

# MONTHLY REVIEW

## of Financial and Business Conditions

FIFTH  
FEDERAL



RESERVE  
DISTRICT

Federal Reserve Bank, Richmond 13, Va.

April 30, 1946

THE major industries of the Fifth District are making some progress in expanding the level of production, but the progress is not rapid owing mainly to labor and materials shortages. There has been a relatively small proportion of production lost in this area as a result of labor trouble prior to the coal strike, but as early as the 14th of April many firms indicated a partial or complete shut-down would result if coal supplies were not forthcoming in ten to fifteen days.

Average daily bituminous coal production in the District during March was at an all time high level—4 percent above February and 10 percent above March 1945. April output, however, will show a very low level even if production is resumed at once, for the shut-down is almost complete.

The cotton textile industry is experiencing a slowly rising output with the average daily cotton consumption in the District in March one percent higher than in February. The March level, however, was 3 percent smaller than in March 1945, but current yardage is probably somewhat higher than a year ago. Employment in the industry has risen moderately but the supply is not large enough to expect a sharp run-up in goods production.

The dearth of hosiery yarns has retarded the output of hosiery, and Industry representatives have asked the Government to allocate rayon yarn to hosiery mills in order that a monthly output goal of 20 million pairs of rayon hose could be attained.

Shipyards employment trend has continued downward. Further reductions are in prospect at the Navy Yards, but the level at Merchant Yards might be expected to level

off somewhere not far from present levels. Employment at the aircraft plants of the District also appears to be close to a working peacetime level.

The outstanding factor in the business situation during March was the increase in building permits of 41 percent over February and 576 percent over March 1945. March building permits in the Fifth District were exceeded only in the month of February 1928 in the known record at hand. There is a large amount of on-site work in progress over the District and a moderate amount of occupancy has been effected, though some dwellings in process and contemplated, together with a very large amount of industrial and commercial structures projected is likely to maintain a tension in the labor market for sometime to come.

Employment levels in the District bottomed in November but have risen only slightly since. In several industries employment has fallen below a desired level and new additions have been difficult to recruit. The textile and lumber industries could increase employment substantially if workers were available for these jobs. Employees are in demand at a number of small miscellaneous manufacturing concerns over the District, while the stores and service industries appear to be having the most difficult job of securing personnel.

Department store sales in the first three months of the year have continued to rise at a phenomenal rate. The Fifth District seasonally adjusted index of sales in March was at the highest level in history. It was 4 percent above February and 18 percent ahead of March 1945. There

### BUSINESS INDEXES—FIFTH FEDERAL RESERVE DISTRICT

Average Daily 1935-39=100

Seasonally Adjusted

	Mar. 1946	Feb. 1946	Jan. 1946	Mar. 1945	% Change	
					Mar. 1946 from Feb. 46	Mar. 45
Bank Debits.....	254	250	228	216	+ 2	+ 18
Bituminous Coal Production*.....	154	148	142	140	+ 4	+ 10
Building Contracts Awarded.....	328	260	171r	82	+26	+300
Building Permits Issued.....	304	215	185	45	+41	+576
Cigarette Production.....	245	236	204	152	+ 4	+ 61
Cotton Consumption*.....	139	137	135	144	+ 1	- 3
Department Store Sales.....	294	283	262	250	+ 4	+ 18
Department Store Stocks.....	206r	201r	207	185	+ 2	+ 11
Furniture Sales—Retail.....	255	218	229r	175	+17	+ 46
Life Insurance Sales.....	244	221	201	152	+10	+ 61
Wholesale Trade—Four Lines.....	225	239	243	182	- 6	+ 24

\* Not seasonally adjusted.



## Sources of Cash Farm Income and Their Changing Importance\*

Many communities in the Fifth Federal Reserve District are predominantly agricultural in character. The banks serving these communities are vitally interested in the level of farmers' incomes. Even where agriculture is relatively less important than other lines of endeavor, banks feel the indirect effect of changes in farm income. Of course, what bankers are most interested in is the income situation in their own banking communities. This, bankers pretty well have to determine for themselves because of the lack of published income information on many topics for their particular banking territories. However, much often can be gained by viewing the local income situation as it is known to the banker while keeping in mind the data for his own and surrounding states. It is the purpose of this article to supply such background information.

Revised data have recently become available on the cash farm income from the sale of the more important farm products for each state and for the entire United States for the calendar years 1924-44.<sup>1</sup> These data are here summarized and discussed to show the contribution of the various farm products to the total cash farm income of the Fifth Federal Reserve District and the states of which the District is composed. It also includes a discussion of changes that have occurred in the relative importance of the various farm products. Except where otherwise specified the term "income" will be used to mean "cash receipts from farming."

### RELATIVE IMPORTANCE OF VARIOUS INCOME SOURCES

For the District as a whole, crops yield about twice as much income as livestock and livestock products; however, there are wide differences between states. By 1944 the total income for the Fifth Federal Reserve District was \$1.4 billion, or more than 2½ times as large as in 1940. The average for the five-year period 1940-44 was \$956 million. Of this amount, crops comprised 66 percent and livestock and livestock products (hereafter generally referred to merely as "livestock") 34 percent.

Tobacco is by far the most important single source of income in the District. During the period 1940-44 this crop contributed 45 percent of the income from crops and 29 percent of the total income from sale of all farm products. Cotton ranks second to tobacco as a source of income, having produced 12 percent of the total during the same period. Other crops as a whole were responsible for an average of 24 percent of the income during the years 1940-44. In order of their importance, of the crops included in this broad "other crop" category truck crops and fruit each accounted for 4 percent, peanuts 3 percent, forest products, wheat, cottonseed and potatoes each 2 percent, corn 1 percent, sweetpotatoes, greenhouse and nursery products, hay, and "other" crops each 1 percent.

Of the livestock items, dairy products were the largest

contributor to cash farm income. This class of product contributed an average of 30 percent of the total income from livestock and livestock products, and 10 percent of the total income from all sources during the five years, 1940-44. In order of their declining importance the contribution of other livestock items to income in the Fifth Federal Reserve District are as follows: chickens and eggs each 6 percent, "cattle and calves" and hogs each 5 percent, and "other" livestock 2 percent.

From the above comparisons it is seen that although tobacco and cotton are the two leading sources of cash farm income, no other single crop or class of crops accounted for as much as 5 percent of the total income of the District during the period 1940-44. In contrast, there were five livestock items which each accounted for 5 percent or more of the total income of the District, and so far as individual sources are concerned they ranked third through seventh. These seven sources accounted for a total of 73 percent of the income of the District.

Having reviewed the contribution of the various products to the total cash farm income of the District we now turn our attention to the relative importance of various income sources in each of the states that comprise the District.

In Maryland the total cash farm income during the five years, 1940-44, averaged \$119 million, of which \$70 million, or 59 percent, was from livestock and the remainder from crops. Dairy products accounted for 24 percent of the income. This was followed in importance by truck crops and chickens, each 15 percent, tobacco 9 percent, eggs 7 percent, cattle and calves 6 percent, and wheat and hogs each 5 percent. These eight products accounted for 86 percent of the total cash farm receipts in Maryland during the period in question.

Cash farm income in Virginia is about equally divided between crops and livestock. During the recent five-year period crops and livestock each accounted for 50 percent of the total cash farm income of \$215 million. Tobacco contributed 18 percent of the total in Virginia, while dairy products contributed 13 percent. Other sources contributing 5 percent or more of the total cash income in Virginia were: chickens 10 percent, eggs, "cattle and calves," and fruit each 8 percent, hogs 7 percent, and peanuts 5 percent. These eight sources of cash farm income accounted for 77 percent of the total.

West Virginia is predominantly a livestock state, so far as its agriculture is concerned. This is evidenced by the fact that 76 percent of the total income of \$64 million is from livestock, compared with 24 percent of crops. Dairy products accounted for 21 percent, or nearly as much as all crops combined. Cattle and calves were a close second, with 19 percent. These were followed by eggs, 14 percent; chickens, 10 percent; fruit, 9 percent; and hogs, 6 percent. These six sources accounted for 78 percent of the income of West Virginia during the five years, 1940-44.

North Carolina is overwhelmingly a crop state. During the five years in question North Carolina received 83 percent of its total cash farm income of \$401 million from crops, leaving only 17 percent from livestock. As in

\*Future issues of *The Monthly Review* will contain other articles on additional important aspects of the farm income situation as it affects banking in the Fifth Federal Reserve District.

<sup>1</sup>This entire report, entitled "Cash Receipts From Farming, by States and Commodities, Calendar Years 1924-44," can be obtained without charge by writing the Division of Economic Information, Bureau of Agricultural Economics, U. S. Department of Agriculture, Washington 25, D. C.

Virginia, but to a far greater extent, tobacco was the most important source of cash farm income. This crop accounted for 61 percent of all income from crops and 50 percent of all income from crops and livestock. Cotton contributed 14 percent of the total cash farm income, and peanuts and dairy products each accounted for 5 percent. These are the only products in North Carolina which contributed as much as 5 percent of the total cash farm income.

Crops were only slightly less important in South Carolina than in North Carolina, inasmuch as they comprised 80 percent of the total cash farm income of \$157 million, as compared with 20 percent for livestock. There, too, tobacco and cotton are the most important sources of cash farm income, but their relative importance is different. Cotton accounted for 38 percent of the total, while tobacco accounted for 19 percent, almost as much as all livestock and livestock products. Cottonseed and dairy products, each with 6 percent, and hogs with 5 percent, were the only other sources which contributed 5 percent or more of the cash farm income. These five leading sources accounted for 74 percent of the total.

#### CHANGES IN THE RELATIVE IMPORTANCE OF VARIOUS INCOME SOURCES

As stated earlier, bankers are concerned with changes in the relative importance of various income sources. Such information is of assistance to them in understanding developments in their own banking communities. To facilitate the treatment of changes in the relative importance of the various income sources, the data for 1940-44 which have already been discussed will be compared with those for the six-year period, 1924-29. To a considerable extent the changes observed are different from those which would have been observed had 1940-44 been compared with a different period. Consequently, the data are shown in tables for 1924-29, 1930-34, 1935-39, and 1940-44, in order to enable the user to make other comparisons if he so desires.

Livestock and livestock products have made considerable headway from 1924-29 to 1940-44. In fact, the percentage of the total cash farm income received from livestock increased not only in the District as a whole but also in each of the five states.

	1924-29	1930-34	1935-39	1940-44
Maryland	49.1	55.1	54.3	59.0
Virginia	39.2	45.8	47.1	49.7
West Virginia	65.6	70.6	72.8	76.3
North Carolina	13.6	14.8	14.8	17.5
South Carolina	12.5	17.3	16.5	19.5
Fifth District	27.7	32.0	31.2	34.2

So far as the Fifth District is concerned, the most spectacular increase in any individual income source was that of tobacco, which increased from 19 percent of the total in the late 1920's to 29 percent in the early 1940's. This sharp relative increase, however, was more than offset by the drop in cotton from 24 percent in the earlier period to a recent average of 12 percent. Other crops taken as a group declined from 29 percent to 24 percent. Increases occurred in truck crops, peanuts and sweetpotatoes, while decreases in relative importance occurred in most other crops. Of the livestock items dairy products increased from 9 to 10 percent, chickens from 3 to 6 percent, cattle and calves from 4 to 5 percent, and hogs from 3 to 5 percent, while eggs declined slightly.

It has already been pointed out that tobacco's contribution to the farm income of the District increased from 19

to 29 percent of the total. This increase in the relative importance of tobacco was divided among all of the states except West Virginia, where tobacco is not an important crop. The increases in relative importance of tobacco were moderate in Maryland, 7 to 9 percent, and in Virginia, 14 to 18 percent, but very marked in the Carolinas. In North Carolina, for example, tobacco increased from 34 percent of the income in 1924-29 to 50 percent in the recent five-year period. In South Carolina the comparable increase was from 9 to 19 percent.

Cotton lost ground in each of the three states in which it is produced. In South Carolina the percentage of income from cotton dropped from 59 to 38. In North Carolina the drop was from 33 to 14, and in Virginia the drop was from 2 to 1 percent. The net effect of the sharply divergent trends in tobacco and cotton was that the combined importance of the two crops increased slightly in Virginia, decreased slightly in North Carolina, and declined rather sharply in South Carolina.

Other crops taken as a group declined from 44 to 32 percent in both Maryland and Virginia, from 32 to 23 percent in West Virginia, and from 20 to 19 percent in North Carolina. In South Carolina their importance increased from 19 percent, for the period of the late '20's, to 23 percent in the early '40's.

Truck crops increased in relative importance in all states except Virginia, while fruit declined in all states except South Carolina. The importance of peanuts has increased in each producing state, while forest products and potatoes have declined. Several crops, such as wheat, corn, sweetpotatoes, and hay, declined in importance in the northern part of the District but increased in importance in the Carolinas.

Of the livestock items, dairy products, chickens and hogs increased in relative importance in each of the states of the District. "Cattle and calves" either held its own or made progress in each state, while eggs declined in relative importance in Maryland, Virginia, and West Virginia, but increased in importance in the Carolinas.

#### SOME USES OF INCOME STATISTICS TO BANKERS

Having waded through the above text, so heavily weighted with statistics, most bankers will probably feel like saying, "Some of these data are quite interesting, but in what way can I use them to the advantage of my bank?" As already noted, this report is pointed at the dual job of first acquainting bankers with facts which may be useful to them in their local situation and then pointing out how such data can be used to advantage.

As an example, let us take the case of sweetpotatoes. As noted above, they declined in importance as sources of cash farm income in Maryland and Virginia but have increased in importance in the Carolinas. The facts with respect to one's own state, seemingly simple though they be, should be taken into account by bankers. Suppose a farmer or business man wants to borrow money to build a sweetpotato drying house and proposes to repay the loan over a five-year period. In addition to the usual credit information concerning the applicant for the loan and his business record, the bank in Maryland would probably want to know something about the outlook for sweetpotatoes in that area. What forces underlay the decline in importance of sweetpotatoes in Maryland? Is it probable that the situation has stabilized, or will the decline continue? How does one's own area compare

with the state on these points? As a result of the decline in the importance of sweetpotatoes is there an excess of drying capacity, or is an excess likely to develop? Similarly, the Carolina banker might be interested in the factors underlying the relative advance in sweetpotatoes in that area. Will the gains be preserved, or even go further, or has sweetpotatoe production already exceeded the level that can be maintained during the coming years?

Cotton supplies another example. Suppose a cotton farmer wants to borrow money to buy a tractor, to enlarge his farm, or to add tenant houses, or suppose a request is made for a loan to aid with the construction or purchase of a gin, a warehouse, or a cotton oil mill. In each of these cases the banker would, along with other things, endeavor to determine the prospects for the industry in his own area. In so doing, the background supplied by such information as the changes in the contribution of various crops to the income of his state and his section would be quite useful.

A comparable example is found in chickens and eggs, in Maryland and Virginia. In both of these states chickens have increased in relative importance and eggs have declined. Certainly bankers should take these trends into account along with the best possible information that can

be obtained about the future outlook for the enterprise in considering any intermediate or long-term loans where chickens or eggs are concerned.

Such trends as are evident in the data herein discussed, levels of income from various products, and the degree of income stability, all have implications far beyond the policies governing certain kinds of loans. The data included herein show that the income from the sale of dairy products is far more stable than the income from cotton and tobacco. This is of significance so far as the loan policy of a bank is concerned. It is also significant to a banker who, by analyzing the deposits of his bank, hopes to develop an investment program that will make the best all-round use of his earning assets.

In the above discussion it has not been intended to imply that data on cash farm income alone will be adequate to give definite answers to all of the questions that may be raised. As a matter of fact, all that is claimed is that data on cash farm income by states and areas and for individual commodities can be used advantageously by bankers as a background against which to view and gain a better understanding of their own situation in many every-day problems.

**Contribution of Various Farm Products to Cash Returns from Marketings  
Fifth District by States, Specific Periods, 1924-1944  
(Dollar figures are yearly averages)**

ITEM	Fifth District				Percentage Distribution			
	Marketings							
	1924-29	1930-34	1935-39	1940-44	1924-29	1930-34	1935-39	1940-44
	Thousand Dollars				Percent			
<b>Crops</b>								
Tobacco .....	131,154	98,518	166,189	280,823	18.9	23.7	29.8	29.4
Cotton .....	169,069	70,777	74,533	115,748	24.3	17.0	13.4	12.1
Truck Crops .....	30,094	19,594	25,218	42,364	4.3	4.7	4.5	4.4
Fruit .....	33,644	19,596	23,315	37,500	4.8	4.8	4.2	3.9
Peanuts .....	15,865	8,637	14,837	31,478	2.3	2.1	2.7	3.3
Forest Products .....	19,676	10,583	13,415	19,766	2.8	2.5	2.4	2.1
Wheat .....	22,248	10,263	13,585	16,343	3.2	2.5	2.4	1.7
Cottonseed .....	16,410	7,455	9,754	16,504	2.4	1.8	1.7	1.7
Potatoes .....	25,957	14,640	12,954	16,519	3.7	3.5	2.3	1.7
Corn .....	10,531	4,599	9,240	14,065	1.5	1.1	1.6	1.5
Sweetpotatoes .....	6,860	5,322	5,811	10,357	1.0	1.2	1.1	1.1
Greenhouse & Nursery.....	7,499	4,833	5,631	8,390	1.1	1.2	1.0	0.9
Hay .....	6,008	3,285	2,536	5,851	0.9	.8	.5	0.6
Other Crops .....	7,445	4,722	6,714	13,446	1.1	1.1	1.2	1.4
<b>Total Crops</b> .....	<b>502,460</b>	<b>282,824</b>	<b>383,532</b>	<b>629,154</b>	<b>72.3</b>	<b>68.0</b>	<b>68.8</b>	<b>65.8</b>
<b>Livestock*</b>								
Dairy Products .....	61,786	52,947	58,824	97,651	8.9	12.7	10.5	10.2
Chickens .....	21,347	14,711	21,176	61,799	3.1	3.5	3.8	6.5
Eggs .....	42,684	24,890	28,365	53,784	6.1	6.0	5.1	5.6
Cattle and Calves.....	31,010	19,492	32,082	48,726	4.5	4.7	5.8	5.1
Hogs .....	22,184	11,267	22,015	47,317	3.2	2.7	3.9	5.0
Other Livestock* .....	13,555	10,181	11,582	17,197	1.9	2.4	2.1	1.8
<b>Total Livestock*</b> .....	<b>192,566</b>	<b>133,488</b>	<b>174,044</b>	<b>326,474</b>	<b>27.7</b>	<b>32.0</b>	<b>31.2</b>	<b>34.2</b>
<b>Total Crops &amp; Livestock*</b> .....	<b>695,026</b>	<b>416,312</b>	<b>557,576</b>	<b>955,628</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

\*Includes Livestock Products.

**Contribution of Various Farm Products to Cash Returns from Marketings  
Fifth District by States, Specific Periods, 1924-1944  
(Dollar figures are yearly averages)**

**Maryland**

ITEM	Marketings				Percentage Distribution			
	1924-29	1930-34	1935-39	1940-44	1924-29	1930-34	1935-39	1940-44
	Thousand Dollars				Percent			
<b>Crops</b>								
Tobacco .....	5,714	5,011	5,491	10,483	6.6	9.0	7.9	8.8
Truck Crops .....	10,436	6,997	9,072	17,808	12.1	12.5	13.0	15.0
Fruit .....	4,753	2,403	3,127	4,046	5.5	4.3	4.5	3.4
Forest Products .....	1,199	581	736	1,004	1.4	1.0	1.1	0.8
Wheat .....	9,991	4,274	5,592	5,941	11.6	7.7	8.0	5.0
Potatoes .....	2,806	1,419	1,433	1,377	3.3	2.5	2.0	1.2
Corn .....	2,676	901	2,598	2,328	3.1	1.6	3.7	2.0
Sweetpotatoes .....	1,297	633	661	1,336	1.5	1.1	.9	1.1
Greenhouse & Nursery.....	2,871	1,781	1,986	2,786	3.4	3.2	2.9	2.3
Hay .....	1,473	756	479	833	1.7	1.4	0.7	0.7
Other Crops .....	580	321	665	866	0.7	0.6	1.0	0.7
<b>Total Crops</b> .....	<b>43,796</b>	<b>25,077</b>	<b>31,840</b>	<b>48,808</b>	<b>50.9</b>	<b>44.9</b>	<b>45.7</b>	<b>41.0</b>
<b>Livestock*</b>								
Dairy Products .....	19,952	15,976	17,497	28,833	23.2	28.6	25.1	24.2
Chickens .....	4,591	3,682	5,585	17,354	5.3	6.6	8.0	14.6
Eggs .....	8,773	5,165	5,254	8,840	10.2	9.2	7.6	7.4
Cattle and Calves.....	4,756	2,999	4,739	6,610	5.5	5.4	6.8	5.5
Hogs .....	1,940	1,143	2,733	5,667	2.2	2.0	3.9	4.8
Other Livestock* .....	2,290	1,840	1,987	2,964	2.7	3.3	2.9	2.5
<b>Total Livestock*</b> .....	<b>42,302</b>	<b>30,805</b>	<b>37,795</b>	<b>70,268</b>	<b>49.1</b>	<b>55.1</b>	<b>54.3</b>	<b>59.0</b>
<b>Total Crops &amp; Livestock*</b> .....	<b>86,098</b>	<b>55,882</b>	<b>69,635</b>	<b>119,076</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

\*Includes Livestock Products.

**Contribution of Various Farm Products to Cash Returns from Marketings  
Fifth District by States, Specific Periods, 1924-1944  
(Dollar figures are yearly averages)**

**Virginia**

ITEM	Marketings				Percentage Distribution			
	1924-29	1930-34	1935-39	1940-44	1924-29	1930-34	1935-39	1940-44
	Thousand Dollars				Percent			
<b>Crops</b>								
Tobacco .....	22,785	11,107	19,740	37,855	14.2	12.0	16.4	17.6
Cotton .....	4,507	1,808	1,422	2,323	2.8	2.0	1.2	1.1
Truck Crops .....	8,774	5,011	5,460	8,601	5.4	5.4	4.5	4.0
Fruit .....	13,996	8,054	10,035	16,544	8.7	8.6	8.3	7.7
Peanuts .....	6,160	3,137	5,505	11,019	3.8	3.4	4.6	5.1
Forest Products .....	6,529	3,328	4,317	6,809	4.1	3.6	3.6	3.2
Wheat .....	8,114	3,599	4,301	5,209	5.0	3.9	3.6	2.4
Cottonseed .....	481	216	208	505	0.3	.2	.2	0.1
Potatoes .....	13,082	7,200	4,916	5,842	8.2	7.8	4.0	2.7
Corn .....	3,147	1,208	2,039	3,721	2.0	1.3	1.7	1.7
Sweetpotatoes .....	3,435	2,258	2,205	2,981	2.1	2.4	1.8	1.4
Greenhouse & Nursery.....	2,188	1,458	1,746	2,690	1.4	1.6	1.4	1.2
Hay .....	2,257	1,146	834	1,920	1.4	1.2	.7	0.9
Other Crops .....	2,174	716	982	2,515	1.4	.8	.8	1.2
<b>Total Crops</b> .....	<b>97,629</b>	<b>50,246</b>	<b>63,710</b>	<b>108,334</b>	<b>60.8</b>	<b>54.2</b>	<b>52.9</b>	<b>50.3</b>
<b>Livestock*</b>								
Dairy Products .....	16,103	13,163	15,382	28,349	10.0	14.2	12.8	13.2
Chickens .....	7,465	5,171	8,185	20,667	4.7	5.6	6.8	9.6
Eggs .....	14,652	9,374	10,633	17,932	9.2	10.1	8.8	8.3
Cattle and Calves.....	10,868	7,094	11,029	17,862	6.8	7.6	9.1	8.3
Hogs .....	8,395	3,684	6,818	15,089	5.2	4.0	5.7	7.0
Other Livestock* .....	5,339	4,002	4,709	7,151	3.3	4.3	3.1	3.3
<b>Total Livestock*</b> .....	<b>62,822</b>	<b>42,488</b>	<b>56,756</b>	<b>107,050</b>	<b>39.2</b>	<b>45.8</b>	<b>47.1</b>	<b>49.7</b>
<b>Total Crops &amp; Livestock*</b> .....	<b>160,451</b>	<b>92,734</b>	<b>120,466</b>	<b>215,384</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

\*Includes Livestock Products.

**Contribution of Various Farm Products to Cash Returns from Marketings  
Fifth District by States, Specific Periods, 1924-1944  
(Dollar figures are yearly averages)**

**West Virginia**

ITEM	Marketings				Percentage Distribution			
	1924-29	1930-34	1935-39	1940-44	1924-29	1930-34	1935-39	1940-44
	Thousand Dollars				Percent			
<b>Crops</b>								
Tobacco .....	1,092	575	444	763	2.1	1.7	1.1	1.2
Truck Crops .....	1,071	1,319	1,691	1,517	2.0	3.9	4.2	2.4
Fruit .....	7,229	3,755	4,181	5,778	13.5	11.2	10.3	9.1
Forest Products .....	3,034	1,331	1,726	2,716	5.7	4.0	4.2	4.3
Wheat .....	1,358	584	910	669	2.5	1.8	2.2	1.1
Potatoes .....	1,709	765	725	903	3.2	2.3	1.7	1.4
Corn .....	807	412	505	977	1.5	1.2	1.2	1.5
Greenhouse & Nursery.....	650	457	545	753	1.2	1.4	1.3	1.2
Hay .....	1,126	473	265	787	2.1	1.4	.7	1.2
Other Crops .....	299	169	111	221	0.6	.5	.3	0.3
<b>Total Crops</b> .....	<b>18,375</b>	<b>9,840</b>	<b>11,103</b>	<b>15,084</b>	<b>34.4</b>	<b>29.4</b>	<b>27.2</b>	<b>23.7</b>
<b>Livestock*</b>								
Dairy Products .....	9,988	8,673	9,394	13,211	18.7	25.9	22.8	20.8
Chickens .....	2,571	1,485	1,655	6,342	4.8	4.4	4.1	10.0
Eggs .....	7,856	4,480	4,910	8,614	14.7	13.4	12.0	13.6
Cattle and Calves.....	2,500	4,692	7,974	12,071	14.3	14.0	19.6	19.0
Hogs .....	7,667	1,133	2,319	3,771	4.7	3.4	5.7	5.9
Other Livestock* .....	4,475	3,178	3,490	4,427	8.4	9.5	8.6	7.0
<b>Total Livestock*</b> .....	<b>35,057</b>	<b>23,641</b>	<b>29,652</b>	<b>48,436</b>	<b>65.6</b>	<b>70.6</b>	<b>72.8</b>	<b>76.3</b>
<b>Total Crops &amp; Livestock*</b> .....	<b>53,432</b>	<b>33,481</b>	<b>40,755</b>	<b>63,520</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

\*Includes Livestock Products.

**Contribution of Various Farm Products to Cash Returns from Marketings  
Fifth District by States, Specific Periods, 1924-1944  
(Dollar figures are yearly averages)**

**North Carolina**

ITEM	Marketings				Percentage Distribution			
	1924-29*	1930-34	1935-39	1940-44	1924-29	1930-34	1935-39	1940-44
	Thousand Dollars				Percent			
<b>Crops</b>								
Tobacco .....	89,297	72,592	121,447	201,096	34.0	45.4	53.5	50.2
Cotton .....	86,295	32,288	29,851	54,413	32.8	20.2	13.2	13.6
Truck Crops .....	4,513	2,789	4,670	7,470	1.7	1.7	2.0	1.9
Fruit .....	6,359	4,202	4,348	6,493	2.4	2.6	1.9	1.6
Peanuts .....	9,440	5,248	9,059	18,955	3.6	3.3	4.0	4.7
Forest Products .....	6,413	4,133	5,073	7,190	2.4	2.6	2.2	1.8
Wheat .....	2,471	1,488	2,173	3,667	0.9	0.9	1.0	0.9
Cottonseed .....	8,075	3,209	3,531	7,304	3.1	2.0	1.6	1.8
Potatoes .....	4,863	3,571	4,044	6,008	1.9	2.2	1.8	1.5
Corn .....	2,634	1,344	3,053	5,162	1.0	0.8	1.3	1.3
Sweetpotatoes .....	1,494	1,646	1,937	3,616	0.6	1.0	0.8	0.9
Greenhouse & Nursery.....	1,241	766	899	1,591	0.5	0.5	0.4	0.4
Hay .....	920	629	652	1,592	0.4	0.4	0.3	0.4
Other Crops .....	2,998	2,496	2,999	5,928	1.1	1.6	1.3	1.5
<b>Total Crops</b> .....	<b>227,013</b>	<b>136,401</b>	<b>193,736</b>	<b>330,485</b>	<b>86.4</b>	<b>85.2</b>	<b>85.2</b>	<b>82.5</b>
<b>Livestock*</b>								
Dairy Products .....	10,408	9,285	10,760	18,438	4.0	5.8	5.8	4.6
Chickens .....	4,548	3,026	4,334	13,343	1.7	1.9	1.9	3.3
Eggs .....	8,046	4,021	5,581	13,837	3.1	2.5	2.5	3.5
Cattle and Calves.....	4,861	2,905	5,423	7,282	1.8	1.8	1.8	1.8
Hogs .....	6,826	3,671	6,369	15,464	2.6	2.3	2.3	3.9
Other Livestock* .....	1,107	813	940	1,652	0.4	0.5	0.5	0.4
<b>Total Livestock*</b> .....	<b>35,796</b>	<b>23,720</b>	<b>33,407</b>	<b>70,016</b>	<b>13.6</b>	<b>14.8</b>	<b>14.8</b>	<b>17.5</b>
<b>Total Crops &amp; Livestock*</b> .....	<b>262,809</b>	<b>160,121</b>	<b>227,143</b>	<b>400,501</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

\*Includes Livestock Products.

**Contribution of Various Farm Products to Cash Returns from Marketings  
Fifth District by States, Specific Periods, 1924-1944  
(Dollar figures are yearly averages)**

**South Carolina**

ITEM	Marketings				Percentage Distribution			
	1924-29	1930-34	1935-39	1940-44	1924-29	1930-34	1935-39	1940-44
Crops	Thousand Dollars				Percent			
Tobacco .....	12,266	9,233	19,067	30,626	9.3	12.5	19.1	19.5
Cotton .....	78,267	36,681	43,260	59,012	59.2	49.5	43.4	37.5
Truck Crops .....	5,300	3,478	4,325	6,968	4.0	4.7	4.3	4.4
Fruit .....	1,307	1,182	1,624	4,639	1.0	1.6	1.6	3.0
Peanuts .....	265	252	273	1,504	0.2	0.4	0.3	1.0
Forest Products .....	2,501	1,210	1,563	2,047	1.9	1.6	1.6	1.3
Wheat .....	314	318	609	857	0.2	0.4	0.6	0.5
Cottonseed .....	7,854	4,030	6,015	8,895	5.9	5.4	6.1	5.7
Potatoes .....	3,497	1,685	1,836	2,389	2.6	2.3	1.8	1.5
Corn .....	1,267	734	1,045	1,877	1.0	1.0	1.1	1.2
Sweetpotatoes .....	634	785	1,008	2,424	0.5	1.1	1.0	1.5
Greenhouse & Nursery.....	549	371	455	570	0.4	0.5	0.5	0.4
Hay .....	232	281	306	719	0.2	0.4	0.3	0.5
Other Crops .....	1,394	1,020	1,757	3,916	1.1	1.3	1.8	2.5
<b>Total Crops .....</b>	<b>115,647</b>	<b>61,260</b>	<b>83,143</b>	<b>126,443</b>	<b>87.5</b>	<b>82.7</b>	<b>83.5</b>	<b>80.5</b>
Livestock*								
Dairy Products .....	5,335	5,851	5,881	8,820	4.0	7.9	5.9	5.6
Chickens .....	2,172	1,347	1,417	4,093	1.6	1.8	1.4	2.6
Eggs .....	3,357	1,850	1,987	4,561	2.5	2.5	2.0	2.9
Cattle and Calves.....	2,858	1,802	2,917	4,901	2.2	2.4	2.9	3.1
Hogs .....	2,523	1,636	3,776	7,326	1.9	2.2	3.8	4.7
Other Livestock* .....	344	348	456	1,003	0.3	0.5	0.5	0.6
<b>Total Livestock* .....</b>	<b>16,589</b>	<b>12,834</b>	<b>16,434</b>	<b>30,704</b>	<b>12.5</b>	<b>17.3</b>	<b>16.5</b>	<b>19.5</b>
<b>Total Crops &amp; Livestock*.....</b>	<b>132,236</b>	<b>74,094</b>	<b>99,577</b>	<b>157,147</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

\*Includes Livestock Products.

**FEDERAL RESERVE BANK OF RICHMOND**

(All Figures in Thousands)

ITEMS	April 17 1946	Chg. in 3-13-46	Amt. from 4-11-45
Total Gold Reserves	\$ 919,111	-121,618	- 18,723
Other Reserves	21,322	- 3,996	+ 6,847
Total Reserves	940,433	-125,614	- 6,876
Bills Discounted	16,654	+ 12,324	+ 9,654
Industrial Advances	38	- 1	- 72
Gov. Securities, Total	1,423,796	+ 39,247	+193,652
Bonds	56,635	+ 2,550	-15,568
Notes	91,782	+ 5,983	+28,091
Certificates	396,897	-24,157	+ 60,793
Bills	878,482	+ 59,971	+120,386
Total Bills & Securities	1,439,488	+ 50,570	+202,234
Uncollected Items	209,348	+ 47,847	+ 77,850
Other Assets	44,993	- 724	+ 32,444
Total Assets	\$2,634,262	- 27,921	+305,652
Fed. Res. Notes in Cir.	\$1,665,706	- 18,626	+160,299
Deposits, Total	779,405	-16,006	+ 90,466
Members' Reserves	718,530	+ 4,491	+103,285
U. S. Treas. Gen. Acct.	26,308	-15,119	+ 9,514
Foreign	31,456	- 1,371	-16,217
Other Deposits	3,111	- 4,007	- 6,116
Def. Availability Items	158,297	+ 6,151	+ 48,238
Other Liabilities	559	- 13	- 10
Capital Accounts	30,295	+ 573	+ 6,659
Total Liabilities	\$2,634,262	- 27,921	+305,652

**41 REPORTING MEMBER BANKS—5th DISTRICT**

(All Figures in Thousands)

ITEMS	April 17 1946	Chg. in 3-13-46	Amt. from 4-11-45
Total Loans	\$ 416,764	+ 12,327	+128,859
Bus. & Agri. Loans	185,396	+ 7,289	+ 50,374
Real Estate Loans	53,037	+ 1,916	+ 6,179
All Other Loans	178,331	+ 3,122	+ 72,306
Total Security Holdings	1,783,953	- 69,506	+178,010
U. S. Treasury Bills	41,715	-16,754	- 47,210
U. S. Treasury Certificates	433,452	- 6,777	+108,492
U. S. Treasury Notes	190,252	-11,073	- 67,243
U. S. Gov. Bonds	1,042,196	- 35,958	+178,686
Obligations Gov. Guaranteed	149	0	-12,463
Other Bonds, Stocks & Sec.	76,189	+ 1,056	+ 17,748
Cash Items in Process of Col.	131,812	+ 4,429	+ 32,968
Due from Banks	150,580*	+ 4,789	- 4,748
Currency & Coin	37,677	- 3,432	- 327
Reserve with F. R. Bank	353,124	- 2,573	+ 30,034
Other Assets	78,439	- 2,492	+ 25,403
Total Assets	\$2,952,349	- 56,458	+390,199
Total Demand Deposits	\$2,331,614	+ 63,701	+317,993
Deposits of Individuals	1,344,574	+ 13,911	+123,737
Deposits of U. S. Gov.	445,085	- 60,906	+154,636
Deposits of State & Local Gov.	97,666	+ 15,808	+ 11,832
Deposits of Banks	401,936*	-19,629	+ 3,441
Certified & Officers' Checks	42,353	+ 14,938	+ 24,347
Total Time Deposits	373,838	+ 5,925	+ 59,505
Deposits of Individuals	359,485	+ 5,543	+ 45,152
Other Time Deposits	14,353	+ 383	+ 703
Liabilities for Borrowed Money	11,875	+ 8,875	+ 4,375
All Other Liabilities	93,760	- 10,247	- 9,341
Capital Accounts	141,262	+ 2,690	+ 17,667
Total Liabilities	\$2,952,349	- 56,458	+390,199

\*Net figures, reciprocal balances being eliminated.

**COMMERCIAL FAILURES**

MONTHS	Number Failures		Total Liabilities	
	District	U. S.	District	U. S.
March 1946	1	86	\$ 25,000	\$ 4,421,000
February 1946	2	92	26,000	2,983,000
March 1945	2	85	293,000	8,880,000
3 Months 1946	7	258	\$ 78,000	\$11,776,000
3 Months 1945	7	231	\$1,194,000	11,320,000

Source: Dun & Bradstreet

**DEBITS TO INDIVIDUAL ACCOUNTS**

(000 omitted)

	March 1946	% Change from March 1945	3 Mos. 1946	% Change from 3 Mos. '45
<b>District of Columbia</b>				
Washington	\$ 639,264	+17	\$1,797,429	+12
<b>Maryland</b>				
Baltimore	817,691	+ 4	2,372,446	+ 4
Cumberland	18,114	+33	52,250	+28
Frederick	14,921	+17	41,387	+15
Hagerstown	21,583	+17	60,081	+22
<b>North Carolina</b>				
Asheville	36,949	+26	108,026	+28
Charlotte	163,383	+14	447,806	+13
Durham	80,156	+32	235,227	+31
Greensboro	51,490	+20	150,058	+22
Kinston	10,259	+29	29,708	+22
Raleigh	76,474	+19	200,173	+19
Wilmington	34,075	-11	96,272	-13
Wilson	10,539	+ 8	31,727	+ 4
Winston-Salem	84,945	+28	254,468	+29
<b>South Carolina</b>				
Charleston	52,265	+13	142,935	+12
Columbia	72,208	+30	193,779	+23
Greenville	54,299	+27	154,262	+25
Spartanburg	32,216	+32	91,482	+33
<b>Virginia</b>				
Charlottesville	22,022	+13	67,961	+17
Danville	19,787	+28	60,386	+13
Lynchburg	30,406	+31	82,644	+27
Newport News	24,357	- 5	70,096	0
Norfolk	137,344	+ 4	398,510	+ 9
Portsmouth	17,753	0	50,457	+ 1
Richmond	356,547	+ 2	1,011,201	0
Roanoke	60,203	+28	168,193	+27
<b>West Virginia</b>				
Bluefield	29,266	+18	81,827	+13
Charleston	107,168	+18	290,923	+18
Clarksburg	23,039	+43	65,482	+34
Huntington	40,166	+ 2	119,240	+ 6
Parkersburg	19,719	+ 5	56,212	+ 2
District Totals	\$3,158,608	+12	\$8,982,648	+10

**COTTON CONSUMPTION AND ON HAND—BALES**

	March 1946	March 1945	Aug. 1 to 1946	March 31 1945
<b>Fifth District States:</b>				
Cotton consumed	387,646	418,827	2,875,854	3,222,265
<b>Cotton Growing States:</b>				
Cotton consumed	707,483	756,970	5,263,881	5,754,025
Cotton on hand March 31 in consuming establishments	2,051,020	1,927,067		
storage and compresses..	8,492,815	11,618,161		
<b>United States:</b>				
Cotton consumed	803,937	857,431	5,958,150	6,509,391
Cotton on hand March 31 in consuming establishments	2,388,733	2,237,853		
storage and compresses..	8,628,879	11,720,524		
Spindles active, U. S.	21,957,254	22,231,952		

**COTTON CONSUMPTION—FIFTH DISTRICT**

MONTHS	In Bales			District
	N. Carolina	S. Carolina	Virginia	
March 1946	211,878	158,585	17,183	387,646
February 1946	192,215	145,684	15,706	353,605
March 1945	225,838	173,060	19,929	418,827
3 Months 1946	616,330	466,844	49,744	1,132,918
3 Months 1945	661,108	502,753	60,280	1,224,141

**DEPOSITS IN MUTUAL SAVINGS BANKS**

	March 31, 1946	Feb. 28, 1946	March 31, 1945
Total Deposits	\$356,755,072	\$352,324,161	\$307,608,959

**BUILDING PERMIT FIGURES**

	Total Valuation	
	March 1946	March 1945
<b>Maryland</b>		
Baltimore .....	\$ 7,459,845	\$ 586,855
Cumberland .....	50,270	2,345
Frederick .....	28,675	13,270
Hagerstown .....	179,245	2,515
Salisbury .....	229,572	12,485
<b>Virginia</b>		
Danville .....	205,844	24,374
Lynchburg .....	214,139	40,124
Norfolk .....	691,030	182,580
Petersburg .....	117,312	225
Portsmouth .....	80,314	74,193
Richmond .....	2,921,079	584,512
Roanoke .....	894,790	114,211
<b>West Virginia</b>		
Charleston .....	775,440	45,901
Clarksburg .....	755,300	2,900
Huntington .....	774,265	16,648
<b>North Carolina</b>		
Asheville .....	230,581	19,302
Charlotte .....	1,311,707	95,245
Durham .....	542,840	81,855
Greensboro .....	575,893	40,883
High Point .....	463,055	33,866
Raleigh .....	538,070	61,720
Rocky Mount .....	344,275	15,150
Salisbury .....	298,585	4,567
Winston-Salem .....	790,758	104,211
<b>South Carolina</b>		
Charleston .....	213,650	102,505
Columbia .....	315,417	66,420
Greenville .....	179,185	20,820
Spartanburg .....	301,710	37,125
<b>District of Columbia</b>		
Washington .....	4,852,466	1,471,700
District Totals .....	\$26,335,312	\$ 3,858,517
3 Months .....	\$51,461,013	\$ 9,105,276

**CONSTRUCTION CONTRACTS AWARDED**

STATES	February 1946	% Change from		% Change from	
		Feb. 1945	2 Mos. '46	2 Mos. '45	2 Mos. '45
Maryland .....	\$15,331,000	+490	\$22,427,000	+177	
District of Columbia .....	3,837,000	+31	7,571,000	+34	
Virginia .....	14,569,000	+151	22,096,000	+54	
West Virginia .....	2,955,000	+730	9,260,000	+504	
North Carolina .....	9,852,000	+249	17,936,000	+207	
South Carolina .....	6,648,000	+505	10,744,000	+338	
Fifth District .....	\$53,192,000	+240	\$90,034,000	+137	

Source: F. W. Dodge Corp.

**RAYON YARN DATA**

	March 1946	Feb. 1946	March 1945
Rayon Yarn Shipments, Lbs.....	58,500,000	50,200,000	53,000,000
Staple Fiber Shipments, Lbs.....	16,800,000	13,300,000	13,700,000
Rayon Yarn Stocks, Lbs.....	9,300,000	9,900,000	5,700,000
Staple Fiber Stocks, Lbs.....	2,000,000	4,000,000	3,500,000

Source: Rayon Organon.

**TOBACCO MANUFACTURING**

	March 1946	% Chg. from		3 Mos. 1946	% Chg. from	
		March 1945	3 Mos. 1945		3 Mos. 1945	3 Mos. '45
Smoking & chewing tobacco (Thousands of lbs.).....	15,085	-34	46,738	-31		
Cigarettes (Thousands) ..	26,401,276	+41	75,263,722	+36		
Cigars (Thousands) .....	480,479	+15	1,404,095	+18		
Snuff (Thousands of lbs.)..	3,434	-15	10,363	-11		

**WHOLESALE TRADE, 221 FIRMS**

LINES	Net Sales compared with		Stock compared with		Ratio Mar. collections to acct's outstand'g March 1
	March 1946		March 31, 1946		
	March 1945	Feb. 1946	March 1945	Feb. 1946	
Auto Supplies (12)*.....	+84	+7	+16	+5	115
Drugs & Sundries (12)*....	+4	+2	+11	-1	125
Dry Goods (6)*.....	+15	+6	+34	+4	99
Electrical Goods (6)*.....	+51	-12	+27	+1	97
Groceries (72)*.....	+20	+3	+14	-1	160
Hardware (13)*.....	+30	+13	+26	-2	115
Industrial Supplies (5)*....	+30	+24	+36	+12	108
Paper & Products (5)*.....	+12	+12	..	..	103
Tobacco & Products (9)*....	+17	+9	+36	+9	140
Miscellaneous (81)*.....	+7	+7	0	-6	105
District Average (221)*..	+17	+5	+27	0	119

Source: Department of Commerce.  
\*Number of reporting firms.

**DEPARTMENT STORE TRADE**

Richmond	Baltimore	Washington	Other Cities	District
Percentage change in March '46 sales, compared with sales in March '45:				
+6	0	-2	+5	0
Percentage change in 3 mos. sales 1946, compared with 3 mos. in 1945:				
+14	+6	+7	+10	+8
Percentage change in stocks on Mar. 31, '46, compared with Mar. 31, '45:				
+9	+6	+8	+16	+8
Percentage change in outstanding orders Mar. 31, '46 from Mar. 31, '45:				
+46	+21	+17	+45	+24
Percentage change in receivables Mar. 31, '46 from those on Mar. 31, '45:				
+28	+17	+7	+16	+14
Percentage of current receivables as of March 1 collected in March:				
53	57	54	66	57
Percentage of instalment receivables as of March 1 collected in March:				
27	33	29	41	31

Maryland Dist. of Col. Virginia West Va. No. Carolina So. Carolina  
Percentage change in March 1946 sales from March 1945 sales, by States:  
+3 -2 0 +7 +6 -2  
Percentage change in 3 months sales 1946 from 3 months sales 1945:  
+9 +7 +9 +14 +13 +3

**RETAIL FURNITURE SALES**

STATES	Percentage Changes in March and 3 Mos. 1946	
	Compared with March 1945	Compared with 3 Months 1945
Maryland (5)* .....	+19	+34
Dist. of Columbia (7)*.....	+53	+56
Virginia (23)* .....	+51	+50
West Virginia (10)* .....	+53	+65
North Carolina (16)* .....	+42	+40
South Carolina (14)* .....	+41	+40
Fifth District (75)* .....	+39	+46
<b>Individual Cities</b>		
Baltimore, Md. (5)* .....	+19	+34
Washington, D. C. (7)*.....	+53	+56
Lynchburg, Va. (3)*.....	+67	+69
Richmond, Va. (7)*.....	+67	+59
Charleston, W. Va. (3)*.....	+51	+72
Charlotte, N. C. (4)*.....	+54	+59
Columbia, S. C. (4)*.....	+52	+46

\*Number of reporting stores.

**SOFT COAL PRODUCTION IN THOUSANDS OF TONS**

REGIONS	March 1946	March 1945	% Chg.	3 Mos. 1946	3 Mos. 1945	% Chg.
West Virginia .....	14,604	14,024	+4	41,120	40,550	+1
Virginia .....	1,735	1,656	+5	4,774	5,018	-5
Maryland .....	242	162	+49	646	447	+45
Fifth District .....	16,581	15,842	+5	46,540	46,015	+1
United States .....	56,800	52,450	+8	160,860	153,360	+5
% in District.....	29.2	30.2		28.9	30.0	

**SUMMARY OF NATIONAL BUSINESS CONDITIONS**

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

Industrial production advanced considerably in March and appears to have declined only moderately in the early part of April notwithstanding a complete shutdown in the bituminous coal industry and some reduction in output at steel mills. The value of retail trade has continued to set new records during this period and wholesale commodity prices have risen further.

**INDUSTRIAL PRODUCTION**

Production at factories and mines, according to the Board's seasonally adjusted index, rose from a level of 153 per cent of the 1935-39 average in February to 169 in March. This is slightly above the level reached last November before production was reduced by strikes in the automobile, electrical equipment, and steel industries. In April the index will probably show a decline of 3 or 4 points as decreases in coal and steel are only partly offset by continued increases in other industries.

The large increase shown by the total index in March was due for the most part to a sharp recovery in steel ingot production following settlement of the labor dispute. There were production gains also in industries manufacturing automobiles, machinery, stone, clay and glass products, furniture, textiles, paper and rubber products. These gains in steel and other industries were offset only in small part by declines in the nonferrous metal industries, some food industries, and crude petroleum.

Steel ingot production for the month of March averaged 84 per cent of capacity as compared with 20 per cent in February and at the end of March was close to 90 per cent. Subsequently, due to reduced coal supplies, steel output declined and by the fourth week of April was down to a rate of 74 per cent of capacity. In the automobile and machinery industries production increased substantially during the latter part of March and the early part of April, reflecting improvement in steel supplies and settlement of important wage disputes.

Output of stone, clay, and glass products continued to advance in March and production in the first quarter of this year exceeded the previous peak levels reached at the beginning of 1943.

Output of nondurable goods rose further in March to a level of 168 per cent of the 1935-39 average, the highest level since last June. Production of nondurable goods for civilian use is now in larger volume than at any previous time. Activity at woolen mills has shown an exceptionally large advance since the end of last year and, with marked increases in cotton consumption and rayon shipments, the Board's index of textile production in March was at a level of 162 per cent of the 1935-39 average. This equals the previous peak rate at the beginning of 1943.

Mineral production declined in March as a further advance in coal production was more than offset by a decline in crude petroleum output and by work stoppages at important metal mines. Activity at bituminous coal mines was suspended beginning April 1 owing to a labor-management dispute over a new wage contract.

**EMPLOYMENT**

Employment in nonagricultural establishments rose by about 600,000 in March after allowance for seasonal changes. This rise reflected increased employment in manufacturing—largely in the iron and steel group—and continued gains in trade and construction. There were further substantial releases from the armed forces. The total number of persons unemployed remained at a level of about 2,700,000 in March.

**DISTRIBUTION**

Department store sales rose sharply in March and continued at a high level in the first half of April. Total sales during the Easter season are estimated to have been about one-fourth higher than last year.

Freight carloadings during March were close to the record rate for that month reached last year. In the first three weeks of April loadings declined, reflecting the stoppage of bituminous coal production. Shipments of most other classes of revenue freight continued to increase.

**COMMODITY PRICES**

Wholesale prices of agricultural and industrial commodities continued to advance from the middle of March to the third week of April. The general level of wholesale prices is now higher than last September by something over four per cent. In recent weeks ceiling prices for a number of products have been raised considerably and where ceilings have been removed prices have generally risen. A bonus of 30 cents a bushel has been granted on wheat delivered by May 25 under the certificate plan to help meet the critical food situation abroad, and a like payment has been offered for 50,000,000 bushels of corn. Subsidy payments for some commodities have been increased to prevent further price advances.

**BANK CREDIT**

Member bank reserve positions tightened in the last half of March as Treasury deposits at the Reserve Banks were increased by large income tax collections. Banks sold short-term Government securities largely to the Reserve Banks, and drew down their reserve balances to meet this loss of funds. Reserve positions were eased on April 1 in connection with the cash redemption of 2.0 billion dollars of Treasury certificates on that date, and in the following weeks banks bought Government securities and reduced borrowings at Reserve Banks.

Commercial and industrial loans at member banks in leading cities increased further. Loans to brokers and dealers rose at the end of March in connection with Treasury security retirement operations and declined sharply in the week ending April 3. Deposits, other than those of the Treasury, fluctuated considerably, reflecting large income tax payments and the April 1 tax assessment date in Illinois.

Yields on long-term Treasury bonds have remained relatively steady following a sharp decline in January and the first half of February.