# MONTHLY REVIEW of Financial and Business Conditions 



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 inventories 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 FEDERAL RESERVE DISTRICT <br> Average Daily $1935-39=100$ <br> Seasonally Adjusteđ

\% Change

[^0]
## Digitized for FRASER

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


| 41 REPORTING MEMBER BANKS-5TH DISTRICT <br> (All Figures in Thousands) |  |  |  |
| :---: | :---: | :---: | :---: |
| ITEMS | $\begin{gathered} \text { December } 12 \\ 1945 \end{gathered}$ | Change in <br> 11-14-45 | unt from 12-13-44 |
| Total Loans | 394,672 | + 63,612 | + 35,947 |
| Bus. \& Agri. Loans | 169,155 | + 17,846 | + 25,209 |
| 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 | - 50,185 |
| U. S. Treasury Certificates | 379,604 | + 68,771 | + 66.250 |
| U. S. Treasury Notes | 249,294 | - 30,512 | - 55,811 |
| U. S. Gov. Bonds | 1,053,198 | + 36,792 | +253,956 |
| Obligations Gov. Guarant'd | 152 | - | - 15,855 |
| Other Bonds, Stocks \& Sec. | 65,115 | + 864 | + 11,396 |
| Cash Items in Process of Col. | 134,239 | - 18,355 | + 27,804 |
| Due from Banks | 196,363 | + 41.832 | + 10,873 |
| Currency and Coin | 42,749 | + 1,538 | + 827 |
| Reserve with F. R. Bank | 344,506 | - 20,212 | + 7,987 |
| Other Assets | 75,040 | + 1,453 | + 6,737 |
| Total Assets | \$3,006,282 | +163,922 | +299,926 |
| Total Demand Deposits | \$2,429,223 | +183,494 | +211,657 |
| Deposits of Individuals | 1,324,862 | - 42,574 | +144,416 |
| Deposits of U. S. Gov. | 524,212 | +248,172 | + 37,013 |
| Dep. of State \& Local Gov. | 77,319 | - 9,113 | - 282 |
| Deposits of Bank | 472,706 | - 12,893 | + 21,565 |
| Certified \& Officers' Checks | 30,124 | 98 | + 8,945 |
| Total Time Deposits | 351,428 | 6,254 | + 61,549 |
| Deposits of Individuals | 337,637 | - 6,751 | + 61,601 |
| Other Time Deposits | 13,791 | + 497 | 52 |
| Liabilit's for Borrow'd Money | 1,500 | 9,500 | + 1,500 |
| All Other Liabilities | 91,227 | 4,216 | + 9,597 |
| Capital Accounts | 132,904 | + 398 | + 15,623 |
| Total Liabilities | \$3,006,282 | +163,922 | + 299,926 |

* Net figures, reciprocal balances being eliminated.

| DEPOSITS IN MUTUAL SAVINGS BANKS 8 Baltimore Banks |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: |
| Total Deposits | $s$ | Nov. 30, 1945 <br> $\$ 337,643,189$ | Oct. 31, 1945 <br> \$337,725,426 | $\begin{array}{r} \text { Nov. } 30,1944 \\ \$ 292.785 .086 \end{array}$ |


| COTTON CONSUMPTION-FIFTH DISTRICTIn Bales |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: |
| MONTHS | N. Carolina | S. Carolina | Virginia | District |
| November 1945 | 197,607 | 153,071 | 16,190 | 366,868 |
| October 1945 | 198,080 | 151,948 | 16,273 | 366,301 |
| November 1944 | 225,508 | 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 |


| BITS TO INDIVIDUAL ACCOUNTS(000 omitted) |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: |
|  | $\begin{gathered} \text { November } \\ 1945 \end{gathered}$ | \% chg. from Nov. 1944 | $\underset{1945}{11 \text { Mos. }}$ | \% chg. from 11 Mos. ${ }^{4} 4$ |
| District of Columbia Washington | \$ 564,804 | $+9$ | \$ 6,073,944 | +14 |
| Maryland |  |  |  |  |
| Baltimore | 758,727 | $-5$ | 8,666,344 | +3 |
| Cumberland | 16,137 | +19 | 162,473 | $+12$ |
| Frederick - | 13,951 | +6 | 136,719 | +1 |
| Hagerstown | 18,955 | +15 | 191,128 | +2 |
| North Carolina |  |  |  |  |
| Asheville | 34,447 | $+39$ | 317,760 | +21 |
| Charlotte | 146,348 | +11 | 1,526,757 | +91 |
| Durham | 104,134 | -2 | 939,316 | $+13$ |
| Greensboro | 43,117 | +8 | 446,896 | $+17$ |
| Kinston | 14,501 | -25 | 139,968 | +14 |
| Raleigh | 66,104 | +11 | 643,409 | + 7 |
| Wilmington | 33,574 | -16 | 394,151 | $-6$ |
| Wilson | 23,555 | $-26$ | 192,226 | +16 |
| Winston-Salem | 95,806 | +15 | 803,423 | +9 |
| South Carolina |  |  |  |  |
| Charleston | 42,917 | $+3$ | 456,771 |  |
| 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 | 23,834 | +3 | 255,402 | $\bigcirc 9$ |
| Norfolk ${ }_{\text {Portsmouth }}$ | 129,73i6 | +6 +37 | 1,338,529 | $+1$ |
| Portsmouth | 22,042 353,076 | +37 +1 | 188,778 $\mathbf{3 , 7 9 2 , 5 4 5}$ | +9 +4 |
| Roanoke | -51,134 | +15 | $3,732,545$ 500,789 | + |
| West Virginia |  |  |  |  |
| Bluefield | 27,439 | $+26$ | 272,860 | + 7 |
| Charleston | 92,662 | $+2$ | 968,127 | $+7$ |
| Clarksburg | 22,772 | $+33$ | 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 |


| MONTHS | COMMERCIAL FAILURES |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Number Failures District U.S. |  | $\begin{gathered} \text { Total Liabilities } \\ \text { District } \\ \text { U. S. } \end{gathered}$ |  |  |  |
| November 1945October 1945 | 2 | 60 | \$ | 19,000 |  | 1,268,000 |
|  | 1 | 62 |  | 9,000 |  | 3,114,000 |
| November 1944 | 1 | 75 |  | 8,000 |  | 3,008,000 |
|  | 12 | 768 |  | ,537,000 |  | 8,571,000 |
| 11 Months 1945 | 13 | 1,129 |  | 660,000 |  | 9,856,000 |
| Source: Dun \& Bradstreet. |  |  |  |  |  |  |





| STATES | AUCTION TOBACCO MARKETING |  |  |  |
| :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  |
| North Carolina | 102,160,492 | 182,150,833 | \$46.20 | \$44.54 |
| Virginia | 43,886,038 | 51,422,702 | 47.17 | 44.62 |
| District Total | 146,046,530 | 233,573,535 | \$46.49 | \$44.56 |
| Season Through | 997,591,487* | 888,848,252* | 44.18 | 42.93 |


| TOBACCO MANUFACTURING |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: |
|  | November | \% change from <br> Nov. 1944 | $\underset{1945}{11 \text { Mos. }}$ | $\begin{aligned} & \% \text { change } \\ & \text { from } \\ & 11 \text { Mos. } 44 \end{aligned}$ |
| Smoking \& chewing tob (Thousands of lbs.). | ${ }^{\text {co }}$ 23,341 | -28 | 257,724 | $+12$ |
| Cigarettes (Thousands) | 25,405,900 | $+24$ | 244,845,874 | $+109$ |
| Cigars (TEousands) | 468,404 | +5 | 4,061,415 | $+3$ |
| Snuff (Thousands of lbs.) | 3,750 | - 5 | 40;661 | + 5 |


| CONSTR | CTION CON | TRACTS | WARDED | $\begin{gathered} \% \text { chg. } \\ \text { from } \\ 10 \text { Mos.'44 } \end{gathered}$ |
| :---: | :---: | :---: | :---: | :---: |
|  | Oct. 1945 | $\begin{gathered} \text { \% chg. } \\ \text { from } \\ \text { Oct. } 1944 \end{gathered}$ | 10 Mos.'45 |  |
| Maryland | \$13,431,000 | +203 | \$ 88,063,000 | +15 |
| District of Columbia | 7,693,000 | +145 | 35,718,000 | +52 |
| Virginia | 11,692,000 | +96 | 94,586,000 | - 2 |
| West Virginia | 5,158,000 | +305 | 21,010,000 | -3 |
| North Carolina | 7,589,000 | +389 | $57,732,000$ | $+53$ |
| South Carolina | 1,524,000 | +694 | 15,618,000 | -17 |
| Fifth District | \$47,087,000 | +185 | \$312,727,000 | +14 |
| Source: F. W. Dodge | Corporation |  |  |  |


| WHOL | ALE | ADE, | 225 FIR |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  | Net Sales <br> Nov. 1945 compared with |  | Stock Nov. 30, 1945 compared with |  | Ratio Nov. collections to accts. outstand'g Nov. 1 |
|  | $\begin{aligned} & \text { Nov. } \\ & 1944 \end{aligned}$ | $\begin{aligned} & \text { Oct. } \\ & 1945 \end{aligned}$ | $\begin{gathered} \text { Nov. } 30 \\ 1944 \end{gathered}$ | $\begin{gathered} \text { Oct. } 31 \\ 1945 \end{gathered}$ |  |
| Auto Supplies (11)* | +44 | $+$ | +33 | $+$ | 97 |
| Drugs (9)* |  | -2 | $\underline{\square}$ | - 2 | 128 |
| Dry Goods (7)* ...... | +14 | -7 | -9 | -18 | 93 |
| Electrical Goods (9)* . | -4 | $+7$ | +49 | +15 | 83 |
| Groceries (75)**...... | +13 | 0 | $\underline{1}$ | +5 | 166 |
| Hardware (14)* ${ }^{*}$. | $+20$ | -5 | +1 | + 5 | 108 |
| Industrial Supplies (6)** | $+15$ | $-2$ | +16 | -3 | 88 |
| Paper \& Products (7)** |  | -14 |  |  | 103 |
| Tobacco \& Products (9)* | - 2 | -8 | +18 | -17 | 145 |
| Miscellaneous (78)* .... | + 7 | $+5$ | -2 | +10 | 110 |
| District Average (225)* | $+10$ | 0 | + 2 | + 2 | 116 |
| Source: Department of Commerce. <br> * Number of reporting firms. |  |  |  |  |  |


| RETAIL FURNITURE SALES |  |  |
| :---: | :---: | :---: |
|  | Percentage changes in Nov. and 11 Mos. 1945 Compared with Compared with |  |
| STATES | November 1944 | 11 Mos. 1944 |
| Maryland (5)* | $+17$ | +14 |
| District of Columbia (6)* | $+39$ | +8 |
| Virginia (22)* | $+33$ | +15 |
| West Virginia (10)* | +43 | +21 |
| North Carolina (15)* | +23 | +17 |
| South Carolina (14)* | +30 | +6 |
| District (72)* | +28 | +13 |
| Individual Cities |  |  |
| Baltimore, Md. (5)* | +17 | +14 |
| Washington, D. C. (6)* | +39 | +8 |
| Lynchburg, Va. (3)* | $+40$ | +22 |
| Richmond, Va. (7)* | $+36$ | +21 |
| Charleston, W. Va. (3)* | $+61$ | +29 |
| Charlotte, N. C. (4)* Columbia, S. C. (4)** | +47 +27 | +14 +2 |
| Columbia, S. C. (4)* | $+27$ | $+2$ |
| * Number of reporting stores |  |  |


| DE |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
| chmond | altimor | W ashington | Other Citie |  |  |
| Percentage change in Nov. 1945 sales, compared with sales in Nov. '44: $+19+7 \quad+5 \quad+12 \quad+8$ |  |  |  |  |  |
| Percentage clange in 11 mos. sales 1945, compared with 11 mos. in ' 44 :$+15+9+9+14+10$ |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| Percentage chg. in receivables Nov. 30, 1945 from those on Nov. 30, '44: |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| Maryland Dist. of Col. Virginia West Va. No. Carolina So. Carolina Percentage change in Nov. 1945 sales from Nov. 1944 sales, by States: $\begin{array}{llllll}+8 & +5 & +14 & +14 & +10 & +1\end{array}$ |  |  |  |  |  |
|  |  |  |  |  |  |
| $\begin{aligned} & \text { Percentag } \\ & +9 \end{aligned}$ | $\underset{+9}{\text { change }} \text { in } 1$ | s. sales $\begin{gathered}1945 \\ +19\end{gathered}$ | $\text { from } \begin{aligned} & 11 \text { mos. } \\ & +12 \end{aligned}$ |  | $\begin{gathered} 1944: \\ +7 \end{gathered}$ |



| BUSINESS INDEXES-FIFTH FEDERAL RESERVE DISTRICT Average Daily $1935-39=100$ |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | $\begin{aligned} & \text { Oct. } \\ & 1945 \\ & \hline \end{aligned}$ | Sep. 1945 | $\begin{aligned} & \text { Aug. } \\ & 1945 \end{aligned}$ | $\begin{array}{r} \text { Oct. } \\ 1944 \\ \hline \end{array}$ | \% Change <br> Oct. 1945 from <br> Sept. 45 Oct. 44 |  |
|  |  |  |  |  |  |  |
| Bank Debits ........................................................... | 222 | 243 | 231 | 205 | - 9 | + 8 |
| Bituminous Coal Production* ................................ | 90 | 142 r | 134 r | 145 | -37 | - 38 |
| Building Contracts Awarded .................................. | 206 | 106 r | 123 | 72 | +94 | +186 |
| Building Permits Issued ......................................... | 160 | 83 | 93 | 48 | +93 | +233 |
| Cigarette Production .............................................. | 233 | 209 | 205 | 152 | +11 | $+53$ |
| Cotton Consumption* ............................................. | 126 | 127 | 124 | 142 | -1 | - 11 |
| Department Store Sales ......................................... | 248 | 225 | 235 | 228 | $+10$ | $+\quad 9$ |
| Department Store Stocks .-..................................... | 196 | 200 | 198 | 187 | -2 | +5 $+\quad 5$ |
| Electric Power Production ................................... | 206 | 210 | 217 | 211 | $-2$ | - 2 |
| Furniture Orders | 151 | 127 | 129 | 160 | $+19$ | - 6 |
| Furniture Shipments | 116 | 111 | 133 | 132 | $+5$ | - 12 |
| Furniture Unfilled Orders | 547 | 374 | 376 | 459 | $+46$ | + 19 |
| Life Insurance Sales ............................................. | 179 | 149 | 159 | 146 | +20 | + 23 |
| Wholesale Trade-Four Lines ............................... | 197 | 163 | 170 | 175 | +21 | + 13 |
| Wholesale Trade-Drugs | 248 | 230 | 218 | 239 | + 8 | + 4 |
| Wholesale Trade-Dry Goods ............................... | 133 | 95 | 130 | 115 | $+40$ | +16 |
| Wholesale Trade-Groceries .................................. | 218 | 180 | 187 | 188 | +21 | +16 |
| Wholesale Trade-Hardware ................................ | 84 | 61 | 64 | 92 | +38 | - 9 |
| Retail Furniture Sales ........................................... | 195 | 167 r | 126 | 163 | $+17$ | $+20$ |
| * Not seasonally adjusted. |  |  |  |  |  |  |

## 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 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 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 shipyards 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.

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 civilian use.

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

Employment in nonagricultural establishments rose by over $\mathbf{3 0 0 , 0 0 0}$ workers in November, after allowing for seasonal changes, refiecting 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.
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.
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 outfow has recently been at the lowest rate since the early part of 1941.


[^0]:    * Not seasonally adjusted.

