



FEDERAL RESERVE BANK OF ATLANTA

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Sixth District in 1944

INDUSTRIAL and business activity and farm and nonfarm income in the Sixth District were maintained near peak levels in 1944. Though some indexes have declined from their wartime peaks, no substantial change in the overall situation has yet appeared.

►Consumption of cotton in District textile mills reached its peak as early in the war period as the autumn of 1942. During 1944 consumption in Alabama, Georgia, and Tennessee mills averaged something more than 50 per cent higher than the prewar levels of 1935-39. The year's peak was reached in February at 168, based on 1935-39 as 100, and the year's low of 147 was recorded in July.

Coal production in Alabama and Tennessee rose substantially in the first half of the year and during May and June was almost twice as large as in the five prewar years 1935-39. Since June, however, production has been falling and in November was at 163 per cent of the prewar average.

Despite significant new discoveries of petroleum reserves in Mississippi this year, production of crude petroleum has shown little increase. Throughout the year the index based on production figures in Mississippi and coastal Louisiana has remained in the neighborhood of 200 (1935-39=100).

Maintenance of industrial activity during 1944 at a more or less constant level in the District is reflected in the index of electric-power production, which fluctuated between 150 and 170 per cent of the 1935-39 average. Production of fuel-generated electric power has increased more rapidly during the war than has hydroelectric power production.

A marked decline in construction was recorded in the District. In December 1943, the construction contracts let amounted to 170 per cent of the prewar average. The index dropped almost 100 points the next month, never rose as high as 120 afterward, and in November stood at 68 per cent of the prewar level.

►Manufacturing employment in the District showed little change, another reflection of the relatively stable level of industrial activity during the year. The index throughout the year has approximated 160 per cent of the 1939 average, showing little seasonal fluctuation. The experience of the states in the District has varied somewhat, however.

Manufacturing employment in Florida has declined slightly during the year but is still far above the District Average.

Manufacturing employment in Alabama has maintained its large wartime gains, with the state index remaining near 190 per cent of prewar. Tennessee employment in manufacturing industry has been between 135 and 140 per cent greater than the 1939 figure, the state's index remaining below that of the other states of the District throughout 1944. Employment in Mississippi industries has experienced the largest percentage fluctuations in the District, falling by about 10 index points between December 1943 and June 1944 and then recovering this loss by September. Manufacturing employment in both Louisiana and Georgia showed little change over most of the year.

►The turnover of demand deposits in District banks was substantially below prewar levels throughout the year, with marked increases in the rate occurring during each of the year's three war-loan drives. Debits to demand accounts were, of course, substantially above prewar levels, but the tremendous increase during the war in the size of demand deposits has more than offset the increase in debits so that the rate of turnover is now only about two thirds of the prewar rate.

The success of the price-stabilization program is reflected in the District cost-of-living index, which remained virtually unchanged throughout the year. The cost of living in the large cities of the District now averages about 30 per cent higher than prewar levels.

Increased incomes, reflecting both increased manufacturing employment over prewar levels and a substantial rise in farm income in the District, have resulted in a continuing rise in department-store sales during the year. On a seasonally adjusted basis, in the large cities of the District these sales were running about 25 per cent higher late in 1944 than at the end of 1943.

►The current high level of incomes in the District and the active state of business were also reflected in increases in the volume of debits to individual bank accounts during the year. In several cities of the District percentage increases in debits in 1944 over those of 1943 were of large magnitude despite the fact that the 1943 volume attained record levels. In Alabama, Anniston banks reported debits to individual accounts in the first 11 months of 1944 up 29 per cent over the comparable period of 1943. Increases of from 4 to 8 per cent



were recorded in Montgomery, Mobile, Gadsden, Dothan, and Birmingham. Miami led Florida reporting centers with a 35 per cent increase in debits to individual accounts for the January 1-November 30 period. St. Petersburg registered an increase of 20 per cent, and Jacksonville, Pensacola, and Tampa reported increases approaching 10 per cent. Debits fell 5 per cent in Orlando. In Georgia, Elberton banks reported debits to individual accounts 16 per cent greater than they reported in the first 11 months of 1943. Savannah, Albany, Valdosta, and Atlanta debits were up about 10 per cent. Smaller gains were recorded in Augusta, Brunswick, Columbus, Macon and Newnan.

New Orleans was the only reporting center in the Sixth District portion of Louisiana to register an increase: 14 per cent. Debits to individual bank accounts in Baton Rouge and Lake Charles were unchanged from those of last year. In the Sixth District portion of Mississippi, Jackson recorded a 13 per cent gain in debits between January 1 and December 1 over debits for the similar period of 1943. Meridian and Hattiesburg had increases of 9 and 8 per cent respectively, but Vicksburg experienced a 2 per cent decline. Knoxville's increase of 63 per cent was the largest in the District. The other two reporting centers in Sixth District Tennessee, Nashville and Chattanooga, registered small increases of less than 5 per cent.

Naval Stores Stocks Decline

The naval-stores industry in the District has been handicapped by severe labor shortages during 1944. The result is that, despite favorable prices, the production of naval stores this year is the smallest in decades. During the first six months of the current naval-stores year, April 1 to October 1, were produced 159,000 barrels (50 gallons) of gum turpentine and 110,000 barrels of wood turpentine. In the similar period of 1943 about the same amount of wood turpentine was produced, 112,000 barrels, but production of gum turpentine was substantially higher, 186,000 barrels. The carry-over on April 1 was slightly larger than it was on the same day last year, but consumption was much larger in the spring and summer this year and, as a result, the carry-over on September 30, 1944, was only 258,000 barrels, compared with 315,000 on September 30 a year ago.

On April 1, 1943, stocks of rosin in the United States totaled 1,284,000 drums (520 pounds net), but the carry-over on April 1, 1944, was only 795,000 drums. Production of wood rosin from April 1 to October 1, 1944, declined 39,000 barrels, compared with the same six months in 1943, and production of gum rosin was less by 76,000 barrels. Current consumption of rosin, including exports, for which separate figures are not available, declined from 1,009,000 drums in the spring and summer of 1943 to 862,000 drums in the similar period of 1944. Nevertheless, stocks of rosin of the lighter grades are virtually exhausted and the total carry-over on September 30, 1944, was only 662,000 drums, compared with 1,119,000 on September 30, 1943.

The production of gum turpentine and rosin is a seasonal industry. About 65 per cent of the 1943-44 production was achieved between April 1 and October 1. Indications are that the season is being terminated somewhat earlier this year, so that the reduced carry-over at the end of the summer this year will undoubtedly be further reduced by the spring of 1945.

►In the District's large lumber industry, shortages of labor, gasoline, heavy-duty tires, and trucks have seriously handicapped the production drive. In the first year or so of the war, lumber was looked upon as a plentiful material that could serve in many ways as a substitute for scarce metals. By the end of 1944, however, the lumber situation had become critical while aluminum and magnesium programs were being cut back and the supply of steel was easier. The shortage of lumber results not only from production difficulties in the woods, complicated by an early winter, but also from ever-rising military demands. Reconstruction of wrecked port facilities in Europe and the ever-increasing demand for lumber for packaging materiel for shipment abroad have brought about critical shortages of Southern pine and hardwoods, and virtually no cypress has been available for civilian use in many months. There is little prospect of improvement in this situation until one of the wars reaches its end.

►The citrus industry in Florida has been enjoying unparalleled prosperity. In the current season, early freezes and the October hurricane have damaged the crop but, even so, production this season will far exceed the prewar average. Prices are higher than they were in prewar years and, all in all, the prospects of the Florida citrus industry for 1945 are excellent.

Early vegetables in Florida also have been damaged by the hurricane and by freezes, but some replanting has been done. The demand is almost certain to remain good, with prices firm, in 1945 so that the truck farmers will enjoy another prosperous season. Tobacco growers of the District had another good year in 1944 and seem likely to repeat this success in 1945.

Cotton Yield Increases

Cotton growers in Alabama, Florida, Georgia, Louisiana, Mississippi, and Tennessee have produced a crop of cotton this year amounting to 5,037,000 bales, according to the last monthly estimate made by the United States Department of Agriculture on the basis of conditions on December 1. The crop in these six states is apparently 1,003,000 bales, or 17 per cent, larger than was expected at the time of the first estimate of the season, August 1, and is 144,000 bales larger than the 1943 production in these states.

This year's crop is smaller than that of last year by 4 per cent in Georgia, 15 per cent in Louisiana, and 25 per cent in Florida, a small cotton-growing state. Alabama, however, produced 5 per cent more cotton than it did in 1943, Mississippi 9 per cent more, and Tennessee 16 per cent more. Harvested acreage was less in each of the six states than it was in 1943. For the six states combined the decrease was 10 per cent, while for the individual states the reductions were 6 per cent for Tennessee and Mississippi, 10 per cent for Louisiana, 12 per cent for Alabama, 16 per cent for Georgia, and 23 per cent for Florida.

Per acre yields, however, were larger than those of a year ago, except in Louisiana, the increase for the six states averaging 8.2 per cent. The yield in Louisiana was 6 per cent less than it was in 1943, but increases in the other five states ranged up to 24 per cent, in Tennessee. The Georgia yield is reported to be the highest ever attained in the state, but the harvested acreage is the smallest in 73 years. The indicated yield in Alabama is also the highest on record in that state

Reconnaissance

Sixth District Statistics for November 1944 compared with November 1943

PER CENT DECREASE ▼ PER CENT INCREASE

Department Store Sales

Department Store Stocks

Furniture Sales

Petroleum Production

Cotton Consumption

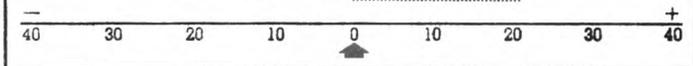
Gasoline Tax Collections

Bank Debits

Member Bank Loans

Member Bank Investments

Demand Deposits-Adjusted



—56 pounds larger than the 1943 yield, and 114 pounds greater than the 1933-42 average. In Mississippi, this year's yield is the largest of any of the Sixth District states and 125 pounds greater than the 10-year average for Mississippi. The yield in Tennessee this year has been exceeded only twice before in that state.

At the middle of December the 10-market average price for spot middling 15/16-inch cotton was 21.60 cents per pound, up somewhat over the previous week, and 1.85 cents higher than it was at the corresponding time a year earlier. According to the War Food Administration, spot prices for middling 15/16-inch cotton for the second week in December averaged 55 points under the December purchase price of the Commodity Credit Corporation, which was 22.11 cents per pound.

Current sales are in larger volume than they were a year ago, owing possibly to the later harvesting this year, but farmers are not offering freely at present market prices. The storage situation is reported to be improving over much of the belt, making it possible for additional quantities of cotton to enter the Government loan-and-purchase programs. Loans were reported on 1944-crop cotton for the season through December 9, amounting to 1,380,400 bales, compared with 2,346,300 bales through the corresponding week last year. CCC purchases through December 12 totaled 537,400 bales.

Shipyards Active

From the standpoint of employment, shipbuilding is the major new wartime industry of the District. This industry continued to operate near its peak in 1944. In the first 11 months of the year, all United States shipyards delivered 1,532 ships, aggregating 15 million deadweight tons. Of these, 337 were built in Sixth District yards.

Between January 1 and December 1, the Alabama Drydock and Shipbuilding Company at Mobile delivered 40 tankers. The other yard at Mobile, Gulf Shipbuilding Company, built five C-2 cargo ships and two C-type cargo vessels.

The J. A. Jones Construction Company yard at Panama City, Florida, has delivered 29 Liberty ships, 15 EC-2 cargo ships, and 1 special-type vessel. The St. Johns River Ship-

building Company at Jacksonville built 28 Liberty ships and 18 EC-2 cargo ships in the first 11 months of this year. The other major Florida shipyard, McCloskey and Company at Tampa, built 20 concrete vessels during the same period; 15 of these were cargo ships and 5 were barges.

Up to December 1 the J. A. Jones Construction Company at Brunswick, Georgia, had delivered 27 Liberty ships and 19 EC-2 cargo ships. The Southeastern Shipbuilding Corporation of Savannah delivered 24 Liberty ships and 16 EC-2 cargoes. Seven concrete barges were delivered by the MacEvoy Shipbuilding Corporation, also of Savannah.

The Delta Shipbuilding Company at New Orleans completed 31 Liberty ships, 5 emergency tankers, and 23 EC-2 cargo vessels between January 1 and December 1. Pendleton Shipyards, Inc., of New Orleans delivered four coastal cargo ships in the same period, and Avondale-Marine Ways, Inc., of Westwego, Louisiana, delivered six vessels of this type.

The Ingalls Shipbuilding Corporation at Pascagoula, Mississippi, delivered 17 vessels in the first 11 months of 1944. Of these, 6 were coastal cargo ships, 4 were C-3 cargo ships, 3 were C-type cargo ships, 3 were military types, and 1 was a special job.

The 12 District shipyards together completed 139 Liberty ships, 91 EC-2 cargo ships, 40 tankers, 16 coastal cargo vessels, 15 concrete cargo vessels, 12 concrete barges, 5 each of the emergency tankers, C-2 cargoes, and C-type cargoes, 4 C-3 cargoes, 3 military type vessels, and 2 special types.

Labor Supply Improves

Important labor-market areas are placed in four categories by the War Manpower Commission. Group I includes areas in which acute labor shortages that will endanger essential production exist or are anticipated. Group II areas are those in which there are labor shortages that may endanger essential production or areas that are approaching a balanced demand-and-supply situation. In Group III areas, the labor supply substantially balances the demand so far as essential production is concerned or a moderate labor surplus currently exists or is anticipated. Those labor-market areas in which there is a substantial labor surplus or in which such a surplus is expected to develop are classified as Group IV.

On December 1, 1944, six areas in the Sixth District were classified in Group I: Columbus, Macon, and Savannah, Georgia; Mobile, Alabama; Knoxville, Tennessee; and Pascagoula, Mississippi. A year earlier 10 areas in the District were so classified. Besides Columbus, Macon, Knoxville, Mobile, and Pascagoula, these included Pensacola, Panama City, and Jacksonville, Florida; Biloxi-Gulfport, Mississippi; and Brunswick, Georgia. Savannah, now classified in Group I, was in Group II on December 1, 1943.

On December 1, 1944, Biloxi-Gulfport; Brunswick and Rome, Georgia; Jacksonville, Panama City, Pensacola, and Tampa, Florida; Vicksburg and Jackson, Mississippi; New Orleans and Shreveport, Louisiana, were in Group II. A year earlier Atlanta, Augusta, and Savannah, Georgia; Jackson, Mississippi; Lakeland, Orlando, and Tampa, Florida; Florence, Talladega, and Tuscaloosa, Alabama; New Orleans and Lake Charles, Louisiana, were in Group II.

Key war-production areas in Groups III and IV, that is, areas in which there is sufficient labor available, on December 1, 1944, included Anniston, Birmingham, Florence, Gadsden, Huntsville, Talladega, Tuscaloosa, and Decatur, Alabama;

Sixth District Statistics

WHOLESALE SALES AND INVENTORIES—NOVEMBER 1944						
	SALES			Percent change		
	No. of Firms	Percent change Nov. 1944, from		No. of Firms	Nov. 1944, from	
		Oct. 1944	Nov. 1943		Oct. 1944	Nov. 1943
Automotive Supplies.....	13	+ 3	+ 15	10	+ 5	+ 16
Clothing.....	3	- 15	- 5	..	..	..
Shoes and Other						
Footwear.....	3	- 1	+ 5	..	..	..
Drugs and Sundries.....	9	+ 4	+ 9	3	- 1	+ 8
Dry Goods.....	10	- 23	+ 2	4	+ 18	+ 7
Fresh Fruits and						
Vegetables.....	5	- 8	+ 5	..	..	..
Farm Supplies.....	3	+ 8	+ 17	..	..	..
Confectionery.....	6	- 15	- 4	..	..	..
Groceries—Full Line						
Wholesalers.....	35	- 0	+ 4	16	+ 2	- 19
Groceries—Specialty						
Line Wholesalers.....	8	- 3	+ 13	5	+ 11	+ 17
Beer.....	4	- 5	- 11	4	+ 21	+ 10
Hardware—General						
Hardware.....	14	- 5	+ 9	5	- 1	+ 17
Supplies—Industrial						
Supplies.....	4	- 11	- 7	..	..	..
Machinery Equipment						
and Supplies.....	4	+ 8	+ 0	..	..	..
Paper and Its						
Products.....	4	+ 9	- 2	..	..	..
Tobacco and Its						
Products.....	11	+ 16	+ 4	3	+ 12	+ 1
Miscellaneous.....	9	- 6	- 12	16	- 6	- 12
TOTAL.....	145	- 3	+ 4	66	+ 3	- 3

DEBITS TO INDIVIDUAL BANK ACCOUNTS (In Thousands of Dollars)					
Area	Nov. 1944	Oct. 1944	Nov. 1943	Per Cent Change	
				Oct. 1944	Nov. 1943
ALABAMA					
Anniston.....	18,699	18,549	14,789	+ 1	+ 26
Birmingham.....	193,086	189,721	166,536	+ 2	+ 16
Dothan.....	9,261	10,198	8,694	+ 9	+ 7
Gadsden.....	12,113	12,009	10,500	+ 1	+ 15
Mobile.....	130,735	123,301	113,978	+ 6	+ 15
Montgomery.....	42,460	43,505	42,701	- 2	- 1
FLORIDA					
Jacksonville.....	174,563	157,698	166,686	+ 11	+ 5
Miami.....	110,969	108,934	101,413	+ 2	+ 9
Greater Miami*.....	154,605	145,009	126,891	+ 7	+ 22
Orlando.....	26,925	23,402	21,767	+ 15	+ 24
Pensacola.....	23,994	22,954	22,003	+ 2	+ 6
St. Petersburg.....	25,709	22,405	20,648	+ 15	+ 25
Tampa.....	80,259	69,261	74,425	+ 16	+ 8
GEORGIA					
Albany.....	12,707	10,905	11,092	+ 17	+ 15
Atlanta.....	488,516	492,164	442,369	- 1	+ 10
Augusta.....	34,030	35,286	30,278	- 4	+ 12
Brunswick.....	14,837	13,010	16,719	+ 14	- 11
Columbus.....	36,465	34,409	32,753	+ 6	+ 11
Elberton.....	2,095	2,471	1,867	+ 15	+ 12
Macon.....	41,909	46,366	40,500	- 10	+ 3
Newnan.....	5,805	5,318	4,486	+ 9	+ 29
Savannah.....	83,828	86,001	84,724	- 3	- 1
Valdosta.....	7,079	6,905	7,275	+ 3	- 3
LOUISIANA					
Baton Rouge.....	42,111	42,154	38,347	- 0	+ 10
Lake Charles.....	16,449	15,803	21,447	+ 4	- 23
New Orleans.....	451,758	450,468	402,776	+ 0	+ 12
MISSISSIPPI					
Hattiesburg.....	16,844	13,511	11,329	+ 25	+ 49
Jackson.....	50,000	52,877	48,738	- 5	+ 3
Meridian.....	17,624	18,529	15,344	- 5	+ 15
Vicksburg.....	23,406	23,598	20,865	- 1	+ 12
TENNESSEE					
Chattanooga.....	87,334	83,533	86,845	+ 5	+ 1
Knoxville.....	111,793	109,218	80,862	+ 2	+ 38
Nashville.....	173,228	174,656	176,897	- 1	- 2
SIXTH DISTRICT					
32 Cities.....	2,564,991	2,519,119	2,339,653	+ 2	+ 10
UNITED STATES					
334 Cities.....	77,706,000	73,861,000	65,025,000	- 5	+ 14

* Not included in totals

Lakeland, Miami, and Orlando, Florida; Augusta and Atlanta, Georgia; Baton Rouge and Lake Charles, Louisiana; and Chattanooga, Kingsport-Bristol, and Nashville, Tennessee. A year earlier about the same number of District labor-market areas had relatively easy labor-supply situations.

Banking figures are, perhaps, the best overall measure of the District business situation in 1944. Between December 20, 1943, and December 20, 1944, the reserve deposits of member banks in the Sixth District increased by 19 per cent and totaled 625 million dollars on the latter date. Circulation of Federal Reserve notes issued by the Atlanta Bank increased by 35 per cent over the same 12 months, reaching 1,269 million dollars on December 20, 1944.

The weekly reporting member banks in the Sixth District recorded an increase of 12 per cent in demand deposits (adjusted) between mid-December 1943 and mid-December 1944, and their time deposits increased 30 per cent. The total loans outstanding remained virtually unchanged, but investments increased 21 per cent over the year, owing chiefly to an increase in the banks' holdings of direct obligations of the United States Treasury.

Postwar Planning

A considerable amount of interest in postwar planning is evident in the District, and during the year both official and unofficial groups have devoted a great deal of attention to the postwar economic problems that are already taking shape. In Mississippi the 1944 legislature established an Agricultural and Industrial Board, reviving the state-sponsored industrialization program of 1936-40. Under the chairmanship of the governor, the board began operation effective July 1 with 20 directors. The board plans to encourage the location in Mississippi of industrial plants that will process the state's raw materials. The Georgia State Agricultural and Industrial Board has had an active year. Ten postwar-planning meetings have been held by the Georgia board in various points over the state as the first step in a five-year program for the encouragement of industrialization. The board is planning to pay particular attention to the problems of the smaller communities of the state where there is as yet no industrial activity.

Private firms have also in some instances announced postwar plans. The Southern Bell Telephone and Telegraph Company, for example, has announced that the extension of rural service is to be one of its major postwar aims when materials again become available. Also, the Florida Power and Light Company has made public announcement of plans for the postwar construction of a \$1,500,000 power plant in Sarasota. The new plant will have a generating capacity six times larger than Sarasota's present power consumption, for the company foresees a tremendous postwar expansion in Florida's west-coast area.

An interesting private program begun in 1944 is that of Cason Callaway who has sponsored the formation of 100 private farming corporations in Georgia. Each corporation is composed of seven stockholders who have each invested \$1,000. These corporations plan to buy land and spend several years building up the soil before engaging in commercial farming operations. The purpose of the plan is primarily to demonstrate the possibilities of profitable, diversified farming in Georgia on soil that has been properly developed for greater fertility.

Current Banking Events

AT THE close of this year, the Federal Reserve System had 316 member banks in the Sixth District. The number thus was the same as that at the beginning of the year, but several changes of one kind or another took place during the intervening 12 months.

Two entirely new banks were admitted to membership. These new banks were the Gulf National Bank of Gulfport, Gulfport, Mississippi, which opened for business on August 7, and the Florida National Bank at Coral Gables, Coral Gables, Florida, whose admission on December 28 is noted below.

Three state member banks became national banks. The American Bank and Trust Company of New Orleans on January 4 became the National American Bank of New Orleans; the Brunswick Bank and Trust Company of Brunswick, Georgia, on May 5 became the American National Bank of Brunswick; and the Commercial Bank and Trust Company of Knoxville, Tennessee, on June 5 became the Commercial National Bank. These conversions, of course, did not affect the total number of member banks in the District, because the banks were already members under state charters.

Two nonmember state banks relinquished their state charters during the year and obtained national charters, and they thus became new members of the Federal Reserve System. The first of these conversions was that of the Security Banking Company of Alexandria, Louisiana, which became the Security National Bank of Alexandria on May 31. The second conversion was that of the Attalla Bank into the First National Bank of Attalla, Alabama, on November 1.

Three nonmember state banks were admitted into membership during the year. The Progressive Industrial Bank, New Orleans, Louisiana, was admitted on January 28; the Farmers and Merchants Bank, Mount Pleasant, Tennessee, on July 18; and the Middle Tennessee Bank, Columbia, Tennessee, on August 28.

Two national banks of the District went into voluntary liquidation. The first of these was the First National Bank of Milledgeville, Milledgeville, Georgia, which announced its voluntary liquidation on October 26. The second was the Lineville National Bank, Lineville, Alabama, which announced its voluntary liquidation on December 12.

Five state banks voluntarily withdrew from membership during the year. These were the Bank of Millen, Millen, Georgia; the Bank of Soperton, Soperton, Georgia; the Bank of Commerce, Clayton, Alabama; the Bank of Canton, Canton, Georgia; and the Blackshear Bank, Blackshear, Georgia. These banks all withdrew from membership in order to charge exchange on incoming cash letters.

► In summary, therefore, changes for the year in System membership in the Sixth District included seven additions and seven withdrawals. The additions to membership were represented by two organizations of national banks, two conversions of nonmember banks to national banks, and three admissions of state banks. The losses of membership were represented by two voluntary liquidations and five withdrawals of state banks.

The number of member banks in the Sixth Federal Reserve District, using year-end figures, reached its highest point in 1922 when there were 536 member banks out of a total of 2,045 banks in the District. Since that time the number has

Sixth District Indexes

	DEPARTMENT STORE SALES*					
	Adjusted**			Unadjusted		
	Nov. 1944	Oct. 1944	Nov. 1943	Nov. 1944	Oct. 1944	Nov. 1943
DISTRICT.....	269	260	220	315	273	257
Atlanta.....	327	281	257	348	286	274
Baton Rouge.....	288	237	236	306	279	250
Birmingham.....	267	226	223	308	254	252
Chattanooga.....	268	249	225	300	263	251
Jackson.....	264	257	212	310	285	249
Jacksonville.....	377	312	289	409	353	325
Knoxville.....	341	318	239	366	329	257
Macon.....	254	258	232	293	275	267
Miami.....	251	242	196	280	195	219
Montgomery.....	267	265	202	310	280	234
Nashville.....	303	273	243	332	288	266
New Orleans.....	242	248	204	282	255	237
Tampa.....	295	297	254	349	290	300

	DEPARTMENT STORE STOCKS					
	Adjusted**			Unadjusted		
	Nov. 1944	Oct. 1944	Nov. 1943	Nov. 1944	Oct. 1944	Nov. 1943
DISTRICT.....	177	198	162	204	222	187
Atlanta.....	257	264	220	297	310	255
Birmingham.....	133	147	131	156	165	154
Montgomery.....	198	210	192	231	227	224
Nashville.....	284	304	247	330	349	287
New Orleans.....	135	143	109	152	161	140

	COTTON CONSUMPTION*			COAL PRODUCTION*		
	Nov. 1944	Oct. 1944	Nov. 1943	Nov. 1944	Oct. 1944	Nov. 1943
	TOTAL.....	160	151	168	163	158	143
Alabama.....	163	158	174	171	166	152
Georgia.....	161	151	168	..	..	..
Tennessee.....	137	129	140	146	139	127

	MANUFACTURING EMPLOYMENT***					
	September 1944		August 1944		September 1943	
	SIX STATES.....	162	158r	159	159	159	159
Alabama.....	191	189r	192	192	192	192
Florida.....	174	169r	178	178	178	178
Georgia.....	147	146r	143	143	143	143
Louisiana.....	177	171r	161	161	161	161
Mississippi.....	156	151r	146	146	146	146
Tennessee.....	140	137r	141	141	141	141

	CONSTRUCTION CONTRACTS			GASOLINE TAX COLLECTIONS***		
	Nov. 1944	Oct. 1944	Nov. 1943	Nov. 1944	Oct. 1944	Nov. 1943
	DISTRICT.....	68	72	110	104	97	98
Residential.....	40	75	98	..	..	..
Others.....	82	65r	116	..	..	..
Alabama.....	107	99	80	111	109	104
Florida.....	60	72	126	88	88	78
Georgia.....	64	132	145	98	103	88
Louisiana.....	78	48	36	106	107	101
Mississippi.....	23	11	8	107	87	105
Tennessee.....	51	58	142	120	91	124

	COST OF LIVING			ELECTRIC POWER PRODUCTION*			
	Oct. 1944	Sept. 1944	Oct. 1943	Oct. 1944	Sept. 1944	Oct. 1943	
	ALL ITEMS..	131	131	129	263	270	252
Food.....	143	145	145	Hydro-generated.	212	206	198
Clothing.....	139	139	133	Fuel generated.	331	353	322
Rent.....	114	114	114	ANNUAL RATE OF TURNOVER OF DEMAND DEPOSITS			
Fuel, electricity, and ice..	109	109	108	Nov. 1944	Oct. 1944	Nov. 1943	
Home furnishings.	139	139	124	Unadjusted..	16.7	16.1	18.1
Miscellaneous..	126	126	120	Adjusted**..	15.8	16.2	17.1
CRUDE PETROLEUM PRODUCTION IN COASTAL LOUISIANA AND MISSISSIPPI*				Index**.....	60.9	62.7	66.2
Unadjusted..	205	202	192	*Daily average basis			
Adjusted**..	202	203	190	**Adjusted for seasonal variation			
				***1939 monthly average=100; other indexes, 1935-39=100			
				r=Revised			

Sixth District Statistics

INSTALMENT CASH LOANS			
Lender	Number Reporting	Per Cent Change Oct. 1944 to Nov. 1944	
		Volume	Outstandings
Federal Credit Unions.....	43	+ 3	+ 1
State Credit Unions.....	25	+ 55	- 3
Instalment Banking Companies.....	42	+ 1	+ 3
Personal Finance Companies.....	50	+ 0	+ 2
Commercial Banks.....	34	+ 0	+ 3

RETAIL FURNITURE STORE OPERATIONS			
Item	Number of Stores	Per Cent Change November 1944, from	
		Oct. 1944	Nov. 1943
Total Sales.....	108	+ 1	+ 29
Cash Sales.....	97	+ 5	+ 29
Instalment and Other Credit Sales.....	97	- 0	+ 32
Accounts Receivable, end of month.....	105	+ 6	+ 4
Collections during month.....	105	- 1	+ 11
Inventories, end of month.....	83	- 11	- 9

CONDITION OF FEDERAL RESERVE BANK OF ATLANTA					
(In Thousands of Dollars)					
Item	Dec. 20, 1944	Nov. 22, 1944	Dec. 22, 1943	Per Cent change Dec. 20, 1944, from	
				Nov. 22 1944	Dec. 22 1943
Bills discounted.....		4,903	4,000	.....	.....
Industrial advances.....	22	23	222	- 4	- 90
U. S. securities, direct and guaranteed.....	967,472	942,511	563,554	+ 3	+ 72
Total bills and securities.....	967,494	947,437	567,776	+ 2	+ 70
F. R. note circulation.....	1,269,030	1,237,949	939,202	+ 3	+ 35
Member bank reserve deposits.....	625,128	605,936	511,609	+ 3	+ 22
U. S. Gov't deposits.....	30,020	21,334	81,276	+ 41	- 63
Foreign bank deposits.....	36,817	38,936	48,618	+ 6	- 24
Other deposits.....	3,432	3,551	3,628	- 3	- 5
Total deposits.....	695,398	669,757	645,131	+ 4	+ 8
Total reserves.....	955,800	946,356	974,101	+ 1	- 2

CONDITION OF 20 MEMBER BANKS IN SELECTED CITIES					
(In Thousands of Dollars)					
Item	Dec. 13, 1944	Nov. 15, 1944	Dec. 15, 1943	Per cent change Dec. 13, 1944 from	
				Nov. 15, 1944	Dec. 15, 1943
Loans and Investments—Total.....	1,792,022	1,712,301	1,545,459	+ 5	+ 16
Loans—Total.....	361,015	327,042	365,541	+ 10	- 1
Commercial, industrial and agricultural loans.....	211,171	201,019	216,489	+ 5	- 2
Loans to brokers and dealers in securities.....	6,954	5,381	9,867	+ 29	- 30
Other loans for purchasing and carrying securities.....	51,748	29,885	28,573	+ 73	+ 81
Real estate loans.....	23,891	23,447	28,799	+ 2	- 17
Loans to banks.....	2,278	1,002	1,103	+ 127	+ 107
Other loans.....	64,973	66,308	80,710	- 2	- 19
Investments—Total.....	1,431,007	1,385,259	1,179,918	+ 3	+ 21
U. S. direct obligations.....	1,289,111	1,241,829	1,017,722	+ 4	+ 27
Obligations guaranteed by U. S.	19,401	19,402	48,792	- 0	- 60
Other securities.....	122,495	124,028	113,414	- 1	+ 8
Reserve with F. R. Bank.....	323,950	333,677	284,968	- 3	+ 14
Cash in vault.....	29,880	27,255	26,386	+ 10	+ 13
Balances with domestic banks.....	172,000	143,843	151,969	+ 20	+ 13
Demand deposits—adjusted.....	1,125,804	1,156,107	1,008,986	- 3	+ 12
Time deposits.....	320,239	318,614	245,999	+ 1	+ 30
U. S. Gov't deposits.....	244,939	130,177	194,740	+ 88	+ 26
Deposits of domestic banks.....	528,720	510,609	471,510	+ 4	+ 12
Borrowings.....		3,000	3,000		

gradually declined, but the number of nonmember banks has declined even more. Thus at the close of 1933 the low point in membership, the member banks numbered 309 out of a total of 1,055. Member banks had risen from 26.2 per cent of the total at the end of 1922 to 29.3 per cent at the close of 1933. Numbering 315 on June 30, 1944, the district member banks were 30 per cent of the total, the highest proportion ever reached since the organization of the Federal Reserve Bank of Atlanta in 1914.

Lake Worth Bank Increases Capital

The First National Bank in Lake Worth, Lake Worth, Florida, increased its capital stock, effective December 15, from \$50,000 to \$200,000. Of this increase, \$50,000 represented the sale of additional shares at par and \$100,000 a stock dividend. Under the new capitalization the shares of stock have a par value of \$10 each and the number of shares outstanding is 20,000.

The bank was first organized in 1936. Wiley R. Reynolds is chairman of the board, Roy E. Garnett is president, and John A. Boardman, Robert E. Conn, and R. S. Erskine are vice presidents. Directors of the bank are: W. E. Arnold, H. H. Bassett, R. E. Conn, R. S. Erskine, R. E. Garnett, Annette H. Reynolds, Wiley R. Reynolds, Wiley R. Reynolds, Jr., and Bert Winters.

Lake Worth had a 1940 population of 7,408. It is located in Palm Beach County seven miles south of West Palm Beach. In normal times, the business life of the city is based largely upon the tourist trade.

New Member Bank Organized

The Florida National Bank at Coral Gables, Coral Gables, Florida, opened for business on December 28, 1944. The bank has a capital of \$100,000 and a surplus of \$25,000.

Officers of the bank are: George A. Chatfield, president; R. C. Brown, vice president and cashier; and William C. Swain, assistant cashier. Serving as directors of the bank are: George A. Chatfield, L. A. Usina, R. C. Brown, Ernest J. C. Doll, J. Lamar Paxson, Oscar E. Dooly, Jr., and H. E. Moredock, Sr.

Coral Gables, with a 1940 population of 8,294, is a part of Greater Miami. It adjoins Miami on the west and south. Founded during the real-estate boom of the 1920's, the city has a distinctive character, largely the result of restrictions that require buildings in the business area to conform to the Mediterranean style of architecture.

Election of Directors

Frank H. Neely, chairman of the Board of the Federal Reserve Bank of Atlanta, announced on November 29 that George J. White, president of the First National Bank of Mount Dora, Mount Dora, Florida, had been re-elected by member banks in Group 3 as a Class A director of the Federal Reserve Bank of Atlanta, and that Ernest T. George, president of the Seaboard Refining Company, Ltd., New Orleans, Louisiana, had been re-elected by the member banks in Group 1 as a Class B director. Each was chosen for a term of three years, beginning January 1, 1945.

Chairman Neely in December also announced the appointment of a director for each of the four branches of the Federal Reserve Bank of Atlanta. Reappointed to new three-year

terms were: Gordon D. Palmer, president, First National Bank of Tuscaloosa, Tuscaloosa, Alabama, to serve as director of the Birmingham Branch; J. L. Dart, president, Florida National Bank of Jacksonville, Jacksonville, Florida, to serve as a director of the Jacksonville Branch; B. L. Sadler, president, First National Bank in Harriman, Harriman, Tennessee, to serve as director of the Nashville Branch; and J. F. McRae, president, Merchants National Bank of Mobile, Mobile, Alabama, to serve as a director of the New Orleans Branch.

Reappointed to serve for another one-year term as a member of the Federal Reserve Advisory Council for the Sixth Federal Reserve District was Keehn W. Berry, president of the Whitney National Bank of New Orleans, New Orleans, Louisiana.

The Board of Governors of the Federal Reserve System also announced in December its appointments of directors for the Federal Reserve Bank of Atlanta. Reappointed for another three-year term as a Class C director was Frank H. Neely, executive vice president and secretary of Rich's, Inc., Atlanta, Georgia. Mr. Neely was also designated by the Board of Governors to serve for 1945 as chairman of the Board of Directors and as Federal Reserve Agent of the Federal Reserve Bank of Atlanta.

Reappointed to the board of directors of the Birmingham Branch was Donald Comer; of the Jacksonville Branch, Walter J. Matherly; and of the Nashville Branch, Clyde B. Austin. Each of these branch directors was appointed for a three-year term beginning January 1, 1945. Mr. Comer is chairman of the board of the Avondale Mills, Birmingham, Alabama; Mr. Matherly is Dean of the College of Business Administration at the University of Florida, Gainesville.

Florida; and Mr. Austin is president of the Austin Company, Inc., Greeneville, Tennessee.

Additions to Par List

The J. C. Jacobs Banking Company, Inc., of Scottsboro, Alabama, will be added to the Federal Reserve Bank Par List on January 1, 1945. Effective on that date, the bank will remit to the Birmingham Branch of the Federal Reserve Bank of Atlanta at par for checks drawn upon it by its depositors.

Officers of the bank are: H. G. Jacobs, president; E. P. Jacobs, vice president; R. A. Jacobs, cashier; and J. C. Jacobs II and Rachel Gold, assistant cashiers. The Bank has a capital of \$50,000, surplus and profits of \$72,000, and deposits in excess of \$1,000,000.

Scottsboro, a town of 2,834 in 1940, is located in Jackson County, which is in the northeastern corner of the state, adjoining Tennessee and Georgia. Its business life is based primarily on the trade of farmers located in the surrounding area.

Another bank that is to go on the Federal Reserve Par List on January 1, 1945 is the Hiwassee Bank of Charleston, Tennessee. This bank will thus become one upon which checks will be received by Federal Reserve Banks for collection and credit. The routing of such checks will be through the Nashville branch of the Federal Reserve Bank of Atlanta.

This bank was founded in 1906, and currently it has a capital of \$40,000 and surplus and undivided profits of \$25,000. E. A. Edwards is chairman of the board of directors, J. E. Quisenberry is president and cashier, J. H. Epperson is vice president, Mrs. Mae Dillard is assistant cashier, and Charles S. Mayfield is counsel. In addition to Messrs. Edwards, Epperson, and Quisenberry, the board of directors includes C. C. Hambright, W. H. Moore, N. R. Wilson, and Wood Wilson.

Charleston in 1940 had a population of 586. It is situated in Bradley County about 40 miles to the northeast of Chattanooga.

Conversion of State Bank to National Bank

Effective January 2, 1945, the Commercial Bank of Cedartown will be converted into the Commercial National Bank, Cedartown, Georgia. Officers of the bank are Carden C. Bunn, chairman of the board of directors, Roy N. Emmet, Sr., president, W. K. Holmes, vice president, George D. Collins, cashier, and H. J. Hedgepeth, assistant cashier. Serving with Mr. Bunn on the board are Mr. Emmet and Mr. Holmes. The remaining members of the board are Robert Campbell, Marcus M. Cornelius, S. S. Horton, J. A. Morton, Henry A. Stewart, and Glenn T. York. This bank dates from 1889. It now has a capital of \$140,000 and surplus and profits of \$100,000.

Operating under a national charter, the Commercial National Bank will automatically become a member of the Federal Reserve System. The addition of this bank will raise the total number of member banks in the Sixth Federal Reserve District to 317.

Cedartown had a population of 9,025 in 1940. It is the county seat of Polk County and is located near the Alabama line about 60 miles northwest of Atlanta. In addition to being a trading center for a rich agricultural area, Cedartown has a number of industrial plants manufacturing cotton duck, tire cord, and wearing apparel. Located near by, as well, are five iron-ore surface mines.

CLASSIFICATION OF MEMBER BANKS IN THE SIXTH FEDERAL RESERVE DISTRICT AS OF DECEMBER 31, 1944

State	National Banks	State Banks	Total
Alabama	67	17	84
Florida	55	5	60
Georgia	47	12	59
Louisiana	22	7	29
Mississippi	14	3	17
Tennessee	59	8	67
TOTAL	264	52	316

TOTAL DEPOSITS OF SIXTH DISTRICT MEMBER BANKS, JUNE 30, 1944
(In Thousands of Dollars)

State	Member Banks		Nonmember Banks		Total
	Deposits	Per Cent of Total	Deposits	Per Cent of Total	
Alabama	750,456	84	137,678	16	888,134
Florida	1,026,145	76	316,211	24	1,342,356
Georgia	1,062,172	81	253,146	19	1,315,318
Louisiana	728,773	82	154,758	18	883,531
Mississippi	192,123	57	144,827	43	336,950
Tennessee	737,798	80	185,032	20	922,830
TOTAL	4,497,467	79	1,191,652	21	5,689,119

MEMBER AND NONMEMBER SIXTH DISTRICT BANKS, JUNE 30, 1944

State	Member Banks		Nonmember Banks		Total
	Number	Per Cent of Total	Number	Per Cent of Total	
Alabama	83	38	134	62	217
Florida	60	35	113	65	173
Georgia	62	21	231	79	293
Louisiana	29	35	55	65	84
Mississippi	16	17	79	83	95
Tennessee	65	33	130	67	195
TOTAL	315	30	742	70	1,057

The National Business Situation

OUTPUT at factories and mines showed little change from October to November. Retail trade expanded further to new-record levels.

Industrial Production

Industrial output in November and the early part of December was maintained at approximately the same level that had prevailed during the previous four months. Production of durable goods declined slightly in November, while output of other manufactured goods, especially war supplies, increased somewhat further, and mineral production was maintained in large volume. Output of critical war equipment was larger in November than in October but was still behind schedule, according to the War Production Board.

Activity in the durable-goods industries, particularly machinery, transportation equipment, and lumber, continued to be limited in part by manpower shortages. Employment in the transportation-equipment industries has declined by about one fifth during the past 12 months, but total output of aircraft, ships, and combat and motor vehicles has declined by a much smaller amount owing to greater efficiency.

In most nondurable-goods industries, production was somewhat greater in November than in the previous month. Activity at explosive and small-arms ammunition plants increased, reflecting enlarged war-production schedules, and output in most other branches of the chemical industry also expanded, reaching levels above those of a year ago. Production in the petroleum-refining and rubber industries, chiefly for war uses, increased somewhat in November.

Output of manufactured foods showed less decline than is usual for this season and was as large as in November 1943. In the textile industry, output at woolen and worsted mills continued to advance in October from the reduced level of operations prevailing during the summer. Cotton consumption in November was above October and rayon deliveries were at a new record level.

Mineral production was maintained in November. Coal output was one fifth larger than in November 1943, when operations were sharply reduced by a work stoppage. In the early

part of December, however, coal production was nearly 10 per cent less than in the same period last year.

Value of department-store sales in November was 14 per cent above the exceptionally high level last year, about the same year-to-year increase which prevailed in the previous four months. In the first half of December, sales were about 20 per cent larger than last year. All Federal Reserve districts have shown large increases over last year in pre-Christmas sales.

Railroad freight carloadings, adjusted for seasonal changes, were maintained at a high level in November and the first two weeks of December. Shipments of most classes of freight, however, were not quite as great as the exceptionally large movement of freight during the same period last year.

Bank Credit

Banking developments during the four weeks ended December 13 were largely determined by the Sixth War Loan Drive. Government deposits at weekly reporting banks in 101 cities increased by approximately 8 billion dollars while adjusted demand deposits of individuals and business were drawn down about 2.6 billions in payment for securities purchased. The reporting banks added 3.7 billion dollars to their holdings of Government securities and increased their loans by 1.7 billion.

As a result of the transfer of deposits of individuals and businesses to war-loan accounts, reserves required by member banks declined about 700 million dollars from the beginning of the drive through mid-December. In addition, reserve funds were supplied to the banking system through the purchase by the Federal Reserve Banks of 640 million dollars of Government securities. These additional reserves were used in part to reduce member-bank borrowings at the Reserve Banks, which had risen to nearly 600 million dollars in the latter part of November, and to meet the demand for currency. This demand, though slackened somewhat by the War Loan Drive, amounted to 450 million dollars for the four weeks ended December 13. Excess reserves increased by 300 million dollars, principally at country banks.

(This page was written by the staff of the Board of Governors of the Federal Reserve System)

