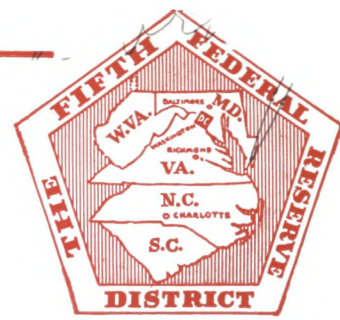
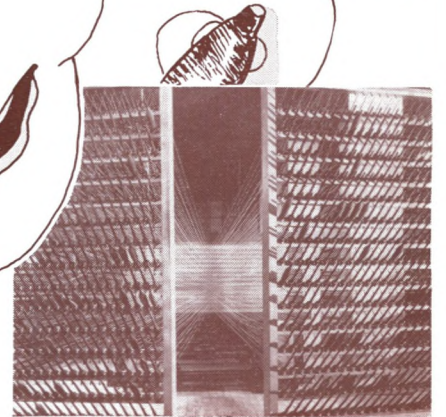
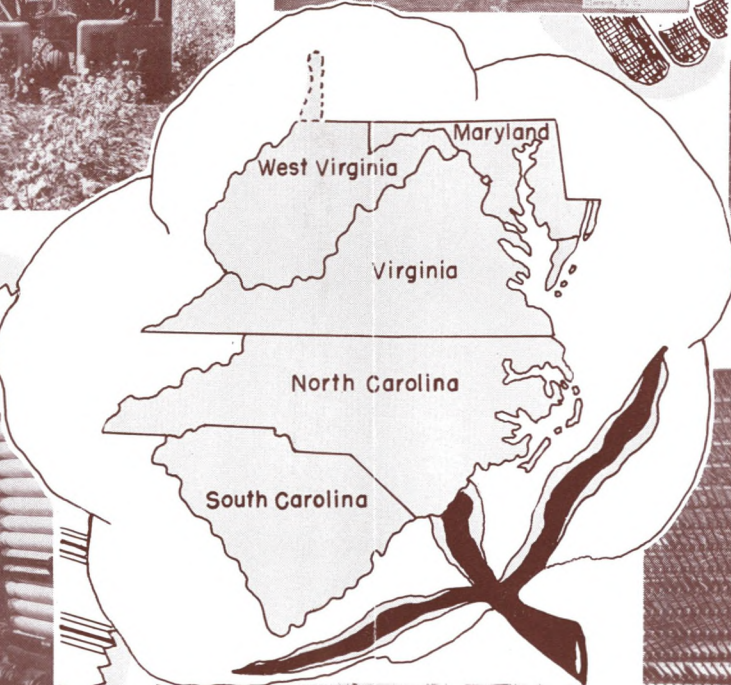
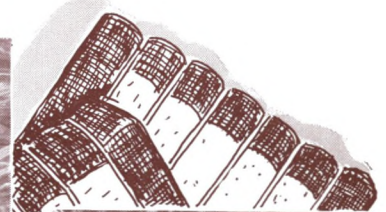
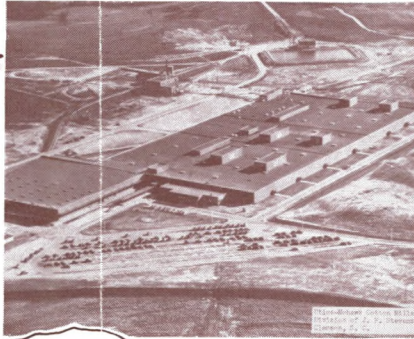
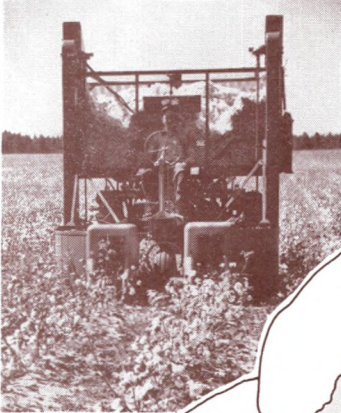


Monthly Review

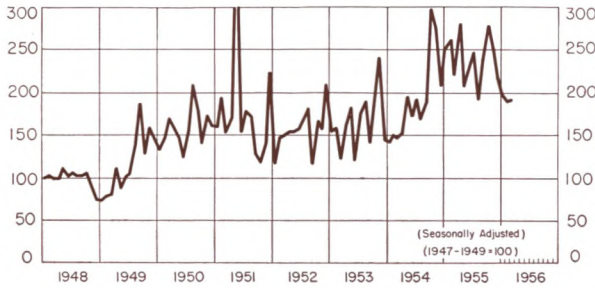


May 1956



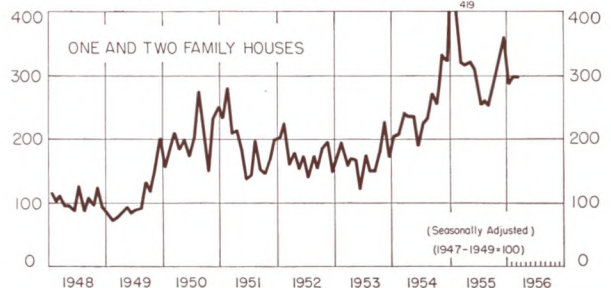
FIFTH DISTRICT TRENDS

TOTAL CONSTRUCTION CONTRACT AWARDS



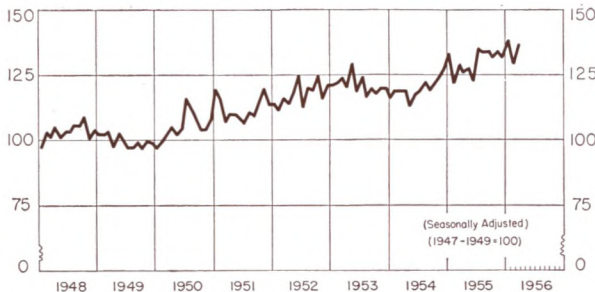
As a consequence of a sharp rise in contract awards for apartments and hotels and an unchanged level of one- and two-family house awards which little more than offset declines in other types of construction from February to March, total construction awards were 1% higher in March than February on a seasonally adjusted basis. The March level was 13% smaller than a year ago, and the first quarter was down 21%.

CONSTRUCTION CONTRACT AWARDS



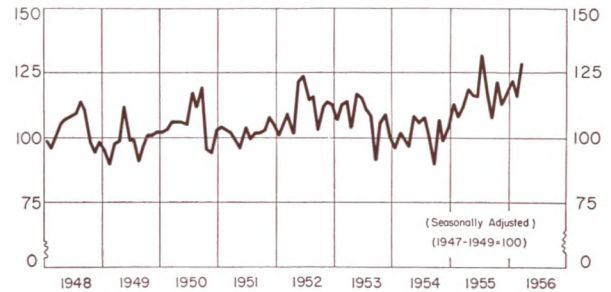
Contract awards for the construction of one- and two-family houses in March held at the same seasonally adjusted level as in February. The March level was 7% under March 1955, and the first quarter showed a drop of 20%.

DEPARTMENT STORE SALES



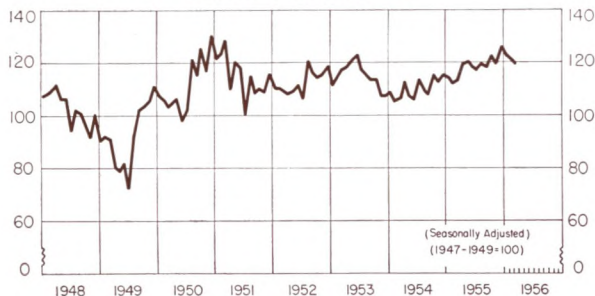
Favorable response in the Easter trade raised seasonally adjusted department store sales in March 6% over February and 6% ahead of a year ago, putting the first quarter 8% ahead of last year. The March adjusted level was close to the all-time high in January.

RETAIL FURNITURE STORES NET SALES



The March seasonally adjusted level of sales was 11% higher than February and 15% higher than a year ago, placing the first quarter 12% higher than last year. The March level of sales came within striking distance of the all-time peak established in July 1955.

COTTON CONSUMPTION



Mills, over-all, have a backlog running to the middle of the year, but cutback in the automobile industry has affected some industrial products; and March seasonally adjusted cotton consumption in District mills was down 2% from February and 5% ahead of a year ago, with the first quarter up 7%.

On The Cover

The North Carolina Department of Conservation and Development, the South Carolina State Development Board, and the Virginia State Chamber of Commerce kindly provided photographic material for this issue of the MONTHLY REVIEW. Cover photographs, clockwise beginning upper left: Cotton picking machine in South Carolina. Utica & Mohawk Cotton Mills, Inc., Division of J. P. Stevens and Company, Inc., Clemson, South Carolina. Comb yarn plant at Gastonia, North Carolina. Biltmore Industries, Asheville, North Carolina. American cotton being unloaded at a foreign port. Cannon Mills—General offices, Kannapolis, North Carolina—Loom with Dobby mechanism weaving figured cloth.

Cotton and the Fifth District

COTTON has always represented an important part of the economy of the area we now know as the Fifth Federal Reserve District. In the last half century, however, the absolute and relative importance of cotton production has declined. Meanwhile, the District's cotton mill industry has become the largest in the world. The background of these changes is found in the factors that determine the world supply of and demand for cotton.

World Production Expands

World production of cotton totaled 40 million bales last season. This compares with an average 35 million during the period 1950-54 and an average 20 million during 1920-24. Prior to the middle thirties, production in the United States exceeded that in all the rest of the world. Continued expansion of production in many foreign countries has reversed the situation, however, and the United States' share of world production averaged only 40% during 1950-54. In 1955 this country's share was 36%.

In actual quantities, the large foreign cotton-producing countries as a group have accounted for half the total expansion in foreign cotton production since World War I. When treated collectively, however, proportional gains are substantially greater in the "medium-sized" foreign cotton-producing countries and much greater in the "small" countries.

During the past 35 years, American cotton production has ranged from as low as 7.9 million bales in 1921 to a peak of 18.9 million in 1937. Boll weevil damage was an important factor in limiting American production to an average of only 11 million bales in 1920-24. The boll weevil's depressing effect was thereafter alleviated somewhat, and production averaged over 15 million bales during 1925-29. This was the highest of any half-decade on record and over a million bales above the 1950-54 average.

At the same time that the United States has lost ground in world cotton production, both in a relative and in an absolute sense, the Fifth District has lost ground relative to the rest of the nation. Last season's production in the District was under 1 million bales for

the fourth time since 1940. This compares with an average of 1.8 million bales during the 1920's. The 16% share of the nation's production in 1920-24 reflected in part the lighter average boll weevil damage than for the country as a whole, and during the next four 5-year periods, the District accounted for from 11% to 12% of the nation's cotton production. Since World War II, however, the District's share declined to 10% in 1945-49, to 8% in 1950-54, and in 1955 fell to 6%. Even if an adjustment is made for the spectacular expansion of production in the West (California, Arizona, and New Mexico) since World War II, the District's share relative to the rest of the country still shows a substantial downtrend.

Growth in Consumption

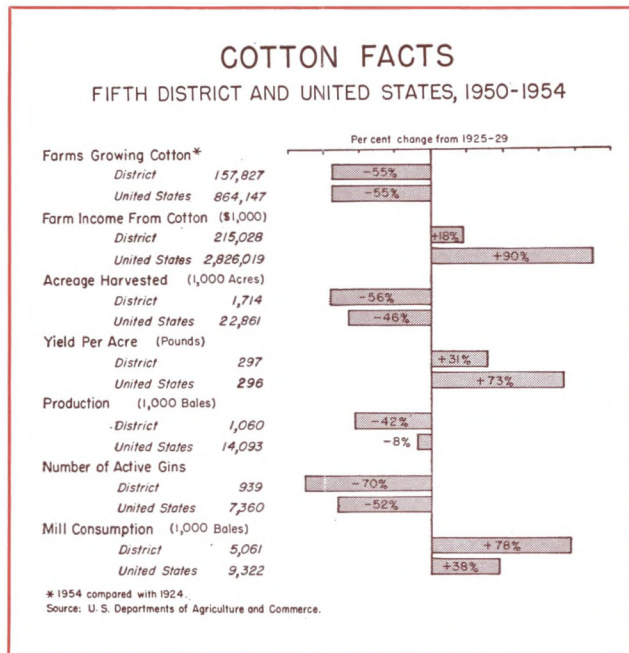
On a long-time basis, world consumption of cotton has followed much the same general trend as world raw cotton production even though carry-over has shown sharp changes over periods of one or a few years. The trends in consumption, by growths and by location of consumption, are more easily brought into perspective by comparing 1920-24 with 1950-54. In the earlier period, world consumption averaged about 20.2 million bales per year, 11.8 million of which was American cotton and 8.4 million of foreign growths.

By 1950-54 world consumption had risen to 33.6 million bales, about 13.5 million of which was American and 20.1 million was foreign. Thus, while total cotton consumption in the world has expanded during the past 35 years, American cotton has accounted for only a small share of the increase.

Consumption in the United States averaged nearly 5.9 million bales in 1920-24. Of this amount, 5.6 million bales was domestically produced cotton and about 0.3 million bales imported. Thirty years later during the period 1950-54, United States consumption averaged 9.3 million bales, 9.2 million of which was American cotton and 0.1 million of foreign origin.

Foreign Use of American Cotton Declines

Outside the United States, cotton consumption averaged 14.3 million bales during 1920-24. Of this amount, American cotton represented about 6.2 million



bales and the total of other growths 8.1 million. During the period 1950-54, total consumption in foreign countries averaged 24.3 million bales. Of this amount, only 4.3 million was American, and 20.0 million represented other growths.

Cotton is still forging ahead in the world as a whole, but most of the expansion of production has occurred in foreign countries. Foreign consuming countries are obtaining an increasing share of their total raw cotton requirements from countries other than the United States.

World Trade in Cotton Decreases

One very important factor in the declining relative importance of American cotton in foreign countries has been the growth of the cotton mill industry in foreign producing countries. In the early 1920's the commercial consumption of cotton outside the United States averaged 14.3 million bales, and world trade in cotton averaged 11.1 million bales, about 10.8 million of which was imported into foreign countries.

Thus, even if an allowance is made for a decline in carry-over during the period 1920-24, imports represented slightly more than 75% of total foreign commercial consumption. The corresponding percentage for the 1950-54 period was about 50%. In fact, the absolute level of world trade in cotton has declined from the peak level of 14.5 million bales per year during the late 1920's to an average of 12.2 million bales in 1950-54. The United States' share of this world trade also declined—from 59% during 1925-29 to 34% in 1950-54.

Production of Man-Made Fibers Equivalent to 10.1 Million Bales of Cotton

Another factor which has affected the demand for cotton, both at home and abroad, has been the growth of man-made fibers—rayon, nylon, orlon, dacron, and the like. Such fibers have carved out a real place for themselves throughout the world. The fact that they could be produced domestically has given them an unusually strong appeal in countries which had to import all or most of the cotton they consumed and which experienced difficulties in obtaining the foreign exchange they wanted for use in importing raw cotton and other materials.

During the period 1920-24, world production of rayon and acetate was equivalent to less than 200,000 bales of cotton per year. Of this amount, 70% was produced in foreign countries. During the most recent 5-year period, 1950-54, production of man-made fibers was equivalent to 10.1 million bales of cotton per year. Foreign countries accounted for 6.7 million bales, or 66% of the world total, and the United States for 3.4 million bales. While it is impossible to estimate with

any particular degree of accuracy how much cotton consumption has been reduced by the growth in use of man-made fibers, few would question that it has been an important factor in the total cotton picture.

Fifth District Leads World in Cotton Consumption

Although it cannot be said to have been a conscious decision, the District may be thought of as having made a fortunate choice when it swapped cotton fields for cotton mills. As previously indicated, American cotton producers have been losing ground for a number of years relative to foreign producers. And District cotton farmers have lost ground relative to other American cotton producers.

This contrasts rather sharply with the situation in cotton consumption. Despite the competition from competitive fibers, United States cotton consumption has been trending upward and in the period 1950-54 averaged nearly 60% above the 1920-24 level. A sizable increase also is shown between these two periods in per capita cotton consumption in the nation. It is significant, however, that per capita consumption of cotton has been trending downward since World War II while the consumption of other fibers has continued to expand.

At the same time that total consumption of cotton in the United States has been trending upward, consumption in the District has been increasing both absolutely and relatively. During the early 1920's, District consumption averaged 2.2 million bales per year or 38% of the nation's total. Thirty years later (1950-54) District consumption totaled 5.1 million bales per year, or 54% of the national total. The Fifth Federal Reserve District is not only the leading area of cotton consumption in this country but actually accounts for a much greater volume of cotton consumption than any foreign country.

Both the raw cotton and textile industries are by their very nature highly competitive, and growth or contraction is the response to the various economic forces which have come to bear upon them. Despite the fact that many farmers have given up the production of cotton, as indicated by the accompanying chart, many others still find it a profitable crop. Similarly, even though American cotton has lost heavily in world markets, it is still important to cotton-importing countries—although our role in some cases is that of the residual supplier. Furthermore, from the standpoint of our own economy, American cotton exports are still of such significance that a concerted effort is being made to maintain them at a healthy level. Success of such a program would enable American cotton to hold permanently to an important place in world markets as well as to supply the raw cotton needs of an expanding domestic textile industry.

The Fifth District Stake in Textiles

IT has been said many times that cotton is king in the South, but cotton ceased to be king of the field crops in the Fifth Federal Reserve District in the early 1930's when the value of tobacco production passed that of cotton. Further, the real king for many years, fabricated textile mill products, has made a contribution to Fifth District economy many times that of lint cotton.

Textiles carry a lot of weight in the Fifth District economy. Business concerns often refer to their volume item as their "bread and butter" product. The textile industries are the Fifth District's "bread and butter" business. The Fifth District textile industry, furthermore, is of considerable importance in the textile industries of the nation.

When the fairer sex march in the Easter parade or "show" in the ordinary course of events, its an odds-on bet that any piece of apparel she is wearing, except her shoes, passed through Fifth District mills in one or more stages of fabrication.

The Textile Industries in Perspective

The manufacture of textile mill products in the District showed a value added by manufacture in 1953 equal to 7.9% of total personal income. Since the value added by manufacture in all manufacturing industries of the District was equal that year to only 36.3% of total personal income, the 7.9% figure for the District as a whole takes on considerable significance. Furthermore, the personal income of Maryland and the District of Columbia is included in the denominator, but nothing whatsoever is included in the numerator for these areas. There is a smattering of textile industries in Maryland, but the figures are so small that they have not been recorded regularly in published information; and, of course, the District of Columbia has none. Textile industries in Virginia are not too important in the entire economy of the state, and they are even less important in West Virginia, but in the Carolinas, textiles reign.

The value added by manufacture in textile mill products industries in 1953 was equal to 24.9% of South Carolina's total personal income that year, and in North Carolina the ratio was 18.7%; in West Virginia, 0.6%; and in Virginia, 3.5%.

The contribution of textile mill products of the Fifth District to the total manufacturing output stands out in bolder perspective than its relation to the peoples' incomes as a whole. The value added by manufacture in the textile industries accounted for 28.9% of the total value added in all manufacturing industries in the four states of the Fifth District which had textile mill industries reported. The textile mill products industries in the Fifth District in 1953 accounted for 21.7% of the total value added by manufacture in all manufacturing industries of all states of the Fifth District,

including both textile manufacturing and nonmanufacturing states. A little clearer indication of the importance to the several areas of the District is seen by the state breakdown. Textile mill products accounted for 59.6% of all manufacturing in South Carolina, 40.7% in North Carolina, 1.4% in West Virginia, and 11.3% in Virginia.

The contribution of textile mill products manufacture to the personal income of the Fifth District has varied in moderate proportion in past years. The greatest contribution occurred in 1947 when the value added by manufacture of textile mill products was equal to 10.8% of personal income. That was the year when wholesale prices of textile mill products were in their best relation to wholesale prices in general of any year since 1926. Since 1947 value added in textile mill products as a percentage of personal income has been: 1949, 8.8%; 1950, 9.2%; 1951, 8.2%; 1952, 7.6%; 1953, 7.9%. The 1953 percentage was the same as in 1939 but is somewhat higher than the 5.8% of 1929.

Textile mill products contribution to all manufacturing in the District, based on the value added, has gradually slid from 29.4% in 1947 to 21.7% in 1953. The 1953 figure compares with 24.1% in 1939 and 15.6% in 1929.

Textile Employment

The textile mill products industries' importance in the Fifth District can be put in clearer perspective, perhaps, by citing various relationships in production worker employment. There has been absolute growth in production worker employment in the textile industries of the Fifth District in each census interval since 1929. The 1953 level was 8.6% higher than 1947, 25.6% higher than 1939, and 81.5% higher than 1929.

Despite these increases, however, textile mill products industries have not kept pace of the industrial growth in Fifth District states. In 1939 production workers in textile mill products industries accounted for 51% of all production workers in manufacturing industries in the four states in which textile mill products are found. They accounted for 40.9% of all production workers in all states of the District and the District of Columbia in that year. By 1949 textile mill products industries production worker employment had dropped to 41.8% of the total in the four states and to 33.9% in the entire District.

Textile mill products industries in the United States have not been growing as they have in the Fifth District but have remained in a fairly static position since 1929. In that year, production workers employed amounted to 1,096,000 workers; in 1939, they numbered 1,082,000; in 1947, 1,147,000; and in 1953, 1,060,000. The proportion of these workers in the Fifth District, however, has shown a continuous rise throughout this

period. In 1929, the District had 23% of the nation's textile production workers; in 1939, 28.4%; in 1947, 31.0%; and in 1953, 36.4%.

Although textile mill products industries were not as important relatively in 1953 as in 1939, there has been little change in the proportion of textile workers in the Fifth District to all production workers in manufacturing industries since 1947.

Textile mill products industries in the Fifth District are most importantly located in North Carolina and South Carolina and to a considerably less extent in Virginia, with a trace of representation in West Virginia. In 1953, North Carolina had 20.5% of the production workers in the United States textile mill industry compared with 17.5% in 1947, 16.8% in 1939, and 14.7% in 1929. South Carolina in 1953 accounted for 12.2% of the nation's textile mill products production workers compared with 10.4% in 1947, 8.8% in 1939, and 6.9% in 1929. Virginia's 1953 proportion was 3.4%; 1947, 2.7%; 1939, 2.6%; and 1929, 1.3%. West Virginia's share was less than a half of one per cent in any of the years under comparison.

What are the District's Textile Mill Products Industries?

Textile mill products manufacture includes the carding and combing of cotton, wool, and synthetic fibers; spinning and weaving of cotton, woolen and synthetic yarn; the knitting of all types of yarn; dyeing, bleaching, and finishing of all types of textiles, carpets and rugs, hats, and miscellaneous textile goods, such as felt, lace, padding, upholstery filling, process waste, coated fabrics, jute and linen, cordage and twine, and all other textiles not elsewhere classified.

The Fifth District has representation in practically all of these. It is not too important, for example, in the lace trade or in the hat business, but is a dominant factor in the cotton and synthetic textile industries; it rates importantly in the woolen and worsted industries and in the knitting industries of all varieties.

It is not possible to trace the growth in production of the various textile products, for these figures are not reported on a regional basis. There are records on the cotton textile industry, and the bulk of the growth in the synthetics industry has been in this area. Mention of these is made in another article. Meanwhile, some idea of the importance of the various industries can be found in the location of the machinery used to process the various types of textiles, based on material available in the *American Textile Reporter*.

Beginning at the beginning of the manufacturing process, it is found that the Fifth District in 1955 had 57.7% of the cotton carding machines, 40.1% of the rayon and acetate cards, 5.8% of the woolen cards, and 6.9% of the worsted cards in the United States. Of the combing equipment, the Fifth District had 49.6% of those on cotton, and 1.9% of the Bradford System worsted combs.

The Fifth District's dominant position is shown again in the cotton textile industry, with this area having 53.1% of all the spinning spindles in place in the United States. The District has a very substantial position in the rayon and acetate spinning equipment with 41.4% of all the spindles operating on these fibers. It has 12% of the wool ring-spindles, 5.2% of the wool mule-spindles, and 9.6% of the worsted spindles. Of the twisting spindles used on all types of yarns, the Fifth District has 43.7% of the nation's total.

The Fifth District's position in looms is somewhat less impressive than in spindles, but this is probably not true in their production capacity. The lion's share of the new up-to-date and faster looms put in place in the postwar period probably give Fifth District mills a better representation in total cloth output of the nation than the number of looms in place would indicate. Of the wide looms on cotton in 1955 in the nation, the Fifth District mills accounted for 52.0%. The District had 38.2% of the wide looms operating on rayon and acetate yarns, it had 10.6% of the woolen looms, and 18.1% of the worsted looms. The Fifth District is not importantly represented in the types of goods made on narrow looms. In 1955 it had 10.0% of the looms on these fabrics and 2.9% of the braiders.

Fifth District representation in machinery used in the knitting industry finds it with 5.9% of machines knitting outerwear, 10.0% of those knitting underwear, and 48.0% of these knitting hosiery. Again, these figures probably give the District an under-representation in the industry, particularly in the hosiery industry, for here, the great bulk of the improved machinery in postwar years has gone into Fifth District mills.

Changes in the Fifth District position in the cotton textile industry can be seen over time from the number of spindles in place relative to the national total. In 1955 Fifth District mills had 58.6% of the cotton system spinning spindles in place. This is the highest percentage of the national total in any year of record. It compares with 53.5% in 1950, 50.4% in 1945, 48.5% in 1940, 37.0% in 1930, and 29.3% in 1920.

Terms of Trade

Prices of fabricated textiles rose to their most favorable position in the nation's price structure in the three years 1946-48. Since that period the ratio of textile prices to all prices has been declining. The ratio of cotton goods wholesale prices to all wholesale prices, based on indexes having 1947-49=100, improved from 65% in 1940 to 108% in 1947 but weakened to 78% in 1955.

This is an important consideration in the profitability of textile manufacturing, which in turn has other important repercussions. It is also an important consideration in determining the industries' financial ability to acquire the most modern machinery available.

Financing the Textile Industry

INADEQUATE earnings, eating into capital, and increased dependence upon borrowed funds have marked the financial developments of the textile mill products industry in the United States in recent years. Unfortunately, this is an often-repeated story in the history of this vitally important industry.

As a result in part of a lower level of sales in two of the last three years, retained earnings of the textile industry covered only a little more than one-fourth of total capital outlays by the industry in the period 1953-55. In 1953 and 1955, retained earnings amounted to about 50% of capital expenditures, but in 1954 cash dividends exceeded net profits, and there were no earnings available for reinvestment. The absence of earnings in the latter year together with the inadequacy of depreciation allowances to meet capital outlays led the textile industry to draw heavily on liquid asset holdings. In fact, reduction of cash and government securities constituted the second largest single source of funds in 1954. As in the other two years, depreciation allowances provided the largest source of funds and were within 5% of the total invested in plant and equipment over the three-year period.

Another important internal source of funds for the textile industry—which is to say is mainly the cotton textile industry—has been the liquidation of inventories. Stocks were reduced in 1953 and 1954, providing the second largest source of funds in the former year and the third largest in 1954. Reflecting a more favorable situation for the industry, inventory liquidation was superseded by some accumulation in 1955 and thus constituted a sizable use of funds that year.

For the three-year period the principal—practically the only—external source of funds was split equally between the sale of long-term debt securities and short-term commercial bank loans. The combined capital stock and capital surplus accounts (not available separately) showed a decline in the last three years, and both long-term bank debt and funds from trade suppliers were reduced.

In 1955, however, increased requirements stemming from inventory accumulation and extension of credit to customers led to increases in both short and long-term debt. Short-term bank loans rose sharply to the highest level in five years. Another external source of funds that became available in 1955 for the first time in three years was credit on open book account.

Emphasis on Equity Investment

The ownership interest in the textile industry has been declining slightly, and the creditorship interest has been rising slightly over most of the postwar period. According to FTC-SEC data, borrowed funds accounted for only 7.6% of the total investment repre-

sented by long-term debt and ownership interest in the third quarter of 1948. At the end of the third quarter of 1955 (latest data available) the creditorship interest had risen to 11.2%.

This increase in the extent to which the textile industry is trading on its equity—using long-term debt—appears to have been about as much of an increase as was possible in view of the profits record of the industry. Among 23 major manufacturing industries, textile mill products had the lowest rate of profits after taxes on stockholders' equity in 10 of the 15 quarters from the beginning of 1952 through the third quarter of 1955. In four other quarters it had the next-to-lowest rate of return, and in one quarter its rate was the third worst. In none of the 15 quarters was the rate of return under 5%.

In the case of net profits after taxes as a percent of sales, textiles had the lowest rate among the 23 industries in four of the 15 quarters and was never better than fourth worst in 13 of the 15 quarters. Its best achievement was with a rate that was the sixth lowest.

This is hardly a record to facilitate the sale of creditorship securities by an industry that, although the most efficient in its line in the world, must continue to make multi-million dollar outlays for the replacement of old and obsolete buildings and machinery, spend large amounts for research in developing new methods and new products, and incur heavy expenses in widening its domestic market and in meeting severe foreign competition.

MAJOR SOURCES AND USES OF FUNDS
TEXTILE MILL PRODUCTS MANUFACTURERS
(Millions of Dollars)

	1955	1954	1953	Total
Sources	750	-131	21	640
Depreciation Allowances	266	247	245	758
Retained Earnings	137	- 48	142	231
Other Changes in Earned Surplus ¹	-108	- 55	-179	-342
Accrued Federal Income Taxes	67	-172	- 71	-176
Capital Stock, Capital Surplus, Minority Interest, and Other Reserves	- 88	- 21	60	- 49
Long-term Debt				
Non-bank	56	50	17	123
Bank	16	- 20	- 17	- 21
Short-term Bank Debt	203	- 67	- 16	120
Other Accounts—Notes Payable	171	- 63	-130	- 22
Other Liabilities	30	18	- 30	18
Uses	750	-131	21	640
Property, Plant and Equipment	250	268	279	797
Inventories	202	-141	-160	- 99
Liquid Assets	- 28	-189	- 37	-254
Other Assets	331	- 68	- 64	199
Gross Uses (Sources) ²	974	713	725	1603

¹ Represents items that cannot be identified to permit adjustment to proper account.

² Gross uses include negative sources; gross sources, negative uses. Third quarter 1955 latest data available; third quarter data used in each year.

Details may not add to totals because of rounding.

Source: *Quarterly Financial Reports for Manufacturing Corporations*, FTC-SEC.

Bank Loans to Manufacturers of Textiles, Apparel, and Leather

IN the Fall of 1955 a survey was made with the cooperation of a number of the District's member banks to determine the principal characteristics of their loans to commercial and industrial business firms. One of the categories of business borrowers about which information was sought was textiles, apparel, and leather processors. This category has been included for several years in the weekly reports of loan changes by a group of sixteen of the District's member banks. In this District, the category is made up predominantly of textile and apparel firms, and of these it is generally believed that the textile group is much the larger of the two. The description of this category of loans at District member banks throws some light on the use of bank credit by textile and apparel firms in the area.

According to the survey, textile and apparel firms were indebted to District member banks to the tune of \$82,543,000 on October 5, 1955. They had a larger total volume of bank credit outstanding on this date than any of the other types of manufacturing and mining concerns; and they accounted for 7% of the total of all business loans outstanding at that time at the District's member banks. The behavior of these loans since last October can be approximated since, as stated, sixteen of the larger banks in the District report weekly the major changes in this and other categories of business loans on their books. The survey revealed that the fourteen largest member banks in the District—each with deposits in excess of \$100 million—had loans to textile and apparel firms amounting to \$58.5 million on October 5, 1955. Applying the changes reported by the sixteen weekly reporting banks to this outstanding figure, textile and apparel firms had, by the year's end, reduced their loans by \$1.4 million to \$57.1 million. From the beginning of this year through April 11, these firms added an additional \$8.1 million to their bank loans bringing the estimated total to \$65.2 million. This gives an estimated increase in textile and apparel loans outstanding over the first three and a half months of the year of just about 14%. Using these same estimated figures, the increase over the first three and a half months last year was \$14.2 million. The estimated amount outstanding at the beginning of last year was \$47.6 million; accordingly, the \$14.2 million represents an increase of almost 30% for that period.

The pattern of borrowing by textile and apparel firms in the Fifth District, as revealed by the weekly reports of the sixteen member banks, is for a relatively strong increase to occur over the first three to three and a half months followed by a moderate reduction in balances outstanding over the next three to four months. The pattern is not as marked in the remainder of the year, but in both 1954 and 1955 these firms increased their bank loans at the sixteen banks from about midsummer into the early Fall and then, on balance, made repay-

ments through the end of the year. The year 1955 was unusual for textile and apparel borrowers in the District in that they borrowed considerably more new money in the first quarter than in any year since this series was started (1951). The first quarter of 1956 was second only to the record 1955 increase.

The October 5, 1955 survey revealed a number of other interesting characteristics of loans to the textile and apparel group of business borrowers. It indicated that 95% of the dollar amount of loans to these firms was to incorporated businesses. By way of contrast, 82% of loans outstanding on the survey date to all manufacturing and mining firms was to incorporated concerns. The textiles and apparel group had a higher percentage of incorporated firms than any of the other groups making up the manufacturing and mining category. Manufacturers of metals and metal products, for example, showed 83% of the borrowing firms to be incorporated. Petroleum, coal, chemicals, and rubber processors were incorporated firms in only 54% of the cases.

In spite of the fact that 95% of the dollar amount of textile and apparel loans was to incorporated firms, only 70% of the actual number of loans was to this incorporated group. The contrast is even sharper for all member banks in the United States. Ninety per cent of the dollar amount of their loans to this group of borrowers was to incorporated firms while only 59% of the number of loans was to these firms.

Of the \$82.5 million of District member banks loans outstanding to textile and apparel firms on October 5, 1955, \$68.3 million—83%—was borrowed on a short-term basis (maturing in one year or less). This is typical of the manufacturing and mining category of borrowers, the average for all loans in this group being 81% in the form of short-term loans. The average interest rate charged textile and apparel borrowers for short-term money was 4.23%. The average rate for longer term borrowing by this class of borrower in the District was 5.41%.

The textiles and apparel group of borrowers in the District had 70% of the dollar amount of their total member bank indebtedness with the fourteen banks having deposits of \$100 million or more. Only 40% of the number of loans made by these firms was with these larger banks. As would be expected, because of legal limitations on the size of an advance to a single borrower and because of the more diversified services provided by the larger banks, the larger loans of textile and apparel borrowers are placed with the larger banks. The size of the average loan outstanding on October 5, 1955 at the banks having deposits over \$100 million was just over \$100,000. The average size of each textile and apparel loan for District member banks with deposits under \$100 million was \$30,000.

The Fifth District Stake in Man-Made Fibers

THE quest for silk and spices carved out the camel caravan routes between Europe and the Far East, and these later served as the invasion routes of Genghis Khan and Tamerlane. The impelling force of a better trade route to the Far East resulted in the discovery of America when Columbus sailed westward to India. Silk had for ages been an object of desire and its attainment a mark of arrival. For several years following World War I, the period known as the silk shirt era found great clamor among the populations of those countries that had come through the first World War in sound economic condition to be adorned in silken things. Such was the stimulus to the expansion of "artificial silk" which had been established on a commercial basis in this country in 1910 by the American Viscose Corporation at Marcus Hook, Pennsylvania.

In 1911 this infant industry turned out 400,000 pounds of artificial silk; and by 1924, when the name of the product had been changed to rayon, total United States production amounted to 36,000,000 pounds. The number of producers in the industry, as well as the types of yarns manufactured, grew rapidly even through the great depression of 1929-1933. The industry served basically the apparel and drapery fabrics uses until the emergence of the second World War, when its uses began to branch out in a fairly substantial way for industrial purposes; and such uses have been primarily responsible for growth in the rayon and acetate industries since the second World War. Noncellulose synthetic fibers have come into being since 1940. First came nylon, a magic word which on a label could clear the retail shelves of any article. Many other fibers and monofilaments have come into being in the postwar period. All serve purposes for which silk was not suited.

Competitive Position

It is generally assumed that synthetic fibers have supplanted cotton or wool to attain their present position; or to put it the other way around, it is assumed that cotton or wool would have shown the same degree of expansion as has the consumption of all fibers in the absence of synthetic fibers. It certainly can be shown that rayon tire cords have displaced cotton cords in motor car tires, and it can be shown that many products formerly made of cotton are now made with synthetics. It doesn't necessarily follow, however, that had cotton and wool been the only fibers, total fiber consumption would be as great as the total at the present time. There is little doubt that some of the synthetic fibers have stimulated total usage, and it is almost certain that they did stimulate the chemical treatment of cotton fibers to make these fibers an entirely different product from what they were before.

The total mill consumption of all fibers has been showing moderate growth. In 1955 they were 11% above the 1954 recession level, 3.9% higher than 1952 but 2.3% under the war-stimulated year 1950; 4.4% higher than 1948; 36% above 1940; 116% above 1930; and 109% above 1920.

As shown by the table, the gains of synthetics as a percentage of total fibers have come mainly at the expense of cotton; and in absolute terms, mill consumption of cotton has shown no gain since World War II, backing and filling around a flat trend.

	Cotton	Rayon & Acetate	Other Synthetic	Wool & Other
1920	88.3	0.3	---	11.4
1930	84.5	3.9	---	11.6
1940	80.6	9.8	0.1	9.5
1950	68.5	19.8	2.1	9.6
1955	65.7	21.3	6.5	6.5

Synthetics in the Fifth District

The importance of synthetic textiles to the Fifth District is twofold: first, the Fifth District has an important, probably a dominant, part of the production of synthetic yarns in the United States; and secondly, it has developed a substantial position in the nation as a whole, and probably the dominant position for any given area of the United States, in the spinning and weaving of synthetic yarns. Published information is inadequate to pinpoint the District's position in either instance.

Some idea of the District's importance can be found in the 1954 Census of Synthetic Fibers, which shows a value added by manufacture in that year of \$720 million, of which 88.9% was located in the South and 37.6% was located in the state of Virginia. Included in the South's figure, but not segregated, are the important synthetic yarn plants at Cumberland, Maryland; Rock Hill, Camden and Anderson, South Carolina; Parkersburg and Nitro, West Virginia; Enka and Kingston, North Carolina. If the value added by manufacture in these plants could be added to that of Virginia, it is probable that the total would put the Fifth District's position somewhere around two-thirds of the national total.

The growth in value added by manufacture of synthetic fibers between 1947 and 1954 was 66% for the United States. Virginia showed an increase in this period of 96%; the South, other than Virginia, an increase of 69%; and the rest of the United States, an increase of 5%.

Business Conditions and Prospects

CROSSCURRENTS were in evidence in the Fifth District economy during March, with the trade sector giving the major portion of the strength in relation to February. The output of mines and factories lessened moderately, while new projected construction was about even with February. Demands for bank credit were unusually strong for this season of the year with the emphasis centered mainly on business and consumer credit. The saving's rate improved somewhat in commercial banks, but held steady in the mutual savings banks of Maryland. The Spring apparel season has not come up to expectations, and both converters and cutters have slowed operations. This has found reflection in further cutbacks in the synthetic weaving industry and some reduction in backlogs of the cotton textile industry. The greatest impact of the dollar minimum wage is shown in the average hourly earnings of the lumber, apparel, and food industries. The new minimum may also have been partly responsible for a reduction in hours worked at overtime.

Trade

The last week of March brought a good response in the Easter trade, which raised the seasonally adjusted sales of department stores in the month close to the peak level of January. March sales were 6% higher than February, after seasonal correction; 6% ahead of a year ago; with the first quarter 8% higher than last year. The usual apparel items worn in the Easter parade were primarily responsible for the March showing, with most items of housefurnishings trailing the level of a year ago. The March trade level was apparently somewhat better than had been anticipated, and store inventories, after seasonal correction, were reduced 2% from the February level. March inventories were 10% ahead of a year ago, compared with a rise of 6% in sales.

Furniture sales in department stores dropped 6% below a year ago in March, but the retail furniture stores showed a different performance. March sales on a seasonally adjusted basis were 11% higher than February and 15% ahead of a year ago, bringing the first quarter to a level 12% ahead of last year. The March adjusted sales level came close to the all-time peak established in July 1955. Furniture stores were still exercising a cautious inventory policy in March when the adjusted level for that month dropped 6% from February and was only 5% ahead of a year ago, compared with a 15% increase in sales.

Sales at household appliance stores took a considerable spurt in March, not seasonally adjusted, but failed to show anything like the gains made by furniture stores. The March sales level was 11% above February and 2% over a year ago, with the first quarter up 4%.

Complete registrations of new passenger automobiles for all states of the District and the District of Columbia in February were 1% higher than January, 5% higher than a year ago, bringing the two months' figure to 11% ahead of a year ago. March registrations for Virginia, West Virginia, and North Carolina show an increase of 8% over February but were 6% under March 1955 registrations. First quarter figures for these states were up 4%. Commercial car registrations for the same states in March were down 5% from February but 15% ahead of March 1955, with the first quarter up 23%.

Construction

Total construction contract awards in March, seasonally adjusted, were 1% higher than in February and 13% below March 1955, with the first quarter down 21%. Awards for apartments and hotels in March were more than doubled from February on a seasonally adjusted basis, and those of one- and two-family houses remained at the February level. All other types of construction awards were lower in March than in February, with commercial construction down 19%, public works and utilities down 20%, manufacturing down 3%, and all types of residential construction down 5%. March construction awards compared with last year show only factory construction above, with all other types down from 7% to 58%.

The value of building permits in 36% cities of the District were down 9% in March from February, after seasonal correction, and 20% under March 1955, with the first quarter down 15%.

Bituminous Coal

Although Winter returned in April, March was an unseasonably warm month, and this had a moderate retarding effect on the production of bituminous coal in this District. March output on an average daily basis was 2% smaller than February but 21% ahead of a year ago, bringing the first quarter 23% higher than last year. Coal exports were maintained at a high level in March and might have been even higher except for a longshoreman's strike in the Hampton Roads area. Public utility consumption of coal in February showed a larger year-to-year gain than was shown in kilowatt-hour output. Sizable gains over last year are being shown in coastwise shipments of coal both to New England and inside the Capes from both Hampton Roads and Baltimore ports.

Manufacturing

Man-hours in all manufacturing industries of Virginia and the Carolinas in March were down 1.7% from February but 0.6% ahead of a year ago.

Durable goods industries in these states show a drop of 2.4% for the month of March, with that month up

1.7% from a year ago. Most durable goods industries show some backdown in man-hours during March, but the chief decline came in the lumber and wood products industries.

Man-hours in the nondurable goods industries of these states were down 1.3% from February to March, with March at the same level as a year ago. All divisions of the textile industry showed some reduction, with yarn spinners and knitting mills showing the largest declines. Gains in nondurable goods industries were shown in the cigarette, paper, and chemical industries.

Cotton consumption in the District mills on a seasonally adjusted basis dropped 2% from February to March. March remained 5% ahead of a year ago, and the first quarter was up 7%. Spindle hour operations, adjusted, showed no change from February to March; they were 6% ahead of a year ago, and the first quarter was also up 6%.

February cigarette production remained at the same seasonally adjusted level as January; but was 4% ahead of a year ago, with the first two months of the year up 8% from last year. Virginia cigarette output in March, according to the Richmond Chamber of Commerce, was 8.2% higher than February and 3% ahead of a year ago.

Agriculture

Farm prices during March declined by 1.0% to 1.9% in the states of this District. All states show prices under a year ago, ranging from 0.4% in West Virginia to 6.1% in Maryland.

Cash income from farm marketings in February was at the same level as a year ago, with crops and livestock products each showing the same level as last year. In the first two months of the year, total cash income was down 2% from last year, with crop income down 7% and income from livestock and products at the same level as last year.

Banking

Loans and investments of member banks in the Fifth District rose \$29 million during March. Loans were up \$70 million, which was in part offset by a reduction of \$32 million in United States Government security holdings and a reduction of \$9 million in other security holdings. Loans and investments were \$213 million higher than a year ago, with loans up \$354 million, United States Government obligations down \$150 million, and other security holdings up \$9 million.

Total deposits at the end of March were \$59 million higher than a month earlier and \$252 million higher than a year ago. Time deposits were up \$27 million during the month and up \$46 million during the year. Demand deposits were \$32 million higher during the month and \$206 million higher during the year.

Member bank borrowings dropped \$51 million during March and were \$31 million smaller than a year ago. Declines occurred both at the Federal Reserve Bank and at correspondent banks.

Commercial, industrial, and agricultural loans of the weekly reporting banks reached an all-time high late in March and have moved still higher in three weeks of April. "Other" loans, which are largely consumer loans, established a new high level early in April and have shown some hesitation since. Loans on real estates, after dropping from Fall to early January, have since held pretty steady around this reduced level.

Minimum Wage Effects

The information is not yet available to discuss consequences of the change in the minimum wage from 75 cents to \$1 on March 1, but some idea as to where its effects were felt can be seen in the average hourly wage data which are available for March in Virginia, North Carolina, and South Carolina.

Average hourly earnings in all manufacturing industries in Virginia during March rose 4 cents over February or 2.7%. In North Carolina the rise was 4 cents an hour or 3%; in South Carolina it was 3 cents an hour or 2.3%.

In the lumber and wood products industries, North Carolina's average hourly earnings in March were 9 cents higher than in February for an 8.2% increase. In these industries in South Carolina, the average hourly earnings were 12 cents higher, which was 12.1%.

Average hourly earnings in apparel industries of Virginia were 9 cents higher in March than February, or 8.6%; in North Carolina up 10 cents, or 9.4%; and in South Carolina up 14 cents, or 14.0%.

The impact of the change in the minimum wage on the seamless hosiery industry was considerably smaller than had been anticipated, with the average hourly earnings in North Carolina in March 5 cents higher than in February, or 3.9%. Full-fashioned average hourly earnings were 2 cents higher in March than February, which was 1.3%.

Average hourly earnings in the tobacco manufacturing industries of Virginia were 8 cents higher in March than in February or 5.4%; in North Carolina they were up 10 cents or 6.6%. Most of this came at the stemmeries and redryers, because cigarette average hourly earnings were up only 1 cent in Virginia or 0.6%; and up 5 cents or 2.9% in North Carolina.

Average hourly earnings in the food industries of Virginia were up 6 cents between February and March or 4.5%; in North Carolina up 8 cents or 7.5%; and in South Carolina up 10 cents or 8.5%. Hourly earnings in textile mill products industries rose 2 cents from February to March in North Carolina, which was 1.5%. There was no change in these earnings in this period in Virginia or South Carolina. In yarn and thread mills in the Carolinas, a 2-cent increase occurred in each state or 1.7% in North Carolina and 1.6% in South Carolina. In the broadwoven fabrics mills, no change was recorded in average hourly earnings between February and March.

Series E Bond Anniversary

MAY Day 1956 marked the Fifteenth Anniversary of the inauguration of the Series E Bond Program. To celebrate the occasion, the United States Treasury launched on that day a special May-December sales promotional campaign featuring this popular bond and its current-income companion, the H bond. The 1956 goal for the two series is \$5,650,000,000.

Sales of the two series in 1955 set a new postwar record. Series E bonds accounted for \$4,192,000,000 of the \$5,349,000,000 total but were offset to a large extent by redemptions of \$3,870,000,000, these redemptions being about the same as in 1954.

The substantial net sales volume for Series E last year, the highest since 1949, was due entirely to favorable activity in the higher denominations. Net sales of \$395,000,000 for denominations of \$200 and over more than offset net redemptions of \$76,000,000 for denominations of \$100 and under.

With no redemptions of maturing bonds offsetting its healthy sales, the Series H bond, which arrived on the market in 1952, rang up a net sales figure of \$1,098,000,000 in 1955. This followed a sizable \$828,000,000 gain in 1954 and sent the total outstandings of this bond at year-end 1955 to \$2,547,000,000.

The current Treasury campaign for the two series, not unlike previous ones, turns the spotlight once again on what the Savings Bonds Program contributes in the way of a sound financial program for the individual as well as for the nation as a whole.

For the individual, it makes possible the attainment of many personal goals—home and business ownership, education, comfortable retirement, better health. It provides an ideal medium for holding liquid assets and at the same time an investment as high yielding as any other fixed income obligation of similar quality. About 70% of approximately \$20,000,000,000 E bonds maturing since 1951 are being retained by their owners under the optional automatic extension terms.

By providing an attractive outlet for savings, the Savings Bonds Program encourages some reduction in total spending during times when high economic activity may be causing inflationary pressures to develop in the economy. To the extent that individuals are persuaded to increase their savings during such periods, inflationary pressures are lessened and the purchasing power of the dollar is safeguarded. In spreading a large segment of the national debt among almost a quarter of the nation's population, the program (to the extent that bond owners hold on to their savings in this form) makes a considerable contribution to the complex problems of Treasury debt management.

The Savings Bonds Program has had an illustrious history in World War II and down to the present. Thousands of bankers and employers have served without compensation as salesmen of the program, joining their support with that of the 40,000,000 persons who today hold an all-time high of more than \$40,000,000,000 of Series E and H bonds. They stand as convinced endorsers of the soundness of the program as it has evolved through the years.



FIFTH DISTRICT BANKING STATISTICS

DEBITS TO DEMAND DEPOSIT ACCOUNTS*

	(000 omitted)			
	March 1956	March 1955	3 Months 1956	3 Months 1955
Dist. of Columbia				
Washington	\$1,534,212	\$1,450,916	\$ 4,517,706	\$ 3,973,861
Maryland				
Baltimore	1,754,908	1,597,404	5,041,919	4,524,552
Cumberland	26,994	24,758	77,383	68,967
Frederick	28,068	25,235	74,527	67,008
Hagerstown	50,162	45,174	139,092	122,788
Salisbury**	36,165	35,025	103,971	94,633
Total 4 Cities	1,860,132	1,692,571	5,332,921	4,783,315
North Carolina				
Asheville	72,741	68,277	215,141	199,936
Charlotte	459,348	434,023	1,360,593	1,216,305
Durham	87,877	81,528	258,708	235,930
Greensboro	168,700	144,198	479,328	430,956
High Point**	59,453	52,827	168,424	147,143
Kinston	22,469	22,081	67,928	68,246
Raleigh	257,765	269,550	719,389	660,003
Wilmington	54,299	55,326	156,018	153,429
Wilson	21,196	20,777	64,657	63,044
Winston-Salem	210,451	186,388	586,084	507,220
Total 9 Cities	1,354,846	1,282,148	3,907,846	3,535,669
South Carolina				
Charleston	94,443	87,208	275,582	243,731
Columbia	200,037	176,818	591,855	500,517
Greenville	154,034	132,627	438,282	377,213
Spartanburg	73,193	67,915	215,035	198,637
Total 4 Cities	521,707	464,568	1,520,754	1,320,098
Virginia				
Charlottesville	38,204	38,592	112,199	106,832
Danville	43,002	40,404	133,428	118,945
Lynchburg	62,871	54,505	184,303	155,327
Newport News	62,529	57,645	183,098	158,271
Norfolk	320,997	308,711	917,430	838,369
Portsmouth	37,914	38,524	112,288	107,174
Richmond	688,395	684,362	2,059,111	1,930,077
Roanoke	157,237	132,400	449,704	371,494
Total 8 Cities	1,411,149	1,355,143	4,151,561	3,786,489
West Virginia				
Bluefield	56,226	45,633	171,071	129,210
Charleston	183,544	162,495	551,186	514,115
Clarksburg	39,882	35,798	122,810	105,698
Huntington	86,494	77,301r	254,877r	234,995r
Parkersburg	36,870	32,818	109,950	90,920
Total 5 Cities	403,016	354,045	1,209,894	1,074,938
District Totals	\$7,085,062	\$6,599,391	\$20,640,682	\$18,474,370

* Interbank and U. S. Government accounts excluded.
 ** Not included in District Totals.
 r Revised.

WEEKLY REPORTING MEMBER BANKS

	(000 omitted)		
	Apr. 11, 1956	Mar. 14, 1956	Apr. 13, 1955
Changes in Amount from			
Items			
Total Loans	\$1,786,030**	+ 9,216	+207,692
Bus. & Agric.	817,233	+ 13,411	+101,414
Real Estate Loans	330,731	+ 156	+ 21,435
All Other Loans	663,524	- 4,244	+ 88,044
Total Security Holdings	1,664,817	- 19,260	-175,727
U. S. Treasury Bills	81,411	- 4,183	- 15,862
U. S. Treasury Certificates ..	17,704	- 12,038	- 50,548
U. S. Treasury Notes	303,256	+ 4,693	- 64,785
U. S. Treasury Bonds	986,270	- 6,677	- 45,000
Other Bonds, Stocks & Secur.	276,176	- 1,055	+ 468
Cash Items in Process of Col. .	328,365	- 30,654	- 2,829
Due from Banks	169,067*	- 6,552	+ 2,987
Currency and Coin	81,404	+ 1,406	+ 85
Reserve with F. R. Banks	541,990	+ 19,972	+ 47,966
Other Assets	72,248	+ 541	+ 3,422
Total Assets	\$4,643,921	- 25,331	+ 83,596
Total Demand Deposits	\$3,474,104	- 37,048	+ 47,931
Deposits of Individuals	2,601,049	- 82,622	+ 20,527
Deposits of U. S. Government	101,897	+ 31,043	- 4,207
Deposits of State & Local Gov.	219,938	- 364	+ 14,977
Deposits of Banks	496,357	+ 21,261	+ 12,521
Certified & Officers' Checks ..	54,863*	- 6,366	+ 4,113
Total Time Deposits	764,295	+ 12,997	- 358
Deposits of Individuals	684,404	+ 5,997	+ 3,835
Other Time Deposits	79,891	+ 7,000	- 4,193
Liabilities for Borrowed Money	25,500	- 1,000	+ 4,170
All Other Liabilities	47,499	- 6,136	+ 5,039
Capital Accounts	332,523	+ 5,856	+ 26,814
Total Liabilities	\$4,643,921	- 25,331	+ 83,596

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



FIFTH DISTRICT STATISTICAL DATA

FURNITURE SALES*

(Based on Dollar Value)

Percentage change with corresponding period a year ago

STATES	March 1956		3 Mos. 1956	
	1956	1955	1956	1955
Maryland	- 2		+ 3	
Dist. of Columbia	+ 2		0	
Virginia	+10		+ 3	
West Virginia	+17		+17	
North Carolina	+16		+15	
South Carolina	+12		+ 8	
District	+ 8		+ 6	
INDIVIDUAL CITIES				
Baltimore, Md.	- 2		+ 3	
Washington, D. C.	+ 2		0	
Richmond, Va.	+ 3		- 3	
Charleston, W. Va.	+ 9		+ 9	
Greenville, S. C.	- 8		+ 5	

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

BUILDING PERMIT FIGURES

	Mar. 1956	Mar. 1955	3 Months 1956	3 Months 1955
Maryland				
Baltimore	\$ 4,767,820	\$ 3,225,000	\$15,868,150	\$ 19,768,057
Cumberland	49,525	164,758	132,025	428,808
Frederick	212,950	222,300	302,300	486,455
Hagerstown	275,420	172,565	402,795	493,235
Salisbury	206,540	561,152	581,529	761,017
Virginia				
Danville	381,718	387,763	1,296,011	2,388,380
Hampton	1,152,483	3,950,133	2,190,871	5,825,031
Hopewell	107,618	583,113	442,782	999,671
Lynchburg	3,522,540	1,686,939	4,389,135	2,586,003
Newport News	458,837	211,081	788,693	494,361
Norfolk	901,968	1,591,429	3,098,681	3,397,727
Petersburg	290,500	979,000	709,500	1,313,900
Portsmouth	261,958	378,035	979,158	969,910
Richmond	1,399,980	2,309,670	4,843,143	4,532,885
Roanoke	5,223,003	1,020,601	7,779,607	2,841,659
Staunton	319,316	491,910	770,866	1,007,280
Warwick	854,833	1,030,709	2,000,400	2,584,684
West Virginia				
Charleston	486,781	867,539	987,133	1,619,456
Clarksburg	197,519	268,773	303,257	492,195
Huntington	419,849	528,808	792,536	1,050,948
North Carolina				
Asheville	1,796,140	334,435	2,377,411	720,315
Charlotte	1,735,534	5,744,003	5,890,931	8,426,196
Durham	1,274,991	796,343	1,973,582	4,893,389
Gastonia	412,725	530,000	1,757,500	2,132,300
Greensboro	1,246,685	1,422,165	3,780,510	2,635,980
High Point	881,905	1,064,683	1,903,719	2,474,118
Raleigh	754,663	2,484,888	2,607,574	6,569,186
Rocky Mount	393,376	363,926	1,022,763	983,445
Salisbury	149,070	98,030	507,470	249,408
Wilson	164,400	815,725	1,079,350	1,310,175
Winston-Salem	1,152,086	2,009,789	3,892,949	3,943,922
South Carolina				
Charleston	197,132	148,871	580,449	538,883
Columbia	640,476	1,067,493	3,216,430	2,020,102
Greenville	697,075	547,248	1,843,981	1,454,798
Spartanburg	422,628	43,518	910,558	500,968
Dist. of Columbia				
Washington	6,836,673	11,613,604	13,752,730	20,114,767
District Totals	\$40,246,717	\$49,715,999	\$95,756,479	\$113,009,614

WHOLESALE TRADE

LINES	Sales in Mar. 1956 compared with		Stocks on Mar. 30, 1956 compared with	
	Mar. 1955	Feb. 1956	Mar. 31, 1955	Feb. 29, 1956
Auto supplies	NA	NA	NA	NA
Electrical, electronic and appliance goods	- 6	-13	-13	- 9
Hardware, plumbing and heating goods	- 5	+ 6	+10	- 7
Machinery equipment supplies	+16	-11	+15	+ 1
Drugs, chemicals, allied products	+10	+11	+11	+ 4
Dry goods	-24	-19	NA	NA
Grocery, confectionery, meats	+ 6	+ 5	+ 4	+ 2
Paper and its products	+ 6	+ 5	NA	NA
Tobacco products	+10	+16	- 9	+ 1
Miscellaneous	+ 5	+ 9	+11	+10
District total	+ 5	0	+ 5	0

NA Not Available.

Source: Bureau of the Census, Department of Commerce.

FIFTH DISTRICT INDEXES

Seasonally Adjusted: 1947-1949=100

	Rich.	Balt.	Wash.	Other Cities	Dist. Total	Mar. 1956	Feb. 1956	Mar. 1955	% Chg.— Latest Mo.	
									Prev. Mo.	Yr. Ago.
Sales, Mar. '56 vs Mar. '55 ..	+10	+11	+17	+20	+16					
Sales, 3 Mos. ending Mar. 31, '56 vs 3 Mos. ending Mar. 31, '55	+10	+ 3	+13	+13	+10					
Stocks, Mar. 31, '56 vs '55 ..	+ 3	0	+12	+14	+ 8					
Outstanding Orders, Mar. 31, '56 vs '55	+15	+ 3	+10	+ 3	+ 8					
Open account receivables Mar. 1, collected in Mar. '56 ..	32.9	54.5	46.5	39.3	44.3					
Instalment receivables Mar. 1, collected in Mar. '56 ..	11.1	17.5	14.3	17.0	14.2					
	Md.	D.C.	Va.	W.Va.	N.C.	S.C.				
Sales, Mar. '56 vs Mar. '55	+14	+17	+15	+22	+14	+21				
New passenger car registration*							152	186r	+ 1	+ 5
Bank debits							179	182	- 2	+ 8
Bituminous coal production* ..							104	107r	- 3	+21
Construction contracts							191	189	+ 1	-13
Business failures—number							307	197	+56	+37
Cigarette production							108	100	0	+ 4
Cotton spindle hours							122	122	0	+ 6
Department store sales							137	129	+ 6	+ 6
Electric power production							192	179	0	+ 5
Manufacturing employment* ..							111	108r	0	+ 4
Furniture store sales							130r	116r	+12	+16
Life insurance sales							219	214	+ 2	+15

* Not seasonally adjusted.

r Revised.

Back figures available on request.