

# MONTHLY REVIEW

CREDIT, BUSINESS AND AGRICULTURAL CONDITIONS

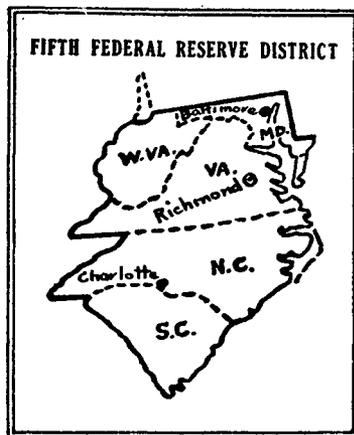


FREDERIC A. DELANO, CHAIRMAN AND FEDERAL RESERVE AGENT  
FEDERAL RESERVE BANK OF RICHMOND

RICHMOND, VIRGINIA

APRIL 30, 1936

**B**USINESS on the whole was materially better in the Fifth Federal Reserve district in March and early April than in the corresponding period last year, and in some lines was above seasonal levels in comparison with other recent months. In banking, rediscounts declined to none at the Federal Reserve Bank of Richmond early in April for the first time since the Bank began making loans, but by April 15 rediscounts had increased to a higher figure than that on March 15. The past month witnessed a seasonal reduction in the volume of Federal Reserve notes in actual circulation, and member bank reserve deposits also declined. Reporting member banks in leading cities increased outstanding loans, but their deposits declined slightly and there were also decreases in investments in securities and in cash in vaults. Debits to individual accounts figures in four weeks ended April 8, 1936, show a normal increase of 9.8 per cent over debits in the preceding four weeks, ended March 11, due chiefly to quarterly payments of dividends and interest on April 1 and income tax payments on March 15. Debits in the more recent period also exceeded debits in the corresponding period last year by 10.8 per cent. The Fifth district made a better record in business failures in March than the total for the United States, Fifth district insolvencies being 5.7 per cent fewer in number and 51.1 per cent lower in liabilities than March 1935 insolvencies, while the Nation showed a small increase in the number of failures and 5.9 per cent rise in aggregate liabilities. Employment conditions appear to have improved more in the past six weeks than in any similar period since the depression began, and in some localities actual shortage of labor for farm work and road construction is threatened. Coal production in March declined sharply from February output, at least part of the drop being seasonal. Textile mills in the Fifth district continued operations on full time, and materially exceeded the scale of operations of



March last year. Spot cotton prices fluctuated through a narrow range between the middle of March and the middle of April, making practically no net change. Cotton consumption and exports were considerably higher in March 1936 than in March 1935. Very little tobacco was marketed in March in the Fifth district, and all markets closed for the season before or about April 1. Manufacturing of tobacco held up to recent high levels in March, and production of all forms of manufactured tobacco exceeded production in March last year. Tobacco taxes paid to the Treasury were 9.5 per cent greater last month than taxes paid in March 1935. Retail trade as reflected in department store sales exceeded March 1935 trade by 8.2 per cent, and sales in the first quarter of 1936 were 10.4 per cent larger than sales in the first quarter of 1935. Wholesale trade in March 1936 exceeded the volume of business done in March 1935 in all of five leading lines for which data are available. All of the five lines showed larger seasonal gains over February business than they showed in the comparison between March and February last year, and collections in the five lines were better last month than in the corresponding month last year. Construction has increased markedly in the Fifth district in recent months, and building permits issued in leading cities in March were nearly double the March 1935 permits in estimated valuation. Contracts actually awarded last month showed an increase of 53.2 per cent over contracts awarded in March last year. Agriculture is getting a very late start this year, wet and cold weather having delayed plowing and planting. Some fruits have been damaged by late freezes, but the apple crop does not appear to have suffered materially. The early Irish potato crop in the district will be cut by late planting and rotting of potatoes in the ground, and acreage planted in spring grains will be reduced from intended acreage figures.

**Reserve Bank Statement**

ITEMS	000 omitted		
	Apr. 15 1936	Mar. 15 1936	Apr. 15 1935
Rediscounts held .....	\$ 171	\$ 35	\$ 295
Open market paper.....	190	190	196
Industrial advances .....	4,186	4,197	3,613
Foreign loans on gold.....	8	15	4
Government securities .....	116,716	116,716	113,563
Total earning assets.....	121,271	121,153	117,671
Circulation of Fed. Res. notes....	174,638	176,767	154,212
Members' reserve deposits.....	177,505	196,605	128,445
Cash reserves .....	276,199	274,351	192,646
Reserve ratio .....	70.78	71.08	63.93

Between the middle of March and the middle of April 1936, rediscounts for member banks increased at the Federal Reserve Bank of Richmond by \$136,000, but from April 1 to April 6, inclusive, the Bank's portfolio held no discounts for members, the first time since the early days of the Bank's history that not a single member bank was borrowing at the Reserve bank. Industrial advances made by the Bank under authority of Section 13(b) of the Federal Reserve Act, as amended, declined by \$11,000 between March 15 and April 15, and foreign loans on gold decreased by \$7,000. No changes occurred in holdings of open market paper or Government securities in the month. Total earning assets registered a net increase of \$118,000 between the middle of March and the middle of April. Federal reserve notes in actual circulation decreased seasonally by \$2,129,000 in the month under review, and member bank reserve deposits dropped by \$19,199,000. The several changes mentioned, with others of less importance, increased the cash reserves of the Federal Reserve Bank of Richmond by \$1,848,000 between March 15 and April 15, but the ratio of cash reserves to note and deposit liabilities combined declined by 3/10 of 1 point.

Condition figures for April 15, 1936, were nearly all larger than those for April 15, 1935. Rediscounts for member banks held by the Federal Reserve Bank of Richmond on the 1936 date were \$124,000 less than rediscounts a year earlier, and holdings of open market paper dropped by \$6,000 during the year, but all other items in the table increased. Foreign loans on gold rose by \$4,000 between April 15 last year and this, and the Bank's holdings of Government obligations rose by \$3,153,000. These changes in assets resulted in a net increase of \$3,600,000 in total earning assets during the year under review. Federal reserve notes in actual circulation on April 15 this year exceeded those in circulation on April 15, 1935, by \$20,426,000, and member banks reserve deposits rose by \$49,060,000 during the same period. Cash reserves of the Federal Reserve Bank of Richmond rose by \$83,553,000 between the middle of April last year and this, and the ratio of cash reserves to note and deposit liabilities combined gained 6.85 points.

**Statement of 41 Member Banks**

The accompanying table shows the principal items of condition of forty-one regularly reporting member banks in the Fifth Federal Reserve district as of three dates, April 15 and March 11, 1936, and April 17, 1935,

ITEMS	000 omitted		
	Apr. 15 1936	Mar. 11 1936	Apr. 17 1935
Loans on stocks and bonds (in- cluding Governments) .....	\$ 69,816	\$ 71,720	\$ 71,964
All other loans.....	126,133	130,269	131,277
Total loans and discounts.....	205,949	201,989	203,241
Investments in securities.....	369,241	371,657	382,671
Reserve bal. with F. R. Bank....	115,386	137,702	81,327
Cash in vaults.....	16,044	17,196	15,382
Demand deposits .....	408,141	410,908	359,308
Time deposits .....	193,159	192,494	195,310
Money borrowed .....	0	0	0

thus affording opportunity for comparison of the latest available figures with those a month and a year earlier.

During the month between March 11 and April 15, total loans and discounts at the forty-one banks rose by \$3,960,000, an increase of \$5,864,000 in "all other loans" more than offsetting a decline of \$1,904,000 in loans on stocks and bonds. Investments in securities declined during the month by \$2,416,000, and there was also a decrease of \$22,316,000 in aggregate reserve balance of the reporting banks at the Reserve bank. Cash in vaults dropped by \$1,152,000 between March 11 and April 15. Aggregate deposits declined during the month, a decrease in demand deposits amounting to \$2,767,000 exceeding an increase of \$665,000 in time deposits.

Comparison of condition figures for April 15, 1936, with corresponding figures for April 17, 1935, shows several material changes. The most outstanding gain was in demand deposits, which rose \$48,833,000 between the middle of April last year and this. Most of the increased deposits went to swell reserve balances at the Federal Reserve bank, which rose by \$34,059,000 during the year. Total loans and discounts were also slightly higher on the 1936 date, an increase of \$4,856,000 in "all other loans" exceeding by \$2,708,000 a decrease of \$2,148,000 in loans on securities. There was a small increase of \$662,000 in cash in vaults during the year. Investments in securities in the forty-one reporting banks were less on April 15 this year than on the corresponding date a year earlier, this item showing a decline of \$13,430,000 between April 17, 1935, and April 15, 1936. Time deposits also showed a small decline of \$2,151,000 during the year under review. None of the reporting banks had any rediscounts or bills payable during the past year.

**Time and Savings Deposits**

Time deposits in forty-one reporting member banks in the Fifth district and aggregate deposits in eleven mutual savings banks in Baltimore totaled \$399,697,903 at the end of March 1936, a higher figure than either \$398,170,933 reported at the end of February this year or \$394,451,072 at the end of March last year. Both the reporting member banks and the savings banks gained in deposits during the past month, and the mutual savings banks increased during the past year, but the reporting member banks showed a small decline between the end of March last year and this.

**Debits to Individual Accounts**

CITIES	000 omitted		
	Total debits, four weeks ended		
	April 8, 1936	March 11, 1936	April 10, 1935
Asheville, N. C.....	\$ 10,687	\$ 8,643	\$ 9,202
Baltimore, Md. ....	295,086	286,053	268,520
Charleston, S. C.....	14,455	12,483	11,506
Charleston, W. Va....	43,470	35,520	41,869
Charlotte, N. C.....	48,612	44,920	51,523
Columbia, S. C.....	23,929	23,917	19,053
Cumberland, Md. ....	6,894	6,816	6,244
Danville, Va. ....	6,784	6,273	5,155
Durham, N. C.....	20,036	19,592	18,963
Greensboro, N. C.....	13,548	12,430	12,891
Greenville, S. C.....	14,947	14,901	13,073
Hagerstown, Md. ....	6,699	6,143	6,546
Huntington, W. Va....	12,379	13,262	11,874
Lynchburg, Va. ....	12,934	12,454	12,357
Newport News, Va....	7,868	6,762	6,420
Norfolk, Va. ....	42,215	36,697	44,022
Portsmouth, Va. ....	3,264	3,125	3,762
Raleigh, N. C.....	36,117	23,160	22,314
Richmond, Va. ....	120,533	109,500	109,215
Roanoke, Va. ....	22,697	21,533	17,994
Spartanburg, S. C.....	6,722*	6,909*	.....
Washington, D. C.....	224,299	200,637	198,552
Wilmington, N. C.....	9,135	7,393	9,685
Winston-Salem, N. C.	35,290	27,674	30,966
District Totals .....	\$1,031,878	\$ 939,888	\$ 931,706

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

Debits to individual, firm and corporation accounts in the banks of twenty-three leading cities of the Fifth Federal Reserve district in four weeks ended April 8, 1936, totaling \$1,031,878,000 showed an increase of \$91,990,000, or 9.8 per cent, over debits amounting to \$939,888,000 in four preceding weeks ended March 11. The increase was seasonal, reflecting a large volume of income tax payments on or about March 15 and quarterly payments on April 1. All of the reporting cities except Huntington reported higher figures for the more recent period.

In comparison with debits in four weeks ended April 10, 1935, those for four weeks ended April 8, 1936, show an increase of \$100,172,000, or 10.8 per cent. Nineteen of the twenty-three reporting cities showed higher figures for the 1936 period under review, the four cities failing to gain being Charlotte, Norfolk, Portsmouth and Wilmington. Debits to individual accounts figures reflect the volume of business transactions passing through the banks of the reporting cities.

**Commercial Failures**

The business failure record in March was better in the Fifth district than in the United States as a whole. There were 50 insolvencies in the district last month, compared with 53 in March 1935, a decrease of 5.7 per cent, while there were 946 insolvencies in the United States last month compared with 940 in March 1935, an increase of 6/10 of 1 per cent. In liabilities involved in March 1936 failures, a total of \$504,000 for the Fifth district showed a decrease of 51.1 per cent in comparison with \$1,031,000 involved in March 1935 bankruptcies, while liabilities in the Nation totaling \$16,271,000 in March 1936 showed a rise of 5.9 per cent over aggregate liabilities of \$15,361,000 in-

volved in March 1935 insolvencies. Five of the twelve Reserve districts reported fewer failures in March this year, and one district reported no change, while six districts reported lower liabilities last month. The Boston, Philadelphia and Richmond districts showed lower figures for both number of bankruptcies and aggregate liabilities involved in March 1936 than in March 1935. In the first quarter of 1936, the Fifth district had 137 failures for \$3,230,000, compared with 157 failures for \$2,339,180 in the first quarter of 1935, while in the United States there were 2,879 failures for \$48,464,000 in the first quarter of this year in comparison with 3,080 failures for \$40,401,697 in the first quarter last year.

**Employment**

Employment conditions in the Fifth district improved between the first of March and the middle of April, especially in the demand for building tradesmen and labor for road construction. There is actually a shortage of labor in many rural sections, and farmers are finding it difficult to secure sufficient help to plant their crops. Relief rolls have been drawn upon so heavily that in many lines of work calls for employees cannot be filled with suitable men. There is greater activity in residential construction than at any other time for several years, and a considerable volume of industrial building is also being done. The severity of winter weather damaged roads and bridges more than usual, and made necessary the employment of hundreds of additional men in order to get repairs made before the heavy summer travel begins.

**Coal Production**

As is customary at this time of the year, bituminous coal production in the United States declined in March from February production, and this year fell materially behind the comparatively large March 1935 production figures. Bituminous coal mined in March 1936 totaled only 30,692,000 net tons, a decrease of 25.8 per cent under 41,375,000 tons mined in February this year and 20.7 per cent less than 38,701,000 tons dug in March last year. Production during the first quarter of 1936 totaled 111,397,000 tons, an increase of 1 per cent over 110,287,000 tons mined in the first quarter of 1935. Bituminous coal shipments through Hampton Roads ports to April 11, 1936, totaled 5,956,616 net tons, compared with 5,882,296 tons shipped through the same ports prior to April 11, 1935.

In its report for March 28, the Bureau of Mines, Department of the Interior, gave production figures of coal by states for February. West Virginia led all states with 10,410,000 net tons, and Pennsylvania ranked second with 9,046,000 tons. The three Fifth district states of Maryland, Virginia and West Virginia produced 11,676,000 tons in February this year, or 28.2 per cent of National production.

**Textiles**

Textile mills ran full time in the Fifth district in March 1936, and cotton consumption in the district totaled 266,890 bales, compared with 246,903 bales used

in February this year and 220,948 bales in March last year. In March 1935 manufactured goods began to accumulate in mill warehouses and in the latter part of the month a considerable number of mills restricted output and cotton consumption by closing a few days. Of the 266,890 bales of cotton used in March 1936, North Carolina mills used 143,698 bales, South Carolina mills used 109,152 bales, and Virginia mills used 14,040 bales, all higher figures than corresponding figures for March 1935. Consumption of cotton in the Richmond reserve district in March this year totaled 48.6 per cent of National consumption, compared with 47.8 per cent of National consumption for the district in February 1936 and 45.8 per cent in March 1935.

On March 21, the Department of Commerce issued a report on activity in the cotton spinning industry for February 1936. On February 29, 1936, there were 28,864,406 spindles in place in the United States, North Carolina leading with 6,093,824, or 21.1 per cent of the total, South Carolina ranking second with 5,757,590 spindles, or 19.9 per cent, and Massachusetts third with 4,584,540 spindles, or 15.9 per cent. The Fifth district as a whole had 43.3 per cent of total spindles in place in the United States at the end of February 1936. In actual spindle hours of operation, South Carolina led all states for February with 1,718,583,452, or 25.5 per cent of the National total of 6,736,374,454 hours, and North Carolina ranked second with 1,566,848,595 hours, or 23.3 per cent, while Georgia had 925,304,636 hours, or 13.7 per cent, to take third place. The Fifth district, with 43.3 per cent of total spindles in the United States in place in February, showed 51.2 per cent of total hours of operation. In actual hours of operation per spindle in place, South Carolina with an average of 298 hours per spindle ranked first, North Carolina with 257 hours ranked fifth, and Virginia with 248 hours ranked sixth, all being well above the National average of 233 hours per spindle.

### Cotton Statistics

*Spot cotton prices* changed very little between the middle of March and the middle of April, the difference between the highest and lowest quotations during the month being only about a third of a cent per pound. On March 13, the average price paid on ten Southern spot markets for middling grade upland cotton was 11.29 cents per pound. From this level the average price advanced to 11.40 cents per pound on March 20 and to 11.64 cents on March 27. There was a slight decline to 11.57 cents on April 3, followed by advances to 11.61 cents on April 11 and 11.62 cents on April 17, the latest date for which official figures are available. On April 19 last year the average price on the same markets was 11.96 cents per pound.

*Cotton consumption* in the United States in March 1936 totaled 548,913 bales, compared with 516,649 bales used in February this year and 482,373 bales in March 1935. Total consumption for the eight months of the present cotton year—August 1 to March 31—amounted to 4,072,759 bales compared with 3,647,359 bales consumed in the corresponding period ended March 31, 1935. Manufacturing establishments held 1,334,394

bales on March 31, compared with 1,404,476 bales held on February 29 this year and 1,116,018 bales on March 31, 1935. Public warehouses and compresses held 6,570,182 bales in storage at the end of March this year, compared with 7,247,803 bales so held a month earlier and 7,788,346 bales on March 31 last year. March exports totaled 404,741 bales, compared with 406,022 bales sent abroad in February this year and 317,798 bales exported in March last year. Exports during the eight months of this cotton year totaled 4,814,360 bales, compared with 3,572,630 bales shipped over seas during the corresponding eight months ended March 31, 1935. Spindles active in March numbered 23,175,502, compared with 23,337,070 in February this year and 24,573,602 in March 1935.

*Cotton growing states consumed* 464,934 bales in March 1936, compared with 431,591 bales used in February and 389,218 bales in March 1935. Last month's consumption in the cotton growing states amounted to 84.7 per cent of National consumption, compared with 80.7 per cent of National consumption used in the cotton growing states in March last year. Of the 464,934 bales of cotton used in the cotton growing states in March, the Fifth district mills consumed 266,890 bales, or 57.4 per cent, compared with 56.8 per cent of Southern consumption attained in the district in March last year.

*Final ginning figures* on the 1935 cotton crop were issued on March 20, too late for inclusion in the March 31 issue of the *Review*. Total ginnings for the United States amounted to 10,417,237 running bales, the equivalent of 10,635,156 standard 500 pound bales. This figure shows an increase over 9,636,559 standard 500 pound bales ginned from the 1934 crop, but is below 13,047,262 bales ginned from the 1933 crop. In the Fifth reserve district, South Carolina ginnings totaled 743,766 bales from the 1935 crop, compared with 681,791 bales from the 1934 crop and 735,089 bales from the 1933 crop. North Carolina ginned 573,361 bales during the past season, compared with 631,420 bales in 1934 and 686,990 bales in 1933. Virginia ginned only 27,199 bales for 1935, compared with 32,961 bales in 1934 and 34,397 bales in 1933. The entire Fifth district ginned 1,344,326 bales from the 1935 crop, 1,346,172 bales from the 1934 crop, and 1,456,476 bales from the 1933 crop. All of the ginning figures for Fifth district states were slightly below the estimated production figures released in December. It should perhaps be pointed out that a considerable number of bales of cotton grown in Virginia are ginned in North Carolina.

### Tobacco Marketing

Virginia tobacco markets have closed for the season, and the Agricultural Statistician has issued the following summary on the sales. "Producers' sales of all types of leaf tobacco during the past season amounted to 132,702,909 pounds for \$24,302,555, or an average of \$18.31 per hundred pounds, according to warehouse reports to the Commissioner of Agriculture. Sales for the 1934-1935 season amounted to 102,629,133 pounds for \$24,837,836, or an average of \$24.20 per hundred

pounds. Flue-cured sales for the season amounted to 103,549,522 pounds, at an average price of \$19.98 per hundred pounds, compared with the previous season's sales of 75,789,401 pounds, at an average of \$28.12. Sales of this type were the highest since the season of 1927-1928. Approximately 30,000,000 pounds of tobacco from North Carolina in excess of the Virginia tobacco sold in that State is included in the Virginia sales. The sales of fire-cured tobacco amounted to 20,125,938 pounds, at an average price of \$10.30 per hundred pounds. The sales for the previous season were 17,689,637 pounds, at an average price of \$12.17. Burley sales amounted to 6,204,122 pounds, at an average price of \$19.86 per hundred. Sales were the smallest since the 1932-1933 season, but the average price was the highest since the 1929-1930 season. Sun-cured sales amounted to 2,823,327 pounds, and the average price was \$11.00 per hundred, compared with the previous season's sales of 2,693,311 pounds at an average price of \$9.72 per hundred. The sales were the largest since the 1931-1932 season, and the average price was the highest since the 1929-1930 season. The total number of warehouses operating during the season was 56, compared with 60 during the previous season." Among individual Virginia markets, Danville led in sales with 53,052,947 pounds, South Boston ranking second with sales totaling 22,963,493 pounds. Both of these markets sold flue-cured tobacco exclusively. Lynchburg led fire-cured tobacco markets with sales aggregating 6,591,546 pounds, Farmville ranking second with 6,182,109 pounds. All burley tobacco was sold at Abingdon, and all sun-cured tobacco at Richmond. Lawrenceville with an average of \$22.68 per hundred pounds paid the highest average price for flue-cured tobacco in the 1935-1936 season, while Blackstone with \$11.99 led the fire-cured markets.

North Carolina and South Carolina tobacco sales for the 1935-1936 season were reported in the March 31, 1936, and the November 30, 1935, issues of the *Monthly Review*, respectively.

### Tobacco Manufacturing

The Internal Revenue Bureau of the Treasury Department issued a report on April 21 on tobacco manufacturing in March. Cigarettes produced totaled 11,193,046,810, compared with 10,199,611,800 cigarettes made in March 1935, and taxes paid to the Treasury on the cigarettes amounted to \$33,580,630 in March 1936 and \$30,600,593 in March 1935. Cigars made last month totaled 377,167,052, compared with 351,694,102 cigars made in the corresponding month last year, and taxes paid on the cigars totaled \$937,856 and \$877,722 in March 1936 and 1935, respectively. Manufactured tobacco made in March this year, including smoking and chewing tobacco, amounted to 26,996,069 pounds, compared with 24,787,829 pounds in March last year, and taxes on the product totaled \$4,859,325 this year and \$4,461,992 last year. Snuff production totaled 3,319,160 pounds and taxes thereon amounted to \$597,449 in March 1936, compared with 3,182,654 pounds and taxes totaling \$572,878 in March 1935. The taxes enumerated totaled \$39,975,260 in March this year, an

increase of 9.5 per cent over similar taxes totaling \$36,513,185 in March 1935.

### Agricultural Notes

All farm work has been very much delayed this year on account of excessive rains and floods, and in the upper half of the Fifth district by unusually low temperatures. On April 1 very little plowing had been done in Virginia and Maryland, and much less than usual in the Carolinas. Low ground suffered severely from over-flowing streams in March and April, and freezes in April damaged peaches materially in the upper half of the district. Apple prospects have not been materially affected. Early potatoes on April 1 had not come up in Virginia, and in the Carolinas many potatoes were rotting in the ground before sprouting. The winter and spring weather was so severe that fall sown grains are not in as good condition as in most years, but grain crops can recover quickly and final production figures depend largely on May weather. The delay in farm work has increased the need for agricultural laborers in an effort to put in contemplated acreages, and farmers are finding labor quite scarce in some localities.

### Construction

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

CITIES	Permits Issued		Total Valuation	
	1936	1935	1936	1935
Baltimore, Md. ....	801	704	\$1,394,040	\$ 585,120
Cumberland, Md. ....	8	7	8,350	14,620
Frederick, Md. ....	11	13	65,216	7,712
Hagerstown, Md. ....	11	22	7,145	9,840
Salisbury, Md. ....	17	19	155,530	16,000
Danville, Va. ....	35	30	107,740	37,975
Lynchburg, Va. ....	40	41	58,102	43,035
Norfolk, Va. ....	129	116	98,199	52,170
Petersburg, Va. ....	1	2	4,000	720
Portsmouth, Va. ....	51	15	17,280	10,070
Richmond, Va. ....	111	116	333,776	164,010
Roanoke, Va. ....	59	43	73,902	145,885
Bluefield, W. Va. ....	8	7	6,800	1,770
Charleston, W. Va. ....	115	86	219,070	41,220
Clarksburg, W. Va. ....	49	21	29,811	5,755
Huntington, W. Va. ....	23	23	273,755	11,550
Asheville, N. C. ....	35	29	29,940	31,605
Charlotte, N. C. ....	107	81	162,707	99,009
Durham, N. C. ....	32	30	171,318	49,423
Greensboro, N. C. ....	59	25	118,057	22,366
High Point, N. C. ....	49	35	25,248	33,120
Raleigh, N. C. ....	18	24	14,300	18,050
Rocky Mount, N. C. ....	12	9	10,540	8,085
Salisbury, N. C. ....	9	10	16,460	31,975
Winston-Salem, N. C. ....	119	58	135,501	65,788
Charleston, S. C. ....	50	55	522,802	29,209
Columbia, S. C. ....	54	33	93,038	58,470
Greenville, S. C. ....	80	50	171,807	117,040
Rock Hill, S. C. ....	34	16	51,700	30,300
Spartanburg, S. C. ....	25	3	23,982	6,000
Washington, D. C. ....	575	413	2,187,085	1,668,373
District Totals .....	2,727	2,136	\$6,587,201	\$3,416,265

Building permits issued in thirty-one Fifth district cities in March 1936 showed improvement over the figures reported for March last year in both number and total valuation. Last month, 2,727 permits were issued

for all classes of work, compared with 2,136 permits issued in March 1935, an increase of 27.7 per cent. Total valuation figures for March 1936 amounted to \$6,587,201, an increase of 92.8 per cent over the total of \$3,416,265 for permits issued in March last year. Twenty-one cities reported more permits and twenty-four reported higher valuation figures last month than for the same month last year. All of the five largest cities, Baltimore, Washington, Richmond, Norfolk and Charlotte, reported higher valuation figures for March this year than last. Reports indicate that a considerably higher percentage of work provided for this year is new construction than was the case a year ago, when

most work other than public structures was confined to repair or alteration jobs.

*Contracts actually awarded* for construction work in the Fifth reserve district in March this year totaled \$17,136,158, including both rural and urban projects, compared with \$11,185,368 in contracts awarded in March 1935, according to figures collected by the F. W. Dodge Corporation. Of the March 1936 contracts, \$6,109,238, or 36 per cent, was for residential types of construction, exactly the same percentage of total contracts represented by residential work in March 1935.

### Retail Trade, 30 Department Stores

	<i>Richmond</i>	<i>Baltimore</i>	<i>Washington</i>	<i>Other Cities</i>	<i>District</i>
March 1936 sales, compared with sales in March 1935:	+ 9.6	+ 4.6	+11.8	+ 3.7	+ 8.2
Jan.-March 1936 sales, compared with sales in Jan.-March 1935:	+ 9.7	+ 6.8	+13.9	+ 8.7	+10.4
Mar. 31, 1936, stocks, compared with stocks on Mar. 31, 1935:	+10.6	+ 2.8	+ 8.2	+ 3.4	+ 5.2
March 31, 1936, stocks, compared with stocks on Feb. 29, 1936:	+10.2	+ 7.9	+ 7.3	+ 5.9	+ 7.7
Number of times stock was turned in March 1936:	.355	.329	.366	.324	.347
Number of times stock was turned since January 1, 1936:	.892	.85	.994	.84	.914
Percentage of March 1, 1936, receivables collected in March:	32.8	29.9	27.1	28.8	28.7

Note: Sales and stock changes are percentages.

### Wholesale Trade, 56 Firms

	21 <i>Groceries</i>	7 <i>Dry Goods</i>	6 <i>Shoes</i>	11 <i>Hardware</i>	11 <i>Drugs</i>
March 1936 sales, compared with sales in March 1935:	+ 8.8	+21.3	+ 2.0	+16.9	+13.2
March 1936 sales, compared with sales in February 1936:	+ 7.6	+25.5	+30.4	+31.2	+ 4.7
Jan.-Mar. 1936 sales, compared with sales in Jan.-Mar. 1935:	+ 4.9	+ 6.9	+ 1.3	+ 1.7	+ 4.6
Mar. 31, 1936, stocks, compared with stocks on Mar. 31, 1935:	— .1(8*)	—12.9(3*)	+22.8(4*)	+ 1.9(6*)	.....
Mar. 31, 1936, stocks, compared with stocks on Feb. 29, 1936:	+ 4.8(8*)	+ .7(3*)	—12.9(4*)	— .6(6*)	.....
Percentage of March collections to receivables on March 1:	103.3(12*)	42.5(4*)	49.7(5*)	50.5(10*)	70.0(7*)

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

(Compiled April 21, 1936)

**BUSINESS CONDITIONS IN THE UNITED STATES**

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

Production and employment at factories increased from February to March, while output of minerals declined. There was considerable expansion in retail trade.

**Production and Employment**

The Board's combined index of industrial production, which includes both manufacturing and mining and makes allowance for seasonal changes, remained unchanged in March at the February figure of 94 percent of the 1923-1925 average. Production of automobiles rose sharply in March to a total of 425,000 passenger cars and trucks and continued to increase during April. There was a seasonal increase in output of steel in March, followed in the first three weeks of April by a rapid rise in activity. Estimates of the rate of production in that period averaged around 67 percent of capacity as compared with the rate of 59 percent reported for March. Production of cement and lumber increased more than seasonally from February to March, and activity at meatpacking establishments and at silk mills also increased, although a decline is usual in these industries at this time of the year. There was little change in output at cotton textile mills, while at woolen mills activity decreased by more than the usual amount. Production of anthracite and bituminous coal showed a substantial reduction from the relatively high level of February and this decrease accounted for the decline in total output at mines.

Factory employment increased by more than the usual seasonal amount from the middle of February to the middle of March, and payrolls showed a larger increase. Employment increased in the machinery industries, at sawmills, and at establishments producing wearing apparel. There was a decrease in the number of workers at plants producing rubber tires and tubes, where a strike was in progress in the middle of March. At automobile factories the number employed declined slightly, while payrolls showed a considerable increase.

The value of construction contracts awarded, according to figures of the F. W. Dodge Corporation, showed a seasonal increase from February to March. Awards for residential building increased seasonally and contracts for other private construction advanced to the highest point since 1931. Value of awards for publicly-owned projects continued considerably smaller than in December and January, when the dollar volume of such contracts was relatively high.

**Distribution**

Retail trade, which had been reduced in January and February by unusually severe weather, increased considerably in March. Sales at department and variety stores and by mail order houses serving rural areas showed a more than seasonal increase. The number of new automobiles sold was also larger than in February.

Freight-car loadings of most classes of commodities increased from February to March by more than the usual seasonal amount. Total loadings declined somewhat from the relatively high level of the three preceding months, however, reflecting a sharp reduction in shipments of coal.

**Commodity Prices**

The general level of wholesale commodity prices, which had declined somewhat between the third week of February and the middle of March, showed relatively little change in the following four weeks. Retail prices of foods declined during March.

**Bank Credit**

Excess reserves of member banks, after declining sharply in the last half of March, increased by about \$300,000,000 in the first three weeks of April to a total of \$2,640,000,000. This increase, like the preceding decline, was due chiefly to operations of the Treasury. After the middle of March Treasury balances at the Federal Reserve banks were built up through the collection of taxes and receipts from the sale of new securities, and in April these balances were drawn upon to meet expenditures.

Partly as a result of these expenditures, deposits at reporting member banks in leading cities, which had declined in March, increased in the first half of April, when total loans and investments of these banks also increased. From February 26 to April 15 total loans and investments of reporting member banks showed an increase of about \$800,000,000, reflecting increases of \$380,000,000 in investments, of \$180,000,000 in loans to brokers and dealers in securities, and of \$240,000,000 in so-called "other" loans, which include loans for commercial, industrial, and agricultural purposes.