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## 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 April and May, as contained in the forthcoming issue of the Federal Reserve Bulletin.

Volume of industrial production continued large during April, reflecting chiefly increased output in metal industries, while activity in industries producing food and clothing decreased. Wholesale and retail trade also declined. The general level of wholesale commodity prices increased in April reflecting advances in farm products. There were large exports of gold in April and May, member bank loans and their borrowings at the reserve banks continued to increase, and money rates showed further advances.

Production--Production of manufactures remained in about the same volume in April as in March, while output of minerals declined slightly, owing chiefly to a decrease in production of bituminous coal. Daily average output of iron and steel, copper, and zinc, increased in April, but since the first of May there has been some curtailment in steel-mill activity. Automobile production was maintained in large volume during April and according to preliminary reports also during the first half of May. Textile mill activity, output of boots and shoes, and meat production showed substantial declines during April. Volume of factory employment declined

slightly, reflecting chiefly decreases in the food, leather, and textile industries. Building contracts awarded in April exceeded those for any previous month, and awards during the first three weeks of May continued in unusually large volume.

Trade--Sales by department stores and by wholesale firms in most lines of trade declined in April and were in smaller volume than a year ago. Average daily sales of department stores, after allowance is made for the earlier date of Easter and the usual seasonal changes, were smaller in April than in March and were also smaller than in April a year ago. This decrease was due largely to unfavorable weather conditions. Stocks of department stores, after adjustment for seasonal changes, were in about the same volume as in March and slightly smaller than a year ago.

Freight car loadings showed an increase between the beginning of April and the middle of May, but continued smaller than a year ago for most classes of commodities.

Prices--The general level of wholesale commodity prices, as indicated by the index of the Bureau of Labor Statistics, increased from 96 per cent of the 1926 average in March to 97.4 per cent in April. This increase reflected sharp advances in the prices of grains, cotton, livestock, and hide and leather products. Rubber prices continued to decline, and most of the other groups of commodities showed little change. During the first three weeks of May there were decreases in the prices of grains, flour, sheep, and hogs, and increases in copper, zinc, and rubber.

Bank credit--At member banks, loans largely for commercial and industrial purposes, following a rapid increase during February and March,

have shown little change since the early part of April. Loans on securities continued to increase and total loans and investments of reporting member banks in the middle of May were larger than at any previous time.

The outward movement of gold continued in May, the decline in monetary gold stock during the four weeks ending May 23 being nearly \$90,000,000. This loss of gold, together with further sales of United States securities by the reserve banks, was reflected in an increase of nearly \$140,000,000. in member bank borrowing at the reserve banks.

There were further advances in open-market money rates during May, and discount rates at the Federal Reserve Banks of New York, Philadelphia, Cleveland, Atlanta, and Dallas were raised from 4 to 4 1/2 per cent.