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MANUFACTURING AND TRADE:
INVENTORIES AND SALES - APRIL 1969

Business inventories rose almost \$800 million in April, the Commerce Department's Office of Business Economics announced today. Increases of more than \$1.0 billion had been reported for each of the two preceding months.

Most of the April addition -- \$700 million -- was accumulated by manufacturers. Retailers added over \$100 million to their holdings, while wholesalers cut their stocks by \$40 million.

Total sales also continued upward. At a record \$102.1 billion, April sales were about one-half of 1 percent above March and 8 percent above April 1968.

With sales rising about in line with inventories, the stock-sales ratio in April held at the March rate of 1.54 months. In April 1968, stocks were equal to 1.55 months of sales.

All figures in the text of this report are adjusted for seasonal variations.

Trade inventories

Durable goods retailers expanded their stocks by \$25 million in April, with small increases by automotive and lumber-building-hardware dealers barely offsetting declines at furniture-appliance and other durable goods establishments. Stocks were equal to 2.05 months of sales -- down from 2.08 in March but well ahead of last year's ratio of 2.02.

[More]

Inventories of nondurable goods retailers rose \$90 million. Only the general merchandise group reported an increase; stocks held by other major lines of trade were unchanged or down slightly. Stocks were equal to 1.19 months of sales, as compared with 1.20 in March and 1.18 last April.

Among wholesalers of durables and of nondurables, holdings edged down fractionally from their record March levels.

Manufacturers' stocks

Durable goods producers added \$425 million to inventories -- well below the \$700 million March increment but about the same as the average gain for the first 2 months of this year. All major industries except motor vehicles and parts reported larger stocks. Increases of \$300 million in finished goods and \$225 million in work-in-process were partially offset by a \$100 million drop in holdings of materials and supplies.

Additions of \$100 million each to the inventories of food and chemical producers were chiefly responsible for the \$275 million growth in nondurable goods stocks. The month before, the increase was \$65 million. Two-thirds of the April rise consisted of materials and supplies.

Sales movements

Most of the April advance in combined business sales was attributable to retailers, whose sales rose 1-1/2 percent from March to a record \$29.4 billion. Manufacturers' sales edged up fractionally to \$53.3 billion, almost returning to their February peak. Merchant wholesalers' volume slipped somewhat in April from the March high of \$19.5 billion, with declines in nondurables outweighing increases in durables.

Since April 1968, total business sales have gone up 8 percent, with relatively larger increases for manufacturers (9 percent) and wholesalers (8 percent) than for retailers (6 percent). Higher selling prices accounted for an appreciable part of these sales gains. Over the past 12 months, wholesale prices have risen about 3 percent and consumer commodity prices, 4-1/2 percent.

Retail sales

Sales at durable goods stores went up 2 percent from March to April, almost offsetting the preceding month's decline. The bulk of the increase -- 85 percent -- was reported by retailers of farm equipment and miscellaneous durables. Auto dealers' sales edged upward from March to April; sales of furniture-appliance and lumber-building-hardware dealers slipped slightly.

Sales of nondurable goods rose 1-1/2 percent in April, more than making up for their decline in March. General merchandise and apparel stores contributed most of the April gain; other nondurables establishments showed sales unchanged or down slightly.

According to advance reports by the Bureau of the Census, retail sales in May were virtually unchanged from April, with durables up 1 percent and nondurables remaining at the April rate.

Manufacturers' sales and orders

Sales by producers of durable goods crept up slightly in April, due mainly to greater volume by the fabricated metals and transportation equipment industries. Only small changes were reported by other major hard goods lines.

Nondurable goods factory sales in April remained at the high March level, with small declines in food, beverage, and textiles balancing upward movements for all other industries.

Manufacturers' new orders rose \$1-1/4 billion or 2-1/2 percent from March to April, reaching an all-time high of \$54.5 billion. The entire dollar increase was reported by durable goods manufacturers, whose orders climbed 4-1/2 percent; new orders for nondurable goods were unchanged from March.

Spurred by the possibility of legislation which would abolish the investment tax credit, the volume of new orders for most types of major durable goods rose sharply. More than one-half of the gain was reported by machinery and equipment producers, including a very substantial increase in orders for railroad equipment. Most of the remaining increase was reported by suppliers to the capital goods industry. Contrary to the general upsurge, new orders for consumer durables and for defense goods fell somewhat from March to April.

The value of new orders in April exceeded sales, resulting in a \$1.3 billion rise in unfilled orders. This contrasts strongly with increases of \$200 million in March and \$1.1 billion for the entire first quarter of the year. More than \$900 million of the April rise in unfilled orders was concentrated in the machinery and equipment category.

At \$89.6 billion, unfilled orders in April were equal to 2.69 months of sales, up slightly from 2.67 in March but still well below the 2.83 ratio of April 1968.

Details of sales and inventories are given in the accompanying table.

Additional data appear in the statistical pages of the Survey of Current Business, monthly publication of the Office of Business Economics.

The Survey is available from field offices of the Department of Commerce, or from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, at an annual subscription price of \$9, including weekly supplements; single copy, \$1.

TABLE 1.--TOTAL MANUFACTURING AND TRADE

(Billions of dollars)

	Unadjusted			Seasonally adjusted			First 4 months	
	1968	1969		1969			1968	1969
	Apr	Mar ^r	Apr ^p	Feb	Mar ^r	Apr ^p		
SALES								
TOTAL.....	95.76	102.37	103.18	101.39	101.51	102.12	375.96	405.16
Manufacturing.....	50.07	55.25	54.65	53.30	53.08	53.26	194.00	214.44
Durable.....	27.83	31.05	30.72	29.91	29.53	29.70	107.37	118.47
Nondurable.....	22.23	24.20	23.93	23.39	23.55	23.56	86.64	93.97
Retail.....	27.60	27.96	28.75	29.29	28.92	29.37	110.28	116.56
Durable.....	9.13	9.22	9.71	9.60	9.38	9.55	35.40	37.97
Nondurable.....	18.47	18.73	19.03	19.69	19.54	19.82	74.88	78.60
Merchant wholesalers...	18.09	19.16	19.79	18.80	19.52	19.49	71.67	76.16
Durable.....	8.40	8.88	9.46	8.94	9.07	9.11	32.37	35.67
Nondurable.....	9.69	10.28	10.33	9.86	10.45	10.39	39.31	40.49
INVENTORIES								
TOTAL.....	148.16	157.84	159.14	155.43	156.49	157.26		
Manufacturing.....	85.07	90.88	91.76	89.56	90.32	91.01		
Durable.....	55.21	59.29	59.95	58.28	58.98	59.40		
Nondurable.....	29.86	31.59	31.81	31.27	31.34	31.61		
Retail.....	41.25	43.74	44.24	43.01	43.00	43.12		
Durable.....	18.99	20.33	20.55	19.49	19.54	19.57		
Nondurable.....	22.26	23.42	23.69	23.53	23.46	23.55		
Merchant wholesalers...	21.84	23.21	23.14	22.86	23.17	23.13		
Durable.....	12.88	13.72	13.82	13.53	13.68	13.65		
Nondurable.....	8.96	9.49	9.31	9.33	9.49	9.48		

TABLE 2.--RETAIL INVENTORIES
(Billions of dollars)

KIND OF BUSINESS							
TOTAL.....	41.25	43.74	44.24	43.01	43.00	43.12	
Durable.....	18.99	20.33	20.55	19.49	19.54	19.57	
Automotive.....	8.80	9.77	9.94	8.97	9.01	9.08	
Furniture-appliance..	3.03	3.10	3.13	3.11	3.15	3.10	
Lumber-hardware.....	2.81	3.00	3.05	2.97	2.96	2.97	
Nondurable.....	22.26	23.42	23.69	23.53	23.46	23.55	
Apparel.....	4.46	4.90	4.92	4.88	4.91	4.91	
Food.....	4.36	4.58	4.58	4.55	4.57	4.55	
General merchandise..	9.14	9.78	10.01	9.92	9.86	9.98	
Department stores..	5.17	5.62	5.75	5.75	5.68	5.74	

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