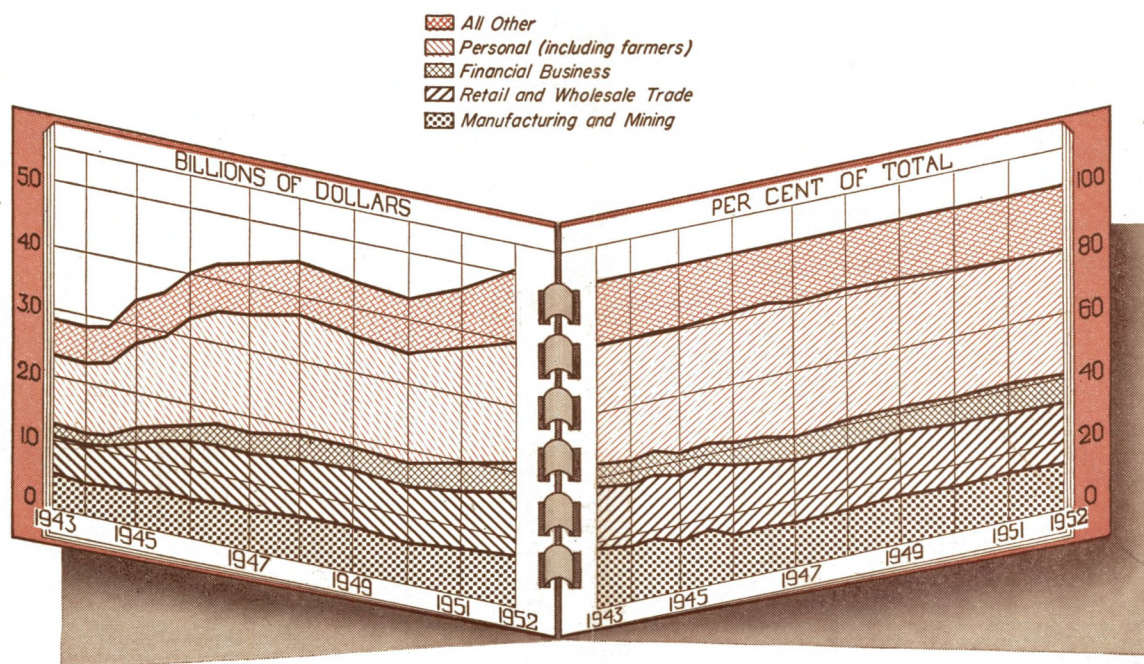




June 1952

## OWNERSHIP OF DEMAND DEPOSITS FIFTH FEDERAL RESERVE DISTRICT

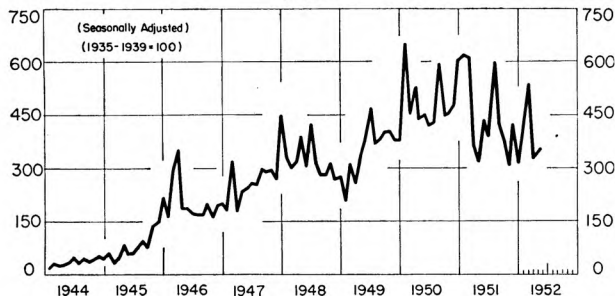


Demand deposits of individuals, partnerships, and corporations in Fifth District commercial banks increased more in the year ended January 31, 1952 than in any postwar year. The article on page 3 discusses the trends in ownership revealed by the annual ownership surveys conducted by the Federal Reserve System.

### Also In This Issue - - -

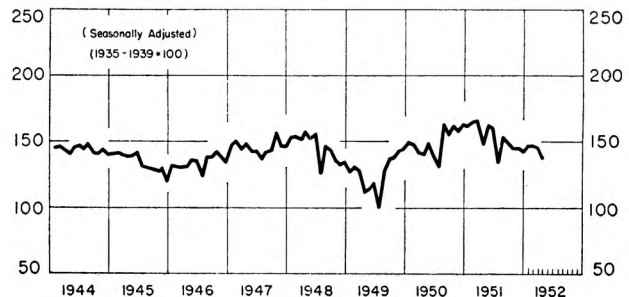
Fifth District Trend Charts.....	Page 2
Treasury Launches Defense Financing Program .....	Page 5
Business Conditions and Prospects.....	Page 6
District Banking Trends Reversed.....	Page 8
Fifth District Newsbriefs.....	Page 10
Statistical Data .....	Page 11
National Business Conditions.....	Page 12

## FIFTH DISTRICT TRENDS

BUILDING PERMITS  
(VALUE)

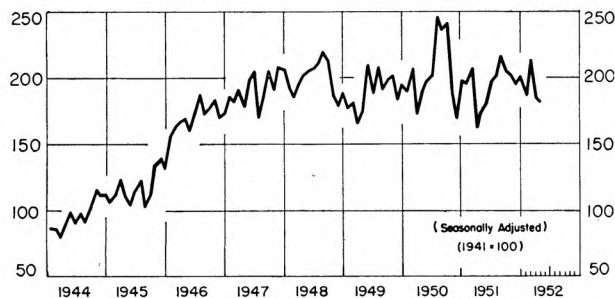
The value of building permits in April rose 4% after seasonal correction to a level 7% above a year ago. April last year was one of the lowest months, and the rise from a year ago still leaves these figures considerably below their best levels. Permits, however, fail to show a sizeable amount of military construction, because most of it is outside cities.

ACTIVE COTTON SPINDLE HOURS



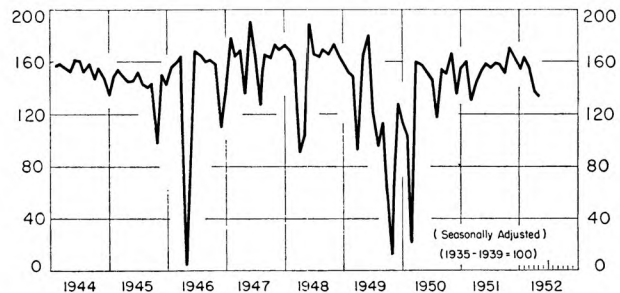
Persistent downward price movements in cotton goods and yarns resulted in curtailment of operations during April. Spindle hours operated in this District dropped 5% (adjusted) from March and dropped 7% from last year. The industry's operations are back to the general level prevailing in 1950. Meanwhile, population has increased more than 5 million.

RETAIL FURNITURE STORE SALES



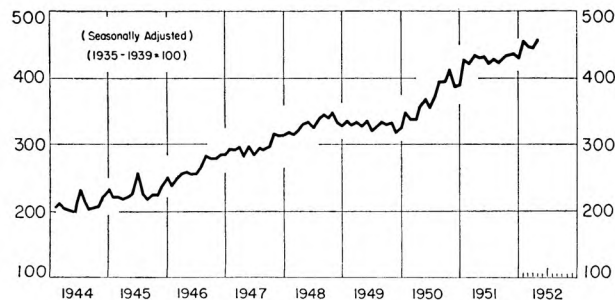
February sales of furniture stores in this District were very good but a sharp drop occurred in March, after seasonal correction; a further drop occurred in April. April sales adjusted were down 2% from March but 5% ahead of the relatively low figure of last year.

BITUMINOUS COAL PRODUCTION



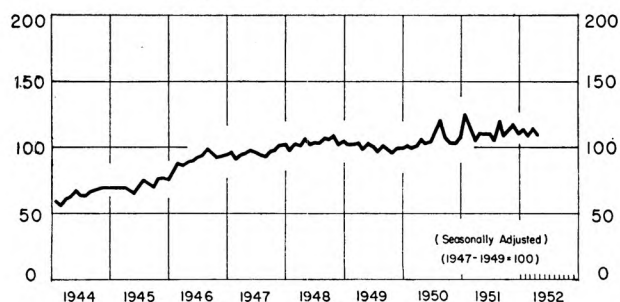
The combination of a steel strike and a reduction in exports was primarily responsible for a drop in the production of bituminous coal in April of 2% (adjusted) from March and 12% under a year ago. Employment in coal mines in Virginia in March was 2% above a year ago, but in West Virginia there was a drop of 5%.

BANK DEBITS



Owing to substantial rises, after seasonal correction, in South Carolina and Maryland and to smaller rises in the District of Columbia and West Virginia, our adjusted bank debits index in April rose to a new high level—2% above March and 6% above a year ago.

DEPARTMENT STORE SALES



April sales (adjusted) lost the ground gained in March and leave the general trend over the past six months about flat. Although dollar sales were up some 15% from a year ago, this was insufficient to account for the shift of Easter. As a consequence, the adjusted index is 4% under March and 2% under a year ago.



## Trends in Fifth District Deposit Ownership

COMMERCIAL banks in the Fifth Federal Reserve District held total demand deposits of individuals, partnerships, and corporations of \$5,101 million or 5.4% of the national total on January 31, 1952. This is an increase of \$479 million, or 10.4%, over January 31, 1951, the largest annual increase to occur since World War II. All types of accounts covered by the survey registered substantial increases, the percentage change in nearly every case being above the national average.

These basic facts were derived from a survey of demand deposit ownership conducted each year by the Federal Reserve System, with the cooperation of the commercial banks. The survey covers only demand deposits of individuals, partnerships, and corporations. Information supplied by the commercial banks responding to the surveys provides the basis for determining the demand deposits held by each of the major economic groups in the economy both on a district basis and for the nation as a whole. The chart appearing on the cover shows, dollarwise and as a percentage of the total, the ownership by major economic groups of demand deposits of Fifth District commercial banks from the beginning of the surveys (July 1943) to January 31, 1952.

Total business accounts, which made up 53.2% of all demand deposits, rose 10.2% in the year ended January 31, 1952. Of this rise, noncorporate accounts (which were 28.5% of total business deposits) increased 16.2%, while corporate accounts increased only 8%. Non-

financial business accounts, which were 83.5% of all business accounts, rose 10.4%, and financial business accounts increased 9.5%. This contrasts with a postwar rise in nonfinancial business accounts of 26.3% and in financial business accounts of 96.9%.

Personal deposits accounted for almost 39% of Fifth District demand deposits during the survey year, rising 10.8% above a year ago. From July 1945 (when they were 38.1% of total demand deposits) to January 1952, the increase amounted to \$601 million, or 43.6%.

### Business Deposits

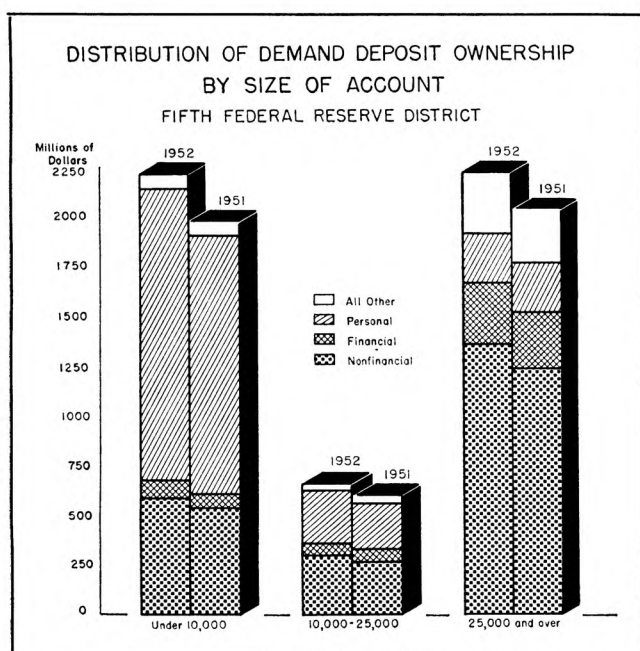
Retail and wholesale trade is the largest business component in total Fifth District demand deposits, accounting for almost 43% of all the nonfinancial business deposits on January 31, 1952. These deposits rose 10.6% from January 1951 to January 1952, whereas for the previous year the gain was only 3.4%. Recent reductions in inventory holdings may have accounted to some extent for the rise in these deposits during the past year, the largest year-to-year increase since World War II. Since July 1945, when they held the same relative importance in total nonfinancial business accounts as in January 1952, deposits of retail and wholesale trade have increased 26.6%.

Manufacturing and mining accounts at Fifth District commercial banks, about 31% of all nonfinancial business deposits as of the survey date, increased 9.7% over last year. As of July 1945, manufacturing and mining

Table I  
CHANGES IN OWNERSHIP OF DEMAND DEPOSITS OF  
INDIVIDUALS, PARTNERSHIPS, AND CORPORATIONS

All Commercial Banks  
Fifth Federal Reserve District  
(Estimates in millions of dollars)

Type of Holder	January 31, 1952		January 31, 1951		January 1951 to January 1952		July 1945 to January 1952	
	Amt. out- standing	Per cent of total	Amt. out- standing	Per cent of total	Dollar change	Per cent change	Dollar change	Per cent change
Total business .....	2,715	53.2	2,464	53.3	+251	+10.2	+ 693	+ 34.3
Nonfinancial business .....	2,266	44.4	2,053	44.4	+213	+10.4	+ 472	+ 26.3
Mfg. and mining.....	693	13.6	632	13.7	+ 61	+ 9.7	+ 119	+ 20.7
Public utilities .....	259	5.1	248	5.3	+ 11	+ 4.4	+ 18	+ 7.5
Trade .....	967	18.9	874	18.9	+ 93	+10.6	+ 203	+ 26.6
Other nonfinancial .....	347	6.8	299	6.5	+ 48	+16.1	+ 132	+ 61.4
Financial business .....	449	8.8	410	8.9	+ 39	+ 9.5	+ 221	+ 96.9
Insurance companies .....	127	2.5	116	2.5	+ 11	+ 9.5	+ 63	+ 98.4
Other financial .....	322	6.3	294	6.4	+ 28	+ 9.5	+ 158	+ 96.3
Personal .....	1,978	38.8	1,786	38.6	+192	+10.8	+ 601	+ 43.6
Farmers .....	427	8.4	348	7.5	+ 79	+22.7	+ 183	+ 75.0
Others .....	1,551	30.4	1,438	31.1	+113	+ 7.9	+ 418	+ 36.9
Trust funds .....	82	1.6	79	1.7	+ 3	+ 3.8	+ 30	+ 57.7
Nonprofit associations .....	312	6.1	285	6.2	+ 27	+ 9.5	+ 153	+ 96.2
Foreign .....	14	0.3	9	0.2	+ 5	+55.6	+ 13	+1,300.0
Total .....	5,101	100.0	4,622	100.0	+479	+10.4	+1,490	+ 41.3



concerns held 32% of all nonfinancial business deposits, and these deposits increased 20.7% in the postwar period. Within this classification, corporate businesses increased 10% from January 1951 to January 1952, while noncorporate accounts increased only 6.7%. This is the only category in which corporate business accounts showed a larger increase in deposits than did noncorporate accounts for the period under review.

Demand deposits of public utilities, 11.4% of total nonfinancial business accounts, rose 4.4% for the survey year in sharp contrast to the 14.2% rise for the previous year. These accounts have fluctuated widely in the years since World War II and reflect an increase of only 7.5% for the period from July 1945 (when they accounted for 13% of all nonfinancial deposits) to January 1952.

Accounts of all other nonfinancial businesses (which include service establishments, contractors, amusement companies, and business accounts of professional people) increased 16.1%. As of January 31, 1952, these accounts made up over 15% of all nonfinancial business accounts, while in July 1945 they accounted for 12%. In the postwar period, these deposits rose 61.4%, the largest percentage increase to occur in any of the nonfinancial business accounts.

Financial business accounts are less than 9% of total Fifth District demand deposits. Deposits of insurance companies, 28.3% of all financial business accounts on January 31, 1952, rose 9.5% above January 1951. Since the beginning of the postwar period, when insurance companies held less than 2% of total demand deposits, these accounts have almost doubled in dollar amount.

Other financial businesses include investment trusts, security brokers and dealers, real estate firms, finance and credit concerns, building and loan associations, in-

surance agencies, etc. They accounted for 6.3% of all demand deposits as of January 31, 1952, having increased their relative share from 4.5% on July 31, 1945. These deposits increased 9.5% during the one-year period and 96.3% since the end of World War II.

### Personal and Other Deposits

Personal demand deposits of individuals in Fifth District commercial banks rose to a total of \$1,978 million as of January 31, 1952, 10.8% above the previous year, and a sharper increase than the national average of 6.3%. In this District, farmers' deposits account for about 22% of total personal deposits.

The accounts of farmers, which are only reported separately by the smaller banks, rose 23% for the year and show a 75% gain since World War II. The increase may be accounted for to a certain extent by the very good cotton and tobacco crops in the agricultural sections of the Fifth District during 1951. Total farm income in the District rose \$370 million in 1951 over the previous year, or nearly 20%. Personal accounts of others than farmers rose almost 8% for the year ended January 31, 1952, and about 37% in the postwar period.

Trust funds of banks, which are less than 2% of all demand deposits in the Fifth District, rose less than 4% during the year ended January 31, 1952. For the whole period since World War II, however, these deposits have increased 57.7%.

Nonprofit associations, accounting for 6.1% of total demand deposits, rose 9.5% in the Fifth District in comparison with the national average increase of 11.1%. This classification was the only one covered by the survey which showed a lower rate of increase in this District than the rate shown for the United States. Deposits of nonprofit associations since the end of World War II, when these deposits comprised 4.4% of the total, have increased by 96.2% in the Fifth District.

**Table II**  
**PERCENTAGE DISTRIBUTION OF DEMAND DEPOSIT**  
**OWNERSHIP BY SIZE OF BANK**  
**FIFTH FEDERAL RESERVE DISTRICT**  
**January 31, 1952**

Banks having total demand deposits  
of Individuals, Partnerships and Corporations  
on December 31, 1945 of:

Type of holder	Less than \$1,000,000	\$1,000,000- \$10,000,000	\$10,000,000 and over	Total
Total business .....	32.0	46.2	61.2	53.2
Total non-financial .....	28.6	40.5	49.4	44.4
Manufacturing and				
mining .....	5.1	11.6	16.1	13.6
Public utilities .....	1.3	3.3	7.0	5.1
Trade .....	17.3	19.5	18.8	18.9
Other non-financial .....	4.9	6.1	7.5	6.8
Total financial .....	3.4	5.7	11.8	8.8
Insurance companies .....	1.1	0.8	3.9	2.5
Other financial .....	2.3	4.9	7.9	6.3
Trust funds .....	0.2	0.8	2.1	1.6
Nonprofit associations .....	3.5	3.4	8.6	6.1
Personal .....	64.2	49.6	27.3	38.8
Foreign .....			0.5	0.3
Total .....	100.0	100.0	100.0	100.0

Continued on page 7



## Treasury Launches Deficit Financing Program

THE expanding military security program is expected to confront the Treasury with a sizeable deficit in fiscal 1953, involving substantial new borrowing. (The President's January budget estimates indicated a \$10.3 billion cash deficit in fiscal 1953.) In April and early May the Treasury's financing program—designed to meet the anticipated excess of expenditures over receipts—began to take shape. The program to date emphasizes borrowing from nonbank investors and involves (1) an increase in the weekly bill offerings, (2) a modification of the savings bond program, and (3) reopening of the nonmarketable, convertible bond issue originally offered in March 1951.

### Increase in Weekly Bill Offerings

Beginning with the bill issue dated April 10, the Treasury increased its weekly offerings of 91-day Treasury bills by \$200 million each week (except for the offering dated May 8) and through May 22 had borrowed a total of \$1.2 billion of new money by these additional offerings. Another \$200 million is scheduled to be raised through an addition to the issue dated May 29, 1952, maturing August 28, 1952.

Reflecting a strong demand from nonbank investors, bill rates were relatively stable in April but firmed moderately in late April and early May with the continuing pressure on member bank reserve positions. The average rate on bids accepted for the bill offerings increased from 1.598% for bills dated April 3 (prior to the announced increase in weekly offerings), to 1.725% for the issue dated May 15.

Issue dated	Average rates on tenders accepted for Treasury bill issues
April 3.....	1.598%
April 10.....	1.629%
April 17.....	1.650%
April 24.....	1.616%
May 1.....	1.691%
May 8.....	1.710%
May 15.....	1.725%
May 22.....	1.694%

### Modification of Savings Bond Program

On April 29, the Secretary of the Treasury announced a number of changes in the savings bond program which were designed to attract nonbank investor funds by providing slightly higher rates of interest, more favorable redemption terms, and increased purchase limits. The major provisions of the new program include:

a. An increase, effective May 1, in the terms of Series E bonds to provide a 3% yield at maturity by reducing the maturity from ten years to nine years and eight months. Under the liberalized redemption schedule, the E bond holder receives an interest return of 1.07% after six months, of 1.59% after one year, and of 2.52% after five years. Previously the E bond holder received no

interest until after one year, received only 0.67% at the end of one and one-half years, and 1.72% at the end of five years. Interest rates during the extension period after maturity on E bonds maturing after May 1, 1952, will be 3% compounded semi-annually during the additional ten years. The annual limit on purchases of these bonds was raised from \$10,000 to \$20,000 maturity value.

b. A new "current income bond," designated Series H, available June 1 in denominations from \$500 up to \$10,000. These bonds will provide for interest payments by check semi-annually on a graduated scale, with yields adjusted close to the scale on E bonds from issue date to redemption date. The annual purchase limit will be \$20,000.

c. Withdrawal from the market of Series F and G's on May 1, and replacement with similar issues designated J and K. The J and K bonds give a much higher return if redeemed in early years than did the older series and yield 2.76% if held twelve years to maturity, compared with 2.53% and 2.50%, respectively, on F and G bonds. The combined purchase limit on J and K bonds is \$200,000, compared with \$100,000 on F and G.

It is too early to appraise investor response to the new savings bond program, but to the extent it is successful it will reduce the pressure on the Treasury to resort to relatively more inflationary types of borrowing.

### Reopening of Convertible Bond Issue

On May 1, the Treasury announced an additional offering of Series B bonds of 1980/75 (2¾%, convertible, nonmarketable) for cash, or for at least 25% cash and exchange par for par of any of the four longest outstanding restricted Treasury bonds. Subscription books opened May 19 with no announced closing date. Commercial banks are excluded from this offering except to the extent that they can offer to exchange bonds of the four restricted issues they acquired prior to December 31, 1945, on a 25% cash, 75% bonds basis. Payment for the new bonds may be made in full on June 4, 1952, or in four equal installments on June 4, August 1, October 1, and December 1, 1952 (or subscribers may, if they wish, accelerate their payments in whole or in part). Although the bonds are nonmarketable, holders may exchange them at their option for 1½%, five-year Treasury notes which can be sold in the market at the option of the holder.

Again it is too early (subscription books having just opened) to appraise the market response to this additional offering. The May 1 announcement was followed by an immediate advance in prices on the restricted issues and subsequent declines as buying failed to materialize.

J. D. D.

## *Business Conditions and Prospects*

**D**EFEENSE and related industries continue to show strength, and expansion in these has done much to offset substantial weakness in the District's basic industries. Expansion continues in the shipbuilding and aircraft industries, but the machinery industries have tended to level off.

Government contracts with industries of the Fifth District amounted to \$144 million in the first quarter compared with \$110 million a year ago, a gain of 31%. Certificates of necessity through April 15 have amounted to \$478 million in the states of the Fifth District and the District of Columbia—an amount equal to 5% of the national total. Construction of military facilities was stepped up substantially during the month of May, but there has been a general let-down in projected new industrial facilities.

Among the primary nondefense industries of the District further curtailment was witnessed during April. The bituminous coal industry was again affected by sporadic strikes in the steel industry, output declined 2% from March to April on an adjusted basis and was 12% below a year ago. Cotton consumption (adjusted) declined 5% during the month and was 6% under April 1951. Spindle hours (adjusted) also showed a drop of 5% and were 7% under a year ago. Department store sales, though higher in dollar amount than a year ago, were affected by the shift in Easter, and after correcting for Easter and seasonal factors, sales show a decline of 4% from March and 2% from a year ago. In spite of a general softness in nondefense industries the employment level in manufacturing industries has not been greatly affected. March, the month of the latest available figures, is down only 2% from the peak last fall and but 1% under March a year ago. There are again indications that the textile industries of the District have hit bottom in both production and prices, and many prominent men in the trade have taken this position.

### **Trade**

The level of sales in department stores in this District in April has not yet given indication of any consumer exuberance, but dollar volume is still high and prices have fallen somewhat; so, in terms of physical units, the situation is somewhat more hopeful. Automobile sales have picked up seasonally, but sales of furniture stores failed to maintain seasonal levels in April and declined 2% on an adjusted basis. These sales, however, remain 5% ahead of a year ago and the improved residential construction outlook indicates that expansion may be expected in these sales. Although the elimination of Regulation W has thus far had little stimulating effect on sales of durable goods, its demise may eventually act on the favorable side.

Since the department store sales level in the first four months of the year was within 2% of an all-time peak

period, improvement in sales of hard goods lines would likely prod the sales trend upward. Department store inventories (adjusted) in April continued at March levels, but were 7% below a year ago. These figures, of course, are in dollars, which means that the unit inventory would be down somewhat less.

Despite the reduction in income of workers in manufacturing industries occasioned by reduced working time, gains made in defense industries, in farm income and service industries have more than offset the reduction in manufacturing payroll—which is a favorable indication for trade. If recovery in the operations of manufacturing industries occurs, the picture would be even more favorable.

### **Textiles**

A fairly substantial amount of purchasing of cotton gray goods around the middle of May found immediate price strengthening of the 80-square bellwether construction. This flurry of buying was not continued, but it is indicative of the fact that consuming industries are low on stocks and anything more than a moderate call by the retail trade for goods could result in a rush to cover requirements at the mills. There is a somewhat better feeling in the trade, though no substantial recovery can be expected until fall coverage begins this summer. The cutback in cotton consumption which was witnessed in April has probably continued in May, and with converters and cutters low on stock, an improvement in both production and prices is logical.

The trade situation has shown improvement in acetate filament yarns with April shipments of acetate yarns and in both acetate and rayon staple and tow deliveries. Prices of rayon and acetate fabrics have likewise improved. Producers' stocks of acetate filament yarn have shown a continuous drop since December and in April were responsible for an over-all drop in total rayon and acetate stocks despite the continued rise in those of rayon.

Total hosiery production in the United States in March on an adjusted basis was 2% below February and 7% below a year ago. The full-fashioned end of the business has been producing at a fairly satisfactory volume, but the price structure continues too low for satisfactory profits. The seamless end of the business is operating about 60% of capacity. Part of this is due to the normal seasonal drop at this time of the year. Price structure in seamless is also too low for comfort. Sales of women's and children's hosiery of department stores in the first three months of the year were 12% under a year ago, but lower prices account for part of the decline.

### **Bituminous Coal**

Output of bituminous coal in the District which had fallen substantially in March because of a declining



export market, was reduced further in April as a consequence of the steel strike. May figures will be affected by the same forces. April output was 2% lower than March on a seasonally adjusted basis and 12% under a year ago. Coal exports which had amounted to more than 5 million tons in January dropped to 1,900,000 tons in April. European production has improved substantially, particularly in the Ruhr, and the necessity for large exports has passed. Domestic consumption in March was down 5.9% from a year ago and even the electric power utilities showed a decline of 2%. Coal prices have also weakened considerably, but thus far there has been no labor trouble in the in-

dustry. Better demand for coal awaits an improvement in the level of industrial production.

### Government Contracts

Government contract awards in the District of \$144 million in the first quarter of 1952 compare with \$110 million in the first quarter of 1951. Cotton and manufactures accounted for 36% of the total in the first quarter of 1952 compared with 30% a year ago. Tobacco and manufactures accounted for 7% this year compared with 6% a year ago. Metals and their products accounted for 6.8% compared with 4.1% a year ago. A rather sizeable amount of new contracts has been let during the month of May, particularly in textile lines. B. P. C.

## Trends in Fifth District Deposit Ownership

Continued from page 4

### Ownership by Size of Accounts

The accompanying chart gives a breakdown, by size of account, of the principal classifications of owners of demand deposits in the Fifth Federal Reserve District. The funds of business firms, trust funds, and nonprofit organizations were held principally in accounts of \$25,000 and over. Personal funds, however, were held predominantly in accounts of under \$10,000. Nonfinancial business firms held 60% of their funds in accounts over \$25,000 and only 26% in accounts of less than \$10,000. On the other hand, 74% of personal funds were in accounts under \$10,000, while only 12.5% were held in accounts of over \$25,000.

As of January 31, 1952, manufacturing and mining concerns held 81.6% of their accounts in deposits of \$25,000 and over, while public utilities held 82.2% in the large-size deposit group. The accounts of retail and wholesale trade, on the other hand, were about evenly split between accounts under \$10,000 and those over \$25,000, 40% of their funds being held in the smaller accounts and 43% in the larger. Other financial business accounts were in similar proportion to those of the trade concerns. The bulk of insurance accounts, 84%, appeared in accounts of \$25,000 and over, while 62.4% of other financial accounts appeared in the large-size deposit group.

The breakdown of Fifth District demand deposits on

January 31, 1952, by size of account, shows that personal accounts made up 66% of all accounts of less than \$10,000. On the other hand, accounts of nonfinancial businesses made up 61.5% of all accounts over \$25,000, and 46% of accounts from \$10,000 to \$25,000.

### Ownership of Demand Deposits by Size of Bank

Table II presents the relative importance of the deposit holders in the different size banks in the Fifth District as of January 31, 1952. In those banks having total demand deposits of less than \$1 million, total business accounts represent 32% of the total, and personal accounts represent 64.2%. As banks increase in size, the pattern changes—in banks of \$10 million and over, business accounts make up 61.2% of the total, while personal accounts make up 27.3%.

Demand deposits owned by the different types of holders in the three size-groups indicate that, while banks of all sizes shared in the past year's increase, the gains in the different groups varied substantially. For banks with total demand deposits of \$10 million and over, practically all categories showed smaller percentage gains than for those in the groups with total demand deposits under \$10 million. The overall gain for the largest group, accounting for \$2,686 million in demand deposits, was 6.7%, and for the other two groups the gain was 14.8% each.

G. S. W.

### RETAIL FURNITURE SALES

Percentage comparison of sales in periods named with sales in same periods in 1951

STATES	April 1952	4 Mos. 1952
Maryland (7) .....	-15	0
Dist. of Col. (7) .....	-17	9
Virginia (17) .....	+ 9	+ 2
West Virginia (10) .....	+28	+21
North Carolina (14) .....	+ 7	+ 6
South Carolina (6) .....	+ 6	- 5
District (61) .....	- 5	- 1
INDIVIDUAL CITIES		
Baltimore, Md. (7) .....	-15	0
Washington, D. C. (7) .....	-17	9
Richmond, Va. (5) .....	+19	+ 7
Charleston, W. Va. (8) .....	+77	+35

Number of reporting firms in parentheses.

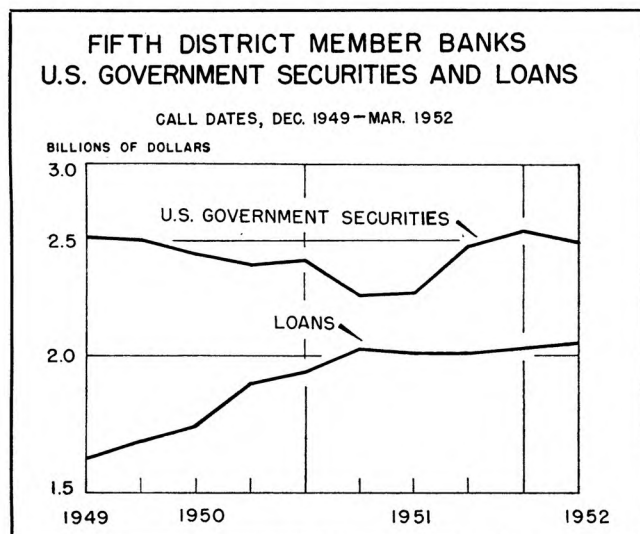
### DEPARTMENT STORE OPERATIONS

(Figures show percentage changes)

	Rich.	Balt.	Wash.	Other Cities	Dist. Totals	
Sales, April '52 vs April '51....	+17.9	+19.4	+ 7.3	+17.4	+14.8	
Sales, 4 Mos. '52 vs 4 Mos. '51 .....	- 0.2	+ 0.3	- 4.3	+ 0.6	- 1.1	
Stocks, April 30, '52 vs '51....	-22.0	- 8.1	- 4.5	- 7.8	- 8.3	
Outstanding orders, April 30, '52 vs '51.....	- 6.9	-11.8	- 4.4	+ 8.1	- 5.8	
Current receivables April 1 collected in April 1952.....	25.4	46.2	43.8	36.8	39.1	
Instalment receivables April 1 collected in April 1952.....	14.3	13.4	17.8	18.7	15.7	
	Md.	D.C.	Va.	W.Va.	N.C.	S.C.
Sales, April '52 vs '51 .....	+19.1	+ 7.3	+17.7	+26.2	+12.2	+15.9

## District Banking Trends Reversed in First Quarter 1952

FOR more than a year over-all business activity in the nation has held unusually steady at a very high level. In the twelve months ended March 31, movements in major indices of business activity were in many cases smaller than in any year in recent history. It has been well over a decade since smaller changes have occurred in industrial production, employment levels, or—with the exception of 1949—consumer prices. Wholesale prices have not been so stable since the war years (when rigid price controls were in effect).



The relative over-all stability of course conceals many wide movements in certain areas and in certain industries. Some industries have been relatively depressed, others have boomed. The same has been true of geographic areas primarily dependent on one type of business. While some indicators have showed a general upward movement, others have moved downward. It has been, at best, a very uncertain plateau.

Banking has had its share of uncertainties and of change in this period. One of the more remarkable developments arising out of the uncertain stability of the past year, insofar as this District is concerned, has been a substantial shift in the holdings of major assets after March 1951, and a (less important) reversal of assets trends in the first quarter of 1952.

Through the first quarter of 1951, Fifth District member banks, in common with other lenders throughout the nation, had been switching from U. S. Government securities to loans, which had increased virtually without interruption since 1945. There had also been an almost continual expansion of holdings of other securities during this same period.

With the changed conditions prevailing after March 1951, Fifth District banks made sizeable net purchases of Government securities throughout the rest of the year.

Loans stopped their rapid climb, and at year-end 1951 were less than 1% above the levels reached nine months earlier. Holdings of non-Government securities rose sharply.

From year-end through March of this year, loans did not show the usual spring decline, but rose slightly. Holdings of non-Government securities continued to increase, but less rapidly. Banks made net sales of Governments, although the rate of decline was substantially below the rate of growth during the latter part of 1951.

### Loans

This year the spring decline in loans failed to materialize in the first quarter, and a very slight rise (\$9 million) pushed Fifth District member bank net loans to the new record level of \$2,050 million. Much of the increase was concentrated in loans to individuals, in many cases for business purposes, and in real estate loans, reflecting continuation of high levels of building activity.

Each class of loans to individuals increased or held constant during the quarter. Most important increases in instalment loans were cash loans and automobile loans. It is of interest to note that holdings of other retail instalment paper, which increased more rapidly than any other type of loan to individuals throughout most of the postwar period, continued to hold steady at a level somewhat below the peak reached a year ago. Single-payment loans continued to rise, with most of the increase concentrated in loans of \$3,000 and over—which are frequently loans for business purposes. Smaller businesses are evidently borrowing now; a year ago it was primarily the larger firms.

The slow rise in real estate loans which was resumed last fall continued through the first quarter. All classes

<b>LOANS AND DISCOUNTS</b> <b>Fifth District Member Banks</b> <b>(Dollar amounts in millions)</b>			
	Mar. 31, 1952	Dec. 31, 1951	Apr. 9, 1951
Commercial and industrial loans.....	757	767	779
Loans to farmers.....	58	50	54
Loans to brokers and dealers in securities .....	11	15	9
Other loans for purchasing or carrying securities .....	67	72	64
Real estate loans:			
On farm land.....	46	45	45
On residential property.....	389	384	380
On other properties.....	149	144	143
Instalment loans to individuals:			
Retail automobile paper.....	119	116	115
Other retail paper.....	45	45	47
Repair and modernization loans.....	27	26	24
Cash loans .....	80	75	74
Single-payment loans to individuals:			
Less than \$3,000.....	87	86	85
\$3,000 and over.....	177	172	165
Loans to banks.....	3	2	4
All other loans.....	61	66	61
LOANS—Gross .....	2,075	2,065	2,048
Reserves .....	25	24	22
LOANS—Net .....	2,050	2,041	2,026
Number of banks.....	475	477	477

Note: May not add to totals because of rounding.



of these loans showed increases, with the exception of conventional home mortgage loans. Although bank holdings of conventional residential mortgages showed little change during the quarter, holdings of both VA and FHA-insured home mortgages rose moderately.

Commercial and industrial loans declined a little more than 1% during the first quarter. The rise in the same period in 1951 was almost 9%. Loans to farmers rose by 17%, as compared with an increase of 27% in the first quarter of 1951. At the present level of \$58 million, these loans are up \$4 million in the past twelve months.

The only important decline was in loans for purchasing and carrying securities. These loans had jumped sharply in the last quarter of the year.

### Investments

Holdings of Government securities showed their first decline since the first quarter of 1951, when banks made substantial sales of Government securities to meet increased reserve requirements. A moderate lengthening of maturities is shown by first quarter 1952 figures. Substantial percentage declines in holdings of bills and of bonds maturing in five years or less were reported. Holdings of certificates of indebtedness dropped slightly, note holdings rose moderately. Each maturity classification of bonds maturing in more than five years showed an increase.

Holdings of non-Government securities continued to rise rapidly, although the unusually large increase of the latter part of 1951 was not repeated.

### Liabilities

Deposits of Fifth District member banks declined a little more than seasonally during the quarter from the record levels reached at year-end. Much of the decline was in demand deposits of individuals, partnerships, and corporations, which, at \$3,683 million, were down \$229 million from year-end. Demand deposits of banks also showed a substantial drop. The only category of demand deposits showing an increase was U. S. Government deposits.

All classes of time deposits increased though private deposits continued to account for the bulk of the rise. The growth of time deposits in the last year is the greatest for any comparable period since the Second World War. At \$1,415 million, total time deposits are \$83 million (more than 6%) above the level of a year ago. By contrast, time deposits had risen by less than 1% in the preceding three and one-half years. The growth in savings accounts reflects continued high rates of savings in the District and throughout the nation—one of the important factors contributing strongly to nation-wide stability over the past year. G. W. M.

### ASSETS AND LIABILITIES Fifth District Member Banks (Dollar amounts in millions)

	Mar. 31, 1952	Dec. 31, 1951	Apr. 9, 1951
<b>ASSETS</b>			
Loans and investments.....	5,006.9	5,040.0	4,627.9
Loans and discounts (including overdrafts).....	2,050.0	2,041.3	2,026.4
U. S. Government obligations.....	2,541.1	2,596.1	2,274.4
Other securities .....	415.7	402.6	327.2
Reserves, cash, and bank balances.....	1,678.9	1,908.9	1,556.2
Reserve with Federal Reserve Bank.....	816.8	855.7	779.8
Cash in vault.....	136.4	159.6	132.6
Balances with banks.....	399.7	495.1	369.3
Cash items in process of collection.....	326.1	398.5	274.5
Other assets .....	85.9	85.4	82.0
Total Assets .....	6,771.7	7,034.4	6,266.1
<b>LIABILITIES</b>			
Demand deposits .....	4,817.5	5,148.5	4,450.3
Individuals, partnerships, and corporations.....	3,683.0	3,911.7	3,412.6
U. S. Government .....	191.9	116.5	226.5
States and political subdivisions.....	392.5	414.8	414.8
Banks .....	458.3	599.9	407.6
Certified and officers' checks, etc.....	91.7	105.6	79.4
Time deposits .....	1,414.5	1,384.6	1,332.2
Individuals, partnerships, and corporations.....	1,278.9	1,256.1	1,234.1
U. S. Government and Postal Savings.....	52.7	49.9	32.1
States and political subdivisions.....	65.2	61.0	53.5
Banks .....	17.7	17.6	12.5
Total deposits .....	6,232.0	6,533.0	5,782.5
Borrowings .....	25.7	2.4	6.3
Other liabilities .....	55.9	50.0	38.5
Total Liabilities .....	6,313.6	6,585.4	5,827.3
Total Capital Accounts.....	458.1	448.9	438.8
Total Liabilities and Capital Accounts.....	6,771.7	7,034.4	6,266.1
Demand deposits adjusted.....	3,841.2	4,033.6	3,541.6
Number of banks.....	475	477	477

Note: May not add to totals because of rounding.

## FIFTH DISTRICT NEWSBRIEFS

### CURRENT DEVELOPMENTS IN —



Two of the largest industrial companies in the country recently announced plant construction programs for North Carolina locations. The Westinghouse Electric Corp. will begin immediately building a multimillion dollar plant at *Raleigh* to manufacture electric meters. The new plant will be erected on a 100-acre site just north of Raleigh and scheduled for completion by July 1953. Operation plans call for a labor force for the new plant of about 2,500 which will augment the area's payrolls by more than \$7 million annually.

The second major addition to North Carolina's industrial structure recently announced is Western Electric Company's intention of expanding its present production facilities in *Winston-Salem* by the construction of a new plant designed to employ about 1,500 workers. Cost data have not yet been reported.

Other capital projects in this state include the construction of a 72,000 sq. ft. tobacco storage warehouse in *Williamston* by the Williamston Storage Corp. at a cost in excess of \$100,000. The new facility will have a capacity of more than 10,000 hogsheads of tobacco and is expected to be completed in August in time for the opening of the tobacco auction season in eastern North Carolina.

#### Reports on Textile Plant Expansions Slow Down

Although the number of new plants and expansions in the textile industry announced during the past month was relatively small, building plans of several firms have recently been released. The Greensboro Manufacturing Co., makers of women's and children's pajamas and sleep-wear, has let a contract for a new plant in *Greensboro* which will cost between \$750,000 and \$1,000,000. It is expected that the building will be completed about the 1st of December. The Princeton Worsted Mills will spend about \$300,000 on a new plant at *Kingstree, S. C.*, and the Maryland Clothing Manufacturers, Inc., plans to erect a plant in *Baltimore* which should be ready for operations by next fall. No cost data have been disclosed.

Other industrial expansions noted in *Baltimore* and its metropolitan area include a new shipping warehouse being built by the National Brewing Co. at a cost of \$50,000, a \$60,000 office and warehouse being erected by the General Plumbing Supply Co., the construction

of a pumping station and factory in *Dundalk* by the Industrial Development Corp. at a cost of \$150,000, and a 150,000 sq. ft. addition to its *Odenton* plant by the National Plastics Products Co.

Three multi-million dollar housing projects have recently been announced in Virginia. The largest is an 800-unit development to be built in *Alexandria* at a cost of \$9 million. The other two are at *Falls Church* where 300 Cape Cod dwellings will be built for \$4.2 million and at *Camp Allen* near *Norfolk* where the Wherry housing project entails outlays of \$2.8 million.

Another report from Virginia discloses that Esso Standard Oil Co. has obtained options on 800 acres of land in *Norfolk County* for the possible construction of a refinery. Esso spokesmen, however, have refused to confirm the construction report. The plant, if built, would be the first oil refinery in Virginia.

Reports from West Virginia announce construction plans for a \$2.5 million coal tippie and processing plant to be built near *Albright* by the Freeport Coal Co. and a million dollar addition to the dormitory facilities at the St. Joseph Hospital in *Parkersburg*.

#### Continued Expansions of Utility Plant

Two of the largest investment outlays announced recently by public utilities are both by Chesapeake & Potomac Telephone Co. which will spend over \$5.5 million on extensions and improvements to its facilities in Virginia and \$1.6 million for similar purposes in West Virginia.

Two REA loans have been granted to Virginia companies for the extension of rural telephone service, one to the Fredericksburg & Wilderness Telephone Co. at *Chancellor* for \$76,000 and another to the Scott Telephone Cooperative at *Gate City* for \$515,000. The Lancaster Telephone Co. will erect a dial and toll office at *Lancaster, S. C.* costing \$112,000.

The estimated cost of building the Savannah River H-bomb plant near *Aiken, S. C.*, is still rising. In its initial stages a year ago the plant was estimated to be a \$600 million project; currently it is thought that outlays will reach and possibly exceed the billion-dollar mark as a consequence principally of improvements in design. The plant area covers a quarter-million acres—about three times the area of *Baltimore*.



## SELECTED FIFTH DISTRICT INDEX

Average Daily 1935-39 =100—Seasonally Adjusted

	Apr. 1952	Mar. 1952	Apr. 1951	% Change—Prev. Mo.	Latest Mo. Year Ago
Automobile Registration <sup>1</sup> .....	154	213		+13	-29
Bank Debits .....	455	445	430	+ 2	+ 6
Bituminous Coal Production.....	134	137	153	- 2	-12
Construction Contracts .....	505	489	558	+ 3	-10
Business Failures—No.....	66	44	62	+50	+ 6
Cigarette Production.....	224	224	233	- 2	+ 2
Cotton Spindle Hours.....	139	146	149	- 5	- 7
Department Store Sales*.....	109	114	111	- 4	- 2
Electric Power Production .....			332	+ 4	+10
Manufacturing Employment <sup>1</sup> .....	152	149		0	- 1
Retail Furniture: Net Sales.....	181	185	173	- 2	+ 5
Life Insurance Sales.....	343	338	281	+ 1	+22

<sup>1</sup>Not seasonally adjusted.

\*1947-1949=100. Back figures available on request.

## BUILDING PERMIT FIGURES

April 1952 April 1951 4 Mos. 1952 4 Mos. 1951

<b>Maryland</b>				
Baltimore .....	\$ 3,901,135	\$ 5,827,890	\$ 18,663,765	\$ 28,121,215
Cumberland .....	30,550	77,375	93,650	323,985
Frederick .....	97,406	47,015	1,054,763	533,540
Hagerstown .....	147,207	281,015	507,798	643,185
Salisbury .....	111,937	354,874	393,661	722,478
<b>Virginia</b>				
Danville .....	1,677,614	261,900	2,459,634	725,925
Lynchburg .....	127,725	320,246	712,251	1,565,370
Newport News .....	178,858	142,783	4,918,448	597,136
Norfolk .....	1,683,144	2,108,652	5,784,174	8,625,433
Petersburg .....	113,875	259,431	622,799	787,494
Portsmouth .....	280,135	321,510	4,892,907	3,432,110
Richmond .....	1,736,929	2,269,817	6,413,890	7,078,704
Roanoke .....	709,017	926,553	3,565,802	6,753,352
<b>West Virginia</b>				
Charleston .....	651,459	598,967	2,058,666	1,844,258
Clarksburg .....	102,585	54,315	317,705	312,610
Huntington .....	497,278	840,917	1,367,965	2,466,552
<b>North Carolina</b>				
Asheville .....	238,548	281,122	1,236,886	2,759,800
Charlotte .....	1,916,393	1,592,456	8,719,087	9,364,127
Durham .....	432,647	701,650	3,343,671	2,239,424
Greensboro .....	518,229	492,545	2,474,633	2,923,614
High Point .....	284,610	309,915	990,665	1,245,389
Raleigh .....	883,086	878,995	6,516,633	4,652,220
Rocky Mount .....	420,648	219,419	1,300,180	1,244,206
Salisbury .....	730,960	92,610	923,037	539,345
Winston-Salem .....	886,229	664,727	3,592,431	4,105,204
<b>South Carolina</b>				
Charleston .....	109,269	156,174	476,035	587,586
Columbia .....	459,335	1,173,542	2,365,316	4,430,327
Greenville .....	2,344,833	545,950	4,053,160	2,877,559
Spartanburg .....	183,345	69,080	610,769	362,190
<b>Dist. of Columbia</b>				
Washington .....	5,531,434	3,397,945	16,767,912	23,548,224
District				
Totals .....	\$ 26,986,420	\$ 25,269,390	\$107,198,293	\$125,412,512

## WHOLESALE TRADE

LINES	Sales in April 1952 compared with		Stocks on April 30, 1952 compared with	
	Apr. 1951	Mar. 1952	Apr. 30, 1951	Mar. 31, 1952
Auto supplies (8).....	-23	-21	+ 7	+ 2
Electrical goods (7).....	-14	-11	-12	- 2
Hardware (13).....	+ 6	+ 5	+ 1	- 3
Industrial supplies (5).....	- 6	-21	+26	- 1
Drugs & sundries (12).....	+ 5	- 7	+ 6	+ 1
Dry goods (14).....	+13	- 7	-20	- 1
Groceries (52).....	+11	+ 5	0	- 4
Paper & Products (6).....	- 4	+ 8	- 1	- 0
Tobacco products (11).....	+15	+ 8	+ 2	0
Miscellaneous (91).....	+11	+ 1	- 6	+ 2
District Totals (219).....	+ 7	0	- 5	- 1

Number of reporting firms in parentheses.

Source: Department of Commerce.

## DEBITS TO INDIVIDUAL ACCOUNTS

(000 omitted)

	April 1952	April 1951	4 Mos. 1952	4 Mos. 1951
<b>Dist. of Columbia</b>				
Washington .....	\$ 1,096,059	\$ 1,045,218	\$ 4,511,434	\$ 4,229,414
<b>Maryland</b>				
Baltimore .....	1,290,514	1,216,264	5,021,351	4,892,030
Cumberland .....	27,700	23,538	102,461	97,570
Frederick .....	23,330	20,385	90,209	79,210
Hagerstown .....	35,604	31,169	140,314	127,089
<b>North Carolina</b>				
Asheville .....	59,534	55,021	248,052	235,123
Charlotte .....	331,753	321,889	1,388,811	1,366,417
Durham .....	100,563	93,535	409,519	388,166
Greensboro .....	106,390	99,547	429,745	406,433
Kinston .....	17,937	14,058	76,054	63,688
Raleigh .....	197,347	137,290	728,418	630,616
Wilmington .....	44,360	40,430	178,548	164,649
Wilson .....	16,996	16,294	73,369	77,109
Winston-Salem .....	162,272	155,001	664,725	654,979
<b>South Carolina</b>				
Charleston .....	77,284	71,874	306,658	293,443
Columbia .....	150,955	118,361	578,271	493,564
Greenville .....	101,629	105,723	414,992	450,719
Spartanburg .....	67,063	64,723	273,887	273,634
<b>Virginia</b>				
Charlottesville .....	27,572	26,757	110,035	105,957
Danville .....	32,135	30,374	138,140	135,912
Lynchburg .....	44,274	44,970	181,311	188,323
Newport News .....	45,094	40,677	189,618	162,791
Norfolk .....	240,944	205,777	967,632	840,916
Portsmouth .....	27,488	24,237	112,122	99,592
Richmond .....	568,360	495,167	2,263,740	2,131,591
Roanoke .....	113,447	107,729	462,909	442,872
<b>West Virginia</b>				
Bluefield .....	44,935	42,295	205,970	188,880
Charleston .....	162,295	132,286	677,344	594,673
Clarksburg .....	32,454	32,503	152,187	138,343
Huntington .....	70,622	61,554	293,656	265,162
Parkersburg .....	30,477	28,739	121,664	118,374
<b>DISTRICT TOTALS</b> .....	\$ 5,347,387	\$ 4,903,385	\$21,513,146	\$20,337,239

## 50 REPORTING MEMBER BANKS—5TH DISTRICT

(000 omitted)

ITEMS	May 14, 1952	April 16, 1952	Change in Amt. from May 16, 1951
Total Loans .....	\$1,196,969†	2,919	+ 670
Bus. & Agric.....	569,902	5,224	+ 23,762
Real Estate Loans.....	245,683	560	+ 4,433
All Other Loans.....	397,113	1,765	+ 21,577
Total Security Holdings.....	1,825,246	1,421	+219,727
U. S. Treasury Bills .....	264,546	1,313	+138,587
U. S. Treasury Certificates .....	170,004	242	+170,004
U. S. Treasury Notes .....	286,481	1,922	+ 88,892
U. S. Treasury Bonds .....	876,572	5,532	+ 63,188
Other Bonds, Stocks & Secur.....	227,643	1,118	+ 63,216
Cash Items in Process of Col.....	294,240	21,703	+ 25,658
Due From Banks.....	173,402*	1,040	+ 5,960
Currency and Coin.....	78,704	2,651	+ 8,896
Reserve with F. R. Banks.....	554,390	14,002	+ 35,937
Other Assets .....	55,110	124	+ 298
Total Assets .....	4,178,061	8,226	+297,146
Total Demand Deposits.....	3,204,555	38,222	+220,343
Deposits of Individuals.....	2,384,828	7,364	+162,754
Deposits of U. S. Government .....	107,687	36,448	+ 22,626
Deposits of State & Local Gov.....	191,412	3,513	+ 20,236
Deposits of Banks.....	457,493*	1,642	+ 51,869
Certified & Officers' Checks.....	63,135	3,983	+ 8,110
Total Time Deposits.....	650,336	4,198	+ 41,858
Deposits of Individuals.....	570,888	3,317	+ 17,934
Other Time Deposits.....	79,448	881	+ 23,924
Liabilities for Borrowed Money .....	30,800	20,200	+ 16,600
All Other Liabilities.....	34,282	4,061	+ 6,802
Capital Accounts .....	258,088	1,537	+ 11,543
Total Liabilities .....	4,178,061	8,226	+297,146

\*Net figures, reciprocal balances being eliminated.

†Less losses for bad debts.

## **National Summary of Business Conditions**

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

Industrial production declined in April and May, owing in part to labor disputes. Construction activity was maintained at record levels. Following some further decline in April, average prices of basic commodities have changed little. Consumer prices increased in April as food prices advanced. Seasonal influences led to further declines in bank loans to business in April and early May.

### **Industrial Production**

The Board's seasonally adjusted production index was 216 per cent of the 1935-39 average in April, as compared with 220 in March and 223 in April, 1951. Some further decline is indicated in May. Output of both durable and nondurable goods has decreased since March, owing in part to temporary work stoppages in the steel and petroleum refining industries and in part to continued slackened demands by business and consumers. Government defense expenditures have continued to expand.

Durable goods production declined 2.5% in April, as steel output decreased 10%, and activity in the machinery industries was reduced about 2%. Steel production was again curtailed in early May but subsequently increased to 102% of rated capacity, and output for the month will probably be up somewhat from April. Primary aluminum production rose further in April and output of other nonferrous metals was generally maintained. Reduced activity in the machinery industries reflected in part curtailments in output of television and appliances and also small declines in various industrial machinery lines. Passenger auto assembly in April and May has been at an annual rate of 4.8 million units, moderately above the level prevailing in the second half of last year.

A further decrease in output of nondurable goods in April reflected largely additional curtailments in cotton and wool textile industries. Production and deliveries of rayon showed little change, however, following earlier sharp declines. Paper production declined somewhat as producers cut back output of kraft papers, while paperboard output held fairly steady at a level about one-fifth below the early 1951 peak. Petroleum refining was reduced somewhat in April and in May was curtailed sharply further by work stoppages affecting a large part of the industry.

### **Construction**

Value of construction contracts awarded in April increased substantially further to 1.6 billion dollars, one-fifth more than in March and one-sixth greater than in April, 1951. Value of new work put in place was larger than during any other April, partly reflecting increased construction costs. Nonfarm housing units started in April totaled 108,000 compared with 98,000 in March and 96,000 in April, 1951.

### **Employment**

Employment in nonagricultural establishments in April, seasonally adjusted, continued at 46.5 million. The average work-week at factories was reduced to 40 hours, down about half an hour from March and below any month since May, 1950. Average hourly earnings were little changed at \$1.66. Unemployment declined about 200,000 to 1.6 million in early April, a level close to the postwar low and about 100,000 below a year ago.

### **Distribution**

Seasonally adjusted total retail sales rose slightly in April as sales at automotive stores recovered to about the advanced February rate. Department store sales decreased somewhat owing in part to fairly marked further declines for household durable goods. In the first half of May, sales of these goods at department stores increased, reflecting in part easing of credit terms after suspension of regulation W on May 7. Value of department store stocks is estimated to have increased in April, but at the end of the month stocks were 16 per cent below a year ago.

### **Commodity Prices**

Average prices of basic commodities changed little in May, following some further decline in April. Hog and pork prices rose sharply early in the month as marketings fell below a year ago, and prices of wool and hides recovered moderately from their sharply reduced levels. An increase in Canadian newsprint was announced, effective June 15. Meanwhile, prices of burlap, cotton, and alcohol declined, and lead and antimony were reduced 20%. Rubber prices abroad dropped further and the RFC announced a 20% reduction in its resale price.

The consumers price index advanced .4% in April to within .2% of the January, 1952, peak. Foods—chiefly fresh fruits and vegetables—rose, and rents and other services continued to increase, while apparel, house furnishings, television sets, and soap were reduced further.

### **Money and Credit**

The volume of bank credit outstanding showed little change in April and the first half of May. Business loans declined fairly substantially, reflecting further repayment of seasonal borrowing and some leveling-off of defense borrowing. The decline in business loans was about offset by a sharp rise in security loans, particularly to dealers in Government securities. Bank holdings of United States Government securities, which had declined in the first quarter of the year, subsequently changed only slightly.

The total money supply showed little further change in April and early May. Deposits of businesses and individuals increased somewhat while United States Government deposits declined. The turnover of demand deposits outside New York City declined in April after having risen somewhat in both February and March.

Bank reserve positions were moderately tight in April and the first part of May. Federal Reserve holdings of government securities were reduced slightly, and since mid-April member bank borrowing has fluctuated around a fairly high level.

### **Security Markets**

Common stock prices rose moderately during the first three weeks of May. Yields on high-grade corporate bonds increased slightly. Yields on short-term Government securities increased somewhat, while yields on longer-term Government bonds declined earlier in the period and subsequently increased. Near the beginning of the period the Treasury announced the offering of additional amounts of nonmarketable 2¾% Treasury bonds of 1975-80 and revised the terms on savings bonds to make them more attractive to investors.

