MONTHLY REVIEW

FEDERAL RESERVE BANK OF ATLANTA

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Influencing the Availability of Credit

"The Reserve System's fundamental task, under the law, is that of influencing, so far as the means at its disposal permit, the availability of credit. In a period of general inflation, the task calls for doing what we can to limit the availability of credit. Conversely, in a period of general deflation the task calls for making credit readily available." (William McC. Martin, Jr., Chairman of the Board of Governors of the Federal Reserve System.)

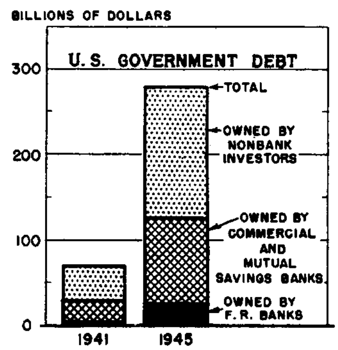
Because of the heritage of war financing, the means at its disposal have not always been adequate for the Federal Reserve System to carry out its task, especially since the end of World War II. The System, however, has consistently utilized the tools it has had available. In the following paragraphs and charts, the most important postwar policy changes and their economic setting are presented.

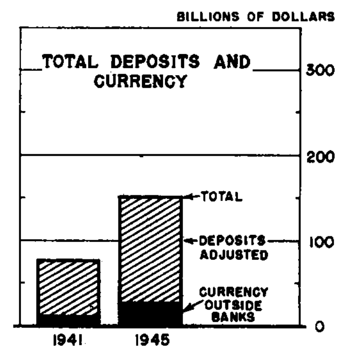
Quotations in the text material are taken directly from the annual reports of the Board of Governors and leading articles in the *Federal Reserve Bulletin.* Space limitations prevent the listing or illustrating of all the economic aspects that may have influenced policy decision. The material given herein, however, does partially answer the question, What has the Federal Reserve System done to influence the availability of credit?

1946

At the beginning of the postwar period, the Board of Governors stated that its primary duty at that time was "adapting to peacetime requirements the monetary and fiscal structure inherited from wartime financing." The national debt had grown from 69 billion dollars at the end of 1941 to 278 billion dollars at the end of 1945. A large proportion of this debt had been transferred to the Federal Reserve Banks and the commercial banking system. That part owned by the banks provided the basis for most of the monetary expansion during the war.

The regaining of control over the volume of credit and the exercising of some measure of flexibility in credit policy were made difficult by a large public debt and the unstable nature of its ownership in the





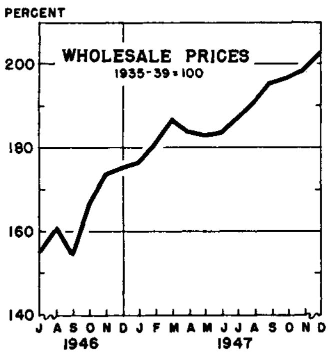
early postwar period. The Federal Reserve System could not limit reserves at member banks and halt credit expansion by ordinary open market operations that would involve unsettling that market for Government securities. Emphasis, therefore, was placed on other steps to limit monetary expansion.

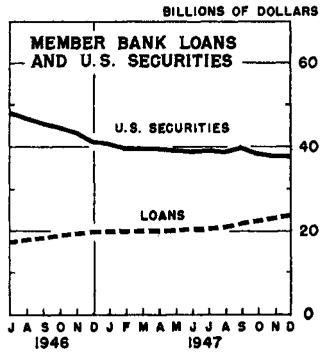
Increase in Margin Requirements A 30-percent advance in stock market prices during 1945 led the Board to increase margin requirements for listed stocks from 75 to 100 percent in 1946. This action was taken to limit the extent of the continuing price rise and to remove the pressure of the forced liquidation in the decline. "The decline in credit offset to some extent the inflationary pressures present in other fields." Margin requirements were reduced in January 1947 to 75 percent in recognition of the "apparent abatement of many of the inflationary forces."

Discontinuance of Preferential Discount Rate During the war years, member banks had been able to discount Government obligations maturing within one year at a preferential discount rate of ½ of one percent. The rate was discontinued on April 30, 1946, to discourage possible borrowing on this basis, with the result that there was an increase in the charges on commercial bank loans secured by Treasury issues.

1947

An advance of 32 percent in wholesale prices during 1947 was evidence that inflationary pressures still dominated the nation's economy. Monetary and fiscal policies were then directed toward reducing the influence that credit expansion might have in raising prices. Member banks, however, were able to expand their loans because of their ability to dispose of Government securities on a market supported by the





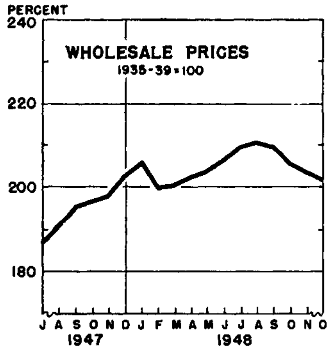
System's open market operations. Inflationary effects of such credit expansion were reduced by certain steps initiated during the year by the Board.

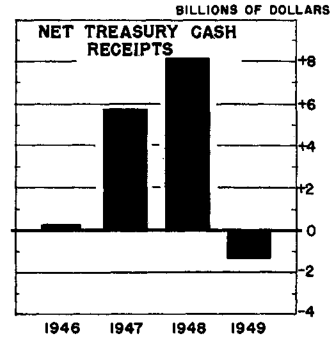
Increase in Short-Term Rates On July 2, the Federal Reserve Banks discontinued the fixed buying rate of $3/8$ of one percent established during the war for Treasury bills. As a result, rates on new Treasury bills rose to one percent by the end of the year. Rates on newly offered certificates rose from $7/8$ to $1\frac{1}{8}$ percent. Banks, as a result, became more reluctant to increase reserves by selling short-term securities.

Increase in Long-Term Rates On December 24, the System established a lower market support level to which the price of long-term Treasury issues was permitted to decline. The average price of United States bonds having 15 or more years to run until maturity was at 101.6 in December 1947; in January 1948 the price was 100.7.

1948

Inflationary tendencies prevailed during most of 1948, with wholesale prices advancing monthly until August. System policies, therefore, continued to be directed toward "exercising as much restraint on credit expansion as was possible under the limitations imposed by the need for supporting the market for Government securities."





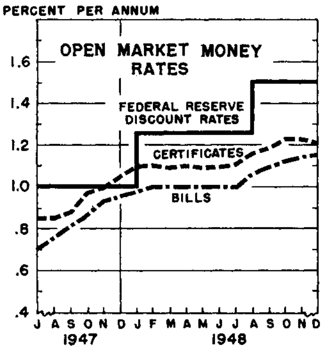
The Treasury cash surplus, amounting to almost 8 billion dollars, was used to retire debts with the greatest potential monetary expansion. Major policy steps taken to restrain credit expansion during 1948 included:

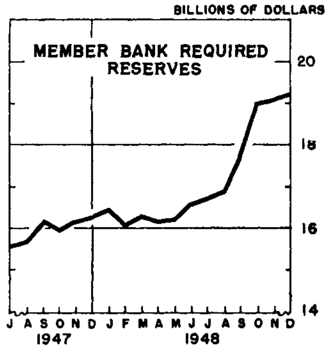
Reduction in Federal Reserve Holdings of Government Securities The Treasury cash surplus was used to reduce securities held by the Federal Reserve System rather than those held by individuals and commercial banks. Thus, bank reserves which had been reduced by the Treasury cash surplus did not return to the banking system and banks were under pressure to maintain their reserve position by selling Government securities. Despite its obligation to support the Government securities market, the System did not increase its holdings of securities, although it was not able to absorb new reserve funds that banks were acquiring from a gold inflow and a return of currency from circulation.

Increase in Short-Term Rates Federal Reserve Banks raised their discount rates from one percent to $1\frac{1}{4}$ percent in January, and in August they increased them to $1\frac{1}{2}$ percent. Parallel increases were permitted in rates on Treasury bills and certificates.

Increase in Reserve Requirements The Board of Governors increased member bank reserve requirements in February to the maximum allowed by law. After Congress had given the System temporary authority to further increase requirements, to expire on June 30, 1949, the Board again raised them.

Reinstitution of Consumer Credit Controls Expansion of instalment sale credit during 1947 and 1948 had increased inflationary pressures by providing additional purchasing power. After Congress granted authority to control consumer credit, a rein-



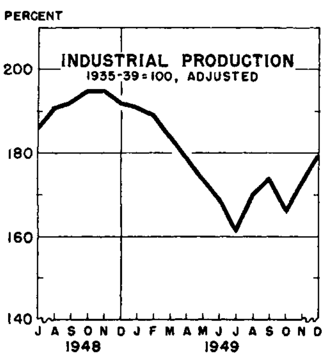


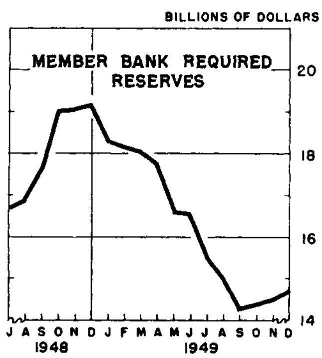
stitution of controls in September 1948 slowed down the advance in consumer credit.

Retention of High Margin Requirements High margin requirements were retained on loans for purchasing or carrying securities.

1949

A recession which started in late 1948 and continued into early 1949 led the Board of Governors to shift emphasis from a credit policy of restraint to one of ease. As economic recovery became evident by the end of the year, however, open market operations were directed toward tightening credit once more in that short-term money rates were permitted to rise.





Measures taken toward easing credit during the first part of the year included:

Reduced Reserve Requirements Reductions in May, June, and August eased credit conditions.

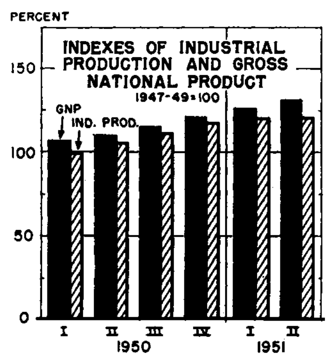
Elimination of Consumer Credit Controls Before the Board's authority expired on June 30, 1949, consumer credit controls were first eased, then removed.

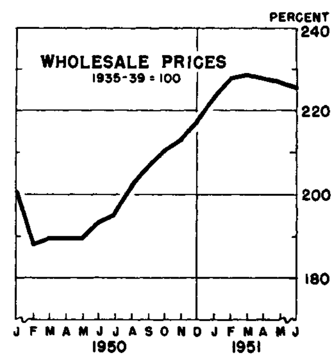
Institution of a More Flexible Open Market Policy On June 30, the Federal Reserve Open Market Committee stated that it would continue its policy of "maintaining orderly conditions in the Government securities market," but that its policy would be to "direct purchases, sales, and exchanges of Government securities by the Federal Reserve Banks with primary regard to the general business and credit situation." Additional credit supplied under this policy resulted in an increase in the general availability of credit and in the price of Government securities.

Reduction in Margin Requirements Margin requirements were reduced in March 1949 to make buying of stocks on credit easier and to provide increased support for equity financing.

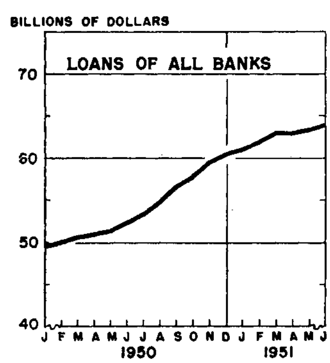
1950 and 1951

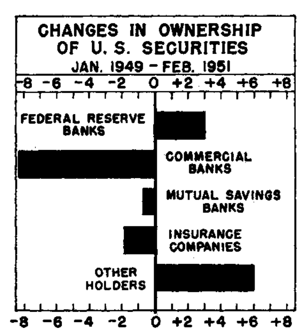
In late 1949 and early 1950 the Federal Reserve System recognized that the slight recession was over. It again directed its policy toward restraining inflationary pressures which were mounting even before the outbreak of the war in Korea and which became very strong after that. Spending by businesses, by consumers, and by the Government increased faster than production, and commodity prices rose rapidly.





Part of the greater spending was made possible by a rapid growth in bank loans, particularly in the second half of the year. Not only banks, but also insurance companies and other lenders, provided themselves with funds for lending by disposing of their Government securities. Under the market support





policy, a large part of these securities found their way into the Federal Reserve System's portfolio.

The System took as vigorous action as was possible within the limitations of its powers and of its responsibilities with respect to the market for Government securities.

Open Market Operations to Limit Bank Reserve Expansion The System started a policy of open market operations to tighten the extremely easy market for long-term credit, and absorbed part of the money being offered for long-term investment by selling some of its bonds. Its operations during the first half of 1950 tended generally to exert a drain on reserves, which resulted in a moderate decline in Government bond prices.

Statement of Policy On August 18, the Federal Reserve Open Market Committee stated that both it and the Board of Governors were "prepared to use all the means at their command to restrain further expansion of bank credit consistent with the policy of maintaining orderly conditions in the Government securities market."

Increases in Short-Term Rates Rediscount rates of the Federal Reserve Banks were raised on August 25 from $1\frac{1}{2}$ to $1\frac{3}{4}$ percent. Yields on short-term Government securities were also allowed to rise.

Reinstitution of Consumer Credit Controls The Defense Production Act of September 18 gave the Board authority to control consumer credit as a means of limiting credit expansion. Controls instituted on September 18 were tightened in October. In July 1951, however, congressional action liberalized controls.

Statement of Credit Policy On August 4, the Board of Governors, jointly with the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Home Loan Bank Board, and the National Association of Supervisors of State Banks, issued a statement asking banks to help curb excessive credit expansion.

Restrictions on Residential Real Estate Credit On October 12, the Board instituted controls on credit for residential real estate, and on February 15, 1951, on credit for commercial building, as authorized by the Defense Production Act of 1950.

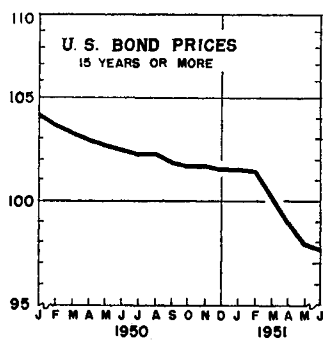
Requests for Credit Restraint In a letter to all member banks on November 17, the Chairman of the Board of Governors requested further co-operation in restraining credit expansion.

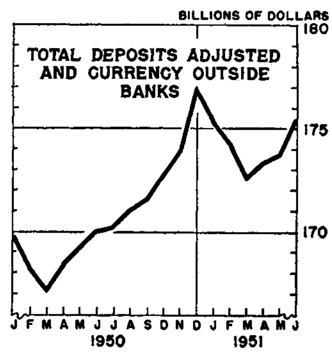
Increase in Required Reserves On December 28, the Board instituted an increase in reserve requirements of all member banks to the maximum under existing authority, except in the case of central reserve city banks, where the increase brought requirements to within 2 percentage points of the maximum.

Increase in Margin Requirements On January 17, 1951, the Board increased margin requirements for purchasing or carrying listed securities from 50 to 75 percent.

Voluntary Credit Restraint On March 12, the Board announced a program for voluntary credit restraint, authorized by the Defense Production Act.

Agreement with Treasury on Debt Management On March 4, the Federal Reserve System reached an accord with the Treasury in regard to debt management and monetary policy for the purpose of minimizing monetization of the public debt, assuring at the same time a successful financing of Government requirements. Government security prices were allowed to decline to a point where it became less attractive for financial institutions to expand loans by selling their securities.





The interruption of monetary expansion in the first half of 1951 reflected not only the actions of the Federal Reserve System but also certain other forces, some of which were of a temporary or seasonal nature. "The extent of any additional growth in the privately held money supply in the second half of the year will be determined largely by future developments in bank credit to both private borrowers and the Government."

CHARLES T. TAYLOR

District Business Conditions

Sales of Consumer Durable Goods

No rapid expansion in consumer durable goods buying has materialized, as many expected, following the relaxation of Regulation W. In the Defense Production Act Amendments of 1951, approved July 21, Congress set minimum maturities of 18 months on instalment purchases and maximum down payments of 33⅓ percent for automobiles and 15 percent for both household appliances and furniture. Fifteen months to pay and down payments of 33⅓ percent on automobiles, 25 percent on household appliances, and 15 on furniture had been required previously.

Obviously, it is too early to measure the impact of the easing of instalment credit. Although optimism has increased among retailers, many are not too enthusiastic over short-term prospects. Only limited preliminary data for August 1951 are available to appraise business conditions at consumer durable goods stores. July sales at reporting household appliance stores in the Sixth District were 45 percent below the corresponding period of 1950, when sales had climbed to an unprecedented level.

Furniture stores and housefurnishings departments at department stores also reported substantial sales reductions in July—34 and 26 percent, respectively. Reports from a small sample of department stores for the first three weeks in August show housefurnishings sales off 38 percent from the comparable period in 1950. In the same period, registrations of new passenger cars in the Atlanta area were down 41 percent.

Shortly after June 25, 1950, scare buying of major consumer goods engulfed the country and emptied retailers' shelves. Sales at household appliance stores jumped to levels considerably above those attained by other consumer durable goods stores in the District. Almost in accordance with Newton's law of gravity, sales at durable goods stores dropped sharply from the July 1950 peak so that in November they approximated those of February. After a brief year-end revival, appliance store sales continued to fall until May 1951. At that time a moderate upward movement occurred, a tendency in direct contrast with the activity experienced at other durable goods stores.

Thus, the general sales pattern of major durable consumer items in this District reveals rapid, steep increases in the third quarter of 1950, followed by equally severe movements in the opposite direction. The beginning of the new year witnessed another temporary wave of fear buying, but in the months following, sales fell far short of those in the immediate post-Korean boom.

That retailers have not been swamped this year seems to bear out consumer intentions expressed in early 1951. The "1951 Survey of Consumer Finances," published by the Board of Governors, indicates a lower demand for major consumer goods in 1951 than the annual rate of purchases in the second half of 1950. The first three instalments of this survey appeared in the June, July, and August issues of the *Federal Reserve Bulletin.* (Reprints of these articles may be obtained from the Board of Governors of the Federal Reserve System, Washington 25, D. C.)

The majority of consumers felt that buying would be curtailed in 1951, primarily because of dissatisfaction with the current high level of prices, and not as a result of a general lack of purchasing power. Thus, although personal disposable income has increased, consumers, instead of spending, have been saving at a high rate. The July *Federal Reserve Bulletin* article is especially pertinent since it relates to consumer purchases of durable goods and houses in 1950 and to their buying plans for 1951. Needless to say, a study of consumers' buying intentions is a very complex and difficult undertaking because of the many variable factors, including uncertainties arising from the swiftly changing foreign and domestic situation.

In addition to the high level of prices and instalment credit restrictions, other explanations may be advanced for the current slump in consumer purchasing of major durable items. Heavy advance buying last summer and in the early part of 1951 is one of the most obvious. By then, too, consumers in general had probably satisfied their most urgent needs. The 1951 market, therefore, has been more or less confined to replacement demands and to demands arising out of the creation of new households.

B.A.W.

Meat Production Prospects

Early this year most observers, including the Department of Agriculture, expected meat production in 1951 to exceed that of 1950 by two or three pounds per capita. One reason was the size of last fall's pig crop—9 percent larger than that in 1949, and a 1951 spring crop that figured 7 percent larger than in 1950. Pork production so far has been closely in line with expectations. During the first half of this year, pork made up 51 percent of commercial production, the highest in the past six years for a January-through-June period. Nine percent more hogs were slaughtered than in the comparable period of 1950.

Estimates of a higher beef production for the entire year were encouraged by the rapid increase in cattle numbers that has occurred during the past few years. Growth in the size of herds appeared sufficient to permit an expansion in marketings and also allow a continued increase in the numbers of cattle.

During the first quarter of this year, beef production held up to last year's level fairly well. Although fewer cattle were slaughtered, unusually heavy weights helped keep production up. Also, the proportion of well-finished steers and heifers sold during the first three months of the year was higher. Since March, however, cattle marketings have dropped sharply. For the period January through June, commercial cattle slaughter was down 9 percent from the comparable period of 1950 and calf slaughter was down 18 percent.

Slaughter of heifers and cows usually increases during the spring. Such was not the case this year, however, and combined cow and heifer slaughter in June was the second smallest since 1932. Expected

LIVE WEIGHT OF BEEF CATTLE SLAUGHTER
January through June
(In Millions of Pounds)

	CATTLE			CALVES		
	1950	1951	Percent Change	1950	1951	Percent Decrease
Alabama	53.2	45.6	—14	9.4	8.1	—14
Florida	67.8	56.4	—17	7.7	4.1	—47
Georgia	89.2	72.9	—18	13.8	12.1	—12
Louisiana	50.7	41.4	—18	43.8	31.6	—28
Mississippi	19.9	17.2	—14	7.7	6.1	—21
Tennessee	86.4	87.0	1	29.1	26.8	—8
District States	**367.2**	**320.5**	**—13**	**111.5**	**88.8**	**—20**
United States	8,190.0	7,573.9	—8	970.9	773.0	—20

to cash in on previous increases in their herds by selling young cattle, farmers instead turned this stock back into a building-up of their herds. In addition, uncertainties regarding price controls undoubtedly affected cattle marketings.

Sixth District Statistics

INSTALMENT CASH LOANS

Lender	No. of Lenders Reporting	Volume: Percent Change July 1951 from June 1951	Volume: Percent Change July 1951 from July 1950	Outstandings: Percent Change July 1951 from June 1951	Outstandings: Percent Change July 1951 from July 1950
Federal credit unions	42	—19	—9	+2	+5
State credit unions	19	—34	—11	—0	+9
Industrial banks	10	—7	—3	+2	+11
Industrial loan companies	12	—6	+3	+0	—1
Small loan companies	34	—3	+5	+3	+4
Commercial banks	33	—5	—22	—0	+4

RETAIL FURNITURE STORE OPERATIONS

Item	Number of Stores Reporting	Percent Change July 1951 from June 1951	Percent Change July 1951 from July 1950
Total sales	108	—8	—34
Cash sales	95	—14	—13
Instalment and other credit sales	95	—9	—38
Accounts receivable, end of month	69	—2	—14
Collections during month	69	—5	—4
Inventories, end of month	76	—3	+20

WHOLESALE SALES AND INVENTORIES*

Type of Wholesaler	Sales: No. of Firms Reporting	Sales: Percent Change July 1951 from June 1951	Sales: Percent Change July 1951 from July 1950	Inventories: No. of Firms Reporting	Inventories: Percent Change July 31, 1951, from June 30 1951	Inventories: Percent Change July 31, 1951, from July 31 1950
Automotive supplies	4	0	+15	3	+4	+25
Electrical—Full-line	5	+1	—38	5	—18	+65
" Wiring supplies	4	+28	+73	4	+2	+58
" Appliances	7	—4	—36	6	—5	+88
General Hardware	11	—6	—16	6	—2	+51
Industrial supplies	3	—9	—11	3	+0	+26
Jewelry	4	+9	—15	3	—4	+53
Lumber & bldg. materials	7	—7	—29	5	0	+46
Plumbing & heating supplies	4	—24	—40	3	+6	+42
Confectionery	5	+1	+12		..	..
Drugs and sundries	9	+6	+11	3	—5	+3
Dry goods	18	+13	—24	13	+4	+42
Groceries—Full-line	37	+4	—13	24	—0	+22
" Specialty lines	13	—9	—8	7	—6	+14
Tobacco products	12	—1	+0	9	+3	+6
Miscellaneous	16	—1	+7	8	—4	+14
Total	165	—1	—15	108	—3	+39

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

DEPARTMENT STORE SALES AND INVENTORIES*

Place	Sales: July 1951 from June 1951	Sales: July 1951 from July 1950	Sales: Yr. to Date 1951-1950	Stocks: July 31, 1951, from June 30 1951	Stocks: July 31, 1951, from July 31 1950
ALABAMA	—11	—15	+2	—5	+23
Birmingham	—11	—15	+3	—6	+22
Mobile	—14	—17	+4	..	..
Montgomery	—10	—16	—1	—7	+21
FLORIDA	—12	—15	+8	—0	+31
Jacksonville	—10	—8	+7	—2	+31
Miami	—11	—11	+10	—5	+33
Orlando	—10	—5	+13	..	..
St. Petersburg	—12	—21	+10	+16	+35
Tampa	—13	—26	+1	—2	+30
GEORGIA	—12	—16	+7	—1	+25
Atlanta	—9	—18	+5	+0	+23
Augusta	—19	—4	+19	—10	+23
Columbus	—16	—13	+8	—4	+22
Macon	—16	—11	+10	+3	+30
Rome	—20	—19	—3	..	..
Savannah	—14	—11	+9	—5	+46
LOUISIANA	—9	—19	—4	—5	+28
Baton Rouge	—10	—26	—10	—7	+15
New Orleans	—9	—17	—2	—5	+32
MISSISSIPPI	—12	—18	—2	+1	+20
Jackson	—14	—22	—3	+3	+22
Meridian	—4	—9	+0	..	..
TENNESSEE	—13	—12	+3	—1	+23
Bristol	—21	—18	—2	—4	+10
Bristol-Kingsport-Johnson City	—16	—10	+3	..	..
Chattanooga	—21	—20	+5	+6	+24
Knoxville	—9	—9	+5	—6	+17
Nashville	—12	—10	+0	—2	+27
OTHER CITIES**	—10	—15	+5	+2	+21
DISTRICT	—12	—16	+4	—2	+26

*Includes reports from 136 stores in the Sixth Federal Reserve District.
**When fewer than three stores report in a given city, the sales or stocks are grouped together under "other cities." They are, however, included in state figures.

For the entire year the amount of meat available to consumers will be about the same as last year although more of it will be pork. One important consequence of the decline in cattle slaughter is that breeding herds are being built more rapidly, which assures a larger future supply of beef. The number of cattle and calves on farms next January may be five to six million larger than last January, for a new record of about 90 million head. If slaughter figures are a reliable indication, the build-up is occurring even faster in the District than in the entire nation.

B.R.R.

Employment Trends

Industrial activity in general remained close to record levels during the first half of 1951 throughout the Sixth Federal Reserve District. Total manufacturing employment in June was 8 percent above that of June 1950. Sluggish retail and wholesale sales, widely reported during recent months, have resulted in some cases in slight reductions in the number of employees and in others in a shorter work-week.

Factories in the District states had 1.1 million workers in June. This was 80,000 more than a year earlier and only 12,000 less than the post-Korean peak reached in March. Partly as a result of procurement by defense agencies, employment in the durable goods industries has remained close to the March national level. Declines in District employment have been largely limited to soft goods.

Significant increases in District employment since March have taken place in those industries directly affected by military buying. Manufacturers of transportation equipment added 15,000 workers during the past year, as a result of orders for aircraft and ships. By June, the latest month for which District information is available, employees in this field totaled 40,000.

An upward trend, although less pronounced, has also been observed in other durable goods industries. This has been particularly true in metal and machinery lines, with the future clouded by possible short supplies rather than by a declining market. Wood-using industries, particularly lumbering, have maintained a high level of employment because Government construction projects have offset the decline in private home and commercial building. W.T.H.

Sixth District Statistics

CONDITION OF 27 MEMBER BANKS IN LEADING CITIES
(In Thousands of Dollars)

Item	Aug. 22 1951	July 25 1951	Aug. 23 1950	Percent Change Aug. 22, 1951, from July 25 1951	Aug. 23 1950
Loans and investments— Total	2,596,493	2,543,982	2,477,672	+2	+5
Loans—Net	1,060,269	1,071,127	961,542	—1	+10
Loans—Gross	1,078,639	1,089,419	975,379	—1	+11
Commercial, industrial, and agricultural loans	615,292	618,450	547,170	—1	+12
Loans to brokers and dealers in securities	11,223	11,973	10,616	—6	+6
Other loans for purchasing and carrying securities	35,535	35,347	35,867	+1	—1
Real estate loans	88,978	91,021	89,654	—2	—1
Loans to banks	6,993	12,612	5,453	—45	+28
Other loans	320,618	320,016	286,619	+0	+12
Investments—Total	1,536,224	1,472,855	1,516,130	+4	+1
Bills, certificates, and notes	666,521	615,683	551,809	+8	+21
U. S. bonds	642,474	630,910	746,395	+2	—14
Other securities	227,229	226,262	217,926	+0	+4
Reserve with F. R. Bank	506,608	473,439	419,525	+7	+21
Cash in vault	45,567	47,704	41,590	—4	+10
Balances with domestic banks	189,156	196,832	162,733	—4	+16
Demand deposits adjusted	1,969,941	1,963,645	1,841,154	+0	+7
Time deposits	526,425	521,753	529,623	+1	—1
U. S. Gov't deposits	76,524	72,830	65,737	+5	+16
Deposits of domestic banks	545,400	496,052	454,399	+10	+20
Borrowings	11,000	500	14,400	*	—24

*More than 100 percent.

DEBITS TO INDIVIDUAL BANK ACCOUNTS
(In Thousands of Dollars)

Place	July 1951	June 1951	July 1950	Percent Change: July 1951 from June 1951	July 1950	Yr.-to-Date 7 Months 1951 from 1950
ALABAMA						
Anniston	26,747	31,314	21,955	—15	+22	+35
Birmingham	388,426	412,055	360,477	—6	+8	+20
Dothan	17,184	16,502	13,895	+4	+24	+38
Gadsden	21,583	20,767	20,265	+4	+6	+13
Mobile	162,379	161,630	121,762	+0	+33	+30
Montgomery	79,458	82,984	76,781	—4	+3	+17
Tuscaloosa*	27,941	28,768	29,827	—3	—6	+13
FLORIDA						
Jacksonville	317,781	361,744	311,094	—12	+2	+18
Miami	280,867	295,147	256,494	—5	+9	+17
Greater Miami*	421,130	437,589	375,371	—4	+12	+19
Orlando	63,122	77,848	60,839	—19	+4	+15
Pensacola	40,426	42,498	37,579	—5	+8	+21
St. Petersburg	67,371	73,770	64,297	—9	+5	+19
Tampa	143,104	166,409	134,115	—14	+7	+15
GEORGIA						
Albany	31,462	31,077	25,537	+1	+23	+33
Atlanta	1,019,619	1,035,712	879,706	—2	+16	+22
Augusta	77,387	76,249	62,279	+1	+24	+37
Brunswick	12,020	12,082	9,364	—1	+28	+30
Columbus	69,055	74,857	65,924	—8	+5	+20
Elberton	3,793	4,131	3,804	—8	—0	+11
Gainesville*	20,723	21,500	18,002	—4	+15	+40
Griffin*	11,132	12,661	11,075	—12	+1	+14
Macon	70,112	76,574	63,070	—8	+11	+26
Newnan	11,090	11,242	8,901	—1	+25	+33
Rome*	22,018	22,250	21,258	—1	+4	+19
Savannah	106,298	121,928	92,600	—13	+15	+27
Valdosta	23,426	13,813	16,707	+70	+40	+23
LOUISIANA						
Alexandria*	38,941	42,149	33,514	—8	+16	+26
Baton Rouge	112,965	109,035	102,341	+4	+10	+10
Lake Charles	44,011	44,285	40,104	—1	+10	+23
New Orleans	812,472	823,059	774,751	—1	+5	+13
MISSISSIPPI						
Hattiesburg	17,794	18,959	18,821	—6	—5	+9
Jackson	148,714	158,322	145,832	—6	+2	+17
Meridian	28,181	29,050	28,552	—3	—1	+17
Vicksburg	28,939	24,258	22,421	+19	+29	+7
TENNESSEE						
Chattanooga	178,231	201,257	146,503	—11	+22	+26
Knoxville	133,676	139,652	117,740	—4	+14	+23
Nashville	375,641	429,437	334,788	—13	+12	+19
SIXTH DISTRICT 32 Cities	4,913,334	5,177,647	4,439,298	—5	+11	+19
UNITED STATES 342 Cities	124,428,000	135,027,000	110,573,000	—8	+13	+20

*Not included in Sixth District totals.

DEFENSE BOND DRIVE

BEGINS ON LABOR DAY SEPTEMBER 3, 1951

BUY Defense Bonds

This task before us is to keep the economy sound, to have military preparedness, but if it is at the expense of the economy of the country, at the expense of the integrity of the dollar, it will be the greatest victory the communists can achieve. We are working to maintain civilization for which mankind has fought and died for generations. We are fighting to maintain the American way of life, the system of private enterprise and the dignity of the human being.

—DR. MARCUS NADLER, Professor of Finance, New York University

For the Sake of Your Country!

They help to spread our huge national debt. How ably we manage this debt and how effectively we control the financing of our defense in the days ahead can very well determine the outcome of the cold war which is being relentlessly waged. As Dr. Harold Stonier has so effectively said, "Our national debt is the rock upon which Russia hopes to break our ship of state. If we don't win this struggle, our American way of life, our economic system, our savings, our business, our freedom, all will be objects of discussion in concentration camps, and it will be academic discussion at that."

—WILLIAM H. NEAL, Senior Vice President, Wachovia Bank and Trust Company, Winston-Salem, N. C.

For the Sake of Your Children!

Do we, as citizens of this country, want an inflationary boom, followed by a serious deflation? Will we want to have all the economic, political and social dislocations that inflation and deflation would bring to us? Is this the kind of a world we want for our children? The answer is, obviously, no. Therefore, we must do everything to combat the forces of inflation. —DR. NADLER

For Your Own Sake!

To every family individual — man, woman, child — there will come certain financial troubles and crises during their life. The average family has a financial crisis once every two years. You will need some money during that period. This should always be a basic part of your investment program: cash, insurance, United States Government Bonds, your nest egg, your riskless part. Therefore, you, as an individual, should buy and should hold these bonds for your own self-protection and financial self-interest.

—SYLVIA PORTER, Financial Editor, *The New York Post*

Sixth District Indexes

DEPARTMENT STORE SALES*

Place	Adjusted** July 1951	Adjusted** June 1951	Adjusted** July 1950	Unadjusted July 1951	Unadjusted June 1951	Unadjusted July 1950
DISTRICT	415	402	494	324	353	386
Atlanta	434	441	532	338	358	415
Baton Rouge	366	366	488	304	318	405
Birmingham	380	386	453	315	340	376
Chattanooga	372	407	464	302	367	376
Jackson	395	398	477	292	338	353
Jacksonville	434	433	469	351	377	380
Knoxville	442	402	464	358	374	376
Macon	420	420	483	302	352	348
Miami	466	443	529	326	354	370
Montgomery	340	333	432	269	283	341
Nashville	446	407	496	343	374	382
New Orleans	393	359	472	302	319	363
Tampa	559	562	758	447	495	607

DEPARTMENT STORE STOCKS

Place	Adjusted** July 1951	Adjusted** June 1951	Adjusted** July 1950	Unadjusted July 1951	Unadjusted June 1951	Unadjusted July 1950
DISTRICT	451	453	360	424	435	339
Atlanta	600	604	487	552	550	448
Birmingham	358	382	294	330	351	271
Montgomery	494	506	418	459	496	388
Nashville	641	677	506	622	636	491
New Orleans	424	419	321	407	428	308

GASOLINE TAX COLLECTIONS***

Place	Adjusted** July 1951	Adjusted** June 1951	Adjusted** July 1950	Unadjusted July 1951	Unadjusted June 1951	Unadjusted July 1950
SIX STATES	276	283	259	270	286	253
Alabama	271	267	246	264	279	240
Florida	259	243	232	241	243	216
Georgia	277	282	264	268	289	256
Louisiana	295	285	282	289	290	277
Mississippi	302	306	321	293	315	312
Tennessee	281	318	249	284	321	252

COTTON CONSUMPTION*

Place	July 1951	June 1951	July 1950
TOTAL	143	175	141
Alabama	147	185	140
Georgia	147	176	147
Mississippi	78	105	83
Tennessee	114	142	115

MANUFACTURING EMPLOYMENT***

Place	June 1951	May 1951	June 1950
SIX STATES	152	152	143r
Alabama	155	149	144
Florida	146	148	132r
Georgia	152	153	144r
Louisiana	141	140	135r
Mississippi	151	154r	143r
Tennessee	158	160	149

CONSUMERS PRICE INDEX

Item	July 1951	June 1951	July 1950
ALL ITEMS	190	191	177r
Food	230	229	208r
Clothing	210	210	190
Fuel, elec., and refrig.	143	143	140r
Home furnishings	210	209	184r
Misc.	166	166	155
Purchasing power of dollar	.53	.52	.56

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

ELECTRIC POWER PRODUCTION*

	June 1951	May 1951	June 1950
SIX STATES	442	433	396
Hydro-generated	251	279	273
Fuel-generated	691	634	557

CONSTRUCTION CONTRACTS

Place	July 1951	June 1951	July 1950
DISTRICT	878	902	654
Residential	1,202	1,297	1,207
Other	721	711	386
Alabama	651	1,199	694
Florida	799	910	802
Georgia	872	1,021	473
Louisiana	1,244	677	854
Mississippi	282	675	260
Tennessee	1,175	774	672

ANNUAL RATE OF TURNOVER OF DEMAND DEPOSITS

	July 1951	June 1951	July 1950
Unadjusted	21.6	23.5	21.1r
Adjusted**	22.9	23.7	22.4r
Index**	93.0	96.1	91.0r

CRUDE PETROLEUM PRODUCTION IN COASTAL LOUISIANA AND MISSISSIPPI*

	July 1951	June 1951	July 1950
Unadjusted	369	370	344
Adjusted**	369	372	344