



## FEDERAL RESERVE BANK OF ATLANTA

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*District Business Conditions*

**B**OTH incomes and living expenses during October established new highs for the year. Moreover, the value of department store sales in December will probably be the highest ever recorded in the Sixth District, though the November value exceeded the October figure only slightly. In contrast, the December 1 estimate of District cotton production brings the 1946 yield down 5,000 bales further to the shortest crop in 23 years. Textile mills, on the other hand, during November consumed the greatest amount of cotton for any month during the past four years, in anticipation of a power shortage because of the coal miner's strike. At the end of the strike the crippled steel mills began a fairly rapid return to normal activity. Seventeen days after the miners resumed work, production had reached 95 percent of capacity.

Farmers from eight Georgia counties gathered in Waycross on December 5 for a meeting of considerable significance to tobacco growers in the southeastern part of the state. Initiated by the First National Bank in Waycross, the meeting was in the nature of a tobacco clinic. Its purpose was to educate tobacco growers in the importance of taking early and adequate steps for the control of blue mold. The address was made by J. G. Gaines, plant pathologist at the Tifton Experiment Station, who discussed the economic implications of blue mold infestation and the approved methods of controlling it.

Blue mold wrought enough havoc in the tobacco beds of Southeast Georgia this past season to arouse considerable interest among farmers in proper methods of control. Because the disease made heavy inroads in the tobacco beds it became necessary for farmers and others acting in their behalf to scour the tobacco belt for plants grown elsewhere, which were, however, available only at high prices. This procedure, Dr. Gaines said, delayed the appearance of Georgia tobacco on the market and caused the crop to be sold at about five cents a pound less than the tobacco in neighboring states. Georgia tobacco farmers, it has been estimated, lost approximately five million dollars because of this adverse differential. An expenditure of only 100 thousand dollars for suitable spraying materials, on the other hand, would have protected all the beds.

Blue mold is a microscopic plant that lives both in the tobacco plant and in the soil. Once established, it can probably never be completely eradicated. Though it is particularly damaging only in certain years, the farmer must, Dr. Gaines emphasized, guard his crop against the disease with suitable protective measures every year. Farming is always a gamble, of course, but the farmer should take no more risks than he has to. Especially should he refrain from gambling his money away on nostrums. This year, Dr. Gaines said, Georgia

farmers spent close to 700 thousand dollars fighting blue mold with worthless methods. Each year the Federal and state governments spend a great deal of money to develop the best scientific methods for fighting plant disease and other pests. Information on these methods is available from the state experiment stations. For their own interest, farmers should learn to make use of it.

The Waycross tobacco clinic was significant for another reason. Although it was actively promoted by the chamber of commerce and the county agents and other persons, the idea originated in a bank that had already demonstrated its interest in the farmers of its area, by spending hundreds of dollars to help them find badly needed tobacco plants last spring. The intelligent interest displayed by the First National Bank in Waycross in the economic welfare of its customers and potential customers is something for other banks to emulate. The prosperity of a bank is something that comes about indirectly—by engaging in activities calculated to further the economic welfare of the people upon whom the bank depends for its business.

**Agriculture**

Cotton production in the six states of this district accounted for 3,160,000 bales of the national crop of 8,482,000 bales in the 1946 season, according to the latest monthly estimate of the U. S. Department of Agriculture. Indications are that the national crop is about one-third smaller than the 10-year average and now only 537,000 bales larger than the short crop of 1921. Only twice in more than 40 years—in 1923 and 1921—have the Six States produced crops smaller than the current crop. During this long period neither Georgia nor Florida has had a crop as small as its 1946 crop, and only once—in 1910—has Louisiana had one as small as the one it has this year.

The Six-State total is 21 percent less than the 1945 crop. For the individual states, Tennessee had a 9 percent increase over its 1945 crop, but decreases in the other states ranged from 16 percent in Alabama and 17 percent in Georgia to 33 percent in Mississippi, 35 percent in Louisiana, and 37 percent in Florida. Between the time of the first estimate for the season, on August 1, and the last, on December 1, there was a reduction of 13 percent in those estimates for the Sixth District states. Excessive rains in midsummer were followed by attacks of boll weevils, but the weevil damage was not fully apparent until picking was well under way. This year's cotton is of a better grade than last year's, however, and the staple is longer.

Though more tobacco, white potatoes, and citrus fruits were produced this year than last, there were declines in most other crops. The pecan crop was smaller by 38 percent than

it was in 1945. In Georgia, the largest pecan-producing state of the District, this year's crop falls short of last year's by more than a half.

The current estimate of Florida's citrus crops for this season indicates a production of 61 million boxes of oranges, compared with 49.8 million boxes for the 1945-46 season and 34 million boxes of grapefruit, an increase of 6 percent over last season's 32 million boxes. The weather in Florida during November was not as favorable as it was earlier in the season. There was too much rain, and there was some hot weather. The storm early in November worked little apparent damage at the time but evidently caused the heavy dropping that occurred later in the month. In Louisiana the estimated crop of oranges this season is placed at 360,000 boxes, an increase of 30,000 over the state's 1945-46 crop.

### Trade

The rapidly rising trend of sales at Sixth District department stores during most of the months of 1946 was not continued in November. Although the estimated 50 million dollars worth of goods these stores sold during November brought the seasonally adjusted index of daily average sales to 348, a figure one point higher than that for October and 58 points above that for November 1945, this year's index for November was considerably less than that for September, when sales were 367 percent of the 1935-39 average, the highest point the index ever reached. The department stores did 20 percent more business this November than they did in November 1945. For the same period furniture store sales were 29 percent higher and those at jewelry stores were slightly lower than they were in November 1945.

There is little doubt, however, that the actual dollar volume of sales in December will exceed that of any other month during 1946. Normally December is the year's greatest retail-selling month. Weekly reporting stores indicate that this December's sales will also exceed those of last year. After

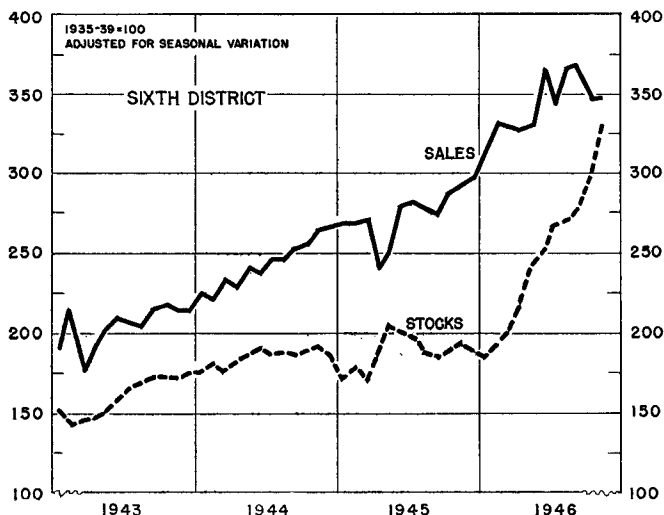
adjustment is made for seasonal variation the index of the daily average sales will probably be higher than that for any December on record, in fact. It may not, however, reach the record level of September. Events in the first two weeks of December at the weekly reporting stores indicate that the month's seasonally adjusted index for the District will be about 353. It is possible, of course, that buying during the last weeks of December may raise it.

Although extraordinarily high increases above the previous year's sales have continued in some lines, such as household appliances, radios, housefurnishings, and silverware, increases in other lines have not kept pace with the record set in the first half of 1946. Even though the Sixth District stores reporting their sales and stocks by departments had an increase of 20 percent in the amount of their store-wide sales in October above that of the previous year, sales of women's and misses' clothing were up only 10 percent, men's and boy's clothing 7 percent, piece goods 16 percent, and jewelry 8 percent—all below the percentage increase for total sales at these stores.

Higher prices account for a part of the increase in reported sales. For the same types of goods the stores' customers paid an average of 18 percent more this year than they did last year, according to the United States Department of Commerce's index of retail prices. Prices in October were reported to be 67 percent higher than those of the base period 1935-39. With the elimination of this difference in prices from the reported sales, the seasonally adjusted index of department store sales for November stands at 208 instead of the undeflated 348.

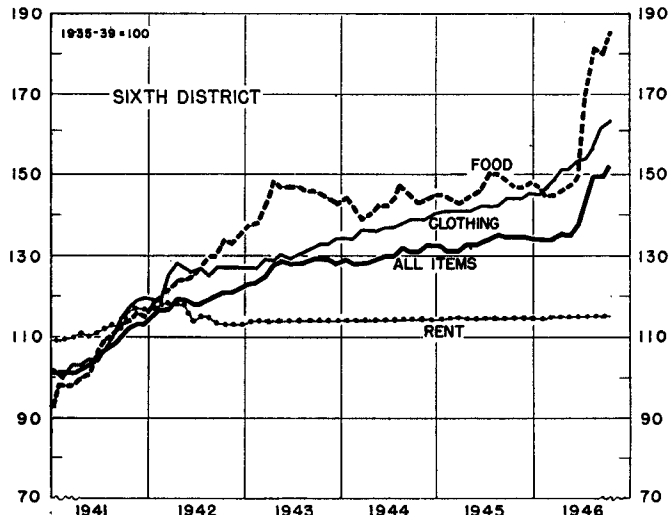
The Bureau of Labor Statistics reports that families of moderate incomes in the Sixth District paid 2 percent more in October for living essentials than they did in September. For the Sixth District the index of consumer prices, which is a weighted average of the index for six large cities, was 152 percent of the 1935-39 average. The chart shows the rapidity

### DEPARTMENT STORE SALES AND STOCKS



Department store sales on a seasonally adjusted basis reached their peak in September of this year. The index in that month was the highest on record. Stocks, however, continued to advance after September. The data for November are the latest shown.

### CONSUMER PRICE INDEX



After remaining comparatively stable during the war years prices of commodities and services purchased by moderate-income families in Sixth District cities rose rather sharply after hostilities ended. The data for October are the latest shown.

of price advances in recent months. Between the first of the year and the last date shown the cost of all items rose 13 percent. Prices paid for food registered the greatest increase, most of it occurring after food-price decontrols were begun. Food sold on an average at prices 26 percent higher in October than those in January. Clothing was up 13 percent, and housefurnishings 12 percent. Because of the retention of controls, reported rents were practically unchanged. The cost of fuel, electricity, and ice advanced only 3 percent. The food bill for the average moderate-income family in the District was 61 percent higher in October than it was in the month in which the United States entered the war. It was also 87 percent higher than it was when the war in Europe broke out. A further increase between October and November in large cities throughout the country of 4.5 percent in the cost of food and of 2 percent in all items has been announced by the Bureau of Labor Statistics.

General indexes of prices, of course, conceal the wide variations in the price changes both in different classes of commodities and in the particular commodities within these classes. Even during a period of generally advancing prices, some commodities may decline in price. Some of these differences are shown in recent changes in the various indexes. Although the Department of Commerce's index of retail prices for October showed a general increase of 18 percent above the level of prices for October 1945, the United States Department of Labor's wholesale-commodity-price index had risen 27 percent during the same period. The prices of various classes of wholesale commodities also showed variations. Farm products, for example, were reported to have risen 30 percent, commodities other than farm products 26 percent, foods 49 percent, and commodities other than foods 16 percent. Within the group of commodities classified as other than farm products, increases ranged from 5 percent for chemicals and allied products to 27 percent for textile products.

Recent levels of retail trade throughout the nation have been sustained by a high level of income payments. According to the Department of Commerce, during the first 10 months of 1946 income payments to individuals in the United States were equivalent to an annual rate of 163 billion dollars—approximately one percent more than the rate for the first 10 months of 1945. The rate of payments for October, however, was much greater than this. After allowance is made for seasonal influences, payments during October would provide an annual rate of 172 billion dollars, compared with the 161-billion-dollar total in 1945.

**Finance**

In response to the needs of business, weekly reporting member banks in the Sixth District continued to expand their commercial, industrial, and agricultural loans during November. By December 11, however, the outstanding loans held by these banks had dropped to 326 million dollars, two million below the high level at the end of November. From May 15 until December a higher figure was reported at the end of each successive week, with only one interruption. Seasonal influences accounted for part of that increase. Despite the decrease after December 1, loans at the weekly reporting banks amounted to one third more on December 11 than they did at the end of the corresponding week in 1945.

About the same expansion has taken place in other districts now that private business, rather than the Government,

**Sixth District Indexes**

Item	DEPARTMENT STORE SALES*					
	Adjusted**			Unadjusted		
	Nov. 1946	Oct. 1946	Nov. 1945	Nov. 1946	Oct. 1946	Nov. 1945
DISTRICT.....	348	347	290	417	372	348
Atlanta.....	382	400	325	473	428	403
Baton Rouge....	395	379	308	447	409	348
Birmingham....	318	321	282	381	350	339
Chattanooga....	388	369	296	442	387	338
Jackson.....	316	325	273	379	373	328
Jacksonville....	423	431	355	507	461	426
Knoxville.....	335	307	312	395	331	368
Macon.....	334	334	290	421	360	365
Miami.....	349	379	280	425	334	341
Montgomery....	337	328	299	414	374	368
Nashville.....	428	420	338	497	445	392
New Orleans....	306	290	246	361	322	291
Tampa.....	464	483	371	547	473	438

Place	DEPARTMENT STORE STOCKS					
	Adjusted**			Unadjusted		
	Nov. 1946	Oct. 1946	Nov. 1945	Nov. 1946	Oct. 1946	Nov. 1945
DISTRICT.....	330	297	193	347	333	203
Atlanta.....	407	411	260	470	482	300
Birmingham....	229	234	126	271	263	149
Montgomery....	313	322	183	365	365	213
Nashville.....	475	416	301	552	477	349
New Orleans....	259	248	117	293	280	132

	COTTON CONSUMPTION*			COAL PRODUCTION*		
	Nov. 1946	Oct. 1946	Nov. 1945	Nov. 1946	Oct. 1946	Nov. 1945
	TOTAL.....	182	173	156	108	166
Alabama.....	193	183	165	111	174	177
Georgia.....	183	171	155	...	...	...
Tennessee.....	132	141	134	101	148	152

	LUMBER PRODUCTION*					
	Adjusted**			Unadjusted		
	Oct. 1946	Sept. 1946	Oct. 1945	Oct. 1946	Sept. 1946	Oct. 1945
SIX STATES.....	151	146	96	142	152	95
Alabama.....	87	175	115	89	164	108
Florida.....	174	92	60	171	89	61
Georgia.....	106	161	129	109	171	126
Louisiana.....	139	108	64	133	112	66
Mississippi....	170	162	85	190	170	82
Tennessee.....	138	208	139	136	224	156

Place	MANUFACTURING EMPLOYMENT***			GASOLINE TAX COLLECTIONS		
	Oct. 1946	Sept. 1946	Oct. 1945	Nov. 1946	Oct. 1946	Nov. 1945
	SIX STATES.....	141	140	133	168	157
Alabama.....	149	146r	137	179	163	140
Florida.....	120	113r	114	151	133	118
Georgia.....	139	138	128	163	147	127
Louisiana.....	129	128r	138	165	144	129
Mississippi....	148	148	135	174	156	116
Tennessee.....	151	150r	141	188	205	164

Item	CONSUMERS' PRICE INDEX			ELECTRIC POWER PRODUCTION*			
	Oct. 1946	Sept. 1946	Oct. 1945	Oct. 1946	Sept. 1946	Oct. 1945	
	ALL ITEMS..	152	149	134			
Food.....	185	180	147	SIX STATES..	276	269r	232
Clothing....	163	162	144	Hydro-generated	263	261r	213
Rent.....	n.a.	115	114	Fuel-generated	293	279	256
Fuel, elec. and ice..	114	114	110	ANNUAL RATE OF TURNOVER OF DEMAND DEPOSITS			
Home furnishings..	163	158	145		Nov. 1946	Oct. 1946	Nov. 1945
Misc.....	134	132	131	Unadjusted..	19.0	18.9	16.0
Purchasing power of dollar..	.66	.67	.75	Adjusted**...	17.9	18.7	15.1
CRUDE PETROLEUM PRODUCTION IN COASTAL LOUISIANA AND MISSISSIPPI*				Index**.....	69.3	72.4	58.4
	Nov. 1946	Oct. 1946	Nov. 1945	*Daily average basis **Adjusted for seasonal variation ***1939 monthly average=100; other indexes, 1935-39=100 r Revised n.a. Not available			
Unadjusted..	232	227	208				
Adjusted**..	229	228	205				

## Sixth District Statistics

CONDITION OF 20 MEMBER BANKS IN SELECTED CITIES (In Thousands of Dollars)					
Item	Dec. 18 1946	Nov. 20 1946	Dec. 19 1945	Percent Change Dec. 18, 1946, from	
				Nov. 20 1946	Dec. 19 1945
Loans and investments—					
Total.....	1,949,922	2,020,983	2,302,953	— 4	— 15
Loans—Total.....	583,786	578,214	547,545	+ 1	+ 7
Commercial, industrial, and agricultural loans.....	328,125	328,045	248,429	+ 0	+ 32
Loans to brokers and dealers in securities.....	6,515	6,039	16,623	+ 8	— 61
Other loans for pur- chasing and carrying securities.....	85,604	86,655	156,478	— 1	— 45
Real estate loans.....	41,089	41,463	23,520	— 1	+ 75
Loans to banks.....	4,101	4,117	3,476	— 0	+ 18
Other loans.....	118,352	111,895	99,019	+ 6	+ 20
Investments—total.....	1,366,136	1,442,769	1,755,408	— 5	— 22
U. S. direct obligations.....	1,201,993	1,277,515	1,605,303	— 6	— 25
Obligations guaranteed by U. S.....	1,360	1,460	1,121	— 7	+ 21
Other securities.....	162,783	163,794	148,984	— 1	+ 9
Reserve with F. R. Bank.....	381,115	377,063	372,622	+ 1	+ 2
Cash in vault.....	32,252	31,100	31,837	+ 4	+ 1
Balances with domestic banks.....	153,839	135,860	171,251	+ 13	— 10
Demand deposits adjusted.....	1,395,335	1,376,329	1,260,861	+ 1	+ 11
Time deposits.....	452,979	455,770	414,193	— 1	+ 9
U. S. Gov't deposits.....	43,768	102,304	473,296	— 57	— 91
Deposits of domestic banks.....	487,722	493,527	614,875	— 1	— 21
Borrowings.....	6,000	18,000	.....	— 67	.....

DEBITS TO INDIVIDUAL BANK ACCOUNTS (In Thousands of Dollars)						
Place	No. of Banks Report- ing	Nov. 1946	Oct. 1946	Nov. 1945	Percent Change Nov. 1946 from	
					Oct. 1946	Nov. 1945
<b>ALABAMA</b>						
Anniston.....	3	20,611	23,206	15,742	— 11	+ 31
Birmingham.....	6	290,486	287,013	228,438	+ 1	+ 27
Dothan.....	2	11,674	13,433	11,263	+ 13	+ 4
Gadsden.....	3	18,058	17,235	13,437	+ 5	+ 34
Mobile.....	4	106,626	105,877	91,867	+ 1	+ 17
Montgomery.....	3	68,824	70,126	50,058	— 2	+ 37
<b>FLORIDA</b>						
Jacksonville.....	3	231,254	223,953	189,935	+ 3	+ 22
Miami.....	8	195,686	191,808	157,232	+ 2	+ 24
Greater Miami*.....	13	271,033	269,603	220,051	+ 1	+ 23
Orlando.....	2	44,559	43,793	35,282	+ 2	+ 26
Pensacola.....	3	30,688	29,886	26,928	+ 3	+ 14
St. Petersburg.....	3	46,274	44,875	35,129	+ 3	+ 32
Tampa.....	3	105,474	97,269	82,129	+ 8	+ 28
<b>GEORGIA</b>						
Albany.....	2	17,467	16,394	15,411	+ 7	+ 13
Atlanta.....	4	712,191	716,613	538,722	— 1	+ 32
Augusta.....	3	49,251	54,613	39,460	— 10	+ 25
Brunswick.....	2	8,093	8,623	9,946	— 6	— 19
Columbus.....	4	56,409	56,855	39,376	— 1	+ 43
Elberton.....	2	3,971	4,554	3,075	— 13	+ 29
Gainesville*.....	3	11,310	13,654	10,539	— 17	+ 7
Griffin*.....	2	11,285	10,961	8,022	+ 3	+ 41
Macon.....	3	57,522	58,027	45,147	— 1	+ 27
Newnan.....	2	8,336	9,782	7,756	— 15	+ 7
Rome*.....	3	21,698	22,321	17,156	— 3	+ 26
Savannah.....	4	76,107	77,904	70,263	— 2	+ 8
Valdosta.....	2	10,242	12,172	9,980	— 16	+ 3
<b>LOUISIANA</b>						
Baton Rouge.....	3	66,981	68,377	49,242	— 2	+ 36
Lake Charles.....	3	25,869	24,979	20,350	+ 4	+ 27
New Orleans.....	7	582,712	696,749	456,714	— 16	+ 28
<b>MISSISSIPPI</b>						
Hattiesburg.....	2	16,443	20,323	14,082	— 19	+ 17
Jackson.....	4	91,308	97,858	69,989	— 7	+ 30
Meridian.....	3	28,691	31,184	20,557	— 8	+ 40
Vicksburg.....	2	27,006	29,782	23,649	— 9	+ 14
<b>TENNESSEE</b>						
Chattanooga.....	4	117,612	125,908	92,989	— 7	+ 26
Knoxville.....	4	100,227	103,949	101,569	— 4	— 1
Nashville.....	6	246,793	269,364	201,442	— 8	+ 23
<b>SIXTH DISTRICT</b>						
32 Cities.....	109	3,473,445	3,632,484	2,766,659	— 4	+ 26
<b>UNITED STATES</b>						
334 Cities.....	...	86,627,000	91,315,000	79,401,000	— 5	+ 9

\* Not included in Sixth District total

has increased its importance as a user of bank credit. At Sixth District reporting member banks total loans in December constituted about 29 percent of these banks' total loans and investments, compared with 20 percent last year. The rate of increase in business and agricultural loans at the Sixth District reporting banks, however, was not as great as that at the reporting banks in any of the 11 other Federal Reserve Districts. With the exception of those in the St. Louis and Boston Districts the reporting member banks in all the other districts reported greater percentage increases in this type of loan between December 5, 1945, and December 4, 1946, than did the reporting banks in the Atlanta District. For all the districts the increase was 46 percent; in the Atlanta District it was 34 percent. A similar comparison made for the first week in November showed that at that time the increase at the banks in this district had exceeded the increase in all but four of the other 11 districts.

The expansion of private credit was not great enough at all member banks in this area to offset declines in the banks' holdings of Government securities. Although loans increased 51 million dollars, between the end of June and the end of September total resources of Sixth District member banks declined 194 million, largely because of declines of 211 million dollars in holdings of United States Government obligations and 31 million in reserves and cash balances. The decline in total resources after the end of 1945 amounted to approximately half a billion dollars. Total resources of member banks were 5.6 billion on September 30.

On the liability side of the member banks' balance sheets there was a total decline in deposits of 206 million dollars from June to September and one of 540 million from the end of 1945. The growth of 38 million dollars in the amount of deposits of individuals, partnerships, and corporations was far from sufficient to offset the decline of 171 million dollars in Government deposits and the decline of 52 million in the deposits of banks between June and September.

The amount of deposits in Sixth District member banks fell sharply after the close of World War I, beginning at the end of 1919, a period when deposits throughout the country were declining at a much more moderate rate. So far as the demand deposits adjusted of the weekly reporting banks are concerned, this occurrence has not yet been repeated. On December 4 these deposits amounted to 7 percent more than they did on the corresponding date in 1945. The rate of increase exceeds that of each of the districts with the exception of the Minneapolis District. Although in the reporting banks throughout the country the amount of these deposits was 6 percent above that of a year ago, in the Sixth District the increase was 12 percent.

## Industry

The ending of the coal strike on December 7 brought an end to the threat of wholesale unemployment that would have resulted if the strike had continued much longer. Railroad schedules, sharply curtailed to conserve fuel, were promptly restored, and plans for other curtailments on the part of industry were abandoned.

Steel-mill activity in the Birmingham-Gadsden area, which

## Sixth District Statistics

RETAIL FURNITURE STORE OPERATIONS			
Item	Number of Stores Reporting	Percent Change November 1946 from	
		October 1946	Nov. 1945
Total sales.....	102	- 8	+ 29
Cash sales.....	94	- 5	+ 21
Instalment and other credit sales.....	94	- 8	+ 32
Accounts receivable, end of month.....	101	+ 2	+ 34
Inventories, end of month.....	81	- 1	+ 57

INSTALMENT CASH LOANS					
Lender	No. of Stores Reporting	Volume		Outstandings	
		Percent Change Nov. 1946 from		Percent Change Nov. 1946 from	
		October 1946	Nov. 1945	October 1946	Nov. 1945
Federal credit unions.....	45	+ 1	+ 65	+ 3	+ 72
State credit unions.....	25	+ 41	+ 77	+ 2	+ 45
Industrial banking companies.....	10	- 10	+ 27	+ 3	+ 61
Industrial loan companies.....	22	+ 1	+ 25	+ 4	+ 29
Small loan companies.....	53	+ 3	+ 30	+ 3	+ 38
Commercial banks.....	34	- 3	+ 93	+ 6	+ 128

WHOLESALE SALES AND INVENTORIES*						
Items	No. of Firms Reporting	SALES		INVENTORIES		
		Percent Change Nov. 1946, from		No. of Firms Reporting	Percent Change Nov. 30, 1946, from	
		Oct. 1946	Nov. 1945		Oct. 31 1946	Nov. 30 1945
Automotive supplies.....	6	- 10	+ 29	3	- 2	+ 60
Clothing and furnishings.....	3	- 21	- 8	..	..	..
Drugs and sundries.....	10	- 9	+ 9	3	+ 3	+ 6
Dry goods.....	10	- 5	+ 120	5	- 5	+ 134
Electrical goods.....	4	- 4	+ 93	3	+ 7	+ 97
Fresh fruits and vegetables.....	5	+ 17	+ 7	..	..	..
Confectionery.....	6	- 8	+ 35	..	..	..
Groceries.....	..	..	..	..	..	..
Full lines.....	37	- 13	+ 20	17	+ 26	+ 69
Specialty lines.....	11	- 25	+ 5	7	+ 8	+ 42
Beer.....	4	- 32	- 39	4	+ 8	- 25
General hardware.....	9	- 8	+ 44	4	+ 2	+ 31
Industrial supplies.....	3	+ 0	+ 59	..	..	..
Lumber and building materials.....	4	+ 13	+ 94	..	..	..
Tobacco products.....	6	- 15	+ 10	..	..	..
Miscellaneous.....	19	+ 9	+ 38	15	+ 16	+ 58
Total.....	137	- 7	+ 36	61	+ 12	+ 58

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

DEPARTMENT STORE SALES AND STOCKS						
Place	No. of Stores Reporting	SALES		INVENTORIES		
		Percent Change Nov. 1946, from		No. of Stores Reporting	Percent Change Nov. 30, 1946, from	
		Oct. 1946	Nov. 1945		Oct. 31 1946	Nov. 30 1945
<b>ALABAMA</b>						
Birmingham.....	5	+ 1	+ 11	4	+ 3	+ 82
Mobile.....	5	+ 8	+ 24	..	..	..
Montgomery.....	3	+ 2	+ 13	3	- 0	+ 71
<b>FLORIDA</b>						
Jacksonville.....	4	+ 2	+ 19	3	+ 4	+ 62
Miami.....	4	+ 18	+ 25	3	+ 8	+ 79
Orlando.....	3	- 4	+ 15	..	..	..
Tampa.....	5	+ 7	+ 22	3	+ 6	+ 42
<b>GEORGIA</b>						
Atlanta.....	6	+ 2	+ 18	5	- 2	+ 57
Augusta.....	4	+ 7	+ 37	..	..	..
Columbus.....	3	+ 6	+ 24	..	..	..
Macon.....	4	+ 8	+ 15	4	+ 13	+ 42
<b>LOUISIANA</b>						
Baton Rouge.....	4	+ 1	+ 28	4	+ 10	+ 66
New Orleans.....	5	+ 4	+ 24	4	+ 5	+ 122
<b>MISSISSIPPI</b>						
Jackson.....	4	- 6	+ 16	4	+ 5	+ 102
<b>TENNESSEE</b>						
Bristol.....	3	+ 9	+ 26	3	+ 9	+ 66
Chattanooga.....	4	+ 6	+ 31	3	- 1	+ 167
Knoxville.....	4	+ 10	+ 9	..	..	..
Nashville.....	6	+ 3	+ 27	5	+ 16	+ 58
<b>OTHER CITIES*</b>	18	- 2	+ 15	24	+ 2	+ 53
<b>DISTRICT</b>	94	+ 4	+ 20	72	+ 4	+ 71

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

had been reported at near-capacity operations since the middle of June, declined to 78 percent in the week ending November 26 and to 41 percent the following week. For the week ending December 10, however, it was reported at 60 percent of capacity and a week later at 80 percent.

The District index of manufacturing employment continued in October, the latest period for which figures are available, at a higher level than it held a year ago. The daily rate of electric-power production in the District increased each month from April through October and was greater during both this September and October than it was in those months last year.

Although lumber production in the District has been consistently higher during 1946 than it was last year, there is still a good deal of confusion in the lumber market. Present indications, however, are that lumber buying is beginning to return to a basis of quality and price and that more buyers are requiring quality lumber and refusing that which is green or ungraded. It is also believed that more lumber is becoming available and that the market will soon become stabilized on the basis of reasonably profitable prices—somewhat higher than the former OPA ceilings but not as high as those reported immediately following the lifting of price restrictions. There is, of course, a large amount of construction planned. Contracts awarded in the Six States during the first 10 months of this year amounted to almost 788 million dollars, compared to a total of 481 million awarded in that part of last year. Of the January-October total this year, 40 percent, or 318 million dollars, was for residential construction. This is more than four times the residential total in these six states for the whole of 1945.

Partly in preparation for the curtailment threatened by the coal strike with the consequent shortage of power at many points, textile mills in Alabama, Georgia, and Tennessee used 12,884 bales of cotton for each working day in November. That was the highest daily average rate of consumption in these states for any month in more than four years. It was an increase of 6 percent over the October rate and was 17 percent above the figure for November 1945.

RETAIL JEWELRY STORE OPERATIONS			
Item	Number of Stores Reporting	Percent Change November 1946 from	
		Oct. 1946	Nov. 1945
Total sales.....	21	+ 23	- 0
Cash sales.....	20	+ 26	- 11
Credit sales.....	20	+ 22	+ 15
Accounts receivable, end of month.....	21	+ 8	+ 47
Collections during month.....	21	+ 9	+ 38

## BANK ANNOUNCEMENT

The Bank of Arab, Arab, Alabama, a nonmember bank located in the territory served by the Birmingham branch, began remitting at par on November 14. This bank has a capital of \$25,000, surplus and undivided profits of \$48,000, and deposits of \$1,403,000. Max Luther is president, J. M. Leak vice president, and J. L. Scott cashier.

## The National Business Summary

**I**NDUSTRIAL production and employment in most lines of activity continued to be maintained at record peacetime levels in November. Department store sales were larger in dollar amount in November and the early part of December than they were during the holidays last year, mainly because of increased prices. Prices of industrial commodities have generally advanced further, but a number of important farm products and foods have declined from previous peaks.

### Industrial Production

Total output of manufactured goods and minerals, as measured by the Board's seasonally adjusted index, was 182 percent of the 1935-39 average in November. This was about the same as in October, notwithstanding the sharp drop after November 20 in coal, coke, iron, and steel production as a result of work stoppages in the bituminous-coal industry. After the resumption of bituminous-coal output on December 9, activity at steel mills, which reached a low of 60 percent of capacity in the first week of the month, rose sharply and during the third week was scheduled at 84 percent.

Output of steel in November was at an average rate of 84 percent of capacity, compared with 89 percent in October. Activity in the nonferrous metals and machinery industries continued to increase in November, and the output of most other metal products was maintained at a high level. Lumber production showed less than the usual seasonal decline.

Output of manufactured food products was maintained in November at an exceptionally high level for this season of the year, reflecting chiefly further sharp increases in meat production and larger output of flour and sugar products. Production of cotton and rayon textiles, paperboard, rubber products, and some other nondurable goods showed further small gains in November.

Output of minerals declined 5 percent in November. Bituminous-coal production dropped sharply as a result of work stoppages in the latter part of the month, whereas production of anthracite and crude petroleum was maintained at high levels and output of metals showed less than the usual seasonal decline.

### Construction

Estimated expenditures on construction projects in November were maintained close to the peak levels reached in August and September. Contracts awarded for nonresidential construction, however, were at the lowest level since the end of the war, according to reports of the F. W. Dodge Corporation. Residential-building awards were sharply below the peak rate

reached in the spring but were still considerably above last year's level.

### Distribution

Department store sales in November and the early part of December were about one fifth larger than they were during the same period of the holiday-shopping season last year. The total value of retail trade outside of department stores increased somewhat further in the fourth quarter, reflecting chiefly higher prices and larger expenditures for foods.

Loadings of railroad revenue freight declined in November because of the sharp drop in bituminous-coal shipments at the end of the month. Loadings of manufactured products and most other classes of freight showed substantial gains after allowance was made for seasonal changes.

### Commodity Prices

Following the initial sharp increases in basic commodities that occurred with the elimination of Federal price controls on November 11, price changes have become more selective. Prices of copper, lead, steel scrap, and cotton gray goods for immediate delivery have advanced further, whereas prices of hides, turpentine, and silk have declined. During the past week there has been a sharp drop in hog prices. Wholesale prices of foods have decreased somewhat further from the sharply advanced levels reached in the middle of October. Prices of industrial products have continued to advance. In retail markets the prices of women's wear and of some other items have declined, but in general retail prices have continued to advance.

### Bank Credit

Commercial, real-estate, and consumer loans increased further at banks in leading cities during November and the first half of December. Government-security holdings declined considerably, reflecting the cash retirement of notes and certificates by the Treasury. Deposits of businesses and individuals increased somewhat, and currency in circulation rose in the usual seasonal amount.

The Treasury retired for cash during November and the first half of December 5.8 billion dollars of Government securities held largely by the banking system. Withdrawals from war-loan deposits at commercial banks to redeem securities reduced U. S. Government deposits at banks to a level of about two billion dollars in mid-December, compared with 24 billion dollars before the retirement program was begun in March.

THE BOARD OF GOVERNORS

# Index for the Year 1946

## A

### AGRICULTURE

Sixth District Agriculture in 1945, Earle L. Rauber. 3  
*See also* Business conditions, District summaries.

## B

### BANKING

#### Additions to the Par List

Allapattah State Bank, Miami, Fla. 73  
 American Bank & Trust Co., Baton Rouge, La. 36  
 Bank of Lexington, Ala. 52  
 Bank of Orlinda, Tenn. 18  
 Citizens Bank, Gainesville, Ga. 36  
 Citizens Bank of Oviedo, Fla. 64  
 Citizens State Bank, St. Cloud, Fla. 64  
 City Bank & Trust Co., Natchez, Miss. 52  
 Claiborne County Bank, Tazewell, Tenn. 52  
 Commercial Bank of Daytona Beach, Fla. 12  
 East Lauderdale Banking Co. of Rogersville, Ala. 36  
 East Point Commercial Bank, East Point, Ga. 99  
 Farmers & Merchants Bank, Brewton, Ala. 64  
 Spring Hill branch of Farmers & Merchants Bank,  
 Mt. Pleasant, Tenn. 99  
 Farmers Bank, Anderson, Ala. 36  
 Mechanics-State Bank, McComb, Miss. 52  
 Merchants Bank, Hanceville, Ala. 64  
 Metairie Savings Bank & Trust Co., La. 112  
 Springs State Bank, Sulphur Springs, Fla. 73  
 State Bank of Haines City, Fla. 112  
 State Bank of West Tampa, Fla. 112  
 Tropical State Bank, Sebring, Fla. 99  
 Venice-Nokomis Bank, Venice, Fla. 73  
 West Georgia Bank & Trust Co., Carrollton, Ga. 99

#### Admissions to FRS membership

American Bank & Trust Co., Bessemer, Ala. 112  
 Citizens Bank of Stuart, Fla. 99  
 Farmers & Merchants Bank, "Inc.," Brewton, Ala. 99  
 First National Bank of West Point, Ga. 52  
 First Savings & Trust Co. of Tampa, Fla. 18  
 North Shore Bank, Miami Beach, Fla. 112  
*See also* National-charter grants.

#### Appointments and elections. 12, 36, 99, 112

#### Debits

Debits to Individual Bank Accounts. *Tables:* 12, 18, 25,  
 36, 45, 61, 73, 89, 102, 114, 121  
 Sixth District Bank Debits. 62

#### Deposits

Annual Rate of Turnover of Demand Deposits. *Tables:*  
 6, 19, 27, 39, 55, 67, 75, 85, 103, 115, 123  
 Ownership of Bank Deposits in the Reconversion Period.  
 Charles T. Taylor. 110  
 Postwar Trends in Ownership of Demand Deposits. 34

#### Member banks

Condition of 20 Member Banks in Selected Cities. *Tables:*  
 12, 25, 36, 45, 61, 73, 89, 102, 114, 121  
 Member Bank Operations During 1945. Charles T.  
 Taylor. 21

#### National-charter grants

Broward National Bank of Fort Lauderdale, Fla. 64  
 First National Bank of Delray Beach, Fla. 64  
 Florida State Bank, Delray Beach, Fla. 64  
 Valley National Bank of Lanett, Ala. 52

*See also* Business conditions.

### BUSINESS CONDITIONS

District summaries. 1, 10, 19, 26, 37, 53, 65, 74, 86, 100,  
 113, 122  
 Economic Appraisal of the Postwar South. Earle L. Rauber.  
 1  
 National summaries. 28, 40, 56, 68, 92, 116  
 Reconnaissance charts. 2, 18, 36, 52, 64, 73, 80, 111, 121

## C

CONSUMER BUYING HABITS, WARTIME CHANGES IN. Thomas R.  
 Atkinson. 98

CONSUMER CREDIT AND POSTWAR BUYING. Charles T. Taylor.  
 69

COAL PRODUCTION. *Tables:* 6, 19, 27, 39, 55, 67, 75, 85, 103,  
 115, 123

CONSTRUCTION, POSTWAR. *Charts:* 112

CONSUMERS' PRICE INDEX. 50. *Tables:* 6, 19, 27, 39, 55, 67,  
 75, 85, 103, 115, 123

COTTON CONSUMPTION. *Tables:* 6, 19, 27, 39, 55, 67, 75, 85,  
 103, 115, 123

### CREDIT

Consumer Credit and Postwar Buying. Charles T. Taylor. 69  
*See also* Business conditions, Condition of 20 Member  
 Banks, Furniture and Jewelry Store Operations, and  
 Instalment Cash Loans.

## D

### DEPARTMENT STORES

Sales. *Tables:* 6, 9, 19, 26, 27, 38, 39, 54, 55, 64, 67, 75,  
 76, 85, 87, 99, 103, 115, 116, 123, 124

Stocks. *Tables:* 6, 9, 19, 26, 27, 38, 39, 54, 55, 64, 67, 75,  
 76, 85, 87, 99, 103, 115, 116, 123, 124

*See also* Business conditions, District and National sum-  
 maries.

DO YOU REMEMBER WHEN? 77

## E

ECONOMIC APPRAISAL OF THE POSTWAR SOUTH. Earle L.  
 Rauber. 1

EDUCATION AS AN INVESTMENT IN SIXTH DISTRICT ECONOMIC  
 PROGRESS. Charles T. Taylor. 93

ELECTRIC POWER PRODUCTION. *Tables:* 6, 19, 27, 39, 55, 67,  
 75, 85, 103, 115, 123

### EMPLOYMENT

Manufacturing Employment. *Tables:* 6, 19, 39, 55, 67,  
 75, 85, 103, 127

*See also* Business conditions, District and National sum-  
 maries.

**F**

FURNITURE STORE OPERATIONS, RETAIL. *Tables:* 9, 20, 26, 38, 54, 64, 76, 87, 99, 109

**G**

GASOLINE TAX COLLECTIONS. *Tables:* 6, 19, 27, 39, 55, 67, 75, 85, 103, 115, 123

**H**

HUNTSVILLE, ALABAMA, A STUDY IN COMMUNITY DEVELOPMENT. Thomas R. Atkinson. 117

**I**

INCREASING THE VALUE OF THE SOUTH'S FOREST RESOURCES THROUGH RESEARCH. Charles T. Taylor. 41

**INDUSTRY**

Huntsville, Alabama, a Study in Community Development. Thomas R. Atkinson. 117

Increasing the Value of the South's Forest Resources through Research. Charles T. Taylor. 41

Industrial Information Service. C. H. Donovan. 79

New Sixth District Index: Lumber, the South's Second Largest Industry. Thomas R. Atkinson. 81

Sixth District Industry in 1945. John Tyree Fain. 7

Southern Research Institute, Created in Recognition of an Economic Opportunity, The. Charles T. Taylor. 57

Spread of Development Corporations, The. C. H. Donovan. 105

**INVENTORIES**

Wholesale Sales and Inventories. *Tables:* 9, 26, 38, 54, 64, 76, 87, 99, 116, 124

*See also* Business conditions—District and National summaries—and Department stores.

**J**

JEWELRY STORE OPERATIONS, RETAIL. *Tables:* 6, 20, 27, 39, 55, 67, 76, 87, 116, 124

**L****LOANS**

Secretary Vinson on the British Loan. 46

South and the Loan to Britain, The. Charles T. Taylor. 13

**Tables and charts**

Instalment Cash Loans. 9, 19, 26, 38, 54, 64, 75, 80, 99, 116, 124

Postwar Loans of Sixth District Weekly Reporting Member Banks. 35

*See also* Business conditions

**LUMBER**

Increasing the Value of the South's Forest Resources through Research. Charles T. Taylor. 41

New Sixth District Index: Lumber, the South's Second Largest Industry. Thomas R. Atkinson. 81

Production. *Tables:* 85, 103, 115, 123

**M**

MEMBER BANK OPERATIONS DURING 1945. Charles T. Taylor. 21

**N****NEW ORLEANS**

Role of the New Orleans International Trade Mart. Charles T. Taylor. 29

NEW SIXTH DISTRICT INDEX: LUMBER, THE SOUTH'S SECOND LARGEST INDUSTRY. Thomas R. Atkinson. 81

**O**

OWNERSHIP OF BANK DEPOSITS IN THE RECONVERSION PERIOD. Charles T. Taylor. 110

**P**

PETROLEUM PRODUCTION IN COASTAL LOUISIANA AND MISSISSIPPI, CRUDE. *Tables:* 6, 19, 27, 39, 55, 67, 75, 85, 103, 115, 123

**PORTS**

Role of the New Orleans International Trade Mart. Charles T. Taylor. 29

POSTWAR TRENDS IN OWNERSHIP OF DEMAND DEPOSITS. 34

**R****RESEARCH**

Industrial Information Service. C. H. Donovan. 79

Increasing the Value of the South's Forest Resources through Research. 41

Southern Research Institute, Created in Recognition of an Economic Opportunity, The. Charles T. Taylor. 57

RECONNAISSANCE CHARTS. 2, 18, 36, 52, 64, 73, 80, 111, 121

RETAIL TRADE: *See* Trade.

ROLE OF THE NEW ORLEANS INTERNATIONAL TRADE MART. Charles T. Taylor. 29

**S**

SALES. *Tables:* 9, 26, 38, 54, 64, 76, 87, 99, 116, 124

*See also* Department, Furniture, and Jewelry stores.

SOUTH AND THE LOAN TO BRITAIN, THE. Charles T. Taylor. 13

SOUTHERN RESEARCH INSTITUTE, CREATED IN RECOGNITION OF AN ECONOMIC OPPORTUNITY, THE. Charles T. Taylor. 57

SPREAD OF DEVELOPMENT CORPORATIONS, THE. C. H. Donovan, 105

**T****TRADE**

Role of the International Trade Mart. Charles T. Taylor. 29

Secretary Vinson on the British Loan. 46

Sixth District Trade in 1945. D. E. Moncrief. 10

South and the Loan to Britain, The. Charles T. Taylor. 13

Wholesale Sales and Inventories. *Tables:* 9, 26, 38, 54, 64, 76, 87, 99, 116

*See also* Business conditions, and Department, Furniture, and Jewelry stores.

**V**

VINSON ON THE BRITISH LOAN, SECRETARY. 46

**W**

WARTIME CHANGES IN CONSUMER BUYING HABITS. Thomas R. Atkinson. 98

WHOLESALE TRADE. *See* Trade.