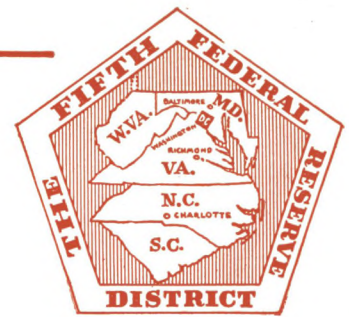
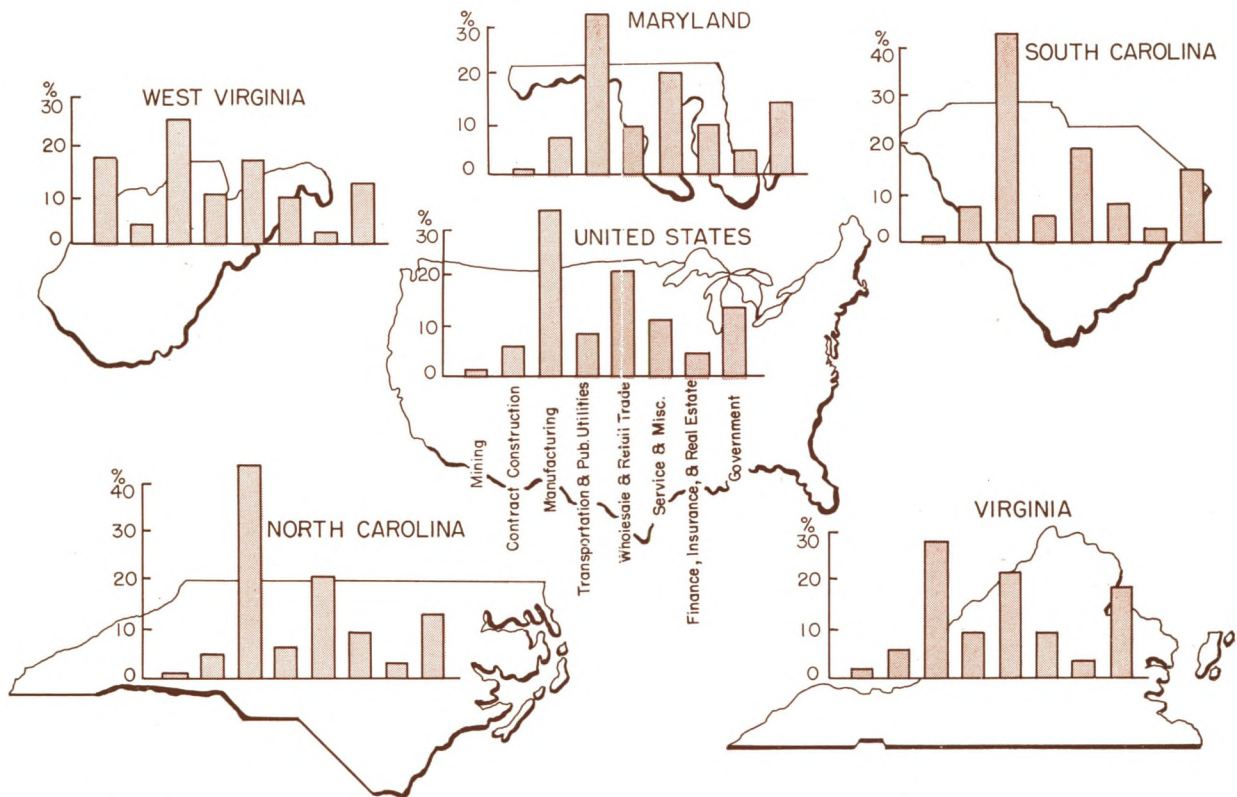


# Monthly Review



January 1955

## NONAGRICULTURAL EMPLOYMENT - 1954 \* PERCENT DISTRIBUTION



\* First Ten Months  
Source: U. S. Department of Labor

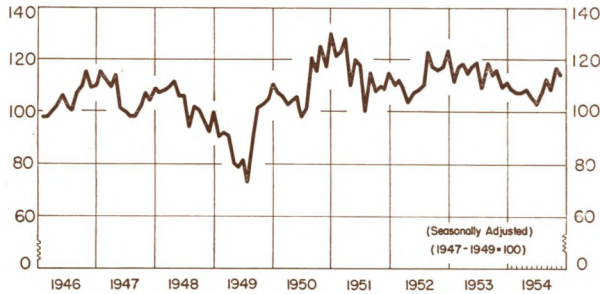
THE labor force in the Fifth Federal Reserve District grew faster than that of the nation from 1940 to 1950. But the increase in the District's total nonagricultural employment has barely managed to keep pace with the national increase. The article on page 3 describes the trends of growth in population and employment in each state.

### Also In This Issue - - -

<i>Fifth District Trend Charts</i> .....	Page 2
<i>The Consumer's Food Dollar</i> .....	Page 5
<i>Fifth District News Briefs</i> .....	Page 7
<i>Business Conditions and Prospects</i> .....	Page 9
<i>Fifth District Statistical Data</i> .....	Page 11

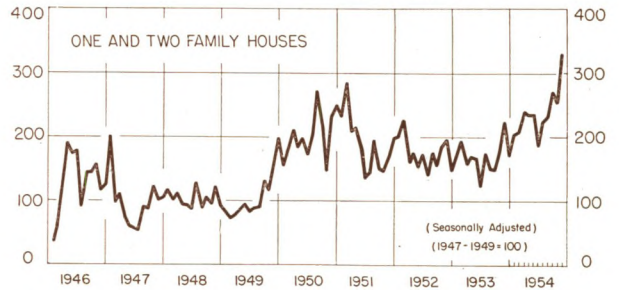
## FIFTH DISTRICT TRENDS

COTTON CONSUMPTION



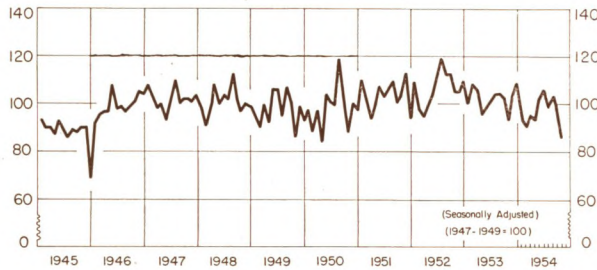
Cotton mill activity in the Fifth District continued to rise in November but the rise was not of normal seasonal proportions and the adjusted index of cotton consumption declined 3% from October to November. It was 5% higher than in November 1953 and with the exception of October 1954 was the highest month of the year. In eleven months of 1954, cotton consumption in Fifth District mills was down 5% from similar months of 1953.

CONSTRUCTION CONTRACT AWARDS



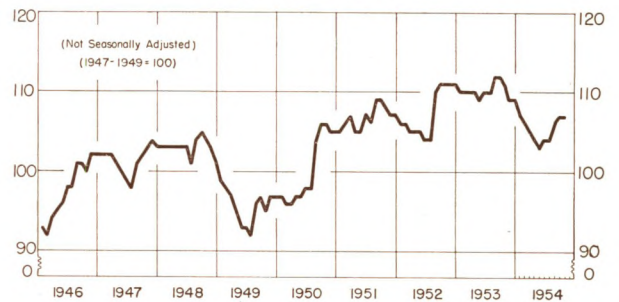
Contract awards for construction of one- and two-family houses in the Fifth District in November rose 29% after seasonal correction over October to a level 46% ahead of November 1953. In June 1953, this type of award reached its lowest point since late in 1949. Between June 1953 and November 1954 the increase has amounted to 163%. November awards established a new high record by a wide margin.

CIGARETTE PRODUCTION



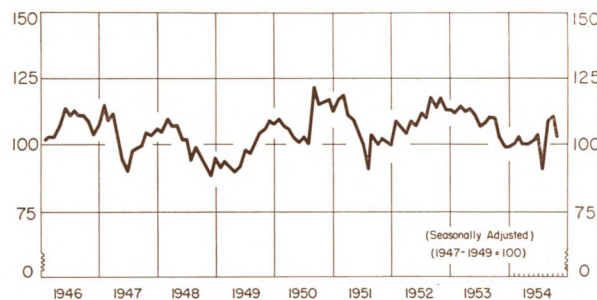
Cigarette production in the Fifth District during October was down 13% from September after seasonal correction to a level 8% under a year ago. In the first ten months of the year cigarette production was down 5%. Tax-paid withdrawals of cigarettes from bond are reported for Virginia 2.5% higher in November than last year.

MANUFACTURING EMPLOYMENT



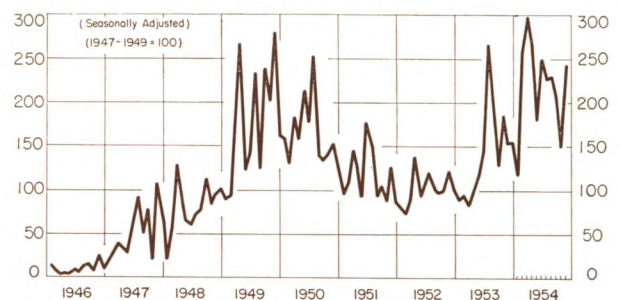
Employment in the Manufacturing Industries of the Fifth District during October held at the September level but was 4% smaller than in October 1953. Four states of the Fifth District reporting for November show a decline from October of 3,000 employees or 0.3%.

HOSIERY PRODUCTION - UNITED STATES



National output of hosiery after recovering substantially in August and September failed to maintain the pace in October when output on a seasonally adjusted basis fell 7% from September but held 1% higher than a year ago. Man-hours in North Carolina's full-fashioned hosiery industry rose 3.2% from October to November and seamless man-hours were up 0.3%.

BUSINESS FAILURES



The number of business failures in the Fifth District during November 1954 was 62% higher than in October and 58% ahead of a year ago with eleven months total up 60% from last year. The number of failures hit their highest point in March and trended generally downward until October. November reversed the trend but remained below the year's peak level.



## A New Challenge: More Jobs For A Growing Labor Force

THE Census Bureau estimates an average of 1 million persons will be added to the labor force each year through 1975, based on the current age-sex distribution of employment and an assumption of continuing high employment levels. The average annual rate of growth will be 1.3% or under the 1940-1950 rate of 1.5%. In the Fifth Federal Reserve District states the labor force during the 40's grew at a rate of 1.6%, and accounted for about 11% of the national increase of 7.3 million in that decade. Since this labor force represented 8.8% of the national total in 1950, at least 88,000 persons will be added each year if the position is to be maintained.

How has the increase in the labor force and in employment been distributed in the District and among its industries? The annual rate of growth during the past decennium of the labor force in Maryland and Virginia of 2.4% was considerably above the District average, while that in North Carolina equaled the national rate. West Virginia and South Carolina lagged behind with rates of 0.4% and 0.9% respectively. Significantly, the fastest growth in employment in the District occurred in industries individually accounting for a small share of total employment.

### Urban Population

Maryland's annual rate of population growth from 1939 to 1953 was the highest in the District—2.5%—and increased her share of total population from 1.38% to 1.6%. Compared with other District states, the increase of 349,000 from net in-migration was more important than the natural increase of 371,000, from 1940 to 1953. The high density of population—257 persons per square mile contrasted with only 52 for the United States—reflects the urban proportion of 69%.

Of the total population in the country in 1950, 24.1% were under 14 years of age, and 67.8% were from 14 to 64 years. Maryland had 25.4% under 14 and 67.6% in the working-age group. The state's proportion of the total labor force increased from 1.45% in 1940 to 1.62% in 1950.

Construction was the state's fastest growing industry, with an annual rate of 6.9% from 1939 to 1953, and its share of nonagricultural employment rose from 4.9% to 7.6% in 1954. Government employment was next with

an annual rate of 5.2%, notably higher than the rate of 3.7% for the United States. This classification now accounts for 14.4% of nonagricultural employment and about 15% of total income paid to individuals.

Wholesale and retail trade and financial employment had the third and fourth fastest rates, increasing their proportion of nonagricultural employment from 20.1% in 1939 to 20.7% in 1954, and from 3.9% to 4.6% respectively. Transportation and public utilities, manufacturing, and service did not grow as fast in Maryland as they did nationally, causing their shares of nonagri-

cultural employment to decline. The distribution of manufacturing employment in Maryland is closest to the national distribution of any of the District states: Maryland has 58.7% in durable goods and 41.3% in nondurable; the United States has 58.5% and 41.5%.

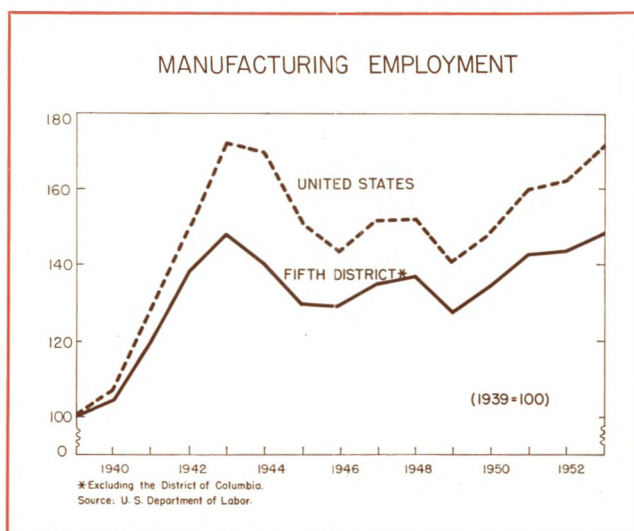
Agricultural employment declined 2% annually from 1940 to 1950, accounted for only 6.7% of total employment, and was much lower than the national proportion. Mining employed only 0.3% of nonagricul-

tural workers in 1954, after a small decline from the 1939 average.

### 19% in Virginia; 14% in U. S.

Even excluding the Virginia section of the Washington metropolitan area from state data, as is done by the Department of Commerce and the Bureau of Labor Statistics, government accounts for about one-fifth of nonagricultural employment, as well as income paid to individuals in Virginia. This group had the second fastest annual rate of growth—5.1%—among industry groups and increased its share of nonagricultural employment from 15.4% in 1939 to 18.9% in 1954. Government payrolls amounted to \$915 million in 1953, over \$100 million more than manufacturing, and represented 20.7% of total income payments. Over a third of Virginia's Federal employees work in the Hampton Roads area. State non-school employment is much higher in Virginia than in the other District states.

Financial employment increased at the rate of 6.1% from 1939 to 1953, but this group accounted for only 3.9% of nonagricultural employment in 1954. Trade added new employees at a rate of 4.7%, and has 22.3% of nonagricultural employment. Manufacturing is, of





course, the leading employer, but its share has declined from 32% in 1939 to 27.9% in 1954. Agriculture dropped from 25.8% of 1940's total employment to 15.4% in 1950. Mining declined less than 1% per year, or about 300 employees per annum from 1939 to 1954.

Virginia is the only District state besides Maryland which had a higher rate of population growth—2.1%—than the national rate. Immigration was not as important in Virginia as in Maryland, accounting for only 204,000 new residents contrasted with a natural increase of 667,000 from 1940 to 1953. In 1950, 27.5% of the population was under 14 years and 66% was in the 14-to-64 group. The median age was 27.3 years, slightly under the national median of 30.2 years.

### **West Virginia's Growth Is Slower**

Among District states, West Virginia had the lowest annual rate of population increase—only 0.3%. The loss of 417,000 persons due to net out-migration between 1940 and 1953 nearly cancelled the gain of 452,000 from natural increase. The median age of West Virginians was 26.3 years in 1950, and 29.9% of the population was under 14 years of age.

The state's share of the total labor force dropped from 1.20% in 1940 to 1.09% in 1950. Manufacturing employment meanwhile increased at the comparatively slow rate of 2.6%. Manufacturing contributed the largest share of personal income in 1953, with 22.3% or \$543.7 million, and employed 26.7% of total nonfarm employment in 1950.

Mining lost 4 thousand employees over the 1939-1953 period and another 16 thousand in 1954. This group had 28% of nonfarm employment and 19.7% of income paid to individuals in 1939, but it has surrendered first place to manufacturing. Agriculture dropped from 34.5% of total employment in 1940 to 25.3% in 1950. Service employment grew 4.2% per year and increased its share of nonagricultural employment from 6.6% in 1939 to 9.2% in 1954. Construction also had a rate of 4.2%, and increased from 3.1% to 4%.

Transportation and public utilities, trade and finance increased at faster annual rates in the state than in the United States, and enlarged their share of nonagricultural employment.

West Virginia's annual growth rate of 2.9% in government employment makes it the only District state with a slower rate than the nation. It was also the only District state without a large wartime increase in Federal government activity. Government payrolls represented only 6.2% of total individual income in 1953.

### **Manufacturing Important in North Carolina**

Average nonagricultural employment for the first 10 months of 1954 gives Old North State manufacturing 43.8% of the total, a drop from 52.4% in 1939, but still dominant in the state's economy. Its annual growth rate of 2.4% was the lowest among industries in the

state and for manufacturing in the Fifth District. In contrast with the declining share of employment, manufacturing contributed a larger share of income payments—from 23.7% in 1939 to 26.5%, or \$1,216.7 million, in 1953.

Trade employment grew 5.5% per year and increased its share of nonagricultural employment from 15.6% in 1939 to 20% in 1954. In 1953 it contributed \$732.1 million in income payments. Transportation and public utilities grew 4.9% per year. Financial employment dropped below the 1939 average during the war, but it still maintained a rate of 4.6% over the fourteen years. Government averaged 4.4% each year and increased its share of nonfarm employment from 11.3% in 1939 to 13.2% in 1954. An annual rate of 3.9% placed service employment growth last among these five industries.

Construction's annual rate of 5% was second highest among industries in the state, but was considerably below the national average. Actually, North Carolina is the only District state showing an increase in mining employment, although mining accounts for only 0.3% of the total. Agriculture dropped from 34.5% of total employment in 1940 to 25.3% in 1950, and its share of individual income dropped from 19.5% in 1939 to 12% in 1953, when it paid \$550.2 million.

Between 1940 and 1953, there was a net out-migration of 394,000 persons and a natural increase of 1,014,000. Of the total 1950 population, 30.4% were under 14 years, and 64% were from 14 to 64 years old. The median age was 25 years.

### **Construction Leads in South Carolina**

Construction employment in South Carolina grew at the surprising rate of 9.9% per year from 1939 to 1953. This rate is reflected in the increase in proportion of income payments from only 2.4% of the total in 1939 to 10% in 1953, and from 4.5% of nonagricultural employment in 1939 to 9.5% in 1953.

South Carolina's second fastest growing industry was finance, with a rate of 9.3%; but finance accounts for only 2.4% of 1953 income payments and 1954 nonagricultural employment.

Trade grew 5.2% per year, with an increase from 16.5% of nonagricultural employment in 1939 to 19% in 1953, and of income from 11.6% to 14.3%. Government employment had a rate of 4.5%, and in 1953 accounted for 14.4% of nonfarm employment and 13% of income payments. The rate of 3.1% for transportation and public utilities is slightly above the national rate, but this industry lost about 1% of both employment and income payments from 1939 to 1953.

Manufacturing employment grew 3.2% per year. Its share of nonagricultural employment declined from 47.9% in 1939 to 42.9% in 1954, but its share of income payments increased from 21.8% to 25.8%.

(Continued on page 12)



## The Consumer's Food Dollar

FOOD costs are obviously an important item in the family budget. Hence, much public interest has centered for years on the consumer's food dollar. Plainly the consumer asks: Why does food cost so much? And why, when farm prices (of food products) go down, don't retail food prices also decline?

The farmer also gets in the act and asks: How much of the consumer's food dollar does the grower receive? Who gets the difference? Why does his share vary so widely between commodities? Why do farm prices fluctuate more sharply than prices at retail?

These are some of the pointed questions whenever food costs are mentioned. Examination of recent data made available by the Agricultural Marketing Service of the United States Department of Agriculture provides some useful basic background information—and maybe some of the answers.

### Measuring Food Costs

In measuring the average changes in retail food prices, the USDA uses the concept of the "market basket." This so-called market basket contains the estimated quantities of farm-produced food products bought for consumption at home by the average urban wage-earner and clerical-worker family in 1952.

The typical city workingman's family in 1952 consisted of 3 to 4 persons (3.3 persons on the average) with a family income after personal taxes of \$4,160. This average family spent \$1,028 for farm food products.

Actually, the retail cost of this food basket does not represent all the money this urban family puts into food. Not included are the costs of imported and nonfarm foods such as bananas, pineapple, coffee, and fishery products. Nor are foods bought in restaurants included, for, significantly, consumers now buy about one-sixth of all their food in the form of restaurant meals.

By using the gauge which the USDA has set up for measuring the retail cost of market-basket foods, we find that the family's number one purchasing agent—the housewife—spent, on the average, \$985 for food in 1954. This was \$43 or 4% below the \$1,028 peak paid out in 1952, but with the exception of 1948, 1951, 1952, and 1953, it was higher than any other years.

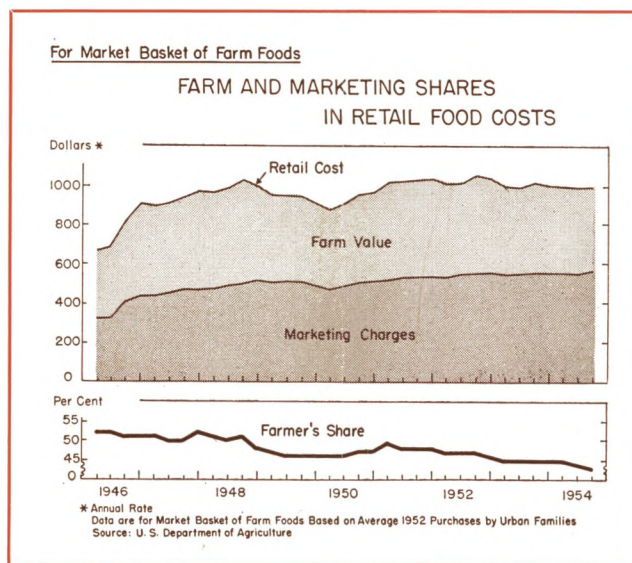
### Farm Value of Retail Food Prices

In discussing retail food prices, it should be remembered that changes in either marketing margins or retail prices affect the farmer's share of the consumer's food dollar.

Over the past 42 years, the farmer's share has fluctuated from a low of 32 cents during the depression of the 30's to an all-time high of 53 cents in 1945. In the year just ended, with food products in the market basket costing \$985 at retail, the farmer received \$430, or 44 cents out of each dollar.

This 44-cent share is less than in any year since 1941 but 4 cents more than the prewar 1935-39 average.

The farmer's share of the consumer's dollar is not the same for all foods, however. How the food dollar is shared varies widely from commodity to commodity. In the third quarter of 1954, for example, farmers averaged 64 cents from each dollar consumers spent for poultry and eggs, 60 cents from each meat dollar, and 46 cents of every dollar spent for dairy products. By contrast, they received only 30 cents of the average fruit



and vegetable dollar and only 22 cents of each dollar spent for grain products such as bread and breakfast cereals.

Why these big differences? The answer: Some food products require more marketing services than others; some are obviously in forms quite different from that which left the farm. The housewife, for instance, doesn't buy wheat at the retail counter but loaves of bread, which include ingredients other than the flour which came from the wheat and payment for various costs and services of millers, bakers, and distributors.

Likewise, the little wife doesn't buy cattle but preferred cuts after the beef has been slaughtered and processed. In comparing the farm value and retail cost of foods, we must allow for those "lost" parts which do not go into food. To illustrate: Less than 50 pounds of salable retail cuts can be obtained from every 100 pounds of liveweight steer. This means that the price per pound of beef at retail is necessarily much higher than the price of beef on the hoof even before any marketing charges are added to the price received by the farmer.



### **Farm-To-Retail Price Spread**

Because of the increasing importance of marketing services in relation to farm production, it is important to recall a few basic facts about the behavior and influence of the charges which the marketing agents levy.

First, as marketing charges become an increasing proportion of the retail price of farm food products, prices at retail become less sensitive to changes in prices at the farm level and are affected more by changes in the costs of marketing—such items as wages, freight rates, rents, electricity and other utilities.

Second, marketing margins are usually more stable than prices of farm products. Many of the larger costs in marketing are not immediately influenced by either inflationary or deflationary pressures. Thus, during periods of inflation, though both farm prices and marketing margins rise, the marketing charges advance more slowly and over a longer period of time than farm prices. Similarly, during deflationary periods, food-marketing costs are more inflexible than prices of farm products.

Since the First World War, for instance, marketing costs have declined substantially only during the severe deflations of the early twenties and thirties and then at rates slower and considerably smaller than the declines in farm prices.

During the post-World War II period, marketing charges for market-basket foods have increased steadily, while the farm value of these foods has been more variable, declining sharply in 1949 and early 1950, rising rapidly from mid-1950 through early 1951, and declining again in the last three years. By 1954 this marketing margin stood at an all-time high and accounted for \$555 of the total market-basket value of \$985.

### **Food Costs and Personal Income**

Despite the fact that retail food prices are now twice as high as in 1935-39, and have been for the past four years, the average consumer today can purchase—with a smaller share of his income—the same types and quantities of food he bought in the prewar years. Actually, the identical quantities of food purchased in 1935-39 now take only 17% of the average consumer's disposable personal income as contrasted with 23% in the earlier prewar period.

Even though incomes have risen more than food prices, the average consumer in 1954 (and, in fact, every year since 1946) spent a larger proportion of his income for food than during 1935-39. Why? The modern homemaker is clearly demanding, and receiving, more specialized food products and services. She buys more food and more expensive foods—meats, poultry, eggs, fruits and vegetables—and less grain products and potatoes; she buys more meals in restaurants, more processed and packaged foods and thus more marketing services—which do not come cheap in a high-powered, high-wage economy.

These changes in family eating habits—changes which have made for better balanced meals and better nutrition, but which have increased the family food bill considerably—are brought sharply to focus in a recent study by home economists of the USDA. In this survey of food preparation for a family of 4 for one day, three sets of menus, designed to illustrate the differences in time and money required in using home-prepared and commercially-prepared foods, were used. The menu consisting of foods having as little advance preparation as possible cost \$4.90 (both food and fuel prices included) but took 5.5 hours in preparation and watching at home; the one made up of partially-prepared foods cost \$5.80 and required 3.1 hours in the kitchen; while the menu which consisted of ready-to-serve foods cost \$6.70 and took 1.6 hours to prepare. Though costing over one-third more in dollars and cents than the meal requiring a maximum of home preparation, the meal of foods ready to serve took almost 4 hours less time.

Currently, when time is an important commodity, the trend toward more processed and ready-to-serve foods seems likely to continue, particularly as long as consumers have high level incomes. Consumers obviously are giving preference to services that save time, offer wider variety, maintain quality, and increase the convenience and attractiveness of foods. Since this is the case, while consumer incomes are either maintained or increasing, marketing agencies as well as farmers will continue to look for new ways to improve their respective positions as they endeavor to supply Mr. and Mrs. Consumer with the kinds and quantities of foods consistent with this high standard of living.





## Fifth District New Briefs

Recent reports from the North Carolina Department of Conservation and Development and the Virginia State Chamber of Commerce provide a summary of recent industrial expansion and modernization in these states and are illustrative of a similar trend throughout the Fifth District.

In North Carolina during the first nine months of 1954 there were 184 new and expanded industries with total investments of \$89,223,000. These industries provide a potential of 13,200 new jobs, for which the annual payroll is expected to be \$31,731,240. Highlights of the nine-month period were:

1. The beginning of construction of the \$13,000,000 tobacco and cigarette manufacturing plant of the P. Lorillard Company in Greensboro.
2. A \$7,000,000 plant of the Lithium Corporation of America at Bessemer City.
3. The announced \$16,000,000 conversion by Western Electric and Douglas Aircraft of of the old Quartermaster Depot in Charlotte for the manufacture of guided missiles.

In Virginia during the 18-month period ending June 30, 1954, industrial expansion and modernization entailed investments of some \$317 million which added an estimated 15,000 new jobs and \$50 million to Virginia payrolls.

A plan for uniting the Fiber Glass and Corulux Divisions of Libbey-Owens-Ford Glass Company and the business and assets of Glass Fibers, Inc. into a well-integrated new organization to be known as Glass Fibers Corporation has been announced. The new company will have five manufacturing plants in four states with more than 1,500 employees and a potential production capacity of \$25,000,000 annually. The Libbey-Owens-Ford superfine and textile fiber glass facilities at Parkersburg, West Virginia are new and completely modern, the textile facilities having been doubled during the current year.

The Sun Oil Company has announced a \$250,000 construction project near Norfolk, Virginia. Construction will include a new office, warehouse and storage and docking facilities on the Eastern Branch of the Elizabeth River. Construction of two storage tanks is underway. The first unit in the program includes offices and warehousing and shipping facilities. In 1955, general offices, a garage and additional storage space will be added.

The United States Instrument Corporation of Summit, New Jersey, plans to move head office and engineering departments as well as manufacturing operations to a new plant to be erected on a 25-acre tract one mile north of Charlottesville, Virginia. The estimated cost of the plant is \$350,000.

A new research and manufacturing company to be located in Alexandria, Virginia, has been organized under the name of National Metallizing Corporation (Nametco). Milton Hammer, economist and television producer, is board chairman of the new firm. Operations will consist of a new coating process for base materials such as plastics, textiles and a wide variety of metals. Research in further uses of the process is now being conducted in conjunction with two Government projects to be undertaken by Nametco. The move to Alexandria is expected to be made in January and actual operations to begin in March.

Reichhold Chemicals, Inc. has currently under construction a formaldehyde producing installation at its plant in Charlotte, North Carolina. The new unit, fourth of its type operated by Reichhold in the United States, will be the first formaldehyde plant in the Middle South.

A \$600,000 expansion of Starr Mill, Starr, South Carolina, to provide 40,000 additional sq. ft. of operating space and double the size of the new Anderson County industrial plant has begun. Construction of the addition, including machinery installation, is expected to be completed within 90 days. The expansion will increase the company's annual payroll by approximately \$250,000.

Gold-Tex Fabrics, Inc., has begun a \$1.5 million modernization of its plant in Rock Hill, South Carolina. The program, expected to be completed about January 1, includes plans for construction of a cotton warehouse and a slasher building as well as for modernization of present buildings.

The Union Bay State Chemical Company, Inc., of Cambridge, Massachusetts, has chosen Greenville, South Carolina for the location of its new Southern development laboratory. This supplier of chemical products to many industries will concentrate for the present on the textile industry in its new operation.

Amedee Provoust (the duPont of France) will construct a 20-million-pounds-a-year plant—to employ some 250 persons—in Jamestown, South Carolina. This wool combing unit will be comparable in size to the Wellman Combing Company of Columbia, South Carolina. The



**French concern reportedly has plans to quadruple the size of the initial plant.**

The American Oil Company has been issued a \$25,-000,000 building permit covering the construction of an oil refinery in York County, Virginia, near Yorktown. The permit provides for process equipment, administration and laboratory buildings, pier and pumping facilities, storage tanks, a steam generating plant, sewer and waste disposal facilities as well as other buildings. Full completion is expected sometime in 1956.

**Levi Strauss & Company, West Coast makers of denim products, has announced its intention to proceed with plans for the first unit of a clothing factory in Warsaw, Virginia. This will be the first year-round industrial plant in the Northern Neck. A pilot plant of this company, planned as a training and testing unit for a short period, has been in operation with an employment figure of forty-five. The first permanent unit will include 25,000 sq. ft. of floor space and is expected to employ about 125 women. A 66,000 sq. ft. plant is planned at an estimated cost of \$400,000. When completed, the plant will employ 250 to 300 women.**

Supak & Sons, a Midwestern clothing manufacturer, has announced plans to move its entire operation to Elizabeth City, North Carolina. The company is a maker of children's winter clothing. The plant will be housed in a newly erected building costing \$175,000 and containing 42,000 sq. ft. of floor space. Operations are expected to begin the latter part of January. Approximately 250-300 persons will be employed.

**Copeland Fabrics, Inc., Copeland Converting and Finishing Company and Copeland Fowler Industries, Inc., Burlington, North Carolina, will install improved machinery at a cost of \$500,000 in order to streamline production and lower costs, thereby placing the companies, which produce cloth from synthetic yarns, in a better competitive position in the textile market.**

The Perry Manufacturing Company, Mount Airy, North Carolina, has purchased a site just west of Mount Airy city limits for a new \$100,000 mill and will soon start work on a new building. The new mill will employ 300 persons, of whom approximately 90 per cent will be women.

**The new \$500,000 unit of the Groves Thread Company, Gastonia, North Carolina, has been officially opened. The building contain 30,000 sq. ft. of floor space, of which only half is being used at the present. The company expects to add enough machinery to double the plant's capacity next year. Heavy cotton counts and synthetic threads are produced by the company.**

The erection of a local can-making plant will be started immediately in Baltimore, Maryland by the Crown Cork & Seal Company, Inc., Crown Can Division. The one-story structure, containing 123,000 sq. ft., is expected to be completed during 1955. The plant will serve the Chesapeake Bay area, including portions of Delaware and Virginia.

**The Lord Baltimore Press, Baltimore Maryland, has begun the erection of three one-story additions totalling approximately 140,000 sq. ft. The press room is expected to be completed by May 1955 and the two wings, one of which will be used for the company's present warehousing, by September of 1955.**

The Hadley Corporation, division of Cashmere Corporation, Cleveland, Ohio, has erected a new plant at Weaverville, North Carolina, for the production of full-fashioned cashmere and wool sweaters. The plant is equipped for all production processes, from yarn storage through packing and shipping.

**Construction work on a new \$500,000 addition has been started by Duroflex, Inc., Buena Vista, Virginia. The new addition will increase the plant to more than 100,000 sq. ft. Work is expected to be completed in approximately six months. Duroflex produces synthetic rubber gas diaphragms and various coated fabrics.**

A \$350,000 metal products manufacturing plant will be built at Winchester, Virginia. Ground already has been broken for this plant, which, when completed, will cover 45,000 sq. ft. of floor space. The factory is expected to be in operation by June 1955, and will employ approximately 100 men at the start.

**Announcement has been made by the vice-president and general manager of Jerold Corporation of Pittsburgh of plans to start a garment manufacturing business in Smithfield, North Carolina, at a cost of approximately \$250,000. The plant, when completed, will employ 150 persons.**

A survey made by the Manufacturing Chemists' Association has revealed that the chemical industry completed \$20,200,000 in new construction projects in Virginia during the year ended October 31 and will add another \$51,600,000 during the next three years. During the 12 months, five construction projects worth \$20,172,000 were completed. Projects valued at an estimated \$38,500,000 are now under construction, and two others to cost approximately \$13,000,000 are definitely planned. Virginia currently ranks ninth among the chemical manufacturing states, according to the report made by the Manufacturing Chemists' Association.



## Business Conditions and Prospects

A backward glance at the Fifth District economy near year end brings the impression that 1954 offered a variety of economic performances. During the first half, there were doubts and misgivings, less employment, and an obvious though moderate decline in coal production and textile and other manufacturing output. By Summer, the decline was flattening out, and by autumn increasing trade and manufacturing, accompanied by growing business and consumer optimism, were heralding one of the best fourth quarters in history.

With money supply and bank debits at or above all previous levels, and that valuable ingredient, optimism, so obvious, the momentum of a very high final quarter insinuates strongly that it will carry on well into 1955.

November figures (latest available for many sectors) presented a generally favorable picture. Bank debits reached up and established a new record for any month—with 25 out of 32 reporting District cities higher than a year ago—and member bank deposits jumped \$128 million in the month to a figure \$519 million above November 1953. Banks responded to loan requests and expanded their total loans \$222 million over pre-recession 1953. A small improvement took place in District manufacturing output (as measured in man-hours). Though construction failed to maintain October's dizzy pace, it was at a high level by any other standard. Department store sales continued October's high level, after seasonal adjustment, though furniture store sales declined 7%. Cash farm income for October was 3% higher than a year ago—with crops more than offsetting the loss in livestock and products.

### Manufacturing

Man-hour figures in manufacturing (November) are available for only three District states: Virginia, North Carolina and South Carolina. Here the November increase was 0.4% over October and 1.6% over a year ago, with durable goods industries showing a plus 2% from October to November and 0.6% from a year ago. Nondurable goods industries showed a reduction of 0.2% from October but an increase of 2% from a year ago.

Rises from October to November in the durable goods industries were recorded in lumber, furniture, primary metals, machinery and transportation equipment. Losses in the period were shown in stone, clay and glass industries.

In nondurable goods industries seasonal factors in some contributed to the slight over-all decline. Less activity at the re-dryers caused a drop of 24% in man-hours in the tobacco industry and lower cigarette requirements resulted in a loss of 9.3% during the month.

Man-hours in the textile mills continued to improve during November with an increase of 2.5% over Octo-

ber. The gain, however, was apparently seasonal since adjusted cotton consumption declined 3% from October to November. Man-hour gains in the textile industry from October to November were recorded in all segments of the industry. Broad woven fabrics mills showed an increase of 2.4%, yarn and thread mills 2.7%, knitting mills 1.9%, full-fashioned hosiery mills 3.2%, and seamless mills 0.3%.

Shipments of rayon and acetate yarns in November rose 4% over October and were 14% ahead of last year's recession level. Filament yarns were up 4% during the month and 6% over the year, while staple and tow rose 3% during the month and 31% during the year. Interestingly, rayon staple and tow shipments established an all-time high level in 1954.

Man-hours in the food-producing industries of the three states were slightly smaller (1.3%) in November than in October, and November was just under a year ago. Paper industries achieved an increase of 2.9% in man-hours during November and chemical industries 3.2%. In both instances, man-hours in November were fractionally higher than a year ago.

In general, activity in District manufacturing industries moved up moderately. Indications are that order backlogs have improved sufficiently to create further upward movement in activity.

### Construction

Construction contract awards in the Fifth District were near their all-time high in October 1954, though November contract awards were 7% lower than October after adjusting for seasonal factors. Even so, the November level was very high.

Seasonally adjusted figures from October to November showed apartment and hotel awards down 30%, commercial awards up 38%, factory awards down 54%, one- and two-family houses up 29%, public works and utilities down 11%, and residential construction as a whole up 14%.

Relative to a year ago, total contract awards were up 16%; residential was up 23%; nonresidential down 27%; and public works and utilities up 210%. Despite the apparently favorable outlook for the construction industry, some cutback in the rate of contract awards would not be surprising.

### Trade

Department store sales, seasonally adjusted, were even with the October level. Based on the first four weeks of December only a slight improvement over the November adjusted level seemed likely. November sales, however, were 3% higher than a year ago, with eleven months of 1954 down 2% from those months of 1953.



Sales of furniture stores in the District declined 7% from October to November, after seasonal correction, to a level 9% below November 1953. Eleven months' sales were off 7% from that period in 1953. Household appliance store sales increased 7% in November over a year ago and it seems likely that a fairly substantial increase will be shown in automotive sales.

### **Bituminous Coal**

Cold weather, improved levels of industrial production, and probably some stockpiling resulted in higher-level operations in the District bituminous coal industry. November output (average daily basis) was off 6% from October, although 2% higher than in November 1953. For the first eleven months soft coal output was 13% under a year ago, with Maryland's output down 32%, Virginia 11%, and West Virginia 14%. National coal output for eleven months was 15% under a year ago. Foreign cargo movement of coal through the Hampton Roads ports (ten months) was 8% larger than a year ago; foreign cargo movements through the port of Baltimore, however, were down 59% in the same period. National coal exports for nine months of 1954 were 15% smaller than in that period of 1953.

### **Agriculture**

Total cash farm income in the Fifth District during October was 3% higher than a year ago. Increases of 16% in Virginia and 18% in North Carolina were not offset by losses of 14% in Maryland, 5% in West Virginia and 40% in South Carolina. For the first ten months, cash farm income in the Fifth District was down 5%; by states: Maryland was down 5%, Virginia 2%, West Virginia 6%, North Carolina 1%, and South Carolina 19%.

Prices received by farmers in November were unchanged from October but 4% under a year ago in Maryland; up 2% from October but down 2% from a year ago in Virginia; unchanged from October but down 10% from a year ago in West Virginia; down 2% from October and down 1% from a year ago in North Carolina; down 2% but up 3% from a year ago in South Carolina.

### **Banking**

Loans and investments of Fifth District member banks rose \$82 million from October 27 to November 25. Loans were up \$30 million, U. S. Government obligations up \$43 million, and other security holdings up \$9 million. The loan increase of \$30 million during the month compares with an increase of \$6 million last year and \$21 million in 1952. Fifth District banks' participation in Commodity Credit Corporation certificates is, however, included in the \$30 million gain this year.

Relative to a year ago, loans and investments totaled \$457 million more, with loans up \$222 million, holdings of Government obligations up \$178 million, and holdings of other securities up \$57 million.

Total deposits of member banks in the Fifth District increased \$128 million from October 27 to November 25, to a level \$519 million ahead of a year ago. Time deposits declined \$21 million in this period, compared with a decline of \$11 million in the same period last year and a decline of \$18 million in 1952. Time deposits on November 25 were, however, \$182 million higher than a year ago. Demand deposits increased \$149 million during the month and \$337 million during the year. Member bank borrowings rose \$7 million in the period under review but were down \$31 million from a year ago.

Deposits of mutual savings banks in Maryland amounted to \$462 million on November 30, a gain of \$2 million during the month and \$25 million over a year ago.

Commercial, industrial and agricultural loans of District weekly reporting banks rose \$13 million in the week ended December 22, 1954, to a level \$50 million ahead of the corresponding week last year. This is a new high record level for these loans which have been rising rapidly since early August. Loans on real estate at these banks have been moving upward at a much sharper pace than at any time since 1950, a movement which has been under way since midyear. Late in November, "other" loans showed considerable activity and established a new high level after having remained fairly steady for a year and a half.





FIFTH DISTRICT STATISTICAL DATA

FIFTH DISTRICT INDEXES  
Seasonally Adjusted: 1947-1949=100

	% Chg.				
	Latest Mo.		Yr. Ago		
	Nov. 1954	Oct. 1954	Nov. 1953	Prev. Mo.	Yr. Ago
New passenger car registration		113	152	-10	-28
Bank debits	159	149	150	+7	+6
Bituminous coal production*	84	89	82	+6	+2
Construction contracts	277	299r	239	-7	+16
Business failures—number	242	149	153	+62	+58
Cigarette production		86	103	-13	-8
Cotton spindle hours	113	117	110	-3	+3
Department store sales	124	124	120	0	+3
Electric power production		171	163	-2	+4
Manufacturing employment*		107	109	0	-4
Furniture store sales	99	107	109	-7	-9
Life insurance sales	193	172	174	+12	+11

\* Not seasonally adjusted.  
Back figures available on request.

WHOLESALE TRADE

LINES	Sales in		Stocks on	
	November 1953	November 1954 compared with Oct. 1954	November 1953	November 1954 compared with Oct. 31, 1954
Auto supplies	-11	+13	NA	+7
Electrical goods	+7	-6	+2	-4
Hardware	+2	-9	+5	-4
Industrial supplies	+16	+2	+5	-2
Drugs and sundries	+10	+10	-2	-2
Dry goods	+12	-5	-8	-11
Groceries	-11	+4	+1	+8
Paper and its products	NA	-2	NA	NA
Tobacco products	-2	-2	-9	-5
Miscellaneous	+13	-7	+3	+12
District total	+7	-5	-1	+3

NA Not Available.  
Source: Bureau of the Census, Department of Commerce.

BUILDING PERMIT FIGURES

	Nov. 1954	Nov. 1953	11 Months 1954	11 Months 1953
<b>Maryland</b>				
Baltimore	\$ 2,543,075	\$ 8,165,085	\$ 69,051,068	\$ 79,175,660
Cumberland	61,410	12,630	670,086	579,620
Frederick	134,000	12,000	1,293,106	2,173,452
Hagerstown	566,070	73,240	3,164,554	2,225,785
Salisbury	246,135	121,600	1,637,386	1,090,456
<b>Virginia</b>				
Danville	142,978	203,005	2,675,802	3,467,960
Hopewell	216,813	41,698	2,304,165	3,382,360
Lynchburg	276,126	241,900	8,704,123	4,142,306
Newport News	69,977	238,518	2,672,877	2,231,562
Norfolk	482,410	699,055	12,315,347	16,047,559
Petersburg	119,400	82,550	1,966,036	1,725,900
Portsmouth	371,827	978,760	6,140,090	7,311,398
Richmond	2,212,805	2,131,913	28,579,987	18,460,039
Roanoke	614,232	1,663,951	10,684,595	15,989,158
Staunton	264,320	105,000	2,323,360	1,906,402
<b>West Virginia</b>				
Charleston	576,998	494,440	9,459,659	11,629,907
Clarksburg	27,320	109,565	1,817,547	2,166,434
Huntington	394,280	662,065	6,959,192	8,686,492
<b>North Carolina</b>				
Asheville	189,653	256,892	3,385,112	3,320,657
Charlotte	1,346,959	1,089,611	20,717,397	29,565,199
Durham	342,021	714,933	5,490,212	6,812,157
Greensboro	1,013,725	612,407	10,431,355	9,502,142
High Point	463,500	128,359	5,659,842	4,552,534
Raleigh	596,463	2,276,695	12,610,279	21,816,359
Rocky Mount	94,740	482,139	2,589,438	4,657,324
Salisbury	89,290	139,292	1,732,374	2,076,476
Wilson	284,200	288,100	2,718,150	1,980,631
Winston-Salem	642,720	394,054	11,685,054	8,131,453
<b>South Carolina</b>				
Charleston	93,466	151,939	2,703,024	4,960,117
Columbia	717,343	926,980	9,204,927	8,897,143
Greenville	488,315	237,700	7,425,689	5,097,192
Spartanburg	81,150	52,685	2,399,779	930,385
<b>Dist. of Columbia</b>				
Washington	2,947,026	4,608,387	49,997,063	69,120,661
District Totals	\$18,710,747	\$28,397,148	\$321,168,675	\$363,812,880

DEPARTMENT STORE OPERATIONS

(Figures show percentage changes)

	Rich.	Balt.	Wash.	Other Cities	Dist. Totals	
Sales, Nov. '54 vs Nov. '53	+8	+9	+8	+6	+8	
Sales, 11 Mos. ending Nov. 30, '54 vs 11 Mos. ending Nov. 30, '53	0	0	+2	-4	-1	
Stocks, Nov. 30, '54 vs '53	-5	+4	+1	-3	0	
Outstanding orders, Nov. 30, '54 vs '53	+30	+7	+21	+6	+16	
Open account receivables Nov. 1, collected in Nov. '54	33.7	50.7	46.0	41.7	44.2	
Instalment receivables Nov. 1, collected in Nov. '54	11.9	15.8	15.0	17.2	15.2	
	Md.	D.C.	Va.	W.Va.	N.C.	S.C.
Sales, Nov. '54 vs Nov. '53	+10	+8	+6	-1	+9	+9

FURNITURE SALES\*

(Based on Dollar Value)

STATES	Percentage change with corresponding period a year ago	
	November 1954	11 Mos. 1954
Maryland	+14	0
Dist. of Columbia	+5	-3
Virginia	0	-4
West Virginia	-4	-15
North Carolina	+9	-6
South Carolina	-17	-4
District	+5	-5
<b>INDIVIDUAL CITIES</b>		
Baltimore, Md.	+14	0
Washington, D. C.	+5	-3
Richmond, Va.	-1	-5
Charleston, W. Va.	+2	-13

\* Data from furniture departments of department stores as well as furniture stores.



A New Challenge: More Jobs For A Growing Labor Force

(Continued from page 4)

Agricultural employment in South Carolina declined sharply from 40.6% of the total in 1940 to 26.7% in 1950, and its share of income payments slipped from 20.4% in 1939 to 10.1% in 1953 striking evidence of growing diversification.

As result of the net out-migration of 309,000 persons and a natural increase of 604,000, South Carolina's population increased only 1.1% per year. Interestingly, the state has the youngest population in the District, with 32.9% under 14 years, only 61.7% in the 14-to-64 group, and median age of 23.6 years.

Employment Dropped in 1954

The average of 10 months' total nonagricultural employment in the District declined from the average in

1953. This year Fifth District service, government and manufacturing employment exhibit a more favorable position than the national level. Manufacturing declined 7.2% in the United States and only 5% in the District, attesting to fewer hard goods industries which are more vulnerable to business fluctuations. On the other hand, financial employment increased less, and the other industry groups (mining, transportation, construction, and trade) declined more in the District.

The population continued to increase at approximately the same rate that it grew in each state from 1940 to 1953, pointing up the need for growing employment opportunity, particularly in those basic industries which create new jobs in service industries and multiply income within a community.

FIFTH DISTRICT BANKING STATISTICS

DEBITS TO DEMAND DEPOSIT ACCOUNTS\*  
(000 omitted)

	Nov. 1954	Nov. 1953	11 months 1954	11 months 1953
Dist. of Columbia				
Washington .....	\$1,193,837	\$1,054,552	\$12,790,986	\$11,851,532
Maryland				
Baltimore .....	1,474,169	1,410,078	15,660,258	15,586,679
Cumberland .....	25,018	22,883	262,529	274,163
Frederick .....	22,462	22,549	245,618	256,167
Hagerstown .....	39,734	35,416	400,365	415,407
Total 4 Cities .....	1,561,383	1,490,926	16,568,770	16,532,416
North Carolina				
Asheville .....	65,729	59,630	684,339	676,061
Charlotte .....	390,139	363,683	3,899,508	4,022,971
Durham .....	100,261	102,310	1,065,936	1,191,749
Greensboro .....	140,063	113,431	1,341,870	1,302,789
High Point** .....	47,232	43,019	474,996	NA
Kinston .....	30,865	24,177	314,166	312,700
Raleigh .....	201,603	205,210	2,113,660	2,116,307
Wilmington .....	48,661	43,534	521,035	518,826
Wilson .....	47,761	32,531	362,078	334,330
Winston-Salem .....	173,597	159,148	1,718,411	1,689,068
Total 9 Cities .....	1,198,679	1,103,654	12,021,003	12,164,801
South Carolina				
Charleston .....	76,075	69,379	813,053	854,479
Columbia .....	162,148	150,457	1,826,046	1,760,690
Greenville .....	122,986	104,251	1,234,232	1,224,105
Spartanburg .....	67,270	63,981	709,717	734,604
Total 4 Cities .....	428,479	388,068	4,583,048	4,573,878
Virginia				
Charlottesville .....	36,706	29,370	353,067	311,013
Danville .....	62,250	55,127	470,560	455,659
Lynchburg .....	55,212	48,642	546,795	538,262
Newport News .....	52,863	44,069	522,672	524,654
Norfolk .....	462,594	257,943	2,982,210	2,820,026
Portsmouth .....	34,670	30,821	355,669	337,675
Richmond .....	742,743	626,499	6,907,352	6,837,724
Roanoke .....	129,961	116,848	1,296,306	1,335,818
Total 8 Cities .....	1,576,999	1,209,319	13,434,631	13,160,831
West Virginia				
Bluefield .....	40,939	41,195	424,756	482,114
Charleston .....	160,308	186,974	1,816,908	1,908,964
Clarksburg .....	33,238	30,440	342,946	367,043
Huntington .....	65,475	66,651	750,559	773,085
Parkersburg .....	29,248	33,744	328,215	343,143
Total 5 Cities .....	329,208	359,004	3,663,384	3,874,349
District Totals .....	\$6,288,585	\$5,605,523	\$63,061,822	\$62,157,807

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

WEEKLY REPORTING MEMBER BANKS  
(000 omitted)

Items	Dec. 15, 1954	Nov. 17, 1954	Dec. 16, 1953
Total Loans .....	\$1,524,001**	+ 37,522	+110,070
Bus. & Agric. ....	690,867	+ 16,443	+ 44,879
Real Estate Loans .....	299,589	+ 5,691	+ 33,575
All Other Loans .....	551,893	+ 15,349	+ 33,723
Total Security Holdings .....	1,925,594	+ 1,584	+116,494
U. S. Treasury Bills .....	106,210	- 4,199	- 18,310
U. S. Treasury Certificates ..	97,344	+ 6,231	-164,115
U. S. Treasury Notes .....	350,349	+ 121	+ 33,558
U. S. Treasury Bonds .....	1,094,829	- 1,619	+221,461
Other Bonds, Stocks & Secur. ..	276,862	+ 1,050	+ 43,900
Cash Items in Process of Col. ..	368,130	+ 25,203	+ 59,981
Due from Banks .....	195,606*	- 1,542	+ 307
Currency and Coin .....	84,157	+ 4,386	+ 1,626
Reserve with F. R. Banks .....	541,658	- 19,659	- 22,080
Other Assets .....	64,684	+ 1,350	+ 2,249
Total Assets .....	4,703,830	+ 48,844	+268,647
Total Demand Deposits .....	3,574,297	+ 27,230	+170,113
Deposits of Individuals .....	2,633,446	+131,500	+104,006
Deposits of U. S. Government ..	136,785	- 53,660	+ -30,233
Deposits of State & Local Gov. ..	198,810	- 4,143	+ 18,408
Deposits of Banks .....	547,859*	- 30,108	+ 21,821
Certified & Officers' Checks ..	57,397	- 16,359	- 4,355
Total Time Deposits .....	736,738	+ 628	+ 57,476
Deposits of Individuals .....	645,427	- 6,228	+ 43,922
Other Time Deposits .....	91,311	+ 6,856	+ 13,554
Liabilities for Borrowed Money ..	35,835	+ 21,535	+ 12,935
All Other Liabilities .....	60,027	+ 3,074	+ 11,205
Capital Accounts .....	296,933	- 3,623	+ 16,918
Total Liabilities .....	\$4,703,830	+ 48,844	+268,647

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