

# MONTHLY REVIEW

## BUSINESS AND AGRICULTURAL CONDITIONS



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RICHMOND, VIRGINIA

MAY 31, 1928

**DISTRICT SUMMARY**—The volume of business transacted in the Fifth Federal reserve district in April and early May was about up to seasonal level, and prospects for the next few months improved over those of two or three months ago. Reserve bank credit extended to member banks increased seasonally last month, chiefly due to country bank needs for crop planting. Debits to individual accounts for the five weeks ended May 16th not only exceeded debits for the corresponding period of 1927, but also were larger than debits in the preceding five weeks this year, ended April 11th, the latter increase over the period which contained income tax payments and April 1st quarterly settlements being unusual. Business failures in the district in April were fewer in number and lower in liabilities than in April last year. Employment conditions, while still unsatisfactory, showed some improvement during April and May. Coal production, as is usual at this season, declined in April from March figures, but was up to average tonnage for April. Building operations as reflected in city permits issued declined in April this year in comparison with April 1927, but a very large amount of industrial construction located outside city limits or in small towns brought the total of construction work provided for in April far above the figures of April last year. Spot cotton prices continued their upward trend last month, advancing approximately \$5 a bale between the middle of April and the middle of May.

Among the unfavorable factors in the present situation, the most important is the lateness of this year's crop development. Much rain and exceptionally cold weather during the late Winter and Spring delayed planting and retarded germination of seed and growth of plants. Textile mills continue to operate on part time schedules, due to insufficient orders to take the output of full time work. Retail trade in April was in smaller volume than in April 1927, but this was probably due to the earlier Easter date this year and the occurrence of one less business day during the 1928 month. Wholesale trade in April was also in smaller volume in nearly all lines reported upon than in April 1927.

**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 \$35,691,000 on April 15th to \$43,593,000 on May 15th, both this year, and increased the total earning assets of the Richmond bank by about the same amount, raising them from \$57,380,000 last month to \$65,059,000 at the middle of May. In spite of the increased demand for credit during the past month, however, the circulation of Federal reserve notes dropped from \$59,948,000 to \$57,084,000, the need at this season being for book credit rather than cash. Member bank reserve deposits decreased from \$70,940,000 at the middle of April to \$68,334,000 at the middle of May. The several changes in the items enumerated resulted in a net decline in the total cash reserves of the Richmond bank from \$84,426,000 on April 15th to \$72,270,000 on May 15th, and reduced the ratio of reserves to note and deposit liabilities combined from 63.63 per cent at the middle of last month to 56.50 per cent at the middle of May.

Reserve bank credit continues in larger amount than at the same time a year ago. On May 15, 1927, rediscounts for member banks held by the Federal Reserve Bank of Richmond totaled \$27,977,000, but on May 15th this year rediscounts held by the Richmond bank amounted to \$43,593,000, an increase of approximately 56 per cent. The circulation of Federal reserve notes declined during the year, however, falling from \$66,571,000 on May 15th last year to \$57,084,000 on May 15th this year, a decrease of 14 per cent. Member bank reserve deposits, on the other hand rose from \$67,787,000 last year to \$68,334,000 this year. Total earning assets of the Richmond bank rose from \$43,380,000 at the middle of May a year ago to \$65,059,000 on the corresponding date this year, an increase of 50 per cent. The greater demand for credit this year is reflected in a decrease in the Richmond bank's cash reserves from \$97,010,000 on May 15, 1927, to \$72,270,000 on May 15, 1928, and in a decline between the same dates in the ratio of reserves to note and deposit liabilities combined from 70.76 per cent to 56.50 per cent.

## CONDITION OF SIXTY-SIX REPORTING MEMBER BANKS IN SELECTED CITIES

ITEMS	May 16, 1928	April 11, 1928	May 11, 1927
Total Loans and Discounts (including all rediscounts).....	\$517,877,000	\$521,452,000	\$513,136,000
Total Investments in Bonds and Securities.....	172,403,000	175,495,000	145,920,000
Reserve Balance with Federal Reserve Bank.....	39,170,000	42,080,000	40,821,000
Cash in Vaults.....	11,684,000	12,416,000	13,958,000
Demand Deposits .....	362,237,000	373,391,000	381,159,000
Time Deposits .....	249,679,000	247,682,000	221,992,000
Borrowed from Federal Reserve Bank.....	24,875,000	18,560,000	6,993,000

In the above table comparative figures reported by sixty-six identical member banks are shown as at the close of business May 16, 1928, April 11, 1928, and May 11, 1927, 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.

Outstanding loans to customers of member banks usually increase during April and May in the fifth reserve district, but between April 11th and May 16th this year the sixty-six reporting city banks reduced their loans and discounts by \$3,575,000. Demand deposits in the reporting institutions declined \$11,154,000 during the month, and cash in vaults dropped \$732,000. Time deposits rose \$1,997,000, but there was a net decline of \$9,157,000 in aggregate deposits during the period under review. These changes caused a decline of \$3,092,000 in investments in bonds and securities, and a reduction of \$2,910,000 in reserve balances at the Federal reserve bank. As a further outcome, the sixty-six reporting banks increased their borrowing at the reserve bank by \$6,315,000 between April 11th and May 16th.

A comparison of the figures reported for May 16, 1928, with those reported on May 11, 1927, shows an increase this year of \$4,741,000 in outstanding loans to customers of the reporting banks, and a rise during the year of \$17,882,000 in the banks' borrowing at the Federal reserve bank. Total investments in bonds and securities were \$26,483,000 greater on May 16th this year than on May 11th last year. Reserve balances of the sixty-six banks at the reserve bank decreased \$1,651,000 during the year, and cash in vaults declined \$2,274,000. Aggregate deposits rose \$8,765,000 during the year, in spite of a drop of \$18,922,000 in demand deposits, time deposits having increased \$27,687,000. For several years member banks have been shifting some of their demand deposits to time deposits, the result being a reduction of reserve requirements at the reserve bank.

### DEBITS TO INDIVIDUAL ACCOUNTS

CITIES	TOTAL DEBITS DURING THE FIVE WEEKS ENDED		
	May 16, 1928	April 11, 1928	May 18, 1927
Asheville, N. C. ....	\$ 38,850,000	\$ 39,525,000	\$ 40,899,000
Baltimore, Md. ....	504,489,000	467,298,000	469,717,000
Charleston, S. C. ....	28,791,000	32,852,000	33,086,000
Charleston, W. Va. ....	43,448,000	44,916,000	40,802,000
Charlotte, N. C. ....	71,465,000	73,223,000	64,447,000
Columbia, S. C. ....	31,579,000	37,303,000	30,294,000
Cumberland, Md. ....	10,475,000	10,449,000	11,261,000
Danville, Va. ....	11,027,000	10,290,000	9,994,000
Durham, N. C. ....	28,460,000	30,797,000	36,260,000
Greensboro, N. C. ....	31,687,000	30,319,000	33,191,000
Greenville, S. C. ....	30,633,000	29,351,000	28,450,000
Hagerstown, Md. ....	12,278,000	12,495,000	12,937,000
Huntington, W. Va. ....	26,497,000	25,556,000	27,907,000
Lynchburg, Va. ....	21,771,000	21,735,000	22,587,000
Newport News, Va. ....	11,613,000	10,987,000	11,150,000
Norfolk, Va. ....	91,071,000	77,020,000	86,695,000
Raleigh, N. C. ....	33,996,000	24,728,000	25,309,000
Richmond, Va. ....	151,887,000	156,115,000	154,172,000
Roanoke, Va. ....	33,076,000	32,386,000	32,890,000
Spartanburg, S. C. ....	14,959,000	16,538,000	16,020,000
Washington, D. C. ....	308,319,000	295,946,000	296,320,000
Wilmington, N. C. ....	23,385,000	24,086,000	23,755,000
Winston, Salem, N. C. ....	46,877,000	52,220,000	51,179,000
<b>Total</b> .....	<b>\$1,606,633,000</b>	<b>\$1,556,135,000</b>	<b>\$1,559,322,000</b>

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 five weeks, ended May 16, 1928, April 11, 1928, and May 18, 1927. These figures include 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 house, 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 five weeks ended May 16th this year, aggregate debits in the twenty-three reporting cities totaled \$1,606,633,000, an increase of 3.2 per cent over the total of \$1,556,135,000 reported for the preceding five weeks, ended April 11th. An increase during the later period is contrary to seasonal trend; income tax payments at the middle of March and quarterly settlements around April 1st usually swell debit figures sufficiently to exceed those of the following five weeks. Twelve of the twenty-three cities reported higher figures for the period ended May 16th.

Debits totaling \$1,606,633,000 during the 1928 period under review exceeded the total of \$1,559,322,000 reported for the corresponding period last year by 3.0 per cent. Only eleven of the twenty-three cities reported higher figures this year, compared with twelve cities reporting decreased totals, but in some cities the gains were marked. Raleigh with an increase of 34.3 per cent led all cities in percentage gain, partly due to large State transactions this year, while both Charlotte and Danville reported gains of more than 10 per cent in this year's figures. Among the largest cities, increased figures were reported by Baltimore, Charlotte, Norfolk and Washington, but Richmond and Winston-Salem reported lower totals for the 1928 period.

**SAVINGS DEPOSITS**—At the close of business on April 30, 1928, twelve mutual savings banks in Baltimore had aggregate deposits totaling \$183,096,168, compared with \$180,663,255 on deposit at the end of March this year and \$163,243,423 at the end of April a year ago. The April 30, 1928, total was the highest on record. Sixty-six regularly reporting member banks in the fifth reserve district had time deposits amounting to \$249,679,000 on May 16th, compared with \$247,682,000 on deposit on April 11th this year and \$221,992,000 on May 11, 1927.

**BUSINESS FAILURES**—*Dun's Review* for May 5th, in reviewing business failures for April, says, "Making the best exhibit for a number of months, the April insolvency returns show 1,818 commercial failures in the United States, with liabilities of \$34,985,145. The report not only discloses an improvement, both in the number of defaults and amount of indebtedness, over the totals for several preceding months, but also is more favorable than the statistics for April of recent years. It is necessary to go back to last October to find fewer insolvencies than occurred last month, while the liabilities are the smallest since last September. Moreover, the number of failures is less than in any April since 1924, and the indebtedness is the lightest for the period since 1920. The numerical decrease from the 1,968 defaults of April 1927 is 7.6 per cent, while the reduction from the 2,236 insolvencies of March of the present year is 18.7 per cent. In respect of the liabilities, last month's aggregate is fully 34 per cent below the \$53,155,727 of April last year, and is more than 36 per cent under the \$54,814,145 reported for March of the current year."

In the fifth district, April 1928 insolvencies totaled 106, with liabilities amounting to \$2,316,842, compared with 123 failures and liabilities totaling \$3,800,752 reported for April 1927. Both the number of failures and the total liabilities involved reported last month were the lowest since last October.

**LABOR**—Although employment conditions continue unsatisfactory, and a larger number of workers are idle, or are working only part time, than for several spring seasons, some improvement occurred between the middle of April and the middle of May. The opening of a large volume of construction work in the fifth district has taken many men from the ranks of the unemployed, and at present it appears likely that sufficient work will be available during the summer to take care of nearly all labor. In the neighborhood of Richmond and in several other localities in the district large industrial plants are being erected. These plants will furnish work for the building trades for some months, and afterwards will employ several thousand additional factory workers, most of whom will be recruited locally. The workers in the textile sections continue part time labor, and a seasonal decline in coal production has also reduced operating time at the mines. Farmers are now using some additional labor for planting, and tobacco factories are running full time.

**COAL**—Bituminous coal production in April this year totaled approximately 32,188,000 net tons, a decrease of 27 per cent under 43,955,000 tons mined in March 1928 and 7.2 per cent under 34,674,000 tons brought to the surface in April 1927. The April decline from the March figure was seasonal. West Virginia mines continued their leadership in production during April. Retail prices were generally reduced early in April and the usual drive by retailers for summer orders is under way. The Bureau of Mines, Department of Commerce, reported a coal reserve in the bins of industrial consumers on April 1st totaling approximately 48,300,000 tons, compared with 75,000,000 tons on April 1st last year, when heavy stocks had been built up in anticipation of the miners' strike which began on April 1, 1927. Retail stocks are about 23 per cent lower than a year ago, but all dealers have adequate stock to make prompt deliveries on all orders.

**TEXTILES**—Textile mills in the fifth reserve district continued part time operations during April. Cotton consumed in the district totaled only 226,642 bales in April, a decrease under the 246,-

618 bales used during the longer month of March and also under 259,254 bales consumed in April 1927, when orders were on hand in sufficient volume to justify full time operations. North Carolina mills used 123,421 bales of cotton in April this year, South Carolina mills used 95,156 bales, and Virginia mills used 8,065 bales. Fifth district consumption totaled 43.2 per cent of National consumption last month, compared with 42 per cent of National consumption used in the district in April a year ago.

### BUILDING OPERATIONS FOR THE MONTHS OF APRIL 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.....	578	499	1,218	1,248	\$ 1,585,800	\$ 3,008,040	\$ 546,950	\$ 705,960	\$-1,581,250	- 42.6%	1
2	Cumberland, Md....	26	44	9	11	95,700	134,257	23,329	8,716	— 23,944	— 16.7	2
3	Frederick, Md.....	4	8	1	2	7,075	15,110	200	1,800	— 9,635	— 57.0	3
4	Hagerstown, Md....	16	33	18	13	4,825	149,155	30,600	37,475	— 151,205	— 81.0	4
5	Danville Va.....	18	21	6	16	32,185	47,045	2,020	15,150	— 27,990	— 45.0	5
6	Lynchburg, Va.....	34	23	29	29	70,566	302,014	11,082	11,165	— 231,531	— 73.9	6
7	Norfolk, Va.....	86	84	77	102	621,280	268,730	96,615	59,505	389,660	118.7	7
8	Petersburg, Va....	3	1	7	8	11,700	1,500	5,755	6,650	9,305	114.2	8
9	Portsmouth, Va....	*25	.....	*21	.....	*66,630	.....	*10,281	.....	.....	.....	9
10	Richmond, Va.....	100	144	68	87	952,194	1,483,017	96,829	181,068	— 615,062	— 37.0	10
11	Roanoke, Va.....	64	91	41	37	299,731	257,780	10,136	15,197	— 36,890	— 13.5	11
12	Bluefield, W. Va...	7	12	2	7	6,970	31,165	600	12,225	— 35,820	— 82.6	12
13	Charleston, W. Va.	53	41	16	16	84,493	95,655	39,650	69,062	— 40,574	— 24.6	13
14	Clarksburg, W. Va	37	40	24	14	61,380	38,753	7,985	7,075	— 23,537	— 51.4	14
15	Huntington, W. Va	33	68	3	1	79,425	91,687	2,800	1,500	— 10,962	— 11.8	15
16	Parkersburg, W. Va	21	25	12	8	61,650	55,650	9,100	9,150	5,950	9.2	16
17	Asheville, N. C. ....	32	25	52	120	360,583	301,916	29,102	53,677	34,092	9.6	17
18	Charlotte, N. C. ....	79	64	37	24	578,500	506,000	28,802	28,850	72,452	13.5	18
19	Durham, N. C.....	48	60	9	15	223,485	278,243	11,275	11,390	— 54,873	— 18.9	19
20	Greensboro, N. C. ...	65	72	51	37	318,970	420,421	115,368	15,791	— 1,874	— 0.4	20
21	High Point, N. C....	36	77	8	13	150,350	271,535	7,375	5,585	— 119,395	— 43.1	21
22	Raleigh, N. C.....	31	55	14	10	157,515	1,092,200	6,718	3,375	— 931,342	— 85.0	22
23	Salisbury, N. C. ....	9	18	5	2	20,350	114,980	1,365	1,600	— 94,865	— 81.4	23
24	Wilmington, N. C. ...	12	10	8	9	53,200	92,700	6,700	9,000	— 41,800	— 41.1	24
25	Winston-Salem, N. C.	101	101	69	40	534,295	448,272	59,029	108,312	36,740	6.6	25
26	Charleston, S. C. ....	19	14	27	29	16,933	28,592	7,910	14,350	— 18,099	— 42.1	26
27	Columbia, S. C. ....	33	25	60	32	127,900	189,700	21,450	13,265	— 53,615	— 26.4	27
28	Greenville, S. C....	17	13	40	30	59,200	51,100	27,905	56,100	— 20,095	— 18.7	28
29	Spartanburg, S. C. ...	25	43	18	14	60,275	254,461	12,040	2,515	— 184,661	— 71.9	29
30	Washington, D. C. ...	171	313	420	562	2,858,950	4,157,180	176,920	278,490	—1,399,800	— 31.6%	30
	Totals.....	1,758	2,024	2,349	2,536	\$ 9,495,480	\$14,186,858	\$ 1,395,610	\$1,743,998	\$ -5,039,766	- 31.6%	

— Denotes decrease. \* Portsmouth figures not included in totals.

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.

The increase in building operations in the cities of the fifth district, which began with the New Year, was checked last month. Building inspectors in twenty-nine leading fifth district cities issued only 1,758 permits for new construction in April, compared with 1,985 permits issued in March and 2,024 in April last year. In estimated valuation, new work provided for in April totaled \$9,495,480, compared with \$14,342,937 in March 1928 and \$14,186,858 in April 1927. Alteration and repair permits issued in April totaled 2,349, with estimated valuation of \$1,395,610, compared with 2,536 permits and \$1,743,998 valuation for the same class of work in April a year ago. Total valuation for all classes of permits in April amounted to \$10,891,090, compared with \$15,930,856 in April 1927, a decline this year of \$5,039,766, or 31.6 per cent. Higher valuation figures for the 1928 month were shown by only eight of the twenty-nine reporting cities. In spite of the marked decline in the April figures under those of April 1927, however, the total amount of construction work provided for in the reporting cities during the first four months of 1928 exceeds the work for which permits were issued in the first third of 1927. In addition, in certain localities in the fifth district there is much industrial work under way, which is not within city limits and therefore does not show in the building permit statistics. Contracts awarded in April for construction work in the fifth reserve district totaled \$66,590,828, compared with \$31,192,000 awarded in April 1927, according to figures collected by the F. W. Dodge Corporation. Of the awards in April this year, \$16,031,698 went into residential work, the balance of more than \$50,000,000 representing industrial, commercial or public utility construction.

**COTTON**—Unfavorable weather for planting and indications of a relatively heavy weevil infestation this year tended to raise cotton prices during the past month. From an average of 19.62 cents per pound paid growers in the Carolinas for middling upland cotton during the week ended April 14th the average price rose to 20.82 cents per pound during the week ended May 12th, the latest period for which official figures are available. This figure is the highest for any week since last September, and is more than 6 cents per pound above the May 1927 price.

Cotton consumed in American mills during April 1928 totaled 525,158 bales, compared with 581,318 bales consumed in March this year and 618,279 bales used in April 1927. Total consumption for the nine months of the season to date—August 1, 1927, to April 30, 1928—amounted to 5,305,671 bales, compared with 5,330,031 bales consumed during the corresponding period ended April 30, 1927. According to the Bureau of the Census report of May 14th, consuming establishments held 1,507,992 bales of cotton in their warehouses on April 30th, compared with 1,891,137 bales so held on the corresponding date a year earlier. Public warehouses and compresses held 2,921,306 bales in storage on April 30th, compared with 3,669,737 bales a year ago. Exports totaled 485,219 bales in April this year, compared with 855,449 bales shipped abroad during the same month of 1927, and total exports for the nine months ended April 30th amounted to 6,330,598 bales against 9,684,505 bales exported during the nine months ended April 30, 1927. Imports last month totaled 18,196 bales, compared with 38,058 bales brought in during April last year. The cotton growing states consumed 396,566 bales in April this year, or 75.5 per cent of National consumption, compared with 447,127 bales, or 72.3 per cent of National consumption, used in the cotton growing states during April 1927.

The cotton crop is starting off poorly this season, cold and wet weather having delayed planting in some sections of the cotton growing territory and retarded growth in other sections. Cotton is a hot weather plant, needing much sunshine and thriving especially during hot nights, but this season has been unusually cool. According to Department of Agriculture records, a comparatively large number of weevils survived the winter, a condition made more serious by the lateness of the crop. However, no plant can make a quicker recovery from an unfavorable start than cotton, and if the weather is favorable during the growing season the time lost during Spring may be completely made up. It is too early to form any opinion as to probable yield this year.

**TOBACCO**—Virginia tobacco markets have closed for this season. Total sales of leaf tobacco for the 1927-1928 season in the state amounted to 143,016,431 pounds, according to reports to the Commissioner of Agriculture. The sales for 1926-1927 season amounted to 145,389,806 pounds. The amount of tobacco actually sold was 10 per cent greater than the estimate made by the Department of Agriculture last fall, but the difference was due to about 15,000,000 pounds of North Carolina grown tobacco being sold on Virginia markets. The Virginia production for 1927, therefore, was approximately 128,000,000 pounds, compared with the December estimate of 129,000,000 pounds and a production in 1926 of 137,032,000 pounds. Prices for all types except Flue-Cured were higher than for the previous season, the 1927 average of \$18.13 per hundred comparing with \$17.92 per hundred paid for the 1927 crop. Burley tobacco showed the greatest increase in price, averaging \$23.86 per hundred in comparison with \$15.05 average for the preceding season. The amount of Flue-Cured tobacco sold was 108,033,535 pounds, which was 75.5 per cent of the total sales of all types. Fire-Cured sales amounted to 26,472,157 pounds, or 18.5 per cent of the total sales. Approximately 4 per cent of the total sales was Sun-Cured tobacco, and Burley, which is grown in Southwest Virginia, made up about 2 per cent of all sales. The quality of tobacco last year was very good, especially for Burley and Sun-Cured. Warehousemen estimated that all sales graded 27 per cent good, 34 per cent medium, and 39 per cent common, while for the previous season the grade estimates were 23 per cent good, 36 per cent medium and 41 per cent common. Danville led all Virginia markets in season sales with 49,591,099 pounds, South Boston ranking second with 25,496,275 pounds, both markets handling Flue-Cured tobacco. Lynchburg with sales totaling 8,308,001 pounds led the Fire-Cured markets. Richmond sold 5,459,241 pounds of Sun-Cured and Abingdon sold 3,051,498 pounds of Burley, these cities handling all of the two types mentioned.

**AGRICULTURAL NOTES**—Nearly all crops are late this season, due to continued cold weather and much rain. Winter grains are backward in all the states of the fifth district, and winter freezes caused heavy abandonment of acreage. Pastures are also poor, and in some sections of the district cattle were still on winter feed on the first of May. Fruit prospects, however, are better than they were last year, the continued cold weather proving favorable by preventing premature development of buds. The damage to peaches done by April freezes was serious, but apple prospects are much better than a year ago. Truck shipments are late this year, but yields promise to be good in most crops. In South Carolina, April rainfall was the heaviest in 42 years, and as a result cotton and corn stands are irregular from poor germination and dying from cold, and much replanting has been necessary. The poor beginning does not necessarily mean that this season's yields will be poor, however, most crops having the power to overcome a very late start if favorable weather occurs during the growing season.

## FIGURES ON RETAIL TRADE

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

	<i>Baltimore</i>	<i>Richmond</i>	<i>Washington</i>	<i>Other Cities</i>	<i>District</i>
Percentage increase in April 1928 sales, over sales in April 1927:					
	—12.0	— 1.7	— 8.7	—13.3	— 9.9
Percentage increase in total sales since January 1st, over sales during the first four months in 1927:					
	— 2.3	1.7	1.0	— 6.3	— 1.1
Percentage increase in April 1928 sales over average April sales during the three years 1923-1925, inclusive:					
	— 7.6	21.3	7.5	— 8.9	.04
Percentage increase in stock on hand April 30, 1928, over stock on April 30, 1927:					
	— 6.1	— 2.5	1.6	— 3.3	— 2.6
Percentage increase in stock on hand April 30, 1928, over stock on March 31, 1928:					
	.3	— .9	.4	2.0	.5
Percentage of sales in April 1928 to average stock carried during that month:					
	25.5	29.9	26.0	18.8	25.2
Percentage of total sales since January 1st to average stock carried during each of the four months:					
	98.8	111.3	104.1	73.9	98.6
Percentage of collections in April to total accounts receivable on April 1, 1928:					
	24.0	30.6	30.0	30.0	27.1

— Denotes decreased percentage.

Retail trade during April in the Fifth Federal reserve district, as reflected in department store sales, fell below the trade of April 1927, chiefly because Easter was so early this year that most of the seasonal buying occurred in March, while in 1927 this trade came in April. April 1927 also contained one more business day than April 1928. Last month thirty leading department stores sold 9.9 per cent less, measured in dollars, than in April 1927, but averaged slightly larger sales than average April sales during the three years 1923-1925, inclusive. The smaller volume of business done in April was more than sufficient to offset higher sales in earlier months this year, and total sales from January 1st through April 30th averaged 1.1 per cent less than sales during the first four months of 1927.

Stocks of merchandise on the shelves of the reporting stores were 2.6 per cent lower in selling value at the end of April 1928 than a year earlier, but were five-tenths of 1 per cent larger than a month earlier. Last month's increase in stock on hand was an unseasonal development.

The percentage of sales to average stocks carried during April was 25.2 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 elapsed months was 98.6 per cent, indicating that business since January 1st was at an annual turnover rate of 2.958 times. During the first four months of 1927 the turnover rate was 2.997 times.

Collections by the thirty reporting stores during April totaled 27.1 per cent of outstanding receivables as of April 1st, a lower average than 27.5 per cent reported for March this year but higher than 26.6 per cent collected in April 1927. Baltimore, Richmond and Washington reported higher percentages in April than in April a year ago, but the Other Cities reported a decline. Richmond and Washington showed some improvement last month over March 1928 collections.

## WHOLESALE TRADE, APRIL 1928

Percentage increase in April 1928 sales, compared with sales in April 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>	
1.2	-18.3	- 5.2	-17.0	-28.9	- 8.2	
Percentage increase in April 1928 sales, compared with sales in March 1928:						
- 4.1	-22.9	-21.7	-13.6	-22.6	-12.9	
Percentage increase in total sales since Jan. 1, 1928, compared with sales during the first four months in 1927:						
.4	-14.3	- 2.8	- 9.2	-16.9	- 3.3	
Percentage increase in stock on April 30, 1928, compared with stock on April 30, 1927:						
2.6(11*)	15.3(4*)	-34.1(4*)	- .6(8*)	.....	.....	
Percentage increase in stock on April 30, 1928, compared with stock on March 31, 1928:						
- 1.7(11*)	- 3.9(4*)	1.0(4*)	.6(8*)	.....	.....	
Percentage of collections in April to accounts receivable on April 1, 1928:						
61.9(19*)	34.5(8*)	32.6(5*)	34.6(12*)	19.3(3*)	61.1(9*)	

— Denotes decreased percentage.

\* Number of reporting firms.

Eighty-two 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 all lines except groceries total sales since January 1st through April were less than sales during the corresponding four months last year. In comparison with April 1927 sales, those of April 1928 show an increase in groceries, but in all other lines sales last month were lower than a year earlier.

Stocks of merchandise carried by the reporting firms increased during April in shoes and hardware, but declined in groceries and dry goods. At the end of April this year, the reporting grocery and dry goods firms had larger stocks than on April 30, 1927; but the stocks of the reporting shoe and hardware firms were less than a year ago.

Collections showed some improvement during April over March in all lines except furniture. Dry goods and drug collections in April 1928 were better than in April 1927, but grocery, shoe, hardware and furniture collections last month were below those of the corresponding month a year earlier. The percentage of collections to receivables outstanding at the beginning of the month reported by the furniture firms dropped in April 1928 to 19.3 per cent from 29.8 per cent in April 1927 and 54.8 in April 1926.

(Compiled May 21, 1928)

# BUSINESS CONDITIONS IN THE UNITED STATES

(Compiled by the Federal Reserve Board)

The 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 the 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. The 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 for most classes of commodities continued smaller than a year ago.

**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 declines 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 23rd 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 4½ per cent.

Note: The occurrence of Sunday and the Memorial Day holiday near the end of the month shortened printing time and caused the omission of the usual charts accompanying this summary.