

MONTHLY REVIEW

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

FEDERAL RESERVE BANK OF ATLANTA

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(Compiled August 18, 1928)

VOL. 13, No. 8

ATLANTA, GA., AUGUST 31, 1928

This review released for publication in
the morning papers of Friday, Aug. 31.

BUSINESS CONDITIONS IN THE UNITED STATES

Industrial and trade activity was in larger volume in July than is usual in mid summer and the general level of commodity prices advanced slightly. Member bank holdings of securities and loans on securities declined in July and August, while all other loans increased to the highest level since 1921. Conditions in the money market remained firm.

Production

Production of manufactures and minerals showed a smaller decrease than usual in July, and the index of industrial production, which makes allowance for seasonal variations, advanced. Production of steel, bituminous coal, petroleum, automobiles, and footwear was larger in July than in June, while activity in textile mills, meat packing, and copper and anthracite mines declined. Lumber production showed less than the usual seasonal decrease. Steel mill activity, which during July was at an unusual high level for the summer season, was well maintained during August. Weekly reports from Detroit factories showed a larger volume of employment in the middle of August than at any previous date, indicating that automobile production continued large in that month. Building contracts awarded declined by somewhat more than the usual seasonal amount in July, but were larger than in any previous July, the increase over last year being chiefly in residential building. Contracts awarded in the first two weeks in August were slightly smaller than in the same period of last year. Estimates of the Department of Agriculture as of August 1 indicate considerable improvement in crop conditions during July. Estimated wheat production was 891,000,000 bushels, larger by 91,000,000 than on July 1 and slightly larger than the yield in 1927. The corn crop is expected to be more than 3,000,000,000 bushels, an increase of 250,000,000 bushels from last year. Forecasts for other grain crops were also larger than the July 1 estimates and in most cases exceed last years yields. The

August 1 forecast of cotton production was 14,290,000 as compared with yields of 12,955,000 bales in 1927 and nearly 18,000,000 bales in 1926.

Trade

Distribution of commodities at wholesale and retail was in larger volume in July. Sales of dry goods and shoes at wholesale were larger than in June, and those of other lines were only slightly smaller. Department store sales, after allowance for seasonal changes, increased in July. Compared with July a year ago trade of both wholesale and retail firms were larger. Stocks of department stores and of wholesale firms continued smaller than a year ago. Freight car loadings increased by more than the usual seasonal amount in July and for the first time this year were larger than in the corresponding month of 1927. Increases, compared with last year, were reported in loadings of miscellaneous commodities and of grain, reflecting the early harvesting of the crop this year. The largest decrease, as compared with a year ago, was in livestock shipments. During the first two weeks in August, total loadings were in about the same volume as in the corresponding weeks of last year.

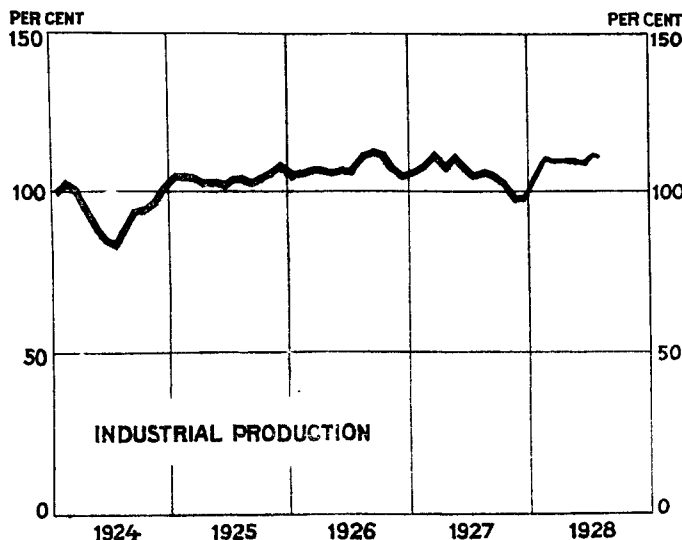
Prices

The general level of wholesale commodity prices increased slightly in July, reflecting chiefly advances in the prices of livestock and meats, although there were also small increases in hide and leather products, textiles, petroleum products, and building materials. There was a sharp decline in the price of grains, other than corn, and some decreases in chemicals and drugs, silk, rubber, and automobile tires. During the first half of August there were increases in the price of sugar, hogs and pork products, coke, and lumber, and decreases in grains, cotton, wool, and hides.

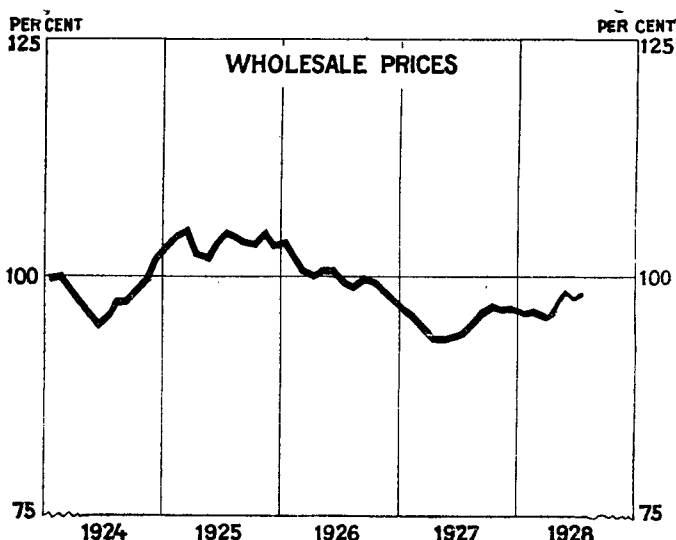
Bank Credit

Between July 18 and August 15 total loans and investments of member banks in leading cities decreased by about \$130,000,000.

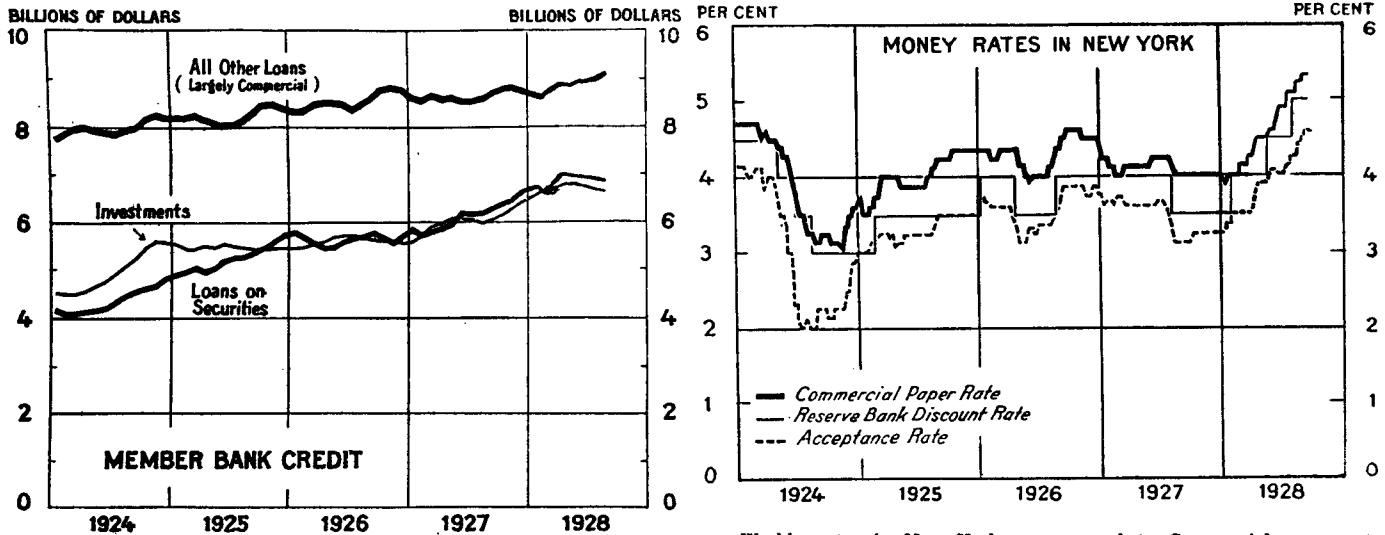
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Index numbers of production of manufacturers and minerals combined, adjusted for seasonal variations (1923-1925 average=100). Latest figure, July 109.



Index of United States Bureau of Labor Statistics. 1926=100, base adopted by bureau. Latest figure July 98.3.



SIXTH DISTRICT SUMMARY

A further seasonal decline in retail trade, increases over June in wholesale trade and in building activity, and improvement in agricultural conditions during July are indicated in statistics gathered for the August Monthly Review. Retail trade declined seasonally in July, but was 2.5 per cent greater than in July last year. The volume of wholesale trade increased slightly over June, but was at a lower level than in July a year ago. Rapid growth, and improvement in condition generally, of agricultural crops was indicated in the August 1 reports of the United States Department of Agriculture. The cotton crop in the sixth district this year, omitting those parts of Tennessee, Louisiana and Mississippi located in other districts, is estimated at 2,472,000 bales, compared with 2,836,000 bales produced last year, a decrease of 12.8 per cent. Sugar production in Louisiana is estimated at more than twice that of last year. Savings deposits in the district declined in July, following the semi-annual interest period, but continued greater than last year. Weekly reports of reporting member banks indicate a decline in loans on securities between July 11 and August 8, but an increase in these banks' holdings of government obligations. Discounts by the Federal Reserve Bank for its members continued to increase during that four weeks period. Commercial failures in the sixth district, in point of liabilities, increased slightly over June, but were less than in July a year ago. Building permits increased more than twelve per cent over June, but were 2 per cent less than in July last year, and contract awards in the district increased 12 per cent over June, and were 14 per cent greater than a year ago. Smaller production of cloth and yarn in the district, and smaller consumption of cotton, is the result of curtailed operations on the part of mills in various localities.

RETAIL TRADE

The volume of retail trade in the sixth district, as reflected in sales statistics reported confidentially to the Federal Reserve Bank by 46 department stores in the district, exhibited a further seasonal decline in July. Total sales by these stores during July this year show an increase of 2.5 per cent over July 1927. During the period since 1919 that these statistics have been collected, the low level for the year in retail trade has been reached in July of every year except 1925, when sales in August were slightly less than in July. Increases over July last year are shown for Atlanta, Nashville and New Orleans, but decreases for Birmingham, Chattanooga, and Other Cities. For the first seven months of 1928, sales by these 46 department stores show an increase of 2.8 per cent over the same period last year. Stocks at the end of July declined 3.6 per cent compared with a month earlier, but were 1.8 per cent greater than a year ago. Accounts receivable at the end of July were 7.6 per cent less than a month earlier, but were 14.1 per cent greater than at the end of July 1927. Collections in July decreased 4.8 per cent compared with June, and were seven tenths of one per cent smaller than in July last year. The ratio of collections during July to accounts receivable and due at the beginning of the month, for 33 firms, was 31.6 per cent, compared with 31.9 per cent for June, and for July last year, 36.4 per cent. For July, the ratio of collections against regular accounts outstanding for 33 firms was 33.5 per cent, and the ratio of collections against installment accounts for 9 firms was 15.6 per cent.

CONDITION OF RETAIL TRADE DURING JULY 1928 AT 46 DEPARTMENT STORES

SIXTH FEDERAL RESERVE DISTRICT

	Comparison of Net Sales		Comparison of Stocks		Rate of Stock Turnover			
	July 1928 with July 1927	Jan. 1 to July 31, 1928 with same period in 1927	July 31, 1928 with July 31, 1927	July 31, 1928 with June 30, 1928	July 1927	July 1928	Jan. 1 to July 31, 1927	July 1928
Atlanta (5)	+11.8	+15.3	+4.5	-5.3	.25	.22	2.13	1.85
Birmingham (5)	+0.8	+7.4	+0.1	-2.7	.23	.17	1.51	1.39
Chattanooga (6)	+0.6	+2.9	+4.3	-0.2	.16	.16	1.35	1.33
Nashville (5)	+7.0	+6.1	+12.0	-3.4	.20	.19	1.85	1.67
New Orleans (5)	+1.6	-2.9	-0.3	-0.8	.16	.14	1.35	1.22
Other Cities (20)	+3.9	-3.2	+2.9	-10.2	.20	.16	1.59	1.37
District (46)	+2.5	+2.8	+1.8	-3.6	.19	.17	1.58	1.42

NOTE—The rate of stock turnover is the ratio of sales during given period to average stocks on hand.

WHOLESALE TRADE

The distribution of merchandise at wholesale in the sixth district during July, reflected in sales statistics reported confidentially by representative firms in eight different lines, was in slightly larger volume than during June but was a little below the level of July a year ago. July sales of dry goods, furniture, electrical supplies, shoes and stationery were larger than in June, but sales of groceries, hardware and drugs declined slightly. Compared with July last year, figures for July 1928 show increases in sales of groceries, furniture, electrical supplies and stationery, but decreases in dry goods, hardware, shoes and drugs. Collections in most of these lines during July were smaller than in June, or in July last year. Bad weather, and the uncertainty as to the outcome of crops, are given in some reports as the principal causes of the hesitancy on the part of merchants in the smaller towns in placing orders. Comparisons of reported figures are shown in the tables which follow.

Groceries Sales of groceries at wholesale during July were approximately the same as in June, increases at Jacksonville and Vicksburg being nearly offset by decreases at Atlanta, New Orleans and other cities. July sales this year averaged 5.3 per cent greater than a year ago, Jacksonville reporting the only decrease. Stocks on hand at the end of July declined, as did also collections, compared with June and with July last year, but accounts receivable were slightly larger than for those periods.

Sales:	July 1928 compared with:	
	June 1928	July 1927
Atlanta (3 firms)	- 8.4	+ 6.6
Jacksonville (4 firms)	+ 1.8	-13.4
New Orleans (6 firms)	- 1.0	+ 8.5
Vicksburg (3 firms)	+10.4	+11.0
Other Cities (15 firms)	- 1.5	+ 3.6
DISTRICT (31 firms)	- 0.0	+ 5.3
Stocks on hand	-10.7	- 1.9
Accounts receivable	+ 0.7	+ 0.8
Collections	- 9.1	- 7.1

Dry Goods July sales of dry goods at wholesale were smaller than in June at Atlanta, but larger at other reporting points, and averaged 9.2 per cent. greater for the district. Decreases are shown at all reporting points compared with July a year ago. Stocks on hand increased over both of those periods, but accounts receivable and collections show decreases in both instances.

Sales:	July 1928 compared with:	
	June 1928	July 1927
Atlanta (3 firms)	-12.4	-45.4
Nashville (3 firms)	+28.0	-18.7
New Orleans (4 firms)	+ 1.3	- 8.9
Other Cities (15 firms)	+10.1	-21.7
DISTRICT (25 firms)	+ 9.2	-21.9
Stocks on hand	+ 4.4	+ 4.3
Accounts receivable	- 5.2	-11.8
Collections	-11.3	-18.0

Hardware Hardware sales at wholesale during July averaged slightly smaller than in June, and were 3.7 per cent less than in July last year. An increase of 11.7 per cent over July 1927 shown at New Orleans was more than offset by declines at Nashville and Other Cities. Stocks on hand increased, but accounts receivable and collections declined in comparison with both periods.

Sales:	July 1928 compared with:	
	June 1928	July 1927
Nashville (3 firms)	-11.4	- 9.9
New Orleans (5 firms)	- 1.7	+11.7
Other Cities (18 firms)	- 1.1	-11.2
DISTRICT (26 firms)	- 0.3	- 3.7
Stocks on hand	+ 8.2	+ 2.6
Accounts receivable	- 0.1	- 3.8
Collections	- 5.9	- 6.7

Furniture July sales of furniture at wholesale by reporting firms in the sixth district increased over those in June, and were greater than in July a year ago. Accounts receivable of reporting firms increased slightly over June, and were 32.2 per cent greater than in July last year, but collections showed decreases compared with both periods.

Sales:	July 1928 compared with:	
	June 1928	July 1927
Atlanta (4 firms)	+14.5	+ 4.4
Other Cities (8 firms)	+ 3.6	+14.6

DISTRICT (12 firms)	+ 5.2	+12.8
Accounts receivable	+ 0.8	+32.2
Collections	- 7.7	- 0.5

Electrical Supplies Distribution of electrical supplies at wholesale during July was in greater volume at Atlanta, and averaged slightly greater for the district, than in June, the increase at Atlanta offsetting decreases at New Orleans and Other Cities. July sales averaged 2.0 per cent greater this year than last. Stocks increased slightly over June, but were 17.7 per cent smaller than a year ago, and accounts receivable and collections showed increases over both of those periods.

Sales:	July 1928 compared with:	
	June 1928	July 1927
Atlanta (3 firms)	+11.1	+ 6.3
New Orleans (4 firms)	- 2.2	+12.4
Other Cities (7 firms)	- 8.5	-12.0
DISTRICT (14 firms)	+ 0.6	+ 2.0
Stocks on hand	+ 0.2	-17.7
Accounts receivable	+ 5.8	+16.4
Collections	+ 1.7	+ 1.7

Comparisons for the other three lines are shown only for the district as three or more reports were not received in any of these lines from an individual city. July sales of shoes and stationery were larger than in June, but drugs showed a decrease, and sales of stationery were greater than in July a year ago, but sales of shoes and drugs were smaller.

Shoes: Sales	July 1928 compared with:	
	June 1928	July 1927
Stationery: Sales	+ 4.5	+ 2.9
Drug: Sales	- 1.5	- 7.9
Accounts receivable	- 0.9	- 3.5
Collections	+ 1.7	- 7.0

AGRICULTURE

August crop reports issued by the United States Department of Agriculture indicate that crops generally made rapid progress during July, and that the composite condition of all crops on August 1 was about nine per cent above the condition a month earlier. This year's total acreage in 19 cultivated crops is about 2.4 per cent above that harvested last year. Too much rain in the eastern cotton belt has delayed cultivation, hindered fruiting of cotton and tobacco harvest, has caused some rotting of peaches and melons, and on some low lands has even washed out the crops. Cotton, corn, and other field crops have made fairly good growth, though they are late and many fields are very weedy. Indicated yields show increases in potatoes, and in deciduous fruits, for all states of the district; the corn crop is smaller in Georgia, Tennessee, Alabama and Mississippi; sweet potatoes show a small increase in Tennessee, but decreases in other states; peanuts show an increase in Florida, but decreases elsewhere; and tobacco production is greater than last year in Georgia, Florida and Tennessee but about the same in Louisiana. The peach crop in Georgia is the largest on record, being estimated at 9,856,000 bushels, compared with 5,943,000 bushels last year. Returns from the melon and peach crops are reported unsatisfactory, and prices being received for tobacco are lower than those which prevailed last year. In the table are shown estimates of the principal crops, based upon conditions on August 1, compared with yields last year, for the sixth district.

	Estimated 1928	Final 1927
Corn, bu	149,418,000	184,477,000
Wheat, bu.	4,490,000	4,528,000
Oats, bu.	10,832,000	14,282,000
Hay, tons	2,886,000	3,141,000
Tobacco, lbs.	138,634,000	121,134,000
White Potatoes, bu.	15,591,000	12,303,000

NOTE: Parts of Tennessee, Mississippi and Louisiana are situated in other Federal Reserve districts.

Cotton The first estimate by the United States Department of Agriculture, released on August 8, indicates the production of 14,291,000 bales of cotton this season, compared with a total crop in 1927 of 12,955,000 bales. The crop is still from one to two weeks late, ginnings of this year's growth prior to August 1 amounted to only 87,888 running bales, compared with 162,283 bales ginned to the same date last year. The Department's report indicates that danger of damage from the boll weevil is fully as great as a year ago. The indicated production this year is smaller in Alabama, Georgia and Mississippi than last year, and larger in

Florida, Louisiana and Tennessee. Total estimated production in the sixth district, omitting those parts of Tennessee, Mississippi and Louisiana which are in other Federal Reserve districts, is 2,472,000 bales, a decrease of 12.8 per cent compared with the total of 2,836,000 bales produced in the district last year. In the table are shown the indicated production this year, compared with last year's crop, in the states of the district.

(Bales)	Estimated 1928	Final 1927
Alabama	871,000	1,192,392
Florida	19,000	16,496
Georgia	1,070,000	1,100,040
Louisiana	568,000	548,026
Mississippi	1,229,000	1,355,252
Tennessee	401,000	359,059
United States	14,291,000	12,955,000

NOTE: The information relating to condition of crops and estimates of production are based upon conditions prevailing on August 1, and do not take into consideration the storms and heavy rains in Florida and Georgia about the middle of August. No information is yet available as to the effect of these storms upon crops.

Sugar Cane and Sugar

Weather conditions in the Louisiana belt during July and early August have been generally favorable for the crop. The August estimate by the Department of Agriculture indicates the production of 173,038 short tons of sugar this year, compared with 70,792 short tons last year. The crop is from two to three weeks later than usual for this time of the year.

SUGAR MOVEMENT (Pounds)

	Raw Sugar		
	July 1928	June 1928	July 1927
Receipts:			
New Orleans	98,863,445	99,998,019	146,321,569
Savannah	9,386,703	16,577,449	17,766,601
Meltings:			
New Orleans	117,458,680	105,988,846	141,729,596
Savannah	23,686,117	17,594,017	26,453,547
Stocks:			
New Orleans	40,280,389	58,948,324	72,957,280
Savannah	21,306,279	35,605,693	34,408,234

	Refined Sugar		
	July 1928	June 1928	July 1927
Shipments:			
New Orleans	44,741,989	52,299,657	87,548,643
Savannah	32,680,255	27,474,805	32,208,314
Stocks:			
New Orleans	44,741,989	52,299,657	87,548,643
Savannah	11,101,730	24,232,203	17,228,434

Rice

According to the August report of the Department of Agriculture, the rice crop in Louisiana is from one to two weeks later than usual. The condition of the crop on August 1 was 84 per cent of normal, compared with 86 per cent on July 1, and with 85 per cent on August 1, last year. Total production is estimated at 15,355,000 bushels, on the 457,000 acres sown to rice this year, compared with 17,316,000 bushels produced on the 481,000 acres sown to rice last year.

FINANCIAL

Savings Deposits

Following the semi-annual payment of interest on savings accounts at the close of the half year, savings deposits at the end of July reported by 85 banks located throughout the sixth district showed a decrease at each reporting city, averaging 3.1 per cent for the district. Compared with savings deposits on July 31 last year, increases are shown for each city except Jacksonville, the district average being 2.7 per cent. In the table are shown totals for Atlanta, and for Branch Federal Reserve Bank cities, and reports from banks located elsewhere are grouped under "Other Cities."

	(000 Omitted)			Compari-son	
	July 1928	June 1928	July 1927	July 1927	July '28-'27
	1928	1928	1927	1927	'28-'27
Atlanta (7 banks)	\$ 45,662	\$ 47,755	— 4.4	\$ 42,350	+ 7.8
Birmingham (4 banks)	25,226	26,468	— 4.7	24,844	+ 1.5
Jacksonville (5 banks)	29,680	30,898	— 3.9	30,109	— 1.4
Nashville (8 banks)	26,175	27,256	— 4.0	25,015	+ 4.8
New Orleans (7 banks)	48,095	50,929	— 5.5	47,969	+ 0.3
Other Cities (54 banks)	116,299	117,010	— 0.6	113,243	+ 2.7
District (85 banks)	291,137	300,316	— 3.1	283,530	+ 2.7

Debits to Individual Accounts

The volume of debits to individual accounts at 26 reporting cities in the sixth district during July showed a further seasonal decline of 3.5 per cent compared with June, and was 2.3 per cent smaller than the total for July last year. Nine of these cities show increases over July last year, while sixteen reported decreases. Monthly totals are derived from weekly figures by prorating figures for those weeks which do not fall entirely within a single calendar month.

	(000 Omitted)		
	July 1928	June 1928	July 1927
Alabama			
Birmingham	\$ 144,839	\$ 148,338	\$ 140,651
Dothan	2,937	2,637	2,830
Mobile	37,573	40,394	39,132
Montgomery	23,503	24,019	24,365
Florida			
Jacksonville	71,329	76,459	79,054
Miami	28,047	32,682	31,102
Pensacola	7,432	7,810	7,553
Tampa	37,955	40,943	43,523
Georgia			
Albany	3,537	3,507	4,959
Atlanta	148,742	155,804	151,944
Augusta	23,781	24,056	23,606
Brunswick			
Columbus	3,914	4,103	3,554
Elberton	12,275	13,318	13,660
Macon	738	913	752
Newnan	20,990	22,245	21,928
Savannah	1,896	1,962	1,759
Valdosta	41,377	42,679	47,567
Valdosta	5,616	4,623	5,997
Louisiana			
New Orleans	\$ 326,052	\$ 320,190	\$ 315,230
Mississippi			
Hattiesburg	7,284	7,269	7,462
Jackson	24,079	25,434	22,055
Meridian	17,124	17,089	17,534
Vicksburg	7,419	7,052	6,922
Tennessee			
Chattanooga	46,310	49,472	48,787
Knoxville	36,879	37,623	34,681
Nashville	89,557	102,909	94,684
Total 26 cities	\$ 1,171,185	\$ 1,213,530	\$ 1,198,291

Weekly reports received from 31 member banks located in Atlanta, Selected Cities New Orleans, Birmingham, Jacksonville, Nashville, Chattanooga, Knoxville and Savannah indicate that between July 11 and August 8 loans and discounts declined nearly 3½ million dollars, but investments during this period in United States government securities increased more than 8½ millions, and as a result, total loans, discounts and investments of these reporting banks on August 8 were nearly 5 millions greater than four weeks earlier. During this period there were declines in loans by these banks secured by Government obligations and by other stocks and bonds, but "All Other" loans increased more than 4½ millions. Compared with figures for the corresponding report date last year, loans secured by stocks and bonds other than government securities show an increase of more than 20 millions, but those secured by government obligations and "All Others" show declines, and total discounts were slightly more than 15 million greater than at the same time a year ago. Holdings by these banks of United States securities were 16½ millions greater than a year ago, and holdings of other stocks and bonds show an increase of nearly 12 millions. Decreases are shown in both demand and time deposits compared with a month ago and with the corresponding report date last year. Borrowings by these banks from the Federal Reserve Bank of Atlanta increased from 46 millions on July 11 to nearly 54 millions on July 18, declined during the two following weeks to 45 millions on August 1, and on August 8 were \$2,689,000 greater than four weeks ago. Principal items in the weekly report, for the three report dates under comparison, are shown in the table:

	(000 Omitted)		
	Aug. 8, 1928	July 11, 1928	Aug. 10, 1927
Bills Discounted:			
Secured by Govt. Obligations	\$ 4,235	\$ 4,344	\$ 5,767
Secured by Stocks and Bonds	132,220	140,112	111,907
All Other	366,696	362,131	370,404
Total Discounts	503,151	506,587	488,077
U. S. Securities	69,229	60,599	52,691
Other Stocks and Bonds	71,084	71,336	59,208
Total Loans and Investments	643,464	638,522	599,976
Time Deposits	237,858	245,704	243,262
Demand Deposits	316,296	324,865	324,915
Borrowings from F. R. Bank	48,783	46,094	15,290

Bank Deposits of All Member Banks Reports of net demand and time deposits held by all member banks in the district are compiled as of the Wednesday preceding the 14th of each month. Demand deposits have shown a continuous decline since January, out except for January, February and April, these deposits have been greater than at the corresponding time last year, while time deposits, as shown in the table, have increased each month since February and in July were more than three per cent greater than a year ago.

	(2000 Omitted)		Time	
	Demand	1927	1928	1927
January	\$634,598	\$635,846	\$465,326	\$443,142
February	625,307	637,019	461,400	451,322
March	621,048	618,079	465,757	453,357
April	612,186	614,672	467,351	456,010
May	607,133	601,350	471,907	462,732
June	596,668	587,188	471,953	460,112
July	578,233	574,848	475,096	460,957

Operations of the Federal Reserve Bank The weekly statement of the Federal Reserve Bank of Atlanta for August 8 shows an increase of \$8,783,000 in total discounts over figures for July 11, but there were small declines in holdings of United States securities and of bills bought in the open market, and total bills and securities on August 8 were a little less than eight million dollars greater than four weeks earlier. Discounts secured by government obligations declined from \$19,944,000 on July 11 to about 12½ millions on July 25, but increased over five millions during the two following weeks, and on August 8 totaled \$17,599,000 compared with \$3,701,000 on the corresponding report date a year ago. "All Other" discounts, largely for commercial, agricultural and industrial purposes, on August 8 totaled \$57,704,000, an increase of over 11 millions compared with the total on July 11, and slightly more than double the total for August 10, last year. Holdings of bills bought in the open market were greater than a year ago, but United States securities were held in smaller volume, and total bills and securities on August 8 were \$93,040,000 compared with \$52,123,000 a year ago. Reserves were lower, but deposits slightly higher than on either of the previous dates under comparison, and notes in actual circulation show decreases compared with both of those periods. Principal items in the weekly statement for the three report dates under comparison are shown in the table:

	(Omitted)		
	Aug. 8, 1928	July 11, 1928	Aug. 10, 1927
Bills Discounted:			
Secured by Govt. Obligations	\$ 17,599	\$ 19,944	\$ 3,701
All Others	57,704	46,576	28,467
Total Discounts	75,303	66,520	32,168
Bills Bought in open market	12,754	13,340	7,609
U. S. Securities	4,983	5,205	12,046
Total Bills and Securities	93,040	85,065	52,123
Cash Reserves	109,461	118,456	169,028
Total Deposits	68,625	67,413	64,757
F. R. Notes in actual circulation	128,771	132,100	153,252
Reserve Ratio	55.5	59.4	77.5

Commercial Failures According to statistics compiled by R. G. Dunn & Company, commercial failures in the United States during July were fewer in number, and liabilities were smaller, than for the preceding month or the corresponding month last year. Figures for the sixth district show increases in both instances over June, but declines compared with July a year ago. In the table are shown failures in the United States divided by Federal Reserve districts:

District	Number		Liabilities	
	July 1928	July 1928	July 1928	July 1927
Boston	187	\$ 2,345,127	\$ 3,242,468	\$ 4,150,388
New York	137	7,937,412	6,475,521	6,360,670
Philadelphia	76	1,366,704	1,806,562	1,710,627
Cleveland	132	3,248,216	2,847,201	7,269,391
Richmond	122	1,838,607	1,397,502	4,065,583
Atlanta	110	1,997,327	1,984,306	4,162,344
Chicago	243	\$ 2,995,071	4,901,261	5,153,258
St. Louis	98	2,288,466	962,860	1,041,218
Minneapolis	74	496,225	498,560	729,296
Kansas City	78	467,828	1,060,074	939,692
Dallas	54	1,072,213	539,916	293,924
San Francisco	235	3,197,437	4,110,842	7,293,091
Total	1,723	\$29,586,633	\$29,827,073	\$43,149,974

Gold Movement There were declines in July in both exports and imports of gold compared with June, but increases are shown in both exports and imports compared with July last year.

Exports of gold during July amounted to \$74,190,000, compared with \$99,932,000 in June, and compared with \$1,083,000 in July last year. Imports of gold during July totaled \$11,531,000 compared with \$20,000,000 in June, and with \$10,738,000 in July a year ago. The net outward movement in July totaled \$62,659,000, as against net imports of \$8,935,000 in July last year; for the seven months of 1928 the net export movement has totaled \$535,201,000, compared with net imports amounting to \$140,438,000 during the same part of 1927.

IMPORTS AND EXPORTS

United States Preliminary statistics compiled by the United States Department of Commerce indicate declines in both imports and exports of merchandise in July compared with June. Exports were greater than in July 1927, while imports were slightly smaller. In the table below are shown preliminary figures for July, and for the year to date, with comparisons.

	1928		1927	
	July	7 months ending with July	July	7 months ending with July
Exports:				
July	\$ 382,000,000		\$ 341,809,000	
June	388,636,000		356,966,000	
7 months ending with July	2,759,533,000		2,708,102,000	
Imports:				
July	\$ 316,000,000		\$ 319,298,000	
June	317,290,000		354,892,000	
7 months ending with July	2,401,866,000		2,442,478,000	

New Orleans The value of merchandise imported into the United States through the port of New Orleans during May 1928, the latest month for which detailed figures are available, was \$16,431,105, compared with \$19,131,917, a decrease of about 14 per cent, and was about 13 per cent smaller than in May-last year.

Exports from the port of New Orleans during May 1928 amounted to \$30,215,673, slightly greater than in April, but 3.4 per cent smaller than the total of \$31,266,936 for May last year. Increases over May a year ago were shown in exports of long staple cotton, and in pine and oak boards, but decreases occurred in other important items.

Grain Exports—New Orleans

The export movement of grain through the port of New Orleans during July, the first month of the new season, shows a smaller movement of wheat, corn and oats, the total being only slightly more than half as large as in July 1927, as indicated by the comparative figures in the table:

	July 1928	July 1927
Wheat, bu.	94,127	315,656
Corn, bu.	256,232	385,266
Oats, bu.	77,068	126,004
Total, bu.	427,427	826,926

BUILDING

July statistics of both permits and contracts awarded show increases over June, and while permits issued at reporting cities in the district were slightly below the level of July last year, contracts awarded in the district were greater.

The volume of prospective building indicated by permits issued at regularly reporting cities in the sixth district for July was slightly more than nine million dollars, an increase of more than twelve per cent over the total for June, and only 2.1 per cent less than the total for July 1927. Twelve of these cities reported increases over July last year, but eight cities reported decreases compared with that month. The index number for July is 80.4 compared with 71.5 for June, and with 82.1 for July 1927.

Contracts awarded in the sixth district during July 1928, according to statistics compiled by the F. W. Dodge Corporation, amounted to \$31,995,838, an increase of 11.9 per cent over the total for June, and 13.9 per cent greater than for July last year. The index number of contract awards in the sixth district for July is 91.2, compared with 81.5 for June, and with 80.0 for July 1927.

Total contracts awarded during July in the 37 states east of the Rocky Mountains amounted to \$584,496,400, smaller by 10.1 per cent than in June, but 9.4 per cent greater than for July 1927. Of the July total, 39 per cent was for residential construction, 23 per cent for public works and utilities, and 16 per cent for commercial buildings.

In the table are shown building permits at reporting cities of this district in July, compared with the same

month last year. Index numbers appear on page 8.

	No.	Percentage			
		July 1928	July 1927	Change	
	Value	No.	Value	in value	
Alabama					
Anniston	72,600	22	\$ 37,800	+ 92.1	
Birmingham	625	2,175,631	547	1,324,341	+ 64.3
Mobile	120	208,676	38	121,028	+ 72.4
Montgomery	276	322,217	103	226,922	+ 42.0
Florida					
Jacksonville	345	657,247	377	1,278,595	- 48.6
Miami	177	264,749	223	363,636	- 27.2
Orlando	75	231,825	89	109,905	+110.9
Pensacola	94	193,332	52	75,390	+156.4
Tampa	287	250,266	395	276,333	- 9.4
*Lakeland	5	11,125	25	50,650	- 78.0
*Miami Beach	26	207,875	22	698,044	- 70.2
Georgia					
Atlanta	327	1,220,813	359	939,127	+ 30.0
Augusta	142	116,457	107	100,388	+ 16.0
Columbus	70	108,547	53	141,035	- 23.0
Macon	273	476,210	192	237,521	+100.5
Savannah	58	221,060	55	202,510	+ 9.2
Louisiana					
New Orleans	260	1,021,977	250	1,493,027	- 31.5
Alexandria	3	37,873	42	85,431	- 55.7
Tennessee					
Chattanooga	241	145,854	255	606,514	- 76.0
Johnson City	14	80,750	17	49,980	+ 61.6
Knoxville	181	788,978	199	565,032	+ 39.6
Nashville	279	451,040	---	1,003,000	- 55.0
Total 20 Cities	3907	9,041,102	3395	9,237,515	- 2.1
Index No.		80.4		82.1	

*Not included in totals or index numbers.

LUMBER

Preliminary figures for the month of July, received by the Southern Pine Association from 108 subscribing mills, indicate that the volume of orders received during July by these mills exceeded both shipments and production, that actual production was somewhat below the three-year average output of these mills, and that stocks on hand at the end of July were somewhat below the three-year relative stocks. July output of these 108 reporting mills, amounted to 264,870,514 feet, which was 8.5 per cent less than their three-year average production. Orders received during July exceeded output 7.4 per cent, and were slightly larger than the month's shipments; in July last year, production of reporting mills was 15.1 per cent less than normal production. Stocks on hand at the end of July were 6.6 per cent less than the three-year relative stocks of these mills, while in June stocks were greater than the three-year relative stocks of mills which reported for that month, and a year ago stocks were 1.6 per cent below normal. Unfilled orders on hand at the end of July amounted to approximately 82 per cent of a month's production at the rate which prevailed in July. The weekly statements of operating time issued by the Southern Pine Association indicate that the average running time for all reporting mills during recent weeks has continued below standard, because the number of mills operating less than sixty hours per week exceeded those operating more than standard time. Preliminary figures for July with comparisons follow:

	July 1928	June 1928	July 1927
(feet)	108 mills	99 mills	114 mills
Orders	284,497,008	254,105,584	239,982,521
Shipments	284,454,932	259,804,985	248,684,781
Production	264,870,514	254,376,337	261,182,986
Three-year Average Production	289,417,528	279,211,730	307,656,303
Three-year Relative Stocks	728,550,731	702,859,688	822,505,126
Stocks, end of month	680,767,115	710,327,466	809,756,127
Unfilled orders	216,523,096	206,545,451	177,978,540

TEXTILES

Cotton Consumption According to the monthly statement compiled by the United States Census Bureau, consumption of cotton in the United States declined in July and was in smaller volume than for any single month since August 1924. There were also declines in exports and in stocks, and the number of spindles active was smaller than in the previous month or at the same time a year ago. July consumption of cotton totaled 438,743 bales, 14.1 per cent less than in June, and 23 per cent smaller than in July 1927. Stocks in both consuming establishments and in public storage and at compresses were somewhat smaller than a year ago. July exports were 25.3 per cent smaller than in June, and 12.2 per cent less than in July last year. The number of spindles active in July declined 396,464 compared with June, and was smaller by 4,096,402 than in July 1927.

Statistics for the cotton-growing states show that the consumption of cotton in these states during July was 15.4 per cent smaller than in June, and 20.1 per cent less than

in July last year. The number of spindles active in these states declined 80,680 in July compared with June, and was greater by 19,204 than in July 1927. In other states the number of spindles active declined 314,784 in July compared with June, and was 4,115,606 less than in July a year ago. The Census Bureau's statement indicates that 75.5 per cent of the total consumption of cotton was in the cotton-growing states, in July, compared with 76.8 per cent in June, and with 72.9 per cent in July last year.

COTTON CONSUMPTION

	United States (Bales)		
	July 1928	June 1928	July 1927
Cotton Consumed:			
Lint	438,743	510,565	569,565
Linters	62,921	63,587	69,872
Stocks in Consuming Establishments:			
Lint	1,007,017	1,158,531	1,404,815
Linters	159,894	182,632	198,745
Stocks in Public Storage and at Compresses:			
Lint	1,189,565	1,645,971	1,882,552
Linters	44,569	53,580	52,819
Exports	341,849	457,781	389,358
Imports	18,473	14,587	31,147
Active Spindles	28,228,024	28,624,438	23,324,426
Cotton Growing States (Bales)			
Cotton Consumed	331,961	392,489	415,428
Stocks in Consuming Establishments	613,618	734,462	882,427
Stocks in Public Storage and at Compresses	1,036,183	1,469,919	1,498,452
Active Spindles	17,674,582	17,755,262	17,655,378

Cotton Cloth

Confidential reports for July were rendered to the Federal Reserve Bank of Atlanta by cotton mills which during that month manufactured approximately 26 million yards of cotton cloth, an output 8.8 per cent smaller than in June, and 9.7 per cent smaller than in July 1927. Shipments in July increased fractionally over those in June, but other items reported show decreases. Compared with July last year, orders and stocks show increases, but shipments, unfilled orders and number of workers show decreases. Percentage comparisons of reported figures are shown in the table.

	July 1928	compared with:
	June 1928	July 1927
Production	- 8.8	- 9.7
Shipments	+ 0.1	+ 4.4
Orders booked	- 3.9	+ 7.3
Unfilled orders	- 7.8	- 30.5
Stocks on hand	- 7.3	+ 54.7
Number on payroll	- 0.6	- 0.0

Cotton Yarn

Reports were also received from mills which manufactured during July 5½ million pounds of yarn, a decrease of 7.5 per cent compared with their output in June, but about the same as in July last year. All of the other reported items show decreases compared with June. Orders and stocks show increases over July last year, but shipments, unfilled orders and number of workers show decreases. Percentage comparisons of reported figures are shown in the table.

	July 1928	compared with:
	June 1928	July 1927
Production	- 7.5	+ 0.0
Shipments	- 1.3	- 5.7
Orders booked	- 32.1	+ 17.8
Unfilled orders	- 4.3	- 9.6
Stocks on hand	- 11.0	+ 37.0
Number on payroll	- 0.3	- 0.4

COTTON SEED AND COTTON SEED PRODUCTS

	*Sixth District		United States	
	Aug. 1 to July 31, 1928	1927	Aug. 1 to July 31, 1928	1927
Cotton Seed, tons:	1,440,452	1,991,090	4,586,160	6,379,160
Received at mills	1,462,349	1,971,707	4,653,663	6,305,775
On Hand	4,567	26,673	21,781	89,784
Production:				
Crude Oil, lbs.	481,367,460	625,130,385	1,476,535,672	1,887,910,155
Cake and Meal, tons	636,269	854,624	2,093,127	2,840,084
Hulls, tons	422,892	601,751	1,319,946	1,854,389
Linters, bales	266,407	315,257	876,498	1,041,864
Stocks:			**	**
Crude Oil, lbs.	4,464,245	1,953,186	13,872,004	4,949,207
Cake and Meal, tons	7,780	15,574	32,601	63,632
Hulls, tons	6,039	32,796	30,571	168,045
Linters, bales	11,474	19,490	42,697	46,177

*Georgia, Alabama, Louisiana, and Mississippi.

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

Hosiery

Figures reported to the Census Bureau by 41 identical establishments in the sixth district manufacturing hosiery show decreases in July compared with June in production, shipments, stocks, orders and cancellations, but a small increase in unfilled

orders on hand at the end of the month. Comparative figures are shown in the table.

	(Dozen Pairs)	
	July 1928	June 1928
Production	559,641	616,988
Shipments	619,908	679,254
Stocks	1,733,849	1,749,801
Orders	665,183	780,176
Cancellations	26,983	32,279
Unfiled orders	1,073,156	1,062,832

COAL

According to statistics compiled and published by the United States Bureau of Mines, production of bituminous coal in the United States during the month of July amounted to 36,276,000 net tons. This is an increase of less than one per cent over production in June, which totaled 35,963,000 tons, but is 7.8 per cent greater than the output in July 1927, which amounted to 33,637,000 tons. Average output for the 25 working days in July was 1,449,000 tons per day, compared with 1,383,000 tons per day for the 26 working days in June, and compared with an average output of 1,345,000 tons per day for the 25 working days in July last year. Weekly production figures since the latter part of June have been higher than for corresponding weeks last year. Weekly figures for Alabama indicate a lower level of output than prevailed in that state at the same time a year ago, but figures for Tennessee indicate greater production except for the week ended July 7. Total production of bituminous coal during the present calendar year to August 4, approximately 183 working days, amounted to 276,083,000 tons, compared with 316,580,000 tons produced during the corresponding period of 1927.

Week Ended:	(000 Omitted)		Alabama		Tennessee	
	1928	1927	1928	1927	1928	1927
July 7	6,830	6,577	245	280	73	78
July 14	8,610	8,245	299	302	115	92
July 21	8,642	8,259	295	310	105	95
July 28	8,964	8,594	292	321	102	99
Aug. 4	8,748	8,495	290	352	97	92

Consumers' stocks of coal on July 1 this year, according to statistics compiled by the Bureau of Mines, amounted to 41,700,000 tons, compared with 63,400,000 tons on hand at the same time a year ago. The highest level consumers' stocks have reached in recent years was 75 million tons, on April 1, 1927. The following figures indicate stocks on comparative dates during recent years, in millions of tons:

	1928	1927	1926
Jan. 1	55.5	55.0	49.0
April 1	48.3	75.0	40.0
July 1	41.7	63.4	39.0
Oct. 1	61.9	43.0

IRON

According to statistics compiled and published by the Iron Age, the production of pig iron in the United States during July declined compared with the output in June, and there was a decrease in the number of furnaces active on August 1 compared with a month earlier. The output in Alabama also declined, but the number of furnaces remained the same.

Total production of pig iron in the United States during July amounted to 3,071,824 tons, compared with 3,082,000 tons in June, and with 2,951,160 tons produced in July 1927. The daily average rate of pig iron production in July was 99,091 tons, compared with 102,733 tons in June, and with 95,199 tons in July last year. Seven furnaces were blown in during July, and eleven were blown out, showing a net loss of four in active operation. On August 1 there were 185 furnaces active, compared with 189 on July 1, and with 190 active on August 1, 1927.

Statistics for Alabama indicate that July production amounted to 189,383 tons, a decrease of 5.6 per cent compared with the total of 200,643 tons produced in June, and 9.3 per cent less than the production in July last year which amounted to 208,939 tons. The index number of Alabama production in July was 81.5, and is lower than for any other month since June 1922. On August 1 there were 16 furnaces in active operation, the same as a month earlier, and on August 1 a year ago there were 19 fur-

naces active. Press reports indicate that quotations continue at \$15.50 per ton, at Birmingham, the base established on June 20. Sales have improved during July, and the greater portion of third-quarter iron is under contract. Shipments have been large for several weeks and stocks in the Birmingham district have been noticeably reduced. Buying is mostly in small lots for quick delivery.

NAVAL STORES

Receipts of turpentine during July, at the three principal markets of the district declined slightly compared with June, and were smaller than a year ago, while receipts of rosin increased over June but were somewhat smaller than in July last year. Stocks of both commodities increased during July, and while stocks of turpentine were greater than a year ago, supplies of rosin were slightly smaller. While July receipts of both commodities were smaller than for July 1927, they were greater than during July of any other recent year. This is also true for the season to date (April to July inclusive). Stocks of turpentine on hand at the end of July this year were greater than at the same time of any of the past ten years. Supplies of rosin at the end of July were larger than at the same time of 1926 and 1920, but were smaller than at the end of July in any other recent year. Press reports indicate that the demand for both commodities has not been strong, and prices have weakened somewhat. The price of turpentine has fluctuated between 51½ cents on July and 47½ cents on August 11, and there have also been small declines in the prices of the various grades of rosin. Rains which threatened to interfere with production during the second week in July were followed by favorable weather. Reports have not been received regarding the effect of the storms during August. Receipts and stocks at the three principal markets of the district are shown in the table, with comparisons.

	July 1928	June 1928	July 1927
Receipts—Turpentine			
Savannah	23,690	24,234	27,958
Jacksonville	16,618	17,863	16,022
Pensacola	6,329	6,514	6,486
Total	46,637	48,111	50,466
Receipts—Rosin			
Savannah	78,135	75,862	90,767
Jacksonville	52,033	55,260	59,758
Pensacola	18,082	16,919	18,919
Total	148,250	148,041	169,439
Stocks—Turpentine			
Savannah	19,677	19,330	26,549
Jacksonville	30,385	24,965	26,095
Pensacola	19,183	17,041	5,746
Total	69,245	61,336	58,390
Stocks—Rosin			
Savannah	98,956	93,633	92,186
Jacksonville	59,313	56,674	67,508
Pensacola	19,956	15,297	20,040
Total	178,225	165,604	179,734

(Continued from first page)

This decline reflected a considerable reduction in investments, chiefly at banks in New York City, and some further decline in loans on securities. All other loans, which include loans for commercial purposes, showed a small seasonal increase and at the middle of August were in the largest volume since early in 1921 and nearly \$230,000,000 larger than at the autumn peak of last year. There was a further large decline in net demand deposits, and practically no change in time deposits. Volume of reserve bank credit outstanding showed little change between July 25 and August 22. Discounts and acceptance holdings increased slightly while United States security holdings were practically unchanged. Increased demand for currency, which is usual at this time of the year, has not resulted in an equivalent growth in reserve bank credit, because it was offset in part by a decline in reserves required by member banks, which reflected the decrease in their deposits.

There were further increases between the middle of July and the middle of August in open market rates on collateral loans, commercial paper, and bankers acceptances.

MONTHLY INDEX NUMBERS

The following index numbers, except as indicated otherwise, are computed by the Federal Reserve Bank of Atlanta monthly. The index numbers of retail and wholesale trade are based upon sales figures reported confidentially by representative firms in the lines of trade indicated, and the other series of index numbers are based upon figures reported to the bank or currently available through the daily or trade press. These index numbers, except as indicated in the foot-notes, are based upon the monthly averages for the three year period 1923-25 as represented by 100.

RETAIL TRADE 6th DISTRICT (Department Stores.)	May 1928	June 1928	July 1928	May 1927	June 1927	July 1927
Atlanta	157.8	122.9	99.0	138.0	108.6	88.5
Birmingham	120.8	106.1	85.7	99.8	107.0	86.5
Chattanooga	89.9	100.0	65.8	94.9	100.6	66.1
Nashville	119.5	91.0	71.0	114.1	88.7	66.4
New Orleans	97.7	86.2	68.9	93.3	93.0	67.8
Other Cities	109.8	100.5	75.5	111.6	96.6	78.9
DISTRICT	114.0	99.6	78.0	108.0	99.0	76.0
RETAIL TRADE U. S. (1)						
Department Stores	107.2	103.4	77.7	102.	101.	75.
Mail Order Houses	115.6	127.0	119.1	99.	107.	93.
Chain Stores:						
Grocery	213.0	207.1	198.5	171.	178.	167.
5 & 10 Cent	139.0	139.3	128.4	123.	178.	121.
Drug	163.8	161.9	163.8	134.	136.	141.
Cigar	110.0	107.8	100.0	113.	109.	111.
Shoe	129.9	146.7	115.9	109.	118.	109.
Wearing Apparel	220.8	216.1	180.4	171.	172.	157.
Candy	126.8	121.5	117.5	115.	114.	112.
WHOLESALE TRADE 6th DISTRICT						
Groceries	86.4	79.7	79.2	92.5	87.9	77.2
Dry Goods	74.0	59.8	66.6	83.6	76.1	84.9
Hardware	85.3	81.5	79.2	85.5	82.1	81.2
Furniture	83.9	77.3	81.6	70.8	77.4	72.0
Electrical Supplies	78.5	84.2	86.8	79.8	78.5	79.5
Shoes	93.9	66.2	71.5	93.0	79.0	75.3
Stationery	68.2	62.3	65.1	73.3	64.7	63.2
Drugs	108.0	99.6	97.8	99.9	105.3	105.9
TOTAL	84.5	77.5	78.6	87.1	83.4	80.2
WHOLESALE PRICES U. S. (2)						
Farm products	109.8	106.7	107.1	96.3	96.5	97.6
Foods	101.2	100.3	102.3	94.4	94.4	93.9
Hides and leather products	126.3	123.7	124.4	103.7	107.3	111.7
Textile products	96.6	96.3	96.8	93.9	94.3	94.3
Fuel and lighting	81.8	82.1	82.8	83.9	84.2	84.2
Metals and Metal products	98.6	98.7	98.6	98.6	98.2	97.7
Building materials	93.5	93.9	94.4	95.1	94.6	93.7
Chemicals and drugs	95.3	94.9	94.5	95.4	95.8	95.3
Housefurnishing goods	97.8	97.0	96.9	97.8	98.0	98.0
Miscellaneous	85.1	82.2	80.8	91.3	90.2	89.3
ALL COMMODITIES	98.6	97.6	98.3	93.7	93.8	94.1
BUILDING PERMITS 6th DISTRICT						
Atlanta	382.0	72.7	78.9	73.6	61.2	60.7
Birmingham	129.0	114.2	146.8	139.9	113.5	89.3
Jacksonville	88.8	80.7	79.9	140.4	131.6	155.4
Nashville	90.6	46.1	71.1	113.2	65.4	158.1
New Orleans	62.3	63.4	79.4	56.1	76.8	116.0
Other Cities	73.3	63.1	64.2	67.2	62.0	58.4
DISTRICT (20 Cities)	123.9	71.5	80.4	84.3	75.6	82.1
CONTRACTS AWARDED 6th DISTRICT	92.6	81.5	91.2	88.6	88.9	80.0
COTTON CONSUMED:						
United States	113.7	100.4	86.3	124.5	130.4	112.0
Cotton-Growing States	126.6	112.2	95.0	130.6	135.8	118.9
All Other States	85.1	74.5	67.2	111.2	118.3	96.8
Exports	96.2	74.5	55.6	102.2	78.4	63.3
PIG IRON PRODUCTION:						
United States	109.9	103.2	102.8	113.5	103.4	98.8
Alabama	89.2	86.4	81.5	107.8	94.8	89.9
UNFILLED ORDERS—U. S. STEEL CORPORATION	71.6	76.2	74.8	63.9	63.9	65.8

(1) Compiled by Federal Reserve Board.

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