



FEDERAL RESERVE BANK OF RICHMOND

RICHMOND 13, VIRGINIA

JANUARY 31, 1949

Business Conditions

IN a setting characterized by uneasiness on the part of business, as a result of unemployment, falling commodity prices, and selective production cutbacks districtwise and nationally, the performance of department store sales in December and early January has been moderately reassuring. In the Fifth Federal Reserve District sales of department stores in December after seasonal correction rose 13 per cent above the adjusted November level and stood 5 per cent higher than in December 1947.

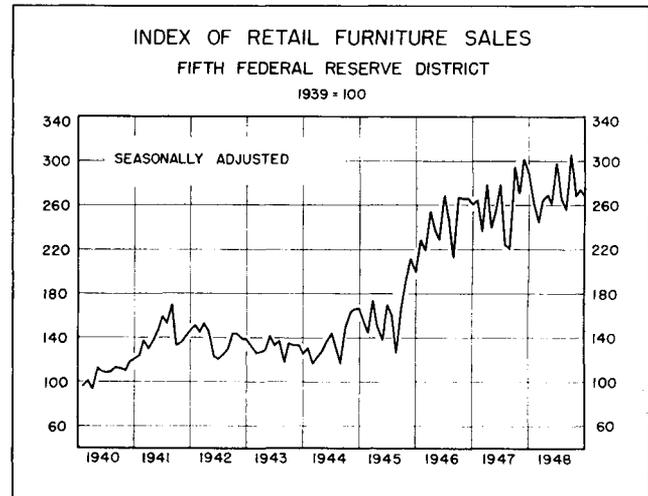
Considerable apprehension had been in evidence with respect to the general business outlook as a result of poor trade returns of November. The December sales of department stores have moderated but not altogether allayed these fears. In fact, department store sales in December appear, in the absence of concrete data, to have done better than retail trade as a whole and particularly sales of durable goods. In appraising these sales figures, however, it must be remembered that clearance prices prevailed both before and after Christmas which seems to indicate that there is nothing wrong with the economy that a good price adjustment wouldn't correct.

Automotive Trade

In the Fifth Federal Reserve District, for the first time since the war, there is a very noticeable change in the character of the automobile market. Higher priced cars in many instances can be purchased on the spot and delivery is not so far removed on medium priced cars. It is not uncommon for a dealer to call a dozen or more names on his waiting list before delivery of a car is made. Although this is normally a slow season of the year, the weather in this area has been unusually open yet used cars are not moving anyway near like they have been over the past several years at this season. Some comments from the automobile trade attribute the current slack in used car sales and in some cases in new car sales to the credit restrictions of Regulation W, but the fact remains that installment credit was still rising as of the latest record, and the purpose of the regulation was to restrain the unwholesome expansion of this type of credit and its consequence on the price level. New passenger car registrations in the Fifth District were still trending upward through November the latest month for which data are available.

Wholesale Trade

In contrast to the snap-back in December of department store sales, the majority of the wholesale trade lines show losses in December when compared with November



after seasonal correction, which indicates that retailers are pulling to shore, and probably reflect an unwillingness of banks to finance what they may consider excessive inventories. Outstanding among these losses were automotive and industrial supply wholesalers' sales which dropped 44 per cent and 12 per cent respectively. Sales of wholesale drug and electrical goods firms were down 9 per cent and 6 per cent respectively. Gains were made in adjusted sales in this period by hardware, paper, and tobacco firms while grocery wholesalers' sales showed no change. It is interesting to note that of the nine lines of wholesale trade for which data have been compiled only the hardware and industrial supply firms show December 1948 sales higher than a year earlier.

Construction

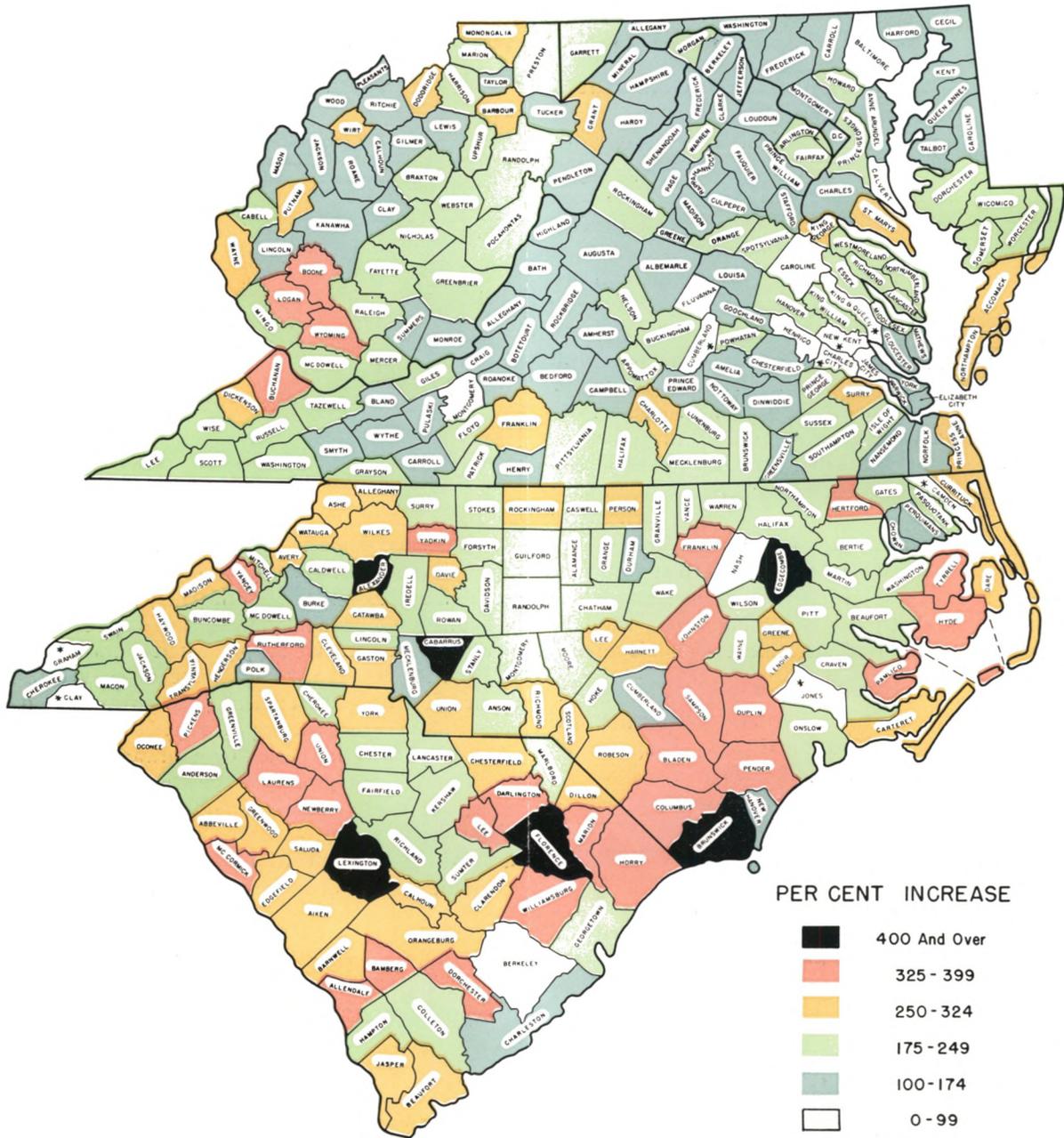
December represented the first real indication of a break in the high level of construction in this area. Construction contract awards in that month were down 14 per cent on a seasonally adjusted basis from November, and 20 per cent below December 1947. Residential contract awards seasonally adjusted fell 27 per cent from November to December to a level 10 per cent below December 1947. This reflects possibly two things—first, that most of the urgent housing needs have been met by additions already made to the supply, and second, that a sufficient number of buyers or renters are not available at prevailing prices and rentals. It appears at this time that whatever construction volume ensues in 1949 that a larger proportion will be accounted for by public works, utilities, and public schools.

Continued on page 8

GROWTH OF BANK DEPOSITS

ALL BANKS - FIFTH DISTRICT

DEC. 1941 - DEC. 1947



PER CENT INCREASE

- 400 And Over
- 325 - 399
- 250 - 324
- 175 - 249
- 100 - 174
- 0 - 99
- * Insufficient Data

Deposits of Insured Commercial Banks

United States

Bank deposits of the United States were rising rapidly during the four years 1942 through 1945. Total deposits of insured commercial banks reached a peak on December 31, 1945 when these banks held \$147.8 billion of deposits of all types. By the end of 1947 these deposits had dropped \$5.9 billion to \$141.9 billion. Deposits of individuals, partnerships, and corporations continued to increase through 1947. Thus while total deposits were declining \$5.9 billion from December 31, 1945 to December 31, 1947, deposits of individuals, partnerships and corporations were rising \$15.8 billion; government deposits were declining \$20.5 billion; and all other deposits were declining \$1.2 billion in the same period. The growth in these various deposits is shown as follows:

DEPOSITS OF INSURED COMMERCIAL BANKS IN THE UNITED STATES

	Deposits of Individuals, Partnerships, and Corporations (\$000)	Government Deposits (\$000)	All Other Deposits (\$000)	Total Deposits (\$000)
1941				
June	\$ 49,538,431	\$ 4,740,381	\$11,337,836	\$ 65,616,648
Dec.	51,698,492	5,991,002	11,731,190	69,420,684
1942				
June	54,155,841	6,164,544	10,842,046	71,162,431
Dec.	62,834,608	12,622,191	12,363,628	87,820,427
1943				
June	70,320,509	12,448,666	11,813,283	94,582,458
Dec.	76,918,566	14,823,570	12,373,641	104,115,777
1944				
June	77,908,261	23,682,454	12,588,882	114,179,597
Dec.	87,511,877	24,811,141	13,428,777	125,751,795
1945				
June	91,871,075	28,770,448	13,640,863	134,282,386
Dec.	101,900,844	29,441,712	16,468,426	147,810,982
1946				
June	106,909,448	19,411,473	14,327,843	140,648,764
Dec.	112,663,700	9,684,656	14,680,933	137,029,289
1947				
June	111,713,977	8,628,334	13,353,453	133,695,764
Dec.	117,701,053	8,958,718	15,228,895	141,888,666
1948				
June	112,564,136	10,361,927	13,055,132	135,981,195

Source: Reports of the Federal Deposit Insurance Corporation on Assets and Liabilities of Operating Insured Commercial and Mutual Savings Banks.

Purpose of Article

The reason for selecting December 31, 1941 as the starting point brings up the purpose of this article, which is to show what has happened to bank deposits on a county basis in the Fifth Federal Reserve District. Owing to the fact that branch banking systems report to their supervisory authorities on a consolidated basis, and owing to the fact that some state banking departments report individual bank figures on June 30 while others report on December 31, the only figure available to show changes on a county basis are those collected by the United States Treasury for war loan quota purposes for December, 1941 through 1944 and a county deposit re-

port made by the Federal Reserve Board for December 1947.

Fifth Federal Reserve District

Total deposits of insured commercial banks in the Fifth Federal Reserve District also increased during the period discussed above and reached a peak on December 31, 1945. The various kinds of deposits were all on the increase with deposits of individuals, partnerships, and corporations reaching a peak on December 31, 1947, government deposits on June 30, 1945, and other deposits on December 31, 1945. That total deposits of the Fifth District insured commercial banks were increasing is not so important as how their rate of increase compared with the rate of increase of the entire United States. On December 31, 1941, 4.96 per cent of the total deposits of all United States commercial banks were located in Fifth District commercial banks. This percentage fluctuated during the period under study and hit a high of 5.56 per cent on December 31, 1946. The per cent of the United States deposits of individuals, partnerships, and corporations in commercial banks found in the Fifth District was also the largest on December 31, 1946, being 5.58 per cent. While the ratio of government deposits in the Fifth District to government deposits of the nation in commercial banks was changing all during this time, the highest point came on December 31, 1947, when 6.87 per cent of such deposits were in the Fifth District banks.

DEPOSITS OF INSURED COMMERCIAL BANKS FIFTH FEDERAL RESERVE DISTRICT

	Deposits of Individuals, Partnerships, and Corporations		Government Deposits		All Other Deposits		Total Deposits	
	Mil- lions	% of U.S.	Mil- lions	% of U.S.	Mil- lions	% of U.S.	Mil- lions	% of U.S.
1941								
June	2,338	4.72	273	5.75	481	4.24	3,092	4.71
Dec.	2,578	4.98	313	5.22	554	4.72	3,445	4.96
1942								
June	2,717	5.02	326	5.28	468	4.32	3,511	4.93
Dec.	3,243	5.16	524	4.14	594	4.80	4,360	4.86
1943								
June	3,560	5.06	644	5.17	527	4.46	4,731	5.00
Dec.	3,894	5.06	766	5.16	576	4.65	5,236	5.03
1944								
June	3,966	5.09	1,268	5.36	497	3.95	5,731	5.02
Dec.	4,637	5.30	1,394	5.62	677	5.04	6,708	5.33
1945								
June	4,901	5.33	1,550	5.39	592	3.60	7,043	5.24
Dec.	5,631	5.52	1,491	5.07	729	4.43	7,851	5.31
1946								
June	5,879	5.50	1,056	5.44	576	4.02	7,511	5.34
Dec.	6,291	5.58	628	6.48	695	4.73	7,614	5.56
1947								
June	6,133	5.49	561	6.50	532	3.99	7,226	5.40
Dec.	6,426	5.46	615	6.87	697	4.57	7,739	5.45
1848								
June	6,158	5.47	674	6.51	546	4.18	7,379	5.43

Source: Reports of the Federal Deposit Insurance Corporation on Assets and Liabilities of Operating Insured Commercial and Mutual Savings Banks.

Summary

Total deposits of insured commercial banks in the United States and in the Fifth District experienced a rise which reached the peak on December 31, 1946; however, the rate of growth was greater for the District than for the nation as a whole as evidenced by the ratio of such Fifth District deposits to United States deposits. On December 31, 1941 the ratio was 4.96 per cent; on December 31, 1945, 5.31 per cent; and 5.56 per cent on December 31, 1946. The deposits of individuals, partnerships, and corporations in insured commercial banks were also increasing at a faster rate in the District than in the country at large. In both areas these deposits continued to climb after total deposits had begun to decrease. The Fifth Federal Reserve District fared better than the rest of the nation in the growth of government deposits, having 5.22 per cent of the total lodged in commercial banks on December 31, 1941 and 6.87 per cent on December 31, 1947.

Deposits of Individuals, Partnerships, and Corporations of All Banks Fifth District

Statistics

As mentioned above county data are available from the United States Treasury and the Federal Reserve Board. This source of information does not give total deposits of insured commercial banks, but demand and time deposits of individuals, partnerships, and corporations of all banks. Therefore, the remainder of this article will be concerned with the demand and time deposits of individuals, partnerships, and corporations of all banks in the Fifth Federal Reserve District by counties. The dates December 31, 1941 and 1947 will be used to show the overall change occurring in the counties during this period and December 31, 1944 to point out how much of the change took place in each half of the period. The deposits for December 31, 1941 and 1944 are taken from *Distribution of Bank Deposits by Counties*, United States Treasury, and for December 31, 1947 from a publication of the same title made available by the Board of Governors of the Federal Reserve System.

Rate of Growth

Fifth Federal Reserve District States

The rate of expansion between December 31, 1941 and December 31, 1947 of the deposits of individuals, partnerships, and corporations of all banks in the Fifth Federal Reserve District was somewhat higher than for similar deposits of the nation as a whole, being 145 per cent as compared with the national average of 115 per cent.

Since the states making up the Fifth District are not homogeneous economic entities, the variances in the rate of change of bank deposits of individuals, partnerships, and corporations of all banks among the states is not

surprising. These deposits in Maryland and the District of Columbia banks failed to increase as much as those of the nation generally in the period under review; however, the District of Columbia's rate of growth was very little less than the national rate of growth. On the other hand, these deposits of all banks in Virginia, West Virginia, North Carolina and South Carolina rose much more rapidly than the national average. South Carolina led the Fifth District with a rate of 244 per cent. These changes are shown with additional information in the following table:

RATE OF EXPANSION OF TOTAL DEPOSITS OF INDIVIDUALS, PARTNERSHIPS, AND CORPORATIONS OF ALL BANKS

	Per Cent Change From		
	Dec. 1941 to Dec. 1947	Dec. 1941 to Dec. 1944	Dec. 1944 to Dec. 1947
	Maryland	102.4	54.4	31.1
Washington	114.1	57.1	36.3
Virginia	134.1	73.1	35.2
West Virginia	177.1	85.2	49.6
North Carolina	219.0	116.1	47.6
South Carolina	244.0	128.2	50.8
Fifth District	145.1	76.0	39.2
United States	115.3	60.0	34.5

Grouping the data into two periods—December 31, 1941 to December 31, 1944, and December 31, 1944 to December 31, 1947—reveals a larger increase in the deposits of individuals, partnerships, and corporations of all banks in this area from December 31, 1941 to December 31, 1944 than from December 31, 1944 to December 31, 1947. Also evident from the table given above is the fact that while the Fifth Federal Reserve District was still maintaining a rate of increase in such deposits greater than the average United States bank during the second period, this section of the country did not have as large a share of the nation's increase as during the first three years under study. The increase from December 31, 1941 to December 31, 1944 was 60 per cent for the nation as a whole and 76 per cent for the Fifth District and from December 31, 1944 to December 31, 1947 the rates slowed down to 35 per cent and 39 per cent, respectively.

During the first three years of increase the deposits of individuals, partnerships, and corporations of all banks in the different states had varying rates of expansion. The variance ranged from Maryland's record which fell below the average for the country to South Carolina's gain which on a percentage basis was more than twice as much as the national gain.

Again Maryland and South Carolina were at either extreme as measured by the rate of increase in deposits of individuals, partnerships, and corporations of all banks from December 31, 1944 through December 31, 1947. South Carolina took the lead with an expansion of 51 per cent and Maryland trailed with the rate of 31 per cent.

The following situations held true during both three year periods mentioned concerning the percentage in-

crease of the deposits of individuals, partnerships, and corporations of all banks: 1.) the Fifth District exceeded the country as a whole; 2.) Maryland was below the nation generally; and 3.) Virginia, while higher than the nation, was less than the District increase.

Fifth District Counties

Of the more than three hundred counties in the Fifth District only 16 of them failed to increase their deposits of individuals, partnerships, and corporations in all banks as rapidly as the country as a whole from December 31, 1941 to December 31, 1947. Seven of the counties were located in Virginia, 5 in Maryland, and 1 each in West Virginia, North Carolina, and South Carolina. As the table lower on this page shows the number of counties falling into this classification is misleading as an indication of the importance of this group. When Washington, D. C., which also had a rate of increase less than the national average, is added to this classification, the total deposits of individuals, partnerships, and corporations of all banks in this group amounted to 42.11 per cent of such deposits in the Fifth District on December 31, 1947. The importance of the deposits of counties

with the relatively low rate of growth between the same dates was practically nil in West Virginia, North Carolina, and South Carolina, the states which had shown the greatest percentage increases between December 31, 1941 and December 31, 1947.

At the other end of the comparisons are those counties which had a high rate of growth of the deposits of individuals, partnerships, and corporations of all banks. From December 31, 1941 to December 31, 1947, four counties in North Carolina—Edgecomb, Brunswick, Cabarrus, and Alexander—and two in South Carolina—Lexington and Florence—experienced an increase in these deposits of 400 per cent or more as compared with the 115.3 per cent in the country generally.

Again between December 31, 1941 and December 31, 1944 Maryland had 5 counties and West Virginia, North Carolina, and South Carolina one per state to show deposit increases at a rate lower than the deposits of individuals, partnerships, and corporations of all banks in the United States. Washington, D. C. banks continued to expand their deposits at a lower rate than that of the nation as a whole and the number of such counties in Virginia increased to 12.

TOTAL DEPOSITS OF INDIVIDUALS, PARTNERSHIPS, AND CORPORATIONS OF ALL BANKS

	Maryland	Washington	Virginia	West Virginia	North Carolina	South Carolina	
No. of counties with a rate of increase less than 115.3% (national rate) from Dec. 1941 to Dec. 1947.....	5	1	7	1	1	1	16
Deposits in these counties on Dec. 31, 1947 (\$000)	1,340,692	944,053	596,592	4,123	2,655	193	2,888,308
Deposits in these counties on Dec. 31, 1947—% of Fifth District.....	19.55	13.76	8.70	.06	.04	*	42.11
No. of counties with a rate of increase less than 60.0% (national rate) from Dec. 1941 to Dec. 1944.....	5	1	12	1	1	1	21
Deposits in these counties on Dec. 31, 1944 (\$000)	1,073,221	692,708	396,424	2,609	105,343	4,421	2,274,726
Deposits in these counties on Dec. 31, 1944—% of Fifth District.....	21.79	14.07	8.05	.05	2.14	.09	46.19
No. of counties with a rate of increase less than 34.5% (national rate) from Dec. 1944 to Dec. 1947.....	10	....	19	7	27	10	73
Deposits in these counties on Dec. 31, 1947 (\$000)	1,440,070	....	653,904	38,113	251,050	96,746	2,479,883
Deposits in these counties on Dec. 31, 1947—% of Fifth District.....	21.01	....	9.54	.56	3.66	1.41	36.18

*Less than 0.005 per cent

On December 31, 1944, the deposits of individuals, partnerships, and corporations of all banks in these counties amounted to 46.19 per cent of such Fifth Federal Reserve District deposits.

From December 31, 1941 to December 31, 1944 the deposits of individuals, partnerships, and corporations of all banks were increased 60.0 per cent in the entire country and 76.0 per cent in the Fifth Federal Reserve District. In contrast to these rates of expansion are those

of a number of counties which exceeded 100 per cent increase for the same period. As might be expected the states with the largest percentage gains in deposits of individuals, partnerships, and corporations of all banks between these dates also had a large group of counties in the 100 per cent or over increase classification. In South Carolina 42 out of 46 counties had an increase in these deposits of 100 per cent or more, 80 out of 100 counties in North Carolina; 20 out of 49 in West Virginia; 28 out of 100 in Virginia, and 7 out of 23 in Maryland.

Knowing that the Fifth District's portion of the increase in the deposits of individuals, partnerships, and corporations in all banks of the nation was declining between December 31, 1944 and December 31, 1947, it is not surprising to note that the number of counties with rates of increase in these deposits less than the national rate jumped to 73. However, on December 31, 1947, 36.18 per cent of the Fifth District deposits of individuals, partnerships, and corporations of all banks were in these 73 counties which was somewhat lower than it had been on December 31, 1944 for counties having the same relation to the nation between December 31, 1941 and December 31, 1944. Only three counties—Boone, West Virginia and Laurens and Greenwood, South Carolina—had as much as 100 per cent increase in the deposits of individuals, partnerships, and corporations of all banks from December 31, 1944 to December 31, 1947.

The fact that 21 counties in the first half of the period under study and 73 counties in the second half and only 16 counties for the entire period from December 31, 1941 to December 31, 1947 had a rate of increase less than that national rate indicates that the relation of the deposits of individuals, partnerships, and corporations of all banks in some counties to like deposits of the entire country had not been stable.

Percentage Increase and Size of Deposits

The states showing the largest and smallest percentage increase of total deposits of individuals, partnerships, and corporations of all banks from December 31, 1941 to December 31, 1947 and for both 3 year periods within these dates held respectively the smallest and largest amount of these deposits. It will be recalled from previous tables that South Carolina led the Fifth District states with an increase of 244.0 per cent from December 31, 1941 to December 31, 1947, 128.2 per cent from December 31, 1941 to December 31, 1944, and 50.8 per cent from December 31, 1944 to December 31, 1947, while Maryland lagged behind with increases of 102.4 per cent, 54.4 per cent and 31.1 per cent during the same periods. The following table shows how the Fifth District states ranked according to size of deposits of individuals, partnerships, and corporations of all banks.

TOTAL DEPOSITS OF INDIVIDUALS, PARTNERSHIPS, AND CORPORATIONS OF ALL BANKS

	1941		1944		1947	
	(\$000,000)	% of Fifth District	(\$000,000)	% of Fifth District	(\$000,000)	% of Fifth District
Maryland	864	30.9	1,334	27.1	1,749	25.5
Washington	441	15.8	693	14.1	944	13.8
Virginia	637	22.8	1,102	22.4	1,491	21.7
West Virginia	239	8.5	443	9.0	663	9.7
North Carolina	445	15.9	961	19.5	1,418	20.7
South Carolina	172	6.1	392	7.9	591	8.6
Total	2,798	100.0	4,925	100.0	6,856	100.0

Notwithstanding the large percentage gains made by South Carolina in the deposits of individuals, partnerships, and corporations of all banks, these deposits in this state remained less than those of any other Fifth District State. On the other hand Maryland maintained the lead in amount of deposits of this type even though her percentage gain was the lowest in the District during the period under study.

In the following table it is seen that the increases from December 31, 1941 to December 31, 1947 placed the largest number of counties in a group with the rate of increase in deposits of individuals, partnerships, and corporations of all banks higher than the national rate of increase in like deposits. This situation is not surprising as the Fifth District as a whole had a rate higher than the national rate; however, the fact that this group with the largest number of counties had a rate of increase higher than that of the Fifth District as a whole would seem to indicate that the counties with the smaller deposits would tend to have the larger percentage increases and the counties with the larger deposits, the smaller percentage increase if the average rate of increase in deposits of individuals, partnerships, and corporations of all banks in the Fifth District is to be lower than that of the majority of the counties.

NUMBER OF COUNTIES IN THE FIFTH FEDERAL RESERVE DISTRICT BY PERCENTAGE INCREASE IN DEPOSITS OF INDIVIDUALS, PARTNERSHIPS, AND CORPORATIONS OF ALL BANKS FROM DECEMBER 31, 1941 TO DECEMBER 31, 1947

	400% and over	325-399%	250-324%	175-249%	100-174%	99% and less	Insufficient data	Total
Maryland			1	7	13	2		23
Washington					1			1
Virginia		1	8	37	45	5	4	100
West Virginia		3	7	17	22			49
North Carolina 3		15	26	43	9		4	100
South Carolina 2		13	17	12	1	1		46
Total	5	32	59	116	91	8	8	319
Per cent of Deposits on Dec. 31, 1947	1.0	3.4	7.9	26.1	38.7	22.9		100.0

From the foregoing and following tables it can be noted that the 96 counties in the Fifth Federal Reserve District having the largest percentage gain in deposits of individuals, partnerships, and corporations of all banks from December 31, 1941 to December 31, 1947 accounted for 12.3 per cent of such Fifth District deposits on December 31, 1947, while the eight counties having the lowest increase during the same time accounted for 22.9 per cent. Between December 31, 1941 and December 31, 1947, more counties had a rate of increase in deposits of individuals, partnerships, and corporations of all banks between 175 and 249 per cent than any other percentage range. Even though 116 of the 319 counties belonged to this classification, only 26.1 per cent of the Fifth District deposits of individuals, partnerships, and corporations were located in these counties on December 31, 1947.

DEPOSITS OF INDIVIDUALS, PARTNERSHIPS, AND CORPORATIONS OF ALL BANKS IN THE FIFTH FEDERAL RESERVE DISTRICT ON DECEMBER 31, 1947, BY PERCENTAGE INCREASE IN THE COUNTIES FROM DEC. 31, 1941 to DEC. 31, 1947

	(\$'000,000)							Percent of Fifth District								
	400% and Over	325- 399%	250- 324%	175- 249%	100- 174%	99% and Under	Insuf. Data	Total*	400% and Over	325- 399%	250- 324%	175- 249%	100- 174%	99% and Under	Insuf. Data	Total*
Maryland			7	134	362	1,247		1,749			.1	1.9	5.3	18.2		25.5
Washington					944			944					13.8			13.8
Virginia		4	45	390	727	324		1,490		.1	.6	5.7	10.6	4.7		21.7
West Virginia		29	47	332	255			663		.4	.7	4.9	3.7			9.7
North Carolina	44	101	271	699	303		2	1,418	.6	1.5	4.0	10.2	4.4		†	20.7
South Carolina	26	94	174	230	65	‡		590	.4	1.4	2.5	3.4	.9	†		8.6
Total*	70	227	544	1,785	2,657	1,571	2	6,856	1.0	3.4	7.9	26.1	38.7	22.9	†	100.0

*Items do not always add to total because of rounding

†Less than 0.05%

‡Less than \$500,000

The 32 counties listed below had the largest amount of deposits of individuals, partnerships, and corporations of all banks per county in the Fifth District on December 31, 1947.

COUNTIES HAVING AS MUCH AS .5 PER CENT OF FIFTH DISTRICT DEPOSITS OF INDIVIDUALS, PARTNERSHIPS, AND CORPORATIONS OF ALL BANKS ON DEC. 31, 1947

	Percent of Fifth District Deposits	Rate of Increase from December 31, 1941 to December 31, 1947 (Percent)
Maryland		
Alleghany .....	.8	119
Baltimore	18.1	89
Carroll .....	.6	121
Frederick .....	.7	103
Montgomery .....	.8	168
Prince George .....	.6	197
Washington .....	.7	114
Washington	13.8	114
Virginia		
Arlington and Fairfax	1.0	183
Campbell .....	.7	124
Henrico	4.4	96
Norfolk	2.7	114
Pittsylvania .....	.7	194
Roanoke	1.3	105
West Virginia		
Cabell .....	.8	189
Harrison .....	.7	178
Kanawha	1.8	141
Mercer .....	.7	175
Raleigh .....	.5	206
Wood .....	.5	142
North Carolina		
Buncombe .....	.7	190
Cabarrus .....	.6	406
Durham .....	.8	146
Forsyth	1.2	191
Gaston .....	.6	259
Guilford	1.3	216
Mecklenburg	2.6	166
New Hanover .....	.5	123
South Carolina		
Charleston	1.0	138
Greenville	1.2	242
Richland .....	.9	197
Spartanburg .....	.7	257

On this same date Baltimore, Henrico, and Norfolk counties and Washington, D. C. led the list with 18.1

per cent 4.4 per cent, 2.7 per cent, and 13.8 per cent respectively of the Fifth District deposits of individuals, partnerships, and corporations of all banks. These areas also had percentage gains below that of the United States as a whole and the entire Fifth District in these deposits from December 31, 1941 to December 31, 1947. On the other hand, Mecklenburg, North Carolina with 2.6 per cent of the District's deposits of this type on December 31, 1947 had by this date increased 166 per cent since December 31, 1941 and 17 other counties out of the 32 being considered had rates of growth during the same period greater than the Fifth District with the largest percentage gain of 406 per cent being made by Cabarrus county in North Carolina.

Summary

The large increase in the bank deposits of the United States during the past seven years is readily revealed by the records of all deposits of insured commercial banks and by total deposits of individuals, partnerships, and corporations of all banks. This expansion was made at a faster rate within the Fifth Federal Reserve District than for the country as a whole. The deposits of individuals, partnerships, and corporations of all banks in North and South Carolina expanded at more than twice the rate of similar deposits in Maryland from December 31, 1941 to December 31, 1947. These deposits showed more marked variations in growth between the dates mentioned when broken down by counties with the change being as much as a 400 per cent increase in some counties and a decrease in others. The importance of these large percentage gains to the total gain in the Fifth Federal Reserve District often were offset by smaller percentage gains in areas having deposits of individuals, partnerships, and corporations in all banks of larger size.

Business Conditions

Continued from page 1

Production

Bituminous coal output seasonally adjusted fell 1 per cent from November to December to a level 7 per cent below last year. Some of the producing areas are in poorer shape than others with operating rates running from 10 per cent to 20 per cent below capacity chiefly because of the lack of a market.

Cigarette production dropped 11 per cent on a seasonally adjusted basis from November to December to a figure 7 per cent below December 1947. This is the lowest level of output this industry has seen since December 1945.

Electric power production reflecting both productive activity and commercial and residential use in November showed what appears to be another break in the upward trend that has prevailed since the end of the war. As yet the movement is not decisive.

Furniture shipments of Southern manufacturers seasonally adjusted, which had returned to the peak made early in 1948 by October of the same year, receded moderately in November. These shipments will probably fall further in both December and January owing to some setback in retail sales, but due mainly to heavy retail in-

ventories. The furniture mart in Chicago early in January did not result in much new business for manufacturers, but the New York show later in the same month opened up a fair volume of business which may be enough to prevent a further decline in output from present levels at least for the time being.

Both the District's cotton consumption and the number of hours run by active spindles seasonally adjusted rebounded in December from the November levels, the former by 9 per cent and the latter by 2 per cent. Both series in December were, however, 8 per cent below December 1947. Prices of cotton goods and yarns are still not settled and the production rate is probably above the rate of incoming and forward orders. Trade information believes consumers to be low on stock, but no large business has thus far been forthcoming. As a consequence, manufacturers are accumulating some inventories and from all appearances it looks as though the consuming trades expect the manufacturer to continue to carry them or else gear production so as to meet the ebb and flow of orders.

Latest employment data indicate a decline in activity of the machinery and transportation equipment industries

**BUSINESS INDEXES—FIFTH FEDERAL RESERVE DISTRICT
AVERAGE DAILY, 1935-39=100—SEASONALLY ADJUSTED**

	Dec. 1948	Nov. 1948	Oct. 1948	Dec. 1947	% Change Dec. 1948 from	
					Nov. 48	Dec. 47
Automobile Registration*	.....	147	127	134	.....	.....
Bank Debits.....	324	337	345	309	- 4	+ 5
Bituminous Coal Production.....	158	165	173	170	- 4	- 7
Building Contracts Awarded.....	244	283r	348	305	- 14	- 20
Commercial Construction Contracts.....	263	368	447	431	- 29	- 39
Manufacturing Construction Contracts.....	223	117	565	236	+ 91	- 6
Public Works and Utilities.....	164	163	210	349	+ 1	- 53
Residential Construction Contracts.....	284	391r	345	314	- 27	- 10
Apartments and Hotels.....	230	420	372	386	- 45	- 40
One and Two Family Houses.....	328	423	325	352	- 22	- 7
Building Permits Issued.....	267	277	372	342	- 4	- 22
Business Failures—No.....	49	46	40	33	+ 7	+ 48
Cigarette Production.....	203	227	241	218	- 11	- 7
Cotton Consumption.....	140	129r	135	153	+ 9	- 8
Cotton Spindle Hours.....	134	132	135	146	+ 2	- 8
Department Store Sales***	346	306	330	330	+ 13	+ 5
Department Store Stocks.....	335	339	311	325	- 1	+ 3
Electric Power Production.....	.....	265	277	245	.....	.....
Employment—Mfg. Industries*	.....	134	135	136	.....	.....
Furniture Orders***	.....	233	299	287	.....	.....
Furniture Shipments***	.....	309	316	311	.....	.....
Furniture Unfilled Orders***	.....	544	691	775	.....	.....
Furniture Sales—Retail.....	268	273r	268	290	- 2	- 8
Gasoline Consumption.....	.....	.....	183	184	.....	.....
Life Insurance Sales.....	231	241	249	271	- 4	- 15
Wholesale Trade:						
Automotive Supplies**	213	382	336	289	- 44	- 26
Drugs.....	238	262	266	253	- 9	- 6
Dry Goods***	180	181	202	216	- 1	- 17
Electrical Goods**	89	95	107	94	- 6	- 5
Groceries.....	252	251	252	270	0	- 7
Hardware.....	163	159	168	135	+ 3	+ 21
Industrial Supplies**	448	510	526	422	- 12	+ 6
Paper and Its Products**	163	154	160	213	+ 6	- 23
Tobacco and Its Products**	105	91	89	116	+ 15	- 9

* Not seasonally adjusted

** 1938-41=100

*** Revised Series—back figures available on request

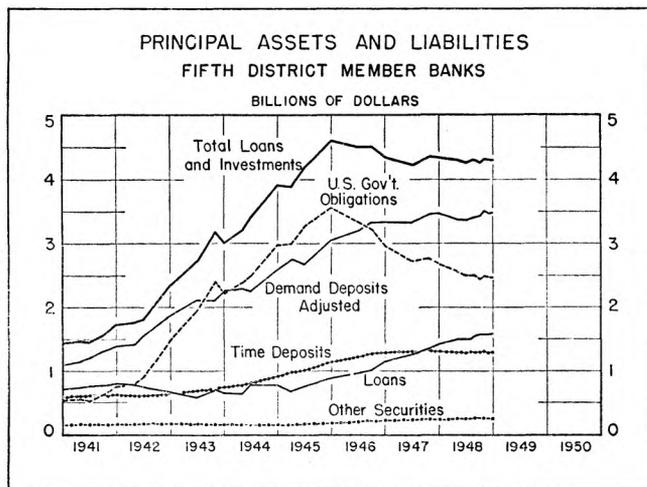
in Maryland; a slight pick up in Virginia shipbuilding; a reduction in lumbering in North Carolina; a leveling off following some months' drop in furniture activity in North Carolina and in Virginia; a reversal of a persistent upward trend in apparel in Virginia; continued downward trend in knitting mills of North Carolina; continued upward trend in printing and publishing in the three states; and a slow but steady decline in chemical and allied products industries of Maryland and North Carolina. It cannot be said at this time whether some of the declines in employment reflect greater labor efficiency or whether they find direct reflection in the level of production.

Bank Debts

Bank debts, which are the aggregate value of checks drawn against each individual account in the reporting

banks except those indicating transfers of funds between banks, have shown a consistently rising trend in this District on a seasonally adjusted basis for many years, reached a peak in September this year, declined 7 per cent to October, declined another 2 per cent to November, and still another 4 per cent to December. This is hardly sufficient to indicate a downward trend in aggregate spending of the area but like the electric power figures it is at least a temporary change in direction. Sales of life insurance in the District also have shown a drop since September that is something more than an incidental variation.

Evidence thus far in this District points to a lower level of business activity in general in the early months of 1949 as compared with the same months of 1948.



AVERAGE DAILY TOTAL DEPOSITS* OF MEMBER BANKS

	Last Half of Nov.		Last Half of Dec.	
	\$ thousands	% of U.S.	\$ thousands	% of U.S.
Maryland	1,010,590	.93	1,013,019	.93
Reserve city banks	647,130	.60	649,061	.60
Country banks	363,460	.33	363,958	.33
District of Columbia	880,133	.81	891,404	.82
Reserve city banks	858,495	.79	869,686	.80
Country banks	21,638	.02	21,718	.02
Virginia	1,320,930	1.22	1,310,503	1.20
Reserve city banks	303,307	.28	297,881	.27
Country banks	1,017,623	.94	1,012,622	.93
West Virginia	623,695	.57	621,713	.57
North Carolina	846,947	.78	844,696	.77
Reserve city banks	376,716	.35	377,636	.34
Country banks	470,231	.43	467,060	.43
South Carolina	439,858	.41	439,043	.40
Fifth District	5,122,153	4.72	5,120,378	4.70
U. S. (millions)	108,522	100.0	109,028	100.00

* Excluding interbank demand deposits.

FEDERAL RESERVE BANK OF RICHMOND

FEDERAL RESERVE BANK OF RICHMOND
(All Figures in Thousands)

ITEMS	January 18, 1949	Change in 12-15-48	Amt. From 1-14-48
Total Gold Reserves	\$1,039,535	- 22,405	+ 33,396
Other Reserves	25,491	+ 8,779	+ 76
Total Reserves	1,065,026	- 13,626	+ 33,320
Bills Discounted	12,936	+ 1,842	+ 5,837
Industrial Advances	71	+ 32	+ 49
Govt. Securities, Total	1,426,231	- 67,051	+ 4,218
Bonds	683,503	- 38,184	+ 463,991
Notes	32,115	- 20,746	- 65,168
Certificates	406,480	+ 20,770	+ 1,427
Bills	304,133	- 28,891	- 396,032
Total Bills & Securities	1,439,238	- 65,177	+ 10,104
Uncollected Items	231,773	- 69,941	- 25,373
Other Assets	53,229	+ 19,246	+ 14,749
Total Assets	2,789,266	- 123,498	- 33,840
Federal Reserve Notes in Cir.	\$1,622,104	- 46,359	- 88,225
Deposits, Total	913,687	- 34,999	+ 47,346
Members' Reserves	842,526	- 11,497	+ 67,560
U. S. Treas. Gen. Acct.	33,937	- 33,249	- 33,330
Foreign	32,904	+ 7,757	+ 14,451
Other Deposits	4,320	+ 1,990	+ 1,335
Def. Availability Items	212,583	- 40,570	+ 2,496
Other Liabilities	569	- 105	- 419
Capital Accounts	40,323	- 1,465	+ 4,962
Total Liabilities	2,789,266	- 123,498	- 33,840

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

ITEMS	January 19, 1949	Change in 12-15-48	Amt. From 1-14-48
Total Loans	\$ 863,400**	- 9,064	+ 61,707
Bus. & Agri.	412,468	- 1,395	+ 25,809
Real Estate Loans	201,788	- 2,106	+ 27,879
All Other Loans	256,809	- 3,543	+ 15,684
Total Security Holdings	1,656,413	+ 27,544	- 123,619
U. S. Treasury Bills	81,289	+ 21,232	+ 51,604
U. S. Treasury Certificates	198,505	- 610	+ 42,526
U. S. Treasury Notes	44,418	- 10,217	- 64,724
U. S. Govt. Bonds	1,204,821	+ 16,124	- 160,290
Other Bonds, Stocks & Sec.	127,380	+ 945	+ 7,325
Cash Items in Process of Col.	236,172	- 16,666	+ 11,354
Due from Banks	150,891*	- 27,128	- 66,293
Currency & coin	64,977	- 4,968	- 1,360
Reserve with F. R. Banks	543,636	- 14,412	+ 27,967
Other Assets	48,533	- 511	- 4,070
Total Assets	3,564,022	- 45,205	- 94,314
Total Demand Deposits	\$2,738,239	- 52,842	- 75,548
Deposits of Individuals	2,052,733	- 59,466	- 66,504
Deposits of U. S. Govt.	46,982	+ 2,887	+ 12,989
Deposits of State & Local Govt.	178,923	+ 103	+ 8,505
Deposits of Banks	401,791*	+ 4,312	+ 40,690
Certified & Officer's Checks	57,810	+ 7,946	+ 10,152
Total Time Deposits	588,539	+ 9,535	- 18,760
Deposits of Individuals	567,121	+ 8,727	- 20,414
Other Time Deposits	21,418	+ 808	+ 1,654
Liabilities for Borrowed Money	550	+ 50	- 950
All Other Liabilities	17,577	+ 26	+ 7,344
Capital Accounts	219,117	- 1,974	+ 8,288
Total Liabilities	3,564,022	- 45,205	- 94,314

* Net Figures, reciprocal balances being eliminated.
**Less losses for bad debts.

CONSTRUCTION CONTRACTS AWARDED

STATES	November 1948	% Chg. from Nov. 1947	11 Mos. '48	% Chg. from 11 Mos. '47
Maryland	\$14,540,000	+16	\$311,742,000	+24
Dist. of Columbia	3,459,000	-41	65,876,000	-6
Virginia	11,470,000	-15	185,600,000	+5
West Virginia	3,664,000	+42	87,865,000	+41
North Carolina	12,273,000	-38	175,871,000	+16
South Carolina	4,605,000	-35	81,633,000	+38
Fifth District	\$60,011,000	-15	\$908,587,000	+18

Source: F. W. Dodge Corp.

CONSTRUCTION CONTRACTS AWARDED

STATES	December 1948	% Chg. from Dec. 1947	12 Mos. '48	% Chg. from 12 Mos. '47
Maryland	\$14,343,000	-21	\$326,085,000	+21
Dist. of Columbia	6,104,000	-29	71,980,000	-9
Virginia	13,958,000	-3	199,558,000	+4
West Virginia	3,087,000	+5	90,952,000	+39
North Carolina	12,496,000	+31	188,367,000	+17
South Carolina	6,948,000	-60	88,581,000	+16
Fifth District	\$56,936,000	-20	\$965,523,000	+14

Source: F. W. Dodge Corp.

DEBITS TO INDIVIDUAL ACCOUNTS
(000 omitted)

	December 1948	% Chg. from Dec. 1947	12 Mos. 1948	% Chg. from 12 Mos. 1947
Dist. of Columbia				
Washington	\$ 801,534	+ 4	\$ 8,773,622	+ 11
Maryland				
Baltimore	1,111,993	+ 3	11,865,846	+ 10
Cumberland	21,794	- 11	255,956	+ 1
Frederick	18,673	- 5	225,955	+ 4
Hagerstown	29,999	+ 8	320,246	+ 8
North Carolina				
Asheville	55,697	0	607,258	+ 11
Charlotte	254,462	+ 5	2,855,742	+ 16
Durham	87,388	- 18	1,364,775	+ 1
Greensboro	83,122	- 1	902,565	+ 16
Kinston	13,777	- 5	209,679	+ 4
Raleigh	119,612	+ 7	1,367,233	+ 13
Wilmington	33,499	- 2	415,155	+ 3
Wilson	17,829	- 16	278,942	+ 1
Winston-Salem	128,795	- 3	1,522,840	+ 8
South Carolina				
Charleston	63,740	+ 8	694,412	+ 14
Columbia	98,887	+ 4	1,113,431	+ 11
Greenville	88,566	+ 5	956,474	+ 13
Spartanburg	51,541	- 7	570,356	+ 11
Virginia				
Charlottesville	25,959	- 1	265,914	+ 4
Danville	30,165	- 21	381,621	+ 5
Lynchburg	44,802	+ 1	455,013	+ 7
Newport News	37,772	+ 15	384,703	+ 7
Norfolk	219,432	+ 10	2,190,355	+ 11
Portsmouth	25,410	+ 13	243,335	+ 8
Richmond	564,311	+ 12	5,798,238	+ 16
Roanoke	106,710	+ 14	1,047,400	+ 15
West Virginia				
Bluefield	63,699	+ 23	546,543	+ 22
Charleston	192,406	+ 15	1,663,696	+ 12
Clarksburg	38,127	- 2	389,212	+ 13
Huntington	71,792	+ 7	712,636	+ 19
Parkersburg	32,590	+ 14	326,313	+ 8
District Totals	\$ 4,534,033	+ 5	\$ 48,705,516	+ 11

COTTON CONSUMPTION AND ON HAND—BALES

	December 1948	December 1947	Aug. 1 to Dec. 31 1948	1947
Fifth District States:				
Cotton consumed	340,715	371,697	1,782,507	1,899,556
Cotton Growing States:				
Cotton consumed	602,034	661,535	3,141,911	3,331,521
Cotton on hand Dec. 31 in				
consuming establishments	1,429,957	1,863,030		
storage and compresses	8,765,368	5,441,132		
United States:				
Cotton consumed	680,670	754,847	3,529,594	3,784,759
Cotton on hand Dec. 31 in				
consuming establishments	1,649,284	2,162,114		
storage and compresses	8,811,478	5,499,200		
Spindles active, U. S.	20,776,000	21,420,000		

Source: Department of Commerce.

COTTON CONSUMPTION—FIFTH DISTRICT
(In Bales)

	N. Carolina	S. Carolina	Virginia	District
December 1948	176,853	150,750	13,112	340,715
November 1948	184,116	152,459	15,279	351,854
December 1947	196,554	158,766	16,377	371,697
12 Months 1948	2,458,925	1,930,831	200,436	4,590,192
12 Months 1947	2,497,312	1,994,833	213,665	4,706,360

Source: Department of Commerce.

PRICES OF UNFINISHED COTTON TEXTILES

	Dec. 1948	Nov. 1948	Dec. 1947
Average, 17 constructions	65.78	66.43	100.29
Printcloths, average (6)	72.16	72.26	133.87
Sheetings, average (3)	58.25	58.63	80.23
Twill (1)	67.58	68.63	116.15
Drills, average (4)	57.70	58.96	72.77
Sateen (1)	91.81	94.87	123.15
Ducks, average (2)	60.23	60.30	62.88

Note: The above figures are those for the approximate quantities of cloth obtainable from a pound of cotton with adjustment for salable waste.

Source: Department of Agriculture.

DEPOSITS IN MUTUAL SAVINGS BANKS
8 Baltimore Banks

	Dec. 31, 1948	Nov. 30, 1948	Dec. 31, 1947
Total Deposits	\$391,089,969	\$390,149,888	\$389,933,193

BUILDING PERMIT FIGURES

	Dec. Valuation Figures		Annual Valuation Figures	
	1948	1947	1948	1947
Maryland				
Baltimore	\$ 1,464,530	\$ 3,318,360	\$ 57,874,475	\$ 45,186,665
Cumberland	16,300	42,450	806,945	998,005
Frederick	66,050	48,075	1,469,770	967,235
Hagerstown	82,085	63,545	1,293,882	2,045,977
Salisbury	64,766	236,365	2,324,809	1,853,288
Virginia				
Danville	52,305	302,602	4,528,390	4,112,696
Lynchburg	352,035	162,642	3,772,116	3,483,134
Norfolk	1,568,015	579,010	15,474,415	15,639,415
Petersburg	87,574	103,409	1,311,722	2,064,529
Portsmouth	54,370	32,759	2,037,336	1,332,171
Richmond	1,820,988	2,481,782	21,422,010	16,343,053
Roanoke	821,915	496,548	7,223,388	7,468,255
West Virginia				
Charleston	312,886	415,205	9,627,508	6,565,972
Clarksburg	14,400	39,638	1,525,728	1,457,750
Huntington	115,350	167,587	7,818,411	4,663,416
North Carolina				
Asheville	101,661	86,060	2,936,442	2,858,017
Charlotte	632,404	882,435	17,526,831	10,495,106
Durham	98,400	431,900	8,742,480	5,611,382
Greensboro	280,110	886,297	10,305,339	8,614,211
High Point	91,085	335,780	4,160,856	2,802,826
Raleigh	311,310	233,784	9,034,854	5,442,416
Rocky Mount	112,750	133,300	1,656,825	2,152,250
Salisbury	32,360	58,800	1,108,630	1,009,639
Winston-Salem	302,950	1,357,623	6,025,737	6,046,547
South Carolina				
Charleston	135,535	118,523	4,386,309	1,878,336
Columbia	576,465	295,705	6,677,558	5,193,736
Greenville	671,803	83,200	7,187,653	1,880,365
Spartanburg	80,210	342,099	2,637,525	1,887,631
District of Columbia				
Washington	3,817,878	4,348,109	50,660,065	51,028,309
District Totals	\$14,138,490	\$18,083,592	\$271,558,009	\$221,082,332

SOFT COAL PRODUCTION IN THOUSANDS OF TONS

REGIONS	Dec.		% Chg.	12 Mos.		% Chg.
	1948	1947		1948	1947	
West Virginia	13,997	14,631	- 4	166,051	173,116	- 4
Virginia	1,433	1,912	-25	19,145	19,779	- 3
Maryland	115	155	-26	1,507	1,983	-24
Fifth District	15,545	16,698	- 7	186,703	194,878	- 4
United States	49,045	55,852	-12	594,000	630,624	- 6
% in District	31.7	29.9		31.4	30.9	

TOBACCO MANUFACTURING

	% Change		% Change	
	Dec. 1948	from Dec. 1947	12 Mos. 1948	from 12 Mos. '47
Smoking & Chewing tobacco (Thousands of lbs.)	13,062	- 1	199,688	0
Cigarettes (Thousands)	24,675,118	- 1	348,730,095	+ 4
Cigars (Thousands)	440,267	- 2	5,768,869	+ 3
Snuff (Thousands of lbs.)	3,430	+36	41,391	+ 5

Source: Treasury Department.

AUCTION TOBACCO MARKETING

	Producers' tobacco sales, lbs.		Price per cwt.	
	Dec. 1948	Dec. 1947	1948	1947
No. Carolina (Flue-cured)	1,638,006	32,004,621	\$39.50	\$36.00
No. Carolina (Burley)	9,085,866	8,014,387	46.63	42.50
Virginia (Flue-cured)	1,832,312	18,239,378	37.95	35.07
Virginia (Fire-cured)	3,998,707	3,354,802	32.15	27.54
Virginia (Burley)	7,419,590	8,515,671	46.40	46.30
Virginia (Sun-cured)	1,153,160	551,254	29.94	26.78
District Total, December	25,127,641	70,680,613	42.39	37.26
So. Carolina, entire season	110,496,131	133,593,928	50.30	41.79
N. Carolina season to 12-31-48	736,544,877	877,042,030	50.36	42.48
Virginia season to 12-31-48	142,822,631	148,256,273	48.90	39.46
District, season to 12-31-48	989,863,639	1,158,892,231	50.14	42.02

COMMERCIAL FAILURES

MONTHS	Number of Failures		Total Liabilities	
	District	U. S.	District	U. S.
December 1948	22	531	\$ 531,000	\$ 31,731,000
November 1948	15	460	\$ 412,000	24,416,000
December 1947	15	317	165,000	25,499,000
12 Months 1948	200	5,252	\$4,896,000	\$387,210,000
12 Months 1947	123	3,476	4,639,000	221,048,000

Source: Dun & Bradstreet.

WHOLESALE TRADE, 181 FIRMS

LINES	Net Sales		Stock	
	Dec. 1947	Nov. 1948	Dec. 31, 1947	Nov. 30, 1948
Auto supplies (5)*	-34	-43	+ 7	+10
Electrical goods (8)*	- 2	- 7	+27	+ 1
Hardware (10)*	+ 4	-12	+35	+13
Industrial supplies (4)*	-14	-22	+ 3	+ 6
Drugs & sundries (8)*	+ 2	- 6	- 3	- 1
Dry goods (11)*	-18	-24	+32	- 7
Groceries (52)*	+ 1	- 7	- 3	- 9
Paper & paper products (6)*	-14	- 8		
Tobacco & products (5)*	- 5	+10	+34	- 5
Miscellaneous (72)*	- 8	-15	+13	+11
District Totals (181)*	- 4	-11	+18	+ 5

Source: Department of Commerce.

* Number of reporting firms.

RETAIL FURNITURE SALES

Percentage comparison of sales in periods named with sales in same periods in 1947

STATES	1948	
	Dec. 1948	12 Mos. 1948
Maryland (5)*	- 4	+10
Dist. of Columbia (6)*	+ 3	+ 5
Virginia (18)*	- 9	- 4
West Virginia (6)*	- 8	0
North Carolina (12)*	-12	+ 2
South Carolina (10)*	- 5	+ 2
District (57)*	- 5	+ 4
Individual Cities		
Baltimore, Md., (5)*	- 4	+10
Washington, D. C., (6)*	+ 3	+ 5
Richmond, Va., (6)*	- 8	- 2
Lynchburg, Va., (3)*	- 6	- 2
Charleston, W. Va., (3)*	- 8	- 8
Charlotte, N. C., (3)*	-29	-10
Columbia, S. C., (3)*	+58	+12

*Number of reporting firms.

DEPARTMENT STORE TRADE

	Richmond	Baltimore	Washington	Other Cities	District
Percentage chg. in December '48 sales compared with sales in Dec. '47:	0	- 2	+ 5	+ 5	+ 2
Percentage chg. in 12 mos. sales '48 compared with 12 mos. in '47:	+ 7	+ 3	+ 5	+ 8	+ 5
Percentage chg. in stocks on Dec. 31, 1948 compared with Dec. 31, 1947:	-15	+ 7	+ 3	+ 4	+ 2
Percentage chg. in outstanding orders Dec. 31, 1948 from Dec. 31, 1947:	-41	-48	-52	-38	-49
Percentage chg. in receivables Dec. 31, '48 from those on Dec. 31, '47:	+11	+11	+18	+ 9	+14
Percentage of current receivables as of Dec. 1, '48 collected in Dec.:	34	48	44	50	44
Percentage of instalment receivables as of Dec. 31, '48 collected in Dec.:	16	21	20	26	20
Maryland Dist. of Col. Virginia W. Virginia No. Carolina So. Carolina					
Percentage chg. in Dec. 1948 sales from Dec. 1947 sales, by States:	- 1	+ 5	0	+10	+ 3
Percentage change in 12 months 1948 sales from 12 months 1947 sales:	+ 3	+ 5	+ 7	+14	+ 6

NATIONAL SUMMARY OF BUSINESS CONDITIONS

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

Output at factories and mines declined somewhat in December. Department store sales in December and the early part of January were above the reduced November rate, after allowance for seasonal variation. Wholesale prices of farm products and foods showed further marked declines and retail prices of foods and some other goods were also reduced.

Industrial production

The Board's seasonally adjusted index of industrial production declined 3 points in December to a rate of 192 per cent of the 1935-39 average, owing primarily to reduced output of nondurable goods. Output for the year 1948 was also 192, as compared with 187 in 1947.

Activity in durable goods industries was maintained in December at about the level of the previous month. Iron and steel production, after allowance for mill closings on Christmas continued close to the advanced November rate, and in the first three weeks of January rose to new record levels. Activity in most machinery and transportation equipment industries was also maintained at about the November rate, although output in some lines—mainly those producing household equipment—was curtailed further. Assembly of new automobiles in December was below the November rate, mainly because of model change-over activity at the end of the month. Passenger car production for the year was 3.9 million vehicles as compared with 3.6 in 1947 and 3.8 in 1941; the number of trucks produced in 1948 was at a record total of about 1.4 million. Output in the nonferrous metals, lumber, and stone, clay, and glass groups showed little change in December.

Output of nondurable goods in December, according to preliminary figures, was at a rate about 2 per cent lower than in the preceding month. Cotton consumption declined further in December, and for the entire year 1948 was at the lowest rate since 1940. Paperboard production was curtailed sharply at the end of December, and for the month was 6 per cent below the rate in December 1947. Activity in the petroleum refining industry increased further in December. Output in most other nondurable industries declined somewhat or showed little change.

Minerals production declined 3 per cent in December, mainly because of a considerable reduction in coal output. Production of crude petroleum was maintained at the November rate. In the early part of January coal production continued at a reduced level, about 12 per cent below the rate at the beginning of 1948, and crude petroleum output was curtailed somewhat.

Construction

Value of construction contracts awarded, as reported by the F. W. Dodge Corporation, rose contraseasonally in December, reflecting chiefly large awards for public works projects. Awards for most types of private construction were unchanged from November. The number of new nonfarm housing units started, according to the Bureau of Labor Statistics, declined further to 56,000 units as compared with 65,000 in

November 1948 and 59,000 in December 1947; the total for the year was 927,000 units, almost 10 per cent more than the 849,000 started in 1947.

Distribution

Department store sales increased by more than the usual seasonal amount from November to December, and the Board's adjusted index was estimated to be 307 per cent of the 1935-39 average as compared with 287 in November and an average of 302 for the year. Inventories at department stores were at a high level at the year-end, while outstanding orders were the lowest in six years. In the first half of January value of sales was 7 per cent larger than in the corresponding period last year, reflecting partly the effect of more extensive promotional sales.

Shipments of railroad revenue freight showed the usual large seasonal decline in December and were 8 per cent smaller than in the corresponding period a year ago, mainly because of reduced loadings of coal and manufactured goods. In the early part of January rail shipments of manufactured goods declined somewhat further.

Commodity prices

The average level of wholesale commodity prices continued to decline in December and the first three weeks of January, reflecting chiefly further marked decreases in prices of farm products and foods. Prices of alcohol, fuel oil, scrap metals, and some other industrial commodities also declined in this period, while additional advances were announced for metal products, including some new models of automobiles.

In retail markets, prices of foods decreased somewhat further in December and January and special sales of apparel and household goods at reduced prices were widespread. Resale prices of passenger automobiles dropped further.

Bank credit

A substantial post-Christmas return of currency from circulation and an excess of Treasury expenditures over receipts supplied reserve funds to member banks during the first three weeks of January. Banks used these funds to increase their holdings of Government securities.

Federal Reserve System holdings of Government securities were reduced by over one billion dollars in the first three weeks of January. Bond holdings declined further as market demand for Treasury bonds continued active.

Business loans at member banks in leading cities declined substantially over the year-end but increased somewhat in mid-January. Loans to brokers and dealers in securities were reduced considerably. Increases in bank holdings of Government securities reflected primarily large purchases of Treasury bills.

Security Markets

Prices of United States Government and high-grade corporate bonds continued to rise slightly in the first three weeks of January.