

MONTHLY REVIEW

BUSINESS CONDITIONS IN THE SIXTH FEDERAL RESERVE DISTRICT

FEDERAL RESERVE BANK OF ATLANTA

May 31, 1939

District Summary *Business and industrial activity in the Sixth Federal Reserve District declined somewhat in April but continued well above the corresponding period of last year. The daily rate of department store sales increased less than usual and the seasonally adjusted index declined, but was still the highest for April of any recent year. Wholesale trade declined more than usual. Residential building increased but other construction declined, and textile operations, iron and steel production and coal output were lower.*

The April increase of 14.0 per cent in residential contracts in this District compares with a decrease of 8.6 per cent for the 37 Eastern States, but the April changes in department store sales, total construction contract awards, textile operations and iron and steel activity in this District were less favorable than for the country as a whole.

Comparing April this year with that month in 1938 the gains in department store sales and textile operations in this District were larger than for the country, but other series compare less favorably. The District increase of 20.1 per cent in electric power production in March, over March last year, compares with a national average gain of 11.1 per cent.

Trade The rate of merchandise distribution through reporting department stores increased in April by considerably less than the seasonal amount, and wholesale trade declined more than usual. Business failures increased and were larger than in April last year.

► April sales by reporting department stores in this District actually declined from March, but because April was shorter by two business days than March, the daily rate increased. The rise was, however, less than usually occurs and the index of daily average sales, after seasonal adjustment, declined 8.0 per cent from March. At 114.6 per cent of the 1923-1925 average, however, it was higher than for April of any other year since 1920. April sales reported to the

United States Department of Commerce by 157 wholesale firms in this District declined 11.0 per cent from March, but were 2.6 per cent larger than a year earlier. The April decline, which was larger than usual, followed an increase in March that was also larger than usually occurs at that time. The wholesale price index of the Bureau of Labor Statistics averaged slightly lower in April and was 3.2 per cent below that for April, 1938.

► April inventories at department stores were slightly larger than a month, or a year, earlier, while at wholesale firms they were slightly smaller.

► The collection ratio for reporting department stores declined from 32.1 per cent for March to 30.5 per cent for April, while that for wholesale firms rose from 57.6 per cent for March to 60.0 per cent for April.

Banking At weekly reporting member banks in the Sixth District demand deposits-adjusted in recent weeks have averaged slightly below the successive peaks reached on April 12 and April 26, and interbank deposits have been somewhat less than in early April, but time deposits have increased further. Total loans and investments at these banks have averaged somewhat higher for the first three weeks of May than they have been since early January, and on May 17 were 50.6 millions of dollars greater than at the same time last year. Loans have not changed materially in recent weeks, but investments are higher than for most weekly report dates in the past two years. The increase in investments continues to be due to larger holdings of securities guaranteed by the United States and of Other Securities, offset in part by decreases in holdings of direct obligations of the United States. Loans on May 17 were 24.5 millions larger than a year earlier, while investments were 26.1 millions greater.

► Following a new high of 371.4 millions of dollars on April 12, demand deposits-adjusted increased to 373.3 millions, another new high, on April 26, but have averaged slightly less in the first three weeks of May, although 40.7 millions greater than at the corresponding time a year ago. Time deposits, however, have increased and on May 17 were at the highest level recorded since the spring of 1933. Interbank deposits increased about 26 millions of

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

	May 17, 1939	Change From: Apr. 12, 1939	May 18, 1938
Loans and Investments—Total.....	\$605,588	+ 1,891	+50,573
Loans—Total.....	308,126	— 490	+24,471
Commercial, industrial and agricultural loans.....	182,335	+10,563	+31,723
Open market paper.....	2,617	— 41	— 362
Loans to brokers and dealers in securities.....	5,994	+ 63	— 1,088
Other loans for purchasing or carrying securities.....	12,164	— 1,104	— 3,209
Real estate loans.....	29,976	+ 1,652	+ 2,182
Loans to banks.....	993	+ 92	+ 2,638
Other loans.....	74,047	—11,715	— 2,137
Investments—Total.....	297,462	+ 2,381	+26,102
U. S. direct obligations.....	149,852	— 285	— 4,256
Obligations guaranteed by U. S.....	60,450	+ 579	+20,539
Other securities.....	87,160	+ 2,087	+ 9,819
Reserve with F. R. Bank.....	111,164	— 6,422	+17,101
Cash in vault.....	11,555	— 1,383	+ 259
Balances with domestic banks.....	175,056	+ 533	+43,919
Demand deposits-adjusted.....	366,775	+ 4,600	+40,727
Time deposits.....	188,999	+ 2,535	+ 6,027
U. S. Government deposits.....	39,105	+ 323	+16,085
Deposits of domestic banks.....	255,434	— 4,202	+55,003
Borrowings.....	70

CONDITION OF FEDERAL RESERVE BANK OF ATLANTA
(In Thousands of Dollars)

	May 17, 1939	Change From: Apr. 12, 1939	May 18, 1938
Bills discounted.....	\$ 77	+ 21	— 616
Bills bought.....	19	—	—
Industrial advances.....	797	— 21	+ 726
United States securities.....	116,422	—	+ 5,006
Total bills and securities.....	117,317	+ 1,398	+ 5,118
Total cash reserves.....	289,175	— 8,746	+39,488
F. R. note circulation.....	149,811	+ 1,398	+ 4,510
Member bank reserve account.....	185,162	—10,243	+24,910
U. S. Treasurer general account.....	49,275	+ 2,630	+ 6,810
Total deposits.....	251,527	—10,121	+41,399
Commitments to make industrial advances.....	150	— 1	— 28

DEBITS TO INDIVIDUAL ACCOUNTS
(In Thousands of Dollars)

	April 1939	March 1939	April 1938	Per Cent Change April 1939 from: Mar. 1939	Apr. 1938
ALABAMA—					
Birmingham.....	\$ 81,584	\$ 88,674	\$ 75,629	— 8.0	+ 7.9
Dothan.....	2,966	3,393	2,775	—12.6	+ 6.9
Mobile.....	32,535	35,295	35,472	— 7.8	— 8.3
Montgomery.....	20,470	20,818	19,037	— 1.7	+ 7.5
FLORIDA—					
Jacksonville.....	73,391	83,933	72,928	—12.8	+ 0.6
Miami.....	51,248	63,589	47,163	—19.4	+ 8.7
Pensacola.....	8,621	8,413	8,171	+ 2.5	+ 5.5
Tampa.....	28,175	30,418	27,350	— 7.4	+ 3.0
GEORGIA—					
Albany.....	4,252	5,376	4,487	—20.9	— 5.2
Atlanta.....	186,605	201,079	185,821	— 7.7	— 0.1
Augusta.....	17,244	16,563	15,157	+ 4.1	+13.8
Brunswick.....	2,708	2,691	2,703	+ 0.6	+ 0.2
Columbus.....	12,850	13,501	11,876	— 4.8	+ 8.2
Elberton.....	1,149	1,120	1,102	+ 2.6	+ 4.3
Macon.....	13,617	14,368	12,477	— 5.2	+ 9.1
Newnan.....	1,734	1,868	1,340	— 7.2	+29.4
Savannah.....	26,118	27,747	26,743	— 5.9	— 2.3
Valdosta.....	3,440	3,864	3,495	—11.0	— 1.6
LOUISIANA—					
New Orleans.....	191,544	233,338	189,836	—17.9	+ 0.9
MISSISSIPPI—					
Hattiesburg.....	4,724	5,448	4,223	—13.3	+11.9
Jackson.....	24,714	27,209	25,373	— 9.2	— 2.6
Meridian.....	10,749	11,166	9,094	— 3.7	+18.2
Vicksburg.....	6,721	7,687	6,967	—12.6	— 3.5
TENNESSEE—					
Chattanooga.....	41,595	44,552	36,373	— 6.6	+14.4
Knoxville.....	27,443	30,804	26,176	—10.9	+ 4.8
Nashville.....	73,290	80,984	72,922	— 9.5	+ 0.5
SIXTH DISTRICT—					
26 Cities.....	\$ 948,487	\$ 1,063,898	\$ 916,523	—10.9	+ 3.5
UNITED STATES—					
141 Cities.....	\$30,143,411	\$34,485,799	\$31,169,092	—12.6	— 3.3

dollars between early January and April 5, but have since that time declined slightly.

▶ At the Federal Reserve Bank of Atlanta member bank reserve deposits have declined somewhat from the record total reported on April 12. Total deposits, and total cash reserves, have also declined. Federal Reserve note circulation of this bank's issue has recently increased slightly, and discounts for member banks have continued in small volume.

▶ Estimates based on latest available figures of deposits for all member banks in this District indicate that reserve deposits on May 17, amounting to 185.2 millions of dollars, were about 41.4 millions, or 28.8 per cent, in excess of legal requirements. In the latter half of April estimated excess reserves averaged 45.4 millions, or 31.7 per cent, of legal requirements.

▶ Check transactions at 26 cities in the District declined 10.9 per cent from March to April, but were 3.5 per cent larger than a year ago, which compares with a decline of 3.3 per cent for 141 cities located throughout the country.

Agriculture Total farm income in the six states of this District in the first quarter of 1939 was 14 per cent smaller than in that part of 1938. Receipts from crop marketings were down 42.3 per cent, but income from livestock and livestock products was 4.5 per cent larger. Combined receipts from crops and livestock were 28.9 per cent smaller, but this was partly offset by a large increase in Government benefit payments. For March total receipts increased 21.0 per cent over February.

▶ Prospective production of peaches in the 10 Southern peach states, on the basis of the May 1 condition, was 16,191,000

bushels, compared with 16,070,000 bushels produced last year. In the Sixth District, Georgia and Florida production is expected to be smaller than in 1938, but increases are indicated in Alabama, Louisiana and Mississippi. In Georgia curculio infestation is extensive and dropping of fruit heavier than usual, and Florida peaches were injured by winter cold. The estimate of Florida oranges from the 1938 bloom was increased one million boxes from April 1 to May 1, to 30.9 million. The estimate of grapefruit continues at 21 million boxes. Potato prospects in northern Florida have been reduced because of poor growing weather, and in Louisiana by damaging frosts earlier in the season, but good progress is reported in Georgia, Alabama and Mississippi.

Industry There were further gains in April in contracts awarded for residential construction in the Sixth District, and in building permits issued at twenty reporting cities. Other classes of construction contracts declined, however, textile operations were lower, and output of pig iron and of coal declined.

▶ The value of residential contracts awarded in April was 14.0 per cent larger than for March and the largest for any month in eleven years. The April total included a housing project in New Orleans amounting to about two and one-half millions of dollars. Other awards declined 38.0 per cent from March, however, and the April total for the District was down 20.0 per cent, although 38.0 per cent larger than for April last year. In the first four months of 1939 total awards in the District have amounted to 89.7 millions of dollars, a gain of 66.1 per cent over the corresponding period last year, which compares with an increase of 45.1 per cent for the 37 Eastern States.

▶ A decline in textile operations is reflected in a reduction of 6.9 per cent in the daily rate of cotton consumed in Georgia, Alabama and Tennessee to the lowest level since October. The increase of 48.0 per cent over April last year in this District compares with a gain of 38.0 per cent for the country. For the current cotton year, August through April, consumption in this District has been 19.3 per cent larger than in that part of the previous season.

▶ Steel mill activity in the Birmingham area declined further in April and early May, although there was a slight rise in the second week of May to 46.5 per cent of capacity. The rate of pig iron output in Alabama declined further in April by 15.0 per cent, but was 21.0 per cent above that of April last year. In the United States, the daily rate declined 11.3 per cent in April and was 49.4 per cent higher than a year ago. Coal production declined substantially in April, in the United States as a whole and in Alabama and Tennessee, because of the strike.

▶ The daily rate of electric power production in the District increased 2.4 per cent in March, the latest month for which figures are available, and was 20.1 per cent greater than in March, 1938. In the United States the rate declined 1.1 per cent in March and was 11.1 per cent greater than a year ago.

▶ Operations at southern pine lumber mills in April and early May were at a level considerably higher than at the same time last year.

SIXTH DISTRICT BUSINESS STATISTICS

	SALES			STOCKS COLLECTION		
	RATIO			RATIO		
	Jan.-Apr. 1939	Jan.-Apr. 1938	Jan.-Apr. 1937	Jan.-Apr. 1939	Jan.-Apr. 1938	Jan.-Apr. 1937
	Compared With	Compared With	Compared With	Compared With	Compared With	Compared With
RETAIL TRADE	Mar. 1939	Apr. 1938	Year Ago	Apr. 1938	Apr. 1937	Apr. 1936
Atlanta	-10.6	+ 4.6	+ 9.7	+ 6.1	25.3	25.3
Birmingham	-5.1	+ 4.3	+ 6.3	+ 5.2	34.6	34.6
Chattanooga	-10.9	- 1.1	+ 8.7	- 2.4
Montgomery	+ 6.5	+ 4.9	+ 5.9	-15.3
Nashville	- 9.6	+ 3.8	+ 6.7	+ 9.8	27.5	27.5
New Orleans	+ 3.9	+ 2.1	+ 2.2	- 0.5	32.0	32.0
Others	-13.4	- 0.4	+ 2.8	+ 0.8	34.8	34.8
DISTRICT (46 Firms)	- 7.4	+ 2.2	+ 5.2	+ 0.3	30.5	30.5
WHOLESALE TRADE						
Groceries	-11.0	- 3.2	- 4.2	- 8.1	83.1	83.1
Dry Goods	-20.2	- 0.0	+ 4.2	+ 4.4	39.4	39.4
Hardware	- 5.7	+14.0	+18.2	+ 0.6	50.2	50.2
Electrical Goods	+10.1	+ 4.1	+ 9.2	...	78.9	78.9
Drugs	-15.5	+14.1	+14.1	- 9.0	64.2	64.2
Shoes	-28.5	-16.9	- 0.7	...	26.7	26.7
TOTAL	-11.0	+ 2.6	+ 6.7	- 1.3	60.0	60.0

(000 Omitted)

COMMERCIAL FAILURES—	April 1939	March 1939	April 1938	Jan.-Apr. 1939	Incl. 1938
DISTRICT					
Number	66	47	46	257	252
Liabilities	\$ 948	\$ 377	\$ 785	\$ 3,116	\$ 3,172

CONTRACTS AWARDED—	April 1939	March 1939	April 1938	Jan.-Apr. 1939	Incl. 1938
DISTRICT					
Residential	\$ 22,146	\$ 27,742	\$ 16,080	\$ 89,709	\$ 54,082
All Others	10,935	9,604	7,509	33,416	21,660
Alabama	11,211	18,138	8,571	56,293	32,422
Florida	2,222	4,418	1,225	11,869	7,295
Georgia	7,802	9,085	5,636	27,069	17,543
Louisiana	4,003	6,831	2,812	20,586	9,454
Mississippi	7,375	4,656	4,431	20,687	13,115
Tennessee	1,992	2,700	1,661	12,781	4,493
	2,568	3,839	2,991	13,417	13,037

BUILDING PERMITS—	April 1939	March 1939	April 1938	Jan.-Apr. 1939	Incl. 1938
20 CITIES	\$ 6,811	\$ 5,564	\$ 5,049	\$ 20,884	\$ 18,127
Atlanta	487	438	298	1,594	1,200
Birmingham	343	303	139	992	918
Jacksonville	1,021	523	915	2,381	4,548
Nashville	1,037	371	88	1,626	490
New Orleans	266	436	260	1,522	1,630
15 Other Cities	3,657	3,494	3,350	12,770	9,341

PIG IRON PRODUCTION—Tons	April 1939	March 1939	April 1938	Jan.-Apr. 1939	Incl. 1938
Alabama	191	232	158	897	614

COAL PRODUCTION—Tons	April 1939	March 1939	April 1938	Jan.-Apr. 1939	Incl. 1938
Alabama	...	1,213	863	...	3,763
Tennessee	...	468	306	...	1,330

(000 Omitted)

COTTON CONSUMPTION—	April 1939	March 1939	April 1938	Aug.-Apr. 1939	Incl. 1938
Bales					
Alabama	58	70	46	544	458
Georgia	112	127	73	1,017	842
Tennessee	14	16	10	129	117
TOTAL THREE STATES	184	213	129	1,690	1,417

COTTON SEED CRUSHED—	April 1939	March 1939	April 1938	Aug.-Apr. 1939	Incl. 1938
Tons*	105	134	148	1,371	2,098

FERTILIZER TAG SALES—Tons	April 1939	March 1939	April 1938	Aug.-Apr. 1939	Incl. 1938
TOTAL SIX STATES	606	710	522	1,909	2,129

*Georgia, Alabama, Louisiana, and Mississippi.

(000 Omitted)

FARM INCOME*—Six States	March 1939	Feb. 1939	March 1938	Jan.-Mar. 1939	Incl. 1938
Alabama	\$ 51,759	\$ 42,715	\$ 52,908	\$138,410	\$161,168
Florida	6,095	3,404	7,209	13,306	20,008
Georgia	15,377	11,931	15,378	37,024	40,684
Louisiana	7,457	4,024	5,954	15,853	17,363
Mississippi	5,218	3,632	5,355	13,407	17,868
Tennessee	9,541	12,727	7,047	30,398	29,253
	7,871	6,997	11,965	28,422	35,992

ELECTRIC POWER PRODUCTION—kw hours	March 1939	Feb. 1939	March 1938	Jan.-Mar. 1939	Incl. 1938
Alabama	279,011	244,384r	248,303	827,374	698,289
Florida	98,804	90,675	92,070	289,814	271,553
Georgia	154,208	137,500r	129,535	415,563	360,034
Louisiana	131,536	124,261	119,254	404,928	344,096
Mississippi	4,578	3,871	6,011	14,141	18,827
Tennessee	187,812	154,278r	117,792	515,841	352,196
TOTAL SIX STATES	855,949	754,969r	712,965	2,467,661	2,044,995
By Water Power	570,985	469,025	379,519	1,435,103	1,050,579
By Fuels	284,964	285,944r	333,446	972,558	994,416

*Includes Government payments. r = revised.

SIXTH DISTRICT BUSINESS INDEXES

(1923-1925=100 except as noted)

RETAIL SALES*—Unadjusted	Apr. 1939	Mar. 1939	Apr. 1938
DISTRICT (27 Firms)	119.2	115.2	110.0
Atlanta	206.8	211.8	187.9
Birmingham	108.0	103.4	100.7
Chattanooga	83.3	86.6	80.9
Nashville	106.1	108.6	83.7
New Orleans	103.1	91.9	97.1

RETAIL SALES*—Adjusted	Apr. 1939	Mar. 1939	Apr. 1938
DISTRICT (27 Firms)	114.6	124.5	104.8
Atlanta	193.3	225.3	174.0
Birmingham	108.0	107.7	99.7
Chattanooga	82.5	96.2	79.3
Nashville	104.0	119.3	81.3
New Orleans	97.3	101.0	90.7

RETAIL STOCKS—Unadjusted	Apr. 1939	Mar. 1939	Apr. 1938
DISTRICT (24 Firms)	73.8	72.8	72.8
Atlanta	123.4	123.4	113.4
Birmingham	72.1	69.9	74.2
Chattanooga	63.5	61.7	65.1
Nashville	60.9	57.4	55.5
New Orleans	62.9	62.1	63.3

RETAIL STOCKS—Adjusted	Apr. 1939	Mar. 1939	Apr. 1938
DISTRICT (24 Firms)	70.3	70.7	69.3
Atlanta	117.5	121.0	108.0
Birmingham	68.7	68.5	70.7
Chattanooga	60.5	58.2	62.0
Nashville	58.6	56.3	53.4
New Orleans	60.5	59.7	60.9

WHOLESALE SALES—Total	Apr. 1939	Mar. 1939	Apr. 1938
Groceries	64.4	72.4	66.3
Dry Goods	48.9	54.9	49.3
Hardware	49.9	62.5	50.2
Furniture	91.0	96.5	73.5
Drugs	98.4	116.4	101.7

CONTRACTS AWARDED—DISTRICT	Apr. 1939	Mar. 1939	Apr. 1938
Residential	63.1	79.0	45.8
All Others	77.9	68.4	53.5
Alabama	53.2	86.1	40.7
Florida	48.6	96.6	26.8
Georgia	53.8	62.6	38.9
Louisiana	60.1	102.5	42.2
Mississippi	117.3	74.0	70.5
Tennessee	103.3	140.0	86.1
	46.3	69.2	53.9

BUILDING PERMITS—20 Cities	Apr. 1939	Mar. 1939	Apr. 1938
Atlanta	60.5	49.5	44.9
Birmingham	31.4	28.3	19.2
Jacksonville	23.2	20.4	9.4
Nashville	124.1	63.6	111.2
New Orleans	163.5	58.5	13.9
15 Other Cities	20.7	33.9	20.2
	66.7	63.8	61.1

PIG IRON PRODUCTION—ALABAMA*	Apr. 1939	Mar. 1939	Apr. 1938
	83.4	98.2	69.0

COTTON CONSUMPTION—3 STATES	Apr. 1939	Mar. 1939	Apr. 1938
Alabama	155.2	166.7	104.9
Georgia	173.4	195.0	133.8
Tennessee	148.3	155.3	92.3
	146.9	157.5	104.1

EMPLOYMENT (Av. for 1932 = 100)	Apr. 1939	Mar. 1939	Apr. 1938
Alabama	124.3	132.5	129.0
Florida	116.3	118.1	117.0
Georgia	142.5	141.9	132.2
Louisiana	127.8	125.2	120.0
Mississippi	111.2	112.8	103.0
Tennessee	127.3	127.6	117.8
SIX STATES	130.1	131.5	124.5

PAYROLLS (Av. for 1932 = 100)	Apr. 1939	Mar. 1939	Apr. 1938
Alabama	184.5	204.6	183.3
Florida	94.0	96.5	92.4
Georgia	181.4	182.5	153.6
Louisiana	145.7	143.4	147.8
Mississippi	137.9	138.7	124.6
Tennessee	159.3	161.6	140.3
SIX STATES	165.8	170.0	153.2

ELECTRIC POWER PRODUCTION*	Mar. 1939	Feb. 1939	Mar. 1938
Alabama	349.2	338.7r	310.8
Florida	485.8	493.6	452.7
Georgia	256.7	253.4	215.6
Louisiana	493.9	516.6	447.8
Mississippi	70.8	66.0	92.8
Tennessee	299.3	272.2r	187.7
SIX STATES	334.2	326.3r	278.3
By Water Power	424.1	385.1	281.9
By Fuels	234.5	280.5r	274.4

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

NATIONAL SUMMARY OF BUSINESS CONDITIONS

Prepared by the Board of Governors of the Federal Reserve System

VOLUME of industrial production declined sharply in April reflecting chiefly shutdowns at bituminous coal mines and reduction in activity at textile mills. Retail purchases by consumers were maintained.

Production

In April the Board's seasonally adjusted index of output at factories and mines was at 92.0 per cent of the 1923-1925 average, compared with 98 in March and 77 a year ago.

In the steel industry production declined in April and the first three weeks of May but in the fourth week ingot output increased to 48½ per cent of capacity, about the rate prevailing a month earlier. Around the middle of May substantial concessions were made in prices of some types of steel and it is reported that a considerable volume of orders for steel was placed during this period.

Automobile production in April was at about the same rate as in March, although usually there is some increase, and in May output declined owing in part to the fact that stocks of new cars were larger than is usual at this time of the year. Plate glass production decreased sharply in April following smaller declines earlier in the year.

In the lumber industry output increased somewhat in April, while cement production, which had risen sharply in February and March, showed less than the usual increase.

Textile production declined sharply in April, particularly at woolen mills, where output had been at a high level, and in the silk goods industry where further curtailment reflected in part recent high prices for raw silk. Output of shoes showed a decrease from the high level maintained during the first quarter of this year. At flour mills and sugar refineries activity increased further, while in most other nondurable goods lines changes in output were largely seasonal in character.

Bituminous coal production was in small volume during April and the first half of May as most mines were closed pending settlement of contract negotiations between mine operators and workers. After the middle of May agreements were reached at most mines and output began to increase rapidly. Production of anthracite, which had been reduced in March, increased sharply in April and crude petroleum production rose further. In the first half of May anthracite production was maintained but petroleum output declined somewhat.

Value of construction contracts awarded, according to the F. W. Dodge Corporation, was larger in April than in March, owing chiefly to a rise in awards for public projects. Contracts for private construction showed little change in the aggregate as private residential contracts declined, contrary to seasonal tendency, while contracts for commercial, factory, and other private construction increased. In the first half of May awards for private work increased somewhat while the volume of public contracts declined.

Employment

Employment in nonagricultural pursuits declined somewhat from the middle of March to the middle of April reflecting a sharp drop at bituminous coal mines offset in part by seasonal increases in construction and trade. At factories the number employed showed little change while payrolls declined considerably because of fewer hours of work.

Distribution

In April distribution of commodities to consumers showed about the usual seasonal increase. The Board's adjusted index of department store sales remained at 88.0 per cent of the 1923-1925 average, about the level that has prevailed since last autumn.

Railroad freight-car loadings declined sharply owing mainly to a reduction in shipments of coal. Loadings of miscellaneous freight showed less than the usual seasonal rise.

Commodity Prices

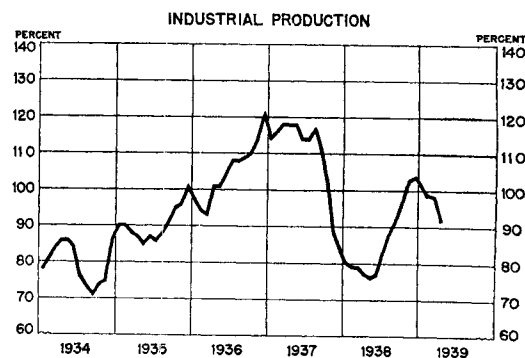
Prices of grains and cotton advanced from the middle of April to the third week of May and there were also increases in prices of silk, hides, and bituminous coal. Prices of copper and steel scrap, on the other hand, were reduced, and substantial concessions were granted in prices of several leading steel products.

Bank Credit

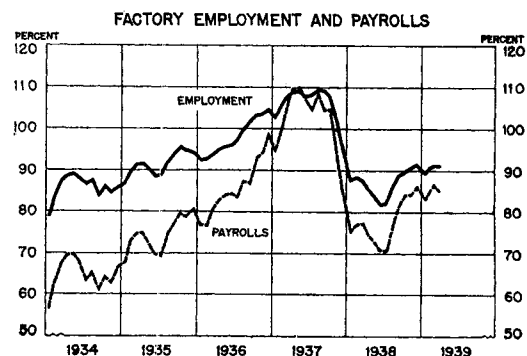
Total loans and investments at reporting member banks in 101 leading cities, which had increased in April, declined during the first half of May. The decline was at New York City banks and reflected a reduction in loans to security brokers and dealers and redemption of obligations of New York State and City Governments. After increasing substantially in April, demand deposits at banks in leading cities showed little change in the first half of May. Bank reserves increased further in May to a new high level.

Money Rates

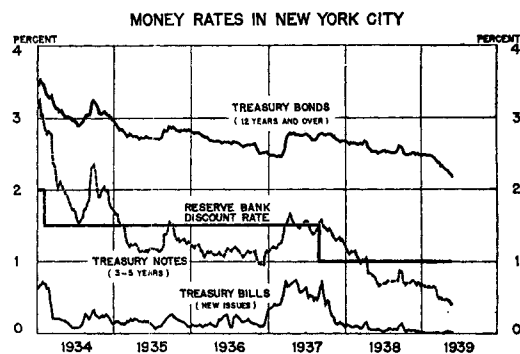
Prices of United States Government bonds and notes increased sharply during the last half of April and the first three weeks of May to new high levels. The average yield on long-term Treasury bonds declined from 2.34 per cent on April 11 to 2.13 per cent on May 22. Other money rates showed little change.



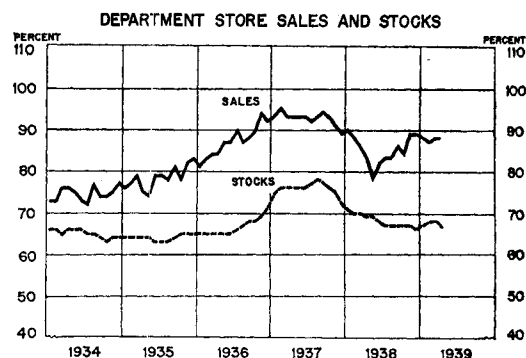
Index of physical volume of production, adjusted for seasonal variation. 1923-1925 average = 100. By months, January, 1934, to April, 1939.



Indexes of number employed and payrolls, without adjustment for seasonal variation. 1923-1925 average = 100. By months, January, 1934, to April, 1939. Indexes compiled by U. S. Bureau of Labor Statistics.



For weeks ending January 6, 1934, to May 20, 1939.



Indexes of value of sales and stocks, adjusted for seasonal variation. 1923-1925 average = 100. By months, January, 1934, to April, 1939.