

F E D E R A L R E S E R V E B O A R D

STATEMENT FOR THE PRESS

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The following is a summary of general business and financial conditions throughout the several Federal Reserve Districts, based upon statistics for the months of March and April, as contained in the forthcoming issue of the Federal Reserve Bulletin.

Industrial activity increased further in March and was larger than a year ago, while the general level of prices continued to decline. Distribution of commodities at wholesale and retail was somewhat smaller than a year ago.

Production-- Industrial production, after increasing continuously for three months, was larger in March, when allowance is made for usual seasonal changes, than in any month since last September. Output of bituminous coal, crude petroleum, and steel ingots, and mill consumption of raw cotton in March were larger than in any previous month. Since April 1, however, steel-mill operations have been somewhat curtailed, and bituminous coal output has been reduced by about 40 per cent since the beginning of the miners' strike on April 1. The consumption of silk and wool, sugar meltings, flour production, and the output of rubber tires increased in March. Production of automobiles has shown seasonal increases since the first of the year but has been in smaller volume than a year ago. The value of building contracts awarded in March was larger than at any previous time, and the production of building materials has increased considerably in recent weeks. The largest increases in contracts, as compared with last year, were in the middle western states, while the largest decreases occurred in the southeastern states. In the first half of April

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contracts awarded were in slightly smaller volume than in the same period of last year.

Trade. - Sales of department stores increased less than usual in March and were slightly smaller than last year owing in part to the lateness of Easter. Sales of mail order houses and chain stores, however, were somewhat larger than a year ago. Inventories of department stores increased slightly more than is usual in March in anticipation of the expansion in retail trade before the Easter holidays, and at the end of the month they were in about the same volume as a year ago. Wholesale trade in March continued slightly smaller than in the corresponding period a year ago. Stocks of merchandise carried by wholesale firms were seasonally larger at the end of March than in February, but in most lines continued smaller than last year.

Freight-car loadings which showed seasonal increases in March, declined in the first ten days of April, owing to the smaller shipments of coal, but continued larger than in the corresponding period of previous years. Loadings of miscellaneous freight and of merchandise in less-than-car-load lots were in large volume.

Prices. - The general level of wholesale commodity prices declined further in March, reflecting decreases in most of the important groups of commodities. Prices of nonagricultural commodities as a group declined to the lowest level since the war, while the average for agricultural products, which advanced somewhat from November to February, remained practically unchanged in March. During the first half of April prices of winter wheat, sugar, cotton, silk, bituminous coal, and hides advanced; while those of hogs, crude petroleum, gasoline, and nonferrous metals declined.

Bank credit. - There was some decline in the volume of loans for commercial purposes and in loans on securities at member banks in leading cities between the middle of March and the middle of April. Member bank holdings of United States securities, which had increased considerably in the middle of March in connection with the operations of the Treasury, have declined by more than \$100,000,000 since that time, but are still about \$200,000,000 larger than in the early months of the year.

At the reserve banks total bills and securities, which have fluctuated near the \$1,000,000,000 level since the end of January, showed little change during the six weeks ending April 20. Discounts for member banks were in about the same volume on that date as on March 9, while acceptances showed a decrease and holdings of United States securities a slight increase.

During the first three weeks of April quoted rates on prime commercial paper and on acceptances were the same as in the latter part of March, while call money averaged somewhat higher.