in the United States. The total increase in the stock of monetary gold was \$120,000,000 for the period, of which \$90,000,000 was added during the last week. Payments of currency into circulation, accompanying bank suspensions in the Chicago district, absorbed a large part of the funds arising out of the additions to the gold stock, with the consequence that there was little change in the volume of reserve bank credit.

Money Rates

Money rates in the open market continued at a low level during May and the first three weeks of June. There was a further decline in prevailing rates on commercial paper from a range of 2-2¼ to a level of 2 per cent, while rates on bankers' acceptances were unchanged at 7/8 of 1 per cent.

Rates paid on deposits by banks were further reduced and clearing house banks in a number of financial centers established a rate of ½ of 1 per cent on bankers' balances.