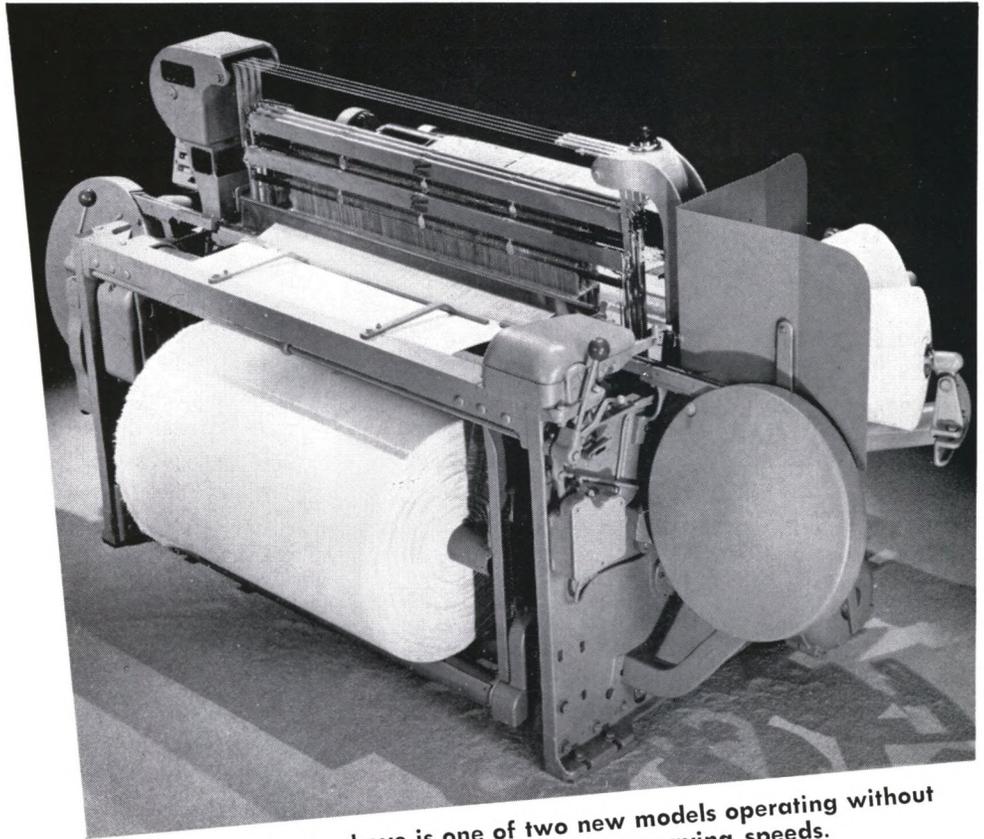
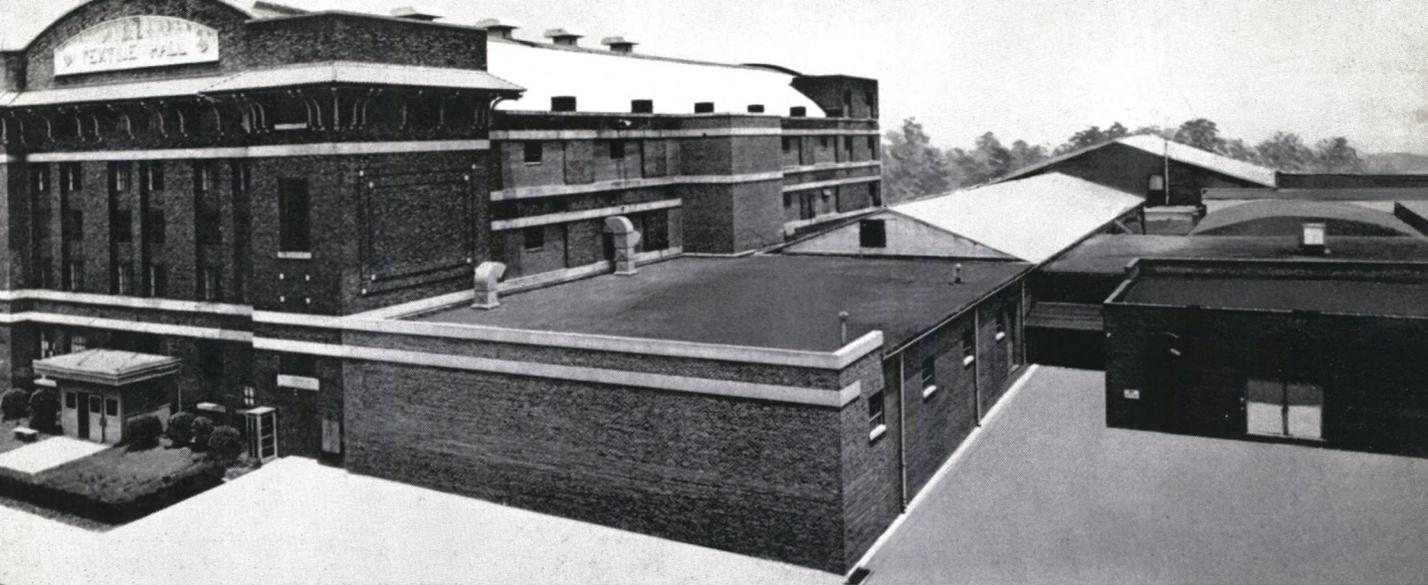


# MONTHLY REVIEW



The loom shown above is one of two new models operating without a shuttle thus permitting higher weaving speeds.



## THE 21ST SOUTHERN TEXTILE EXPOSITION

The 21st biennial Southern Textile Exposition held in Greenville, South Carolina, from October 3 through October 7 was for many reasons an event of considerable significance. First, it was in itself an impressive spectacle. Here was a great display of machinery, equipment and supplies carefully put together by over 380 participating firms specifically to demonstrate their ability to serve the textile industry. The three floors of Greenville's original Textile Hall, its eight rambling, single-storied, permanent annexes, and an additional ninth annex across the street provided an area of more than 100,000 square feet. The aisles between the exhibits were so filled with spectators that it was frequently impossible to move at more than a snail's pace. In the vicinity of especially interesting displays the flow of traffic often halted completely, and another route had to be sought if a desired destination lay beyond such an intent group. The sheer size of this textile equipment show was impressive, and yet many applicants were turned away for lack of space.

**BUSINESS WITH PLEASURE** The sauntering crowd with its bamboo canes, gas balloons and other tokens of promotional ingenuity created a superficial, carnival-like atmosphere. The constant rattle and roar of machinery in operation, mingled with the cacophony of hundreds of voices, added to the impression of zestful confusion. These first impressions, however, turned out to be distinctly misleading. All of the approximately 30,000 persons who attended the exposition were directly connected with or keenly interested in the textile

industry. Admission was controlled by Textile Hall Corporation (owner and operator of Textile Hall) by issuing a personal identification badge to each visitor. In order to obtain this badge a visitor had to have the approval of either an official of Textile Hall Corporation or one of the exhibiting companies. The policy of controlled admissions prevented the merely curious from entering to increase the congestion unnecessarily. It also provided a tentative indication that the streams of enthusiastic people were there strictly for business reasons.

This view was strongly supported by the fragments of conversation which one unavoidably overheard at such close quarters. Most of the spectators were experienced in the executive and technical problems of the textile firm. They found in Greenville much that was new and interesting. This was true even of those who had attended the American Textile Machinery Exhibition in Atlantic City less than five months earlier. Machine technicians are constantly improving their products and shaving pennies off the textile manufacturer's operating costs. At every opportunity suppliers talked about new ways to economize on both direct and overhead costs. New devices for measuring, improving and stabilizing quality of product were among the popular exhibits. With competition on the rise from both foreign and domestic producers, the mill operator's interest in these problems remains high.

### **MODERN METHODS IN AN ANCIENT INDUSTRY**

A visitor, observing the people and the objects of



New, highly mechanized equipment attracted large crowds to Textile Hall during the entire week of the Southern Textile Exposition.

their intense interest, quickly became aware of the show's deeper significance. The exposition revealed a surprisingly dynamic state of progress in one of man's most ancient crafts. The weaving of fabrics has been an art and an industry for longer than any archeologist or historian has been able to discover. The Egyptians were weaving in fairly complicated patterns 35 centuries ago. Yet revolutionary developments in this most basic textile operation are the talk of the industry.

The lengthwise strands of yarn (the warp) are brought to the loom already fully prepared for weaving, and wound on a great spool or "beam". The speed of the actual weaving process depends on the rapidity with which the loom can interlace the warp with cross threads or "filling". The traditional loom does this by raising alternate strands of warp to form the "shed" through which the shuttle is propelled at a high rate of speed paying out the filling yarn (formerly called the "weft" or "woof") which has been wound on a bobbin and placed in the shuttle. In one minute the shuttle-type loom may place 150 to 200 strands of yarn per minute across the loom, weaving during that period from two to three inches of cloth.

**SHUTTLELESS LOOMS** Two kinds of looms which operate without a shuttle have been through a lengthy period of development and testing, and are now ready for use in production. Of these two, the less marked departure from the conventional shuttle is achieved by the simultaneous action of two new-type carriers for the filling yarn. These are special hooks on the ends of two steel tapes, one on each side of the loom, which dart out toward each other when the shed is open and return to their respective positions as it closes again. From the right side of the loom the carrier brings to the middle of the cloth the first half of a piece of filling yarn which has been automatically measured to span the width of the cloth twice. Simultaneously from the left side the other carrier darts out, picks up the yarn, and draws it through, leaving a loose end on the left edge of the cloth. On the next action of the loom the other half of the piece of yarn is carried across leaving a selvage on the right and another loose end on the left. This shuttleless loom in a given operating time typically produces from 25% to 35% more cloth than the conventional loom.

A device which differs more radically from the

conventional shuttle is to be seen in a new loom with a distinctly international flavor. It was invented by an Estonian working in Sweden and is now being or about to be manufactured under franchise in several countries. This loom measures and cuts a strand of filling yarn to a length equal to the width of the cloth with enough added to keep the loose ends from working back through the warp yarn. At the precise moment that the harness of the loom divides the threads of the warp this measured length of filling yarn is carried across by a jet of compressed air and clapped in-to place next to its predecessor. The loose ends of the cross threads fringe both edges of the fabric, but in perfect alignment. The speed, precision and quietness of this loom are its most impressive features. It can insert the filling at speeds of from 320 to 400 threads per minute, about twice the speed of the conventional loom. Present limitations on the width of the fabric, however, partially offset this advantage.

The shuttle has been the basic feature of the power loom ever since its invention about two hundred years ago—and it has also been the principal deterrent to greater speed.

In contrast to shuttleless looms, most of the new developments in textile equipment seem comparatively unspectacular. Some of them are quite technical in nature (dealing, perhaps, with some special phase of a finishing process or speeding up and improving some part in the preparation of fiber for spinning) and only the expert can appreciate their significance. Because of the complexity of interrelationships between various stages of textile processing—a change which benefits one operation may hinder another—even the experts are reluctant to estimate the importance of a new method or device in simple, quantitative terms.

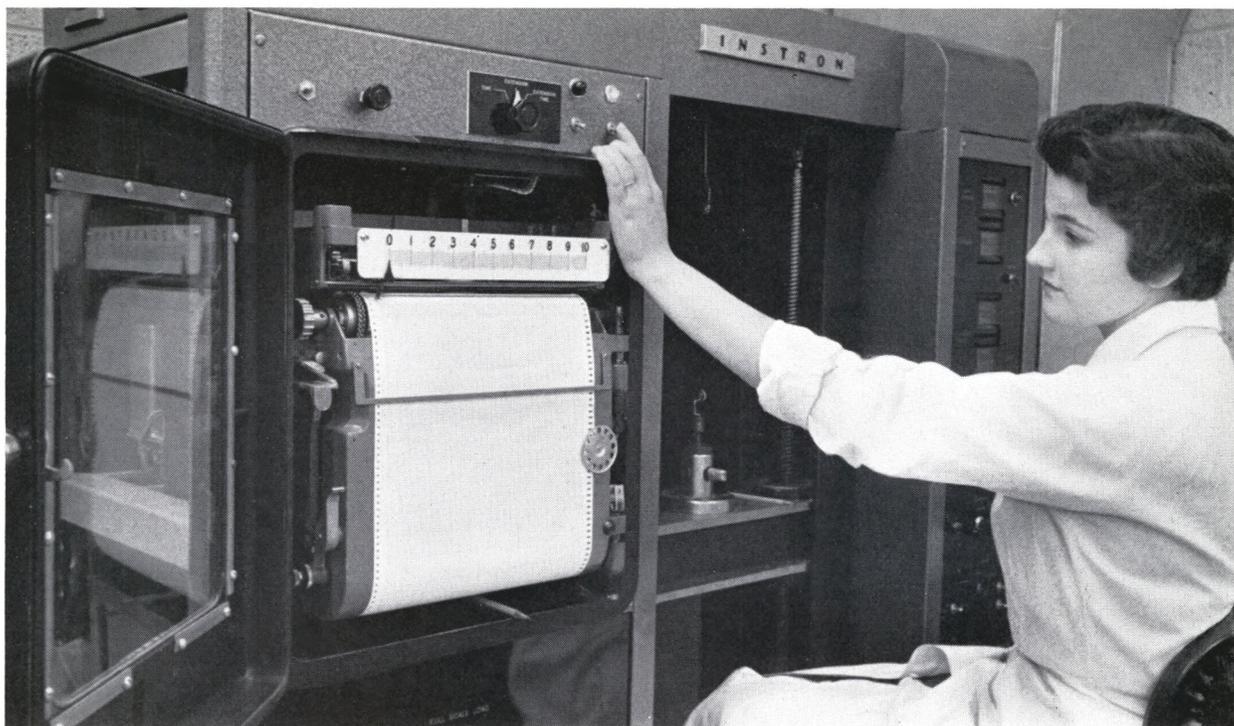
**ELECTRONIC CONTROLS** Two examples of the use of electronic devices will illustrate a bit more specifically the directions in which textile manufacturing is making progress. One is the use of magnetic devices to control tensions and pressures on goods in process. As yarn in process passes through the maze of guides, is wound and unwound, and stretched in a multiple of parallel strands for winding on beams to feed the looms, one of the critical problems is maintaining the right tension on the yarn at every point. Metal disks of a certain weight placed over the pins around which the yarn is drawn have been used to accomplish this. A change in the yarn or in some other factor may require an adjustment of

tension by changing the weight of the disks. On standard repetitive operations the need may seldom arise. When it does, however, production stops until the changes have all been made. By installing small electromagnets at the base of the guide pins and placing lightweight disks over the pins, the pressure on the yarn passing beneath each disk can be varied at will and in exact compliance with any requirements simply by varying the current in the magnets. With controls which can set these magnets individually or collectively as needed, the problem of tensions is effectively solved.

A second example is that of electronic quality measurement and control. An electronic tension gauge can measure and record tensions on yarn without altering the condition of the yarn in any significant way. A beam of light which scans the warp as it is being prepared for the loom can detect the most minute defect and either stop the machine or simply record the defect's location. A variation of the same device counts all defects and classifies them as exceeding or falling short of any pre-selected dividing line between those that do and those that do not affect the acceptability of the product.

**MORE AND MORE VALUE PER DOLLAR** Technical accomplishments in the ancient textile industry seem just now to be approaching the magnitude of a new revolution. The shuttleless loom, electronic devices which measure production and will come more and more to control it, the growing field of synthetics, and the exciting but still uncertain area of nonwoven fabrics (in which several enterprises are experimenting) are all of the nature of radical change. Through such developments consumers have assurance that textile manufacturers will continue to give them greater and greater value for their dollar, as the decline in wholesale prices of textile products and apparel over the last ten years indicates they have done in the past. By way of contrast, wholesale prices of most other manufactured products have increased markedly during this period. Price reductions have been possible only because of the constant drive in textile mills (so apparent at this exposition) to increase efficiency and reduce costs. In Fifth District mills in 1954 value added per employee amounted to about \$4,000, measured in dollars of 1958 purchasing power. By 1958 the figure was well over \$5,000, an increase of nearly 26% in just four years.

**FIFTH DISTRICT AS A TEXTILE CENTER** In addition to size and technical interest, the 21st South-



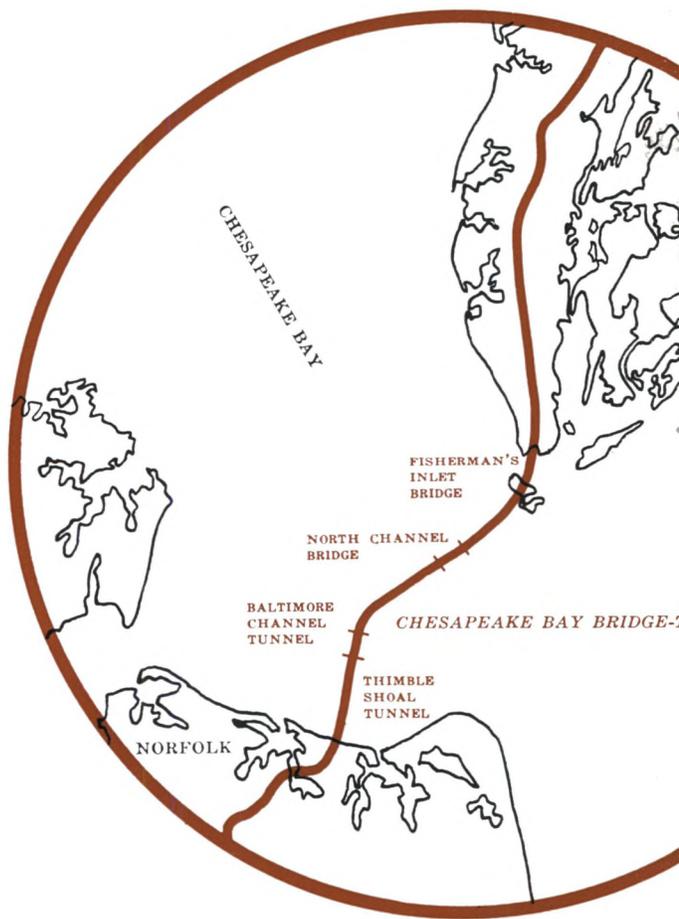
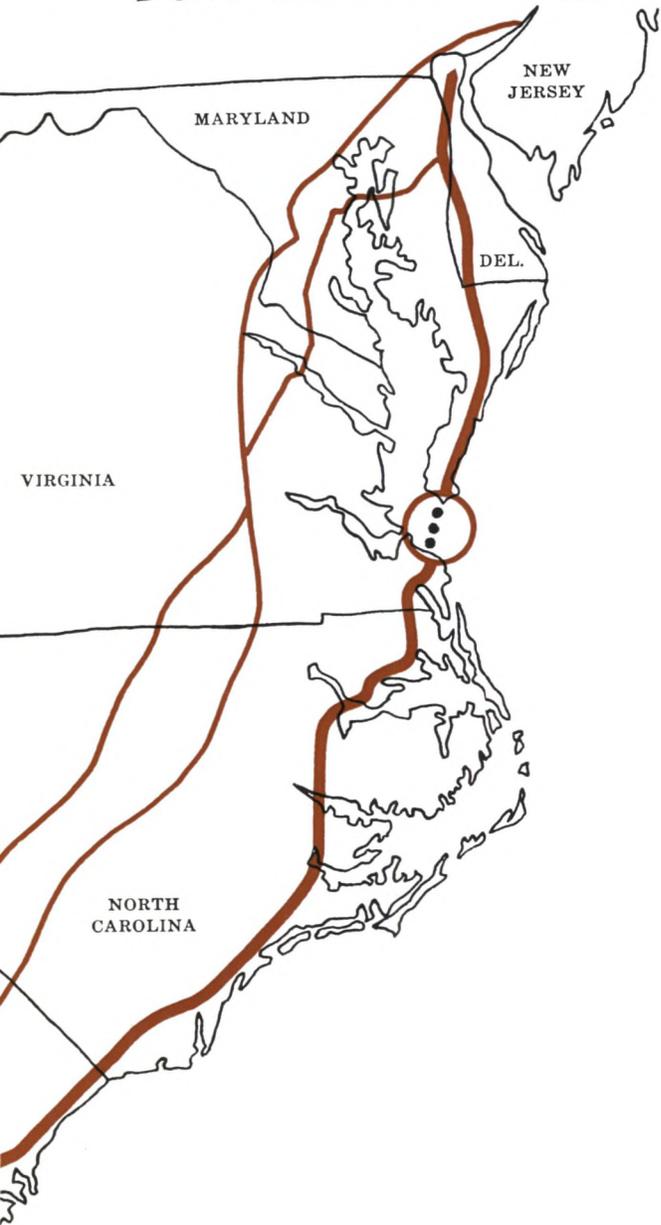
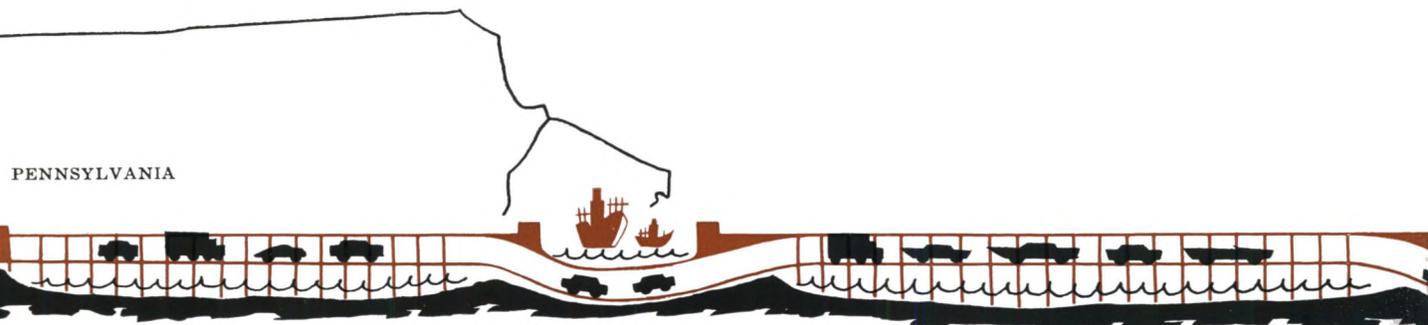
Greater use of scientific equipment is helping textile producers meet growing competition with better quality and lower cost.

ern Textile Exposition had a good measure of geographic significance. The Carolinas and southern Virginia now constitute about as concentrated a market for textile machinery and supplies as exists anywhere in the world. In 1958, the latest year for which comprehensive information on the subject is available, about 40% of the United States textile industry was located in the Fifth Federal Reserve District. The District's share of cotton manufacturing is even higher, 61% in 1959 based on consumption of cotton by mills. Two pieces of evidence suggest that the District's proportion is increasing. First, value added by textile manufacturing in the District, as measured by the Bureau of the Census, increased from 34% to over 38% of the national total in the four years between 1954 and 1958. Second, quite frequent announcements of new and remodeled textile facilities in the District provide good circumstantial evidence that the District's share of this industry is still growing.

While the Fifth District does not stand high on the list of machinery manufacturing areas, it is becoming a center for the development and manufacture of textile machinery. Many new companies have originated in the District. Some established companies with headquarters elsewhere have built plants here. Others have moved their entire operations into the District. A little more

than one-fourth of the suppliers to the textile industry who exhibited in Greenville in 1956 and 1958 listed addresses in the District. The 1958 ratio showed only a slight increase over the figure for 1956. This year the figure was over 30%.

**A SYMBOL OF FREE ENTERPRISE** A final notable area of significance, not peculiar to this one display of industrial apparatus but strikingly apparent in every aspect of it, was the authentic atmosphere of individual enterprise. Dozens of different firms have built looms, looms which perform the same basic functions, but differ in a multitude of details. One loom does the best job under one set of conditions, another one serves more effectively under a different set. "Conditions" in this context are the reflection of a multitude of consumer preferences freely exercised in the market. At the exposition many of these looms actively demonstrated their respective specialties. All kinds of fabrics were in evidence. Variety was equally evident in the other phases of textile processing. It all represented the accumulated courage, energy and ingenuity of people following personal and individual motives in many countries and many generations. The show provided an opportunity to exchange the latest information easily and pleasantly, and to advance further the already amazing achievements of a very old and most essential industry.





## New Route Across Chesapeake Bay

The largest bond issue ever offered in the South—and one of the ten largest of its type in the country—was sold recently by the Chesapeake Bay Bridge and Ferry Commission, an agency of the state of Virginia. The money will be used to finance construction of the giant Chesapeake Bay Project—a new bridge and tunnel combination scheduled for completion in 1964.

The new crossing, which spans 17½ miles of open water between Norfolk and the Eastern Shore, will provide motorists with a more direct route between North and South, with an estimated time saving of 90 minutes between New York and Jacksonville. And it will be especially useful to truckers transporting freight between the Hampton Roads area and New York markets, who should save about 70 miles and 75 minutes on the trip. According to engineers' reports, about 5,000 vehicles a day are expected to use the crossing during its first full year of operation, and traffic will probably increase as time goes on. In fact, engineers predict that by 1977 the project will carry over three million vehicles a year.

Underwriters, who purchased the bridge-tunnel bonds at 96.65—a net interest cost of about 5.617%—sold \$70 million in 4.875% Series A first pledge bonds and \$30 million in 5½% Series B second pledge bonds to institutional investors. The remainder, \$100 million in 5¾% Series C third pledge bonds, was offered to individuals. All bonds are to be redeemed through traffic tolls; Series A will have first claim on earnings and Series B second claim.

EL (17.5 mi)



Human beings are the most important part of any economy. For that reason population changes have significant economic implications. Preliminary results of the decennial census taken last April give us some indications of the major changes which took place in the population of the Fifth District between 1950 and 1960.

**THE DISTRICT AND THE STATES** The total population of the District (which excludes the six northwestern counties of West Virginia) rose from 14,447,821 in 1950 to 16,259,405 in 1960, an increase of 1,811,584, or 12.5%. For the nation as a whole the increase was 26,548,244, by far the largest for any decade in history, and the rate of growth, 18%. Thus the District grew about two-thirds as fast as the whole country, and the District population fell from 9.5% of the United States total in 1950 to 9.1% in 1960.

The table shows that population growth rates varied widely among the states of the Fifth District. At one extreme Maryland ranked tenth in the nation in absolute amount of increase (731,859) and ninth in rate of growth (31.2%). At the other extreme, both West Virginia and the District of Columbia lost population, West Virginia having both the largest absolute loss and the highest rate of decline of any state in the Union. Virginia had almost the same growth rate as the country as a whole, while the Carolinas grew somewhat more slowly.

**WITHIN THE STATES** Rates of growth also varied widely within individual states. The most striking contrast was between urban and rural communities. The Bureau of the Census recognizes 19 "Standard Metropolitan Statistical Areas" (or parts of areas) in the District. Such an area is an integrated economic unit surrounding and including a city of 50,000 or more. In 1950 the 19 metropolitan areas had a total population of 5,885,143, or about

41% of the District total. Between 1950 and 1960, metropolitan population grew by 1,485,169 to 7,370,312, or over 45% of the District total, and accounted for nearly 82% of the District's growth. The growth rate for these metropolitan areas as a group was 25.2%, or about twice the rate for the whole District. Every metropolitan area except one showed an increase. The Washington area had the largest absolute increase with 504,473, while the Newport News-Hampton area had the largest percentage increase with 43.9%. A rough generalization here would be that "the big ones got bigger."

The cities which formed the hearts of these metropolitan areas showed much more variation in growth rates. Three of the four largest cities in the District lost population. They were: Baltimore,—3.0%; Washington,—6.9%; and Richmond,—5.3%. Norfolk, the third largest city, had an increase of 27.8%. Among cities over 50,000, Newport News had the greatest percentage increase (166%) but this included the annexation of Warwick County. The two large cities with the next highest growth rate—Greensboro with 60.4% and High Point with 53.7%—are in the same county. Nine cities over 50,000 had increases of more than 25%, five of them in the Piedmont section of North Carolina and four in the Norfolk area.

In sharp contrast with the rapid growth of the urban areas, most rural areas lost population during the decade. Of the 317 counties in the five states, 148, or nearly half, showed a decline in population. Even in Maryland, which had a substantial growth over-all, four of the 24 counties suffered declines. In Virginia, 46 of 98 counties lost, while in North Carolina it was 39 of 100 and in South Carolina, 21 of 46. In West Virginia, 40 of the 49 Fifth District counties showed declines.

Generally, losses were concentrated in the smaller, more sparsely populated counties. This is shown by the behavior of a sample of 64 of the District's smallest counties. Of the 64, 42 lost population during the decade and only six grew as fast as the states in which they are located. With respect to these, then, it would seem that "the small ones got smaller."

**SOME PROBLEMS** Pronounced population changes always bring problems. In urban areas the problem is nationwide in scope. Frequently the central cities of metropolitan areas are not able to expand their limits to cover the tributary population growing up around their fringes. Such cities have difficult problems financing their functions in the face of declining population and, frequently, declining property values. The whole area meets difficult problems in extending and co-ordinating the local governmental services required by the rapidly growing suburban areas. Several cities, including Charlotte and Raleigh, have solved the problem in part by substantial expansions of city limits. Two other cities—Durham and Richmond—have under intensive study proposals to merge with the counties which surround them, but such mergers are beset by many and complex problems.

At the other extreme, and much less dramatized, is the problem of the small and declining counties. The preliminary census returns bring out sharply the large number of counties which have very small population. In Virginia, 25 of the 98 coun-

ties have a population of less than 10,000, and 15 of those lost population during the decade. In North Carolina there were 12 such counties, of which nine lost population.

These counties inevitably have a difficult problem maintaining a necessary minimum of county governmental services. Some of them will soon have to face the question of how small they can become and still maintain a separate county government. There are also problems of maintaining churches, medical and hospital services, and other community facilities.

Both of the major population trends noted above have important implications for the structure of the banking system. The rapid growth of residential suburbs has created a demand in those areas for certain types of banking services, especially the granting of consumer loans, the cashing of checks, and the receipt of deposits, but it has not created a demand for the full range of banking services. The people are there but most of the business which produces profits for banks is elsewhere. This makes it difficult for a newly established bank to prosper in such an area. Conversely, some of the small rural counties with declining population may not have enough people or business to support a wide range of banking services. Both of these situations present difficult problems which must be solved if the banking system is to provide the people with the level and variety of banking services they want and need.

**POPULATION OF FIFTH DISTRICT BY STATES**  
**1950 and 1960**

(1960 figures preliminary)

	<u>1950</u>	<u>1960</u>	<u>Absolute Change</u>	<u>Per Cent Change</u>
District of Columbia	802,178	745,603	— 56,575	— 7.1
Maryland	2,343,001	3,074,860	+ 731,859	+31.2
Virginia	3,318,680	3,903,555	+ 584,875	+17.6
West Virginia*	1,805,006	1,644,319	— 160,687	— 8.9
North Carolina	4,061,929	4,531,834	+ 469,905	+11.6
South Carolina	<u>2,117,027</u>	<u>2,359,234</u>	<u>+ 242,207</u>	+11.4
Fifth District	14,447,821	16,259,405	+1,811,584	+12.5

\*Including only those counties which are in the Fifth District.

# THE FIFTH DISTRICT



Business activity in the Fifth Federal Reserve District continues at a level only moderately below the peak reached earlier this year. In general, activity has been declining slightly. A definite fall upturn, which many observers expected, has failed to materialize. Although employment remains high, man-hours worked in many of the District's manufacturing industries have continued to decline. Insured unemployment in the District, on the other hand, decreased 1.5% during September. Insured unemployment as a per cent of the covered labor force for the District of Columbia and each of the Fifth District states except West Virginia was lower than for the United States as a whole. Activity in the textile industry has remained fairly stable since output was reduced early in September in response to the continuing lag in new orders. There have recently been a few flurries of orders for both cotton and synthetic gray goods with deliveries ranging from a few weeks to four months ahead. Unless orders increase further, additional curtailment of production may become necessary to check the erosion of backlogs and to maintain inventories at or near a desirable level. The furniture industry has experienced new optimism following its fall showing of new lines at furniture centers throughout North Carolina. Reports from the Southern Furniture Market indicate, however, that furniture men typically expect the industry as a whole, now running about 5% below last year, to show just about normal seasonal strength or perhaps a little better, for the rest of the year. Tobacco farmers in the District have sold well over a billion pounds of tobacco for more than \$600 million, an increase in gross revenues of about 23% over the similar period of 1959.

**EMPLOYMENT UP, MAN-HOURS DOWN** The divergent tendencies which have marked seasonally adjusted employment and man-hour statistics in recent months are apparently continuing. Employment increased slightly between August and September while man-hours showed a moderate decrease. The largest gain in employment (and this was only 1.4%) occurred in the government category. Seasonally adjusted employment in manufacturing (both durable and nondurable goods in-

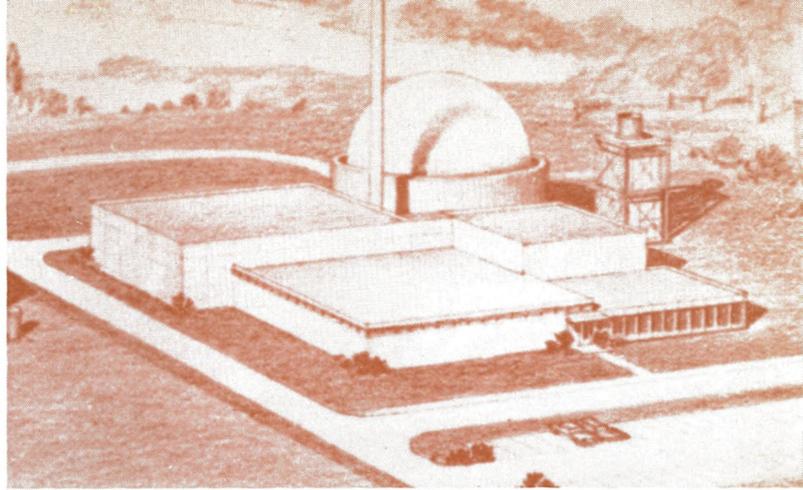
dustries), contract construction, and the finance, insurance and real estate group gained slightly. The largest August-to-September decrease in seasonally adjusted employment (only about 1%) occurred in the category of transportation, communication and public utilities industries. Smaller declines occurred in mining, trade and services. The drop in mining employment continues a long-run trend. The small declines in trade and services represent a hesitation in two employment categories the growth of which has been very steady in the District in recent years.

Seasonally adjusted man-hours declined between August and September in all of the District's major manufacturing industries except machinery (both electrical and nonelectrical), the stone, clay and glass group, tobacco manufacturing, and the composite of printing, publishing and allied industries. The largest decrease (-4.6%) occurred in the broadwoven fabric component of the textile industry as a result of the production curtailments already reported. Significant August-to-September declines (in the neighborhood of 4%) also occurred, however, in the transportation equipment industry, lumber and wood products, food and kindred products, yarn and thread mills, and manufacturers of apparel and other finished textile products.

September employment exceeded its year-ago level in all industry groups except mining. Significantly, those industries most directly affected by last year's steel strike are about the only ones in which man-hour data for this September are ahead of those for last. Tobacco manufacturing and the printing and publishing industries are the exceptions to this rule.

**CONSTRUCTION** Activity in the construction industry as a whole has continued at a high level in the District. Following through on plans made at a more optimistic time, industrial and public construction continues at high levels. Seasonally adjusted employment in contract construction moved back up between August and September to a level only 0.3% below the all-time high for the series reached in May.

The plant depicted in this architect's drawing is currently under construction at Parr, South Carolina. A pioneer in its field, it will combine the use of atomic fuel with conventional steam equipment to generate electric power. Many serious problems still confront the scientists and engineers who seek more efficient means of directing atomic power to commercial uses. Experience gained in the construction and operation of the Parr plant will contribute to their solution.



The volume of residential building, however, has fallen considerably below the level of last year. Residential contract awards in the District during the first half of this year maintained an average level 8% under the 1959 average, but considerably above that of any year since 1955 except 1959. The situation worsened in July. Residential awards since then have fallen to levels comparable with those of late 1957 and early 1958. Easier credit conditions in recent months have had little if any effect. The slack situation in residential building is reflected in the conditions which have prevailed through most of the year in the District's lumber industry. Ever since the expected spring pickup failed to materialize, lumber sales have been slow, prices soft and inventories creeping upward.

In sharp contrast, construction of public works and utilities has proceeded at a rapid pace. During the first nine months of this year contract awards in the District for this type of work exceeded the 1959 figure for the same period by 58%. A complete enumeration of projects currently in process around the District would make an impressive list. Of particular interest is the Southeast's first atomic reactor power plant, now under construction at Parr, South Carolina. Summer 1962 is the estimated time for completion. This \$28 million project will generate electricity from atomic fuel. Steam produced by the heat of the reactor will drive conventional turbines and generators located in an adjoining power station.

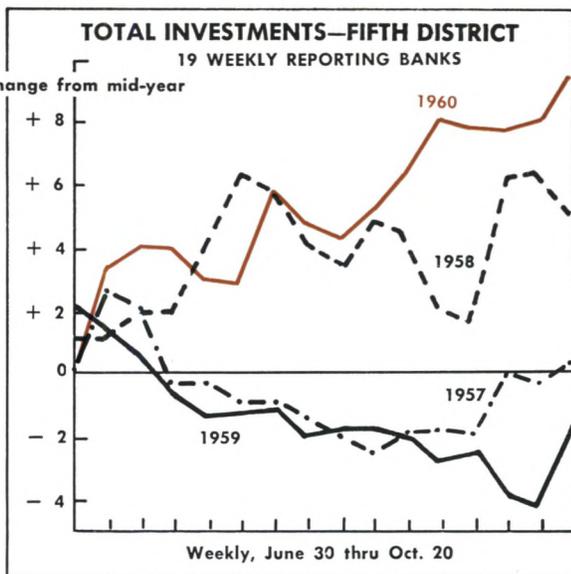
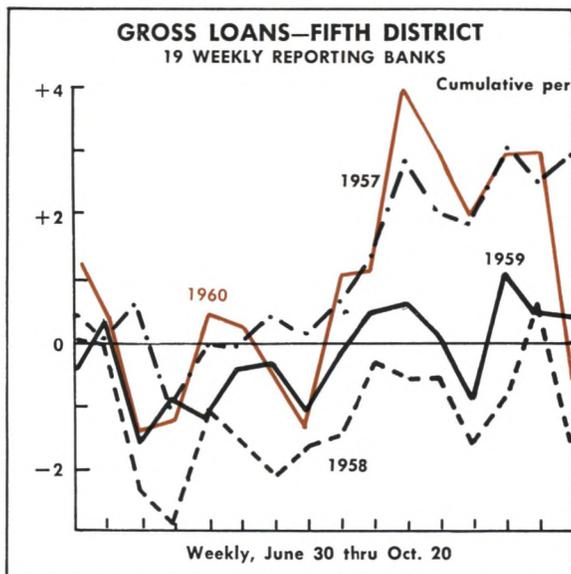
Nonresidential construction has been running below last year. After nine months total contract awards were nearly 7% below the figure for the same period last year, a very good year. Uncertain business conditions have led to some delays. In one publicly reported case the start of a new plant was postponed indefinitely, but thus far such action seems to be the exception rather than

the rule. But much of the construction now in progress is the result of plans made six or eight months ago. If the current hesitation in business continues it could cause a slump in construction some months hence.

**SOUTHERN FURNITURE MARKET** Furniture manufacturers who showed their new lines to dealers at industry centers throughout North Carolina October 21-28 provided a considerable volume of trade news. Attendance at the Southern Market this fall was reported to be the best on record. Dealers came from all parts of the United States and from Canada. More furniture makers from other sections of the country than ever before reserved space to display their wares in competition with those of local producers. Many of the most interesting new lines were new reproductions or adaptations of Early American designs.

Despite the enthusiasm among dealers, retail trade in furniture has been described recently as sluggish. Many furniture retailers have put extra effort and money into sales promotion this fall. As a result of these efforts a good number of prospective customers have been visiting furniture stores. They liked what they saw, and gave an impression of ability to buy. A significant number, however, did not buy.

The dealers themselves, therefore, bought cautiously at the Southern Market. Many placed small orders for particular items to round out and liven up their showrooms. Little buying in volume occurred. Most buyers wanted to complete the circuit, and had to keep on the move to do so in a week's time. More than in previous years, buyers preferred to give careful thought to new designs and their own needs before ordering. Therefore, a fair judgment of the market's impact will have to await reports from salesmen making their regular rounds later in the fall.



Prices for the most part were at the same level as a year ago. It is generally conceded that this year's lines offer more value per dollar. There has been a trend in consumer demand in the past few years toward medium and higher priced goods. Some dealers, however, feel that a good selection of lower priced lines would aid the furniture industry right now in its competition for consumer dollars.

The furniture industry has not experienced as strong a fall upturn as was expected. Backlogs, now averaging about five weeks' business, have changed little if at all since September. Orders booked this year are estimated to be running about 5% behind last year's level. Optimism generated at the recent Market has revived hope for an upturn. A few producers are now about even with last year. Others are considerably behind. On balance for this year, the industry expects a decrease of 3% to 4% in total volume as compared with 1959.

**BANKING** More ample availability of bank credit is evidenced in the activity of the District's banking community over the past several weeks. Through much of October, member bank borrowings at the discount window were at the lowest levels since the summer of 1958, and District banks were large net sellers of Federal funds. At the same time, District bankers were able to continue the expansion of business loans that began in late summer and to add substantially to their investments.

Gross loans of the District's weekly reporting member banks moved up at a better-than-seasonal pace through September and the first half of October (see chart), but turned sharply downward in October's third week. Business loans spearheaded this advance and continued to increase even after the decline in gross loans, which was attributable chiefly to a reduction in loans to domestic commercial banks. The steady upward movement of business loans over this period bespeaks a continuing demand for bank credit in the business community despite evidence of a weaker-than-seasonal business improvement.

An even stronger indication of easier credit conditions is found in the recent behavior of bank investments. These typically decline slightly in early autumn as bankers liquidate security holdings to meet a seasonally growing loan demand. This year, however, total investments of the District's weekly reporting member banks moved up steadily over the late summer and early autumn and as the end of October approached, stood over 9% above the end-of-June level (see chart). This rate of investment expansion has not been matched in any of the past three years.

**PHOTO CREDITS**

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