



### *A Decade of District State Tax Revenues*

A constant search for greater revenues has dominated state finance during the last ten years. Our state governments have been faced, not only with greater demands for improved and expanded governmental services, but also with problems created by the rising price level.

The greater-than-national rate of economic development which the Sixth District states have shared with the rest of the South has also stimulated the growth in District state revenues. The effect of this development has been two-fold. On the one hand, it has created a demand for new services and an expansion and improvement of services which the states have traditionally provided. On the other hand, economic development and the higher levels of income which accompany it have brought more or less automatic increases in revenue to those states whose tax systems respond to income changes. Demands for extended services, however, have outstripped automatic increases in tax collections.

Two major sets of factors, therefore, have influenced the trend of state revenues in the District: those which have been nationwide and those which have had a greater impact in this section than elsewhere. Both because of the importance of revenues in providing the governmental services necessary for an expanding economy and because of recent economic developments in this area, an examination of state revenue trends is essential for a complete economic analysis of the region. Such examination in turn may pose certain questions, the answers to which are of vital importance to the economic development of the area.

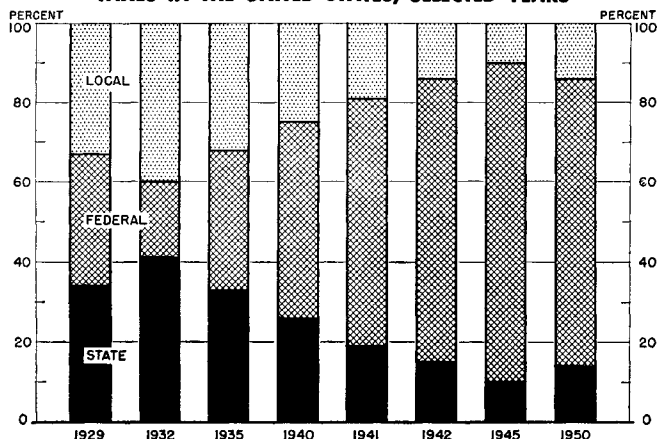
#### **State Taxes Decline Relative to Federal But Increase In Absolute Terms**

Growth in state revenues may sometimes be overlooked because of the relatively greater expansion in Federal revenues. In order to place the increase in state tax collections in perspective, but without minimizing that increase, it is helpful to note the changes in the revenues of all levels of government in this country.

One major development has been the tendency for the Federal Government to take an increasing proportion of total tax revenue. The forces behind this change have been strong. In the first place, the people in this country decided to have more of their recurring needs satisfied through public, rather than private, action. Local and state governments, however, were unable to expand their revenues sufficiently to accommodate these additional requests. Consequently, the Federal Government provided the services, either through direct action of its own agencies or by grants-in-aid to the state and local governments. Federal taxes had to be raised to meet these additional costs.

Then, there has been the greater participation of the United States in world affairs. Whether this participa-

**RELATIVE IMPORTANCE OF LOCAL, STATE, AND FEDERAL TAXES IN THE UNITED STATES, SELECTED YEARS**



Source: U. S. Department of Commerce, *National Income*, 1951.

Note: Tax collection figures include social security contributions, but exclude grants-in-aid.

tion takes the form of military preparedness, a shooting war, or economic aid to potential allies, the drain on the Federal Treasury is heavy.

In 1929, state governments took in 33 percent of total taxes collected. Even as late as 1940, the states were collecting 25 percent of the taxes, with the Federal Government taking in 50 percent. Rearmament and war reduced the states' share to 19 percent in 1941 and to 10 percent in 1945. It seems certain that the Federal Government will continue to spend large sums to provide public services as well as to maintain this nation's international position. As a consequence, there is little reason to suppose that state governments will collect anything like 25 percent of the total taxes levied in the future.

Although state tax collections have declined in relative importance during the past decade, they have increased significantly in absolute terms. Most of this increase has taken place in the postwar years. Collections in District states have grown 150 percent since 1945; the national gain was 105 percent. The increases in individual states that have occurred since 1945 contrast notably to the relatively minor changes that took place during the war.

Some increase in state tax collections has come about without the aid of initiating action on the part of legislatures, whereas some increases have resulted from definite changes in state tax systems by legislative bodies. The first category includes such factors as changes in the general price level, population increases, and an acceleration of economic activity, with resulting increases in real income.

### Influence of General Price Level

The rise in the general price level, of course, has been nationwide. Price rises most readily affect income and general sales taxes, with less effect on liquor and motor fuels taxes, which in almost every instance are on a gallonage basis. Because of the difficulties and expense of frequent property reassessments, changes in the assessed value of property lag behind changes in its market value. Thus, revenue from property tax is not readily responsive to changes in the general price level.

Inflation in this country has been severe, although not as much so as in other nations. As is well known, the largest portion of the last decade's price increase has been concentrated in the postwar years. The level

**TABLE I**  
State Tax Collections

	TAX COLLECTIONS (Millions of Dollars)			PERCENT INCREASE		
	1941	1945	1951	1941-45	1945-51	1941-51
Alabama . . . . .	52	63	117	22	86	126
Florida . . . . .	59	67	205	14	207	249
Georgia . . . . .	52	62	153	20	144	193
Louisiana . . . . .	75	101	262	35	158	250
Mississippi . . . . .	35	52	101	51	93	190
Tennessee . . . . .	48	54	166	12	208	245
Sixth District States . . . . .	320	400	1,004	25	151	213
United States . . . . .	3,606	4,349	8,932	21	105	148

Source: U. S. Department of Commerce.

Note: Data included in this and following tables are for fiscal years and do not include collections from unemployment compensation levies.

of wholesale prices rose 21 percent during the war, whereas since 1945 it has risen 87 percent.

To get right down to the changes in the quantity of resources commanded by the states, it is best to dip into a pool of information that has not been muddied by these price level changes. Even when we have eliminated the influence of inflation by "correcting" the dollar amounts of tax collections shown in Table I, it will be seen that increases in state revenues have been significant.

**TABLE II**  
State Purchasing Power Changes Since 1941

	TAX COLLECTIONS (Millions of 1941 Dollars)			PERCENT INCREASE	
	1941	1945	1951	1945-51	1941-51
Alabama . . . . .	52	52	56	8	9
Florida . . . . .	59	55	98	78	67
Georgia . . . . .	52	52	73	42	42
Louisiana . . . . .	75	84	126	50	68
Mississippi . . . . .	35	43	48	12	39
Tennessee . . . . .	48	44	79	79	65
Sixth District States . . . . .	320	330	481	46	51
United States . . . . .	3,606	3,589	4,284	19	19

Note: U. S. Bureau of Labor Statistics wholesale price index for all commodities used to adjust tax collections to 1941 dollars.

The District states in fiscal 1951 had 45 percent more actual purchasing power than they had in 1945. This is to be compared with a national gain of approximately 20 percent during the same period. Table II, which presents tax collection figures reduced to 1941 dollars, shows that Tennessee and Florida registered the most striking increases. Other District states, with the exception of Alabama and Mississippi achieved substantial, although smaller, gains.

### Effect of Population Changes

An additional reason for the increase in state tax collections is the gain in population which has taken place in the last ten years, particularly since the war. The population of the nation, as well as that of the

District states, increased nearly 14 percent during the last decade. The national and District average increase was approximated by four of the District states, which achieved gains ranging from 8 to 14 percent. Only Mississippi showed an absolute decline, while Florida enjoyed a 46-percent gain in population.

The growth in population has brought forth a demand for larger state expenditures for education and related services and has also contributed forcibly to a higher level of economic activity. The resulting greater sales volumes and higher incomes cause automatic increases from nearly all the sources of state revenues.

TABLE III  
Per-Capita State Tax Collections

	1941	1945	1951
Alabama . . . . .	\$ 18	\$ 22	\$ 38
Florida . . . . .	31	28	74
Georgia . . . . .	17	20	44
Louisiana . . . . .	32	41	98
Mississippi . . . . .	16	25	46
Tennessee . . . . .	16	19	50
Sixth District States . . . . .	21	25	58
United States . . . . .	\$ 28	\$ 33	\$ 60

An analysis of state tax collections on a per-capita basis is useful in arriving at some conclusions about the relative weight of the tax load among the different states of the country. Per-capita figures also are useful in measuring the extent to which citizens have their needs fulfilled by state, rather than by private, agencies. Although the differences between the per-capita figure for the 48 states and that for the Sixth District states were narrowed during the last ten years, per-capita taxes in 1951 in the 48 states taken together were two dollars more than in the District states.

Per-capita state tax collections are below the national average in all but two District states, Louisiana and Florida, where they are significantly above the national average. Louisiana has had the highest state tax collections per-capita in the District throughout the last decade. In 1941, Louisiana's taxes per person were nearly twice those of Mississippi. By 1945, Tennessee, with per-capita state taxes of nearly 19 dollars, had replaced Mississippi as the lowest state, and its citizens paid less than half the 41 dollars per capita levied on the people of Louisiana. Alabama had the lowest collection per capita by 1951, with each of its citizens paying a little more than one-third of the Louisiana figure of 98 dollars.

If per-capita figures are to result in meaningful conclusions, care must be taken in their use. The alloca-

tion of governmental responsibility between the state government and its local units, for example, varies greatly from state to state. In 1942, the latest year for which data are available, state tax collections were approximately 60 percent of total state and local collections in the District states, compared with a 50-percent figure for the nation as a whole. If this difference in allocation of governmental responsibility still holds in 1951, it will mean that state *and* local taxes per capita for the nation are higher than those for the District states by more than the 2 dollars shown in Table III, which is based on state taxes alone.

The different weights which individual states are able to place on certain taxes also make it necessary that care be used in making per-capita comparisons. As an illustration, 22 percent of Louisiana's total state tax collections in 1951 came from levies on the value of resources extracted from its land. On the other hand, Alabama collected only one percent of its total tax revenues from this source. Without determining too exactly the final payer of these taxes, it is not likely that the citizens of Louisiana are bearing a higher per-capita tax load because of them.

Finally, the revenue turned over to the state treasuries by the liquor monopoly systems of several states is not counted as tax collections. In the District this applies to the revenues earned by the Alcoholic Beverage Control Board of Alabama.

### Rise in Income Payments

The sharp growth in income payments to individuals during the last ten years is the third major reason for the increase in state tax collections. This growth is, of course, a feature of the general rise in economic activity. Another contributing factor to the gain in income payments, however, is the increase in the proportion of District income which has found its way to market. As a greater proportion of income is produced in the manufacturing and service sectors of the economy, with proportionately less produced by agriculture, relatively more of the total economic transactions become subject to a tax, such as the general sales levy. Thus, this change in composition of economic activity is partly responsible for the increased collections achieved by the general sales tax. An outstanding example of such a development is, of course, the increased income resulting from the tremendous growth of the tourist trade in this area.

From 1941 to 1951, income payments increased 186 percent in the United States and 245 percent in the District states. The postwar increase of 35 percent in the District states, however, fell behind that for the 48 states, which enjoyed a gain of about 42 percent.

The increase in income payments has been accompanied by an automatic increase in tax collections from those sources of revenue most responsive to changes in income payments, that is, income, general sales, and motor fuels taxes. In order to estimate the changes in the relative weight of the state tax load among the different states in the nation, it is useful to consider these changes in income payments along with the changes in tax collections.

**TABLE IV**  
State Tax Collections as a Percentage of Income Payments to Individuals

	1941	1945	1951
Alabama . . . . .	6.8	3.2	4.6
Florida . . . . .	6.5	2.7	6.1
Georgia . . . . .	5.3	2.6	4.5
Louisiana . . . . .	8.8	4.9	9.3
Mississippi . . . . .	7.8	4.3	6.6
Tennessee . . . . .	5.2	2.3	5.2
Sixth District States . . . . .	6.6	3.2	6.0
United States . . . . .	4.8	2.8	4.1

Note: Tax collections are for fiscal year, but income payments are for previous calendar year.

Both in 1941 and 1951, the average citizen in the nation had slightly less of his income taken by state governments than did the citizens of District states. In the District states and throughout the rest of the country, however, 1951 state taxes are taking a smaller percentage of income payments than they were ten years earlier. In 1941, state tax collections as a percentage of income payments amounted to 4.8 percent in the United States and 6.6 percent in the District states. But by 1951, because income payments had risen more rapidly than state tax collections, this proportion had fallen to 4.1 percent for the United States and 6 percent for the District states.

Within the District this year in every state except Louisiana, citizens had a smaller percentage of their

**TABLE V**  
Selected Taxes as a Percentage of Total State Taxes

	United States			District States		
	1941	1945	1951	1941	1945	1951
Motor Fuels and Vehicle License . . . . .	37	25	28	49	39	33
General Sales . . . . .	16	18	23	7	10	22
Income . . . . .	12	19	17	7	12	10
Alcohol . . . . .	6	7	5	5	7	7
Tobacco . . . . .	3	3	5	5	8	6
Property . . . . .	7	6	4	8	7	3

income payments removed by state tax collections than they did in 1941. Tennessee had the lowest figure in 1941 and 1945. In 1951, state tax collections as a percentage of income payments were lowest in Georgia. Louisiana had the highest figure throughout the ten-year period. But the entire amount of taxes which that state levies on the extraction of natural resources enters into the tax collection total. Very little of the value of the products upon which the levies are based, however, is reflected in the figure for income payments to individuals.

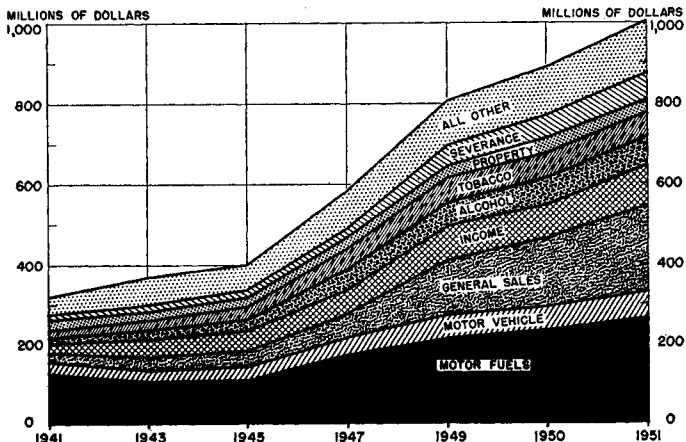
**Highlights of Legislative Action**

Increases in state tax collections from revenue sources which are responsive to changes in the general price level and gains in income payments have been of great importance during the last decade. In addition to these more or less automatic gains in revenues, a significant increase in state tax collections has been brought about by legislative action.

This legislation has been highlighted by increases in the rates of existing general sales taxes and by the introduction of the tax in several states. Louisiana, for example, raised its sales tax rate in 1949. Three District states introduced the general sales tax after the war. Tennessee began levying the tax in 1948; Florida applied it in 1950; and Georgia's new 3-percent levy contributed revenue in April, May, and June of 1951.

The emphasis which the District legislatures have placed on the sales tax in the last three years has made this tax as important in the revenue picture of the District states as it is in all the other states of the nation. As may be seen in Table V, this is a notable

**SOURCES OF TOTAL REVENUE, SIXTH DISTRICT STATES**  
1941-1951



change. In 1951, approximately 23 percent of the total state tax revenues in both the District and 48 states can be attributed to the general sales tax. This levy accounted for only 7 percent of total state tax collections in the District states in 1941, compared with the 16 percent attributed to this tax in the United States.

The most important source of state tax revenues, not only in the District states, but also in all other states, is the motor fuels and vehicle license levy. The income tax has become relatively more important since 1941, but it is still not as prominent a feature of the District state revenue systems as it is in the 48 states. As Table V shows, the relative importance of the property tax is declining.

### Future of State Taxes

The preceding analysis points out the notable growth in District state tax collections over the last ten years. The analysis has not shown, however, whether the greater collections have been adequate to finance the level of governmental services necessary for an expanding economy. Nor has it shown whether the revenues have been wisely spent.

Considered apart from the public services provided, the growth of state tax revenues might be regarded as a burden that has retarded the growth of income in the District. On the other hand, since these revenues have helped provide the better education, improved roads, and other public services that are generally believed necessary for economic progress, there is the possibility that the expenditures made out of the expanded collections have constituted a profitable public investment. District state tax collections are now taking a smaller proportion of total income than they did a decade ago.

A broader question cannot be resolved by analysis of statistics. The income differential which exists between the District and the nation as a whole has widened rather than shrunk since the war. Will the state governments play a more positive role in the efforts to reduce this differential? In doing so, will they be able to finance this increased activity without undue burden in view of the present ratio of state taxes to income? Will the resulting increase in expenditures and taxes be a profitable public investment? These decisions must be made by the citizens of the District states through their elected representatives.

COURTNEY H. TABER

## Sixth District Statistics

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

Item	Nov. 28 1951	Oct. 31 1951	Nov. 29 1950	Percent Change Nov. 28, 1951, from	
				Oct. 31 1951	Nov. 29 1950
<b>Loans and investments—</b>					
Total . . . . .	2,712,186	2,691,380	2,547,597	+1	+6
Loans—Net . . . . .	1,071,316	1,072,647	1,118,427	—0	—4
Loans—Gross . . . . .	1,090,014	1,091,305	1,132,681	—0	—4
Commercial, industrial, and agricultural loans . . . . .	631,133	624,216	673,142	+1	—6
Loans to brokers and dealers in securities . . . . .	13,811	12,341	14,405	+12	—4
Other loans for pur- chasing and carrying securities . . . . .	34,456	34,315	36,167	+0	—5
Real estate loans . . . . .	89,448	88,780	91,983	+1	—3
Loans to banks . . . . .	3,797	4,513	7,116	—16	—47
Other loans . . . . .	317,369	327,140	309,868	—3	+2
Investments—Total . . . . .	1,640,870	1,618,733	1,429,170	+1	+15
Bills, certificates, and notes . . . . .	766,480	747,708	546,193	+3	+40
U. S. bonds . . . . .	637,643	637,434	659,134	+0	—3
Other securities . . . . .	236,747	233,591	223,843	+1	+6
Reserve with F. R. Banks . . . . .	509,849	510,920	413,443	—0	+23
Cash in vault . . . . .	48,908	43,288	45,000	+13	+9
Balances with domestic banks . . . . .	192,417	212,352	178,995	—9	+7
Demand deposits adjusted . . . . .	2,018,170	2,022,517	1,861,846	—0	+8
Time deposits . . . . .	531,497	531,444	524,602	+0	+1
U. S. Gov't deposits . . . . .	87,957	87,469	46,126	+1	+91
Deposits of domestic banks . . . . .	592,334	599,618	530,790	—1	+12
Borrowings . . . . .	12,500	-----	16,300	--	—23

DEBITS TO INDIVIDUAL BANK ACCOUNTS  
(In Thousands of Dollars)

Place	Oct. 1951	Sept. 1951	Oct. 1950	Percent Change		
				Oct. 1951 from Sept. 1951	Oct. 1950 1950	Yr. to-Date 10 Months 1951 from 1950
<b>ALABAMA</b>						
Anniston . . . . .	29,490	27,271	27,828	+8	+6	+26
Birmingham . . . . .	473,450	378,905	416,489	+25	+14	+14
Dothan . . . . .	20,237	18,716	19,449	+8	+4	+28
Gadsden . . . . .	25,602	22,471	23,919	+14	+7	+10
Mobile . . . . .	160,322	149,879	148,549	+7	+8	+22
Montgomery . . . . .	115,617	95,857	107,185	+21	+8	+12
Tuscaloosa* . . . . .	32,667	29,804	35,217	+10	—7	+7
<b>FLORIDA</b>						
Jacksonville . . . . .	371,404	316,376	319,641	+17	+16	+15
Miami . . . . .	293,290	260,978	259,343	+12	+13	+14
Greater Miami* . . . . .	445,123	388,829	384,571	+14	+16	+16
Orlando . . . . .	66,589	61,127	58,614	+9	+14	+13
Pensacola . . . . .	41,645	39,668	38,842	+5	+7	+16
St. Petersburg . . . . .	72,429	66,761	69,283	+8	+5	+15
Tampa . . . . .	151,263	141,236	131,973	+7	+15	+13
<b>GEORGIA</b>						
Albany . . . . .	34,964	32,483	32,061	+8	+9	+27
Atlanta . . . . .	1,151,874	972,068	1,121,301	+18	+3	+15
Augusta . . . . .	91,011	87,641	79,375	+4	+15	+31
Brunswick . . . . .	13,360	11,668	9,258	+14	+44	+30
Columbus . . . . .	79,453	76,779	68,386	+3	+16	+17
Elberton . . . . .	5,550	4,823	5,411	+15	+3	+8
Gainesville* . . . . .	25,497	24,582	23,228	+4	+10	+29
Griffin* . . . . .	14,483	13,098	15,406	+11	—6	+9
Macon . . . . .	86,103	81,139	77,345	+6	+11	+20
Newnan . . . . .	15,993	9,541	13,461	+68	+19	+25
Rome* . . . . .	28,262	22,608	27,882	+25	+1	+11
Savannah . . . . .	112,727	111,032	107,316	+2	+5	+21
Valdosta . . . . .	14,875	15,246	12,574	—2	+18	+24
<b>LOUISIANA</b>						
Alexandria* . . . . .	45,567	42,348	41,619	+8	+9	+19
Baton Rouge . . . . .	119,126	100,848	111,599	+18	+7	+8
Lake Charles . . . . .	50,094	46,868	42,116	+7	+19	+19
New Orleans . . . . .	955,829	807,725	849,087	+18	+13	+10
<b>MISSISSIPPI</b>						
Hattiesburg . . . . .	19,539	19,600	20,086	—0	—3	+5
Jackson . . . . .	179,833	165,615	159,874	+9	+12	+13
Meridian . . . . .	34,881	34,627	33,753	+1	+3	+11
Vicksburg . . . . .	40,011	32,173	31,488	+24	+27	+17
<b>TENNESSEE</b>						
Chattanooga . . . . .	190,869	175,796	166,492	+9	+15	+21
Knoxville . . . . .	132,068	129,939	132,125	+2	—0	+16
Nashville . . . . .	428,433	388,674	386,067	+10	+11	+17
<b>SIXTH DISTRICT**</b>	<b>5,577,931</b>	<b>4,883,530</b>	<b>5,080,290</b>	<b>+14</b>	<b>+10</b>	<b>+15</b>

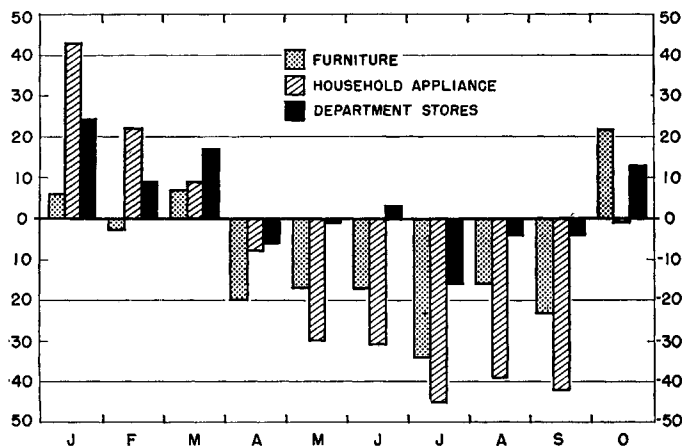
\*Not included in Sixth District totals.  
\*\*32 Cities.

## District Business Conditions

### Contrasting Movements in Retail Sales

District department store sales picked up less than seasonally in October and November. October sales increased 13 percent from the September level and preliminary figures for November reveal a continuation of this trend. In the first quarter of 1951, sales at District department, furniture, and household appliance stores generally were higher than in 1950; in the next two quarters they were below the 1950 level. The final three months may bring another shift.

SALES AT MAJOR DISTRICT RETAIL OUTLETS, 1951  
PERCENT CHANGE FROM 1950



In most months this year, compared with last year, department store sales fluctuated less than sales at furniture and household appliance stores. In six out of ten months in 1951, sales more nearly approached 1950 levels at department stores than at either furniture or household appliance stores. Department store sales ranged from plus 24 percent in January to minus 16 percent in June. This 40-percent range compares with 41 percent for furniture and 88 percent for household appliance stores.

The relative stability of District department store buying in this ten-month period is attributable to fairly high and steady nondurable goods purchases, which offset wide fluctuations within durable goods lines. Nondurables account for approximately three-fourths of total department store sales, which were 3 percent higher in the first ten months of 1951 than in that period last year. Each of the major soft goods lines registered year-to-date gains, but house furnishings purchases were off 7 percent for the period.

**Department Store Sales Steady** Consumer buying through the first three quarters of 1951 at department stores in District states deviated little from 1950. Florida sales topped the six states with a 7 percent year-to-October gain, compared with the like period of 1950. Georgia's 4-percent increase came second, followed by gains of 3 percent in Alabama and one percent in Tennessee, and 2-percent declines in Louisiana and Mississippi. Most gains were accounted for by first-quarter increases. In the second and third quarters, consumer purchases hovered close to the 1950 mark.

**Furniture Store Sales Variable** Furniture store dealers in Georgia reported wide variations in monthly sales this year,

compared with 1950. In February, for example, sales were 4 percent higher than last year; in March, consumer purchases jumped almost 60 percent, but April sales toppled 30 percent, from the level attained in 1950. This range of approximately 90 percent exceeded that of department stores and household appliance stores within Georgia and that of furniture stores in the other District states.

SIXTH DISTRICT DEPARTMENT STORE SALES, 1951  
PERCENT CHANGE FROM 1950

	DURABLE GOODS			
	Furniture	Dom. Floor Coverings	Major HHA.	Pianos, Radios, etc.
January . . . . .	+33	+77	+46	+53
February . . . . .	+14	+45	+12	+43
March . . . . .	+15	+64	-11	+17
April . . . . .	+5	+23	-23	-21
May . . . . .	+0	+6	-40	-20
June . . . . .	-3	+9	-39	-2
July . . . . .	-16	-12	-66	-48
August . . . . .	-21	-38	-32	-19
September . . . . .	-22	-27	-44	-30
October . . . . .	-15	-14	+28	-15
First Ten Months . . .	-3	+6	-28	-11

	NONDURABLE GOODS			
	Piece Goods	Women's and Misses' Accessories	Ready-to-Wear Apparel	Men's and Boys' Wear
January . . . . .	+42	+27	+23	+18
February . . . . .	+13	+13	+11	+6
March . . . . .	+3	+21	+13	+22
April . . . . .	+14	-12	-3	-14
May . . . . .	-1	+3	+2	-4
June . . . . .	+2	+5	+6	+8
July . . . . .	-31	-12	+10	-0
August . . . . .	-16	-8	+3	+4
September . . . . .	-10	-2	+2	+3
October . . . . .	+5	+15	+15	+22
First Ten Months . . .	+2	+5	+8	+6

In other District states, furniture store sales were below those of last year in most months. In Mississippi, however, these sales were greater in five months of 1951; it was the only state showing gains for August and September.

**Household Appliance Store Sales Erratic** Individual District states for which household appliance data are available, the District as a whole, and the nation experienced approximately the same trends, but in varying degrees. Georgia household appliance store sales were up in each of the first four months of 1951. The rate of gain declined, however, from 31 percent in January to a slim 5 percent in April. From May through September, household appliance store customers in Georgia bought less in 1951 than in 1950. In Florida, household appliance store sales in January 1951 rocketed 130 percent over January 1950 and plummeted in July to a level 60 percent below the like period last year.

When the first ten months sales compared favorably with those of 1950 in one type of retail outlet, remaining lines usually performed reasonably well. This was particularly true in Florida and Georgia. Conversely, poor sales volume in one line, department stores, for example, was accompanied by slow sales in the other lines. Tennessee and Louisiana merchants fell in the latter grouping, whereas those in Alabama and Mississippi experienced conflicting movements.

B. A. W.

**Sixth District Milk Production**

From a production standpoint, 1951 has been a difficult year for dairy farmers in the District states. Despite an increase in the number of milk cows on farms, milk production declined during the first ten months of this year, compared with that period of 1950. A poor pasture season, caused by dry weather, is the main reason for the decline.

Weather damage to southern pastures was the greatest since 1944. In Georgia, Alabama, and Louisiana, average pasture conditions were the poorest in 15 years or more. After a dry fall in 1950 that seriously hampered the establishment of fall-seeded pastures, the unusually cold weather caused heavy damage to some of the more important grazing crops. Crops that survived the cold weather furnished little green grazing during the winter months. In May this year, pasture feed production was again reduced by dry weather. The drought was most serious in Mississippi and Louisiana, where pasture conditions were the poorest in 85 years of record. Lack of rainfall hampered pasture growth in most areas for the remainder of the summer and fall.

For the first ten months of this year, in Tennessee, milk production was 2.4 percent less than in the like period of 1950, and in Alabama it was 6.9 percent less. Mississippi production was 1.8 percent larger. According to data on rate of production per cow, there was only a slight decline in Georgia. Data are not available for Florida and Louisiana.

The decrease in milk production, however, has been small in view of the poor pasture season. District farmers have kept production up by milking more cows and by feeding larger amounts of concentrates and roughages. For the entire nation, the number of milk cows on farms at the middle of this year was slightly smaller than at the same time in 1950. All the District states, on the other hand, had more milk cows on farms in June 1951 than in June 1950. In Alabama, for example, where production rates per cow were lower than they were last year throughout the season, cow numbers were up 3.4 percent. Had Alabama farmers not increased cow numbers, production probably would have declined more than 6.9 percent.

**MILK PRODUCTION PER PERSON  
(Pounds)**

	1935-39 Average	1946	1950	Percent Change	
				1950 from 1935-39	1950 from 1946
Alabama . . . . .	434	468	460	6	-2
Florida . . . . .	185	200	205	11	3
Georgia . . . . .	356	366	384	8	5
Louisiana . . . . .	271	260	252	-7	-3
Mississippi . . . . .	624	683	639	2	-6
Tennessee . . . . .	634	727	709	12	-2
United States . . . . .	799	839	786	-2	-6

The amount of grain fed per cow is an indication of the extent to which farmers offset the poor pasture season by heavier feeding of concentrates. For the nation, the rate of grain feeding was slightly lower in 1951 than in 1950. For the District states that report this information, however, the rate of grain feeding to milk cows was higher this year. The rate was up 23 percent in Georgia, 4 percent in Tennessee, 19 percent in Alabama, and 26 percent in Mississippi.

**Sixth District Statistics**

**INSTALMENT CASH LOANS**

Lender	No. of Lenders Report- ing	Volume		Outstandings	
		Percent Change Oct. 1951 from		Percent Change Oct. 1951 from	
		Sept. 1951	Oct. 1950	Sept. 1951	Oct. 1950
Federal credit unions . . . . .	36	+16	+43	+0	-7
State credit unions . . . . .	16	+7	+71	+0	+10
Industrial banks . . . . .	9	+28	+24	+1	+12
Industrial loan companies . . . . .	10	+5	+14	+0	+4
Small loan companies . . . . .	33	-0	+25	+0	+18
Commercial banks . . . . .	30	+3	+14	+0	-6

**RETAIL FURNITURE STORE OPERATIONS**

Item	Number of Stores Reporting	Percent Change October 1951 from	
		September 1951	October 1950
Total sales . . . . .	123	+12	+22
Cash sales . . . . .	108	+25	+21
Instalment and other credit sales . . . . .	108	+12	+24
Accounts receivable, end of month . . . . .	83	+2	-11
Collections during month . . . . .	83	+4	-4
Inventories, end of month . . . . .	84	+2	+2

**WHOLESALE SALES AND INVENTORIES\***

Type of Wholesaler	No. of Firms Report- ing	Sales		Inventories	
		Percent Change Oct. 1951 from		Percent Change Oct. 31, 1951 from	
		Sept. 1951	Oct. 1950	Sept. 30 1951	Oct. 31 1950
Automotive supplies . . . . .	5	+4	+10	4	+5
Electrical—Full-line . . . . .	3	-2	-3	..	..
Wiring supplies . . . . .	3	+30	+51	3	+19
Appliances . . . . .	6	-2	-13	5	+45
Hardware . . . . .	10	+13	-0	5	+15
Industrial supplies . . . . .	12	+17	+8	3	+11
Jewelry . . . . .	4	+4	-8	3	+33
Lumber & bldg. materials . . . . .	7	+14	-31	5	+18
Plumbing & heating supplies . . . . .	4	+1	+6	3	+34
Refrigeration equipment . . . . .	6	-9	-18	6	-6
Confectionery . . . . .	6	+15	+9	..	..
Drugs and sundries . . . . .	9	+10	+12	..	..
Dry goods . . . . .	14	+4	+8	10	+3
Groceries—Full-line . . . . .	44	+7	+14	32	+2
Specialty lines . . . . .	12	+7	+18	6	+22
Tobacco products . . . . .	11	+13	+19	9	+6
Miscellaneous . . . . .	13	-4	+18	10	+43
Total . . . . .	169	+7	+7	104	+15

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

**DEPARTMENT STORE SALES AND INVENTORIES\***

Place	Percent Change				
	Sales		Yr. to Date 1951- 1950	Stocks	
	Oct. 1951 from Sept. 1951	Oct. 1951 from Oct. 1950		Oct. 31, 1951, from Sept. 30 1951	Oct. 31 1950
ALABAMA . . . . .	+2	+10	+3	+1	-13
Birmingham . . . . .	-4	+4	+2	+2	-13
Mobile . . . . .	+6	+15	+6	..	..
Montgomery . . . . .	+6	+11	+1	-3	-16
FLORIDA . . . . .	+26	+16	+7	+5	+0
Jacksonville . . . . .	+35	+25	+8	+3	-5
Miami . . . . .	+20	+6	+6	+8	+1
Orlando . . . . .	+28	+23	+12	..	..
St. Petersburg . . . . .	+30	+14	+8	+6	+4
Tampa . . . . .	+26	+23	+3	+5	-2
GEORGIA . . . . .	+11	+13	+4	+5	-8
Atlanta . . . . .	+11	+8	+1	+6	-11
Augusta . . . . .	+10	+43	+19	+2	+2
Columbus . . . . .	+9	+21	+8	+2	-3
Macon . . . . .	+4	+14	+8	+10	+5
Rome . . . . .	+15	+9	-3	..	..
Savannah . . . . .	+23	+29	+11	-1	+2
LOUISIANA . . . . .	+18	+13	-2	-0	-13
Baton Rouge . . . . .	+15	+10	-8	+1	-12
New Orleans . . . . .	+19	+13	-1	-0	-13
MISSISSIPPI . . . . .	+9	+7	-2	-0	-6
Jackson . . . . .	+7	+5	-4	-1	-8
Meridian . . . . .	+9	+12	-0	..	..
TENNESSEE . . . . .	+8	+12	+1	+5	-10
Bristol . . . . .	+0	+3	-2	+9	-2
Bristol-Kingsport- Johnson City . . . . .	+1	+5	+1	..	..
Chattanooga . . . . .	+2	+8	+1	+9	-4
Knoxville . . . . .	+10	+12	+3	+4	+1
Nashville . . . . .	+13	+16	+0	+3	-18
OTHER CITIES** . . . . .	+14	+17	+6	+0	-1
DISTRICT . . . . .	+13	+13	+3	+3	-8

\*Includes reports from 137 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.

Farmers' experiences this year emphasized again that weather is a hazard to farm systems based upon grazing crops, as well as to those based upon row crops. Dairy farmers had to feed heavier and increase their costs substantially in order to prevent a substantial decline in milk production. The recent research information, however, tends to confirm the earlier recommendations for more and better pastures if the dairy industry is to continue to grow.

#### NUMBER OF MILK COWS ON FARMS (Thousands)

	June 1 1950	June 1 1951	Percent Change
Alabama . . . . .	388	401	3.4
Florida . . . . .	136	138	1.5
Georgia . . . . .	365	370	1.4
Louisiana . . . . .	266	277	4.1
Mississippi . . . . .	461	478	3.7
Tennessee . . . . .	597	600	0.5
District States . . . . .	2,213	2,264	2.3
United States . . . . .	22,757	22,668	-0.4

Trends in per-person milk production indicate the progress already made in the District states, compared to that in the nation. In 1950, production per person for the nation was 2 percent less than the 1935-39 average, although all District states except Louisiana showed increases. From 1946 to 1950, production per person declined 6 percent for the nation and only about one percent for the District states.

B. R. R.

## Bank Announcements

On November 15, the First Bank & Trust Company, Pensacola, Florida, a nonmember bank, began remitting at par for checks drawn on it when received from the Federal Reserve Bank. Officers of this bank are: F. M. Turner, Jr., President; D. Yarbrough, Executive Vice President; George H. Malone, Vice President; L. W. Lard, Cashier; and E. H. McAdam, Trust Officer. Its capital stock amounts to \$125,000; deposits, \$10,045,345; and surplus and undivided profits, \$360,799.

The Bank of Mulberry, Mulberry, Florida, a nonmember bank, also went on the par list on November 15. C. H. McNulty is President; A. D. Denham, Vice President; F. H. McNulty, Cashier; and Hattie Cahill, Assistant Cashier. The capital stock amounts to \$50,000; deposits, \$1,287,018; and surplus and undivided profits, \$121,093.

On December 15, the newly organized Colonial State Bank, Orlando, Florida, will open for business as a nonmember bank and will remit at par. This bank's officers are: Charles O. Andrews, Jr., President; Phillip N. Igou, Vice President; and Maitland L. Bishop, Jr., Cashier. It has capital stock of \$100,000 and surplus and undivided profits of \$100,000.

## Sixth District Indexes

### DEPARTMENT STORE SALES\*

Place	Adjusted**			Unadjusted		
	Oct. 1951	Sept. 1951	Oct. 1950	Oct. 1951	Sept. 1951	Oct. 1950
DISTRICT . . . . .	404	408	370	424	424	388
Atlanta . . . . .	424	427	409	466	474	449
Baton Rouge . . . . .	378	343r	370	389	381r	381
Birmingham . . . . .	372	428	373	391	458	391
Chattanooga . . . . .	386	416	370	405	445	389
Jackson . . . . .	361	368	353	412	434	402
Jacksonville . . . . .	483	434	401	517	430	429
Knoxville . . . . .	403	418	366	419	426	381
Macon . . . . .	369	377	328	399	430	355
Miami . . . . .	430	458	420	396	371	387
Nashville . . . . .	449	460	401	476	474	425
New Orleans . . . . .	380	352	350	395	373	364
Tampa . . . . .	549	521	453	560	501	462

### DEPARTMENT STORE STOCKS

Place	Adjusted**			Unadjusted		
	Oct. 1951	Sept. 1951	Oct. 1950	Oct. 1951	Sept. 1951	Oct. 1950
DISTRICT . . . . .	419	429	456	457	441r	497
Atlanta . . . . .	522	521	584	605	568	678
Birmingham . . . . .	335	343	385	368	360	423
Nashville . . . . .	607	603	739	668	646	813
New Orleans . . . . .	364	373	419	375	377	432

### GASOLINE TAX COLLECTIONS\*\*\*

Place	Adjusted**			Unadjusted		
	Oct. 1951	Sept. 1951	Oct. 1950	Oct. 1951	Sept. 1951	Oct. 1950
SIX STATES . . . . .	255	269	255	250	275	250
Alabama . . . . .	258	265	245	255	278	243
Florida . . . . .	233	231	218	212	227	199
Georgia . . . . .	233	241	257	231	251	254
Louisiana . . . . .	276	288	288	283	302	296
Mississippi . . . . .	283	279	238	288	288	242
Tennessee . . . . .	264	320	278	263	326	277

### ELECTRIC POWER PRODUCTION\*

	Sept. 1951	Aug. 1951	Sept. 1950
SIX STATES . . . . .	447	462	416
Hydro-generated . . . . .	216	237	339
Fuel-generated . . . . .	750	756	517

### COTTON CONSUMPTION\*

Place	Oct. 1951	Sept. 1951	Oct. 1950
TOTAL . . . . .	157	160	180
Alabama . . . . .	160	163	192r
Georgia . . . . .	161	165	180
Mississippi . . . . .	95	102	119
Tennessee . . . . .	125	121	145

### MANUFACTURING EMPLOYMENT\*\*\*

Place	Sept. 1951	Aug. 1951	Sept. 1950
SIX STATES . . . . .	152	152	152
Alabama . . . . .	154	151	154
Florida . . . . .	142	141	134
Georgia . . . . .	154	155	156r
Louisiana . . . . .	143	142r	143
Mississippi . . . . .	152	152	154r
Tennessee . . . . .	159	159	158r

### CONSTRUCTION CONTRACTS

Place	Oct. 1951	Sept. 1951	Oct. 1950
DISTRICT . . . . .	630	534r	540
Residential . . . . .	1,077	809r	850
Other . . . . .	413	400r	390
Alabama . . . . .	533	352	726
Florida . . . . .	906	726	549
Georgia . . . . .	626	481	538
Louisiana . . . . .	574	616	451
Mississippi . . . . .	208	203	514
Tennessee . . . . .	526	576	440

### CONSUMERS PRICE INDEX

Item	Oct. 1951	Sept. 1951	Oct. 1950
ALL ITEMS . . . . .	196	192	181r
Food . . . . .	233	233	213r
Clothing . . . . .	218	214	199r
Fuel, elec., and refrig. . . . .	144	143	142r
Home furnishings . . . . .	203	201	195r
Misc. . . . .	173	165	158r
Purchasing power of dollar . . . . .	.52	.52	.55r

### ANNUAL RATE OF TURNOVER OF DEMAND DEPOSITS

	Oct. 1951	Sept. 1951	Oct. 1950
Unadjusted . . . . .	23.0	22.8	24.0
Adjusted** . . . . .	21.9	23.6	22.8
Index** . . . . .	88.7	95.7	92.5

### CRUDE PETROLEUM PRODUCTION IN COASTAL LOUISIANA AND MISSISSIPPI\*

	Oct. 1951	Sept. 1951	Oct. 1950
Unadjusted . . . . .	376	377	351r
Adjusted** . . . . .	377	381	352r

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