

Monthly Review



SEPTEMBER - OCTOBER 1949

Business Conditions

MARKED improvement has characterized business conditions in the Fifth Federal Reserve District. Most industries have either shown a leveling off or an increase in total employment, thus reversing the trend of employment which prevailed in the District from August 1948 to July 1949. More important than improvement in numbers employed has been the large-scale return to a 40-hour week.

Construction activity in the Fifth District showed a more than seasonal rise during August, while farm income prospects were weakened somewhat by lower tobacco prices and extensive boll-weevil damage to the cotton crop.

Two important question-marks have arisen: First, the series of European currency devaluations, led by the British on September 18, and the enhanced competition which these portend; second, the series of labor-management difficulties which have occurred in cardinal industries, whose beclouding effect is already showing up in the bituminous coal industry. Manifestly, existent or prospective paralyzing strikes exert a powerfully bearish influence, whereas even a patched-up industrial peace would exert a powerfully bullish influence on both national and District economies.

Cotton Mills at Year's High

Rapid recovery in the operations of cotton mills in this District occurred in August when cotton spindle-hours run rose 29 per cent from July more than is normally seasonal to the year's highest level and within 12 per cent of August 1948 operations.

New business was booked in sufficient quantities to increase current output and create a rising level through the remainder of the year. Many firms have booked certain constructions well into the first quarter of 1950.

Prices of all goods constructions and yarn counts have risen from the year's lows—in some cases these rises have amounted to several cents, and these increases have brought some mills back into production.

With the export market for goods and yarns again weakening, it is not likely that total demand can carry mill operations to the level attained in the first half of 1948. August operations on a seasonally adjusted basis were 15 per cent under this level.

Devaluation of the British and other currencies should not have much effect on domestic cotton goods

markets in the short run unless Lancashire manufacturers maintain prices and concentrate on this country's markets; in that event, combed yarn fabrics will feel the brunt of the competition. Immediate effects of these devaluations on United States exports of cotton goods may be felt especially in the Canadian and South African markets, but even there such exports should not decline too sharply due to foreign inability to supply the needs of those countries within a relatively few months. The same conclusion can be drawn concerning other countries to which our cotton goods exports are now going, though in the long run, somewhat keener competition will be offered by foreign producers. There is the possibility that the world market may broaden in coming months so that our industry may not actually witness much loss in physical units, particularly if price adjustments are offered to meet the new competition.

Hosiery Conditions Better

The hosiery business has improved notably in the last thirty days, with chain and mail order houses showing increased purchases. Independent stores have continued a greater degree of caution in their amount of coverage, but even here there has been a pick-up. Recovery has been marked in the seamless which was the segment of the industry most depressed and in which, therefore, a greater degree of recovery was to be expected.

The price structure in these types of goods has firmed, but the existence of many over-age machines has handicapped price improvement. The industry has shown a substantial scrapping of these over-age machines, but there are still enough left on the lines to prevent improvement in prices at the present level of demand.

Rayon Recovers Most of Loss

Rayon shipments in August rose 22 per cent above July and regained approximately three-fourths of the decline from December 1948 to May 1949. Demand from converters and fabricators has been extremely active and represents in part a replenishment of inventories at these levels.

Also in this Issue:

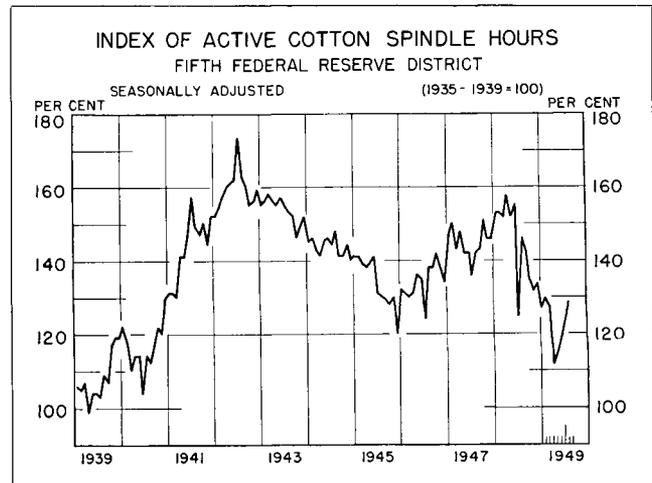
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FEDERAL RESERVE BANK OF RICHMOND

Rayon yarn mills in the District have resumed operations on a 40-hour week and most of the lay-offs have been recalled. The processors of rayon yarns are not likely to be caught again in the inventory position in which they found themselves at the end of 1948; and their rate of purchase will probably be geared much more closely to the consumer demand than was true in either 1947 or 1948.

Furniture Output Improves

Considerable improvement has been witnessed in the new business written by furniture factories in this area. Though the latest available data on shipments (July) do not show this improvement to have been very substantial, they do indicate that expanded production can be expected in the next several months. This is suggested by improved demand from furniture factories for hardwood lumber.



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

	August 1949	July 1949	June 1949	August 1948	% Change—Latest Mo.	
					Prev. Mo.	Year ago
Automobile Registration ¹.....	.....	205	180	146	+ 14	+ 55
Bank Debits.....	350	316	320	365	+ 11	- 4
Bituminous Coal Production.....	122	90	121	170	+ 36	- 28
Building Contracts Awarded, Total.....	453	343r	334	337	+ 32	+ 34
Commercial Construction Contracts.....	536	294	266	291	+ 14	+ 15
Manufacturing Construction Contracts.....	179	259	138	722	- 31	- 75
Public Works and Utilities.....	213	344r	303	243	- 38	- 12
Residential Construction Contracts.....	660	349r	440	346	+ 89	+ 91
Apartments and Hotels.....	1474	417	1145	397	+253	+271
One and Two Family Houses.....	313	299	285	301	+ 5	+ 4
Building Permits issued.....	387	396	479	284	- 2	+ 36
Business Failures—No.....	60	112	69	38	- 46	+ 58
Cigarette Production.....	250p	208r	248	264	+ 20	- 5
Cotton Consumption.....	129	102	115	142	+ 26	- 9
Cotton Spindle Hours.....	129	100	119	146	+ 29	- 12
Department Store Sales ³	305	326	311	327	- 6	- 7
Department Store Stocks ³	295	302	311	322	- 2	- 8
Electric Power Production.....	.....	252	250	274	+ 1	- 3
Employment—Mfg. Industries ¹.....	..	119r	121r	136	- 2	- 11
Furniture Mfrs.: Orders ³.....	.....	401	127	365	+216	- 30
Furniture Mfrs.; Shipments ³.....	.....	187	162	250	+ 15	- 25
Furniture Mfrs.: Unfilled Orders ³.....	.....	396	202	756	+ 96	- 46
Furniture—Retail: ³ ⁴						
Net Sales.....	194	208r	189	220	- 7	- 12
Cash.....	231	236r	260	294	- 2	- 21
Credit.....	169	181r	163	187	- 7	- 10
Receivables.....	116	113	111	105	+ 3	+ 10
Collections.....	167	160r	166	172	+ 4	- 3
Inventories.....	142	126r	134	151	+ 13	- 6
Gasoline Consumption.....	.....	.....	.....	.....	.....	.....
Household Appliance Store Sales ¹	101p	96p	112	114	+ 5	- 11
Life Insurance Sales.....	247	239	242	255	+ 3	- 3
Wholesale Trade:						
Automotive Supplies ²	363	371	380	377	- 2	- 4
Drugs.....	263	264	270	264	0	0
Dry Goods.....	156	104	128	246	+ 50	- 37
Electrical Goods ²	57	68	73	88	- 16	- 35
Groceries.....	252	260	259	277	- 3	- 9
Hardware.....	169	125	122	218	+ 35	- 22
Industrial Supplies ²	216	219	296	285	- 1	- 24
Paper and Its Products ²	120	116	135	167	+ 3	- 28
Tobacco and Its Products ²	68	78	82	87	- 13	- 22

¹ Not seasonally adjusted.

² 1938-41 = 100

³ Revised Series—back figures available on request.

⁴ 1941 = 100

Fifth District Income Changes

Income payments in each of the states of the Fifth Federal Reserve District established all time high records in 1948, and raised the District total to \$15,738 million for gains of 8.0 per cent over 1947 and 176.6 per cent over 1940.

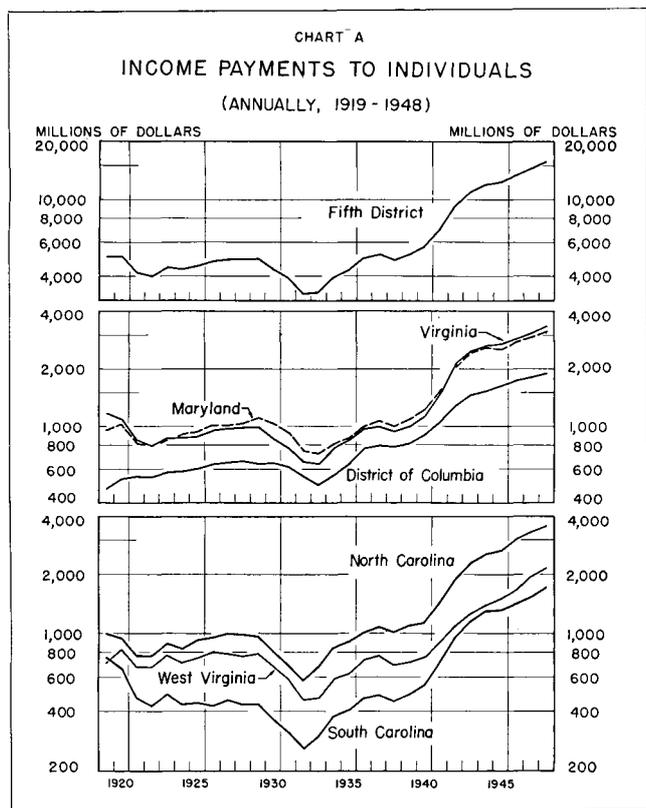
Currently it appears that both the income and trade level will be somewhat lower in 1949 than in the peak year 1948, though the decline apparently will be less than 5 per cent. Such a prospect is encouraging at a time when the national economy has had some fairly severe problems both domestically and internationally. Earlier fears of a repetition of the deflation which followed World War I are slowly being dispelled. New elements exist for which there is no precedent as to effect on future income levels—such as: greater rigidities in the commodity price level, greater availability of bank credit than in any previous recession, new factors like unemployment compensation and farm price supports, and a new note of uncertainty introduced into our international economy and financial relations by the suddenness and magnitude of the British devaluation.

The percentage change in income payments of Fifth District states from 1947 to 1948 found South Carolina at the top with a gain of 11.4 per cent and the District of Columbia at the bottom with a gain of 4.5 per cent. Other states in the Fifth District showed increases in this period from 7.0 per cent to 10.5 per cent.

The same general pattern was shown in the percentage increase from 1940 to 1948 with South Carolina leading and the District of Columbia trailing. One difference in other District states shown in the 1947 to 1948 increase from that shown in 1940 to 1948 was a shift between North Carolina and West Virginia for second and fourth places. North Carolina which had shown the second largest percentage increase of Fifth District states from 1940 to 1948 traded places with West Virginia in the 1947 to 1948 comparison.

Income payments in all Fifth District states in 1948 rose much more substantially from 1929 than the national total, but only North Carolina and the District of Columbia show substantially greater gains from 1920 to 1948 than the national total. Maryland and Virginia recorded gains from 1920 to 1948 about the same as the national total, while those in West Virginia and South Carolina fell well below it. It is clear that gains in this District vis-a-vis national depend on the period selected for comparison, a fact apparent in Chart B.

The amount of income and the changes from 1920 to 1948 for each Fifth District state, the District as a whole, and the United States can be observed in the following table while the long range pattern of dollar income payments figures can be seen in Chart A.



The Fifth District increase from 1947 to 1948 was somewhat smaller than the national increase of 8.9 per cent, but from 1940-1948 was moderately larger than the national increase in the same period of 171.6 per

TABLE I

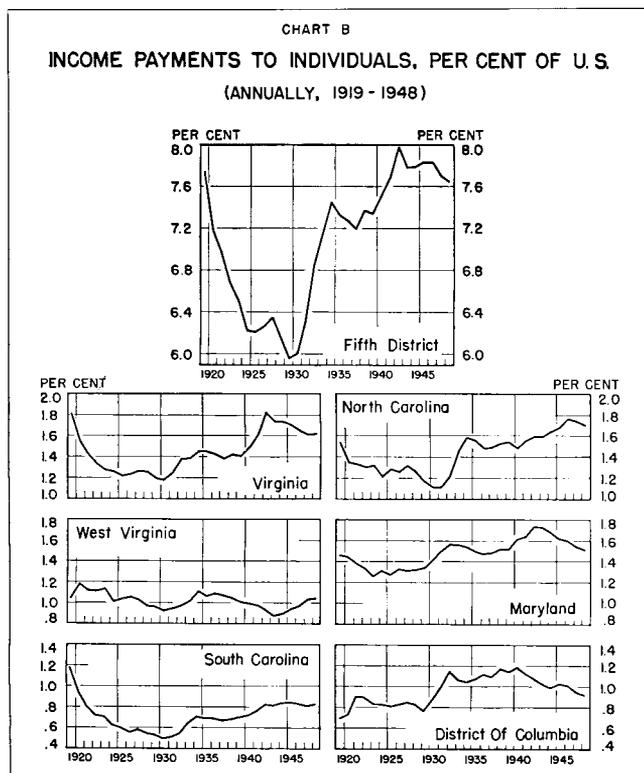
INCOME PAYMENTS

	1948	Percentage Change 1948 from:		
	(\$ Million)	1947	1940	1929
Maryland	3,116	7.0	155.0	181.7
District of Columbia	1,885	4.5	108.3	195.5
Virginia	3,326	9.0	195.1	237.0
West Virginia	2,166	10.5	185.0	173.1
North Carolina	3,531	6.5	212.2	265.5
South Carolina	1,714	11.4	214.5	291.3
Fifth District	15,738	8.0	176.6	219.4
United States	206,011	8.9	171.6	149.4

Relative Contribution of Fifth District States to the National Total

Though dollar income payments in Maryland, the District of Columbia, Virginia, West Virginia, North Carolina, and South Carolina jointly and severally established an all time high record in 1948, their peak contributions to the national total in all cases were established prior to 1948. In the Fifth District as a whole the peak contribution to the national total came in 1942; in South Carolina and West Virginia in 1919 and 1920 respectively; in the District of Columbia in 1940; in Maryland and Virginia in 1942; and in North Carolina in 1946.

Chart B reveals the fact that the Fifth District as a whole failed to maintain its proportion of national income payments between 1919 and 1924, showed reasonably constant proportions from 1925 through 1930, stepped up sharply from 1931 through 1934, held reasonably steady from 1935 through 1939, rose from 1940 to a new peak in 1942, declined somewhat in 1943, held fairly steady through 1946, and showed a slight downward tendency in 1947 and 1948.



Changes in the Fifth District percentages of the national total, however, cover up numerous cross-currents in the states. West Virginia, which showed a downward trend in its percentage of the national total from 1934 through 1943, has shown a rising trend ever since. The District of Columbia, which showed its largest percentage of the national total in 1940, has shown a downward trend since that year. Both Maryland and Virginia have shown down-trends in their percentages since 1943 and 1942 respectively, though a slight advance is recorded for Virginia between 1947 and 1948. From 1942 through 1948 South Carolina showed very little variation in its percentage of national income payments whereas those of North Carolina continued to rise from 1942 to 1946 and subsequently turned downward.

There are many factors entering into the relative changes in income payments in the Fifth District—such as the growth of manufacturing industries, the relative expansion in mineral output, the expansion of Government payments, and the durable-nondurable composition of manufacturing. A major factor, however, in ac-

counting for the large changes over the past 29 years has been the difference in price movements of important products of the Fifth District in comparison with price changes for the national economy generally.

The slide in the percentage of income payments contributed by Virginia, North Carolina, and South Carolina from 1919 through 1930 was in the main caused by the relatively greater decline than the national price level in such raw materials prices as cotton, cottonseed, lumber, and tobacco and their reflection of their declines in prices of products manufactured from these materials. The rises in the percentages of these same states from 1931 through 1934 was a combination of relative price change and a depression resistant and earlier recovering group of industries such as cigarettes, cotton goods, food products, hosiery and rayon. Maryland, Virginia, North Carolina, and South Carolina had relatively heavier war expenditures for industrial and military facilities in the early stages of the war than the rest of the United States and these were important factors in raising their percentages of national income payments from 1940 through 1942. Here agricultural prices were rising faster than other prices and in each of the mentioned states, except Maryland, agriculture is of greater importance to the economy than is true for the United States as a whole.

Percentages of national income payments are shown in Table 2. From 1929 through 1948 these percentages were computed from the income payments figures compiled by the Income Division of the U. S. Department of Commerce; from 1919 through 1928, from produced income figures compiled by the National Industrial Conference Board, published in the Economic Record, September 8, 1939, and adjusted arithmetically throughout this period by the difference shown in 1929 between Conference Board and Commerce percentages.

TABLE 2
PERCENTAGE OF NATIONAL INCOME PAYMENTS

	Md.	D. C.	Va.	W. Va.	N. C.	S. C.	Fifth District
1919	1.45	.70	1.81	1.05	1.54	1.18	7.74
1920	1.44	.73	1.55	1.18	1.34	.93	7.74
1921	1.38	.91	1.43	1.12	1.33	.79	6.96
1922	1.33	.90	1.33	1.11	1.30	.71	6.68
1923	1.25	.84	1.27	1.13	1.31	.70	6.50
1924	1.31	.83	1.25	1.01	1.21	.62	6.23
1925	1.28	.81	1.21	1.03	1.28	.60	6.21
1926	1.33	.83	1.23	1.05	1.26	.56	6.26
1927	1.31	.85	1.26	1.03	1.31	.58	6.34
1928	1.32	.83	1.25	.97	1.25	.55	6.18
1929	1.34	.77	1.19	.93	1.17	.53	5.96
1930	1.41	.88	1.17	.93	1.11	.50	6.00
1931	1.50	1.00	1.24	.95	1.11	.51	6.31
1932	1.57	1.13	1.38	.97	1.21	.55	6.84
1933	1.56	1.07	1.38	1.02	1.43	.65	7.14
1934	1.54	1.05	1.45	1.11	1.59	.71	7.45
1935	1.43	1.08	1.45	1.06	1.53	.69	7.33
1936	1.47	1.12	1.42	1.09	1.48	.69	7.27
1937	1.48	1.10	1.38	1.07	1.49	.67	7.19
1938	1.52	1.18	1.42	1.04	1.53	.68	7.37
1939	1.52	1.15	1.41	1.01	1.55	.70	7.34
1940	1.61	1.19	1.49	1.00	1.49	.72	7.50
1941	1.64	1.13	1.61	.98	1.56	.76	7.68
1942	1.73	1.08	1.82	.93	1.60	.82	7.98
1943	1.73	1.03	1.73	.88	1.63	.81	7.78
1944	1.68	.99	1.73	.90	1.65	.84	7.79
1945	1.62	1.03	1.70	.95	1.69	.84	7.83
1946	1.60	1.01	1.65	.97	1.77	.83	7.83
1947	1.54	.95	1.61	1.04	1.75	.81	7.70
1948	1.51	.92	1.62	1.05	1.71	.83	7.64

What Caused the Income Rise?

Income payments to individuals in Fifth District states rose \$2,445 million, or 75 per cent, from the depression low in 1933 to 1940. From 1940 to 1948 such payments increased by \$10,048 million, or 177 per cent. The sources of this very large gain are of great interest.

In order to show the sources of the changes, dollar figures were derived for income payments in five major divisions as follows: agricultural payments, government payments, manufacturing payrolls, trade and service payments, and all other payments. The dollar changes in these payments from 1940 to 1948 for each state by type of income have been expressed as percentages of the \$10,048 million gain shown for the Fifth District in this period, and comparison is shown in Table 3 with the percentage of dollar increases in the national total during the same period. Note that the percentages add across to the District totals and down to the state totals.

TABLE 3

PERCENTAGES OF 1940-1948 DOLLAR INCREASES IN TOTAL INCOME PAYMENTS BY INDUSTRIAL ORIGIN—FIFTH DISTRICT AND UNITED STATES

	Md.	D.C.	Va.	W.Va.	N.C.	S.C.	Fifth Dist.	U.S.
Agricultural payments .....	.8	.....	2.8	.9	4.7	2.0	11.2	11.9
Government payments	3.4	4.4	5.2	1.7	3.8	2.2	20.7	14.8
Manufacturing pay rolls ..	4.3	.3	3.6	2.6	6.1	3.4	20.3	23.6
Trade and service industries	6.1	3.5	5.5	3.1	5.6	2.5	26.3	28.1
All other payments	4.3	1.5	4.8	5.7	3.7	1.5	21.5	21.6
Total income payments	18.9	9.7	21.9	14.0	23.9	11.6	100.0	100.0

These figures show trade and service income payments accounting for 26.3 per cent of the total dollar increase from 1940 to 1948 with Maryland, Virginia and North Carolina accounting for 17.2 per cent. The "all other" group accounted for 21.5 per cent of the \$10,048 million gain with Maryland, Virginia, and West Virginia accounting for 14.8 per cent. The gain in government income payments was 20.7 per cent of the total gain, nearly half of it being shown in the District of Columbia and Virginia. Manufacturing payrolls accounted for 20.3 per cent of the District gain in income payments with North Carolina and Maryland contributing more than half. The dollar increase in agricultural income payments was 11.2 per cent of the District increase in total income payments, with North Carolina head and shoulders above any other District state.

It is interesting to note that District and national percentages of total dollar gains from 1940 to 1948 were not greatly different in the several industrial classifications except in the case of government income payments. In the Fifth District these payments accounted for 20.7 per cent of the \$10,048 million gain in the period under review, whereas nationally these payments accounted for only 14.8 per cent of the \$130,159 million gain in the same period. Thus, in the period from 1940 to 1948 the income payments position of the Fifth District relative to that of the nation has been maintained largely by

the increased importance of government income payments, although in all industrial classifications, except agriculture, the percentage increase in the Fifth District has been slightly greater than nationally. Agricultural income payments in the Fifth District, however, increased but 227 per cent in the period while in the nation they rose 285 per cent. The District's relatively greater than national increase in government income payments, acted as an offset to the relatively lower gain in agricultural income payments.

Percentage increase in income payments between 1940 and 1948 by industrial classification is shown in Table 4 for the Fifth District, for each of its states and for the United States.

TABLE 4
PERCENTAGE INCREASE IN INCOME PAYMENTS FROM 1940 TO 1948

	Md.	D.C.	Va.	W.Va.	N.C.	S.C.	Fifth Dist.	U.S.
Agricult'l payments	191	.....	254	193	240	202	227	285
Government payments	235	117	273	234	314	284	211	204
Manuf'g pay rolls	166	132	198	186	220	286	203	200
Trade and service indus. payments	207	162	199	212	224	202	201	191
All other income payments	90	53	133	162	130	125	115	106
Total income paym'ts	155	108	195	185	212	214	177	172

Per Capita Income

Per capita income for the Fifth District as a whole has shown considerable improvement during the past 20 years. In 1929, per capita income payments were but 65 per cent of the national average. By 1947 this had risen to 82 per cent of the national average, with the 1948 figure of 81 per cent showing little change. However, the 1947 and 1948 relationships to the national per capita income were not greatly different from what they were as far back as 1920 when the Fifth District per capita income was 79 per cent of the national average.

Maryland and the District of Columbia have maintained a higher per capita income than the national average in the entire period for which statistics are available. Though variations are noted in the position of Maryland's per capita income to the national income in 1929 and 1940, this state has shown a fairly constant per capita income percentage-wise, above the national average. Although the District of Columbia's income is well above the national average, there has been a general tendency for that gap to lessen over the past 10 years. Virginia and North Carolina, whose per capita income have ranged from less than half to over 80 per cent of the national total, have shown a general tendency to increase relative to the United States, and the same is true of West Virginia and South Carolina from 1929 forward.

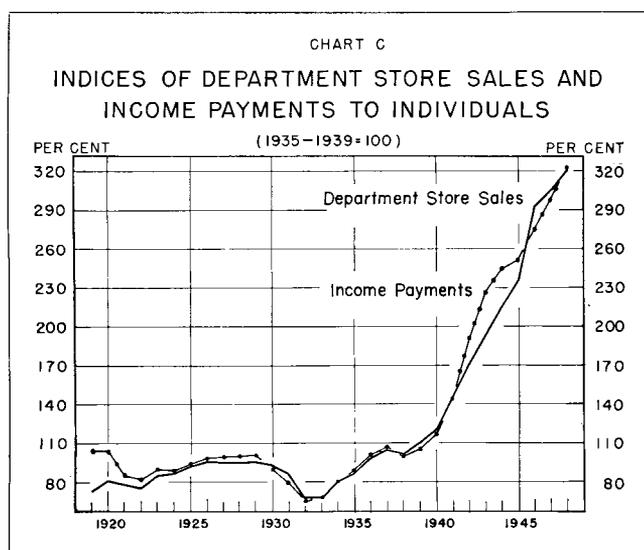
The relative position of the Fifth District and its states in relation to the national per capita income is shown in Table 5. Again, the relatively better or poorer performance of the states or the District depends on the period selected for review.

TABLE 5
PER CAPITA INCOME IN THE FIFTH FEDERAL
RESERVE DISTRICT

	Per Cent of U. S.		Per Capita Income			
	1948	1948	1947	1940	1929	1920
Maryland	\$1,546	110	110	124	103	108
Dist. of Columbia	1,691	120	123	188	175	188
Virginia	1,159	82	82	78	62	72
West Virginia	1,133	80	79	69	68	88
North Carolina	980	66	68	55	45	57
South Carolina	865	61	60	50	37	61
Fifth District	1,149	81	82	78	65	79

Income and Trade

Income levels are obviously important to all those engaged in business enterprise. Hence Chart C is included to show both income payments and department store sales in the Fifth District.



Conclusion

The District's proportion of national income payments has declined slightly in recent years. For the near future, it is likely that there will be little change in the Fifth District's share of national income payments, even assuming further price reductions. This evaluation is based on the assumption that prices of commodities produced in the Fifth District—and especially of such farm products as cotton and tobacco, in view of the price support program—will not repeat the very large drops of the 1920-1930 period in comparison with prices in the economy as a whole.

Business Conditions

Continued from page 2

Construction Strong

A strong upward surge in residential construction, chiefly in apartments and hotels, carried the Fifth District August index of building contract awards on a seasonally adjusted basis 32 per cent higher than in July. This achieved a new high postwar level and was 34 per cent higher than in August 1948. Only factory buildings, public works and utilities moved contrary to the uptrend. Factory building awards fell 31 per cent, seasonally adjusted from July to August, and were 75 per cent smaller than a year ago.

For the year to date, construction contract awards in the Fifth District have aggregated \$656 million, an amount only 5 per cent smaller than in the same period last year. If the present uptrend continues, 1949 will exceed the high level of 1948.

Trade Levels Ease

Department store sales (for the 94 stores which re-

port in the Fifth District) have given evidence of considerable stability. For the first eight months, dollar sales declined a mere 2 per cent, as compared with the same period of 1948. When adjusted for changes in the average price level, this means that physical sales volume is running ahead of last year and is considerably better than the national department store sales figures, which, for the first eight months of this year, were 6 per cent under the same period of last year.

On a month-to-month basis, furniture store sales are down 12 per cent, and household appliance store sales are down 11 per cent. Sales of most wholesalers, though considerably below a year ago, showed improvement from July to August on a seasonally adjusted basis. Dry goods and hardware both showed marked increases in this period, and moderate improvement was reported in paper; but other lines showed further deterioration between July and August.

Continued on page 10

Post-War Trends In Farm Credit Fifth Federal Reserve District

Farmers in the Fifth District are making increasing use of bank and other loan credit in financing the continued high production of farm products. Non-real-estate credit is being used in larger amounts to finance purchases of machinery, household appliances, automobiles, livestock, building and soil improvements, and the currently high expenses of crop and livestock production.

Total farm non-real-estate loans outstanding on January 1, 1949 were \$99.6 million, an increase of nearly two-thirds over the \$60.9 million outstanding four years earlier. Borrowings from commercial banks have increased 136 per cent, and Production Credit Association loans in the District have more than doubled. Only in the case of the Farmers Home Administration, which loans to farmers who are ineligible for bank and PCA loans, has there been a decline in loans outstanding. Since January 1 of this year, agricultural loans not secured by farm real estate have continued to increase, and on June 30 outstanding non-real-estate loans to farmers by member banks totalled \$51.0 million. This figure excludes CCC loans and may be compared with \$34.1 million outstanding December 31, 1948 and \$43.5 million on June 30, 1948.

Total farm-mortgage debt in the District has increased from \$232.6 million on January 1, 1945 to \$305.6 million on January 1, 1949. In this field the most notable developments have been the 31 per cent increase in total real-estate debt outstanding, declines both in total amount and shares of the debt held by agencies of the Farm Credit Administration and the Farmers Home Administration, and increases in amount and relative shares of the debt held by commercial banks, and by individuals and others.

The problem of farm debts, both non-real-estate and real-estate, is probably most usefully considered in respect to farm income. We have noted a rise in total farm real-estate debt of 31 per cent from 1945 to 1949 for the District, and the increase in non-real-estate loans of farmers was 64 per cent. If both types of loans are combined, the total on January 1, 1949 was 38 per cent above January 1, 1945.

Cash receipts from farm marketings in the District in 1948 were 32 per cent above the 1945 figure, but in 1949 receipts are expected to be somewhat less than they were last year. The rise in net income is, of course, probably less than the rise in gross income because of increases in prices paid by farmers for commodities used in production. From the standpoint of current income, however, Fifth District farmers do not appear, in the aggregate, to have excessive indebtedness.

The current trend in farm prices is downward, and, as is usual in such times, it may be expected that some individual farmers will find fixed interest and amortiza-

tion charges rather difficult to handle. Where loans have been made with adequate consideration for the long-run income producing possibilities of the farm, it is probable that farmers and lenders will have little difficulty. If a long general decline in farm prices and incomes were to occur, it is likely that extensive refinancing of farm indebtedness would be necessary.

The increasing mechanization and commercialization of farms in this District operates to increase farm cash operating costs relative to total costs and increases the need for short-term farm credit. Similarly, larger amounts of short and intermediate-term credit will probably be needed to finance agricultural readjustments. These readjustments will be particularly necessary in cotton producing regions in order to maintain farm income if cotton production is reduced by marketing quotas.

Non-Real-Estate Loans

Commercial banks, Production Credit Associations, and the Farmers Home Administration are the three principal institutional sources of non-real-estate loans in the District.

Commercial banks are now the most important suppliers of short-term credit for farmers in the District as a whole, and in each state except South Carolina. For the entire District the dollar volume of non-real-estate loans outstanding increased 64 per cent from 1945 to 1949. The largest percentage increase was noted in Maryland where the 1949 volume outstanding was 128 per cent above 1945, and the smallest increase, 14 per cent, occurred in South Carolina.

In addition to increasing their dollar volume of non-real-estate loans outstanding, commercial banks have been able to increase their share of this important type of farm credit. In 1945 Fifth District banks provided 40 per cent of farmers' non-real-estate loans as compared to 45 per cent for the Farmers Home Administration and 15 per cent for Production Credit Associations. Four years later the share of commercial banks had increased to 57 per cent while FHA held 22 per cent and PCA's 21 per cent of the total.

Commercial banks are most important as sources of non-real-estate loans in Virginia where they now hold three-fourths of the total outstanding. In the other four states the proportion held by banks is less, and in South Carolina only 31 per cent of these loans were made by banks in 1949. It is possible that these lower proportions may reflect greater use of merchant and dealer credit, or more effective competition from Production Credit Associations. In South Carolina loans of the Farmers Home Administration are particularly important.

Production Credit Associations, as noted above, are also important sources of non-real-estate loans for farmers. They are private cooperative associations of farmers chartered and supervised by the regional Production Credit Corporation, a subsidiary of the Farm Credit Administration. Farmer borrowers must own stock equal to about 5 per cent of their loans, and the rest is owned by the regional Production Credit Corporation. As of June 30, 1948, farmer-owned stock totaled \$51 million for the country as a whole and \$31 million was owned by PCC's. Loan funds are obtained by discounting with the regional Federal Intermediate Credit Bank.

These associations are, in fact, directly competitive with banks in this important loan field, and most bankers are keenly aware of it. In choosing between a bank and Production Credit Association as a source of credit, a farmer will usually consider such things as (1) interest and service charges, (2) ease of loan application, (3) time required to consider applications, (4) the purchase of PCA stock required with PCA loans, and (5) general service offered with the loan. It seems likely that in most localities the relative shares of non-real-estate loans made by banks and PCA's depend on the vigor, extent, and effectiveness of the competition offered by banks in this field.

Production Credit Associations have increased their loans outstanding in the District from \$9.5 million in 1945 to \$20.6 million in 1949, a gain of 117 per cent. The greatest percentage gain, 142 per cent, was made in North Carolina, and the least, 53 per cent, was in West Virginia.

PCA credit, like bank credit, increased relative to the total in the last four years. On the whole, about 21 per cent of the non-real-estate loans outstanding in the District were held by PCA's in 1949 as compared to 15 per cent in 1945. A similar increase in the share of farm non-real-estate loans held by PCA's is noted for each state except West Virginia.

As sources of non-real-estate loans to farmers, PCA's are least important in Virginia where only 14 per cent of the total is now held by them. In contrast Maryland and North Carolina Production Credit Associations accounted for 29 and 27 per cent, respectively, of the total outstanding in their states.

The Farmers Home Administration, successor to the Farm Security Administration, is not competitive with either commercial banks or Production Credit Associations in lending to farmers. Its loans, both real-estate and non-real-estate, are intended to meet the credit needs of farmers who cannot obtain credit from banks, PCA's, or other regular commercial sources. In a period of rising farm prices and incomes, it might be expected that both the absolute volume and relative share of short-term credit supplied by the Farmers Home Administration would decline, and this has occurred. Because of higher prices, favorable crop yields, and the effective supervision and instruction given them, many

borrowers were able to repay their loans ahead of schedule. Others were able to reduce them sufficiently to become eligible for bank credit, and these loans were taken over by banks. In general, the Farmers Home Administration refuses to continue credit to a borrower once he is able to obtain a bank loan.

The dollar volume of Farmers Home Administration non-real-estate loans in the District dropped from \$27.3 million in 1945 to \$22.1 million in 1949, and FHA's share of the total declined from 45 per cent to 22 per cent. Declines in total FHA loans are noted in each state in the District except Maryland. For comparability, Emergency Crop and Feed Loans outstanding on January 1, 1945 and 1946 have been classified as FHA loans although these loans were not transferred to this agency until late 1946.

The Farmers Home Administration is most important as a supplier of short-term credit in South Carolina where it held 50 per cent of the non-real-estate loans outstanding on January 1, 1949. South Carolina farmers have been heavy FHA borrowers for a number of years, and in 1945 nearly three-fourths of the dollar volume of their non-real-estate loans came from the Farmers Home Administration.

TABLE 1
AGRICULTURAL LOANS* NOT SECURED BY FARM REAL ESTATE:
TOTAL OUTSTANDING AND PROPORTIONS HELD BY
PRINCIPAL LENDER GROUPS, JANUARY 1
FIFTH DISTRICT BY STATES, 1945-1949

Year and Area	Total	Proportions Held By		
		Insured Commercial Banks	Production Credit Assoc'ns	Farmers Home Administration**
	1000 Dollars	Per Cent	Per Cent	Per Cent
Fifth District				
1945	60,908	39.5	15.6	44.9
1946	62,345	44.2	16.1	39.7
1947	75,309	52.4	16.8	30.8
1948	88,722	54.2	18.9	26.9
1949	99,601	57.1	20.7	22.2
Maryland***				
1945	7,166	46.2	28.0	25.8
1946	7,358	51.4	23.9	24.7
1947	10,619	51.9	27.0	21.1
1948	13,133	56.9	26.7	16.4
1949	16,371	56.9	29.2	13.9
Virginia				
1945	18,857	61.5	12.9	25.6
1946	19,456	65.6	12.2	22.2
1947	23,298	70.6	11.9	17.5
1948	29,324	73.3	12.6	14.1
1949	34,089	75.0	14.1	10.9
West Virginia				
1945	5,280	37.2	17.0	45.8
1946	5,110	44.8	16.2	39.0
1947	6,453	56.6	15.0	28.4
1948	7,868	61.3	16.4	22.3
1949	8,612	64.8	15.9	19.3
North Carolina				
1945	14,559	32.7	17.7	49.6
1946	15,570	37.4	20.5	42.1
1947	18,495	44.4	22.1	33.5
1948	21,221	43.1	24.9	32.0
1949	23,341	47.9	26.7	25.4
South Carolina				
1945	15,046	16.2	10.5	73.3
1946	14,851	19.4	12.4	68.2
1947	16,444	34.0	12.0	54.0
1948	17,176	29.9	17.2	52.9
1949	17,188	30.8	19.6	49.6

* Excludes CCC Loans.

** Excludes loans to cooperatives and Defense Relocation Corporations. Includes Emergency Crop and Feed Loans. Data for 1945 and 1946 are for Farm Security Administration which was succeeded by Farmers Home Administration November 1, 1946.

*** Includes District of Columbia.

Sources: Bureau of Agricultural Economics and Federal Deposit Insurance Corporation.

The relative share of FHA loans in total non-real-estate credit has declined in each state in the District. In Virginia only 11 per cent of the total dollar amount is now held by the Farmers Home Administration. In Maryland the proportion is now 14 per cent; in West Virginia, 19 per cent; and in North Carolina, 25 per cent.

Loans guaranteed by the Commodity Credit Corporation, which have not heretofore been considered, originate from the farm price-support activities of the government and are best considered apart from the other short-term credit needs of farmers. Insured commercial banks, however, are holding an increasing amount of CCC loans. The District total was \$26.8 million on January 1, 1949 as compared to \$1.3 million in 1948, \$0.9 million in 1947, \$10.5 million in 1946, and \$30.9 million in 1945. The rise in CCC loans obviously reflects the fall to support levels of important crops grown in the District.

Farm-Mortgage Debt

The largest percentage rise in farm-mortgage debt from 1945 to 1949 occurred in Virginia where the total increased 41 per cent. Farm-mortgage debt holdings of commercial banks and individuals and others increased, while real-estate loans of the Farm Credit Administration and Farmers Home Administration declined. The latter agency loans only to farmers who cannot obtain real-estate credit from other sources.

That farm real-estate loans are becoming increasingly more attractive to commercial banks is shown by the fact that since 1945 the dollar amount held by banks in the District has more than doubled. Substantial increases occurred in each state, but the greatest relative rise was in South Carolina where commercial banks in 1949 held nearly three times as much farm-mortgage debt as in 1945.

In addition to making more farm real-estate loans, commercial banks have increased their share of the total farm-mortgage debt outstanding from 16 per cent of the total in 1945 to 25 per cent in 1949. Banks were the only institutional leaders to increase their share of the farm-mortgage debt, and, therefore, it appears that under the relatively favorable farm price and income conditions of the last four years banks are more willing to make farm real-estate loans.

Commercial banks are the most important source of farm real-estate loans in West Virginia where they held 45 per cent of the total in 1949. In contrast, commercial banks held only 10 per cent of the total in South Carolina.

The Farm Credit Administration through its subsidiaries, the regional Federal Land Bank and the Federal Farm Mortgage Corporation, held farm real-estate loans in the District totalling \$43.3 million on January 1, 1949. This represents a decrease of 35 per cent from the \$66.6 million held in 1945.

The Federal Farm Mortgage Corporation holds loans made by the Land Bank Commissioner. The Commissioner Loans were authorized by the Emergency Farm Mortgage Act of 1933, largely as a relief measure to refinance farm mortgages on more favorable terms, and authority to make new loans expired in 1947. Most Federal Land Bank loans are made through National Farm Loan Associations. These are cooperative associations of farmers, chartered and supervised by the Farm Credit Administration, and farmer borrowers must buy stock in them equal to 5 per cent of their loans. About 89 per cent of FCA real-estate loans in this District were Federal Land Bank loans on January 1, 1949.

The share of the Farm Credit Administration in total farm-mortgage debt in the District declined from 29 per cent in 1945 to 14 per cent in 1949, and similar substantial percentage declines are noted in each state. On January 1, 1949 the Farm Credit Administration held only 9 per cent of the total in Maryland, while corresponding percentages were 11 per cent in Virginia, 18 per cent in West Virginia, 16 per cent in North Carolina, and 21 per cent in South Carolina.

Life insurance companies have increased the total amount of farm-mortgage debt which they hold, but the proportion held has been relatively constant for the District as a whole. Their share was 5.8 per cent on January 1, 1949 as compared to 6.1 per cent in 1945.

When individual states are considered, it is found that the share of life insurance companies increased in Maryland and Virginia, but declined in West Virginia, North Carolina, and South Carolina. On January 1, 1949 these companies held 8.6 per cent of the total farm-mortgage debt in Virginia. Lesser shares were held in the other four states, and in West Virginia only 1.8 per cent was in their hands.

Most of the farm ownership or real-estate loans of the Farmers Home Administration are made by it directly, although some are made by other lending agencies under guarantee. The purpose of these loans is to assist qualified tenants and veterans in purchasing farms, and half of the loan appropriation must be reserved for veterans. Direct loans may be made up to 100 per cent and insured or guaranteed loans up to 90 per cent of the appraised value of the farm. A loan must be refinanced whenever a commercial bank, Federal Land Bank, or other credit source is willing to take the loan over at a rate not exceeding 5 per cent.

Real-estate loans of the Farmers Home Administration in the Fifth District have declined in both total dollar amount and relative to the total. On January 1, 1949 total FHA real-estate loans outstanding were \$18.8 million as compared to \$22.5 million in 1945. Declines in the total outstanding are noted in each state in the District except Maryland.

FEDERAL RESERVE BANK OF RICHMOND

Considering the District as a whole, FHA real-estate loans comprised 9.7 per cent of the total in 1945 and 6.2 per cent in 1949. Except in Maryland, where a small increase occurred, the share of the Farmers Home Administration declined in each state. FHA loans are most important in South Carolina where they comprised 13.2 per cent of the total in 1949 and least important in Virginia and Maryland where only 3.1 and 2.8 per cent, respectively, were made or guaranteed by the Farmers Home Administration.

TABLE 2
FARM-MORTGAGE DEBT: TOTAL OUTSTANDING AND PROPORTIONS HELD BY PRINCIPAL LENDER GROUPS JANUARY 1 FIFTH DISTRICT BY STATES, 1945-1949

Year and Area	Total	Proportions Held By				
		Farm Credit Administration	Farmers Home Administration	Life Insurance Companies	Insured Commercial Banks	Others*
	1000 Dollars	Per Ct.	Per Ct.	Per Ct.	Per Ct.	Per Ct.
Fifth District						
1945	232,557	28.7	9.7	6.1	16.4	39.1
1946	237,208	23.7	9.4	6.3	17.2	43.4
1947	264,746	18.2	7.6	5.7	21.7	46.8
1948	288,658	15.5	6.8	5.5	24.9	47.3
1949	305,580	14.2	6.2	5.8	25.3	48.5
Maryland**						
1945	40,627	17.0	2.4	4.0	21.3	55.3
1946	39,975	14.5	2.4	4.4	22.3	56.4
1947	43,883	11.2	2.9	3.4	28.4	54.1
1948	48,781	9.2	2.8	4.5	34.0	49.5
1949	50,449	8.6	2.8	5.7	30.4	52.5
Virginia						
1945	61,765	28.7	5.5	6.2	21.7	37.9
1946	64,685	22.6	5.0	9.1	21.7	41.6
1947	72,256	16.2	3.9	9.3	27.0	43.6
1948	78,123	13.0	3.5	8.8	31.8	42.9
1949	87,265	10.6	3.1	8.6	31.8	45.9
West Virginia						
1945	18,658	35.6	9.1	2.6	24.9	27.8
1946	17,870	31.1	9.5	2.6	26.3	30.5
1947	20,229	23.6	8.0	1.9	35.9	30.6
1948	21,601	19.8	7.3	1.8	42.2	28.9
1949	22,585	17.5	6.6	1.8	44.8	29.3
North Carolina						
1945	73,917	26.2	12.4	8.7	13.3	39.4
1946	76,810	21.5	11.1	7.4	14.6	45.4
1947	87,836	17.0	8.4	6.1	17.1	51.4
1948	95,041	15.6	7.5	5.8	18.1	53.0
1949	96,252	15.8	7.0	6.2	19.9	51.1
South Carolina						
1945	37,590	42.6	19.1	5.0	4.5	28.8
1946	37,868	36.1	20.8	3.2	5.3	34.6
1947	40,542	29.3	17.4	2.6	7.6	43.1
1948	45,112	24.3	14.9	2.2	9.5	49.1
1949	49,029	21.4	13.2	2.3	10.0	53.1

* Includes loans held by joint-stock land banks, savings banks, individuals, and miscellaneous lenders.

** Includes District of Columbia.

Sources: Bureau of Agricultural Economics and Federal Deposit Insurance Corporation.

The decline in both the dollar amount and relative share of FHA real-estate loans reflects the favorable prices and high farm production of the last few years. Many borrowers were able to repay their loans in full or reduce them to the extent that they became eligible for other mortgage credit. Another factor is the conservative loan followed by the Farmers Home Administration and its county loan committees during a period of rapidly rising land prices.

In the Fifth District, as in most other states, farm real-estate loans by individuals and others comprise an important part of the total. On January 1, 1949 nearly half of the total farm-mortgage debt was held by this group, while in 1945 the proportion was only 39 per cent. Lending on real estate by individuals was least important in 1949 in West Virginia where it accounted for 29 per cent of the total, but in the other states from 46 to 53 per cent was held by this group. The attractiveness of farm mortgages as investments for individuals increases as farm income rises and probably accounts for a large part of the increase in the share of individuals. Some increase is probably also due to farm sales wherein the seller was willing to accept a mortgage for part of the price.

Conclusion

On balance, the present farm credit situation in this District can be considered satisfactory. Banks and other lenders are apparently providing adequate amounts of both short and long-term credit, although they are probably laying somewhat greater stress on the actual and prospective income of the borrower, which is a logical and prudent development. In this connection, both farmers and lenders are reminded that it is possible for a well-planned farm loan to maintain or increase net farm income above what it would otherwise have been, and that a loan made on the basis of a comprehensive farm plan, developed in cooperation by the farmer and the lender, will usually be profitable for both.

Business Conditions

Continued from page 6

Inventories of department stores after seasonal correction declined 2 per cent from July to August but furniture store inventories rose 18 per cent in this period after seasonal correction.

The setbacks recorded in both furniture store and department store sales from July to August should not cause too much concern and do not indicate a change in trend which has been upward since spring. Sales levels in both types of stores have been running much higher in this District than the operations of their supplying

industries. Automobile sales are still strong—for July, sales established a record in this District, though August sales in three States are lower than those in July.

Conclusion

The business outlook in the Fifth Federal Reserve District has improved markedly except for the shipbuilding and bituminous coal industries. Indications are that business will exhibit a rising trend during the remainder of this year—if the beclouding factor of labor troubles is removed, or compromised for the time being.

FEDERAL RESERVE BANK OF RICHMOND
(All Figures in Thousands)

ITEMS	Sept. 14, 1949	Change in Amt. from 8-17-49	9-15-48
Total Gold Reserves	\$1,163,607	+ 80,221	+ 58,247
Other Reserves	19,067	— 99	+ 3,123
Total Reserves	1,182,674	+ 80,122	+ 61,370
Bills Discounted	6,538	+ 7,248	— 8,584
Industrial Advances	22	+ 1	— 22
Govt. Securities, Total	1,107,393	— 62,661	— 269,748
Bonds	499,145	— 0	— 49,930
Notes	19,137	— 3,370	— 96,944
Certificates	359,510	— 42,164	+ 46,016
Bills	229,601	— 17,127	— 168,890
Total Bills & Securities	1,113,953	— 69,908	— 278,354
Uncollected Items	284,804	+ 58,830	— 25,525
Other Assets	22,700	+ 1,681	— 2,702
Total Assets	2,604,131	+ 70,725	— 245,211
Federal Reserve Notes in Cir....	\$1,574,312	+ 31,096	— 104,845
Deposits, Total	719,712	— 16,194	— 135,944
Members' Total	662,650	— 11,972	— 128,586
U. S. Treas. Gen. Acct.	32,648	— 1,804	— 9,537
Foreign	20,413	+ 3,367	+ 1,803
Other Deposits	4,001	+ 949	+ 376
Def. Availability Items	264,504	+ 54,642	— 10,059
Other Liabilities	540	+ 124	— 88
Capital Accounts	45,063	+ 1,057	+ 5,725
Total Liabilities	2,604,131	+ 70,725	— 245,211

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

ITEMS	Sept. 14, 1949	Change in Amt. from 8-17-49	9-15-48
Total Loans	\$ 832,402**	+ 24,141	— 38,317
Bus. & Agri.	375,225	+ 16,704	— 30,659
Real Estate Loans	203,043	+ 4,129	+ 2,412
All Other Loans	263,065	+ 3,396	— 6,838
Total Security Holdings	1,844,102	+ 51,934	+ 149,306
U. S. Treasury Bills	160,575	+ 26,503	+ 116,449
U. S. Treasury Certificates....	234,619	+ 19,185	+ 31,846
U. S. Treasury Notes	43,031	+ 1,781	— 48,885
U. S. Govt Bonds	1,259,748	+ 1,986	+ 36,720
Other Bonds, Stocks & Sec.	146,129	+ 2,479	+ 13,176
Cash Items in Process of Col....	245,510	+ 31,046	— 21,694
Due from Banks	182,674*	+ 13,636	— 4,916
Currency & Coin	69,127	+ 8,103	+ 3,166
Reserve with F. R. Banks	433,310	— 5,819	— 92,458
Other Assets	51,783	+ 1,245	+ 4,245
Total Assets	3,658,908	+ 124,286	— 668
Total Demand Deposits	\$2,795,592	+ 128,569	— 23,588
Deposits of Individuals	2,118,680	+ 61,391	+ 30,988
Deposits of U. S. Govt.	59,902	+ 15,580	— 825
Deposits of State & Local Govt.	130,605	— 10,042	— 43,496
Deposits of Banks	445,456*	+ 62,564	— 4,605
Certified & Officer's Checks....	41,549	— 924	— 5,650
Total Time Deposits	614,307	— 2,167	+ 13,324
Deposits of Individuals	567,256	— 948	— 13,320
Other Time Deposits	47,051	— 1,219	+ 26,644
Liabilities for Borrowed Money	0	— 4,600	— 3,700
All Other Liabilities	23,153	+ 1,575	+ 3,064
Capital Accounts	225,856	+ 909	+ 10,232
Total Liabilities	3,658,908	+ 124,286	— 668

* Net figures, reciprocal balances being eliminated.

** Less losses for bad debts.

CONSTRUCTION CONTRACTS AWARDED

STATES	August 1949	% Chg. from Aug. 1948	8 Mos. 1949	% Chg. from 8 Mos. 1948
Maryland	\$ 23,627,000	— 28	\$186,792,000	— 17
Dist. of Columbia	24,706,000	+ 404	87,013,000	+ 58
Virginia	25,618,000	+ 33	160,295,000	+ 11
West Virginia	6,992,000	+ 51	40,362,000	— 40
North Carolina	18,095,000	+ 25	113,507,000	— 15
South Carolina	9,703,000	+ 96	64,188,000	+ 4
Fifth District	\$108,741,000	+ 35	\$652,157,000	— 5

Source: F. W. Dodge Corp.

DEPOSITS IN MUTUAL SAVINGS BANKS

8 Baltimore Banks

	Aug. 31, 1949	July 31, 1949	Aug. 31, 1948
Total Deposits	\$392,986,362	\$393,034,173	\$392,133,804

DEBITS TO INDIVIDUAL ACCOUNTS
(000 omitted)

	Aug. 1949	Aug. 1948	8 Mos. 1949	8 Mos. 1948
Dist. of Columbia				
Washington	\$ 756,548	\$ 689,863	\$ 5,292,600	\$ 5,756,835
Maryland				
Baltimore	975,160	950,014	7,535,510	7,618,372
Cumberland	20,206	22,499	164,681	169,235
Frederick	16,612	18,094	136,180	148,310
Hagerstown	25,923	26,249	208,833	210,860
North Carolina				
Asheville	43,775	48,621	359,421	397,942
Charlotte	244,104	255,094	1,820,300	1,853,288
Durham	147,007	152,125	729,533	814,213
Greensboro	67,353	69,558	561,081	584,111
Kinston	23,109	23,396	113,904	104,445
Raleigh	133,859	112,019	976,442	877,642
Wilmington	35,370	37,422	251,741	278,634
Wilson	29,276	22,942	124,664	118,466
Winston-Salem	139,687	131,532	998,500	963,443
South Carolina				
Charleston	53,226	58,738	460,081	447,076
Columbia	99,672	88,798	770,459	720,462
Greenville	71,297	74,178	604,542	622,799
Spartanburg	39,961	45,331	341,220	367,532
Virginia				
Charlottesville	20,881	22,031	170,649	171,780
Danville	23,164	24,915	176,194	198,088
Lynchburg	33,585	33,600	275,916	298,489
Newport News	28,643	32,556	247,072	251,913
Norfolk	165,631	179,375	1,369,783	1,425,636
Portsmouth	21,767	17,725	156,051	155,973
Richmond	506,730	528,654	3,789,487	3,666,774
Roanoke	84,450	74,274	706,611	666,968
West Virginia				
Bluefield	36,020	46,437	346,469	335,034
Charleston	121,052	130,995	1,045,555	1,043,677
Clarksburg	26,874	32,642	227,634	253,190
Huntington	53,471	56,354	443,777	454,345
Farkersburg	26,000	26,031	200,795	211,344
District Totals	\$ 4,070,413	\$ 4,032,062	\$ 31,242,685	\$ 31,186,876

COTTON CONSUMPTION AND ON HAND—BALES

	August 1949	August 1948
Fifth District States:		
Cotton consumed	350,336	371,014
Cotton Growing States:		
Cotton consumed	601,267	645,451
Cotton on hand August 31 in consuming establishments	561,884	998,586
storage and compresses	3,943,338	1,691,217
United States:		
Cotton consumed	664,133	728,863
Cotton on hand August 31 in consuming establishments	679,983	1,245,561
storage and compresses	3,954,662	1,727,335
Spindles active, U. S.	19,747,000	21,356,000

Source: Department of Commerce.

COTTON CONSUMPTION—FIFTH DISTRICT

	N. Carolina	S. Carolina	Virginia	District
August 1949	182,396	153,391	14,549	350,336
July 1949	126,171	105,993	7,950	240,114
August 1948	197,649	156,591	16,774	371,014
8 Months 1949	1,333,881	1,121,782	92,258	2,547,921
8 Months 1948	1,712,702	1,316,037	140,480	3,169,219

Source: Department of Commerce.

PRICES OF UNFINISHED COTTON TEXTILES

	August 1949	July 1949	August 1948
Average, 17 constructions	61.38	59.99	77.06
Printcloths, average (6)	66.39	62.90	85.41
Sheetings, average (3)	55.00	54.13	62.99
Twill (1)	62.65	62.33	91.51
Drills, average (4)	54.92	55.15	67.77
Sateen (1)	82.75	80.49	121.96
Ducks, average (2)	57.53	58.30	62.04

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

Source: Department of Agriculture.

FEDERAL RESERVE BANK OF RICHMOND

BUILDING PERMIT FIGURES

	Aug. 1949	Aug. 1948	8 Mos. 1949	8 Mos. 1948
Maryland				
Baltimore	\$ 3,940,970	\$ 3,725,950	\$ 32,362,415	\$ 40,202,810
Cumberland	29,340	104,510	342,440	527,635
Frederick	51,790	58,865	645,917	1,143,775
Hagerstown	185,915	62,885	1,676,255	847,614
Salisbury	90,855	147,617	1,083,541	1,816,608
Virginia				
Danville	163,978	112,533	1,814,637	3,941,609
Lynchburg	221,256	246,506	3,289,458	2,295,564
Norfolk	713,050	632,460	7,868,366	11,884,605
Petersburg	119,420	162,850	1,051,690	854,574
Portsmouth	180,485	117,080	1,114,122	1,163,202
Richmond	2,172,200	1,832,827	12,475,915	13,060,309
Roanoke	784,167	660,508	7,775,945	5,347,571
West Virginia				
Charleston	3,283,929	1,015,282	8,101,289	7,552,390
Clarksburg	102,025	135,405	791,895	1,296,563
Huntington	1,442,512	519,934	3,982,798	6,375,683
North Carolina				
Asheville	193,276	334,424	1,886,401	1,957,967
Charlotte	1,275,574	1,073,298	14,823,065	13,752,856
Durham	1,000,635	625,666	5,681,375	7,540,603
Greensboro	470,870	551,730	7,248,112	7,515,062
High Point	284,575	745,120	1,980,357	3,395,245
Raleigh	910,900	1,617,128	5,569,325	7,528,037
Rocky Mount	87,820	229,000	1,021,868	1,326,625
Salisbury	100,100	289,100	872,537	874,450
Winston-Salem	375,757	561,450	5,859,797	4,336,151
South Carolina				
Charleston	138,349	178,976	2,986,621	2,228,975
Columbia	400,245	373,030	4,427,018	4,983,748
Greenville	684,429	460,550	7,276,110	4,788,000
Spartanburg	234,027	134,665	2,812,568	1,672,321
Dist. of Columbia				
Washington	8,855,335	4,162,395	51,637,879	33,822,019
District Totals	\$28,493,784	\$20,871,744	\$198,459,716	\$194,932,571

RETAIL FURNITURE SALES

Percentage comparison of sales in periods named with sales in same periods in 1948

STATES	August 1949	8 Mos. 1949
Maryland (5)*	- 2	- 4
District of Columbia (6)*	+ 3	+ 12
Virginia (18)*	+ 1	- 7
West Virginia (7)*	-22	-12
North Carolina (12)*	-17	-15
South Carolina (9)*	-12	- 9
District (57)*	- 4	-11
Individual Cities		
Baltimore, Md. (5)*	- 2	- 4
Washington, D. C. (6)*	+ 3	+ 12
Richmond, Va. (6)*	+ 10	- 2
Lynchburg, Va. (3)*	- 8	- 6
Charleston, W. Va. (3)*	-35	-14
Charlotte, N. C. (3)*	-28	-24
Columbia, S. C. (3)*	-26	-13

* Number of reporting firms.

WHOLESALE TRADE, 183 FIRMS

LINES	Net Sales compared with		Stock compared with	
	August 1948	July 1949	Aug. 31 1948	July 31 1949
Auto supplies (6)*	-10	+15	+ 1	- 2
Electrical goods (4)*	-39	-11	.....	.....
Hardware (12)*	-13	+19	+ 8	0
Industrial supplies (4)*	-24	+10	+11	+ 1
Drugs and sundries (10)*	+10	+ 7	+ 6	+ 1
Dry goods (11)*	-28	+75	-20	- 3
Groceries (59)*	- 6	+ 3	- 4	+ 2
Paper and products (5)*	-22	+ 8	.....	.....
Tobacco and products (6)*	-11	- 6	+11	- 1
Miscellaneous (66)*	- 6	+ 2	- 4	- 2
District Totals (183)*	-11	+ 9	- 3	0

Source: Department of Commerce.

* Number of reporting firms.

SOFT COAL PRODUCTION IN THOUSANDS OF TONS

REGIONS	Aug. 1949	Aug. 1948	% Change	8 Mos. 1949	8 Mos. 1948	% Change
West Virginia	11,483	15,450	-26	96,510	107,802	-10
Virginia	1,488	1,810	-18	10,543	13,488	-22
Maryland	46	110	-58	467	1,162	-60
Fifth District	13,017	17,370	-25	107,520	122,452	-12
United States	37,752	53,779	-30	320,272	388,667	-18
% in District	34.5	32.3	.....	33.6	31.5	.....

Source: Bureau of Mines.

RAYON YARN SHIPMENTS AND STOCKS

	Aug. 1949	July 1949	Aug. 1948
Rayon yarn shipments	68,800,000	58,700,000	71,400,000
Staple fiber shipments	19,300,000	13,600,000	21,800,000
Rayon yarn stocks	42,200,000	48,600,000	10,500,000
Staple fiber stocks	12,700,000	16,800,000	4,700,000

Source: Rayon Organon.

AUCTION TOBACCO MARKETING

	Producers' Tobacco Sales, Lbs.		Price per Cwt.	
	August 1949	August 1948	1949	1948
South Carolina	101,365,990	77,881,097	\$48.49	\$52.37
North Carolina	189,762,459	145,441,314	47.40	51.34
Total	291,028,449	223,322,411	47.80	51.80

TOBACCO MANUFACTURING

	% Change from		8 Mos. 1949	% Change from 8 Mos. '48
	Aug. 1949	Aug. 1948		
Smoking & chewing tobacco (Thousands of lbs.)	18,874	+ 5	128,113	- 2
Cigarettes (Thousands)	35,449,153	+ 4	236,795,886	+ 1
Cigars (Thousands)	516,208	+ 2	3,620,627	- 2
Snuff (Thousands of lbs.)	3,995	+24	26,563	- 4

Source: Treasury Department

COMMERCIAL FAILURES

MONTHS	Number of Failures		Total Liabilities	
	District	U. S.	District	U. S.
August 1949	27	810	\$ 734,000	\$ 31,175,000
July 1949	35	719	907,000	21,804,000
August 1948	17	439	283,000	21,442,000
8 Months 1949	269	6,110	\$7,286,000	\$285,614,000
8 Months 1948	122	3,402	3,007,000	132,656,000

Source: Dun & Bradstreet.

DEPARTMENT STORE TRADE

	Richmond	Baltimore	Washington	Other Cities	District
Percentage change in August 1949 sales compared with August 1948:	- 3	- 7	- 1	- 5	- 4
Percentage change in 8 mos. sales 1949 compared with 8 mos. in 1948:	- 3	- 6	+ 3	- 4	- 2
Perctg. change in stocks on Aug. 31, 1949 compared with Aug. 31, 1948:	- 6	-11	- 3	-16	- 8
Perctg. change in outstanding orders Aug. 31, 1949 from Aug. 31, 1948:	-25	-20	-21	-26	-22
Perctg. changes in receivables Aug. 31, 1949 from those on Aug. 31, '48:	+ 7	0	+15	- 4	+ 7
Perctg. of current receivables as of Aug. 1, 1949 collected in August:	31	48	48	44	43
Perctg. of instalment receivables as of Aug. 1 1949 collected in August:	15	25	19	21	20
Maryland Dist. of Col. Virginia West Va. No. Car. So. Car.					
Percentage change in Aug. 1949 sales from Aug. 1948 sales, by States:	- 7	- 1	- 3	- 7	- 3
Percentage change in 8 months 1949 from 8 months 1948 sales:	- 6	+ 3	- 3	- 2	- 8