

MONTHLY REVIEW

CREDIT, BUSINESS AND AGRICULTURAL CONDITIONS

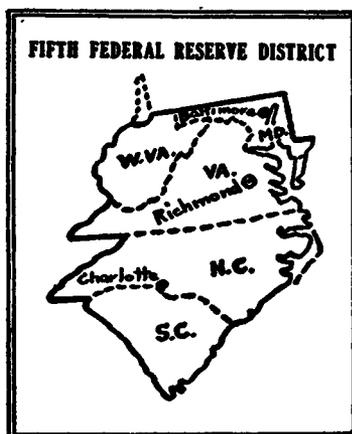


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RICHMOND, VIRGINIA

MAY 31, 1934

IN comparison with other recent months, April trade and industry in the Fifth Federal reserve district was fully up to seasonal level as a whole, although there were some indications of a tapering off from recent activity. In banking, rediscounts for member banks at the Federal Reserve Bank of Richmond declined further, at a time when member bank needs for loans to finance crop planting might have been expected to cause an increase in rediscounts. On the whole, however, member banks are in position to care for seasonal demands for agricultural loans without assistance from the reserve bank, and also a larger number of farmers are able to finance their operations this year. Federal reserve notes in actual circulation declined seasonally between April 15 and May 15, and member bank reserve deposits continued to increase, especially reserves of large city banks. Reporting member banks in the larger cities of the Fifth district showed practically no change in loans during the past month, but their investments in securities rose and deposits increased substantially. None of the regularly reporting member banks are borrowing at the reserve bank at the present time. Debits to individual accounts in twenty-three cities during four weeks ended May 9 showed an increase contrary to seasonal trend over debits in the preceding four weeks of this year, and were also more than 31 per cent larger than debits in four weeks ended May 10, 1933. The commercial failure record in the Fifth district in April was excellent. The number of insolvencies was the lowest for any month, with one exception, since November 1920, and liabilities involved were the smallest in amount since June 1920. Employment conditions did not change materially in April or the first half of May, but the weather has stimulated some outside work in building, painting, gardening, and similar undertakings. The people who were recently laid off on the various CWA projects have been unable to find



other work in most instances, and relief agencies have had to assist many of them. Coal production in April declined seasonally in comparison with March, but materially exceeded the April 1933 output. Stocks of coal in consumers' hands, in terms of days' supply, were smaller on April 1 than a year earlier. The textile industry in the Fifth district continued full time operations through April, but in the first half of May orders fell off and there is talk of curtailment in operations in the near future. South Carolina led all states in active spindle hours of operations per spindle in place during March, and both Virginia

and North Carolina spindle hours were above the National average. Cotton prices declined in the second half of April but regained part of the recession in the first half of May. Tobacco factories manufactured more cigarettes and cigars in April than in April last year, but smoking and chewing tobacco and snuff production fell off somewhat. Retail trade in department stores during April averaged 3 per cent above April 1933 sales, in spite of the fact that April last year included a large part of the Easter buying. Wholesale trade declined seasonally in April in comparison with March, but continued considerably above trade in April last year. Collections were much better in both retail and wholesale lines in April 1934 than in April 1933, when collections were retarded by a large amount of money tied up in closed or restricted banks. Constructed work provided for last month showed a moderate seasonal increase over the work provided for in March, and was in larger volume than in April 1933, but building continues to lag far behind in recovery from the depression. Agricultural prospects in the Fifth district as a whole are probably up to average years. Crops are late, but there is plenty of moisture in the soil and crops should advance quickly with warm, clear weather. Fertilizer sales thus far this season exceed sales for the corresponding period

last year, and farmers are financially better able to carry the year's operations through.

Reserve Bank Statement

ITEMS	000 omitted		
	May 15 1934	April 15 1934	May 15 1933
Rediscounts held	\$ 1,264	\$ 1,680	\$ 18,459
Open market paper	219	532	996
Government securities	103,563	93,563	48,149
Total earning assets.....	105,046	95,775	67,604
Circulation of Fed. Res. notes....	142,321	144,737	169,581
Members' reserve deposits.....	150,847	100,660	56,429
Cash reserves	214,196	216,734	189,660
Reserve ratio	70.93	65.30	70.63

Some of the principal items on the statement of the Federal Reserve Bank of Richmond changed moderately during the past month. The bank's rediscounts for member banks declined further, by \$416,000, to the very low total of \$1,264,000 on May 15, and the portfolio of open market paper dropped \$313,000. On the other hand, the bank increased by \$10,000,000 its participation in the System's Government security holdings, thus offsetting the reductions in rediscounts and bills purchased and increasing total earning assets by \$9,271,000 during the month. Federal reserve notes in actual circulation declined seasonally by \$2,416,000 between April 15 and May 15. Member banks increased their reserve balance at the Richmond bank by \$8,892,000 last month, some of the city members having built up very large excess reserves from funds they cannot place advantageously in investments or in commerce and industry. The several changes in the statement lowered the cash reserves of the Federal Reserve Bank of Richmond by \$2,538,000 between the middle of April and the middle of May, and also reduced the ratio of cash reserves to note and deposit liabilities combined by 2.93 points.

Comparison of May 15, 1934, condition figures with those for May 15, 1933, shows material changes in nearly all items. Rediscounts declined \$17,195,000, or 93 per cent, during the year, and bills purchased in the open market decreased \$777,000, or 78 per cent, but Government securities owned rose by \$55,414,000, or 115 per cent. The three changes brought a net increase of \$37,442,000, or 55 per cent, in total earning assets. Circulation of Federal reserve notes declined by \$27,260,000 from the high level of May 15, 1933. Member bank reserve deposits rose \$97,111,000 between May 15 last year and this. The several changes previously mentioned, with others of less importance, raised the cash reserves of the Federal Reserve Bank of Richmond by \$24,536,000 during the year under review, but the ratio of reserves to note and deposit liabilities combined decreased 8.11 points in the same period.

Statement of 28 Member Banks

Twenty-eight member banks in leading cities of the Fifth Federal reserve district send weekly condition

ITEMS	000 omitted		
	May 9 1934	April 11 1934	May 10 1933
Loans on stocks & bonds (including Governments)	\$ 59,197	57,350	\$ 59,605
All other loans.....	110,959	112,980	111,327
Total loans and discounts.....	170,156	170,330	170,932
Investments in stocks and bonds	172,945	171,128	144,525
Reserve bal. with F. R. Bank....	48,394	40,500	24,418
Cash in vaults.....	11,399	11,291	9,450
Demand deposits	218,514	203,965	174,200
Time deposits	134,854	133,958	127,853
Borrowed from F. R. Bank.....	0	0	413

reports to the Federal Reserve Bank of Richmond, and the accompanying table shows totals of the principal items as of three dates. May 9, 1934, figures are compared with those for April 11, 1934, and May 10, 1933, thus affording opportunity for comparison of the latest figures with those of the preceding month and the preceding year.

Between April 11 and May 9, both this year, loans on securities in the reporting banks increased by \$1,847,000, but all other loans, which are chiefly agricultural or commercial, decreased \$2,021,000, a net decline in total loans of \$174,000. On the other hand, investments in securities rose \$1,817,000 during the month, and the banks increased their aggregate reserve balance at the reserve bank by \$7,894,000. Cash in vaults rose \$108,000 in the period under review. Deposits rose materially last month, demand deposits gaining \$14,549,000 and time deposits \$896,000. None of the reporting banks were borrowing at the reserve bank on either April 11 or May 9.

In comparison with May 10, 1933, figures, those for May 9, 1934, show decreases of \$408,000 in loans on securities and \$368,000 in all other loans, a total decline of \$776,000 in loans and discounts. Investments of the twenty-eight reporting banks in stocks and bonds rose by \$28,420,000 during the year, and the aggregate reserve balance of the same institutions at the reserve bank rose by \$23,976,000. Cash in vaults increased by \$1,949,000 during the year. Deposits rose by \$51,315,000 between May 10 last year and May 9 this year, demand deposits rising \$44,314,000 and time deposits \$7,001,000. On May 10, 1933, three of the reporting banks were borrowing \$413,000 from the Federal Reserve Bank of Richmond, but none of them were borrowing on the corresponding date this year.

Time and Savings Deposits

Time deposits in twenty-eight regularly reporting member banks and aggregate deposits in eleven mutual savings banks in Baltimore totaled \$326,227,521 at the end of April 1934, a higher figure by approximately 9/10ths of 1 per cent than either \$323,251,943 in time and savings deposits at the end of March this year or \$323,369,742 at the end of April last year. Both the member banks and the mutual savings banks reported gains in deposits during the past month, but the mutual savings banks declined in deposits during the year.

Debits to Individual Accounts

CITIES	000 omitted		
	Total debits, four weeks ended		
	May 9, 1934	April 11, 1934	May 10, 1933
Asheville, N. C.....	\$ 9,368	\$ 8,658	\$ 6,491
Baltimore, Md.	266,731	243,493	190,131
Charleston, S. C.....	10,012	10,539	8,611
Charleston, W. Va....	38,122	33,667	24,864
Charlotte, N. C.....	43,305	45,720	30,659
Columbia, S. C.....	15,543	14,859	5,114
Cumberland, Md.	5,556	5,054	4,457
Danville, Va.	4,640	4,508	3,837
Durham, N. C.....	18,431	18,989	17,084
Greensboro, N. C.....	10,975	9,590	2,553
Greenville, S. C.....	14,010	12,988	8,956
Hagerstown, Md.	6,046	5,429	3,721
Huntington, W. Va....	11,157	10,362	8,334
Lynchburg, Va.	12,916	12,411	10,725
Newport News, Va....	5,824	5,670	4,781
Norfolk, Va.	38,388	36,751	28,038
Portsmouth, Va.	3,081	2,923	2,894
Raleigh, N. C.....	20,409	20,821	11,912
Richmond, Va.	111,218	100,967	91,277
Roanoke, Va.	19,515	16,729	16,025
Washington, D. C.....	166,030	164,922	149,583
Wilmington, N. C.....	8,215	8,269	5,188
Winston-Salem, N. C.	24,309	26,325	21,126
Fifth District Totals	\$863,801	\$819,644	\$656,361

Aggregate payments by checks drawn on clearing house banks in twenty-three 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 9, 1934, 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 9 this year exceeded debits for the immediately preceding four weeks, ended April 11, 1934, by \$44,157,000, or 5.4 per cent, an unusual increase in debits over the period which contains a large amount of quarterly payments on April 1, and income tax payments in March. Seventeen of the twenty-three reporting cities showed higher debits for the later period, all of the six cities which did not increase being in the Carolinas.

In comparison with debits reported for the four weeks ended May 10, 1933, those for the corresponding four weeks this year, ended May 9, 1934, show a total increase of \$207,440,000, or 31.6 per cent. All of the reporting cities show higher figures for the 1934 period. Part of the increase in debits this year is probably due to higher prices in many lines, and to restrictions under which some of the reporting banks were operating at this time last year. Aggregate debits figures in the four weeks ended May 9, 1934, not only exceeded debits in the four corresponding weeks last year, but also exceeded debits in the same cities in the four weeks ended April 11, 1932, by \$37,866,000, or 4.6 per cent, when there was no question of restricted banks to complicate the comparison.

Commercial Failures

Business failures in the United States in April, both as to number and liabilities involved, touched another low point, according to *Dun & Bradstreet Monthly Review*. The records show 1,052 bankruptcies in April 1934, with total indebtedness of \$25,786,975. With the exception of the short month of February this year, there was no month since January 1920 in which failures were so few in number. In March 1934 there were 1,102 failures, and 1,921 failures were reported in April 1933. Liabilities for the past month also were considerably reduced. The amount of indebtedness last month, \$25,786,975, compares with \$27,227,511 in March this year and \$51,097,384 in April last year. In the Fifth reserve district, the April 1934 record of 59 insolvencies and liabilities totaling \$672,432 makes the same favorable comparison with earlier months as the United States. With the exception of March 1934, the April 1934 number of failures in the district was the lowest for any month since November 1920, and April 1934 liabilities were the lowest since June 1920. Failures in March 1934 and April 1933 in the Fifth district numbered 50 and 98, respectively, and aggregate liabilities for the same months amounted to \$877,219 and \$1,449,006. All of the twelve reserve districts except Atlanta reported fewer failures in April 1934 than in April 1933, and all of them reported lower liabilities in the 1934 month.

Employment

There have been no important changes in the employment situation since the CWA relief projects were discontinued two months ago, and most of the workmen who were engaged on these projects have been unable to find steady employment elsewhere. Nearly all industries in the Fifth district are working larger forces than they were a year ago, and distributors of merchandise, such as wholesalers and retailers, are also doing a larger volume of business and employing more people, but these increases have not eliminated the unemployment problem. The biggest obstacle in the way of increased employment seems to be inactivity in the construction field. A considerable amount of public building is going on, but activity in private work continues at a very low level. People with surplus funds appear to be reluctant to make mortgage loans under present uncertain conditions in the real estate market, and buyers seem to be equally reluctant in assuming long time obligations for homes in the face of doubt as to the permanency of their jobs. So many people have had to give up homes at material loss to themselves since the depression began that families which in ordinary times would buy or build residences are now afraid to take on the obligations involved. The number of bargains in residences which forced sales have brought on the market also acts as a serious deterrent to new construction work, and keeps down employment in the building trades.

Coal Production

Production of bituminous coal in the United States during the month of April 1934 amounted to 24,977,000 net tons, compared with 38,497,000 tons mined in March 1934 and 19,523,000 tons in April 1933. On a daily basis, the output in April this year, 1,032,000 tons, was nearly 31 per cent above the daily output of 790,000 tons in April last year. Total production of soft coal during the present calendar year to May 5 amounts to 133,241,000 net tons, a larger amount than 102,212,000 tons mined to the same date last year. Coal shipped through Hampton Roads ports during the present calendar year to May 5 totaled 6,990,083 tons, compared with 6,015,746 tons shipped through the same ports prior to May 5 last year.

The April 28 report of the Bureau of Mines, Department of Commerce, showed production figures by states for March. West Virginia with an output of 10,377,000 net tons held the lead over Pennsylvania with 10,284,000 tons, but by a smaller margin than in other recent months. The three coal producing states of the Fifth district, West Virginia, Virginia and Maryland, dug 30 per cent of all soft coal mined in the United States in March this year, compared with about 27.5 per cent mined by the three states in March 1933.

On May 5, the Bureau of Mines issued a report on stocks of coal in the hands of commercial consumers and retail dealers. This report showed a 13 per cent decline in coal stocks between January 1 and April 1. Although stocks of coal on April 1 were less than at the beginning of the previous quarter, they were substantially higher than stocks on April 1, 1933, all of the increase being in industrial plants. In terms of days' supply at current rates of consumption, stocks at the beginning of the new coal year were sufficient to last only 25 days, while a year ago stocks were sufficient to last 27 days. Prospects of labor troubles and price increases caused heavy purchases of coal for storage in March by industrial consumers.

Textiles

Cotton mills in the Fifth Federal reserve district consumed 227,550 bales of cotton in April 1934, compared with 239,588 bales used in the longer month of March this year and 225,831 bales consumed in April last year. On a daily basis, consumption in April 1934 averaged 2.6 per cent higher than in March 1934. Mills in North Carolina consumed 118,247 bales of cotton last month, South Carolina mills used 97,226 bales, and Virginia mills 12,077 bales. Consumption in the Fifth reserve district in April amounted to 44.4 per cent of National consumption, compared with 48 per cent of April 1933 consumption for the district in April last year. Demand for cotton goods held up through April, and was stimulated by orders for National Cotton Week, but since May 1, reports indicate that orders in primary markets have fallen off materially, and there is an increasing belief that curtailment of operations may soon become necessary.

The Bureau of the Census issued a report on April

20 on activity in the cotton spinning industry for March. On March 31 there were 31,011,574 spindles in place in the United States, of which 26,503,876, or 85.5 per cent, were active a total of 7,720,217,745 spindle hours during the month, an average of 249 hours per spindle in place. In the Fifth reserve district there were 12,571,088 spindles in place on March 31, of which 11,855,460, or 94.3 per cent, operated a total of 3,674,096,139 spindle hours in March, an average of 292 hours per spindle in place. South Carolina with an average of 324 hours per spindle led all states, Virginia with 267 hours ranked fifth, and North Carolina with 265 hours ranked sixth, all being above the United States average of 249 hours.

Cotton Statistics

Spot cotton prices declined about three-quarters of a cent per pound during the second half of April, but regained part of the loss in the first two weeks in May. In our *Review* last month we quoted 11.87 cents per pound as the average price on April 13 for middling grade cotton on ten Southern markets. The average declined to 11.64 cents on April 20, and further to 11.06 cents on April 27. On May 4 the price had risen to 11.13 cents, and continued upward to 11.26 cents on May 11, the latest date for which official quotations are available.

Consumption of cotton in the United States in April 1934 totaled 512,703 bales, compared with 543,690 bales used in the longer month of March this year and 470,359 bales in April 1933. Total consumption for the nine months of the present cotton season—August 1 to April 30—amounted to 4,458,007 bales, compared with 4,218,932 bales consumed in the corresponding period of the 1932-1933 season. Manufacturing establishments held 1,584,746 bales on April 30, compared with 1,649,807 bales held on March 31 and 1,371,218 bales on April 30, 1933. Public warehouses and compresses held 7,101,941 bales in storage at the end of April this year, compared with 7,852,780 bales so held a month earlier and 8,151,913 bales on April 30 last year. April exports totaled 386,594 bales, compared with 436,450 bales sent abroad in April 1933. Exports during the nine months of this cotton year totaled 6,484,605 bales, compared with 6,521,184 bales shipped overseas during the corresponding nine months ended April 30, 1933. Spindles active at some time during April numbered 26,450,750, compared with 26,503,876 in March this year and 23,421,680 in April 1933.

Cotton growing states consumed 406,678 bales in April, compared with 429,441 bales used in March and 388,895 bales in April 1933. Last month's consumption of cotton in the cotton growing states amounted to 79.3 per cent of National consumption, a higher percentage than 79 per cent in March this year but less than 82.7 per cent in April 1933. Of the 406,678 bales of cotton consumed in the cotton growing states in April, the Fifth district mills used 227,550 bales, or 56 per cent, compared with 58 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 western parts of the cotton belt. In the Fifth district, cold and wet weather delayed planting and germination of cotton.

Tobacco Manufacturing

On May 21, the Commissioner of Internal Revenue issued a report on taxes collected in April, including taxes on tobacco manufacturing. April production of cigarettes in the United States numbered 9,293,630,590, compared with 7,973,021,190 cigarettes manufactured in April 1933. The number of cigars made last month also rose from 321,206,573 in April 1933 to 345,066,731 in April 1934. On the other hand, the production of chewing and smoking tobacco declined from 25,407,025 pounds in April last year to 24,062,007 pounds in April this year, and snuff production also dropped from 3,440,392 pounds to 3,198,039 pounds. In actual amount of taxes paid in April, cigarettes led with \$27,968,190 this year and \$23,921,084 last year; smoking and chewing tobacco taxes totaled \$4,331,337 in April 1934 and \$4,574,056 in April 1933; cigar taxes yielded \$913,396 last month and \$812,923 in April last year; and snuff taxes amounted to \$575,647 and \$619,271 in April 1934 and 1933, respectively. It is an interesting fact that taxes collected on cigarettes in April exceeded by 18 per cent all combined taxes collected on liquors and beer. The cigarette tax is the largest single item on the Internal Revenue Bureau's report.

Tobacco Marketing

All tobacco markets in the Fifth Federal reserve district have closed for the 1933-1934 season, and final sales figures are available. *Virginia* markets sold 120,712,052 pounds this season, for a total of \$16,334,985, the average price of \$13.53 per hundred pounds being the highest average since 1929. Last season *Virginia* markets sold 63,020,968 pounds for only \$5,483,242, an average of \$8.70 per hundred pounds. *North Carolina* markets sold 516,376,445 pounds of tobacco this season, at an average price of \$15.93 per hundred, compared with 283,495,702 pounds sold last season for an average of \$11.98 per hundred. *South Carolina* markets sold 81,676,897 pounds of tobacco from the 1933 crop, for an average price of \$12.59 per hundred pounds, while from the 1932 crop *South Carolina* markets sold 36,251,281 pounds at an average of \$11.41 per hundred. *Maryland* tobacco is not sold on auction markets, but the state produced 17,710,000 pounds this season in comparison with 26,272,000 in 1932. *West Virginia* tobacco production was approximately 4,958,000 pounds in 1933 and 2,312,000 pounds in 1932. The tobacco crop in the district, totaling all five states, was worth to the growers approximately the same amount in 1933 as in both 1932 and 1931 combined.

Agricultural Notes

Virginia farm work during April was retarded by unfavorable weather and spring planting on May 1 was about ten days late. Cold weather delayed growth of fall sown grains and pastures but frequent rains supplied an abundance of moisture, so crops will make rapid improvement with warm weather. Frosts and freezes the last week of April caused some damage to apples but the loss was mostly limited to poorly located orchards. Fertilizer tag sales for the first four months of 1934 show an increase of 10 per cent over the same period last year. Winter wheat, although retarded by cold weather, improved considerably in appearance during April and if weather conditions are favorable until the crop is made the yield will be above average. Production is forecast at 8,250,000 bushels of wheat this year, compared with 7,425,000 bushels last year and a five-year average production of 9,582,000 bushels. The rye crop is forecast at 600,000 bushels, compared with 578,000 bushels harvested in 1933 and 574,000 bushels the five-year average. Hay crops are below average in condition, due to the late season, but the stands of grass and clover are thick and hay should make rapid improvement under favorable weather. Pastures, like hay, are backward, and the May 1 condition of 67 per cent was lower than 75 per cent a year earlier and 78 per cent the ten-year average. Fruit prospects are uncertain because of the late bloom and the difficulty of determining the damage from the frosts and freezes in the last week of April. Peaches were seriously injured by sub-zero temperatures in February and commercial growers do not expect more than 25 per cent of a full crop, compared with 75 per cent last year. The apple bloom was later and not as heavy as usual, and the April 26 and 27th frosts injured low lying orchards. It is impossible to estimate probable production at this time, but a crop as large or larger than last year's seems probable. The commercial early Irish potato crop is so much later than usual that the May 1 condition is not a reliable indicator of probable production. May 1 conditions were very poor, but favorable weather in May would result in fair yields. *Maryland* wheat prospects were about normal on May 1, and if the weather is favorable until harvest a somewhat better than average yield will result. A crop of 7,580,000 bushels is indicated for this year, compared with 6,320,000 bushels threshed last year and a five-year average of 9,375,000 bushels. Prospects are for a rye crop of 280,000 bushels this year, compared with 221,000 bushels in 1933 and 256,000 bushels the five-year average. The May 1 condition of hay crops averaged 76 per cent, compared with 70 per cent a year ago and a five-year average of 79 per cent. Pastures are poorer than at this time last year, a condition of 70 per cent on May 1 comparing with 72 per cent on May 1, 1933, and 75 per cent as a five-year average. In *South Carolina*, the general crop situation on May 1 was not quite up to average, retarded conditions obtaining chiefly in the up-State counties where cool, wet weather caused delay in planting and in crop development. Conditions of wheat, Irish potatoes and peaches are slightly above

normal, but oats, rye, hay and pastures are below average. Wheat production in the state this year is forecast at 850,000 bushels, a much higher figure than either 592,000 bushels in 1933 or 580,000 bushels the five-year average. The increase this year is chiefly due to increased acreage. A crop of 60,000 bushels of rye is forecast for this year, compared with 49,000 bushels harvested last year. The condition of the peach crop on May 1 indicates a production of 1,541,000 bushels this year, a lower figure than 1,633,000 bushels gathered last year but materially above the five-year average production of 1,142,000 bushels. Conditions of Irish potatoes, hay and pastures are about the same as conditions on May 1, 1933. *West Virginia* crops suffered from cold weather during early Spring, and all farm work was delayed. April weather was much better, however, and farmers made steady progress, so that on May 1 crops were advanced about as far as usual for that date. Drought conditions have developed in the state, and the soil is too dry for proper germination of oats and corn. The wheat crop of *West Virginia* is forecast at 1,809,000 bushels, compared with the 1933 yield of 1,798,000 bushels and the five-year average production of 1,679,000 bushels. The May 1 forecast shows a decline from the April 1 figure, due to drought conditions during April. Rye yield is expected to be 132,000 bushels this season, compared with 144,000 bushels in 1933. Pastures have suffered somewhat from dry weather, and present indications are for lower yields of hay this year. Reports of damage to fruit trees indicate that February and March freezes practically destroyed prospects for commercial peach production in *West Virginia* this year. It is too early to estimate the damage to commercial apple crops, but reports indicate that the damage in many sections was very severe. *North Carolina* wheat is expected to yield 4,260,000 bushels in 1934, compared with 3,714,000 bushels harvested in 1933 and 3,661,000 bushels as a five-year average. The rye crop is forecast at 472,000 bushels, compared with 420,000 bushels last year and a five-year average of 444,000 bushels. Pastures are in poorer condition in *North Carolina* than at this time last year, and also below the five-year average, and prospects for hay crops are also below those of May 1 last year. A peach crop of 2,380,000 bushels is forecast, a larger production than 2,080,000 bushels gathered last year. Early Irish potatoes are not up to the condition a year ago, and are also below the five-year average.

Construction

The volume of work provided for in building permits issued in April 1934 in thirty-one Fifth district cities was small, but showed a seasonal increase over other recent months and also exceeded that of April

Building Permits Issued in April 1934 and 1933

CITIES	Permits Issued		Total Valuation	
	1934	1933	1934	1933
Baltimore, Md.	724	824	\$ 628,080	\$ 548,000
Cumberland, Md.	14	10	7,296	11,100
Frederick, Md.	13	16	4,685	9,080
Hagerstown, Md.	17	12	9,890	1,000
Salisbury, Md.	25	12	25,775	12,390
Danville, Va.	14	14	12,127	11,995
Lynchburg, Va.	30	35	80,601	56,653
Norfolk, Va.	104	119	68,607	76,197
Petersburg, Va.	3	1	100	2,500
Portsmouth, Va.	14	30	4,850	22,135
Richmond, Va.	82	77	192,759	61,897
Roanoke, Va.	38	36	15,683	214,064
Bluefield, W. Va.	20	4	8,660	660
Charleston, W. Va.	77	65	23,357	13,554
Clarksburg, W. Va.	28	11	5,200	9,227
Huntington, W. Va.	16	20	11,650	8,625
Asheville, N. C.	29	25	119,090	5,207
Charlotte, N. C.	32	35	54,252	25,244
Durham, N. C.	16	13	61,390	27,100
Greensboro, N. C.	34	23	96,940	11,305
High Point, N. C.	26	7	36,429	6,385
Raleigh, N. C.	9	9	6,815	4,805
Rocky Mount, N. C.	2	3	925	470
Salisbury, N. C.	8	6	4,150	4,880
Winston-Salem, N. C.	57	47	39,900	22,015
Charleston, S. C.	23	34	11,553	11,408
Columbia, S. C.	34	32	20,394	12,422
Greenville, S. C.	17	38	21,935	34,275
Rock Hill, S. C.	11	6	12,525	3,800
Spartanburg, S. C.	23	10	5,430	3,815
Washington, D. C.	488	549	1,093,260	1,171,115
Totals	2,028	2,123	\$2,684,308	\$2,403,323

last year. Permits for all types of construction numbered 2,028 in April this year, compared with 1,464 permits issued in March this year and 2,123 permits issued in April 1933. Estimated valuation figures for permits issued last month totaled \$2,684,308, an increase of 44.5 per cent over \$1,857,246 for March 1934 and 11.7 per cent above \$2,403,323 for April 1933. Twenty-one of the thirty-one cities reported higher valuation figures for April this year than last, but the two largest cities, Baltimore and Washington, failed to come up to April 1933 figures. In proportion to population, Asheville, N. C., made the best record in April this year.

Contracts awarded for construction work in the Fifth reserve district in April this year totaled \$11,013,992, including both urban and rural construction, compared with \$6,376,484 in contracts awarded in April 1933, according to figures collected by the F. W. Dodge Corporation. Of the April 1934 contracts, \$2,758,182 was for residential structures, approximately 25 per cent of all contracts, compared with \$2,432,869 for residential work in April last year, or 38 per cent of all contracts awarded in that month.

Retail Trade, 31 Department Stores

	<i>Richmond</i>	<i>Baltimore</i>	<i>Washington</i>	<i>Other Cities</i>	<i>District</i>
April 1934 sales, compared with sales in April 1933:	+ 5.7	- 4.7	+ 8.8	+10.7	+ 3.2
Jan.-April 1934 sales, compared with sales in Jan.-April 1933:	+26.8	+17.6	+16.9	+31.5	+19.5
April 30, 1934, stocks, compared with stocks on April 30, 1933:	+24.8	+30.0	+20.3	+ 9.4	+23.2
April 30, 1934, stocks, compared with stocks on March 31, 1934:	+ 3.7	+ 1.5	+ 1.0	+ 4.8	+ 1.9
Number of times stock was turned in April 1934:	.292	.271	.315	.266	.29
Number of times stock was turned since January 1, 1934:	1.246	1.058	1.158	1.072	1.118
Percentage of April 1, 1934, receivables collected in April:	29.0	27.8	28.6	28.2	28.3

Wholesale Trade, 57 Firms

	20 <i>Groceries</i>	7 <i>Dry Goods</i>	6 <i>Shoes</i>	13 <i>Hardware</i>	11 <i>Drugs</i>
April 1934 sales, compared with sales in April 1933:	+12.9	+43.5	- 4.1	+55.8	+27.9
April 1934 sales, compared with sales in March 1934:	-11.8	-18.8	-29.3	+ 5.0	-10.6
Jan.-April 1934 sales, compared with sales in Jan.-April 1933:	+26.9	+77.2	+41.4	+63.3	+25.0
April 30, 1934, stocks, compared with stocks on April 30, 1933:	+22.2(8*)	+129.3(3*)	-13.0(4*)	+22.0(7*)	-----
April 30, 1934, stocks, compared with stocks on March 31, 1934:	- 1.1(8*)	+ 4.3(3*)	-12.6(4*)	- 1.2(7*)	-----
Percentage of April 1, 1934, receivables collected in April:	70.2(11*)	38.9(4*)	55.3(6*)	42.5(11*)	60.5(7*)

(Compiled May 21, 1934)

BUSINESS CONDITIONS IN THE UNITED STATES

(Compiled by the Federal Reserve Board)

Volume of manufacturing production increased during April, while the output of mines declined. Employment and payrolls continued to increase. The general level of commodity prices remained substantially unchanged during April and the first three weeks in May, although prices of individual commodities showed considerable changes.

Production and Employment

Production of manufactures, which had increased continuously since last November, showed a further advance in April, according to the Board's seasonally adjusted index, while output of mines was smaller in April than in March. The Board's combined index of industrial production remained practically unchanged at 85 per cent of the 1923-1925 average. The growth in manufacturing reflected increases in iron and steel, automobiles, and meatpacking. Lumber production declined in April, and activity at wool and silk mills was considerably reduced, while cotton consumption by mills showed little change. Crude petroleum output continued to increase, but there was a more than seasonal decline at the beginning of April in the mining of both anthracite and bituminous coal. During the first two weeks of May steel operations increased further, but declined somewhat in the third week. Output of automobiles decreased considerably in May.

Volume of employment and wage payments continued to increase in April, and employment in factories, according to the new index of the Bureau of Labor Statistics, was larger than at any time since the end of 1930. There was a substantial seasonal increase in the number of workers employed in private construction as well as in those engaged in projects financed by the Public Works Administration. Employment on railroads, in metal mining and quarrying, and in various service activities also increased further, while in coal mining there was a considerable decrease.

Construction contracts awarded during April, as reported by the F. W. Dodge Corporation, were smaller in value than during March. There was a substantial decline in public-works contracts, while contracts for privately financed projects showed a slight increase in April.

Following extended drought in important grain areas, the Department of Agriculture forecast of the winter wheat crop was reduced from 492,000,000 bushels on April 1 to 461,000,000 bushels on May 1. This compares with a five-year average for 1927-1931 of 632,000,000 bushels. The condition of rye, hay,

and pastures has also been adversely affected by the drought.

Distribution

Railroad freight-car loadings declined in April as compared with March, and in the first half of May there was a smaller than seasonal increase in total loadings. The April decline was largely the result of a substantial decrease in coal shipments from the relatively large volume of March. Department store sales showed little change from March to April, after allowance is made for difference in the number of business days, for usual seasonal changes, and for changes in the date of Easter. Sales continued larger than a year ago.

Commodity Prices

The general level of wholesale commodity prices, as measured by the Bureau of Labor Statistics index, has shown little change during the past three months. Prices of grains, cotton, silk, and silver, which declined sharply in April, rose during the first three weeks of May. Rubber prices advanced sharply until early in May but subsequently declined somewhat, and prices of textile products declined during recent weeks. Steel scrap has declined since March, while finished steel products, automobiles, nonferrous metals, and building materials advanced. Cattle and beef prices rose during April and the early part of May, while prices of hogs declined.

Bank Credit

Excess reserves of member banks remained at a level of about \$1,600,000,000 between the middle of April and the middle of May. There were no considerable changes in monetary gold stock or in money in circulation. The total volume of reserve bank credit also showed little change.

At reporting member banks in leading cities in the five weeks ending May 16 there were decreases of about \$240,000,000 in loans and of \$80,000,000 in investments, the latter reflecting a decrease in holdings of securities other than those of the United States Government. Net demand and time deposits increased by nearly \$200,000,000, while United States Government deposits were reduced by about \$300,000,000.

Short-term money rates in the open market continued at low levels during May and yields on United States Treasury bonds declined further to the lowest levels of the post-war period.