

MONTHLY REVIEW

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

FEDERAL RESERVE BANK OF ATLANTA

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NATIONAL SUMMARY OF BUSINESS CONDITIONS

Prepared by the

Board of Governors of the Federal Reserve System

Volume of production, employment, and trade increased more than seasonally in February and wholesale prices of industrial commodities continued to advance.

Production and Employment The Board's index of industrial production, which makes allowance for changes in the number of working days and for usual seasonal variations, was 116 per cent of the 1923-1925 average in February as compared with 114 in January and an average of 115 in the last quarter of 1936. At steel mills activity continued to increase in February and the first three weeks of March and, although the growth was somewhat less than seasonal, output currently is at about the peak level reached in the summer of 1929. Automobile production, while fluctuating considerably with strikes at important plants, has been larger for the year to date than in the corresponding period last year. Output of plate glass in February showed a sharp rise from the low level of the two preceding months when strikes curtailed production. At textile mills and shoe factories activity continued at a high level, while output at meat-packing establishments declined somewhat further. Mineral production increased, reflecting chiefly greater output of coal and a further rise in crude petroleum production.

Value of construction contracts awarded this year, according to the F. W. Dodge Corporation, has been considerably larger than a year ago, reflecting an increased volume of private residential building and other types of private con-

struction, while the volume of publicly-financed work has been smaller.

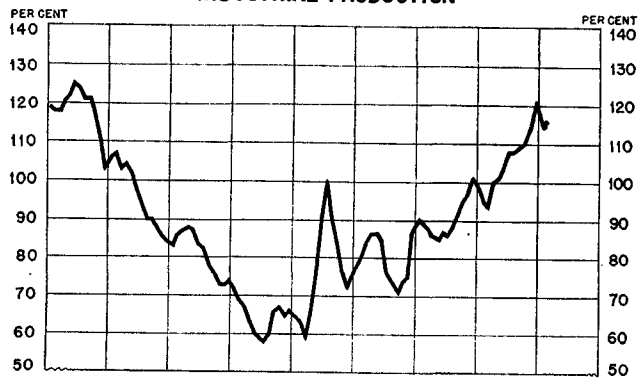
Factory employment and payrolls increased from the middle of January to the middle of February by more than the usual seasonal amount. The number employed in the machinery industries increased considerably and there were smaller increases at automobile and plate glass factories. In the nondurable goods industries as a group there was a seasonal rise in employment.

Distribution Department store sales increased from January to February and the Board's seasonally adjusted index advanced from 93 to 95 per cent of the 1923-1925 average. Sales at variety stores also increased more than seasonally, while mail order sales, largely in rural areas, showed less expansion than is usual at this time of year. Total freight-car loadings increased in February and the first half of March, owing in part to seasonal influences.

Commodity Prices The general level of wholesale commodity prices advanced from the middle of February to the third week of March, reflecting principally further substantial increases in the prices of industrial materials. Prices of iron and steel, non-ferrous metals, lumber, cotton, rubber, and hides advanced considerably and there were also increases in the prices of cotton goods, paper, and furniture. Wheat prices advanced in recent weeks following a decline in the latter part of February.

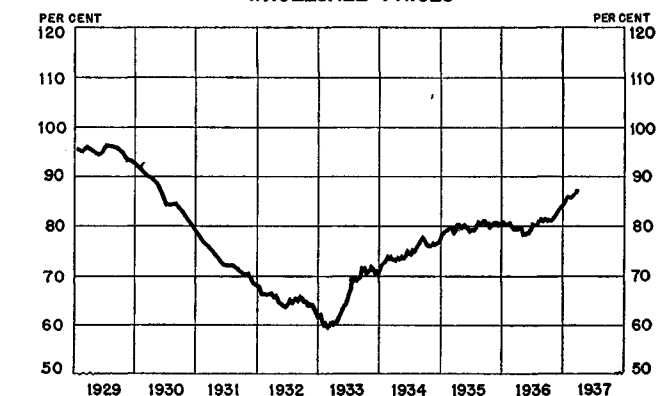
Bank Credit On March 1, when the first half of the recent increase in reserve requirements went into effect, excess reserves of member banks declined from \$2,100,000,000 to about \$1,300,000,000. In the next three

INDUSTRIAL PRODUCTION



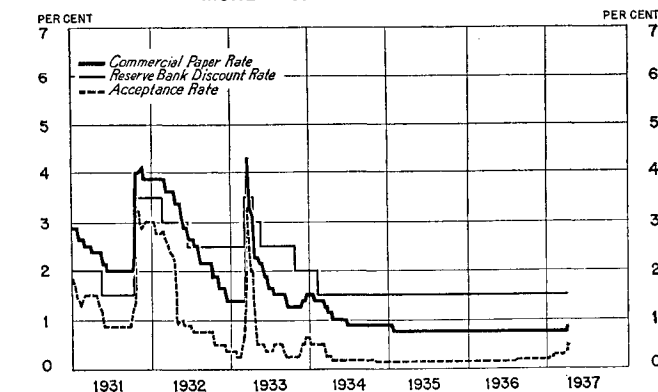
Index of physical volume of production, adjusted for seasonal variation, 1923-1925 average = 100. By months, January, 1929, to February, 1937.

WHOLESALE PRICES



Index compiled by the United States Bureau of Labor Statistics, 1926 = 100. By months, 1929 to 1931; by weeks to date. Latest figure is for week ending March 13.

MONEY RATES IN NEW YORK



Minimum rate on rediscounts for and advances to member banks by Federal Reserve Bank, and weekly prevailing rates on prime commercial paper, 4 to 6 months, and prime bankers' acceptances, 90 days. For weeks ending January 3, 1931, to March 27, 1937.

weeks, which included the March tax collection period, excess reserves showed moderate fluctuations around the new level. In connection with the increases in reserve requirements there were some withdrawals of bankers' balances from city banks but practically no borrowing by member banks from the Reserve Banks. Holdings of United States Government obligations at reporting member banks in leading cities declined by \$280,000,000 in the four weeks ending March 17, a part of the decline reflecting large maturities of Treasury Bills. Commercial loans increased further at reporting banks and on March 17 were above last year's high level reached on December 30. Loans to brokers and dealers in securities increased sharply.

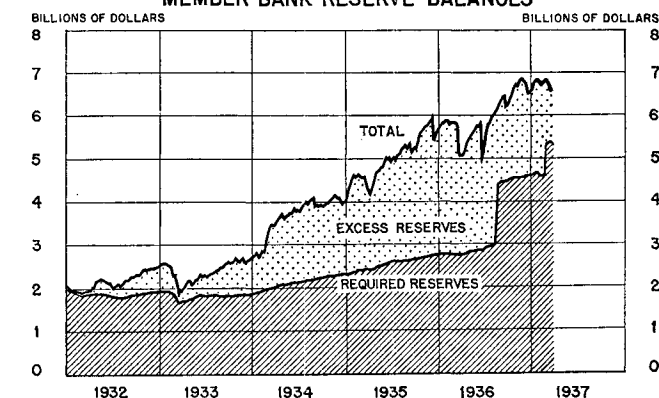
Money Rates Since the beginning of March the rate on 90-day bankers' acceptances advanced from 5/16 of 1 per cent to 9/16 of 1 per cent and commercial paper rose from a flat 3/4 per cent to a range of between 3/4 per cent and 1 per cent. Bond yields, which until recently had been near the extreme low point reached last December, advanced by between 1/4 and 1/2 per cent and on March 24 were at about the levels prevailing early in 1936.

SIXTH DISTRICT SUMMARY

Trade at both retail and wholesale in the Sixth District continued in February at relatively high levels, and textile activity, based on the daily average rate of cotton consumption, reached in February the highest level on record. Life insurance sales increased over those in January, and the daily rate of production of pig iron and coal also increased, and all of these series of figures were higher than in February, 1936. While the value of building permits increased over January, contracts awarded declined 49.5 per cent, and both permits and contracts were smaller than a year ago. The price of cotton reached about the middle of March the highest level in nearly seven years.

Department store sales increased 8.6 per cent in dollar volume from January to February. The daily average, however, rose 13.1 per cent, because of the shorter month, and the February unadjusted index of daily average sales is the highest for that month in the series. Stocks also increased, and the collection ratio was higher than a month, or a year, earlier. Wholesale trade declined only 1.5 per cent in February, about the same as the decrease at that time last year and was 27.2 per cent greater than in February,

MEMBER BANK RESERVE BALANCES



Wednesday figures of total member bank reserve balances at Federal Reserve Banks, with estimates of required reserves, January 6, 1932, to March 24, 1937.

1936, and at the highest level for February since 1930. Life insurance sales increased from January to February for the second time in seven years, and were 15.9 per cent greater than a year ago. Bank debits to individual accounts declined from January, but were 18.8 per cent greater than in February, 1936.

At weekly reporting member banks in leading cities of the District investment holdings of securities declined 5.3 millions in the four weeks ending March 10, and loans increased slightly, but loans were 48.2 millions, and investments 30.1 millions, greater than a year ago. Demand deposits-adjusted increased further in this four weeks period, but deposits of the United States and interbank deposits declined somewhat. At the Federal Reserve Bank there was an increase in the small volume of discounts, and member bank reserve accounts increased following the increase in reserve requirements on March 1.

The value of building permits issued in February increased 15.2 per cent over January, but the total value of contracts awarded declined by 49.5 per cent. February permits were 6.2 per cent, and total contract awards were 9.4 per cent, smaller than in February last year. Residential contracts, however, increased 15.8 per cent over January and were 17.9 per cent larger than a year ago. Employment declined somewhat from December to January, as it usually does following the Christmas holidays, but number of workers was 10 per cent, and payrolls 19.6 per cent, greater than a year ago. On a daily average basis, consumption of cotton in this District increased 1 per cent from January to February to the highest rate for any month on record. Orders and production at lumber mills averaged higher in February this year than last, but there was some falling off in the latter part of the month. Coal production averaged higher in February in both Alabama and Tennessee than in January, and was greater than in February last year in Alabama, but somewhat smaller in Tennessee. Total production of pig iron in Alabama declined in February, but the daily average rate increased 3 per cent over January and was 33.7 per cent larger than a year ago. Operations at cotton seed oil mills declined seasonally in February, but were substantially greater than in February last year. After reaching in December the largest monthly total on record, electric power production declined 4.1 per cent in January but was 9.4 per cent greater than a year earlier.

FEDERAL RESERVE BANK OF ATLANTA
(In Thousands of Dollars)

	March 10 1937	Feb. 10 1937	March 11 1936
Bills Discounted:			
Secured by Govt. Obligations	\$ 75	\$ 60	\$ 55
All Others	201	104	12
Total Discounts	276	164	67
Bills Bought on Open Market	108	108	164
Industrial Advances	350	361	870
U. S. Securities	109,941	109,941	100,209
Total Bills and Securities	110,675	110,574	101,310
Total Reserves	268,688	248,435	199,240
Member Bank Reserve Account	175,426	157,678	122,917
U. S. Treasurer—Gen. Account	5,831	4,235	2,633
Total Deposits	189,724	171,360	132,761
F. R. Notes in actual circulation	184,204	182,852	160,756
Commitments to make industrial advances	275	283	387

FINANCE

Reserve Bank Credit Total earning assets of the Federal Reserve Bank of Atlanta increased slightly between February 10 and March 10, but continued at about the level of previous Wednesdays since the turn of the year. Discounts for member banks increased somewhat the first week in March, and on March 10 were \$112,000 larger than four weeks earlier, and were also larger than a year ago. Holdings of purchased paper have remained at \$108,000 since May of last year. Holdings of United States securities have amounted to \$109,941,000 since the first of the year when this bank's participation in the System's security holdings was increased, and were 9.7 millions larger than on the corresponding Wednesday a year ago. Outstanding industrial advances for working capital declined \$11,000 since February 10, and at \$350,000 were on March 10 considerably less than half the total of \$870,000 a year earlier, and commitments to make such advances registered a further small decrease.

One-half of the 33⅓ per cent increase in reserve requirements imposed by the Board of Governors of the Federal Reserve System on member banks became effective March 1, and member bank reserves, which had risen from 153.1 millions on the first Wednesday of the year to 158.9 millions on the last Wednesday in February, rose to 175.4 millions in the two following weeks, and were 52.5 millions greater than a year ago. There were declines in the last half of January and the first half of February in net demand deposits, and in the amount of required reserve, but increases in actual reserves and in the estimated excess, based on daily average figures. In the last half of February, however, net demand deposits increased, and time deposits continued to increase, resulting in a small increase in required reserve. Actual reserves declined slightly, however, and the estimated excess in the last half of February was 43.3 millions, or 37.6 per cent.

Following a decline from 195.5 millions on December 23 to 180.7 millions on January 27, Federal Reserve notes of this bank's issue increased to 184.2 millions on March 10, higher by 23.4 millions than a year ago. Total deposits were about 57 millions, and total reserves 69.4 millions, greater than on the corresponding Wednesday last year.

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

Member Bank Credit Because of a decline in holdings of investment securities, total loans and investments at 22 weekly reporting member banks in the Sixth District declined 5.2 millions between February 10 and March 10, and were lower than on other Wednesdays since October 7, but 78.3 millions greater than on the cor-

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

	March 10 1937	Feb. 10 1937	March 11 1936
Loans and Investments	\$ 577,125	\$ 582,366	\$ 498,790
Loans—Total	262,936	262,832	214,687
On Securities	60,653	60,183	56,484
To Brokers and Dealers	8,641	8,979	6,579
To Others	52,012	51,204	49,905
Real Estate Loans	26,376	25,785	21,111
Acceptances and Com'l Paper			
Bought	4,809	6,207	4,994
Loans to Banks	804	838	614
All Other Loans	170,294	169,819	131,484
Investments—Total	314,189	319,534	284,103
U. S. Govt. Direct Obligations	196,063	201,373	172,538
Obligations Guaranteed by U.S.	36,750	35,873	36,551
Other Securities	81,376	82,288	75,014
Reserve with F. R. Bank	102,977	90,195	68,219
Cash in Vault	11,422	11,256	10,271
Balances with Domestic Banks	132,959	148,687	174,754
Demand Deposits—Adjusted	341,062	334,302	292,969
Time Deposits	178,030	177,075	170,099
U. S. Govt. Deposits	15,083	28,829	26,687
Inter-bank deposits: Domestic	234,504	241,216	210,940
Foreign	1,209	1,108	1,315
Borrowings—at F. R. Bank			
Other	40	60	

responding report date a year ago. Since January 6, total loans, and "All Other" loans, including loans for commercial, industrial and agricultural purposes, have averaged somewhat lower than they did in December, following a rather steady rise since mid-year. On March 10, however, total loans were 48.2 millions, and "All Other" loans were 38.8 millions, greater than at that time last year. Loans on securities have not changed materially since the first Wednesday in January, and on March 10 were 4.2 millions greater than a year ago. Real estate loans have exhibited a slow but steady rise since the middle of 1935. Holdings of acceptances and purchased commercial paper increased in February, but declined early in March to the lowest total since August, and loans to banks also rose somewhat in February and the first week in March.

Total holdings of investment securities on March 10, at 314 millions, were at the lowest level since June 10 last year, but were, nevertheless, 30.1 millions greater than on the corresponding report date in March last year. Total

DEBITS TO INDIVIDUAL ACCOUNTS*
(In Thousands of Dollars)

	Feb. 1937	Jan. 1937	Feb. 1936
Alabama—4 Cities	\$ 126,594	\$ 164,389	\$ 108,505
Birmingham	73,866	99,129	61,426
Dothan	2,892	3,339	2,267
Mobile	30,905	38,148	26,322
Montgomery	18,931	23,773	18,490
Florida—4 Cities	158,126	175,353	134,568
Jacksonville	73,580	84,217	60,047
Miami	47,897	49,373	41,496
Pensacola	8,068	9,026	7,282
Tampa	28,581	32,737	25,743
Georgia—10 Cities	256,503	297,712	216,172
Albany	4,614	5,818	2,864
Atlanta	172,383	193,671	143,182
Augusta	15,739	21,275	15,943
Brunswick	2,410	2,514	2,080
Columbus	13,208	15,067	10,303
Elberton	1,011	1,086	704
Macon	13,688	16,444	10,841
Newnan	2,001	2,525	1,511
Savannah	28,158	34,830	25,990
Valdosta	3,291	4,482	2,754
Louisiana—New Orleans	210,389	237,417	173,229
Mississippi—4 Cities	45,598	51,686	35,702
Hattiesburg	4,826	4,715	3,889
Jackson	24,354	29,285	18,764
Meridian	9,398	9,910	7,398
Vicksburg	7,020	7,776	5,651
Tennessee—3 Cities	137,311	161,368	118,453
Chattanooga	36,933	47,172	31,377
Knoxville	24,266	31,860	21,815
Nashville	76,112	82,336	65,261
Total—26 Cities	\$ 934,521	\$ 1,087,925	\$ 786,629

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

investment holdings had risen to 337.8 millions, on October 21, but have averaged lower each month since then. Most of the recent decline has been in holdings of direct obligations of the United States which amounted on March 10 to 196.1 millions, the smallest total for any Wednesday since March 18 last year. Holdings of securities guaranteed by the United States were slightly higher than on earlier Wednesdays this year, but smaller than the average for any month last year excepting June. Holdings of Other Securities were lower on March 10 than on other Wednesdays since August, but about 6.4 millions larger than a year ago.

Demand deposits-adjusted increased further in the four weeks ending March 10, when they were at a new high level and 48.1 millions greater than a year earlier. Time deposits also increased slightly over other recent report dates and were 7.9 millions greater than a year ago. Deposits of other domestic banks rose from 177 millions on the last two Wednesdays in June to 241 millions on the second and third Wednesdays in February, but have since declined somewhat. They were, however, on March 10, 23.6 millions greater than a year ago. Balances maintained by these banks with correspondent banks declined from the high point at about 175 millions, on March 11 last year, to 122 millions on November 10; since that time they have risen to about 148 millions on February 17, and declined to 133 millions on March 10, when they were 41.8 millions less than a year ago. Principal items in the weekly report are compared in an accompanying table.

Debits to individual accounts at 26 reporting cities, shown in another table, declined 14.1 per cent from January to February, but were 18.8 per cent greater than in February 1936, and the largest for February, since 1931.

AGRICULTURE

The unusually warm weather of January and early February was followed in the latter part of February and early March with lower temperatures, and more rainfall. Cold weather killed the abnormally early bloom and small fruit in the strawberry sections of Georgia and Alabama. Florida, although cooler, escaped frost damage. In the southern and central sections of the state spring crops are mostly planted, but watermelons and cucumbers were still being planted in the northern and western areas at the middle of the month.

SUGAR MOVEMENT—NEW ORLEANS—Pounds

	Raw Sugar Feb. 1937	Jan. 1937	Feb. 1936
Receipts.....	84,552,697	73,876,097	75,318,137
Meltings.....	74,950,059	83,736,128	83,980,901
Stocks.....	36,501,562	26,920,124	38,705,759
	Refined Sugar		
Shipments.....	47,323,468	61,496,661	85,578,677
Stocks.....	42,086,227	32,149,918	23,068,135

RICE MOVEMENT (Rice Millers' Association Statistics)

	February	Aug. to Feb. Incl.
Receipts of Rough Rice*		
Season 1936-37.....	972,917	9,238,133
Season 1935-36.....	483,100	7,404,363
Distribution of Milled Rice**		
Season 1936-37.....	1,109,334	6,824,932
Season 1935-36.....	1,069,756	5,656,404
Stocks:		
Feb. 28, 1937.....	1,410,999	1,727,551
Feb. 29, 1936.....	1,146,356	1,407,452

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

	Jan. 1937	Jan. 1936	Jan. 1935	Jan. 1934
Alabama.....	\$ 5,407	\$ 8,267	\$ 4,732	\$ 4,594
Florida.....	12,767	10,343	9,835	11,435
Georgia.....	7,187	6,664	6,319	5,693
Louisiana.....	7,245	3,550	8,889	8,573
Mississippi.....	12,003	5,968	6,371	6,648
Tennessee.....	13,928	9,913	8,352	7,924
Total.....	\$ 58,537	\$ 44,705	\$ 44,498	\$ 44,867

Prospective production of all oranges, including tangerines, from the 1936 bloom, in Florida, remains at 21.2 million boxes, the largest on record. Last season production was 18 million boxes. Indicated production of Florida grapefruit is the same as earlier estimates, 17.5 million boxes, also a record crop, compared with 11.5 million boxes last season. Rainfall was general over the citrus belt during February and trees are in generally good condition. Cool weather was apparently beneficial to citrus fruit.

Cash receipts from the sale of principal farm products, including livestock and livestock products, declined from December to January, but the January total of \$58,537,000 for the six states of this District was 30.9 per cent greater than in January, 1936 and larger than for that month of other recent years. If Government payments, which amounted in January to 6.7 millions, are added the January total would be 45.3 per cent larger than a year ago, when Government payments were only \$223,000.

The average price of middling cotton on the ten designated markets has strengthened considerably in recent weeks. The average for January at 12.84 cents compared with 12.60 cents for December and 12.06 cents for November, and from an average of 12.75 cents on February 18 it rose in the following three weeks to 14.15 cents on March 12, the highest, according to the Department of Agriculture, since June 2, 1930. Heavy buying for both domestic and foreign account was indicated in the Department's statement.

Reports to the Department of Agriculture indicate that farmers in this District intended on March 1 this year to plant somewhat larger acreages than last year in tobacco, potatoes, oats and peanuts, but smaller areas in other principal crops. The total for the more important crops, not including cotton about which no information is collected because of legislative prohibition, indicates an average decrease of 2.4 per cent this year from the acreage harvested in 1936. Totals for the six states, by crops, are compared below.

	(000 Omitted) Intended Acreage 1937	Acreage Harvested 1936	Percent Change ■
Corn.....	14,752	15,345	- 3.9
Oats.....	733	678	+ 8.1
Tame Hay.....	4,407	4,463	- 1.3
Potatoes—White.....	196	170	+15.3
Potatoes—Sweet.....	441	440	+ 0.2
Tobacco.....	229	193	+18.7
Soybeans.....	757	773	- 2.1
Cowpeas.....	912	995	- 8.3
Peanuts.....	1,272	1,232	+ 3.2
Rice (Louisiana).....	436	445	- 2.0
Total.....	24,135	24,734	- 2.4

TRADE

Retail Trade

There were increases in February in sales and stocks at reporting retail firms in the Sixth District, compared with January and with February a year ago, and the collection ratio was also higher than for either of those periods.

February sales were 8.6 per cent larger than in January,

RETAIL TRADE IN THE SIXTH DISTRICT DURING FEBRUARY 1937

Based on confidential reports from 54 department stores

COMPARISON OF NET SALES

COMPARISON OF STOCKS

February 1937

February 28, 1937

COLLECTION RATIO

	Same month a year ago	Previous Month	Year to date with same period last year	Same month a year ago	Previous Month	February 1937	January 1937	February 1936
Atlanta (6).....	+10.2	+12.3	+13.9	+21.2	+8.8	36.4	30.7	33.5
Birmingham (4).....	+12.6	+16.0	+16.5	+12.1	+7.7	40.5	35.5	36.5
Chattanooga (3).....	+42.6	+32.8	+25.6	+9.4	+16.2	27.9	32.6	29.5
Jacksonville (3).....	+6.9	+18.5	+5.0	+4.5	+8.1	....	....	....
Miami (—).....	....	....	....	....	....	....	....	....
Montgomery (3).....	+3.4	+4.4	+7.4	+28.5	+13.7	....	....	....
Nashville (4).....	+10.0	+21.0	+11.4	+13.3	+15.4	28.6	29.3	30.0
New Orleans (4).....	+11.3	+7.6	+2.7	+13.3	+21.6	40.0	37.6	40.8
Other Cities (24).....	+7.1	+5.1	+10.9	+16.3	+11.2	35.0	34.5	35.0
DISTRICT (54).....	+6.1	+8.6	+9.6	+13.6	+10.9	36.0	33.7	35.1

NOTE: 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.

and 6.1 per cent larger than in February last year. The month was shorter by one business day than January, or February, 1936, and the unadjusted index of daily average sales increased from 63.5 per cent of the 1923-25 average for January to 71.5 per cent for February. This is the highest index for February in the series. For the two months of 1937, combined sales have been 9.6 per cent larger than in that period last year. Stocks of merchandise on hand at the close of February averaged 10.9 per cent larger than a month earlier, and 13.6 per cent larger than a year ago. The increase in stocks is probably due in some measure to the earlier date of Easter this year. The collection ratio of 36 per cent for February compares with 33.7 per cent for January, and with 35.1 per cent for February, 1936. In February the ratio for regular accounts was 43.2 per cent, and that for installment accounts 13.2 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 7.7 per cent larger in January this year than last. Other regions reported larger gains, and the average for the country was 10.9 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 long period of time.

Life Insurance February sales of new, paid-for, ordinary life insurance in this District increased 6.8 per cent over January and were 15.9 per cent greater than a year ago, and for the two months of 1937 have been 11.2 per cent greater than in those months last year. Available figures prior to 1931 show increases each year from January to February, back to 1923. Beginning in 1931, however, these sales have decreases in February, except in 1933 and 1937. Figures in the table are from those compiled by the Life Insurance Sales Research Bureau.

SALES OF NEW PAID-FOR ORDINARY LIFE INSURANCE
(In Thousands of Dollars)

	February 1937	January 1937	February 1936
Alabama.....	\$ 3,331	\$ 3,058	\$ 2,737
Florida.....	5,237	4,389	3,950
Georgia.....	6,179	5,312	5,250
Louisiana.....	3,868	4,431	3,915
Mississippi.....	2,360	2,354	1,936
Tennessee.....	5,263	5,034	4,858
Total Six States.....	\$ 26,238	\$ 24,578	\$ 22,646
United States.....	487,819	462,367	460,463

WHOLESALE TRADE IN SIXTH DISTRICT DURING FEBRUARY 1937
Based on confidential reports from 70 firms.

	Number of Firms	Feb. 1937 Jan. 1937	Percentage with: Feb. 1936	Comparisons Jan.-Feb. Incl. with same period last year
All Lines Combined:				
Sales.....	70	— 1.5	+27.2	+27.5
Stocks.....	24	+ 8.3	+23.0	.....
Groceries:				
Sales.....	14	— 0.8	+15.8	+13.1
Jacksonville.....	3	— 3.1	+4.6	— 1.3
Other Cities.....	11	— 0.2	+19.2	+17.8
Dry Goods:				
Sales.....	14	— 6.1	+12.3	+22.9
Nashville.....	3	+ 5.8	+3.3	+10.7
Other Cities.....	11	— 8.5	+14.7	+26.0
Stocks.....	7	+35.9	+27.4	.....
Hardware:				
Sales.....	24	—12.8	+36.6	+35.8
Nashville.....	3	+ 4.4	+35.8	+28.0
New Orleans.....	4	— 9.0	+38.5	+40.1
Other Cities.....	17	—16.9	+35.8	+35.1
Stocks.....	9	+ 5.9	+4.9	.....
Furniture:				
Sales.....	5	+ 5.3	+39.5	+47.7
Stocks.....	3	+ 8.4	+30.1	.....
Electrical Supplies:				
Sales.....	3	+65.5	+79.8	+77.0
Drugs:				
Sales.....	7	— 0.5	+9.3	+8.6

COLLECTION RATIO*

	February 1937	January 1937	February 1936
Groceries.....	79.6	80.1	62.6
Dry Goods.....	33.0	35.5	38.0
Hardware.....	45.8	48.5	38.0
Furniture.....	42.7	38.1	38.3
Total.....	51.0	51.0	46.0

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

Wholesale Trade February sales by 70 reporting wholesale firms in the District declined 1.5 per cent over the month, and were 27.2 per cent greater than a year ago, and the index number for February, at 76.5 per cent of the 1923-25 average was the highest for the month since 1930, when it was 76.8 per cent. Stocks increased from January to February and were 23 per cent larger than a year ago. The collection ratio, at 51.0 per cent, was the same as for January, but 10.9 per cent higher than for February, 1936. Reported figures are compared in the table, and index numbers appear on page 8.

Commercial Failures The number of business failures in the Sixth District, according to Dun's Review, was 21 in February, 31 in January, and 21 in February, 1936, and liabilities for February amounted to \$251,000 against \$249,000 in January and \$108,000 a year ago. In 1936 there were 294 failures in the District, and liabilities totaled \$4,216,000, the smallest in many years.

EMPLOYMENT

There were small declines in employment and payrolls, at firms in the Sixth District reporting to the United States

BUILDING PERMITS—FEBRUARY

	Number		Value		Percentage Change in Value
	1937	1936	1937	1936	
Alabama					
Anniston.....	26	18	\$ 16,878	\$ 19,121	— 11.7
Birmingham.....	424	259	527,369	81,317	+548.5
Mobile.....	24	30	115,835	40,428	+186.5
Montgomery.....	115	105	177,704	65,757	+170.2
Florida					
Jacksonville.....	487	523	359,071	250,595	+ 43.3
Miami.....	650	550	865,843	938,606	— 7.8
Miami Beach.....	80	70	534,052	386,840	+ 38.1
Orlando.....	68	45	98,431	54,331	+ 81.2
Tampa.....	171	155	332,545	54,390	+511.4
Georgia					
Atlanta.....	209	155	300,340	174,455	+ 72.2
Augusta.....	31	27	34,472	113,035	— 61.5
Columbus.....	79	102	40,435	58,843	— 31.3
Macon.....	129	189	52,464	28,963	+ 81.1
Savannah.....	32	27	39,830	112,988	— 64.7
Louisiana					
New Orleans.....	94	87	282,240	144,950	+ 94.7
Alexandria.....	66	53	34,803	22,724	+ 53.2
Tennessee					
Chattanooga.....	279	250	254,938	239,961	+ 6.2
Johnson City.....	13	2	24,110	2,000	+1105.5
Knoxville.....	97	42	314,598	97,763	+121.8
Nashville.....	143	109	131,018	1,949,648	— 93.3
Total 20 Cities....	3,217	2,798	4,536,976	4,836,715	— 6.2

Bureau of Labor Statistics, from December to January, as there usually are, the decrease in number of workers being 1.2 per cent and in payrolls 2.6 per cent. January employment and payrolls were, however, at higher levels than January of other recent years, as indicated in these percentages:

January 1937 Compared with:	Number Employed	Week's Payroll
January 1936.....	+10.0	+19.6
January 1935.....	+13.9	+33.1
January 1934.....	+19.7	+44.4
January 1933.....	+40.8	+92.5
January 1932.....	+28.6	+49.8

INDUSTRY

After declining each month since last July, the value of building permits issued at twenty reporting cities in the District increased 15.2 per cent from January to February. The February total was 6.2 per cent smaller than in February, 1936, but larger than in that month of other years since 1929. The combined total of \$8,475,869 for the first two months of 1937 was also smaller than for that period last year, by 8.2 per cent, but larger than those months of other years since 1929. Of the twenty cities, there were only seven decreases from January to February, and six decreases compared with February last year, one of which, that at Nashville, was due to a large total last year including a large public building. Comparisons for the month are shown in an accompanying table.

BUILDING AND CONSTRUCTION CONTRACTS AWARDED

F. W. Dodge Corporation Figures

	Feb. 1937	Jan. 1937	Feb. 1936
Sixth District Total.....	11,411,200	22,585,600	12,588,490
Residential.....	4,956,900	4,280,300	4,203,067
All Others.....	6,454,300	18,305,300	8,385,423
State Totals:			
Alabama.....	1,144,400	1,780,200	1,542,400
Florida.....	3,657,800	14,560,000	4,745,300
Georgia.....	2,270,500	2,258,300	1,860,900
Louisiana.....	1,589,000	1,769,100	2,994,300
Mississippi.....	1,698,000	1,780,700	1,422,500
Tennessee.....	3,248,000	2,522,300	1,857,400
37 Eastern States—Total.....	188,590,800	242,844,000	142,050,200
Residential.....	63,011,700	78,423,700	31,175,500
Non-Residential.....	65,951,300	95,968,900	62,610,900
Public Works and Utilities....	59,627,800	68,451,400	48,263,800

The value of building and construction contracts awarded in the Sixth District, according to statistics compiled by the F. W. Dodge Corporation and subdivided into district totals by the Division of Research and Statistics of the Board of Governors of the Federal Reserve System, declined by one-half from January to February, and was 9.4 per cent less than in February, 1936. Residential contracts, however, increased 15.8 per cent over January, and were 17.9 per cent greater than a year ago, while "Other" contracts declined 64.7 per cent from January, and were 23 per cent less than in February last year. "Other" contracts in February were the smallest since April, 1935, and the total for the month was the smallest total since August, 1935. Figures for the first two months of 1937 show gains of 5.7 per cent in total, and 32.7 per cent in residential, awards, but a decrease of 1.8 per cent in "Other" contracts, compared with that period a year ago. Increases over January in Tennessee and Georgia were outweighed by decreases in the other four states, and decreases compared with February last year in Alabama, Florida and Louisiana, more than offset increases in Georgia, Mississippi and Tennessee. In the 37 Eastern States all classes of contracts declined from January to February but were larger than a year ago, residential contracts in both February and January being more than double those in February and January, 1936.

Press reports indicate that "the Southern Pine market continues generally strong, although there are some reports of a slight slowing up in the demand for retail yard stock. Box factories continue active buyers of low-grade stock, and the railroads and industrials are having difficulty in placing their schedules." In the last two weeks of February, orders at mills reporting to the Southern Pine Association were somewhat less than production, and in the week ending February 27, orders, shipments and production were somewhat below the corresponding week last year. For the four weeks, however, orders averaged 5.3 per cent, shipments 20.7 per cent, production 4.8 per cent, and unfilled orders 25.7 per cent, greater than in the same weeks a year ago.

Consumption of cotton by American mills amounted in February to 664,439 bales, a slight decline from January, but 28.8 per cent greater than in February last year, and the highest total, according to the Census Bureau, on record for the month. The previous high for February was 594,720 bales, in 1929. February was shorter than January, however, and daily average consumption increased 2.1 per cent. Of the total consumption, 553,553 bales, or 83.3 per cent, were consumed by mills in the cotton growing states, and 110,886 bales in the remainder of the country. In the seven months of the current cotton season,

COTTON CONSUMPTION, EXPORTS, STOCKS, AND ACTIVE SPINDLES

UNITED STATES—Bales

	Feb. 1937	Jan. 1937	Feb. 1936
Cotton Consumed.....	664,439	678,064	515,977
Stocks.....	8,021,933	8,845,653	8,652,837
In Consuming Establishments	2,056,144	2,066,302	1,405,329
In Public Storage and at			
Compresses.....	5,965,789	6,779,351	7,247,508
Exports.....	462,517	538,280	406,022
Active Spindles—Number.....	24,536,254	24,364,802	23,347,850

COTTON GROWING STATES—Bales

	Feb. 1937	Jan. 1937	Feb. 1936
Cotton Consumed.....	553,553	564,874	431,387
Stocks.....	7,575,929	8,438,482	8,305,464
In Consuming Establishments	1,719,741	1,748,008	1,181,055
In Public Storage and at			
Compresses.....	5,856,188	6,690,474	7,124,409
Active Spindles—Number.....	17,760,252	17,662,922	17,215,076

August through February, total consumption has been 4,512,634 bales, a gain of 27.8 per cent over that part of the previous season. Mills in the cotton states have consumed in this seven months period 3,772,715 bales, or 83.6 per cent of the total. The increase over that part of the previous season in the cotton states was 27.5 per cent, and in other states 29.4 per cent.

February exports of cotton amounted to 462,517 bales, a decrease of 14.1 per cent from January, but 13.9 per cent larger than in February last year, and for the seven months of the season total exports have been 3,897,599 bales, a decrease of 11.6 per cent compared with that part of the 1935-36 season. According to the Census Bureau, February exports were valued at \$31,719,000, compared with \$36,581,000 for January and with \$25,920,000 in February last year, and for the seven months period exports were valued at \$261,303,000, against \$283,744,000 for that period a year ago.

Stocks of cotton held by mills at the close of February were 46.3 per cent larger than at that time last year, while stocks in storage and at compresses were 17.7 per cent smaller.

Active spindles have increased in number each month since May, and in February the total was 5.1 per cent larger than a year ago.

Cotton mills in Georgia consumed 130,709 bales in February, those in Alabama 71,112 bales, and those in Tennessee 15,577 bales. The total of 217,398 bales for the three states was somewhat smaller than for January or December, and was slightly less than the total for June, 1933. For each of the 24 business days in February, however, there were consumed 9,058 bales, a daily rate higher than has been recorded for any previous month. The cumulated total for the seven months of the season is 1,489,465 bales, larger by 29.3 per cent than in the corresponding part of last season.

After reaching in December the highest level on record, total production of electric power for public use in the six states of this District declined 4.1 per cent in January, but was 9.4 per cent greater than in January, 1936. An increase of 21 per cent in January production in Georgia was more than offset by decreases in the other five states. January production was smaller than a year ago in Florida and Louisiana. The rate of January production, reflected in daily average figures, was somewhat lower than in the last four months of 1936, September, with only thirty days, having recorded the highest daily average rate on record. Production by use of water power accounted in January for 68.4 per cent of the total, the highest percentage since

May, 1935. In December it was 64 per cent, and in January last year 65.3 per cent.

Weekly reports of the Bureau of Mines indicate that coal production in Alabama in the four weeks ending February 27 averaged 278,000 tons per week, a gain of nearly 6 per cent over January and 9.4 per cent larger than a year ago, and in Tennessee the February average of 119,000 tons per week is only slightly larger than in January and 4 per cent less than in the corresponding period of 1936. For the eight weeks of 1937, Alabama production has averaged 11.4 per cent, and that in Tennessee 0.1 per cent, larger than in that part of last year. Preliminary figures for the United States indicate a total production in February of 41,740,000 tons, a gain of 2 per cent over January, and 1.4 per cent larger than a year ago. Daily average production, however, increased 7.1 per cent over January and was 5.6 per cent larger than in February, 1936, which had one more business day.

Total production of pig iron in Alabama, according to Iron Age statistics, declined 7 per cent from January to the shorter month of February, but the daily average rate increased 3 per cent from 6,774 tons per day in January to 6,975 tons per day in February, the highest recorded since June, 1930. In the two months of 1937, Alabama production has amounted to 405,308 tons, the largest for those months since 1930. At the close of February there were 15 furnaces active, the same as for the three previous months, and compared with 12 active a year ago. Early in March one additional furnace was blown in, making a total of 16. Press reports indicate a fair run of new business in both pig iron and steel; that shipments are moving steadily and mills are having difficulty filling specifications against orders already on file. Wage increases ranging between 10 and 15 per cent and affecting 22,000 workers were reported to become effective March 16. Price quotations in the Iron Age indicate the current price in Birmingham District has been increased to \$20.38 per ton, compared with \$17.38 in early February, and with \$15.50 a year ago.

February receipts of both turpentine and rosin declined further to the lowest for the season. Stocks of turpentine were the smallest since September, 1934, and stocks of rosin were the lowest since June, 1929. Quotations for turpentine on the Savannah Market have declined from 45½ cents per gallon on January 8, the highest in nearly a year, to 39¼ cents on March 13, the same as at that time last year. The average of quotations for the thirteen grades of rosin also declined from \$11.08 per 280 pounds on January 8, the highest in about ten years, to \$9.31 on March 6 and rose slightly the following week to \$9.49, which compares with \$4.50 on the same Saturday a year ago. February receipts and stocks are compared in the table.

COTTON SEED AND COTTON SEED PRODUCTS

	Sixth District*		United States	
	Aug. 1 to Feb. 28 1936-37	Aug. 1 to Feb. 28 1935-36	Aug. 1 to Feb. 28 1936-37	Aug. 1 to Feb. 28 1935-36
Cotton Seed—Tons				
Received at Mills.....	1,806,992	1,325,093	4,328,703	3,565,444
Crushed.....	1,520,608	1,221,279	3,780,419	3,283,214
On Hand Feb. 28.....	292,688	149,347	570,210	371,805
Production				
Crude Oil, lbs.....	468,256,795	379,555,162	1,132,769,388	989,491,414
Cake and Meal, tons..	661,966	542,245	1,692,566	1,485,591
Hulls, tons.....	399,307	321,389	963,519	848,353
Linters, bales.....	368,686	271,251	927,523	743,379
Stocks at Mills Feb. 28				
Crude Oil, lbs.....	15,899,617	20,483,461	38,917,724	89,497,926
Cake and Meal, tons..	72,433	114,485	198,768	321,843
Hulls, tons.....	61,638	24,374	149,604	154,085
Linters, bales.....	58,012	42,848	210,641	176,016

*Georgia, Alabama, Louisiana, and Mississippi.

NAVAL STORES MOVEMENT

	Turpentine (1)		Rosin (2)	
	Feb. 1937	Feb. 1936	Feb. 1937	Feb. 1936
Receipts:				
Savannah.....	931	625	11,308	11,457
Jacksonville.....	796	632	12,539	10,387
Pensacola.....	277	185	1,449	1,504
Total.....	2,004	1,442	25,296	23,348
Stocks:				
Savannah.....	25,006	41,416	58,916	70,860
Jacksonville.....	38,967	50,249	48,689	99,219
Pensacola.....	21,097	33,620	20,636	52,559
Total.....	85,070	125,285	128,241	222,638

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

MONTHLY INDEX NUMBERS COMPUTED BY FEDERAL RESERVE BANK OF ATLANTA
MONTHLY AVERAGE 1923-1928 = 100

DEPARTMENT STORE TRADE—SIXTH DISTRICT	Dec. 1936	Jan. 1937	Feb. 1937	Dec. 1935	Jan. 1936	Feb. 1936
Daily Average Sales—Unadjusted						
Atlanta (3 firms).....	328.3	145.7	173.4	283.8	115.9	147.8
Birmingham (3 firms).....	187.3	77.5	95.0	138.6	61.2	80.0
Chattanooga (4 firms).....	137.1	83.4	87.7	123.1	56.9	58.0
Nashville (4 firms).....	164.6	82.9	79.3	141.8	53.5	69.2
New Orleans (4 firms).....	161.0	72.8	73.1	138.1	65.4	75.8
DISTRICT (30 firms).....	187.1	84.7	95.1	157.5	71.2	86.1
Daily Average Sales—Adjusted*						
Atlanta (3 firms).....	197.8	194.3	204.0	172.0	154.5	173.9
Birmingham (3 firms).....	110.2	107.6	105.6	81.5	65.0	68.9
Chattanooga (4 firms).....	87.9	80.3	111.0	78.9	72.0	74.7
Nashville (4 firms).....	98.6	83.9	93.3	84.9	71.3	81.4
New Orleans (4 firms).....	93.6	86.7	83.1	80.3	77.9	86.1
DISTRICT (30 firms).....	110.1	107.2	108.1	92.6	90.1	97.8
Monthly Stocks—Unadjusted						
Atlanta (3 firms).....	100.9	107.4	114.9	92.2	91.7	92.3
Birmingham (3 firms).....	57.3	61.9	84.5	50.7	54.9	56.6
Chattanooga (3 firms).....	35.2	52.9	61.5	45.7	50.5	56.2
Nashville (3 firms).....	50.1	51.6	59.6	58.9	47.1	52.6
New Orleans (4 firms).....	54.0	50.1	60.9	50.4	46.8	53.8
DISTRICT (25 firms).....	61.2	63.5	71.5	58.6	57.0	61.6
Monthly Stocks—Adjusted*						
Atlanta (3 firms).....	116.0	116.7	119.7	106.0	99.7	96.1
Birmingham (3 firms).....	63.0	68.8	67.2	55.7	61.0	59.0
Chattanooga (3 firms).....	40.0	59.4	63.4	51.9	56.7	57.9
Nashville (3 firms).....	55.7	59.3	62.7	65.4	54.1	55.4
New Orleans (4 firms).....	60.7	55.1	60.9	56.6	51.4	53.8
DISTRICT (25 firms).....	68.8	69.8	73.0	65.8	62.6	62.9
WHOLESALE TRADE—SIXTH DISTRICT—TOTAL....	77.5	77.7^R	76.5	63.1	59.8	59.0
Groceries (18 firms).....	58.6	56.2 ^R	55.8	52.1	51.9	48.9
Dry Goods (14 firms).....	60.6	62.4	58.6	53.8	46.3	52.2
Hardware (25 firms).....	87.8	93.5	81.5	69.0	69.1	59.9
Furniture (7 firms).....	100.2	79.5	83.6	61.4	51.2	61.3
Drugs (7 firms).....	103.6	98.5	98.2	90.6	91.3	89.8
LIFE INSURANCE SALES—SIX STATES—TOTAL....	77.9	58.5	62.5	72.1	54.9	53.9
Alabama.....	64.9	45.1	49.1	60.4	40.6	40.4
Florida.....	100.8	74.2	88.5	83.7	69.6	68.7
Georgia.....	79.1	57.9	67.4	80.3	57.7	57.2
Louisiana.....	78.7	69.9	61.0	80.0	62.5	61.8
Mississippi.....	80.1	53.8	54.0	62.9	47.5	44.3
Tennessee.....	70.0	53.5	55.9	64.3	51.6	51.6
BUILDING PERMITS—TWENTY CITIES—TOTAL....	37.0	35.0	40.3	29.2	39.0	43.0
Atlanta.....	11.0	21.1	19.4	5.2	18.9	11.3
Birmingham.....	15.2	15.8	35.6	9.8	9.4	5.5
Jacksonville.....	41.0	59.1	43.6	36.9	34.0	30.5
Nashville.....	19.6	17.5	20.7	159.0	62.1	307.3
New Orleans.....	19.7	14.1	21.9	21.1	27.8	11.3
Fifteen Other Cities.....	55.7	47.4	53.6	27.0	53.5	40.8
CONTRACT AWARDS—SIXTH DISTRICT—TOTAL....	53.4	64.4	32.5	58.1	55.8	35.9
Residential.....	38.1	30.5	35.3	36.6	19.6	30.0
All Others.....	63.6	86.9	30.6	72.4	79.5	39.8
WHOLESALE PRICES—UNITED STATES†						
ALL COMMODITIES.....	84.2	85.9	86.3	80.9	80.8	80.6
Farm Products.....	88.5	91.3	91.4	78.3	78.2	79.5
Foods.....	85.5	87.1	87.0	85.7	83.6	83.3
Other Commodities.....	82.2	83.4	84.1	78.7	78.8	79.0
Hides and leather products.....	99.7	101.7	102.7	95.4	97.1	96.1
Textile products.....	76.3	77.5	77.5	73.2	71.7	71.0
Fuel and lighting.....	76.5	76.6	76.8	74.6	75.1	76.1
Metals and metal products.....	89.6	90.9	91.7	88.8	86.7	86.7
Building materials.....	89.5	91.3	93.3	85.5	85.7	85.5
Chemicals and drugs.....	85.3	87.7	87.8	80.6	80.5	80.1
Housefurnishing goods.....	83.2	86.5	87.9	81.0	81.4	81.5
Miscellaneous.....	74.5	76.2	77.3	67.5	67.4	68.1
COTTON CONSUMPTION—UNITED STATES.....	134.5	131.7	129.0	97.0	114.7	100.2
Cotton-Growing States.....	168.4	165.0	161.7	121.8	145.2	126.0
All Other States.....	67.3	65.6	64.2	48.0	54.1	49.0
Georgia.....	178.7	172.1	167.7	124.8	148.8	127.9
Alabama.....	219.6	213.4	206.8	167.9	194.5	159.4
Tennessee.....	167.1	167.7	166.5	115.0	138.2	124.5
COTTON EXPORTS—UNITED STATES.....	115.7	104.8	90.1	172.6	105.7	79.1
PIG IRON PRODUCTION—UNITED STATES.....	104.3	107.5	100.4	70.5	67.8	61.0
Alabama.....	86.5	90.4	84.1	70.1	68.4	65.1

* Adjusted for Seasonal Variation.

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