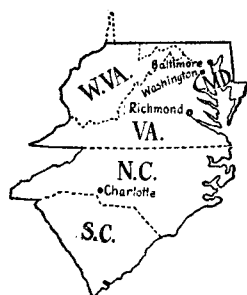


# MONTHLY REVIEW

## of Financial and Business Conditions

FIFTH  
FEDERAL



RESERVE  
DISTRICT

Federal Reserve Bank, Richmond, Va.

March 31, 1941

### Summary of February Business Conditions

**B**USINESS and industry in the Fifth Federal Reserve District were sustained on high levels during February and the first half of March. There were a few recessions from January levels, mostly seasonal in character and due to the shorter month, but all important indicators were well above 1940 figures. Nearly all phases of trade and industry in the district are benefiting either directly or indirectly from the Defense program. Construction is under way in very large volume, accounted for in large part by Government and private work in connection with the efforts of the country to prepare for possible involvement in war and to produce goods needed under the Lease-Lend program. Fifth district textile mills are operating at or near capacity, having large backlogs of orders for materials needed by the Army and Navy and by commercial customers. A considerable number of mills are sold up into late summer and fall months, and advancing prices on many constructions have widened mill margins, although the increased demand for and the scarcity of "free" cotton have raised cotton prices in recent weeks. Coal production is at a higher rate than a year ago, to meet increased needs of industry and the railroads. The demand for lumber from Southern mills is greater than at any other time since the early twenties. Shipyards and

airplane factories continue to expand, and a very large new smokeless powder plant in the district is beginning operations this month. A large number of smaller industrial plants hold Government contracts for miscellaneous articles ranging from vinegar to ammunition components. Skilled labor is practically fully employed. The sharp increase in employment in the past few months has substantially increased consumer purchasing power, and distribution of consumer goods has risen accordingly. Department store sales in February in 79 Fifth district stores averaged 14 per cent above sales in February last year, and retail furniture sales in 39 stores rose 26 per cent during the same period. Wholesale trade in nearly all lines also rose, 181 reporting firms gaining 19 per cent in sales in February this year over sales a year ago. Sales of new automobiles last month were far above sales in February 1940, and used cars moved from dealers' lots in large numbers. Debits to individual accounts in 25 Fifth district cities, reflecting transactions through the banks, rose 21 per cent in February in comparison with February 1940 debits, and loans made for industrial, commercial or agricultural purposes by reporting member banks in the Fifth district advanced 25 per cent between the middle of March last year and this.

#### BUSINESS STATISTICS—FIFTH FEDERAL RESERVE DISTRICT

	February 1941	January 1941	February 1940	% Change	
				Month	Year
Debits to individual accounts (25 cities).....	\$1,440,567,000	\$1,649,671,000	\$1,189,136,000	— 13	+ 21
Sales, 79 department stores, 5th district.....	\$ 10,550,615	\$ 10,587,510	\$ 9,223,196	— 0	+ 14
Sales, 39 furniture stores, 5th district.....	\$ 1,179,190	\$ 1,059,421	\$ 932,315	+ 11	+ 26
Sales, 181 wholesale firms, 5th district.....	\$ 11,999,000	\$ 11,822,000	\$ 10,059,000	+ 1	+ 19
Registrations, new autos, 5th district.....	21,621	23,362	15,581	— 7	+ 39
Number of business failures, 5th district.....	47	45	46	+ 4	+ 2
Liabilities in failures, 5th district.....	\$ 901,000	\$ 371,000	\$ 584,000	+143	+ 54
Value of building permits, 30 cities.....	\$ 8,250,505	\$ 12,223,913	\$ 7,059,770	— 33	+ 17
Value of contracts awarded, 5th district.....	\$ 35,023,000	\$ 42,567,000	\$ 29,605,000	— 18	+ 18
Cotton Consumption, 5th district (Bales).....	356,419	391,059	319,601	— 9	+ 12
Cotton price, cents per lb., end of month.....	10.25	10.14	10.74	+ 1	— 5
Print cloths, 39 in., 80x80s, end of month.....	7.875	7.750	6.625	+ 2	+ 19
Rayon yarn shipments, U. S. (Pounds).....	31,600,000	34,300,000	29,800,000	— 8	+ 6
Rayon yarn stocks, U. S. (Pounds).....	10,000,000	8,900,000	8,300,000	+ 12	+ 20
Bituminous coal mined, U. S. (Tons).....	41,450,000	44,070,000	39,277,000	— 6	+ 6

## BANKING STATISTICS

## RESERVE BANK STATEMENT ITEMS

ITEMS	Fifth District		
	000 omitted		
	Mar. 15 1941	Feb. 15 1941	Mar. 15 1940
Discounts held .....	\$ 43	\$ 18	\$ 113
Foreign loans on gold .....	0	0	86
Industrial advances .....	766	769	909
Government securities .....	119,976	119,976	125,583
Total earning assets .....	120,785	120,763	126,691
Circulation of Fed. Res. notes .....	291,234	284,437	221,028
Members' reserve deposits .....	394,914	383,504	296,184
Cash reserves .....	628,578	615,044	443,536
Reserve ratio .....	84.45	83.84	78.28

## SELECTED ITEMS—41 REPORTING MEMBER BANKS

ITEMS	Fifth District		
	000 omitted		
	Mar. 12 1941	Feb. 12 1941	Mar. 13 1940
Loans to business & agriculture .....	\$144,000	\$137,300	\$115,600
All other loans .....	159,188	157,470	148,596
Investments in securities .....	471,875	470,995	446,193
Reserve bal. with F. R. bank .....	273,152	256,171	196,333
Cash in vaults .....	26,649	27,253	22,483
Demand deposits .....	662,843	652,642	538,986
Time deposits .....	206,030	205,553	200,459
Money borrowed .....	0	0	0

## MUTUAL SAVINGS BANK DEPOSITS

	10 Baltimore Banks		
	Feb. 28 1941	Jan. 31 1941	Feb. 29 1940
Total deposits .....	\$224,323,164	\$224,189,917	\$222,888,548

## DEBITS TO INDIVIDUAL ACCOUNTS

CITIES	Fifth District			% of Change Month Year	
	000 omitted				
	Feb. 1941	Jan. 1941	Feb. 1940		
<b>Dist. of Col.</b>					
Washington .....	\$ 287,863	\$ 330,742	\$ 239,885	-13	+20
<b>Maryland</b>					
Baltimore .....	416,425	489,747	343,749	-15	+21
Cumberland .....	7,704	8,694	7,454	-11	+3
Hagerstown .....	10,085	10,494	7,456	-4	+35
<b>North Carolina</b>					
Asheville .....	14,314	16,510	11,547	-13	+24
Charlotte .....	89,650	92,704	61,375	-3	+46
Durham .....	25,293	30,627	27,885	-17	-9
Greensboro .....	23,353	24,361	18,745	-4	+25
Raleigh .....	46,538	61,364	34,973	-24	+33
Wilmington .....	12,863	14,087	10,316	-9	+25
Winston-Salem .....	38,535	44,666	35,247	-14	+9
<b>South Carolina</b>					
Charleston .....	22,601	25,356	17,695	-11	+28
Columbia .....	34,112	37,378	25,934	-9	+32
Greenville .....	22,247	26,518	19,664	-16	+13
Spartanburg .....	18,316	17,288	9,742	+6	+88
<b>Virginia</b>					
Danville .....	8,153	8,634	7,609	-6	+7
Lynchburg .....	14,277	17,751	13,522	-20	+6
Newport News .....	13,245	14,291	11,067	-7	+20
Norfolk .....	64,390	71,462	45,217	-10	+42
Portsmouth .....	5,402	6,223	3,976	-13	+36
Richmond .....	157,765	180,891	140,191	-13	+13
Roanoke .....	29,511	33,083	25,801	-11	+14
<b>West Virginia</b>					
Charleston .....	51,584	55,268	46,355	-7	+11
Huntington .....	16,843	19,492	15,441	-14	+9
Parkersburg .....	9,498	12,040	8,290	-21	+15
District Totals .....	\$1,440,567	\$1,649,671	\$1,189,136	-13	+21

## COMMERCIAL FAILURES

PERIODS	Number of Failures		Total Liabilities	
	District	U. S.	District	U. S.
February 1941 .....	47	1,129	\$ 901,000	\$13,483,000
January 1941 .....	45	1,124	371,000	11,888,000
February 1940 .....	46	1,042	584,000	13,472,000
2 months, 1941 .....	92	2,253	1,272,000	25,371,000
2 months, 1940 .....	104	2,279	1,163,000	28,751,000

Source: Dun &amp; Bradstreet

## EMPLOYMENT

Work on buildings at army camps in the Fifth district has begun to taper off, and building tradesmen are now

being dropped each week. Many of these workers will probably shift to housing projects or to private building jobs, and some of them will return to non-construction work, especially agriculture. Industrial employment continues to rise steadily, both by increased activity of old plants and the opening of new ones. Skilled workmen of all kinds are well employed. 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 from January to February:

STATES	Percentage change from Jan. 1941 to Feb. 1941	
	In number on payroll	In amount of payroll
Maryland .....	+ 1.2	+ 2.4
Dist. of Columbia .....	+ 0.6	+ 0.4
Virginia .....	+ 1.4	+ 3.3
West Virginia .....	+ 1.6	+ 6.1
North Carolina .....	+ 0.3	+ 1.6
South Carolina .....	+ 3.0	+ 6.6
District Average .....	+ 1.1	+ 3.6

## AUTOMOBILE REGISTRATIONS

Sales of new passenger automobiles in the Fifth Reserve district in February continued to run far ahead of last year's figures, rising 39 per cent, and cumulative sales in the first two months were 35 per cent above sales in January and February 1940. Sales of used cars have also been in large volume in recent months, but have not kept pace with new car sales, and stocks of used cars on dealers' lots have consequently increased. Dealers also have relatively large stocks of new cars on hand, but in view of the approach of the spring season and a possibility that manufacture of automobiles may have to be restricted as a part of the defense program later in the year, stocks of neither new nor used cars are thought to be excessive.

Registration figures in Fifth district states for February, as reported by *R. L. Polk & Co.*, of Detroit, are as follows:

## REGISTRATION OF NEW PASSENGER CARS—NUMBER

STATES	Feb.		% Change	2 Months		% Change
	1941	1940		1941	1940	
Maryland .....	4,200	2,986	+ 41	8,369	6,332	+ 32
Dist. of Col. ....	2,302	1,617	+ 42	4,415	3,347	+ 32
Virginia .....	4,280*	3,079	+ 39	10,419	6,976	+ 49
West Virginia .....	2,198	1,824	+ 21	4,534	3,869	+ 17
No. Carolina .....	5,098	3,644	+ 40	10,859	7,940	+ 37
So. Carolina .....	3,543	2,431	+ 46	6,387	4,777	+ 34
Fifth District .....	21,621	15,581	+ 39	44,983	33,241	+ 35

\*Feb. 1941 Virginia figure estimated.

## CONSTRUCTION

Building permit and contract award figures in the Fifth district in February declined from the January totals, but were substantially above February 1940 figures. Permits issued last month in 30 cities totaling \$8,250,505 declined 33 per cent from \$12,223,913 reported for January, but were 17 per cent above the February 1940 valuation of \$7,059,770. Washington with \$2,061,545 led in February 1941 valuation, Baltimore was second with \$2,030,544, High Point third with \$1,382,275, Charlotte fourth with \$464,962, and Norfolk fifth with \$314,099.

Contracts awarded for all types of construction in the Fifth district totaled \$35,023,000 in February, a decrease of 18 per cent below awards totaling \$42,567,000 in January but 18 per cent above \$29,605,000 in February last year. Figures on contract awards by states for January

1940, which were not available when last month's *Review* was compiled, are included in the accompanying table:

CONSTRUCTION CONTRACTS AWARDED			
STATES	Jan. 1941	Jan. 1940	% Change
Maryland .....	\$13,715,000	\$ 6,319,000	+117
Dist. of Col. ....	9,550,000	2,529,000	+278
Virginia .....	8,475,000	5,163,000	+ 64
West Virginia .....	1,684,000	908,000	+ 85
North Carolina .....	5,149,000	4,009,000	+ 28
South Carolina .....	3,994,000	3,088,000	+ 29
Fifth District .....	\$42,567,000	\$22,016,000	+ 93

Source: F. W. Dodge Corporation.

### BITUMINOUS COAL PRODUCTION

Daily production of bituminous coal rose less than seasonally in February, but exceeded February 1940 daily production by 10 per cent. Trade reports indicate a sharp rise in output in March, caused by stocking for inventory against a possible shut-down after April 1 when the present contract between the operators and miners' union expires. Shipments of coal through Hampton Roads from January 1 through March 8, 1941, totaling 4,710,575 tons were lower than 4,903,611 tons shipped in the corresponding period last year, chiefly due to reduced loadings for foreign cargo and bunker. In the Fifth district, production of bituminous coal in February 1941, January 1941 and February 1940 was as follows:

SOFT COAL PRODUCTION IN TONS			
REGIONS	Feb. 1941	Jan. 1941	Feb. 1940
West Virginia .....	10,542,000	11,194,000	10,090,000
Virginia .....	1,355,000	1,417,000	1,289,000
Maryland .....	152,000	157,000	158,000
5th District .....	12,049,000	12,768,000	11,537,000
United States .....	41,450,000	44,070,000	39,277,000
% in District .....	29	29	29

### COTTON TEXTILES

In a survey of the cotton textile industry for last month the *Journal of Commerce* states that delivery difficulties reduced activity in some sections of the gray goods markets in February, but mills enlarged their backlogs of orders to the point where continuance of the present rate of activity is assured into the late summer months. Heavy Government buying for defense purposes continued to buoy the market and was responsible in part for the recurrent shortages of many types of goods. Demand for heavy fabrics of the industrial type was more pronounced than the call for apparel goods. Sheetings were in heavy demand and prices advanced sharply. Mills manufacturing drills and osnaburgs are sold up for many months and in some instances have withdrawn from the market. Ducks continue scarce, the bulk of production being taken by the Government. The month ended with most mills operating on a two shift basis, but a considerable number of mills were running three shifts. In the Carolinas, textile mills are reported as operating at the highest level in their history, and daily consumption of cotton in February set a record. Consumption figures in Fifth district states in February were as follows:

COTTON CONSUMPTION—FIFTH DISTRICT				
In bales				
MONTHS	No. Carolina	So. Carolina	Virginia	District
February 1941 .....	194,637	146,331	15,451	356,419
January 1941 .....	212,132	161,911	17,016	391,059
February 1940 .....	174,359	131,419	13,823	319,601
2 Months, 1941 .....	406,769	308,242	32,467	747,478
2 Months, 1940 .....	364,658	273,973	27,575	666,206

### RAYON SHIPMENTS AND STOCKS

The demand for rayon filament yarn continued strong during February, although shipments declined seasonally from those of the longer month of January. Deliveries of 31,600,000 pounds of yarn to domestic consumers in February declined 7.9 per cent from 34,300,000 pounds shipped in January but were 6 per cent above shipments of 29,800,000 pounds in February 1940. Production again exceeded shipments of yarn, and consequently reserve stocks rose from 8,900,000 pounds on January 31 to 10,000,000 pounds on February 28. A year ago, on February 29, 1940, reserve stocks totaled 8,300,000 pounds. To the present time rayon has played a very small part in the preparedness program, but there are indications that a special fabric consisting of 50 per cent high-tenacity filament rayon yarn and 50 per cent 3-thread long-staple cotton is particularly well suited for "jump suits" used by Parachute Battalions, and may come into extensive use in army circles.

### COTTON STATISTICS

Spot cotton prices rose slowly but steadily from the middle of February to the middle of March, middling grade 15/16-inch staple advancing on 10 Southern markets from 10.06 cents per pound on February 14 to 10.68 cents on March 14, a rise of \$3.10 per bale. The increase was due largely to strong domestic mill demand, increasing scarcity of free cotton, trade comments on possible changes in the farm program, and the rising tendency of commodity prices. Mills are reported having difficulty in fulfilling their needs at prevailing prices, although stocks of cotton are being repossessed from Government loans at a fairly rapid rate.

### COTTON CONSUMPTION AND ON HAND—BALES

	Feb. 1941	Feb. 1940	Aug. 1 to Feb. 28 This Year	Aug. 1 to Feb. 28 Last Year
<b>Fifth district states:</b>				
Cotton consumed .....	356,419	319,601	2,398,192	2,232,681
<b>Cotton growing states:</b>				
Cotton consumed .....	674,204	565,145	4,461,271	3,994,977
Cotton on hand Feb. 28 in				
Consuming establishments ..	1,568,923	1,432,362	.....	.....
Storage & compresses .....	13,701,424	12,112,957	.....	.....
<b>United States:</b>				
Cotton consumed .....	793,626	661,771	5,220,917	4,703,707
Cotton on hand Feb. 28 in				
Consuming establishments ..	1,905,413	1,700,394	.....	.....
Storage & compresses .....	14,038,917	12,176,733	.....	.....
Exports of cotton .....	60,597	746,680	724,729	4,916,511
Spindles active, U. S. ....	22,769,368	22,800,726	.....	.....

### SEASON'S TOBACCO SALES

All auction tobacco markets in the Fifth district have closed for the 1940-1941 season, and total season sales are shown in the accompanying table. Gross receipts from tobacco sales were \$113,681,000 for the 1940 crop, a decrease of \$48,136,000, or 30 per cent, from \$161,817,000 brought by the 1939 crop, the decline being due almost entirely to voluntary restriction in the acreage planted to flue-cured tobacco in 1940 in comparison with 1939.

	Sales for Growers, Pounds		Price per Cwt.	
	1940-1941	1939-1940	1940-41	1939-40
South Carolina .....	74,803,580	117,217,526	\$14.55	\$14.56
North Carolina .....	487,746,996	774,347,884	17.27	15.66
Virginia (Flue-cured)	85,261,620	129,957,301	17.55	14.59
(Fire-cured)	18,606,927	20,877,497	9.37	11.22
(Burley)	8,436,152	10,757,496	18.24	16.67
(Sun-cured)	3,133,952	3,284,406	9.32	12.18
Virginia, Total .....	115,438,351	164,876,700	16.06	14.25
District, Total .....	667,988,927	1,057,442,110	\$16.77	\$15.30

## TOBACCO MANUFACTURING

Production of tobacco products declined seasonally in February from January output, but was above February 1940 production because of a 10 per cent rise in cigarettes. Production figures as released by the Bureau of Internal Revenue are as follows:

	Feb. 1941	Jan. 1941	Feb. 1940
Smoking & chewing tobacco, pounds .....	22,150,840	25,536,138	23,712,060
Cigarettes, number .....	14,464,626,900	16,286,811,310	13,162,661,213
Cigars, number .....	385,348,833	403,166,320	375,824,394
Snuff, pounds .....	3,051,492	3,422,102	3,144,566

## RETAIL AND WHOLESALE TRADE

## DEPARTMENT STORE TRADE

Percentage increase or decrease in sales, stocks, outstanding orders and outstanding receivables in February 1941 in comparison with February 1940:

	Sales	Stocks	Orders	Receivables
Richmond (5) .....	+ 9 (+13)	+ 7	+ 7	+ 9
Baltimore (10) .....	+16 (+14)	+ 3	+34	+ 9
Washington (7) .....	+15 (+18)	+ 6	+41	+10
Other Cities (12) .....	+ 8 (+12)	+ 9	+31	+10
Fifth District (79)* .....	+14 (+16)	+ 6	+33	+10
Same stores by states, including stores reporting sales only:				
Maryland (13) .....	+15 (+14)	..	..	..
Virginia (16) .....	+16 (+19)	..	..	..
West Virginia (15) .....	+ 9 (+10)	..	..	..
North Carolina (16) .....	+10 (+15)	..	..	..
South Carolina (12) .....	+14 (+16)	..	..	..

\* Include stores reporting sales only.

Note: Second figure in parentheses under Sales compares combined sales in 2 months of 1941 with sales in first 2 months last year.

## RETAIL FURNITURE SALES

STATES	% Change in Sales, February and 2 Months 1941 Compared with	
	Feb. 1940	2 Months 1940
Maryland, 8 stores .....	+25	+24
Dist. of Col., 6 stores .....	+24	+29
Virginia, 13 stores .....	+31	+24
North Carolina, 5 stores .....	+35	+26
South Carolina, 7 stores .....	+22	+28
District, 39 stores .....	+26	+26
Individual Cities:		
Baltimore, 8 stores .....	+25	+24
Richmond, 5 stores .....	+ 4	+ 4
Washington, 6 stores .....	+24	+29

## WHOLESALE TRADE, 181 FIRMS

LINES	Net Sales February 1941 compared with		Stocks Feb. 28, 1941 compared with		Ratio Feb. collections to accounts outstanding Feb. 1
	Feb. 1940	Jan. 1941	Feb. 28 1940	Jan. 31 1941	
Auto supplies (6) .....	+39	+23	..	..	61
Shoes (5) .....	+ 5	+54	-13	- 5	35
Drugs & sundries (11) ..	+ 8	-19	..	..	102
Dry goods (8) .....	+ 3	+ 0	- 5	+ 3	41
Electrical goods (8) .....	+81	+28	+38	+ 6	75
Groceries (60) .....	+ 1	- 8	+ 4	+ 1	89
Hardware (15) .....	+23	-13	+ 5	+ 4	45
Indus. supplies (11) .....	+56	+ 9	+18	+ 2	76
Paper & products (8) ..	+22	-10	- 6	+ 5	72
Tobacco & products (6) ..	+13	- 3	..	..	..
Miscellaneous (43) .....	+28	- 5	+24	+ 6	68
District Average (181) ..	+19	+ 1	+ 8	+ 2	63

Source: Bureau of the Census.

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

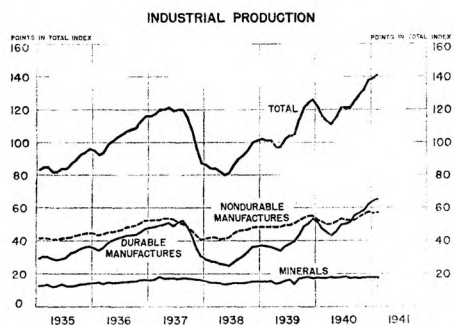
(All figures in thousands; i. e., 000 omitted)

	Year	Maryland		Virginia		West Virginia		North Carolina		South Carolina		Fifth District	
		No.	Value	No.	Value	No.	Value	No.	Value	No.	Value	No.	Value
Horses and colts...	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	9,696	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	53,686
	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
	1941	81	7,595	166	16,732	95	9,095	72	7,397	20	2,033	434	42,852
Mules and colts....	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	20,343	602	67,606
	1935	29	3,491	93	11,028	12	1,116	295	41,242	183	25,071	612	81,348
	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	27	3,537	96	13,745	12	1,272	305	52,287	185	31,350	625	102,191
	1941	26	3,198	95	12,889	12	1,272	299	47,387	185	30,059	617	94,805
Cattle and calves..	1932	295	12,514	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	59,986
	1935	307	9,687	870	19,740	612	12,856	685	14,624	386	7,327	2,860	64,284
	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	28,506	576	17,491	651	18,313	374	8,334	2,760	83,779
	1938	313	16,397	869	32,250	588	20,447	638	18,396	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	16,531	930	36,061	600	22,116	664	21,438	359	10,259	2,891	106,405
	1941	352	19,534	967	40,179	600	23,040	684	23,184	366	10,636	2,969	116,573
Sheep and lambs..	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	6,486
	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	37	1,070	6,437
	1940	74	524	379	2,610	504	2,750	50	295	10	37	1,017	6,216
	1941	70	514	379	2,760	489	2,690	50	298	8	29	996	6,291
Hogs and pigs....	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	5,322	552	2,705	2,516	12,830
	1935	159	1,036	543	3,314	188	1,108	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	23,354
	1937	184	1,839	663	6,114	213	1,859	1,111	11,523	550	4,828	2,721	25,163
	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	24,367
	1940	235	1,584	717	4,543	221	1,481	1,167	8,355	688	4,512	3,028	20,478
	1941	214	1,385	688	4,610	203	1,238	1,097	7,967	605	4,008	2,807	19,208

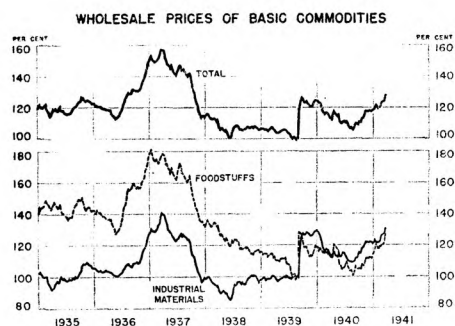
(Compiled March 21, 1941)

## SUMMARY OF NATIONAL BUSINESS CONDITIONS

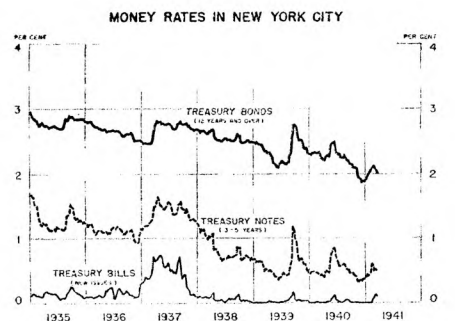
(Compiled by the Board of Governors of the Federal Reserve System)



Federal Reserve index of physical volume of production, adjusted for seasonal variation, 1935-39 average=100. Subgroups shown are expressed in terms of points in the total index. By months, January 1935 to February 1941.



Bureau of Labor Statistics' indexes based on 12 foodstuffs and 16 industrial materials, August 1939=100. Thursday figures, Jan. 3, 1935 to March 13, 1941.



Weekly averages of daily yields of 3- to 5-year tax-exempt Treasury notes, Treasury bonds callable after 12 years, and average discount on new issues of Treasury bills offered within week. For weeks ending Jan. 5, 1935 to March 15, 1941.



Wednesday figures, Jan. 2, 1935, to March 12, 1941. Commercial loans, which include industrial and agricultural loans, represent prior to May 19, 1937, so-called "Other Loans" as then reported.

Industrial activity and employment increased further in February and the first half of March. Buying by producers and consumers continued in large volume and wholesale commodity prices, particularly of imports, advanced.

### PRODUCTION

In February volume of industrial output, on a daily average basis, rose more than seasonally, and the Board's adjusted index advanced from 139 to 141 per cent of the 1935-39 average.

Increases in February, as in other recent months, were largest in the durable goods industries where a large proportion of defense program orders have been placed. Activity continued to rise sharply at machinery plants, aircraft factories, shipyards, and in the railroad equipment industries. Steel production fluctuated around 96 per cent of capacity in January and February and rose to 99 per cent in the first half of March. New orders for steel continued large and, despite the high rate of output, unfilled orders increased further. Many orders have been placed for delivery in the second half of this year, reflecting the prospect of heavy consumption and some uncertainty on the part of steel users regarding future availability of supplies. Output of pig iron, coke, and nonferrous metals was likewise at near capacity rates in February and unfilled orders for these products, too, were at exceptionally high levels. Demand for lumber continued large owing to a high rate of construction activity and output was sustained in large volume for this time of year. Automobile production increased in February and the first half of March to about the peak rate attained last November. Retail sales of new and used cars advanced to unusually high levels.

In industries manufacturing nondurable goods, activity continued at the record levels reached in the latter part of 1940. There were further increases in the cotton textile, rubber, and chemical industries and activity at woolen mills also increased, following a temporary reduction in January. In most other lines activity was maintained at the high levels of other recent months.

Coal production rose less than seasonally in February but increased considerably in the first half of March when, according to trade reports, there was some inventory accumulation in anticipation of a possible shutdown on April 1 at the expiration of the present contract between the mine operators and the miners' union. Copper and zinc production increased in February and recently domestic supplies of copper have begun to be supplemented by imports from South America. Output of crude petroleum continued at about the rate that had prevailed during the three preceding months.

Value of construction contract awards in February declined somewhat more than seasonally, reflecting decreases in both public and private work, according to reports of the F. W. Dodge Corporation. Awards for public construction, although sharply reduced from the high levels reached in the latter half of 1940, were somewhat above those of a year ago, and awards for private construction were nearly half again as large as in February of last year.

### DISTRIBUTION

Distribution of commodities to consumers increased more than seasonally from January to February. Sales at variety stores and by mail-order houses were the largest on record, making allowance for usual seasonal changes, and department store sales were also at a high level.

Freight-car loadings increased by about the usual seasonal amount. Shipments of miscellaneous freight, consisting mostly of manufactured products, showed an increase while loadings of forest products rose less than seasonally and grain shipments declined.

### WHOLESALE COMMODITY PRICES

Prices of a number of basic imports rose sharply from the early part of February to the middle of March. Cotton yarns and gray goods and nonferrous metal scrap showed further increases in this period and there were also advances in prices of some other domestic commodities, including lead, wheat, cotton, and oils and fats.

### BANK CREDIT

Commercial loans continued to increase at member banks in 101 leading cities in February and the first half of March and these banks also purchased additional Treasury notes and bills issued in connection with the defense program. As a result of the increase in loans and investments, bank deposits showed a further marked advance.

### UNITED STATES GOVERNMENT SECURITY PRICES

Prices of Government securities increased after February 15, following a sharp decline in the preceding ten weeks. The 1960-65 bonds on March 15 were about 3 1/8 points above their price on February 15 and about 1 1/4 points below the all-time peak of December 10. The yield on this issue, which increased from 2.03 per cent at the peak in prices on December 10 to 2.30 per cent on February 15, had declined to 2.14 per cent on March 15.