

# MONTHLY REVIEW

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

FEDERAL RESERVE BANK OF ATLANTA

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## NATIONAL SUMMARY OF BUSINESS CONDITIONS

Prepared by the Board of Governors of the  
Federal Reserve System

Volume of industrial production, which had increased sharply in April, was maintained in May, and there was an increase in distribution of commodities to consumers.

**Production and Employment** The Board's seasonally adjusted index of industrial production in May was 101 per cent of the 1923-1925 average, as compared with 100 per cent in April. Production of durable manufactures increased further, reflecting larger output of steel and lumber, partly offset in the total by a reduction in the output of automobiles from the high level of April. At steel mills the rate of activity in May was higher than at any other time since the spring of 1930. This level has been maintained in June, reflecting in part some accumulation of steel by fabricators in advance of the effective date of recently announced price increases. Declines in production were reported for many nondurable manufactures; at woolen mills, however, activity increased. Output of bituminous coal declined from April to May, while output of crude petroleum continued in large volume.

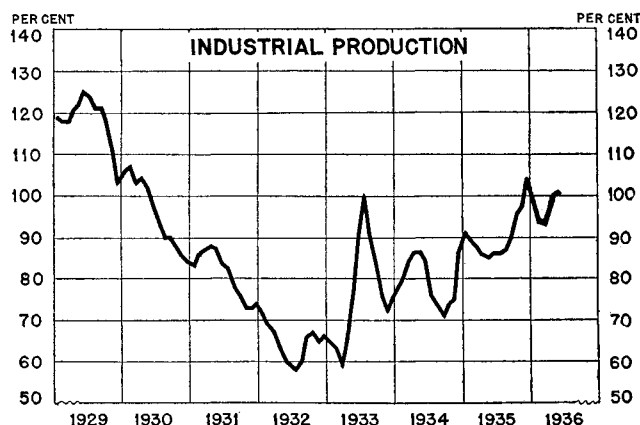
Factory employment increased slightly between the middle of April and the middle of May, contrary to the usual seasonal tendency. Increases were reported at plants pro-

ducing iron and steel products, machinery and most other durable manufactures. Changes in employment in industries producing nondurable manufactures were largely of a seasonal nature. Factory payrolls were somewhat larger in the middle of May than a month earlier.

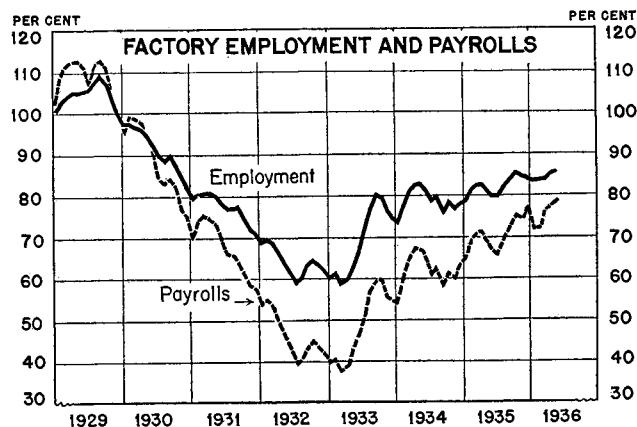
Total value of construction contracts awarded, according to figures of the F. W. Dodge Corporation, declined slightly from April to May. Awards for residential building continued to increase, and in May, as in other months this year, were substantially larger than a year ago, when residential building was first beginning to increase from the extreme low level of the depression.

**Distribution** Department store sales, which usually decline at this season, increased from April to May, and there was also a rise in sales at variety stores and mail order houses. Freight-car loadings increased by slightly more than the usual seasonal amount.

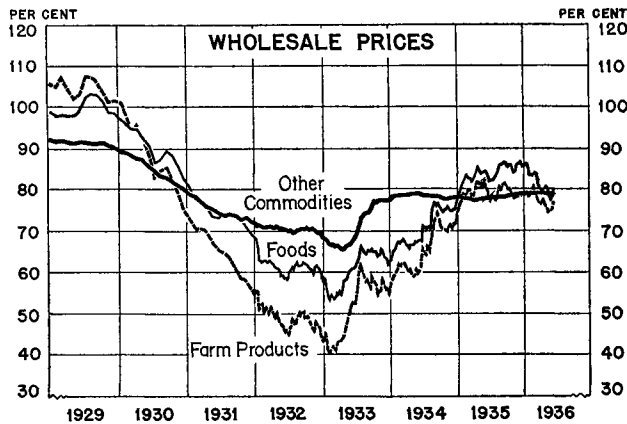
**Commodity Prices** Wholesale prices of commodities, which had declined from the middle of April to the middle of May, have advanced somewhat since that time, and in the week ending June 20 were at 78.7 per cent of the 1926 average, according to the index of the Bureau of Labor Statistics. In recent weeks prices of live stock and live stock products, grains and flour, and textile raw materials and finished products have advanced. For many steel products price increases have been announced to take effect early in the third quarter.



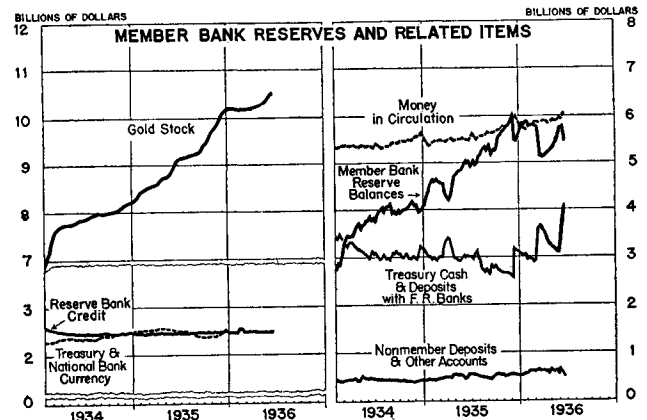
Index number of industrial production, adjusted for seasonal variation. (1923-1925 average = 100.) Latest figure May Preliminary 101.



Index numbers of number employed and payrolls, without adjustment for seasonal variations (1923-1925 average = 100). Latest figure May Employment 85.6; payrolls 79.2.



Indexes of the United States Bureau of Labor Statistics. By months 1929 to 1931; by weeks 1932 to date. (1926 = 100.) Latest figures June 20. Farm Products 77.4; Foods 79.7; Other Commodities 78.7.



Wednesday figures, January 31, 1934, to June 17, 1936.

**Bank Credit** Excess reserves of member banks, after a slow increase in May and the early part of June, declined by \$900,000,000 in the week ending June 17. The reduction in excess reserves was due principally to an increase in the deposits maintained at the reserve banks by the treasury, which received large payments for new securities issued, as well as quarterly tax installments. At that time the treasury began to distribute checks and adjusted service bonds to veterans and there was an increase in the demand for currency in connection with the cashing of these bonds and checks.

United States Government obligations held by reporting member banks in leading cities, which had increased somewhat in May and early June, showed a further sharp increase in the week ending June 17 in connection with the new issue of government securities. Bank loans also increased.

## SIXTH DISTRICT SUMMARY

In the Sixth Federal Reserve District there were further small gains from April to May in the volume of trade at both retail and wholesale, in sales of life insurance, in bank debits to individual accounts, in production of pig iron in Alabama, and in building permits, and all of these series continue greater than a year ago with the exception of life insurance sales.

May sales by 57 reporting retail firms averaged 1 per cent larger than in April, and 11.6 per cent greater than in May, 1935, and on a daily average basis were at the highest level for May of any year since 1928. After adjustment for the usual seasonal movement, the index for May was, except for March, higher than for any other month since December, 1929. For the five months of 1936 total sales by these 57 firms were 10 per cent greater than in that period a year ago. Stocks of merchandise on hand at the end of May were 5 per cent smaller than a month earlier, but were 1.9 per cent larger than a year ago. Wholesale trade increased slightly from April to May and was 12.3 per cent greater than in that month last year, and for the five months' period has been 11.5 per cent greater than in that part of 1935.

May sales were the largest for that month since 1930. Life insurance sales increased 1.6 per cent from April to May, due to gains in Florida, Georgia, and Louisiana, but were 4.1 per cent less than a year ago and smaller than for May of other recent years except 1933.

At weekly reporting member banks in leading cities of the District there were increases between May 13 and June 10 in all classes of loans, but the increase of 4.3 millions in total loans was more than offset by a decrease of about 8.5 millions in holdings of United States securities and those guaranteed by the United States. There were further increases in this period in demand and time deposits, and further decreases in inter-bank deposits. At the Federal Reserve Bank deposits and reserves increased, and Federal Reserve note circulation declined slightly.

Employment statistics compiled by the United States Bureau of Labor Statistics indicate that, in the six states located wholly or partly in this District, the number of workers employed by reporting firms declined 0.9 per cent from March to April, but was 4.4 per cent greater than a year ago, 3 per cent larger than two years ago, and 30.9 per cent greater than in April, 1933, and the amount of payroll declined 1.7 per cent from March to April but was 11.9 per cent greater than in April last year, 9.9 per cent larger than in April, 1934, and 70.8 per cent greater than in April, 1933. The value of building permits issued in May at twenty reporting cities was 11 per cent larger than in April, 38.3 per cent greater than in May last year, and the largest May total since 1931. For the five months of 1936 the total has been 85.8 per cent greater than a year

### FEDERAL RESERVE BANK OF ATLANTA (In Thousands of Dollars)

	June 10 1936	May 13 1936	June 12 1935
<b>Bills Discounted:</b>			
Secured by Govt. Obligations.....	\$ 50	\$ .....	\$ 85
All Others .....	21	.....	114
Total Discounts .....	71	.....	199
Bills Bought in Open Market.....	108	164	169
Industrial Advances .....	783	811	1,093
U. S. Securities .....	100,209	100,209	94,257
Total Bills and Securities.....	101,171	101,184	95,718
Total Reserves .....	215,153	211,290	188,608
Member Bank Reserve Account .....	109,361	109,733	88,358
Total Deposits .....	147,601	144,390	101,261
F. R. Notes in Actual Circulation.....	160,910	161,039	125,336
Reserve Ratio .....	69.7	69.2	61.2
Commitments to make Industrial Advances .....	296	374	675

ago and the largest for that period since 1929. Construction contracts awarded in May were somewhat smaller than in April, but continued greater than a year ago. Production at lumber mills reporting to the Southern Pine Association continued in May to exceed figures for the corresponding period a year ago, but orders, shipments and unfilled orders were somewhat smaller. Consumption of cotton by mills in Georgia, Alabama, and Tennessee combined declined 8 per cent from April to May, but was 14.6 per cent greater than a year ago. Orders at reporting cotton mills increased 25 per cent from April to May, and employment also increased over the month and was greater than a year ago. Coal production declined in both Alabama and Tennessee from April to May and in Alabama was greater than a year earlier, but in Tennessee it was smaller. Production of pig iron in Alabama increased somewhat over that in April and was 35.7 per cent greater than in May last year and larger than in any other month since June, 1931.

## FINANCE

**Reserve Bank Credit** Total holdings of bills and securities by the Federal Reserve Bank of Atlanta continued from May 13 to June 10 at about the level of the past three months, and were about 6 millions of dollars greater than a year ago because of larger holdings of Government Securities. Between May 13 and June 10 there were decreases in holdings of purchased bills and in industrial advances, offset partly by discounts for member banks on June 10 amounting to \$71,000, while on May 13 this bank held no discounted paper. Compared with the corresponding Wednesday a year ago, holdings of United States securities continued as in recent months to show an increase of nearly \$6,000,000, but holdings of discounted and purchased bills and of industrial advances were less.

Since May 13 there was an increase of about 3.9 millions of dollars in total reserves held by the bank which were, on June 10, larger by 76.5 millions than a year earlier. Member bank reserve deposits declined slightly since May 13 but were 21 millions greater than a year ago, but total deposits increased 3.2 millions between May 13 and June 10 and were 46.3 millions greater than at the same time last year. Federal Reserve notes of this bank's issue in actual circulation on June 3 were at the highest level since the

banking holiday, but declined slightly a week later. Principal items in the weekly statement are compared in an accompanying table.

**Member Bank Credit** Total loans and investments at 22 weekly reporting member banks in leading cities of the District declined more than four millions of dollars between May 13 and June 10 but were 47.4 millions greater than on the corresponding Wednesday last year. The decline since May 13 was due to a decrease of 8.3 millions in investment holdings, and the increase over the total a year ago was due to an increase of 70.1 millions in investments over those held at that time. Loans on securities accounted for the larger part of the increase of 4.3 millions in total loans since May 13, but there were increases in all reported classes of loans. Compared with June 12, 1935, the decrease of 22.8 millions was due to declines in "Other Loans," which include those for commercial, agricultural and industrial purposes, and in loans to banks.

Holdings of direct obligations of the United States declined 4.6 millions, and holdings of obligations guaranteed by the United States declined 3.9 millions, between May 13 and June 10, but there was a small increase in holdings of other securities. Each of these classes of securities was, however, held in larger amounts than at the same time a year earlier, the larger part of the increase being in holdings of United States direct obligations.

Demand deposits-adjusted declined slightly from May 13 to June 10, but were 37.9 millions greater than a year ago, but time deposits rose by about 1.8 millions since May 13 and were 1.3 millions larger than a year earlier. Balances maintained by these banks with their correspondents declined since May 13, but on June 10 were 38.3 millions greater than a year ago, and deposits held for other banks declined about 6.6 millions since May 13, and, except for

### DEBITS TO INDIVIDUAL ACCOUNTS\* (In Thousands of Dollars)

	May 1936	April 1936	May 1935
<b>ALABAMA—4 Cities</b> .....	\$122,168	\$117,864	\$109,369
Birmingham .....	71,366	69,283	60,492
Dothan .....	2,230	2,140	1,971
Mobile .....	29,566	27,633	25,141
Montgomery .....	19,006	18,808	21,765
<b>FLORIDA—4 Cities</b> .....	138,207	137,327	117,755
Jacksonville .....	74,242	67,800	62,234
Miami .....	31,953	36,296	26,689
Pensacola .....	7,708	7,338	6,634
Tampa .....	24,304	25,893	22,198
<b>GEORGIA—10 Cities</b> .....	230,696	214,142	213,318
Albany .....	3,290	3,440	2,707
Atlanta .....	150,515	134,883	139,066
Augusta .....	17,288	16,212	16,403
Brunswick .....	2,219	2,297	1,939
Columbus .....	10,629	10,475	10,452
Elberton .....	1,201	1,006	881
Macon .....	12,130	11,428	10,847
Newnan .....	1,662	2,020	1,374
Savannah .....	28,969	29,150	26,934
Valdosta .....	2,793	3,231	2,715
<b>LOUISIANA—New Orleans</b> .....	183,646	170,270	174,511
<b>MISSISSIPPI—4 Cities</b> .....	41,133	40,874	43,622
Hattiesburg .....	4,148	3,948	3,681
Jackson .....	21,999	21,754	26,444
Meridian .....	9,020	8,870	8,081
Vicksburg .....	5,966	6,302	5,416
<b>TENNESSEE—3 Cities</b> .....	133,662	131,846	130,675
Chattanooga .....	35,940	35,725	30,836
Knoxville .....	24,320	23,451	22,049
Nashville .....	73,402	72,670	77,790
<b>Total—26 Cities</b> .....	\$849,512	\$812,323	\$789,250

\*Monthly totals are derived from weekly reports by prorating figures for those weeks which do not fall entirely within a single calendar month.

### CONDITION OF 22 MEMBER BANKS IN SELECTED CITIES (In Thousands of Dollars)

	June 10 1936	May 13 1936	June 12 1935
<b>Loans and Investments—Total</b> .....	\$534,954	\$539,019	\$487,585
<b>Loans—Total</b> .....	225,880	221,619	248,643
On Securities .....	60,266	57,163	58,536
To Brokers and Dealers .....	7,192	6,105	4,243
To Others .....	53,074	51,058	54,293
Real Estate Loans .....	22,444	22,088	19,648
Acceptances and Com'l Paper Bought .....	5,742	5,488	5,691
Loans to Banks .....	1,173	737	9,951
Other Loans .....	136,255	136,143	154,817
<b>Investments—Total</b> .....	309,074	317,400	238,942
U. S. Govt. Direct Obligations .....	196,524	201,109	146,311
Obligations Guaranteed by U. S. ....	35,354	39,263	27,544
Other Securities .....	77,196	77,028	65,087
Reserve with F. R. Bank .....	61,055	60,838	46,622
Cash in Vault .....	10,139	10,522	8,987
Balances with Domestic Banks .....	144,059	144,223	105,720
Demand Deposits—Adjusted .....	298,644	297,178	260,770
Time Deposits .....	172,629	170,873	171,367
Inter-bank Deposits: Domestic .....	182,200	188,764	135,533
Foreign .....	1,090	1,167	892
<b>Borrowings</b> .....			

the first and last Wednesdays in May, were at the lowest level since October. Reserves maintained by these banks with the Federal Reserve Bank of Atlanta increased somewhat since May 13 and were on June 10 14.4 millions greater than a year ago.

Savings deposits at the end of May, reported by 57 banks located throughout the District, showed a further small increase over the month, and were 2 per cent greater than a year earlier. Small decreases compared with May last year at Atlanta and Jacksonville were more than offset by increases at other places.

Debits to individual accounts at reporting banks in 26 clearing house centers of the District increased 4.6 per cent from April to May, and were 7.6 per cent greater than in May last year. At the same time a year ago debits increased only 1.1 per cent.

## AGRICULTURE

During May and early June there were scattered showers in many localities which had received no rain since early in April. In these local areas crops have benefited to some extent, although general rains are still badly needed, and in the northern part of Georgia, the eastern part of Alabama, and middle Tennessee, the continued drouth had become extremely serious by the middle of June. Other parts of the District have received rains and crops have made progress, but in these sections stands are poor and in many places seed planted more than a month ago have not yet germinated. The June 1st report for Georgia by the Bureau of Agricultural Economics states "unless general soaking rains are received immediately much of the northern half of the state is facing a near failure for most crops." General rains in Florida at the close of May relieved the drouth condition and will prove beneficial to both citrus and staple crops. The Tennessee report states "the dry weather has played havoc with pastures and hay crops, reduced the yield of grains and truck crops, caused serious delay in transplanting tobacco and sweet potatoes, and reduced the prospects for all crops, though cotton and corn are still in fair condition."

The condition of peaches on June 1st was reported higher than a year ago in Mississippi and Florida, the same as a

year ago in Louisiana, and lower in Georgia, Alabama and Tennessee. Prospective production, based on June 1st conditions, is compared in the following:

	PEACH CROP—(Bushels)		
	Estimate June 1, 1936	Production 1935	Percentage Comparison
Alabama .....	776,000	825,000	— 5.9
Florida .....	62,000	52,000	+ 19.2
Georgia .....	5,332,000	5,891,000	— 9.5
Louisiana .....	175,000	175,000	same
Mississippi .....	660,000	550,000	+ 20.0
Tennessee .....	540,000	899,000	— 39.9
Total .....	7,545,000	8,392,000	— 10.1
United States .....	40,615,000	52,808,000	— 23.1

The June 1st estimate of citrus fruit production in Florida continues at the May 1st level, 17.7 million boxes of oranges, compared with 17.6 million boxes a year earlier, and 11.5 million boxes of grapefruit against 15.2 million boxes for the previous season. Because of dry weather during most of May, the dropping of fruit continued and the reported condition was lower on June 1st than a month earlier.

Estimated production of wheat declined from May 1st to June 1st in Tennessee, Georgia, and Alabama, combined, by 9.9 per cent, and the June 1st estimate is 2.8 per cent less than production in these states during 1935. Rye production is considerably smaller than last year in Georgia and Tennessee, and the June 1st condition of oats is lower than a year ago except in Mississippi and Florida.

Yields of earlier planted watermelons in Florida are turning out less than had been expected because of dry weather. Production is now estimated to be 35 per cent less than last year, or 4,320,000 melons, compared with 6,600,000 melons produced in 1935. In South Georgia, which has not suffered so greatly from drouth, watermelons and cantaloupes are progressing nicely, but some melon acreage in middle Georgia was still unplanted early in June.

Sales of fertilizer tax tags in the six states located wholly or partly in the Sixth District declined seasonally in May, but were 20.5 per cent greater than a year ago, and for the ten months, August through May, have been 9.5 per cent greater than in that part of the previous season.

Cash receipts from the sale of principal farm products, including live stock and live stock products, declined somewhat from March to April, and continued somewhat below the totals for April of the two previous years. Government payments were, however, larger than in April last year or the year before. Figures by states are compared in the table.

## RECEIPTS FROM SALE OF PRINCIPAL FARM PRODUCTS

	(In Thousands of Dollars)			
	April 1936	April 1935	April 1934	April 1933
Alabama .....	\$ 4,434	\$ 5,006	\$ 8,579	\$ 3,877
Florida .....	13,403	14,805	12,725	8,402
Georgia .....	4,023	4,561	3,745	3,592
Louisiana .....	4,741	4,215	3,782	4,462
Mississippi .....	3,226	3,692	2,208	3,321
Tennessee .....	5,707	6,704	4,512	3,453
Total .....	\$35,534	\$38,983	\$35,551	\$27,107

## TRADE

**Retail Trade** Department store sales in the Sixth District increased slightly from April to May at a time when there is usually a decline of nearly 3 per cent, and continued well above the corresponding month of other recent years. Stock turnover and the collection ratio rose in May and continued higher than a year ago.

May sales reported by 57 firms increased 1 per cent over April, and were 11.6 per cent greater than a year ago. On a daily average basis, the index number for May was the

## SUGAR MOVEMENT—(Pounds)

	Raw Sugar		
	May 1936	April 1936	May 1935
<b>Receipts:</b>			
New Orleans .....	99,241,046	95,239,598	96,473,719
Savannah .....		75,873,328	58,031,590
<b>Meltings:</b>			
New Orleans .....	85,639,706	95,192,465	99,445,826
Savannah .....		49,115,447	36,252,638
<b>Stocks:</b>			
New Orleans .....	62,633,951	49,095,447	82,947,982
Savannah .....		61,521,897	109,763,766
<b>Refined Sugar</b>			
<b>Shipments:</b>			
New Orleans .....	84,979,823	68,860,732	87,433,354
Savannah .....		29,082,227	38,431,473
<b>Stocks:</b>			
New Orleans .....	31,989,459	35,674,797	25,855,248
Savannah .....		8,713,603	5,183,993

## RICE MOVEMENT

	(Rice Millers' Association Statistics)	
	May	August-May, Incl.
<b>Receipts of Rough Rice*</b>		
Season 1935-36 .....	128,711	7,925,895
Season 1934-35 .....	142,820	7,686,065
<b>Distribution of Milled Rice**</b>		
Season 1935-36 .....	528,590	7,952,173
Season 1934-35 .....	960,671	8,526,348
<b>Stocks:</b>		
May 31, 1936 .....	134,751	728,648
May 31, 1935 .....	201,501	873,644

\*Barrels of 162 lbs. \*\*Pockets of 100 lbs.

RETAIL TRADE IN THE SIXTH DISTRICT DURING MAY, 1936  
Based on confidential reports from 57 department stores

	COMPARISON OF NET SALES			COMPARISON OF STOCKS			STOCK TURNOVER				COLLECTION RATIO		
	May 1936 with:		Year to date with same period last year	May 31, 1936 with:		May 1936	Jan.-May, Incl. 1936 1935	May 1936	Apr. 1936	May 1935			
	Same month a year ago	Previous month		Same month a year ago	Previous month								
Atlanta (6) .....	+11.2	+ 7.7	+ 8.0	+ 3.1	- 5.2	.39 .35	1.84 1.82	27.3	27.8	28.5			
Birmingham (5) .....	+24.7	+ 5.1	+21.7	+21.1	- 1.1	.27 .27	1.27 1.34	37.4	35.3	38.1			
Chattanooga (4) .....	+ 6.8	+10.4	+ 2.8	+ 6.1	- 8.1	.30 .30	1.28 1.36	30.3	31.1	32.0			
Jacksonville (3) .....	+14.5	+ 5.1	+ 9.2	- 4.4	- 9.4	.22 .20	1.03 .95	.....	.....	.....			
Miami (3) .....	+12.3	-24.0	+ 8.1	- 2.3	- 4.1	.34 .31	2.25 2.07	.....	.....	.....			
Montgomery (3) .....	+ 9.3	+ 0.1	+ 9.9	+ 4.7	- 1.5	.29 .....	1.36 .....	.....	.....	.....			
Nashville (4) .....	+13.4	+21.0	+ 8.0	- 5.6	- 7.5	.41 .29	1.71 1.21	30.0	30.5	32.5			
New Orleans (4) .....	+ 7.9	- 5.2	+14.0	- 6.0	- 6.1	.30 .27	1.45 1.22	41.7	40.2	40.8			
Other Cities (25) .....	+ 8.0	+ 1.7	+ 4.9	+ 3.0	- 3.8	.26 .27	1.20 1.27	35.5	33.9	32.8			
DISTRICT (57) .....	+11.6	+ 1.0	+10.0	+ 1.9	- 5.0	.31 .28	1.50 1.41	33.5	32.8	33.2			

NOTE: The rate of stock turnover is the ratio of sales during given period to average stocks on hand. The collection ratio is the percentage of accounts outstanding and due at the beginning of the month which were collected during the month.

highest for that month of any year since 1928, and after adjustment for the usual seasonal trend, the adjusted index for May was, with the exception of March, higher than for any other month since December, 1929. May sales increased over those in April at all reporting cities excepting Miami and New Orleans, and were larger than a year ago at all cities shown in the statement. During the first five months of 1936 sales by these 57 firms have been 10 per cent greater than in that part of 1935. Stocks on hand at the close of May were 5 per cent smaller than a month earlier, but 1.9 per cent greater than a year ago. The rate of stock turnover rose slightly over the month, and was higher than a year ago for the month and for the five months' period. The collection ratio also rose from April to May, and was slightly higher than in May last year. For May the ratio for regular accounts was 37.4 per cent, and for installment accounts 16.6 per cent.

Percentage comparisons in the table are based upon figures reported in actual dollar amounts and make no allowance for changes in price levels. Index numbers on page 8 are based upon reports from a smaller number of firms whose figures have been reported over a long period of years.

A statement by the United States Department of Commerce indicates that daily average sales of general merchandise in small towns and rural areas of the South increased 5 per cent from March to April, compared with an increase of 6½ per cent for the country as a whole, and April sales in the South were 8 per cent greater than a year ago, and for the country 8½ per cent.

**Life Insurance** May sales of life insurance in the six states located wholly or partly in the Sixth District increased 1.6 per cent over April, but were 4.1 per cent less than in May last year, and less than in May of other recent years except 1933. Increases over April in Florida, Louisiana, and Georgia were partly offset by decreases in the other three states. For the five months of 1936, sales in these six states have been 12.9 per cent less

	(In Thousands of Dollars)				
	May 1936	April 1936	May 1935	Jan. to May, Incl. 1936	1935
Alabama .....	\$ 3,478	\$ 3,537	\$ 3,879	\$ 15,934	\$ 20,844
Florida .....	5,773	4,904	4,400	23,994	23,595
Georgia .....	6,153	6,139	6,855	29,159	34,520
Louisiana .....	4,690	4,681	5,601	22,006	26,739
Mississippi .....	2,196	2,303	2,188	10,841	11,309
Tennessee .....	5,087	5,394	5,627	25,495	29,253
<b>Total</b> .....	<b>\$ 27,377</b>	<b>\$ 26,958</b>	<b>\$ 28,550</b>	<b>\$ 127,429</b>	<b>\$ 146,260</b>
<b>United States</b> .....	<b>503,530</b>	<b>506,207</b>	<b>500,380</b>	<b>2,474,261</b>	<b>2,765,228</b>

than in that period a year ago, compared with a decrease of 10.5 per cent for the country as a whole. Figures compared in the table are from those compiled by the Life Insurance Sales Research Bureau.

**Wholesale Trade** May sales by 81 reporting wholesale firms in this District increased slightly over April and were 12.3 per cent greater than a year ago, and for the first five months of 1936 have been 11.5 per cent greater than in that part of last year. The May index was the highest for that month since 1930. Decreases over the month in sales of groceries, dry goods and drugs were a little more than offset by increases in other lines. Increases over May last year were reported for all lines except groceries. Reported figures are compared in the table.

WHOLESALE TRADE IN MAY, 1936  
Sixth Federal Reserve District\*

	Number of firms	Percentage Comparisons		Jan.-May, 1936, incl., with same period last year
		May 1936 with: Apr. 1936	May 1935	
<b>All Lines Combined:</b>				
Sales .....	81	+ 0.2	+12.3	+11.5
Stocks .....	27	- 1.8	+ 6.7	.....
<b>Groceries:</b>				
Sales .....	18	- 8.1	- 3.6	- 0.4
Jacksonville .....	3	-13.0	-13.1	- 5.8
New Orleans .....	3	-10.2	- 8.2	- 6.6
Vicksburg .....	3	-10.0	+17.5	+19.6
Other Cities .....	9	- 3.2	- 4.0	- 0.5
<b>Dry Goods:</b>				
Sales .....	14	- 9.6	+ 4.7	+ 3.5
Nashville .....	3	- 4.4	+ 1.1	- 1.9
Other Cities .....	11	-11.1	+ 5.9	+ 5.1
Stocks .....	7	- 5.4	- 4.6	.....
<b>Hardware:</b>				
Sales .....	25	+ 3.5	+17.3	+17.1
Nashville .....	3	+21.3	+ 1.5	+ 3.8
New Orleans .....	5	+ 7.6	+33.6	+35.5
Other Cities .....	17	- 2.1	+12.3	+11.1
Stocks .....	9	- 2.6	+ 7.4	.....
<b>Furniture:</b>				
Sales .....	7	+ 9.2	+36.3	+21.3
Atlanta .....	3	- 7.9	+ 8.6	+ 8.6
Other Cities .....	4	+13.3	+43.4	+24.5
Stocks .....	5	- 3.3	- 1.1	.....
<b>Electrical Supplies:</b>				
Sales .....	5	+22.3	+45.9	+41.7
Stocks .....	3	+ 8.3	+23.2	.....
<b>Drugs:</b>				
Sales .....	7	- 5.2	+ 1.6	+11.6
<b>Stationery:</b>				
Sales .....	3	+16.2	+17.1	+ 9.4

COLLECTION RATIO\*\*

	May 1936	April 1936	May 1935
Groceries .....	69.4	72.7	68.0
Dry Goods .....	39.3	41.4	39.7
Hardware .....	43.9	43.4	42.6
Furniture .....	39.9	36.4	40.3
<b>Total</b> .....	<b>45.9</b>	<b>46.6</b>	<b>50.8</b>

\*Based on confidential reports from 81 firms.

\*\*The collection ratio is the percentage of accounts and notes receivable outstanding at the beginning of the month which were collected during the month.

	BUILDING PERMITS—May				Percentage Change in Value
	Number		Value		
	1936	1935	1936	1935	
<b>Alabama</b>					
Anniston .....	28	20	\$ 31,005	\$ 7,798	+297.6
Birmingham .....	381	343	187,770	94,007	+ 99.7
Mobile .....	34	50	40,112	44,407	- 9.7
Montgomery .....	125	106	89,900	66,385	+ 35.4
<b>Florida</b>					
Jacksonville .....	550	584	331,514	369,803	- 10.4
Miami .....	653	618	733,794	413,024	+ 77.7
Miami Beach .....	93	115	1,419,910	1,300,000	+ 9.2
Orlando .....	72	90	59,482	83,982	- 29.2
Tampa .....	252	187	102,250	87,900	+ 16.3
<b>Georgia</b>					
Atlanta .....	279	280	667,246	214,602	+210.9
Augusta .....	46	32	46,557	16,937	+174.9
Columbus .....	114	82	160,808	28,498	+464.3
Macon .....	142	174	71,706	22,218	+222.7
Savannah .....	44	40	64,451	47,175	+ 36.6
<b>Louisiana</b>					
New Orleans .....	118	98	199,565	180,911	+ 10.3
Alexandria .....	40	63	19,354	13,254	+ 46.0
<b>Tennessee</b>					
Chattanooga .....	403	351	181,862	88,037	+106.6
Johnson City .....	6	4	1,710	5,700	- 70.0
Knoxville .....	106	72	206,936	69,652	+195.7
Nashville .....	281	151	384,980	461,286	- 16.5
<b>Total—20 Cities</b> .....	<b>3,767</b>	<b>3,460</b>	<b>\$4,999,912</b>	<b>\$3,615,576</b>	<b>+ 33.3</b>

## INDUSTRY

The value of building permits issued at twenty cities in the Sixth District increased 11 per cent from April to May, when it was 38.3 per cent greater than a year ago, and larger than for any other month since April, 1931. Since September, 1929, there have been only three months to record larger totals than that for May this year. Thirteen cities reported gains over April, and fifteen reported increases over May a year ago. The cumulated total for the first five months of 1936 was \$23,552,424, larger by 85.8 per cent than for the corresponding part of 1935, and greater than for that period of any year since 1929. Figures for the month in detail are compared in an accompanying table.

The value of building and construction contracts awarded in the Sixth District, according to statistics compiled by the F. W. Dodge Corporation and subdivided into district totals by the Division of Research and Statistics of the Board of Governors of the Federal Reserve System, declined from April to May but continued greater than for the corresponding month a year ago. Residential awards in May were only 4.3 per cent less than in April, but other contracts declined 38.6 per cent, and residential awards exceeded those in May last year by 49.7 per cent, and other classes of awards were larger than a year ago by 31.7 per cent. For the first five months of 1936 total awards were 51.8 per cent, residential contracts 32.1 per cent, and other classes of contracts 61.8 per cent, greater than in that part of last year. State totals show gains over the month for Georgia, Louisiana, and Mississippi, and over May last year in Florida,

### BUILDING AND CONSTRUCTION CONTRACTS AWARDED

(F. W. Dodge Corporation figures)

	May 1936	April 1936	May 1935
<b>Sixth District—Total</b> .....	<b>\$14,511,916</b>	<b>\$20,274,903</b>	<b>\$10,492,911</b>
Residential .....	5,759,463	6,018,485	3,848,183
All Others .....	8,752,453	14,256,418	6,644,728
<b>State Totals:</b>			
Alabama .....	957,400	7,272,200	1,330,100
Florida .....	4,960,700	6,441,100	3,382,600
Georgia .....	3,202,600	2,359,200	1,475,000
Louisiana .....	2,772,000	2,268,200	3,690,200
Mississippi .....	2,631,200	873,500	562,300
Tennessee .....	2,629,400	3,226,900	1,650,400

Georgia, Mississippi, and Tennessee. For the five months' period increases over that part of 1935 are shown except for Georgia and Louisiana.

Weekly statements of the Southern Pine Association indicate that production by reporting mills continued in May to exceed output at the same time last year, but orders, shipments, and unfilled orders were less than a year ago. For the five weeks ending June 6 production of reporting mills averaged 25.7 per cent greater than in the corresponding weeks last year, but orders averaged 16.7 per cent smaller, shipments 1.9 per cent less, and unfilled orders 12.9 per cent lower. Press reports indicate some slackening in May from the high level of operations reported for the previous month. The demand continues to be mostly for boards and framing, indicating that the construction industry is furnishing the bulk of consumption. Industrial and railroad demand continues spotty and of relatively meager proportions.

There were declines from April to May in consumption and stocks of cotton and small decreases in exports and in spindle activity, but consumption and exports were greater than a year ago. May consumption in the United States was 8 per cent smaller than in April, but 12.8 per cent greater than in May last year. In the cotton-growing states May consumption also declined 8 per cent from April, but was 17.9 per cent larger than a year ago, while in other states consumption in May was 7.9 per cent less than in April and 8.3 per cent smaller than in May, 1935. Total consumption during the ten months of the current cotton season, August through May, has amounted to 5,180,320 bales, an increase of 13 per cent over the corresponding part of the previous season. During this period consumption in the cotton states amounted to 4,351,791 bales, larger by 18.5 per cent than in that part of the previous season, while consumption in other states totaled 828,529 bales, smaller by 9.3 per cent than for the same period a year earlier.

Exports of cotton during May were smaller by only 976 bales, or 0.3 per cent, than in April, and were 26.5 per cent greater than a year ago, and for the ten months of the season have totaled 5,518,804 bales, larger by 35.2 per cent than in the same part of the previous season. The decline of 0.3 per cent from April to May compares with a decrease of 13.7 per cent at that time a year ago. Exports and consumption combined from August 1 through May 31 totaled 10,699,124 bales, an increase of 23.4 per cent over that period a year earlier.

Stocks of cotton at the end of May were 13.5 per cent smaller than a month earlier, and were 17.4 per cent less than a year ago. The number of active spindles has declined during each of the past three months, but in May was less than one per cent smaller than a year ago. Census

### COTTON CONSUMPTION, EXPORTS, STOCKS, AND ACTIVE SPINDLES, UNITED STATES—Bales

	May 1936	April 1936	May 1935
Cotton Consumed .....	530,799	576,762	470,412
Stocks .....	6,237,159	7,210,939	7,555,353
In Consuming Establishments .....	1,000,077	1,190,413	974,754
In Public Storage and at Compresses .....	5,237,082	6,020,526	6,580,599
Exports .....	351,734	352,710	277,977
Active Spindles—Number .....	22,828,888	23,123,536	23,040,788
<b>COTTON GROWING STATES—Bales</b>			
Cotton Consumed .....	447,936	486,749	380,038
Stocks .....	6,045,549	6,882,485	7,174,601
In Consuming Establishments .....	895,325	972,743	760,834
In Public Storage and at Compresses .....	5,150,224	5,909,742	6,413,767
Active Spindles—Number .....	16,857,592	17,118,660	16,836,386

Bureau figures for the month are compared in an accompanying table.

May consumption of cotton in Georgia amounted to 103,060 bales, in Alabama 57,804 bales, and in Tennessee 13,188 bales, the combined total of 174,052 bales being 8 per cent smaller than April consumption in these states, but 14.6 per cent greater than that in May a year ago, and greater than in May of any other year excepting 1933 and 1929. For the ten months of the season, August through May, consumption in these three states has amounted to 1,693,804 bales, larger by 22.8 per cent than during that part of the previous season.

Confidential reports from cotton mills in this District indicate that production of yarn increased from April to May, but was somewhat smaller than a year ago, while the reverse is true of cotton cloth. Orders for both yarn and cloth increased over the month, and orders for cloth were substantially larger than a year ago, but a decrease was reported in orders for yarn. Stocks of both yarn and cloth at mills were smaller than a year ago. Employment at these mills was 1.8 per cent larger in May than April, and 3.6 per cent greater than in May last year.

There was a further seasonal decline in operations at cotton seed oil mills in this District during May, and although May receipts of seed were larger than a year ago, crushings and production were considerably smaller. For the season, August 1 through May 31, however, receipts and crushings of seed were, respectively, 6.2 per cent and 10.4 per cent greater than during that part of the previous season, and production of the principal cotton seed products showed increases of from 6.8 per cent for crude oil to 13.1 per cent for linters. Stocks of crude oil at the mills at the end of May were nearly three times as large as a year earlier, but supplies of other cotton seed products were less. Figures for the country as a whole show comparisons similar to those for this District which, for this season and last, accounted for about 38 per cent of total crushings for the country. In an accompanying table are compared Census Bureau figures for the current season through May, with those for the corresponding part of the previous season, for this District and for the country as a whole.

Coal production in the United States, according to preliminary statistics compiled by the United States Bureau of Mines, declined 5.4 per cent from April to May, but total production was 6.8 per cent greater than in May last year, and the daily average output was 11.1 per cent higher. For the five months of 1936 total production has been 159,106,000 tons, larger by 7.4 per cent than in the same period a year earlier.

Weekly statements of the Bureau of Mines indicate that coal production in Alabama during the four weeks ending May 30 averaged 15.3 per cent greater than in those weeks a year ago, but 4.7 per cent smaller than during the five weeks ending May 2. In Tennessee production during the four weeks ending May 30 averaged 25 per cent less than in the earlier period, and 14.1 per cent smaller than in the corresponding weeks last year. For the year through May 30, Alabama production has been 13.5 per cent, and that in Tennessee 5.5 per cent, greater than in that part of 1935.

Pig iron production in the United States during May amounted to 2,648,401 tons, representing an increase of 10.2 per cent over April, 53.3 per cent greater than in May last year, and larger than for any other month since June, 1930. Due to the longer month, the daily average rate of output in May was 6.6 per cent larger than that for April. There were 147 furnaces active on June 1, against 144 a month earlier, and 97 active at the same time last year. For the five months of 1936 total production has been 10,941,986 tons, 32.7 per cent greater than in that part of last year, and the largest total for the corresponding part of any year since 1930. Production of pig iron in Alabama during May amounted to 170,503 tons, an increase of 4.1 per cent in total, but a gain of only 0.8 per cent in daily average, over April, 35.7 per cent greater than a year ago, and the largest total for any month since June, 1931. For the five months of the year Alabama production has totaled 806,415 tons, larger by 55.6 per cent than in the corresponding part of 1935 and the largest for the period since 1931. Alabama furnaces active on June 1 continued at 12, compared with 10 a year ago. Press reports indicate that shipments in May were larger than in April, but the market is dull as current requirements are largely booked, and melters have not started buying for the next quarter. The second quarter price of \$15.50 has been extended to the third quarter.

May receipts of both turpentine and rosin at the three principal markets of the District showed a further seasonal increase over earlier months, but in both instances were smaller than in May a year ago, and receipts of turpentine were the smallest for May since 1920, and receipts of rosin were the smallest for May since 1921. Stocks of both commodities changed little from April to May, but those of turpentine were 16 per cent larger than a year ago and the largest for May in available statistics, while rosin stocks were 44 per cent smaller than for May last year, and the smallest for May since 1930. After declining early in May to \$4.18 per 280 pounds, the average of quotations on the thirteen grades of rosin on the Savannah market rose by June 13 to \$4.61, which is slightly higher than at the same time a year ago. Quotations on turpentine in recent weeks have fluctuated between 37 cents per gallon and 35 $\frac{3}{4}$  cents. Receipts and stocks are compared in the table.

COTTON SEED AND COTTON SEED PRODUCTS				
	Sixth District*		United States	
	Aug. 1 to May 31		Aug. 1 to May 31	
	1935-36	1934-35	1935-36	1934-35
Cotton Seed—Tons				
Received at Mills . . . . .	1,408,049	1,321,675	3,701,197	3,362,800
Crushed . . . . .	1,421,220	1,286,900	3,789,429	3,416,414
On Hand May 31 . . . . .	27,362	102,706	51,843	169,047
Production:				
Crude Oil, lbs. . . . .	445,891,375	417,509,690	1,138,304,204	1,065,192,577
Cake & Meal, tons . . . . .	635,291	563,109	1,699,445	1,554,900
Hulls, tons . . . . .	375,942	338,791	969,549	878,107
Linters, bales . . . . .	321,382	284,061	854,585	771,308
Stocks at Mills, May 31:				
Crude Oil, lbs. . . . .	20,153,821	6,867,681	46,932,948	20,496,844
Cake & Meal, tons . . . . .	75,886	109,495	166,272	242,204
Hulls, tons . . . . .	13,353	41,125	71,919	103,441
Linters, bales . . . . .	31,667	43,104	89,856	125,903

\*Georgia, Alabama, Louisiana, and Mississippi.

NAVAL STORES MOVEMENT				
	Turpentine (1)		Rosin (2)	
	May 1936	May 1935	May 1936	May 1935
Receipts:				
Savannah . . . . .	11,443	12,674	41,204	46,178
Jacksonville . . . . .	8,342	8,524	31,373	40,356
Pensacola . . . . .	3,685	3,168	10,159	10,820
Total . . . . .	23,470	24,366	82,736	97,354
Stocks:				
Savannah . . . . .	26,380	27,625	55,027	119,366
Jacksonville . . . . .	44,654	34,084	54,098	96,469
Pensacola . . . . .	28,328	24,137	35,133	42,240
Total . . . . .	99,562	85,846	144,258	258,255

(1) Barrels of 50 gallons. (2) Barrels of 500 pounds.

## MONTHLY INDEX NUMBERS COMPUTED BY FEDERAL RESERVE BANK OF ATLANTA

MONTHLY AVERAGE 1923-1925 = 100

DEPARTMENT STORE TRADE—SIXTH DISTRICT	Mar.	Apr.	May	Mar.	Apr.	May
	1936	1936	1936	1935	1935	1935
<b>Daily Average Sales—Unadjusted</b>						
Atlanta (3 firms).....	172.9	168.6	178.3	162.9	163.3	155.1
Birmingham (3 firms).....	92.8	89.1	95.3	68.6	65.3	63.4
Chattanooga (4 firms).....	67.8	74.4	82.4	73.0	72.7	74.3
Nashville (4 firms).....	83.2	83.9	101.5	81.1	80.0	86.2
New Orleans (4 firms).....	75.3	88.9	84.3	65.1	76.2	71.9
DISTRICT (30 firms).....	95.4	100.2	103.1	83.6	88.0	84.4
<b>Daily Average Sales—Adjusted*</b>						
Atlanta (3 firms).....	183.9	157.6	169.8	175.2	151.2	147.7
Birmingham (3 firms).....	96.7	89.1	94.4	72.2	64.7	62.8
Chattanooga (4 firms).....	75.3	73.7	80.0	82.0	71.3	72.1
Nashville (4 firms).....	91.4	82.3	91.4	90.1	77.7	77.7
New Orleans (4 firms).....	82.7	83.9	86.9	72.3	71.2	74.1
DISTRICT (30 firms).....	102.6	96.3	102.1	90.9	83.8	83.6
<b>Monthly Stocks—Unadjusted</b>						
Atlanta (3 firms).....	98.8	104.6	98.3	97.4	103.7	94.6
Birmingham (3 firms).....	62.7	62.2	61.8	47.2	49.2	48.8
Chattanooga (3 firms).....	57.5	57.9	53.2	50.3	52.4	50.2
Nashville (3 firms).....	57.8	55.9	51.7	65.3	66.1	63.1
New Orleans (4 firms).....	57.5	58.3	54.7	59.7	59.6	58.2
DISTRICT (25 firms).....	65.9	66.4	62.8	63.5	64.9	62.2
<b>Monthly Stocks—Adjusted*</b>						
Atlanta (3 firms).....	96.9	99.6	97.3	95.5	98.8	93.7
Birmingham (3 firms).....	61.5	59.2	60.6	46.3	46.9	47.8
Chattanooga (3 firms).....	54.2	55.1	52.2	47.5	49.9	49.2
Nashville (3 firms).....	56.7	53.8	51.2	64.0	63.6	62.5
New Orleans (4 firms).....	55.3	56.1	54.2	57.4	57.3	57.6
DISTRICT (25 firms).....	64.0	63.2	61.6	61.7	61.8	61.0
<b>WHOLESALE TRADE—SIXTH DISTRICT—TOTAL</b>						
	71.2	69.3	69.4	61.1	60.5	61.7
Groceries (18 firms).....	53.3	54.1	49.7	52.9	50.8	51.2
Dry Goods (14 firms).....	67.8	62.9	56.8	59.8	56.2	52.6
Hardware (25 firms).....	76.6	73.4	76.0	61.0	61.8	64.8
Furniture (7 firms).....	76.5	72.6	79.3	56.8	58.0	58.1
Electrical Supplies (5 firms).....	137.8	159.2	194.6	91.6	102.6	113.0
Stationery (3 firms).....	45.0	39.5	46.0	39.4	36.9	39.3
Drugs (7 firms).....	97.3	87.0	82.5	82.0	80.1	80.5
<b>LIFE INSURANCE SALES—SIX STATES—TOTAL</b>						
	65.2	64.2	65.2	65.7	68.1	68.0
Alabama.....	50.6	52.1	51.3	58.9	64.5	57.2
Florida.....	88.7	82.9	97.5	79.9	78.7	74.3
Georgia.....	68.9	66.9	67.1	70.1	78.8	74.7
Louisiana.....	75.1	73.9	74.0	72.1	72.3	88.4
Mississippi.....	53.2	52.7	50.2	56.4	51.0	50.0
Tennessee.....	56.3	57.3	54.1	57.3	58.7	59.8
<b>BUILDING PERMITS—TWENTY CITIES—TOTAL</b>						
	42.8	40.0	44.4	22.5	26.8	32.1
Atlanta.....	52.1	22.9	43.1	12.1	16.5	13.9
Birmingham.....	13.4	12.5	12.7	47.3	10.0	6.3
Jacksonville.....	34.5	46.4	40.3	31.1	23.5	44.9
Nashville.....	67.2	104.0	60.7	21.9	11.4	72.7
New Orleans.....	25.6	26.2	15.5	11.5	15.7	14.1
Fifteen Other Cities.....	50.6	47.2	58.9	21.5	39.2	41.9
<b>CONTRACT AWARDS—SIXTH DISTRICT—TOTAL</b>						
	37.8	57.8	41.3	36.4	26.6	29.9
Residential.....	33.6	42.9	41.0	32.0	26.5	27.4
All Others.....	40.6	67.7	41.5	39.4	26.7	31.5
<b>WHOLESALE PRICES—UNITED STATES †</b>						
ALL COMMODITIES.....	79.6	79.7	78.6	79.3	80.1	80.2
Farm Products.....	76.5	76.9	75.2	78.3	80.4	80.6
Foods.....	80.1	80.2	78.0	81.9	84.5	84.1
Other Commodities.....	78.9	78.9	78.8	77.3	77.2	77.6
Hides and leather products.....	94.9	94.6	94.0	85.4	86.3	88.3
Textile products.....	70.8	70.2	69.8	69.4	69.2	69.4
Fuel and lighting.....	76.2	76.4	76.0	72.9	72.8	73.1
Metals and metal products.....	86.6	86.6	86.3	85.7	85.9	86.6
Building materials.....	85.3	85.7	85.8	84.9	84.6	84.9
Chemicals and drugs.....	79.3	78.5	77.7	81.5	81.0	81.2
Housefurnishing goods.....	81.4	81.4	81.5	80.7	80.7	80.6
Miscellaneous.....	68.3	68.6	69.2	69.2	68.7	68.7
<b>COTTON CONSUMPTION—UNITED STATES</b>						
	106.6	112.0	103.1	93.4	89.9	91.1
Cotton-Growing States.....	135.8	142.2	130.8	113.4	109.2	110.7
All Other States.....	48.7	52.1	48.0	53.9	51.5	52.3
Georgia.....	135.1	143.9	132.3	109.9	110.9	112.7
Alabama.....	172.0	182.8	168.1	151.1	153.1	152.4
Tennessee.....	142.8	141.5	132.5	102.9	111.2	116.1
<b>COTTON EXPORTS—UNITED STATES</b>						
	78.8	68.7	68.5	61.9	62.9	54.3
<b>PIG IRON PRODUCTION—United States</b>						
	68.3	80.5	88.7	59.2	55.7	57.8
Alabama.....	69.8	70.5	73.4	51.6	49.4	54.1

\*Adjusted for Seasonal Variation.

†Compiled by Bureau of Labor Statistics. 1926-100.