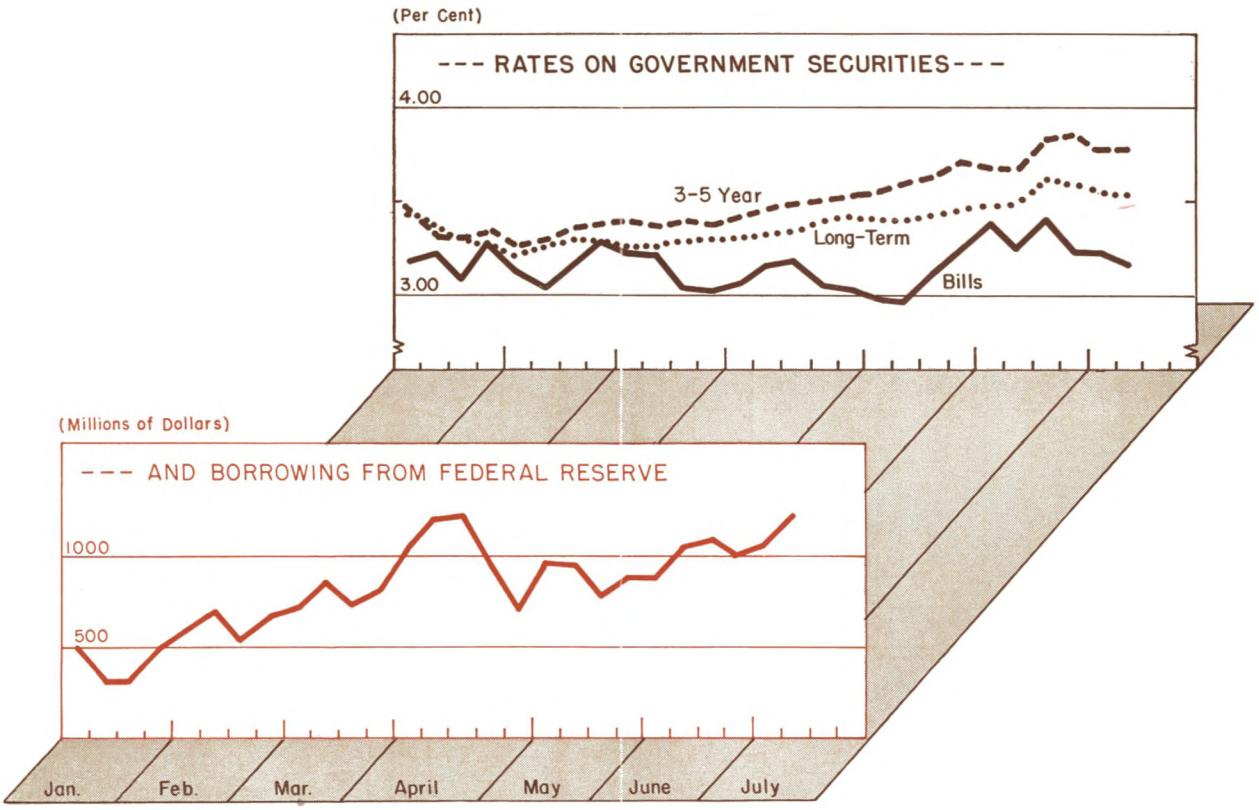
FEDERAL RESERVE BANK OF RICHMOND

Monthly Review

August 1957

HIGH DEMAND FOR CREDIT---

REFLECTED IN ---



Demands for credit, strongly expressed in the nation's securities markets, have pressed hard against available credit supplies and nudged interest rates to new postwar records. The article on page 3 reviews major financial developments of the first half—with emphasis on the second quarter.

Also In This Issue - - -

Affairs of Women ..... Page 5

Industrial Developments—
News Briefs From the Fifth District .. Page 7

Business Conditions and Prospects ..... Page 9

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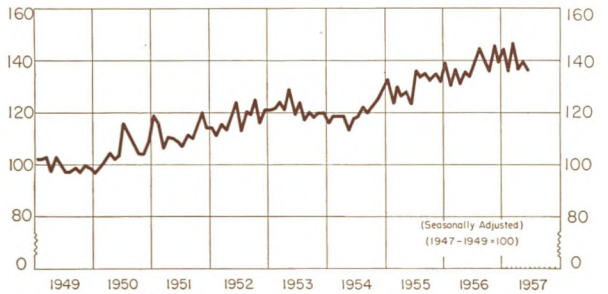
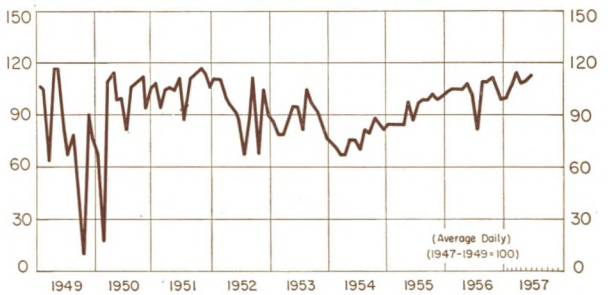
FIFTH DISTRICT TRENDS

DEPARTMENT STORE SALES



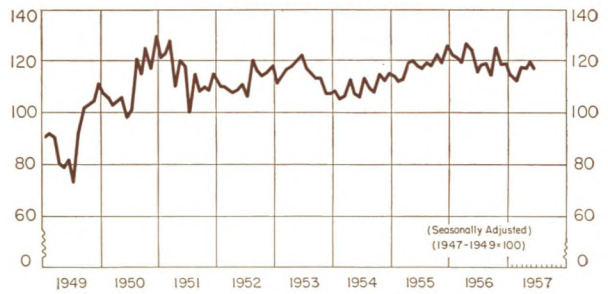
Good sales of major appliances and in radios, television, etc. did not offset general declines in other departments, and as a consequence, average daily (seasonally adjusted) sales in June dipped 2% from May. They were 1% above June 1956 and the first half-year showed a gain of 4%.

BITUMINOUS COAL PRODUCTION



Average daily soft coal output in June rose 3% from May to a level 12% higher than in June 1956. First half-year output was, however, a modest 4% above the same period a year ago.

COTTON CONSUMPTION

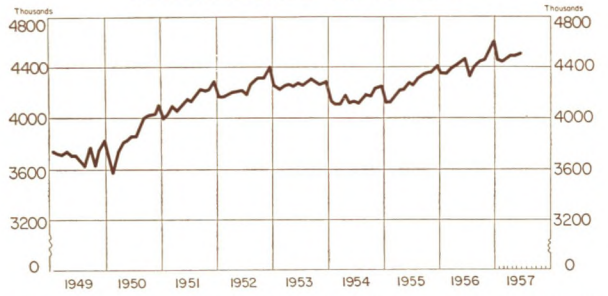


Cotton consumption in Fifth District mills, which had been rising through May, reversed the trend in June and was off 3%. The June level was still 2% higher than a year ago, but the accumulated half-year total was down 4%.

G.I. HOME LOANS CLOSED*

The value of G. I. home loans closed in May amounted to $23.3 million in Fifth District states, an 8% decline from April and a sharp 34% under May 1956. The five months' total was down 21% from a year ago.

NONAGRICULTURAL EMPLOYMENT



Nonagricultural employment in the Fifth District of 4,507,000 (partly estimated) was up approximately 13,000 over May and 42,000 higher than a year ago. The May to June increase this year is about as large as in 1955, considerably larger than in 1956, and was exceeded substantially only in 1951.

BANK DEBITS

Bank debits (seasonally adjusted) in June dropped 7% to the lowest level thus far in 1957. Average daily figures were 7% higher than a year ago, which was a moderately larger gain than the 6% increase in the first six months of the year.

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Finance At Mid-Year—

Demand Pressure Rules the Markets

RECORD-SMASHING demands for funds continued to push capital market rates to new highs through the first half of the year. Corporate and municipal offerings of new securities set a tone of intense capital demand in the very first month of the year that has continued, surprisingly, into July. Security rates declined during the first month and a half, primarily because of developments which removed some pressure from the nation's commercial banks. Since mid-February, however, developments in both short- and long-term security markets have pushed most rates above the peaks reached last December. Demands for bank loans in the first half of the year did not show the strength observed in either 1956 or 1955. As in the two preceding years, the banks liquidated Government securities to meet loan demands and other drains of funds and, on balance, total loans and investments declined.

The Corporate and Municipal Markets

Uncertainty, always an active partner in the market place, appears to have been exerting its influence to a much greater extent in the first half of 1957 than during the growing tightness in 1956. A feeling that our high-riding economy, afflicted with multi-pronged price pressures (increased money costs, increased labor costs, and increased prices of commodities and services) must eventually rein in, has cast a sombre hue over the financial markets. Yet, in spite of the expectation that a change was due or overdue, no weakening in the demands on the capital markets for funds has materialized. On the contrary, demands have grown and reached unusually high levels.

The total of corporate bonds issued in the first half (including those privately placed) was 23% greater than in the same period of 1956 and 49% above the first half of 1955. The volume of municipal bond issues was 11% above last year and 23% greater than in 1955. The total dollar volume of both corporate and municipal bonds together is estimated to be approximately $8.3 billion, January-June of 1957, as compared with $7.1 billion in the first half of 1956 and $6.1 billion in the same period in 1955.

As a result of the persistent pressures generated by these record demands for funds, interest rates have pushed steadily to new post-World War II highs. The yield on corporate Aaa bonds (Moody's) rose from 3.66% in early April to 3.97% at the close of June (first-quarter developments were summarized in the May 1957 *Monthly Review*). State and local government Aaa securities rose from 2.84% in the first week of April to 3.23% at mid-year.

The Government Securities Markets

The Treasury was not active in the market in April although its future needs were adding to the uncertainties that existed. (Major Treasury debt transactions in the first quarter were described in the May *Monthly Review*.) Early in April the market was influenced by the Treasury's expected decision on refunding approximately $1.8 billion of series F and G Savings Bonds maturing during the remainder of 1957. Although the Treasury announced (April 9) that no action would be taken on these securities during April, the necessity for an eventual solution left investors with an important unknown. The April Government securities market was also influenced by the $4.2 billion of Treasury Notes to be refunded in mid-May. As a result of these factors, plus relatively heavy demands for funds by corporations and state and local governments, yields on intermediate- and long-term Government securities rose steadily throughout April. The average yield on new issues of Treasury Bills rose during the first three weeks of April and then declined to its earlier level.

Early in May the Treasury announced an exchange offering of 3½% Certificates of Indebtedness due April 15, 1958 and 3⅝% Treasury Notes due February 15, 1962 for $4.2 billion of 1⅝% Treasury Notes due May 15, 1957. In spite of an attempt to price the new securities in line with similar ones in the market, $1.2 billion of the maturing notes (28% of the total outstanding) were redeemed for cash. Largely because of this heavy cash redemption, the Treasury went to the market in late May to raise $1.5 billion from Tax Anticipation Bills to mature September 23, 1957. These were made attractive to banks through the right to make payment by credit to the Treasury's Tax and Loan Accounts, and the banks bid in most of the issue. The average yield on these bills was 2.824%, the lowest average on new bills in 1957.

Except for the regular weekly turnover of Treasury Bills, there were no further major debt transactions during June until the June 26 tenders for $3 billion of Tax Anticipation Bills, to mature March 24, 1958. In spite of the provision for banks to make payment through credit to the Treasury's Tax and Loan Accounts, availability of funds for this issue was relatively tight and the average yield of the bids submitted was 3.485%. On July 18 the Treasury announced the terms of its heaviest refunding of the year—$24 billion of Treasury Notes and certificates as follows: $12.1 billion 2¾% notes due August 1, $3.8 billion 2% notes due August 15, $0.8 billion 1½% notes due October 1, and $7.3 billion 3¼% certificates due October 1. The August

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maturities may be exchanged for any of the three new issues: 3⅝% four-month certificates, 4% one-year certificates, and 4% four-year notes which may be redeemed by the holder at the end of two years. The October maturities may be exchanged for the one-year certificates or the four-year notes.

The Commercial Banks

The demand pressure reflected in the securities markets during the first half has not been as noticeable in the commercial loan departments of the nation's banks. Business loans at the weekly reporting member banks have grown at less than half the pace experienced last year. In spite of much heavier borrowing by businesses at the June corporation tax-paying date—net borrowing of around $1.3 billion this year as compared with just under $1.0 billion in 1956—total commercial and industrial loans of the banks at the end of the last full week in June were just 4% above the beginning of the year. In the similar period last year, these loans had advanced by 8.6%. In both years, business loans were reduced moderately just after the June upsurge, but this year the reduction was about one-third larger than in 1956. As of July 10, 1957 (latest data available at press-time) business loans at the weekly reporting banks stood only 2.9% above the turn of the year. On the comparable date last year, the total was 8.1% higher.

Total loans of the weekly reporting banks increased at a slower pace than the business loan component in 1957. On July 10, total loans outstanding were just 0.3% above the amount held at the beginning of the year. During the similar period last year the loan total had increased 5.7%. The pattern of loan behavior in the Fifth District closely paralleled that at all reporting banks in the nation up to June. During June, however, tax borrowing was not as pronounced in this District as elsewhere, with the result that business loans outstanding at District reporting banks on July 10, 1957 were still 1% below the amount at the beginning of the year; the total of all their loans was also still below the amount outstanding when the year began.

The moderateness of the bank loan expansion which has occurred this year is explained, in part, by the much higher level of loans maintained in the first half of this year than in previous years, this being the result of the strong growth in loans in the last half of 1956 which was not wiped out by the seasonal repayment of loans in January of 1957. A higher level of repayments is associated with a higher level of loans outstanding, and consequently it takes a larger amount of new loans made to offset the repayments being received and thus maintain the amount outstanding. Heavier than usual reliance on the securities markets this year explains, in part, the failure of loans to advance appreciably above the high level being maintained.

Another important factor is found in the policy of

(Continued on page 11)

U. S. TREASURY TRANSACTIONS IN 1957
(Amounts in Millions of Dollars)

Date of Issue	Security	Amount For Cash	Amount In Exchange	Exchanged For	Due Date	Amount Exchanged	Amount Redeemed For Cash
Jan. 16	Tax Anticipation Bills due 6/24/57		1,600	Treasury Bills, Special Issue	Jan. 16, '57	1,600	
Jan. 31	Treasury Bills	100					
Feb. 7	Treasury Bills	100					
Feb. 14	Treasury Bills	100					
Feb. 15	3⅜% Certificates of Indebtedness due 2/14/58		8,414	2⅝% Certificates of Indebtedness	Feb. 15, '57	6,937	282
				2⅞% Treasury Notes	Mar. 15, '57	2,418	578
Feb. 15	3½% Treasury Notes due 5/15/60		1,464	1½% Treasury Notes	Apr. 1, '57	522	9
Feb. 15	Tax Anticipation Bills due 6/24/57		1,750	Treasury Bills, Special Issue	Feb. 15, '57	1,750	
Feb. 21	Treasury Bills	200					
Feb. 28	Treasury Bills	200					
Mar. 7	Treasury Bills	200					
Mar. 14	Treasury Bills	200					
Mar. 15	3½% Treasury Notes due 5/15/60	942					
Mar. 15	3⅜% Certificates of Indebtedness due 2/14/58	2,437					
May 15	3½% Certificates of Indebtedness due 4/15/58		2,351	1⅝% Treasury Notes	May 15, '57	2,998	1,156
May 15	3⅝% Treasury Notes due 2/15/62		647				
May 27	Tax Anticipation Bills due 9/23/57	1,500					
July 3	Tax Anticipation Bills due 3/24/58	3,000					
Total new money raised		8,979					
Total refunded debt			16,226				

Note: The weekly turnover of Treasury Bills is omitted.

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Affairs of Women

WHERE would one find women working as dentists and veterinarians, as teamsters and railroad conductors, as surveyors and sawyers, and in a host of other unladylike jobs? In Russia? Surely, but many are also to be found in the five-state area of the Fifth Federal Reserve District. Here, as throughout the country, women are found in almost every recognized job classification.*

It's no longer a man's world, and women are rarely barred from occupations by custom or prejudice. Lady purchasing agents prove to be smart shoppers, while female bankers confirm Everywoman's view of her ability to handle money. New job opportunities and expanding over-all demand for labor have clearly swelled the totals of women at work.

What Women Do

Women continue in the traditional occupations as well as the new. Despite a decrease in recent years, private household workers make up the largest total number in any one kind of job. One of every eight women at work in this District is so engaged.

Jobs using stenographic skills come next. Nearly 9% of all women at work are typists, stenographers, or secretaries. The related group of clerical-type workers follows close behind, with a total of 8%. These three categories, together with salespeople, textile mill operatives, and teachers, account for one-half of total District employment of women.

Women dominate a number of their traditional occupations: household workers, stenographers, nurses, and telephone operators in this District are almost all women. In addition, they constitute a high proportion of teachers, food servers, operatives in apparel manufacture, laundry and dry cleaning workers, bookkeepers, and cashiers.

On a more equal numerical basis with men are the women employed as clerical workers and as operatives in textile mills, while beauticians and manicurists only slightly outnumber their male colleagues in the barber and beauty shop trade.

At the other extreme, women are but a small minority in such occupations as auctioneer, sheriff, fire fighter, and mortician. Even some of these lower ratios hold surprises, however, such as the fact that women hold one-sixth of the managerial posts in retail trade.

State Differences

The broad group of office workers—clerks, stenographers, bookkeepers, and the like—accounts for nearly half of women employed in the District of Columbia and for more than one-fourth in Maryland and Virginia. In the Carolinas, on the other hand, operatives—spinners, weavers, cleaning and laundry workers, bus drivers, and the like—are of major importance, nearly one-third of the total in North Carolina and more than one-fourth in South Carolina, with office workers reduced to a secondary role.

A similar range exists in the importance of private household workers: one in six in South Carolina and one in twelve in West Virginia. The latter state leads in the proportion of its women workers in professional and technical, sales, and managerial positions.

Education and Jobs

Some of the differences in employment patterns among the states are related to differences in educational levels, for the kind of job that a woman can hold is in part dependent upon her education. The amount of education received is also important in determining whether a woman works at all; the higher the school level reached, the greater the probability of employment.

Office job opportunities in Washington attract women there from all over the country, including a high proportion of former college students. The typical Washington woman has the highest educational level of

*Editor's note: It is not our intent to imply that the housewife is unemployed or idle. This article is based, however, on data for women who worked for pay at the time of the 1950 Census.

Womanpower

Women . . . who reached adulthood just before World War II are likely, on the average, to work over 20 years. Today's schoolgirls may spend 25 years or more in work outside the home.

Today, one fifth of the nation's income in the form of wages and salaries is earned by the women in the labor force . . .

In 1956, about 22 million working women were reported by the Census, and they comprised almost one third of the civilian labor force.

Three out of every ten married women are now working.

Even more striking is the fact that nearly two out of every five mothers whose children are of school age are in the labor force.

. . . between 1940 and 1950, the labor force increased by 8.6 million, and women were responsible for 55 per cent of the net growth.

Since 1950, the largest single source of workers for expanding the labor force has been women in their middle and later years . . .

—National Manpower Council. *Womanpower*. New York, Columbia University Press, 1957.

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any section of the Fifth District. As might be expected, the jobs that require and attract women with this training provide a higher-than-average typical income for women workers—more than one-half greater than in Maryland, the state having the next highest average school attendance. The other states fall into line in this income-education relationship. The higher incomes in states with the better educational records result both from higher pay for the the same kinds of jobs and from the employment of more women in the better-paying fields.

Which Women Work?

In the District of Columbia 46% of all women 14 years and older are employed, while in West Virginia the percentage is but 19. Why the striking difference?

Even discounting Washington as a special case, there is still a large range of percentages among the states, and it seems to arise from a number of factors that may be summarized like this:

1. Women in cities are more likely to work than are those in rural areas. In the Fifth District nearly two-thirds of the women at work live in cities, which house about one-half of all women 14 years and older.

2. Nonwhite women are more likely to work than are white women. Accounting for one-fourth of the District's total women at work, one in three nonwhite women work as compared with slightly more than one in four white women.

3. Women without husbands—whether single, widowed, divorced, or separated—are more likely to be at work than are their sisters living with husbands, even though the latter group make up about half the female labor force. For Washington, however, the role of married women—"with spouse present," as the Census categorizes them—is reduced to two in five.

4. Women aged 20 to 24 years and 35 to 44 years are more likely to be at work than are those in other similarly broad age groups. These brackets include 40% of women at work in this District. About two in five women in the population in these age groups are in the work force. The ratio among other age groups is lower.

Looking at West Virginia again, several points may be noted: forty-two per cent of its women live in rural nonfarm areas where there is a scarcity of the type of job in which women are usually employed. Too, much of the economy of West Virginia is dependent on heavy industry made up largely of occupations that ordinarily hire men. The population of West Virginia is only 6% nonwhite, whereas, the proportion is 37% in South Carolina. These factors apparently account for the lower proportion of women in jobs.

Why Do Women Work?

Women work for a variety of reasons besides the basic economic necessity that confronts many who have no husband. Economic reasons frequently induce married women to take outside employment to provide an improved standard of living or to guarantee better educational opportunities for their children—or, in many cases, their husbands. In addition, jobs bring many women important psychological returns either through the avoidance of household tasks that may then be delegated to a hired substitute or through satisfactions from participating in work of the "outside world." Needless to say, the recent opening of new and more interesting jobs for women has increased the force of this latter interest.

The *Womanpower* study of the National Manpower Council traces the typical work history of modern woman along these lines: The great majority of women work from the time of leaving school at least until they marry. Some stop then, but many continue until the first baby arrives. Even this major event stops some only temporarily since a large number of working mothers with small children are in the work force. A great many return to work when their children reach

(Continued on page 11)

MAJOR OCCUPATION GROUPS OF EMPLOYED WOMEN
1950

	Maryland	District of Columbia	Virginia	West Virginia	North Carolina	South Carolina	Fifth District
Employed, total	260,708	160,533	312,902	132,376	418,101	235,614	1,520,234
	Per Cent Distribution						
Employed, total	100	100	100	100	100	100	100
Professional, technical, and kindred workers	12	12	13	16	11	10	12
Managers, officials, and proprietors, except farm	4	3	4	5	3	3	3
Clerical and kindred workers	30	46	26	23	14	12	23
Sales workers	8	5	8	13	7	6	7
Operatives and kindred workers	18	6	18	14	31	28	22
Private household workers	11	11	13	9	13	16	13
Service workers, except private household	12	14	11	14	8	7	10
Craftsmen, laborers, except farm and mine*	4	3	4	4	4	3	4
Farm laborers, foremen	1	.....	3	2	9	15	6

* Includes occupation not reported.
Source: U. S. Bureau of the Census.

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Industrial Developments—

News Briefs From the Fifth District

R. J. Reynolds Tobacco Company has announced plans to construct, at a cost of over $35 million, new cigarette and tobacco stemming plants and new leaf storage facilities in the Winston-Salem, North Carolina area. Official statements are lacking but the new plant space should provide 1,800 to 2,000 new jobs—a sharp increase above Reynolds' current personnel of about 16,000. The company had previously announced an expenditure of some $15 million to expand processing, research, and aluminum foil-making facilities in the Winston-Salem area this year.

American Enka Corporation, Enka, North Carolina, will nearly triple production of fine denier nylon textile yarns and increase its total capacity by 75% through a $5 million expansion program. Construction is expected to start shortly and operation of the new facility is anticipated during the second half of 1958. Approximately 150 to 200 additional persons will be required to operate the expanded plant. American Enka is Western North Carolina's largest industrial employer, with 3,300 persons at its plant near Asheville.

Plans to establish a curtain and drapery manufacturing plant in Durham, North Carolina, have been announced by the Croscill Curtain Company of New York. Operation is expected to begin September 1, with employment up to 250 by December 31.

A. & M. Karagheusian, Inc. has purchased the Amerotron plant, Aberdeen, North Carolina, and will manufacture there Gulistan velvet carpets and also yarn for the modern tufting operation at Albany, Georgia. Initial employment should be about 400 and rise to 600 or more, with an estimated payroll of $2 million. Opening of the carpet plant will serve to alleviate the adverse economic impact of Amerotron's closing several months ago.

Installation of the tenth paper machine at the Ecusta Paper Division of Olin Mathieson Chemical Corporation has started at Pisgah Forest, North Carolina. Start-up of the new machine will enable Ecusta to offer a more fully diversified line of quality papers and is expected to take place in the Spring of 1958.

Wilmington, North Carolina has been chosen as a site by Allied-Kennecott Titanium Corporation (the company formed earlier this year by Allied Chemical & Dye Corporation and Kennecott Copper Corporation). This initial multi-million dollar plant will produce titanium metal and titanium forgings and billets. When in full operation the unit will employ approximately 500 workers.

The South Carolina General Assembly, in one of its early 1957 actions, passed legislation calling for expenditure of $21 million for state docks in the ports of Charleston, Georgetown, and Port Royal. Of the total, $18 million is designated for general cargo docks and supporting warehouse facilities at Charleston. The state dock program was fostered by a special State Port Planning Committee and the Ports Authority to meet heavily increasing maritime traffic expected to flow through Charleston and other South Carolina ports in the next five years. By 1961 the level of foreign trade is expected to be double that in 1955.

Gulf Oil Corporation has paid $2.4 million for 800 acres of land fronting on Charleston Harbor. It thereby exercised all of its land options (3,000 acres) considered since last year. A multi-million dollar oil refinery may be erected to process all types of prime fuels from crude oil shipped from South America, Texas, and the Middle East. Company officials have not yet made a formal statement.

New facilities permitting nearly 50% productive capacity increase are nearing completion at the multi-million dollar plant of the Owens-Corning Fiberglas Corporation, Anderson, South Carolina. Eventual employment increase will exceed 100.

Construction of an addition representing an investment of more than $1 million in plant and equipment will double the bag manufacturing area of the Cryovac plant at Simpsonville, South Carolina. Completion is scheduled for September 1.

Whitehead Brothers Company, New York City, has selected an 1,800-acre site in Kershaw County, South Carolina, near Blaney, on which to locate a silica sand plant which will be one of the largest of its kind in the South. The plant will produce fine quality silica sands used in foundries and several other industries. The sand for processing will be mined on the site.

Investment in South Carolina's woolen industry has reached $35 million since the end of World War II. The Port of Charleston as a wool import center has been cited as perhaps the most important factor in South Carolina's development into the focal point of the South's new woolen industry.

An expansion program in excess of $2 million has been announced by West Virginia Works, Connors Steel Division, Huntington, West Virginia. The improvement, providing for three additional rolling mill stands, will increase productivity by more than 50%.

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Plans for a major expansion in E. I. du Pont de Nemours & Company's Washington Works, Parkersburg, West Virginia, have been announced. The company produces Teflon fluorocarbon resins. Increased demand by manufacturers of corrosion-resistant flexible tubing and high temperature wire insulation is credited for the increased production of Teflon 6 and Teflon 30. Production of these two resins will be doubled by the end of this year and the announced expansion will raise capacity by an additional one-third by mid-1958. Production of Teflon 1 and 5, used for compression-molding and ram or screw extrusion, will be increased 30% by mid-1958. In addition, substantial funds have been allocated to the production of a new, experimental prefluorocarbon resin which is being considered for use in the manufacture of film, bottles, liners, and packaging for corrosive materials.

July 1958 is the target date for completion of a new $4 million fruit pier now under construction at the south side of Locust Point in Baltimore Harbor. The new pier will permit simultaneous loading of 63 railroad cars, placed on undercover tracks within the pier proper. The terminal will be equipped with the most modern unloading and conveyor equipment, especially designed to permit maximum speed and damage-free handling of bananas. The new facility will provide berthage for the largest and most modern vessels in the fruit carrying service today.

Armour & Company has closed its slaughtering and meat packing plant at Union Stock Yards, Baltimore, Maryland, releasing 300 workers, some of whom were transferred to its distribution operation. Elimination of the local facility was reportedly due to major revamping in the company's operations to obtain greater economy and efficiency.

The initial step toward a $22 million expansion of the Gilmerton Power Plant was taken recently by the Virginia Electric and Power Company when it gained approval of the Norfolk County Board of Supervisors for the construction of a $1.8 million addition. Total expansion, over a three-year period, will make the plant the largest in Virginia and will almost double its output. Construction of the first portion is scheduled to begin this Summer, and the addition is expected to begin operating by Spring 1959.

U. S. Rubber Company will spend $1 million to expand production facilities for nylon tire fabric at its Scottsville, Virginia plant. Necessity for the expansion is attributed to growing use of nylon fabric by the tire industry.

Depressed conditions in the textile industry triggered the decision to close the Lynchburg, Virginia division of Bates Manufacturing Company in late July. Approximately 550 employees were affected; but the economic impact of Bates' closing will be greatly lessened by the opening of two big new industries in Lynchburg—Babcock and Wilcox's nuclear reactor plant (already employing 600) and General Electric's rectifier plant (eventually to employ some 1,200).

Union Bag-Camp Paper Company has ordered a multi-stage mechanical drive steam turbine for its paper mill at Franklin, Virginia from General Electric Company's Small Steam Turbine Department. The 10 to 1 speed range governor will permit drive speeds ranging between 500 and 5,000 rpm and give more accurate control of the quality of paper being produced. Delivery of the unit is scheduled for mid-1958.

Heald Division of the Mead Corporation in Lynchburg, Virginia, producer of paperboard, is constructing a neutral sulphite recovery plant at its Lower Basin location. Cost will approximate $2.7 million and completion is scheduled for October 1957. The plant's equipment will be designed for the recovery of pulp waste, now discharged into the James River, and conversion of the waste into chemicals suitable for use in the pulp mill operations.

Allied Chemical & Dye Corporation has opened its new fiber application laboratory in Chesterfield, Virginia, adjacent to the National Aniline man-made fiber plant. The laboratory contains textile mill processing machines which will be used to develop new fabrics, designs, and applications.

The $3.5 million foil-carton manufacturing plant under construction by Reynolds Metals Company in Chesterfield County, south of Richmond, Virginia, is scheduled to begin operation late this Fall. The plant will produce foil-laminated cartons, paper cartons, foil overwraps, and labels.

Westinghouse will add 87,000 sq. ft. of space to its Staunton, Virginia, plant—enlarging receiving and warehousing departments, thus consolidating at the Staunton plant all raw material and finished stock now stored in various locations in the area. Faster and more effective customer service is the goal.

District furniture manufacturers have experienced a slackening in sales during the first half of 1957, with resultant lower order backlog positions and curtailed production. Drexel Furniture Company, Drexel, North Carolina, and Johnson-Carper, Roanoke, Virginia, have reported sales declines, while a slack May and early June wiped out the gains over last year experienced by the Brandt Cabinet Works of Hagerstown, Maryland. Brandt also reported a decline in order backlogs, as did Basic-Witz Furniture Industries, Inc., Waynesboro, Virginia. The decline in sales has led many manufacturers to curtail production and reduce their work week.

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Business Conditions and Prospects

THE business situation in the Fifth District has improved somewhat at the construction, manufacturing, and mining levels, while showing moderate weakness in trade. Farm income continues to run ahead of a year ago, but gains achieved in the first half of 1957 are not likely to offset declines indicated for the last half of the year.

Bank loans rose somewhat more in June this year than a year ago, while investment holdings fell substantially. Bank debits (seasonally adjusted) in June were the lowest thus far in 1957 although still well ahead of June 1956. Net new savings in commercial banks, savings banks, savings and loan associations, and in savings bonds were 6% higher in June than a year ago—due mainly to substantial gains by commercial and savings banks.

Nonagricultural employment (from incomplete returns) apparently was unchanged from May to June and was slightly over a year ago. The steep climb in adjusted sales of life insurance in the District was halted in June—at a level nearly a fourth larger than a year ago. Comments from life insurance salesmen indicate that potential buyers are becoming concerned regarding inflationary prospects.

Manufacturing

Man-hours in all manufacturing industries of the District, excluding Maryland, rose slightly from May to June but remained some 2% under June 1956. All states showed some increase from May to June—the largest in Virginia, 1.2%, the least in North Carolina, 0.1%. The decline from a year ago was shown in all states except Virginia which rose 0.8%. South Carolina showed the largest decline, 3.1%.

Man-hours in durable goods industries rose 0.9% from May to June with all states showing gains ranging from 0.1% in West Virginia to 1.5% in Virginia. An over-all 2.5% decline was shown from a year ago, with Virginia up 2.5% and West Virginia down 6.3%.

Nondurable goods man-hours rose 0.2% for the four states; North Carolina alone went down. Changes in this period ranged between a decline of 0.2% and a rise of 1.0%. Man-hours in nondurable goods industries were 1.8% smaller than a year ago with West Virginia showing an increase of 2.5% and South Carolina a decline of 2.9% for the extreme changes.

Between May and June man-hours in durable goods rose mainly in furniture, transportation equipment, and machinery (other than electrical). Slight gains occurred in primary metals, whereas moderate losses occurred in fabricated metals and electrical machinery.

The rise in nondurable goods man-hours from May to June was due largely to a seasonal increase in food and kindred products and in seamless hosiery in North Carolina. Other industries either showed mixed trends or declined in this period.

Cotton consumption (seasonally adjusted) slipped 3%, but June was the first month this year to run higher than a year ago, up 2%. This brought up the six months' accumulation to only 4% under the first half of 1956.

Spindle hours on the cotton system spinning other than cotton showed no change between May and June (after seasonal correction) but were 7% higher than in June 1956. The first half-year, however, was 5% smaller than last year.

Sentiment in the textile markets has improved considerably; the backlog of the yarn spinners has increased; the industry is fairly well sold up on gray goods for the third quarter. Prices of cotton goods and yarns are still on the bottom, but the industry anticipates improvement; demand has improved for seamless hosiery, and these mills are expanding output, while the full-fashioned end of the business continues in the dumps.

Trade

Sales of department stores in June (seasonally adjusted) failed to hold at May levels and slipped 2% to a level only 1% above a year ago. Sales in the first half-year were 4% larger than a year ago, and preliminary figures for July are indicating some rise from June. June was a disappointing month in store sales, and its reflection is shown in an adjusted rise of 5% in inventories during the month to a level 8% ahead of a year ago. June sales at department stores would have been considerably worse except for rather substantial gains in major household appliances and such items as television, radios, and phonographs.

The May surge in sales of retail furniture stores in the District failed to hold in June and adjusted sales declined 5% to a level 4% below a year ago. This brought the first six months' sales 5% under a year ago. Credit sales took the brunt of the reduction in all periods. It should be noted that accounts receivable of these stores were at the same level in June as a year ago, but collections were running 6% under a year ago.

New passenger automobile registrations for all states and the District of Columbia during May were 4% above April and 1% under May 1956. This brought the five months' total down 7% from the same period a year earlier and produced a record poorer than the national figure which showed no change. Scattered reports for June indicate a reduction in new car registrations from May.

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Bituminous Coal

Average daily output in the District during June (preparation for the miners' holiday) was up 3% from May and 12% ahead of a year ago. The District's first half output increased 4% over a year ago, a somewhat better showing than the national output which was about even in this period. Aside from the electric power utilities and the export market, the utilization of coal during May was under a year ago. Stock piles have been augmented moderately, and exports are running better than a third above last year. Freight rates on coal cargo have dropped precipitously which may indicate some slowing down in the export movement.

Financial

Total assets of all member banks in the Fifth District rose slightly—$7 million—between May and June, compared with an increase of $125 million in 1956 and $100 million in 1955. Loans rose $50 million in June this year compared with an increase of $42 million in 1956 and $85 million in 1955. Investment holdings, however, dropped $70 million this year compared with an increase of $16 million last year and a decline of $42 million in 1955.

Total deposits of all member banks in the District rose $11 million between May and June which compares with an increase of $138 million in 1956 and $98 million in 1955. The gain was due to a $24 million increase in time deposits which more than offset a $13 million decline in demand deposits. The time deposit increase compares with a gain of $17 million last year and $5 million in 1955. The slight slip of $13 million in demand deposits compares with increases of $121 million last year and $93 million in 1955.

Bank debits in the District (seasonally adjusted) during June dropped 7% from May to the lowest figure of 1957. The June figure was still 7% ahead of a year ago, and the first half-year was up 6%.

Net new saving in commercial banks, savings banks, savings and loan associations and in savings bonds in the District amounted to $70.7 million in June, a seasonal increase of 57% over May and a gain of 6.3% over June 1956. Time deposits in commercial banks dropped 3.1% from May to June but were 45.4% higher than a year ago. Deposits in Baltimore mutual savings banks in June were six times larger than in May and 35% ahead of a year ago. Redemptions of Series E and H savings bonds exceeded sales in June by $10 million (more than double net redemptions of $4.9 million a year ago and also larger than the $9.2 million in May). June is a seasonally high month in savings and loan associations. Savings this year were 85% higher than in May and 1.5% above a year ago.

Employment

Total nonagricultural employment in the Virginias and the Carolinas was unchanged between May and June. Small declines in West Virginia and South Carolina were offset by an increase in Virginia. North Carolina showed no change. The June level in these states was 0.8% higher than a year ago due entirely to a 3.7% increase inVirginia; other states showed losses, ranging from 0.1% to 1.1%.

Stability in the nonagricultural employment figure between May and June was due to a rise of 0.3% in manufacturing employment, offset by a 0.1% decline in nonmanufacturing employment. All states except South Carolina showed rises in manufacturing employment, ranging from 0.3% to 0.9%; South Carolina slipped 0.7%. Virginia was the only state to show an increase in nonmanufacturing employment; other states showed losses. In addition to the small gain in manufacturing employment between May and June, contract construction rose 1.6%, transportation, communication, and public utilities 0.3%, finance, insurance, and real estate 1.3%, service and miscellaneous 1.1%. Declines of 0.6% were shown in mining, 0.1% in trade, and 1.9% in government (largely seasonal due to the end of the school term).

Nonmanufacturing employment in the Virginias and the Carolinas was 1.9% higher than a year ago due mainly to a 4.7% increase in Virginia, but all states showed some increase. Gains in the nonmanufacturing sectors from June last year to this year were shown in contract construction which was up 1.6%; transportation, communication, and public utilities, up 0.7%; trade, up 2.3%; finance, insurance, and real estate, up 2.8%; service and miscellaneous, up 2.0%; and government, up 2.4%. Losses were recorded in mining, 0.7%, and manufacturing, 1.2%.

Agriculture

Revised figures on cash income from farm marketings show a May increase of 4% over a year ago, a considerably smaller figure than previously indicated. Crop income in May was 10% above 1956, and income from livestock and products was 1% higher. In the first five months total cash income was 5% higher than a year ago—crop income was up 16%, but income from livestock and products was unchanged. The first half-year in the Fifth District is a fairly small percentage of the total year's income, and gains shown in the first five months are likely to be washed out quickly in the second half, with tobacco and cotton acreage down substantially from a year ago.

July crop indications show a rather general decline in production of most Fifth District crops—tobacco is down 30% from last year, and grains are down from 12% to 20%. July 1 conditions were much more favorable than the ensuing three weeks when drought gripped the entire Atlantic Seaboard.

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Affairs of Women

(Continued from page 6)

school age, so that the labor force includes about two of every five mothers of school-age children.

Important for the Economy

Regardless of motivation, women are an important part of the nation's labor force. In 1940, in a time of widespread unemployment, they accounted for 25% of all jobholders. The pressures and opportunities of war brought this to 36% in 1945. Contrary to popular expectations, the prewar proportion was not regained; instead, in 1950 women numbered 29% of a greatly augmented work force, and at present the figure is 32%. Today, the 22 million women in the labor force exceed the 1945 peak by about 2 million, although their per cent of the total is slightly reduced.

These are impressive gains. They are particularly significant in view of the pressures for more workers that arise in a population now expanding principally in the nonworking ages below 18 and above 65 years.

Equally important to the economy is the contribution in ability and intellect as evidenced by the increasing number of women in the professional and managerial fields. The much-touted shortages of engineering and scientific workers may find their answer in the training of more women for these jobs. On the consumption side, total salaries of working women provide a considerable amount of consumer buying power which in turn helps to maintain the over-all economy at the very high level of recent years.

Finance At Mid-Year—

Demand Pressure Rules the Markets

(Continued from page 4)

credit restraint exercised by Federal Reserve. In the first two months of the year, Federal Reserve took up $2.1 billion of bank reserves by sales of Government securities. Over the next four months (through the week ending June 26), however, the Fed actually supplied, on balance, a small amount of reserves, its securities transactions being tuned to the degree of credit tightness consistent with its policy of restraining inflationary developments. As a reflection of this restraint on the commercial banks, weekly average borrowing from the Reserve banks (see cover chart) reached $1.2 billion in the first half of April, ranged from $700 million to $1 billion from then until early June, and throughout June and into July moved above $1 billion. On the average, approximately 5½% of required reserves have been borrowed from the Reserve banks since the beginning of June. Funds can, of course, be provided for loans by liquidation of investments, and this was done to a considerable extent by the weekly reporting banks in the first half. Their Government security holdings were reduced $1.7 billion through June. However, as the banks' liquidity is reduced by sales of investments, less funds can be made available for loans from this source. During the first half, total credit extended by all commercial banks (total loans and investments) eased off an estimated $500 million.

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FIFTH DISTRICT STATISTICAL DATA

FURNITURE SALES*

(Based on Dollar Value)

STATES	Percentage change with corresponding period a year ago: June 1957	6 Mos. 1957
Maryland	— 1	— 4
Dist. of Columbia	—10	— 7
Virginia	—18	— 8
West Virginia	— 3	— 2
North Carolina	— 8	— 1
South Carolina	—10	— 4
District	— 8	— 5
INDIVIDUAL CITIES		
Baltimore, Md.	— 1	— 4
Washington, D. C.	—10	— 7
Richmond, Va.	— 9	— 5
Charleston, W. Va.	— 3	+ 2
Charlotte, N. C.	— 4	+ 1
Greenville, S. C.	—18	— 6

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

WHOLESALE TRADE

LINES	Sales in June 1957 compared with: June 1956	May 1957	Stocks on June 30, 1957 compared with: June 30, 1956	May 31, 1957
Auto supplies	NA	NA	NA	NA
Electrical, electronic and appliance goods	+ 9	+12	NA	NA
Hardware, plumbing, and heating goods	—21	—11	— 2	+ 1
Machinery equipment supplies	— 7	— 9	+ 6	+ 1
Drugs, chemicals, allied products	+ 1	— 8	+14	+ 1
Dry goods	NA	NA	NA	NA
Grocery, confectionery, meats	— 9	— 5	—15	+ 9
Paper and its products	—19	—23	+10	+11
Tobacco products	NA	NA	NA	NA
Miscellaneous	— 3	+ 4	— 4	+ 7
District total	— 6	— 6	— 1	+ 1

NA Not available.

Source: Bureau of the Census, Department of Commerce.

BUILDING PERMIT FIGURES

(37 Cities)

	June 1957	June 1956	6 Months 1957	6 Months 1956
Maryland				
Baltimore	$ 1,914,360	$ 4,389,697	$ 38,027,999	$ 27,113,583
Cumberland	288,450	73,450	649,566	928,505
Frederick	202,120	2,127,660	948,030	3,351,910
Hagerstown	147,165	84,084	3,884,264	744,825
Salisbury	115,008	114,633	731,067	1,213,518
Virginia				
Danville	1,800,889	1,045,348	3,811,010	4,708,591
Hampton	947,917	789,287	9,784,893	4,547,731
Hopewell	742,563	515,100	1,919,447	1,369,658
Lynchburg	951,246	602,100	4,960,994	5,875,935
Newport News	53,394	117,594	1,537,736	1,207,266
Norfolk	924,553	780,399	4,690,951	14,685,700
Petersburg	159,700	180,000	1,335,642	1,440,050
Portsmouth	298,710	1,740,190	1,654,179	3,191,929
Richmond	6,082,269	1,660,440	16,530,657	15,563,553
Roanoke	625,542	1,005,560	6,993,587	12,724,815
Staunton	269,201	182,673	1,109,311	1,456,589
Warwick	893,947	1,009,238	4,192,800	4,127,360
Winchester*	242,072	NA	657,632	NA
West Virginia				
Charleston	1,002,313	1,883,654	3,875,614	4,408,371
Clarksburg	101,598	487,260	923,044	1,190,692
Huntington	347,700	450,681	2,275,871	2,555,775
North Carolina				
Asheville	196,217	437,075	1,877,151	3,357,821
Charlotte	1,166,228	2,515,177	7,332,412	17,410,539
Durham	342,225	806,589	5,079,123	4,525,860
Gastonia	429,950	476,950	3,381,475	3,372,900
Greensboro	767,294	1,490,014	7,633,364	8,844,025
High Point	529,195	326,705	2,518,895	3,112,609
Raleigh	2,920,398	726,783	7,935,650	6,453,168
Rocky Mount	301,259	322,852	2,983,092	1,946,414
Salisbury	253,875	89,825	1,230,678	1,344,950
Wilson	156,150	193,378	1,130,460	2,793,453
Winston-Salem	745,738	1,627,523	10,018,249	8,412,991
South Carolina				
Charleston	174,373	1,152,053	1,257,888	2,085,224
Columbia	681,248	908,860	6,704,370	6,051,580
Greenville	195,700	355,735	1,638,547	3,736,961
Spartanburg	440,668	534,202	2,392,496	3,020,188
Dist. of Columbia				
Washington	10,092,429	3,364,539	36,640,141	26,801,657
District Totals	$37,261,592	$34,567,308	$209,590,653	$215,676,696

* Not included in District totals.
NA Not available.

DEPARTMENT STORE OPERATIONS

(Figures show percentage changes)

	Rich.	Balt.	Wash.	Other Cities	Dist. Totals
Sales, June '57 vs June '56	— 2	+ 3	— 1	— 3	— 1
Sales, 6 Mos. ending June 30, '57 vs 6 Mos. ending June 30, '56	— 2	+ 9	+ 4	+ 2	+ 3
Stocks, June 30, '57 vs '56	— 4	+12	+ 8	+ 2	+ 7
Outstanding Orders, June 30, '57 vs '56	+ 6	+ 1	—17	+ 1	— 6
Open account receivables, June 1, collected in June '57	31.1	52.0	40.5	37.9	40.8
Instalment receivables, June 1, collected in June '57	10.7	13.1	12.7	16.2	12.9

	Md.	D.C.	Va.	W.Va.	N.C.	S.C.
Sales, June '57 vs June '56	+ 3	— 1	— 3	+ 1	— 7	— 1

FIFTH DISTRICT INDEXES

Seasonally Adjusted: 1947-1949=100

	June 1957	May 1957	June 1956	% Chg.—Latest Mo. Prev. Mo.	% Chg.—Latest Mo. Yr. Ago
New passenger car registration*	.....	170	168	+ 4	— 1
Bank debits	193	208	180	— 7	+ 7
Bituminous coal production*	112	109	100r	+ 3	+12
Business failures—number	255	266	280	— 4	— 9
Cotton spindle hours	119	121	119	— 2	0
Spindle hours—other than cotton**	139	139	130	0	+ 7
Department store sales	136	139	134	— 2	+ 1
Electric power production	.....	217	200	0	+10
Manufacturing employment*	.....	112	113r	0	0
Furniture store sales	121	128	126	— 5	— 4
Life insurance sales	280	280	228	0	+23

* Not seasonally adjusted.
** 1948-49=100.
r Revised.
Back figures available on request.

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FIFTH DISTRICT BANKING STATISTICS

DEBITS TO DEMAND DEPOSIT ACCOUNTS*

(000 omitted)

	June 1957	June 1956	6 Months 1957	6 Months 1956
Dist. of Columbia				
Washington	$1,548,897	$1,498,503	$ 9,353,296	$ 8,989,244
Maryland				
Baltimore	1,898,282	1,863,437	11,239,162	10,427,806
Cumberland	31,034	29,497	176,032	162,014
Frederick	27,503	27,659	165,590	156,222
Hagerstown	44,830	42,601r	283,474	270,136r
Salisbury**	39,239	39,288	226,910	215,744
Total 4 Cities	2,001,649	1,963,194r	11,864,258	11,016,178r
North Carolina				
Asheville	74,737	75,720	455,083	435,230
Charlotte	418,723	432,009	2,693,709	2,662,778
Durham	98,942	92,557	551,602	515,007
Greensboro	174,690	160,478	1,075,000	962,909
High Point**	54,635	57,102	345,643	334,132
Kinston	24,554	22,376	144,500	133,352
Raleigh	235,978	233,937	1,543,512	1,406,325
Wilmington	55,936	56,409	325,698	320,045
Wilson	21,647	21,943	128,460	126,312
Winston-Salem	184,820	200,606	1,161,333	1,152,123
Total 9 Cities	1,290,027	1,296,035	8,078,897	7,714,081
South Carolina				
Charleston	106,462	92,613	613,277	553,268
Columbia	197,276	197,370	1,260,126	1,179,765
Greenville	151,764	146,094	879,145	865,585
Spartanburg	70,105	69,875	422,264	420,684
Total 4 Cities	525,607	505,952	3,174,812	3,019,302
Virginia				
Charlottesville	45,338	42,756	257,984	231,287
Danville	46,165	42,281	278,941	256,235
Lynchburg	62,049	62,942	371,149	370,589
Newport News	64,254	66,107	380,259	377,376
Norfolk	336,900	315,846	1,984,345	1,856,325
Petersburg**	27,465	27,525	163,000	175,563
Portsmouth	39,532	37,545	235,332	226,491
Richmond	790,080	701,534	4,541,210	4,143,871
Roanoke	168,626	162,746	963,769	920,142
Total 8 Cities	1,552,944	1,431,757	9,012,989	8,382,316
West Virginia				
Bluefield	62,849	59,791	378,000	342,055
Charleston	190,994	181,882	1,169,168	1,092,396
Clarksburg	42,927	43,384	254,952	244,595
Huntington	93,108	89,218	551,517	515,802
Parkersburg	38,405	37,697	232,196	220,468
Total 5 Cities	428,283	411,972	2,585,833	2,415,316
District Totals	$7,347,407	$7,107,413r	$44,070,085	$41,536,437r

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

WEEKLY REPORTING MEMBER BANKS

(000 omitted)

ITEMS	July 17, 1957	Change in Amount from June 12, 1957	Change in Amount from July 18, 1956
Total Loans	$1,897,479**	+ 12,491	+ 65,798
Bus. & Agric.	889,034	— 2,832	+ 56,711
Real Estate Loans	337,681	+ 1,706	+ 2,620
All Other Loans	702,913	+ 13,934	+ 12,298
Total Security Holdings	1,592,719	+ 4,145	— 3,783
U. S. Treasury Bills	92,553	+ 16,913	+ 45,794
U. S. Treasury Certificates	90,756	— 262	+ 80,186
U. S. Treasury Notes	188,648	— 13,466	—104,479
U. S. Treasury Bonds	957,331	+ 3,896	— 21,959
Other Bonds, Stocks & Secur.	263,431	— 2,936	— 3,325
Cash Items in Process of Col.	375,198	— 23,532	+ 26,396
Due from Banks	183,645*	— 546	+ 15,010
Currency and Coin	82,395	— 176	+ 3,353
Reserve with F. R. Banks	530,024	+ 6,787	— 21,622
Other Assets	77,493	— 2,628	+ 6,463
Total Assets	4,738,953	— 3,459	+ 91,615
Total Demand Deposits	3,498,432	— 29,709	+ 14,293
Deposits of Individuals	2,633,495	— 25,061	+ 5,095
Deposits of U. S. Government	102,672	+ 24,117	— 2,118
Deposits of State & Local Gov.	198,701	— 39,194	— 3,717
Deposits of Banks	496,284*	+ 4,541	+ 4,973
Certified & Officers' Checks	67,280	+ 5,888	+ 10,060
Total Time Deposits	792,215	+ 10,690	+ 24,862
Deposits of Individuals	743,728	+ 13,221	+ 53,586
Other Time Deposits	48,487	— 2,531	— 28,724
Liabilities for Borrowed Money	40,025	+ 12,525	+ 25,475
All Other Liabilities	58,882	+ 5,665	+ 12,725
Capital Accounts	349,399	— 2,630	+ 14,260
Total Liabilities	$4,738,953	— 3,459	+ 91,615

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

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