

MONTHLY REVIEW

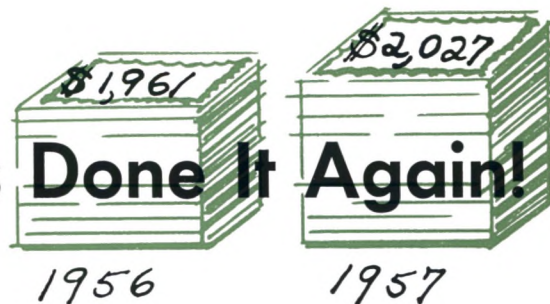


Wages and salaries make up over 70% of District personal income.

FEDERAL RESERVE BANK OF RICHMOND

OCTOBER 1958

Personal Income Has Done It Again!



Personal income is up again! Last year despite recession Americans pocketed more income than ever before in the history of our country.

Total personal income for continental U. S. climbed to \$345.3 billion—over 5% above its 1956 level. Per capita personal income—a figure far closer to the heart of John Q. Public—hit \$2,027. That's some 3% better than the previous record of \$1,961 established the year before.

DISTRICT DEVELOPMENTS Here in the District per capita incomes last year ranged from \$2,514 in the District of Columbia to \$1,180 in South Carolina. Average income ran \$2,156 in Maryland, \$1,660 in Virginia, \$1,554 in West Virginia, and \$1,317 in North Carolina.

Virginia nailed down the District top spot in total personal income—\$6.3 billion—over \$4 billion more than the \$2.1 billion earned by residents of the tiny District of Columbia. Maryland expanded her income to \$6.2 billion. West Virginia income moved up sharply but continued to trail that of North Carolina—by \$3.1 billion to \$5.9 billion. South Carolinians received \$2.8 billion.

TYPES OF PERSONAL INCOME Manufacturing still contributes the bulk of U. S. personal income. As indicated in the opposite table, manufacturing wages and salaries alone make up almost one-fourth of personal income. In addition, manufacturing produces a significant portion of proprietors' income, property income, and "other income." Agriculture—once the most important source of income—now generates scarcely 4%.

Property income (interest, dividends, and rent), wholesale and retail wages and salaries, and proprietors' income each make up about an eighth of the total. State, local, and Federal Government outlays supply another one-sixth. Wage and salary payments in service industries add one-sixteenth. Less important parts originate in finance, transportation, public utilities, and the like.

DISTRICT INCOME SOURCES District states depend upon quite diversified activities for their

livelihood. Washington residents quite naturally receive the bulk of their earnings—almost a third—as wage and salary payments from Uncle Sam. About a sixth of their income—an unusually high proportion—is dividends, interest, and rent. Service labor earnings are also quite important to the District of Columbia. Manufacturing and agricultural income are, of course, practically nonexistent.

Virginia and Maryland also depend heavily upon Uncle Sam's till for income because of their proximity to Washington. Government wage and salary payments provide a fifth of Virginia's earnings—the largest percentage in any state. Manufacturing wage and salary workers earn less than a sixth of her income, and farmers receive about one-thirtieth. Marylanders get over a fifth of their income from manufacturing wages and salaries, more than an eighth from Federal Government labor payments, and a shade above 1% from farming.

West Virginia looks to manufacturing wages and salaries—principally those from heavy industry—for 20% of her earnings. Agriculture—relatively important in most Southeastern states—produces scarcely 2%. West Virginia's best known activity—mining—pays wages and salaries totaling 15% of state personal income.

Neither of the Carolinas—in contrast to popular conception—obtains a large portion of her income from agriculture. Farming accounts for just 9% of North Carolina's total and for only 7% of South Carolina's. Manufacturing is the chief activity. Last year manufacturing wages and salaries made up over 25% of each state's income—a higher percentage than that for the U. S. as a whole. Individual proprietors are also relatively important income earners in both states.

WHAT IS PERSONAL INCOME? Personal income is about what its name suggests—the amount people receive in income. Less obviously, it's roughly their before-tax income. Since economic activity is so heterogeneous, personal income naturally in-

cludes many types of earnings: wages, salaries, profits of unincorporated businesses, rent, interest, dividends, pensions, subsidies, and the like. In addition, it covers unemployment compensation, old age and survivors' benefits, and a few non-monetary types of income such as the rental value of owner-occupied homes.

Per capita personal income should not be confused with an average worker's earnings. Per capita income—total income divided by total population—is always smaller since a large portion of people—many children and housewives, for example—do not directly receive income.

HOW IMPORTANT IS PERSONAL INCOME? Personal income is one of the better measures of an economy's performance since it's the net result of a large percentage of all business activity—good as well as bad—local as well as nationwide.

Personal income is particularly useful for regional comparisons since few other comprehensive measures are published on a state as well as on a national basis. It's also valuable in other ways: forecasting changes in consumer outlays, estimating business sales potentials, gauging tax yields, predicting gross national product, and so on. Few economic statistics are more versatile.

PER CAPITA INCOME ACROSS THE U. S. The range among per capita state incomes narrowed slightly in 1957, but wide disparities still exist.

Connecticut residents replaced those of Delaware as the nation's top earners with a per capita income of \$2,821—almost three times the \$958 of the average Mississippian. Others ranking quite high were: Delaware, \$2,740; New York, \$2,578; California, \$2,523; the District of Columbia, \$2,514; and New Jersey, \$2,504. Six other Southeastern states with average incomes of less than \$1,400 shared the other end of the scale with Mississippi.

The relative positions of per capita incomes of the country's eight regions remained unchanged. The Far West was tops with \$2,407, just nosing out the Mideast with \$2,394 and New England with \$2,298. Other regional averages were: Great Lakes, \$2,214; Rocky Mountains, \$1,865; Plains, \$1,823; Southwest, \$1,752; and Southeast, \$1,427.

SOME DIFFERENCES IN THE TOTALS Differences among state total personal income levels widened again in 1957. As one might guess, heavily populated New York strengthened its hold on the top spot—this time with a \$41 billion total. Also among the first five were California—with \$35 billion—and Illinois, Pennsylvania, and Ohio—each earning in excess of \$20 billion. Vermont's \$626 million trailed incomes in the other 47 states. Nevada and Wyoming, however, each had less than \$650 million.

The relative importance of different types of income varies widely among Fifth District states and the United States as a whole.

SOURCES OF PERSONAL INCOME IN 1957

As Percentages of the Total

	Labor Income Paid by						Total	Proprietors' Income	Property Income	Other Income	Total Income
	Manu- facturing	Mining	Trade	Federal Govern- ment	Miscel- laneous						
U. S.	24	1	12	5	29	71	13	12	4	100	
MD.	21	0	12	14	29	76	9	12	3	100	
D. C.	2	0	10	32	25	69	8	16	7	100	
VA.	16	1	11	20	28	76	11	10	3	100	
W. VA.	20	15	10	2	29	76	10	9	5	100	
N. C.	25	0	11	7	26	69	17	10	4	100	
S. C.	26	0	10	11	25	72	14	9	5	100	

PER CAPITA INCOME TRENDS The increase in national per capita income last year—the fourth straight year of rise—was a continuation of a long upward trend that has lifted U. S. average incomes 188% since 1929. All regions have shared in this growth, but expansion in the Southeast has been by far the greatest—288%. The 270% in the Southwestern states has also been quite rapid—a sharp contrast to the 146% turned in by the slowly growing Mideast and the 162% chalked up by New England. Other rises were Great Lakes, 176%; Plains, 219%; Rocky Mountains, 213%; and Far West, 165%.

The Fifth District includes the areas with both the largest and the smallest per capita income changes since 1929. The percentage rise in incomes in South Carolina—the southernmost of District states—has led the entire nation. The increase? A whopping 337%! Virginia, West Virginia, and North Carolina have also scored well above average rises. Maryland's expansion trails the U. S. rise by a few points. The District of Columbia's 97% growth since 1929 has been the slowest in the nation.

The small shifts in the growth trends plotted in the chart below demonstrate how slowly forces operate to change relative per capita income levels. Throughout the postwar period, there has been just one shift in Fifth District positions; West

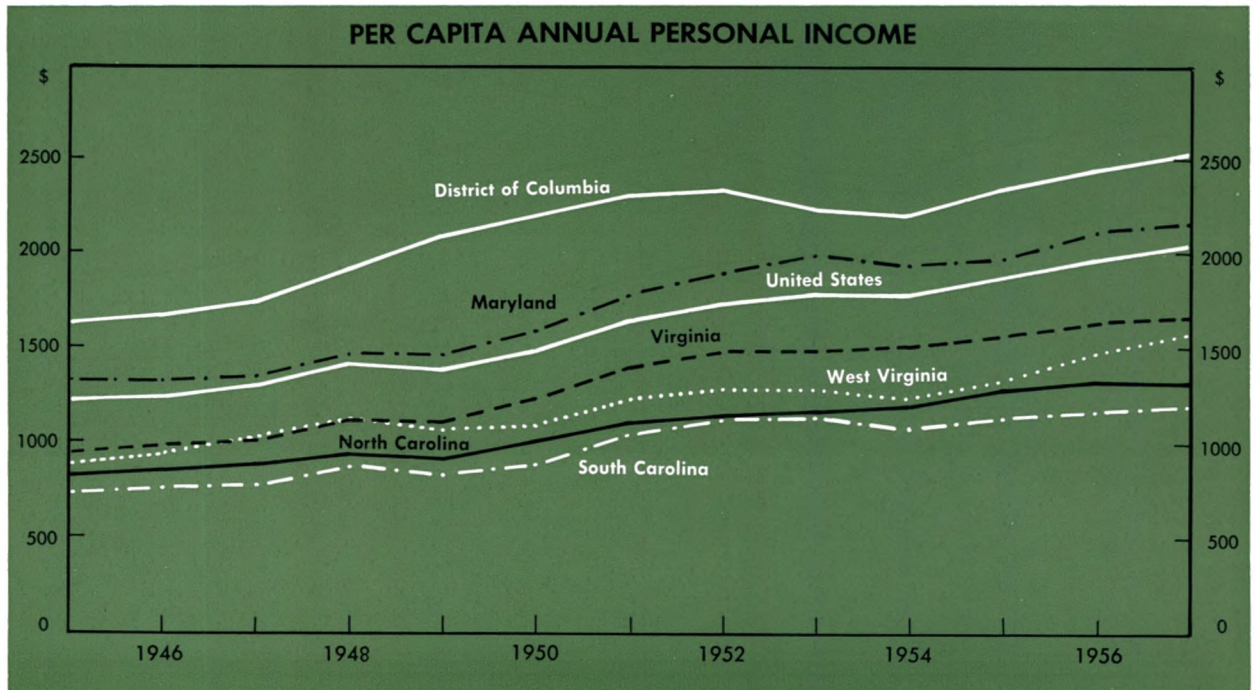
Virginia temporarily moved ahead of Virginia during 1947 and 1948. In all other cases, state and U. S. incomes have moved up and down together with greater fluctuations in West Virginia income because of her large concentration of heavy industry.

District of Columbia and Maryland residents have consistently earned more than average Fifth District or U. S. citizens. Virginians in most years have averaged higher incomes than residents of the three other District states. Neither the average Old Dominion resident nor the typical West Virginian or Carolinian, however, has yet equalled the national average.

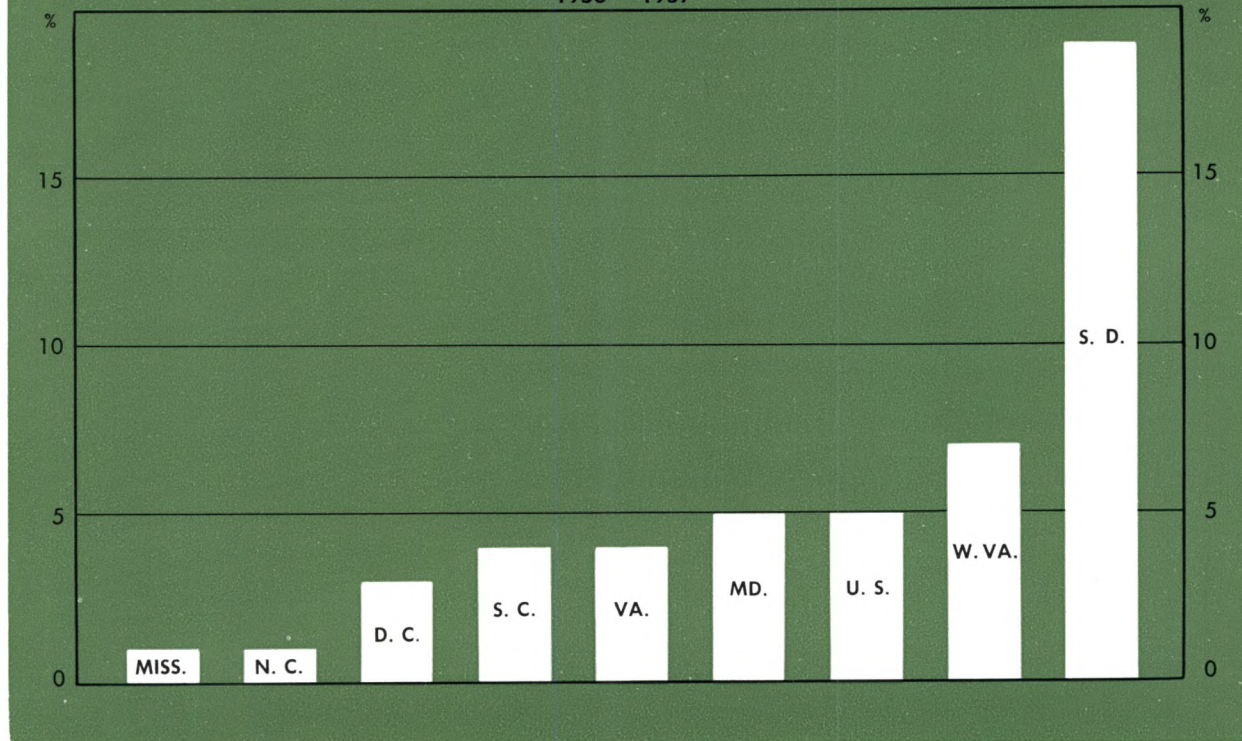
GROWTH RATES IN 1957 Last year the spread in state per capita income growth rates reached from a drop of 4% in Delaware—the most rapidly growing state in 1956—to a remarkable 17% increase in South Dakota. Expansion was particularly rapid in the Midwestern farming areas; Nebraska and Iowa, in addition to South Dakota, both scored increases of 10% or more. New Mexicans also rolled up a 10% increase. Per capita incomes in Michigan, North Carolina, and Mississippi inched downward about 1%.

All District states except North Carolina shared in the national increases. Virginia's rise, however, was only 1%; Maryland and South Carolina incomes inched up just 2%; and those in the Dis-

Per capita incomes of District states have grown throughout the postwar years with little change in relative state positions.



CHANGES IN TOTAL PERSONAL INCOME 1956 — 1957



Increases in state total personal incomes last year ranged all the way from 1% in Mississippi to an amazing 19% in South Dakota.

trict of Columbia about equalled the national 3% gain. West Virginians added a whopping 7% to their average earnings—just tying Colorado residents for sixth place in the 1957 national growth race.

On a total as well as on a per capita income growth basis, the agricultural states of the Midwest paced the nation in 1957. South Dakota income jumped 19%; Nebraska's rose 15%; and Iowa recorded a 12% increase. Other states whose percentage rises ran into double figures were New Mexico, Florida, Louisiana, and Colorado. Income expanded in every state—even though rises were just 1% in such diverse states as Rhode Island, Delaware, North Carolina, Mississippi, and Oregon. Increases in nine other states were held to 3% or less.

On a broad regional basis, the Plains, Rocky Mountain, and Southwestern states tied for first place with 7%. Great Lakes states recorded only a 4% rise, all other regions expanding by at least the national average.

Here in the District, West Virginia bettered the national 5% rate; Maryland equalled it; and Virginia, South Carolina, and the District of Columbia fell only a little behind. Incomes in

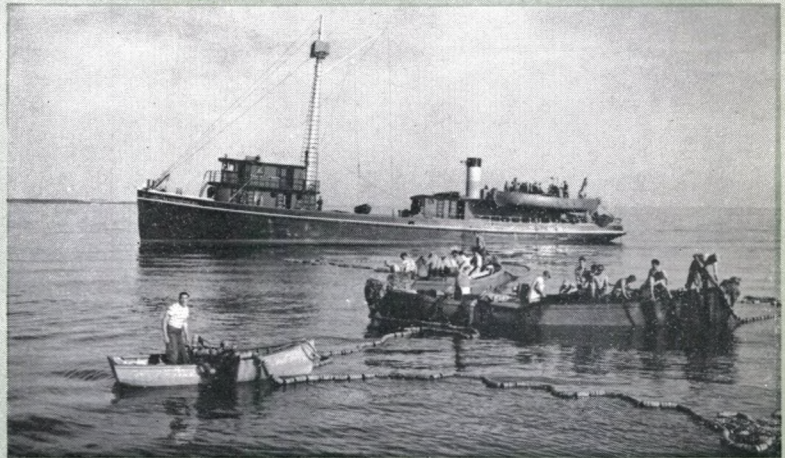
South Carolina—hard hit by a heavy loss in farm income—expanded hardly at all.

DIFFERENCES IN INCOME LEVELS What causes these large regional and state income differentials? The slow relative changes suggest that most of the differences result from such basic factors as the type of natural resources; the per cent of the population employed; the education, temperament, and ethnic background of the population, and so on.

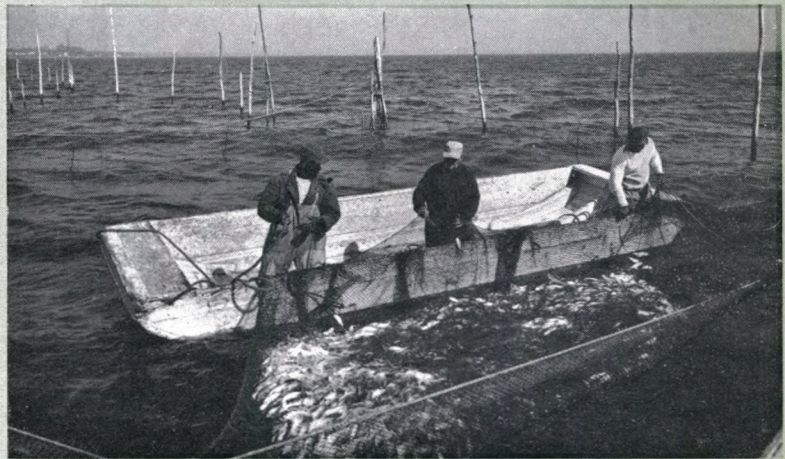
Quick changes in growth rates, however, usually stem from such transitory factors as recessions, weather conditions, shifts in Government policies, changes in the competitive positions of dominant industries, and the like. Last year, for example, the relatively slow growth in the Great Lakes region was due to some extent to heavier-than-average effects of the recession upon heavy industry there. The farm states of Iowa, South Dakota, and Nebraska last year were also special cases where sharp rises in farm income—104% in Nebraska—lifted personal income quite rapidly. Farm income had just the opposite effect in Fifth District states, offsetting other generally favorable factors enough to hold the District rise to only average proportions.

A Fisherman's Platter

THE FOUR coastal states of the District provide home ports for more than 1,600 larger fishing vessels such as the William T. Covington, Jr. shown here in Chesapeake Bay. Her crew are pulling in a purse seine used to catch menhaden for the production of oil and fish meal.



MENHADEN and its cousin the alewife are also caught in fish pounds, nets fastened to poles driven into the bottom. These three of the more than 30,000 commercial fishermen in the District are transferring their catch from a Maryland pound net to their flat-bottomed boat.



THIS TRIO of North Carolina fishermen are pulling in a net full of mullet caught from the shore. Mullet, croaker, striped bass, shad, sea bass, sea trout, and flounder are important edible varieties among the more than 50 species of fish caught commercially in District waters.





of the Fifth District



SHELLFISH account for two-thirds of the \$43 million worth of fish landed at District ports, and oysters make up a bit more than two-thirds of the value of the shellfish. Here seed oysters are examined before being planted to insure continuing good crops of the mollusks.



CLAMS are dug all along the shores of the District, but Maryland and Virginia produce the greater share of the commercial crop. These two states are also the scene of capture of most of the crabs that account for about one-tenth the value of the District fishing catch.



A PART OF the shrimp boat fleet at Beaufort, South Carolina, awaits its next trip in pursuit of this widely sought prize. Boats from both Carolinas range the coast from Hatteras to the West Indies to bring back what is generally the largest money catch in each state.



This year's District corn crop—almost 50% larger than last year's—will be the biggest since records began in 1866.



Typical of this year's abundant harvest throughout the District is the sharply increased crop of generally high quality apples.

A Bumper Harvest in Sight

This has been a good year for Fifth District farmers. Abundant rainfall and the generally excellent growing season have virtually assured a bountiful harvest. Unless tripped by late season weather hazards, record or near-record production and new peaks in per-acre yields will be marked up for several crops.

Production gains over last year ranging from slight to spectacular are anticipated for most major District crops. Only cotton and oats show significant declines from a year ago, and both crops are being grown on sharply reduced acreages.

In keeping with the generally favorable crop outlook is the fact that for most crops District production prospects this year are significantly above the average for the last ten years. For each of the crops with lower-than-average output, 1958 acreage is substantially below the average acreage harvested during this ten-year period.

ABUNDANT FEED Hay crops and pastures over much of the District continued to grow during

July and August almost as in early spring. The grazing plenty has been in sharp contrast to the drought-damaged conditions that prevailed last year, and the hay crop is expected to be one-sixth larger. Some hay was lost because of wet and humid weather at harvest time.

Total feed grain production now shaping up looks to be one-third larger than last year. The corn and sorghum grain crops give every indication of being nearly half again as large as in 1957. Record yields are pushing the corn crop to a new production peak, while greatly improved yields and a 10% larger acreage are combining to produce the unusually large crop of sorghum grain. Barley production, expected to be about 10% above last year's, is also the result of excellent yields.

The oat crop, on the other hand, is turning out to be 10% smaller than the 1957 crop. Per-acre yields are higher in all District states, but wet weather interfered with planting of both winter

and spring oats and the acreage for harvest is down rather sharply.

Yields near record levels produced a wheat crop about one-sixth larger than last year despite a sizable cut in acreage. Rye gained similarly.

LESS ACREAGE, MORE TOBACCO Tobacco got off to a late start this spring, and the acreage of practically all types was reduced because of heavier Soil Bank participation. Nevertheless, the nearly ideal growing season and generally favorable harvesting conditions joined forces to put the outlook for total 1958 production at 10% above 1957's output. If present expectations materialize, production of all except the Virginia fire-cured type will be larger than last year. And the fire-cured crop will be down only slightly despite a 12% reduction in acreage.

A flue-cured crop of 967 million pounds, averaging a record high 1,684 pounds per acre, is now in prospect. If realized, a crop of this size would exceed the District's 1957 harvest by 10%. It would fall short of the record 1955 crop by about 25%, however, and it would be 17% below the average for the past ten years.

OTHER PRODUCTION INCREASES Like corn farmers, soybean producers are looking forward to a record-breaking crop. Some 14% above 1957 and more than two and one-fourth times the ten-year average production, the large crop is the result of a new peak in per-acre yields and a slightly larger acreage.

Farmers harvested a late spring crop of Irish potatoes about the size of last year's, but output of early summer potatoes was one-fourth larger than 1957's. A 10% bigger crop of late summer potatoes is now moving to market, as is a slightly larger harvest of sweet potatoes. The smaller sweet potato production expected for the Carolinas just about offsets the substantially larger crops being produced in Virginia and Maryland.

Orchardists are also enjoying a good year on the production front. Except in North Carolina, where Elbertas and other late varieties of peaches did not turn out as well as growers had expected, production of both apples and peaches is up in each state. Harvest of a District peach crop one-sixth larger than last season's and 45% above average is practically complete. And a generally good to excellent quality apple crop nearly 30% larger than 1957's and around one-third bigger than average is now anticipated.

SMALLER COTTON AND PEANUT CROPS This year's cotton crop, currently estimated at 503,500 bales, is the smallest crop of cotton grown in the District since 1875. It is less than half the average for the past ten years and 14% under last year's total.

Though cotton allotments this year were about the same as in 1957, cotton farmers placed 45% of their allotted acres in the Soil Bank. Cotton acreage for harvest is thus down sharply—25% under last year and more than 60% below average. Per-acre yields are greatly improved, however—in fact, at 381 pounds per acre, they will be the highest since 1948. Only three times since records began in 1866 have they been higher.

Peanut producers are expecting a slightly smaller crop of peanuts this year than in 1957, but production promises to be somewhat above the ten-year average. Peanut acreage is the same as last year, but yields per acre are down slightly. Though somewhat lower, the prospective yield of 1,776 pounds is well above average and exceeded only by 1956 and 1957.

HIGHER INCOME IN SIGHT The outlook for an abundant harvest this fall gives every indication that crop income this year will be larger than in 1957. This prospect, plus the fact that cash returns from livestock marketings are running well ahead of last year, seems to assure that cash farm income this year will be considerably higher than the reduced 1957 income.

Exactly how much income farmers will realize from this year's big production will of course be determined in large part by the prices they receive. Thus far this year, farm product prices have averaged 6% above a year ago. They have turned downward during the past three months as the volume of marketings has increased, but through the middle of August they were still averaging slightly higher than at the same time last year.

With the abundant supplies of hay and feed grains, livestock production will be well supported and producers will not have the added expense of buying feed as they did last winter, thus realizing a higher net income.

Coming on the heels of the greatly reduced 1957 crop output, this year's prospect for a bumper harvest has no doubt put farmers in a freer-spending mood. This means more business on Main Street. Especially is this true in the flue-cured tobacco producing areas where growers are benefiting from a 10% larger crop and slightly higher average prices.

The Fifth District

The favorable tide of economic news continued in the District in September. The farm outlook was one of abundance (see page 8), industry after industry found a mounting demand for its products, employment rose, and, most important of all in a market economy, the consumer bought. Recovery continued—but stayed short of the surf-like turmoil of the boom, as cotton textiles still sought buying strength for apparel fabrics and bituminous coal mines operated far short of year-ago levels.

EMPLOYMENT Widespread gains occurred in District employment from July to August, and the total lacked little more than 2% of equaling the high level of August 1957. Every state showed July-to-August gains in virtually every major category of work except the service industries, which held even with July and were still more than 2% above last August.

EMPLOYMENT Other Than On The Farm

Fifth District States	Percentage changes August 1958 from	
	July 1958	August 1957
Manufacturing	+ 2.6	— 4.8
Mining	+ 1.3	—16.2
Contract Construction	+ 1.8	— 6.6
Transport., Communi. and Public Utilities	+ 0.7	— 8.0
Trade	+ 0.1	0.0
Finance, Insurance, and Real Estate	+ 0.1	+ 1.1
Service and Miscellaneous	0.0	+ 2.2
Government	+ 0.3	+ 3.3
Total	+ 1.1	— 2.4

Rising employment and longer work weeks brought increases in man-hours employed in manufacturing. Here too pervasiveness was the key description: such diverse industries as primary metals and paper mills showed appreciable gains, and most changes for the month were plusses.

As employment rose, unemployment fell in August, and the gains carried forward into September. Unemployment, as reflected by claims under unemployment insurance, is still a serious problem in some states of the District. Totals nevertheless

have shown continuing improvement from last spring.

TEXTILES Along with the autumn colors that began to appear at the outset of this month was a rosy glow of hope that business might be on the upgrade in the District's complex cotton textile industry. This hope, however, has been entertained more than once during recent months only to be followed by further depression of prices as orders continued to decline and inventories failed to decline. But with the general economic recovery having advanced on a wide front to raise national income to record levels, hopes have appeared again that demand for apparel and industrial textile products will increase and work back in a swelling volume of orders to yarn and fabric mills.

This would probably tend to alleviate what cotton fabric mills describe as their most pressing problem—the very low level of profit margins.

Although the cost of raw cotton is slightly higher now than it was a year ago, mills are receiving substantially lower prices for cotton gray goods.

Despite the general recovery of business, the cloth market continues on the eve of its usually busiest season to show a disinterest in placing orders to cover future requirements. It is still characterized by a small volume of orders placed mainly for immediate requirements.

One of the brightest spots currently is the market for industrial fabrics. An improved demand developed during the past two months for selected kinds of heavy industrial gray goods and brought some slightly higher prices. It is hoped that the settlement of management-labor negotiations in the auto industry will be followed by an increasing flow of orders for the kinds of fabrics used by the auto makers.

A fad in the field of apparel has boomed retail sales of women's leotards and has accelerated the pickup that had begun earlier in the demand for synthetic fabrics. Orders have been so large that some mills have switched operations from the production of yarn for woven fabrics to the production of stretch yarn for use in making these knitted tights. In general, there has been a significant improvement in the last couple of weeks in mill sales of rayon, acetate and other synthetic yarn fabrics.

Another busy spot in the District's textile industry is hosiery. Knitting mills in general are operating at the highest rates this year, thanks in part to the leotard fad, and hosiery mills in particular are producing seamless stockings at near capacity rates. Production of full fashioned hosiery, which had lagged well behind the market improvement for seamless, has had a modest pick-up. Still another feminine vogue of considerable importance in recent hosiery business is the current fashion of wearing colored hose to match the rest of the ensemble. Market reports indicate that satisfactory retail sales prospects should support operations in hosiery mills at relatively high levels through this fourth quarter.

RETAIL TRADE Department stores have shared handsomely in the upward march of retail trade since last March, and early September sales—though down from August—indicated a continuing good performance. For a number of reasons these stores cannot be taken to represent total retail trade; yet their operations give interesting insights into current trade developments.

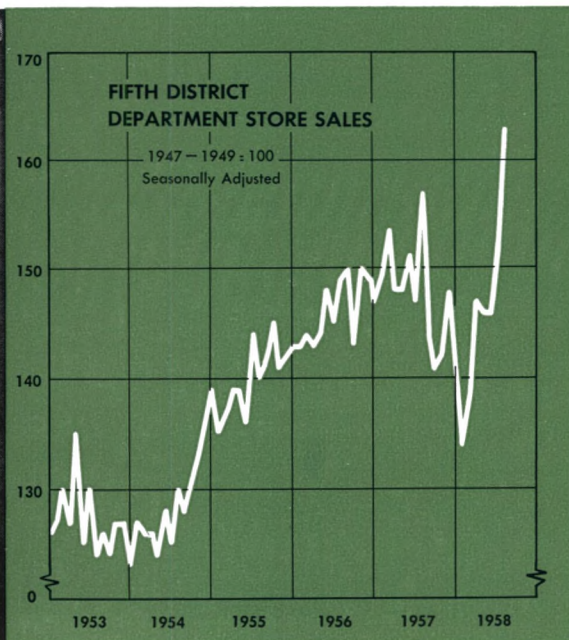
A look at their sales by departments, for example, shows that at the group of larger stores that report in this detail, sales of men's and boys' clothing were quite important in producing record high total sales in August. Women's and misses' clothing lagged behind—despite distinctive new

fashions—and appliances, radios, and phonographs proved a real drag on the upward trend of sales. The highly successful August "white sales"—sheets, pillow cases, towels, and the like—were reflected in household textile sales totals, which showed, next to male attire, the best gains from a year ago. This emphasis upon soft goods is particularly interesting in its implications for the Fifth District's textile industry.

There were wide city differences. Washington stores continued to profit from the recent Federal pay increases, and total sales in the Washington metropolitan area showed a good increase from the year before. This was shared by such diverse locations as Roanoke and Lynchburg, Virginia; Winston-Salem, North Carolina; Greenville and Spartanburg, South Carolina. Equally scattered cities showed declines ranging from nominal to substantial. In short, gains and losses could not be linked to ready explanations.

The good August sales in most stores pulled down total inventories, which had already been trimmed from 1957 levels, and by the end of the month these stocks were 6% below the end of August 1957. Orders outstanding for new merchandise were up seasonally but were still at about their curtailed level of a year ago. Department store executives comment that the past year has brought improvement in inventory control and that they expect higher levels of business to be

Back-to-school shopping and clothes for Dad pushed department store sales to a new high in August. Soft goods have led the increase in retail sales since March, while sales of home appliances and other consumer durables have lagged in the competition for the consumer's dollar.



handled without a proportionate increase in stocks and outstanding orders.

Department stores make more than half their sales on credit, either on some form of open account or on an instalment contract. Despite the widely varying economic conditions, there was little change in 1958's cash proportion from that of 1957. To be exact, 44.2% of August's sales were for cash as compared with 44.6% for August 1957. Credit sales in 1957 and 1958 ran somewhat more to the instalment type than in 1956 in spite of a decline in sales of durables. This is likely due to the increasing use of budget accounts, which call for regular monthly payments, in place of the traditional open account.

BITUMINOUS COAL District mines raised their coal output in August almost to the June level, a gain over July and a real increase from the lows of last April and May. The better rate of output continued into September, bringing the output for the four weeks ended September 13 within one-fifth of the production of the same period a year ago.

Foreign loadings through District ports continued to lag last year's by about one-third, with no signs of an early upturn. Domestic cargo loadings at the ports were down about the same amount, and price competition from residual fuel oil recently increased along the eastern seaboard.

Conflicting reports appeared last month concerning a possible wage increase for bituminous coal miners. The United States Department of Labor raised the minimum wage to be paid for mining coal purchased by the U. S. Government, and this action was followed by firmly denied rumors that new wage scales were being negotiated to give miners \$1.20 more per day with a future 10 cents a ton increase in the welfare fund royalty. The increase called for by the Government under the Walsh-Healey Act still leaves the minimum wage below the existing union rate.

FURNITURE August figures confirmed earlier reports of a promising upturn for furniture manufacturers. As in July, sales were reported to have passed the year-ago mark, and production for the month showed a substantial further increase from July to narrow the gap with last year's production levels. Man-hours for August increased 8% over July to come within 3% of August 1957.

Industry spokesmen point to the improved rate of home building as promising continued better sales of furniture.

CONSTRUCTION August found construction contract awards continuing at high levels. Residential and nonresidential building awards declined by about one-sixth from July, but they both continued to run well ahead of year-ago totals. Public works and public utility construction contracts rose by one-third over July and were more than double the total for August 1957. The sum of all awards in August was down slightly from July, making the month the second best in recent years.

Total construction awards in the District continue to turn in a better performance against the year-ago standard than does the U. S. total. August awards were up in the District nearly 40% from 1957, compared with 23% for the nation as a whole. In July the comparison was 64% as against 24%. These substantial gains are the forerunner of a good level of construction activity in the months ahead.

BANKING Loan demand at District banks still fails to reflect clearly the widespread improvement in other District business activity.

The rapid upward pace of real estate loans has slowed slightly in recent weeks. Gains scored at District weekly reporting banks in the five weeks ending September 24 totalled \$5 million—no more than might normally be expected this season of the year.

Loans to commercial and industrial businesses also rose about seasonally during these weeks. Since the seasonal upswing began at the end of July, gains have exceeded those of last year but have lagged those of 1956.

Consumer loans—after showing sparks of vigor a few weeks ago—dropped sharply the third week of September. During the five weeks ending September 24, consumer loans of District weekly reporting member banks fell by more than the combined drops the like periods of 1956 and 1957.

PHOTO CREDITS

6. Virginia Chamber of Commerce - Maryland Department of Information - North Carolina Department of Conservation and Development 7. North Carolina Department of Conservation and Development - Virginia Chamber of Commerce - South Carolina Development Board 8. Southern States Cooperative - Virginia Department of Agriculture 11. Thalhimers.