

MONTHLY REVIEW

BUSINESS AND AGRICULTURAL CONDITIONS



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RICHMOND, VIRGINIA

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DISTRICT SUMMARY.—Business was about at seasonal levels in March and early April in the Fifth Federal reserve district, and in some respects was better than in March last year. The volume of construction work provided for in permits issued in leading cities and in contracts awarded for rural and urban construction was considerably above the amount of work provided for in March 1927, and this enlarged program of building distinctly lessened the number of unemployed, although there is still a large number of idle workers. Retail trade in March, as reflected in department store business, was better than in March last year, and sales during the first quarter of 1928 also exceeded sales in the first three months of 1927. Debits to individual accounts during the four weeks ended April 11th exceeded debits for the corresponding period a year ago, and business failures in the fifth district in March were less numerous than in March last year, although last month's liabilities were larger. The continued cool weather held back development of fruit buds, and consequently prospects for a full apple crop this year are much better than they were in April last year. Fertilizer sales in larger tonnage than in 1927 indicate that farmers are stronger financially this year and also promise increased yields of 1928 crops if weather conditions prove favorable during the growing season. Cotton prices advanced about \$5 a bale between the middle of March and the middle of April.

On the other hand, textile mills are operating considerably below the record level of March and April 1927, and coal production is also at a lower rate at present than a year ago. Unfavorable weather for planting and germinating of seed has delayed farm work, and crops are getting off to a late start. Grains did not winter well, and pastures are very poor. Wholesale trade in March was below that of March 1927 in nearly all lines for which information is available, and member banks are borrowing more extensively from the reserve bank than they were a year ago.

RESERVE BANK OPERATIONS.—Changes in the principal items of condition of the Federal Reserve Bank of Richmond between March 15th and April 15th, both this year, were of a seasonal nature. Rediscounts for member banks rose during the month from \$26,931,000 to \$35,691,000, the increase reflecting additional credit needs for crop planting and fertilizer purchases. The Richmond bank's total earning assets rose by about the same amount as the increase in rediscounts, total earning assets on March 15th being \$47,837,000 and on April 15th totaling \$57,380,000. Federal Reserve note circulation decreased during the month from \$62,407,000 to \$59,948,000, book credit rather than cash being needed at this season. Member banks reduced their reserve deposits from \$71,464,000 at the middle of March to \$70,940,000 at the middle of April, merely a daily fluctuation. The several changes in the items enumerated reduced the cash reserves of the Federal Reserve Bank of Richmond from \$96,513,000 on March 15th to \$84,426,000 on April 15th, and lowered the ratio of cash reserves to note and deposit liabilities combined from 71.41 per cent to 63.63 per cent.

In comparison with the figures in the Richmond bank's statement for April 15, 1927, those in the statement for April 15th this year show a considerably greater use of reserve bank credit this year. Rediscounts for member banks held by the Federal Reserve Bank of Richmond totaled \$22,973,000 on April 15th last year and \$35,691,000 on the corresponding date this year, an increase of 55 per cent. The total earning assets of the Richmond bank rose from \$40,494,000 to \$57,380,000 during the year. Federal Reserve notes in actual circulation declined during the year, however, decreasing from \$69,917,000 on April 15, 1927, to \$59,948,000 on April 15, 1928. Member bank reserve deposits rose from \$66,542,000 last year to \$70,940,000 this year. The cash reserves of the Federal Reserve Bank of Richmond, which totaled \$108,536,000 at the middle of April last year, declined to \$84,426,000 on April 15th this year, and the ratio of cash reserves to note and deposit liabilities combined dropped from 75.02 per cent to 63.63 per cent during the same period.

CONDITION OF SIXTY-SIX REPORTING MEMBER BANKS IN SELECTED CITIES

ITEMS	April 11, 1928	March 14, 1928	April 13, 1927
Total Loans and Discounts (including all rediscounts).....	\$ 521,452,000	\$ 515,327,000	\$ 520,300,000
Total Investments in Bonds and Securities.....	175,495,000	171,710,000	142,674,000
Reserve Balance with Federal Reserve Bank.....	42,080,000	42,111,000	40,470,000
Cash in Vaults	12,416,000	11,891,000	14,143,000
Demand Deposits	373,391,000	373,280,000	381,082,000
Time Deposits	247,682,000	246,274,000	217,321,000
Borrowed from Federal Reserve Bank.....	18,560,000	17,590,000	7,278,000

The figures in the accompanying table show totals of the principal items of condition reported by sixty-six member banks in thirteen of the leading cities of the Fifth reserve district. Figures are shown for three dates, April 11th and March 14th this year, and April 13th last year, thus affording an opportunity for comparison of the latest available figures with those of the preceding month and the preceding year.

An examination of the April 11, 1928, figures in contrast with those of the preceding month this year shows a seasonal increase in loans to customers amounting to \$6,125,000 during the month. At the same time the reporting banks increased their investments in bonds and securities by \$3,785,000, and raised their cash in vaults by \$525,000. During the month the aggregate reserve balance of the reporting banks at the reserve bank declined \$31,000, a daily fluctuation only, and the reporting banks increased their borrowing at the reserve bank by \$970,000. Demand deposits rose only \$111,000 during the month, a small figure in comparison with the increase in loans to customers, but time deposits gained \$1,408,000 between March 14th and April 11th.

During the year between April 13, 1927, and April 11, 1928, loans to customers by the sixty-six reporting banks increased by \$1,152,000, while aggregate deposits rose \$22,670,000 in the same period. Demand deposits declined \$7,691,000 during the year, but time deposits rose \$30,361,000. With these increased deposits available for use this year, the reporting banks increased their investments in bonds and securities by \$32,821,000, and their reserve balance at the reserve bank by \$1,610,000, but their cash in vaults decreased \$1,727,000 and their borrowing at the Federal reserve bank rose \$12,282,000.

DEBITS TO INDIVIDUAL ACCOUNTS

CITIES	TOTAL DEBITS DURING THE FOUR WEEKS ENDED		
	April 11, 1928	March 14, 1928	April 13, 1927
Asheville, N. C.	\$ 32,370,000	\$ 25,424,000	\$ 34,331,000
Baltimore, Md.	379,885,000	375,083,000	377,631,000
Charleston, S. C.	27,229,000	24,588,000	27,415,000
Charleston, W. Va.	36,267,000	35,466,000	33,888,000
Charlotte, N. C.	58,905,000	51,114,000	50,846,000
Columbia, S. C.	31,735,000	20,364,000	22,952,000
Cumberland, Md.	8,372,000	8,010,000	8,261,000
Danville, Va.	8,106,000	9,254,000	8,433,000
Durham, N. C.	23,788,000	27,518,000	26,601,000
Greensboro, N. C.	24,596,000	22,886,000	22,009,000
Grenville, S. C.	22,437,000	23,710,000	21,257,000
Hagerstown, Md.	10,283,000	9,185,000	10,897,000
Huntington, W. Va.	20,387,000	20,284,000	23,168,000
Lynchburg, Va.	17,648,000	17,196,000	17,508,000
Newport News, Va.	8,836,000	7,789,000	9,897,000
Norfolk, Va.	62,347,000	62,339,000	64,635,000
Raleigh, N. C.	20,274,000	17,644,000	19,100,000
Richmond, Va.	128,511,000	119,526,000	121,754,000
Roanoke, Va.	26,230,000	26,831,000	26,848,000
Spartanburg, S. C.	13,369,000	11,356,000	15,423,000
Washington, D. C.	243,262,000	218,260,000	243,479,000
Wilmington, N. C.	20,026,000	16,840,000	19,853,000
Winston-Salem, N. C.	43,949,000	32,874,000	45,400,000
Total for District	\$ 1,268,812,000	\$ 1,183,541,000	\$ 1,251,586,000

Debits to individual, firm and corporation accounts in clearing house banks in twenty-three leading trade centers of the Fifth Federal reserve district are shown in the accompanying table for three equal periods of four weeks each, ended April 11, 1928, March 14, 1928, and April 13, 1927. The debits figures include all checks drawn against depositors' accounts, regardless of whether or not they pass through the clearing house, and form one of the best indicators of the volume of business passing through the reporting banks.

Aggregate debits during the four weeks ended April 11th this year amounted to \$1,268,812,000, in comparison with a total of \$1,183,541,000 reported for the preceding four weeks ended March 14th, an increase of \$85,271,000, or 7.2 per cent. An increase during the later period is seasonal, since the March 15th income tax payment and April 1st quarterly settlements occurred during those four weeks. Nineteen of the twenty-three cities reported higher figures during the April 11th period.

Debits totaling \$1,268,812,000 during the four weeks ended April 11th this year exceeded aggregate debits during the corresponding period ended April 13th last year, when a total of \$1,251,586,000 was reported, but only eleven of the twenty-three cities reported higher figures, while twelve cities reported lower figures. Most of the changes were slight, but the gains exceeded the declines approximately 1 per cent.

SAVINGS DEPOSITS—Total deposits in twelve mutual savings banks in Baltimore amounted to \$180,663,255 at the close of business March 31, 1928, in comparison with deposits aggregating \$179,358,523 on February 29th this year and \$163,232,310 on March 31st last year. At the close of business April 11th this year, sixty-six regularly reporting member banks, located in thirteen leading cities of the Fifth reserve district, had time deposits aggregating \$247,682,000, compared with \$246,274,000 on March 14th this year and \$217,321,000 on April 13, 1927.

BUSINESS FAILURES—"In the insolvency statistics for both March and the first quarter, there is a contrast between the larger number of commercial failures and the smaller liabilities, in comparison with the returns for last year," says Dun's Review of April 7. Commenting further, the Review states that "With a total of 2,236, the March defaults in the United States are 4.3 per cent in excess of the 2,143 insolvencies for that period of 1927, while last month's indebtedness of \$54,814,145 is 5.3 per cent below the \$57,890,905 of the earlier year. In no other month since that time, however, have the present liabilities been equaled, while the number of failures last month is the highest for any March since 1922, when 2,463 defaults were reported. The maximum indebtedness for March was established in 1924, at about \$97,600,000; in 1922 the amount approximated \$71,600,000, and in 1921 it was \$67,400,000.

The 7,055 insolvencies of the first quarter of the current year are 6.2 per cent above the 6,643 failures of the same three months of 1927, whereas this year's liabilities of \$147,519,198 are 5.5 per cent less than the \$156,121,853 of the first quarter of last year. It was in 1922 that the largest indebtedness for the first quarter and, in fact, for any quarter was recorded, at about \$218,000,000; in the first quarter of 1924 the total was practically \$184,900,000, and in 1921 it was \$180,400,000. Hence the quarterly liabilities now reported have been exceeded in the first quarter of four preceding years, although the number of defaults for the three months just ended represents the maximum for the period, excepting the 7,517 insolvencies of the first quarter of 1922 and the 7,216 failures of 1915.

The record of banking failures in the United States for the first quarter of this year reveals a decided improvement over the returns for the corresponding period of 1927. Such failures in the three months recently ended numbered 109, with liabilities of \$36,802,098, and these totals are well below the 174 similar reverses, involving \$66,619,286, last year. Reduced to percentages, the numerical decrease is 37.4 per cent, while the falling off in the indebtedness is 44.8 per cent. The current statistics also disclose a substantial betterment in comparison with those for the first quarter of 1925 and 1924."

In the Fifth reserve district, business failures in March 1928 numbered 141, with liabilities aggregating \$4,754,919, compared with 147 insolvencies and liabilities totaling \$3,585,847 reported for March 1927.

LABOR—Conditions in labor circles improved during March and the first half of April with the beginning of Spring construction work, but there is still a large number of unemployed persons in the Fifth district. An enlarged building program in the district in comparison with the first quarter of 1927 has given work to many unskilled laborers, and promises to give employment to a large number of skilled workmen as soon as ground is prepared and foundations are put down. Much of this large volume of work is industrial building, and Virginia has led in securing new plants during the Spring. No change for the better occurred last month in clerical and professional circles, and in all of the cities there is considerable unemployment in the white collar class. Textile mills continued operations on restricted schedules last month, reducing the working time of their operatives, but practically no mills were shut down entirely. A seasonal decrease in the demand for bituminous coal reduced the scale of operations in the coal fields, which lowered the number of hours worked by miners. Farmers required some additional labor in March and early April for crop planting, but comparatively little agricultural work has yet been done this season. On the whole, the outlook for employment during the next few months is considerably better than was expected at the beginning of the year.

COAL—Bituminous coal production in March 1928 totaled approximately 43,955,000 net tons, a daily average of 1,628,000 tons, compared with a total of 41,351,000 tons and a daily average of 1,661,000 tons mined during the shorter month of February and a total of 60,147,000 tons and a daily

average of 2,228,000 tons brought to the surface in March 1927. The recession in production last month in comparison with February is seasonal, and the reduction in comparison with March 1927 production is accentuated by exceptionally large figures a year ago as a result of the strike of soft coal miners in union fields which had been called to begin on April 1st. West Virginia continued to lead in output of bituminous coal during March, the figures for that state slightly exceeding those for Pennsylvania. A recent Federal Court decision in the Lake Cargo coal rate case is expected to benefit operators in the Fifth district and increase bituminous coal shipments from West Virginia to Lake ports.

TEXTILES—Fifth district textile mills continued operations on restricted schedules in March, and consumed 246,618 bales of cotton in comparison with 246,145 bales used in the shorter month of February 1928 and 287,436 bales consumed in March 1927. North Carolina mills consumed 136,778 bales of cotton last month, South Carolina mills used 100,693 bales, and Virginia mills used 9,147 bales, lower figures in each case than those for March a year ago. Consumption of cotton in the district last month amounted to 42.4 per cent of National consumption, a slightly smaller percentage than that consumed in February this year (42.9 per cent), but larger than the percentage (41.5 per cent) used in the Fifth district in March 1927.

BUILDING OPERATIONS FOR THE MONTHS OF MARCH 1928 AND 1927.

No.	CITIES	Permits Issued				New Construction		Alterations		Increase or Decrease of Total Valuation	Per Cent of Increase or Decrease	No.
		New		Repairs		1928	1927	1928	1927			
		1928	1927	1928	1927							
1	Baltimore, Md.....	608	548	1,043	1,346	\$ 1,755,400	\$ 2,572,800	\$ 569,100	\$ 222,172	\$- 470,472	- 16.8%	1
2	Cumberland, Md.....	26	29	6	9	493,530	76,286	1,800	8,640	410,404	483.2	2
3	Frederick, Md.....	5	16	1	1	20,900	232,715	500	2,500	- 213,815	- 90.9	3
4	Hagerstown, Md.....	31	42	8	11	66,820	51,770	5,650	16,850	3,850	5.6	4
5	Danville Va.....	30	16	10	11	89,151	81,475	1,100	6,762	2,014	2.3	5
6	Lynchburg, Va.....	32	26	37	39	74,910	129,676	11,957	53,508	- 96,317	- 52.6	6
7	Norfolk, Va.....	100	87	107	82	432,370	177,529	27,261	64,987	217,115	89.5	7
8	Petersburg, Va.....	8	8	6	4	153,700	23,860	4,650	705	133,785	544.6	8
9	Richmond, Va.....	120	102	70	81	570,315	509,570	42,668	91,076	12,337	2.1	9
10	Roanoke, Va.....	70	91	38	36	573,263	278,775	25,863	14,755	305,596	104.1	10
11	Bluefield, W. Va....	13	27	3	5	19,165	108,475	215	12,300	- 101,395	- 84.0	11
12	Charleston, W. Va....	69	45	13	17	524,338	151,433	18,955	7,975	383,885	240.8	12
13	Clarksburg, W. Va....	17	29	13	15	47,085	38,992	12,525	59,650	- 39,032	- 39.6	13
14	Huntington, W. Va....	43	60	3	1	41,200	441,230	15,000	1,500	- 386,530	- 87.3	14
15	Parkersburg, W. Va....	18	19	13	9	47,200	73,250	9,300	4,775	- 21,525	- 27.6	15
16	Asheville, N. C.....	38	43	59	90	660,625	390,389	19,940	27,868	262,308	62.7	16
17	Charlotte, N. C.....	74	59	57	18	644,915	331,165	40,443	33,673	320,520	87.9	17
18	Durham, N. C.....	65	44	10	14	296,524	207,000	14,850	16,115	88,259	39.6	18
19	Greensboro, N. C....	80	57	58	36	811,340	897,062	205,870	41,428	78,720	8.4	19
20	High Point, N. C....	48	59	10	10	161,400	362,550	14,500	16,475	- 203,125	- 53.6	20
21	Raleigh, N. C.....	41	30	7	17	395,525	183,465	1,550	11,575	202,035	103.6	21
22	Salisbury, N. C.....	12	14	12	8	80,000	48,605	11,350	6,575	36,170	65.5	22
23	Wilmington, N. C....	7	11	11	5	24,200	25,400	6,000	4,800	0	0	23
24	Winston-Salem, N. C.	116	97	112	36	3,975,644	778,635	65,942	29,260	3,233,691	400.3	24
25	Charleston, S. C.....	8	12	37	26	6,685	71,510	28,960	11,615	- 47,480	- 57.1	25
26	Columbia, S. C.....	13	13	64	43	85,300	48,950	26,110	17,190	45,270	68.4	26
27	Greenville, S. C....	23	12	30	45	170,150	119,700	11,325	4,775	57,000	45.8	27
28	Spartanburg, S. C....	43	23	31	21	138,952	147,225	7,250	4,491	- 5,514	- 3.6	28
29	Washington, D. C....	227	291	474	441	1,982,330	2,967,400	416,895	458,475	-1,026,650	- 30.0	29
	Totals.....	1,985	1,910	2,343	2,477	\$14,342,937	\$11,526,892	\$1,617,529	\$1,252,470	\$ 3,181,104	24.9%	

— 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.

For the third consecutive month, building permits issued by building inspectors in twenty-nine leading cities of the fifth reserve district in March 1928 exceeded those issued during the corresponding month last year. The twenty-nine cities issued 1,985 permits for new construction in March this year, with estimated valuation of \$14,342,937, compared with 1,910 permits and total valuation of \$11,526,892 for the same class of work in March last year. The two largest cities, Baltimore and Washington, reported decreased valuation figures last month, but Richmond, Norfolk, Winston-Salem and Charlotte reported larger figures. Alteration and repair permits issued last month totaled 2,343, estimated to cost \$1,617,529, compared with 2,477 permits and \$1,252,470 valuation in March 1927. The aggregate value of all permits issued in March 1928 was \$15,960,466, compared with a total value of \$12,779,362 for March 1927 permits, an increase this year of \$3,181,104, or 24.9 per cent. Seventeen cities reported higher figures this year, one reported the same total, and eleven cities reported lower figures. Increases of more than 100 per cent were shown by Cumberland, Petersburg, Roanoke,

Charleston, W. Va., Raleigh and Winston-Salem. Winston-Salem led all cities in the district in the volume of work provided for in the March 1928 permits. It is worthy of mention that a large volume of industrial construction is being started in the fifth district, which is not included in the city building inspector's reports. In Virginia two plants upon which work is beginning will cost approximately as much as the combined figures for all work covered in the March building permit totals.

Contracts actually awarded during March for construction work in the fifth district totaled \$42,061,428, of which \$15,471,118 was for residential work, according to statistics collected by the F. W. Dodge Corporation. In March 1927 contracts awarded in the fifth district totaled \$34,693,000, of which \$16,605,210 was residential work. These figures include suburban and rural construction in addition to the city work covered by building permit figures.

COTTON—Spot cotton prices on Carolina markets advanced exactly one cent per pound between the week ended March 17th and the week ended April 14th, reaching the highest point during the later period since the end of November. The average weekly price for upland short staple middling cotton rose from 18.62 cents per pound during the week ended March 17th to 19.27 cents, 19.22 cents, and 19.27 cents, respectively, during the weeks ended March 24th, March 31st, and April 7th. The average for the week ended April 14th, the latest period for which figures are available, rose to 19.62 cents per pound, which was about two and a quarter cents above the recent low level at the beginning of February and approximately six cents per pound above the price at mid-April last year.

Cotton consumed in American mills during March 1928 compared unfavorably with the record figure of March 1927, 581,318 bales used last month comparing with 573,810 bales consumed during the short month of February and 693,081 bales consumed in March 1927. Total consumption for the eight months of the season to date—August 1, 1927, to March 31, 1928—amounted to 4,780,513 bales compared with 4,711,752 bales consumed during the corresponding period ended March 31, 1927. According to the Bureau of the Census report of April 13th, consuming establishments held 1,593,486 bales of cotton in their warehouses on March 31st, compared with 1,975,694 bales so held on the corresponding date a year earlier. Public warehouses and compresses held 3,510,534 bales in storage on March 31st, compared with 4,482,905 bales a year ago. Exports totaled only 614,428 bales in March this year, compared with 1,129,537 bales shipped abroad during the same month of 1927, and total exports for the eight months ended March 31st amounted to 5,845,379 bales against 8,829,056 bales exported during the eight months ended March 31, 1927. Imports last month totaled 41,433 bales, compared with 41,267 bales brought in during March last year. The cotton growing states consumed 431,495 bales in March this year, or 74.2 per cent of National consumption, compared with 497,058 bales, or 71.2 per cent of National consumption, used in cotton growing states during March 1927.

AGRICULTURAL NOTES—The weather in the fifth reserve district has been unfavorable for farm work since the beginning of the year, and preparations for this year's operations are therefore two or three weeks behind those of a year ago. In some sections of the district rains fell so frequently during March and early April that little plowing could be done, and temperatures were too low to germinate seed after planting. The soil is in excellent condition for future work, and the retarded season is not necessarily a serious handicap. Fruit prospects are much better than a year ago, as a result of the continued cold which prevented premature bud development. Small grains did not winter well, and on April 1st small grain prospects in the district were unusually poor, but it is possible that favorable seasons may enable these crops to overcome the present poor condition. Frequent freezes and thaws during the winter, with comparatively little snow cover for protection, account for the low condition of fall sown grains. Early potatoes have been planted in the district, but on April 1st few fields had come up in Virginia, while in the Carolinas development was retarded. Pastures are in very poor condition, in contrast with the condition a year ago, and many observers think grasses were permanently damaged by the alternate freezing and thawing during the winter. Lamb development in Virginia is backward, due to a lack of green feed, and shipments to market will be delayed. In most of the district milk production is less than in April 1927, another result of poor pasturage this season. Farm labor is more plentiful now than in April a year ago, and throughout most of the district farm wages have declined slightly, but the demand for labor has thus far been less than last year, probably due in part to the lateness of the present season. Fertilizer prices are higher than in 1927, but on the whole farmers are in better financial condition and tax tag sales indicate that a larger tonnage of fertilizer has been sold this season.

FIGURES ON RETAIL TRADE

As Indicated By Reports from Thirty Representative Department Stores for the Month of March 1928

Percentage increase in March 1928 sales, over sales in March 1927:				
<i>Baltimore</i>	<i>Richmond</i>	<i>Washington</i>	<i>Other Cities</i>	<i>District</i>
6.6	8.8	8.0	—1	6.6
Percentage increase in total sales since January 1st, over sales during the same three months in 1927:				
1.9	3.1	5.1	—3.3	2.7
Percentage increase in March 1928 sales, over average March sales during the three years 1923-1925, inclusive:				
2.5	27.3	18.1	—3.0	9.6
Percentage increase in stock on hand March 31, 1928, over stock on March 31, 1927:				
—6.0	—3.2	—1	—3.5	—3.3
Percentage increase in stock on hand March 31, 1928, over stock on February 29, 1928:				
8.9	6.8	7.3	3.7	7.4
Percentage of sales in March 1928 to average stock carried during that month:				
28.3	32.3	28.7	20.4	27.7
Percentage of total sales since January 1st, to average stock carried during each of the three months:				
72.9	80.9	77.8	54.9	73.1
Percentage of collections in March to total accounts receivable on March 1, 1928:				
24.5	31.1	31.0	31.6	28.0

— Denotes decreased percentage.

Thirty representative department stores in the fifth reserve district sold an average of 6.6 per cent more goods, in dollar amount, in March 1928 than in March 1927, and also sold 9.6 per cent more than average March sales during the three years 1923-1925, inclusive. Part of the March increase was probably due to the earlier date of Easter this year, some of the early Easter trade which fell in April 1927 occurring in late March this year. On the other hand, the weather in March 1927 was mild and stimulated more Spring buying than the cold weather of March 1928. Total sales in the reporting stores since January 1st this year averaged 2.7 per cent above sales in the first quarter of 1927.

Stocks of goods on the shelves of the reporting stores at the end of March averaged 3.3 per cent less than stocks on March 31, 1927, but were seasonally larger by 7.4 per cent than stocks on February 29, 1928. Baltimore stores showed the greatest decline in stocks in comparison with the preceding year, and Washington reported the smallest decline.

The percentage of sales to average stocks carried during March was 27.7 per cent for the district as a whole, and the percentage of total sales during the first three months of this year to average stocks carried during each of the three months was 73.1 per cent, indicating an annual turnover of 2.92 times in contrast with a rate of 2.86 times reported by the same stores for the first quarter of 1927.

Collections by the reporting stores during March totaled 28.0 per cent of outstanding receivables as of March 1st, all cities except Baltimore—which remained unchanged—showing some improvement over the February percentages. The percentages this year were lower in Baltimore, the Other Cities and in the district as a whole than those of March 1927, but Richmond and Washington percentages were higher during the 1928 month. The improvement in Richmond collections was perhaps due in part to a recent advertising campaign by Richmond stores against slow accounts.

WHOLESALE TRADE, MARCH 1928

Percentage increase in March 1928 sales, compared with sales in March 1927:					
<i>32 Groceries</i>	<i>11 Dry Goods</i>	<i>5 Shoes</i>	<i>16 Hardware</i>	<i>5 Furniture</i>	<i>13 Drugs</i>
— .3	— 14.5	1.7	— 7.6	— 30.9	— 2.0
Percentage increase in March 1928 sales, compared with sales in February 1928:					
5.9	7.9	12.2	19.6	.2	12.9
Percentage increase in total sales since January 1st, compared with sales during the same three months in 1927:					
.1	— 13.1	— 2.1	— 6.5	— 13.1	— 1.7
Percentage increase in stock on March 31, 1928, compared with stock on March 31, 1927:					
— 1.4(11)*	20.0(4)*	— 32.4(4)*	— 1.5(8)*
Percentage increase in stock on March 31, 1928, compared with stock on February 29, 1928:					
3.5(11)*	— 5.1(4)*	2.0(4)*	— 5.5(8)*
Percentage of collections in March to accounts receivable on March 1, 1928:					
65.1(19)*	32.4(8)*	25.1(5)*	34.9(12)*	22.1(3)*	54.7(8)*

— Denotes decreased percentage.

* Number of reporting firms.

Eighty-two firms representing six leading lines of trade, sent reports to the Federal Reserve Bank of Richmond on wholesale trade during March. Sales by shoe firms exceeded sales in March 1927, but sales in the five other lines declined last month. March sales in all six lines increased seasonally over February 1928 sales, both because of increased demand as a result of Spring requirements and on account of the longer month. In total sales during the first quarter of this year, sales of groceries exceeded sales by the same firms during the first quarter of 1927, but this year's sales in dry goods, shoes, hardware, furniture and drugs were lower than sales in the same lines during the first three months of last year.

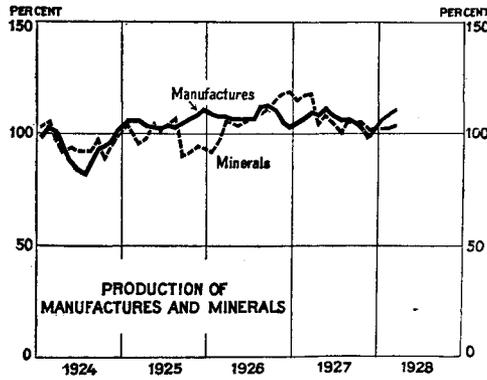
Stocks on hand in the reporting firms at the end of March 1928 were larger in dry goods than on March 31, 1927, but were less in groceries, shoes and hardware. Dry goods and hardware stocks declined during March from those on hand at the end of February this year, but grocery and shoe stocks increased somewhat during the past month.

Collections in groceries during March totaled 65.1 per cent of outstanding receivables as of March 1st. Drugs averaged 54.7 per cent of outstanding receivables collected during the month, while hardware averaged 34.9 per cent, dry goods 32.4 per cent, shoes 25.1 per cent, and furniture 22.1 per cent. These percentages are all lower than those of March 1927 except in dry goods, which averaged 29.1 per cent last year. Furniture showed the greatest change in percentage of collections to outstanding receivables, declining from 39.5 per cent in March 1927 to 22.1 per cent in March 1928.

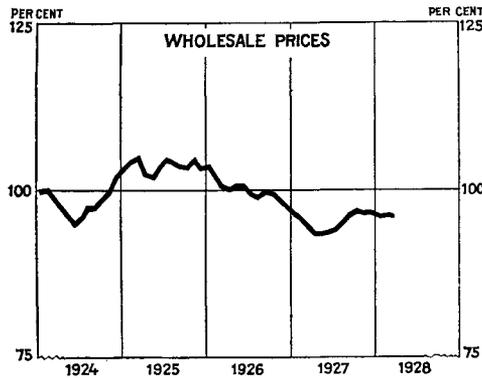
(Compiled April 21, 1928)

BUSINESS CONDITIONS IN THE UNITED STATES

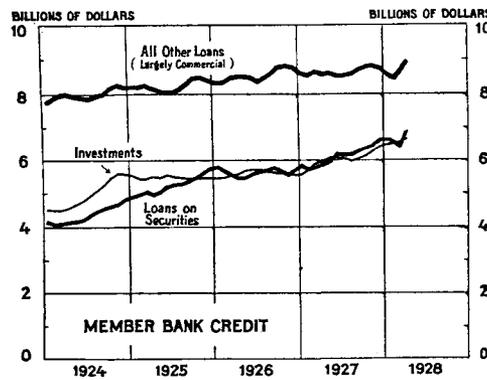
(Compiled by the Federal Reserve Board)



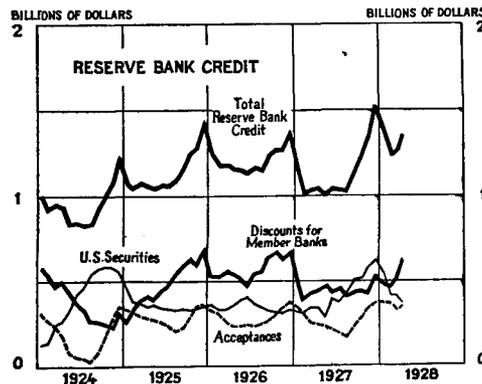
Index numbers of production of manufactures and minerals, adjusted for seasonal variations (1923-1925 average = 100). Latest figures, March, manufactures 111, minerals 104.



Index of United States Bureau of Labor Statistics (1926 = 100, base adopted by Bureau). Latest figure, March 26.



Monthly averages of weekly figures for banks in 101 leading cities. Latest figures are averages for first 3 weekly report dates in April.



Monthly averages of daily figures for 12 Federal Reserve banks. Latest figures are averages of first 23 days in April.

Industrial production during March was in about the same volume as in February and there was a seasonal increase in the distribution of commodities. Wholesale prices remained practically unchanged. During the past month there have been increases in bank credit in use and in member bank borrowing at the reserve banks, and open market money rates have shown further advances.

PRODUCTION. Production of manufactures was maintained during March at the high level reached in February, and the output of minerals also showed little change. Production of passenger automobiles and trucks during March totaled 413,000, the largest output recorded for any month since August 1926, and production schedules in automobile plants continued large in April. Activity in the iron and steel industry was also maintained at a high level during March and April, and lumber production was in larger volume than a year ago. Cotton and wool consumption declined in March, but silk deliveries were the largest on record. There was some decline in meat-packing and in the production of sole leather, and the output of boots and shoes in March showed less than the usual seasonal increase. Mining of bituminous coal decreased during March by less than the usual seasonal amount, but as the result of a strike in certain middle Western mines, production in the early weeks of April was considerably curtailed. Building contracts awarded were smaller in March than a year ago, while those for the first three weeks in April were in about the same volume as in the corresponding period of last year. As a result of large contracts during the first two months of this year, total awards for the year to April 20th exceeded those for the same period of 1927. Contracts for residential buildings and for public works have been especially large.

TRADE. Sales of wholesale firms increased less than usual in March, and were somewhat smaller than in the same month of last year. Sales of department stores, on the other hand, after allowance is made for customary seasonal changes and the early date of Easter, were about the same in March as in the preceding month and in March 1927. Stocks of merchandise carried in March by wholesale firms were larger, while those of department stores were smaller, than at this time last year.

The volume of freight car loadings showed more than the usual seasonal increase in March, but declined in the first two weeks of April. Loadings continued smaller than a year ago, for all classes of commodities except grains and livestock.

PRICES. The general level of wholesale commodity prices showed little change in March, the index of the Bureau of Labor Statistics declining slightly from 96.4 per cent to 96.0 per cent of the 1926 average. There were decreases in the prices of livestock, dairy products, meats, coal and rubber; prices of grains, cattle, feed, cotton and steel, on the other hand, advanced. During the first three weeks in April there were further substantial increases in the prices of grains and more moderate advances in flour, hogs, cotton and lumber, while prices of cattle and rubber declined.

BANK CREDIT. Between March 21st and April 18th, total loans and investments of member banks in leading cities increased by about \$410,000,000, reaching the highest level on record. The advance was largely in loans on securities, which showed an increase of nearly \$300,000,000 and in April were close to the high point of the first of the year. Loans for commercial purposes continued the increase which began in February and notwithstanding a small decline during the last week of the period were nearly \$350,000,000 larger on April 18th than at the end of January.

The volume of reserve bank credit in use increased by \$180,000,000 during the five weeks ending April 25th, reflecting increased reserve requirements of member banks, and a further net outflow of gold amounting to more than \$50,000,000. Reserve bank holdings of securities were reduced by about \$80,000,000 during the period, while discounts for member banks increased by \$230,000,000. Acceptance holdings also showed a small increase.

A firmer tendency in the money market was evidenced at the end of March and during April by further increases in rates on call and time loans on securities, and by increases from 4-4½ per cent to 4½ per cent in the rates on commercial paper and from 3½ per cent to 3¾ per cent in the rate on 90 day bankers' acceptances. Between April 20th and April 25th, discount rates were raised from 4 to 4½ per cent at the Boston, Chicago, St. Louis, Richmond and Minneapolis Federal Reserve Banks.