

MONTHLY REVIEW

of Financial and Business Conditions

FIFTH
FEDERAL



RESERVE
DISTRICT

Federal Reserve Bank, Richmond 13, Va.

January 31, 1944

FARM acreage goals in the Fifth District for 1945 are a little higher than planted acreages in 1944, and the coming crop will have to be harvested with fewer hands. This labor situation will be accentuated if some 25-30 thousand workers in deferred selective service status are inducted into the armed forces. On the other hand, crop yields per acre for the past three years have been higher than was reasonable to expect, and a return to an average growing season would not be beyond probability, in which instance the farm labor requirements would be lessened.

There has been considerable reaction in several areas of the District among men classified 4F, as well as among others whose early induction appears probable, in shifting their employment to essential war jobs. As to whether this trend will continue or whether labor turnover will be reduced will be in part determined by the final national attitudes on manpower policy.

Such evidence as is available on the District's physical volume of production, other than farm production, indicates a slow downward trend. Any basic improvement, however, in the manpower situation should raise the production level.

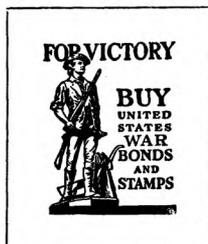
Department store trade in December, seasonally adjusted, receded 17 per cent from the record high month of November, but held 11 per cent above a year ago. Department store inventories at the beginning of December declined 3 per cent from a month earlier whereas normally they should have risen 3 per cent. November 1 inventories, however were about the same level as on this date for the past three years. Wholesale sales of drugs, dry goods, groceries, and hardware, seasonally adjusted, declined 3 per cent in December from November, but held

2 per cent ahead of December 1943.

Investments in direct obligations of the Government by the weekly reporting member banks of this District rose \$177 million, or 13 per cent from November 8 to December 20, which covered the period of the Sixth War Loan. The chief increases in this period came in notes, which rose \$77 million; in bonds, which rose \$64 million; and in bills, which rose \$44 million. Offsetting these increases to the extent of \$8 million was a decrease in certificates. Between December 20 and January 17, bill holdings declined \$8 million, certificate holdings rose

\$3 million; note holdings rose \$14 million; and bond holdings rose \$19 million. The increase in this period amounted to \$28 million, making the total rise since the beginning of the Sixth War Loan \$205 million, or 15 per cent.

Changes in loans made by the weekly reporting banks have been negligible over the past two months except for loans made to others to purchase or carry securities. These loans were at their lowest level since the Fifth War Loan on November 22 when they amounted to \$27 million. Between November 22 and December 13 these loans increased by \$58 million to \$85 million, but by January 17, \$32 million, or more than half of the increase, had been paid off. Although some of these loans may have been made to purchase Sixth War Loan securities in anticipation of dividend and interest checks at the year's end it seems more probable that the \$32 million already paid off was paid by selling the securities to banks.



BUSINESS INDEXES—FIFTH FEDERAL RESERVE DISTRICT

Average Daily 1935-39=100 Seasonally Adjusted

	Dec. 1944	Nov. 1944	Oct. 1944	Dec. 1943	% Change	
					Dec. 1944 from Nov. '44	Dec. '43
Bank Debits	231	226	205	191	+ 2	+21
Bituminous Coal Production*	118	146r	145r	147	-19	-20
Building Contracts Awarded	96	81	72	151	+19	-36
Building Permits Issued	42	48	48	50	-13	-16
Cigarette Production	155	162	152	193	- 4	-20
Cotton Consumption*	133	149	142	147	-11	-10
Department Store Sales	208	251	224	187	-17	+11
Department Store Stocks	162	159r	171	166	+ 2	- 2
Life Insurance Sales	120	137	146	112	-12	+ 7
Wholesale Trade—Four Lines	177	182	175	173	- 3	+ 2
Retail Furniture Sales	166	166	163	125	0	+33

Agriculture in the Fifth Federal Reserve District 1944 Production and 1945 Goals

The War Food Administration has set food goals for 1945 at levels approximately as high as actual farm output in 1944, the year which set an alltime record in agricultural production in the nation. The reasons for setting the goals to compare with the peak production of last year are as follows:

The date of termination of hostilities is still indefinite. It is highly probable that victory over Germany will come by the close of the current calendar year. Whether or not this happens, a high level of farm production will still be necessary. When victory is achieved, the United States will have to provide foodstuffs for the European countries during their period of reconstruction and rehabilitation, and will even have to supply Germany with food until her farm land can once again be cultivated. In addition, when Germany is defeated, many American and Allied troops will be transferred to the Pacific theater, necessitating a continuing flow of supplies; many will remain in Europe to aid in rehabilitation, and these, too, will require maintenance of high farm production. The demobilization of the remainder of the forces cannot take place over night, a fact which must also be taken into consideration when food goals are established.

If the war in Europe is not over by the end of this year, the need for farm products will of course be maintained at present levels. In either case, the War Food Administration is of the opinion that it is preferable for the United States to risk the possibility of a surplus rather than to be caught short-handed.

Another reason for setting goals close to 1944 levels of production is that yields have been exceptionally high both in 1943 and in 1944, due to good growing conditions, as well as to intensive cultivation. The same favorable conditions cannot be anticipated for 1945; therefore, if high acreages are planted, even if the yield is closer to average, production would probably still be high enough to fill requirements.

1945 GOALS COMPARED WITH 1944 ACREAGES

In most cases, acreages set by the War Food Administration for farmers to aim at in 1945 were quite close to 1944 acreages. Table 1 shows the actual comparisons in the Fifth Federal Reserve District.

**TABLE 1: 1945 ACREAGE GOALS COMPARED WITH 1944 ACREAGE,
FIFTH FEDERAL RESERVE DISTRICT**

CROP	Acres	Goal as
	Harvested 1944 (000)	% of 1944 Acreage ¹
Corn	6,087	100
Wheat	1,864	102
Oats	1,167	115
Hay, all tame	4,321	126
Peanuts ²	512	95
Soybeans (for beans)	308	125
Cotton	1,887	100
Tobacco:		
Flue-cured	895.0	105
Burley	27.4	96
Maryland	40.2	102
All other	17.0	121
Potatoes	235.5	100
Sweet Potatoes	191	105

² Acreage grown alone for all purposes.

¹ Percentages computed on the basis of 1944 planted acreages for corn, wheat, oats, peanuts, cotton, potatoes, and sweet potatoes; on the basis of 1944 harvested acreage for hay, soybeans and tobacco.

Recommendations for 1945 for hay, soybeans, and tobacco were based on 1944 harvested acreage rather than on planted acreage as was the case with the majority of the crops. However, at the time that these goals were arrived at, the annual estimates of harvested acreage were not yet available, and July first data were used. Much of the land that farmers expected to harvest in mid-1944 was not harvested, due either to unfavorable weather or to shortages of farm labor. The drought that hit Maryland, Virginia, and West Virginia in the early fall was an important factor in the abandonment of 63,000 acres of a total of 173,000 acres of soybeans which farmers expected to harvest, according to mid-year intentions. The acreage of hay crops was also reduced because of the drought. The corn crop of West Virginia was severely damaged for the same reason.

Corn and wheat goals for each state of the District were set at almost the precise level of the 1944 planted acreage, which complied exactly with the 1944 goal in the case of corn and exceeded it slightly in the case of wheat. Soybeans, on the other hand, fell far short in 1944 of the goal of 732,000 acres set; accordingly, the 1945 goal has been lowered to 398,000 acres, but this is still 25 per cent above the acreage harvested in 1944. The soybean acreage harvested in 1944 fell far short of the recommendations for that year in every state of the District. North Carolina, the most important soybean state, harvested 196,000 acres in 1944, compared with the goal of 400,000 acres; the 1945 goal is set at 12 per cent above the actual harvested acreage of 1944, but is only 55 per cent of the 1944 goal. Virginia, the state second in importance, was asked to harvest 250,000 acres of soybeans in 1944, but latest data indicate an actual harvest of only 63,000 acres. The 1945 goal for that state, set on the basis of July first indications of harvested acreage, is placed at 120,000 acres, close to twice the actual accomplishment in 1944.

The peanut goal for 1945 was likewise lowered to bring it in line with actual 1944 accomplishment. The three peanut-producing states of the Fifth Federal Reserve District, Virginia, North Carolina, and South Carolina, were asked to plant 628,000 acres to peanuts grown alone for all purposes in 1944, but missed the requested acreage by 16 per cent. The 1945 goal for the three states was set 20 per cent lower than the WFA recommendation for 1944. Virginia came closest to fulfilling the 1944 request, falling short of the goal of 170,000 acres by only 10,000 acres or 6 per cent; North Carolina lacked 12 per cent of the 348,000 acre goal set for her for 1944; while South Carolina, the smallest of the three peanut states, planted only 60,000 of her 110,000-acre recommendation.

Cotton acreage in 1945 is to be kept at exactly the same level as was planted in 1944, according to the War Food Administration. The 1944 acreage was extremely low, although it was equivalent to 95 per cent of the total acreage requested of the cotton states of the Fifth District, but the crop was large, due to elimination of submarginal land and to intensive cultivation of the

planted acreage. The goal set for 1945 is 5 per cent smaller than the goal of last year.

Tobacco acreage is to be held at approximately the same level or slightly higher in 1945 than was actually harvested in 1944. The harvest in 1944 fell short of the goal for that year by 37,000 acres or 4 per cent; the 1945 goal is 10,000 acres higher than the 1944 goal, for an aggregate of all types of tobacco. Flue-cured acreage of 935,000 acres is requested for 1945 in Virginia and the Carolinas. This is 5 per cent above the harvested acreage of 1944, with the largest increase, percentage-wise, recommended in South Carolina. The actual additional acreage requested in South Carolina is 24,000 acres; that in North Carolina, 20,000 acres; while Virginia is asked to keep her harvested acreage precisely the same as it was in 1944. A smaller number of acres of burley tobacco than was harvested in 1944 is recommended for 1945 both in Virginia and North Carolina; West Virginia was requested to increase her harvest, which amounted to 3,000 acres in 1944, by 300 acres. Maryland tobacco is to continue at the same level as it has for several years.

1945 LIVESTOCK GOALS

The situation with regard to livestock goals is very similar to that described above in connection with crops. The goals for 1945 were set very close to actual accomplishment in 1944, except that farmers were asked to raise 17 per cent more chickens in 1945 than they did last year, and that a reduction of 8 per cent in spring farrowings of hogs was requested.

The number of cattle and calves on farms for the District as a whole is recommended to be increased over the number on farms on December 31, 1944, by only 3 per cent, from 3,178,000 to 3,285,000 head. The changes suggested for the five states varied somewhat, however:

STATE	Number, Dec. 31, 1944	Goal, Dec. 31, 1945	Goal as % of Number 1944
	(Thous. of heads)		
Maryland	366	370	101
Virginia	1,058	980	93
West Virginia	610	613	100
North Carolina	752	907	121
South Carolina	392	415	106
Fifth District	3,178	3,285	103

The only state in which farmers were asked to increase their spring farrowings of hogs was South Carolina. Other states were requested to decrease their spring farrowings by from 13 per cent in Virginia to 8 per cent in West Virginia.

Chicken production is to be increased 17 per cent in the Fifth Federal Reserve District in 1945, if farmers heed WFA requests. During the first few months of 1945, 100 per cent of all live chickens marketed in the major producing counties of Delaware, Maryland, Virginia, and West Virginia will be set aside until military requirements are met. Most of the suggested increase in 1945 was requested for the state of North Carolina as can be seen below:

STATE	Number Raised, 1944	Goal, 1945	Goal as % of Number Raised, 1944
	(Thous. of heads)		
Maryland	8,329	7,500	90
Virginia	18,233	16,162	89
West Virginia	4,952	5,018	101
North Carolina	22,399	36,000	161
South Carolina	9,248	9,248	100
Fifth District	63,161	73,928	117

The 1945 milk production goal was placed at 5.7 billion

pounds for the Fifth Federal Reserve District as a whole, only 3 per cent higher than actual production in 1944. Production is to be increased in every state by only a small percentage, however, varying from 1 per cent, or 11 million pounds in West Virginia, to 3 per cent each in Virginia and the Carolinas. The goal for 1945 for the Fifth District is less than 1 per cent above the recommendation for last year.

FARM PRODUCTION, 1944

For the United States as a whole, total agricultural production in 1944 was the highest in history, 33 per cent above the five prewar years, 1935-1939. This is not necessarily true of the Fifth District, however, although farm production was at a high level here last year.

The tobacco crop was unusually large in 1944, especially flue-cured and burley, the major cigarette types. The flue-cured crop in Virginia and the Carolinas in 1944 was 18 per cent higher than it was in the average of the three prewar years, 1937-1939. Burley tobacco produced in 1944 was 37 per cent above the production of the same prewar period. Demand for both of these types of tobacco and prices of both are high at present, reflecting the high level of cigarette consumption. Cigarettes are being consumed at the highest rate in the history of the country, with the high level due in large part to the sharp increase in shipments to the armed forces abroad. The total number of cigarettes shipped overseas in 1944 was probably in the neighborhood of 110 billion, the equivalent of about one-third of the total output last year.

The cotton crop in the three cotton-growing states of the Fifth Federal Reserve District in 1944 aggregated 1,575,000 bales, compared with 1,316,000 bales in 1943 and with 1,412,000 bales for the average of the three years 1937-1939. The 1944 production represents an all-time record yield both in Virginia and in North Carolina. Acreages were small in 1944 for several reasons: (1) unfavorable weather at planting time; (2) availability of alternative crops, with greater returns, in many areas—for example, in regions where peanuts compete with cotton for the use of the land, many farmers gave peanuts preference, because of favorable prices; (3) tight labor situation.

Peanut production was likewise higher in 1944 than it was in previous years. Picked and threshed production exceeded the prewar average by 28 per cent in Virginia and the Carolinas. Peanuts have been an important source of oil since the war has closed off our important sources of oil in the Philippine Islands and the Netherlands Indies. In addition, salted peanuts and peanut butter are being used in the diet of the armed forces, and peanuts are included in the Army type C rations. Because of this edible use, the War Food Administration issued orders early in January 1945, requiring shellers to set aside for military use 50 per cent of their remaining stocks and subsequent purchases of 1944-crop Spanish-type peanuts and 30 per cent of Runner type peanuts. The quantities affected by this order, plus the volume previously designated for military use, is the equivalent of about 25 per cent of the 1944 Spanish crop and 20 per cent of the Runner crop, with about 45 per cent of the Virginia crop already earmarked for military use.

Details of production of individual crops in the various states of the Fifth Federal Reserve District are presented in Table 2.

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TABLE 2: PRODUCTION OF PRINCIPAL CROPS, FIFTH FEDERAL RESERVE DISTRICT, BY STATES

(All figures in thousands)

CROPS	UNIT	FIFTH DISTRICT			MARYLAND			VIRGINIA		
		Average 1937-39	1943	1944	Average 1937-39	1943	1944	Average 1937-39	1943	1944
Corn	bus.	139,777	135,563	137,532	17,622	11,804	17,150	36,403	33,275	34,272
Wheat	bus.	26,503	20,505	34,442	8,247	4,913	8,906	8,507	5,863	11,275
Oats	bus.	21,653	25,328	29,487	1,007	1,032	1,170	2,203	2,860	3,672
All tame hay	tons	4,141	4,620	4,179	538	556	486	1,332	1,418	1,357
Peanuts for nuts	lbs.	454,329	514,040	580,725	.....	.....	.....	164,347	174,720	197,500
Soybeans for beans	bus.	2,552	3,836	3,564	167	324	455	509	1,056	945
Tobacco:										
Flue-cured	lbs.	817,098	713,730	967,800	.....	.....	.....	84,370	85,050	106,000
Burley	lbs.	23,716	25,614	32,430	.....	.....	.....	12,550	12,500	14,880
Maryland	lbs.	28,267	20,827	32,160	28,267	20,827	32,160	.....	.....	.....
All other	lbs.	21,321	11,866	16,075	.....	.....	.....	21,321	11,866	16,075
Cotton	bales	1,412	1,316	1,575	.....	.....	.....	23	24	30
Potatoes	bus.	26,892	29,642	18,274	2,780	1,980	1,824	9,936	9,594	5,976
Sweet Potatoes	bus.	18,574	18,723	21,266	1,090	960	1,280	4,001	2,976	3,960
WEST VIRGINIA										
CROPS	UNIT	Average			Average			Average		
		1937-39	1943	1944	1937-39	1943	1944	1937-39	1943	1944
Corn	bus.	12,575	14,042	10,426	47,929	51,018	51,524	25,248	25,424	24,160
Wheat	bus.	2,101	1,053	1,680	5,774	5,812	8,928	1,874	2,864	3,653
Oats	bus.	1,751	1,599	1,430	5,630	5,977	8,151	11,062	13,860	15,064
All tame hay	tons	826	964	805	1,036	1,216	1,121	409	466	410
Peanuts for nuts	lbs.	.....	.....	.....	281,020	301,920	360,825	8,962	37,400	22,400
Soybeans for beans	bus.	12	39	22	1,800	2,313	2,058	64	104	84
Tobacco:										
Flue-cured	lbs.	.....	.....	.....	619,275	542,200	733,000	113,453	86,480	128,800
Burley	lbs.	2,772	2,702	2,550	8,394	10,412	15,000	.....	.....	.....
Maryland	lbs.	.....	.....	.....	.....	.....	.....	.....	.....	.....
All other	lbs.	.....	.....	.....	.....	.....	.....	.....	.....	.....
Cotton	bales	.....	.....	.....	542	596	700	847	696	845
Potatoes	bus.	2,805	2,775	2,040	8,633	12,100	6,970	2,738	3,193	1,464
Sweet Potatoes	bus.	.....	.....	.....	8,466	7,566	8,970	5,017	7,221	7,056

The Sixth War Loan

The Sixth War Loan distribution of Government securities in the Fifth Federal Reserve District of \$1,246 million was the largest on record, having exceeded the previous high of the Fifth War Loan by \$33 million, or 2.7 per cent. This record was due wholly to an increase of \$143 million, or 51 per cent, in purchase of 2 per cent bonds since all other issues were purchased in lesser amounts than in the Fifth War Loan.

The 2 per cent bonds have been in strong demand from banks for some time. Since banks have not been permitted to purchase 2 per cent bonds direct from the Treasury, but must obtain them in the market, it is apparent that the large purchases recorded by other investors will in part find their way into bank portfolios in the next several months.

This District failed to maintain the proportion of all Sixth War Loan sales in the United States which it established in the Fifth War Loan. In each preceding War Loan, the Fifth District had shown a steadily rising percentage of the United States total until 5.88 per cent was reached in the Fifth War Loan. The District's percentage of the Sixth War Loan was 5.76 per cent.

Individuals of this District purchased \$481 million of securities in the Sixth War Loan which was \$36 million or 7 per cent less than they purchased in the Fifth Loan. Other investors, however, purchased \$765 million of securities in the Sixth Loan, an increase of \$67 million, or 10 per cent more than they bought in the Fifth Loan. Individual purchases in the Sixth Loan relative to the Fifth declined most in Certificates and next in $1\frac{1}{4}$ per cent notes. According to the holdings of weekly reporting member banks of this District, neither Certificates nor notes were in demand by banks between the Fifth and Sixth War Loans. This may have accounted for the lessened demand for these issues by individuals. Sales to individuals and to other investors from the Second to the Sixth War Loans are shown in the accompanying table.

**TABLE 1: TOTAL GOVERNMENT SECURITY PURCHASES
FIFTH DISTRICT
(million dollars)**

	Total	Individuals		Others	
		Amt.	%	Amt.	%
Second	597	212	36	385	64
Third	972	355	37	617	63
Fourth	881	364	41	517	59
Fifth	1,214	516	43	698	57
Sixth	1,246	481	39	765	61

USE OF BANK LOANS

In spite of the record level of War Loan Security purchases and especially the record purchases of 2 per cent bonds, the amount of bank loans made by the weekly reporting member banks to finance bond purchases in the Sixth War Loan was considerably less than in the Fifth War Loan, but much more than in the Fourth as the accompanying table shows:

**TABLE 2: LOANS FOR PURCHASING OR CARRYING
SECURITIES TO OTHERS*
(million dollars)**

Date	Amount	Date	Amount	Change
Fourth War Loan...Jan. 12	22	Feb. 9	32	+10
Fifth War Loan....June 7	20	July 5	109	+89
Sixth War Loan...Nov. 22	27	Dec. 13	85	+58

* Weekly Reporting Member Banks—Fifth District.

Loans for purchasing or carrying securities to "others" were at their lowest point just preceding each War Loan during 1944, and from the first column of figures shown in the above table it is apparent that these loans had shown little change in level at the beginning of each of the War Loan Drives made in that year. This would indicate that the securities had either been bought for speculative purposes, or that the loans had been paid off from subsequent cash received by the borrower between Drives. The rate at which the loans have been paid off seems to indicate considerably more speculation in the Fifth Drive than in either the Fourth or Sixth, and more speculation in the Sixth than in the Fourth.

TYPES OF SECURITIES PURCHASED

The chief changes in the type of issues purchased by investors in this District in the Sixth War Loan relative to the Fifth were an increase in the importance of 2 per cent bonds and decreases in the importance of all other issues with the chief decrease in $\frac{7}{8}$ per cent Certificates. Purchases of 2 per cent bonds in the Sixth War Loan accounted for 33.8 per cent of the District's total purchases. This is the greatest importance which intermediate term bonds have had in any of the six War Loans, the Fifth Loan proportion being 23.0 per cent of the total purchases and the Third Loan 29.8 per cent of the total. As has been previously mentioned, demand for intermediate term bonds by banks has been strong, and sales of market issues to non-bank investors have seemed to follow this demand.

Certificate holdings by the weekly reporting member banks of the District were at their highest level on August 16, 1944, at \$333 million, which was \$85 million higher than at the turn of the year 1944; these holdings picked up \$10 to \$327 million during the Sixth War Loan Drive, but by January 10, 1945, they had receded to \$307 million. It is true, of course, that country banks are using Certificates to a greater extent for reserve purposes, but even so, demand for Certificates has not been insistent at prevailing prices. This seems to line up with the Certificate purchases in the Sixth War Loan Drive which for this District totaled \$279 million, a decrease of 17.5 per cent from the amount purchased in the Fifth War Loan Drive. Certificates accounted for 22.4 per cent of all securities sold in the District in the Sixth War Loan; 27.9 per cent in the Fifth; and 29.1 per cent in the Fourth, which was the peak of importance for these securities.

Note holdings of the weekly reporting member banks of the District rose notably during 1944, except from the end of the Fifth War Loan Drive to the beginning of the Sixth when these holdings fell \$27 million, probably in part due to maturities. Note issues were in demand by banks of the District during the Sixth Drive and have risen some since the Drive ended. It is somewhat surprising, therefore, that purchases of $1\frac{1}{4}$ per cent notes in the Sixth War Loan Drive, amounting to \$114 million, were 20 per cent less than in the Fifth War Loan Drive. Since purchases of these securities by individuals recorded much the same dollar loss as shown by all purchases, it may be that requests by the Treasury for issu-

ing agents to police the subscriptions had some effect in this issue, despite the fact that no such tendency was in evidence in case of the 2 per cent bonds. Then, too, it is possible that the relatively greater attraction and better profit opportunity shifted purchases from the 1¼ per cent notes to the 2 per cent bonds.

Series C savings notes purchased in the amount of \$113 million in the Sixth War Loan Drive were 9.2 per cent lower than similar notes purchased in the Fifth Drive. Investors acquired \$360 million of these notes during the three Drives in 1944, compared with \$221 million in the two Drives of 1943, and this fact together with many reductions here and there in corporation tax liability seems related to the reduced purchases of these securities. Tax and savings notes accounted for 9.1 per cent of all securities bought in the Sixth War Loan, which continues the trend toward a progressively lower proportion that has been in evidence since the Third War Loan.

Series E savings bond purchases in the Sixth War Loan Drive were within \$61,000 of the amount bought in the Fifth Drive. These securities accounted for 16.7 per cent of all purchases in the Sixth Drive compared with 17.2 per cent in the Fifth and 24.2 per cent in the Fourth. Series E bond percentages of total purchases in the Fifth and Sixth Drives were more in line with the proportions established in the first three Drives, whereas the Fourth Drive was well above the average.

Purchases of Series F and G bonds, amounting to \$45,137,000 in the Sixth War Loan Drive, were 14.2 per cent less than in the Fifth Drive and were approximately at the same level as in the Second Drive. These securities were purchased in the largest amount during the Fourth Drive, when \$63,364,000 were bought, but their importance in total security purchases was greatest in the Second Drive.

The District failed to maintain pace with the United States in total Sixth War Loan purchases; but in purchases of 1¼ per cent notes, 2 per cent bonds, and Series E savings bonds this District ran ahead of the rate of purchase in the United States. The statistics of purchases by issues, together with the percentages of the United States totals, are as follows:

TABLE 3: WAR LOAN PURCHASES OF GOVERNMENT SECURITIES BY NON-BANK INVESTORS—FIFTH DISTRICT
(million dollars)

War Loan	Cert. %	Notes 1¼%	Bonds* 2%	Bonds 2½%	Tax	Savings Ser. E	Bonds Ser. F & G	Total
					& Sav. Notes			
First	59.4	.....	40.1	70.2	60.7	46.1	20.2	296.7
Second	150.1	.....	112.9	108.9	83.3	96.0	44.8	596.7**
Third	197.8	.....	289.8	133.3	137.5	160.1	53.9	972.4
Fourth	256.5	.....	181.1	45.2	122.5	213.3	62.4	881.0
Fifth	338.0	141.0	279.2	69.7	124.6	208.4	52.6	1,213.5
Sixth	278.9	113.5	422.4	65.0	113.2	208.4	45.1	1,246.4
(Per Cent of United States Total)								
First	3.57	.....	4.00	2.47	4.57	7.18	6.94	4.34
Second	4.84	.....	4.01	2.89	5.04	6.52	6.72	4.43
Third	4.80	.....	5.51	3.53	5.54	6.48	6.49	5.13
Fourth	5.09	.....	5.44	2.36	5.40	6.69	6.09	5.27
Fifth	7.09	7.24	5.34	3.08	4.84	6.87	6.43	5.88
Sixth	6.33	7.32	6.09	2.40	4.66	7.27	6.28	5.76

* First, 1¼%; Fourth, 2¼%.

** Includes unallocated amount of \$690,000.

TYPE OF PURCHASER

Individuals, partnerships, and personal trust accounts ranked first in importance as buyers of Sixth War Loan securities, a position these buyers have held since the Fourth War Loan. However, individuals, etc., accounted

for but 38.6 per cent of all Sixth War Loan purchases, whereas they accounted for 42.5 per cent in the Fifth Loan, and 41.3 per cent in the Fourth. Individuals' purchases in the Sixth Loan of \$480.7 million declined \$35.5 million, or 7 per cent, from their purchases in the Fifth Loan. This was mainly due to a decline in individual purchases of marketable securities since their reduced purchases of 7/8 per cent certificates and 1¼ per cent notes more than offset increases in 2 per cent and 2½ per cent bonds. However, individuals' purchases of non-marketable securities were highest in the Fourth War Loan, and successively lower purchases have resulted in the two succeeding War Loans. While data on wages and salaries paid in the District during 1944 are not available, there are factors that indicate such incomes were still in a rising trend.

Savings banks, all of which are located in Maryland, increased their purchases in the Sixth Loan over the Fifth by 52 per cent with substantially increased purchases of 2 per cent bonds and 1¼ per cent notes greatly exceeding smaller purchases of other securities. Savings banks accounted for 5.5 per cent of the District's Sixth War Loan purchases which is a percentage higher than in the Fifth Loan, but about in line with the Fourth and somewhat lower than in the Second and Third.

Insurance companies bought \$84.2 million of securities in the Sixth War Loan, which was \$19.4 million, or 30 per cent, more than they purchased in the Fifth Loan. Insurance companies, like the savings banks, accounted for a larger percentage of total Sixth War Loan purchases than Fifth War Loan purchases, but the Sixth Loan proportion was about the same as in the Fourth Loan and smaller than either the Second or Third.

Dealers and brokers, who have never been of any great importance as government security purchasers, in the War Loan offerings, purchased \$4.7 million in the Sixth War Loan Drive. This was a decrease of \$10.5 million, or 69 per cent, from their purchases in the Fifth War Loan Drive. This reduction was in harmony with Treasury policy of attempting to sell as many securities to non-bank investors as possible, as dealers and brokers' chief customers for Government securities are the banks. Federal agencies and Federal trust funds purchased \$19.7 million of Fifth War Loan securities, but in the Sixth War Loan these purchases practically vanished.

States and local governments increased Sixth War Loan purchases over Fifth Loan purchases by \$20.3 million, or 16 per cent, though it is understood that one state sold a large sum of Certificates purchased in the Fifth War Loan and purchased a similar amount of Certificates in the Sixth Loan. States and local governments accounted for 11.5 per cent of Sixth War Loan purchases, which is the largest proportion these purchasers have accounted for in any of the Drives.

All other non-banking corporations and investors bought \$464.9 million Sixth Loan securities to account for 37.3 per cent of the total sales in the District. Sixth War Loan purchases by these investors were a high record for all War Loans and \$35.5 million, or 8 per cent, above their Fifth War Loan purchases. These investors increased their takings of 7/8 per cent certificates and 2 per cent bonds sufficiently to offset reduced takings of other types of securities.

Statistics of the types of purchasers and the amounts purchased, together with individuals, partnerships, and personal trust account purchases by type of security follow:

TABLE 4: WAR LOAN SECURITY PURCHASES BY TYPE OF PURCHASER—FIFTH DISTRICT

	(million dollars)				
	2nd	3rd	4th	5th	6th
1. Individuals, etc.	212.4	354.7	363.7	516.2	480.7
2. Savings banks	41.7	74.1	46.6	45.0	68.3
3. Insurance companies	60.3	70.5	53.5	64.8	84.2
4. Dealers and brokers	*	24.3	18.4	15.2	4.7
5. Federal Agencies and trust funds	4.0	6.6	6.5	19.7	-1
6. State and local governments	57.6	77.0	67.2	123.2	143.5
7. All other	220.8	365.2	325.1	429.4	464.9
Total	596.8	972.4	881.0	1,213.5	1,246.4

* Included in "all other."

TABLE 5: GOVERNMENT SECURITY PURCHASES BY INDIVIDUALS, PARTNERSHIPS, AND PERSONAL TRUST ACCOUNTS FIFTH DISTRICT

War Loan	(million dollars)							Total
	Cert. 7/8%	Notes 1 1/4%	Bonds 2's	Bonds 2 1/2%	Ser. C Notes	Savings Ser. E	Bonds Ser. F & G	
Second	12.3	...	33.1	35.3	9.7	96.0	26.0	212.4
Third	15.1	...	100.5	34.8	10.2	160.1	34.0	354.7
Fourth	45.8	...	45.6*	17.3	8.4	213.3	33.3	363.7
Fifth	83.4	47.7	112.6	24.0	6.4	208.4	33.7	516.2
Sixth	21.9	19.8	167.3	26.5	5.8	208.4	30.9	480.7

* 2 1/4%

THE RECORD OF THE STATES

The District's record high level of Government security purchases in the Sixth War Loan was caused by increased purchases in Virginia, West Virginia, and North Carolina, more than offsetting decreased purchases in Maryland, District of Columbia, and South Carolina.

All of the states increased their purchases of 2 per cent bonds in the Sixth War Loan Drive, compared with the Fifth, but this was the only uniform performance shown. The three states which increased total purchases in the Sixth War Loan compared with the Fifth increased their purchases of 7/8 per cent Certificates, whereas these Certificate purchases decreased for the remaining states. All states except the District of Columbia decreased their purchases of 1 1/4 per cent notes. Series E Savings Bond purchases in the Sixth War Loan exceeded those in the Fifth War Loan in West Virginia and North Carolina only, while Series F and G Savings Bond purchases were reduced in all states except Virginia.

Comparative total War Loan purchases by states are shown in the accompanying table:

TABLE 6: WAR LOAN PURCHASES BY NON-BANK INVESTORS FIFTH FEDERAL RESERVE DISTRICT

	(thousand dollars)				
	Second	Third	Fourth	Fifth	Sixth
Md.	189,694	330,678	280,170	421,797	416,691
D. C.	78,888	102,811	110,014	152,107	141,159
Va.	120,530	193,819	184,857	220,343	247,935
W. Va.	54,747	84,463	68,239	100,698	112,774
N. C.	109,854	182,473	171,971	235,256	248,364
S. C.	43,041	78,135	65,745	83,333	79,492
Fifth District...	596,754	972,379	880,996	1,213,534	1,246,415

	Per Cent of Fifth District Total				
Md.	31.8	34.0	31.8	34.7	33.4
D. C.	13.2	10.6	12.5	12.5	11.3
Va.	20.2	19.9	21.0	18.2	19.9
W. Va.	9.2	8.7	7.7	8.3	9.1
N. C.	18.4	18.8	19.5	19.4	19.9
S. C.	7.2	8.0	7.5	6.9	6.4
Fifth District....	100.0	100.0	100.0	100.0	100.0

QUOTA ATTAINMENT

All quotas in the states of the Fifth District were made in the Sixth War Loan Drive with the exception of the Series E savings bond quota in Maryland. The overall quotas for the states of the District were made by a margin of 50 per cent or better, with all of the states, except the District of Columbia, ranking above the median of performance of all states in the nation. Four of the District's states were in the top fourth of the states of the nation as regards overall quota accomplishment, but four of the District's states also were lower in rank in the Sixth War Loan than in the Fifth. The Fifth District in the aggregate exceeded all quotas by a larger percentage in the Sixth War Loan than in either the Fifth or Fourth, and exceeded the performance of the United States in the Fifth and Sixth War Loans for each class of investor on which a quota was established, as the accompanying table shows:

TABLE 7: PERCENTAGE OF WAR LOAN QUOTAS ACHIEVED

	Individuals, etc.											
	All Investors			Ser. E Bonds			Corps. & Other					
	4th	5th	6th	4th	5th	6th	4th	5th	6th			
Md.	147	185	198	104	196	133	81	83	94	187	176	265
D. C.	116	142	150	97	93	117	115	110	116	140	207	182
Va.	129	140	182	102	113	143	116	117	137	162	170	222
W. Va.* ..	136	195	209	103	143	175	107	104	111	173	267	254
N. C.	137	159	205	107	116	155	103	100	124	173	199	256
S. C.	122	144	162	102	112	138	100	119	132	152	178	188
Total ..	134	163	188	103	136	142	102	103	118	170	191	236
U. S. ...	120	129	154	97	106	118	106	101	115	134	143	175

* Entire state.

The high rank of Fifth District states in per cent of all investor quota achievement in the Sixth War Loan was due primarily to purchases by individuals other than Series E bond purchasers and to corporations and other investors, since three of the states were on or below the median of states of the nation in Series E bond quota attainment. The ranks of Fifth District states among the states of the nation are shown in the accompanying table with revisions for the Fifth Loan incorporated.

TABLE 8: RANKS OF FIFTH DISTRICT STATES IN ACHIEVEMENT OF FIFTH AND SIXTH WAR LOAN QUOTAS

	All Investors		Individuals, etc.		Ser. E Bonds		Corps. and Other	
	5th	6th	5th	6th	5th	6th	5th	6th
Md.	3	4	2	13	49	49	11	3
D. C.	14	27	40	21	17	25	3	26
Va.	17	9	22	9	12	5	14	11
W. Va.	1	2	9	1	28	34	1	7
N. C.	9	3	21	2	37	14	5	6
S. C.	13	16	23	10	8	12	10	21

The maps on page 8 show the degree of achievement of overall and Series E bond quotas by counties with independent cities incorporated in the counties where they are located. All counties except one in the District attained their overall quotas, but 45 counties of the District did not meet their Series E bond quota. Out of 319 county units which reported separate sales, 67 reported sales less than 150 per cent of overall quotas; 144, between 150 and 200 per cent; 90, between 200 and 300 per cent; and 18, over 300 per cent. Attainment of Series E bond quotas show 45 counties under 100 per cent; 127 counties between 100 and 130 per cent; 108 counties between 130 and 160 per cent; 28 counties between 160 and 190 per cent; and 11 counties over 190 per cent.

FEDERAL RESERVE BANK OF RICHMOND
(All Figures in Thousands)

ITEMS	Jan. 17 1945	Change in 12-13-44	Amt. from 1-12-44
Total Gold Reserves	\$ 945,813	- 27,533	-169,834
Other Reserves	18,703	+ 6,280	- 11,119
Total Reserves	964,516	- 21,253	-180,953
Bills Discounted	2,500	+ 1,950	+ 1,660
Industrial Advances	126	- 6	- 101
Gov't. Securities, Total	1,154,949	- 38,938	+608,978
Bonds	77,074	+ 13,295	- 47,123
Notes	100,479	+ 20,943	+ 33,536
Certificates	313,417	+ 95,872	+ 45,838
Bills	663,979	-169,048	+575,667
Total Bills and Securities	1,157,575	- 36,994	+607,217
Uncollected Items	146,897	- 8,443	+ 37,796
Other Assets	20,956	+ 8,502	- 9,195
Total Assets	\$2,289,944	- 58,188	+454,865
Fed. Res. Notes in Cir.	\$1,479,908	- 8,533	+350,504
Deposits, Total	670,447	- 46,513	+ 80,048
Members' Reserves	603,974	- 31,113	+104,102
U. S. Treas. Gen. Acct.	16,886	- 16,511	- 14,966
Foreign	46,563	+ 1,837	- 9,375
Other Deposits	3,024	- 726	+ 287
Deferred Availability Items	116,882	- 3,307	+ 21,256
Other Liabilities	377	- 324	+ 484
Capital Accounts	22,330	+ 489	+ 2,573
Total Liabilities	\$2,289,944	- 58,188	+454,865

41 REPORTING MEMBER BANKS—5th DISTRICT
(All Figures in Thousands)

ITEMS	Jan. 17 1945	Change in 12-13-44	Amt. from 1-12-44
Total Loans	\$ 321,667	- 37,058	+ 82,554
Bus. and Agric. Loans	142,315	- 1,631	+ 12,614
Real Estate Loans	47,065	- 1,227	- 1,875
All Other Loans	132,287	- 34,200	+ 71,815
Total Security Holdings	1,657,404	+ 48,442	+317,595
U. S. Treas. Bills	113,917	- 7,618	+ 20,875
U. S. Treas. Certificates	311,180	- 2,174	+ 58,459
U. S. Treas. Notes	327,627	+ 22,522	+136,525
U. S. Gov. Bonds	825,913	+ 26,671	+124,889
Obligations Gov. Guaranteed	19,244	+ 3,237	- 22,412
Other Bonds, Stocks and Sec.	59,523	+ 5,804	- 741
Cash Items in Process of Col.	97,213	- 9,222	+ 20,044
Due from Banks	169,080	- 16,410	+ 33,499
Currency and Coin	36,724	- 5,198	+ 4,915
Reserve with F. R. Bank	308,383	- 28,136	+ 49,365
Other Assets	65,855	- 2,448	+ 3,527
Total Assets	\$2,656,326	- 50,030	+511,499
Total Demand Deposits	\$2,154,181	- 63,385	+448,214
Deposits of Individuals	1,166,331	- 14,115	+105,059
Deposits of U. S. Gov.	472,247	- 14,952	+280,927
Depos. of State & Local Gov.	73,952	- 3,649	- 1,419
Deposits of Banks	421,424	- 29,717	+ 58,250
Certified & Officers' Checks	20,227	- 952	+ 5,397
Total Time Deposits	295,797	+ 5,918	+ 41,703
Deposits of Individuals	281,937	+ 5,901	+ 44,487
Other Time Deposits	13,860	+ 17	- 2,784
Liabilities for Borrowed Money	2,500	+ 2,500	0
All Other Liabilities	85,489	+ 3,859	+ 15,357
Capital Accounts	118,359	+ 1,078	+ 6,225
Total Liabilities	\$2,656,326	- 50,030	+511,499

* Net figures, reciprocal balances being eliminated.

DEPOSITS IN MUTUAL SAVINGS BANKS
8 Baltimore Banks

	Dec. 31, 1944	Nov. 30, 1944	Dec. 31, 1943
Total Deposits	\$295,619,832	\$292,785,086	\$258,926,658

COTTON CONSUMPTION—FIFTH DISTRICT
In Bales

MONTHS	No. Carolina	So. Carolina	Virginia	District
December 1944	196,432	158,634	17,318	372,384
November 1944	225,508	172,578	20,099	418,185
December 1943	226,172	179,361	19,714	425,247
12 Months 1944	2,601,123	2,003,691	226,192	4,831,006
12 Months 1943	2,790,749	2,136,925	248,392	5,176,066

DEBITS TO INDIVIDUAL ACCOUNTS
(000 omitted)

	December 1944	% chg. from Dec. 1943	12 Mos. 1944	% chg. from 12 Mos. 1943
Dist. of Columbia				
Washington	\$ 552,456	+ 7	\$ 5,855,702	+ 6
Maryland				
Baltimore	894,003	+ 11	9,272,545	+ 8
Cumberland	15,145	+ 12	160,505	+ 13
Frederick	12,708	+ 4	148,434	+ 15
Hagerstown	18,172	- 2	204,952	+ 9
North Carolina				
Asheville	30,661	+ 20	294,146	+ 16
Charlotte	149,684	+ 21	1,552,339	+ 13
Durham	80,945	+ 5	909,146	+ 14
Greensboro	41,086	+ 15	421,637	+ 9
Kinston	11,271	+ 49	133,952	+ 18
Raleigh	80,324	+ 40	681,617	+ 9
Wilmington	44,178	+ 19	462,298	+ 4
Wilson	24,490	+ 175	189,727	+ 22
Winston-Salem	77,616	+ 6	812,752	- 2
South Carolina				
Charleston	45,750	+ 12	476,461	+ 1
Columbia	59,778	+ 7	606,950	0
Greenville	44,262	+ 15	467,461	+ 4
Spartanburg	24,610	+ 13	267,604	+ 8
Virginia				
Charlottesville	20,743	+ 43	192,300	+ 31
Danville	30,415	+ 23	235,219	+ 11
Lynchburg	25,273	+ 4	258,132	+ 7
Newport News	27,632	- 4	309,022	+ 1
Norfolk	145,192	+ 6	1,468,042	+ 1
Portsmouth	20,824	+ 14	194,323	- 1
Richmond	493,848	+ 41	4,136,785	+ 13
Roanoke	53,420	+ 28	510,834	+ 14
West Virginia				
Beaufield	29,814	+ 7	285,956	+ 14
Charleston	103,240	+ 10	1,011,594	+ 10
Clarksburg	20,982	+ 21	191,052	+ 17
Huntington	42,153	+ 30	386,961	+ 19
Parkersburg	18,853	+ 18	200,918	+ 16
District Totals	\$3,239,528	+ 16	\$32,339,416	+ 8

COMMERCIAL FAILURES

PERIODS	Number of Failures		Total Liabilities	
	District	U. S.	District	U. S.
December 1944	1	93	\$ 31,000	\$ 1,804,000
November 1944	1	75	8,000	3,008,000
December 1943	2	145	5,000	2,055,000
12 Months 1944	14	1,222	791,000	31,660,000
12 Months 1943	47	3,221	1,105,000	45,339,000

Source: Dun & Bradstreet.

COTTON CONSUMPTION AND ON HAND—BALES

	December 1944	December 1943	Aug. 1 to Dec. 31 1944	1943
Fifth District States:				
Cotton consumed	372,384	425,247	2,002,936	2,102,418
Cotton Growing States:				
Cotton consumed	673,064	748,631	3,558,667	3,741,274
Cotton on hand Dec. 31 in				
Consuming establishments	2,051,424	2,101,042		
Storage & compresses	13,271,380	12,443,569		
United States:				
Cotton consumed	760,740	851,180	4,027,236	4,272,392
Cotton on hand Dec. 31 in				
Consuming establishments	2,318,656	2,400,087		
Storage & compresses	13,396,441	12,664,488		
Spindles Active, U. S.	22,219,768	22,573,582		

RAYON YARN DATA

	Dec. 1944	Nov. 1944	Dec. 1943
Rayon Yarn Shipments, Lbs.	49,000,000	48,300,000	43,200,000
Staple Fiber Shipments, Lbs.	13,600,000	13,900,000	14,500,000
Rayon Yarn Stocks, Lbs.	6,100,000	8,600,000	6,100,000
Staple Fiber Stocks, Lbs.	2,700,000	2,700,000	1,800,000

Source: Rayon Organon.

BUILDING PERMIT FIGURES

Fifth Federal Reserve District, December 1944 and 1943, and Annual Valuation, 1944 and 1943

	Dec. Valuation Figures		Annual Valuation Figures	
	1944	1943	1944	1943
Maryland				
Baltimore	\$ 578,240	\$1,076,640	\$ 5,965,813	\$12,787,743
Cumberland	1,982	1,050	95,158	304,773
Frederick	400	2,652	55,691	36,157
Hagerstown	6,450	68,967	311,800	445,968
Salisbury	25,582	4,830	269,346	84,584
Virginia				
Danville	36,396	5,755	151,959	105,337
Lynchburg	14,395	5,226	132,801	74,301
Norfolk	44,440	102,928	1,441,055	2,973,978
Petersburg	3,600	60,000	25,530	64,740
Portsmouth	28,925	31,905	575,519	3,419,488
Richmond	121,215	55,958	2,212,630	1,375,567
Roanoke	51,130	7,465	320,040	153,943
West Virginia				
Charleston	20,885	14,235	509,614	280,932
Clarksburg	16,100	175	69,067	25,621
Huntington	11,750	190	285,208	196,223
North Carolina				
Asheville	4,600	4,410	231,346	130,475
Charlotte	46,896	30,400	803,171	274,811
Durham	13,770	32,030	481,597	455,928
Greensboro	24,553	8,178	261,561	125,839
High Point	14,947	14,321	323,945	274,384
Raleigh	23,200	465	519,056	182,539
Rocky Mount	700	200	115,927	16,565
Salisbury	50	585	80,562	54,052
Winston-Salem	30,755	29,598	1,253,413	343,754
South Carolina				
Charleston	20,013	102,358	480,034	1,224,004
Columbia	8,630	20,035	158,985	223,288
Greenville	8,225	11,350	166,025	128,529
Spartanburg	50,464	8,575	474,546	284,547
District of Columbia				
Washington	990,412	921,452	13,029,527	19,278,051
District Totals	\$2,198,705	\$2,621,933	\$30,800,926	\$45,326,121

CONSTRUCTION CONTRACTS AWARDED

STATES	November	% chg. from	11 Mos.	% chg. from
	1944	Nov. 1943	1944	11 Mos. 1943
Maryland	\$ 4,165,000	- 56	\$ 80,806,000	-17
Dist. of Columbia	3,047,000	- 35	26,482,000	-14
Virginia	5,125,000	- 65	101,382,000	-38
West Virginia	971,000	+175	22,625,000	+36
North Carolina	2,996,000	- 60	40,801,000	-53
South Carolina	742,000	- 89	19,455,000	-60
Fifth District	\$17,046,000	- 61	\$291,551,000	-34

Source: F. W. Dodge Corp.

TOBACCO MANUFACTURING

	Dec.	% change	12 Mos.	% change
	1944	from Dec. 1943	1944	from 12 Mos. '43
Smoking and chewing tobacco (Thousands of lbs.)	22,562	+ 3	249,783	- 5
Cigarette (Thousands)	17,826,170	-22	239,260,322	- 7
Cigars (Thousands)	395,499	- 2	4,395,963	- 9
Snuff (Thousands of lbs.)	3,455	-10	42,036	- 3

AUCTION TOBACCO MARKETING

STATES	Producers' Tobacco Sales, Lbs.		Price per Hund.	
	December 1944	December 1943	1944	1943
N. Carolina (flue-cured)	39,357,357	13,710,026	\$43.53	\$38.53
(Burley)	4,120,255	3,919,720	49.02	49.44
N. Carolina, Total	43,477,612	17,629,746	44.05	40.96
Virginia (flue-cured)	15,534,981	9,747,868	43.74	39.24
(Fire-cured)	2,146,940	1,302,438	25.03	27.07
(Burley)	5,252,480	6,899,772	45.12	48.83
(Sun-cured)	635,542	165,226	27.22	39.92
Virginia, Total	23,569,943	18,115,304	41.90	42.02
District Total, December	67,047,555	35,745,050	43.29	41.50
N. C. season to 12-31	714,912,614	528,889,243	43.30	40.76
Va. season to 12-31	124,991,046	110,070,493	42.87	41.57
S. C. entire season	115,992,147	77,588,742	43.08	38.86
District, season to 12-31	955,895,807	716,548,478	43.22	40.68

RETAIL FURNITURE SALES

Percentage Changes in Dec. and 12 Mos. 1944 compared with Dec. 1943 and 12 Months 1943

STATES	Dec. 1943	12 Months 1943
Maryland (5)*	+ 9	+ 1
Dist. of Columbia (5)*	+ 9	- 2
Virginia (25)*	+12	+ 6
West Virginia (10)*	+ 9	+10
North Carolina (19)*	+24	+13
South Carolina (13)*	+18	+ 5
Fifth District (77)*	+12	+ 4
INDIVIDUAL CITIES		
Baltimore, Md. (5)*	+ 9	+ 1
Washington, D. C. (5)*	+ 9	- 2
Lynchburg, Va. (3)*	+21	+11
Richmond, Va. (7)*	+ 8	+ 6
Charleston, W. Va. (3)*	+14	- 2
Charlotte, N. C. (5)*	+14	+ 9
Columbia, S. C. (4)*	+20	+ 3

* Number of reporting stores.

DEPARTMENT STORE TRADE

Ricmond	Baltimore	Washington	Other Cities	District
Percentage Change in Dec. 1944 sales, compared with sales in Dec. 1943:				
+16	+10	+10	+18	+12
Change in 12 mos.' sales in 1944, compared with 12 mos.' sales in 1943:				
+15	+ 7	+ 6	+17	+ 9
Change in stocks on Dec. 31, 1944, from stocks on Dec. 31, 1943:				
- 2	- 2	- 5	+ 6	- 2
Change in outstand'g orders Dec. 31, 1944, from orders on Dec. 31, 1943:				
+29	+26	+35	+35	+31
Chg. in total receivables on Dec. 31, '44, from receivables on Dec. 31, '43:				
+15	+19	+14	+13	+16
Percentage of current receivables as of Dec. 1, 1944, collected in Dec.:				
58	53	47	59	53
Percentage of intalment receivables as of Dec. 1, 1944, collected in Dec.:				
36	33	23	41	28
Maryland Dist. of Col. Virginia West Va. N. Caro. S. Caro.				
Percentage change in Dec. 1944 sales from Dec. 1943 sales, by States:				
+10	+10	+16	+15	+19
Percentage change in 12 mos.' sales in 1944 from same period in 1943:				
+ 7	+ 6	+16	+15	+12

WHOLESALE TRADE, 206 FIRMS

LINES	Net Sales		Stock		Ratio Dec. collections to accounts outstand'g Dec. 1
	Dec. 1944	Dec. 1943	Dec. 31, 1944	Nov. 30, 1944	
Auto Supplies (9)*	0	- 9	+24	+ 4	107
Drugs & Sundries (6)*	- 8	- 4	....	....	152
Dry Goods (4)*	- 7	-21	....	....	95
Electrical Goods (6)*	- 1	-24	+28	+ 1	91
Groceries (72)*	- 1	-11	+ 4	- 1	154
Hardware (14)*	+18	- 5	+11	+ 1	107
Industrial Supplies (8)*	0	-14	- 7	- 3	103
Paper & Products (8)*	-14	-13	....	....	90
Tobacco & Products (9)*	- 1	-16	-13	-13	151
Miscellaneous (70)*	+16	+ 5	-12	+ 4	134
District Average (206)*	+ 2	- 7	- 3	+ 1	127

Source: Department of Commerce.

* Number of reporting firms.

SOFT COAL PRODUCTIONS IN THOUSANDS OF TONS

	Dec. 1944	Dec. 1943	% Change	12 Mos. 1944	12 Mos. 1943	% Change
	West Virginia	10,714	14,540	-26	163,515	159,579	+ 2
Virginia	1,376	1,678	-18	19,309	19,556	-1
Maryland	114	150	-24	1,915	1,856	+ 3
5th District	12,204	16,368	-25	184,739	180,991	+ 2
United States	44,735	54,225	-18	618,605	590,177	+ 5
% in District	27.3	30.2	....	29.9	30.7	....

SUMMARY OF NATIONAL BUSINESS CONDITIONS

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

Production and employment at factories increased somewhat in December. Retail buying was exceptionally active in December and the first half of January and wholesale commodity prices advanced.

Industrial Production

Total industrial production was maintained in December at the level of the preceding month, which was 232 per cent of the 1935-39 average, according to the Board's index. Manufacturing output showed a slight rise because of increased output of war products, while minerals production declined, reflecting a sharp drop in coal production.

Gains over the November levels of activity in the machinery, transportation equipment, chemicals, petroleum refining, and rubber industries followed a renewed drive to expand output of critical munitions. Military events in December resulted in higher production schedules for munitions and in additional Federal measures to assure manpower for war output and to increase inductions into the armed services. Stringent limits were placed on the use of metals in civilian products under the programs initiated last fall.

Output of metals decreased somewhat further in December. In the first three weeks of January steel production continued to decline, partly because of severe weather conditions. Output of aluminum has been held at a level of about 90 million pounds per month since last autumn. The curtailment of aluminum sheet production during 1944 was reported in January to have led to a critical supply situation for this product in the light of the recently raised aircraft schedule.

Lumber production showed the usual seasonal decline in December. Output for the year 1944 was about 5 per cent below 1943, and a further decline is expected in 1945 due to continued shortages of manpower and equipment.

Cotton consumption and output of manufactured foods were maintained in December at the level of the preceding month. There were declines in shoe production and in activity at paper mills.

Output of coal in December was about 12 per cent below average production in the preceding 11 months. In order to assure supplies to meet the most essential needs, restrictions on less essential civilian uses of coal were instituted in January. Crude petroleum production was maintained in December in large volume, while output of iron ore showed the large seasonal decline customary in this month.

Distribution

During the November-December Christmas shopping season department store sales rose to new high levels and were

15 per cent larger than in the corresponding period a year ago. The high level of sales was maintained in the first half of January, taking into account usual seasonal changes in trade.

Carloadings of railroad freight declined more than usual in December. During the first two weeks of January loadings were 5 per cent less than during the same period a year ago, owing to decreases in all classes of freight except miscellaneous shipments.

Commodity Prices

The general level of wholesale commodity prices advanced somewhat from the early part of December to the middle of January. Prices of most farm products were higher. After the middle of January grains and cotton declined but were still above early December levels. Steel scrap, which had been considerably below ceiling levels in the autumn, showed a sharp price rise. Prices of nonferrous metal scrap, cement, and various other industrial materials also increased in December and the early part of January.

Bank Credit

In the four weeks ended January 17, Government security holdings at weekly reporting member banks increased further. Loans for purchasing and carrying Government securities declined from the level reached during the Sixth War Loan Drive; most of the decline was in the loans to customers, but loans to brokers and dealers also were reduced moderately. The Government securities added to reporting member bank holdings in this period consisted mainly of bonds and bills.

Excess reserves held by member banks declined relatively little from the peak reached during the Sixth War Loan Drive. Reserve requirements increased, but member bank reserve balances also increased by approximately the same amount. Spending of Treasury balances and a reduction of nonmember deposits at Reserve Banks more than offset a decline in holdings of Government securities by the Federal Reserve Banks. Currency in circulation declined 130 million dollars during the three weeks following the Christmas peak, the largest decline for any corresponding period since early 1942.

Following the Sixth War Loan Drive, adjusted demand deposits renewed their increase, and time deposits increased at a more rapid rate than demand deposits. Between war loan drives, time deposits in all banks have been increasing at the rate of almost three-quarters of a billion dollars a month.