

MONTHLY REVIEW

CREDIT, BUSINESS AND AGRICULTURAL CONDITIONS



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FEDERAL RESERVE BANK OF RICHMOND

RICHMOND, VIRGINIA

MAY 31, 1930

BUSINESS in the Fifth Federal reserve district in April and the first half of May was in moderate volume only, and probably did not measure up to seasonal levels. On the whole, the recovery from the depression which began last fall has been slower than was generally expected, but definite progress has been made in most lines. The seasonal expansion of credit in April and early May was less this year than usual, rediscounts held by the Federal Reserve Bank of Richmond rising very little between the middle of April and the middle of May, and reporting member banks actually decreasing agricultural and commercial loans to their customers between April 9 and May 14. The volume of both reserve bank and member bank credit outstanding in this district is much smaller at present than at the same time last year. On the other hand, bank deposits compare favorably with the figures for May 1929, a decline in demand deposits being practically offset by an increase in savings and time deposits. Debits to individual accounts, representing check payments in clearing house banks in the leading cities of the district, were seasonally lower in the five weeks ended May 14 than in the preceding like period, ended April 9, and also 3.7 per cent below aggregate payments in the five weeks ended May 15, 1929, but in view of a generally lower level of wholesale commodity prices prevailing this year and lessened activity in stock market operations the decline in comparison with last year's debits is very slight. The commercial failure record of the district for April was one of the worst for several years. The number of failures was less than the number reported for April 1929, but the liabilities reached a higher figure than for any month since March 1924. Employment conditions improved somewhat in April and early May, but probably not as much as was expected with the opening of outside activities. Coal production in April exceeded that of March, but was in smaller tonnage than in April 1929, and West Virginia continued to lag behind Pennsylvania in output. The situation in the textile field showed no improvement last month, and many mills have adopted a definite policy of curtailment of operating time to prevent accumulation of manufactured goods. Cotton prices in April and May

ruled lower than in the preceding month or the same time last year, and cotton consumption in American mills was less than consumption in April 1929. The retail stores, especially those selling clothing, did a larger volume of business in April than they did in April last year, due to the occurrence of Easter on April 20 this year and March 31 last year. Retail trade in April did not overcome the decline reported in March, however, and for the first four months of this year department store sales ran slightly below the sales in the first four months of 1929. Wholesale trade in April was spotted and influenced by seasonal trend, but on the whole was in rather less volume than in April 1929. Total sales since January 1 in wholesale lines for which information is available show lower figures than in the first four months of 1929 except in shoes, the chief decline being in dry goods and hardware. The weather since the first of April has been favorable for farm work, but until the middle of May was unfavorable for seed germination or plant growth. April and early May was exceptionally dry, and April was unusually cool, with several frosts late in the month. Cotton has been planted and tobacco has been set out except in some sections where the ground has been too dry. Pastures are backward, and feeding of cattle was therefore necessary later this spring than usual. The fruit prospects are spotted, stone fruits having been seriously hurt by frosts and apples in low-lying orchards also damaged. Rains throughout most of the district in the latter half of May improved agricultural prospects materially.

Reserve Bank Statement.

The accompanying table shows the principal items of condition of the Federal Reserve Bank of Richmond as of three midmonth dates, thus affording an opportunity for comparison of the latest available figures with those of the preceding month and the preceding year.

Rediscounts for member banks held by the Richmond reserve bank rose slightly between April 15 and May 15, both this year, increasing by \$666,000, or 4.1 per cent, but on the later date stood at a level \$39,680,000, or 70.2 per cent, below the volume of redis-

counts held on May 15, 1929. The Bank's portfolio of open market paper decreased \$1,182,000, or 11.5 per cent, during the past month, but rose by \$3,836,000, or 72.8 per cent, during the year. Holdings of Government securities on May 15 this year were the same as the holdings on April 15, 1930, but were \$10,831,000 above the holdings on May 15, 1929. The several

ITEMS	000 omitted		
	May 15 1930	April 15 1930	May 15 1929
Rediscounts held	\$ 16,851	\$ 16,185	\$ 56,531
Open market paper.....	9,105	10,287	5,269
Government securities	12,640	12,640	1,809
Total earning assets.....	38,596	39,112	63,609
Circulation of Fed. Res. notes....	67,643	72,197	66,542
Members' reserve deposits.....	63,229	66,057	65,765
Cash reserves	102,693	111,399	79,423
Reserve ratio	77.20	77.68	58.95

changes in assets previously mentioned resulted in net declines in total earning assets amounting to \$516,000, or 1.3 per cent, during the past month and \$25,013,000, or 39.3 per cent, during the past year. Federal reserve notes in actual circulation declined seasonally last month by \$4,554,000, or 6.3 per cent, but at the middle of May totaled \$1,101,000, or 1.7 per cent, above the amount in circulation on May 15, 1929. Member bank reserve deposits on May 15, 1930, were \$2,828,000, or 4.3 per cent, below the reserves on April 15, and \$2,536,000, or 3.9 per cent, less than on May 15, 1929. The decline in reserve deposits last month was seasonal, but the decrease in comparison with last year was due in part to lower demand deposits on which reserves are carried, and in part to reduced membership in the Reserve System in the Fifth district this year. The changes in the items during the month between April 15 and May 15 lowered the cash reserves of the Federal Reserve Bank of Richmond by \$8,706,000, or 7.8 per cent, and reduced the ratio of cash reserves to note and deposit liabilities combined from 77.68 per cent on April 15 to 77.20 per cent on May 15. Cash reserves advanced \$23,270,000 during the year, however, and the ratio of reserves to note and deposit liabilities rose from 58.95 per cent at the middle of May 1929 to 77.20 per cent on May 15, 1930.

Member Bank Statement.

ITEMS	000 omitted		
	May 14 1930	April 9 1930	May 15 1929
Loans on stocks and bonds (including Governments)	\$197,028	\$201,236	\$188,196
All other loans.....	285,238	298,330	329,494
Total loans and discounts.....	482,266	499,566	517,690
Total inv. in bonds and stocks.....	160,595	158,606	158,425
Reserve bal. with F. R. Bank.....	41,028	39,527	38,763
Cash in vaults.....	11,398	11,391	10,842
Net demand deposits.....	346,538	354,093	353,790
Time deposits	247,302	246,115	239,393
Borrowed from Fed. Res. Bank..	3,797	2,903	30,152

In the table showing comparative figures for principal items of condition reported by fifty-eight mem-

ber banks in selected cities, some change has been made in the list of banks, and the figures are therefore not strictly comparable in every case. In revising the list of reporting banks care was taken to select institutions whose figures would balance the withdrawn banks as nearly as possible, and for practical purposes the several figures shown in the table are comparable. The accompanying table shows figures as of May 14, 1930, in comparison with similar figures for April 9 this year and May 15 last year.

Loans in the fifty-eight reporting banks declined by \$17,300,000 between April 9 and May 14, both this year, loans on stocks and bonds dropping \$4,208,000 and all other loans decreasing \$13,092,000. A decline in outstanding loans at this time of the year is unseasonal, crop planting needs usually causing some increase in borrowing in April and May. Total investments in securities by the reporting banks rose \$1,989,000 during the month under review, and the banks also increased their reserve deposits at the Federal Reserve Bank of Richmond by \$1,501,000. Cash in vaults remained practically unchanged between April 9 and May 14. Deposits showed a net decline of \$6,368,000, demand deposits dropping \$7,555,000 while time deposits showed an increase of \$1,187,000. There is usually some decrease in deposits at this season, when agricultural needs and payments for spring merchandise by merchants draw down balances. However, the decline in deposits was very much less than the decrease in outstanding loans during the month, a very favorable comparison for deposits. The reporting institutions slightly increased their borrowing at the reserve bank, rediscounts rising \$894,000 between April 9 and May 14.

In comparison with the figures reported by fifty-eight banks for May 15, 1929, the figures for May 14, 1930, show a total decline of \$35,424,000 in outstanding loans, all of which occurred in all other loans, which dropped \$44,256,000 while loans on securities rose \$8,832,000. Total investments in bonds and securities advanced \$2,170,000 during the year, and the reporting banks increased their reserve deposits at the Federal reserve bank by \$2,265,000. Cash in vaults rose \$556,000 during the year. Aggregate deposits showed a net change of only one-tenth of 1 per cent between May 15, 1929, and May 14, 1930, an increase of \$7,909,000 in time deposits offsetting a decline of \$7,252,000 in demand deposits, a net increase of \$657,000 resulting for the year. The greatest change in the statement during the year was in borrowing by the fifty-eight reporting banks at the reserve bank, which declined \$26,355,000, or 87.4 per cent, between May 15 last year and May 14 this year.

Debits to Individual Accounts.

Aggregate payments by checks drawn on depositors' accounts in clearing house banks in twenty-four leading trade centers of the Fifth Federal Reserve district are shown in the accompanying table, total debits for the five weeks ended May 14, 1930, being included for comparison with the corresponding figures for the five weeks' period ended April 9 this year and May 15 last year.

A majority of the reporting cities showed lower figures for the five weeks ended May 14 than for the preceding like period this year, ended April 9, the district registering a total decline in payments amounting to 2.7 per cent. This decline was seasonal, however, due chiefly to heavy quarterly payments on and around April 1, and does not indicate any material decline in trade during the later five weeks. The chief increases reported for the period ended May 14 were in Columbia and Charleston, South Carolina, and Raleigh, North Carolina, these increases having been caused by transactions involving extensive purchases of State bonds or other State financing. In comparison with aggregate check payments in the five weeks ended May 15, 1929, payments in the corresponding period this year showed a decline of 3.7 per cent, only six of the

CITIES	000 omitted		
	Total debits, five weeks ended		
	May 14 1930	April 9 1930	May 15 1929
Asheville, N. C.....	\$ 26,889	\$ 33,659	\$ 40,603
Baltimore, Md.	514,784	529,950	476,833
Charleston, S. C.....	33,990	28,100	32,200
Charleston, W. Va.....	51,975	50,813	46,828
Charlotte, N. C.....	60,376	61,695	73,602
Columbia, S. C.....	39,256	29,853	31,172
Cumberland, Md.	10,826	9,881	11,714
Danville, Va.	8,119	7,943	8,649
Durham, N. C.	28,398	31,908	35,515
Greensboro, N. C.....	25,569	28,345	32,107
Greenville, S. C.....	21,994	22,314	25,370
Hagerstown, Md.	11,836	11,873	12,934
Huntington, W. Va.....	24,793	24,524	26,727
Lynchburg, Va.	20,240	26,897	23,691
Newport News, Va.....	12,797	12,720	12,148
Norfolk, Va.	68,404	66,914	72,958
Portsmouth, Va.	5,724	5,760	6,162
Raleigh, N. C.....	35,871	25,903	30,386
Richmond, Va.	150,132	149,619	158,040
Roanoke, Va.	35,229	36,462	35,719
Spartanburg, S. C.....	14,629	13,688	16,727
Washington, D. C.....	279,680	302,850	317,925
Wilmington, N. C.....	18,730	18,776	23,023
Winston-Salem, N. C.....	40,829	52,727	48,482
District Totals	\$1,541,070	\$1,583,174	\$1,599,515

twenty-four reporting cities showing larger figures this year. The increases this year in Charleston, South Carolina, in Charleston, West Virginia, in Columbia, and in Raleigh were due chiefly or entirely to State transactions. The aggregate decline of 3.7 per cent in debits during the 1930 period is not an altogether unfavorable comparison, in consideration of the reduced activity in trading in the stock market and a generally lower level of wholesale prices prevailing this year.

Savings and Time Deposits.

Twelve mutual savings banks in Baltimore and reporting member banks in thirteen selected cities of the Fifth reserve district reported savings and time deposits on the latest report dates at higher levels than a month or a year earlier. The Baltimore savings banks had aggregate deposits amounting to \$195,174,471 on April 30, 1930, compared with \$192,327,234 on March 31, 1930, and \$189,959,148 on April 30,

1929. Fifty-eight regularly reporting member banks had time deposits aggregating \$247,302,000 on May 14 this year, compared with \$246,115,000 on April 9, 1930, and \$239,393,000 on May 15, 1929.

Commercial Failures.

The business failure record of the Fifth district in April was less favorable than in other recent months. Although 130 failures reported in the district showed a decline of 1.5 per cent from 132 failures reported in April 1929, and compared favorably with a National increase of 8.8 per cent in number of bankruptcies during the month, the liability record more than offset the improved showing in number of failures. Last month's aggregate liabilities amounted to \$7,244,020, the largest figure reported for the Fifth district since March 1924, when the insolvency of a large chemical company carried total liabilities for that month to the record figure of \$42,232,527. Total liabilities showed an increase in the district last month of 181.5 per cent in comparison with \$2,573,495 reported for April 1929, the second largest increase reported by any of the twelve reserve districts. In number of insolvencies in April, four districts—Richmond, Cleveland, Minneapolis and Kansas City—reported lower figures in April 1930 than in April 1929, but in liabilities involved only two districts—New York and Atlanta—showed improvement this year. Aggregate liabilities in the United States totaling \$49,059,308 showed an increase of 39.1 per cent over \$35,269,702 reported for April 1929.

Employment.

Employment showed somewhat more than seasonal improvement during April and the first half of May in several sections of the Fifth district, and did not lose ground anywhere, according to the information which is available. In Newport News the ship yards have taken on several hundred additional workers in recent weeks, and a car building company in Richmond resumed operations in May with about 300 skilled workers on the roll. In South Carolina extensive road building contracts are being prepared or awarded, and this work will shortly give employment to many people, chiefly unskilled laborers. Several correspondents report some movement of unskilled laborers back to farms, many of whom will become tenant farmers and be able to make a living at least while there is little or no demand for their labor in cities. These people will have little money with which to buy manufactured goods, but they can secure the necessities of life for themselves and their families.

Coal Production.

The total production of bituminous coal for the country as a whole during the month of April, with 25.8 working days, amounted to 35,860,000 net tons, as against 35,773,000 tons during the 26 days of March. The average daily rate of output in April was 1,390,000 tons, an increase of 14,000 tons, or 1 per cent, over average daily production in the longer month of March. April output this year compares less favorably with 37,380,000 net tons mined in April last year, average

daily production last month declining nearly 5 per cent in comparison with daily production in April 1929. Total production of soft coal during the present calendar year to May 10 (approximately 111 working days) amounts to 172,896,000 net tons, a smaller tonnage than in any other of the past five years. Tidewater shipments of coal in April through Fifth district ports totaled 1,967,591 tons, and total shipments since January 1, 1930, totaled 9,250,013 tons.

The April 26 report of the Bureau of Mines, Department of Commerce, gave coal production figures for March and for the first quarter of 1930. West Virginia, which lost the lead in the production of bituminous coal to Pennsylvania in February, continued in second place in March with 8,943,000 tons, and was also in second place in the first quarter of the year with 30,958,000 tons. The coal producing states in the Fifth district mined 34,891,000 tons, or 27.9 per cent, of total production during the first quarter of this year.

Textiles.

Conditions in the textile field continue unsatisfactory, and to prevent the accumulation of manufactured products in their warehouses a large number of Fifth district mills have recently begun to operate on restricted schedules, some of them running only part of each week and others operating in alternate weeks. The mills of the district consumed 230,968 bales of cotton in April, 43.4 per cent of National consumption for the month, of which North Carolina mills used 119,475 bales, South Carolina mills 100,586 bales, and Virginia mills 10,907 bales. Fifth district consumption in bales was larger last month than in March 1930 but less than in April 1929, but in percentage of National consumption the April figures for the Fifth district were less than 44.2 per cent in March this year but greater than 42.4 per cent in April last year.

Cotton Statistics.

Cotton prices between the middle of April and the middle of May were generally lower than in the preceding month, but little cotton is sold at this season and fluctuations in price are relatively unimportant except as indicators of what the trade thinks of developments during the next few months. From an average price of 15.16 cents per pound paid in ten Southern spot markets for middling cotton on April 18th, the price dropped to 15.09 cents a week later and then rose to 15.32 cents on May 2nd. After that date the trend turned downward again, the price averaging 15.24 cents on May 9th and 15.17 cents on May 16th, the latest date for which quotations are available. On May 17th last year the average price was 18.32 cents, a difference of \$15.75 a bale.

Consumption of cotton in the United States in April 1930 totaled 532,382 bales, compared with 508,576 bales used in the longer month of March this year and 631,802 bales in April 1929. Total consumption for the nine months of the present season—August 1st to April 30th—amounted to 4,855,999 bales, compared with 5,305,836 bales consumed in the corresponding

period of the 1928-1929 season. Manufacturing establishments held 1,667,394 bales on April 30th, compared with 1,762,627 bales held on March 31st and 1,606,412 bales on April 30, 1929. Public warehouses and compresses held 3,636,296 bales in storage at the end of April this year, compared with 4,189,113 bales so held a month earlier and 2,524,621 bales on April 30th last year. April exports totaled 349,762 bales, compared with 447,838 bales sent abroad in April 1929. Exports during the nine months of this cotton year totaled 6,120,526 bales, compared with 7,193,942 bales shipped over seas during the corresponding nine months ended April 30, 1929. Spindles active at some time during April numbered 28,860,382, compared with 28,898,464 in March this year and 30,911,416 in April 1929.

Cotton consumption in the cotton growing states totaled 413,039 bales in April, compared with 394,847 bales used in February and 477,940 bales in April 1929. Last month's consumption in the cotton growing states amounted to 77.58 per cent of National consumption, a smaller percentage than 77.64 per cent in March this year but a higher one than 75.65 per cent in April 1929. Of the 413,039 bales of cotton consumed in the cotton growing states in April, the Fifth district mills used 230,968 bales, or 55.92 per cent.

Much of the new cotton crop has been planted and is up to good stands in the lower section of the district. In some sections of the Carolinas there seems to be some reduction in acreage, but no accurate figures on the planted area are yet available. Many farmers are using less fertilizer this season than they usually put under their cotton, chiefly due to financial difficulties, and this reduction in plant food will no doubt have some effect on the year's production unless exceptionally favorable weather offsets this adverse factor.

Tobacco Manufacturing.

On May 1st, the Internal Revenue Bureau of the Treasury Department issued a comparative statement of receipts from the tax on tobacco manufactures for the nine months ended March 31st. This report shows clearly how far in the lead the Fifth reserve district is in tobacco manufacturing. Total taxes collected in the United States on tobacco products in the nine months amounted to \$332,078,059, and of this amount the Fifth district states paid \$245,999,955, or 74 per cent. The proportion of the total tax paid by the district increased this year, the district showing an increase of 12.4 per cent in contrast to the National increase of only 5.4 per cent. During the period ended March 31, 1930, North Carolina paid \$187,151,801, a little over 56 per cent of the entire amount paid in the United States. Virginia, although far behind North Carolina in total payment, ranked second with \$56,929,007, or 17 per cent of the National total. Although North Carolina, Virginia and West Virginia produce between a third and a half of the pipe and chewing tobacco made in the country, taxes paid on cigarettes amounting to \$223,406,378 made up nearly 91 per cent of the district's total payment. The cigarette tax paid by the district in the nine months ended March 31, 1930, indicates production of 74,468,793,000 ciga-

rettes during the period under review, an increase of 8,639,811,000 cigarettes in comparison with production in the nine months ended March 31, 1929.

Agricultural Notes.

Spring weather in the Fifth reserve district was favorable for farm work, but quite unfavorable for seed germination and plant growth. March and April temperatures were unusually low in most sections of the district, and as a result all growth was materially retarded. During April and early May no rain except light local showers fell, and crops suffered from lack of moisture. The dry soil was also difficult to work properly in preparation for this year's seeding. Winter grain crops came through the winter in good shape, with prospects for fair yields, although the production was reduced by the dry weather in late March and April. Stone fruits bloomed early, and consequently suffered severely from late frosts. The cold weather was beneficial to apples, blooming having been delayed until late in April, but nevertheless, severe frosts between April 20 and 27 did serious damage to low-lying orchards. On the whole, fruit prospects are quite spotted. The early Irish potato crop is generally up to rather poor stands, which may or may not indicate a short crop. Pastures are very late and toward the end of April the outlook for hay was very poor but rains in May have helped the situation in many sections. On the whole, the weather appears to have been rather less unfavorable in South Carolina than in other sections of the district, and farm work is well advanced in that state. Corn has been planted in most of the district, and tobacco has also been transplanted to the fields. The cotton crop has been planted except in scattered localities, but is not sufficiently advanced to indicate probable stands. Farm labor is in excess of the demand. Reports indicate that less fertilizer was put under the 1930 crops than is used in most years.

Building Permits.

A table showing building permits issued in April in thirty-two cities of the Fifth reserve district occurs elsewhere in this *Review*. The number of permits issued last month for new construction numbered 1,470, a smaller number than 1,740 issued for similar work in April 1929, but last month's valuation figures totaling \$12,114,383 were higher than \$10,309,006 reported for April last year. Permits for alteration and repair work in April 1930 numbered 2,227, with estimated valuation of \$1,339,428, compared with 2,089 permits and a valuation of \$2,092,949 for this type of work in April 1929. Total valuation figures for all classes of work were \$13,453,811 in April this year and \$12,401,955 in April last year, an increase this year of \$1,051,856, or 8.5 per cent. The increase was due chiefly to large figures in Baltimore and Washington rather than to a general district wide gain; in fact, seventeen cities reported lower total valuation figures this year while only fifteen reported higher figures, but increases of more than a million dollars each in Baltimore and Washington brought the district total above that of April 1929. The other larger cities, Richmond,

Norfolk, Charlotte, Winston-Salem and Charleston, W. Va., all reported lower figures this year except Charleston, which increased 5 per cent. Salisbury, Md., Lynchburg, Petersburg and Bluefield, reported large percentage increases, but the gains were due to small figures in April 1929 rather than to large figures last month.

Contract Awards.

Contracts actually awarded for construction work in the Fifth district in April 1930 totaled \$40,971,884, according to figures collected by the F. W. Dodge Corporation. This figure shows a decrease of 21.4 per cent below the awards totaling \$52,139,358 in April 1929. Contracts for residential types of construction last month totaled \$9,405,539, or approximately 23 per cent of the whole, compared with about 30 per cent of the April 1929 awards going for residential work. Reports from construction and building supply people indicate that many cities are somewhat overbuilt in houses and apartments at present, and consequently a larger proportion of construction work is going into business and industrial structures.

Retail Trade, 35 Department Stores.

	<i>Baltimore</i>	<i>Washington</i>	<i>Other Cities</i>	<i>District</i>
April 1930 sales, compared with sales in April 1929:	18.1	8.8	4.4	11.7
March-April sales combined, compared with March-April 1929:	1.3	— 3.2	—10.1	— 2.8
Jan.-April 1930 sales, compared with Jan.-April 1929:	3.8	— 1.1	— 8.6	— .6
April 30, 1930, stocks, compared with April 30, 1929:	— 4.9	— 3.6	— 5.4	— 4.5
April 30, 1930, stocks, compared with March 31, 1930:	— .01	— 4.3	— .2	— 1.7
Times stock turned in April 1930:	.331	.303	.237	.298
Times stock turned since January 1, 1930:	1.138	1.087	.83	1.047
Percentage of April 1, 1930, receivables collected in April:	23.9	30.1	31.5	27.2

— denotes decreased percentage.

Retail trade as reflected in department store sales averaged 11.7 per cent higher in April 1930 in the Fifth reserve district than trade in April 1929, chiefly due to the lateness of Easter this year. A fairer comparison, that of combined sales in March and April with sales in the same two months last year, shows an average decrease in 1930 sales amounting to 2.8 per cent, the gain in April not being sufficient to balance the decrease in March. Total sales in the first four months of 1930 show a small decline from total sales in the corresponding period in 1929, all of the decrease having occurred in March when the weather was unfavorable for early spring shopping.

Stocks carried by the thirty-five reporting department stores declined an average of 4.5 per cent between the first of April and the first of May, as was to be expected during the month in which Easter occurred. At the end of April average stocks were also 1.7 per cent smaller in selling value than on April 30, 1929, the

decline being due partly to closer buying and partly to lower prices for some lines of merchandise this year. The stores turned their stock .298 times in April, and between January 1 and April 30 turned them 1.047 times, a slightly better record than 1.039 times stock was turned in the first four months of 1929.

Collections in April were not so good as in April last year. In April 1930 the reporting stores collected only 27.2 per cent of receivables outstanding on April 1, in comparison with 28.9 per cent of outstanding receivables collected in April 1929. Both Baltimore and Washington reported slower collections last month, but the Other Cities reported an improvement, chiefly because of the inclusion in this group of Richmond stores.

Wholesale Trade, 68 Firms.

Wholesale trade in April in the Fifth reserve district exceeded that of March in groceries and hardware, but was less in dry goods, shoes and drugs. In comparison with April 1929 sales, those of April 1930 showed increases in shoes and drugs, but grocery, dry goods and hardware sales were less this year. In total sales since January 1, all lines for which information is available except shoes show smaller sales than in the first four months of last year.

Stocks carried by the reporting wholesale firms decreased seasonally in all lines during April, and at the

end of the month were also lower than stocks a year earlier in dry goods and hardware lines, but showed an increase during the year in groceries and shoes.

	26	10	5	15	12
	<i>Groceries</i>	<i>Dry Goods</i>	<i>Shoes</i>	<i>Hardware</i>	<i>Drugs</i>
April 1930 sales, compared with April 1929 sales:	— 1.7	—12.2	4.3	—13.4	2.0
April 1930 sales, compared with March 1930 sales:	.1	— 6.6	—13.3	5.2	— 3.0
Jan.-April 1930 sales, compared with Jan.-April 1929 sales:	— .4	—10.6	2.6	—11.7	— 3.8
April 30, 1930, stocks, compared with April 30, 1929, stocks:	.4(9*)	—17.8(4*)	12.6(4*)	—10.6(8*)
April 30, 1930, stocks, compared with March 31, 1930, stocks:	— 7.2(9*)	— 3.7(4*)	— 2.6(4*)	— 3.0(8*)
Percentage of April 1, 1930, receivables collected in April:	62.6(17*)	35.1(7*)	32.0(5*)	33.2(12*)	59.8(9*)

— Denotes decreased percentage. * Number of reporting firms.

Collections in April in wholesale lines were on the whole somewhat better than collections in April 1929. The percentages of collections during the month to receivables outstanding on April 1 were higher this year in groceries, shoes and drugs than the percentages for April last year, while dry goods and hardware percentages were slightly smaller.

(Compiled May 21, 1930)

BUILDING OPERATIONS FOR THE MONTHS OF APRIL 1930 AND 1929.

No.	CITIES	Permits Issued				New Construction		Alterations		Increase or Decrease of Total Valuation	Per Cent of Increase or Decrease	No.
		New		Repairs		1930	1929	1930	1929			
		1930	1929	1930	1929							
1	Baltimore, Md.....	616	607	1,222	744	\$ 4,948,920	\$ 3,865,080	\$ 577,200	\$ 357,120	\$ 1,303,920	30.9%	1
2	Cumberland, Md....	6	21	12	9	12,050	25,035	6,010	9,880	— 17,055	— 48.6	2
3	Frederick, Md.....	12	4	13	3	6,554	24,150	5,988	6,700	— 18,308	— 59.3	3
4	Hagerstown, Md....	25	25	5	10	26,228	151,790	3,780	8,550	— 130,332	— 81.3	4
5	Salisbury, Md.....	30	21	13	15	199,375	41,275	6,550	3,525	161,125	359.7	5
6	Danville, Va.....	9	16	6	15	27,440	100,663	2,768	11,460	— 81,915	— 73.1	6
7	Lynchburg, Va.....	26	23	23	29	190,640	68,010	10,195	10,405	122,420	156.1	7
8	Norfolk, Va.....	73	73	42	72	125,925	173,170	22,045	106,140	— 131,340	— 47.0	8
9	Petersburg, Va....	4	1	3	7	21,800	2,300	800	3,716	16,584	275.7	9
10	Portsmouth, Va....	23	19	24	23	71,235	32,035	8,900	13,275	34,825	76.9	10
11	Richmond, Va.....	73	106	71	82	228,627	524,478	57,326	66,781	— 305,306	— 51.6	11
12	Roanoke, Va.....	35	48	30	46	272,000	174,575	23,202	31,305	89,322	43.4	12
13	Bluefield, W. Va..	14	8	4	4	32,455	1,265	3,690	1,240	33,640	1,342.9	13
14	Charleston, W. Va.	59	71	19	38	205,900	188,985	20,300	25,880	11,335	5.3	14
15	Clarksburg, W. Va.	28	28	10	13	18,655	35,315	13,325	2,575	— 5,910	— 15.6	15
16	Huntington, W. Va.	14	47	20	13	17,891	36,850	15,000	2,000	— 5,959	— 15.3	16
17	Asheville, N. C.....	5	14	41	71	7,690	243,405	26,200	30,959	— 240,474	— 87.6	17
18	Charlotte, N. C....	45	68	36	40	277,485	350,920	1,748	65,770	— 137,457	— 33.0	18
19	Durham, N. C.....	19	19	8	12	138,050	83,750	9,420	7,816	55,904	61.1	19
20	Greensboro, N. C..	11	29	40	46	15,033	209,810	60,068	25,677	— 160,386	— 68.1	20
21	High Point, N. C..	15	28	2	5	61,800	102,690	1,600	1,687	— 40,977	— 39.3	21
22	Raleigh, N. C.....	16	18	14	5	100,375	65,775	10,100	5,750	38,950	54.5	22
23	Rocky Mount, N.C.	11	15	10	1	35,850	30,545	4,710	800	9,215	29.4	23
24	Salisbury, N. C....	4	9	2	1	12,300	36,800	550	1,000	— 24,950	— 66.0	24
25	Wilmington, N. C..	6	3	10	12	26,600	10,300	13,300	11,750	17,850	81.0	25
26	Winston-Salem, N. C.	31	44	86	79	357,095	594,505	48,110	561,683	— 750,983	— 65.0	26
27	Charleston, S. C....	6	17	42	38	22,375	27,635	23,405	7,310	10,835	31.0	27
28	Columbia, S. C.....	16	22	26	56	50,900	54,500	8,235	19,925	— 15,290	— 20.5	28
29	Greenville, S. C....	11	12	57	35	70,200	100,050	30,665	23,975	— 23,160	— 18.7	29
30	Rock Hill, S. C....	14	10	5	7	17,260	11,510	2,500	2,605	5,645	40.0	30
31	Spartanburg, S. C.	17	24	17	26	40,475	76,610	18,218	17,330	— 35,247	— 37.5	31
32	Washington, D. C.	196	290	314	532	4,475,200	2,865,025	303,520	648,360	1,265,335	36.0	32
	Totals.....	1,470	1,740	2,227	2,089	\$12,114,383	\$10,309,006	\$1,339,428	\$2,092,949	\$ 1,051,856	8.5%	

— 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.

*Business Conditions in the United States
will be found on next page.*

BUSINESS CONDITIONS IN THE UNITED STATES

(Compiled by the Federal Reserve Board)

Industrial activity increased slightly in April from the rate prevailing in March. Factory employment declined by the usual seasonal amount, while factory payrolls showed a smaller reduction than usual. Wholesale prices continued to decline in April and the first half of May. There was a further easing of open market money rates.

Production.

Production in basic industries in April was slightly larger than in March and the Board's index, which makes allowance for the usual seasonal changes, shows an increase of about 2 per cent, offsetting a large part of the decrease in March. Output of automobiles showed the usual seasonal expansion. Steel output declined seasonally in April and the early part of May. The output of silk textiles was considerably reduced, and woolen mills curtailed operations, though less than seasonally. Cotton mills were more active in April and there was some increase in stocks. In the first half of May, however, a program of curtailment was instituted in the industry. In comparison with the first four months of 1929, a year of exceptionally active business, production was smaller in almost all major branches of industry, with the exception of tobacco. In comparison with 1928, however, output was larger in the automobile, petroleum and silk industries, slightly smaller in steel and coal, and considerably smaller in cotton and wool textiles, flour, meat packing, automobile tires, and lumber. Building contracts awarded during April, according to the F. W. Dodge Corporation, were six per cent larger than in March, reflecting further expansion in awards for public works and utilities, and some increase in residential construction, largely seasonal in character. In the first two weeks in May there was a further increase in building activity. In comparison with 1929, awards in the first four months of the year were seventeen per cent smaller, reflecting chiefly the continued small volume of residential building, which more than offset increases in public works and in utility construction.

Employment and Payrolls.

Factory employment, which had been decreasing since last September, declined by about one per cent in April, which represents the usual development for that month, while the reduction in factory payrolls from March to April was smaller than usual.

Distribution.

Department store sales increased during the month by an amount estimated to be slightly larger than is accounted for by the late Easter holiday. The value of foreign trade decreased further in April, and for the first four months of the year exports were about 20 per cent smaller than a year ago, when trade was exceptionally active. In part this decline reflected the lower level of wholesale prices.

Wholesale Prices.

An increase in wholesale prices in the first week in April was followed by a substantial decline which continued into May and brought the level of prices to the lowest point in a number of years. Prices of important raw materials, such as wheat, cotton and silk, declined during most of the period, but steadied somewhat around the middle of May, while prices of silver, hides and coffee were comparatively stable. There were fairly continuous price declines in steel, sugar, raw wool, and the textiles. Copper prices were reduced further early in May, but recovered somewhat following large purchases for domestic and foreign consumption.

Bank Credit.

Loans and investments of member banks increased by about \$160,000,000 in the latter half of April, but declined by \$140,000,000 in the first two weeks in May, both movements reflecting chiefly fluctuations in loans on securities. Investments increased further, while "all other" loans continued to decline, and on May 14 at \$8,560,000,000 were the smallest in more than two years. The volume of reserve bank credit declined further by \$125,000,000 between the weeks ending April 19 and May 17, largely as a result of the addition of about \$65,000,000 to the stock of monetary gold and of a further substantial reduction in the volume of money in circulation, which reflected chiefly smaller value of payrolls and declines in retail prices. The System's holdings of bills declined, while United States securities and discounts for member banks showed little change. Money rates on all classes of paper declined further in May. The discount rate of the Federal Reserve Bank of New York was reduced from 3½ to 3 per cent on May 2, and that at the Federal Reserve Bank of Boston from 4 to 3½ per cent on May 8.