

MONTHLY REVIEW

CREDIT, BUSINESS AND AGRICULTURAL CONDITIONS



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RICHMOND, VIRGINIA

MARCH 31, 1931

FEBRUARY witnessed no material change in the trend of business in the Fifth Federal reserve district in comparison with other recent months. The month is usually a relatively poor period for trade, and this year was no exception. Seasonal developments were noted in most cases, and there were a few signs of better adjustment to existing conditions. At the reserve bank, rediscounts for member banks remained at about the same level between February 15 and March 15, and on the latter date were practically the same as on March 15, 1930. The circulation of Federal reserve notes declined seasonally last month, but the volume of notes outstanding continued larger than a year ago. Outstanding loans by reporting member banks declined moderately between the middle of February and the middle of March, and demand deposits dropped by about the same amount, but time deposits in member banks and savings deposits in Baltimore savings banks rose. Debits to individual accounts for four weeks ended March 11, 1931, totaled 3.3 per cent less than debits in the preceding four weeks, ended February 11, 1931, and 11.8 per cent less than in the four weeks ended March 12 last year. Business failures in the Fifth district in February this year showed a seasonal decline in comparison with January, but were more numerous than for any other February since 1922. However, liabilities involved in last month's failures were lower than those for all other Februaries, except 1929 and 1926, since 1920. Labor conditions showed no material change during February. Bituminous coal production in February was less than in either January this year or February 1930, the latter comparison reflecting decreased demand this year from industrial consumers. The situation in textiles improved somewhat, sales of cotton goods having been reported as exceeding production, and the danger of overproduction has been greatly lessened by the abandonment of night work in most Southern mills. Cotton consumption in the Fifth district in February was less than consumption in January this year or February 1930 in total bales, but on a daily basis the February record was better than that of January. Retail trade in department stores last month averaged about 5 per cent less than the volume of business done in February 1930, but a considerable

part of the decrease was due to price declines during the year. Wholesale trade also compared unfavorably with February 1930 trade in most lines, but again price changes played an important part in the decline. Building permits issued in February in most of the leading cities of the district were fewer in number and lower in estimated valuation than in the corresponding month last year, but a large volume of work provided for in Washington brought the total valuation figure for February 1931 in the thirty-two reporting cities considerably above the February 1930 total. Tobacco markets closed in February and March after selling a total crop above that of last year, but this year's prices were very low and the quality of tobacco sold also compared unfavorably with the average quality in most years. Winter crops in the Fifth district are probably not up to last year's average condition, due to a lack of sufficient moisture in the soil this season, and farmers are on the whole in a much weaker financial position to undertake 1931 farming operations. Poor yields and low prices for most agricultural products last fall resulted in making 1930 one of the worst years on record for agricultural interests in the Fifth district.

Reserve Bank Statement

ITEMS	000 omitted		
	Mar. 15, 1931	Feb. 15, 1931	Mar. 15, 1930
Rediscounts held	\$17,611	\$17,743	\$17,289
Open market paper	1,462	2,418	12,918
Government Securities	17,122	17,261	17,322
Total earning assets.....	36,195	37,422	47,529
Circulation of Fed. Res. notes....	81,757	84,343	77,297
Members' reserve deposits.....	61,141	59,200	65,932
Cash reserves	114,267	113,072	105,262
Reserve ratio	79.75	77.22	72.96

Rediscounts for member banks held by the Federal Reserve Bank of Richmond declined by \$132,000 between February 15 and March 15, both this year, a change of no importance in amount but interesting because at this season of the year rediscounts usually increase somewhat as a result of increased needs for credit to finance early preparations for crop planting. The reserve bank reduced its holdings of open market

paper by \$956,000 and its holdings of Government securities by \$139,000 last month. The reductions in rediscounts, open market paper holdings, and Government securities totaled \$1,227,000, by which amount the Bank's total earning assets declined between the middle of February and the middle of March. The month under review witnessed a seasonal reduction of \$2,586,000 in the circulation of Federal reserve notes, a somewhat smaller reduction than occurs in most years at the corresponding time. Member banks increased their reserve deposits at the reserve bank by \$1,941,000 last month, an unseasonal development. The several changes enumerated, with others of less importance, raised the cash reserves of the Federal Reserve Bank of Richmond by \$1,195,000 between February 15 and March 15, and brought the ratio of reserves to note and deposit liabilities combined up 2.53 points.

The figures in the statement for March 15, 1931, in comparison with the March 15, 1930, figures, show an increase of \$322,000 in rediscounts this year, but the Bank's holding of open market paper on the 1931 date was \$11,456,000 less than a year ago and Government securities owned dropped \$200,000 during the year. These changes resulted in an aggregate decline of \$11,334,000 in total earning assets as of the 1931 date. Member bank reserve deposits declined by \$4,791,000 between March 15, 1930, and March 15, 1931, lower deposits in member banks requiring lower reserves. On the other hand, the circulation of Federal reserve notes was \$4,460,000 higher in amount this year than a year ago, and the total cash reserves rose by \$9,005,000 during the year. The ratio of reserves to note and deposit liabilities combined rose 6.79 points between the middle of March last year and this.

Member Bank Statement

ITEMS	000 omitted		
	Mar. 11, 1931	Feb. 11, 1931	Mar. 12, 1930
Loans on stocks and bonds (including Governments)	\$164,935	\$166,604	\$195,870
All other loans	269,015	270,129	300,992
Total Loans and discounts.....	433,950	436,733	496,862
Investments in stocks & bonds...	181,735	183,600	151,534
Reserve bal. with F. R. Bank....	38,596	40,319	39,870
Cash in vaults.....	15,732	16,689	11,168
Demand deposits	329,004	333,269	353,101
Time deposits	250,023	246,342	240,171
Borrowed from F. R. Bank.....	5,763	5,226	5,704

The figures in the above table show the principal items of condition as of three dates for fifty-three member banks in thirteen of the leading cities of the Fifth Federal reserve district. It should be understood that the figures shown reflect the condition of the reporting banks on the report dates only, and are not necessarily the highest or lowest figures that occurred during the periods under review.

During the month between February 11 and March 11, this year, the fifty-three reporting banks reduced their total loans and discounts by \$2,783,000, loans on stocks and bonds declining \$1,669,000 and all other

loans decreasing \$1,114,000. Investments in bonds and securities were reduced \$1,865,000 during the month, and the reporting banks also decreased their reserve balances at the reserve bank by \$1,723,000. Demand deposits declined \$4,265,000 between the middle of February and the middle of March, but time deposits rose by \$3,681,000 during the same period. The fifty-three banks increased their borrowing at the reserve bank by \$537,000 during the month.

The figures reported for March 11, 1931, show material changes in comparison with the figures reported for March 12, 1930. Total loans and discounts declined \$62,912,000 during the year, the decrease being about equally divided between loans on stocks and bonds and all other loans. With part of the funds released by the reduction in loans the reporting banks increased their investments in bonds and stocks by \$30,201,000 during the past year. Deposits declined a total of \$14,245,000 between March 12 last year and March 11 this year, demand deposits decreasing \$24,097,000 while time deposits rose \$9,852,000. Lower aggregate deposits enabled the reporting institutions to reduce their reserve balances by \$1,274,000 this year. There was practically no change in the borrowing by the fifty-three reporting banks at the reserve bank during the year under review, the amount borrowed on March 11, 1931, being only \$59,000 more than the amount borrowed on March 12, 1930.

Debits to Individual Accounts

CITIES	000 omitted		
	Total debits, four weeks ended		
	Mar. 11, 1931	Feb. 11, 1931	Mar. 12, 1930
Asheville, N. C.....	\$ 10,141	\$ 11,109	\$ 22,102
Baltimore, Md.	348,858	355,670	384,451
Charleston, S. C.....	17,857	16,300	20,715
Charleston, W. Va.....	33,620	38,892	37,345
Charlotte, N. C.....	37,197	36,636	45,876
Columbia, S. C.....	21,258	19,459	20,709
Cumberland, Md.	6,961	6,963	8,735
Danville, Va.	6,335	6,151	7,630
Durham, N. C.....	20,634	23,355	25,622
Greensboro, N. C.....	16,174	16,195	20,364
Greenville, S. C.....	15,536	15,028	20,381
Hagerstown, Md.....	7,516	7,398	8,929
Huntington, W. Va.....	14,210	16,814	20,172
Lynchburg, Va.....	15,205	16,311	21,420
Newport News, Va.....	10,247	10,429	10,256
Norfolk, Va.....	43,611	45,172	56,077
Portsmouth, Va.....	4,168	4,063	4,869
Raleigh, N. C.....	16,712	20,158	16,383
Richmond, Va.....	105,465	122,768	118,328
Roanoke, Va.....	23,347	26,711	30,558
Spartanburg, S. C.....	8,475	7,927	12,452
Washington, D. C.....	214,142	209,932	217,768
Wilmington, N. C.....	10,285	10,738	13,196
Winston-Salem, N. C.....	29,514	28,575	32,253
Totals.....	\$1,037,468	\$1,072,754	\$1,176,591

Aggregate payments by check drawn on clearing house banks in twenty-four cities of the Fifth Federal reserve district are shown in the accompanying table for three equal periods of four weeks, thus affording opportunity for comparison of the latest figures, for the four weeks ended March 11, 1931, with those for

the preceding like period this year and the corresponding period a year ago.

Debits during the four weeks ended March 11, 1931, were \$35,286,000, or 3.3 per cent, less than aggregate debits during the four preceding weeks, ended February 11 this year. Fourteen cities reported lower figures for the later four weeks, while ten cities reported higher figures. Among the larger centers, Baltimore, Charleston, W. Va., Huntington, Norfolk and Richmond reported smaller figures, while Charlotte, Washington and Winston-Salem reported higher figures. In comparison with debits reported for four weeks ended March 12, 1930, those for the corresponding period this year show a decline of \$139,123,000, or 11.8 per cent. Only two cities reported higher figures for the 1931 period, these being Columbia, S. C., and Raleigh, N. C., in both of which State government transactions this year brought the figures slightly above the 1930 figures. Newport News, Va., reported the smallest decrease among the other twenty-two, only 9/100ths of 1 per cent. Lower price levels prevailing this year undoubtedly account for a considerable part of the decline in 1931 debits in comparison with those of 1930.

Savings Deposits

Aggregate deposits in twelve mutual savings banks in Baltimore at the end of February 1931 totaled \$202,179,485, compared with \$200,969,642 on January 31, 1931, and \$191,063,540 on February 28, 1930. Time deposits in fifty-three regularly reporting member banks in the Fifth district also rose last month, totaling \$250,023,000 on March 11 in comparison with \$246,342,000 on February 11 this year and \$240,171,000 on March 12, 1930.

Commercial Failures

Business failures in the Fifth reserve district in February numbered 160, with liabilities amounting to \$2,381,789. These figures show a seasonal decrease in comparison with 203 failures and liabilities totaling \$4,339,019 reported for January this year, and compare with 145 failures and liabilities amounting to \$2,417,925 in February 1930. Although the number of insolvencies in the Fifth district in February was the largest for any February since 1922, liabilities last month were lower than in February in any other year except 1929 and 1926 since 1920. Failures in the district increased in February 1931 by 10.3 per cent over failures in February 1930, but the National increase was 13.3 per cent. In aggregate liabilities involved, February this year showed a decline of 1.5 per cent for the Fifth district in comparison with liabilities reported in February last year, but the National total showed an increase of 16.1 per cent.

Employment

There were no changes of importance in employment conditions in the Fifth district in February and early March, but there does not appear to have been any increase in the number of idle workers, which is perhaps a slightly favorable sign. Unemployment increased steadily in most of the district through the fall and early winter months, but relief measures which

began to operate near the end of 1930 checked the growth in the list of people unable to find work, and perhaps reduced the number of idle persons to some extent. With the approach of milder weather, and some signs here and there of greater industrial activity, prospects for employment during the next few months appear better than in other recent months.

Coal Production

Bituminous coal production in the United States totaled approximately 31,408,000 net tons in February 1931, a smaller output than 38,542,000 tons mined in January this year or 39,555,000 tons in February 1930. Total production during the present coal year to March 7 (approximately 287 working days) amounts to 414,158,000 net tons, a smaller figure than for any other of the past five years.

In its March 7 report, the Bureau of Mines, Department of Commerce, gave production figures by states for January 1931. West Virginia mined 9,262,000 tons during that month, ranking second to 9,735,000 tons mined by Pennsylvania, and comparing with 12,163,000 tons produced in West Virginia in February 1930.

Tidewater shipments of coal through Hampton Roads in February totaled 1,626,980 net tons, and shipments this year since January 1 totaled 3,528,031 tons. Total shipments through all Fifth district ports this calendar year to February 28 totaled 4,004,640 net tons, approximately 65 per cent of 6,110,251 tons shipped through all ports.

Textiles

Textile mills in the Fifth reserve district increased operating time slightly during February, cotton consumption for the month on a daily basis exceeding that of January. Fifth district mills consumed 197,333 bales of cotton in February 1931, of which North Carolina mills used 103,144 bales, South Carolina mills 84,956 bales, and Virginia mills 9,233 bales. February consumption figures for the district compare with 207,320 bales used in January this year and 216,798 bales used in February 1930. Consumption in the district was 45.52 per cent of National consumption in February 1931, a slightly lower figure than 45.65 per cent in January this year, but higher than 43.85 per cent in February 1930. For the second successive month, sales of cotton textiles appear to have exceeded production during February. Since the first of this year a large majority of textile mills, including something like 75 to 80 per cent of Fifth district mills, have abandoned night work in an effort to stabilize operations without overproduction. The movement began as an elimination of night work for women and minors, but was broadened to include all workers in the textile industry.

Cotton Statistics

Spot cotton prices on ten leading Southern markets continued to advance during the last half of February, but turned downward again in March and at the middle of the month averaged lower than the price a month earlier. In our *Review* last month we quoted

the average price for upland short staple cotton, middling basis, as 10.14 cents per pound on February 13. On February 20 the average price was 10.20 cents, and on February 27 reached 10.40 cents. The first week of March witnessed a slight decline to 10.35 cents on March 6, and between March 6 and 13 the price dropped to 9.97 cents. On March 14, 1930, the average price on the same ten markets was 14.45 cents per pound.

Cotton consumption in the United States in February 1931 totaled 433,510 bales, compared with 454,188 bales used in January this year and 494,396 bales in February 1930. Total consumption for the seven months of the present cotton season—August 1 to February 28—amounted to 2,899,942 bales, compared with 3,808,741 bales consumed in the corresponding period ended February 28, 1930. Manufacturing establishments held 1,547,759 bales on February 28, compared with 1,613,475 bales held on January 31 this year and 1,806,040 bales on February 28, 1930. Public warehouses and compresses held 7,314,450 bales in storage at the end of February this year, compared with 7,939,454 bales so held a month earlier and 4,858,243 bales on February 28 last year. February exports totaled 432,996 bales, compared with 532,821 bales sent abroad in January this year and 402,074 bales exported in February last year. Exports during the seven months of this cotton year totaled 4,904,323 bales, compared with 5,293,086 bales shipped over seas during the corresponding seven months ended February 28, 1930. Spindles active in February numbered 25,763,408, compared with 25,611,458 in January this year and 28,920,162 in February 1930.

Consumption of cotton in the cotton growing states numbered 341,216 bales in February 1931, compared with 359,879 bales used in January and 381,365 bales in February 1930. Last month's consumption in the cotton growing states amounted to 78.71 per cent of National consumption, compared with 77.14 per cent of National consumption used in the cotton growing states in February last year. Of the 341,216 bales of cotton consumed in cotton growing states in February, the Fifth district mills used 197,333 bales, or 57.83 per cent, compared with 56.74 per cent of Southern consumption attained in the district in February last year.

The final ginning report on the 1930 cotton crop was issued by the Census Bureau on March 20, and showed the year's production to be 13,753,883 running bales, the equivalent of 13,929,941 bales of 500 pounds gross weight. The final ginning figure was 2.2 per cent below the final crop estimate of the Department of Agriculture made in December. In the Fifth district, all of the cotton growing states showed lower ginning figures than the estimates of probable production. North Carolina ginned 774,537 equivalent 500 pound bales, compared with a forecast of 795,000 bales for the year, South Carolina ginnings totaled 1,000,629 bales, compared with a forecast of 1,040,000 bales, and Virginia ginnings totaled 41,953 bales against a forecast of 42,000 bales. North and South

Carolina grew larger crops of cotton in 1930 than in 1929, but Virginia grew a smaller crop, due to the severe drought last summer. The district total production of 1,817,119 bales in 1930 showed an increase of 192,329 bales over the 1929 yield of 1,624,790 bales, but the price was so much lower last fall than in 1929 that the growers did not realize nearly as much for the larger crop as for the one of the previous year, which in turn had witnessed relatively low prices.

Tobacco Marketing

Virginia tobacco markets practically wound up the season's sales in February, only a few markets remaining open in March. Sales in February 1931 totaled 18,951,138 pounds of producers' tobacco, for an average price of \$5.15 per hundred pounds, compared with 13,685,725 pounds sold for an average of \$13.72 per hundred pounds in February 1930. Total sales for the 1930-1931 season to February 28 amounted to 129,193,398 pounds, and the average price for the season was \$8.71 per hundred, while in 1929-1930 sales prior to March totaled 126,334,955 pounds and the average season price was \$17.55 per hundred pounds. The increased sales on Virginia markets this season in comparison with sales in the 1929-1930 season were due to an increase in the amount of North Carolina grown tobacco sold on Virginia auction floors. Season sales of flue-cured tobacco in Virginia totaled 95,111,680 pounds, which sold for an average of \$8.01 per hundred; season sales of fire-cured tobacco totaled 22,213,797 pounds and the average price was \$8.51 per hundred; burley tobacco sold this season totaled 8,949,672 pounds and the price was \$17.05 per hundred; and sun-cured sales to February 28 totaled 2,918,249 pounds, for an average price of \$7.87 per hundred. Sales of flue-cured and burley tobacco exceeded sales of the previous year, but fire-cured and sun-cured sales were less this year. Average prices for all types were about half the averages for the 1929-1930 season, the 1930-1931 burley prices declining less than the price for other types. Among the individual markets, Danville led in season sales with 43,202,217 pounds, South Boston ranking second with 20,197,325 pounds. Lynchburg led the fire-cured markets with sales totaling 6,161,721 pounds, Blackstone ranking second with 5,343,461 pounds. All burley tobacco was sold at Abingdon and all sun-cured tobacco at Richmond.

North Carolina auction markets sold 19,614,029 pounds of tobacco for growers during February this year, for an average of \$6.62 per hundred pounds. Season sales total approximately 561,000,000 pounds, and the average price was \$12.90, compared with 481,456,651 pounds sold during the 1929-1930 season for an average of \$17.40 per hundred pounds. North Carolina markets closed during February. Wilson led in season sales this year with 77,788,672 pounds, Greenville ranking second with 62,352,988 pounds. Asheville, a new market this season, sold 2,959,434 pounds of burley tobacco, all other North Carolina tobacco being flue-cured.

Tobacco Manufacturing

Fifth district tobacco manufacturers made approximately 7,687,684,000 cigarettes in February 1931, compared with 6,898,979,000 cigarettes made in February 1930. The district manufactures about 87 per cent of all cigarettes made in the United States, and also manufactures smoking tobacco and cigars to a large extent. The district pays approximately 77 per cent of all tobacco taxes paid to the Federal government. Total taxes on all types of tobacco manufactures in February amounted to \$32,973,987, of which about \$25,390,000 was paid by Fifth district states, compared with a total tax of \$32,230,572 paid in February 1930, of which the Fifth district paid \$22,266,432. Cigar and smoking tobacco production was less in February this year than in February 1930, but cigarette and snuff output increased this year.

Agricultural Notes

Little farm work is done in February and early March. The weather this year has been favorable for cleaning up fields, patching fences, and other work of like nature. Very little spring plowing has been done, the ground in many sections being too dry, and this lack of moisture, especially the absence of snow, has retarded growth of winter grain crops. Cold weather retarded development of pastures, but the cold has been helpful in retarding premature budding of fruit trees. At present the outlook for agriculture in 1931 in the Fifth district is very poor, due to inability of many farmers to finance this year's activities, to lack of moisture in the ground to serve as a reserve for plant growth during the hot months of summer, and to a very weak price position of cotton and tobacco, the district's leading cash crops.

Construction

Building permits issued. A detailed table of building permits issued in the leading cities of the Fifth reserve district in February 1931 in comparison with February 1930 appears elsewhere in this *Review*. On the whole the record for February this year compares unfavorably with the February 1930 record, twenty-six of the thirty-two reporting cities showing lower valuation figures for the 1931 month. The total valuation figure for last month for the thirty-two cities was higher than last year, but the increase was due entirely to a large volume of work provided for in Washington. Baltimore reported a moderate amount of work provided for, Richmond, Norfolk, and the other larger centers reported relatively small figures. High Point, N. C., in proportion to population, ranked next to Washington in February valuation. The six cities which reported higher figures for February 1931 than for February 1930 were Frederick and Salisbury, Maryland; Lynchburg, Virginia; High Point and Salisbury, North Carolina, and Washington, D. C., the last named city accounting for \$5,159,315, or approximately 56 per cent, of the total of \$9,260,332 reported by the thirty-two cities.

Contracts awarded for construction work in the Fifth reserve district in February this year totaled \$19,665,618, including both urban and rural construction, compared with \$28,707,070 in contracts awarded in February 1930, according to figures collected by the F. W. Dodge Corporation. Of the February 1931 contracts, \$8,127,853 was for residential structures, compared with \$7,854,565 for residence work in February last year.

Retail Trade, 37 Department Stores

	Richmond	Baltimore	Washington	Other Cities	District
February 1931 sales, compared with sales in February 1930:	-10.0	-2.9	-2.4	-15.8	-5.1
Total sales in two months of 1931, compared with first two months of 1930:	-6.6	-4.7	.6	-13.4	-4.4
Feb. 28, 1931 stocks, compared with stocks on Feb. 28, 1930:	-16.5	-11.3	-13.0	-16.6	-13.3
Feb. 28, 1931 stocks, compared with stocks on Jan. 31, 1931:	+10.5	+5.1	+7.2	+4.6	+6.3
Number of times stock was turned in February 1931:	.262	.272	.293	.187	.266
Number of times stock was turned since January 1, 1931:	.535	.547	.581	.368	.530
Percentage of Feb. 1, 1931, receivables collected in February:	31.1	24.0	30.7	26.3	27.1

Department store sales in the Fifth Federal reserve district in February 1931 averaged 5.1 per cent less than sales in February 1930, and were probably somewhat below seasonal volume in comparison with sales in January and other recent months. The decline in comparison with sales last year, however, is at least partly accounted for by generally lower prices this year. Thirty-seven stores located in eighteen cities reported on their February business, and among the individual cities from which three or more reports were received Washington made the best record with an average decline of only 2.4 per cent. In total sales during the first two months of 1931, the 37 stores averaged a decrease of 4.4 per cent in comparison with sales in the first two months of 1930.

Stocks in the reporting stores increased seasonally during February, rising by 6.3 per cent over those on hand at the end of January, but on February 28 this year averaged 13.3 per cent less than a year ago. Part of this decline was also due to price changes. The reporting stores turned their stock an average of .266 times during February, and between January 1 and February 28 stocks were turned .53 times, both of these averages exceeding those for the corresponding periods in 1930.

The percentage of collections in February 1931 to total accounts receivable on February 1 was higher than the percentage for February 1930. Richmond reported the highest collection percentage, while Baltimore reported the lowest chiefly because of a relatively large volume of instalment accounts included in the Baltimore figures.

Wholesale Trade, 65 Firms

	24	9	6	15	11
	Groceries	Dry Goods	Shoes	Hardware	Drugs
February 1931 sales, compared with sales in February 1930:	-20.8	-36.1	-10.2	-28.1	-4.1
February 1931 sales, compared with sales in January 1931:	-8.7	-4.9	+63.5	-7.6	-14.9
Jan.-Feb. 1931 sales, compared with sales in Jan.-Feb. 1930:	-20.1	-33.6	-19.9	-31.7	-2.8
Feb. 28, 1931 stocks, compared with Feb. 28, 1930 stocks:	-19.0(8*)	-28.2(4*)	-17.2(5*)	-7.3(8*)	-----
Feb. 28, 1931 stocks, compared with Jan. 31, 1931 stocks:	-6.7(8*)	-1.9(4*)	+4.1(5*)	+ .6(8*)	-----
Percentage of Feb. 1, 1931 receivables collected in February:	53.4(14*)	31.8(6*)	23.3(6*)	27.8(12*)	56.6(8*)

— Decreased percentage. * Number of reporting firms.

Wholesale trade in the Fifth district has not held up during the past year as well as retail trade, probably due in large part to changing methods of merchandising. In February this year five lines of trade for which figures are available sold less than they sold in February 1930, the decreases in percentage ranging from 4.1 per cent in drugs to 36.1 per cent in dry goods. Total sales in the first two months of 1931

show the same marked decline, business in January having been about on a level with that of February in comparison with the earlier year. Shoe sales in February showed a seasonal increase over January 1931 sales, but dry goods sales failed to show the usual February gain.

Stocks of merchandise on the shelves of 25 reporting firms were lower on February 28, 1931, than on February 28, 1930, but shoe and hardware stocks increased over those on hand at the end of January. Dry goods failed to show an increase in stocks last month, contrary to seasonal trend.

Collections in February 1931 were slower in all lines reported upon than collections in January this year, and also compared unfavorably with collections in February last year in groceries, dry goods and hardware. Shoe and drug collections were somewhat better last month than in February 1930.

(Compiled March 21, 1931)

BUILDING OPERATIONS FOR THE MONTHS OF FEBRUARY 1931 AND 1930.

No.	CITIES	Permits Issued				New Construction		Alterations		Increase or Decrease of Total Valuation	No.	
		New		Repairs		1931	1930	1931	1930			
		1931	1930	1931	1930							
1	Baltimore, Md.....	283	364	591	662	\$ 2,402,880	\$ 2,484,360	\$ 354,600	297,760	\$—	24,640	1
2	Cumberland, Md.....	5	6	5	9	4,450	4,171	825	2,743	—	1,639	2
3	Frederick, Md.....	8	11	15	8	31,692	13,765	43,181	2,545	—	58,563	3
4	Hagerstown, Md.....	13	13	2	4	31,155	34,565	350	5,425	—	8,485	4
5	Salisbury, Md.....	19	19	10	8	30,375	27,700	3,475	1,650	—	4,500	5
6	Danville, Va.....	4	6	7	17	305	352	2,150	12,014	—	9,911	6
7	Lynchburg, Va.....	22	10	22	21	52,806	8,975	8,300	39,437	—	12,694	7
8	Norfolk, Va.....	53	66	40	35	61,786	157,430	44,170	16,525	—	67,999	8
9	Petersburg, Va.....	4	7	2	8	400	15,975	700	11,665	—	26,540	9
10	Portsmouth, Va.....	12	13	14	20	23,825	34,200	6,430	16,241	—	20,186	10
11	Richmond, Va.....	43	48	65	51	70,457	247,313	0,833	85,734	—	211,757	11
12	Roanoke, Va.....	24	26	17	20	48,331	110,111	59,951	17,109	—	68,938	12
13	Bluefield, W. Va.....	5	5	5	5	785	13,575	2,350	6,395	—	16,835	13
14	Charleston, W. Va.....	12	28	8	13	19,375	53,700	1,583	19,100	—	51,842	14
15	Clarksburg, W. Va.....	11	11	7	7	5,495	26,905	9,375	6,525	—	18,560	15
16	Huntington, W. Va.....	5	16	3	4	7,000	12,000	890	3,000	—	7,110	16
17	Asheville, N. C.....	10	11	17	44	8,680	40,975	20,355	14,895	—	26,835	17
18	Charlotte, N. C.....	15	31	34	36	57,635	221,500	10,891	19,924	—	172,898	18
19	Durham, N. C.....	7	9	6	7	24,000	32,550	3,039	5,800	—	11,311	19
20	Greensboro, N. C.....	9	16	33	26	24,451	55,930	7,766	14,887	—	38,600	20
21	High Point, N. C.....	8	10	5	6	343,400	27,350	21,400	26,700	—	310,750	21
22	Raleigh, N. C.....	9	10	11	13	25,825	58,960	9,375	7,000	—	30,760	22
23	Rocky Mount, N. C.....	4	9	2	1	3,050	6,270	750	600	—	3,070	23
24	Salisbury, N. C.....	3	4	0	1	15,000	12,600	0	75	—	2,325	24
25	Wilmington, N. C.....	5	11	7	9	13,000	22,500	3,800	3,400	—	9,100	25
26	Winston-Salem, N. C.....	10	31	37	59	2,980	314,715	14,505	20,475	—	317,705	26
27	Charleston, S. C.....	11	15	25	44	30,735	181,750	15,865	16,730	—	151,880	27
28	Columbia, S. C.....	9	17	34	24	32,900	412,250	6,705	19,185	—	391,830	28
29	Greenville, S. C.....	15	10	22	27	45,890	273,300	7,025	21,547	—	241,932	29
30	Rock Hill, S. C.....	4	12	8	8	12,800	120,240	3,210	940	—	105,170	30
31	Spartanburg, S. C.....	2	12	13	25	2,040	17,750	3,665	4,374	—	16,419	31
32	Washington, D. C.....	122	66	274	217	4,855,325	700,900	303,990	156,270	—	4,302,145	32
	Totals.....	766	923	1,341	1,439	\$ 8,288,828	\$ 5,744,637	\$ 971,504	\$ 876,670	\$	2,639,025	

— Denotes decrease.

NOTE—The figures in the above table reflect the amount of work provided for in the corporation limits of the several cities, but take no account of suburban developments.

BUSINESS CONDITIONS IN THE UNITED STATES

(Compiled by the Federal Reserve Board)

Output of most of the important industries increased more than seasonally in February; and although factory employment advanced at a less rapid rate, the volume of wage payments at factories also rose by more than the usual seasonal amount. The general level of commodity prices continued to decline.

Production.

Industrial production, as measured by the Board's index, which is adjusted to allow for seasonal variation, increased by 4 per cent in February from the low level prevailing in December and January. On the basis of the average for 1923-1925 as 100 the volume of production in February was 85, compared with 82 for the two preceding months, and 107 for February of last year. At steel mills activity increased considerably, and the output of automobiles advanced by somewhat more than the usual seasonal amount. Output of shoe factories and textile mills increased substantially, while the output of coal continued to decline. During the first half of March activity at steel mills continued to increase.

Value of building contracts awarded in February was slightly larger than in January, according to the F. W. Dodge Corporation. An increase in residential building was accompanied by a decrease in contracts for public works and utilities, while awards for factories and commercial buildings continued in small volume. In the first half of March there was an increase in the daily average of contracts awarded, as is usual at this season.

Factory Employment and Pay Rolls.

Factory employment increased slightly less than usual in February, while factory pay rolls increased by more than the seasonal amount from the low level of January. In many industries the rate of increase in pay rolls was about the same as in February of other recent years, but in the automobile, shoe, woolen goods, and clothing industries, the rate of increase was larger than usual.

Distribution.

Daily average freight car loadings showed little change from January to February, while ordinarily there is an increase at this season. Sales by department stores increased slightly.

Wholesale Prices.

Wholesale commodity prices declined further in February, and the Bureau of Labor Statistics index, at 75.5 per cent of the 1926 average, was about 18 per cent below the level of a year ago. Prices of many agricultural products decreased considerably, while the price of cotton advanced further. In the first half of March there were considerable increases in prices of silver, livestock, meats, and hides, and declines in the prices of petroleum and cotton.

Bank Credit.

Loans and investments of member banks in leading cities changed relatively little between the end of January and the middle of March. Total loans on securities declined, notwithstanding the growth in brokers' loans in New York City, and all other loans showed considerable further liquidation, while the banks' investments continued to increase.

Volume of reserve bank credit tended downward in February and showed little change between March 4 and March 18. Funds arising from gold imports in February were largely absorbed in meeting a seasonal demand for currency, while in the early part of March there was an increase in member bank reserve balances.

Money rates in the open market continued at low levels from the middle of February to the middle of March. Rates on commercial paper were reduced from a range of $2\frac{1}{2}$ - $2\frac{3}{4}$ to a prevailing level of $2\frac{1}{2}$ per cent, while rates on 90-day bankers' acceptances remained at $1\frac{1}{2}$ per cent. Yields on high grade bonds continued to decline.