

# MONTHLY REVIEW

## *of Financial and Business Conditions*

FIFTH  
FEDERAL



RESERVE  
DISTRICT

*Federal Reserve Bank, Richmond, Va.*

*March 31, 1940*

### Summary of February Business Conditions

TRADE and industry in the Fifth Federal Reserve district were slightly below seasonal levels in February on the whole, but continued well above the levels of a year ago. Debits to individual accounts, reflecting transactions through the banks in 25 cities, declined somewhat more than usual in February, but were 14 per cent above February 1939 debits. Labor experienced a moderate decrease in employment and payrolls last month, chiefly due to lessened activity in coal mining and the cotton textile industry, but employment continued better than a year ago. Bituminous coal production in the district declined about 9 per cent from January to February, but in the later month was 22 per cent above production in February 1939. Textile mills reduced operations about 7 per cent in February from January in order to bring production of textiles more nearly in line with shipments, but activity during the month was 18 per cent greater than in February last year. Shipments of rayon yarn declined a little more than seasonal average last month, but were 16 per cent above February 1939 shipments. Production of rayon

yarn again exceeded shipments, and reserve stocks rose 19 per cent, but are still 79 per cent less than stocks a year ago.

#### CONSUMER BUYING HOLDS UP

Distribution of goods in February at retail and wholesale continued substantially above distribution a year ago. Retail trade as reflected by department store sales was 11 per cent greater in February this year than in the same month last year, and retail furniture sales increased 20 per cent. Sales of new passenger automobiles last month exceeded sales in February 1939 by 21 per cent, although sales were 12 per cent less than those in January. Wholesale firms in many lines averaged sale increases of 3 per cent in February this year over January sales, and also sold 14 per cent more than in February 1939. All wholesale lines for which data are available sold more goods in February 1940 than in February 1939 except dealers in Paper & Products, which shows a small decrease of 2 per cent.

#### BUSINESS STATISTICS—FIFTH FEDERAL RESERVE DISTRICT

	February 1940	January 1940	February 1939	% Change	
				Month	Year
Debits to individual accounts (25 cities).....	\$1,189,136,000	\$1,381,416,000	\$1,042,090,000	— 14	+ 14
Sales, 31 department stores, 5th district.....	\$ 7,334,877	\$ 7,218,855	\$ 6,623,599	+ 2	+ 11
Sales, 39 furniture stores, 5th district.....	\$ 1,012,329	\$ 922,580	\$ 847,030	+ 10	+ 20
Sales, 211 wholesale firms, 5th district.....	\$ 11,229,000	\$ 10,907,000	\$ 9,863,000	+ 3	+ 14
Registrations, new autos, 5th district.....	15,581	17,660	12,895	— 12	+ 21
Number of business failures, 5th district.....	46	58	65	— 21	— 29
Liabilities in failures, 5th district.....	\$ 584,000	\$ 579,000	\$ 469,000	+ 1	+ 25
Value of building permits, 31 cities.....	\$ 7,072,557	\$ 4,987,380	\$ 7,216,892	+ 42	— 2
Value of contracts awarded, 5th district.....	\$ 29,605,000	\$ 22,016,000	\$ 19,053,000	+ 34	+ 55
Cotton consumption, 5th district (Bales).....	319,601	346,605	270,630	— 8	+ 18
Cotton price, cents per lb., end of month.....	10.74	10.52	8.72	+ 2	+ 23
Print cloths, 39 in., 80x80, end of month.....	6.63	7.00	.....	— 5	....
Rayon shipments, U. S. (Pounds).....	29,700,000	31,400,000	25,700,000	— 5	+ 16
Rayon yarn stocks, U. S. (Pounds).....	8,300,000	7,000,000	39,600,000	+ 19	— 79
Bituminous coal mined, U. S. (Tons).....	39,270,000	44,940,000	34,134,000	— 13	+ 15

## RESERVE BANK CIRCULATION RISES

Changes in the principal items on the statement of the Federal Reserve Bank of Richmond during the past month were of little significance, although Federal Reserve notes in actual circulation showed an unseasonal rise.

## RESERVE BANK STATEMENT ITEMS

Fifth District

ITEMS	000 omitted		Mar. 15 1939
	Mar. 15 1940	Feb. 15 1940	
Discounts held .....	\$ 113	\$ 117	\$ 170
Foreign loans on gold.....	86	216	0
Open market paper.....	0	0	24
Industrial advances .....	909	933	1,204
Government securities .....	125,583	125,583	133,524
Total earning assets.....	126,691	126,849	134,922
Circulation of Fed. Res. notes.....	221,028	219,648	195,961
Members' reserve deposits.....	296,184	297,664	233,510
Cash reserves .....	443,536	438,385	351,097
Reserve ratio .....	78.28	77.96	73.05

## MEMBER BANK LOANS INCREASE

Loans at reporting member banks rose further between February 14 and March 13, while investments in securities again declined. Both demand and time deposits increased during the month, and reserve balances at the Reserve bank rose. On March 13 this year figures were materially higher than on March 15, 1939, for loans, reserve balances, cash in vaults and demand deposits.

## SELECTED ITEMS—41 REPORTING BANKS

Fifth District

ITEMS	000 omitted		Mar. 15 1939
	Mar. 13 1940	Feb. 14 1940	
Loans & discounts .....	\$264,196	\$262,975	\$232,202
Investments in securities.....	446,193	450,497	446,821
Reserve bal. with F. R. bank.....	195,333	192,962	145,974
Cash in vaults .....	22,483	22,024	16,889
Demand deposits .....	538,986	531,919	468,908
Time deposits .....	200,459	200,084	198,789
Money borrowed .....	0	0	0

## DEBITS IN SEASONAL DECLINE

Debits to individual accounts in February 1940 declined by 14 per cent from January figures, about an average seasonal drop, but were 14 per cent above February 1939 debits. Every reporting city in the district showed lower figures in February than in January, but higher figures than in February last year. Newport News reported the smallest decline from January 1940 and the largest increase over February 1939.

## DEBITS TO INDIVIDUAL ACCOUNTS

000 omitted

CITIES	000 omitted		% of Change Month	Year
	Feb. 1940	Jan. 1940		
<b>Maryland</b>				
Baltimore .....	\$ 343,749	\$ 401,652	\$ 294,465	-14 +17
Cumberland .....	7,454	8,041	6,751	-7 +10
Hagerstown .....	7,456	8,585	6,305	-13 +18
<b>Dist. of Col.</b>				
Washington .....	239,885	281,077	220,617	-15 +9
<b>Virginia</b>				
Danville .....	7,609	10,065	6,606	-24 +15
Lynchburg .....	13,522	15,861	11,890	-15 +14
Newport News .....	11,067	11,664	8,110	-5 +86
Norfolk .....	45,217	51,563	41,099	-12 +10
Portsmouth .....	3,976	4,534	3,695	-12 +8
Richmond .....	140,191	159,624	125,481	-12 +12
Roanoke .....	25,801	27,913	22,806	-8 +13
<b>West Virginia</b>				
Charleston .....	46,355	50,997	38,754	-9 +20
Huntington .....	15,441	17,295	13,177	-11 +17
Parkersburg .....	8,290	10,298	7,320	-19 +13
<b>North Carolina</b>				
Asheville .....	11,547	13,251	10,152	-13 +14
Charlotte .....	61,375	68,517	50,073	-10 +23
Durham .....	27,885	31,294	22,345	-11 +25
Greensboro .....	18,745	20,089	16,630	-7 +13
Raleigh .....	34,973	53,245	33,698	-34 +4
Wilmington .....	10,816	11,895	8,753	-13 +18
Winston-Salem .....	35,247	39,841	32,482	-12 +9
<b>South Carolina</b>				
Charleston .....	17,695	19,822	14,745	-11 +20
Columbia .....	25,934	30,456	22,562	-15 +15
Greenville .....	19,664	22,309	15,851	-12 +24
Spartanburg .....	9,742	11,528	7,723	-15 +26
District Totals ..	\$1,189,136	\$1,381,416	\$1,042,090	-14 +14

## MUTUAL SAVINGS CONTINUE AT RECORD LEVEL

Deposits in 10 Baltimore mutual savings banks totaled \$222,888,548 on February 29, 1940, setting a new record for the third successive month. On January 31, 1940, deposits of \$222,744,893 were reported, and on February 28, 1939, deposits totaled \$219,404,340.

## INSOLVENCY STATISTICS

Bankruptcy statistics for the Fifth district and the United States, as reported by *Dun & Bradstreet*, are as follows:

PERIODS	Number of District	Failures U. S.	Total Liabilities	
			District	U. S.
February 1940 .....	46	1,042	\$ 584,000	\$13,472,000
January 1940 .....	58	1,237	579,000	15,279,000
February 1939 .....	65	1,202	469,000	13,582,000
2 Months, 1940 .....	104	2,279	1,163,000	28,751,000
2 Months, 1939 .....	133	2,769	1,087,000	34,372,000

## EMPLOYMENT DECLINES MODERATELY

The number of workers gainfully employed in the Fifth Reserve district declined moderately in February, chiefly in coal mining and the textile industry. This was partly offset by some improvement in the weather, which allowed for an increase in outside construction work, but on the whole weather continued unusually severe until the middle of March. Tobacco markets have closed for the season, laying off many warehouse employees, but this is a regular seasonal development. The following figures, collected for the most part by the Bureau of Labor, show the trend of employment and payrolls in the Fifth district from January to February:

STATES	Percentage change from Jan. 1940 to Feb. 1940	
	in number on payroll	in amount of payroll
Maryland .....	- 1.0	- 1.2
Dist. of Columbia .....	+ 0.4	+ 0.2
Virginia .....	- 0.6	- 0.5
West Virginia .....	- 1.5	- 0.5
North Carolina .....	- 0.1	+ 1.3
South Carolina .....	- 0.8	+ 0.2

## AUTO SALES APPROACH FEBRUARY RECORD

New passenger automobiles registered in the Fifth district in February totaled 15,581, a seasonal decline from 17,660 cars registered in January but 21 per cent above February 1939 registrations. The number of new cars sold in the district last month exceeded sales in any other February since 1929. Retail sales, however, did not equal shipments from factory to dealers, and dealers' stocks increased substantially. Used car stocks also increased during February. However, spring and early summer sales are expected to reduce both new and used stocks, neither of which are unusually large for this time of year. Registration figures by states, collected by *R. L. Polk & Co.*, are as follows:

## REGISTRATIONS OF NEW PASSENGER CARS—NUMBER

STATES	Feb. 1940	Feb. 1939	% Change	2 Months		% Change
				1940	1939	
Maryland .....	2,986	2,297	+ 30	6,332	4,783	+32
Dist. of Col. ...	1,617	2,138	- 24	3,347	3,420	- 2
Virginia .....	3,079	2,608	+ 18	6,976	5,649	+23
West Virginia ..	1,824	1,330	+ 37	3,869	2,753	+41
No. Carolina ...	3,644	2,803	+ 30	7,940	6,412	+24
So. Carolina ...	2,431	1,719	+ 41	4,777	3,649	+31
District .....	15,581	12,895	+ 21	33,241	26,666	+25

## CONSTRUCTION CONTRACTS INCREASE

Building permits issued in 31 Fifth district cities totaled \$7,072,557 in February, compared with \$4,987,380 in January 1940 and \$7,216,892 in February 1939. Washington led last month with permits totaling \$2,531,565, Baltimore was second with \$1,285,494, Richmond third

with \$473,697, and Charleston, W. Va., fourth with \$457,778. Eighteen of the 31 reporting cities issued permits last month in excess of February 1939 valuation, but substantial decreases from 1939 figures in Durham, Charleston, S. C., Spartanburg and Washington pulled this year's district total below the aggregate for February last year.

Contracts actually awarded in the Fifth district last month, valued at \$29,605,000, exceeded awards in any other February since 1929, and were also larger than awards totaling \$22,016,000 in January this year. Two publicly financed contracts awarded last month totaled more than \$9,000,000, one a naval medical center near Bethesda, Md., for \$4,850,000, and the other a War Department office building in Washington for \$4,329,000. Contract award figures collected by the *F. W. Dodge Corporation* by states for February 1940 and 1939 are as follows:

**CONSTRUCTION CONTRACTS AWARDED**

STATES	Feb. 1940	Feb. 1939	% Change
Maryland .....	\$10,234,000	\$ 4,697,000	+118
Dist. of Col. ....	6,839,000	3,307,000	+107
Virginia .....	4,728,000	4,413,000	+ 7
West Virginia .....	2,149,000	2,455,000	- 12
North Carolina .....	3,987,000	2,771,000	+ 44
South Carolina .....	1,668,000	1,410,000	+ 18
District .....	\$29,605,000	\$19,053,000	+ 55

**COAL MINING SLOWS DOWN**

Bituminous coal production in the United States totaled 39,270,000 net tons in February 1940, compared with 44,940,000 tons dug in January and 34,134,000 tons in February 1939. On a work-day basis, production of 1,577,000 tons last month was 8.4 per cent below 1,722,000 tons per day in January but 10.4 per cent above daily output of 1,428,000 tons in February 1939. Shipments through Hampton Roads this calendar year to March 9 of 4,902,966 tons exceeded shipments to the same date in 1939 of 4,427,294 tons by 10.7 per cent. In the Fifth district, coal mined in February 1940, January 1940 and February 1939, was as follows:

**SOFT COAL PRODUCTION IN TONS**

REGION	Feb. 1940	Jan. 1940	Feb. 1939
West Virginia .....	10,163,000	11,155,000	8,285,000
Virginia .....	1,269,000	1,441,000	1,084,000
Maryland .....	153,000	164,000	125,000
5th District .....	11,585,000	12,760,000	9,494,000
United States .....	39,270,000	44,940,000	34,134,000
% in District .....	29.5	28.4	27.8

**TEXTILE MILLS ADJUST PRODUCTION**

Cotton textile mills restricted operations moderately in February, bringing production more nearly in balance with shipments. The back-log of orders built up last fall having been substantially reduced, some accumulation of inventories began to develop after the first of the year. Prices of unfinished cotton cloth declined in February, and the average mill margin in the first week in March at 11.83 cents compared with an average of 12.25 cents in February. Consumption of cotton by states in the Fifth district in February 1940, January 1940 and February 1939, in bales, is shown in the accompanying table:

**COTTON CONSUMPTION—FIFTH DISTRICT**

MONTHS	In Bales			
	No. Carolina	So. Carolina	Virginia	District
February 1940 .....	174,359	131,419	13,823	319,601
January 1940 .....	190,299	142,554	13,752	346,605
February 1939 .....	148,164	111,097	11,369	270,630
2 months, 1940 .....	364,658	273,973	27,575	666,206
2 months, 1939 .....	305,633	229,976	22,890	558,499

**RAYON MARKET CONTINUES ACTIVE**

Shipments of rayon filament yarn, as tabulated in *Rayon Organon* for the United States, amounted to 29,700,000 pounds during February, a decline from 31,400,000 pounds

shipped in January but a substantial increase over shipments of 25,700,000 pounds in February 1939. For the second month in succession production exceeded shipments, and reserve stocks rose from 7,000,000 pounds on January 31 to 8,300,000 pounds on February 29. However, reserves of yarn are still very low, and are only a fraction of stocks on hand totaling 39,600,000 pounds at the end of February 1939. No changes of importance have occurred in rayon yarn prices since last fall, but in late February the largest American producer of rayon wood pulp announced advances of \$5 per ton for several grades of bleached sulphite pulp.

**COTTON CONSUMPTION RECEDES**

Spot cotton prices on Southern markets declined slightly between the middle of February and the middle of March, but mills were not active purchasers and quotations were more or less nominal. The average price for middling grade 15/16 inch staple was 10.86 cents per pound on February 16, but after rising to 10.92 cents on February 23, the price dropped to 10.61 cents on March 15.

**COTTON CONSUMPTION AND ON HAND—BALES**

	Feb. 1940	Feb. 1939	Aug. 1 to Feb. 29 This Year	Feb. 29 Last Year
<b>Fifth district states:</b>				
Cotton consumed .....	319,601	270,630	2,232,681	1,907,118
<b>Cotton growing states:</b>				
Cotton consumed .....	565,566	475,360	3,996,472	3,354,323
Cotton on hand Feb. 29 in				
Consuming establishments ..	1,434,283	1,342,325	.....	.....
Storage & compresses .....	12,093,293	14,075,654	.....	.....
<b>United States:</b>				
Cotton consumed .....	662,659	562,580	4,704,504	3,959,420
Cotton on hand Feb. 29 in				
Consuming establishments ..	1,701,510	1,559,417	.....	.....
Storage & compresses .....	12,157,074	14,134,827	.....	.....
Exports of cotton .....	746,680	263,922	4,916,511	2,455,803
Spindles active, U. S. ....	22,803,796	22,532,814	.....	.....

**AUCTION TOBACCO MARKETS CLOSE**

All tobacco markets have closed for the season, but complete figures on sales are not yet available. Season figures will be published next month.

**TOBACCO MANUFACTURING DECREASES**

The manufacture of tobacco products declined seasonally in February from January levels, but was in larger volume than in February 1939. Production figures for February 1940 and 1939 were given by the Bureau of Internal Revenue as follows:

**TOBACCO PRODUCTS MANUFACTURED**

	Feb. 1940	Feb. 1939	% Change
Smoking & chewing tobacco, pounds .....	23,712,060	22,445,896	+ 6
Cigarettes, number .....	13,162,661,213	11,781,749,850	+12
Cigars, number .....	375,824,394	361,233,088	+ 4
Snuff, pounds .....	3,144,556	2,978,861	+ 6

**RETAIL AND WHOLESALE TRADE**

**DEPARTMENT STORE TRADE**

	Net Sales Feb. 1940 comp. with February 1939	Net Sales Jan. 1 to date comp. with same period last year	Stocks Feb. 29, 1940 comp. with Feb. 1939	Ratio Feb. collections to accounts outstanding Feb. 1	
Richmond (3) ...	+12.7	+ 6.2	+ 8.1	+ 9.8	31.3
Baltimore (8) ...	+10.3	+13.3	+ 7.3	+17.5	30.6
Washington (6) ...	+11.1	+ 9.2	+ 8.9	+12.9	28.1
Other Cities (14) ...	+ 8.2	+ 7.2	+ 7.5	+13.2	29.1
District (31) ..	+10.7	+10.0	+ 8.1	+14.1	29.4
Same stores by states, with 24 stores added:					
Virginia (13) ...	+10.6	+ 5.9	..	..	..
West Va. (9) ...	+13.8	+16.8	..	..	..
No. Carolina (8) ...	+12.5	+ 6.7	..	..	..
So. Carolina (11) ...	+14.6	+15.0	..	..	..

## RETAIL FURNITURE SALES

% Change in Sales, February and 2 Months 1940

STATES	% Change in Sales, February and 2 Months 1940	
	Compared with Feb. 1939	Compared with 2 Months 1939
Maryland, 10 stores .....	+24	+23
Dist. of Col., 7 stores .....	+18	+ 8
Virginia, 10 stores .....	+ 8	+ 1
North Carolina, 4 stores .....	+ 6	+ 8
South Carolina, 7 stores .....	+46	+29
District, 39 stores* .....	+20	+14
Individual Cities:		
Baltimore, 10 stores .....	+24	+23
Richmond, 5 stores .....	+21	- 7
Washington, 7 stores .....	+18	+ 8

\* Includes 1 store in W. Va.

## WHOLESALE TRADE, 211 FIRMS

LINES	Net Sales		Stocks		Ratio Feb. collections to accounts outstanding Feb. 1
	February 1940 compared with Feb. 1939	Jan. 1940	Feb. 29, 1940 compared with Feb. 28 1939	Jan. 31 1940	
Auto supplies (8) .....	+18	- 6	+ 5	0	58
Shoes (4) .....	+20	+46	+14	+ 3	42
Drugs (11) .....	+19	- 6	+ 3	+ 4	88
Dry Goods (8) .....	+ 9	+ 4	+21	+ 1	39
Electrical goods (16) .....	+16	+10	+ 9	+ 4	68
Groceries (62) .....	+14	- 2	+ 7	+ 1	87
Hardware (19) .....	+13	-14	+ 9	+ 1	37
Indus. supplies (12) .....	+21	+ 2	+15	0	59
Plumbing & heating (7) .....	+ 9	- 1	+12	- 1	48
Paper & products (9) .....	- 2	-14	- 3	+ 3	61
Tobacco & products (7) .....	+13	+ 3	+ 5	+ 2	75
Miscellaneous (49) .....	+12	+ 2	+10	- 4	71
District Totals (211) .....	+14	+ 3	+10	+ 1	61

## LIVE STOCK ON FARMS ON JANUARY 1, FOR THE PAST TEN YEARS, WITH TOTAL VALUATION FIGURES

(All figures in thousands: i. e., 000 omitted)

		Maryland		Virginia		West Virginia		North Carolina		South Carolina		Fifth District	
		No.	Value	No.	Value	No.	Value	No.	Value	No.	Value	No.	Value
Horses & colts....	1931	89	\$ 7,387	195	\$13,290	110	\$ 8,690	83	\$ 6,308	28	\$ 1,932	505	\$ 37,607
	1932	87	5,916	187	12,373	106	7,420	77	5,005	25	1,350	482	32,064
	1933	85	5,780	178	11,768	103	7,622	72	4,824	23	1,449	461	31,443
	1934	82	6,806	170	13,770	101	8,686	69	5,862	22	1,760	444	36,884
	1935	80	8,115	163	16,049	99	10,078	67	6,884	21	2,050	430	43,176
	1936	81	9,695	165	19,575	98	11,438	68	7,960	20	2,250	432	50,918
	1937	81	10,062	167	21,307	96	11,604	69	8,675	20	2,465	433	54,113
	1938	82	9,950	167	20,771	96	11,497	69	8,603	20	2,265	434	53,086
	1939	82	9,200	169	19,727	96	11,079	70	8,112	20	2,189	437	50,307
	1940	82	8,481	169	17,728	95	10,119	71	7,892	20	2,092	437	46,312
Mules & colts....	1931	29	3,045	94	8,014	13	1,079	282	32,148	183	16,836	601	61,122
	1932	29	2,755	93	7,834	12	888	279	24,831	181	13,394	594	49,702
	1933	29	2,581	90	7,442	12	876	285	25,365	179	13,783	595	50,047
	1934	29	2,987	92	9,108	12	972	290	33,596	179	20,943	602	67,606
	1935	29	3,491	93	11,028	12	1,116	295	41,242	183	25,071	612	81,948
	1936	29	4,013	93	13,076	12	1,380	298	51,150	185	30,525	617	100,144
	1937	28	4,004	96	14,546	12	1,428	301	54,110	189	34,398	626	108,486
	1938	28	4,060	94	14,274	12	1,428	305	55,136	187	31,790	626	106,688
	1939	28	3,696	95	14,063	12	1,392	305	53,198	185	30,525	625	102,874
	1940	28	3,668	96	13,830	12	1,272	305	52,287	183	31,010	624	102,067
Cattle & calves....	1931	292	17,841	754	25,536	500	18,000	558	20,032	310	10,261	2,414	91,670
	1932	295	12,154	782	21,706	546	15,561	594	16,157	324	7,679	2,541	73,257
	1933	300	8,700	800	16,955	596	13,350	659	13,575	351	6,844	2,706	59,424
	1934	304	8,725	856	17,291	627	12,540	679	13,399	372	7,031	2,838	58,986
	1935	307	9,687	870	19,740	612	12,856	685	14,624	386	7,327	2,860	64,234
	1936	307	13,913	861	28,443	618	19,530	671	18,225	374	8,131	2,831	88,242
	1937	307	14,735	852	28,906	576	17,491	651	18,813	374	8,834	2,760	88,779
	1938	313	16,397	869	32,250	588	20,447	638	18,896	352	9,322	2,760	97,312
	1939	322	16,324	886	34,161	600	21,415	664	20,716	359	9,731	2,831	102,347
	1940	338	16,593	913	35,402	600	22,116	684	22,010	359	10,270	2,894	106,391
Hogs & pigs.....	1931	168	1,596	508	4,069	168	1,428	913	9,313	494	4,347	2,251	20,753
	1932	160	1,200	551	3,343	176	1,320	954	7,346	576	3,283	2,417	16,492
	1933	180	882	579	2,577	196	1,019	1,096	5,590	600	2,820	2,651	12,888
	1934	186	874	585	2,545	188	884	1,005	5,822	552	2,705	2,516	12,830
	1935	159	1,036	543	3,314	188	1,106	947	7,241	509	2,917	2,346	15,614
	1936	167	1,676	597	5,691	197	1,807	966	10,255	519	4,425	2,446	23,854
	1937	184	1,839	663	6,114	213	1,859	1,111	11,523	550	4,828	2,721	26,163
	1938	191	1,725	663	5,904	209	1,823	1,111	10,994	540	4,635	2,714	25,081
	1939	210	1,845	683	5,722	217	1,834	1,155	10,833	583	4,633	2,848	24,867
	1940	231	1,566	717	4,543	230	1,539	1,167	8,358	688	4,512	3,033	20,518
Sheep & lambs....	1931	107	738	495	3,306	625	3,687	90	522	14	64	1,331	8,317
	1932	104	530	485	2,212	631	2,776	86	335	14	50	1,320	5,903
	1933	99	376	480	1,671	631	2,082	85	264	14	43	1,309	4,436
	1934	95	432	470	2,021	610	2,257	81	278	13	40	1,269	5,028
	1935	94	435	438	1,947	606	2,401	77	287	13	40	1,228	5,110
	1936	86	534	416	2,569	588	3,019	73	351	12	45	1,175	6,518
	1937	84	552	395	2,596	547	2,931	62	321	11	36	1,099	6,436
	1938	81	585	399	2,823	547	3,062	62	362	11	37	1,100	6,869
	1939	77	534	387	2,602	536	2,911	60	353	10	32	1,070	6,432
	1940	77	545	379	2,610	531	2,898	54	318	10	37	1,051	6,408

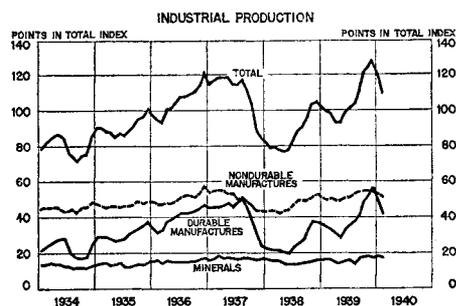
The number of cattle and hogs on Fifth district farms increased during 1939, but mules and sheep declined, while horses remained unchanged. Average value per head rose for cattle and sheep, but horses and mules declined slightly in value and hogs dropped by nearly 23% per head. During the past 10 years, horses on farms decreased 13% in number but rose 23% in aggregate value; mules rose 4% in number and 67% in value; cattle rose 20% in number and 16% in value; hogs rose 35% in number but

declined 1% in value; and sheep declined 21% in number and 23% in value. Between 1931 and 1940, inclusive, horses varied in average value per head from \$67 in 1932 to \$125 in 1937; mules ranged from \$84 in 1932 and 1933 to \$173 in 1937; cattle ranged from \$20.78 in 1934 to \$37.97 in 1931; hogs ranged from \$4.86 in 1933 to \$9.75 in 1936; and sheep ranged from \$3.39 in 1933 to \$6.25 in 1931.

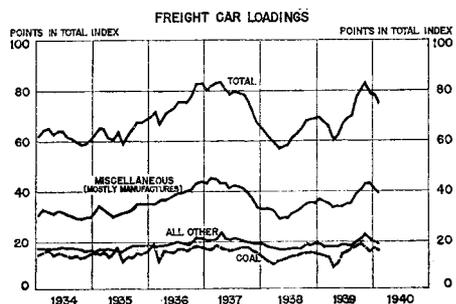
(Compiled March 21, 1940)

## SUMMARY OF NATIONAL BUSINESS CONDITIONS

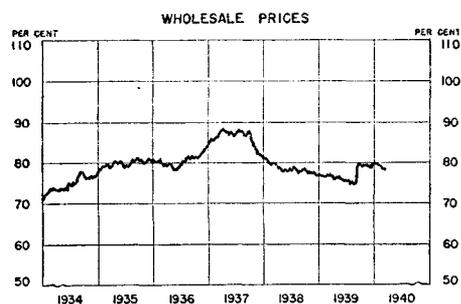
(Compiled by the Board of Governors of the Federal Reserve System)



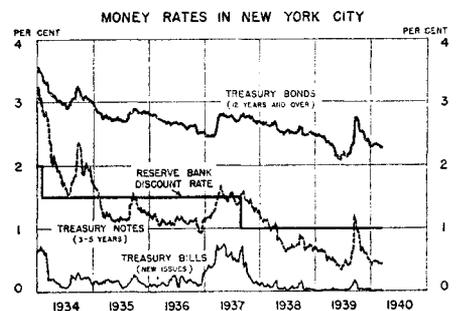
Index of physical volume of production, adjusted for seasonal variation, 1923-1925 average=100. Durable manufactures, nondurable manufactures, and minerals expressed in terms of points in the total index. By months, January 1934 to February 1940.



Index of total loadings of revenue freight, adjusted for seasonal variation, 1923-1925 average=100. Miscellaneous, coal and all other expressed in terms of points in the total index. By months, January 1934 to February 1940.



Index compiled by the U. S. Bureau of Labor Statistics, 1926=100. By weeks, 1934 to March 9, 1940.



For weeks ending January 6, 1934, to March 16, 1940.

Industrial activity showed a further sharp decline in February and a less marked reduction in the first half of March. Wholesale commodity prices generally were steady, following some decline in January and early February.

### PRODUCTION

In February the Board's seasonally adjusted index of industrial production was 109 per cent of the 1923-1925 average as compared with 119 in January and 128 in December. A further decline at a slower rate is indicated for March on the basis of data now available. In August 1939, the month prior to the outbreak of war, the index was 103.

Steel production, which had risen sharply in the latter part of 1939 and then decreased considerably in January, showed a further marked reduction in February to 69 per cent of capacity. In the first half of March output was steady at a rate of about 65 per cent. Plate glass production declined further in February and output of lumber, which had dropped sharply in January, showed less than the usual seasonal rise. Automobile production in February was maintained at the high level prevailing in January. Dealers' stocks of new cars rose to high levels in this period, notwithstanding the fact that retail sales of cars were in large volume for this time of the year. In the first half of March output of automobiles showed less than the customary sharp increase. In some industries not included directly in the Board's production index, particularly the machinery, aircraft, and rayon industries, activity continued at high levels.

Changes in output of nondurable goods were largely seasonal in February except at textile mills and sugar refineries. At cotton textile mills activity declined somewhat from the high levels prevailing since early last autumn. Activity at woolen mills, which had decreased considerably in December and January, declined further in February and output of silk products was reduced to an exceptionally low level. Sugar refining showed less than the sharp rise usual at this season.

Mineral production declined in February, owing chiefly to a considerable reduction in output of anthracite. Bituminous coal production declined somewhat, following a rise in January, while output of crude petroleum increased to new high levels.

Value of construction contract awards in February showed little change from the January total, reflecting a further decrease in contracts for public construction and a contraseasonal increase in private contracts, according to figures of the F. W. Dodge Corporation. The increase in private residential awards nearly equalled the decline that occurred in the previous month when severe storms curtailed building operations in many areas.

### DISTRIBUTION

Retail distribution of general merchandise showed little change from January to February and remained somewhat below the high level of the latter part of last year, with due allowance for seasonal changes. Sales at variety stores and mail-order houses showed about the usual seasonal rise in February, while at department stores, where some increase is also usual at this time of year, sales remained at about the January level.

Freight-car loadings declined considerably from January to February, reflecting for the most part a sharp reduction in coal shipments and some further decrease in loadings of miscellaneous freight.

### FOREIGN TRADE

Exports of United States merchandise in February declined less than seasonally from the high levels reached in December and January. The principal decreases were in shipments of cotton, copper, and aircraft, which had been exceptionally large in previous months. Exports to Japan fell sharply and there were declines also in shipments to the United Kingdom, the Netherlands, and Russia, while exports to Belgium and the Scandinavian countries increased.

There has been little change in the rate of gold inflow. The monetary gold stock increased by \$246,000,000 in February and by \$109,000,000 in the first two weeks of March.

### COMMODITY PRICES

Prices of nonferrous metals advanced from the middle of February to the middle of March, while steel scrap and textile materials declined somewhat further. Most other commodities showed little change and in the week ending March 9 the general index of the Bureau of Labor Statistics was at 78.3 per cent of the 1926 average as compared with 78.5 a month earlier.

### GOVERNMENT SECURITY MARKET

Following a relatively steady market during February, prices of long-term Treasury bonds increased sharply after the announcement by the Treasury early in March that its operations during that month would be limited to the issuance of a five-year note to refund a note maturing next June.

### BANK CREDIT

Total loans and investments at reporting member banks in 101 leading cities rose during the six weeks ending March 13, largely as a result of increases in investments at New York City banks. Following a reduction during January, commercial loans increased, mostly at banks in cities outside New York. Bank reserves and deposits continued to increase during the period.