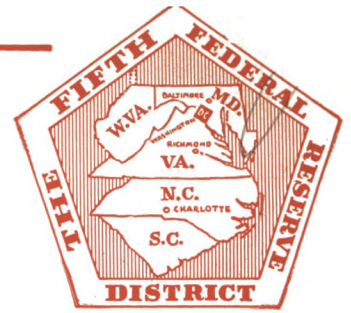
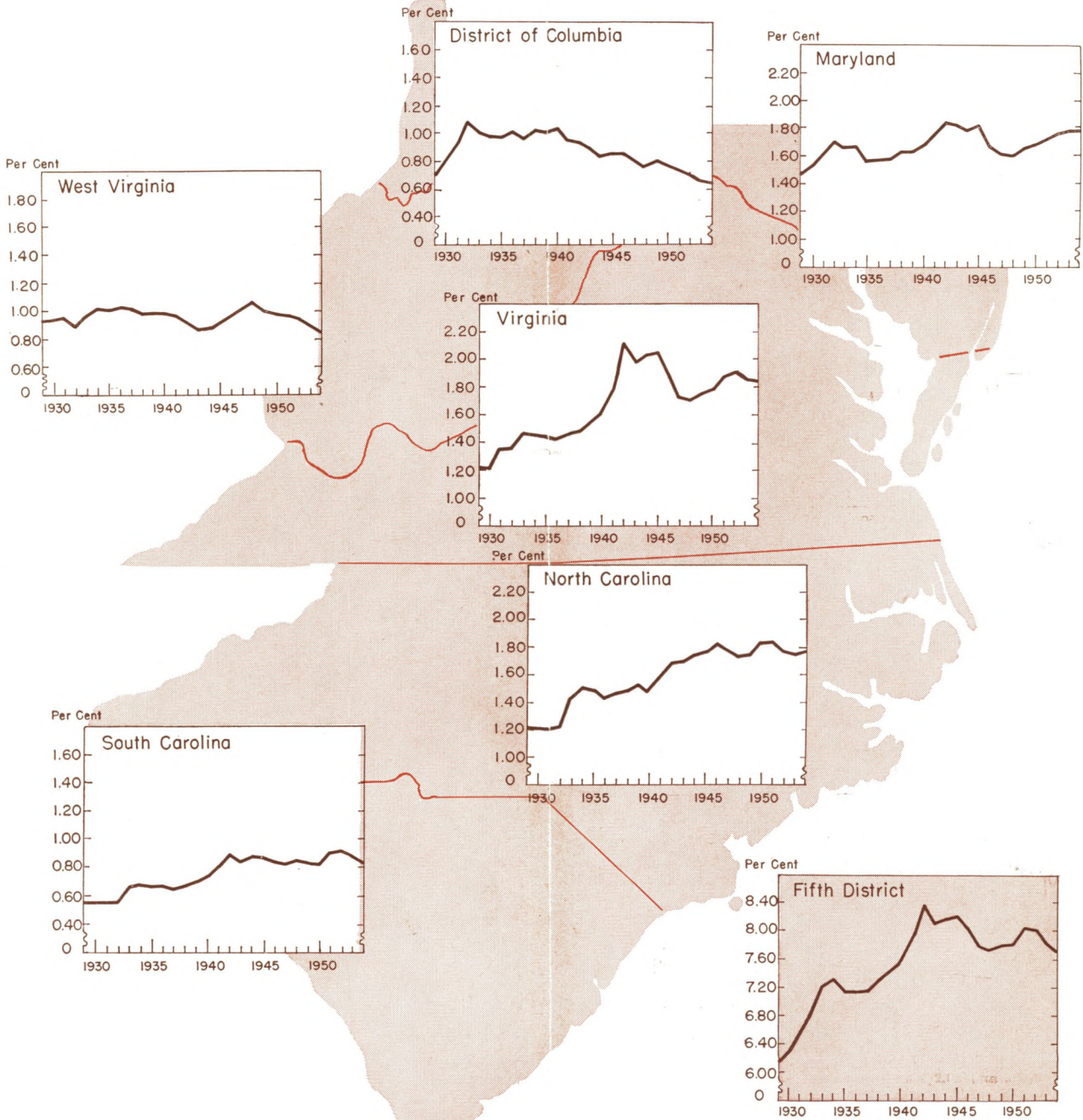


# Monthly Review



November 1955

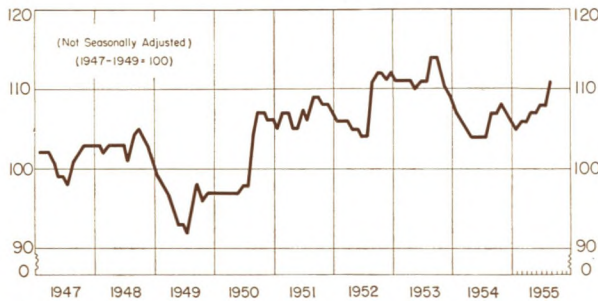
## NATIONAL PERSONAL INCOME — THE FIFTH DISTRICT'S CONTRIBUTION (PER CENT OF NATIONAL TOTAL INCOME PAYMENTS)





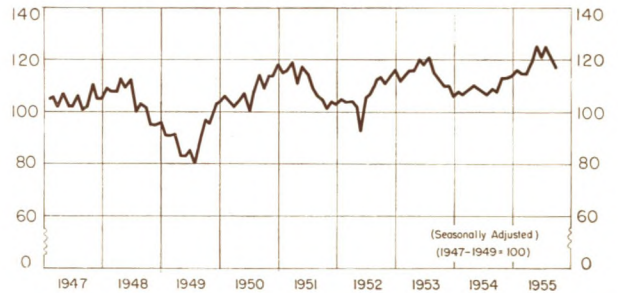
## FIFTH DISTRICT TRENDS

MANUFACTURING EMPLOYMENT



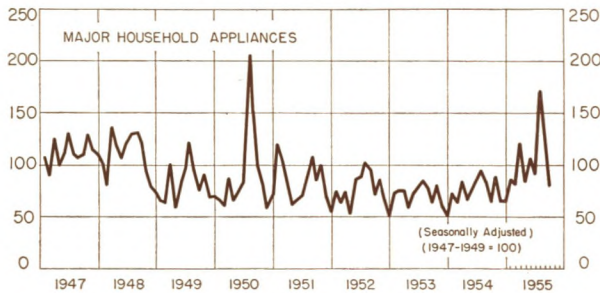
Employment in the manufacturing industries of the Fifth District rose 3% from July to August to a level 4% ahead of a year ago. In the first eight months of the year, the average employment level was 2% higher than a year earlier. Indications from most labor market areas point to a further increase in employment during September.

ACTIVE COTTON SPINDLE HOURS



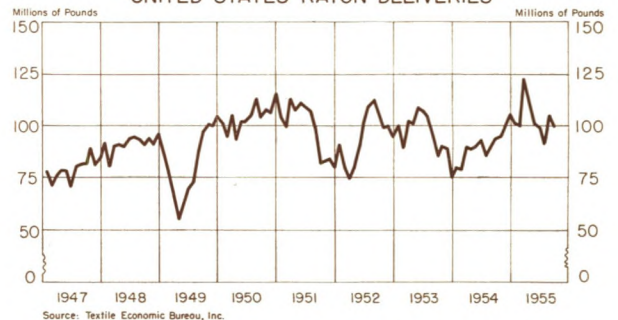
Average daily spindle hours (seasonally adjusted) in September dropped 3% from August, but were 8% ahead of September 1954, and nine months figures were up 10%. The change in spindle hours compares with a drop of 1% during the month of cotton consumption, a gain of 9% over a year ago, and a gain of 8% during the first nine months.

DEPARTMENT STORE SALES



Sales of major household appliances in reporting department stores of the District have been in an upward trend since the end of 1954. This rise culminated in July at the second-best level on record. August declined moderately from the July level and September continued a further decline of 37% from August bringing the level of sales back to the average prevailing during 1954. The September figure itself was 23% higher than that month a year ago, and the first nine months of the year increased 36%.

UNITED STATES RAYON DELIVERIES



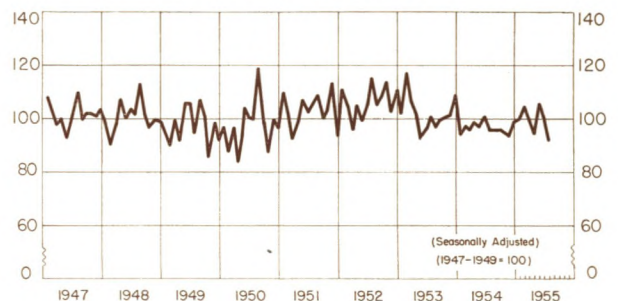
The Fifth District has the lion's share of rayon and acetate production of the nation, and national deliveries of these yarns in September declined 6% from August (not seasonally adjusted) but held 6% ahead of September 1954. In the first nine months of the year the increase was 18%. Relative to a year ago September shipments show filament yarns up 13%, staple and tow down 9%. Mainly responsible for the filament yarns shipments were the high tenacity yarns which showed an increase of 28% compared with an increase of 12% in regular and intermediate tenacity, and a decline of 10% in acetate filament.

BANK DEBITS



Seasonally adjusted bank debits dropped 2% in September from an all-time peak in July and August. The September level, however, was 13% higher than a year ago; and in the first nine months a rise of 12% occurred. Turnover of demand deposits in September was at the rate of 22.0% times a year, compared with 21.8% in August and 20.2% in September 1954.

CIGARETTE PRODUCTION



Latest complete figure for August shows that month 4% higher than July after seasonal correction with August at the same level as a year ago, and eight months up 2%. Richmond, Virginia Chamber of Commerce shows September figure without seasonal correction 11.4% under August and 5.9% under a year ago.



## Personal Income Trends

PERSONAL income of people in the Fifth Federal Reserve District amounted to \$22,093,000,000 in 1954. This sizable figure, although slightly ( $\frac{1}{2}$  of 1%) below that of 1953, was 25% above that of 1950, 274% above 1940, and 322% above 1929.

The \$22 billion were divided among a lot of people, however, and the Fifth District's per capita personal income was only \$1,426, a level that would put the District down in 35th or 36th place in state per capita income ranking. Among the states of the nation, the District of Columbia ranked 4th, Maryland 12th, Virginia 33rd, West Virginia 41st, North Carolina 44th, and South Carolina 47th on a per capita basis.

Personal income figures at the state level for the hectic quarter-century, 1929-1954, are now available for the first time. The data, compiled by the National Income Division, Office of Business Economics, United States Department of Commerce, are shown in the September 1955 issue of the *Survey of Current Business*. The information these data reveal, while complicated, offers some interesting comparisons of growth.

Heretofore, income figures at the regional level were derived from "income payments" data, a less revealing statistical presentation than the "personal income" kind. By definition, personal income is current income received by residents of states from all sources, inclusive of transfers from Government and business, but exclusive of transfers among persons. It is measured before deduction of income and other direct personal taxes, but after deduction of contributions to Social Security, Government retirement funds, and other social insurance programs. Personal income provides broader coverage of income in kind than does the income payments reckoning; for instance, it counts, as the income payments measure does not, the net rental value of owner-occupied buildings and the value of food and clothing furnished members of the armed forces in each state. Cash income, however, makes up more than 95% of the total on a national basis.

Virginia had the largest dollar amount of personal income of the states of the Fifth District in 1954, while the District of Columbia had the smallest. Figures and comparisons of the states will be found below.

The Fifth District's per capita income figure of \$1,426 was considerably below that for the nation as a whole, \$1,770. Percentage-wise, the District's per capita income in 1954 was 1.2% below 1953; the nation as a whole slipped 1.1%. Since total personal income de-

clined in the District and rose in the United States, the relatively favorable comparison per capita-wise was due to a smaller growth in population in the District than in the nation. The Fifth District population was 15,496,000 in 1954, 0.7% higher than in 1953, compared with a national increase of 1.8%.

Per capita personal income in the Fifth District in 1954 was 18% higher than in 1950, while the national increase was 18.7%. Fifth District population in this period increased 5.5%, while the nation increased 6.6%. Relative to 1940, the 1954 per capita personal income in the Fifth District was up 205% compared with 198% in the nation. In this period population increased in the District 22.7%; in the nation it rose 22.2%. Relative to 1929, per capita personal income in 1954 was up 203% compared with an increase of 152% in the nation. Population in the Fifth District in this period was up 39%; in the nation the increase was 32%.

Personal income in this District accounted for 7.74% of the national total in 1954. This compares with 7.84% in 1953, 8.02% in 1952, 8.03% in 1951, and 7.87% in 1950. Largest District contribution made to the national total came in 1942, when it was 8.39%. Although the District's share of the national total has receded somewhat, it is higher than the 7.41% in 1939 or any prior year. In 1929 the District's share was 6.12%.

District personal income data for 1954 showed wage and salary disbursements accounted for 70.3% of the personal income total in 1954 (the national figure was 68.0%). Other labor income accounted for 2.0% of the District total (national 2.3%). Proprietors' income in the District accounted for 13.1% (national 13.3%). Property income here accounted for 10.7% of the total (nationally, it was 12.4%). Transfer payments accounted for 5.7% of the District's total (and 5.6% nationally).

A breakdown of personal income as to source (farm, private nonfarm, and Government) reveals that farm income in the District accounted for 5.9% of the total, compared with 5.3% for the nation. The Government contribution in the District was 25.5% of the total—in the nation it was 16.9%. The private nonfarm contribution to personal income in the District was 68.7%, compared with 77.9% in the nation. The District of Columbia and each state of the Fifth District except West Virginia shows a larger percentage of Government-disbursed income than for the nation as a whole.



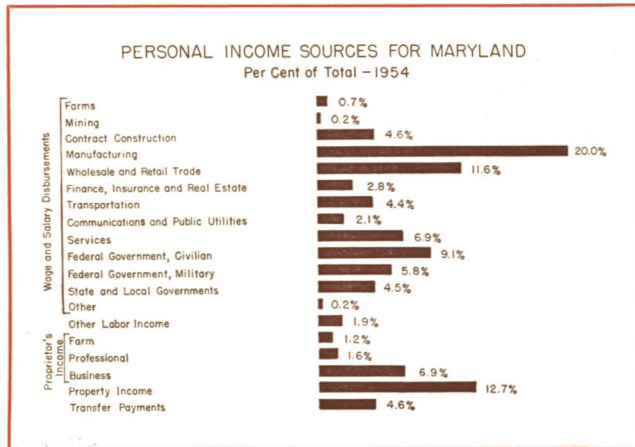
## Maryland

Personal income in the state of Maryland in 1954 totaled \$5,045,000,000, up 0.7% over 1953, the same increase as shown for the United States. The increase in Maryland's personal income from 1950 to 1954 was 34.3%, as contrasted with a District increase

of 24.6% and a national increase of 26.6% in this period. The increase from 1940 to 1954 was 285%, while the corresponding figure for the District was 274% and for the nation was 263%.

Maryland's per capita income last year was \$1,940, a decline of 2% from 1953. From 1950 to 1954, Maryland's per capita personal income rose 22%, as against 18% in the Fifth District, and 18.7% in the United States. In the longer period, 1940 to 1954, Maryland's per capita personal income jumped 173%, compared with 205% for the District, and 198% for the nation.

Maryland's population has shown a greater increase than either the District or the nation in the periods under review. From 1953 to 1954 it was 2.8%; the District, 0.7%; and the nation, 1.8%. From 1950 to 1954, Maryland's increase was 10.1%; the District, 5.5%; and the nation, 6.6%. From 1940 to 1954, Maryland's population increase was 41.5%; the District, 22.7%; and the nation, 22.2%.



## District of Columbia

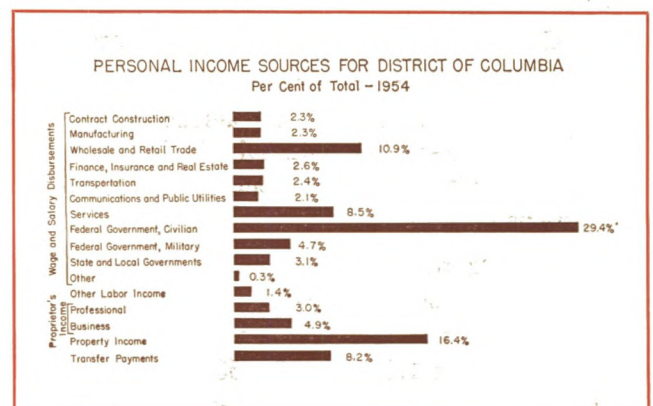
Personal income in the District of Columbia during 1954 totaled \$1,885,000,000, 0.6% less than 1953, but 6.6% more than 1950; an increase of 134% over 1940 and 207% over 1929. Income gains in each of these periods have been smaller for the District of Columbia than for either the Fifth District or the United States. They are also the smallest increases of any Fifth District state.

Per capita personal income in the District of Columbia, however, was higher than in any of the District states, and amounted to \$2,220 in 1954. This was a decrease of 0.9% from 1953; an increase of 1.3% over 1950; and an increase of 90% over 1940. The decline from 1953 to 1954 was less than the Fifth District average, while the increases in other comparative periods were smaller than either District or nation. Population growth in the District of Columbia has not been greatly different from the Fifth District as a whole since 1940.

Personal income in the District of Columbia has run consistently under the former series of income payments, and the contribution of the District of Columbia to the national total has trended downward since 1940, when it amounted to 1.03% of the national total. In 1954, the District's contribution was 0.66%; a year earlier, it was 0.67%; and in 1950, it was 0.78%.

In 1954 the District of Columbia's per capita personal income ranked 4th among the states of the nation. In both 1940 and 1950, it was 1st.

Wage and salary payments last year accounted for 68.6% of District of Columbia's personal income, just above the national figure of 68.0%. Other labor income in D. C. accounted for 1.4%, compared with 2.3% in the nation. Proprietors' income in the District of Columbia accounted for 7.8% of the total, compared with 13.3% in the United States. Property income in D. C. accounted for 16.4% of personal income, compared with 12.4% for the nation. Transfer payments accounted for 8.2% in D. C., as compared with 5.6% in the United States. Government income disbursements accounted for 44.8% of total personal income, and private nonfarm sources contributed 55.2%.





## Virginia

Personal income in Virginia during 1954 totaled \$5,269,000,000, which meant a gain of 0.2% over 1953, 30.7% over 1950, 316% over 1940 and 400% over 1929. Virginia's 1954 personal income was the largest in dollar totals of any Fifth District state and has shown larger increases over each period under review than the District as a whole.

Per capita personal income in Virginia in 1954 was \$1,480, an increase of 0.5% over 1953, 21.8% over 1950, and 218% over 1940. Virginia's per capita income in 1954 ranked 33rd among the states. In 1950, Virginia ranked 35th, and in 1940 it ranked 31st. Per capita income in Virginia last year showed a larger increase over 1953 than total income (population de-

clined 0.3%). Its growth, 1950 to 1954, of 7.3% was above that of the District. From 1940 to 1954 the gain of 30.9% was better than either District or nation, but less than Maryland's. From 1929 to 1954 Virginia's population increased 46.9%, which is larger than District or national growth, but less than either Maryland or the District of Columbia.

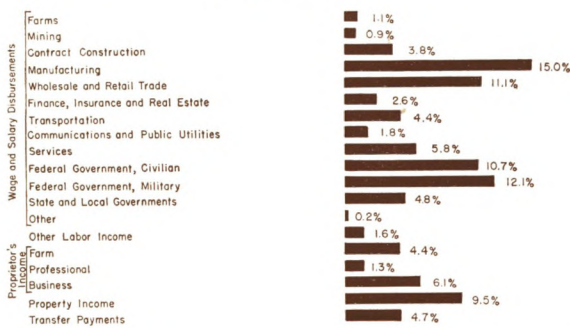
Virginia's personal income contribution to the national total in 1954 was 1.85%, as against 1.86% in 1953 and 1.91% in 1952. Highest contribution made by this state was 2.12% in 1942, and all post-war percentages have been higher than pre-war.

Wage and salary disbursements in Virginia during 1954 accounted for 74.2% of the state's personal income, largest contribution from this source of any state in the District or the United States. It is due chiefly to important military installations in the state. Other labor income accounted for 1.6% of Virginia's total, versus 2.0% for the Fifth District and 2.3% for the nation. Proprietors' income in Virginia accounted for 11.8% of personal income, compared with 13.1% in the District and 13.3% in the nation. Property income made up 9.5% of the total, compared with 10.7% for the District and 12.4% for the nation. Transfer payments were 4.7% of the total, compared with 5.7% in the District and 5.6% in the nation.

Private nonfarm income accounted for 62.5% of total personal income, lowest for any District state, but not as low as the District of Columbia. This source of income compares with the District figure of 68.7%, and

(Continued on page 8)

PERSONAL INCOME SOURCES FOR VIRGINIA  
Per Cent of Total - 1954



## West Virginia

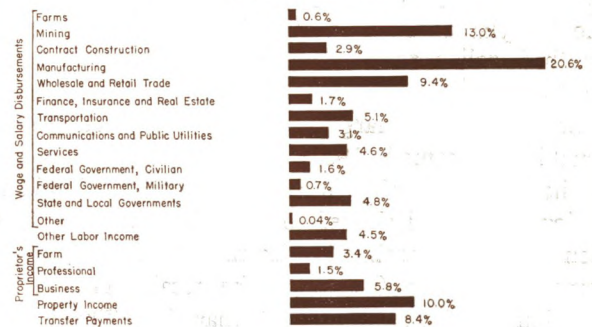
Personal income in West Virginia during 1954 amounted to \$2,452,000,000. It was off 4.3% from 1953, but up 11.1% over 1950. In the long run there was a gain of 216% over 1940, and 209% over 1929. The decline from 1953 to 1954 in West Virginia was exceeded in the District only by South Carolina. Increases in other comparative periods were smaller than both the District and the national changes.

Per capita personal income in West Virginia in 1954 was \$1,232, a decline of 4.1% from 1953, but an increase of 12.2% from 1950 and an increase of 203% from 1940. The increase from 1940 to 1954 was not greatly different from that shown for the Fifth District as a whole and was better than the national increase.

Per capita income in West Virginia in 1954 ranked 41st among the states and the District of Columbia. In 1950, the state's rank was 40th; in 1940 it was 36th. This is also illustrated by the state's contribution to the national total of personal income, which has been trending downward since 1948, when its highest proportion,

1.05%, was established. As early as 1934 the state had contributed 1.03% to the national total, a figure equaled in 1947. The 1954 contribution of 0.86% compares with 0.90% in 1953, 0.95% in 1952, 0.97% in 1951, and 0.98% in 1950.

PERSONAL INCOME SOURCES FOR WEST VIRGINIA  
Per Cent of Total - 1954

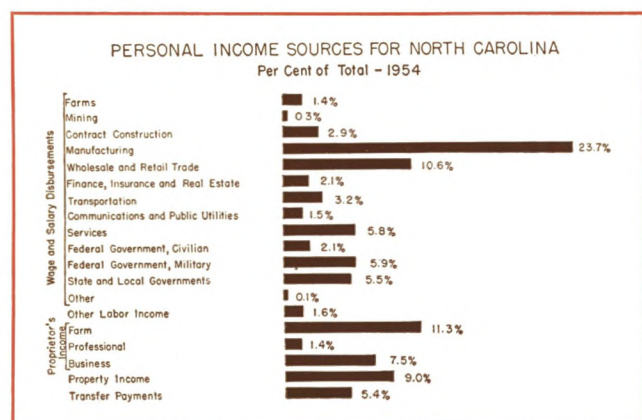




## North Carolina

People in North Carolina received personal income of \$5,028,000,000 in 1954, a figure 1.5% higher than in 1953, 22.2% above 1950, 329% above 1940, and 381% above 1929. In the Fifth District, North Carolina's total was exceeded only by Virginia and Maryland. Except for the 1950-54 period, the growth in North Carolina's personal income in each period under review has been larger than either that of the Fifth District or the nation, although the 1950-54 increase was somewhat less.

North Carolina in 1954 had the largest population of



any state in the District, 4,225,000. Per capita income in 1954 was, therefore, \$1,190, a figure exceeded by all other District states except South Carolina. North Carolina's per capita income ranked 44th among the states of the nation and the District of Columbia in 1954; in 1950 it was 43rd and in 1940 it was 44th. Per capita income in 1954 was 0.8% above 1953; 17.7% above 1950; and 263% above 1940. The state's growth in per capita income since 1950 has been less each year than the national average.

Total personal income in North Carolina made its highest contribution to the national total in 1950 and 1951, 1.83% of the national total. In 1952 it was 1.77% of the national total; in 1953, 1.75%; and in 1954, 1.76%.

Wages and salaries accounted for 65.1% of North Carolina's personal income in 1954, lowest contribution of any of the District states or the District of Columbia. The chief reason for this is that proprietors' income in North Carolina accounted for 20.2% of total personal income, with farm proprietors accounting for 11.3%, and business proprietors 7.5%. These figures are the highest among District states and higher than national percentages. Other labor income in North Carolina accounted for 1.6% of personal income, compared with

(Continued on page 8)

## South Carolina

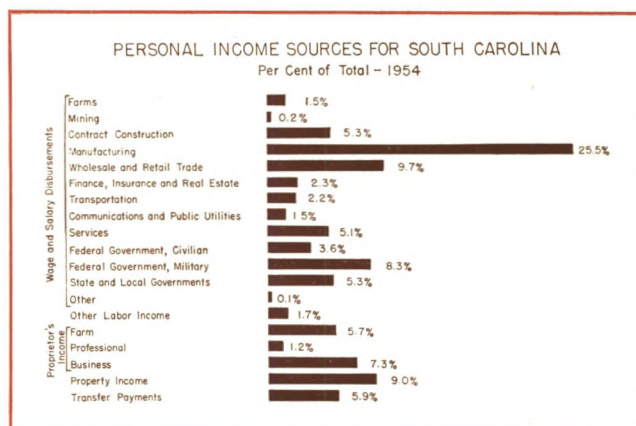
South Carolina's \$2,414,000,000 in personal income was the lowest of any Fifth District state, but the increase to 1954 from either 1940 or 1929 has been the largest in the Fifth District. In 1954, however, it was 4.5% under 1953, the largest decline of any Fifth District state or the District of Columbia.

Per capita income in South Carolina during 1954 amounted to \$1,063, lowest of any of the District states or the District of Columbia, and only 60.1% of the national figure. Per Capita income in South Carolina in 1954 was 5.3% smaller than in 1953, a larger drop than shown by personal income. The increase in per capita income from 1950-1954 was, however, 21.2%, a figure exceeded in the Fifth District only by Virginia and Maryland. From 1940-1954 per capita income in South Carolina rose 246%, a gain exceeded only by North Carolina.

South Carolina's largest contribution to national personal income came in 1952 when it accounted for 0.92% of the national total. In 1953 it did not maintain the national pace and slipped to 0.89%. The 1954 recession hit South Carolina harder than the nation, and income declined to 0.84% of the total. The current contribution, however, is higher than the 0.70% in 1939 and 0.55% in 1929.

Wages and salaries accounted for 70.5% of South Carolina's personal income in 1954, a figure very close to the 70.3% for the Fifth District and higher than the national figure of 68.0%. Labor income, other than wages and salaries, accounted for 1.7% of the state's personal income, a figure lower than the 2.0% in the Fifth District and the 2.3% in the nation. Proprietors' income in the state accounted for 14.3% of personal income, a figure higher than the District's 13.1% or the nation's 13.3%. Accounting mainly for this higher

(Continued on page 8)





## Fifth District News Briefs

Crown Cork & Seal Company, Inc., manufacturer of machinery, containers and closures for the food, beverage, drug and cosmetic industries, will construct a 140,000 sq. ft. research and development laboratory at Towson, Maryland, at a cost of \$1.5 million. Research facilities will include chemical, metallurgical, physics and analytical laboratories, design and drafting departments, and an experimental machine shop. Company headquarters office will be moved into the new structure on completion next year.

**A \$5 million cotton finishing and printing plant is to be constructed by Cone Mills Corporation near Carlisle, South Carolina. Approximately 700 persons will be needed to staff the plant.**

Thieblot Aircraft Company, Inc., Martinsburg, West Virginia, has under construction a 64,000 sq. ft. production plant to house facilities for aircraft fabrication and administrative and engineering offices.

**Galax, Virginia was selected as the site for a new P. H. Hanes Knitting Company plant. Conversion of a three-story building into a textile plant to cut and sew men's and children's knit underwear and sleepwear is expected to be completed by mid-November. Approximately 150 to 250 persons will be employed initially.**

Rhode Island Textile Company, Pawtucket, Rhode Island, has announced formation of a Southern Division to be located at Landrum, South Carolina. The plant will manufacture braided elastic narrow fabrics to serve the needs of Southern garment manufacturers. Production is expected to begin by the first of the year. Employment for 250 persons will be provided when the plant is in full operation.

**The aluminum extrusion plant at Halethorpe, Maryland, has been purchased by Kaiser Aluminum & Chemical Corporation, which has been operating the facility under lease from the General Services Administration since 1951. The plant produces extruded components for military and civilian aircraft, tubing and extruded shapes for the building and transportation industries. Installation of four new presses will almost double present annual capacity of 24 million pounds. An expenditure of \$75 million will be made by Kaiser Aluminum to enlarge and complete its sheet and foil facilities now under construction at Ravenswood, West Virginia. The project there will be completed by early 1957. The Ravenswood plant will have an annual capacity of 160,000 tons of sheet and 6,750 tons of foil, making it the largest aluminum fabricating plant to be built in the United States since World War II.**

Beaunit Mills, Inc., has purchased fixed assets of Fairview Mill, Fountain Inn, North Carolina, from Julius Kayser & Company and has acquired Kayser's long-term lease on the plant. Fairview Mill will provide additional tricott facilities to meet increasing demand for Beaunit's Bemberg cloth. Production will be continued at full capacity with approximately 300 workers.

**Hudson Hosiery Company of Charlotte, North Carolina, and New York, one of the nation's leading hosiery manufacturers, plans to build a 100,000 sq. ft. plant, which will employ approximately 500 persons, on a site six miles east of Clover, South Carolina. S. W. Gable, Acting Director of the State Development Board, pointed out that the proposed plant would be the largest hosiery mill in South Carolina and one of the largest in the South.**

Celanese Corporation of America will locate a chemical manufacturing plant at Gallipolis Ferry, five miles south of Point Pleasant, West Virginia. Among other products, the plant will produce plasticizers for the coating and plastics industries and fire-retardant hydraulic fluids and compounds for the automotive, aircraft and other industries. Chemical production operations are scheduled for inauguration in April 1956.

**Addition of a fourth kiln at the Lone Star Cement Corporation plant in Botetourt County, Virginia, will add 800,000 barrels to annual capacity. This expansion is part of a \$22.7 million program to increase the capacity of Lone Star's 18 cement plants to 37,860,000 barrels a year. The new kiln will be put into operation next year.**

Ground has been broken for a 32,000 sq. ft. addition to Cashmere Corporation of America's plant near Weaverville, North Carolina, to include all of its facilities now located at Cleveland, Ohio. The plant, which manufactures cashmere sweaters, is expected to employ approximately 600 when the addition is completed.

**Owenby Manufacturing Company, Marietta, Georgia, manufacturer of women's and girls' dresses, will begin operations shortly in a new Andrews, South Carolina plant. Initially, employment will be provided for 100 to 125 persons; eventually, for 175.**

A \$1 million addition to the Stone Manufacturing Company's Cherrydale Division, Greenville, South Carolina, will give that division a total floor space of more than six acres and make Stone Manufacturing Company one of the world's largest apparel plants under one roof. The plant fabricates Stoneswear ladies' and children's slips and playwear.



For use primarily as a new paint department, the Fisher Body, Baltimore, Maryland division, General Motors Corporation, plans a 78,400 sq. ft. addition. Space in the main plant thus vacated will be used to relieve congestion and enlarge other shops. General modernization of equipment is included in the program, which is expected to be concluded by the end of next year. The General Motors Chevrolet-Baltimore division also plans new construction and complete modernization of equipment involving an expenditure of several million dollars. It is understood that the modernization and expansion of these Baltimore plants is a part of the \$500 million program recently announced by General Motors.

Davison Chemical Company Division of W. R. Grace and Company has joined in a program with Rare Earths, Inc., Pompton Plains, New Jersey (a wholly owned Grace subsidiary), for the expanded production, research and development of rare earths and thorium,

a potential source of atomic energy. Among accepted applications for rare earths are those in glass polishing, glass coloring and decoloring, and as a component of carbon cores in white-arc lights. Expansion of industrial uses of rare earths is one objective of the new division. An Atomic Development Department has been formed to coordinate the work, and additional facilities are being installed at Davison's Curtis Bay, Maryland, plant.

Work has begun on a 3,500 sq. ft. plant addition which will mean ultimately an employment increase from 85 to 125 persons and a production increase of women's blouses from 725-dozen units to 1,000-dozen units per week for Williamston, South Carolina's newest industry, Martin Manufacturing Company.

National Wire Products Corporation, formerly U. S. Metals Corporation, has transferred its steel reinforcing mesh and wire fence operation from Puerto Rico to Baltimore, Maryland, where production began August 1. Normal employment is approximately 100.

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## *Personal Income Trends*

### *Virginia*

(Continued from page 5)

a national figure of 77.9%. Government-disbursed personal income in Virginia accounted for 32.1% of total personal income, exceeded in the Fifth District only by the District of Columbia, and compares with the Fifth District total of 25.5%, and the national figure of 16.9%. Personal income from farms accounted for 5.5% of the state's personal income, compared with 5.9% for the Fifth District and 5.3% for the nation.

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### *North Carolina*

(Continued from page 6)

2.0% in the Fifth District and 2.3% in the United States. Property income in North Carolina accounted for 9.0% of total personal income, compared with 10.7% for the District and 12.4% for the nation. Transfer payments accounted for 5.4% in North Carolina, 5.7% in the Fifth District, and 5.6% in the nation.

In the three-way break between farm contribution, Government and private nonfarm, North Carolina's 12.7% contributed by farms is the largest of any state in the District, as against 5.9% for the Fifth District and 5.3% for the nation. Personal income contributed by Governments accounted for 18.9% of North Carolina's total, lowest in the District with the exception of West Virginia. It compares with a District proportion of 25.5% and the national of 16.9%. Contributions to personal income from the private nonfarm sectors accounted for 68.4% of North Carolina's personal

income as against 68.7% for the District and 77.9% nationally.

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### *South Carolina*

(Continued from page 6)

ratio is a contribution of farm proprietors of 5.7%, compared with 4.9% in the District and 4.2% in the nation. The contribution of business proprietors in South Carolina was 7.3% of the total, somewhat higher than the 6.6% in the Fifth District, but slightly lower than the national proportion of 7.4%. Property income in South Carolina accounted for 9.0% of personal income, which is generally lower than other Fifth District states and at the same level as North Carolina. It compares with 10.7% for the Fifth District and 12.4% for the nation. Transfer payments in South Carolina accounted for 5.9% of personal income, a slightly higher proportion than the 5.7% in the District or the 5.6% in the nation.

Breakdown of income contribution as between farms, private nonfarm, and Government shows farms in South Carolina contributing 7.2% of personal income, a figure higher than the 5.9% in the Fifth District and the 5.3% in the United States. Government contribution in South Carolina of 23.0% was smaller than the Fifth District as a whole, but larger than the United States. Contributions from the private nonfarm sectors accounted for 69.8% of South Carolina's total, which was slightly above the District's 68.7% and lower than the nation's 77.9%.



## Business Conditions and Prospects

**M**OST of the basic forces in the economy of the Fifth District were expanding in September. Bituminous coal mining had a small setback on an average daily basis, but farmers' receipts turned upward and over-all strength continued to be shown in manufacturing and distribution.

Demand for bank credit in the District continued to rise with loans and investments of the member banks increasing \$21 million from August to September and investment holdings increasing \$15 million in the same period. Deposits of the member banks increased \$87 million during the month, with all of the increase in demand deposits and no change in time deposits. The failure of time deposits to continue the upward trend in evidence for some time focuses attention on other forms of savings in the District.

Net new savings in savings and loan associations of all states in the District, except West Virginia, during September were 17% smaller than a year ago, and 4% smaller in the first nine months of the year. Mutual savings banks in Baltimore have shown a continued reduction in the rate of increase in deposits during the year. For example, January deposits in these banks were 5.7% higher than a year ago. This percentage declined steadily through September, when the rate of increase was 4.1%. Sales of U. S. Savings Bonds in the District, although in September 12% under August, were 11% ahead of September 1954; in the first nine months of the year they were up 13%. September witnessed an increase of 5% over August in redemptions of savings bonds and 7% over a year ago; during the first nine months of the year, however, redemptions declined 3%.

In the weekly reporting banks, expansion in commercial, industrial and agricultural loans continued through the week of October 12, but dropped back somewhat in the following week. "Other" loans, which are largely consumer loans that had been rising at a somewhat slower rate in the past two months, also turned down moderately in the week of October 20. Real estate loans temporarily halted their expansion in the week of October 5, but resumed the upward trend in the week of October 20.

### Manufacturing

Activity in the manufacturing industries of all states of the District except Maryland continued to show an expansion in man-hours between August and September, with North Carolina showing a rise of 4.4%; Virginia 2.9%; South Carolina 1.2%; and West Virginia 0.7%. This put the District's manufacturing activity in new high ground and 8.2% ahead of September 1954.

Man-hours in durable goods industries in September were 2.5% higher than in August and 11.1% above a

year ago. North Carolina had a rise of 4.1%; Virginia 3.0%; West Virginia 1.5%; while South Carolina showed a decrease of 1.5%. Relative to a year ago, West Virginia was up 19.2%; North Carolina up 10.3%; Virginia up 7.2%; and South Carolina up 5.9%.

Activity in the non-durable goods industries rose 3.2% from August to September, with North Carolina up 4.9%; Virginia up 2.7%; South Carolina up 1.8%; and West Virginia down 1.3%. Relative to a year ago, these states showed an increase of 6.9%, with North Carolina up 9.3%; South Carolina up 8.7%; Virginia up 2.3%; and West Virginia down 0.5%.

On a man-hour basis, the rise in activity was quite general among the industries, but not true in all cases in all of the states. Industries failing to respond to the September improvement included transportation equipment in Virginia, cigarettes, yarn and thread mills, and full-fashioned hosiery.

In the lumber industries, a gain in North Carolina more than offset a reduction in South Carolina. Virginia's furniture industries failed to increase, but North and South Carolina more than offset this. Textile mill products gains were larger in Virginia and North Carolina than in South Carolina. Knitting mills declined in Virginia, but rose in North Carolina. Apparel industries of North Carolina showed a rather substantial rise, but remained about steady in South Carolina.

Average daily cotton consumption (seasonally adjusted) was down 1% from August to September, but 9% ahead of a year ago. Cotton spindle hours (adjusted) declined 3% from August to September, but were 8% higher than a year ago. Cigarette production in August rose 4% over July, but Richmond, Virginia, output in September was down 11% from August and 6% from a year ago.

Employment in the manufacturing industries of the District in August was 3% higher than in July and 4% higher than a year ago. A further rise in September is indicated by incomplete reports already available. Livestock slaughter in the District in August was 12% ahead of a year ago, and the eight months accumulation was a plus 8%. Rayon deliveries in the nation were down 6% from August to September, but 6% ahead of a year ago. A large part of these are located in the Fifth District.

### Construction

Construction contract awards except for 1- and 2-family houses rose between August and September. Total contract awards were up 26%, with all classifications showing increases except 1- and 2-family houses. Awards for apartments and hotels rose 161%; commercial construction 72%; factory construction 12%;



public works and utilities 101% ; total residential 5% ; but 1- and 2- family houses declined 2%.

Awards for 1- and 2-family houses were also 6% smaller than in September a year ago, and total residential awards were 4% less than a year ago. Other classifications in September compared with a year ago showed apartments and hotels up 4% ; commercial up 279% ; factory up 119% ; public works and utilities up 54% ; and total awards up 28%.

### Trade

The trade level during September continued to show strength despite a 4% drop in seasonally adjusted retail furniture store sales during the month. Department store sales (adjusted) rose 1% over the August level, bringing this group back to the peak established in July. September department store sales were 13% higher than a year ago, and in the first nine months a gain of 9% was recorded. Department store inventories (seasonally adjusted) rose 3% from August to September and were 6% above a year ago. This was, however, only half the gain registered in sales in the year-to-year comparison. All major departments of the District's stores in September fared about equally in the percentage increases over a year ago. This is in contrast with earlier months of the year when home furnishings departments were leading the parade. It shows a considerable broadening in the demand for goods.

Furniture stores in the District had 4% less sales in September than in August after seasonal correction. This is hardly discouraging, however, since sales were 24% ahead of September 1954, and for the first nine months were up 15%. Credit has played an important part in furniture sales this year. In September credit sales were 26% larger than a year ago compared with a gain of 8% in cash sales. For the nine months, credit sales were up 17%, while cash sales were off 2%. Inventories are still being held conservatively ; the end-of-September inventory was 7% higher than a year ago, compared with the 24% sales increase.

Seasonal considerations no longer seem appropriate in new passenger car sales—at least so the August and September figures in this District would indicate. New registrations of passenger cars in August were 10%

higher than in July, while in September (four states of the District) a decline of only 1% from August was recorded. The four-state registrations in September were a striking 56% higher than a year ago, and the first nine months brought an increase of 33%. Three states of the District and the District of Columbia had new commercial car registrations in September 2% higher than in August and 36% higher than a year ago. The first nine months of the year were up 17%.

### Agriculture

Cash receipts from farm marketings in the Fifth District rose substantially more than seasonal from July to August, with the August level 9% higher than a year ago. The total for the first eight months of the year was within 1% of last year. Better than a year ago levels of farm income in August were found in West Virginia and the Carolinas. They resulted, in large part, from a larger tobacco crop which more than offset the small decline in price. In the first eight months of 1955 cash income from farm marketings in South Carolina was 4% larger than in that period last year. North Carolina was down 1% ; West Virginia down 3% ; Virginia even ; and Maryland off 6%.

September farm prices rose in Maryland, Virginia and West Virginia over August levels, but declined in North and South Carolina. Relative to a year ago, farm prices are up fractionally in Virginia, West Virginia and North Carolina, but down in Maryland and South Carolina. Maryland's decline in this period amounted to 7.2% ; South Carolina's 3.8%.

The improved level of farm income registered in August should continue through September, possibly into October, but moderate weakness in the cotton price, with about the same output indicated for this year as last, is likely to tone down the summer showing.

#### Correction

6.1% of cotton textile workers in the Spartanburg, South Carolina area are earning under \$1 an hour, rather than 61% as reported on page 6 of the October issue of the *Monthly Review*.









## FIFTH DISTRICT BANKING STATISTICS

### DEBITS TO DEMAND DEPOSIT ACCOUNTS\*

Dist. of Columbia	(000 omitted)			
	Sept. 1955	Sept. 1954	9 Months 1955	9 Months 1954
Washington .....	\$1,396,840	\$1,183,935	\$12,102,935	\$10,420,152
<b>Maryland</b>				
Baltimore .....	1,525,951	1,363,837	14,104,905	12,812,555
Cumberland .....	26,944	25,516	231,580	213,755
Frederick .....	24,109	22,456	213,398	201,126
Hagerstown .....	46,683	37,321	394,061	323,552
Salisbury** .....	34,918	33,412	305,800	297,313
Total 4 Cities .....	1,623,687	1,449,130	14,943,944	13,550,988
<b>North Carolina</b>				
Asheville .....	76,247	68,232	607,413	556,014
Charlotte .....	473,044	373,774	3,702,890	3,147,105
Durham .....	98,994	117,777	761,261	848,692
Greensboro .....	160,821	124,947	1,343,053	1,068,448
High Point** .....	52,257	44,986	451,311	381,389
Kinston .....	56,872	60,504	247,758	227,764
Raleigh .....	267,055	197,351	1,968,733	1,697,480
Wilmington .....	55,259	50,907	474,837	422,686
Wilson .....	69,507	68,398	241,360	223,194
Winston-Salem .....	202,490	180,207	1,557,730	1,360,502
Total 9 Cities .....	1,460,289	1,242,097	10,905,035	9,551,885
<b>South Carolina</b>				
Charleston .....	95,280	73,067	763,582	662,996
Columbia .....	183,798	171,126	1,628,274	1,484,034
Greenville .....	132,905	119,059	1,148,756	980,880
Spartanburg .....	80,003	70,628	593,606	566,462
Total 4 Cities .....	491,986	433,880	4,134,218	3,694,372
<b>Virginia</b>				
Charlottesville .....	36,436	33,955	330,125	283,070
Danville .....	54,497	57,968	362,530	331,466
Lynchburg .....	61,580	51,585	493,794	441,972
Newport News .....	60,077	47,251	506,611	423,332
Norfolk .....	287,194	251,712	2,606,825	2,282,640
Portsmouth .....	34,411	31,860	322,070	288,193
Richmond .....	747,623	734,725	5,989,891	5,470,012
Roanoke .....	141,719	117,090	1,187,110	1,044,342
Total 8 Cities .....	1,423,537	1,326,146	11,798,956	10,565,027
<b>West Virginia</b>				
Bluefield .....	47,349	38,613	403,857	345,712
Charleston .....	163,320	149,882	1,514,133	1,493,415
Clarksburg .....	37,098	30,411	323,182	278,978
Huntington .....	72,307	66,656	652,234	611,758
Parkersburg .....	36,155	28,558	294,504	268,689
Total 5 Cities .....	356,229	314,120	3,187,910	2,998,552
District Totals .....	\$6,752,568	\$5,949,308	\$57,072,998	\$50,780,976

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

### WEEKLY REPORTING MEMBER BANKS

Items	(000 omitted)		
	Oct. 12, 1955	Sept. 14, 1955	Change in Amount from Oct. 13, 1954
Total Loans .....	\$1,722,739**	+ 20,546	+232,791
Bus. & Agric. ....	773,445	+ 19,007	+116,420
Real Estate Loans .....	333,222	+ 260	+ 43,208
All Other Loans .....	638,280	+ 1,454	+ 77,165
Total Security Holdings .....	1,725,074	- 5,010	-201,149
U. S. Treasury Bills .....	72,051	- 8,505	- 38,587
U. S. Treasury Certificates .....	55,267	+ 35,046	- 46,674
U. S. Treasury Notes .....	331,586	+ 4,964	- 22,237
U. S. Treasury Bonds .....	1,023,460	- 3,516	- 74,383
Other Bonds, Stocks & Secur. ....	242,710	- 32,999	- 19,268
Cash Items in Process of Col. ....	410,472	+ 16,041	+ 53,112
Due from Banks .....	193,175*	+ 9,082	- 921
Currency and Coin .....	83,027	- 70	- 3,637
Reserve with F. R. Banks .....	532,883	+ 26,004	+ 3,653
Other Assets .....	67,952	- 2,389	+ 4,917
Total Assets .....	\$4,735,322	+ 64,204	+ 88,766
Total Demand Deposits .....	\$3,592,388	+ 46,919	+ 44,339
Deposits of Individuals .....	2,663,081	- 6,449	+111,190
Deposits of U. S. Government .....	124,918	+ 30,798	- 51,427
Deposits of State & Local Gov. ....	195,235	+ 18,880	+ 9,541
Deposits of Banks .....	554,034*	+ 7,310	- 19,687
Certified & Officers' Checks .....	55,120	- 3,620	- 5,278
Total Time Deposits .....	747,032	- 4,509	+ 2,478
Deposits of Individuals .....	676,430	- 2,919	+ 17,386
Other Time Deposits .....	70,602	- 1,590	- 14,908
Liabilities for Borrowed Money .....	26,975	+ 13,425	+ 26,975
All Other Liabilities .....	47,979	+ 1,542	- 7,934
Capital Accounts .....	320,948	+ 6,827	+ 22,908
Total Liabilities .....	\$4,735,322	+ 64,204	+ 88,766

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