MONTHLY REVIEW

of Financial and Business Conditions

FIFTH FEDERAL



RESERVE DISTRICT

Federal Reserve Bank, Richmond 13, Va.

December 31, 1945

MODERATE improvement was recorded in November in the productive output of mines and principal manufacturing industries of the District. The output in war installations, as reflected by employment and payrolls, however, is still receding, so that on balance the trend of total production in the District is probably downward.

Cotton textile output as measured by average daily cotton consumption rose 4 per cent from October to November. This is a disappointing performance but reflects the

industry's difficulty in securing labor.

Bituminous coal output on an average daily basis in November recovered notably from the month of October when strikes had reduced that month's output. The daily output of coal in November was higher than in any other month this year and the highest since August, 1944.

Cigarette output for the District in October, seasonally adjusted, established a new high record for any month. In fact, those close to the industry question its ability to maintain production at October levels now that Army and Navy purchases have shrunk to low levels, and store in-

ventories have been replenished.

All indexes of trade reflect a continuation of the upward trend in evidence since the war began. Department store sales seasonally adjusted rose 2 per cent from October to November and were 10 per cent ahead of November, 1944. Wholesale grocery sales in November, reflecting the end of meat rationing, rose 7 per cent from October on a seasonally adjusted basis and were 17 per cent higher than in November, 1944. Wholesale drugs gained 1 per cent in sales during the month of November and were 8 per cent above a year ago, but wholesale drygoods, despite the dearth in supplies, were 36 per cent ahead of a year ago. Wholesale hardware sales have begun to recover but have not yet passed the level of the previous

year. Retail furniture sales seasonally adjusted in November set a new high level for any month by a wide margin, despite the limited selection available to customers.

Building activity in prospect, as represented by permits, held close to the greatly expanded October level, despite the fact that little in the way on site action can be accomplished because of a dearth of labor and materials.

Commercial, industrial and agricultural loans of the weekly reporting member banks rose \$51 million from the summer low to December 12. This compares with a gain of \$35 million in approximately the same period of 1944, and a gain of \$29 million in 1943.

Loans made by these banks to others than brokers and dealers for purchasing or carrying securities increased \$39 million during the Victory Loan Drive. This compares with a gain of \$29 million in the Seventh War Loan; a gain of \$55 million in the Sixth War Loan; and \$89 million in the Fifth War Loan.

Real estate loans have risen moderately since summer and are moderately higher than last year but they are still somewhat below the levels of late 1941 and 1942. "Other" loans have increased notably over much of the year and on December 12 these were \$12 million higher than a year ago.

Total investments of the weekly reporting banks rose \$105 million during the Victory Loan. This compares with a gain of \$164 million in comparable periods of the Seventh War Loan, \$157 million in the Sixth, and \$170 million in the Fifth. Of the \$105 million increase in security holdings during the Victory Loan Drive, bills increased \$35 million, Certificates \$67 million, and bonds \$42 million. These gains were in part offset by a decline of \$39 million in notes.

	BUSINESS INDEXES—FIFTH Average Daily 1935-39=100	FEDERAL		E DISTR lly Adjus		~ ~	
		Nov. 1945	Oct. 1945	Sep. 1945	Nov. 1944	% Cl Nov. 19 Oct. 45	nange 45 from Nov. 44
Cotton Consumption*		237 149 156 209 131 258 201	222 90 160 233 126 248	243 142r 83 209 127 225 200	226 146 48 162 149 230 189	+ 7 +66 3 10 + 4 + 4	+ 5 + 2 +225 + 29 - 12 + 12
Department Store Stocks		201 210 214	196 197 193r	163 167	182 166	+ 3 + 7 +11	+ 0 + 15 + 29

^{*} Not seasonally adjusted.

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FEDERAL RESE	RVE BANK	OF RICHMOND	
(All Fig	gures in Thou	usands)	
ITEMS	December 12 1945	Change in Ar 11-14-45	nount from 12-13-44
Total Gold Reserves Other Reserves Total Reserves Bills Discounted. Industrial Advances	\$1,123,550 14,150 1,137,700 4,124 65	+ 5,652 + 319 + 5,971 - 14,600 0	$\begin{array}{r} +150,204 \\ +1,727 \\ +151,931 \\ +3,574 \\ -67 \end{array}$
Gov. Securities, Total Bonds Notes Certificates Bills	1,343,803 58,116 129,234 493,049 663,404	$\begin{array}{rrrr} & -17,414 \\ -& 1,922 \\ +& 8,828 \\ +& 42,682 \\ -& 67,002 \end{array}$	+149,916 $-5,663$ $+49,698$ $+275,504$ $-169,623$
Total Bills & Securities	1,347,992	- 32,014	153,423
Uncollected Items Other Assets Total Assets	165,411 27,662 \$2,678,765	$ \begin{array}{rrr} & 18,412 \\ + & 9,174 \\ & 35,281 \end{array} $	+ 10,071 + 15,208 + 330,633
Fed. Res. Notes in Cir	\$1,741,351	+ 20,002	+252,910
Deposits, Total Members' Reserves U. S. Treas. Gen. Acct. Foreign Other Deposits	771,955 702,514 30,840 35,216 3,385	32,657 33,707 +- 3,749 +- 1,539 4,238	$\begin{array}{r} + 54,995 \\ + 67,427 \\ - 2,557 \\ - 9,510 \\ - 365 \end{array}$
Def. Availability Items	137,132	23,249	+ 16,943
Other Liabilities	595	— 1	- 106
Capital Accounts Total Liabilities	27,732 \$2,678,765	$^{+}$ 624 $-$ 35,281	+ 5,891 $+$ 330,633

Bus. & Agri. Loans 169,155 + 17,846 + 25,205 Real Estate Loans 49,586 + 26 + 1,294 All Other Loans 175,931 + 45,740 + 9,444 Total Security Holdings 1,818,713 + 94,054 + 209,751 U. S. Treasury Bills 71,350 + 18,140 50,188 U. S. Treasury Certificates 379,604 + 68,771 + 66,256 U. S. Treasury Notes 249,294 30,512 55,811	41 REPORTING MEMBER BANKS-5TH DISTRICT				
ITEMS 1945 11-14-45 12-13-44 Total Loans \$ 394,672 + 63,612 + 35,947 Bus. & Agri. Loans 169,155 + 17,846 + 25,205 Real Estate Loans 49,586 + 26 + 1,294 All Other Loans 175,931 + 45,740 + 9,444 Total Security Holdings 1,818,713 + 94,054 + 209,751 U. S. Treasury Bills 71,350 + 18,140 - 50,188 U. S. Treasury Certificates 379,604 + 68,771 + 66,256 U. S. Treasury Notes 249,294 - 30,512 - 55,811	(All Fi	gures in Thou	usands)		
Bus. & Agri. Loans 169,155 + 17,846 + 25,205 Real Estate Loans 49,586 + 26 + 1,294 All Other Loans 175,931 + 45,740 + 9,444 Total Security Holdings 1,818,713 + 94,054 + 209,751 U. S. Treasury Bills 71,350 + 18,140 50,188 U. S. Treasury Certificates 379,604 + 68,771 + 66,256 U. S. Treasury Notes 249,294 30,512 55,811					
U. S. Gov. Bonds	Bus. & Agri. Loans Real Estate Loans All Other Loans Total Security Holdings U. S. Treasury Bills U. S. Treasury Certificates U. S. Treasury Notes U. S. Treasury Notes U. S. Gov. Bonds Obligations Gov. Guarant'd Other Bonds, Stocks & Sec. Cash Items in Process of Col. Due from Banks Currency and Coin Reserve with F. R. Bank Other Assets	169,155 49,586 175,931 1,818,713 71,350 379,604 249,294 1,053,198 152 65,115 134,239 196,363 42,749 344,506 75,040	+ 17,846 + 26 + 45,740 + 94,054 + 18,140 + 68,771 - 30,512 + 36,792 - 1 + 864 - 18,355 + 41,832 + 1,538 - 20,212 + 1,453	+209,751 -50,185 +66,250 -55,811 +253,956 +11,396 +27,804 +10,873 +7,987	
Total Demand Deposits \$2,429,223	Total Demand Deposits Deposits of Individuals Deposits of U. S. Gov Dep. of State & Local Gov. Deposits of Bank Certified & Officers' Checks Total Time Deposits Deposits of Individuals Other Time Deposits Liabilit's for Borrow'd Money All Other Liabilities Capital Accounts	\$2,429,223 1,324,862 524,212 77,319 472,706 30,124 351,428 337,637 13,791 1,500 91,227 132,904	$\begin{array}{c} +183,494 \\ -42,574 \\ +248,172 \\ -9,113 \\ -12,893 \\ -98 \\ -6,254 \\ -6,751 \\ +497 \\ -9,500 \\ -4,216 \\ +398 \end{array}$	+211,657 +144,416 + 37,013 	

DEPOSITS	IN MUTUAL SA 8 Baltimore B		s
Total Deposits	Nov. 30, 1945	Oct. 31, 1945	Nov. 30, 1944
	\$337,643,189	\$337,725,426	\$292,785,086

COTTON	CONSUMPTI In E		DISTRICT	
MONTHS	N. Carolina	S. Carolina	Virginia	District
November 1945		153,071	16,190	366,868
October 1945		151,948	16,273	366,301
November 1944		172,578	20,085	418,171
11 Months 1945	2,251,253	1,717,035	196,872	4,165,160
11 Months 1944	2,404,526	1,842,013	208,860	4,455,399

DEBITS TO INDIVIDUAL ACCOUNTS					
	(000	omitted)			
	November 1945	% chg. from Nov. 1944	11 Mos. 1945	% chg. from 11 Mos.'44	
District of Columbia Washington	\$ 564,804	+ 9	\$ 6,073,944	+14	
Maryland	,,	, -	* -,,	•	
Baltimore	758,727	5	8,666,344		
Cumberland	16,137	+19	162,473		
Frederick	13,951	+ 6	136,719		
Hagerstown	18,955	+15	191,128	+ 2	
North Carolina					
Asheville	34,447	+39	317,760	+21	
Charlotte	146,348	+11	1,526,757	$+ \frac{9}{9}$	
Durham	104,134 43,117	$\frac{-2}{+8}$	939,316 446,896	$^{+13}_{+17}$	
Kinston	14,591	-25	139.968	$^{+1}_{+14}$	
Raleigh	66,104	$\frac{-23}{+11}$	643,409	$\stackrel{+}{+}\stackrel{7}{7}$	
Wilmington	33,574	-16	394.151	<u> </u>	
Wilson	23,555	26	192,226	+16	
Winston-Salem	95,806	+15	803,423	+ 9	
South Carolina				·	
Charleston	42,917	+ 3	456,771	+ 6	
Columbia	67,270	+14	600,711	+10	
Greenville	49,855	+ 7	466,990	+10	
Spartanburg	30,055	+21	272,590	+12	
Virginia					
Charlottesville	22,640	+21	225,800	+32	
Danville	41,775	+11	249,179	+22	
Lynchburg	25,694	+14	247,877	+ 6	
Newport News Norfolk	23,834 $129,736$	$\begin{array}{c} + \ 3 \\ + \ 6 \end{array}$	255,402 1.338,529	<u> </u>	
Portsmouth	22,042	$^{+37}_{+37}$	188,778	$\begin{array}{c} + 1 \\ + 9 \end{array}$	
Richmond	353,076	+ 1	3,792,545		
Roanoke	51,134	$+1\overline{5}$	500,789	I 3	
West Virginia	,	1 =	555,100	' "	
Bluefield	27,439	+26	272,860	+ 7	
Charleston	92,662	+ 2	968,127	+ 7	
Clarksburg	22,772	$+3\overline{3}$	199,561	+17	
Huntington	35,112	_ 2	412,138	+20	
Parkersburg	22,028	+13	212,564	+17	
District Totals	\$2,994,291	+ 4	\$31,295,725	+ 8	

	Number F	ailures	Total l	Liabilities
MONTHS	District	U.S.	District	U.S.
November 1945	2	60	\$ 19,000	\$ 1,268,000
October 1945	1	62	9,000	3,114,000
November 1944	1	75	8,000	3,008,000
11 Months 1945	12	768	\$1,537,000	\$28,571,000
11 Months 1944	13	1,129	660,000	29,856,000

COTTON CONSUMPTION AND ON HAND-BALES					
	November 1945	November 1944	Aug. 1 to 1945	o Nov. 30 1944	
Fifth District States: Cotton consumed	366,868	418,171	1,435,477	1,627,643	
Cotton Growing States: Cotton consumed Cotton on hand Nov. 30 in	671,073	738,437	2,611,953	2,881,038	
consuming establishments storage and compresses					
United States: Cotton consumed Cotton on hand Nov. 30 in	743,450	836,438	2,944,067	3,261,577	
consuming establishments storage and compresses		2,208,291 13,174,894			
Spindles, active, U. S	21,605,060	22,257,040			

KATON	YARN DAT.	n.	
	Nov. 1945	Oct. 1945	Nov. 1944
Rayon Yarn Shipments, Lbs	51,900,000	53,200,000	48,300,000
Staple Fiber Shipments, Lbs	15,000,000	15,100,000	13,900,000
Rayon Yarn Stocks, Lbs Staple Fiber Stocks, Lbs	6,700,000	7,300,000	8,600,000
	4,400,000	4,600,000	2,700,000

BUILDING PE	RMIT FIGURES	
	Total Va	luation
	November 1945	November 1944
Maryland		
Baltimore	\$ 1,376,845	\$ 532,930
Cumberland	16,500	1,946
Frederick	75,100	7,620
Hagerstown	63,505	12,455
Salisbury	67,189	43,091
Virginia		
Danville	142,400	9,135
Lynchburg	124,459	16,101
Norfolk	544,890	145,885
Petersburg	26,250	1,080
Portsmouth	62,091	20,540
Richmond	919,399	101,142
Roanoke	121,222	23,555
West Virginia		
Charleston	219,842	49,550
Clarksburg	20,845	1,971
Huntington	157,555	78,085
North Carolina		
Asheville	97,669	23,500
Charlotte	210,981	84,601
Durham	251,850	80,640
Greensboro	197,157	11,779
High Point	69,227	45,584
Raleigh	743,739	14,950
Rocky Mount	25,150	2,950
Salisbury	44,050 93,678	6,475 125,940
{	90,010	125,940
South Carolina	00.004	F0 105
Charleston	86,981	53,137
Columbia	370,482	34,840
Greenville	47,561 41.820	83,530 6,590
Spartanburg	41,820	6,590
District of Columbia	0 740 707	1 400 400
Washington	3,543,585	1,436,467
District Totals	\$ 9,762,022	\$ 3,006,069
11 Months	\$64,104,999	\$28, 602.221

AU	CTION TOBAC	CCO MARKETI	NG	
STATES	Producers' Tob November 1945	November 1944	Price per 1945	hundred 1944
North Carolina Virginia	102,160,492 43,886,038	182,150,833 51,422,702	\$46.20 47.17	\$44.54 44.62
District Total Season Through	146,046,530 997,591,487*	233,573,535 888,8 48,252*	\$46.49 44.18	\$44.56 42.93
* Includes South Car	olina sales.			

тов	ACCO MAN	UFACTUR	ING	
	Novembe 1945	% change r from Nov. 1944	11 Mos. 1945	% change from 11 Mos. '44
Smoking & chewing toba (Thousands of lbs.) Cigarettes (Thousands) Cigars (Tbousands) Snuff (Thousands of lbs.)	23,341	$ \begin{array}{r} -28 \\ +24 \\ +5 \\ -5 \end{array} $	257,724 244,845,874 4,061,415 40,661	$^{+12}_{+109}$ $^{+3}_{+5}$

STATES	Oct. 1945	% chg. from Oct. 1944	10 Mos.'45	% chg. from 10 Mos.'44
Maryland District of Columbia Virginia West Virginia North Carolina South Carolina Fifth District	\$13,431,000 7,693,000 11,692,000 5,158,000 7,589,000 1,524,000 \$47,087,000	+203 $+145$ $+96$ $+305$ $+389$ $+694$ $+185$	\$ 88,063,000 35,718,000 94,586,000 21,010,000 57,732,000 15,618,000 \$312,727,000	$-2 \\ -3 \\ +53$

WHOLE	SALE T	RADE,	225 FIR	MS	
LINES	Nov. compar Nov.	ed with	Nov. 3 compar Nov. 30	ed with Oct. 31	to accts.
Auto Supplies (11)* Drugs (9)* Dry Goods (7)* Electrical Goods (9)* Groceries (75)* Hardware (14)* Industrial Supplies (6)*. Paper & Products (7)* . Tobacco & Products (9)* Miscellaneous (78)* District Average (225)* Source: Department of Co	+8 $+14$ -4 $+13$ $+20$ $+15$ $+1$ -2 $+7$ $+10$	$ \begin{array}{rrr} & 2 \\ & 7 \\ & 7 \\ & 7 \\ & 0 \\ & 5 \\ & -2 \\ & -14 \\ & -8 \\ & +5 \\ & 0 \end{array} $	$ \begin{array}{r} -9 \\ +49 \\ -1 \\ +1 \\ +16 \\ -18 \end{array} $		97 128 93 83 166 108 88 103 145 110

Percentage changes in Nov. and 11 Mos. 194					
	Compared with Compared with				
STATES	November 1944	11 Mos. 1944			
Maryland (5)*	+17	+14			
District of Columbia (6)*	+39	-j. 8			
Virginia (22)*	+33	+15			
West Virginia (10)*	+43	+21			
North Carolina (15)*	+23	+17			
South Carolina (14)*	+30				
District (72)*	+28	+13			
Individual Cities					
Baltimore, Md. (5)*	+17	+14			
Washington, D. C. (6)*	+39	<u> </u>			
Lynchburg, Va. (3)*	+40	+22			
Richmond, Va. (7)*	+36	+21			
Charleston, W. Va. (3)*					
Charlotte, N. C. (4)*		+14			
Columbia, S. C. (4)*	+27	+ 2			

Richmond	Baltimore	Washington	Other Cities	District
Percentage +19	change in Nov.	1945 sales, compa + 5	ared with sales in $+12$	Nov. '44: + 8
Percentage + 15	change in 11 mc + 9	os. sales 1945, con + 9	$^{ m mpared}$ with 11 m $+$ 14	os. in '44: +10
Percentage 0	chg. in stocks o	n Nov. 30, '45, c + 6	ompared with No + 2	v. 30, '44: + 2
Percentage +37		d'g orders Nov.	30, '45 from Nov +26	. 30, '44: +30
Percentage +19		les Nov. 30, 1945 + 4	from those on No +11	v. 30, '44: +10
Percentage 60	of current recei 61	vables as of Nov. 60	1, 1945, collected	l in Nov.:
Percentage o	of instalment rec 39	eivables as of Nov 29	v. 1, 1945, collecte 39	d in Nov.:
-			No. Carolina So	

DEPARTMENT STORE TRADE

SOFT COAL	PRODUC	CTION IN	THOU	JSANDS	OF TONS	
REGIONS	Nov. 1945	Nov. 1944	chg.	11 M os. 1945	11 Mos. 1944	% chg.
West Virginia Virginia Maryland		13,380 1,676 142	$-{6\atop +13}$	138,383 16,583 1,677	152,566 18,532 1,839	— 9 —11 — 9
Fifth District United States % in District .		15,198 50,819 29.9	0	156,643 527,430 29.7	172,937 574,226 30.1	9 8

77.0.00 D	Average Daily 1935-39=100				% C	hange
	Oct. 1945	Sep. 1945	Aug. 1945	Oct. 1944	Oct. 194 Sept. 45	
Bank Debits	222	243	231	205	— 9	
Bituminous Coal Production*	90	142r	134r	145	—37	$^{+}_{-38}^{8}$
Building Contracts Awarded	206	106r	123	72	—37 +94	-36
Building Permits Issued	160	83	92	4 8	+9 3	+233
Cigarette Production	233	209	205	152	+11	+ 53
Cotton Consumption*	126	127	124	142	 1	+ 33
Department Store Sales	248	225	235	228	$\frac{-1}{+10}$	$\frac{-11}{+9}$
Department Store Stocks	196	200	198	187	+10 2	+ 5
Electric Power Production	206	210	217	211	$-\frac{2}{2}$	T 3
Furniture Orders	151	127	129	160		6
Furniture Shipments	116	111	133	132	丁1/5	<u> </u>
Furniture Unfilled Orders	547	374	37 6	459	+ 46	+ 19
Life Insurance Sales	179	149	159	146	+20	$\stackrel{+}{+}$ 23
Wholesale Trade—Four Lines	197	163	170	175	+21	+ 13
Wholesale Trade—Drugs	248	230	218	239	± 8	I 13
Wholesale Trade—Dry Goods	133	95	130	115	+40	+16
Wholesale Trade—Groceries	218	180	187	188	+21	$\stackrel{+}{+} 16$
Wholesale Trade—Hardware	84	61	64	92	+38	+ 10
Retail Furniture Sales	195	167r	126	163	+17	+ 20

SUMMARY OF NATIONAL BUSINESS CONDITIONS

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

Output at factories and mines increased considerably in November and activity continued to expand in most other lines. Value of retail sales reached new record rates in November and the early part of December reflecting in part further increases in prices.

INDUSTRIAL PRODUCTION

Output in most industries showed important gains in November and the Board's index of industrial production advanced about 5 per cent. The index, at a level of 171 per cent of the 1935-39 average, was about the same as in September and in the autumn of 1941. Output for civilian use in November, especially of fuels, industrial materials, and producers' equipment, was larger than in those earlier periods. Production for civilians of many finished consumer products, however, like automobiles, radios, clothing, and shoes while much higher in November than in September, was ing, and shoes, while much higher in November than in September, was still greatly reduced from 1941 levels.

Steel production showed a large rise during November and in the first three weeks of December output was scheduled at an average rate of 83 per cent of capacity, which was higher than the November average. Activity at shippards continued to decline considerably in November but increases occurred in most other metal fabricating industries. Further increases in output were indicated in plants producing electrical products and machinery and in the railroad equipment and automobile parts and assembly industries. Automobile production, however, was curtailed sharply in the last week of November and the first half of December by a strike in the plants of a major producer. plants of a major producer.

Lumber and glass production were at low levels in November owing partly also to industrial disputes. In the case of lumber, however, output in recent months before the West Coast strikes was below 1939 levels and one-third less than the rate in 1941.

Production of most nondurable manufactures and of fuels increased from October to November reflecting increased supplies of materials and labor and the end of work stoppages in the petroleum and coal industries as well as strong demand generally for these and most other goods for

Incomes received by agriculture, business, and consumers appear to have continued to rise in November as a result of the widespread increases in production and employment and further rises in prices and wage rates. Payments to unemployed industrial workers and veterans also increased somewhat in November.

Employment in nonagricultural establishments rose by over 300,000 workers in November, after allowing for seasonal changes, reflecting increases in all major lines except Federal war agencies. A further decline of about 100,000 workers in munitions industries was more than offset by gains in employment in other manufacturing industries, mostly in reconverted metal-products plants. Employment in the trades and services, construction, and various other lines showed relatively larger increases than in manufacturing.

DISTRIBUTION

Department store sales increased sharply in November and the Board's seasonally adjusted index rose to a record level of 228 per cent of the 1935-39 average as compared with 213 in October. November sales were 11 per cent larger than last year and in the first half of December sales continued to show about the same increase. Sales at some other types of retail stores, especially those selling automotive supplies, men's apparel, furniture, building materials, and hardware, have recently shown much larger increases than department stores, while sales of foods and various other products have shown somewhat smaller increases.

Shipments of most classes of railroad revenue freight showed less decline than is usual in November and the early part of December and were only 4 per cent below last year's high level. Carloadings of agricultural commodities and l. c. l. merchandise were considerably above last year's level.

COMMODITY PRICES

Wholesale prices of most groups of commodities increased from the early part of November to the middle of December. With most farm products at ceiling levels, advances in prices of these products were smaller than in September and October. Ceiling prices were raised for newsprint, textile fabrics, and building materials, and various other industrial products, but a general increase in steel prices was turned down.

BANK CREDIT

Loans and investments at banks in 101 leading cities increased by over 7 billion dollars during the six weeks ended December 12; this period covered the major part of the Victory Loan Drive. Government security holdings increased by 3.7 billion dollars—a somewhat smaller rise than had occurred in the three prior drives. Loans for purchasing or carrying Government securities rose by 2.5 billion dollars, and at their mid-December levels loans both to brokers and dealers and to other bank customers slightly exceeded the high points of the previous drives. Commercial and industrial loans, which had been expanding since early fall, rose by an additional 800 million dollars during the six-week period. The increase in commercial credit extension has been at a rate substantially greater than at any time in recent years.

in recent years.

As payments for security purchases transferred funds from deposits of businesses and individuals to reserve-exempt war loan accounts, the average level of required reserves at all member banks declined by around 500 million dollars during the first half of December. Early in the month, excess reserves rose to above 1.5 billion dollars on a weekly average basis. Subsequently, however, excess reserves declined somewhat, as the amount of War Loan deposits at many banks reached the maximum limits and banks turned over to the Treasury current receipts from sales of Government securities. ment securities.

ment securities.

Currency outflow has continued at a slackened rate compared with wartime years; money in circulation increased by close to 350 million dollars during the six weeks ended December 12 compared with over 750 million in the 1944 period. On a seasonally adjusted basis, currency outflow has recently been at the lowest rate since the early part of 1941.