

MONTHLY REVIEW

CREDIT, BUSINESS AND AGRICULTURAL CONDITIONS



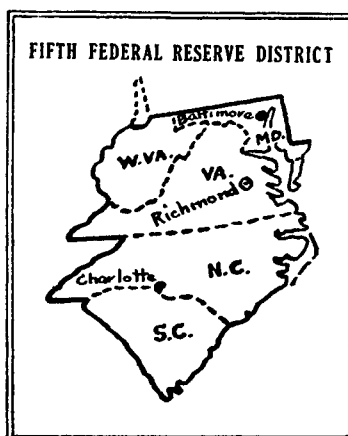
FEDERAL RESERVE BANK OF RICHMOND

RICHMOND, VIRGINIA

May 31, 1937

	April 1937	April 1936	% Change
Debits to individual accounts (24 cities).....	\$1,314,915,000	\$1,098,267,000	+25.0
Number of business failures, 5th district.....	36	37	- 2.7
Liabilities involved in failures, 5th district.....	\$ 348,000	\$ 437,000	-20.4
Cotton consumption, 5th district (Bales).....	332,253	276,894	+20.0
Building Permits issued (31 cities).....	3,381	3,236	+ 4.5
Value of building permits (31 cities).....	\$ 8,677,686	\$ 7,781,193	+11.5
Value of contracts awarded, 5th district.....	\$ 32,606,300	\$ 19,460,300	+67.6
Total sales, 57 department stores, 5th district.....	\$ 9,222,094	\$ 9,500,611	- 2.9
Total sales, 56 wholesale firms in 5 lines.....	\$ 5,585,679	\$ 4,672,091	+19.6
Registrations, new passenger automobiles.....	26,987	25,644	+ 5.2
Bituminous coal production, U. S. (Tons).....	25,735,000	30,452,000	-15.5

THE curve of improvement in business tended to flatten somewhat in April and early May, but on the whole trade and industry continued on levels materially above those of the corresponding period last year. The earlier Easter date this year caused March to show an exceptional volume of trade, and naturally April showed some recession. Sales in department stores in the Fifth district last month lacked about 3 per cent of equaling the volume of sales in April last year, but Easter's seasonal buying was done in April last year and in March this year. Wholesale trade, which is less affected by the Easter date, showed about the same rate of increase last month over 1936 as in earlier months this year. Registration of new passenger automobiles in the district showed a smaller increase in April over April 1936 registrations than earlier months in 1937. The volume of work provided for in building permits issued last month was smaller than that provided for in March, but was 12 per cent larger than the April 1936 valuation. Coal production in April this year dropped sharply below the March figure, chiefly because fear



of a possible general strike in bituminous fields on April 1 had stimulated production in March and built up excessive reserve stocks, which were drawn upon in April. Tobacco manufacturing last month declined from the high level of March, but in all lines except snuff continued above 1936 output. Cotton consumption in Fifth district textile mills declined in April from the record level of March, but was 20 per cent above consumption in April last year. Debits to individual accounts in April showed a seasonal decrease from March debits, but were nearly 20 per cent higher than debits in April 1936. Spot cotton prices declined in the latter half of April and the first half of May, but are still higher than at this season in any year except 1935 since 1930. Most of the changes on the statement of the Federal Reserve Bank of Richmond in the past month were seasonal or were of relatively little importance. The most interesting development of the past month was the increase in reserve requirements on May 1 which brought these requirements up to double the base percentages prescribed in the Federal Reserve Act. The increase on May 1 was the

third since last summer, all of which were put into effect by the Board of Governors of the Federal Reserve System in order to impound some of the large excess reserves which accumulated in recent years. The composite statement of regularly reporting member banks showed only minor changes during the past month. Employment showed little net change during April. Some decrease in industrial workers was probably offset or perhaps exceeded by increases, largely seasonal, in such fields as construction and agriculture. Agricultural prospects are good on the whole in the Fifth district, and farm work is farther advanced than at this time last year. It is too early to estimate probable yields, but grain crops are in excellent condition, and weather has been favorable for land preparation and planting of Spring crops. Actual growth has recently been retarded by cool weather, but with plenty of moisture in the soil this backwardness will be overcome quickly when warm weather comes.

Reserve Bank Statement

ITEMS	000 omitted		
	May 15 1937	April 15 1937	May 15 1936
Discounts held	\$ 363	\$ 414	\$ 46
Open market paper	149	120	191
Industrial advances	2,667	2,704	4,164
Government securities	133,035	131,609	116,716
Total earning assets	\$136,214	\$134,847	\$121,117
Circulation of Fed. Res. notes	195,474	196,191	172,999
Members' reserve deposits	226,547	213,880	177,110
Cash reserves	302,729	297,126	273,952
Reserve ratio	69.66	69.85	70.51

Total earning assets of the Federal Reserve Bank of Richmond increased by \$1,367,000 between April 15 and May 15, both this year. Discounts held declined by \$51,000 and industrial advances dropped by \$37,000, while open market paper in the Bank's portfolio rose by \$29,000 and Government securities owned increased by \$1,426,000. As usually occurs at this season, the actual circulation of Federal Reserve notes dropped by \$717,000 during the past month. Member bank reserve deposits rose by \$12,667,000 between the middle of April and the middle of May, partly due to increased reserve requirements which went into effect on May 1. Most member banks had sufficient excess reserves to meet the higher requirements, but a relatively small number found it necessary to add to their reserve deposits. The several changes mentioned in the statement, with others of less importance, raised the cash reserves of the Richmond Reserve bank by \$5,603,000, but the ratio of cash reserves to note and deposit liabilities combined declined by 19/100ths of 1 point.

Between May 15, 1936, and the corresponding date this year, all items on the statement increased except the portfolio of open market paper and loans made direct to industry for working capital, which declined \$42,000 and \$1,497,000, respectively. Discounts rose by \$317,000 during the year, and Government securities owned increased by \$16,319,000. The net change in total earning assets of the Bank was a rise of \$15,097,000 during the year. The volume of Federal Reserve notes in actual circulation rose by \$22,475,000 between the middle of May last year and this, chiefly

due to increased business activity and higher price levels in many lines this year. Member bank reserve deposits rose by \$49,437,000 during the period under review, the increase being only partly accounted for by 100 per cent higher reserve requirements in force in May this year. Much of the increase in reserves was caused by further accumulation of funds for which member banks were unable to find profitable employment. Cash reserves of the Federal Reserve Bank of Richmond rose by \$28,777,000 during the year, but the ratio of cash reserves to note and deposit liabilities combined decreased by 85/100ths of 1 point.

Statement of 41 Member Banks

ITEMS	000 omitted		
	May 12 1937	April 14 1937	May 13 1936
Total loans and discounts	\$241,505	\$240,365	\$204,337
Investments in securities	384,498	390,270	394,585
Reserve bal. with F. R. Bank	134,748	123,626	126,883
Cash in vaults	19,688	19,837	17,685
Demand deposits	475,622	470,213	414,668
Time deposits	198,825	197,083	193,436
Money borrowed	4,500	0	0

The principal items on the statement of condition of 41 regularly reporting member banks in 12 cities of the Fifth Federal Reserve district are shown in the accompanying table for three dates, thus affording opportunity for comparison of the latest available figures with those a month and a year earlier. The figures in the table are not necessarily the highest or lowest figures which occurred during the periods reviewed, but represent the composite condition of the 41 banks on the report dates.

Total loans and discounts rose by \$1,140,000 during the past month and \$37,168,000 during the year. On the other hand investments in securities decreased by \$5,772,000 between April 14 and May 12, 1937, and dropped by \$10,087,000 since May 13, 1936. Aggregate reserve balance of the reporting banks rose by \$6,122,000 between April 14 and May 12, and on the latter date showed an increase of \$7,865,000 since May 13, 1936. Cash in vaults declined by \$149,000 during the month, but rose by \$2,003,000 for the year. Total deposits rose last month and on May 12 were much higher than a year ago. Demand deposits rose by \$5,409,000 during the month and \$60,954,000 during the year, while time deposits rose by \$1,742,000 and \$5,389,000 last month and year, respectively. For the first time in several years the May 12 statement of reporting banks showed money borrowed of \$4,500,000 from sources other than the Reserve bank. This sum represented the temporary need of one institution for additional funds, the bank evidently borrowing in preference to selling securities, of which it held a large volume.

Time and Savings Deposits

Time deposits in forty-one reporting member banks in the Fifth district and aggregate deposits in ten mutual savings banks in Baltimore totaled \$415,197,167 at the end of April 1937, a higher figure than either \$412,452,008 reported at the end of March this year or \$400,694,087 at the end of April last year. Both

the savings banks and the member banks reported higher figures at the end of April than either a month or a year earlier, the savings banks gaining 4.4 per cent and the member banks 2.8 per cent during the year. The month's gains were less than 1 per cent in each group of banks.

Debits to Individual Accounts

CITIES	000 omitted			% of Change	
	April 1937	March 1937	April 1936	Month	Year
Maryland					
Baltimore	\$ 370,818	\$ 385,316	\$ 317,749	- 3.8	+16.7
Cumberland	9,122	9,549	8,733	- 4.5	+ 4.5
Hagerstown	9,309	9,121	7,805	+ 2.1	+19.3
3 Md. Cities	389,244	403,986	334,287	- 3.6	+16.4
D. of Columbia					
Washington	280,253	286,123	248,450	- 2.1	+12.8
1 D. of Col. City .	280,253	286,123	248,450	- 2.1	+12.8
Virginia					
Danville	8,460	9,392	6,366	- 9.9	+32.9
Lynchburg	15,732	15,636	13,917	+ .6	+13.0
Newport News	9,954	10,120	8,876	- 1.6	+12.1
Norfolk	52,591	56,324	46,659	- 6.6	+12.7
Portsmouth	4,240	4,211	3,703	+ .7	+14.5
Richmond	150,047	153,981	124,449	- 2.6	+20.6
Roanoke	33,975	30,122	25,711	+10.8	+29.8
7 Va. Cities	274,399	279,786	229,681	- 1.9	+19.5
West Virginia					
Charleston	55,157	54,988	43,955	+ .3	+25.5
Huntington	19,744	20,381	16,758	- 3.1	+17.8
2 W. Va. Cities .	74,901	75,369	60,713	- .6	+23.4
North Carolina					
Asheville	13,884	13,500	10,553	+ 2.8	+31.6
Charlotte	62,930	69,320	48,374	- 9.2	+30.1
Durham	24,238	26,895	21,038	- 9.9	+15.2
Greensboro	18,741	20,076	14,351	- 6.6	+30.6
Raleigh	40,096	42,873	29,364	- 6.5	+36.5
Wilmington	12,240	12,603	9,622	- 2.9	+27.2
Winston-Salem	42,419	43,422	31,281	- 2.3	+35.6
7 N. C. Cities ..	214,548	228,689	164,583	- 6.2	+30.4
South Carolina					
Charleston	19,577	20,286	16,074	- 3.5	+21.8
Columbia	28,937	31,982	21,590	- 9.5	+34.0
Greenville	22,325	23,077	15,656	- 3.3	+42.6
Spartanburg	10,731	10,872	7,233	- 1.3	+48.4
4 S. C. Cities	81,570	86,217	60,553	- 5.4	+34.7
District, 24 Cities	\$ 1,314,915	\$ 1,360,170	\$ 1,098,267	- 3.3	+19.7

Debits to individual, firm and corporation accounts in the banks of twenty-four fifth district cities include all checks debited against customers' accounts in both member and non-member banks, and furnish a good indication of the volume of business passing through the banks. Debits in April show a seasonal decline of \$45,255,000, or 3.3 per cent, in comparison with debits in March, which was a longer month and also contained a large volume of income tax payments around March 15. In comparison with debits in April 1936, debits in April this year show an increase of \$216,648,000, or 19.7 per cent, which reflects for the most part an increase in trade and industry this year. Debits figures in April 1937 were higher than April 1936 figures in every reporting city in the Fifth district, the increases ranging upward from 4.5 per cent in Cumberland, Maryland, to 48.4 per cent in Spartanburg, S. C. Only one city increased less than 10 per cent, nine cities rose between 10 and 20 per cent, five cities rose between 20 and 30 per cent, seven cities rose between 30 and 40 per cent, and two cities rose between 40 and 50 per cent.

Commercial Failures

Business failures in the Fifth Federal Reserve district in April 1937 showed a decrease of 1 in comparison with failures in April 1936, and aggregate liabilities involved also were lower in the 1937 month. The number of failures and total of liabilities involved in the Fifth district and the United States for several periods, as reported by *Dun & Bradstreet*, were as follows:

Period	Number of Failures		Total Failures	
	District	U. S.	District	U. S.
April 1937	36	786	\$ 348,000	\$ 8,906,000
March 1937	53	820	359,000	10,922,000
April 1936	37	830	437,000	14,157,000
4 Months, 1937	194	3,138	\$1,632,000	\$38,260,000
4 Months, 1936	174	3,709	3,667,000	62,621,000

Employment

Seasonal increases in employment occurred in several lines of work during the past month. Building tradesmen and painters are in active demand, and more employment is available for agricultural workers as the season advances. Industries of the Fifth district continued operations at high levels, and total payrolls increased at many plants. Payrolls have recently increased faster than reemployment, due to numerous wage advances granted either voluntarily or as a result of organized effort by labor. A number of small, local strikes occurred, but on the whole differences between labor and management have been settled with little trouble.

The following figures, compiled for the most part by the Bureau of Labor Statistics from reports furnished by a large number of identical industries, show the trends of employment and payrolls in the Fifth district geographical divisions from February to March 1937, the latest available figures:

STATES	Percentage change from February to March	
	In number on payroll	In amount of payroll
Maryland	+2.9	+7.3
D. of Col.	+1.4	+2.3
Virginia	+1.0	+1.7
West Virginia	+1.9	+7.8
North Carolina	+ .8	+1.1
South Carolina	+3.0	+2.4

Coal Production

There was a marked decline in bituminous coal production in April in comparison with March this year, partly due to an unusually high rate of output in the earlier month as a result of strike threats and partly to restricted output in certain fields where strikes did develop in early April. Output of bituminous coal last month totaled only 25,735,000 net tons, compared with 51,315,000 tons mined in March 1937 and 30,452,000 tons in April 1936. On a daily basis, production of 1,021,000 tons in April 1937 was 46 per cent less than the daily output of 1,901,000 tons in March this year and 16 per cent less than 1,208,000 tons per day

in April 1936. During the first four months of 1937 production of 160,100,000 net tons of bituminous coal exceeded production of 142,930,000 tons during the corresponding period last year by 12 per cent. Shipments of coal through Hampton Roads ports this calendar year to May 1 totaled 7,939,096 tons, 15 per cent more than 6,926,142 tons shipped through the same ports to May last year.

In its May 8 report the Bureau of Mines gave State production figures for March 1937 and 1936, and the Fifth district coal states, which dug 28.5 per cent of the National total, were reported as follows:

STATES	Production March 1937 (Tons)	Production March 1936 (Tons)	Percentage change
West Virginia	12,950,000	8,807,000	+47.0
Virginia	1,494,000	767,000	+94.8
Maryland	194,000	125,000	+55.2
5th District	14,638,000	9,699,000	+50.9
United States	51,315,000	31,527,000	+62.8

Cotton Textiles

The amount of cotton used in both the United States and the Fifth Reserve district declined in April from the record March figures, consumption on a daily basis falling 4.2 per cent in the Nation and 3.7 in the district, but consumption figures continued much higher than those a year earlier. Consumption of cotton in the Fifth district in April 1937, March 1937 and April 1936 was as follows, in bales:

Months	No. Carolina	So. Carolina	Virginia	District
April 1937	183,425	133,239	15,589	332,253
March 1937	198,392	143,873	15,852	358,117
April 1936	149,089	113,758	14,047	276,894
4 Months, 1937	728,229	530,283	58,473	1,316,985
4 Months, 1936	580,296	438,081	55,070	1,073,447

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 27,024,970 spindles in place in the United States, of which 24,638,578, or 91.2 per cent, were active a total of 9,698,368,366 spindle hours during the month, an average of 359 hours per spindle in place. In the Fifth Reserve district there were 12,356,468 spindles in place on March 31, of which 11,805,124, or 95.5 per cent, operated a total of 4,805,446,096 spindle hours in March, an average of 389 hours per spindle in place. South Carolina with an average of 423 hours per spindle in place led all states, while North Carolina with 363 hours tied for sixth place with Mississippi, and Virginia with 335 hours ranked ninth.

Statistics on Cotton

Spot cotton prices declined through April and the first two weeks in May, due to favorable weather for development of the new crop throughout most of the belt and heavy selling pressure from both domestic and foreign sources in early May. Cotton prices were also affected by sharp declines in the general level of prices of other commodities and securities. The following figures show recent trends in the spot market,

and comparative per pound prices in eight earlier years on the corresponding Fridays nearest the 1937 dates:

Years	Middling Grade, 3/8 inch Upland Cotton, Per Pound				
	Apr. 16	Apr. 23	Apr. 30	May 7	May 14
1937	13.48	13.49	13.30	13.36	12.96
1936	11.62	11.60	11.40	11.55	11.65
1935	11.96	12.30	12.37	12.44	12.55
1934	11.87	11.64	11.06	11.13	11.26
1933	6.70	7.29	7.27	8.36	8.79
1932	5.96	5.78	5.58	5.58	5.34
1931	9.48	9.47	8.89	9.31	8.80
1930	15.16	15.09	15.32	15.24	15.17
1929	18.97	18.17	18.25	18.02	18.32

Cotton consumption figures released by the Census Bureau showed a decline in April from March of about 4 per cent on a daily basis, but exceeded April 1936 figures by 24.7 per cent. Bales of cotton consumed in the United States during the nine elapsed months of the present cotton year, beginning August 1, 1936, totaled 29.1 per cent more than the cotton used during the corresponding nine months ended April 30, 1936. Consuming establishments on April 30 this year held 67.1 per cent more cotton than a year earlier, but the backlog of cotton in public storage and compresses declined 29.6 per cent during the year.

Cotton Consumed and On Hand

	(Bales)			
	April 1937	April 1936	Aug. 1 to April 30 This yr. Last yr.	
Fifth district states:				
Cotton consumed	332,253	276,894	2,803,042	2,233,851
Cotton growing states:				
Cotton consumed	595,608	486,697	5,010,763	3,912,201
Cotton on hand Apr. 30 in Consuming establishments	1,630,605	972,464	.....	.....
Storage & compresses....	4,104,772	5,878,897	.....	.....
United States:				
Cotton consumed	718,947	576,762	6,010,883	4,657,761
Cotton on hand Apr. 30 in Consuming establishments	1,987,280	1,189,605	.....	.....
Storage & compresses....	4,213,860	5,989,676	.....	.....
Exports of cotton	373,158	352,710	4,762,357	5,167,070

Cotton seed received at United States mills between August 1, 1936, and April 30, 1937, totaled 4,415,228 tons, compared with 3,678,240 tons received in the nine months ended April 30, 1936. Of the receipts mentioned, North Carolina mills took 231,090 tons this year and 222,299 tons last year, and South Carolina mills received 218,298 tons and 204,303 tons in the two periods, respectively. The mills crushed 4,279,306 tons of seed in the period ended April 30 this year, and had 157,613 tons on hand at the end of the period, compared with 3,669,931 tons crushed in the nine months ended April 30, 1936, and 97,884 tons on hand on that date.

Tobacco Manufacturing

Tobacco manufacturing slowed somewhat in April from other recent months, and showed smaller percentage increases over the rates of production in April last year. Output of tobacco products in April 1937 and April 1936 in the United States, according to the report of the Bureau of Internal Revenue, was as follows:

	April 1937	April 1936	% Change
Smoking & Chewing			
Tobacco, Pounds	26,785,686	25,882,084	+ 3.5
Cigarettes, Number	12,209,822,610	11,868,891,200	+ 2.9
Cigars, Number	453,007,930	411,605,582	+10.1
Snuff, Pounds	3,242,079	3,371,486	- 3.8

No production figures were released on a State basis, but at the rate of production attained by Fifth district States in 1936 the district manufactured 84 per cent of all cigarettes, 45 per cent of the smoking and chewing tobacco and snuff, and 11 per cent of the cigars. Taxes paid to the Federal Treasury in April 1937 on tobacco manufacture totaled \$43,148,122, compared with \$41,896,642 paid in April 1936, an increase last month of 3.0 per cent.

Construction

CITIES	Building Permits Issued in April 1937 and 1936		Total Valuation	
	Permits Issued 1937	Permits Issued 1936	1937	1936
Baltimore, Md.	1,124	911	\$2,129,160	\$2,019,420
Cumberland, Md.	42	11	44,126	18,650
Frederick, Md.	30	22	68,752	38,574
Hagerstown, Md.	28	27	33,735	59,505
Salisbury, Md.	25	23	49,250	18,225
Danville, Va.	36	38	47,759	162,931
Lynchburg, Va.	51	50	84,169	54,579
Norfolk, Va.	127	137	205,985	106,852
Petersburg, Va.	2	2	29,100	4,000
Portsmouth, Va.	34	30	72,650	24,940
Richmond, Va.	157	166	454,056	684,705
Roanoke, Va.	53	54	178,023	36,666
Bluefield, W. Va.	29	10	100,350	8,250
Charleston, W. Va.	154	105	312,498	188,985
Clarksburg, W. Va.	62	97	63,635	51,954
Huntington, W. Va.	47	26	73,620	26,950
Asheville, N. C.	81	54	83,308	66,420
Charlotte, N. C.	109	138	409,300	232,080
Durham, N. C.	47	56	116,576	89,175
Greensboro, N. C.	50	160	69,706	259,940
High Point, N. C.	61	51	160,399	34,510
Raleigh, N. C.	31	23	111,725	52,257
Rocky Mount, N. C.	14	10	13,375	8,540
Salisbury, N. C.	10	9	37,300	26,725
Winston-Salem, N. C.	106	102	275,845	246,699
Charleston, S. C.	54	48	110,005	39,326
Columbia, S. C.	69	62	176,609	114,289
Greenville, S. C.	41	54	73,023	90,852
Rock Hill, S. C.	25	15	40,677	10,946
Spartanburg, S. C.	27	33	73,820	21,888
Washington, D. C.	655	712	2,979,150	2,987,360
District Totals	3,381	3,236	\$8,677,686	\$7,781,193

Building permits issued in thirty-one Fifth district cities in April declined from those issued in March, but the valuation of work provided for continued above

corresponding 1936 figures, although the increase last month was less than in other recent months. Permits for all types of construction numbered 3,381 in April this year, compared with 2,975 permits issued in March this year and 3,236 permits issued in April 1936. Estimated valuation figures for permits issued last month totaled \$8,677,686, a decrease of 11 per cent under \$9,692,773 for March 1937 but 12 per cent above \$7,781,193 for April 1936. Twenty-five of the thirty-one cities reported higher valuation figures for April this year than last.

Contract award figures, collected by the F. W. Dodge Corporation, include rural as well as urban projects, and are a better measure of the volume of construction work than building permit figures. Contract award figures for March 1937 and 1936 are now available by States, and are as follows for the Fifth Reserve district:

STATES	Construction Contracts Awarded		
	March 1937	March 1936	% Change
Maryland	\$ 3,771,800	\$ 3,185,300	+ 18.4
D. of Col.	3,887,100	1,664,900	+133.5
Virginia	5,488,300	3,564,100	+ 54.0
West Va.	1,279,000	1,719,800	- 25.6
No. Carolina	7,907,800	5,546,900	+ 42.6
So. Carolina	2,170,500	1,573,400	+ 37.9
District	\$24,504,500	\$17,254,400	+ 42.0

Automobile New Car Registrations

Registrations of new passenger automobiles reflect consumer buying power. According to figures collected by R. L. Polk & Company of Detroit, registration figures in Fifth Reserve district states in April 1937 and April 1936 and in the first four months of each year were as follows:

STATES	Registrations of New Passenger Cars					
	April 1937	April 1936	% Change	4 Months 1937	4 Months 1936	% Change
Maryland	4,671	5,315	-12.1	15,630	12,734	+22.7
D. of C.	3,061	3,700	-17.3	10,236	10,700	- 4.3
Virginia	6,001	5,605	+ 7.1	17,642	15,032	+17.4
West Va.	4,590	4,090	+12.2	11,653	10,068	+15.7
No. Carolina ..	5,995	4,846	+23.7	18,692	13,424	+39.2
So. Carolina ..	2,669	2,088	+27.8	9,882	7,003	+41.1
District	26,987	25,644	+ 5.2	83,735	68,961	+21.4

Retail Trade, 28 Department Stores

	<i>Baltimore</i>	<i>Washington</i>	<i>Other Cities</i>	<i>District</i>
April 1937 sales, compared with sales in April 1936:	- 1.1	- 6.5	- .6	- 3.6
Jan.-April 1937 sales, compared with sales in Jan.-April 1936:	+ 9.3	+ 4.4	+ 9.9	+ 7.1
Apr. 30, 1937, stocks, compared with stocks on Apr. 30, 1936:	+ 9.1	+14.5	+11.7	+11.9
Apr. 30, 1937, stocks, compared with stocks on Mar. 31, 1937:	+ 1.5	+ 1.3	+ 4.2	+ 1.8
Number of times stocks were turned in April 1937:	.306	.312	.278	.304
Number of times stocks were turned since January 1, 1937:	1.196	1.265	1.125	1.214
Percentage of Apr. 1, 1937, receivables collected in April:	30.6	27.0	32.1	29.0

In addition to the 28 stores which reported on sales, stocks, receivables and collections, sales figures alone were received from 29 other stores representing for the most part smaller cities and towns. The sales in these 29 stores have been combined with sales in the 28 stores in the above table, and percentage changes calculated on a State basis, as follows:

	<i>Va.</i> 12*	<i>W. Va.</i> 10*	<i>N. C.</i> 7*	<i>S. C.</i> 13*	<i>District</i> 57*
April 1937 sales, compared with sales in April 1936:	+ .1	+ 2.0	- .9	+ 3.8	- 2.9†
Jan.-April 1937 sales, compared with sales in Jan.-April 1936:	+10.3	+18.9	+12.5	+16.3	+ 8.2†

* Number of reporting stores.

† Includes stores in Baltimore and Washington.

Wholesale Trade, 56 Firms

	21 <i>Groceries</i>	7 <i>Dry Goods</i>	6 <i>Shoes</i>	12 <i>Hardware</i>	10 <i>Drugs</i>
April 1937 sales, compared with sales in April 1936:	+20.5	+ 7.8	+21.9	+29.5	+15.6
April 1937 sales, compared with sales in March 1937:	+ 3.3	- 6.4	-25.5	+ 1.9	- 3.2
Jan.-April 1937 sales, compared with sales in Jan.-April 1936:	+15.5	+ 9.5	+21.7	+26.7	+11.9
April 30, 1937, stocks, compared with stocks on Apr. 30, 1936:	+20.2(8*)	+44.1(3*)	+40.9(4*)	+ 6.4(7*)	.....
April 30, 1937, stocks, compared with stocks on Mar. 31, 1937:	+ 3.4(8*)	- 3.8(3*)	- 5.0(4*)	- 2.4(7*)	.....
Percentage of collections in April to receivables April 1:	119.0(12*)	43.4(4*)	62.1(5*)	52.5(11*)	69.9(6*)

* Number of reporting firms.

(Compiled May 21, 1937)

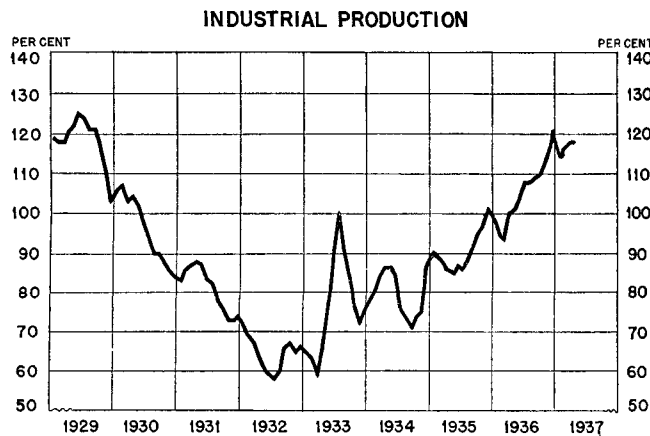
BUSINESS CONDITIONS IN THE UNITED STATES

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

Industrial activity in April and the first half of May was maintained at the relatively high level of recent months. The general level of wholesale commodity prices declined somewhat, reflecting considerable reductions in prices of many raw materials and semi-finished products.

Production, Employment, and Trade

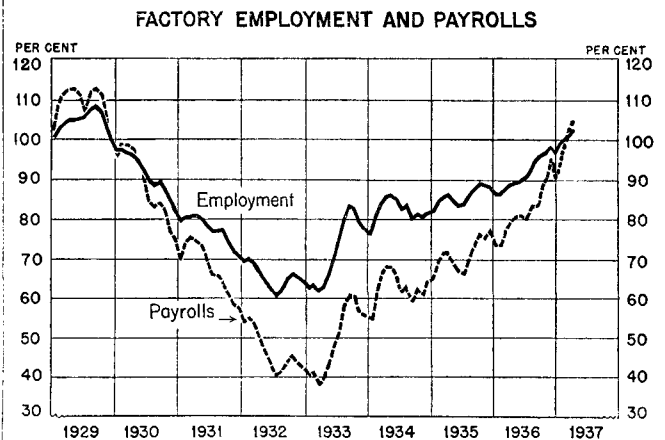
The Board's seasonally adjusted index of industrial production in April continued at 118 percent of the 1923-1925 average. Manufacturing production rose further, reflecting increased output of durable goods.



Index of physical volume of production, adjusted for seasonal variation, 1923-1925 average=100. By months, January 1929 through April 1937.

Activity at steel mills was at a rate slightly higher than in March and about equal to that in the peak month of 1929. Automobile production continued to expand. In the first three weeks of May output in these industries was maintained at the levels reached at the close of April. Increases in output in April were also reported for lumber and plate glass. At textile mills where output has been at a high level in recent months there was a slight reduction in activity.

At bituminous coal mines output declined sharply following an increase in March, when consumers accumulated stocks of coal in anticipation of a strike. Crude petroleum output, which had risen sharply from



Indexes of number employed and payrolls, without adjustment for seasonal variation, 1923-1925 average=100. By months, January 1929 to April 1937. Indexes compiled by the U. S. Bureau of Labor Statistics.

November to March, showed further growth in April. Production of most metals also increased.

Value of construction contracts awarded, as reported by the F. W. Dodge Corporation, increased more than seasonally from March to April and continued higher than a year ago, reflecting, as in earlier months of the year, a larger volume of residential building and of other privately-financed work. Contracts awarded for publicly-financed construction have been considerably smaller in the first four months of this year than in the corresponding period of 1936.

Employment rose further between the middle of March and the middle of April. There was a considerable growth in the number of persons employed in manufacturing and on the railroads, little change in those employed in the public utility industries and in trade, and a decline at bituminous coal mines. At factories the principal increases in employment were reported by the steel, machinery, and automobile industries, while the number employed in the clothing industry declined. Working forces at textile mills were maintained, although a decrease is usual at this season. Factory payrolls increased more than employment, reflecting chiefly further increases in wage rates.

In April sales at department stores showed little change and mail order sales were also maintained at the March level, while sales at variety stores declined.

Commodity Prices

The general level of wholesale commodity prices, as measured by the index of the Bureau of Labor Statistics, declined from 88.3 per cent of the 1926 average at the beginning of April to 86.9 in the middle of May. Prices of nonferrous metals, steel scraps, cotton, and rubber declined considerably and there were also decreases in the prices of grains, cotton goods, silks, hides, and chemicals, while prices of shoes and clothing

showed further small advances. Since the middle of May prices of hogs and pork have advanced sharply and grain prices have also risen.

Bank Credit

Following upon the final increase in reserve requirements, which became effective on May 1, excess reserves of member banks declined from \$1,600,000,000 to about \$900,000,000, and in the first three weeks of May fluctuated around the new level. Adjustments by banks to the new requirements were reflected in a decrease in interbank balances and in a small increase in borrowings. The Federal Reserve System in April purchased \$96,000,000 of United States Government securities, for the purpose of easing the adjustment to the new requirements and preserving orderly conditions in the money market.

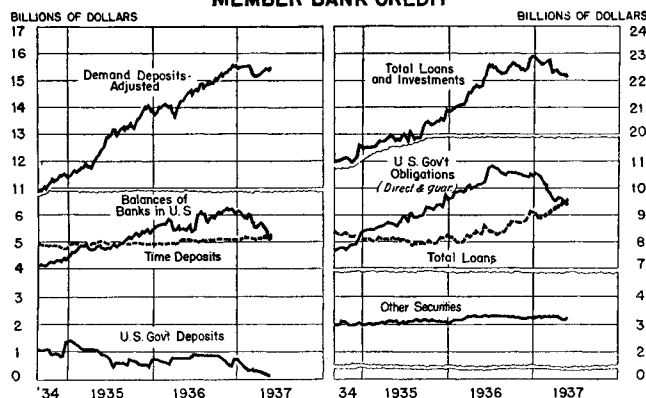
Total loans and investments of reporting member banks showed a small decline from the middle of April through May 19. Holdings of United States Government obligations and other securities showed some decline, which was offset in part by increases in loans.

While domestic interbank and United States Government deposits declined further, balances of foreign banks and other demand and time deposits at reporting member banks increased.

Money Rates

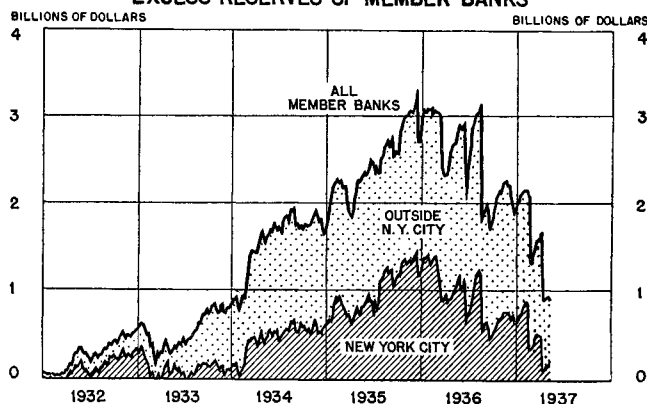
The open-market rate on 90-day bankers' acceptances, which between January and the latter part of March had advanced from 3/16 to 9/16 percent, was reduced to 1/2 percent on May 7, and the rate on nine-months Treasury bills declined to .62 percent on May 24 compared with a high point of .74 percent on May 3. Other short-term rates have shown little change in recent weeks. Yields on long-term Treasury and other high-grade bonds have declined somewhat.

MEMBER BANK CREDIT



Wednesday figures of reporting member banks in 101 leading cities. September 5, 1934, to May 19, 1937.

EXCESS RESERVES OF MEMBER BANKS



Wednesday figures of estimated excess reserves for all member banks and for New York City, January 6, 1932, to May 19, 1937.