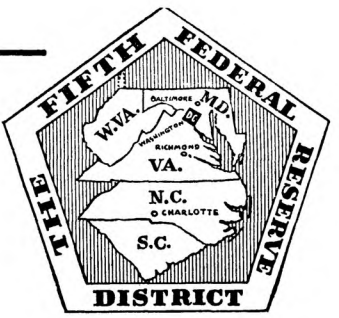
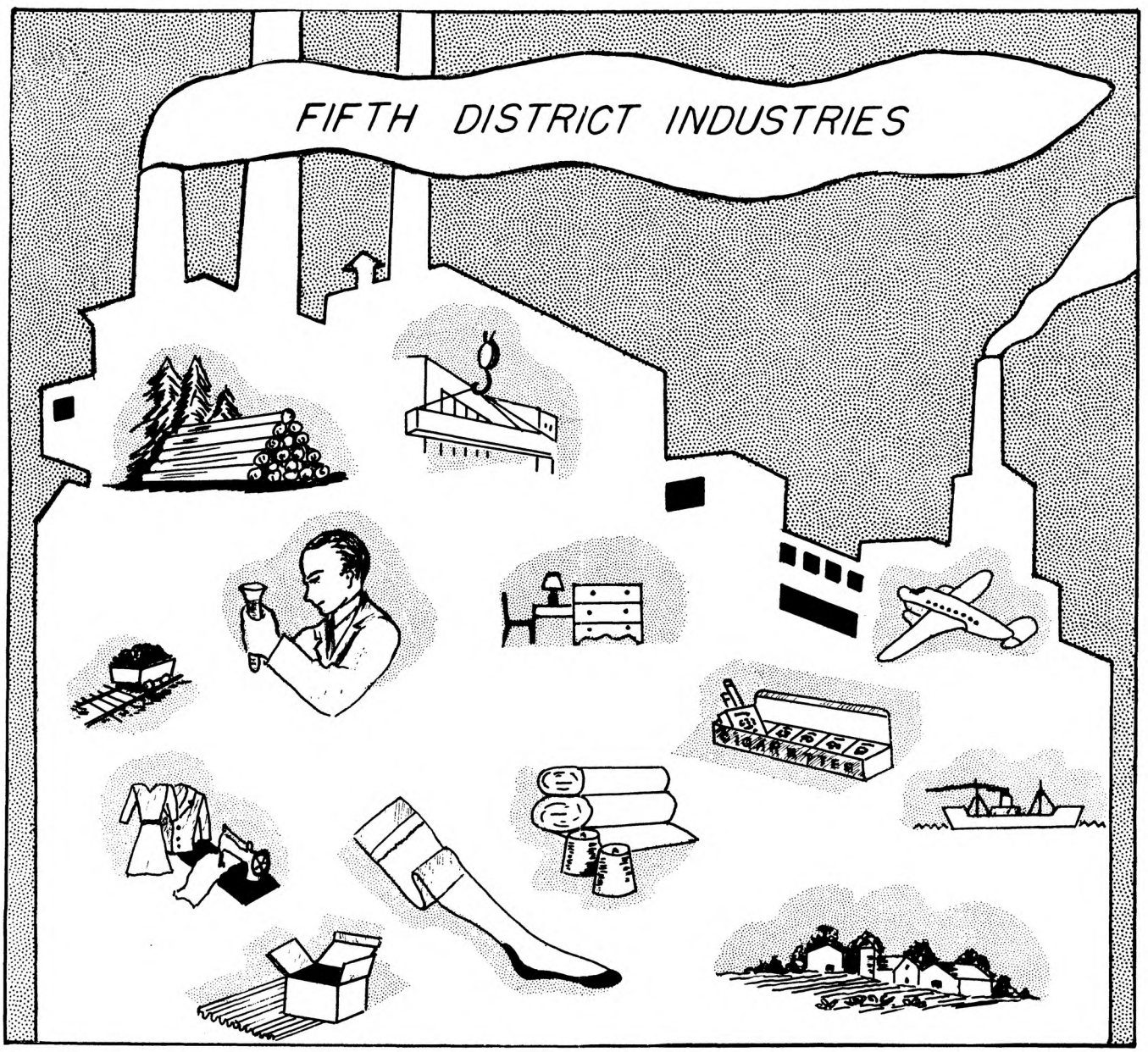
FEDERAL RESERVE BANK OF RICHMOND

Monthly Review



February 1952



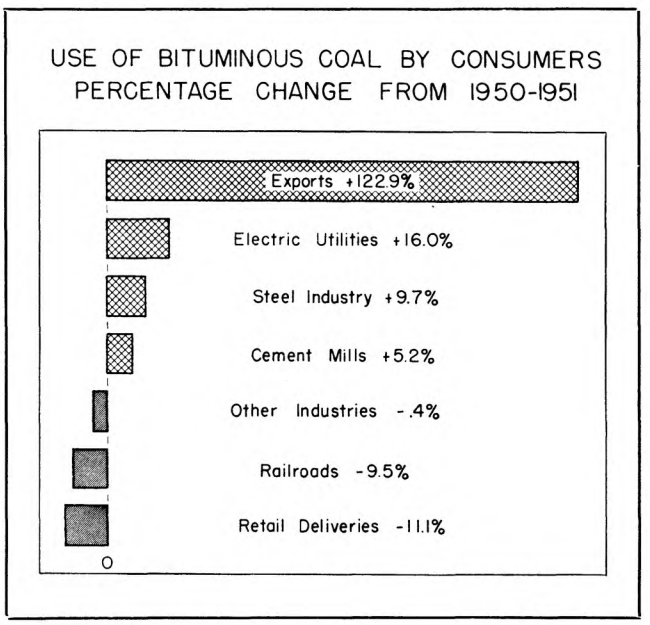
This number of the MONTHLY REVIEW *is devoted chiefly to brief studies of important industry operations for 1951, together with some indications as to their prospects for 1952. The cover page illustrates pictorially some of the more important economic activities of the Fifth Reserve District.*

In This Issue - - - -

Coal: Fifth District Production Up 12.6%

PRODUCTION of bituminous coal in the United States amounted to 532 million tons in 1951, an increase of 20 million tons, or 3.9% over the previous year. In the Fifth Federal Reserve District, where 184 million tons of coal were mined in 1951, the increase over 1950 was 21 million tons, or 12.6%. Thus bituminous coal production in the Fifth District rose substantially, while in the remainder of the country it was unchanged.

Domestic use and exports of bituminous coal in 1951 was 522 million tons, a 42-million ton or 9% increase over 1950. Coal distribution made its most striking gain in the export market where the total amounted to 58 million tons, an increase of 123% over the previous year. The export figures which include Canada do not fully reflect the sudden spurt in overseas shipments. Thirty-four million tons were sent overseas—13 times the amount in 1950. These shipments were the largest since 1947, when 43 million tons of coal had been shipped overseas.



Electric power production was sharply up last year and this required a substantial increase in coal consumption—the total was 102 million tons, a 16% increase over 1950, and compares favorably with the 13% increase in power production by the electric utilities. The electric power industry is a large and the most dependable user of bituminous coal, and 90% of the new equipment planned for public utility use in the next few years is designed to burn coal. In 1951 public utilities used 20% of total coal consumption.

Only the iron and steel industry, including the coke industry, consumed more coal than the utilities. It required 122 million tons of coal in 1951, an increase of 12 million tons, or 9.7% over 1950 to account for 23% of total consumption.

Retail coal deliveries continued their downward trend amounting to 77 million tons in 1951 which was 11.1% less than the previous year. Deliveries to retail dealers amounted to 15% of total coal consumption in 1951 as compared to 18% in 1950. Since the peak of 125 million tons in 1944 retail deliveries have shown a continuous decline.

Railroads also used less coal in 1951 than in 1950. The 55 million tons delivered to this industry was 9.5% below 1950. This outlet has shown a continuous decline from the war-time peak of 136 million tons in 1944 due to a shift to Diesel engines.

All other industries used slightly less coal in 1951 than in 1950—actually, 400,000 tons less. These industries consumed 98 million tons and the slight decrease may be attributed to the slump in soft goods.

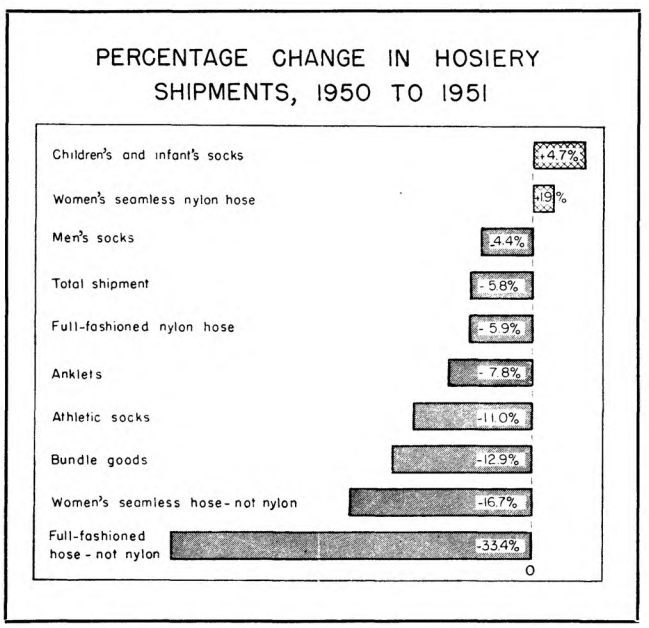
The export situation was largely responsible for the very favorable comparison of Fifth District production with national production. As mentioned previously, the Fifth District increased production 12.6%, while nationally the increase was 3.9%. Coal dumpings at Hampton Roads reached a new high three times the 1950 volume and loadings at Hampton Roads piers ran at capacity all year.

Bituminous coal is still the dominant factor in the fuel market — it accounted for 44.8% of the fuel consumed during 1950, while petroleum production accounted for 22.8%, natural gas for 22.5%, hydroelectric power 6.1% and anthracite coal 3.8%. Coal is utilized more extensively in some industries than in others. Among the four major coal consumers the portion of energy supplied from coal varies from one quarter to almost three quarters. 25.6% of the homes with noncentral heating burn coal and 45.5% of the homes with central heating. Class I railroads use coal to supply 36.6% of their energy needs, electric utilities 64.3% and the steel industry 69.5%. Coal consumption for 1952 will obviously rest basically on the level of the nation's business and exports.

Appalachian Coals, Incorporated, has recently estimated 1952 consumption (domestic plus exports) at 561 million tons or 7% above 1951. All coal customers except railroads are expected to increase their consumption in the coming year. It is conceivable that the anticipated 7% decline in railroad use of coal in the coming year might be less if car loadings should increase faster than the railroads can convert to Diesel engines. Again, overseas exports and electric utilities are expected to register the largest gains. The same conditions which prevailed in Europe in 1951 are expected to continue in 1952 with respect to the need for coal and overseas exports are expected to rise about 37%. Use of coal by electric utilities are expected to increase 9%.

Hosiery: Demand Below Expectations

NINETEEN fifty-one can only be called the year of "disappointment" for the hosiery industry—not because the record was particularly bad when compared with other years, but because it fell so far below expectations. In January 1951 a reduction of output at the mill level was expected due to shortages of nylon and manpower, and therefore stocks were being built up looking toward an early Easter—and a continuance of inflation and war scare buying. By the middle of the month some manufacturers had withdrawn from the market, were booked for the first quarter, and were expecting to allot supply. At retail, firms were not expecting the usual January lull; prices were expected to be firm if not rising during the year; and shortages were thought sure to develop. Most retail stores were therefore operating under the policy of being provided with goods for as long a period as possible.



A look at the record of mill shipments shows that the prospects envisioned a year ago were not realized. While total shipment of hosiery in 1951 continued above those of 1950 through May, they fell below the 1950 record for the remainder of the year and were 5.8% below for the first eleven months of 1951. Women's full-fashioned hosiery (approximately one-third of total hosiery shipments) began to lag behind last year's record in May and showed a total decline of 6.3% for the first eleven months. Only two classes of hosiery were able to exceed 1950 shipments. Women's nylon seamless hose, accounting for 3% of total shipments, was 1.9% ahead of 1950 shipments; and children's and infants' socks other than anklets, accounting for 7% of total shipments, was 4.7% ahead.

Declining shipments were not, however, the major problem. Total shipments for 1951 were exceeded during the postwar period only by those of 1946 and 1950. Had prices been satisfactory from the hosiery industry's point of view, 1951 would have been a good year. Prices not only did not rise, as had been anticipated, but began to soften in March. From February through August unbranded full-fashioned nylon hosiery had dropped in price about $3.00 per dozen and some brands were selling for $6.75 per dozen, which was believed to be the lowest price since the advent of nylon. Most mill men believed that prices could not possibly drop further in view of the cost of production; however, by December unbranded 51-gauge, 15-denier full-fashioned hosiery was priced at $6.25 to $6.50 per dozen for quantities of 500 dozen or more and could be found for $6.00 per dozen. At retail during the Christmas season stockings which had sold from $1.50 to $1.65 in 1950 were selling for $1.35 downward in 1951.

Not only did prices cause difficulty in the industry, but also the buying policies of wholesalers and retailers. While shipments of women's full-fashioned hosiery declined 6.3% for the first eleven months of 1950, retail sales of women's and children's hosiery declined only 1%. When price decline is taken into consideration, this shows an increase unit-wise at the retail level In 1951 shipments of women's full-fashioned hosiery were almost 3,000,000 dozen pairs below such shipments in 1950 and yet unit-wise retail sales were higher in 1951 than in 1950. Overbuying late in 1950 and early in 1951 had resulted in curtailed buying in the latter part of the year and a disturbance in the flow of goods from mills to wholesalers to retailers.

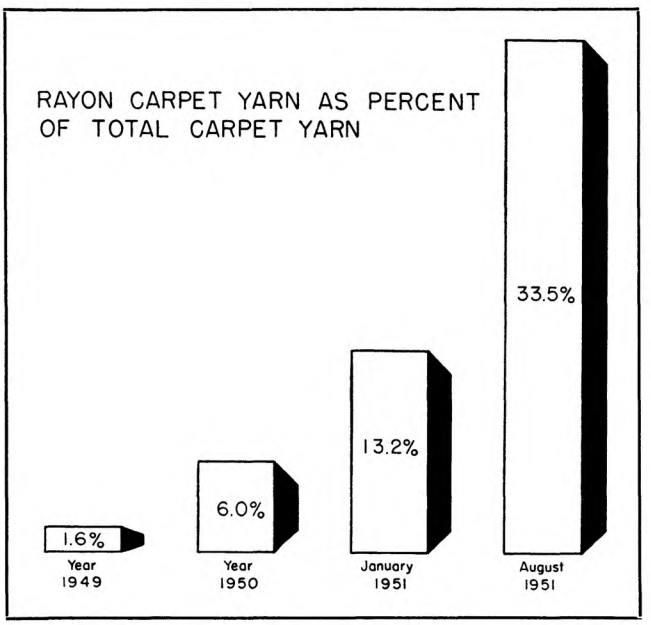
One of the notable developments of the year was the enlarged demand for 60-gauge hosiery. This product has been on the market only three years and is now estimated at 25% of the total full-fashioned production. Scare-buying after the outbreak of the Korean War resulted in a mass sampling of 60-gauge hosiery and apparently women were impressed with this new construction. In some mills production of 60-gauge is now equal to that of 51-gauge, 15-denier and the bulk of new full-fashioned hosiery machinery delivered for the past several years is 60-gauge.

"Cautious" might well describe the year 1952 for the hosiery industry. It appears that inventories have been whittled down and in the Fifth District retail stocks of hosiery in department stores were 23% smaller than a year ago. Prices of hosiery seem to be leveling off and with Easter buying should rise a bit. Under these circumstances, retailers and wholesalers will be buying cautiously on a short-term basis and manufacturers will, as a result, be producing cautiously.

Rayon: Production Up, Shipments Down

LIKE many other soft goods lines the rayon industry was sharply affected by the paradox of 1951—scare buying during the first two months of the year and lagging consumer purchases for the remainder of the year. In addition, military requirements were overestimated and for the most part anticipated shortages of supplies and manpower did not develop. As a result of the earlier business anticipations, inventories were built up and these continued to plague the industry for the rest of the year.

Production of rayon in 1951 amounted to 1,297 million pounds, some 3% above last year. The gain would have been larger except that production in the fourth quarter was reduced 10% below that of the fourth quarter of 1950. Despite the reduction, stocks were built up and at the beginning of December amounted to 95 million pounds, slightly more than a month's supply at the current rate of shipments compared with a day and a half's supply at the beginning of 1951. While the industry would no doubt prefer a lower level of stocks, a month's supply is not alarmingly high.



Production was a bit less than the estimated capacity of the industry, (rated at 1,444 million pounds annually in November 1951, an increase of 11% above that of a year ago). Planned expansions will bring the annual capacity to 1,702 million pounds by October 1953, or 18% above present capacity. The largest expansions are planned for viscose high tenacity yarn and viscose staple and tow. Annual capacity for the former is estimated at 434 million pounds by October 1953, or 20.5% increase over present capacity, and for acetate staple and tow, 340 million pounds, a 56.0% increase.

Shipments of all rayon fibers for the first 11 months were 3% under those of the same period of 1950. Acetate filament yarn declined 16%, viscose filament yarn declined 12%, while both high tenacity viscose yarn and acetate staple and tow each increased 8%, and viscose staple and tow increased 7%. Staple and tow are used to spin rayon yarns for use in carpeting and in blends with other synthetics, cotton, and wool, while the demand for high tenacity viscose yarn is mainly for tire cord manufacture.

Year-end data on the production of fabric mills are not available, but 1951 production of gray goods will probably show 10% under 1950's record output. Production of broad woven rayon goods as reported by the Bureau of the Census was greater in the first two quarters of 1951 than in the first two quarters of 1950, but third quarter production was 27% below third quarter 1950 and 30% less than the second quarter. There was no appreciable pick-up in the fourth quarter.

Prices of rayon staple and yarn remained stable throughout the year—viscose staple at 40 cents per pound; acetate staple at 48 cents per pound; 150 denier viscose yarn at 78 cents per pound; and 150 denier acetate yarn at 76 cents per pound. The prices of the fabricated products were, however, at the close of the year, 25 to 30% under a year ago.

Rayon in 1951 continued to make gains at the expense of wool. No doubt, the Spring rise in the price of wool to more than $4.00 per pound, as compared to $2.00 per pound before the Korean outbreak, gave added impetus to the substitution of rayon for wool. According to the Carpet Institute, 22.3 million pounds of carpet rayon fiber were used during the first eight months of 1951 by the carpet industry. This rayon consumption amounted to 22.7% of the surface fibers used by the rug industry. In 1950 only 6.0% of the carpet fibers were rayon and 1.6% in 1949. The Institute's report stated that consumption would have been greater if, at the beginning of the year, larger quantities of the fiber had been available.

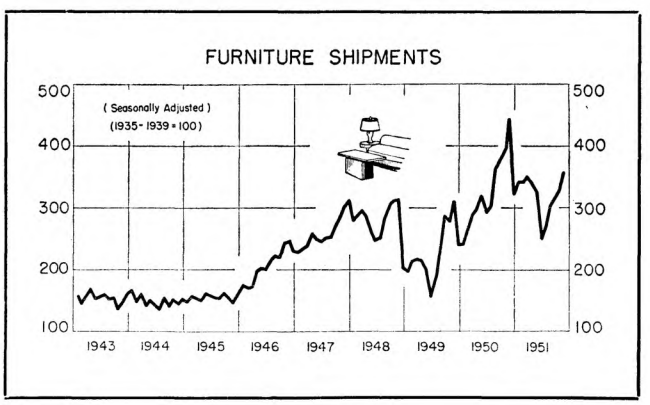
Rayon was used even more extensively in men's garments in 1951 than in 1950. Cuttings of summer weight suits from rayon and nylon amounted to 61% of total cuttings during the first 11 months of 1951 as compared to 48% during the first 11 months of 1950. In 1947 only 20% summer weight suits had been cut from fabrics containing rayon and nylon. Separate trousers cut from rayon fabrics accounted for 64% of total cuttings during the first 11 months of 1951, 48% during the first 11 months of 1950, and 24% in 1947.

As the rayon industry began 1952, the market continued dull but with goods and yarn prices steady.

Furniture: Boom, Slump and Recovery

Furniture shipments in 1951, as reported to the Southern Furniture Manufacturers' Association, were within 1% of the 1950 record. This small decline in furniture shipments hides the sharply changing conditions prevailing in the industry during the year. In January, for example, shipments were running 47% ahead of a year ago; in September, they were 20% behind. The 1951 furniture year can be divided into three parts: namely, the period of scare buying at the beginning of the year; the slump of spring and summer; and the period of recovery in the fall and winter.

At the retail level sales exceeded those of 1950 by less than 2%. This percentage change as in the case of manufacturers' shipments fails to tell the whole story. Anticipating shortages and price rises, retailers placed orders in "mountainous proportions" during the January exhibitions, even though their inventories were then reported above normal. New orders received by manufacturers in January 1951 were 42% greater than those of January, 1950. Before the first quarter closed, retailers were faced with abnormally high inventories and a sales volume below anticipations. The rush to buy following the Korean outbreak established a retail sales record in the last half of 1950 which was hard to surpass and from May through October 1951, monthly sales fell below 1950 monthly sales. In January 1951, sales were 27% above a year earlier and in July, 17% below. The fall pick-up in adjusted retail sales was substantial with November sales 16% above the low point of May. Promotions and sales were prominent during the last half of the year and helped to reduce retail inventories which at the close of the year were less than 10% above a year earlier.



As a result of the slump in the furniture industry, orders booked during 1951 were 16% below those of the previous year. Production declined less than 1%; by quarters it moved as follows: in the first quarter, 33% ahead of the same period of 1950; in the second quarter, the gain over 1950 had dropped to 8%; and in the third and fourth quarters, production fell 21% below the previous year. For several months the workweek of furniture factories was shortened and employment reduced, but in September the industry generally returned to a normal workweek and employment picked up.

Manufacturers' finished goods on hand were 59% higher at the beginning of December than they had been a year ago. While manufacturers' inventories still exceed those of last year, they are not burdensome, amounting to less than a month's supply at the current rate of shipments.

Reflecting miscalculations of retail demand, cancellations of orders in 1951 were one-and-a-half times greater than those of 1950. Even so, cancellations amounted to only 13% of shipments for the entire year. The first large-scale order holdups and cancellations came during March and the peak was reached in the second quarter, when cancellations amounted to almost one quarter of the shipments of this period.

While many anticipated rising prices at the beginning of the year, and others looked for declining prices during the slump in furniture business, no major break occurred in the price line. Occasionally price reduction was made for clearance sales at retail or by a single manufacturer, but no industry-wide change of major consequence occurred. The wholesale price index of furniture hovered around 162 (1926=100) throughout the year. Wages and lumber prices, the two major costs in furniture manufacturing, were a deterrent to any price decline. The price of lumber remained firm and average hourly wages rose 5% during the year.

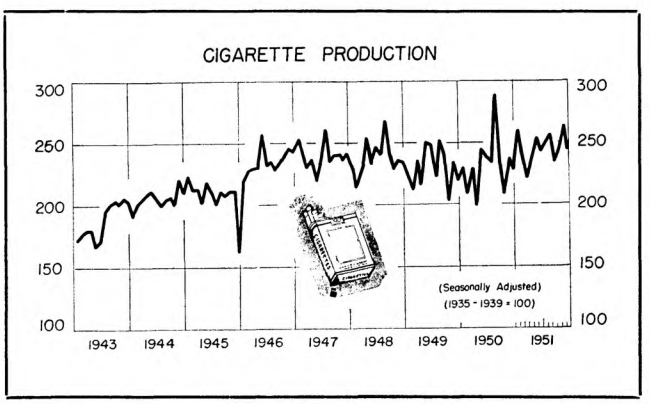
Furniture manufacturers anticipate a normal market in 1952, and with a few exceptions in the appliance field, expect to have ample material supplies. Production during the first half of the year is expected to equal or slightly exceed that of the first six months of 1951. Growing military demands may put a drain on supplies and manpower in the industry and cause cutbacks later in the year. Retailers are no longer beset by heavy inventories and are expected to buy in volume, although cautiously. Retail buyers are also expected to be more concerned with quality, style, and price than in the past few years. The cut in residential construction will ultimately show up in a decreased furniture demand. Housing starts in 1951 were about 1.1 million, but materials allocations for the second quarter of 1952 have been reduced by 40%. The actual number of starts which this reduction will permit will depend partly, of course, on present inventories of materials in the hands of distributors and builders, which are reportedly large, on whether the construction industry can find substitutes for the allocated materials, and in changes in the defense program. At all levels of the furniture industry the prospective policy for 1952 indicates buying for immediate needs.

Tobacco: Cigarette Output at Record High

TOBACCO is big business in the Fifth Federal Reserve District. In addition to a crop valued at around $700 million, cigarette and tobacco factories in the Fifth District add value in processing this crop and preparing it for market to the extent of another half billion.

Tobacco manufacturing is the second most important industry in the Fifth District in terms of the value it adds to raw materials, and in this respect, the Fifth District accounts for approximately two-thirds of the industry nationally. Within the District the industry is located almost wholly in Virginia and North Carolina with Virginia accounting for about one-third and North Carolina about two-thirds.

Cigarettes, which account for around 80% of the industry, achieved a new record output in 1951 when 409 billion cigarettes were produced for domestic and export markets. Of this output 37 billion or 9% were exported or sent to the armed forces overseas. This 409 billion total represents an increase of 4% over 1950 with domestic consumption showing a gain of 3% and exports a gain of 16%.



The Fifth District in the first eleven months of 1951 accounted for 79.4% of the total national cigarette output which compares with 80.1% in the same months of 1950. The District's largest contribution to the national total was in 1946 when it accounted for 89.8%. Its proportion has been falling steadily since that time largely as a result of a shift in production facilities and brand preferences to king size and newcomers in the field, many of which are manufactured outside this District.

Cigarette output in the Fifth District followed a pattern similar to the production performance of most commodities during the scare buying periods in the summer of 1950 and again in January of 1951, but otherwise the output has not resembled the trend of most other industries in the District during 1951. Although there was a setback in the spring following a high January figure, the trend of output since that time has been mainly upward with the November figure (seasonally adjusted) exceeded only two months previously.

It does not appear that the increase in the excise tax on cigarettes from $3.50 a thousand to $4.00 a thousand, effective November 1, has had any adverse effect on cigarette use. Sales in November subject to the higher tax rate showed a rise after seasonal adjustment of 8% from October.

Cigarette prices remained steady throughout the year until November when a sufficient increase was made to account for the increase in internal revenue. Cigarette prices in 1951 were up 25.2% over 1940 which compares with price rises of Flue-cured tobacco of 217% and Burley tobacco of 232% in this same period.

Employment in the cigarette industry of this District has gradually trended downward in the last four years while output has been rising. Between 1948 and 1951 employment in cigarette manufacture declined 6.4%, while cigarette production increased 4%. Such economies in use of labor have been of vital importance to the industry in view of the rising trend of wages and very substantial increases in tobacco costs.

Production of cigarettes in the United States has been rising at an annual rate of 3.4% over the past seven years. If this rate of increase were to continue, cigarette production by 1960 would total 534 billion cigarettes. Assuming no increase in per capita consumption, the middle estimate of population in 1960 would indicate total domestic consumption of 422 billion while the high population estimate would give consumption of 449 billion. Assuming no increase in exports from current figures, this would put estimated output at 459 billion and 486 billion respectively.

If, on the other hand, per capita consumption were to increase at 1½% per annum, total domestic consumption in 1960, on the basis of the middle estimate of population would be 486 billion and on the basis of the high estimate of population would be 517 billion. Again assuming exports to have remained at 37 billion, ten years hence total estimated output would be respectively 513 and 554 billion. Even these estimates of cigarette consumption in 1960 will probably err on the low side for the reason that the increase in population coming of smoking age will be considerably more rapid than in the past three decades. In other words, the high birth rates of the last eight or nine years create a potential market for cigarettes between 1955 and 1965 faster than over-all population growth.

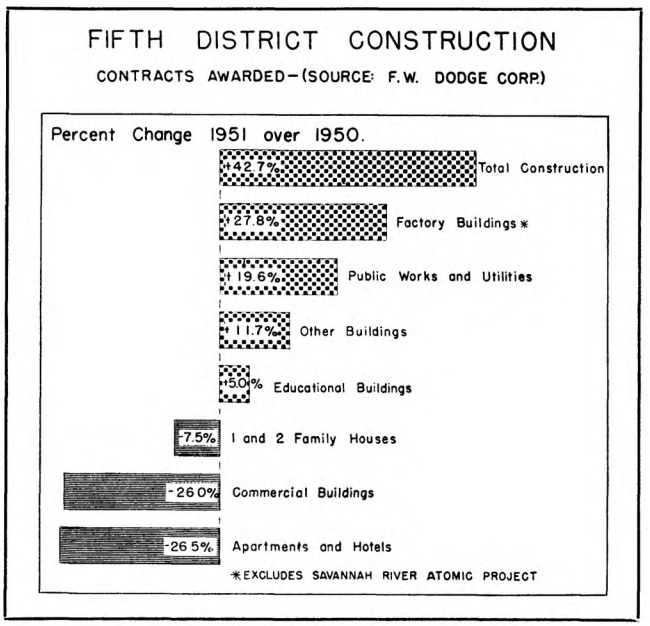
Growth in demand for cigarettes will require not only an expansion in tobacco acreage but an expansion in manufacturing facilities. Recent years have seen the Fifth District lose its relative position in the total, but recent trends in brand preference imply that future growth in new facilities will probably be in the Fifth District.

Construction: Total Contract Awards Up 39%

ANOTHER new record was achieved by the construction industry in this District in 1951. Total contract awards in the year were valued at $2.2 billion—a gain of 39% over 1950 and one large contract, $600 million for the Savannah River atomic energy project, was responsible for the gain; without this contract the year 1951 would have been slightly under 1950.

There were, however, notable shifts in the character of the construction industry in 1951 from that of 1950. Nonresidential building rose 120%, and would have shown a gain of 28% if the atomic energy project were excluded. Residential building dropped 10%, while public works and utilities rose 20%.

In the nonresidential division there were also marked shifts from 1950. Contracts awarded for commercial buildings dropped 26%, due mainly to NPA regulations; while factory buildings including the atomic energy project rose 672% and 28% excluding it. Awards for educational buildings, which had increased 96% between 1949 and 1950, showed only a 5% gain from 1950 to 1951. Awards for other nonresidential buildings rose 11% in 1951 over 1950, which compares with a gain of 21% in 1950 over 1949.



In the residential field one- and two-family houses held up better than expected, with 1951 contract awards within 8% of 1950's all-time high figure. This 8% drop in 1951 compares with a gain of 95% in one- and two-family houses between 1949 and 1950. Apartments and hotels, on the other hand, dropped rather sharply for the second year in a row. Contract awards for this type of structure dropped 27% from 1950, which year in turn was 15% under 1949.

Public works and utility wards during 1951 were 20% higher than in 1950, and established an all-time high record for this type of construction in this District.

The substantial rise that occurred in nonresidential construction in 1951 caused this segment of the industry to rise from 37% of the construction activity in 1950 to nearly 57% in 1951.

Owing to a substantial amount of work still to be put in place on many industrial contracts awarded in 1951, to the vast amount of work yet to be done at the Savannah River project, and to the more than one-half billion of military construction projected for this District, the construction industry can hardly lack volume in 1952. Even though it is likely that residential construction will be reduced from the high 1951 level, demand for construction labor may be heavier in 1952 than in 1951, though many workers will have to move or commute to the construction projects.

Construction costs leveled off for several months last summer but have since resumed an upward trend. Small declines have occurred in materials prices but these have been more than offset by increases in building wages. Ceiling prices will be effective in holding materials costs in check but some of these prices are below ceilings and are likely to rise, as are building wages. Except in those products where gray markets are expected, no material expansion should be expected in building materials prices. Thus, the building costs outlook should be one moderately higher in some items and lower in others, and further rises in wages.

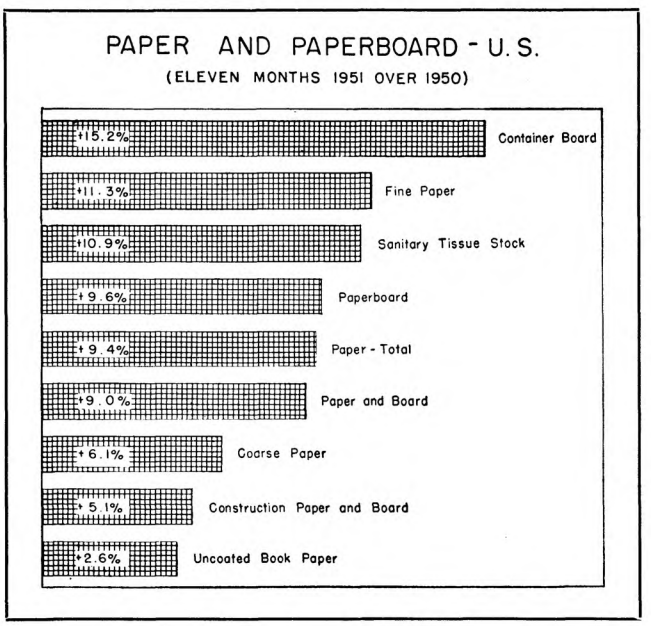
The number of dwelling units started in the Fifth District during the first eleven months of 1951 totaled 59,069 units, a decrease of 21% from the number of starts in 1950. The size of residential dwelling units in 1951 was slightly larger than in 1950, with an average of 1,115 square feet per unit compared with 1,104 square feet in 1950. This increase in size was no doubt due to the relatively smaller decrease in one- and two-family houses than in multiple dwelling units.

Commitments and purchases made in this District by the Federal National Mortgage Association on defense, disaster, and military mortgages through December 25, 1951, were on 8,500 housing units in the amount of $64,071,000. Such commitments will probably be broadened as construction on military facilities gets underway.

The construction outlook in this District remains one of considerable strength, tempered on one hand by the availability of materials and the rapidity with which military construction is projected, and on the other hand with the willingness and ability of would-be home owners to purchase residential structures. Competition in industry should continue modernization or expansion of plants if materials and labor are available.

Paper: District's Expansion Continues

THE paper and allied products industry ranks ninth in importance in the Fifth Federal Reserve District. It employs close to 30,000 workers and accounts for about 3% of the District's total manufacturing employment. It is a quarter of a billion-dollar industry and accounts for 4.5% of the nation's total paper and products. Its growth in the Fifth District has been much more rapid than the rate of growth of all industry. The industry is concentrated primarily in Virginia and the Carolinas, and the three states account for 86% of the output. Although many grades of paper are manufactured in the mills of the District, attention is centered chiefly on coarse paper and paperboard. It is estimated that about one-half of the nation's coarse paper and two-thirds of its container board are produced in the Fifth District.



Current figures are not available for the Fifth District, but the operations of the industry as a whole will suffice to show what has happened District-wise. Total United States production of all grades of paper and board during 1951 will probably come very close to 26.5 million tons, a gain of 9% over 1950 and a new record. The industry's operations have closely resembled those of most soft goods lines with peak production prevailing during the first half of the year followed by a setback in the second half. Detailed operations of the industry are available for only eleven months, and in this period all types of paper and board production rose 9.0% (1951 over 1950), with paperboard gaining 9.6%, and paper, 9.4%. Paper and board production in the three months ended November was moderately below the same period of 1950, and considerably more below second quarter peak. Paper and board production for this three month period declined 3.6% from the same period a year ago and 10% from the second quarter of 1951. Paper production in this period was up 7% from a year ago and 1% above the second quarter, while board production was 7.2% under a year ago and 18% under the second quarter. This is understandable when it is noted that the printing and publication industries had no slump in 1951—in fact, continued to expand their operations. The paperboard industry, on the other hand, catering mainly to the packaging and building industries, was adversely affected by the reduction in packaged shipments from the manufacturers into the various stages of distribution. The fairly sharp reduction in residential building also affected output of construction paper and board. In the three months ended November 1951, output of these products was 13% under the same period of 1950 and 18% under the peak second quarter of 1951.

Demand for various grades of paper has been slow in the main, with only kraft remaining tight. The demand for coarse paper, notably bags and wrapping, has held up well and a fair backlog is on hand for fine papers. Boxboard demand is conspicuous by its absence.

Wholesaler's sales of paper were on a fairly even keel all of 1951 and at the highest level in history; and the rise that occurred in inventories was in keeping with the high sales level.

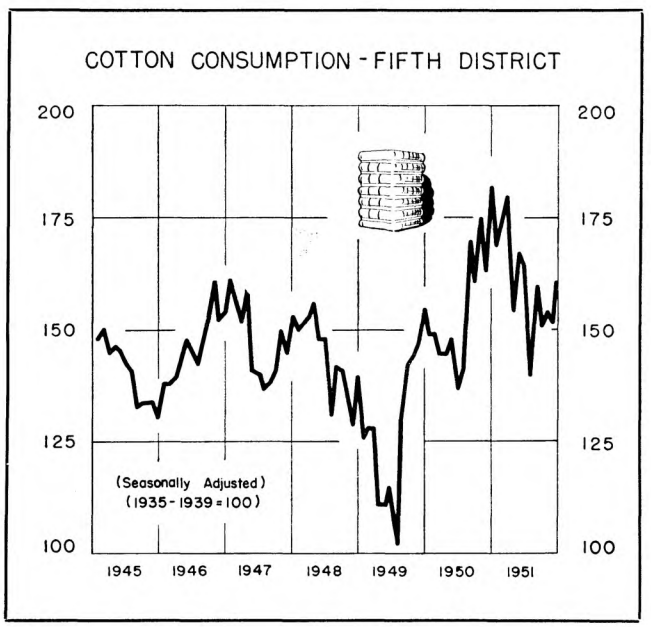
The residential building outlook for 1952 is not conducive to any improvement in outlook for building paper, but the most important segment of the paperboard industry (container board), at least statistically finds indications of an expanded demand. Wholesale and retail inventories in most soft goods lines have been worked down so that increased manufacturers' shipments can be anticipated, thus improving boxboard demand.

Advertising budgets have been expanded for 1952, and imply a continuance of expanding activities in the printing and publishing industries. Little is known of the inventory position of paper users, but it is presumed that the letdown in purchasing witnessed in the last half of 1951 has probably corrected any excess that may have existed. Expansion in business of paper consuming industries, therefore, is likely to find a better demand on the paper producers. Although wood pulp prices eased somewhat in the last half of 1951, and waste paper is in substantial supply, paper prices continued to rise and paperboard prices held steady. Although prices are quite high by all past comparisons, it must be remembered that the industry no longer has the excess capacity that prevailed from the First to the Second World Wars. Aside from building paper and boxboard, prices may be strong rather than weak in 1952.

Cotton Textiles: Outlook Better After 51's Setback

NINETEEN hundred and fifty-one will be remembered in textile circles as the boom year in which the cotton textile industry fared rather badly, and yet in this year, cotton spindle hours for the industry rose 1.7% over 1950, while cotton consumption declined 3.1%.

In the states of the Fifth Federal Reserve District it was slightly different, for spindle hours in 1951 rose 2.7% over 1950 and cotton consumption increased 4.8%. The District's percentage of the nation's cotton consumption in 1951 rose to 50.8% compared with 47% in 1950. And spindle hour operations in the District accounted for 57.2% of the United States total last year compared with 56.6% the year before.



These over-all figures conceal much that happened in the industry during 1951. For example, they do not tell the fact that the trend of operations throughout the year was downward nor that prices of goods and yarns had nearly as drastic a decline in eight months as in the fifteen months from April 1948 to July 1949. On a seasonally adjusted basis, December 1950 was the highest month on record in cotton consumption with the exception of July 1942. Between December 1950 and November 1951 adjusted cotton consumption in the Fifth District dropped 16.5%. Spindle hours operated established an all-time peak in March 1951 but by November they were 15% under March on a seasonally adjusted basis. The decline in cotton goods prices between February and October was 20% compared with a decline of 23% from April 1948 to July 1949.

In order to understand the current position and expectations in cotton textiles the recession that took place in 1951 must be explained. Expansion in cotton textile production following the Korean War was due to fear of shortages as experienced in the latter part of World War II. This resulted in an overanticipation of demand and, consequently, an overaccumulation of inventories at converter, cutter, wholesaler, retailer and industrial consumer sources. Furthermore, it is apparent that converters and cutters had a substantial inventory of these goods prior to the outbreak of the Korean War.

On the demand side, unit sales of cotton goods in department stores in 1951 probably exceeded 1950 by 1 or 2% as dollar sales rose more than average prices. Dollar sales of cotton yard goods, for example, were up 5%; domestics, musline and sheetings, up 3%; draperies, curtains and upholsteries, up 6%; and linens and domestics, up 1%. Industrial consumption of cotton goods and yarns trended down during 1951, but here inventories also moved down. The rate of expansion in the cotton goods industry in the last half of 1950 and in the Spring of 1951, therefore, was in excess of what proved to be consumer and industrial needs

Consumer requirements did not expand as rapidly as had been anticipated, or as rapidly as consumers' incomes, but they did expand and are continuing to expand. Furthermore, informed trade circles now feel that inventory positions in second and third hands are so worked down that new buying from the mills must be done regularly to satisfy the going rate of demand. Industrial consumers (except automotive) will probably have larger needs for cotton goods in 1952 than in 1951, and their inventories likewise are undoubtedly lower than they have been at any time during the year. Exports of cotton manufactures and semi-manufactures are running considerably higher than a year ago although the former have been in a downward trend for several months. No large volume of new business has been written in recent weeks, but many small orders have raised backlogs and military awards are becoming more numerous and in larger quantity. Production levels have been stepped up in some important consuming industries and these higher operating rates should find reflection in a better demand from the mills, but buying may continue hand to mouth. Over-all, the outlook appears to be one of moderate expansion and a gradual improvement in prices.

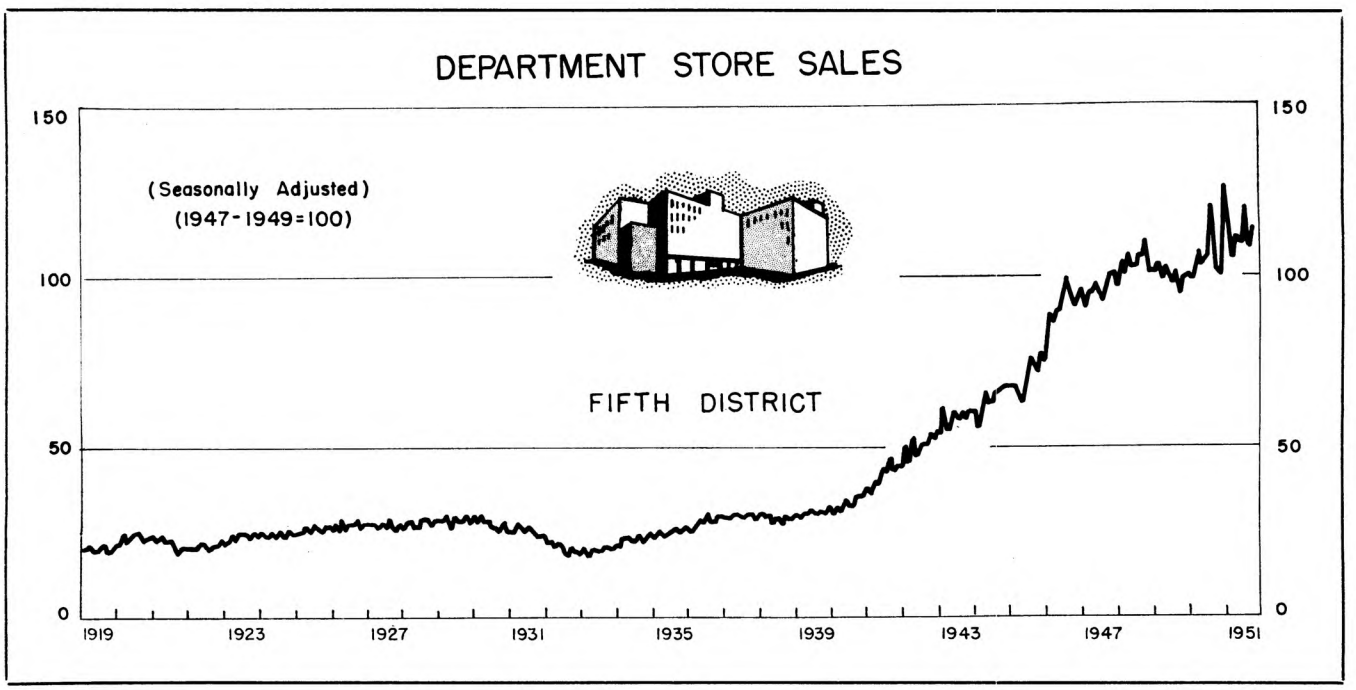
A substantial amount of expansion of textile plants was witnessed in the District in early 1951. While the largest part was for man-made fibers, the cotton textile industry also witnessed numerous important expansions and some new plants. Not much expansion can be expected in 1952 other than completion of projects already under way because of the difficulty of securing materials. The factors responsible for migration of the industry to the south are still operating and further expansion on a when-possible basis can be expected.

Department Store Sales Index Revision

THROUGH the cooperation of 114 department stores in the Fifth Federal Reserve District this bank publishes figures showing the percentage change in sales of these stores in any given month over the same month of the previous year. Most people are familiar with this set of figures, and particularly, the stores themselves as they find these figures of greatest use to them. We also have computed a historial measure of department store trade in the District in the form of index numbers of dollar sales which are of even greater use to the analyst than the percentage changes are to the stores.

Indexes of department store sales are available for regional areas. They may be had for each of the twelve Federal Reserve Districts and, in some cases, states and cities within those districts. In the Fifth Federal Reserve District indexes are available both on a State and District basis.

A measure of such importance as department stores must be an accurate one. Consequently, it has been felt necessary to make periodic revisions of this index to assure as accurate measurement as sample figures can provide. The latest revision has just been completed



The purpose of index computation is to measure the cyclical ebb and flow of trade in department stores to gain perspective in economic appraisal. Such perspective cannot be had in the percentage changes. The retail trade level is one of the major considerations in business appraisal since most of the goods produced are eventually sold at retail. The state of trade at the retail level is therefore an immediate and important concern to producer and distributor alike.

Department stores are engaged in distributing a heterogenous group of commodities and are therefore of major importance in indicating trade trends in a much broader area than in department stores alone. Their sales indexes are available for use in less than a month's time from the month of record, and these are supplemented by smaller samples in weekly form.

and is shown in accompanying charts for each of the states of the Fifth District as well as the District as a whole. Back figures are available on request.

This revision adjusts the sales level to the changes shown between the Census of Business 1939 and 1948, and in addition, revises the seasonal factors to bring them in line with current tendencies.

Numerous inquiries have been received as to the meaning of the seasonally adjusted index of department store trade. The purpose of computing a seasonally adjusted index is to give the appraiser a clearer picture of the cyclical and long-term trends of department store sales, an impression extremely difficult to get from the straight dollar figures due to the sharp swings from mid-summer lows to Christmas highs in sales volumes.

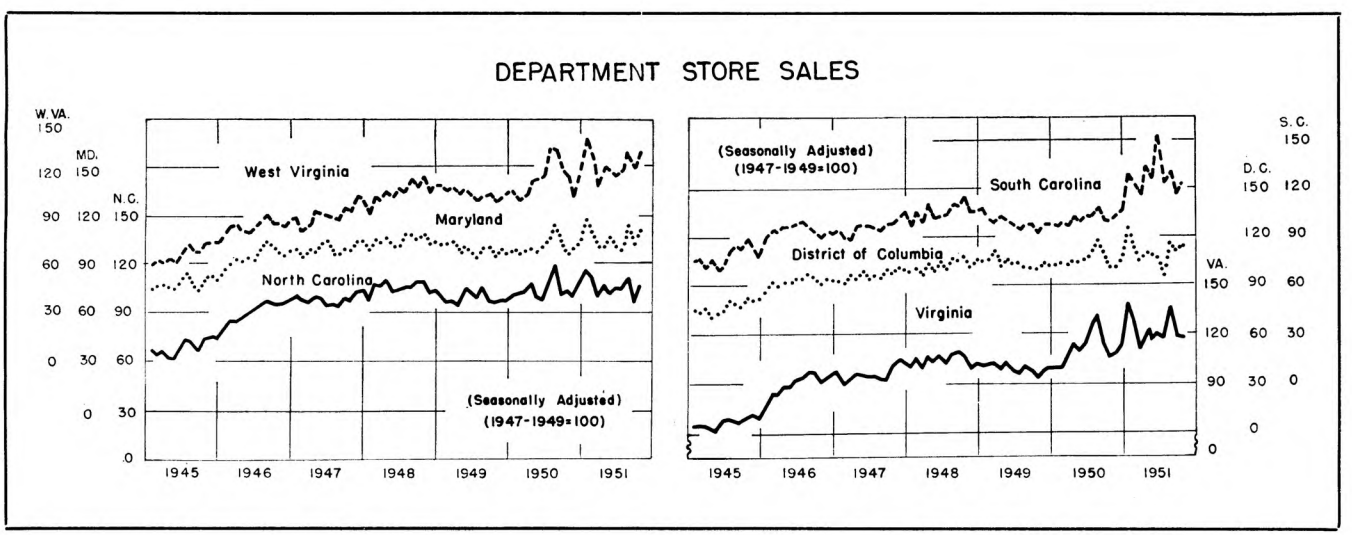
Seasonal variation is measured from the performance of the sales figures themselves, and when this rhythmical movement that occurs each year is eliminated from the index, the resultant cyclical rise or fall is readily observable. In the Fifth District considering the average month as 100 the normal seasonal movement from December to January is from 177 down to 70. There is a rise up from 70 in January to 99 in May, and a fall from there to 79 in August and back up to 177 again in December. This general pattern is repeated each year. From a seasonal index 79 in August to one of 177 in December a "normal" seasonal rise in sales of 122% is indicated. If actual sales performance is better than 122% in this period the seasonally adjusted index would rise, thus indicating a better-than-seasonal level.

Although the sample of reporting stores in use has been a good one, (it covered two-thirds of all department store sales in the District in 1948 and is approaching three-fourths at the present time), the growth in new stores and those not covered in the reporting sample have shown the index in current use to be an estimated 14% below the true level indicated by the business census of 1948. In other words, our index before revision was understating the total sales level by something like 1¾% per annum. The revised index spreads this 14% error in a graduated manner from "zero" in 1939 to 14% in 1948.

The Bureau of the Budget has given notice that as rapidly as possible all statistics compiled by the Government will be converted to a 1947-1949 base. As a result, department store sales indexes are being converted to the new base. Henceforth it will be given on the new base, but anyone wishing to use the index on a 1935-39 base may secure a conversion factor on request. Some erroneous notions have arisen as to the purpose of converting to a nearby base such as 1947 to 1949. It should be noted that the major purpose of this conversion is to avoid statistical distortion which arises when changes have been large and bases far removed. The statistical distortion arises mainly in the measurement of prices but to some extent distortion would occur in the manner of computing the department store index on a national basis, since this index is the weighted average of the indexes of the twelve Federal Reserve Districts. The adoption of a nearby base will *not* hide the inflation that has taken place, but rather it will give a truer measure when averages of relatives are all around 100 or smaller than where some are around 100 and others around 300, 400, 500 or larger.

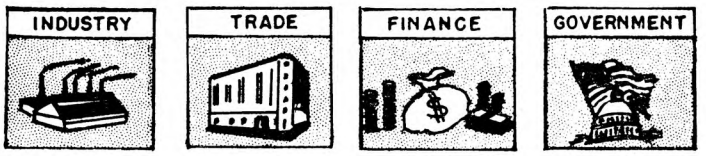
Despite complaints of lack of consumer buying and scattered evidence of it, it is interesting to note that current department store sales in this District are in a rising trend and with the exception of five months since June 1950 (chiefly the "scare buying" months), the current index is at an all-time high level. It is further interesting to note that the largest growth in sales since the recession of 1949 has occurred in Virginia, West Virginia and South Carolina.

Nineteen fifty-one sales of department stores set a new high record in the District and in the nation. Fifth District sales rose 6.5% over 1950, which was somewhat better than the national gain of 3.8%.



FIFTH DISTRICT NEWSBRIEFS

CURRENT DEVELOPMENTS IN —



ALTHOUGH the textile industry has found the going rough in recent months, new construction and additional installations continue to be reported. James Lees & Sons Co. has announced a new building program that will entail capital outlays of $1,050,000 at its *Glasgow, Va.* carpet plant. Part of the new facilities will be devoted to defense work, with additional space provided for manufacturing operations, office quarters, and the company's retail carpet clinic. Since the end of World War II the company has invested $13 million in expanding and modernizing its plant and equipment.

Reports from North Carolina disclose that Associated Spinners, Inc., has a $100,000 addition to its Gastonia plant under construction. The new facilities will expand present storage space by about 20,000 sq. ft. and permit an increase of nearly 30% in the plant's synthetic yarn production. Dobson is the site of construction of a new plant by Washington Mills Co. for the manufacture of men's and boys' lightweight underwear. Several hundred people will be employed in the new mill, cost figures for which have not yet been released. Operations will soon begin in the New Creedmoor Co. rayon and finishing plant at Camp Butner near Durham. Most of the machinery, some 600 tons of which had been installed by year's end, came from the former Mount Hope Finishing Co. of North Dighton, Mass.

Ground has been broken by M. Lowenstein & Sons, Inc. at *Anderson, S. C.,* for a synthetic fabric mill. The new plant, which will cost around $2.5 million, is scheduled to go into operation sometime this summer. The Oneita Knitting Mills with headquarters in Utica, N. Y., has leased 21,000 sq. ft. of warehouse and manufacturing space in *Andrews, S. C.* for the operation of a pilot plant to make shirts and shorts. United Piece Dye Works reports that it will begin test runs about February 15 in its new million-dollar plant at *Charleston, S. C.* Although printing may be added later, the modern one-story plant will confine initial operations to dyeing and finishing. About 200 persons will be employed when capacity operations are achieved.

There has just been completed in the "up-and-going" area near Clemson, S. C. a multi-million dollar cotton mill by the Utica & Mohawk Cotton Mills Co., Inc. This is a notable addition to the industrial structure of South Carolina not only by reason of its mammoth size—the plant covers 14 acres—and ultra-modern design, but also because it is one of the largest cotton mills in the world on one floor and one of the two complete bale-to-bolt cotton mills built in the last 25 years. The same general area of South Carolina is also the location of the other completely integrated cotton mill—the White Horse plant of Maverick Mills Co. of Boston, Mass., which began operations last year in Greenville.

New Chemical and Metal Facilities

The Kaiser Aluminum and Chemical Corp. located in *Halethorpe, Md.,* has been awarded a certificate of necessity in the amount of $2,144,000 for its plant in which aluminum extruded shapes are manufactured. Another Maryland firm, the Sparrows Point plant of Bethlehem Steel, has been given a green light by the Defense Solid Fuels Administration for its program of coal chemical and coke oven construction.

J. M. Huber Corp. plans to transfer to a *Havre de Grace, Md.,* location a pilot plant operation for processing clay which is now carried on in its Texas plant.

Virginia has been selected for the location of two contemplated chemical plants. The Stauffer Chemical Co. of San Francisco is projecting a coast-to-coast expansion program and has taken an option on a 450-acre site in *Fredericksburg* as a possible location for one of its eight new plants. The Dow Chemical Co. recently announced that it had acquired a 600-acre tract of land fronting on the James River near *Williamsburg* as a possible future site for a plastics plant.

Libby-Owens-Ford Glass Co.'s new glass fiber division at *Parkersburg, W. Va.,* has shipped its first order of textile fiber glass. The plant is now operating at 25% of its capacity for production of glass yarn and employment is over 200; additional machines will be powered as soon as the necessary personnel is checked out in its training program.

Heavy Outlays by Utilities

The long-delayed hydro-electric plant of Virginia Electric & Power Co. near Roanoke Rapids, N. C., got under way early in January when bulldozer crews and survey parties commenced construction of the $27 million power project. Due to the delays caused by the litigation instituted by the Interior Department, the company said that the plant cannot be put into operation before 1955. As a consequence, the company may have to enlarge its present steam plants to provide power for the area concerned. Application has been filed with the Federal Power Commission for a license to construct a dam and power plant at Gaston, 10 miles upstream from the Roanoke Rapids installation.

Vepco has announced that due to shortages of construction materials it expended only $37.5 million of the $49 million budgeted last year for plant expansion. It contemplates investment of a similar amount this year for capital additions and improvements.

Another Virginia utility, the Chesapeake & Potomac Telephone Co., plans expenditures of $874,000 for improvement and expansion of its facilities. The two largest projects are at *Temperanceville* on the Virginia Eastern Shore, involving $447,000 for a one-story addition to its central office, and in the *Alexandria-Falls Church* area where $154,000 will be required for the extension of aerial and underground cable.

Announcement has been made of the planned construction of a powerhouse on the Smith River in *Henry County, Va.* as part of the Philpott Reservoir project. Details on the million-dollar unit are currently unavailable.

The Appalachian Electric Power Co. is constructing a power plant at *Glasgow, Kanawha Co., W. Va.,* scheduled for completion in 1954. Cost data on the 1¼ million k.w. unit have not been disclosed.

Defense Projects

Said to be the world's largest construction job, the billion-dollar-plus atomic materials plant now being built by duPont near Aiken, S. C., for the government is creating thousands of contracts for materials, supplies, and subcontracting and a payroll that has enough names on it already to fill a city with a population of 20,000. When the peak of construction activity is reached this will rise to possibly 45,000. $200,000,000 of contract awards have already been made to 15,349 small businesses and 6,108 large concerns.

One of the most serious corollary problems of the undertaking—that of providing housing for the unprecedented influx of workers into the area—also involves tremendous capital outlays. For example, while housing construction gets under way, duPont has contracted for the purchase of 4,000 family-type trailers for its construction workers. Meanwhile, Lyles and Lang Construction Co. of *Columbia, S. C.* is building domitory-type units to accommodate 7,500 workers, and a large Southeast building concern is erecting hundreds of prefabricated homes for rent or sale.

Other examples of attendant projects involving large capital outlays include the building of 100 miles of new roads and 50 miles of railroad track by the Atomic Energy Commission in the area and the expenditure by the Federal Government of $3 million for schools in nearby municipalities where public facilities are already taxed beyond capacity.

Among the other military construction contracts awarded in the Fifth District is one for the building of three large warehouses at a cost of $2,202,000 at the Army's quartermaster depot in *Chesterfield Co., Va.* Another award, for $273,528, was made for construction of jet aviation fuel storage facilities at *Chincoteague, Va.*

Three construction projects are scheduled for Wilmington, N. C.—a 650-foot radio direction beam tower costing $1.5 million; a $4 million auxiliary air strip for jets; and a $23 million Army Ordance ammunition depot which will employ at least 1,800 workers after it is commissioned.

The Hercules Powder Co., which is operating the Allegany Ballistic plant in *Cumberland, Md.,* for the Navy, has spent almost $2 million in enlarging the facilities. Employment at this experimental station has reached the 600 mark. The House Armed Services Committee has approved the lease of the *Morgantown, W. Va.* Ordnance Works to Mathieson Chemical Corp. The latter will spend between $4.5 and $5 million for the rehabilitation of the plant.

A $5 million addition to increase storage and manufacturing facilities at its No. 2 plant in *Baltimore* (Canberra jet bombers) is planned by Glenn L. Martin. Employment at the company's larger plant in *Middle River* has been rising steadily and is now around 22,000. This giant modern armory produces some of Uncle Sam's newest military weapons, including anti-submarine airplanes, trailers for portable anti-aircraft fire control, and radio-controlled rockets.

Business Conditions and Prospects

THE year 1951 fulfilled few of the predictions made for it as far as the Fifth District is concerned. The year started in auspicious fashion, but ran into an impasse during the spring when the notions of business concerns changed with respect to the accumulation of inventories. Early in the year it was heard in all quarters that inventories were considerably more valuable than the money it took to purchase them. This change in attitude was the result of several factors. First, there was the activation of price control. Though the control program was hardly designed to be precise or rigid, it came to be regarded as a potential restricter of commodity price rises, and such being the case, there was considerably less urge for accumulation of inventories. Then, there was the fact that sales at the retail trade level were considerably below anticipations. Later came the feeling that an armistice in the Korean War might be achieved, which would in turn have a slowing effect on the military build-up program as well as consumer buying motives.

This change in inventory notions had marked repercussions on business activity in the Fifth Federal Reserve District where nondurable goods production constitutes the bulk of the District's industrial activity. Although the growth in sales at the retail level continued to rise throughout the year in nondurable goods, the rise was insufficient to maintain production levels in view of high inventories.

Despite the continued expansion in soft goods sales at the retail level it was found that inventories had risen much more substantially than the trade situation warranted. As a consequence, about the middle of the year production cutbacks were initiated in such industries as cotton and woolen textiles, hosiery, apparel, and rayon both at the yarn and weaver levels. Some improvement occurred late in the year in certain cotton textile products and in hosiery, but in the main, current business volumes are referred to in these industries as poor.

Bright spots during the year were found in the cigarette business, in most lines of wholesale and retail trade, in bituminous coal, and in the construction of factory buildings which was largely responsible for the overall gain in construction. The employment situation continued to be a strong spot in the District's economy. While the number employed in manufacturing industries declined from peak levels early in the year, in some states the District total continued at a high level at the end of the year and moderately higher than a year earlier. The largest employment increases occurred in the nonmanufacturing field with Government transportation equipment industries and construction being chiefly responsible. Nineteen fifty-two should witness relatively greater strength in the manufacturing segment than was shown in 1951. Unemployment, though somewhat higher that at the beginning of the year, is still of nominal proportions.

Total deposits of member banks in the District rose 10% during the year with demand deposits, excluding interbank, up 9% and time deposits up 4%. Despite a setback in loans and discounts of considerable proportions between April and August, the year ended with these figures at a new high for the year and a gain of 5% over a year earlier which was a considerable slowdown from the 20% increase shown in 1950 over 1949.

Bank debits, which constitute a useful measure of overall spending, rose from $54.9 billion in 1950 to $63.6 billion in 1951. At this level, they were 16% higher than in the previous year. (Comparable national figures for bank debits were $1.6 *trillion* in 1951, compared with $1.4 *trillion* in 1950, representing a year-to-year increase of 12%.)

Most types of savings in the District rose during 1951, but holdings of Series E savings bonds continued to drop. Barely $200 million of these bonds were sold in 1951, an amount 8% smaller than 1950 sales. Redemptions and maturities, on the other hand, totaled over $331 million and brought the net holdings of these bonds down more than $131 million. The $331 million redemptions in 1951, however, were 6% smaller than in 1950. New sales of Series F and G in the District dropped 58%. As the year closed the gap between sales and redemptions had narrowed with sales leveling out and redemptions in a rather sharp downward trend.

Agriculture was one of the strong forces during 1951 with cash income about 17% ahead of 1950. Livestock and products was in general the strongest part of the agricultural economy, but South Carolina turned in the best record and this was due mainly to the large increase in the cotton crop. During the fall marketing season overall farm prices were at their highest historical levels in the Carolinas and West Virginia, with those in Maryland within striking distance of their previous peak. The farm outlook for 1952 is moderately better than in 1951, though expansion expected in industrial activity in the District will create a tight farm labor market.

At the turn of 1952 the business situation in the Fifth District has a more favorable outlook. Thus far it is still a situation of hope in the cotton textile industry, but there are reasons to believe that this hope will bear fruit before many weeks have passed. Many hosiery mills have returned to a normal operating week, though their price structure continues in a depressed state. The garment factories have also stepped up their operations,

but "curtailment" is still the watchword in both rayon yarn and woven goods mills. The bituminous coal industry will increase its output considerably over 1951 levels, that is, if serious labor trouble is avoided. Shipyards will probably do as well or better in 1952 as in 1951 providing their steel allocations are not reduced, while the aircraft factories will continue to show a rather substantial expansion, both in output and employment. Additional outlays are indicated for the atomic energy plant in South Carolina and military construction will bulk large, even though the program may be stretched out over a longer period than was originally anticipated. Soft goods will have to carry the bulk of the retail trade load this year and it would be in violation of all past precedents if the textile industry in general failed to show a fairly substantial recovery from present levels.

The year 1952 can, therefore, be viewed as one which may fulfill the hopes of 1951. The many artificialities in the nation's business economy are fully realized and the high degree of dependence on international politico-economic developments that exists. On balance, these forces are expansionary and will probably continue in effect well beyond 1952, affecting the Fifth District in similar manner to that of the national economy.

DEBITS TO INDIVIDUAL ACCOUNTS

(000 omitted)

	Dec. 1951	Dec. 1950	12 Months 1951	12 Months 1950
Dist. of Columbia				
Washington	$ 1,171,714	$ 1,051,654	$ 13,015,191	$ 10,701,734
Maryland				
Baltimore	1,311,939	1,217,838	14,934,198	13,024,965
Cumberland	25,712	24,257	308,755	280,458
Frederick	21,958	21,820	257,356	221,085
Hagerstown	34,823	32,755	391,157	345,920
North Carolina				
Asheville	66,724	64,150	721,264	633,314
Charlotte	379,565	334,792	4,124,276	3,625,487
Durham	100,065	89,741	1,377,833	1,281,566
Greensboro	111,681	108,289	1,228,071	1,072,109
Kinston	20,121	17,695	310,739	253,605
Raleigh	178,227	169,543	2,033,101	1,768,234
Wilmington	45,735	38,950	517,775	433,372
Wilson	28,386	19,665	403,232	332,648
Winston-Salem	183,597	167,517	2,071,378	1,816,427
South Carolina				
Charleston	84,301	71,748	912,902	768,785
Columbia	151,199	121,732	1,560,821	1,290,072
Greenville	108,931	111,047	1,318,931	1,131,103
Spartanburg	76,127	70,828	835,148	668,581
Virginia				
Charlottesville	29,552	26,548	329,409	293,685
Danville	39,107	35,336	420,544	405,159
Lynchburg	49,158	51,228	553,400	498,875
Newport News	49,859	39,395	522,515	382,469
Norfolk	266,754	216,722	2,679,672	2,432,100
Portsmouth	28,711	25,432	305,126	264,127
Richmond	604,138	559,928	6,974,139	6,152,215
Roanoke	127,825	119,993	1,398,231	1,231,465
West Virginia				
Bluefield	55,652	57,736	579,842	510,749
Charleston	203,228	191,056	1,887,791	1,647,508
Clarksburg	41,311	38,790	417,243	372,844
Huntington	87,837	75,990	822,378	725,964
Parkersburg	33,853	31,400	375,219	325,897
District Totals	$ 5,717,790	$ 5,203,575	$ 63,587,637	$ 54,892,522

51 REPORTING MEMBER BANKS—5TH DISTRICT

(000 Omitted)

ITEMS	Jan. 16, 1952	Change in Amount from Dec. 12, 1951	Change in Amount from Jan. 17, 1951
Total Loans	$1,191,796**	— 8,003	+ 53,556
Business & Agricultural	582,052	— 840	+ 31,596
Real Estate Loans	239,181	— 2,061	— 6,792
All Other Loans	385,931	— 4,382	+ 30,166
Total Security Holdings	1,851,871	— 8,178	+141,685
U. S. Treasury Bills	302,819	— 266	+184,565
U. S. Treasury Certificates	177,494	+ 50,987	+177,494
U. S. Treasury Notes	285,536	— 22,640	—125,322
U. S. Treasury Bonds	875,787	—42,446	—127,199
Other Bonds, Stocks & Secur.	210,235	+ 6,187	+ 32,147
Cash Items in Process of Col.	276,282	— 18,670	— 2,560
Due from Banks	197,634*	— 904	+ 11,217
Currency & Coin	75,279	— 10,032	+ 6,339
Reserve with F. R. Bank	613,245	+ 27,433	+ 98,577
Other Assets	54,281	— 1,876	+ 155
Total Assets	4,260,388	— 20,230	+308,969
Total Demand Deposits	3,323,391	— 8,749	+277,167
Deposits of Individuals	2,483,837	— 14,655	+171,049
Deposits of U. S. Govt.	59,541	+ 7,359	— 36
Deposits of State & Loc. Gov.	190,913	— 6,740	+ 30,084
Deposits of Banks	534,537*	+ 4,588	+ 83,152
Certified & Officers' Checks	54,563	+ 699	— 7,082
Total Time Deposits	634,981	+ 5,209	+ 24,514
Deposits of Individuals	560,404	+ 3,134	+ 4,776
Other Time Deposits	74,577	+ 2,075	+ 19,738
Liabilities for Borrowed Money	18,450	— 15,350	— 2,150
All Other Liabilities	30,502	— 1,413	— 2,771
Capital Accounts	253,064	+ 73	+ 12,209
Total Liabilities	$4,260,388	— 20,230	+308,969

* Net figures, reciprocal balances being eliminated.

** Less losses for bad debts.

SELECTED FIFTH DISTRICT BUSINESS INDEXES

AVERAGE DAILY 1935-39=100—SEASONALLY ADJUSTED

	Dec. 1951	Nov. 1951	Oct. 1951	Dec. 1950	% Change—Latest Month Prev. Mo.	Year Ago
Automobile Registration[1]	.....	152	177	205	— 14	— 30
Bank Debits	430	435	433	391	— 1	+ 10
Bituminous Coal Production	152	162	171	155	— 6	— 2
Construction Contracts Awarded	740	467	390	533	+ 58	+ 39
Business Failures—No.	42	61	42	62	— 31	— 32
Cigarette Production	211	266	244	229	— 21	— 8
Cotton Spindle Hours	143	145	145	164	— 1	— 13
Department Store Sales*	109	118	114	107	— 8	+ 2
Electric Power Production	.....	374	368	341	+ 2	+ 9
Employment—Manufacturing Industries[1]	.....	153	155	151	— 1	+ 1
Furniture Manufacturers: Shipments	.....	356	327	321	+ 9	— 19
Life Insurance Sales	.....	334	329	276	+ 2	+ 23

[1] Not seasonally adjusted.
*1947-1949=100.
Back figures available on request.

WHOLESALE TRADE

LINES	Sales in Dec. 1951 compared with Dec. 1950	Sales in Dec. 1951 compared with Nov. 1951	Stocks on Dec. 31, 1951 compared with Dec. 31 1950	Stocks on Dec. 31, 1951 compared with Nov. 30, 1951
Auto supplies (9)	— 6	—19	+ 15	+ 7
Electrical goods (5)	— 7	—19	+ 28	+12
Hardware (10)	—18	—31	+ 11	— 4
Industrial supplies (6)	+ 8	—13	+ 26	— 2
Drugs & sundries (11)	+ 9	—17	+ 9	0
Dry Goods (15)	—10	—40	— 18	0
Groceries (52)	+ 3	—13	+ 9	— 5
Paper & products (6)	— 5	—18	.....	.....
Tobacco & products (12)	+ 9	— 5	+ 7	— 6
Miscellaneous (91)	—12	—15	+ 6	+ 4
District Totals (217)	— 5	—18	+ 6	0

Number of reporting firms in parentheses.
Source: Department of Commerce.

RETAIL FURNITURE SALES

STATES	Percentage comparison of sales in periods named with sales in same periods in 1950 Dec. 1951	12 Mos. 1951
Maryland (6)	+ 8	— 1
Dist. of Col. (7)	— 8	+ 1
Virginia (18)	+ 2	— 4
West Virginia (9)	+ 30	+ 5
North Carolina (15)	+ 12	— 2
South Carolina (6)	+ 1	— 8
District (61)	+ 5	— 1
INDIVIDUAL CITIES		
Baltimore (6)	+ 8	— 1
Washington, D. C. (7)	— 8	+ 1
Richmond, Va. (6)	+ 4	— 9
Charleston, W. Va. (3)	0	+ 2

Number of reporting firms in parentheses.

DEPARTMENT STORE OPERATIONS

(Figures show percentage change)

	Rich.	Balt.	Wash.	Other Cities	District Total
Sales, Dec. '51 vs. Dec. '50	+ 1.4	+ 2.1	— 1.8	+ 1.6	+ 0.7
Sales, 12 Mos. '51 vs. 12 Mos. '50	+ 5.7	+ 5.6	+ 3.2	+ 3.6	+ 4.2
Stocks, Dec. 31, '51 vs. '50	— 8.1	+ 4.8	+ 8.0	— 6.2	+ 1.3
Outstanding orders, Dec. 31, '51 vs. '50	—24.8	—29.3	—24.8	—11.0	—24.5
Current receivables Dec. 1 collected in Dec. '51	25.9	41.7	31.6	43.5	34.4
Instalment receivables Dec. 1 collected in Dec. '51	15.8	14.3	16.3	19.3	15.7

	Md.	D.C.	Va.	W.Va.	N.C.	S.C.
Sales, Dec. '51 vs. '50	+ 1.9	— 1.8	+ 1.9	+ 4.9	— 5.3	+ 6.2
Sales, 12 Mos. '51 vs. 12 Mos. '50	+ 5.4	+ 3.2	+ 5.9	+ 6.8	— 1.0	+ 4.4

BUILDING PERMIT FIGURES

	Dec. 1951	Dec. 1950	12 Months 1951	12 Months 1950
Maryland				
Baltimore	$ 4,249,905	$ 10,514,225	$ 81,653,750	$ 86,986,300
Cumberland	21,800	31,000	2,066,128	1,086,590
Frederick	257,000	76,800	3,065,041	2,064,216
Hagerstown	952,775	67,600	4,900,845	4,375,700
Salisbury	77,205	156,410	1,597,700	2,719,765
Virginia				
Danville	132,421	109,492	3,763,200	5,746,755
Lynchburg	276,935	678,418	3,185,569	6,569,990
Newport News	105,306	95,005	2,102,827	1,831,506
Norfolk	1,632,325	723,840	23,526,026	15,488,233
Petersburg	138,760	55,175	3,322,735	5,083,700
Portsmouth	87,955	127,255	5,392,332	3,981,396
Richmond	1,669,749	702,082	27,689,800	31,708,776
Roanoke	472,628	2,255,866	15,605,548	18,345,800
West Virginia				
Charleston	226,720	315,101	6,091,163	13,040,911
Clarksburg	2,900	8,225	1,175,793	1,630,273
Huntington	203,099	457,910	8,130,942	7,356,904
North Carolina				
Asheville	114,956	315,669	6,507,991	4,305,564
Charlotte	936,641	3,830,241	20,490,486	32,011,577
Durham	181,152	437,493	9,287,845	16,675,360
Greensboro	233,147	2,100,855	14,702,980	17,465,305
High Point	66,800	251,505	3,072,154	4,408,431
Raleigh	554,407	650,892	12,928,653	16,527,127
Rocky Mount	187,584	92,034	3,924,219	4,068,581
Salisbury	24,900	49,450	1,404,237	3,807,197
Winston-Salem	171,210	2,273,063	14,074,084	13,795,890
South Carolina				
Charleston	90,809	787,518	1,744,755	3,798,681
Columbia	346,755	379,284	11,730,287	10,152,274
Greenville	664,386	1,302,840	9,772,985	11,686,464
Spartanburg	52,370	101,805	2,571,150	5,905,213
Dist. of Columbia				
Washington	2,420,252	2,744,850	61,241,369	68,478,922
District Totals	$16,552,852	$ 31,691,903	$366,722,594	$421,103,401