

# MONTHLY REVIEW

CREDIT, BUSINESS AND AGRICULTURAL CONDITIONS

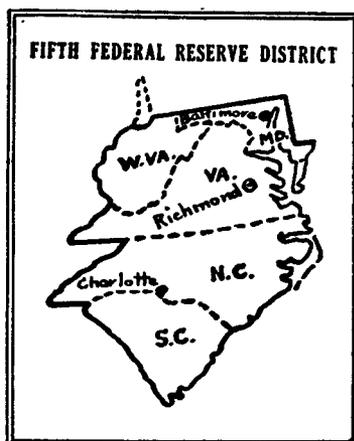


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FEDERAL RESERVE BANK OF RICHMOND

RICHMOND, VIRGINIA

MAY 31, 1936

EASTER was a week earlier in April this year than in 1935, but in spite of that fact business done last month in the Fifth Federal reserve district was in larger volume than trade in April last year. Department store sales, which are more directly influenced by the date of Easter than any other phase of business, exceeded sales in April 1935 by 5.9 per cent, and cumulative sales since the first of this year totaled approximately 9 per cent more than sales in the first four months of 1935. In banking, April and the first half of May witnessed a decline in rediscounts at the Federal Reserve Bank of Richmond and a small decrease in industrial loans for working capital, while the portfolio of open market paper rose and the ownership of Government securities remained unchanged. Federal reserve notes in actual circulation showed a seasonal decline between the middle of April and the middle of May, and member bank reserve deposits decreased slightly. The composite statement of condition of forty-one regularly reporting member banks shows a small decline in loans and discounts, but increases in investments in securities, in reserve balance with the Federal Reserve bank, in cash in vaults, and in both demand and time deposits. Debits to individual accounts in five weeks ended May 13 showed less than a seasonal decline in comparison with debits in the five preceding weeks, and exceeded debits in five weeks ended May 15, 1935, by nearly 11 per cent. Employment conditions showed marked improvement in April and early May, especially in the demand for workers in building trades. Coal production in April on a daily basis exceeded production in March, contrary to seasonal trend, and was about 38 per cent above average daily production in April last year. Cotton textile mills increased cotton consumption in April, and on a daily basis used more cotton than in any other April in fifteen years. Spot cotton prices changed practically none in the past month, but there was a



more healthy demand for cotton than in most months of recent years. Tobacco manufacturing plants operated full time in April, and output of all forms of tobacco except snuff exceeded output in April 1935. Wholesale trade in five lines for which figures are available varied last month, grocery, dry goods, hardware and drug sales exceeding sales in April last year, while sales of shoes were less in the 1936 month. Collections in April 1936 in four of the five reporting lines were better than collections in April 1935. The volume of construction work provided for in building permits issued last month in leading cities was the largest

for any month since July 1931, and was nearly double the volume of work provided for in April last year. Agricultural prospects were unsatisfactory in the Fifth district at the middle of May, chiefly due to excessive rain and cold weather to about the middle of April and lack of moisture since that time. All spring planted crops are from ten days to a month late, and the ground is so dry that plants cannot make progress until general rains occur. The drought is not yet very serious, but conditions will become very bad unless relief comes soon. Present prospects indicate reduced yields per acre in practically all crops this year in comparison with yields last year or average yields for five base years.

## Reserve Bank Statement

During the month between April 15 and May 15, this year, rediscounts held by the Federal Reserve Bank of Richmond declined by \$125,000, and there were also decreases amounting to \$22,000 in industrial loans and to \$8,000 in foreign loans on gold. The Bank increased its portfolio of open market paper by \$1,000 during the month, while holdings of Government securities remained unchanged. The net result of the changes mentioned decreased total earning

ITEMS	000 omitted		
	May 15 1936	Apr. 15 1936	May 15 1935
Rediscounts held .....	\$ 46	\$ 171	\$ 175
Open market paper.....	191	190	174
Industrial advances .....	4,164	4,186	4,035
Foreign loans on gold.....	0	8	0
Government securities .....	116,716	116,716	113,563
Total earning assets.....	121,117	121,271	117,947
Fed. Res. notes in circulation....	172,999	174,638	149,650
Members' reserve deposits.....	177,110	177,505	147,003
Cash reserves .....	273,952	276,199	191,028
Reserve ratio .....	70.51	70.78	63.06

assets by \$154,000 between the middle of April and the middle of May. A seasonal decline in circulation of Federal reserve notes amounting to \$1,639,000 occurred in the period under review. Member bank reserve deposits declined by \$395,000 between the two dates. The several changes enumerated in the statement, with others of less importance, brought a decrease of \$2,247,000 in cash reserves at the Federal Reserve Bank of Richmond, and a decline of 27/100ths of 1 point in the ratio of cash reserves to note and deposit liabilities combined.

Condition figures for May 15, 1936, in comparison with those for May 15, 1935, show declines in rediscounts, and increases in open market paper, industrial advances, and ownership of Government securities. Rediscounts declined by \$129,000 during the year. The portfolio of open market paper rose by \$17,000, loans made direct to industry for working capital increased by \$129,000, and holdings of Government securities rose by \$3,153,000. Total earning assets increased by \$3,170,000 between May 15 last year and this. Federal reserve note circulation on May 15, 1936, showed an increase of \$23,349,000 over circulation outstanding on May 15, 1935, most of this increase being due to the replacement of National bank notes in circulation with Federal reserve notes. Member bank reserve deposits rose by \$30,107,000 during the year, further increasing excess reserves above legal requirements. Cash reserves of the Federal Reserve Bank of Richmond increased by \$82,924,000 between the middle of May last year and this, and the ratio of cash reserves to note and deposit liabilities combined rose by 7.45 points.

#### Statement of 41 Member Banks

ITEMS	000 omitted		
	May 13 1936	Apr. 15 1936	May 15 1935
Loans on stocks and bonds (including Governments) .....	\$ 68,163	\$ 69,816	\$ 66,788
All other loans.....	136,174	136,133	131,007
Total loans and discounts.....	204,337	205,949	197,795
Investments in securities.....	394,585	369,241	375,703
Reserve bal. with F. R. bank.....	126,883	115,386	91,543
Cash in vaults.....	17,685	16,044	14,917
Demand deposits .....	414,668	408,141	377,602
Time deposits .....	193,436	193,159	195,045
Money borrowed .....	0	0	0

The accompanying table shows the principal items of condition of forty-one 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.

Total loans and discounts in the forty-one reporting banks declined by \$1,612,000 between April 15 and May 13, this year, loans on securities showing a drop of \$1,653,000 while all other loans rose by \$41,000. The banks increased their investment in stocks and bonds by \$25,344,000 during the past month, and their reserve balances at the Federal Reserve bank rose by \$11,497,000. Cash in vaults showed an increase of \$1,641,000 between April 15 and May 13. Aggregate deposits rose by \$6,804,000 during the four weeks under review, demand deposits gaining \$6,527,000 and time deposits \$277,000. None of the reporting banks was borrowing on April 15 or May 13.

Between May 15, 1935, and May 13, 1936, figures in the composite statement of the forty-one reporting banks show several material changes. Total loans and discounts rose by \$6,542,000 during the year, loans on securities rising by \$1,375,000 and all other loans rising by \$5,167,000. The banks also increased their investments in securities by \$18,882,000 during the year, and added \$35,340,000 to their reserve balances at the Federal Reserve bank. Cash in vaults on the 1936 date showed an increase of \$2,768,000 over the amount on hand a year earlier. Total deposits rose during the year, demand deposits gaining \$37,066,000 while time deposits declined \$1,609,000. None of the reporting banks borrowed either at the Reserve bank or elsewhere during the year under review.

#### Time and Savings Deposits

Time deposits in forty-one regularly reporting member banks in the Fifth district and aggregate deposits in eleven mutual savings banks in Baltimore totaled \$401,562,953 at the end of April 1936, a higher figure than either \$399,697,903 reported at the end of March this year or \$395,848,410 at the end of April last year. Both reporting member banks and mutual savings banks gained in deposits during the past month, and the savings banks also increased for the year, but the member banks reported a small decrease in time deposits between the middle of April last year and this.

#### Debits to Individual Accounts

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 five weeks, thus affording opportunity for comparison of the latest figures, for the five weeks ended May 13, 1936, with those for the preceding like period this year and the corresponding period a year ago.

During the five weeks ended May 13, there was a seasonal decline in debits in comparison with the five preceding weeks, ended April 8, due chiefly to a considerable volume of quarterly payments around April

CITIES	000 omitted		
	Total debits, five weeks ended:		
	May 13, 1936	April 8, 1936	May 15, 1935
Asheville, N. C.....	\$ 12,072	\$ 12,853	\$ 10,792
Baltimore, Md. ....	359,274	362,746	328,372
Charleston, S. C.....	18,804	17,727	16,220
Charleston, W. Va....	47,451	52,520	53,459
Charlotte, N. C.....	55,962	58,897	55,856
Columbia, S. C.....	25,617	30,595	27,930
Cumberland, Md. ....	10,031	8,704	8,195
Danville, Va. ....	7,545	8,277	6,589
Durham, N. C.....	23,250	24,858	24,422
Greensboro, N. C.....	18,051	16,366	14,944
Greenville, S. C.....	18,503	18,678	15,326
Hagerstown, Md. ....	9,093	8,350	8,024
Huntington, W. Va....	19,814	15,602	14,973
Lynchburg, Va. ....	16,098	16,050	15,267
Newport News, Va....	10,187	9,325	8,108
Norfolk, Va. ....	52,306	50,848	52,715
Portsmouth, Va. ....	4,380	3,976	4,411
Raleigh, N. C.....	30,709	42,099	25,765
Richmond, Va. ....	146,997	144,475	139,309
Roanoke, Va. ....	30,751	27,383	22,564
Spartanburg, S. C.....	*8,236	*8,309	.....
Washington, D. C.....	288,177	272,649	232,296
Wilmington, N. C.....	10,914	10,803	9,786
Winston-Salem, N. C.	36,123	41,808	33,293
<b>District Totals</b> .....	<b>\$1,252,109</b>	<b>\$1,255,589</b>	<b>\$1,128,616</b>

\*Spartanburg, S. C., not included in totals.

1 and to payments of income taxes in March. However, the decline this year was smaller than usually occurs, aggregate debits in the later five weeks dropping only \$3,480,000, or 3-10ths of 1 per cent, below total debits in the preceding like period. Thirteen of the twenty-three cities reported higher figures for the later period, but the total was pulled down by materially lower figures in Raleigh, and to a less degree in several other cities.

In comparison with aggregate debits reported for five weeks ended May 15 last year, those reported for five weeks ended May 13 this year show a total increase of \$123,493,000, or 10.9 per cent, all of the twenty-three cities reporting higher figures this year except five. The decreases ranged from 7/10ths of 1 per cent in Portsmouth, Va., to 11.2 per cent in Charleston, W. Va., the five averaging a drop of 6 per cent.

### Commercial Failures

Business failures in the United States in April show a decrease in number in comparison with failures in both March this year and April last year, and April liabilities were also lower than liabilities in either of the earlier months. Bankruptcies last month totaled 830, a decrease of 12 per cent under 946 failures in March this year and 23 per cent less than 1,083 failures in April last year. Liabilities amounting to \$14,157,000 in April 1936 insolvencies show decreases of 13 per cent and 14 per cent in comparison with aggregate liabilities in March 1936 and April 1935, respectively. The April insolvency record in the Fifth reserve district was good, but was less favorable than the National record in comparison with earlier months. Failures in the district last month numbering 37 show declines of 26 per cent and 18 per cent, respectively, in

comparison with 50 failures in March 1936 and 45 failures in April 1935, and April liabilities totaling \$437,000 were 13 per cent less than \$504,000 in March this year but 48 per cent greater than liabilities aggregating only \$295,000 in April 1935. All of the twelve reserve districts showed fewer insolvencies in April this year than last, but only seven of the twelve reported lower liabilities for the 1936 month.

### Employment

Distinct improvement has occurred in employment in recent weeks, and for the first time in several years employers are finding it necessary in some cases to advertise for workers. The chief improvement is in construction fields and allied lines such as painting. Residential construction in the Fifth district is in relatively large volume, and this type of building requires more labor in proportion to the total cost of the work than industrial or public building construction. Industry in the district is employing more labor, also, although the increase has been less than in building. Farm laborers have been handicapped by unfavorable weather, too much rain in the early spring delaying plowing and planting, and dry, hard ground in recent weeks checking cultivation.

### Coal Production

Bituminous coal production in the United States in April 1936 totaled 30,350,000 net tons, compared with 31,233,000 tons mined in March this year and 21,970,000 tons mined in April last year. On a daily basis, production of 1,204,000 tons in April exceeded production of 1,201,000 tons per day in March 1936, and was approximately 38 per cent above daily production of 868,000 tons in April 1935, when stocks on hand in consuming plants and retail yards were much larger than usual. Total production of soft coal this calendar year to May 1 was 142,288,000 net tons, an increase of 7.6 per cent above production of 132,257,000 tons in the first four months of 1935, in spite of the fact that production in the first quarter of 1935 was stimulated by threats of a strike in coal fields on April 1. Coal shipped through Hampton Roads ports this year prior to May 10 totaled 7,369,905 tons, compared with 7,203,057 tons shipped to the same date last year.

According to a report issued by the Bureau of Mines on May 9, coal stocks in the hands of consumers and retailers declined about 24 per cent between January 1 and April 1, in contrast with an increase of 11.5 per cent in the corresponding period last year. A decline in stocks occurs in the first quarter of most years, 1935 having been an exception because of stocking up in anticipation of a possible strike in the soft coal industry which was threatened but did not materialize. Coal on hand on April 1 this year was estimated to be sufficient to last consumers 24 days, compared with stocks sufficient to last 37 days on hand on April 1, 1935. Stocks on April 1, 1934, were estimated to be sufficient to last 24 days, exactly the same figure as on April 1 this year.

Coal production in West Virginia in March 1936, the latest period for which monthly figures are avail-

able, totaled 8,561,000 net tons, and West Virginia, Virginia and Maryland produced 9,468,000 tons, or 30.3 per cent of National production of bituminous coal during the month. In March last year Fifth district states produced 28.3 per cent of total production in the United States. West Virginia continued to lead all states in production in March of this year.

### Textiles

Cotton textile mills in the Fifth Federal reserve district increased operating time during April, and used more cotton than in either March this year or April last year. Cotton consumed by Fifth district mills in April 1936 totaled 276,894 bales, compared with 266,890 bales used in March 1936 and only 205,516 bales used in April 1935, when a policy of voluntary curtailment in production of cotton textiles was in operation. Last month North Carolina mills consumed 149,089 bales of cotton, South Carolina mills used 113,758 bales, and Virginia mills used 14,047 bales, all materially higher figures than those for April last year. Cotton consumption in the Fifth district in April amounted to 48 per cent of National consumption, compared with 44 per cent of April 1935 consumption for the district in April last year.

The Bureau of the Census issued a report on April 21 on activity in the cotton spinning industry for March. On March 31 there were 28,840,856 spindles in place in the United States, of which 23,175,502, or 80.4 per cent, were active a total of 7,263,926,919 spindle hours during the month, an average of 252 hours per spindle in place. In the Fifth reserve district there were 12,518,412 spindles in place on March 31, of which 11,278,572, or 90.1 per cent, operated a total of 3,766,841,347 spindle hours in March, an average of 301 hours per spindle in place. South Carolina with an average of 323 hours per spindle in place lost the lead to Tennessee, which averaged 330 hours per spindle. Virginia with 288 hours ranked fifth, and North Carolina with 281 hours ranked sixth.

### Tobacco Manufacturing

On May 20, the Bureau of Internal Revenue of the Treasury Department issued a report on Internal Revenue collections for the month of April, including taxes on tobacco manufacturing. Cigarettes manufactured in April totaled 11,868,891,200, compared with 10,696,782,120 cigarettes made in April last year. Cigars also rose in number last month, 411,605,582 cigars manufactured comparing with 373,672,736 cigars made in April 1935. Chewing and smoking tobacco production in April totaled 25,882,084 pounds, compared with 24,294,484 pounds reported for the corresponding month last year. Snuff production totaling 3,371,486 pounds in April this year showed a slight decline from 3,394,870 pounds in April 1935. In actual amount of taxes collected in April, cigarettes led with \$35,607,925 this year and \$32,093,335 last year; smoking and chewing tobacco yielded \$4,659,049 in April 1936 and \$4,373,249 in April 1935; cigar taxes totaled \$1,022,800 last month and \$909,844 in the same month last year; and snuff taxes amounted to \$606,868 and \$611,077 in

April 1936 and 1935, respectively. Taxes collected on cigarette manufacture was the second largest amount on the Internal Revenue report for April, being exceeded only by taxes on estates.

### Cotton Statistics

Spot cotton prices fluctuated through a range of a quarter of a cent per pound between the middle of April and the middle of May, with practically no net change between April 17 and May 15. The average price for middling grade cotton on ten Southern markets was 11.62 cents per pound on April 17, from which point it declined to 11.40 cents on May 1, and then rose again to 11.65 cents on May 15, the latest date for which official quotations are available.

*Consumption of cotton* in the United States in April 1936 totaled 576,762 bales, compared with 548,913 bales used in the month of March this year and 468,402 bales in April 1935. Total consumption for the nine months of the present cotton season—August 1 to April 30—amounted to 4,649,521 bales, compared with 4,115,761 bales consumed in the corresponding period of the 1934-1935 season. Manufacturing establishments held 1,190,413 bales on April 30, compared with 1,334,394 bales held on March 31 and 1,062,143 bales on April 30, 1935. Public warehouses and compresses held 6,020,526 bales in storage at the end of April this year, compared with 6,570,182 bales so held a month earlier and 7,203,407 bales on April 30 last year. April exports totaled 352,710 bales, compared with 323,155 bales sent abroad in April 1935. Exports during the nine months of this cotton year totaled 5,167,070 bales, compared with only 3,895,785 bales shipped over seas during the corresponding nine months ended April 30, 1935. Spindles active at some time during April numbered 23,123,536, compared with 23,175,502 in March this year and 23,854,052 in April 1935.

*Cotton growing states consumed* 486,749 bales in April, compared with 464,934 bales in March and 379,290 bales in April 1935. Last month's consumption of cotton in the cotton growing states amounted to 84.4 per cent of National consumption, a higher percentage than 81.0 per cent in April 1935. Of the 486,749 bales of cotton consumed in the cotton growing states in April, Fifth district mills used 276,894 bales, or 56.9 per cent, compared with 54.2 per cent of Southern consumption attained in the district in April last year.

No official reports on cotton acreage or condition may be issued until late in the season, but unofficial reports indicate that the crop is relatively late and needs rain. Soil conditions in Western and Southwestern cotton states have been improved by general rains in the first half of May, but Eastern cotton states are very dry and a crust which has formed on the ground is retarding germination of seed and growth of small plants. Indications are that a considerable part of the cotton crop in Atlantic Coast states and others East of the Mississippi River may have to be replanted unless general rains occur very soon. Cotton is a hot weather plant, and nights in many sections of the cotton belt have been too cool for normal development of the cotton plants.

## Agricultural Notes

The latest condition figures on crop prospects are those for May 1, and they are used in this month's discussion of agricultural outlook in the Fifth district, but on the whole conditions have changed for the worse since May 1 on account of lack of sufficient rain to soften the ground for cultivation and to furnish necessary moisture for germination of seed or growing of young plants. Lack of sufficient rain since early in May is general throughout the Fifth district, but is apparently more marked in Virginia and the Coastal counties in South Carolina than elsewhere.

*Virginia* crop prospects were less promising than usual on May 1, according to the report of the Agricultural Statistician. Farm work during the spring was greatly delayed by wet and cold weather, and most farmers had not completed their planting by the end of April. Only a small percentage of the corn and cotton crops had been planted. The second half of April was favorable for farm work, and on May 3 general rains fell over most of the State, but since that time there has been no rain of importance. Wheat prospects improved slightly during April, but winter and early spring freezes and floods did so much damage that a much larger part of the acreage than usual was abandoned. Weather conditions in May play a very important part in determining wheat yield, but the May 1 condition indicated a probable yield in 1936 of 8,568,000 bushels, compared with 8,714,000 bushels last year and a five-year average production of 9,220,000 bushels. The rye acreage this year is about 85,000 acres, of which 40,000 acres will be harvested for grain, and is expected to yield 460,000 bushels compared with 540,000 bushels last year and a five-year average of 605,000 bushels. Growth of hay crops was retarded by cold weather in April and lack of rain during the latter half of the month and in May. The condition of pastures on May 1 was also lower than a year ago. The early commercial potato crop is later than usual, but the stand is fairly good. Dry weather in May has probably cut production materially. Prospects are for a crop of apples less than half that of 1935. There was considerable damage from frosts and freezes during April but most commercial orchards escaped with little loss. The weather was unfavorable for pollenization and the set of fruit has therefore been light.

*Maryland* farm work was about two weeks behind time on May 1, and growing crops were in need of rain and warm weather. Extensive frost injury to strawberry, apple and peach blossoms was reported. Planting of the early potato crop on the Eastern Shore was a month later than usual. Prospects for wheat on May 1 indicated a yield of 7,542,000 bushels this year, in comparison with 8,323,000 bushels harvested in 1935 and a five-year average production of 8,648,000 bushels. Abandonment of about 2 per cent of last fall's acreage was somewhat less than average abandonment. Rye prospects this year indicate a yield of 216,000 bushels, compared with 240,000 bushels in 1935 and a five-year average of 264,000 bushels. Condition of Maryland pastures on May 1 was 6 per cent below the average for May 1 last year, and the hay crop showed about the same degree of backwardness. A special

maple sugar and sirup survey indicates about the same number of trees tapped this year as last, but a somewhat heavier yield per tree. This year 17,000 pounds of sugar and 19,000 gallons of sirup were made.

*North Carolina* field work was ten days late in the East and two weeks late in the West on May 1. Because of cold and wet soil conditions extending from December to March, preparation of land and planting was unusually late. In early April freezing temperatures damaged early blooming fruits in Western counties and early truck crops in the East. The weather was more favorable after the middle of April and good progress was made with farm work. Prospects for wheat on May 1 indicated a yield of 5,016,000 bushels this year, compared with 5,198,000 bushels harvested last year and a five-year average production of 3,653,000 bushels. A rye yield of 412,000 bushels is indicated for 1936, compared with 458,000 bushels in 1935 and a five-year average of 459,000 bushels. The fall sown oats crop is poorer than the spring crop, but on the whole is better than was expected earlier in the spring. About 59 per cent of the total oats crop is spring sown, and this portion of the crop is in good condition. Hay prospects on May 1 were about 8 per cent below the May 1, 1935, condition, and unless the weather later in the season is unusually favorable the final yield of hay will be short. Early April freezes so seriously damaged peaches that a yield of only 1,404,000 bushels is expected, compared with 2,400,000 bushel gathered in 1935. The early potato crop showed a condition of 69 per cent on May 1, compared with 85 per cent a year ago. Cold and wet soil conditions throughout the Eastern counties during the time seed potatoes were sprouting resulted in heavy loss from potato seed rot.

*South Carolina* crops on May 1 were generally unsatisfactory. A cold wet winter and spring, with excessive rainfall during early April and dry weather since that time, delayed spring planting and reduced prospects for grain and truck crops. Seeds of spring planted crops have either not germinated or are up to poor stands. The May 1 forecast for wheat production in South Carolina this year is 909,000 bushels, compared with 980,000 bushels last year and a five-year average yield of 575,000 bushels. The five-year average production was made on a substantially smaller acreage than has been planted in recent years. Rye grown for all purposes is estimated at 26,000 acres, of which about 9,000 acres will be harvested for grain and will yield about 72,000 bushels, the same as the 1935 yield but slightly above average production. The condition of oats on May 1 was 73 per cent of a theoretical normal, compared with 81 per cent a year ago. A condition of 54 per cent for peaches indicates a yield of 1,200,000 bushels, which is much less than last year's yield of 1,781,000 bushels but approximately the same as the five-year average production of 1,205,000 bushels. The condition of early Irish potatoes on May 1 was 70 per cent, compared with 79 per cent a year ago and a five-year May 1 average of 76 per cent, but since May 1 the commercial crop grown around Charleston and amounting to about two-thirds of the total acreage is reported as showing serious de-

terioration from drought. Hay prospects and pastures are 8 and 10 per cent, respectively, below condition figures a year ago.

### Construction

#### Building Permits Issued in April 1936 and 1935

CITIES	Permits Issued		Total Valuation	
	1936	1935	1936	1935
Baltimore, Md. ....	911	738	\$2,019,240	\$ 840,420
Cumberland, Md. ....	11	9	18,650	118,145
Frederick, Md. ....	22	13	38,574	19,525
Hagerstown, Md. ....	27	29	59,505	76,335
Salisbury, Md. ....	23	8	13,225	4,600
Danville, Va. ....	38	26	162,931	130,622
Lynchburg, Va. ....	50	52	54,579	86,391
Norfolk, Va. ....	137	125	106,852	95,414
Petersburg, Va. ....	2	0	4,000	0
Portsmouth, Va. ....	30	23	24,940	23,145
Richmond, Va. ....	166	111	684,705	89,193
Roanoke, Va. ....	54	34	36,666	38,083
Bluefield, W. Va. ....	10	14	8,250	6,555
Charleston, W. Va. ....	105	129	188,985	137,901
Clarksburg, W. Va. ....	97	42	51,954	27,305
Huntington, W. Va. ....	26	23	26,950	24,500
Asheville, N. C. ....	54	49	66,420	69,425
Charlotte, N. C. ....	138	80	232,080	118,529
Durham, N. C. ....	56	37	89,175	174,264
Greensboro, N. C. ....	160	51	259,940	145,473
High Point, N. C. ....	51	32	34,510	28,400
Raleigh, N. C. ....	23	10	52,257	8,300
Rocky Mount, N. C. ....	10	9	8,540	3,090
Salisbury, N. C. ....	9	14	26,725	146,303
Winston-Salem, N. C. ....	102	88	246,699	67,030
Charleston, S. C. ....	48	56	39,326	23,039
Columbia, S. C. ....	62	47	114,289	74,756
Greenville, S. C. ....	54	31	90,852	35,175
Rock Hill, S. C. ....	15	15	10,946	89,429
Spartanburg, S. C. ....	33	24	21,888	7,663
Washington, D. C. ....	712	546	2,987,360	1,365,175
District Totals .....	3,236	2,465	\$7,781,013	\$4,074,185

The volume of work provided for in building permits issued in April 1936 in thirty-one Fifth district cities was large in comparison with other recent months, and also exceeded that of April last year. The aggregate valuation of permits issued last month was the largest reported for any month since July 1931. Permits for all types of construction numbered 3,236 in April this year, compared with 2,727 permits issued in March this year and 2,465 permits issued in April 1935. Estimated valuation figures for permits issued last month totaled \$7,781,013, an increase of 18 per cent over \$6,587,201 for March 1936 and 91 per cent above \$4,074,185 for April 1935. Twenty-three of the thirty-one cities reported higher valuation figures for April this year than last, all of the seven largest cities exceeding their 1935 figures.

Contracts awarded for construction work in the Fifth reserve district in April this year totaled \$19,230,099, including both urban and rural construction, compared with \$14,998,842 in contracts awarded in April 1935, according to figures collected by the F. W. Dodge Corporation. Of the April 1936 contracts, \$7,817,949 was for residential structures, approximately 41 per cent of all contracts, compared with \$6,718,287 for residential work in April last year, or 45 per cent of all contracts awarded in that month.

### Retail Trade, 30 Department Stores

	Richmond	Baltimore	Washington	Other Cities	District
April 1936 sales, compared with sales in April 1935:	+ 5.3	+ 2.4	+ 8.7	+ 8.0	+ 5.9
Jan.-April 1936 sales, compared with sales in Jan.-April 1935:	+ 8.4	+ 5.4	+12.3	+ 8.4	+ 9.0
April 30, 1936, stocks, compared with stocks on April 30, 1935:	+13.1	+ 2.7	+ 9.1	- 1.5	+ 6.0
April 30, 1936, stocks, compared with stocks on March 31, 1936:	+ 1.2	+ 2.2	+ 2.1	+ 3.0	+ 2.1
Number of times stock was turned in April 1936:	.307	.338	.383	.337	.353
Number of times stock was turned since January 1, 1936:	1.204	1.196	1.386	1.184	1.275
Percentage of April 1, 1936, receivables collected in April:	30.6	29.0	27.0	29.7	28.2

Note: Sales and stock changes are percentages.

### Wholesale Trade, 57 Firms

	21 Groceries	7 Dry Goods	6 Shoes	12 Hardware	11 Drugs
April 1936 sales, compared with sales in April 1935:	+ 8.1	+ 8.1	- 4.0	+13.0	+ 6.0
April 1936 sales, compared with sales in March 1936:	+ 3.3	-13.2	-21.9	+ .3	- 7.0
Jan.-Apr. 1936 sales, compared with sales in Jan.-Apr. 1935:	+ 5.7	+ 7.2	- .1	+ 4.7	+ 4.9
April 30, 1936, stocks, compared with stocks on April 30, 1935:	- 4.0(8*)	-13.2(3*)	+11.7(4*)	+ 3.2(7*)	.....
April 30, 1936, stocks, compared with stocks on March 31, 1936:	- 7.1(8*)	- 3.1(3*)	-17.7(4*)	+ .9(7*)	.....
Percentage of April collections to receivables on April 1:	104.6(12*)	43.1(4*)	67.4(5*)	48.1(11*)	70.2(7*)

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

(Compiled May 21, 1936)

**BUSINESS CONDITIONS IN THE UNITED STATES**

(Compiled by the Board of Governors of the Federal Reserve System)

Industrial production increased in April, reflecting principally larger output of steel and of automobiles. Employment and payrolls in the durable goods industries showed advances.

**Production and Employment**

Volume of industrial production, as measured by the Board's seasonally adjusted index, increased from 93 percent of the 1923-1925 average in March to 100 percent in April. The average rate of production at steel mills in April was 69 percent of capacity as compared with 59 percent for the preceding month. At automobile factories output amounted to 503,000 passenger cars and trucks and, except for the spring months of 1929, was larger than in any previous month. In the first three weeks of May activity in both the steel and automobile industries was maintained at about the levels reported for April. Output of nondurable manufactures in April was slightly larger than in March, due chiefly to increases at cotton textile mills, meat-packing establishments, and tobacco factories. Activity at woolen and silk mills declined. Bituminous coal production showed little change from March to April, although a considerable decrease is usual at this season, while at anthracite mines there was a sharp rise from the low level of March. Output of crude petroleum continued to increase.

Factory employment and payrolls were larger in the middle of April than a month earlier. Increases in the number of workers were general in the durable goods industries, with the most marked advances at steel mills and at plants producing machinery, automobiles, and building materials. There was an increase in employment at rubber tire factories, which in March had been affected by a strike, while at woolen mills employment declined.

Value of construction contracts awarded, according to figures of the F. W. Dodge Corporation, increased in April by somewhat more than the usual seasonal amount. Contracts for residential building were in considerably larger volume, and privately-financed projects other than residential continued to increase.

**Distribution**

Retail trade showed a seasonal increase in April, following a considerable advance in March. Department store sales rose by less than the usual seasonal amount, while at variety stores and mail-order houses there were further increases. Freight-car loadings increased from March to April.

**Commodity Prices**

Wholesale prices of commodities showed little change during April and declined during the early part of May, reflecting decreases in the prices of farm products and foods, while prices of other commodities as a group continued to show little change.

**Bank Credit**

Excess reserves of member banks have increased steadily since the latter part of March and by May 20 amounted to \$2,860,000,000. The growth was due in April to Treasury disbursements from accumulated balances and in May to continued disbursements together with substantial imports of gold.

Treasury disbursements and gold imports have also been reflected in a sharp increase of deposits at reporting member banks in leading cities since the beginning of April. Adjusted demand deposits at these banks increased to a new high level and time deposits rose to the highest figure in three years. Holdings of United States Government obligations by the reporting banks have increased further, while holdings of other securities and loans to customers have remained at the levels reached early in April. Loans to brokers and dealers in securities, which increased considerably in March and April, declined in the first half of May.

The rate charged on call loans with stock exchange collateral was raised on May 11 by New York City banks from  $\frac{3}{4}$  of one percent to one percent and that on time loans from one percent to  $1\frac{1}{4}$  percent. Rates on other open-market loans have continued at low levels.