

MONTHLY REVIEW

CREDIT, BUSINESS AND AGRICULTURAL CONDITIONS

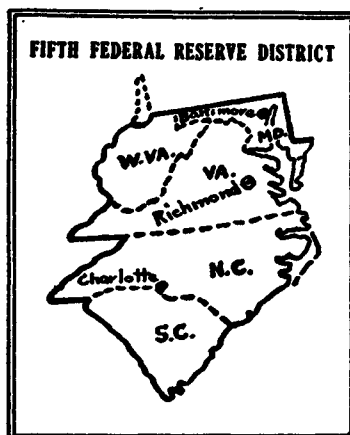


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RICHMOND, VIRGINIA

MAY 31, 1933

BUSINESS in the Fifth Federal Reserve district in April and the first half of May showed seasonal improvement in most lines, and there were some signs of revival more marked than seasonal trends alone account for. In banking, rediscounts for member banks at the Federal Reserve Bank of Richmond declined moderately last month, at a time when member bank needs for loans to finance crop planting might have been expected to cause an increase in rediscounts. Federal reserve notes in actual circulation decreased somewhat more than seasonally. Cash reserves at the reserve bank rose between April 15 and May 15. Reporting member banks in leading cities decreased their loans last month, but increased their investments in securities by about the same amount. Bank deposits rose, demand deposits at the middle of May exceeding those of mid-May a year ago. The reporting banks reduced their borrowing at the reserve bank to a very low point. Debits to individual accounts in four weeks ended May 10 showed a seasonal decline in comparison with debits in the preceding four weeks this year, and were also materially lower than debits in four weeks ended May 11, 1932. The commercial failure record in the Fifth district in April was relatively good, the number of insolvencies being the lowest for any April since 1923 and the liabilities involved being the smallest in amount for any April since 1920. Employment conditions registered improvement during April and early May for the first time since the depression began, and there were even a number of wage advances in certain lines of industry. Coal production in April declined seasonally in comparison with March, but on a daily basis equaled April 1932 output, and stocks of coal in bins of commercial consumers and retail yards are materially smaller than stock on hand a year ago. The textile industry in the Fifth district made distinct progress last month, increased orders at better prices stimulating



additional running time and the employment of more workers. A number of textile mills have recently raised their wage scales. South Carolina led all states for the second month in active spindle hours of operation per spindle in place during April. Cotton prices rose further in late April and the first half of May, and reached the highest point since the middle of 1931. Tobacco factories produced more cigarettes, smoking and chewing tobacco, and snuff in April this year than in April 1932. Retail trade in department stores during April showed somewhat more than the seasonal increase over March trade, and wholesale trade

was also better than in other recent months, but collections in both retail and wholesale lines were materially slower than collections in April last year, probably reflecting the unfavorable influence of frozen deposits in unlicensed or closed banks this year. Construction continues in very small volume, but permits issued in leading Fifth district cities in April totaled more than for any other month since last fall. Agricultural prospects in the Fifth district as a whole are better than they were at this time last year. Crops are coming up to good stands, there is plenty of moisture in the soil in most of the district, and more fertilizer has been used this year than in 1932, all of these factors indicating favorable prospects insofar as physical yield is concerned.

Reserve Bank Statement

Most of the changes in the statement of the Federal Reserve Bank of Richmond during the past month were seasonal, and were in the nature of a return to a more nearly normal condition after the recent banking holiday. Rediscounts for member banks declined by \$3,487,000 between April 15 and May 15, both this year, and the portfolio of open market paper decreased by \$4,264,000. There was no change in the holdings

ITEMS	000 omitted		
	May 15 1933	April 15 1933	May 15 1932
Rediscounts held	\$ 18,459	\$ 21,946	\$ 23,793
Open market paper.....	996	5,260	2,054
Government securities	48,149	48,149	27,975
Total earning assets.....	67,604	75,355	53,822
Circulation of Fed. Res. notes..	169,581	177,182	92,579
Members' reserve deposits.....	62,628	56,429	48,434
Cash reserves	189,660	175,626	98,534
Reserve ratio	76.11	70.63	67.15

of Government securities. Total earning assets dropped by \$7,751,000 during the month. The circulation of Federal reserve notes declined by \$7,601,000 between April 15 and May 15, a seasonal decrease made larger than usual by a partial return of notes put into circulation incident to the reopening of the banks in March. Member bank reserve deposits at the Federal Reserve Bank of Richmond rose by \$6,199,000 last month. The several changes in the statement raised the cash reserves of the Bank by \$14,034,000 between the middle of April and the middle of May, and also raised the ratio of cash reserves to note and deposit liabilities combined by 5.48 points.

In comparison with items on the reserve bank's statement on May 15, 1932, the items on May 15 this year all show increases except rediscounts held and open market paper owned. Rediscounts for member banks decreased \$5,334,000 during the year, and open market paper holdings dropped \$1,058,000. On the other hand, there was an increase of \$20,174,000 in Government security holdings, which caused a net rise of \$13,782,000 in total earning assets during the year. Federal reserve notes in actual circulation rose by \$77,002,000 between May 15, 1932, and May 15, 1933, the very unusual rise in note circulation being due in large part to hoarding of currency. Member bank reserve deposits on May 15 this year were higher by \$14,194,000 than reserve deposits a year earlier. Cash reserves of the Federal Reserve Bank of Richmond rose by \$91,126,000 during the past year, and the ratio of reserves to note and deposit liabilities combined rose 8.96 points, in spite of the very large increase in note circulation.

Member Bank Statement

ITEMS	000 omitted		
	May 10 1933	April 12 1933	May 11 1932
Loans on stocks and bonds (including Governments)	\$ 59,846	\$ 61,022	\$ 71,565
All other loans.....	111,632	113,681	131,446
Total loans and discounts.....	171,478	174,703	203,011
Investments in stocks and bonds	145,523	140,231	120,318
Reserve balance with F. R. Bk.	24,503	22,945	18,348
Cash in vaults.....	9,676	10,669	8,396
Demand deposits	174,990	168,668	162,701
Time deposits	128,786	127,910	130,120
Borrowed from F. R. Bank.....	413	810	1,925

The accompanying table shows composite items of condition reported by thirty member banks in ten Fifth district cities as of May 10 and April 12, 1933, and May 11, 1932, thus affording opportunity for comparison

of the latest available figures with those a month and a year earlier. Formerly we used approximately fifty banks in this statement of condition, but some of those used did not reopen after the banking holiday, and one city was dropped entirely because the elimination of some banks probably caused sufficient changes in others to destroy the comparableness of all bank figures in that city.

Between April 12 and May 10, 1933, total loans in the reporting thirty banks declined by \$3,225,000, and on the latter date were \$31,533,000 lower than outstanding loans on May 11, 1932. Investments in stocks and bonds rose by \$5,292,000 last month, and \$25,205,000 last year, nearly all of the increase last month being in Government securities. The reporting banks increased their reserve balance at the Federal Reserve Bank of Richmond by \$1,558,000 between April 12 and May 10, and on the last named date their reserve balance was higher by \$6,155,000 than on the corresponding date in 1932. Cash in vaults declined by \$993,000 last month, relatively little cash being needed at this season of the year, but cash on hand on May 10 exceeded that on hand May 11, 1932, by \$1,280,000. Demand deposits in the thirty banks rose by \$6,322,000 last month, and on May 10 exceeded demand deposits a year earlier by \$12,289,000. Time deposits also showed some rise last month, increasing by \$876,000, but at the end of the period were \$1,334,000 less than time deposits on May 11, 1932. Borrowing by the thirty reporting banks at the reserve bank was very small on May 10, totaling only \$413,000, a decrease of \$397,000 during the past month and a drop of \$1,512,000 in the past year.

Debits to Individual Accounts

CITIES	Total debits, in thousands,		
	4 weeks ended		
	May 10, 1933	April 12, 1933	May 11, 1932
Asheville, N. C.	\$ 6,491	\$ 7,294	\$ 7,977
Baltimore, Md.	190,131	221,467	265,949
Charleston, S. C.	8,611	7,122	10,568
Charleston, W. Va.	24,864	28,558	26,413
Charlotte, N. C.	30,659	31,893	32,212
Columbia, S. C.	5,114*	13,833*
Cumberland, Md.	4,457	4,807	5,233
Danville, Va.	3,837	3,976	4,305
Durham, N. C.	17,084	15,054	13,482
Greensboro, N. C.	2,553	2,510	9,303
Greenville, S. C.	8,956	6,522	9,111
Hagerstown, Md.	3,721	3,303	5,713
Huntington, W. Va.	8,334	9,640	10,936
Lynchburg, Va.	10,725	11,087	12,036
Newport News, Va.	4,781	6,500	6,781
Norfolk, Va.	28,038	31,006	34,579
Portsmouth, Va.	2,894	3,079	3,345
Raleigh, N. C.	11,912	14,732	12,849
Richmond, Va.	91,277	89,616	97,586
Roanoke, Va.	16,025	16,603	18,910
Washington, D. C.	149,583	164,962	197,300
Wilmington, N. C.	5,188	4,218	7,511
Winston-Salem, N. C.	21,126	28,055	20,003
Fifth District Totals	\$651,247	\$712,004	\$812,102

* Columbia, S. C., figures not included in district totals this month.

Aggregate payments by checks drawn on clearing house banks in twenty-two cities of the Fifth Federal reserve district are shown in the accompanying table for three equal periods of four weeks, thus affording opportunity for comparison of the latest figures, for the four weeks ended May 10, 1933, with those for the preceding like period this year and the corresponding period a year ago.

Total debits in the reporting cities during the four weeks ended May 10 this year lacked \$60,757,000, or 8.5 per cent, of equaling debits during the immediately preceding four weeks, ended April 12, 1933, but the decline was chiefly seasonal and was due to the inclusion in the earlier period of quarterly payments around April 1 and income tax payments in March. Seven of the twenty-two reporting cities showed higher figures for the more recent period. Among the larger centers, Richmond was the only one which reported higher figures for the current four weeks, Baltimore, Charlotte, Norfolk, Huntington, Washington and Winston-Salem reporting lower figures.

In comparison with debits reported for the four weeks ended May 11, 1932, those for the corresponding four weeks this year, ended May 10, 1933, show a total decline of \$160,855,000, or 19.8 per cent, a considerable part of which was doubtless due to lower price levels this year. All of the reporting cities except Durham and Winston-Salem showed lower figures for the 1933 period. The exceptionally large decreases in Columbia and Greensboro are due to the non-licensing of the largest banks in the two cities after the bank holiday.

Time and Savings Deposits

Time deposits in thirty regularly reporting member banks and aggregate deposits in twelve mutual savings banks in Baltimore totaled \$324,302,742 at the end of April 1933, a decrease of $\frac{1}{2}$ of 1 per cent in comparison with time and savings deposits totaling \$325,942,559 at the end of March this year, and 5.6 per cent less than deposits totaling \$343,627,778 at the end of April last year. All of the decrease last month occurred in the savings banks, but both member banks and savings banks reported lower figures than a year ago.

Commercial Failures

The commercial failure records in both the United States and the Fifth Federal reserve district were excellent last month, in comparison with figures reported for April 1932. The United States reported 1,921 insolvencies in April 1933, with estimated liabilities totaling \$51,097,384, compared with 2,816 failures and liabilities aggregating \$101,068,693 in April 1932, a decline in number of failures of 31.8 per cent and a drop in liabilities of 49.4 per cent. Every one of the twelve Federal reserve districts reported fewer failures and lower liabilities in April this year. In the Fifth district, insolvencies last month totaled 98, with aggregate liabilities of \$1,449,006, compared with 143 bankruptcies and liabilities totaling \$8,036,214 reported in April 1932, decreases this year of 31.5 per cent in number of failures and 82 per cent in liabilities involved. Last month's number of insolvencies in the Fifth dis-

trict was the lowest for any April since 1923, and liabilities were the lowest for April since 1920. In commenting on the April failure record, *Dun & Bradstreet Monthly Review* says, "The South Atlantic States make a particularly good showing, especially those in the Fifth Federal reserve district; the number of business defaults was below the total of April 1932, and for the Fifth district the total of indebtedness reported was only about one-seventh of the amount recorded for April 1932."

Employment

For the first time since the depression set in, April and the first half of May showed definite improvement in employment conditions. At this time of year there is usually an increase in work, especially in construction fields and for such jobs as painting, gardening, etc., but this year there has been a material increase in employment in industrial plants of several types. Box manufacturers have put on additional workmen, and have required more lumber than in recent months, and glass making plants, especially those producing bottles and automobile glass, have secured additional business and have added employees. Textile mills have increased their operations to some extent, and tobacco factories have increased output. Certain kinds of made work, such as employment in forestry and on public works undertaken partly to provide employment, have lessened the number of people who are totally unemployed, and have reduced the necessity for assistance from public and private funds. In addition to the increase in the number of people who were able to obtain work, there have been a considerable number of wage increases, and no further reductions in wages or salaries have been reported. Many textile mills have materially increased wages, and several other industries have also raised pay in individual mills and factories. These increases are being reflected in better general business in the sections in which they occurred. The worst employment conditions exist in the building industry, but even this industry showed some signs of improvement in April, building permits issued in leading cities in that month exceeding in estimated valuation those for any other month since October last year.

Coal Production

Production of bituminous coal in the United States during the month of April 1933 amounted to 19,523,000 net tons, compared with 23,685,000 tons mined in March 1933 and 20,300,000 tons in April 1932. On a daily basis, the output in April this year, 790,000 tons, was exactly the same as the daily output in April last year. Total production of soft coal during the present calendar year to May 6 amounts to 102,212,000 net tons, a smaller amount than in any other recent year. Coal shipped through Hampton Roads ports during the present calendar year to May 1 totaled 5,724,068 tons, compared with 5,995,183 tons shipped through the same ports prior to May last year.

The April 22 report of the Bureau of Mines, Department of Commerce, showed production figures by states for March. West Virginia with an output of

5,744,000 net tons dropped into second place for the first time since May 1931, Pennsylvania ranking first in March production with 6,110,000 tons. However, the three coal producing states of the Fifth district, West Virginia, Virginia and Maryland, dug 27.5 per cent of all soft coal mined in the United States in March this year, compared with only 27 per cent mined by the three states in March 1932.

On May 6, the Bureau of Mines issued a report on stocks of coal in the hands of commercial consumers and retail dealers. This report showed a 20 per cent decline in coal stocks between January 1 and April 1, a greater than seasonal decrease. Not only were stocks of coal on April 1 less than at the beginning of the previous quarter, but they were also 21 per cent less than stocks on April 1, 1932. In terms of days' supply the stocks at the beginning of the new coal year were sufficient to last 27 days, as compared with 33 days on April 1 last year. The relatively small stocks now on hand will place the mines in a favorable position if industrial revival occurs in the near future.

Textiles

Cotton mills in the Fifth Federal reserve district consumed 225,831 bales of cotton in April 1933, compared with 242,009 bales used in the longer month of March this year and 178,266 bales consumed in April last year. On a daily basis, consumption in April 1933 averaged nearly 1 per cent higher than in March 1933. Mills in North Carolina consumed 108,435 bales of cotton last month, South Carolina mills used 106,327 bales, and Virginia mills 11,069 bales, all higher figures than those for April 1932. Consumption in the Fifth reserve district in April amounted to 48 per cent of National consumption, compared with 48.6 per cent of April 1932 consumption for the district in April last year. Since May 1, reports indicate that a material increase in operations has occurred in the textile industry. A number of mills have increased operating time, others have taken on additional workers, and some have increased wages of employees. Prices received by the mills for their products have followed the cotton market upward, and the rising tendency in textile product prices has increased orders at the mills. At present mill authorities are more optimistic than they have been for some time, but it is yet too soon to show whether recent improvement is temporary or permanent.

The Bureau of the Census issued a report on May 20 on activity in the cotton spinning industry for April. On April 30 there were 30,966,794 spindles in place in the United States, of which 23,416,680, or 76 per cent, were active a total of 6,569,136,738 spindle hours during the month, an average of 212 hours per spindle in place. In the Fifth reserve district there were 12,497,036 spindles in place on April 30, of which 11,266,684, or 90 per cent, operated a total of 3,468,484,589 spindle hours in April, an average of 278 hours per spindle in place. South Carolina with an average of 344 hours per spindle led all states in April, but North Carolina with 224 hours ranked fifth and Virginia with 206 hours ranked seventh and was below the National average of 212 hours per spindle.

Cotton Statistics

Spot cotton prices on ten Southern markets were higher between the middle of April and the middle of May than in any other month since July 1931. In our *Review* last month we quoted 7.29 cents per pound as the average price for middling short staple cotton on Southern markets on April 21. The price remained at practically the same level until May, and then rose to 8.36 cents on May 5 and 8.79 cents on May 12. There was a reaction during the week ended May 19, and the price declined to 8.32 cents per pound on that date.

Consumption of cotton in the United States in April 1933 totaled 470,685 bales, compared with 494,167 bales used in the longer month of March this year and 366,481 bales in April 1932. Total consumption for the nine months of the present cotton season—August 1 to April 30—amounted to 4,218,001 bales, compared with 3,932,370 bales consumed in the corresponding period of the 1931-1932 season. Manufacturing establishments held 1,367,956 bales on April 30, compared with 1,343,314 bales held on March 31 and 1,533,599 bales on April 30, 1932. Public warehouses and compresses held 8,151,547 bales in storage at the end of April this year, compared with 8,906,571 bales so held a month earlier and 8,212,738 bales on April 30 last year. April exports totaled 436,450 bales, compared with 544,563 bales sent abroad in April 1932. Exports during the nine months of this cotton year totaled 6,521,184 bales, compared with 7,396,996 bales shipped over seas during the corresponding nine months ended April 30, 1932. Spindles active at some time during April numbered 23,416,680, compared with 23,429,122 in March this year and 23,362,862 in April 1932. The increase in spindles active in comparison with the corresponding month of the preceding year is the first increase reported in many months.

Cotton growing states consumed 389,316 bales in April, compared with 412,305 bales used in March and 310,946 bales in April 1932. Last month's consumption of cotton in the cotton growing states amounted to 82.7 per cent of National consumption, a lower percentage than either 83.4 per cent in March this year or 84.8 per cent in April 1932. Of the 389,316 bales of cotton consumed in the cotton growing states in April, the Fifth district mills used 225,831 bales, or 58 per cent, compared with 57.3 per cent of Southern consumption attained in the district in April last year.

No official reports on cotton acreage or condition of the crop are issued until very late in the season, but unofficial reports indicate that the crop as a whole is starting off slowly, due chiefly to dry weather in Texas and the Southwest. In the cotton sections of the Fifth district the season has been favorable for planting and germination of cotton, and reports indicate a more extensive use of commercial fertilizer than last year.

Tobacco Manufacturing

On May 19, the Commissioner of Internal Revenue issued a report on taxes collected in April on manufactured tobacco products. April production of cigarettes

in the United States numbered 7,973,021,190, compared with 7,562,290,327 cigarettes manufactured in April 1932. Smoking and chewing tobacco rose from 24,813,725 pounds in April last year to 25,407,025 pounds in April this year. Snuff production increased from 2,947,831 pounds to 3,440,392 pounds. On the other hand, cigars manufactured dropped from 349,953,161 in April 1932 to 321,206,573 in April 1933. In actual amounts of taxes paid in April, taxes on cigarettes led with \$23,921,084 this year and \$22,689,638 last year; smoking and chewing tobacco paid \$4,574,056 in April 1933 and \$4,467,231 in April 1932; snuff taxes totaled \$619,271 against \$530,610 a year ago; and cigars yielded \$812,923 last month and \$1,002,775 in April last year. In spite of a large number of new items on which internal revenue taxes are laid this year, the manufacture of tobacco paid nearly 34 per cent of all revenue taxes collected in April, the tax on cigarettes being the largest single item on the tax list.

Agricultural Notes

Crop conditions in the Fifth district are variable in different states, but on the whole are about up to normal. *Virginia* farm work was retarded by unfavorable weather in April and the first half of May, and plowing was delayed by heavy rains, but on May 1 the outlook for most crops was more promising than last year. Tobacco plants are in good condition, although some blue mold has appeared, and there will be plenty of plants for all requirements. Fertilizer sales during the first four months of 1933 were about 8 per cent larger than sales a year ago, and there is more moisture in the ground than in any other spring since 1928. This year's wheat yield is forecast at 7,398,000 bushels, compared with the 1932 yield of 6,253,000 bushels. Fruit prospects are still uncertain, but present indications are for a much larger crop than last year's. The condition of early potatoes improved during April and prospects are better than in 1932. *Maryland* weather in April continued cool and excessively wet, and therefore crops are retarded. Hay is in very poor condition, and pastures are also low. The wheat crop is forecast at 7,272,000 bushels, which is about 50 per cent larger than the short crop of last year. Fruit was considerably damaged by cold weather and late frosts, but there have been few complaints of damage to apples. Early potatoes are in normal condition, but the acreage was considerably reduced this year. *West Virginia* experienced heavy and frequent rains during April, and farm work is therefore late. Pasture growth was checked, oats were planted later than usual, and little corn was planted before May. Fall sown grains are in good condition, and the wheat yield is expected to be 1,586,000 bushels, compared with 1,276,000 bushels harvested last year. There was some damage to the commercial apple crop last month, but it was not serious and reports indicate a normal production. *North Carolina* weather has been free of extreme temperatures or rainfall, and preparations for this year's crops proceeded on time. Stands of all crops on May 1 were good, with the possible exception of corn. Small grains came through the winter in good shape. The 1933 wheat crop is forecast at 4,106,000 bushels, com-

pared with 3,572,000 bushels last year on a smaller acreage. Early potatoes are above the average in condition this year, and the commercial producing counties along the coast show extra good prospects. *South Carolina* weather in April was too dry and cool for best development of growing crops and conditions on May 1 were generally below average. Winter grains particularly gave promise of comparatively low per acre yield. The yield of wheat is expected to be 568,000 bushels, compared with 760,000 bushels last year, and a rye yield of 48,000 bushels is only about two-thirds of the 72,000 bushels harvested in 1932. The condition of Irish potatoes on May 1 was better than the condition a year earlier, and hay and pasture conditions are about the same as last year but considerably below the condition in most years.

The Department of Agriculture has issued a report on farm incomes during 1932 in comparison with other recent years. Total cash incomes relate to the value of products actually sold off the farm, and are as shown below for Fifth district states, estimates being based on 78 crops and 13 livestock items combined. Maryland farms yielded \$39,899,000 in 1932, and \$52,566,000 in 1931, a decrease of 24 per cent. Virginia crops brought \$58,799,000 in 1932 and \$81,616,000 in 1931, a decrease of 28 per cent. West Virginia farm products sold for \$24,573,000 in 1932 and \$34,193,000 in 1931, a decrease of 28 per cent. North Carolina crops sold for \$91,975,000 in 1932 and \$114,787,000 in 1931, a decrease of 20 per cent. South Carolina farmers received \$44,428,000 in 1932, compared with \$60,203,000 in 1931, a decrease of 26 per cent. Cash income for the entire Fifth district was \$259,674,000 in 1932 and \$343,365,000 in 1931, a decline of 24 per cent. Comparative income figures for the Fifth district in 1930 and 1929, respectively, were \$480,241,000 and \$645,824,000.

Construction

The volume of work provided for in building permits issued in April 1933 in thirty-two Fifth district cities was small, but showed a seasonal increase over other recent months. Permits for all types of construction numbered 2,026, compared with 1,324 permits issued in March this year and 2,766 permits issued in April last year. Estimated valuation figures for permits issued last month totaled \$2,415,773, an increase of 150.8 per cent over \$963,382 for March 1933 but a decrease of 31.2 per cent under \$3,512,200 for April 1932. Ten of the thirty-two cities reported higher valuation figures for April this year than last, but Washington was the only one of the five largest cities which increased. In proportion to population, Roanoke made the best record last month.

Contracts awarded for construction work in the Fifth reserve district in April this year totaled \$6,376,484, including both urban and rural construction, compared with \$12,896,967 in contracts awarded in April 1932, \$21,936,600 in April 1931, and \$40,971,884 in April 1930, according to figures collected by the F. W. Dodge Corporation. Of the April 1933 contracts, \$2,432,869 was for residential structures, approxi-

mately 38 per cent of all contracts, compared with \$3,-861,782 for residential work in April last year, or 30 per cent of all contracts awarded in that month.

Building Permits Issued for the Months of April 1933 and 1932

CITIES	Permits Issued		Total Valuation	
	1933	1932	1933	1932
Baltimore, Md.	824	1,223	\$548,000	\$1,484,280
Cumberland, Md.	10	12	11,100	7,605
Frederick, Md.	16	10	9,080	9,485
Hagerstown, Md.	12	21	1,000	10,785
Salisbury, Md.	12	27	12,390	24,875
Danville, Va.	14	13	11,995	8,430
Lynchburg, Va.	35	43	56,653	37,160
Norfolk, Va.	119	116	76,197	139,905
Petersburg, Va.	1	5	2,500	4,825
Portsmouth, Va.	30	30	22,135	15,597
Richmond, Va.	77	95	61,897	110,190
Roanoke, Va.	36	40	214,064	48,223
Bluefield, W. Va.	4	9	660	9,645
Charleston, W. Va.	65	121	13,554	186,572
Clarksburg, W. Va.	11	20	9,227	6,968
Huntington, W. Va.	20	33	8,625	23,950
Asheville, N. C.	25	33	5,207	10,680
Charlotte, N. C.	35	43	25,244	27,317
Durham, N. C.	13	14	27,100	31,350
Greensboro, N. C.	23	31	11,305	11,237
High Point, N. C.	7	7	6,385	13,050
Raleigh, N. C.	9	16	4,805	21,999
Rocky Mount, N. C.	3	5	470	9,600
Salisbury, N. C.	6	7	4,880	5,430
Wilmington, N. C.	10	21	12,450	9,450
Winston-Salem, N. C.	47	59	22,015	39,125
Charleston, S. C.	34	49	11,408	32,582
Columbia, S. C.	32	43	12,422	55,815
Greenville, S. C.	38	31	34,275	12,600
Rock Hill, S. C.	6	11	3,800	11,915
Spartanburg, S. C.	10	29	3,815	6,410
Washington, D. C.	442	549	1,171,115	1,085,145
Totals	2,026	2,766	\$2,415,773	\$3,512,200

Retail Trade, 32 Department Stores

	Richmond	Baltimore	Washington	Other Cities	District
April 1933 sales, compared with sales in April 1932:	- 2.4	- 2.2	- 8.7	- 2.7	- 4.9
Jan.-April 1933 sales, compared with sales in Jan.-April 1932:	-17.6	-20.5	-18.2	-17.9	-19.0
April 30, 1933, stocks, compared with stocks on April 30, 1932:	-17.0	-18.9	-17.1	-24.0	-18.6
April 30, 1933, stocks, compared with stocks on March 31, 1933:	+ 1.1	+ 1.4	+ 1.1	- .4	+ 1.0
Number of times stock was turned in April 1933:	.33	.38	.348	.263	.35
Number of times stock was turned since January 1, 1933:	1.128	1.121	1.168	.831	1.108
Percentage of April 1, 1933, receivables collected in April:	28.1	20.6	25.5	24.7	23.5

Department store sales in the Fifth Federal reserve district in April 1933 averaged only 4.9 per cent less

than sales in April 1932, the best record made in any month since July 1931. The relatively favorable comparison with last year was due chiefly to the difference in the dates of Easter in 1933 and 1932, but the April gain in sales over March sales was somewhat larger than the change in the Easter date accounts for. Baltimore made the best record in the Fifth district last month with a decrease of only 2.2 per cent, and Washington, which is showing the effects of recent reductions in Government wages and salaries, made the worst record with a decrease of 8.7 per cent. Retail trade in Washington held up longer than in other cities, but that city has now lost much of the advantage it had over other centers. Cumulative sales in the Richmond district in the first four months of this year averaged 19 per cent less than sales in the first four months of 1932, Richmond making the best record.

Stocks of merchandise increased slightly in most of the reporting stores during April, but at the end of the month averaged 18.6 per cent less in selling value than stocks in the same stores on April 30, 1932. The stores turned their stocks .35 times in April, and between January 1 and April 30, this year, stocks were turned an average of 1.108 times, a lower figure than 1.127 times stocks were turned in the first four months of 1932.

Collections were slower in April 1933 than in April 1932, the reporting stores collecting 23.5 per cent of outstanding receivables last month in comparison with 27.1 per cent collected in April last year. All of the cities for which individual figures are available showed lower percentages for the current month.

Wholesale Trade, 60 Firms

	22 Groceries	8 Dry Goods	5 Shoes	13 Hardware	12 Drugs
April 1933 sales, compared with sales in April 1932:	- 4.8	+12.8	+21.4	- 4.9	- 3.8
April 1933 sales, compared with sales in March 1933:	+ 4.4	+ 8.6	+ 7.3	+ 8.7	-22.8
Jan.-April 1933 sales, compared with sales in Jan.-April 1932:	-10.0	+ 1.4	+15.8	- 6.3	-17.9
April 30, 1933, stocks, compared with stocks on April 30, 1932:	-14.9(8*)	-14.1(3*)	-24.8(5*)	-15.7(7*)
April 30, 1933, stocks, compared with stocks on March 31, 1933:	+ 2.2(8*)	- 2.4(3*)	- 2.4(5*)	- 2.1(7*)
Percentage of April 1, 1933, receivables collected in April:	53.9(13*)	35.3(4*)	68.9(5*)	28.9(11*)	43.8(8*)

* Number of reporting firms.

The accompanying table shows in percentage form how sales in five wholesale lines in April 1933 and in the first four months of this year compared with sales in April 1932 and in the first four months of last year. It also shows changes in stocks on hand, and finally gives the percentages of collections during April to total accounts receivable as of April 1, 1932.

(Compiled May 22, 1933)

BUSINESS CONDITIONS IN THE UNITED STATES

(Compiled by the Federal Reserve Board)

Industrial activity increased considerably during April and the first three weeks of May and wholesale prices of many leading commodities advanced, particularly in the latter part of April and the early part of May. Following the imposition of an embargo on gold on April 20 the exchange value of the dollar declined and on May 20 was 87 per cent of its gold parity.

Production and Employment

Volume of industrial production, as measured by the Board's seasonally adjusted index, increased from 60 per cent of the 1923-1925 average in March to 67 per cent in April, as compared with 63 per cent a year ago and a low of 58 per cent last July. Activity at steel mills increased from 15 per cent of capacity in March to 25 per cent in April and there was a further increase in the first three weeks of May. Increased activity in the steel industry reflected chiefly increased demand from automobile producers and from miscellaneous sources, while demand from the railroad and construction industries continued at low levels. At textile mills and shoe factories, production increased considerably during this period. Output of petroleum fluctuated widely, declining in the middle of April and subsequently increasing to a high level.

Volume of factory employment and payrolls increased between the middle of March and the middle of April by an amount somewhat smaller than the decrease in the preceding month.

Value of construction contracts, as reported by the F. W. Dodge Corporation, continued at previous low levels in April, but showed a considerable increase in the first half of May. Total value of awards in these six weeks was considerably smaller than in the corresponding period a year ago.

Distribution

Freight traffic, which was at a low level in March, increased during April and the first two weeks of May by more than the usual seasonal amount, reflecting chiefly large increases in shipments of miscellaneous products, grains, and livestock.

Department store sales increased sharply from March to April and the total for these two months showed slightly more than the usual seasonal increase over the volume of sales in January and February.

Wholesale Prices

During April, particularly in the latter part of the month, there were substantial increases in the whole-

sale prices of grains, flour, sugar, textile raw materials and finished products, hides, pig iron, nonferrous metals, and rubber. Prices of most of these commodities continued to advance rapidly in the first two weeks of May, and showed little change in the third week of the month. Prices of livestock, which did not advance in April, increased considerably in the first three weeks of May. Silver prices after advancing by a substantial amount in the latter part of April subsequently showed a decline, and petroleum prices also were reduced.

Foreign Exchange

During the four weeks following the imposition of the embargo on gold the exchange value of the dollar declined to 83 per cent of its gold parity on May 5, but subsequently rose to 87 per cent on May 20. The noon buying rate on cable transfers on the French franc rose from 3.98 cents on April 18 to 4.50 cents on May 20, and the rate on the English pound rose from \$3.49 to \$3.87.

Bank Credit

During the four weeks ending May 17, about \$215,000,000 of additional currency was returned to the reserve banks, and on that date all but \$200,000,000 of the \$1,930,000,000 withdrawn by banks and individuals between February 1 and March 13 had been returned. Funds arising from the return of currency during the four-week period were used to reduce reserve bank holdings of acceptances by an additional \$130,000,000 and to liquidate \$85,000,000 of member bank indebtedness at the reserve banks. As the result of an addition of about \$100,000,000 to the reserve banks' holdings of gold, and a further reduction of Federal reserve notes in circulation, the reserve ratio of the reserve banks rose considerably between April 19 and May 17. The decline in Federal reserve notes reflected in part an increase of \$50,000,000 in Federal reserve bank notes in circulation.

Loans and investments of reporting member banks in New York City increased by about \$400,000,000 between the middle of April and the middle of May, reflecting chiefly a growth of \$200,000,000 in loans on securities, and of \$140,000,000 in investments in United States Government securities. Net demand deposits also increased by about \$400,000,000, of which about one-third represented a further growth of bankers' balances.

Money rates in the open market continued at low levels.