

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 increased seasonally in October and there was a substantial rise in employment and payrolls. Prices of a number of industrial raw materials and finished products have advanced.

Production and Employment

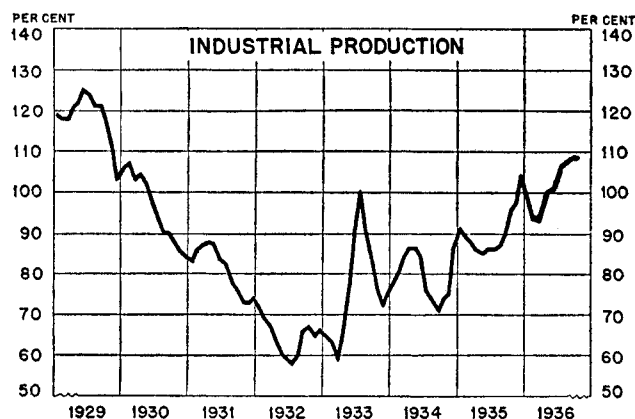
In October the Board's seasonally adjusted index of industrial production was at 109 per cent of the 1923-25 average, about the level of the three preceding months. Steel production was in larger volume than in any other month since 1929, and the rate of activity was sustained in the first three weeks of November. Output of automobiles rose sharply from September to October. The increase in this period was less than a year ago, reflecting the fact that this year the date of the shift to production of new models was less uniform among the leading producers, but in the first three weeks of November production increased further and was larger than last year. Activity at textile mills, which usually increases in October, declined slightly from the high level of September. In the meat packing industry output showed a further increase. Coal production increased seasonally, and production of crude petroleum continued at recent high levels.

Factory employment increased by more than the usual seasonal amount between the middle of September and the middle of October. Increases in employment were general among the durable goods industries, with the largest expansion reported at factories producing automobiles and machinery, while changes in employment in the nondurable goods industries were largely of a seasonal character. Factory payrolls rose by considerably more than the usual seasonal amount.

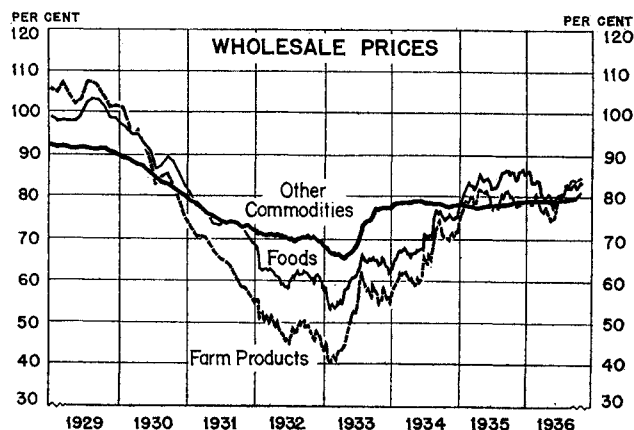
Value of construction contracts awarded, as reported by the F. W. Dodge Corporation, was slightly smaller in October than in September, with a decline in publicly-owned projects partly offset in the total by an increase in awards for private nonresidential construction.

Distribution Sales by Department stores and by mail order houses serving rural areas increased from September to October by a larger amount than is usual at this season. Variety store sales showed a less than seasonal rise. Freight carloadings increased further in October, reflecting chiefly a larger volume of shipments of miscellaneous freight and of coal.

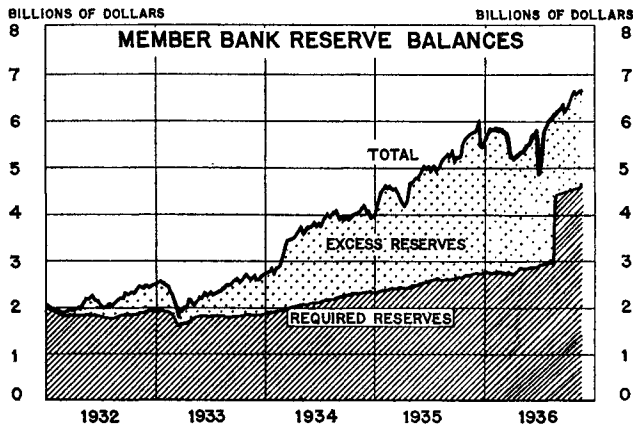
Commodity Prices The general level of wholesale commodity prices advanced somewhat during the first three weeks of November, following two and a half months of little change. Since the middle of October prices of a number of industrial raw materials, particularly nonferrous metals, hides, rubber, silk, and wool, have shown



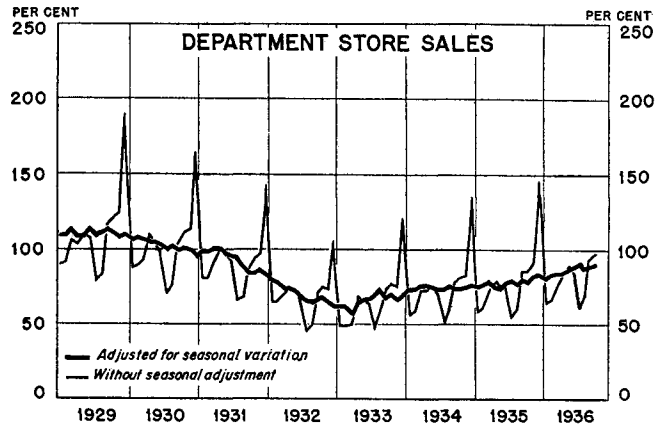
Index number of industrial production, adjusted for seasonal variation. (1923-1925 average = 100.) Latest figure October Preliminary 109.



Indexes of the United States Bureau of Labor Statistics. By months 1929 to 1931; by weeks 1932 to date. (1926 = 100.) Latest figures Nov. 21. Farm Products 85.2; Foods 84.5; Other Commodities 81.2.



Wednesday figures of total member bank reserve balances at Federal Reserve banks with estimates of required and excess reserves, January 6, 1932, to November 18, 1936.



Indexes of daily average value of sales. (1923-1925 = 100.) Latest figure October (Preliminary): Adjusted 90, Unadjusted 99.

a considerable rise and there have also been substantial increases in the prices of some finished products, including automobile tires, glass, woolen goods, and cotton goods.

Bank Credit Member bank reserves increased in the four weeks ended November 18, chiefly as the result of transfers of gold to the United States. On that date member bank reserves were \$2,270,000,000 larger than legal requirements, the highest level since the increase in reserve requirements which became effective in the middle of August.

Adjusted demand deposits at weekly reporting member banks in leading cities have continued to increase, and on November 18 amounted to about \$15,400,000,000. Since the end of last May these deposits have increased by over \$800,000,000, reflecting a rise in deposits outside New York City. Time deposits at reporting banks have remained at about the \$5,000,000,000 level.

Holdings of United States Governments obligations at reporting banks have recently declined somewhat further. Since the end of June the decline has amounted to about \$300,000,000 and has been at New York City, with little change elsewhere. Holdings of Other Securities have declined in recent weeks, reflecting chiefly a reduction in the amount held by New York City banks. Loans to customers have shown some further increase.

SIXTH DISTRICT SUMMARY

There were further increases from September to October in the volume of trade at both retail and wholesale reporting firms in the Sixth District, and in most lines of industrial activity; the estimates of production of certain important crops increased, notably, cotton, corn, tobacco, sweet potatoes, peanuts and pecans, and there was a further increase in commercial loans at weekly reporting member banks.

The October volume of retail trade at 57 reporting firms was 17.5 larger than in September, and 16.2 per cent greater than a year ago. The month had two more business days than September, however, and the increase in the daily average sales volume was much smaller. The daily average index for October was, nevertheless, the highest for that month since 1927, but after adjustment for the usual seasonal movement the adjusted index, which had risen each month from April to September to the highest level in the series, declined in October. For the ten months of 1936

total sales have been 14.4 per cent greater than in that part of last year. Wholesale trade increased further in October by 4.7 per cent, was 21.6 per cent greater than in October, 1935, and the October index was the highest for any month in seven years. For the ten months period wholesale trade has been 17.8 per cent above that part of 1935. Debits to individual accounts at banks in 26 clearing house centers increased further in October by 12.5 per cent, and were 19.8 per cent greater than a year ago.

At weekly reporting member banks in leading cities of the District loans and investments increased further from October 14 to November 10, most of the increase being in so-called "All Other Loans" which include those for commercial, agricultural and industrial purposes. Loans, investments and deposits continued well above the corresponding report date a year ago. At the Federal Reserve Bank of Atlanta there were small increases since October 14 in Federal Reserve note circulation, and in member bank reserve accounts, but total reserves and deposits declined. Reserves, deposits and note circulation, however, continued substantially larger than a year ago.

Residential contracts awarded in October were about 30 per cent larger than in September, but other contracts declined 37 per cent. Compared with October last year, however, residential contracts increased 78.5 per cent, and total awards 26.3 per cent, and for the ten months of 1936 the total has been 62.4 per cent greater than in that part of 1935. The value of building permits issued at twenty reporting cities declined further by 6.2 per cent in October, but was 45.2 per cent greater than a year ago, and for the ten months period show an increase of 70.5 per cent, and the largest for that period since 1929. Employment and payrolls increased further in September and were well above that month of other recent years. Consumption of cotton in Georgia, Alabama and Tennessee combined amounted in October to 212,716 bales, the largest total on record except for the month of June, 1933. At Southern Pine lumber mills orders, shipments and unfilled orders continued in October and early November to exceed those for corresponding period last year, but production was only slightly larger. Coal production increased from September to October in Alabama and Tennessee, and Alabama production of pig iron was greater than in any other month since June, 1931, with the exception of May this year. Electric power production increased further in September to a new high level.

FEDERAL RESERVE BANK OF ATLANTA
(In Thousands of Dollars)

	Nov. 10 1936	Oct. 14 1936	Nov. 13 1935
Bills Discounted:			
Secured by Govt. Obligations	\$ 0	\$ 30	\$ 50
All Others	17	15	18
Total Discounts	17	45	68
Bills Bought in Open Market	108	108	169
Industrial Advances	514	541	1,051
U. S. Securities	99,188	99,188	94,210
Total Bills and Securities	99,827	99,882	95,498
Member Bank Reserve Account	251,593	258,713	184,031
U. S. Treasurer—Gen. Account	149,156	148,969	114,788
Total Deposits	1,567	8,084	1,306
F. R. Notes in actual circulation	155,946	165,183	121,535
Commitments to make Industrial Advances	187,871	187,381	151,069
	300	304	493

FINANCE

Reserve Bank Credit There has been no substantial change in the total volume of bills and securities held by the Federal Reserve Bank of Atlanta in more than two years. Following the banking holiday in March, 1933, total bills and securities declined by mid-year to 62.5 millions of dollars, and increased to 80.6 millions at the end of 1933. From this level, because of increased holdings of Government securities, the total increased by May of 1934 to 90 millions, and from July, 1934, to early March, 1936, were approximately 95 millions. In March increased holdings of Government securities carried the total to about 100 millions. Principal changes in the total have been due to changes in holdings of Government securities as discounts have continued in small volume. Between October 14 and November 10 there was a small decline in the total, due partly to a decrease in discounts and partly to a decline in industrial advances, both of which were less than a year ago.

After increasing to 258.7 millions on October 14, total reserves declined to 247 millions two weeks later, but rose to 251.6 millions on November 10, when they were 67.6 millions greater than a year ago, and higher than on any other Wednesday excepting October 7 and 14. Member banks' reserve account also declined somewhat in the last half of October, but rose by November 10 to a new high level, slightly above that on October 14 and 34.4 millions greater than on the same Wednesday last year. After declining from 54.1 millions during the first half of August, before the increase in reserve requirements became effective, to 32.8 millions in the last half of that month, estimated excess reserves maintained by member banks rose to approximately 37.4 millions in the first half of October, but declined to 32.9 millions in the last part of the month. Net demand deposits reached a new high level in that period. Federal Reserve notes of this bank's issue in actual circulation increased to a new high level on November 4 but declined slightly the following week, and were then 36.8 millions greater than a year ago.

Member Bank Credit Largely because of a further increase in the volume of loans to customers, total loans and investments at 22 weekly reporting member banks in leading cities of the district rose about 7.8 millions from October 14 to November 10, when they were 79.2 millions greater than a year earlier. Since the middle of October there were small increases in loans on securities, and on real estate, and loans to banks, but "Other Loans," which include those for commercial, agricultural and industrial purposes, accounted for the larger part of the increase compared both with October 14 this year, and with the corresponding report date a year ago. This total,

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

	Nov. 10 1936	Oct. 14 1936	Nov. 13 1935
Loans and Investments	\$ 586,860	\$ 579,097	\$ 507,655
Loans—Total	253,055	245,850	224,050
On Securities	57,248	56,385	52,728
To Brokers and Dealers	5,332	5,046	4,542
To Others	51,716	51,339	48,186
Real Estate Loans	24,447	24,337	20,974
Acceptances and Com'l Paper			
Bought	5,393	5,519	5,003
Loans to Banks	1,304	1,257	868
Other Loans	164,663	158,352	144,477
Investments—Total	333,805	333,247	283,605
U. S. Govt. Direct Obligations	208,575	210,835	171,244
Obligations Guaranteed by U. S.	39,786	40,843	38,567
Other Securities	85,444	81,769	73,794
Reserve with F. R. Bank	88,934	86,910	67,046
Cash in Vault	11,043	11,614	10,134
Balances with domestic banks	122,127	143,659	156,224
Demand Deposits—Adjusted	310,335	310,393	295,608
Time Deposits	177,539	177,354	178,350
U. S. Govt. Deposits	40,241	53,004	21,953
Inter-bank Deposits: Domestic	225,317	225,487	201,803
Foreign	1,297	1,326	1,405
Borrowings			

which was 129.3 millions at the low point for the year on July 8, has risen each Wednesday except two since that time and on November 10 was 164.7 millions, the highest in about a year and a half. Compared with the corresponding Wednesday last year, total loans on November 10 this year show an increase of 29 millions, and of this amount 20.2 millions is in "Other Loans," 4.5 millions in loans on securities, about 3.8 millions in loans on real estate, and smaller amounts in other classes of loans.

An increase of nearly 3.7 millions since October 14 in holdings of Other Securities, which have in recent weeks been larger than at any previous time, was offset in part by decreases of about 2.3 millions in holdings of direct obligations of the Government and of less than a million in those guaranteed by the Government. Direct obligations of the Government were held in amounts 37.3 millions greater than a year ago, however, while those guaranteed show an increase of 1.2 millions and Other Securities an increase of 1.2 millions and Other Securities an increase of about 11.7 millions.

There were small declines in demand deposits-adjusted,

DEBITS TO INDIVIDUAL ACCOUNTS*
(In Thousands of Dollars)

	Oct. 1936	Sept. 1936	Oct. 1935
Alabama—4 Cities	\$ 151,843	\$ 136,359	\$ 125,122
Birmingham	84,135	71,649	65,521
Dothan	4,460	5,002	3,227
Mobile	34,543	33,138	29,731
Montgomery	28,705	26,570	26,643
Florida—4 Cities	134,175	118,252	107,359
Jacksonville	66,515	61,001	54,917
Miami	31,989	26,331	24,157
Pensacola	9,579	8,055	6,903
Tampa	26,092	22,865	21,382
Georgia—10 Cities	287,977	252,763	250,295
Albany	5,139	4,464	3,793
Atlanta	182,279	159,365	161,985
Augusta	22,087	17,479	21,149
Brunswick	2,326	2,409	1,924
Columbus	14,609	12,606	11,296
Elberton	1,443	1,031	1,328
Macon	19,045	16,179	15,061
Newnan	2,379	2,069	2,496
Savannah	34,710	32,724	27,848
Valdosta	3,960	4,437	3,415
Louisiana—New Orleans	263,437	238,507	222,914
Mississippi—4 Cities	73,890	71,397	55,614
Hattiesburg	4,939	4,792	4,083
Jackson	44,204	43,936	33,206
Meridian	12,065	12,956	9,173
Vicksburg	12,682	9,713	9,152
Tennessee—3 Cities	159,443	134,246	132,818
Chattanooga	45,828	37,091	37,143
Knoxville	27,543	24,633	22,634
Nashville	86,072	72,522	73,041
Total—26 Cities	\$ 1,070,765	\$ 951,524	\$ 894,122

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

and in deposits of other banks, both of which were, however, substantially larger than at the same time last year. Balances maintained by these banks with correspondents, however, have recently declined and on November 10 were about 34.1 millions smaller than a year ago and the smallest in about fifteen months. An accompanying table compares principal items in the report.

Debits to individual accounts at banks in 26 reporting centers increased further in October by 12.5 per cent over September, and were 19.8 per cent greater than in October, 1935.

AGRICULTURE

Crop prospects in the United States improved about 2 per cent during October, according to the November 1st report of the United States Department of Agriculture, which states that "the current estimates for corn, potatoes, sweet potatoes, apples, tobacco, peanuts, sugar beets and buckwheat are all moderately higher than those of a month ago, and prospects for cotton improved nearly 7 per cent. Pastures showed further improvement, particularly along the eastern and southern portions of the drought area . . . The crop improvement which resulted from the favorable weather will slightly increase prospective supplies of both food and feed crops, as well as of cotton. The 10,000,000 bushel increase in potatoes represents only a 4 per cent increase in the season's total supply, but will go far to relieve the moderate shortage that was in prospect. The crop is now estimated at 332,000,000 bushels, which is about 10 per cent below average production. . . . The corn crop is now estimated at about 1,527,000,000 bushels, about 1 per cent more than was estimated a month ago and 3 per cent above production in 1934, but 500,000,000 bushels below production in any other season since the drought of 1901 . . . Considering all of the principal crops and making a rough allowance for average losses not yet determined, the acreage harvested appears to have been about 10 per cent below average, yields about 12 per cent below average, and crop production about 21 per cent below average."

The report further states that "prospects for a rather moderate supply of canned and stored vegetables has resulted in the planting of a largely increased acreage of winter vegetables in the far South, and present indications are that supplies of these vegetables will be about 40 per cent above average. The largest increases are reported for snap beans, carrots, celery, eggplant, green peas, peppers, spinach and tomatoes."

In the Sixth District, in addition to cotton, there were

SUGAR MOVEMENT—NEW ORLEANS—Pounds

	Raw Sugar Oct. 1936	Sept. 1936	Oct. 1935
Receipts.....	41,890,214	35,921,039	62,271,710
Meltings.....	48,009,722	72,441,988	58,418,299
Stocks.....	8,984,346	15,734,086	29,549,872
	Refined Sugar		
Shipments.....	56,545,179	64,860,361	64,005,827
Stocks.....	22,616,284	24,324,462	18,785,315

RICE MOVEMENT (Rice Millers' Association Statistics)

	October	Aug. to Oct. Incl.
Receipts of Rough Rice*		
Season 1936-37.....	2,288,738	3,968,597
Season 1935-36.....	2,401,525	3,603,104
Distribution of Milled Rice**		
Season 1936-37.....	1,213,068	2,298,843
Season 1935-36.....	1,223,746	2,145,758
Stocks:		
October 31, 1936.....	1,100,159	1,015,681
October 31, 1935.....	1,264,306	734,363

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

increases in the November estimates for corn of 3.9 per cent, peanuts 9.8 per cent, pecans 3.2 per cent, tobacco 2.1 per cent, and sweet potatoes 3.4 per cent. November prospects for corn increased over those a month earlier in Alabama, Louisiana, Mississippi and Tennessee; peanuts improved in Alabama, Florida, Georgia and Louisiana; pecan estimates increased in Alabama, Florida, Georgia and Tennessee, tobacco in Tennessee, and sweet potatoes in Alabama, Georgia and Louisiana. Prospects for apples increased 7.1 per cent in Tennessee, and estimates for pears and grapes also increased slightly in Tennessee.

Increases over 1935 production are indicated by the November estimates for fruits, tobacco, peanuts, rice and sugar in Louisiana. Sugar cane sirup is expected to average 14.3 per cent, and sorghum sirup 6.1 per cent, less than in 1935. The estimates of 21 million boxes of oranges, and 16.5 million boxes of grapefruit, in Florida are the same as those for October, and are 16.7 per cent, and 43.5 per cent, respectively, greater than production last season. Sugar production in Louisiana is estimated at 317,000 tons, an increase of 1.9 per cent over the month, but 4.8 per cent smaller than 1935 production.

Estimated cash receipts during the first eight months of 1936 from the sale of principal farm products in the six states average 9.4 per cent larger than in that part of 1935; receipts from livestock and livestock products increased 15 per cent, and the combined total was 11 per cent larger. Government payments, however, declined 23 per cent for that period, so that the total estimated receipts plus Government payments, totalling 346.6 millions of dollars, are 7.5 per cent larger than in the first eight months of 1935.

Cotton The November estimate of the cotton crop indicates a further increase of 791,000 bales over the October estimate, and a crop larger by 1,762,000, or 16.6 per cent, than that of 1935. Estimates for the six states of this district average 5.8 per cent larger than those for October, and 25.6 per cent greater than last year's production in these states. Comparisons of the figures are given in the table.

COTTON PRODUCTION—000 Bales

	1936 Estimates Nov. 1	Oct. 1	Percent Change	1935 Production	Percent Change
Alabama.....	1,155	1,120	+3.1	1,059	+ 9.1
Florida.....	32	30	+6.7	31	+ 3.2
Georgia.....	1,100	1,068	+3.0	1,059	+ 3.9
Louisiana.....	755	711	+6.2	556	+35.8
Mississippi.....	1,900	1,750	+8.6	1,259	+50.9
Tennessee.....	435	401	+8.5	317	+37.2
Six States.....	5,377	5,080	+5.8	4,281	+25.6
United States.....	12,400	11,609	+6.8	10,638	+16.6

TRADE

Retail Trade There were further increases in both sales and stocks, in the rate of stock turnover and in collection ratio, at 57 reporting retail firms in the Sixth District, from September to October, and all of these series show increases over October of last year. The increase in October sales over those in September was 17.5 per cent, and after adjustment for the larger number of business days and the seasonal trend, was smaller than usually occurs at that time, and the adjusted daily average index declined. During the first three quarters of the year there were increasing gains over corresponding periods of 1935, the increase for the first quarter being 10.1 per cent, the second quarter 13.7 per cent, and the third quarter 18.7 per cent, and the adjusted index had risen each month since April,

RETAIL TRADE IN THE SIXTH DISTRICT DURING OCTOBER 1936

Based on confidential reports from 57 department stores

	COMPARISON OF NET SALES			COMPARISON OF STOCKS			STOCK TURNOVER			COLLECTION RATIO		
	October 1936		Year to date with: Same period last year	Oct. 31, 1936		Previous Month	October 1935		Jan.-Oct. 1935	Oct. 1936		Oct. 1935
	Same month a year ago	Previous Month		Same month a year ago	Previous Month		1936	1935		1936	1935	
Atlanta (6).....	+19.6	+13.8	+12.5	+ 4.4	+ 8.8	.43	.38	3.84	3.63	27.4	27.3	28.1
Birmingham (5).....	+47.5	+35.7	+27.7	+20.3	+ 8.3	.38	.30	2.76	2.68	36.8	30.8	34.2
Chattanooga (4).....	+ 9.8	+23.2	+ 5.0	— 0.7	— 0.7	.36	.32	2.72	2.79	33.0	26.7	32.5
Jacksonville (3).....	+23.4	+58.6	+17.7	.....	.....	.34	.27	2.24	1.90	.....	.....	.....
Miami (3).....	+13.6	+46.4	+12.9	+24.0	+15.7	.37	.38	3.81	3.40	.....	.....	.....
Montgomery (3).....	+ 9.2	+31.1	+ 8.6	+ 4.8	+ 0.7	.34	..	2.74	.....	.....	.....	.....
Nashville (4).....	+17.0	+34.9	+ 9.8	+ 0.4	+ 9.8	.38	.29	3.36	2.41	29.8	25.2	30.3
New Orleans (4).....	+ 0.2	+14.5	+18.5	+ 5.6	+14.5	.34	.33	3.26	2.64	37.1	36.3	41.6
Other Cities (25).....	+13.1	+29.4	+ 8.1	+ 4.2	+ 6.8	.28	.28	2.35	2.42	34.7	27.4	31.1
DISTRICT (57).....	+16.2	+17.5	+14.4	+ 6.4	+ 8.3	.36	.32	3.09	2.78	32.6	29.4	32.3

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 reported on.

reaching in September the highest level in the series which goes back to 1919. October sales were 16.2 per cent greater than in that month last year, and in the ten months of 1936 sales have been 14.4 per cent greater than in that part of 1935. Stocks of merchandise on hand at the end of October were 8.3 per cent larger than a month earlier, and 6.4 per cent larger than a year ago, and the rate of stock turnover was higher for the month, and for the ten months, than for those periods last year. The collection ratio also increased over the month, and was slightly higher than for October, 1935. The October ratio for regular accounts was 37.6 per cent, and for installment accounts 14.6 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. The 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 55.5 per cent from August to September, were 64 per cent greater than in July, and 28.4 per cent above the level of September last year. For the country as a whole, the increase over August was 27.1 per cent, and over September last year 17.9 per cent.

Life Insurance Life insurance sales in this District increased 10.3 per cent from September to October, and were 8.7 per cent greater than in October last year. Noticeable gains occurred in Mississippi, 33.2 per cent, and in Louisiana, 25.6 per cent, over September, and Mississippi sales were 34.1 per cent greater than a year ago and those in Alabama 19.4 per cent larger. The total for the six states has always increased from September to October. For the ten months of 1936 sales in these six states have been 3.8 per cent less than in that part of 1935, compared with a decrease of 4.3 per cent for the country as a whole. Figures in the table are from those compiled by the Life Insurance Sales Research Bureau.

	(In Thousands of Dollars)			Jan. 1 to Oct. 31	
	October 1936	September 1936	October 1935	1936	1935
Alabama.....	\$ 3,781	\$ 3,445	\$ 3,165	\$ 34,233	\$ 37,739
Florida.....	4,350	4,262	4,544	47,611	45,980
Georgia.....	6,607	5,260	6,252	59,873	64,410
Louisiana.....	4,157	4,232	4,018	45,268	47,654
Mississippi.....	3,034	2,278	2,263	23,231	22,120
Tennessee.....	5,463	5,354	4,965	52,791	55,357
Total.....	\$ 27,392	\$ 24,831	\$ 25,208	\$ 263,007	\$ 273,260
United States.....	491,316	426,344	501,850	4,889,265	5,110,950

WHOLESALE TRADE IN SIXTH DISTRICT DURING OCTOBER 1936

Based on confidential reports from 79 firms

	Number of Firms	Percentage Comparisons		Jan.-Oct. 1936 Incl. with same period last year
		October 1936 with: September 1936	October 1935	
All Lines Combined:				
Sales.....	79	+ 4.7	+21.6	+17.8
Stocks.....	26	— 6.3	+ 2.0	.....
Groceries:				
Sales.....	18	+ 3.7	+ 7.0	+ 4.9
Jacksonville.....	3	+25.9	+ 1.3	— 4.1
New Orleans.....	3	+ 9.2	— 1.7	— 1.7
Vicksburg.....	3	—10.3	+29.0	+24.8
Other Cities.....	9	+ 0.7	+ 7.4	+ 6.2
Dry Goods:				
Sales.....	14	— 3.1	+16.1	+14.5
Nashville.....	3	+ 4.2	+10.4	+ 8.2
Other Cities.....	11	— 4.9	+17.7	+16.2
Stocks.....	7	— 2.8	+ 1.2	.....
Hardware:				
Sales.....	25	+10.0	+28.2	+22.8
Nashville.....	3	+11.4	+21.0	+ 9.1
New Orleans.....	5	— 0.2	+34.4	+34.0
Other Cities.....	17	+16.1	+26.2	+19.5
Stocks.....	9	—15.2	—12.5	.....
Furniture:				
Sales.....	7	+12.4	+76.1	+41.2
Atlanta.....	3	— 1.8	+33.1	+27.2
Other Cities.....	4	+15.8	+88.6	+44.8
Stocks.....	5	—12.7	— 7.0	.....
Electrical Supplies:				
Sales.....	3	+ 8.0	+56.1	+48.2
Drugs:				
Sales.....	7	+ 3.2	+15.2	+13.1
Stationery:				
Sales.....	3	—25.6	— 2.1	+11.3

	COLLECTION RATIO*		
	October 1936	September 1936	October 1935
Groceries.....	79.0	71.3	64.4
Dry Goods.....	43.0	39.3	44.6
Hardware.....	51.7	45.3	43.9
Furniture.....	53.1	49.2	41.7
Total.....	52.0	47.7	48.9

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

Wholesale Trade The volume of wholesale trade in the Sixth District increased further in October, as it usually does, and the index number, which is not adjusted for seasonal variation, was at the highest level for any month since October, 1929, a period of seven years. The increase over September was 4.7 per cent, and that over October last year 21.6 per cent, and for the ten months of 1936 sales by reporting firms have been 17.8 per cent greater than in that part of 1935. Comparisons of reported figures are set out in the table, and index numbers appear on page 8.

EMPLOYMENT

September figures compiled by the Bureau of Labor Statistics indicate further gains in both number of workers and payrolls at reporting firms in the six states located wholly or partly in the Sixth District. There were increases of 3.2 per cent in number and 1.6 per cent in payrolls over August,

BUILDING PERMITS—OCTOBER

	Number		Value		Percentage Change in Value
	1936	1935	1936	1935	
Alabama					
Anniston.....	37	45	\$20,802	\$17,973	+ 15.7
Birmingham.....	411	407	146,965	199,975	- 26.5
Mobile.....	45	61	79,422	45,384	+ 75.0
Montgomery.....	153	136	120,908	60,527	+ 99.8
Florida					
Jacksonville.....	679	630	416,536	425,405	+ 2.1
Miami.....	956	672	1,351,709	667,413	+102.5
Miami Beach.....	207	159	1,000,843	1,091,603	- 8.3
Orlando.....	91	83	137,187	74,439	+ 84.3
Tampa.....	242	304	421,072	110,366	+281.5
Georgia					
Atlanta.....	272	293	204,314	304,475	- 32.9
Augusta.....	36	34	63,000	45,231	+ 39.3
Columbus.....	113	87	53,129	30,287	+ 75.4
Macon.....	152	222	33,484	35,008	- 4.4
Savannah.....	53	26	55,234	27,084	+103.9
Louisiana					
New Orleans.....	128	91	392,782	140,120	+180.3
Alexandria.....	65	68	247,346	24,870	+894.6
Tennessee					
Chattanooga.....	512	407	144,314	129,144	+ 11.7
Johnson City.....	8	7	5,290	3,528	+ 49.9
Knoxville.....	72	92	85,934	188,033	- 54.3
Nashville.....	218	145	863,442	404,048	+113.7
Total 20 Cities.....	4,450	3,969	5,843,713	4,024,913	+ 45.2

6.7 per cent in number and 5.1 per cent in payrolls compared with the low point for the year in June, and 12.3 per cent in number and 15.4 per cent in payrolls compared with September, 1935. Since the low point in figures which are available, reached in July, 1932, the number of workers had risen 48.3 per cent and payrolls 84 per cent by September this year. The largest increases in September were in Florida and Mississippi, that in Florida being chiefly in wholesale and retail trade, cigars, fertilizers, canning and steam railroad repair shops, and that in Mississippi being principally at cotton seed oil mills.

INDUSTRY

There was a further decline of 6.2 per cent from September to October in the value of building permits issued at twenty reporting cities in the Sixth District. The October total of a little more than 5.8 millions was nearly 28 per cent less than the July total, which was approximately 8.1 millions and the largest for any month in more than seven years, but was 45.2 per cent larger than that for October last year, and cumulated figures for the first ten months of 1936 amount to nearly 56 millions, an increase of 70.5 per cent over that part of 1935, and the largest for the period since 1929. Increases over September were reported by nine of these twenty cities, and over October last year by fourteen.

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 23 per cent from September to October, but was 26.3 per cent

larger than in October, 1935, and was also larger than in all but five months since the middle of 1930. Residential contracts, which had declined in September, increased nearly 30 per cent in October, but other contracts decreased about 37 per cent. Compared with October last year, residential contracts were 78.5 per cent, and other contracts 9.3 per cent, larger. Cumulated totals for the district for the ten months of the year amount for residential contracts to 59.7 millions, and other awards to 139.2 millions, the total of 198.9 millions being 62.4 per cent greater than for that period in 1935. State totals increased over the month for Florida, Georgia and Louisiana, and were larger than a year ago except for Florida and Tennessee. For the ten months period all six states had larger totals than in that part of last year. Total awards in the 37 states east of the Rocky Mountains amounted in October to 225.8 millions, smaller by 3.6 per cent than in September, but 12.6 per cent larger than in October last year. Residential contracts declined only 1.2 per cent, and amounted in October to 79.7 millions.

Reports in the press indicate that, after declining slightly in the latter part of September, the Southern Pine market exhibited considerable improvement in October, that the demand is still mostly for retail yard stock to be used in home building, but that WPA and other Government work is providing a steady outlet for large quantities of pine, and also the railroads are increasingly active in their purchases of timbers and car material. In the six weeks ending November 7, reports to the Southern Pine Association indicate that orders and shipments averaged 11 per cent, production 1.5 per cent, and unfilled orders 16 per cent, greater than in those weeks last year.

Consumption of cotton by American mills increased further in October and was the largest for any month since June, 1933. In the last twenty years, the total for October this year has been exceeded in only five months, namely, March and June, 1927, January and May, 1929, and June, 1933. October consumption was 2.7 per cent larger than in September, and 16.9 per cent greater than in October last year. In the cotton growing states, the increase over September was 2.7 per cent, and that over October, 1935, was 17.7 per cent, and in other states consumption increased 2.5 per cent from September and was 13 per cent larger than a year ago. Consumption in the cotton states accounted in October for 83.7 per cent of the total, in September for 83.7 per cent, and in October last year 83.2 per cent. For the three months of the new season, total consumption has been 31.1 per cent, that in the cotton states 31.6 per cent, and in other states 28.1 per cent, larger than in that period last year.

COTTON CONSUMPTION, EXPORTS, STOCKS, AND ACTIVE SPINDLES

	UNITED STATES—Bales		
	Oct. 1936	Sept. 1936	Oct. 1935
Cotton Consumed.....	646,499	629,727	552,840
Stocks.....	9,431,056	7,654,733	9,560,065
In Consuming Establishments	1,402,916	848,734	1,077,796
In Public Storage and at			
Compresses.....	8,028,140	6,805,999	8,482,269
Exports.....	861,016	569,624	711,664
Active Spindles—Number.....	23,638,270	23,514,270	23,138,014

COTTON GROWING STATES—Bales

Cotton Consumed.....	541,335	527,158	459,815
Stocks.....	9,223,220	7,473,820	9,312,956
In Consuming Establishments	1,239,525	702,811	935,765
In Public Storage and at			
Compresses.....	7,983,695	6,771,009	8,377,191
Active Spindles—Number.....	17,372,302	17,318,738	16,932,026

BUILDING AND CONSTRUCTION CONTRACTS AWARDED

F. W. Dodge Corporation figures

	Oct. 1936	Sept. 1936	Oct. 1935
Sixth District Total.....	\$20,896,100	\$27,140,114	\$16,546,686
Residential.....	7,248,000	5,593,826	4,060,858
All Others.....	13,648,100	21,546,288	12,485,828
State Totals:			
Alabama.....	3,825,000	7,240,600	1,600,900
Florida.....	5,907,900	5,454,300	6,990,100
Georgia.....	4,737,100	3,808,700	2,543,100
Louisiana.....	4,205,300	2,179,100	2,845,500
Mississippi.....	3,939,500	4,193,500	1,757,600
Tennessee.....	2,145,400	13,694,900	3,161,300

Exports of cotton in October increased 51 per cent over September, were 21 per cent greater than a year ago, and the largest since December, 1933. For the three months period, exports have been 12 per cent, and combined exports and consumption 21.5 per cent, greater than in that part of 1935.

Total stocks increased further in October by 23.2 per cent, those at mills 65.3 per cent, and those in public storage and at compresses 18 per cent. Mills had stocks averaging 30.2 per cent greater than a year ago, but other stocks were 5.4 per cent less.

Spindles active in October increased 124 thousand over September, and 500 thousand over October last year.

October consumption of cotton in Georgia amounted to 126,844 bales, in Alabama 70,475 bales, and in Tennessee to 15,397 bales, the total of 212,716 bales being 3 per cent greater than in September, 18.8 per cent greater than a year ago, and greater than in any other month in available records except June, 1933. Confidential reports from mills in the district show further increases in production and employment, and a decrease in stocks. Unfilled orders at the end of October were substantially larger than a month or a year ago, and employment averaged 3.2 per cent larger than in September and 17.1 per cent larger than in October, 1935.

Operations at cotton seed oil mills in this district were at about the same level in October as in September, and in October last year. Receipts of seed declined substantially from September, but crushings and production were slightly larger than in September or in October, 1935. For the first quarter of the season, however, crushings and production have been slightly less than in that part of the previous season, except for an increase in production of linters. Stocks of seed at the end of October were larger, but stocks of manufactured products smaller, than at that time last year. Census Bureau figures for the season are compared in an accompanying table.

For the fifth consecutive month, production of electric power for public use in the six states located wholly or partly in the Sixth District reached a new high level in September. Total production increased 1.4 per cent, but the daily average increased 4.8 per cent over August, and was 28.1 per cent greater than a year earlier. The cumulative total for the nine months of 1936 is 20.1 per cent larger than for that part of last year. In September, production by use of water power accounted for 49.4 per cent of the total, compared with 52 per cent in August, and 59.4 per cent in September last year.

COTTON SEED AND COTTON SEED PRODUCTS

	Sixth District*		United States	
	Aug. 1 to Oct. 31		Aug. 1 to Oct. 31	
	1936	1935	1936	1935
Cotton Seed—Tons:				
Received at Mills...	1,190,340	968,035	2,690,046	2,068,484
Crushed.....	607,520	610,765	1,437,799	1,328,771
On Hand Oct. 31...	589,124	402,803	1,274,173	829,288
Production:				
Crude Oil, lbs.....	186,194,930	187,953,226	428,337,056	400,281,750
Cake and Meal, tons	267,838	268,423	642,195	599,560
Hulls, tons.....	159,347	160,406	368,981	340,284
Linters, bales.....	143,414	130,147	341,030	288,702
Stocks at Mills, Oct. 31:				
Crude Oil, lbs.....	20,417,520	21,463,238	56,308,247	64,704,874
Cake and Meal, tons	59,787	97,732	190,068	255,155
Hulls, tons.....	30,819	32,999	116,220	122,529
Linters, bales.....	42,609	45,610	126,627	140,898

*Georgia, Alabama, Louisiana and Mississippi.

Coal production in both Alabama and Tennessee averaged somewhat larger in the five weeks ending October 31 than in the previous period, and was substantially greater than at the same time last year because many mines in both of these states were closed from the last week in September to the third week in November by labor difficulties. During the year 1936, through October, production in Alabama has been 35.4 per cent, and in Tennessee 21.9 per cent, greater than in the corresponding part of 1935. Preliminary statistics of the Bureau of Mines indicate that production in the United States in October totaled 42,935,000 tons, a gain of 15.4 per cent over September and 13.7 per cent greater than a year ago, and that in the ten months period production has amounted to 345,526,000 tons, larger by 15 per cent than in that part of 1935.

After declining somewhat from the high level reached in May, Alabama production of pig iron amounted in October to 164,635 tons, an increase of 17.3 per cent over September, 59 per cent greater than in October, 1935, and except for May larger than in any other month since June, 1931. There was an increase of 3 in the number of Alabama furnaces active, bringing the number to 13 on November 1, which is also the highest since June, 1931. Cumulated production totals for the first ten months of 1936 amount to 1,549,390 tons, larger by 58.4 per cent than in that part of last year, and the largest for the period since 1930. Recent press reports indicate that pig iron buying is light and confined mostly to scattered spot orders, as most foundries have already covered their requirements for the quarter. Shipments continue heavy. A number of announcements have recently been made of developments and additions in the Birmingham area, the largest being a 29 million dollar development of the United States Steel Corporation.

In the United States, October production of pig iron amounted to 2,991,887 tons, an increase of 10 per cent over September, and 41.2 per cent greater than a year ago, and the ten months total of 24,556,395 is 45.9 per cent larger than in that part of 1935 and the largest for the period since 1930. The number of furnaces active increased further in October by 6, and was larger by 45 than a year ago.

Receipts of both turpentine and rosin declined in October, and turpentine receipts were the smallest for October in more than seventeen years, and those of rosin were, except for 1932, the smallest for October in fifteen years. Stocks of both commodities were smaller than at the same time last year, but in comparison with most other recent years supplies of turpentine were large, while those of rosin were the smallest for October in ten years. Press reports indicate a more active demand for rosin in recent weeks accompanied by a substantial increase in quotations.

NAVAL STORES MOVEMENT

	Turpentine (1)		Rosin (2)	
	Oct. 1936	Oct. 1935	Oct. 1936	Oct. 1935
Receipts:				
Savannah.....	9,642	9,566	39,240	41,638
Jacksonville.....	6,118	7,833	33,484	41,862
Pensacola.....	2,773	3,247	9,090	10,417
Total.....	18,533	20,646	81,814	93,917
Stocks:				
Savannah.....	36,752	45,422	91,253	115,293
Jacksonville.....	46,503	53,641	71,751	133,564
Pensacola.....	30,447	35,476	31,171	57,801
Total.....	113,702	134,539	194,175	306,658

(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	Aug. 1936	Sept. 1936	Oct. 1936	Aug. 1935	Sept. 1935	Oct. 1935
Daily Average Sales—Unadjusted						
Atlanta (3 firms).....	184.1	203.1	211.7	167.4	188.7	175.9
Birmingham (3 firms).....	87.6	95.4	124.8	58.7	74.2	72.2
Chattanooga (4 firms).....	82.8	82.5	94.2	60.8	78.1	85.7
Nashville (4 firms).....	74.8	87.6	109.4	67.8	81.9	93.5
New Orleans (4 firms).....	89.5	117.7	93.2	68.6	73.4	87.9
DISTRICT (30 firms).....	95.7	115.8	118.8	76.7	91.0	97.6
Daily Average Sales—Adjusted*						
Atlanta (3 firms).....	224.5	201.1	177.9	192.0	186.9	147.8
Birmingham (3 firms).....	109.5	98.4	107.6	73.4	78.5	62.2
Chattanooga (4 firms).....	81.6	86.8	76.0	79.0	82.2	69.1
Nashville (4 firms).....	89.9	95.2	93.5	81.7	89.0	79.9
New Orleans (4 firms).....	114.7	127.9	81.0	87.9	79.8	76.4
DISTRICT (30 firms).....	122.7	123.2	99.8	98.3	96.8	82.0
Monthly Stocks—Unadjusted						
Atlanta (3 firms).....	103.1	119.2	130.9	94.0	114.0	126.5
Birmingham (3 firms).....	58.6	62.4	69.1	39.0	47.7	50.7
Chattanooga (3 firms).....	51.9	56.2	55.8	46.7	52.6	56.2
Nashville (3 firms).....	48.7	60.1	65.1	59.3	65.6	72.1
New Orleans (4 firms).....	48.6	53.3	61.1	48.6	60.0	57.8
DISTRICT (25 firms).....	59.0	66.7	73.7	56.3	65.9	69.3
Monthly Stocks—Adjusted*						
Atlanta (3 firms).....	108.5	108.4	116.9	98.9	103.6	112.9
Birmingham (3 firms).....	59.6	60.8	62.8	41.1	46.3	46.1
Chattanooga (3 firms).....	53.5	54.0	49.8	48.1	50.6	50.2
Nashville (3 firms).....	49.2	56.2	58.3	59.9	61.3	63.8
New Orleans (4 firms).....	49.6	50.8	55.5	49.6	57.1	52.5
DISTRICT (25 firms).....	60.8	62.9	66.4	58.0	62.2	62.4
WHOLESALE TRADE—SIXTH DISTRICT—TOTAL	77.6	85.3	89.3	66.3	68.3	74.1
Groceries (18 firms).....	57.2	60.5	62.8	53.7	54.6	58.2
Dry Goods (14 firms).....	88.0	108.4	105.0	75.1	82.2	90.5
Hardware (25 firms).....	83.6	92.0	101.2	68.3	68.1	78.9
Furniture (7 firms).....	91.1	101.1	113.6	60.8	70.0	66.7
Stationery (3 firms).....	46.1	63.3	47.1	44.9	52.0	48.1
Drugs (7 firms).....	87.4	104.6	108.0	83.9	86.1	93.7
LIFE INSURANCE SALES—SIX STATES—TOTAL	83.3	59.1	65.2	62.1	53.7	60.0
Alabama.....	51.5	50.8	55.7	51.1	42.8	46.7
Florida.....	76.1	72.0	73.5	74.7	63.5	76.8
Georgia.....	66.1	57.4	72.0	66.5	57.1	68.2
Louisiana.....	77.7	66.8	65.6	65.2	55.4	63.4
Mississippi.....	51.4	52.1	69.4	46.1	47.1	51.8
Tennessee.....	54.8	56.9	58.0	63.1	53.8	52.8
BUILDING PERMITS—TWENTY CITIES—TOTAL	56.8	55.4	51.9	32.5	31.3	35.8
Atlanta.....	15.5	19.5	13.2	16.9	12.0	19.7
Birmingham.....	22.7	12.9	9.9	16.7	10.5	13.5
Jacksonville.....	61.7	158.4	50.6	29.0	43.1	51.7
Nashville.....	68.8	32.5	136.1	52.8	14.0	63.7
New Orleans.....	61.7	29.3	30.5	14.4	10.4	10.9
Fifteen Other Cities.....	71.8	70.3	69.7	43.6	47.4	46.6
CONTRACT AWARDS—SIXTH DISTRICT—TOTAL	52.2	77.3	59.5	28.6	35.4	47.1
Residential.....	60.7	39.9	51.7	20.0	29.4	28.9
All Others.....	46.5	102.3	64.8	34.3	39.4	59.3
WHOLESALE PRICES—UNITED STATES†						
ALL COMMODITIES	81.6	81.6	81.5	80.5	80.7	80.5
Farm Products.....	83.8	84.0	84.0	79.3	79.5	78.2
Foods.....	83.1	83.3	82.6	84.9	86.1	85.0
Other Commodities.....	79.7	79.6	80.1	77.9	77.8	78.3
Hides and leather products.....	93.8	94.6	95.6	89.6	90.9	93.6
Textile products.....	70.9	70.9	71.6	70.9	71.8	72.9
Fuel and lighting.....	76.3	76.1	76.8	74.1	73.0	73.4
Metals and metal products.....	87.1	86.8	86.9	86.6	86.6	86.5
Building materials.....	86.9	87.1	87.3	85.4	85.9	86.1
Chemicals and drugs.....	79.8	81.7	82.2	78.6	80.2	81.1
Housefurnishing goods.....	81.4	81.7	82.0	80.5	80.5	80.6
Miscellaneous.....	71.5	71.3	71.5	67.3	67.1	67.5
COTTON CONSUMPTION—UNITED STATES	111.5	122.3	125.5	79.3	87.2	107.2
Cotton-Growing States.....	140.4	154.0	158.1	100.2	110.5	134.1
All Other States.....	54.3	59.4	60.9	37.9	41.0	53.9
Georgia.....	143.6	156.3	162.8	101.0	107.9	135.8
Alabama.....	180.6	199.2	205.0	123.5	142.9	174.7
Tennessee.....	140.2	162.0	154.7	112.8	103.9	133.1
COTTON EXPORTS—UNITED STATES	35.5	110.9	167.7	47.0	94.8	138.6
PIG IRON PRODUCTION—UNITED STATES	90.8	91.4	100.2	59.0	59.5	66.2
Alabama.....	63.8	60.5	70.9	34.5	39.3	44.5

* Adjusted for Seasonal Variation.

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