

MONTHLY REVIEW

of Financial and Business Conditions

FIFTH
FEDERAL



RESERVE
DISTRICT

Federal Reserve Bank, Richmond, Va.

April 30, 1940

Summary of March Business Conditions

MARCH witnessed a larger volume of retail distribution than March last year, and industry was at about the same relatively high level as a year ago, but seasonal increases over February were in most instances not quite up to expectations.

RETAIL DISTRIBUTION LARGE

Department store sales in the Fifth district in March rose 36 per cent above February sales, and were 5 per cent above March 1939 sales, but most of the increase over last year was due to the earlier date of Easter this year. Because of cold weather, Easter trade was not up to normal volume. Retail furniture sales were moderately higher in March than in either February 1940 or March 1939, and sales of new passenger automobiles last month were the largest for any month since July 1937. At wholesale, distribution of goods in March was a little higher than in the corresponding month last year.

EMPLOYMENT DECLINES MODERATELY

The value of building permits issued in March showed a substantial increase over February valuations, but failed

to equal March 1939 figures. Contracts actually awarded made the same comparison, except that the March increase over February was smaller and the decrease from March last year was larger than the building permit comparisons. Cotton consumption last month in Fifth district mills was lower than in March last year, but rayon yarn production and shipments were both larger. Coal production declined further, but on a daily basis was still slightly higher in March 1940 than a year earlier. Changes in construction work, textile operations and coal mining resulted in some net decline in employment in the Fifth district in March.

FARM WORK LATE

Farm work has been delayed this year by unfavorable weather, and fall planted grains are in poorer condition than a year ago. The cold weather held back premature development of fruit buds and probably prevented damage to apples which frequently occurs in mild winters and springs. It appears that some peaches were seriously damaged by April freezes, but the district average condition is good. Sowing of oats has gone forward rapidly in the past few weeks, and in the extreme southern part of the district some cotton has been planted.

BUSINESS STATISTICS—FIFTH FEDERAL RESERVE DISTRICT

	March 1940	February 1940	March 1939	% Change	
				Month	Year
Debits to individual accounts (25 cities).....	\$1,342,709,000	\$1,189,136,000	\$1,242,366,000	+ 13	+ 8
Sales, 31 department stores, 5th district.....	\$ 9,965,594	\$ 7,334,877	\$ 9,489,258	+ 36	+ 5
Sales, 38 furniture stores, 5th district.....	\$ 1,049,111	\$ 986,806	\$ 995,135	+ 6	+ 5
Sales, 200 wholesale firms, 5th district.....	\$ 12,559,000	\$ 11,837,000	\$ 12,386,000	+ 6	+ 1
Registrations, new autos, 5th district.....	21,989	15,581	17,800	+ 41	+ 24
Number of business failures, 5th district.....	44	46	59	— 4	— 25
Liabilities in failures, 5th district.....	\$ 500,000	\$ 584,000	\$ 560,000	— 14	— 11
Value of building permits, 31 cities.....	\$ 11,633,318	\$ 7,092,770	\$ 11,904,407	+ 64	— 2
Value of contracts awarded, 5th district.....	\$ 31,542,000	\$ 29,605,000	\$ 38,946,000	+ 7	— 19
Cotton consumption, 5th district (Bales).....	305,494	319,601	310,642	— 4	— 2
Cotton price, cents per lb., end of month.....	10.50	10.74	8.48	— 2	+ 24
Print cloths, 39 in., 80x80s, end of month.....	6.50	6.63	.....	— 2	.....
Rayon shipments, U. S. (Pounds).....	29,500,000	29,500,000	26,600,000	0	+ 11
Rayon yarn stocks, U. S. (Pounds).....	10,100,000	8,300,000	41,400,000	+ 22	— 76
Bituminous coal mined, U. S. (Tons).....	35,400,000	39,105,000	35,438,000	— 9	0

RESERVE BANK FIGURES SHOW LITTLE CHANGE

Total earning assets of the Federal Reserve Bank of Richmond rose slightly between March 15 and April 15, small advances occurring in discounts held, industrial advances and Government security holdings. Federal Reserve notes in circulation declined seasonally, and member bank reserve deposits were reduced during the month.

RESERVE BANK STATEMENT ITEMS

ITEMS	Fifth District		
	000 omitted		
	Apr. 15 1940	Mar. 15 1940	Apr. 15 1939
Discounts held	\$ 175	\$ 113	\$ 260
Foreign loans on gold	43	86	0
Open market paper	0	0	24
Industrial advances	915	909	1,177
Government securities	125,871	125,583	134,227
Total earning assets	127,004	126,691	135,688
Circulation of Fed. Res. notes	218,615	221,028	195,287
Members' reserve deposits	286,730	296,184	250,796
Cash reserves	439,752	443,536	367,824
Reserve ratio	78.16	78.28	73.92

MEMBER BANK SECURITY HOLDINGS DECLINE

Forty-one regularly reporting member banks in 12 Fifth district cities increased loans slightly between March 13 and April 10, but investments in securities dropped substantially, principally in one large bank. Reserve balances and cash in vaults also declined during the period, but both demand and time deposits increased.

SELECTED ITEMS—41 REPORTING BANKS

ITEMS	Fifth District		
	000 omitted		
	Apr. 10 1940	Mar. 13 1940	Apr. 12 1939
Loans & discounts	\$268,947	\$264,196	\$237,298
Investments in securities	412,303	446,193	428,735
Reserve bal. with F. R. bank	190,291	195,333	162,850
Cash in vaults	22,146	22,483	20,684
Demand deposits	543,935	538,986	477,751
Time deposits	201,144	200,459	200,421
Money borrowed	0	0	0

DEBITS INCREASE SEASONALLY

DEBITS TO INDIVIDUAL ACCOUNTS

CITIES	000 omitted			% of Change Month	Year
	Mar. 1940	Feb. 1940	Mar. 1939		
Maryland					
Baltimore	\$ 391,008	\$ 343,749	\$ 340,906	+14	+15
Cumberland	8,213	7,454	7,821	+10	+5
Hagerstown	9,326	7,456	8,222	+25	+13
Dist. of Col.					
Washington	287,345	239,885	272,053	+20	+6
Virginia					
Danville	8,019	7,609	7,089	+5	+13
Lynchburg	15,844	13,522	13,439	+17	+18
Newport News	11,519	11,067	8,893	+4	+30
Norfolk	51,227	45,217	50,447	+13	+2
Portsmouth	4,479	3,976	4,260	+13	+5
Richmond	141,849	140,191	139,432	+1	+2
Roanoke	28,527	25,801	30,089	+11	-5
West Virginia					
Charleston	47,474	46,355	45,373	+2	+5
Huntington	17,102	15,441	16,366	+11	+4
Parkersburg	10,344	8,290	8,884	+25	+16
North Carolina					
Asheville	12,500	11,547	12,035	+8	+4
Charlotte	69,942	61,375	58,816	+14	+19
Durham	26,575	27,885	26,375	-5	+1
Greensboro	21,145	18,745	20,422	+13	+4
Raleigh	44,158	34,973	44,645	+26	-1
Wilmington	11,325	10,316	10,300	+10	+10
Winston-Salem	43,909	35,247	41,275	+25	+6
South Carolina					
Charleston	20,651	17,695	16,938	+17	+22
Columbia	29,232	25,934	30,428	+13	-4
Greenville	20,075	19,664	18,530	+2	+8
Spartanburg	10,921	9,742	9,328	+12	+17
District Totals	\$1,342,709	\$1,189,136	\$1,242,366	+13	+8

Debits to individual, firm and corporation accounts in 25 Fifth district cities in March 1940 were 13 per cent higher than debits in February, and 8 per cent above those in March last year. Newport News again led in percentage gain over 1939 figures, but Raleigh showed the largest percentage increase over February.

MUTUAL SAVINGS RISE FURTHER

Mutual savings in Baltimore continue to set new records, and 10 mutual savings banks in that city had deposits totaling \$223,163,689 on March 31, 1940, compared with \$222,888,548 on February 29, 1940, and \$219,931,668 on March 31, 1939. Deposits in 2 of the 10 banks declined during the year, however.

COMMERCIAL FAILURES FALL

Bankruptcies in the Fifth district and the United States were reported for several periods by *Dun & Bradstreet* as follows:

PERIODS	Number of Failures		Total Liabilities	
	District	U. S.	District	U. S.
March 1940	44	1,197	\$ 500,000	\$11,681,000
February 1940	46	1,042	584,000	13,472,000
March 1939	59	1,322	560,000	19,002,000
3 Months, 1940	148	3,476	\$1,663,000	\$40,432,000
3 Months, 1939	192	4,091	1,647,000	53,374,000

EMPLOYMENT IN INDUSTRY DECLINES

Employment in the cotton textile industry declined in the district in March, probably more in aggregate payrolls than in the number of workers, and the same may be said of employment in bituminous coal fields. On the other hand, a seasonal increase in building permits issued and contracts awarded increased the amount of work available in construction fields. On the whole, there was apparently a moderate net decrease in payrolls and a small decline in the number of employed persons in March in comparison with February. The following figures, compiled for the most part by the Bureau of Labor Statistics, reflect the trends of employment and payrolls in the Fifth district from February to March:

STATES	Percentage change from Feb. 1940 to March 1940	
	In number on payroll	In amount of payroll
Maryland	+ 1.3	+ 2.7
Dist. of Columbia	+ 1.4	+ 1.6
Virginia	+ 0.6	- 0.9
West Virginia	- 0.3	- 3.0
North Carolina	- 1.0	- 1.4
South Carolina	- 0.7	- 1.3

AUTO REGISTRATIONS ADVANCE

Registrations of new passenger automobiles in the Fifth district rose 41 per cent in March in comparison with February, and were 24 per cent above March 1939 registrations. Last month's increase in sales over those in February was up to seasonal expectations, and probably reduced dealers' stocks of cars which had increased in February. The number of new cars sold in the Fifth district last month was the largest for any month since July 1937. The following registration figures for new passenger cars were furnished by *R. L. Polk & Co.*, of Detroit:

REGISTRATION OF NEW PASSENGER CARS—NUMBER

STATES	Mar. 1940	Mar. 1939	% Change	3 Months 1940	3 Months 1939	% Change
Maryland	5,337	4,646	+ 15	11,669	9,429	+ 24
Dist. of Col.	3,087	2,761	+ 12	6,434	6,181	+ 4
Virginia	3,862	2,996	+ 29	10,838	8,645	+ 25
West Virginia ..	2,460	1,584	+ 55	6,329	4,337	+ 46
No. Carolina ...	4,415	3,445	+ 28	12,355	9,857	+ 25
So. Carolina ...	2,828	2,368	+ 19	7,605	6,017	+ 26
District	21,989	17,800	+ 24	55,230	44,466	+ 24

CONSTRUCTION SHOWS SEASONAL RISE

Building permits issued in March 1940 in 31 Fifth district cities totaled \$11,633,318, a seasonal increase of 64 per cent over permits totaling \$7,092,770 issued in February this year but 2 per cent less than \$11,904,407 in permits issued in March 1939. Permits in the first quarter of 1940 totaling \$23,713,468 were 19 per cent less than \$29,388,292 in the first quarter of 1939. Baltimore led in March 1940 permits with \$4,736,694, Washington was second with \$2,634,995, Raleigh third with \$774,300, Richmond fourth with \$680,162, and Charleston, W. Va., fifth with \$269,532.

Contracts actually awarded in March for construction work in the Fifth district totaled \$31,542,000, an increase of 7 per cent over \$29,605,000 in February but a decrease of 19 per cent from \$38,946,000 in March last year. Total awards in the district in the first quarter of 1940 amounted to \$83,163,000, a decrease of 5/10ths of 1 per cent below \$83,612,000 in the first quarter of 1939, but a larger figure than in any other first quarter since 1930. *F. W. Dodge Corporation* reports contract awards by states as follows:

CONSTRUCTION CONTRACTS AWARDED

STATES	March 1940	March 1939	% Change
Maryland	\$11,905,000	\$ 7,259,000	+ 64
Dist. of Col.	4,007,000	6,783,000	- 41
Virginia	7,057,000	8,158,000	- 13
West Virginia ..	2,020,000	1,790,000	+ 13
North Carolina ..	4,216,000	9,039,000	- 53
South Carolina ..	2,337,000	5,917,000	- 61
District	\$31,542,000	\$38,946,000	- 19

COAL MINING DECLINES FURTHER

Production of bituminous coal in the United States in March totaled 35,400,000 net tons, compared with 39,105,000 tons mined in February 1940 and 35,438,000 tons in March 1939. On a daily basis, however, production of 1,362,000 tons per working day in March 1940 was higher than production of 1,313,000 tons per day in March last year. Total production this calendar year to the end of March of 119,445,000 tons exceeds production of 105,453,000 tons to the same date in 1939 by 13.3 per cent. Shipments of coal through Hampton Roads ports between January 1 and March 31 totaled 6,436,519 tons this year and 5,630,212 tons last year, most of the increase occurring in foreign cargo coal. In the Fifth district, coal mined in March 1940, February 1940 and March 1939, was as follows:

SOFT COAL PRODUCTION IN TONS

REGION	Mar. 1940	Feb. 1940	Mar. 1939
West Virginia	9,964,000	10,163,000	9,332,000
Virginia	1,134,000	1,269,000	1,145,000
Maryland	141,000	153,000	143,000
5th District	11,239,000	11,585,000	10,620,000
United States	35,400,000	39,105,000	35,438,000
% in District	31.7	29.6	30.0

TEXTILE MILLS REDUCE OUTPUT

Cotton textile mills in the Fifth district restricted operations further in March, and for the first time since September 1938 cotton consumption was less than in the corresponding month of the preceding year. Cloth prices softened in March, and mill margins declined from 12.25 cents in February to 11.59 cents in March. Early in April, however, demand for both cloth and yarn expanded, and mill sales exceeded output. The more active constructions strengthened in price, and industrial cloth consumers and manufacturers of clothing and household goods were active buyers. Finished cloth also moved in large volume in the first two weeks in April. Consumption of cotton by states in the Fifth district in March, 1940, February 1940 and March 1939, is shown below:

COTTON CONSUMPTION—FIFTH DISTRICT

MONTHS	In bales			
	No. Carolina	So. Carolina	Virginia	District
March 1940	163,705	129,351	12,438	305,494
February 1940	174,359	131,419	13,823	319,601
March 1939	169,147	128,110	13,385	310,642
3 Months, 1940	523,363	403,324	40,013	971,700
3 Months, 1939	474,780	358,086	36,275	869,141

RAYON PRODUCTION AND SHIPMENTS HOLD UP

Rayon Organon reports deliveries of 29,500,000 pounds of filament yarn to domestic consumers in March, the same poundage as was shipped in February and 11 per cent above March 1939 deliveries. Production in the United States continued to exceed shipments in March, and reserve stocks rose for the third consecutive month. Stocks of yarn in primary hands on March 31 this year totaled 10,100,000 pounds, against 8,300,000 pounds on February 29, 1940, and 41,400,000 pounds on March 31, 1939. During March several rayon grey goods mills lengthened their selling terms from a thirty- to a sixty-day basis, which will enable converters to keep on hand an extra month's supply of rayon goods. Cellulose consumption by the rayon industry in the United States totaled 196,000 tons of pulp in 1939, of which 143,000 tons was from wood and 53,000 tons from cotton linters. Cotton linters were much more important in the early days of the industry, but since 1936 the price differential has been increasingly favorable to wood pulp and the relative use of linters pulp has declined sharply.

COTTON CONSUMPTION AND PRICE DECLINES

COTTON CONSUMPTION AND ON HAND—BALES

	Mar. 1940	Mar. 1939	Aug. 1 to Mar. 31 This Year	Aug. 1 to Mar. 31 Last Year
Fifth district states:				
Cotton consumed	305,494	310,642	2,538,175	2,217,760
Cotton growing states:				
Cotton consumed	539,804	547,569	4,536,276	3,902,392
Cotton on hand March 31 in				
Consuming establishments ..	1,316,757	1,203,502	.....	.....
Storage & compresses	11,332,310	13,424,165	.....	.....
United States:				
Cotton consumed	626,331	649,940	5,330,835	4,609,360
Cotton on hand March 31 in				
Consuming establishments ..	1,595,722	1,414,541	.....	.....
Storage & compresses	11,404,298	13,477,548	.....	.....
Exports of cotton	443,842	330,070	5,350,353	2,785,875
Spindles active, U. S.	22,555,036	22,503,480	.....	.....

Spot cotton prices on Southern markets moved through a narrow range between the middle of March and the middle of April, falling from an average of 10.61 cents on March 15 to 10.50 cents on March 29, and then rising

to 10.62 cents on April 12. On the whole, the price was about \$1 to \$1.50 per bale lower than in the preceding month, but was about \$1 a bale higher than in the corresponding period last year.

SEASON TOBACCO SALES

All auction tobacco markets in the Fifth district have closed for the 1939-1940 season, and total sales for growers from the 1939 and 1938 crops, with average prices, were as follows:

	Total Sales For Growers, Pounds		Price per Cwt.	
	1939-1940	1938-1939	1939-40	1938-39
North Carolina	774,323,124	501,847,559	\$15.66	\$22.92
So. Carolina	117,217,526	86,670,522	14.56	22.24
Virginia	164,876,700	112,995,598	14.25	20.04
District Totals	1,056,417,350	701,513,679	\$15.32	\$22.37

TOBACCO MANUFACTURING LOWER

The Bureau of Internal Revenue reports tobacco products manufactured in March 1940 and 1939 as follows:

	Mar. 1940	Mar. 1939	% Change
Smoking & chewing tobacco, pounds	24,343,900	26,014,916	- 6
Cigarettes, number	13,020,617,490	14,243,656,930	- 9
Cigars, number	397,490,431	437,584,196	- 9
Snuff, pounds	3,205,843	3,578,733	-10

RETAIL AND WHOLESALE TRADE

DEPARTMENT STORE TRADE

	Net Sales	Net Sales	Stocks	Ratio Mar. collections to accounts outstanding March 1
	Mar. 1940 comp. with Mar. 1939	Jan. 1, to date comp. with same period last year	Mar. 31, 1940 comp. with Mar. Feb. 1940	
Richmond (3) ...	+ 9.9	+ 7.8	+ 7.3 + 5.7	32.2
Baltimore (8) ...	+ 3.1	+ 8.9	+ 2.7 + 4.3	32.7
Washington (6) ...	+ 3.6	+ 7.0	+ 4.0 + 4.8	27.5
Other Cities (14) ...	+11.5	+ 9.0	+ 4.3 + 2.8	28.9
District (31) ..	+ 5.0	+ 7.9	+ 4.0 + 4.5	29.8
Same stores by states, with 20 stores added:				
Virginia (12) ...	+ 9.3	+ 7.3		
West Va. (10) ...	+19.1	+17.7		
No. Carolina (6) ...	+15.9	+11.6		
So. Carolina (9) ...	+15.3	+14.7		

RETAIL FURNITURE SALES

STATES	% Change in Sales, Mar. and 3 Months in 1940	
	Compared with Mar. 1939	Compared with 3 Months 1939
Maryland, 10 stores	+12	+18
Dist. of Col., 6 stores	-10	+ 3
Virginia, 10 stores	+ 7	+ 3
North Carolina, 4 stores	+ 1	+ 5
South Carolina, 7 stores	+25	+28
District, 38 stores*	+ 5	+11
Individual Cities:		
Baltimore, 10 stores	+12	+18
Washington, 6 stores	-10	+ 3
Richmond, 5 stores	+ 9	- 1

* Includes 1 West Va. store.

WHOLESALE TRADE, 200 FIRMS

LINES	Net Sales compared with		Stocks compared with		Ratio Mar. collections to accounts outstanding March 1
	Mar. 1939	Feb. 1940	Mar. 31, 1939	Feb. 29, 1940	
Auto supplies (6)	- 5	+ 4	..	..	45
Shoes (4)	-14	- 3	+19	-11	52
Drugs (13)	0	0	0	- 1	81
Dry Goods (8)	+ 1	+ 4	+20	- 3	39
Electrical goods (14)	+10	+12	+13	+11	66
Groceries (60)	+ 3	+ 6	+ 6	- 5	91
Hardware (16)	+ 4	+14	+ 8	- 1	44
Indus. supplies (13)	+31	+19	+13	0	73
Plumbing & heating (6)	-14	+12	+13	+ 6	46
Paper & products (8)	- 6	+ 4	- 2	- 1	58
Tobacco & products (7)	0	+ 8	..	..	79
Miscellaneous (45)	+ 4	+ 7	+ 2	+ 5	74
District Average (200)	+ 1	+ 6	+ 9	- 1	65

PEANUT PRODUCTION

The growing of peanuts for nuts is a leading agricultural activity in coastal counties in Virginia and North Carolina, and is also important in South Carolina. Per acre production in Virginia and North Carolina is much higher than in any other states, yields in these two states usually running more than 1,000 pounds per acre. Prices of peanuts vary widely from year to year, having ranged in Virginia in recent years from a low of 1.4 cents per pound in 1932 to a high of 5.3 cents in 1927, with an average of approximately 3.5 cents since 1926. Twelve states are listed as peanut producing by the Department of Agriculture, and the three which are located in the Fifth district account for about 40 per cent of total production in the country. Georgia is the leading grower in total pounds, but North Carolina ranks second and Virginia third.

PEANUTS PICKED AND THRESHED

(In thousands of pounds)

Year	Va.	N. C.	S. C.	District	U. S.
1926	152,640	200,850	4,550	358,040	662,190
1927	145,800	220,500	8,250	374,550	844,220
1928	165,240	210,000	6,900	382,140	843,505
1929	157,590	224,400	7,500	389,490	898,197
1930	99,360	178,350	8,400	286,110	697,350
1931	172,840	275,000	9,100	456,940	1,055,815
1932	146,590	229,500	11,900	387,990	941,195
1933	111,150	180,500	8,160	299,810	819,620
1934	145,550	260,150	7,500	413,200	1,009,950
1935	151,200	259,900	9,520	420,620	1,147,225
1936	151,800	261,000	8,160	420,960	1,253,090
1937	184,975	308,700	8,030	501,705	1,224,190
1938	146,010	249,075	7,800	402,885	1,305,800
1939	189,175	290,700	11,840	491,715	1,179,505

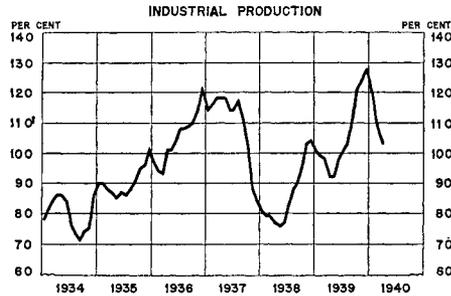
Yields Per Acre, Pounds

Year	Va.	N. C.	S. C.	District	U. S.
1926	1,060	1,030	650	1,035	770
1927	900	1,050	750	978	777
1928	1,020	1,050	690	1,027	695
1929	1,030	1,020	750	1,017	712
1930	720	870	700	806	650
1931	1,160	1,100	650	1,106	733
1932	1,070	900	700	956	627
1933	950	950	680	925	673
1934	1,025	1,075	625	1,043	679
1935	1,050	1,150	680	1,095	779
1936	1,100	1,125	680	1,102	780
1937	1,225	1,260	730	1,233	816
1938	930	1,025	600	976	764
1939	1,175	1,140	740	1,138	635

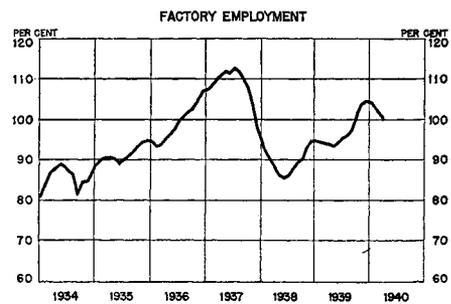
(Compiled April 20, 1940)

SUMMARY OF NATIONAL BUSINESS CONDITIONS

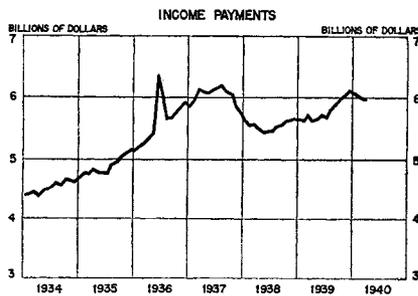
(Compiled by the Board of Governors of the Federal Reserve System)



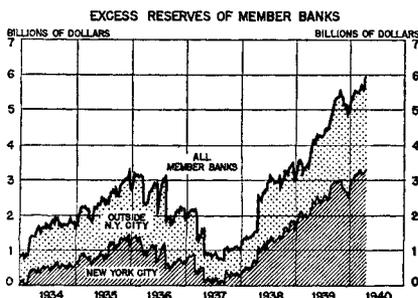
Index of physical volume of production, adjusted for seasonal variation, 1923-1925 average = 100. By months, January 1934 to March 1940.



Index of number employed, adjusted for seasonal variation, 1923-1925 average = 100. By months, January 1934 to March 1940.



U. S. Department of Commerce estimates of the amount of income payments to individuals, adjusted for seasonal variation. By months, January 1934 to March 1940.



Wednesday figures partly estimated, January 3, 1934, to April 10, 1940.

Industrial activity continued to decline during March but at a somewhat slower rate than in the preceding two months, and in the first half of April there was little further decrease. Wholesale prices of basic commodities decreased somewhat in the latter half of March but recovered by the middle of April. Distribution of commodities to domestic consumers continued in large volume, and exports were at the high levels reached last December.

PRODUCTION

The Board's index of industrial production, which is adjusted for usual seasonal variations and for the number of working days, was 103 in March compared with 109 in February. The decline reflected chiefly a further reduction in output of steel and considerable decreases in activity at cotton and woolen textile mills.

Steel ingot production declined from an average of 69 per cent of capacity in February to an average of 64 per cent in March. In the first half of April output was at around 61 per cent of capacity.

Automobile production in March and the first half of April was maintained at the high rate prevailing during January and February but did not show the increase customary at this season. Retail sales of automobiles continued in large volume, and dealers' stocks of new cars declined somewhat from the high level reached earlier. In the machinery industries activity showed some decline from the high rate of other recent months, while at aircraft factories and shipyards activity continued at peak levels. Output of lumber and plate glass advanced seasonally in March.

In the woolen textile industry, where activity had been decaying from the high level reached last November, there was a further sharp reduction in March. Activity at cotton textile mills also declined considerably but remained at a somewhat higher level than prevailed a year ago. Shoe production likewise declined considerably in March. At silk mills activity remained at an exceptionally low level, while rayon production was large.

Mineral production was maintained in large volume in March. There was some further reduction in output of bituminous coal, but output of anthracite increased, following a sharp decline in February. Crude petroleum production continued at record levels.

Value of construction contracts awarded, as reported by the F. W. Dodge Corporation, increased considerably in March, as is usual at this season. The increase was principally in awards for private work, which in March approximately equalled those in the corresponding period last year. Public awards increased somewhat, following declines in January and February, but were in smaller volume than a year ago. Private residential building rose by about the usual seasonal amount.

DISTRIBUTION

Sales of general merchandise at department and variety stores and by mail-order houses increased by about the usual seasonal amount from February to March, with allowance for the earlier date of Easter this year. In the first week of April sales at department stores were at a higher level than in March.

Freight-car loadings showed little change from February to March, although a rise is usual between these months. Shipments of miscellaneous freight showed considerably less than the usual seasonal increase, and there was some further decline in loadings of coal.

FOREIGN TRADE

Exports of United States merchandise in March continued near the high level reached last December. Agricultural exports, principally cotton, decreased from February to March, while there were substantial increases in shipments of commercial vehicles and in metal working, agricultural, and other types of machinery.

During March, the country's monetary gold stock increased by \$256,000,000. In the first two weeks of April the rate of gold inflow was accelerated, acquisitions in this period amounting to \$145,000,000.

COMMODITY PRICES

Prices of a number of basic agricultural and industrial commodities, which had declined in the latter part of March, advanced during the second week in April. Prices of certain finished steel products, on the other hand, were reduced, and prices of most other commodities showed little change.

GOVERNMENT SECURITY MARKET

Prices of Treasury bonds moved sharply upward during March and the first few days of April to a new high level since last summer. On April 9, however, on receipt of news of the expansion of war activities in Europe, a decline of about one point occurred in long-term bonds. Subsequently the market recovered part of the loss. The yield on the 1960-65 Treasury bonds was 2.31 per cent on April 15, compared with a low of 2.26 per cent on April 2.

BANK CREDIT

Reflecting continued heavy gold imports, excess reserves of member banks increased during the four weeks ending April 10 to a record high level of \$5,950,000,000. Total loans and investments at banks in 101 leading cities, which had shown little net change during March, increased in the first two weeks of April, reflecting purchases of United States Government obligations.