

# MONTHLY REVIEW

## *of Financial and Business Conditions*

FIFTH  
FEDERAL



RESERVE  
DISTRICT

*Federal Reserve Bank, Richmond, Va.*

*September 30, 1941*

### Summary of August Business Conditions

ALTHOUGH the expansion in business caused by the preparedness program had gotten well under way in August last year, all indicators show a continuation during August 1941 of greatly increased activity over the corresponding month last year. In banking, circulation of Federal Reserve notes of the Richmond bank rose from \$242,825,000 on September 15, 1940, to \$360,870,000 on September 15, 1941, member bank reserve deposits advanced from \$323,639,000 to \$458,036,000, and the Reserve bank's cash reserves rose from \$520,860,000 to \$767,512,000. On September 15, 1941, total resources of the Federal Reserve Bank of Richmond stood at \$1,010,323,000, reaching the billion dollar mark for the first time. Forty-one regularly reporting member banks showed a rise in loans to business and agriculture from \$125,800,000 on September 11, 1940, to \$155,587,000 on September 10, 1941, and other loans rose from \$155,166,000 to \$170,596,000 between the same dates. Demand deposits in the 41 banks rose from \$590,725,000 to \$726,655,000 between mid-September last year and this. Debits to individual accounts, reflecting checks passing through the banks in 25 Fifth district cities, were 33 per cent higher in August than a year earlier.

Distribution of goods to consumers continued at record levels during recent weeks. Sales last month in 79 department and general merchandise stores were 34 per

cent above August 1940 sales, and retail furniture stores reported an average increase of 42 per cent. Wholesale trade in 195 firms in many lines gained 36 per cent in August in comparison with August 1940 sales, and new automobile registrations in the Fifth district last month were at or near recent record levels.

Industrial activity in August showed no recession, but on the contrary probably expanded further in such lines as shipbuilding and aircraft construction. Cotton textile mills, rayon yarn mills, and coal mines continued to work at capacity, and construction work provided for in permits issued and contracts awarded was above the high level of August last year. Tobacco manufacturing was in substantially larger volume in August 1941 than in August 1940.

Auction tobacco markets opened in the Carolinas and part of Virginia in August and the first half of September, and opening prices were about 45 per cent above opening prices last year. Cotton prices also rose last month, and were about 70 per cent above 1940 prices. The 1941 tobacco crop in the Fifth district is estimated to be 13 per cent less than the 1940 crop, and cotton yield is 45 per cent lower than last year. Corn, hay, Irish potatoes and peanuts also showed reduced yields this year, while wheat, oats, sweet potatoes, apples and peaches increased over 1940 yields.

#### BUSINESS STATISTICS—FIFTH FEDERAL RESERVE DISTRICT

	August 1941	July 1941	August 1940	% Change	
				Month	Year
Debits to individual accounts (25 cities).....	\$1,738,193,000	\$1,779,790,000	\$1,307,118,000	— 2	+ 33
Sales, 79 department stores, 5th district.....	\$ 15,699,692	\$ 12,339,671	\$ 11,754,625	+ 27	+ 34
Sales, 41 furniture stores, 5th district.....	\$ 2,204,783	\$ 1,519,543	\$ 1,548,889	+ 45	+ 42
Sales, 195 wholesale firms, 5th district.....	\$ 16,331,000	\$ 14,720,000	\$ 11,983,000	+ 11	+ 36
Registrations, new autos, 5th district.....	21,412	33,740	17,242	— 37	+ 24
Tobacco sold in 5th district (Pounds).....	113,426,399	.....	52,687,557	.....	+115
Average price of tobacco, per 100 lbs.....	\$ 26.66	.....	\$ 18.36	.....	+ 45
Growers' receipts from tobacco, 5th district.....	\$ 30,243,063	.....	\$ 9,671,969	.....	+213
Number of business failures, 5th district.....	32	16	42	+100	— 24
Liabilities in failures, 5th district.....	\$ 377,000	\$ 198,000	\$ 713,000	+ 90	— 47
Value of building permits, 29 cities.....	\$ 12,511,101	\$ 11,584,377	\$ 9,885,738	+ 8	+ 27
Value of contracts awarded, 5th district.....	\$ 145,492,000	\$ 64,333,000	\$ 47,363,000	+126	+207
Cotton consumption, 5th district (Bales).....	393,671	418,620	298,696	— 6	+ 32
Cotton price, cents per lb., end of month.....	16.54	15.94	9.62	+ 4	+ 72
Print cloths, 39 in., 80x80s, end of month.....	10.75*	10.75*	6.50	0	+ 65
Rayon yarn shipments, U. S. (Pounds).....	37,300,000	39,400,000	34,000,000	— 5	+ 10
Rayon yarn stocks, U. S. (Pounds).....	4,100,000	3,600,000	9,900,000	+ 14	— 59
Bituminous coal mined, U. S. (Tons).....	45,650,000	43,300,000	39,010,000	+ 5	+ 17

\* Ceiling price established by OPACS.

## BANKING STATISTICS

## RESERVE BANK STATEMENT ITEMS

## Fifth District

ITEMS	000 omitted		
	Sept. 15 1941	Aug. 15 1941	Sept. 15 1940
Discounts held .....	\$ 38	\$ 175	\$ 250
Foreign loans on gold .....	9	0	13
Industrial advances .....	811	788	849
Government securities .....	119,663	119,663	121,994
Total earning assets .....	120,521	120,526	123,106
Circulation of Fed. Res. notes .....	360,870	334,910	242,825
Members' reserve deposits .....	458,036	417,214	323,639
Cash reserves .....	767,512	718,165	520,860
Reserve ratio .....	85.78	85.18	81.51

## SELECTED ITEMS—41 REPORTING MEMBER BANKS

## Fifth District

ITEMS	000 omitted		
	Sept. 10 1941	Aug. 13 1941	Sept. 11 1940
Loans to business & agriculture .....	\$155,587	\$149,700	\$125,800
All other loans .....	170,596	168,808	155,166
Investments in securities .....	505,380	475,612	435,123
Reserve bal. with F. R. bank .....	303,481	290,896	213,120
Cash in vaults .....	28,845	27,467	24,374
Demand deposits .....	726,655	722,107	590,725
Time deposits .....	210,660	209,543	202,935
Money borrowed .....	0	0	0

## MUTUAL SAVINGS BANK DEPOSITS

## 9 Baltimore Banks

	Aug. 31, 1941	July 31, 1941	Aug. 31, 1940
Total deposits .....	\$223,974,988	\$223,993,945	\$222,488,398

## DEBITS TO INDIVIDUAL ACCOUNTS

## Fifth District

CITIES	000 omitted			% of Change Month Year	
	Aug. 1941	July 1941	Aug. 1940		
Dist. of Col.					
Washington ....	\$ 347,499	\$ 351,981	\$ 268,453	- 1	+29
Maryland					
Baltimore .....	499,706	536,045	365,968	- 7	+37
Cumberland .....	10,351	11,348	9,042	- 9	+14
Hagerstown .....	11,833	12,238	9,092	- 3	+30
North Carolina					
Asheville .....	18,026	17,926	14,752	+ 1	+22
Charlotte .....	89,911	90,057	60,299	- 0	+49
Durham .....	53,725	33,625	38,815	+60	+38
Greensboro .....	26,259	24,327	19,448	+ 8	+35
Raleigh .....	49,568	61,704	37,033	-20	+34
Wilmington .....	19,222	19,198	11,561	+ 0	+66
Winston-Salem ..	49,170	48,765	41,891	+ 1	+17
South Carolina					
Charleston .....	28,067	29,721	19,112	- 6	+47
Columbia .....	36,448	38,303	28,420	- 5	+28
Greenville .....	27,496	27,082	18,935	+ 2	+45
Spartanburg .....	15,527	15,470	11,114	+ 0	+40
Virginia					
Danville .....	9,818	10,088	7,311	- 3	+34
Lynchburg .....	16,761	18,405	13,065	- 9	+28
Newport News ..	14,214	14,827	13,931	- 4	+ 2
Norfolk .....	74,798	78,287	50,357	- 4	+49
Portsmouth .....	6,937	7,039	5,839	- 1	+19
Richmond .....	202,956	196,369	155,626	+ 3	+30
Roanoke .....	34,925	34,243	28,729	+ 2	+22
West Virginia					
Charleston .....	61,188	67,059	50,415	- 9	+21
Huntington .....	21,351	21,959	17,684	- 3	+21
Parkersburg .....	12,437	13,724	10,226	- 9	+22
District Totals...	\$1,738,193	\$1,779,790	\$1,307,118	- 2	+33

## COMMERCIAL FAILURES

PERIODS	Number of Failures		Total Liabilities	
	District	U. S.	District	U. S.
August 1941.....	32	954	\$ 377,000	\$ 11,134,000
July 1941.....	16	908	198,000	13,422,000
August 1940.....	42	1,128	713,000	12,977,000
8 months, 1941.....	282	8,564	3,108,000	96,712,000
8 months, 1940.....	387	9,422	4,885,000	112,691,000

Source: Dun &amp; Bradstreet

## EMPLOYMENT

There were no substantial changes in employment in the Fifth district in August and early September. Skilled labor may be said to be practically fully employed, and there is relatively little idleness in unskilled ranks. Many workers in agricultural sections have gone into construction or industry, and farm labor for harvesting is hard to obtain at wages farmers can afford to pay. Demands for machinists and workers in allied lines continue to exceed the supply of available men. Although some unemployment is expected to result from restrictions in the manufacture of civilian goods, none of consequence has yet been noted. 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 July to August:

STATES	Percentage change from July 1941 to Aug. 1941	
	in number on payroll	in amount of payroll
Maryland .....	+ 3.3	+ 1.5
Dist. of Col. ....	+ 0.4	+ 0.5
Virginia .....	+ 2.0	+ 2.4
West Virginia .....	+ 2.0	+ 5.6
North Carolina .....	+ 1.3	+ 1.4
South Carolina .....	+ 0.5	+ 2.1
District Average .....	+ 1.8	+ 2.6

## AUTOMOBILE REGISTRATIONS

Sales of new passenger automobiles tapered off in August in anticipation of the introduction of new models in September, but in most of the Fifth district continued much above the level of sales in the corresponding month last year. Dealers cleaned out their stocks of 1941 models in August and early September, and also reduced the number of used cars on their lots. Used car stocks are only sufficient to meet current needs, and with restrictions on production of new cars in force there may not be enough cars to meet the demand later in the fall and winter. However, price advances and a considerable volume of forward buying done in recent months will probably reduce the demand for both new and high grade used cars during the 1942 model year.

The following registration figures for new passenger cars were furnished by R. L. Polk & Co., of Detroit:

## REGISTRATION OF NEW PASSENGER CARS—NUMBER

STATES	Aug.		% Change	8 Months		% Change
	1941	1940		1941	1940	
Maryland .....	3,912	2,971	+ 32	47,039	34,724	+35
Dist. of Col. ...	2,119	1,580	+ 34	25,788	19,379	+33
Virginia .....	6,870	4,568	+ 50	59,874	39,158	+53
West Virginia ..	1,525	2,069	- 26	27,598	22,556	+22
No. Carolina ...	4,354	4,064	+ 7	53,144	36,135	+47
So. Carolina ...	2,632	1,990	+ 32	29,080	19,728	+47
District .....	21,412	17,242	+ 24	242,523	171,680	+41

## BUILDING PERMITS AND CONSTRUCTION CONTRACTS

A continuation of construction activity at a very high level is indicated by building permits issued and contracts awarded in the Fifth district in August. Permits issued in 29 cities last month totaled \$12,511,101, an increase of 8 per cent over \$11,584,377 in July this year and 27 per cent above \$9,885,738 in August last year. Washington with permits totaling \$4,891,990 (exclusive of all Government work) led last month, Baltimore was second with \$3,182,046, Norfolk third with \$944,245, Richmond

fourth with \$468,536, and Spartanburg fifth with \$330,021.

The aggregate value of August contract awards for construction in the Fifth district was \$145,492,000, setting a new monthly record and exceeding \$47,363,000 in awards in August 1940 by 207 per cent. National figures for August 1941 showed an increase of 83 per cent over award figures for August last year. Figures on contract awards by states for July 1941, which were not available when the August 31 *Review* went to press, were reported by the *F. W. Dodge Corporation* as follows:

#### CONSTRUCTION CONTRACTS AWARDED

STATES	July 1941	July 1940	% Change
Maryland .....	\$16,132,000	\$ 7,951,000	+103
Dist. of Col. ....	7,802,000	6,197,000	+ 26
Virginia .....	15,462,000	31,728,000	- 51
West Virginia .....	14,995,000	1,575,000	+852
North Carolina .....	6,845,000	5,882,000	+ 16
South Carolina .....	3,097,000	3,901,000	- 21
Fifth District .....	\$64,333,000	\$57,234,000	+ 12

#### BITUMINOUS COAL MINING

Bituminous coal mines in the United States produced 45,650,000 tons in August 1941, an increase of 5 per cent over 43,300,000 tons mined in July this year and a rise of 17 per cent over 39,010,000 tons in August last year. On a basis of daily output, however, August fell 5 per cent below July, but was 22 per cent above August 1940. Total production this calendar year to September 1 of 314,352,000 tons exceeded output of 294,483,000 tons in the corresponding period last year by 7 per cent. Shipments of coal through Hampton Roads ports to September 6 totaled 14,952,322 tons this year, a decline from 15,621,320 tons to the same date last year. The decline was chiefly due to lower figures on foreign cargo and bunker loadings. In the Fifth district production of coal in August 1941, July 1941 and August 1940, was as follows:

#### SOFT COAL PRODUCTION IN TONS

REGIONS	Aug. 1941	July 1941	Aug. 1940
West Virginia .....	13,294,000	12,517,000	11,471,000
Virginia .....	1,748,000	1,675,000	1,310,000
Maryland .....	155,000	148,000	114,000
5th District .....	15,198,000	14,340,000	12,895,000
United States .....	45,650,000	43,300,000	39,010,000
% in District .....	33	33	33

#### COTTON TEXTILES

Primary textile markets were relatively inactive in August, mills hesitating to accept additional orders in the face of advancing costs of production and ceiling prices for their products. In addition, practically all mills are sold up months ahead. Wholesale markets for finished cotton goods were quite active most of the month. The price ceiling schedule on cotton gray goods was extended to cover combed lawns, dimities, voiles, and high grade combed broadcloths, in addition to the previous list of print cloths, carded broadcloths, combed broadcloths, narrow sheetings, osnaburgs and tobacco cloths. Mill margins for 17 constructions of medium and coarse cloths widened during August to 20.53 cents, compared with 19.06 cents for July and 11.23 cents for August 1940.

#### COTTON CONSUMPTION—FIFTH DISTRICT

		In bales			
MONTHS		No. Carolina	So. Carolina	Virginia	District
August	1941.....	211,537	163,146	18,988	393,671
July	1941.....	227,576	171,346	19,698	418,620
August	1940.....	159,631	127,934	11,131	298,696
8 Months, 1941.....		1,718,645	1,299,436	146,262	3,164,343
8 Months, 1940.....		1,322,519	1,032,157	96,657	2,451,333

#### RAYON YARN PRODUCTION

Rayon filament yarn shipments to domestic consumers totaled 37,300,000 pounds in August, according to *Rayon Organon*, a decline from 39,400,000 pounds shipped in July but an advance over 34,000,000 pounds in August 1940. Stocks of yarn increased slightly last month, rising from 3,600,000 pounds on July 31 to 4,100,000 pounds on August 31. On August 31, 1940, stocks of yarn totaled 9,900,000 pounds. On August 23, the OPACS issued mandatory ceiling prices for 52 constructions of rayon gray goods, effective August 25. The ceilings fixed average prices about 10 per cent below recent market quotations. No ceilings were set for finished rayon goods, but the OPACS made it clear that price actions in the finished goods markets will be observed closely. The inventory of rayon yarn held by broad weavers at the end of August 1941 totaled 24,900,000 pounds, compared with 28,300,000 pounds a month and 24,100,000 pounds a year earlier.

#### COTTON STATISTICS

Spot cotton prices on 10 Southern markets rose \$10 a bale during the past month, advancing from an average of 15.74 cents per pound for middling 15/16 inch cotton on August 15 to 17.74 cents on September 12, the latest date for which an official average is available. The rise was stimulated by a scarcity of free cotton outside loan stocks, a small volume of hedge selling, and lateness of the new crop. On September 13, 1940, the average base price on the 10 Southern markets was 9.42 cents.

The second forecast of the 1941 cotton crop, issued on September 8 by the Department of Agriculture, lowered the estimate from 10,817,000 equivalent 500-pound bales as of August 1 to 10,710,000 bales on September 1, a decrease of 107,000 bales, or 1 per cent. In the Fifth district, prospective yields increased 19,000 bales in North Carolina and 1,000 bales in Virginia, but decreased 17,000 bales in South Carolina. Production figures in Fifth district states are on page 4.

#### COTTON CONSUMPTION AND ON HAND—BALES

	Aug. 1941	Aug. 1940
<b>Fifth district states:</b>		
Cotton consumed .....	393,671	298,696
<b>Cotton growing states:</b>		
Cotton consumed .....	740,270	561,134
Cotton on hand August 31 in		
Consuming establishments.	1,322,995	538,869
Storage & compresses.....	8,901,770	9,020,372
<b>United States:</b>		
Cotton consumed .....	874,113	650,888
Cotton on hand August 31 in		
Consuming establishments.	1,697,056	738,051
Storage & compresses ....	9,296,898	9,131,474
<b>Exports of cotton .....</b>	<b>34,967</b>	<b>65,425</b>
<b>Spindles active in month.....</b>	<b>23,029,066</b>	<b>22,084,474</b>

## AUCTION TOBACCO MARKETING

Auction tobacco markets opened in the Border belt on August 12, and 14 markets in the North Carolina New Bright belt opened on August 26. Prices in August were much higher than prices a year ago, and sales were larger, the latter increase being due to earlier openings of markets this year. The 1941 tobacco crop in the Fifth district is estimated to be 12.5 per cent below the 1940 crop, but if the August price proves indicative of the seasonal average, receipts from this year's crop should be larger than 1940 receipts. Sales in August, all of flue-cured type tobacco, were as follows:

STATES	Producers' Tobacco Sales, Lbs.		Price per Hundred	
	August 1941	August 1940	1941	1940
South Carolina ...	38,984,015	25,346,105	\$26.24	\$17.78
North Carolina ...	74,442,384	27,341,452	26.88	18.89
Total .....	113,426,399	52,687,557	\$26.66	\$18.36

## TOBACCO MANUFACTURING

Bureau of Internal Revenue receipts for August show production of tobacco products as follows in the United States:

	August 1941	July 1941	August 1940
Smoking & chewing tobacco, pounds .....	24,489,824	25,246,366	25,931,262
Cigarettes, number .....	17,776,522,190	18,404,257,790	15,839,874,477
Cigars, number .....	491,027,685	487,033,145	487,641,197
Snuff, pounds .....	2,971,991	3,588,223	2,917,649

## RETAIL AND WHOLESALE TRADE

## DEPARTMENT STORE TRADE

Percentage increase or decrease in sales, stocks, outstanding orders and outstanding receivables in August 1941 in comparison with Aug. 1940 figures:

	Sales	Stocks	Orders	Receivables
Richmond (5) .....	+20 (+16)	+32	+91	+17
Baltimore (10) .....	+36 (+22)	+31	+119	+19
Washington (7) .....	+32 (+23)	+29	+98	+20
Other Cities (12) .....	+32 (+18)	+27	+136	+18
Fifth District (79)* .....	+34 (+22)	+30	+106	+19
Same stores by States:				
Maryland (13) .....	+36 (+22)	..	..	..
Virginia (16) .....	+28 (+23)	..	..	..
West Virginia (15) .....	+42 (+21)	..	..	..
North Carolina (16) .....	+27 (+19)	..	..	..
South Carolina (12) .....	+54 (+27)	..	..	..

\* Includes stores reporting sales only.

Note: Second figure under Sales, in parentheses, compares combined sales in 8 months of 1941 with sales in first 8 months of 1940.

## RETAIL FURNITURE SALES

% Changes in Sales, August and 8 Months of 1941 Compared with August 1940 8 Months 1940

STATES	August 1941	August 1940	8 Months 1941	8 Months 1940
Maryland (9) .....	+40		+28	
Dist. of Col. (7) .....	+38		+40	
Virginia (13) .....	+30		+28	
North Carolina (5) .....	+75		+30	
South Carolina (7) .....	+74		+43	
District (41) .....	+42		+33	
Individual Cities:				
Baltimore (9) .....	+40		+28	
Richmond (5) .....	+21		+14	
Washington (7) .....	+38		+40	

## WHOLESALE TRADE, 195 FIRMS

LINES	Net Sales		Stocks		Ratio Aug. collections to accounts outstanding August 1
	Aug. 1941	July 1941	Aug. 31, 1941	July 31, 1941	
Automotive supplies (9) .....	+67	+34	+25	+5	77
Shoes (4) .....	+6	+27	+5	+4	40
Drugs & sundries (13) .....	+26	+1	+32	+6	91
Dry goods (8) .....	+62	+66	+19	+8	49
Electrical goods (15) .....	+64	-1	+83	+12	74
Groceries (58) .....	+20	0	+20	+3	100
Hardware (15) .....	+52	+10	+1	-1	45
Industrial supplies (8) .....	+58	+4	+16	+10	90
Paper & products (9) .....	+56	+9	+3	-3	69
Tobacco & products (9) .....	+31	+6	+19	0	92
Miscellaneous (47) .....	+42	+8	+38	+7	27
District Average (195) .....	+36	+11	+25	+3	70

Source: Bureau of the Census.

## CROP FORECASTS

Throughout the Fifth district the weather in August was too dry for crop needs, and many crops deteriorated during the month. The following figures show forecasts of production made by the Department of Agriculture on the basis of September 1 condition. Yield figures marked (+) were raised between August 1 and September 1, and those marked (-) were lowered.

Cotton (Bales)				
	% Change Acreage	Yield 1941	Yield 1940	Yield 1930-1939
Virginia .....	+6	22,000+	25,000	33,000
North Carolina .....	-4	516,000+	739,000	629,000
South Carolina .....	-2	411,000-	966,000	824,000
Fifth District .....	-3	949,000+	1,730,000	1,486,000

Corn (Bushels)				
	% Change Acreage	Yield 1941	Yield 1940	Yield 1930-1939
Maryland .....	-8	16,596,000	17,535,000	16,173,000
Virginia .....	-4	32,389,000-	36,490,000	32,418,000
West Virginia .....	-7	12,404,000	12,852,000	12,610,000
North Carolina .....	-2	47,400,000-	44,733,000	43,507,000
South Carolina .....	-2	22,964,000	24,304,000	22,831,000
Fifth District .....	-3	131,753,000-	135,914,000	127,539,000

Oats (Bushels)				
	% Change Acreage	Yield 1941	Yield 1940	Yield 1930-1939
Maryland .....	+11	1,248,000+	1,120,000	1,325,000
Virginia .....	+25	2,415,000	1,932,000	2,116,000
West Virginia .....	+4	1,562,000	1,462,000	1,931,000
North Carolina .....	+5	6,500,000	5,952,000	4,460,000
South Carolina .....	+5	11,700,000	10,890,000	9,238,000
Fifth District .....	+7	23,425,000+	21,356,000	19,070,000

Hay (Tons)				
	% Change Acreage	Yield 1941	Yield 1940	Yield 1930-1939
Maryland .....	+1	478,000-	550,000	467,000
Virginia .....	0	984,000+	1,252,000	924,000
West Virginia .....	+2	812,000+	833,000	642,000
North Carolina .....	+1	998,000-	975,000	744,000
South Carolina .....	+8	613,000+	539,000	393,000
Fifth District .....	+2	3,885,000+	4,149,000	3,175,000

Tobacco (Pounds)				
	% Change Acreage	Yield 1941	Yield 1940	Yield 1930-1939
Maryland .....	+3	31,280,000-	31,920,000	26,901,000
Virginia .....	-2	85,097,000-	100,509,000	99,861,000
West Virginia .....	-10	2,240,000-	2,790,000	2,985,000
North Carolina .....	+1	461,580,000-	526,505,000	529,356,000
South Carolina .....	+5	70,550,000-	82,215,000	85,656,000
Fifth District .....	+1	650,747,000-	743,939,000	744,759,000

Irish Potatoes (Bushels)				
	% Change Acreage	Yield 1941	Yield 1940	Yield 1930-1939
Maryland .....	-3	2,489,000-	2,898,000	2,997,000
Virginia .....	+1	6,776,000	10,412,000	10,661,000
West Virginia .....	0	3,630,000+	3,630,000	2,844,000
North Carolina .....	+1	6,723,000+	8,720,000	8,182,000
South Carolina .....	+7	2,730,000	3,192,000	2,475,000
Fifth District .....	+1	22,348,000+	28,852,000	27,159,000

Sweet Potatoes (Bushels)				
	% Change Acreage	Yield 1941	Yield 1940	Yield 1930-1939
Maryland .....	+11	1,500,000-	1,485,000	1,071,000
Virginia .....	+3	3,680,000-	3,875,000	4,061,000
North Carolina .....	+8	7,840,000-	7,104,000	8,354,000
South Carolina .....	+3	5,200,000+	5,040,000	5,401,000
Fifth District .....	+6	18,220,000-	17,504,000	18,887,000

Peanuts (Pounds)				
	% Change Acreage	Yield 1941	Yield 1940	Yield 1930-1939
Virginia .....	-6	157,500,000-	216,000,000	149,865,000
North Carolina .....	-5	284,760,000	371,000,000	249,288,000
South Carolina .....	-30	13,650,000-	23,250,000	9,041,000
Fifth District .....	-7	455,910,000-	610,250,000	408,194,000

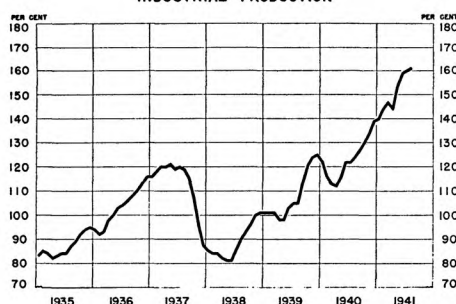
Apples, Commercial (Bushels)				
	% Change Acreage	Yield 1941	Yield 1940	Yield 1930-1939
Maryland .....	..	2,250,000	2,077,000	1,996,000
Virginia .....	..	11,853,000-	10,660,000	10,366,000
West Virginia .....	..	5,102,000	4,868,000	4,796,000
North Carolina .....	..	1,400,000	962,000	966,000
Fifth District .....	..	20,611,000-	18,567,000	18,124,000

(Compiled September 20, 1941)

## SUMMARY OF NATIONAL BUSINESS CONDITIONS

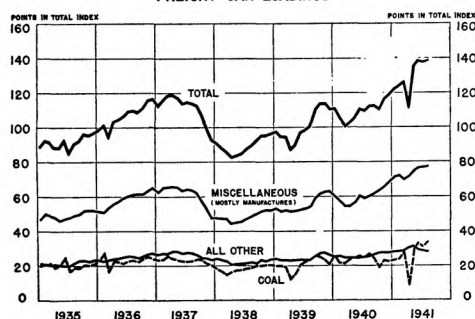
(Compiled by the Board of Governors of the Federal Reserve System)

## INDUSTRIAL PRODUCTION



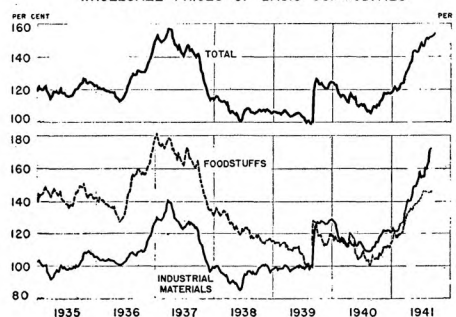
Federal Reserve index of physical volume of production, adjusted for seasonal variation, 1935-39 average=100. By months, January 1935 to August 1941.

## FREIGHT-CAR LOADINGS



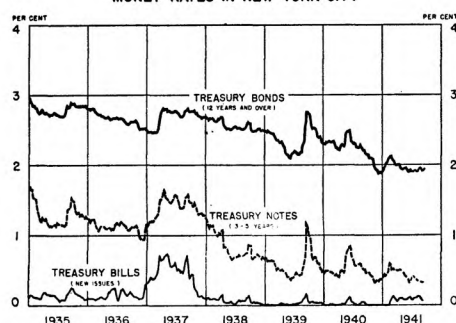
Federal Reserve index of total loadings of revenue freight, adjusted for seasonal variation, 1935-39 average=100. Subgroups shown are expressed in terms of points in the total index. By months, January 1935 to August 1941.

## WHOLESALE PRICES OF BASIC COMMODITIES



Bureau of Labor Statistics' indexes based on 12 foodstuffs and 16 industrial materials, August 1939=100. Thursday figures, January 3, 1935 to September 11, 1941.

## MONEY RATES IN NEW YORK CITY



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 January 5, 1935 to September 13, 1941.

Industrial activity increased further in August and the first half of September, and commodity prices continued to advance. Distribution of commodities to consumers expanded considerably.

## PRODUCTION

In August industrial output increased somewhat more than seasonally and the Board's adjusted index advanced from 160 to 161 percent of the 1935-39 average. There were sharp further advances in activity in the machinery, aircraft, shipbuilding, and railroad equipment industries. Lumber production also increased, while furniture production, which had been unusually large in July, showed less than the customary seasonal rise in August. Output of steel and nonferrous metals continued at near-capacity rates.

In the automobile industry output of finished cars declined sharply as plants were closed during the changeover to new model production and output in factories producing bodies and parts also was reduced considerably. In the first half of September automobile assemblies increased as production of new models was begun but from now on, owing to Government restriction on passenger car production, output will be considerably below that during the previous model year.

In most nondurable goods industries production in August continued around the high levels reached earlier this year. At cotton mills activity declined slightly from the record level reached in July, while at woolen mills there was some increase. Rayon output continued at peak levels. In the silk industry operations were curtailed sharply, as the Government requisitioned all supplies of raw silk, and deliveries of silk to mills declined from 28,000 bales in July to 2,000 in August. Rubber consumption also decreased, owing to a Government curtailment program. Shoe production, which had been unusually large, increased less than seasonally in August, and output of manufactured food products and chemicals showed seasonal increases from the high levels prevailing in June and July.

At mines coal production in August, as in other recent months, was unusually large for the season, and output of crude petroleum rose to a record level of 4,000,000 barrels daily in the latter part of the month. Iron ore shipments down the Lakes amounted to 11,500,000 tons, the largest monthly total on record.

Value of construction contract awards showed a further sharp increase in August and was about four-fifths larger than a year ago, according to F. W. Dodge Corporation reports. The rise from July was substantial for all general types of construction but was most pronounced for publicly-financed projects. Awards for residential building continued to increase.

## DISTRIBUTION

Sales of general merchandise rose sharply in August and were at an extremely high level for this time of year. The Board's seasonally adjusted index of department store sales advanced to 133 percent of the 1923-25 average as compared with 115 in July and an average of 103 in the first half of this year. In the early part of September department store sales declined from the peak reached in the latter part of August.

Railroad freight-car loadings in August were maintained in the large volume reached in June and July. Coal shipments increased, following some reduction in July, while loadings of grain, which had been large since last spring, declined.

## COMMODITY PRICES

Wholesale prices of most groups of commodities continued to advance from the middle of August to the middle of September. Prices of grains, other foodstuffs, and cotton showed large increases and there were advances also in prices of a number of industrial commodities not covered by Federal price ceilings. Fragmentary data available indicate that retail prices of foods and other commodities rose further during this period.

## AGRICULTURE

The outlook for agricultural production in 1941 showed little change during August. Crop prospects were reduced slightly by drought but aggregate crop production is expected to be two percent larger than last year and the largest for any year except 1937. Total marketings of livestock and livestock products will probably be the largest on record. Preliminary estimates of the Department of Agriculture indicate that cash farm income, including Government payments, will be about \$10,700,000,000, compared with \$9,120,000,000 in 1940.

## BANK CREDIT

Commercial loans at reporting member banks in 101 cities continued to rise substantially during the four weeks ending September 10. Bank holdings of United States Government securities showed little net change, while holdings of other securities increased somewhat at New York City banks. As a result of the expansion in loans and investments bank deposits continued to increase.

## UNITED STATES GOVERNMENT SECURITY MARKET

Prices of Treasury bonds increased in the latter part of August but subsequently declined somewhat in the first part of September. On September 15, the partially tax-exempt 2½ percent 1960-65 bonds were yielding 2.06 percent compared with the record low yield of 2.02 percent. Yields on Treasury notes showed little change in the period.