

MONTHLY REVIEW

CREDIT, BUSINESS AND AGRICULTURAL CONDITIONS



WILLIAM W. HOXTON, CHAIRMAN AND FEDERAL RESERVE AGENT
FEDERAL RESERVE BANK OF RICHMOND

RICHMOND, VIRGINIA

APRIL 30, 1931

MARCH business in the Fifth Federal reserve district showed a seasonal increase over February trade in some lines, but in others the developments of the month were disappointing. Deposits in reporting member banks increased during the past month, both demand and time deposits registering gains. At the same time the member banks failed to increase their agricultural loans as they usually do at this season. In consequence, they were able to increase their investments in securities and to reduce their rediscounts at the reserve bank, contrary to seasonal trend. At the end of March 1931 total deposits in twelve mutual savings bank in Baltimore were at the highest figure on record, and time deposits on April 15 in reporting member banks in the Fifth district were considerably above time deposits a year ago. Debits to individual accounts figures, representing payments by check, were seasonally larger during the five weeks ended April 15, 1931, than during the preceding five weeks, ended March 11, but were 15 per cent less than debits in the corresponding five weeks in 1930. The marked decrease in debits this year was due in part to lower price levels, but probably lower income tax payments this year also accounted for some of the decline. Business failures in the Fifth district in March were more numerous than in any other March since 1922, and aggregate liabilities involved in the month's insolvencies were also exceptionally high. In comparison with the bankruptcy record of March 1930, the March 1931 record for the Fifth district was worse than the National record. Labor conditions showed little if any real improvement in March, although there was some increase in such work as painting, gardening, etc. Coal production continues in less volume than a year ago, and West Virginia remains below Pennsylvania in output. The textile industry apparently improved somewhat further in March, and cotton consumption in Fifth district mills showed more than a seasonal rise in March, but still was below consumption in March last year. However, the percentage of National consumption attained by Fifth district mills was higher in March than in the corresponding month last year. Retail trade as reflected by department store sales rose 6 per cent last month in comparison with trade in

March 1930, but most of this increase was due to the earlier date of Easter this year. Wholesale trade in March registered seasonal gains over February business, but fell behind March 1930 business in all lines, except shoes, for which figures are available. Building permits issued in leading cities of the Fifth district in March provided for only a little over half as much work as was provided for in March 1930 permits, and contract award figures for March this year were also materially lower than those for the corresponding month a year ago. Spring weather was favorable for farming, on the whole. There was a deficiency in moisture until the middle of March, and consequently grain crops are in poorer condition than a year ago, but in the second half of March and early April general rains put soil in excellent condition for plowing and planting, and stimulated growth of grains and pastures. Cool weather through March delayed fruit tree development until serious danger from frost had passed, thus giving excellent prospects for this year's fruit yield. On the whole, agricultural prospects are better than they were a year ago insofar as yields in the fields are concerned, but there has been no improvement in the price outlook.

Reserve Bank Statement

ITEMS	000 omitted		
	April 15 1931	Mar. 15 1931	April 15 1930
Rediscounts held	\$ 14,475	\$ 17,611	\$ 16,185
Open market paper.....	104	1,462	10,287
Government securities	16,983	17,122	12,640
Total earning assets.....	31,562	36,195	39,112
Circulation of Fed. Res. notes....	78,483	81,757	72,197
Members' reserve deposits.....	62,075	61,141	66,057
Cash reserves	118,223	114,267	111,399
Reserve ratio	82.41	79.75	77.68

The volume of rediscounts held by the Federal Reserve Bank in Richmond declined \$3,136,000 between March 15 and April 15, this year, in spite of the seasonal need for credit at country banks and at city banks with country correspondents for crop planting and fertilizer purchases. The reserve bank reduced

its holdings of open market paper by \$1,358,000 during the same month, and also lowered its holdings of Government securities by \$139,000. These changes resulted in a net decline of \$4,633,000 in the Bank's total earning assets between March 15 and April 15. The circulation of Federal reserve notes dropped \$3,274,000 during the month under review, a seasonal decline at a time when book credit rather than cash is needed. Member bank reserve deposits at the Federal Reserve Bank of Richmond rose by \$934,000 last month, but this was probably no more than a daily fluctuation in the total balance. The several changes in the statement previously mentioned, with others of less importance, raised the cash reserves of the Richmond reserve bank by \$3,956,000 between March 15 and April 15, and brought the ratio of reserves to note and deposit liabilities combined up 2.66 points.

A comparison of the April 15, 1931 figures with those reported for April 15, 1930, shows less demand for reserve bank credit this year. During the period, rediscounts for member banks held by the Federal Reserve Bank of Richmond declined \$1,710,000, and the Bank's portfolio of open market paper dropped by \$10,183,000. These decreases in earning assets were partly offset by an increase of \$4,343,000 during the year in holdings of Government securities, but there was a net decline of \$7,550,000 in total earning assets. On April 15, 1931, the circulation of Federal reserve notes totaled \$6,286,000 above the aggregate amount in circulation on April 15 last year, this increase probably being due to a stronger cash position in which many banks in the Fifth district are keeping themselves at present. On the other hand, member bank reserve deposits held by the Richmond bank were \$3,982,000 lower at the middle of April than on the same date a year earlier, lower reserves being required against reduced deposits in member banks this year. The cash reserves of the Federal Reserve Bank of Richmond rose by \$6,824,000 between April 15, 1930, and April 15, 1931, and the ratio of cash reserves to note and deposit liabilities combined gained 4.73 points. The increase in the Bank's cash reserves during the year was due chiefly to the reduction in investments in open market paper.

Member Bank Statement

ITEMS	000 omitted		
	April 15 1931	Mar. 11 1931	April 16 1930
Loans on stocks and bonds (including Governments)	\$161,826	\$164,935	\$196,047
All other loans.....	262,266	269,015	296,383
Total loans and discounts.....	424,092	433,950	492,430
Investments in stocks & bonds.....	222,909	181,735	157,979
Reserve bal. with F. R. Bank....	38,263	38,596	38,092
Cash in vaults.....	13,777	15,732	11,296
Demand deposits	331,198	329,004	346,839
Time deposits	259,033	250,023	246,220
Borrowed from F. R. Bank.....	3,720	5,763	4,677

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.

Demand for credit at the reporting member banks showed an unseasonal decline between March 11 and April 15, this year, loans on stocks and bonds decreasing \$3,109,000 and all other loans declining \$6,749,000, a total decrease of \$9,858,000 during the month. On the other hand, the banks increased their investments in stocks and bonds by \$41,174,000 between March 11 and April 15, and reduced their borrowing at the Federal Reserve Bank of Richmond by \$2,043,000. Cash in vaults declined \$1,955,000 during the month under review, and aggregate balances of the fifty-three reporting member banks at the reserve bank decreased by \$333,000. Deposits rose last month, demand deposits gaining \$2,194,000 and time deposits rising \$9,010,000 between March 11 and April 15.

In comparison with figures reported by the fifty-three member banks on April 16, 1930, those for April 15, 1931, show material changes in most items. Total loans and discounts decreased \$68,338,000 during the year, loans on stocks and bonds declining \$34,221,000 and all other loans dropping \$34,117,000. On the other hand, the reporting banks' investments in stocks and bonds rose by \$64,930,000 during the year, very nearly the same amount as the total decrease in loans. The reserve balances of the fifty-three banks at the reserve bank showed only a daily fluctuation between the middle of April last year and this, but the banks' cash in vault rose by \$2,481,000. Aggregate deposits declined \$2,828,000 during the year, demand deposits decreasing \$15,641,000 while time deposits increased \$12,813,000. The reporting institutions were borrowing very little at the reserve bank on either April 15 this year or April 16 last year, but the 1931 figure showed a decline of \$957,000.

Savings and Time Deposits

Twelve mutual savings banks in Baltimore gained in deposits during March, and reporting member banks also gained in time deposits. Aggregate deposits in the twelve mutual savings banks in Baltimore at the end of March 1931 totaled \$204,327,056, compared with \$202,179,485 on February 28, 1931, and \$192,327,234 on March 31, 1930. Time deposits in fifty-three regularly reporting member banks in the Fifth district totaled \$259,033,000 on April 15, in comparison with \$250,023,000 on March 11 this year and \$246,220,000 on April 16, 1930.

Debits to Individual Accounts

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 five weeks, ended April 15, 1931, March 11, 1931, and April 16, 1930, thus affording opportunity for comparison of the latest figures with those for the preceding like period this year and the corresponding period a year ago.

CITIES	000 omitted		
	Total debits, five weeks ended		
	April 15, 1931	March 11, 1931	April 16, 1930
Asheville, N. C.....	\$ 14,693	\$ 12,565	\$ 32,743
Baltimore, Md.	428,394	434,811	533,466
Charleston, S. C.	20,901	21,705	28,300
Charleston, W. Va.....	43,043	41,110	51,933
Charlotte, N. C.....	55,193	45,791	64,454
Columbia, S. C.....	28,966	26,171	32,593
Cumberland, Md.	9,070	8,556	10,164
Danville, Va.	6,888	7,736	7,786
Durham, N. C.....	28,650	26,218	31,957
Greensboro, N. C.....	22,487	20,011	29,252
Greenville, S. C.....	19,001	19,134	23,110
Hagerstown, Md.	10,435	9,305	12,153
Huntington, W. Va.....	18,756	17,663	25,606
Lynchburg, Va.	19,320	19,183	22,894
Newport News, Va.....	12,119	12,662	12,786
Norfolk, Va.	54,290	55,044	66,605
Portsmouth, Va.	4,979	5,123	5,661
Raleigh, N. C.....	23,201	20,504	31,547
Richmond, Va.	142,501	134,784	152,418
Roanoke, Va.	29,268	29,089	36,422
Spartanburg, S. C.....	11,699	10,311	13,881
Washington, D. C.....	290,882	269,745	309,440
Wilmington, N. C.....	15,209	12,827	19,523
Winston-Salem, N. C.....	52,447	36,326	54,079
Totals.....	\$1,362,392	\$1,296,374	\$1,608,773

Total debits in the reporting cities in the five weeks ended April 15 showed an increase of \$66,018,000, or 5.1 per cent, over total debits in the preceding five weeks, ended March 11. The increase was seasonal, and was due chiefly to income tax payments on March 15 and quarterly settlements on April 1, both of these important dates falling in the latest five weeks. The seasonal increase was smaller this year than in most years, income tax payments on 1930 incomes proving considerably lower than taxes paid on incomes in other recent years. Seventeen of the twenty-four cities reported larger totals for the April 15 period, but seven cities failed to show the usual increases. All of the larger centers except Baltimore and Norfolk reported higher figures for the later five weeks. Winston-Salem made the greatest percentage increase, with Charlotte and Wilmington second and third, respectively.

A comparison of the debits figures for the five weeks ended April 15 this year with the figures of the corresponding period ended April 16, 1930, shows a decrease this year of \$246,381,000, or 15.3 per cent, the largest decline shown in any period for several years. Every one of the twenty-four reporting cities showed lower totals for the 1931 five weeks than for the same period last year.

Commercial Failures

The business mortality record in the Fifth reserve district in March 1931 was relatively bad. Failures numbering 168 exceeded the number of insolvencies in any other March since 1922, and, except for intervening Januarys, were more numerous than in any other month since May 1922. Aggregate liabilities involved in March 1931 failures totaled \$4,701,539, the highest figure reported for any month since April 1930, and

the highest March figure with two exceptions on record. The number of failures reported last month was 33 per cent above the number of insolvencies in March 1930, and last month's liabilities exceeded those of the corresponding month in 1930 by 78 per cent. National figures for March 1931 showed increases of 11 per cent in number of bankruptcies and 6 per cent in liabilities in comparison with figures for March 1930, a much more favorable comparison than the one for the Fifth district.

Employment

The pressure of unemployment showed some seasonal improvement during the past month, but otherwise the situation changed very little. A considerable amount of spring painting, papering, yard and garden work, etc., has given employment to a number of people, but statistics available indicate that this seasonal work is not up to usual volume this year. Farmers are hiring some help to prepare land and plant crops, but there is a surplus of farm workers and in addition many farmers are not in position to hire help this season. There was some increase in construction work in March, but the volume of building in the Fifth district is still materially below that of other recent years, and many workers in building trades are consequently unemployed or are able to obtain work for part time only.

Coal Production

Production of bituminous coal in the United States during the month of March amounted to 33,870,000 net tons as against 31,408,000 tons mined in February 1931 and 33,773,000 tons in March 1930. The increase last month in comparison with February tonnage was due to the longer month, daily average production in March being nearly 1 per cent less than production in February. Total production of soft coal during the present calendar year to April 11 (approximately 86 working days) amounts to 114,929,000 net tons, a materially smaller amount than for any other year during the past five. Coal shipped by water through Hampton Roads, Baltimore and Charleston, S. C., in March totaled 1,938,807 net tons, and since January 1, 1931, these ports have shipped 5,943,447 tons, or 66 per cent, of total tidewater shipments of bituminous coal.

The March 21 report of the Bureau of Mines, Department of Commerce, showed production figures by states for February. West Virginia with an output of 7,746,000 net tons was in second place, Pennsylvania with 8,690,000 tons ranking first. The three coal producing states of the Fifth district, West Virginia, Virginia and Maryland, dug approximately 28 per cent of all soft coal mined in February, the same percentage of the total that the district reported in February a year ago.

Textiles

Conditions in the textile industry continued to show some improvement in March, and daily consumption of cotton by Fifth district mills during the month rose 3.3 per cent over daily consumption in February. Or-

ders for textile products somewhat exceeded production, further reducing surplus stocks in warehouses of the mills. Fifth district mills consumed 220,902 bales of cotton in March this year, of which North Carolina mills used 117,200 bales, South Carolina mills 92,954 bales, and Virginia mills 10,748 bales. In February 1931 Fifth district mills consumed 197,331 bales and in March 1930 used 224,881 bales. Consumption in the Fifth district was 45.03 per cent of National consumption in March 1931, a slightly lower figure than 45.52 per cent in February this year, but higher than 44.30 per cent in March 1930. During the past two months the percentage of cotton consumed in the Fifth district in comparison with National consumption has decreased slightly, indicating a somewhat greater improvement in the textile industry in other sections than the Fifth district.

Cotton Statistics

Spot cotton prices on ten Southern markets slowly declined during the past month, dropping gradually from 9.97 cents per pound, upland middling basis, on March 13 to 9.48 cents per pound on April 17, the latest date for which figures are available. The latest figure quoted shows a decline of \$28 a bale under the mid-April 1930 price, and is \$47 a bale lower than the price on the corresponding date in 1929.

Cotton consumption in the United States in March 1931 totaled 490,586 bales, compared with 433,510 bales used in February this year and 507,646 bales in March 1930. Total consumption for the eight months of the present cotton season—August 1 to March 31—amounted to 3,390,528 bales, compared with 4,316,387 bales consumed in the corresponding period ended March 31, 1930. Manufacturing establishments held 1,477,758 bales on March 31, compared with 1,547,759 bales held on February 28 this year and 1,758,171 bales on March 31, 1930. Public warehouses and compresses held 6,642,648 bales in storage at the end of March this year, compared with 7,314,450 bales, so held a month earlier and 4,198,077 bales on March 31 last year. March exports totaled 605,461 bales, compared with 432,996 bales sent abroad in February this year and 477,678 bales exported in March last year. Exports during the eight months of this cotton year totaled 5,509,724 bales, compared with 5,770,764 bales shipped over seas during the corresponding eight months ended March 31, 1930. Spindles active in March numbered 26,489,832, compared with 25,763,408 in February this year and 28,862,400 in March 1930.

Cotton growing states consumed 383,552 bales in March 1931, compared with 341,216 bales used in February and 393,906 bales in March 1930. Last month's consumption in the cotton growing states amounted to 78.18 per cent of National consumption, compared with 77.59 per cent of National consumption used in the cotton growing states in March last year. Of the 383,552 bales of cotton consumed in cotton growing states in March, the Fifth district mills used 220,902 bales, or 57.59 per cent, compared with 57.09 per cent of Southern consumption attained in the district in March last year.

Tobacco Marketing

Virginia tobacco markets closed in February and March, and the Agricultural Statistician of the state has issued a report on the season's sales. Producers' tobacco sold for the 1930-1931 season totaled 131,966,925 pounds, compared with 126,825,002 pounds sold during the previous season. Although sales from the 1930 crop totaled about 4 per cent above sales from the 1929 crop, the current season's average price of \$8.61 per hundred pounds brought growers a total of only \$11,359,000, in comparison with an average price of \$17.53 for the 1929 crop which brought a total of \$22,228,000. Flue-cured sales this year totaled 96,315,754 pounds, which sold at an average of \$7.94 per hundred, compared with 92,949,878 pounds sold for an average of \$17.36 from the 1929 crop. Fire-cured tobacco sold this season in Virginia totaled 23,324,643 pounds, at an average of \$8.26 per hundred pounds, compared with sales totaling 22,811,016 pounds last season for which growers received \$16.87 per hundred. Burley sales amounted to 8,949,672 pounds this season, at an average of \$17.05 per hundred, compared with 6,930,130 pounds at an average of \$24.45 last year. Sun-cured tobacco sold totaled 3,376,856 pounds at an average of \$7.73, compared with 4,133,978 pounds sold during the previous season for an average of \$13.23 per hundred. Among the individual markets, Danville led in total sales of flue-cured tobacco with 44,025,824 pounds, and Lynchburg led the fire-cured markets with sales aggregating 6,357,724 pounds. Danville also led in price for flue-cured tobacco with an average for the season of \$9.30 per hundred, and Blackstone led the fire-cured markets with \$11.59 per hundred. All burley tobacco was sold at Abingdon and all sun-cured at Richmond. According to estimates of warehousemen, this season's sales graded 10 per cent good, 26 per cent medium, and 64 per cent common, compared with 26 per cent good, 39 per cent medium, and 35 per cent common last season.

North Carolina markets sold 562,936,467 pounds of growers' tobacco from the 1930 crop, at an average price of \$12.85 per hundred pounds, compared with 481,456,650 pounds sold from the 1929 crop at an average of \$18.40 per hundred. All North Carolina tobacco is flue-cured except 2,959,434 pounds of burley sold at Asheville this year, this being the first season a burley market has been open in the state. Wilson led all markets in total sales this season with 77,788,672 pounds, Greenville and Winston-Salem ranking second and third, respectively. In average price paid growers Fuquay Springs was first with \$16.19 per hundred, followed by the burley market at Asheville with \$15.83 and Cathage with \$15.60. The following figures show clearly how over production of tobacco in recent years has affected income received by North Carolina growers.

Year	Production	Value
1925	380,165,000 lbs.	\$ 87,438,000
1926	386,460,000	96,615,000
1927	485,419,400	108,248,526
1928	499,408,000	95,886,336
1929	502,600,000	91,473,000
1930	579,216,000	74,429,256

Agricultural Notes

The 1930 agricultural season is quite late, weather having continued cold through most of March and moisture during the first two and a half months of the year being insufficient for plant growth. However, since the middle of March general rains have fallen over the entire district, and weather has been favorable for plant growth and farm work. Winter grains are in poorer condition than at this time last year, due chiefly to poor stands secured in the fall of 1930 as a result of dry soil at planting and germinating time. Pastures were very slow in providing grazing this spring, but grass grew rapidly in the first half of April. Fruit prospects this year are much better than a year ago, the lateness of the season having retarded budding until there is little danger from freezes or frosts during the remainder of the spring. Intentions-to-plant reports issued by the Department of Agriculture indicate some probable reduction in acreage, but the surplus of cotton and tobacco accumulated in recent years is so large that drastic reductions in acreage would have to be made to affect prices materially.

Retail Trade, 35 Department Stores

Richmond	Baltimore	Washington	Other Cities	District
March 1931 sales, compared with sales in March 1930:				
+ 3.9	+ 3.7	+13.3	- 3.8	+ 6.3
Total sales in 3 mos. of 1931, comp. with 1st 3 mos. of 1930:				
- 2.5	- 1.5	+ 4.5	- 9.9	- .3
Mar. 31, 1931 stocks, compared with stocks on Mar. 31, 1930:				
-18.9	-11.9	-15.3	-17.4	-14.6
Mar. 31, 1931 stocks, compared with stocks on Feb. 28, 1931:				
- 1.0	+ 9.4	+ 6.9	+ 4.3	+ 6.7
Number of times stock was turned in March 1931:				
.362	.353	.353	.249	.34
Number of times stock was turned since January 1, 1931:				
.904	.895	.932	.619	.872
Percentage of March 1, 1931, receivables collected in March:				
31.5	25.4	33.2	28.4	28.9

Department store sales in thirty-five leading stores in the Fifth Federal reserve district in March 1931 averaged 6.3 per cent in dollar volume above sales in March 1930, but it is difficult to determine how large a part of the increase was due to the earlier date of Easter this year. All of the 1930 seasonal buying for Easter occurred in April, but this year March weather was good and Easter fell so early in April that a very large part of the seasonal buying was done in March. The good record of last month did much to make up for the relatively poor trade of January and February, and total sales during the first quarter of 1931 averaged only 3/10 of 1 per cent less than sales in the first quarter of 1930, when prices were materially higher in many lines than they are at present.

Stocks on the shelves of the reporting department stores rose an average of 6.7 per cent during March, a seasonal increase just before Easter, but on March 31 average stocks at retail prices were 14.6 per cent below stocks on hand on March 31, 1930. Stocks were turned .34 times in March this year, and during the first quarter of 1931 stocks were turned .872 times, a

higher figure than .74 times in the first three months of 1930.

Collections in March 1931 in thirty-four of the thirty-five stores averaged 28.9 per cent of receivables outstanding on March 1, a better record than that of March 1930, when 27.4 per cent of outstanding receivables as of March 1 were collected during the month.

Wholesale Trade, 65 Firms

24	9	6	15	11
Groceries	Dry Goods	Shoes	Hardware	Drugs
March 1931 sales, compared with sales in March 1930:				
-16.3	-29.9	+ .1	-29.6	- 7.5
March 1931 sales, compared with sales in February 1931:				
+ 9.1	+ 9.1	+30.6	+ 4.0	+ 3.5
Jan.-Mar. 1931 sales, compared with sales in Jan.-Mar. 1930:				
-18.8	-32.4	-12.0	-31.0	- 4.4
March 31, 1931 stocks, compared with March 31, 1930 stocks:				
-16.7(8*)	-26.2(4*)	-14.4(6*)	- 7.5(8*)	.....
March 31, 1931 stocks compared with Feb. 28, 1931 stocks:				
+ .2(8*)	+ .2(4*)	- 2.0(5*)	- 1.2(8*)	.....
Percentage of March 1, 1931 receivables collected in March:				
58.7(14*)	35.8(6*)	25.3(6*)	29.4(12*)	57.4(8*)

—Denotes decreased percentage. *Number of reporting firms.

Sixty-five wholesale firms in the Fifth reserve district sold more goods in March 1931 than in February this year, chiefly a seasonal increase, but in some lines the increases were perhaps greater than in most years. In comparison with March 1930 sales, however, those for March 1931 were materially lower in dollar amount in all lines reported upon except shoes, in which a small gain in sales was reported last month. All five lines for which data are available report lower total sales for the first quarter of 1931, in comparison with sales in the first quarter of 1930.

Stocks of the reporting firms did not change materially during March this year, but on March 31 all lines showed smaller stocks than on the corresponding date a year ago, dry goods stocks decreasing most and hardware stocks least during the year.

Collections in all five lines were seasonally better in March than in February this year, the percentages of collections during the month to receivables outstanding on March 1 being larger than the percentages for the earlier month. Dry goods and shoe collections in March 1931 were also better than those for March 1930, but the percentages of collections in groceries, hardware and drugs were lower last month than in the corresponding month a year ago.

Construction

Building permits issued in March in thirty-one Fifth district cities provided for much less work than permits issued in March 1930. Last month 1,133 permits were issued for new construction, compared with 1,275 permits in March last year. Valuation figures for new construction totaled only \$6,250,824 in March 1931, against \$12,099,867 for similar work in March 1930. Total valuation figures for all classes of work issued in March were \$7,193,060, a decrease of \$5,927,232, or 45.2 per cent, under valuation figures totaling \$13,120,292 in March last year. Only six of the 31 re-

porting cities showed higher valuation figures for the 1931 month, and most of these increases were due to very low 1930 figures rather than to a large volume of work this year. No figures for March 1931 were obtainable from Huntington, West Virginia, and that city was therefore omitted from the table of building permits printed elsewhere in this *Review*.

Contracts awarded for construction work in the

Fifth reserve district in March this year totaled \$30,615,813, including both urban and rural construction, compared with \$43,220,110 in contracts awarded in March 1930, according to figures collected by the F. W. Dodge Corporation. Of the March 1931 contracts, \$9,767,128 was for residential structures, compared with \$10,356,810 for residence work in March last year.

(Compiled April 21, 1931)

BUILDING OPERATIONS FOR THE MONTHS OF MARCH 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.....	427	498	776	949	\$ 1,901,160	\$ 2,087,640	\$ 465,600	443,520	\$— 164,400	1
2	Cumberland, Md.....	9	13	12	8	133,385	12,925	3,829	2,850	— 121,439	2
3	Frederick, Md.....	3	19	9	11	7,125	10,495	5,895	4,160	— 1,635	3
4	Hagerstown, Md.....	15	20	1	4	30,225	31,482	3,310	8,600	— 6,547	4
5	Salisbury, Md.....	14	26	10	12	30,175	57,125	3,750	2,675	— 25,875	5
6	Danville, Va.....	5	5	9	10	6,427	2,000	7,570	8,605	— 3,392	6
7	Lynchburg, Va.....	15	32	13	20	139,108	234,425	4,673	30,335	— 120,979	7
8	Norfolk, Va.....	83	94	45	41	80,770	369,337	22,171	22,980	— 289,376	8
9	Petersburg, Va.....	1	5	2	4	4,000	17,250	225	3,300	— 16,325	9
10	Portsmouth, Va.....	21	21	15	26	26,021	26,200	8,785	17,493	— 8,887	10
11	Richmond, Va.....	65	68	70	70	409,383	246,115	41,491	76,235	— 128,524	11
12	Roanoke, Va.....	35	39	19	27	95,653	130,077	4,682	10,272	— 40,014	12
13	Bluefield, W. Va.....	3	8	7	2	283	123,000	1,825	1,050	— 121,942	13
14	Charleston, W. Va.....	19	40	6	10	73,770	4,116,358	2,950	41,325	—4,080,963	14
15	Clarksburg, W. Va.....	13	12	11	11	51,730	1,787	9,700	11,325	— 48,318	15
16	Huntington, W. Va.....	.....	*23	.....	*7	.....	*47,000	.....	*2,550	.....	16
17	Asheville, N. C.....	15	5	16	49	6,145	32,700	8,851	22,932	— 40,636	17
18	Charlotte, N. C.....	28	45	43	32	121,265	414,935	41,133	12,780	— 265,317	18
19	Durham, N. C.....	6	16	6	5	15,900	164,800	10,656	1,550	— 139,794	19
20	Greensboro, N. C.....	14	17	49	19	22,148	88,985	21,445	11,155	— 56,547	20
21	High Point, N. C.....	13	18	4	2	25,865	59,350	9,500	800	— 24,785	21
22	Raleigh, N. C.....	11	18	9	12	33,660	40,395	5,549	3,300	— 4,486	22
23	Rocky Mount, N. C.....	9	12	2	5	18,400	26,735	500	3,145	— 10,980	23
24	Salisbury, N. C.....	4	3	0	1	11,525	4,225	0	500	— 6,800	24
25	Wilmington, N. C.....	9	11	8	6	53,900	90,200	13,300	3,200	— 26,200	25
26	Winston-Salem, N. C.....	14	51	46	52	54,181	191,000	23,250	35,671	— 149,240	26
27	Charleston, S. C.....	13	22	31	22	17,400	556,135	5,688	4,425	— 37,472	27
28	Columbia, S. C.....	22	14	30	29	41,550	320,900	17,950	14,640	— 276,040	28
29	Greenville, S. C.....	10	21	24	49	59,950	128,600	13,043	28,384	— 83,991	29
30	Rock Hill, S. C.....	13	9	9	16	27,895	32,450	3,435	6,065	— 7,185	30
31	Spartanburg, S. C.....	6	19	15	14	275,175	81,441	3,740	4,913	— 192,561	31
32	Washington, D. C.....	218	71	442	298	2,476,650	2,853,800	177,740	229,240	— 428,650	32
Totals.....		1,133	1,252	1,739	1,816	\$ 6,250,824	\$12,052,867	\$ 942,236	\$1,067,425	\$—5,927,232	

— Denotes decrease.

* These figures not included in totals.

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)

Further increase in industrial activity was reported for the month of March, which usually shows little change from February. Factory employment and payrolls increased by the usual seasonal amount between the middle of February and the middle of March. The volume of building contracts awarded in March showed considerable growth, largely of a seasonal nature. The general level of wholesale prices continued to decline.

Production and Employment.

Industrial production increased 2 per cent further in March and the Federal Reserve Board's seasonally adjusted index stood at 88 per cent of the 1923-1925 average, compared with 104 per cent in March 1930. There was a considerable increase in daily average output of steel, which ordinarily shows little change from February to March, while production of automobiles increased by about the usual seasonal percentage. Activity at cotton mills increased slightly, contrary to the ordinary seasonal movement, and there was a substantial increase in output of shoes. In the first half of April steel mill activity declined.

The number of men employed at factories increased between the middle of February and the middle of March by about the usual seasonal amount. In the iron and steel and automobile industries somewhat larger than usual increases were shown and at textile mills and shoe factories, where the number employed ordinarily declines in March, substantial increases in employment were reported. In the agricultural machinery and petroleum refining industries and at car building shops, employment declined contrary to the usual seasonal trend, and in the automobile tire and fertilizer industries employment increased less than usual.

Volume of building contracts awarded in March increased considerably from February, according to the F. W. Dodge Corporation, reflecting in large part developments of a seasonal character. Contracts for residential building increased seasonally and were in about the same volume as a year ago, while contracts for public works and utilities rose to the high level of March 1930.

Agriculture.

Definite improvement in moisture conditions in the drought area was an important development in March and the first week of April; supplies of moisture in the topsoil have been replenished, but the subsoil continued to be dry in certain areas, particularly in the spring wheat belt. Department of Agriculture estimates, based on April 1 conditions, indicate a winter wheat crop of 644,000,000

bushels, about 100,000,000 bushels larger than the five-year average and 40,000,000 more than last year. Intentions to plant, as reported March 1, indicate a considerable reduction in spring wheat acreage, and an increase in acreage to be planted to corn.

Distribution.

Volume of freight-car loadings increased seasonally in March and department store sales increased during the Easter season by about the usual amount.

Prices.

The general level of wholesale commodity prices continued to decline in March, according to the Bureau of Labor Statistics, reflecting chiefly reductions in the prices of petroleum products, bituminous coal, and textile products. Prices of farm products increased slightly and there was a substantial advance in the price of hides. In the first half of April prices of many commodities, including cattle, cotton, rubber, and coffee, declined, while the price of wheat advanced.

Bank Credit.

Loans and investments of member banks in leading cities, which had increased in the middle of March as the result of Treasury operations, showed a decline for every week between March 18 and April 8, but on the latter date were still \$270,000,000 larger than four weeks earlier. Investment holdings of these banks were at a new high figure on April 8, owing largely to an increase in their holdings of United States Government obligations, while loans on securities as well as all other loans showed a decline for the four-week period.

Volume of reserve bank credit has fluctuated since the middle of February around a level of \$925,000,000. Continued imports of gold, deposited by member banks with the reserve banks, have provided the member banks with sufficient funds to meet an increase in the demand for currency. United States Government security holdings of the reserve banks have remained at the level of \$600,000,000 established last summer, while discounts for member banks have continued to decline and holdings of purchased acceptances have fluctuated in response to temporary changes in the demand for reserve bank credit.

Money rates showed little change from the middle of March to the middle of April. Rates on commercial paper declined further from a prevailing rate of $2\frac{1}{2}$ per cent to a range of $2\frac{1}{4}$ - $2\frac{1}{2}$ per cent, while bond yields increased slightly.