

MONTHLY REVIEW

BUSINESS CONDITIONS IN THE SIXTH FEDERAL RESERVE DISTRICT

FEDERAL RESERVE BANK OF ATLANTA

June 30, 1939

District Summary *Improvement in business, and in some lines of industrial activity, in May is indicated in available Sixth District statistics. After allowance for seasonal influences department store sales and wholesale trade increased over April. Construction contracts awarded in May increased, and residential contracts were the largest for any month in more than ten years. Textile operations rose slightly over April. Pig iron production in Alabama declined further, but steel mill activity increased after the first week in May, and rose further in the first half of June.*

The May increase of 34.2 per cent over April in total contract awards in the District compares with a decrease of 6.5 per cent for the 37 Eastern States, residential awards increased 40.1 per cent in the District against 17.0 per cent for the country, and other contracts rose 28.5 per cent in the District but declined 19.0 per cent in the 37 Eastern States. Cotton consumption increased 1.3 per cent in the District but for the country remained at the April level. The seasonally adjusted index of department store sales in the District rose 1.6 per cent in May, as against a decrease of 3.4 per cent for the country.

In comparison with May 1938, the District gains in construction awards, textile activity and department store sales were larger than those for the country, but the increase in pig iron production was smaller. April production of electric power in the District showed an increase over April last year twice as large as that for the country as a whole.

Trade Merchandise distribution through reporting department stores in the Sixth District increased in May, after allowance is made for seasonal influences. Wholesale trade increased, contrary to the usual trend, and business failures declined in both number and liabilities.

► Department store sales actually increased in May, but the daily rate declined slightly because May had two more business days than April. The May decline was smaller than usually occurs, however, and the seasonally adjusted index of daily average sales rose 1.6 per cent. It was 9.8 per cent above the index for May last year and was the highest for the month of May in the series, which goes back to 1919. May sales reported to the United States Department of Commerce by 156 wholesale firms in this District increased 4.6 per cent over April, at a time when there is usually a small decline, and were 14.3 per cent greater than in May last year. For the January-May period department store sales were 7.0 per cent, and wholesale sales 7.9 per cent, larger than in that part of 1938.

► Inventories at department stores declined 4.8 per cent in May and stocks at reporting wholesale firms were down 3.2 per cent.

► There were small gains in the collection ratios for department stores and for wholesale firms in May.

Banking Demand deposits-adjusted at weekly reporting member banks in leading cities of the Sixth District rose to another all-time high level at the middle of June after declining somewhat from the previous peak on April 26. Total loans and investments at these banks declined somewhat in the first two weeks of June after reaching on May 31 the highest level since the first Wednesday in January. Total loans at these banks have not changed materially since the middle of March, but in the past six months there have been changes in the banks' holdings of investment securities so that at the middle of June holdings of United States direct obligations were nearly 20 millions of dollars less than at the beginning of the year and holdings of securities guaranteed by the United States were about 18 millions larger, and there had been a small rise in holdings of Other Securities.

► On June 14 total loans and investments were 52.7 millions of dollars larger than at the same time last year, 27.4 millions of the increase being in loans and 25.3 millions in investments. The rise in loans was due principally to increases in those for commercial, industrial and agricultural purposes and to a small gain in real estate loans, while the increase in investments was due to larger holdings of obligations guaranteed by the United States and Other Securities

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

	June 14, 1939	Change From: May 17, 1939	June 15, 1938
Loans and Investments—Total.....	\$602,353	— 3,235	+ 52,723
Loans—Total.....	308,176	+ 50	+ 27,378
Commercial, industrial and agricultural loans.....	179,221	— 3,114	+ 31,564
Open market paper.....	2,890	+ 273	— 226
Loans to brokers and dealers in securities.....	6,894	+ 900	+ 62
Other loans for purchasing or carrying securities.....	12,412	+ 248	— 2,618
Real estate loans.....	30,439	+ 463	+ 2,717
Loans to banks.....	956	— 37	+ 3,222
Other loans.....	75,364	+ 1,317	— 899
Investments—Total.....	294,177	— 3,285	+ 25,345
U. S. direct obligations.....	145,982	— 3,870	+ 4,737
Obligations guaranteed by U. S.....	57,308	— 3,142	+ 18,412
Other securities.....	90,887	+ 3,727	+ 11,670
Reserve with F. R. Bank.....	114,994	+ 3,830	+ 24,708
Cash in vault.....	13,014	+ 1,459	+ 2,783
Balances with domestic banks.....	178,918	+ 3,862	+ 46,265
Demand deposits-adjusted.....	379,287	+ 12,512	+ 55,958
Time deposits.....	184,637	— 4,362	— 8,578
U. S. Government deposits.....	40,014	+ 909	+ 17,186
Deposits of domestic banks.....	252,062	— 3,372	+ 58,497
Borrowings.....	.....	.....	— 160

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

	June 14, 1939	Change From: May 17, 1939	June 15, 1938
Bills discounted.....	\$ 105	+ 28	— 957
Bills bought.....	19	.....	.....
Industrial advances.....	782	— 15	+ 667
United States securities.....	116,422	.....	+ 5,006
Total bills and securities.....	117,329	+ 12	+ 4,718
Total cash reserves.....	295,248	+ 6,073	+ 49,519
F. R. note circulation.....	147,761	— 2,050	+ 5,254
Member bank reserve account.....	189,765	+ 4,603	+ 35,236
U. S. Treasurer general account.....	48,082	— 1,193	+ 2,869
Total deposits.....	259,395	+ 7,868	+ 50,646
Commitments to make industrial advances.....	150	.....	— 26

DEBITS TO INDIVIDUAL ACCOUNTS
(In Thousands of Dollars)

	May 1939	April 1939	May 1938	Per Cent Change May 1939 from : Apr. 1939 May 1938	
ALABAMA—					
Birmingham.....\$	83,933	\$ 81,584	\$ 75,077	+ 2.9	+11.8
Dothan.....	3,012	2,966	2,669	+ 1.6	+12.9
Mobile.....	37,092	32,535	34,857	+14.0	+ 6.4
Montgomery.....	25,145	20,470	18,985	+22.8	+32.4
FLORIDA—					
Jacksonville.....	77,575	73,391	69,117	+ 5.7	+12.2
Miami.....	44,279	51,248	40,044	—13.6	+10.6
Pensacola.....	8,587	8,621	8,240	— 0.4	+ 4.2
Tampa.....	27,974	28,175	26,213	— 0.7	+ 6.7
GEORGIA—					
Albany.....	4,387	4,252	4,012	+ 3.2	+ 9.3
Atlanta.....	201,031	185,605	179,716	+ 8.3	+11.9
Augusta.....	17,817	17,244	14,479	+ 3.3	+23.1
Brunswick.....	2,918	2,708	2,554	+ 7.8	+14.3
Columbus.....	13,714	12,850	12,031	+ 6.7	+14.0
Elberton.....	1,100	1,149	1,065	— 4.3	+ 3.3
Macon.....	14,091	13,617	12,132	+ 3.5	+16.1
Newnan.....	1,886	1,734	1,309	+ 8.8	+44.1
Savannah.....	28,550	26,118	26,124	+ 9.3	+ 9.3
Valdosta.....	4,260	3,440	3,435	+23.8	+24.0
LOUISIANA—					
New Orleans.....	200,499	191,544	190,347	+ 4.7	+ 5.3
MISSISSIPPI—					
Hattiesburg.....	4,554	4,724	3,861	— 3.6	+17.9
Jackson.....	24,764	24,714	22,036	+ 0.2	+12.4
Meridian.....	10,240	10,749	8,343	— 4.7	+22.7
Vicksburg.....	6,277	6,721	7,361	— 6.6	—14.7
TENNESSEE—					
Chattanooga.....	39,337	41,595	35,129	— 5.4	+12.0
Knoxville.....	26,323	27,443	25,603	— 4.1	+ 2.8
Nashville.....	80,368	73,290	71,625	+ 9.7	+12.2
SIXTH DISTRICT—					
26 Cities.....\$	989,713	\$ 948,487	\$ 889,745	+ 4.3	+11.2
UNITED STATES—					
141 Cities.....\$	\$31,928,463	\$30,143,411	\$28,840,888	+ 5.9	+10.7

offset in part by a small decline in holdings of direct obligations of the United States. At the middle of June these banks were carrying 24.7 millions more in reserve deposits at the Federal than they were a year earlier, 2.8 millions more cash in their vaults, and their balances with correspondent banks were 46.3 millions greater. Demand deposits-adjusted were about 56 millions larger than at the same time last year but time deposits were 8.6 millions less.

► Recent changes in the weekly statement of the Federal Reserve Bank of Atlanta reflect increases in member bank reserve deposits, and total cash reserves, and a decline in Federal Reserve note circulation. Reserves, deposits and note circulation were higher than at the corresponding time last year.

► Estimates based on latest available figures of deposits for all member banks in the District indicate that reserve deposits on June 14, amounting to 189.8 millions of dollars, were about 46.4 millions, or 32.4 per cent, in excess of legal requirements. In the latter half of May estimated excess reserves were about 42 millions of dollars, or 29.5 per cent of legal requirements.

► Check transactions at 26 cities in the District increased 4.3 per cent in May, and 5.9 per cent at 141 reporting cities throughout the country, and were 11.2 per cent larger than a year ago in the District against an increase of 10.7 per cent for the country.

Agriculture Farm income in the six states of this District increased 9.2 per cent in April and, because of larger Government payments, was 26.2 per cent larger than a year earlier. April receipts from marketings of crops increased 17.6 per cent over March, but income

from livestock and livestock products was lower. Combined receipts from crops and livestock were 2.9 per cent larger than in March, but 7.9 per cent smaller than in April 1938, but Government payments rose 22.0 per cent in April and were nearly three and one-half times the total for April last year.

► The Georgia peach crop is expected to be about 13.0 per cent smaller than that of last year. In Tennessee, however, indications are that production will be more than twice the small 1938 crop, and increases are also expected in Alabama, Louisiana and Mississippi. The June 1 condition of apples was about the same as a year ago in Georgia but higher in other states of the District.

► Despite cooler weather than usual, most crops have made fairly satisfactory progress, but in the latter half of May and early June there was excessive rainfall in nearly all parts of the District, and farming operations were seriously interrupted.

Industry A further substantial increase in building and construction activity in the Sixth District in May was evidenced by gains in construction contracts awarded, reported by the F. W. Dodge Corporation, and in building permits issued at reporting cities. Textile activity showed a small increase. Pig iron production declined but steel mill activity increased in May and early June.

► Contracts awarded for residential construction increased further from April to May by 40.1 per cent. The May total of \$15,321,000 was twice as large as for May last year and was the largest for any month since April 1926. May residential contracts accounted for more than half of the total awards in the District which increased 34.2 per cent over April, while in the 37 Eastern States there was a decrease of 6.5 per cent. Compared with May 1938, total awards in the District increased 47.5 per cent and in the country 8.9 per cent. The value of building permits issued at 20 reporting cities rose further in May by 23.5 per cent and was larger than for any other month since December 1928. Production, shipments and orders at southern pine lumber mills continued in May and early June above the corresponding time last year.

► Textile operations in May increased in Alabama and Tennessee but declined slightly in Georgia. The rate of cotton consumption in these states rose 1.3 per cent in May, when there is usually a decline of nearly 3.0 per cent, and was 44.7 per cent higher than in May last year, which compares with a gain of 36.1 per cent for the country.

► Steel mill activity in the Birmingham area, after declining from 72.0 per cent of capacity during most of February and March to 43.5 per cent in the last week of April and the first week of May, has since risen to 55.5 per cent at the middle of June. This compares with 52.5 per cent for the nation. Daily average production of pig iron in Alabama declined further in May by one-fifth and was 30.0 per cent lower than it was in December and January, although 33.0 per cent greater than in May last year. In the United States the May rate of production also declined 20.0 per cent from April, and was 37.0 per cent above May 1938.

► The daily rate of electric power production declined 3.0 per cent in the District and 2.5 per cent in the nation in April, the latest available figures, but was larger than a year ago by 21.6 per cent in the District and 11.0 per cent in the country as a whole.

SIXTH DISTRICT BUSINESS STATISTICS

SALES				STOCKS		COLLEC- TION RATIO
May 1939 Compared With		Jan.-May Compared With	May 1939 Compared With			
RETAIL TRADE	Apr. 1939	May 1938	Year Ago	May 1938	May 1939	
Atlanta.....	+11.8	+16.6	+11.2	+4.6	26.6	
Birmingham.....	+5.6	+13.4	+7.8	+1.4	33.5	
Chattanooga.....	+12.9	+6.8	+8.3	+0.3	...	
Montgomery.....	+4.1	+16.7	+8.3	+18.4	...	
Nashville.....	+19.5	+12.0	+8.0	+0.1	29.8	
New Orleans.....	+1.8	+8.9	+3.6	+1.3	33.1	
Others.....	+1.3	+18.5	+5.6	+1.0	35.3	
DISTRICT (46 Firms).....	+5.2	+14.1	+7.0	+0.4	31.3	
WHOLESALE TRADE						
Groceries.....	+6.6	+7.5	+2.0	+3.0	91.6	
Dry Goods.....	+7.1	+18.9	+6.9	+0.0	39.6	
Hardware.....	+0.2	+15.2	+17.8	+0.7	49.5	
Electrical Goods.....	+37.0	+45.0	+13.7	+13.1	76.0	
Drugs.....	0.0	+15.5	+14.4	+1.2	64.5	
Shoes.....	+21.8	+1.0	+0.6	...	...
TOTAL.....	+4.6	+14.3	+7.9	+1.2	62.1	

(000 Omitted)

COMMERCIAL FAILURES—	May 1939	Apr. 1939	May 1938	Jan.-May, 1939	Incl. 1938
DISTRICT					
Number.....	62	66	36	319	288
Liabilities.....	\$ 715	\$ 948	\$ 320	\$ 3,831	\$ 3,492

CONTRACTS AWARDED—

DISTRICT	\$ 29,731	\$ 22,146	\$ 20,157	\$119,440	\$ 74,239
Residential.....	15,321	10,935	7,627	48,737	29,287
All Others.....	14,410	11,211	12,530	70,703	44,952
Alabama.....	4,903	2,222	2,353	16,772	9,648
Florida.....	7,579	7,802	5,092	34,648	22,635
Georgia.....	4,349	4,003	5,214	24,935	14,668
Louisiana.....	9,863	7,375	4,131	30,550	17,246
Mississippi.....	4,253	1,992	3,972	17,034	8,465
Tennessee.....	5,154	2,568	3,525	18,571	16,562

BUILDING PERMITS—

20 CITIES.....	\$ 8,413	\$ 6,811	\$ 4,450	\$ 29,297	\$ 22,577
Atlanta.....	334	487	311	1,928	1,511
Birmingham.....	480	343	196	1,472	1,114
Jacksonville.....	720	1,021	587	3,101	5,135
Nashville.....	251	1,037	189	1,877	678
New Orleans.....	779	266	469	2,301	2,099
15 Other Cities.....	5,849	3,657	2,698	18,619	12,039

PIG IRON PRODUCTION—Tons

Alabama.....	157	191	119	1,055	732
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COAL PRODUCTION—Tons

Alabama.....	317	130	730	3,965	4,493
Tennessee.....	237	144	335	1,788	1,665

(000 Omitted)

COTTON CONSUMPTION—	May 1939	Apr. 1939	May 1938	Aug.-May, 1938-39	Incl. 1937-38
Bales					
Alabama.....	65	58	46	609	503
Georgia.....	120	112	77	1,138	919
Tennessee.....	16	14	11	144	129
TOTAL THREE STATES.....	201	184	134	1,891	1,551

COTTON SEED CRUSHED—

Tons*.....	107	105	102	1,479	2,200
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FERTILIZER TAG SALES—Tons

TOTAL SIX STATES.....	171	606	172	1,474	2,301
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*Georgia, Alabama, Louisiana, and Mississippi.

(000 Omitted)

FARM INCOME*—Six States.	April 1939	March 1939	April 1938	Jan.-Apr., 1939	Incl. 1938
Alabama.....	\$ 56,534	\$ 51,759	\$ 44,783	\$194,944	\$205,951
Florida.....	8,016	6,095	5,592	21,322	25,600
Georgia.....	15,403	15,577	13,064	52,427	53,748
Louisiana.....	8,213	7,457	3,855	24,066	21,218
Mississippi.....	8,410	5,218	7,836	21,817	25,704
Tennessee.....	7,696	9,541	6,581	38,094	35,834
TOTAL SIX STATES.....	803,013	855,834	660,367	3,270,559	2,715,298
By Water Power.....	531,993	570,985	410,467	2,027,096	1,460,584
By Fuels.....	271,020	284,849	249,900	1,243,463	1,254,714

ELECTRIC POWER

PRODUCTION—kw hours	April 1939	March 1939	April 1938	Jan.-Apr., 1939	Incl. 1938
Alabama.....	283,488	279,011	237,263	1,110,862	943,084
Florida.....	88,874	98,804	83,348	378,688	355,207
Georgia.....	136,196	154,208	114,742	551,759	475,232
Louisiana.....	134,779	131,452	113,372	539,623	459,917
Mississippi.....	4,687	4,553	5,753	18,803	24,645
Tennessee.....	154,989	187,806	105,889	670,824	457,213
TOTAL SIX STATES.....	803,013	855,834	660,367	3,270,559	2,715,298
By Water Power.....	531,993	570,985	410,467	2,027,096	1,460,584
By Fuels.....	271,020	284,849	249,900	1,243,463	1,254,714

*Includes Government payments.

SIXTH DISTRICT BUSINESS INDEXES

(1923-1925=100 except as noted)

RETAIL SALES*—Unadjusted	May 1939	Apr. 1939	May 1938
DISTRICT (27 Firms).....	117.6	119.2	107.1
Atlanta.....	216.3	206.8	190.7
Birmingham.....	105.4	108.0	97.8
Chattanooga.....	87.1	83.3	84.6
Nashville.....	117.4	106.1	94.9
New Orleans.....	93.8	103.1	89.5

RETAIL SALES*—Adjusted

DISTRICT (27 Firms).....	116.4	114.6	106.0
Atlanta.....	206.0	193.3	181.6
Birmingham.....	105.9	108.0	96.8
Chattanooga.....	84.6	82.5	82.1
Nashville.....	105.8	104.0	85.5
New Orleans.....	96.7	97.3	92.3

RETAIL STOCKS—Unadjusted

DISTRICT (24 Firms).....	70.5	73.8	69.9
Atlanta.....	116.7	123.4	109.2
Birmingham.....	71.5	72.1	71.2
Chattanooga.....	62.1	63.5	61.9
Nashville.....	52.9	60.9	52.9
New Orleans.....	60.4	62.9	61.2

RETAIL STOCKS—Adjusted

DISTRICT (24 Firms).....	69.1	70.3	68.5
Atlanta.....	115.5	117.5	108.1
Birmingham.....	70.1	68.7	69.8
Chattanooga.....	60.9	60.5	60.7
Nashville.....	52.4	58.6	52.4
New Orleans.....	59.8	60.5	60.6

WHOLESALE SALES—Total.....

Groceries.....	67.4	64.4	65.2
Dry Goods.....	52.1	48.9	49.5
Hardware.....	53.4	49.9	48.0
Furniture.....	90.8	91.0	73.0
Drugs.....	98.4	98.4	61.7

CONTRACTS AWARDED—DISTRICT.....

Residential.....	84.7	63.1	57.4
All Others.....	109.2	77.9	54.4
Alabama.....	68.4	53.2	59.5
Florida.....	107.2	48.6	51.5
Georgia.....	52.3	53.8	35.1
Louisiana.....	65.3	60.1	78.2
Mississippi.....	156.8	117.3	65.7
Tennessee.....	220.6	103.3	206.0
TOTAL.....	93.0	46.3	63.6

BUILDING PERMITS—20 Cities.....

Atlanta.....	74.8	60.5	39.5
Birmingham.....	21.6	31.4	20.1
Jacksonville.....	32.4	23.2	13.2
Nashville.....	87.5	124.1	71.3
New Orleans.....	39.5	163.5	29.7
15 Other Cities.....	60.5	20.7	36.5
TOTAL.....	106.8	66.7	49.3

PIG IRON PRODUCTION—ALABAMA*.....

Alabama.....	66.5	83.4	50.1
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COTTON CONSUMPTION—3 STATES.....

Alabama.....	157.2	155.2	108.6
Georgia.....	180.2	173.4	131.4
Louisiana.....	147.8	148.3	97.8
Tennessee.....	151.0	146.9	114.8

EMPLOYMENT (Av. for 1932 = 100)

Alabama.....	121.1	124.3	125.9
Florida.....	106.5	116.3	103.8
Georgia.....	138.9	142.5	129.8
Louisiana.....	126.0	127.8	118.3
Mississippi.....	103.3	111.2	96.5
Tennessee.....	127.7	127.3	117.1
SIX STATES.....	126.7	130.1	120.9

PAYROLLS (Av. for 1932 = 100)

Alabama.....	182.7	184.5	179.1
Florida.....	88.2	94.0	85.0
Georgia.....	176.1	181.4	152.5
Louisiana.....	143.4	145.7	149.0
Mississippi.....	126.0	137.9	121.5
Tennessee.....	160.9	159.3	140.0
SIX STATES.....	162.5	165.8	150.6

ELECTRIC POWER PRODUCTION*

	Apr. 1939	Mar. 1939	Apr. 1938
Alabama.....	366.7	349.2	306.9
Florida.....	451.5	485.8	423.5
Georgia.....	234.3	256.7	197.4
Louisiana.....	523.1	493.6	439.9
Mississippi.....	74.6	70.3	91.9
Tennessee.....	255.2	299.3	174.4
SIX STATES.....	323.9	334.1	266.4
By Water Power.....	408.3	424.1	315.0
By Fuels.....	230.5	234.4	212.5

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

NATIONAL SUMMARY OF BUSINESS CONDITIONS

Prepared by the Board of Governors of the Federal Reserve System

INDUSTRIAL production, which had been receding on a seasonally adjusted basis during the first four months of this year, showed little change in May and increased considerably in the first three weeks of June. The advance reflected principally larger output of steel and coal, which had previously shown considerable declines.

Production

In May the Board's seasonally adjusted index of industrial production was at 92.0 per cent of the 1923-25 average, the same as in April. Volume of manufacturing production declined somewhat further, owing chiefly to reductions in output of steel and automobiles, but mineral production increased as most bituminous coal mines were reopened after the middle of the month.

Steel ingot production, which had been at an average rate of 52.0 per cent of capacity in April, declined to 45.0 per cent in the third week of May. About this time prices of some types of steel were reduced considerably and orders were placed in substantial volume. Subsequently steel output increased and the current rate is about 55.0 per cent of capacity, approximately the level maintained during the first quarter of this year.

In the automobile industry output was reduced by about one-fifth at the beginning of May, and in the latter part of the month there was further curtailment partly as a result of a strike at a body plant which led to the closing of most assembly lines of one major producer. In the early part of June the strike was settled and by the middle of the month output had risen to a level higher than that prevailing during most of May.

Lumber production increased further in May following less than the usual seasonal rise during the first quarter of this year.

Output of nondurable manufactures in the aggregate was at about the same rate in May as in April. At woolen mills activity increased sharply, following a decline in April, and at cotton and rayon mills output was maintained. Mill consumption of raw silk showed a further sharp decline. At meat-packing establishments output increased more than seasonally, and as in March and April was considerably larger than a year ago, reflecting a sharp increase in the number of hogs slaughtered. Flour production continued in larger volume than is usual at this season, while at sugar refineries there was a decrease in output.

Mineral production increased in May owing chiefly to the reopening of most bituminous coal mines. Anthracite production, which had been in large volume in April, declined in May, while output of crude petroleum increased somewhat further.

Value of residential building contracts, which had shown a considerable decline in April, increased in May, according to figures of the F. W. Dodge Corporation. Public residential awards were higher owing to a greater volume of United States Housing Authority projects; private awards also increased but on a seasonally adjusted basis were below the high level reached in February and March. Contracts for both public and private non-residential construction declined in May, following increases in the preceding two months.

Employment

Factory employment and payrolls showed little change from the middle of April to the middle of May, according to reports for a number of states.

Distribution

Department store sales declined from April to May, while sales at variety stores and by mail order houses showed little change. In the first two weeks of June department store sales increased.

Freight-car loadings increased in the latter half of May, reflecting chiefly expansion in coal shipments. In the first half of June loadings of coal increased further and shipments of other classes of freight also were in larger volume.

Commodity Prices

Prices of industrial materials, such as steel scrap, hides, wool, and print cloths, advanced somewhat from the middle of May to the third week of June. Wheat, silk, and coal prices declined early in June, following increases in May, and there were further declines in prices of livestock and meats.

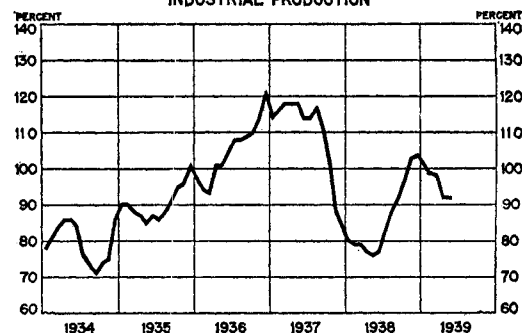
Bank Credit

During the four weeks ending June 14 total loans and investments at member banks in 101 leading cities increased by \$270,000,000, following a decline of \$200,000,000 in the preceding four weeks. The major increase was in holdings of Treasury notes and bonds at New York City banks. Demand deposits increased sharply to new high levels both in New York and in the leading cities outside New York. During the first three weeks of June excess reserves of member banks showed little change from the new high level of \$4,300,000,000 reached on May 24. Continued gold imports largely went into ear-marked gold and into balances held for foreign account at the Federal Reserve Banks.

Money Rates

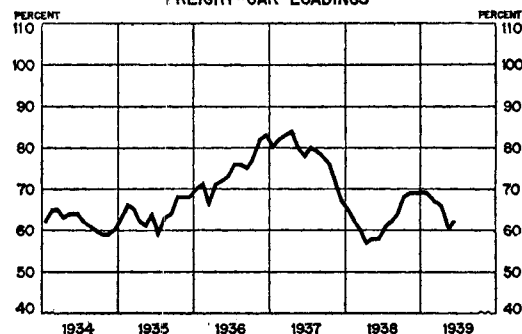
Prices of United States Government securities, which had advanced sharply from April 11 to June 5, reaching a new high level, eased slightly during the next two weeks. The yield on the longest-term Treasury bond outstanding declined from 2.49 per cent on April 11 to 2.26 per cent on June 5 and increased to 2.32 per cent on June 19. Other money rates showed little change.

INDUSTRIAL PRODUCTION



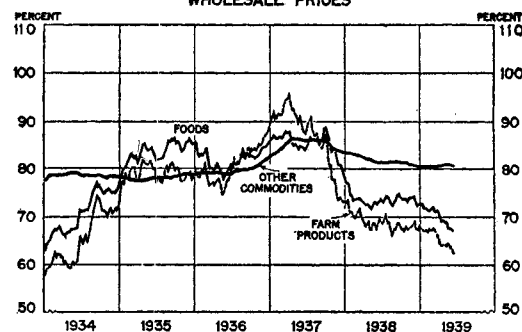
Index of physical volume of production, adjusted for seasonal variation, 1923-1925 average = 100. By months, January, 1934, to May, 1939.

FREIGHT-CAR LOADINGS



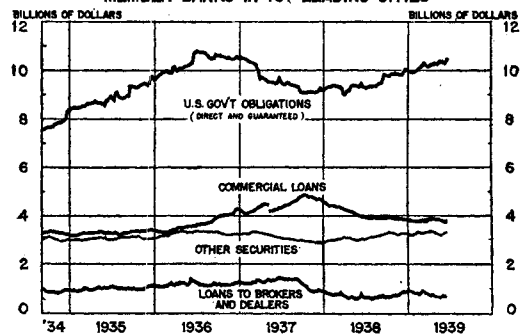
Index of total loadings of revenue freight, adjusted for seasonal variation, 1923-1925 average = 100. By months, January, 1934, to May, 1939.

WHOLESALE PRICES



Indexes compiled by U. S. Bureau of Labor Statistics, 1926 = 100. By weeks, 1934, to week ending June 17, 1939.

MEMBER BANKS IN 101 LEADING CITIES



Wednesday figures for reporting member banks in 101 leading cities, Sept. 5, 1934, to June 14, 1939. Commercial loans, which include industrial and agricultural loans, represent prior to May 19, 1937, so-called "Other loans" as then reported.