

# MONTHLY REVIEW

*of Financial and Business Conditions*

FIFTH  
FEDERAL



RESERVE  
DISTRICT

---

*Federal Reserve Bank, Richmond, Va.*

*March 31, 1942*

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BUY  
DEFENSE  
BONDS



BUY  
SAVINGS  
STAMPS

INVEST FOR VICTORY NOW

**SALES OF UNITED STATES SAVINGS BONDS  
IN THE  
FIFTH FEDERAL RESERVE DISTRICT**

The country as a whole purchased, from May 1941 through February 1942, United States savings bonds, series E, F, and G, in the amount of \$4,300,956,000. Of this total, sales in the Fifth Federal Reserve District accounted for \$192,276,072, or 4.5 per cent. The actual achievement of this district, by months, is fully set forth in the following tabulation:

**MONTHLY SALES OF UNITED STATES SAVINGS BONDS  
IN THE FIFTH FEDERAL RESERVE DISTRICT  
MAY 1941-FEBRUARY 1942, INCLUSIVE**

MONTH	Series E (Issue price)	Series F (Issue price)	Series G (Issue price)	Total All Series
<b>1941</b>				
May .....	\$ 3,166,781.25	\$ 2,548,560.00	\$ 9,243,600.00	\$ 14,958,941.25
June .....	3,646,556.25	1,177,858.00	6,151,300.00	10,975,714.25
July .....	5,169,881.25	1,233,432.00	6,164,200.00	12,567,513.25
Aug. ....	4,505,006.25	1,132,496.00	4,711,200.00	10,348,702.25
Sept. ....	4,153,387.50	940,244.00	4,468,800.00	9,552,431.50
Oct. ....	4,811,868.75	1,138,564.00	5,816,300.00	11,766,732.75
Nov. ....	4,231,087.50	1,127,612.00	5,004,200.00	10,362,899.50
Dec. ....	19,240,312.50	2,605,096.00	9,992,100.00	31,837,508.50
<b>1942</b>				
Jan. ....	29,000,006.25	4,603,140.00	18,128,800.00	51,731,946.25
Feb. ....	16,199,887.50	2,276,795.00	9,697,000.00	28,173,682.50
Totals ....	\$94,124,775.00	\$18,783,797.00	\$79,367,500.00	\$192,276,072.00

It is apparent that the record of sales achieved for the three series in May 1941 was not surpassed in any succeeding month until December. Following Pearl Harbor, sales increased to \$31.8 millions in December of 1941, but this record was surpassed in January, when sales amounted to \$51.7 millions. However, a portion of the January sales included limit purchases by relatively large investors, a seasonal development, and it was therefore logical to expect a decline in February, when the sales came to \$28.2 millions.

The Series E bonds proved to be the most popular of the three series, for sales, covering 922,264 individual bonds, aggregated \$94.1 millions. As for Series F, 17,102 bonds were sold for a total of \$18.8 millions, while the sales of 53,594 Series G bonds amounted to \$79.4 millions. Apparently, Series E bonds have met with a favorable response from small investors, as was anticipated, while Series F and G bonds, which may be bought in relatively large amounts, appeal to those with more ample funds.

The achievement in the Fifth District of the sale of these bonds is the result of work accomplished by qualified issuing agents. As of February 28, 1942, there were 1,389 of these, exclusive of post offices, classified as follows:

**QUALIFIED ISSUING AGENTS, OTHER THAN POST OFFICES,  
UNITED STATES SAVINGS BONDS,  
FIFTH FEDERAL RESERVE DISTRICT**

	Md.	D.C.	Va.	W.Va.	N.C.	S.C.	Tot.
National Banks .....	61	9	130	69	42	22	333
State Banks .....	111	13	184	85	133	104	680
Mutual Savings Banks..	11	0	0	0	0	0	11
Federal Sav. & Loan....	32	3	13	8	21	17	94
Building & Loan .....	26	18	17	3	27	5	96
Federal Land Bank.....	0	0	0	0	0	1	1
Credit Unions .....	7	49	35	17	13	15	136
Security Dealers .....	7	0	0	0	1	0	8
Corporations .....	16	0	8	2	2	2	30
Totals .....	271	92	387	184	289	166	1,389

It is apparent that a good initial record has been made in this district, and even better results may be expected in view of the well developed sales organization. All banks in the District of Columbia, Virginia, and West Virginia have qualified as issuing agents, while all banks save one in Maryland, two in North Carolina, and four in South Carolina have also qualified. Thus, out of a total of 1,032 eligible banks, 1,025 have qualified. As of February 28, 1942, thirty corporations, employing 106,870 workers, had qualified and all had adopted the payroll deduction plan.

It is to be hoped that 1942 will show a steady increase in monthly sales. This hope is based upon the great importance of financing the war out of current income of the public. Purchases of United States savings bonds out of current income represent an addition to the aggregate funds available for investment in Government securities; but money withdrawn from savings accounts for the purchase of savings bonds may merely reduce by that amount investments of banks, thus achieving no net increase of investment and therefore no net decrease of consumption. In other words, there are two great objectives involved in the sale of these bonds, namely, the increase of the flow of funds to the Federal Government for the financing of the war, and the curtailment of expenditures on consumption for the purpose of retarding price inflation. The individual who purchases savings bonds from current income is serving his own best interests in three decisive respects, for he is participating in the prosecution of the war against the enemies of our country, and at the same time foregoing the satisfaction of current wants, thereby reducing the pressure of demand upon prices of goods, stocks of which are severely curtailed by the war effort; but, in addition, he is accumulating investments which may be converted into purchasing power that will be available to prevent a depression when war expenditures decline with the coming of a peace.

The increase of payroll deduction plans among industries, businesses, and institutions of all sorts is clearly to be desired. A wide distribution of United States bonds among all classes of our people means that the financing of the war is essentially democratic in character. Thus, all of us will have an increasing stake in the financial soundness of the country, thereby more fully insuring the maintenance of its credit in its present excellent condition.

## Summary of February Business Conditions

**F**EBRUARY is usually a between-seasons month, and business is relatively slow, but this year seasonal influences were much less in evidence than in normal times, and nearly all recessions in trade and industry from January levels were due chiefly to the shorter month. The general level of business last month was far above the February 1941 level, the rise being accounted for in large part by the prominent part defense work is playing in Fifth district industries.

In banking, loans of 41 reporting member banks rose slightly between the middle of February and the middle of March, and investments in securities increased substantially. Demand deposits rose moderately, but time deposits fell off, as was also the case in mutual savings banks. At the Federal Reserve Bank of Richmond the circulation of Federal Reserve notes rose unseasonably, and member bank reserve deposits also increased, while the bank's total cash reserves declined. Debits to individual accounts, reflecting checking transactions in the banks of 25 cities, declined in February from the longer month of January, but were 22 per cent above debits in February 1941.

The distribution of available consumer goods continued at recent high levels in February. New automobile and tire sales were of course under rationing control, but department store sales in the Fifth district were 32 per cent above the volume of sales in February last year, while retail furniture sales rose by 17 per cent and whole-

sale trade in many lines advanced an average of 30 per cent this year. Reflecting the influence of tire conservation, there has recently been a great increase in sales of bicycles.

Fifth district industry continues full time operations, and additional plants are shifting to war work, especially in metals and textiles. Cotton textile mills in the district consumed 18 per cent more cotton last month than in February 1941, and only 5 per cent less than the record consumption set in January this year. Rayon yarn shipments to domestic consumers exceeded production, and were 14 per cent above February 1941 shipments. Construction work provided for in contract awards totaled \$80,772,000 in February, increases of 55 per cent over January contracts and 142 per cent over February 1941 awards. Contracts were chiefly for defense work or Government financed housing in areas near plants handling Government work.

The Department of Agriculture's annual survey of live stock on farms on January 1 shows declines in the numbers of horses, mules, sheep and hogs in the Fifth district during 1941, but the number of cattle increased. The aggregate values of animals increased for all breeds except horses, due to higher per head valuation. Hogs advanced about 67 per cent in per head price between January 1 last year and this, and sheep rose 25 per cent. Details of the live stock survey are presented elsewhere in this *Review*.

### BUSINESS STATISTICS—FIFTH FEDERAL RESERVE DISTRICT

	February 1942	January 1942	February 1941	% Change	
				Month	Year
Debits to individual accounts (25 cities).....	\$1,757,982,000	\$1,980,524,000	\$1,440,567,000	-11	+ 22
Sales, 78 department stores, 5th district.....	\$ 13,629,042	\$ 15,275,674	\$ 10,333,470	-11	+ 32
Sales, 40 furniture stores, 5th district.....	\$ 1,432,196	\$ 1,407,934	\$ 1,227,277	+ 2	+ 17
Sales, 200 wholesale firms, 5th district.....	\$ 14,246,000	\$ 14,167,000	\$ 10,985,000	+ 1	+ 30
Registrations, new autos, 5th district.....	1,088	6,176	23,539	-82	- 95
Number of business failures, 5th district.....	31	37	47	-16	- 34
Liabilities in failures, 5th district.....	\$ 275,000	\$ 311,000	\$ 901,000	-12	- 69
Value of building permits, 29 cities.....	\$ 7,849,950	\$ 6,739,931	\$ 8,238,325	+16	- 5
Value of contracts awarded, 5th district.....	\$ 80,772,000	\$ 52,030,000	\$ 33,323,000	+55	+142
Cotton consumption, 5th district (Bales).....	422,029	444,168	356,191	- 5	+ 18
Cotton price, cents per lb., end of month.....	19.41	19.25	10.25	+ 1	+ 89
Print cloths, 39 in., 80x80s, end of month.....	11.625*	11.750*	7.875	- 1	+ 48
Rayon yarn shipments, U. S. (Pounds).....	35,900,000	41,200,000	31,600,000	-13	+ 14
Rayon yarn stocks, U. S. (Pounds).....	4,400,000	4,800,000	10,000,000	- 8	- 56
Bituminous coal mined, U. S. (Tons).....	43,840,000	48,540,000	41,695,000	-10	+ 5

\*Ceiling price tied to spot cotton.

## BANKING STATISTICS

## RESERVE BANK STATEMENT ITEMS

## Fifth District

ITEMS	000 omitted		
	Mar. 15 1942	Feb. 15 1942	Mar. 15 1941
Discounts held .....	\$ 0	\$ 0	\$ 43
Industrial advances .....	746	760	766
Government securities .....	134,679	134,121	119,976
Total earning assets .....	135,425	134,881	120,785
Circulation of Fed. Res. notes.....	447,398	433,720	291,234
Members' reserve deposits.....	471,650	468,581	394,914
Cash reserves .....	816,964	823,101	628,578
Reserve ratio .....	85.59	85.21	84.45

## SELECTED ITEMS—41 REPORTING MEMBER BANKS

## Fifth District

ITEMS	000 omitted		
	Mar. 11 1942	Feb. 11 1942	Mar. 12 1941
Loans to business & agriculture.....	\$167,301	\$168,734	\$137,300
All other loans .....	172,892	170,534	157,470
Investments in securities.....	581,252	571,859	470,995
Reserve bal. with F. R. bank.....	299,751	299,821	256,171
Cash in vaults.....	30,131	28,858	27,258
Demand deposits .....	790,774	782,502	652,642
Time deposits .....	198,704	200,549	205,553
Money borrowed .....	0	0	0

## MUTUAL SAVINGS BANK DEPOSITS

## 9 Baltimore Banks

	Feb. 28, 1942	Jan. 31, 1942	Feb. 28, 1941
Total deposits .....	\$219,747,815	\$221,038,752	\$223,982,404

## DEBITS TO INDIVIDUAL ACCOUNTS

## Fifth District

CITIES	000 omitted			% of Change	
	Feb. 1942	Jan. 1942	Feb. 1941	Month	Year
<b>Dist. of Col.</b>					
Washington	\$ 373,988	\$ 425,629	\$ 287,863	-12	+30
<b>Maryland</b>					
Baltimore	516,211	545,894	416,425	- 5	+24
Cumberland	8,645	10,668	7,704	-19	+12
Hagerstown	12,764	15,970	10,085	-20	+27
<b>North Carolina</b>					
Asheville	15,611	21,326	14,314	-27	+ 9
Charlotte	89,523	105,571	89,650	-15	- 0
Durham	29,945	40,319	25,298	-26	+18
Greensboro	26,559	28,080	23,353	- 5	+14
Raleigh	56,915	68,561	46,538	-17	+22
Wilmington	21,513	23,573	12,863	- 9	+67
Winston-Salem	49,488	57,180	38,535	-13	+28
<b>South Carolina</b>					
Charleston	28,446	32,735	22,601	-13	+26
Columbia	37,526	43,795	34,112	-14	+10
Greenville	30,415	36,876	22,247	-18	+37
Spartanburg	15,369	18,105	18,316	-15	-16
<b>Virginia</b>					
Danville	10,067	11,925	8,153	-16	+23
Lynchburg	16,521	20,226	14,277	-18	+16
Newport News	13,402	14,977	13,245	-11	+ 1
Norfolk	76,901	90,322	64,390	-15	+19
Portsmouth	8,417	9,030	5,402	- 7	+56
Richmond	193,115	220,162	157,765	-10	+26
Roanoke	30,037	36,080	29,511	-17	+ 2
<b>West Virginia</b>					
Charleston	60,431	66,650	51,584	- 9	+17
Huntington	20,206	23,709	16,843	-15	+20
Parkersburg	10,967	13,161	9,498	-17	+15
District Totals	\$1,757,982	\$1,980,524	\$1,440,567	-11	+22

## COMMERCIAL FAILURES

Periods	Number of Failures		Total Liabilities	
	District	U. S.	District	U. S.
February 1942.....	31	916	\$ 275,000	\$ 9,631,000
January 1942.....	37	962	311,000	9,916,000
February 1941.....	47	1,129	901,000	13,483,000
2 Months, 1942.....	68	1,878	586,000	19,547,000
2 Months, 1941.....	92	2,253	1,272,000	25,371,000

Source: Dun &amp; Bradstreet

## EMPLOYMENT

There have been no changes of moment in employment conditions in the Fifth Reserve district during recent weeks except in automobile and tire distributing agencies. Industrial plants in this district which have shifted from civilian to defense work have been able to make the change without serious dislocation in work schedules, and have therefore had to lay off very few of their employees. 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 January 1942 to February 1942	
	In number on payroll	In amount of payroll
Maryland .....	+1.7	-0.8
Dist. of Columbia .....	+0.4	+0.5
Virginia .....	+1.4	+3.2
West Virginia .....	-1.0	+1.4
North Carolina .....	+1.3	+1.1
South Carolina .....	+1.3	+4.0
District Average .....	+1.0	+1.2

## AUTOMOBILE REGISTRATIONS

In January a considerable number of new passenger automobiles were registered, in spite of the freezing order which took effect on January 1, chiefly due to delayed registrations on cars delivered late in 1941. In February, however, the full impact of the freezing of car sales was felt, and registration figures furnished by R. L. Polk & Co., of Detroit, were merely nominal.

## REGISTRATION OF NEW PASSENGER CARS—NUMBER

STATES	Feb. 1942	Feb. 1941	% Change	2 Months		% Change
				1942	1941	
Maryland .....	256	4,200	-94	1,505	8,369	-82
Dist. of Col. ....	178	2,302	-92	562	4,415	-87
Virginia .....	312	6,198	-95	2,214	12,337	-82
West Virginia ..	131	2,198	-94	859	4,534	-81
North Carolina..	128	5,098	-97	1,277	10,859	-88
South Carolina..	83	3,543	-98	847	6,387	-87
District .....	1,088	23,539	-95	7,264	46,901	-85

## BITUMINOUS COAL PRODUCTION

Daily production of bituminous coal in the United States declined 2 per cent in February from the January output, but exceeded February 1941 production by 5 per cent. Total production in February was 10 per cent less than in January. Fearing shortages of coal and shipping facilities when the defense program progresses further, both the Government and coal distributors have tried to stimulate purchase and storage of coal, especially for home heating, against next fall's peak demand, but the campaign has not yet been very successful. Perhaps more coal will be stored in the next few weeks, since the March 15 income tax payments are out of the way.

## SOFT COAL PRODUCTION IN TONS

REGIONS	February 1942	January 1942	February 1941
West Virginia .....	11,108,000	12,567,000	10,835,000
Virginia .....	1,500,000	1,700,000	1,343,000
Maryland .....	158,000	169,000	153,000
Fifth District .....	12,766,000	14,436,000	12,331,000
United States .....	43,840,000	48,540,000	41,695,000
% in District .....	29	30	30

## BUILDING PERMITS AND CONTRACT AWARDS

Building permits issued in 29 Fifth district cities in February 1942 totaled 2,079, with estimated valuation of \$7,849,950, compared with 2,731 permits valued at \$8,238,325 issued in February 1941. Norfolk reported the highest valuation last month, \$1,882,020, due to defense housing, while Washington was second with \$1,701,875 and Baltimore third with \$1,327,818. Charleston, S. C., ranking fourth with \$697,349, also shows the influence of defense housing. Richmond, in fifth place, reported \$516,304. Total valuation of permits issued in the 29 cities in two months this year amounting to \$14,589,881 was 29 per cent less than the value of permits totaling \$20,441,830 issued in the first two months of 1941.

Contracts were awarded for \$80,772,000 for construction of all kinds in the Fifth district in February, an increase of 55 per cent over \$52,030,000 for January this year and 142 per cent above \$33,323,000 for February last year. Figures on contracts awarded in January 1942, which were not available on a state basis when the February 28 *Review* went to press, were reported by the *F. W. Dodge Corporation* as follows:

CONSTRUCTION CONTRACTS AWARDED			
STATES	January 1942	January 1941	% Change
Maryland .....	\$ 9,721,000	\$13,715,000	- 29
Dist. of Col. ....	6,044,000	9,550,000	- 37
Virginia .....	13,082,000	8,475,000	+ 54
West Virginia .....	12,881,000	1,684,000	+665
North Carolina .....	4,895,000	5,149,000	- 5
South Carolina .....	5,407,000	3,994,000	+ 35
Fifth District .....	\$52,030,000	\$42,567,000	+ 22

## RAYON SHIPMENTS AND STOCKS

February shipments of rayon yarn to domestic mills amounted to 35,900,000 pounds, as compared with 41,200,000 pounds in January 1942 and 31,600,000 pounds in February 1941. Cumulative shipments for the two months of the current year amounting to 77,100,000 pounds show an increase of 16 per cent over 66,600,000 pounds shipped in the first two months last year. *Rayon Organon* ascribes part of the February decrease in shipments from those of January to the shorter month and part to a shortage of raw materials, particularly for the production of acetate yarn. Shipments of yarn exceeded production in February, and stocks of yarn in producers' hands therefore declined from 4,800,000 pounds to 4,400,000 pounds between January 31 and February 28. The inventory of rayon filament yarn held by broad weavers on February 28, 1942 totaled 22,700,000 pounds, compared with 23,000,000 pounds held on January 31, 1942 and 28,000,000 pounds on February 28, 1941.

## COTTON TEXTILES

Cotton textile mills increased operating rates in February, but Government participation in cotton goods markets increased even more and reduced further the supply of textiles available for civilian consumption. It became increasingly difficult to purchase textiles without priorities during February. Carpet and upholstery mills are being drawn into duck production, with yarns often sup-

plied by tire mills with reduced demand for ordinary tire fabric. The Government bought some 49,000,000 yards of drills and twills, and worked further on its efforts to build up a 200,000,000-yard stockpile of osnaburgs. Progress was made on cotton duck orders, with contracts placed for upward of 100,000,000 yards of the earlier 200,000,000 yard Government request for bids. As for civilian business, occasional quantities of goods were allotted, usually widely distributed to many buyers, but there were no large civilian markets in gray cloths.

Consumption figures in Fifth district states in February were as follows:

## COTTON CONSUMPTION—FIFTH DISTRICT

MONTHS	In bales				District
	No. Carolina	So. Carolina	Virginia		
February 1942.....	226,405	175,248	20,376		422,029
January 1942.....	237,947	184,145	22,076		444,168
February 1941.....	194,409	146,331	15,451		356,191
2 Months, 1942.....	464,352	359,393	42,452		866,197
2 Months, 1941.....	406,541	308,242	32,467		747,250
% Increase .....	14	17	31		16

## COTTON STATISTICS

Spot cotton prices, after rising steadily through most of December and January to 20.11 cents per pound on January 27, declined to 18.80 cents on February 2. The price moved back across the 19-cents line on February 4, and on February 28 closed the month at 19.41 cents average for middling grade 15/16-inch staple on 10 Southern spot markets.

## COTTON CONSUMPTION AND ON HAND—BALES

	Feb. 1942	Feb. 1941	Aug. 1 to Feb. 28 This Year	Last Year
<b>Fifth district states:</b>				
Cotton consumed .....	422,029	356,191	2,943,904	2,399,539
<b>Cotton growing states:</b>				
Cotton consumed.....	759,028	674,009	5,334,918	4,458,285
Cotton on hand Feb. 28 in				
Consuming establishments....	2,096,777	1,570,268		
Storage & compresses.....	11,823,328	13,707,994		
<b>United States:</b>				
Cotton consumed .....	893,745	793,428	6,280,108	5,216,874
Cotton on hand Feb. 28 in				
Consuming establishments....	2,579,789	1,906,835		
Storage & compresses.....	11,823,328	13,707,994		
Spindles active.....	17,470,838	17,236,944		

## SEASON'S TOBACCO SALES

All auction tobacco markets in the Fifth district have closed for the 1941-1942 season, and total season sales are shown in the accompanying table. Prices brought by all types of tobacco during the past season were much higher than prices for the 1940-1941 crop, and therefore a total crop 13 per cent smaller than the 1940 crop brought 50 per cent more in aggregate dollars to the growers. The 1941-1942 sales totaling 583,666,363 pounds brought \$170,882,388, compared with the 1940-1941 crop of 667,988,927 pounds which sold for \$113,681,000.

STATES	Sales for Growers, Pounds		Price per Cwt.	
	1941-1942	1940-1941	1941-42	1940-41
So. Carolina .....	57,950,536	74,803,580	\$25.20	\$14.55
No. Carolina .....	424,971,066	487,746,996	29.93	17.27
Virginia (Flue-cured)	80,128,269	85,261,620	30.99	17.55
(Fire-cured)	11,688,634	18,606,627	15.64	9.37
(Burley)	6,780,340	8,436,152	30.19	18.24
(Sun-cured)	2,147,518	3,133,952	17.96	9.32
Virginia, Total.....	100,744,761	115,433,351	28.87	16.06
District, Total ....	583,666,363	667,988,927	\$29.28	\$16.77

## TOBACCO MANUFACTURING

Production of tobacco products declined seasonally in February from January output but was above February 1941 production in all lines except chewing and smoking tobacco. Production figures released by the Bureau of Internal Revenue are as follows:

	Feb. 1942	Jan. 1942	Feb. 1941
Smoking & chewing tobacco, pounds	21,178,375	24,055,265	22,150,840
Cigarettes, number	16,628,297,300	19,502,624,610	14,464,626,900
Cigars, number	441,805,010	458,277,423	385,348,833
Snuff, pounds	3,247,346	3,882,351	3,051,492

## RETAIL AND WHOLESALE TRADE

## DEPARTMENT STORE TRADE

Percentage increase or decrease in sales, stocks, outstanding orders and outstanding receivables in February 1942 in comparison with February 1941:

	Sales		Stocks		Orders		Receivables	
	1942	1941	1942	1941	1942	1941	1942	1941
Richmond (5)	+19	(+28)	+41	+120	+15	+15	+15	+15
Baltimore (10)	+37	(+41)	+44	+165	+21	+21	+21	+21
Washington (7)	+34	(+44)	+39	+158	+17	+17	+17	+17
Other Cities (12)	+24	(+33)	+32	+64	+9	+9	+9	+9
Fifth District (78)*	+32	(+40)	+40	+150	+17	+17	+17	+17
Same stores by states, including stores reporting sales only:								
Maryland (13)	+37	(+40)	..	..	..	..	..	..
Virginia (16)	+24	(+33)	..	..	..	..	..	..
West Virginia (15)	+20	(+31)	..	..	..	..	..	..
North Carolina (16)	+10	(+21)	..	..	..	..	..	..
South Carolina (11)	+28	(+43)	..	..	..	..	..	..

\*Includes stores reporting sales only.

Note: Second figure in parenthesis under Sales compares combined sales in 2 months of 1942 with sales in first two months last year.

## RETAIL FURNITURE SALES

STATES	%Changes in Sales, Feb. and 2 Months of 1942	
	Compared with Feb. 1941	Compared with 2 Months 1941
Maryland (9)	+21	+22
Dist. of Col. (7)	+30	+38
Virginia (13)	+13	+20
North Carolina (5)	-17	-15
South Carolina (6)	-13	-8
District (40)	+17	+22
Individual Cities:		
Baltimore (9)	+21	+22
Richmond (5)	+16	+20
Washington (7)	+30	+38

Note: Number of reporting stores in parenthesis.

## WHOLESALE TRADE, 200 FIRMS

LINES	Net Sales February 1942 compared with		Stocks compared with		Ratio Feb. collections to accounts outstanding Feb. 1
	Feb. 1941	Jan. 1942	Feb. 28 1941	Jan. 31 1942	
Auto supplies (8)	+15	-29	..	..	68
Shoes (4)	+30	+120	+37	-11	39
Drugs & sundries (8)	+8	-14	..	..	105
Dry goods (8)	+44	-9	+71	+6	46
Electrical goods (6)	+0	+11	+43	-1	89
Groceries (60)	+32	-11	+28	+1	102
Hardware (14)	+32	-13	+1	+6	54
Industrial supplies (10)	+24	-8	+16	-6	76
Paper & products (9)	+48	1	+7	+2	74
Tobacco & products (8)	+24	2	..	..	..
Miscellaneous (65)	+37	-3	+27	+3	71
District Avg. (200)	+30	+1	+28	-0	71

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)

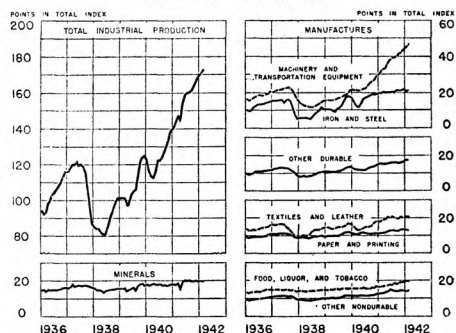
	Year	Maryland		Virginia		West Virginia		North Carolina		South Carolina		Fifth District	
		No.	Value	No.	Value	No.	Value	No.	Value	No.	Value	No.	Value
Horses & colts....	1933	85	\$ 5,780	178	\$11,768	103	\$ 7,622	72	\$ 4,824	23	\$ 1,449	461	\$ 31,443
	1934	82	6,806	170	13,770	101	6,686	69	5,862	22	1,760	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	11,004	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
	1941	82	7,694	168	16,966	99	9,495	78	8,039	22	2,245	449	44,439
	1942	79	6,644	166	14,388	97	8,264	78	8,370	21	2,381	441	40,047
Mules & colts.....	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	27	3,537	96	13,745	12	1,272	305	52,287	185	31,350	625	102,191
	1941	25	3,075	91	12,603	11	1,166	298	47,228	181	29,407	606	93,479
	1942	24	2,592	89	10,921	10	900	298	49,893	181	30,166	602	94,472
Cattle & calves....	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	64,284
	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	28,906	576	17,491	651	18,313	374	8,334	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	16,531	930	36,061	600	22,116	664	21,438	359	10,259	2,891	106,405
	1941	338	18,859	941	38,884	586	22,304	613	20,912	338	9,801	2,816	110,760
	1942	345	25,157	960	49,908	586	28,317	631	27,971	355	13,540	2,877	144,893
Sheep & lambs....	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	5,023
	1935	94	435	438	1,947	606	2,401	77	237	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	37	1,070	6,437
	1940	74	524	379	2,610	504	2,750	50	295	10	37	1,017	6,216
	1941	61	446	379	2,751	461	2,520	52	307	7	25	960	6,049
	1942	61	542	364	3,167	456	3,255	51	382	6	29	938	7,375
Hogs & pigs.....	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	609	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	235	1,584	717	4,543	221	1,481	1,167	8,358	688	4,512	3,028	20,478
	1941	228	1,501	710	4,777	235	1,547	1,133	8,287	641	4,160	2,947	20,272
	1942	219	2,350	710	7,827	230	2,690	1,122	14,156	628	6,418	2,909	33,441

(Compiled March 21, 1942)

## SUMMARY OF NATIONAL BUSINESS CONDITIONS

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

### INDUSTRIAL PRODUCTION



Federal Reserve monthly 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. Latest figures shown are for Feb. 1942.

Industrial activity increased further in February and the first half of March. Retail trade was sustained at high levels and commodity prices continued to advance.

### PRODUCTION

In February the Board's seasonally adjusted index of industrial production rose from 171 to 173 per cent of the 1935-39 average. As in other recent months, activity in the durable goods manufacturing industries, where the majority of military products are made, continued to advance, while in industries making nondurable goods and at mines activity was maintained at about the levels reached last autumn.

Steel production rose to 96 per cent of capacity in February and increased further to 98 per cent in the third week of March—which corresponded to an annual rate of nearly 87 million net tons. Lumber production also increased, following less than the usual seasonal decline during the previous two months. In the machinery and transportation equipment industries, now engaged mainly in armament production, activity continued to advance rapidly as plant utilization increased and capacity expanded. Conversion to armament production in the automobile industry, where output of civilian products was discontinued in early February, is apparently being effected much more rapidly than had been anticipated earlier.

There were further increases in output at cotton textile mills and at chemical factories, reflecting an increasing amount of work on military orders. At meatpacking establishments activity was maintained near the high rate reached in January. Shoe production increased by less than the usual seasonal amount. Anthracite production rose sharply in February and bituminous coal production was maintained near the high rate of other recent months. Output of crude petroleum, which had been at record levels in December and January, declined somewhat in the latter part of February and in the first half of March, reflecting transportation difficulties.

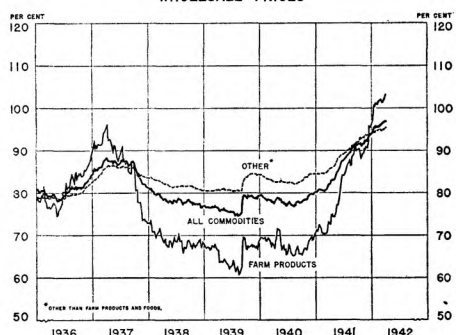
### CONSTRUCTION

Value of construction contract awards increased considerably in February, according to figures of the F. W. Dodge Corporation, owing mainly to a sharp rise in awards for public projects. Total awards in February were half again as large as last year, and public awards were about three times as large.

In nonresidential building, awards for public projects increased materially, while those for private projects continued to decline. There was a slight rise in awards for public utility construction.

In residential building, contracts for private work changed little from January, while those for publicly-financed projects increased sharply and amounted to about half of the total for the first time on record. For the past six months there has been a noticeable shift in privately-financed housing activity from building for owner-occupancy to building for sale or rent; in February, awards for the former constituted only about one-fifth of the small-homes total. This shift is attributable mainly to the activity in defense areas and to legislation enacted last spring making possible the insurance of mortgages taken out by builders.

### WHOLESALE PRICES



Bureau of Labor Statistics' weekly indexes, 1926 average = 100. Latest figures are for week ending March 21, 1942.

### DISTRIBUTION

Value of retail trade continued large in February. Sales at general merchandise stores and variety stores increased more than seasonally, while sales at department stores declined. In the first half of March department store sales increased by about the usual seasonal amount.

Freight-car loadings, which in January had been unusually large for this time of year, declined somewhat in February owing to smaller shipments of coal, grain, and miscellaneous freight.

### COMMODITY PRICES

Wholesale prices continued to advance from the middle of February to the middle of March, particularly those for finished consumer goods such as meats, fruits and vegetables, shoes, clothing, and household items. Temporary maximum price orders were issued covering wholesale prices of some of these products, including pork, canned fruits and vegetables, finished cotton and rayon fabrics, cotton rugs, and bedding equipment. These orders, according to statute, used as maximums the prices prevailing within five days prior to issuance. They are effective for only 60 days and may be replaced by regular schedules.

### TREASURY FINANCING AND BANK CREDIT

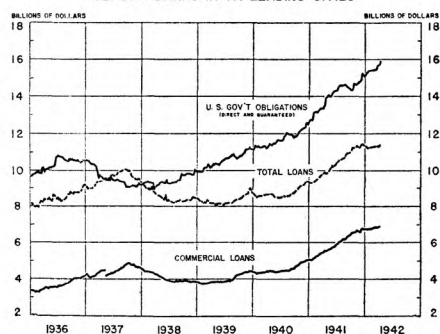
In March income tax receipts by the Treasury for the first time reflected the higher schedule of rates. The effect of these receipts on the money market was largely offset by redemption of Treasury bills previously issued to mature during the tax collection period, by tax-anticipation notes turned in on payment of taxes, and by continued heavy Treasury expenditures. As a consequence a record volume of Treasury operations was effected with little influence on conditions in the market. Excess reserves of member banks showed no large change and on March 18 amounted to about \$3.2 billion.

United States Government obligations held by member banks in leading cities showed little change during the first three weeks of March following a sharp rise in February. Commercial loans increased further.

### UNITED STATES GOVERNMENT SECURITY PRICES

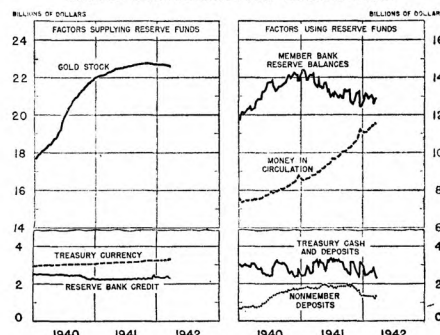
Prices of United States Government bonds advanced steadily from the middle of February to the middle of March. Long-term taxable bonds yielded 2.35 per cent compared with an average of 2.39 per cent in February. Prices of short-term securities have held steady since the first of the year, with Treasury bills selling at around .20 per cent.

### MEMBER BANKS IN 101 LEADING CITIES



Wednesday figures. Commercial loans, which include industrial and agricultural loans, represent prior to May 19, 1937 so-called "Other loans" as then reported. Latest figures are for March 11, 1942.

### MEMBER BANK RESERVES AND RELATED ITEMS



Wednesday figures. Latest figures shown are for March 11, 1942.