

MONTHLY REVIEW

of Financial and Business Conditions

FIFTH
FEDERAL



RESERVE
DISTRICT

Federal Reserve Bank, Richmond, Va.

May 31, 1943

Business in April 1943

BOLL WEEVIL survival in eleven Southern states this year is about one-third larger than last year and almost as great as in 1939. The weevil effect on the cotton this year can be minimized if hot dry weather prevails in growing areas during July. It would be more in the line of probability, however, to expect some degree of the contrary to prevail.

The effect of potential boll weevil infestation on the new cotton supply becomes significant when taken together with the Senate Agriculture Committee's approval on May 18 of a bill to fix a floor of 23½ cents a pound on Government held cotton while preventing any ceilings below 25 cents a pound. Should the boll weevils be effective in causing an important reduction in the new supply such a law would make it reasonably certain that cotton prices would rise substantially, and that ceilings would have to be upped on goods and yarns.

Although it is not evident as yet that any material turnover of farm real estate has occurred, the pressure of the present highest level of farm product prices since early in 1921 has been accompanied by a rise of 11 per cent in farm real estate values on March 1, 1943 over a year ago for the State of Virginia. Although Virginia farm real estate values on March 1, 1943 were 31 per cent below the peak of 1920 they were, nevertheless, 49 per cent higher than in 1933.

Tobacco growers, dealers and warehousemen from Virginia and the Carolinas on May 18 adopted a flexible plan for prolonging the tobacco marketing season, and left the way open for the proclamation of a marketing holiday

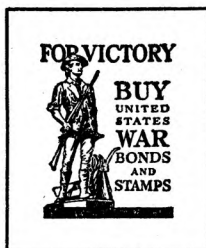
during the entire month of September if an emergency in the manpower situation arises such that harvest of essential food crops might be interfered with. Under the plan the markets in the South Carolina Belt will open one week earlier than usual and the New, Middle and Old Belts will open two weeks earlier, while all markets are to remain open longer than usual. Some fears are expressed as regards the new tobacco crop in several sections of North Carolina owing to shortages of plants for transplanting.

Unadjusted sales of Fifth District department stores in April 1943 were 23 per cent higher than in April 1942 but after taking into account the later date of Easter this year the comparable change from a year ago is 16 per cent increase. Seasonally adjusted sales in April were at about the same level as in March. The largest percentage increases in the actual sales figures between April this year and last year came in Winston-Salem, N. C., Greenville, S. C., and Charleston, S. C., with lesser increases in Richmond and Lynchburg and in the group of Other

Cities. These changes in the main seem to indicate that those cities serving agricultural areas did best during the month in question.

During April the District cotton consumption declined 7 per cent from March and was 4 per cent below April 1942. Further conversions of facilities seem to be chiefly responsible for the April showing.

For the first month in many years, there was not a single commercial failure in the Fifth Reserve District during April 1943. Inability to secure merchandise caused a number of liquidations, but all were voluntary.



BUSINESS INDEXES—FIFTH FEDERAL RESERVE DISTRICT

Average daily 1935-1939=100

Seasonally adjusted

	Apr. 1943	Mar. 1943	Feb. 1943	Apr. 1942	% Change Mar. 43	Apr. 43 from Apr. 42
Bank Debits	205	186	184	162	+10	+27
Bituminous Coal Production	182	166	154	181	+10	+1
Building Contracts Awarded	129	223	292	316	-42	-59
Building Permits Issued	19	58	27	123	-67	-85
Cotton Consumption*	161	166	164	167	-3	-4
Department Store Sales	181	180	234r	156	+1	+16
Life Insurance Sales	118	109	101	85	+8	+39
Wholesale Trade—5 lines	175	174	185	142	+1	+23

r—revised.

*Not seasonally adjusted.

Better Farm Living and Farming For Victory Program in South Carolina*

In developing the "Better Farm Living" program started in South Carolina in 1938 by the Extension Service through the County Agricultural Committees of farm people, it soon became clear that with so much to be done some plan of utilizing volunteer (unpaid) committeemen among farm people would help. The type of help which such committeemen can render was thought to be the making of personal contacts with their own neighbors for the purpose of suggesting certain practices or changes in farming previously agreed upon as worthwhile. Thus by 1940 the Neighborhood Committeemen began to be a moving force in many communities in the State.

A special survey among farm families was made with the assistance of the AAA committeemen in each county on a form designed to bring out the facts as to deficiencies on each farm in the production for home use of corn, wheat, gardens, sweet potatoes, Irish potatoes, cane for syrup, improved permanent pastures, milk cows, chickens, and hogs. Farm families were then listed by communities and the lists were then passed back by the county agents to the volunteer neighborhood committeemen each of whom agreed to correct their own deficiencies and then to talk to a chosen list of their neighbors about making the desirable changes in their practices or acreages. This was done in the Autumn of 1940 on wheat and gardens, and then in the Spring of 1941 on all ten items.

The results were encouraging inasmuch as it appeared that about 10 per cent of the farmers of the State corrected their food and feed deficiencies in one year. It was thought that if that much progress could be made annually for a decade the farm picture would be much improved. In the meantime the "Neighborhood Leader" plan began to be discussed on a nationwide scale and much talk and work began to go into a national program for developing the "Neighborhood Leader" system all over the United States. In South Carolina it was designed to make farm families more nearly self-sustaining as regards food production and was combined with another program called "The Seventy-Five Percent Program." In the latter a score card, setting forth an adequate standard of production of food and feed to properly sustain the human and animal population of the farm, was used in scoring each family that enrolled and certificates were signed by the Governor of the State, the Director of Extension, the State Supervisor of Vocational Agriculture and the Chairman of the County Agricultural Committee (a farmer), and issued to each successful enrollee. By 1942 the number of enrollees had grown to about 21,000 and the number of successful ones receiving certificates to over 5,000.

Thus the drive on the farm living problem, always a difficult one in the Southeast, was made from both ends: first, from the upper end through the 75 percenters to list and consolidate their leadership so it could be brought to

bear more effectively on the mass of deficiency farm families; and second, directly on the deficiency families by getting the volunteer neighborhood committeemen to pledge the deficient families to correct their low points of home-use production.

In 1942 very satisfactory progress was made. There were 8,746 volunteer neighborhood leaders, 4,929 community leaders, 900 county leaders and 100 statewide leaders associated on a volunteer basis with promoting the agricultural progress outlined in the program. These leaders met occasionally and worked all the time in promoting a sound farm system. There was a definite enrollment of 20,114 farms which set out to produce not less than 75 percent of all the food and feed needed on the farm according to an adequate scale or score card.

There was another group composed of farms which were ordinarily deficient in one or more respects and of these some 30,000 agreed to correct the low production or failure to produce certain necessary farm supplies. Among these were many which had not produced certain items at all. The following interesting figures based on this latter group indicate the type of change that is taking place in our agriculture with the assistance of volunteer and neighborhood leaders.

For the first time 1,694 farms produced hogs for home slaughter, the production aggregating 4,463. For the first time 1,101 farms had milk cows. While almost any kind of milk cow is better than none, there is a strong trend toward improvement in the dairy cow population, as evidenced by the fact that 1,590 purebred dairy bulls were in use in the State in 1942 and 207 additional were replaced during the year. Believe it or not, 894 farm families produced poultry for the first time in 1942, growing 35,265 chickens. But this industry had a firm foundation of progress over a number of years. Thus, 74 hatcheries, with a capacity of over two million, and 54 commercial poultry breeders operated on the basis of records of performance in developing breeding stock for distribution.

Annual grazing crops were produced by 1,221 farms for the first time, with 6,591 acres employed. One of the most popular annual grazing crops is pearl millet, and it appears that 4,322 farmers grew this crop on 10,240 acres in 1942. There has been a great scarcity of improved pasturage. However, 913 farms for the first time devoted acreage to this purpose, the acreage involved being 4,213 in 1942. But pasture improvement work on all farms during the year included 18,778 acres, which brought the total acreage of improved pasture land in South Carolina to 141,769. The improvement included land preparation, use of lime and phosphates, proper seeding, and the like.

For the first time wheat was produced on 2,323 farms, the acreage being 8,414. Small grain other than wheat was produced on 2,140 farms, with 12,826 acres employed. Corn was grown for the first time to the extent of 6,483 acres on 588 farms. Farms to the number of 2,151 produced syrup for the first time, the acreage being 4,260.

*This article was written for the Monthly Review by Dr. D. W. Watkins, Director of Extension, Clemson College, and a director of the Charlotte Branch, Federal Reserve Bank of Richmond.

There are now 1,982 syrup mills operating in the State. A closely related activity—honey production—has so developed that there are now 10,303 modern loose frame hives in use.

Sweet potatoes were grown for the first time on 1,618 farms, which used 1,126 acres. Progress was also made in the commercial production of this crop, for it appears that 867,403 bushels of improved sweet potatoes were cured for the market in 1942. Hay was produced for the first time by 1,519 farms on 9,163 acres.

Gardens were produced for the first time on 7,903 farms, the acreage involved being 1,058. Farms numbering 1,395 for the first time put up canned goods, including fruits and vegetables, 179,561 quarts; meat, 39,943 quarts; and, in addition to these, 93,217 pounds of fruits and vegetables were dried.

In all of these activities the volunteer neighborhood leaders played an active part. The theory underlying their activities is that no neighborhood or community is ever rebuilt except through the active work of the people living in that neighborhood or community. Help may be obtained from outside the immediate area, but the real burden falls upon the people themselves and upon their own leaders.

All of the above have been mentioned because they are either directly or indirectly associated with the wartime food production program. The same ideas carry over into other activities, most of which are of a wartime nature. In the cotton improvement program the distribution of better seed, the treatment of seed, the organization of better ginning work, the improvement of yields per acre are all problems receiving considerable amount of effective attention. Three hundred and sixty-six volunteer leaders helped with the boys' 4-H club work in that many different communities. One of the pertinent types of 4-H club work during the year was known as the pig bond club in which 4-H boys grew pigs which were assembled in one point in the county, the proceeds going immediately into government bonds and stamps as a contribution to the war effort.

Forests in South Carolina are important and 54 selective cutting demonstrations were organized resulting in 3,712

farmers practicing selective cutting instead of stripping the entire woods area of all trees. Besides 2,645 were shown how to practice thinning trees with a view of promoting more profitable timber production. Two thousand one hundred and forty-one farmers planted some trees for forestry purposes during the year.

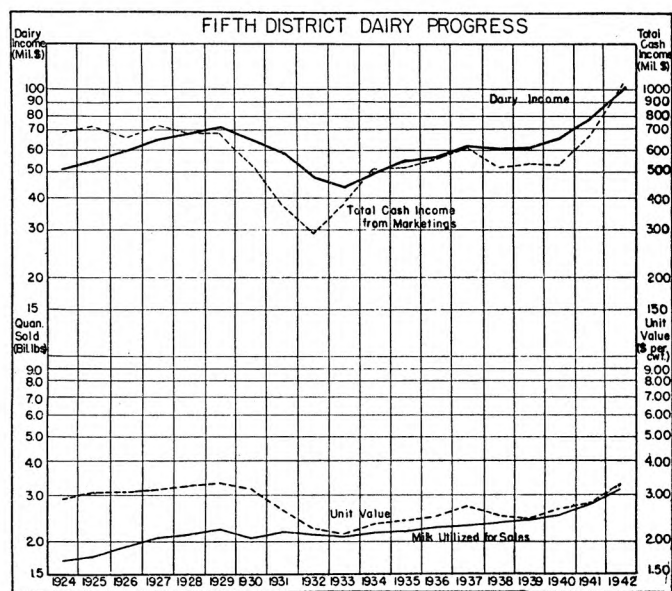
One approach proved fairly effective in connection with the volunteer leadership type of work spoken of as the 100 percent community approach in which case every family in the community would adopt a certain practice or start a new enterprise. For example, every farm in a given community would agree to use lime to correct soil acidity or to produce eggs for sale, or to see that every farm had a family milk cow, a garden, and similar desirable developments in each particular community. In this activity the neighborhood leaders played a particularly important part. Let us be specific in the case of one community in Chesterfield County which adopted a program of producing eggs for the market. During the calendar year 1942 this community sold 96,766 dozen eggs for which farmers received \$26,025.14. Eggs are collected by Mr. U. A. Funderburk who operates the egg route. For the first three months of 1943 this same community has sold \$8,129.00 worth of eggs and has bought 3,500 white leghorn chicks for flock enlargement and improvement. Individually many of these activities are small, but collectively they speed up the movement to change our agriculture in the right direction.

Besides all these production and marketing activities the agricultural leaders find time to help with the strictly wartime farm programs. Thirty-eight thousand six hundred and forty tons of scrap iron were collected by such leaders and by 4-H clubs working together, along with 1,657 tons of scrap rubber. Twenty-two thousand farm families were interested in buying war bonds and stamps to the extent of \$1,299,017.40. This neighborhood leader work was instrumental in increasing the peanut acreage, which is a strictly wartime crop in South Carolina. The secret of success in the neighborhood leader activities is that they must have something which is clearly important to do and which affects not only the nation and world at large but their own neighborhoods.

The Dairy Industry in the Fifth District

Income from the dairy industry in 1942 aggregated over \$100 million, a record level for the Fifth Federal Reserve District. The war has had definite influence on this industry, for the 1942 income represented an increase of 65 per cent over the prewar 1939 income and of 26 per cent over the 1941 total, compared with a more gradual upward trend since the trough of the depression in 1933. Sharp rises have also occurred in the volume of milk utilized in the combined sales of butter, cream and milk

since the beginning of the war, as well as in the price of milk sold. The unit value of milk sold in the District as a whole, in 1942, however, was still somewhat below the high level of 1929, although it was rapidly approaching that level. The accompanying chart shows the trends in income, in the volume of milk utilized in sales of dairy products and in the unit value of the milk utilized, annually from 1924 to 1942.



Acceleration in the expansion of the dairy industry is chiefly attributable to the influx of population into this District. Army and Navy camps are numerous in this area, and war plants have sprung up in many localities. In addition, the civilian population of Washington, D. C., and its vicinity, which obtains its dairy products partly from Maryland and partly from Virginia, rose from 919,632 on April 1, 1940 to 1,149,136 on May 1, 1942. The civilian population of the Hampton Roads area rose by 106,000 in the same period, while Baltimore and the surrounding areas gained 48,000. Charleston and Columbia, in South Carolina, increased their civilian populations by 28,000 and 17,000, respectively. The increased pay checks and shift of population to urban centers stimulated city consumption of fluid milk and cream.

The 1942 income from the dairy industry, however, constituted only 10 per cent of the Fifth District's total cash income from farm marketings, slightly less than its average contribution in the past decade. The lowering of this ratio is due to an even more rapid expansion in cash farm income from sources other than dairying, caused mainly by price rises. Dairy income is far more important in Maryland and in West Virginia than in the District as a whole, accounting for approximately one-fourth and one-fifth, respectively, of the total cash farm income of these states. In Virginia, it contributes from 12 to 15 per cent, while in the Carolinas, its share in the total is much smaller.

Maryland's Income Highest in District

Dairy income in Maryland exceeds that of any other state in the Fifth Federal Reserve District. Its 1942 aggregate of \$30 million was 58 per cent higher than the 1939 total and accounted for 28 per cent of the District's increase since 1939. The production of milk in Maryland, however, is exceeded substantially by Virginia and North Carolina and in some years by West Virginia.

Maryland's higher income than other Fifth District states which produce more milk can be explained by two facts: (1) its proportion of total milk production utilized

for sales is higher than that of any other state in the Fifth District—in 1942, 87 per cent of the total milk produced was sold either as milk, butter or cream in Maryland, compared with less than 50 per cent for the remainder of the District; (2) prices, furthermore, are somewhat higher in Maryland than in any other state in the Fifth District except South Carolina. Maryland's dairy income increased less rapidly from 1941 to 1942 than that of any of the other states of the Fifth District; nevertheless, it was responsible for one-fourth of the total rise of \$21 million in the District.

Although farm sales for the state showed the least rise of any state in the District, the unit value of these sales rose the most. The unit value of Maryland farmers' sales of milk, cream and butter was \$3.46 per hundred pounds of milk in 1942, or eight cents more than the previous high of 1929. The 1942 unit value was 40 per cent higher than that of 1939 and 17 per cent over that of 1941, thus exhibiting more rapid increases than any other state of the District in both of the foregoing periods.

Rapid Rise in Virginia's Income Since 1939

Cash income from dairying in Virginia, which is second to Maryland in importance, has risen more rapidly than in any of the other states of the District since the outbreak of hostilities in 1939. The 80 per cent increase from 1939 to 1942 accounted for almost one-third of the Fifth District's total advance in that period. The gain of \$28 million from 1941 to 1942, however, represented an increase of only 24 per cent, which was exceeded both by North and South Carolina, with rises of 37 per cent and 33 per cent, respectively, and was substantially the same as the gains in Maryland and West Virginia.

Total production of milk on Virginia farms in 1942 exceeded that of any other state of the Fifth District and has risen more rapidly than that of any other state since prewar 1939. The percentage of this production marketed has been increasing, but even in 1942, when cash returns from sales were at an all-time peak, Virginia farmers sold only 58 per cent of their total milk production either as butter, cream or milk.

Although milk production in Virginia stood at peak levels in 1942, it still was not sufficient to meet demands. Milk which would normally have been supplied to Richmond was diverted to meet the needs of Washington's ever-increasing population. Richmond, with her own problems of exceptional demand created by the military camps and war industries, was forced to import 7,000 to 8,000 gallons of fluid milk daily from out of the state, apparently for the greater part of the year. Dairy stocks are being rapidly depleted by the mounting requirements of our armed forces, and such milk products as butter and cheese are being rationed for the American civilian.

The Virginia farmers have been requested to produce 1.8 billion pounds of milk in 1943, which may at first seem a rather high goal. In order to achieve this goal, it will be necessary for each of the 452,000 cows reported in Virginia to produce an average of 12.9 pounds of milk daily for ten months, or an average annual production of 3,938 pounds of milk. This average annual production would represent an increase of only about 30 pounds per cow over the 1942 production.

To meet this goal for 1943, the following factors must be taken into consideration. The farmer will experience difficulty in obtaining labor to care for herds and will have to cope with increased feed and production costs. Although sufficient feed exists in Virginia to provide for a substantial increase in milk production, it does not follow that this feed will be available for milk cows. There is a possibility that much of the feed may be diverted to the feeding of beef cattle because of the high beef prices and the limited prospect of better milk prices. On April 15, 1943, farmers received 25 per cent more for beef cattle than they did a year before; in the same period, the price of milk sold at wholesale rose only 17 per cent.

Cash income from dairying also rose in the Carolinas and in West Virginia at a more rapid rate in the period from 1939 to 1942 than it did in previous years. The combined income of these three states constitutes approximately 40 to 45 per cent of the total dairy income for the District. Table 1 shows the dairy income in each of the states of the Fifth Federal Reserve District annually from 1924 to 1942.

CASH INCOME FROM DAIRY PRODUCTS, BY STATES

Fifth Federal Reserve District 1924-1942 (Millions of dollars)						
Year	Md.	Va.	W. Va.	N. C.	S. C.	Fifth Dist.
1924	17.7	12.7	7.7	7.6	4.1	50.8
1925	18.4	14.1	8.8	8.7	4.2	54.2
1926	19.2	14.9	9.4	10.5	5.0	59.0
1927	21.1	16.8	10.4	11.2	5.8	65.3
1928	21.6	17.7	11.4	12.1	6.2	69.0
1929	21.8	19.5	12.2	12.3	6.7	72.5
1930	19.8	16.2	10.8	11.3	6.9	65.0
1931	17.5	14.8	9.4	10.2	6.4	58.3
1932	14.2	11.6	7.8	8.2	5.3	47.1
1933	13.4	10.8	7.4	7.8	5.3	44.7
1934	15.1	12.4	8.0	8.8	5.3	49.6
1935	16.0	14.0	8.8	9.3	5.5	53.6
1936	16.7	14.4	9.3	10.1	6.0	56.5
1937	18.0	16.5	9.9	11.4	6.2	62.0
1938	18.0	16.2	9.4	11.4	6.0	61.0
1939	18.8	15.7	9.0	11.6	5.8	61.0
1940	20.7	18.7	9.3	12.2	5.9	66.8
1941	24.5	22.8	10.9	14.4	6.9	79.5
1942	29.7	28.3	13.5	19.7	9.2	100.4

Source: Bureau of Agricultural Economics

Analysis of Dairy Income by Products

Almost two-thirds of the total dairy income of the Fifth Federal Reserve District in 1942 was derived from the sale of milk to plants, dealers, etc., at wholesale. The proportion of income derived from this source has been rising rapidly since the depth of the depression in 1933, when only 39 per cent of dairy income was obtained from wholesale sales of milk.

At the same time, the proportion of income derived from retail sales of milk and cream by farmers has been dropping steadily since 1933. At that time it constituted 48 per cent of total dairy income, compared with 27 per cent in 1942. These opposite trends can be attributed to the necessity on the part of the farmer in times of depression to increase his income in some way. Thus, as plants and dealers' demands decreased, he turned to the building up of routes for the sale of milk and cream at retail to individual consumers. Labor was plentiful in the Thirties, and the farmer was able to obtain delivery boys and the necessary farm help in abundance and at low rates. Currently, the situation is just the reverse. Labor is scarce and prevailing wage rates are at extremely high levels.

The demand for milk from plants and dealers is in excess of supply; therefore, the farmers are selling more and more of their products in that way, thus saving themselves the inconvenience of having to bottle the milk and at the same time lowering the number of laborers required.

Sales of farm butter have constituted a steadily decreasing proportion of the total dairy income of the Fifth Federal Reserve District since 1924, when data were first made available. In 1942, farm butter accounted for only 3 per cent of income from dairy products; in 1924, it accounted for 17 per cent. The percentage of dairy income derived from the sale of cream to plants and dealers (as butterfat) has varied in the past decade between 5 and 7 per cent. Table 2 presents the distribution of dairy income by commodities in the Fifth Federal Reserve District from 1924 to 1942.

CASH INCOME FROM DAIRY PRODUCTS, BY COMMODITIES,

Fifth Federal Reserve District

1924-1942

(Millions of dollars)

Year	Milk Wholesale	Milk and Cream—Retail	Farm Butter	Cream (as Butterfat)	Total
1924	21.4	16.8	8.9	3.7	50.8
1925	22.4	19.1	8.5	4.2	54.2
1926	23.9	21.4	8.8	4.9	59.0
1927	27.3	23.3	8.7	6.0	65.3
1928	27.8	26.1	9.0	6.1	69.0
1929	30.2	27.6	8.6	6.1	72.5
1930	27.8	26.2	6.9	4.1	65.0
1931	24.3	25.2	5.4	3.4	58.3
1932	18.6	21.9	4.2	2.4	47.1
1933	17.3	21.4	3.7	2.3	44.7
1934	20.4	22.6	3.7	2.9	49.6
1935	22.6	23.3	4.2	3.5	53.6
1936	25.0	23.4	4.1	4.0	56.5
1937	28.8	24.9	4.1	4.2	62.0
1938	29.4	24.1	3.7	3.8	61.0
1939	30.9	23.5	3.3	3.3	61.0
1940	36.1	23.7	3.3	3.7	66.8
1941	46.5	24.9	3.3	4.8	79.5
1942	64.5	27.0	3.5	5.4	100.4

Source: Bureau of Agricultural Economics

Sales to Distributors

Income from wholesale sales of milk to plants and dealers has more than doubled since prewar 1939 in the District as a whole. This rapid rise is the continuation of the trend of income from 1933 to 1937. The most rapid increase occurred in North Carolina, where the 1942 income of over \$11 million was equivalent to 2½ times the 1939 total. However, North Carolina contributed only one-fifth of the District's total rise of \$34 million over the period. Increases in Virginia and Maryland from 1939 to 1942 accounted for 32 and 31 per cent of the total, respectively.

In the year from 1941 to 1942, income from milk sales to plants and dealers continued the steep rise begun in 1939. The income of both North and South Carolina advanced 70 per cent, but together they accounted for only 35 per cent of the \$18 million increase for the District. The increases in Maryland's and Virginia's incomes comprised about 55 per cent of the total for the District.

Maryland, up to 1933, accounted for over half of the District's total income from wholesale sales of milk to dealers and plants. Since that time, however, its share in the total has been decreasing, until by 1939 it constituted 44 per cent. From 1939 to 1942, the percentage dropped more sharply, and in 1942, Maryland's income was only 37 per cent of the total for the Fifth District.

Virginia's share in the total income has fluctuated between 25 and 32 per cent since 1924, when data first became available. West Virginia's share has not varied materially, but the Carolinas have increased in importance, until, together, they constituted about one-fourth of the total income in 1942, compared with 12 per cent in 1924.

Retail Sales of Milk and Cream Remain Fairly Steady

Income from the sales of milk and cream at retail has made no such rapid strides as sales at wholesale. The 1942 income of \$27 million was exceeded in 1929 and was only 15 per cent over the 1939 prewar level. The Carolinas and Virginia accounted for 69 per cent of the total rise for the District, almost evenly divided.

Approximately the same proportion of income from retail sales of milk and cream is derived from each of the states in the Fifth District with the exception of South Carolina. Maryland, Virginia, West Virginia and North

Carolina each contributes from 19 to 23 per cent, while South Carolina's share is about 15 per cent.

Income from farm butter aggregated \$3.5 million in 1942, less than half of the 1924 total. Farm butter sales have maintained a downward trend throughout the period, although the 1942 figure was somewhat above that of the preceding year and also above that of 1939. North Carolina predominates in the sale of farm butter, followed by Virginia, while Maryland's income is the lowest in the District and in 1942 was the lowest on record.

Sales of cream (as butterfat) have not followed any steady trend from 1924 to 1942. The latest aggregate of \$5.4 million for the District is the highest since the prosperous years 1927-1929. The rise has been sharp since 1939 with most of it occurring in Virginia, the leading state in income from the sale of cream. West Virginia is second in importance, followed by North Carolina. Maryland and South Carolina each contributes about 5 per cent of the District's total.

FEDERAL RESERVE BANK OF RICHMOND

(In Thousands)

ITEMS	May 12, 1943	% Change from 4-14-43	5-13-42
Total Gold Reserves.....	\$1,091,171	+ 3	+ 31
Other Reserves	43,078	+ 58	+ 169
Total Reserves	\$1,134,249	+ 4	+ 34
Bills Discounted	2,100	+13,685	..
Industrial Advances	490	0	- 25
Gov't. Securities, Total.....	\$ 315,459	- 7	+ 111
Bonds	116,244	- 9	+ 20
Notes	60,542	- 1	+ 46
Certificates	68,635	+ 11	+2,957
Bills	70,038	- 20	+ 690
Total Bills & Securities.....	\$ 318,049	- 6	+ 112
Uncollected Items	\$ 104,163	- 21	+ 1
Other Assets	\$ 13,444	- 9	+ 35
Total Assets	\$1,569,905	0	+ 42
Fed. Res. Notes in Cir.....	\$ 849,880	+ 3	+ 80
Deposits, Total	\$ 614,145	+ 1	+ 18
Members' Reserves	513,322	- 8	+ 10
U. S. Treas. Gen. Ac.....	55,434	+93,597	+ 386
Foreign	33,609	- 2	+ 5
Other Deposits	11,780	- 17	+ 6
Deferred Availability Items.....	\$ 86,888	- 27	- 13
Other Liabilities	\$ 588	- 2	+ 38
Capital Accounts	\$ 18,404	+ 1	+ 13
Total Liabilities	\$1,569,905	0	+ 42

RAYON YARN DATA

	Apr. 1943	Mar. 1943	Apr. 1942
Rayon Yarn Shipments, Lbs.....	41,600,000	42,700,000	37,600,000
Staple Fiber Shipments, Lbs.....	13,200,000	13,900,000	13,000,000
Rayon Yarn Stocks, Lbs.....	6,600,000	6,800,000	5,400,000
Staple Fiber Stocks, Lbs.....	2,300,000	2,800,000	1,700,000

Source: Rayon Organon

MUTUAL SAVINGS BANK DEPOSITS

9 Baltimore Banks

	Apr. 30, 1943	Mar. 31, 1943	Apr. 30, 1942
Total deposits	\$238,963,910	\$237,162,481	\$219,666,308

COMMERCIAL FAILURES

PERIODS	Number of Failures District	U. S.	Total Liabilities District	U. S.
April 1943.....	0	362	\$ 0	\$ 3,523,000
March 1943.....	4	410	51,000	7,282,000
April 1942.....	19	938	113,000	9,282,000
4 Months 1943.....	19	1,652	211,000	20,483,000
4 Months 1942.....	126	3,864	1,006,000	40,840,000

41 REPORTING MEMBER BANKS—5th DISTRICT

(In Thousands)

ITEMS	May 12, 1943	% Change From 4-14-43	5-13-42
Total Loans	\$ 264,177	+ 4	- 21
Bus. & Agric. Loans.....	116,287	- 4	- 28
Real Estate Loans.....	51,472	- 1	- 2
All Other Loans.....	96,418	+ 18	- 18
Total Security Holdings.....	\$1,222,049	+ 13	+ 104
U. S. Treas. Bills	179,342	+ 18	+1,639
U. S. Treas. Certificates	206,968	+ 60	+1,647
U. S. Treas. Notes	139,040	+ 5	+ 84
U. S. Gov. Bonds	583,059	+ 6	+ 73
Obligations Gov. Guaranteed ..	46,711	- 10	- 52
Other Bonds, Stocks & Sec.....	66,929	+ 2	- 2
Cash Items in Process of Col....	\$ 87,792	- 14	+ 6
Due From Banks.....	\$ 180,596*	- 7*	- 25
Currency & Coin	\$ 35,041	0	+ 11
Reserve with F. R. Bank.....	\$ 288,433	- 11	- 2
Other Assets	\$ 60,754	0	+ 30
Total Assets	\$2,138,842	+ 4	+ 31
Total Demand Deposits.....	\$1,735,099	+ 6	+ 37
Deposits of individuals, etc....	963,367	- 6	+ 23
Deposits of U. S. Gov.....	270,553	+407	+1,317
Deposits of State & Local Gov.....	92,117	- 11	0
Deposits of Banks	392,255*	- 9*	- 1
Certified & Officers' Checks....	16,807	- 28	+ 8
Total Time Deposits	\$ 226,760	+ 1	+ 9
Deposits of individuals.....	211,128	0	+ 6
Other Time Deposits.....	15,632	+ 17	+ 52
Liabilities for Borrowed Money..	\$ 2,900	..	..
All Other Liabilities.....	\$ 68,694	- 17	+ 40
Capital Accounts	\$ 108,289	+ 1	+ 5
Total Liabilities	\$2,138,842	+ 4	+ 31

*Net figures, reciprocal balances being eliminated.

COTTON CONSUMPTION—FIFTH DISTRICT

In Bales

MONTHS	No. Carolina	So. Carolina	Virginia	District
April 1943.....	241,239	186,071	22,149	449,459
March 1943.....	263,749	194,836	22,834	481,419
April 1942.....	252,826	192,765	22,659	468,250
4 Months 1943.....	965,204	736,333	87,595	1,789,132
4 Months 1942.....	964,340	733,754	88,236	1,786,330

CONSTRUCTION CONTRACTS AWARDED

STATES	March 1943	% Change from March 1942	3 Months 1943	% Change from 3 Months 1942
Maryland	\$15,558,000	-22	\$ 30,440,000	-31
Dist. of Col.....	4,270,000	+ 3	9,056,000	-72
Virginia	26,674,000	-68	73,574,000	-39
West Virginia ..	2,295,000	-19	9,089,000	-54
No. Carolina	8,271,000	+48	25,511,000	+71
So. Carolina	4,462,000	-75	14,826,000	-53
Fifth District..	\$60,530,000	-54	\$162,496,000	-38

SOFT COAL PRODUCTION IN THOUSANDS OF TONS

REGIONS	Apr. 1943	% Change from Apr. 1942	4 Mos. 1943	% Change from 4 Mos. '42
West Virginia	14,037	+ 2	54,225	+ 8
Virginia	1,795	+ 2	7,045	+10
Maryland	168	-10	616	-10
5th District	16,000	+ 2	61,886	+ 8
United States	49,900	+ 3	203,080	+ 7
% in District....	32	..	30	..

COTTON CONSUMPTION AND ON HAND—BALES

	Apr. 1943	Apr. 1942	Aug 1 to April 30 This Year	Aug 1 to April 30 Last Year
Fifth District states:				
Cotton consumed	449,459	468,250	4,019,710	3,852,960
Cotton growing states:				
Cotton consumed	818,169	849,866	7,317,979	7,014,460
Cotton on hand April 30 in				
Consuming establishments	2,041,355	2,115,843	.....	.....
Storage & compresses...	10,320,900	10,111,915	.....	.....
United States:				
Cotton consumed	938,989	999,749	8,440,411	8,250,167
Cotton on hand April 30 in				
Consuming establishments	2,420,737	2,631,016	.....	.....
Storage & compresses...	10,596,445	10,490,811	.....	.....
Spindles active	22,893,630	23,102,176	.....	.....

WHOLESALE TRADE, 249 FIRMS

LINES	Net Sales April 1943 compared with	Stocks Apr. 30, 1943 compared with	Ratio Apr. collections to acc'ts outstand'g Apr. 1
	Apr. 1942	Apr. 30 1942	
Auto supplies (14)*.....	- 19	+ 28	- 29
Shoes (4)*	+ 17	- 11	- 46
Drugs & sundries (9)*....	+ 16	- 6	..
Dry goods (7)*.....	+ 27	- 4	- 39
Electrical goods (11)*....	- 28	- 3	- 44
Groceries (81)*	+ 11	- 3	- 11
Hardware (13)*	- 8	- 1	- 43
Industrial supplies (10)*..	- 11	- 20	- 32
Paper & products (9)*....	- 12	- 12	- 4
Tobacco & products (7)*..	+ 27	- 8	..
Miscellaneous (84)*	- 14	- 7	- 23
District Average (249)* ..	- 2	5	- 31

Source: Department of Commerce

*Number of reporting firms.

RETAIL FURNITURE SALES

STATES	Percentage Changes in April Compared with April 1942	Percentage Changes in April Compared with 4 Months 1942
Maryland (6)*	-28	-30
Dist. of Columbia (6)*....	-21	-17
Virginia (31)*	- 4	- 9
West Virginia (11)*	- 1	- 8
North Carolina (24)*.....	- 4	- 4
South Carolina (20)*.....	- 5	- 9
Fifth District (98)*.....	-13	-15
Individual Cities		
Baltimore, Md., (6)*.....	-28	-30
Washington, D. C., (6)*....	-21	-17
Danville, Va., (3)*.....	-17	-11
Lynchburg, Va., (3)*.....	-11	-17
Richmond, Va., (7)*.....	+13	- 6
Charleston, W. Va., (3)*....	- 3	- 8
Charlotte, N. C., (5)*.....	-19	-13
Winston-Salem, N. C., (3)*..	+19	- 4
Columbia, S. C., (5)*.....	-21	-19
Greenwood, S. C. (3)*.....	+ 6	0

*Number of reporting firms.

TOBACCO MANUFACTURING

	April 1943	% Change From April 1942	4 Mos. 1943	% Change From 4 Mos. 1942
Smoking & chewing to- bacco (Thousands of lbs.)	21,280	-11	84,017	-10
Cigarettes (Thousands).....	19,943,016	+15	78,602,926	+11
Cigars (Thousands)	451,899	-10	1,727,078	- 9
Snuff (Thousands of lbs.)..	3,854	- 4	15,960	+ 6

DEPARTMENT STORE TRADE

Richmond	Baltimore	Washington	Other Cities	District
Change in April 1943 sales in comparison with sales in April 1942:	+29	+20	+ 8	+26
Change in 4 Months sales, 1943, compared with 4 Months in 1942:	+24	+14	+ 6	+21
Change in stocks on April 30, '43, compared with stocks on April 30, '42:	- 6	-19	-27	-16
Change in outs'dg orders on April 30, '43, compared with April 30, '42:	+54	+27	+47	+75
Change in total receivables on Apr. 30, '43, compared with Apr. 30, '42:	-35	-33	-44	-38
Percentage of current receivables as of April 1, 1943 collected in April:	55(35)	57(40)	62(41)	61(39)
Percentage of installment receivables as of April 1, 1943 collected in Apr.:	23(16)	22(22)	25(16)	29(19)

Note: 1942 collection percentages in parentheses.

Maryland	Dist. of Col.	Virginia	West. Va.	N. Carolina	S. Carolina
Percentage change in April 1943 sales over April 1942 sales, by States:	+18	+ 8	+24	+13	+30
Change in 4 Months sales, 1943, compared with 4 Months in 1942:	+15	+ 6	+21	+ 7	+22

DEBITS TO INDIVIDUAL ACCOUNTS
(000 omitted)

	April 1943	% Change From April 1942	4 Months 1943	% Change From 4 Mos. 1942
Dist. of Columbia				
Washington	\$ 504,907	+18	\$1,770,105	+ 7
Maryland				
Baltimore	787,228	+39	2,709,015	+23
Cumberland	11,315	+18	41,197	+ 5
Frederick	11,509*	..	39,391*	..
Hagerstown	16,762	+11	57,622	- 3
North Carolina				
Asheville	20,720	+13	80,443	+ 8
Charlotte	114,842	+ 2	452,186	+ 5
Durham	54,384	+ 4	194,695	+40
Greensboro	33,046	+33	125,117	+15
Kinston	5,373*	..	22,605*	..
Raleigh	60,766	-12	209,625	-21
Wilmington	39,624	+53	140,996	+44
Wilson	7,545*	..	27,744*	..
Winston-Salem	65,784	+36	246,686	+18
South Carolina				
Charleston	40,476	+32	153,750	+23
Columbia	54,332	+27	236,247	+21
Greenville	41,349	+22	149,988	+10
Spartanburg	21,163	+25	80,793	+18
Virginia				
Charlottesville	12,188*	..	43,756*	..
Danville	13,591	+18	51,518	+14
Lynchburg	20,685	+ 9	75,091	0
Newport News	20,562	+34	85,434	+41
Norfolk	121,902	+30	430,152	+21
Portsmouth	13,790	+34	51,037	+36
Richmond	303,017	+41	1,067,772	+26
Roanoke	36,744	+ 7	136,144	- 1
West Virginia				
Bluefield	20,466*	..	75,614*	..
Charleston	86,374	+33	292,129	+12
Clarksburg	12,791*	..	49,687*	..
Huntington	28,570	+24	106,296	+18
Parkersburg	13,439	+ 9	55,265	+12
District Totals	\$2,525,372	+28	\$8,969,313	+16

*Figures not included in District Totals.

SECOND WAR LOAN DRIVE

FIFTH FEDERAL RESERVE DISTRICT

FINAL REPORT OF TOTAL SALES

April 1-May 8, 1943

(Amounts in thousands of dollars)

	Sales to Investors Other Than Commercial Banks							Sales to Commercial Banks					Grand Total All Sales	
	Ctfs. of Ind. & Treasury Bonds			Tax Notes	War Sav. Bds	U. S. Savings Bonds		Ctfs. of Indebtedness Treas. Bds & Treas. Bills						
	¾%	2%	2½%	Series C	Series E	Series F	Series G	Total Sales¹	¾%	2%	Treas. Bills	Total Sales		
	C. of I.	Tr. Bds	Tr. Bds						C. of I.	Tr. Bds	Bills			
Maryland	51,804	43,814	50,682	14,193	19,762	2,177	7,262	189,694	21,776	31,018	46,095	98,889	288,583	31.8
Dist. of Col. . . .	18,263	7,805	21,585	8,820	14,308	2,446	5,661	78,888	14,068	10,685	14,000	38,753	117,641	13.0
Virginia	33,959	20,158	11,745	18,454	24,482	3,431	7,771	120,530	30,117	28,617	19,234	77,968	198,498	21.9
W. Virginia	8,324	17,521	9,618	8,367	8,542	1,013	1,342	54,747	8,859	13,379	3,334	25,572	80,319	8.9
No. Carolina . . .	30,060	19,794	11,409	19,868	19,453	3,659	5,486	109,854	21,145	25,884	8,257	55,286	165,140	18.2
So. Carolina	7,726	3,837	3,869	13,551	9,479	2,078	2,486	43,041	5,718	6,563	878	13,159	56,200	6.2
5th District . . .	150,136	112,929	108,908	83,253	96,026	14,804	30,008	596,754²	101,683	116,146	91,798³	309,627	906,381	100.00

¹Includes the following amounts which cannot be allocated by issues at this time due to lack of information:

Virginia \$530,000; West Virginia \$20,000; North Carolina \$125,000; South Carolina \$15,000; Fifth District \$690,000.

²Does not include \$17,346,000 in bonds sold to dealers for their own accounts.³Includes \$1,105,000 purchased by investors other than banks.

BUSINESS INDEXES -- FIFTH FEDERAL RESERVE DISTRICT

(1935-39=100)

	ADJUSTED						NOT ADJUSTED					
	Mar. 1943	Feb. 1943	Jan. 1943	Mar. 1942	March 1943 % Change from Last Mo.	Last Year	Mar. 1943	Feb. 1943	Jan. 1943	Mar. 1942	March 1943 % Change from Last Mo.	Last Year
BANK DEBITS	186	184	171r	168	+ 1	+ 11	191	161	175r	167	+ 19	+ 14
DEPT. STORE SALES	180r	234r	197	165	- 23	+ 9	171r	161r	134	161	+ 6	+ 6
ELECTRIC POWER PROD.	189	195	190	159	- 3	+ 19	201	184	200	170	+ 9	+ 18
EMPLOYMENT, MFG. ....	..	..	..	..	..	..	150p	150p	149	140	0	+ 7
LIFE INS. SALES	109	101	90	96	+ 8	+ 14	115	94	85	102	+ 22	+ 13
BITUMINOUS COAL PROD.	166	154	137	147	+ 8	+ 13	165	143	136	141	+ 15	+ 17
BUILDING CONTRACTS	223	292	196	481	- 24	- 54	246	243	172	532	+ 1	- 54
BUILDING PERMITS	58	27	124	102	+115	- 43	71	26	95	124	+173	- 43
COTTON CONSUMPTION	166	164	155	162	+ 1	+ 2	182	160	164	171	+ 14	+ 6
EMPLOYMENT—NON-MFG.	140	141	140	129	- 1	+ 9	138	137	137	127	+ 1	+ 9
Bituminous Coal	100	102	101	106	- 2	- 6	102	103	103	107	- 1	- 5
Dyeing & Cleaning	138	140	140	128	- 1	+ 8	131	129	128	122	+ 2	+ 7
U. S. Exec. Service, D. C. ....	..	..	..	..	..	..	250	251	248	208	0	+ 20
Hotels	119	122	121	110	- 2	+ 8	124	123	120	115	+ 1	+ 8
Laundries	162	160	156	142	+ 1	+ 14	158	155	152	139	+ 2	+ 14
Public Utilities .....	..	..	..	..	..	..	133	131	132	129	+ 2	+ 3
Quar. & Non-Met-Min.	120	130	131	139	- 8	- 14	113	116	114	132	- 3	- 14
Retail Trade	134	138	136	119	- 3	+ 13	130	128	129	116	+ 2	+ 12
Wholesale Trade	93	91	89	105	+ 2	- 11	90	90	91	102	0	- 12
FURNITURE ORDERS	141	168r	306	130	- 16	+ 8	129	151r	349	115	- 15	+ 12
FURNITURE SHIPMENTS	142	149	178	132	- 5	+ 8	156	138	151	139	+ 13	+ 12
FURN. UNFILLED ORDERS	662	633r	600	254	+ 5	+161	557	601r	620	206	- 7	+170
WHOLESALE TR. 5 LINES	174	185	171	145	- 6	+ 20	177	164	160	142	+ 8	+ 25
Drugs	195	187	181	160	+ 4	+ 22	205	181	195	161	+ 13	+ 27
Dry Goods	198	202	224	141	- 2	+ 40	183	164	172	125	+ 12	+ 46
Groceries	174	187	172	139	- 7	+ 25	175	165	161	135	+ 6	+ 30
Hardware	147	160	125	169	- 8	- 13	150	134	124	166	+ 12	- 10
Shoes	185	201	230	182	- 8	+ 2	278	232	174	262	+ 20	+ 6

r—revised.

p—preliminary.