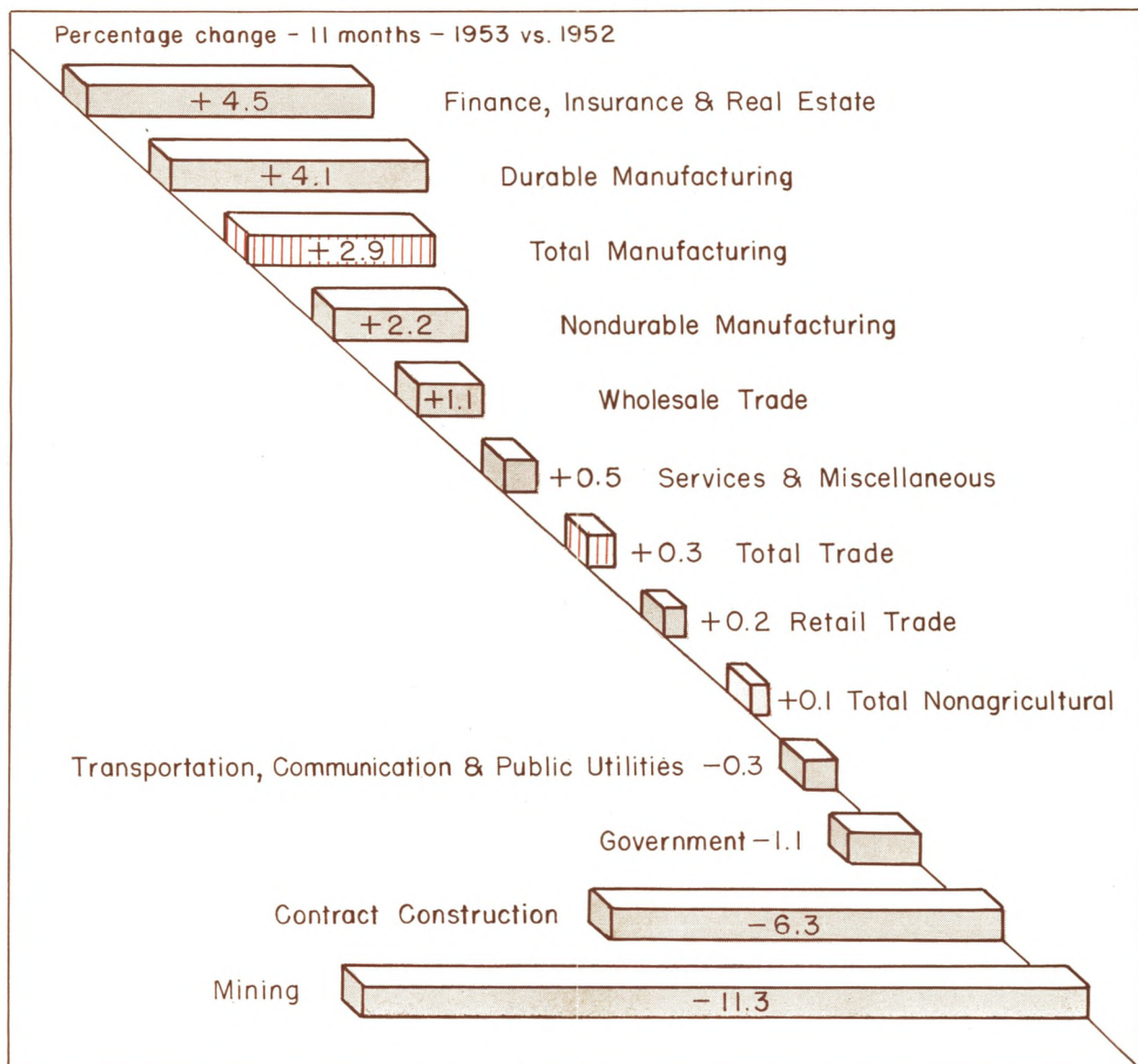


February 1954

NONAGRICULTURAL EMPLOYMENT
FIFTH DISTRICT

Department Store Sales

DEPARTMENT stores in the Fifth District during the first eleven months of 1953 sold \$663 million worth of merchandise, equalling 1952's record. The volume represented rather substantial increases in sales in stores in South Carolina, moderate increases in West Virginia, and very small increases in Virginia and North Carolina, offset by declines in the two largest sales areas of the District—Maryland and the District of Columbia. Sales of South Carolina stores in the first eleven months of 1953 rose 8.7% over similar months of 1952. West Virginia sales rose 2.9%, North Carolina, 0.6%, and Virginia, 0.3%. The drop in the District of Columbia, occasioned by reductions in Federal Government employment, amounted to 2.6%, and in Maryland 1.9%.

Columbia, South Carolina was the bellwether city in department store sales gains, with a rise of 4.6%, followed in turn by Winston-Salem, North Carolina, up 3.8%; Lynchburg, Virginia, up 3.7%; Charleston, West Virginia, up 3.6%; Roanoke, Virginia, up 2.9%; Greenville, South Carolina, up 2.4%; Charleston, South Carolina, up 2.1%; and Norfolk-Portsmouth, Virginia, up 1.1%. Asheville, North Carolina showed no change from the year before. All other reporting cities showed losses ranging from 1.1% in Raleigh, North Carolina to 5.8% in downtown Washington, D. C.

Nineteen of the larger department stores of the District, which report departmentally and accounted for 41% of total sales in the District in the eleven months of 1953, showed sales down 2.8%. All major departments of these stores showed decreased sales with the exception of the nonmerchandising departments, which showed a gain of 1.6%. The largest loss in the group occurred in house furnishings (accounting for 23% of total store sales)—down 5.8%, with furniture and bedding down 7.8%, major appliances down 3.7%, and radios, televisions, phonographs, etc., down 13.4%. Women's accessories, responsible for 17% of the store volume in the eleven-month period, had a decline of 2.1%. Women's apparel departments, accounting for 16.5% of the 1953 volume, were down 4%. Piece goods and household textiles were 3.1% lower, small wares down 0.9%, men's and boys' wear off 0.8%, and

miscellaneous upstairs departments off 1.3%. The main store volume was down 3.3% and the basement departments off 0.5%.

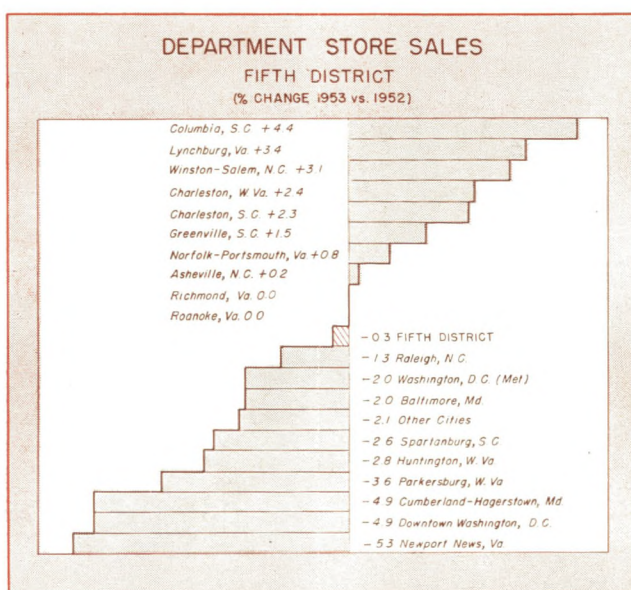
Twenty-seven stores, accounting for 44% of the sales volume in the first eleven months of 1953, showed a sales decrease of 2.6% from the same period of 1952. Cash sales in these stores, accounting for 39% of the total sales volume, were down 3.8%. Charge account sales, accounting for 47.6% of the sales volume, were down 1.4%. Instalment sales, accounting for 14% of the store sales in 1953, were down 3.3%.

Total receivables in the first eleven months of 1953 averaged 8.1% higher than in the same months of 1952, with instalment receivables up 16.3% and other receivables up 1.6%. Collections rose during 1953 but the rise was not commensurate with the increase in receivables. Total collections were up 3.4%, instalment collections up 7.1%, and other collections up 2.4%. Average outstanding orders in eleven months of 1953 were 2% under the same months of 1952.

Department store stocks at the end of November were up 3% over the year before. In the major departments, piece goods and household textiles showed stocks at the end of November off 4% from a year ago,

with small wares up 6%, women's and misses' accessories up 4%, women's and misses' apparel up 4%, men's and boys' wear up 6%, home furnishings down 3%, miscellaneous departments up 16%, and the basement store up 3%. Interestingly, inventories in the large ticket items such as furniture, household appliances, and televisions showed substantial decreases.

Department stores of this District have been making a strong effort to keep a proper inventory position relative to the times. They have been successful in removing some of the fluff that was in evidence at midyear. This was accomplished by shortening commitments and reducing the number of units purchased during the last half year. At the year end inventories of all reporting stores were only 3% higher than a year ago, and outstanding orders were down 24%, signifying intentions to pare inventories still further. This has reduced demand on textile and apparel manufacturers of the District.



Food and Kindred Products

SELDOM discussed in the *Monthly Review* because so little current information is available, food and kindred products industries in 1947 (last year for which full Census figures are available) gave employment to 66,700 workers in the Fifth District. They ranked third in size of employment among all manufacturing industries in the District in that year. Employment in these industries, which accounted for 6.5% of all manufacturing employment in the District, rose 46.9% between 1939 and 1947. This compares with an increase in employment in all manufacturing industries in the District of 36.3%.

Food and kindred products showed a value added by manufacture of \$448 million in 1947, a gain of 165.4% over 1939. Value added in these industries in 1947 accounted for 8.3% of the \$5,394 million value added of all manufacturing industries in the District in that year.

The food and kindred products include meat products, dairy products, canned and preserved fruits and vegetables, grain mill products, bakery products, confections, beverages, and miscellaneous allied products. There is considerable difference in the importance of these products in the several states, but on a District-wide basis, beverages accounted for 26% of the value added by manufacture in 1947, bakery products 19.7%, meat products 10.8%, canning and preserving 9.5%, grain mill products 7.8%, dairy products 5.4%, confections 2.2%, and miscellaneous 14%.

There are no current value added figures for these industries, but the *Annual Survey of Manufactures* by the United States Census gives figures for three states of the District and the District of Columbia for 1951 and 1952 which can be compared with the Census figures for 1939 and 1947. Value added between 1939 and 1952 rose 242%, with gains of 310% in Virginia, 253% in North Carolina, 223% in Maryland, and 162% in the District of Columbia. Between 1947 and 1952 value added rose 29%, with Virginia showing a gain of 49%, District of Columbia 38%, North Carolina 30%, and Maryland 18%.

Currently available figures on food and kindred products industries include employment and hours of labor,

American cheese production, creamery butter production, ice cream production, and livestock slaughter. Man-hour input figures can be derived from average employment and average hours worked, and this figure would vary from the physical quantity production only to the extent that the efficiency of labor had changed in the two years. Man-hour figures, available for the first eleven months of 1953, show food and kindred products industries in the Fifth District increased 2.7% over the same period of 1952. Virginia and Maryland showed increases—total man-hours in Virginia were up 10.6%, and in Maryland, 2.7%; West Virginia was down 3.4%, North Carolina was down 0.3%, and South Carolina was down 4.5%.

The relative importance of these industries in the Fifth District as measured by man-hours of labor in the first eleven months of 1953 puts Maryland first with 37.3% of the total, Virginia second with 25.2%, North Carolina third with 21.7%, South Carolina fourth with 8.3%, and West Virginia fifth with 7.5%.

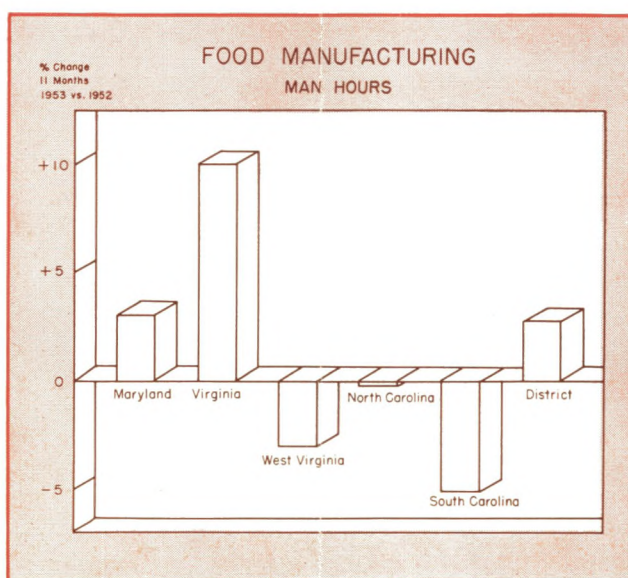
Between 1952 and 1953 both employment and hours of labor rose in Maryland and Virginia. In West Virginia a drop in employment more than offset a small rise in hours worked; in North Carolina a drop in hours worked more than offset a

moderate rise in employment; in South Carolina both employment and hours decreased.

Creamery butter production, though a very small proportion of the national total, increased 21.5% in the District compared with a gain of 19% in the nation. Butter production in West Virginia in the eleven months of 1953 was nearly five times larger than in 1952.

American cheese production, available only for the South Atlantic region, in the first eleven months of 1953 rose 67% in this area, compared with a gain of 13% for the United States. Ice cream production in the first eleven months of 1953 was up 2.2% in the District, compared with a drop of 4.1% in the United States.

Livestock slaughter in the first eleven months of 1953 was up 5.6% over the same months of 1952 in the Fifth District, compared with an increase of 9.2% in the nation as a whole. District slaughter of cattle was up 27.9%, calves 26.5%, sheep and lambs 15.9%, and hogs off 8.4%.



Apparel Manufacturing

GROWTH in the manufacture of apparel in the Fifth District, an area well endowed with both raw materials and labor, was a logical development. But what actually happened moved out of the realm of logic into that of the spectacular, particularly in South Carolina and to a lesser extent in North Carolina. Full information on the industry is available for all states of the District only in the Censuses of 1939 and 1947. In this period value added by manufacture in apparel and other finished products rose 292% compared with a gain of 221% for the nation as a whole. This difference was not too startling, but it does not quite tell the story. In this period growth in apparel manufacture in South Carolina rose 1,319% and in North Carolina 510%. Much more substantial rates of growth than nationally also occurred in Virginia (319%) and in West Virginia (310%). Maryland, an established men's clothing manufacturing area, showed a gain of only 162%, considerably less than the national rate.

The Bureau of Census' *Survey of Manufactures* for 1952 shows value added in apparel industries for two states of this District. These figures indicate that growth in apparel manufacture in Virginia had stopped between 1947 and 1952. In North Carolina, however, there was a further increase of 63% in this period.

In the absence of up-to-date physical quantity figures on apparel production in the District, man-hour labor input data afford a useful substitute. These figures (based on employment multiplied by the hours of labor) would measure the physical quantity of output between two periods, assuming no change in the efficiency of labor and manufacturing technique.

In the first eleven months of 1953 man-hours of labor expended in the apparel and finished products industries rose 7.8% above similar months of 1952. As the chart shows, the greatest increase in the District was in North Carolina, where the rise was 12.6%. South Carolina showed the second largest gain with 9%, Virginia third with 8.6%, and Maryland fourth with 3.5%. Data are not yet available for Washington, D. C. or West Va.

Men's and boys' furnishings are the most important apparel items manufactured in this District, accounting

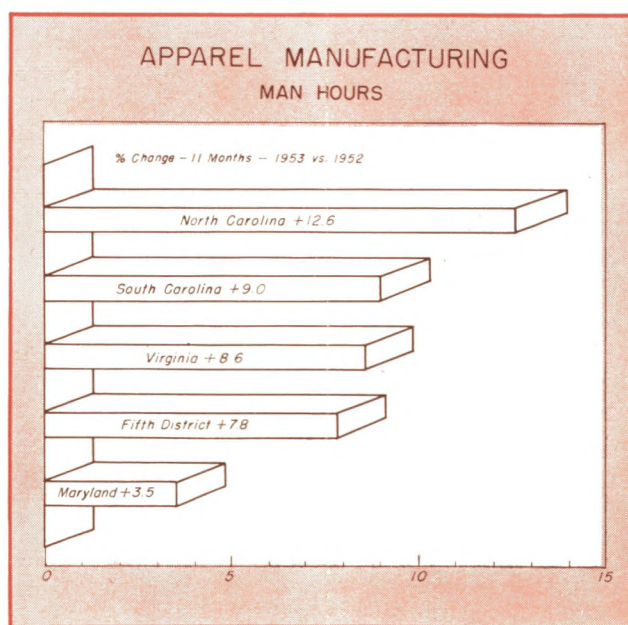
for 34% of all apparel manufactured in the District. Maryland is responsible for 43% of this production, but important parts of the industry are located also in Virginia, North Carolina, and South Carolina. Men's and boys' suits and coats account for 22.7% of the total value added in apparel industries, with 70% of these goods manufactured in Maryland and most of the remainder in Virginia. Women's and misses' outer wear account for 8.2% of the District's total, with over half of it located in Maryland and the rest in Virginia and South Carolina. Women's under garments, millinery, and children's outer wear are manufactured in relatively small quantities in Maryland, Virginia, West Virginia, and North Carolina. Miscellaneous fabricated textiles, accounting for 25% of the industry's value added, are mainly produced in North Carolina, South Carolina, Virginia, and Maryland, in that order of importance.

Employment in apparel industries of the District averaged 81,700 in the first eleven months of 1953, a gain of 21,200 or 35% over average employment in 1947. The average number employed in South Carolina in 1953 increased 6,800 or 76% above 1947; in Virginia the gain was 6,400 or 48%; in North Carolina it was 5,300 or 48%. Maryland accounted for 31% of

the average employment in apparel industries in the first eleven months of 1953, but the gain over 1947 was only 2,000 or 9%. The industry is still quite small in West Virginia, with employment of 4,500 in 1953, a gain of 18% over 1947.

The 35% gain in the Fifth District's total employment in apparel industries between 1947 and 1953 compares with a growth of 9% for all its manufacturing industries in the same period. The District's apparel industries accounted for 19% of the total increase in all manufacturing employment between 1947 and 1953.

New apparel manufacturing facilities or expansions publicly announced during 1953 called for outlays of \$3.4 million compared with \$3.9 million in 1952. Prominent among them were a hosiery mill expansion in High Point, North Carolina; a sweater plant in Weaverville, North Carolina; new hosiery machinery at Belton, South Carolina; and an overall plant at Warsaw, Va.



Cotton Textiles

THE cotton textile industry in the Fifth District set something of a record between August 1952 and November 1953. Cotton consumption or spindle hours operated in this period stayed near the postwar peak level—the longest period of stable high level production during the entire peacetime history of the industry. Cotton textile output in the District, whether measured by cotton consumption or spindle hours, was higher in 1953 than in 1952. Consumption in the first eleven months was up 3.2% from the year before and spindle hours up 7.8%. Changes in the consumption measure conformed more closely to those in labor input than spindle hour operations, but spindle hour changes came nearer to indicating the volume of cloth production.

Many cotton mill operators undoubtedly have reservations regarding how good 1953 was, especially on the profit side, for prices of cotton goods and yarns continued to slide downward. Prices of yarns in the first eleven months of 1953 were down 9.2% from the same period of 1952. Broad woven fabrics were down 4.2%, narrow fabrics down 7.5%, and thread down 2.4%, bringing the price of all products down 4.9% below 1952. In spite of the drop in prices of finished and semifinished products, the price of cotton dropped even more, and as a consequence, mill margins in 1953 were up 16.2% from 1952.

Cotton retained its position as a popular style fabric in 1953, the chief reason why the cotton textile industry fared considerably better than the apparel segments of the rayon and acetate industries.

With the exception of wide industrial fabrics, industrial cottons did not fare well. Duck output for three quarters was off 25% and cotton tire cords were off 83%, although this was in part offset by a gain of 25% in chafer fabrics and a less than 1% gain in narrow sheetings.

The latter half of 1953, however, was a trying period for the industry, with the consuming trades accepting prior commitments, buying in small lots, and living off inventory. There was a fairly substantial forward coverage movement in late May and June, but during the remainder of the year this backlog was worked off and only fill-in requirements were forthcoming during

most of the six-month period. Backlogs were worked off early in the fourth quarter, and by November the industry had begun to cut back.

Exports of cotton cloth, duck and tire fabric in ten months of 1953 dropped 17.4% from the same period of 1952, but exports of cotton semimanufactures rose 11.6%. Imports of cotton cloth amounting to 50.8 million square yards were 102% higher than a year ago, but these were still less than one-tenth of the exports of finished cotton goods.

The Fifth District's gain in cotton consumption in the first eleven months of 1953 over the same period of 1952 was 3.2%, compared with a national gain of 0.7%.

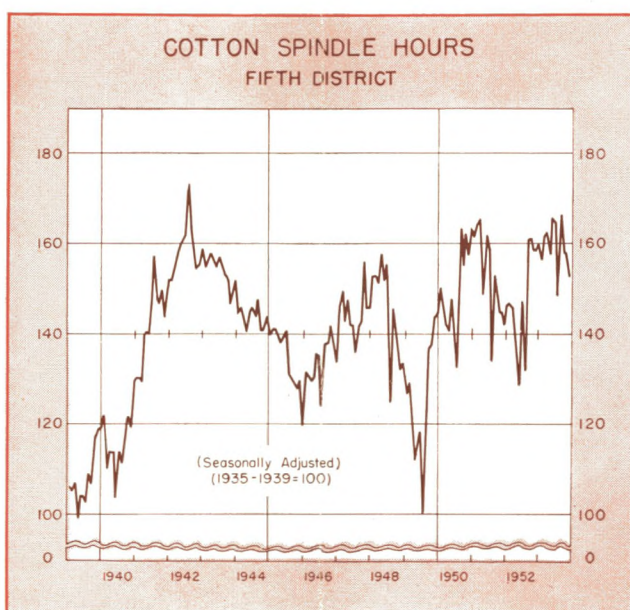
In this period consumption by North Carolina mills was up 2.8%, those in South Carolina, 3.8% and in Virginia, 0.3%. Spindle hours operated in the District showed an increase in the first eleven months of 1953 over those months in 1952 of 7.8%, about equal to the national increase of 8.1%. In North Carolina spindle hours operated rose 8.5%, in South Carolina, 7.8% and in Virginia, 1.5%.

Employment in broad woven fabrics mills of North and South Carolina averaged 218,900 in the first eleven months of 1953, a gain of 0.3% over the same period of 1952. Average hours worked were 2.3%

higher and total man-hour input was up 2.6%.

Evidence of end product retail demand for cotton goods is inconclusive at best, but in department stores of the nation in the first ten months of 1953 cotton yard goods sales were up 1% over the same period of 1952; linens and towels up 2%; domestics, muslins and sheetings up 2%; corsets and brassieres up 8%; women's and misses' inexpensive dresses up 4%; and aprons, house-dresses and uniforms up 4%. Department store inventories of cotton yard goods at the end of October were off 2% from a year ago. All the other mentioned items showed inventories up from 1% to 7%; since prices were lower, quantities in stock were obviously higher.

Figures on inventories of cotton goods and yarns in the various stages of fabrication or distribution are not available but trade comment does not indicate that they are large, so that the industry should be one of the early heralds of industrial recovery.



Construction

SOME weakening in Fifth District business was witnessed in the late months of 1953, but construction activity was not among the contributors. November, the latest month for which figures are available, showed the seasonally adjusted construction volume in the District to be the second highest month of all time.

Total construction contract awards in 1953, based on eleven-month figures, were up 9.5% from 1952, but 1953 witnessed considerable shifts in emphasis on various types of construction. Nonresidential construction, handicapped in 1952 by materials allocation, rose 27% in 1953 over 1952 for the second best year on record. Residential construction contract awards were down 10.1% in 1953 over 1952, continuing the decline under way since 1950. Contract awards for public works and utilities established an all-time high in 1953 at a level 20.3% above 1952.

The largest change in any of the construction sectors came in factory building. Contract awards for these buildings were up 93.3% over 1952, approaching the \$200 million mark. This was an all-time record for contract awards for factory buildings, if the Savannah River atomic energy project in 1951 is deducted from that year's \$754 million. Virginia had the largest dollar volume of contracts for factory buildings in the District and also the largest percentage increase over 1952; the 1953 volume was more than four times that of 1952. Maryland showed the second largest amount and the second largest percentage increase (86.2%) with one \$40 million project being responsible for the gain. South Carolina had an increase of 52%, West Virginia 38%, and North Carolina 20%.

Construction of commercial buildings started the year 1952 at a low level, owing to allocations of materials, but increased rapidly in the last half of 1952 and continued throughout 1953. Contract awards for commercial buildings in the Fifth District in 1953 were up 41% from 1952, with the largest increase in areas of heaviest population concentrations. The District of Columbia, for example, had an increase of 181%, Maryland 49%, Virginia 47%, and West Virginia 44%. On the other hand, the relatively small-community states of North and South Carolina, where fewer large shopping centers were begun, had lesser gains. Commercial building con-

tracts in North Carolina were up 14% and in South Carolina 13%, both considerably below the rest of the Fifth District.

Construction of educational buildings continued upward in 1953 under the pressure of continuously expanding school population. This construction represented the largest dollar total in the nonresidential sector in 1953.

Contract awards for public works and utilities in 1953 accounted for 22.3% of all District construction and increased 20.3% over 1952 to establish an all-time high record outlay for this type of construction. West Virginia's contract awards for public works and utilities

were up 206% in 1953 over 1952, the District of Columbia's, 164%, and Maryland's, 24%. Virginia's, however, were down 6%, North Carolina's, 14%, and South Carolina's, 24%.

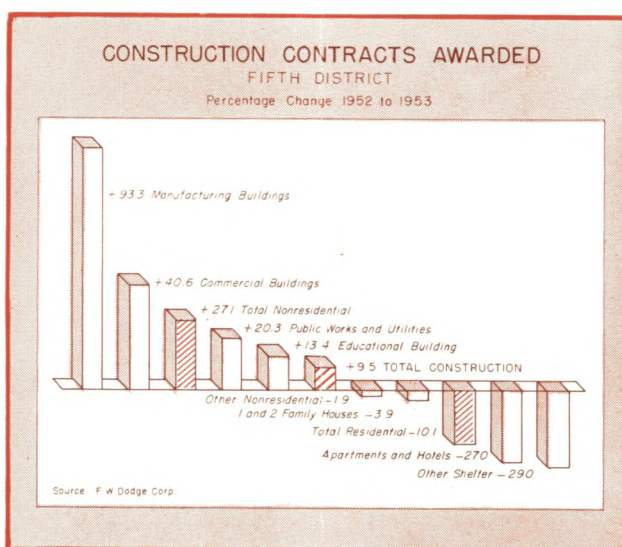
Residential construction continued the downward trend of the past three years. The drop in 1953 from 1952 amounted to 10% over-all, with apartments and hotels down 27%, one- and two-family houses down 3.9%, and other shelter down 29%.

Residential construction contract awards in Maryland rose 13.3% in 1953 over 1952, but all other

states showed declines—Virginia, 13.5%, West Virginia, 23.8%, North Carolina, 35.1%, and South Carolina, 28.5%. The District of Columbia showed a decrease of 2.9%. One- and two-family houses, accounting for 28.2% of total construction in 1953, showed a rise of 14% in Maryland, but declines in Virginia, 2%, West Virginia, 11.7%, the District of Columbia, 12.5%, North Carolina, 26.8%, and South Carolina, 32.7%.

The number of dwelling units placed under contract in the District in eleven months of 1953 was 48,813, a decrease of 17.3% from 1952. Somewhat larger units were involved in the 1953 awards; square feet per unit averaged 1,236, 8.2% over 1952.

Employment in the contract construction industry of the District in November was 8.9% below a year ago with a substantial drop recorded in South Carolina occasioned by work completions on the Savannah River atomic energy project. Sizable employment declines occurred in Virginia, North Carolina, and Washington, D. C. but Maryland employment rose moderately.



Bituminous Coal

BETWEEN 1947 and 1953 the United States enjoyed the greatest boom in its history, but the bituminous coal industry did not share in it. While national industrial production in this period increased a sharp 34%, domestic consumption of soft coal by all industries (other than electric utilities and railroads) decreased 10%. Railroad consumption was down 74% and exports were down 53%. Partly offsetting these declines was an increase of 30% in public utility consumption.

The chief reason for the divergencies between coal utilization and industrial production is the competition between coal, oil, and natural gas, together with a continued increase in the efficiency of coal burning.

Bituminous coal production in the Fifth District during 1953 amounted to 152 million tons, a drop of 7% from 1952. United States production in 1953 of 451 million tons was down 3.4% from 1952. The greater decline in the District than in the nation is due to two factors: the drop of 32% in exports, which came largely from Fifth District mines, and relatively greater competition of oil and gas along the Atlantic Seaboard, which is primarily served by Fifth District mines.

1947 was the high year in production of bituminous coal in both the United States and the Fifth District. Between 1947 and 1953 national output declined 28.5% while Fifth District output declined 23.2%. Fifth District production had been accounting for an increasing proportion of the national total for more than 35 years. In 1952 the District accounted for 35.1% of the national total, the highest proportion ever attained. In 1953 this proportion dropped slightly to 33.8%, but it was still larger than in any other year prior to 1951.

National consumption of bituminous coal in 1953 rose 4.3% over 1952 in the industrial sector despite the sharp 26% decline in rail use. Substantial rises in consumption by the steel industry and somewhat lesser increases by electric utilities offset the railroad decline. Abnormally high temperatures during the heating season reduced retail demand in 1953 by 11% from 1952, while exports during the year declined 29%.

In spite of the total gain of 8.6% in bituminous coal consumption by electric utilities, competition in various

areas of the country where coal utilization by utilities is most important has had an effect.

In New England, kilowatt-hour output generated by fuels in the first ten months of 1953 rose 16.1% from 1952, while coal consumption in this period declined 10%, oil consumption rose 38%, and gas consumption rose 110%. In the Middle Atlantic states kilowatt-hour output generated by fuels in the same period rose 10%, while coal consumption declined 0.6%, oil consumption rose 44%, and gas consumption rose 41%. In the East North Central states electric kilowatt-hour output generated by fuels rose 12.8%, while coal consumption rose 16%, oil consumption rose 6%, and gas

consumption declined 23%.

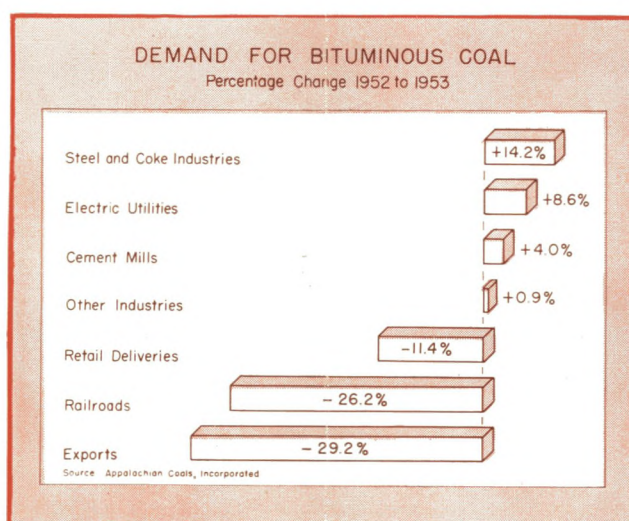
In the South Atlantic states kilowatt-hour output generated by fuels rose 13.8%, while coal consumption rose 8.2%, oil consumption rose 16%, and gas consumption rose 20%. In the East South Central states kilowatt-hour output by fuels rose 37.3%, coal consumption rose 33%, oil consumption dropped 51%, and gas consumption rose 12%.

These figures go a long way toward explaining the drop in Hampton Roads coal loadings, other than for foreign cargo, and the shift

in importance of the coal traffic to the West as compared with the Eastern movement. In addition, the price of residual fuel oil in the first eleven months of 1953 averaged 3.6% lower than the same period of 1952, while bituminous coal prices averaged 2.8% higher.

District information is available on employment and hours worked only for West Virginia, and the figures show that in the first eleven months of 1953 average employment was down 11.7% from 1952 and hours of labor down 0.5%, with total man-hour input down 12.5%. West Virginia coal production in eleven months of 1953 was 5.3% below similar months of 1952. Output per man-hour in the first eleven months of 1953 is indicated to be up 8.1% over the same months of 1952, but some toning of this change should be made because the hours of work statistics are for one week each month and do not take account of work stoppages which occurred in August and October of 1952.

Bituminous coal stocks in consuming channels at the end of November 1953 amounted to 82.4 million tons, an increase of 6.4 million tons or 8.4% over a year earlier.



Transportation Equipment

THE manufacture of transportation equipment is the Fifth District's chief war baby. Aside from an automobile assembly plant in Baltimore and one in Norfolk, the industry is largely composed of two naval shipyards, two private shipyards adapted to the construction of ocean-going commercial or naval vessels, several smaller shipyards used for repair of ocean-going ships, and two aircraft-producing factories.

In June 1950, prior to the outbreak of the Korean War, transportation equipment industries, including the navy yards, employed 52,300 workers. By June 1952 this total had increased to 95,500, a gain of 43,200 or 83%. In this period the increase in employment in transportation equipment industries accounted for 49.1% of the increase in all manufacturing employment (including the navy yards) and 11% of the increase in total nonagricultural employment (also including the navy yards). Between the high point of June 1952 and November 1953 employment in both private plants and navy yards declined 10,400 or 11%.

Employment in the private sector of the transportation equipment manufacturing industry was at its low point in July 1950, at 37,400, but by June 1952 the level had risen to 70,200, a gain of 88%. The November 1953 employment level of 65,900 was 6% under the June 1952 peak. Navy yard employment at Norfolk, Virginia and Charleston, South Carolina in July 1950 stood at 7,900; by January 1953 the level had risen to 21,700, a gain of 264%. November employment was about 7% under the January peak.

The order backlog of the private shipbuilders is running low and will be nearly eliminated during 1954 unless new business is placed under contract. The reduction in American flag shipping has also reduced the volume of business available for the ship repair yards, and employment levels in most of these yards have been reduced. The only new business in sight at the beginning of 1954 is for naval ship orders which may be placed this year for eleven combat ships, four auxiliaries, and 150 landing craft. The Navy announced at the start of the year that this business would be placed with private shipyards. One additional Forrestal-type carrier contract to be built this year by one of three East

Coast shipyards was awarded to the Newport News Yard.

Operations are still at high levels in the two aircraft factories of the District, although employment at both is probably somewhat below peak levels and will decline somewhat further under stretch-out plans. In December the Glenn L. Martin Company of Middle River, Maryland reported that its employment had leveled off at 19,000, which was down 1,000 from midyear. Employment at the Fairchild Engine and Airplane Corporation of Hagerstown, Maryland was last reported around 9,000.

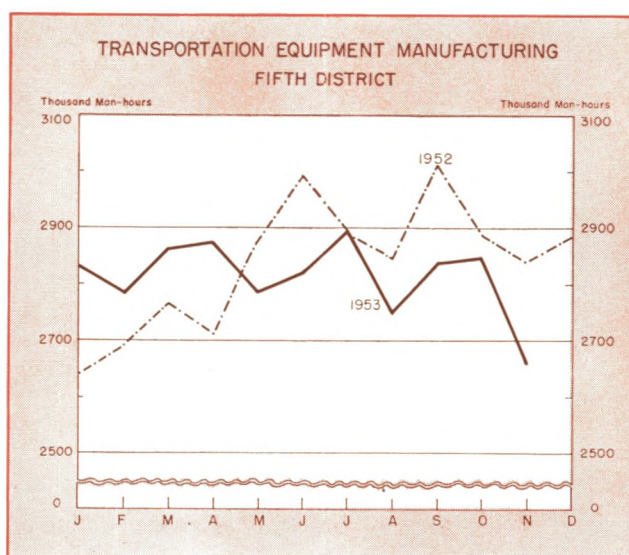
Employment in transportation equipment industries

in Norfolk, Virginia (including the navy yard) in November totaled 17,600, a dip of 400 since September and 1,350 from November 1952. Newport News, Virginia employment in these industries totaled 16,550 in November, 150 below September, and 900 below the year before. Employment in transportation equipment manufacturing industries in Maryland totaled 45,200 in November 1953, a decline of 3,600 from October and of 2,800 from November 1952. In Baltimore November employment of 33,600 was 3,400 below October and

2,400 below November 1952, with shipbuilding mainly responsible for the decrease from last year. Ship and boatbuilding employment in Baltimore, at 10,800 in November, decreased 900 below October and 3,100 below last year. Employment in the industry in Maryland (outside Baltimore in November was 11,600, a drop of 200 from October and 400 from a year ago.

In the first eleven months of 1953 average employment in the private transportation equipment industry was 1.3% higher than in similar months of 1952. The hours of labor, however, were reduced 2.6% in this period, bringing total man-hours of labor down 1.3%. This is a fair approximation of the change in the physical volume of production.

Backlogs are still substantial in the aircraft industry, and operations in 1954 should not drop very much. Private shipbuilding concerns are facing substantial employment cutbacks unless new business develops, while navy yards have scheduled further cutbacks by June 30.



Manufacturing Employment

EMPLOYMENT in the manufacturing industries of the Fifth Federal Reserve District reached a new all-time peak in September 1953, slightly higher than the World War II peak. All states in the District except Maryland showed increases in September over the war peak of August 1943.

Employment in all District manufacturing industries averaged 1,344,000 in the first eleven months of 1953, an increase of 37,500 or 2.9% over similar months of 1952. In the durable goods industries employment averaged 480,000 in this period, a gain of 18,800 or 4.1% over the same months of 1952, and in nondurable goods manufacturing employment averaged 864,000, a rise of 18,700 or 2.2%. The durable goods industries established their employment peak in April 1953. Little variation was experienced between that month and September, but both October and November showed a downward trend.

Fifth District manufacturing industries have increased their employment substantially since prewar, but the gains (owing to the dominance of nondurable goods industries) have not compared favorably with national increases. Between 1939 and 1953 manufacturing employment in the Fifth District rose 48.6%, compared with a national gain of 69.2%. In this period Maryland showed the largest gain with 52.7%, South Carolina was next with 52.3%, Virginia third with 50.5%, West Virginia fourth with 46.5%, North Carolina fifth with 39.8%, and the District of Columbia sixth with 30.9%.

Of twelve major industries in the District accounting for 87% of total employment in the first eleven months of 1953, the largest percentage increase over 1952 was recorded by primary metals at 9.1%. Apparel industries showed the second largest percentage increase at 7.8%. Furniture and fixtures were third with an increase of 7%, paper fourth with a gain of 6.5%, and chemicals fifth with a gain of 6.2%. Gains of less than 2% were recorded by machinery, transportation equipment, and food products, while stone, clay and glass industries showed no change from 1952. On the loss side

were lumber and wood products, down 1.1%, and tobacco, down 3.7%.

The gain in primary metals industries was mainly accounted for by an 18% rise in Maryland. West Virginia, second in relative importance, had a rise of less than 1%, while Virginia had a loss of 2.7% and North Carolina a loss of 8.3%. The relative importance of the industry in Virginia and North Carolina, however, is only 9% of the total in the District.

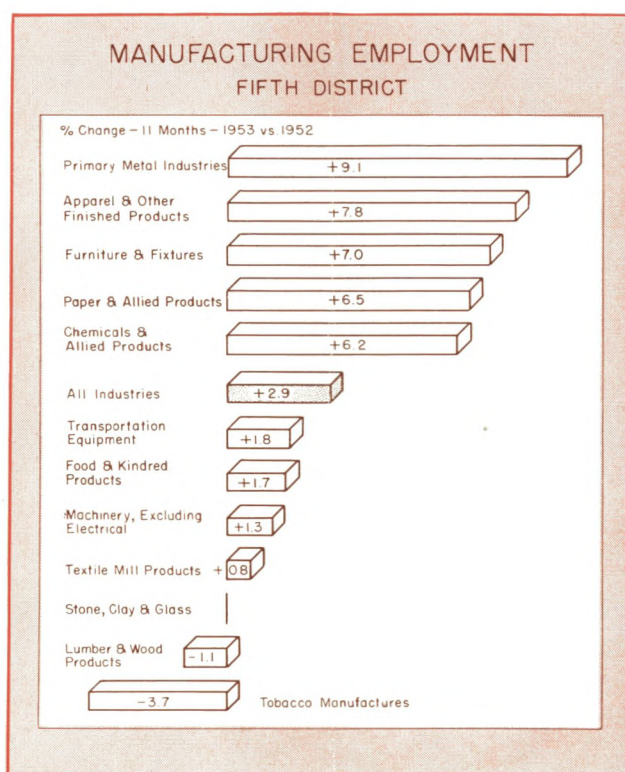
Furniture industries of the District have 88% of their employment in North Carolina and Virginia. In the first eleven months of 1953 employment in these industries in Virginia rose 8.1% from the same months of 1952; in North Carolina the increase was 6.6%. Maryland, accounting for only 8% of the total, showed an increase of 10.5%. South Carolina, with less than 4% of the total, had a gain of 5.3%.

Chemical and allied products industries in 1953 averaged 100,400 workers, a gain of 6.2% over 1952, with South Carolina up 23%, North Carolina up 10%, Virginia up 6%, West Virginia up 3%, and Maryland up 1%.

Textile mills of the District, employing an average of 423,800 workers in the first eleven months of 1953, showed an increase of 0.8%

from that period of 1952. North Carolina, with 55% of the District's total textile employment in 1953, had an increase over 1952 of 1.7%; South Carolina, with 32%, held even with 1952's level. Virginia showed a loss of less than 1%, Maryland showed an increase of a little over 1%, while West Virginia held even.

Lumber and wood products industries in the Fifth District accounted for 8.3% of total manufacturing employment in 1953, with 111,800 workers in the first eleven months of the year, a drop of 1.1% from the same months of 1952. Increases in employment in this industry were shown in South Carolina, 2.3%, West Virginia, 2.9%, and Maryland, 1.8%. Decreases of 2.8% occurred both in Virginia and in North Carolina. North Carolina, Virginia, and South Carolina accounted for over 85% of the industry's employment in 1953.



Business Conditions and Prospects

THE slowdown in industrial activity in the Fifth District which became quite noticeable in November continued in December, and there is little evidence to indicate improvement in January. The District's trade level, also firm through November, weakened in December. District unemployment increased sharply last month to an estimated 5.6% of covered employment, which compares with 3% in December and 3.6% a year ago.

On the other hand, in a number of sectors favorable performances are indicated by figures now at hand. December department store sales, for example, moved contrary to the general trend and business loans (of the weekly reporting banks) though continuing their normal slackening trend, had, through the week of January 20, shown a drop of \$20 million, as compared with \$29 million last year; and both total loans and business loans stood at a figure above that of a year ago. Fifth District member bank deposits, at the beginning of the year, were practically the same as a year earlier, whereas time deposits had increased nearly 6%. Interestingly, purchases of savings bonds showed a January-December increase of 22%. These savings gains are impressive, though they raise interesting questions as to when and how they will be used. Fifth District bank debits for December were up 4% over December 1952, and the twelve months' total was 7% over the previous calendar year. Contract awards—for one- and two-family houses—showed a December gain of 16% over December 1952, though all other types were down sharply.

New passenger automobile sales in five states of the District dropped 15% from November to December, and new commercial car registrations were down a like amount. Passenger cars, however, remained moderately above registrations in December last year, while commercial cars were down considerably. Furniture store sales dropped both during the month of December and from a year ago. Sales of household appliance stores were also down appreciably from last year. Wholesalers' sales last year were 1% to 35% less though drugs were up 8% and paper up 16%.

The cotton textile industry showed a less than seasonal decline in consumption, but a greater than seasonal decline in spindle hours from November to December. In both cases figures were considerably below a year ago. Trade information indicates some improvement in cigarette output in December.

Finance

Bank loans in the weekly reporting banks of the Fifth District continued downward through the week of January 20 with the cumulated decline from the year end amounting to \$32 million compared with \$25 million in the same period last year. The "all other loan" group, composed substantially of personal loans, declined \$12

million from the year end to January 20, compared with a gain of \$1.2 million in the same period last year.

Total deposits of all member banks in the Fifth District rose 1.4% from November 25, 1953 to December 30, 1953 but were 0.6% under December 31, 1952. Time deposits relative to a year ago were up 5.9%, interbank deposits down 6.6%, and other demand deposits down 1.9%. Member banks were nearly out of debt at the Federal Reserve Bank on December 30, but were borrowing from others in the amount of \$52 million, a figure sharply higher than a year ago.

There was a gain in December from a year ago of 11.2% in purchases of Series E and H savings bonds and a January-December increase of 22%. Mutual savings bank deposits in Maryland were up 5.3% in December over a year ago, while life insurance sales were up 14% from a year ago.

Textiles

Although cotton consumed in Fifth District mills in December was 9% lower than a year ago, the decline from November was less than seasonal, and the adjusted index rose 2%. Cotton spindle hour operations, however, declined 3% after seasonal correction to a level 8% below a year ago. Both in December and January there was some forward purchasing by consuming industries at higher market prices for major constructions. But these price rises discouraged buyers and the industry slowed again in January.

Inventories in the hands of primary producers of cotton goods and yarns are slight and the same situation seems to apply to retailers and wholesalers. If the industrial situation nationally stabilizes in coming months, this industry is in a position to snap back quickly. December man-hours in the textile mill products industries were down 10% from a year ago in the Carolinas.

Construction

Construction contract awards made a remarkable showing in the Fifth District in both October and November, but declined sharply in December both from the previous month and from a year ago. Total awards, after seasonal correction, dropped 40% from November to December to a level 32% below a year ago. Residential contract awards in December were down 14% from last year and nonresidential contracts were down 39%. Showing a December gain over last year were one- and two-family houses which rose 16% in this period. All other types were down from 20% to 93%. Interim figures point to some improvement in January.

For the full year 1953, total District construction awards were up 5% from 1952 with residential awards down 10% and nonresidential awards up 18%. Factory buildings led the parade in this period with a gain of 72%, followed by commercial buildings up 31%.

Public works and utilities were up 12% and educational buildings up 6%. In the residential sector apartments and hotels were down 28%, one- and two-family houses down 3%, and other residential down 40%.

Trade

December department store sales continued the recovery begun in October. Sales were up 3% (daily average seasonally adjusted) from November but 2% under December 1952. Department stores made substantial progress in reducing inventories which in December were down 8% from November (adjusted) but 3% ahead of last year. Inventory policy is indicated in the declines in outstanding orders—off 19% after seasonal correction from November to December and 24% below a year ago. Soft goods were mainly responsible for the relatively good showing in sales.

Furniture was not in season in December and sales of retail furniture stores in this District dropped 4% after seasonal correction from November to a level 12% under December 1952. Interestingly, credit sales, relative to a year ago, have fallen considerably more than cash sales. Furniture store inventories rose 3% from November to December on an adjusted basis, but were only 1% ahead of last year. Indications at the Chicago

and New York furniture marts in January were that stores were buying a large variety of items but not purchasing in depth.

New passenger automobile registrations in four Fifth District states and the District of Columbia dropped 15% from November to December but were 3% ahead of the relatively low month of December 1952. In the year 1953 these states showed an increase in passenger car registrations of 31% over 1952—the estimated national increase was 39%. New commercial car registrations in December for the same states were down 15% from November and 9% from December 1952. 1953 commercial car registrations in these states were up 11% from 1952 compared with a gain of 15% in twenty-four states reporting to date.

Agriculture

Cash farm income in the District in November was 30% below October and 19% under a year ago, though the eleven months' drop was 7%. Relative to a year ago November income from crops was down 24% and that from livestock and products down 5%. In the eleven months crop income was down 9% and livestock and products income down 3%.

FIFTH DISTRICT BANKING STATISTICS

DEBITS TO DEMAND DEPOSIT ACCOUNTS*

	December 1953	December 1952	12 Months 1953	12 Months 1952
Dist. of Columbia				
Washington	\$1,195,992	\$1,098,564	\$13,047,524	\$12,496,218
Maryland				
Baltimore	1,553,197	1,553,994	17,139,876	15,550,594
Cumberland	25,107	27,968	299,270	302,138
Frederick	26,007	25,638	282,174	270,926
Hagerstown	40,875	40,222	456,282	426,547
North Carolina				
Asheville	69,492	70,501	745,553	731,115
Charlotte	391,741	374,762	4,414,712	4,157,199
Durham	96,586	103,952	1,288,335	1,284,543
Greensboro	120,123	120,472	1,422,912	1,293,592
High Point	45,089**	NA	NA	NA
Kinston	22,735	22,965	335,435	324,977
Raleigh	245,691	198,415	2,361,998	2,166,364
Wilmington	48,071	43,169	566,897	537,458
Wilson	20,645	24,635	354,975	343,357
Winston-Salem	184,376	179,765	1,873,444	1,745,509
South Carolina				
Charleston	75,479	88,920	929,958	971,085
Columbia	197,701	151,016	1,958,391	1,723,356
Greenville	116,549	115,835	1,340,654	1,285,340
Spartanburg	69,184	69,955	803,788	839,848
Virginia				
Charlottesville	31,487	27,186	342,500	302,188
Danville	50,770	50,023	506,429	487,159
Lynchburg	51,956	52,919	590,218	546,860
Newport News	53,370	53,772	578,024	571,288
Norfolk	293,263	293,680	3,113,289	2,946,385
Portsmouth	34,984	33,590	372,659	330,659
Richmond	692,722	690,416	7,530,446	7,117,548
Roanoke	134,939	128,366	1,470,757	1,368,947
West Virginia				
Bluefield	52,636	60,325	534,750	577,659
Charleston	227,246	198,028	2,136,210	1,934,640
Clarksburg	41,331	41,194	408,374	413,192
Huntington	84,794	90,475	857,879	853,950
Parkersburg	35,100	32,776	378,243	354,175
District Totals	\$6,284,149	\$6,063,498	\$68,441,956	\$64,254,816

* Interbank and U. S. Government accounts excluded.

** Not included in District totals.

NA Not Available.

50 REPORTING MEMBER BANKS

	Jan. 13, 1954	Dec. 16, 1953	Change in Amount from Jan. 14, 1953
Items			
Total Loans	\$1,398,283**	— 15,648	+ 64,902
Bus. & Agric.	637,707	— 8,281	+ 17,236
Real Estate Loans	264,852	— 1,162	+ 3,583
All Other Loans	512,733	— 5,437	+ 45,074
Total Security Holdings	1,818,101	+ 9,001	— 84,157
U. S. Treasury Bills	188,183	+ 63,663	— 80,313
U. S. Treasury Certificates	251,957	— 9,502	+ 93,656
U. S. Treasury Notes	294,862	— 21,929	+ 5,844
U. S. Treasury Bonds	854,543	— 18,825	— 107,149
Other Bonds, Stocks & Secur.	228,556	+ 4,406	+ 3,805
Cash Items in Process of Col.	293,879	— 14,270	+ 6,101
Due from Banks	185,638*	— 9,661	— 12,648
Currency and Coin	80,087	— 2,444	— 3,008
Reserve with F. R. Banks	560,522	— 3,216	— 8,557
Other Assets	59,810	— 2,625	+ 3,929
Total Assets	4,396,320	— 38,863	— 45,640
Total Demand Deposits	3,344,750	— 59,434	— 86,560
Deposits of Individuals	2,533,092	+ 3,652	— 24,927
Deposits of U. S. Government	80,611	— 25,941	— 35,495
Deposits of State & Local Gov.	165,751	— 14,651	— 1,963
Deposits of Banks	515,338*	— 10,700	— 11,919
Certified & Officers' Checks	49,958	— 11,794	— 12,256
Total Time Deposits	684,426	+ 5,164	+ 26,458
Deposits of Individuals	606,671	+ 5,166	+ 26,781
Other Time Deposits	77,755	— 2	— 323
Liabilities for Borrowed Money	40,500	+ 17,600	— 9,100
All Other Liabilities	44,423	+ 4,399	+ 6,808
Capital Accounts	282,221	+ 2,206	+ 16,754
Total Liabilities	\$4,396,320	— 38,863	— 45,640

* Net figures, reciprocal balances being eliminated.

** Less losses for bad debts.

FIFTH DISTRICT STATISTICAL DATA

SELECTED INDEXES

Avg. Daily 1935-39=100—Seasonally Adjusted

	% Chg.—					
	Latest			Mo.		
	Dec. 1953	Nov. 1953	Dec. 1952	Prev. Mo.	Yr. Ago.	
New Passenger Cars*	—	216	184	— 3	+34	
Bank Debits	471	475	454	— 1	+ 4	
Bituminous Coal Production	115	119	141	— 3	—18	
Construction Contracts	474p	792	693	—40	—32	
Business Failures—No.	73	74	53	— 1	+38	
Cigarette Production	—	242	258	+11	— 2	
Cotton Spindle Hours	148	153	161	— 3	— 8	
Department Store Sales**	121	118	123	+ 3	— 2	
Electric Power Production	—	425	405	0	+ 7	
Manufacturing Employment*	—	158	160	— 1	— 1	
Retail Furniture: Net Sales	191	198	217	— 4	—12	
Life Insurance Sales	435	430	383	+ 1	+14	

* Not seasonally adjusted.

** 1947-1949=100.

Back figures available on request.

WHOLESALE TRADE

LINES	Sales in		Stocks on		
	Dec. 1953		Dec. 31, 1953		
	compared with		compared with		
	Dec. 1952	Nov. 1953	Dec. 31, 1952	Nov. 30, 1953	
Auto supplies (8)	-26	- 5	- 2	0	
Electrical goods (5)	-12	+ 9	+18	+10	
Hardware (11)	-13	-11	- 1	+ 1	
Industrial supplies (11)	- 3	-15	0	0	
Drugs and sundries (8)	+ 6	0	+ 1	- 6	
Dry goods (11)	-10	-17	0	-20	
Groceries (45)	+ 3	+ 4	0	-11	
Paper and its products (5)	+ 1	- 3	-----	-----	
Tobacco products (12)	+ 1	+18	+15	-11	
Miscellaneous (89)	- 3	+ 7	+ 7	+ 2	
District total (205)	- 3	+ 2	+ 4	- 3	

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, Dec. '53 vs Dec. '52	— 0.8	— 4.3	+ 1.2	— 3.0	— 1.6	
Sales, 12 Mos. ending Dec. 31, '53 vs 12 Mos. ending Dec. 31, '52	0.0	— 2.1	— 2.1	0.0	— 0.3	
Stocks, Dec. 31, '53 vs '52	+ 9.3	— 4.7	+ 3.4	— 0.7	+ 0.4	
Outstanding orders Dec. 31, '53 vs '52	—18.0	—20.8	—26.2	—25.7	—23.5	
Open account receivables Dec. 1 collected in Dec. 1953	29.8	49.8	39.9	41.3	41.0	
Instalment receivables Dec. 1 collected in Dec. 1953	12.7	14.2	12.3	16.5	13.5	
	Md.	D.C.	Va.	W.Va.	N.C.	S.C.
Sales, Dec. '53 vs Dec. '52	—4.6	+1.2	—2.4	—3.6	—2.7	+4.1

BUILDING PERMIT FIGURES

	December 1953	December 1952	12 Months 1953	12 Months 1952
Maryland				
Baltimore	\$ 3,282,570	\$ 4,518,105	\$ 82,458,230	\$ 56,844,150
Cumberland	18,775	20,180	598,395	607,086
Frederick	70,775	52,300	2,244,227	2,243,252
Hagerstown	198,315	88,460	2,424,100	1,595,218
Salisbury	41,065	103,541	1,131,521	1,478,756
Virginia				
Danville	185,327	104,442	3,653,287	4,675,647
Hopewell	112,040	60,188	3,494,400	1,866,242
Lynchburg	202,800	32,887	4,345,106	2,393,729
Newport News	106,334	2,794,237	2,337,896	9,387,547
Norfolk	2,216,315	595,874	18,263,874	19,832,862
Petersburg	59,000	60,400	1,784,900	2,020,772
Portsmouth	264,311	165,355	7,575,709	6,922,340
Richmond	1,524,599	4,737,159	19,984,638	23,254,831
Roanoke	533,839	413,052	16,522,997	9,788,457
Staunton	425,500	1,095,050	2,331,902	2,380,805
West Virginia				
Charleston	246,985	678,075	11,876,892	12,057,040
Clarksburg	6,384	33,250	2,172,818	1,234,880
Huntington	315,620	351,014	9,002,112	7,258,988
North Carolina				
Asheville	134,562	162,312	3,455,219	3,515,584
Charlotte	1,372,185	1,320,778	30,937,384	20,652,303
Durham	274,502	179,520	7,086,659	9,273,077
Greensboro	318,542	541,085	9,820,684	8,466,669
High Point	136,475	185,400	4,689,009	3,541,315
Raleigh	745,346	1,572,450	22,561,705	17,558,803
Rocky Mount	725,244	318,544	5,382,568	2,885,834
Salisbury	63,975	353,838	2,140,451	2,458,650
Wilson	87,600	165,600	2,068,231	2,534,425
Winston-Salem	690,014	508,407	8,821,467	11,395,682
South Carolina				
Charleston	200,557	99,904	5,160,674	1,865,844
Columbia	412,814	446,695	9,309,957	10,383,804
Greenville	414,390	561,400	5,511,582	9,317,675
Spartanburg	134,945	62,660	1,065,330	1,990,497
Dist. of Columbia				
Washington	4,329,979	4,715,747	73,450,640	54,268,951
District Totals	\$19,851,684	\$27,097,909	\$383,664,564	\$325,951,215

RETAIL FURNITURE SALES

States	Percentage comparison of sales in periods named with sales in same periods in 1952	
	December 1953	12 Mos. 1953
Maryland (6)	— 6	0
Dist. of Col. (7)	—19	—11
Virginia (22)	—13	— 4*
West Virginia (10)	—12	0
North Carolina (14)	—10	— 6
South Carolina (6)	—10	— 6
District (65)	—13	— 6*
INDIVIDUAL CITIES		
Baltimore, Md. (6)	— 6	0
Washington, D. C. (7)	—19	—11
Richmond, Va. (11)	—19	— 9*
Charleston, W. Va. (3)	— 4	0

Number of reporting firms in parentheses.

* Cumulative sales figures based on a slightly smaller sample than monthly sales figures.