

MONTHLY REVIEW

of Financial and Business Conditions

FIFTH
FEDERAL



RESERVE
DISTRICT

Federal Reserve Bank, Richmond, Va.

April 30, 1942

BUY
WAR
BONDS



BUY
SAVINGS
STAMPS

INVEST FOR VICTORY NOW

March Business in the Fifth District

WAR work is dominating business and industry in the Fifth district to such an extent that comparisons of current developments with those of earlier years have very largely lost their significance. Industrial activity has never before been as great as at present, and the volume of work under way is the greatest on record.

The cotton textile industry, striving to meet the need for hundreds of millions of yards of cloth by the Army and Navy superimposed upon increased demands from civilian sources, is operating at capacity and every few months sets a new record for cotton consumption. The rayon industry, in which the Fifth district is important, is also working continuously, trying to fill ordinary calls for rayon and in addition to furnish substitutes for silk. Lumber mills in all sections of the district, both large and small, are trying to keep up with the heavy demands, and skilled men in the construction field are in great demand. Developments in some great industries in the district cannot be outlined for obvious reasons concerned with defense, but it may be said that workers as a whole are probably making the biggest incomes on record, a fact which is clearly attested by such figures as are available on consumer purchases.

Retail trade, as reflected in department store sales, was 35 per cent greater in March this year than in the corresponding month of 1941, and sales in the first quarter were 37 per cent higher this year. The weather preceding

Easter was favorable for spring trade, and in addition there was fear of rationing or shortages in some lines in the near future; these influences, coupled with large purchasing power, stimulated a record volume of retail sales. Figures on furniture sales tell the same story—increases of 27 per cent in March and 23 per cent in the first quarter over sales in the corresponding periods last year having been reported. Wholesale sales by 196 firms representing many lines gained 31 per cent in March over March 1941 sales.

Debits to individual accounts figures, showing the total of check payments in 25 leading Fifth district cities, amounted to more than \$2,000,000,000 in March 1942, the highest figure ever reported for that month of the year. Debits figures were increased on March 15 this year by the highest income tax payments ever levied in the United States, but these increased tax payments account for only a part of the rise in debits relative to earlier years. Another evidence of greatly increased business activity in the Fifth district this year is the rise in Federal Reserve note circulation, which increased from \$298,853,000 on April 15, 1941, to \$456,727,000 on April 15, 1942, an increase of \$157,874,000 or 53 per cent, during the year.

Elsewhere in this *Review* we present a study of Cash Farm Income and Government Payments, by States, for 1941 and 1940.

BUSINESS STATISTICS—FIFTH FEDERAL RESERVE DISTRICT

	March 1942	February 1942	March 1941	% Change	
				Month	Year
Debits to individual accounts (25 cities).....	\$2,025,239,000	\$1,757,982,000	\$1,674,663,000	+ 15	+ 21
Sales, 78 department stores, 5th district.....	\$ 18,499,932	\$ 13,629,042	\$ 13,716,669	+ 36	+ 35
Sales, 40 furniture stores, 5th district.....	\$ 1,552,159	\$ 1,432,196	\$ 1,225,564	+ 8	+ 27
Sales, 196 wholesale firms, 5th district.....	\$ 17,078,000	\$ 15,999,000	\$ 13,082,000	+ 7	+ 31
Registrations, new autos, 5th district.....	2,044	1,088	30,742	+ 88	— 93
Number of business failures, 5th district.....	39	31	35	+ 26	+ 11
Liabilities in failures, 5th district.....	\$ 307,000	\$ 275,000	\$ 547,000	+ 12	— 44
Value of building permits, 29 cities.....	\$ 8,858,126	\$ 7,849,950	\$ 12,172,328	+ 13	— 27
Value of contracts awarded, 5th district.....	\$ 130,688,000	\$ 80,772,000	\$ 57,017,000	+ 62	+129
Cotton consumption, 5th district (Bales).....	454,485	422,029	385,352	+ 8	+ 18
Cotton price, cents per lb., end of month.....	20.25	19.41	11.11	+ 4	+ 82
Print cloths, 39 in., 80x80s, end of month.....	12.00 *	11.625*	9.25	+ 3	+ 30
Rayon yarn shipments, U. S. (Pounds).....	39,900,000	36,000,000	35,400,000	+ 11	+ 13
Rayon yarn stocks, U. S. (Pounds).....	4,000,000	4,400,000	10,200,000	— 9	— 61
Bituminous coal mined, U. S. (Tons).....	47,400,000	43,840,000	47,996,000	+ 8	— 1

* Ceiling price tied to spot cotton

BANKING STATISTICS

RESERVE BANK STATEMENT ITEMS

ITEMS	Fifth District		
	Apr. 15 1942	Mar. 15 1942	Apr. 15 1941
Discounts held	\$ 200	\$ 0	\$ 210
Industrial advances	724	746	848
Government securities	139,902	134,679	121,486
Total earning assets	140,826	135,425	122,544
Circulation of Fed. Res. notes	456,727	447,398	298,853
Members' reserve deposits	457,561	471,650	400,802
Cash reserves	837,552	816,964	650,872
Reserve ratio	85.90	85.59	85.03

SELECTED MEMBERS—41 REPORTING MEMBER BANKS

ITEMS	Fifth District		
	Apr. 15 1942	Mar. 11 1942	Apr. 16 1941
Loans to business & agriculture	\$168,552	\$167,301	\$147,540
All other loans	170,982	172,892	160,706
Investments in securities	601,605	581,252	415,688
Reserve bal. with F. R. bank	292,117	299,751	281,825
Cash in vaults	28,330	30,131	25,390
Demand deposits	813,304	790,774	671,457
Time deposits	199,299	198,704	207,408
Money borrowed	0	0	0

MUTUAL SAVINGS BANK DEPOSITS

9 Baltimore Banks

	Mar. 31, 1942	Feb. 28, 1942	Mar. 31, 1941
Total deposits	\$219,072,180	\$219,747,815	\$224,654,536

DEBITS TO INDIVIDUAL ACCOUNTS

Fifth District

CITIES	000 omitted			% of Change	
	Mar. 1942	Feb. 1942	Mar. 1941	Month	Year
Dist. of Col.					
Washington	\$ 432,996	\$ 373,988	\$ 342,396	+16	+26
Maryland					
Baltimore	567,308	516,211	481,724	+10	+18
Cumberland	10,485	8,645	8,694	+21	+21
Hagerstown	15,800	12,764	11,074	+24	+43
North Carolina					
Asheville	19,019	15,611	15,798	+22	+20
Charlotte	121,140	89,523	99,621	+35	+22
Durham	32,164	29,945	32,350	+7	-1
Greensboro	29,700	26,559	24,986	+12	+19
Raleigh	72,346	56,915	57,714	+27	+25
Wilmington	26,778	21,513	15,455	+24	+73
Winston-Salem ..	53,519	49,488	48,231	+8	+11
South Carolina					
Charleston	33,379	28,446	26,077	+17	+28
Columbia	46,611	37,526	41,821	+24	+11
Greenville	35,601	30,415	24,834	+17	+43
Spartanburg	17,920	15,369	17,852	+17	+0
Virginia					
Danville	11,925	10,067	8,938	+18	+33
Lynchburg	19,298	16,521	16,759	+17	+15
Newport News ..	17,038	19,402	16,556	+27	+3
Norfolk	93,231	76,901	72,632	+21	+28
Portsmouth	9,876	8,417	6,494	+17	+52
Richmond	216,739	198,115	184,219	+9	+18
Roanoke	36,733	30,087	33,511	+22	+10
West Virginia					
Charleston	69,082	60,431	56,502	+14	+22
Huntington	22,974	20,206	19,559	+14	+17
Parkersburg	13,077	10,967	10,866	+19	+20
District Totals ..	\$2,025,239	\$1,757,982	\$1,674,663	+15	+21

COMMERCIAL FAILURES

PERIODS	Number of Failures		Total District	Liabilities U. S.
	District	U. S.		
March 1942	39	1,048	\$ 307,000	\$ 12,011,000
February 1942	31	916	275,000	9,631,000
March 1941	35	1,211	547,000	13,444,000
3 Months, 1942	107	2,926	893,000	31,558,000
3 Months, 1941	127	3,464	1,819,000	38,815,000

Source: Dun & Bradstreet

EMPLOYMENT

Labor in the Fifth Reserve district may be said to be almost fully employed, and shifts from civilian to war work by industrial plants in the district have not caused any appreciable unemployment. Industries working on

war contracts are using all the labor they can secure, and skilled mechanics and structural workers are in great demand. The textile industry is setting new records in cotton consumption, and is operating at the highest rate in history. Ship yards are working around the clock, and are expanding facilities still further. Construction, chiefly for the war program, is under way in very large volume in the district, and is also expanding. The demand for workers in industry and construction has drained labor from rural areas, and farmers are facing a serious shortage of help for planting, working and harvesting 1942 crops. 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 February to March:

STATES	Percentage change from	
	In number on payroll	In amount of payroll
Maryland	+2.4	+4.3
Dist. of Col.	+2.8	+2.5
Virginia	+0.2	0.0
West Virginia	-0.7	-0.4
North Carolina	-0.4	-0.5
South Carolina	+0.7	+0.2
District Average	+0.7	+1.1

AUTOMOBILE REGISTRATIONS

Under the rationing system in operation since January 1, sales of new passenger automobiles have become merely nominal, and R. L. Polk & Co., of Detroit, from whom monthly figures have been obtained in the past, have decided to discontinue collection of registration figures until such time as a free market for cars can again be allowed. For the duration of the war, therefore, we shall be compelled to omit the registration figures from the *Monthly Review* after publishing herein the statistics for March and the first quarter of 1942.

REGISTRATION OF NEW PASSENGER CARS—NUMBER

STATES	Mar.	Mar.	% Change	3 Months	3 Months	% Change
	1942	1941		1942	1941	
Maryland	643	7,052	-91	2,148	15,421	-86
Dist. of Col.	85	3,896	-98	647	8,311	-92
Virginia	438	6,357	-93	2,652	18,694	-86
West Virginia ..	217	2,740	-92	1,076	7,274	-85
No. Carolina ..	461	6,727	-93	1,738	17,586	-90
So. Carolina	200	3,970	-95	1,047	10,357	-90
District	2,044	30,742	-93	9,308	77,643	-88

BITUMINOUS COAL PRODUCTION

The total amount of bituminous coal mined in the United States in March 1942 exceeded that of February, but March was a longer month and on a daily basis production in the later month declined slightly. March production of 47,400,000 net tons compared with 43,840,000 tons mined in February. For the first month since January 1941, production in March this year was lower than production in the corresponding month last year, but output in the first quarter of 1942 of 139,780,000 tons was 4 per cent above 133,761,000 tons mined in the first quarter of 1941.

SOFT COAL PRODUCTION IN TONS

REGIONS	Mar. 1942	Feb. 1942	Mar. 1941
West Virginia	12,699,000	11,108,000	12,741,000
Virginia	1,524,000	1,500,000	1,566,000
Maryland	174,000	158,000	172,000
5th District	14,397,000	12,766,000	14,479,000
United States	47,400,000	43,840,000	47,996,000
% in District	30	29	30

BUILDING PERMITS AND CONTRACT AWARDS

Building permits issued in March 1942 in 29 Fifth district cities totaled \$8,858,126, a seasonal increase of 13 per cent over permits totaling \$7,849,950 issued in February this year but 27 per cent below \$12,172,000 in permits issued in March 1941. Permits in the first quarter of 1942 totaling \$23,448,007 were 28 per cent less than \$32,570,726 in the first quarter of 1941, the decrease being in large part due to difficulty in obtaining construction materials for civilian use this year. Washington led in March 1942 permits with \$2,706,338, Baltimore was second with \$2,277,822, Norfolk third with \$977,860, Portsmouth fourth with \$584,305, and Richmond fifth with \$419,947.

Contracts actually awarded in March for construction work in the Fifth district totaled \$130,688,000, an increase of 62 per cent over \$80,772,000 in February and a gain of 129 per cent above \$57,017,000 in March last year. Total awards in the district in the first quarter of 1942 amounted to \$263,490,000, the highest total for any first quarter since records began in 1921 and 98 per cent above \$132,907,000 in the first quarter of 1941. A very large part of the contract awards is for war work, either directly or indirectly, and is to a large extent paid for with public funds.

Figures by states for February 1942 contract awards, which were not available when the March 31 *Review* went to press, were reported by the *F. W. Dodge Corporation* as follows:

STATES	CONSTRUCTION CONTRACTS AWARDED		
	Feb. 1942	Feb. 1941	% Change
Maryland	\$14,314,000	\$ 5,687,000	+152
Dist. of Col.	21,653,000	5,880,000	+268
Virginia	27,849,000	10,693,000	+160
West Virginia	4,179,000	2,046,000	+104
North Carolina	4,486,000	6,360,000	- 29
South Carolina	8,291,000	2,657,000	+212
Fifth District	\$80,772,000	\$33,323,000	+142

COTTON TEXTILES

The *Journal of Commerce*, surveying the cotton textile goods market for March, stated that mills ran at a high rate during the month, with production by regular cloth manufacturers being supplemented by a gradual shift of carpet and upholstery mills to the manufacture of ducks and other heavy goods wanted for war purposes. Government demands continued to increase during March, and it was estimated that above 60 per cent of cotton textile production was for war or other Government use. Further orders for ducks were placed, and extensive sales of osnaburgs were made to the Defense Supplies Corporation. Both the Army and Navy also placed orders for sheeting. At the end of the month contracts were signed or negotiated for about 18 million yards of print cloths and combed goods for Army underwear. On the final day of the month, the Quartermaster Depot opened bids on a call for 351 million yards of cotton goods, twills and drills being the most important items. Business for civilian purposes was restricted in March. During the first three weeks of the month prices were stabilized and mills turned down all but priority orders, but when cotton advanced sharply in the closing week and lifted textile prices to the best levels in many years, mills increased sales to civilians for near deliveries.

Cotton consumption in the Fifth district in March set a new monthly record, and was as follows:

COTTON CONSUMPTION—FIFTH DISTRICT

MONTHS	In bales			
	No.-Carolina	So. Carolina	Virginia	District
March, 1942.....	246,932	184,428	23,125	454,485
February 1942.....	226,405	175,248	20,376	422,029
March 1941.....	210,198	158,442	16,712	385,352
3 Months 1942.....	711,284	543,821	65,577	1,320,682
3 Months 1941.....	616,739	466,684	49,179	1,132,602
% Increase	15	17	33	17

RAYON YARN SHIPMENTS AND STOCKS

March deliveries of rayon yarn to domestic mills amounted to 39,900,000 pounds as compared with 36,000,000 pounds in February and 35,400,000 pounds in March last year, according to *Rayon Organon* for April. Cumulative deliveries of rayon yarn for the first quarter of the current year amounted to 117,100,000 pounds, an increase of 15 per cent over shipments totaling 102,000,000 pounds in the first quarter of 1941. Shipments exceeded production of yarn last month, and reserve stocks in producers' hands declined from 4,400,000 pounds on April 30 to 4,000,000 pounds on March 31. In addition to filament yarn, domestic mills delivered 12,600,000 pounds of rayon staple fiber in March, compared with 9,000,000 pounds delivered in March last year. Production of staple fiber has risen substantially during the past year, and in the first quarter of 1942 deliveries were 60 per cent greater than in the like period last year. Staple fiber is better suited than filament yarn for mixing with wool, and on March 16 the War Production Board ordered producers of rayon staple fiber to set aside and make available to the worsted industry a specific part of their monthly production. This action was taken to enable the worsted industry to experiment in the production of blended materials in order to obtain the greatest possible yardage from the new wool allocated for civilian use under Wool Conservation Order M-73.

COTTON STATISTICS

Spot cotton prices on 10 Southern markets were fairly stable through the first three weeks of March, but advanced steadily after the twentieth from 19.38 cents to 20.37 cents on the thirtieth, but declined again to 20.24 cents on April 17, the latest date for which an official figure is available. On April 18 last year the average base price on the same markets was 11.08 cents.

The Government has requested that cotton farmers plant their full national acreage allotment of about 27,400,000 acres this year. Tremendous war and civilian demands for cotton goods make a full crop desirable, and in addition there is a great need for cotton seed to supply oil and cooking compounds.

Cotton consumption set a new record in the United States in March, and the rate was sustained during the first half of April.

COTTON CONSUMPTION AND ON HAND—BALES

	Mar.	Mar.	Aug. 1 to Mar. 31	
	1942	1941	This Year Last Year	
Fifth district states:				
Cotton consumed	454,485	385,352	3,398,389	2,784,891
Cotton growing states:				
Cotton consumed	822,602	723,177	6,157,520	5,181,462
Cotton on hand March 31 in				
Consuming establishments ..	2,140,567	1,556,609	.....	.....
Storage & compresses	10,965,300	12,885,287	.....	.....
United States:				
Cotton consumed	966,631	854,767	7,246,739	6,071,641
Cotton on hand March 31 in				
Consuming establishments ..	2,651,614	1,912,750	.....	.....
Storage & compresses	11,352,967	13,244,740	.....	.....
Spindles active.....	23,096,479	22,806,104	.....	.....

TOBACCO MANUFACTURING

Tobacco manufacturing increased seasonally in March from February output and was above the level of March 1941 in all lines except chewing and smoking tobacco. Production figures released by the Bureau of Internal Revenue are as follows:

	Mar. 1942	Feb. 1942	Mar. 1941
Smoking & chewing tobacco, pounds	24,013,599	21,178,375	24,993,372
Cigarettes, number	17,015,736,280	16,628,297,300	15,528,629,200
Cigars, number	489,726,665	441,805,010	430,326,200
Snuff, pounds	3,905,636	3,247,346	3,260,069

RETAIL AND WHOLESALE TRADE

DEPARTMENT STORE TRADE

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

	Sales	Stocks	Orders	Receivables
Richmond (5)	+26 (+27)	+43	+111	+20
Baltimore (10)	+40 (+40)	+51	+247	+18
Washington (7)	+38 (+41)	+56	+174	+20
Other Cities (12)	+26 (+30)	+34	+99	+13
Fifth District (78)*	+35 (+37)	+50	+179	+19
Same stores by states, including stores reporting sales only:				
Maryland (13)	+31 (+40)	..	..	..
Virginia (16)	+30 (+32)	..	..	..
West Virginia (15)	+21 (+27)	..	..	..
North Carolina (16)	+15 (+18)	..	..	..
South Carolina (11)	+38 (+41)	..	..	..

* Includes stores reporting sales only.

Note: Second figure in parentheses under Sales compares combined sales in 3 months of 1942 with sales in first 3 months of 1941.

RETAIL FURNITURE SALES

% Changes in Sales, Mar. and 3 months 1942 compared with Mar. 1941 compared with 3 Months 1941

STATES	Mar. 1941	3 Months 1941
Maryland (9)	+38	+28
Dist. of Columbia (7)	+36	+37
Virginia (13)	+31	+24
North Carolina (5)	-1	-9
South Carolina (6)	-19	-12
District (40)	+27	+23
Individual Cities:		
Baltimore (9)	+38	+28
Richmond (5)	+42	+29
Washington (7)	+36	+37

Note: Number of reporting stores in parentheses.

WHOLESALE TRADE, 196 FIRMS

LINES	Net Sales compared with		Stocks compared with		Ratio Mar. collections to accounts outstanding Mar. 1
	Mar. 1941	Feb. 1942	Mar. 31 1941	Feb. 28 1942	
Automobile supplies (7)	+18	-1	..	..	71
Shoes (4)	+26	+7	+26	-17	49
Drugs & sundries (6)	+18	+14	..	..	126
Dry goods (8)	+45	+15	+75	+4	50
Electrical goods (18) ..	+40	0	+25	+9	63
Groceries (56)	+24	+4	+20	+1	97
Hardware (13)	+41	+8	-9	-4	61
Industrial supplies (6) ..	-1	+13	+13	-2	81
Paper & products (11) ..	+43	+6	+11	+1	74
Tobacco & products (4) ..	+32	+16	..	..	..
Miscellaneous (63)	+30	+8	+32	-2	72
District Average (196) ..	+31	+7	+23	-2	71

Source: Bureau of the Census.

CASH FARM INCOME AND GOVERNMENT PAYMENTS, BY STATES, FIFTH FEDERAL RESERVE DISTRICT YEARS 1941 AND 1940

(Amounts in thousands of dollars)

STATE	Income from crops	Income from livestock and farm products	Total cash income from farm marketings	Gov'm'n't payments	Cash income and Gov'm'n't payments
Maryland					
1941	43,107	46,314	89,421	1,588	91,009
1940	32,280	38,765	71,045	2,783	73,828
Percentage change.....	+33.5	+19.5	+25.9	-42.9	+23.3
Virginia					
1941	77,821	73,915	151,736	6,524	158,260
1940	62,696	59,031	121,727	4,724	126,451
Percentage change.....	+24.1	+25.2	+24.7	+38.1	+25.2
West Virginia					
1941	13,938	35,612	49,550	2,523	52,073
1940	11,970	23,480	40,450	1,920	42,370
Percentage change.....	+16.4	+25.0	+22.5	+31.4	+22.9
North Carolina					
1941	240,481	48,182	288,663	14,474	303,137
1940	164,721	36,684	201,405	14,876	216,281
Percentage change.....	+46.0	+31.3	+43.3	-2.7	+40.2
South Carolina					
1941	76,468	24,455	100,923	15,218	116,141
1940	82,949	18,732	101,681	16,787	118,468
Percentage change.....	-7.8	+30.6	-0.7	-9.3	-2.0
Fifth District					
1941	451,815	228,478	680,293	40,327	720,620
1940	354,616	181,692	536,308	41,090	577,398
Percentage change.....	+27.4	+25.8	+26.8	-1.9	+24.8
United States					
1941	4,794,323	6,391,107	11,185,430	585,672	11,771,102
1940	3,509,525	4,821,657	8,331,182	765,799	9,096,981
Percentage change.....	+36.6	+32.6	+34.3	-23.5	+29.4

Source: U. S. Department of Agriculture, Bureau of Agricultural Economics. Cash Farm Income and Government Payments in 1941, February 26, 1942.

From the foregoing table it appears that:

a. Cash income and Government payments of farmers in the country as a whole were 29.4 per cent greater in 1941 than in 1940, notwithstanding the fact that Government payments declined 23.5 per cent in the same period.

b. Cash income and Government payments to farmers in the Fifth Federal Reserve District increased 24.8 per cent, or 4.6 per cent less than for the country as a whole, while Government payments declined 1.9 per cent as against a decline of 23.5 per cent for the country as a whole.

c. Every state in the Fifth District experienced an increase of cash income and Government payments, except South Carolina, for which there was a decline of 2.0 per cent. At the other extreme, North Carolina experienced an increase of 40.2 per cent.

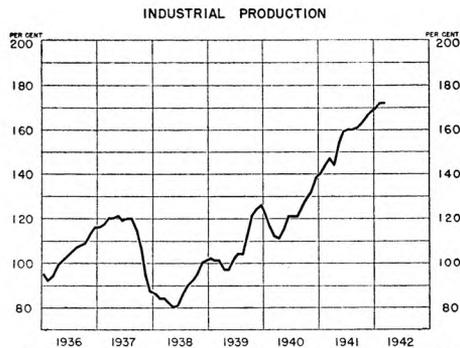
d. The amount of Government subsidies received by farmers in the Fifth District in 1941 was \$40.3 million as against \$585.7 million for the country as a whole. The proportion going to farmers in the Fifth District was therefore 6.9 per cent.

e. Attention is called to the fact that in both Maryland and Virginia farm income is about equally attributable to income from crops and income from livestock and livestock products. In West Virginia income from the latter much exceeds that from the former, for West Virginia is, relatively speaking, deficient in arable land. In the Carolinas income from farm crops is much more important than income from livestock and livestock products, but it should be said much progress has been made over a period of years in North Carolina, and of late years there has been a growing interest in the stimulation of the livestock industry.

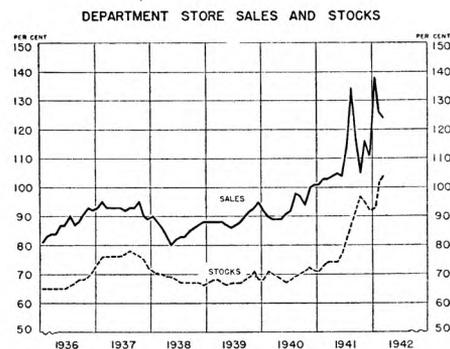
(Compiled April 21, 1942)

SUMMARY OF NATIONAL BUSINESS CONDITIONS

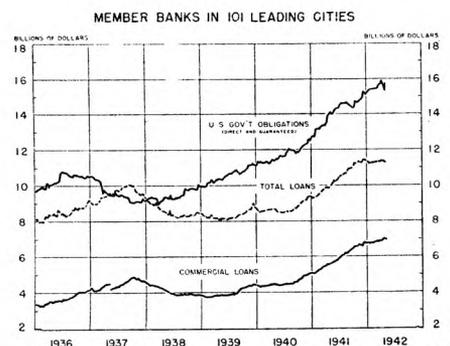
(Compiled by the Board of Governors of the Federal Reserve System)



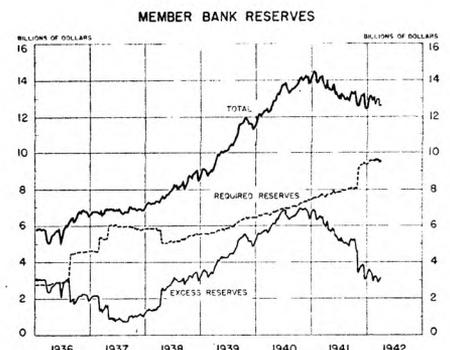
Federal Reserve monthly index of physical volume of production, adjusted for seasonal variation, 1935-39 average = 100. Latest figures shown are for March, 1942.



Federal Reserve monthly indexes of value of sales and stocks, adjusted for seasonal variation, 1923-1925 average = 100. Latest figures shown are for March 1942.



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 shown are for April 8, 1942.



Wednesday figures. Required and excess reserves, but not the total, are partly estimated. Latest figures shown are for April 8, 1942.

Industrial activity continued at a high rate in March and the first half of April. Distribution of commodities to consumers was maintained in large volume and commodity prices advanced further.

PRODUCTION

Volume of industrial production increased seasonally in March and the Board's adjusted index remained at 172 per cent of the 1935-39 average. Output of durable manufactured products, now mostly war materials, continued to advance, reflecting mainly increased activity in the iron and steel, machinery, aviation, and shipbuilding industries. Production of lumber and cement, which had been maintained at unusually high levels during the winter months, increased less than seasonally in March.

In most industries manufacturing nondurable goods activity was sustained at earlier high levels. In some, however, notably wool textiles and petroleum refining, there were declines owing to restrictions on production for civilian use and, in the case of petroleum products, to transportation difficulties. Mineral production declined in March and the first half of April, reflecting sharp curtailment in output of crude petroleum. Coal production, which usually declines at this season, was maintained in large volume. The Great Lakes shipping season opened in the latter part of March and the first boatload of iron ore reached lower Lake ports 12 days earlier than the record set last year. Shipments during the coming season are expected to exceed considerably the total of 80 million gross tons brought down the Lakes last year.

Value of construction contract awards continued to increase in March, according to figures of the F. W. Dodge Corporation, and the level of the first quarter of 1942 was the highest in recent years, being some 30 per cent above that of the corresponding period last year. Awards for public work amounted to close to 80 per cent of the total and in the residential field accounted for 52 per cent of the value of all projects. Publicly-financed contracts for factory construction showed a sharp increase, partly offset in the total by a decline in private factory construction.

On April 9 the War Production Board issued an order which required explicit permission of the Government for initiation of all new private construction involving expenditures in excess of specified small amounts and not covered by specific priority ratings.

DISTRIBUTION

Value of retail trade in March continued at the high level of other recent months, making allowance for customary seasonal changes. Sales at department and variety stores increased by somewhat less than the usual seasonal amount while sales by mail-order houses rose more than seasonally.

On the railroads total loadings of revenue freight were maintained in large volume in March and the first half of April. Shipments of coal and coke declined less than seasonally and ore loadings increased sharply, while grain shipments declined further from the peak reached in January. Loadings of miscellaneous merchandise, which had been unusually large in the preceding three months, increased less than seasonally.

COMMODITY PRICES

The general level of wholesale commodity prices advanced 1½ per cent further from the middle of March to the middle of April. Among manufactured products, finished consumers' goods, such as foods, clothing, and shoes, continued to show the largest price increases. Prices of most raw materials were unchanged or showed increases, which in a number of cases reflected the raising of Federal maximum price levels. There were declines in prices of wheat and of a few other commodities, including gasoline at Gulf ports and turpentine.

In retail markets maximum prices were fixed in this period for a number of electrical products, most of which will no longer be produced for civilian use after May 31. Prices of many other commodities and services advanced further.

BANK CREDIT

During the four weeks ending April 15 holdings of Government securities at banks in leading cities increased by nearly 700 million dollars, while commercial loans declined somewhat, following a rise in previous weeks. Changes in member bank reserves and deposits reflected principally the temporary effects of Treasury operations in connection with income tax collection and the sale of certificates of indebtedness. Money in circulation continued to increase.

UNITED STATES GOVERNMENT SECURITY PRICES

Following an advance from the mid-February low, prices of U. S. Government bonds remained relatively steady in the first half of April.