

# MONTHLY REVIEW

## of Financial and Business Conditions

FIFTH  
FEDERAL



RESERVE  
DISTRICT

Federal Reserve Bank, Richmond 13, Va.

September 30, 1946

### Business Conditions

**B**USINESS activity in the Fifth Federal Reserve District continues at about the same high rate that has characterized recent months. Some lines of activity were seasonally much increased. Tobacco marketing became so heavy that sales were suspended until the tobacco already sold could be handled by the redriers. Even after the markets reopened, sales were held down by shortening the marketing week. Through September 20 nearly  $\frac{1}{2}$  billion pounds or over  $\frac{2}{5}$  of the District's flue-cured crop had been sold at an average price of \$50.92 per 100 lbs. The index of cotton consumption in the District increased 10 percent between July and August after allowance for seasonal adjustment. Bank debits increased 15 percent during the same period. Wholesale trade showed improvement in hardware, industrial supplies, automotive supplies, and groceries, with other lines showing a drop from July to August. Compared with a year ago, however, the level of activity was much increased. Average daily bituminous coal production however in the District in August was 2 percent below the July level and 12 percent higher than in August 1945.

Because of the inability of coal operators to agree on terms for taking back the mines, the government will continue their operation.

The level of employment in manufacturing industries in the Fifth District during July was 3 percent below that of a year ago, decreases in Maryland, Virginia, and West Virginia more than offsetting gains in the rest of the District. There was no appreciable change in manufacturing employment between June and July of this year.

The seasonally adjusted index of building permits in the Fifth District for August was 5 percent below that for July, but 90 percent higher than in August 1945.

#### COTTON AND COTTON TEXTILES

According to September official estimates, the outlook for cotton production in the Fifth District states improved during August. District production is estimated at 1,208,000 bales. This is 37,000 bales above the August estimate and 100,000 bales larger than production in 1945. The estimated harvested acreage is about the same

#### BUSINESS INDEXES—FIFTH FEDERAL RESERVE DISTRICT

Average Daily 1935-39=100

Seasonally Adjusted.

	Aug. 1946	July 1946	June 1946	Aug. 1945	% Change Aug. 1946 from July 46      Aug. 45	
Bank Debits .....	298	259	258	231	+ 15	+ 29
Bituminous Coal Production*.....	150	153r	154	134	- 2	+ 12
Building Permits Issued.....	175	184	183	92	- 5	+ 90
Cigarette Production .....	229	216	229	208	+ 6	+ 10
Cotton Consumption* .....	154	140	149	137	+ 10	+ 12
Department Store Sales.....	308	307	303	237	0	+ 30
Department Store Stocks.....	264	263r	243	199	0	+ 33
Furniture Sales—Retail .....	212	250	269	126	- 15	+ 68
Life Insurance Sales.....	272	297	252	161	- 8	+ 69
Wholesale Trade:						
Automotive Supplies** .....	251	239	286	175	+ 5	+ 43
Drugs .....	260	280	269	218	- 7	+ 19
Dry Goods .....	193	213	197	158	- 9	+ 22
Electrical Goods** .....	43	55	43	44	- 22	- 2
Groceries .....	249	246	235	195	+ 1	+ 28
Hardware .....	122	112	104	81	+ 9	+ 51
Industrial Supplies** .....	253	237	226	133	+ 7	+ 90
Paper and Its Products**.....	126	137	136	120	- 8	+ 5
Tobacco and Its Products**.....	107	116	113	92	- 8	+ 16

\* Not seasonally adjusted.

\*\* 1938-41=100

this season as last, inasmuch as moderate increases in Virginia and North Carolina are slightly more than offset by a drop in South Carolina cotton acreage. Indicated yields for Fifth District states are from 8 percent to 12 percent higher than a year ago and also above August estimated levels. Despite the increase in estimated production as compared with August, decreases in other states account for an estimated decrease of 119,000 bales for the U. S. Even so, it is estimated that U. S. production will be 9,171,000 bales or 156,000 bales larger than in 1945.

Cotton prices continue to push into new high ground for the current period. In August the U. S. average farm price of cotton was 33.55 cents per lb. Should the season average farm price be at this same level and production at the September estimated level, the value of cotton this year would be about \$1.5 billion of which about \$200 million would represent the value of the Fifth District's production. This would be the highest value of production of cotton in the Fifth District for more than 20 years.

Ginnings in South Carolina totaled nearly 39,000 running bales prior to September as compared with 20,000 to the same date a year earlier. For the country as a whole ginnings to September totaled 532,000 bales. This cotton averaged considerably higher in grade and a little longer in staple than for the corresponding period last season.

During August mills in North and South Carolina and Virginia consumed 406,000 bales of cotton or 13 percent more than in the corresponding month a year earlier. Uncertainty and delays over price ceilings continue to disrupt activity in textile markets. Many mills are reportedly rather hesitant sellers. On one hand they are discouraged from selling by the hope of enjoying the benefit of any upward adjustment in ceiling prices. Opposing this force is a realization of the real need of some of the firms to whom they sell for their production if shut-downs for lack of material are to be avoided.

#### TOBACCO

Present indications are that tobacco production in the Fifth Federal Reserve District will total 1,270 million lbs. or 137 million more than in 1945. Flue-cured is currently estimated at 1,170 million lbs. or 13 percent over 1945. Production of Virginia flue-cured is estimated at 152 million lbs. or 10 percent above 1945, and the 1946 crop of sun-cured is estimated at 3.3 million lbs. or 50 percent larger than in 1945. Production of burley tobacco in the District is estimated at 40.5 million lbs. or 27 percent more than 1945.

The heavy flow of tobacco continues to tax redrying facilities. About 42 percent of the season's flue-cured production has been sold up to September 21 at an average price of \$50.92 per hundred pounds. Prices have

been declining slowly, but nevertheless the average has been considerably higher than for the comparable period last season.

Average daily seasonally adjusted cigarette production in the Fifth District during August was 6 percent above that for July and 10 percent above the level of August 1945.

#### FERTILIZER

Farmers in the Fifth District continue to use increasing quantities of fertilizer, but increases are still more rapid in states outside the District. In August, for example, fertilizer tag sales in Virginia and the Carolinas totaled 105,000 tons which compares with 77,000 tons in August 1945 and 52,000 tons in August 1944. For the period January-August 1946 tag sales were 2 percent larger this year than last in South Carolina, 6 percent larger in North Carolina, and 10 percent larger in Virginia. In 13 other states for which data are available, sales increased 19 percent between the two periods.

#### LUMBER

Lumber production in the Fifth District declined in both May and June after having risen in each of the earlier months this year. Nevertheless, June production totaled 505 million board feet or 16 percent of the United States total. Stocks of lumber at mills and in concentration yards increased in all of the Fifth District states as well as in the United States between March 31 and June 30. On this latter date stocks in the Fifth District totaled 399 million board feet or 12 percent of the United States total of 3,363 million board feet. Compared with three months earlier, these stock figures represent increases of 17 percent and 14 percent respectively. Even so, these data indicate that lumber stocks in the Fifth District were equivalent to only 4/5 of a month's production. For the country as a whole stocks on June 30 were 6 percent larger than production in June.

#### APPLES

This year's commercial apple crop in the Fifth District was estimated at 21,584,000 bushels as of September 1, 6 percent greater than that indicated on August 1 and 218 percent higher than the 1945 production. Even though prices are somewhat lower this year than last, income from the apple crop will be materially greater than in 1945 because of the very large increase in production.

The east coast shipping strike caused large quantities of apples intended for export trade to be diverted into cold storage.

Labor conditions in Western Maryland and the Virginia Valley section are much improved over last year, and little or no fruit is expected to be lost because of lack of pickers.

## Net Farm Income of Farm Operators<sup>1</sup>

Farm operators in the Fifth District had a net farm income in 1945 of \$1,211 million, or an average of \$1,621 per farm.<sup>2</sup> This total amount was 3 percent larger than the net income in 1944 and more than 2 1/3 times as large as the net income in the so-called "boom year" 1929, Table I.

Using 1939 as a base, net income in the Fifth District increased about 3/4 by 1942 and had more than doubled by 1943. The rate of increase in the Fifth District continued large through 1944, and in 1945 the net income was 174 percent above the 1939 level. Net income in the Fifth District has not risen by as large a percentage above the 1939 level as has the net income for the entire United States. Nevertheless, during the last two years the Fifth District has accounted for over 9 percent of the U.S. total. This is more than during the four preceding years but less than the 9.7 percent recorded in 1939.

Perhaps it borders on stating the "too obvious" to note in passing that the sharp rise in net income reflects the much more rapid increase in gross farm income than in production expenses. In the Fifth District gross farm income (cash returns from marketing, the value of farm products used by those living on the farm, and the annual rental value of farm residences) increased 128 percent between 1939 and 1945 whereas production expenses increased 80 percent, Tables II and III. The relative increases in both gross income and production expenses from 1939 to 1945 were slightly more in the United States than in the Fifth District. The over-all effect of these rates of change was a rise of 174 percent of the net income in the Fifth District, whereas for the entire United States was 190 percent.

The estimates of realized net income presented here represent amounts derived from the farm business over and above expenses available to the farm operator and his family for current living and for savings. They indicate net returns to farm operator in the several states for labor, including the unpaid labor of their families, and for their capital and management. They do not represent total net income from agriculture which includes not only net income of farm operators but also wages to the farm laborers and rent and interest to persons not living on the farms.

These data on gross income, production expenses and net income have significance to banks and other business interests. Of course being state totals or state averages per farm they are less useful to the individual banker than would data for their own community or better still for individual farms in their community. However they do suggest changes in the level of well being among farmers generally, and they tend to prescribe general limits on the patterns of spending among farmers. By way of illus-

<sup>1</sup> This is the second of a series of articles on important aspects of farm income as it affects banking in the Fifth Federal Reserve District. The earlier article "Sources of Cash Farm Income and Their Changing Importance" appeared in the issue for April 1946. Other articles will appear in subsequent issues.

<sup>2</sup> Data used as the basis for this article are from Part VI, Section 1 of Income Parity for Agriculture, entitled "Net Income and Production Expenses of Farm Operators by States, Calendar years 1929, 1939-44," "Cash Receipts From Farming, By States and Commodities, Calendar years 1924-44," and the February, April, and July 1946 issues of "The Farm Income Situation." Copies of these reports can be obtained without charge by writing the Division of Economic Information, Bureau of Agricultural Economics, U. S. Department of Agriculture, Washington 25, D. C.

tration the net farm income in the Fifth District as a percentage of gross farm income increased from 51 percent in 1939 to 65 percent in 1945, Table IV. Certainly this increase in net incomes both actually and relative to gross income is to swell farmers bank accounts. The increase also means that taken as a group the farmers in the Fifth District had more money to spend in 1945 on products and services that they could have done without than they had in 1939.

Reports have been wide spread that this (1946) has been an expensive crop to produce, and from the current trend of prices it appears that the 1947 crop also will be costly. Of course net incomes as defined for the basis of these computations differ somewhat from the way many farmers view their net income but by any reasonable definition most farmers will again make fairly good net incomes this year.

The experience of South Carolina in 1944-45 illustrates how suddenly net incomes can change. Largely because of the drop in cotton production, average gross income per farm in South Carolina dropped from \$2,342 in 1944 to \$2,104 in 1945, a decline of 10 percent, Table V. Production expenses increased from \$845 per farm to \$936 or 10 percent. The composite effect of these changes was to lower net income per farm from \$1,498 in 1944 to \$1,168 in 1945. This represents a drop of 22 percent which is sufficient to at least mildly shock any economy.

It has long been noted that the course of farm prices and the prices of those products purchased by farmers tend to follow a rather definite pattern. In a period of increasing prosperity farm prices and income tend to run ahead of prices paid and total expenses. However farm prices have been characterized as falling first, fastest and furthest once the down-turn sets in. Thus any drop in farm income whether occasioned by a drop in production or by lower prices may result in a somewhat lower gross farm income and a drastically lower net farm income.

Looking to the years ahead this relationship would suggest to farmers, bankers, and other businessmen the desirability of using the current high level of incomes to reduce insofar as it is feasible to do so their outstanding debts, of refraining from incurring unnecessary indebtedness and of building up cash reserves against that time when incomes may be small or losses result from the particular year's farming operations.

TABLE I  
NET FARM INCOME OF FARM OPERATORS

	(Million dollars)						
	Md.	Va.	W. Va.	N. C.	S. C.	5th Dist.	U. S.
1929	40	132	56	196	98	522	6,253
1939	29	85	44	198	85	441	4,567
1940	33	89	41	175	82	420	4,695
1941	43	116	48	249	74	530	6,464
1942	57	164	61	378	119	779	9,371
1943	80	219	76	419	144	938	12,339
1944	81	244	82	547	217	1,171	12,997
1945	96	291	87	565	172	1,211	13,243

INDEX NUMBERS (1939=100)

1929	137	154	125	99	116	118	137
1939	100	100	100	100	100	100	100
1940	112	104	91	89	97	95	103
1941	149	136	108	126	87	120	142
1942	196	191	138	191	141	177	205
1943	273	256	173	212	170	213	270
1944	277	286	185	277	256	265	285
1945	328	340	198	286	203	274	290

TABLE II

## PRODUCTION EXPENSES OF FARM OPERATORS

(Million dollars)

	Md.	Va.	W. Va.	N. C.	S. C.	5th Dist.	U. S.
1929	81	125	42	153	85	486	7,655
1939	64	110	34	135	73	416	6,061
1940	66	113	36	134	76	425	6,344
1941	78	126	41	153	82	480	7,433
1942	95	149	49	187	105	585	9,171
1943	114	169	56	218	116	673	10,669
1944	115	178	58	226	122	699	11,089
1945	124	185	58	243	138	748	11,593

## INDEX NUMBERS (1939=100)

1929	126	114	123	113	116	117	126
1939	100	100	100	100	100	100	100
1940	104	103	105	99	104	102	105
1941	121	114	121	113	112	115	123
1942	148	136	143	138	144	140	151
1943	177	154	164	161	158	161	176
1944	179	162	169	167	167	168	183
1945	194	169	169	180	188	180	191

TABLE III

## GROSS FARM INCOME OF FARM OPERATORS

(Million dollars)

	Md.	Va.	W. Va.	N. C.	S. C.	5th Dist.	U. S.
1929	121	257	98	349	183	1,008	13,908
1939	93	195	78	333	158	857	10,628
1940	99	202	77	309	158	845	11,039
1941	121	242	89	402	156	1,010	13,897
1942	152	313	110	565	224	1,364	18,542
1943	194	388	132	637	260	1,611	23,008
1944	196	422	140	773	339	1,870	24,086
1945	220	476	145	808	310	1,959	24,836

## INDEX NUMBERS (1939=100)

1929	130	132	124	105	116	117	131
1939	100	100	100	100	100	100	100
1940	106	103	97	93	100	99	104
1941	129	124	113	121	99	118	131
1942	163	160	141	170	142	159	174
1943	207	199	169	191	165	188	216
1944	210	216	178	232	215	218	227
1945	236	244	185	243	196	228	234

TABLE IV

## NET INCOME AS A PERCENTAGE OF GROSS INCOME

	Md.	Va.	W. Va.	N. C.	S. C.	5th Dist.	U. S.
1929	33	51	57	56	54	52	45
1939	31	44	56	59	54	51	43
1940	33	44	53	57	52	50	43
1941	36	48	53	62	47	52	47
1942	38	52	55	67	53	57	51
1943	41	57	58	66	55	58	54
1944	41	58	58	71	64	63	54
1945	49	69	62	73	51	65	55

TABLE V

## NET INCOME, PRODUCTION EXPENSE, AND GROSS INCOME PER FARM

## NET INCOME

	Md.	Va.	W. Va.	N. C.	S. C.	5th Dist.	U. S.
1929	927	772	671	701	625	711	994
1939	685	476	438	696	610	591	735
1940	776	509	407	630	599	574	770
1941	1,035	677	482	908	528	730	1,070
1942	1,378	965	625	1,405	877	1,092	1,591
1943	1,917	1,283	783	1,492	999	1,277	2,081
1944	1,936	1,408	845	1,923	1,498	1,579	2,207
1945	2,320	1,679	896	1,965	1,168	1,621	2,254

## PRODUCTION EXPENSE

1929	1,874	734	512	547	536	662	1,217
1939	1,506	610	339	477	526	558	976
1940	1,579	644	364	481	553	581	1,041
1941	1,843	731	419	559	591	661	1,231
1942	2,296	880	502	697	771	820	1,557
1943	2,734	988	578	779	802	916	1,799
1944	2,755	1,025	600	793	845	943	1,883
1945	3,008	1,070	593	847	936	1,002	1,973

## GROSS INCOME

1929	2,801	1,506	1,183	1,248	1,161	1,373	2,211
1939	2,190	1,085	777	1,173	1,136	1,149	1,711
1940	2,356	1,153	776	1,112	1,152	1,155	1,811
1941	2,878	1,409	901	1,466	1,120	1,391	2,301
1942	3,673	1,846	1,126	2,102	1,648	1,912	3,147
1943	4,651	2,271	1,361	2,271	1,801	2,192	3,880
1944	4,691	2,432	1,445	2,716	2,342	2,522	4,090
1945	5,328	2,749	1,489	2,812	2,104	2,624	4,226

## Banking

Commercial, industrial, and agricultural loans of weekly reporting member banks of the Fifth District continued their increase during August and the first two weeks of September, reaching a total of \$205 million on September 11. Loans to other than brokers and dealers for purchasing or carrying securities accelerated their downward trend in September, reflecting adverse market conditions with pressure for liquidation of these loans.

Holdings of U. S. Government securities by reporting banks fell off slightly during the last two weeks of August and then dropped \$16 million during the week ended September 4, reflecting the effects of the redemption of a portion of the maturing issue of certificates of indebtedness and probably some liquidation of holdings to meet War Loan account withdrawals. The acquisition of bills,

notes, and bonds in the following week restored the total to the end-of-August level.

Member bank reserves in the Fifth District fluctuated slightly during the latter part of August, decreased with the early September War Loan account withdrawals, and reached \$737 million on September 11, equalling the previous high for 1946. The net increase of \$11 million for the four-week period was the result of a balancing off of factors of greater size: Reserve bank credit extended locally decreased by \$12 million, mainly as the result of decreased member bank borrowings at this Bank. Treasury transactions resulted in an inflow of funds to the District except for the first week of September when War Loan Account withdrawals caused an outflow of \$62 million, resulting in a net outflow for the four weeks of \$22

million. Increased demand for currency caused a decrease in reserves of \$45 million and represented the appearance of the seasonal increase in currency requirements. Against these losses of reserves was an inflow of \$89 million from commercial and financial transactions, which include interbank transfers between this and other districts, and were influenced by transfers for use in the tobacco markets and by withdrawals of funds from New York by banks requiring reserves and those having the proceeds of the redemption of the September 1 certificates on deposit there. Miscellaneous factors contributed some \$2 million to reserves.

FIFTH DISTRICT MEMBER BANK DEPOSITS

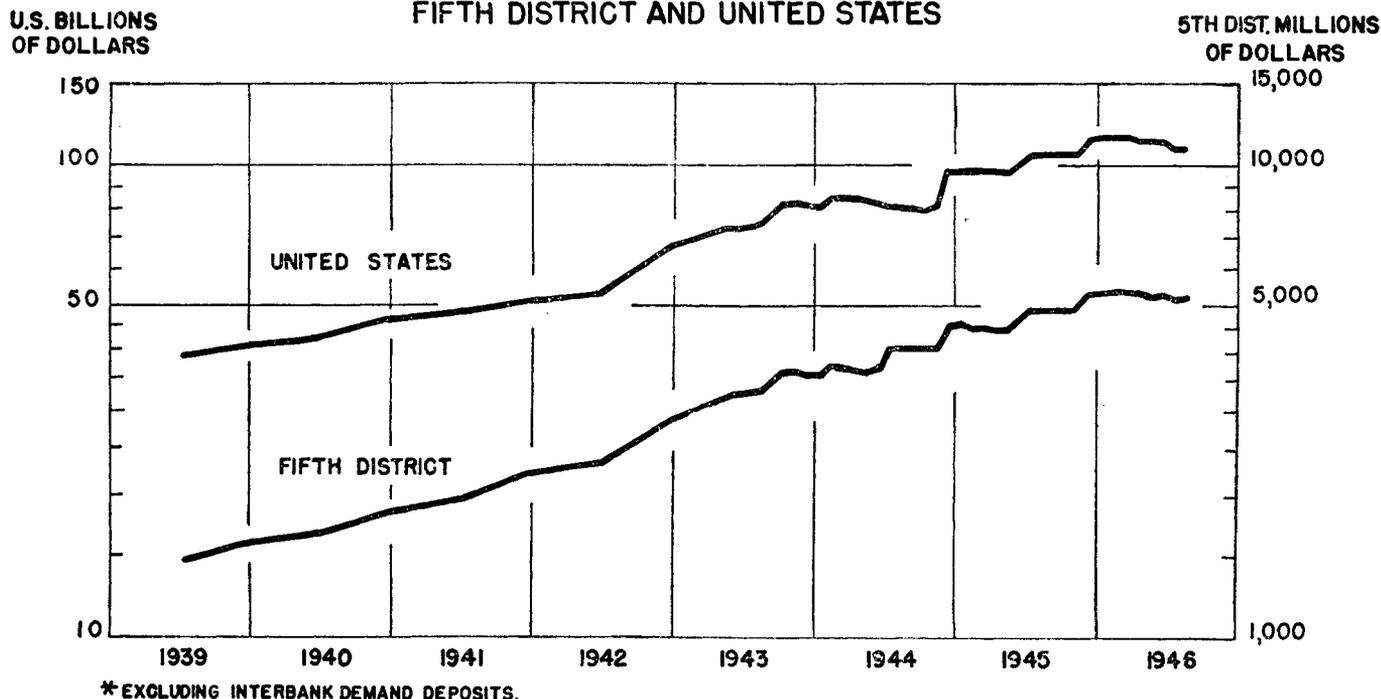
The attention of bankers of this District has been particularly directed toward the greatly increased volume of deposits now being held by the banks within the states constituting the District. Wartime forces caused Fifth District deposits to increase at a more rapid rate than did those of banks of the country as a whole, and concern has frequently been expressed that the return to peacetime conditions will cause a redistribution of deposits according to the prewar proportions and that sections that have gained at a more rapid rate than has the country will be subject to drains of funds as deposits are shifted.

Because of this interest and the importance of the inter-regional flow of deposits to the economy of each region,

the *Monthly Review* will carry figures each month relating the deposits of member banks of this District to the deposits of the country. While these series will be an improvement over the only other available current series—the weekly reporting member banks—they will still be subject to several weaknesses, the most important of which will be the factor of changing membership in the System both within this District and in the United States. Likewise, the extent to which non-member banks gain or lose deposits at rates differing from those of member banks will cause a lack of representativeness in the figures for member banks. In spite of these deficiencies, however, these series will be the most comprehensive data available on a monthly basis and will provide a reasonably sensitive indicator of variations in deposit volume of the states of this District.

The chart below illustrates the changes in total deposits (excluding interbank demand deposits) of the District as compared with the United States. The differing rates of growth of the two are further demonstrated by the change in proportion of total deposits held from the first to the late date shown on the chart. On June 30, 1939, member banks of the Fifth District held 3.89 per cent of the United States total; by the last half of July 1946 this had increased to 4.72 per cent. The reasons for this change in importance of the banks of the District are varied; briefly they include:

TOTAL DEPOSITS\* OF MEMBER BANKS  
FIFTH DISTRICT AND UNITED STATES



\* EXCLUDING INTERBANK DEMAND DEPOSITS.

SOURCE: JUNE 1939—DECEMBER 1942: MEMBER BANK CALL REPORTS; MAY 1943 AND SUBSEQUENT: BOARD OF GOVERNORS' PRESS RELEASES.

1. The improved position of agriculture, both absolutely and relatively; prices gained relative to those of non-agricultural goods and output was at high levels.

2. Large net U. S. Government expenditures. Disbursements were at a higher level for the District than were receipts from taxes and the sale of securities.

3. Expansion of industrial activity with the attendant increase in requirements for bank balances.

Obviously all of these factors were not making their weight felt equally in all parts of the District. Variations in the rate of growth occurred as between the states of the District although with but one exception they all increased at a rate in excess of that of the nation. The charts below show the variations in the proportion of the national total held by the member banks of each state on semi-annual call report dates through December 31, 1945, and on the basis of semi-monthly average figures commencing with the first half of July. The table pre-

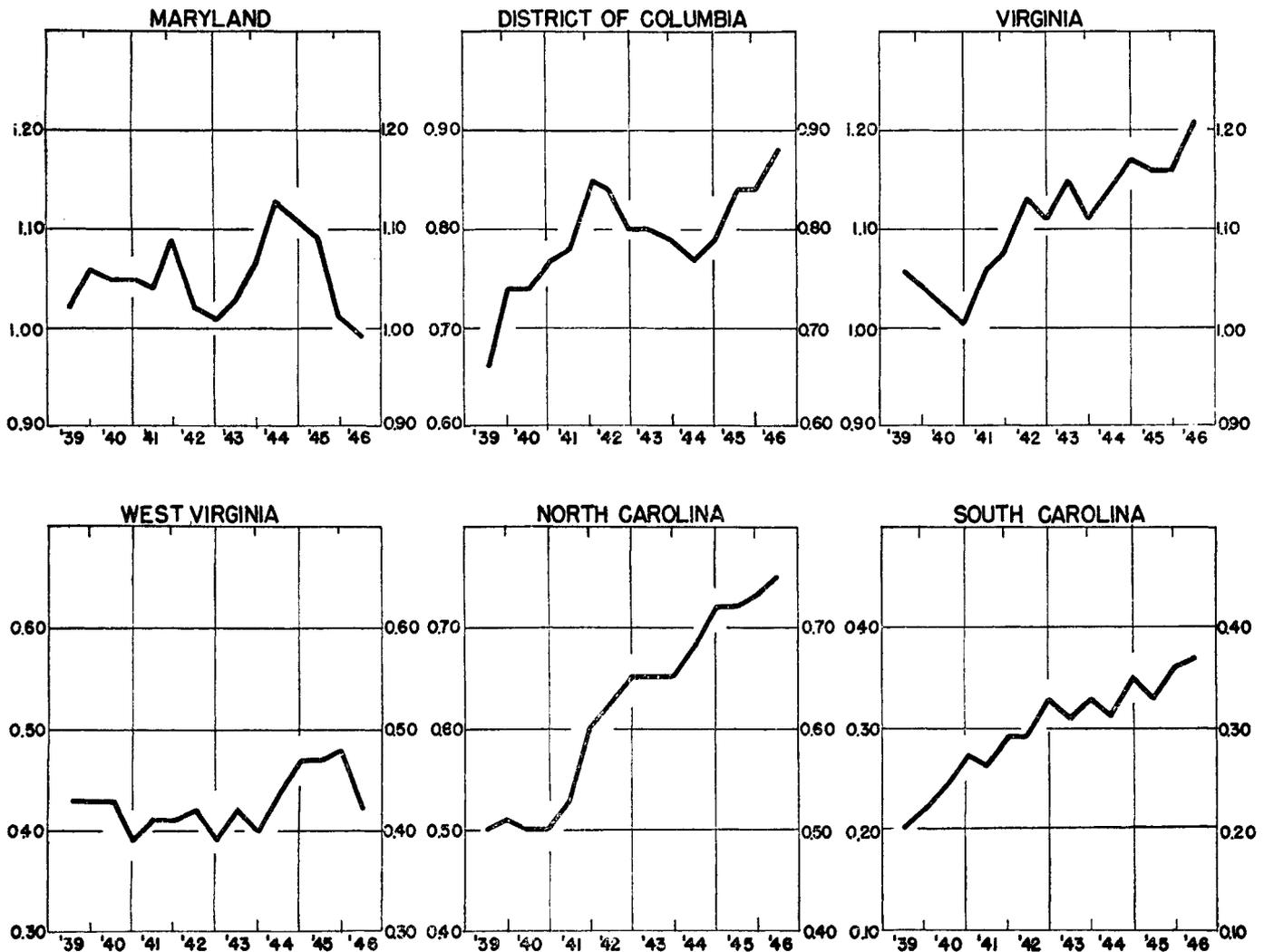
sents the average daily deposit figures as they will be given in subsequent issues of the *Monthly Review*.

AVERAGE DAILY TOTAL DEPOSITS\* OF MEMBER BANKS

	Last half of July		Last half of August
	\$ millions	% of U. S.	\$ millions
Maryland	1,085	.99	1,073
Reserve city banks	714	.65	698
Country banks	371	.34	376
District of Columbia	955	.88	959
Reserve city banks	934	.86	937
Country banks	22	.02	22
Virginia	1,323	1.21	1,351
Reserve city banks	318	.29	339
Country banks	1,005	.92	1,013
West Virginia	563	.52	565
North Carolina	813	.75	826
Reserve city banks	363	.33	364
Country banks	451	.41	462
South Carolina	408	.37	400
Fifth District	5,149	4.72	5,175

\*Excluding interbank demand deposits.  
Details may not add to totals due to rounding.

TOTAL DEPOSITS\* OF MEMBER BANKS, FIFTH DISTRICT STATES  
AS PERCENTAGE OF MEMBER BANKS OF U.S.



\*EXCLUSIVE OF INTERBANK DEMAND DEPOSITS

FEDERAL RESERVE BANK OF RICHMOND

(All Figures in Thousands)

ITEMS	Sept. 11 1946	Chg. in Amt. from 8-14-46	9-12-45
Total Gold Reserves.....	\$ 970,079	+27,172	+ 91,513
Other Reserves .....	20,003	+ 1,055	+ 6,533
Total Reserves .....	990,082	+28,227	+ 98,046
Bills Discounted .....	19,945	+ 7,305	+ 7,703
Industrial Advances .....	0	0	75
Gov. Securities, Total.....	1,461,389	-14,974	- 35,125
Bonds .....	45,992	- 71	-15,429
Notes .....	36,268	- 56	- 77,925
Certificates .....	454,559	-19,411	+ 30,905
Bills .....	924,570	+ 4,564	+ 27,324
Total Bills & Securities.....	1,481,334	-22,279	-27,497
Uncollected Items .....	194,131	- 5,651	+ 29,686
Other Assets .....	27,815	+ 2,662	+ 14,588
Total Assets .....	2,693,362	+ 2,959	+114,823
Fed. Res. Notes in Cir.....	\$1,717,829	+32,813	+ 67,414
Deposits, Total .....	771,624	-22,929	+ 6,848
Members' Reserves .....	736,955	+11,173	+ 47,728
U. S. Treas. Gen. Acct.....	524	-28,688	-21,690
Foreign .....	30,839	- 3,187	-13,913
Other Deposits .....	3,306	- 2,227	- 5,277
Def. Availability Items.....	170,907	- 7,364	+ 34,169
Other Liabilities .....	613	+ 34	+ 13
Capital Accounts .....	32,389	+ 405	+ 6,379
Total Liabilities .....	2,693,362	+ 2,959	+114,823

41 REPORTING MEMBER BANKS—5th DISTRICT

(All Figures in Thousands)

ITEMS	Sept. 11 1946	Chg. in Amt. from 8-14-46	9-12-45
Total Loans .....	\$ 420,822	+ 2,353	+102,689
Bus. & Agri. Loans.....	204,936	+12,539	+ 71,924
Real Estate Loans.....	65,594	+ 1,657	+ 15,327
All Other Loans .....	150,292	-11,843	+ 15,438
Total Security Holdings.....	1,640,668	-10,327	-111,123
U. S. Treasury Bills .....	49,154	+16,785	- 35,190
U. S. Treasury Certificates .....	336,655	-41,408	+ 7,816
U. S. Treasury Notes .....	135,604	+ 3,624	-155,466
U. S. Gov. Bonds .....	1,034,148	+10,466	+ 49,031
Obligations Gov. Guaranteed.....	86	- 50	- 44
Other Bonds, Stocks & Sec.....	85,021	+ 256	+ 22,730
Cash Items in Process of Col.....	148,274	+ 5,014	+ 31,640
Due from Banks .....	136,827*	+ 401	-14,485
Currency & Coin .....	41,621	+ 1,709	+ 2,842
Reserve with F. R. Bank.....	358,160	+ 6,063	+11,779
Other Assets .....	79,616	+ 2,903	+ 6,653
Total Assets .....	2,825,988	+ 8,116	+ 29,995
Total Demand Deposits.....	\$2,173,931	+ 6,985	- 48,858
Deposits of Individuals .....	1,467,887	+33,324	+153,990
Deposits of U. S. Gov.....	184,514	-39,808	-174,380
Deposits of State & Local Gov.....	88,715	- 4,091	+11,382
Deposits of Banks .....	406,558*	+24,275	- 40,116
Certified & Officers' Checks .....	26,257	- 6,715	+ 266
Total Time Deposits.....	396,263	+ 4,997	+ 50,274
Deposits of Individuals .....	376,384	+ 1,636	+ 43,679
Other Time Deposits .....	19,879	+ 3,361	+ 6,595
Liabilities for Borrowed Money.....	12,500	- 7,000	+ 7,500
All Other Liabilities.....	97,954	+ 2,018	+ 1,503
Capital Accounts .....	145,340	+ 1,116	+ 19,576
Total Liabilities .....	2,825,988	+ 8,116	+ 29,995

\*Net figures, reciprocal balances being eliminated.

COMMERCIAL FAILURES

MONTHS	Number Failures		Total Liabilities	
	District	U. S.	District	U. S.
August 1946.....	3	92	\$ 135,000	\$ 3,799,000
July 1946.....	1	74	8,000	3,434,000
August 1945.....	1	56	125,000	1,166,000
8 Months 1946.....	15	666	254,000	29,456,000
8 Months 1945.....	15	582	1,509,000	22,531,000

Source: Dun & Bradstreet

DEBITS TO INDIVIDUAL ACCOUNTS

(000 omitted)

	August 1946	% Change from Aug. 1945	8 mos. 1946	% Change from 8 mos. '45
<b>District of Columbia</b>				
Washington .....	\$ 595,816	+19	\$ 4,880,404	+10
<b>Maryland</b>				
Baltimore .....	841,000	+17	6,495,627	+ 2
Cumberland .....	20,108	+42	150,275	+29
Frederick .....	15,234	+17	116,220	+19
Hagerstown .....	24,703	+48	172,095	+26
<b>North Carolina</b>				
Asheville .....	41,226	+50	298,843	+34
Charlotte .....	203,253	+47	1,333,012	+21
Durham .....	147,138	+23	733,764	+29
Greensboro .....	59,798	+62	419,082	+29
Kinston .....	24,772	+51	93,242	+35
Raleigh .....	79,840	+61	580,602	+27
Wilmington .....	39,590	+ 6	258,059	-11
Wilson .....	27,488	+35	103,233	+15
Winston-Salem .....	106,279	+36	719,583	+35
<b>South Carolina</b>				
Charleston .....	51,910	+31	387,217	+16
Columbia .....	76,394	+53	555,401	+30
Greenville .....	56,601	+46	432,824	+34
Spartanburg .....	37,837	+42	256,455	+35
<b>Virginia</b>				
Charlottesville .....	21,005	+ 2	175,643	+ 8
Danville .....	26,471	+29	166,334	+19
Lynchburg .....	30,649	+53	232,004	+31
Newport News .....	25,998	+27	184,155	- 3
Norfolk .....	143,127	+33	1,073,231	+11
Portsmouth .....	17,348	+ 8	135,140	0
Richmond .....	437,058	+22	2,841,263	+ 6
Roanoke .....	69,874	+61	489,595	+37
<b>West Virginia</b>				
Bluefield .....	32,890	+40	221,517	+13
Charleston .....	109,534	+33	806,262	+14
Clarksburg .....	24,267	+33	177,673	+28
Huntington .....	42,951	+16	326,892	+ 7
Parkersburg .....	22,572	+23	163,342	+ 5
District Totals .....	\$3,452,731	+26	\$24,978,989	+12

COTTON CONSUMPTION AND ON HAND—BALES

	August 1946	August 1945
<b>Fifth District States:</b>		
Cotton consumed .....	406,365	361,176
<b>Cotton Growing States:</b>		
Cotton consumed .....	752,080	650,546
Cotton on hand Aug. 31 in consuming establishments .....	1,679,986	1,537,241
storage and compresses.....	3,728,589	7,643,834
<b>United States:</b>		
Cotton consumed .....	855,511	738,449
Cotton on hand Aug. 31 in consuming establishments .....	2,082,696	1,832,600
storage and compresses.....	3,834,342	7,739,166
Spindles active, U. S.....	22,018,548	22,155,592

COTTON CONSUMPTION—FIFTH DISTRICT

MONTHS	In Bales			District
	No. Carolina	So. Carolina	Virginia	
August 1946.....	221,760	165,848	18,757	406,365
July 1946.....	188,207	141,815	16,903	346,925
August 1945.....	192,007	153,129	16,040	361,176
8 Months 1946.....	1,675,098	1,255,024	138,387	3,068,509
8 Months 1945.....	1,670,404	1,272,643	148,234	3,091,281

DEPOSITS IN MUTUAL SAVINGS BANKS

	August 31, 1946	July 31, 1946	August 31, 1945
Total Deposits .....	\$372,943,742	\$370,895,368	\$328,820,966

## BUILDING PERMIT FIGURES

	August 1946	August 1945
<b>Maryland</b>		
Baltimore .....	\$ 3,395,710	\$ 1,538,855
Cumberland .....	21,058	11,800
Frederick .....	50,900	29,475
Hagerstown .....	217,085	38,130
Salisbury .....	106,798	27,874
<b>Virginia</b>		
Danville .....	133,550	38,639
Lynchburg .....	86,004	68,268
Norfolk .....	371,105	476,505
Petersburg .....	90,295	31,500
Portsmouth .....	611,842	47,918
Richmond .....	1,022,610	444,070
Roanoke .....	713,749	43,289
<b>West Virginia</b>		
Charleston .....	230,483	156,662
Clarksburg .....	47,735	13,350
Huntington .....	173,900	571,835
<b>North Carolina</b>		
Asheville .....	137,993	185,306
Charlotte .....	578,757	469,019
Durham .....	250,280	143,195
Greensboro .....	194,150	97,215
High Point .....	360,596	117,850
Raleigh .....	204,445	82,208
Rocky Mount .....	113,550	6,400
Salisbury .....	50,215	55,959
Winston-Salem .....	244,210	101,091
<b>South Carolina</b>		
Charleston .....	131,475	185,185
Columbia .....	201,780	86,953
Greenville .....	118,600	43,850
Spartanburg .....	78,573	89,540
<b>District of Columbia</b>		
Washington .....	2,927,625	1,586,189
District Totals .....	\$ 12,865,073	\$ 6,788,130
8 Months .....	\$122,128,734	\$ 37,727,948

## CONSTRUCTION CONTRACTS AWARDED

STATES	July 1946	% Change from July 1945	7 mos. '46	% Change from 7 mos. '45
Maryland .....	\$19,641,000	+ 17	\$189,660,000	+ 225
District of Columbia .....	5,115,000	+ 2	42,277,000	+ 79
Virginia .....	9,473,000	- 25	124,559,000	+ 74
West Virginia .....	8,209,000	+ 214	46,516,000	+ 281
North Carolina .....	28,323,000	+ 285	111,962,000	+ 225
South Carolina .....	14,533,000	+ 540	78,102,000	+ 662
Fifth District .....	\$85,294,000	+ 83	\$593,076,000	+ 182

Source: F. W. Dodge Corp.

## RAYON YARN DATA

	August 1946	July 1946	August 1945
Rayon Yarn Shipments, Lbs. ....	53,400,000	51,900,000	49,000,000
Staple Fiber Shipments, Lbs. ....	16,000,000	15,600,000	13,800,000
Rayon Yarn Stocks, Lbs. ....	8,500,000	8,700,000	6,200,000
Staple Fiber Stocks, Lbs. ....	2,000,000	2,200,000	3,800,000

Source: Rayon Organon.

## AUCTION TOBACCO MARKETING

STATES	Producers' Tobacco Sales, Lbs.		Price per Hundred	
	August 1946	August 1945	1946	1945
South Carolina .....	84,375,512	91,273,002	\$54.17	\$44.58
North Carolina .....	154,174,146	161,867,402	54.04	44.16
Total .....	238,549,658	253,140,404	\$54.09	\$44.31

## TOBACCO MANUFACTURING

	Aug. 1946	% Chg. from Aug. 1945	8 mos. 1946	% Chg. from 8 mos. '45
Smoking & Chewing tobacco (Thousands of lbs.) .....	19,419	-23	137,927	-25
Cigarettes (Thousands) .....	28,952,804	+ 2	211,440,172	+ 26
Cigars (Thousands) .....	500,572	+ 19	3,777,858	+ 19
Snuff (Thousands of lbs.) .....	3,314	-12	26,182	-12

## RETAIL FURNITURE SALES

STATES	Percentage Changes in August and 8 Mos. 1946	
	Compared with August 1945	Compared with 8 Months 1945
Maryland (5)* .....	+ 54	+ 48
Dist. of Columbia (6)* .....	+ 55	+ 58
Virginia (20)* .....	+ 70	+ 60
West Virginia (9)* .....	+ 102	+ 64
North Carolina (15)* .....	+ 79	+ 55
South Carolina (14)* .....	+ 79	+ 55
Fifth District (69)* .....	+ 67	+ 56
<b>Individual Cities</b>		
Baltimore, Md. (5)* .....	+ 54	+ 48
Washington, D. C. (6)* .....	+ 55	+ 58
Lynchburg, Va. (3)* .....	+ 95	+ 79
Richmond, Va. (7)* .....	+ 57	+ 65
Charleston, W. Va. (3)* .....	+ 96	+ 70
Charlotte, N. C. (4)* .....	+ 94	+ 72
Columbia, S. C. (4)* .....	+ 108	+ 70

\*Number of reporting stores

## WHOLESALE TRADE 216 FIRMS

LINES	Net Sales Aug. 1946 compared with Aug. 1945		Stock Aug. 31, 1946 compared with Aug. 31, 1945		Ratio Aug. collections to acct's outstand'g Aug. 1
	1945	1946	1945	1946	
Auto Supplies (9)* .....	+ 43	+ 18	+ 35	- 5	96
Drugs & Sundries (9)* .....	+ 17	- 5	...	...	133
Dry Goods (5)* .....	+ 52	0	+ 100	- 2	84
Electrical Goods (3)* .....	+ 109	- 19	...	...	91
Groceries (78)* .....	+ 23	+ 4	+ 36	+ 9	169
Hardware (14)* .....	+ 73	- 7	+ 42	+ 6	115
Industrial Supplies (5)* .....	+ 52	+ 14	+ 46	+ 16	115
Paper & Products (6)* .....	+ 9	- 7	...	...	101..
Tobacco & Products (10)* .....	+ 19	- 5	+ 50	+ 2	147
Miscellaneous (77)* .....	+ 30	+ 6	+ 25	+ 5	130
District Average (216)* .....	+ 31	+ 1	+ 40	+ 5	128

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

## DEPARTMENT STORE TRADE

Richmond	Baltimore	Washington	Other Cities	District
Percentage change in Aug. 1946 sales, compared with sales in Aug. 1945:				
+ 34	+ 36	+ 26	+ 34	+ 33
Percentage change in 8 mos. sales 1946, compared with 8 mos. in 1945:				
+ 29	+ 23	+ 21	+ 26	+ 23
Percentage chg. in stocks on Aug. 31, '46, compared with Aug. 31, '45:				
+ 42	+ 19	+ 37	+ 32	+ 31
Percentage chg. in outstanding orders Aug. 31, '46 from Aug. 31, '45:				
+ 41	+ 46	+ 36	+ 57	+ 41
Percentage chg. in receivables Aug. 31, '46, from those on Aug. 31, '45:				
+ 68	+ 54	+ 47	+ 45	+ 52
Percentage of current receivables as of August 1 collected in August:				
47	54	55	59	54
Percentage of instalment receivables as of August 1 collected in August:				
34	29	28	39	29

Maryland	Dist. of Col.	Virginia	W. Virginia	No. Carolina	So. Carolina
Percentage change in Aug. 1946 sales from Aug. 1945 sales by States:					
+ 37	+ 26	+ 33	+ 47	+ 40	+ 23
Percentage change in 8 months sales 1946 from 8 months sales 1945:					
+ 24	+ 21	+ 25	+ 30	+ 30	+ 16

## SOFT COAL PRODUCTION IN THOUSANDS OF TONS

REGIONS	Aug. 1946	Aug. 1945	% Chg.	8 mos. 1946	8 mos. 1945	% Chg.
West Virginia .....	14,694	12,835	+ 14	90,656	105,166	- 14
Virginia .....	1,813	1,386	+ 31	10,998	12,377	- 11
Maryland .....	215	139	+ 55	1,390	1,144	+ 22
Fifth District .....	16,722	14,360	+ 16	103,044	118,687	- 13
United States .....	54,830	47,658	+ 15	340,199	392,300	- 13
% in District .....	30.5	30.1		30.3	30.3	