

MONTHLY REVIEW

CREDIT, BUSINESS AND AGRICULTURAL CONDITIONS

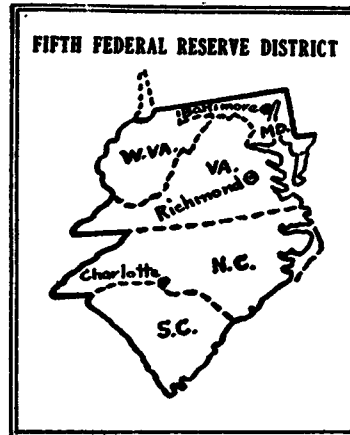


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FEDERAL RESERVE BANK OF RICHMOND

RICHMOND, VIRGINIA

March 31, 1935

FEBRUARY trade and industry in the Fifth Federal reserve district was fully up to seasonal levels in nearly all lines. Perhaps the outstanding feature of that month's business was the unusually large volume of retail trade as reflected in department store sales. February sales in thirty-one leading Fifth district stores not only exceeded February 1934 sales by nearly 13 per cent, but also exceeded January 1935 sales, an increase which seldom occurs in the short, between-seasons month. In banking, rediscounts at the Federal Reserve Bank of Richmond rose slightly between the middle of February and the middle of March, and the Bank increased its industrial loans for working capital and its holdings of Government securities. Federal reserve note circulation showed a seasonal decline during the month, but member bank reserve deposits rose. Reporting member banks showed practically no change in outstanding loans, while investments in securities increased and time deposits rose. Debits to individual accounts in four weeks ended March 13, 1935, showed a seasonal increase over debits in four weeks ended February 13 this year, and totaled 12 per cent more than debits in four weeks ended March 14 last year. The commercial failure record of the Fifth district for February was excellent, and was better than the National record in both the number of bankruptcies and liabilities involved. There were only 39 business insolvencies in the district last month, and aggregate liabilities totaled only \$805,698. Employment conditions failed to show material improvement in February, but on the other hand may have become slightly worse. On the whole, however, there was little net change in the situation. Coal production held up to seasonal level, and on a daily basis exceeded January production. Coal mined last month exceeded the February 1934



tonnage by nearly 12 per cent. Textile mills in the Carolinas and Virginia consumed more cotton in February than in that month last year, but showed a seasonal recession in consumption under January 1935 figures. Spot cotton prices declined considerably in the first half of March, and tended to unsettle the cotton textile market. Toward the middle of March a movement toward restriction of operations appeared to be forming among textile mills. The final ginning report on the 1934 cotton crop, released by the Census Bureau on March 20, showed only 1 per cent decrease

from the final production estimate made by the Department of Agriculture early last December. Tobacco markets were either closed or were cleaning up the end of the crop in February, and sales were very small. Prices averaged lower than those in earlier months of the season, but were satisfactory for the grades of tobacco sold. Tobacco manufacturing continued to exceed production a year earlier in cigarettes and cigars, but smoking and chewing tobacco produced in February was less than in the corresponding month last year. Building permits issued in February 1935 exceeded the permits issued in February 1934 in twenty-four of thirty-one reporting cities in the Fifth district, but contracts actually awarded amounted to less than half the awards in the same month last year. Wholesale trade in February exceeded February 1934 trade in groceries, hardware and drugs, but sales of dry goods and shoes were smaller during the 1935 month. Farm work was somewhat handicapped by wet weather in February and early March, but winter crops are growing normally and the soil is in excellent condition for continued growth and for Spring cultivation.

Reserve Bank Statement

ITEMS	000 omitted		
	Mar. 15 1935	Feb. 15 1935	Mar. 15 1934
Rediscounts held	\$ 152	\$ 131	\$ 1,919
Open market paper.....	204	204	1,193
Industrial advances	3,476	2,822	0
Foreign loans on gold.....	7	0	0
Government securities	113,563	103,563	93,563
Total earning assets.....	117,402	106,720	96,675
Circulation of Fed. Res. notes.....	154,112	155,379	147,694
Members' reserve deposits.....	143,169	141,264	100,660
Cash reserves	199,146	204,763	166,339
Reserve ratio	64.87	67.37	65.30

Total earning assets of the Federal Reserve Bank of Richmond increased by \$10,682,000 between February 15 and March 15, both this year, of which amount \$10,000,000 was the Bank's share in System purchases of Government securities. Industrial loans for working capital under authority of Section 13-B of the Federal Reserve Act rose by \$654,000 during the month, and the Bank shared in foreign loans on gold to the amount of \$7,000. Rediscounts for member banks rose \$21,000 between the middle of February and the middle of March. Industrial commitments on loans made by member banks rose by \$185,000 between February 15 and March 15, each commitment being an agreement to assume liability on a certain loan at the option of the lending member bank during the life of the commitment. There was a seasonal decline in the circulation of Federal reserve notes amounting to \$1,267,000 between February 15 and March 15, but member bank reserve deposits rose by \$1,905,000 during the same period. The several changes enumerated, with others of less important, lowered the cash reserves of the Federal Reserve Bank of Richmond by \$5,617,000 during the past month, and reduced the ratio of cash reserves to note and deposit liabilities combined by 2.5 points.

In comparison with condition figures reported for March 15, 1934, the corresponding figures for March 15, 1935, show material increases in most items. Rediscounts for member banks declined during the year by \$1,767,000, and the portfolio of open market paper dropped by \$989,000, but ownership of Government securities increased by \$20,000,000. On the 1935 date the Bank had \$3,476,000 in loans to industry for working capital outstanding, and also had \$7,000 outstanding in foreign loans on gold, whereas a year ago the Bank had no loans of either type. The changes in earning assets resulted in a net rise for the year amounting to \$20,727,000. Federal reserve note circulation at the middle of March this year showed an increase of \$6,418,000 over outstanding circulation a year earlier, and member bank reserve deposits rose by \$42,509,000 during the year. Total cash reserves of the Federal Reserve Bank of Richmond rose by \$32,807,000 between March 15, 1934, and March 15, 1935, but on account of increases in note circulation and member bank reserve deposits the ratio of cash reserves

to note and deposit liabilities combined declined a little less than half a point.

Statement of 28 Member Banks

ITEMS	000 omitted		
	Mar. 13 1935	Feb. 13 1935	Mar. 14 1934
Loans on stocks and bonds (including Governments)	\$ 57,900	\$ 57,881	\$ 59,593
All other loans.....	94,753	95,380	112,284
Total loans and discounts.....	152,653	153,261	171,877
Investments in securities.....	212,160	203,327	180,431
Reserve Bal. with F. R. Bank....	52,930	57,112	36,611
Cash in vaults.....	11,871	12,111	11,443
Demand deposits	237,606	237,741	203,215
Time deposits	136,747	135,428	132,759
Borrowed from F. R. Bank.....	0	0	0

The accompanying table shows the principal items of condition of twenty-eight regularly reporting member banks in the Fifth reserve district as of three dates, thus affording opportunity for comparison of the latest available figures with those of the corresponding dates a month and a year earlier. It should be understood that the figures in the table reflect conditions as of the report dates only, and are not necessarily the highest or lowest figures that occurred during the interval between the dates.

Between February 13 and March 13, both this year, loans and discounts declined \$608,000, an unseasonal decrease when borrowing by merchants to discount bills for Spring merchandise tends to increase. However, Easter is later this year than in most years, and therefore merchants are probably receiving goods later. Loans on stocks and bonds rose \$19,000, but all other loans, which are chiefly commercial and industrial at this season, dropped \$627,000. The reporting banks increased their investments in securities by \$8,833,000 during the month, but their reserve deposits at the Federal reserve bank declined by \$4,182,000. Cash in vaults declined \$240,000 between the middle of February and the middle of March. Deposits in the twenty-eight banks rose \$1,184,000 last month, demand deposits falling \$135,000 and time deposits rising \$1,319,000. None of the reporting institutions were borrowing at the reserve bank on either February 13 or March 13.

During the year between March 14, 1934, and March 13, 1935, discounts at the reporting banks fell by \$19,224,000, of which \$1,693,000 was in loans on securities and \$17,531,000 was in all other loans. On the other hand, investments in securities, chiefly Government issues for short time investment, rose by \$31,729,000 during the year, and the banks increased their reserve deposits at the Federal reserve bank by \$16,319,000. Cash in vaults rose \$428,000 during the period under review. Aggregate deposits in the twenty-eight banks increased by \$38,379,000 between March 14 last year and March 13 this year, demand deposits rising by \$34,391,000 and time deposits increasing \$3,988,000.

None of the reporting banks were borrowing on either the 1934 or the 1935 dates.

Time and Savings Deposits

Time deposits in twenty-eight reporting banks and aggregate deposits in eleven mutual savings banks in Baltimore totaled \$335,036,766 at the end of February 1935, a higher figure than either \$333,037,189 reported at the end of January this year or \$320,697,855 at the end of February last year. Both the reporting member banks and the savings banks gained in deposits during the past month, and both also registered gains for the year.

Debits to Individual Accounts

CITIES	000 omitted		
	Total debits, four weeks ended		
	Mar. 13, 1935	Feb. 13, 1935	Mar. 14, 1934
Asheville, N. C.....	\$ 7,813	\$ 7,644	\$ 7,347
Baltimore, Md.	245,473	227,109	232,802
Charleston, S. C.....	11,213	11,400	9,993
Charleston, W. Va....	37,215	36,393	35,045
Charlotte, N. C.....	47,981	44,778	39,641
Columbia, S. C.....	26,059	23,349	14,860
Cumberland, Md.	6,042	5,737	4,919
Danville, Va.	5,190	6,168	4,769
Durham, N. C.....	19,204	20,095	19,567
Greensboro, N. C.....	11,418	11,445	8,453
Greenville, S. C.....	15,146	13,113	13,628
Hagerstown, Md.	5,962	5,278	4,626
Huntington, W. Va....	10,982	11,138	10,262
Lynchburg, Va.	11,222	12,243	12,509
Newport News, Va....	6,266	6,150	5,776
Norfolk, Va.	43,441	38,554	33,266
Portsmouth, Va.	2,892	2,899	2,749
Raleigh, N. C.....	21,762	25,531	15,146
Richmond, Va.	112,298	113,163	102,878
Roanoke, Va.	17,454	17,205	17,094
Washington, D. C.....	175,712	163,517	151,922
Wilmington, N. C.....	7,873	7,345	6,799
Winston-Salem, N. C.	25,588	25,153	25,049
District Totals	\$874,206	\$835,407	\$779,100

Debits to individual, firm and corporation accounts figures in clearing house banks in twenty-three leading 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 available figures, those for four weeks ended March 13, 1935, with corresponding figures a month and a year earlier.

Total debits in reporting cities during the four weeks ended March 13 amounted to \$874,206,000, an increase of \$38,799,000, or 4.6 per cent, over debits totaling \$835,407,000 reported for the preceding four weeks ended February 13. Closing of tobacco markets tended to decrease debits during the later four weeks, but early payments of income taxes and payment for Spring merchandise more than offset that adverse factor. Fourteen of the twenty-three cities show higher figures for the more recent period. Of the five largest cities, increases were reported by Baltimore, Washington, Norfolk and

Charlotte, but Richmond reported a decrease of eight-tenths of 1 per cent. Greenville, S. C., with an increase of 15.5 per cent, led all cities in percentage gain during the month.

In comparison with debits reported for the four weeks ended March 14 last year, debits for the corresponding four weeks this year show an increase of \$95,106,000, or 12.2 per cent. Twenty-one of the twenty-three reporting cities show higher figures for the 1935 period, Durham and Lynchburg being the only ones to fall below last year's totals. The declines in these cities were chiefly due to reduced activity in tobacco marketing in February this year. Columbia with an increase of 75.4 per cent and Raleigh with 43.7 per cent led all cities in percentage increases during the 1935 period, but both of these cities include many State transactions in their debits. Among the cities not influenced by movements of State funds, Greensboro led with an increase of 35.1 per cent, Norfolk ranking second with a gain of 30.6 per cent.

Commercial Failures

In commenting on the business failure record for February, the *Dun & Bradstreet Monthly Review* says, "Business failures in February again declined both in number and in amount of liabilities. The record for the month just closed shows 1,005 business defaults in the United States, against 1,184 in January, 1,049 in February a year ago, and 2,378 in February 1933. The total indebtedness involved in February failures this year was \$18,737,657, compared with \$18,823,697 in January, and with \$19,444,718 and \$65,576,068, respectively in February of the two preceding years." The recession in February in comparison with January was not quite so marked as in other years, but it is again necessary to go back to 1920 for a year in which the number of business defaults in February was as low as for that month this year. In the Fifth Federal reserve district, the February record in both number of insolvencies and in aggregate liabilities involved was better than in the Nation as a whole. There were only 39 bankruptcies in the district last month, a decline of 37.1 per cent in comparison with 62 failures reported for February last year, while the decrease in the United States was 4.2 per cent between the same two months. Last month's liabilities totaling \$805,698 in the Fifth district showed a decline of 5.3 per cent in comparison with liabilities totaling \$850,365 in February 1934, while the National decline in liabilities was only 3.6 per cent. In the Boston, Philadelphia, Atlanta, St. Louis, Dallas and San Francisco districts failures in February this year exceeded failures in February last year, while fewer failures were reported this year in the New York, Cleveland, Richmond, Chicago, Minneapolis and Kansas City districts. In liabilities involved in February 1935 failures, the New York, St. Louis and San Francisco districts showed larger figures than liabilities in February last year, but all

other districts showed lower figures for the 1935 month.

Employment

The number of workers engaged in industry seems to have declined slightly in the Fifth district between the middle of February and the middle of March, chiefly due to some curtailment in March in operations in the textile field. Farm work has been delayed on the whole by wet weather, postponing employment of agricultural workers. Construction work continues at a low level, practically all projects of importance under way being public work done with Government funds. Coal production held up through February, giving work to the usual number of miners in the Fifth district, and shipyards are employing a relatively large number of men. A larger number of persons are now employed in various branches of the automobile industry than was the case a few weeks ago.

Coal Production

Bituminous coal production in the United States totaled approximately 34,423,000 net tons in February 1935, a seasonally smaller output than 36,393,000 tons mined in January this year, but 11.7 per cent more than 32,606,000 tons dug in February 1934. February had two less working days than January 1935, however, and therefore on a daily basis last month's average production of 1,440,000 tons exceeded daily production of 1,394,000 tons in January. Total production during the present coal year through March 9 amounted to 335,134,000 net tons, an increase of 1.6 per cent over 329,768,000 tons dug to the same date last year.

Tidewater shipments of coal through Hampton Roads ports this calendar year through March 9, totaled 4,085,777 net tons, a higher figure than 3,813,233 tons shipped through the same ports to March 9 last year.

The Bureau of Mines has issued a report on production of bituminous coal during 1934 by states. West Virginia led all states with 98,190,000 tons, Pennsylvania ranking second with 89,223,000 tons and Illinois third with 40,905,000 tons. Fifth district coal producing states, Maryland, Virginia and West Virginia, mined a total of 108,950,000 tons, or 30.4 per cent of National production of 358,395,000 tons. In 1934 Fifth district states produced 31.2 per cent of National production.

Textiles

Operations in cotton textile mills in the Fifth reserve district continued on full time under code allowance through February, but in that month and in March some goods began to accumulate in the mill warehouses and curtailment of output is now under consideration. A few mills have closed for an indefinite period, to allow demand to catch up

with production. Cotton mills in the district consumed 220,301 bales of cotton in February 1935, a decrease of 12.3 per cent under 251,186 bales used in January 1935 but an increase of 4.7 per cent over 210,481 bales consumed in February 1934. Of the 220,301 bales used last month, North Carolina mills accounted for 111,855 bales, South Carolina mills used 95,951 bales, and Virginia mills 12,495 bales, all higher figures than those for February last year. Consumption of cotton in the Richmond reserve district in February this year totaled 46.1 per cent of National consumption, compared with 45.9 per cent of National consumption for the district in January 1935 and 44.1 per cent in February 1934.

On February 21, the Department of Commerce issued a report on spindles in place, spindles active in January, total spindle hours of operation in January, and average hours of operation per spindle in place in January. On January 31, 1935, there were 30,825,944 spindles in place in the United States, North Carolina leading with 6,141,354, or 19.92 per cent of the total, South Carolina ranking second with 5,852,012 spindles, or 18.98 per cent, and Massachusetts third with 5,544,712 spindles, or 17.99 per cent. The Fifth district as a whole had 41.03 per cent of total spindles in place in the United States at the end of January 1935. In actual spindle hours of operation, South Carolina led all states for January with 1,959,862,279, or 26.1 per cent of the National total of 7,510,017,095 hours, and North Carolina ranked second with 1,592,806,047 hours, or 21.21 per cent, while Massachusetts had 964,661,506 hours, or 12.85 per cent. The Fifth district, with 41.03 per cent of total spindles in the United States in place in January, showed 49.98 per cent of total hours of operation. In actual hours of operation per spindle in place, South Carolina with an average of 335 hours per spindle ranked first, Virginia with 307 hours ranked second, and North Carolina with 259 hours ranked sixth. The average hours of operation for the United States in January was 244 per spindle in place.

Cotton Statistics

Spot cotton prices dropped materially between the middle of February and the middle of March, and for the first time since March 1933 reached a lower figure than at the corresponding time in the preceding year. On February 15, 1935, the average price for upland short staple cotton, middling grade, on ten Southern markets was 12.54 cents per pound, and the price rose to 12.58 cents on March 1. The price then turned downward, and on March 15 averaged 11.37 cents per pound. On March 16, 1934, the average price was 12.15 cents.

Cotton consumption in the United States in February 1935 totaled 478,291 bales, compared with 546,787 bales used in January this year and 477,046 bales in February 1934. Total consumption for the seven months of the present cotton season—August 1 to February 28—amounted to 3,152,892 bales,

compared with 3,400,277 bales consumed in the corresponding period ended February 28, 1934. Manufacturing establishments held 1,161,117 bales on February 28, compared with 1,193,748 bales held on January 31 this year and 1,656,776 bales on February 28, 1934. Public warehouses and compresses held 8,373,059 bales in storage at the end of February this year, compared with 8,964,280 bales so held a month earlier and 8,636,596 bales on February 28 last year. February exports totaled 390,294 bales, compared with 465,711 bales sent abroad in January this year and 628,457 bales exported in February last year. Exports during the seven months of this cotton year totaled 3,254,832 bales, compared with 5,547,907 bales shipped over seas during the corresponding seven months ended February 28, 1934. Consumption of cotton in the cotton growing states numbered 380,643 bales in February 1935, compared with 436,220 bales used in January and 375,109 bales in February 1934. Last month's consumption in the cotton growing states amounted to 79.58 per cent of National consumption, compared with 78.63 per cent of National consumption used in the cotton growing states in February last year. Of the 380,643 bales of cotton used in cotton growing states in February, the Fifth district mills used 220,301 bales, or 57.88 per cent, compared with 56.11 per cent of Southern consumption attained in the district in February last year. Spindles active in the United States at some time in February 1935 numbered 24,925,168, compared with 25,145,964 in January this year and 26,379,906 in February last year.

The final ginning report on the 1934 cotton crop was released by the Census Bureau on March 20, and showed the year's production to be 9,469,338 running bales, the equivalent of 9,633,879 bales of 500 pounds gross weight. The final ginning figure was 1 per cent below the final crop estimate of the Department of Agriculture made early 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 631,358 equivalent 500 pounds bales, compared with a forecast of 650,000 bales for the year, a decrease of 2.9 per cent; South Carolina ginnings totaled 681,511 bales, compared with a forecast of 695,000 bales, a decrease of 1.9 per cent; and Virginia ginnings totaled 32,929 bales against a forecast of 39,000 bales, a decrease of 15.6 per cent. The district total production of 1,345,798 bales shows a decrease of 110,678 bales, or 7.6 per cent, under the 1933 yield of 1,456,476 bales, the decline being due to acreage reduction.

Tobacco Marketing

Virginia sales of leaf tobacco during February amounted to 5,100,745 pounds, for an average price of \$11.20 per hundred, compared with February 1934 sales amounting to 14,893,656 pounds, for an average of \$9.76 per hundred pounds. Total sales

for the season through February amounted to 101,273,356 pounds this year and 103,042,686 pounds last year, and this year's average price of \$24.44 per hundred pounds compares with last season's average of \$14.41 per hundred. Flue-cured tobacco markets all closed in January, after selling 75,752,497 pounds this year compared with 77,148,383 pounds sold during the previous season. Fire-cured sales in February amounted to 3,972,605 pounds, at \$11.57 per hundred. Sales in February 1934 totaled 7,236,675 pounds, and last year's average price was \$7.05 per hundred. Total sales of fire-cured tobacco during the current season to March were 16,476,900 pounds, at \$12.41 per hundred pounds, compared with season sales to February 28, 1934, totaling 11,515,672 pounds, at \$6.98 per hundred. Burley markets were open only a few days in February, and sold only 116,735 pounds for an average of \$11.95 per hundred pounds. In February 1934 burley sales totaled 2,976,146 pounds, for \$11.85 per hundred. Total sales of this type this season through February amounted to 6,454,620 pounds at an average price of \$17.24 per hundred, compared with 12,775,328 pounds sold last year for an average of \$10.62 per hundred. Sun-cured sales in February totaled 1,011,405 pounds at \$9.68 per hundred, compared with only 293,241 pounds sold for an average of \$10.10 per hundred in February 1934. Season sales of sun-cured tobacco totaled 2,589,339 pounds this year, at \$9.71 per hundred, compared with 1,656,975 pounds at \$8.44 sold last year. The quality of tobacco sold during February was relatively poor, as usually happens at the end of the season, but was better than the quality sold in the same month last year. Warehousemen estimated that sales graded 26 per cent good, 41 per cent medium, and 33 per cent common, compared with the February 1934 classification as 18 per cent good, 35 per cent medium, and 47 per cent common.

North Carolina tobacco markets closed early in February, and the Agricultural Statistician for the State has issued a report on total sales for the season, with comparisons to other recent seasons. Sales of producers' tobacco in 1934-1935 totaled 395,135,824 pounds, and the average price received was \$28.44 per hundred, compared with 516,376,445 pounds at \$15.93 per hundred sold in 1933-1934. With the exception of the 1932-1933 sales, the sales this year were the smallest for any year since 1926-1927, but this year's average price was the highest for any year since 1919-1920, and in fact was the fourth highest average on record. North Carolina tobacco was marketed earlier during the past season than probably ever before, due chiefly to the very favorable prices obtained.

Tobacco Manufacturing

The Internal Revenue Bureau of the Treasury Department issued a report on March 21 on tobacco manufacturing in February. Cigarettes produced totaled 9,306,198,840, compared with 9,167,641,657

cigarettes made in February 1934, and taxes paid on the cigarettes amounted to \$27,920,348 in February 1935 and \$27,699,530 in February 1934. Cigars made last month totaled 320,864,191, compared with 299,214,080 cigars made in the corresponding month last year, and taxes paid on the cigars totaled \$791,767 and \$776,217 in February 1935 and 1934, respectively. Manufactured tobacco made in February this year, including smoking and chewing tobacco, amounted to 23,121,561 pounds, compared with 25,030,055 pounds in February last year, and taxes on the product totaled \$4,162,011 this year and \$4,505,410 last year. Snuff production totaled 2,981,116 pounds and taxes thereon amounted to \$536,601 in February 1935, compared with 3,320,649 pounds and taxes totaling \$597,717 in February 1934. In addition to the taxes enumerated, which total \$33,410,727, processing taxes, import compensating taxes, and floor taxes totaling \$2,944,660 were levied on tobacco manufacturers in February this year.

Agricultural Notes

It is too early in the season to tell much about 1935 crops, but on the whole the outlook for the year appears favorable. Winter grain crops are doing well, there is plenty of moisture in the soil for plant growth and for cultivation of the land, and farmers are financially better able to carry out the season's work than they have been for some years. Fertilizer sales are reported good, and fertilizer distribution got under way earlier than usual this year. The Department of Agriculture issued an "intentions to plant report" on March 20, covering the chief crops except cotton. The report says, "The figures are to be considered only as indicative of the probable acreage for harvest judging by plans now reported by growers. They are offered primarily to assist growers in making such further changes in their planting plans as may appear desirable." In the Fifth reserve district, *Maryland* farmers expect to increase acreage in corn, oats and Irish potatoes, make no change in hay and sweet potatoes, and reduce acreage in barley and tobacco. *Virginia* reports increased acreage in corn, oats, hay, sweet potatoes and tobacco, while barley and Irish potato acreages will be reduced. *West Virginia* acreage in corn, oats and hay will be increased, no change is planned in barley or tobacco, and Irish potatoes will be reduced. *North Carolina* farmers plan to increase their oats and tobacco crops, but reduced acreage will be planted in corn, barley, hay, Irish potatoes and sweet potatoes. *South Carolina* reports larger acreage in hay and tobacco, and reduced acreage in Irish potatoes, with no changes contemplated in acreages of corn, oats and sweet potatoes. The price of Irish potatoes was very low last season, and all states in the Fifth district except *Maryland* plan reduced acreage this season.

Construction

Building Permits Issued in February 1935 and 1934

CITIES	Permits Issued		Total Valuation	
	1935	1934	1935	1934
Baltimore, Md.	381	268	\$ 498,120	\$1,778,880
Cumberland, Md.	3	3	20,958	825
Frederick, Md.	7	6	6,525	5,118
Hagerstown, Md.	7	5	7,465	9,290
Salisbury, Md.	8	0	3,700	0
Danville, Va.	20	8	5,840	3,900
Lynchburg, Va.	33	19	30,141	18,919
Norfolk, Va.	106	61	1,074,795	32,226
Petersburg, Va.	0	2	0	7,000
Portsmouth, Va.	14	11	12,245	5,000
Richmond, Va.	89	61	87,582	87,316
Roanoke, Va.	33	5	21,491	720
Bluefield, W. Va.	6	2	7,630	10,300
Charleston, W. Va.	79	45	83,489	6,935
Clarksburg, W. Va.	9	9	10,765	8,575
Huntington, W. Va.	13	8	9,950	10,590
Asheville, N. C.	24	8	11,810	9,775
Charlotte, N. C.	55	19	123,511	19,851
Durham, N. C.	27	16	68,667	43,274
Greensboro, N. C.	38	19	21,110	17,605
High Point, N. C.	29	4	29,415	27,350
Raleigh, N. C.	13	13	231,110	12,147
Rocky Mount, N. C.	8	2	4,870	3,100
Salisbury, N. C.	5	5	1,325	6,740
Winston-Salem, N. C.	53	32	22,218	26,610
Charleston, S. C.	41	26	37,103	6,255
Columbia, S. C.	28	17	22,088	2,986
Greenville, S. C.	40	26	174,460	71,575
Rock Hill, S. C.	27	5	30,005	1,485
Spartanburg, S. C.	33	9	19,319	8,200
Washington, D. C.	307	195	833,400	425,560
Totals	1,536	909	\$3,511,107	\$2,668,107

Building permits issued in thirty-one cities of the Fifth reserve district totaled 1,536 in February 1935, an increase of 69 per cent in comparison with 909 permits issued in the corresponding month last year. Total valuation for all permits issued last month amounted to \$3,511,107, an increase of 31.6 per cent in comparison with a valuation of \$2,668,107 in February 1934. Twenty-four of the thirty-one cities reported higher valuation figures for last month than for the same month last year, but most of the 31.6 per cent increase occurred in Norfolk. Among the five largest cities, Richmond, Washington, Norfolk and Charlotte reported higher figures for February this year than last, but Baltimore reported a very large decrease in valuation figures.

Contracts actually awarded for construction work in the Fifth reserve district in February this year totaled \$8,203,823, including both rural and urban projects, compared with \$19,341,529 in contracts awarded in February 1934, according to figures collected by the F. W. Dodge Corporation. Of the February 1935 contracts, \$2,609,183, or 31.8 per cent, was for residential structures, compared with \$2,311,554, or 12.0 per cent of the total, for residence work in February 1934.

Retail Trade, 31 Department Stores

	<i>Richmond</i>	<i>Baltimore</i>	<i>Washington</i>	<i>Other Cities</i>	<i>District</i>
February 1935 sales, compared with sales in February 1934:	+16.2	+ 5.1	+19.2	+ 8.2	+12.7
Jan.-Feb. 1935 sales, compared with sales in Jan.-Feb. 1934:	+ 6.5	+ 4.0	+15.9	+ 4.7	+ 9.3
Feb. 28, 1935, stocks, compared with stocks on Feb. 28, 1934:	+ 8.6	- 8.9	- 2.1	- 1.0	- 3.7
Feb. 28, 1935, stocks, compared with stocks on Jan. 31, 1935:	+ 9.5	+ 8.4	+11.1	+10.6	+ 9.8
Number of times stock was turned in February 1935:	.278	.240	.301	.231	.268
Number of times stock was turned since January 1, 1935:	.529	.488	.584	.463	.528
Percentage of Feb. 1, 1935, receivables collected in February:	29.9	27.6	27.1	28.9	27.8

Note: Sales and stock changes are percentages.

Wholesale Trade, 58 Firms

	21	7	6	13	11
	<i>Groceries</i>	<i>Dry Goods</i>	<i>Shoes</i>	<i>Hardware</i>	<i>Drugs</i>
February 1935 sales, compared with sales in February 1934:	+ 4.3	-17.6	- 2.9	+12.1	+ 2.3
February 1935 sales, compared with sales in January 1935:	-10.8	- 3.8	+42.5	-20.7	-17.4
Jan.-Feb. 1935 sales, compared with sales in Jan.-Feb. 1934:	+ 6.6	-19.2	+ 3.2	+ 9.7	+ 6.3
Feb. 28, 1935, stocks, compared with stocks on Feb. 28, 1934:	+20.7(8*)	-12.8(3*)	+ 9.9(4*)	+10.0(7*)	-----
Feb. 28, 1935, stocks, compared with stocks on Jan. 31, 1935:	- 2.0(8*)	+ 4.4(3*)	- 2.5(4*)	+ 4.2(7*)	-----
Percentage of Feb. 1, 1935, receivables collected in February:	80.3(12*)	39.5(4*)	48.7(5*)	40.9(11*)	61.6(7*)

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

(Compiled March 21, 1935)

BUSINESS CONDITIONS IN THE UNITED STATES

(Compiled by the Federal Reserve Board)

In February industrial production increased by less than the usual seasonal amount, following sharp advances in December and January. Wholesale prices of many leading commodities showed little change in February and declined in the early part of March; prices of livestock and meats, however, advanced further in February and continued at relatively high levels during the first three weeks of March.

Production and Employment

Daily average output of basic industrial commodities increased in February by an amount smaller than is usual at this season and the Federal Reserve Board's index, which makes allowance for seasonal variations, declined from 91 per cent of the 1923-25 average in January to 89 per cent in February. At steel mills activity increased further during the early part of February; later in the month and in the first three weeks of March, however, activity declined, contrary to seasonal tendency. In the automobile industry production continued to increase and the output indicated for the first quarter is larger than in the corresponding period of any other year since 1929. Lumber production remained at a low level. At textile mills activity in February declined somewhat from the relatively high rate of the preceding month. In the meatpacking industry output continued to decline.

Factory employment increased between the middle of January and the middle of February by more than the usual seasonal amount, reflecting substantial increases in working forces in the automobile, machinery, iron and steel, and wearing apparel industries and smaller increases in many other lines. At meat-packing establishments employment continued to decline and at tobacco factories it showed less than the usual seasonal growth. Payrolls at manufacturing establishments also increased considerably in February. In non-manufacturing industries employment and payrolls showed little change.

Total value of construction contracts awarded in the period from January 1 to March 15, as reported by the F. W. Dodge Corporation, was smaller than in the corresponding period last year, reflecting a reduction in the volume of public projects. The value of contracts awarded for residential building during this period showed a slight increase over the low level of a year ago.

Distribution

Daily average volume of revenue freight-car loadings showed a seasonal increase in February and little change in the first half of March. Department store sales increased in February, a month when there is usually little change, and the combined total for the first two months of the year was larger than a year ago by 5 per cent.

Wholesale Commodity Prices

During the period from the beginning of February to the middle of March there were wide movements in prices of many individual commodities, while the general level of wholesale prices, as measured by the Bureau of Labor Statistics index, showed little change. In the third week of March prices of cotton and other textiles, grains other than wheat, coffee, rubber and tires, scrap steel and tin were considerably lower than at the beginning of February, while prices of livestock, meats and sugar were higher.

Bank Credit

During the four weeks ended March 20 member bank reserve balances declined by \$280,000,000, principally in consequence of an increase in Treasury deposits with Federal Reserve banks built up in connection with March 15 fiscal operations. Excess reserves of member banks declined to about \$1,950,000,000.

Demand deposits (net) of weekly reporting member banks in leading cities increased further by \$380,000,000 during the four weeks ended March 13. The balances of other banks with reporting banks increased by \$100,000,000 while Government deposits declined, reflecting the withdrawal of funds from depository banks. Loans and investments of reporting banks increased by \$275,000,000. There was a further growth of \$85,000,000 in holdings of direct obligations of the United States Government and a smaller increase in obligations guaranteed by the Government. Loans to brokers and dealers in securities increased by \$130,000,000, while other loans showed little change.

Yields on United States Government obligations declined slightly further, and open-market money rates continued at a low level.