

MONTHLY REVIEW

of Financial and Business Conditions

FIFTH
FEDERAL



RESERVE
DISTRICT

Federal Reserve Bank, Richmond, Va.

January 31, 1942

BUY
DEFENSE
BONDS

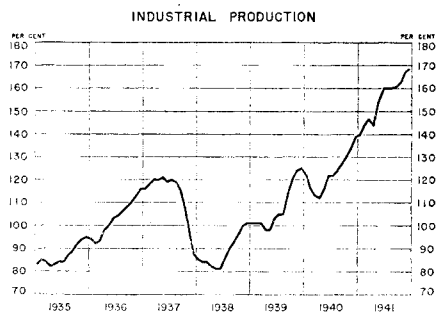


BUY
SAVINGS
STAMPS

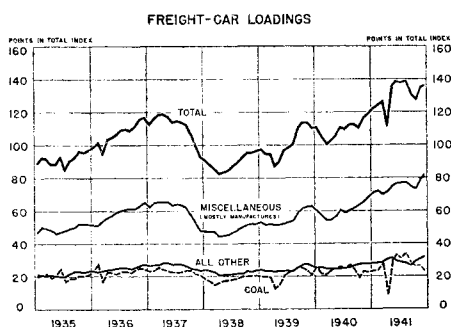
INVEST FOR VICTORY NOW

SUMMARY OF NATIONAL BUSINESS CONDITIONS

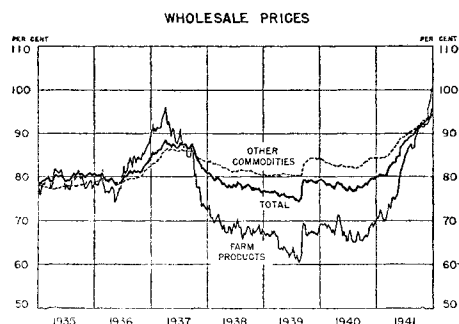
(Compiled by the Board of Governors of the Federal Reserve System)



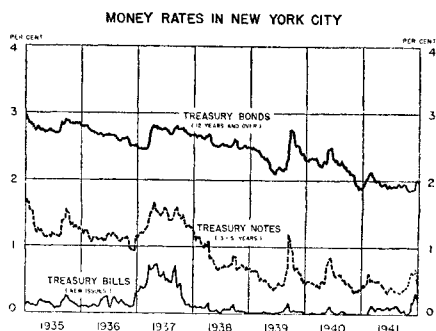
Federal Reserve index of physical volume of production, adjusted for seasonal variation, 1935-39 average=100. By months, January 1935 to December 1941.



Federal Reserve index of total loadings of revenue freight, adjusted for seasonal variation, 1935-39 average=100. Subgroups shown are expressed in terms of points in the total index. By months, January 1935 to December 1941.



Bureau of Labor Statistics' indexes, 1926=100. "Other" includes commodities other than farm products and foods. By weeks, January 5, 1935 to January 17, 1942.



Weekly averages of daily yields of 3-to-5-year tax-exempt Treasury notes, Treasury bonds callable after 12 years, and average discount on new issues of Treasury bills offered within week. For weeks ended January 5, 1935 to January 17, 1942.

Industrial activity declined less than seasonally in December and the first half of January, retail trade continued in large volume, and prices of many commodities rose further.

PRODUCTION

In December total volume of industrial output declined less than is usual at this season and the Board's adjusted index rose further to 168 per cent of the 1935-1939 average. In the armament industries output continued to advance and at machinery plants activity rose sharply, following little change in November. Output of materials, such as iron and steel and nonferrous metals, continued at peak levels and lumber production showed less than the usual seasonal decrease. Automobile production declined sharply in the latter half of December, following announcement of sharp reductions in passenger car quotas, but early in January quotas for that month were increased and output rose considerably. Sales of new automobiles to civilians were halted at the beginning of January pending the establishment of a rationing system.

Textile production declined somewhat in December owing to a reduction in activity at cotton mills from the record level reached in November. Output of wool and rayon textiles was sustained at about capacity. Output of manufactured food products and shoe production showed about the customary seasonal declines. Coal output decreased somewhat in December, while petroleum production and mining of nonferrous metals were maintained at the high November rate.

Value of construction contracts awarded in December declined less than is usual at this time of year, according to figures of the F. W. Dodge Corporation. Awards for public projects showed little change, while those for residential construction declined less than seasonally following a considerable reduction in November.

DISTRIBUTION

Volume of retail trade, which had been large during most of the autumn, increased less than seasonally in December. This reflected to some extent a temporary slackening in sales around the middle of the month following this country's entry into the war. In the first half of January sales at department stores showed less than the customary sharp reduction from the Christmas buying peak and were at a level substantially higher in comparison with a year ago than that prevailing in other recent months.

Freight-car loadings of most products decreased by less than the customary seasonal amount in December. Coal shipments declined considerably in the latter part of the month but then increased sharply in the first half of January. Shipments of miscellaneous freight, which includes most manufactured products, were maintained in large volume for this season of the year.

COMMODITY PRICES

Wholesale commodity prices increased sharply when this country entered the war early in December and then showed little change during the latter half of the month. In the first half of January prices again advanced, the principal increases being in agricultural commodities and chemicals.

Federal action to impose maximum prices was accelerated with the outbreak of war and applied on a wider scale to industrial products. Ceilings were extended to products in later stages of production and distribution and in most instances covered consumers' goods. Certain of the actions, like those relating to rubber and wool products, were associated with new Federal production restrictions. In this period also there were advances in a number of price ceilings established earlier.

BANK CREDIT

Total loans and investments of banks in leading cities, which had advanced sharply during the first half of December, have subsequently shown little further change.

Treasury financing in the middle of December and heavy currency withdrawals during the holiday season absorbed close to 700 million dollars of excess reserves during the month. About 500 million of this was recovered in the first half of January, as the result of a decline in Treasury deposits at the Reserve Banks and a return of currency from circulation. Recent changes in excess reserves have been almost entirely at banks outside of New York City.

UNITED STATES GOVERNMENT SECURITY PRICES

Prices of Government securities were steady in the first half of January, following a decline in December after the entry of the United States into the war.

Annual Survey for 1941

TRADE and industry in the Fifth Federal Reserve district during 1941 continued at an accelerated rate over the near record levels attained in the second half of 1940. New records were set in several lines. In industry, practically all plants in every line of work ran full time, and many went on a multiple shift basis. Cotton textile mills consumed more cotton than in any earlier year, and were so fully engaged on defense orders that much civilian business had to be declined. Rayon yarn mills operated at capacity during all of 1941, but could not meet all demands for rayon after the Government impounded raw silk stocks. Shipyards in the district employed every trained workman they could obtain, and used every available shipway in the yards. Several additions were made to existing yards and new yards were opened. Aircraft factories expanded facilities as rapidly as possible, and greatly increased ability to deliver planes of all types. The chemical industry expanded facilities to meet constantly increasing demands for defense material, and a large number of small industries which were able to tie into the war preparations received all the orders they could handle. The demand from industry and transportation for coal greatly stimulated mining in the district, and bituminous coal production in West Virginia, Virginia and Maryland rose 12 per cent above 1940 output, in spite of the fact that virtually all mines were closed during April 1941 by a labor dispute. In the construction field, 1941 witnessed an enormous volume of work in the district, most of which was of an industrial or public works char-

acter, although there were also many large housing projects for which contracts were let. Building permits issued in 1941 in 29 Fifth district cities totaled \$140,257,619, and exceeded 1940 valuation by 11 per cent, while contracts actually awarded for all types of construction in both urban and rural areas totaled \$867,436,000 in the year 1941, an increase of 67 per cent over contracts awarded in 1940. Distribution of goods to consumers, stimulated by greatly increased employment and larger payrolls, rose notably last year. Sales by 79 department and general merchandise stores in 1941 were 20 per cent above 1940 sales, and furniture sales at retail increased 24 per cent. Automobile sales for the first 8 months of 1941 ran 41 per cent ahead of 1940 sales for the corresponding period, but after the new models came out sales dropped below figures for the preceding year enough to bring the year's sales down to only 15 per cent above 1940 sales. Debits to individual accounts, reflecting transactions through the banks in 25 Fifth district cities, rose to \$21,452,754,000 in 1941, an increase of 27 per cent over the 1940 total. Every reporting city showed higher debits in the later year. In agriculture the Fifth district suffered from drought, but fortunately crops got a good start last spring and the drought did relatively little damage except to the cotton crop in the Carolinas and to Irish potatoes and peanuts. Prices for agricultural products were substantially higher in 1941 than in 1940, and therefore farmers experienced an average year or better in cash incomes from their crops.

BUSINESS STATISTICS—FIFTH FEDERAL RESERVE DISTRICT

	December 1941	November 1941	December 1940	Month	Year
Debits to individual accounts (25 cities).....	\$2,220,330,000	\$1,855,206,000	\$1,735,170,000	+ 20	+ 28
Sales, 79 department stores, 5th district.....	\$ 30,527,927	\$ 19,410,971	\$ 25,940,142	+ 57	+ 18
Sales, 40 furniture stores, 5th district.....	\$ 1,875,026	\$ 1,659,691	\$ 1,746,596	+ 13	+ 7
Sales, 190 wholesale firms, 5th district.....	\$ 12,269,000	\$ 12,972,000	\$ 9,374,000	— 5	+ 31
Registrations, new autos, 5th district.....	15,272	13,886	28,391	+ 10	— 46
Tobacco sold in 5th district (Pounds).....	11,880,521	41,078,143	35,323,912	— 71	— 66
Average price of tobacco, per 100 lbs.....	\$ 22.170	\$ 26.380	\$ 13.550	— 16	+ 64
Growers' receipts from tobacco, 5th district.....	\$ 2,633,644	\$ 10,835,573	\$ 4,785,998	— 76	— 45
Number of business failures, 5th district.....	28	17	41	+ 65	— 32
Liabilities in failures, 5th district.....	\$ 151,000	\$ 136,000	\$ 884,000	+ 11	— 83
Value of building permits, 29 cities.....	\$ 11,218,864	\$ 5,782,399	\$ 8,322,378	+ 94	+ 35
Value of contracts awarded, 5th district.....	\$ 64,541,000	\$ 58,153,000	\$ 101,104,000	+ 11	— 36
Cotton consumption, 5th district (Bales).....	420,570	401,289	355,361	+ 5	+ 18
Cotton price, cents per lb., end of month.....	18.210	16.570	10.070	+ 10	+ 81
Print cloths, 39 in., 80x80s, end of month.....	11.250*	10.875*	7.500	+ 3	+ 50
Rayon yarn shipments, U. S. (Pounds).....	39,300,000	38,500,000	34,000,000	+ 2	+ 16
Rayon Yarn Stocks, U. S. (Pounds).....	3,800,000	4,500,000	6,300,000	— 16	— 40
Bituminous coal mined, U. S. (Tons).....	46,667,000	43,770,000	41,400,000	+ 7	+ 13

*Ceiling price, established by O. P. A.....

RESERVE BANK OPERATIONS

Between December 15, 1941, and January 15, 1942, circulation of Federal Reserve notes of the Federal Reserve Bank of Richmond rose, contrary to the seasonal trend which in most years is downward after the holiday need for funds has passed. Government security holdings declined slightly during the month, due to a redistribution of System holdings on January 1. Member bank reserve deposits and the Bank's cash reserves increased moderately between the middle of December and the middle of January. In comparison with figures for January 15, 1941, those for January 15, 1942, show advances in holdings of Government securities, in total earning assets, in circulation of Federal Reserve notes, in member bank reserve deposits and in cash reserves. The increase of \$152,284,000, or 55 per cent, in Federal Reserve notes in circulation was especially striking, reflecting greater activity in nearly all lines of trade and industry this year and also the probability of some hoarding of currency.

RESERVE BANK STATEMENT ITEMS
Fifth District

ITEMS	000 omitted		
	Jan. 15 1942	Dec. 15 1941	Jan. 15 1941
Discounts held	\$ 0	\$ 0	\$ 33
Foreign loans on gold	0	0	27
Industrial advances	764	770	780
Government securities	134,744	137,163	119,976
Total earning assets	135,508	137,933	120,816
Circulation of Fed. Res. notes	427,192	418,403	274,908
Members' reserve deposits	464,615	462,763	372,450
Cash reserves	822,615	817,411	581,553
Reserve ratio	85.31	85.08	83.23

A review of the operations of the Federal Reserve Bank of Richmond during 1941 shows further growth, much of which occurred in the latter half of the year as the defense program expanded. Total assets of the bank rose from \$774,748,011 on December 31, 1940, to \$1,042,943,453 on December 31, 1941. The number of employees at the Richmond, Baltimore and Charlotte offices increased from 675 to 795 during the year, the rise being due chiefly to a great increase in the personnel needed to handle defense bonds and the details of installment credit supervision under Regulation W. The number of checks handled by the Transit department again set an annual record at 87,796,000 items, an average of 293,632 checks per working day. These checks totaled \$20,410,680,000 in 1941, an average of \$68,263,144 per day. Currency and coin received or paid out in 1941 totaled 1,302,051,924 pieces, valued at \$2,246,927,300, against 962,789,100 pieces valued at \$1,567,387,500 handled in 1940. Transfers of funds to and from other Reserve Banks and Branches through the Inter-district Settlement Fund rose from \$16,273,394,000 in 1940 to \$21,733,031,000 in 1941. The number of member banks in the Fifth district rose from 431 to 447 in 1942, the following 16 banks having joined the Reserve System on the dates shown:

2-15	The Vienna Trust Company.....	Vienna, Va.
3- 1	The Bank of Elkton.....	Elkton, Va.
3-12	Rock Hill National Bank.....	Rock Hill, S. C.
3-15	The Savings Bank of Williamsport.....	Williamsport, Md.
5-13	Planters Bank & Trust Company.....	Chatham, Va.
5-14	The Bank of Dinwiddie, Inc.....	McKenney, Va.
7- 9	McLachlen Banking Corporation.....	Washington, D. C.
7-26	Citizens Bank of South Boston.....	South Boston, Va.
8-12	Bank of White Sulphur Springs.....	White Sulphur Springs, W. Va.
8-16	The Pulaski Trust Company.....	Pulaski, Va.

9-29	The Capon Valley Bank.....	Wardensville, W. Va.
10- 8	The Munsey Trust Company.....	Washington, D. C.
11-14	Carroll County Bank.....	Hillsville, Va.
12- 9	Bank of Greenville.....	Greenville, W. Va.
12-12	The Fidelity Bank.....	Durham, N. C.
12-24	The Farmers Exchange Bank.....	Coeburn, Va.

STATEMENT OF SELECTED MEMBER BANKS

The accompanying table shows comparisons of statement items for 41 regularly reporting member banks in 12 Fifth district cities as of January 14, 1942, with corresponding figures a month and a year earlier. Changes between December 10, 1941, and January 14, 1942, were small, but during the past year loans to business and agriculture rose 16 per cent, all other loans rose 11 per cent, investments in securities rose 28 per cent, and demand deposits rose 22 per cent. Time deposits, on the contrary, decreased 1 per cent between mid-January last year and this.

SELECTED ITEMS—41 REPORTING BANKS
Fifth District

ITEMS	000 omitted		
	Jan. 14 1942	Dec. 10 1941	Jan. 15 1941
Loans to business & agriculture.....	\$159,493	\$161,683	\$137,700
All other loans.....	176,979	175,148	159,499
Investments in securities.....	573,087	566,184	447,111
Reserve bal. with F. R. bank.....	293,169	320,007	248,518
Cash in vaults.....	30,648	30,337	23,961
Demand deposits.....	773,796	779,618	632,936
Time deposits.....	201,167	204,519	203,177
Money borrowed.....	0	0	0

DEPOSITS IN MUTUAL SAVINGS BANKS

Deposits in 9 mutual savings banks in Baltimore on December 31, 1941, totaled \$223,594,129, against deposits totaling \$223,920,684 at the end of 1940. This is the first month since February 1939 to show a lower figure than the corresponding month of the preceding year. Deposits in the 9 banks reached the highest point on record on October 31, 1941, at \$225,557,877, but declined somewhat in November and still further in December, when defense bond buying from savings was greatly stimulated by the Japanese attack on Pearl Harbor and the Philippines.

DEBITS TO INDIVIDUAL ACCOUNTS

Debits to individual accounts measure the volume of checks cashed against deposit accounts of individuals, firms and corporations in 25 Fifth district cities. The December 1941 figures rose seasonally by 20 per cent over November figures, due to holiday spending in the later month, and also increased 28 per cent over debits in December 1940. Columbia, Danville and Durham reported lower debits last month than in November but the decreases in Danville and Durham were seasonal declines due to lessened auction tobacco sales.

In the calendar year 1941, debits in the 25 cities rose 27 per cent over 1940 debits, every city reporting higher figures for the later year. Wilmington, N. C., led all Fifth district cities with a gain of 58 per cent in 1941 debits over 1940, and Spartanburg with an increase of 47 per cent took second place. Many other cities show clearly the influence of defense spending in or near them in 1941.

DEBITS TO INDIVIDUAL ACCOUNTS

CITIES	December 1941	November 1941	December 1940	% Change Month	% Change Year	Annual Totals 1941	Annual Totals 1940	% Change
Dist. of Col.								
Washington	\$ 447,986,000	\$ 363,843,000	\$ 339,473,000	+23	+32	\$ 4,298,925,000	\$ 3,470,046,000	+24
Maryland								
Baltimore	634,652,000	523,652,000	495,647,000	+21	+28	6,216,919,000	4,800,109,000	+30
Cumberland	12,075,000	9,774,000	9,883,000	+24	+29	120,530,000	103,341,000	+17
Hagerstown	15,109,000	12,590,000	11,221,000	+20	+35	143,370,000	113,032,000	+27
North Carolina								
Asheville	23,641,000	18,168,000	17,914,000	+30	+32	213,950,000	166,202,000	+29
Charlotte	113,232,000	97,086,000	102,551,000	+17	+10	1,159,170,000	846,844,000	+37
Durham	41,661,000	45,956,000	34,996,000	— 9	+19	507,773,000	412,692,000	+23
Greensboro	36,669,000	26,653,000	28,362,000	+38	+29	320,625,000	255,881,000	+25
Raleigh	76,070,000	60,888,000	66,073,000	+25	+15	690,626,000	553,687,000	+25
Wilmington	26,046,000	21,116,000	13,982,000	+23	+86	225,079,000	142,887,000	+58
Winston-Salem	59,593,000	57,959,000	54,936,000	+ 3	+ 8	610,958,000	518,191,000	+18
South Carolina								
Charleston	35,687,000	29,135,000	24,607,000	+22	+45	344,180,000	248,124,000	+39
Columbia	43,913,000	46,324,000	41,411,000	— 5	+ 6	479,241,000	376,001,000	+27
Greenville	34,579,000	30,590,000	25,766,000	+13	+34	339,779,000	252,517,000	+35
Spartanburg	19,369,000	17,539,000	14,488,000	+10	+34	205,865,000	139,814,000	+47
Virginia								
Danville	16,964,000	17,756,000	11,603,000	— 4	+46	156,023,000	119,536,000	+31
Lynchburg	23,476,000	19,048,000	19,035,000	+23	+23	214,730,000	183,894,000	+17
Newport News	17,533,000	14,216,000	14,532,000	+24	+21	180,728,000	154,701,000	+17
Norfolk	96,216,000	81,190,000	73,719,000	+19	+31	919,476,000	670,592,000	+37
Portsmouth	9,218,000	7,604,000	7,321,000	+21	+26	83,937,000	61,533,000	+36
Richmond	257,460,000	215,534,000	192,111,000	+19	+34	2,429,165,000	1,933,670,000	+26
Roanoke	42,184,000	36,289,000	34,121,000	+16	+24	421,170,000	351,278,000	+20
West Virginia								
Charleston	91,260,000	65,829,000	67,850,000	+39	+35	760,665,000	625,760,000	+22
Huntington	31,379,000	23,045,000	22,122,000	+36	+42	260,784,000	215,607,000	+21
Parkersburg	14,318,000	13,422,000	11,946,000	+ 7	+20	149,086,000	126,848,000	+18
District Totals	\$2,220,330,000	\$1,855,206,000	\$1,735,170,000	+20	+28	\$21,452,754,000	\$16,842,287,000	+27

COMMERCIAL FAILURES

Monthly and yearly statistics on commercial failures in the Fifth district and the United States as compiled by *Dun & Bradstreet* are as follows:

PERIODS	Number of Failures		Total Liabilities	
	District	U. S.	District	U. S.
December 1941.....	28	898	\$ 151,000	\$ 13,469,000
November 1941.....	17	842	136,000	9,197,000
December 1940.....	41	1,086	884,000	13,309,000
12 months, 1941.....	380	11,848	3,942,000	136,104,000
12 months, 1940.....	536	13,619	7,384,000	166,684,000

EMPLOYMENT

The demand for workers increased steadily through 1941, and at the end of the year unemployment had been reduced substantially. Shortages of skilled workers were evident and in some areas reserves of unskilled workers were largely eliminated. Induction of young men into the armed forces opened many jobs to older workers who had been idle previous to the defense program, and increased trade in retail outlets and greater need for office personnel in industry sharply reduced unemployment of white collar and clerical workers. In January an employment problem began to develop among people making their livings as automobile and tire salesmen and others connected directly or indirectly with the automotive industry, but except for new car and tire salesmen the situation has not yet become acute. Employment in Fifth district industries rose about 11 per cent in 1941 over 1940, but because of longer hours of employment and higher pay the total of payrolls rose around 29 per cent.

The following figures, compiled for the most part by the Bureau of Labor Statistics from records submitted by a large number of identical employers, show trends of employment and payrolls in the Fifth district from November to December.

STATES	Percentage change from Nov. 1941 to Dec. 1941	
	in number	in amount
Maryland	+0.8	+7.6
Dist. of Columbia	+7.4	+8.4
Virginia	+0.4	+1.6
West Virginia	+0.1	+2.5
North Carolina	0.0	+0.8
South Carolina	—0.3	+0.5
District Average	+0.7	+3.5

AUTOMOBILE REGISTRATIONS

REGISTRATION OF NEW PASSENGER CARS—NUMBER

STATES	Dec. 1941	Dec. 1940	% Change	12 Months 1941	12 Months 1940	% Change
Maryland	2,711	5,076	— 47	56,579	51,319	+10
Dist. of Col. ...	1,238	2,622	— 53	30,186	29,170	+ 3
Virginia	3,835	6,561	— 42	73,808	57,840	+28
West Virginia ..	1,479	2,392	— 38	33,166	31,102	+ 7
No. Carolina ...	4,143	8,343	— 50	65,727	56,760	+16
So. Carolina	1,866	3,397	— 45	35,611	30,432	+17
District	15,272	28,391	— 46	295,077	256,623	+15

Registrations of new passenger automobiles in December continued to show marked declines in comparison with registrations in the corresponding month of the preceding year, a development which began in September when 1942 models were introduced. However, sales of automobiles were so large during the first eight months of 1941 that the year's total for the district exceeded the 1940 figure, and was the largest on record, exceeding the prev-

ious record of 264,608 set in 1929 by 12 per cent. The registration figures in the table were furnished by R. L. Polk & Co.

BITUMINOUS COAL PRODUCTION

Soft coal mined in December 1941 in the United States totaled 46,667,000 net tons against 43,770,000 tons in November 1941 and 41,400,000 tons in December 1940. On a daily basis, however, the December production rate of 1,795,000 tons was 3 per cent below the November daily output of 1,855,000 tons. Total coal dug in 1941 amounted to 502,860,000 net tons, an increase of 11 per cent over 453,245,000 tons mined in 1940. Fifth district states of West Virginia, Virginia and Maryland mined approximately 159,567,000 tons of bituminous coal in 1941, or 32 per cent of the National total, against 142,730,000 tons, or 31 per cent of the National total, in 1940. Hampton Roads ports shipped approximately 21,863,000 tons of coal in 1941, a decrease of 1 per cent under 22,131,000 tons shipped in 1940. Production figures for Fifth district states in 1941 and 1940 were as follows:

SOFT COAL PRODUCTION IN TONS			
STATES	Year 1941	Year 1940	% Change
West Virginia	139,974,000	126,302,000	+11
Virginia	17,877,000	14,950,000	+20
Maryland	1,716,000	1,478,000	+16
5th District	159,567,000	142,730,000	+12
United States	502,860,000	453,245,000	+11

BUILDING PERMITS AND CONTRACT AWARDS

Building permits issued in 29 Fifth district cities in December 1941 totaled \$11,218,864 in estimated valuation, an increase of 35 per cent over the December 1940 valuation of \$8,322,378. Washington was first last month with permits totaling \$6,500,510, Baltimore was second with \$2,354,370, Norfolk third with \$414,839, Richmond fourth with \$180,618, and Charlotte fifth with \$159,855. Examination of the annual record shows permits issued in 1941 totaling \$140,257,619, an increase of 11 per cent over \$126,259,387 in 1940. Washington led for the year with permits totaling \$55,212,080, exclusive of Federal Government work for which city permits are not required. A table showing permits issued in each of the 29 cities in 1941 and 1940 appears elsewhere in this *Review*.

Construction contracts awarded in the Fifth district in December 1941 totaling \$64,541,000 led all Reserve districts, but were 36 per cent below awards totaling \$101,104,000 in December 1940. Contract awards in the Fifth district in the calendar year 1941 amounted to \$867,436,000, an increase of 67 per cent over \$520,642,000 in awards in 1940.

Contract award figures by states for December are not yet available, but November awards, which were not available when the December 31, 1941, *Review* went to press, were as follows:

CONSTRUCTION CONTRACTS AWARDED			
STATES	Nov. 1941	Nov. 1940	% Change
Maryland	\$ 16,968,000	\$ 8,368,000	+103
Dist. of Col.	4,136,000	6,244,000	- 34
Virginia	19,806,000	11,629,000	+ 70
West Virginia	5,220,000	5,661,000	- 8
North Carolina	5,615,000	6,418,000	- 13
South Carolina	6,408,000	7,383,000	- 13
Fifth District	\$58,153,000	\$45,703,000	+ 27

VALUATION OF BUILDING PERMITS ISSUED

CITIES	1941	1940
Maryland		
Baltimore	\$ 34,816,638	\$ 30,388,453
Cumberland	1,002,345	690,744
Frederick	453,916	621,389
Hagerstown	646,549	566,342
Salisbury	625,889	786,880
Virginia		
Danville	766,758	717,630
Lynchburg	1,098,383	1,327,885
Norfolk	5,564,113	7,000,321
Petersburg	223,343	186,971
Portsmouth	1,191,221	2,430,492
Richmond	6,380,460	5,267,908
Roanoke	1,397,019	1,390,208
West Virginia		
Charleston	2,668,033	4,345,397
Clarksburg	560,014	822,978
Huntington	1,592,139	1,682,122
North Carolina		
Asheville	769,925	655,542
Charlotte	4,439,766	4,295,627
Durham	2,603,310	1,625,023
Greensboro	1,903,439	2,674,816
High Point	2,393,388	1,182,235
Raleigh	2,489,988	2,328,176
Rocky Mount	603,610	716,561
Salisbury	627,369	452,735
Winston-Salem	2,474,012	2,628,421
South Carolina		
Charleston	2,919,515	2,222,532
Columbia	2,214,133	2,826,973
Greenville	1,063,217	900,012
Spartanburg	1,557,047	1,773,834
Dist. of Col.		
Washington	55,212,080	43,751,180
District Totals	\$140,257,619	\$126,259,387

Note: Valuation figures for Washington do not include Federal buildings.

THE RAYON INDUSTRY

December figures on rayon filament yarn shipments and stocks are not yet available, but preliminary data indicate a continuation of capacity production last month and further reduction in reserve stocks. *Rayon Organon*, in reviewing the rayon industry for 1941, says that average deliveries of yarn set a new record of over 37,000,000 pounds per month against the previous record of 32,000,000 pounds per month in 1940. The capacity demand for rayon yarn has been almost exclusively for civilian use. Unlike wool and cotton, rayon has not been used extensively in textile products for the armed forces, but it is expected that rayon's use in defense products will expand materially in 1942. During 1941 there were several minor adjustments and one general upward revision in rayon yarn price schedules, but the increases were very moderate in comparison with advances in cotton and wool, and the new schedules received the approval of the OPA. Pulp used in making rayon was stabilized at \$85 per ton throughout 1941, but chemical costs rose appreciably and in the first nine months of 1941 the average hourly earnings of workers in the rayon industry were 71.4 cents against 67.4 cents in the same 1940 period. Late last year du Pont's new nylon plant in Virginia began operations, and the Company announced plans for further additions to its original plant in Delaware. It is expected that nylon capacity will reach 20,000,000 pounds annually by the end of 1942.

COTTON TEXTILES

December witnessed a slowing in business in cotton textiles. In its survey of the market for December, the *Journal of Commerce* states that as a consequence of the declaration of war and expectations of heavy Government requirements, mills withdrew offerings in many sections of the industry. Demand continued very active from civilian sources, but went largely unfilled while further large Government purchases were made. Print cloths sold well, and after the start of the war sateens sold extensively for blackout cloths. In combed yarn goods a substantial amount of business was booked in lawns and other staples "on memorandum" in advance of the new ceiling schedules issued on the 24th, but mills withdrew thereafter. New fine goods ceiling regulations put a broad list of goods on a sliding scale basis, varying with cotton, and sliding scale ceilings also were instituted on combed yarns during the month. Colored goods sold in considerable volume, and denim mills sold up production through March. The Government issued calls for bids on upward of 40,000,000 yards of cotton textiles during December. The OPM asked cotton mills to go on a 24-hour basis and possibly seven days a week operations, but there are difficulties owing to machine, labor and other problems. With ceiling prices on most textile products now tied to the price of spot cotton, textiles followed cotton upward in December, and closed about 50 per cent above prices at the end of 1940.

Consumption of cotton in Fifth district mills in 1941 was the highest on record, exceeding the former 1940 record figure by 27 per cent. New district records for consumption were set in each of the past four years.

COTTON CONSUMPTION—FIFTH DISTRICT

		In Bales			
MONTHS		No. Carolina	So. Carolina	Virginia	District
December	1941.....	227,611	173,762	19,197	420,570
November	1941.....	216,694	165,790	18,805	401,289
December	1940.....	194,240	145,800	15,321	355,361
12 months,	1941.....	2,632,046	1,980,647	224,686	4,837,379
12 months,	1940.....	2,067,131	1,583,741	154,054	3,804,926

COTTON PRICES AND STATISTICS

Spot cotton prices on 10 Southern markets rose steadily from 17.22 cents per pound on December 12, 1941 to 18.81 cents on January 16, 1942, an increase of \$7.95 per bale. A year ago, on January 17, 1941, the average price for middling grade upland cotton was 10.06 cents, from which an advance of \$43.75 per bale occurred by January 16, 1942.

COTTON CONSUMPTION AND ON HAND

	Dec. 1941	Dec. 1940	Aug. 1 to Dec. 31 This Year	Aug. 1 to Dec. 31 Last Year
Fifth district states:				
Cotton consumed	420,570	355,361	2,077,707	1,652,289
Cotton growing states:				
Cotton consumed	753,623	666,920	3,771,145	3,065,710
Cotton on hand Dec. 31 in				
Consuming establishments ..	1,965,122	1,538,279	.....	.....
Storage & compresses	13,326,808	14,799,340	.....	.....
United States:				
Cotton consumed	887,326	777,482	4,440,454	3,578,607
Cotton on hand Dec. 31 in				
Consuming establishments ..	2,393,782	1,837,091	.....	.....
Storage & compresses	13,713,773	15,050,823	.....	.....
Spindles active, U. S.	23,063,112	22,799,060	..	..

AUCTION TOBACCO MARKETING

Bright, or flue-cured, tobacco markets finished season sales in December, while fire-cured, burley and sun-cured markets opened. Season sales of tobacco to January 1 this year were 13 per cent less than sales to January 1, 1941, but the average price this season has been 74 per cent higher and total receipts by growers rose 52 per cent. Sales to January 1, 1942 totaled \$168,475,431, compared with \$111,184,306 received prior to January 1, 1941.

STATES	Producers' Tobacco Sales, Pounds		Price per Cwt.	
	December 1941	December 1940	1941	1940
No. Carolina	496,899	18,135,933	\$19.57	\$13.69
Virginia (Flue cured)....	3,868,817	6,798,306	17.69	11.87
(Fire cured)	2,270,387	4,266,347	14.67	8.57
(Burley)	4,784,618	5,546,700	29.97	19.48
(Sun cured)	459,800	576,626	18.48	8.72
Virginia, Total	11,383,622	17,187,979	22.28	13.40
District Total, Dec.	11,880,521	35,323,912	22.17	13.55
N. C. season to 12-31 ...	424,971,066	484,974,920	29.93	17.30
Va. season to 12-31	87,643,074	95,391,364	30.44	17.19
S. C. entire season	57,950,536	74,803,580	25.20	14.55
District, season to 12-31 .	570,564,676	655,169,864	29.53	16.97

TOBACCO MANUFACTURING

Bureau of Internal Revenue receipts for December indicate production of tobacco products as follows in the United States:

TOBACCO PRODUCTS MANUFACTURED

	Dec. 1941	Nov. 1941	Dec. 1940
Smoking & chewing tobacco, pounds	20,994,506	24,345,905	21,499,435
Cigarettes, number	16,200,694,020	17,140,649,845	13,814,602,886
Cigars, number	474,912,920	542,905,735	349,779,880
Snuff, pounds	3,320,502	3,030,490	3,258,973

Annual production figures for 1941 and 1940 were as follows:

	Year 1941	Year 1940	% Change
Smoking & chewing tobacco, pounds	298,724,764	304,320,494	- 2
Cigarettes, number	206,405,766,365	180,662,787,772	+14
Cigars, number	5,787,235,511	5,418,408,619	+ 7
Snuff, pounds	39,580,412	37,875,059	+ 5

RETAIL AND WHOLESALE TRADE

Department Store Trade				
Percentage increase or decrease in sales, stocks, outstanding orders and outstanding receivables in Dec. 1941 in comparison with Dec. 1940 figures:				
	Sales	Stocks	Orders	Receivables
Richmond (5)	+14	(+14)	+29	+44
Baltimore (10)	+19	(+20)	+24	+84
Washington (7)	+17	(+20)	+31	+86
Other Cities (12)	+14	(+17)	+28	+79
Fifth District (79)*	+18	(+20)	+28	+78
Same stores by states:				
Maryland (13)	+19	(+20)	..	..
Virginia (16)	+17	(+20)	..	..
West Virginia (15)	+16	(+18)	..	..
North Carolina (16)	+12	(+17)	..	..
South Carolina (12)	+24	(+26)	..	..

* Includes stores reporting sales only.

Note: Second figure under Sales, in parentheses, compares total sales in 1941 with total sales in 1940.

Wholesale Trade, 190 Firms

LINES	Net Sales compared with		Stocks compared with		Ratio Dec. collections to accounts outstanding Dec. 1
	Dec. 1940	Nov. 1941	Dec. 31 1940	Nov. 30 1941	
Automotive supplies (11)	+16	- 4	+16	+ 2	81
Shoes (4)	+63	-48	+70	+57	61
Drugs & sundries (11) .	+20	- 3	..	..	92
Dry goods (8)	+21	-34	+74	+ 2	56
Electrical goods (6) ...	+39	+24	+24	+ 7	84
Groceries (60)	+32	+ 6	+23	+ 2	110
Hardware (11)	+24	-12	+ 5	+ 2	60
Indus. supplies (8)	+30	+ 6	- 3	+ 2	90
Paper & products (10) .	+45	+ 2	+10	+22	68
Tobacco & products (8) .	+31	+ 3	..	..	96
Miscellaneous (53)	+34	+ 7	+22	- 1	21
Dist. Average (190) ..	+31	- 5	+27	+10	77

Source: Department of Commerce.

RETAIL FURNITURE SALES

STATES	% Changes in Sales, Dec. and Year 1941 compared with	
	Dec. 1940	Year 1940
Maryland (9)	+10	+20
Dist. of Col. (7)	+22	+34
Virginia (13)	- 3	+18
North Carolina (5)	- 9	+14
South Carolina (6)	+10	+30
District (40)	+ 7	+24
Individual Cities:		
Baltimore (9)	+10	+20
Richmond (5)	- 7	+ 4
Washington (7)	+22	+34

AGRICULTURE IN 1941

In the accompanying table we show final crop estimates for 1941, with some earlier comparisons, together with total farm values for 1941 and 1940 yields of the leading crops in the Fifth Federal Reserve district.

CROPS	Yrs.	Maryland	Virginia	W. Virginia	N. Carolina	S. Carolina	District	Farm Value
Corn (bus.)	1941	15,164,000	32,942,000	12,307,000	52,096,000	22,316,000	134,825,000	\$107,827,000
	1940	16,335,000	36,396,000	11,956,000	47,600,000	23,733,000	136,020,000	100,177,000
	Av. 1930-1939	16,173,000	32,418,000	12,610,000	43,507,000	22,831,000	127,539,000	.....
Cotton (bales)	1941	.....	28,000	.....	556,000	405,000	989,000	\$ 84,857,000
	1940	.....	25,000	.....	739,000	966,000	1,730,000	86,526,000
	Av. 1930-1939	.....	33,000	.....	629,000	824,000	1,486,000	.....
Cotton Seed (tons)	1941	.....	12,000	.....	247,000	180,000	459,000	\$ 22,193,000
	1940	.....	11,000	.....	328,000	430,000	769,000	17,011,000
	Av. 1930-1939	.....	15,000	.....	279,000	366,000	660,000	.....
Tobacco (pounds)	1941	29,622,000	91,122,000	2,775,000	465,235,000	66,000,000	654,754,000	\$189,575,000
	1940	32,640,000	100,509,000	3,060,000	524,185,000	84,245,000	744,639,000	126,589,000
	Av. 1930-1939	26,901,000	99,861,000	2,985,000	529,356,000	85,656,000	744,759,000	.....
Irish Potatoes (bus.)	1941	1,920,000	6,916,000	3,795,000	6,636,000	2,548,000	21,815,000	\$ 17,078,000
	1940	2,320,000	10,286,000	3,630,000	8,720,000	2,875,000	27,831,000	18,643,000
	Av. 1930-1939	2,997,000	10,661,000	2,844,000	8,182,000	2,475,000	27,159,000	.....
Sweet Potatoes (bus.)	1941	1,040,000	2,970,000	.....	6,880,000	4,400,000	15,290,000	\$ 13,697,000
	1940	1,400,000	3,875,000	.....	7,178,000	4,160,000	16,613,000	12,602,000
	Av. 1930-1939	1,071,000	4,061,000	.....	8,354,000	5,401,000	18,887,000	.....
Oats (bus.)	1941	1,024,000	2,625,000	1,776,000	6,300,000	12,100,000	23,825,000	\$ 13,118,000
	1940	928,000	2,619,000	1,610,000	5,875,000	11,395,000	22,427,000	10,927,000
	Av. 1930-1939	1,825,000	2,116,000	1,931,000	4,460,000	9,238,000	19,070,000	.....
Wheat (bus.)	1941	7,245,000	7,665,000	1,628,000	7,110,000	3,146,000	26,794,000	\$ 29,647,000
	1940	6,897,000	8,168,000	1,711,000	6,645,000	2,725,000	26,146,000	22,871,000
	Av. 1930-1939	8,342,000	8,643,000	2,154,000	4,807,000	1,364,000	25,310,000	.....
Hay (tons)	1941	472,000	1,250,000	793,000	1,071,000	470,000	4,056,000	\$ 58,159,000
	1940	550,000	1,492,000	841,000	1,026,000	433,000	4,342,000	53,506,000
	Av. 1930-1939	467,000	924,000	642,000	744,000	398,000	3,175,000	.....
Peanuts (pounds)	1941	.....	169,200,000	.....	284,400,000	12,350,000	465,950,000	\$ 24,102,000
	1940	.....	215,670,000	.....	366,800,000	18,000,000	600,470,000	21,160,000
	Av. 1930-1939	.....	149,865,000	.....	249,288,000	9,041,000	408,194,000	.....
Apples, Commercial (bus.) .	1941	2,070,000	11,505,000	5,024,000	1,365,000	.....	19,964,000	\$ 15,535,000
	1940	2,077,000	10,660,000	4,868,000	962,000	.....	18,567,000	13,260,000
	Av. 1930-1939	1,996,000	10,366,000	4,796,000	966,000	.....	18,124,000	.....

(Compiled January 21, 1942)