

MONTHLY REVIEW

CREDIT, BUSINESS AND AGRICULTURAL CONDITIONS



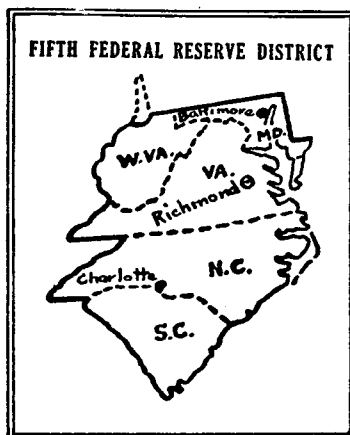
FEDERAL RESERVE BANK OF RICHMOND

RICHMOND, VIRGINIA

MARCH 31, 1937

	February 1937	February 1936	% Change
Debits to individual accounts (24 cities).....	\$1,145,612,000	\$ 987,595,000	+16.0
Number of business failures, 5th district.....	44	43	+ 2.3
Liabilities involved in failures, 5th district.....	\$ 402,000	\$ 1,608,000	-75.0
Cotton consumption, 5th district (Bales).....	311,195	246,903	+26.0
Building permits issued (31 cities).....	2,101	1,448	+45.1
Value of building permits (31 cities).....	\$ 7,127,198	\$ 6,326,557	+12.7
Value of contracts awarded, 5th district.....	\$ 22,103,400	\$ 13,227,031	+67.1
Total sales, 56 department stores, 5th district.....	\$ 7,042,390	\$ 6,595,294	+ 6.8
Total sales, 54 wholesale firms in 5 lines.....	\$ 4,661,380	\$ 4,044,782	+15.2
Bituminous coal production, U. S. (Tons).....	41,740,000	41,154,000	+ 1.4

THE figures in the above table indicate that trade and industry in the Fifth Federal Reserve district in February 1937 continued at the relatively high levels reached in other recent months, and better weather conditions and the nearness of the Easter season acted as further stimulants in the first three weeks in March. At the Federal Reserve Bank of Richmond, member bank reserve deposits increased moderately between the middle of February and the middle of March, chiefly because higher reserve requirements which went into effect on March 1 made it necessary for a minority of member banks to shift funds from correspondent banks to their reserve accounts. At reporting member banks in leading cities, loans increased during the past month, and demand deposits rose accordingly, but investments in securities declined and time deposits dropped slightly. There was a seasonal decline in debits to individual accounts at the banks in twenty-four leading cities during February in comparison with debits in the preceding month of January, but an increase of 16 per cent was reported over the figures for February last year. The commercial failure record of the district was quite satisfactory last month. Although one more failure was reported than in February 1936, aggregate liabilities involved in February 1937 insolvencies were only one-fourth those shown for Febru-



ary a year ago. Employment conditions continued to show a slow but steady improvement in the district last month, and no labor troubles of importance developed. Around the middle of March a number of industrial plants announced wage increases, especially in the textile industry in the two Carolinas. Bituminous coal production, one of the leading industries of the Fifth district, was greater in February than in January and also exceeded output in February last year. Cotton textile mills increased the rate of operations slightly in February over the high level of January, and consumed 26 per cent more cotton than in February 1936. Spot cotton prices advanced sharply during the first half of March and at the middle of the month reached the highest point since June 1930, but the price sagged somewhat in the third week of the month. Auction tobacco markets cleaned up the end of the crop during February and early March, but little tobacco remained to be sold. Reports on tobacco manufacturing for February 1937 show increased production over February 1936 in cigarettes and cigars, but smoking and chewing tobacco and snuff output was less than in the earlier year. Construction continued to expand in February, the value of building permits issued in thirty-one cities exceeding the value of permits issued in February 1936 by 12.7 per cent and con-

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tracts actually awarded last month exceeding awards a year earlier by 67.1 per cent. Retail trade as reflected in department store sales in February was 6.8 per cent greater than the volume of trade in February, 1936, in spite of the fact that the 1936 month had an additional day and one more Saturday. All five wholesale lines for which data are available showed larger sales in February this year than last. In agriculture, wet ground delayed Spring work considerably in the Fifth district, but Fall sown grains are in good condition and the outlook for agriculture appears to be good unless present price levels stimulate excessive planting of money crops this year, of which there is real danger and against which tendency officials in the Department of Agriculture have issued warnings.

Reserve Bank Statement

ITEMS	000 omitted		
	March 15 1937	Feb. 15 1937	March 15 1936
Discounts held	\$ 149	\$ 4	\$ 50
Open market paper	120	120	190
Industrial advances	2,762	3,047	4,197
Government securities	133,417	133,417	116,716
Total earning assets	136,448	136,588	121,153
Circulation of Fed. Res. notes	198,155	197,378	176,767
Members' reserve deposits	224,183	211,325	196,605
Cash reserves	311,518	303,997	274,351
Reserve ratio	70.54	69.90	71.08

Discounts at the Federal Reserve Bank of Richmond rose by \$145,000 between the middle of February and the middle of March, both this year, but industrial advances made direct to industry declined by \$285,000, the changes resulting in a net decrease of \$140,000 in the Bank's total earning assets. No changes occurred in the portfolio of open market paper or in Government security holdings. Federal Reserve notes in actual circulation rose by \$777,000 during the past month, a development contrary to trend at this season of the year. Member bank reserve deposits rose by \$12,858,000 between February 15 and March 15, approximately half of the amount being needed to meet increased reserve requirements which became effective on March 1. Considerably more than a majority of member banks were carrying sufficient excess reserves with the Reserve bank to meet the higher requirements, but an appreciable number of banks had to increase their balances at the Reserve bank on March 1 by transfer of funds from correspondent banks. Cash reserves of the Federal Reserve Bank of Richmond rose by \$7,521,000 between February 15 and March 15, and the ratio of reserves to note and deposit liabilities combined increased 64/100ths of 1 point.

In comparison with figures for March 15, 1936, those for the corresponding date this year show material increases in nearly all items in the accompanying statement. Total earning assets rose by \$15,295,000 during the year, due to an increase of \$16,701,000 in holdings of Government securities and a rise of \$99,000 in discounts, which much more than offset declines of \$70,000 in holdings of open market paper and \$1,435,000 in industrial advances. Federal Reserve note circulation on March 15 this year was \$21,388,000 higher than circulation a year earlier, due chiefly to an increased volume of trade and higher price levels this year. Member bank reserve deposits at the Richmond Reserve bank

rose by \$27,578,000 during the year. The several changes mentioned, with others of less importance, increased aggregate cash reserves of the Federal Reserve Bank of Richmond by \$37,167,000 during the year, but because of large increases in note circulation and deposits the ratio of reserves to note and deposit liabilities combined declined 54/100ths of 1 point during the year under review.

Statement of 41 Member Banks

ITEMS	000 omitted		
	March 10 1937	Feb. 10 1937	March 11 1936
Loans on stocks and bonds (including Governments)	\$ 73,491	\$ 73,280	\$ 71,720
All other loans	158,250	155,962	130,269
Total loans and discounts	231,741	229,242	201,989
Investments in securities	422,851	430,322	371,657
Reserve bal. with F. R. Bank	133,823	134,648	137,702
Cash in vaults	18,390	18,515	17,196
Demand deposits	464,373	462,607	410,908
Time deposits	196,561	196,681	192,494
Money borrowed	0	0	0

The accompanying table shows principal items on the weekly statement of forty-one member banks in twelve Fifth district cities as of March 10 and February 10, 1937, and March 11, 1936. During the past month total loans and discounts rose by \$2,499,000, of which \$211,000 was in loans on securities and \$2,288,000 was in "all other loans." Demand deposits rose by \$1,766,000, in keeping with the increase in loans. On the other hand, investments in securities dropped by \$7,471,000 between February 10 and March 10, and the reporting banks lowered their reserves at the Reserve bank by \$825,000, the latter little more than a daily fluctuation. Cash in vaults declined by \$125,000 and time deposits dropped by \$120,000 during the month.

Some of the figures in the table changed materially during the past year. Total loans and discounts rose by \$29,752,000, of which \$27,981,000 represented commercial, industrial and agricultural loans while only \$1,771,000 of the increase represented loans on securities. Investments in securities rose by \$51,194,000 during the year, chiefly due to purchases of Government securities. The increase in ordinary loans and in credits set up as a result of security buying raised demand deposits by \$53,465,000 during the period under review. The forty-one reporting banks lowered their reserve deposits at the Reserve bank by \$3,879,000 between March 11, 1936, and March 10, 1937, an interesting development in the face of notably higher deposits this year, but made possible by very large excess reserves a year ago. Cash in vaults rose by \$1,194,000 during the year and there was an increase of \$4,067,000 in time deposits. None of the reporting member banks borrowed money at any time in the past year.

Time and Savings Deposits

Time deposits in forty-one reporting member banks in the Fifth Reserve district and aggregate deposits in ten mutual savings banks in Baltimore totaled \$411,099,516 at the end of February 1937, an increase of 7/100ths of 1 per cent over \$410,797,289 reported on January 31, 1937, and 3.5 per cent over \$397,296,805 reported on February 29, 1936. Member bank time deposits declined 6/100ths of 1 per cent while mutual

savings bank deposits rose 2/10ths of 1 per cent during February, but during the past year time deposits in the member banks rose 2.1 per cent and savings deposits in the mutuals gained 4.8 per cent.

Debits to Individual Accounts

CITIES	000 omitted		February 1936	% of Month	Change Year
	February 1937	January 1937			
Maryland					
Baltimore	\$ 333,259	\$ 392,921	\$ 290,425	-15.2	+14.7
Cumberland	7,456	8,619	6,818	-13.5	+9.4
Hagerstown	7,412	8,459	6,294	-12.4	+17.8
D. of Columbia					
Washington	236,526	258,811	209,469	-8.6	+12.9
Virginia					
Danville	9,097	10,801	6,957	-15.8	+30.8
Lynchburg	13,437	16,902	13,822	-20.5	-2.8
Newport News	8,819	9,664	7,362	-8.7	+19.8
Norfolk	47,018	52,493	37,320	-10.4	+26.0
Portsmouth	3,476	4,397	3,198	-20.9	+8.7
Richmond	131,888	185,655	118,030	-29.0	+11.7
Roanoke	25,286	31,093	22,011	-18.7	+14.9
West Virginia					
Charleston	44,570	51,676	36,691	-13.8	+21.5
Huntington	15,573	16,836	12,528	-7.5	+24.3
No. Carolina					
Asheville	10,896	13,111	9,091	-16.9	+19.9
Charlotte	54,915	62,113	46,886	-11.6	+17.1
Durham	25,946	30,636	21,543	-15.3	+20.4
Greensboro	17,540	19,647	13,332	-10.2	+31.1
Raleigh	35,768	45,738	27,736	-21.8	+29.0
Wilmington	10,137	11,459	7,650	-11.5	+32.5
Winston-Salem	35,106	43,737	30,958	-19.7	+13.4
So. Carolina					
Charleston	16,405	19,884	12,149	-17.5	+35.0
Columbia	26,557	30,574	24,246	-13.1	+9.5
Greenville	19,606	23,947	15,791	-18.1	+24.2
Spartanburg	8,919	10,622	7,238	-16.0	+23.2
District	\$ 1,145,612	\$ 1,359,793	\$ 987,595	-15.8	+16.0

Debits to individual, firm and corporation accounts in the banks of twenty-four Fifth district cities in February 1937 showed somewhat more than the usual decline from January figures, decreasing 15.8 per cent, and every reporting city showing lower figures, but February figures exceeded February 1936 figures by 16 per cent, every city except Lynchburg reporting higher figures for the 1937 month. Charleston, S. C., with a 35 per cent gain, showed the greatest increase last month over February 1936 figures, and increases of more than the 16 per cent average were shown by fifteen of the twenty-four cities. Three Maryland cities reported an average increase of 14.7 per cent in February 1937 debits over those in February 1936, the district of Columbia gained 12.9 per cent, seven Virginia cities gained an average of 14.5 per cent, two West Virginia cities gained 22.2 per cent, seven North Carolina cities gained 21.0 per cent, and four South Carolina cities gained 20.3 per cent.

Commercial Failures

Business failures in the Fifth Federal Reserve district in February 1937 exceeded the number of insolvencies in February 1936 by one, but liabilities involved in last month's failures showed a marked decline from the figures a year earlier. The number of failures and aggregate liabilities involved in the Fifth district and the United States for several periods, as reported by *Dun & Bradstreet*, were as follows:

Period	Number of Failures District	U. S.	Total Liabilities	
			District	U. S.
February 1937	44	721	\$ 402,000	\$ 9,771,000
January 1937	61	811	523,000	8,661,000
February 1936	43	856	1,608,000	14,089,000
2 Months, 1937	105	1,532	\$ 925,000	\$ 18,432,000
2 Months, 1936	87	1,933	2,726,000	32,193,000

The insolvency record in the Fifth district in February in comparison with the records of January 1937 and February 1936 was better than the record for the United States as a whole. The number of failures in the district last month increased 2.3 per cent over February 1936 failures while there was a decline of 15.8 per cent in the United States, but liabilities involved decreased 75 per cent in the district and only 30.6 per cent in the Nation. In comparison with figures reported for January this year, district figures for February showed decreases of 27.9 per cent in number of insolvencies and 23.1 per cent in liabilities, while for the United States February failures decreased only 11.1 per cent and aggregate liabilities increased by 12.8 per cent. Four of the twelve reserve districts, Philadelphia, Richmond, Chicago and Minneapolis, reported more failures in February 1937 than in February 1936, and four districts, Philadelphia, Chicago, Minneapolis and Kansas City, showed higher liabilities.

Employment

Employment conditions in the Fifth district in February and the first half of March apparently followed seasonal trends. A wet Spring delayed employment on farms, and the closing of auction tobacco markets released warehouse employees. On the other hand, building work of all kinds continued to increase, and highway construction is getting under way extensively. Industrial activity in the district continued at about the same levels as in January.

The following figures, compiled for the most part by the Bureau of Labor Statistics, show the trends of employment and payrolls in the Fifth district geographical divisions from November to December 1936, the latest available figures:

States	Number of establishments reporting figures	Percentage change from November to December	
		In number on payroll	In amount of payroll
Maryland	1,443	+3.2	+5.8
District of Columbia	1,087	+8.5	+4.8
Virginia	2,277	+1.8	+4.9
West Virginia	1,248	+ .9	+3.1
North Carolina	1,479	+1.9	+6.0
South Carolina	791	+1.5	+9.5

Coal Production

Bituminous coal production, in which West Virginia is probably the leading state, totaled 41,740,000 net tons in February, increases of 2.0 per cent over 40,940,000 tons mined in January 1937 and 1.4 per cent over 41,154,000 tons in February 1936. On a daily production basis, February 1937 compared still more favorably with the earlier months, increasing 7.1 per cent over January 1937 and 5.6 per cent over February 1936 daily output. Total production during the present coal year to March

6 was 415,387,000 tons, an increase of 18.8 per cent over 349,591,000 tons to the corresponding date last year. Shipments of coal through Hampton Roads ports this calendar year through February totaled 4,066,139 tons, an increase of 21.2 per cent over shipments in the first two months of 1936.

Cotton Textiles

Cotton mills in the Fifth Federal Reserve district increased operations slightly in February over January, although total cotton consumption last month was less than consumption in the longer month of January, but was 26 per cent above consumption in February 1937. The three textile manufacturing states in the Fifth district used 46.8 per cent of all cotton consumed in the United States last month, a higher figure than 46.5 per cent in January this year but less than 47.8 per cent in February last year. Consumption of cotton in the district in February 1937, January 1937 and February 1936 was as follows, in bales:

Months	No. Carolina	So. Carolina	Virginia	District
February 1937.....	171,997	125,472	13,726	311,195
January 1937.....	174,415	127,699	13,306	315,420
February 1936.....	135,664	98,908	12,331	246,903
2 Months, 1937.....	346,412	253,171	27,032	626,615
2 Months, 1936.....	287,509	215,171	26,983	529,663

On February 19, 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, 1937, there were 27,288,050 spindles in place in the United States, North Carolina leading with 6,066,354, or 22.2 per cent of the total, while South Carolina ranked second with 5,688,682 spindles, or 20.8 per cent, and Massachusetts third with 4,206,692 spindles, or 15.4 per cent. The Fifth district as a whole had 45.5 per cent of total spindles in place in the United States at the end of January 1937, of which 94.3 per cent were active at some time during the month. In actual spindle hours of operation, South Carolina led all states for January with 2,146,264,354 hours, or 25.0 per cent of the National total of 8,586,958,938 hours, and North Carolina ranked second with 1,966,303,175 hours, or 22.9 per cent. The Fifth district, with 45.5 per cent of total spindles in the United States in place in January, showed 50.0 per cent of total hours of operation. In actual hours of operation per spindle in place, South Carolina with an average of 377 hours per spindle ranked first, but North Carolina with 324 hours ranked seventh and Virginia with 280 hours ranked ninth. The average hours of operation for the United States was 315 per spindle in place.

Statistics on Cotton

Spot cotton prices advanced steadily during the last week of February and the first two weeks in March, reaching an average of 14.68 cents per pound for middling grade on ten Southern markets on March 16, the highest average price since May 23, 1930. The price softened materially, however, between March 16 and March 19, due chiefly to fear that farmers will plant too large an acreage in cotton for 1937. The following

figures show recent trends in the spot market, and comparative per pound prices in nine earlier years on the corresponding Fridays nearest the 1937 dates:

Middling Grade, 3/8 inch Upland Cotton, Per Pound						
Years	Feb. 12	Feb. 19	Feb. 26	Mar. 5	Mar. 12	Mar. 19
1937	12.91	12.73	13.00	13.73	14.15	14.16
1936	11.41	11.25	11.20	11.19	11.29	11.40
1935	12.54	12.56	12.58	12.38	11.37	11.23
1934	12.24	12.29	12.14	12.28	12.22	12.15
1933	5.97	5.91	5.95	6.09	....	6.32
1932	6.23	6.64	6.61	6.72	6.65	6.43
1931	10.14	10.20	10.40	10.35	9.97	10.08
1930	15.33	14.84	14.99	13.87	14.45	15.36
1929	18.82	18.88	19.35	20.25	20.07	19.62
1928	17.55	18.02	18.23	18.44	18.40	18.62

Cotton consumption figures as released by the Bureau of the Census showed a small decrease in February from the January figures, due to the shorter month, but were above February 1936 figures. The number of bales of cotton consumed in the United States in February 1937 was 2.0 per cent less than the number used in January 1937 but exceeded February 1936 consumption by 28.6 per cent. During the seven months of the present cotton year ended February 28 American mills used 28.8 per cent more cotton than during the corresponding seven months ended February 29, 1936. Consuming establishments on February 28 of this year held 46.3 per cent more cotton than a year earlier, but cotton in public storage and compresses declined 17.7 per cent during the year.

Cotton Consumed and On Hand

	(Bales)			
	February 1937	February 1936	Aug. 1 to This season	Feb. 28 Last season
Fifth district states:				
Cotton consumed	311,195	246,903	2,112,672	1,690,067
Cotton growing states:				
Cotton consumed	553,553	431,387	3,772,715	2,958,729
Cotton on hand Feb. 28 in Consuming establishments	1,719,741	1,181,055	....	....
Public storage & compresses	5,856,188	7,124,409	....	....
United States:				
Cotton consumed	664,439	515,977	4,512,634	3,530,358
Cotton on hand Feb. 28 in Consuming establishments	2,056,144	1,405,329	....	....
Public storage & compresses	5,965,789	7,247,508	....	....
Exports of cotton	462,517	406,022	3,897,599	4,409,619

Cotton seed received at United States mills between August 1, 1936, and February 28, 1937, totaled 4,328,703 tons, compared with 3,565,444 tons received in the seven months ended February 29, 1936. Of the receipts mentioned, North Carolina mills took 216,660 tons this year and 211,696 tons last year, and South Carolina mills received 206,139 tons and 185,398 tons in the two periods, respectively. The mills crushed 3,780,419 tons of seed in the period ended February 28 this year, and had 570,210 tons on hand at the end of the period, compared with 3,283,214 tons crushed in the seven months ended February 29, 1936, and 371,805 tons on hand on that date.

Tobacco Marketing

All auction tobacco markets in the Fifth district have closed for this season, and very little tobacco was sold in February and early March. Season sales and average

prices are now available for auction market states, and figures for the past two seasons were as follows:

STATES	Season Sales and Price Per Hundred			
	Season Sales & Average Prices 1936-1937		1935-1936	
Virginia				
Flue-Cured	88,422,701	(\$22.26)	103,549,522	(\$19.98)
Fire-Cured	17,927,483	(\$13.23)	20,125,938	(\$10.30)
Burley ..	7,252,146	(\$33.45)	6,204,122	(\$19.86)
Sun-Cured	2,560,552	(\$15.10)	2,823,327	(\$11.00)
Total Va.	116,162,882	(\$21.40)	132,702,909	(\$18.31)
North Carolina				
Flue-Cured	434,661,662	(\$22.38)	548,351,304	(\$20.33)
Burley	2,760,648	(\$38.28)	2,507,928	(\$21.30)
Total North Carolina..	437,422,310	(\$22.48)	550,859,232	(\$20.34)
South Carolina				
Flue-Cured	69,841,461	(\$19.89)	84,718,848	(\$18.79)
District				
All Types	623,426,653	(\$21.99)	768,280,989	(\$19.82)

The aggregate amount received for the 1936-1937 tobacco crop in the Fifth district states included in the table was about \$137,083,000, compared with \$152,261,000 received for the 1935-1936 crop. Tobacco sold during the season just closed totaled 18.9 per cent less in pounds than sales in the preceding season, but due to an average rise of 10.9 per cent in per pound prices the total amount received for the latest crop was only 10.0 per cent less than the amount received for the 1935-1936 crop.

Tobacco Manufacturing

	Feb. 1937	Feb. 1936	% Change
Smoking and Chewing			
Tobacco, Pounds.....	23,518,835	24,655,463	- 4.6
Cigarettes, number	12,328,242,420	10,766,369,680	+14.5
Cigars, number	362,935,066	356,624,025	+ 1.8
Snuff, pounds	2,924,683	3,263,526	-10.4

The accompanying figures, issued by the Bureau of Internal Revenue, show tobacco manufacturing in February 1937 in comparison with February 1936. No individual State figures are available by months, but on the basis of 1936 production the Fifth district manufactured approximately 10,355,724,000 cigarettes last month, or 84 per cent of the National total; 11,900,000 pounds of smoking tobacco and snuff, or 45 per cent of the total; and 39,923,000 cigars, or 11 per cent of the total. North Carolina and Virginia account for most of the tobacco manufacturing in the district, and the two States make at least 80 per cent of the Nation's cigarettes.

Construction

Building permits issued in thirty-one cities of the Fifth Reserve district totaled 2,101 in February 1937, an increase of 45.1 per cent in comparison with 1,448 permits issued in the corresponding month last year. Total valuation figures amounting to \$7,127,198 last month showed a gain of 12.7 per cent over valuation figures for permits issued in February 1936. Twenty-five of the thirty-one cities reported higher valuation figures for the current month, and but for a decline of 29 per cent in Baltimore the district average increase would have been materially higher. Contracts actually awarded for construction work, including both rural and urban projects, totaled \$22,103,400 in the district in February 1937, an increase of 67.1 per cent over contracts awarded in February 1936 totaling \$13,227,031.

Building Permits Issued in February 1937 and 1936

CITIES	Permits 1937	Issued 1936	Total 1937	Valuation 1936
Baltimore, Md.	688	326	\$1,557,840	\$2,186,784
Cumberland, Md.	7	1	6,450	2,400
Frederick, Md.	8	1	9,900	5,000
Hagerstown, Md.	18	2	47,035	5,100
Salisbury, Md.	11	8	17,460	6,785
Danville, Va.	18	10	57,052	35,215
Lynchburg, Va.	34	24	147,389	22,681
Norfolk, Va.	102	66	216,600	53,060
Petersburg, Va.	3	0	19,030	0
Portsmouth, Va.	17	11	13,890	4,435
Richmond, Va.	110	76	418,383	173,117
Roanoke, Va.	31	21	79,274	34,157
Bluefield, W. Va.	12	2	26,890	60,150
Charleston, W. Va.	72	47	97,730	63,788
Clarksburg, W. Va.	32	18	35,470	25,151
Huntington, W. Va.	9	12	53,500	39,190
Asheville, N. C.	51	23	117,498	36,450
Charlotte, N. C.	83	114	234,643	137,467
Durham, N. C.	39	16	115,161	42,225
Greensboro, N. C.	42	31	135,199	77,009
High Point, N. C.	44	27	43,605	12,162
Raleigh, N. C.	16	14	42,000	31,677
Rocky Mount, N. C.	9	6	23,924	3,960
Salisbury, N. C.	3	6	6,400	3,000
Winston-Salem, N. C.	82	63	127,583	43,567
Charleston, S. C.	54	37	71,425	63,467
Columbia, S. C.	47	44	130,010	293,733
Greenville, S. C.	49	34	49,142	97,875
Rock Hill, S. C.	24	14	33,477	25,150
Spartanburg, S. C.	22	17	28,353	75,502
Washington, D. C.	364	377	3,164,885	2,646,295
District Totals	2,101	1,448	\$7,127,198	\$6,326,557

Of the February contract awards this year, 40.3 per cent represented residential construction, compared with 37.4 per cent a year ago.

Contract award figures as compiled by the F. W. Dodge Corporation are now available by States for January 1937 and 1936, and are as follows:

Construction Contracts Awarded

STATES	January 1937	January 1936	% Change
Maryland	\$ 8,977,800	\$ 5,551,300	+ 61.7
D. of Col.	3,649,600	3,102,000	- 55.0
Virginia	6,710,200	3,181,000	+110.9
West Va.	700,100	2,403,300	- 70.9
No. Carolina	5,045,600	2,843,200	+ 77.5
So. Carolina	7,584,800	1,948,600	+289.2
District	\$32,668,100	\$24,029,400	+ 36.0

Retail Trade, 28 Department Stores

<i>Baltimore</i>	<i>Washington</i>	<i>Other Cities</i>	<i>District</i>
February 1937 sales, compared with sales in February 1936:			
+ 9.3	+ 4.2	+ 7.2	+ 6.5
Jan.-Feb. 1937 sales, compared with sales in Jan.-Feb. 1936:			
+ 9.6	+ 5.8	+ 8.0	+ 7.5
Feb. 28, 1937, stocks, compared with stocks on Feb. 29, 1936:			
+12.9	+17.5	+10.8	+14.5
Feb. 28, 1937, stocks, compared with stocks on Jan. 31, 1937:			
+15.1	+14.0	+14.1	+14.4
Number of times stocks were turned in February 1937:			
.252	.291	.247	.269
Number of times stocks were turned since Jan. 1, 1937:			
.521	.58	.493	.543
Percentage of Feb. 1, 1937, receivables collected in February:			
28.7	25.5	30.2	27.3

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

<i>Va.</i>	<i>W. Va.</i>	<i>N. C.</i>	<i>S. C.</i>	<i>District</i>
12*	10*	7*	12*	56*
February 1937 sales, compared with sales in February 1936:				
+ 8.0	+ 9.8	+ 4.9	+13.0	+ 6.8
Jan.-Feb. 1937 sales, compared with sales in Jan.-Feb. 1936:				
+ 9.3	+ 6.5	+ 9.1	+16.2	+ 7.9

* Number of reporting firms.

Wholesale Trade, 54 Firms

21	7	5	11	10
<i>Groceries</i>	<i>Dry Goods</i>	<i>Shoes</i>	<i>Hardware</i>	<i>Drugs</i>
February 1937 sales, compared with sales in February 1936:				
+11.0	+ 7.0	+24.1	+31.2	+ 9.0
February 1937 sales, compared with sales in January 1937:				
- 4.5	-17.8	+50.1	-12.0	- 7.5
Jan.-Feb. 1937 sales, compared with sales in Jan.-Feb. 1936:				
+10.1	+16.3	+16.8	+25.2	+10.1
Feb. 28, 1937, stocks, compared with stocks on Feb. 29, 1936:				
+15.3(8*)	+41.6(3*)	+35.7(3*)	+ 5.8(6*)	.....
Feb. 28, 1937, stocks, compared with stocks on Jan. 31, 1937:				
+ 7.4(8*)	+20.0(3*)	+10.0(3*)	+ 2.9(6*)	.....
Percentage of collections in February to receivables Feb. 1:				
110.8(12*)	38.4(4*)	40.3(4*)	41.4(10*)	66.3(6*)

*Number of reporting firms.

(Compiled March 20, 1937)

BUSINESS CONDITIONS IN THE UNITED STATES

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

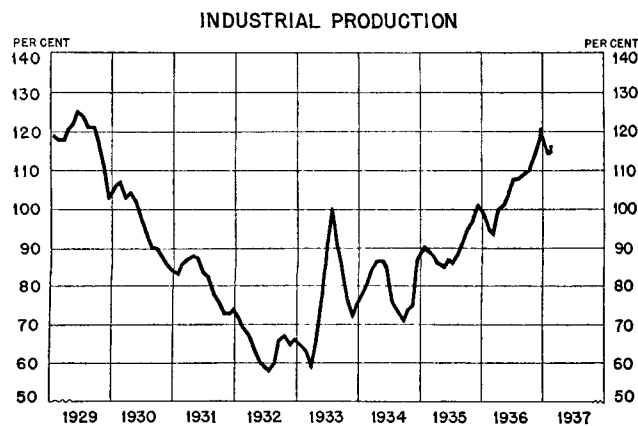
Volume of production, employment and trade increased more than seasonally in February and wholesale prices of industrial commodities continued to advance.

Production and Employment

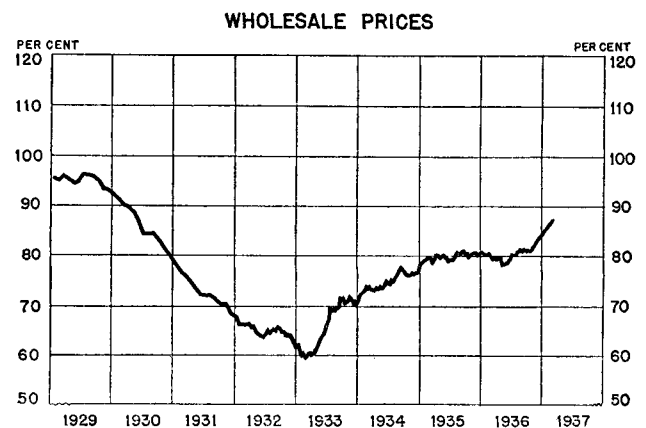
The Board's index of industrial production, which makes allowance for changes in the number of working days and for usual seasonal variations, was 116 per cent of the 1923-1925 average in February as compared with 114 in January and an average of 115 in the last quarter of 1936. At steel mills activity continued to increase in February and the first three weeks of March and, although the growth was somewhat less than sea-

sonal, output currently is at about the peak level reached in the summer of 1929. Automobile production, while fluctuating considerably with strikes at important plants, has been larger for the year to date than in the corresponding period last year. Output of plate glass in February showed a sharp rise from the low level of the two preceding months when strikes curtailed production. At textile mills and shoe factories activity continued at a high level, while output at meatpacking establishments declined somewhat further. Mineral production increased, reflecting chiefly greater output of coal and a further rise in crude petroleum production.

Value of construction contracts awarded this year,



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



Index compiled by the United States Bureau of Labor Statistics, 1926=100. By months, 1929 to 1931; by weeks, 1932 to date. Latest figure is for week ending March 20, 1937.

according to the F. W. Dodge Corporation, has been considerably larger than a year ago, reflecting an increased volume of private residential building and other types of private construction, while the volume of publicly financed work has been smaller.

Factory employment and payrolls increased from the middle of January to the middle of February by more than the usual seasonal amount. The number employed in the machinery industries increased considerably and there were smaller increases at automobile and plate glass factories. In the non-durable goods industries as a group there was a seasonal rise in employment.

Distribution

Department store sales increased from January to February and the Board's seasonally adjusted index advanced from 93 to 95 per cent of the 1923-1925 average. Sales at variety stores also increased more than seasonally, while mail order sales, largely in rural areas, showed less expansion than is usual at this time of year. Total freight-car loadings increased in February and the first half of March, owing in part to seasonal influences.

Commodity Prices

The general level of wholesale commodity prices advanced from the middle of February to the third week of March, reflecting principally further substantial increases in the prices of industrial materials. Prices of iron and steel, non-ferrous metals, lumber, cotton, rubber and hides advanced considerably and there were also increases in the prices of cotton goods, paper and furniture. Wheat prices have advanced in recent weeks following a decline in the latter part of February.

Bank Credit

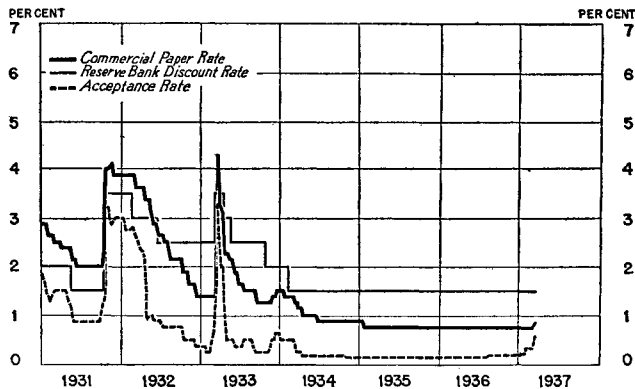
On March 1, when the first half of the recent increase in reserve requirements went into effect, excess reserves of member banks declined from \$2,100,000,000 to about \$1,300,000,000. In the next three weeks, which included the March tax collection period, excess reserves showed moderate fluctuations around the new level. In connection with the increase in reserve requirements there were some withdrawals of bankers' balances from city banks but practically no borrowing by member banks from the reserve banks.

Holdings of United States Government obligations at reporting member banks in leading cities declined by \$280,000,000 in the four weeks ending March 17, a part of the decline reflecting large maturities of Treasury bills. Commercial loans increased further at reporting banks and on March 17 were above last year's high level reached on December 30. Loans to brokers and dealers in securities increased sharply.

Money Rates

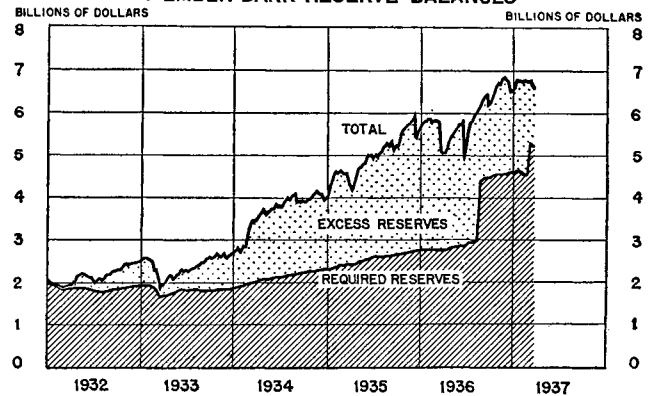
Since the beginning of March the rate on 90-day bankers' acceptances advanced from 5/16 of 1 per cent to 9/16 of 1 per cent and commercial paper rose from a flat 3/4 per cent to a range of between 3/4 and 1 per cent. Bond yields, which until recently had been near the extreme low point reached last December, advanced by between 1/4 and 1/2 per cent and on March 24 were at about the levels prevailing early in 1936.

MONEY RATES IN NEW YORK



Wednesday figures of total member bank reserve balances at Federal Reserve banks, with estimates of required reserves, January 6, 1932, to March 24, 1937.

MEMBER BANK RESERVE BALANCES



Minimum rate on rediscounts for and advances to member banks by Federal Reserve Bank, and weekly prevailing rates on prime commercial paper, 4 to 6 months, and prime bankers' acceptances. For weeks ending January 3, 1931, to March 27, 1937.

PRINCIPAL ITEMS IN THE ANNUAL STATEMENTS OF MEMBER BANKS IN THE FIFTH FEDERAL RESERVE DISTRICT AT THE END OF THE PAST EIGHT YEARS

(Figures from Compilations by the Board of Governors of Member Bank Call Reports)

(Thousands of Dollars)

	Number of Banks	Loans	U. S. Gov. Sec. Direct and Guaranteed	Other Securities	Cash & Due from Banks Including F.R.B.	Total Assets	Demand Deposits	Time Deposits	Total Deposits	Bills Payable Rediscouts & Repurchase Agree.	Capital, Surplus & Undivided Profits and Reserves for Contingencies
MARYLAND											
1929	85	223,611	23,259	74,867	76,410	427,418	149,240	153,640	302,880	8,056	54,673
1930	78	186,659	16,618	91,590	63,940	386,119	129,028	149,146	278,174	3,326	50,432
1931	74	150,370	37,280	90,647	57,166	365,554	115,810	130,944	246,754	4,326	48,111
1932	78	123,613	69,535	78,956	51,993	343,361	103,167	127,330	230,497	10,593	43,184
1933	65	53,226	101,795	52,092	69,992	331,598	123,395	118,754	242,149	1,341	39,706
1934	70	82,188	171,850	48,042	93,697	410,153	189,275	119,164	308,439	90	41,655
1935	73	84,922	195,352	45,858	64,719	446,973	275,876	125,835	401,711	0	43,537
1936	74	92,979	196,720	53,180	150,195	507,400	322,223	137,051	459,274	0	46,080
% Change, 1929 to 1936	-13	-58	+746	-29	+97	+19	+116	-11	+52	-100	-16
DISTRICT OF COLUMBIA											
1929	12	91,790	23,146	11,570	30,269	171,005	74,514	45,759	120,273	5,561	23,393
1930	12	89,359	27,738	16,175	34,884	183,535	80,294	56,938	137,232	1,577	24,425
1931	12	76,908	38,235	19,376	30,363	180,998	72,892	59,218	132,110	6,557	23,657
1932	12	63,796	44,438	19,512	33,465	177,835	66,946	64,138	131,084	2,519	22,539
1933	11	63,296	68,474	19,140	49,696	215,702	98,594	67,731	166,325	0	26,495
1934	11	60,268	75,896	18,863	69,504	239,756	115,197	74,068	189,265	0	27,592
1935	11	59,152	85,513	19,515	50,471	268,815	160,175	78,945	239,120	0	28,717
1936	12	66,952	99,213	20,997	112,832	316,377	197,160	84,475	281,635	0	33,621
% Change, 1929 to 1936	0	-27	+329	+81	+273	+85	+165	+85	+134	-100	+44
VIRGINIA											
1929	172	314,650	32,758	43,817	67,217	480,410	149,808	167,170	316,978	22,022	75,760
1930	166	284,802	27,822	46,472	73,744	454,126	141,752	166,232	307,984	10,448	74,590
1931	153	242,453	38,877	45,350	55,649	402,057	124,538	151,951	276,489	12,242	66,010
1932	149	208,801	45,102	44,211	73,310	391,820	115,175	148,621	263,796	10,106	61,520
1933	152	184,827	63,493	42,964	66,413	378,242	116,591	146,267	262,858	1,998	55,905
1934	157	172,749	92,512	49,056	95,430	429,229	143,033	159,226	302,259	39	56,297
1935	156	165,275	74,749	46,604	91,143	452,093	230,589	164,086	394,675	45	55,388
1936	156	173,446	104,154	54,068	153,631	505,219	273,106	173,090	446,196	0	56,882
% Change, 1929 to 1936	-9	-45	+218	+23	+129	+5	+82	+4	+41	-100	-25
WEST VIRGINIA											
1929	118	131,554	14,540	20,343	27,194	208,048	75,747	72,248	147,995	8,311	31,044
1930	113	120,752	13,539	23,489	23,828	196,444	69,508	68,831	138,339	9,404	29,331
1931	87	93,472	13,713	20,946	20,371	160,834	56,808	56,391	113,199	6,767	24,449
1932	85	86,197	13,876	21,374	21,065	154,096	49,316	57,876	107,192	6,865	23,519
1933	75	70,383	18,730	18,524	23,918	143,034	51,609	51,670	103,279	2,621	22,191
1934	85	64,851	31,385	20,595	40,095	168,160	71,578	56,345	127,923	27	23,824
1935	86	62,226	30,200	22,245	32,096	167,951	87,370	56,390	143,760	109	23,806
1936	86	65,255	32,802	23,707	55,821	187,748	103,597	59,763	163,360	57	23,901
% Change, 1929 to 1936	-27	-50	+126	+17	+105	-10	+37	-17	+10	-99	-23
NORTH CAROLINA											
1929	72	141,468	20,610	12,103	45,480	237,041	83,198	71,727	154,925	7,093	34,283
1930	61	111,838	17,942	10,504	43,843	198,548	69,875	58,991	128,866	6,778	30,935
1931	49	91,166	22,102	12,474	31,464	169,706	60,477	48,005	108,482	8,077	28,036
1932	48	69,986	20,452	11,332	31,754	144,053	52,741	38,178	90,919	5,783	22,558
1933	50	63,363	29,569	15,095	51,116	169,086	73,678	37,435	111,113	377	20,538
1934	54	67,168	37,942	26,298	73,288	215,296	95,743	45,161	140,904	0	22,022
1935	57	67,380	63,613	29,097	60,052	247,967	175,308	48,050	223,358	0	23,220
1936	52	83,671	67,250	30,664	92,752	284,751	208,052	49,740	257,792	0	24,861
% Change, 1929 to 1936	-28	-41	+226	+153	+104	+20	+150	-31	+66	-100	-27
SOUTH CAROLINA											
1929	55	71,200	10,133	16,240	24,777	131,341	42,412	51,520	93,932	737	16,568
1930	40	48,762	6,166	13,576	20,018	97,995	29,995	38,245	68,240	363	12,031
1931	28	38,225	7,168	11,336	13,866	76,458	26,103	27,595	53,698	3,154	10,143
1932	25	26,577	8,022	10,321	12,618	62,173	23,027	18,448	41,475	4,785	8,295
1933	20	14,085	10,389	7,031	13,705	47,866	21,530	13,181	34,711	0	6,060
1934	23	18,169	11,690	9,300	20,594	62,329	32,234	14,029	46,263	0	6,712
1935	24	22,600	17,109	8,831	30,615	88,385	62,612	17,966	80,578	0	7,704
1936	24	28,380	24,339	9,603	37,558	102,236	75,675	18,471	94,146	0	7,955
% Change, 1929 to 1936	-56	-60	+140	-41	+52	-22	+78	-64	+1	-100	-52
ALL MEMBER BANKS (Fifth District)											
1929	514	974,173	124,446	178,940	271,347	1,655,263	726,476	562,064	1,288,540	51,780	235,721
1930	470	842,172	109,825	201,806	260,257	1,516,767	653,949	538,383	1,192,332	31,896	221,744
1931	403	692,594	157,375	200,129	208,879	1,345,587	562,912	474,104	1,037,016	41,123	200,406
1932	392	578,970	201,425	185,706	224,204	1,273,338	527,610	454,591	982,201	40,651	182,015
1933	373	489,170	292,450	154,846	274,770	1,285,528	619,375	435,038	1,054,413	6,337	170,895
1934	400	465,393	421,275	172,154	392,608	1,524,923	834,129	467,993	1,302,122	156	178,140
1935	404	461,555	470,556	172,150	329,096	1,672,184	991,930	491,272	1,483,202	154	182,372
1936	404	510,683	524,478	192,219	602,789	1,903,731	1,179,813	522,590	1,702,403	57	193,300
% Change, 1929 to 1936	-21	-48	+321	+7	+122	+15	+62	-7	+32	-99	-18