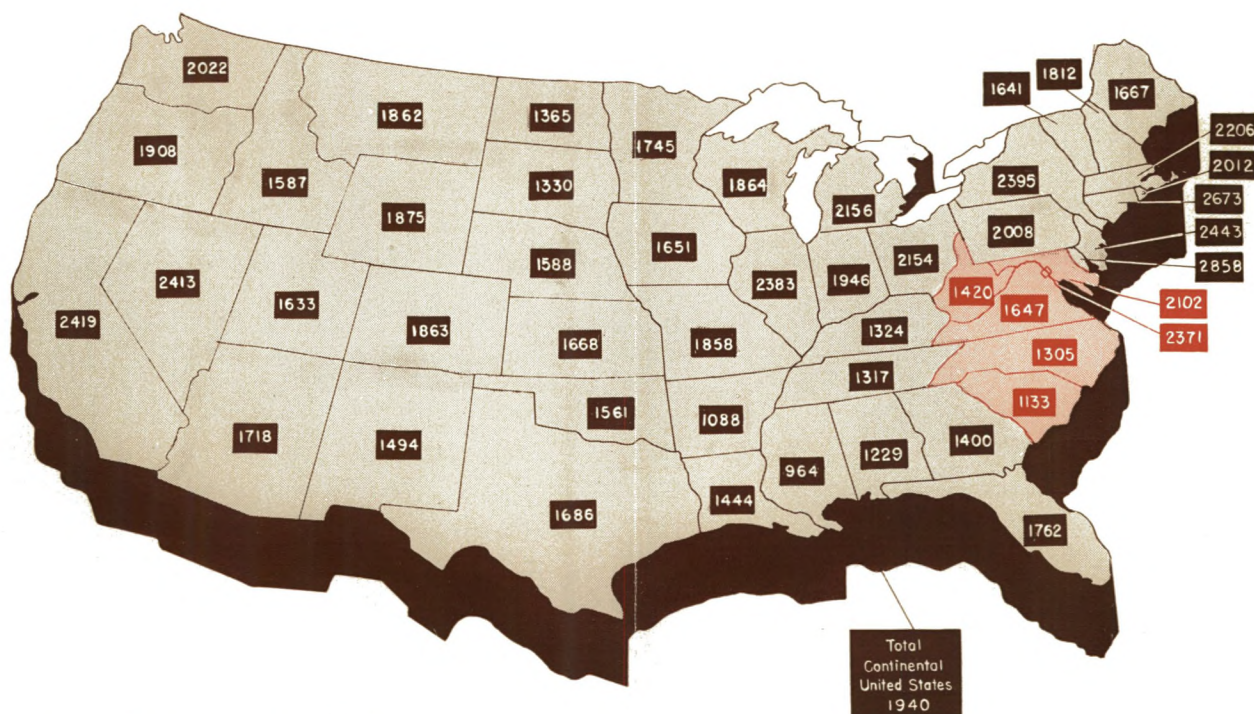


Monthly Review



October 1957

PER CAPITA PERSONAL INCOME, 1956 (IN DOLLARS)



Source: U. S. Department of Commerce.

PERSONAL income hits a new high in '56! The article beginning on page 3 describes recent movements in personal income, differences between states, and some causes of the differences.

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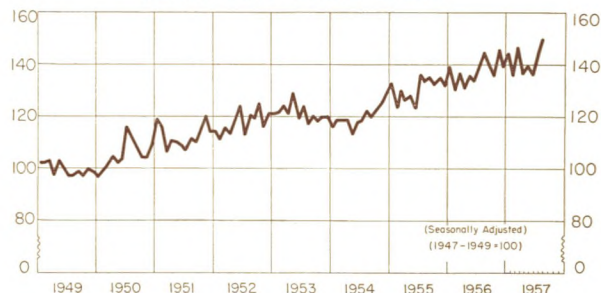
FIFTH DISTRICT TRENDS

BANK DEBITS



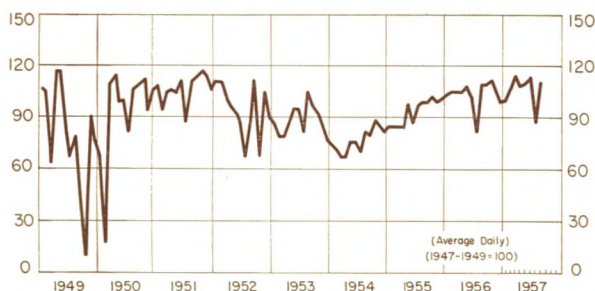
Over-all spending as represented by bank debits in the Fifth District during August dropped 4% (after seasonal correction) from July, but was still 4% larger than a year ago; the eight months' accumulation was 6% higher than last year.

DEPARTMENT STORE SALES



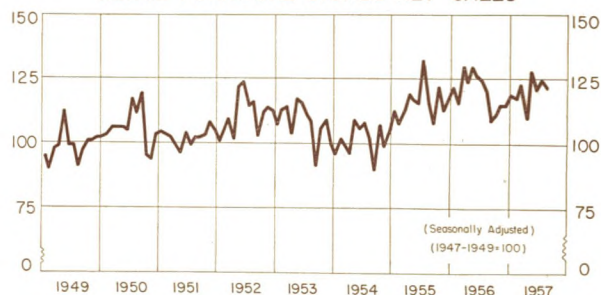
A new high level was established by sales of department stores in the Fifth District during August, after having moved on a flat for nearly a year. August was up 4% from July, 3% ahead of a year ago, and the eight months' total was up 4%.

BITUMINOUS COAL PRODUCTION



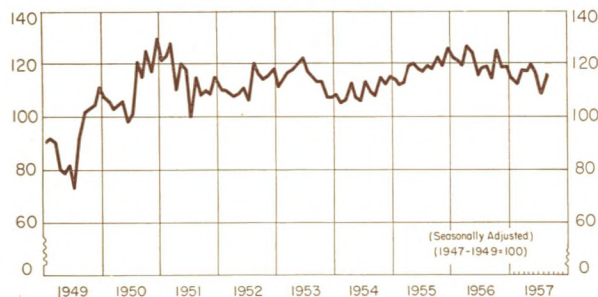
District output rose a sharp 29% during August from the holiday month of July. August output was 4% ahead of that month last year, and the eight months' total was also 4% ahead of last year.

RETAIL FURNITURE STORES NET SALES



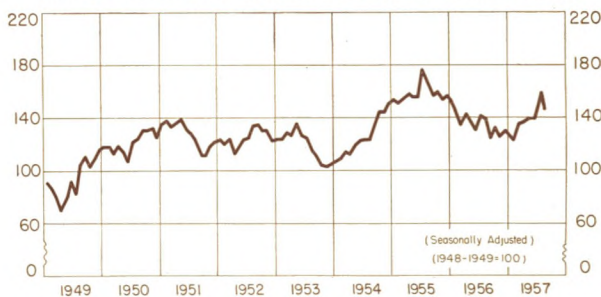
The exuberance shown in department store sales during August was not shared by the furniture stores of the Fifth District. Adjusted sales in August were 2% lower than July, but 1% ahead of August last year. In the first eight months of the year these sales were 3% smaller than last year with practically all the loss coming in credit sales.

COTTON CONSUMPTION



Cotton consumption in the mills of the Fifth District on an average daily (seasonally adjusted) basis rose 6% from July to August back almost to the June level. The August figure was 3% smaller than that month last year, and the eight months' total was down 4%.

COTTON SPINDLES CONSUMING OTHER THAN COTTON



Cotton system's spindles operating on fibers other than cotton during August dropped 9% (after seasonal correction) from July, but held 5% ahead of August 1956. In the first eight months of the year these operations were 1% smaller than a like period last year.

\$1,940! Personal Income Hits New Peak In '56

LAST year per capita personal income in the United States rose to \$1,940, a \$94 gain over 1955. Sound impressive? Depends on how you look at it. Historically, it does look good. In only one other year—1955—has average personal income ever exceeded \$1,800. Furthermore, not once since the early part of the Korean War has the increase been anything like as great as it was last year! On the other hand, quite a few states have considerably higher levels and much larger increases to brag about.

Nature and Importance of Personal Income

But what is personal income? It's just about what its name implies—the income people earn during some period of time. Consequently, it encompasses many kinds of income—some common types and some unusual ones. Among those included are wages and salaries, rents, the income of proprietors, pensions, dividends and interest, and some nonmonetary income such as the rental value of owner-occupied homes.

Personal income statistics, in addition to being interesting bits of information for almost anyone to toy around with, are also quite useful. Probably they are used most often as a means of comparing the economic development of different states and regions. In such comparisons income figures are essential, and there are few other regional income statistics available.

In addition, personal income statistics—the only “national income” figures published monthly—are often used to forecast movements in personal consumption expenditures since people tend to hold consumption

spendings somewhat in line with personal income. Some businesses also make use of this principle in estimating their sales potentials within particular states or regions where no adequate retail sales statistics are available.

There are also many other uses—estimating the yield from personal income and other types of taxes, predicting the level of personal savings, forecasting Gross National Product, and so on. Few economic statistics are so versatile.

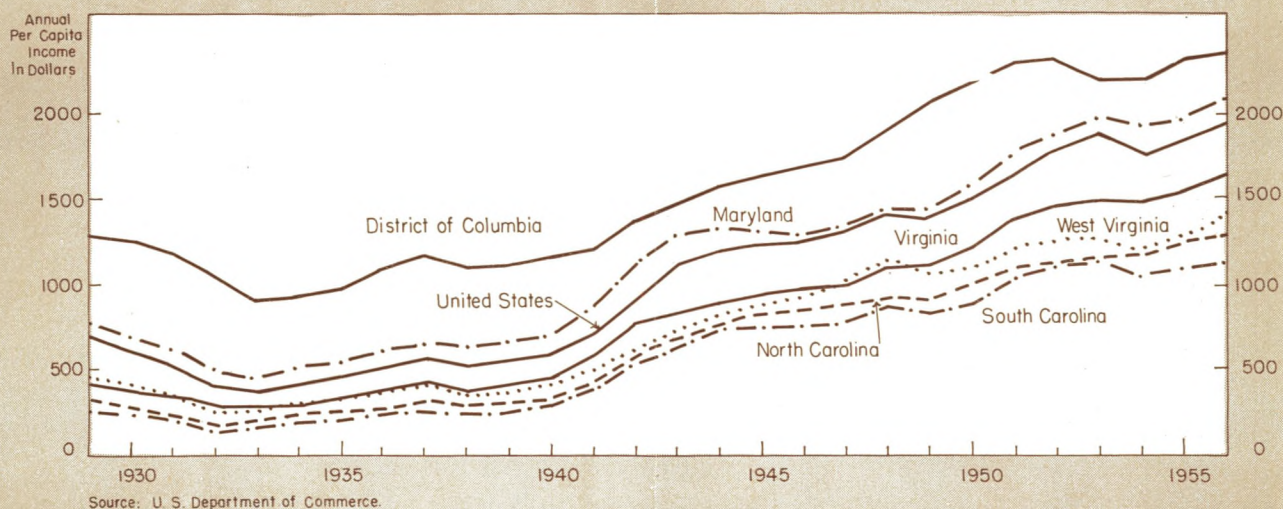
What the Record Shows

... Per Capita and Total Income Levels

Per capita personal income levels during 1956 varied all the way from \$964 in the case of Mississippi up to \$2,858 for Delaware. A check with the cover chart shows eight additional states scattered from New England to the Far West with per capita incomes over \$2,200. At the other end of the scale are eight states besides Mississippi with average incomes of less than \$1,400. Regionally, the Far Western States (California, Nevada, Oregon, and Washington) continue to top the list with an average income of \$2,312. The Southeast—the twelve Southern states including Kentucky and West Virginia—still has the lowest regional average (\$1,368) despite impressive gains last year.

Here in the Fifth District, there is also a considerable spread between states and the District of Columbia. First place goes to the District of Columbia, which ranks eighth within the country with \$2,371. Maryland is next with \$2,102, followed by Virginia with \$1,647 and West Virginia with \$1,420. North Caro-

TRENDS IN PER CAPITA PERSONAL INCOME



lina averages \$1,305, and South Carolina runs at a \$1,133 clip.

New York has the highest total personal income of any state—\$38.8 billion—but California runs a close second with \$32.5 billion. As one might guess, Illinois, Pennsylvania, Ohio, Michigan, and Texas also rank high relative to other states. Sparsely settled Nevada holds claim to the low point on the scale—\$596 million—and Wyoming and Vermont have incomes only slightly more than \$600 million. Only three other states—Idaho and the Dakotas—have incomes of less than \$1 billion.

Virginia still has the highest personal income of any Fifth District state—\$6.0 billion. Maryland and North Carolina are next in line with \$5.9 billion and \$5.8 billion, respectively. Of the two smaller states, West Virginia has \$2.8 billion and South Carolina has \$2.7 billion. The tiny District of Columbia comes last with \$2.1 billion.

... Trends in Per Capita Income

A glance at the roughly parallel state and Federal per capita income trend lines in the chart on page 3 suggests strongly that forces affecting the relative levels of state per capita incomes operate very slowly. Throughout the entire twenty-seven year period, shifts in income levels of

District states have been so similar that there has been practically no change in the relative ranks of states.

The District of Columbia has consistently led the District with per capita income levels substantially above those for the United States as a whole. Maryland, too, has compiled an impressive record by earning slightly more than the national average for every year since 1929. Virginia and West Virginia used to fight a nip and tuck battle for third place, but Virginia's income has run considerably ahead since 1949. North and South Carolina income levels for most of the period have been practically identical except that North Carolina figures have always been slightly higher.

... Recent Rates of Growth

During 1956 there was a tremendous divergence in the rates of growth in per capita income among the different states. Delaware, in addition to achieving the country's highest per capita personal income level, took first honors with a whopping 10.9% increase from 1955. Only a shade behind Delaware was West Virginia, which pushed its average up by an impressive 10.7%.

At the other end of the line, Nevada actually suffered a small percentage decline and such diverse states as Mississippi, Kansas, and Michigan showed around 1% increases.

The chart below illustrates how the rates of growth in per capita income among Fifth District states last year split fairly evenly around the national increase of 5%. West Virginia, of course, was way ahead, but Maryland and Virginia incomes also grew more rapidly—by around 6½%. North Carolina racked up about a 4% increase, and South Carolina and District of Columbia residents ended the year about 1½% better off.

There were also striking differences among the rates of change in the total personal incomes of individual states. Tiny Delaware grabbed first honors here, too, with more than a 14% rise. Arizona followed with almost 12%, and several other states—Florida, Idaho, West Virginia, and Louisiana—were close on her heels with increases of 10% to 11%. Mississippi ranked last with only a negligible increase in personal income.

Others with relatively slow growth rates were Arkansas, South Carolina, Kansas, Nevada, and the District of Columbia, none of which had increases as great as 4%.

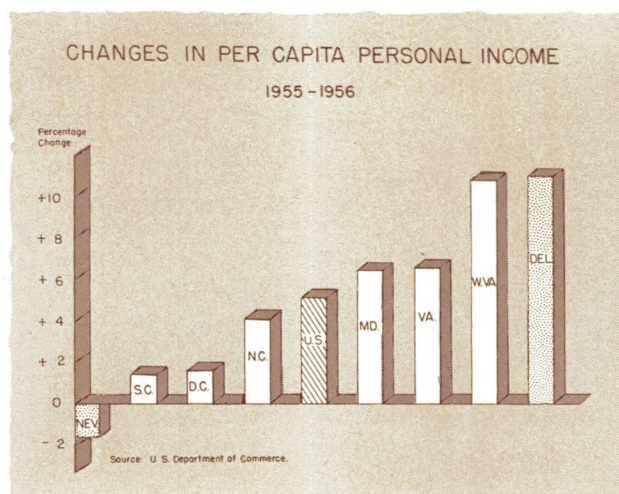
Maryland and Virginia both piled up impressive 9% gains—a couple of percentage points above that

for the country as a whole. North Carolina income rose 6%—slightly less than the United States increase but more than the growth in either the District of Columbia or South Carolina.

... Sources of Income

Personal income-wise, the United States is still a "manufacturing" country. As indicated in the chart on the following page, manufacturing wages and salaries during 1956 alone contributed about a fourth of the "income pie"—by far the largest slice. And if it were possible to separate the manufacturing element from "proprietors' incomes" and "other income" and add these to manufacturing wages and salaries, manufacturing's contribution would appear much larger. In comparison, agriculture produced only a little above 4% of total personal income—less than it contributed in either 1954 or 1955.

Wholesale and retail wages and salaries, proprietors' incomes, and property income (dividends, rent, and interest) each accounted for about an eighth of total personal income. Wage and salary disbursements of



service industries yielded about one-sixteenth of the total. Minor parts originated in transportation, finance, mining, construction, and other industries and from state, local, and Federal government spending.

Roughly, the same sorts of relationships exist for the Fifth District as a whole, but there are important distinctions between areas. The District of Columbia quite naturally receives the bulk of its income—almost a third—from Government wage and salary disbursements. It is also unusual in that it obtains over a sixth of its income from property and almost a tenth from “service” wages and salaries.

Virginia and Maryland, too, depend heavily upon Government wage and salary disbursements for their income. Virginia receives a fifth of hers—the highest percentage of any state—this way as compared with only 15% from her next largest source—manufacturing wages and salaries. Just the reverse is true of Maryland; a fifth of her income comes from manufacturing wages and salaries and about 15% from Government wages and salaries.

West Virginia also obtains about a fifth of her personal income from manufacturing, but the most unusual aspect of West Virginia’s income pattern is the 15% that comes from mining wages and salaries. No other sources account for particularly large blocks of West Virginia income. In fact, wholesale and retail wages and salaries—her next most important source—contribute a smaller percentage than in any other Fifth District state.

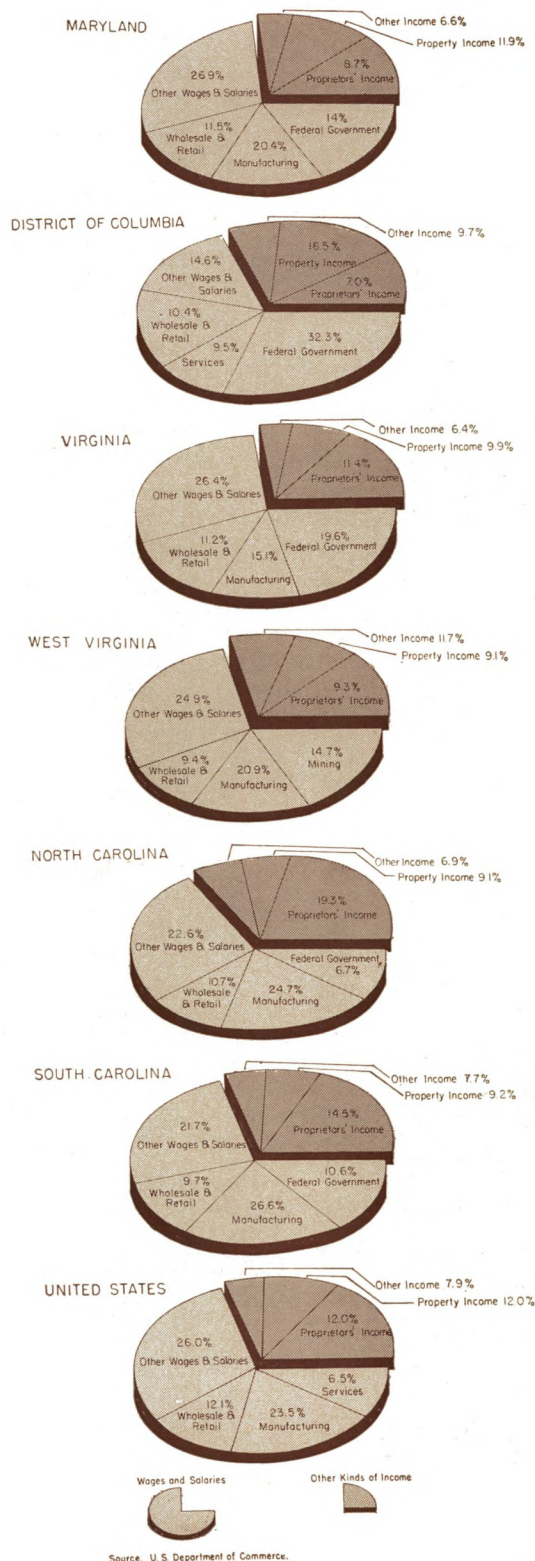
Both the Carolinas are manufacturing states, receiving about a quarter of their personal incomes from manufacturing wages and salaries. Both also obtain large blocks of income in the form of proprietors’ income, largely that of farm owners. In all, agriculture accounts for about an eighth of North Carolina personal income and for about a twelfth of South Carolina personal income.

Causes of Differences in Personal Income Levels

What causes these wide differentials in state per capita income levels? Persistent differences are due largely to such slow-changing factors as the type of natural resources, the location of the area, the education, temperament, and ethnic background of the population, the per cent of population having income, and so on.

The more frequent variations in growth rates often stem from rather transitory forces such as adverse weather conditions, sudden changes in the competitive positions of dominant industries, cancellation of public expenditures, and the like. Last year, for example, West Virginia’s impressive growth resulted largely from a boom in the coal industry just as South Carolina’s slower progress was due primarily to the adverse effects of weather upon farm income.

SOURCES OF PERSONAL INCOME



More tobacco is grown in Pitt County, North Carolina, than anywhere else in the nation, while farmers in Southampton County, Virginia, are the biggest peanut producers in the country. Similarly, there are more turkeys raised in Rockingham County, Virginia, and more turkey hens kept for breeding by Rockingham County farmers than in any other county in the nation. These and many other salient features of Fifth District agriculture are revealed in a recently released Special Report of the *1954 Census of Agriculture*, entitled "Ranking Agricultural Counties."

Agricultural resources and production are so important throughout the Fifth District that many of its counties rank among the nation's 100 leading agricultural counties. They rank high nationally in many different items—45 to be exact—of inventory, acreage, and production. Many are also included among the country's top 100 counties for several—sometimes related, sometimes different—farm activities. A single county, for example, might be nationally ranked not only in the acreage but also in the quantity of tobacco harvested. This same county might also be among the nation's top-ranking peanut-producing counties. See maps below.

High Rank for Crops and Poultry

How well some of the counties in this five-state area "stack up" with counties throughout the nation is clearly shown on the accompanying maps for they reflect at a glance the most important producing areas in the District for each commodity. The designated counties—those in dark color—are included among the country's 100 leading counties in production of the indicated commodities. A map of the entire United States would

Fifth District Agriculture—Crops

show that of the top 50 tobacco-producing counties in the nation, 48 are located right here in the Fifth District.

With production of these commodities concentrated over large areas of the District, it is not surprising that nearly two-thirds of all tobacco produced in the United States is grown in this five-state area. Nor is it surprising that more than a third of the nation's peanuts, a fifth of all broilers, and 15% of all turkeys are produced here in the Fifth District. To be more specific: North Carolina leads the parade in the production of tobacco. Stablemates South Carolina, Virginia, and Maryland are currently running in third, fourth, and eighth positions, respectively. North Carolina and Virginia, in that order, occupy the number two and three positions in the production of peanuts. The commercial broiler race finds North Carolina now in fourth place, producing 7% of the nation's broilers, followed not too far behind in seventh and eighth places, respectively, by Maryland and Virginia. Virginia is also the third leading state in the production of turkeys, being surpassed only by California and Minnesota.

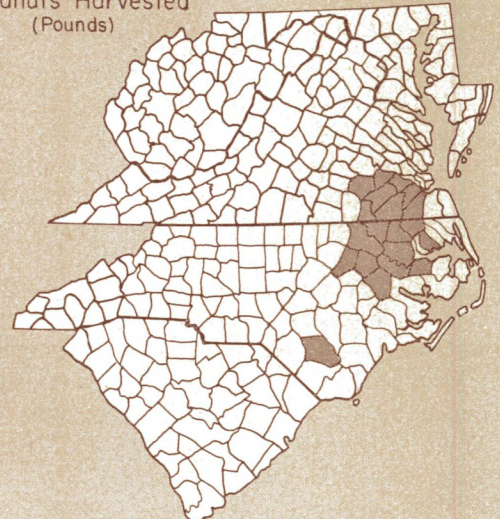
Space does not permit enumeration—graphically or otherwise—of all the items of inventory, acreage, and production in which Fifth District counties are ranked nationally. Suffice it to say that the list is long and includes such income producers as sweet potatoes, Irish potatoes, apples, peaches, and many of the vegetables harvested for sale—snap beans, cabbage, tomatoes, and sweet corn.

AREAS OF PRODUCTION THAT

Tobacco Harvested
(Pounds)



Peanuts Harvested
(Pounds)



Source: U. S. Census of Agriculture: 1954.

Rank High, But Livestock Lags

An important fact to remember is that inclusion among the nation's 100 leading agricultural counties usually indicates that the county is an agricultural area of commercial significance. Intensive production is often manifest.

Livestock Lags

Any true perspective of the District's agriculture must include a look at the livestock side of the picture. Though much progress has been made in expanding livestock enterprises in recent years, District farmers still cannot view their national standings in these fields with high satisfaction. This, of course, excludes those engaged in the broiler and turkey businesses. It also excludes the dairy farmers of Frederick County, Maryland, where the number of milk cows and both the quantity and value of milk sold rate it as one of the country's leading dairy counties. With these exceptions, no single county in the District concentrates sufficiently on livestock production to place it among the nation's leaders.

A look at livestock numbers and liveweight of production on a statewide basis reveals that national rankings of most District states are far down on the totem pole—this despite the fact that livestock and livestock products (other than poultry) contribute nearly one-fourth to the District's total cash income from farming. Actually, less than 5% of the nation's hog, cattle, and sheep populations are concentrated in this five-state

area. Interestingly, dairy cattle numbers provide each of the five states with a higher national ranking than do beef cattle, with Virginia ranking highest—eighteenth in the inventory of milk cows and twenty-ninth in the beef cattle count—in both. Hog numbers, on the other hand, give each state (with the exception of Virginia) higher ranking nationally than do either dairy or beef cattle. North Carolina, with a far larger hog population than her sister states, has the twelfth largest hog raising business in the nation.

More Sales per Acre

The lack of intensive money-making livestock enterprises throughout much of the District has a very real meaning, particularly where the economic well-being of a community or county depends heavily on the health of the agricultural sector. Naturally District farmers find themselves in different situations with respect to the earning capacity of their farms. Wide variations in size and type of farm, the kind of soils, topography, and available capital are all influencing factors. But the lack of intensive production per acre can, and often does, mean the difference between an adequate farm incomewise and one that is inadequate because its owner produces so little to sell.

More intensive use of farm land for the production of livestock and the accompanying pasture and feed crops necessary for such operations could be the means for improving income per acre and, in turn, the income of farm families. Such action could also result in the District's attaining a more important position in the nation's livestock economy.

RANK HIGH IN THE NATION

Turkeys Raised
(Number)



Chickens Sold
(Number)



Fifth District Industry—

In Step With the Times

Research stimulates progress . . .

The white-coated scientist in his laboratory, unraveling intricate problems through research, is becoming an increasingly familiar figure in the practical world of industry as businessmen are ever more aware of his contributions to the improvement of existing products and the development of new commodities. That this trend toward utilization of research in industry is present in the Fifth District is evidenced by the announcement that *Reynolds Metals Company* plans to build a \$6 million research and office building in Henrico County, Virginia, where packaging and metallurgical laboratories already in Richmond will be housed. In addition, a minimum of 750 sales staff employees will be transferred from Louisville, Kentucky. Construction of the research building will be started immediately, and completion is expected by 1959. And *Dan River Mills*, Danville, Virginia, will soon construct a new research and chemical manufacturing plant to be used in part for expansion of the company's long-established research facilities and in part for the production of various chemicals required in the company's manufacturing and finishing operations.

Other individual companies have made similar forays into the world of science, but the first step toward a prospective unification of industrial research laboratories was taken recently by Karl Robbins, former textile manufacturer and owner of the Robbins Mills in Moore County, North Carolina, as he purchased 4,000 acres of land located in the center of North Carolina's Research Triangle formed by Duke University, State College, and the University of North Carolina, with the hope that major industries will establish there a small city of research laboratories. The area will be developed into a "research park" at an approximate cost of \$1,000,000. Mr. Robbins reports that a number of industries have expressed keen interest in his idea of encouraging industry to locate national and regional research laboratories close by the valuable research resources available in the Research Triangle.

. . . and diversification proves a boon . . .

Types of manufacturing once alien to the District are changing the industrial characteristics of the five-state area and lending flexibility not present in a predominantly single-industry economy.

The *Glasspar Company* of Santa Ana, California, will locate a new plant to manufacture fiberglass boats in Petersburg, Virginia. Employment will range between 60 to 100 persons. Construction is underway, and Fall completion is anticipated.

Sachs Nut Company, Inc., Minneapolis, Minnesota,

has leased the new 12,000 sq. ft. building erected by the Dublin Development Company, Dublin, North Carolina, and will roast and salt peanuts in the shell for wholesale to outlets in mid-western states and other areas of the nation.

Union Carbide Corporation will build a major new chemical plant near Winfield (Putnam County), West Virginia. Planned as a major facility in the corporation's booming chemical network, the multi-million-dollar plant is scheduled to be in operation by 1960. The plant will have an initial force of 500 workers.

United Fuel Gas Company has announced plans for the construction of an \$8 million hydrocarbon extraction plant on a site adjacent to its Kenova Compressor Station, Wayne County, West Virginia. The plant will extract valuable petrochemical raw materials from natural gas produced and purchased in West Virginia. Construction will begin in December of this year and is expected to be completed by December 1, 1958.

The Carling Brewing Company, Cleveland, Ohio, has purchased a 40-acre tract in Baltimore County for the construction of a multi-million-dollar plant to produce both Black Label Beer and Red Cap Ale. The plant will serve a seven-state area.

The West Virginia Pulp and Paper Company plans to enter the grocery bag manufacturing field, with the new enterprise to be located in a building adjacent to the company's Charleston, South Carolina, mill. Paper for the operation will be made on the company's recently completed \$20 million kraft paper machine at Charleston.

. . . as a dominant industry falters.

One cannot gainsay the importance of textile manufacturing to Fifth District economy nor view with calm detachment the adverse economic effect of recent depressed market conditions in that industry. Production curtailment through a shortened workweek was effected earlier in the year, but current reports indicate that manufacturers' sales are still inadequate to absorb weekly production with the inevitable result that inventories accumulate and converters, certain that materials are readily available for spot delivery, are showing little interest in making forward commitments. Reports of textile plant closings continue—among the most recent: the *Reeves Brothers* plant at Rutherfordton, North Carolina.

But even as market conditions remain unfavorable and some plants suspend operation, others invest in new machinery to replace that which has become obsolete—*Erwin Mills* with the purchase of some \$400,000 worth

(Continued on page 10)

Business Conditions and Prospects

INFORMATION at hand as of September 27 reveals a mixed picture in the business situation in the Fifth District for August. Mixtures of good and bad were shown in trade as well as in the textile industry.

The areas of relative strength include substantial recoveries in bituminous coal output from the holiday level; in sales of general merchandise as indicated in department store sales, and in production in manufacturing industries. In the last the rise from July was on a broad front, but it was not quite as large a rise as occurred last year between July and August; the difference lay mainly in the durable goods industries. Nondurables showed about the same rise this year as last year.

Areas of deterioration were in over-all spending, as indicated by a seasonally adjusted drop of 4% in bank debits; in the building industry, as indicated by a drop of 37% in building permits (seasonally adjusted); and in some areas of retail trade. Scattering evidence indicates automobile sales to be lower in August than July; retail furniture store sales and household appliance sales were also down from the previous month.

Cash farm income began to show up adversely in July after running ahead of a year ago in the first half year. August usually shows a small rise in nonmanufacturing employment from July, but this year there was no change. Sales of life insurance in August rose 1% on an adjusted basis from July, and time deposits in the member banks rose \$10 million compared with no gain a year ago. Sales of Series E and H savings bonds dropped 7% during the month, but redemptions also fell by 5%. Business failures were down 17% during the month after seasonal correction.

Banking

Total loans and investments of member banks in the Fifth District rose \$2 million between July and August; last year they rose \$75 million; the year before, \$42 million. Loans rose \$19 million during the month compared with a gain of \$36 million last year and with \$46 million the year before. Security holdings dropped \$17 million from July to August; last year they rose \$39 million; the year before they dropped \$4 million.

Total deposits of member banks in August were \$5 million higher than in July; last year they rose \$18 million in this period; and the year before, \$49 million. Time deposits were up \$10 million between July and August this year; last year they showed no change; and the year before they were up \$2 million. Gross demand deposits dropped \$5 million this year compared with an increase of \$18 million last year and \$47 million in 1955. Borrowings of the members banks dropped \$23 million between July and August; last year they rose \$32 million; and in 1955 they rose \$24 million.

Seasonally adjusted bank debits in the District drop-

ped 4% from July to August; the August level was 4% ahead of a year ago, or somewhat smaller than the eight months' increase of 6%. Deposits in Baltimore mutual savings banks rose \$769,000 between July and August this year; last year they rose \$1,140,000.

Manufacturing

Manufacturing activity in the Fifth District rose between July and August, but the rise was somewhat smaller than last year, and the August level (as represented by man-hours) was slightly smaller than a year ago. The July-August rise in nondurable goods industries was the same as last year, but the durable goods industries showed a smaller increase during the month than was witnessed last year.

Industries showing a better rise this year between July and August than last year include: the furniture industry, most areas of the textile mill products industry (with the exception of full-fashioned hosiery), apparel, paper, chemicals, and lumber and wood products. Industries showing poorer performance this year than last year between July and August include: stone, clay, and glass industries; primary metals; fabricated metals; machinery; transportation equipment; food and kindred products; and tobacco, including cigarettes.

Average daily (seasonally adjusted) cotton consumption in August rose 6% from July but was 3% under August last year. The number of hours cotton spindles were run on cottons was down 6% (after seasonal correction) from July to August, but showed nearly the same change as cotton consumption from a year ago—down 4%. These differences in indications are not explainable here, but the fact that employment in the industry rose and the man-hour figures also rose is pretty good evidence that the industry made some improvement over the July level. On balance, it appears that the industry may show a further production rise between August and September, but conditions remain spotty. Several mills have stepped up operations from a four to a five-day week, while others have reduced theirs from five to four. Mill inventories are heavy, and forward coverage is not encouraged as a consequence. But this situation, too, is spotty. Some products are in short supply, and operations are moving up.

Bituminous Coal

Average daily output of bituminous coal in the Fifth District rose 30% in August over July. August was 4% larger than a year ago, and the eight months' total was up 4%.

Foreign cargo shipments from Fifth District ports in four weeks of August were 7.7% smaller than a month earlier and 1.1% under a year ago. This is still a good level of exports but is less optimistic than earlier indications. The year's total through August 31 was 28.1% higher than in the same period last year.

Coal movement from Fifth District ports to New England and other coastal areas, as well as inside the Capes, improved sharply between July and August but ran moderately behind a year ago.

Domestic consumption in July was about the same level as in June but 25% ahead of that month a year ago when the steel strike was under way. Domestic consumption in the first seven months was about 5% smaller than a year ago.

The stockpile of coal on July 31 amounted to 75 million tons, a drop of 4% from the end of June, but about 3½ million tons or 5% higher than a year ago. The prices of #6 fuel oil have been falling, but thus far their effect on coal has not been substantial.

Trade

Department store sales broke out on the upside of the broad range in which they have been moving for the past 12 months. The District's sales index (seasonally adjusted) rose 4% over July and was 3% over a year ago, bringing the eight months' total 4% ahead of last year. This sales performance was apparently somewhat better than expected, for adjusted inventories dropped 2% during the month and show a gain over a year ago somewhat less than that shown by sales.

Other selected areas of District trade, however, seem to have softened between July and August. Retail furniture store sales (seasonally adjusted) were down 2% during the month, but 1% higher than a year ago, which brought the eight months' total 3% under last year. Household appliance sales (without seasonal correction) usually rise between July and August, but this year they declined 4%; they were 7% under a year ago, but the eight months' total was up 3%. Scattered figures on new passenger automobile registrations over the District point to a rather considerable decline between July and August, but two states of the District show an improvement in truck sales.

Agriculture

Cash income from farm marketings in July began to reveal the impending status of the new crop season.

July income (seasonally above June) was 2% smaller than a year ago, with the drop more than accounted for in a loss of crop income. The seven months' accumulation shows total income 2% above a year ago. This gain will be short-lived when the effect of smaller marketings from the sharply reduced 1957 crops is reflected in cash receipts this Fall. A slight gain in the September 1 crop estimate for burley tobacco, grain sorghum, and peaches is indicated, but all other crops are down and some down substantially. The important flue-cured tobacco crop production is indicated to be down 34% and the cotton crop down 27%. The truck crops, furthermore, were badly hit by drought, and this reflection has been shown in substantially reduced cannery operations.

On the basis of the September 1 crop estimate and prices prevailing through September 20, there will be a loss of \$185 to \$190 million in cash receipts from flue-cured tobacco marketing this year as compared with last year. The drop in the cotton crop of 27%, as indicated on September 1, appears likely to cause a reduction of between \$35 and \$40 million in cash receipts from this product.

Building Permits

Building permits in 35 Fifth District cities during August totaled \$28.1 million, a drop of \$20 million from that month a year ago or 42%. Most of the drop occurred in Baltimore, Maryland, but important decreases are also noted in Norfolk, Richmond, Roanoke, High Point, Raleigh, and Washington, D. C. The August change over a year ago was not a one-way proposition—only 14 cities showed declines in this period while 21 showed increases. On a seasonally adjusted basis, Fifth District permits were down 37% from July to August, August was 41% under a year ago, and the eight months' total was down 4%.

Employment in contract construction industries in four District states was 0.2% higher in August than July, and August was 2.8% higher than a year ago, with gains in the Virginias more than offsetting losses in the Carolinas.

Fifth District Industry—In Step With The Times

(Continued from page 8)

of modern Versamatic drawing frames to be installed at the Erwin and Durham, North Carolina, and the Stone-wall, Mississippi plants—and plan expansions such as that by the *Kent Manufacturing Company* which will increase production 60% at its Runnymede plant, Pickens, South Carolina, with the change-over from the French to the American system.

Attention is focused, too, on announcements concerning new textile plants: a finishing and dyeing operation, which will eventually employ 350 persons, to be in full operation by January 1, 1958, in Lumberton, North

Carolina; *Aileen Knitwear Company*, New Market, Virginia, now in operation and augmenting a plant opened last Fall in Strasburg, Virginia; and—an allied industry—*Textile Machine & Supply Company, Inc.*, Gastonia, North Carolina, which was scheduled to go into production late in August on a general line of textile machinery parts. And the air age has invaded the textile industry as *Burlington Industries, Inc.*, has been granted authority to set up a downtown helicopter port atop the company's office building in Greensboro, North Carolina.

FIFTH DISTRICT STATISTICAL DATA

FURNITURE SALES*

(Based on Dollar Value)

Percentage change with corresponding period a year ago

STATES	Aug. 1957	8 Mos. 1957
Maryland	+ 4	- 4
Dist. of Columbia	-10	- 7
Virginia	+ 1	- 5
West Virginia	+ 1	+ 2
North Carolina	+ 2	- 1
South Carolina	+ 3	- 2
District	- 1	- 3
INDIVIDUAL CITIES		
Baltimore, Md.	+ 4	- 4
Washington, D. C.	-10	- 7
Richmond, Va.	+ 2	- 3
Charleston, W. Va.	+24	+10
Charlotte, N. C.	+ 2	+ 2
Greenville, S. C.	- 7	- 6

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

WHOLESALE TRADE

LINES	Sales in Aug. 1957 compared with		Stocks on Aug. 31, 1957 compared with	
	Aug. 1956	July 1957	Aug. 31, 1956	July 1957
Auto supplies	- 3	+25	NA	NA
Electrical, electronic and appliance goods	- 33	- 4	NA	NA
Hardware, plumbing, and heating goods	- 8	+ 5	NA	NA
Machinery equipment sup- plies	+ 5	- 7	+ 1	- 6
Drugs, chemicals, allied products	- 2	- 2	+15	+ 3
Dry goods	NA	NA	NA	NA
Grocery, confectionery, meats	- 8	+11	-12	+12
Paper and its products	-16	+12	+ 1	+ 1
Tobacco products	+ 6	+11	NA	NA
Miscellaneous	- 2	+ 6	- 3	+ 3
District total	-10	+ 3	+ 1	- 1

NA Not available.

Source: Bureau of the Census, Department of Commerce.

DEPARTMENT STORE OPERATIONS

(Figures show percentage changes)

	Rich.	Balt.	Wash.	Other Cities	Dist. Totals	
Sales, Aug. '57 vs Aug. '56	+ 1	+12	+ 7	+ 6	+ 6	
Sales, 8 Mos. ending Aug. 31, '57, vs 8 Mos. ending Aug. 31, '56 _____	- 2	+10	+ 5	+ 3	+ 4	
Stocks, Aug. 31, '57 vs '56 ..	0	+ 9	- 3	- 2	+ 1	
Outstanding Orders, Aug. 31, '57 vs '56 _____	- 4	+ 6	-13	+ 4	- 4	
Open account receivables Aug. 1, collected in Aug. '57 ---	32.9	49.3	43.8	36.8	42.6	
Instalment receivables Aug. 1, collected in Aug. '57 -----	10.8	13.5	12.4	16.4	13.0	
	Md.	D.C.	Va.	W.Va.	N.C.	S.C.
Sales, Aug. '57 vs Aug. '56 _____	+12	+ 7	+ 4	+10	0	+ 5

BUILDING PERMIT FIGURES

(37 Cities)

	Aug. 1957	Aug. 1956	8 Months 1957	8 Months 1956
Maryland				
Baltimore	\$ 4,261,090	\$20,904,756	\$ 46,697,315	\$ 52,397,194
Cumberland	139,600	76,150	844,716	1,113,250
Frederick	277,647	54,460	1,372,632	3,856,220
Hagerstown	190,790	120,145	5,707,286	926,655
Salisbury	82,495	64,317	906,327	1,346,322
Virginia				
Danville	270,690	569,377	4,391,398	5,739,296
Hampton	427,187	423,569	10,644,794	5,392,791
Hopewell	136,735	96,140	2,160,673	1,600,797
Lynchburg	458,115	601,020	6,237,614	7,276,575
Newport News	213,269	143,553	1,838,771	1,448,048
Norfolk	913,381	1,276,290	6,791,312	18,703,183
Petersburg	136,000	324,900	1,930,964	2,346,950
Portsmouth	538,532	269,185	2,383,406	3,776,269
Richmond	894,800	1,569,213	25,070,092	19,342,072
Roanoke	1,077,446	2,030,775	8,879,548	15,873,362
Staunton	782,965	245,551	2,008,976	2,030,890
Warwick	1,291,650	644,802	7,018,895	5,394,597
Winchester*	247,932	NA	1,354,258	NA
West Virginia				
Charleston	466,903	864,206	6,092,086	6,341,410
Clarksburg	218,499	82,825	1,264,988	1,421,998
Huntington	626,800	562,170	3,375,821	3,471,535
North Carolina				
Asheville	270,740	211,200	2,358,556	4,904,305
Charlotte	2,251,911	1,203,174	13,798,617	20,821,879
Durham	484,879	497,152	6,316,284	6,158,940
Gastonia	653,275	296,750	4,774,550	4,213,950
Greensboro	1,173,388	1,128,371	9,495,659	11,386,963
High Point	322,349	1,592,441	3,498,366	5,235,530
Raleigh	608,011	3,020,957	9,457,587	10,927,557
Rocky Mount	209,124	321,500	4,870,891	2,458,022
Salisbury	375,675	87,250	1,774,553	1,527,350
Wilson	258,800	113,400	1,531,560	3,292,053
Winston-Salem	2,426,975	2,409,302	13,379,631	11,601,560
South Carolina				
Charleston	NA	179,528	NA	2,493,016
Columbia	1,226,272	540,785	10,414,758	7,174,924
Greenville	369,400	349,609	3,679,797	4,494,050
Spartanburg	273,949	532,524	2,946,848	3,762,489
Dist. of Columbia				
Washington	3,813,555	4,689,528	49,672,179	37,948,917
District Totals	\$28,122,897	\$48,096,875	\$283,587,450	\$298,200,919

* Not included in District totals.

NA Not available.

Note: August 1957 figures for District not comparable with last year because Charleston, S. C. figures are not available.

FIFTH DISTRICT INDEXES

Seasonally Adjusted: 1947-1949=100

	Aug. 1957	July 1957	Aug. 1956	% Chg.— Latest Mo. Prev. Mo.	Yr. Ago
New passenger car registra- tion*	157	164	188	+ 5	- 1
Bank debits	196	204	188	- 4	+ 4
Bituminous coal production*	112	87r	108r	+29	+ 4
Business failures—number	238	286	298	-17	-20
Cigarette production	116	105	105	+10	+10
Cotton spindle hours	113	120	118	- 6	- 4
Department store sales	150	144	145	+ 4	+ 3
Manufacturing employment*	111	115r	115	- 1	+ 2
Furniture store sales	122	125	121	- 2	+ 1
Life insurance sales	278	274	230	+ 1	+21

* Not seasonally adjusted.

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FIFTH DISTRICT BANKING STATISTICS

DEBITS TO DEMAND DEPOSIT ACCOUNTS*

(000 omitted)

	Aug. 1957	Aug. 1956	8 Months 1957	8 Months 1956
Dist. of Columbia				
Washington	\$1,584,349	\$1,484,083	\$12,536,066	\$11,969,613
Maryland				
Baltimore	1,813,524	1,788,180	15,038,414	13,955,063
Cumberland	29,827	29,751	239,270	224,222
Frederick	25,893	26,285	220,291	207,693
Hagerstown	42,181	42,260r	369,683	355,896r
Salisbury	38,273	37,715	305,720	291,851
Total 5 Cities	1,949,698	1,924,191r	16,173,378	15,034,725r
North Carolina				
Asheville	96,800	78,102	645,669	587,878
Charlotte	445,373	444,882	3,592,541	3,533,028
Durham	97,643	103,221	742,620	706,636
Greensboro	178,267	168,851	1,446,729	1,300,655
High Point	55,512	56,689	458,742	441,976
Kinston	37,648	31,468	205,971	187,174
Raleigh	256,037	242,023	2,039,923	1,881,881
Wilmington	59,332	57,762	442,462	432,114
Wilson	41,592	31,015	195,539	177,646
Winston-Salem	196,029	207,853	1,554,946	1,538,362
Total 10 Cities	1,464,233	1,421,866	11,325,142	10,787,350
South Carolina				
Charleston	106,914	92,220	824,467	738,063
Columbia	204,846	196,577	1,678,948	1,563,402
Greenville	151,144	143,077	1,192,854	1,141,077
Spartanburg	78,886	75,560	572,986	565,176
Total 4 Cities	541,790	507,434	4,269,255	4,007,718
Virginia				
Charlottesville	46,637	39,856	350,031	309,402
Danville	54,622	45,402	374,333	340,958
Lynchburg	58,272	63,024	493,369	492,729
Newport News	63,321	61,667	511,872	501,459
Norfolk	332,106	325,410	2,669,655	2,505,075
Petersburg	29,493	26,320	220,409	227,905
Portsmouth	37,738	37,810	315,080	302,198
Richmond	831,819	794,822	6,188,653	5,670,185
Roanoke	172,495	158,039	1,312,243	1,236,938
Total 9 Cities	1,626,503	1,552,350	12,435,645	11,586,849
West Virginia				
Bluefield	60,809	60,715	494,512	456,258
Charleston	208,722	189,899	1,573,410	1,452,485
Clarksburg	44,745	40,218	344,249	324,012
Huntington	91,700	81,672	738,379	681,133
Parkersburg	42,001	38,415	315,100	294,877
Total 5 Cities	447,977	410,919	3,465,650	3,208,765
District Totals	\$7,614,550	\$7,300,843r	\$60,205,136	\$56,595,020r

* Interbank and U. S. Government accounts excluded.
r Revised.

WEEKLY REPORTING MEMBER BANKS

(000 omitted)

Items	Change in Amount from		
	Sept. 11, 1957	Aug. 14, 1957	Sept. 12, 1956
Total Loans	\$1,962,224**	+ 45,994	+107,263
Bus. & Agric.	919,657	+ 25,559	+ 61,822
Real Estate Loans	343,763	+ 3,260	+ 6,051
All Other Loans	731,140	+ 17,305	+ 45,390
Total Security Holdings	1,531,539	— 15,557	— 95,906
U. S. Treasury Bills	53,952	— 5,687	+ 4,952
U. S. Treasury Certificates	104,926	— 8,877	+ 50,218
U. S. Treasury Notes	149,126	— 3,402	—138,553
U. S. Treasury Bonds	957,732	— 424	— 13,523
Other Bonds, Stocks & Secur.	265,803	+ 2,833	+ 890
Cash Items in Process of Col. ..	383,848	+ 2,796	— 13,908
Due from Banks	186,995*	+ 4,616	— 4,580
Currency and Coin	87,601	+ 4,397	+ 3,535
Reserve with F. R. Banks	541,384	+ 17,439	+ 12,210
Other Assets	80,489	+ 1,077	+ 6,311
Total Assets	\$4,774,080	+ 60,762	+ 14,925
Total Demand Deposits	3,513,678	+ 54,075	— 41,728
Deposits of Individuals	2,657,800	+ 42,043	— 27,297
Deposits of U. S. Government	54,271	— 12,874	— 41,053
Deposits of State & Local Gov.	202,880	— 4,314	+ 24,658
Deposits of Banks	545,296*	+ 34,491	+ 2,056
Certified & Officers' Checks ..	53,431	— 5,271	— 92
Total Time Deposits	803,139	+ 6,755	+ 39,748
Deposits of Individuals	753,379	+ 5,307	+ 62,244
Other Time Deposits	49,760	+ 1,448	— 22,496
Liabilities for Borrowed Money	37,600	— 5,758	— 8,000
All Other Liabilities	64,778	+ 2,981	+ 10,350
Capital Accounts	354,885	+ 2,709	+ 14,555
Total Liabilities	\$4,774,080	+ 60,762	+ 14,925

* Net figures, reciprocal balances being eliminated.

** Less losses for bad debts.

