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Role of the New Orleans International Trade Mart

THE contribution that a well-balanced international trade can make toward full production and employment throughout the nation is receiving growing recognition in the Sixth Federal Reserve District, one of the sections that would be most strongly affected. In addition, because of the District's proximity to Latin America, attention is being focused upon the role that an expanded trade with that area may play in the South's economic future.

The importance of foreign trade as a source of employment and income is readily apparent where ships dock and unload cargo brought from foreign countries and reload with American goods, as they do at such District ports as Mobile, New Orleans, Savannah, Jacksonville, Tampa, and Miami; where the arrival of planes bringing passengers from all parts of Latin America is a regular occurrence, as it is at such Sixth District cities as Miami, New Orleans, and Tampa; and where ship-repair facilities are kept in operation by the needs of vessels engaged in foreign trade. Furthermore a lively interest in the possibilities of foreign trade is demonstrated in inland sections of the District as well. In the Atlanta area, for example, a survey conducted by the Foreign Trade Council of the chamber of commerce reveals that approximately 150 firms have expressed a desire to expand their markets through foreign trade. The current industrial expansion in the South, it is hoped, will be paralleled by a growth in trade with Latin America.

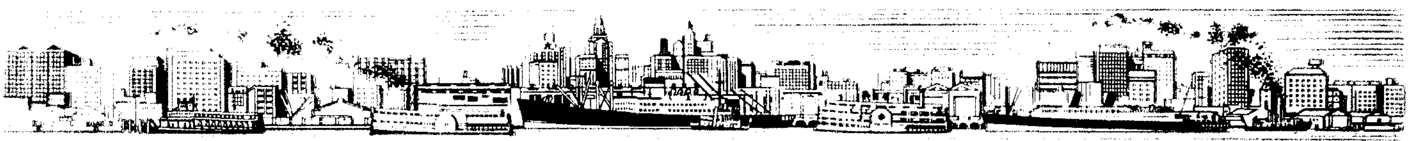
The recent announcement that the newly organized International Trade Mart will begin operation at New Orleans on June 7, 1947, is therefore of outstanding interest. As it is planned, the mart will assist materially in removing some of the obstacles to a permanent development of United States trade with Latin America. Since, in addition to being the District's largest port, New Orleans serves the entire Mississippi Valley area, a development such as that of the International Trade Mart has significance to the growth of foreign trade not only in the District but also in the rest of the nation. The New Orleans experiment may point the way toward overcoming many of the difficulties that have hampered trade with Latin America.

As a general rule in the past, except for its major national firms American business has not exhibited its present degree of interest in foreign markets. Foreign trade is a new venture for many firms. For an individual concern the decision to enter that field becomes a practical problem removed from abstract generalities into the realm of ordinary day-to-day business transactions. These firms realize that although trade agreements, financial agreements, the International Monetary Fund and Bank, and trade treaties are all important matters bearing upon the future course of international trade, the immediate problem of the individual firm is one of mastering practical details.

Like domestic sales transactions, foreign trade involves practical details of demand creation, finding a buyer, negotiating terms of sale, and transferring the title. Also involved are the practical details of transportation, storage, and finance. Furthermore, in international transactions many of these details become more complex. There are customs and shipping regulations. Sometimes certain special types of packaging are required. There are problems of foreign exchange and finance. Foreign-trade documents appear to be exceedingly complex to those persons accustomed to domestic trade only. A lack of uniformity in laws and commercial practices and numerous other problems add their complications. Many of these factors can be overcome by utilizing the facilities of the foreign-trade departments of commercial banks and the services of export-import firms specializing in the handling of foreign-trade transactions.

Even more fundamental perhaps are the problems that buyers and sellers have in getting together and that buyers have in determining the fitness to their needs of the goods available. In order to meet them, large American corporations have developed special foreign-trade departments. They have representatives in the foreign markets and branch offices in the principal cities where American goods are displayed. Contact is made directly between buyer and seller, the sale is arranged, and other details completed. For the smaller firm, however, such a course of action is impractical, both because of the lack of experience and because of the great cost involved.

Within the United States the problem of bringing the buyer and seller together and that of making it possible for the buyer to determine what goods are available and which of them are suitable to his needs have been met by the development of specialized markets. Over the course of many years centers have grown up in certain cities where buyers may view the merchandise of many competing firms and where they



may complete the details involved in the transaction. Retailers, for example, regularly visit the garment centers, the furniture markets, and other centers. It is unnecessary for them to search the entire country to find the goods they want. Transactions can be completed in a minimum of time. In addition to the specialized type of market, certain centers have been developed at which a variety of goods are displayed and sold. The most notable of these is the Merchandise Mart in Chicago.

The establishment of such markets for international trade is not a new development, although it is new to the United States. In Medieval Europe the beginnings of international trade were fostered primarily through the great international fairs. One of the most notable was the cycle of fairs at Champagne, France, which succeeded one another so rapidly as to become almost one continuous fair. At Champagne were assembled on the greatest possible scale all the export raw materials and maufactures of Europe and the Mediterranean region.

With the development of improved means of communication and modern industrial operations the character of the great fairs changed. Though certain important fairs have continued, they have done so on a changed basis. The sellers' practice of bringing a store of goods for immediate sale was changed to one of displaying samples, on the basis of which sales were consummated. Serving as a sort of permanent exposition where orders might be placed, the Leipzig fair became an important instrument in the expansion of Germany's international trade. During and after World War I a number of fairs, which were chiefly sample expositions, were developed in other nations. There were about 150 such fairs in Europe prior to World War II. The extensive staffs both provided the technical management and conducted publicity campaigns throughout the world. Many of them utilized modern advertising methods and maintained foreign offices. A resumption of many of these European fairs has recently been announced.

Trade growth in the United States failed to lead to the development of such fairs on the European scale. Perhaps one of the chief reasons was that early American exports were for the most part standardized raw materials. Sale by description and sample was relatively easy. Then many of the manufactured goods that the United States later began to export were industrial goods or consumer durable goods of large unit cost, such as automobiles. The sale of these goods required less individual contact between buyers and sellers than the sale of other types of merchandise needed. Furthermore, the firms selling them were able to support foreign-trade departments.

If hopes for a continuing growth of Latin-American trade at the scale now contemplated are to be realized, however, greater emphasis must be placed on the sale of consumer goods and on a large number of sales of goods of small unit value. Moreover, the recognition that trade is a two-way proposition requiring increased purchases of Latin-American goods by citizens of the United States is becoming apparent. This type of trade will demand more and more personal contacts and more and more of the facilities for determining which goods are suitable to the needs of the buyers of both this nation and Latin America.

The 20 Latin American republics, with a population estimated at approximately 134 million, constitute a great potential market for American goods. According to the United States Department of Commerce, the continent of South America with its 92 million inhabitants is the fastest growing continent in the world. Prospects for future growth in population are favored by the high rate of natural increase and the further reduction in mortality that is expected.

A large and growing population, to be sure, does not in itself create a demand for American goods unless it has purchasing power. At present the income per capita in most of the 20 Latin-American republics is comparatively low, ranging from the highest of $200 a year down to $20, with an average of $101. The greater industrialization of many of the countries is, therefore, encouraging, for it points to a possible rise in the level of national income and a consequent increase in purchasing power for American goods. Contrary to a popular belief, industrialized countries are the best American customers, not only for raw materials but for manufactured products. With each of the nations specializing in the production of those goods in which it has a comparative advantage, there are numerous manufactured products for mutually advantageous trade.

Increased industrialization in Latin America should also eventually assist in stabilizing its purchasing power. The income of Latin-American countries depends to a marked degree upon the sale of raw materials abroad. With the exception of Mexico and Ecuador, each country usually has a maximum of three products that represent more than 60 percent of its total exports. In each of 12 countries a single product represents more than 50 percent of its exports. Because of their great dependence upon single exports, the purchasing power of these nations reflects keenly the trend of economic conditions in other countries, declining sharply in periods of depression. A more diversified economy should, therefore, provide a more stable purchasing power for products of the United States.

During World War II both the imports and the exports of Latin America increased, and other conditions created by the war have also placed those countries as a whole in a favorable position to purchase American goods. Exports by the United States to the other American republics, which averaged 485 million dollars in the period from 1936 to 1938, averaged 862 million dollars for the years 1942 through 1944 and in 1945 totaled almost 1.3 billion dollars.

The growth of exports prior to the entrance of the United States into the war came about partly as a result of the cutting off of the customary European sources of supply. Even after the United States entered the war and Governmental controls were instituted, American exports to Latin America continued at a high level. The policy of the United States was to allocate the Latin American republics the scarce commodities necessary to maintain their economies. Relatively large amounts of iron and steel, textiles, coal, wood pulp and paper, dyestuffs, and industrial chemicals, which were formerly supplied by European nations, were included in the exports. There was a decline, however, in the export of consumer durable goods, which had been of great importance in this country's trade prior to the war.

The value of the United States' imports from Latin-American nations, which generally exceeded that of its exports to those countries, fell slightly under the value of exports in the years 1938 through 1940. When the United States entered the war, the picture rapidly changed. The expansion of imports from Latin America was relatively greater than the expansion of exports. The United States was forced to turn to the Latin-American republics to secure not only increased quantities of materials customarily obtained from that area but raw materials and food stuffs formerly purchased from areas that were then cut off by wartime conditions. As a result, imports from the Latin-American republics, which had an average value of 542 million dollars in the period 1936-38, averaged 1.3 billion dollars during the period 1942-44 and amounted to 1.6 billion dollars in 1945. In the five-year period 1941-45 merchandise imports of the Latin-American republics exceeded their merchandise exports by a total of 1.8 billion dollars.

Because of wartime controls in the United States on the manufacture and exportation of goods that the Latin-American nations have customarily purchased from this country, the importation by them of such commodities as automobiles, agricultural machinery, and household appliances declined markedly. On the other hand, trade in certain commodities that had been only negligible before the war increased greatly. As a result of their increased exports and inability to purchase many goods, the Latin-American countries had accumulated by the end of 1944 3.3 billion dollars in gold and foreign-exchange reserves. At present these countries constitute one of the few areas of the world that have the means to pay for imports with American dollars.

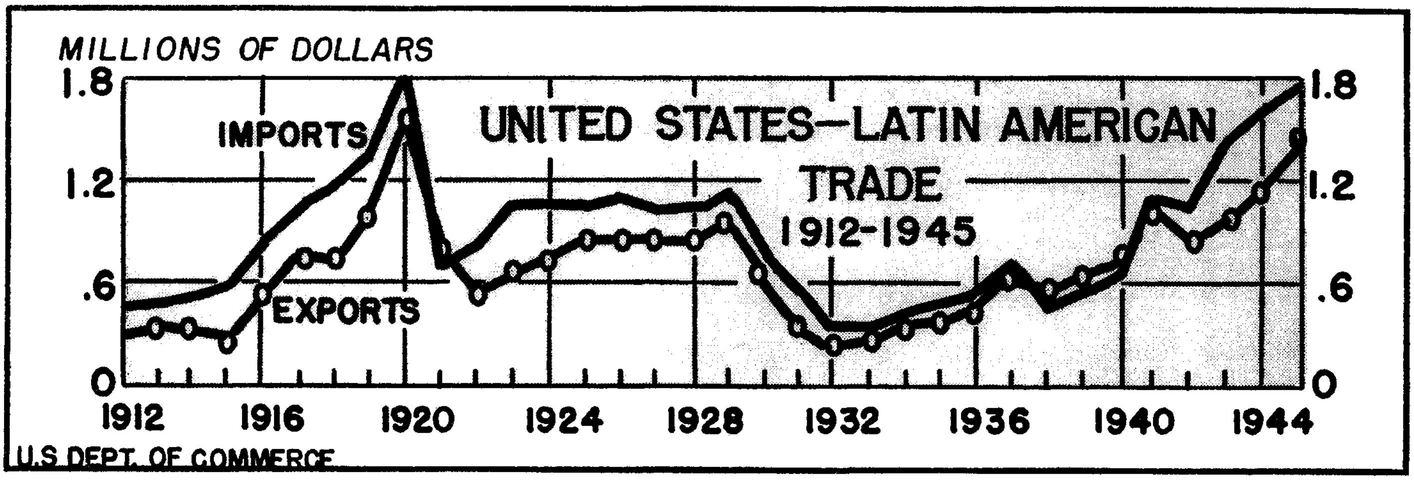
There is now because of the war a large backlog of demand for the goods of this country. The Co-ordinator of Inter-American Affairs in 1944 estimated that the 10-year-postwar industrial needs alone of the 20 Latin-American republics would amount to 9.8 billion dollars, and the United States Department of Commerce estimates an average annual requirement of 800 million dollars for imports with which to replace worn-out capital goods and carry on new capital developments during the next four years. There are, in addition, accumulated demands for many types of United States consumer goods.

Those persons familiar with Latin-American trade recognize that, although the prospects of such trade appear very bright, certain difficulties must be surmounted if it is to be maintained on a continuing basis. There is, of course, the danger that rising prices of United States goods may drive the Latin-American nations to purchase elsewhere as other industrial countries get back into production. It is also possible that unless the Latin-American nations can increase and continue their exports at a high level, particularly to the United States, they will be unable to purchase American goods. Moreover, there is the ever-present possibility of increased competition resulting from the neglect of Americans to cultivate those individual trade relations in every-day details essential to a successful continuing foreign trade.

Such people see foreshadowed in the present situation a repetition of the experience following World War I, when, as in World War II, there was an accumulated demand for American goods, which developed from 1914 to 1918. Latin-American nations ordered so heavily from the United States immediately after World War I that its manufacturers were unable to meet the demands in full. American exports to Latin America reached a total value of 1.6 billion dollars in 1920. The chart on this page shows that the value of these exports in 1920 has never been exceeded in subsequent years. As a result of the depression of 1920-21 there were wholesale cancellations of foreign orders. American exports to Latin America fell in 1921 to almost half the level of the preceding year. In the reorganization of world trade after the depression, the United States lost its new-won market in South America to European nations.

Before 1914 the greater part of the Latin-American market was controlled by European countries. Traders from these countries were familiar with languages, local customs, and individual problems, and they offered long-term credits. American merchants demanded cash before shipment. They were, furthermore, unfamiliar with the local markets. Emphasis was placed by Americans upon the large sales, with a disregard for the many smaller sales that amounted to a large total for the European countries. In Argentina, for example, goods from the United States made up 12 percent of Argentine imports during the period 1910-14. The unavailability of European goods increased that proportion to about a quarter of Argentina's total imports in 1920. After the recovery of world trade the proportion supplied by the Americans declined, to 15 percent in 1922, rising to only 17 percent in 1923.

A group of New Orleans businessmen thoroughly conversant with these problems are determined to prevent, as far as possible, a repetition of those conditions that came about after World War I, when exports through New Orleans fell from a value of 712 million dollars in 1920 to a value of 301 million



in 1923. They are resolved that trade with Latin America shall rest on a foundation firmer than one erected upon temporary war-induced demands.

One step they have taken along the way to accomplishing this goal is the establishment in New Orleans of International House, which was described in the May 1945 issue of the *Review.* This institution has as its purpose the development of personal relationships between buyers and sellers in the two Americas. The success of International House in assisting to promote import and export business between firms in the Mississippi Valley and those in Latin America seems already assured.

It was recognized that international trade does not rest upon personal contact alone. It rests also upon the buyers' determination of the suitability of goods and upon a multitude of individual sales transactions. At New Orleans, because of its strategic location, both the men and the goods might be brought together to the advantage of both buyer and seller.

In order to determine what goods are available and whether or not they are suitable for his local markets, a prospective buyer from Latin America at the present time is forced to visit many areas throughout the United States. Not only does a search for goods take a great deal of his time but in many cases it necessitates his dealing with persons unfamiliar with foreign trade. There is no one place where he may go to find displayed the goods of several competing manufacturers. Furthermore, there is no one place where the buyers of the United States might view merchandise of the Latin-American countries and complete sales transactions without making extended trips outside the country.

The same group of New Orleans businessmen that sponsored International House have therefore organized this new type of institution resembling in some respects the great European trade fairs. They believe that the International Trade Mart, a nonprofit corporation chartered under the laws of Louisiana, will assist in avoiding the mistakes of the past.

All 38 directors of the organization are executives of shipping companies, import-export concerns, publishing companies, cotton firms, public organizations, and other interests. The president of the organization, Theodore Brent, is also president of Louisiana Shipyards, Incorporated. One of New Orleans' largest department stores, the Maison-Blanche, is represented by Herbert J. Schwartz, who is first vice president of the Trade Mart. R. S. Hecht, chairman of the Board of the Mississippi Shipping Company, Incorporated, is chairman of the executive committee. The vice presidents of the organization are W. Z. Zetzmann, R. K. Longino, C. Earl Colmb, and Kenneth C. Barranger. Each of the directors has backed up his belief in the enterprise by contributing a minimum of $1,000. In many cases the contributions have been larger.

To facilitate the securing of quarters for the new trade mart the original organizers created the Mart Realty Corporation. The sole purpose of this agency, which was financed by the directors of the International Trade Mart, was to purchase a building for transfer to the International Trade Mart. For the sum of $200,000 this corporation has bought a five-story building with frontages of three quarters of a block on Common Street and a half block on Camp Street. Located near New Orleans' financial and trading center, the building is only a block from International House. It will be sold to the International Trade Mart by the Mart Realty Corporation at no profit. Between $600,000 and $700,000 will be spent to renovate it.

Bonds sufficient to finance the acquisition and renovation of the property will be floated in the near future. These bonds will bear a low rate of interest, and they probably will be amortized over a period of 10 years. No difficulty in securing the necessary funds is expected. It is anticipated that rentals from exhibits will be sufficient to amortize the bonds and to carry on the necessary activities of the organization.

According to the present schedule, work on the building will begin in August or September of this year. Plans have been developed to transform the present structure into one of the most modern of its kind. The white-stone facing of the renovated building will be relieved by vertical panels of glass brick, and an imposing corner entrance is planned. There will be no outside windows.

The interior, which will be air conditioned throughout, will be so constructed as to minimize dust and noise. Individual sales rooms and display rooms with plate-glass show windows framed in aluminum or alloy materials will line the corridors. The lighting will be of the modern indirect type.

Display spaces will range in size from 192 square feet to 1,000 square feet, although in some cases it may be possible for merchants to secure additional space. With a total of 80,000 square feet of display space available the building can accommodate about 160 different lines, if an average of 500 square feet is allocated each tenant. Exhibitors are being encouraged to improve and decorate their individual spaces. Toward the cost of such improvements the International Trade Mart will pay up to 50 percent of a specified amount.

The first floor of the building will be devoted to the display of heavy machinery, automobile parts, and other types of heavy, bulky merchandise. On the second floor will be the headquarters of a number of import-export firms. These companies will be specialists in foreign trade, often representing from 15 to 20 firms. They handle for their clients the technical details involved in importing and exporting. To those firms new to foreign trade and to those that do not maintain foreign-trade departments the central grouping of these companies will be especially helpful.

The remaining floors of the building will be devoted to the display of various types of merchandise, representing a cross-section of the manufacturing firms in the Mississippi Valley. A buyer from Latin America will find displayed, in addition to machinery, automobiles, and trucks, many varieties of consumer goods made in the United States. Moreover, a United States buyer will be able to inspect a variety of Latin-American merchandise.

These buyers will find on exhibit cotton and woolen textiles, all types of apparel, and gifts and novelties. The latter classes of goods should be especially attractive to buyers in this country. There will be space for the display of retail-store equipment, household appliances, and electrical goods. Cosmetics as well as drugs and pharmaceuticals will be found in another section. The buyer can inspect all types of furniture produced in the Mississippi Valley and those types of furniture in which the Latin-American countries specialize. Processors of packaged foods also will display their wares.

Several of those commodities that were exported before the war to Latin-American republics in negligible quantities but increased during the war made extraordinary advances. Among them were paints and building materials such as cement and clay products. Even before the war the exports of lumber and wood manufactures to Latin-American countries amounted to 3 percent of the total exports. Display space for building materials, paints, and allied products, therefore, is important.

Scientific and professional instruments and supplies made up one of the leading classes of commodities exported to Latin America before the war. During the war period the increase in this type of export was outstanding. From 1938 through 1944, the value of this type of export increased 404 percent. The allocation of space for displays of medical equipment and other scientific apparatus will, therefore, help to keep this type of trade at a high level. Display space is also to be assigned to manufacturers of business machinery, in the production of which United States manufacturers have made noteworthy advances.

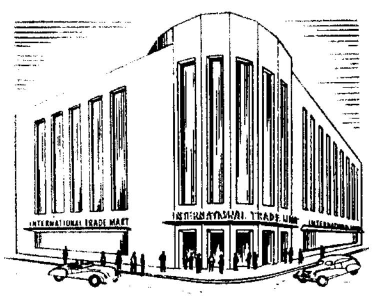
Rather than limiting the firms to a small number of large manufacturers, the directors of the International Trade Mart are seeking to obtain a wide representation of manufacturing firms in the Mississippi Valley and in Latin America. A number of leases have already been signed. Since the Trade Mart is to represent the entire area, the number of New Orleans firms will be kept down and the extent of display space that any one firm may lease also will be limited.

Every effort is being made to enable the comparatively small manufacturing firm that has heretofore confined its business to the United States to enter the foreign field. The rental rates permit even small firms to maintain headquarters in the Trade Mart. Rates run from $4 to $5.65 a square foot annually. Rental for the smallest space available would amount to $976 a year. A typical unit of 1,000 square feet will rent for approximately $370 a month. Leases are signed for a three-year period. The headquarters of some of the smaller firms in the International Trade Mart, it is expected, will be used for district offices also.

The mart is not to be merely a place where goods are exhibited but also a place where goods are actually bought and sold—where all arrangements of sale are completed and deliveries arranged. Each tenant will be required to maintain a sales office as well as to display his merchandise.

It is contemplated that a hardware distributor from Bogota, for example, would thus be able to complete his business within the space of approximately a week. Under existing schedules, he could arrive in New Orleans one and a half days after boarding a plane at Bogota. Upon his arrival, instead of leaving for other points over the United States to discover what merchandise was available and whether it was suitable for his needs, he would go to the International Trade Mart to view goods displayed there by American hardware manufacturers. In a few days' time he could make his purchases, arrange for financing and shipment, and return to Bogota.

Prospective buyers from other parts of Latin America also can complete their business in a minimum of time. Under the present air schedules, Lima is two days away from New Orleans, Rio de Janeiro three days, and Buenos Aires three and a half. A buyer from Guatemala can arrive in New Orleans within six hours. Even better air schedules, it is expected, will go into effect soon.



The facilities will be equally advantageous for the buyers of this country. A buyer from a large department store in New York, for example, wishing to enlarge his stock of Mexican novelties could travel to New Orleans, view the merchandise, complete the sales transaction, and return to New York in a period of two or three days. In contrast, even by air a trip to the various centers in Mexico where such goods are available would require a considerable period of time.

New Orleans' location, the directors of the International Trade Mart believe, is also particularly advantageous for the shipping of merchandise. It has been claimed that exports to the east coast of South America can be shipped from 23 states or parts of states in the central United States more advantageously through New Orleans and other Gulf ports than they can be shipped through the northeastern Atlantic ports. New Orleans is served by a number of steamship lines, and the completion of new ships they are now having built will provide frequent and fast freight service.

The staff of the International Trade Mart is designed to carry out most effectively its chief purpose of developing international trade. The present staff, under the direction of Clay L. Shaw, sales manager, is housed in the International Building, in which is also located International House. Eventually the organization will include a general manager, administrative director, a building manager or director of operations, and a director of public relations.

It is contemplated that the public relations activities will be very extensive. Plans call for permanent maintenance of representatives of the mart at the more important Latin-American trade centers. The director of public relations will have charge of an extensive advertising program both in the United States and the Latin-American periodicals. A documentary film will describe the activities of the mart and the manufacturing facilities of the Mississippi Valley area. The display of a new type of product might call for an extensive advertising campaign. Since the mart will be a nonprofit organization, all money above the necessary operating expenses will be available for promotional work.

An integral part of the mart will be the activities of the International Foreign Service Bureau. This agency will not compete with the services now provided for foreign trade and financial institutions. Rather it will act as a clearing house from which a person may learn where to find the services he requires. The services may include translation assistance and the provision of information on such matters as forwarding services, documentation, packaging regulations, and credit. In addition, it is expected that the bureau will carry on market research. This service should be extremely valuable to the firms that do not maintain foreign-trade departments.

The economic future of the South, it is stated, is linked with its success in developing a diversified industry. In a few years, when the accumulated domestic demand for this country's manufactured products has been satisfied, the size of the nation's export trade may mean the difference between profits and losses to many industries, including those in the Sixth District. In a few years, also, other nations whose economic livelihood is dependent to an even greater extent upon the size of their exports will be much more able to compete with American producers than they now are. From the development of such institutions as the International Trade Mart the United States will receive important aid in its struggle to retain its foreign markets and expand them.

CHARLES T. TAYLOR

Postwar Trends in Ownership of Demand Deposits

BANKERS in the Sixth District have been watching carefully the trends of their deposits since V-J day. Some of them have believed that postwar conditions might alter the trend toward the greater-than-national increase in deposits experienced during the war and, especially, that they might cause important shifts in ownership of the deposits. From July 1945 through January 1946, according to the semiannual survey of the ownership of bank deposits, total demand deposits of individuals, partnerships, and corporations in all Sixth District banks increased, however, at a rate greater than that experienced by banks throughout the nation. Furthermore, increases were greater in almost all types of ownership, and though deposits of manufacturing and mining concerns declined 7.0 percent in the District banks, they declined 13 percent in banks of all the Districts. Whether or not this trend will continue depends upon both District and national conditions that cannot be forecast with precision.

Total demand deposits of individuals, partnerships, and corporations in all Sixth District banks were estimated at 4,138 million dollars on January 31, 1946, or 13 percent greater than they were estimated to be six months earlier and 22 percent higher than the level of the same date in 1945. Increases more than sufficient to offset the decrease in manufacturing and mining accounts were experienced in all other types of accounts. The greatest dollar increases took place in retail- and wholesale-trade accounts and in personal accounts. Details showing the amounts of the estimates together with the changes during the six-month period are shown in table 1.

These estimates are based on reports received from 97 member banks, located throughout the District, that co-operated in the survey by classifying and reporting the deposit accounts of individuals, partnerships, and corporations by type of ownership. In this discussion these accounts are referred to as demand deposits.

The decrease in the deposits of manufacturing and mining concerns in the postwar period has been partly the result of a cancellation of war contracts. Many corporations that were specifically organized for war production or were greatly expanded during the war period for the specific purpose of manufacturing war materials have almost completely ceased operations. The decline of approximately 15 percent in manufacturing employment in the Sixth District states during the period of the survey is an indication of the relative decline in manufacturing activity.

Previous surveys have indicated, however, that the accounts of these war-born or war-stimulated corporations made up a smaller proportion of the total growth in deposits than might have been expected. In many cases, while a substantial working balance was kept in Sixth District banks a considerable portion of the deposits of these corporations was maintained in the banks of other Districts. Large corporations also invested a large part of their cash surplus during the war in Government bonds. The ending of the war, therefore, did not create as large a shrinkage in manufacturing deposits as it would have done otherwise.

Perhaps of greater importance in explaining the decline in manufacturing and mining deposits are the expenses necessary for reconversion following V-J Day. During this period manufacturing concerns converting from war production have made expenditures for plant conversion, materials, and equipment prior to the production and eventual sale of their peacetime manufactured products. In addition, part of the decrease may be caused by the accumulation of inventories.

That the cancellation of war contracts did not have the effect of causing a decline in Sixth District demand deposits is also indicated by the experience of banks located in the District's shipbuilding centers. Total demand deposits of eight large banks located in Mobile, Jacksonville, Tampa, and New Orleans registered a slight increase of 2 percent in the six

TABLE 1
ESTIMATED OWNERSHIP OF DEMAND DEPOSITS OF INDIVIDUALS, PARTNERSHIPS, AND CORPORATIONS IN ALL COMMERCIAL BANKS IN SIXTH FEDERAL RESERVE DISTRICT
(In Millions of Dollars)

Type of Ownership	Jan. 1946	Change July 1945-Jan. 1946	Percent Change July 1945-Jan. 1946	Percent Distribution Jan. 1946
Manufacturing and mining	429	— 34	— 7	10.4
Public utilities, transportation, and communications	245	+ 2	+ 1	5.9
Retail and wholesale trade	878	+ 145	+ 20	21.2
All other nonfinancial*	246	+ 42	+ 21	5.9
Total nonfinancial	1,798	+ 155	+ 9	43.5
Insurance companies	74	+ 14	+ 24	1.8
Trust funds of banks	41	+ 3	+ 7	1.0
All other financial**	199	+ 48	+ 32	4.8
Total financial	314	+ 65	+ 21	7.6
Total business	2,112	+ 220	+ 10	51.1
Nonprofit organizations	106	+ 28	+ 36	2.6
Personal, including farmers	1,918	+ 233	+ 14	46.3
Foreign	2	+ 1	+ 42	...
Total individual, partnership, and corporation	4,138	+ 482	+ 13	100.0

*Including construction contractors and theaters and hotels, laundries garages, repair shops, and other service establishments.
**Including investment and loan and insurance agencies, real-estate businesses, etc.

TABLE 2
PERCENT CHANGES IN OWNERSHIP OF DEMAND DEPOSITS OF INDIVIDUALS, PARTNERSHIPS, AND CORPORATIONS, SELECTED SIXTH DISTRICT BANKS, JANUARY 1946 FROM JULY 1945 AND JULY 1943

	Eight Large Banks in Shipbuilding Centers*		20 Large Banks	
	July 1945	July 1943	July 1945	July 1943
Classified Accounts**				
Manu. and mining	— 16	+ 1	— 16	— 3
Pub. util., trans., and commun.	+ 8	+ 63	— 5	+ 27
Ret. and whole. trade	+ 10	+ 48	+ 15	+ 63
All other nonfinan.	+ 8	— 4	+ 6	— 13
All other financial	— 30	+ 36	+ 26	+ 35
Insurance companies	+ 10	— 5	+ 22	+ 44
Trust funds—banks	— 9	+ 44	+ 6	+ 29
Nonprofit assoc.	+ 75	+ 176	+ 25	+ 117
Personal: Farmers, Other	+ 10	+ 92	+ 14	+ 109
Total class. accts.	+ 5	+ 36	+ 3	+ 31
Total nonclass. accts.	— 5	+ 38	+ 11	+ 59
Total demand deposits, ind., part. and corpn.	+ 2	+ 37	+ 6	+ 40

*Changes between 1943 and 1946 in six banks.
**In the large banks accounts above $10,000 are classified. In the small banks accounts above $3,000 are classified.

months ended January 31, 1946. This increase was slightly less than that experienced in 20 similar banks located throughout the District. The decrease that occurred in those manufacturing and mining accounts of more than $10,000, however, was at the rate it was in the larger banks generally. There was also a slight decrease in the accounts of insurance companies in the shipbuilding-center banks, but this type of account constitutes no more than an approximate 2 percent of the total demand deposits. Personal accounts increased slightly less in these banks than in other large banks of the District.

Even during the war the deposit-ownership pattern in these banks did not differ materially from that in banks of a similar size group in other cities throughout the District. Not only does it appear that the decline in shipbuilding and the cancellation of some contracts failed to have the effect upon the ownership pattern of deposits in these banks which might ordinarily have been expected, but it appears that other types of economic activity have remained at a higher level than might have been expected. In many of the cities a certain amount of shipbuilding is continuing, and a considerable activity in ship-repair, a normal peacetime industry, is underway. Furthermore, the relatively large proportion of personal deposits in these banks has been important to the maintenance of total deposits. Expansion in other types of industry has also offset the decline in shipbuilding. Changes in deposits in these banks, however, differ somewhat from those in banks in other cities, as indicated in table 2.

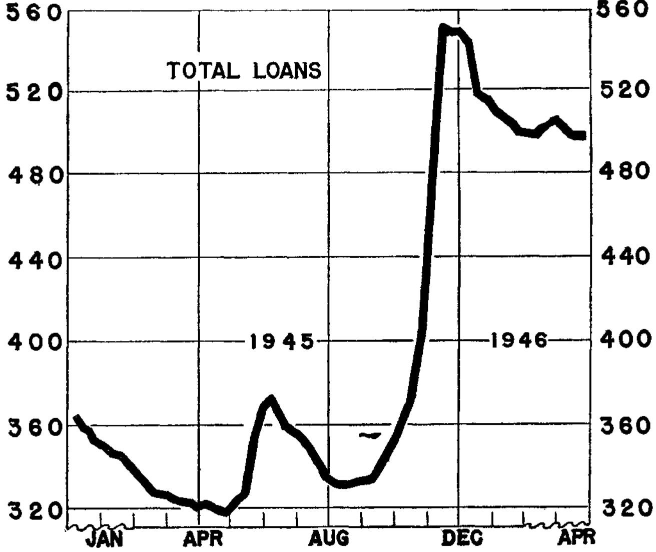
Personal deposits have always been of greater importance in the Sixth District than the deposits of manufacturing and mining enterprises. The end of the war saw no slowing down in the growth of personal deposits, which have continually expanded since the survey was inaugurated in 1943. These deposits, including farmers' deposits, were estimated to make up 38 percent of the total in all banks of the Sixth District in July 1943. They had more than doubled by January 1946, when they constituted 46 percent of total demand deposits. They expanded 233 million dollars, it is estimated, in the six months preceding the date of the survey.

In the light of declining manufacturing employment and increased retail sales in the District, the expansion of personal-deposit holdings might at first appear to be contrary to expectations. The growth in manufacturing employment during the war period was a very important factor in expanding total employment, but it constituted only about one third of total nonagricultural employment in the Sixth District states. The decline experienced in manufacturing employment, therefore, did not have as important an effect in inducing individuals to draw upon their reserves accumulated during the war as it would have had if manufacturing employment had constituted a more important portion of total employment. By the end of 1945 nonagricultural employment other than manufacturing had actually increased over the level of the preceding year. While manufacturing employment declined 311,000 during 1945 an increase of 14,000 in the number of workers in other types of industry kept the total decline down to 297,000. Furthermore, the District's income, which is dependent to a very great extent upon its agricultural income, was aided by an increased cash farm income that was 4 percent above the 1944 figure and higher than the farm income for any previous year.

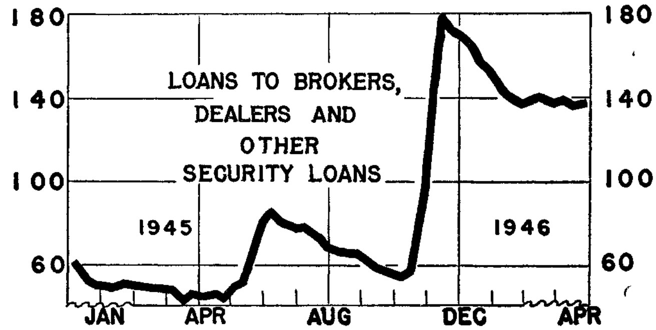
POST WAR LOANS

of Sixth District Weekly Reporting Member Banks

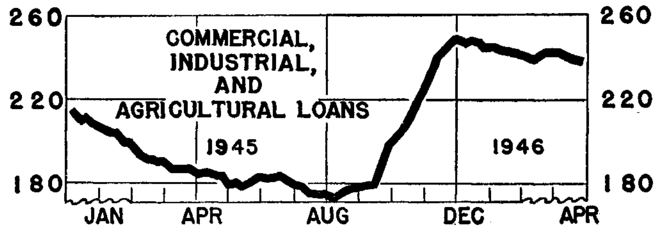
(MILLIONS OF DOLLARS)



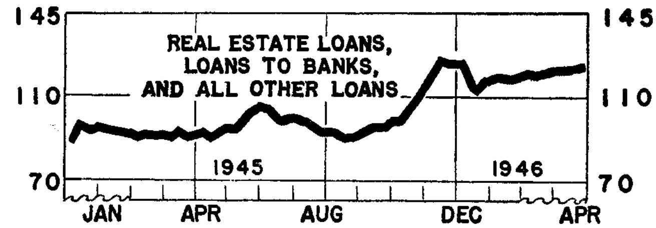
Loans of Sixth District weekly reporting member banks after remaining at comparatively stable levels during the war years advanced rapidly during the latter part of 1945. Although declining since the first of the year, total loans on April 17 were 55 percent above the previous year's level.



An expansion of loans to purchase securities caused partly by Treasury financing and the victory loan drive accounted for most of both the increase in total loans and the decline since the first of the year.



Commercial, agricultural, and industrial loans, although declining slightly since the first of the year because of seasonal influences, were 27 percent higher on April 17 than on the corresponding date in 1945.



Part of the increase in other types of loans is the result of an expansion of consumer borrowing. Real estate loans on April 17 were at practically the same level as in 1945.

Sixth District Statistics

CONDITION OF 20 MEMBER BANKS IN SELECTED CITIES
(In Thousands of Dollars)

Item	April 17 1946	Mar. 20 1946	April 18 1945	Percent Change April 17, 1946, from Mar. 20 1946	Percent Change April 17, 1946, from Apr. 18 1945
Loans and investments—					
Total	2,253,515	2,289,830	1,821,206	— 2	+ 24
Loans—total	498,079	503,032	322,185	— 1	+ 55
Commercial, industrial, and agricultural loans	237,973	242,697	186,657	— 2	+ 27
Loans to brokers and dealers in securities	11,023	10,179	7,759	+ 8	+ 42
Other loans for purchasing and carrying securities	125,572	128,372	36,308	— 2	+246
Real estate loans	27,129	21,812	25,917	+ 26	+ 5
Loans to banks	1,408	1,339	1,623	+ 5	— 13
Other loans	94,974	98,833	63,921	— 4	+ 49
Investments—total	1,755,436	1,786,798	1,499,021	— 2	+ 17
U. S. direct obligations	1,602,976	1,634,579	1,362,916	— 2	+ 18
Obligations guaranteed by U. S.	1,672	1,461	6,192	+ 14	— 73
Other securities	150,788	150,758	129,913	+ 0	+ 16
Reserve with F. R. Bank	366,108	370,794	346,596	— 1	+ 6
Cash in vault	29,146	29,395	28,349	— 1	+ 3
Balances with domestic banks	154,452	148,587	148,056	+ 4	+ 4
Demand deposits adjusted	1,324,221	1,306,959	1,229,632	+ 1	+ 8
Time deposits	435,288	431,044	357,014	+ 1	+ 22
U. S. Gov't deposits	386,475	413,863	146,805	— 7	+163
Deposits of domestic banks	540,026	564,907	505,977	— 4	+ 7
Borrowings	......	3,500	......	.....	.....

DEBITS TO INDIVIDUAL BANK ACCOUNTS
(In Thousands of Dollars)

Place	No. of Banks Reporting	Mar. 1946	Feb. 1946	Mar. 1945	Percent Change March 1946 from Feb. 1946	Percent Change March 1946 from Mar. 1945
ALABAMA						
Anniston	3	18,103	14,867	19,891	+ 22	— 9
Birmingham	6	227,866	188,753	212,430	+ 21	+ 7
Dothan	2	9,569	10,143	8,010	— 6	+ 19
Gadsden	3	12,927	10,457	11,010	+ 24	+ 17
Mobile	4	98,985	86,643	124,035	+ 14	— 20
Montgomery	3	56,596	48,409	40,280	+ 17	+ 41
FLORIDA						
Jacksonville	3	212,463	186,756	191,739	+ 14	+ 11
Miami	7	231,944	205,242	159,908	+ 13	+ 45
Greater Miami*	11	336,340	297,485	219,872	+ 13	+ 53
Orlando	2	46,714	41,125	39,562	+ 14	+ 18
Pensacola	3	29,152	28,468	25,580	+ 2	+ 14
St. Petersburg	3	47,577	40,976	32,394	+ 16	+ 47
Tampa	3	98,610	85,755	89,846	+ 15	+ 10
GEORGIA						
Albany	2	12,772	11,356	10,041	+ 12	+ 27
Atlanta	4	613,913	517,532	514,895	+ 19	+ 19
Augusta	3	43,747	39,171	40,231	+ 12	+ 9
Brunswick	2	8,306	6,657	15,366	+ 25	— 46
Columbus	4	42,202	38,656	36,242	+ 9	+ 16
Elberton	2	3,093	2,615	2,040	+ 18	+ 52
Gainesville*	3	10,865	8,308	**	+ 31	.....
Griffin*	2	8,067	7,229	**	+ 12	.....
Macon	3	44,193	38,153	44,010	+ 16	+ 0
Newnan	2	9,186	7,183	5,759	+ 28	+ 60
Rome*	3	17,054	14,807	**	+ 15	.....
Savannah	4	80,023	65,998	87,330	+ 21	— 8
Valdosta	2	8,803	7,410	7,097	+ 19	+ 24
LOUISIANA						
Baton Rouge	3	55,485	49,850	42,926	+ 11	+ 29
Lake Charles	3	21,086	19,976	17,547	+ 6	+ 20
New Orleans	7	503,632	431,504	446,086	+ 17	+ 13
MISSISSIPPI						
Hattiesburg	2	15,052	13,500	13,136	+ 11	+ 15
Jackson	4	88,019	75,881	70,873	+ 16	+ 24
Meridian	3	24,717	19,578	18,472	+ 27	+ 34
Vicksburg	2	25,168	21,973	18,807	+ 15	+ 34
TENNESSEE						
Chattanooga	4	104,404	84,581	91,274	+ 23	+ 14
Knoxville	4	104,184	98,225	135,291	+ 6	— 23
Nashville	6	209,879	185,698	177,771	+ 13	+ 18
SIXTH DISTRICT 32 Cities	108	3,108,370	2,683,091	2,749,969	+ 16	+ 13
UNITED STATES 334 Cities		87,578,000	73,970,000	81,077,000	+ 18	+ 8

*Not included in Sixth District total **Not available

Bank Announcements

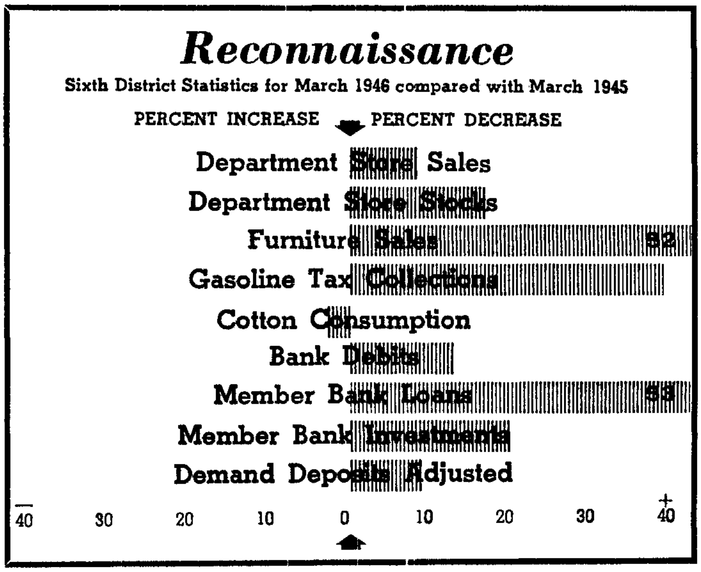
FRANK H. NEELY, chairman of the board of the Federal Reserve Bank of Atlanta, announced on April 18 that the member banks in Group 3 had elected Donald Comer a class B director of the Bank. Mr. Comer is chairman of the board of Avondale Mills, Birmingham, Alabama. He will fill the vacancy on the Bank board caused by the death of Fitzgerald Hall of Nashville, Tennessee, on February 7.

Four new banks were added to the Federal Reserve Par List during the month of April. One of them is the East Lauderdale Banking Company of Rogersville, Alabama, which began remitting at par on April 1. At the close of business on December 31, 1945, capital accounts of the bank amounted to $44,591 and its deposits to $719,000. W. R. Rousseau is president, T. O. Rose vice president, Hollis Ezell cashier, and Elizabeth Hurn assistant cashier. The loans of this bank, which is located in a good farming section of Alabama, are mostly crop and real estate loans.

On the same day the Farmers Bank, Anderson, Alabama, also began remitting at par. In its June 1945 statement this bank showed capital of $20,000, surplus of $10,000, undivided profits of $7,000, and deposits amounting to $628,000. Its officers are W. R. Howard, president; L. E. Bayles, vice president; J. W. Hamilton, cashier; and Inez Denham, assistant cashier.

The American Bank and Trust Company, a newly organized nonmember bank in Baton Rouge, Louisiana, went on the Par List on April 2. Capital accounts of this bank amounted to $300,000, of which $200,000 is common stock. The officers are W. L. Caldwell, president; Rex D. Cannon, vice president and cashier; and R. K. Caldwell, assistant cashier.

On April 3 the Citizens Bank, Gainesville, Georgia, began remitting at par for checks drawn on it. According to its June 1945 statement this bank had at that time capital amounting to $50,000, surplus $50,000, undivided profits $58,000, and deposits $3,654,000. J. H. Hosch is chairman of the board and president. H. C. Hosch, J. M. Hulsey, and R. A. Brice are the vice presidents. Mr. Brice also serves as cashier, and Mrs. C. L. Goforth and S. H. Ledbetter are assistant cashiers.



District Businsss Conditions

SALES figures for March and April reported this year by Sixth District department stores are larger than they have been in any previous year. During March wholesale distribution continued well above the volume for that month a year ago. Life insurance sales have also reached new high levels. More coal was mined in Alabama and Tennessee during March than during any other month in recent years. Union mines were closed by the nationwide strike on March 30, however, and steel-mill activity has declined ever since. In recent weeks the lumber mills have slightly increased their production despite continuing labor and equipment shortages.

Department Store Trade

In the first two weeks of April the sales reported by more than thirty Sixth District department stores averaged 65 percent greater in dollar volume than such sales averaged in the same weeks of last year. This large increase is in sharp contrast to the gain of 15 percent shown by sales for the first three months of this year compared with those for the first quarter of 1945. One reason for the increase was the later date of Easter this year. Since Easter fell on April 1 in 1945, Easter buying took place in the month of March. This year, with Easter falling on April 21, Easter purchases presumably were made entirely in April. Another factor strongly affecting the comparison is that last year March was fairly definitely the first full month of spring, whereas the weather in April was cooler than usual and was also rainy. As a result of the combined effects of the earlier date of Easter and of the weather conditions, the daily average rate of department store sales declined in April 20 percent from the March rate, and, even after allowance was made for seasonal influences and the earlier date of Easter, the adjusted index showed a decline of 15 percent. If the large increase in the first half of April this year over the rate in that period a year ago holds good for the entire month, which is hardly probable, it will mean a rise of about 20 percent from March to April in the daily average rate of sales. It will also mean an advance of about 6 percent in the index after allowance for seasonal factors and the changing date of Easter.

Sales made by more than ninety department stores of the District increased in actual dollar volume during March by 16 percent over the stores' February sales. Because there were more business days in the later month, however, the index of daily average sales rose only 8 percent, and after seasonal adjustment it actually declined almost 2 percent. In comparison with the index for March 1945, however, the unadjusted index for March this year was up 11 percent and the seasonally adjusted index was up 22 percent.

Increases for the first quarter larger than the District average of 15 percent were reported from several points. Orlando with the greatest gain, 26 percent, over the volume for the first quarter of last year was followed closely by Nashville with a gain of 25 percent. In addition, there were increases of 23 percent at Baton Rouge, 22 percent at Atlanta, 21 percent at Tampa and at Augusta, 20 percent at Miami, and 18 percent at Chattanooga. Only at Knoxville and Columbus were first quarter sales less this year than last, and at each of these cities the decrease was only one percent.

Inventories for March were greater than those reported a month earlier, since merchants were adding to their stocks for the spring season. They were also larger than they were one year ago at most places.

Wholesale Trade

Merchandise distribution through the District's wholesale firms also increased somewhat in March and showed an 18 percent increase over distribution in March of last year. Of the 15 groups of wholesale firms for which sales figures are available, decreases in comparison with March 1945 figures were reported only by those dealing in beer and in industrial hardware. Increases among the other classifications ranged up to a gain of 45 percent, in sales of automotive supplies. Inventories for March were off slightly from those of a month earlier but were 20 percent larger than those for March 1945.

Life Insurance Sales

First-quarter sales of life insurance in the six states that lie wholly or partly within the Sixth District were greater than first-quarter sales in the District last year, according to figures compiled by the Life Insurance Agency Management Association. The increase in January over sales in the corresponding month last year was 29 percent, the February gain was 48 percent, and the March rise was 43 percent. Increases during March for the individual states ranged from 31 percent for Louisiana through 33 percent for Alabama, 37 percent for Florida, 38 percent for Mississippi, and 39 percent for Tennessee to 56 percent for Georgia.

Bank Deposit Changes

The increase in demand deposits of weekly reporting member banks during April was moderate. Demand deposits adjusted were 2 percent higher on April 24 than on March 27 and 5 percent above the amount on the corresponding date in 1945. On the other hand, Government deposits declined 6 percent during April but were about 2.8 times the amount on the corresponding date of 1945.

Holdings of Government securities at the reporting banks in the District at the end of April were approximately 15 million dollars less than they were at the end of March. They were, nevertheless, 28 percent higher than they were in the last week of April in 1945.

Industry

Improved weather conditions and, reportedly, a steady but slow return of labor to the mills and the woods have been responsible for the increased lumber production. The operators are still handicapped, however, by a marked shortage of tires and truck-repair parts as well as new handling equipment that is needed to replace equipment greatly worn under the record-breaking burdens of the war period. Retail dealers are still finding it impossible to obtain lumber in anything like the quantities they need for meeting the constantly increasing demand.

Output of coal in Alabama and Tennessee during March was at a daily rate 21 percent above the February rate. It was 18 percent higher than the rate for March last year. The daily average index of coal production in the two states for

Sixth District Statistics

INSTALMENT CASH LOANS

Lender	Number of Lenders Reporting	Percent Change Feb. 1946 to March 1946	
		Volume	Outstandings
Federal credit unions	39	+ 26	+ 4
State credit unions	21	+ 33	+ 2
Industrial banking companies	11	+ 16	+ 7
Industrial loan companies	19	+ 10	+ 5
Small loan companies	50	+ 20	+ 4
Commercial banks	34	+ 22	+ 11

RETAIL FURNITURE STORE OPERATIONS

Item	Number of Stores Reporting	Percent Change March 1946 from	
		February 1946	March 1945
Total sales	99	+ 23	+ 52
Cash sales	91	+ 22	+ 77
Instalment and other credit sales	91	+ 24	+ 48
Accounts receivable end of month	98	+ 1	+ 13
Collections during month	98	+ 11	+ 31
Inventories, end of month	78	+ 9	+ 8

WHOLESALE SALES AND INVENTORIES* — MARCH 1946

	SALES			INVENTORIES		
	No. of Firms Reporting	Percent Change March 1946 from Feb. 1946	Percent Change March 1946 from Mar. 1945	No. of Firms Reporting	Percent Change March 1946 from Feb. 1946	Percent Change March 1946 from Mar. 1945
Automotive supplies	6	+ 1	+ 45	4	0	+ 27
Shoes and other footwear	3	— 7	+ 17	..	.....	.....
Drugs and sundries	7	+ 4	+ 3	..	.....	.....
Dry goods	9	— 10	+ 21	4	+ 12	+ 28
Fresh fruits and vegetables	5	+ 8	+ 16	..	.....	.....
Confectionery	5	— 2	+ 41	..	.....	.....
Groceries—full-line wholesalers	38	+ 6	+ 21	18	— 1	+ 25
Groceries—specialty-line wholesalers	10	+ 3	+ 11	7	— 9	+ 37
Beer	5	+ 6	— 10	4	— 8	— 6
Hardware—general	11	+ 4	+ 19	4	— 1	+ 2
Hardware—industrial	3	+ 10	— 6	..	.....	.....
Machinery, equipment, and supplies, except elect.	3	+ 16	+ 29	..	.....	.....
Paper and its products	3	+ 43	+ 17	..	.....	.....
Tobacco and its products	7	+ 11	+ 34	..	.....	.....
Miscellaneous	14	+ 0	+ 19	18	— 0	+ 17
TOTAL	129	+ 4	+ 18	59	— 0	+ 20

*Based on U. S. Department of Commerce figures

DEPARTMENT STORE SALES AND STOCKS

Place	SALES			INVENTORIES		
	No. of Stores Reporting	Percent Change March 1946 from Feb. 1946	Percent Change March 1946 from Mar. 1945	No. of Stores Reporting	Percent Change Mar. 31, 1946, from Feb. 28 1946	Percent Change Mar. 31, 1946, from Mar. 31 1945
ALABAMA						
Birmingham	5	+ 18	+ 6	4	+ 11	+ 12
Mobile	5	+ 13	— 3	..	.....	.....
Montgomery	3	+ 11	— 1	3	+ 5	+ 5
FLORIDA						
Jacksonville	4	+ 21	— 2	3	+ 5	+ 14
Miami	4	+ 4	+ 13	3	+ 4	+ 10
Orlando	3	+ 15	+ 21	..	.....	.....
Tampa	5	+ 23	+ 17	3	+ 25	+ 9
GEORGIA						
Atlanta	6	+ 17	+ 17	5	+ 12	+ 9
Augusta	4	+ 27	+ 13	3	+ 59	+ 43
Columbus	3	+ 19	— 9	..	.....	.....
Macon	4	+ 16	+ 2	4	+ 6	+ 32
LOUISIANA						
Baton Rouge	4	+ 13	+ 12	4	+ 12	— 2
New Orleans	4	+ 9	— 2	3	+ 16	+ 39
MISSISSIPPI						
Jackson	4	+ 18	+ 3	4	+ 13	+ 14
TENNESSEE						
Bristol	3	+ 30	+ 6	3	+ 3	+ 0
Chattanooga	4	+ 22	+ 9	3	+ 1	+ 15
Knoxville	4	+ 27	+ 1	..	.....	.....
Nashville	6	+ 24	+ 20	5	+ 11	+ 23
OTHER CITIES*	18	+ 13	+ 7	22	+ 14	+ 25
DISTRICT	93	+ 16	+ 8	72	+ 12	+ 17

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

March stands at 193 percent of the 1935-39 average and exceeds the index for any other month in a number of years. Unionized mines in Alabama, and presumably in Tennessee, however, closed at the time of the nationwide coal strike at the end of March. Steel plants in the Birmingham-Gadsden area that had been operating at 95 percent of capacity for the four weeks preceding the strike, according to the *Iron Age*, were reported at 89 percent for the week ended April 9 and 87 percent for the week ended April 16.

The District's textile mills used about 288,000 bales of cotton in March, 5 percent more than they consumed in February. Since the later month was longer, the daily average rate was about 3 percent lower in March than it was either in February or in March a year ago.

Prospective Plantings

If Sixth District farmers carry out their early planting plans it seems probable that more rice (in Louisiana), more tobacco, and more potatoes will be raised in the District this year than last year. On the other hand there will probably be somewhat less of the other principal crops.

Each year the United States Department of Agriculture issues a report that shows the acreages that farmers intended on March 1 planting to the various crops throughout the country. The estimates are valuable to farmers in making such changes in their acreage plans as may appear desirable. Other causes of possible changes in the estimates include weather conditions, price changes, labor supply, and financial considerations.

Nationally the prospective total acreage in principal crops is smaller than the 1945 acreage by a little less than one percent. More acres are going into corn, spring wheat, oats, barley, tobacco, and sugar beets this year than last, but less are going into other principal crops. Because of a legislative prohibition cotton is not included in this report.

In the District during 1945 farmers planted about 2 percent less acreage in the 10 principal crops, excluding cotton, than they did in 1944. Their planting intentions this year indicate a further reduction of about 3 percent in the total acreage for the same 10 crops. The estimates show an increase of 6 percent in tobacco acreage, an increase of one percent in the acreage to be planted in potatoes, and an increase of 2 percent in the Louisiana rice acreage. The largest decreases indicated by the estimates are one of 14 percent in the acreage of oats and one of 17 percent in the barley acreage in the four states where it is grown. Other prospective decreases are 8 percent in soybeans, 4 percent in tame hay, 2 percent in sweet potatoes, 3 percent in peanuts, and one percent in corn. Notwithstanding these prospective decreases in a comparison with last year's acreages, seven of the 10 crops will be planted to larger areas than they were given in the 10-year period, 1935-44. Increases of 27 percent for peanuts and 28 percent for tobacco are indicated over the 1935-44 average, and increases of 40 percent for barley and 44 percent for oats are also expected. Prospective acreages of tame hay and potatoes are respectively 5 percent and 4 percent above the 10-year average, and the planned rice acreage in Louisiana is 14 percent greater than the 1935-44 average. Decreases in comparison with that period are 16 percent in corn and in soybeans and 7 percent in sweet potatoes.

In Alabama acreage intentions reflect significant decreases from last year for almost all crops except oats. The acreage planted to oats is estimated to be about 5 percent more this year. If indicated intentions are carried out the acreage planted to corn will be about one percent less than it was a year ago, to potatoes 4 percent less, to sweet potatoes 3 percent, to soybeans, cowpeas, and barley 10 percent, to peanuts 12 percent, and to tame hay 7 percent.

Florida farmers intended in March to plant the number of acres in corn and peanuts this year that they planted last year, 6 percent less acreage in sweet potatoes, but 14 percent more in potatoes, 6 percent more in oats and tobacco, and one percent more in tame hay.

In Georgia prospects point to an increase of 10 percent in the tobacco acreage and an increase of one percent in peanuts. The acreage of tame hay is planned to be the same as that of last year, and there are prospective decreases of 14 percent in oats, 11 percent in barley, 10 percent in sweet potatoes and in soybeans, 5 percent in potatoes, and one percent in corn.

Louisiana farmers intended to repeat last year's acreages of tobacco and tame hay. They planned to give 4 percent more acreage to sweet potatoes and 2 percent more to rice and to potatoes but one percent less to soybeans, 7 percent less to corn, 17 percent less to peanuts, and 20 percent less to oats.

In Mississippi the farmers planned increases, over the 1945 acreage, of 4 percent in potatoes, one percent in corn, and one percent in sweet potatoes. They made no change in the tame hay acreage. Decreases of 5 percent are indicated for soybeans; 10 percent for peanuts, cowpeas, and sorghums; 32 percent for oats; and 53 percent for barley.

Tennessee farmers planned increases of 3 percent in tobacco over last year's acreage and 2 percent in sorghums. In other crops there are prospective decreases, ranging from 2 percent in corn through 5 percent in oats, 7 percent in sweet potatoes, 8 percent in potatoes and in tame hay, 10 percent in soybeans, 13 percent in barley, 17 percent in cowpeas to 25 percent in peanuts.

Despite prospective acreage decreases for some of their principal crops, Sixth District farmers are apparently planning to use more fertilizer this year than they did in 1945. Mississippi figures are no longer available monthly, but the sale of tax tags in the other five states during the first quarter of this year indicated that fertilizer sales were 7 percent greater than in the January-March period a year ago. The increases ranged from one percent in Georgia through 4 percent in Louisiana, 8 percent in Alabama, and 10 percent in Florida to 33 percent in Tennessee.

Cash Farm Income

Sixth District farmers received 6 percent less cash income from the crops, livestock, and livestock products they marketed in January 1946 than from those they marketed in January of last year. Income from crops was 5 percent less, and cash received for livestock and livestock products was 8 percent less. January farm income was off 29 percent from the December income. Total figures for the Six States almost always rise rapidly from the year's low point in July to a peak in October. They also usually decline, sometimes irregularly, from October to the following July. Against this general pattern for the District, farm income in Louisiana reaches its peak in November and that in Tennessee in December. In Florida the high point of the year usually falls in April because the movement of citrus fruits and spring vegetables to market is then usually at its height.

Sixth District Statistics

RETAIL JEWELRY STORE OPERATIONS

Item	Number of Stores Reporting	Percent Change Feb. 1946 to March 1946
Total sales	29	+ 12
Cash sales	27	+ 3
Credit sales	27	+ 23
Accounts receivable, end of month	29	— 3
Collections during month	29	+ 1

DEPARTMENT STORE SALES*

	Adjusted**			Unadjusted		
	Mar. 1946	Feb. 1946	Mar. 1945	Mar. 1946	Feb. 1946	Mar. 1945
DISTRICT	334	339	274	314	292r	282
Atlanta	387	386	288	367	339	303
Baton Rouge	387	416	305	337	323	292
Birmingham	307	329	238	298	274	253
Chattanooga	328	358	262	312	278	275
Jackson	310	344	274	292	268	274
Jacksonville	392	407	361	375	336	368
Knoxville	372	333	326	339	289	327
Macon	294	347	261	282	265	264
Miami	268	275	228	337	350	286
Montgomery	328	360	289	293	287	284
Nashville	396	401	300	393	343	315
New Orleans	275	303r	260	251	250	246
Tampa	402	395	308	402	355	326

DEPARTMENT STORE STOCKS

	Adjusted**			Unadjusted		
	Mar. 1946	Feb. 1946	Mar. 1945	Mar. 1946	Feb. 1946	Mar. 1945
DISTRICT	200	192	171	200	179	171
Atlanta	293	280	268	299	266	274
Birmingham	148	144	132	152	138	136
Montgomery	186	192	177	197	188	187
Nashville	317	304	257	330	298	267
New Orleans	141	129r	101r	149	129r	107r

	COTTON CONSUMPTION*			COAL PRODUCTION*		
	Mar. 1946	Feb. 1946	Mar. 1945	Mar. 1946	Feb. 1946	Mar. 1945
TOTAL	157	161	162	193	159	163
Alabama	162	172	172	202	160	171
Georgia	159	160	158	...	...	...
Tennessee	113	124	141	173	158	146

	MANUFACTURING EMPLOYMENT***			GASOLINE TAX COLLECTIONS		
	Feb. 1946	Jan. 1946	Feb. 1945	Mar. 1946	Feb. 1946	Mar. 1945
SIX STATES	108	111r	152	132	136	95
Alabama	121	130r	184	136	139	97
Florida	90	90r	154	153	154	94
Georgia	105	105	141	125	128	91
Louisiana	114	115r	159	121	129	91
Mississippi	120	118r	141	122	121	81
Tennessee	101	106r	133	128	138	112

CONSUMERS' PRICE INDEX

	Feb. 1946	Jan. 1946	Feb. 1945
ALL ITEMS	134	134	131
Food	145	147	144
Clothing	146	144	141
Rent	114	114	114
Fuel, electricity, and ice	111	111	109
Home furnishings	144	145	141
Miscellaneous	131	131	127

CRUDE PETROLEUM PRODUCTION IN COASTAL LOUISIANA AND MISSISSIPPI*

	Mar. 1946	Feb. 1946	Mar. 1945
Unadjusted	207	205	204
Adjusted**	207	202	203

ELECTRIC POWER PRODUCTION*

	Feb. 1946	Jan. 1946	Feb. 1945
SIX STATES	247	249	287
Hydro-generated	295	286	274
Fuel-generated	186	201	305

ANNUAL RATE OF TURNOVER OF DEMAND DEPOSITS

	Mar. 1946	Feb. 1946	Mar. 1945
Unadjusted	15.9	15.7	15.2
Adjusted**	16.3	15.6	15.6
Index**	63.1	60.3	60.2

*Daily average basis
**Adjusted for seasonal variation
***1939 monthly average = 100; other indexes, 1935-39 = 100
r=Revised

The National Business Situation

INDUSTRIAL production advanced considerably in March and appears to have declined only moderately in the early part of April notwithstanding a complete shutdown in the bituminous coal industry and some reduction in output at steel mills. The value of retail trade has continued to set new records during this period, and wholesale commodity prices have risen further.

Employment

Employment in nonagricultural establishments rose by about 600,000 in March after allowance for seasonal changes. This rise reflected increased employment in manufacturing—largely in the iron and steel group—and continued gains in trade and construction. There were further substantial releases from the armed forces. The total number of persons unemployed remained at a level of about 2,700,000 in March.

Distribution

Department store sales rose sharply in March and continued at a high level in the first half of April. Total sales during the Easter season are estimated to have been about one fourth higher than last year.

Freight carloadings during March were close to the record rate for that month reached last year. In the first three weeks of April loadings declined, reflecting the stoppage of bituminous-coal production. Shipments of most other classes of revenue freight continued to increase.

Commodity Prices

Wholesale prices of agricultural and industrial commodities continued to advance from the middle of March to the third week of April. The general level of wholesale prices is now higher than last September by something over four percent. In recent weeks ceiling prices for a number of products have been raised considerably, and where ceilings have been removed prices have greatly risen. A bonus of 30 cents a bushel has been granted on wheat delivered by May 25 under the certificate plan to help meet the critical food situation abroad, and a like payment has been offered for 50 million bushels of corn.

Subsidy payments for some commodities have been increased to prevent further price advances.

Industrial Production

Production at factories and mines, according to the Board's seasonally adjusted index, rose from a level of 153 percent of the 1935-39 average in February to 169 in March. This is slightly above the level reached last November before production was reduced by strikes in the automobile, electrical-equipment, and steel industries. In April the index will probably show a decline of three or four points as decreases in coal and steel are only partly offset by continued increases in other industries.

The large increase shown by the total index in March was due for the most part to a sharp recovery in steel-ingot production following settlement of the labor dispute. There were production gains also in industries manufacturing automobiles, machinery, stone, clay and glass products, furniture, textiles, paper and rubber products. These gains in steel and other industries were offset only in small part by declines in the nonferrous-metal industries, some food industries, and crude petroleum.

Steel-ingot production for the month of March averaged 84 percent of capacity as compared with 20 percent in February and at the end of March was close to 90 percent. Subsequently, due to reduced coal supplies, steel output declined and by the fourth week of April was down to a rate of 74 percent of capacity. In the automobile and machinery industries production increased substantially during the latter part of March and the early part of April, reflecting improvement in steel supplies and settlement of important wage disputes.

Output of stone, clay, and glass products continued to advance in March, and production in the first quarter of this year exceeded the previous peak levels reached at the beginning of 1943.

Output of nondurable goods rose further in March to a level of 168 percent of the 1935-39 average, the highest level since last June. Production of nondurable goods for civilian use is now in larger volume than at any previous time. Activity at woolen mills has shown an exceptionally large advance since the end of last year and, with marked increases in cotton consumption and rayon shipments, the Board's index of textile production in March was at a level of 162 percent of the 1935-39 average. This equals the previous peak rate at the beginning of 1943.

Mineral production declined in March as a further advance in coal production was more than offset by a decline in crude-petroleum output and by work stoppages at important metal mines. Activity at bituminous-coal mines was suspended beginning April 1 owing to a labor-management dispute over a new wage contract.

Bank Credit

Member bank reserve positions tightened in the last half of March as Treasury deposits at the Reserve Banks were increased by large income-tax collections.

Banks sold short-term Government securities largely to the Reserve Banks and drew down their reserve balances to meet this loss of funds. Reserve positions were eased on April 1 in connection with the cash redemption of 2.0 billion dollars of Treasury certificates on that date, and in the following weeks banks bought Government securities and reduced borrowings at Reserve Banks.

Commercial and industrial loans at member banks in leading cities increased further. Loans to brokers and dealers rose at the end of March in connection with Treasury-security-retirement operations and declined sharply in the week ending April 3. Deposits, other than those of the Treasury, fluctuated considerably, reflecting large income-tax payments and the April 1 tax-assessment date in Illinois.

Yields on long-term Treasury bonds have remained relatively steady following a sharp decline in January and the first half of February.