

ANNUAL STATEMENT
AND REPORT
FEDERAL RESERVE
BANK OF ATLANTA
FOR THE YEAR 1955



Annual Statement and Report For the Year 1955

*The South and
the Sixth Federal Reserve District
in the Mid-Twentieth Century
Review of Banking Developments*

FEDERAL RESERVE BANK OF ATLANTA

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February 15, 1956

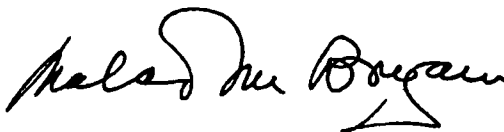
*To the Member Banks of the
Sixth Federal Reserve District:*

Presented herewith is the Forty-first Annual Statement and Report of the Federal Reserve Bank of Atlanta.

Usually in the past, we have presented only our statement of financial condition, our earnings report, and lists of our directors, member of the Federal Advisory Council, members of the Industrial Advisory Committee, and our officers. From time to time, however, we have included certain comments on economic and financial conditions in our District, together with somewhat detailed descriptions of our services and functions.

For the year 1955, we have prepared such an extended report. The greater part of the publication is devoted to a review of the economic expansion and achievements in the Sixth Federal Reserve District in the twentieth century. The smaller part of the report is confined to considerations relating to the Bank itself.

It is hoped that this statement and report will adequately serve its purpose. Although the publication was prepared primarily for member banks, copies are available to others upon request as long as the supply lasts.

A handwritten signature in dark ink, appearing to read "Walter D. Bryan". The signature is fluid and cursive, with a large, stylized initial "W" and a long, sweeping underline.

President

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THE SOUTH AND THE SIXTH FEDERAL RESERVE DISTRICT IN THE MID-TWENTIETH CENTURY

A MODERN MIRACLE OF ECONOMIC ACHIEVEMENT

The extraordinary expansion of the economic power of the United States and the enormous growth in the productivity of its economy have constituted one of the economic miracles of the twentieth century. Within that larger miracle, however, there lies a minor one that merits more than passing attention. This lesser miracle is the evolution of the South from its status as "the nation's number one economic problem" to its present position as one of the nation's most vigorously expanding frontiers.

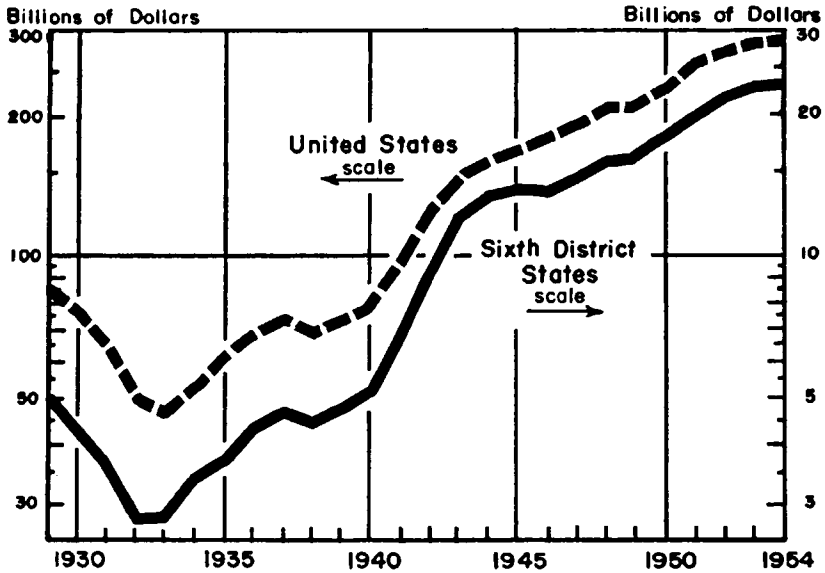
Although the levels reached in most economic categories still lag behind the United States averages in the states that lie wholly or partially within the District served by this Bank, progress has nevertheless been rapid. So rapidly, indeed, is progress being made that the day when the South will stand at least at the level of the national average seems already in sight.

The most general basis on which the operations of an economy may be judged is income. Between 1930 and 1954, total personal income of individuals increased much more rapidly in the six states of this District than in the country as a whole—429 percent against 272 percent. Population increased 33 percent in the District and 31 percent in the nation, but per-capita income in both areas increased less than total income. The per-capita rate of gain, however, was higher in the District (299 percent) than in the nation (184 percent).

The same picture emerges when income is considered in dollar terms. By present standards, per-capita income in 1930 was low everywhere. For the United States it amounted to \$624. In the states of this District, it was, of course, much lower, being only \$312, or 50 percent of the national figure. By 1954, however, per-

PERSONAL INCOME

United States and Sixth District States, 1929-54



The most general basis on which the achievement of the Sixth Federal Reserve District can be judged is personal income, which advanced 429 percent in District states between 1930 and 1954, compared with 272 percent in the nation.

capita income had risen to \$1,770 in the nation and to \$1,244 in this District. The District figure had grown to 70 percent of the national average, which represented a phenomenal improvement.

This rising per-capita income was producing effects in every aspect of life. Even a casual visitor to the South could not fail to notice the amazing changes that have taken place over the last several decades—the many hundreds of miles of improved roads, the new schools and hospitals, the towering skylines of the cities, the thousands of new homes in the suburbs, the streets crowded with new cars, the replacement of many wooden shacks in the country by neat comfortable farm homes, and the virtual replacement of the mule by the tractor. Equally important, but not so evident to the eye, have been improvements in public health and education; the multiplication of cultural organizations such as orchestras, opera groups, libraries, art galleries and exhibitions, and, above all, the

lively spirit of enterprise and regional pride that pervades the South today.

This spectacular improvement in the level of living is rooted, of course, in the changing characteristics and operations of the Southern economy. It shall be the task of this report to examine these in somewhat more detail for that part of the Southern economy lying within the Sixth Federal Reserve District.

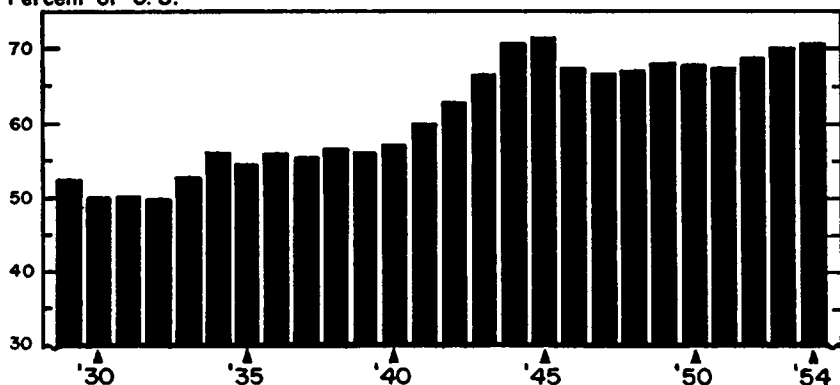
A MORE PRODUCTIVE ECONOMY

Increased productivity is the key not only to American economic progress but to the growth of income in the South as well. Rising

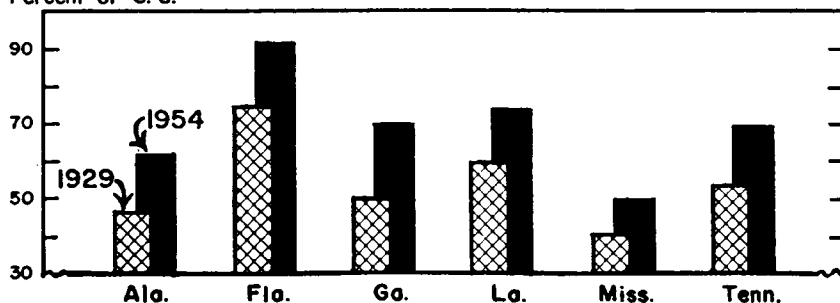
PER-CAPITA PERSONAL INCOME

Sixth District States, 1929-54

Percent of U. S.



Percent of U. S.



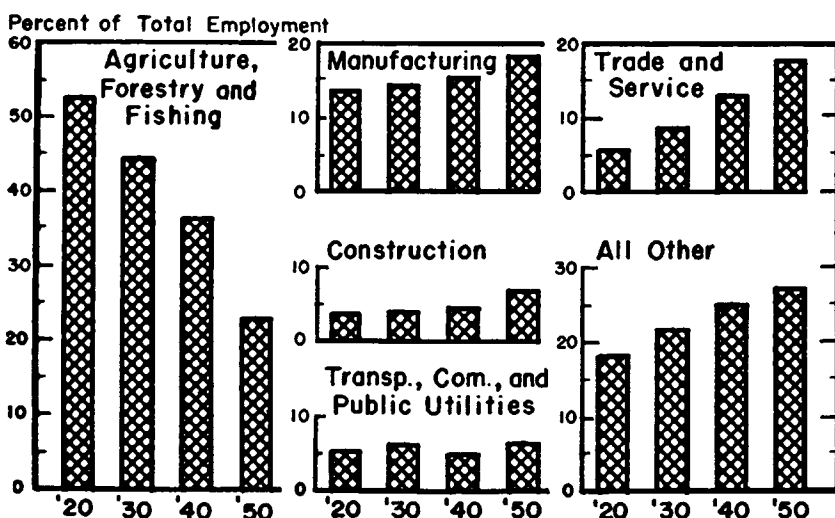
A greater-than-national rate of growth in income brought per-capita income in District states from 52 percent of the national average in 1929 to 70 percent in 1954.

per-capita incomes in the South are an indication that Southern labor is becoming more productive. Measured either in dollar or real terms, each worker now produces more goods and services than at any other time in the region's history. Although the increased productivity of the South's economy is easy to recognize, its explanation is difficult because of the complexity of the area's economic structure. The changes in the South, of course, are much like those taking place elsewhere. The South, however, has more than shared in the national expansion.

Of the many social and economic changes that have taken place, those that are most closely associated with greater productivity are: (1) a shift of the working force from less productive to more productive types of work; (2) heavier capital investments; and (3) increasing efficiency of the labor force.

RELATIVE IMPORTANCE OF EMPLOYMENT BY MAJOR INDUSTRIAL GROUPS

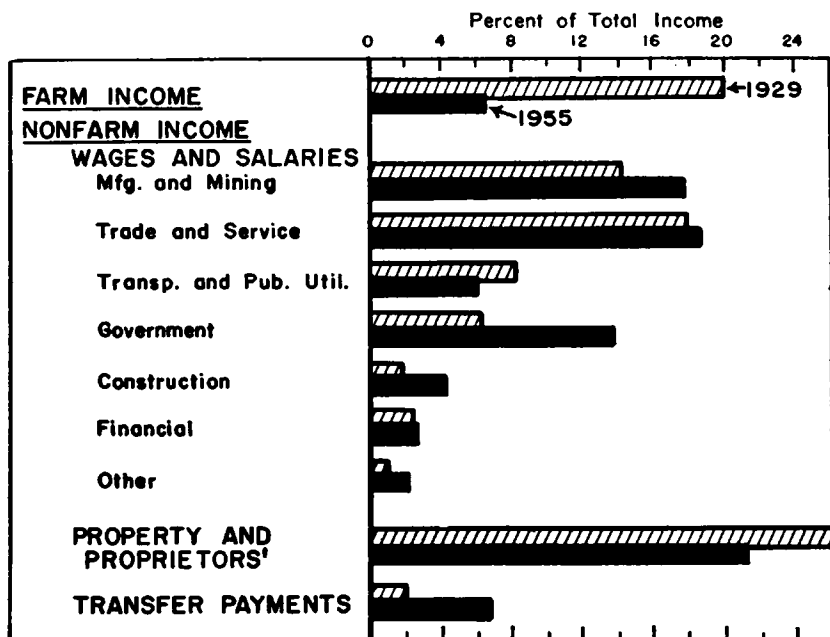
Sixth District States, 1920-50



Need for less labor in agriculture, because of increased productivity there and economic opportunities elsewhere, led to the shift of the labor force that reduced agricultural employment from over 50 percent of the total in 1920 to only a little over 20 percent in 1950.

MAJOR SOURCES OF PERSONAL INCOME

Sixth District States, 1929 and 1955



In 1929 the District was predominantly an agricultural region. Now, with sources of income more diversified, its economy is both more productive and better balanced.

OCCUPATIONAL SHIFTS

One reason for the South's low income in earlier years was the large proportion of its population working on farms, where productivity was comparatively low. The shift from agricultural to nonagricultural occupations, therefore, other things being equal, has meant an increase in output per worker.

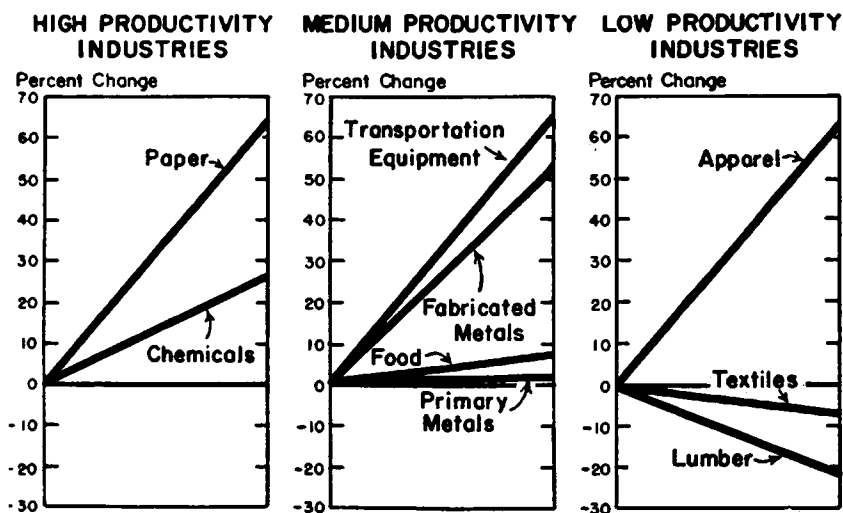
In the Sixth District states, 52 out of every 100 workers in 1920 were working on farms, whereas only 13 were working in manufacturing. After that, each census showed workers leaving the farms in increasing numbers for higher paid work elsewhere. By 1950, only 23 out of each 100 workers were still on the farms, and 18 were working in factories. The workers that left the farm were able to do more productive work elsewhere, and those remaining

on the farm found their share of the income larger. Since the per-capita income on farms was less than one-third of that in other occupations, the shift from farm work was a major cause of increasing income in the area.

The change in the Sixth District's occupational structure, of course, has been accompanied by a change in its sources of income. In 1929, about one-fifth of total personal income came from agriculture. Manufacturing and mining accounted for only about 14 percent of the total, and trade and service payrolls for 18 percent. Now, however, only about 7 cents of every dollar received comes from agriculture, whereas 18 cents comes from manufacturing and mining, 19 cents from trade and service payrolls, and 14 cents from government payrolls. While becoming more productive, the District's economy has also become more diversified.

POSTWAR GROWTH IN MANUFACTURING EMPLOYMENT BY TYPES

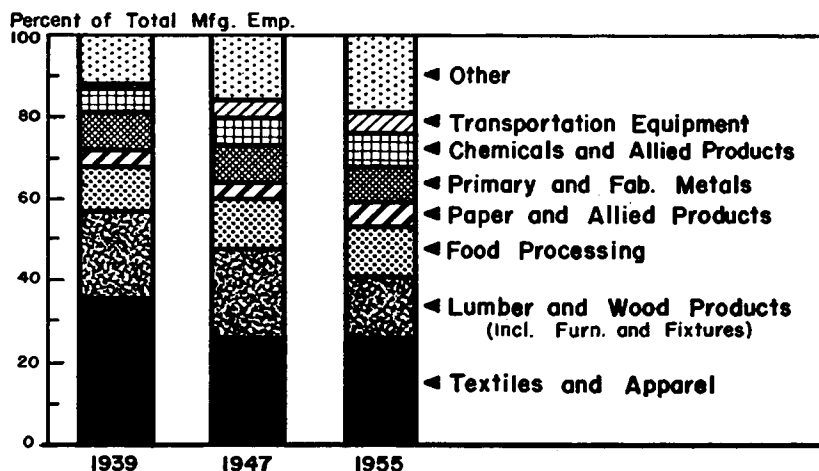
Percent Change 1955 from 1947
Sixth District States



District manufacturing is now more productive in terms of value added per worker, since postwar growth in manufacturing employment has been in those industries with high productivity per worker.

DISTRIBUTION OF MANUFACTURING EMPLOYMENT BY TYPES

Sixth District States, 1939, 1947, 1955



It was the shift to industries with higher productivity and higher wages that accounted for the greater-than-national rate of growth in manufacturing income in the District. Wages per production worker and value added per worker increased from about two-thirds of the national average in 1939 to about three-fourths in 1953.

HIGHER PRODUCTIVITY AND HIGHER WAGES

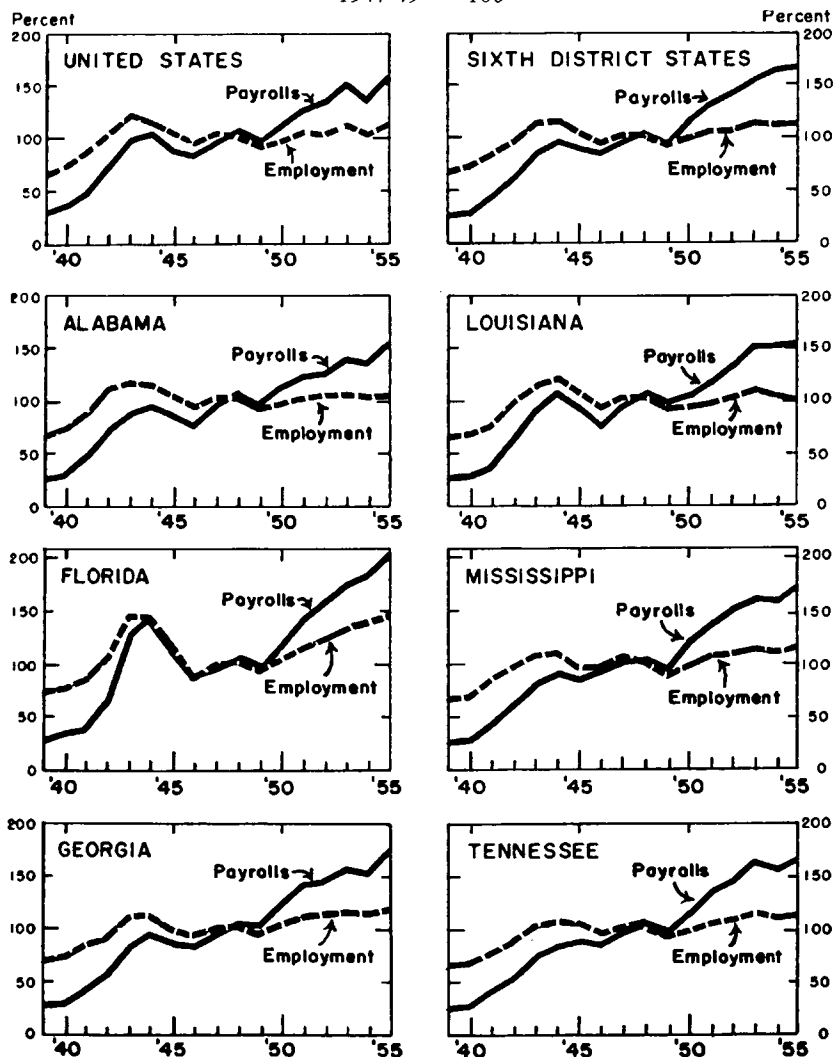
What a manufacturing worker gets in wages depends largely upon the value of the product turned out by the establishment in which he works. Those industries with the highest value added per worker, the more productive ones, tend to pay higher wages. Value added per production worker per year ranges widely from industry to industry: in 1952 the low in the District was \$3,150 in lumber, and the high was \$22,517 in petroleum and coal.

Until recent years, most of the region's factory workers were employed in fields where productivity per worker was low. Textile, lumber, and apparel manufacturing all have low productivity per worker and they accounted for three-fifths of total manufacturing employment in the District states in 1939. Fortunately, much of the District's industrial growth since then has been in types of manufacturing with relatively high productivity, namely, new or

MANUFACTURING EMPLOYMENT AND PAYROLLS

Sixth District States and United States

1947-49 = 100



Greater productivity in manufacturing, reflected in payroll expansion, has characterized postwar developments in each District state. The diversification that accompanied improved productivity also made the region better able to withstand the adverse effects of a recession such as occurred in 1953-54.

expanded automobile plants, pulp and paper mills, rayon plants, oil refineries, synthetic ammonia plants, machinery factories, and a host of others. As a result, value added, as well as wages, per production worker increased from about two-thirds of the national average in 1939 to about three-fourths in 1953.

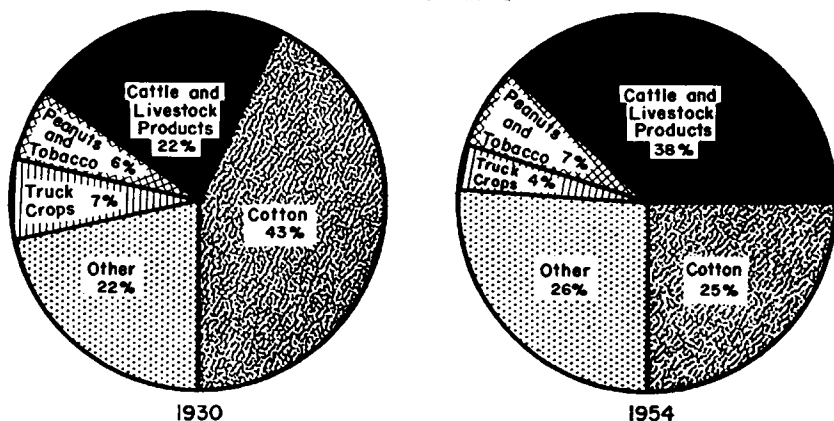
A MORE PRODUCTIVE AGRICULTURE

Although agriculture has diminished in importance as a source of income, it has nevertheless contributed its share to a more productive economy. Fewer farm workers are now able to supply themselves and others with a large volume and a great variety of nutritious foods and to supply industry with many important raw materials as well.

Size and Complexity of Farm Economy: In District states, farm cash receipts and farm income in kind totaled 3.4 billion dollars in 1954—11 percent of the national total—and personal income from agriculture accounted for 8 percent of the area's total income, compared with 5 percent in the nation. Because of a wide range in soil

SOURCES OF FARM CASH INCOME

Sixth District States, 1930 and 1954
Percent of Total



With farm cash receipts and income in kind valued at 3.4 billion dollars in 1954, the District economy is still heavily weighted by agriculture. It is, however, much different now than it was in 1930, with less emphasis on crops and more on cattle and livestock products.

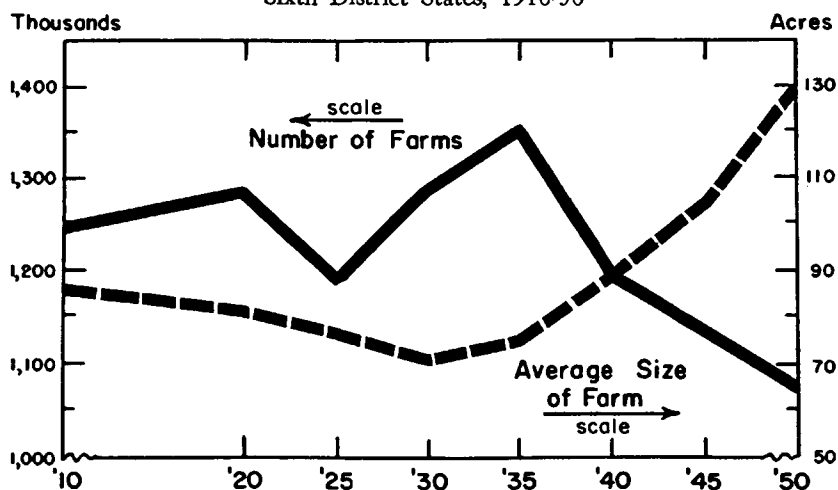
types and in topographic characteristics, in addition to favorable climatic conditions, District agriculture is quite diversified even though cash crops like cotton and peanuts predominate in some areas.

Cash crops continue to be more important than livestock. In 1954, about two-thirds of the 2.9 billion dollars of cash receipts from farm marketings came from the sale of crops. Cotton sales brought in 40 percent of the crop income. Tobacco, rice, and peanuts, however, were also important, bringing in 9, 4 and 2 percent, respectively. Additional crop income was received from the sale of a wide variety of vegetables, fruits, and seeds. The other third of farmers' cash receipts in District states came from sales of livestock products. Sales of poultry products accounted for about a fourth of livestock receipts.

Receipts from livestock and livestock products have been growing rapidly. Such receipts amounted to only 22 percent of total farm cash receipts in District states in 1930, compared with 38 percent in 1954. Receipts from crops have taken a lesser place. Cash income

NUMBER OF FARMS AND AVERAGE SIZE OF FARM

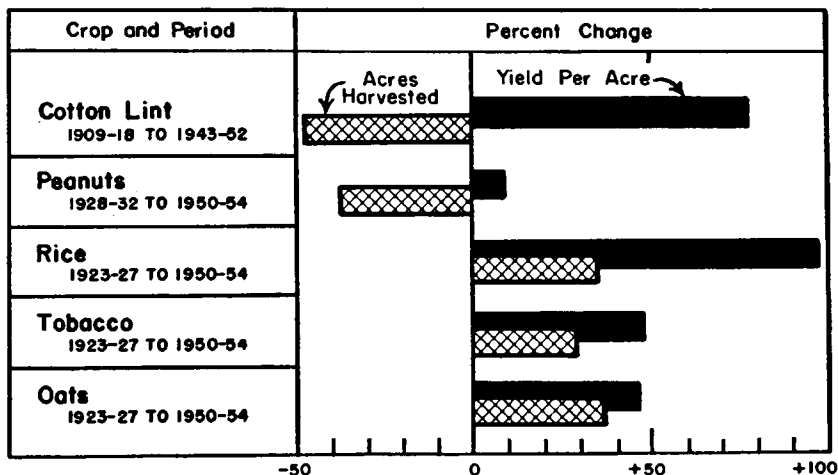
Sixth District States, 1910-50



Agricultural production is now greater than it was earlier in the century, although between 1910 and 1950 the number of farms declined from 1,245,000 to 1,073,819. The increase in the average size of farm typifies the changes that have helped to raise productivity.

AVERAGE ACRES HARVESTED AND YIELDS PER ACRE IMPORTANT CROPS

Sixth District States



District agriculture at mid-century is a more productive agriculture. Each acre now produces more. Cotton, for example, in 1909-18 yielded 175 pounds per acre; in 1943-52 it yielded 312 pounds, and in 1955 about 490 pounds.

from cotton lint and seed, for example, accounted for about 43 percent of farmers' income in 1930 but only 25 percent in 1954.

Fewer Farms and Farmers: One striking feature of the District's agriculture is its greater production with a smaller labor force on fewer farms. Number of farms and farm operators and the farm population in District states are now at the lowest point ever reached. From 1910 to 1950 the number of farms and farm operators declined 14 percent to a total of 1,073,819. Meanwhile, the average size of farm rose from 85 acres to 130 acres.

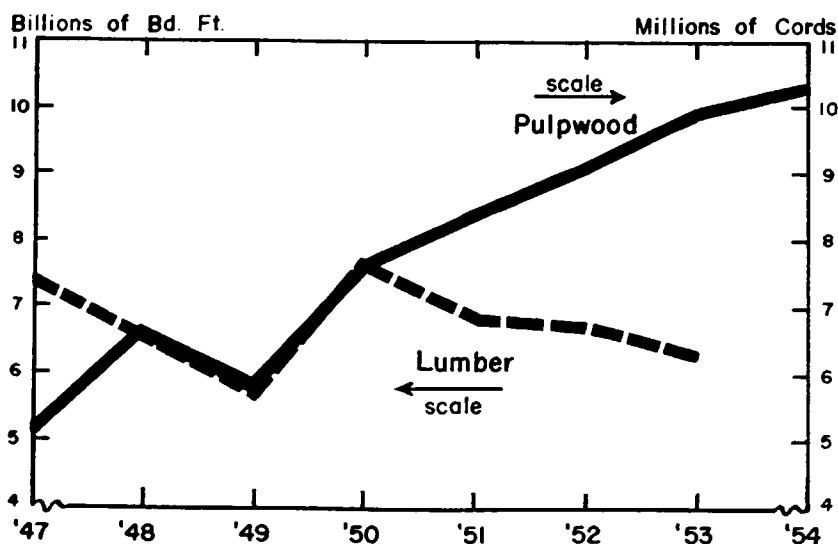
Despite the decline in the number of farms and in the farm population since the early 1900's, farm income has increased. Personal income to farm operators and hired hands rose 70 percent between 1929 and 1954. On a per-capita basis, it went from \$156 to \$384, but it failed to keep pace with the national rise—from \$237 in 1929 to \$689 in 1954. Additional income from off the farm lifted

the total income per person on farms in 1954 to about \$512 in the District and \$918 in the nation.

Even though District farmers reduced their harvested acreage of cropland, total output of crops rose about a third between the 1920-24 period and the 1950-54 period. Crop production per acre in the Southeast increased by about 30 percent between 1920 and 1954; the comparable gain for the United States was 17 percent. Per-acre yields of some District crops rose sharply. Yields of cotton, for example, went from 165 pounds per acre in 1910 to 314 pounds in the 1944-53 period. Rice, corn, tobacco, and peanuts made comparable gains in per-acre yields. In terms of output per man-hour, the production of all crops increased about 100 percent between 1920-24 and 1950-54.

LUMBER PRODUCTION AND PULPWOOD HARVESTED

Sixth District States, 1947-54



Forests cover over half the land area in District states, and more persons depend upon the wood products industry, including lumber, pulp and paper, furniture, and others, for their livelihood than upon any other type of manufacturing. It is a changing industry, however, with pulpwood assuming a more dominant role as lumber output declines.

Greater Livestock Production: Total output of all livestock and livestock products almost doubled in the District between the 1920-24 period and the 1950-54 period. Larger total livestock production was due chiefly to the enlargement of flocks and herds. Improved efficiency, however, also contributed to the expansion, especially in poultry production, but improvement in efficiency in livestock production has lagged far behind that in crop production.

Changing Pattern of Forest Use: The South has enjoyed not only greater returns from crops and livestock but also increasing returns from its forest land. Because of a climate favorable for growth of trees, especially the heavy rainfall, much of the land area in the six states has always been covered by forests. According to the latest statistics, over half the land in the District states is still covered by forests.

District forests are well adapted to commercial production of lumber and other forest products. Although lumber production declined during the first half of the century, the harvesting of pulpwood became a significant source of revenue for District land owners. In 1954, about 35 percent of the United States' consumption of pulpwood was met from District forests. The steady rise in such consumption in the nation (from 3 million cords in 1909 to 29 million in 1954) suggests an even greater dependence upon District forests in the future.

A GREATER CAPITAL INVESTMENT

How much a worker produces depends in part upon the skills he possesses but chiefly upon the kind and quality of tools and machines with which he works. Much of the increased output in manufacturing and agriculture in the Sixth District, therefore, must be imputed to the massive capital investments that provided workers and farmers with more and better tools.

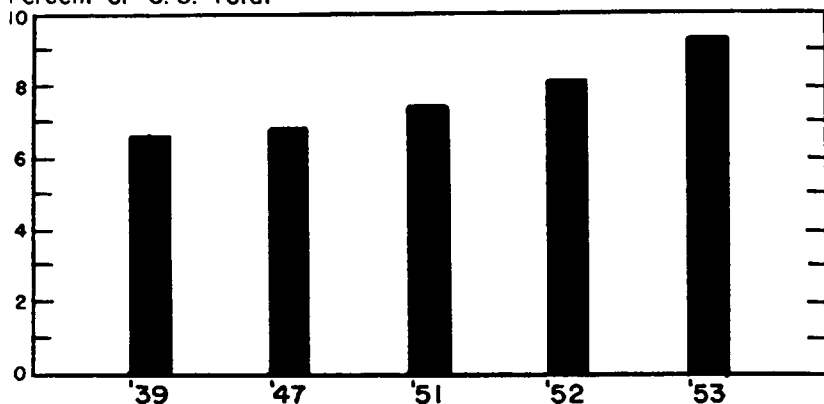
CAPITAL INVESTMENT IN MANUFACTURING

Because the kinds of tools and machines and other equipment with which he works are so important in determining the output of the average manufacturing worker, capital investment per worker is a rough measure of the value of production and wages per worker. Manufacturing in the Sixth District, as well as in the entire South,

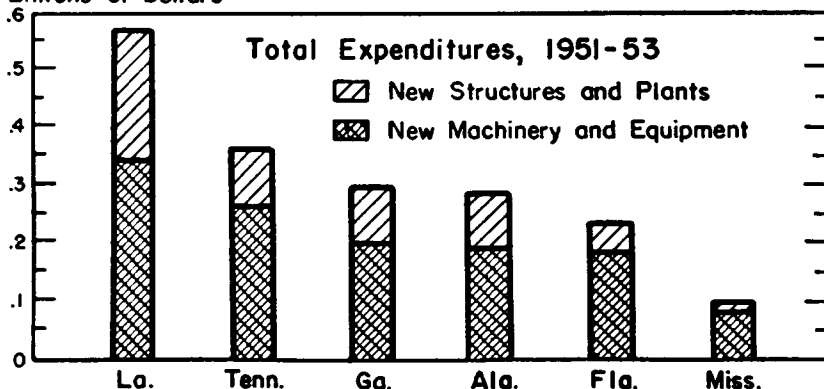
EXPENDITURES FOR NEW MANUFACTURING PLANTS AND EQUIPMENT

Sixth District States, Selected Years

Percent of U. S. Total



Billions of Dollars

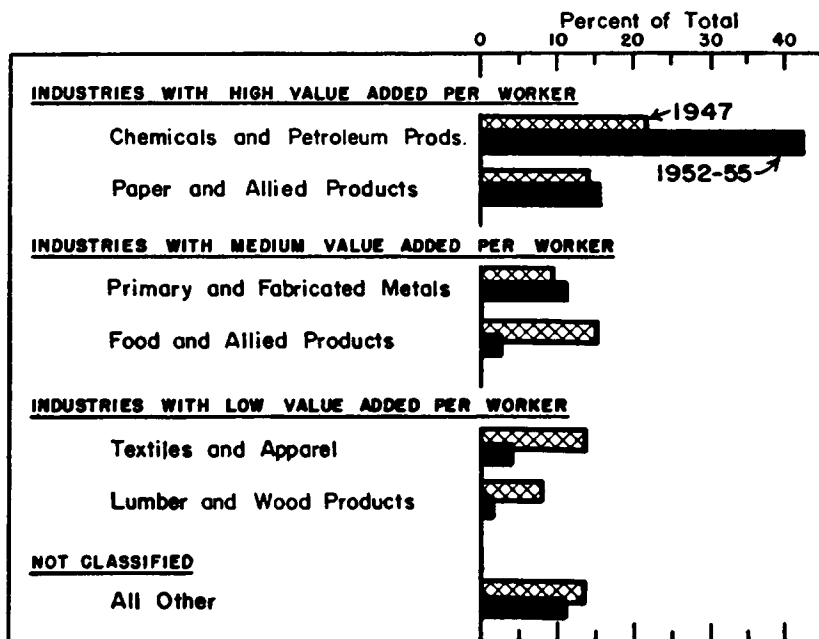


The steadily increasing share of investments made in new manufacturing plant and equipment provides the basis for greater income from manufacturing in the District. Amounting to 779 million dollars in 1953 (the latest available official data) such expenditures in the six states probably exceeded a billion dollars in 1955.

for many years was concentrated in those types requiring relatively little capital investment per worker. Much more capital investment is required per worker in the chemicals and allied products industry, where productivity and wages are high, than in lumber and wood

RELATIVE IMPORTANCE OF EXPENDITURES FOR NEW PLANTS AND EQUIPMENT

Sixth District States, 1947 and 1952-55



Greater productivity in District manufacturing stems not only from the large amounts of capital invested in new plant and equipment during the postwar period but also from the tendency to make investments in those industries requiring large amounts of capital per worker, yielding high value of product, and paying higher wages.

products manufacturing, where productivity and wages are low. If income from manufacturing was to be raised in the South, therefore, capital investment in manufacturing had to provide not only more jobs but also better jobs in terms of productivity.

Wartime Investment: Most of the industrial growth induced by capital investment in the Sixth District has taken place in the last fifteen years. It came in two major waves. The outbreak of World War II provided impetus for the first wave. Along with the investment of some 1.8 billion dollars in war manufacturing plants, manufacturing employment increased by 312,000 workers in the District

states. Invaluable as much of this investment was in providing the sinews of war, it did not provide a great deal of permanent capital. After the war, most of the shipyards, aircraft factories, and munitions plants, which accounted for the lion's share of the investment, closed down. Only a few establishments, in such industries as light metals and synthetic rubber and several others, remained as permanent additions to capital.

Postwar Investment: The second wave of capital investment and industrial growth came after World War II. In 1947, manufacturers' expenditures for new plants and equipment amounted to 400 million dollars. This figure grew from year to year until by 1953 it amounted to 700 million dollars. There is no doubt that expenditures have continued to grow since then. An estimate based on announcements of new plants or expansions indicates that over a billion dollars was spent for such facilities in 1955.

In the immediate postwar period, expenditures for new plants and equipment generally followed the pattern that would be expected in view of the existing character of District industry. Much of them, therefore, provided more of the same kind of jobs, rather than better jobs in terms of productivity. In 1947, for example, almost 40 percent of the expenditures for new plants and equipment went into traditional industries—textiles and apparel, lumber, furniture and wood products, and food processing—industries with low capital investment per worker.

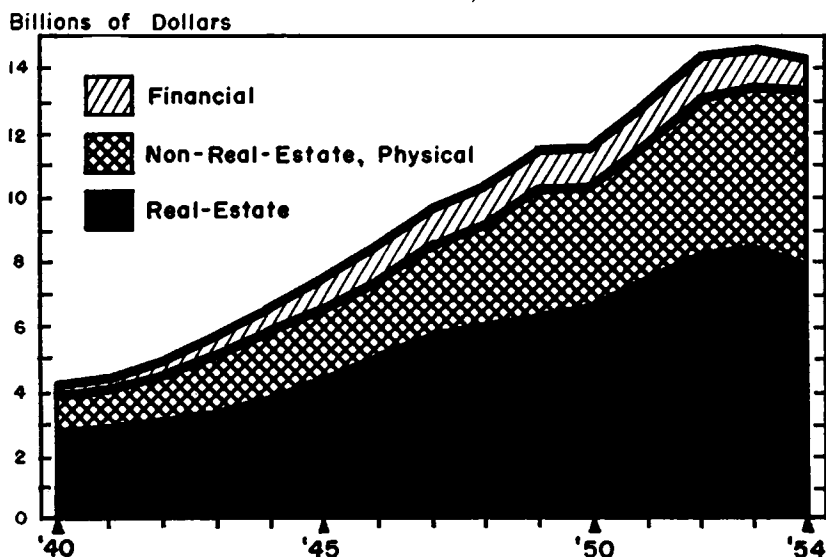
Capital expenditure today is of quite a different sort. Since it is concentrated in growth industries with high capital requirements per worker, such as chemicals and pulp and paper, it is providing more productive jobs as well as adding to employment. In the years 1952 through 1955, for example, only a little more than 10 percent of total capital expenditures for plant expansion went into traditional low-capital industries.

MORE CAPITAL IN AGRICULTURE

In shifting to a more productive agriculture, farmers too have had to increase their capital investment. The value of District farmers' total assets rose from 4.2 billion dollars in 1940 to 14.3 billion dollars in 1954—a 240-percent gain. Their equity in their

ASSETS OF FARMERS

Sixth District States, 1940-54



The 240-percent growth between 1940 and 1954 in the value of farm assets reflects in part the changed character of present-day farming. Productivity has been increased by the use of more working capital and investment capital. Non-real-estate physical assets, for example, increased from 29 percent of farm assets in 1940 to 38 percent in 1954.

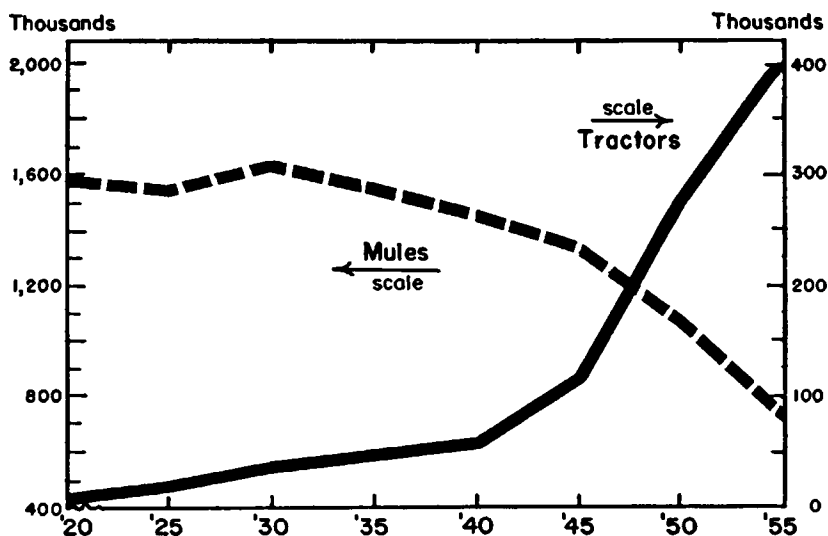
farm business increased from 3.3 billion dollars to 12.7 billion dollars in the same period.

Farms in the District have also become larger and now have higher values and require more working capital than before. Land and labor, assisted by animal power, are no longer the major factors in agricultural production. As recently as 1940, non-real-estate physical assets represented only 29 percent of the total value of farm assets; in 1954 they represented 38 percent.

An illustration of this growth in non-real-estate assets is the greater use of mechanical equipment. In 1930, tractors on farms in District states numbered only 33,201. Today there are more than 400,000. Farmers' investments in motor vehicles and machinery increased about twelvefold between 1940 and 1954. Mammoth combines, hay balers, field choppers, cotton pickers, and cane har-

MULES AND TRACTORS ON FARMS

Sixth District States, 1920-55



Investment in mechanical equipment is an important factor leading to greater productivity. Investment in motor vehicles and machinery had increased twelve-fold since 1940. Tractors, now numbering over 400,000, have largely replaced the mule.

vesters, all practically unheard of a few years ago, are now common. Increased productivity went hand in hand with the more intensive use of mechanical power and machinery. Other fixed capital investment has been made in well-engineered farm structures and storage areas. Farmers have also used more working capital for seed and fertilizer. As a result, labor is more productive and incomes are correspondingly greater both for farm operators and farm laborers.

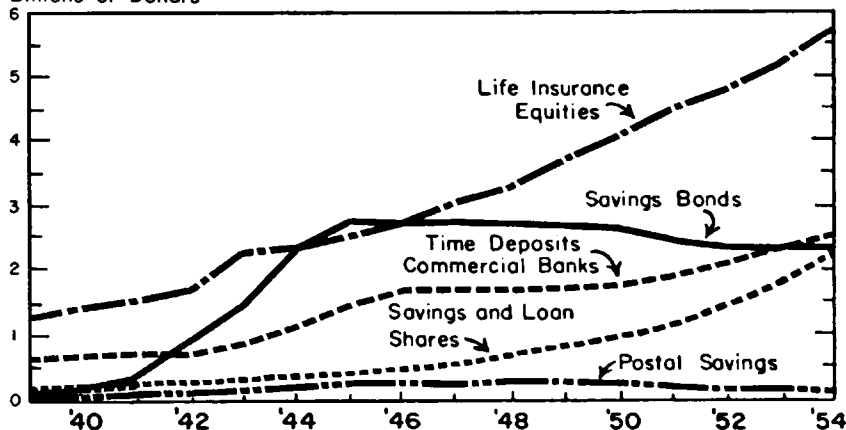
SOURCES OF CAPITAL

Because no legal barriers exist to the free flow of goods and financial resources between regions within the United States, it is not surprising that a major part of the industrial expansion in the South has been financed by the nation's large corporations out of retained earnings and depreciation reserves. Since the modern American corporation is characterized not only by widespread operations and marketing but also by widespread ownership, it is impossible to

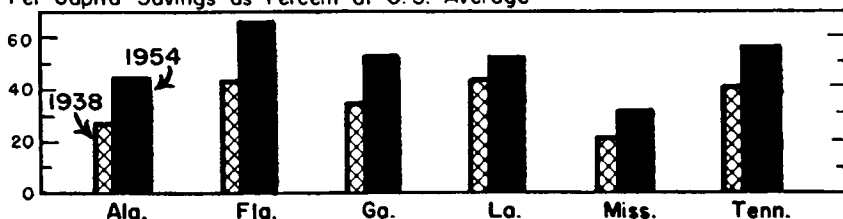
LONG-TERM PERSONAL SAVINGS

Sixth District States, 1938-54

Billions of Dollars



Per-Capita Savings as Percent of U. S. Average



Much of the capital investment that has made the South more productive came from greater personal savings accumulated during the period of rising incomes. The increase of 409 percent in long-term personal savings from 1939 to 1954 in District states exceeds the increase of 272 percent in the nation.

identify the ultimate source of this type of investment money.

This, however, does not tell the whole story. Small business, Southern corporations, and agriculture, for example, have made substantial capital investments out of capital accumulations within the region. This has been possible because with greater incomes Southerners have been able to save more and, in addition, there has been a strengthening of the region's financial institutions.

Savings Accumulation: Persons with low incomes generally find it necessary to spend practically all the money they receive for food,

clothing, and shelter, and they have little left to save. It is not surprising, therefore, in a region where personal incomes are low, that the average level of savings is low, and that difficulties arise in providing investment funds needed to raise income. Such has been one of the many difficult problems faced by the South.

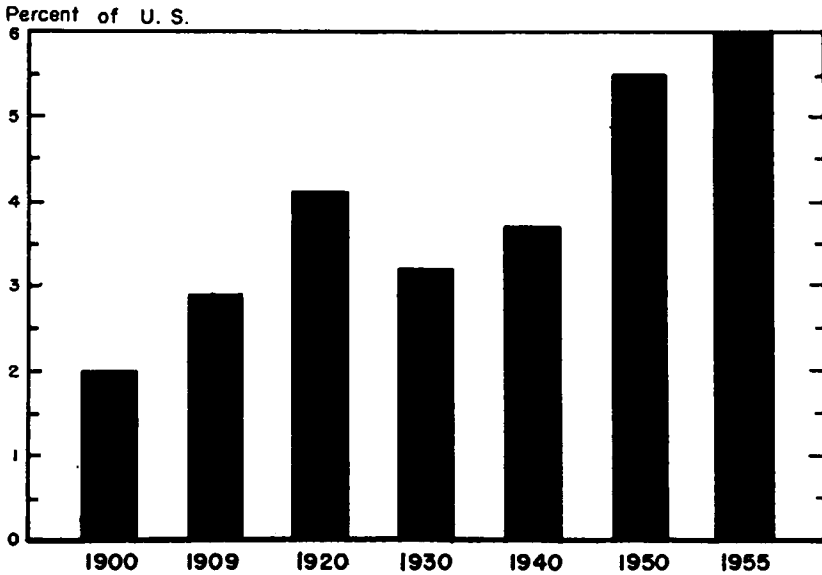
In 1940, when per-capita income in the Sixth District states was \$338, or 57 percent of the United States average, per-capita long-term savings in the form of time deposits at commercial banks, savings and loan association shares, life insurance equities, holdings of savings bonds, and postal savings deposits amounted to only \$167, or 37 percent of the national figure. As a result of income growth in the Sixth District states, however, per-capita long-term savings averaged \$711 in 1954 and amounted to about 52 percent of the national average. The financial institutions to which these savings were entrusted, therefore, have been able to supply an ever larger share of the investment funds needed by an expanding and increasingly productive economy.

Stronger Banking Resources: The best way to see how much stronger the financial resources of the area have become is to consider the growth in the resources of District member banks. Total assets of member banks constitute about 70 percent of the approximately 12 billion dollars in banking assets held by all District banks. At the end of 1914, the year the Federal Reserve System was instituted, total assets of all member banks in the Sixth Federal Reserve District amounted to about 3.6 percent of the assets of all member banks in the nation. The impact of the depression on the South in the 1930's reduced this proportion even further. In the war and post-war years, however, expansion of banking resources has gone hand in hand with the growth in income, and by 1955 District member bank resources constituted more than 5 percent of the national total.

The relatively greater rate of growth in the District's financial resources in recent years is also strikingly illustrated by the changing position of the Federal Reserve Bank of Atlanta among the other Federal Reserve Banks in terms of total resources. In 1914, the Federal Reserve Bank of Atlanta, with assets of 7.4 million dollars, was the smallest of the Federal Reserve Banks. By the end of 1955,

BANK DEPOSITS

All Banks, Sixth District States, Midyear—Selected Years



There is no better way to see the greater strength of the District's financial resources than to look at bank deposits in the twentieth century. Total deposits in the Sixth District states in 1900 amounted to but 2 percent of the United States total. Having grown to 12.5 billion dollars by mid-1955, they made up 6 percent of the national total.

with total resources in excess of 2.5 billion dollars, its assets exceeded those of four other Federal Reserve Banks.

Commercial banks in this District can now provide practically every kind of banking service. In addition to services customarily offered by all commercial banks, some have well-developed foreign departments; others specialize in trust operations; several have large security departments; and some do special industrial financing.

The average commercial banker in the Sixth District today is conducting quite a different type of business than he was earlier in the century. At the end of 1938, member banks were making 13 percent of their total loans to farmers or on farm land. Loans to commercial and industrial concerns amounted to only 40 percent of their total loans of 560 million dollars. In 1955, member banks

were making loans of over 3 billion dollars—45 percent of them to commercial and industrial concerns and less than 5 percent to farmers or on farm land. It must be remembered, however, that a considerable part of the business loans of banks in rural areas flows back into agriculture via feed dealers, implement dealers, and the like. Without this indirect support and the direct credit made available by the District banks for working capital purposes, the area's economic growth would have been seriously handicapped.

Despite the greater importance of nonagricultural lending, the banks in the area continue to be the most important source of agricultural credit. Commercial banks provide about 60 percent of the production credit used by District farmers. Recently, too, banks have been making loans to help shift production from cotton and other cash crops to enterprises requiring larger capital investment.

Strengthened Nonbanking Financial Resources: The growth in the area's banking structure to the point where it is able to provide a great deal of the region's financing has been accompanied by a similar growth in other financial institutions. Both insurance companies and savings and loan associations have become important sources of funds for investment. In 1954, each of these groups in the region had assets in the neighborhood of 2 billion dollars.

Southern investment dealers are also now able to participate to an increasing extent in the underwriting of state and local government securities in the area they serve. In 1954, for example, underwriters in District states were able to underwrite, without outside assistance, 139 million dollars worth of municipal securities, which was 19 percent of the total amount underwritten and about 60 percent of the total number of issues. They were also the leading underwriters of 294 million dollars of security issues, in the underwriting of which non-Southern firms participated. They also participated in syndicates headed by non-Southern firms that underwrote 89 million dollars worth of District state municipals. Issues in which Southern firms had no participation thus amounted to only 27 percent of the total.

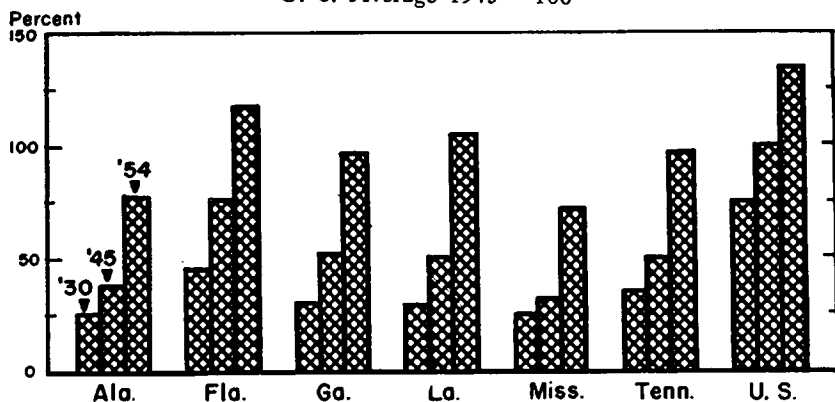
A MORE EFFICIENT LABOR FORCE

Distinguishing between cause and effect is often difficult in making economic analyses and especially so in analyzing the economic de-

FARM OPERATOR FAMILY LEVEL OF LIVING

Sixth District States and United States, 1930, 1945, 1954

U. S. Average 1945 = 100



Progress in rural living has been one of the factors improving the efficiency of the labor force, for the rural areas have been the source of a great part of the expanding industrial labor force.

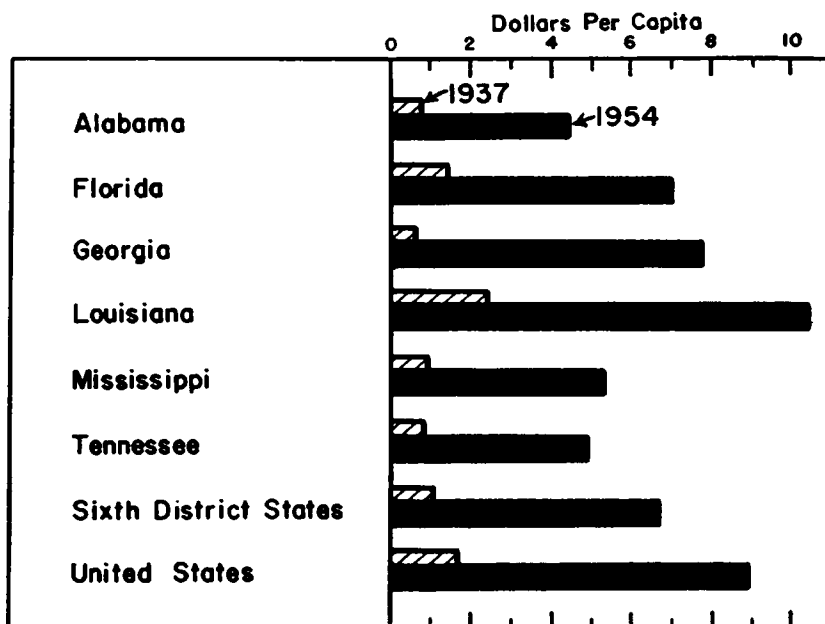
velopment of a region. Are the better living conditions achieved in the South, for example, the result of income growth, or has income grown at least in part because the population is better housed, clothed, fed and better trained and therefore more productive? No precise answer can be given to such a question. These things have all come about together. Nevertheless, the people of the South are now much better equipped to use their natural resources and capital investment than they were at the beginning of the century.

BETTER FARM LIVING

The rural areas of the District are the seed-bed of a large part of the labor force, for much of the District's population spent its youth and formative years there. It follows that the great improvement in farm living conditions during the last twenty-five years has been of importance in providing the South with a more efficient labor force. In 1930, the indexes of family living for farm operators, prepared by the United States Department of Agriculture, indicated that the level of farm living in District states was only about one-third as high as in the country as a whole. Conditions improved slowly up to 1945, but between 1945 and 1954 progress

EXPENDITURES BY STATE GOVERNMENTS FOR HEALTH AND HOSPITALS

Sixth District States and United States, 1937 and 1954



Improved health conditions that have helped raise the efficiency of the labor force reflect the greater attention given to health in the budgets of the state governments. Total expenditures of 1.4 billion dollars for health purposes by the six states in 1954 were more than five times as great as in 1937.

was rapid. In 1954, the District index was nearly three-fourths the national index.

BETTER HEALTH

Recent decades have brought a marked improvement in the health of the people of the South, and many of the diseases that were formerly endemic to the South are now on their way out. Improvement in health conditions has, of course, been characteristic of the nation during the last three or four decades. Since the South, however, had much further to go in improving conditions than had many other parts of the country, its record of achievement is all the more impressive. Not the least of the reasons for its improved

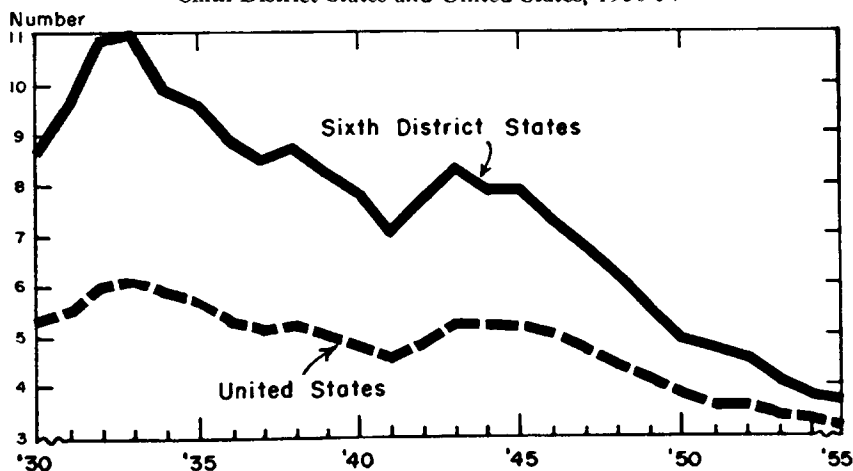
health conditions has been the increased attention given by state and local governments to public health and hospitals. In 1937, state and local governments were spending a total of 16.2 million dollars a year for public health and hospitals, or \$1.11 per capita. In 1954, the figure stood at 124 million dollars, or \$6.73 per capita. This increase of 506 percent was much greater than could be explained by the higher price level.

BETTER HOUSED, CLOTHED, AND FED

The South today is also better housed, clothed, and fed than ever before. In the Sixth District states alone, over one billion dollars was spent on private nonfarm residential building in 1954, and even more was spent in 1955. The year 1955 was only one of a long succession of years in which the record for residential construction for the preceding year was broken. In 1920, less than a third of the nonfarm dwelling units were owner-occupied, but by 1950 over

PERSONS PER PASSENGER CAR

Sixth District States and United States, 1930-54



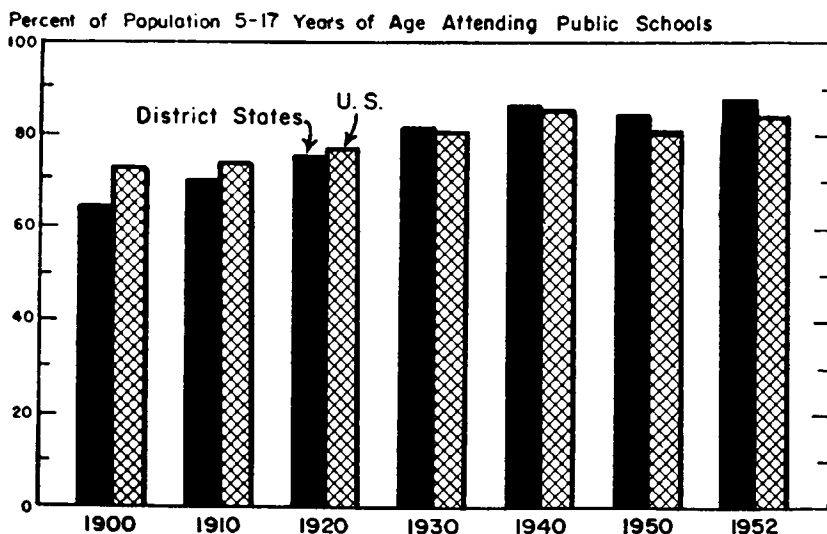
Rapidly expanding incomes have made the South one of the country's most rapidly expanding markets for consumer goods. Basically, this means that Southerners now live better, and because they live better they are more efficient workers. For example, the rate of increase in the number of passenger cars between 1930 and 1955 was about twice as great in the District as in the United States. In 1955, there were 3.7 persons per car in the District states; in the United States, 3.2.

half of the occupants owned the homes in which they lived. Whereas in 1940 only 48 percent of the residential units had electric lights, by 1950 this convenience was enjoyed by 84 percent.

With higher incomes, Southerners can now buy goods and services and housing that are classed as necessities as well as many luxuries and amenities that, although not essential to health and vigor, contribute to more satisfactory living. The South, therefore, in recent years has developed into one of the nation's most rapidly expanding markets. The purchase of automobiles is typical. Passenger car registrations increased 302 percent in the Sixth District states between 1932 and 1955, compared with a gain of 145 percent in the nation. Whereas in 1932 there were 10.9 persons per passenger car, in 1955 there were 3.7 persons per car in the six states.

PUBLIC ELEMENTARY AND SECONDARY SCHOOL ENROLLMENT

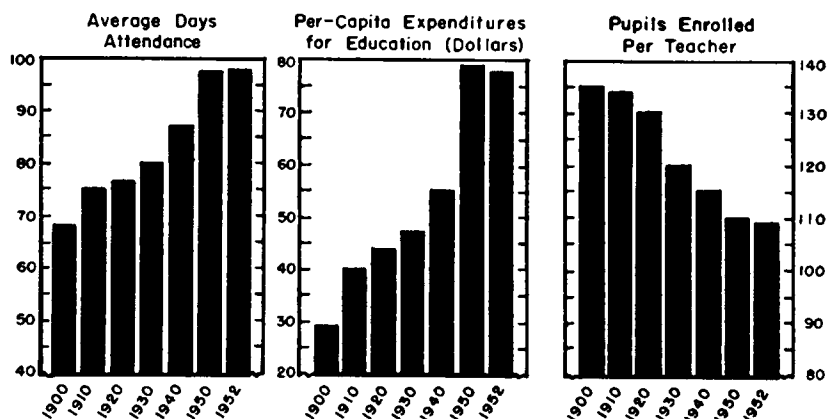
Sixth District States and United States



Tremendous strides have been made in the educational level in the South, which has been basic to a more efficient labor force. A larger proportion of children of school age is now enrolled in the public elementary and secondary schools in the Sixth District states, for example, than in the United States.

PUBLIC ELEMENTARY AND SECONDARY SCHOOLS

Sixth District States as Percent of U. S. Average



Three measures of the quality of public elementary and secondary education in the District show striking gains relative to the United States. In the District states the length of the school term, measured by average daily attendance, is now about equal to the national average, and the differentials between per-capita expenditures and teacher load are rapidly narrowing.

BETTER EDUCATED

"The striking rise of the educational level in the South during the past several decades has made it possible for an industrialist establishing a plant below the Mason-Dixon line to anticipate that his employees will be basically literate. . . . Employers are able to set rather high educational requirements and expect them to be met." So wrote Eli Ginzberg and D. W. Bray in their book *The Uneducated* in 1953. It is remarkable that such a statement can be made today, since education is almost entirely a state and local responsibility and progress has therefore had to be made almost entirely without outside help.

A comparison of conditions at the beginning of the century with those at present shows vividly how much has been accomplished. In 1900, only two-thirds of the children of school age in the area were attending public schools and then only for an average of 67 days a year. Per-capita expenditures for public education in the District states were only a little over one-fourth as great as in the nation.

During the early years of the twentieth century, improvement was slow. By 1930, however, the proportion of children of school age attending schools in the District states was as large as that in the United States, and classes were being cut in size. But beginning with 1930, strenuous efforts were taken to improve public education, and a decade later Southern educational practices were, in some respects, equal to those prevailing throughout the nation. The latest available data, those for 1952, show not only as great a proportion of children of school age in the South attending school as in the nation but also that the average days attendance was only 2.2 percent less than in the nation; per-capita expenditures, only 22 percent less; and the teacher load, only 9 percent greater.

The increased efficiency of the working force resulting from better elementary and secondary education will not be realized completely for many years. Nevertheless, the improvement in the educational level is already striking. In 1920, the illiteracy rate of the South was twice that of the nation. By 1940, however, 72 percent of the persons twenty-five years of age or over had completed at least the fifth grade. By 1950, only one-fifth lacked at least a fifth grade education, and 41 percent had gone to high school. It will not be too long, provided the present rate of progress continues, before the educational level of this section will be equal to that of other parts of the country.

The South has also done much to improve its higher education. In 1930, only a little over half as many young men and women in the District states, in proportion to the number in their age group, were attending college as in the United States as a whole. But in 1950, the proportion of college students in the District states was almost 70 percent as great as that for the country. Along with this increased attendance has come improvement in facilities and a higher set of standards.

In the South, as in the nation, there is, of course, still much to be done to improve elementary, secondary, and higher education and to provide the technical, scientific, and vocational training needed for further economic progress. But in view of the difficulties and handicaps that have been overcome in the past, there is no reason to doubt the ability of our region to advance still further in this field.

A NEW ECONOMIC FRONTIER

This review of the region's economic development is largely a record of change. The people of the Sixth District are now doing different things, in different ways, with different tools and equipment. If the past record is any guide, it tells us that in the future further changes may be expected to accompany continued economic growth.

The American economy, we are told, is capable of impressive expansion in real income. If any one of various current projections is borne out, per-capita income even within ten years could be substantially greater than it is now. Thus, if the South merely keeps pace with the expected economic growth of the nation, Southerners can expect to receive, on an average, higher incomes in the future. The basic problem of Southern income, however, is to lift per-capita income to the national level. This study has shown the progress that has been made toward reaching the goal. Considering the expected growth in national income, therefore, many more structural and operational changes in the region's economy will be needed if we are to further improve our position relative to the nation.

Can these structural and operational changes be made at the same rate as heretofore? There are difficulties, of course, in doing so. For one thing, the unused labor reserve on farms and in rural areas is smaller than it was. Moreover, now that education is shared by practically everyone, increased efficiency of the labor force from this cause may be less striking in the future than in the past, although the quality if not the quantity of education may be improved. We must remember, too, that natural resources tend to diminish rather than to multiply. Despite these considerations, however, the South may still be considered a new frontier. Having only recently been awakened from nearly a half century of apathy following the Civil War, it has made remarkable progress. But there is still a long road ahead.

No one knows, of course, what changes the future will bring. Without a doubt, scientific discovery and technological innovation will play an increasingly important role everywhere. In that kind of setting, the South may turn the skills developed through its industrial experience of the past twenty-five years and its investment in education into even more productive work. And more productive work, in the future as in the past, will continue to yield higher incomes and a better living for all.

REVIEW OF BANKING DEVELOPMENTS

The expansion in economic activity in the Sixth Federal Reserve District, reviewed in the foregoing section, continued during 1955 and was reflected in an enlargement of the Bank's financial operations and in the volume of its service functions. Several phases of a building program, inaugurated to take care of the heavier work load at the Bank and its Branches, were continued or completed during the year. Additions to membership and to the number of banks on the Par List further widened the scope of the Bank's operations.

CHANGES IN THE BANK'S FINANCIAL STATUS

Total assets of the Federal Reserve Bank of Atlanta amounted to \$2,686 million at the end of 1955, representing a gain of \$56 million for the year. Primarily responsible for the over-all gain in assets were increases of \$14 million in discounts and advances and \$65 million in uncollected cash items. Partly offsetting these increases in principal assets were declines of \$16 million in gold certificate reserves, \$9 million in System Account participations, and \$6 million in other cash.

Total liabilities of the Federal Reserve Bank of Atlanta increased by \$54 million. This over-all increase reflected a rise of \$59 million in deferred availability cash items and a rise of \$11 million in Federal Reserve notes of this Bank in actual circulation. Against these increases in liabilities was a decline of \$15 million in total deposit liabilities, of which member bank reserve accounts represent the major part.

At the end of 1955, the reserve ratio of the Federal Reserve Bank of Atlanta was 40.8 percent, against 41.4 percent at the end of 1954. The minimum legal reserve ratio is 25 percent.

Capital Accounts amounted to \$51,712,412 at the end of 1955, a gain of \$2,866,439 for the year. Responsible for \$1,489,250 of the increase was the enlargement of the capital paid-in account pursuant to statutory requirements governing capital stock subscriptions of

FEDERAL RESERVE BANK OF ATLANTA
STATEMENT OF CONDITION

ASSETS	Dec. 31, 1955	Dec. 31, 1954
Gold Certificates	\$ 889,110,558	\$ 904,578,184
Redemption Fund for Federal Reserve Notes	53,717,150	53,930,638
Total Gold Certificate Reserves	\$ 942,827,708	\$ 958,508,822
Federal Reserve Notes of Other Banks	48,161,350	42,242,500
Other Cash	27,113,269	33,004,501
Discounts and Advances	19,743,000	5,733,333
U. S. Government Securities:		
System Account	1,259,018,000	1,267,589,000
Total Loans and Securities	\$1,278,761,000	\$1,273,322,333
Uncollected Cash Items	376,498,830	311,507,770
Bank Premises (net)	4,044,569	3,878,912
Other Assets	9,002,541	7,610,643
Total Assets	<u>\$2,686,409,267</u>	<u>\$2,630,075,481</u>
 LIABILITIES		
Federal Reserve Notes in Actual Circulation	\$1,398,443,220	\$1,387,727,900
Deposits:		
Member Bank Reserve Accounts	851,419,928	866,804,122
U. S. Treasurer—General Account	39,760,304	38,350,452
Foreign	16,598,000	20,726,000
Other Deposits	5,765,118	3,612,582
Total Deposits	\$ 913,543,350	\$ 929,493,156
Deferred Availability Cash Items	322,119,011	263,480,472
Other Liabilities	591,274	527,980
Total Liabilities	<u>\$2,634,696,855</u>	<u>\$2,581,229,508</u>
 CAPITAL ACCOUNTS		
Capital Paid In	\$ 13,692,400	\$ 12,203,150
Surplus (Section 7)	30,841,102	29,480,094
Surplus (Section 13b)	762,426	762,426
Reserves for Contingencies	6,416,484	6,400,303
Total Capital Accounts	<u>\$ 51,712,412</u>	<u>\$ 48,845,973</u>
Total Liabilities and Capital Accounts	<u>\$2,686,409,267</u>	<u>\$2,630,075,481</u>

member banks. As their capital accounts increase, member banks are required to subscribe to additional stock in the Federal Reserve Bank equivalent to 6 percent of the increase and must pay one-half the subscription in cash to the Federal Reserve Bank.

Payments on capital stock issues for 1955 for this purpose amounted to \$1,400,750. An additional \$105,000 was paid in by banks admitted to membership during the year. There was a charge against the capital stock account of \$16,500 because of the withdrawal of one bank from membership.

Total current earnings for 1955 amounted to \$21,503,460, or approximately \$900,000 less than the \$22,437,993 for 1954. These earnings were derived from interest on United States Government securities held by the System Account, amounting to \$20,474,183, earnings on discounts and advances of \$1,015,249, and other earnings amounting to \$14,028. For 1955 as compared with 1954, earnings from System Account holdings dropped \$1,671,419 and earnings from discounts and advances rose by \$738,605.

Current expenses for the year amounted to \$7,087,330, which was \$133,970 less than the 1954 amount. Notable decreases in expenses were in Original Cost and Cost of Redemption of Federal Reserve Currency, including shipping charges. All told, these reductions in expenses amounted to \$341,650 for 1955 and were made possible primarily through a change in statutory authority which permitted any Federal Reserve Bank to pay out fit notes of another Federal Reserve Bank.

Net earnings before payment to the United States Treasury amounted to \$14,394,746 for 1955, or \$771,207 less than 1954 earnings. Of these earnings, there was paid to the Treasury the sum of \$12,249,151, representing an interest charge on outstanding Federal Reserve notes not collateralized by gold certificates. Dividends paid to member banks on their stockholdings amounted to \$784,588, which, in reflection of the larger amount of capital stock paid in, was \$76,648 larger than for 1954. The remaining net earnings, in the amount of \$1,361,007, were transferred to regular surplus (Section 7).

VOLUME OF OPERATIONS

With minor exceptions, the volume of service functions performed by the Bank during the year was larger than it was for 1954. In

EARNINGS AND EXPENSES

	1955	1954
Total Current Earnings	\$21,503,460	\$22,437,993
Net Expenses	7,087,330	7,221,300
Current Net Earnings	<u>\$14,416,130</u>	<u>\$15,216,693</u>
Additions to Current Net Earnings:		
Profit on Sales of U. S. Government Securities (net)	—	\$ 26,876
All Other	<u>\$ 122</u>	<u>85</u>
Total Additions	\$ 122	\$ 26,961
Deductions from Current Net Earnings:		
Loss on Sales of U. S. Government Securities (net)	\$ 39	—
Reserves for Contingencies	16,181	\$ 27,001
All Other	<u>5,286</u>	<u>50,700</u>
Total Deductions	\$ 21,506	\$ 77,701
Net Deductions	<u>21,384</u>	<u>50,740</u>
Net Earnings Before Payment to U. S. Treasury	<u>\$14,394,746</u>	<u>\$15,165,953</u>
Paid U. S. Treasury (Interest on Federal Reserve Notes)	\$12,249,151	\$13,012,038
Dividends Paid	784,588	707,940
Transferred to Surplus (Section 7)	1,361,007	1,445,975

response to the money market situation and the expanding business at member banks, loan and discount activity was sharply higher. There was a gain of 143 percent in the number and 200 percent in the amount of discounts and advances made during the year.

Combined currency and coin handled during the year was the largest on record in both number of pieces and dollar volume. The number of pieces and dollar volume of coin received and counted increased substantially—12 percent in number and 17 percent in volume. On the other hand, the number of pieces and dollar volume of currency sorted and counted were about the same in 1955 as in 1954. These percentage gains are especially significant inasmuch as the year 1954 marked the earlier all-time high in such volume.

Check collection activities in both number of items and dollar amounts were also higher than for 1954. In number of items handled,

VOLUME OF OPERATIONS IN PRINCIPAL DEPARTMENTS OF
THE FEDERAL RESERVE BANK OF ATLANTA
(INCLUDING BRANCHES) DURING 1955 AND 1954

Item	1955	1954	Percent Change
	Number of Pieces Handled from 1954		
Discounts and advances	1,317	543	+ 143
No. of banks accommodated by rediscounts and advances	70	55	+ 27
Industrial loans	—	12	
Currency sorted and counted	325,936,000	325,999,000	+ 0
Coin received and counted	603,297,000	538,951,000	+ 12
Check collection:			
City checks	28,971,000	28,160,000	+ 3
Country checks	117,072,000	107,783,000	+ 9
Gov't checks payable:			
By U. S. Treasurer	5,385,000	5,127,000	+ 5
Through own office	25,265,000	23,712,000	+ 7
Through other F. R. offices	20,703,000	19,552,000	+ 6
Postal money orders	33,210,000	32,003,000	+ 4
Noncash collection:			
City collections	288,568	268,906	+ 7
Country collections	187,995	180,038	+ 4
Issues, redemptions, and exchanges by Fiscal Agency:			
U. S. Savings Bonds	9,314,130	8,829,443	+ 5
Treasury Issues	225,218	266,940	— 16
Other U. S. Gov't agencies	1,244	1,098	+ 13
Coupons paid:			
U. S. Gov't direct obligations	420,551	416,667	+ 1
All other	4,023	3,186	+ 26
Transfers of funds	147,168	132,864	+ 11
Item	Amounts Handled (Dollars)		
Discounts and advances	5,201,337,000	1,735,988,000	+ 200
Industrial loans	—	549,000	
Currency sorted and counted	1,992,889,000	1,986,615,000	+ 0
Coin received and counted	52,504,000	45,015,000	+ 17
Check collection:			
City checks	38,088,012,000	34,025,633,000	+ 12
Country checks	31,881,279,000	27,185,257,000	+ 17
Gov't checks payable:			
By U. S. Treasurer	3,189,482,000	2,998,930,000	+ 6
Through own office	2,989,344,000	3,117,384,000	— 4
Through other F. R. offices	2,256,999,000	1,997,597,000	+ 13
Postal money orders	603,674,000	574,882,000	+ 5
Noncash collection:			
City collections	164,076,000	153,396,000	+ 7
Country collections	68,147,000	73,793,000	— 8
Issues, redemptions, and exchanges by Fiscal Agency:			
U. S. Savings Bonds	892,154,049	991,824,436	— 10
Treasury Issues	7,503,501,021	7,631,154,474	— 2
Other U. S. Gov't agencies	13,944,020	118,574,840	— 88
Coupons paid:			
U. S. Gov't direct obligations	54,989,000	40,782,000	+ 35
All other	382,000	156,000	+ 145
Transfers of funds	41,306,158,000	37,765,455,000	+ 9

city checks increased 3 percent, country checks 9 percent, Government checks 5 to 7 percent, and postal money orders 4 percent. The dollar volume of checks handled showed even greater increases. Dollarwise, city and country checks rose by 12 percent and 17 percent, respectively. Dollar volume of Government checks payable by the United States Treasurer increased 6 percent and Government checks payable through other Federal Reserve offices increased 13 percent, but Government checks payable through our own offices declined 4 percent. Postal money order dollar volume increased 5 percent. As in the case of currency and coin, the year 1954 had marked the previous all-time high in number and dollar volume of checks handled.

Because of certain changes in procedures and a reduction in Treasury operations, the work performed by the Bank as fiscal agent of the Treasury was somewhat lighter in 1955 than in 1954. Lessened activity was notable in issues, redemptions, and exchanges. Both in number of items and dollar volume, however, coupons paid and transfers of funds showed increases.

BUILDING PROGRAM

For some years now, the Bank has had underway a building program designed to relieve crowded working conditions at the main office and certain of the Branches.

Pursuant to this program, the Jacksonville Branch has been provided with new quarters at 515 Julia Street. In Atlanta, the main building and the annex (formerly the Silvey Building) have been connected in order to provide off-street intercommunication between the two buildings and to improve the security arrangements of the Bank. Certain decks of the connecting structure are currently being used for parking purposes.

Plans are being made for a new building and structural changes at the Birmingham Branch and for a new building at the Nashville Branch.

CHANGES IN MEMBERSHIP IN THE SIXTH DISTRICT

Membership of banks in the Federal Reserve System in the Sixth Federal Reserve District has shown a consistent though moderate gain in recent years. At the close of 1945, there were only 325 member banks in the District, of which 268 were national banks and 57

state banks. With each succeeding year, however, there have been a few additions, and at the close of 1955, there were 381 member banks—312 national banks and 69 state banks.

During 1955, the changes in membership reflected the admission of nine newly organized banks, one conversion from state member bank to a national bank, and the withdrawal from membership of two banks. Of the new banks admitted as members, five were in Florida, one each in Louisiana and Mississippi, and two in Tennessee. The five Florida banks were the Wilton Manors National Bank, Central National Bank of Jacksonville, The Florida National Bank at Arlington, the City National Bank of Clearwater, and the Bank of Crestview. The Louisiana bank was the National Bank of Commerce in Jefferson Parish, and the Mississippi bank was the First National Bank of Biloxi. The two Tennessee banks were the National Bank of Murfreesboro and the First National Bank of Clinton. The American Bank, Fort Lauderdale, Florida, was converted from a state member bank to the American National Bank of Fort Lauderdale.

Of the two withdrawals, one was the First National Bank of Newnan, Newnan, Georgia, which converted to a state bank under the name of Citizens and Southern Newnan Bank, and the other was that of the Louisiana Bank and Trust Company which merged with the National Bank of Commerce in New Orleans.

ADDITIONS TO PAR LIST

At the end of 1955, there were 1,266 banks in the Sixth Federal Reserve District. Of this number, 680 were on the Federal Reserve Par List, meaning that they remit at par for checks sent to them by the Federal Reserve Bank. During the year, the number of banks on the Par List increased by a net amount of 25; there was no net change in the number of nonpar banks. Of the par banks, 312 were national banks, 69 were state-chartered member banks, and 299 were non-member banks.

Among the three states which lie entirely within the Sixth District, Alabama had 144 banks on the Par List out of 239 commercial banks; Florida had 181 out of 228; and Georgia had 121 out of 406. In the Sixth District portions of the three states which lie partly in the District, Louisiana had 42 par banks out of 101; Mississippi 25 out of 93; and Tennessee 167 out of 199.

FEDERAL RESERVE BANK OF ATLANTA

DIRECTORS

CLASS A

Elected by Member Banks

(Bank Group) Term Expires Dec. 31

ROLAND L. ADAMS	3	1956
President, Bank of York York, Alabama		
W. C. BOWMAN	1	1957
Chairman, Board of Directors The First National Bank of Montgomery Montgomery, Alabama		
WILLIAM C. CARTER	2	1958
Chairman, Board of Directors, and President Gulf National Bank of Gulfport Gulfport, Mississippi		

CLASS B

Elected by Member Banks

(non-bank member) Term Expires Dec. 31

A. B. FREEMAN	1	1956
Chairman, Board of Directors Louisiana Coca-Cola Bottling Co., Ltd. New Orleans, Louisiana		
POLLARD TURMAN	2	1957
President, J. M. Tull Metal & Supply Company, Inc. Atlanta, Georgia		
DONALD COMER	3	1958
Chairman, Board of Directors Avondale Mills, Birmingham, Alabama		

CLASS C

Appointed by the Board of Governors of the Federal Reserve System

WALTER M. MITCHELL, Chairman of F	1958
Vice President and Director, Draper Corporation Atlanta, Georgia	
HARLEE BRANCH, JR., Deputy Chairman	1956
President, Georgia Power Company Atlanta, Georgia	
H. G. CHALKLEY, JR.	1957
President, Sweet Lake Land and Oil Company, Inc. Lake Charles, Louisiana	

OFFICERS

MALCOLM BRYAN, *President*

LEWIS M. CLARK
First Vice President

DOWDELL BROWN, JR.
Assistant Vice President

V. K. BOWMAN
Vice President

F. H. MARTIN
Assistant Vice President

J. E. DENMARK
Vice President

I. H. MARTIN
Assistant Vice President

JOHN L. LILES, JR.
Vice President and Cashier

J. E. MCCORVEY
Assistant Vice President

HAROLD T. PATTERSON
*Vice President and General
Counsel*

R. E. MILLING
Assistant Vice President

L. B. RAISTY
Vice President

CHARLES T. TAYLOR
Assistant Vice President

E. L. RAUBER
*Vice President and Director
of Research*

FRED I. BRECK
Assistant Cashier

S. P. SCHUESSLER
Vice President

BROWN RAWLINGS, JR.
Assistant General Auditor

GEO. W. SHEFFER, JR.
Chief Examiner

Member Federal Advisory Council

COMER J. KIMBALL
Chairman, Board of Directors
The First National Bank of Miami
Miami, Florida

Industrial Advisory Committee

I. C. MILNER
President, Gate City Mills Company
East Point, Georgia

SHANNON M. GAMBLE
Executive Vice President
Standard-Coosa-Thatcher Company
Chattanooga, Tennessee

LUTHER H. RANDALL
President, Randall Brothers, Inc.
Atlanta, Georgia

GEORGE WINSHIP
President, Fulton Supply Company
Atlanta, Georgia

BIRMINGHAM BRANCH

DIRECTORS

Appointed by the Board of Governors of the Federal Reserve System

	<i>Term Expires Dec. 31</i>
ADOLPH WEIL, SR., <i>Chairman</i>	1956
President, Weil Brothers Cotton, <u>Inc.</u> Montgomery, Alabama	
EDWIN C. BOTTCHER	1957
<u>Farmer</u> , Cullman, Alabama	
JOHN E. URQUHART	1958
President, Woodward Iron <u>Company</u> Woodward, Alabama	

Appointed by the Board of Directors, Federal Reserve Bank of Atlanta

JOHN WILL GAY	1956
President, The First National <u>Bank</u> of Scottsboro Scottsboro, Alabama	
MALCOLM A. SMITH	1957
First Vice President, Birmingham Trust National <u>Bank</u> Birmingham, Alabama	
ROBERT M. CLECKLER	1958
President, First National <u>Bank</u> of Childersburg Childersburg, Alabama	
E. W. McLEOD	1958
President, The Morgan County National <u>Bank</u> of Decatur Decatur, Alabama	

OFFICERS

H. C. FRAZER <i>Vice President and Manager</i>	MELVIN McILWAIN <i>Assistant Cashier</i>
E. C. RAINEY <i>Assistant Vice President</i>	WM. A. WALLER, JR. <i>Assistant Cashier</i>

JACKSONVILLE BRANCH

DIRECTORS

Appointed by the Board of Governors of the Federal Reserve System

	<i>Term Expires Dec. 31</i>
McGREGOR SMITH, <i>Chairman</i>	1956
Chairman, Board of Directors Florida Power & Light <u>Company</u> , Miami, Florida	
J. WAYNE REITZ	1957
President, University of Florida Gainesville, Florida	
HARRY M. SMITH	1958
President and Manager, Winter Garden Ornamental Nursery, Inc. Winter Garden, Florida	

Appointed by the Board of Directors, Federal Reserve Bank of Atlanta

JAMES G. GARNER	1956
President, Little River Bank and Trust Company Miami, Florida	
JAMES L. NIBLACK	1957
President, The First National <u>Bank</u> of Lake City Lake City, Florida	
LINTON E. ALLEN	1958
Chairman, Board of Directors First National Bank at Orlando Orlando, Florida	
W. E. ELLIS	1958
Chairman, Board of Directors, and President The Commercial Bank & Trust Company of Ocala Ocala, Florida	

OFFICERS

T. A. LANFORD <i>Vice President and Manager</i>	J. W. SNYDER <i>Cashier</i>
T. C. CLARK <i>Assistant Vice President</i>	C. MASON FORD <i>Assistant Cashier</i>

NASHVILLE BRANCH

DIRECTORS

Appointed by the Board of Governors of the Federal Reserve System

	<i>Term Expires Dec. 31</i>
FRANK B. WARD, <i>Chairman</i>	1956
Dean, College of Business Administration University of Tennessee, Knoxville, Tennessee	
A. CARTER MYERS	1957
Treasurer, Knoxville Fertilizer Company Knoxville, Tennessee	
ERNEST J. MOENCH	1958
President, Tennessee Tufting Company Nashville, Tennessee	

Appointed by the Board of Directors, Federal Reserve Bank of Atlanta

W. E. TOMLINSON	1956
President, The Hamilton National Bank of Johnson City Johnson City, Tennessee	
J. R. KELLAM, JR.	1957
Executive Vice President Commerce Union Bank, Nashville, Tennessee	
STEWART CAMPBELL	1958
President, The Harpeth National Bank of Franklin Franklin, Tennessee	
C. L. WILSON	1958
President, The Cleveland National Bank Cleveland, Tennessee	

OFFICERS

R. E. MOODY, JR. <i>Vice President and Manager</i>	L. W. STARR <i>Cashier</i>
W. H. SEWELL <i>Assistant Vice President</i>	STUART H. MAGEE <i>Assistant Cashier</i>

NEW ORLEANS BRANCH

DIRECTORS

Appointed by the Board of Governors of the Federal Reserve System

	<i>Term Expires Dec. 31</i>
E. E. WILD, <i>Chairman</i> Rice Grower, Midland, Louisiana	1956
JOEL L. FLETCHER, JR. President, Southwestern Louisiana Institute Lafayette, Louisiana	1957
G. H. KING, JR. Vice President, King Lumber Industries Canton, Mississippi	1958

Appointed by the Board of Directors, Federal Reserve Bank of Atlanta

LEON J. MINVIELLE President, The Peoples National Bank of New Iberia New Iberia, Louisiana	1956
D. U. MADDOX President, The Commercial National Bank and Trust Company of Laurel Laurel, Mississippi	1957
H. A. PHARR President, The First National Bank of Mobile Mobile, Alabama	1958
WILLIAM J. FISCHER President, Progressive Bank and Trust Company New Orleans, Louisiana	1958

OFFICERS

M. L. SHAW
Vice President and Manager

L. Y. CHAPMAN
Cashier

R. M. STEPHENSON
Assistant Vice President

R. M. JUNCA
Assistant Cashier