

MONTHLY REVIEW

BUSINESS CONDITIONS IN THE SIXTH FEDERAL RESERVE DISTRICT

FEDERAL RESERVE BANK OF ATLANTA

September 30, 1939

District Summary Substantial gains in August, due in part to seasonal influences, were reported in textile activity and in the distribution of merchandise through department stores and wholesale channels, and coal output also increased. Construction operations, reflected in contracts awarded and in building permits, declined and pig iron output was lower.

The August increases in department store sales and in cotton consumption in this District, in comparison with July and with August a year ago, were larger than gains for the country as a whole, while the changes in construction contracts, and in pig iron and coal production were considerably less favorable.

Following the outbreak of hostilities abroad at the beginning of September, business activity in the District has been accelerated in many lines, notably in foodstuffs, steel operations, textile manufacture, naval stores, lumber and paper.

Trade Merchandise distribution through department stores and wholesale firms showed substantial gains in August and inventories increased. Both sales and stocks were larger than in August last year. Business failures, in point of liabilities, increased somewhat in August but continued less than a year ago.

► Daily average sales in August by reporting department stores increased over July by considerably more than the usual amount, and the seasonally adjusted index rose to the highest level in the series. August sales by 45 reporting firms, some of which are not included in the index, were 12.1 per cent greater than in August 1938, but in the first two weeks of September reports from a smaller number of firms show a gain of only 6.3 per cent over that period last year. Reports to the United States Department of Commerce by 152 wholesale firms in the District show an increase of 17.9 per cent in August over July and an increase of 8.5 per cent

over August 1938. In the January-August period department store sales were 8.8 per cent, and wholesale sales were 7.5 per cent, greater than in the like period of last year.

► Inventories at department stores increased 7.3 per cent, and wholesale stocks rose 5.8 per cent, in August.

► The collection ratio for department stores declined slightly in August but collections by wholesale firms improved.

Banking In the latter half of August and the first two weeks of September total loans at weekly reporting member banks in the District have increased. Investments at these banks declined in the first half of September.

► Reversing the previous downward trend, loans increased by 5.1 millions of dollars in the five weeks between August 16 and September 13. Increases in "All Other" loans, those for commercial, industrial and agricultural purposes and real estate loans were partly offset by declines in security loans and loans to correspondent banks. In the first two weeks of September the banks reduced their holdings of United States securities, both direct and guaranteed, but holdings of "Other Securities" have shown further small increases in recent weeks. In comparison with the corresponding Wednesday a year ago, loans on September 13 were about 2.7 millions larger and total investments were 17.3 millions greater, although holdings of United States direct obligations were more than 7.0 millions less.

► Demand deposits-adjusted increased to another record total on August 30 and on September 13 were only slightly less. Deposits of correspondent banks have recently increased and on September 13 were 59 millions greater than a year ago, and balances maintained with other banks have also risen and were 62.9 millions larger than on the corresponding Wednesday last year.

► At the Federal Reserve Bank of Atlanta holdings of United States securities have recently increased more than 13 millions of dollars as a result of participation in purchases by the Federal Reserve System's Open Market Committee. Member bank reserve deposits, and total reserves, have declined somewhat from the record high levels of early August that followed the transfer of cotton loans from commercial banks

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

	Sept. 13, 1939	Change From: Aug. 16, 1939	Sept. 14, 1938
Loans and Investments—Total	\$581,971	+ 3,405	+ 19,963
Loans—Total	287,120	+ 5,119	+ 2,688
Commercial, industrial and agricultural loans	153,119	+ 542	+ 1,307
Open market paper	2,970	+ 70	+ 535
Loans to brokers and dealers in securities	5,032	— 575	— 1,067
Other loans for purchasing or carrying securities	11,245	+ 36	— 3,340
Real estate loans	31,145	+ 276	+ 3,256
Loans to banks	1,049	— 328	— 2,141
Other loans	82,560	+ 5,238	+ 6,752
Investments—Total	294,851	— 1,714	+ 17,275
U. S. direct obligations	142,379	+ 735	+ 7,071
Obligations guaranteed by U. S.	60,749	+ 4,037	+ 19,227
Other securities	91,723	+ 1,588	+ 5,119
Reserve with F. R. Bank	133,143	+ 3,425	+ 38,226
Cash in vault	13,476	+ 2,066	+ 1,679
Balances with domestic banks	204,081	+ 5,094	+ 61,852
Demand deposits-adjusted	384,347	— 785	+ 44,174
Time deposits	188,222	+ 1,305	+ 2,155
U. S. Government deposits	39,879	+ 1,391	+ 16,635
Deposits of domestic banks	262,757	+ 6,032	+ 59,026
Borrowings

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

	Sept. 13, 1939	Change From: Aug. 16, 1939	Sept. 14, 1938
Bills discounted	\$ 165	+ 11	— 416
Bills bought	19
Industrial advances	752	— 3	+ 634
United States securities, direct and guaranteed	116,567	+ 13,419	+ 5,371
Total bills and securities	117,502	+ 13,425	+ 5,588
Total cash reserves	319,396	— 3,246	+ 78,273
F. R. Note circulation	154,343	+ 984	+ 13,755
Member bank reserve accounts	210,679	+ 1,851	+ 52,120
U. S. Treasurer general account	45,555	+ 4,092	+ 10,821
Total deposits	277,505	+ 11,004	+ 71,908
Commitments to make industrial advances	139	— 39

DEBITS TO INDIVIDUAL ACCOUNTS
(In Thousands of Dollars)

	August 1939	July 1939	August 1938	Per Cent Change Aug. 1939 From: July 1939 Aug. 1938	
ALABAMA—					
Birmingham.....	\$ 79,803	\$ 84,459	\$ 71,155	+ 5.5	+12.2
Dothan.....	2,578	2,376	2,782	+ 8.5	+ 7.3
Mobile.....	35,678	34,870	33,488	+ 2.3	+ 6.5
Montgomery.....	22,015	21,701	16,868	+ 1.4	+30.5
FLORIDA—					
Jacksonville.....	67,648	71,156	62,261	+ 4.9	+ 8.7
Miami.....	39,953	42,808	31,963	+ 9.0	+21.9
Pensacola.....	8,342	8,156	8,690	+ 2.3	+ 4.0
Tampa.....	24,075	26,718	23,097	+ 9.9	+ 4.2
GEORGIA—					
Albany.....	3,954	3,848	3,936	+ 2.8	+ 0.5
Atlanta.....	194,954	192,974	184,451	+ 1.0	+ 5.7
Augusta.....	17,248	16,779	14,336	+ 2.8	+20.3
Brunswick.....	2,235	2,429	2,287	+ 8.0	+ 2.3
Columbus.....	14,262	13,400	11,785	+ 6.4	+21.0
Elberton.....	928	940	880	+ 1.3	+ 5.5
Macon.....	13,551	14,597	12,268	+ 7.2	+10.5
Newnan.....	1,791	1,884	1,409	+ 4.9	+27.1
Savannah.....	27,112	25,705	26,610	+ 5.5	+ 1.9
Valdosta.....	9,237	4,737	10,100	+94.9	+ 8.6
LOUISIANA—					
New Orleans.....	200,400	202,332	220,638	+ 1.0	+ 9.2
MISSISSIPPI—					
Hattiesburg.....	4,400	4,389	3,904	+ 0.3	+12.7
Jackson.....	25,125	26,480	25,126	+ 5.1	+ 0.0
Meridian.....	10,570	10,665	8,109	+ 0.9	+30.3
Vicksburg.....	6,322	6,542	5,323	+ 3.4	+18.8
TENNESSEE—					
Chattanooga.....	54,041	42,855	37,771	+26.1	+43.1
Knoxville.....	30,764	28,363	26,740	+ 8.5	+15.0
Nashville.....	83,397	81,842	72,159	+ 1.9	+15.6
SIXTH DISTRICT					
26 Cities.....	979,383	973,005	918,136	+ 0.7	+ 6.7
UNITED STATES—					
141 Cities.....	\$30,613,184	\$30,476,737	\$28,270,173	+ 0.4	+ 8.3

to the Commodity Credit Corporation. Discounts for member banks have increased slightly but continue in small volume.

► Excess reserves of all member banks in the District, estimated on the basis of latest available data, amounted on September 13 to about 68.7 millions of dollars, or 48.4 per cent of legal requirements. This compares with an excess of 72¼ millions in the first half of August, and an average excess of 46.8 millions in July.

► Check transactions at 26 reporting cities declined 0.7 per cent in August but were 6.7 per cent greater than in August 1938. At 141 centers throughout the country bank debits declined 0.4 per cent in August and were 8.3 per cent larger than a year ago.

Agriculture Farm income from marketings of crops and livestock in the six states of the District was 6.6 per cent smaller in July this year than last, Government benefit payments were substantially less, and the total was 22.2 per cent smaller than for July 1938. For the January-July period receipts from crops have been 25.4 per cent less than in that part of last year, but this was offset by a gain of 2.3 per cent in income from livestock and livestock products, while Government payments were almost twice as large, so that total receipts for the period were down only 1.8 per cent.

► Prospects for the 1939 cotton crop improved during August in all states of the District except Florida. The September 1st estimates by the United States Department of Agriculture were up 4.1 per cent over those for August 1st and foretell an increase of 1.5 per cent over the 1938 crop in these states. Damage from excessive rainfall in some sections of Alabama and Georgia were more than offset by

improvement elsewhere. Greatest improvement over August was in Tennessee, Louisiana and Mississippi, which are situated partly in other Federal Reserve Districts.

► The September 1st estimates indicate improved prospects, over those a month earlier, for most of the growing crops in the six states of the District. The combined estimates for tobacco increased 4.1 per cent, increases of more than 2.0 per cent were reported for pecans, sugar cane, rice, apples and grapes, and estimates for corn, hay, potatoes, sweet potatoes, peanuts and peaches showed smaller gains. Compared with 1938 production, these six states have apparently produced less wheat, corn, oats, hay, rice, sugar cane, peanuts, potatoes and pears, but more tobacco, pecans, apples, peaches, grapes and sweet potatoes.

Industry Textile operations in the District increased in August, and press reports indicate a further rise in the first half of September. Coal production increased further in August, but building and construction activity declined and pig iron output in Alabama was lower.

► The value of construction contracts awarded during August declined for the third consecutive month and, for the first time in a year, was less than for the corresponding month a year earlier. The August total was the smallest since February and was 22.5 per cent less than for August last year when there was an increase of 28.9 per cent over the previous month. The August decline was proportionately smaller in residential contracts than in awards for non-residential building and public works and, while residential contracts were 10.5 per cent greater than in August last year, other awards were 40.1 per cent smaller. After increasing each month since February, the value of building permits declined 9.4 per cent in August but was, nevertheless, 51.3 per cent greater than in August 1938. In the January-August period total contract awards were 38.1 per cent greater than in that part of last year, residential contracts were up 54.3 per cent, other awards increased 28.3 per cent, and building permits were up 53.4 per cent.

► Cotton mills in Georgia, Alabama and Tennessee consumed an average of 7,763 bales of cotton for each of the 27 business days in August. This is a gain of 15.9 per cent over July, the highest since March and 18.6 per cent above the rate of consumption in August last year.

► Steel mill activity in the Birmingham area declined from 82.0 per cent of capacity in the first week of August to 75.0 per cent in the week ended September 2, but recovered to 82.0 per cent in the weeks ended September 16, and 23. This compares with 71.0 per cent for the country in the week ended September 16 and 79.0 per cent the following week. Alabama production of pig iron, on a daily average basis, declined 4.8 per cent in August, while total output in the country increased 13.0 per cent. Compared with August 1938, production increased 34.1 per cent in Alabama as against 78.0 per cent in the country. Output of coal in August and was substantially greater than in August last year.

► The July rate of electric power production declined 1.7 per cent from the record level reported in June and was 17.6 per cent greater than a year ago. In the country as a whole July output was down 2.1 per cent from June and was 11.4 per cent above July 1938.

SIXTH DISTRICT BUSINESS STATISTICS

	SALES			STOCKS COLLEC- TION RATIO		
	Aug. 1939		Jan.-Aug. Incl.	Aug. 1939		Aug. 1939
	Compared with:		Compared with	Compared with		Aug. 1939
	July 1939	Aug. 1938	Year Ago	Aug. 1938	Aug. 1939	Aug. 1939
RETAIL TRADE						
Atlanta.....	+63.4	+16.9	+12.0	+15.5	24.7	
Birmingham.....	+29.7	+17.5	+11.2	+0.1	30.3	
Montgomery.....	+7.5	+2.9	+10.1	-20.2		
Nashville.....	+32.1	+12.9	+8.8	-3.5	28.5	
New Orleans.....	+38.0	+3.3	+4.6	+1.7	29.9	
Others.....	+17.1	+14.0	+8.3	-7.1	28.9	
DISTRICT (46 Firms).....	+35.7	+12.1	+8.8	+1.2	27.7	
WHOLESALE TRADE						
Groceries.....	+13.7	+3.6	-1.6	+4.7	83.0	
Dry Goods.....	+73.4	+6.7	+7.1	+7.0	35.2	
Hardware.....	+13.9	+10.6	+17.1	+9.3	44.2	
Electrical Goods.....	+5.5	+44.0	+24.9	+23.6	65.7	
Drugs.....	+15.2	+4.6	+12.7	...	62.7	
Shoes.....	+58.4	-16.1	-6.5	...	27.4	
TOTAL.....	+17.9	+8.5	+7.5	+6.8	56.8	

(000 OMITTED)

COMMERCIAL FAILURES—	Aug. 1939	July 1939	Aug. 1938	Jan.-Aug., Incl. 1939	Aug., 1938
DISTRICT.....	57	48	76	462	470
Number.....	\$ 746	\$ 608	\$ 780	\$ 5,667	\$ 5,025
Liabilities.....					

CONTRACTS AWARDED—

DISTRICT.....	\$ 19,759	\$ 24,361	\$ 25,493	\$190,288	\$137,741
Residential.....	9,790	11,451	8,863	80,724	52,314
All Others.....	9,969	12,910	16,630	109,564	85,427
Alabama.....	2,661	3,070	2,976	26,798	16,657
Florida.....	8,694	9,295	8,902	60,418	44,722
Georgia.....	2,714	5,840	5,018	40,097	27,622
Louisiana.....	2,899	2,418	4,915	40,795	28,690
Mississippi.....	3,311	2,092	2,063	24,599	14,002
Tennessee.....	3,607	6,780	5,871	34,703	31,257

BUILDING PERMITS—

20 CITIES.....	\$ 9,674	\$ 10,676	\$ 6,394	\$ 59,410	\$ 38,737
Atlanta.....	436	955	367	3,911	2,452
Birmingham.....	300	725	186	2,782	1,818
Jacksonville.....	633	603	493	5,109	6,702
Nashville.....	418	244	1,268	3,102	2,146
New Orleans.....	579	989	470	4,498	3,285
15 Other Cities.....	7,308	7,160	3,610	40,007	22,333

PIG IRON PRODUCTION—Tons

Alabama.....	201	211	150	1,649	1,058
--------------	-----	-----	-----	-------	-------

COAL PRODUCTION—Tons

Alabama.....	1,088	972	815	6,985	6,597
Tennessee.....	461	418	376	3,048	2,645

(000 OMITTED)

COTTON CONSUMPTION—	Aug. 1939	July 1939	Aug. 1938
Bales.....			
Alabama.....	68	53	54
Georgia.....	126	101	108
Tennessee.....	15	13	15
TOTAL THREE STATES.....	209	167	177

COTTON SEED CRUSHED—

Tons*.....	63	25	90
------------	----	----	----

FERTILIZER TAG SALES—Tons

TOTAL SIX STATES.....	24	36	22
-----------------------	----	----	----

*Georgia, Alabama, Louisiana and Mississippi.

(000 Omitted)

FARM INCOME*—Six States.	July 1939	June 1939	July 1938	Jan.-July, Incl. 1939	July 1938
Alabama.....	\$ 32,594	\$ 38,930	\$ 41,902	\$318,035	\$324,005
Florida.....	3,422	4,990	6,268	39,294	42,102
Georgia.....	4,645	8,068	3,595	76,947	72,542
Louisiana.....	10,953	5,897	14,142	47,300	48,718
Mississippi.....	3,983	5,373	6,069	39,862	41,444
Tennessee.....	2,362	4,847	3,763	50,414	51,232
TOTAL SIX STATES.....	7,229	9,755	8,065	64,218	67,967

ELECTRIC POWER

PRODUCTION—kw hours	July 1939	June 1939	July 1938	Jan.-July, Incl. 1939	July 1938
Alabama.....	345,579	347,770	267,453	2,105,960	1,716,724
Florida.....	87,157	86,552	74,255	639,448	580,601
Georgia.....	123,913	139,743	118,121	967,182	822,296
Louisiana.....	165,826	157,467	150,397	1,020,225	896,323
Mississippi.....	5,581	5,027	5,369	34,104	40,993
Tennessee.....	158,344	136,532	137,883	1,111,835	838,004
TOTAL SIX STATES.....	886,400	873,091	753,478	5,878,754	4,894,941
By Water Power.....	462,129	555,176	460,207	3,570,019	2,781,744
By Fuels.....	424,271	317,915	293,271	2,308,735	2,113,197

*Includes Government payments.

SIXTH DISTRICT BUSINESS INDEXES

(1923-1925=100 except as noted)

RETAIL SALES*—Unadjusted	Aug. 1939	July 1939	Aug. 1938
DISTRICT (27 Firms).....	114.1	88.1	100.0
Atlanta.....	229.8	152.4	193.4
Birmingham.....	100.7	87.2	87.6
Nashville.....	94.6	77.3	72.0
New Orleans.....	98.5	77.1	95.4

RETAIL SALES*—Adjusted

DISTRICT (27 Firms).....	146.3	125.9	128.2
Atlanta.....	280.2	208.8	235.9
Birmingham.....	125.9	119.5	109.5
Nashville.....	114.0	112.0	86.7
New Orleans.....	126.3	111.7	122.3

RETAIL STOCKS*—Unadjusted

DISTRICT (24 Firms).....	70.3	64.4	67.1
Atlanta.....	131.4	119.2	110.9
Birmingham.....	69.5	64.7	68.9
Nashville.....	49.5	43.6	51.2
New Orleans.....	57.1	55.5	56.2

RETAIL STOCKS—Adjusted

DISTRICT (24 Firms).....	72.5	70.0	69.2
Atlanta.....	138.3	131.0	116.7
Birmingham.....	73.2	68.1	72.5
Nashville.....	50.0	46.9	51.7
New Orleans.....	58.3	58.5	57.3

WHOLESALE SALES—Total

DISTRICT.....	74.2	62.8	73.2
Groceries.....	55.1	48.5	50.1
Dry Goods.....	74.9	43.2	76.6
Hardware.....	105.4	92.5	80.5
Drugs.....	104.5	90.2	96.9

CONTRACTS AWARDED—DISTRICT

Residential.....	56.3	69.4	72.6
All Others.....	69.8	81.6	63.2
Alabama.....	47.3	61.3	78.9
Florida.....	58.2	67.1	65.1
Georgia.....	59.9	64.1	61.4
Louisiana.....	40.7	87.6	75.3
Mississippi.....	46.1	38.5	78.2
Tennessee.....	171.7	108.5	107.0
TOTAL.....	65.1	122.3	105.9

BUILDING PERMITS—20 Cities

Atlanta.....	86.0	94.9	56.8
Birmingham.....	28.2	61.7	23.8
Jacksonville.....	20.2	48.9	12.6
Nashville.....	76.9	73.4	59.9
New Orleans.....	65.9	38.4	199.8
15 Other Cities.....	45.0	76.9	36.5
TOTAL.....	133.4	130.7	65.9

PIG IRON PRODUCTION—ALABAMA*

Alabama.....	85.0	89.3	63.4
--------------	------	------	------

COTTON CONSUMPTION—3 STATES

Alabama.....	163.7	141.2	138.0
Georgia.....	189.5	159.6	150.6
Tennessee.....	154.5	133.4	131.6
TOTAL.....	146.6	138.9	144.6

EMPLOYMENT (Av. for 1932=100)

Alabama.....	130.2	128.3	120.6
Florida.....	95.2	96.8	90.4
Georgia.....	140.6	137.4	132.5
Louisiana.....	129.5	125.0	116.6
Mississippi.....	106.4	103.9	101.6
Tennessee.....	129.5	129.8	121.5
SIX STATES.....	128.4	126.8	120.0

PAYROLLS (Av. for 1932=100)

Alabama.....	204.2	192.5	174.3
Florida.....	83.2	83.0	74.5
Georgia.....	178.9	176.1	163.8
Louisiana.....	147.8	144.3	149.1
Mississippi.....	134.8	128.5	128.5
Tennessee.....	165.9	162.2	155.1
SIX STATES.....	166.4	162.0	154.5

ELECTRIC POWER PRODUCTION*

	July 1939	June 1939	July 1939
Alabama.....	432.6	449.8	334.8
Florida.....	428.7	439.8	365.1
Georgia.....	208.2	240.4	196.6
Louisiana.....	622.7	611.1	564.8
Mississippi.....	86.1	90.4	82.8
Tennessee.....	252.4	224.9	219.8
SIX STATES.....	346.0	352.2	294.2
By Water Power.....	343.2	426.1	341.8
By Fuels.....	349.1	270.3	241.3

*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 activity, which had increased substantially during the summer, showed a sharp advance in the first half of September after the outbreak of war in Europe. Prices of basic commodities and equity securities rose sharply while prices of high-grade bonds declined.

Production

In August, the Board's seasonally adjusted index of industrial production was at 102.0 per cent of the 1923-1925 average as compared with 101.0 per cent reached in July. Volume of manufacturing production increased further, but mineral production declined, owing to a temporary curtailment in output of crude petroleum. In the iron and steel industry output increased somewhat further in August and rose sharply in the first half of September, steel ingot production reaching a rate of 70.0 per cent of capacity in the week ending September 16 as compared with about 63.0 per cent at the beginning of the month. Automobile production showed about the usual sharp seasonal changes in this period as the shift to new model production was being made. Output of plate glass increased sharply. Production of nondurable manufactures advanced in August, reflecting chiefly increased activity at cotton and woolen textile mills. At meat-packing establishments activity declined less than seasonally, while at flour mills, where output has been at a high rate in recent months, there was not the usual large seasonal increase. Shoe production advanced seasonally. At coal mines output increased by about the usual seasonal amount and shipments of iron ore were at the highest rate of this season. Petroleum production declined sharply during the latter half of August, reflecting shutdowns of wells in most of the principal oil producing states, but increased rapidly in the first half of September when the wells were reopened.

Value of construction contracts, as reported by the F. W. Dodge Corporation, increased somewhat in August, owing to larger awards for publicly-financed projects, including several large dams and an increased volume of United States Housing Administration projects. Private residential building showed little change, although there is usually some seasonal decline. Other private construction, which in July had been the highest for any month in two years, declined in August.

Distribution

Department store sales increased more than seasonally from July to August. The Board's adjusted index advanced from 86.0 to 89.0 per cent of the 1923-1925 average and was at about the level reached in the latter part of last year. Sales at variety stores showed little change in August.

Freight-car loadings rose somewhat further in August, reflecting chiefly continued increases in shipments of coal and miscellaneous freight.

Commodity Prices

Prices of most basic foodstuffs and industrial materials advanced sharply in the first half of September. Prices of wheat, corn, sugar, cocoa, and vegetable oils as well as of hides, rubber, wool, zinc, and tin showed the largest increases. The general level of wholesale commodity prices as measured by the Bureau of Labor Statistics index rose 3.1 points and in the week ending September 9 was at 78.4 per cent of the 1926 average, about the same level as a year ago.

Agriculture

Crop prospects showed some improvement on September 1 over a month earlier, according to the Department of Agriculture. Indications are that production of all leading crops except cotton will be average or above average in volume. A cotton crop of 12,380,000 bales, about 10.0 per cent below the 1928-1937 average, is forecast. This compares with a crop of 11,940,000 bales in 1938 and an estimated world consumption of 11,265,000 bales of American cotton during the past season.

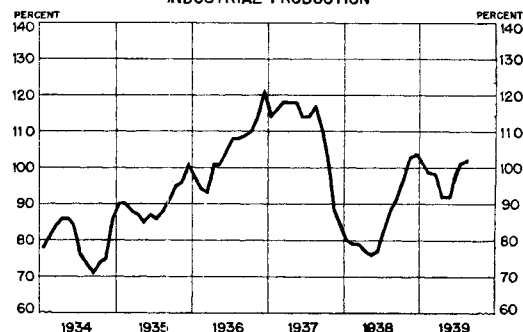
Government Security Market

Average yields on long-term Treasury bonds, which had advanced fractionally since last June, increased sharply by about $\frac{1}{2}$ of 1.0 per cent in the latter half of August and early September. In pursuance of the System's policy of endeavoring to maintain orderly conditions in the money market, the Federal Reserve banks during the first half of September increased their holdings of Government securities by about \$400,000,000. On September 1 the Board of Governors of the Federal Reserve System announced that the Federal Reserve banks are prepared at this time to make advances on Government obligations to member and nonmember banks at par and at the same rate of discount.

Bank Credit

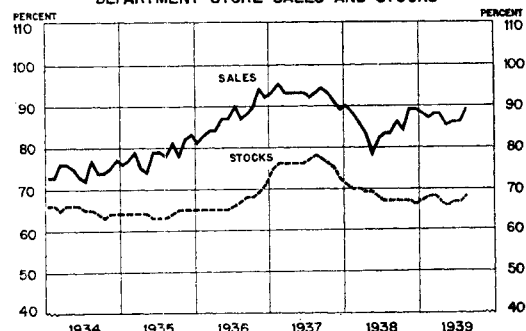
Total investments held by reporting member banks in 101 leading cities declined during the first half of September. At New York City banks the decline represented the redemption at maturity of Federal Farm Mortgage Corporation bonds and at banks in other leading cities it represented the sale of Treasury bills and bonds. Commercial loans of city banks showed a substantial growth during August and the first half of September.

INDUSTRIAL PRODUCTION



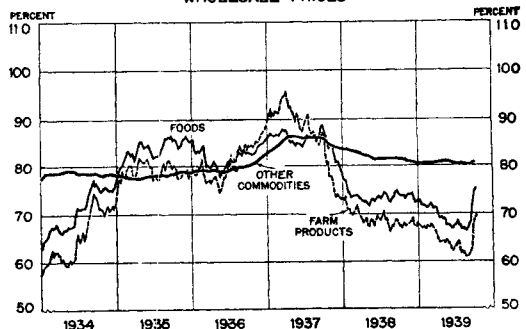
Index of physical volume of production, adjusted for seasonal variation, 1923-1925 average = 100. By months, January, 1934, to August, 1939.

DEPARTMENT STORE SALES AND STOCKS



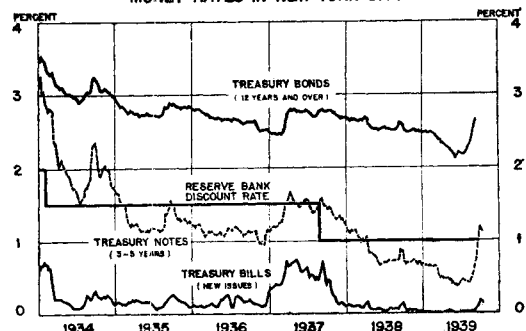
Indexes of value of sales and stocks, adjusted for seasonal variation, 1923-1925 average = 100. By months, January, 1934, to August, 1939.

WHOLESALE PRICES



Indexes compiled by U. S. Bureau of Labor Statistics, 1926 = 100. By weeks, 1934, to week ending September 16, 1939.

MONEY RATES IN NEW YORK CITY



For weeks ending January 6, 1934, to September 16, 1939.