

MONTHLY REVIEW

of Financial and Business Conditions

FIFTH
FEDERAL



RESERVE
DISTRICT

Federal Reserve Bank, Richmond, Va.

April 30, 1944

Business in March 1944

THE level of business in the Fifth District during March was not greatly different from that of February on a seasonally adjusted basis. The index of cotton consumption improved moderately, while the bituminous coal production index receded somewhat. The bank debits index, which gives some idea of the trend of total expenditures in the District, declined 5 per cent from February to March but held at a level 9 per cent above a year ago.

Cigarette output in the District in March was about the same level as in January, but one per cent less than in March last year. The March seasonally adjusted index of cigarette output was above both January and February but was below the levels of all months in 1943 except January, February and May. Although sales of department stores in the District during March were 21 per cent higher than a year ago, the seasonally adjusted index after taking account of the earlier date of Easter was one per cent above the February level and 15 per cent above last year. March wholesale trade indexes of four lines combined, held near the best levels they have ever attained despite the fact that sales of dry goods and hardware were respectively 22 and 20 per cent below last year.

Merchant shipbuilding delivered in March numbered 20 vessels which was three less than was delivered in February and eight less than in March 1943. Lower deliveries

in March this year than last year are probably due mostly to the larger number of man-hours required in constructing the Victory Ship now under construction at the North Carolina Shipbuilding Company and partly at the Bethlehem Fairfield Yard, than the Liberty Ship which was being built at these yards last year.

The light freeze of April 4th damaged the peach crop of the District to some extent, but it is believed that even so a substantially better yield will ensue than last year. So far the apple crop has been little affected. Together the prospective outturn of these crops is expected to notably augment the income in the areas where they are grown provided sufficient labor can be mustered at harvest time. Persistent and copious rains all over the District during March and April have seriously retarded farm progress. Many fields are still unplowed, and with less labor available the intended plantings shown elsewhere in the Monthly Review, may fall short of accomplishment.

The cotton textile industry has been ordered to go on a 48-hour week on May 14th by the War Manpower Commission. This directive had the support of the mills as well as the representatives of labor. Cross currents of opinion exist as to whether much can be accomplished in the way of increasing output, but mill management leans to the notion that they will be given a better priority status in the existing labor supply.



BUSINESS INDEXES—FIFTH FEDERAL RESERVE DISTRICT Average Daily 1935-39=100 Seasonally Adjusted

	Mar. 1944	Feb. 1944	Jan. 1944	Mar. 1943	% Change Mar. 1944 from	
					Feb. 44	Mar. 43
Bank Debits	202	212	197	186	- 5	+ 9
Bituminous Coal Production*	145	152	148	154	- 5	- 6
Building Contracts Awarded	100	122	150	223	-18	-55
Building Permits Issued	21	23	21	58	- 9	-64
Cigarette Production	167	153	158	169	+ 9	- 1
Cotton Consumption*	155	151	148	166	+ 3	- 7
Department Store Sales	211	209r	208	184	+ 1	+15
Department Store Stocks	172	176	179	151	- 2	+14
Life Insurance Sales	131	128	121	109	+ 2	+20
Wholesale Trade—Five Lines	180	181	184	174	- 1	+ 3

*Not seasonally adjusted

Member Bank Profits in 1943

Banking was more profitable for member banks in the Fifth Federal Reserve District in 1943 than it was the year before, which was due principally to large increases in earnings on securities; to important reductions in interest paid on time and savings deposits; and to recoveries or profits in important amounts. Net profits of 458 identical banks amounted to \$20,660,800 in 1943 and \$16,329,600 in 1942. The increase of \$4,331,200, or 26.5 per cent, in net profits arose from the fact that total earnings increased more than total expenses, and that additions to net current earnings nearly offset deductions including income taxes. Thus nearly all of the increase in net current earnings was carried to net profits, as the accompanying table shows.

Total earnings increased	\$5,229,300,	whereas
total expenses increased only	\$ 850,200	thus producing
an increase in net current earnings of	\$4,379,100	The net deduction
arising from chargeoffs, recoveries and		income taxes of
income taxes of	\$ 47,900	resulted in
an increase in net profits of	\$4,331,200	

TOTAL EARNINGS

The outstanding development in banking in the Fifth District during 1943 was the very large increase from the previous year in earnings derived from securities and a substantial reduction in earnings derived from loans of 458 identical banks. Although the increases in security earnings of 44.8 per cent were substantial, they were not as large as the increase in total security holdings,* which amounted to 79.4 per cent. Total loan holdings* declined 13.7 per cent from 1942 to 1943, but earnings on loans declined 17.8 per cent in this period. This means that rates of earnings on both loans and securities were lower in 1943 than in 1942. The foregoing deduction is borne out by the 1943 statement of operating ratios of member banks in this District, which shows interest and dividends earned on securities as a percentage of total security holdings for the average bank of 1.8 per cent in 1943 compared with 2.4 per cent in 1942. Although earnings on loans were not computed in the 1942 operating ratios, the ratio of interest and discount on loans to total loans held (a somewhat smaller figure than earnings on loans since service charges and other fees on loans are not included) averaged 5.5 per cent for 460 member banks in 1942 compared with a ratio of 5.3 per cent for earnings on loans to loan holdings of 465 member banks in 1943.

From 1942 to 1943 four of the five major sources of earnings increased a total amount of \$11,084,300, of which the increase in interest and dividends on securities accounted for \$10,048,600. The \$11,084,300 increase in these four sources of earnings were partly offset by a decline of \$5,855,000 in earnings on loans, but leaving total earnings in 1943 \$5,229,300 higher than in 1942. During 1943 for the first time in history the total dollar amount of interest and dividend earned on securities exceeded the total amount earned on loans. Though contrary to the experience of the average bank this was because the dollar amounts of interest and dividends earned on securities by those banks with deposits over \$10 million exceeded earnings on loans by an amount sufficient to offset the larger

aggregate of earnings on loans than on securities for banks with deposits under \$10 million. The 1943 statement of operating ratios still shows loans to be the major source of earnings for the average member bank in the Fifth District, with 48.2 per cent of total earnings contributed from this source compared with 36.6 per cent contributed by securities. Service charges on deposit accounts rose by a notable percentage, but the dollar change did not make a very great impression on total earnings. The accompanying table shows the total earnings of 458 banks by sources in 1943, together with the changes in amount and per cent from 1942.

TOTAL EARNINGS OF 458 MEMBER BANKS

	Fifth District		
	1943 \$000	Change from 1942 \$000	%
Interest & dividends on securities	32,468.5	+ 10,048.6	+ 44.8
Earnings on loans	27,066.5	- 5,855.0	- 17.8
Service charges on deposit accounts	4,365.2	+ 644.5	+ 17.3
Trust department earnings	3,188.0	+ 20.9	+ .7
All other earnings	6,499.5	+ 370.3	+ 6.0
Total earnings	73,537.7	+ 5,229.3	+ 7.6

EXPENSES

Total expenses of 458 Fifth District banks which were members of the Federal Reserve System in both 1942 and 1943 amounted to \$48,957,000, an amount only \$850,200, or 1.8 per cent, larger than in 1942, and compares with the previously mentioned increase in total earnings of \$5,229,300.

Wages and salaries, which accounted for 45 per cent of total expenses in 1943, increased 5.4 per cent, or \$1,139,500, from 1942. The increase of 5.4 per cent is moderate compared with one of 30 per cent experienced by all wage earners in manufacturing industries throughout the United States in the same period. The increase in wages and salaries paid, however, was in line with the changes in other costs of operation excluding interest on time and savings deposits. These "other" costs rose by \$1,136,500, or 6.0 per cent, from 1942 to 1943.

Increases in expenses represented by wages and salaries and all other expenses (except interest paid on deposits) of \$2,276,000, or 5.7 per cent, were substantially offset by a reduction of \$1,425,800, or 17.4 per cent, in interest paid on time and savings deposits. In the 1943 statement of Operating Ratios of Member Banks in the Fifth District it is shown that the average bank paid 1.2 per cent interest on time deposits in 1943 compared with 1.6 per cent in 1942. This is a reduction of 25 per cent. Small banks paid higher rates of interest on time and savings deposits than larger banks, and the ratio of aggregate interest paid on time deposits to those deposits of these 458 banks shows an effective overall rate of interest of .98 per cent on \$690,092,800 average amount of time deposits in 1943 and 1.28 per cent on \$642,532,100 average amount of time deposits in 1942. Even at these very low rates of interest on time and savings deposits, there is still latitude for further offsets to increases in other costs of doing business, but the potential offset grows smaller and smaller each year.

*Averaged for four call dates in 1942 and three call dates in 1943.

CHARGE-OFFS AND RECOVERIES

In 1942 the 458 banks under review had net charge-offs aggregating \$829,900, but in 1943 these same banks had profits on securities or recoveries of assets previously written off of \$2,014,200. The effect of these changes was to augment the increase in net current earnings by \$2,844,000, or 65 per cent. The change from 1942 to 1943 in net current earnings amounted to \$4,380,000 or 21.6 per cent, while net profits rose \$4,331,000 or 26.5 per cent.

The 27 banks having deposits under \$500 thousand charged off \$8,100 more from net current earnings in 1943 than in 1942, while the 12 banks having deposits between \$25 and \$50 million wrote off losses of \$346,800 in 1943, compared with recoveries or profits of \$77,900 in 1942. The net effect of these changes was to reduce the increase in net profits for these groups to about two-thirds the amount shown by net current earnings. Although aggregate net charge-offs were made in 1943 by the 31 banks having deposits between \$10 and \$25 million, these net charge-offs were less than a fourth as large as in 1942, and did not cause a reduction in net profits for these banks. Four groups as a result of recoveries or profits in 1943 experienced larger increases from 1942 in net profits than in net current earnings.

The net effect of charge-offs, profits, recoveries and income taxes on the net current earnings of the 458 banks classified by size of deposits is shown in aggregate dollar amounts and percentage in the accompanying table, where it appears that the effect of profits and recoveries more than offset increased income taxes and charge-offs in those

groups of banks with deposits between one and ten million dollars and came close to an offset in those groups of banks with deposits of ten to twenty-five and over fifty million dollars.

OPERATIONS BY SIZE OF BANK

The 12 banks whose deposits ranged from \$25 to \$50 million had the largest percentage increase in net current earnings of any of the 8 classified groups. These banks' total earnings rose by a slightly larger percentage than those of all banks, while at the same time total expenses were reduced, with interest paid on time and savings deposits reduced by a larger percentage than in any of the other groups.

The 27 banks whose deposits were less than 500 thousand experienced the second largest percentage increase in net current earnings, almost all of which increase was due to operating economies. These smallest banks had aggregate income in 1943 only \$200 larger than in 1942, but they cut salary and wage payments by \$400 and reduced the amount of interest paid on time and savings deposits by \$17,200, while other operating costs rose \$2,600. The net effect of these changes was an increase of \$15,200, or 28.6 per cent, in net current earnings.

The 119 banks whose deposits were between \$2 and \$5 million experienced the smallest aggregate increase in net current earnings from 1942 to 1943 of any of the 8 groups. Increased earnings from securities of these banks were offset by lower earnings on loans, and increases in "other" income were offset by lower trust department earnings. Thus the increase in total earnings of 1.4 per cent was the result of higher service charges on deposit accounts. Although the reduction in interest paid on time deposits was sufficient to more than offset increases in other expenses, the net current earnings rose only 11.7 per cent.

From the accompanying table showing the changes from 1942 to 1943 in the sources of earnings and expenses of the 458 banks classified by size of total deposits, it can be seen what the effect of each item was on earnings, expenses or profits.

INCREASE FROM 1942 TO 1943 IN
NET CURRENT EARNINGS AND NET PROFITS

Deposit Size (million)	No. of Banks	Net Current Earnings		Net Profits	
		\$000	%	\$000	%
Under ½	27	15	29	9	21
½ to 1	87	81	19	136	37
1 to 2	114	187	17	331	37
2 to 5	119	296	12	576	28
5 to 10	54	458	19	755	43
10 to 25	31	665	23	568	27
25 to 50	12	816	36	240	13
50 and over	14	1,862	22	1,716	24
Total	458	4,380	22	4,331	27

INCREASES FROM 1942 TO 1943 IN
SOURCES AND DISPOSITION OF EARNINGS

Deposit size in million dollars	Under	½	1	2	5	10	25	50	All Banks
	½	to 1	to 2	to 5	to 10	to 25	to 50	and over	
Number of Banks	27	87	114	119	54	31	12	14	458
	(Thousands of dollars)								
Int. & div. on securities	29	177	447	999	1065	1775	1381	4175	10,048
Earnings on loans	-37	-173	-431	-993	-943	-1003	-723	-1552	-5,855
Serv. chgs. on dep. accts.	6	33	50	114	118	65	32	227	645
Trust dept. earnings	..	3	1	8	4	46	40	108	22
All other earnings	2	17	46	12	16	97	57	123	370
Total earnings	0	57	113	124	260	888	707	3081	5,230
Salaries & wages	0	32	72	97	120	247	147	424	1,139
Interest on deposits	-18	-83	-195	-307	-217	-219	-224	-162	-1,425
All other expenses	3	27	49	38	101	195	32	957	1,136
Total expenses	-15	-24	-74	-172	-198	223	-109	1219	850
Net current earnings	15	81	187	296	458	665	816	1862	4,380
Additions & deductions*	-6	+55	+144	+280	+297	-97	-576	-146	49
Net profits	9	136	331	576	755	568	240	1716	4,331

*Includes income tax payments.

The foregoing table shows that the improvement from 1942 to 1943 in the earnings from securities in each of the 8 groups was larger than that shown in total earnings. Percentagewise earnings from securities increases ranged between 37.8 and 61.4 per cent and were accompanied by increases in security holdings by amounts ranging from 78.4 to 105.0 per cent. This disparity is the effect of a shortening of maturities of new securities purchased in 1943.

The reduced earnings from loans between 1942 and 1943 were the only element in the banks' operations that prevented what otherwise could have been considered a boom year. All groups showed smaller earnings on loans in 1943 than in 1942 and there was not a great deal of difference in the percentage decrease by size of bank. Loan portfolios of all groups declined 13.7 per cent in the period, with the least decline (10.4%) shown by banks with deposits in excess of \$50 million and the largest decline (18.4%) made by banks with deposits between \$10 and \$25 million. However, it is of future significance that loan portfolios no longer appear to be falling in the District.

The foregoing table also shows that for the 5 groups of banks with deposits less than \$10 million, reductions in total expenses made as important a contribution to the increase in net current earnings as did the increase in total earnings. Two groups of banks had smaller expenses from sources other than salaries and wages or

interest on deposits, but all other groups found such expenses higher by amounts ranging from 2 to 13 per cent. Interest paid on time and savings deposits was smaller in 1943 than in 1942 for all groups of banks, but in the main the decreases were larger percentagewise for the smaller banks than for the larger banks. In fact, had there been no reduction in interest paid on time and savings deposits, those banks with deposits under ½ million would have had a net deficit, those banks with deposits of \$25 to \$50 million would have had 93 per cent less net profits; and all other groups save those with deposits over \$50 million would have had their net profits reduced by amounts ranging from 29 to 61 per cent. Had there been no reduction in interest paid on deposits of the banks with deposits of over \$50 million, net profits of these banks would have been only 9 per cent smaller in 1943 than in 1942.

If it is assumed that some further reduction will be effected in interest paid on time and savings deposits, and that increases in all other expenses continue to increase at the 1943 rate, the profit prospect for the District's banks seems as good or better in 1944 than in 1943. Earnings on securities can hardly be other than notably higher, while offsets from earnings on loans are not likely to occur this year in the same force as in 1943. Given a continuance of the going level of business, charge-offs would seem to diminish in importance and be more than offset by profits and recoveries.

Agriculture in the Fifth District in 1944

Total acreage to be planted to principal crops in the states of the Fifth Federal Reserve District in 1944, according to the March first crop intentions report, has not changed much from the planted acreage of 1943. The total of 18.5 million acres planned for 1944 represents an increase of less than two per cent over that planted in 1943. (No attempt has been made to allow for interplanted acreage in this total.)

Farmers are being hampered in their desire to increase acreages in compliance with the "Food for Freedom" program by shortages of manpower and of machinery. Consequently, attention is being focussed on more intensive cultivation of fewer acres of land, in the hope of producing a larger yield per acre. A survey of the farmers' planting intentions report shows that the shift is toward crops for which they have adequate machinery and equipment and which require a minimum dependence upon labor outside of the family. With this in view, the farmers are, nevertheless, expending as much effort as possible to grow sufficient grain for their livestock.

FEED GRAINS AND HAY

The need for large feed crops in 1944 is very great, due to the record livestock numbers now being produced to meet the requirements for military consumption in the United States and on foreign fronts all over the world, to satisfy the desires of American civilians with larger incomes than they have had heretofore, to supply the Allied Nations under the Lend-lease agreement, and to afford relief for the conquered peoples. With this in

mind, the State War Boards have established goals at which the states should aim in the production of these essential feed grains and hay, as well as for other food crops, oilseeds, tobacco, livestock and livestock products, etc.

In the Fifth District as a whole, corn is the only feed crop in which the prospective acreage for 1944 is equivalent to the goal set. The 1944 intended acreage falls short of the goal set for oats and for sorghums by six per cent, of that set for barley by eight per cent, and of that set for tame hay by fifteen per cent. Corn, which occupies more acreage than any other crop in every state in the District except West Virginia, will probably be grown on 6.3 million acres in the Fifth District, with over half of it to be planted in the Carolinas and about one-fourth in Virginia. Corn acreages intended for 1944 exceed the actual plantings in 1943 in every state and were two per cent higher than the goal for 1944.

The 4.6 million acres announced as the intended acreage to be planted to tame hay in 1944, on the other hand, were slightly lower than the acreage planted in 1943, with the largest decreases, both percentagewise and in absolute amounts, occurring in South Carolina, whose acreage is equivalent to about fifteen per cent of that of the entire District. Virginia and North Carolina, the two leading hay states in the District, expect to fall short of the goals set for them by seven per cent and three per cent, respectively. The goal set in each state exceeds the intended acreage, but in no state is the deficit so sharp as in South Carolina, where the 1944 goal is 1,290,000 acres and the prospective acreage is only 651,000 acres.

As has been previously stated, the 1944 intended acreages of both oats and barley, the two other principal feed grains in the Fifth District, fall short of the goals set for them, and the barley acreage intended for the current year is equivalent to only 87 per cent of that planted in 1943, but the 1944 prospective acreage of oats shows a slight increase over the planted acreage of last year. Oats occupy a far larger acreage in the District than does barley, with approximately half of the total oats acreage concentrated in South Carolina and about one-fourth in North Carolina. Barley is grown principally in Maryland and Virginia normally, but North Carolina has increased her acreage from an average of 19,000 acres in the decade 1933 to 1942, or 13 per cent of the District total acreage, to an intended acreage of 54,000 acres in 1944, or 25 per cent of the Fifth District total.

The acreage planted to all of the feed grains (including a relatively small acreage devoted to sorghums) and tame hay in the entire District increased only 8 per cent from the 1933-1942 average to the 1943 total, and practically no further rise is in sight for the current year, judging from the March 1 crop intentions report.

To help alleviate the shortage in this area, larger acreages of wheat have been requested. This would then be used as a supplement to the regular feed for livestock. Some mention has also been made of the possibility of using wheat for the production of alcohol, which in turn is used in the manufacture of synthetic rubber and smokeless powder. It is not very likely, however, that much of the wheat grown in this District will be used industrially. The wheat acreage of this District to be harvested in 1944 and which was seeded in the fall of 1943, amounted to two million acres. This represented the largest increase over the preceding year for any crop grown in this District, both on a relative basis and with regard to the actual number of acres. The two million acres also exceeds the 1944 goal by four per cent. About one-half of this 18 per cent increase in acreage in the last year was accounted for by acreage rises in Maryland and North Carolina, where total acreages planted increased by 154,000 acres. Virginia's wheat acreage ordinarily exceeds that of any other state in the District, but in 1943 and in prospect for 1944, North Carolina has usurped her position.

OIL CROPS

The total 1944 acreage goal for two of the oilseeds grown in the Fifth District, peanuts and soybeans, was lowered slightly from the acreage requested for 1943, but the prospective acreage for 1944, as announced on March 1, will still fall short of the requested number of acres by 25 per cent. Peanut and soybean oil are very vital to the economy of the nation at the present time, for their edible use as well as for industrial purposes. Extraordinary emphasis is placed on the production of these oils to replace oils formerly imported into the United States from the Philippine Islands, the Netherlands Indies, Japan, Brazil, China, and British India.

The 1944 picked and threshed peanut acreage goal was set at 602,000 acres for the entire Fifth Federal Reserve District, divided among the three peanut-producing states as follows: Virginia, 167,000 acres; North Carolina,

335,000 acres; and South Carolina, 100,000 acres. Of these three states, Virginia is the only one whose 1944 acreage is expected to equal the requested figure. North Carolina farmers' intentions reveal that their peanut acreage for picking and threshing will fall short of the goal by 7 per cent, while South Carolina's peanut farmers have announced plans for planting 51,000 acres for this purpose, only a little over half of the goal set for them. Of the three states, South Carolina is the only one whose planned peanut acreage (planted alone for all purposes) will be smaller in 1944 than in 1943, but the prospective decrease there of 29,000 acres indicates that the total acreage of the District will fall slightly below the 1943 planted acreage.

The situation with regard to the soybean is even less satisfactory, for the 474,000 acres in prospect for 1944 (for beans) in the Fifth District as a whole constitutes only 65 per cent of the goal set, but the prospective acreage exceeds the 1943 planted acreage by 16 per cent. Unlike the peanut goal, which was set 20 per cent lower in 1944 than in 1943, the soybean goal was raised from 645,000 acres in 1943 to 732,000 in 1944. Both Virginia and North Carolina, which accounted for about 80 per cent of the 1943 soybean acreage planted for all purposes in the Fifth District, have announced that they expect their 1944 soybean acreages to be about ten per cent lower than those of 1943. These data, however, include soybeans raised for beans, for hay, and for hogging down. Both states expect that the drop will probably be in the acreage for hay and that the acreage for beans will probably be as large as it was in 1943. Both of these states, however, are expected to fall far short of the soybean (for beans) goal set for them: Virginia by 49 per cent and North Carolina by 30 per cent.

TOBACCO

Tobacco is the largest single source of cash income to the Fifth District farmer, contributing about one-third of the total income from crops and livestock each year. In 1943, there were almost 832,000 acres planted to tobacco in the District, of which 588,000 acres, or 71 per cent, were grown in North Carolina. Almost all of the North Carolina acreage was used for flue-cured tobacco. Of Virginia's total of 117,000 planted acres in 1943, 90,000 acres were also used for flue-cured tobacco. South Carolina, the only other tobacco state of any consequence in the Fifth District, grew flue-cured tobacco exclusively on her 92,000 acres planted to tobacco in 1943.

All three of these states intend to exceed their 1943 planted acreage in 1944, and the total flue-cured tobacco acreage in prospect aggregates 893,000 acres, or 17 per cent more than the 762,000 acres planted last year. Both North and South Carolina fall slightly short of the goal set for them, however, while Virginia's prospective acreage is 9 per cent in excess of the goal set for it.

Tobacco growers are being stimulated to increase their acreages by an all-time high per capita consumption reached in 1943, accounted for largely by cigarette consumption. Flue-cured tobacco sold for an average of almost 40 cents per pound in 1943, the highest price since 1919.

CONCLUSION

As has been previously stated, the total acreage in view for the Fifth Federal Reserve District in 1944 does not reveal much over that planted in 1943. Maryland's total acreage will expand to a larger extent, relatively, than that of any other state of the District, if her expectations to plant 1.7 million acres in 1944 are realized. Most of the 6.5 per cent increase will be due to rises in wheat and corn acreage. All of the other states of the Fifth District, with the exception of South Carolina, are also planning increases in acreage, but they are almost insignificant, on a percentage basis. Tobacco and wheat increases figure largely in whatever rises in acreage can be expected in 1944. South Carolina's intended decline can be traced to decreases in acreage planted to tame hay and cowpeas.

Corn and wheat are the only two crops for which the 1944 prospective acreage is expected to come up to the goal set for them. The prospective corn acreage of 6.3 million acres is two per cent higher than the requested acreage of 6.2 million acres, while the two million acres of wheat in prospect exceeds the 1.9 million acre goal by four per cent. The most serious shortcoming, with respect to acreage requests of the War Food Administration, will be in the acreage planted to soybeans for beans.

Here the goal is 732,000 acres; the intended acreage, based on the percentage of solid equivalent acreage harvested for beans in 1942, is only 474,000 acres, or 65 per cent of the goal. For all other principal crops, the intended acreages range from 85 per cent to 98 per cent of the requested acreages.

CROP ACREAGE INDICATIONS 1944
Fifth Federal Reserve District

CROP	1944	1944	1944 Prospective	
	Prospective Acreage	Goal	1943 Acreage	1944 Goal
Thousands of Acres				
Corn	6,303	6,155	103	102
Wheat	2,000	1,933	118	104
Oats	1,463	1,554	103	94
Barley	213	232	87	92
Rye	480	n. a.	90	n. a.
Tame hay	4,602	5,405	99	85
Soybeans (all)	874	n. a.	92	n. a.
Soybeans (for beans)	474	732	116	65
Cowpeas	515	n. a.	83	n. a.
Peanuts (all)	574	628	98	91
Peanuts (for nuts)	532	602	98	88
Tobacco	975	1,012	117	96
Sorghums	62	n. a.	93	n. a.
Potatoes	269	275	97	98
Sweet potatoes	217	244	109	89

n. a.—Not available.

Source: Bureau of Agricultural Economics; Agricultural Adjustment Agency; and Office of Production.

BUSINESS INDEXES—FIFTH FEDERAL RESERVE DISTRICT
Average Daily 1935-39=100—Seasonally Adjusted

	Feb. 1944	Jan. 1944	Dec. 1943	Feb. 1943	% Change Feb. 1944 from	
					Jan. 44	Feb. 43
Bank Debits	212	197	191	184	+ 8	+15
Bituminous Coal Production*	152	148	147	150	+ 3	+ 1
Building Contracts Awarded	122	150	151	292	-19	-58
Building Permits Issued	23	21	50	27	+10	-15
Cigarette Production	153	158	193	165	- 3	- 7
Cotton Consumption*	151	148	147	164	+ 2	- 8
Department Store Sales	209r	208	187	231	0	-10
Department Store Stocks	176	179	166	149	- 2	+18
Electric Power Production	208	204	219	195	+ 2	+ 7
Employment—Mfg. Industries*	146	147	150	151	- 1	- 3
Life Insurance Sales	128	121	112	101	+ 6	+27
Wholesale Trade—Five Lines	181	184r	173	185	- 2	- 2
Wholesale Trade—Drugs	198	201	196	187	- 2	+ 6
Wholesale Trade—Dry Goods	185	193	109	202	- 4	- 8
Wholesale Trade—Groceries	188	191	185	187	- 2	+ 1
Wholesale Trade—Hardware	131	110	113	160	+19	-18
Wholesale Trade—Shoes	190	305r	239	201	-38	- 5

*Not seasonally adjusted

FEDERAL RESERVE BANK OF RICHMOND

(All Figures in Thousands)

ITEMS	April 12 1944	Change in 3-15-44	Amt. from 4-14-43
Total Gold Reserves	\$1,044,801	— 12,217	— 15,134
Other Reserves	15,684	— 1,313	— 11,646
Total Reserves	1,060,485	— 13,530	— 26,780
Bills Discounted	0	— 6,000	— 143
Industrial Advances	200	— 17	— 29
Gov't. Securities, Total	690,538	+ 39,404	+ 352,295
Bonds	96,536	+ 297	— 31,479
Notes	77,279	+ 239	+ 16,130
Certificates	200,393	+ 10,304	+ 138,424
Bills	316,330	+ 29,042	+ 229,220
Total Bills and Securities	690,738	+ 33,387	+ 351,861
Uncollected Items	124,490	— 23,632	— 7,799
Other Assets	14,121	— 537	— 641
Total Assets	\$1,889,834	— 4,312	+ 316,641
Fed. Reserve Notes in Cir.	\$1,174,891	+ 11,426	+ 347,929
Deposits, Total	589,915	+ 3,734	— 19,018
Members' Reserves	520,819	+ 3,002	— 39,165
U. S. Treas. Gen. Acc.	7,380	— 6,353	+ 6,804
Foreign	54,989	+ 2,761	+ 20,741
Other Deposits	6,717	+ 3,144	+ 7,398
Deferred Availability Items	104,789	— 19,745	— 13,744
Other Liabilities	415	— 89	— 188
Capital Accounts	19,824	+ 184	+ 1,662
Total Liabilities	\$1,889,834	— 4,312	+ 316,641

41 REPORTING MEMBER BANKS—5th DISTRICT

(All Figures in Thousands)

ITEMS	April 12 1944	Change in 3-15-44	Amt. from 4-14-43
Total Loans	\$ 270,093	— 8,023	+ 15,680
Bus. & Agric. Loans	124,039	— 5,179	+ 3,086
Real Estate Loans	49,292	+ 304	— 2,580
All Other Loans	96,767	+ 3,148	+ 15,174
Total Security Holdings	\$1,336,035	— 48,523	+ 252,613
U. S. Treas. Bills	90,950	— 38,464	— 60,564
U. S. Treas. Certificates	248,309	+ 3,864	+ 118,865
U. S. Treas. Notes	234,719	+ 17,459	+ 101,677
U. S. Gov. Bonds	687,044	— 24,577	+ 135,189
Obligations Gov. Guaranteed	18,518	+ 7,119	— 33,193
Other Bonds, Stocks & Sec.	56,495	+ 314	— 9,361
Cash Items in Process of Col.	\$ 88,564	— 12,334	— 13,280
Due from Banks	\$ 143,996*	+ 16,476	— 50,258
Currency & Coin	\$ 37,521	+ 2,707	+ 2,548
Reserve with F. R. Bank	\$ 275,374	+ 3,100	— 47,164
Other Assets	\$ 61,051	+ 239	+ 139
Total Assets	\$2,212,639	— 52,558	+ 160,278
Total Demand Deposits	\$1,767,345	— 66,853	+ 126,781
Deposits of Individuals	1,046,757	— 3,741	+ 17,475
Deposits of U. S. Gov.	285,680	+ 49,070	+ 232,337
Deposits of State & Local Gov.	86,626	+ 11,143	— 17,010
Deposits of Banks	331,355	— 14,760	— 99,475
Certified & Officers' Checks	16,927	— 10,425	+ 6,546
Total Time Deposits	\$ 257,761	+ 4,744	+ 33,703
Deposit of Individuals	241,173	+ 4,323	+ 30,467
Other Time Deposits	16,588	+ 421	+ 3,236
Liabilities for Borrowed Money	0	+ 4,000	0
All Other Liabilities	\$ 74,411	+ 11,545	— 5,955
Capital Account	\$ 113,122	+ 2,006	+ 5,749
Total Liabilities	\$2,212,639	— 52,558	+ 160,278

*Net figures, reciprocal balance being eliminated.

MUTUAL SAVINGS BANK DEPOSITS

9 Baltimore Banks

	Mar. 31, 1944	Feb. 29, 1944	Mar. 31, 1943
Total Deposits	\$226,470,500	\$263,354,813	\$237,162,481

COTTON CONSUMPTION—FIFTH DISTRICT

MONTHS	No. Carolina	So. Carolina	Virginia	District
March 1944	244,204	186,184	20,596	450,984
February 1944	219,729	167,339	19,661	406,729
March 1943	263,634	194,836	22,834	481,304
3 Months 1944	688,302	523,286	59,479	1,271,067
3 Months 1943	724,862	550,462	65,446	1,340,760

DEBITS TO INDIVIDUAL ACCOUNTS

(000 omitted)

	Mar. 1944	% chg. from Mar. 1943	3 Mos. 1944	% chg. from 3 Mos. '43
Dist. of Columbia				
Washington	\$ 527,205	+ 15	\$1,444,839	+ 14
Maryland				
Baltimore	774,587	+ 7	2,293,286	+ 19
Cumberland	12,630	+ 18	37,034	+ 24
Frederick	12,391	+ 18	35,134	+ 26
Hagerstown	18,737	+ 24	52,789	+ 29
North Carolina				
Asheville	23,392	+ 3	69,425	+ 16
Charlotte	132,275	+ 11	362,195	+ 7
Durham	60,704	+ 18	167,104	+ 19
Greensboro	37,329	— 5	104,932	+ 14
Kinston	6,232	+ 5	20,209	+ 17
Raleigh	55,100	+ 5	168,730	+ 13
Wilmington	38,368	+ 4	110,441	+ 9
Wilson	7,138	+ 10	23,180	+ 15
Winston-Salem	63,681	— 6	195,032	+ 7
South Carolina				
Charleston	41,366	+ 5	123,730	+ 9
Columbia	51,432	+ 4	149,251	— 2
Greenville	40,444	+ 4	112,957	+ 4
Spartanburg	21,741	+ 6	63,204	+ 6
Virginia				
Charlottesville	14,536	+ 23	41,704	+ 32
Danville	13,111	+ 7	40,428	+ 7
Lynchburg	21,720	+ 10	63,189	+ 16
Newport News	28,253	+ 13	82,532	+ 19
Norfolk	128,474	+ 6	360,921	+ 8
Portsmouth	16,591	— 1	47,751	+ 8
Richmond	313,296	+ 15	951,512	+ 20
Roanoke	42,000	+ 10	119,324	+ 14
West Virginia				
Bluefield	23,091	+ 14	68,909	+ 25
Charleston	81,987	+ 5	239,569	+ 16
Clarksburg	15,107	+ 18	44,593	+ 21
Huntington	30,958	+ 16	88,441	+ 14
Parkersburg	18,279	+ 13	47,707	+ 14
District Totals	\$2,672,155	+ 10	\$7,730,052	+ 15

COMMERCIAL FAILURES

PERIODS	Number of Failures District	U. S.	Total Liabilities District	U. S.
March 1944	1	96	\$187,000	\$ 1,460,000
February 1944	2	132	18,000	3,108,000
March 1943	4	410	51,000	7,282,000
3 Months 1944	6	348	307,000	6,276,000
3 Months 1943	19	1,290	211,000	16,960,000

Source: Dun & Bradstreet.

COTTON CONSUMPTION AND ON HAND—BALES

	March 1944	March 1943	Aug. 1 to March 31 1944	Aug. 1 to March 31 1943
Fifth District States:				
Cotton consumed	450,984	481,304	3,373,822	3,571,196
Cotton Growing States:				
Cotton consumed	789,303	863,496	5,974,436	6,496,623
Cotton on hand March 31 in				
Consuming establishments	1,968,297	2,100,624		
Storage & compresses	10,691,070	11,189,137		
United States:				
Cotton consumed	902,102	997,422	6,804,272	7,500,302
Cotton on hand March 31 in				
Consuming establishments	2,290,201	2,439,176		
Storage & compresses	10,887,457	11,463,831		
Spindles active	22,568,308	22,924,634		

RAYON YARN DATA

	Mar. 1944	Feb. 1944	Mar. 1943
Rayon Yarn Shipments, Lbs.	45,800,000	43,300,000	42,800,000
Staple Fiber Shipments, Lbs.	15,000,000	13,600,000	14,000,000
Rayon Yarn Stocks, Lbs.	8,400,000	7,500,000	6,800,000
Staple Fiber Stocks, Lbs.	1,700,000	2,100,000	2,800,000

Source: Rayon Organon.

BUILDING PERMIT FIGURES

Fifth Federal Reserve District

March 1944

	Total Valuation	
	March 1944	March 1943
Maryland		
Baltimore	\$ 612,792	\$ 1,171,175
Cumberland	3,960	719
Frederick	2,868	750
Hagerstown	10,510	11,805
Salisbury	3,764	4,625
Virginia		
Danville	10,945	6,495
Lynchburg	8,172	4,400
Norfolk	107,015	228,065
Petersburg	1,100	500
Portsmouth	40,910	2,008,785
Richmond	106,283	50,880
Roanoke	9,163	12,363
West Virginia		
Charleston	\$ 63,699	\$ 26,950
Clarksburg	8,525	8,750
Huntington	27,740	8,616
North Carolina		
Asheville	\$ 7,875	\$ 12,917
Charlotte	76,149	11,088
Durham	19,261	107,915
Greensboro	13,800	10,221
High Point	19,126	50,741
Raleigh	19,200	13,450
Rocky Mount	33,300	1,840
Salisbury	4,725	2,425
Winston-Salem	41,048	30,475
South Carolina		
Charleston	\$ 31,720	\$ 36,230
Columbia	4,038	91,845
Greenville	1,200	7,190
Spartanburg	9,010	81,016
District of Columbia		
Washington	\$ 522,673	\$ 1,058,682
District Totals	\$ 1,820,571	\$ 5,060,913
3 Months	\$ 4,527,630	\$ 13,729,443

CONSTRUCTION CONTRACTS AWARDED

STATES	Feb. 1944	% Change from Feb. 1943	2 Mos. 1944		% Change from 2 Mos. 1943
			1944	1944	
Maryland	\$ 8,184,000	+ 7	\$ 19,096,000	+ 28	
Dist. of Columbia	929,000	-49	3,107,000	-35	
Virginia	9,919,000	-68	19,528,000	-59	
West Virginia	645,000	-90	1,671,000	-75	
North Carolina	2,958,000	-65	6,255,000	-64	
South Carolina	2,205,000	-53	7,612,000	-27	
Fifth District	\$ 24,840,000	-58	\$ 57,269,000	-44	

Source: F. W. Dodge Corporation

TOBACCO MANUFACTURING

	Mar. 1944	% chg. from Mar. 1943	3 Mos. 1944		% change from 3 Mos. '43
			1944	1944	
Smoking & chewing tobacco (Thousands of lbs.)	17,914	-20	55,905	-11	
Cigarettes (Thousands)	19,956,000	-3	57,495,810	-2	
Cigars (Thousands)	419,291	-14	1,175,165	-12	
Snuff (Thousands of lbs.)	4,087	-10	11,376	-6	

SOFT COAL PRODUCTION IN THOUSANDS OF TONS

REGIONS	March 1944	March 1943	% Change	3 Mos. 1944		% Change
				1944	1943	
West Virginia	14,266	15,181	- 6	41,954	40,535	+ 4
Virginia	1,767	1,845	- 4	5,278	5,107	+ 3
Maryland	170	190	-11	504	477	+ 6
5th District	16,203	17,216	- 6	47,736	46,119	+ 4
United States	54,330	56,114	- 3	161,045	153,049	+ 5
% in District	30	31	..	30	30	..

RETAIL FURNITURE SALES

Percentage Changes in Mar. and 3 Months 1944 Compared with March 1943 and 3 Months 1943

Maryland (6)*	-10	- 5
Dist. of Columbia (5)*	- 5	- 9
Virginia (27)*	- 1	- 1
West Virginia (11)*	- 7	- 4
North Carolina (24)*	+ 8	+ 8
South Carolina (14)*	-14	- 9
Fifth District (87)*	- 5	- 4

INDIVIDUAL CITIES

Baltimore, Md. (6)*	-10	- 5
Washington, D. C. (5)*	- 5	- 9
Lynchburg, Va. (3)*	- 1	+ 9
Richmond, Va. (8)*	+10	+ 5
Charleston, W. Va. (4)*	-17	-16
Charlotte, N. C. (5)*	+12	+ 2
Winston-Salem, N. C. (3)*	+18	+16
Columbia, S. C. (4)*	-18	- 7

*Number of stores.

DEPARTMENT STORE TRADE

Richmond	Baltimore	Washington	Other Cities	District
Percentage change in Mar. 1944 sales, compared with sales in Mar. 1943:				
+25	+23	+15	+34	+21
Change in 3 mos. sales in 1944, compared with 3 mos. sales in 1943:				
+15	+ 7	0	+19	+ 6
Change in stocks on March 31, 1944, from stocks on March 31, 1943:				
+18	+14	+11	+28	+14
Change in outstand'g orders Mar. 31, 1944, from orders on Mar. 31, '43:				
+ 2	+30	+19	+25	+21
Change in total receivables on Mar. 1, 1944, compared with Mar. 1, '43:				
- 2	- 9	-14	- 4	-10
Percentages of current receivables as of Mar. 1, 1944, collected in Mar.:				
59(53)	59(57)	57(57)	59(58)	58(56)
Percentage of instalment receivables as of Mar. 1, 1944, collected in Mar.:				
31(23)	39(32)	26(24)	35(27)	30(26)

Note: 1943 collection percentages in parentheses.

Maryland	Dist. of Col.	Virginia	W. Va.	N. Caro.	S. Caro.
Percentage change in March 1944 sales from March 1943 sales, by States:					
+23	+15	+25	+28	+23	+18
Percentage chg. in 3 months' sales 1944, compared with 3 months' 1943:					
+ 7	0	+15	+13	+13	+12

WHOLESALE TRADE 237 FIRMS

LINES	Net Sales		Stocks		Ratio Mar. collections to acct's outstanding March 1
	Mar. 1944	Mar. 1943	Mar. 31, 1944	Mar. 31, 1943	
Auto Supplies (14)*	- 4	- 6	- 3	+ 9	107
Drugs & sundries (8)*	+ 5	+ 7	122
Dry Goods (7)*	- 7	- 9	-16	+ 5	87
Electrical goods (8)*	+ 3	+ 9	- 2	+ 3	105
Groceries (75)*	+15	+11	+17	+ 2	158
Hardware (14)*	+ 4	+ 5	+12	+ 2	94
Industrial supplies (6)*	-15	-12	- 8	+ 2	83
Paper & products (10)*	- 5	+ 7	- 8	0	94
Tobacco & products (15)*	+ 7	+15	+10	- 4	162
Miscellaneous (80)*	- 7	+ 6	- 9	0	111
District Average (237)*	+ 1	+ 6	+ 1	+ 1	117

Source: Department of Commerce.

*Number of reporting firms.