

MONTHLY REVIEW

BUSINESS CONDITIONS IN THE SIXTH FEDERAL RESERVE DISTRICT

FEDERAL RESERVE BANK OF ATLANTA

December 31, 1939

District Summary *In November distribution of merchandise through retail and wholesale channels in the Sixth Federal Reserve District improved, industrial activity extended the advance of earlier months, and at weekly reporting member banks there was a further increase in business loans and demand deposits-adjusted reached a new high level.*

After allowing for seasonal influences, department store sales increased 7.5 per cent in November, and the index was the highest on record for that month. Wholesale trade declined, but by a considerably smaller amount than it usually does, and business failures were substantially less. Construction contracts awarded in November were twice the October total, and larger than for any other month since February 1926, largely because of a considerable volume of awards for public works in Tennessee, but residential contracts and building permits declined. All of the eighteen blast furnaces in Alabama continued active through November, and pig iron production was at the highest rate since March 1927. Coal production, on a daily average basis was the highest in more than nine years, excepting the month of March 1937, and electric power production reached a new record level in October.

Trade Although November sales by reporting department stores were, in actual dollar volume, slightly less than in October, on a daily average basis there was an increase of 3.0 per cent. When allowance is made for the fact there is usually a decline in department store sales from October to November in this District, the November gain over October was 7.5 per cent. This compares with a rise of 4.4 per cent for the United States. In this District the November index was 12.5 per cent above that for November 1938, and for the country the corresponding gain was 5.6 per cent.

▶ Wholesale trade, reflected in figures reported to the United States Department of Commerce by 150 firms in the District, declined 5.7 per cent further in November, but was 11.1 per

cent greater than a year ago. The November decline was smaller than usually occurs at that time and, taken with the decrease in October which was contrary to past experience, the loss in the two months was only slightly more than the average decline in November. For the eleven months of 1939 department store sales were 8.7 per cent larger than in that part of 1938, and wholesale trade was 9.1 per cent greater.

▶ Inventories at department stores increased 3.5 per cent in November and were 9.4 per cent larger than a year earlier, and wholesale stocks rose 1.0 per cent over October and were 10.4 per cent larger than for November 1938.

▶ Business failures declined sharply in November following the large October increase. The number of failures in November was the smallest since July 1937 and liabilities were the smallest in four years.

Banking At weekly reporting member banks in leading cities of the Sixth District loans and investments have in recent weeks extended the increase begun in August. Deposits continue at a high level, and estimated excess reserves increased in the first half of December after declining since August.

▶ Total loans and investments at these weekly reporting member banks, which were on November 15 at the highest level in several years, increased further by 10.5 millions of dollars by December 13. In the past four months total loans and investments have risen 54.1 millions of dollars, and approximately three-fourths of this increase has been in loans. Loans for commercial, industrial and agricultural purposes and "All Other" loans have, together, risen by approximately the amount of the increase in total loans, as increases in real estate loans and in holdings of open market paper have been about equalled by declines in security loans and loans to banks. In comparison with the corresponding Wednesday a year ago, security loans on December 13 were about 6.5 millions smaller, but other reported classes were larger. Holdings of investment securities have continued to increase and on December 13 were the largest since the middle of March 1937. The gain has been due to larger investments in securities carrying the guarantee of the United States, and in "Other Securities."

▶ Demand deposits-adjusted reached a new record high level

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

	Dec. 13,	Change From :	
	1939	Nov. 15, 1939	Dec. 14, 1938
Loans and Investments—Total.....	\$632,652	+ 10,526	+ 25,510
Loans—Total.....	320,754	+ 8,239	+ 4,491
Commercial, industrial and agricultural loans.....	176,606	+ 4,757	+ 2,700
Open market paper.....	3,562	— 244	+ 749
Loans to brokers and dealers in securities.....	4,594	+ 322	— 2,199
Other loans for purchasing and carrying securities.....	11,156	+ 146	— 4,272
Real estate loans.....	32,047	— 52	+ 3,038
Loans to banks.....	1,015	— 70	+ 101
Other loans.....	91,774	+ 3,380	+ 4,374
Investments—Total.....	311,898	+ 2,287	+ 21,019
U. S. direct obligations.....	142,506	— 743	— 18,820
Obligations guaranteed by U. S.....	69,839	— 133	+ 26,594
Other securities.....	99,553	+ 3,163	+ 13,245
Reserve with F. R. Bank.....	130,929	+ 10,853	+ 25,325
Cash in vault.....	14,646	+ 2,540	+ 1,879
Balances with domestic banks.....	202,658	— 7,454	+ 65,844
Demand deposits-adjusted.....	403,459	+ 15,504	+ 49,251
Time deposits.....	186,558	— 2,966	+ 3,754
U. S. Government deposits.....	44,495	+ 4,360	+ 9,957
Deposits of domestic banks.....	287,408	— 52	+ 55,884
Borrowings.....			— 137

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

	Dec. 13,	Change From :	
	1939	Nov. 14, 1939	Dec. 14, 1938
Bills discounted.....	\$ 356	+ 124	+ 73
Bills bought.....			— 19
Industrial advances.....	681	+ 18	— 142
United States securities, direct and guaranteed.....	101,327	— 4,599	— 3,194
Total bills and securities.....	102,364	— 4,458	— 3,283
F. R. note circulation.....	160,353	+ 1,089	+ 10,543
Member bank reserve deposits.....	208,281	+ 10,243	+ 34,546
U. S. Government general deposits.....	25,719	+ 5,524	— 12,799
Foreign bank deposits.....	13,416	— 2,670	+ 6,915
Other deposits.....	6,270	— 398	+ 1,375
Total deposits.....	253,687	+ 12,700	+ 30,038
Total reserves.....	316,394	+ 16,827	+ 41,711
Commitments to make industrial advances.....	78		— 81

DEBITS TO INDIVIDUAL ACCOUNTS
(In Thousands of Dollars)

	Nov. 1939		Oct. 1939		Nov. 1938		Per Cent Change	
	Nov. 1939	Oct. 1939	Nov. 1938	Oct. 1938	Nov. 1938	Oct. 1938	Nov. 1938	
ALABAMA—								
Birmingham.....	\$ 92,202	\$ 96,930	\$ 82,098			— 6.8	+12.3	
Dothan.....	3,047	3,561	3,396			—14.4	—10.3	
Mobile.....	37,990	42,702	41,292			—11.2	— 8.0	
Montgomery.....	26,327	26,728	22,692			— 1.5	+16.0	
FLORIDA—								
Jacksonville.....	77,562	75,717	68,145			+ 2.4	+13.8	
Miami.....	45,292	42,567	39,286			+ 6.4	+15.3	
Pensacola.....	8,187	9,044	8,476			— 9.5	— 3.4	
Tampa.....	28,452	27,905	26,622			+ 2.0	+ 6.9	
GEORGIA—								
Albany.....	5,251	5,614	5,073			— 6.5	+ 3.5	
Atlanta.....	219,723	225,534	190,618			— 2.6	+15.3	
Augusta.....	19,203	21,749	15,768			—11.7	+21.8	
Brunswick.....	2,354	2,445	2,284			— 3.7	+ 3.1	
Columbus.....	16,198	17,294	12,918			— 6.3	+25.4	
Elberton.....	1,359	1,488	1,060			— 8.7	+28.2	
Macon.....	18,034	20,422	14,627			—11.7	+23.3	
Newnan.....	2,217	2,375	1,945			— 6.7	+14.0	
Savannah.....	28,251	30,073	26,271			— 6.1	+ 7.5	
Valdosta.....	3,592	4,393	3,598			— 9.1	+11.0	
LOUISIANA—								
New Orleans.....	223,384	230,713	219,150			— 3.2	+ 1.9	
MISSISSIPPI—								
Hattiesburg.....	4,678	5,511	4,009			—15.1	+16.7	
Jackson.....	30,944	29,114	28,567			+ 6.3	+ 8.3	
Meridian.....	12,123	12,952	10,430			— 6.4	+16.2	
Vicksburg.....	9,321	10,377	8,677			—10.2	+ 7.4	
TENNESSEE—								
Chattanooga.....	43,482	47,414	40,883			— 8.3	+ 6.4	
Knoxville.....	27,925	31,803	27,222			—12.2	+ 2.6	
Nashville.....	90,163	90,049	82,871			+ 0.1	+ 8.8	
SIXTH DISTRICT—								
26 Cities.....	1,077,661	1,116,574	987,978			— 3.5	+ 9.1	
UNITED STATES—								
141 Cities.....	\$31,676,086	\$32,711,305	\$29,463,470			— 3.2	+ 7.5	

on November 29, and time deposits a week earlier were the largest in more than six years. Interbank deposits were at a record level on November 15 and only slightly lower four weeks later.

▶ Member bank borrowings at the Federal Reserve Bank of Atlanta have recently been the largest in about a year, although the volume continues small. Holdings of the United States securities by the Federal Reserve Bank of Atlanta have continued the decline that began in September. Member bank reserve deposits and Government deposits have recently increased, and Federal Reserve Note circulation recorded a further small rise.

▶ Excess reserves of all member banks in the Sixth District, estimated on the basis of latest available figures, amounted on December 13 to about 59.6 millions of dollars, or 40.0 per cent of legal requirements, after declining from an average of 69.5 millions in August to an average of 55.4 millions in November.

▶ Check transactions in November at 26 reporting cities in the Sixth District declined 3.5 per cent from October but were 9.1 per cent greater than in November 1938, while at 141 reporting centers throughout the United States the November total represents a decline of 3.2 per cent from October and a gain of 7.5 per cent over November last year.

Agriculture In October (latest available data) farmers in the six states of this District received \$102,770,000 from the sale of farm crops, livestock and livestock products. This total was smaller than for October 1937 and October 1936, but with these exceptions, was the largest monthly total in recent years. With Government benefit payments included, however, total farm receipts in October were 2.1 per cent less than in October last year, because benefit payments were 23.7 per cent smaller than they were a year ago. For the January-October period an

COTTON PRODUCTION — 000 Bales

	1939 Estimates		1938 Production
	Dec. 1	Nov. 1	
Alabama.....	780	795	1,081
Florida.....	11	12	26
Georgia.....	916	946	852
Louisiana.....	750	757	676
Mississippi.....	1,585	1,585	1,704
Tennessee.....	450	440	490
Six States.....	4,492	4,535	4,829
United States.....	11,792	11,845	11,943

Note: Parts of Tennessee, Mississippi and Louisiana are in other Federal Reserve Districts.

increase of 52.4 per cent in benefit payments over that part of 1938 was slightly more than sufficient to offset a decrease of 7.0 per cent in receipts from crops and livestock, so that total receipts were up 0.7 per cent.

▶ The last monthly estimate by the United States Department of Agriculture indicates that the year's cotton crop in the six states of this District amounted to 4,492,000 bales. This is a decrease of 7.0 per cent compared with production in 1938. Increases in Georgia and Louisiana were more than offset by decreases in the other four states. These six states apparently produced 38.1 per cent of the country's total in 1939 as against 40.4 per cent in 1938.

Industry In November textile activity in the Sixth District was at the highest level on record, construction contracts awarded were the largest reported for any single month since February 1926, pig iron production was the largest since early in 1927, and coal output was the largest, with the exception of one month, since February 1930.

▶ The value of construction contracts awarded in November was double the October total and nearly two and one-half times that for November last year. Residential awards declined further, and the large November gain was principally due to contracts for public works in Tennessee, although there were also increases over October in Mississippi and Alabama. Value of building permits reported from twenty cities declined 14.4 per cent further in November. Cumulated totals for the January-November period show increases over that part of 1938 of 64.0 per cent in building permits, 63.0 per cent in residential contracts and 27.0 per cent in other awards.

▶ In November textile mills in Alabama, Georgia, and Tennessee together consumed an average of 9,728 bales of cotton for each of the 25 working days, a rate higher than in any previous month. Consumption in these three states during the first four months of the 1939-40 season has been 24.6 per cent greater than in that part of the season before. Operations at cotton seed oil mills declined in November, but were about 15 per cent above the level a year earlier.

▶ Steel mill activity in the Birmingham area has been at 86.0 per cent of capacity since the third week of November, according to The Iron Age, as against 90.0 per cent in the four weeks ending November 4 and 88.0 per cent in the two following weeks. All of the 18 Alabama blast furnaces continued active throughout November, and the rate of pig iron production rose 1.9 per cent further and was the largest since early in 1927. In the January-November period pig iron output in Alabama was the largest for the period since 1929.

▶ Daily average production of coal in Alabama and Tennessee combined rose further in November and, with the single exception of March 1937, was the largest since February 1930. In the United States coal output declined 1.9 per cent in November.

SIXTH DISTRICT BUSINESS STATISTICS

SALES	Jan.-Nov.			STOCKS COLLECTED	RATIO
	Nov. 1939	Incl. Compared with	Nov. 1939		
RETAIL TRADE	Oct. 1939	Nov. 1938	Year Ago	Nov. 1938	Nov. 1939
Atlanta	+ 3.4	+14.3	+11.3	+16.8	26.6
Birmingham	- 9.1	+ 6.7	+10.4	+10.1	34.0
Montgomery	- 5.4	+13.9	+ 9.3	-16.9	...
Nashville	- 8.9	+ 6.9	+ 8.2	+ 1.5	29.8
New Orleans	+ 2.2	+ 9.2	+ 6.1	+ 9.9	33.0
Others	+ 2.3	+ 6.4	+ 8.0	+ 6.8	35.8
DISTRICT (45 Firms)	- 0.2	+ 9.1	+ 8.7	+ 9.4	31.4
WHOLESALE TRADE					
Groceries	- 0.9	+ 6.6	+ 1.2	+12.4	77.1
Dry Goods	-17.1	+ 2.2	+ 7.7	+13.8	40.7
Hardware	- 7.6	+15.9	+18.2	+14.8	49.9
Electrical Goods	+ 5.0	+62.9	+32.8	+14.5	56.5
Drugs	+ 0.6	+ 7.8	+10.0	+ 4.7	54.5
Shoes	-27.4	-20.8	- 9.7	...	35.2
TOTAL	- 5.7	+11.1	+ 9.1	+10.4	55.9

(000 OMITTED)

COMMERCIAL FAILURES—	Nov. 1939	Oct. 1939	Nov. 1938	Jan.-Nov. 1939	Incl. 1938
DISTRICT	28	65	55	588	633
Number (actual)	\$ 245	\$ 1,137	\$ 694	\$ 7,377	\$ 6,943
Liabilities					

CONTRACTS AWARDED—

DISTRICT	\$ 55,063	\$ 27,571	\$ 22,741	\$300,904	\$216,112
Residential	10,459	13,403	6,676	119,841	73,507
All Others	44,604	14,168	16,065	181,063	142,605
Alabama	3,867	3,422	3,971	40,349	29,101
Florida	7,578	8,342	5,873	83,984	63,610
Georgia	3,616	8,097	5,238	58,066	43,847
Louisiana	2,781	8,125	4,715	58,177	49,888
Mississippi	2,322	690	3,223	28,901	28,285
Tennessee	38,320	2,574	3,510	78,644	42,950

BUILDING PERMITS—

20 CITIES	\$ 7,844	\$ 9,161	\$ 4,633	\$ 86,865	\$ 52,967
Atlanta	2,481	784	443	9,739	3,617
Birmingham	253	2,001	179	8,251	2,450
Jacksonville	478	614	501	6,877	8,518
Nashville	97	99	84	3,450	2,740
New Orleans	406	405	249	5,796	4,086
15 Other Cities	4,128	5,258	3,176	52,751	31,555

PIG IRON PRODUCTION—Tons

Alabama	255	259	234	2,379	1,719
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COAL PRODUCTION—Tons

Alabama	1,237	1,235	1,063	10,455	9,543
Tennessee	518	564	424	4,623	3,969

(000 OMITTED)

COTTON CONSUMPTION—Bales	Nov. 1939	Oct. 1939	Nov. 1938	Aug. 1939	1-Nov. 1938
Alabama	78	77	63	296	231
Georgia	148	140	116	542	435
Tennessee	17	16	15	63	57
TOTAL THREE STATES	243	234	194	901	723

COTTON SEED CRUSHED—

Tons*	219	237	189	730	749
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FERTILIZER TAG SALES—Tons

TOTAL SIX STATES	89	119	135	292	280
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*Georgia, Alabama, Louisiana and Mississippi.

(000 Omitted)

FARM INCOME*—Six States	Oct. 1939	Sept. 1939	Oct. 1938	Jan.-Oct. 1939	Incl. 1938
Alabama	\$120,219	\$108,081	\$122,800	\$591,702	\$587,653
Florida	21,460	18,521	25,291	84,053	91,053
Georgia	6,988	1,965	4,846	89,658	85,469
Louisiana	20,339	25,374	20,834	111,280	110,641
Mississippi	20,168	19,249	18,462	86,211	80,697
Tennessee	35,273	31,109	37,118	122,044	119,184
TOTAL SIX STATES	15,991	11,863	16,249	98,456	100,609

ELECTRIC POWER

PRODUCTION—kw hours	Oct. 1939	Sept. 1939	Oct. 1938	Jan.-Oct. 1939	Incl. 1938
Alabama	372,262	351,967	275,180	3,202,858	2,523,394
Florida	96,584	87,880	86,429	913,407	824,549
Georgia	141,084	130,944	125,723	1,372,127	1,227,676
Louisiana	177,686	171,933	148,826	1,538,886	1,354,398
Mississippi	6,298	6,599	7,194	53,784	60,911
Tennessee	210,951	195,176	185,867	1,641,413	1,363,714
TOTAL SIX STATES	1,004,865	944,499	829,219	8,722,475	7,354,642
By Water Power	475,069	527,031	382,061	5,098,660	4,094,686
By Fuels	529,796	417,468	447,158	3,623,815	3,259,956

*Includes Government payments.

SIXTH DISTRICT BUSINESS INDEXES

(1923-1925=100 except as noted)

RETAIL SALES*—Unadjusted	Nov. 1939	Oct. 1939	Nov. 1938
DISTRICT (27 Firms)	142.1	137.9	126.3
Atlanta	264.2	242.9	228.0
Birmingham	131.1	136.9	120.6
Nashville	121.2	127.9	97.4
New Orleans	121.6	114.4	111.4

RETAIL SALES*—Adjusted

DISTRICT (27 Firms)	124.6	115.9	110.8
Atlanta	246.9	204.1	213.1
Birmingham	117.1	118.0	107.7
Nashville	106.3	109.3	85.4
New Orleans	102.2	99.5	93.6

RETAIL STOCKS*—Unadjusted

DISTRICT (24 Firms)	88.3	86.6	80.1
Atlanta	166.6	161.3	140.5
Birmingham	89.5	84.2	80.5
Nashville	66.4	62.0	65.5
New Orleans	72.0	72.9	65.6

RETAIL STOCKS—Adjusted

DISTRICT (24 Firms)	79.5	78.0	72.2
Atlanta	147.4	144.0	124.3
Birmingham	79.9	76.5	71.9
Nashville	59.3	54.9	58.5
New Orleans	66.1	66.3	60.2

WHOLESALE SALES—Total

Groceries	75.5	80.1	75.2
Dry Goods	54.2	54.7	49.9
Hardware	69.3	83.6	74.6
Drugs	119.9	129.8	89.4
	115.6	114.9	103.7

CONTRACTS AWARDED—DISTRICT

Residential	156.9	78.6	64.8
All Others	74.5	95.5	47.6
Alabama	211.7	67.3	76.3
Florida	84.6	74.8	86.8
Georgia	52.2	57.5	40.5
Louisiana	54.3	121.5	78.6
Mississippi	44.2	129.2	75.0
Tennessee	120.4	35.8	167.1
	691.1	46.4	63.3

BUILDING PERMITS—20 Cities

Atlanta	69.7	81.4	41.2
Birmingham	160.4	50.7	28.6
Jacksonville	17.1	135.0	12.1
Nashville	58.1	74.6	60.9
New Orleans	15.3	15.7	13.3
15 Other Cities	31.5	31.5	19.3
	75.4	96.0	58.0

PIG IRON PRODUCTION—ALABAMA*

	111.4	109.4	102.3
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COTTON CONSUMPTION—3 STATES*

Alabama	205.1	189.6	163.8
Georgia	236.1	222.7	190.8
Tennessee	195.6	178.4	153.3
	173.1	162.4	152.6

EMPLOYMENT (Av. for 1932=100)

Alabama	143.0	141.6	131.7
Florida	110.1	105.4	108.4
Georgia	155.0	153.8	140.1
Louisiana	132.8	135.0	131.7
Mississippi	117.7	118.5	113.7
Tennessee	137.1	135.6	126.9
SIX STATES	139.4	138.2	130.4

PAYROLLS (Av. for 1932=100)

Alabama	235.8	232.5	204.7
Florida	96.7	92.2	84.4
Georgia	211.1	204.4	182.3
Louisiana	159.2	159.4	149.8
Mississippi	151.2	150.1	136.6
Tennessee	181.0	179.4	159.1
SIX STATES	188.5	185.0	167.7

ELECTRIC POWER PRODUCTION*

	Oct. 1939	Sept. 1939	Oct. 1938
Alabama	466.0	455.3	344.5
Florida	475.0	446.5	425.0
Georgia	234.8	225.2	209.3
Louisiana	667.3	667.2	558.9
Mississippi	97.1	105.3	111.0
Tennessee	336.2	321.4	296.2
SIX STATES	392.3	381.0	323.7
By Water Power	352.9	404.5	283.8
By Fuels	436.0	355.0	368.0

*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

FOLLOWING a rapid rise after the outbreak of the European war industrial activity continued at a high level in November and the first half of December. There was a considerable increase in distribution of commodities to consumers while prices of basic commodities, which had been steady during November, rose somewhat in the first two weeks of December.

Production

The Board's seasonally adjusted index of industrial production advanced from 121.0 to 124.0 per cent in November, reflecting sustained activity at a period of the year when a decline is usual. Production of durable goods, which had advanced rapidly for several months, showed a further expansion. Record production of steel ingots continued in November and was followed by a less than seasonal decline in the first half of December. Automobile production increased in November, notwithstanding the fact that plants of one important company remained closed pending settlement of an industrial dispute. After this was settled at the end of November assemblies rose sharply. Retail sales of new automobiles were in large volume in November and at the end of the month dealers' stocks of new cars apparently were smaller than at the corresponding time in other recent years. Lumber production declined less than seasonally in November but plate glass production, which had reached a high level in October, showed a reduction.

Output of nondurable goods continued at a high level in November. At cotton and woolen mills activity increased somewhat further and was close to the record levels reached three years ago. Rayon production advanced to new high levels but at silk mills there was a sharp decline following substantial increases earlier this fall. Output of flour and sugar declined further from the levels reached in September while changes in activity at shoe factories and meat-packing establishments were largely seasonal in character.

Coal production in November declined somewhat from the high level reached in October. Output of crude petroleum increased further and iron ore shipments continued in exceptionally large volume until the Great Lakes' shipping season closed in the latter part of the month.

Value of construction contracts, as reported by the F. W. Dodge Corporation, increased in November following a sharp decline in October. In both months changes in total awards reflected principally fluctuations in the volume of contracts for public construction. Private residential awards declined somewhat less than seasonally in November, while awards for other private projects showed little change. Contracts for private work, both residential and nonresidential, were larger than a year ago, while those for public projects were below the high level of that time when contracts under the Public Works Administration program were being awarded in large volume.

Employment

Factory employment and pay rolls continued to increase in November, reflecting chiefly further sharp advances in industries producing steel, machinery, and other durable goods.

Distribution

In November distribution of commodities to consumers increased considerably. The Board's seasonally adjusted index of department store sales, which had been around 90 in the three preceding months, advanced to 94, a level about the same as at the peak in 1937 when prices of commodities sold at department stores were generally somewhat higher than at present.

Freight-car loadings showed less than the usual seasonal decrease from October to November and the Board's adjusted index increased from 80 to 82, which was only slightly under the recovery peak reached in the early part of 1937. Shipments of ore and miscellaneous freight declined less than is usual in November, while loadings of coal decreased more than seasonally from the relatively high October level.

Commodity Prices

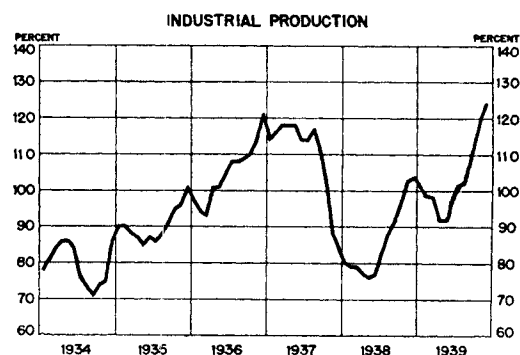
Prices of both industrial materials and foodstuffs advanced from the latter part of November to the middle of December. Wheat and silk prices rose considerably and there were smaller increases in cotton and hides. Prices of steel scrap and nonferrous metals, on the other hand, showed declines.

Government Security Market

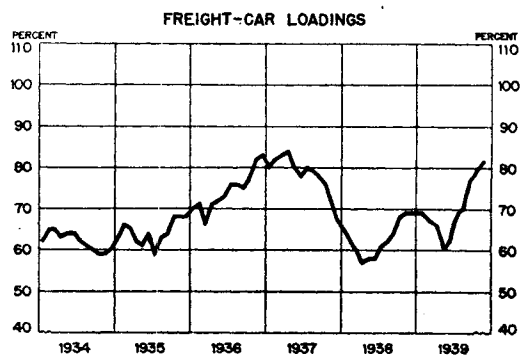
Prices of United States Treasury bonds advanced sharply during the last half of November to a level not far below the all-time high point of last June and remained steady during the first half of December.

Bank Credit

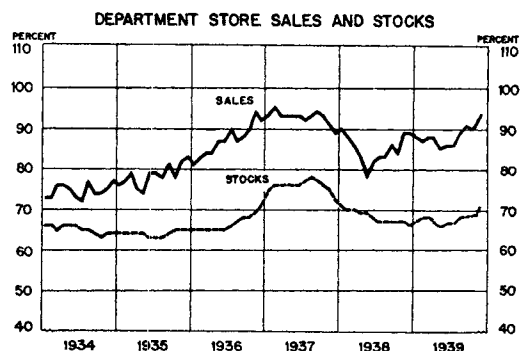
Total loans and investments at reporting member banks in 101 leading cities rose substantially during November and the first half of December, reflecting largely purchases of new United States Government securities. Commercial loans, which had been increasing since August, continued to rise until the third week in November. Deposits increased further.



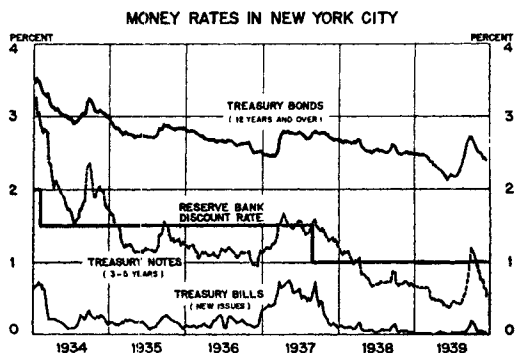
Index of physical volume of production, adjusted for seasonal variation, 1923-1925 average = 100. By months, January, 1934, to November, 1939.



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



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



For weeks ending January 6, 1934, to December 9, 1939.