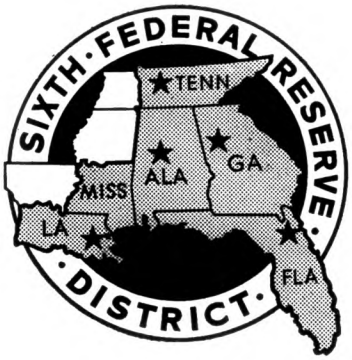

Monthly Review

ATLANTA, GEORGIA, APRIL 30, 1953

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Federal Reserve Bank of Atlanta

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Importers Find Financial Assistance at District Banks

Imports moving through Sixth District ports have regularly fallen short of the dollar volume of exports, in conformity with the nation's traditional export balance of trade. As a consequence, the volume of import financing carried on by banks has naturally been less than that of exports. The year 1952 was no exception.

In 1952, merchandise imports flowing through Sixth District ports amounted to nearly 930 million dollars, or approximately 40 percent of the total dollar value of foreign trade. District banks with established foreign departments have helped finance this foreign trade, with roughly the same distribution between imports and exports. Last year, about a dozen banks located in the seaport cities of New Orleans, Mobile, Miami, and Savannah, and in one inland city, Atlanta, financed an estimated 200 million dollars of foreign trade; of this amount about 40 percent, or 80 million dollars, was for imports.

These banks thus financed only around a twelfth of the total value of imports flowing through District seaports in 1952. This is readily understandable since a sizable proportion of the importing is done by large national concerns who do their own financing or else deal with banks in other parts of the country. And indeed, some of the financing by District banks is reflected in imports through ports outside of the Sixth District. Many District banks, furthermore, do not have foreign departments but simply act as agents of other banks located in New York City and elsewhere.

The statistics cited herein on the volume of financing were obtained in a survey recently undertaken by this Bank covering practically all the Sixth District banks having foreign departments. The survey, in addition, revealed the chief types of borrowers as well as importing practices and procedures from the banking viewpoint.

Previous studies for the nation conclude that most of the import financing handled by banks is for large businesses that deal mostly in staple commodities. The most recent survey shows that Sixth District banks generally conform to this pattern. Around 80 percent of the total dollar value of credits extended for imports in 1952 by the banks supplying data was to large businesses, particularly to wholesalers whose annual sales averaged over 400,000 dollars. If the number of letters of credit issued were used rather than the dollar value, however, the proportion would be somewhat lower. The survey indicates that wholesalers alone accounted for almost 90 cents out of each dollar of credit extended for imports. The balance was divided about evenly between manufacturers and retailers.

The survey also shows that the bulk of credit extended for imports by District banks are for staple commodities, of which coffee is by far the most important. Approximately half of the estimated 80 million dollars of import credits was used to bring coffee chiefly from Brazil and Colombia to the United States. Bananas and lumber, particularly mahogany, account for a substantial proportion of the remainder. Credits for industrial products and manufactured consumer goods are negligible in relation to the total import financing, although at a few banks they assume considerable importance.

The Financing Mechanism at Work

By the very nature of foreign trade, an importer is confronted with a relatively greater problem of financing than are firms dealing exclusively in goods made at home. The importer ordinarily must carry a large stock of merchandise on hand in relation to current sales because his orders for foreign merchandise cannot be filled as quickly as those for domestic products. This is true not only because of the distances involved but also because merchandise from abroad is sometimes delayed in transit. The importer, moreover, finds it more difficult to buy merchandise on open account, as is commonly done in domestic transactions. During, and immediately following, World War II, the foreign seller almost always insisted that the importer obtain a bank guarantee of payment in the form of a letter of credit. Today, however, as conditions have become more normal and prewar contacts have been reestablished there is an increasing tendency and willingness on the part of shippers abroad to sell on the basis of documentary drafts drawn directly on the buyer, and in some instances, to sell on open account.

A letter of credit is simply a written statement by a bank authorizing the foreign exporter to draw drafts on the bank. It does not constitute a loan; rather it creates a contingent liability which is recorded on the bank's books as such. The bank expects to collect from the importer as soon as it pays the draft, and therefore, in reality, it does not use its own funds.

Banks engaged in financing import trade through the medium of letters of credit generally are not concerned with the actual contract to buy. They will, however, want to know that the price paid for the merchandise is close to, but certainly not more than, the prevailing market price; that the quantity bought is within the ability of the importer to handle; and that the quality is such that it can be disposed of currently in the domestic market.

The mechanics of financing imports may be explained briefly. In financing coffee, for example, a foreign exporter in Brazil, during the contract negotiation stage, requests the American importer to obtain a letter of credit from his bank. In this way, the bank guarantees payment to the exporter by substituting its credit for that of the importer, which is not as well known abroad.

If the importer's financial position, reputation, and experience are satisfactory, the bank will issue a letter of credit for the importation of the coffee. When the exporter is notified of this action, he makes the shipment and prepares a draft and the necessary documents. These documents represent title to the merchandise. The exporter then

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presents the draft and documents to his bank in Brazil either for discounting or for collection. If all papers are in order, his bank accepts the draft, which, according to tradition in the Brazilian coffee trade, has a maturity of 90 days. The papers are then sent to the American bank issuing the letter of credit. On these acceptance drafts, it is customary for the importer to pay the bank two days before the draft expires. The bank subsequently remits to the foreign bank.

To enable the importer to obtain the coffee before paying the draft, the American bank may take a trust receipt. This receipt releases physical control over the merchandise although the coffee is still pledged to the bank. The importer, therefore, can sell the coffee and obtain the funds to pay the bank when the draft matures.

Frequently the letter of credit provides for payment against a sight draft. In this case, the American bank pays on receipt of the draft, and immediately collects from the importer. On both a sight and acceptance draft, if the importer does not have funds to liquidate the debt at maturity, he may refinance the transaction under terms determined by supply and demand conditions in the domestic market. This constitutes a direct loan to the importer.

At Sixth District banks having foreign departments, as well as at banks engaged in foreign trade throughout the nation, a sizable proportion of import transactions are under letters of credit. The reason for the popularity of letters of credit is simple enough. Exporters receive practically complete security on the transaction because of the substitution of bank credit for personal credit. As a result, the importer may obtain more favorable prices from the foreign seller because the risk of nonpayment for all practical purposes is eliminated. The letter of credit is used particularly when the seller has not fully ascertained the credit capacity of the buyer and in areas where market terms of sale are not well established.

Letters of credit, of course, are not the only means of financing imports. Occasionally, when the foreign seller has complete confidence in the buyer's integrity and in his ability to pay, imports may be financed under open accounts (similar to charge accounts at department stores). In this case, the exporter, who bears the complete risk of nonpayment, ships the merchandise to the importer and simply bills the latter's account. Then, at more or less definite intervals, the buyer pays for either all or part of the purchase. At the other extreme, an exporter may request cash in advance of the shipment. The seller receives complete protection under such an arrangement since all the risk pertaining to the merchandise is borne by the buyer; as in domestic trade, however, this method is rarely used.

Credit Qualifications of the Importer

Bankers find it necessary to maintain essentially the same sound conservative banking standards in financing foreign trade as they require for purely domestic transactions. Even though a bank does not part with its funds when it issues a letter of credit, it nevertheless assumes a liability which must be paid regardless of whether or not the importer reimburses the bank.

The familiar three "C's"—character, capacity, and capital or general financial position—constitute the standards employed by banks in determining whether to accept or reject an application for credit. In the Sixth District, as well as throughout the nation, bankers have apparently tended to place their reliance chiefly upon the last "C," the financial resources of the importer. Reputation and experience are also important considerations. How much weight the banker assigns to each of these criteria depends upon the case in question and, of course, upon the individual banker's general outlook.

When granting letters of credit, banks usually do not request importers to put up collateral if they have a satisfactory credit standing. In borderline cases, the banks may require the importer to carry a deposit balance with them either for part of or the full amount of the letter of credit, depending upon their evaluation of the strength of the importer's overall position. Generally, banks are not inclined to look with much favor upon the merchandise involved in a transaction as collateral.

The primary function of banks engaged in import financing is one dealing with documents, not of handling merchandise. Consequently, the merchandise is not given much consideration in determining whether or not to extend credits to the potential importer. The type of merchandise imported, however, takes on significance in borderline cases. Banks prefer to issue letters of credit for staple commodities, such as raw materials or foodstuffs, for which organized markets exist so that if the importer cannot complete his obligation, the shipment can be readily sold to someone else in the same line of business. They are less prone to finance industrial or consumer goods for which the market is limited or highly seasonal in nature. The late arrival of merchandise purchased for sale at Easter, for example, might well result in a loss to the importer and, if he should be unable to make good his commitments, a possible loss to the bank.

Organization of Foreign Departments

The survey shows that the number of personnel in foreign departments of District banks varies considerably, ranging from three to around 20. In most instances, a vice president is in charge of the department. A foreign department requires highly trained personnel to oversee the multitude of complexities that arise from day to day.

The foreign departments of District banks offer a wide variety of services to foreign traders, the services varying, of course, with the size of the department. In addition to financing export and import trade, all banks have facilities enabling individuals living in the United States to send funds abroad to relatives, for example, or vice versa.

Banks are also a reservoir of selected information regarding foreign trade, such as the availability of goods and the economies to be realized from buying either at home or abroad. The banks are acquainted with foreign exchange conditions and usually have, or can readily obtain, credit and related information on the foreign seller or buyer.

Financing of foreign trade, however, is not usually one of the more profitable operations of a bank. The survey of District banks shows that as a rule the foreign department is less profitable than other departments. In part, this stems from operations at less than optimum capacity and in part from the low rates customarily charged on import financ-

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ing. A commission charge of 1/8 of one percent of the amount stipulated in the letter of credit is made on drafts drawn from sight up to 30 days. For each succeeding 30 days, an additional 1/8 percent is charged. Thus, the commission amounts to 1½ percent a year. This rate has prevailed for many years both in the District and in the nation. Today, however, there is a movement afoot in certain parts of the nation—but not yet in the District—to raise the rates.

Adequacy of Financial Facilities

Over the past few years, much has been written and uttered about how the United States might increase imports. One of the complaints raised by some individuals is that import financing facilities are inadequate. This, it is claimed, acts as a drag on imports.

It is the intention in this brief review merely to state the problem as it appears to exist rather than to pass judgment on the adequacy or inadequacy of financing facilities for import trade. The survey indicates that importers with excellent financial resources can, of course, obtain letters of credit from banks without difficulty. These importers are frequently dealers in raw materials and foodstuffs—commodities which are often imported in large quantities involving a sizable investment.

A small importer, on the other hand, may not be able to obtain bank assistance because of a combination of circumstances involving among other things the amount of capital, the types of commodities handled, and the trading risk entailed. Because the funds at his disposal are not very large, it is usually not feasible for the small importer to deal in staples. It is far more profitable for him to handle small manufactured industrial commodities and specialties and other consumer goods. The market for such items, however, is more restricted than for staples and may exist only at certain times during the year. Bankers state that they are unwilling to undertake such propositions in which the possibility of loss is great without adequate protection from the importer.

Bankers also consider the importation of consumer goods for which organized markets do not exist a highly risky business because the merchandise shipped by the foreign exporter may not meet the specifications set forth in the contract and also because the importer may refuse to accept the merchandise if market conditions or other factors are unfavorable at the time the goods arrive. Bankers state they are not in a position to assume the trading risk of the importer because the small income earned on credits extended does not warrant the assumption of nonbanking risks.

Absolute standards for ascertaining sound propositions are as nonexistent in import trade as in domestic trade. Consequently a banker's general attitude as to what constitutes a good risk will play a significant part in determining whether or not credit will be extended in a given case. Thus, because some bankers are more conservative than others, as is true with people generally, an application for a letter of credit may be rejected by one bank and accepted by another. It is the contention of small importers, particularly those located in cities having banks with foreign departments, that many bankers are overly cautious.

On the other hand, bankers themselves generally believe they are financing all the credit-worthy business that comes to them. The survey of District banks revealed that rejections of formal applications for letters of credit have been negligible in the postwar period, averaging around one percent. The proportion of rejections, however, may well be higher since a prospective importer may be dissuaded at an early stage from even formally applying for assistance.

District bankers do not feel it is their function to provide venture capital in order to help small importers to get started or to keep them in business, such as is fairly common among the European merchant bankers. The latter pay more attention to the strength of the importer's character and to the collateral put up in the form of the goods imported than do American bankers.

One study made some time ago by the National Council of American Importers at the request of the Economic Cooperation Administration concluded that American importers have no particular problem. The Council, which is composed of established importers, believes that existing facilities for financing import transactions either by letter of credit or on a straight draft basis are entirely adequate.

Export Credit Insurance of Foreign Countries

Small but sound operating or potential importers may be handicapped or deterred from entering foreign trade because of their inability to obtain credit. One source of assistance is the foreign seller who may extend credit to the importer; this is a method of financing common in domestic trade. The exporter, however, will want to screen his prospective customers very carefully unless he can obtain protection in other ways. Many European countries, as well as Canada, Mexico, and perhaps other nations, have either private or governmental export credit insurance programs offering such protection.

The British, in 1919, initiated their Export Credits Guarantee Department. A British exporter desiring to participate in the program and pay the required premiums may submit as much of his foreign credits as he likes for inclusion under the guarantee system. If the Department accepts a proposed credit and if a loss is subsequently incurred because the importer defaults on the payment, the British exporter may receive up to 90 percent of the amount of credit extended to the importer, depending on the particular guarantee contract. Protection, of course, is not extended indiscriminately, but requirements may be somewhat more lenient than those established by banks in the United States issuing letters of credit.

The ECGD has guaranteed credits with maturities up to six months after arrival of the merchandise in the importer's country. Thus, the importer can sell the merchandise and obtain funds to liquidate his debt within the allotted time. Such contracts to sell are made generally on open account and obviate the need on the part of the importer to obtain a letter of credit from his bank.

Foundation for Future Service

Sixth District banks, thus, perform a vital financial service which facilitates the movement of imports into the nation. Although the number of banks with established foreign departments is quite small, it is growing, having increased

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by nearly a half during the past decade. This handful of banks apparently has satisfactorily met the major part of the demand for import assistance. Larger importers especially have benefited from this service; the problem, however, lies with small importers who at times cannot obtain credit accommodations. Nevertheless, some banks appear to be more receptive and aggressive than others in soliciting business from large as well as small importers.

The availability of credit facilities for small importers could serve to increase total imports. Many times these importers will handle small orders for new types of merchandise, which larger importers would not ordinarily undertake. Although these new orders would represent only a fraction of total imports, they are desirable because any increase in foreign trade helps to raise our level of living as well as to make more dollars available to foreign countries for purchases of American commodities.

Any significant increase in demand for goods traditionally imported in large quantities in all probability can be satisfied by large import houses which have no difficulty in receiving bank assistance. In turn, these importers distribute the merchandise to domestic wholesalers and retailers. This procedure of indirect importing is favored by many dealers of foreign merchandise, including large department stores which, for one reason or another, do not wish to buy directly from abroad.

Far more important as an obstacle to the nation's import trade than financing are the complex tariffs, quotas, and customs procedures. A report submitted to the President in March concluded that if steps are not taken to increase imports by reducing these trade blocks, exports will decline and consequently have serious repercussions on American industry and agriculture. The current widely publicized slogan "Trade, Not Aid" dramatizes this interdependence of imports and exports.

From their experience in foreign trade financing, these Sixth District banks have acquired a knowledge which has been and is an important stimulus to trade. As more and more bankers put this knowledge to use, a trend which is definitely apparent already, it can be expected that the contribution of District banks to the development and extension of commerce between countries will increase.

BASIL A. WAPENSKY

The First Quarter of 1953 in Review

Credit Plays a Key Role in Continued Stability

Employment, income, and spending continued high in the Sixth Federal Reserve District during the first quarter of 1953, although the rates of expansion were less than in the last three months of 1952. The quarter was also marked by continued expansion of business and consumer bank borrowing. Practically all economic indicators show activity to be above the level of the first quarter of 1952.

Employment Growth Tapers Off Rising textile prices during the second and third quarters of 1952 gave some promise of an end to the lull in this industry, but prices turned downward in September and are now below the low level established in July 1952. Textile employment throughout the District did not expand as much in the last quarter of 1952 as total manufacturing employment did. In 1953 it has continued at a comparatively low level, after consideration is taken of seasonal influences.

On the other hand, the trend of District lumber and furniture products prices has been upward since last July. Prices of Southern Pine, however, have been stable since November. Because inventories of lumber were high, the increased demand signalized by rising prices did not result in increased production. Employment, therefore, was about the same as it was in the last quarter of 1952.

Seasonally adjusted employment was up in the first quarter of 1953 from the last quarter of 1952 in the apparel, chemicals and allied products, primary metals, fabricated metals, and paper industries. These gains may be partly explained by the completion of new production facilities.

Farm Income Reflects Price Changes Lower cotton, cattle, and chicken prices contributed to a smaller farm income during the first quarter of this year. Since less cotton remained unmarketed at the first of the year than usual, spendable income was probably lower than it ordinarily is during this period of light marketings. The decline in farm prices has been greater in the District than in the nation. In Florida, however, where marketings are usually heavy during the first quarter, favorable developments in citrus prices tended to increase income.

Construction and Other Activity High Stimulated by the large amount of contracts let in the latter part of 1952, construction activity continued high throughout the first quarter of this year. Much of the new construction was for nonresidential properties. Trade and service activity also remained at levels indicative of high income.

The tourist business in southern Florida, for example, has been better every month from December through March this year than it was a year earlier, according to the University of Miami's Bureau of Business Research. This evidence is substantiated by the 8-percent increase in deposits of Florida member banks between the end of March 1952 and the corresponding date this year.

Consumer Spending Continues High The growth in consumer spending throughout the District since last year continues to outstrip the rate of growth for the nation as a whole. Through March, sales at Sixth District department stores were 8 percent higher than in the first quarter of 1952, compared with an increase of 5 percent

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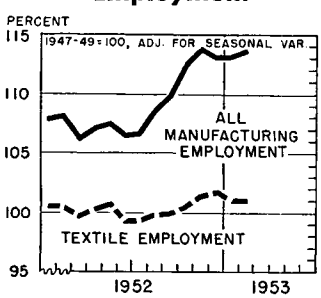
for the country. Preliminary reports indicate that April sales are also above the year-ago marks. Sales in the first quarter of 1953, however, on a seasonally adjusted basis averaged 2 percent below the last quarter of 1952.

Department stores added to their inventories at a greater rate than their sales increased, and in the first quarter inventories averaged 2 percent greater than in the last quarter of 1952. The major part of the inventory expansion was in nondurable goods items, such as apparel and household textiles.

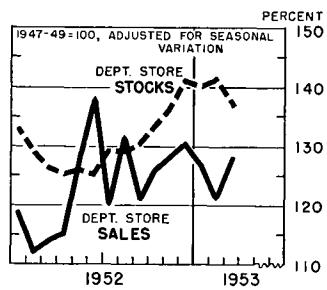
Credit Growth Continues Member banks throughout the District continued to expand their loans during the first quarter of 1953. A 40-million-dollar increase brought the total outstanding to 2.3 billion dollars at the end of March. Normally, loans to all types of borrowers decline seasonally in April. This year, however, by April 22, total loans at weekly reporting banks in leading cities were up 10 million dollars from the end of the preceding year. During the corresponding period of 1952, such loans declined 11 million dollars.

SIXTH DISTRICT BUSINESS INDICATORS

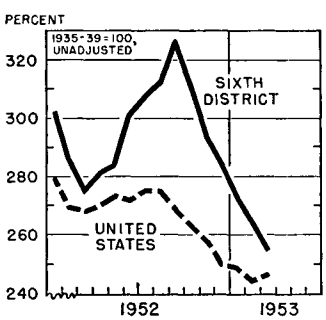
Manufacturing Employment



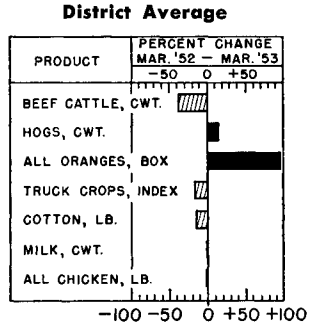
Department Store Sales and Stocks



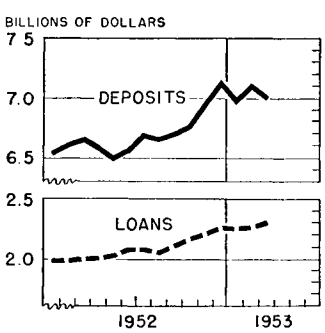
Prices Received by Farmers



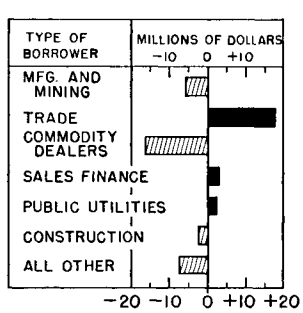
District Average



Loans and Deposits All Member Banks



Changes in Business Loans Member Banks in Leading Cities Dec. 31, 1952—April 15, 1953



Increased business loan demands at member banks in leading cities since the first of this year came chiefly from wholesale and retail trade concerns to carry larger accounts receivables, as well as inventories. Then too, finance companies have needed funds to finance the increased purchases of durable goods, particularly automobiles. On the other hand, loans to manufacturing concerns are lower than they were at the beginning of the year. Direct consumer financing and the purchase of instalment paper raised consumer instalment credit at all District commercial banks by over 22 million dollars through March this year.

Loans to farmers have been kept up because some District banks are carrying production loans over from last year and others are extending cattle loans in order to permit further finishing. Larger cotton plantings this year have also raised the demand for production loans.

Although total member bank deposits in the District were 350 million dollars greater at the end of March than on the corresponding date of 1952, they had declined seasonally by 120 million dollars since the first of the year. The drain on member bank reserves occasioned by commercial and financial transfers to other parts of the country was only partially offset by the increase in reserves resulting from the return of currency from circulation and Treasury operations. Through March, the banks maintained their required reserve positions by borrowing from the Federal Reserve Bank, but in April such borrowings were reduced. Some banks also reduced their Government security holdings in order to maintain their reserve positions in the face of rising loans although total holdings of member banks rose.

Prospects Unless national economic conditions, including any reaction to international developments, change substantially, little change can be expected in the District's economy during the next few months. Output and employment in lumber and textiles are likely to remain at or near first quarter levels. Continued growth in employment in other manufacturing industries can be expected as a result of recent plant expansions. A larger cotton crop and greater marketings of livestock probably will offset most of the recent decline in farm prices. Farmers' cash receipts, therefore, will likely be about the same this year as in 1952.

The biggest doubt about continuation of a high level of consumer buying in the District lies in the possible effect that present farm prices may have on consumer attitudes, particularly those of farmers. Added to this is the realization that a great deal of the present buying of durable goods is based upon expansion of consumer credit and that if this expansion does not continue, it will dampen buying. Present indications, however, are that demand for bank credit by farmers, other businessmen, and consumers is likely to continue strong.

This Bank announces a revision of the monthly commercial banks' debits series. Beginning with March 1953, the revised series "Debits to Individual Demand Deposit Accounts" (p. 7) includes only debits to demand deposit accounts of individuals, partnerships, corporations, and state and political subdivisions. Debits to time deposit accounts, to U. S Government accounts, and to deposits of banks are excluded.

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Sixth District Statistics

Instalment Cash Loans

Lender	No. of Lenders Reporting	Volume: Percent Change Mar. 1953 from Feb. 1953	Volume: Percent Change Mar. 1953 from Mar. 1952	Outstandings: Percent Change Mar. 1953 from Feb. 1953	Outstandings: Percent Change Mar. 1953 from Mar. 1952
Federal credit unions	35	+23	+60	+3	+43
State credit unions	18	+11	+26	+1	+35
Industrial banks	8	+28	+13	—1	+10
Industrial loan companies	8	+21	+11	+2	+7
Small loan companies	32	+16	+8	—0	+16
Commercial banks	33	+22	+24	+3	+31

Retail Furniture Store Operations

Item	Number of Stores Reporting	Percent Change March 1953 from Feb. 1953	Percent Change March 1953 from Mar. 1952
Total sales	143	+13	+2
Cash sales	128	—0	—10
Instalment and other credit sales	128	+15	+4
Accounts receivable, end of month	136	+1	+30
Collections during month	136	+5	+9
Inventories, end of month	101	+11	+2

Wholesale Sales and Inventories*

Type of Wholesaler	Sales: No. of Firms Reporting	Sales: Percent Change Mar. 1953 from Feb. 1953	Sales: Percent Change Mar. 1953 from Mar. 1952	Inventories: No. of Firms Reporting	Inventories: Percent Change Mar. 31, 1953, from Feb. 28 1953	Inventories: Percent Change Mar. 31, 1953, from Mar. 31 1952
Automotive supplies	6	+15	—15	5	0	—15
Electrical—Wiring supplies	4	+26	—0	4	+3	+8
" Appliances	7	+14	+32	6	+5	+12
Hardware	10	+12	+11	5	+4	+4
Industrial supplies	15	+21	+15	5	+4	—2
Jewelry	5	+16	—3	3	+4	—14
Lumber and bldg. mat'ls	4	+6	+14	.	..	..
Plumbing & heating supplies	4	—5	—9	3	+2	+25
Refrigeration equipment	6	+16	+19	6	—4	—13
Confectionery	7	+15	+4	3	—13	+11
Drugs and sundries	9	—7	—2	.	..	..
Dry goods	17	+20	+14	11	+3	+2
Groceries—Full-line	38	+9	+5	26	+0	+3
" Voluntary group	3	+6	—1	.	..	..
" Specialty lines	10	+19	+9	6	—4	—1
Tobacco products	12	+7	+1	8	+0	+6
Miscellaneous	14	+18	+0	12	—4	—2
Total	171	+12	+7	103	+1	+2

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

Department Store Sales and Inventories*

Place	Sales: Percent Change Mar. 1953 from Feb. 1953	Sales: Percent Change Mar. 1953 from Mar. 1952	Sales: Percent Change Yr.-to-Date 1953-1952	Inventories: Percent Change Mar. 31, 1953, from Feb. 28 1953	Inventories: Percent Change Mar. 31, 1953, from Mar. 31 1952
ALABAMA	+38	+19	+12	+5	+11
Birmingham	+38	+15	+8	+3	+4
Mobile	+49	+37	+26	..	..
Montgomery	+25	+15	+11	..	..
FLORIDA	+18	+12	+8	+1	+11
Jacksonville	+39	+7	+4	+4	+9
Miami	+7	+12	+9	—0	+10
Orlando	+26	+15	+10	..	..
St. Petersburg-Tampa Area	+23	+12	+7	..	..
St. Petersburg	+14	+11	+6	—1	+17
Tampa	+34	+14	+7	..	..
GEORGIA	+32	+8	+5	+5	+7
Atlanta**	+33	+9	+5	+3	+7
Augusta	+23	+1	+4	..	..
Columbus	+29	+5	+1	+7	+9
Macon	+37	+5	+2	+11	+6
Rome**	+47	+22	+14	..	..
Savannah**	+31	+10	+13	..	..
LOUISIANA	+43	+19	+11	+4	+6
Baton Rouge	+43	+28	+19	+10	+8
New Orleans	+42	+18	+10	+3	+5
MISSISSIPPI	+36	+13	+8	+7	+3
Jackson	+34	+5	—1	+6	+3
Meridian**	+44	+23	+16	..	..
TENNESSEE	+41	+22	+14	+8	+8
Bristol**	+54	+8	+2	+1	+2
Bristol-Kingsport-Johnson City**	+53	+14	+8	..	..
Chattanooga	+43	+25	+14	..	..
Knoxville	+44	+24	+14	+12	+3
Nashville	+35	+21	+15	+7	+8
DISTRICT	+32	+13	+8	+4	+10

*Includes reports from 123 stores throughout the Sixth Federal Reserve District.
**In order to permit publication of figures for this city, a special sample has been constructed which is not confined exclusively to department stores. Figures for non-department stores, however, are not used in computing the District percentage changes.

Condition of 27 Member Banks in Leading Cities

(In Thousands of Dollars)

Item	Apr. 15 1953	Mar. 18 1953	Apr. 16 1952	Percent Change Apr. 15, 1953, from Mar. 18 1953	Percent Change Apr. 15, 1953, from Apr. 16 1952
Loans and investments—Total	2,895,700	2,899,149	2,761,788	—0	+5
Loans—Net	1,234,115	1,240,335	1,089,119	—1	+13
Loans—Gross	1,255,866	1,262,011	1,108,920	—0	+13
Commercial, industrial, and agricultural loans	716,052	727,601	644,903	—2	+11
Loans to brokers and dealers in securities	15,202	12,393	9,719	+23	+56
Other loans for purchasing or carrying securities	35,307	34,063	33,266	+4	+6
Real estate loans	102,934	95,411	88,680	+8	+16
Loans to banks	3,811	7,552	5,612	—50	—32
Other loans	382,560	384,991	326,740	—1	+17
Investments—Total	1,661,585	1,658,814	1,672,669	+0	—1
Bills, certificates, and notes	693,200	695,972	797,935	—0	—13
U. S. bonds	715,082	711,874	634,494	+0	+13
Other securities	253,303	250,968	240,240	+1	+5
Reserve with F. R. Banks	491,635	536,021	522,234	—8	—6
Cash in vault	45,556	46,154	43,858	—1	+4
Balances with domestic banks	251,589	232,212	249,055	+8	+1
Demand deposits adjusted	2,126,006	2,151,477	2,062,250	—1	+3
Time deposits	562,118	560,020	541,927	+0	+4
U. S. Gov't deposits	105,526	69,241	107,988	+52	—2
Deposits of domestic banks	642,931	676,624	627,448	—5	+2
Borrowings	11,000	19,000	15,000	—42	—27

Debits to Individual Demand Deposit Accounts

(In Thousands of Dollars)

Place	Mar. 1953	Feb. 1953	Mar. 1952	Percent Change Mar. 1953 from Feb. 1953	Percent Change Mar. 1953 from Mar. 1952	Percent Change Yr.-to-Date 3 Mos. 1953 from 1952
ALABAMA						
Anniston	31,705	27,167	30,153	+17	+5	+4
Birmingham	449,270	386,119	449,810	+16	+0	—2
Dothan	18,689	15,872	18,677	+18	+0	—3
Gadsden	24,468	21,345	23,099	+15	+6	+6
Mobile	174,576	145,119	162,438	+20	+7	+8
Montgomery	91,915	85,048	90,243	+8	+2	+1
Tuscaloosa*	36,404	28,227	39,491	+29	—8	—1
FLORIDA						
Jacksonville	477,288	389,615	412,726	+23	+16	+12
Miami	442,973	385,554	375,260	+15	+18	+14
Greater Miami*	683,892	597,368	590,378	+14	+16	+11
Orlando	93,808	91,756	82,170	+2	+14	+18
Pensacola	54,549	50,302	46,016	+8	+19	+14
St. Petersburg	101,026	94,408	94,374	+7	+7	+13
Tampa	208,158	190,273	182,018	+9	+14	+15
W. Palm Beach*	78,596	70,257	67,875	+12	+16	+10
GEORGIA						
Albany	41,889	36,805	34,802	+14	+20	+13
Atlanta	1,282,892	1,044,675	1,111,362	+23	+15	+6
Augusta	90,324	82,818	88,058	+9	+3	+5
Brunswick	12,064	12,403	11,324	—3	+7	+5
Columbus	79,108	70,874	81,508	+12	—3	—1
Elberton	4,746	5,293	4,247	—10	+12	+14
Gainesville*	25,875	22,400	21,866	+16	+18	+0
Griffin*	14,340	13,895	13,692	+3	+5	+8
Macon	81,118	71,757	76,668	+13	+6	—2
Newnan	10,273	8,252	11,361	+24	—10	—21
Rome*	27,864	24,641	23,045	+13	+21	+11
Savannah	126,771	107,854	109,206	+18	+16	+11
Valdosta	16,212	14,350	14,738	+13	+10	+12
LOUISIANA						
Alexandria*	43,346	41,082	41,732	+6	+4	+3
Baton Rouge	143,226	119,591	109,490	+20	+31	+17
Lake Charles	56,078	51,857	50,651	+8	+11	+13
New Orleans	956,727	848,723	895,149	+13	+7	+8
MISSISSIPPI						
Hattiesburg	21,577	19,769	20,918	+9	+3	+2
Jackson	155,685	164,819	175,544	—6	—11	+1
Meridian	32,975	30,257	30,628	+9	+8	+2
Vicksburg	15,086	13,653	14,995	+10	+1	+2
TENNESSEE						
Chattanooga	213,018	186,018	185,686	+15	+15	+19
Knoxville	159,668	143,764	123,668	+11	+29	+21
Nashville	438,994	400,510	430,178	+10	+2	+4
SIXTH DISTRICT 32 Cities	6,106,856	5,316,620	5,547,165	+15	+10	+8
UNITED STATES 342 Cities	153,511,000	129,331,000	136,312,000	+19	+13	+8

*Not included in Sixth District totals.

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Sixth District Indexes

1947-49 = 100

	Manufacturing Employment			Cotton Consumption**			Construction Contracts			Gasoline Tax Collections			Furniture Store Sales*/**		
	Feb. 1953	Jan. 1953	Feb. 1952	Mar. 1953	Feb. 1953	Mar. 1952	Mar. 1953	Feb. 1953	Mar. 1952	Mar. 1953	Feb. 1953	Mar. 1952	Mar. 1953	Feb. 1953	Mar. 1952
UNADJUSTED															
District Total	114	113	108	110	111	111	..	..	..	140	149	142	86	83r	88
Alabama	108	108	105	109	112	106	123	157	196	132	142	131	92	85	100
Florida	139	139r	129	..	..	..	151	136	134	170	172	165	93	88	93
Georgia	113	113	112	110	111	115	180	221	234	133	143	133	87	90r	93
Louisiana	103	102	98	..	..	..	164	309	197	115	117	140	88	83	81
Mississippi	114	113	106	142	124	109	200	237	271	152	154	152	..	..	..
Tennessee	115	115	106	107	108	109	114	100	297	131	157	129	71	70	72
SEASONALLY ADJUSTED															
District Total	114	113	108	105	104	107	..	..	..	150	149	153	97	98r	99
Alabama	107	106	103	..	..	..	..	..	..	143	149	143	106	97	114
Florida	131	129	121	..	..	..	..	..	..	162	159	157	103	98	103
Georgia	113	113	112	..	..	..	..	..	..	146	150	145	98	102r	105
Louisiana	106	104	101	..	..	..	..	..	..	125	120	152	103	96	95
Mississippi	115	115	108	..	..	..	..	..	..	169	161	168	..	..	..
Tennessee	114	116	105	..	..	..	..	..	.	148	163	147	80	89	80

Department Store Sales and Stocks**

	Adjusted			Unadjusted		
	Mar. 1953	Feb. 1953	Mar. 1952	Mar. 1953	Feb. 1953	Mar. 1952
DISTRICT SALES*	128p	121r	114r	124p	102r	110r
Atlanta[1]	122	118	119r	118	97	108r
Baton Rouge	106	99	91r	106	80	83
Birmingham	118	115	108r	118	93	105r
Chattanooga	134	125	113	130	99	104
Jackson	111	111	114	107	87	104
Jacksonville	107	102	105r	104	82	97r
Knoxville	119	115	107r	118	89	96r
Macon	130	125	139	123	97	117
Miami	120	122	117	134	135	127
Nashville	124	125	107	117	93	96
New Orleans	128	115	116	124	94	106
Tampa	129	115	113	122	99	108
DISTRICT STOCKS*	138p	141r	126r	145p	139r	132r

[1]To permit publication of figures for this city, a sample has been constructed that is not confined to department stores. Such non-department stores are not included in the District index.

*Does not include data for all of La., Miss., and Tenn. Other totals for entire six states.

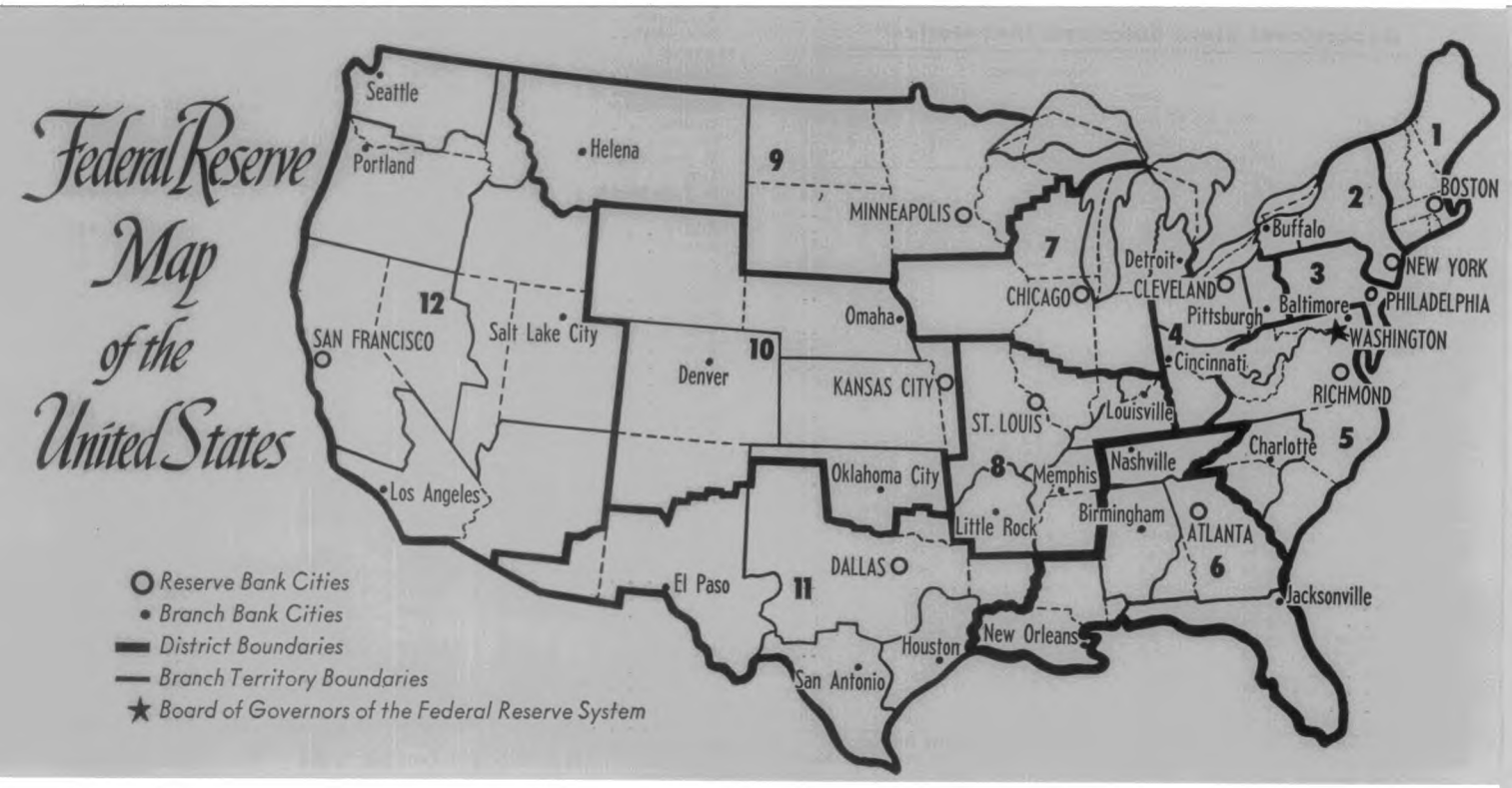
**Daily average basis.

Sources: Mfg. emp., state depts. of labor; cotton consumption, U. S. Bureau Census; construction contracts, F. W. Dodge Corp.; gas. tax, state depts. of rev.; furn. sales, dept. store sales, turnover of dem. dep., FRB Atlanta; petrol. prod., U. S. Bureau of Mines; elec. power prod., Fed. Power Comm. Indexes calculated by this Bank.

Other District Indexes

	Adjusted			Unadjusted		
	Mar. 1953	Feb. 1953	Mar. 1952	Mar. 1953	Feb. 1953	Mar. 1952
Construction contracts*	..	..	..	147	192r	218
Residential	..	..	..	167	162r	290
Other	..	..	..	132	214r	163
Petrol. prod. in Coastal Louisiana and Mississippi**	144	140	131	144	142	132
Turnover of demand deposits*	23.8	22.9	24.0	24.4	23.1	24.6
Index	123.5	118.9	124.6	..	..	..
Mfg. emp. by type	Feb. 1953	Jan. 1953	Feb. 1952	Feb. 1953	Jan. 1953	Feb. 1952
Apparel	138	137	122	137	135	121
Chemicals	118	116	112	119	117	113
Fabricated metals	164	164	140	166	165	142
Food	105	107	104	104	105	103
Lbr., wood prod., furn. & fix.	94	94	96	94	94	95
Paper and allied prod.	134	134	131	136	134	132
Primary metals	105	104	100	106	105	101
Textiles	101	101	100	101	101	100
Trans. equip.	159	157	127	164	157	131
Elec. power prod.**	..	..	..	185	178	157
Hydro-gen.	..	..	..	143	127	140
Fuel-gen.	..	..	..	224	225	173

r Revised
p Preliminary



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