

MONTHLY REVIEW

of Financial and Business Conditions

FIFTH
FEDERAL



RESERVE
DISTRICT

Federal Reserve Bank, Richmond 13, Va.

January 31, 1946

BUSINESS activity in the Fifth District in December, according to the consensus of statistical indicators, declined from the November level. Average daily cotton consumption was 16 per cent lower in December than in the previous month and 17 per cent under a year ago. These declines probably exaggerate the changes that have taken place in the output of spinning and weaving mills, since the average construction weights have no doubt fallen markedly in the changeover from war to civilian production. November employment in the cotton goods industry in North Carolina rose 1.6 per cent from October, and the slack in farm work during December should have seen a continued increase in this employment trend. It could be that the sharp drop in December cotton consumption has resulted from a return to a policy of shutting down for several days between Christmas and the New Year, though no substantiating evidence of this is in hand. Worth Street cotton merchants are optimistic on 1946 broad woven goods output. They anticipate an output of 10 billion linear yards compared with a probable figure of something under 9 billion yards in 1945.

Bituminous coal output on a daily average basis fell 11 per cent from November to December, but the latter month's output was 12 per cent higher than a year ago. Weather conditions undoubtedly had a lot to do with the reduction from November to December, and the effect of the holidays also played a part. The fact, however, that output exceeded that of a year earlier and that a trickle of new workers are returning to the fields makes a more hopeful production outlook. The Bituminous Coal Institute anticipates an average demand for more than 525 million tons of coal annually, a figure more than 20 per cent above

prewar average production. The Institute says, "The demand for coal in 1946 will be emphasized by the desirability of building up the nation's stock piles which at the end of 1945 were 10 million tons lower than they were when the war started in December 1941."

Cigarette output as measured by withdrawals from bonded warehouses for consumption in November declined from the all time record established in October. It seems likely that the October record will stand for some time, but it does not seem likely that any important downward trend would ensue in cigarette usage.

Department store sales in December despite their heavy volume, were not maintained at seasonal levels, the seasonally adjusted index for this District having declined 6 per cent from November. Relative to December 1944, however, the index rose 7 per cent. Three of the major lines of wholesale trade in the District in December showed sales gains of 12 to 22 per cent over last year, but hardware sales at wholesale continued their downward trend, having decreased 22 per cent in December from a year earlier.

Building permits, after receding moderately from October to November, established a postwar high in December. This is not indicative of a large volume of building under way but an indication of the demand. Not much in the way of onsite completed construction has yet been accomplished, but it is hoped that a considerable impetus will be possible in the next few months, as the trickle of available materials gradually broadens into a stream.

Employment levels are rising in civilian industries, but releases are still occurring in selected war industries. The

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BUSINESS INDEXES—FIFTH FEDERAL RESERVE DISTRICT

Average Daily 1935-39=100

Seasonally Adjusted

	Dec. 1945	Nov. 1945	Oct. 1945	Dec. 1944	% Change Dec. 1945 from	
					Nov. 45	Dec. 44
Bank Debits	248	237	222	231	+ 5	+ 7
Bituminous Coal Production*.....	132	149	90	118	-11	+ 12
Building Permits Issued.....	209	156	160	42	+34	+398
Cigarette Production	148	209	233	155	-29	- 5
Cotton Consumption*	110	131	126	133	-16	- 17
Department Store Sales.....	237	250r	248	221	- 5	+ 7
Department Store Stocks.....	191	201	196	188	- 5	+ 2
Wholesale Trade—Four Lines.....	197	210	197	177	- 6	+ 11
Retail Furniture Sales.....	199	214	193r	167	- 7	+ 19

*Not seasonally adjusted

FEDERAL RESERVE BANK OF PHILADELPHIA
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The Victory Loan

The Victory Loan Drive yielded Government security sales of \$1,076,129,000 from the Fifth Federal Reserve District. This amount was smaller by \$425,405,000 or 28.3 per cent than the District's sales in the Seventh War Loan, and compares with the national decline of \$5,169,000,000 or 19.8 per cent. As a consequence this District's proportion of the nation's sales declined to 5.09 per cent which compares with 5.71 per cent in the seventh loan, and a peak figure of 5.88 per cent in the fifth loan. The Victory Loan percentage of the Fifth District is the lowest since the Second War Loan.

Victory Loan sales to individuals, partnerships and personal trust accounts as well as sales to corporations and all other investors declined by larger percentages from sales in the Seventh War Loan in the Fifth District than in the nation. Fifth District Victory Loan sales to individuals etc, declined 26.3 per cent from seventh loan sales whereas these sales in the nation declined 21.9 per cent. The decline of 18.5 per cent in sales to corporations and all other investors in the nation was smaller than the decline in sales to individuals, but the reverse was the case in the Fifth District with sales to corporations and all other investors declining 29.7 per cent. Most of the classified investor groups showed larger percentage sales declines from the Seventh Loan to the Victory Loan in the Fifth District than in the nation.

Fifth District sales to individuals, partnerships and personal trust accounts and to corporations and all other investors are shown in the accompanying table together with percentages of national totals.

WAR LOAN SALES TO NON-BANK INVESTORS
Fifth District

War Loan	Total Sales		Individuals, etc.		All Other Investors	
	\$ Mil.	% of U.S.	\$ Mil.	% of U.S.	\$ Mil.	% of U.S.
Second	597	4.43	212	6.44	385	3.78
Third	972	5.13	355	6.60	617	4.55
Fourth	881	5.27	364	6.86	517	4.53
Fifth	1,214	5.88	516	8.12	698	4.89
Sixth	1,246	5.76	481	8.18	765	4.86
Seventh	1,502	5.71	592	6.82	910	5.16
Victory	1,076	5.09	486	6.44	640	4.45

Bank credit extended by the weekly reporting member banks in the United States for purchasing or carrying Government securities to customers other than brokers and dealers set a new high record in the Victory Loan both in amount and in percentage war loan security sales. Although this credit extension by the weekly reporting banks in the Fifth District was larger in the Victory Loan than in the Seventh War Loan it was exceeded in both the fifth and sixth loans.

As a percentage of war loan sales the extension of credit for purchasing or carrying Government securities to customers other than brokers and dealers by the weekly re-

CONTRIBUTION OF BANK LOANS* TO WAR LOAN SALES
(million dollars)

War Loan	United States			Fifth District		
	War Loan Sales	Bank Loan* Increase	%	War Loan Sales	Bank Loan* Increase	%
Fourth	16,730	605	3.62	881	10	1.14
Fifth	20,639	1,303	6.31	1,214	89	7.33
Sixth	21,621	1,186	5.49	1,246	56	4.49
Seventh	26,313	1,784	6.78	1,502	29	1.93
Victory	21,144	1,819	8.60	1,076	39	3.62

*Increase in loans for purchasing securities to customers other than brokers and dealers by weekly reporting member banks during war loan drive.

porting banks has run higher, and at times substantially higher in the United States than in the Fifth District. Only in the Fifth War Loan did the District percentage exceed that of the nation as the accompanying table shows:

TYPES OF SECURITIES SOLD

The outstanding feature of the Victory Loan was the extraordinary performance turned in on sales of 2½% bonds. These bonds which had accounted for between 5 and 6 per cent of the District's total sales in the Fourth, Fifth and Sixth War Loans rose to 18 per cent in the Seventh War Loan and to 39 per cent in the Victory Loan.

There has been a tendency, at least since the Fourth War Loan, for investors to concentrate more heavily in purchases of bonds maturing in 10 years or longer. Two factors bearing on this tendency deserve prominent mention. First, banks are an important source of demand for Government securities and in this capacity they have been indirectly a force which could be looked to by non-bank investors for the maintenance of a high liquidity in Government securities. Banks have been extending the maturities of their investments for some time, and this has had a lengthening maturity influence on the attitude of other investors particularly individuals, corporations and associations even though banks are not eligible to purchase 2¼% and 2½% bonds offered for several years in the future. Second, market gossip, security analysts, and many individual investors have doped it out that Treasury policy, hereafter, would likely starve the market of long term securities. This attitude has been reflected in an expanding incidence of war loan sales in the longer maturing issues bearing higher coupons.

The accompanying table shows the amount of sales of marketable issues with coupons of 2% and higher and the percentages of these sales to total war loan sales both in the District and in the nation.

CONTRIBUTION OF 2%.. 2¼% and 2½% MARKETABLE BONDS
TO WAR LOAN SALES

War Loan	United States		Fifth District	
	Sales of 2's, 2¼'s, & 2½'s	% of War Loan Sales	Sales of 2's, 2¼'s, & 2½'s	% of War Loan Sales
Fourth	5,251	31.4	226	25.7
Fifth	7,492	36.3	349	28.7
Sixth	9,650	44.6	487	39.1
Seventh	12,165	46.2	676	45.0
Victory	12,864	60.8	623	57.9

The relative positions of the 2¼% bonds and the 2½% bonds reversed in the Victory Loan as compared with the Seventh War Loan in the Fifth District. In the Victory Loan 2½% bonds accounted for 38.9 per cent of the Fifth District total sales, and 2¼% bonds accounted for 18.9 per cent. In the Seventh War Loan 2¼% bonds accounted for 27.0 per cent of the total sales in this loan and 2½% bonds accounted for 18 per cent. Certificates sold in the Victory Loan were a smaller percentage of total sales than in the seventh loan and the type of funds which went into the 1½%-6 year bonds in the seventh loan apparently moved out beyond the 2¼% issue into the 2½'s. Series E savings bonds were a notably smaller percentage of total Victory Loan sales than of Seventh War Loan sales, but the proportions of Series F and G bonds were well maintained as the accompanying table shows.

PER CENT OF TOTAL WAR LOAN SALES BY ISSUE

War Loan	Fifth District				
	4th	5th	6th	7th	Victory
¾% certificates	29.1	27.9	22.4	17.3	15.4
Treas. notes	...	11.6	9.1	...	...
1½% bonds	...	...	...	8.5	...
2% bonds	...	23.0	33.9	...	...
2¼% bonds	20.6	...	...	27.0	18.9
2½% bonds	5.1	5.7	5.2	18.0	38.9
Savings notes—Ser. C	13.9	10.3	9.1	6.9	7.5
Savings bonds—Ser. E	24.2	17.2	16.7	18.5	15.7
Savings bonds—Ser. F	1.9	1.2	.9	.9	.8
Savings bonds—Ser. G	5.2	3.1	2.7	2.9	2.8
Total	100.0	100.0	100.0	100.0	100.0

Although total Victory Loan sales in the Fifth District were a smaller percentage of national sales than in the Seventh War Loan, District sales of 2½% bonds, savings notes series C, savings bonds series E, F and G were larger percentages of similar issues sold in the United States. The smaller percentages of certificates and 2¼% bonds sold accounted for the overall reduction in the District's percentage of national sales in the Victory Loan as compared with the Seventh War Loan as the accompanying table shows:

WAR LOAN SALES OF GOVERNMENT SECURITIES

War Loan	Fifth District (million dollars)							Total
	Cert. ¾%	Notes* 1¼%	Bonds** 2%	Bonds 2½%	Sav. Bonds Ser. C	Sav. Bonds E	Sav. Bonds F & G	
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	41.8	566.7†
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
Seventh	260.1	217.7	404.6	270.6	104.3	277.1	57.2	1,501.5
Victory	165.4	...	203.7	418.7	80.8	168.4	39.1	1,076.1
(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	5.49	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	5.16
Seventh	5.44	7.56	7.97	3.82	3.85	6.97	5.77	5.71
Victory	4.43	...	6.69	4.26	4.80	7.64	5.94	5.09

*Seventh 1½% bonds.

**First 1¼%; Fourth 2¼%; Seventh 2¼%; Victory 2¼%.

†Includes unallocated amount of \$690,000.

SALES BY CLASSIFIED BUYER

Changes were small in the percentage of total Fifth District Victory Loan securities sold to the various types of buyers in comparison with the Seventh War Loan. Savings bank and insurance company Victory Loan purchases were lower percentages of total sales than in the Seventh War Loan, and these lower percentages were compensated for largely by corporations and "other" investors. There were, however, notable shifts in these two war loans in the percentages of total sales of the various issues. Individuals nearly doubled their percentages of certificate purchases in the Victory Loan as compared with the Seventh War Loan, and the proportion of corporations and "other" investors rose considerably. These increases were compensated for by reduced percentages of savings banks, insurance companies, and principally states and local governments. Individuals also nearly doubled their percentages of total 2¼% bonds purchased in the Victory Loan over the Seventh War Loan, and this increased proportion was offset largely by lower percentages of these securities purchased by insurance companies, and states and local governments. The chief changes in proportionate purchase of the 2½% bonds was a substantial increase in those of individuals and about a corresponding reduction in those of insurance companies.

WAR LOAN SALES BY TYPE OF INVESTOR

	Fifth District (million dollars)						
	2nd	3rd	4th	5th	6th	7th	Victory
Individuals, etc.	212.4	354.7	363.7	516.2	480.7	592.0	436.4
Savings banks	41.7	74.1	46.6	45.0	68.3	87.2	50.8
Insurance cos.	60.3	70.5	53.5	64.8	84.2	147.6	79.9
Dealers & brokers	*	24.3	18.4	15.2	4.7	2.9	4.0
Fed. Agencies, etc.	4.0	6.6	6.5	19.7	.1	1.2	3.9
St. & local govts.	57.6	77.0	67.2	123.2	143.5	163.6	114.5
Bldg. & Sav. & Loan	*	*	*	*	46.1	55.3	37.5
Corp. and other	220.8	365.2	325.1	429.4	418.8	451.7	349.1
Total	596.8	972.4	881.0	1,213.5	1,246.4	1,501.5	1,076.1
(Per Cent of District Total)							
Individuals, etc.	35.6	36.5	41.3	42.5	38.6	39.4	40.6
Savings banks	7.0	7.6	5.3	3.7	5.5	5.8	4.7
Insurance cos.	10.1	7.3	6.1	5.3	6.7	9.8	7.4
Dealers & brokers	*	2.5	2.1	1.3	.4	.2	.4
Fed. agencies, etc.	.7	.7	.7	1.6	...	.1	.4
St. & local govts.	9.6	7.9	7.6	10.2	11.5	10.9	10.6
Bldg. & Sav. & Loan	*	*	*	*	3.7	3.7	3.5
Corp. and other	37.0	37.5	36.9	35.4	33.6	30.1	32.4
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

CONTRIBUTION OF THE STATES

Victory Loan sales of securities declined in each state of the District and the District of Columbia from sales made in the Seventh War Loan. The smallest percentage declines were recorded in South Carolina and West Virginia, and the largest in North Carolina. All states in the District except North Carolina increased their purchases of 2½% bonds, with Maryland, West Virginia and South Carolina showing increases above the District average.

Maryland's Victory Loan sales declined 23 per cent from the Seventh War Loan sales which compares with the decline for the Fifth District of 28 per cent. Sales of all issues except 2½% bonds declined and all of the states' declines were larger than the District average. Maryland's 23 per cent decline in total sales was the third smallest in the District; heavier than average declines in most issues were in part offset by a 239 per cent increase in sales of 2½% bonds.

The District of Columbia's Victory Loan sales declined 35 per cent from sales made in the Seventh War Loan compared with a 28 per cent decline in the Fifth District. This was the only major political subdivision of the District to show an increase in sales of series C savings notes. District of Columbia sales of 2½% bonds rose only 4 per cent between these two war loans as compared with a gain of 55 per cent for these securities in the Fifth District. All other issues in the District of Columbia declined by larger percentages than were shown by the Fifth District as a whole.

Virginia's Victory Loan sales declined 28 per cent from Seventh War Loan sales which was the same percentage decline shown for the entire Fifth District. Sales of certificates, Series F and G bonds declined considerably less than the District average of these securities. Sales of 2¼% bonds, series C savings notes and Series E bonds declined about the same percentage as the District aggregate for similar issues. And sales of 2½% bonds rose 38 per cent compared with an increase in the District average of 55 per cent.

West Virginia's Victory Loan sales were only 15 per cent smaller than Seventh War Loan sales compared with a decline for the Fifth District of 28 per cent. This state increased its sales of certificates 26 per cent whereas the Fifth District aggregate declined 36 per cent. Sales of 2½% bonds rose 56 per cent, or about the same as

the 55 per cent gain for the District, and Series E bond sales declined 41 per cent or not much more than the 39 per cent reduction for the District. Series C savings notes and Series E bond sales in this state declined by somewhat larger percentages than in the District, but sales of all other issues declined less than those issues declined in the District.

North Carolina was the only state in the District to show declines in all issues of securities sold in the Victory Loan as compared with the Seventh War Loan, the decline in overall sales amounting to 42 per cent compared with 28 per cent for the District. Sales of 2¼% bonds, and Series E bonds were the only two issues in which North Carolina sales did not fall as much as sales of those securities in the District as a whole. Sales of 2½% bonds declined 5 per cent compared with a gain of 55 per cent for these securities in the Fifth District. Certificate sales declined 66 per cent compared with the District reduction in sales of these securities of 36 per cent.

South Carolina tied with West Virginia in showing the smallest sales reduction in Victory Loan securities in comparison with Seventh War Loan sales. In only the Series E and Series F bonds did this state's sales declines exceed declines shown for these issues in the entire District. In all other issues South Carolina made a better showing than the District. Sales of 2½% bonds rose 103 per cent compared with a District gain in this issue of 55 per cent. Sales of 2¼% bonds decreased 35 per cent while the District sales of these bonds decreased 50 per cent. Series C savings notes sales decreased 10 per cent compared with a decrease in sales of 23 per cent in the Fifth District.

The overall sales record of the states of the Fifth District and the District of Columbia are shown in the accompanying table. In the First War Loan or the Victory Fund Committee Drive Series E War Savings Bonds were not included. Figures for the First War Loan, therefore, do not include series E bonds.

WAR LOAN SALES TO NON-BANK INVESTORS

Fifth District
(million dollars)

War Loan	Md.	D. C.	Va.	W. Va.	N. C.	S. C.	District
First	99.1	29.6	54.6	21.7	31.6	14.0	250.6
Second	189.7	78.9	120.5	54.8	109.9	43.0	5.68
Third	330.7	102.8	193.8	84.5	182.5	78.1	972.4
Fourth	280.2	110.0	184.9	68.2	172.0	65.7	881.0
Fifth	421.8	152.1	220.3	100.7	235.3	83.3	1,213.5
Sixth	416.7	141.1	247.9	112.8	248.4	79.5	1,246.4
Seventh	494.1	233.4	275.7	107.9	304.4	86.0	1,501.5
Victory	384.6	152.9	197.4	91.8	176.2	73.3	1,076.1

(Per Cent of District Total)

First	39.5	11.8	21.7	8.6	12.6	5.8	100
Second	31.8	13.2	20.2	9.2	18.4	7.2	100
Third	34.0	10.6	19.9	8.7	18.8	8.0	100
Fourth	31.8	12.5	21.0	7.7	19.5	7.5	100
Fifth	34.7	12.5	18.2	8.3	19.4	6.9	100
Sixth	33.4	11.3	19.9	9.1	19.9	6.4	100
Seventh	32.9	15.5	18.4	7.2	20.3	5.7	100
Victory	35.7	14.2	18.4	8.5	16.4	6.8	100

CHANGE IN QUOTAS

Victory Loan quotas for corporations and investors other than individuals were the same as in the Seventh War Loan both for the Fifth District and for the nation. Individual quotas were reduced 40.5 per cent for the Fifth District and 42.9 per cent for the nation. Owing to the fact that Fifth District individual quotas in the Seventh War Loan accounted for 67.3 per cent of total quotas compared with 50 per cent for the nation, the smaller reduction in the District individual quota from

the Seventh to the Victory Loan nevertheless had the effect of giving the District a larger reduction in overall quotas than the nation. Overall District quotas declined 27 per cent between the Seventh and Victory Loans while the national quotas declined 21 per cent.

The percentage declines in the overall quotas of most of the Fifth District major political subdivisions were close to the percentage reduction in the District total with the exception of West Virginia which had a reduction in its overall quota of 36.1 per cent compared with the District reduction of 27.2 per cent.

Individual quotas for the Fifth District declined 40.5 per cent from the Seventh to the Victory Loan. The national decrease in this quota was 42.9 per cent.

QUOTA ATTAINMENT

Maryland, West Virginia and South Carolina improved their percentages of total Victory Loan sales relative to quotas as compared with the Seventh War Loan. In fact these states showed total Victory Loan sales the highest percentage of quotas in any war loan since the fourth, this being the earliest date for which these ratios are readily at hand. Virginia and North Carolina showed total Victory Loan quotas were covered by smaller percentages than in either the sixth or seventh loans, but higher than in the fourth or fifth. The District of Columbia's total Victory Loan quota coverage was exceeded only in the Seventh War Loan.

All states of the District and the District of Columbia covered their individual Victory Loan quotas by substantially larger percentages than Seventh War Loan quotas, and in the Victory Loan the District of Columbia, Virginia, North Carolina and South Carolina showed the largest percentage of quota attainment in any war loan since the fourth. Sales of Victory Loan securities to individual investors in the Fifth District were 147 per cent of quota while national sales were 169 per cent of quota. In both instances these were new high records of achievement relative to quota.

Fifth District series E bond quotas were covered 112 per cent compared with a national quota attainment of 111 per cent. All states of the Fifth District improved their series E bond quota attainment except Virginia in the Victory Loan as compared with the Seventh War Loan. However Virginia's series E bond sales as a percentage of quota was the highest in the District. Maryland's percentage of quota sales of E bonds of 106 per cent was its highest of any war loan since the fourth. West Virginia tied Virginia with E bond sales of 117 per cent of quota, but West Virginia's Victory Loan E bond quota was reduced 53 per cent from that of the Seventh War Loan whereas Virginia's was reduced 40 per cent.

Sales of Victory Loan securities to corporations and other investors of the Fifth District were 266 per cent of quota, compared with a national figure of 205 per cent. Corporation and other investors in South Carolina bought the largest amount of securities relative to their quota in the Victory Loan than in any other from the fourth on. West Virginia's quota coverage was not far below the record established in the Seventh Loan. Other states of the District, however, showed substantial reductions in the percentage of quota sales in the Victory Loan as compared with the Seventh War Loan.

The accompanying table shows sales as a percentage of quotas for: all investors; individuals, partnership and

personal trust accounts; series E savings bonds; and corporations and other investors for the Sixth, Seventh, and Victory Loans.

PERCENTAGE OF WAR LOAN QUOTAS ATTAINED

	All Investors			Individuals, etc.			Series E Bonds			Corp. & Other		
	6th	7th	Vic.	6th	7th	Vic.	6th	7th	Vic.	6th	7th	Vic.
Md. . .	198	214	226	133	104	118	94	84	106	265	409	339
D. C. .	150	207	180	117	122	145	116	101	112	182	344	214
Va. . .	182	185	178	143	129	162	137	117	117	222	310	201
W. Va. .	209	168	233	175	103	156	111	93	117	254	386	372
N. C. .	205	230	182	155	132	170	124	96	110	256	441	197
S. C. .	162	162	193	138	121	144	132	104	110	188	258	261
Dist. .	188	201	200	142	118	147	118	100	112	236	373	266
U. S. .	154	188	192	118	124	169	115	99	111	175	252	205

RANK OF THE DISTRICT STATES

Fifth District states except West Virginia and the District of Columbia, for the most part, lowered their ranks among the states of the nation in sales quota achievement of each investor quota in the Victory Loan compared with the Seventh. West Virginia improved her rank among the states of the nation for all classes of investors, this in part being due to the relatively greater reduction in this state's quota in the Victory Loan compared with the Seventh War Loan. South Carolina rose from 41st place in the all investor percentage of quota achievement in the Seventh War Loan to 33rd place in the Victory Loan, primarily as a result of better-than-national performance in the sales of certificates and 2½% bonds. Maryland rose from 48th place in the Seventh War Loan Series E War Savings bond percentage of quota attainment to 36th place in the Victory Loan, but Maryland's E bond quota had been reduced 53.3 per cent between these two war loans compared with a reduction of 46 per cent for the Fifth District and a reduction of 50 per cent for the nation. North Carolina's E bond sales as a percentage of quota ranked 35th among the nation's states in the Seventh War Loan. In the Victory Loan this rank was raised to 27th while the quota reduction of the state was smaller than in the Fifth District as a whole or in the nation. The District of Columbia ranked 23rd in the nation in both Seventh and Victory Loans in the percentage of E bond quota sales. The percentage of quota sales in all other investor classes in each state of the District not enumerated above ranked lower in the Victory Loan than in the Seventh War Loan as the accompanying table shows:

RANK AMONG THE STATES IN QUOTA ATTAINMENT

	All Investors			Individuals, etc.			Series E Bonds			Corp. & Other		
	6th	7th	Vic.	6th	7th	Vic.	6th	7th	Vic.	6th	7th	Vic.
Md. . .	4	6	15	13	45	49	49	48	36	3	5	7
D. C. .	27	10	40	21	20	40	25	23	23	26	15	34
Va. . .	9	21	42	9	12	27	5	5	15	11	21	38
W. Va. .	2	35	9	1	46	30	34	37	15	7	7	3
N. C. .	3	2	39	2	9	19	14	35	27	6	2	41
S. C. .	16	41	33	10	23	41	12	17	27	21	38	21

The county map on the second page shows the series E bond sales as percentages of quotas classified into four groups for purposes of graphic presentation. In these classifications there were 15 counties which failed to meet their quotas; 163 counties and the District of Columbia whose sales equalled or exceeded quotas by as much as 19 per cent; 88 counties with sales from 120 to 139 per

cent of quotas; and 53 counties with sales more than 140 per cent of quotas. Counties showing the largest percentages as well as the least percentages of quotas sold in the Victory Loan were for the most part rural. The majority of the important industrial areas and large centers of population covered their quotas in the main by percentages ranging from 100 to 120. Several of the smaller cities where industrial cutbacks have not been in evidence covered their quotas by somewhat larger percentages.

With the county E bond percentages of quota sales classified by 10 per cent intervals from 80 to 180 it is found that nearly a third of the counties in the District had per cent of quota E bond sales of 100 to 109 per cent, and that somewhat more than a third of the counties ranged from 110 to 129 per cent. County distribution is shown as follows:

FREQUENCY DISTRIBUTION OF COUNTY PER CENT-OF-QUOTA SERIES E BOND SALES

Fifth District

E Bond Sales % of Quota	No. of Counties	% of Total
Under 80	2	.6
80 - 89	6	1.9
90 - 99	7	2.2
100 - 109	103	32.3
110 - 119	60	18.8
120 - 129	52	16.3
130 - 139	36	11.3
140 - 149	20	6.3
150 - 159	11	3.4
160 - 169	6	1.9
170 - 179	4	1.2
180 & over	12	3.8
Total	319	100.0

Continued from page 1

Navy yards, in addition to a steady loss in numbers owing to quits, are periodically making lay-offs. The Norfolk Navy Yard, which occupied 43,000 at its wartime peak, released 5,000 during January and now employs around 17,000 compared with an employment level of 5,000 before the war. Job openings are plentiful in the District with most major concerns advertising daily for workers. The number receiving unemployment compensation is much lower than seemed possible a few months ago, and the bulk of the District payments are mainly in the Baltimore area and other centers of munitions production. Unemployment compensation payments are rising, but it appears that a considerable part of this rise is due to veterans.

The weekly reporting member banks in this District during and since the Victory Loan to January 16th have increased their holdings of Government securities \$111 million. This compares with a gain of \$208 million during and three weeks after the Seventh War Loan. Increased holdings came chiefly in certificates during and after the Victory Loan whereas bonds accounted for nearly half of the increase during and after the Seventh War Loan. There has been little liquidation of loans made to customers other than brokers and dealers for purchasing or carrying Government securities since the end of the Victory Loan, despite the fact that the 2¼% and 2½% bonds are selling at substantial premiums.

FEDERAL RESERVE BANK OF RICHMOND			
(All Figures in Thousands)			
ITEMS	January 16 1946	Change in Amt. From 12-12-45	1-17-45
Total Gold Reserves.....	\$ 978,844	-144,706	- 9,048
Other Reserves	24,479	+ 10,329	+ 7,054
Total Reserves	1,003,323	-134,377	-1,994
Bills Discounted	4,909	+ 785	- 841
Industrial Advances	46	- 19	- 75
Gov. Securities, Total.....	1,461,038	+117,235	+341,660
Bonds	59,350	+ 1,234	+ 14,362
Notes	91,492	-37,742	- 8,835
Certificates	534,643	+ 41,594	+218,800
Bills	775,553	+112,149	+119,057
Total Bills & Securities.....	1,465,993	+118,001	+313,744
Uncollected Items	164,450	- 961	+ 32,192
Other Assets	43,243	+ 15,581	+ 27,637
Total Assets	2,677,009	- 1,756	+371,579
Fed. Res. Notes in Cir.....	\$1,713,196	- 28,155	+225,850
Deposits, Total	793,600	+ 21,645	+ 97,771
Members' Reserves	737,419	+ 34,905	+120,735
U. S. Treas. Gen. Acct.....	15,673	-15,167	- 3,358
Foreign	37,405	+ 2,189	+ 14,122
Other Deposits	3,103	+ 282	+ 516
Def. Availability Items.....	141,303	+ 4,171	+ 42,280
Other Liabilities	386	- 209	- 65
Capital Accounts	28,524	+ 792	+ 5,743
Total Liabilities	2,677,009	- 1,756	+371,579

DEBITS TO INDIVIDUAL ACCOUNTS				
(000 omitted)				
	December 1945	% Change from Dec. 1944	12 Mos. 1945	% Change from 12 Mos. '44
District of Columbia				
Washington	\$ 636,838	+15	\$ 6,710,782	+14
Maryland				
Baltimore	995,519	+11	9,661,863	+ 4
Cumberland	17,787	+17	180,260	+12
Frederick	12,630	- 1	149,349	+ 1
Hagerstown	19,215	+ 6	210,343	+ 3
North Carolina				
Asheville	41,095	+34	358,855	+22
Charlotte	158,453	+ 6	1,685,210	+ 9
Durham	68,080	-16	1,007,396	+11
Greensboro	68,082	+66	514,978	+22
Kinston	10,566	- 6	150,534	+12
Raleigh	72,522	-10	715,931	+ 5
Wilmington	38,491	-13	432,642	- 1
Wilson	14,156	-42	206,382	+ 9
Winston-Salem	88,712	+14	892,135	+10
South Carolina				
Charleston	46,314	+ 1	503,085	+ 6
Columbia	64,156	+ 7	664,867	+10
Greenville	49,449	-12	516,439	+10
Spartanburg	33,710	+37	306,300	+14
Virginia				
Charlottesville	25,656	+24	251,456	+31
Danville	33,754	+11	282,933	+20
Lynchburg	27,994	+11	275,871	+ 7
Newport News	26,059	- 6	281,491	- 9
Norfolk	152,353	+ 5	1,490,882	+ 2
Portsmouth	18,428	-12	207,206	+ 7
Richmond	401,613	-19	4,194,153	+ 1
Roanoke	62,773	+18	563,562	+10
West Virginia				
Bluefield	30,484	+ 2	303,344	+ 6
Charleston	139,442	+35	1,107,569	+ 9
Clarksburg	25,538	+22	225,099	+18
Huntington	41,975	0	454,113	+17
Parkersburg	24,370	+29	236,934	+18
District Totals	\$ 3,446,244	+ 6	\$34,741,969	+ 7

41 REPORTING MEMBER BANKS—5TH DISTRICT			
(All Figures in Thousands)			
ITEMS	January 16 1946	Change in Amt. From 12-12-45	1-17-45
Total Loans	\$ 394,256	- 416	+ 72,589
Bus. & Agri. Loans.....	170,253	+ 1,098	+ 27,938
Real Estate Loans.....	50,217	+ 631	+ 3,152
All Other Loans.....	173,786	- 2,145	+ 41,499
Total Security Holdings.....	1,830,747	+ 12,034	+173,343
U. S. Treasury Bills	73,590	+ 2,240	+ 40,327
U. S. Treasury Certificates	422,488	+ 42,834	+111,308
U. S. Treasury Notes	213,373	-35,921	-114,254
U. S. Gov. Bonds	1,049,700	- 3,498	+223,787
Obligations Gov. Guaranteed.....	152	0	- 19,092
Other Bonds, Stocks & Sec.....	71,444	+ 6,329	+ 11,921
Cash Items in Process of Col.....	124,906	- 9,333	+ 27,693
Due from Banks.....	182,639*	-13,724	+ 13,559
Currency & Coin.....	33,390	+ 4,359	+ 1,666
Reserve with F. R. Bank.....	357,209	+ 12,703	+ 48,326
Other Assets	74,841	- 199	+ 8,986
Total Assets	3,002,988	- 3,294	+346,662
Total Demand Deposits.....	\$2,413,707	- 15,516	+256,526
Deposits of Individuals.....	1,331,398	+ 6,536	+165,067
Deposits of U. S. Gov.....	505,931	-18,281	+ 33,684
Deposits of State & Local Gov.....	87,683	+ 10,364	+ 13,731
Deposits of Bank	460,085*	-12,621	+ 38,661
Certified & Officers' Checks.....	28,610	- 1,514	+ 8,383
Total Time Deposits.....	358,895	+ 7,467	+ 68,098
Deposits of Individuals.....	345,172	+ 7,535	+ 63,235
Other Time Deposits.....	13,723	- 68	- 137
Liabilities for Borrowed Money.....	1,500	0	- 1,000
All Other Liabilities.....	95,614	+ 4,387	+ 10,125
Capital Accounts	133,272	+ 368	+ 14,913
Total Liabilities	3,002,988	- 3,294	+346,662

*Net figures, reciprocal balances being eliminated.

COMMERCIAL FAILURES					
MONTHS	Number Failures		Total Liabilities		U. S.
	District	U. S.	District	U. S.	
December 1945.....	3	42	\$ 101,000	\$ 1,824,000	
November 1945.....	2	60	19,000	1,268,000	
December 1944.....	1	93	31,000	1,804,000	
12 Months 1945.....	15	810	\$1,638,000	\$30,395,000	
12 Months 1944.....	14	1,222	691,000	31,660,000	

Source: Dun & Bradstreet

COTTON CONSUMPTION AND ON HAND—BALES				
	Dec. 1945	Dec. 1944	Aug. 1 to 1945	Dec. 31 1944
Fifth District States:				
Cotton consumed	307,459	370,481	1,742,936	1,998,124
Cotton Growing States:				
Cotton consumed	572,125	671,120	2,184,078	3,552,158
Cotton on hand Dec. 31 in				
consuming establishments	2,080,761	2,054,152		
storage & compresses....	10,394,556	13,254,134		
United States:				
Cotton consumed	651,784	758,809	3,595,851	4,020,386
Cotton on hand Dec. 31 in				
consuming establishments	2,380,324	2,320,596		
storage & compresses....	10,504,564	13,379,245		
Spindles active, U. S.....	21,551,960	22,212,432		

DEPOSITS IN MUTUAL SAVINGS BANKS			
8 Baltimore Banks			
	Dec. 31, 1945	Nov. 30, 1945	Dec. 31, 1944
Total Deposits	\$343,795,649	\$337,643,189	\$295,619,832

COTTON CONSUMPTION—FIFTH DISTRICT				
In Bales				
MONTHS	No. Carolina	So. Carolina	Virginia	District
December 1945.....	158,469	136,578	12,412	307,459
November 1945.....	197,607	153,071	16,190	366,868
December 1944.....	196,313	166,850	17,318	370,481
12 Months 1945.....	2,409,722	1,853,613	209,234	4,472,619
12 Months 1944.....	2,600,839	1,998,863	226,178	4,825,880

BUILDING PERMIT FIGURES

	December Valuation Figures		Annual Valuation Figures	
	1945	1944	1945	1944
Maryland				
Baltimore	\$ 1,427,575	\$ 578,240	\$12,848,746	\$ 5,965,813
Cumberland	5,945	1,982	213,840	95,158
Frederick	2,700	400	239,665	55,691
Hagerstown	34,455	6,450	384,419	311,800
Salisbury	128,795	25,582	605,220	269,346
Virginia				
Danville	44,675	36,396	780,170	151,959
Lynchburg	72,830	14,395	750,795	132,801
Norfolk	421,350	44,440	4,181,075	1,441,055
Petersburg	0	3,600	132,285	25,530
Portsmouth	97,660	28,925	1,143,971	575,519
Richmond	737,454	121,215	7,530,445	2,212,630
Roanoke	156,306	51,130	1,214,753	320,040
West Virginia				
Charleston	356,285	20,885	1,753,963	509,614
Clarksburg	8,933	16,100	164,032	69,067
Huntington	100,925	11,750	2,303,624	285,208
North Carolina				
Asheville	501,020	4,600	1,321,394	231,346
Charlotte	1,002,921	46,896	4,136,264	303,171
Durham	734,450	13,770	2,030,473	481,597
Greensboro	2,153,325	24,553	3,458,502	261,561
High Point	36,317	14,947	328,241	323,945
Raleigh	776,450	23,200	2,504,717	519,056
Rocky Mount	13,650	700	325,525	115,927
Salisbury	18,800	50	326,685	80,562
Winston-Salem	144,225	30,755	1,499,351	1,253,413
South Carolina				
Charleston	220,410	20,013	1,497,566	480,034
Columbia	149,871	8,630	1,243,330	153,985
Greenville	154,950	8,225	504,320	166,025
Spartanburg	67,500	50,464	555,307	474,546
District of Columbia				
Washington	1,497,155	990,412	20,694,253	13,029,527
District Totals	\$11,071,932	\$ 2,198,705	\$75,176,931	\$30,800,926

AUCTION TOBACCO MARKETING

STATES	Producers' Tobacco Sales, Lbs.		Price per hundred	
	December 1945	December 1944	1945	1944
North Carolina				
Flue-cured	16,598,637	39,357,357	\$45.47	\$43.53
Burley	5,921,011	4,120,255	44.44	49.02
North Carolina, Total	22,519,648	43,477,612	45.20	44.05
Virginia				
Flue-cured	9,451,158	15,534,981	46.11	43.74
Fire-cured	3,020,594	2,146,940	23.53	25.03
Burley	7,453,092	5,252,480	46.58	45.12
Sun-cured	553,120	635,542	27.74	27.22
Virginia, Total	20,477,964	23,569,943	43.19	41.90
District Total, December	42,997,612	67,047,555	44.24	43.29
N. C. season to 12-31	772,022,111	714,912,614	44.15	43.30
Va. season to 12-31	143,570,124	124,991,046	44.56	42.87
S. C. entire season	124,191,116	115,992,147	43.94	43.08
District, season to 12-31	1,039,783,371	955,895,807	44.18	43.22

TOBACCO MANUFACTURING

Smoking & chewing tobacco (Thousands of lbs.)	% Change from		% Change from	
	Dec. 1945	Dec. 1944	12 Mos. 1945	12 Mos. '44
Cigarettes	12,486	-45	270,210	+7
Cigarettes (Thousands)	16,060,627	-10	260,906,501	+9
Cigars	364,671	-8	4,426,086	+2
Snuff	2,968	-14	43,629	+4

SOFT COAL PRODUCTION IN THOUSANDS OF TONS

REGIONS	Dec.		% Chg.	12 Mos.		% Chg.
	1945	1944		1945	1944	
West Virginia	12,096	11,289	+7	150,516	163,927	-8
Virginia	1,401	1,368	+2	18,082	19,865	-9
Maryland	164	121	+36	1,840	1,952	-6
Fifth District	13,661	12,773	+7	170,438	185,744	-8
United States	46,100	45,665	+1	576,000	619,576	-7
% in District	29.6	28.0		29.6	30.0	

CONSTRUCTION CONTRACTS AWARDED

STATES	Nov. 1945	% Chg. from Nov. 1944	11 Mos. '45	
			11 Mos. '45	% Chg. from 11 Mos. '44
Maryland	\$ 6,195,000	+49	\$ 94,258,000	+17
District of Columbia	2,787,000	-9	38,505,000	+45
Virginia	9,539,000	+86	104,125,000	+3
West Virginia	5,003,000	+416	26,108,000	+15
North Carolina	11,046,000	+269	68,778,000	+69
South Carolina	2,845,000	+233	18,463,000	-5
Fifth District	\$37,415,000	+120	\$350,237,000	+20

Source: F. W. Dodge Corporation

WHOLESALE TRADE, 193 FIRMS

LINES	Net Sales compared with		Stock compared with		Ratio Dec. collections to acc'ts outstand'g Dec. 1
	Dec. 1944	Nov. 1945	Dec. 31 1944	Nov. 30 1945	
Auto Supplies (10)*	+53	+33	+11	+7	138
Drugs (10)*	+21	-1	+1	+3	119
Dry Goods (5)*	-4	-29	0	0	101
Electrical Goods (5)*	+82	+1	+32	-11	103
Groceries (67)*	+11	-14	+9	+5	163
Hardware (13)*	+8	-22	+16	+19	111
Industrial Supplies (7)*	+13	-9	+7	+2	105
Paper & Products (6)*	-1	-22	-5	+13	92
Tobacco & Products (7)*	+12	-3	+19	-8	147
Miscellaneous (63)*	-2	-13	+6	0	134
District Average (193)*	+11	-11	+9	+5	129

Source: Department of Commerce

*Number of reporting firms.

RETAIL FURNITURE SALES

STATES	Percentage Changes in Dec. and 12 Mos. 1945 Compared with Compared with	
	December 1944	12 Mos. 1944
Maryland (5)*	+15	+14
District of Columbia (6)*	+23	+9
Virginia (21)*	+20	+14
West Virginia (6)*	+56	+22
North Carolina (16)*	+14	+14
South Carolina (14)*	+23	+8
District (68)*	+20	+13
Individual Cities		
Baltimore, Md. (5)*	+15	+14
Washington, D. C. (6)*	+23	+9
Lynchburg, Va. (3)*	+20	+22
Richmond, Va. (7)*	+24	+21
Charlotte, N. C. (3)*	+18	+11
Columbia, S. C. (4)*	+25	+5

* Number of reporting stores

DEPARTMENT STORE TRADE

Richmond	Baltimore	Washington	Other Cities	District
Percentage change in Dec. 1945 sales, compared with sales in Dec. 1944:				
+13	+4	+8	+11	+8
Percentage change in 12 mos. sales 1945, compared with 12 mos. in 1944:				
+15	+8	+9	+13	+10
Percentage change in stocks on Dec. 31, '45, compared with Dec. 31, '44:				
-3	-5	+8	+4	+1
Percentage change in outstand'g orders Dec. 31, '45 from Dec. 31, '44:				
+40	+21	+22	+30	+25
Percentage chg. in receivables Dec. 31, '45 from those on Dec. 31, '44:				
+21	+13	0	+12	+8
Percentage of current receivables as of Dec. 1, 1945 collected in Dec.:				
52	52	50	54	51
Percentage of instalment receivables as of Dec. 1, 1945, collected in Dec.:				
30	32	26	45	30
Maryland Dist. of Col. Virginia West. Va. No. Carolina So. Carolina				
Percentage change in Dec. 1945 sales from Dec. 1944 sales, by states:				
+5	+8	+8	+14	+9
Percentage change in 12 mos. sales 1945 from 12 mos. sales 1944:				
+8	+9	+11	+16	+12