

MONTHLY REVIEW

CREDIT, BUSINESS AND AGRICULTURAL CONDITIONS



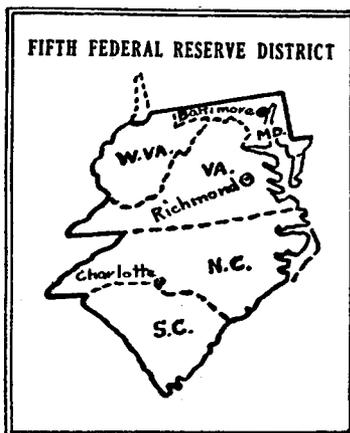
FEDERAL RESERVE BANK OF RICHMOND

RICHMOND, VIRGINIA

APRIL 30, 1937

	March 1937	March 1936	% Change
Debits to individual accounts (24 cities).....	\$1,360,170,000	\$1,088,418,000	+25.0
Number of business failures, 5th district.....	53	50	+ 6.0
Liabilities involved in failures, 5th district.....	\$ 359,000	\$ 504,000	-28.8
Cotton consumption, 5th district (Bales).....	358,117	266,890	+34.2
Building permits issued (31 cities).....	2,975	2,727	+ 9.1
Value of building permits (31 cities).....	\$ 9,692,773	\$ 6,587,201	+42.1
Value of contracts awarded, 5th district.....	\$ 24,371,000	\$ 17,136,158	+42.2
Total sales, 54 department stores, 5th district.....	\$ 10,387,445	\$ 8,707,058	+19.3
Total sales, 56 wholesale firms in 5 lines.....	\$ 6,048,802	\$ 5,085,407	+18.9
Registrations, new passenger automobiles.....	23,711	19,392	+22.3
Bituminous coal production, U. S. (Tons).....	50,720,000	31,527,000	+60.9

TRADER in the Fifth Federal Reserve district in March and early April not only showed the normal seasonal rise over February, but continued in materially larger volume than in the corresponding period last year. The early date of Easter this year raised retail trade in department stores to about 18 per cent above the March 1936 figure, and carried sales in the first quarter of this year 12 per cent above sales in the first quarter of last year. Wholesale trade last month in four of five lines for which data are available also was in considerably larger volume than in March 1936. Registrations of new passenger automobiles in the Fifth district in the first three months of 1937 exceeded registrations of new cars in the corresponding period in 1936 by 31 per cent, an indication of increased consumer buying power this year. Changes in bank statements during the past month were relatively unimportant. At the Federal Reserve Bank of Richmond there was a small increase in discounts, but maturing of some short term Government securities held by the Bank reduced total earning assets slightly. A seasonal decline in Federal Reserve notes in actual



circulation occurred between March 15 and April 15, and member banks reduced their reserve deposits. Reporting member banks increased loans and discounts last month, but reduced investments in securities, while their deposits rose moderately. Debits to individual accounts figures in twenty-four cities were 25 per cent larger in March 1937 than in March 1936, and showed a seasonal increase of about 19 per cent over February debits. Employment showed some increase during the past month, but labor trouble developed at a few points in the district and there appears to be considerable tension between workers and employers in several fields, notably in textiles and tobacco. Coal production in March was 61 per cent above March 1936 production, possibly because of fear that a coal strike might develop on April 1. In fact, a suspension of operations did develop in part of the Fifth district coal region, but the trouble was settled after about two weeks. Cotton textile mills set new records for cotton consumption in March in both the district and the United States, and South Carolina continued to lead the Nation in average hours of operation per

spindle in place. Spot cotton prices advanced in the latter half of March to 14.91 cents per pound at the end of the month, but in the first half of April prices declined about \$7 per bale. Building work continued to expand in March, valuation of city building permits issued rising 42.1 per cent and contracts actually awarded totaling 42.2 per cent more in aggregate amounts than corresponding figures in March 1936. The 1937 crop year is beginning favorably, with farm work normally advanced for the season in most of the district, fall sown grains in better condition than a year ago, and increased acreages intended for most leading crops, especially the major cash crops such as tobacco, potatoes and peanuts. No official information on probable cotton planting is available, publication of such figures by the Department of Agriculture on that crop being forbidden by law.

Reserve Bank Statement

ITEMS	000 omitted		
	April 15 1937	March 15 1937	April 15 1936
Discounts held	\$ 414	\$ 149	\$ 179
Open market paper.....	120	120	190
Industrial advances	2,704	2,762	4,186
Government securities	131,609	133,417	116,716
Total earning assets.....	134,847	136,448	121,271
Circulation of Fed. Res. notes.....	196,191	198,155	174,638
Members' reserve deposits.....	213,880	224,183	177,506
Cash reserves	297,126	311,518	276,199
Reserve ratio	69.85	70.54	70.78

Items on the statement of the Federal Reserve Bank of Richmond nearly all declined between the middle of March and the middle of April this year, discounts for member banks, which rose by \$265,000 during the month, being the only exception. No change occurred in the portfolio of open market paper, but advances direct to industry for working capital decreased by \$58,000 and ownership of Government securities dropped by \$1,808,000. The several changes resulted in a net decline of \$1,601,000 in total earning assets between March 15 and April 15. Circulation of Federal Reserve notes declined by \$1,964,000 during the past month, in keeping with the trend at this season, and member banks reduced their reserve deposits by \$10,303,000. Cash reserves of the Federal Reserve Bank of Richmond dropped \$14,392,000 between the middle of March and the middle of April, and the ratio of cash reserves to note and deposit liabilities combined declined by 69/100ths of 1 point.

In comparison with condition figures at mid-April last year, those for April 15 this year show material increases in most items. Discounts held rose by \$235,000, while the portfolio of open market paper declined \$70,000 and industrial advances decreased \$1,482,000, all relatively small changes, but an increase of \$14,893,000 in Government securities owned brought a net gain during the year of \$13,576,000 in total earning assets. Federal Reserve notes in actual circulation rose by \$21,553,000 between the middle of April last year and this, due chiefly to increased business activity this year and to higher price levels in many lines. Member bank reserve deposits increased by \$36,375,000 during the year, partly due to higher reserve requirements but chiefly to an increase in surplus funds for which prof-

itable investment was not found. Cash reserves of the Federal Reserve Bank of Richmond rose by \$20,927,000 since April 15 last year, but the large increases in note circulation and reserve deposits resulted in a decline of 93/100ths of 1 point in the ratio of cash reserves to note and deposit liabilities combined.

Statement of 41 Member Banks

ITEMS	000 omitted		
	April 14 1937	March 17 1937	April 15 1936
Loans on stocks and bonds (including Governments)	\$ 75,379	\$ 73,491	\$ 69,816
All other loans.....	164,986	158,250	126,133
Total loans and discounts.....	240,365	231,741	195,949
Investments in securities.....	390,270	422,851	369,241
Reserve bal. with F. R. Bank.....	128,626	133,823	115,386
Cash in vaults.....	19,837	18,390	16,044
Demand deposits	470,213	464,373	408,141
Time deposits	197,083	196,561	193,159
Money borrowed	0	0	0

The accompanying table shows the principal items of condition for forty-one regularly reporting member banks in twelve Fifth district cities as of three dates, thus affording comparison of the latest figures, those for April 14 this year, with figures for the preceding month, March 17, 1937, and for the preceding year, April 15, 1936. It should be understood that the figures are not necessarily the highest or lowest figures which occurred during the periods reviewed, but reflect the condition of the reporting banks on the report dates only.

During the past month, loans and discounts rose by \$8,624,000, of which \$1,888,000 represented loans on securities and \$6,736,000 represented all other loans, chiefly commercial, agricultural or industrial in character. On the other hand, the forty-one banks lowered their investments in securities by \$32,581,000 during the past month, but about 70 per cent of this reduction was in one large institution. Aggregate reserve balance carried at the Reserve bank by the forty-one reporting banks declined by \$5,197,000 between March 17 and April 14, but cash in vaults rose by \$1,447,000 during the same period. Total deposits increased by \$6,362,000 since March 17, of which \$5,840,000 was in demand deposits and \$522,000 in time deposits.

All figures in the composite statement show increases during the past year. Total loans and investments rose by \$44,416,000, of which \$5,563,000 was in loans on securities and \$38,853,000 represented for the most part business loans. Investments in securities rose by \$21,029,000 during the year, almost all of the rise being in Governments, either direct obligations or paper guaranteed by the Government as to principal and interest. Aggregate reserve balance of the reporting banks at the Reserve bank rose by \$13,240,000 during the year, due to further accumulation of surplus funds. Cash in vaults increased \$3,793,000 between the middle of April last year and this, and aggregate deposits rose by \$65,996,000, of which \$62,072,000 was in demand deposits and \$3,924,000 in time and savings deposits. None of the reporting banks borrowed at the Reserve bank or elsewhere during the past year.

Time and Savings Deposits

Time deposits in forty-one reporting member banks in the Fifth district and aggregate deposits in ten mutual savings banks in Baltimore totaled \$412,452,008 at the end of March 1937, a higher figure than either \$411,099,516 reported at the end of February this year or \$398,828,153 at the end of March last year. Both the savings banks and the member banks reported higher figures at the end of March than either a month or a year earlier, the savings banks gaining 4.7 per cent and the member banks 2.0 per cent during the year. The month's gains were small fractions of 1 per cent.

Debits to Individual Accounts

CITIES	000 omitted		March 1936	% of Change	
	March 1937	February 1937		Month	Year
Maryland					
Baltimore	\$ 385,316	\$ 333,259	\$ 317,878	+15.6	+21.2
Cumberland	9,549	7,456	7,367	+28.1	+29.6
Hagerstown	9,121	7,412	6,946	+23.1	+31.3
Three Md. Cities ..	403,986	348,127	332,191	+16.0	+21.6
D. of Columbia					
Washington	286,123	236,526	227,178	+21.0	+25.9
One D. C. City...	286,123	236,526	227,178	+21.0	+25.9
Virginia					
Danville	9,392	9,097	7,368	+ 3.4	+27.5
Lynchburg	15,636	13,437	13,871	+16.4	+12.7
Newport News	10,120	8,819	7,970	+14.8	+27.0
Norfolk	56,324	47,018	43,732	+19.8	+28.3
Portsmouth	4,211	3,476	3,423	+21.1	+22.8
Richmond	153,981	131,888	127,389	+16.8	+20.9
Roanoke	30,122	25,286	23,665	+19.1	+27.3
Seven Va. Cities..	279,786	239,021	227,423	+17.1	+23.0
West Virginia					
Charleston	54,988	44,570	44,041	+23.4	+24.9
Huntington	20,281	15,573	13,521	+30.9	+50.7
Two W. Va. Cities	75,369	60,143	57,562	+25.3	+30.9
North Carolina					
Asheville	13,500	10,896	10,876	+23.9	+24.1
Charlotte	69,320	54,915	51,887	+26.2	+33.6
Durham	26,895	23,946	21,275	+ 3.7	+26.4
Greensboro	20,976	17,540	14,498	+14.5	+38.5
Raleigh	42,873	35,768	34,716	+19.9	+23.5
Wilmington	12,603	10,137	9,270	+24.3	+36.0
Winston-Salem	43,422	35,106	36,531	+23.7	+18.9
Seven N. C. Cities	228,689	190,308	179,053	+20.2	+27.7
South Carolina					
Charleston	20,286	16,405	15,269	+23.7	+32.9
Columbia	31,982	26,557	26,091	+20.4	+22.6
Greenville	23,077	19,606	16,360	+17.7	+41.1
Spartanburg	10,872	8,919	7,291	+21.9	+49.1
Four S. C. Cities.	86,217	71,487	65,011	+20.6	+32.6
District, 24 Cities	\$ 1,360,170	\$ 1,145,612	\$ 1,088,418	+18.7	+25.0

Debits to individual, firm and corporation accounts in the banks of twenty-four Fifth district cities totaling \$1,360,170,000 in March 1937 showed an increase of \$214,558,000, or 18.7 per cent, over debits in the preceding month of February this year, and a gain of \$271,752,000, or 25.0 per cent, over debits in the corresponding month of March last year. The increase during the past month, which was largely seasonal, was caused by income tax payments in March and the three extra days in March over February, but the rise over March 1936 figures was due chiefly to an increased volume of trade and industry this year. Every reporting city showed larger figures for March 1937 than for either February 1937 or March 1936. Huntington with an increase of 30.9 per cent in March over

February figures led all cities in percentage gain last month, and also led in gain over March 1936 figures with an increase of 50.7 per cent, but debits in that city were increased last month as a result of the flood in late January and early February.

Employment

Favorable weather for outside work stimulated seasonal increases in employment in several fields in the Fifth Reserve district in March and the first three weeks in April, but industrial work in scattered localities was retarded by strikes and there is some fear of further labor trouble, especially in textile plants which have been operating at top speed. Construction work continues to expand, particularly residential work and projects financed by private capital. Unless strikes develop over a wide front, the outlook for employment during the rest of the year now appears better than at any other time since the depression began.

The following figures, compiled for the most part by the Bureau of Labor Statistics from reports furnished by a large number of identical industries, show the trends of employment and payrolls in the Fifth district geographical divisions from January to February 1937, the latest available figures:

States	Percentage change from January to February	
	In number on payroll	In amount of payroll
Maryland	+1.0	+1.8
D. of Columbia	+ .3	+ .7
Virginia	+1.4	+1.3
West Virginia	+1.3	+ .6
North Carolina	+2.3	+2.3
South Carolina	+ .8	+ .9

Coal Production

Total production of bituminous coal in the United States was 50,720,000 net tons in March 1937, an increase of 20.4 per cent over 42,110,000 tons mined in February this year and 60.9 per cent over 31,527,000 tons dug in March last year. On a daily basis, production in March 1937 was only 6.6 per cent above February 1937 but 54.9 per cent above March 1936. Total output during the first quarter of 1937 was 133,770,000 net tons compared with 112,476,000 tons mined in the corresponding period last year, an increase of 18.9 per cent. Shipments of coal through Hampton Roads ports to April 3 totaled 6,521,559 tons this year, 5,457,677 tons to the same date last year, and 5,885,031 tons to April 3, 1929.

In its April 10 report the Bureau of Mines gave State production figures for February 1937 and 1936, and Fifth district coal states, which dug 27.7 per cent of the National total, were reported as follows:

States	Production February 1937	Production February 1936	Percentage change
West Virginia	10,380,000 tons	10,103,000 tons	+ 2.7
Virginia	1,140,000 tons	1,045,000 tons	+ 9.1
Maryland	160,000 tons	188,000 tons	-14.9
5th District	11,680,000 tons	11,336,000 tons	+ 3.0
United States	42,110,000 tons	41,154,000 tons	+ 2.3

Cotton Textiles

An increase during March of 2.3 per cent in the daily cotton consumption in Fifth district textile mills was recorded over daily consumption in February, and total consumption rose 15.1 per cent, due to the longer month. Last month also showed an increase of 34.2 per cent over consumption in March 1936. The three textile manufacturing states in the Fifth district used more cotton in March than in any other month on record, but consumed only 46 per cent of the National total in comparison with 48.5 per cent used in the district in March last year. Consumption of cotton in the district in March 1937, February 1937 and March 1936 was as follows, in bales:

Months	No. Carolina	So. Carolina	Virginia	District
March 1937.....	198,392	143,873	15,852	358,117
February 1937.....	171,997	125,472	13,726	311,195
March 1936.....	143,698	109,152	14,040	266,890
3 Months, 1937.....	544,804	397,044	42,884	984,732
3 Months, 1936.....	431,207	324,323	41,023	796,553

On March 19, the Department of Commerce issued a report on spindles in place, spindles active in February, total spindle hours of operation in February, and average hours of operation per spindle in place in February. On February 28, 1937, there were 27,103,076 spindles in place in the United States, North Carolina leading with 6,063,902, or 22.4 per cent of the total, while South Carolina ranked second with 5,679,236 spindles, or 21.0 per cent, and Massachusetts third with 4,062,536 spindles, or 15.0 per cent. The Fifth district as a whole had 45.7 per cent of total spindles in place in the United States at the end of February 1937, of which 94.9 per cent were active at some time during the month. In actual spindle hours of operation, South Carolina led all states for February with 2,071,196,312 hours, or 24.8 per cent of the National total of 8,352,662,065 hours, and North Carolina ranked second with 1,915,610,429 hours, or 22.9 per cent. The Fifth district, with 45.7 per cent of total spindles in the United States in place in February, 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 365 hours per spindle ranked first, but North Carolina with 315 hours tied for sixth place with Mississippi and Virginia with 292 hours ranked no better than ninth. The average hours of operation for the United States was 308 per spindle in place.

Statistics on Cotton

Spot cotton prices between March 19 and April 16 on ten Southern markets moved in a curve, rising from 14.16 cents for middling grade $\frac{7}{8}$ inch upland cotton on March 19 to 14.91 cents on March 30, and then falling off to 13.48 cents on April 16, the latest date for which the average price is available. The decline in April began apparently as a result of selling by foreign interests following rumors that our Government contemplated a reduction in the price of gold and continued on further selling pressure from both foreign and domestic sources. The later drop in cotton

was also associated with a decline in the general level of prices of other commodities around the middle of April. 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, $\frac{7}{8}$ inch Upland Cotton, Per Pound					
Years	Mar. 19	Mar. 26	April 2	April 9	April 16
1937	14.16	14.23	14.62	14.23	13.48
1936	11.40	11.64	11.57	11.61	11.62
1935	11.23	11.29	11.25	11.89	11.96
1934	12.15	11.90	12.03	12.11	11.87
1933	6.32	6.24	6.16	6.42	6.70
1932	6.43	6.19	5.92	5.74	5.96
1931	10.08	10.07	9.77	9.51	9.48
1930	15.36	15.31	15.70	15.54	15.16
1929	19.62	19.58	19.31	19.32	18.97

Cotton consumption figures as released by the Census Bureau broke all previous records in March, and exceeded March 1936 consumption by 41.5 per cent. Bales of cotton consumed in the United States during the eight months of the present cotton year, beginning last August 1, totaled 29.7 per cent more than the cotton used during the corresponding eight months ended March 31, 1936. Consuming establishments on March 31 this year held 55.6 per cent more cotton than a year earlier, but cotton in public storage and compresses declined 23.3 per cent during the year.

Cotton Consumed and On Hand				
	(Bales)			
	March 1937	March 1936	Aug. 1 to Mar. 31 This yr.	Last yr.
Fifth district states:				
Cotton consumed	358,117	266,890	2,470,789	1,956,957
Cotton growing states:				
Cotton consumed	642,440	466,775	4,415,155	3,425,504
Cotton on hand Mar. 31 in consuming establishments	1,711,123	1,113,743	.....	.....
Storage & compresses....	4,925,740	6,452,752	.....	.....
United States:				
Cotton consumed	779,302	550,641	5,291,936	4,080,999
Cotton on hand Mar. 31 in consuming establishments	2,079,862	1,336,529	.....	.....
Storage & compresses...	5,036,962	6,570,222	.....	.....
Exports of cotton	467,706	404,741	4,389,199	4,814,360

Cotton seed received at the United States mills between August 1, 1936, and March 31, 1937, totaled 4,392,789 tons, compared with 3,647,196 tons received in the eight months ended March 31, 1936. Of the receipts mentioned, North Carolina mills took 226,555 tons this year and 218,330 tons last year, and South Carolina mills received 215,498 tons and 198,184 tons in the two periods, respectively. The mills crushed 4,100,301 tons of seed in the period ended March 31 this year, and had 314,179 tons on hand at the end of the period, compared with 3,537,467 tons crushed in the eight months ended March 31, 1936, and 199,304 tons on hand on that date.

Tobacco Manufacturing

Tobacco manufacturing increased further in March 1937, and made a better comparison with figures for the corresponding month last year than was shown in February 1937. Output of tobacco products in March 1937 and March 1936 in the United States, according

to the report of the Bureau of Internal Revenue, was as follows:

	March 1937	March 1936	% Change
Smoking & Chewing Tobacco, Pounds	27,878,554	26,996,069	+ 3.3
Cigarettes, Number	12,791,724,170	11,193,046,810	+14.3
Cigars, Number	466,831,035	377,167,052	+23.8
Snuff, Pounds	3,205,251	3,319,160	- 3.4

No production figures were released on a State basis, but at the rate of production attained by Fifth district States in 1936 the district manufactured approximately 10,745,048,000 cigarettes last month, or 84 per cent of the National total; 14,327,000 pounds of smoking tobacco and snuff, or 45 per cent of the total; and 51,351,000 cigars, or 11 per cent of the total. Taxes paid to the Federal Treasury in March 1937 on tobacco manufacture totaled \$45,125,495, compared with \$39,975,260 paid in March 1936, an increase last month of 12.9 per cent.

Agricultural Notes

The past winter was comparatively mild, and winter grains began spring growth in excellent condition. The average condition of wheat in the Fifth district on April 1 was materially better than a year earlier, although cold weather in March retarded development. However, the cold delayed premature swelling of apple buds, and present indications point to good prospects for apples this year unless very unfavorable weather occurs at blooming time. Intentions to plant figures released by the Department of Agriculture on March 19 showed that acreages of most crops will probably be increased in the Fifth district this year Maryland farmers indicated larger plantings of tobacco, cowpeas and soybeans, reduced acreage to oats, and the same acreages to corn, barley, hay, potatoes and sweet potatoes. West Virginia farmers intend to increase corn, tobacco, cowpeas and hay, reduce oats, and leave barley, potatoes and soybeans unchanged. Virginia acreages planted to corn, oats, barley, hay, soybeans, cowpeas, potatoes, sweet potatoes, peanuts and tobacco will all be increased this year, according to farmers' reports. North Carolina farmers intend to shift extensively from certain food and feed crops to major cash crops. Increased plantings this year of barley, hay, potatoes, tobacco and peanuts are reported, while corn and sweet potato acreages will be reduced. South Carolina farmers plan to increase acreages planted to potatoes, tobacco, soybeans and cowpeas, but plantings of corn and oats will be reduced and hay, sweet potatoes and peanut acreages will remain approximately unchanged.

Construction

Building permits issued in thirty-one Fifth district cities in March 1937 showed marked improvement over the figures reported for March last year in both number and total valuation. Last month 2,975 permits were issued for all classes of work, compared with 2,727 permits issued in March 1936, an increase of 9.1 per cent. Total valuation figures for March 1937

Building Permits Issued in March 1937 and 1936

CITIES	Permits Issued 1937	Permits Issued 1936	Total Valuation 1937	Total Valuation 1936
Baltimore, Md.	849	801	\$2,157,960	\$1,394,040
Cumberland, Md.	23	8	23,270	8,350
Frederick, Md.	15	11	28,430	65,216
Hagerstown, Md.	23	11	32,345	7,145
Salisbury, Md.	26	17	16,725	155,530
Danville, Va.	46	35	141,389	107,740
Lynchburg, Va.	44	40	283,721	58,102
Norfolk, Va.	132	129	130,555	98,199
Petersburg, Va.	2	1	3,500	4,000
Portsmouth, Va.	34	51	16,756	17,280
Richmond, Va.	149	111	394,616	333,776
Roanoke, Va.	51	59	113,628	73,902
Bluefield, W. Va.	13	8	45,840	6,800
Charleston, W. Va.	134	115	230,555	219,070
Clarksburg, W. Va.	57	49	76,482	29,811
Huntington, W. Va.	46	23	329,315	273,755
Asheville, N. C.	48	35	56,115	29,940
Charlotte, N. C.	92	107	272,931	162,707
Durham, N. C.	47	32	167,052	171,318
Greensboro, N. C.	45	59	104,325	118,057
High Point, N. C.	52	49	55,915	25,248
Raleigh, N. C.	30	18	424,840	14,300
Rocky Mount, N. C.	24	12	181,520	10,540
Salisbury, N. C.	7	9	21,275	16,460
Winston-Salem, N. C.	114	119	264,415	136,501
Charleston, S. C.	46	50	72,507	522,302
Columbia, S. C.	76	54	159,216	93,038
Greenville, S. C.	57	80	126,042	171,807
Rock Hill, S. C.	23	34	42,315	51,700
Spartanburg, S. C.	31	25	106,383	23,982
Washington, D. C.	639	575	3,612,835	2,187,085
District Totals	2,975	2,727	\$9,692,773	\$6,587,201

amounting to \$9,692,773 showed an increase of 42.1 per cent over March 1936 valuation of \$6,587,201. Twenty-two cities reported more permits issued last month than in March last year, and twenty-three cities reported higher valuation figures. *Contracts awarded* for all types of work, and including both rural and urban projects, totaled \$24,371,500 in March this year, of which \$9,898,500 represented residential construction, compared with contract awards totaling only \$17,136,158 in the Fifth district in March 1936, with \$6,109,238, or 36 per cent of the total, being for residential work. Total awards in March this year exceeded the March 1936 awards by 42.2 per cent.

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

Construction Contracts Awarded			
States	Feb. 1937	Feb. 1936	% Change
Maryland	\$ 4,097,400	\$ 2,943,800	+ 39.2
D. of Col.	7,274,800	2,376,700	+206.1
Virginia	4,833,900	1,640,800	+194.6
West Va.	1,211,400	1,230,100	- 1.5
No. Carolina	2,297,500	2,527,200	- 9.1
So. Carolina	2,158,400	2,681,700	- 19.5
District	\$21,873,400	\$13,400,300	+ 63.2

Automobile New Car Registrations

Automobile sales figures are good indicators of consumer buying power, and registrations of new passenger cars in the Fifth Federal Reserve district in the first three months of 1937 totaled 31 per cent more than registrations in the corresponding period of 1936. There was also a shift from the three most popular makes to higher priced cars, registrations of the three making up only 67.0 per cent of total new car registrations in the first quarter of this year in comparison with 72.5 per cent in the first quarter last year. Registrations of new passenger cars in Fifth district States

between January 1 and March 31 this year and last, according to figures compiled by R. L. Polk & Co., were as follows:

Registrations of New Passenger Cars			
States	3 Months 1937	3 Months 1936	% Increase
Maryland	10,959	7,419	+47.7
D. of Columbia.....	7,175	7,000	+2.5
Virginia	11,641	9,427	+23.5
West Virginia.....	7,063	5,978	+18.1
North Carolina.....	12,697	8,578	+48.0
South Carolina.....	7,213	4,915	+46.8
5th District	56,748	43,317	+31.0

Retail Trade, 28 Department Stores

Baltimore	Washington	Other Cities	District
March 1937 sales, compared with sales in March 1936:			
+19.3	+14.0	+23.6	+17.6
Jan.-March 1937 sales, compared with sales in Jan.-March 1936:			
+13.6	+9.0	+14.4	+11.6
Mar. 31, 1937, stocks, compared with stocks on Mar. 31, 1936:			
+10.3	+15.5	+9.9	+12.5
Mar. 31, 1937, stocks, compared with stocks on Feb. 28, 1937:			
+5.7	+5.6	+5.3	+5.6
Number of times stocks were turned in March 1937:			
.357	.361	.343	.356
Number of times stocks were turned since Jan. 1, 1937:			
.885	.948	.845	.906
Percentage of Mar. 1, 1937, receivables collected in March:			
31.8	27.7	31.8	29.7

In addition to the 28 stores which reported on sales, stocks, receivables and collections, sales figures alone

were received from 26 other stores representing for the most part smaller cities and towns. The sales in these 26 stores have been combined with sales in the 28 stores in the above table, and percentage changes calculated on a State basis, as follows:

Va.	W. Va.	N. C.	S. C.	District
12*	8*	7*	11*	54*
March 1937 sales, compared with sales in March 1936:				
+22.3	+49.2	+27.8	+25.2	+19.3
Jan.-March 1937 sales, compared with sales in Jan.-March 1936:				
+14.5	+19.8	+17.4	+18.4	+12.4

*Number of reporting stores.

Wholesale Trade, 56 Firms

21	7	6	12	10
Groceries	Dry Goods	Shoes	Hardware	Drugs
March 1937 sales, compared with sales in March 1936:				
+20.5	— .1	+27.8	+27.6	+11.8
March 1937 sales, compared with sales in February 1937:				
+16.8	+17.2	+37.6	+30.4	+7.2
Jan.-March 1937 sales, compared with sales in Jan.-March 1936:				
+13.7	+10.1	+21.6	+25.7	+10.7
March 31, 1937, stocks, compared with stocks on Mar. 31, 1936:				
+16.3(8*)	+45.2(3*)	+22.2(4*)	+9.5(7*)	.....
March 31, 1937, stocks, compared with stocks on Feb. 28, 1937:				
+1.2(8*)	+3.3(3*)	-16.5(4*)	+4.0(7*)	.....
Percentage of collections in March to receivables March 1:				
120.9(12*)	41.5(4*)	48.7(5*)	50.7(11*)	71.4(6*)

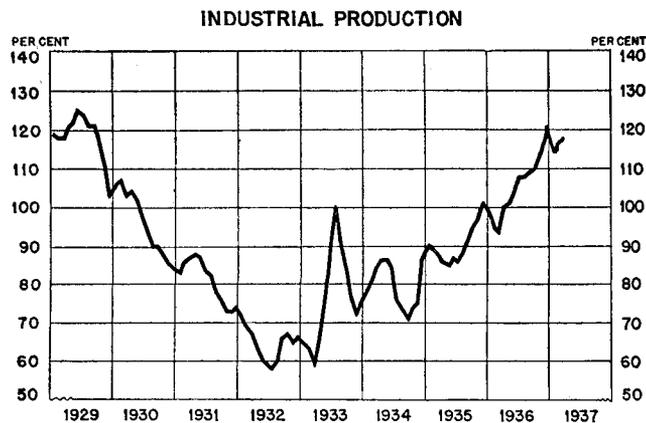
*Number of reporting firms.

(Compiled April 21, 1937)

BUSINESS CONDITIONS IN THE UNITED STATES

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

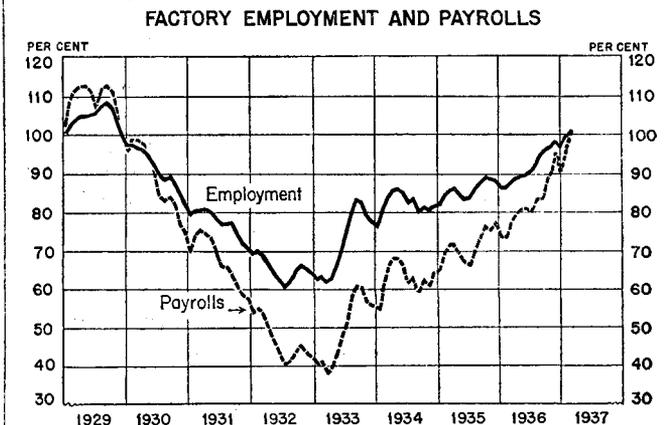
In March industrial activity continued to increase and payrolls at factories and mines showed a substantial rise. Prices of basic commodities after advancing rapidly in March declined in the first half of April.



Index of physical volume of production, adjusted for seasonal variation, 1923-25 average=100. By months, January 1929 through March 1937.

Production and Employment

Industrial production increased from February to March and the Board's seasonally adjusted index advanced from 116 percent of the 1923-1925 average to

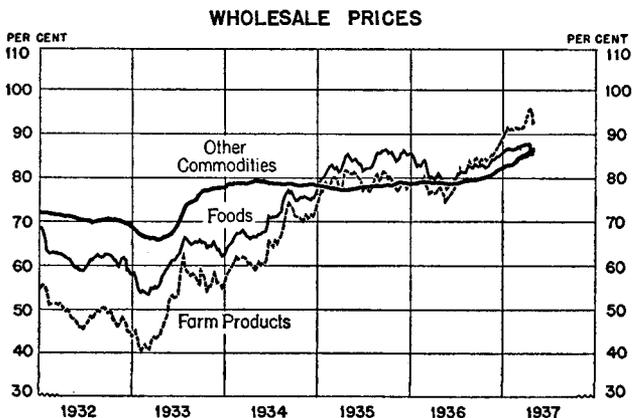


Indexes of number employed and payrolls, without adjustment for seasonal variation, 1923-1925 average=100. By months, January 1929 to March 1937. Indexes compiled by the U. S. Bureau of Labor Statistics.

118 percent. The rise reflected a sharp increase in output of minerals, chiefly coal, and an increase of somewhat more than the usual seasonal amount in manufacturing. The larger output of coal in March was due in part to stocking by consumers in anticipation of a possible strike at bituminous coal mines on April 1 when the agreement between mine operators and the miners' union expired. A new agreement was reached on April 2 but, owing partly to the previous accumulation of stocks, production in the first ten days of April showed a sharp decline. During March activity at steel mills increased seasonally and in the first three weeks of April was over 90 percent of capacity. In the automobile industry output showed about the usual seasonal increase in March and the first three weeks of April, considerable fluctuations during this period being largely in response to developments in the labor situation. Lumber production expanded considerably in March, and there was a sharp rise in output of nonferrous metals. Cotton consumption, which has been at an unusually high level in recent months, increased further in March and in actual amount was larger than in any previous month. Production at woolen mills and shoe factories continued in large volume.

Value of construction contracts awarded in March, as reported by the F. W. Dodge Corporation, was at about the same level as in February and substantially higher than a year ago. Privately-financed work increased, while the amount of publicly-financed work continued to decline. The increase in privately-financed projects reflected a larger volume of residential building and of factory and commercial construction.

Employment and payrolls increased by considerably more than the usual seasonal amount between the middle of February and the middle of March. The expansion in payrolls was larger than in employment, reflecting in part a further rise in wage rates. In manufacturing, the principal increases in employment were in industries producing durable goods, particularly steel, machinery, and lumber. The number employed in the production of nondurable manufactures showed slightly more than the usual seasonal rise.



Indexes compiled by the U. S. Bureau of Labor Statistics, 1926=100. By weeks, 1932 to date. Latest figure is for week ending April 17, 1937.

Distribution

Distribution of commodities to consumers showed about the usual seasonal increase from February to March. Mail-order sales expanded considerably but the rise in department store sales was less than seasonal, considering the early date of Easter this year.

Commodity Prices

Prices of nonferrous metals, steel scrap, rubber, cotton, and wheat, which had advanced rapidly in March, declined considerably in the first half of April. Since the middle of March prices of coke, tin plate, and rayon have advanced and there have been smaller increases in a wide variety of other industrial products. Dairy products have declined, reflecting in part seasonal developments.

Bank Credit

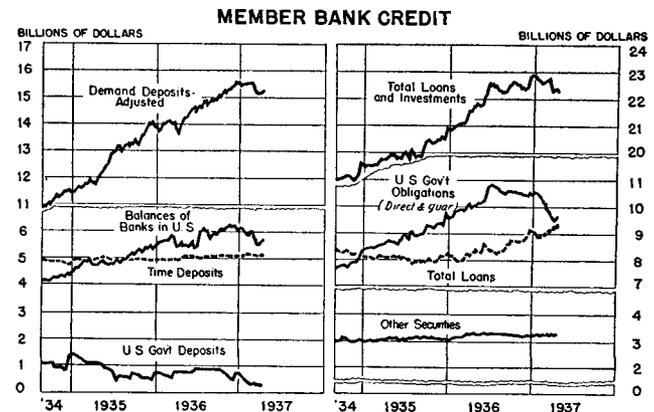
In the four-week period from March 24 to April 21 excess reserves of member banks increased from \$1,270,000,000 to \$1,590,000,000, reflecting principally disbursements by the Treasury from balances with Federal Reserve banks and purchases of U. S. Government obligations by the Federal Reserve System. The bulk of the increase in excess reserves was at banks in New York City and Chicago.

Total loans and investments of reporting member banks, which had declined sharply in March, reflecting sales of U. S. Government obligations, showed little change in the two weeks ending April 14. Loans to brokers and dealers in securities declined from the middle of March to the middle of April, while other loans, which include loans for commercial, industrial, and agricultural purposes, showed a substantial increase. These loans have increased almost continuously over the past year.

Demand deposits, after declining in March, increased somewhat in the first half of April, and there was an increase in foreign bank balances, reflecting an inward movement of short-term funds from abroad.

Money Rates

The rate on prime commercial paper advanced from 3/4 percent to 1 percent in the latter part of March. Bond yields, which had advanced sharply in March, showed no pronounced change in the first three weeks of April.



Wednesday figures for reporting member banks in 101 leading cities. September 5, 1934, to April 14, 1937.