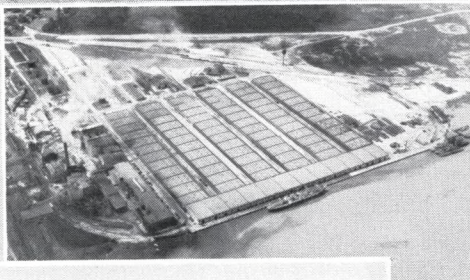
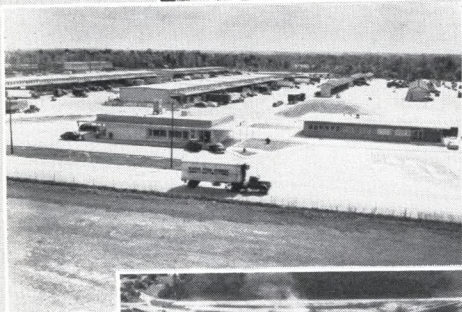
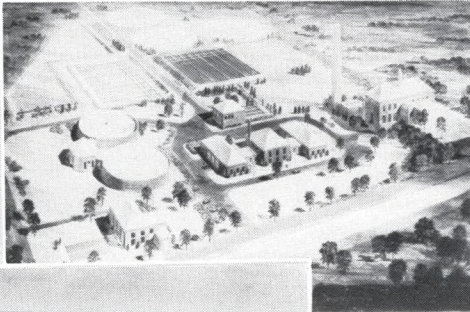
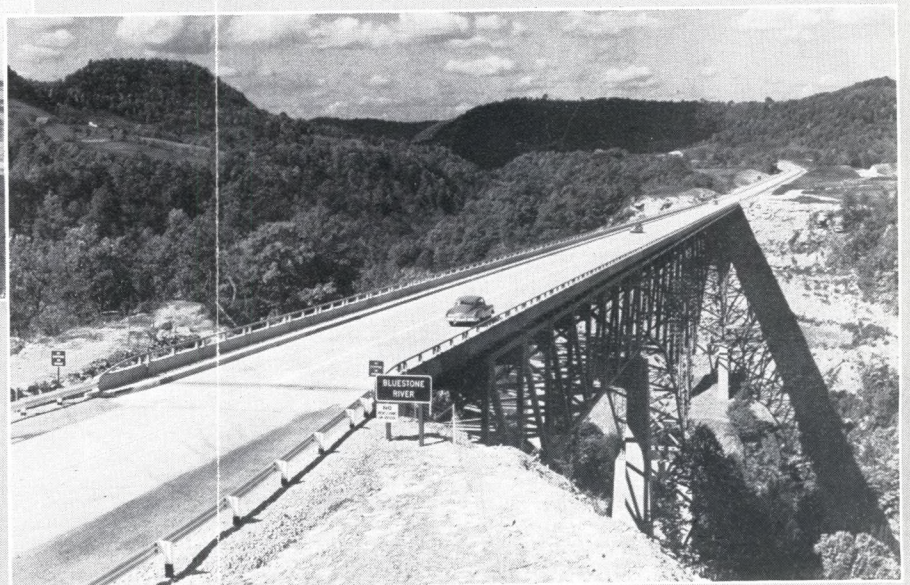


Monthly Review



*Public Authority Projects
in Fifth District*



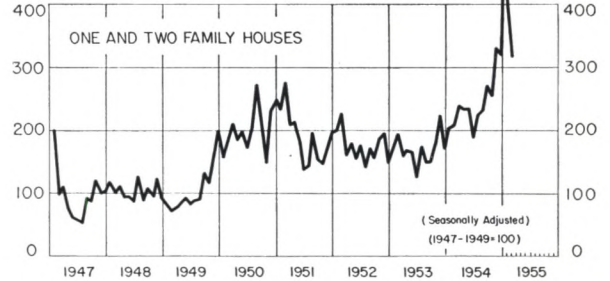
FIFTH DISTRICT TRENDS

NEW PASSENGER CAR REGISTRATIONS



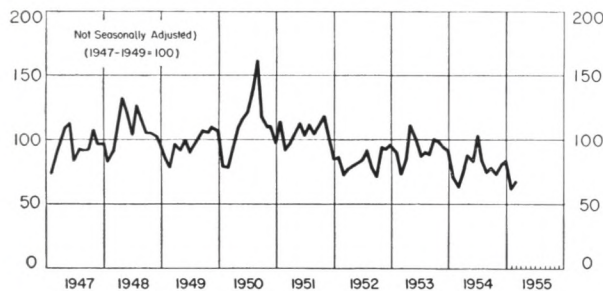
Registrations of new passenger automobiles in the Fifth District complete for February show that month up 14% from January, up 33% from a year earlier, with first two months up 25%. March registrations for the District of Columbia were 49% higher than in February, 31% higher than a year ago and the first quarter was up 48%.

CONSTRUCTION CONTRACT AWARDS



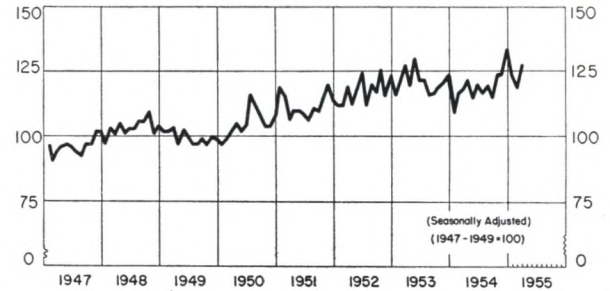
Contract awards for construction of one- and two-family houses during March declined 20% from February in the Fifth District. Awards are still in a high area and 33% above a year ago with the first quarter up 81%.

NEW COMMERCIAL CAR REGISTRATIONS



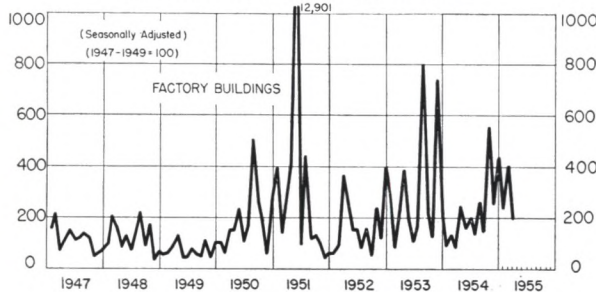
All Fifth District states available for February show that month's registrations of new commercial cars 10% higher than January, 6% higher than a year earlier and the first two months down 3%. Three District states available for March show that month up 5% from February, down 3% from a year ago and the first quarter down 2%.

DEPARTMENT STORE SALES



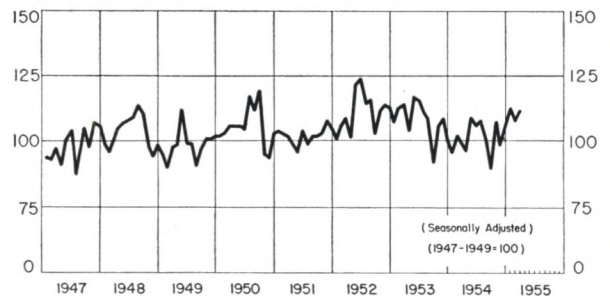
A substantial part of the loss in department store sales between December and February was regained in March when average daily seasonally adjusted sales were up 8% from February, 7% ahead of a year ago and with the first quarter 9% higher than last year.

CONSTRUCTION CONTRACT AWARDS



Considerable edge was taken off the awarding of contracts for factory construction in March when the seasonally adjusted level dropped 51% from February but was 133% higher than the very low level of March 1954. In the first quarter, these awards were 177% ahead of the first quarter of 1954.

RETAIL FURNITURE STORES NET SALES



Furniture stores in March in the Fifth District recovered most of the loss witnessed during February with a seasonally adjusted rise of 4% during the month of March and a gain of 12% over March 1954. In the first quarter of 1955, sales were 11% higher than in the first quarter of 1954.

The Public Authority—A Growingly Popular Device

THE Governor of Maryland recently signed a bill that will bring into existence the Baltimore Civic Center Authority. This new public organization is empowered to issue its own bonds to finance construction of a municipal activities center and to operate it independently of municipally-owned properties.

Another public authority currently under study in Maryland is the proposed Maryland State Port Authority. Two bills relating to the creation of such an authority, introduced during the recent session of the Maryland General Assembly, have been referred to the Legislative Council of Maryland for further study. The Governor of the state has also appointed a commission to study the question of a port authority and to report its findings to him.

And down in South Carolina there is a project afoot to develop a new industrial area, in Charleston and Berkeley Counties, under the auspices of an independent public body and with the striking name of the Bushy Park Authority. The bill creating this authority has recently been ratified by the General Assembly, but the project for developing industrial sites with access to ocean transportation at their front doors and to almost unlimited quantities of fresh water at the back doors has already received considerable publicity.

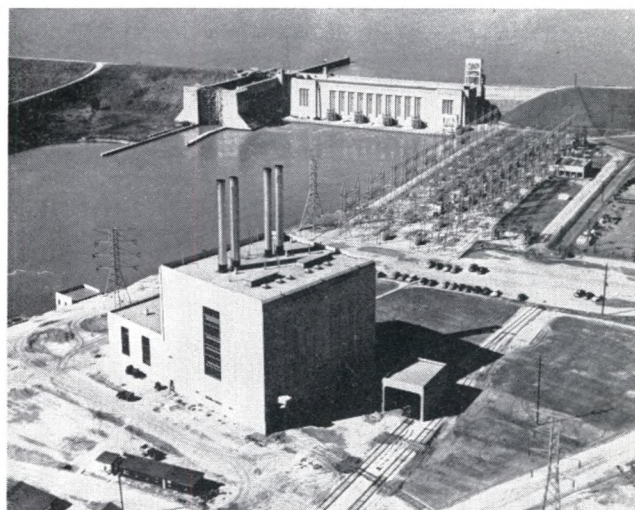
These are current manifestations in the Fifth District of a development in public finance of particular importance nationally since the end of World War II. As a means of financing construction of various public facilities, particularly those that are revenue-producing, the public authority has been resorted to with increasing frequency by state and local governments. The most recent project in the Fifth District to go into operation under the administration of a public authority has been the widely publicized West Virginia Turnpike. The West Virginia Turnpike Commission that constructed and is operating this engineering accomplishment is one of 18 public authorities (excluding public housing authorities) existing in the Fifth District. Six of these are not yet "going concerns" since the facilities they will construct and administer are still in the planning stage. Other Fifth District authority projects include sanitation, bridges and tunnels, office buildings, produce markets, power development and distribution, natural gas transmission, and port development.

The public authority has been defined by The Council of State Governments as a corporate body "authorized by legislative action to function outside of the regular structure of state (or local) government in order to finance and construct and usually to operate revenue-producing public enterprises." It is much easier to define the public authority in such broad terms than it is to describe its organizational structure and powers. A relative newcomer in the public finance field it is character-

ized more by diversity of organizational features and operation powers than by homogeneity of such aspects.

No Debt Limitation

The principal reason for the use of the public authority is the financial advantages it affords. In the first place, being a public body created outside the regular governmental structure for a specific self-supporting purpose and with no power to levy taxes, the public authority is not subject to the rigid debt limitations imposed upon most regular government units. Its money-raising ability—by issuing revenue bonds—is not restricted, therefore, by the constitutional provisions



South Carolina Public Service Authority—New electric power plant on the Cooper River at Lake Moultrie.

in 20 states requiring approval for state borrowing by popular referendum or by the even severer requirement in 20 other states of a constitutional amendment before state debt may be incurred. This is obviously an important advantage—the need for new or expanded public facilities is often lost sight of at the polls, and even

On the Cover

Cover photographs, counter-clockwise beginning upper left: Alexandria, Virginia, Sanitation Authority—Sewage treatment plant now under construction. South Carolina State Agricultural Marketing Commission—Columbia State Farmers Market. South Carolina State Ports Authority—The North Charleston Terminals. Hampton Roads Sanitation District Commission—Treatment plant serving Hampton, Newport News, and Warwick. West Virginia Turnpike Commission—The Charlton Memorial Bridge, dedicated to Congressional Medal of Honor winner Sergeant Cornelius Charlton, is one of 76 bridges on the 88-mile turnpike. West Virginia State Office Building Commission—State Office Building in Charleston.

when voter approval is secured, delays involved are frequently long and costly.

The public authority has been used also to obtain desirable public works that might otherwise have been held back by conservative fiscal policies, such as pay-as-you-go, adopted to minimize expansion of general fund budgets. This has been the case particularly where there are restrictions on the use of revenue bonds by local governments. Here the public authority becomes a necessity instead of simply an advantage. But even in states permitting the use of revenue bonds, the public authority is frequently used for the financial advantages it affords in operating the enterprise involved. For example, it is generally easier and quicker for a public authority to increase its rates in order to keep receipts in line with costs than it is for a municipality or state to increase taxes to accomplish the same end.

A Business Proposition

One of the bright feathers in the public authority cap is its generally efficient management record. Undoubtedly this has been an important reason for the widespread



Elizabeth River Tunnel Commission—Elizabeth River Bridge, Norfolk, with tunnel entrance in left background.

adoption of this device. A number of factors are here involved but a prime one is that, through its independent status and wide scope of powers, it can base its actions on economic rather than on political grounds. Generally, the authority possesses a wide grant of powers, including the right to hire people on its own terms and standards. Consequently, it can be staffed with persons chosen for their technical knowledge and experience rather than for their political connections.

The typical authority is free from dependence on state or municipal appropriations and is insulated to a considerable extent from the effects of changes in the political party in power and from political pressures in general. This is deemed both necessary and desirable

since the authority is created to establish and administer a business enterprise. The authority is, therefore, much more in the nature of a public business corporation than a regular governmental department or agency.

Like private organizations, the public authority must be efficiently managed to stay in business over the long run. Since it receives no appropriations from the state or municipality, it must so manage its affairs that its business receipts are sufficient to meet all expenses, including debt-servicing charges. Unlike an ordinary governmental unit that can write off a deficit through the general fund, the public authority's only means of meeting its expenses is through regular earnings. The public enterprise it operates must pay its own way. The results of its operations are "audited" by the market for investment securities—if the judgment of the market is unfavorable, its access to additional capital funds will be severely restricted, and vice versa.

It is obvious that the general efficiency with which authorities have been managed stems in large part from the flexibility of the device. Their relative autonomy with respect to setting rates, raising money, and conducting regular operations gives them a greater flexibility than the average governmental unit has in similar respects. The flexibility of authorities is particularly pronounced in their ability to extend their services or enterprises beyond municipal and even state boundaries. The Port of New York Authority, for example, the prototype of many subsequent authorities, was created in order to overcome the difficulties inherent in joint development of such an enterprise by the interested political complex of two states and several cities.

Its adaptability in supplying a common service to more than one political unit may well become the principal factor in the future growth of the authority device. In many cases it is more efficient and economical for one public authority to service an area mapped out on an economic basis than for each governmental unit within that area to duplicate investment and current operations with separate facilities. The multi-city authority or an authority representing the combined interests of a city and its contiguous counties might, for example, be the device to tackle the plethora of problems arising from the rapid growth of suburban areas.

Not Stereotyped

It was mentioned earlier that there is considerable variation among existing authorities. Divergences from current patterns are, therefore, likely to continue as the device is applied to a wider variety of uses and as attempts are made to avoid its disadvantages. For example, in using revenue bonds to obtain long-term capital, the authority pays a higher interest rate than it would on general obligation bonds. To avoid this extra cost a few states have pledged their faith and credit behind authority bonds.

(Continued on page 12)

Eggs for Year-Round Farm Income

THE poultry and egg industry has long been an important source of cash income on Fifth District farms. It is well distributed throughout the five-state area and is, in fact, the second largest agricultural enterprise in the District on the basis of cash returns from farm marketings, being exceeded only by income from tobacco.

There are fewer than 20,000 specialized poultry farms in the five states (according to the 1950 Census of Agriculture), but more than four-fifths of all farms include chickens and a third of all farmers sell eggs. In this analysis only the egg enterprise and its relation to the welfare of the District's farmers is a matter of concern—this because eggs have accounted for a fairly steady share of total farm income throughout the 30 years of records, and egg production provides both a source of year-round income and an opportunity to diversify farming activities while drawing on frequently unused family labor.

While the District is primarily an area of small poultry flocks, there has been a significant increase in certain sections in the number of larger laying flocks. This has been done in part to meet increased consumer demand and to justify the adoption of cost-cutting improvements which have been practical only for owners of large flocks. This trend has been accelerated by the growing demand of commercial hatcheries for hatching eggs to supply broiler chicks and chicks for laying flock replacement.

A Look At the Records

From the standpoint of numbers, the story of the District's laying flocks has been one of ups and downs during the past three decades. *Hens and pullets on farms* at the beginning of the year totaled 29.3 million in 1924-29 and decreased gradually to 26.4 million in 1935-39—a decade decline of 10%. Throughout the next decade the January 1 counting of hens and pullets rose 22% to an average 32.3 million in 1945-49. In the five years immediately following, this number declined some 6% and on January 1, 1955 stood at 30.3 million.

Taking a look at the production side of the picture,

one finds that the total number of *eggs produced* each year—unlike the fluctuating numbers in the District's laying flocks—has trended sharply upward since the low point of the early thirties. District egg production, in fact, now averages close to 4 billion eggs per annum or something over 330 million dozen. This is two-thirds more than were produced during the 1930-34 period.

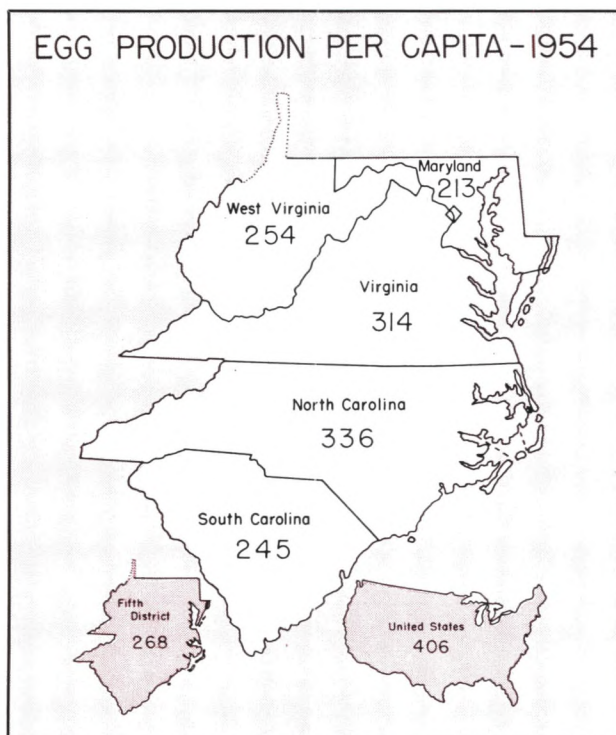
By states, egg production has followed patterns roughly similar to that of the District. North Carolina has led the rate of expansion and currently produces a third of the District's eggs as against a fourth in 1930-34. Virginia, now the second largest producer of

eggs, accounts for 29% of total output compared with 34% throughout the thirties. In Maryland and West Virginia the relative shares have also declined slightly, with each presently producing about 13% of the District's egg production. South Carolina's contribution to the total is some 12%, up somewhat from earlier years.

Accompanying the upward trend in egg production has been a slow but steady increase in the average *annual rate of lay*—from 86 eggs per hen in 1924 to 139 in 1954. This compares with the national annual average of 89 eggs per layer in 1924 and 158 last year. It should be noted that these data, often called the "hen house" rate, are the rate per hen and pullet

on hand January 1 and are usually about 20% under the rate based on the average number of hens and pullets of laying age on hand during the year.

A large part of the increase in the annual rate of lay can be attributed to the adoption of better poultry management practices for a growing number of farmers have found that efficiency will lower costs and add to profits. Despite the progress made in this direction, the District's annual *per capita production of eggs* is only 268—up from 206 per capita in 1940—as against a national average of 406. On this basis, and if one heeds the advice of nutritionists and eats an egg a day, the laying flocks in the District are still inadequate to meet the daily needs of the population for human consumption plus the growing demand for hatching eggs. This represents a challenge to both present and potential poultry



farmers. Will they produce eggs efficiently enough to supply profitably a larger share of the District market? Or will the District continue, by and large, a net importer of eggs?

Looked at from the income side, there is also a story of growth from the dollar standpoint. With the 15% net gain since 1930-34 in the numbers of hens and pullets, the accompanying 50% increase in the annual rate of lay, the resulting rise in egg production, and the doubling of egg prices, District farmers' *cash receipts* from the sale of eggs has risen from an estimated low of \$25 million to an average \$125 million per year in 1950-54. Despite the 400% increase in cash returns, there has been no net proportionate gain in the share of total cash receipts attributable to eggs. In fact, except for the 1935-39 prewar years when the share was 5 cents, eggs have contributed roughly 6 cents to each dollar of cash farm income during every five-year period in the 30 years of record.

By viewing the income side of the picture from still another angle, the source of the District poultry dollar, one notes that income from eggs makes up 38 cents of that dollar. This compares with the 44-cent share derived from broilers, the 12 cents from turkeys, and the 6 cents from chickens other than broilers. Actually, this relative proportion of the poultry dollar attributable to eggs is considerably lower than in the late twenties when eggs contributed 66 cents to each cash dollar of poultry income. This is due almost entirely to the spectacular growth of the broiler phase of the poultry industry, though rapid expansion of the turkey enterprise in recent years is not to be overlooked.

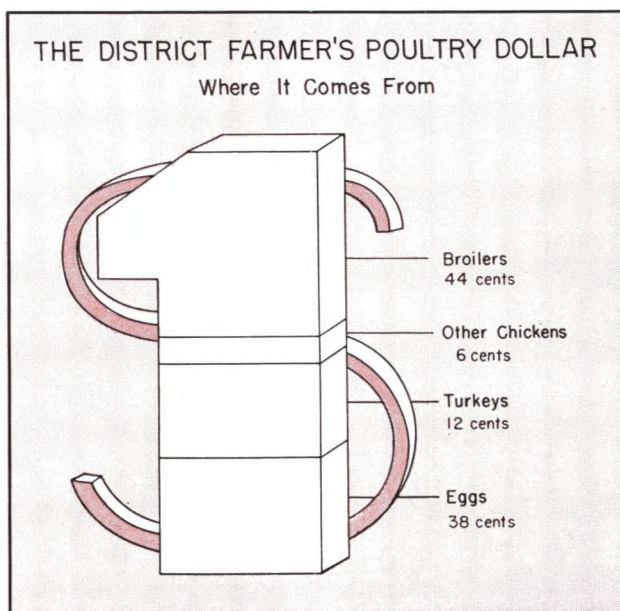
Review and Outlook

1954 was a year of low returns to egg producers. Prices dropped sharply early in the year and subsequently reached their lowest level since 1950; and the egg-feed price ratio fell to the lowest point in 30 years. This is the background against which poultrymen planned their 1955 operations.

Normal reaction to this situation would be to raise fewer chicks for laying flock replacement. On February 1 farmers' intentions were to do just that—to buy 18% fewer replacement chickens in 1955. Egg prices rose sharply during the last half of January and the first half of February, however, and were generally steady through the first two weeks of March. This rise in egg

prices may lead farmers to purchase more chicks than they had planned in February. Nevertheless, from December 1954 through February of this year, the hatching of egg-laying type chicks for flock replacement was substantially below a year ago. This reduction in the hatching of replacement chicks, according to some extension poultry specialists, will likely be reflected in smaller laying flock numbers by June.

With the present level of consumption (1954's civilian per capita disappearance was 385) and with expectations of a smaller egg supply next Fall, the USDA believes that prices farmers will receive for eggs during the next six months will probably be above the low prices a year ago, though they may decline from the early March level.



Planning the Farm Flock

Keen competition and sharply varying markets make it clear today that the poultry farmer—small producer as well as commercial poultrymen—who realizes profits from his laying hen enterprise must follow the best management practices.

An array of factors naturally affect the profits from a layer enterprise—the size of the business, feed efficiency, labor efficiency, per cent mortality, rate of production, and seasonality of production. With respect to seasonal production patterns, data suggest that laying flocks on District farms

would be more profitable if farmers bought their replacement chicks early and thus took advantage of the normally higher egg prices of the Fall. On the basis of the number of eggs produced per day per 100 layers, District egg production is lowest in October, November, and December. Production during these months is, in fact, only 80% to 90% of the national average.

The seasonal egg price pattern is now flatter than it was, say ten years ago, and peak egg prices are coming earlier in the Fall. Egg prices in the Fall of '54 actually departed abruptly from normal and for the first time on record failed to rise at all. Despite these facts, the normal price pattern seems likely to continue for many years to come.

Assuming that commercial grade A eggs would be sold and that scratch feeds would be grown on the farm, specialists at North Carolina State College a few years ago analyzed costs and returns from an 800-hen laying flock. From this size flock, and with direct cash costs of around \$4,100 and other expenses totaling about

(Continued on page 10)

Fifth District Industry Briefs

Recent announcements of new and varied types of business in the Fifth District states, together with plans for further expansion of existing industries, should provide encouragement and added stimulus to continued active interest in area development programs.

Among the most interesting of the new enterprises is that announced by the Atomic Energy Division of the Babcock & Wilcox Company: a privately financed major plant for the manufacture of fuel elements and other reactor core components for the nuclear power industry—believed to be the first of its kind. The plant, to be located about five miles east of Lynchburg, Virginia, will involve manufacturing of many types of special equipment for major atomic energy installations. Completion of the facilities is expected by the end of this year.

The Westinghouse Electric Corporation, Baltimore, Maryland, has announced immediate construction of a new plant for its Electronics Division. The site is adjacent to the company's Air Arm plant on Fort Meade Road, near Friendship Airport. The new structure will contain 350,000 sq. ft., of which 210,000 sq. ft. will be used for manufacturing space and the remaining 140,000 sq. ft. for engineering and office facilities. The plant is expected to be in full operation by January 1956.

A new \$4 million plant for the manufacture of petroleum cracking catalysts will be built at Curtis Bay, Maryland, by the Davison Chemical Company Division of W. R. Grace & Company. Construction is expected to start in April and to be completed in approximately one year.

The General Electric Company's new multi-million dollar Hendersonville, North Carolina, factory, now under construction, will serve as headquarters for the company's outdoor light department now located at Lynn, Massachusetts. Approximately 600 persons will be employed, with an annual payroll of more than \$2 million. The new plant will contain about 200,000 sq. ft. of floor space. It will have its own research, engineering, marketing and manufacturing divisions. Production is planned for 1956. The Hendersonville factory will be the eleventh G. E. plant installation in the South. In addition, the company is planning a new \$20 million plant in Hickory, North Carolina, for manufacturing distribution transformers. Construction will begin early this year and is scheduled for completion in 1956, with approximately 1100 persons then employed.

Hercules Powder Company will erect a several-million-dollar plant in Southampton County, near Franklin, Virginia, for the processing of crude tall oil, the manufacture of resins, puri-

fied fatty acids and related products. It is reported that the plant will have an annual capacity of about 35,000 tons of products and will be in operation by January 1956.

As a part of its new \$100 million program of plant and equipment investment, extending over the next five years, the West Virginia Pulp and Paper Company will install new paper machines designed to produce kraft products in the Charleston, South Carolina plant. In the Luke, Maryland mill, a new paper machine designed to make high quality light-weight printing papers will be installed. Cost of the new paper machines and supporting equipment will be between \$20 million and \$25 million.

The new \$100 million expansion program of Bethlehem Steel Company, to take place mainly at the Sparrows Point, Maryland, plant, will be started immediately, with completion scheduled in about 18 months. A four-stand plate mill, capable of rolling steel plates in a wide range of thicknesses and widths to exacting specifications, will head the expansion at Sparrows Point. Financially, this will be the largest expansion in the history of these facilities since acquisition in 1916. The Sparrows Point plant, largest tidewater steel mill in the world, currently employs 25,000 persons and has an average weekly payroll of over \$2 million.

Lehigh Portland Cement Company plans a \$15 million expansion program for the plant at Union Bridge, Maryland. The new facilities, expected to be completed late in 1956, will produce more than 3,000,000 barrels of cement per year.

Burlington Industries, Inc. (formerly known as Burlington Mills Corporation) has announced plans to spend \$1 million for immediate improvements to its Gaston County, North Carolina plants. Longer-range plans call for the expenditure of an additional \$1 million in plant improvements over a two- to three-year period. It is reported that nearly a million dollars will be spent for new machinery. The mills affected are the Mays at Cramerton and the Ranlo, Flint No. 1 and Flint No.2 in Gastonia.

The \$3 million Burlington Industries hosiery plant in Franklin, North Carolina, is expected to go into operation this Spring. The mill will eventually provide employment for 300 persons, 65% of whom will be women.

Another major Burlington Industries expansion activity is the recent acquisition of Mooresville Mills in Mooresville, North Carolina. Mooresville produces fancy woven yarn-dyed

fabrics, including cottons, rayons, terry cloth and turkish towels. Several million dollars will be spent to modernize Mooresville Mills, which will be operated as a separate unit.

Construction of a third plant by the Dewey & Almy Chemical Company for the production of plastic bags will start immediately. The new plant, to be located near Greenville, South Carolina, is scheduled for mid-summer completion and 300-400 persons are expected to be employed.

Riegel Textile Corporation, producer of pillowcases and diapers, will build a 150,000 sq. ft. fabricating plant in Johnston, South Carolina. When in full operation, the plant will employ approximately 400 persons, 90% of whom will be women.

The Gaston County Dyeing Machine Company, builder of stainless steel dyeing machines and auxiliary equipment for the textile trade, plans to triple the size of its plant at Stanley, North Carolina, at a cost of \$1,500,000. The company now employs 50 persons, with an annual payroll of \$225,000. The expansion will create approximately 100 additional jobs.

The H. H. Robertson Company, one of the world's largest manufacturers of metal building materials, has announced plans for construction of a branch plant. The new plant will be located on a newly acquired site at Wise Avenue and North Point Road, Baltimore, Maryland. Final details as to the size of the new facilities are not yet available, but it is understood that the completed plant will involve more new construction than any industry to locate in Baltimore since World War II. The company produces metal roofing and siding, sidewalls, floor and deck panels and ventilators.

The United States Filter Corporation, one of the Bunzl group of companies operating in England, Austria, Switzerland, Italy, Germany and South Africa, has leased a one-story, 12,000 sq. ft. building on Petersburg Pike, near Richmond, Virginia, where it will establish its first manufacturing component in the United States. The company makes cigarette filters. Sufficient land has been reserved for the eventual expansion of the building to six times its initial size.

Insulrock Corporation has a new \$400,000 factory under construction on Lewis Road, Richmond, Virginia. Precast building material will be manufactured.

A new addition to the Carolina Underwear Company, Inc., plant in Thomasville, North Carolina is under construction and is expected to be ready for use sometime in May. The addition, to contain 18,000 sq. ft. of floor space, is to be known as the Forsyth Division.

The new plant will furnish employment to 150 persons, and will add over \$200,000 in payroll to the community. The firm now employs 235 persons.

Celanese Corporation of America has chosen a Charlotte, North Carolina site for its new development laboratory. The first section of the building is expected to be in operation before the end of 1955, but full extent of the undertaking will not be realized for several years, according to Harold Blanke, President. New ideas will be taken to the development laboratory and studied for practical application in commercial fields. The Charlotte laboratory is expected to serve as a link between fiber research at Celanese's Summit, New Jersey laboratories and commercial production in Celanese's seven plants. One of the largest of these plants is the cellulose acetate filament yarn and staple fiber plant at Rock Hill, South Carolina, 28 miles from Charlotte. Celanese will also erect a pilot plant at its Burlington, North Carolina spun yarn plant for the purpose of evaluating, producing and supplying data for fiber processes in various non-woven constructions. The pilot plant is being put into operation to support Celanese's program for accelerating expansion of the industrial applications of its fibers in non-woven fabrics, low pressure laminates, air and liquid filters, acoustical and heat insulation and special batting products.

Construction will begin immediately on a new plant, to be known as Robinson Sportswear, to be located just north of Fountain Inn, South Carolina. The company will produce popular priced men's sport shirts and full production is expected in about six months. Of the approximately 150 persons to be employed, 85% will be women.

The Baltimore Concrete Plank Corporation, an affiliate of the Marietta Concrete Corporation, is creating a new department for the production of a finished acoustical ceiling of concrete. This will necessitate installation of a considerable amount of new machinery.

John J. Nagle, Chairman of the Board of Directors of Crown Cork & Seal Company, has announced that the company will erect a 123,000 sq. ft. plant in Baltimore City for the manufacture of cans. The plant, which will serve the Chesapeake Bay area, including portions of Delaware and Virginia, is expected to be in operation for the 1955 canning season.

Work on a major expansion program at the Graniteville Company's Hickman Mill, Graniteville, South Carolina, has been started. The addition will provide 100,000 additional sq. ft. of space and will double the size of the plant. Approximately 200 new jobs will be created.

Business Conditions and Prospects

BUSINESS activity in the Fifth District during March in general maintained the quickened economic pluse which became obvious late in 1954. The trade level rose over February and stood at month-end close to its all-time high, with consumer durables accounting for most of the strength.

For District manufacturing, March meant another modest increase and brought the month-end level in close proximity to November's all-time peak—for example, primary metal output was up 3.1%, cigarettes continued to overcome their handicap and racked up a 5.4% gain, while chemicals were up 5.6%.

Sharp improvement over a year ago was shown in the lumber industry where output was up 9.1%; furniture moved up 9.6%; and a variety of textile products advanced 10-13% over production of a year ago.

Bituminous coal mining, though running one-quarter larger than last year, was moderately lower in March than in February. Prosperity abroad has strengthened demand for coal from American mines.

The banking figures have mirrored the broadening economic activity. Loans of member banks in the Fifth District continued to rise during March and were sharply higher than a year ago. Business loans of weekly reporting banks, after almost continuous rises in the first quarter, leveled off in the early weeks of April and declined in the third week. Real estate loans of these banks, after reaching record highs, leveled off at the end of March and have shown little change since. "Other" loans (mostly consumer) kept rising at a fairly rapid pace through the third week in April.

District bank debits in March were 8% higher than a year ago and, for the first quarter, were 11% above a year earlier. The gains were fairly well distributed throughout the District.

Unemployment has been moving in the right direction. Insured unemployment in the District continued to decline early in April, due in large part to seasonal expansion in construction, trade, and other industries. Sales of U. S. savings bonds in the District were 6% higher than in February although redemptions rose 21% in the same period. New business incorporations, which rose considerably through most of 1954, dropped 18% between January and February. February, however, is normally below the January level. Cash income from farm marketings in the first two months of 1955 was 11% smaller than a year ago.

Trade

District department store sales (average daily basis, adjusted for seasonal and Easter effects) were 8% higher in March than in February. March was also 7% above a year ago and the first quarter of the year was up 9%. Inventories at the end of March were

3% above a month earlier and 4% higher than a year ago.

Sales in these stores in March recovered a substantial proportion of the loss sustained between December and February but subsequent weekly figures have not indicated a continuance of the upward movement.

Sales of retail furniture stores regained most of their February losses and were back within 1% of their January level. March sales were 4% above February after seasonal corrections, 12% ahead of a year ago, and the first quarter was up 11%. Store inventories, however, did not respond substantially to the sales increase which implies a continuing conservative purchasing policy.

Sales of household appliance stores, without seasonal correction, were up 15% in March over February, up 23% over a year ago, and the first quarter was up 16%.

Complete registrations of new passenger automobiles for February showed the District was up 14% from January, 33% ahead of February 1954, and 25% ahead for the two months. March figures for the District of Columbia were 33% higher than in February and in Richmond, Virginia, the sharp increase measured 56%.

Construction

Construction contract awards of all types on a seasonally adjusted basis declined 16% in March from February but they were 52% higher than in March 1954 and the first quarter was up an unprecedented 68%. Seasonally adjusted figures, however, showed March 27% smaller than October's level.

All types of awards were substantially lower than in February on a seasonally adjusted basis, with the exception of apartments and hotels. These declines, however, did not prevent very substantial gains over March last year, ranging from 26% in public utilities to 183% in apartments and hotels. Gains of more than 100% were recorded in commercial construction awards and in factory awards. The bellwether, one- and two-family house awards declined 20% on an adjusted basis in March from February but remained 33% higher than a year ago; the first quarter was up a thumping 81%. Despite the increase of 133% over a year ago in awards for factory buildings, March was down 51% (seasonally adjusted) from February.

G. I. home loans closed during February numbered 3,832 in the Fifth District, an increase of 4% over January, 50% over a year ago, and a two months' increase of 88%. In dollar amount, loans closed were \$42,893,000, up 2% over January, up 68% over the year, and up 113% for the two months.

Manufacturing

Manufacturing activity, as measured by man-hours in all manufacturing industries of the Fifth District, reached a high point in November 1954 in the current

recovery. By January 1955, a decline of 3.2% had taken place from the November high point. February recovered part of the loss and stood 1.7% below the November peak. All states, except Maryland, during March showed an increase of 1.1% over February.

Man-hours in all manufacturing industries of the District, excluding Maryland, were up 1.1% from February and 6.4% higher than a year ago. Durable goods industries showed a gain of 1.7% during the month and 5.1% during the year. Nondurable goods industries showed an increase of 0.7% during the month and 7.1% during the year.

During the month of March substantial recovery occurred in these industries: lumber and wood products were up 3.2% from February, primary metals were up 3.1%, cigarettes were up 5.4%, and chemicals, 5.6%. Relative to a year ago, the best improvement has been shown in the lumber industry, up 9.1%, furniture up 9.6%, primary metals up 15.3%, cigarettes up 15.1%, yarn and thread mills up 13.1%, knitting mills up 11.0%, apparel up 10.2%.

Cotton consumption in the mills of the Fifth District, after seasonal correction, was down 1% in March from February but March was 7% ahead of a year ago and the first quarter was up 6%. Similar changes were shown in cotton spindle hours. Cotton yarns seem to be doing better than broadwoven fabrics but even in the yarn area backlogs have declined. Certain constructions in cotton goods are remaining fairly strong but the bellwether, 80 square, has shown moderate weakness and forward coverage lacks the strength to indicate a further rise in output.

Bituminous coal output in the District in March dropped 2% from February on an average daily basis which was probably about seasonal proportions. Output in March was, however, 25% ahead of a year ago and the first quarter showed a gain of 20% from last year. Coal output in the District during the first quarter was 5% higher than first quarter 1953 but it was lower than in any other first quarter (when a strike was not in progress) since 1942. Of historical interest is the fact that the first quarter of 1955 was 28% under the first quarter of 1947.

The rising tide of business in foreign countries has strengthened the demand for U. S. bituminous coal. For the first two months of 1955, foreign cargo loadings

through the Hampton Roads and Baltimore ports showed an increase of 89% over the same months of 1954 and indications from Germany and England, in particular, are that this demand will show further strength. On this side, domestic consumption is running somewhat ahead of domestic shipments as indicated by utilization of coal from industrial stock piles.

Banking

Deposits of member banks in the Fifth District, while declining \$125 million during March, remained \$430 million higher than in March last year. Time deposits increased \$21 million during March and were \$180 million higher than last year. Demand deposits declined \$146 million but were \$250 million higher than in 1954.

Total loans and investments declined \$6 million during March; holdings of securities declined \$66 million, which more than offset an increase of \$60 million in loans and discounts. Total loans and investments were, however, \$485 million higher than a year ago, with loans up \$308 million and investments up \$177 million. Total borrowings of member banks declined \$13 million during March but stood \$49 million higher than a year ago. Bank debits of reporting banks in the District declined 1% in March, after seasonal correction, from February but were 8% higher than a year ago, and the first quarter shows an increase of 10% over last year.

Insured unemployment in the District in the week of April 9 totalled 123,800, a decline of 12% from a month ago and a sharp 38% from a year ago. The month's decline is about the same proportion as in the nation as a whole but, over a year ago, the District has shown a larger decline than the United States. In spite of this improvement in the unemployment situation, only one Fifth District labor market area had a balanced labor supply. Ten areas were in the moderate labor surplus classification. Fourteen areas were classified as substantial labor surplus areas and twelve were classified as areas of very substantial labor surplus. All of the large cities were in the moderate labor surplus classification. Substantial surplus labor areas were prominent in the North Carolina Piedmont and in northern West Virginia, while the very substantial labor surplus areas were all in the coal fields of West Virginia and Virginia.

Eggs for Year-Round Farm Income

(Continued from page 6)

\$900, an efficient farmer is estimated to gross \$7,480. Returns over direct cash costs will run around \$3,380, and net returns to land and management will total roughly \$2,480. Though the specialists took a flock of 800 hens as an efficient sized unit, they believed that many farmers would find a smaller sized enterprise profitable.

Poultry specialists at Clemson Agricultural College feel that many South Carolina farmers are not keeping enough laying hens. In many instances, they believe, it would increase farm income to keep 400 to 500 layers. In view of the record, such recommendations seem to apply to many other District farms, especially where units are small and unused family labor is available.

FIFTH DISTRICT STATISTICAL DATA

FURNITURE SALES*

(Based on Dollar Value)

Percentage change with corresponding period a year ago

STATES	Percentage change with corresponding period a year ago	
	March 1955	3 Mos. 1955
Maryland	- 1	+ 1
Dist. of Columbia	+ 1	+12
Virginia	+ 5	+ 6
West Virginia	+20	+20
North Carolina	+16	+12
South Carolina	+17	+ 9
District	+ 8	+10

INDIVIDUAL CITIES

Baltimore, Md.	- 1	+ 1
Washington, D. C.	+ 1	+12
Richmond, Va.	+14	+11
Charleston, W. Va.	0	+4
Greenville, S. C.	+14	+ 7

*Data from furniture departments of department stores as well as furniture stores.

BUILDING PERMIT FIGURES

	March 1955	March 1954	3 Months 1955	3 Months 1954
Maryland				
Baltimore	\$ 3,225,000	\$ 3,424,820	\$ 19,768,057	\$14,754,160
Cumberland	164,758	41,550	428,808	72,900
Frederick	222,300	152,642	486,455	309,792
Hagerstown	172,565	471,914	493,235	680,449
Salisbury	561,152	149,728	761,017	402,078
Virginia				
Danville	387,763	363,058	2,388,380	587,314
Hampton	3,950,133	1,437,190	5,825,031	2,824,156
Hopewell	583,113	197,209	999,671	407,966
Lynchburg	1,686,939	813,525	2,586,003	1,518,166
Newport News	211,081	186,711	494,361	355,517
Norfolk	1,591,429	868,814	3,397,727	2,820,261
Petersburg	979,000	158,700	1,313,900	486,500
Portsmouth	378,035	302,614	969,910	3,113,504
Richmond	2,309,670	2,901,886	4,532,885	6,265,109
Roanoke	1,020,601	967,973	2,841,659	2,577,097
Staunton	491,910	125,675	1,007,280	325,640
Warwick	1,030,709	570,475	2,584,684	1,608,316
West Virginia				
Charleston	867,539	762,920	1,619,456	1,714,799
Clarksburg	268,773	633,050	492,195	820,921
Huntington	528,808	453,515	1,050,948	941,169
North Carolina				
Asheville	334,435	279,666	720,315	771,053
Charlotte	5,744,003	1,642,897	8,426,196	4,478,684
Durham	796,343	367,379	4,893,389	1,162,995
Greensboro	1,422,165	1,570,650	2,635,980	2,884,200
High Point	1,064,683	348,637	2,474,118	789,667
Raleigh	2,484,888	409,319	6,569,186	3,278,921
Rocky Mount	363,926	326,446	983,445	821,628
Salisbury	98,030	138,900	249,408	567,402
Wilson	815,725	295,800	1,310,175	699,400
Winston-Salem	2,009,789	1,524,799	3,943,922	4,152,022
South Carolina				
Charleston	148,871	69,620	538,883	387,176
Columbia	1,067,493	856,264	2,020,102	2,324,585
Greenville	547,248	582,440	1,454,798	2,116,695
Spartanburg	43,518	280,130	500,968	1,143,681
Dist. of Columbia				
Washington	11,613,604	10,364,199	20,114,767	16,152,170
District Totals	\$49,185,999	\$34,041,115	\$110,877,314	\$84,266,093

WHOLESALE TRADE

LINES	Sales in March 1955 compared with		Stocks on March 31, 1955 compared with	
	Mar. 1954	Feb. 1955	Mar. 31, 1954	Feb. 28, 1955
	Mar.	Feb.	Mar. 31,	Feb. 28,
Auto supplies	+28	+ 1	NA	NA
Electrical, electronic and appliance goods	+19	- 8	+ 7	+12
Hardware, plumbing and heating goods	+19	+30	+ 4	+ 1
Machinery equipment supplies	+27	+26	- 5	+ 1
Drugs, chemicals, allied products	+17	+11	- 1	- 1
Dry goods	+ 1	+ 3	- 6	- 7
Grocery, confectionery, meats	+ 6	+15	+ 4	- 1
Paper and its products	- 4	- 8	NA	NA
Tobacco products	+ 7	+22	NA	NA
Miscellaneous	+ 8	+16	+ 4	- 8
District Total	+14	+17	+ 1	- 3

NA Not Available.

Source: Bureau of the Census, Department of Commerce.

FIFTH DISTRICT INDEXES

Seasonally Adjusted: 1947-1949=100

	Rich.	Balt.	Wash.	Other Cities	Dist. Total	% Chg.—	
						Latest Mo.	Yr. Ago.
	Mar. 1955	Feb. 1955	Mar. 1954	Prev. Mo.	Yr. Ago.		
Sales, Mar. '55 vs Mar. '54 ..	+15	+10	+ 6	+18	+12		
Sales, 3 Mos. ending Mar. 31, '55, vs 3 Mos. ending Mar. 31, '54	+12	+ 7	+ 5	+12	+ 8		
Stocks, March 31, '55 vs '54 ..	+ 1	+ 4	+ 2	- 5	0		
Outstanding Orders Mar. 31, '55 vs '54	+12	+16	- 2	+ 5	+ 6		
Open account receivables Mar. 1, collected in Mar. 1955 ..	31.4	53.6	45.0	40.2	43.6		
Instalment receivables Mar. 1, collected in Mar. 1955 ..	9.8	15.4	15.5	16.8	14.8		
	Md.	D.C.	Va.	W.Va.	N.C.	S.C.	
Sales Mar. '55 vs Mar. '54	+10	+ 6	+14	+15	+25	+21	
New passenger car registration*		145	139	+14	+33		
Bank debits	166	168	154	- 1	+ 8		
Bituminous coal production* ..	84	86	67	- 2	+25		
Construction contracts	220	262	145	-16	+52		
Business failures—number	224	177	299	+27	-25		
Cigarette production		93	95	- 6	+ 3		
Cotton spindle hours	116	117	109	- 1	+ 6		
Department store sales	128	119	120r	+ 8	+ 7		
Electric power production		182	168	+ 1	+12		
Manufacturing employment * ..		106	105	+ 1	0		
Furniture store sales	112	108	100	+ 4	+12		
Life insurance sales	194	178	168r	+ 9	+15		

* Not seasonally adjusted.

Back figures available on request.

r Revised.

FIFTH DISTRICT BANKING STATISTICS

DEBITS TO DEMAND DEPOSIT ACCOUNTS*

(000 omitted)

Dist. of Columbia	March 1955	March 1954	3 Months 1955	3 Months 1954
Washington	\$1,450,916	\$1,292,166	\$ 3,973,861	\$ 3,387,948
Maryland				
Baltimore	1,597,404	1,525,959	4,524,552	4,189,250
Cumberland	24,758	23,187	68,967	65,431
Frederick	25,235	23,653	67,008	64,660
Hagerstown	45,174	38,094	122,788	108,458
Total 4 Cities	1,692,571	1,610,893	4,783,315	4,427,799
North Carolina				
Asheville	68,277	61,583	199,936	179,899
Charlotte	434,023	391,798	1,216,305	1,064,199
Durham	81,528	89,037	235,930	251,132
Greensboro	144,198	124,723	430,956	350,498
High Point**	52,827	44,779	147,143	126,117
Kinston	22,081	20,116	68,246	62,007
Raleigh	269,550	222,297	660,003	569,926
Wilmington	55,326	49,284	153,429	135,995
Wilson	20,777	18,272	63,044	55,475
Winston-Salem	186,388	167,543	507,820	449,563
Total 9 Cities	1,282,148	1,144,653	3,535,669	3,118,694
South Carolina				
Charleston	87,208	76,792	243,731	215,008
Columbia	176,818	179,846	500,517	495,463
Greenville	132,627	114,118	377,213	322,267
Spartanburg	67,915	62,024	198,637	190,000
Total 4 Cities	464,568	432,780	1,320,098	1,222,738
Virginia				
Charlottesville	38,592	33,000	106,832	90,772
Danville	40,404	35,304	118,945	106,785
Lynchburg	54,505	49,408	155,327	142,322
Newport News	57,645	50,171	158,271	138,105
Norfolk	308,711	283,118	838,369	771,002
Portsmouth	38,524	34,766	107,174	93,870
Richmond	684,362	651,976	1,930,077	1,750,783
Roanoke	132,400	123,453	371,494	339,562
Total 8 Cities	1,355,143	1,261,196	3,786,489	3,433,201
West Virginia				
Bluefield	45,633	40,966	129,210	121,091
Charleston	162,495	167,262	514,115	524,171
Clarksburg	35,798	30,995	105,698	98,377
Huntington	71,766	70,514	215,296	209,420
Parkersburg	32,818	30,613	90,920	89,035
Total 5 Cities	348,510	340,350	1,055,239	1,042,094
District Totals	\$6,593,856	\$6,082,038	\$18,454,671	\$16,632,474

* Interbank and U. S. Government accounts excluded.
** Not included in District totals.

WEEKLY REPORTING MEMBER BANKS

(000 omitted)

ITEMS	April 13, 1955	Change in Amount from March 16, 1955	April 14, 1954
Total Loans	\$1,578,338**	+ 3,214	+177,280
Bus. & Agric.	715,819	- 4,120	+ 71,204
Real Estate Loans	309,296	+ 1,110	+ 42,937
All Other Loans	575,480	+ 6,429	+ 67,925
Total Security Holdings			
U. S. Treasury Bills	97,273	+ 10,778	- 19,174
U. S. Treasury Certificates	68,252	+ 18,563	- 83,461
U. S. Treasury Notes	368,041	- 6,440	+139,899
U. S. Treasury Bonds	1,031,270	- 7,265	+ 39,671
Other Bonds, Stocks & Secur.	275,708	- 6,201	+ 38,938
Cash Items in Process of Col. ...	331,194	- 9,586	+ 33,992
Due from Banks	166,080*	- 5,362	- 33,389
Currency and Coin	81,319	+ 6,201	+ 868
Reserve with F. R. Banks	494,024	- 47,594	- 41,735
Other Assets	68,826	+ 2,273	+ 5,838
Total Assets	\$4,560,325	- 41,419	+258,727
Total Demand Deposits			
Deposits of Individuals	2,580,522	- 37,580	+161,050
Deposits of U. S. Government	106,104	+ 1,684	- 2,331
Deposits of State & Local Gov.	204,961	- 24,345	- 4,774
Deposits of Banks	483,836	+ 14,461	+ 29,177
Certified & Officers' Checks	50,750*	- 13,859	- 7,866
Total Time Deposits			
Deposits of Individuals	680,569	+ 8,024	+ 50,942
Other Time Deposits	84,084	+ 6,200	+ 7,062
Liabilities for Borrowed Money			
All Other Liabilities	42,460	+ 16	- 5,368
Capital Accounts	305,709	+ 1,650	+ 16,880
Total Liabilities	\$4,560,325	- 41,419	+258,727

* Net figures, reciprocal balances being eliminated.
** Less losses for bad debts.

The Public Authority—A Growingly Popular Device

(Continued from page 4)

Also, it is argued that differences between general obligation bonds and authority revenue bonds become more apparent than real in such cases as a school authority whose bonds rest on lease payments which the school district contracts to pay the authority. It is contended that such a contract is as enforceable as the promise on general obligation bonds and that, therefore, such bonds rest on the same basis as a general obligation bond—the taxing power of the school district.

Change as it may, the public authority device is currently serving in certain fields to meet a wide variety of financial problems arising from the tremendous expansion of the economy since World War II. It cannot be dubbed a solve-all, but it apparently offers a means of emphasizing economic considerations in attacking some of the major problems of our state and local governments.