

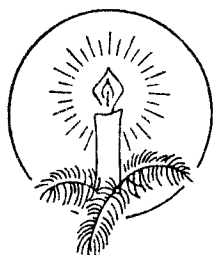


FEDERAL RESERVE BANK OF ATLANTA

Volume XXXII

Atlanta, Georgia, December 31, 1947

Number 12

*District Business Conditions*

TO ALL appearances department store sales have this year exceeded their record high of 1946, which was 103 million dollars higher than the 1945 total. Bank debits, a more comprehensive measure of spending, have increased at an even greater rate than sales have. In view of this increased spending and of further declines in the value of the dollar this year, it is not surprising that total loans at the banks have increased at still a greater rate.

Trade

During the month of November department stores in the Sixth District sold goods with an estimated value of 53 million dollars. If they have continued during the last half of December to make sales at the rate they made them during the first half, the year's total will reach 527 million. This would amount to an increase of 4 percent over the 1946 total, which was 507 million dollars.

Despite the small change in the total, there have been marked proportional differences in the various types of goods sold this year. The 22 large District department stores which report their sales and stocks by departments to this bank, and which make about 40 percent of total District department-store sales, reported as a group last year that in only two of their departments had they sold less than they did in 1945, and these departments were very minor ones. Up to the first of November this year, the stores reported, 31 of their 68 departments had decreases.

In general, consumers have spent more of their dollars this year for consumer durable goods, such as household furnishings and household appliances, and less for such nondurable goods as women's clothing. They have spent 10 percent more for home furnishings but one percent less for women's and misses' goods. They have spent 10 times as much for refrigerators and almost twice as much for other household appliances. They have bought china and glassware 10 percent greater in value, and they have spent 50 percent more for radios.

There were some exceptions, however, in the general trend of nondurables. The dollar sales of men's clothing, for instance, advanced 15 percent. Although the stores report declines in sales of women's ready-to-wear for the year up to November 1, more money was spent for piece goods, with sales of silks, rayons, and velvets up 8 percent, those of

woolen dress goods 20 percent, and those of cotton wash goods 27 percent. Along with these sales increases, one of 25 percent in laces and trimmings and one of 14 percent in notions were reported. Whether this change represents more home sewing or merely higher prices is not revealed by the figures. The increase in the sale of trimmings may represent an attempt to achieve the "new look" with minimum expenditures.

The changes in consumer buying preferences have called for astute merchandising management. One method the managements have taken is the adjustment of inventories.

The inventory expansion this year has taken place principally in those departments with sales that were high compared with last year's. At the end of October last year, for example, the stores reported that their stocks of women's and misses' goods made up 40 percent of the value of total inventories. This year they represented only 36 percent, though the total value of inventories was just about the same. On the other hand, inventories of home furnishings were valued last October at 26 percent of the total and this past October at 29 percent. Moreover, the stores reported, in those departments which have had sales declines the value of inventories has decreased more rapidly than that of sales. At the end of October the value of the stores' stocks of women's coats and suits, for example, was 23 percent below the figure at the end of the same month last year, although sales for the 10-month period were down only 6 percent.

Inventory increases were reported for only 27 departments, fewer than the number that had sales increases. The greatest rates of expansion were for inventories of domestics, amounting to 157 percent; mechanical refrigerators, amounting to 127 percent; and men's clothing, amounting to 121 percent. Since production of all these items fell short of the demand in 1946, however, stocks of them were unusually low that year.

The change in the pattern of consumer buying not only affects the inventory pattern but for the most part has had an important influence on the growth of consumer credit at both department stores and stores of other types. Because durable goods are bought on credit more often than nondurable ones, in other words, sales increases in the former are more likely to bring about a credit expansion.

Sales increases have been greater at all those Sixth District

reporting stores except jewelry stores whose operations are predominantly in the durable-goods lines than they have been at those which handle nondurable goods mainly. Up to the first of December this year sales at Sixth District furniture stores were 10 percent higher than they were during the same period in 1946. The increase was 3 percent at the department stores. Jewelry-store sales, however, declined 3 percent. Although a comparison for the sales of the entire 11 months is not available for household-appliance stores, their November sales this year were 28 percent more than those of last year. From the end of November last year to the end of November this year accounts receivable were up 34 percent at furniture stores and 63 percent at household-appliance stores but only 25 percent at department stores.

Finance

C. T. T.

Declines that occurred during the last two weeks of November in total loans at the reporting member banks in leading cities of the Sixth District interrupted a four-month period of weekly expansions. These banks, whose deposits make up about 55 percent of deposits in District member banks, reported on December 3, however, that their total loans had increased over those of the previous Wednesday in an amount sufficient to offset the declines. For the week ended December 10 their loans advanced nine million dollars further, to 828 million, which exceeds the total for the corresponding date in 1946 by 116 million. Since July 16, when total loans were at the lowest point reported for them this year, the increase at these banks had been almost 17 percent.

Normally loans increase at this time of the year to meet the needs for handling crops and to meet retailers' and wholesalers' needs for financing their seasonal inventories. Part of the recent expansion in loans may represent a return, therefore, to the prewar seasonal pattern of borrowing. In only one year between 1922 and 1942 was the rate of expansion as great as it has been this year; for the corresponding period of 1936 the rate was 18.6 percent. During the years 1942-46, of course, the financing of war-bond purchases greatly influenced the trend of total loans.

About four fifths of the expansion this year is made up of increases in commercial and industrial loans. In other types of loans also, however, the rise has been substantial, with decreases having been reported only for security loans and loans to banks since the general expansion began.

As characteristic as this general expansion in loans at the District's member banks has been, the rates of expansion have varied markedly from bank to bank and with the type of area. In general the reserve-city banks as a group have increased their loans at a greater rate than the other banks have. At some of them, however, loans have been increased much less than they have at some of the banks outside reserve cities. While some weekly reporting banks in the leading cities have had almost no loan increases others have increased their loans more than 30 percent.

The rates of increase reported in the different cities and states by the weekly reporting banks for the middle of July to the first Wednesday in December differed greatly. The New Orleans banks, representing Louisiana, reported the greatest rate of increase, or 23 percent, while in Florida, the Jacksonville and Miami banks together reported an increase of only 6 percent. In Tennessee, banks at Chattanooga, Knoxville, and Nashville increased their loans 17.6 percent. The reporting banks in Georgia, at Atlanta and Sa-

Sixth District Statistics

Lender	No. of Lenders Reporting	Volume		Outstandings	
		Percent Change Nov. 1947 from		Percent Change Nov. 1947 from	
		Oct. 1947	Nov. 1946	Oct. 1947	Nov. 1946
Federal credit unions.....	45	+ 11	+ 71	+ 5	+ 57
State credit unions.....	26	+ 39	+ 55	+ 2	+ 54
Industrial banking companies.....	11	- 4	+ 0	- 1	+ 17
Industrial loan companies.....	19	+ 5	+ 0	+ 1	+ 13
Small loan companies.....	54	+ 2	+ 21	+ 4	+ 16
Commercial banks.....	34	+ 4	+ 63	+ 3	+ 71

Item	Number of Stores Reporting	Percent Change November 1947 from	
		October 1947	November 1946
		Total sales.....	38
Cash sales.....	34	+ 12	- 23
Credit sales.....	34	+ 17	+ 13
Accounts receivable, end of month.....	37	+ 7	+ 36
Collections during month.....	37	+ 6	+ 19

Items	SALES				INVENTORIES	
	No. of Firms Reporting	Percent Change November 1947 from		No. of Firms Reporting	Percent Change Nov. 30, 1947, from	
		Oct. 1947	Nov. 1946		Oct. 31, 1947	Nov. 30, 1946
Automotive supplies..	5	- 11	- 1	4	+ 9	+ 59
Shoes.....	3	- 28	+ 16	.	.	.
Drugs and sundries..	9	- 17	- 3	.	.	.
Dry goods.....	8	- 21	- 33	3	- 11	- 3
Electric wiring sup..	4	- 29	+ 13	4	+ 8	+ 68
Electrical appliances..	7	- 6	+ 32	6	- 6	+ 57
Fruits & vegetables..	3	- 9	- 18	.	.	.
Farm supplies.....	3	- 16	+ 7	.	.	.
Confectionery.....	5	- 15	+ 5	.	.	.
Groceries.....						
Full lines.....	31	- 21	- 9	17	+ 7	+ 9
Specialty lines.....	8	- 6	+ 12	4	- 3	- 7
Beer.....	8	- 33	- 29	3	+ 25	- 17
General hardware.....	8	- 9	+ 16	4	+ 5	+ 37
Industrial hardware.....	5	- 2	+ 19	.	.	.
Jewelry.....	3	+ 4	- 3	3	+ 12	- 2
Lumber and building materials.....	4	- 13	+ 17	.	.	.
Tobacco products.....	12	- 16	+ 0	3	+ 6	+ 52
Miscellaneous.....	16	- 12	+ 2	14	+ 4	+ 38
Total.....	137	- 15	+ 1	65	+ 3	+ 24

* Based on U. S. Department of Commerce figures

Place	SALES				INVENTORIES	
	No. of Stores Reporting	Percent Change November 1947 from		No. of Stores Reporting	Percent Change Nov. 30, 1947, from	
		Oct. 1947	Nov. 1946		Oct. 31, 1947	Nov. 30, 1946
ALABAMA						
Birmingham.....	5	+ 17	+ 16	4	+ 6	+ 5
Mobile.....	5	+ 11	+ 12	.	.	.
Montgomery.....	3	+ 8	+ 7	3	+ 5	+ 3
FLORIDA						
Jacksonville.....	4	+ 3	+ 1	3	+ 16	- 1
Miami.....	4	+ 14	- 0	3	+ 4	- 3
Orlando.....	3	+ 3	+ 26	.	.	.
Tampa.....	5	+ 13	+ 8	3	+ 3	+ 20
GEORGIA						
Atlanta.....	6	+ 7	+ 6	5	- 1	- 4
Augusta.....	4	+ 11	+ 4	3	+ 9	- 8
Columbus.....	3	+ 10	+ 8	.	.	.
Macon.....	4	+ 6	- 9	4	+ 5	- 5
LOUISIANA						
Baton Rouge.....	4	+ 11	+ 3	4	+ 6	+ 7
New Orleans.....	5	+ 15	+ 14	4	+ 7	- 2
MISSISSIPPI						
Jackson.....	4	+ 4	+ 6	4	+ 5	- 1
TENNESSEE						
Bristol.....	3	+ 18	- 2	3	+ 32	+ 39
Chattanooga.....	4	+ 9	- 4	3	+ 0	+ 39
Knoxville.....	4	+ 11	- 4	.	.	.
Nashville.....	6	+ 7	+ 1	5	+ 7	+ 1
OTHER CITIES*	18	+ 2	+ 1	22	+ 8	+ 8
DISTRICT	94	+ 10	+ 6	73	+ 6	+ 2

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

vannah, increased their loans 17.9 percent, and those in Alabama, at Birmingham and Mobile, increased theirs 18.1 percent.

In an area as large as the Sixth District, which covers more than 247,000 square miles, wide variations in the chief forms of economic activity are to be expected. As the war-economy needs lose their place as the first influence on demands for bank credit, variations in local conditions probably will be reflected increasingly in the operations of member banks. Moreover, within any area, the types of customers to which credit is supplied vary greatly from bank to bank.

Perhaps the best mirror of those different levels of economic activity in the various parts of the District that have affected banking operations during 1947 is the way bank debits to individual accounts have behaved. These debits, which are reported to the Federal Reserve Bank from 35 Sixth District cities, represent total business and personal checking transactions at the banks. With but one month remaining in 1947 the general trend for the year can be fairly well determined. The debits for the first 11 months of this year exceeded those for the first 11 months of 1946 by 12 percent. This percentage increase was double that for the United States.

Within the District, however, there were five cities in which the rates of increase for the first 11 months exceeded 20 percent. These included Baton Rouge, which led with a 27 percent increase, Jackson, Gadsden, Mobile, and Montgomery. At the other end of the scale, with decreases, were Anniston, Orlando, Newnan, and Vicksburg. Four of the reporting cities had rates of increase lower than the national rate. They were Brunswick, Hattiesburg, Meridian, and Knoxville, with rates of less than 5 percent. The 27 District cities with gains that equaled or exceeded the national rate included Birmingham, Valdosta, Lake Charles, Chattanooga, Griffin, and Columbus, where the increases ranged from 15 to 20 percent. Eight of them—Jacksonville, Nashville, Atlanta, Albany, Elberton, Macon, Gainesville, and Rome—reported increases ranging from 10 to 15 percent. In two, Savannah and Tampa, the rate was the same as the national rate. Others in this group reporting increases of from 6 to 10 percent were Dothan, Miami, Pensacola, St. Petersburg, Augusta, and New Orleans.

C. T. T.

Agriculture

Two recent developments in international trade may significantly affect the markets for several District crops. In the short run the greater effects will result from those steps taken by the Canadian Government to prevent further depletion of its gold and United States dollar reserves. In the long run, however, tariff-schedule changes made at the recent trade conference of 23 nations held at Geneva may be more important.

Of the measures adopted by the Canadian Government, the drastic import restrictions announced on November 17 will bear most directly on the District's growers. This emergency action prohibits the importation of a large group of agricultural products. Moreover, for another large group it imposes import quotas equivalent to twice the average annual value of imports in the calendar years 1937 through 1939. Agricultural imports in the former group amounted in 1946 to about 44 million Canadian dollars, and those in the latter to about 49 million. How long these restrictions, and any modification of them, will last will depend on Canada's exchange position. In this connection, much depends also on

Sixth District Statistics

Item	Dec. 24 1947	Nov. 26 1947	Dec. 24 1946	Percent Change December 24, 1947	
				Nov. 26 1947	Dec. 24 1946
Loans and investments—					
Total.....	2,389,294	2,381,350	2,370,655	+ 0	+ 1
Loans—total.....	847,729	811,667	722,252	+ 4	+ 17
Commercial, industrial, and agricultural loans.....	518,032	494,233	413,662	+ 5	+ 25
Loans to brokers and dealers in securities.....	8,290	6,550	8,951	+ 27	- 7
Other loans for purchasing and carrying securities.....	69,647	74,192	98,568	- 6	- 29
Real estate loans.....	66,540	65,115	49,713	+ 2	+ 34
Loans to banks.....	4,638	4,765	3,734	- 3	+ 24
Other loans.....	180,582	166,812	147,624	+ 8	+ 22
Investments—total.....	1,541,565	1,569,683	1,648,403	- 2	- 6
U. S. direct obligations.....	351,296	340,832	432,734	+ 3	- 19
Obligations guaranteed by U. S.....	1,002,673	1,036,529	1,023,202	- 3	- 2
Other securities.....	187,596	192,322	192,467	- 2	- 3
Reserve with F. R. Bank.....	461,475	447,992	453,165	+ 3	+ 2
Cash in vault.....	42,818	44,990	40,464	+ 5	+ 6
Balances with domestic banks.....	178,562	164,811	187,579	+ 8	- 5
Demand deposits adjusted.....	1,783,244	1,768,270	1,718,460	+ 1	+ 4
Time deposits.....	544,231	547,854	535,968	- 1	+ 2
U. S. Gov't deposits.....	17,100	32,618	57,997	- 48	- 71
Deposits of domestic banks.....	542,245	504,014	567,526	+ 8	- 4
Borrowings.....	12,300	16,800	3,000	- 27	+310

Place	No. of Banks Reporting	Nov. 1947	Oct. 1947	Nov. 1946	Percent Change Nov. 1947 from	
					Oct. 1947	Nov. 1946
ALABAMA						
Anniston.....	3	18,620	21,244	20,611	- 12	- 10
Birmingham.....	6	296,164	325,734	290,486	- 9	+ 2
Dothan.....	2	11,797	14,115	11,674	- 16	+ 1
Gadsden.....	3	18,577	20,251	18,058	- 8	+ 3
Mobile.....	4	124,728	129,935	106,626	- 4	+ 17
Montgomery.....	3	77,138	86,434	68,824	- 11	+ 12
FLORIDA						
Jacksonville.....	3	248,392	251,452	231,254	- 1	+ 7
Miami.....	7	209,829	221,609	195,666	- 5	+ 7
Greater Miami*.....	12	290,645	305,077	271,033	- 5	+ 7
Orlando.....	3	44,277	43,660	44,559	+ 1	- 1
Pensacola.....	3	30,864	33,197	30,688	- 7	+ 1
St. Petersburg.....	3	47,202	47,750	46,274	- 1	+ 2
Tampa.....	3	101,890	103,274	105,474	- 1	- 8
GEORGIA						
Albany.....	2	18,296	18,181	17,467	+ 1	+ 5
Atlanta.....	4	732,958	814,398	712,191	- 10	+ 3
Augusta.....	3	52,807	59,919	49,251	- 12	+ 7
Brunswick.....	2	8,304	9,034	8,093	- 8	+ 3
Columbus.....	4	53,565	58,317	56,409	- 11	+ 5
Elberton.....	2	4,150	4,643	3,971	- 11	+ 5
Gainesville*.....	3	13,824	15,848	11,310	- 13	+ 22
Griffin.....	2	10,742	11,787	10,285	- 9	+ 4
Macon.....	3	55,087	60,040	57,522	- 8	- 4
Newnan.....	2	7,717	9,604	8,336	- 20	- 7
Rome.....	3	21,932	29,360	21,698	- 25	+ 1
Savannah.....	4	85,329	87,815	76,107	- 3	+ 12
Valdosta.....	2	9,695	10,938	10,242	- 11	- 5
LOUISIANA						
Baton Rouge.....	3	81,158	83,034	66,981	- 2	+ 21
Lake Charles.....	3	28,546	31,077	25,869	- 8	+ 10
New Orleans.....	7	598,204	679,476	582,712	- 12	+ 3
MISSISSIPPI						
Hattiesburg.....	2	14,798	17,284	16,443	- 14	- 10
Jackson.....	4	108,870	115,473	91,308	- 6	+ 19
Meridian.....	3	25,340	30,951	28,691	- 18	- 12
Vicksburg.....	2	29,070	31,799	27,006	- 9	+ 8
TENNESSEE						
Chattanooga.....	4	128,277	139,661	117,612	- 8	+ 9
Knoxville.....	4	100,881	105,515	100,227	- 4	+ 1
Nashville.....	6	264,901	306,081	246,793	- 13	+ 7
SIXTH DISTRICT						
32 Cities.....	109	3,637,431	3,971,915	3,473,445	- 8	+ 5
UNITED STATES						
334 Cities.....		92,921,000	105,320,000	86,645,000	- 12	+ 7

* Not included in Sixth District total

the nature of the European Recovery Program. If Europe obtains funds for expenditure outside the United States, Canada should improve its dollar position.

Exports to Canada are more important to District agricultural producers than they are to farmers generally. In the year ended June 1947 they made up about 7 percent of the dollar value of all agricultural exports. Canada received 13 percent of the cotton exported, 33 percent of the peanuts, 65 percent of the oranges, 56 percent of the grapefruit, and 49 percent of the canned fruit juices. These commodities, all important District crops, accounted for about half the value of United States exports to Canada. Although exports of these products were not entirely of District origin, District growers, who produce a large portion of the total crops, benefited from the additions to domestic demand furnished by the Canadian market.

Under the newly imposed Canadian restrictions import quotas for fresh citrus fruit are set at about half the value of the 1946 imports. Quotas of the individual importers will be assigned quarterly on a basis of the value of their imports during the year ended June 1947.

Imports prohibited as of November 18, 1947, include most fresh and canned vegetables, most fresh fruits other than citrus, and most dried fruits. Other prohibited imports are rice, sirups and molasses, and unshelled peanuts and pecans.

Although the reductions of world-trade barriers made at the Geneva conference are so comprehensive that no precise idea of their effects can be determined, it appears that in the long run they will tend to expand markets for some District farm products. Since most countries now regulate foreign trade by import and export licensing, however, many of the concessions made at Geneva will have few immediate effects or none. The trade agreements relate to virtually all trade barriers, including tariffs, preferences, internal controls, quotas, customs regulations, subsidies, and state trading.

Reductions in tariff rates and the retention of a duty-free status on certain items comprised most of the concessions made by the United States. Few of the important concessions involved farm products. Import duties on wool, however, were reduced from a basic rate of 34 cents a pound to 25.5 cents. The rate on 96-degree Cuban sugar was reduced from 0.75 cent to 0.5 cent a pound.

On the other hand, several countries made appreciable concessions to the United States on agricultural products that are important in the District. Canada eliminated the half-cent-a-pound duty on fresh grapefruit and placed oranges on the free list. Prior to the agreement fresh oranges had been admitted free into Canada during the period January through July but were taxed at the rate of 35 cents a hundred pounds August through December. Canadian duties on canned orange juice were reduced from 25 percent of its value to 10 percent. Canada also eliminated the cent-a-pound duty on green peanuts and halved the duties on unmanufactured tobacco.

Concessions on agricultural products by the Belgium-Luxemburg-Netherlands Customs Union, known as Benolux, were made in the form of exemptions from monopoly duties, which in many cases had amounted to more than the customs duties. Before the agreement was reached the Netherlands had had monopoly duties on oranges, grapefruit, canned fruits, and fruit juices that ranged from 2.5 percent to 57 percent. In addition to eliminating these duties, Benolux made seasonal reductions of between 25 and 35 percent in the regular customs duties on oranges and grapefruit. In 1939 this coun-

try's fresh orange exports to Benolux alone amounted to more than a half million boxes.

Relatively few of the concessions made by the United Kingdom on agricultural products affect crops grown extensively in the District. Raw cotton and citrus fruits, however, were assured of continued free entry. Reductions amounting to 50 percent were granted on some imports of lumber and of timber products. Though reductions as high as a third were authorized for the preferences on leaf tobacco, they do not take effect until the present abnormally high duties are lowered.

The United Kingdom's action with regard to tobacco emphasizes one aspect of the agreement that should not be overlooked in an assessment of its effects on trade. In some respects the barriers removed by the agreement were actually concrete evidence of the nations' unwillingness to allow relatively free foreign trade. The removal of some barriers and the lowering of others, therefore, does not necessarily mean that trade will increase. Whether the agreement will benefit District farmers by way of expanded foreign markets depends upon many factors other than the level of tariff rates or other restrictions on foreign trade.

B. R. R.

Electric Power Expansion

As the postwar industrialization of the South gathered momentum last winter, Southern peacetime demand for electric power grew so rapidly that the power companies were thrown into a scramble for a means of increasing their capacity. Many of them had had to delay construction and curtail their expansion programs during the war because of priorities and material and labor shortages. At the same time many power-company officials predicted that the demand would decline with the return to peace. They were, therefore, caught unawares when it climbed past even the wartime peak, causing a record high in power production for the District states last February. The companies could meet the demand only by using every piece of equipment to its full capacity, letting their excess emergency reserves drop to an unprecedented low, and swapping power with one another during the peak hours. Before the winter was over they had made plans for a multimillion-dollar expansion program. This year construction has been started on projects that will give the Six States more than a million kilowatts of additional installed capacity.

This expansion program includes the setting up of entire plants with numerous generating units and the addition of generating units to older plants. The Alabama Power Company, for instance, is building a new two-unit steam plant at Gadsden. In Florida three steam plants with a total of five units are being set up, in Georgia a steam plant and a hydro plant with a total of three units, and in Tennessee four hydro plants with a total of six units. Additions to older hydro plants include nine units in Alabama and four in Tennessee, and additions to older steam plants comprise seven units in Florida, two in Georgia, three in Mississippi, and five in Louisiana.

The estimated completion schedules in the accompanying table show that the program will mean a total additional capacity in District states of 1,573,400 kilowatts, or by 1951 a 29.5 percent increase over installed capacity as of December 31, 1946.

At the end of October 1947 installed capacity in the Six States showed approximately a 2.25-percent increase over that of a year ago. Production was up almost 7 percent, however,

over that of last October. Following the usual early-summer slump it had risen for the third consecutive month, to reach an index of 296 of the 1935-39 average. This is its highest October figure on record. According to the Federal Power Commission the total kilowatt-hour output in the Southeast increased 8 percent between October 1946 and October 1947, but kilowatt peak-load demand increased 9.6 percent. Compared to the national increases of 10.7 percent in output and 9.6 percent in peak-load demand, these figures indicate that the Southeast's power situation is more critical than the nation's. Through the mid-winter of this year the situation will grow progressively more acute, it is expected, since the highest peak-load period of the year usually culminates then. Superimposed upon this, each company has a problem to meet in its daily-load-pattern, depending on the uses of the power. By the mid-winter of 1948-49 District power companies, of course, will have sufficient capacity to meet all peak-load demands. But it is questionable whether the gap between the time of increased peak-load demands and the date that new equipment is completed can be bridged this winter without some curtailment or some rationing of current to customers.

Scheduled Additions to the Installed Capacity on December 31, 1946

Place	Installed Capacity Dec. 31, 1946 (1,000 of Kilowatts)	Percent of Increase by the end of:				
		1947	1948	1949	1950	1951
Six States	5,338.9	2.3	15.2	25.7	28.8	29.5
Alabama	799.2	...	8.1	39.4	46.6	...
Florida	565.2	4.4	38.6	54.9	63.4	...
Georgia	707.0	...	17.3	28.6
Louisiana	542.0	13.4	20.3	27.7	33.2	...
Mississippi	71.2	31.6	73.7	105.3
Tennessee	2,654.3	...	9.2	12.1	13.2	14.5

There are several encouraging factors in the District states which minimize the likelihood of rationing. The three with hydro facilities, Georgia, Alabama, and Tennessee, are in a better position than the others. They have followed a program of water conservation. They have burned more expensive coal, even during the dry low-water months, in order to save large reservoirs of water for this emergency. Also, the power facilities in all the states from Virginia through Louisiana have interconnections and can swap power among themselves for peak hours.

Georgia and Alabama, for instance, have similar daily load patterns. Both have large industrial consumption. One of the peak hours of each comes daily, around closing time before industrial consumption has definitely slackened and when trolley consumption and domestic consumption for light and cooking are high. Since Georgia has Eastern time and Alabama Central time, these peak loads, though created by similar factors, come an hour apart. This difference would allow a swap of power. All the District states except Florida have either backlogs of water for high hydro production or interconnections with these reservoirs of power.

Florida has interconnections, but her KVA reactive receiver power is so low that it is too costly to transmit power into the state. The Florida power companies are staging a wide advertising program that urges consumers to use small portable gas and oil heaters for chilly days this winter instead of the popular electric heater. If power rationing comes to the District, it will probably come first to Florida unless this program succeeds in averting it.

L. C.

Sixth District Indexes

Place	DEPARTMENT STORE SALES*					
	Adjusted**			Unadjusted		
	Nov. 1947	Oct. 1947	Nov. 1946	Nov. 1947	Oct. 1947	Nov. 1946
DISTRICT.....	383	348	347	459	372	416
Atlanta.....	420	403	382	521	432	474
Baton Rouge.....	423	356	395	478	385	447
Birmingham.....	399	333	318	478	363	381
Chattanooga.....	388	343	388	442	360	442
Jackson.....	348	311	316	418	358	379
Jacksonville.....	444	431	423	533	462	507
Knoxville.....	341	297	335	402	321	395
Macon.....	317	309	334	399	334	421
Miami.....	362	391	349	442	344	425
Montgomery.....	373	333	337	459	380	414
Nashville.....	449	407	428	521	432	497
New Orleans.....	364	299	306	430	332	361
Tampa.....	522	492	464	616	483	547

Place	DEPARTMENT STORE STOCKS					
	Adjusted**			Unadjusted		
	Nov. 1947	Oct. 1947	Nov. 1946	Nov. 1947	Oct. 1947	Nov. 1946
DISTRICT.....	337	300	330	354	335	347
Atlanta.....	391	387	407	452	454	470
Birmingham.....	242	238	229	285	268	271
Montgomery.....	321	313	313	374	355	365
Nashville.....	480	453	475	558	520	552
New Orleans.....	255	238	259	288	269	293

Place	GASOLINE TAX COLLECTIONS***					
	Adjusted**			Unadjusted		
	Nov. 1947	Oct. 1947	Nov. 1946	Nov. 1947	Oct. 1947	Nov. 1946
SIX STATES.....	174	173	163	179	170	168
Alabama.....	191	191	174	197	189	179
Florida.....	174	167	156	169	152	152
Georgia.....	169	171	157	175	170	163
Louisiana.....	167	162	158	176	166	166
Mississippi.....	160	165	158	176	168	174
Tennessee.....	176	182	175	189	182	188

Place	COTTON CONSUMPTION*			ELECTRIC POWER PRODUCTION*			
	Nov. 1947	Oct. 1947	Nov. 1946	Oct. 1947	Sept. 1947	Oct. 1946	
TOTAL.....	156	148	181	SIX STATES..	296	296	276
Alabama.....	160	156	193	Hydro-			
Georgia.....	158	147	183	generated	180	195	263
Mississippi.....	106	108	136	Fuel-			
Tennessee.....	136	137	132	generated	447	427	293

Place	MANUFACTURING EMPLOYMENT***			CONSTRUCTION CONTRACTS			
	Oct. 1947	Sept. 1947	Oct. 1946	Place	Oct. 1947	Sept. 1947	Oct. 1946
SIX STATES..	146	144	141	DISTRICT....	434	321r	367
Alabama.....	154	150r	148	Residential..	681	468r	348
Florida.....	118	115r	117	Other.....	314	250r	377
Georgia.....	134	133r	138	Alabama.....	409	317	762
Louisiana.....	145	144	130	Florida.....	601	442	374
Mississippi.....	163	162r	149	Georgia.....	432	328	353
Tennessee.....	157	156	151	Louisiana.....	324	126	106
				Mississippi..	177	386	208
				Tennessee..	345	300	380

Item	CONSUMERS' PRICE INDEX			ANNUAL RATE OF TURNOVER OF DEMAND DEPOSITS			
	Oct. 1947	Sept. 1947	Oct. 1946	Nov. 1947	Oct. 1947	Nov. 1946	Nov. 1946
ALL ITEMS...	169	168	152	Unadjusted...	19.7	19.0	19.0
Food.....	214	212	185	Adjusted**.....	18.6	18.8	17.9
Clothing....	188	185	164	Index**.....	75.3	76.2	69.3
Rent.....	n.a.	n.a.	n.a.	CRUDE PETROLEUM PRODUCTION IN COASTAL LOUISIANA AND MISSISSIPPI*			
Fuel, elec., and ice...	129	128	115		Nov. 1947	Oct. 1947	Nov. 1946
Home furnishings...	182	181	164	Unadjusted...	271	266	238
Misc.....	145	144	134	Adjusted**.....	267	266	235
Purchasing power of dollar...	.59	.60	.66	r Revised n.a. Not available			

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

National Business Summary

INDUSTRIAL production expanded somewhat further in November. Department-store sales showed more than a seasonal increase in November and the first half of December. Wholesale commodity prices generally continued to advance.

Bank Credit

Loans to businesses, consumers, and real-estate owners expanded further at banks in leading cities during November and the first half of December. Demand deposits of individuals and businesses increased 800 million dollars at these banks, and currency in circulation rose by 400 million.

In the four weeks ending December 17, member banks gained reserves as a result of a continued inflow of gold, Treasury transactions, and Federal Reserve purchases of Government securities. These sources of reserves more than offset the seasonal growth in currency.

Reserve Bank holdings of Government securities declined in the four-week period, reflecting Treasury retirement of bills and certificates. The System also sold substantial amounts of bills and certificates in the market but purchased larger amounts of notes and bonds.

Interest Rates and Bond Yields

Prices of Treasury bonds, which declined sharply in October and November, were held firm after the middle of November by official support. Prices of corporate bonds declined further. Yields on Treasury certificates rose, and a new issue of 1 $\frac{1}{8}$ -percent one-year certificates was offered in exchange for the issue maturing January 1.

Industrial Production

The Board's seasonally adjusted index of industrial production advanced two points in November to 192 percent of the 1935-39 average, a new postwar peak rate.

Output of durable goods expanded somewhat further, reflecting largely increases in activity in most machinery, transportation equipment, and nonferrous-metal-fabricating industries. Output of steel in November was at a slightly lower rate than in October, but in the early part of December scheduled operations rose to new postwar peaks. Motor-truck assemblies were curtailed in November and early December, as a result of model change-over activity at plants of a major producer, while output of passenger cars increased. Output of lumber and other construction materials was maintained in large volume.

Manufacture of nondurable products continued to increase in November, reflecting mainly a further marked rise in activity at cotton-textile mills and an expansion in the volume of livestock slaughtered as a result of reduced feed supplies and high prices for feeds. Liquor production, which increased sharply in October, was curtailed in November in accordance with the Federal program to conserve grain.

Production of minerals rose somewhat further in November, reflecting further gains in output of bituminous coal as increased numbers of freight cars became available.

Commodity Prices

Wholesale commodity prices generally advanced further in November and the early part of December. Crude-petroleum

prices were increased sharply, and advances were announced in refined-petroleum products, newsprint, rayon, textile products, shoes, and some metal products. Government disposal prices for Japanese silk were reduced by nearly one half. Prices of commodities traded in the organized markets rose further in November but showed little change in the first three weeks of December.

The consumers' price index was unchanged from September to October. Food prices generally showed little change in November and December, while additional increases occurred in retail prices of other goods and services.

Distribution

Department-store sales showed a sharp seasonal increase in November, and the Board's adjusted index rose to a new high of 300 percent of the 1935-39 average, as compared with 275 in October and 291 in September. Value of sales continued at a high level in the first half of December and was 8 percent above the corresponding period in 1946. Value of department-store stocks has also increased in recent months and is above the corresponding period of a year ago.

Shipments of most classes of railroad revenue freight were maintained in large volume in November and the first half of December, after allowance for usual seasonal declines at this time of the year. Coal shipments continued to increase and were at the peak rate reached at the beginning of the year.

THE BOARD OF GOVERNORS

Bank Announcements

Of the three most recent additions to the par list, the first was the Stayton Bank and Trust Company, Stayton, Tennessee, which began remitting at par on November 20. A nonmember in the Nashville-branch territory, the bank has capital of \$6,000, surplus and undivided profits of \$9,000, and deposits of \$266,000. George B. Harris is president, W. A. Dillard vice president, and C. S. Smith cashier.

The newly organized Citizens Bank of Gainesville, Gainesville, Florida, opened for business as a par-remitting bank on December 3. It has capital amounting to \$200,000, surplus to \$30,000, and undivided paid-in profits to \$20,000. Wilson O. Boozer is president. J. B. Carmichael is vice president and cashier. Charles S. Brooking, Fred M. Cone, and O. H. Thomas are vice presidents, and Charles R. Thomas is assistant cashier.

At Oliver Springs, Tennessee, on December 9 the newly organized branch of the Union-Peoples Bank, Clinton, which is a nonmember in the Nashville-branch territory, was opened for business as a par bank. The present capital of the Union-Peoples Bank is \$150,000, and its surplus \$85,000. Its officers are H. F. Rutherford, president; J. H. Wallace, vice president; Wallace Cantrell, cashier; and Ernest Taylor, George E. Anderson, and Frank Fox, assistant cashiers. Mr. Fox will be the manager of the new branch.

Index for the Year 1947

(See BUSINESS CONDITIONS, GENERAL, for further information
on almost every other subject listed in the index.)

A

AGRICULTURE

- Bank Credit for Farm Production, by Brown R. Rawlings, 129
- Farm Forestry in the Sixth District, by Brown R. Rawlings, 57
- Florida Citrus Industry, by Brown R. Rawlings, 45
- One-Variety Cotton Improvement Program, The, by Brown R. Rawlings, 117
- Ramie: 1947, by Earle L. Rauber, 81
- Sixth District Agriculture in 1946, by Brown R. Rawlings, 16

B

BANKING

- Additions to the Par List
 - Bank of Fulton County, East Point, Ga., 77
 - Bank of Palmetto, Fla., 15
 - Citizens Bank, Colquitt, Ga., 15
 - Citizens Bank, Lafayette, Tenn., 92
 - Citizens Union Bank of Rogersville branch, Bulls Gap, Tenn., 111
 - City Bank of Tuskegee, Ala., 77
 - Commercial Bank, Andalusia, Ala., 15
 - Covington County Bank, Andalusia, Ala., 92
 - Industrial Banking Co., Valdosta, Ga., 104
 - Merchants & Farmers Bank, Greenback, Tenn., 128
 - Peoples Bank of Auburndale, Fla., 77
 - Peoples Bank, Blackshear, Ga., 29
 - Peoples Bank, Winder, Ga., 37
 - Riverside Bank of Jacksonville, Fla., 77
 - Troy Bank & Trust Co., Troy, Ala., 111
 - Union Bank, Jamestown, Tenn., 77
- Admissions to FRS membership
 - Alabama Exchange Bank of Tuskegee, Ala., 77
 - Bank of Leighton, Ala., 104
 - Blackshear Bank, Ga., 29
 - Citizens Bank of Gainesville, Fla., 146
 - Citizens Bank, Colquitt, Ga., 29
 - DeKalb State Bank, Doraville, Ga., 15
 - Jeff Davis Bank & Trust Co., Jennings, La., 37
 - Stayton Bank & Trust Co., Tenn., 146
 - Union Peoples Bank branch, Oliver Springs, Tenn., 146
- See also National-charter grants
- Bank Credit for Farm Production, by Brown R. Rawlings, 129
- Bank Financing of Sixth District Business, 26
- Bank Financing of Sixth District Retail Trade, by Charles T. Taylor, 69
- Debits
 - Debits to Individual Bank Accounts, *tables*, 14, 29, 37, 53, 67, 77, 91, 101, 113, 125, 139, 143
- Deposits
 - Annual Rate of Turnover of Demand Deposits, *tables*, 3, 31, 39, 55, 65, 79, 88, 99, 111, 123, 138, 145

Member Banks

- Condition of Member Banks in Selected Cities, *tables*, 14, 29, 39, 53, 67, 77, 90, 101, 113, 125, 139, 143
- Member Bank Operations in 1946, 33
- See also Admissions to FRS membership and National-charter grants
- National-charter grants
 - Citizens National Bank, Orlando, Fla., 29
 - Fort Lauderdale National Bank, Fla., 15
 - First National Bank of East Point, Ga., 77
 - First National Bank of Picayune, Miss., 128
 - Sixth District Finance During 1946, by Charles T. Taylor, 11

BUSINESS CONDITIONS, GENERAL

- District summaries, 1-18, 30, 40, 52, 64, 78, 89, 100, 112, 124, 136, 141
- National summaries, 44, 56, 68, 104, 116, 128, 140, 146
- Reconnaissance, *charts*, 15, 29, 37, 99.

C

- COAL PRODUCTION, *tables*, 3, 31, 39, 55, 65, 79
- CONSTRUCTION CONTRACTS, *tables*, 88, 99, 111, 123, 138, 145
- CONSUMERS' PRICE INDEX, *tables*, 3, 31, 39, 55, 65, 79, 88, 99, 111, 123, 138, 145
- COTTON CONSUMPTION, *tables*, 3, 31, 39, 55, 65, 79, 88, 99, 111, 123, 138, 145

D

DEPARTMENT STORES

- Sales, *tables*, 3, 7, 31, 32, 37, 39, 54, 55, 65, 66, 79, 80, 88, 92, 99, 103, 111, 115, 123, 127, 137, 138, 142, 145
- Stocks, *tables*, 3, 7, 31, 32, 37, 39, 54, 55, 65, 66, 79, 80, 88, 92, 99, 103, 111, 115, 123, 127, 137, 138, 142, 145
- See also Trade

E

- ELECTRIC POWER PRODUCTION, *tables*, 3, 31, 39, 55, 65, 79, 88, 99, 111, 123, 138, 145

EMPLOYMENT

- Manufacturing Employment, *tables*, 3, 31, 39, 55, 65, 79, 88, 99, 111, 123, 138, 145
- Sixth District Industry and Employment in 1946, by Thomas R. Atkinson, 8

F

- FARM FORESTRY IN THE SIXTH DISTRICT, by Brown R. Rawlings, 57
- FINANCE
 - Bank Credit for Farm Production, by Brown R. Rawlings, 129
 - Bank Financing of Sixth District Business, 26
 - Bank Financing of Sixth District Retail Trade, by Charles T. Taylor, 69
 - Federal Reserve Assistance in Financing Small Business, 38

Sixth District Finance During 1946, by Charles T. Taylor, 11

Term Lending by District Member Banks, by Thomas R. Atkinson, 62

See also Banking

FLORIDA CITRUS INDUSTRY, THE, by Brown R. Rawlings, 45
FURNITURE STORE OPERATIONS, RETAIL, *tables*, 7, 32, 43, 54, 67, 80, 91, 115, 137

G

GASOLINE

Gasoline Tax Collections, *tables*, 3, 31, 39, 55, 65, 79, 88, 99, 111, 123, 138, 145

State Gasoline Tax Collections, An Indicator of Sixth District Economic Activity, by Charles T. Taylor, 87

I

INDUSTRY

Index of Cotton Consumption, An Indicator of District Industrial Activity, The, by Thomas R. Atkinson, 122
Industrial Research and Scientific Education, by Charles T. Taylor, 21

Ramie: 1947, by Earle L. Rauber, 81

Sixth District Industry and Employment in 1946, by Thomas R. Atkinson, 8

Sixth District War Plants, by Charles T. Taylor, Part I, 93; Part II, 105

INSTALMENT CASH LOANS, *tables*, 32, 37, 54, 66, 80, 92, 103, 115, 127, 137, 142

INVENTORIES

See Department, Furniture, and Jewelry stores

J

JEWELRY STORE OPERATIONS, RETAIL, *tables* 7, 43, 66, 80, 90, 103, 127, 142

L

LOANS

See Banking, Finance, and Instalment Cash Loans

LUMBER PRODUCTION, *tables*, 3, 31, 39, 55, 65, 79, 88, 99

O

ONE-VARIETY COTTON IMPROVEMENT PROGRAM, THE, by Brown R. Rawlings, 117

P

PETROLEUM PRODUCTION IN COASTAL LOUISIANA AND MISSISSIPPI, CRUDE, *tables*, 3, 31, 39, 55, 65, 79, 88, 99, 111, 123, 138, 145

PRICES

See Consumers' Price Index

PROMETHEUS UNBOUND, by Earle L. Rauber, 1

R

RAMIE: 1947, by Earle L. Rauber, 81

RECONNAISSANCE, *charts*, 15, 29, 37, 99

RESEARCH

Industrial Research and Scientific Education, by Charles T. Taylor, 21

RETAIL TRADE

See Trade and Department, Jewelry, and Furniture Stores

S

SIXTH DISTRICT WAR PLANTS, by Charles T. Taylor, Part I, 93; Part II, 105

STATE GASOLINE TAX COLLECTIONS, AN INDICATOR OF SIXTH DISTRICT ECONOMIC ACTIVITY, by Charles T. Taylor, 87

T

TERM LENDING BY DISTRICT MEMBER BANKS, by Thomas R. Atkinson, 62

TRADE

Bank Financing of Sixth District Retail Trade, by Charles T. Taylor, 69

Retail Trade Statistics, Aids to Business Operations and Economic Analysis, by Charles T. Taylor, 19

Sixth District Trade in 1946, by Charles T. Taylor, 4

Wholesale Sales and Stocks, *tables*, 7, 32, 43, 54, 66, 80, 90, 103, 115, 127, 137, 142

See also Department, Furniture, and Jewelry stores

