



The New Orleans Tidewater Channel Project

PUBLIC works projects, even when they are most desirable from an economic point of view, are frequently matters of only local significance. Occasionally, however, there is proposed a project with an economic significance that transcends any merely local advantage to be derived from its construction. Just such a project is now under consideration at New Orleans. It is a plan to connect the port of New Orleans with the deep water of the Gulf of Mexico by means of a tide-water channel. The effect of opening such a channel would be to alter the historical pattern of the port's development to the benefit of all persons using the port directly or indirectly.

The projected tidewater channel is significant because what happens to the port of New Orleans is not merely a matter of local or even regional interest. It is a matter of national concern, as well. New Orleans is not only the South's largest city, but it is also the nation's second most important port. Although it lies within the Sixth Federal Reserve District, of which it is by all odds the most important port, New Orleans serves and intimately affects commercial interests over a very wide area.

Geographically, New Orleans is situated near the mouth of what is probably the world's greatest river system. More than 15,000 miles of that system are navigable waterways. The area drained by the Mississippi River and its tributaries comprises approximately 1,240,000 square miles and contains more than half the nation's population and wealth. For this vast territory reaching from the Appalachian Mountains on the east to the Rocky Mountains on the west to form the heartland of the continent, New Orleans is a port of vital importance. In order to handle the streams of commerce arising in the area or destined for it, adequate port and terminal facilities had to be provided at New Orleans.

Such facilities were provided in the first instance at what is called the river-front harbor, for New Orleans lies in a bend of the Mississippi River some 110 miles from its mouth. The city is reached by a channel varying in depth from something in excess of 35 feet to more than 200 feet in some places. At its narrowest point within the port the river has a width of 2,000 feet.

Despite the volume of commerce passing through the port of New Orleans, the facilities for handling this traffic remained almost rudimentary up to the present century. Wharves and landings for the accommodation of ocean and river shipping were mostly of temporary construction, and they were usually privately owned, although control of the river front was vested in the city as the agent of the state.

After the Civil War, when the business of the port had be-

gun to recover from the effects of that struggle, the city discharged its obligations indirectly by leasing the river front to private interests. The lease went to the bidder promising the largest expenditure for the building and maintenance of wharves.

Permanent and substantial development of wharves along the river front, however, did not take place until after the turn of the present century. Dissatisfaction with the private lessees had led to the creation of a new state agency in 1896. This body was the Board of Commissioners of the Port of New Orleans, in which control of the port was vested. Since the setting up of the board of commissioners, the river-front wharf system has come to extend in the form of an almost continuous quay for a distance of more than 10 miles along the left bank of the river. Slightly more than seven miles of this stretch are owned and operated by the dock board, the remainder being wharves owned by railroads and other private interests. All told, the dock board has provided a total wharf frontage of 37,759 feet for the accommodation of shipping along the river. The total area of this system comprises almost seven million square feet, of which more than five million are covered space.

That all the wharves are of the quay type, lying longitudinally with the river, is a peculiarity of the wharf system at New Orleans. The river itself makes this type of construction necessary. Steep banks and the excessive depth of the water at only short distances from them make it impracticable to build piers into the river. If slips were dredged into the banks, on the other hand, extensive and costly levee construction would be essential, and, in addition, maintenance of the slips would be expensive because of shoaling resulting from the deposit of silt during periods of high water.

Although most of the New Orleans wharves are used for the handling of general cargo, some of them have been designed for the handling of specific commodities such as coffee and bananas and other green fruit. Specialized storage facilities and unloading equipment are provided at such wharves.

In addition to its wharves the state has provided along the river front other, specialized facilities for handling certain important commodities. One of these is the publicly owned cotton warehouse, occupying 48 acres, 33 of which are covered warehouse space. With a storage capacity of 461,856 high-density bales, this is one of the largest cotton warehouses in the world. At present, however, the facility is under lease to the United States Navy.

Another of the state's enterprises is the public grain elevator, with a storage capacity of 2,622,000 bushels of grain. Yet another facility was the former public coal and bulk-

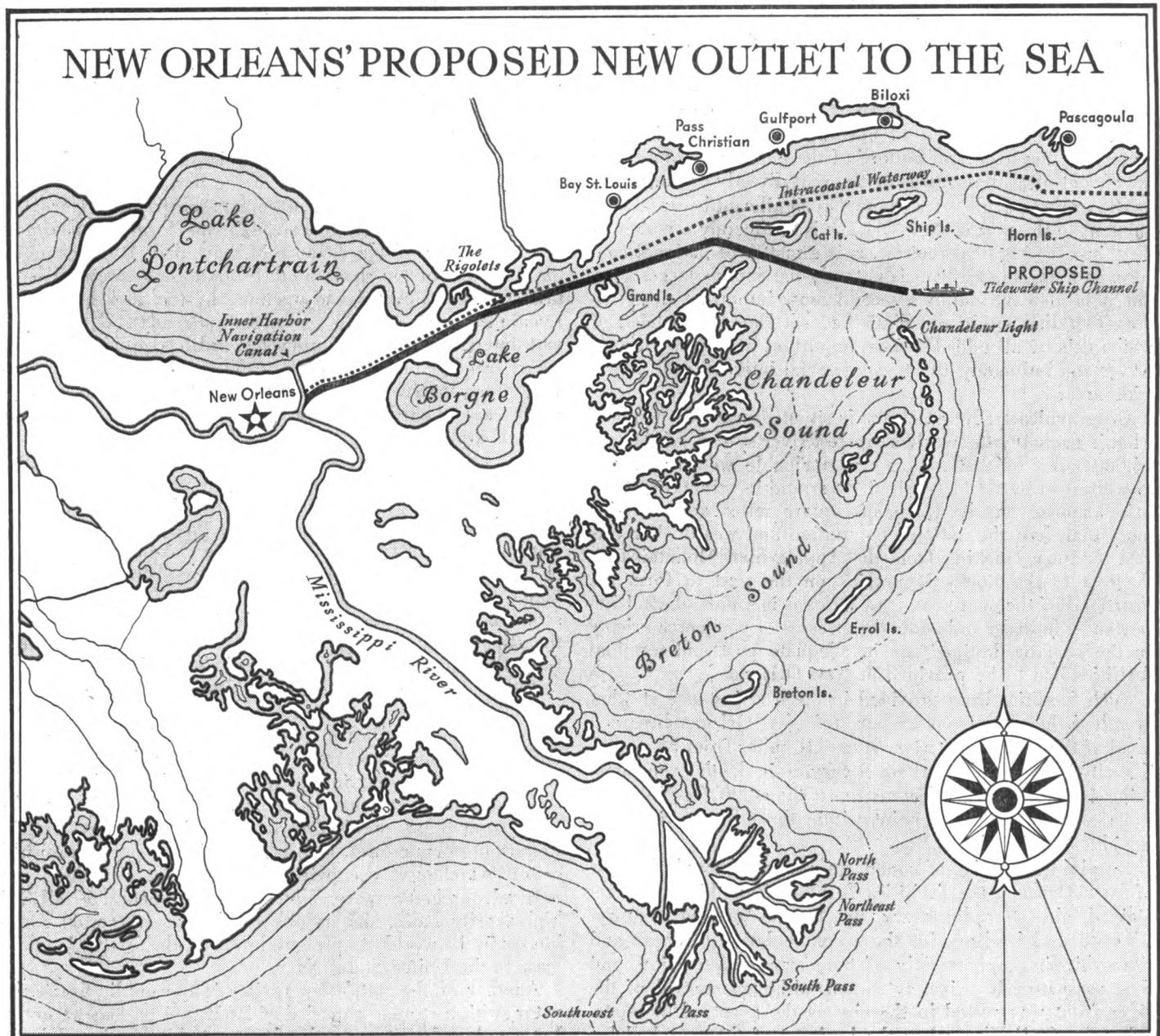
commodity handling plant, which was designed for the handling of bunker and cargo coal, sulphur, gravel, bauxite, and similar materials. Because of a lack of sufficient tonnage, however, this plant has been dismantled, and the site is now leased to a ship repair concern.

Connections between all the facilities of the state and the railroads entering the port are made by way of the New Orleans Public Belt Railroad. This road is a municipally owned utility under the control of the Public Belt Railroad Commission. Beginning with 20 miles of track and only one locomotive, the railroad now has 118 miles of track and 19 locomotives, six of which are Diesel electric, and the remaining 13 steam-driven. Twenty-two miles of the road's trackage are double main track, and approximately 74 miles are yard tracks and sidings.

Through the activity of the dock board, an old-fashioned

river harbor has been converted into a modern and very efficient port of world-wide importance. The development of the river-front harbor, however, represented merely the first stage in the development of the port of New Orleans. A second phase began with the digging of a canal 5½ miles long to connect the river with Lake Pontchartrain, lying north of the city.

Such a canal had been under consideration for many years, but not until 1918 was one actually constructed. Originally the idea had been to provide merely a waterway for barges and other shallow-draft vessels between the river and the lake, which is an arm of the Gulf of Mexico. Construction of the canal however, was precipitated by the probable location of shipbuilding yards along its banks in response to the demand for a "bridge of ships" during the first world war. The use of the canal for such a purpose necessitated increasing



the dimensions of the canal beyond those first planned. Still later the channel was deepened from 25 feet to 30 feet. The bottom width was 150 feet. A further widening of the canal to from 500 to 600 feet was considered a future possibility.

Because the level of the river at flood stage in the spring was as much as 20 feet above that of Lake Pontchartrain, a lock was constructed to enable vessels to pass back and forth between the canal and the river. This lock, located 2,000 feet from the river and built of reinforced concrete, was 640 feet long and 75 feet wide by inside measurement. The lock was provided with five sets of gates, each driven by a 57-h.p. electric motor. At low water, a vessel drawing as much as 31½ feet could be passed through the lock.

The whole canal project was completed in 1923 at a cost of almost 20 million dollars. From 1924 onward there has been a consistent growth in the use of the canal. A total of 3,251 vessels with a tonnage of 262,308 tons traversed the canal in 1924, whereas the number of vessels in 1943 had risen to 27,165 and the tonnage to 9,632,802 tons.

With the completion of the canal two new uses suggested themselves. On the one hand, the land that had been acquired on both sides of the canal could be used as industrial sites for concerns in a position to benefit from water-front locations. Such sites could be provided not only along the main canal but along any laterals that might later be connected with it. In this way the canal could be made the axis of a large industrial basin. On the other hand, the canal could also be developed as an inner harbor by the building of future wharves and terminal facilities at the site.

The Inner Harbor

Immediately after the canal was completed steps were taken to develop it as an inner harbor. The first step in this direction was the construction in 1924 of the Galvez Street Wharf at a cost of approximately 1.8 million dollars. This is by far the largest and most modern of all the wharves under the control of the dock board. It is of steel and concrete construction, and it has a total area of 638,310 square feet, 476,000 of which are shedded. A smaller facility, the Florida Avenue Wharf, with a total area of 81,624 square feet, was constructed in 1942.

In addition to these wharves, a compact freight-handling unit had been planned by the board for construction just north of Florida Avenue. This unit was to consist of piers and slips that would provide berthing space for 20 vessels. The piers were designed to carry three railroad tracks on the wharf aprons; to provide covered space to a depth of 200 feet; to accommodate railroad tracks in the rear; and, in the case of three of the piers, to allow 100 feet for the building of warehouses. Until the outbreak of the present war the work had progressed no further than the dredging of the four slips.

Despite the advantages New Orleans had because of its location on the Mississippi River and despite the possibility of developing a spacious inner harbor in the newly constructed canal, the port nevertheless was subject to certain limitations that tended to become more evident as the commerce of the port increased. In looking forward to the post-war period and in planning for a further increase in commerce, the board will undoubtedly find these limitations matters of crucial importance.

As far back as 30 years ago it was apparent to all informed observers that sooner or later wharf building would

have to shift from the river front to some other location in order to expand the port. The necessity for employing end-to-end, quay-type wharves along the river meant that they would eventually reach points beyond which it would not be economical to build. Consciousness of these potential limitations lay behind the planning of the inner harbor project. Where wharves have to be strung out for many miles along a river bank, some of the incidental costs of using the port, such as switching, trucking, and handling costs, are also necessarily higher than they would be otherwise.

Moreover, the cost of maintaining wharves along the river is increased because of river action. The variation of approximately 20 feet between the high- and low-water levels of the river and the excessive sedimentation that occurs during high-water necessitate dredging silt from in front of the wharves periodically and washing it down from beneath the wharves with hose lines.

Although the inner harbor escapes some of the limitations inherent in the river harbor, it has one serious handicap of its own, namely, the time and inconvenience involved in using the lock. The lock is adequate for present needs, but any considerable increase in the use of the canal or in the size of vessels would tend to create serious congestion, which would entail costly delays to shipping.

Both the river harbor and the inner harbor are subject to handicaps imposed by the river. Vessels using the river and the passes at its mouth encounter many uncertainties and delays because of slowdowns necessary to make turns, to navigate narrow sections, to avoid meeting other vessels at critical points, to avoid wavewash against the levees and because of fogs and the loss of speed in facing an opposing current when going upstream.

The Tidewater Channel

As sponsored by the New Orleans Tidewater Development Association under the vigorous leadership of its president, Lester F. Alexander, and supported almost unanimously by local business groups and shipping organizations in the Mississippi valley, the tidewater channel project embodies a fundamentally simple plan. What is proposed is a waterway that would have a channel depth of 40 feet and that would connect the inner harbor canal with the Gulf of Mexico by way of Lake Borgne, an arm of the Gulf.

Some of the general advantages of the waterway are immediately obvious. Many miles would be cut from the distance between quarantine and the deep water of the Gulf, and the vicissitudes of the old river route would be avoided. Direct access to the inner harbor would be possible for the largest ships without the necessity of using the lock. Only one drawbridge would have to be passed. The proposed channel would provide sufficient water frontage for any conceivable expansion of wharves and terminal facilities in the visible future. The easily reclaimable marshland through which the proposed channel would run could offer sites for a vast industrial development.

The proposed route for the tidewater channel possesses another advantage of considerable importance. It would not involve wholly new construction since it would follow in part the route of the present Intracoastal Waterway. This waterway intersects the inner harbor at a point about 8,000 feet north of the lock and proceeds in an easterly direction to the Rigolets about 26 miles away. After following this route for

approximately 20 miles the tidewater channel would then incline to the right to make a direct route through Grand Isle Pass to Mile 40. From this point it would bear in a southeasterly direction through Cat Island Channel to a point just north of Chandeleur Light. The over-all length of the proposed ship channel would be 62.5 nautical miles.

Estimated Cost

By following the route of the Intracoastal Waterway through almost a third of its length the tidewater channel would necessitate only the deepening of the existing waterway from its present 15 feet to the proposed 40 feet and the widening of the channel to perhaps 600 feet. A considerable amount of excavation would thus be saved, and the cost of the project correspondingly reduced.

Estimates have been made of the amount of excavation that would be required for the project as well as of the probable cost. The excavation estimates have been based on detailed field sheets of the Coast and Geodetic Society, and the estimates of dredging costs have been based on information furnished by dredging contractors who have worked along the Intracoastal Waterway and on the experience of the United States Corps of Engineers.

From the intersection with the inner harbor canal to a point 22 nautical miles distant, an estimated 132,346,505 cubic yards would have to be excavated at a cost of six cents a cubic yard, or a total cost of \$7,934,790. From the 22-mile point to the 47-mile point an estimated 109,990,291 cubic yards would have to be dredged at a unit cost of seven cents, or a total cost of \$7,699,320. Up to that point dredging would be done by pipe line. From the 47-mile point to the 62.5-mile point dredging would be done by means of hopper dredges, and it would involve the moving of 42,728,175 cubic yards at a cost of 15 cents a cubic yard, or a total cost of \$6,409,226. The total dredging cost would therefore amount to \$22,043,336. Since the estimates of cost allow \$956,664 for contingencies, the final over-all cost of the project is estimated at 23 million dollars. With the right of way provided by local interests, the expenditure of such a sum by the Government on this project would be greatly outweighed by the advantages that would accrue to the entire nation.

Nor would maintenance costs be excessive. Of the 40.5 miles between the Rigolets and Chandeleur Light, 15.5 miles of the proposed channel would lie in the Grand Isle Pass and Cat Island Channel sections. These sections would be virtually self-maintaining, for the concentration of tidal currents there has scoured out a relatively deep channel. Moreover, since the currents would be longitudinal with the channel, they would tend to carry away any soft material excavated from the bottom or sides as a result of wave action or other disturbing factors. The remaining 25 miles of the stretch between the Rigolets and Chandeleur Light would require the dredging of an estimated 1,320,393 cubic yards a year. For that part of the proposed channel that would follow the Intracoastal Waterway, maintenance costs would probably be but little more than those now necessary to maintain the existing waterway. It has been estimated that \$150,000 a year in addition to the current maintenance cost of the Intracoastal Waterway would be sufficient to maintain the whole tidewater channel from the inner harbor in New Orleans to the Gulf of Mexico.

The economic value of the tidewater channel, like that of

any other improvement, is best measured in terms of cost reduction that can be effected by its use. For a ship time is of the utmost importance, because time involves expense. No one knows, of course, just what the hourly cost of operating an average ship will be in the postwar period, but \$60 has sometimes been assumed as a fair estimate. The savings in ship's time that would be possible by the use of the proposed tidewater channel might therefore mean important savings in dollars.

Prospective Economies

In 1940 the total number of inbound vessels for the port of New Orleans was 2,105. From the records of 1,770 of these ships, a computation taking into account the last port of call and sailing speed has been made of the number of hours that would have been saved if these 1,770 vessels could have entered the port by way of the tidewater channel. A similar calculation was made for 895 outward bound vessels. Savings of time in the case of the inbound ships would have amounted to 1,638 hours and in the case of the outbound ships to 662 hours. Moreover, if 300 vessels entering or leaving the tidewater channel had used the inner harbor an additional saving of 1.5 hours each would have been made.

What the postwar traffic through the port of New Orleans will be is a matter of speculation. Assuming 4,210 vessels inbound with a like number outbound and also assuming the same distribution as in 1940 with respect to speed and first and last ports of call, it has been calculated that the tidewater channel would save a total of 4,928 ship hours. At the rate of \$60 an hour, this saving in time would amount in monetary terms to \$295,680.

Other savings would also result from the use of the proposed tidewater channel. One such economy would be in charges for pilotage. In traversing the 62.5 nautical miles from the inner harbor to the Gulf of Mexico, a pilot would be on active duty for less than seven hours on the average. In going from the inner harbor to the Gulf by way of the lock and the river route, a pilot is on duty for more than seven hours. At Pilottown, moreover, a special bar pilot must be taken on for the remainder of the trip to open water. At present the charges for bar pilotage at the passes of the Mississippi River are \$4 for each foot of draft for vessels drawing more than 10 feet and \$3.50 for vessels drawing 10 feet or less. The average draft of vessels using the river passes in 1941 was about 22 feet. In the postwar period it will in all probability be higher. Obviously, therefore, piloting an average vessel through the tidewater channel would cost about \$90 less than piloting it by way of the lock, the river, and the passes. For an annual movement of 1,156 vessels, the saving in pilot charges alone would amount to \$104,040.

In addition a saving would be made in the cost of insuring vessels and cargoes moving through the tidewater channel in comparison with the cost of insuring those moving by the river route, where marine hazards are more pronounced. Savings resulting from a reduction of marine risks would tend to accrue in many ways, direct and indirect, to the people of the whole country.

Economies in transportation costs, however, would not be the only economies flowing from the use of the tidewater channel. If, through the construction and use of such a waterway, the bulk of the port's cargo handling could be concentrated at modern wharves and piers in the inner harbor or

along the ship channel itself, important savings could be effected. These would take the form of lower switching charges, lower trucking charges to and from the barge terminal on the canal, more economical stevedoring, and less confusion and consequent expense arising from interference by vehicular traffic on the wharves. Furthermore, the constant water level in the tidewater channel would facilitate the direct movement of many commodities from shipside tracks to vessels. At the river harbor the great variability in the level of the river necessitates building the lowest wharves at least 20 feet above the low-water level of the river, thus putting ship decks at variable heights above the wharves. Such variations interfere with loading and unloading operations and increase the expense.

Added together, the various economies that would be possible through the use of a direct tidewater connection between the inner harbor and the Gulf amount to a considerable sum. A careful estimate of the magnitude of these savings made by Colonel Elliot J. Dent, consulting engineer to the tidewater association, places the figure at more than 1.7 million dollars a year.

Role in National Defense

Another argument for the construction of the tidewater channel is the potential usefulness of such an artery in the interest of national defense. The strategic location of New Orleans at a point where airways, highways, waterways, and railways converge to meet shipping lines that spread their network all over the globe makes the city a logical place at which to set up bases in the postwar period for the servicing of overseas establishments of the Army and Navy. Given a direct and economical outlet to the Gulf from the inner harbor, the lands abutting on the canal and on the ship channel would afford ideal locations for such supply bases.

Both in World War I and World War II the nation has made intensive use of the port of New Orleans as an assembly point for the products of the Mississippi valley, as a manufacturing and construction center, and as a port of embarkation for troops. Statistics on the military use of the port in the current war are of course not available to the public. In view of the past, however, it is certain that if, unhappily, the nation should ever find itself engaged in another war on a world scale, New Orleans would again be used as a major military port. Military necessity alone, therefore, would seem to require the port to be as modern and efficient as possible. The proposed tidewater channel more than any other thing would contribute to that end.

When the state of Louisiana connected the river with Lake Pontchartrain by digging the navigation canal, thus creating at that point both an industrial basin and a spacious inner harbor, it laid the foundation for a new and modern port whose benefits would be felt by commercial interests of half the nation. That action, however, was only a beginning. If the full benefit of the state's expenditure is to be realized, the further step of providing the tidewater channel is necessary. The estimated construction and maintenance costs of the project are modest as expenditures now go. The benefits to be derived from such a ship channel promise to be greatly in excess of the cost. These benefits, moreover, would be shared in some measure by every shipper who is directly or indirectly dependent upon this port.

EARLE L. RAUBER

Sixth District Indexes

	DEPARTMENT STORE SALES*					
	Adjusted**			Unadjusted		
	Apr. 1945	Mar. 1945	Apr. 1944	Apr. 1945	Mar. 1945	Apr. 1944
DISTRICT.....	235	274r	221r	228	281r	228
Atlanta.....	256	288	224r	245	303	224r
Baton Rouge.....	240	305	223r	238	292	229
Birmingham.....	233	238	231r	206	253	214
Chattanooga.....	243	262	228r	230	275	225
Jackson.....	222	274	208r	229	274	219
Jacksonville.....	316	361	310r	297	368	299
Knoxville.....	295	326	283r	277	327	276
Macon.....	185	263r	225r	199	266r	246
Miami.....	222	228r	209r	226	286r	212
Montgomery.....	224	289r	205r	226	284r	214
Nashville.....	254	300r	245r	246	315r	243
New Orleans.....	195	260	195	203	246	206
Tampa.....	263	308	266r	280	326	290

	DEPARTMENT STORE STOCKS					
	Adjusted**			Unadjusted		
	Apr. 1945	Mar. 1945	Apr. 1944	Apr. 1945	Mar. 1945	Apr. 1944
DISTRICT.....	185	171r	182r	183	171r	180r
Atlanta.....	275	268	231	293	274	246
Birmingham.....	145	132	137	151	136	142
Montgomery.....	187	177	193	202	187	209
Nashville.....	267	257r	252r	296	267r	280
New Orleans.....	99	100	134	105	105	142

	COTTON CONSUMPTION*			COAL PRODUCTION*		
	Apr. 1945	Mar. 1945	Apr. 1944	Apr. 1945	Mar. 1945	Apr. 1944
TOTAL.....	155	162	153	95	163	165
Alabama.....	161	172	157	95	171	174
Georgia.....	155	158	154			
Tennessee.....	130	141	127	95	146	152

	CONSTRUCTION CONTRACTS		
	April 1945	March 1945	April 1944
DISTRICT.....	734	170	113
Residential.....	179	44	79
Others.....	1,003	231	130
Alabama.....	284	348	81
Florida.....	180	61	150
Georgia.....	160	110	119
Louisiana.....	48	317	133
Mississippi.....	97	62	65
Tennessee.....	2,770	112	21

	MANUFACTURING EMPLOYMENT***			GASOLINE TAX COLLECTIONS		
	Mar. 1945	Feb. 1945	Mar. 1944	Apr. 1945	Mar. 1945	Apr. 1944
SIX STATES.....	147	152r	160	104	95	104
Alabama.....	175	184	188	115	97	106
Florida.....	146	154r	181	108	94	98
Georgia.....	138	141r	150	107	91	101
Louisiana.....	154	159r	167	94	91	99
Mississippi.....	137	141r	146	94	81	98
Tennessee.....	131	133r	138	104	113	125

	COST OF LIVING			ELECTRIC POWER PRODUCTION*			
	Mar. 1945	Feb. 1945	Mar. 1944	Mar. 1945	Feb. 1945	Mar. 1944	
ALL ITEMS.....	131	131	127	SIX STATES.....	284	287	260
Food.....	143	144	139	Hydro-generated.....	303	274	285
Clothing.....	141	141	135	Fuel-generated.....	260	305	228
Rent.....	114	114	114	ANNUAL RATE OF TURNOVER OF DEMAND DEPOSITS			
Fuel, electricity, and ice.....	109	109	109		Apr. 1945	Mar. 1945	Apr. 1944
Home furnishings.....	141	141	126	Unadjusted.....	14.5	15.2	16.9
Miscellaneous.....	129	127	123	Adjusted**.....	14.7	15.6	17.2
CRUDE PETROLEUM PRODUCTION IN COASTAL LOUISIANA AND MISSISSIPPI*				Index**.....	56.8	60.2	66.4
	Apr. 1945	Mar. 1945	Apr. 1944	*Daily average basis **Adjusted for seasonal variation ***1939 monthly average=100; other indexes, 1935-39=100 r=Revised			
Unadjusted..	207	207	197				
Adjusted**..	203	207	194				

International House at New Orleans

INTERNATIONAL House in the heart of New Orleans' business district is an institution founded upon a fact that is too often obscured or entirely forgotten in economic discussion. Economic relationships are frequently and almost exclusively thought of in terms of the interplay of vast impersonal forces. What is equally true, however, is that economic relations are, at bottom, only relations of men to one another. The shape of economic forces, therefore, is bound to be determined to a significant degree by the spirit and attitudes with which men enter into relationships with their fellows.

Fundamentally, the purpose of the men who have sponsored International House has been to create in New Orleans—one of the most cosmopolitan port cities in the country—an institution dedicated to the cultivation of good will, mutual understanding and respect, neighborly helpfulness, and personal friendliness between the people of the United States and the nationals of other countries.

Organization and Activities

The idea for such an institution originated in the minds of a small group of public-spirited New Orleans citizens. In the course of a few months this group had grown into an organization comprising executive officers of many New Orleans and Mississippi valley businesses and institutions. These men represented steamship, barge, air, motor, and rail transportation agencies; financial and commercial concerns; educational institutions; and governmental bodies. In addition to these were other prominent citizens and professional men.

In order to carry out the idea of the projected institution, funds were raised from four classes of membership. The first of these classes was that of founder members. Founder members are those who have contributed \$1,000 or more to the project. These members, in addition, pay \$75 annually in dues. Sustaining members pay annual dues of \$250, and active members \$75. Nonresident members, consisting of those who live more than 50 miles from New Orleans and who do not wish to become active members, pay \$50 a year as dues. Foreign nonresident members pay \$25 a year. So far, almost \$500,000 has been raised for carrying on the work of the organization. International House is a nonprofit corporation, whose affairs are managed by a board of directors that will eventually number 100. At present, 68 places on this board have been filled.

In addition to receiving the co-operation and support of local groups and individuals, the purposes and program of International House also have the official approval and endorsement of the State Department and the Office of Inter-American Affairs. International House will work in the closest co-operation with these governmental agencies, which will have a resident representative located in the institution. Close contact will also be maintained with the official representatives of other countries. Indeed, honorary membership in International House is extended to each country's consular representative accredited to New Orleans.

The specific activities by which International House hopes to achieve its purposes are many and varied. Businessmen and distinguished visitors from abroad will be welcomed and assisted according to their needs. Contacts will be arranged for such guests with people of their own country or with

United States citizens of like interests. Although International House will engage in no direct trading, a planned program for the development of export and import business between Mississippi valley concerns and those of other countries will be set up. The exchange of students between colleges in this valley section of the United States and foreign countries will be encouraged and aided. The program committee of International House will arrange for the recognition of the significant holidays and anniversaries of other nations, and co-operation in international sports events and in all projects that tend to promote culture and science will be encouraged.

Facilities

In order to house its activities properly International House purchased a nine-storied former bank building at the corner of Gravier and Camp Streets. This building is now in the course of being remodeled to make it appropriate to its function. It will be opened for use on or about June 1 of this year.

At least three stories of the building will be used to provide clubhouse facilities for foreign guests. On these floors will be offices, a library, conference rooms, an information center, a comfortable lounge, and an assembly hall suitable for lectures and large group meetings held in connection with international affairs. In addition to the main dining room there will also be five private dining rooms, and the cuisine will be of such excellence as New Orleans is particularly fitted to provide. A comprehensive library of current periodicals and films will be maintained for the use of anyone who may need such a service. The upper floors will be leased, and the rentals derived from them are expected to go far toward making the building pay for itself.

The managing director of International House, J. Stanton Robbins, has traveled widely in Europe and Latin America. He will have under his supervision a staff whose personnel will include capable linguists for the convenience of foreign guests. Stenographic and clerical services in their own languages will also be available for foreign businessmen.

Although the permanent home of this unique New Orleans institution has not yet been formally opened, International House itself was presented to the world on January 28, 1944, by way of a nation-wide radio hookup with short-wave relay to foreign countries. On this broadcast Nelson Rockefeller, co-ordinator of Inter-American Affairs, and George Messersmith, United States Ambassador to Mexico, endorsed International House wholeheartedly. An enthusiastic response to the project was also evoked in the press, both locally and nationally. If International House could arouse such interest when its work was either just in the planning stage or was being carried on under the handicap of a lack of quarters, owing to war conditions, it will probably command still wider interest when its program is functioning smoothly in a permanent home characterized by beauty, comfort, and convenience. Indeed, this interest may be expected to spread to businesses throughout the whole area tributary to the port of New Orleans. Here if anywhere businessmen will have an opportunity to help convert the so-called "good neighbor policy" from an abstraction of Government policy into the living tissue of human relations.

Additions to Par List

DURING May two nonmember banks were added to the Federal Reserve Par List in the Sixth Federal Reserve District.

Effective May 8 the Guaranty Bank and Trust Company, Lafayette, Louisiana, was added to the Federal Reserve Par List and will remit at par for all checks drawn against it and routed for collection through the New Orleans Branch of the Federal Reserve Bank of Atlanta.

This bank was organized in 1937 and opened for business on September 11 of that year. At the close of business December 30, 1944, its deposits exceeded \$4,900,000; its capital was \$100,000; and its surplus, undivided profits, and reserves amounted to more than \$130,000.

T. L. Evans is president; L. P. DeBlanc is vice president; P. R. Dupleix is cashier; G. J. Guidroz and George Arceneaux are assistant cashiers; and F. Xavier Mouton is attorney. Included in the board of directors, in addition to Messrs. Evans, DeBlanc, and Mouton, are: J. Edwin Butcher, Mike Donlon, Elmo Hodges, Dr. L. B. Long, Sidney Mouton, Mrs. Isidore Prejean, and George H. Thomas.

Another nonmember bank to go on the Par List during the month of May was the Commercial Bank and Trust Company, Jackson, Mississippi. This bank began remitting at par on May 25 for all checks drawn against it when submitted through the New Orleans Branch of the Federal Reserve Bank of Atlanta. The bank was opened for business in July 1937.

Officers of the bank are: Charles H. Russell, president; W. P. McMullan, executive vice president; D. L. Williams, vice president and trust officer; Charles A. McFadden, assistant vice president; Warnie C. Kennington, cashier; and H. H. Mitchell, assistant cashier.

The directors of the bank are M. S. Conner, Sim F. King, C. H. Russell, J. T. Williamson, A. M. Tisdale, D. L. Williams, W. P. McMullan, W. D. Lowe, and T. E. Wright.

The Commercial Bank and Trust Company at the close of 1944 had capital of \$100,000, surplus and profits of \$104,000, and deposits of \$6,681,000.

In addition to the Commercial Bank and Trust Company, Jackson is served by the Capital National Bank in Jackson, the Deposit Guaranty Bank and Trust Company, and the Jackson-State National Bank. Jackson now has no nonpar clearing bank.

All banks that are members of the Federal Reserve System are required to be on the Par List. Such banks in the Sixth Federal Reserve District at present number 319. In addition to these member banks, there are now in the District 108 nonmember par-clearing banks of which 77 clear direct and 31 clear indirect. Direct-clearing banks agree to remit promptly in immediately available funds for all cash letters forwarded to them by the Federal Reserve Bank. The indirect-clearing banks clear at par through correspondent banks.

The nonmember par-clearing banks are unevenly distributed in the states or portions of states within the District. As for the three states that lie wholly in the District, Alabama has 8 nonmember par-clearing banks, Florida has 28, and Georgia has 22. With respect to the portions of the three states that make up the remainder of the District, Louisiana has 3 nonmember par-clearing banks, Mississippi has 1, and Tennessee has 46.

Sixth District Statistics

Item	May 16 1945	Apr. 18 1945	May 17 1944	Per Cent Change May 16, 1945, from	
				Apr. 18 1945	May 17 1944
Loans and investments—					
Total	1,825,699	1,821,206	1,522,055	+ 0	+ 20
Loans—total	319,751	322,185	294,896	- 1	+ 8
Commercial, industrial, and agricultural loans	184,494	186,657	172,750	- 1	+ 7
Loans to brokers and dealers in securities	8,409	7,759	5,826	+ 8	+ 44
Other loans for pur- chasing and carrying securities	35,192	36,308	23,398	- 3	+ 50
Real estate loans	24,561	25,917	26,748	- 5	- 8
Loans to banks	8,817	1,623	724	+ 12	+151
Other loans	65,278	63,921	65,450	+ 2	- 0
Investments—total	1,505,948	1,499,021	1,227,159	+ 0	+ 23
U. S. direct obligations	1,366,030	1,362,916	1,092,329	+ 0	+ 25
Obligations guaranteed by U. S.	6,192	6,192	25,358	0	- 76
Other securities	133,726	129,913	109,472	+ 3	+ 22
Reserve with F. R. Bank	357,074	346,596	297,433	+ 3	+ 20
Cash in vault	27,636	28,349	25,143	- 3	+ 10
Balances with domestic banks	152,143	148,059	160,432	+ 3	- 5
Demand deposits—adjusted	1,269,607	1,229,632	1,073,049	+ 3	+ 18
Time deposits	364,897	357,014	273,078	+ 2	+ 34
U. S. Gov't deposits	121,881	146,805	136,277	- 17	- 11
Deposits of domestic banks	499,927	505,977	427,049	- 1	+ 17
Borrowings			200		

Place	No. of Banks Reporting	Apr. 1945	Mar. 1945	Apr. 1944	Per Cent Change Apr. 1945 from	
					Mar. 1945	Apr. 1944
ALABAMA						
Anniston	3	16,037	19,891	16,330	- 19	- 2
Birmingham	3	190,844	204,624	167,027	- 7	+ 14
Dothan	2	5,583	8,010	6,186	- 30	- 10
Gadsden	3	9,781	11,010	9,265	- 11	+ 6
Mobile	4	103,173	124,035	102,415	- 17	+ 1
Montgomery	3	36,015	40,280	34,361	- 11	+ 5
FLORIDA						
Jacksonville	3	170,029	191,739	159,991	- 11	+ 6
Miami	6	138,137	159,908	123,712	- 14	+ 12
Greater						
Miami*	10	197,229	219,872	170,718	- 10	+ 16
Orlando	2	35,507	39,562	28,340	- 10	+ 25
Pensacola	3	23,113	25,580	22,401	- 10	+ 3
St. Petersburg	3	30,523	32,394	25,334	- 6	+ 20
Tampa	3	85,222	89,846	78,709	- 5	+ 8
GEORGIA						
Albany	2	8,845	10,041	8,540	- 12	+ 4
Atlanta	4	457,599	514,895	428,895	- 11	+ 7
Augusta	3	34,042	40,231	33,305	- 15	+ 2
Brunswick	2	11,955	15,366	13,404	- 22	- 11
Columbus	4	33,718	36,242	32,696	- 7	+ 3
Elberton	2	1,744	2,040	1,875	- 15	- 7
Macon	3	37,401	44,010	37,920	- 15	- 1
Newnan	2	4,854	5,759	4,318	- 16	+ 12
Savannah	4	87,518	87,330	76,410	+ 0	+ 15
Valdosta	2	6,637	7,097	5,924	- 6	+ 12
LOUISIANA						
Baton Rouge	3	43,026	42,926	38,546	+ 0	+ 12
Lake Charles	3	15,391	17,547	22,805	- 12	- 33
New Orleans	7	406,537	446,086	386,257	- 9	+ 5
MISSISSIPPI						
Hattiesburg	2	11,497	13,136	12,091	- 12	- 5
Jackson	4	58,228	70,873	52,148	- 18	+ 12
Meridian	3	16,405	18,472	14,838	- 11	+ 11
Vicksburg	2	15,142	18,807	17,027	- 19	- 11
TENNESSEE						
Chattanooga	4	83,112	91,274	77,016	- 9	+ 8
Knoxville	4	120,697	135,291	94,926	- 11	+ 27
Nashville	6	172,973	177,771	154,848	- 3	+ 12
SIXTH DISTRICT						
32 Cities	114	2,471,285	2,742,073	2,287,860	- 10	+ 8
UNITED STATES						
334 Cities		74,131,000	81,068,000	66,719,000	- 9	+ 11

* Not included in Sixth District total

New Check Routing Symbol

FOR some years past the American Bankers Association and the Federal Reserve Banks have been working together to develop a plan that would facilitate the sorting of checks for collection through the Federal Reserve System. A description of the plan that has been decided upon has been sent by the American Bankers Association to all banks in the United States.

For many years each bank has been assigned an ABA transit number, to be printed upon its checks. This transit number indicates, first, the city or state in which the bank is located and, next, the particular bank, according to the ABA Numerical Key System. In the case of those banks located in what were originally reserve cities the transit number indicates the city, and in the case of those banks located outside of such cities the transit number indicates the state. For example, on checks of the Federal Reserve Bank of Atlanta will be found the transit number 64-14. The 64 is used by all banks in Georgia outside of the city of Savannah, which as one of the original reserve cities has a special prefix number of 38. Following the dash in the transit symbol comes the number that is assigned to the individual bank, that for the Federal Reserve Bank of Atlanta being 14.

NO. _____	ATLANTA, GA. _____	194 _____
FIFTH NATIONAL BANK		$\frac{64-11}{610}$
PAY TO THE ORDER OF _____		\$ _____
		_____ DOLLARS
SPECIMEN		

The new plan contemplates that the present transit number and a new routing symbol will be combined in the form of a fraction and that, for the sake of uniformity, this combined transit number and routing symbol will be printed in the upper right-hand corner of the checks of all banks whose checks are collectible through the Federal Reserve Banks. The transit number will be the upper part of the fraction, and below the line will be three or four figures indicating the Federal Reserve District in which the drawee bank is located, the head office or branch of the Federal Reserve Bank to which the check is to be forwarded, and the availability of the funds, whether immediate or deferred. The symbols for banks in Federal Reserve Districts numbered 1 through 9 will contain three figures, and those for banks in Districts numbered 10, 11, and 12 will necessarily contain four figures.

The accompanying specimen-check drawing contains the new combination symbol inserted on a check of an imaginary Fifth National Bank of Atlanta. The present imaginary transit number forms the upper part of the symbol. The lower part of the symbol reads 610. In this figure, the 6 indicates that the drawee bank is located in the Sixth Federal Reserve District, the 1 means that the drawee bank is in that

zone of the Sixth District served by the head office of the Atlanta Federal Reserve Bank, and the 0 means that the bank is in a Federal Reserve city and that the funds represented by the check are available immediately upon receipt of the check at the Atlanta Federal Reserve Bank. Checks drawn upon banks in cities where the Atlanta Federal Reserve Bank has branches will bear these symbols, the 6 in each instance representing the Sixth District, the second figure representing the branch city, and the third indicating immediate availability of funds: Birmingham 620, Jacksonville 630, Nashville 640, New Orleans 650.

The first two digits in these figures are to be used in the symbols on checks of banks located in these respective zones. The last digit in the figure, if a 0, will indicate that the drawee bank is located in Atlanta or in a branch city and funds to cover the check are immediately available. But if the last digit is 1, or some other figure, it will mean a deferred credit and indicate the location, outside the Federal Reserve Bank or branch city, of the drawee bank. Banks in that part of southeastern Alabama served by the head office of the Federal Reserve Bank of Atlanta will use the symbol 611, banks in Georgia outside of Atlanta will use 612, and banks in Chattanooga will use 613. Banks in the part of Alabama served by the Birmingham Branch will use symbol 621, banks in Florida outside of Jacksonville will use 631, and banks in the Sixth District part of Tennessee outside of Nashville and Chattanooga will use 641. Banks in that part of Alabama (Mobile and Baldwin Counties) served by the New Orleans Branch will use symbol 651; banks in the Sixth District part of Louisiana outside of New Orleans will use 652; and banks in the Sixth District part of Mississippi will use 653.

A routing symbol is being assigned to each National and state bank member of the Federal Reserve System and to each nonmember clearing bank. It is not contemplated that any bank will discard its present supply of checks, but it is hoped that the plan can become effective as rapidly as the banks have new supplies of checks printed. When banks are able to have the routing symbol appear on their checks, the collection process will be greatly facilitated.

Reconnaissance

Sixth District Statistics for April 1945 compared with April 1944

PER CENT DECREASE ▼ PER CENT INCREASE

Department Store Sales

Department Store Stocks

Furniture Sales

Construction Contracts 550

Gasoline Tax Collections

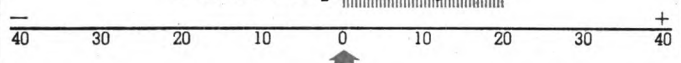
Cotton Consumption

Bank Debits

Member Bank Loans

Member Bank Investments

Demand Deposits-Adjusted



The District Business Situation

ON the whole, business prospects in the Sixth Federal Reserve District continue to be favorable. Cutbacks in war contracts have not yet been substantial, though the shipyards will release great numbers of workers as contracts are completed. The production of steel and coal remains at wartime peaks. Farm income for the current year will apparently be sustained at least at the levels prevailing last year, even though unfavorable weather was a hampering factor in planting and cultivation. Retail trade, as measured by dollar volume of sales, continues to surpass previous records.

Production

Already containing parts of two major oil producing states, Mississippi and Louisiana, the District may yet develop major oil fields in other states. Alabama and Tennessee even now have a few small producing wells, and prospects appear to be good that Florida will presently become a producer of oil in paying quantities.

Florida has just experienced the stimulation of having a second producing well brought in. The new producing well, with a test flow of about 180 barrels a day, is the second brought in by the Humble Oil Refining Company near the Big Cypress Swamp some 25 miles north of Everglades City. Humble's first well, completed late in 1943, never did become a big producer; its present production is between 15 and 20 barrels a day. Both of the producing wells, which are located about a mile apart, struck oil between 11,500 and 12,000 feet. Drilling and testing is now going on in the Florida counties of Highland, Monroe, Gulf, Charlotte, Bay, Madison, and Collier.

Georgia's reported oil strike in February in Toombs County near Vidalia has thus far failed to result in a commercial producer. Currently, some 18 or 20 gravity meter crews are working in South Georgia but no core drilling is being done.

Lumber production has improved recently, following the reduction caused by floods in large areas of Louisiana. In the eastern part of the District weather conditions have been favorable except in scattered areas. Although the crest of the flood has passed, water has been rather slow in receding and much forest land is under water in Louisiana.

The end of hostilities in the European theater will hardly bring any early change in the Government's requirements for lumber. Huge quantities will continue to be needed for the Pacific War, and large quantities of material now in Europe will have to be recreated for shipment to the Pacific forces. Prospects for any early increase in the amount of lumber that will be available for civilian needs are negligible. The manpower shortage and the lack of tires and equipment continue to be the principal obstacles to increased output. Lumbermen are somewhat dubious about whether men who may be released from war plants are going to be satisfied to return to the lower-paying jobs in the lumber mills and logging camps.

Output of coal in Alabama and Tennessee in April declined substantially from that of March, because of the strike at some of the steel company mines. The reduction in Alabama was 48 per cent, and that in Tennessee 35 per cent. As a consequence, the rate of steel mill activity in the Birmingham-Gadsden area declined from 99 per cent of capacity in

March to 79 per cent in the week ended April 10 and to 49 per cent the following week. In the week ended April 24, however, it advanced to 62 per cent and to 95 per cent in the week ended May 1, and since that time it has been reported by the *Iron Age* at 99 per cent.

Activity at the District's textile mills declined somewhat in April. Cotton mills in Alabama, Georgia, and Tennessee consumed 273,822 bales of cotton in April, the smallest monthly total reported since last July. The index of daily average consumption was down 4 per cent from March but was slightly more than 1 per cent above the index for April of last year.

Construction contracts awarded in the District in April were larger than for any other month except August 1943 in almost three years. The District total for April was 149 million dollars, more than four times the March total. Residential contracts were up, to some extent, from March to April because of some large awards for housing projects in Florida, but the greater part of the increase was in Tennessee. April awards in Tennessee totaled 120 million dollars, and contracts for large manufacturing plants accounted for about 116 million dollars.

Crop Prospects

On a District basis, as well as a national basis, crop prospects are not as bright as they were at the beginning of April. Excessive rains in most parts of the District and floods in the area tributary to the Mississippi River caused some crop damage and loss of acreage. However, the central and southern parts of Florida are still in need of rain. Though the weather in March was much warmer than usual and farm work made good progress, the excessive rains in April and early May were accompanied by temperatures lower than usual. At the middle of May most of the District needed warm, dry weather.

The indicated winter wheat crop of 232,000 bushels in Alabama is the largest since 1919 and compares with 218,000 bushels produced last year and with the 10-year (1934-43) average of 87,000 bushels. The condition of the oats crop on May 1 was reported as being 86 per cent of normal, the highest for that date ever recorded. The condition of early Irish potatoes on May 1, at 83 per cent, was five points above average and 17 points higher than it was on that date last year. Peach production in Alabama is forecast at 2,440,000 bushels. This is about 77 per cent greater than the 1944 crop but only 24,000 bushels under the state's record crop of 1941. In mid-May, reports still indicated too much rain in most localities, and the condition and progress of cotton were mainly poor.

Drought conditions in northern Florida were relieved by good rains in April, but in the central and southern parts of the state conditions remain serious. The long continued dry weather is seriously affecting prospects for the 1945-46 citrus crop, and it has resulted in below normal yields of most spring vegetables. Rainfall has been sufficient in the staple crop areas of North and Northwest Florida, and such crops as corn, cotton, peanuts, and tobacco are off to a good start. Pastures in that part of the state are also showing improvement as a result of the rainfall in April, but in central and

southern Florida ranges are very poor. Estimates of the current citrus crop show no change from those of April 1, with oranges at 43.5 million boxes, grapefruit at 23.1 million, and tangerines at 3.9 million. Less promising prospects for the next season, however, are indicated in the condition of oranges, which on May 1 were at 60 per cent of normal compared with 77 per cent a year ago; of grapefruit, at 55 per cent compared with 71 per cent on May 1 last year; and of tangerines, at 50 per cent, 27 points under a year ago.

In Georgia, heavy rains, high winds, and cool weather beginning the latter part of April have delayed farm operations and retarded growth of planted crops. Warm, dry weather is needed, particularly in the northern part of the state. Production of wheat is forecast at 2,962,000 bushels, slightly less than in 1944 but well above the average. The Georgia peach crop is estimated at 7,812,000 bushels, 70 per cent larger than it was last year. Cold weather did little damage this spring, and prospects are good in all areas of the state. Peaches have been moving to market in carload lots since May 1. At the middle of May there was still too much rain, with unfavorably cold weather. Cotton was showing much deterioration, and a good deal of replanting was necessary.

Somewhat more favorable conditions are reported in Louisiana, except in the flood area where approximately 300,000 acres of cropland were flooded. It is expected that about 210,000 acres of this land have been or will be planted to crops for harvest this season. Elsewhere in the state April weather was relatively favorable, and farming operations are making generally satisfactory progress. Louisiana's orange crop this season is about half again as large as it was last season — 360,000 boxes compared with 240,000 boxes. Prospects for oats this year are much less promising, however, than last year. The planted acreage was larger, but part of it has been destroyed by floods.

The Mississippi wheat crop is estimated at 506,000 bushels this year, compared with 432,000 bushels in 1944. The condition of oats on May 1 was 90 per cent of normal, the same as a year ago. Mississippi's peach crop is expected to be 1,400,000 bushels this year against 1,105,000 bushels in 1944. Although the nights are still too cool in the northern and central parts of the state, reports indicate that temperatures in the main are favorable for most crops. Corn, truck, oats, wheat, hay, and cover crops have made fair growth, and cotton planting is fairly active with some chopping going on in the southern and central parts. Rainfall has been ample, and some lowlands are still too wet for cultivation.

In Tennessee frequent rains and abnormally cold periods have been decidedly unfavorable for row crops. Pastures and all fruit crops are reported as good to excellent except for some frost injury to fruits in scattered localities. The unusually frequent rains have delayed crop preparations, and the cold weather has been very unfavorable for cotton and other spring-planted crops. Warm, dry weather is badly needed throughout the state. The wheat crop this year, estimated at 6,370,000 bushels, is about 5 per cent below that of last year. Most fruit crops have escaped serious frost injury, and prospects are for relatively large crops of both peaches and apples. Little cotton and corn had been planted by mid-May.

Sixth District farmers are apparently using slightly more fertilizer this year than last. April sales of fertilizer tax tags

were 30 per cent greater than they were in April last year, but the large increase in April seems to be due to later buying this year since the total for the January-April period is only 3.5 per cent larger than for that part of 1944. Increases of 4 per cent in Florida and 6 per cent in Alabama, Georgia, and Tennessee more than offset decreases of 5 per cent in Mississippi and 10 per cent in Louisiana.

Farm Income

Cash farm income in the six states of the District declined seasonally in February but, as in other recent months, attained a new high level for the month. The January to February decrease this year was 19 per cent, which compares with a drop of 33 per cent at the same time a year ago. The February total for these six states was \$129,699,000, a gain of 25 per cent over that month in 1944.

Income from crops marketed in February amounted to about 65 million dollars, and that is 42 per cent greater than the income for February 1944; in Mississippi cash income from crops marketed was more than twice that a year ago, and in Florida and Tennessee the increases were more than 50 per cent. February receipts from livestock and livestock products marketed, however, were 5 per cent less than they were a year ago, increases in Florida, Georgia, and Mississippi being more than offset by decreases in the other three states. During the two months, January and February, farm receipts in these states were approximately 291 million dollars, a gain of 12 per cent over that period a year ago.

Retail Trade

It seems probable, on the basis of reports for the first two weeks in May from about 30 stores in the larger cities of the District, that May department store sales recovered at least a part of the ground lost in April. In the first two weeks of May sales averaged 8 per cent greater than in the corresponding period a year ago. If this gain holds in the monthly reports that come from 85 department stores it will mean that May sales were also 8 per cent larger than they were in April of this year, but still about 13 per cent less, on a daily average basis, than they were in March and 8 per cent below the March index after allowance is made for the usual seasonal influences and the earlier date of Easter this year.

The sharp drop in sales made in April below those in March may be attributed in part to an earlier Easter, but it was in all probability due principally to weather conditions. March was warm and dry and, with Easter falling on April 1, there was every inducement for spring buying. April, on the other hand, was in large part a month with lower-than-usual temperatures and a good deal of rain in most parts of the District. In dollar volume, April sales by the 85 reporting department stores were down 25 per cent from March and were only 1 per cent above the April 1944 volume. Because of the shorter month, however, the index of daily average sales declined 19 per cent from March to April. In dollars, April sales declined from those in March by 20 per cent or more at all reporting cities, and at Augusta and Macon they were down 32 per cent and 31 per cent, respectively. Compared with April of last year, when Easter fell on the ninth of the month, there were increases this year of 8 per cent at Atlanta, 7 per cent at Montgomery, 6 per cent at Miami, 4 per cent at Baton Rouge and Jackson, 2 per cent at Chattanooga, and 1 per cent at Knoxville and Nashville. April sales this year were less than they were a year ago by 1 per cent

at Jacksonville and New Orleans, 3 per cent at Birmingham and "Other Cities," 4 per cent at Tampa, and 7 per cent at Augusta. In the first four months of 1945 total sales by these 85 reporting stores were 17 per cent greater than in that period last year, with the gains ranging from 4 per cent at Macon to 30 per cent at Montgomery.

Department store inventories at the close of April were up 7 per cent, on the average, from those a month earlier and were 2 per cent larger than a year ago. Increases over April of last year of 19 per cent at Atlanta, 12 per cent at Baton Rouge, and 6 per cent at Birmingham and Nashville were partly offset in the total by decreases of 26 per cent at New Orleans, 3 per cent at Macon and Montgomery, and a slight decline at "Other Cities."

The collection ratios declined slightly in April, but the proportion of sales for cash advanced from 57 per cent of the total in March to 63 per cent in April, and open book credit sales declined from 40 per cent in March to 34 per cent in April. In both of these months instalment sales accounted for 3 per cent of total sales.

Contrary to the seasonal tendency, April sales at Sixth District retail furniture stores that report to this bank also declined from March. A small gain was reported by stores in Birmingham, but other cities reported decreases ranging from 10 per cent at New Orleans to 20 per cent at Columbus. Collections declined in April, but inventories were slightly larger than a month earlier. Compared with April 1944, sales were up 14 per cent, collections 12 per cent, and inventories 13 per cent. Cash sales were up 31 per cent from April last year, and the gain in instalment and other credit sales was 19 per cent.

Financial Activity

Net circulation of this bank's Federal Reserve notes stood on May 16 at \$1,338,629,000. This is a rise of 62 million dollars, or 5 per cent, since the turn of the year. In the same period a year ago the increase was 94 million dollars, or 10 per cent. Circulation is now almost six and a half times what it was early in December 1941, just prior to the entry of the United States in the war. In April net circulation increased 18 million dollars, whereas the rise in March was only 8 million. The month's increase was almost entirely in notes of the three smaller denominations — 5's, 10's, and 20's — and notes of the 50-dollar and larger denominations increased less than a million dollars, the smallest in many months.

Demand deposits — adjusted at weekly reporting member banks in selected cities of the District have continued to increase. Time deposits have also shown gains in recent weeks, and these banks have continued to add to their holdings of United States securities. Demand deposits — adjusted at the middle of May were larger by 159 million dollars than they were at the turn of the year and were 197 million dollars, or 18 per cent, greater than they were a year ago. Time deposits at these banks have risen 34 per cent in the last 12 months. At mid-May these 20 banks held in their portfolios a total of 1,366 million dollars in United States securities — a new high and greater by 274 million dollars, or 25 per cent, than the amount they held at the same time a year ago. In April the turnover of demand deposits at these weekly reporting banks was at an annual rate of 14.7 times, after adjustment for seasonal tendencies. This was 6 per cent lower than the March turnover, and 15 per cent less than in April last year.

Sixth District Statistics

INSTALMENT CASH LOANS			
Lender	Number of Lenders Reporting	Per Cent Change Mar. 1945 to Apr. 1945	
		Volume	Outstandings
Federal credit unions.....	46	- 22	- 2
State credit unions.....	27	+ 11	+ 1
Industrial banking companies.....	11	- 10	- 15
Industrial loan companies.....	24	- 21	- 2
Personal finance companies.....	55	- 10	- 0
Commercial banks.....	34	- 1	+ 3

RETAIL FURNITURE STORE OPERATIONS			
Item	Number of Stores Reporting	Per Cent Change April 1945 from	
		Mar. 1945	Apr. 1944
Total sales.....	103	- 4	+ 14
Cash sales.....	92	- 4	+ 31
Instalment and other credit sales.....	92	- 3	+ 19
Accounts receivable, end of month.....	100	+ 0	+ 9
Collections during month.....	100	- 4	+ 12
Inventories, end of month.....	80	+ 1	+ 3

WHOLESALE SALES AND INVENTORIES* — APRIL 1945						
Item	SALES			INVENTORIES		
	No. of Firms Reporting	Per Cent Change Apr. 1945 from		No. of Firms Reporting	Per Cent Change Apr. 1945 from	
		Mar. 1945	Apr. 1944		Mar. 1945	Apr. 1944
Automotive supplies.....	11	- 12	+ 31	9	+ 1	+ 26
Clothing and furnishings.....	3	- 7	- 4	..	..	..
Shoes and other footwear.....	3	- 18	+ 17	..	..	..
Drugs and sundries.....	9	- 8	+ 15	3	+ 9	+ 4
Dry goods.....	11	- 9	- 7	5	- 4	- 39
Fresh fruits and vegetables.....	3	- 11	+ 24	..	..	..
Farm supplies.....	3	+ 1	+ 45	..	..	..
Confectionery.....	5	- 10	- 30	..	..	..
Groceries—full line wholesalers.....	34	- 10	- 7	15	+ 2	- 20
Groceries—specialty line wholesalers.....	12	- 14	- 2	6	- 9	+ 20
Beer.....	4	- 6	- 19	..	..	..
Hardware—general.....	13	- 5	+ 4	5	+ 1	+ 4
Hardware—industrial.....	3	- 12	+ 13	..	..	..
Paper and its products.....	4	- 15	+ 13	..	..	..
Tobacco and its products.....	9	- 8	- 21	3	+ 1	- 20
Miscellaneous.....	16	- 6	- 9	15	+ 5	- 19
TOTAL.....	143	- 8	- 1	61	+ 2	- 11

* Based on U. S. Department of Commerce figures.

DEPARTMENT STORE SALES AND STOCKS						
Place	No. of Stores Reporting	SALES		INVENTORIES		
		Per Cent Change Apr. 1945 from		No. of Stores Reporting	Per Cent Change Apr. 1945 from	
		Mar. 1945	Apr. 1944		Mar. 1945	Apr. 1944
ALABAMA						
Birmingham.....	5	- 24	- 3	4	+ 11	+ 6
Mobile.....	5	- 23	- 11	..	..	..
Montgomery.....	3	- 26	+ 7	3	+ 8	- 3
FLORIDA						
Jacksonville.....	4	- 25	- 1	..	..	..
Miami.....	3	- 27	+ 6	..	..	..
Tampa.....	5	- 20	- 4	..	..	..
GEORGIA						
Atlanta.....	6	- 25	+ 8	5	+ 7	+ 19
Augusta.....	3	- 32	- 7	..	..	..
Macon.....	3	- 31	- 20	3	+ 10	- 3
LOUISIANA						
Baton Rouge.....	3	- 25	+ 4	3	+ 10	+ 12
New Orleans.....	4	- 24	- 1	3	- 0	- 26
MISSISSIPPI						
Jackson.....	4	- 23	+ 4	..	..	..
TENNESSEE						
Chattanooga.....	3	- 23	+ 2	..	..	..
Knoxville.....	4	- 21	+ 1	..	..	..
Nashville.....	6	- 28	+ 1	5	+ 11	+ 6
OTHER CITIES*.....	24	- 26	- 3	28	+ 7	+ 0
DISTRICT.....	85	- 25	+ 1	61	+ 7	+ 2

* When less than 3 stores report in a given city, the sales are grouped together under "other cities."

The National Business Situation

OUTPUT and employment at factories declined somewhat in April. Department store sales showed a marked decline, and wholesale commodity prices continued to advance slightly.

Industrial Production

Industrial production, which had advanced earlier this year, declined in April to the same general level that prevailed during the latter half of 1944. The Board's seasonally adjusted index was 231 per cent of the 1935-39 average as compared with 235 in the first quarter.

Activity in the machinery and transportation-equipment industries declined about 3 per cent in April, reflecting curtailed munitions production; the largest part of the decrease was accounted for by a further reduction in operations at shipyards. As a result of the decline in shipbuilding during the last 12 months, activity in the transportation-equipment industries in April was 10 per cent below a year ago.

Steel production was maintained at the March level as a decline in output at open hearth furnaces was offset by a further rise in steel produced in electric furnaces. Production of nonferrous metals, which had increased somewhat during the first quarter of this year, showed little change in April. Output of stone, clay, and glass products was maintained at the first quarter level, while lumber production continued to decline.

Production of textiles and manufactured food products declined slightly in April and was at the level of a year ago. Cotton consumption showed a decrease of 5 per cent from March, but rayon shipments rose further to a record level. Activity at meat packing establishments, which had shown little change during the first quarter after allowing for seasonal fluctuations, declined 10 per cent in April. Output of rubber products decreased as the shortage of carbon black continued to limit production, despite measures to stretch available supplies. Production of most other nondurable goods showed little change.

Bituminous coal production recovered in the latter part of April from a substantial decline earlier in the month because of work interruptions accompanying contract negotiations. Output for the month was 8 per cent below that of March and in the first two weeks of May continued at this lower rate. Anthracite production in April was 14 per cent higher than in the preceding month but declined sharply in May prior to agreement on a new wage contract on May 19. Output of crude petroleum has been maintained at record levels, and iron ore production has shown an exceptionally large increase this spring owing to early opening of the navigation season on the Great Lakes.

Distribution

Department store sales declined sharply in April, and the Board's seasonally adjusted index was 181 per cent of the 1935-39 average as compared with an average of 211 in the first quarter and with 172 in April 1944. Sales in the first half of May were only slightly larger than in the corresponding period a year ago. Owing to unseasonably warm weather and expectations of shortages, much spring shopping, which would usually be done in April and May, occurred this year in February and March. In mid-April many stores were closed immediately following the death of President Roose-

velt. Also, in particular cities part of the recent decrease in sales appears to have been associated with actual or anticipated income declines resulting from cutbacks in war production.

Freight carloadings of most manufactured products were maintained at a high level in April and the early part of May and were above the same period a year ago. Shipments of coal and lumber, however, were in smaller volume, reflecting reductions in output of these commodities.

Commodity Prices

Wholesale prices of farm products advanced in April and then showed little change in the first three weeks of May. Maximum prices for coal, steel products, and various other industrial commodities have been raised somewhat in recent weeks.

Retail price changes for foods and other commodities apparently have continued to be small in April and the early part of May.

Bank Credit

During the four weeks ended May 16 total deposit and currency holdings of businesses and individuals increased by nearly three billion dollars. Increases of about 300 million in currency and of over 400 million in reserves required to be held against expanding deposits at member banks resulted in an increased demand for reserve funds by member banks. This demand was supplied largely by an increase of about 500 millions of dollars in Reserve Bank holdings of Government securities, mostly bills and certificates, and in part by a temporary decline in Treasury deposits at the Reserve Banks. Excess reserves rose slightly to around a billion dollars.

Loans to brokers and dealers for purchasing or carrying Government securities, which had declined in early April to a level comparable with that reached before the Sixth War Loan Drive, rose substantially during the three weeks immediately preceding the Seventh War Loan Drive. Commercial loans declined during the interdrive period, reaching a level about 500 million dollars lower than that prevailing just before the Sixth War Loan Drive.

ANNOUNCEMENT

The Federal Reserve Bank of Atlanta announces two promotions: S. P. Schuessler has been advanced from assistant vice president to vice president, and Lloyd B. Raisty has been advanced from manager of the Research Department to assistant vice president.

Mr. Schuessler now heads the Fiscal Agency Department of the Bank. He is primarily responsible for handling the department's public-debt operations and Government-security servicing. He first came with the Bank in November 1918 and has served continuously ever since.

Mr. Raisty serves as head of the Research Department and as operating head of the consumer-credit control work of the Bank. His service with the Bank dates from June 1941.