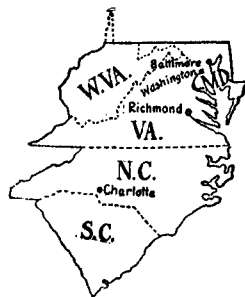


# MONTHLY REVIEW

## *of Financial and Business Conditions*

FIFTH  
FEDERAL



RESERVE  
DISTRICT

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*Federal Reserve Bank of Richmond, Richmond 13, Va.*

*September 30, 1947*

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## Business Conditions

**T**HE business situation in the Fifth Federal Reserve District in August can be characterized as one of opposing trends. Trade at retail and in most wholesale lines eased, while wholesale sales of dry goods and hardware improved notably. Production levels were little changed from July after seasonal adjustment. Building permits continued to rise, August figures being higher than those of July, both in actual value and after seasonal correction.

Total employment levels which had receded moderately to July appear to have improved a little in August, and many of those plants which had reduced hours of labor into July appear to have expanded them somewhat in August. Bank debits adjusted seasonally rose sharply to a new high level. Life insurance sales were below July after seasonal correction but are still holding in the flat area of 230 to 250 per cent above the 1935-39 average where they have been throughout the first eight months of the year.

Bituminous coal output—figures for which are not available on a regional basis—has been running below a year ago on a national basis from 200,000 to 800,000 tons weekly due mainly to shorter working hours, but due in part to a shortage of freight cars. With coal exports of 40 million tons in the first seven months of 1947 comparing with 22 million in similar months of 1946 and production running below a year ago, the coal supply over the winter will be tight.

New domestic business booked by producers of the principal manufactured products of the District—gray goods, knit goods, work clothing, most lines of hosiery, and rayon fabrics—was large enough during July and August to warrant expansion of output in these industries during September and October and even to the end of the year, provided the exports of the more important of these products do not decline too sharply in this period.

Exports of cotton manufactures, the most important of this list, in June and July were somewhat below the peak of 147 million square yards sent abroad in May, but exports in June and July were still inordinately large by all past comparisons, June having totaled 125 million square yards and July 129 million square yards. Cotton goods exports at the rate of 125 million square yards monthly

would give an annual total of 1.5 billion square yards or about 15 per cent of output. The rush of countries to convert Sterling balances into dollars on July 15 may have been a sustaining factor in cotton goods exports, but if this was important its effect has probably been spent by now. There is some reason to believe, however, that cotton gray goods exports may hold up somewhat better than might be anticipated in view of the dollar shortage, for both England and Belgium have expressed their intention of importing gray goods, finishing and reexporting them. The growing shortage of dollars of other countries, particularly in North and South America, and their current inability to convert Sterling balances, however, will probably cause considerable reduction in cotton goods exports.

Trade reports indicate that there has been a considerable weakening in demand from foreign sources in August and September. But if these exports can be maintained around 60 or 75 million square yards monthly it is probable that not much direct adverse repercussions would be felt in the textile industry of the Fifth District during the rest of the year and perhaps longer, provided the weakening of export trade in general does not result in substantial unemployment in the national economy.

Foreign trade in tobacco has already hit a slump which has been quite noticeable to the port of Norfolk as well as to tobacco growers of the District. Brokers in the Norfolk area say tobacco exports are down from 50 to 70 per cent of normal for September. Coal exports, however, are running heavy, and it was these that made Baltimore the nation's leading export port in tonnage in April, May and June and is the only thing now sustaining activity at Hampton Roads ports.

Wholesale commodity prices since the turn of July have risen about 6 per cent and this rise has not been confined to farm and food products, but has been quite general. It should be expected that these rises would find reflection at the retail level later on this year. This raises a question, whether or not the domestic market can absorb increased prices and still maintain a demand for the going level of production.

The Department of Commerce's seasonally adjusted index of total non-durable goods sales in the nation, though showing a slight weakening tendency, nevertheless, has

been quite well maintained, while durable goods sales have continued to rise, subject largely to the ability to produce those goods for sale. Department store sales on a seasonally adjusted basis eased in June, July and August nationally and in July and August in the Fifth District. If this easing—and thus far it has only been an easing—portends a further slackening in this type of sales, it would be logical to conclude that the revival of production of non-durable goods anticipated for September and October would probably peter out by November. If, on the other hand, this easing in department store sales is no more than the reflection of a hot summer, more people on vacation, and other new seasonal factors, then it seems that production and employment in the District would be sustained at least until the turn of the year. Durable goods production in the nation has run into many impediments, and while some expansion is constantly being made it is doubtful whether these goods could be expanded enough for their sales at retail to offset any real weakness that might develop in non-durable goods sales arising from price increases or from unemployment generated by loss of export trade.

Construction activity on the site in the District has been surprisingly well maintained. Building permits in 29 cities of the District, seasonally adjusted, in August rose to within striking distance of the March 1946 peak. Permits have been strongly supported by the starting of a sizeable number of high priced custom built houses (speculative starts having slowed down substantially since spring), and by considerable activity in commercial building. Contracts awarded, which give a much wider coverage of the District than permits, though still at a high level have been receding. If the over-all weakening in export demand does not result in sizeable unemployment nationally, there are reasons to believe that further recession in contract awards may not occur in the next several months, but that a sustained volume around first-half-year levels would obtain.

The foregoing observations may appear somewhat indecisive, yet they fairly well characterize the delicate balance in which the business of the Fifth District finds itself at the present time.

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

	Aug. 1947	July 1947	June 1947	Aug. 1946	% Change	
					Aug. 1947 July 47	from Aug. 46
Bank Debits .....	308	285	286	298	+ 8	+ 3
Building Contracts Awarded.....	.....	249	267	348	.....	.....
Building Permits Issued.....	294 <sub>p</sub>	280	275	175	+ 5	+ 68
Business Failures .....	25	45	27	7	- 44	+257
Cigarette Production .....	231	243	242	229	- 5	+ 1
Cotton Consumption .....	137	137	140	150	0	- 9
Department Store Sales.....	282	301	317	307	- 6	- 8
Department Store Stocks.....	262	272 <sub>r</sub>	270	259	- 4	+ 1
Electric Power Production.....	.....	235	226	223	.....	.....
Employment—Mfg. Industries* .....	.....	130	131	132	.....	.....
Furniture Orders .....	283	235	435	206	+ 20	+ 37
Furniture Shipments .....	207	219	330	242	- 5	- 14
Furniture Unfilled Orders.....	594	491	742	437	+ 21	+ 36
Furniture Sales—Retail .....	219	224 <sub>r</sub>	299 <sub>r</sub>	212	- 2	+ 3
Gasoline Consumption .....	.....	.....	176	171	.....	.....
Life Insurance Sales.....	230	252	232	272	- 9	- 15
Wholesale Trade:						
Automotive Supplies** .....	255	295	288	251	- 14	+ 2
Drugs .....	269	264	257	260	+ 2	+ 3
Dry Goods .....	238	197	169	193	+ 21	+ 23
Electrical Goods** .....	74	87	83	43	- 15	+ 72
Groceries .....	271	287	282	249	- 6	+ 9
Hardware .....	163	146	124	122	+ 12	+ 34
Industrial Supplies** .....	311	287	346	253	+ 8	+ 23
Paper and Its Products**.....	166	172	194	126	- 3	+ 32
Tobacco and Its Products**.....	98	110	107	107	- 11	- 8

\*Not seasonally adjusted

\*\*1938-41 = 100

## Tobacco Export Outlook

The outlook for tobacco exports from the United States for the 1947 crop year appears decidedly less favorable than in 1946. It is expected that the decline in tobacco exports, which began in the first half of the 1947 calendar year, will continue. The continued dollar shortage abroad, particularly in the United Kingdom, is making or will make it necessary for foreign countries to restrict imports of many United States products including tobacco. Because the United Kingdom always has been a heavy purchaser of flue-cured leaf, a reduction in her tobacco imports is particularly serious for this District.

Other unfavorable factors include: (1) The continued virtual elimination of Germany, once second only to the United Kingdom as a tobacco importer, from the market; (2) The high level of United States prices generally which reduces the purchasing power of foreign-held dollar balances; (3) Partial recovery in foreign tobacco production which is expected in 1947 to be about 114 per cent of the 1935-39 average.

It is expected that the decline in exports will exert continued pressure on prices of the 1947 crop and that 1947 prices will average substantially lower than those paid for the 1946 crop. Prices will have support from the Government at about 40 cents per pound for flue-cured tobacco and comparable prices for certain other types. Domestic consumption probably will be only slightly under last year's level if the present degree of prosperity is maintained. Some additional buying for foreign account may develop with any reduction in the level of tobacco prices. United States' stocks are, in terms of the preceding season's rate of domestic disappearance, about two-thirds of pre-war. If stocks of domestic manufacturers are increased to a higher level, some market support may result.

In 1946 tobacco sales accounted for 34 per cent of all cash income from marketings of crops and livestock and for 51 per cent of cash income from crops in this District. A decline of 15 per cent in tobacco prices in 1946 would have reduced cash farm income from marketings by 5 per cent. Cash income from crops would have declined 8 per cent. Such a decline of 15 per cent in tobacco prices would have been more serious in North Carolina where cash income from all marketings would have declined 9 per cent and income from crops would have fallen 10 per cent. In South Carolina a decline of 4 per cent in cash income from crops and livestock would have resulted. No attempt is made here to forecast 1947 tobacco prices. The foregoing illustrations merely show the great importance of tobacco in the agricultural economy of the Fifth Federal Reserve District and the dependence of farm cash income on tobacco prices.

### American Tobacco Exports

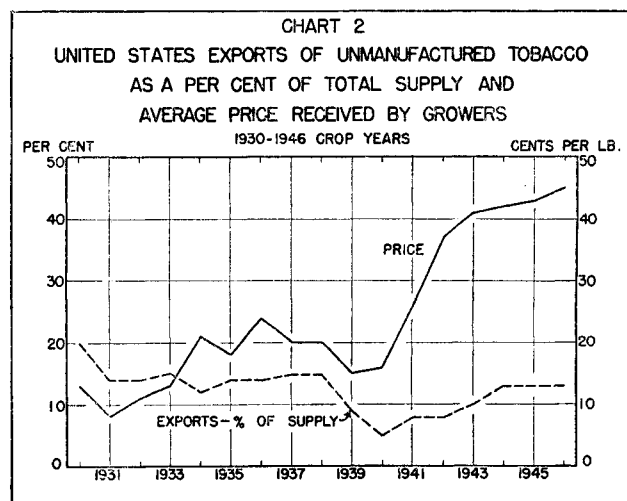
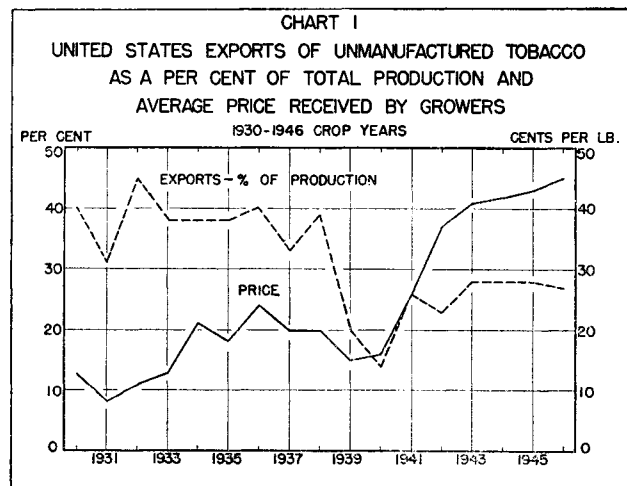
The production of United States tobacco in the crop years<sup>1</sup> 1930-47 has varied from a low of 1,018 million pounds in 1932 to a high of 2,312 million pounds in 1946. It is expected that 1947 will be the second highest year with an estimated production of 2,151 million pounds.

<sup>1</sup>Crop years are as follows: Flue-cured, year beginning July; Maryland, year beginning January of year following production; all other types, year beginning October.

In the same period, exports of unmanufactured tobacco from this country ranged from a low of 202 million pounds in the 1940 crop year to a high of 616 million pounds estimated for 1946. Expressed as a per cent of production, the low year was again 1940 when 14 per cent of the crop was exported. The high year was 1932, during which year 45 per cent of the crop was sold abroad. Exports in 1946 are estimated at about 27 per cent of total production.

For any crop year, the supply of leaf consists of the stocks on hand at the beginning of the year plus the production during the year. We may consider exports in relation to the total supply. In 1940 only 5 per cent of the total supply was sent abroad. But in 1930, the highest year, exports were 20 per cent of supply. The 1946 estimate is 13 per cent.

The charts below show for the crop years 1930-46 movements in exports of unmanufactured tobacco from the United States and season average price received by the growers. All figures are on a farm sales weight basis.



### The British Exchange Problem

One of the chief factors in the less favorable outlook for tobacco exports is the British exchange problem. Britain needs dollars in order to buy tobacco and other products from this country. Her dollar supply is almost exhausted, and she is finding it difficult to obtain more.

One way of obtaining dollars is by exporting goods to the United States and other countries whose currencies are freely convertible into dollars. In 1946, whereas 42 per cent of British imports were from these countries, only 14 per cent of her exports went to them. The Anglo-American loan agreement prevents Britain from substantially correcting this by giving preferential treatment to imports from other areas.

Another source of dollars is the income of investments held by Britain in dollar areas. However, a substantial part of these were sold during the war to pay for imports.

A third source is borrowing. The loan of \$3,750,000,000 obtained from this country in 1946 is now nearly exhausted. A major factor in the rapid use of the loan has been the failure to build up exports as rapidly as planned, and in particular the failure to expand sufficiently exports to the United States and other hard-currency countries. Another reason has been increased United States prices. Furthermore, in July 1947 Britain was required by the loan to convert, on demand for current transactions, sterling into dollars. The resultant rapid drain by other countries wanting dollars for purchases in the United States forced a partial suspension a month later. This move, of course, hinders American exports to these other countries.

In a move to conserve dollars, the United Kingdom has attempted to limit the consumption of many imported products, including tobacco. In April 1947 import duties on tobacco were raised 50 per cent. The expressed aim was to reduce tobacco consumption at least one-fourth and thereby save 30 millions annually in dollar exchange. There may be some question of the effectiveness of the duty rise in reducing consumption, although the immediate effect has been about as expected. Physical restrictions on imports may be necessary. However, there is no doubt that a reduction of one-fourth in tobacco consumption in the United Kingdom will seriously affect the export demand for tobacco and in particular for flue-cured leaf. A further possibility is that British imports of tobacco may be oriented more toward sterling areas if terms of the loan agreement can be modified.

### The United Kingdom as an Importer of U. S. Tobacco

Because normally about 38 per cent of the total tobacco produced in this country is exported, United States growers have a vital interest in foreign trade. They also have an interest in the successful solution of the British exchange problem, because the United Kingdom is the largest importer of leaf tobacco moving in international trade and is also the largest importer of United States tobacco.

In the prewar period nearly one-fourth of world tobacco imports went to Britain, who purchased about 80 per cent of her requirements from the United States. In the same period almost one-half of tobacco exports from the United States were bought by the British. The pre-dominance of the United Kingdom as a market for U. S. tobacco exports was continued after the war. In the 1946 crop year approximately 60 per cent of U. S. exports went to the United Kingdom.

The following table gives United States tobacco production, total exports and exports to the United Kingdom:

**TOBACCO PRODUCTION AND EXPORTS OF UNMANUFACTURED TOBACCO, UNITED STATES, 1930-47<sup>1</sup>**

Crop Year	Production	Total	Exports To United Kingdom
	Million lbs	Million lbs	Million lbs
1930	1648.0	657.6	225.4
1931	1565.1	491.5	160.0
1932	1018.0	456.9	159.4
1933	1372.0	519.7	200.9
1934	1084.6	411.8	183.2
1935	1302.0	488.4	267.3
1936	1162.8	466.4	203.4
1937	1569.0	522.5	281.9
1938	1385.6	540.5	268.1
1939	1880.8	374.9	113.6
1940	1462.1	201.6	62.8
1941	1262.0	324.7	224.0
1942	1408.7	320.6	227.8
1943	1406.2	392.0	276.9
1944	1956.9	546.0	375.4
1945 <sup>2</sup>	1993.8	618.6	350.1
1946 <sup>2</sup>	2312.1	640.3	309.5
1947 <sup>2</sup>	2150.5		

Source: Reports of the U. S. Department of Agriculture and Department of Commerce.

<sup>1</sup>Data are for crop years. All figures, both production and exports, are on a farm sales weight basis. Total exports for 1930-40 and exports to the United Kingdom for all years estimated by converting export data from an export weight basis to farm sales weight basis.

<sup>2</sup>Preliminary and partially estimated.

The United Kingdom's importance as an export market for U. S. tobacco is even greater for the types grown in this District. The trend in tobacco imports into the United Kingdom has been toward non-cigar types and particularly toward flue-cured types 11-14. At present 98-99 per cent of tobacco exports to the United Kingdom from this country are of flue-cured types. Since types 11-13 are grown entirely within this District the maintenance of the United Kingdom as a market for tobacco is of great interest to growers here. Some Virginia fire-cured, type 21, is exported to the United Kingdom and also a little Kentucky and Tennessee fire-cured, types 22-24. These latter have declined rapidly and are now of little importance in the British market.

The following table gives total United States exports of unmanufactured tobacco to the United Kingdom and the proportion which flue-cured and Virginia fire-cured types are of the total:

**EXPORTS OF UNMANUFACTURED TOBACCO FROM UNITED STATES TO THE UNITED KINGDOM 1930-46<sup>1</sup>**

Year	Per cent of Total		
	Total	Type 11-14	Type 21
	Million lbs	Per cent	Per cent
1930-34 Av.	161.9	94.8	.8
1935-39 Av.	197.6	97.2	.6
1940	54.6	93.8	1.2
1941	194.8	95.8	2.9
1942	198.5	98.1	.4
1943	241.0	97.9	.7
1944	327.1	98.9	.3
1945 <sup>2</sup>	303.0	99.2	.1
1946 <sup>2</sup>	264.3	98.3	.1

Source: Reports of the U. S. Department of Agriculture and Department of Commerce.

<sup>1</sup>Crop years. Export weight basis.

<sup>2</sup>Preliminary and partially estimated.

In analyzing the market for United States flue-cured leaf, types 11-14, the pre-eminence of the export market to Great Britain is again demonstrated. Before the war some economists believed that the export demand for flue-cured leaf was a residual effect. There seemed to be an inverse relationship between exports and prices. As the price fell, exports increased. However, since 1940 the

causal relationship appears reversed. Exports and prices tend to rise (or fall) together. The period since 1940 is, of course, not normal, but it now seems probable that the volume of flue-cured exports affects prices and that a high level of exports maintains or raises prices. Similarly, a fall in exports would apparently tend to reduce prices.

The following table shows the production and export of flue-cured leaf. The large proportion going to the United Kingdom is further demonstration of the importance of the British market for the agriculture of this District.

PRODUCTION AND EXPORTS OF FLUE-CURED TOBACCO  
UNITED STATES, 1930-46<sup>1</sup>

Year	Pro- duction	Total			Exports to U. K.	
		Exports		Exports Ratio to Total Pro- duction	Ratio to Total Pro- duction	Ratio to Total Exports
		Total	To United Kingdom <sup>2</sup>			
Million lbs.	Million lbs.	Million lbs.	Per cent	Per cent	Per cent	
1930-34	639.7	358.8	176.4	56	28	49
1935-39	863.8	367.8	220.4	43	43	59
1940	759.9	155.6	58.8	20	8	38
1941	649.5	291.3	214.4	45	33	74
1942	811.7	289.1	223.6	36	28	77
1943	790.1	355.3	270.9	45	34	76
1944	1089.7	454.3	371.5	42	34	82
1945 <sup>3</sup>	1173.5	486.6	343.9	29	29	71
1946 <sup>3</sup>	1352.0	550.8	298.0	41	22	54

Source: Reports of the U. S. Department of Agriculture and Department of Commerce.

<sup>1</sup>Farm sales weight basis—crop years.

<sup>2</sup>Preliminary and partially estimated.

<sup>3</sup>Assumes same ratio of exports to United Kingdom on farm sales weight basis as exists on an export weight basis.

Exports of unmanufactured tobacco (about 98 per cent flue-cured) to Great Britain in the first half of the calendar year 1947 were running substantially under 1946. The average monthly imports into the United Kingdom from the United States were 16.8 million pounds (export weight) in the first half of 1947 as compared to 33.4 million in the first half of 1946. This is a decline of approximately 50 per cent. There seems to be little possibility that the situation will improve in the second half of 1947. The British situation may cause a decline in total flue-cured exports from the United States of one-third or more below the 1946 level unless lower prices stimulate additional demand by other countries.

### Germany as a Tobacco Importer

The elimination of Germany as an importer of leaf tobacco also has an unfavorable effect on the outlook for tobacco exports. In the pre-war period, Germany was the world's second largest importer of leaf. She imported an average of 204 million pounds annually in 1934-38, about 75-80 per cent of her requirements. Only the United Kingdom, which imported an average of 263 million pounds, ranked higher.

The effect of the German situation on American tobacco exports is indirect. The principal suppliers of Germany were The Netherlands Indies, Greece, Brazil, and Turkey. The United States was fifth and supplied an average of 15 million pounds or only 7 per cent of German leaf imports in the period 1934-38. However, the loss of the German market forces her former suppliers to compete with United States exporters in other markets. The situation is particularly serious because the production of the four chief pre-war exporters to Germany is recovering. Production in Turkey and Brazil is already substantially above pre-war.

### Exports to Other Countries

Exports to countries other than the United Kingdom in the first six months of 1947 were substantially above the pre-war levels and above the first six months of 1946. Average monthly exports of unmanufactured tobacco to countries other than the United Kingdom in the first half of 1947 were 25.7 million pounds (export weight) as compared to a 21.1 million pounds monthly average in the same period in 1946. Exports to France, Portugal, Norway, Switzerland, Australia, and New Zealand declined. On the other hand The Netherlands, Sweden, Denmark, and China imported more leaf from this country.

### Foreign Tobacco Production

The 1947 world tobacco crop forecast indicates that American growers face increasing foreign competition. Total production of all foreign tobacco is estimated at 4683.1 million pounds, a decline of 3 per cent from 1946 but still 14 per cent above the pre-war period 1935-39. Many war-torn countries, such as Greece, Bulgaria, and Czechoslovakia, are producing under pre-war levels and no data are available for several other countries.

The world production of flue-cured leaf in 1946 was estimated at 1793.0 million pounds, of which 1352.0 million were produced in the United States. The 1946 foreign production of 441.0 million pounds was 18 per cent above the 1935-39 average. Full estimates for 1947 foreign production are not available. However, Canada and China, the two largest foreign flue-cured producers, show increases of 12 per cent and 25 per cent respectively over 1946. India, the third largest foreign producer, shows a decline of 8 per cent.

In summary for all tobacco, and for flue-cured, foreign production levels are substantially above pre-war. It may be expected that production will increase further, particularly in Europe, when the agriculture of that region is fully recovered from the war.

### Conclusion

The outlook for American tobacco exports is less favorable in 1947 than in 1946. There is a strong continuing foreign desire for American tobacco. The difficulty lies in enabling foreign countries to find the dollars with which to pay for their imports. The failure to solve this problem is causing the decline in export possibilities for the 1947 crop.

The situation might be improved in two principal ways. One is by solution of the British economic situation. Any solution which would enable the United Kingdom to acquire more dollar exchange undoubtedly would result in an increase in tobacco imports from this country. The likelihood of a material improvement in the British situation in the near future appears uncertain. A further loan would have an immediate effect, but the effect would probably be temporary except in so far as it resulted in an increase in production. The long-run solution appears to be building up the volume of British exports to the United States and other hard currency areas. For this a substantial relaxation of tariffs and trade barriers would be needed and an expansion of British industrial output.

A second point of attack would be to restore normal trade relations with Germany and the countries of central Europe. This would involve, first, a relaxation of military

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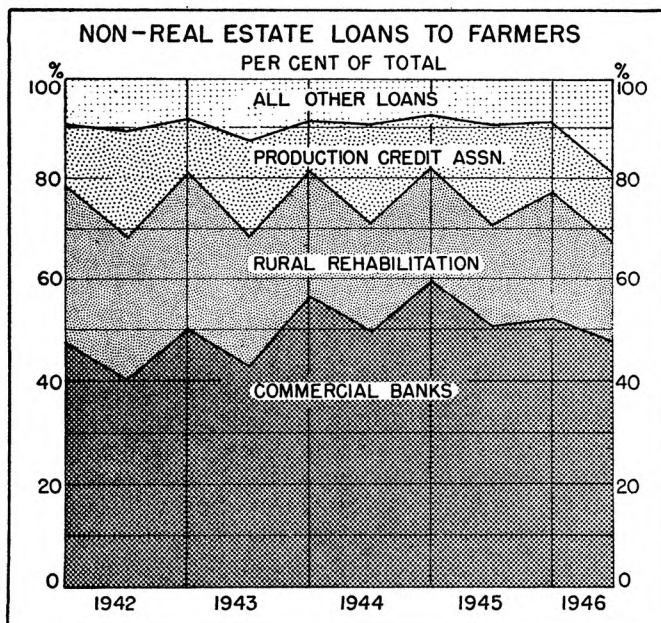
# Agricultural Lending By Insured Banks in the Fifth Federal Reserve District

## 1. NON-REAL ESTATE LOANS.

On June 20, 1947, the Federal Reserve Bank of Richmond, with the cooperation of 44 member banks of the Fifth District, conducted a survey of bank loans to farmers outstanding at that time. During June and July the Federal Deposit Insurance Corporation conducted a similar survey among insured nonmember banks located in the District and has made available to this Bank their findings. A primarily statistical study of the estimates based upon

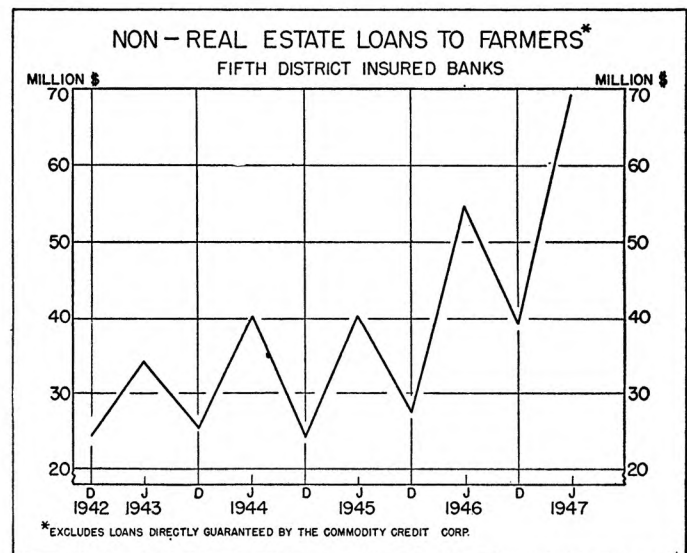
these surveys will be presented in two parts: non-real estate loans in the article that follows, and real estate loans in an article to appear in the October 31 issue of the *Monthly Review*. Similar articles presenting the findings of these surveys and those made in the other 11 Federal Reserve Districts will appear in the *Federal Reserve Bulletin*.

Commercial banks have long been the customary source of credit for farmers in making production loans to cover their seasonal requirements for funds. Individual lenders supply a relatively small—although unknown—portion of short-term credit needs, and within the past two decades various Federal government agencies have been established to supplement private lenders as suppliers of agricultural production credit. Many of the advances made by the latter are in the form of rehabilitation loans and similar loans that are not considered as being suitable for commercial banks and other private lenders. Banks are becoming increasingly active in meeting the credit needs of farmers through taking over the credit advances of merchants and dealers in farm equipment and other types of durable goods purchased by farmers. Chart I shows the position of commercial banks in the Fifth District states relative to other lenders on which statistical information is available.



This chart does not however reflect the substantial sea-

sonal changes that occur in the dollar volume of short-term bank loans to farmers, nor does it show the year-to-year variations that have occurred in the volume of lending. Chart II presents the record from December 1942 through June 1947 of loans to farmers other than those secured by real estate and those directly guaranteed by the Commodity Credit Corporation for all insured banks of the Fifth Federal Reserve District.



### Banks Lending to Farmers

As might be expected, agricultural lending is primarily a business of the smaller banks. Just as location influences many commercial and industrial firms to borrow from the larger banks in the more populous centers, so accessibility to smaller banks in the smaller communities bring a major share of the farm lending business to these banks. Table I shows the distribution of agricultural production lending among banks by size of bank and size of the town or city in which the lending bank was located.

TABLE I  
NON-REAL ESTATE LOANS\* TO FARMERS BY SIZE OF LENDING  
BAND AND POPULATION OF CENTER IN WHICH LOCATED  
Fifth District Insured Banks  
Estimated—Mid-Year 1947

Size of center (1940 census)	Amount of loans (in thousands)				Number of loans			
	All banks	Size of bank (Total deposits, \$ in millions)			All banks	Size of bank (Total deposits, \$ in millions)		
		Under 2	2 - 10	10 and over		Under 2	2 - 10	10 and over
Under 500.....	6,815	5,031	1,784	.....	15,166	10,717	4,449	.....
500 - 999.....	10,953	3,448	7,505	.....	27,197	12,889	14,308	.....
1,000 - 2,499.....	18,837	5,792	13,045	.....	39,925	10,503	29,422	.....
2,500 - 4,999.....	8,951	2,287	6,664	.....	20,285	2,398	17,887	.....
5,000 - 9,999.....	4,778	.....	4,778	.....	5,988	.....	5,988	.....
10,000 - 14,999.....	4,061	.....	1,621	2,440	3,004	.....	2,257	747
15,000 - 24,999.....	4,037	.....	1,591	2,446	4,022	.....	797	3,225
25,000 - 49,999.....	1,217	.....	303	914	2,569	.....	459	2,110
50,000 and over.....	5,714	.....	2,422	3,292	7,437	.....	3,825	3,612
All sizes .....	65,363	16,558	39,713	9,092	125,593	36,507	79,392	9,694

Note: Detailed figures may not add to totals because of rounding.

\*Excludes loans directly guaranteed by Commodity Credit Corporation.

### Borrowers

Borrowers of non-real estate agricultural advances covered the entire range of farmers by types of farms and by financial strength. More than one-third of the loans outstanding were to operators of general farms, that is, farms with a variety of products, no one of which contributes as much as one half of total farm income; these loans represented approximately the same proportion of

the total dollar amount. Among the specialized farmers, operators of dairy farms were the heaviest borrowers from a dollar standpoint, while producers of tobacco showed the greatest number of loans. As may be seen from Table II, substantial amounts of funds went to operators of farms producing cotton, livestock, and truck crops.

TABLE II  
NON-REAL ESTATE LOANS\* TO FARMERS BY TYPE  
OF FARM AND NET WORTH OF BORROWER  
Fifth District Insured Banks  
Estimated—Mid-Year 1947

Type of farm	Amount (in thousands)							Number of loans						
	All borrowers	Net worth						All borrowers	Net worth					
		Under \$2,000	\$2,000- 9,999	\$10,000- 24,999	\$25,000- 99,999	\$100,000 and over	Not known		Under \$2,000	\$2,000- 9,999	\$10,000- 24,999	\$25,000- 99,999	\$100,000 and over	Not known
General .....	22,944	1,820	6,495	5,026	5,188	4,166	247	45,398	11,524	21,472	8,364	2,926	616	496
Dairy .....	8,552	327	1,667	2,543	2,502	561	951	10,969	1,283	3,640	2,889	2,000	416	741
Poultry and eggs.....	2,242	48	567	145	1,190	282	8	1,626	154	745	258	245	182	42
Livestock (not else- where classified) .....	2,757	27	164	397	1,103	799	268	2,194	282	233	456	366	208	649
Cattle .....	3,089	1,029	1,156	302	75	521	6	9,882	6,502	2,097	1,000	80	75	128
Hogs .....	305	5	38	148	54	60	.....	544	128	128	182	52	54	.....
Fruit (not elsewhere classified) .....	2,217	10	102	184	678	780	463	1,116	26	228	138	240	224	260
Peaches .....	414	.....	61	98	255	.....	.....	378	.....	168	168	42	.....	.....
Truck (except potatoes)-	4,617	468	1,093	1,613	1,075	340	27	10,372	3,241	4,826	1,662	506	94	42
Cotton .....	7,337	825	2,342	1,050	1,533	1,586	..	11,701	4,756	5,060	1,128	460	297	.....
Tobacco .....	4,741	569	2,087	1,590	457	39	..	20,298	4,408	11,096	4,336	432	26	.....
Other field crops (not elsewhere classified) ...	374	79	257	38	.....	.....	.....	1,366	619	619	128	.....	.....	.....
Wheat .....	949	35	116	675	123	.....	.....	1,624	335	335	845	109	.....	.....
Other small grains.....	2,258	.....	.....	2,258	.....	.....	.....	1,674	.....	.....	1,674	.....	.....	.....
Corn .....	660	235	143	29	253	.....	.....	2,295	1,530	382	255	128	.....	.....
Potatoes .....	115	30	27	57	.....	.....	.....	310	128	54	128	.....	.....	.....
Other .....	59	4	.....	55	.....	.....	.....	80	40	.....	40	.....	.....	.....
Part-time .....	777	24	315	123	152	162	2	1,666	490	798	127	112	113	26
Not known .....	956	43	502	39	10	.....	363	2,100	433	1,108	38	26	.....	495
Total .....	65,363	5,579	17,133	16,370	14,648	9,296	2,337	125,593	35,879	52,990	23,816	7,724	2,305	2,879

Note: Detailed figures may not add to totals because of rounding.

\*Excludes loans directly guaranteed by Commodity Credit Corporation.



Of the 125 thousand loans, some 71 per cent were outstanding to farmers with net worth of less than \$10,000. These loans represented, however, only 35 per cent of the total dollar amount outstanding. At the other end of the scale, the relatively few operators with net worth of more than \$100,000 had less than 2 per cent of loans by number but 14 per cent by dollar volume. Loans to the borrowers of small net worth were found for nearly all types of farms, while those to large operators were for a more limited number of types of farm operations. Dairying, livestock, poultry, truck, and cotton loomed large in importance among the borrowers with net worth of more than \$25,000.

The vast majority of farm borrowers had some equity in the land that they farmed, being owners either with or without mortgages and in some cases renting additional land. From the standpoint of dollar amount, the importance of this group was ever greater, 88 per cent of the total being outstanding to its members. Farm operators who had no liens against their land and rented no additional land were the makers of 47 per cent of the loans outstanding, amounting to 56 per cent of the dollar amount, and were thus the leading single group of borrowers. Table III presents the relative importance of the various groups.

Table III

NON-REAL ESTATE LOANS\* TO FARMERS  
BY TENURE OF BORROWER

Fifth District Insured Banks  
Estimated—Mid-Year 1947

Tenure of borrower	Amount		Number of loans	
	(in thousands)	% of total	Number	% of total
Owner, no mortgage	36,542	55.9	59,223	47.2
Owner, mortgage	19,499	29.8	35,456	28.2
Owner, no mortgage, rents additional land	1,102	1.7	1,106	.9
Owner, mortgage, rents additional land	507	.8	1,313	1.0
Tenant or cropper	6,867	10.5	26,213	20.9
Not known	846	1.3	2,282	1.8
Total	65,363	100.0	125,593	100.0

Note: Detailed figures may not add to totals because of rounding.  
\*Excludes loans directly guaranteed by the Commodity Credit Corporation.

### Size of Loan

Short-term farm loans are typically small loans in the Fifth District. Although there are some farm operators in the District who conduct large-scale enterprises, they are few relative to the total, and thus it follows that the majority of loans are made for small amounts. Table IV presents a breakdown by size.

TABLE IV  
NON-REAL ESTATE FARM LOANS\* BY SIZE  
Fifth District Insured Banks  
Estimated—Mid-Year 1947

Size of loan	Amount		Number of loans	
	(in thousands)	% of total	Number	% of total
Under \$250	6,582	10.1	61,585	49.0
\$250 - 499	7,299	11.2	24,970	19.9
\$500 - 999	10,198	15.6	18,152	14.5
\$1,000 - 1,499	7,265	11.1	8,080	6.4
\$1,500 - 2,499	10,443	16.0	6,893	5.5
\$2,500 - 4,999	10,487	16.0	3,974	3.2
\$5,000 - 9,999	8,154	12.5	1,501	1.2
\$10,000 - 24,999	4,935	7.5	438	.3
Total	65,363	100.0	125,593	100.0

Note: Detailed figures may not add to totals because of rounding.  
\*Excludes loans directly guaranteed by the Commodity Credit Corporation.

In general, the average size of loan increased with the size of the bank and with the size of the city or town in which it was located, although there were notable exceptions to this rule. The average loan for all banks—obtained by dividing the total dollar amount by the number of loans—was \$520. The range of averages among the groups of banks shown in Table I was from \$268 to \$3,266, with a sizeable bunching of averages between \$400 and \$800.

### Purpose

Slightly more than one-half of total non-real estate farm loans were made for the purpose of meeting production and living costs; these loans amounted to 43 per cent of the total dollar volume. Next in importance were loans to buy machinery and livestock, which represented 22 per cent of the total number and 32 per cent of the dollar amount outstanding. Purchase and improvement of land and buildings accounted for 11 per cent of the number and 17 per cent of the amount. A substantial number and amount of loans were made for purposes not known to the lending bank, and of course might well influence the distribution according to purpose if they were predominantly for one type of expenditure.

Among various types of farm borrowers, the proposed uses of loan funds showed considerable variation. General farmers conformed reasonably well to the all-borrower pattern, although a larger proportion of loans were for the purpose of meeting current operating expenses. Dairy and livestock farm operators showed 55 per cent of the dollar amount of their loans as being intended for the purchase of machinery and livestock, while only 19 per cent was for production and living costs. Producers of truck crops, cotton, and tobacco, on the other hand, gave production and living costs as the stated purpose of 70 per cent of the dollar amount of their borrowings. Operators of farms producing grains and other field crops borrowed primarily for purchase of machinery and for purchase and improvement of land and buildings; current production outlays were but a small cause of their total indebtedness. Table V presents the detailed figures by type of farm and purpose of loan.



TABLE V  
NON-REAL ESTATE LOANS\* TO FARMERS BY  
TYPE OF FARM AND MAJOR PURPOSE  
Fifth District Insured Banks  
Estimated—Mid-Year 1947

Type of farm	Amount (in thousands)						Number of loans					
	Major purpose						Major purpose					
	All purposes	Pay production or living costs	Buy or improve land or bldgs.	Buy machinery or livestock	Repay debts	Not known	All purposes	Pay production or living costs	Buy or improve land or bldgs.	Buy machinery or livestock	Repay debts	Not known
General .....	22,944	9,912	4,998	6,711	361	962	45,398	23,489	3,921	11,800	1,654	4,534
Dairy .....	8,552	1,843	1,059	4,596	502	552	10,969	2,237	1,480	5,282	832	1,138
Poultry and eggs.....	2,242	1,859	74	253	46	10	1,626	898	99	506	55	68
Livestock (not elsewhere classified) ...	2,757	391	4	2,308	....	54	2,194	747	26	1,344	....	77
Cattle .....	3,089	497	500	967	458	667	9,382	510	1,530	737	2,642	4,463
Hogs .....	305	107	46	152	....	....	544	255	55	234	....	....
Fruit (not elsewhere classified) .....	2,217	1,092	278	298	255	294	1,116	401	260	90	127	238
Peaches .....	414	114	....	300	....	....	378	252	....	126	....	....
Truck (except potatoes) .....	4,617	3,163	707	618	107	22	10,372	6,493	777	1,732	1,140	230
Cotton .....	7,337	5,359	907	1,036	35	....	11,701	10,311	307	955	128	....
Tobacco .....	4,741	3,186	860	358	115	222	20,298	14,015	2,684	1,483	578	1,538
Other field crops (not elsewhere classified) .....	374	188	38	128	14	6	1,366	947	128	182	55	54
Wheat .....	949	73	189	677	....	10	1,624	517	336	644	....	127
Other small grains....	2,258	8	749	1,499	....	2	1,674	26	811	811	....	26
Corn .....	660	213	336	86	....	25	2,295	1,402	255	255	....	383
Potatoes .....	115	85	....	30	....	....	310	182	....	128	....	....
Other .....	59	4	....	55	....	....	80	40	....	40	....	....
Part-time .....	777	248	307	122	7	93	1,666	404	422	298	26	516
Not known .....	956	61	44	710	23	118	2,100	381	142	982	78	517
Total .....	65,363	28,401	11,097	20,903	1,922	3,040	125,593	63,509	13,232	27,629	7,314	13,909

Note: Detailed figures may not add to totals because of rounding.

\*Excludes loans directly guaranteed by Commodity Credit Corporation.

The use of loan funds by borrowers of varying financial strength as measured by net worth showed interesting variations, some of which were to be expected from the relationship of types of farming to financial resources required. Farmers of the smallest net-worth group—who had made 29 per cent of the total number of loans outstanding, amounting to but 9 per cent of the dollar amount—borrowed to a greater extent to meet current expenditures than did the average farm borrower. Likewise, the

use of 8 per cent of loan funds for repayment of other debts was far in excess of the proportion of total loans going to this use, 3 per cent. The largest-net-worth group, on the other hand, used only 40 per cent of borrowings for current expenditures and employed some 32 per cent for purchase and improvement of land and buildings. Complete details of the use of funds by borrowers of various net worths may be found in Table VI.

TABLE VI  
NON-REAL ESTATE LOANS\* TO FARMERS BY  
NET WORTH OF BORROWER AND MAJOR PURPOSE  
Fifth District Insured Banks  
Estimated—Mid-Year 1947

Net worth of borrower	Amount (in thousands)						Number of loans					
	Major purpose						Major purpose					
	All purposes	Pay production or living costs	Buy or improve land or bldgs.	Buy machinery or livestock	Repay debts	Not known	All purposes	Pay production or living costs	Buy or improve land or bldgs.	Buy machinery or livestock	Repay debts	Not known
Under \$2,000.....	5,579	2,700	328	1,114	468	969	35,879	18,999	1,804	4,350	3,519	7,207
\$2,000 - 9,999.....	17,133	7,501	2,025	6,307	460	840	52,990	27,940	6,016	12,259	2,538	4,237
\$10,000 - 24,999.....	16,370	6,410	2,498	6,793	356	313	23,816	11,084	3,368	7,394	769	1,201
\$25,000 - 99,999.....	14,648	7,576	3,021	3,434	285	332	7,724	3,762	1,481	1,970	154	357
\$100,000 and over.....	9,296	3,730	2,955	1,821	325	465	2,305	890	329	513	292	281
Not known .....	2,337	484	270	1,434	28	121	2,879	834	234	1,143	42	626
Total .....	65,363	28,401	11,097	20,903	1,922	3,040	125,593	63,509	13,232	27,629	7,314	13,909

Note: Detailed figures may not add to totals because of rounding.

\*Excludes loans directly guaranteed by Commodity Credit Corporation.

As might be expected, borrowers of different status of tenure showed differences in their stated purposes of indebtedness. Owners without mortgages or additional land under lease accounted for 85 per cent of the total amount borrowed for the purchase and improvement of land and buildings. Correspondingly, their planned expenditures out of borrowings for the purpose of buying machinery and livestock were substantially less proportionate to their

total borrowings than were those of the tenant and cropper group, 25 per cent as compared with 40 per cent for the latter. The proportion of borrowings allocated to expenditures on production and living expenses was surprisingly constant for all groups with the relatively unimportant exception of those owners who rented additional land.

TABLE VII  
NON-REAL ESTATE LOANS\* TO FARMERS BY  
TENURE OF BORROWER AND MAJOR PURPOSE  
Fifth District Insured Banks  
Estimated—Mid-Year 1947

Tenure of borrower	Amount (in thousands)						Number of loans					
	Major purpose						Major purpose					
	All purposes	Pay production or living costs	Buy or improve land or bldgs.	Buy machinery or livestock	Repay debts	Not known	All purposes	Pay production or living costs	Buy or improve land or bldgs.	Buy machinery or livestock	Repay debts	Not known
Owner, no mortgage.	36,542	15,502	9,397	9,291	787	1,565	59,223	29,745	8,604	12,389	2,988	5,497
Owner, mortgage .....	19,499	8,568	1,496	8,064	897	475	35,456	17,927	3,792	8,754	2,524	2,459
Owner, no mortgage, rents additional land	1,102	827	55	197	20	2	1,106	657	64	232	127	26
Owner, mortgage, rents additional land .....	507	463	....	44	....	....	1,313	1,186	....	127	....	....
Tenant or cropper.....	6,867	2,938	128	2,738	219	844	26,213	13,269	697	5,398	1,675	5,174
Not known .....	846	103	20	569	....	154	2,282	725	75	729	....	753
Total .....	65,363	28,401	11,097	20,903	1,922	3,040	125,593	63,509	13,232	27,629	7,314	13,909

Note: Detailed figures may not add to totals because of rounding.

\*Excludes loans directly guaranteed by Commodity Credit Corporation.

The purpose of the loan was to a large extent reflected in the size. Of loans made for payment of production and living expenses, 75 per cent were for less than \$500, while 48 per cent of loans for purchasing and improving land and buildings were in excess of this amount as were 50 per cent of loans for purchasing machinery and live-

stock. The dollar amounts did not of course show the same concentration in the lower brackets for loans for current expenditures but emphasize the larger loans as the source of funds for investment purchases. No loans were reported in excess of \$5,000 for the purpose of repaying debts.

TABLE VIII  
NON-REAL ESTATE LOANS\* TO FARMERS BY  
SIZE OF LOAN AND MAJOR PURPOSES  
Fifth District Insured Banks  
Estimated—Mid-Year 1947

Size of loan	Amount (in thousands)						Number of loans					
	Major purpose						Major purpose					
	All purposes	Pay production or living costs	Buy or improve land or bldgs.	Buy machinery or livestock	Repay debts	Not known	All purposes	Pay production or living costs	Buy or improve land or bldgs.	Buy machinery or livestock	Repay debts	Not known
Under \$250.....	6,582	3,902	341	930	485	924	61,585	34,324	4,388	7,728	5,089	10,056
\$250 - 499.....	7,299	3,946	757	1,732	323	541	24,970	13,311	2,476	5,959	1,149	2,075
\$500 - 999.....	10,198	5,132	1,155	2,969	402	541	18,152	9,080	2,301	5,135	598	1,038
\$1,000 - 1,499.....	7,265	2,038	1,849	3,022	172	184	8,080	2,181	2,074	3,417	224	184
\$1,500 - 2,499.....	10,443	3,647	1,066	4,833	354	542	6,893	2,191	715	3,365	191	431
\$2,500 - 4,999.....	10,487	4,128	2,711	3,286	186	176	3,974	1,583	912	1,331	63	85
\$5,000 - 9,999.....	8,154	4,692	944	2,386	....	132	1,501	738	199	524	....	40
\$10,000 - 24,999.....	4,935	916	2,273	1,746	....	..	438	101	167	170	....	....
Total .....	65,363	28,401	11,097	20,903	1,922	3,040	125,593	63,509	13,232	27,629	7,314	13,909

Note: Detailed figures may not add to totals because of rounding.

\*Excludes loans directly guaranteed by Commodity Credit Corporation.

## Maturities

Agricultural production credit extended by banks is primarily short-term credit; 73 per cent of the estimated dollar outstandings on June 20 were for maturities of 6 months or less while 94 per cent matured within 1 year of the date made. Only 2 per cent of the dollar volume of loans were made for periods of more than 2 years.

Operators of general farms conformed quite closely to this pattern although having a larger proportion of the

total in demand obligations than was typical of other groups except for dairy farmers. The three categories of farm operators, general, dairy, and poultry, accounted for the greater part of the demand loans outstanding. Orchardists and producers of grain and other field crops were borrowers for short periods only; substantially all of their indebtedness matured within 6 months of the date made.

TABLE IX  
NON-REAL ESTATE LOANS\* TO FARMERS BY  
TYPE OF FARM AND MATURITY  
Fifth District Insured Banks  
Estimated—Mid-Year 1947

Type of farm	Amount (in thousands)									
	All maturities	Demand	3 mos.	3-6 mos.	6-9 mos.	9 mos.-1 yr.	1-2 yrs.	2 yrs. and over	Past due	Un-classified
General .....	22,944	1,612	9,888	5,215	3,288	1,911	531	52	161	285
Dairy .....	8,552	983	4,036	1,347	137	471	647	927	4	.....
Poultry and eggs.....	2,242	412	1,175	347	255	21	.....	.....	31	.....
Livestock (not elsewhere classified).....	2,757	54	631	896	139	1,022	6	.....	9	.....
Cattle .....	3,089	.....	2,188	759	.....	59	.....	83	.....	.....
Hogs .....	305	.....	305	.....	.....	.....	.....	.....	.....	.....
Fruit (not elsewhere classified).....	2,217	.....	589	1,628	.....	.....	.....	.....	.....	.....
Peaches .....	414	.....	.....	365	27	.....	.....	.....	.....	22
Truck (except potatoes).....	4,617	101	2,110	1,792	383	72	71	80	8	.....
Cotton .....	7,337	.....	775	2,500	3,537	490	34	.....	1	.....
Tobacco .....	4,741	141	988	2,071	988	243	156	88	.....	65
Other field crops (not elsewhere classified) .....	374	.....	255	120	.....	.....	.....	.....	.....	.....
Wheat .....	949	39	566	127	38	.....	.....	.....	178	.....
Other small grain.....	2,258	2	2,256	.....	.....	.....	.....	.....	.....	.....
Corn .....	660	.....	169	232	.....	6	.....	253	.....	.....
Potatoes .....	115	.....	.....	57	27	30	.....	.....	.....	.....
Other .....	59	.....	4	55	.....	.....	.....	.....	.....	.....
Part-time .....	777	35	571	162	.....	.....	7	.....	3	.....
Not known .....	956	.....	129	228	25	291	199	.....	83	.....
Total .....	65,363	3,379	26,637	17,901	8,845	4,617	1,651	1,482	479	372

Type of farm	Number of Loans									
	All maturities	Demand	3 mos.	3-6 mos.	6-9 mos.	9 mos.-1 yr.	1-2 yrs.	2 yrs. and over	Past due	Un-classified
General .....	45,398	1,310	19,449	12,775	6,642	3,112	1,334	142	247	387
Dairy .....	10,969	759	6,064	2,174	277	835	520	321	19	.....
Poultry and eggs.....	1,626	208	712	390	128	169	.....	.....	19	.....
Livestock (not elsewhere classified).....	2,194	77	828	660	118	466	26	.....	19	.....
Cattle .....	9,882	.....	8,854	862	.....	38	.....	128	.....	.....
Hogs .....	544	.....	544	.....	.....	.....	.....	.....	.....	.....
Fruit (not elsewhere classified).....	1,116	.....	382	734	.....	.....	.....	.....	.....	.....
Peaches .....	378	.....	.....	294	42	.....	.....	.....	.....	42
Truck (except potatoes).....	10,372	182	5,207	3,672	128	456	435	165	127	.....
Cotton .....	11,701	.....	1,196	4,107	5,686	516	42	.....	154	.....
Tobacco .....	20,298	152	4,614	10,556	3,494	866	182	254	.....	180
Other field crops (not elsewhere classified) .....	1,366	.....	893	473	.....	.....	.....	.....	.....	.....
Wheat .....	1,624	80	972	281	128	.....	.....	.....	163	.....
Other small grain.....	1,674	26	1,648	.....	.....	.....	.....	.....	.....	.....
Corn .....	2,295	.....	1,402	637	.....	128	.....	128	.....	.....
Potatoes .....	310	.....	.....	128	54	128	.....	.....	.....	.....
Other .....	80	.....	40	40	.....	.....	.....	.....	.....	.....
Part-time .....	1,666	104	1,101	255	.....	.....	180	.....	26	.....
Not known .....	2,100	.....	661	292	37	674	282	.....	154	.....
Total .....	125,593	2,899	54,566	38,332	16,734	7,387	3,001	1,138	928	608

Note: Detailed figures may not add to totals because of rounding.

\*Excludes loans directly guaranteed by Commodity Credit Corporation.

The tenure status of the borrower appears to have been of some significance in determining the maturity of farm loans. Owner-operators without mortgages showed the greatest concentration of loans in maturities of 6 months or less, followed by owners with mortgages and by tenants and croppers.

### Repayment Methods

Seventy-eight per cent of farm loans called for a single payment in satisfaction of the obligation, while nearly two-thirds of the remainder were to be repaid in irregular

instalments. The single-payment loans represented 80 per cent of the dollar amount, regular-instalment loans 8 per cent, and irregular-instalment loans 12 per cent.

Loans made for the purpose of paying production and living costs were largely single-payment loans, 93 per cent of the dollar amount being thus due. A larger proportion of those representing investment in production facilities were repayable in instalments, 24 per cent of the volume of loans for purchasing and improving property and 33 per cent of loans for purchasing machinery and livestock.

TABLE X  
NON-REAL ESTATE LOANS\* TO FARMERS BY  
REPAYMENT METHOD AND MAJOR PURPOSE  
Fifth District Insured Banks  
Estimated—Mid-Year 1947

Major purpose	Amount (in thousands)					Number of loans				
	All methods	Repayment method				All methods	Repayment method			
		One payment	Regular instalments	Irregular instalments	Not given		One payment	Regular instalments	Irregular instalments	Not given
Pay production or living costs.....	28,401	26,540	361	1,500	....	63,509	59,550	1,481	2,478	....
Buy or improve land or bldgs.....	11,097	8,420	564	2,096	17	13,232	9,376	1,263	2,517	76
Buy machinery or livestock .....	20,903	14,070	3,842	2,991	....	27,629	18,260	5,323	4,046	....
Repay debts.....	1,922	1,249	105	568	....	7,314	4,048	411	2,855	....
Not known .....	3,040	1,807	293	903	37	13,909	7,275	1,587	4,992	55
<b>Total .....</b>	<b>65,363</b>	<b>52,086</b>	<b>5,165</b>	<b>8,058</b>	<b>54</b>	<b>125,593</b>	<b>98,509</b>	<b>10,065</b>	<b>16,888</b>	<b>131</b>

Note: Detailed figures may not add to totals because of rounding.

\*Excludes loans directly guaranteed by Commodity Credit Corporation.

Repayment terms were influenced by the type of farm operations of the borrower. Instalment loans were made principally by operators of farms expecting to receive income in periodic sums rather than at one marketing date. Dairy operators had well over one-half of their loans on an instalment basis; of these, more than one-half called for payments of regular instalments. Cattle farmers simi-

larly contracted for instalment payments, although leaning heavily toward irregular instalments. General farmers, poultry producers, truck, cotton, and tobacco farmers all used instalment credit in varying degrees, but to a substantially less extent than one-payment loans. Orchardists and grain producers employed single-payment loans almost exclusively.

TABLE XI  
NON-REAL ESTATE LOANS\* TO FARMERS BY  
REPAYMENT METHOD AND TYPE OF FARM  
Fifth District Insured Banks  
Estimated—Mid-Year 1947

Type of farm	Amount (in thousands)					Number of loans				
	All methods	Repayment method				All methods	Repayment method			
		One payment	Regular instalments	Irregular instalments	Not given		One payment	Regular instalments	Irregular instalments	Not given
General .....	22,944	19,871	1,100	1,919	54	45,398	39,488	3,657	2,122	131
Dairy .....	8,552	4,072	2,270	2,210	....	10,969	5,847	2,336	2,786	....
Poultry and eggs.....	2,242	2,089	33	120	....	1,626	1,190	233	203	....
Livestock (not elsewhere classified)...	2,757	2,523	12	222	....	2,194	1,423	180	591	....
Cattle .....	3,089	820	18	2,251	....	9,882	548	26	9,308	....
Hogs .....	305	305	....	....	....	544	544	....	....	....
Fruit (not elsewhere classified).....	2,217	1,754	....	463	....	1,116	856	....	260	....
Peaches .....	414	414	....	....	....	378	378	....	....	....
Truck (except potatoes).....	4,617	4,306	173	138	....	10,372	9,337	694	341	....
Cotton .....	7,337	6,554	312	471	....	11,701	10,402	536	763	....
Tobacco .....	4,741	4,304	296	141	....	20,298	19,329	817	152	....
Other field crops (not elsewhere classified) .....	374	374	....	....	....	1,366	1,366	....	....	....
Wheat .....	949	938	....	11	....	1,624	1,572	....	52	....
Other small grain.....	2,258	2,256	....	2	....	1,674	1,648	....	26	....
Corn .....	660	391	269	....	....	2,295	1,913	382	....	....
Potatoes .....	115	115	....	....	....	310	310	....	....	....
Other .....	59	59	....	....	....	80	80	....	....	....
Part-time .....	777	667	12	98	....	1,666	1,304	206	156	....
Not known .....	956	274	672	10	....	2,100	976	996	128	....
<b>Total .....</b>	<b>65,363</b>	<b>52,086</b>	<b>5,165</b>	<b>8,058</b>	<b>54</b>	<b>125,593</b>	<b>98,509</b>	<b>10,065</b>	<b>16,888</b>	<b>131</b>

Note: Detailed figures may not add to totals because of rounding.

\*Excludes loans directly guaranteed by Commodity Credit Corporation.

The tenure status of the borrower appears to have been of influence in determining the method of repayment to be followed. Operators who owned their own farms and had no mortgages showed a greater percentage of loans—84 per cent—on a single-payment basis, and of the instal-

ment loans owed, 77 per cent of the dollar amount was repayable in irregular instalments. Tenants and croppers, on the other hand, had 26 per cent of their borrowings on an instalment-repayment basis with 47 per cent of the instalment amount repayable in regular amounts.

TABLE XII  
NON-REAL ESTATE LOANS\* TO FARMERS BY  
TENURE OF BORROWER AND REPAYMENT METHOD  
Fifth District Insured Banks  
Estimated—Mid-Year 1947

Tenure of borrower	Amount (in thousands)					Number of loans				
	All methods	Repayment method				All methods	Repayment method			
		One payment	Regular instalments	Irregular instalments	Not given		One payment	Regular instalments	Irregular instalments	Not given
Owner, no mortgage.....	36,542	30,526	1,371	4,628	17	59,223	48,102	3,610	7,435	76
Owner, mortgage .....	19,499	14,684	2,399	2,379	37	35,456	27,190	2,893	5,318	55
Owner, no mortgage, rents additional land.....	1,102	826	157	119	....	1,106	716	154	236	....
Owner, mortgage, rents additional land .....	507	506	....	1	....	1,313	1,287	....	26	....
Tenant or cropper.....	6,867	5,113	825	929	....	26,213	19,715	2,651	3,847	....
Not known .....	846	431	413	2	....	2,282	1,499	757	26	....
<b>Total .....</b>	<b>65,363</b>	<b>52,086</b>	<b>5,165</b>	<b>8,058</b>	<b>54</b>	<b>125,593</b>	<b>98,509</b>	<b>10,065</b>	<b>16,888</b>	<b>131</b>

Note: Detailed figures may not add to totals because of rounding.

\*Excludes loans directly guaranteed by Commodity Credit Corporation.

The maturity of the loan does not appear to have been a determining factor in arriving at terms of repayment. The distribution of loans of less than two years shows no discernible pattern of methods of repayment while the amount maturing in more than two years from the date made was so small that relationships are erratic.

### Security

A large proportion of loans to farmers were made on the basis of the credit standing of the borrower or of the borrower and one or more endorsers. Of the total number, 70 per cent were made on this basis, amounting to 66 per cent of the total dollar amount. First in importance in the field of tangible security was the combination of crops, livestock, or machinery, which secured 14 per cent of the total number and 13 per cent of the total amount outstanding, followed by livestock, with 6 per cent and 10 per cent

respectively. Machinery was next in importance with growing crops trailing as last among the types of security specified in the survey.

Dependence upon tangible security appears to have been determined in large measure by the financial strength of the borrower. Those with net worth of \$25,000 and more obtained 45 per cent of their borrowings upon their own signatures alone. Endorsed notes accounted for an additional 29 per cent of their total indebtedness. Borrowers with net worth of less than \$2,000, on the other hand, were required to furnish an endorser or other security for 90 per cent of their dollar borrowings. Small borrowers secured their loans with blanket pledges of crops, livestock, or machinery, with the last becoming of increasing importance as sole security in the \$2,000-\$9,999 and \$10,000-\$24,999 net worth groups. The two largest net worth groups, while utilizing blanket pledges, placed more emphasis upon livestock as collateral for the secured loans.

TABLE XIII  
NON-REAL ESTATE LOANS\* TO FARMERS BY  
NET WORTH OF BORROWER AND SECURITY  
Fifth District Insured Banks  
Estimated—Mid-Year 1947

Security	Amount (in thousands)							Number of loans						
	All borrowers	Net worth						All borrowers	Net worth					
		Under \$2,000	\$2,000-9,999	\$10,000-24,999	\$25,000-99,999	\$100,000 and over	Not known		Under \$2,000	\$2,000-9,999	\$10,000-24,999	\$25,000-99,999	\$100,000 and over	Not known
Not secured; not endorsed .....	19,396	560	2,904	4,979	6,320	4,528	105	29,038	5,419	11,237	7,519	3,556	1,044	263
Not secured; endorsed .....	23,880	3,490	6,500	6,094	4,116	2,888	792	59,167	23,865	22,002	8,763	2,564	598	1,375
Livestock .....	6,825	296	1,167	1,399	2,090	740	1,133	7,646	947	3,407	1,814	451	208	819
Growing crops .....	618	167	313	138	....	....	....	1,330	515	761	54	....	....	....
Machinery .....	3,549	117	2,046	824	379	20	163	5,641	468	2,865	1,975	265	26	42
Comb. of crops, livestock, or machinery .....	8,194	828	3,250	2,486	1,452	178	....	17,510	3,898	9,869	3,101	538	104	....
Other security .....	2,709	120	812	400	292	942	143	4,825	767	2,522	481	350	325	380
No security given.....	192	....	142	50	....	....	....	436	....	327	109	....	....	....
Total .....	65,363	5,579	17,133	16,370	14,648	9,296	2,337	125,593	35,879	52,990	23,816	7,724	2,305	2,879

Note: Detailed figures may not add to totals because of rounding.

\*Excludes loans directly guaranteed by Commodity Credit Corporation.

Closely related to the financial strength of the borrower was the tenure status. Owner-operators without mortgages obtained 37 per cent of their advances without security, as compared with 12 per cent for tenants and share-croppers. The latter utilized blanket liens against assets to secure a large proportion of their borrowings while owners were able to satisfy the security demands to a much larger extent through the pledge of specific items of livestock and machinery.

### Interest Rates Charged

Loans to farmers were made at effective rates<sup>1</sup> that ranged from 2.5 per cent to more than 13 per cent. Sixty-four per cent of the loans outstanding on June 20 were at effective rates of 6 per cent; these loans amounted to 55 per cent of the dollar volume. Eight per cent of the dollar amount of loans were made at rates in excess of 6 per cent, while 39 per cent were at lower rates.

<sup>1</sup>The effective rate of charge is obtained by relating the actual charge to the amount outstanding for the period or periods of time involved. For example, the effective rate for instalment loan with regular payments on which charges are computed against the entire amount for the full period would be roughly twice the stated rate of charge.

Variations as between different sized banks were numerous but appear to have been determined by the nature of the business done rather than by difference in size. Banks holding substantial amounts of instalment paper obviously showed larger effective rates on that portion of their portfolios. Similarly banks making numerous small loans for short periods, on which the minimum charge—usually of \$1.00—was made, had this minimum reflected in higher effective rates. Finally, the volume of large loans held by each bank materially affected its pattern of interest rates charged.

The rate of interest charged appears to have been largely determined by the size of the loan and the related factors of the financial strength and tenure status of the borrower. Sixty-eight per cent of the loans outstanding in the amount of \$10,000 or more bore interest at rates of 5 per cent or less; this compares with only 4 per cent of loans of less than \$250 made at similar rates. As the size of loan increased, there was a definite downward trend in the rates of interest charged. Loans of less than \$1,500 included many instalment loans which served to raise the general level of rates for the smaller size groups. Table XIV below presents the details of the relation of size to rates charged.

TABLE XIV  
NON-REAL ESTATE LOANS\* TO FARMERS BY SIZE  
OF LOAN AND INTEREST RATE CHARGED  
Fifth District Insured Banks  
Estimated—Mid-Year 1947

Interest rate charged	Amount (in thousands)								
	All loans	Size of loan							
		Under \$250	\$250- 499	\$500- 999	\$1,000- 1,499	\$1,500- 2,499	\$2,500- 4,999	\$5,000- 9,999	\$10,000- 24,999
2.5 - 3.0.....	1,299	.....	127	27	127	62	.....	956	.....
3.1 - 3.5.....	47	.....	47	.....	.....	.....	.....	.....	.....
3.6 - 4.0.....	5,793	461	51	163	273	697	1,451	1,588	1,110
4.1 - 4.5.....	1,618	53	58	42	43	117	242	765	297
4.6 - 5.0.....	14,782	229	723	1,733	1,357	3,141	3,117	3,132	1,350
5.1 - 5.5.....	80	23	11	.....	46	.....	.....	.....	.....
5.6 - 6.0.....	36,481	4,898	5,249	6,854	4,943	6,045	5,047	1,266	2,179
6.1 - 6.5.....	1,092	83	79	121	46	.....	508	255	.....
6.6 - 7.0.....	1,729	446	362	568	149	204	.....	.....	.....
7.1 - 7.5.....	238	36	94	108	.....	.....	.....	.....	.....
7.6 - 8.0.....	703	94	113	244	188	.....	64	.....	.....
Over 8.0.....	1,501	257	386	339	93	178	56	192	.....
Total .....	65,363	6,582	7,299	10,198	7,265	10,443	10,487	8,154	4,935

Interest rate charged	Number of loans								
	All loans	Size of loan							
		Under \$250	\$250- 499	\$500- 999	\$1,000- 1,499	\$1,500- 2,499	\$2,500- 4,999	\$5,000- 9,999	\$10,000- 24,999
2.5 - 3.0.....	1,240	.....	870	77	128	37	.....	128	.....
3.1 - 3.5.....	180	.....	180	.....	.....	.....	.....	.....	.....
3.6 - 4.0.....	2,224	111	154	235	375	461	507	254	127
4.1 - 4.5.....	1,022	395	187	76	38	76	83	127	40
4.6 - 5.0.....	14,231	2,021	2,376	3,258	1,889	2,559	1,402	608	118
5.1 - 5.5.....	223	144	37	.....	42	.....	.....	.....	.....
5.6 - 6.0.....	91,473	50,745	17,677	12,212	5,114	3,484	1,784	304	153
6.1 - 6.5.....	1,135	550	222	126	42	.....	153	42	.....
6.6 - 7.0.....	5,649	3,000	1,302	1,087	164	96	.....	.....	.....
7.1 - 7.5.....	845	358	307	180	.....	.....	.....	.....	.....
7.6 - 8.0.....	2,018	1,094	370	349	179	.....	26	.....	.....
Over 8.0.....	5,353	3,167	1,288	552	109	180	19	38	.....
Total .....	125,593	61,585	24,970	18,152	8,080	6,893	3,974	1,501	438

Note: Detailed figures may not add to totals because of rounding.

\*Excludes loans directly guaranteed by Commodity Credit Corporation.

Borrowers with substantial net worth benefited through the payment of interest at lower rates. Those showing net worth of \$100,000 or more paid 5 per cent or less for the use of 55 per cent of their borrowed bank funds, while borrowers with net worth of from \$25,000 to \$99,999 obtained 54 per cent of their advances at similar rates. The smallest net-worth group—those of under \$2,000—were charged more than 5 per cent for 94 per cent of their funds. As was stated above, the size of loan and strength of borrower were closely inter-related; evidence of this may be seen in Table XV, which shows that the largest net worth group made only 2 per cent of the number of

loans but that these amounted to 14 per cent of the total dollar amount. Borrowers of the smallest net worth group obtained 29 per cent of the total number of loans amounting to but 9 per cent of the dollar total.

As stated in the introductory paragraph, a discussion of real estate loans to farmers will appear in next month's *Monthly Review*. As a part of that article, a description of the statistical methods employed in making the estimates on agricultural credit will be included.



TABLE XV  
NON-REAL ESTATE LOANS\* TO FARMERS BY  
INTEREST RATE CHARGED AND NET WORTH OF BORROWER  
Fifth District Insured Banks  
Estimated—Mid-Year 1947

Interest rate charged	Amount (in thousands)							Number of loans						
	All borrowers	Net worth						All borrowers	Net worth					
		Under \$2,000	\$2,000-9,999	\$10,000-24,999	\$25,000-99,999	\$100,000 and over	Not known		Under \$2,000	\$2,000-9,999	\$10,000-24,999	\$25,000-99,999	\$100,000 and over	Not known
2.5 - 3.0.....	1,299	45	78	93	127	956	....	1,240	180	75	729	128	128	....
3.1 - 3.5.....	47	....	47	....	....	....	....	180	....	180	....	....	....	....
3.6 - 4.0.....	5,793	3	408	700	2,140	2,299	243	2,224	56	565	474	483	552	94
4.1 - 4.5.....	1,618	....	196	195	853	374	....	1,022	....	639	95	222	66	....
4.6 - 5.0.....	14,782	242	2,583	4,466	4,781	1,460	1,250	14,231	1,028	4,877	4,749	2,164	491	922
5.1 - 5.5.....	80	30	....	....	46	....	4	223	155	....	....	42	....	26
5.6 - 6.0.....	36,481	4,286	11,315	10,278	5,672	4,187	743	91,473	28,157	39,921	16,530	4,354	1,043	1,468
6.1 - 6.5.....	1,092	84	128	46	834	....	....	1,135	370	486	42	237	....	....
6.6 - 7.0.....	1,729	430	960	227	112	....	....	5,649	2,416	2,887	304	42	....	....
7.1 - 7.5.....	238	15	164	51	....	....	8	845	206	401	196	....	....	42
7.6 - 8.0.....	703	112	497	4	64	....	26	2,018	835	935	180	26	....	42
Over 8.0.....	1,501	332	760	310	17	20	62	5,353	2,475	2,025	517	26	26	284
<b>Total</b> .....	<b>65,363</b>	<b>5,579</b>	<b>17,133</b>	<b>16,370</b>	<b>14,648</b>	<b>9,296</b>	<b>2,337</b>	<b>125,593</b>	<b>35,879</b>	<b>52,990</b>	<b>23,816</b>	<b>7,724</b>	<b>2,305</b>	<b>2,879</b>

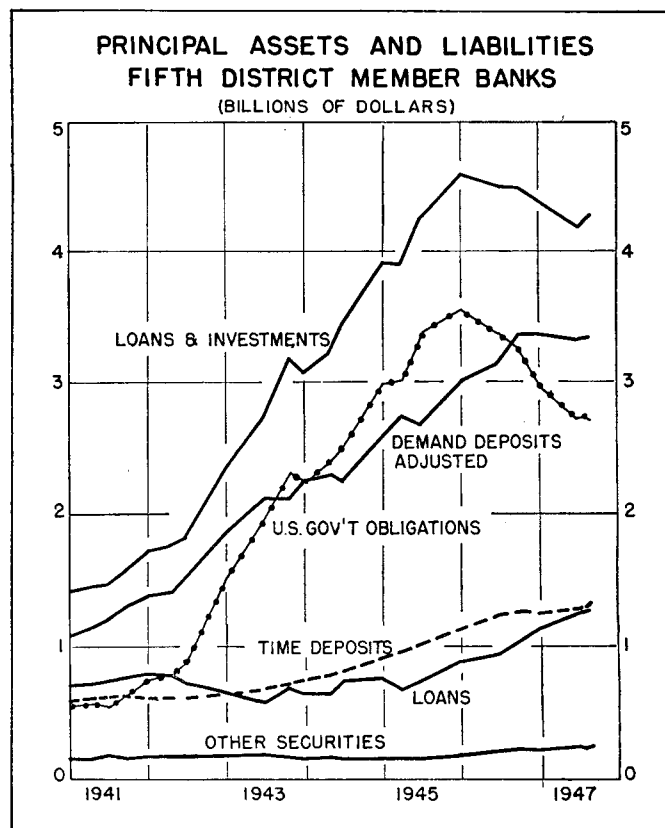
Note: Detailed figures may not add to totals because of rounding.

\*Excludes loans directly guaranteed by Commodity Credit Corporation.

AVERAGE DAILY TOTAL DEPOSITS\* OF MEMBER BANKS

	Last half of July		Last half of August	
	\$ thousands	% of U.S.	\$ thousands	% of U.S.
Maryland	989,020	.95	1,008,648	.96
Reserve City Banks.....	635,145	.61	640,685	.61
Country Banks .....	353,875	.34	367,963	.35
District of Columbia	912,988	.88	910,188	.87
Reserve City Banks.....	892,355	.86	888,662	.85
Country Banks .....	20,633	.02	21,526	.02
Virginia	1,256,817	1.21	1,276,845	1.22
Reserve City Banks.....	282,427	.27	297,944	.28
Country Banks .....	974,390	.94	978,901	.94
West Virginia	548,103	.53	548,768	.52
North Carolina	791,278	.76	805,429	.77
Reserve City Banks.....	355,358	.34	367,957	.35
Country Banks .....	435,920	.42	437,472	.42
South Carolina	408,904	.39	411,730	.39
Fifth District	4,907,110	4.71	4,961,608	4.75
United States (Millions)	104,079	100.0	104,547	100.0

\*Excluding interbank demand deposits.



**Tobacco Export** (Continued from page 5)

and civil trade restrictions and, second, permitting industrial recovery in Germany. Industrial recovery is needed in order that Germany will have the purchasing power needed to buy foreign tobacco. If normal industrial and commercial activity were restored, German tobacco consumption would increase materially and provide a considerable stimulus to international trade in tobacco.

The American tobacco grower in 1947 faces increasing competition from foreign growers whose production is re-

covering from the war. He finds world stocks of tobacco at least equal to those of 1946 and American stocks above 1946. At the same time, he finds his chief foreign customers partially excluded from the market because of a lack of purchasing power or because of trade restrictions. The remedy lies in either relaxing trade barriers and aiding or permitting the economic recovery of the chief foreign importers of tobacco (in particular the United Kingdom and Germany) or in limiting production to the needs of the restricted market which is developing.

**SUMMARY OF NATIONAL BUSINESS CONDITIONS**

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

Industrial output in August recovered most of the decline shown in July. Total value of retail trade continued to show little change. Prices of goods in wholesale and retail markets advanced further to new high levels.

**INDUSTRIAL PRODUCTION**

The Board's seasonally adjusted index of industrial production was 182 per cent of the 1935-39 average in August as compared with 177 in July and 184 in June. Most of the August advance was due to increases in output of nondurable manufactured goods and minerals to levels slightly above June rates. Activity in industries manufacturing durable goods increased somewhat in August but remained 3 per cent below the June level.

Output of steel rose to a rate of 90 per cent of capacity in August, and indications are that it will average about that rate in September. Automobile production declined further in August, but advanced sharply in September. Output of lumber and most other building materials advanced in August, following decreases in July, while output of nonferrous metal products continued to decline.

Output of most nondurable goods increased in August, reflecting in part a recovery from exceptional vacation influences in July and in part increased domestic demand in such lines as textiles and leather products. Output of manufactured food products continued to advance somewhat more than is usual at this season.

Coal production rose sharply in August, the first full month of operations under the new wage contracts, but output for the month was still below the rate prevailing early this year. Output of crude petroleum showed a further slight advance.

**EMPLOYMENT**

Employment in manufacturing increased in August, following a decline in July, and was somewhat larger than in June, reflecting chiefly seasonal increases in the food and apparel industries. A further rise in construction employment occurred in August. The number of persons unemployed declined to an estimated 2.1 million persons, which was about the same as a year ago.

**CONSTRUCTION**

Value of contracts awarded for construction, as reported by the F. W. Dodge Corporation, rose by one-fourth from July to August and was higher than in any month since the postwar peak of May 1946. Increases occurred in all major types of construction but were especially marked in awards for public utility construction, which more than doubled. Awards for all other nonresidential construction rose somewhat, while value of awards for residential building increased by more than one-fourth. The number of new permanent houses started in August was estimated by the Bureau of Labor Statistics to be 83,000 units as compared with 80,000 last month and 65,000 a year ago.

**DISTRIBUTION**

Department store sales in August and the first half of September increased by less than the usual amount at this time of the year. Value of sales was about two per cent less than in the corresponding period last year. Retail sales at all types of stores were about five per cent larger in August than in the same month a year ago, reflecting chiefly increased sales of durable goods. Value of sales of most nondurable goods was only slightly larger, although retail prices were considerably higher than in August 1946.

Loadings of railroad revenue freight increased considerably in August to a rate slightly above the same month a year ago. The August increase reflected a sharp rise in coal shipments and a substantial gain in loadings of miscellaneous freight. In the early part of September freight carloadings continued at a high level, after allowance for the usual Labor Day influence.

**COMMODITY PRICES**

The general level of wholesale commodity prices advanced further from the middle of August to the middle of September, and exceeded the peak reached in March of this year by about five per cent. Prices of farm products and foods showed the largest increases. Prices of many industrial commodities have arisen sharply since June.

Retail prices increased about one per cent from June to July, according to preliminary figures for the consumers' price index of the Bureau of Labor Statistics. Rent levels in the six cities surveyed showed somewhat less than one per cent rise in July, which was the first month affected by the new controls permitting increases of 15 per cent on new leases extending through 1948. Indications are that retail prices have risen further since that time.

**BANK CREDIT**

Further large gold inflows and a shift of funds from Treasury and foreign balances at Reserve Banks to accounts held at commercial banks in August and the first half of September provided funds for a substantial expansion in member bank reserves, a large outflow of currency associated with cashing of veterans' Terminal Leave Pay Bonds, and a decline in Federal Reserve holdings of Government securities. Required reserves increased considerably during the period reflecting large additional expansion in bank deposits.

Commercial and industrial loans at banks in leading cities continued to increase sharply in August and early September. Consumer and real estate loans also expanded further, and holdings of Government securities showed little change.

## FEDERAL RESERVE BANK OF RICHMOND

(All Figures in Thousands)

ITEMS	Sept. 17 1947	Chg. in Amt. From 8-13-47	9-11-46
Total Gold Reserves.....	\$ 903,010	— 42,303	— 67,069
Other Reserves.....	13,098	+ 89	— 6,905
Total Reserves.....	916,108	— 42,214	— 73,974
Bills Discounted.....	6,031	— 7,150	— 13,914
Industrial Advances.....	30	+ 30	+ 30
Gov. Securities, Total.....	1,577,862	+ 93,119	+ 116,473
Bonds.....	43,880	— 50	— 2,112
Notes.....	28,919	+ 6,439	— 7,349
Certificates.....	428,343	+ 14,201	— 26,216
Bills.....	1,076,720	+ 72,529	+ 152,150
Total Bills & Securities.....	1,583,923	+ 85,999	+ 102,589
Uncollected Items.....	312,942	+ 99,896	+ 118,811
Other Assets.....	15,335	+ 498	— 12,480
Total Assets.....	2,828,308	+ 144,179	+ 134,946
Fed. Res. Notes in Cir.....	\$1,719,060	+ 69,903	+ 1,231
Deposits, Total.....	809,336	— 789	+ 37,712
Members' Reserves.....	768,996	+ 40,521	+ 32,041
U. S. Treas. Gen. Acc.....	18,187	— 38,920	+ 17,663
Foreign.....	18,865	— 4,072	— 11,974
Other Deposits.....	3,288	+ 1,682	— 18
Def. Availability Items.....	263,151	+ 74,219	+ 92,244
Other Liabilities.....	1,151	+ 225	+ 538
Capital Accounts.....	35,610	+ 621	+ 3,221
Total Liabilities.....	2,828,308	+ 144,179	+ 134,946

## CONDITION OF REPORTING MEMBER BANKS—5th DISTRICT

(All Figures in Thousands)

ITEMS	Sept. 17 1947	Chg. in Amt. From 8-13-47	9-11-46
Total Loans.....	\$ 735,871	+ 17,311	+ 315,049
Bus. & Agri.....	345,957	+ 9,150	+ 141,021
Real Estate Loans.....	155,145	+ 1,460	+ 89,551
All Other Loans.....	234,769	+ 6,701	+ 84,477
Total Security Holdings.....	1,852,409	+ 36,555	+ 211,741
U. S. Treasury Bills.....	30,777	+ 1,347	— 18,377
U. S. Treasury Certificates.....	214,671	+ 15,181	— 121,984
U. S. Treasury Notes.....	105,673	+ 16,482	— 29,931
U. S. Gov. Bonds.....	1,377,097	+ 125	+ 342,863
Other Bonds, Stocks & Sec.....	124,191	+ 3,420	+ 39,170
Cash Items in Process of Col.....	228,180	+ 39,995	+ 79,906
Due from Banks.....	186,918	+ 20,618	+ 50,091
Currency & Coin.....	65,173	+ 1,367	+ 23,552
Reserve with F. R. Bank.....	505,093	+ 17,968	+ 146,933
Other Assets.....	50,953	— 1,047	— 28,663
Total Assets.....	3,624,597	+ 132,767	+ 798,609
Total Demand Deposits.....	\$2,780,280	+ 138,110	+ 606,349
Deposits of Individuals.....	2,055,821	+ 34,056	+ 587,934
Deposits of U. S. Gov.....	47,977	+ 3,091	— 136,537
Deposits of State & Local Gov.....	186,245	+ 14,328	+ 97,530
Deposits of Banks.....	443,842	+ 81,583	+ 37,284
Certified & Officers' Checks.....	46,395	+ 5,052	+ 20,138
Total Time Deposits.....	618,492	+ 1,147	+ 222,229
Deposits of Individuals.....	598,296	+ 401	+ 221,912
Other Time Deposits.....	20,196	+ 746	+ 317
Liabilities for Borrowed Money.....	1,000	— 6,500	— 11,500
All Other Liabilities.....	16,542	— 1,781	— 81,412
Capital Accounts.....	208,283	+ 1,791	+ 62,943
Total Liabilities.....	3,624,597	+ 132,767	+ 798,609

\*Net figures, reciprocal balances being eliminated.

DEPOSITS IN MUTUAL SAVINGS BANKS  
8 Baltimore Banks

	Aug. 31, 1947	July 31, 1947	Aug. 31, 1946
Total Deposits.....	\$387,111,504	\$387,125,144	\$372,943,742

## COMMERCIAL FAILURES

MONTHS	Number Failures		Total Liabilities	
	Dist.	U.S.	Dist.	U.S.
August 1947.....	11	287	\$ 165,000	\$ 14,903,000
July 1947.....	14	299	1,360,000	37,137,000
August 1946.....	3	92	135,000	3,799,000
8 Months 1947.....	71	2,218	\$3,686,000	\$147,848,000
8 Months 1946.....	15	666	254,000	29,455,000

Source: Dun &amp; Bradstreet

## DEBITS TO INDIVIDUAL ACCOUNTS

(000 omitted)

	Aug. 1947	% Chg. from Aug. 1946	8 mos. 1947	% Chg. from 8 mos. '46
<b>District of Columbia</b>				
Washington.....	\$ 600,534	+ 1	\$ 5,091,925	+ 4
<b>Maryland</b>				
Baltimore.....	830,512	— 1	6,921,476	+ 7
Cumberland.....	20,462	+ 2	163,455	+ 9
Frederick.....	16,705	+ 10	137,542	+ 18
Hagerstown.....	24,130	— 2	193,955	+ 12
<b>North Carolina</b>				
Asheville.....	43,161	+ 5	348,854	+ 17
Charlotte.....	190,661	— 6	1,566,120	+ 18
Durham.....	122,165	— 17	765,792	+ 4
Greensboro.....	63,608	+ 6	493,063	+ 18
Kinston.....	15,756	— 36	96,670	+ 4
Raleigh.....	92,140	+ 15	755,294	+ 30
Wilmington.....	33,159	— 16	237,193	+ 4
Wilson.....	16,545	— 40	114,488	+ 11
Winston-Salem.....	111,298	+ 5	885,536	+ 23
<b>South Carolina</b>				
Charleston.....	50,389	— 3	395,318	+ 2
Columbia.....	78,067	+ 2	645,398	+ 16
Greenville.....	66,146	+ 17	538,304	+ 24
Spartanburg.....	40,118	+ 6	312,956	+ 22
<b>Virginia</b>				
Charlottesville.....	20,658	— 2	162,121	— 8
Danville.....	21,236	— 20	195,151	+ 17
Lynchburg.....	34,192	+ 12	267,868	+ 15
Newport News.....	30,440	+ 17	235,115	+ 28
Norfolk.....	160,283	+ 12	1,254,224	+ 17
Portsmouth.....	18,121	+ 4	144,794	+ 7
Richmond.....	387,927	— 11	3,138,315	+ 10
Roanoke.....	72,365	+ 4	576,634	+ 18
<b>West Virginia</b>				
Bluefield.....	35,771	+ 9	271,668	+ 23
Charleston.....	116,510	+ 6	926,948	+ 15
Clarksburg.....	27,894	+ 15	213,588	+ 20
Huntington.....	46,300	+ 8	374,265	+ 14
Parkersburg.....	25,187	+ 12	194,777	+ 19
District Totals.....	\$3,412,440	— 1	\$27,647,907	+ 11

## COTTON CONSUMPTION AND ON HAND—BALES

	August 1947	August 1946
<b>Fifth District States:</b>		
Cotton consumed.....	359,247	410,458
<b>Cotton Growing States:</b>		
Cotton consumed.....	628,233	752,080
Cotton on hand August 31 in consuming establishments.....	918,240	1,679,986
storage & compresses.....	785,024	3,728,589
<b>United States:</b>		
Cotton consumed.....	710,601	855,511
Cotton on hand August 31 in consuming establishments.....	1,154,267	2,082,696
storage & compresses.....	833,113	3,834,342
Spindles active, U. S.....	21,197,000	22,019,000

## COTTON CONSUMPTION—FIFTH DISTRICT

(In Bales)

MONTHS	No. Carolina	So. Carolina	Va.	Md.	Dist.
August 1947.....	183,097	156,479	17,596	2,075	359,247
July 1947.....	170,214	147,370	15,252	1,946	334,782
August 1946.....	221,760	165,848	18,757	4,093	410,458
8 Months 1947.....	1,672,030	1,341,576	146,166	22,434	3,182,206
8 Months 1946.....	1,672,463	1,254,772	138,387	27,653	3,093,275

Source: Dept. of Commerce

## PRICES OF UNFINISHED COTTON TEXTILES

	Aug. 1947	July 1947	Aug. 1946
Average, 17 constructions.....	88.00	86.71	58.85
Printcloths, average (6).....	119.07	115.91	62.92
Sheetings, average (3).....	74.82	74.08	53.07
Twill (1).....	79.86	79.86	59.52
Drills, average (4).....	63.65	63.47	54.43
Sateen (1).....	97.61	97.61	77.36
Ducks, average (2).....	62.54	62.54	54.58

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

**BUILDING PERMIT FIGURES**

	Total Valuation	
	Aug. 1947	Aug. 1946
<b>Maryland</b>		
Baltimore .....	\$ 3,092,805	\$ 3,395,710
Cumberland .....	79,850	21,058
Frederick .....	115,965	50,900
Hagerstown .....	569,762	217,085
Salisbury .....	159,350	106,798
<b>Virginia</b>		
Danville .....	318,212	133,550
Lynchburg .....	569,590	86,004
Norfolk .....	2,403,850	371,105
Petersburg .....	54,450	90,295
Portsmouth .....	205,900	611,842
Richmond .....	1,070,157	1,022,610
Roanoke .....	1,086,743	713,749
<b>West Virginia</b>		
Charleston .....	610,332	230,483
Clarksburg .....	685,193	47,735
Huntington .....	547,315	173,900
<b>North Carolina</b>		
Asheville .....	175,221	137,993
Charlotte .....	1,310,320	578,757
Durham .....	389,975	250,280
Greensboro .....	513,196	194,150
High Point .....	210,256	360,596
Raleigh .....	956,967	204,445
Rocky Mount .....	421,950	113,550
Salisbury .....	53,325	50,215
Winston-Salem .....	455,469	244,210
<b>South Carolina</b>		
Charleston .....	184,875	131,475
Columbia .....	1,088,363	201,780
Greenville .....	71,400	118,600
Spartanburg .....	242,900	78,573
<b>District of Columbia</b>		
Washington .....	3,986,805	2,927,625
District Totals .....	\$ 21,630,496	\$ 12,865,073
8 Months .....	\$141,387,033	\$122,128,784

**CONSTRUCTION CONTRACTS AWARDED**

STATES	July 1947	% Chg.	
		from July 1946	from 7 Mos. '47
Maryland .....	\$20,228,000	+ 3	\$145,798,000 —23
Dist. of Columbia .....	5,099,000	0	45,004,000 + 6
Virginia .....	13,053,000	+38	115,446,000 — 7
West Virginia .....	5,707,000	-31	49,541,000 + 7
North Carolina .....	14,243,000	-50	92,753,000 -17
South Carolina .....	5,944,000	-59	37,167,000 -53
Fifth District .....	\$64,274,000	-25	\$486,709,000 -18

Source: F. W. Dodge Corp.

**RAYON YARN DATA**

	Aug. 1947	July 1947	Aug. 1946
Rayon Yarn Shipments, Lbs. ....	62,900,000	62,400,000	53,400,000
Staple Fiber Shipments, Lbs. ....	18,600,000	18,400,000	16,000,000
Rayon Yarn Stocks, Lbs. ....	7,700,000	8,600,000	8,500,000
Staple Fiber Stocks, Lbs. ....	6,400,000	7,700,000	2,000,000

Source: Rayon Organon

**TOBACCO MANUFACTURING**

	August 1947	% Chg.	
		from Aug. 1946	from 8 Mos. 1947
Smoking & Chewing tobacco (Thousands of lbs.) .....	20,118	+ 4	128,431 —6
Cigarettes (Thousands) .....	29,059,516	0	221,391,240 +5
Cigars (Thousands) .....	466,511	- 7	3,611,475 —5
Snuff (Thousands of lbs.) .....	2,066	-38	25,635 —2

**DEPARTMENT STORE TRADE**

Richmond	Baltimore	Washington	Other Cities	District	
Percentage chg. in Aug. 1947 sales, compared with sales in Aug. 1946:					
- 7	-15	- 9	- 8	-11	
Percentage chg. in 8 months' sales 1947, compared with 8 mos. in 1946:					
+ 9	+ 2	0	+ 4	+ 3	
Percentage chg. in stocks on Aug. 31, '47, compared with Aug. 31, '46:					
- 7	- 3	0	+ 7	- 2	
Percentage chg. in outstanding orders Aug. 31, '47 from Aug. 31, '46:					
-35	-39	-39	-32	-38	
Percentage chg. in receivables Aug. 31, '47 from those on Aug. 31, '46:					
+36	+16	+27	+16	+24	
Percentage of current receivables as of Aug. 1, '47 collected in Aug.:					
34	47	45	50	43	
Percentage of instalment receivables as of Aug. 1, '47 collected in Aug.:					
27	23	23	31	24	
Md.	Dist. of Col.	Va.	W. Va.	N. Carolina	S. Carolina
Percentage chg. in Aug. 1947 sales from Aug. 1946 sales, by states:					
-15	- 9	-10	-10	- 9	-14
Percentage chg. in 8 months' sales 1947 from 8 months' 1946 sales:					
+ 2	0	+ 6	+ 4	+ 5	+ 1

**WHOLESALE TRADE—186 FIRMS**

LINES	Net Sales compared with		Stock compared with		Ratio Aug. collections to acc'ts outstand'g Aug. 1
	Aug. 1946	July 1947	Aug. 31, 1947	Aug. 31, 1946	
Auto supplies (5)* .....	0	- 6	...	...	78
Drugs & sundries (10)* .....	+ 5	+ 1	...	...	113
Dry goods (6)* .....	- 7	+29	...	...	81
Electrical goods (4)* .....	+58	-17	+119	- 4	106
Groceries (61)* .....	+12	- 6	+ 43	+ 9	150
Hardware (11)* .....	+ 4	- 9	+ 84	- 1	88
Industrial supplies (6)* .....	+16	+12	+ 63	- 1	102
Paper & products (7)* .....	+26	- 6	...	...	100
Tobacco & products (12)* .....	- 5	-11	+ 13	+ 4	139
Miscellaneous (64)* .....	+16	- 3	+ 48	+ 3	118
District Avg. (186)* .....	+10	- 4	+ 55	+ 3	114

Source: Department of Commerce

\*Number of reporting firms

**RETAIL FURNITURE SALES**

STATES	Percentage Changes in Aug. and 8 Mos. 1947	
	Compared with August 1946	Compared with 8 Mos. 1946
Maryland (4)* .....	+ 3	+10
District of Columbia (6)* .....	+ 4	- 5
Virginia (20)* .....	+ 2	+11
West Virginia (10)* .....	-12	+ 1
North Carolina (15)* .....	+ 6	+20
South Carolina (8)* .....	+19	+ 9
Fifth District (63)* .....	+ 3	+ 6
<b>Individual Cities</b>		
Baltimore, Md., (4)* .....	+ 3	+10
Washington, D. C., (6)* .....	+ 4	- 5
Richmond, Va., (6)* .....	+ 4	+12
Lynchburg, Va., (3)* .....	+14	+14
Charleston, W. Va., (3)* .....	-26	-14
Charlotte, N. C., (4)* .....	+13	+17

\*Number of reporting stores.

**AUCTION TOBACCO MARKETING**

STATES	Producers' Tobacco Sales, Lbs.		Price per cwt.	
	Aug. 1947	Aug. 1946	1947	1946
So. Carolina .....	47,699,003	84,375,512	\$46.03	\$54.17
No. Carolina .....	59,768,902	154,174,146	45.12	54.04
Total .....	107,467,905	238,549,658	\$45.52	\$54.09