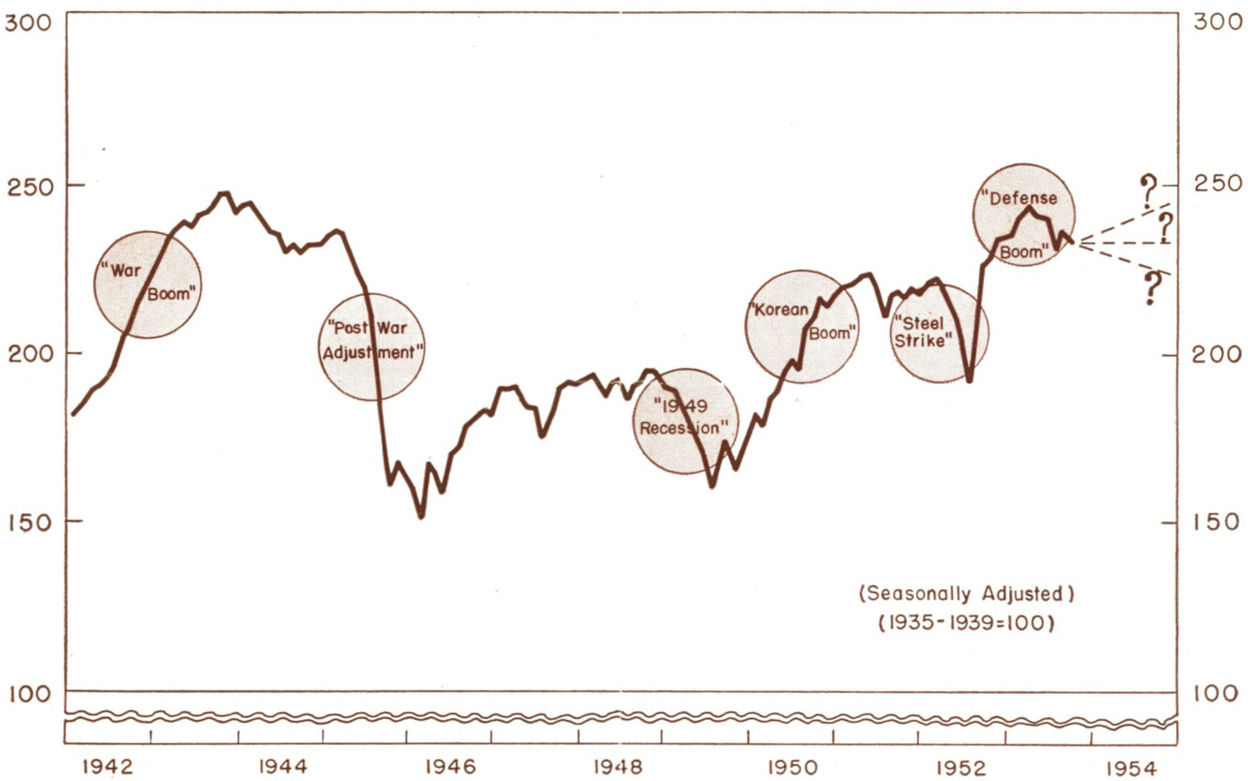
FEDERAL RESERVE BANK OF RICHMOND

Monthly Review

THE FIFTH FEDERAL RESERVE DISTRICT

November 1953

INDEX OF INDUSTRIAL PRODUCTION

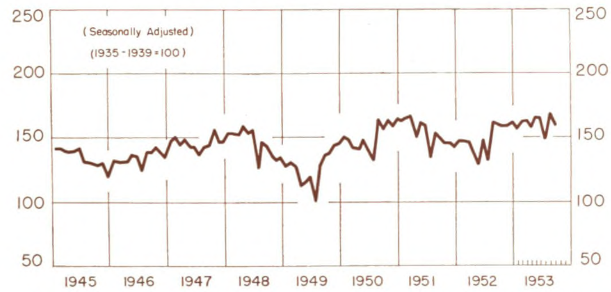


Noted on the curve of industrial production are some of the names given to business fluctuations of recent years. The article beginning on page 3 looks into the underlying meaning and implications of some of the business forecaster's pet expressions.

Also In This Issue - - -

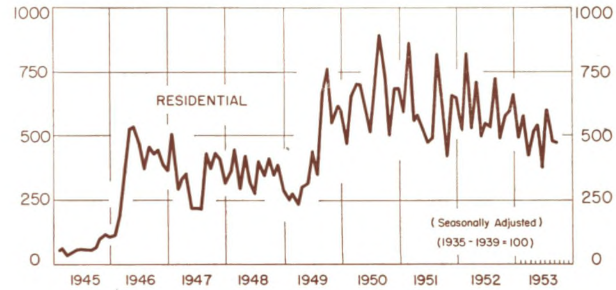
FIFTH DISTRICT TRENDS

ACTIVE COTTON SPINDLE HOURS



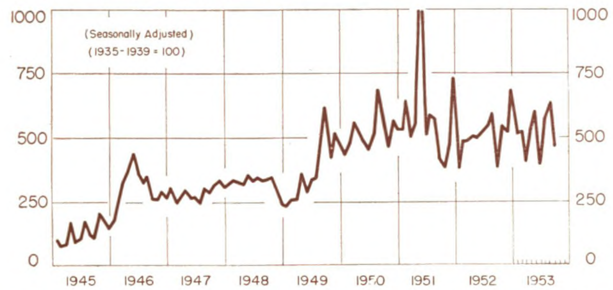
Operations in the cotton textile industry in September, adjusted, dropped 5% from the postwar peak in August to stand 1% under September 1952. New business in the industry has been extremely slow and of fill-in nature, and despite current optimism in the industry some decline in operations in October and perhaps November appears probable.

CONSTRUCTION CONTRACT AWARDS



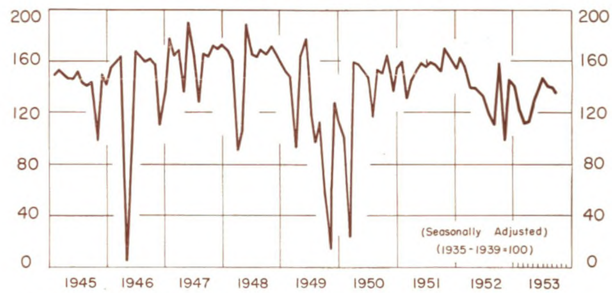
Residential construction contract awards, seasonally adjusted, in September were down 1% from August and down 3% from September 1952. There has been a general downward trend in residential construction contract awards since late in 1950. In the first nine months of 1953 these awards were down 16% from a year ago.

TOTAL CONSTRUCTION CONTRACT AWARDS



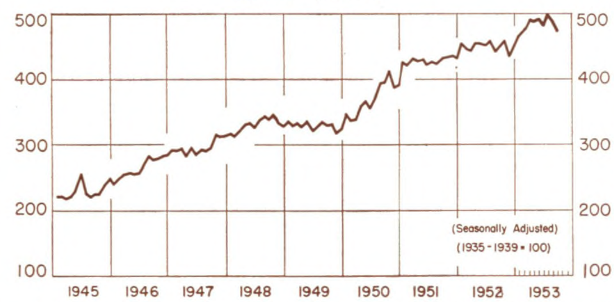
Total construction contract awards in September dropped 27% from August, after seasonal correction, and were 20% ahead of a year ago. September a year ago was one of the lowest months of 1952, however. Despite the drop in September, the level remained in the boom area and nine months' figures show a 5.1% increase over last year.

BITUMINOUS COAL PRODUCTION



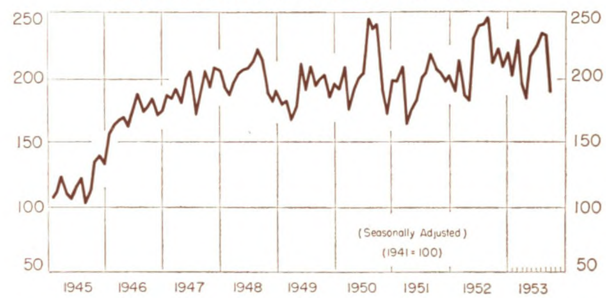
Output, seasonally adjusted, in September was down 4% from August and 14% under a year ago. Output in September a year ago was the highest of that year; it was also in the peak area established late in 1951. Reduction in steel operations will reduce an important part of bituminous demand but a cold Winter would go a long way as an offset.

BANK DEBITS



September witnessed a drop in adjusted bank debits in the Fifth District of 3% from August but held 5% above a year ago. The September index marks the second drop from the July peak, and the September level was lower than any other month of 1953 with the exception of January.

RETAIL FURNITURE STORES NET SALES



Furniture store sales which had been doing very well this Spring and Summer, at least through August, experienced a substantial decline in September. Adjusted sales in this month dropped 19% from August to a level 10% below a year ago. Both August and September were very unseasonable months in this area.

Words—From the Forecasters' Dictionary

"Recession," "depression," "rolling adjustment," "shakedown," "downturn," "slump," "slide-off"—all of these expressions have been heard ever so often in recent months. At times it seems that the business prophets are at odds, one predicting a "moderate downturn" and another foreseeing "a strong economy that can weather an adjustment period." Actually, a look at their specific estimates of forthcoming economic activity may show that they are expecting fairly similar developments.

For years we have heard the terms, "prosperity," "boom," and "intense activity" bandied about, and they, too, have been a part of the forecasters' lexicon.

In recent months there have again developed serious suspicions regarding the ability of the national economy to "zoom" forever, or, to put it another way, to continue to chalk up new quarterly or annual records—hence the return of many of the forecasting gentry to the use of terms involving the less-pleasant side and the jargon of those who take the bearish view of future prospects. Obviously, no one knows what the business curve of the future will actually be, but in line with current usage, this discussion will address itself largely to the semantics of the "down-side."

In any event, and come what may in the way of upturns and downturns, the forecasters are quite likely to keep on using their pet expressions to describe future events as they see them. In view of this assumption, a more precise look at what some of the current expressions mean may be useful, particularly if they can be illustrated with known situations either in near or remote business history.

Recession and Depression

These two words are generally used to indicate a period of widespread depressed activity. The differences between a recession and a depression are largely differences of degree: a recession that develops into a prolonged period of declining economic activity becomes—by definition—a depression.

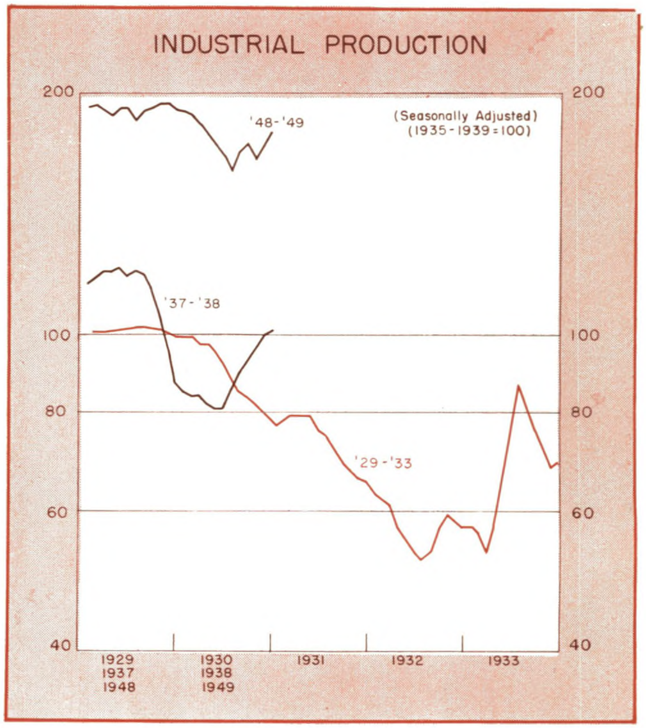
Few synonyms have evolved for depression; it stands by itself at the end of the scale of measurement. Recessions, on the other hand, are frequently described as shake-outs, set-backs, adjustments, and readjustments. The word is sometimes modified to indicate the degree or duration of the decline in activity, as, "a minor recession" or "a sharp recession."

Similarly, modifiers may indicate the factor believed to have caused a particular downturn. The 1948-49 decline of activity, for example, is frequently described as an inventory recession by those who believe that it arose from overly large inventories.

The real meaning of words lies in the objects or events that they describe. To get at the happenings described by "recession" and "depression," one may turn to changes in basic economic indicators in the past periods of declining business activity, such as 1929-33, 1937-38, and 1948-49. Events of the first period are unanimously described as a depression, while the latter two periods are generally called recessions. Economic history rarely repeats itself, but it does reveal the magnitude of changes that have occurred in the past.

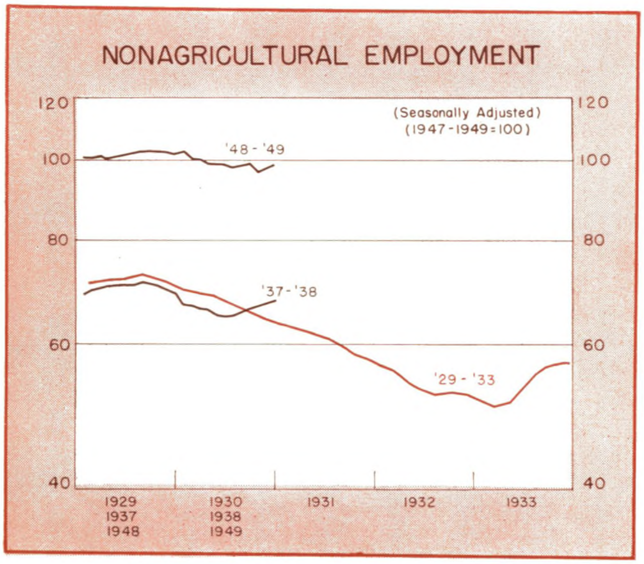
The charts that follow are semilogarithmic charts on which equal percentage changes show as equal vertical movements of the curves. Thus parallel lines represent equal percentage changes in a given period of time.

INDUSTRIAL PRODUCTION was more than halved in the three years following August 1929, reaching a low in July 1932. The decline from July 1937 to June 1938 was 32%—more than double the 15% drop from November 1948 to October 1949.

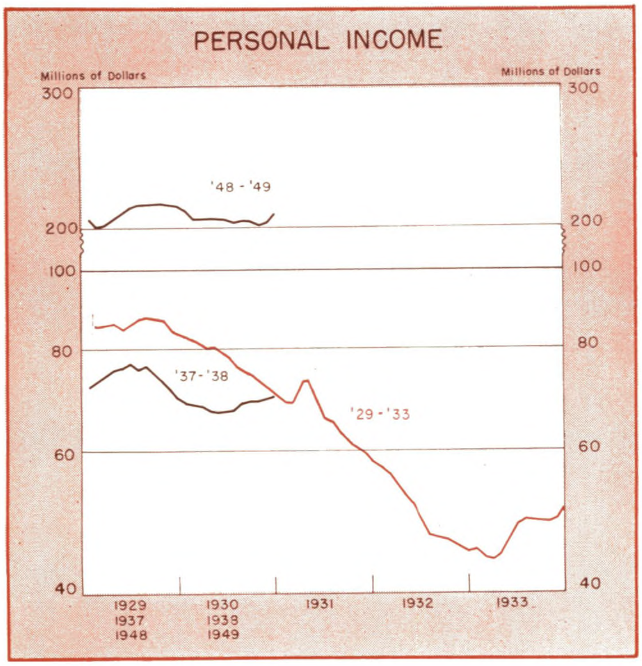


The nature of these declines illustrates the different terms by which the periods are identified. The 1929-32 fall was fairly steady for three years, while the two later business declines, although steep, were each confined to less than a year's duration.

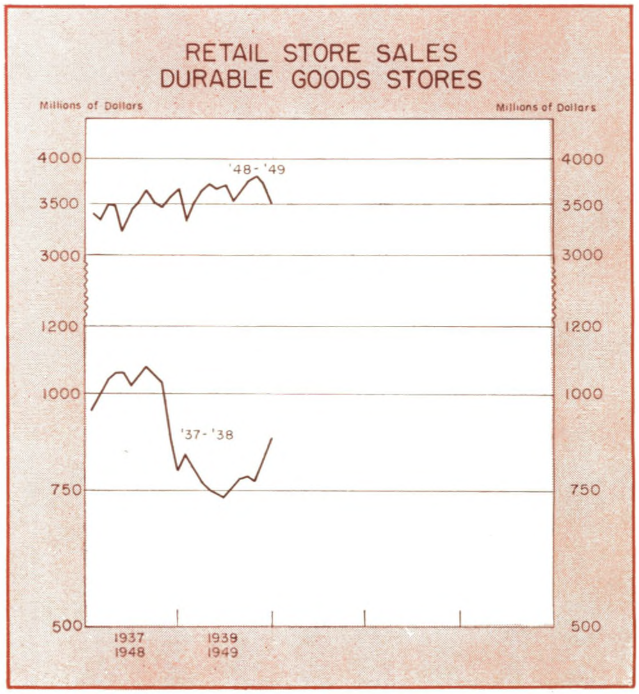
NONAGRICULTURAL EMPLOYMENT declined with production in the three periods, but the drop was smaller. The August 1929 peak in employment was followed by three and a half years of nearly steady decrease for a total loss of 30%. The two recessions saw briefer and more moderate declines of employment —9% in the 10 months following August 1937 and 5% in the 11 months after November 1948.



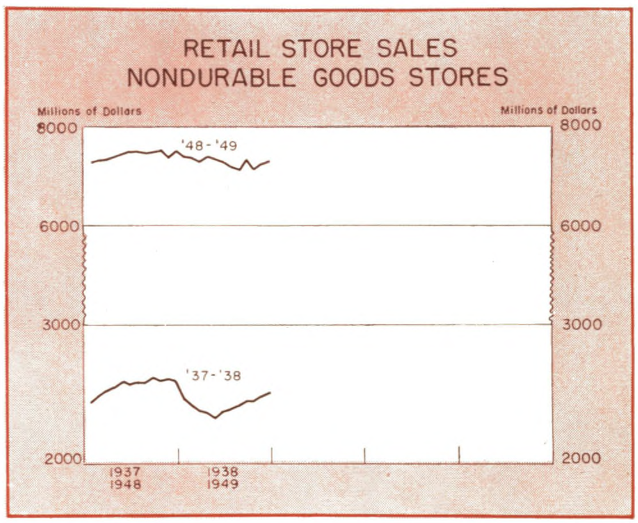
PERSONAL INCOME fell with employment, reflecting not just decreased wages but also lower returns to all factors of production. The 1929-33 drop was 51%—just under the decline in industrial production and substantially more than the drop in employment. The recession reductions in income were more on the order of the drop in employment: 12% in 1937-38 and 5% in 1948-49.



RETAIL SALES showed diverse movements during the two recession periods. (Monthly data are not available for 1929-33.) *Durable goods* stores had a

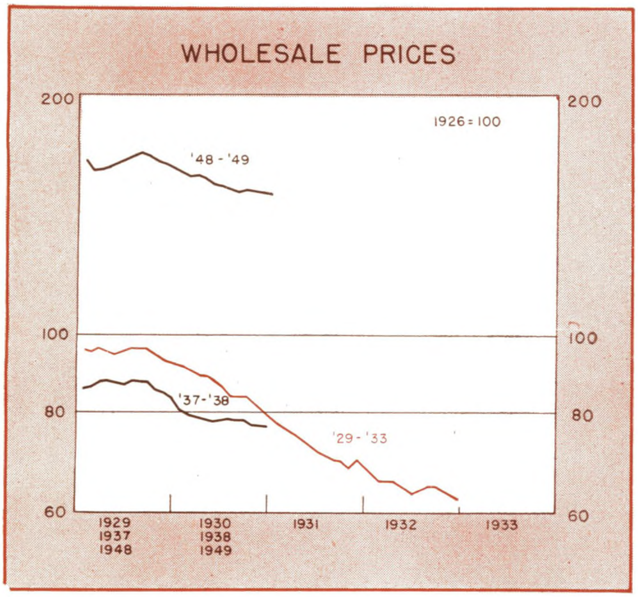


sharp decline in sales in 1937, followed by a further sliding-off in 1938. The total drop was 32% in 10 months. In 1948-49, on the other hand, sales of these stores fluctuated around a rising trend that brought 1949's sales up 5% from 1948's. *Nondurable goods* stores showed a smaller drop in sales in 1937-38 than did durables stores—11% in eight months. Contrary to the sales of durable goods, however, their sales fell 5% in the 12 months following October 1948.



Consistent with the truism that no two periods of business are alike, it may be noted that the great unsatisfied needs for consumer durable goods were a special factor in the 1948-49 experience. A decline in sales of durables would be considered by most analysts as a more normal development in the face of decreased employment and income.

WHOLESALE PRICES, unlike production, employment, and income which peaked in 1929, entered that year in a downward movement. The ensuing depression accelerated the decline, and by February 1933 the wholesale price level was 39% below what it had been in the Fall of 1928.



The peak of wholesale prices similarly preceded the high point of other indices of activity in 1937 and in 1948. The price decline that began in May 1937 continued into 1939 for a total change of minus 15%, and from August 1948 the drop was 11% during the succeeding 16 months.

Rolling Adjustments

Of major significance to the industries affected but with a minor impact on the economy as a whole are the periods of restricted activity in just one industry or a small group of industries. In recent years these have come generally to be known as "rolling adjustments."

The economy has given evidence of its ability to take these individual, staggered adjustments in stride. The fear is sometimes voiced by analysts, however, that a number of "rolling adjustments" occurring simultaneously will initiate a decline of activity throughout the economy.

The *cotton textile industry* provides an excellent example of this type of adjustment. Its production recovered strongly from the 1948-49 recession and then took an upward jump in mid-1950 as fears of shortages spurred orders. By the end of 1950 active spindle hours of mills were at levels close to wartime record highs. Inventories accumulated at all stages, and by the closing months of 1951 production had fallen by one-sixth. This decline was not reversed until mid-1952, when production again returned to a relatively stable high level. This decline in cotton textiles had little discernible effect upon the over-all economy, for it was more than offset by increased activity in other industries. Other activity unchanged, had there been no decline in cotton textile business, the over-all economy would have moved into higher ground than was actually reached. At it was, total employment remained high, and the index of industrial production fluctuated around a high level as increased output of durable goods offset the drop in cotton textiles and a few other nondurable lines.

It was stated above that the two periods, 1937-38 and 1948-49, are generally called recessions. Perhaps this claims too much agreement in the use of the term "recession." For example, here is an article that calls the 1948-49 downturn in business activity a general readjustment; here's one that refers to the same period as an inventory adjustment, and still another one that terms it an inventory recession. Finally, for purposes of illustration, here's one that identifies the 1948-49 period as a recession, an adjustment, and a readjustment.

So long as we are talking of past periods of business activity the lack of unanimity in terminology is not so misleading. The figures are available to measure the changes that actually occurred. The rub comes when a forecast is couched in terms of an expected recession—adjustment—shakeout—unaccompanied by arithmetical estimates of the expected changes.

"The question is," said Alice, "whether you can make words mean so many different things."

The answer was, "Take care of the sense and the sounds will take care of themselves."

Business Competition and Failures

"A tough competitive struggle from here on out" . . . "The business is there, but no one's going to get his share without digging, and some companies have forgotten or never learned how to dig" . . . "The honeymoon is over and only properly managed, equipped, and financed firms will meet the situation (of intense competition)." These are representative opinions of the business outlook. They summarize the one area of unanimous agreement—good, bad, or indifferent, business activity will be marked by keener competition. This in turn, seems to indicate a rising trend of business failures.

Beginning in the Fall of 1952 the downward drift in failures of the past three and one-half years was reversed both in the United States and the Fifth District, and the process of elimination by competition appeared moderately stronger. From an average monthly low of 587 in the United States in the Fall of 1952, failures increased to a monthly average of 692 in the first quarter of this year and to 736 in the second quarter. The rise has been much sharper in the Fifth District. From a low of 19 failures last November, the number rose to 42 in August.

While these are substantial increases, they should not be regarded as a harbinger of foul business weather. Failures are but one of many business indicators and should not be used alone to project the trend of business activity. In attempting to weigh the significance of the current annual rate of 8,562 failures in the United States (first eight months), it should be remembered that there were almost 15,000 failures in 1939 and a yearly average of over 19,000 in the 15-year period 1925-39. The comparison is even more favorable by reason of the fact that there is a substantially larger number of new businesses in operation than in the period 1925-39. The average failure rate of 32 per 10,000 enterprises during the first seven months of this year is slightly higher than the monthly average of 28.7 in 1952, but it is lower than the rate in every year from 1900 through 1942.

NUMBER AND CURRENT LIABILITIES OF FAILURES BY INDUSTRIAL GROUPS IN FIFTH DISTRICT

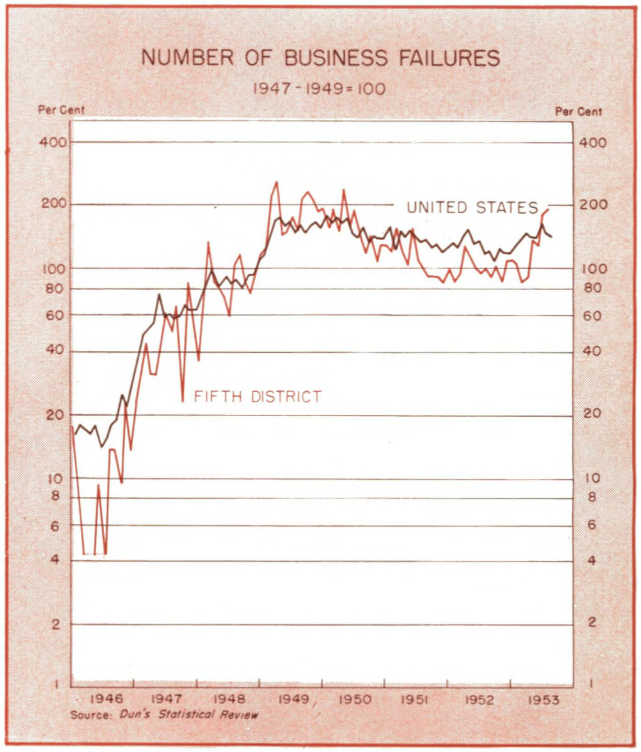
First Eight Months, 1953 and 1952

	No.		% U.S.		Current Liabilities $000		% U.S.	
	1953	1952	1953	1952	1953	1952	1953	1952
Mining & manufacturing	40	33	3.5	3.1	3,241	4,091	3.5	5.8
Wholesale trade	21	17	3.6	3.2	775	658	2.3	2.8
Retail trade	114	88	4.0	3.3	5,708	1,928	7.4	3.8
Construction	33	24	5.0	4.3	1,669	873	6.5	4.0
Commercial service	16	12	3.7	2.9	464	853	3.6	4.6
Total	224	174	3.9	3.3	11,857	8,403	4.9	4.5

Source: *Dun's Statistical Review.*

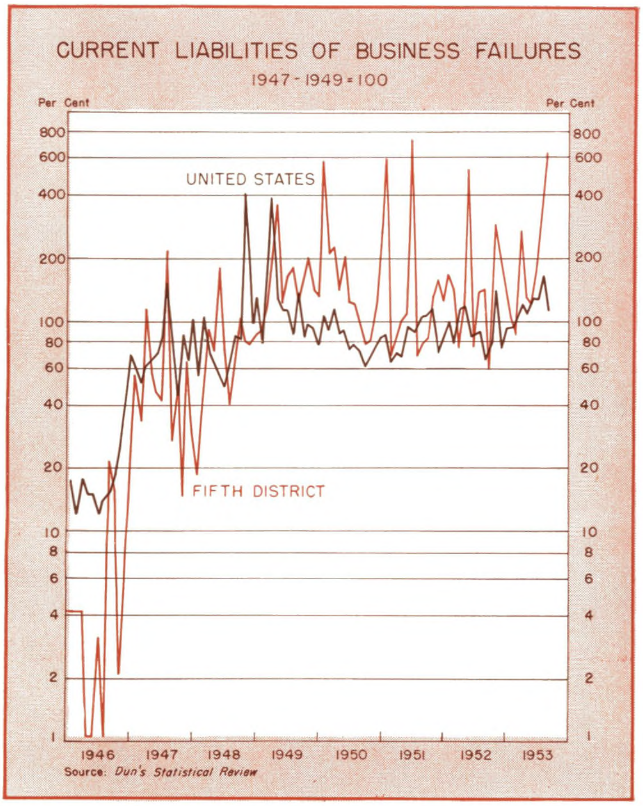
"The First Five Years Are the Hardest"

—says Dun & Bradstreet, Inc., an authority on business failures. "If a concern is destined to be a failure," it adds, "it usually doesn't take much time in becoming one." Statistics compiled by this company show that almost two-thirds of the concerns that failed in 1951 had been in business for only five years or less. The high rate of infant mortality characteristic of new businesses holds regardless of size or function. Dun & Bradstreet data show that the percentage of total failures in each of the last six years accounted for by firms five years old or less was at least 60%. There has, however, been a steady decline in this figure from 78% in 1947 to 60% in 1952.



It follows, then, that a period of unusual growth in new businesses is generally followed by a period of relatively heavy discontinuances. Toward the end of World War II and through 1946 there was a heavy influx of new business enterprises, but contrary to our generalization, it was not followed by a commensurate wave of failures. There were, of course, marked increases in failures during the early years of the postwar period, but they were restricted to relatively low levels by the readjustment of the business population from the dislocations of World War II. The Department of Commerce has estimated that between September 1941 and December 1943 the economy lost 560,000 firms, 300,000 from retailing, 100,000 from services, and about 100,000 from construction. Other industries had much smaller losses, and the number of manufacturing enterprises remained virtually unchanged.

The effect of wartime changes in the business structure and the subsequent heavy inflow of new firms is reflected clearly in the pattern of failures in 1946 and



1947. For the first time in history, failures of manufacturing plants exceeded failures of retail establishments. While new entries in retailing tended to offset wartime declines, the large net addition to total manufacturing plants gave freer play to the effects of competition on failures in this field.

By 1948, however, adjustments to the war-induced changes in the business structure were about completed, and the distribution of failures in the country reverted to the prewar pattern. The number of failures continued to rise from abnormally low levels, but the increase was checked by inflationary conditions and the strong growth of the economy. Another important factor in the continuance of failures at relatively low levels was the downward trend in the establishment of new businesses from the peak reached in 1946. This trend was reversed in 1950, and in 1952 more new firms were formed than in any year since 1947.

Illustrative of the impact of aggressive competition are the sharp rises in failures in two retail lines, the automotive group and furniture and appliances. There were 330 casualties in the former field during the first eight months of this year, an increase of almost 60% over the same period last year. Failures of furniture and other home goods stores rose from 299 to 444, an increase of 49%. Together, failures in these two lines accounted for 28.6% of the \$56.7 million increase in liabilities between 1952 and 1953.

New Pattern in Fifth District

Prior to 1952 the distribution of failures among industries in this District differed from that in the United States. The percentage of total failures among manufacturing concerns was lower in the District than in the country and higher in the case of retail failures. However, last year and in the first eight months of this year failures of retail firms accounted for 50% of the total, thus matching the national pattern. Although the proportion of total failures occurring in manufacturing is still below the national figure, the difference has lessened considerably. In fact, if the trends in the first eight months of this year continue, manufacturing failures will soon account for about 20% of the District total, the current national percentage.

In summary, retail failures accounted for 50% of the 1952 District total, mining and manufacturing 17%, construction 16%, wholesale trade 10%, and commercial services 7%. There were practically no changes in this distribution in the first eight months of this year.

The greater weight of manufacturing failures in the District total tends to increase the average and total liabilities involved in all failures. This is a consequence of the greater investment required in manufacturing, on the whole, than in other industry groups. Thus average liabilities of failures in manufacturing have been consistently larger than the average for all industries. As a consequence, liabilities involved in District failures have increased well out of proportion to the changes in the total number of failures in the last few years.

NUMBER AND CURRENT LIABILITIES OF FAILURES BY STATES
Fifth Federal Reserve District
First Eight Months, 1953 and 1952

		No.	% of Dist.	Current Liabilities	% of Dist.	Liabilities Per Failure
Maryland	1953	77	34.1	3,316,000	28.0	43,065
	1952	46	25.6	3,134,000	36.4	68,130
Dist. of Col.	1953	16	7.1	1,232,000	10.4	77,000
	1952	15	8.3	427,000	5.0	28,467
Virginia	1953	39	17.3	1,085,000	9.1	27,821
	1952	48	26.7	1,001,000	11.6	20,854
West Virginia	1953	38	16.8	3,216,000	27.1	84,632
	1952	37	20.6	1,926,000	22.4	52,054
North Carolina	1953	34	15.0	2,074,000	17.5	61,000
	1952	28	15.5	1,327,000	15.4	47,393
South Carolina	1953	22	9.7	942,000	7.9	42,818
	1952	6	3.3	789,000	9.2	131,500
Fifth Dist.	1953	226	100.0	11,865,000	100.0	52,500
	1952	180	100.0	8,604,000	100.0	47,800

Includes 6 counties in West Virginia not in Fifth District. Computed from data published by Dun and Bradstreet, Inc.

Certificates of Interest—CCC Loans

Commodity Credit Corporation has inaugurated a new program which increases bank participation in the financing of its crop loans. By encouraging maximum use of private investment funds in price-support loans, the plan will reduce CCC's use of Treasury funds and thus relieve in part the pressure on the national debt limit.

The new arrangement provides for participation of banks in a nationwide pool of loans on commodities, other than cotton, held by CCC. The program is an adaptation of the method used in financing price-support loans on cotton for the past decade.

Certificates of Interest issued as evidence of participation in the loan pool will pay 2½% per annum. They may be freely transferred among eligible holders—commercial banks, Federal Reserve Banks, and other banking institutions designated by the CCC. The certificates will be redeemed by CCC at maturity or on demand at their face value plus accrued interest. The CCC reserves the right to purchase in whole or in part any certificate at its option. If the unpaid principal of loans in the pool falls below the value of outstanding certificates, the CCC will exercise this option.

Offerings of Certificates of Interest will be made from time to time by CCC. Commercial banks desiring these certificates may submit applications through their Federal Reserve Banks. The original certificates are to be held by the Chicago Federal Reserve Bank in its role as custodian, but copies of the certificates will be furnished participating banks.

So far as producers are concerned, the expanded lending program involves no change in procedure. The rate of interest to producers remains at 4% per annum. A fee of up to ½% is to be paid to banks which service individual price-support loans for the CCC.

Each certificate represents an interest in the entire loan pool rather than in any specific loan. Since the certificates will be purchased by the CCC at maturity or on demand, their safety will depend on the value of the collateral and on CCC's authority to borrow from the Treasury. CCC will at all times hold in reserve an amount of its borrowing authority sufficient to cover outstanding certificates. On August 31, 1953 the balance of CCC's borrowing authority on the Treasury was approximately $269 billion.

The Comptroller of Currency has ruled that national banks may purchase and hold the CCC certificates in unlimited amounts. Some states have made similar rulings.

The initial October offering of certificates against the pool of loans held by CCC amounted to $360 million. On August 31, 1953 CCC loans outstanding totaled $1,326 million of which $259 million were held by lending agencies and $1,067 million by CCC. As additions of new loans to the pool warrant, new issues of certificates will be offered.

Additions to Par List

The American Bank and Trust Company, Monroe, North Carolina, agreed to remit at par, effective October 16, 1953, for all checks drawn on it when received from the Federal Reserve Bank. Monroe is located in the territory served by the Charlotte Branch, and the combined A.B.A. transit number-check routing symbol of the American Bank and Trust Company is $\frac{66\text{-}850}{531}$.

The State Commercial Bank, Thomasville, North Carolina, formerly the State Industrial Bank, agreed to remit at par, effective October 1, 1953, for checks drawn on it when received from the Federal Reserve Bank. Thomasville is located in the territory served by the Charlotte Branch, and the combined A.B.A. transit number-check routing symbol of the State Commercial Bank is $\frac{66\text{-}954}{531}$.

Business Conditions and Prospects

The business situation in the Fifth District deteriorated somewhat from the favorable August figures but did not leave very much of a dent in the absolute level. Production in the major lines of activity in the District was down, on a seasonally adjusted basis, and most lines of trade were somewhat poorer than in August. The adjusted September average daily sales of department stores were even with August while those of furniture stores were down substantially.

Household appliance stores, on the other hand, showed a moderate contraseasonal rise and automotive sales, both cars and trucks, showed mixed trends during the month. Of nine wholesale trade lines, adjusted sales rose in five and declined in four from August to September. Strength in wholesale trade sales was shown during the month and over a year ago in electrical goods, groceries, and paper.

Television shipments to dealers in this District in the first eight months of 1953 were up 45% from a year earlier compared with a gain of 40% in the United States. During August television sales to dealers in Maryland and the District of Columbia, where television has been in existence for some time, were down 20% and 24% respectively. In the other states where new stations are being erected, August sales showed gains ranging from 62% to 358% over a year earlier.

Banking

Loans and discounts of all member banks in the Fifth District rose 0.4% from August to September—the smallest rise in these loans for this period in five years. Total deposits of all member banks rose 1.2% from August to September due primarily to a 0.7% rise in demand deposits (excluding interbank) and to a 10% rise in deposits of banks. Time deposits declined 0.3% which is the first August-September decline since 1950. Time deposits on September 30 were 5.2% higher than a year ago; demand deposits were 0.1% under a year ago. Member bank borrowings from the Reserve Bank at the end of September were down 35% during the month and 35% from a year ago.

Agriculture

Cash farm income for the first half-year in this District was down 4% from last year with crops showing a reduction of 14% and livestock a gain of 3%. Drought in the District has stepped up the marketing of livestock. August slaughter figures showed a sharp gain over a year ago, 45% for cattle and 46% for calves.

Farm prices dropped moderately in September, but the introduction of tobacco in the indexes of the Carolinas and the rise in tobacco price between August and September caused these indexes to rise during the month. All states showed declines in farm prices from a year ago, with most states ranging between 12% and 16%, but North Carolina's slipped only 5%. In the first nine months of 1953 average farm prices in Maryland were down 8% from a year earlier; Virginia was down 7%; West Virginia, 11%; North Carolina, 11%; and South Carolina, 14%.

Employment

One of the soft spots in the Fifth District economy has been employment cutbacks by the Federal Government. Latest figures show July employment in all types of Government in this District of 768,000, a decline of 19,000 from a year ago. Federal employment in the Washington metropolitan area shows a drop from June to July of nearly 4,000 and a decline of over 22,000 from a year ago. Since similar reductions are being made in Federal employment throughout the states of this District, the decline of only 19,000 in total Government employment would indicate that state and local governments are taking up part of the slack.

Some cutbacks in employment are scheduled for the navy yards and at the Radford Ordnance Works, while the synthetic rubber plant at Institute, West Virginia, is slated to close down permanently.

Industry

National figures indicate that machinery backlogs of orders are declining, but machinery industries of the Fifth District have maintained employment near the peaks established in some cases more than two years ago.

The cotton textile industry seems to retain its competitive advantage over the synthetics but even here the finishers' operations lack spirit and leave something to be desired. Consequently, the forward buying that took place in May and June, particularly in print cloths and broadcloths, has been sufficient to take care of converters' needs and subsequent buying has been of a fill-in nature. The industry continues to expect new forward bookings, but thus far they are still on a fill-in basis. Cotton consumption (adjusted) in September in the District was down 4% from August and 2% under a year ago, while cotton spindle hours operated were down 5% (adjusted) from August and 1% under a year ago. The September level in both instances was about in the middle of the range that prevailed from last August through the Spring of this year. Textile manufacturers are exercising a very cautious policy. They are not accumulating inventories except in the case of hosiery, and it is probable that the lack of new purchases may show a further small drop in October operations. Synthetic weavers and yarn producers are cutting back further and causing a moderate amount of unemployment in these lines. Tire manufacturers have reduced their demand, and September yarn shipments of this type were down 9% from August.

The cigarette business in the Fifth District is less active this year than last year. In the first seven months of 1953 District output was off 3% from the same months last year. The District lost ground in the production of cigarettes this year since national output in the first seven months was off only 1%. This is a somewhat surprising performance with the national business level at its all-time peak, and the cigarette companies introducing many innovations.

Construction

Despite a drop of 27% in the adjusted total construction contract awards from August to September, the September level was 20% higher than a year ago, which compares with a gain in the first nine months of the year of 5.1%. Residential construction contract awards (adjusted) in September were down 1% from August and 3% from a year ago. In the first nine months these awards were down 16% from last year. Work in progress on some of the larger projects and slackening in residential awards are reflected in a lower level of employment in the construction industry. Defense construction in the District has been considerably less than last year, and the Savannah River atomic energy project has passed its employment peak.

Trade

September department store sales in the District held even with those in August, after seasonal correction, but were 3% under September 1952. Some progress was made by stores in reducing high inventories during September, and stocks, after seasonal correction, declined 6% from August. Department store inventories in this District were 7% higher than last year, a nationwide situation, and efforts are being made to bring them into better alignment. Some progress is apparent as outstanding orders in September were down 19% from a year ago in this District.

Furniture store sales, which had been at a fast pace in earlier months, dropped 19% on an adjusted basis from August to September, and were 10% under September a year ago. September of last year was, however, the all-time peak in furniture store sales in this District. Furniture store inventories (adjusted) were reduced 4% from August to September, and this was reflected in lower manufacturers' orders.

New passenger car registrations in August were 9% under July but 145% ahead of the steel strike month of August 1952. September figures were surprisingly good—as represented by three states of the District: District of Columbia was up 5% from August; North Carolina, up 6%; and West Virginia, down 4%.

FIFTH DISTRICT BANKING STATISTICS

DEBITS TO DEMAND DEPOSIT ACCOUNTS*
(000 omitted)

	September 1953	September 1952	9 Months 1953	9 Months 1952
Dist. of Columbia				
Washington	$1,069,023	$1,043,835	$ 9,685,939	$ 9,399,797
Maryland				
Baltimore	1,386,608	1,304,224	12,730,039	11,398,870
Cumberland	24,236	25,121	227,699	227,672
Frederick	23,252	21,625	209,732	199,178
Hagerstown	38,604	34,405	339,179	312,142
North Carolina				
Asheville	61,075	67,013	551,668	541,111
Charlotte	382,490	365,097	3,276,539	3,059,856
Durham	168,237	156,640	942,289	911,381
Greensboro	114,684	108,615	1,067,308	943,959
High Point	43,488**	NA	NA	NA
Kinston	58,875	56,270	235,838	219,631
Raleigh	190,439	188,904	1,684,455	1,556,672
Wilmington	51,584	49,986	424,377	404,402
Wilson	72,411	59,187	224,128	204,709
Winston-Salem	172,629	152,768	1,356,124	1,230,885
South Carolina				
Charleston	74,371	82,126	705,544	717,596
Columbia	154,088	151,025	1,428,979	1,271,527
Greenville	110,313	113,260	1,008,185	948,385
Spartanburg	74,302	88,031	590,214	617,932
Virginia				
Charlottesville	30,381	25,296	250,697	220,307
Danville	46,366	47,545	339,221	299,346
Lynchburg	49,594	46,072	436,675	394,724
Newport News	47,605	44,797	433,575	422,574
Norfolk	260,238	250,357	2,303,469	2,164,997
Portsmouth	30,544	26,430	275,412	240,495
Richmond	692,085	662,220	5,527,486	5,158,155
Roanoke	123,716	110,686	1,091,543	1,003,257
West Virginia				
Bluefield	43,803	43,695	393,968	427,232
Charleston	179,359	150,325	1,530,869	1,419,845
Clarksburg	32,172	30,888	301,372	307,396
Huntington	67,463	64,431	632,598	623,357
Parkersburg	34,584	28,019	274,916	263,053
District Totals	$5,865,131	$5,598,893	$50,480,037	$47,110,443

* Interbank and U. S. Government accounts excluded.
** Not included in District totals.
NA Not Available.

50 REPORTING MEMBER BANKS
(000 omitted)

Items	Oct. 14, 1953	Change in Amount From Sept. 16, 1953	Change in Amount From Oct. 15, 1952
Total Loans	$1,396,490**	− 6,829	+ 89,908
Bus. & Agric.	639,670	+ 7,161	+ 29,721
Real Estate Loans	264,338	+ 332	+ 10,144
All Other Loans	508,844	− 14,312	+ 50,480
Total Security Holdings	1,766,596	− 55,404	−127,942
U. S. Treasury Bills	106,691	− 57,138	−171,940
U. S. Treasury Certificates	274,219	+ 1,454	+136,956
U. S. Treasury Notes	361,888	+ 28,701	+ 60,799
U. S. Treasury Bonds	796,675	− 27,286	−144,602
Other Bonds, Stocks & Secur.	227,123	− 1,135	− 9,155
Cash Items in Process of Col.	347,276	+ 2,142	− 7,697
Due From Banks	209,317*	+ 15,780	+ 2,513
Currency and Coin	82,533	+ 4,866	+ 2,529
Reserve with F. R. Banks	540,702	− 9,149	− 41,331
Other Assets	58,549	+ 381	+ 3,709
Total Assets	4,401,463	− 48,213	− 78,311
Total Demand Deposits	3,377,416	− 32,156	−103,070
Deposits of Individuals	2,517,447	+ 24,862	+ 2,900
Deposits of U. S. Government	103,939	− 48,291	− 86,248
Deposits of State & Local Gov.	163,566	− 3,519	− 10,797
Deposits of Banks	531,524*	+ 534	− 8,969
Certified & Officers' Checks	60,940	− 5,742	+ 44
Total Time Deposits	680,009	+ 904	+ 16,683
Deposits of Individuals	603,406	+ 3,132	+ 19,737
Other Time Deposits	76,603	− 2,228	− 3,054
Liabilities for Borrowed Money	21,000	− 18,800	− 16,550
All Other Liabilities	45,281	+ 2,168	+ 10,579
Capital Accounts	277,757	− 329	+ 14,047
Total Liabilities	$4,401,463	− 48,213	− 78,311

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

FIFTH DISTRICT STATISTICAL DATA

SELECTED INDEXES

Avg. Daily 1935-39=100—Seasonally Adjusted

	Sept. 1953	Aug. 1953	Sept. 1952	% Chg.—Latest Mo. Prev. Mo.	% Chg.—Latest Mo. Yr. Ago.
New Passenger Cars*	.....	208	143	— 9	+145
Bank Debits	472	486	451	— 3	+ 5
Bituminous Coal Production	136	141	159	— 4	— 14
Construction Contracts	463	634	385r	—27	+ 20
Business Failures—No.	62	94	47	—34	+ 32
Cigarette Production	.....	253	264	+ 3	— 5
Cotton Spindle Hours	159	167	161	— 5	— 1
Department Store Sales**	114	114	117	0	— 3
Electric Power Production	.....	413	400	— 5	+ 9
Manufacturing Employment*	.....	161	159	+ 2	+ 2
Retail Furniture: Net Sales	188	232	210	—19	— 10
Life Insurance Sales	410	397	374	+ 3	+ 10

* Not seasonally adjusted.

** 1947-1949=100.

Back figures available on request.

WHOLESALE TRADE

LINES	Sales in Sept. 1953 compared with Sept. 1952	Sales in Sept. 1953 compared with Aug. 1953	Stocks on Sept. 30, 1953 compared with Sept. 30, 1952	Stocks on Sept. 30, 1953 compared with Aug. 31, 1953
Auto Supplies (9)	—47	—18	+11	+ 8
Electrical Goods (5)	+12	+24	+12	0
Hardware (9)	+ 2	+15	+15	— 5
Industrial Supplies (8)	—13	—24	— 3	+ 2
Drugs & Sundries (8)	— 4	+ 8	+ 8	+ 4
Dry Goods (13)	—10	+ 2	+ 1	— 6
Groceries (43)	+ 4	+14	+ 3	+ 7
Paper & Its Products (6)	+18	+ 8	....	....
Tobacco Products (10)	+ 5	+ 6	+11	+ 3
Miscellaneous (73)	+ 3	+ 7	+11	— 2
District Total (184)	0	+ 8	+ 7	— 1

Number of reporting firms in parentheses.
Source: Bureau of the Census, Department of Commerce.

DEPARTMENT STORE OPERATIONS

(Figures show percentage changes)

	Rich.	Balt.	Wash.	Other Cities	Dist. Totals
Sales, Sept. '53 vs Sept. '52	— 2.2	— 6.6	— 2.1	— 3.0	— 2.9
Sales, 9 Mos. ending Sept. 30, '53 vs 9 Mos. ending Sept. 30, '52	+ 0.3	— 1.2	— 2.0	+ 1.8	+ 0.8
Stocks, Sept. 30, '53 vs '52	+ 2.1	+ 3.7	+ 7.9	+ 5.0	+ 5.4
Outstanding orders Sept. 30, '53 vs '52	— 9.6	—23.8	—16.2	—18.6	—17.6
Open account receivables Sept. 1 collected in Sept. 1953	29.3	43.9	42.5	36.9	39.4
Instalment receivables Sept. 1 collected in Sept. '53	11.3	14.3	13.2	16.5	13.6

	Md.	D.C.	Va.	W.Va.	N.C.	S.C.
Sales, Sept. '53 vs Sept. '52	—6.5	—2.1	—2.2	+3.4	—5.7	+2.2

BUILDING PERMIT FIGURES

	September 1953	September 1952	9 Months 1953	9 Months 1952
Maryland				
Baltimore	$11,366,890	$ 3,721,640	$ 67,753,480	$ 42,310,575
Cumberland	46,950	70,675	487,240	258,456
Frederick	80,000	98,250	1,990,267	2,017,723
Hagerstown	107,350	99,075	1,999,302	1,157,133
Salisbury	74,255	137,729	923,147	1,060,945
Virginia				
Danville	174,022	250,007	3,024,041	4,138,816
Hopewell	340,294	140,599	3,208,878	1,347,819
Lynchburg	391,689	94,850	3,554,567	1,829,492
Newport News	348,742	195,335	1,909,169	6,371,962
Norfolk	1,335,595	1,636,985	13,372,621	14,820,380
Petersburg	115,500	491,676	1,486,550	1,783,774
Portsmouth	222,940	303,625	6,207,471	6,395,230
Richmond	2,117,148	2,831,911	15,193,191	15,401,673
Roanoke	1,051,441	710,728	13,301,864	7,663,493
Staunton	100,480	107,425	1,599,177	1,118,355
West Virginia				
Charleston	646,105	440,650	10,633,518	10,676,908
Clarksburg	47,075	212,488	1,980,661	1,059,480
Huntington	531,671	3,191,385	4,966,960	6,300,466
North Carolina				
Asheville	815,125	494,095	2,814,357	2,643,303
Charlotte	1,875,881	1,547,910	27,174,960	15,658,841
Durham	503,224	467,032	5,048,368	8,074,590
Greensboro	688,351	737,441	8,141,039	7,125,534
High Point	368,492	296,195	4,069,499	2,725,505
Raleigh	634,650	1,192,720	18,419,902	12,882,894
Rocky Mount	349,155	157,084	3,566,635	2,283,872
Salisbury	122,605	147,300	1,708,929	1,805,950
Wilson	103,200	164,475	1,623,931	1,899,725
Winston-Salem	1,325,601	871,933	6,831,003	9,560,487
South Carolina				
Charleston	762,494	97,746	4,613,102	1,505,442
Columbia	484,805	1,367,525	6,756,575	8,267,867
Greenville	342,600	861,645	4,538,142	7,291,572
Spartanburg	93,033	139,450	799,295	1,770,711
Dist. of Columbia				
Washington	4,460,953	6,346,814	60,825,019	40,750,939
District Totals	$32,028,316	$29,624,398	$310,522,860	$249,959,912

RETAIL FURNITURE SALES

Percentage comparison of sales in periods named with sales in same periods in 1952

STATES	September 1953	9 Mos. 1953
Maryland (6)	—13	+ 2
Dist. of Col. (7)	—10	— 9
Virginia (17)	— 9	4
West Virginia (10)	+ 4	3
North Carolina (14)	—20	5
South Carolina (6)	—15	— 5
District (60)	—11	— 1
INDIVIDUAL CITIES		
Baltimore, Md. (6)	—13	+ 2
Washington, D. C. (7)	—10	— 9
Richmond, Va. (6)	— 9	— 6
Charleston, W. Va. (3)	+16	+ 4

Number of reporting firms in parentheses.

FEDERAL RESERVE BANK OF RICHMOND
FIFTH DISTRICT