

# 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

The Board's index of industrial production showed a sharp advance in December after allowance is made for the usual seasonal changes. There was a marked expansion in employment and payrolls and retail trade continued at high levels.

**Production and Employment** Actual volume of industrial production showed little change from November to December, at a time when a sharp seasonal decline is usual, and the Board's adjusted index advanced from 114 to 121 per cent of the 1923-1925 average. There was a further rise in activity at textile mills to the highest level on record and output of other nondurable manufactures was maintained. Declines in production of steel and lumber were smaller in December than are usual in that month. At automobile factories there was a marked increase in output. In the first three weeks of January activity at steel mills increased somewhat, but there was a decline in assemblies of automobiles as a result of shutdowns occasioned by strikes. Coal production declined seasonally from November to December, while output of crude petroleum increased, contrary to seasonal tendency.

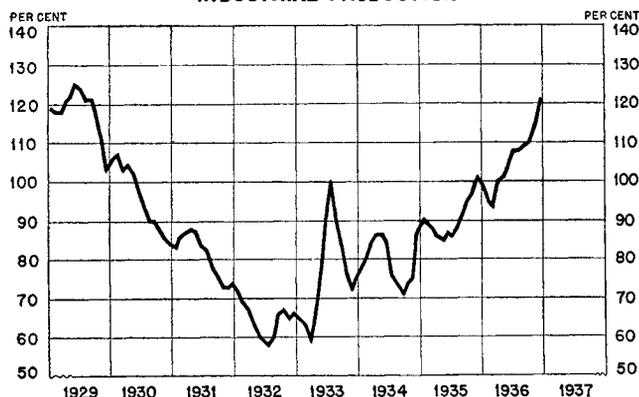
Value of construction contracts awarded, according to figures of the F. W. Dodge Corporation, showed a seasonal decrease in December.

Factory employment expanded further between the middle of November and the middle of December, contrary to the usual seasonal movement. Increases were general among the durable goods industries, with the largest advances at plants producing automobiles and machinery. In the non-durable goods industries there were marked increases in the number employed at textile mills and at shoe factories. Reflecting principally the higher level of employment and advances in wage rates, factory payrolls increased sharply in December, particularly at steel mills and in the textile industries. In retail trade, employment rose more than seasonally and in most other non-agricultural pursuits there were increases, when allowance is made for seasonal changes.

**Distribution** Retail sales in December increased seasonally at department stores and by more than the usual seasonal amount at variety stores and mail order houses serving rural areas. Freight-car loadings showed a smaller decrease than is usual in December, and the Board's seasonally adjusted index advanced further.

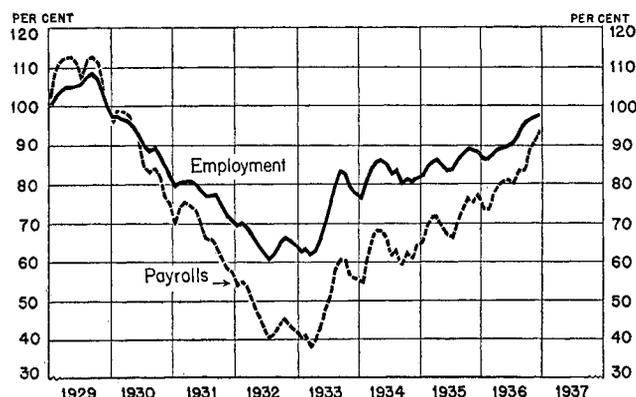
**Commodity Prices** Wholesale prices, for both industrial and agricultural commodities, continued to advance in the second half of December and the first half of January. There were marked increases in prices of industrial raw materials, particularly nonferrous metals, lumber, hides, and wool, and prices of a number of finished goods, such as steel products, paper, and textiles also advanced. Since the middle of January there has been

#### INDUSTRIAL PRODUCTION

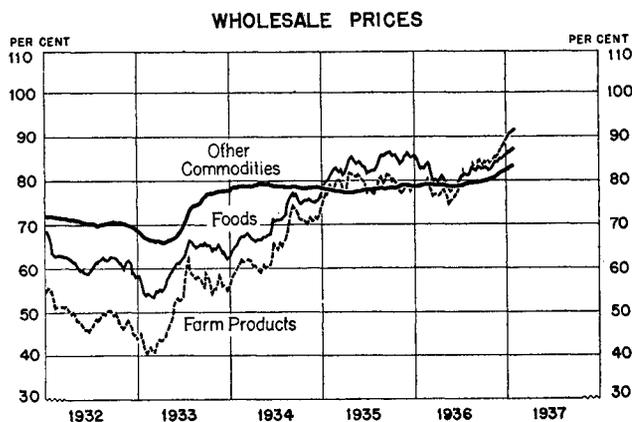


Index of physical volume of production, adjusted for seasonal variation, 1923-1925 average = 100. By months, January 1929 to December 1936.

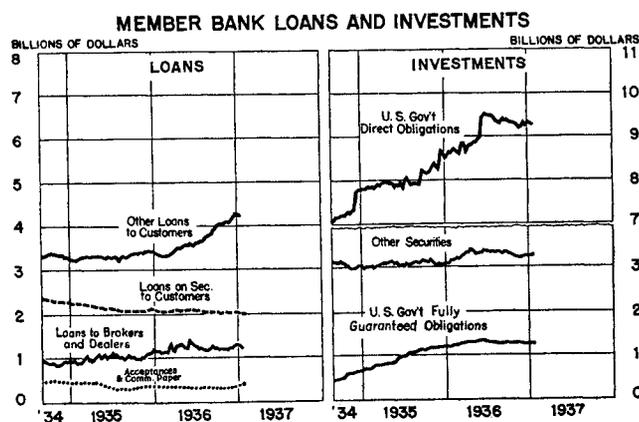
#### FACTORY EMPLOYMENT AND PAYROLLS



Indexes of number employed and payrolls, without adjustment for seasonal variation, 1923-1925 average = 100. By months, January 1929 to December 1936. Indexes compiled by United States Bureau of Labor Statistics.



Indexes compiled by United States Bureau of Labor Statistics, 1926 = 100. By weeks, 1932 to date. Latest figure is for week ending January 16, 1937.



Wednesday figures for reporting member banks in 101 leading cities, September 5, 1934 to January 20, 1937. Loans on real estate and loans to banks excluded.

a decline in prices of commodities traded in on the organized exchanges.

**Bank Credit** Loans and investments of reporting member banks in leading cities declined in the first three weeks of January, as a result of reductions in commercial loans and in loans to brokers. The decrease in loans reflected in part the retirement of notes issued by the Commodity Credit Corporation last July and in part repayment of other loans, which had increased sharply in preceding weeks. Holdings of Government obligations declined further at New York City banks but increased at banks in other leading cities.

Demand deposits decreased at the turn of the year, but thereafter increased somewhat, reflecting chiefly the return of currency from holiday use.

The rate on 90 day bankers' acceptances was raised 1/16 of 1 per cent on January 13 and now stands at 1/4 of 1 per cent. Market discount rates on Treasury bills have also increased, with bills offered in the week ending January 16 selling at a discount of over 1/3 of 1 per cent, as compared with a rate of about 1/10 of 1 per cent early in December.

Excess reserves of member banks increased from \$1,880,000,000 to \$2,130,000,000 in the four weeks ending January 20, reflecting largely the post-holiday return flow of currency from circulation.

### SIXTH DISTRICT SUMMARY

Available statistics indicate that business and industrial activity in the Sixth Federal Reserve District during 1936 was at a higher level than in other recent years. The index of daily average sales by retail firms was higher for 1936 than for any year since 1928, and wholesale trade was at the highest level since 1930. The value of building permit issued at twenty reporting cities, and the value of construction contracts awarded in the District, were the largest since 1929. Pig iron production in Alabama was the largest since 1930, and the output of coal was the largest in Alabama since 1931 and in Tennessee since 1930. Employment and payrolls have reached a level higher than in any of the past five years for which state figures are available, and the value of principal crops raised in 1936 is the largest since 1929.

Department store sales increased 70.3 per cent from

November to December, and were 17.1 per cent greater than in December, 1935, and the daily average index is the highest for December since 1927. For the year, department store sales were 14.2 per cent greater than in 1935. Wholesale trade declined slightly in December but was 21.4 per cent greater than a year earlier, and at the highest level for the month since 1929. Life Insurance sales increased 19.9 per cent over November and were 8 per cent greater than in December a year ago, but for the year were 1.6 per cent less than in 1935. Debits to individual accounts at banks in 26 reporting cities increased 23.8 per cent over November and were 22.9 per cent greater than in December, 1935.

At weekly reporting member banks in leading cities, investment holdings increased between December 9 and January 13, and loans declined slightly, but loans, investments and deposits continued substantially greater than a year ago. At the Federal Reserve Bank of Atlanta outstanding note circulation declined somewhat, reflecting the return flow of currency following the holidays, but holdings of Government securities increased.

Building permits at twenty cities, and building and construction contracts awarded in the District as a whole, declined from November to December, but building permits were 26.5 per cent larger than a year earlier, and contract awards were 8.1 per cent less than in December, 1935. For the year permits were 62.7 per cent, and contracts 52.1 per cent, greater than in 1935. Employment and payrolls increased 1.8 per cent, and 2.5 per cent, respectively, from October to November, and were at the highest level of the recovery period. Cotton consumption in this District increased further in December to the highest level, on a daily average basis, on record. Orders, shipments and unfilled orders at Southern Pine mills continued in December and early January well above the corresponding period a year ago, but production was slightly less. Coal production in Alabama was about 17 per cent, and in Tennessee about 30 per cent, greater than a year ago. Pig iron production in Alabama increased further in December and was 23.5 per cent greater than a year earlier, and 1936 production was 53.2 per cent greater than in 1935. Electric power production declined slightly in November, but was nearly 20 per cent greater than a year earlier, and for the eleven months period was 20.5 per cent greater than in that part of 1935.

FEDERAL RESERVE BANK OF ATLANTA  
(In Thousands of Dollars)

	Jan. 13 1937	Dec. 9 1936	Jan. 15 1936
Bills Discounted:			
Secured by Govt. Obligations	\$ 105	\$ 75	\$ 75
All Others	42	270	13
Total Discounts	147	345	88
Bills Bought in Open Market	108	108	165
Industrial Advances	391	486	920
U. S. Securities	109,941	99,188	94,209
Total Bills and Securities	110,587	100,127	95,381
Total Reserves	244,751	261,657	187,312
Member Bank Reserve Account	154,758	155,323	114,280
U. S. Treasurer—Gen. Account	4,254	2,304	4,120
Total Deposits	166,012	167,721	123,887
F. R. Notes in actual circulation	182,701	187,296	152,479
Commitments to make industrial Advances	288	294	493

## FINANCE

**Reserve Bank Credit** There was a further increase in reserve deposits of Sixth District member banks during the last three weeks in December, and on December 30 they amounted to 160 millions of dollars, the highest level on record. In the two weeks following, however, they declined to 154.8 millions, when they were slightly less than on December 9, shown in the previous issue of this Review, but were 40.5 millions greater than on the corresponding Wednesday a year ago. During November the daily average of reserves maintained with this bank by member banks had averaged 35 millions of dollars, or 31.5 per cent, larger than actual reserve requirements. In the first half of December net demand deposits increased about 13 millions and time deposits also increased slightly, but actual reserves also increased and were 41.6 millions, or 36.8 per cent, above requirements. Deposits increased further in the last half of December, and consequently reserve requirements, but actual reserves declined somewhat and averaged 34.8 millions, or 30.1 per cent above actual requirements.

The volume of discounts, which had risen somewhat by December 9, has since declined, but on January 13 was still above the corresponding report date last year. Industrial advances also declined somewhat during the five weeks ending January 13 and were 529 thousands less than a year ago. Holdings of United States securities, however, increased by \$10,753,000 early in January, and were larger than a year ago by \$15,732,000.

Total reserves held by the bank, after reaching a new high level on December 30, declined in the two weeks following, but were 57.4 millions greater than a year earlier. Federal Reserve notes of this bank's issue in actual circulation increased by December 23 to 195.5 millions, the largest total in several years, but following the holidays the total declined by January 13 to 182.7 millions.

Principal items in the weekly statement are compared in an accompanying table.

**Member Bank Credit** The volume of credit outstanding at 22 weekly reporting member banks in the Sixth District increased only slightly between December 9 and January 13, but was about 71 millions greater than at the middle of January, 1935. Total loans by these banks had been increasing almost without interruption since the middle of August, and reached on December 23 the total of \$268,111,000, the highest level for any Wednesday since the banking holiday in the spring of 1933. The principal part of the increase since mid-summer has been in so-called "All Other Loans" which include those for commercial, industrial and agricultural purposes. These

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

	Jan. 13 1937	Dec. 9 1936	Jan. 15 1936
Loans and Investments	\$ 589,566	\$ 589,034	\$ 518,235
Loans—Total	263,080	264,991	224,559
On Securities	60,282	59,151	53,929
To Brokers and Dealers	8,337	6,726	5,703
To Others	51,945	52,425	48,226
Real Estate Loans	25,609	25,475	21,010
Acceptances and Com'l Paper Bought	5,855	4,942	5,187
Loans to Banks	650	1,201	539
Other Loans	170,684	174,222	143,894
Investments—Total	326,486	324,043	293,676
U. S. Govt. Direct Obligations	208,283	200,183	179,776
Obligations Guaranteed by U. S.	35,272	38,466	37,365
Other Securities	82,931	85,394	76,535
Reserve with F. R. Bank	89,845	95,114	63,317
Cash in Vault	11,848	11,430	9,016
Balances with domestic banks	139,639	127,214	152,970
Demand Deposits—Adjusted	330,093	329,882	292,848
Time Deposits	174,882	178,627	169,665
U. S. Govt. Deposits	37,362	32,176	33,187
Inter-bank Deposits: Domestic	235,473	227,140	197,328
Foreign	1,229	1,331	1,243
Borrowings	.....	.....	.....

"All Other Loans" had increased from approximately 130 millions at mid-summer to 176.4 millions on December 23, the highest level since early in 1934. Both Total Loans and All Other Loans have declined somewhat between December 23 and January 13, but on that date total loans were 38.5 millions, and All Other Loans were 26.8 millions greater than on the corresponding Wednesday of last year. Loans on securities have not changed appreciably in several months, and on January 13 were approximately 6.4 millions greater than a year ago. Real estate loans were about 5 millions greater than a year earlier, and loans to banks were slightly larger.

Holdings of investment securities by these weekly reporting member banks have exceeded 300 millions each Wednesday since the middle of last March. This total increased from 324.0 millions on December 9 to 335.8 millions the following week, but has since declined to 326.5 millions, on January 13, and was then 32.8 millions greater than a year ago. Of this increase, 28.5 millions is in direct obligations

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

	Dec. 1936	Nov. 1936	Dec. 1935
Alabama—4 Cities	\$ 164,348	\$ 134,452	\$ 126,249
Birmingham	97,244	75,116	72,609
Dothan	3,997	3,743	2,706
Mobile	37,298	31,920	29,754
Montgomery	25,809	23,673	21,180
Florida—4 Cities	179,907	128,335	145,207
Jacksonville	88,859	59,137	72,279
Miami	48,365	34,844	37,012
Pensacola	10,593	8,750	8,593
Tampa	32,090	25,604	27,323
Georgia—10 Cities	320,837	264,235	269,090
Albany	5,855	5,571	3,845
Atlanta	204,939	168,951	179,120
Augusta	22,489	19,246	19,168
Brunswick	2,884	2,159	2,353
Columbus	16,895	13,352	11,907
Elberton	1,410	1,317	1,075
Macon	19,387	17,489	14,706
Newnan	2,918	2,333	1,760
Savannah	39,171	29,448	31,535
Valdosta	4,889	4,369	3,621
Louisiana—New Orleans	266,714	210,784	218,809
Mississippi—4 Cities	57,672	57,618	40,408
Hattiesburg	4,642	4,049	3,767
Jackson	32,553	34,204	21,486
Meridian	10,573	9,423	8,376
Vicksburg	9,904	9,942	6,779
Tennessee—3 Cities	164,346	136,692	139,008
Chattanooga	45,619	38,153	36,551
Knoxville	29,896	23,820	25,771
Nashville	88,831	74,719	76,686
Total—26 Cities	\$ 1,153,824	\$ 932,116	\$ 938,771

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

of the United States Government; securities guaranteed by the Government declined about 2.1 millions, while other securities increased about 6.4 millions.

There was little change in demand deposits-adjusted between December 9 and January 13, and time deposits declined 3.7 millions, but deposits of other banks increased 6.3 millions, and balances maintained with other banks rose 12.4 millions. Principal items in the weekly report are compared in an accompanying table.

Debits to individual accounts at 26 reporting clearing house centers increased 23.8 per cent from November to December, and were 22.9 per cent greater than in December, 1935, and larger than in December of other years since 1929.

## AGRICULTURE

The December Crop Report issued by the United States Department of Agriculture indicates that earlier estimates of the heavy loss of crops from drought with much lower yields per acre than in any recent year except 1934 have been confirmed, but that from a value standpoint the low yields are more than offset by prices averaging higher than in any year since 1929, and the total value of all crops is placed at \$6,084,932,000, compared with \$5,418,755,000 for 1935. The gross income from 1936 crops is expected to total about \$3,870,000,000, an increase of 13 per cent over that in 1935. Adding the preliminary estimate of gross income during 1936 from livestock and livestock products of \$5,180,000,000 and allowing for Soil Conservation and benefit payments of \$480,000,000, the gross income of farmers from 1936 operations is estimated at \$9,530,000,000, compared with \$8,508,000,000 in 1935 and \$7,276,000,000 in 1934. While there is no general shortage of food, the production of several of the principal food crops was distinctly less than usual. The wheat crop was almost exactly the same as that of 1935, but it was the fourth small crop in succession. Rye was equally light, but the rice crop was the largest since 1920. Production of potatoes declined 15 per cent from 1935, and the sweet potato crop was the smallest since 1930. The tobacco crop declined, but cotton production was about 17 per cent greater than in 1935. Deciduous fruits were generally light, but citrus fruits are expected to be a bumper crop.

For the six states of this District the estimates of the total farm value of 64 principal crops amount to about 943 mil-

lions, an increase of 26 per cent over 1935 and larger than for other recent years. The largest increase was in Mississippi, where cotton production increased nearly 52 per cent. Total value figures by states, and production and value figures by crops for the six states combined, are compared in the two tables following.

TOTAL FARM VALUE OF 64 PRINCIPAL CROPS—BY STATES  
(In Thousands of Dollars)

	1936		1935		1934	
Alabama.....	\$	165,499	\$	137,017	\$	142,396
Florida.....		85,018		80,500		77,110
Georgia.....		191,123		169,430		156,663
Louisiana.....		135,309		101,327		87,519
Mississippi.....		226,339		147,362		143,669
Tennessee.....		139,698		112,535		124,423
Total.....	\$	942,986	\$	748,171	\$	731,780

PRODUCTION AND FARM VALUE OF PRINCIPAL CROPS  
IN SIX STATES OF THE SIXTH DISTRICT  
Production in Thousands of Units  
Values in Thousands of Dollars

	Production		Value		
	1936	1935	1936	1935	
Cotton—Lint.....	Bales	5,366	4,281	\$ 334,993	\$ 235,974
Cotton—Seed.....	Tons	2,383	1,903	86,918	58,986
Corn.....	Bushels	199,279	222,990	198,064	170,291
Oats.....	Bushels	12,290	12,200	8,010	6,647
Wheat.....	Bushels	6,472	6,076	6,989	5,837
Tame Hay.....	Tons	3,453	3,635	44,307	37,772
White Potatoes.....	Bushels	11,121	13,550	14,494	10,217
Sweet Potatoes.....	Bushels	31,933	42,630	28,339	29,166
Peanuts.....	lbs.	778,760	689,965	24,947	21,322
Pecans.....	lbs.	20,630	20,650	2,644	2,115
Tobacco.....	lbs.	170,198	167,153	34,486	27,874
Apples.....	Bushels	2,741	2,602	3,007	2,740
Peaches.....	Bushels	8,685	8,392	9,932	7,317
Oranges.....	Boxes	21,387	18,247	27,664	27,686
Grapefruit.....	Boxes	16,500	11,500	12,375	12,075
Sugar Cane.....	Tons	5,494	5,033	19,907	16,089
Sugar Cane Sirup.....	Gals.	21,214	24,292	9,019	9,831
Sugar.....	Tons	397	375	.....	.....
Rice.....	Bushels	19,135	17,296	17,030	12,280

Estimated receipts from the sale of principal farm products, including livestock and livestock products, increased further from September to October by about one-third, and were 35.7 per cent greater than in October, 1935. Comparisons by states follow.

ESTIMATED RECEIPTS FROM SALE OF PRINCIPAL FARM PRODUCTS  
(Including Livestock and Livestock Products)  
(In Thousands of Dollars)

	Oct. 1936		Oct. 1935		January—October Incl. 1936		1935	
Alabama.....	\$	21,259	\$	18,167	\$	80,646	\$	73,501
Florida.....		6,221		3,761		86,714		76,478
Georgia.....		19,323		16,754		107,967		90,195
Louisiana.....		18,614		13,453		68,743		65,776
Mississippi.....		41,977		26,803		111,413		86,623
Tennessee.....		15,126		11,513		79,549		76,142
Total.....	\$	122,720	\$	90,451	\$	535,032	\$	468,715

## TRADE

### Retail Trade

The volume of retail trade in the Sixth Federal Reserve District during the year 1936, reflected in confidential figures reported by 57 cooperating firms, was 14.2 per cent larger than in 1935. Daily average sales during 1936 averaged 105.3 per cent of the 1923-25 average, the highest level for any year since 1923.

December sales increased 70.3 per cent over November, which was shorter by two business days, and were 17.1 per cent greater than in December, 1935. The gain from November to December was larger than usually occurs at that time and the index of daily average sales after adjustment for the usual seasonal movement rose from 105.2 per cent of the 1923-25 average in November to 110.1 per cent in December. The December index is the highest for that month since 1927. Stocks at the end of December were 16.1 per cent smaller than a month earlier, but averaged 7.2 per cent larger than for December, 1935. The collection

### SUGAR MOVEMENT—NEW ORLEANS—Pounds

	Raw Sugar		
	Dec. 1936	Nov. 1936	Dec. 1935
Receipts.....	91,581,258	86,365,156	79,410,418
Meltings.....	78,906,556	71,276,820	36,945,654
Stocks.....	36,776,950	24,121,675	89,855,194
	Refined Sugar		
Shipments.....	78,428,960	68,139,684	46,049,096
Stocks.....	12,615,541	16,475,098	17,827,412

### RICE MOVEMENT (Rice Millers' Association Statistics)

	December		Aug. to Dec. Incl.	
Receipts of Rough Rice*				
Season 1936-37.....	736,245	6,465,950		
Season 1935-36.....	656,707	6,075,876		
Distribution of Milled Rice**				
Season 1936-37.....	979,850	4,388,322		
Season 1935-36.....	538,112	3,567,643		
Stocks:				
December 31, 1936.....	1,155,208	1,499,121		
December 31, 1935.....	2,396,985	739,321		

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

RETAIL TRADE IN THE SIXTH DISTRICT DURING DECEMBER 1936

Based on confidential reports from 57 department stores

	COMPARISON OF NET SALES			COMPARISON OF STOCKS		STOCK TURNOVER				COLLECTION RATIO		
	December 1936		Year to date with Same period last year	Dec. 31, 1936		with:				Dec. 1936	Nov. 1936	Dec. 1935
	Same month a year ago	Previous Month		Same month a year ago	Previous Month	December 1936	Jan.-Dec. 1935	December 1935	Jan.-Dec. 1935			
Atlanta (6)	+19.4	+69.7	+13.1	+10.6	-14.0	.73	.60	5.02	4.66	30.9	27.7	28.5
Birmingham (5)	+26.0	+63.8	+26.8	+ 6.6	-22.2	.54	.46	3.65	3.48	36.5	35.5	34.4
Chattanooga (4)	+15.8	+61.6	+ 6.8	-23.0	-37.2	.62	.48	3.67	3.60	33.2	32.7	30.6
Jacksonville (3)	+18.7	+92.6	+17.7	.....	.....	.....	.....	.....	.....	.....	.....	.....
Miami (3)	+14.5	+81.2	+13.8	+19.2	+ 6.7	.70	.70	4.99	4.53	.....	.....	.....
Montgomery (3)	+ 8.0	+68.0	+ 7.6	+ 5.5	-15.7	.49	.....	3.55	.....	.....	.....	.....
Nashville (4)	+20.7	+80.0	+11.0	+ 5.4	-25.6	.64	.45	4.37	3.17	29.0	28.8	29.5
New Orleans (4)	+12.2	+62.4	+15.8	+ 7.0	-19.3	.55	.52	4.18	3.51	39.6	37.5	43.9
Other Cities (25)	+14.8	+71.7	+ 8.4	+12.0	-12.1	.43	.50	3.06	3.24	36.9	32.9	33.6
DISTRICT (57)	+17.1	+70.3	+14.2	+ 7.2	-16.1	.59	.52	4.12	3.65	34.7	32.1	33.5

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.

ratio rose from November to December and was the highest since February. The December ratio for regular accounts was 40 per cent, and for installment accounts 14.9 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 indexes of daily average sales, and of stocks, on page 8, are based upon reports from a smaller number of firms whose figures have been reported over a longer period of time.

A statement by the United States Department of Commerce indicates that daily average sales of general merchandise in small towns and rural areas in the South were 24.1 per cent larger in November, 1936, than a year earlier, compared with an increase of 18.2 per cent for the country as a whole.

**Life Insurance** Life insurance sales in the six states of this District increased from November to December, as they usually do. The December total was 19.9 per cent larger than for November, and 8 per cent greater than for December, 1935, although for the country as a whole there was a decrease of 2.6 per cent compared with December a year ago. For the year 1936, total sales in this District were 1.6 per cent less than in 1935, increases in Florida and Mississippi being more than offset in the total by decreases in the other four states. For the country, 1936 sales were 4.1 per cent less than in 1935. Figures compared in the table are from those compiled by the Life Insurance Sales Research Bureau.

	(In Thousands of Dollars)				
	December 1936	November 1936	December 1935	January-December 1936	Incl. 1935
Alabama	\$ 4,404	\$ 3,914	\$ 4,098	\$ 42,551	\$ 45,171
Florida	5,966	4,417	4,954	57,992	54,797
Georgia	7,238	5,991	7,367	73,122	77,997
Louisiana	4,984	4,691	5,067	54,943	56,894
Mississippi	3,500	3,038	2,749	29,769	27,021
Tennessee	6,589	5,218	6,055	64,598	66,506
Total Six States	32,701	27,269	30,290	322,975	328,386
United States	560,729	477,569	575,600	5,927,563	6,181,255

**Wholesale Trade** The volume of wholesale trade in the Sixth District during the year 1936, reflected in figures reported by 79 firms, was 18.1 per cent greater than in 1935, and a preliminary annual index for the year of 72.9 per cent of the 1923-1925 average is higher than for other years since 1930. December sales averaged only 2 per cent less than in November, a decline about half that which occurred at the same time a year ago, and were 21.4 per cent greater than in December, 1935. The December index is the highest for the month since 1929. Stocks declined in December but were larger than a year

WHOLESALE TRADE IN SIXTH DISTRICT DURING DECEMBER 1936

Based on confidential reports from 79 firms

	Number of Firms	Percentage Comparisons		
		Dec. 1936 with 1936	Dec. 1935 with 1935	Jan.-Dec. 1936 Incl. with same period last year
All Lines Combined:				
Sales	79	- 2.0	+21.4	+18.1
Stocks	26	- 4.1	+ 9.7	.....
Groceries:				
Sales	18	+ 8.1	+13.0	+ 5.4
Jacksonville	3	+12.5	+14.0	- 2.5
Vicksburg	3	+ 6.9	+42.2	+26.3
Other Cities	9	+ 3.6	+20.1	+ 7.5
Dry Goods:				
Sales	14	-24.8	+12.6	+14.6
Nashville	3	-19.9	+20.9	+ 9.9
Other Cities	11	-26.0	+10.6	+15.9
Stocks	7	-13.1	+ 8.2	.....
Hardware:				
Sales	25	- 0.4	+27.3	+23.1
Nashville	3	+10.2	+19.6	+ 9.9
New Orleans	5	+ 0.1	+21.5	+32.1
Other Cities	17	- 2.1	+31.9	+20.7
Stocks	9	- 4.5	+ 4.1	.....
Furniture:				
Sales	7	- 5.2	+63.2	+46.7
Stocks	5	+ 3.5	+15.0	.....
Electrical Supplies:				
Sales	3	+ 6.9	+32.7	+46.2
Drugs:				
Sales	7	+ 3.2	+14.3	+13.1

	COLLECTION RATIO*		
	December 1936	November 1936	December 1935
Groceries	81.2	74.7	64.2
Dry Goods	45.4	39.5	46.5
Hardware	50.1	45.1	41.7
Furniture	59.7	46.8	37.8
Total	53.5	46.7	48.1

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

ago, and collections were considerably better than in November or in December, 1935. Comparisons of reported figures are shown in an accompanying table, and index numbers appear on page 8.

EMPLOYMENT

According to statistics compiled by the United States Bureau of Labor Statistics, employment and payrolls in this District improved further in November to a new high level for the recovery period. Number of workers increased 1.8 per cent over October, and 11.4 per cent over the low for the year in June, and was 12.5 per cent larger than a year ago and 54.8 per cent above the low point recorded for July, 1932. The amount of a week's payroll averaged 2.5 per cent higher in November than in October, 13.7 per cent larger than in June, and was 19.4 per cent larger than in November a year ago and 99 per cent greater than in July, 1932. The largest gains over October were reported in wholesale and retail trade and canning in Florida, where number of workers increased 8.9 per cent and payrolls 7.6 per cent. Other states reported small increases excepting

## BUILDING PERMITS—DECEMBER

	Number		Value		Percentage Change in Value
	1936	1935	1936	1935	
Alabama					
Birmingham	19	32	\$ 23,788	\$ 19,638	+ 21.1
Birmingham	384	239	225,227	145,625	+ 54.7
Mobile	24	26	46,101	19,686	+134.2
Montgomery	78	72	79,470	41,902	+ 89.7
Florida					
Jacksonville	450	413	337,445	303,737	+ 11.1
Miami	760	976	1,408,684	682,567	+106.4
Miami Beach	166	165	673,091	372,204	+ 80.8
Orlando	95	53	116,016	47,242	+145.6
Tampa	142	153	54,569	38,605	+ 41.4
Georgia					
Atlanta	122	121	170,054	80,333	+111.7
Augusta	33	13	202,047	50,848	+297.4
Columbus	59	47	30,934	35,254	- 12.3
Macon	149	133	108,758	9,781	+1,011.9
Savannah	28	12	26,450	10,296	+156.9
Louisiana					
New Orleans	84	55	253,620	272,090	- 6.8
Alexandria	43	34	44,511	10,457	+325.7
Tennessee					
Chattanooga	268	217	91,041	80,701	+ 12.8
Johnson City	4	2	4,160	575	+623.5
Knoxville	51	38	139,369	59,082	+135.9
Nashville	131	158	124,622	1,008,785	- 87.6
Total 20 Cities	3,090	2,959	\$ 4,159,957	\$3,289,408	+ 26.5

Mississippi where number of workers and payrolls declined 1 per cent.

## INDUSTRY

The value of building permits issued at twenty reporting cities in the Sixth District indicate the largest amount of construction since 1929. The monthly figures reached in July a total of more than 8 millions of dollars, the largest for any month since April, 1929. Since July, however, permits have declined each month through December. The December total was 13.1 per cent smaller than for November, but 26.5 per cent greater than for December, 1935. Only three cities reported decreases compared with December, 1935. The total for the year was \$64,921,429, larger by 62.7 per cent than in 1935, and larger than for other years since 1929 and only 10.2 per cent below the total for that year. Comparisons for the month are shown in an accompanying table.

The total value of building and construction contracts awarded in the Sixth District, according to statistics compiled by 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, amounted in 1936 to \$246,235,031. This is an increase of 52.1 per cent over the total for 1935, and is the largest total for any year since 1929. Residential contracts in 1936 amounted to \$60,613,458, larger by 58.1 per cent than in 1935, and also the largest total since 1929, and other contracts in 1936 totaled \$176,621,573 and were 49.8 per cent greater than in 1935 and the largest since 1930. Gains over 1935 were also shown for each of the states of the District except Louisiana where there was a small decrease. The value of contract awards declined from November to December and for the first time since the spring of 1935 were

## BUILDING AND CONSTRUCTION CONTRACTS AWARDED

	F. W. Dodge Corporation		
	Dec. 1936	Nov. 1936	Dec. 1935
Sixth District Total	\$ 18,745,600	\$ 28,639,300	\$ 20,393,728
Residential	5,342,300	4,581,900	5,132,610
All Others	13,403,300	24,057,400	15,261,118
State Totals:			
Alabama	1,735,100	9,675,700	2,756,500
Florida	6,347,600	5,660,500	6,693,700
Georgia	4,998,400	4,130,300	3,165,200
Louisiana	2,837,700	1,177,100	4,123,100
Louisiana	1,783,400	2,418,800	2,438,800
Mississippi			
Tennessee	3,515,900	7,599,900	4,964,900

smaller in total than for the corresponding month a year earlier. Residential contracts increased over November, and over December, 1935, but these increases were more than offset in the total by decreases in other contracts. State totals show increases over November in Florida, Georgia and Louisiana, and over December a year ago only in Georgia. Total contracts awarded in the 37 eastern states have declined each month since July, and the December total was 24.4 per cent less than for December, 1935. For the year, however, total awards were 45 per cent greater than in 1935, residential contracts 67 per cent larger, and other classes also increased.

Press reports indicate that the Southern Pine market continues its steady advance, that retail yards are still buying liberally and there has recently been an appreciable increase in the demand for railroad car stock. There was a general advance in pine prices about the middle of December, but this has not served to check buying. For the six weeks period ending January 9, orders at reporting mills averaged 30.5 per cent greater than in that period a year ago, unfilled orders averaged 41 per cent larger, and shipments averaged 24.3 per cent greater. Production, however, during this period averaged 1.1 per cent less than in that period a year ago.

Consumption of cotton by American mills increased from November to December by 10.6 per cent to the third highest level for any month on record. The total of 692,921 bales consumed in December was exceeded only in June, 1933, when 697,261 bales were consumed, and in March, 1927, when the total was 693,081 bales. December consumption was 38.6 per cent greater than in that month a year earlier. In the cotton states the increase over November was 9.1 per cent, and in other states 18.3 per cent. Consumption in the cotton states accounted for 83.2 per cent of the total in December, 84.3 per cent in November, and 83.4 per cent in December, 1935. Cumulated totals for the first five months of the cotton season amount to 3,170,131 bales, larger by 30.8 per cent than that during the corresponding part of the previous season. In the cotton states this five-months total was 2,654,288 bales, and in other states 515,843 bales, increase of 30.7 per cent and 31.1 per cent, respectively, over that period a year ago.

Cotton exports during December declined further by 13.9 per cent, compared with November, and were 33 per cent smaller than in December, 1935, and the five-months total of exports was 2,896,802 bales, a decrease of 16.3 per cent compared with the 3,460,821 bales exported during that part of the previous season. The value of the 593,860 bales exported in December is given by the Census Bureau as \$39,620,000, compared with \$46,152,000 for November and with

## COTTON CONSUMPTION, EXPORTS, STOCKS, AND ACTIVE SPINDLES

	United States (Bales)		
	Dec. 1936	Nov. 1936	Dec. 1935
Cotton Consumed	692,921	626,695	499,773
Stocks	9,789,704	10,210,658	9,820,335
In Consuming Establishments	2,001,378	1,792,250	1,431,249
In Public Storage and at Compresses	7,788,326	8,418,408	8,389,086
Exports	593,860	689,815	886,035
Active Spindles—Number	24,090,204	23,805,520	23,399,344

## COTTON GROWING STATES—Bales

Cotton Consumed	576,736	528,513	416,939
Stocks	9,428,913	9,933,744	9,490,973
In Consuming Establishments	1,722,138	1,575,907	1,223,430
In Public Storage and at Compresses	7,706,775	8,357,837	8,267,543
Active Spindles	17,549,224	17,463,486	17,209,902

\$55,740,000 for December, 1935, and the value of the five-months period was \$193,003,000, compared with \$220,718,000 for that period a year earlier.

Stocks of cotton at consuming establishments increased in both the cotton states and other states, and stocks in storage and at compresses increased in other states but declined in the cotton states. Total stocks declined 4.1 per cent from November, and were slightly smaller than a year ago.

There was a further increase of 1.2 per cent over November in the number of spindles active in December, when the total was 3 per cent greater than in December, 1935.

December consumption of cotton by mills in Georgia amounted to 139,234 bales, in Alabama to 75,496 bales, and in Tennessee to 16,627 bales, the total of 231,357 bales for the three states being 10.5 per cent greater than in November and 39 per cent greater than in December, 1935. Daily average consumption in December, which was the highest on record, was 2 per cent larger than in November. In the five months of the current season, August through December, 1,047,935 bales have been consumed in these three states, an increase of 32.9 per cent over consumption in that part of the previous season.

Cotton seed oil mills in this District crushed more seed, and produced more manufactured products, in December than in November, but receipts of seed declined seasonally and daily average production also declined somewhat. December receipts were, however, nearly two and one-half times as large as a year earlier, and crushings were 65.3 per cent greater than in December, 1935. For the five months of the season, receipts of seed have been 35.5 per cent, and crushings 13.1 per cent, greater than in that part of the previous season, and production ranged from an increase of 12.1 per cent in crude oil to 24.3 per cent in linters. Figures for the United States as a whole also show substantial gains over the previous season in receipts and crushings of seed, and in the output of manufactured products.

Electric power production in the six states of this District, after increasing each month from May through October, declined 4.9 per cent in November, but was 19.5 per cent greater than in November, 1935. The November total was less than in the three preceding months, but larger than for any other month on record. The decrease from October to November was largely due to the shorter month, as daily average production declined only 1.8 per cent. Production by use of water power accounted for 57.1 per cent of the total in November, 63.4 per cent in October, and 56.6 per cent in November, 1935. For the eleven months of 1936 total production has been 20.5 per cent that by water power 15.1 per cent, and that by use of fuels 29.4 per cent, greater than in that part of 1935.

Available preliminary statistics of the Bureau of Mines indicate that production of bituminous coal during the year 1936 amounted in Alabama to nearly 12 million tons, and in Tennessee to slightly more than 5 million tons. These figures represent increases for 1936 over production in 1935 of about 38 per cent in Alabama, and 22 per cent in Tennessee. Part of the increase is due to the curtailment of production in both states during the fall of 1935 by labor difficulties. Weekly production figures in December averaged somewhat smaller in Alabama, but larger in Tennessee, than in November, but were 17.6 per cent and 30.4

per cent, respectively, larger than for corresponding weeks a year earlier. Figures for the country as a whole indicate that December production amounted to 44,487,000 tons, an increase of 7 per cent over the revised total of 41,588,000 for November, and 25.7 per cent larger than the 35,388,000 produced in December, 1935. December had 26 business days, however, as against 23.1 in November, so that daily average production declined 4.9 per cent. For the year, total production was 431,950,000 tons, larger by 17 per cent than the total of 369,324,000 for 1935.

Production of pig iron in Alabama amounted in December to 200,933 tons, a gain of 4.3 per cent over the November total and 23.5 per cent greater than in December, 1935. Because of the longer month the increase in daily average production over November was 0.9 per cent. The December total was the largest for any month since June, 1930, and brings the total for the year 1936 to 1,942,979 tons, greater by 53.2 per cent than production in 1935, and the largest annual total since 1930. The 1936 total is more than twice as large as that for 1933 and about three times the amount for 1932. Fifteen furnaces continued active in December, which compares with 12 active at the close of 1935. Press reports indicate that the iron market is rather dull on account of the buying movement that took place before the price was advanced \$1 per ton on November 24. It was advanced another 50 cents the latter part of December, and the present base price is \$17.38. Most of the larger melters have bought sufficient iron to last them through the first quarter, but some scattering scales are being made. Producers entered the new year liberally supplied with unfilled orders.

In the United States as a whole, December production of pig iron amounted to 3,115,037 tons, a gain of 5.7 per cent over the month, and 47.9 per cent larger than in December, 1935. Daily average production increased 2.3 per cent over November. For the year 1936, total production amounted to 30,618,797 tons, 45.7 per cent greater than in 1935, and the largest annual total since 1930.

Further substantial increases in the quotations for rosin early in January brought the average for the thirteen grades to \$11.08 per 280 pounds on January 7, which compares with \$8.33 on December 5, and with \$4.65 on January 4 last year. The average for January 7 is the highest level recorded in about ten years. Quotations for turpentine also increased slightly to 45½ cents per gallon, the highest since January last year. Improved demand at the time of lowest receipts of the year is indicated in press reports to be the cause of improved prices. December receipts of turpentine declined, but those of rosins increased slightly, but receipts of both commodities were the smallest for December of any year in available statistics. Receipts and stocks are compared in the table.

	NAVAL STORES MOVEMENT			
	Turpentine (1)		Rosin (2)	
	Dec. 1936	Dec. 1935	Dec. 1936	Dec. 1935
<b>Receipts:</b>				
Savannah.....	5,277	6,134	32,020	29,987
Jacksonville.....	3,906	4,977	28,058	34,465
Pensacola.....	2,437	2,220	11,229	10,918
Total.....	11,620	13,331	71,307	75,370
<b>Stocks:</b>				
Savannah.....	35,261	51,085	82,098	111,360
Jacksonville.....	42,935	58,477	73,585	134,695
Pensacola.....	27,235	35,684	34,642	68,966
Total.....	105,431	145,216	190,325	315,021

(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	Oct. 1936	Nov. 1936	Dec. 1936	Oct. 1935	Nov. 1935	Dec. 1935
<b>Daily Average Sales—Unadjusted</b>						
Atlanta (3 firms).....	211.7	205.6	328.3	175.9	182.2	283.8
Birmingham (3 firms).....	124.8	121.4	187.3	72.2	86.8	138.8
Chattanooga (4 firms).....	94.2	91.9	137.1	85.7	81.8	123.1
Nashville (4 firms).....	109.4	99.1	164.6	93.5	89.7	141.8
New Orleans (4 firms).....	93.2	103.3	161.0	87.9	94.6	138.1
DISTRICT (30 firms).....	118.8	119.9	187.1	97.6	102.6	157.5
<b>Daily Average Sales—Adjusted*</b>						
Atlanta (3 firms).....	177.9	192.1	197.8	147.8	170.3	172.0
Birmingham (3 firms).....	107.6	108.4	110.2	62.2	77.5	81.5
Chattanooga (4 firms).....	76.0	82.8	87.9	69.1	73.7	78.9
Nashville (4 firms).....	93.5	86.9	98.6	79.9	78.7	84.9
New Orleans (4 firms).....	81.0	86.8	93.6	76.4	79.5	80.3
DISTRICT (30 firms).....	99.8	105.2	110.1	82.0	90.0	92.6
<b>Monthly Stocks—Unadjusted</b>						
Atlanta (3 firms).....	130.9	111.1	100.9	126.5	131.8	92.2
Birmingham (3 firms).....	69.1	75.9	57.3	50.7	61.3	50.7
Chattanooga (3 firms).....	55.8	56.1	35.2	56.2	55.1	45.7
Nashville (3 firms).....	65.9	67.3	50.1	72.1	73.6	58.9
New Orleans (4 firms).....	61.1	68.9	54.0	57.8	61.6	50.4
DISTRICT (25 firms).....	73.7	75.6	61.2	69.3	73.9	58.6
<b>Monthly Stocks—Adjusted*</b>						
Atlanta (3 firms).....	116.9	98.3	116.0	112.9	118.6	106.0
Birmingham (3 firms).....	62.8	67.8	63.0	46.1	54.7	55.7
Chattanooga (3 firms).....	49.8	51.0	40.0	50.2	50.1	51.9
Nashville (3 firms).....	58.3	60.1	55.7	63.8	65.7	65.4
New Orleans (4 firms).....	55.5	61.4	60.7	52.5	56.5	56.6
DISTRICT (25 firms).....	66.4	68.1	68.8	62.4	66.6	65.8
<b>WHOLESALE TRADE—SIXTH DISTRICT—TOTAL...</b>						
Groceries (18 firms).....	89.3	78.7	75.5	74.1	65.7	63.1
Dry Goods (14 firms).....	62.8	54.2	58.6	58.2	52.3	52.1
Hardware (25 firms).....	105.0	80.6	60.6	90.5	68.4	53.8
Furniture (7 firms).....	101.2	88.1	87.8	78.9	72.4	69.0
Drugs (7 firms).....	113.6	105.7	100.2	68.7	60.1	61.4
DISTRICT (25 firms).....	108.0	100.3	103.6	93.7	89.5	90.6
<b>LIFE INSURANCE SALES—SIX STATES—TOTAL.....</b>						
Alabama.....	65.2	64.9	77.9	60.0	59.1	72.1
Florida.....	55.7	57.7	64.9	46.7	49.2	60.4
Georgia.....	73.5	74.6	100.8	78.8	65.3	83.7
Louisiana.....	72.0	65.3	79.1	68.2	67.8	80.3
Mississippi.....	65.8	74.0	78.7	63.4	65.9	80.0
Tennessee.....	69.4	69.5	80.1	51.8	49.2	62.9
DISTRICT.....	58.0	55.4	70.0	52.8	54.1	64.3
<b>BUILDING PERMITS—TWENTY CITIES—TOTAL.....</b>						
Atlanta.....	51.9	42.6	37.0	35.8	33.6	29.2
Birmingham.....	13.2	30.1	11.0	19.7	12.1	5.2
Jacksonville.....	9.9	12.8	15.2	13.5	6.1	9.8
Nashville.....	50.6	61.6	41.0	51.7	45.5	36.9
New Orleans.....	136.1	13.5	19.6	63.7	63.5	159.0
Fifteen Other Cities.....	30.5	19.8	19.7	10.9	10.6	21.1
DISTRICT.....	69.7	60.0	55.7	46.6	47.3	27.0
<b>CONTRACT AWARDS—SIXTH DISTRICT—TOTAL.....</b>						
Residential.....	59.5	81.6	53.4	47.1	54.3	58.1
All Others.....	51.7	32.7	38.1	28.9	19.9	36.8
DISTRICT.....	64.8	114.2	63.8	59.3	77.2	72.4
<b>WHOLESALE PRICES—UNITED STATES†</b>						
ALL COMMODITIES.....	81.5	82.4	84.2	80.5	80.6	80.9
Farm Products.....	84.0	85.1	88.5	78.2	77.5	78.3
Foods.....	82.6	83.9	85.5	85.0	85.1	85.7
Other Commodities.....	80.1	81.0	82.2	78.3	78.8	78.7
Hides and leather products.....	95.6	97.0	99.7	93.8	95.0	95.4
Textile products.....	71.6	73.5	76.3	72.9	73.4	73.2
Fuel and lighting.....	76.8	76.8	76.5	73.4	74.5	74.6
Metals and metal products.....	86.9	87.9	89.6	86.5	86.9	86.8
Building materials.....	87.3	87.7	89.5	86.1	85.8	85.6
Chemicals and drugs.....	82.2	82.5	85.3	81.1	81.2	80.6
Housefurnishing goods.....	82.0	82.3	83.2	80.6	81.0	81.0
Miscellaneous.....	71.5	73.4	74.5	67.5	67.4	67.5
<b>COTTON CONSUMPTION—UNITED STATES.....</b>						
Cotton-Growing States.....	125.5	121.7	134.5	107.2	99.5	97.0
All Other States.....	158.1	154.4	168.4	134.1	125.8	121.8
Georgia.....	60.9	56.9	67.3	53.9	47.2	48.0
Alabama.....	162.8	160.2	178.7	135.8	126.2	124.8
Tennessee.....	205.0	202.0	219.6	174.7	165.6	167.9
DISTRICT.....	154.7	152.1	167.1	133.1	118.7	115.0
<b>COTTON EXPORTS—UNITED STATES.....</b>						
DISTRICT.....	167.7	134.4	115.7	138.6	221.0	170.9
<b>PIG IRON PRODUCTION—UNITED STATES.....</b>						
Alabama.....	100.2	98.7	104.3	66.2	69.2	70.5
DISTRICT.....	70.9	83.0	86.5	44.5	55.0	70.1

\* Adjusted for Seasonal Variation.

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