

# MONTHLY REVIEW

*Of Agricultural, Industrial, Trade and Financial  
Conditions in the Sixth Federal Reserve District*

## FEDERAL RESERVE BANK OF ATLANTA

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### BUSINESS CONDITIONS IN THE UNITED STATES

Industrial activity continued in December at a relatively low level and railroad distribution of commodities declined further, while the general level of prices remained unchanged. Holiday trade at retail stores was in somewhat larger volume than in the previous year.

**Production** Production of manufactures remained in practically the same volume in December as in November, while output of minerals, when allowance is made for usual seasonal changes, showed a slight increase. Activity in the textile, shoe, and tobacco industries was reduced in December, while the output of steel, non-ferrous metals, and petroleum increased. Production of automobiles continued in small volume during December, but increased considerably in January, and within recent weeks there has been also a further increase in the activity of steel mills.

Building contract awards were slightly larger in December than in November, but were smaller than in December of the two preceding years. Total awards for the year 1927 in 37 eastern states, as reported by the F. W. Dodge Corporation, were valued at about \$6,300,000,000 which is slightly less than the total of 1926, \$6,380,000,000. December awards for residential and commercial buildings were larger than in December 1926, while those for industrial buildings and public works were smaller. During the first three weeks of January contract awards were in approximately the same volume as during the corresponding weeks of last year.

**Trade** Retail sales of department stores and mail order houses increased slightly more than is usual in December and were somewhat larger than a year ago. Inventories of merchandise carried by department stores were reduced in December and at the end of the year were slightly smaller than at the end of 1926. Wholesale trade in nine leading lines continued smaller than in the corresponding month of last year. Stocks of groceries, shoes, hardware and furniture car-

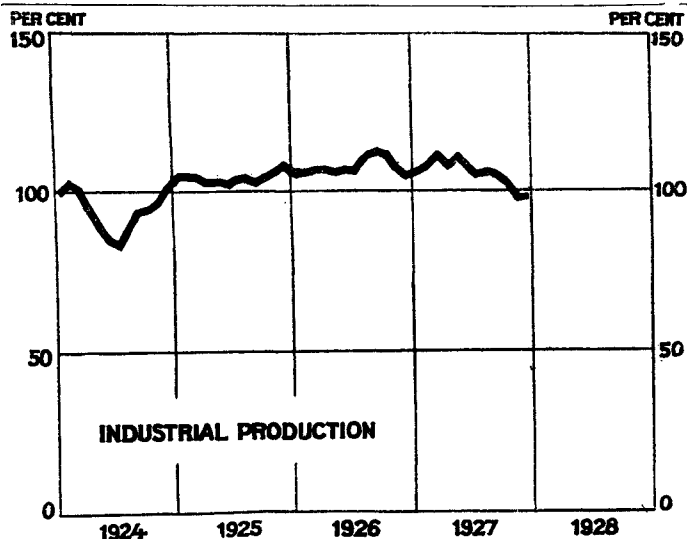
ried by wholesale firms were smaller at the end of December than a year earlier and stocks of dry goods and drugs were slightly larger. Freight car loadings declined further in December and were in smaller volume during that month and the early part of January than at any time in four years. The decrease in loadings occurred in practically all groups of commodities.

**Prices** The Bureau of Labor Statistics' index of wholesale commodities prices remained unchanged in December and was at the end of the year about one per cent lower than a year ago. Prices of grains, hide and leather products, non-ferrous metals, and rubber increased in December, while prices of livestock, cotton, and lumber declined. In the first three weeks of January, there were increases in prices of iron and steel, grains, and wool, while prices of cattle, hogs, and cotton declined.

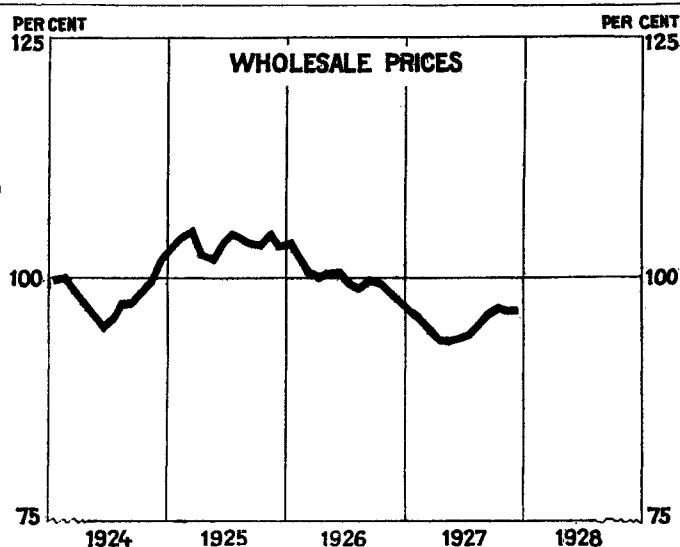
**Bank Credit** At the reserve banks the seasonal demand for currency after reaching its peak on December 24 was followed by a return flow of money from circulation, which amounted to about \$440,000,000 between December 24, and January 18. This decline in the demand for currency, which was approximately the same as a year ago, was reflected in a decrease for the same period of about \$360,000,000 in bills and in securities of the reserve banks.

Loans and investments of member banks in leading cities declined during the first half of January, but were still at a higher level than at any time last year. The decline of about \$200,000,000 in the volume of loans on securities, was offset in part by a considerable increase in the banks' investment holdings.

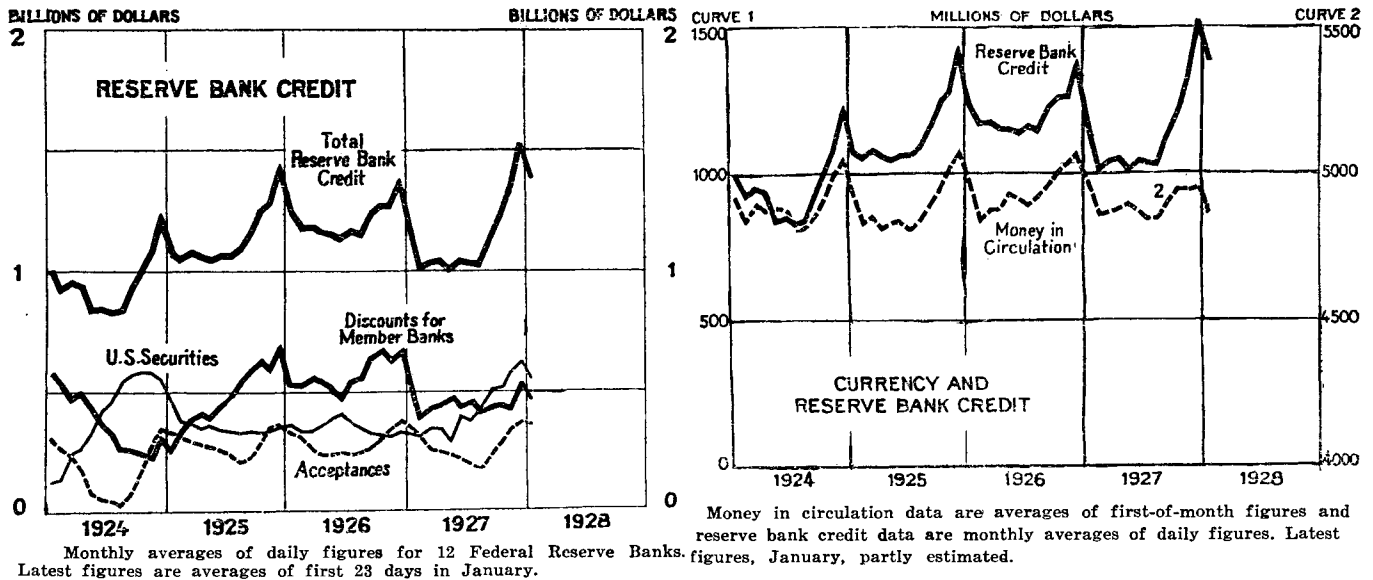
Call loan rates showed the usual seasonal decline at the turn of the year but other money rates were slightly firmer. The rate on bankers' acceptances increased during the second week of January from 3¼ to 3½ per cent and there was also a slight advance in rates on time money in the open market.



Index numbers of production of manufactures and minerals combined, adjusted for seasonal variations (1923-1925 average=100). Latest figure December 99.



Index of United States Bureau of Labor Statistics. (1926=100, base adopted by bureau). Latest figure December 96.8.



### SIXTH DISTRICT SUMMARY

The volume of retail trade in the sixth district reached a peak for the year in December, and was greater than for any other month for which statistics are available. The average for the district was an increase of 6.8 per cent over the high point reached in December a year ago. For the year 1927 sales at retail have averaged slightly greater than in the previous year. Wholesale trade in December was in smaller volume than in the preceding month, or the corresponding month a year ago. Savings deposits at the end of December increased during the month, and were 8.1 per cent greater than a year ago. Debits to individual accounts in December increased 12.4 per cent over November, and were 1.1 per cent greater than in December 1926. Commercial failures were greater in December than in November, but in liabilities were less than half as great as in December a year ago. Loans and discounts by reporting member banks in principal cities of the district on the second report date of January had declined somewhat in comparison with totals five weeks earlier, and were smaller than a year ago. Investments of these banks increased, however, and total loans and investments were greater than a year ago. Discounts and investments holdings of the Federal Reserve Bank of Atlanta were smaller than a month or a year ago. Statistics of building permits issued at twenty cities of the district, and contract awards in the district, both show declines compared with November, and with December a year ago. Production of cloth and yarn by reporting cotton mills in the sixth district continued greater than a year ago. Production of pig iron in Alabama in December was greater than for any other month since May.

Reports of the United States Department of Agriculture show important increases in the value of 1927 crops over those of 1926. Georgia crops show an increase of 39 millions of dollars over 1926, Mississippi an increase of

37 millions, Louisiana an increase of 4.8 millions, and Tennessee an increase of 1.3 millions, while Florida shows a decrease of about 1¼ millions.

### RETAIL TRADE

The distribution of merchandise at retail in the sixth Federal reserve district, reflected in sales figures reported confidentially by 46 representative department stores located throughout the district, reached the highest level in December 1927 that has been recorded for any month during the eight years these statistics have been compiled. Because of the combined effects of the holiday trade and purchases of winter clothing, trade at department stores always reaches a peak for the year in December. Sales in December 1927 in the district showed an increase of 6.8 per cent over December 1926, and for the year 1927 total sales by these 46 stores were 1.1 per cent greater than for the preceding year. Stocks of merchandise on hand at the close of December were about the same as a year ago, and declined seasonally compared with November. The rate of stock turnover for December was fractionally better than for December a year ago, but showed a small decline for the year. According to figures reported by a majority of the reporting stores, stocks turned over an average of three times during the year. The turnover at Atlanta was more rapid than at other reporting cities. Outstanding orders at the end of December declined in comparison with both the preceding month and the same month last year, being 17.3 per cent smaller than for December, and 27.7 per cent less than a year ago. Accounts Receivable for December increased 18.8 per cent compared with November, and were 17.9 per cent greater than for December 1926. Collections during December were 1.1 per cent greater than in November, and 6.1 per cent greater than in December last year. The ratio of collections during December to accounts outstanding and due at the beginning of the month, for 25 firms, was 34.4 per cent. For

### CONDITION OF RETAIL TRADE DURING DECEMBER, 1927 IN THE SIXTH FEDERAL RESERVE DISTRICT, BASED UPON REPORTS FROM 46 STORES.

	1		2		3		4		5	
	Net sales—percentage increase or decrease compared with:		Stocks at end of month, percentage increase or decrease compared with:		*Rate of Stock Turnover for December:		*Rate of Stock Turnover for period Jan. 1, to Dec. 31:		Percentage of outstanding orders at end of month to purchases during calendar year 1926.	
	(A) Dec. 1926	(B) Jan. 1 to Dec. 1926	(A) Dec. 1926	(B) Nov. 1927	(A) 1926	(B) 1927	(A) 1926	(B) 1927	(A) Nov.	(B) Dec.
Atlanta (5)	+31.5	+15.9	+16.1	-27.6	.54	.58	3.94	4.13	4.5	3.2
Birmingham (5)	+ 6.4	+ 1.4	-17.2	-19.2	.36	.46	2.75	3.03	5.1	3.1
Chattanooga (6)	+ 3.6	+ 1.4	- 5.6	-20.3	.33	.37	2.53	2.56	2.2	5.1
Nashville (5)	+12.9	+ 3.6	+12.4	-24.1	.48	.49	3.29	3.48	2.2	1.5
New Orleans (5)	- 1.8	- 3.2	+ 2.3	-19.1	.40	.38	2.77	2.53	5.4	3.8
Other Cities (20)	- 1.7	- 6.3	- 7.1	-21.7	.44	.44	3.10	2.85	4.0	4.3
District (46)	+ 6.8	+ 1.1	- 0.1	-22.2	.42	.44	3.02	3.00	4.5	3.7

\*Figure for rate of stock turnover is the ratio of sales during given period to average stocks on hand.

NOTE: Figures in parentheses indicate number of stores reporting.

November this ratio was 35.0 per cent, and for December 1926 it was 35.8 per cent.

**WHOLESALE TRADE**

The volume of wholesale trade in the sixth district during December as reflected in sales figures reported confidentially by 117 wholesale firms in eight different lines of trade, was seasonally smaller than during the fall months, and was, on the whole, less than in December 1926. Of the eight lines, electrical supplies is the only one to show a larger volume of sales in December than in November. Compared with December 1926, increases were reported in furniture and drugs, but declines in the other lines. The index number of wholesale trade for December, computed from sales by firms dealing in groceries, dry goods, hardware and shoes, was 75.9, compared with 85.1 for November, and with 81.3 for December 1926. In the tables are shown percentage comparisons of reported figures, and sales comparisons are shown separately in each line for those cities from which three or more firms reported.

**Groceries** December sales of groceries at wholesale were greater than in November at Jacksonville and New Orleans, but were smaller at other reporting points, averaging 1.4 per cent less for the district. Compared with December 1926, increases were reported from Atlanta and New Orleans, but were more than offset by decreases from other points, the average for the district being a decrease of 11.1 per cent. Stocks were larger than for either of the months under comparison, but accounts receivable and collections declined.

Sales:	Dec. 1927 compared with:	
	Nov. 1927	Dec. 1926
Atlanta (4 firms).....	-12.7	+ 0.1
Jacksonville (4 firms).....	+ 5.8	-36.7
New Orleans (6 firms).....	+ 8.6	+ 3.8
Vicksburg (3 firms).....	- 6.2	-10.0
Other Cities (15 firms).....	- 7.5	- 1.9
DISTRICT (32 firms).....	- 1.4	-11.1
Stocks on hand.....	+ 2.5	+ 8.9
Accounts Receivable.....	- 2.9	- 9.3
Collections.....	- 0.7	-13.8

**Dry Goods** Distribution of dry goods at wholesale, reported by 22 firms, was in smaller volume during December than in November, averaging 31.5 per cent for the district, and was also 4.7 per cent less than in December a year ago, notwithstanding an increase of 27.3 per cent reported from Nashville. Stocks, accounts receivable and collections also showed decreases compared with both of these months. The index number of dry goods sales is the lowest shown for any month since June 1925. Percentage comparisons of reported figures are shown in the table.

Sales:	Dec. 1927 compared with:	
	Nov. 1927	Dec. 1926
Atlanta (3 firms).....	-44.5	- 8.4
Nashville (3 firms).....	-39.4	+27.3
Other Cities (16 firms).....	-27.2	-10.5
DISTRICT (22 firms).....	-31.5	- 4.7
Stocks on hand.....	- 4.5	- 0.4
Accounts Receivable.....	-16.4	- 7.6
Collections.....	-10.2	- 4.2

**Hardware** Total sales of hardware reported by 27 firms averaged 6.5 per cent smaller in December than in November, and 7.1 per cent less than in December a year ago. Sales at Nashville were slightly larger than in November, and 7.2 per cent greater than in December 1926. Stocks on hand averaged 2.2 per cent larger than for November, and collections were 2.8 per cent larger, but both items were less than for December last year. Accounts receivable showed decreases compared with both periods. Percentage comparisons are shown in the table:

Sales:	Dec. 1927 compared with:	
	Nov. 1927	Dec. 1926
Atlanta (3 firms).....	- 5.1	- 9.1
Jacksonville (3 firms).....	- 6.8	-35.2
Nashville (3 firms).....	+ 0.3	+ 7.2
New Orleans (5 firms).....	- 2.0	- 4.8
Other Cities (13 firms).....	-13.2	-10.2
DISTRICT (27 firms).....	- 6.5	- 7.1
Stocks on hand.....	+ 2.2	- 9.8
Accounts Receivable.....	- 8.8	-12.2
Collections.....	+ 2.8	- 7.0

**Furniture** December sales of furniture at wholesale decreased 12.3 per cent compared with November, but averaged 17.3 per cent greater than in December 1926. Stocks increased slightly over those at the end of November, but were smaller than a year ago. Accounts receivable were smaller than for either of those periods, but collections were greater. Percentage comparisons follow:

Sales:	Dec. 1927 compared with:	
	Nov. 1927	Dec. 1926
Atlanta (4 firms).....	-23.9	+ 1.0
Other Cities (7 firms).....	- 9.8	+20.7
DISTRICT (11 firms).....	-12.3	+17.3
Stocks on hand.....	+ 1.6	-10.4
Accounts Receivable.....	-20.8	-16.3
Collections.....	+13.1	+24.0

**Electrical Supplies** Increases over November averaging 16.2 per cent were shown in reports of sales for December by electrical supply firms, but a decrease of 20.5 per cent is shown compared with December 1926. Accounts receivable were larger than for either of those periods, and collections were larger than for November, but smaller than for December 1926.

Sales:	Dec. 1927 compared with:	
	Nov. 1927	Dec. 1926
New Orleans (4 firms).....	+ 3.4	- 3.3
Other Cities (6firms).....	+30.9	-31.5
DISTRICT (10 firms).....	+16.2	-20.5
Accounts Receivable.....	+ 5.1	+ 6.9
Collections.....	+ 3.8	-12.6

Comparisons of sales in the other three lines are shown only for the district, as three reports were not received in any of these lines from a single city. Sales of shoes and stationery show declines compared with both periods under comparison, and sales of drugs were smaller than in November, but slightly larger than in December a year ago.

Sales:	Dec. 1927 compared with:	
	Nov. 1927	Dec. 1926
Shoes (4 firms).....	-31.3	-14.2
Stationery (4 firms).....	- 6.7	- 6.1
Shoes (4 firms).....	-31.3	-14.2

**AGRICULTURE**

Reports recently made public by the United States Department of Agriculture indicate that the value of principal agricultural crops produced during the year 1927 in the United States exceeded the value of 1926 crops by more than 635 millions of dollars. Among the principal crops which showed increases in value over 1926 are included cotton and cotton seed, corn, oats, barley, rye, hay, peanuts, tobacco, sugar cane, apples (commercial crop), pears, watermelons, strawberries and some other truck crops, while among those showing decreases compared with 1926 are wheat, rice, white and sweet potatoes, peaches, oranges, lemons and a number of truck crops. The total value of principal crops in 1927 was \$8,428,626,000, an increase of 8.1 per cent over the total of \$7,793,480,000 for 1926. The cotton crop of 1927, although smaller than that of the year before, was worth 331 millions more, because of the higher price prevailing.

Principal crops produced in Georgia in 1927 show an increase in value over 1926 crops of 39 million dollars, or 18.4 per cent. Cotton is responsible for 28½ millions of this increase, while corn, sweet potatoes, tobacco, watermelons, peaches and peanuts also showed increases. In Florida the total value of principal crops in 1927 was a little more than 4¼ millions less than in 1926, but the commercial orange crop showed an increase of over five millions, and increases were shown in corn, tobacco, and some truck crops. Principal crops produced in Mississippi during 1927 show an increase in value over 1926 of 37 millions, because of larger returns from cotton, corn, hay, oats, potatoes, sugar cane, peanuts and wheat. Tennessee crops of 1927 show an increase in value of 1.3 millions of dollars over 1926. The value of cotton in Tennessee increased about 11.8 millions (including seed), and corn 2.4 millions, and tobacco 1.7 millions, but grains and fruits show decreases.

Cotton Movement—United States (Bales) Since August 1			
	1927	1926	1925
Receipts at all U. S. Ports	6,126,534	8,504,637	6,761,941
Overland across Miss. Ohio and Potomac Rivers to Nor. Mills and Canada	508,169	883,772	904,693
Interior stock in excess of those held at end of commercial year	561,143	779,174	1,545,780
Southern mills taking net	2,667,000	2,717,854	2,650,528
Total 152 days	9,862,846	12,885,437	11,862,942
Foreign exports	3,877,462	5,410,095	
American Mills N & S & Canada*	3,809,520	4,403,494	
American cotton thus far	7,554,000	8,145,000	7,839,000

\*Of which 842,121 by northern spinners against 1,368,410 last year, and 2,967,399 by southern spinners against 3,045,084 last year.

**Sugar Cane and Sugar** The production of sugar in Louisiana for the 1927 season is estimated by the United States Department of Agriculture at 155,680,000 pounds, or 77,840 short tons, compared with the production in 1926 of 47,166 short tons. Cane used in the manufacture of sugar this year was 1,120,000 short tons, raised on 80,000, compared with 864,299 short tons raised on 127,916 acres in 1926. Production of molasses is estimated at 7,963,000 gallons, compared with 6,614,435 gallons last year. Weather conditions during December in the Louisiana cane belt were variable, with some cold followed by rain. Below freezing temperatures prevailed most of the first week in January. Grinding operations have been completed. The large area planted in the fall is reported in good condition, and field operations well advanced.

**SUGAR MOVEMENT (Pounds)**

Raw Sugar			
	Dec. 1927	Nov. 1927	Dec. 1926
Receipts:			
New Orleans	82,135,975	74,764,494	49,907,565
Savannah	12,544,470	21,070,689	16,755,918
Meltings:			
New Orleans	68,304,083	92,496,934	75,243,953
Savannah	30,644,959	2,138,024	9,093,306
Stocks:			
New Orleans	37,105,819	23,282,439	13,605,092
Savannah	6,015,514	24,116,023	7,662,612
Refined Sugar (Pounds)			
	Dec. 1927	Nov. 1927	Dec. 1926
Shipments:			
New Orleans	80,556,926	80,683,591	93,714,351
Savannah	21,004,534	19,362,580	14,718,427
Stocks:			
New Orleans	58,705,623	67,829,639	55,018,198
Savannah	9,360,972	959,239	4,404,626

**Rice** The production of rough rice in Louisiana in 1927 is estimated by the United States Department of Agriculture at 17,316,000 bushels, compared with 16,282,000 bushels in 1926. The average yield per acre is estimated at 36 bushels, and the harvested acreage is estimated at 481,000 acres. The quality of rice is somewhat higher than that of last year, but the average farm price on December 1 was 87 cents compared with \$1.05 per bushel last year, and the total farm value of the crop is estimated at \$15,065,000, compared with \$17,096,000 in 1926.

**RICE MOVEMENT—NEW ORLEANS**

Rough Rice (Sacks)			
	Dec. 1927	Nov. 1927	Dec. 1926
Receipts	60,284	54,982	90,232
Shipments	49,885	74,832	89,204
Stocks	29,482	19,083	29,786
Clean Rice (Pockets)			
Receipts	206,503	219,001	259,455
Shipments	234,740	232,725	209,306
Stocks	238,247	266,484	196,004

**Rice Millers Association Statistics (Barrels)**

Receipts of Rough Rice			
	Dec.	Season to Date	
Receipts	60,284	54,932	90,232
Season 1927-28		831,033	5,776,677
Season 1926-27		1,025,131	5,366,608
Distribution of Milled Rice			
Season 1927-28		1,006,759	4,643,003
Season 1926-27		895,206	4,034,570
Stocks of Rough and Milled Rice			
January 1, 1928		2,290,857	
January 1, 1927		2,362,088	

**FINANCIAL**

**Savings Deposits** Total savings deposits at the end of December reported to the Federal Reserve Bank by 86 banks located throughout the district averaged 1.1 per cent greater than a month earlier, and were 8.1 per cent greater than at

the close of December 1926. Totals for Federal Reserve Bank and branch cities are shown in the table, and reports from other points are grouped under "Other Cities."

(000 omitted)

	December		Comparison Dec.-Nov. 1927	Comparison Dec. 1926	
	1927	1927		1926	'27-'26
Atlanta (7)*	\$ 44,135	\$ 42,849	+3.0	\$ 37,595	+17.4
Birmingham (4)*	26,174	25,390	+3.1	25,266	+3.6
Jacksonville (5)*	30,037	29,482	+1.9	28,707	+4.6
Nashville (8)*	27,701	27,377	+1.2	21,633	+28.1
New Orleans (8)*	50,104	49,686	+0.9	47,864	+4.7
Other Cities (54)*	114,568	114,774	-0.2	109,775	+4.4
Total (86)*	292,719	289,538	+1.1	270,840	+8.1

\*Indicates number of banks.

**Debits to Individual Accounts** The volume of debits to individual accounts at 24 reporting cities of the sixth district during December increased 12.4 per cent over November, and was 1.1 per cent greater than in December 1926. Of the 24 reporting cities, 12 showed increases, and 12 decreases, compared with December a year ago. The monthly figures shown in the table are derived from weekly figures by prorating figures for those weeks which do not fall entirely within a single month.

(000 omitted)

	Dec. 1927	Nov. 1927	Dec. 1926
<b>Alabama</b>			
Birmingham	\$160,730	152,087	152,550
Dothan	3,571	4,210	3,770
Mobile	42,178	40,544	48,930
Montgomery	31,169	30,224	24,410
<b>Florida:</b>			
Jacksonville	86,898	76,642	110,241
Miami	41,126	34,267	
Pensacola	3,332	7,245	9,682
Tampa	48,496	40,418	68,218
<b>Georgia:</b>			
Albany	5,111	5,053	6,577
Atlanta	163,618	149,080	179,565
Augusta	31,550	26,735	28,525
Brunswick	4,010	3,685	4,487
Columbus	16,084	14,118	15,604
Elberton	1,308	1,377	1,007
Macon	23,812	21,918	26,003
Newnan	2,752	2,383	2,399
Savannah	51,825	48,432	56,649
Valdosta	5,994	5,679	7,032
<b>Louisiana:</b>			
New Orleans	418,289	352,967	374,186
<b>Mississippi</b>			
Hattiesburg	7,651	7,111	
Jackson	27,815	25,079	23,656
Meridian	18,227	17,527	17,294
Vicksburg	7,868	8,520	8,331
<b>Tennessee:</b>			
Chattanooga	52,011	48,341	49,670
Knoxville	38,657	33,064	37,849
Nashville	99,233	89,951	83,456
Total 24 cities	\$1,354,538	1,205,279	1,339,591

\*Not included in totals because of lack of 1926 figures.

**Condition of Selected Cities** Weekly reports rendered to the Federal Reserve Bank of Atlanta, by 33 member banks located in Atlanta, New Orleans, Birmingham, Jackson-

ville, Nashville, Chattanooga, Knoxville and Savannah indicate that total loans of these banks rose to 506 millions of dollars on December 14, but since that time have declined and on January 11 amounted to \$495,402,000. Loans secured by Government obligations on January 11 were slightly larger than five weeks earlier, but those secured by other stocks and bonds, and All Other Loans, reflecting principally loans for commercial purposes, declined. United States securities, and Other Stocks and Bonds owned by these banks increased somewhat during this period, and total loans, discounts and investments on January 11 were \$623,473,000, compared with \$626,056,000 on December 7. Compared with figures for January 12, 1927, loans are somewhat smaller, but holdings of United States securities and of other stocks and bonds are greater, and total loans, discounts and investments show an increase of \$11,297,000 over that date. Time deposits decreased between December 7 and January 11, but were greater than a year ago, and demand deposits show increases over both of those periods. Principal items in the weekly report, for the three report dates under comparison, are shown in the table:

(000 omitted)

	Jan. 11, 1928	Dec. 7, 1927	Jan. 12, 1927
Bills Discounted:			
Secured by Govt. Obligations...	\$ 5,300	\$ 5,132	\$ 5,489
Secured by Stocks and Bonds	113,875	118,752	110,637
All Other	376,227	377,281	398,491

Total Discounts	495,402	501,165	514,617
U. S. Securities	62,707	60,547	37,081
Other Stocks and Bonds	65,364	64,344	60,478
Total Loans, Discounts and Investments	623,473	626,056	612,176
Time Deposits	241,427	244,395	223,234
Demand Deposits	351,110	344,296	346,654
Borrowings from F. R. Bank	18,690	20,734	15,989

**Operations of the Federal Reserve Bank** Total discounts for member banks by the Federal Reserve Bank of Atlanta increased from \$34,732,000 on December 7 to \$35,739,000 on December 21, but have since declined to \$28,420,000 on January 11. Holdings of United States Securities during this five weeks period have decreased nearly one-third, but holdings of bills bought in the open market increased during the last week of this period to \$4,207,000, and were greater than five weeks ago. Because of the decline in discounts, and in holdings of United States securities, the total of bills and securities on January 11 was \$43,450,000 compared with \$52,752,000 on December 7. Federal Reserve notes in circulation declined 7 1/4 millions during this period, but deposits increased slightly. Cash reserves decreased two million dollars and the reserve ratio rose 1.1 points. Compared with figures for the corresponding report date a year ago, discounts for member banks show a decrease of nearly five million dollars. Holdings of bills bought in the open market are much smaller than at that time, but holdings of United States securities are greater, and the total of bills and securities show a decrease of \$10,879,000. Notes in circulation are nearly 20 millions less than at that time, and deposits only slightly greater, and while cash reserves are 10 millions smaller the reserves ratio is higher than at that time. Principle items in the weekly statement, with comparisons, are shown in the table:

(000 omitted)

	Jan. 11 1927	Dec. 7 1927	Jan. 12 1927
Bills Discounted:			
Secured by Govt. Obligations	\$ 7,597	\$ 11,310	\$ 2,176
All Others	20,823	23,422	31,153
Total Discounts	28,420	34,732	33,329
Bills Bought in open market	4,207	2,541	19,192
U. S. Securities	10,563	15,219	1,807
Total bills and securities	43,450	52,752	54,329
Cash Reserves	169,641	171,696	179,728
Total Deposits	71,563	69,914	70,420
F. R. Notes in actual circulation	140,700	147,957	160,695
Reserve Ratio	79.9	78.8	77.8

**Commercial Failures** According to statistics compiled by R. G. Dun & Co., commercial failures increased materially in December over November, and were greater than in December a year ago. Figures for the sixth district show increases in both number and liabilities compared with November, and while failures were more numerous than in December a year ago, liabilities were less than half as great. Figures for the United States, divided by Federal Reserve Districts, are shown in the table:

District—	Number Dec. 1927	Liabilities Dec. 1927	Liabilities Nov. 1927	Liabilities Dec. 1926
Boston	202	\$ 4,431,981	\$ 5,689,818	\$ 5,687,840
New York	407	15,053,206	8,367,871	10,024,274
Philadelphia	82	2,237,165	1,486,840	1,469,253
Cleveland	202	3,455,204	3,449,315	3,263,500
Richmond	146	4,424,241	2,555,698	3,179,434
Atlanta	131	3,026,444	1,204,572	6,655,117
Chicago	319	3,597,176	3,182,548	6,206,549
St. Louis	84	2,923,187	3,476,584	1,331,361
Minneapolis	118	1,125,958	1,153,335	1,430,050
Kansas City	117	7,028,228	2,193,935	1,247,400
Dallas	96	1,010,587	818,200	1,815,600
San Francisco	258	2,698,881	2,667,857	3,299,400
Total	2,162	\$51,062,253	\$36,146,573	\$45,619,578

**IMPORTS AND EXPORTS**

**United States** Declines compared with the preceding month, and with the corresponding month a year ago, are shown in both exports and imports of merchandise during December, according to figures compiled by the United States Department of Commerce. December Exports declined 11.1 per cent compared with those in November, and were 12.1 per cent less than in December, 1926. Imports in December decreased 3.9 per cent compared with November, and were 7.9 per cent smaller than a year ago. Exports in December exceeded imports by 78 millions of dollars. For the year 1927 exports exceeded imports by \$681,707,000, or 16.3 per cent, while for 1926

exports were only 8.5 per cent greater than imports. Preliminary figures for December, with comparisons, are shown in the table:

	1927	1926
Imports:		
December	\$ 331,000,000	\$ 359,462,000
November	344,262,000	373,381,000
12 months, ending with Dec.	4,184,453,000	4,480,388,000
Exports:		
December	\$ 409,000,000	\$ 465,369,000
November	460,236,000	480,300,000
12 months ending with Dec.	4,866,150,000	4,808,660,000

**New Orleans** The value of merchandise imported into the United States through the port of New Orleans during October, 1927, was \$17,593,019. This was 38.6 per cent greater than the value of imports through New Orleans in September, but was 39.5 per cent less than for October, 1926. Sugar, cocoa beans, jute burlaps, bananas, gasoline, and mahogany cabinet wood logs constitute some of the principal commodities imported during October.

Merchandise valued at \$32,918,578 was exported through the port of New Orleans during October, 1927. This represents an increase of 39.9 per cent over the value of exports for September, but a decline of 6.2 per cent compared with the total for October, 1926. Among the large items, exports of short staple cotton, pine and oak boards, and gas and fuel oil were greater than a year ago, but gasoline, illuminating oil, tobacco, wheat flour, lard and other items show decreases.

**Grain Exports—New Orleans**

Exports of grain during December, 1927, were greater than during the same month a year ago, due to the increased movement of wheat, and the export of rye. Total exports of grain for the season through December were slightly larger than for the same period of the previous season, but the movement of corn and oats was smaller.

	Dec. 1927	Dec. 1926	Season through	
			Dec. 1927	Dec. 1926
Wheat, bu	1,253,773	681,207	6,465,031	5,624,262
Corn, bu	65,875	308,565	1,040,145	2,140,652
Oats, bu	58,181	75,477	518,963	545,895
Rye, bu	42,956		332,062	
Total	1,420,785	1,065,249	8,351,201	8,310,809

**BUILDING**

Prospective building in the sixth district, reflected in permits issued at twenty reporting cities, and contract awards in the district, declined in December compared with November, and were at a lower level than at the same time a year ago. The value of permits issued at reporting cities in December was \$7,541,820 smaller by 8.2 per cent than in November, and 18.8 per cent less than for December, 1926. Only six of the twenty reporting cities showed increases over December a year ago. The total for December, 1927, is the smallest reported by these twenty cities for any month since December, 1923. The index number of December permits is 209.2, compared with 227.7 for November, and with 275.3 for December a year ago.

Statistics of building contracts awarded in the 37 states east of the Rocky Mountains, compiled by the F. W. Dodge Corporation, show a total for December amounting to \$477,363,800, an increase of 2.4 per cent over the total of \$466,393,400 for November, but a decrease of 11.2 per cent compared with the total of \$537,395,800 for December, 1926. Figures for the six states of this district indicate a total of \$24,816,090 for December, a decline of 36.6 per cent compared with the total of \$39,150,700 for November, and a decrease of 12.1 per cent compared with the total of \$28,232,316 for December a year ago.

In the table are shown permits issued during December at reporting cities of the district, with comparative figures for the corresponding month a year ago. Index numbers appear on page 8.

Alabama:	Dec. 1927		Dec. 1926		Percentage Change in value
	No.	Value	No.	Value	
Anniston	20	\$ 25,575	18	\$ 27,250	+ 4.6
Birmingham	395	2,333,053	353	1,199,321	+ 94.5
Mobile	52	100,169	111	78,391	+ 27.8
Montgomery	162	207,316	58	27,125	+ 664.3
Florida					
Jacksonville	294	507,470	599	1,001,940	- 49.4
Miami	226	157,174	589	2,744,299	- 94.8
Orlando	77	133,950	114	177,720	- 24.6

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Pensacola	44	29,720	137	72,449	-59.0
Tampa	333	267,245	383	506,147	-47.2
*Lakeland	11	8,950	38	366,225	-97.6
*Miami Beach	27	141,250	37	310,400	-54.5
<b>Georgia</b>					
Atlanta	236	724,726	193	389,029	+86.3
Augusta	123	47,500	100	56,612	-16.1
Columbus	32	33,577	28	54,967	-38.9
Macon	136	184,836	249	287,240	-35.7
Savannah	29	49,500	42	195,220	-74.6
<b>Louisiana</b>					
New Orleans	169	554,014	135	574,180	-3.5
Alexandria	60	22,878	60	60,229	-62.0
<b>Tennessee</b>					
Chattanooga	158	629,887	150	581,795	+8.3
Johnson City	17	61,950	7	4,000	+1448.8
Knoxville	127	368,203	104	759,850	-51.5
Nashville	137	476,199	149	488,326	-2.5
Total 20 cities	2827	\$7,541,820	3579	\$9,286,590	-18.8
Index No.		209.2		257.5	

\*Not included in totals or index numbers.

LUMBER

The lumber industry in this section was characterized during the last part of December by the usual slowing down because of the holidays and the inventory period, but reports indicate that the first week in January reflected improvement. Production by 79 reporting mills the first week in January increased 23 per cent, orders were 33.5 per cent greater, and shipments were 42 per cent greater than for the preceding week. The estimated operating time during the first week in January of mills reporting to the Southern Pine Association was about 87 per cent of normal, compared with approximately 65 per cent for the last week of December. Preliminary figures for the month of December, reported to the Southern Pine Association up to the middle of January by 101 mills indicate a volume of production amounting to 235,849,325 feet, orders amounted to 220,679,291 feet, and shipments were 222,676,465 feet. Orders for the month were, therefore, 6.4 per cent less than production, and about one per cent less than shipments. In November orders were 2.1 per cent less than production, and in December, 1926, were 25.4 per cent smaller than the month's production. Shipments during December were 5.6 per cent less than production. December production was 11.3 per cent less than the computed normal production for the reporting mills. Stocks on hand at the end of December were 3.6 per cent less than normal. Preliminary figures for December, with comparisons, are shown in the table:

	Dec. 1927 101 mills (feet)	Nov. 1927 116 mills (feet)	Dec. 1926 127 mills (feet)
Orders	220,679,291	286,750,105	217,462,967
Shipments	222,676,465	294,519,226	225,809,515
Production	235,849,325	292,966,812	291,343,536
Normal Production, these mills	265,939,858	315,732,967	321,690,889
Normal Production, other mills	699,534,203	799,963,570	778,492,082
Stocks, end of month	725,830,491	827,937,535	845,254,915
Normal stocks, these mills	725,830,491	827,937,535	845,254,915
Normal stocks, other mills	166,951,832	198,389,322	165,512,458
Unfilled Orders, and of month	166,951,832	198,389,322	165,512,458

TEXTILES

**Cotton Consumption** Measured by the amount of cotton consumed, and by the number of spindles active during the month, textile activity during December was at a lower level in the United States than during November, or in December, 1926. The consumption of cotton during December amounted to 543,598 bales, a decrease of 13.1 per cent compared with November, and 9.8 per cent less than in December a year ago. Stocks in consuming establishments increased over those on hand at the end of November, but were smaller than a year ago, and stocks in public storage and at compresses were somewhat smaller than either a month or a year ago. Spindle activity for the United States as a whole was also less than in the preceding month or the same month a year ago. Exports declined in comparison with both of those months.

Statistics for the cotton-growing states show a decrease of 13.2 per cent in December consumption compared with November, and 7.3 per cent compared with December, 1926. Stocks in consuming establishments increased over November, but were smaller than a year ago, and stocks in public storage and at compresses show decreases compared with both of those periods. The number of spindles active in December increased 13,792 over those active in November, and was greater by 486,506 than in December, 1926. The Census Bureau's statement indicates that 74.8 per cent of the cotton consumed in the United States dur-

ing December was consumed in the cotton-growing states, compared with 74.9 per cent in November, and with 72.7 per cent in December a year ago.

UNITED STATES (Bales)

	Dec. 1927	Nov. 1927	Dec. 1926
<b>Cotton Consumed:</b>			
Lint	543,598	625,680	602,986
Linters	51,844	61,041	53,960
<b>Stocks in Consuming Establishments:</b>			
Lint	1,707,326	1,551,336	1,763,739
Linters	202,370	172,261	140,564
<b>Stocks in Public Storage and at Compresses:</b>			
Lint	5,655,746	5,969,418	6,548,257
Linters	55,753	54,735	57,118
Exports	767,314	999,501	1,531,297
Imports	41,211	23,285	53,960
Active Spindles	31,715,388	32,269,478	32,489,570
<b>Cotton Growing States (Bales)</b>			
<b>Cotton Consumed</b>	406,710	468,596	438,511
<b>Stocks in Consuming Establishments</b>	1,206,411	1,131,456	1,225,121
<b>Stocks in Public Storage and at Compresses</b>	5,349,369	5,668,551	6,261,791
<b>Active Spindles</b>	17,891,270	17,877,478	17,404,764

**Cotton Cloth** Confidential reports for December were rendered to the Federal Reserve Bank of Atlanta by mills in the sixth district which, during that month, manufactured slightly more than thirty million yards of cloth, an output four-tenths of one per cent greater than in November, and 6.7 per cent larger than the output of the same mills in December, 1926. Shipments and orders booked were smaller than for November, but stocks, unfilled orders and the number of workers increased. December shipments were also smaller than in the same month a year ago, but orders, unfilled orders, stocks, and the number of workers show increases over that month. Percentage comparisons are shown in the table:

	Dec. 1927 Nov. 1927	Dec. 1926
Production	+0.4	+6.7
Shipments	-13.5	-17.9
Orders booked	-14.4	+18.6
Unfilled orders	+14.0	+8.4
Stocks on hand	+29.4	+24.9
Number on payroll	+0.9	+4.3

**Cotton Yarn** Reports were also received from mills which manufactured during December over seven million pounds of cotton yarn, an output three-tenths of one per cent greater than in November, and 4.1 per cent greater than in December, 1926. Shipments in December were smaller than in either of those months, but other items showed increases except that unfilled orders were smaller than at the same time a year ago. Percentage comparisons of reported figures are shown in the table:

	Dec. 1927 Nov. 1927	Dec. 1926
Production	+0.3	+4.3
Shipments	-6.9	-2.1
Orders booked	+26.6	+32.6
Unfilled orders	+1.0	-21.5
Stocks on hand	+3.5	+14.3
Number on payroll	+1.6	+3.7

**Hosiery** Figures reported to the United States Census Bureau for November and December 1927 by 32 identical establishments manufacturing hosiery in the sixth district, show decreases in production, shipments, orders and unfilled orders in December compared with November, but increases in stocks and in cancellations. Figures for November and December are shown in the table.

	(Dozen Pairs)	
	Dec. 1927	Nov. 1927
Production	590,960	717,520
Shipments	616,948	713,426
Stocks on hand	1,691,590	1,613,631
Orders booked	443,950	672,852
Cancellations	57,152	33,762
Unfilled orders	1,020,460	1,220,527

COTTON SEED AND COTTON SEED PRODUCTS

	Sixth District*		United States	
	Aug. 1 to Dec. 31 1927	1926	Aug. 1 to Dec. 31 1927	1926
Cotton seed, Tons:				
Received at mills	1,228,967	1,425,769	3,912,295	4,695,812
Crushed	959,541	1,077,992	3,007,030	3,413,054
On hand Dec. 31	295,890	355,708	992,049	1,303,681
Production:				
Crude oil, lbs.	309,727,022	338,305,108	936,356,134	1,017,816,168



Cake and Meal, tons	412,518	461,544	1,835,729	1,528,270
Hulls, tons	282,005	318,063	856,263	980,403
Linters, bales	167,931	171,606	545,145	557,687
Stocks, Dec. 31:				
Crude Oil, lbs.	34,564,580	30,226,584	127,716,322**	109,107,298**
Cake and Meal, tons	63,674	57,944	109,357	167,400
Hulls, tons	55,440	57,369	228,904	264,657
Linters, bales	43,722	57,288	152,382	221,347

\*Georgia, Alabama, Louisiana and Mississippi.

\*\*Not including stocks held by refining and manufacturing establishments, and in transit to refiners and consumers.

COAL

According to statistics compiled by the United States Bureau of Mines, the production of bituminous coal since the beginning of December has averaged slightly higher than in November, but weekly figures are still lower than those reported for October. Production during the week ended December 24 was the highest weekly figure reported for the month, but because of the holidays the output during the following week was lower. The weekly figures for the United States as a whole, and for Alabama, and Tennessee, the coal producing states of this district, continue lower than for corresponding weeks a year ago.

The total output of bituminous coal in the United States during December amounted to 41,277,000 tons, compared with 40,623,000 tons in November, and with 57,180,000 tons in December, 1926. The average production per working day in December amounted to 1,575,000 tons, compared with 1,638,000 tons in November, and with 2,199,000 tons in December a year ago.

Weekly production figures for the United States, and for Alabama and Tennessee, are shown in the table, together with figures for corresponding weeks last year.

Week Ended:	(000 omitted)		Alabama		Tennessee	
	1927	1926	1927	1926	1927	1926
December 3	9,053	14,676	309	542	85	144
December 10	9,687	14,090	318	535	88	138
December 17	9,788	13,477	347	524	94	129
December 24	9,832	10,486	333	347	79	84
December 31	9,803	10,711	251	384	76	100
January 7, 1928	9,803	13,153	-----	-----	-----	-----

IRON

Statistics compiled and published by the Iron Age indicate that the production of pig iron in the United States during December, 1927, amounted to 2,695,755 tons, a total slightly larger than that for November, because of the additional day, but smaller than for any other month since July, 1925. The index number for December is 105.8, compared with 103.9 for November, and with 121.3 for December, 1926. The average daily production during December amounted to 86,960 tons, compared with 88,279 tons for November, and with 99,712 tons in December a year ago. The daily rate was the smallest reported for the year, and was also smaller than for any month since July, 1925. The December estimate brings the total for the year to 36,232,300 tons, compared with 29,070,470 tons in 1926, and with 36,403,470 tons produced in 1925. There was a decrease of one in the number of furnaces active during December, four having been blown in and five blown out or banked, leaving the active number at 169. At the same time a year ago there were 204 furnaces active.

The output of pig iron in Alabama during December, amounting to 227,775 tons, was larger than for any month since May. The index number of Alabama production in December was 129.6, compared with 124.8 for November, and with 143.9 for December, 1926. There was no change in furnace activity in Alabama during December, 18 being active during the month compared with 19 active at the same time last year. Press reports indicate that shipments during the first half of December were equal to pro-

duction, and that producers have accumulated a sizeable tonnage of orders for the first quarter, some of them being for the first quarter, and others being carried over from December. Quotations continue at \$16.00 per ton for first quarter delivery.

Unfilled Orders—U. S. Steel Corporation

Unfilled orders of the United States Steel Corporation at the end of December amounted to 3,972,374 tons, an increase of 518,430 tons over the total reported for November. This tonnage is the largest for any month since March, 1926, and the increase was larger than for any month since December, 1925.

NAVAL STORES

Receipts of turpentine at the three principal naval stores markets of the district during December declined 21.3 per cent compared with November, but were only slightly smaller than in December a year ago. Rosin receipts showed a slight increase over November, and were 18.4 per cent greater than a year ago. Stocks of both turpentine and rosin were slightly greater at the end of December than a month earlier, and were 40.5 per cent, and 19.1 per cent, respectively, greater than at the end of December, 1926. Receipts of both turpentine and rosin for the naval stores year to date (April December) were greater than for the corresponding part of any of the past ten seasons. Stocks of turpentine at the end of December were greater than at the same time of any year since 1918, but supplies of rosin, while larger than for 1926 or 1925, were smaller than for the years 1920 to 1924 inclusive. The price of turpentine has ranged at about 48 to 50 cents since the middle of December, but the first week in January rose to 55 cents because of the reduced receipts. Prices of rosins have also exhibited strength. Receipts and stocks at the three principal markets of the district are shown in the table, with comparisons:

	Dec. 1927	Nov. 1927	Dec. 1926
Receipts—Turpentine			
Savannah	13,153	17,801	13,550
Jacksonville	10,961	12,398	11,281
Pensacola	4,040	5,596	4,312
Total	28,154	35,795	29,143
Receipts—Rosin:			
Savannah	84,695	72,386	54,240
Jacksonville	47,436	52,879	49,934
Pensacola	13,266	19,627	13,673
Total	145,397	144,892	122,847
Stocks—Turpentine:			
Savannah	28,100	27,977	12,472
Jacksonville	33,631	31,503	32,073
Pensacola	20,208	18,196	13,776
Total	81,939	77,676	58,321
Stocks—Rosin:			
Savannah	124,026	125,636	83,792
Jacksonville	107,116	102,868	89,160
Pensacola	17,613	19,450	35,837
Total	248,755	247,954	208,789

Cotton Ginned According to a statement by the United States Census Bureau, cotton of the 1927 crop ginned prior to January 16, 1928 amounted to 12,501,845 bales, compared with 16,616,075 bales ginned to the same date of the preceding season. Figures for the six states of the sixth district are shown in the table, together with comparisons with the previous season.

	Jan. 16, 1928	Jan. 16, 1927
Alabama	1,169,237	1,454,652
Florida	17,278	32,872
Georgia	1,103,582	1,433,151
Louisiana	540,799	811,643
Mississippi	1,328,162	1,782,746
Tennessee	339,962	418,874
Total United States	12,501,845	16,616,075

## MONTHLY INDEX NUMBERS

The following index numbers, except where indicated otherwise, are computed by the Federal Reserve Bank of Atlanta, and are based upon average figures for 1919. That is, average monthly figures for the year 1919 are represented by 100, and the current monthly index numbers show the relation of activity in these lines to that prevailing in 1919.

RETAIL TRADE 6TH DISTRICT (Department Stores.)	Oct.	Nov.	Dec.	Oct.	Nov.	Dec.
	1927	1927	1927	1926	1926	1926
Atlanta	192.8	157.7	266.9	167.9	140.2	212.2
Birmingham	166.9	156.9	251.0	157.3	155.8	236.0
Chattanooga	124.9	96.8	151.6	119.9	106.3	146.3
Nashville	115.5	113.8	179.7	109.9	106.0	159.1
New Orleans	126.4	128.7	198.4	131.0	146.6	202.1
Other Cities	124.7	112.8	193.7	129.0	124.9	199.2
District	140.5	129.6	209.1	135.5	133.3	196.1
<b>RETAIL TRADE U. S. (1)</b>						
Department Stores	151.4	156.4		157.9	155.9	233.7
Mail Order Houses	158.0	159.6		149.7	152.6	165.5
Chain Stores:						
Grocery	422.1	421.9		329.4	346.8	371.6
Drug	233.6	222.8		209.0	197.6	261.0
Shoe	157.1	154.7		157.7	149.8	215.2
5 & 10 Cent.	278.5	265.1		257.1	247.0	465.8
Music	128.1	128.3		151.0	145.6	223.1
Candy	233.0	235.2		226.8	232.0	303.3
Cigar	153.6	146.0		162.1	149.6	221.7
<b>WHOLESALE TRADE 6TH DISTRICT</b>						
Groceries	91.4	90.0	89.0	99.8	93.5	97.6
Dry Goods	114.2	81.6	55.3	113.2	93.1	55.9
Hardware	108.2	99.0	87.6	116.8	109.0	99.2
Shoes	89.6	88.6	60.9	75.9	69.8	54.3
Total	94.0	85.1	75.9	100.1	90.6	81.3
<b>WHOLESALE PRICES U. S. (2)</b>						
Farm products	105.0	104.3	104.4	97.9	94.7	94.9
Foods	100.0	101.5	100.7	100.8	100.5	100.7
Hides and leather products	113.0	114.3	116.9	101.0	100.4	100.4
Textile products	98.4	97.5	97.2	97.7	96.3	95.2
Fuel and lighting	83.8	82.9	82.5	101.3	102.5	99.4
Metals and metal products	97.1	97.0	98.4	101.0	100.8	100.4
Building materials	91.6	90.2	90.4	99.5	100.1	99.2
Chemicals and drugs	97.1	97.4	97.2	99.1	98.6	98.8
Housefurnishing goods	98.5	98.9	98.8	99.4	99.1	98.8
Miscellaneous	88.3	88.3	89.0	93.4	90.8	89.9
ALL COMMODITIES	97.0	96.7	96.8	99.4	98.4	97.9
<b>BUILDING PERMITS 6TH DISTRICT</b>						
Atlanta	95.7	104.4	83.2	123.9	104.9	44.7
Birmingham	681.0	580.5	713.3	625.8	504.6	366.8
Jacksonville	334.8	222.8	169.7	382.1	770.2	335.0
Nashville	276.3	161.2	251.5	128.8	292.0	257.9
New Orleans	293.7	386.8	126.7	1,428.8	143.0	88.9
Other Cities	218.3	184.9	198.8	533.3	261.4	380.1
District (20 Cities)	252.5	277.7	209.2	517.7	275.3	257.5
<b>COTTON CONSUMED:</b>						
United States	114.6	117.0	101.6	106.3	109.2	113.1
Cotton-Growing States	152.1	158.7	137.8	136.9	144.1	149.0
All Other States	69.3	66.4	57.9	69.5	67.0	70.0
Cotton Exports	204.9	181.8	139.5	249.1	270.3	278.5
<b>PIG IRON PRODUCTION:</b>						
United States	109.2	103.9	105.8	130.8	127.0	121.3
Alabama	127.7	124.8	129.6	142.0	156.2	143.9
<b>UNFILLED ORDERS—U. S. STEEL CORPORATION</b>	55.7	57.6	66.3	61.4	63.5	66.1

(1) Compiled by Federal Reserve Board.

(2) Compiled by Bureau of Labor Statistics. Base 1926—100.)