

MONTHLY REVIEW

BUSINESS AND AGRICULTURAL CONDITIONS



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RICHMOND, VIRGINIA

MAY 31, 1927

DISTRICT SUMMARY. Business in the Richmond Federal reserve district was relatively better in April than in March, and on the whole compared favorably with the volume of business transacted in April 1926. Reserve bank credit extended to member banks increased during April and the first half of May, due to country bank needs for crop planting, but the increase was moderate. City banks actually reduced their borrowing at the reserve bank, and their loans to customers declined while their deposits and investments increased. Debits to individual accounts during the four weeks ended May 11th were slightly lower than during the corresponding period last year, but the decrease was much less than the decline in the general price level during the year. Business failures in the fifth district last month were fewer in number than those of April 1926, although the liabilities were greater. Employment is somewhat smaller than in May a year ago, particularly in the construction industry which is less active than in the early months of 1926. Textile mills are operating full time, and have more forward orders than for many months. Agricultural prospects in the district are difficult to estimate so early in the season, but fruit growers appear to be the only real sufferers from recent unfavorable weather. Cold weather and late frosts in April and early May cut down the prospective yield based on early spring conditions, and official observers do not expect nearly as large fruit crops as those gathered in 1926. In practically all other agricultural lines, however, prospects are better at this time than they were in late May a year ago, when extreme dryness had prevented planting or germination of seed, had impaired grass and hay yields, and had withered truck crops. Retail trade in April was in larger volume than in April 1926, and wholesale trade, while seasonally below that of March, was about equal to that of April last year.

RESERVE BANK OPERATIONS. A seasonal increase in credit needs incident to crop planting raised the total of rediscounts held by the Federal Reserve Bank of Richmond from \$22,973,000 on April 15th to \$27,977,000 on May 15th, and increased the total bill holdings of the Richmond bank by about the same amount, raising them from \$33,395,000 last month to \$38,173,000 at the middle of May. The increased borrowing last month was by country banks, rediscounts for city banks having declined slightly. In spite of the increased demand for credit during the past month, however, the circulation of Federal reserve notes dropped from \$69,917,000 to \$66,571,000, the need at this season being for book credit rather than cash. Member bank reserve deposits increased from \$66,542,000 at the middle of April to \$67,787,000 at the middle of May. The several changes in the items enumerated above resulted in a net decline in the total cash reserves of the Richmond bank from \$108,536,000 on April 15th to \$97,010,000 on May 15th, and reduced the ratio of reserves to note and deposit liabilities combined from 75.02 per cent last month to 70.76 per cent at the middle of May.

Reserve bank credit continues in much smaller use than at the same time last year. On May 15, 1926, rediscounts for member banks held by the Federal Reserve Bank of Richmond totaled \$48,916,000, but on May 15th this year rediscounts held by the Richmond bank amounted to only \$27,977,000, a decrease of approximately 43 per cent. The circulation of Federal reserve notes also declined during the year, falling from \$74,013,000 on May 15th last year to \$66,571,000 on May 15th this year, a decrease of 10 per cent. Member bank reserve deposits, on the other hand, rose from \$65,355,000 last year to \$67,787,000 this year. Total bill holdings of the Richmond bank declined from \$56,388,000 at the middle of May a year ago to \$38,173,000 on the corresponding date this year, a decrease of about 32 per cent. The lower demand for credit and currency this year shows both in an increase in the Richmond bank's cash reserves from \$88,025,000 on May 15, 1926, to \$97,010,000 on May 15, 1927, and in a gain between the same dates in the ratio of reserves to note and deposit liabilities combined from 60.09 per cent to 70.76 per cent.

SAVINGS DEPOSITS—At the close of business on April 30, 1927, thirteen mutual savings banks in Baltimore had aggregate deposits totaling \$165,482,800, compared with \$163,378,458 on deposit at the end of March this year and \$154,680,290 at the end of April a year ago. The April 30, 1927, total was the highest on record. Sixty-seven regularly reporting member banks in the fifth reserve district had time deposits amounting to \$221,992,000 on May 11th, compared with \$217,321,000 on deposit on April 13th this year and \$207,029,000 on May 12, 1926.

CONDITION OF SIXTY-SEVEN REPORTING MEMBER BANKS IN SELECTED CITIES

ITEMS	May 11, 1927	April 13, 1927	May 12, 1926
1. Total Loans and Discounts (including all rediscounts).....	\$513,136,000	\$520,300,000	\$521,854,000
2. Total Investments in Bonds and Securities	145,920,000	142,674,000	135,658,000
3. Reserve Balance with Federal Reserve Bank	40,821,000	40,470,000	38,682,000
4. Cash in Vaults.....	13,958,000	14,143,000	13,783,000
5. Demand Deposits	381,159,000	381,082,000	372,844,000
6. Time Deposits	221,992,000	217,321,000	207,029,000
7. Borrowed from Federal Reserve Bank....	6,993,000	7,278,000	16,147,000

In the above table comparative figures reported by sixty-seven identical member banks are shown as at the close of business May 11, 1927, April 13, 1927, and May 12, 1926, thus affording an opportunity for comparing banking developments during the past month and the past year in the thirteen leading cities of the fifth reserve district. While the figures shown in the table reflect conditions on the dates mentioned, they are not necessarily the highest or lowest figures that occurred during the period under review.

Contrary to the seasonal trend, total loans and discounts outstanding at the sixty-seven reporting banks declined \$7,164,000 between April 13th and May 11th, both this year, and the banks also reduced their rediscounts at the Reserve bank by \$235,000. On the other hand, they increased their investments in bonds and securities by \$3,246,000, and their reserve balance at the Federal reserve bank rose \$351,000. Demand deposits showed a slight increase during the month under review, rising by \$77,000, while time deposits increased \$4,671,000. Cash in vaults declined slightly, decreasing by \$185,000 between the middle of April and the middle of May.

A comparison of the figures reported for May 11, 1927, with those reported on May 12, 1926, showed a decrease this year of \$8,718,000 in outstanding loans to customers of the reporting banks, and a decline during the year of \$9,154,000 in the banks' borrowing at the Federal reserve bank. All other items in the statement show higher figures on the 1927 date. Total investments in bonds and securities were \$10,262,000 greater on May 11th this year than on May 12th last year. Reserve balances of the sixty-seven banks at the reserve bank increased \$2,139,000 during the year, and cash in vaults rose \$175,000. Deposits increased materially in the period covered, in spite of the decline in loans to customers. Demand deposits rose \$8,315,000 during the year, and time deposits gained \$14,963,000.

DEBITS TO INDIVIDUAL ACCOUNTS

CITIES	TOTAL DEBITS DURING THE FOUR WEEKS ENDED		
	May 11, 1927	April 13, 1927	May 12, 1926
Asheville, N. C.	\$ 31,680,000	\$ 34,331,000	\$ 36,344,000
Baltimore, Md.	375,385,000	377,631,000	406,450,000
Charleston, S. C.	26,765,000	27,415,000	24,164,000
Charleston, W. Va.	31,759,000	33,888,000	32,242,000
Charlotte, N. C.	50,031,000	50,846,000	49,442,000
Columbia, S. C.	24,930,000	22,952,000	17,468,000
Cumberland, Md.	8,848,000	8,261,000	8,729,000
Danville, Va.	7,972,000	8,433,000	7,737,000
Durham, N. C.	28,424,000	26,601,000	20,646,000
Greensboro, N. C.	26,346,000	22,009,000	27,073,000
Greenville, S. C.	22,193,000	21,257,000	19,436,000
Hagerstown, Md.	10,244,000	10,897,000	9,664,000
Huntington, W. Va.	22,278,000	23,168,000	23,610,000
Lynchburg, Va.	18,087,000	17,508,000	19,325,000
Newport News, Va.	9,150,000	9,897,000	8,658,000
Norfolk, Va.	68,667,000	64,635,000	73,713,000
Raleigh, N. C.	19,685,000	19,100,000	13,895,000
Richmond, Va.	123,454,000	121,754,000	115,370,000
Roanoke, Va.	25,853,000	26,848,000	26,445,000
Spartanburg, S. C.	12,460,000	15,423,000	14,132,000
Washington, D. C.	236,205,000	243,479,000	228,423,000
Wilmington, N. C.	19,540,000	19,853,000	19,457,000
Winston-Salem, N. C.	41,526,000	45,400,000	36,584,000
Totals	\$1,241,482,000	\$1,251,586,000	\$1,239,007,000

The accompanying table shows aggregate debits to individual, firm and corporation accounts in twenty-three leading cities of the fifth reserve district for three equal periods of four weeks, ended

May 11, 1927, April 13, 1927, and May 12, 1926. These figures show the totals of all checks paid against depositors' accounts by the clearing house banks of the reporting cities during the period under review, regardless of whether or not the checks passed through the local clearing houses, were cleared through the Federal Reserve System, were cashed over the counters, or were deposited for the credit of other customers of the reporting banks.

During the four weeks ended May 11th, aggregate debits totaled \$1,241,482,000, a decrease of eight-tenths of 1 per cent under the total of \$1,251,586,000 reported for the preceding four weeks this year, ended April 13th. This decline was seasonal, the period ended April 13th with its debiting of late income tax checks and its large volume of quarterly payments on and around April 1st nearly always exceeding the later period, when the chief influence tending to swell debits figures is the payment of Easter bills. This influence is largely offset by the cash purchases of Easter goods, nearly all of which fell in the period ended April 13th. Nine cities reported higher figures during the period ended May 11th than during the earlier period, while fourteen cities reported lower totals for the more recent period.

Debits during the 1927 period under review exceeded aggregate debits of the corresponding period last year by two-tenths of 1 per cent, a very satisfactory showing in view of the reduction in wholesale prices since May 1926. Fourteen of the twenty-three reporting cities showed higher figures during the four weeks ended May 11, 1927, than during the like period ended May 12, 1926, while nine cities reported lower figures for the more recent period. Gains of more than 10 per cent were reported by Charleston, S. C., Columbia, S. C., Durham, N. C., Greenville, S. C., Raleigh, N. C., and Winston-Salem, N. C.

BUSINESS FAILURES—*Dun's Review* for May 7th, in reviewing business failure statistics for April, says, "Following the seasonal trend, a lower commercial mortality is reported for April. Totalling 1,968, last month's commercial defaults in the United States are about 8 per cent below the 2,143 insolvencies of March, while the April liabilities of \$53,155,727 are approximately 8.2 per cent under the \$57,890,905 of the earlier period. When comparison is made with the returns for April 1926, the record of the number of failures, which is the best measurement of the business mortality, makes the more satisfactory exhibit. Thus, last month's defaults are less than 1 per cent above those of April of last year, whereas the present indebtedness shows an increase of about 38 per cent over the \$38,487,321 of a year ago. In point of number of insolvencies, the decrease from March to April of last year was only 1.3 per cent, which is a relatively less favorable showing than is made by last month's statement. The maximum number of failures for April was reported in 1922, with a total of 2,167. The highest liabilities for that month also were recorded in 1922, when the amount exceeded \$73,000,000."

"About 51 per cent of last month's indebtedness was accounted for by defaults involving \$100,000 or more in each instance, such insolvencies numbering 75 and aggregating more than \$31,000,000. In contrast, similar failures in April of last year numbered 63 and had liabilities of only some \$17,500,000. Hence the large defaults a year ago supplied about 45 per cent of the total liabilities for the month."

In the Fifth district, failures in April this year numbered 123, compared with 147 in March this year and 134 in April 1926. April liabilities of \$3,800,752 were larger, however, than either \$3,585,847 reported for March or the \$3,320,683 of April a year ago. April witnessed the smallest number of insolvencies in the fifth district of any month since last November, when 120 were reported.

LABOR—Labor conditions have changed little during the past month. There is some unemployment in nearly all sections of the district, but the number of idle workers is not seriously large at any particular point. No one development is responsible for the increase in the ranks of the unemployed during recent months, but a number of industries are somewhat less active than at this time last year. The chief influence at work in reducing employment is the decline in construction work in comparison with the past two or three years, and this decline is felt not only among the building trade but has naturally affected employment adversely in lumbering, brick yards, cement works, and manufacturers of all kinds of building material. Unfavorable farming conditions the past few seasons have reduced agricultural returns and made it difficult for farmers to hire labor as extensively as formerly. On the other hand, textile mills, tobacco factories, non-union coal mines, shipyards, and other more or less important industries are using full quotas of workers, and roadbuilding gives employment to large numbers of common laborers.

COAL—Bituminous coal production in April this year totaled approximately 34,671,000 net tons, a decrease of 42 per cent under March production, during which month mines and consumers were building reserves to tide them over the prospective strike called for April 1st. April production was only 13.5 per cent under production in April 1926, however, when 40,079,000 tons were brought to the surface. Last month the leadership in production shifted to West Virginia, due to the large percentage of non-union mines in that state, but even with the strike under way the demand for coal has not required capacity production from West Virginia mines. Coal prices have registered the usual spring declines, but they are still higher than in the corresponding period in 1926. The

Bureau of Mines, Department of Commerce, reports that stocks of coal in the hands of consumers on April 1st, the beginning of the strike, were the largest in the history of the country, averaging nearly two months' supply. The rate of production in April was nearly high enough to provide for current needs without seriously depleting reserve stocks. Because of the productive capacity of the non-union mines and the record reserve stocks as of April 1st, the strike has stimulated only a small amount of early stocking of bins for next winter.

TEXTILES—Textile mills in the fifth reserve district continued full time operations during April, and many of the plants had outstanding orders in sufficient volume to indicate steady work for several weeks. Cotton consumed in the district totaled 259,754 bales in April, a decrease under the 287,436 bales used during the longer month of March, but an increase over 234,684 bales consumed in April 1926, when orders were so scarce that many mills curtailed production to prevent the accumulation of manufactured products in their warehouses. North Carolina mills used 142,251 bales of cotton in April this year, South Carolina mills used 106,520 bales, and Virginia mills used 10,983 bales. Fifth district consumption totaled 42 per cent of National consumption last month, compared with 40.6 per cent of National consumption used in the district in April a year ago. On the whole, the outlook in the textile industry appears to be better than it was two or three months earlier this year, and is much better than in April 1926, when voluntary curtailment of operations was spreading and early indications of a very large cotton crop were beginning to disturb the market for cotton and textiles.

BUILDING OPERATIONS FOR THE MONTHS OF APRIL 1927 AND 1926.

No.	CITIES	Permits Issued				New Construction		Alterations		Increase or Decrease of Total Valuation	Per Cent of Increase or Decrease	No.
		New		Repairs		1927	1926	1927	1926			
		1927	1926	1927	1926							
1	Baltimore, Md.....	499	672	1,248	1,192	\$ 3,008,040	\$ 3,295,896	\$ 705,960	\$ 504,720	\$— 86,616	— 2.3%	1
2	Cumberland, Md...	44	34	11	9	134,257	63,905	8,716	12,050	67,018	88.2	2
3	Frederick, Md.....	8	11	2	2	15,110	25,890	1,800	450	9,430	— 35.8	3
4	Hagerstown, Md...	33	34	13	19	149,155	26,115	37,475	152,635	7,880	4.4	4
5	Danville Va.....	21	26	16	42	47,045	226,785	15,150	31,537	— 196,127	— 75.9	5
6	Lynchburg, Va....	23	33	29	61	302,014	134,065	11,165	26,447	152,667	95.1	6
7	Norfolk, Va.....	84	108	102	70	268,730	250,599	59,505	26,284	51,352	18.5	7
8	Petersburg, Va....	1	4	8	8	1,500	10,252	6,650	8,598	— 10,700	— 56.8	8
9	Richmond, Va.....	144	165	87	84	1,483,017	1,413,055	181,068	117,627	133,403	8.7	9
10	Roanoke, Va.....	91	112	37	60	257,780	648,032	15,197	11,970	— 387,025	— 58.6	10
11	Bluefield, W. Va...	12	19	7	7	31,165	36,295	12,225	2,765	4,330	11.1	11
12	Charleston, W. Va.	41	64	16	19	95,655	144,747	69,062	16,600	3,370	2.1	12
13	Clarksburg, W. Va.	40	23	14	24	38,753	26,980	7,075	12,005	6,843	17.6	13
14	Huntington, W.Va.	68	100	1	5	91,687	241,983	1,500	9,500	— 158,296	— 62.9	14
15	Parkersburg, W.Va.	25	37	8	20	55,650	79,500	9,150	39,405	— 54,105	— 45.5	15
16	Asheville, N. C....	25	124	120	107	301,916	1,161,219	53,677	38,890	— 844,516	— 70.4	16
17	Charlotte, N. C....	64	52	24	19	506,000	296,000	28,850	20,200	218,650	69.1	17
18	Durham, N. C.....	60	34	15	18	278,243	266,628	11,390	14,825	8,180	2.9	18
19	Greensboro, N. C.	72	55	37	38	420,421	269,275	15,791	24,656	142,281	48.4	19
20	High Point, N. C...	77	77	13	10	271,535	289,250	5,585	31,275	— 43,405	— 13.5	20
21	Raleigh, N. C.....	55	27	10	13	1,092,200	175,768	3,375	12,833	906,974	480.9	21
22	Salisbury, N. C....	18	10	2	11	114,980	45,700	1,600	9,040	61,840	113.0	22
23	Wilmington, N. C.	10	15	9	8	92,700	40,600	9,000	11,900	49,200	93.7	23
24	Winston-Salem, N. C.	101	82	40	38	448,272	343,825	108,312	18,540	194,219	53.6	24
25	Charleston, S. C. ...	14	14	29	34	28,592	9,780	14,350	18,990	14,172	49.3	25
26	Columbia, S. C....	25	15	32	51	189,700	39,100	13,265	53,375	110,490	119.5	26
27	Greenville, S. C....	13	9	30	24	51,100	112,700	56,100	9,110	— 14,610	— 12.0	27
28	Spartanburg, S. C.	43	36	14	27	254,461	87,400	2,515	8,655	160,921	167.5	28
29	Washington, D. C.	313	203	562	519	4,157,180	7,999,250	278,490	659,335	— 4,222,915	— 48.8	29
	Totals.....	2,024	2,195	2,536	2,539	\$14,186,858	\$17,760,594	\$1,743,998	\$1,904,217	— \$ 3,733,955	— 19.0%	

— 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.

Building inspectors in twenty-nine leading fifth district cities issued 2,024 permits for new construction in April, compared with 1,910 permits issued in March and 2,195 in April last year. In estimated valuation, new work provided for in April totaled \$14,186,858, compared with \$11,526,892 in March 1927 and \$17,760,594 in April 1926. Alteration and repair permits issued in April totaled 2,536, with estimated valuation of \$1,743,998, compared with 2,539 permits and \$1,904,217 valuation for the same class of work in April a year ago. Total valuation for all classes of permits in April amounted to \$15,930,856, compared with \$19,664,811 in April 1926, a decline this year of \$3,733,955, or 19 per cent. Higher valuation figures during the 1927 month were reported by eighteen of the twenty-nine cities, but very large decreases in Asheville and Washington brought the month's total

below the total for April 1926. Raleigh reported the largest gain in both actual amount and in percentage, while increases of more than 50 per cent were also reported by Cumberland, Lynchburg, Charlotte, Salisbury, Wilmington, Winston-Salem, Columbia and Spartanburg. Richmond's figures for April, which show a moderate increase over those of April 1926, were stimulated by a rush of applications for permits which were applied for to beat the new zoning ordinance which went into effect last month.

COTTON—Unfavorable weather for planting, flood conditions in cotton growing sections along the Mississippi river, and a continuation of large consumption both at home and abroad tended to raise cotton prices during the past month. From an average of 13.54 cents per pound paid growers in the Carolinas for middling upland cotton during the week ended April 9th the average price rose to 14.50 cents per pound during the week ended May 14th, the latest period for which official figures are available.

Cotton consumed in American mills during April 1927 totaled 619,140 bales, compared with 694,193 bales consumed in March this year and 577,678 bales used in April 1926. Total consumption for the nine months of the season to date—August 1, 1926, to April 30, 1927—amounted to 5,337,820 bales, compared with 4,959,126 bales consumed during the corresponding period ended April 30, 1926. According to the Bureau of the Census report of May 14th, consuming establishment held 1,894,993 bales of cotton in their warehouses on April 30th, compared with 1,637,062 bales so held on the corresponding date a year earlier. Public warehouses and compresses held 3,676,083 bales in storage on April 30th, compared with 3,529,350 bales a year ago. Exports totaled 855,449 bales in April this year, compared with 516,494 bales shipped abroad during the same month of 1926, and total exports for the nine months ended April 30th amounted to 9,684,505 bales against 7,022,856 bales exported during the nine months ended April 30, 1926. Imports last month totaled 37,519 bales, compared with 33,348 bales brought in during April last year. The cotton growing states consumed 447,111 bales in April this year, or 72.2 per cent of National consumption, compared with 404,864 bales, or 70.1 per cent of National consumption, used in cotton growing states during April 1926.

Cotton planting is backward in the fifth district, due to unfavorable weather during April and the first half of May. Weather conditions have been generally adverse over the entire cotton belt this spring, and many thousands of acres of cotton land are in the flood districts along the Mississippi river. Prospects for a large cotton crop this year do not appear good at this time, but it is too early in the season for the formation of an opinion as to the year's probable yield. With favorable weather during the growing and picking seasons, cotton frequently makes remarkable recoveries from poor starts.

TOBACCO—Virginia tobacco markets have closed for the season. Total sales of leaf tobacco for the 1926-1927 season in the state amounted to 145,306,776 pounds, according to reports to the Commissioner of Agriculture. The warehouse sales and the receipts of the Tobacco Growers' Association for the 1925-1926 season amounted to 135,942,098 pounds. The amount of tobacco actually sold was 3.5 per cent greater than the estimate made by the Department of Agriculture last fall, as the Fire-Cured and Sun-Cured types turned out better than had been expected, and also about 8,400,000 pounds of North Carolina and Tennessee grown tobacco were sold in Virginia. The Virginia production for 1926, therefore, was approximately 137,000,000 pounds, compared with the 1925 crop of 129,400,000 pounds and the 1924 crop of 136,500,000 pounds. Prices for all types except Flue-Cured were considerably lower than for the previous season. Fire-Cured tobacco showed the greatest drop in price. The price of Flue-Cured tobacco was the highest since 1922, averaging \$23.64 compared with \$15.13 and \$21.21 per hundred pounds for the two preceding seasons. The amount of Flue-Cured tobacco sold was 90,323,385 pounds, which was 62 per cent of the total sales of all types. Fire-Cured sales amounted to 43,761,225 pounds, or 30 per cent of the total sales. Approximately 5 per cent of the total sales was Sun-Cured tobacco, and Burley, which is grown in Southwest Virginia, made up about 3 per cent of all sales. The quality of Flue-Cured tobacco was much better than usual, but the other types were only average grade, with considerable common tobacco in the Fire-Cured and Sun-Cured sales. Warehousemen estimated that all sales graded 23 per cent good, 36 per cent medium, and 41 per cent common, while for the previous season the grade estimates were 17 per cent good, 34 per cent medium and 49 per cent common. Danville led in season sales with 44,328,490 pounds, South Boston ranking second with 18,305,639 pounds, both markets handling Flue-Cured tobacco. Lynchburg with sales totaling 11,404,953 pounds led the Fire-Cured markets. Richmond sold 7,132,951 pounds of Sun-Cured and Abingdon sold 4,089,215 pounds of Burley.

AGRICULTURAL NOTES—During the past six weeks, farmers in the fifth district have lost ground in their efforts to get this season's activities under way. Early in the spring the weather conditions were good, and a considerable amount of early plowing and planting was accomplished, but since March the weather has been unfavorable for farm work, and much of the early start has been lost. Rain has fallen excessively throughout much of the district, while certain sections of South Carolina report dry conditions. Cotton, tobacco and corn planting is late, but tobacco plants are

doing well in the seed beds and enough plants are available to provide for the intended acreage. Grain crops, on the whole, are in good condition, and pasture lands and hay fields are above the average. As a result of the early and plentiful grass for grazing, stock of all kinds are in better condition than a year ago. Fruit prospects in the district as a whole are much poorer than at this time last year, cold weather and late frosts in April and early May having reduced seriously the excellent prospects of early spring. Truck crops turned out well, but were late. On the whole, it is yet too early to draw any conclusions as to probable returns from agricultural operations this year, but prospects are about equal to those of last year, which was a late season because of extreme dryness. There is plenty of moisture in the soil this year in nearly all sections of the district, and if favorable weather occurs during the growing season the retardation of the past six weeks may be largely, or even completely, overcome.

FIGURES ON RETAIL TRADE

As Indicated By Reports from Thirty Representative Department Stores for the Month of APRIL, 1927

Percentage increase in April 1927 sales, over sales in April 1926:					
<i>Baltimore</i>	<i>Richmond</i>	<i>Washington</i>	<i>Other Cities</i>	<i>District</i>	
8.1	11.1	4.3	1.5	6.2	
Percentage increase in total sales since January 1st, over sales during the same four months in 1926:					
— 2.2	5.5	— 1.0	— 2.7	— 1.1	
Percentage increase in April 1927 sales over average April sales during the three years 1923-1925, inclusive:					
4.6	23.3	17.0	5.6	10.4	
Percentage increase in stock on hand April 30, 1927, over stock on April 30, 1926:					
— 2.8	— 1.3	.2	6.0	— .6	
Percentage increase in stock on hand April 30, 1927, over stock on March 31, 1927:					
— .001	— .6	— 1.0	2.4	— .1	
Percentage of sales in April 1927 to average stock carried during that month:					
28.7	29.7	28.5	21.1	27.8	
Percentage of total sales since January 1st to average stock carried during each of the four months:					
99.6	106.5	104.8	80.7	99.9	
Percentage of outstanding orders on April 30th to total purchases of goods in 1926:					
4.8	4.4	4.1	3.3	4.3	
Percentage of collections in April to total accounts receivable on April 1st:					
23.7	27.7	29.3	33.5	26.6	

— Denotes decreased percentage.

Retail trade during April in the Fifth Federal reserve district, as reflected in department store sales, exceeded the trade of April 1926, chiefly because Easter was so late this year that most of the seasonal buying occurred in April, while in 1926 this trade came in March. Last month thirty leading department stores sold 6.2 per cent more goods, measured in dollars, than in April 1926, and also averaged 10.4 per cent larger sales than average April sales during the three years 1923-1925, inclusive. The large volume of business done in April was not sufficient to balance lower sales in January and March, however, total sales from January 1st through April 30th averaging 1.1 per cent less than sales during the first four months of 1926.

Stocks of merchandise on the shelves of the reporting stores were six-tenths of 1 per cent lower in selling value at the end of April 1927 than a year earlier, and were one-tenth of 1 per cent smaller than a month earlier. The decrease in April under the March 31st figure was somewhat smaller than seasonal average.

The percentage of sales to average stocks carried during April was 27.8 per cent for the district as a whole, and the percentage of total sales during the first four months of this year to average stocks carried during each of the four months was 99.9 per cent, indicating an annual turnover of 2.997 times. During the first four months of 1926 the turnover was at a rate of 3.003 times.

Collections by twenty-nine of the thirty reporting stores during April totaled 26.6 per cent of outstanding receivables as of April 1st, a lower average than 28.5 per cent reported for March this year and 31.1 per cent collected in April 1926. All cities reported lower percentages in April than in April a year ago, and Baltimore and Washington collections also declined from those of March this year. Richmond and the Other Cities group improved about 1 per cent last month in comparison with March.

WHOLESALE TRADE, APRIL 1927

Percentage increase in April 1927 sales, compared with sales in April 1926:					
34 <i>Groceries</i>	12 <i>Dry Goods</i>	6 <i>Shoes</i>	16 <i>Hardware</i>	5 <i>Furniture</i>	13 <i>Drugs</i>
— 9.8	— 3.2	2.0	7.1	— 7.0	.5
Percentage increase in April 1927 sales, compared with sales in March 1927:					
— 5.6	—20.1	—16.2	— 3.9	—24.8	— 7.0
Percentage increase in total sales since Jan. 1, 1927, compared with sales during the same four months in 1926:					
— 7.4	— 2.1	3.4	3.6	—13.2	— 4.0
Percentage increase in stock on April 30, 1927, compared with stock on April 30, 1926:					
.9 (11)	—11.3 (5)	31.4 (4)	— 5.3 (7)
Percentage increase in stock on April 30, 1927, compared with stock on March 31, 1927:					
— 6.9 (11)	5.2 (5)	2.7 (4)	— 1.5 (8)
Percentage of collections in April to accounts receivable on April 1, 1927:					
65.2 (21)	34.2 (8)	34.8 (5)	36.0 (12)	29.8 (3)	56.6 (8)

— Denotes decreased percentage.

NOTE: The number of firms reporting stock and collection data in each group is shown immediately following the percentages.

Eighty-six wholesale and jobbing houses, representing six leading lines, sent confidential reports on their April business to the Federal Reserve Bank of Richmond. The figures show that sales in all lines were seasonally less in April than in March of this year, and in groceries, dry goods, furniture and drugs, total sales since January 1st through April were less than sales during the same four months last year. Shoe and hardware sales during the past four months exceeded those of the corresponding period in 1926, however. In comparison with April 1926 sales, those of April 1927 show increases in shoes, hardware and drugs, while grocery, dry goods and furniture sales last month were lower than a year earlier.

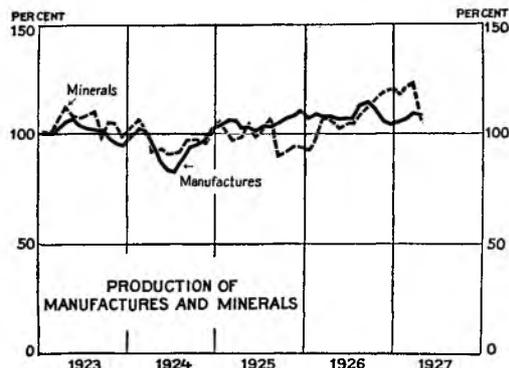
Stocks of merchandise carried by the reporting firms increased during April in dry goods and shoe houses, but declined in groceries and hardware. At the end of April this year, the reporting grocery and shoe firms had larger stocks than on April 30, 1926, but the stocks of the reporting dry goods and hardware firms were less than a year ago.

Collections showed some improvement during April over March in dry goods and shoes, but grocery, hardware, furniture and drug collections slowed up somewhat. Grocery, dry goods and shoe collections in April 1927 were better than in April 1926, and hardware collections showed practically no change, but furniture and drug collections last month were below those of the corresponding month a year earlier. The percentage of collections during April to outstanding receivables on the first of the month was 65.2 per cent in groceries, drugs ranking second with 56.6 per cent. Hardware collections averaged 36.0 per cent of outstanding receivables, shoes 34.8 per cent, dry goods 34.2 per cent, and furniture 29.8 per cent. In April 1926 furniture collections totaled 54.8 per cent of outstanding receivables.

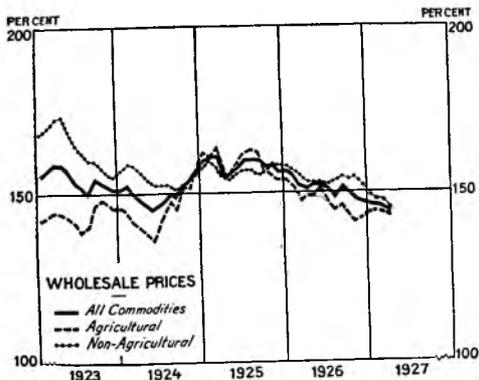
(Compiled May 20, 1927)

BUSINESS CONDITIONS IN THE UNITED STATES.

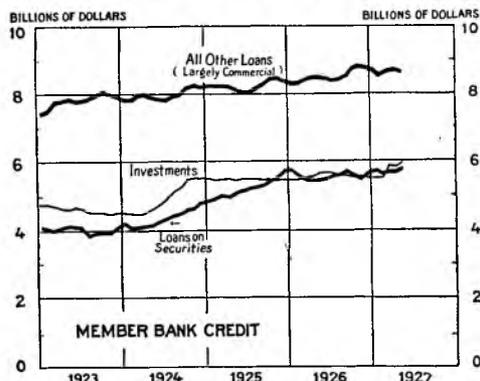
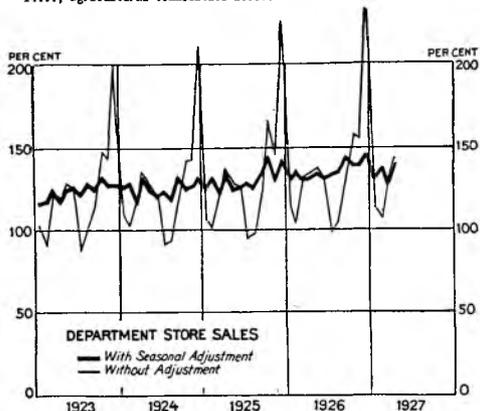
(Compiled by the Federal Reserve Board)



Index numbers of production of manufactures and minerals, adjusted for seasonal variations (1923-25 average = 100). Latest figures, April, manufactures 109, minerals 107.



Indexes of U. S. Bureau of Labor Statistics. (1913 = 100). Latest figures, April, all commodities 144.2, non-agricultural commodities 144.4, agricultural commodities 143.3.



Monthly averages of weekly figures for banks in 101 leading cities. Latest figures are averages for first three weekly report dates in May.

Industrial output declined in April, reflecting reduced activity in both mines and in factories. Distribution of commodities by railroads and retail trade increased, and the level of prices showed a further slight decline.

PRODUCTION. Decreased output of industry in April as compared with March was due chiefly to the coal miners' strike, which caused a large decline in the production of bituminous coal. Among manufacturing industries, which as a whole were somewhat less active in April than during the previous month, when allowance is made for usual seasonal changes, reductions were reported in the iron and steel and textile industries, as well as in meat packing and in the production of building materials. The manufacture of motor cars, though it showed the usual seasonal increase in April, continued at a lower level than a year ago. Petroleum production continued in record volume, notwithstanding large stocks and declining prices. Value of building contracts awarded declined slightly in April from the record high figure in March, but was larger than last year. The decline in building between March and April reflected reduced activity in the construction of commercial, industrial and educational buildings, while contracts for residential and public buildings increased. On the basis of conditions on May 1, the Department of Agriculture forecasts a winter wheat crop of 594,000,000 bushels, or about 5 per cent less than in 1926. Continued wet cold weather over much of the corn belt and also in the spring wheat area has retarded the planting of spring crops.

TRADE. Commodity distribution at retail was larger in April than at the same season of any previous year, owing in part to the lateness of the Easter holiday. Department store sales were approximately 7 per cent larger than in April of last year, and sales of mail order houses and chain stores were also in larger volume. Wholesale trade showed about the usual decrease between March and April and continued smaller than in the corresponding months of last year. Inventories of merchandise carried by department stores were in about the same volume at the end of April as in March, while stocks of wholesale firms were smaller. Railroad car loadings were larger in April than is usual at that season of the year, reflecting chiefly large shipments of iron ore, coke, grain and grain products, but also increased movement of miscellaneous freight and of merchandise in less-than-car-load lots. Coal shipments were 27 per cent smaller in April than in the preceding month.

PRICES. In April there was a further slight recession in the general level of wholesale prices, as measured by the index of the Bureau of Labor Statistics, but in the first three weeks of May price conditions were firmer. The decline in April reflected chiefly a decrease in the price of petroleum, lumber, and several of the nonferrous metals. There was little change in the level of agricultural prices, which have been fairly constant since the beginning of the year. During the first three weeks of May prices of grains, cotton, iron and steel, petroleum, lumber and hides advanced, while those of livestock, coke and nonferrous metals declined.

BANK CREDIT. The volume of credit of weekly reporting member banks, as measured by their total loans and investments, increased by more than \$300,000,000 during the month ending May 18, and was on that date at the highest level on record. This growth represented for the most part an increase in the banks' holdings of investments and in the volume of their loans on stocks and bonds, while commercial loans showed relatively little change. At the reserve banks there was a decrease during the month in total volume of credit outstanding, owing to the receipt of a considerable amount of gold from abroad in addition to the purchase abroad by the banks of about \$60,000,000 of gold that is now held earmarked with a foreign correspondent. The banks' holdings of acceptances and of Government securities declined by about \$85,000,000 while discounts for member banks increased by about \$45,000,000, apparently in response to the increased reserve requirements arising from the growth in the member banks' deposits. Conditions in the money market were comparatively stable during the first three weeks of May and there were no changes in rates quoted on prime commercial paper and on acceptances.