

MONTHLY REVIEW

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

FEDERAL RESERVE BANK OF ATLANTA

Vol. 22 No. 2

ATLANTA, GA., FEBRUARY 28, 1937

This review released for publication
in afternoon papers of March 2

NATIONAL SUMMARY OF BUSINESS CONDITIONS

Prepared by the
Board of Governors of the Federal Reserve System

Industrial activity, adjusted for seasonal changes, showed a decline in January following a rapid rise in November and December. Distribution of commodities to consumers declined more than seasonally.

Production and Employment Volume of industrial production, which usually increases at this time of year, declined from December to January, and the Board's seasonally adjusted index was 115 per cent of the 1923-1925 average as compared with 121 in December and 114 in November. Steel production increased, though by less than the usual seasonal amount, and was larger in January than at any other time during the recovery period. In the first three weeks of February output of steel increased somewhat further. Output of automobiles was curtailed by strikes in January and the first half of February but after the strikes were settled production rose sharply. At lumber mills there was a considerable decrease in activity in January, reflecting in part the effects of unusually cold weather in the Western lumber regions. Production of plate glass declined further in January but toward the end of the month the strikes which had restricted output since October were settled. At textile mills activity declined from the exceptionally high level reached in December, and in the meatpacking industry there was also a decrease, while output at shoe factories increased. Mineral production was smaller in January than in December, reflecting a reduction in output of coal. There was a further rise in output of crude petroleum.

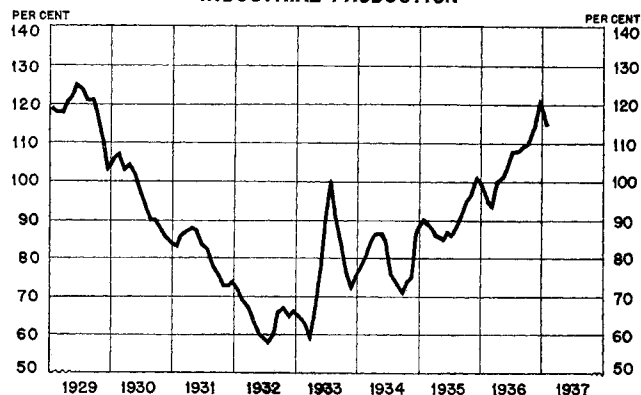
Value of construction contracts awarded showed a considerable rise in January, according to figures of the F. W. Dodge Corporation, and was substantially larger than a year ago. The most marked increases over December were in factory building, which recently has been in larger volume than at any time since 1930, and in residential building. The increase in residential building was largely in publicly-financed apartment construction.

Factory employment and payrolls showed about the usual seasonal decline between the middle of December and the middle of January. Among the durable goods industries there were increases in employment at blast furnaces and steel mills and at foundries and machine shops, while in the automobile industry there was a considerable decline. In industries producing nondurable goods employment declined by less than the usual seasonal amount, with increases at textile mills and in the chemical industries, and seasonal reductions in working forces in most other lines.

Distribution Department store sales showed the usual seasonal decrease in January, while sales at variety stores and mail order houses declined considerably more than is usual. Car loadings of revenue freight also declined in January, reflecting in part the effects of floods. There were substantial declines in shipments of forest products, coal, and miscellaneous freight.

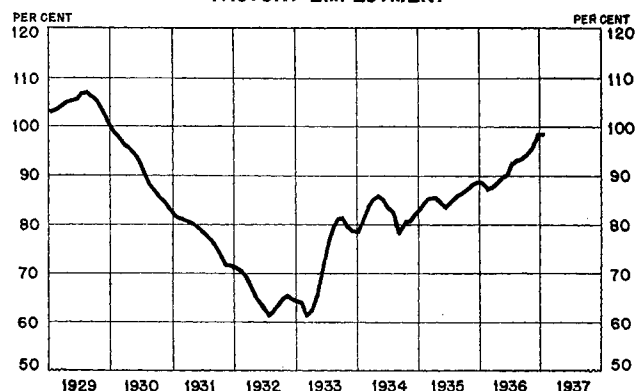
Commodity Prices The general level of wholesale commodity prices, which, according to the Bureau of Labor Statistics, had advanced more than 5 per cent from the end of October to the middle of January, showed little change from the middle of January to the third week of February. Prices of agricultural commodities declined slightly, while industrial commodities as a group continued to advance. There were substantial in-

INDUSTRIAL PRODUCTION



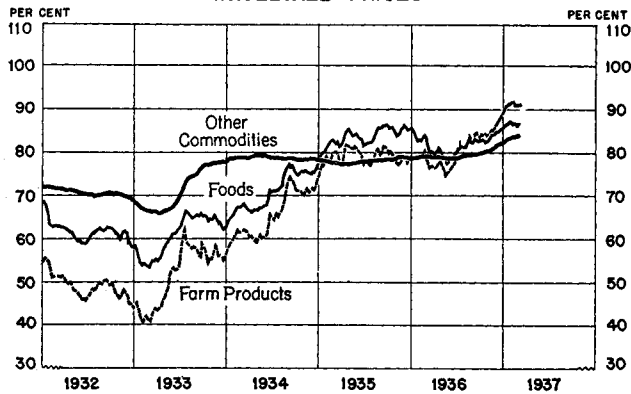
Index of physical volume of production, adjusted for seasonal variation, 1923-1925 average = 100. By months January 1929 to January 1937.

FACTORY EMPLOYMENT



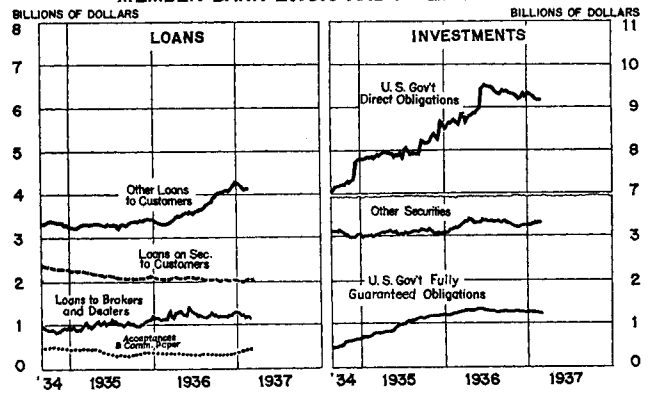
Index of number employed, adjusted for seasonal variation, 1923-1925 average = 100. By months, January 1929 to January 1937.

WHOLESALE PRICES



Indexes compiled by United States Bureau of Labor Statistics, 1926 = 100. By weeks, 1932 to date. Latest figure is for week ending February 20, 1937.

MEMBER BANK LOANS AND INVESTMENTS



Wednesday figures for reporting member banks in 101 leading cities, September 5, 1934 to February 17, 1937. Loans on real estate and loans to banks excluded.

creases in nonferrous metals, lumber, and petroleum and smaller increases in a wide variety of finished products, while prices of glass and certain cotton textiles declined, following rapid increases in other recent months.

Bank Credit Total loans and investments of weekly reporting member banks in leading cities declined somewhat further during the four weeks ending February 17, reflecting principally a decrease in holdings of United States Government obligations. Commercial loans, following a seasonal decline in January, increased at reporting banks outside New York City and remained practically unchanged in New York.

On January 31 the Board of Governors raised the reserve requirements for member banks by $33\frac{1}{3}$ per cent, half of the increase to become effective on March 1 and half on May 1. This action completes the use of the Board's authority under the law to raise reserve requirements.

Excess reserves of member banks showed little change in the five weeks ending February 24; there was a further increase at New York City banks and a decline at banks elsewhere.

The rate on bankers' acceptances was raised $\frac{1}{16}$ of 1 per cent on February 1, following a similar increase on January 16. Market yields on short and medium term treasury obligations also increased slightly in January and the early part of February, while yields on long-term Government bonds showed little change.

SIXTH DISTRICT SUMMARY

In January the volume of trade at retail in the Sixth Federal Reserve District declined by slightly more, and that at wholesale by less, than the usual seasonal amount, construction contracts increased but building permits issued at reporting cities declined, daily average consumption of cotton increased further to a new high level, and there were increases in the production of coal and iron.

Department store sales, which are usually less than half as large in January as in December, declined 55.4 per cent in January this year, but were 12.2 per cent larger than a year ago. The January index is the highest for that month since 1929. Stocks were about 10 per cent larger in dollar value than a year ago, but the collection ratio was about 9 per cent lower. Wholesale trade, which has declined from December to January eleven times in the past fifteen years, declined less than one per cent in January, and was 27.5 per cent larger than a year ago, and the collection ratio for

wholesale trade is about 11 per cent higher than for January, 1936. Debits to individual accounts at banks in 26 clearing house centers were 20.9 per cent greater than a year ago, although 5.7 per cent less than in December.

At weekly reporting member banks in leading cities of the District investments declined nearly 7 millions, and total loans declined slightly, between January 13 and February 10, and at that time total loans and investments were 19.1 millions less than the high point for recent years reached on December 23, but were 75.9 millions greater than at the same time last year. Total holdings of securities, and holdings of direct obligations of the United States, were on February 10 smaller than on any other Wednesday since June 10. Deposits have increased further in recent weeks. At the Federal Reserve Bank there was little change in holdings of bills and securities, but reserves and deposits increased. After reaching the highest level, on December 23, in a number of years, Federal Reserve note circulation of this bank's issue declined in the five weeks following the Christmas holiday, but increased slightly in early February.

Building and construction contracts awarded in the Sixth District increased 20.5 per cent, but residential contracts declined 19.9 per cent, from December to January, and total contracts were 15.3 per cent, and residential awards 55.3 per cent, greater than a year ago. Building permits issued at twenty cities have declined each month since July, and in January were 10.3 per cent smaller than in January, 1936. This is the first time in two years when a decrease has been shown in comparison with the corresponding month a year earlier. Employment and payrolls increased further in December, the latest figures available, to a new high level for the recovery period. On a daily average basis, cotton consumption in this District increased slightly in January, was 18.6 per cent greater than a year ago, and was larger than in any other month on record. Orders, shipments, and unfilled orders at Southern Pine mills continued in January and early February to average well above the corresponding period last year, but production was 3.4 per cent smaller. Operations at cotton seed oil mills declined seasonally from December, but were at a substantially higher level than in January last year. Coal production in both Alabama and Tennessee continued larger than a year ago, and January production of pig iron in Alabama was 32.2 per cent greater than in January, 1936. Production of electric power in December, the latest figures available, was the largest on record in this District.

FEDERAL RESERVE BANK OF ATLANTA
(In Thousands of Dollars)

	Feb. 10 1937	Jan. 13 1937	Feb. 12 1936
Bills Discounted:			
Secured by Govt. Obligations	\$ 60	\$ 105	\$ 162
All Others	104	42	38
Total Discounts	164	147	200
Bills Bought on Open Market	108	108	163
Industrial Advances	361	391	888
U. S. Securities	109,941	109,941	94,209
Total Bills and Securities	110,574	110,587	95,460
Total Reserves	248,435	244,751	195,070
Member Bank Reserve Account	157,678	154,758	118,554
U. S. Treasurer—Gen. Account	4,235	4,254	3,232
Total Deposits	171,360	166,012	133,976
F. R. Notes in actual circulation	182,852	182,701	152,377
Commitments to make industrial advances	283	288	398

FINANCE

Reserve Bank Credit There was a small decline in the total volume of bills and securities held by the Federal Reserve Bank of Atlanta between January 13 and February 10, when they were 15.1 millions greater than on the corresponding Wednesday a year earlier. The recent decrease was due to a reduction of \$30,000 in the amount of industrial advances outstanding, offset in part by an increase of \$17,000 in the volume of discounts for member banks. There was no change in the amount of the bank's holdings of United States securities, and holdings of purchased bills have not changed materially in about eight months. Holdings of United States securities on February 10 were 15.7 millions greater than at the same time last year, but discounts, industrial advances and holdings of purchased bills were somewhat smaller than at that time.

Total reserves held by the bank have been somewhat less since the first of the year than they were in December, but on February 10, were 53.4 millions larger than on the same Wednesday last year. Member bank reserve deposits, at 157.7 millions, were on February 10 only slightly smaller than the 160 millions total for December 30, which was the highest on record, and were 39.1 millions greater than a year earlier. During the first half of January deposits, and consequently reserve requirements, averaged slightly higher than in the previous period, and actual reserves also increased and averaged 39.8 millions above reserve requirements. In the last half of January, however, although deposits and reserve requirements averaged somewhat smaller, actual reserves increased, on a daily average basis, and were 41.2 millions larger than were actually required.

Total deposits held by the reserve bank on February 10 reached a new high level, at 171.4 millions, and were 37.4 millions greater than a year earlier. Federal Reserve notes of this bank's issue, after reaching on December 23, the highest total at 195.5 millions in a number of years, declined by January 27 to 180.7 millions, but two weeks later amounted to 182.9 millions, 30.5 millions greater than a year ago.

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

Member Bank Credit Total loans and investments at 22 weekly reporting member banks in leading cities of the Sixth District were 7.2 millions smaller on February 10 than four weeks earlier, and had declined 19.1 millions from the high point for recent years, at \$601,480,000, on December 23. They were, however, 75.9 millions greater than on February 12, 1936. The larger part of the decline in recent weeks was in investment holdings. Total loans, which had reached a high level of

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

	Feb. 10 1937	Jan. 13 1937	Feb. 12 1936
Loans and Investments	\$ 582,366	\$ 589,566	\$ 506,504
Loans—Total	262,832	263,080	210,743
On Securities	60,183	60,282	52,019
To Brokers and Dealers	8,979	8,337	5,246
To Others	51,204	51,945	46,773
Real Estate Loans	25,785	25,609	21,006
Acceptances and Com'l Paper Bought	6,207	5,855	5,201
Loans to Banks	838	650	616
All Other Loans	169,819	170,684	131,901
Investments—Total	319,534	326,486	295,761
U. S. Govt. Direct Obligations	201,373	208,283	182,790
Obligations Guaranteed by U.S. Other Securities	35,873	35,272	39,269
Other Securities	82,288	82,931	73,702
Reserve with F. R. Bank	90,195	89,845	67,576
Cash in Vault	11,256	11,848	9,943
Balances with domestic banks	148,687	139,639	157,886
Demand Deposits—Adjusted	334,302	330,093	291,975
Time Deposits	177,075	174,882	170,020
U. S. Govt. Deposits	23,829	37,362	28,200
Inter-bank deposits: Domestic	241,216	233,473	201,431
Foreign	1,108	1,229	1,214
Borrowings—at F. R. Bank	.....	.....	.....
Other	60	.....	.....

268 millions on December 23, had declined by February 10 to 262.8 millions, but were 52.1 millions greater than a year earlier. Since January 13 there was a further decline of \$865,000 in "All Other Loans," which are those for commercial, industrial, and agricultural purposes, and a small decrease in loans on securities, but real estate loans, loans to banks, and holdings of purchased acceptances and commercial paper increased. All of these classes of loans were greater than a year ago, however, the increase in "All Other Loans" being 37.9 millions.

Holdings of investment securities were nearly 7 millions less on February 10 than four weeks earlier and were the smallest since June 10 last year. Holdings of United States direct obligations were also the smallest since June 10, but were 18.6 millions greater than a year ago. Holdings of securities guaranteed by the United States increased slightly since January 13, but were 3.4 millions less than a year ago, while other securities have recently showed a small decline but were 9.7 millions greater than a year ago.

DEBITS TO INDIVIDUAL ACCOUNTS*
(In Thousands of Dollars)

	Jan. 1937	Dec. 1936	Jan. 1936
Alabama—4 Cities	\$ 164,389	\$ 164,348	\$ 135,894
Birmingham	99,129	97,244	80,568
Dothan	3,339	3,997	2,379
Mobile	38,148	37,298	30,627
Montgomery	23,773	25,809	22,320
Florida—4 Cities	175,353	179,907	142,783
Jacksonville	84,217	88,859	66,956
Miami	49,373	48,363	39,638
Pensacola	9,026	10,593	7,013
Tampa	32,737	32,090	29,176
Georgia—10 Cities	297,712	320,837	235,300
Albany	5,818	5,855	3,383
Atlanta	193,671	204,939	154,393
Augusta	21,275	22,489	17,515
Brunswick	2,514	2,884	2,306
Columbus	15,067	16,895	11,910
Elberton	1,086	1,410	867
Macon	16,444	19,387	12,525
Newnan	2,525	2,918	1,699
Savannah	34,830	39,171	27,289
Valdosta	4,482	4,889	3,413
Louisiana—New Orleans	237,417	266,714	200,589
Mississippi—4 Cities	51,686	57,672	40,275
Hattiesburg	4,715	4,642	4,092
Jackson	29,285	32,553	19,647
Meridian	9,910	10,573	9,615
Vicksburg	7,776	9,904	6,921
Tennessee—3 Cities	161,368	164,346	144,837
Chattanooga	47,172	45,619	41,515
Knoxville	31,860	29,896	26,319
Nashville	82,336	88,831	77,003
Total—26 Cities	\$ 1,087,925	\$ 1,153,824	\$ 899,678

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

Demand deposits-adjusted continued at a high level on February 10 and were 42.3 millions greater than a year ago. Time deposits also increased recently and were 7.1 millions greater than a year ago, but Government deposits declined and were less than on the corresponding Wednesday last year. Deposits of other banks increased to a new high level, at 241.2 millions on February 10, and were 39.8 millions greater than a year ago. Balances maintained by these banks with correspondent banks have increased from a low for 1936, at 122 millions on November 10, to 148.7 millions on February 10, but were 9.2 millions less than at that time last year. Principal items in the weekly report are compared in an accompanying table.

Debits to individual accounts at banks in 26 reporting clearing house centers declined 5.7 per cent from December to January, but were 20.9 per cent greater than in January last year.

AGRICULTURE

In contrast to conditions a year earlier, during most of January and early February there were unusually high temperatures over most of the Sixth District and more than usual rainfall, although in Florida January weather was, for the most part, hot and dry. Practically all crops in that State suffered from the hot, dry weather until late in January, and planting and setting of spring crops is reported as abnormally early.

Prospective production of oranges, including tangerines, in Florida, continues at 21.2 million boxes, the largest on record, compared with 18 million boxes in the 1935-36 season, and the estimate of grapefruit production continues at 17.5 million boxes, 52 per cent larger than the 11.5 million boxes produced in 1935-36. The maturity of citrus fruit in Florida was hastened by the high temperatures in most of January.

Cash receipts from the sale of principal farm products in the Sixth District during 1936, according to statistics compiled by the United States Department of Agriculture, amounted to \$679,971,000, an increase of 12.1 per cent over 1935, and larger than for other recent years. The table which follows compares 1936 figures by States with those for the three preceding years. Government payments, not included in these figures, amounted in 1936 to 30.4 millions of dollars, compared with 71.7 millions in 1935.

SUGAR MOVEMENT—NEW ORLEANS—Pounds

	Raw Sugar		
	Jan. 1937	Dec. 1936	Jan. 1936
Receipts.....	73,876,097	91,581,258	46,093,364
Meltings.....	83,726,128	78,906,556	88,554,985
Stocks.....	26,920,124	36,776,950	47,388,893
	Refined Sugar		
Shipments.....	51,496,661	78,428,960	76,036,094
Stocks.....	32,149,918	12,615,541	24,429,576

RICE MOVEMENT (Rice Millers' Association Statistics)

	January		Aug. to Jan. Incl.
	January	Aug. to Jan. Incl.	
Receipts of Rough Rice*			
Season 1936-37.....	1,799,266	8,265,216	
Season 1935-36.....	845,387	6,921,263	
Distribution of Milled Rice**			
Season 1936-37.....	1,327,276	5,715,598	
Season 1935-36.....	1,019,005	4,586,648	
Stocks:			
January 31, 1937.....	Rough* 1,575,978	Milled** 1,602,473	
January 31, 1936.....	1,939,469	1,104,111	

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

RECEIPTS FROM SALE OF PRINCIPAL FARM PRODUCTS Including Livestock and Livestock Products

	1936		1935		1934		1933	
	(In Thousands of Dollars)							
Alabama.....	\$ 97,352	\$ 96,608	\$ 94,297	\$ 63,627				
Florida.....	98,853	88,263	91,174	64,440				
Georgia.....	129,189	110,783	109,188	88,033				
Louisiana.....	99,962	97,666	83,591	63,180				
Mississippi.....	149,911	115,002	111,626	88,836				
Tennessee.....	104,704	98,158	89,447	69,719				
Total.....	\$ 679,971	\$ 606,480	\$ 579,323	\$ 437,835				

Live Stock The annual inventory estimates by the United States Department of Agriculture indicate more horses, mules and hogs on the farms in the Sixth District on January 1, 1937, than a year earlier, but fewer cattle and sheep. Values also showed an average increase of 11.6 per cent over those a year ago, the largest being an increase of 15.5 per cent in horses, and 14.6 per cent in hogs. Mules and cattle were valued at 12 per cent more than a year ago, while sheep declined 2.9 per cent. By states the largest gain was in Mississippi, where livestock values increased 18 per cent. Detailed figures by states are compared in the table.

LIVESTOCK ON FARMS JANUARY 1 (000 Omitted)

	1937		1936	
	Number	Value	Number	Value
Alabama: Total.....		\$ 81,202		\$ 72,907
Horses and Colts.....	52	5,155	51	4,512
Mules and Mule Colts.....	319	47,073	319	42,934
All Cattle.....	983	19,302	1,024	17,424
*Cows and Heifers.....	419	12,151	436	10,900
Sheep and Lambs.....	47	141	47	153
Hogs, including pigs.....	1,085	9,531	969	7,884
Florida: Total.....		26,211		24,142
Horses and Colts.....	18	1,820	18	1,719
Mules and Mule Colts.....	41	6,109	41	5,494
All Cattle.....	796	14,749	788	14,336
*Cows and Heifers.....	115	4,255	113	3,955
Sheep and Lambs.....	38	123	39	135
Hogs, including pigs.....	499	3,410	438	2,458
Georgia: Total.....		91,938		80,127
Horses and Colts.....	27	3,107	25	2,517
Mules and Mule Colts.....	334	58,277	331	51,210
AH Cattle.....	961	19,096	1,012	16,901
*Cows and Heifers.....	386	11,580	398	9,950
Sheep and Lambs.....	32	104	34	116
Hogs, including pigs.....	1,420	11,354	1,235	9,383
Louisiana: Total.....		57,009		52,441
Horses and Colts.....	123	7,951	122	6,843
Mules and Mule Colts.....	201	22,132	199	19,791
All Cattle.....	1,045	20,225	1,035	19,237
*Cows and Heifers.....	298	9,536	304	8,816
Sheep and Lambs.....	260	812	248	788
Hogs, including pigs.....	818	5,889	730	5,782
Mississippi: Total.....		85,689		72,595
Horses and Colts.....	81	7,044	79	6,089
Mules and Mule Colts.....	357	46,083	347	39,714
All Cattle.....	1,261	24,173	1,261	19,383
*Cows and Heifers.....	561	15,708	567	12,474
Sheep and Lambs.....	76	221	76	237
Hogs, including pigs.....	1,020	8,168	927	7,172
Tennessee: Total.....		98,957		93,006
Horses and Colts.....	151	16,005	145	13,896
Mules and Mule Colts.....	291	40,875	297	37,695
All Cattle.....	1,148	30,210	1,208	29,922
*Cows and Heifers.....	553	18,802	570	18,240
Sheep and Lambs.....	379	2,159	399	2,236
Hogs, including pigs.....	992	9,708	982	9,257
Total—Six States.....		441,006		395,218
Horses and Colts.....	452	41,082	440	35,576
Mules and Mule Colts.....	1,543	220,549	1,534	196,838
All Cattle.....	6,194	127,755	6,328	117,203
*Cows and Heifers.....	2,332	72,032	2,388	64,335
Sheep and Lambs.....	832	3,560	843	3,665
Hogs, including pigs.....	5,834	48,060	5,281	41,936

*Included in "All Cattle."

TRADE

Retail Trade Following the holiday season, department store sales in the Sixth District declined in January by a little more than the usual seasonal amount, stocks were about the same as a month earlier, and the collection ratio also declined slightly. Sales and stocks con-

RETAIL TRADE IN THE SIXTH DISTRICT DURING JANUARY 1937
Based on confidential reports from 54 department stores

	COMPARISON OF NET SALES		COMPARISON OF STOCKS		STOCK TURNOVER			COLLECTION RATIO		
	January 1937		Jan. 31, 1937		January			January 1937 with:		
	Same month a year ago	Previous Month	Same month a year ago	Previous Month	1937	January 1936	Jan. 1937	Dec. 1936	Jan. 1936	
Atlanta (6).....	+18.5	-57.4	+15.2	+ 4.4	.32	.30	30.7	30.9	40.0	
Birmingham (4).....	+21.5	-58.2	+10.3	+ 4.8	.24	.21	35.5	36.5	34.1	
Chattanooga (3).....	+ 8.4	-56.4	+ 4.8	+50.4	.28	.24	32.6	33.2	31.1	
Jacksonville (3).....	- 3.5	-66.5	.....	.....	.....	.....	.....	.....	.....
Miami (3).....	+ 7.3	-39.5	.....	.....	.....	.....	.....	.....	.....
Montgomery (3).....	+11.8	-55.7	+25.0	+ 3.5	.23	.....	.....	.....	.....
Nashville (4).....	+13.0	-63.3	+ 9.5	+ 3.1	.24	.28	29.3	29.0	29.6	
New Orleans (4).....	+ 7.0	-54.8	+ 7.1	+ 7.2	.27	.20	37.6	39.6	41.0	
Other Cities (24).....	+15.2	-54.9	+11.3	- 5.4	.22	.21	34.5	36.9	35.0	
DISTRICT (54).....	+12.2	-55.4	+10.4	- 0.2	.28	.25	33.7	34.7	37.0	

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.

tinued larger than a year ago, but the collection ratio was somewhat lower.

January sales by 54 reporting firms averaged 55.4 per cent less than in December, but were 12.2 per cent greater than in January, 1936. The index of sales in January was 84.7 per cent of the 1923-25 average, and was higher than for January of other years since 1929. Stocks of merchandise on hand at the close of January averaged 0.2 per cent smaller than a month earlier, but were 10.4 per cent larger than a year earlier and the index of stocks is the highest for January since 1931. The rate of stock turnover was somewhat higher than for January, 1936. The collection ratio for January was 33.7 per cent, compared with 34.7 per cent for December, and with 37 per cent for January last year. For January the ratio of collections against regular accounts was 38.2 per cent, and against installment accounts 15.6 per cent.

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 were 19.1 per cent greater in December than a year earlier, which compares with a gain of 19.4 per cent for the country as a whole. For the year 1936, however, the increase of 19.5 per cent in the South is larger than for other regions, the average for the country being 15.7 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 long period of time.

Life Insurance Sales of new, paid-for, ordinary life insurance in the six states of this District declined 24.9 per cent from December to January, but were 6.6 per cent larger than in January, 1936. At the same time last year there was a decline of 24 per cent. For the United States as a whole, January sales declined 17.5 per cent from December, and were 3.5 per cent smaller than a year ago. Figures compared in the table are from those compiled by the Life Insurance Sales Research Bureau.

	(In Thousands of Dollars)		
	January 1937	December 1936	January 1936
Alabama.....	\$ 3,058	\$ 4,404	\$ 2,752
Florida.....	4,389	5,966	4,119
Georgia.....	5,312	7,258	5,295
Louisiana.....	4,431	4,984	3,959
Mississippi.....	2,354	3,500	2,078
Tennessee.....	5,034	6,589	4,856
Total Six States.....	\$ 24,578	\$ 32,701	\$ 23,059
United States.....	462,367	560,729	479,018

WHOLESALE TRADE IN SIXTH DISTRICT DURING JANUARY 1937
Based on confidential reports from 72 firms

	Number of Firms	Percentage Comparisons	
		January 1937 with: December 1936	January 1936
All Lines Combined:			
Sales.....	72	- 0.9	+27.5
Stocks.....	24	+14.1	+17.3
Groceries:			
Sales.....	16	- 1.5	+10.3
Jacksonville.....	3	- 6.1	- 6.5
Vicksburg.....	3	+19.9	+62.9
Other Cities.....	10	- 7.1	+ 2.6
Dry Goods:			
Sales.....	14	+ 3.0	+34.9
Nashville.....	3	-15.6	+19.7
Other Cities.....	11	+ 7.9	+38.4
Stocks.....	7	+35.9	+27.4
Hardware:			
Sales.....	24	+ 7.0	+35.2
Nashville.....	3	-10.0	+20.7
New Orleans.....	4	+11.4	+41.6
Other Cities.....	17	+ 7.7	+34.5
Stocks.....	9	+ 5.9	+ 4.9
Furniture:			
Sales.....	5	-20.6	+57.5
Stocks.....	3	+ 8.4	+30.1
Electrical Supplies:			
Sales.....	3	-22.6	+72.6
Drugs:			
Sales.....	7	- 4.9	+ 8.0

	COLLECTION RATIO*		
	January 1937	December 1936	January 1936
Groceries.....	80.1	81.2	66.9
Dry Goods.....	35.5	45.4	36.8
Hardware.....	48.5	50.1	41.2
Furniture.....	38.1	59.7	37.0
Total.....	51.0	53.5	45.8

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

Wholesale Trade After increasing 18.1 per cent in 1936 over the previous year to the highest level since 1930, wholesale trade in this District declined less than one per cent from December to January and was 27.5 per cent above the January, 1936, level. Sales of dry goods and hardware increased over December, but sales of groceries, furniture, electrical supplies and drugs averaged smaller. The collection ratio declined slightly in January, but was 11.4 per cent higher than a year earlier. Reported figures are compared in the table, and index numbers appear on page 8.

EMPLOYMENT

Statistics compiled by the United States Bureau of Labor Statistics indicate that both employment and payrolls in the six states of this District have increased each month since June, and in December were at a new high level since state figures first became available at the end of 1931. Number of workers increased 2.6 per cent and payrolls 4.8 per cent, from November to December, and were, respectively, 14.3 per cent and 19.2 per cent, higher than in June.

BUILDING PERMITS—JANUARY

	Number		Value	Percentage Change in	
	1937	1936		1937	1936	Value
Alabama					
Anniston.....	14	18	\$ 11,635	\$ 10,644	+ 9.3
Birmingham.....	351	310	234,559	139,167	+68.5
Mobile.....	36	47	38,420	182,059	-78.8
Montgomery.....	112	111	89,810	66,099	+35.9
Florida					
Jacksonville.....	450	491	486,639	280,032	+73.8
Miami.....	642	732	728,367	554,929	+31.3
Miami Beach.....	87	107	470,149	261,169	+80.0
Orlando.....	93	65	166,452	85,026	+95.8
Tampa.....	150	169	63,240	58,796	+ 7.6
Georgia					
Atlanta.....	215	154	325,998	291,779	+11.7
Augusta.....	20	15	15,954	23,045	-30.8
Columbus.....	57	126	51,881	52,325	- 0.8
Macon.....	107	112	48,063	115,512	-58.4
Savannah.....	31	18	220,373	865,585	-74.5
Louisiana					
New Orleans.....	113	66	181,786	357,662	-49.2
Alexandria.....	55	33	64,622	9,249	+598.7
Tennessee					
Chattanooga.....	266	247	240,312	601,818	-60.1
Johnson City.....	2	2	4,600	1,025	+348.8
Knoxville.....	80	34	384,950	43,151	+792.1
Nashville.....	78	118	111,083	394,124	-71.8
Total 20 Cities....	2,959	2,975	\$3,938,893	\$4,393,196	-10.3

December figures compare with that month of other recent years as follows:

December 1936 compared with:	Number Employed	'Weeks' Payroll
December 1935.....	+10.2	+16.5
December 1934.....	+15.0	+32.4
December 1933.....	+21.2	+43.4
December 1932.....	+41.9	+87.9
December 1931.....	+29.3	+43.4

INDUSTRY

The value of building permits issued at twenty reporting cities in the Sixth District registered a further small decline in January, and was 10.3 per cent less than in January last year. January was the sixth consecutive month to record a decrease, following a total of more than eight million dollars in July, 1936, the largest monthly total in more than seven years. There were eight decreases from December to January, and also eight decreases compared with January, 1936. The total value of permits issued at these cities in 1936 was 64.9 millions, the largest for any year since 1929. Comparisons for the month are shown in an accompanying table.

The value of building and construction contracts awarded in the Sixth District, according to statistics compiled by the F. W. Dodge Corporation and subdivided into district totals by the Division of Research and Statistics of the Board of Governors of the Federal Reserve System, increased 20.5 per cent from December to January, and was 15.3 per cent greater than in January, 1936. The total for the year 1936 had increased 52.1 per cent over 1935, and was the largest since 1929. In January, residential contracts declined 19.9 per cent from December, and although larger by 55.3 per cent than in January, 1936, were the smallest since February last year. Other contracts gained 36.6 per

cent over December and were 8.8 per cent larger than a year ago.

After declining each month from July through December, the value of contracts awarded in the 37 Eastern States increased 21.6 per cent from December to January and was 13.1 per cent above the total for January, 1936. Residential contracts in January were more than double those in January a year ago, and accounted for nearly one-third of the total for the month; non-residential contracts were 6.1 per cent larger than a year ago, while those for public works and utilities were 21.2 per cent smaller. For the year 1936, total awards were 45 per cent, and residential contracts 67 per cent, greater than in 1935.

Press reports indicate that, except for a slight seasonal falling off in demand during the holidays, the market for Southern Pine lumber continues strong, with a sustained demand for retail yard stock and an appreciable improvement in railroad and industrial buying. In the five weeks ending February 6 orders at mills reporting to the Southern Pine Association averaged 15.7 per cent, shipments 21.8 per cent, and unfilled orders 38.8 per cent, greater than in that period a year ago, while production averaged 3.4 per cent smaller. In this five weeks period orders averaged 19.6 per cent greater than production, while at the same time last year they were slightly smaller.

Consumption of cotton by American mills declined only slightly in January from the high December level. Total consumption amounted in January to 678,064 bales, a decrease of 2.1 per cent from December, but 14.8 per cent larger than in January, 1936. January was shorter by one business day than December, and daily average consumption increased 1.8 per cent. The decrease in total consumption in the cotton states was also 2.1 per cent, and in other states 2.6 per cent, and the increases over January, 1936, were, respectively, 13.6 per cent, and 21.1 per cent. In the six months of the current cotton season, total consumption has amounted to 3,848,195 bales, larger by 27.7 per cent than in the corresponding part of the previous season. In the cotton states, the six-months total was 3,219,162 bales, and in other states 629,033 bales, increases of 27.4 per cent and 29.2 per cent, respectively, over the corresponding period a year earlier.

Exports of cotton in January, shown in the table, declined 9.4 per cent from December but were only slightly less than a year ago, and for the six months period amounted to 3,435,082 bales, a decrease of 14.2 per cent from last season.

Stocks of cotton at the close of January were 9.6 per cent smaller than a month earlier, and 4.7 per cent less than a year ago. At the mills, however, stocks averaged 3.2 per cent larger than for December and 43.9 per cent greater than for January, 1936.

BUILDING AND CONSTRUCTION CONTRACTS AWARDED

F. W. Dodge Corporation Figures

	Jan. 1937		Dec. 1936		Jan. 1936	
Sixth District Total.....	22,585,600	18,745,600	19,581,290			
Residential.....	4,280,300	5,342,300	2,756,681			
All Others.....	18,305,300	13,403,300	16,824,609			
State Totals:						
Alabama.....		1,735,100	3,758,400			
Florida.....		6,347,600	6,136,500			
Georgia.....		4,998,400	2,310,900			
Louisiana.....		2,837,700	4,691,900			
Mississippi.....		1,783,400	1,325,500			
Tennessee.....		3,515,900	4,108,400			
37 Eastern States—Total.....	242,844,000	199,695,700	214,792,800			
Residential.....	78,423,700	65,487,300	37,439,500			
Non-Residential.....	95,968,900	72,956,000	90,479,800			
Public Works and Utilities....	68,451,400	61,252,400	86,873,500			

COTTON CONSUMPTION, EXPORTS, STOCKS, AND ACTIVE SPINDLES

United States—Bales

	Jan. 1937		Dec. 1936		Jan. 1936	
Cotton Consumed.....	678,064	692,921	590,484			
Stocks.....	8,845,653	9,789,704	9,280,965			
In Consuming Establishments	2,066,302	2,001,378	1,436,418			
In Public Storage and at Compresses.....	6,779,351	7,788,326	7,844,547			
Exports.....	538,280	593,860	542,776			
Active Spindles—Number.....	24,364,802	24,090,204	23,323,380			
COTTON GROWING STATES—Bales						
Cotton Consumed.....	564,874	576,736	497,054			
Stocks.....	8,438,482	9,428,913	8,931,790			
In Consuming Establishments	1,748,008	1,722,138	1,212,587			
In Public Storage and at Compresses.....	6,690,474	7,706,775	7,719,203			
Active Spindles.....	17,662,922	17,549,224	17,250,834			

The number of active spindles has increased each month since May, and in January was 4.5 per cent larger than a year ago.

In January mills in Georgia consumed 134,075 bales, in Alabama 73,362 bales, and in Tennessee 16,695 bales, the total of 224,132 bales being 3.1 per cent less than in December but 14 per cent greater than a year ago. On a basis of 25 working days, the daily average consumption in January in the three states combined increased 0.8 per cent over December, which had 25 business days, and 18.6 per cent over January, 1936, which also had 26 business days. In the six months of the current season, these three states have consumed 1,272,067 bales, an increase of 29.1 per cent over the corresponding part of the previous season.

Operations at cotton seed oil mills in this District declined somewhat from December to January, as they usually do, but crushings of seed, and production, were substantially larger than in January a year ago. Crushings were 52.3 per cent larger than in January, 1936, and production increases ranged from 50.9 per cent in cake and meal to 70.6 per cent in hulls. For the six months of the current season, cotton seed oil mills have received 36.2 per cent more seed, and crushed 19.7 per cent more, than in that part of the previous season, and at the end of January stocks of seed were substantially larger than a year earlier. Figures for this District, and for the United States as a whole, for the six months of the season, are compared in an accompanying table.

Production of electric power for public use in the six states of this District has been multiplied nearly four times in the past seventeen years. Statistics compiled by the United States Geological Survey, and more recently by the Federal Power Commission, indicate that power production in these six states in 1920 amounted to a little more than two billion kilowatt hours. There was a slight decrease in 1921 followed by increases each year through 1930, when total production was nearly 5.9 billion kilowatt hours. In 1931 and 1932 production declined to 5.5 billion kilowatt hours, but in the following four years increased to 8.1 billion kilowatt hours in 1936, according to preliminary figures. Of this total, 59.7 per cent was by use of water power, and 40.3 per cent by use of fuels. The December total was the largest for any month on record, but the daily average for December was slightly less than for the shorter month of September. In December production was 23.9 per cent greater than a year earlier, and for the year 1936 the increase over 1935 was 20.8 per cent.

Production in bituminous coal in Alabama, according to statistics compiled by the United States Bureau of Mines, in the first four full weeks of 1937 averaged 263,000 tons per week, and in Tennessee 118,000 tons per week. These averages are 13.9 per cent for Alabama and 5.4 per cent for

Tennessee larger than for the corresponding weeks of 1936. Total production in 1936 amounted in Alabama to approximately 11.8 million tons, and in Tennessee to about 5.1 million tons, larger than in 1935 by about 38 per cent in Alabama and 22 per cent in Tennessee. In the United States as a whole, January production amounted to 39,610 tons, a decrease of 11 per cent in total and of 7.8 per cent in daily average from December, and total production was 0.7 per cent larger than in January, 1936, but the daily average was 4.7 per cent larger.

Alabama production of pig iron began the year 1936 with a total of 209,998 tons for January, an increase of 4.5 per cent over production in December, 32.2 per cent larger than in January a year ago, and the largest monthly total since June, 1930. Total production in 1936 amounted to 1,942,979 tons, larger by 53.2 per cent than in 1935, and the largest annual total since 1930. For the third consecutive month, the number of furnaces active on February 1 was 15, compared with 12 active at the same time a year ago, and the largest number active since June, 1930, when there were 17 in operation. Press reports indicate that orders on hand and a fair volume of new business are maintaining production and shipments at about the high points of other recent months, and that in view of the heavy bookings in November and December current business has been satisfactory. The base price has continued at \$17.38 per ton since the latter part of December. In the United States as a whole, January production amounted to 3,211,500 tons, a gain of 3.1 per cent over December output and 58.5 per cent greater than in January, 1936. Furnaces active on February 1 continued at 170, which is 45.3 per cent larger than the number active a year ago.

Receipts of both turpentine and rosin at the three principal markets of the District declined substantially from December to January, as they usually do, but were, nevertheless, larger than in January of other recent years. An unexpected movement of held-back supplies from the interior to the ports is given in press reports as the probable cause of the increase over January of recent years, and also caused a reduction in current quotations. After increasing in the first week of January to the highest level in about ten years, the average of quotations on the thirteen grades of rosin on the Savannah market declined from \$11.08 per 280 pounds on January 8 to \$9.89 on February 5, but rose slightly a week later. The price of turpentine also declined from 45½ cents per gallon on January 8 to 42 cents two weeks later, and was at that level on February 12. January stocks of turpentine were smaller than a year ago but larger than for January of other recent years except 1932, but stocks of rosin were the smallest at that time in seventeen years with the single exception of 1927. Receipts and stocks are compared in the table.

COTTON SEED AND COTTON SEED PRODUCTION

	Sixth District*		United States	
	Aug. 1 to Jan. 31 1936-37	1935-36	Aug. 1 to Jan. 31 1936-37	1935-36
Cotton Seed—Tons				
Received at Mills.....	1,758,632	1,291,327	4,226,126	3,481,658
Crushed.....	1,334,137	1,114,648	3,362,666	2,935,861
On Hand Jan. 31.....	430,799	222,212	885,386	635,372
Production				
Crude Oil, lbs.....	410,535,716	345,723,334	1,003,457,968	882,925,512
Cake and Meal, tons..	581,651	493,953	1,500,692	1,324,216
Hulls, tons.....	350,667	293,071	858,489	755,918
Linters, bales.....	320,464	246,487	817,763	661,462
Stocks at Mills, Jan. 31				
Crude Oil, lbs.....	20,178,562	21,401,664	49,753,944	88,338,751
Cake and Meal, tons..	72,201	123,135	224,460	362,509
Hulls, tons.....	62,011	40,577	164,038	190,443
Linters, bales.....	60,235	46,943	209,036	201,687

*Georgia, Alabama, Louisiana, and Mississippi.

NAVAL STORES MOVEMENT

	Turpentine (1)		Rosin (2)	
	Jan. 1937	Jan. 1936	Jan. 1937	Jan. 1936
Receipts:				
Savannah.....	3,049	1,629	27,570	14,965
Jacksonville.....	1,972	1,717	17,983	23,607
Pensacola.....	625	462	3,308	2,654
Total.....	5,646	3,808	48,861	41,226
Stocks:				
Savannah.....	30,624	46,838	79,994	97,203
Jacksonville.....	41,954	54,911	62,849	114,349
Pensacola.....	23,512	34,210	25,104	60,197
Total.....	96,090	135,959	167,947	271,749

(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	Nov. 1936	Dec. 1936	Jan. 1937	Nov. 1935	Dec. 1935	Jan. 1936
Daily Average Sales—Unadjusted						
Atlanta (3 firms).....	205.6	326.3	145.7	182.2	283.8	115.0
Birmingham (3 firms).....	121.4	187.3	77.5	86.8	138.6	61.2
Chattanooga (4 firms).....	91.9	137.1	63.4	81.8	123.1	56.9
Nashville (4 firms).....	99.1	164.6	62.9	89.7	141.8	53.5
New Orleans (4 firms).....	103.3	161.0	72.8	94.6	138.1	65.4
DISTRICT (30 firms).....	119.9	187.1	84.7	102.6	157.5	71.2
Daily Average Sales—Adjusted*						
Atlanta (3 firms).....	192.1	197.8	194.3	170.3	172.0	154.5
Birmingham (3 firms).....	108.4	110.2	107.6	77.5	81.5	85.0
Chattanooga (4 firms).....	82.8	87.9	80.3	73.7	78.9	72.0
Nashville (4 firms).....	86.9	98.6	83.9	78.7	84.9	71.3
New Orleans (4 firms).....	86.8	93.6	86.7	79.5	80.3	77.9
DISTRICT (30 firms).....	105.2	110.1	107.2	90.0	92.6	90.1
Monthly Stocks—Unadjusted						
Atlanta (3 firms).....	111.1	100.9	107.4	131.8	92.2	91.7
Birmingham (3 firms).....	75.9	57.3	61.9	61.3	50.7	54.9
Chattanooga (3 firms).....	56.1	35.2	52.9	55.1	45.7	50.5
Nashville (3 firms).....	67.3	50.1	51.6	73.6	58.9	47.1
New Orleans (4 firms).....	66.9	54.0	50.1	61.6	50.4	46.8
DISTRICT (25 firms).....	75.6	61.2	63.5	73.9	58.6	57.0
Monthly Stocks—Adjusted*						
Atlanta (3 firms).....	98.3	116.0	116.7	118.6	106.0	99.7
Birmingham (3 firms).....	67.8	63.0	68.8	54.7	55.7	61.0
Chattanooga (3 firms).....	51.0	40.0	59.4	50.1	51.9	56.7
Nashville (3 firms).....	60.1	55.7	59.3	65.7	65.4	54.1
New Orleans (4 firms).....	61.4	60.7	55.1	56.5	56.6	51.4
DISTRICT (25 firms).....	68.1	68.8	69.8	66.6	65.8	62.6
WHOLESALE TRADE—SIXTH DISTRICT—TOTAL						
Groceries (18 firms).....	78.7	77.5	76.8	65.7	63.1	59.8
Dry Goods (14 firms).....	54.2	58.6	58.4	52.3	52.1	51.9
Hardware (25 firms).....	80.6	60.6	62.4	68.4	53.8	46.3
Furniture (7 firms).....	88.1	87.8	93.5	72.4	69.0	69.1
Drugs (7 firms).....	105.7	100.2	79.5	60.1	61.4	51.2
	100.3	103.6	98.5	89.5	90.6	91.3
LIFE INSURANCE SALES—SIX STATES—TOTAL						
Alabama.....	64.9	77.9	58.5	59.1	72.1	54.9
Florida.....	57.7	64.9	45.1	49.2	60.4	40.6
Georgia.....	74.6	100.8	74.2	65.3	83.7	69.6
Louisiana.....	65.3	79.1	57.9	67.8	80.3	57.7
Mississippi.....	74.0	78.7	69.9	65.9	80.0	62.5
Tennessee.....	69.5	80.1	53.8	49.2	62.9	47.5
	55.4	70.0	53.5	54.1	64.3	51.6
BUILDING PERMITS—TWENTY CITIES—TOTAL						
Atlanta.....	42.6	37.0	35.0	33.6	29.2	39.0
Birmingham.....	30.1	11.0	21.1	12.1	5.2	18.9
Jacksonville.....	12.8	15.2	15.8	6.1	9.8	9.4
Nashville.....	61.6	41.0	59.1	45.5	36.9	34.0
New Orleans.....	13.5	19.6	17.5	63.5	159.0	62.1
Fifteen Other Cities.....	19.8	19.7	14.1	10.6	21.1	27.8
	60.0	55.7	47.4	47.3	27.0	53.5
CONTRACT AWARDS—SIXTH DISTRICT—TOTAL						
Residential.....	81.6	53.4	64.4	54.3	58.1	55.8
All Others.....	32.7	38.1	30.5	19.9	36.6	19.6
	114.2	63.6	86.9	77.2	72.4	79.5
WHOLESALE PRICES—UNITED STATES†						
ALL COMMODITIES.....	82.4	84.2	85.9	80.6	80.9	80.6
Farm Products.....	85.1	88.5	91.3	77.5	78.3	78.2
Foods.....	83.9	85.5	87.1	85.1	85.7	83.5
Other Commodities.....	81.0	82.2	83.4	78.8	78.7	78.8
Hides and leather products.....	97.0	99.7	101.7	95.0	95.4	97.1
Textile products.....	73.5	76.3	77.5	73.4	73.2	71.7
Fuel and lighting.....	76.8	76.5	76.6	74.5	74.6	75.1
Metals and metal products.....	87.9	89.6	90.9	86.9	86.8	86.7
Building materials.....	87.7	89.5	91.3	85.8	85.5	85.7
Chemicals and drugs.....	82.5	85.3	87.7	81.2	80.6	80.5
Housefurnishing goods.....	82.3	83.2	86.5	81.0	81.0	81.4
Miscellaneous.....	73.4	74.5	76.2	67.4	67.5	67.4
COTTON CONSUMPTION—UNITED STATES.....	121.7	134.5	131.7	99.5	97.0	114.7
Cotton-Growing States.....	154.4	168.4	165.0	125.8	121.8	145.2
All Other States.....	56.9	67.3	65.6	47.2	48.0	54.1
Georgia.....	160.2	178.7	172.1	126.2	124.8	148.8
Alabama.....	202.0	219.6	213.4	165.6	167.9	194.5
Tennessee.....	152.1	167.1	167.7	118.7	115.0	138.2
COTTON EXPORTS—UNITED STATES.....	134.4	115.7	104.8	221.0	172.6	105.7
PIG IRON PRODUCTION—UNITED STATES.....	98.7	104.3	107.5	69.2	70.5	67.8
Alabama.....	83.0	86.5	90.4	55.0	70.1	68.4

* Adjusted for Seasonal Variation.

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