

MONTHLY REVIEW

BUSINESS CONDITIONS IN THE SIXTH FEDERAL RESERVE DISTRICT

FEDERAL RESERVE BANK OF ATLANTA

OCTOBER 31, 1937

The volume of retail and wholesale trade in the Sixth District increased in September, and there were also small increases in contracts awarded for residential construction and in the daily average of cotton consumption. Total contracts awarded, however, and building permits issued at twenty cities, declined sharply, and pig iron production in Alabama was smaller. Loans and deposits at weekly reporting member banks have recently increased.

Trade September sales by 49 reporting retail firms increased 18.1 per cent over August and were 7.8 per cent larger than in September 1936. On a daily average basis the gain over August was 22.9 per cent. However, the index of daily average sales by 28 of these firms which have reported over a long period of years rose only 16.8 per cent from August to September, an increase smaller than seasonal, and the seasonally adjusted index declined 3.0 per cent from August, when it was the highest on record. The large decrease at New Orleans, compared with September 1936, is attributed to the imposition of a luxury tax in Louisiana on October 1 last year, resulting in a large increase in September sales followed by a decline in October. Inventories increased slightly more than seasonally in September, and the adjusted index of retail stocks was the highest since June 1931.

Wholesale trade, reported by 70 firms, increased further in September by 11.1 per cent, and was 9.3 per cent larger than in September last year. The index number of sales at wholesale, which is not adjusted for seasonal variation, was 97.9 per cent of the 1923-25 average, and higher than for any other month since October 1929.

The number of business failures has been somewhat larger for the first three quarters of 1937 than for that period last year, but liabilities have been less.

Banking Total loans at weekly reporting member banks in leading cities of the District increased further between the middle of September and October 13, and, although the increase in loans was partly offset by a further decline in holdings of investment securities, total loans and investments on October 13 were 9.1 millions of dollars greater than four weeks earlier, and the largest since June 23. Between September 15 and October 13 commercial, industrial and agricultural loans increased nearly 4.4 millions, "Other" loans increased about 8.5 millions, and there were smaller increases in open market paper and loans to brokers and dealers in securities. Loans to banks and loans to customers for purchasing or carrying securities declined. Total loans on October 13 were 12.4 millions larger than at mid-September, 30.4 millions greater than a year ago, and the largest for any Wednesday since May 1933. Holdings of investment securities declined from 279.9 millions on September 15 to 274.8 millions two weeks later, and were then the smallest reported on any Wednesday since October 16, 1935. On October 13 they were 56.6 millions less than on the corresponding report date last year and 61.3 millions less than the high level reached on September 16, 1936.

Demand deposits-adjusted declined in the first week of October but rose the following week to a level 21 millions greater than a year earlier. Time deposits declined slightly, after increasing steadily since mid-summer. After declining from 241 millions of dollars on February 10, the highest level on record, to 166.4 millions on July 28, balances of correspondent banks increased about 31 millions by October 13, but were substantially less than at the same time last year.

At the Federal Reserve Bank of Atlanta discounts declined sharply in the third week of September but have since increased. However, on October 13 discounts, industrial advances and holdings of purchased bills were \$209,000 less than on September 15. Although small in total volume, discounts were substantially larger on October 13 than a year ago. Member bank reserve deposits declined in the third week of September but have since increased, and on October 13 were 27.7 millions greater than a year earlier. Estimates based on latest available figures indicate that total member bank reserves of 176.7 millions on October 13 were about 28.7 millions of dollars, or 19.4 per cent, in excess of legal requirements. Estimates based

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

| | October 13 1937 | Change From Sept. 15, 1937 | Oct. 14, 1936 |
|---|--------------------|-------------------------------|---------------|
| Loans and Investments..... | \$552,811 | + 9,084 | —26,286 |
| Loans—Total..... | 276,200 | + 12,420 | + 30,350 |
| Commercial, industrial and agricultural loans: | | | |
| On Securities..... | 11,552 | + 685 | • |
| Otherwise secured and unsecured..... | 127,859 | + 3,677 | • |
| Open market paper..... | 4,443 | + 696 | — 1,076 |
| Loans to brokers and dealers in securities..... | 7,615 | + 104 | + 2,182 |
| Other loans for purchasing or carrying securities..... | 15,467 | — 248 | • |
| Real estate loans..... | 27,055 | + 436 | + 2,718 |
| Loans to banks..... | 3,917 | — 1,407 | + 2,660 |
| Other Loans: | | | |
| On securities..... | 26,509 | + 711 | • |
| Otherwise secured and unsecured..... | 51,783 | + 7,766 | • |
| Investments—Total..... | 276,611 | — 3,336 | —56,636 |
| U. S. direct obligations..... | 168,894 | — 2,367 | —41,941 |
| Obligations guaranteed by U. S..... | 33,359 | — 464 | — 7,284 |
| Other securities..... | 74,358 | — 505 | — 7,411 |
| Reserve with F. R. Bank..... | 107,502 | — 880 | + 20,592 |
| Cash in vault..... | 12,658 | + 2,417 | + 1,044 |
| Balances with domestic banks..... | 114,142 | + 6,885 | —29,517 |
| Demand deposits—adjusted..... | 331,612 | + 751 | + 21,219 |
| Time deposits..... | 186,126 | — 918 | + 8,772 |
| U. S. Government deposits..... | 15,238 | + 203 | —37,766 |
| Deposits of domestic banks..... | 197,026 | + 17,343 | —28,461 |
| Borrowings: From F. R. Bank..... | 699 | + 159 | + 699 |
| From others..... | 311 | • | + 311 |

*Comparable figures not available.

FEDERAL RESERVE BANK OF ATLANTA (In Thousands of Dollars)

| | October 13 1937 | Change From Sept. 15, 1937 | Oct. 14, 1936 |
|--------------------------------------|--------------------|-------------------------------|---------------|
| Bills Discounted..... | \$ 1,349 | — 181 | + 1,304 |
| Bills Bought in Open Market..... | 98 | — 9 | — 10 |
| Industrial Advances..... | 156 | — 19 | — 385 |
| United States Securities..... | 110,991 | • | + 11,803 |
| Total Bills and Securities..... | 112,594 | — 209 | + 12,712 |
| Total Reserves..... | 259,093 | + 7,908 | + 7,041 |
| Member Bank Reserve Account..... | 176,665 | + 2,912 | + 27,696 |
| U. S. Treasurer General Account..... | 3,553 | — 1,810 | — 4,531 |
| F. R. Note Circulation..... | 168,965 | + 1,813 | —18,416 |

DEBITS TO INDIVIDUAL ACCOUNTS
 (In Thousands of Dollars)

| | September 1937 | August 1937 | September 1936 |
|-----------------------------|--------------------|------------------|-------------------|
| ALABAMA | | | |
| Birmingham..... | \$ 88,315 | \$ 80,433 | \$ 71,649 |
| Dothan..... | 4,064 | 3,119 | 5,002 |
| Mobile..... | 42,567 | 36,591 | 33,138 |
| Montgomery..... | 23,468 | 20,137 | 26,570 |
| FLORIDA | | | |
| Jacksonville..... | 67,260 | 67,633 | 61,001 |
| Miami..... | 27,618 | 29,188 | 28,331 |
| Pensacola..... | 9,016 | 8,638 | 8,055 |
| Tampa..... | 25,085 | 26,003 | 22,865 |
| GEORGIA | | | |
| Albany..... | 4,807 | 4,287 | 4,464 |
| Atlanta..... | 170,114 | 172,154 | 159,365 |
| Augusta..... | 18,269 | 15,500 | 17,479 |
| Brunswick..... | 3,032 | 2,621 | 2,409 |
| Columbus..... | 15,600 | 13,613 | 12,606 |
| Elberton..... | 1,229 | 948 | 1,031 |
| Macon..... | 16,124 | 13,647 | 16,179 |
| Newnan..... | 1,947 | 1,769 | 2,069 |
| Savannah..... | 34,804 | 33,130 | 32,724 |
| Valdosta..... | 4,293 | 9,801 | 4,437 |
| LOUISIANA | | | |
| New Orleans..... | 249,377 | 207,129 | 238,507 |
| MISSISSIPPI | | | |
| Hattiesburg..... | 5,436 | 4,988 | 4,792 |
| Jackson..... | 25,959 | 19,616 | 43,936 |
| Meridian..... | 11,031 | 8,888 | 12,956 |
| Vicksburg..... | 8,463 | 6,128 | 9,713 |
| TENNESSEE | | | |
| Chattanooga..... | 41,451 | 38,519 | 37,091 |
| Knoxville..... | 29,669 | 29,560 | 24,633 |
| Nashville..... | 81,027 | 76,185 | 72,522 |
| TOTAL 26 Cities..... | \$1,010,025 | \$930,225 | \$851,703 |

on daily average figures had shown a decline in excess reserves from 29.3 millions for the first half of September to 23.1 millions for the latter half of the month. Total reserves of the Federal Reserve Bank have recently increased further and on October 13 were the largest since May 12.

Agriculture The October 1 estimates of the cotton crop in the six states of the Sixth District combined increased about 13 per cent from September to October, and are 28 per cent greater than production last year. The total of 6,875,000 bales for the six states, and the estimate of 2,400,000 bales in Mississippi, are the largest figures in available statistics back to 1903, and in this period the estimates for Louisiana and Tennessee have been exceeded only once. Estimates by states are compared in the table.

COTTON PRODUCTION — Bales

| | 1937 Estimates | | 1936 Production |
|------------------------|------------------|------------------|--------------------|
| | Oct. 1 | Sept. 1 | |
| Alabama..... | 1,425,000 | 1,310,000 | 1,145,000 |
| Florida..... | 40,000 | 40,000 | 31,000 |
| Georgia..... | 1,430,000 | 1,321,000 | 1,086,000 |
| Louisiana..... | 1,000,000 | 873,000 | 761,000 |
| Mississippi..... | 2,400,000 | 2,027,000 | 1,911,000 |
| Tennessee..... | 580,000 | 521,000 | 433,000 |
| Six States..... | 6,875,000 | 6,092,000 | 5,367,000 |

Spot cotton prices continued to decline in September and early October. The ten-market average rose, however, from 7.68 cents per pound on October 8 to 8.23 cents on October 14 resulting, according to the Department of Agriculture, from much reduced offerings of spot cotton, and the inclination of many growers to pledge their cotton for Government loans.

August receipts from the sale of principal farm products, with Government payments included, increased about 43 per cent over July, and were 3.6 per cent larger than a year earlier. For the January-August period total farm income was 34.3 per cent greater than in that part of last year. Movement of tobacco was an important factor in the increase from July to August.

There were further small increases in the October estimates for all of the principal crops in the District, except for a small decrease in peaches resulting from a reduction of the Tennessee estimate, and substantial increases over 1936 were shown for most crops, the exceptions being peanuts, peaches, and pears. The first estimate of citrus fruit production in Florida from the bloom of 1937 indicates more oranges but less grapefruit than in the 1936-37 season. Orange production is estimated at 24 million boxes compared with 22.5 million boxes last season, and grapefruit production at 13 million boxes, against 18.1 million boxes last season.

Industry Employment and payrolls at more than six thousand firms in the six States of this District reporting to the United States Bureau of Labor Statistics increased 0.9 per cent, and 1.7 per cent, respectively, from July 1 to August, and continued higher than at the corresponding time of other recent years. The increase in August was smaller than that recorded in August last year.

There were sharp reductions in the total value of building permits and in construction contracts awarded in September, compared with August and with September 1936. Value of building permits reported by twenty cities declined 30.5 per cent from August, was 17.5 per cent less than a year ago, and the January-September total was only 1.9 per cent larger than for that period last year. Value of contracts awarded in September declined 44.3 per cent from August, was less than half the July total, and was 44.7 per cent less than in September 1936. Residential contracts increased slightly over August and were 16.9 per cent larger than a year ago. Large decreases in September in Florida and Louisiana reflect reductions in contracts for factories, commercial buildings, and public works and utilities, and declines from September 1936 in Tennessee and Alabama were due to larger awards in that period for apartment and hotel construction and public works and utilities. The District total of contracts awarded in the first nine months of 1937 is 5.1 per cent larger than for that period last year.

Daily average consumption of cotton by mills in this District increased 3.2 per cent from August to September, but was 6.6 per cent less than a year earlier. In September last year daily average consumption increased 14.2 per cent. Operations at cotton seed oil mills increased substantially in September.

Weekly figures of coal production in Alabama for September averaged somewhat less than the revised figures for August, but Tennessee production increased, and output in both states continued greater than a year earlier. Daily average production of pig iron in Alabama declined further in September by 2.2 per cent, but was 57.7 per cent greater than in September 1936. The number of blast furnaces active continues at 17. Electric power production increased slightly in August, was 5.2 per cent greater than a year earlier, and the January-August total was 7.5 per cent larger than for that part of 1936.

Receipts of both turpentine and rosin declined in September, but stocks increased somewhat. Supplies of turpentine were the smallest for September in three years, and those of rosin were the smallest in more than nineteen years. Quotations have recently declined further, and the price of turpentine reached on October 16 the lowest level in 39 years.

SIXTH DISTRICT BUSINESS STATISTICS

| | | SALES | | Jan.-Sept. Incl. | STOCKS | Collection Ratio |
|-------------------------------|-------|------------------|-------|--------------------------------|------------|---------------------|
| Sept. 1937 Compared With : | | Compared With | | Sept. 1937 Compared With | Sept. 1937 | Ratio |
| Aug. 1937 Sept. 1936 | | Year Ago | | Sept. 1936 | 1937 | |
| RETAIL TRADE | | | | | | |
| Atlanta..... | +10.1 | + 6.5 | +10.8 | +11.1 | 27.2 | |
| Birmingham..... | + 8.6 | +17.6 | +14.0 | +26.9 | 29.1 | |
| Chattanooga..... | +42.2 | +22.1 | +13.4 | +22.5 | 23.2 | |
| Montgomery..... | +23.1 | — 0.3 | + 3.0 | +19.8 | | |
| Nashville..... | +27.4 | +16.4 | +10.6 | +18.7 | 23.4 | |
| New Orleans..... | + 2.8 | —15.1 | + 0.9 | +29.7 | 33.8 | |
| Other Cities..... | +43.1 | +20.8 | +11.8 | +14.4 | 29.4 | |
| DISTRICT (49 firms) | +18.1 | + 7.8 | + 9.0 | +19.9 | 28.6 | |
| WHOLESALE TRADE | | | | | | |
| Groceries..... | +13.5 | +10.2 | + 8.4 | | 75.7 | |
| Dry Goods..... | +21.9 | — 6.1 | + 2.8 | +19.9 | 33.7 | |
| Hardware..... | + 5.4 | +11.4 | +25.5 | +11.5 | 42.8 | |
| Furniture..... | + 4.8 | — 1.2 | +10.5 | +46.2 | 44.0 | |
| Electrical Supplies..... | + 5.7 | +44.0 | +56.6 | | | |
| Drugs..... | +17.9 | +13.7 | +14.9 | +17.6 | 71.7 | |
| TOTAL (70 firms)... | +11.1 | + 9.3 | +18.4 | +20.5 | 49.6 | |

| | (000 Omitted) | | | | |
|---------------------------------|---------------|--------------|---------------|--------------------|---------------|
| | Sept. 1937 | Aug. 1937 | Sept. 1936 | Jan.-Sept. 1937 | Incl. 1936 |
| COMMERCIAL FAILURES— | | | | | |
| DISTRICT | | | | | |
| Number (Actual)..... | 33 | 29 | 30 | 266 | 222 |
| Liabilities..... | \$ 256 | \$ 192 | \$ 315 | \$ 2,530 | \$ 3,415 |
| CONTRACTS AWARDED— | | | | | |
| DISTRICT..... | \$ 15,008 | \$ 26,925 | \$ 27,140 | \$186,942 | \$177,954 |
| Residential..... | 6,541 | 6,369 | 5,594 | 61,106 | 52,441 |
| All Others..... | 8,467 | 20,556 | 21,546 | 125,836 | 125,513 |
| Alabama..... | 1,063 | 1,579 | 7,241 | 22,998 | 33,053 |
| Florida..... | 5,634 | 11,616 | 5,454 | 71,287 | 54,771 |
| Georgia..... | 2,516 | 1,734 | 3,809 | 23,194 | 26,273 |
| Louisiana..... | 3,943 | 11,604 | 2,179 | 51,136 | 26,366 |
| Mississippi..... | 2,027 | 2,689 | 4,194 | 21,818 | 28,218 |
| Tennessee..... | 2,619 | 3,336 | 13,695 | 28,938 | 54,402 |
| BUILDING PERMITS— | | | | | |
| 20 CITIES..... | \$ 5,140 | \$ 7,398 | \$ 6,231 | \$ 51,086 | \$ 50,128 |
| Atlanta..... | 356 | 343 | 301 | 3,816 | 3,583 |
| Birmingham..... | 313 | 221 | 192 | 2,911 | 1,725 |
| Jacksonville..... | 513 | 561 | 1,304 | 4,079 | 3,967 |
| Nashville..... | 119 | 895 | 206 | 3,910 | 6,557 |
| New Orleans..... | 422 | 550 | 378 | 3,639 | 3,524 |
| 15 Other Cities..... | 3,416 | 4,857 | 3,850 | 32,731 | 30,773 |
| PIG IRON PRODUCTION—Tons | | | | | |
| Alabama..... | 221 | 234 | 140 | 1,930 | 1,385 |
| COAL PRODUCTION—Tons | | | | | |
| Alabama..... | 1,145 | 1,150 | 993 | 9,224 | 8,479 |
| Tennessee..... | 470 | 436 | 456 | 3,858 | 3,579 |

| | (000 Omitted) | | | | |
|----------------------------------|---------------|--------------|---------------|----------------------------|---------------|
| | Sept. 1937 | Aug. 1937 | Sept. 1936 | Aug. 1 to Sept. 30 1937 | Incl. 1936 |
| COTTON CONSUMPTION— | | | | | |
| Bales | | | | | |
| Alabama..... | 60 | 65 | 68 | 125 | 130 |
| Georgia..... | 116 | 114 | 122 | 230 | 234 |
| Tennessee..... | 17 | 15 | 16 | 32 | 30 |
| Total 3 States..... | 193 | 194 | 206 | 387 | 394 |
| COTTON SEED CRUSHED— | | | | | |
| Tons..... | 334 | 78 | 276 | 412 | 332 |
| FERTILIZER TAG SALES—Tons | | | | | |
| Total 6 States..... | 54 | 23 | 76 | 77 | 105 |

*Georgia, Alabama, Louisiana and Mississippi.

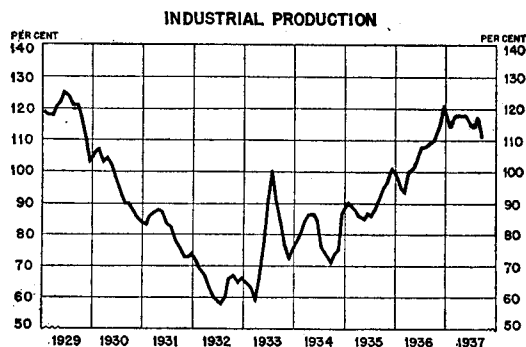
| | (000 Omitted) | | | | |
|--------------------------------|---------------|--------------|--------------|-------------------|---------------|
| | Aug. 1937 | July 1937 | Aug. 1936 | Jan.-Aug. 1937 | Incl. 1936 |
| FARM INCOME—Six States* | | | | | |
| Alabama..... | \$ 46,522 | \$ 32,545 | \$ 44,887 | \$424,304 | \$315,922 |
| Florida..... | 5,226 | 4,135 | 4,221 | 58,667 | 43,413 |
| Georgia..... | 3,768 | 2,222 | 3,164 | 95,169 | 70,834 |
| Louisiana..... | 20,376 | 9,397 | 24,089 | 76,981 | 72,291 |
| Mississippi..... | 5,292 | 3,056 | 4,362 | 50,342 | 32,616 |
| Tennessee..... | 5,121 | 4,643 | 3,712 | 66,347 | 40,545 |
| Total Six States..... | 6,739 | 9,092 | 5,339 | 76,798 | 56,223 |
| ELECTRIC POWER | | | | | |
| PRODUCTION—kw Hours | | | | | |
| Alabama..... | 218,296 | 235,369r | 232,175 | 1,857,695 | 1,640,094 |
| Florida..... | 74,542 | 76,728r | 62,563 | 606,318 | 536,117 |
| Georgia..... | 150,674 | 129,072r | 123,718 | 1,141,701 | 1,040,125 |
| Louisiana..... | 160,151 | 156,885 | 153,556 | 1,093,998 | 1,033,297 |
| Mississippi..... | 8,020 | 7,055r | 6,305 | 46,680 | 40,555 |
| Tennessee..... | 133,339 | 131,057r | 129,766 | 913,478 | 972,475 |
| Total Six States..... | 745,022 | 736,166r | 708,083 | 5,659,870 | 5,262,663 |
| By Water Power..... | 319,288 | 280,053 | 368,218 | 3,163,842 | 3,176,289 |
| By Fuels..... | 425,734 | 456,113r | 339,865 | 2,496,028 | 2,086,374 |

*Includes Government benefit payments. r = revised.

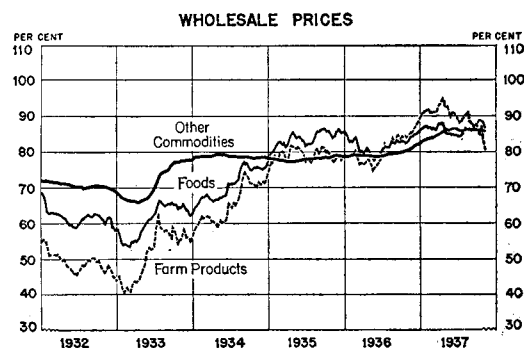
SIXTH DISTRICT BUSINESS INDEXES
(1923-1925=100 except as noted)

| | Sept. 1937 | Aug. 1937 | Sept. 1936 |
|--------------------------------------|------------|-----------|------------|
| RETAIL SALES* Unadjusted | | | |
| DISTRICT (28 firms)..... | 120.1 | 102.8 | 115.8 |
| Atlanta..... | 212.0 | 191.2 | 203.1 |
| Birmingham..... | 112.1 | 102.7 | 95.4 |
| Chattanooga..... | 101.5 | 68.7 | 82.5 |
| Nashville..... | 101.9 | 78.9 | 87.6 |
| New Orleans..... | 100.0 | 93.5 | 117.7 |
| RETAIL SALES* Adjusted | | | |
| DISTRICT (28 firms)..... | 127.8 | 131.8 | 123.2 |
| Atlanta..... | 209.9 | 233.2 | 201.1 |
| Birmingham..... | 115.6 | 128.4 | 98.4 |
| Chattanooga..... | 106.8 | 89.2 | 86.8 |
| Nashville..... | 110.8 | 92.7 | 95.2 |
| New Orleans..... | 108.7 | 119.9 | 127.9 |
| RETAIL STOCKS Unadjusted | | | |
| DISTRICT (24 firms)..... | 82.2 | 74.1 | 66.7 |
| Atlanta..... | 132.4 | 123.5 | 119.2 |
| Birmingham..... | 82.4 | 70.7 | 62.4 |
| Chattanooga..... | 68.9 | 64.2 | 56.2 |
| Nashville..... | 71.3 | 64.8 | 60.1 |
| New Orleans..... | 69.1 | 62.3 | 53.3 |
| RETAIL STOCKS Adjusted | | | |
| DISTRICT (24 firms)..... | 77.5 | 76.4 | 62.9 |
| Atlanta..... | 120.4 | 130.0 | 108.4 |
| Birmingham..... | 80.0 | 74.4 | 60.6 |
| Chattanooga..... | 66.3 | 66.2 | 54.0 |
| Nashville..... | 66.6 | 65.5 | 56.2 |
| New Orleans..... | 65.8 | 63.6 | 50.8 |
| WHOLESALE SALES (70 firms) | | | |
| Groceries..... | 97.9 | 88.1 | 85.3 |
| Dry Goods..... | 65.1 | 57.4 | 60.5 |
| Hardware..... | 101.8 | 83.4 | 108.4 |
| Furniture..... | 102.6 | 97.3 | 92.0 |
| Drugs..... | 99.2 | 94.6 | 101.1 |
| | 124.8 | 105.9 | 104.6 |
| CONTRACTS AWARDED—DISTRICT | | | |
| Residential..... | 42.8 | 76.7 | 77.3 |
| All Others..... | 46.6 | 45.4 | 39.9 |
| Alabama..... | 40.2 | 97.6 | 102.3 |
| Florida..... | 23.2 | 34.5 | 158.3 |
| Georgia..... | 38.8 | 80.1 | 37.6 |
| Louisiana..... | 37.7 | 26.0 | 57.1 |
| Mississippi..... | 62.7 | 84.5 | 34.7 |
| Tennessee..... | 105.1 | 139.4 | 217.5 |
| | 47.2 | 60.2 | 247.0 |
| BUILDING PERMITS—20 Cities | | | |
| Atlanta..... | 45.7 | 65.7 | 55.4 |
| Birmingham..... | 23.0 | 22.2 | 19.5 |
| Jacksonville..... | 21.1 | 14.9 | 12.9 |
| Nashville..... | 62.4 | 68.2 | 158.4 |
| New Orleans..... | 18.8 | 141.1 | 32.5 |
| 15 Other Cities..... | 32.8 | 42.7 | 29.3 |
| | 62.4 | 88.1 | 70.3 |
| PIG IRON PRODUCTION—ALABAMA* | | | |
| | 96.7 | 98.9 | 61.3 |
| COTTON CONSUMPTION—3 STATES* | | | |
| Alabama..... | 162.6 | 157.5 | 174.1 |
| Georgia..... | 180.3 | 186.9 | 205.5 |
| Tennessee..... | 153.6 | 145.0 | 161.2 |
| | 172.0 | 154.4 | 167.1 |
| EMPLOYMENT—(Av. for 1932=100) | | | |
| Alabama..... | 151.9 | 152.2 | 138.9 |
| Florida..... | 98.0 | 94.5 | 85.4 |
| Georgia..... | 149.6 | 149.6 | 136.7 |
| Louisiana..... | 129.0 | 124.9 | 114.4 |
| Mississippi..... | 118.0 | 117.2 | 113.7 |
| Tennessee..... | 140.5 | 139.1 | 128.6 |
| Six States..... | 138.9 | 137.7 | 128.6 |
| PAYROLLS—(Av. for 1932=100) | | | |
| Alabama..... | 241.7 | 236.7 | 190.7 |
| Florida..... | 84.5 | 80.9 | 71.4 |
| Georgia..... | 197.5 | 196.7 | 169.1 |
| Louisiana..... | 159.0 | 155.0 | 134.9 |
| Mississippi..... | 161.9 | 160.1 | 152.7 |
| Tennessee..... | 182.4 | 179.7 | 157.5 |
| Six States..... | 185.1 | 182.0 | 154.2 |
| ELECTRIC POWER PRODUCTION* | | | |
| Alabama..... | 273.3 | 294.6 | 290.6 |
| Florida..... | 366.6 | 377.3r | 307.6 |
| Georgia..... | 250.8 | 214.9r | 205.9 |
| Louisiana..... | 601.4 | 589.2 | 576.6 |
| Mississippi..... | 123.9 | 109.1r | 97.1 |
| Tennessee..... | 212.5 | 208.9r | 206.8 |
| Six States..... | 290.9 | 287.4r | 276.4 |
| By Water Power..... | 237.2 | 208.0 | 273.5 |
| By Fuels..... | 350.3 | 375.3r | 279.7 |

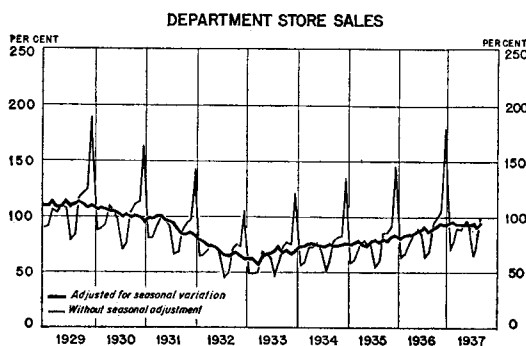
*Indexes of retail sales, electric power and pig iron production and of cotton consumption are on a daily average basis. r=revised.



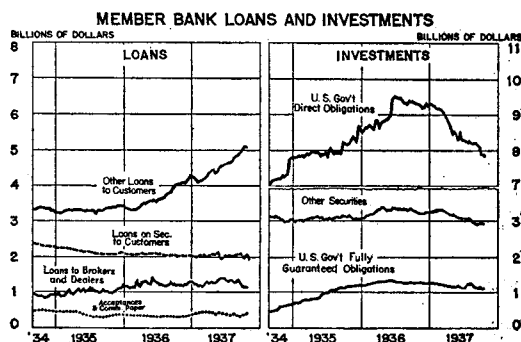
Index of physical volume of production, adjusted for seasonal variation, 1923-1925 average = 100. By months, January, 1929, to September, 1937.



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



Indexes of value of sales, 1923-1925 average = 100. By months, January, 1929, to September, 1937.



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

National Summary of Business Conditions

Prepared by the Board of Governors of the Federal Reserve System

DECLINES in industrial production in September and the first part of October reduced output to the level of a year ago, and commodity prices continued to decline. The volume of distribution to consumers was maintained at the level of previous months.

PRODUCTION AND EMPLOYMENT

Volume of industrial production, as measured by the Board's seasonally adjusted index, declined in September to 111 per cent of the 1923-1925 average as compared with 114 in June and July and 117 in August. At steel mills, where output in August had been at a high level, partly on the basis of orders placed earlier in the year, activity was reduced to an average rate of 75 per cent of capacity in September. This decline continued in October, as new orders were in limited volume, and the rate of steel output in the fourth week of the month is estimated at about 52 per cent of capacity. There were also declines in September in activity at woolen mills, shoe factories, and at sugar refineries, and activity at cotton mills showed little change, although an increase is usual at this season. Increases in output were reported at silk mills and meat packing establishments where activity recently has been at a low level. Automobile production showed a decline from the high level of August, but in the first three weeks of October advanced sharply as most manufacturers began assembling 1938 models.

Mineral output increased in September, reflecting an expansion in coal production. Output of crude petroleum declined somewhat but continued in large volume.

Value of construction contracts awarded, as reported by the F. W. Dodge Corporation, was smaller in September and the first half of October than in the preceding six weeks, with a moderate decline in private residential building and sharp declines in awards for other private work and for publicly-financed work. Currently the dollar volume of private work is about the same as a year ago, while awards for public work are in smaller volume.

Factory employment showed little change from August to September, although an increase is usual at this season. There were declines in the number employed at textile mills, shoe factories, railroad repair shops, and lumber mills. At canning establishments employment increased seasonally. Factory payrolls, which usually expand in September, declined substantially, reflecting principally a reduction in the average number of hours worked by those employed. The levels of employment and payrolls continued to be considerably above last year.

DISTRIBUTION

Distribution of commodities to consumers by department stores and mail order houses increased more than seasonally in September, and variety store sales showed about the usual seasonal expansion. Freight-car loadings increased by the usual seasonal amount from August to September.

COMMODITY PRICES

The general level of wholesale commodity prices, according to the Bureau of Labor Statistics' index, declined from 87.5 per cent of the 1926 average in the latter part of September to 85.2 in the middle of October. During that period price declines occurred in most commodities traded in on organized exchanges and in some manufactured products. In the ten days ending October 25 commodity markets were steadier. New models of automobiles are currently being introduced at higher prices.

BANK CREDIT

Excess reserves of member banks, after increasing in September from \$750,000,000 to over \$1,000,000,000, showed little further change in October.

Total loans and investments of reporting member banks in 101 leading cities declined somewhat in the four weeks ending October 20, reflecting chiefly a steady reduction throughout the period in loans to security brokers and dealers. Commercial loans increased further.

MONEY RATES AND SECURITY PRICES

Rates on 9-month Treasury bills in October declined to about 3/8 of one per cent, the lowest since last January. Prices of high-grade bonds showed little change in September and October, while prices of lower-grade bonds and of common stocks declined sharply to the lowest levels since the middle of 1935.