

the swamp so seedlings will survive and for meeting their total costs with returns from a relatively low-grade product.

Some cypress reforestation will undoubtedly occur naturally in remote swamps where logging operations have not swept away all the seed trees. It will be an uncertain type of replenishment, however, because ideal water level conditions for regeneration may occur only at 30 to 50 year intervals. A further element of uncertainty is injected because man-made controls have altered water levels in the swamps, especially in the Mississippi basin where flood control programs have changed the flow of water.

The Industry's Future

With little basis for expecting artificial reforestation to be carried far and with natural replenishment very uncertain, the prospect is that the cypress industry's supply of raw material will continue to dwindle because the drain from the forests exceeds the new growth. As shrinking supplies force the large operators to limit their activities, the industry is likely to settle down to a point where a relatively few small- or medium-sized mills can exist. Very likely those mills will depend on logs salvaged from individual trees or stands that were previously left behind because they were too small, or damaged, or otherwise uneconomical to log. No doubt those mills will also depend to some degree on modest annual growth in the second crop of cypress that has grown up in areas logged years earlier.

Although cypress lumber production will undoubtedly be further reduced, actual output will be influenced by market prices and costs. Demand for the desirable qualities of cypress lumber will possibly push the market prices high enough that revenue from relatively poor quality logs will be sufficient to cover costs. In that event the more costly logs will still be sought, and the industry will operate at a somewhat higher level than otherwise, but it will make a much smaller economic contribution than it has in the past.

ARTHUR H. KANTNER

Bank Announcements

The Bank of Evergreen, Evergreen, Alabama, a non-member bank, began remitting at par February 1 for checks drawn on it when received from the Federal Reserve Bank. Officers of this bank are O. C. McGehee, President; W. N. McGehee, Vice President; and J. W. Fenn, Cashier. Capital totals \$100,000 and surplus and undivided profits \$62,492.

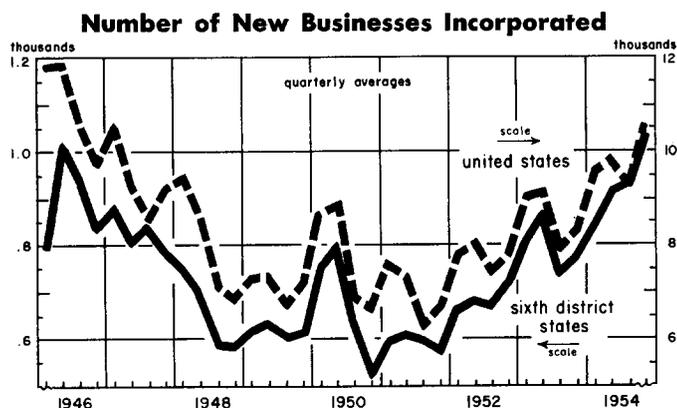
On February 16, the Commercial Bank at Winter Park, Winter Park, Florida, a newly organized non-member bank, opened for business and began to remit at par. Officers include Franklyn L. Williamson, President; W. R. Rosenfelt, Vice President; and R. E. Jackson, Vice President and Cashier. Capital amounts to \$200,000 and surplus and undivided profits to \$100,000.

The Conecuh County Bank, Evergreen, Alabama, a newly organized nonmember bank, opened for business February 18 and began remitting at par. Officers are N. Allen, President; R. A. Beeland, Jr., Executive Vice President; and M. S. Holley, Cashier. Capital amounts to \$80,000 and surplus and undivided profits to \$40,000.

More New Incorporations

Increases in new business corporations in the United States are usually associated with economic revival and prosperity. Some observers, therefore, take the more than 11,000 corporations formed in 1954 in District states as evidence that the District's economy is expanding and flourishing. The number last year was the largest since 1946. Although the precise meaning of these figures is not clear, they do serve a purpose for those who understand what they do and do not include.

Business analysts find these data useful because they are promptly available and because they do provide some clue to the number of new businesses being started, although only a fraction of the new corporations is actually



new business. The data contain reorganizations of existing corporations, as well as already existing firms that incorporate. They also include short-lived corporations that are perhaps established for the purpose of conducting a single transaction within a brief period. Many new businesses, of course, are never incorporated. Although the new incorporation series is not an accurate measure of the total number of new businesses, it is generally true that when the one increases, so does the other.

The number of new corporations in individual states is directly related to the level of income payments, but last year Florida's new corporations, equal to nearly one-half the District total, were higher than would be expected on the basis of incomes alone. This is probably the result of increases in Florida's tourist and recreational establishments.

The total number of businesses, both new and old, is also related to income payments. Although the District states have shown a greater degree of expansion than the nation in recent years, the region's per-capita income is still relatively low and the per-capita number of businesses in operation is somewhat below the national average. The same is true for each District state except Florida.

Still another side to the business population is the number of firms going out of business. A small proportion of these are failures, which by definition involve court proceedings or losses to creditors. Commercial failures in the District showed a sharp annual rise in 1953 and 1954. The declining trend since last May probably is indicative of a modest improvement in the general economic situation.

HARRY BRANDT