MONTHLY REVIEW

FEDERAL RESERVE BANK OF RICHMOND

RICHMOND 13, VIRGINIA — AUGUST 31, 1949

Business Conditions

BUSINESS activity in the Fifth Federal Reserve District reached a low for the year in July, but if one is to judge by the evidences of improved business sentiment, the outlook for the remainder of the year lends itself to considerably more optimism. A quick return to the high production levels of 1948 does not appear to be in the offing, but there have been healthy gains in some industries and a leveling off or further curtailment in the rest. It may well be that the "back of the recession" in the Fifth District has been "broken" and that considerable recovery is in prospect for the fall months.

Textiles in the Lead Again

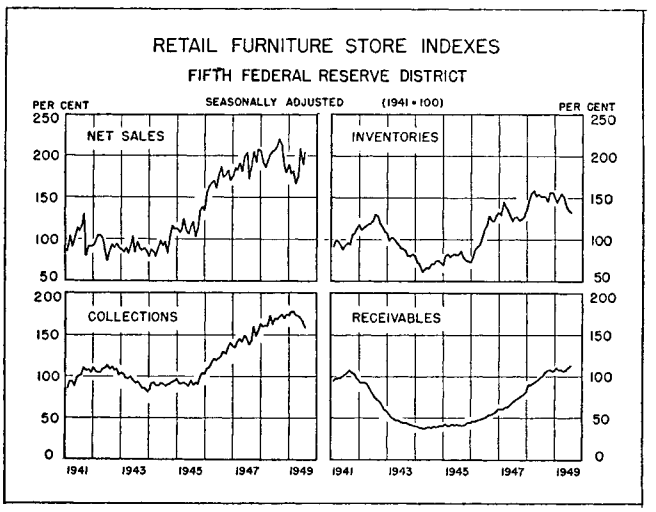
Textile industries had been the bellwether in the nationwide recession; they are again moving upward and may prove to be the bellwether in the recovery. This can be stated with emphasis regarding the Fifth Federal Reserve District, for despite the fact that the textile industries are located in Southside Virginia and the Carolinas they account for nearly a third of all manufacturing in the District.

Cotton consumption and spindle hours run in that industry had shown signs of stabilizing in May and June, and had it not been for the expanded vacation shutdowns in July, which reduced cotton usage by 22 per cent and spindle hours 24 per cent from a year ago, some recovery might have been apparent in that month.

Late in July it became apparent that most of the fluff in the textile industry's price structure had been washed out, and buyers all along the line re-entered the market to purchase goods and yarns. Buying has been substantial in a broad list of products, and forward coverage, which had been mainly absent for months, has extended to the year-end. The results of this new business have been an expanding work week in many mills and the recalling of some previously laid-off employees. It appears that the August rate of operations in cotton textiles will be back to the levels established early this year.

Operations in the rayon fabrics industry have also improved, and this has expanded the deliveries of rayon yarn from the mills. In fact, with widespread vacation shutdowns in the consuming trades in July, rayon deliveries in that month rose 10.5 per cent over those in June. Stocks of rayon yarn at the mills are still high by recent comparison and may cause some lag in production.

Hosiery production is likely to be higher in the last half of 1949 than in the first half. Some improvement



had been shown in the seamless end of the business in June when the man-hours of operation in North Carolina mills rose 3.1 per cent over May. There have been a few price increases of branded products in the full-fashioned line and the outlook for the industry as a whole is brighter.

Furniture Manufacturing Improves

The level of operations in the southern furniture industry in June was down nearly to prewar proportions, and some further downward adjustment when July figures become available would not be unexpected owing to vacation shutdowns. However, new business late in July and thus far in August appears to be accumulating to the point where some improvement in operations in the next few months seem probable. This improvement finds its reflection in a higher level of purchases of hardwood by the furniture factories and a stronger price tone which has been injected into this market.

The chart on this page indicates the considerable strength shown in sales of furniture at the retail level in the Fifth District, together with a liquidation of inventories at the same source. Recovery in retail furniture sales in July was due wholly to an increase in credit sales. It is obvious that the collection period of receivables has been extended considerably. Nevertheless, the demand at retail is holding at a good level and should find its reflection in a high level of manufacturing operations.

Department store sales on a seasonally adjusted basis rose 5 per cent from June to July to a level 1 per cent

above July, 1948. Department store inventories at the same time declined 3 per cent seasonally adjusted from June to July to a level 7 per cent below July, 1948. Our seasonally adjusted department store index shows a low point this year in January; since that time the trade level has in the main been in a rising trend. In fact, the July figure is approaching the peak established in the fall of 1948.

Even though year to year changes in figures in numerous departments have been for the past several months showing reductions from a year ago, it is difficult to find in the seasonally adjusted figures any semblance of recession in most of these departments. Large ticket items, such as major household appliances, floor coverings, as well as piece goods, are at a level considerably below their seasonally adjusted peaks, but most soft goods departments are either showing a flat trend or a rising one. The trend of inventories in most departments is either flat or declining.

With the exception of a small gain in wholesale hardware sales, all lines of wholesale trade deteriorated further in July. There is some indication, however, that the situation has been reversing itself in August. Relative to a year ago, July sales in most wholesale lines show substantial reductions.

Bituminous Coal Down

In the first half of 1949 bituminous coal output in the Fifth District declined 3.7 per cent from the same period a year ago. The decline in United States coal output in the same period was 10.7 per cent. This better-than-national performance in the Fifth District coal industry had been going on for some years prior to the war. It is apparent that the trend has been resumed since coal has again come in supply.

The three-day work week adopted by the United Mine Workers, however, may have the effect of preventing the Fifth District coal output from continuing a better-than-national showing. At the current rate of consumption, coal stocks are being reduced about 10 million tons a month. It would seem that, by November, the mine workers might find it expedient to permit the mines to run at full time. The price of bituminous coal, which had been declining since spring, leveled off around mid-

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BUSINESS INDEXES—FIFTH FEDERAL RESERVE DISTRICT
AVERAGE DAILY, 1935-1939=100—SEASONALLY ADJUSTED

	July 1949	June 1949	May 1949	July 1948	% Change—Latest Month Prev. Mo.	Year Ago
Automobile Registration[1]	.....	180	197	132	— 9	+ 71
Bank Debits	316	320	328	329	— 1	— 4
Bituminous Coal Production	90	121r	181	165	— 26	— 45
Building Contracts Awarded, Total	344	334r	287	347	+ 3	— 1
Commercial Construction Contracts	294	266	573	414	+ 11	— 29
Manufacturing Construction	259	138	133	453	+ 88	— 43
Public Works and Utilities	345	303	252	259	+ 14	+ 33
Residential Construction Contracts	350	440r	314	404	— 20	— 13
Apartments and Hotels	417	1145	334	159	— 64	+162
One and Two Family Houses	299	285	312	431	+ 5	— 31
Building Permits Issued	396	479	342	323	— 17	+ 23
Business Failures — No.	112	69	59	35	+ 62	+220
Cigarette Production	211p	248r	247	223	— 15	— 5
Cotton Consumption	102	115	111	131	— 11	— 22
Cotton Spindle Hours	100	119	115	125	— 16	— 20
Department Store Sales[3]	326	311	315	324	+ 5	+ 1
Department Store Stocks[3]	302	311	303	325	— 3	— 7
Electric Power Production	.....	250	253	260	— 1	— 2
Employment — Mfg. Industries[1]	.....	125r	125	133	0	— 7
Furniture Mfrs.: Orders[3]	.....	127	175	576	— 27	— 27
Furniture Mfrs.: Shipments[3]	.....	162	202	250	— 20	— 35
Furniture Mfrs.: Unfilled Orders[3]	.....	202	252	733	— 20	— 57
Furniture — Retail:[3] [4]						
Net Sales	205	189	209	211	+ 8	— 3
Cash	233	260	265	287	— 10	— 19
Credit	178	163	183	177	+ 9	+ 1
Receivables	113	111	108	101	+ 2	+ 12
Collections	159	166	170	169	— 4	— 6
Inventories	132	134	140	151	— 1	— 13
Life Insurance Sales	239	242	253	263	— 1	— 9
Wholesale Trade:						
Automotie Supplies[2]	371	380	344	364	— 2	+ 2
Drugs	264	270	266	270	— 2	— 2
Dry Goods	104	128	166	189	— 19	— 45
Electrical Goods[2]	68	73	90	93	— 7	— 27
Groceries	260	259	246	276	0	— 6
Hardware	125	122	139	159	+ 2	— 21
Industrial Supplies[2]	219	296	248	342	— 26	— 36
Paper and Its Products[2]	116	135	129	146	— 14	— 21
Tobacco and Its Products[2]	78	82	85	98	— 5	— 20

[1] Not seasonally adjusted.
[2] 1938-41=100.
[3] Revised Series—back figures available on request.
[4] 1941=100.

The Fifth District Export Outlook

The current and continuing British crisis has highlighted the Fifth District's trade with the United Kingdom and raised some interesting questions as to its future prospects. Specifically, the recent austerity program presented in mid-July by the British Government and calling for a 25 per cent overall cut in dollar imports for the current fiscal year, points up this question of the immediate export outlook for some of the District's industries. In view of the wide interest in the problem throughout the Fifth District and its overall importance as reflected in the American-British-Canadian parley to be held in September, it is here proposed to analyze briefly the current sterling-dollar crisis and the possible impact on this District of any resultant curtailments in exports.

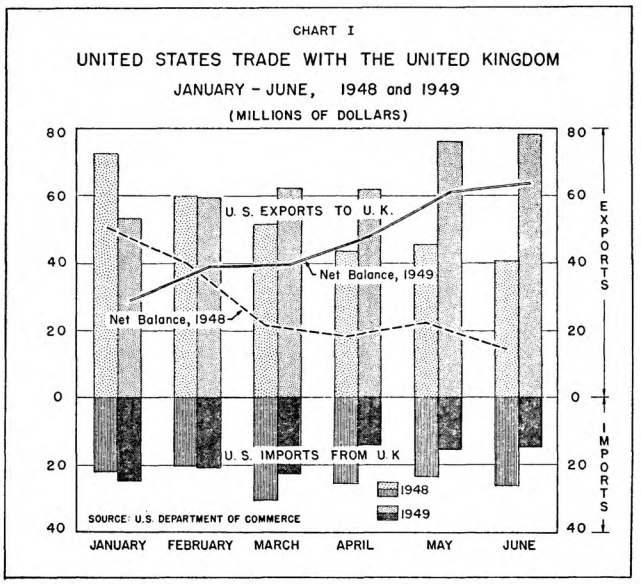
It should be emphasized that this appraisal is highly tentative since the entire British situation is subject to review, both at the special American-British-Canadian conference and at the annual meeting of the Boards of Governors of the World Bank and the International Monetary Fund which will follow the three-nation conference. Similarly, it should be emphasized that the British situation—although important—should not obscure the progress made in 1948 and thus far in 1949 under the European Recovery Program. Finally, it should be noted that one of the most important factors contributing to the British crisis is the American recession, and any appraisal is subject to the uncertainty of the domestic outlook.

Summary of British Situation

Tentative appraisal of the effect of the current sterling-dollar crisis on the Fifth District export situation involves some description of certain features of the present British position.

1. The British problem is fundamentally the same as the major problem confronting Western Europe generally, regardless of whether that problem is termed "dollar shortage" or "external deficit in the balance of payments." Simply stated, the basic causal factor is that Britain, as well as Western Europe, imports more from the United States than it exports to the United States and is not able to earn the dollars necessary to make up this difference. In the prewar period, earnings from investments abroad, shipping and insurance earnings, and other "invisibles" enabled Britain and Western Europe to close this export-import gap with the United States (though Britain did have a small gap in the late Thirties). In the postwar period, these sources of income have been drastically reduced or eliminated and are not available in adequate quantity to close the gap.

In 1948, Britain and other Marshall Plan countries increased their production markedly over the 1947 level and (excluding Western Germany) registered an increase over the prewar level. In the first half of 1949, industrial production continued to increase; and latest



available data indicate that in the United Kingdom and other key countries of Western Europe (excluding Western Germany) production was running approximately 30 per cent above the prewar level. Despite these increases in domestic production and in exports, the Marshall Plan countries have been able to finance by this method only about 50 per cent of their needed imports of raw materials and other goods. And even assuming that the production and export targets proposed in the OEEC programs are achieved, the OEEC estimates that this export-import gap with the United States (which constitutes the crux of the problem) will not be closed by the scheduled end of the ECA aid program in 1952.

2. The United Kingdom's imbalance in exports and imports with the dollar area reduced her gold and dollar reserves (which constitute the reserves of the entire sterling area) to $1.6 billion by the end of June. The "British Economic Survey of 1949"—the British Government's economic blueprint—estimated that the net deficit would amount to £195 million in the first half of 1949; but, in fact, it amounted to £239 million. In other words, there was an unexpected increase in the net deficit and a resultant reduction of approximate $160 million in gold and dollar reserves of the United Kingdom in the first half of 1949. As a result, the British monetary reserves were reduced below the $2 billion mark, which was previously considered the margin of safety.

Current data clearly reveal the part that the trade balance has played in this sharp deterioration in the British reserve position. Sharp drops in exports to the United States in the second quarter of 1949, both from the United Kingdom and other sterling area countries, were a major factor in the decline in dollar earnings of the entire sterling area. The adverse shift in the export-import balance of the United Kingdom with the United States is indicated in Chart I.

3. In response to the accelerated drain on the gold and dollar reserves of the sterling area, the British Government has taken several official steps, namely:

a. On July 6, it was announced that instructions had been given (prior to the middle of June) to all purchasing departments of the British Government to postpone new dollar purchases to the maximum extent practicable until September.

b. On July 14, Sir Stafford Cripps announced that there would be a 25 per cent overall cut in dollar imports, amounting to $400 million, for the current fiscal year.

c. On July 18, the Finance Ministers of the seven Commonwealth Nations which are members of the sterling area announced that they similarly would attempt to effect an overall cut of 25 per cent in their dollar imports.

d. At the end of July, the British presented to the OEEC a revised estimate of the sterling area's dollar deficit for 1949-50. Britain's estimated dollar deficit for 1949-50, originally calculated at $940 million, has been revised upward—first to $1,114 million, and then to $1,518 million.

4. Alternative long-run solutions necessarily involve (a) an increased level of imports to the United States from Britain and other countries and (b) increased capital flow from this country to Britain and the outside world. Although the extension of the General Agreements on Tariff and Trade at Annecy may continue the move toward lower trade barriers on imports to the United States, and although some outward capital flow may result from the Point Four program and the investment guaranties through the Export-Import Bank, it is clear that these are long-range solutions not likely to solve the immediate problem.

Measures (either long-run or short-run) that may be considered at the September conference are not matters of public knowledge. There have been discussions in the press of such measures as devaluation of the pound, increasing the dollar price of gold (in other words, further devaluation of the dollar), establishing a series of commodity agreements, and even the "economic union of the United States and Britain."[1]

Immediate Effect on Fifth District Export Outlook

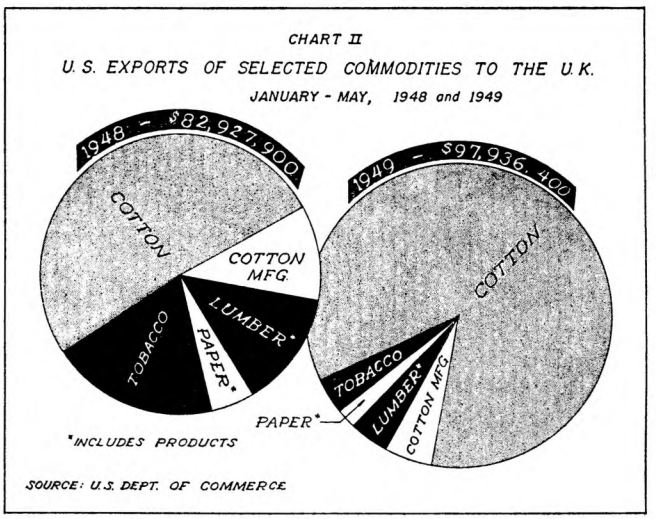
From the preceding brief summary, it is obvious that it is very difficult to obtain any very precise idea of the effects of current international developments, and specifically of the British situation, on the outlook for exports of this District's industries. Furthermore, in terms of specific commodities, it should be noted that the scheduled cut in the ECA appropriation for 1949-50 could affect the immediate export outlook for Fifth District commodities to a greater extent than the scheduled cut in British imports. In testifying before the Senate Appropriations Committee in mid-June, ECA Administrator Hoffman noted that a $500 million cut in ECA aid would "in all probability" substantially reduce exports of certain commodities to the participating countries. Individual reductions specified in his testimony which could affect the Fifth District include the following:

Tobacco: A reduction of 73 million pounds, estimated at $40 million.

Cotton: A reduction of 142 million pounds, estimated at $50 million.

Lumber: A reduction estimated at $15 million.

Until the probable cut in ECA appropriations is actually translated into the OEEC programs (now in the formulative stages for fiscal year 1949-50), there can be no final appraisal of the effect of either the British crisis or the reduction in ECA aid. But the current declines in exports of commodities most important in the Fifth District's export trade are shown in Chart II, comparing the exports of selected commodities for the first five months of 1949 with those of the same period last year.



In addition to this current record of exports to the United Kingdom as shown in Chart II, the following is a brief commodity-by-commodity summary of the export outlook, based on the official statements of the British Chancellor, Sir Stafford Cripps; releases of the U. S. Department of Agriculture; ECA forecasts; and informal contacts with businessmen in the Fifth District.

Tobacco

In his July 14 proposal of an overall reduction in spending by Britain in the United States and Canada of some $400 million in the current fiscal year, Chancellor Cripps specifically called for a reduction in tobacco imports of from $110 million to $90 million. Thus, in the outlook for District exports, attention should be focused on tobacco exports to the United Kingdom. The accompanying table indicates the past and prospective value of tobacco exports to the United Kingdom.

[1] *Wall Street Journal*, August 16, 1949.

Tobacco Exports* From United States to United Kingdom
(1938 and 1947 through midyear 1950)
(In thousands of dollars)

Year	Value
1938	111,900
1947	117,200
1948	90,200
Jan.-June 1948	22,100
Jan.-June 1949	7,100
July 1949-June 1950	90,000**

*Data for exports include shipments under aid and relief programs.
**Estimated on basis of Cripps' announcement and a statement of U. S. Department of Agriculture, July 26, 1949.
Source: Compiled from statistics of the U. S. Department of Commerce and the U. S. Department of Agriculture.

Informed opinion in this District, however, holds that there will be no important overall changes in the flue-cured tobacco export outlook as a result of the British position. The general feeling seems to be that ECA financing will maintain flue-cured tobacco exports to the United Kingdom at approximately last year's levels. In an article in the August issue of *The Wachovia,* one of the District's exporters expressed the concensus as follows:

> It was anticipated that approximately 175 million pounds of 1949 crop exports would be taken by Great Britain. At the moment it is not known what effect, if any, the austerity program of the British Government for the conservation of dollar exchange announced recently will have on British purchases of American tobaccos this fall. It is my opinion that Great Britain will have to buy somewhere near its previous estimated requirements of 175 million pounds. However, if British purchases should be materially reduced from this figure, it would necessarily have some tendency towards weakening the market and more tobacco would have to be taken in under the government loan program than otherwise could be necessary.[2]

Iron and Steel

In Cripps' official statement to the Commons calling for the 25 per cent cut in imports, he stated: "We shall have to cut off part of our imports of steel so that maintenance of a high level of domestic production becomes more important than ever." Although currently exports of iron and steel are running above last year's level, latest estimates by the OEEC indicate that, if production targets abroad are reached, United Kingdom imports of finished steel from the United States will decline from $11.5 million in 1948-49 to $9.1 million in 1949-50, and to approximately $3 million in 1952-53.

In the report of the ECE,[3] released in June, the continuous rise in the production of iron and steel in the European nations was labelled "the most important feature of the industrial history of the year." However, the ECE report further pointed out in its analysis of the distribution of gross investment by economic sectors that there was a heavy proportion of total investment in manufacturing devoted to iron and steel in the various countries. The implication seems to be that, if the investment program abroad is carried to completion, there may be developed a substantial excess capacity in the steel industry of Western Europe with a corresponding reduction or elimination of steel imports from the United States.

Bituminous Coal

At the end of June, the Economic Co-operation Administration reported that the Marshall Plan countries now have sufficient coal for all essential needs and that the coal problem in the European Recovery Program is in its second stage. The ECA pointed out in this report that the shortage of coal had been one of the principal limiting factors upon European recovery, but that recovery in coal production abroad has now sharply reduced import requirements.

Since the United Kingdom normally does not import coal from the United States, the current British situation will have no effect on Fifth District exports of coal. Perhaps it should be noted, however, that current ECA estimates indicate a possible sharp drop in coal exports to other ERP countries. Specifically, the ERP countries' requirements for U. S. coal are expected to drop from $152 million in the fiscal year ending June 30, 1949, to $99 million in the fiscal year 1949-50.

Cotton

With regard to cotton, the Cripps' announcement was: "It will not be possible to import all the dollar cotton we had hoped for, but we shall import at least as much as last year, so that the existing consumption level of United States cotton by Lancashire should not be appreciably affected." (Most British cotton mills are located in Lancashire.)

This bearish outlook for cotton exports is further corroborated by the U. S. Department of Agriculture statement of July 26, which indicated that cotton imports (by Britain) would be "less than planned." The USDA further pointed out the fluctuation in United States cotton exports to the United Kingdom as follows:

> Compared with an average of 1,107,000 bales which we exported to the United Kingdom annually, 1934-38, we sent 490,000 in 1946-47, 267,000 bales in 1947-48 and 667,000 bales during the first 10 months of 1948-49.[4]

Although United Kingdom imports of cotton in the first half of 1949 were valued at $99.6 million compared with $50.6 million in the first half of 1948, the outlook apparently is for a contraction, or certainly no expansion, in American cotton exports to British mills.

Lumber and Allied Products

In a special report by the U. S. Department of Commerce on the United Kingdom timber trade, official British Government statistics are cited to show a decline of 61 per cent in imports of timber from the United

[2]James S. Ficklen, "The Outlook for the 1949 Tobacco Crop," *The Wachovia* (Winston-Salem, August, 1949), p. 10.

[3]*Economic Survey of Europe in 1948*, prepared by Research and Planning Division of the Economic Commission for Europe, United Nations Economic and Social Council (Washington, April 1949).

[4]Statement of the Office of Foreign Agricultural Relations, U. S. Department of Agriculture (Washington, July 26, 1949).

States in 1948 from the 1947 level. (It should be noted that 1947 was an unusual year in terms of non-availability of timber from traditional sources.) Declines in various categories include softwood lumber, 59 per cent; hardwood lumber, 45 per cent; railway ties, 90 per cent; veneers, 55 per cent; plywood, 87 per cent.

With regard to the outlook, the Department of Commerce stated:

> It is expected that imports of timber and lumber from dollar areas will remain on a reduced scale through June 1952, whereas receipts from European sources will be larger. In this connection, much importance is attached to the efforts being made to provide certain eastern European timber-exporting countries with timber cutting, hauling, and other equipment needed to increase their output.[5]

Informed contacts in the Fifth District reveal that since the war the United Kingdom has purchased very little lumber from this area. Several representatives of the lumber industry in the District report that, although at one time the export market with the United Kingdom was important, during the past few years there have been few, if any, exports of lumber from this area to the United Kingdom.

Paper and Allied Products

The British Government's statement noted that imports of paper and pulp from dollar areas might have to be cut as much as a third. But this apparently will have little, if any, effect on export prospects of the Fifth District since this category of product in the Fifth District already has a very low priority in terms of British imports.

In part, this industry has been operating under the British Token Import Plan which permits U. S. manufacturers, or their authorized agents, with established prewar trade connections in the United Kingdom to export to that area token shipments of specified commodities. Under this plan, District manufacturers have been permitted to export annually to the United Kingdom an amount of each approved commodity not to exceed 20 per cent of the value of each manufacturer's average annual shipments of such commodity during the base years, 1936, 1937, and 1938.

Other District industries affected by the Token Import Plan include manufactured tobacco and cotton textiles. The annual quotas for 1949 for certain items coming within these categories may be cited as follows: cigarettes, $58,200; manufactured smoking tobacco and plug tobacco, $28,600; woven cotton piece goods of all kinds, $32,350; other miscellaneous cotton fabrics (e.g., cotton ribbon, embroideries, sewing thread, etc.), $10,082. The 1949 annual quota for these two groups thus totals only $130,232, and the British Government is not committed to an annual expenditure for these items in excess of that amount. Since it is doubtful if any import licenses could be obtained for items of manufactured tobacco or cotton textiles not under the Token Plan, it is obvious that the latest sterling-dollar crisis will have little or no effect upon these industries.

[5]Office of International Trade, U. S. Department of Commerce, "World Trade in Commodities, Lumber and Allied Products, United Kingdom Timber Trade in 1948," Vol. VII, No. 6 (Washington, May 1949).

Business Conditions

Continued from page 2

year and may show some rise this fall and winter under current operating conditions.

Strong Spots

After a poor spring start, the construction industry in this District has made a rather substantial gain. In fact, the July level of contract awards on a seasonally adjusted basis was back near the peak levels established in 1948. This is due in the main to a substantial increase in commercial building, "other" residential building, and to apartments and hotels. Manufacturing buildings, one and two-family houses, public works and utilities, and educational buildings have thus far in 1949 shown a substantial drop from the same period of 1948. Expectations earlier in the year that educational buildings and public works and utilities would be sustaining factors in the building situation have not proven to be correct.

The situation over the District, however, is somewhat spotty. The gain in commercial buildings has been due almost wholly to the District of Columbia; and the gain in apartments and hotels has come largely in the District of Columbia, North Carolina, and to a lesser extent in South Carolina.

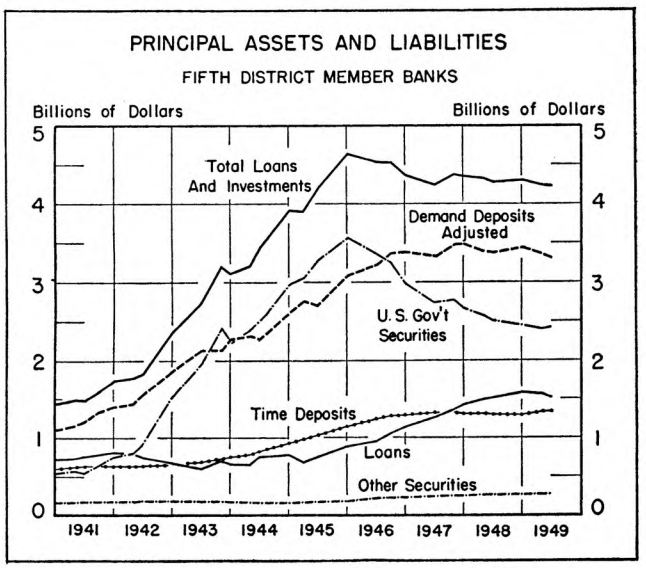
Employment in the trade and service industries has held up remarkably well in most areas of the District. The trade level in the District is holding better than in most other sections of the United States. Resumption of cotton, rayon, and hosiery mill activity came just in time to prevent distress in the southern part of the District. Bank loans are again rising, and the business climate in this area hints strongly of improvement.

Recent Changes in Condition of Fifth District Member Banks -- June 30, 1949

Few significant changes appear in the June 30 preliminary condition figures for the member banks of the Fifth Federal Reserve District. This is remarkable when the rather considerable changes in the general economic situation in the first half of 1949 are taken into account.

Total assets of all Fifth District member banks recorded a modest shrinkage of 4 per cent from January 1 through June 30. Loans and investments were off 1.6 per cent for the same period—and for the full year, June 30, 1948, to June 30, 1949, an even more modest decline of 1 per cent was registered.

On the deposit side, demand deposits showed a somewhat sharper decline of 7 per cent in the first six months of 1949, but for the preceding twelvemonth, there was a slighter decline of 3 per cent. Time deposits, on the other hand, continued to rise and, on June 30 last, stood 3 per cent higher than a year ago—most of the increase having taken place in the first six months of this year.



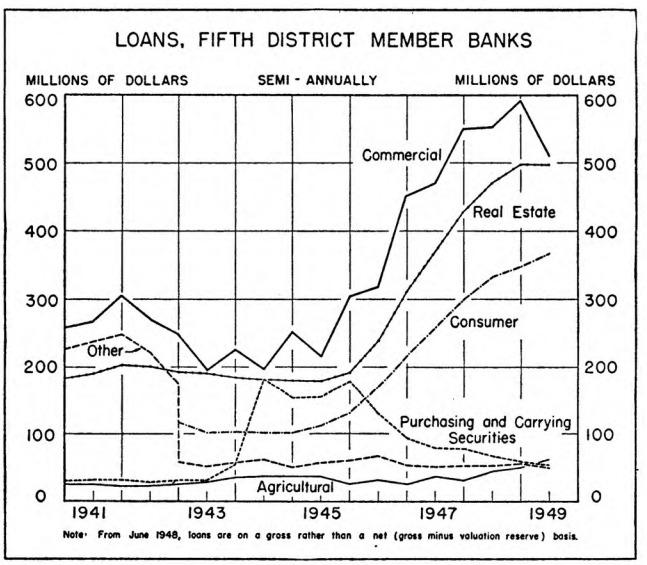
In the period under review, in which loan contraction on a national scale was going on, the decline in Fifth District banks' total loans amounted to 4 per cent—and were actually 1 per cent higher than one year earlier, namely, June, 1948.

Capital accounts continued to move slowly upward and, at $394 million, stood 3 per cent above the figure for January 1, 1949, and 6 per cent above the figure for June 30, 1948. This would seem to indicate a healthy strengthening of capital structures and to represent a desirable change from the influence of the war period in which deposit liabilities increased much more rapidly than capital accounts.

Bank profits, somewhat surprisingly, in view of the recent declines in loans and investments, increased approximately 25 per cent above the figures for the first six months of 1948.

Analysis of member banks' commercial and industrial loans shows that they rose throughout 1948, and by year end had increased by almost $40 million. From December 31, 1948, to June 30, 1949, however, the loan total declined over $80 million, or 13.6 per cent, and this decline was more than twice as great as the gain in the preceding year. As of June 30, 1949, the total was $510 million, almost one-third of the total loans held by member banks in the Fifth District.

Real estate loans, which comprised 32 per cent of total loans as of June 30, 1949, and increased 5.8 per cent from June, 1948, to December, 1948, declined slightly during the six months ending June 30, 1949. They amounted to almost $497 million, or 0.2 per cent less than the amount held on December 31, 1948. Breakdown of these loans shows: loans on farm land increased



5.0 per cent from June, 1948, to June, 1949; loans on other property increased 7.1 per cent during the same period; loans on residential property declined 1.7 per cent from December, 1948, to June 30, 1949. As of June, 1949, these loans were more than $16 million higher than for the same period a year earlier.

Consumer loans continued to advance although at a somewhat slower rate than that experienced in 1946 and 1947. They show an increase of $34 million, or 10.3 per cent, from June 30, 1948, to June 30, 1949. During the period from June, 1948, to June, 1949, there were increases in retail automobile instalment paper of 35.5 per cent; in other retail instalment paper of 38.8 per cent; in instalment cash loans of 25.1 per cent; and in repair

ASSETS AND LIABILITIES—MEMBER BANKS, FIFTH FEDERAL RESERVE DISTRICT

(Amounts in thousands of dollars)

	June 30, 1949	Dec. 31 1948	June 30, 1948
ASSETS			
Loans and investments	4,231,810	4,302,496	4,277,443
Loans (including overdrafts)	1,524,267	1,586,079	1,508,191
United States Government direct obligations	2,437,825	2,453,260	2,509,782
Obligations guaranteed by United States Government	59	32	337
Obligations of States and political subdivisions	127,076	127,949	121,697
Other bonds, notes and debentures	132,221	125,327	127,842
Corporate stocks (including Federal Reserve Bank stock)	10,362	9,849	9,594
Reserves, cash, and bank balances	1,478,047	1,646,057	1,488,686
Reserve with Federal Reserve Bank	765,156	849,151	744,717
Cash in vault	119,413	113,000	124,223
Demand balances with banks in United States (except private banks and American branches of foreign banks)	331,246	365,083	342,483
Other balances with banks in United States	980	902	868
Balances with banks in foreign countries	94	78	87
Cash items in process of collection	261,158	317,843	276,308
Bank premises owned and furniture and fixtures	53,381	50,797	47,933
Other real estate owned	924	921	1,263
Investments and other assets indirectly representing bank premises or other real estate	3,282	2,803	2,623
Customers' liability on acceptances	253	410	551
Other assets	14,966	14,855	14,754
Total assets	5,782,663	6,018,339	5,833,253
LIABILITIES			
Demand Deposits	4,011,835	4,311,648	4,130,161
Individuals, partnerships, and corporations	3,189,614	3,335,924	3,221,036
U. S. Government	68,378	99,500	94,634
States and political subdivisions	298,397	340,823	356,964
Banks in United States	372,523	447,657	381,558
Banks in foreign countries	5,091	5,950	4,451
Certified and officers' checks, cash letters of credit and travelers' checks, etc.	77,832	81,794	71,518
Time Deposits	1,339,360	1,292,999	1,299,852
Individuals, partnerships, and corporations	1,257,403	1,249,421	1,261,727
United States Government	25,151	16,106	14,875
Postal Savings	738	240	244
States and political subdivisions	55,079	25,808	21,546
Banks in the United States	989	1,424	1,460
Total deposits	5,351,195	5,604,647	5,430,013
Bills payable, rediscounts, and other liabilities for borrowed money	3,980	1,465	3,882
Acceptances outstanding	271	410	551
Other liabilities	32,691	28,944	27,193
Total liabilities	5,388,137	5,635,466	5,461,639
CAPITAL ACCOUNTS			
Capital	120,316	119,407	117,120
Surplus	181,158	175,199	167,112
Undivided profits	70,460	65,162	64,797
Other capital accounts	22,592	23,105	22,585
Total capital accounts	394,526	382,873	371,614
Total liabilities and capital accounts	5,782,663	6,018,339	5,833,253
Demand deposits adjusted	3,304,685	3 440,698	3,373,210
Number of banks	479	478	478

and modernization instalment loans of 9.3 per cent. Single payment loans decreased by 2.6 per cent in the same period. Consumer loans comprised 24 per cent of total loans of all Fifth District member banks as of June 30, 1949.

Loans to farmers comprised only 4 per cent of total loans as of June 30, 1949, but rose by 42.2 per cent from June 30, 1948, to June 30, 1949. Included in the rise are loans to farmers directly guaranteed by the Commodity Credit Corporation, which rose from $185,000 on June 30, 1948, to $11,291,000 on June 30, 1949. Loans for purchasing or carrying securities (accounting for almost 4 per cent of total loans as of June, 1949) continued to decline, showing a 19.8 per cent decrease from June 30, 1948, to June 30, 1949. All other loans (comprising 3 per cent of total loans as of June, 1949) increased 6.5 per cent from mid-1948 to December 31, 1948, but decreased 12.2 per cent from December, 1948, to June 30, 1949.

Holdings of United States Government obligations by Fifth District member banks continued their steady decline from the record high reached in December, 1945. The decline from June 30, 1948, to June 30, 1949, amounted to 2.9 per cent. Major declines occurred in Treasury notes and in bonds maturing in 5 to 10 years, the former declining by 56.7 per cent and the latter by 54.9 per cent in the one-year period. Bonds maturing after 20 years decreased by 16.0 per cent and Treasury certificates of indebtedness by 1.4 per cent. Bonds maturing in 5 years or less increased by 85.8 per cent in the period, while bonds with 10 to 20 year maturity increased by 28.8 per cent. Treasury bills increased by 42.1 per cent and nonmarketable bonds (including savings bonds) by 31.6 per cent.

Guaranteed obligations decreased $278,000, or 82.5 per cent, from June 30, 1948, to June 30, 1949. Corporate stocks rose 8.0 per cent during the one-year period, while obligations of States and political subdivisions rose 4.4 per cent, and other bonds, notes, and debentures rose 3.4 per cent.

Cash assets increased 10.6 per cent from June 30, 1948, to December 31, 1948, but showed a decline of 10.2 per cent from December, 1948, to June 30, 1949. Reserves held with the Federal Reserve Bank would appear to account for the major portion of the differences shown, although balances with other banks and cash items in process of collection show the same general trends. As of June 30, 1949, cash assets were more than $10.5 million less than at June 30, 1948.

Total deposits decreased 1.5 per cent from June 30, 1948, to June 30, 1949, although there was a seasonal rise in deposits as of the end of 1948. Total demand deposits declined by 2.9 per cent from June, 1948, to June, 1949, but they showed an increase of 4.4 per cent in December over mid-1948. Time deposits increased 3.0 per cent from June, 1948, to June, 1949, but showed a slight drop at the end of 1948 from the June, 1948, total. Time deposits of the United States Government, of Postal Savings, and of States and political subdivi-

CLASSIFICATION OF LOANS AND UNITED STATES GOVERNMENT DIRECT OBLIGATIONS
MEMBER BANKS, FIFTH FEDERAL RESERVE DISTRICT

(In thousands of dollars)

	June 30, 1949	Dec. 31, 1948	June 30, 1948
Loans — net	1,524,267	1,586,079	1,508,191
Reserves	13,752	11,811	8,291
Loans — gross	1,538,019	1,597,890	1,516,482
Commercial and industrial loans, including open-market paper	510,347	590,810	551,271
Loans to farmers directly guaranteed by the Commodity Credit Corporation	11,291	14,435	185
Other loans to farmers	50,974	34,351	43,610
Loans to brokers and dealers in securities	8,936	7,867	8,200
Other loans for purchasing or carrying securities	44,318	49,741	58,175
Real Estate loans: On farm lands	42,130	41,231	40,127
On residential property	332,810	338,659	316,561
On other property	122,013	118,029	113,910
Single-payment loans	190,599	191,916	195,740
Loans to banks	1,478	1,808	3,230
Other loans to individuals:			
Retail automobile instalment paper	72,326	62,147	53,374
Other retail instalment paper	22,214	21,225	16,000
Repair and modernization instalment loans	19,751	18,103	18,078
Instalment cash loans	61,635	53,968	49,249
All other loans (including overdrafts)	47,197	53,600	48,772
United States Government direct obligations	2,437,825	2,453,260	2,509,782
Treasury bills	103,878	102,183	73,101
Treasury certificates of indebtedness	361,944	369,810	367,124
Treasury notes	64,716	102,810	149,446
Nonmarketable bonds	117,827	115,928	88,971
Other bonds maturing in 5 years or less	1,002,462	836,005	539,744
Other bonds maturing in 5 to 10 years	448,775	625,514	995,076
Other bonds maturing in 10 to 20 years	256,665	222,877	199,207
Bonds maturing after 20 years	81,558	78,133	97,113

Note: June 1949 figures are preliminary.

sions show large increases from June, 1948, to June, 1949. Practically all other demand and time deposits show decreases for the period. Demand deposits of individuals, partnerships, and corporations decreased 1.0 per cent, while time deposits of individuals, partnerships, and corporations decreased 0.3 per cent from June, 1948, to June, 1949, but these deposits showed the same general patterns at the end of 1948 as total demand and total time deposits.

Total capital accounts increased by about $23 million, or 6.2 per cent, from June 30, 1948, to June 30, 1949, bringing the amount of total capital of all Fifth District member banks to $394,526,000 as of June 30, 1949. Growth was chiefly in the surplus and undivided profits items.

Net profits reported by member banks in the Fifth District for the first half of 1949, according to preliminary estimates, amounted to $17,238,000. This represents a 25 per cent increase over the first half of 1948, when losses, charge-offs, and transfers to valuation reserves were heavier. Cash dividends declared increased around 9 per cent for the first half of 1949 as against the corresponding period in 1948.

Mid-year estimates of total current operating earnings indicate a new postwar peak of $69,343,000 for the first half of 1949, an increase of 6.3 per cent over the same period in 1948. The principal contributing factor was the increase in interest and discount on loans, which amounted to $3,680,000, or 12 per cent, from mid-1948 and accounted for 50 per cent of gross earnings. Current operating expenses in the same period totaled $42,379,000, an increase of $2,501,000, or 6.3 per cent, over the corresponding period in 1948.

On balance, net current operating earnings amounted to $26,964,000, or 6.3 per cent above the similar period in 1948. In spite of an increase in taxes on net income over last year and a relative decrease in recoveries, transfers from valuation reserves, and profits on securities, there was a larger increase in net profits principally attributable to a decrease in losses, charge-offs, and transfers to valuation reserves compared with the mid-year earnings data in 1948.

EARNINGS AND DIVIDENDS — MEMBER BANKS IN FIFTH DISTRICT
(in thousands of dollars)

	Totals — first half 1949			Change from first half 1948		
	Reserve City banks	Country banks	All members	Reserve city banks	Country banks	All members
Interest and dividends on U. S. Gov't obligations	8,990	11,406	20,396	— 313	— 68	— 381
Interest and discount on loans	11,892	22,892	34,784	+1,158	+2,522	+3,680
All other earnings	6,696	7,467	14,163	+ 273	+ 537	+ 810
Total Current Operating Earnings	27,578	41,765	69,343	+1,118	+2,991	+4,109
Total Current Operating Expenses	17,760	24,619	42,379	+ 286	+2,215	+2,501
Net Current Operating Earnings	9,818	17,146	26,964	+ 832	+ 776	+1,608
Total recoveries, transfers from valuation reserves and profits	740	1,291	2,031	—1,138	— 525	—1,663
Total losses, charge-offs and transfers to valuation reserves	1,661	2,720	4,381	—2,127	—2,404	—4,531
Taxes on net income	2,752	4,624	7,376	+ 406	+ 586	+ 992
Net profits	6.145	11.093	17,238	+1,415	+2,069	+3,484
Cash dividends declared	2,670	3,087	5,757	+ 108	+ 364	+ 472

Note: All figures preliminary.

FEDERAL RESERVE BANK OF RICHMOND
(All Figures in Thousands)

ITEMS	Aug. 17 1949	Change in Amt, From 7-13-49	8-18-48
Total Gold Reserves	$1,083,386	+ 6,073	+ 31,874
Other Reserves	19,166	+ 1,941	+ 3,193
Total Reserves	1,102,552	+ 8,014	+ 35,067
Bills Discounted	13,786	+ 3,121	— 8,606
Industrial Advances	21	— 5	— 33
Govt. Securties, Total	1,170,054	— 39,553	—229,537
Bonds	499,145	— 321	+ 17,926
Notes	22,507	— 418	— 98,133
Certficates	401,674	— 32,855	+ 68,615
Bills	246,728	— 5,959	—217,945
Total Bills & Securities	1,183,861	— 36,437	—238,176
Uncollected Items	225,974	— 13,495	— 23,944
Other Assets	21,019	— 2,773	— 3,965
Total Assets	2,533,406	— 44,691	—231,018
Federal Reserve Notes in Cir.	1,543,216	— 719	— 88,752
Deposits, Total	735,906	— 34,479	—133,218
Members' Reserves	674,622	— 51,940	— 44,480
U. S. Treas. Gen. Acct.	34,452	+ 19,500	— 95,458
Foreign	23,780	— 794	+ 5,606
Other Deposits	3,052	— 1,245	+ 1,114
Def. Availability Items	209,862	— 7,639	— 14,613
Other Liabilities	416	— 130	— 207
Capital Accounts	44,006	— 1,724	+ 5,772
Total Liabilities	2,533,406	— 44,691	—231,018

51 REPORTING MEMBER BANKS—5th DISTRICT
(All Figures in Thousands)

ITEMS	Aug. 17 1949	Change in Amt, From 7-13-49	8-18-48
Total Loans	$ 808,261**	+ 15,254	— 39,086
Bus. & Agri.	358,521	+ 9,563	— 28,041
Real Estate Loans	198,914	+ 3,478	+ 1,355
All Other Loans	259,669	+ 2,247	— 9,231
Total Security Holdings	1,792,168	+ 75,442	+ 86,602
U. S. Treasury Bills	134,072	+ 48,478	+ 94,956
U. S. Treasury Certificates	215,434	+ 4,467	+ 6,740
U. S. Treasury Notes	41,250	+ 751	— 43,509
U. S. Govt. Bonds	1,257,762	+ 21,216	+ 17,225
Other Bonds, Stocks & Sec.	143,650	+ 530	+ 11,190
Cash Items in Process of Col.	214,464	— 5,341	+ 1,606
Due from Banks	169,038*	— 10,206	+ 17,964
Currency & Coin	61,024	— 8,046	— 3,311
Reserve with F. R. Banks	439,129	— 36,799	— 40,017
Other Assets	50,538	+ 1,781	+ 3,528
Total Assets	3,534,622	+ 32,085	+ 27,286
Total Demand Deposits	$2,667,023	+ 29,046	+ 7,677
Deposits of Individuals	2,056,689	+ 7,554	+ 76,496
Deposits of U. S. Govt.	44,322	+ 15,739	— 28,036
Deposits State & Local Govt.	140,647	+ 7,016	— 46,968
Deposits of Banks	382,892*	— 2,272	+ 6,993
Certified & Officer's Checks	42,473	+ 1,009	— 808
Total Time Deposits	616,474	— 74	+ 14,030
Deposits of Individuals	568,204	+ 103	— 15,126
Other Time Deposits	48,270	— 177	+ 29,156
Liabilities for Borrowed Money	4,600	+ 1,200	— 8,100
All Other Labilities	21,578	+ 1,320	+ 3,415
Capital Accounts	224,947	+ 593	+ 10,264
Total Liabilities	3,534,622	+ 32,085	+ 27,286

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

CONSTRUCTION CONTRACTS AWARDED

STATES	July 1949	% chg. from July 1948	7 Mos. 1949	% chg. from 7 Mos. 1948
Maryland	$27,538,000	—19	$163,165,000	—15
Dist. of Columbia	5,743,000	—35	62,307,000	+24
Virginia	18,467,000	+12	134,677,000	+ 8
West Virginia	8,341,000	+ 3	33,492,000	—46
North Carolina	19,800,000	+26	95,412,000	—20
South Carolina	8,975,000	+35	54,485,000	— 4
Fifth District	$88,864,000	— 1	$543,538,000	—10

Source: F. W. Dodge Corp.

DEPOSITS IN MUTUAL SAVINGS BANKS
8 Baltimore Banks

	July 31, 1949	June 30, 1949	July 31, 1948
Total Deposits	$393,034,173	$393,446,443	$392,484,523

DEBITS TO INDIVIDUAL ACCOUNTS
(000 Omitted)

	July 1949	July 1948	7 Mos. 1949	7 Mos. 1948
Dist. of Columbia				
Washington	$ 718,616	$ 745,614	$ 5,173,052	$ 5,066,972
Maryland				
Baltimore	908,505	964,509	6,560,350	6,668,358
Cumberland	19,361	25,037	144,475	146,736
Frederick	17,035	19,579	119,568	130,216
Hagerstown	27,009	27,471	182,910	184,611
North Carolina				
Asheville	43,229	51,853	315,646	349,321
Charlotte	234,023	239,825	1,576,196	1,598,194
Durham	86,770	107,404	582,526	662,088
Greensboro	66,744	75,818	493,728	514,553
Kinston	13,567	12,151	90,795	81,049
Raleigh	113,192	121,282	842,583	765,623
Wilmington	32,332	36,791	216,371	241,212
Wilson	11,843	14,821	95,388	95,524
Winston-Salem	142,214	122,351	858,813	831,911
South Carolina				
Charleston	55,267	60,406	406,855	388,338
Columbia	90,299	87,999	670,787	631,664
Greenville	71,501	78,990	533,245	548,621
Spartanburg	38,252	41,834	301,259	322,201
Virginia				
Charlottesville	20,048	21,896	149,768	149,749
Danville	19,991	22,325	153,030	173,173
Lynchburg	31,763	38,468	242,331	264,889
Newport News	28,218	32,467	218,429	219,357
Norfolk	166,540	190,811	1,204,152	1,246,261
Portsmouth	19,362	19,591	134,284	138,248
Richmond	439,821	481,996	3,282,757	3,138,120
Roanoke	86,995	90,085	622,161	592,694
West Virginia				
Bluefield	36,339	42,541	310,449	288,597
Charleston	115,481	134,437	924,503	912,682
Clarksburg	26,888	34,299	200,760	220,548
Huntington	52,360	62,136	390,306	397,991
Parkersburg	23,631	29,332	174,795	185,313
District Totals	$3,757,196	$4,034,119	$27,172,272	$27,154,814

COTTON CONSUMPTION AND ON HAND—BALES

	July 1949	July 1948	Aug. 1 to July 31 1949	1948
Fifth District States:				
Cotton consumed	240,114	318,770	3,980,092	4,690,008
Cotton Growing States:				
Cotton consumed	415,957	561,521	6,983,246	8,254,239
Cotton on hand July 31 in				
consuming establishm'ts	738,170	1,183,073	.....	.....
storage & compresses	4,128,366	1,290,610	.....	.....
United States:				
Cotton consumed	455,106	627,462	7,797,841	9,354,392
Cotton on hand July 31 in				
consuming establishm'ts	884,175	1,471,908	.....	.....
storage & compresses	4,143,183	1,333,945	.....	.....
Spindles active, U. S.	19,012,000	21,327,000	.....	.....

Source: Department of Commerce.

COTTON CONSUMPTION—FIFTH DISTRICT

	No. Carolina	So. Carolina	Virginia	District
July 1949	126,171	105,993	7,950	240,114
June 1949	163,762	140,530	7,650	311,942
July 1948	168,767	135,656	14,347	318,770
7 Months 1949	1,151,485	968,891	77,709	2,197,585
7 Months 1948	1,515,053	1,159,446	123,706	2,798,205

Source: Department of Commerce.

PRICES OF UNFINISHED COTTON TEXTILES

	July 1949	June 1949	July 1948
Average, 17 constructions	59.99	60.22	79.04
Printcloths, average (6)	62.90	63.12	86.92
Sheetings, average (3)	54.13	54.83	63.59
Twill (1)	62.33	62.44	99.71
Drills, average (4)	55.15	55.29	69.27
Sateen (1)	80.49	80.34	128.15
Ducks, average (2)	58.30	58.30	63.23

Note: The above figures are those for the approximate quantities of cloth obtainable from a pound of cotton with adjustment for salable waste.

Source: Department of Agriculture.

BUILDING PERMIT FIGURES

	July 1949	July 1948	7 Mos. 1949	7 Mos. 1948
Maryland				
Baltimore	$ 2,940,820	$ 5,281,080	$ 28,421,445	$ 36,476,860
Cumberland	78,875	67,625	313,100	423,125
Frederick	56,705	21,800	594,127	1,084,910
Hagerstown	753,960	110,235	1,490,340	784,729
Salisbury	60,925	67,370	992,686	1,668,991
Virginia				
Danville	158,372	274,861	1,650,659	3,829,076
Lynchburg	892,760	236,786	3,068,202	2,049,058
Norfolk	1,328,165	1,693,985	7,155,316	11,252,145
Petersburg	115,987	174,196	932,270	691,724
Portsmouth	90,285	206,815	933,637	1,046,122
Richmond	1,298,951	1,149,498	10,303,715	11,227,482
Roanoke	1,170,706	838,929	6,991,778	4,687,063
West Virginia				
Charleston	1,430,531	711,361	4,817,360	6,537,108
Clarksburg	75,300	164,876	689,870	1,161,158
Huntington	324,534	548,334	2,540,286	5,855,749
North Carolina				
Asheville	173,147	327,686	1,693,125	1,623,543
Charlotte	1,225,478	2,943,191	13,547,491	12,679,558
Durham	1,293,590	398,485	4,680,740	6,914,937
Greensboro	685,669	739,783	6,777,242	6,963,332
High Point	218,270	322,175	1,695,782	2,650,125
Raleigh	387,145	475,500	4,658,425	5,910,909
Rocky Mount	131,665	163,300	934,048	1,097,625
Salisbury	155,825	79,375	772,437	585,350
Winston-Salem	483,339	596,749	5,484,040	3,774,701
South Carolina				
Charleston	1,410,807	223,244	2,848,272	2,049,999
Columbia	424,108	1,452,590	4,026,773	4,610,718
Greenville	2,463,300	634,050	6,591,681	4,327,450
Spartanburg	1,822,089	152,483	2,578,541	1,537,656
Dist. of Columbia				
Washington	7,237,988	3,486,160	42,782,544	29,659,624
District Totals	$28,889,296	$23,542,522	$169,965,932	$173,160,827

REPORT ON RETAIL FURNITURE SALES

STATES	Percentage comparison of sales in periods named with sales in same periods in 1948: July 1949	7 Months 1949
Maryland (5)*	0	— 5
District of Columbia (6)*	+32	+14
Virginia (19)*	—11	— 7
West Virginia (10)*	—18	—12
North Carolina (13)*	— 8	—13
South Carolina (10)*	— 6	—10
District (63)*	+ 2	— 3
INDIVIDUAL CITIES		
Baltimore, Md. (5)*	0	— 5
Washington, D. C. (6)*	+32	+14
Richmond, Va. (6)*	—16	— 4
Lynchburg, Va. (3)*	—10	— 6
Charleston, W. Va. (3)*	—10	—10
Charlotte, N. C. (3)*	—13	—23
Columbia, S. C. (3)*	—23	—11

* Number of reporting firms.

WHOLESALE TRADE, 188 FIRMS

LINES	Net Sales July 1949 compared with July 1948	Net Sales July 1949 compared with June 1949	Stock July 31, 1949 compared with July 31 1948	Stock July 31, 1949 compared with June 30 1949
Auto supplies (6)*	—20	+ 5	0	+ 2
Electrical goods (4)*	—29	—14	.....	.....
Hardware (13)*	—12	0	+ 9	+ 9
Industrial supplies (3)*	—41	—31	.....	.....
Drugs & sundries (13)*	— 5	— 4	+ 5	— 2
Dry goods (11)*	—41	—15	—19	+ 6
Groceries (54)*	— 6	— 4	— 2	— 1
Paper & products (5)*	—20	—16	.....	.....
Tobacco & products (7)*	— 9	— 8	+10	+ 9
Miscellaneous (72)	—10	— 5	+ 5	— 2
District Totals (188)*	—10	— 5	+ 1	+ 3

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

SOFT COAL PRODUCTION IN THOUSANDS OF TONS

REGIONS	July 1949	July 1948	% Change	7 Mos. 1949	7 Mos. 1948	% Change
West Virginia	7,844	14,600	—46	85,053	92,025	— 8
Virginia	960	1,889	—49	9,125	11,428	—20
Maryland	31	160	—81	409	1,023	—60
Fifth District	8,835	16,649	—47	94,587	104,476	— 9
United States	26,040	48,611	—47	281,431	334,888	—16
% in District	33.9	34.2		33.6	31.2	

Source: Bureau of Mines.

RAYON YARN SHIPMENTS AND STOCKS

	July 1949	June 1949	July 1948
Rayon yarn shipments	60,700,000	56,200,000	72,600,000
Staple fiber shipments	13,400,000	10,900,000	22,300,000
Rayon yarn stocks	48,300,000	50,400,000	9,400,000
Staple fiber stocks	15,900,000	18,900,000	4,000,000

Source: Rayon Organon.

TOBACCO MANUFACTURING

	July 1949	% chg. from July 1948	7 Mos. 1949	% chg. from 7 Mos. 1948
Smoking & Chewing tobacco (Thousands of lbs.)	14,388	— 3	109,239	— 3
Cigarettes (Thousands)	25,853,620	— 6	201,346,733	+ 1
Cigars (Thousands)	422,496	— 2	3,104,419	— 3
Snuff (Thousands of lbs.)	2,238	—25	22,568	— 7

Source: Treasury Department.

COMMERCIAL FAILURES

MONTHS	Number of Failures District	Number of Failures U.S.	Total Liabilities District	Total Liabilities U.S.
July 1949	35	719	$ 907,000	$ 21,804,000
June 1949	28	828	597,000	28,161,000
July 1948	11	420	195,000	13,876,000
7 Months 1949	242	5,300	6,552,000	254,439,000
7 Months 1948	105	2,963	2,724,000	111,214,000

Source: Dun & Bradstreet.

DEPARTMENT STORE TRADE

	Richmond	Baltimore	Washington	Other Cities	District
Percentage change in July 1949 sales compared with July 1948:	— 6	—13	+ 9	— 6	— 3
Percentage change in 7 mos. sales 1949 compared with 7 mos. in 1948:	— 3	— 6	+ 3	— 4	— 2
Percentage change in stocks on July 31 1949, comp. with July 31, 1948:	— 5	— 6	— 3	—14	— 6
Percentage change in outst'd'g orders July 31, 1949 from July 31, 1948:	—27	—27	—29	—20	—28
Percentage changes in rec'vables July 31, '49 from those on July 31, '48:	+ 8	0	+17	— 3	+ 8
Percentage of current receivables as of July 1, 1949 collected in July:	29	41	44	44	40
Percentage of instalment receivables as of July 1, 1949 collected in July:	14	23	19	20	20

	Maryland	Dist. of Col.	Virginia	West Va.	No. Car.	So. Car.
Percentage change in July 1949 sales from July 1948 sales, by States:	—13	+ 9	— 5	— 5	—10	— 5
Percentage change in 7 months 1949 from 7 months 1948 sales:	— 6	+ 3	— 3	— 1	— 9	— 1