

# MONTHLY REVIEW

CREDIT, BUSINESS AND AGRICULTURAL CONDITIONS

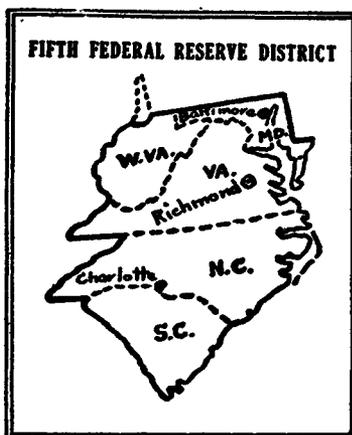


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RICHMOND, VIRGINIA

April 30, 1935

THE lateness of Easter this year retarded business in several lines in March, but if this adverse influence is taken into account, trade last month was up to seasonal level. In banking, rediscounts at the Federal Reserve Bank of Richmond showed an increase, and industrial loans for working capital also rose. There was an unusual rise in the circulation of Federal reserve notes between the middle of March and the middle of April, and member bank reserve deposits declined. Regularly reporting member banks decreased their loans slightly between March 13 and April 10, and their investments in securities also decreased, but demand deposits rose while time deposits registered little change. Debits to individual accounts figures in four weeks ended April 10, 1935, show a normal increase of 6.6 per cent over debits in the preceding four weeks, ended March 13, due chiefly to quarterly payments of dividends and interest on April 1 and income tax payments on March 15. Contrary to the National record, business failures in the Fifth district in March increased in both number and in liabilities involved in comparison with the figures for March last year. Employment conditions appear to have become somewhat worse on the whole between the middle of March and the middle of April, due to restrictions in operations in textile mills and some other scattered industrial plants, which more than offset seasonal increases in employment in construction and farm work. Coal production in March on a daily basis showed an increase over production in February, perhaps due to increased demand from such customers as the automobile industry. Textile mills in the Fifth district, especially those manufacturing print cloth, curtailed production about 25 per cent on April 1, and plan to continue the restriction in output two months, unless there is a marked change in the market for cotton textiles. Spot cotton prices declined between the middle of March and the middle of April, and cotton consumption and exports



in March were much lower than in March last year. Very little tobacco was marketed in March in the Fifth district, and all markets closed for the season during the month. Manufacturing of tobacco held up in March, cigarette production exceeding that of March 1934, but cigar and smoking tobacco production was less. Retail trade as reflected in department store sales was in less amount than in March last year, but was better than seasonal average in consideration of Easter dates last year and this. Wholesale trade in three of five lines for which data are available was below the volume of trade last year, but all lines

showed increased sales over February. Building permits were more numerous and estimated valuation figures were higher in March 1935 than in March 1934, but contracts awarded last month were less than those awarded in the same month last year. Prospects for agriculture in the Fifth district appear to be good this year. Winter crops are in good condition, and there is plenty of moisture in the ground to promote growth of spring crops. Spring planting is backward in most of the district, due to wet and cold weather, but the delay is not yet serious. Cold weather in the first half of April damaged peach and some other fruit prospects, but apparently did not do serious harm to apples. Fertilizer sales have been good in the district, and farmers have been financially able to acquire a number of mules and some new machinery.

## Reserve Bank Statement

Between March 15 and April 15, 1935, total earning assets of the Federal Reserve Bank of Richmond increased by \$269,000, rediscounts rising by \$143,000 and industrial loans made to industries for working capital increasing by \$137,000, while the portfolio of open market paper declined \$8,000 and foreign loans on gold dropped \$3,000. The circulation of Federal

ITEMS	000 omitted		
	April 15 1935	Mar. 15 1935	April 15 1934
Rediscounts held .....	\$ 295	\$ 152	\$ 1,680
Open market paper.....	196	204	532
Industrial advances .....	3,613	3,476	0
Foreign loans on gold.....	4	7	0
Government securities .....	113,563	113,563	93,563
Total earning assets.....	117,671	117,402	95,775
Circulation of Fed. Res. notes..	154,212	154,112	144,737
Members' reserve deposits.....	128,445	143,169	150,847
Cash reserves .....	192,646	199,146	216,734
Reserve ratio .....	63.93	64.87	70.93

reserve notes of the Richmond reserve bank rose \$100,000 during the month, contrary to seasonal expectations. Member bank reserve deposits which for many months have been much above requirements, showed a decrease of \$14,724,000 between the middle of March and the middle of April. The several changes mentioned, with others of less importance, resulted in a decline of \$6,500,000 in cash reserves of the Federal Reserve Bank of Richmond, and caused a drop of 94/100 of 1 point in the ratio of cash reserves to note and deposit liabilities combined.

In comparison with figures for April 15, 1934, those for April 15 this year show marked changes in several items. Rediscounts dropped by \$1,385,000 during the year, and holdings of open market paper declined by \$336,000. On the other hand, ownership of Government securities rose by \$20,000,000 between April 15 last year and this; on April 15, 1935, the Bank had loans made direct to industry for working capital outstanding to the amount of \$3,613,000; and the Bank was participating to the extent of \$4,000 in System foreign loans on gold. The changes resulted in a net rise of \$21,896,000 in total earning assets during the past year. Circulation of Federal reserve notes of the Richmond bank on April 15, 1935, exceeded circulation a year earlier by \$9,475,000. Member bank reserve deposits declined by \$22,402,000 between the middle of April last year and the corresponding date this year. Cash reserves of the Federal Reserve Bank of Richmond, which were relatively high a year ago, declined by \$24,088,000 during the year, and the ratio of reserves to note and deposit liabilities combined dropped 7 points.

#### Statement of 28 Member Banks

ITEMS	000 omitted		
	April 10 1935	Mar. 13 1935	April 11 1934
Loans on stocks and bonds (including Governments) .....	\$ 56,945	\$ 57,900	\$ 57,350
All other loans.....	94,845	94,753	112,980
Total loans and discounts.....	151,790	152,653	170,330
Investments in securities.....	207,785	212,160	171,128
Reserve bal. with F. R. Bank....	53,036	52,930	40,500
Cash in vaults.....	11,571	11,871	11,291
Demand deposits .....	238,058	237,606	203,965
Time deposits .....	136,650	136,747	133,958
Borrowed from F. R. Bank.....	0	0	0

The accompanying table shows the principal item of condition of twenty-eight regularly reporting member

banks in the Fifth reserve district as of three dates, thus affording opportunity for comparison of the latest available figures with those of the corresponding dates a month and a year earlier. It should be understood that the figures in the table reflect conditions as of the report dates only, and are not necessarily the highest or lowest figures which occurred during the interval between the dates.

The figures in the statement show relatively little change during the past month, but marked changes occurred during the year. Loans on stocks and bonds on April 10, 1935, showed a decrease of \$955,000 since March 13, 1935, and totaled \$405,000 less than loans on securities on April 11, 1934. All other loans rose by \$92,000 during the past month, but on April 10 were \$18,135,000 below the total of all other loans a year earlier. Total loans and discounts declined \$863,000 last month and \$18,540,000 for the year.

Investments in securities by the twenty-eight reporting banks declined by \$4,375,000 between March 13 and April 10, this year, but on the latter date were still \$36,657,000 above investments in stocks and bonds on April 11, 1934. Aggregate reserve balance of these banks at the Federal reserve bank rose by \$106,000 during the month, and on April 10 stood \$12,536,000 above the total reserve balance at the middle of April last year. Cash in vaults declined \$300,000 between March 13 and April 10, but increased by \$280,000 between April 11, 1934, and April 10, 1935. Demand deposits rose by \$452,000 last month, and on April 10 totaled \$34,093,000 more than on April 11, 1934. Time deposits dropped by \$97,000 between March 13 and April 10, but rose by \$2,692,000 during the past year. Combined deposits showed increases of \$355,000 last month and \$36,785,000 for the past year. None of the twenty-eight reporting banks was borrowing at the Federal Reserve Bank of Richmond on any of the three dates mentioned in the table.

#### Time and Savings Deposits

Time deposits in twenty-eight reporting member banks and aggregate deposits in eleven mutual savings banks in Baltimore totaled \$335,791,072 at the end of March 1935, a higher figure than either \$335,036,766 reported at the end of February this year or \$323,251,943 at the end of March last year. Both the reporting member banks and the savings banks gained in deposits during the past year, and the mutual savings banks increased during March, but the reporting member banks showed a small decline between the end of February and the end of March.

#### Debits to Individual Accounts

Debits to individual, firm and corporation accounts figures in the table reported for three equal periods of four weeks by clearing house banks in twenty-three leading Fifth district cities show a seasonal increase during the period ended April 10 in comparison with the figures for four weeks ended March 13, owing chiefly to quarterly payments on April 1 and income tax payments on March 15. Aggregate debits in the

CITIES	000 omitted		
	Total debits, four weeks ended		
	April 10, 1935	Mar. 13, 1935	April 11, 1934
Asheville, N. C.....	\$ 9,202	\$ 7,813	\$ 8,658
Baltimore, Md.....	268,520	245,473	243,493
Charleston, S. C.....	11,506	11,213	10,539
Charleston, W. Va.....	41,869	37,215	33,667
Charlotte, N. C.....	51,523	47,981	45,720
Columbia, S. C.....	19,053	26,059	14,859
Cumberland, Md.....	6,244	6,042	5,054
Danville, Va.....	5,155	5,190	4,508
Durham, N. C.....	18,963	19,204	18,989
Greensboro, N. C.....	12,891	11,418	9,590
Greenville, S. C.....	13,073	15,146	12,988
Hagerstown, Md.....	6,546	5,962	5,429
Huntington, W. Va.....	11,874	10,982	10,362
Lynchburg, Va.....	12,357	11,222	12,411
Newport News, Va.....	6,420	6,266	5,670
Norfolk, Va.....	44,022	43,441	36,751
Portsmouth, Va.....	3,762	2,892	2,923
Raleigh, N. C.....	22,314	21,762	20,821
Richmond, Va.....	109,215	112,298	100,967
Roanoke, Va.....	17,994	17,454	16,729
Washington, D. C.....	198,552	175,712	164,922
Wilmington, N. C.....	9,685	7,873	8,269
Winston-Salem, N. C.....	30,966	25,588	26,325
District Totals.....	\$931,706	\$874,206	\$819,644

reporting cities totaled \$931,706,000 during the four weeks ended April 10, an increase of \$57,500,000, or 6.6 per cent, over the total of \$874,206,000 reported for the preceding period this year. Among the twenty-three reporting cities, eighteen reported higher figures for the later period while five reported lower figures.

In comparison with debits totaling \$819,644,000 reported for four weeks ended April 11, 1934, the figures for the corresponding four weeks ended April 10 this year show an increase of \$112,062,000, or 13.7 per cent, twenty-one of the twenty-three cities showing higher figures for the later four weeks. Durham and Lynchburg, the two cities which showed lower figures this year, are both tobacco markets, and the small decreases were probably due to the earlier marketing of the 1934 crop.

### Commercial Failures

According to figures gathered by the *Dun & Bradstreet Monthly Review* for April, the business failure record in the Fifth district in March was more unfavorable than the National record, the number of failures in the district increasing 16 per cent and liabilities involved rising 21 per cent in comparison with March 1934 figures, while in the United States as a whole the number of insolvencies decreased 11 per cent and aggregate liabilities dropped 32 per cent. There were 58 bankruptcies in the Fifth district in March 1935, compared with 50 bankruptcies in March 1934. Liabilities in the district totaled \$1,062,438 in March this year and \$877,219 in March last year. Failures in the United States numbered 976 last month and 1,102 in the corresponding month last year, while liabilities involved totaled \$18,522,840 and \$27,227,511 in March 1935 and 1934, respectively. The Fifth district was the only reserve district in the country which showed

higher liability figures for March this year than last. On the other hand, the Fifth district record for the first quarter of 1935 was better than the National record, 162 failures and liabilities totaling \$2,370,618 showing decreases of 23 per cent and 32 per cent, respectively, in comparison with the number and liabilities of failures in the first quarter of 1934, while the number and liabilities in the United States decreased 10 per cent and 30 per cent, respectively.

### Employment

There was a small seasonal increase in employment in construction fields between the middle of March and the middle of April, but the weather was unfavorable for outside work and less painting, gardening, and early farm work has been done than usual. Farmers in some sections of the Fifth district are complaining of a shortage of workers who will do farm work at wages the farmers can afford to pay. In the cities the demand for relief continues undiminished, and there have recently been additions to the ranks of unemployed people by curtailment in operations at numerous industrial plants. Cloth making cotton textile mills are quite generally operating on a restricted basis in comparison with recent months, railroad shops are laying off workers for a week or two in the month, a seasonal decline in coal mining is developing, and public work at present is relatively small in volume.

### Coal Production

Production of bituminous coal in the United States showed an increase in March in comparison with both February this year and March last year, the marked increase over February being an unseasonal development. Tonnage mined in March amounted to 38,848,000 net tons, an increase of 1 per cent over 38,470,000 tons mined in March 1934. Since March 1934 contained one more working day than March this year, daily average production last month was 4.8 per cent above daily production in the corresponding month last year. March 1935 showed an increase of 13 per cent over production of 34,423,000 tons mined in February this year, but on a daily basis last month's output was only 3.8 per cent larger than the February daily production. Total production of soft coal during the present calendar year to April 1 amounted to 109,664,000 net tons, an increase of 5 per cent over 104,447,000 tons mined to the same date in 1934. Coal shipped through Hampton Roads ports during the present calendar year to April 1 totaled 5,369,602 tons, compared with 5,109,630 tons shipped prior to April last year and 5,745,433 tons shipped in the corresponding period of 1929.

### Textiles

Cotton goods began to accumulate in mill warehouses in February, and in the latter part of March a considerable number of mills began to restrict output by closing for a few days. On April 1 mills manufacturing cloth reduced operating time approximately 25 per cent, by permission of code authorities, and plan to

continue reduced output two months. Cotton mills in the Fifth district consumed 220,948 bales in March 1935, an increase of 3/10ths of 1 per cent over 220,301 bales used in the shorter month of February 1935 but a decrease of 7.8 per cent under 239,588 bales consumed in March 1934. On a daily basis, consumption of cotton in March was 7.4 per cent less than February consumption. Of the 220,948 bales used last month, North Carolina mills accounted for 110,818 bales, South Carolina mills used 97,207 bales, and Virginia mills 12,923 bales. Consumption of cotton in the Richmond reserve district in March this year totaled 45.92 per cent of National consumption, compared with 46.06 per cent of National consumption for the district in February 1935 and 43.97 per cent in March 1934.

On March 21, the Department of Commerce issued a report on spindles in place, spindles active in February, total spindle hours of operation in February, and average hours of operation per spindle in place in February. On February 28, 1935, there were 30,851,018 spindles in place in the United States, North Carolina leading with 6,156,656, or 19.96 per cent of the total, South Carolina ranking second with 5,854,452 spindles, or 18.98 per cent, and Massachusetts third with 5,544,712 spindles, or 17.97 per cent. The Fifth district as a whole had 41.05 per cent of total spindles in place in the United States at the end of February 1935. In actual spindle hours of operation, South Carolina led all states for February with 1,721,513,113, or 26.18 per cent of the National total of 6,575,356,524 hours, and North Carolina ranked second with 1,411,992,193 hours, or 21.47 per cent, while Massachusetts had 823,864,996 hours, or 12.53 per cent. The Fifth district, with 41.05 per cent of total spindles in the United States in place in February, showed 50.15 per cent of total hours of operation. In actual hours of operation per spindle in place, South Carolina with an average of 294 hours per spindle ranked first, Virginia with 250 hours ranked third, and North Carolina with 229 hours ranked sixth, all being well above the National average of 213 hours per spindle.

### Cotton Statistics

*Spot cotton prices* on ten Southern markets continued below the 12 cent level between the middle of March and the middle of April, declining to 11.23 cents per pound for middling grade upland cotton on March 22, but rising to 11.89 cents on April 12, the latest date for which official figures are available. The break in prices in March was simultaneous with sharply reduced exports and a dullness in the cotton goods market, and the rise at mid-April appeared to be sympathetic with a general advance in the Stock market as a result of an announced expansion of the Government's purchase of silver for monetary use.

*Cotton consumption* in the United States in March 1935 totaled 481,135 bales, compared with 478,291 bales used in February this year and 544,870 bales in March 1934. Total consumption for the eight months of the present cotton year—August 1 to March 31—amounted to 3,634,027 bales compared with 3,945,147 bales con-

sumed in the corresponding period ended March 31, 1934. Manufacturing establishments held 1,117,069 bales on March 31, compared with 1,161,117 bales held on February 28 this year and 1,650,908 bales on March 31, 1934. Public warehouses and compresses held 7,784,906 bales in storage at the end of March this year, compared with 8,373,059 bales so held a month earlier and 7,848,361 bales on March 31 last year. March exports totaled 317,798 bales, compared with 390,294 bales sent abroad in February this year and 550,104 bales exported in March last year. Exports during the eight months of this cotton year totaled 3,572,630 bales, compared with 6,098,011 bales shipped over seas during the corresponding eight months ended March 31, 1934. Spindles active in March numbered 24,571,314, compared with 24,925,168 in February this year and 26,525,454 in March 1934.

*Cotton growing states consumed* 388,134 bales in March 1935, compared with 380,643 bales used in February and 430,552 bales in March 1934. Last month's consumption in the cotton growing states amounted to 80.7 per cent of National consumption, compared with 79.0 per cent of National consumption used in the cotton growing states in March last year. Of the 388,134 bales of cotton used in cotton growing states in March, the Fifth district mills consumed 220,948 bales, or 56.9 per cent, compared with 55.6 per cent of Southern consumption attained in the district in March last year.

### Tobacco Marketing

*Virginia* tobacco markets all closed before the end of March, and the State Agricultural Statistician has issued a report on season sales. Producers' sales of all types of tobacco during the past season amounted to 102,629,133 pounds for an average of \$24.20 per hundred pounds. Sales were less than had been estimated because the fire-cured and sun-cured types did not weigh out as heavy as had been expected. Sales for the 1933-1934 season amounted to 116,906,292 pounds at an average price of \$13.46. The average price of all types for the past season was the highest since 1922. Flue-cured sales for 1934-1935 totaled 75,789,401 pounds at an average of \$28.12 per hundred, compared with the previous season's sales of 77,148,383 pounds at an average of \$16.20 per hundred. The average price was the highest since 1922, and the quality of the 1934 crop was the best in many years. The fire-cured crop turned out much smaller than had been expected and the total producers' sales amounted to only 17,689,637 pounds, compared with 24,912,971 pounds sold during the 1933-1934 season. The average price, however, for the past season was \$12.17, compared with \$6.86 for the 1933-1934 season and was the highest average since the 1929-1930 season. Both the weight and quality of the crop were disappointing. Burley sales amounted to 6,456,784 pounds for an average of \$17.24 per hundred, compared with sales in the previous season totaling 12,838,210 pounds at an average price of \$10.61. The burley crop was light in weight and the quality was not as good as usual. Sales of sun-cured tobacco amounted to 2,693,311 pounds, compared with 2,006,728 pounds sold in 1933-1934, and the average

price of \$9.72 per hundred compared with the average of \$8.46 in the preceding season. The 1934-1935 price was the highest for any season since 1929-1930. Among individual markets in Virginia, Danville led in flue-cured sales with 40,535,953 pounds, South Boston ranking second with 16,255,012 pounds. Petersburg paid the highest average price, \$29.80 per hundred pounds. Lynchburg led the fire-cured markets in sales with 5,865,152 pounds, but Blackstone led in price with \$13.18. Practically all of Virginia's burley tobacco was sold at Abingdon, and all sun-cured tobacco was marketed at Richmond.

North Carolina and South Carolina sales for the 1934 season were reported upon in the March 31, 1935, and November 30, 1934, issues of the *Review*.

### Tobacco Manufacture

The Internal Revenue Bureau of the Treasury Department issued a report on April 20 on tobacco manufacturing in March. Cigarettes produced totaled 10,199,611,800, compared with 9,333,113,760 cigarettes made in March 1934, and taxes paid on the cigarettes amounted to \$30,600,593 in March 1935 and \$28,255,357 in March 1934. Cigars made last month totaled 351,694,102, compared with 354,160,947 cigars made in the corresponding month last year, and taxes paid on the cigars totaled \$877,722 and \$918,198 in March 1935 and 1934, respectively. Manufactured tobacco made in March this year, including smoking and chewing tobacco, amounted to 24,787,829 pounds, compared with 27,652,361 pounds in March last year, and taxes on the product totaled \$4,461,992 this year and \$4,977,839 last year. Snuff production totaled 3,182,654 pounds and taxes thereon amounted to \$572,878 in March 1935, compared with 3,825,940 pounds and taxes totaling \$688,779 in March 1934. In addition to the taxes enumerated, which totaled \$36,513,185, processing taxes, import compensating taxes, and floor taxes totaling \$2,712,211 were levied on tobacco manufacturers last month.

### Agricultural Notes

Weather during the spring was favorable for winter grain crops, and pastures are also farther advanced than usual at this season, but excessive rains prevented plowing and planting of corn and cotton is backward in the upper half of the Fifth district. Fruit prospects were good up to April, but during the first two weeks of the month heavy rains, freezes and snow occurred. It is too early to estimate the actual damage to fruit, but it does not appear that apples suffered seriously. Truck crops advanced normally in March, and early potatoes made favorable growth. Planting of all spring crops is well advanced in the Carolinas, and fertilizer sales have been good. Prices for agricultural products are better than a year ago except for apples and cotton, the greatest increases being in livestock and livestock products.

## Construction

### Building Permits Issued in March 1935 and 1934

CITIES	Permits Issued		Total Valuation	
	1935	1934	1935	1934
Baltimore, Md. ....	704	506	\$ 585,120	\$ 618,936
Cumberland, Md. ....	7	6	14,620	2,050
Frederick, Md. ....	13	12	7,712	13,003
Hagerstown, Md. ....	22	8	9,840	6,380
Salisbury, Md. ....	19	13	16,000	28,075
Danville, Va. ....	30	17	37,975	19,787
Lynchburg, Va. ....	41	21	43,035	54,683
Norfolk, Va. ....	116	99	52,170	22,735
Petersburg, Va. ....	2	6	720	8,765
Portsmouth, Va. ....	15	11	10,070	9,945
Richmond, Va. ....	116	71	164,010	78,730
Roanoke, Va. ....	43	25	145,885	25,937
Bluefield, W. Va. ....	7	5	1,770	6,735
Charleston, W. Va. ....	86	39	41,220	21,116
Clarksburg, W. Va. ....	21	9	5,755	5,785
Huntington, W. Va. ....	23	16	11,550	37,553
Asheville, N. C. ....	29	45	31,605	7,560
Charlotte, N. C. ....	81	23	99,009	27,176
Durham, N. C. ....	30	20	49,423	42,820
Greensboro, N. C. ....	25	23	22,366	35,387
High Point, N. C. ....	35	9	33,120	4,754
Raleigh, N. C. ....	24	7	18,050	1,410
Rocky Mount, N. C. ....	9	3	8,085	2,750
Salisbury, N. C. ....	10	7	31,975	3,825
Winston-Salem, N. C. ....	58	46	65,788	27,958
Charleston, S. C. ....	55	21	29,209	231,277
Columbia, S. C. ....	33	28	58,470	22,339
Greenville, S. C. ....	50	27	117,040	22,995
Rock Hill, S. C. ....	16	9	30,300	6,375
Spartanburg, S. C. ....	3	21	6,000	4,760
Washington, D. C. ....	413	311	1,668,373	455,645
District Totals .....	2,136	1,464	\$3,416,265	\$1,857,246

*Building permits issued in thirty-one Fifth district cities in March 1935 showed improvement over the low figures reported for March last year in both number and total valuation. Last month 2,136 permits were issued for all classes of work, compared with 1,464 permits issued in March 1934, an increase of 45.9 per cent. Total valuation figures for March 1935 amounted to \$3,416,265, an increase of 83.9 per cent over the total of \$1,857,246 for permits issued in March last year. Twenty-eight cities reported more permits and twenty-one reported higher valuation figures last month than for the same month last year. Greenville, S. C., made the best record for March 1935, in proportion to population in the reporting cities. Washington, Richmond, Norfolk and Charlotte show higher 1935 figures, but Baltimore shows a lower figure for estimated valuation. A large part of the permits this year was for alteration or repair work, with relatively small valuation figures.*

*Contracts actually awarded for construction work in the Fifth reserve district in March this year totaled \$11,185,368, including both rural and urban projects, compared with \$15,880,592 in contracts awarded in March 1934, according to figures collected by the F. W. Dodge Corporation. Of the March 1935 contracts, \$4,071,483, or 36 per cent, was for residential types of construction, compared with only 19 per cent of total contracts for residential work in March 1934.*

**Retail Trade, 31 Department Stores**

	<i>Richmond</i>	<i>Baltimore</i>	<i>Washington</i>	<i>Other Cities</i>	<i>District</i>
March 1935 sales, compared with sales in March 1934:	- 7.6	-10.8	+ 2.2	- 7.4	- 5.0
Jan.-Mar. 1935 sales, compared with sales in Jan.-Mar. 1934:	+ .1	- 2.7	+10.0	- .9	+ 2.9
Mar. 31, 1935, stocks, compared with stocks on Mar. 31, 1934:	+ 6.5	- 5.3	+ 1.1	+ 6.1	- .4
Mar. 31, 1935, stocks, compared with stocks on April 30, 1935:	+ 6.2	+ 8.6	+ 7.7	+10.1	+ 8.1
Number of times stock was turned in March 1935:	.353	.326	.355	.309	.339
Number of times stock was turned since January 1, 1935:	.884	.813	.94	.776	.868
Percentage of March 1, 1935, receivables collected in March:	33.0	30.3	28.0	30.4	29.6

Note: Sales and stock changes are percentages.

Department store sales in the Fifth reserve district in March this year averaged 5 per cent less than sales in March 1934, a normal decrease in view of the fact that Easter trade fell in March last year and in April this year. Further, there was one additional trading day in March 1934. Cumulative sales in the first quarter of 1935 were 2.9 per cent above sales in the first quarter last year. Preliminary reports for April indicate that unseasonably wet and cold weather in the first half of the month retarded sales materially, and Easter trade will probably turn out to have been disappointing.

Stocks in the reporting stores increased seasonally during March, rising by 8.1 per cent over those on hand

at the end of February, but on March 31 this year stocks averaged 4/10ths of 1 per cent less than stocks on hand a year earlier. This decrease was due to a recession of 5.3 per cent in Baltimore, most of the stores in the district reporting larger stocks at the end of March than on the same date in 1934. The reporting stores turned their stocks an average of .339 times during March, and between January 1 and March 31 stocks were turned .868 times, the latter of these averages being higher than the one for the corresponding period last year.

The percentage of collections in March 1935 to total receivables outstanding on March 1 was slightly higher than the collection percentage for March 1934.

**Wholesale Trade, 58 Firms**

	21 <i>Groceries</i>	7 <i>Dry Goods</i>	6 <i>Shoes</i>	13 <i>Hardware</i>	11 <i>Drugs</i>
March 1935 sales, compared with sales in March 1934:	+ .8	-20.1	-17.0	+ 8.2	- 9.8
March 1935 sales, compared with sales in February 1935:	+ 6.3	+ 3.0	+25.8	+12.2	+ .2
Jan.-Mar. 1935 sales, compared with sales in Jan.-Mar. 1934:	+ 4.6	-19.5	- 5.0	+ 9.2	+ .7
Mar. 31, 1935, stocks, compared with stocks on Mar. 31, 1934:	+ 6.4(8*)	-22.8(3*)	- 9.9(4*)	+ 8.4(7*)	.....
Mar. 31, 1935, stocks, compared with stocks on Feb. 28, 1934:	- 3.9(8*)	- 1.0(3*)	-16.7(4*)	- .4(7*)	.....
Percentage of March 1, 1935, receivables collected in March:	83.3(12*)	39.3(4*)	61.9(5*)	46.8(11*)	63.7(7*)

\*Number of reporting firms. All other figures in the table are percentages.

(Compiled April 20, 1935)

**BUSINESS CONDITIONS IN THE UNITED STATES**

(Compiled by the Federal Reserve Board)

Volume of industrial production, which usually increases somewhat at this season, showed little change in March. Building activity in the residential field increased in March and the first half of April, reflecting in part seasonal factors. Wholesale prices of farm products and foods, after declining in March, showed a considerable increase in the first three weeks of April.

**Production and Employment**

The Federal Reserve Board's adjusted index of industrial production, which makes allowance for changes in the number of working days and for usual seasonal variations, was 88 per cent of the 1923-1925 average in March as compared with 89 per cent in February and 90 per cent in January. Steel production, after declining in the latter part of February, showed little change during March and the first three weeks of April. Output of automobiles increased further and was larger than in the corresponding period of any other year since 1929. In the cotton textile industry daily average output declined in March and, according to trade reports, showed a further considerable decrease in the early part of April. Activity at woolen mills also decreased somewhat in March while shoe production showed little change. Activity in the meat-packing industry in March, as in other recent months, was at a lower level than a year ago. Output of bituminous coal declined sharply in the early part of April, following an increase earlier in the year.

Factory employment and payrolls increased between the middle of February and the middle of March by somewhat more than the usual seasonal amount. The most marked increases were in industries producing machinery, furniture and clothing, while employment in industries producing textile fabrics and foods showed a decline.

Value of construction contracts awarded for residential building increased in March and the first half of April, according to reports by the F. W. Dodge Corporation, while contracts for public projects continued at a lower level than a year ago.

**Distribution**

Distribution of commodities by rail showed little change in March; in the early part of April, however, shipments declined, reflecting a sharp reduction in loadings of coal. Department store sales increased from February to March by more than the estimated seasonal amount.

**Commodity Prices**

The general level of wholesale commodity prices, as measured by the index of the Bureau of Labor Statistics, advanced from 78.8 per cent of the 1926 average in the week ending March 23 to 80.3 per cent in the week ending April 20, reflecting chiefly advances in the prices of farm products and foods. The increase in the general index followed a decline from a level of 79.6 per cent in the early part of March.

**Bank Credit**

During the four weeks ended April 17 member bank balances with the Federal reserve banks increased by \$140,000,000 and excess reserves rose to \$2,100,000,000. This increase reflected gold imports of \$120,000,000 and disbursement of \$105,000,000 by the Treasury from the balance with the reserve banks, offset in part by an increase of \$60,000,000 in the demand for currency.

Total loans and investments of weekly reporting member banks in leading cities increased by \$150,000,000 in the four weeks ended April 17. Loans on securities declined somewhat during this period, while other loans and holdings of investments increased. Net demand deposits of these banks increased by \$380,000,000.

The rate for call money on the New York Stock Exchange was reduced in April to  $\frac{1}{4}$  per cent from the 1 per cent level that had been in effect for more than a year. Quotations for 90-day time money were also lowered to  $\frac{1}{4}$  per cent, and there was a reduction in rates on acceptances of the longer maturities.