



# Monthly Review

ATLANTA, GEORGIA, AUGUST 31, 1954

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# DISTRICT BUSINESS HIGHLIGHTS

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**Department store sales** in August, seasonally adjusted, were slightly under sales in July, making the August total the second highest in 1954.

**Consumer automobile instalment loans outstanding** made by commercial banks declined less than usual during July, and **total instalment credit outstanding** held steady for the third consecutive month.

**Foreign trade** through District ports during April was well above the 1953 level, with both imports and exports up.

**Factory payrolls** during June, after seasonal adjustment, were above the previous month's level for the first time in 1954.

**Prices of nonfarm commodities** important in the District averaged about the same in July as in June, but **lumber prices** showed a substantial increase after having declined since May 1953.

**Cotton textile activity**, measured by seasonally adjusted cotton consumption, declined during July but remained above the 1954 low point reached in May.

**Insured unemployment** rose slightly during June, but preliminary figures show a decrease in July.

**Reduced cotton acreage and lower yields** will probably hold the current marketing season's supply at about last year's level, despite a large carryover at the start of this crop year.

**Poor pastures** are forcing cattle farmers to use supplementary feeds; in some areas there is distress selling of cattle.

**Sharply reduced peanut yields**, both in the District and other peanut producing areas, indicate that this year's national peanut crop will be the smallest since 1939.

**Total cash receipts** from crops are likely to be substantially below 1953 receipts because of reduced yields.

**Excess reserves** at member banks increased further in late July and early August, as a result of the last in a series of recent reductions in reserve requirements and the redemption of CCC certificates of interest, the proceeds of which were not immediately reinvested.

**Loans at member banks** rose slightly during July, after account is taken of seasonal influences, but preliminary figures indicate a decline in August.

**Deposits at member banks** dropped somewhat in July but remained above year-earlier levels.

**Bank debits**, seasonally adjusted, rose somewhat in July after having declined in June.

**Commercial and industrial and agricultural loans** at member banks in leading cities declined substantially in the first half of August. Agricultural loans, unclassified business loans, and loans to commodity dealers showed the largest drops. Loans to manufacturing and mining, trade, and construction firms registered significant increases.

# *Farm Price Supports and the Southeastern Economy*

This month Congress passed a new farm law to govern price-support operations for the year 1955. Among other things, the law provides for price supports of 82½ to 90 percent of the parity price for wheat, corn, cotton, peanuts, and rice, depending upon the demand and supply conditions affecting those crops. That provision represents a compromise between a fixed level of price support at 90 percent of the parity price and a flexible support level with a lower limit at 75 percent.

The compromise illustrates the difficulties confronting legislators when they seek a solution to the many-sided problem of agricultural income and adjustment. Those difficulties arise from the task of resolving a basic conflict between short- and long-run interests, which frequently presses in on Congressmen as they strive to develop legislation that will promote the general welfare. When farm income is falling, the short-run interest impels them to seek a way to maintain it. The appeal of high level price supports to gain that end is strong. On the other hand, legislators have the long-run interest to consider in preserving an adaptable economy and promoting its productivity. When that interest has influence, they are attracted to a price policy that gives price movements a larger place in directing agricultural resources to various uses.

It is especially difficult to reconcile conflicting interests in a predominantly rural area such as the Southeast. Much of the Southeast still depends heavily on an agriculture organized around a few important cash crops that have a relatively inflexible production pattern and a history of wide price fluctuations.

One reason for sharp price declines has been the failure of production to adjust proportionately to a changed demand situation. Studies show that in the case of cotton, for example, when market prices declined 10 percent, farmers reduced their plantings in the next season only about 2 percent. In other words, prices have to decline sharply before farmers will voluntarily cut their acreage and production. Furthermore, consumption of cotton is only modestly responsive to price changes.

## **Economic and Social Costs**

Sustaining incomes at an artificially high level by means of price supports tends to bring about an economically undesirable allocation of resources. The economic and social costs arising from misdirected resources in the Southeast and elsewhere has undoubtedly been of major concern for lawmakers. They have the unenviable job of deciding just what these costs would be, and whether the income benefits to farmers and the general public from supported prices justify them. The accumulation of output that the market will not absorb is one economic cost that must be assessed. To some extent a persistent excess of supplies represents manhours and capital that have been applied to

produce goods not currently wanted at the existing price.

Another economic cost can occur in the form of an income reduction for farmers if it becomes necessary to sustain prices by severely limiting crop acreage and production. At the same time, reducing acreage planted may create higher costs per unit of production because fixed overhead and capital expenses on the farm have to be spread over fewer units.

In analyzing the probable economic cost arising from a high level price-support program, lawmakers must also consider the economic need for stimulating productivity. When production adjustment is guided by legal acreage allotments and marketing quotas instead of the subtle influences of relative prices, the total productivity of agriculture can be lessened, because efficient and inefficient farmers share in acreage allotments on an equal basis. If many farm businesses have to be adjusted by assigning shares in a national acreage, there is also a chance that highly productive acres would be removed from production. Widespread use of acreage allotments to adjust production of crops that are grown on many acres conceivably would hamper managerial efficiency, because of changes in individual farm organizations without adequate reference to physical conditions on the farm, new production and marketing costs, or new market demands.

Also, as Congressmen readily recognize, production controls tend to reduce the use of some farm resources. Yet farm management research has shown that farm operators can best increase productivity by enlarging the size of their businesses with more farm land or new enterprises or by more intensive farming of their present enterprises. Southeastern farmers have responded to that economic principle by enlarging their businesses over the years. The average size farm in District states, for instance, has increased from 75 acres to 130 acres since 1935. Some of the region's farmers have added broiler enterprises; others have turned to beef and milk production under the incentive of favorable prices for meat and milk and in view of the difficulties involved in cotton production.

A worrisome social cost can arise from group action to limit output by production controls which curtail the individual farmer's freedom to make business decisions. With extensive use of such controls, part of a farmer's responsibility for making sound managerial decisions is shifted to others. Restraints on farmers' individual freedom tend to interfere with the operation of the capitalistic system upon which our society depends and are therefore distasteful to lawmakers. The long-run interest then causes the Congressmen to consider the merits of price flexibility.

## **Possible Long-Run Benefits**

Price-support operations have merit when they preserve the agricultural resources by preventing severe income

reductions that would cause farmers to exploit their land and capital and family labor. At the same time, there is the possibility that a program of flexible price supports that minimizes the economic and social costs of farm adjustment could prove beneficial to the Southeastern economy. It may encourage more farmers to produce food for the needs of a larger urban population; it may encourage a further increase in farm and nonfarm output per worker.

Within the last two decades the character of the Southeastern economy has changed markedly, with manufacturing, trade, government, and construction activity becoming relatively more important and agriculture less important. As recently as 1939, income flowing to agricultural workers in District states was about 20 percent of total income. At present the proportion is about 12 percent. This new income pattern is a welcome sign of a developing economy in which agriculture is taking its place as a relatively small, but highly productive, base for a large superstructure of industry and of urban population. The marked increase in urban income, which has come largely from influences outside of District agriculture, is creating a favorable situation for Southeastern farmers. Although they still depend heavily upon the tremendous market afforded by the densely populated areas of the north central and eastern parts of the nation, they are placing more and more reliance upon local urban markets as an outlet for their products. At the same time, they are becoming less dependent upon markets in foreign nations.

Southeastern farmers have already made a sizable shift toward producing for the urban market. Farmers in District states in 1925, for example, obtained about 16 percent of their income from livestock and livestock products. By 1952 income from that source represented about 35 percent of the total. Beef cattle, hogs, and broilers are growing in importance, and cotton is diminishing. A further shift away from cotton is likely as the relatively small cotton farms in the area suffer from the competition of large growers.

Price flexibility could have an important place in stimulating adjustments in farm businesses to meet the

changed competitive position. Price movements may induce shifts from cotton to cattle or hogs or chickens by those farmers who would thereby get the greatest long-run benefit in terms of raising their total output and consequently their productivity. Other farmers with different types of land and operations might be stimulated to grow more cotton, because even at lower prices cotton growing would be their most profitable operation. Larger-scale operations would tend to increase productivity. Increased output of that nature is a fundamental requirement for gaining higher per-capita income on and off the farm.

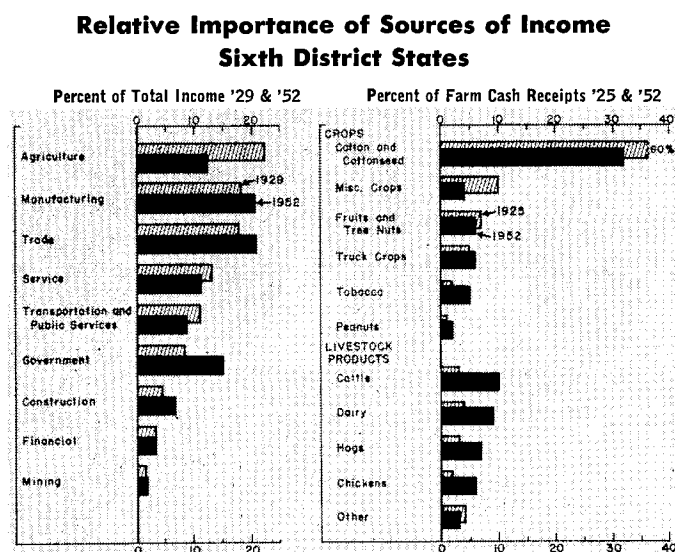
Usually when nonagricultural activity grows in importance in a rural area, the total production of that area increases and there is a tendency for average output per worker to rise. The number of farms and workers on farms declines, but the productivity of those remaining on the farms increases. Southeastern agriculture has followed that pattern. According to the census of agriculture, there were about 200,000 fewer farm operators in District states in 1950 than in 1935. Meanwhile with total physical production for sale and consumption advancing about 11 percent in the same period, productivity per farm worker increased. Further regional development hinges in some measure on additional growth in the ability of fewer and fewer farm workers to grow the farm products needed to feed and clothe the urban community.

Agricultural adjustments guided by prices that help equate the supply and demand for food and fiber might also aid regional development by giving some benefits to consumers and by promoting greater utilization of the labor force. Consumers, for instance, presumably would get the kinds of foods and fibers they want at the lowest possible cost. At the same time, both farm and nonfarm labor is likely to be used more effectively. In a region seeking higher incomes by greater productivity, the natural direction of movement for workers is from farm to factory.

Some farm families are on the margin of receiving a suitable annual income, because their small cash-crop farms require only a half year or less of their labor. A reduction in their farm income could cause many of them to seek full-time employment in urban centers. If those families gave up their farm production, which at best would probably be a small contribution to total output, per-capita productivity of the workers remaining in agriculture should rise. Meanwhile, total output in urban centers should grow as workers from rural areas find more hours of work in the cities and eventually become skillful members of the nonfarm labor force.

Judging from the changes that have occurred in the economic structure of the Southeast, a continuation of the prolonged advance of productivity in the nation and its major regions is a strong possibility. The passage of the Agricultural Act of 1954 with its arrangements for flexibility in price supports for farm products indicates that legislators have been swayed by the long-run interests. Very likely, greater emphasis on efficient allocation of economic resources by means of the price system will be beneficial to the Southeastern economy.

ARTHUR H. KANTNER



# Construction Is Still Booming

Although descriptions of the current state of business may differ, they all agree that construction is one sector of the economy which is booming. Expenditures on new construction in the United States reached an all-time peak last year and this record may be broken in 1954, since outlays during the first seven months of the year were running ahead of the like period of 1953 by 3 percent. Contract awards in 37 states east of the Rockies, for which the F. W. Dodge Corporation collects data, were up 14 percent this year.

The Sixth District shared in the nation's high rate of building activity. During the first half of 1954, construction contracts awarded in the District states increased 21 percent, the value of total contracts awarded during that period being the highest recorded for any January-June period. It was, however, lower than for the second half of 1952 because of the influence at that time of a near half-billion-dollar award for an atomic energy contract.

Construction has been a more important source of income in District states for several years than it has in the nation. In addition to providing direct jobs for construction employees, new construction indirectly creates work for the lumber, steel, cement, furniture, and other industries. In view of the strength of the building boom, it is not surprising that the number of construction workers in the District states was somewhat greater during the first six months of 1954 than a year earlier. Also, lumber employment, which has been declining almost steadily since early 1953, probably would have fallen off more than it did if construction activity had been less strong.

Contributing to the strong construction picture in the District has been the growing number of new school buildings. Awards for educational structures have been steadily increasing for some time, particularly during 1953 and the

first half of 1954. Spectacular gains were experienced in Georgia and, to a lesser extent, in Florida. In the District, contracts for commercial construction reached high levels in 1953 and continued strong into 1954. Among the structures included in this classification are warehouses, office buildings, new shopping centers, restaurants, stores, and garages. Manufacturing construction, which increased rapidly during the Korean War and dropped appreciably in 1953, has since held up pretty well considering the moderate downturn in business activity.

Public works and utilities, a category of construction reflecting capital expenditures by public utilities for electric, gas, and telephone installations, as well as state and local government spending for roads, sewerage, and water facilities, remained at high levels during the first six months of 1954. Awards for "other" nonresidential construction have advanced almost continuously since 1950.

The construction boom was by no means limited to the nonresidential sector. As a matter of fact, residential construction, which has been the most stable element in total postwar construction, accounted for 38 percent of total contract awards in the first half of 1954. The number of residential units for which contracts were awarded in District states during the first half of 1954 totaled 40,000, slightly more than in that period of 1953. Builders concentrated on one- and two-family dwellings. This category rose steadily during the last half of 1953 and first half of 1954, but awards for hotels and apartment buildings continued the decline started in 1952.

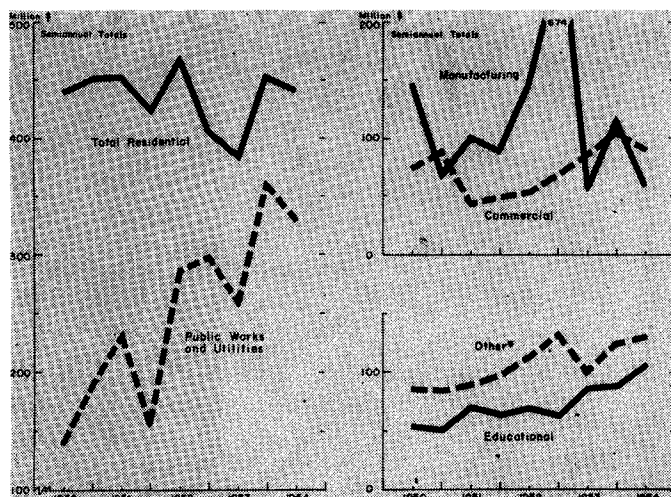
With new homes going up almost everywhere, there may be some question as to whether or not the increased supply has been matched by sales. Lenders and builders in Atlanta, Birmingham, Jacksonville, Nashville, and New Orleans report that markets for real estate have remained fairly steady. The number of unsold completed units has not changed noticeably from six months ago, although buyers are becoming more selective. Some lenders think that prices for comparable properties are lower than last year, but most hold that they are about the same. Builders in Atlanta generally agree with lenders. Since construction costs in Atlanta remained fairly stable during the first six months of 1954, according to the American Appraisal Company, builders' profit margins may have been squeezed when property had to be sold at lower prices.

More older homes are being offered for sale than a year ago and are selling at somewhat lower prices than last year. This condition may reflect "trade-ins" for new homes. Builders and lenders agree that offerings of older dwellings have not made the sale of new ones more difficult.

## Mortgage Money Is More Plentiful

Easier credit terms have been an important factor holding up demand for houses, since prospective buyers depend heavily on borrowed funds in purchasing a home. Because of easier conditions in capital markets resulting partly from monetary and debt-management policies, mortgage

**Most Types of Construction Contract Awards  
Continue High**  
Sixth District States



\*Includes hospitals and institutional, public, religious, social, recreational, and other miscellaneous nonresidential buildings.

money has become increasingly abundant since the summer of 1953 and, in turn, obtainable at more liberal terms.

During the last six months, there has been a further increase in the supply of mortgage money available to lending institutions in the District and a continued easing of terms. Terms on VA-guaranteed and FHA-insured mortgages, as well as on the conventional type, are lower than six months ago, but credit standards remain unaltered. On conventional loans, interest rates range generally from  $4\frac{1}{2}$  to  $4\frac{3}{4}$  percent, compared with the 5-percent rate that was common last winter. Commitments from lenders for future financing of homes are generally available without difficulty on current terms to all responsible builders.

Lending institutions in most areas of the District report that VA mortgages have become relatively more attractive to them as yields on other investments have declined. These mortgages have also become more attractive to home buyers since last winter because, in general, maturities have been lengthened and downpayments have been lowered or in many cases waived. Although an increasingly large number of GI loans is being made for a thirty-year term, the typical maturity is still twenty-five years. In many cases, however, lenders are requiring higher credit standards for Federally-aided loans than those specified in VA and FHA regulations.

Over three-fourths of the homes offered for sale in leading District cities are now apparently being financed with VA-guaranteed loans, whereas last winter only about one half of such sales were so financed. Some indications of the growing interest in this type of financing are the sharp increase in applications to the Veterans Administration this year and the rise in applications received by the Federal Housing Administration on single family units. In District states, FHA applications for single family units totaled 26,000 during the first six months of 1954, a 14-percent increase from a year earlier.

Greater availability of funds this summer, compared with six months ago, is also indicated by the price behavior of Federally-underwritten credit in the secondary mortgage market. Discounts on FHA and VA mortgages have been whittled away. FHA loans were reported to be selling generally at par in leading cities of the District. VA-guaranteed  $4\frac{1}{2}$  percent loans typically sold slightly below par on well-located quality homes in the \$10,000 to \$15,000 class.

The degree to which buyers of residential real estate availed themselves of the ample volume of credit is illustrated by statistics on nonfarm mortgages that are valued at \$20,000 each or less. These showed an estimated increase of about \$85,000,000, or 10 percent, in District states during the first half of 1954 over the same months of 1953.

The recent increase in VA mortgages has been absorbed predominantly by life insurance companies and out-of-District savings banks. Mortgage loans closed by insured savings and loan associations, which show a preference for conventional mortgages, declined slightly in the first half of 1954 from a year earlier. Commercial banks are a less important primary lender of real-estate mortgages in the District than savings and loan associations. At member banks, outstanding real-estate loans on residential property rose moderately during the first half of 1954. Govern-

ment insured loans, which make up a small proportion of their real-estate portfolio, increased relatively more than the conventional type.

High income levels and liquid asset holdings, in addition to the ready availability of easy mortgage credit, have supported the demand for residential housing. These elements will also determine the long-run outlook. Their influence must be sufficiently strong to offset certain forces unfavorable to the strong housing demand: comparatively high building costs and a declining rate of new family formations.

### **Future High Level Almost Certain**

In the immediate future, however, one almost certain guaranty of a high level of total construction activity for the District, as well as for the nation, is the record value of contracts already awarded. In the case of manufacturing, stability in the value of planned expenditures for new plants and expansions in the District announced during the second quarter of 1954 suggests that manufacturing building contracts in this region may remain close to the current level for some months. In the case of residential construction, another stimulus in addition to the already easy mortgage market may be the recently passed housing act which permits lower cash downpayments and an increase in the maximum maturity on FHA loans.

HARRY BRANDT

### ***Bank Announcements***

*The First National Bank of Eau Gallie, Eau Gallie, Florida, opened for business July 31 as a member of the Federal Reserve System. The bank has a capital stock of \$150,000 and surplus and undivided profits of \$50,000. Thomas R. Whitehead is President; E. L. Johnson, Jr., is Executive Vice President and Cashier; and Ed. G. Litka is Assistant Cashier.*

*On August 9, 1954, the Bank of Frankewing, Frankewing, Tennessee, a nonmember bank, began to remit at par for checks drawn on it when received from the Federal Reserve Bank. This bank has capital of \$10,000 and surplus and undivided profits of \$44,070. L. M. Marks is President; R. Harris is Vice President; J. A. Bass is Cashier; and Nancy West is Assistant Cashier.*

*August 20 was the opening date of the Citizens Bank of Leeds, Leeds, Alabama, a newly organized, nonmember, par-remitting bank. Capital stock of this bank amounts to \$50,000 and surplus and undivided profits to \$50,000. Officers are Hayes Parnell, Sr., President; G. F. Price, Vice President; E. C. Miller, Vice President; W. R. Hurst, Cashier; and Hayes Parnell, Jr., Assistant Cashier.*

*The First Commercial Bank, Chickasaw, Alabama, a nonmember bank, began to remit at par on August 26. It has a capital of \$75,000 and surplus and undivided profits of \$22,533. Marion E. Ward is President and Cashier, and Bernard A. Fogarty is Assistant Cashier.*

# Sixth District Statistics

## Instalment Cash Loans

Lender	No. of Lenders Reporting	Volume		Outstandings	
		Percent Change July 1954 from		Percent Change July 1954 from	
		June 1954	July 1953	June 1954	July 1953
Federal credit unions . . . . .	39	-13	+1	+1	+12
State credit unions . . . . .	17	-32	+11	+2	-3
Industrial banks . . . . .	7	+3	-20	+1	-12
Industrial loan companies . . . . .	11	-5	+6	+1	+8
Small loan companies . . . . .	30	-2	-4	+0	+2
Commercial banks . . . . .	32	-1	-9	+1	-2

## Retail Furniture Store Operations

Item	Number of Stores Reporting	Percent Change July 1954 from	
		June 1954	July 1953
Total sales . . . . .	129	-5	+4
Cash sales . . . . .	110	-4	-1
Instalment and other credit sales . . . . .	110	-5	+4
Accounts receivable, end of month . . . . .	115	-0	+1
Collections during month . . . . .	115	+0	+1
Inventories, end of month . . . . .	85	-4	-7

## Wholesale Sales and Inventories\*

Type of Wholesaler	Sales			Inventories		
	No. of Firms Reporting	Percent change		No. of Firms Reporting	Percent change	
		June 1954 from			June 30, 1954 from	
		May 1954	June 1953		May 31 1954	June 30 1953
Automotive supplies . . . . .	4	-2	-2	3	-8	+15
Electrical—Wiring supplies . . . . .	5	+35	-3	5	-9	-3
"    Appliances . . . . .	8	+3	-13	7	-4	+7
Hardware . . . . .	8	+18	+1	4	+1	-4
Industrial supplies . . . . .	17	+10	-15	6	-2	+4
Jewelry . . . . .	4	-1	-11	3	-1	-2
Lumber and bldg. mat'ls . . . . .	9	+7	+8	7	+26	+2
Plumbing & heating supplies . . . . .	4	-1	-9	3	+2	+1
Refrigeration equipment . . . . .	6	+9	-9	6	+38	+54
Confectionery . . . . .	6	+8	-3	3	-10	+6
Drugs and sundries . . . . .	6	+2	+2	..	..	..
Dry goods . . . . .	13	+1	-13	9	+6	-2
Groceries—Full line . . . . .	34	+1	+3	17	-4	+4
"    Specialty lines . . . . .	8	+13	+8	4	-12	-8
Tobacco products . . . . .	8	-3	-3	6	-4	-1
Miscellaneous . . . . .	12	+7	-12	6	+1	+6
Total . . . . .	152	+7	-4	89	+1	+2

\*Based on information submitted by wholesalers participating in the Monthly Wholesale Trade Report issued by the Bureau of the Census.

## Department Store Sales and Inventories\*

Place	Sales			Inventories	
	Percent Change			July 31, 1954, from	
	July 1954 from June 1954	July 1953	7 Months 1954 from 1953	June 30 1954	July 31 1953
ALABAMA . . . . .	-9	+6	-5	-3	-13
Birmingham . . . . .	-10	+3	-5	-4	-10
Mobile . . . . .	-11	+6	-4	..	..
Montgomery . . . . .	-3	+16	-3	..	..
FLORIDA . . . . .	-3	+6	+0	-0	-2
Jacksonville . . . . .	-4	+10	+2	+3	-5
Miami . . . . .	-5	+2	+0	+3	+2
Orlando . . . . .	-3	+14	+2	..	..
St. Ptersbg-Tampa Area . . . . .	-1	+8	-1	..	..
St. Petersburg . . . . .	-2	+10	-3	-6	-9
Tampa . . . . .	+0	+7	+0	..	..
GEORGIA . . . . .	-5	+6	-1	+1	-5
Atlanta** . . . . .	-3	+7	+0	+1	+0
Augusta . . . . .	-17	+3	-4	..	..
Columbus . . . . .	-10	+12	+0	-7	-15
Macon . . . . .	-7	-1	+0	+5	-6
Rome** . . . . .	-6	-4	-8	..	..
Savannah** . . . . .	-4	+1	-5	..	..
LOUISIANA . . . . .	-11	-0	+1	+0	-7
Baton Rouge . . . . .	-7	+7	-0	+4	-5
New Orleans . . . . .	-13	-3	+0	-1	-7
MISSISSIPPI . . . . .	-3	+7	-2	+5	-6
Jackson . . . . .	-7	+5	-3	+7	-8
Meridian** . . . . .	+1	+7	-2	..	..
TENNESSEE . . . . .	-11	+1	-1	-1	-13
Bristol (Tenn. & Va.)** . . . . .	-22	-2	-6	-9	-22
Bristol-Kingsport-Johnson City** . . . . .	-17	-2	-7	..	..
Chattanooga . . . . .	-10	-2	-2	..	..
Knoxville . . . . .	-8	+2	+2	+2	-13
Nashville . . . . .	-13	+3	-3	-2	-17
DISTRICT . . . . .	-7	+4	-1	-0	-8

\*Reporting stores account for over 90 percent of total District department store sales.  
\*\*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 percent changes.

## Condition of 27 Member Banks in Leading Cities

(In Thousands of Dollars)

Item	Aug. 18 1954	July 21 1954	Aug. 19 1953	Percent Change Aug. 18, 1954, from	
				July 21 1954	Aug. 19 1953
Loans and investments—					
Total . . . . .	3,123,460	3,001,430	2,991,868	+4	+4
Loans—Net . . . . .	1,251,679	1,288,258	1,225,523	-3	+2
Loans—Gross . . . . .	1,273,555	1,310,065	1,247,177	-3	+2
Commercial, industrial, and agricultural loans . . . . .	700,676	763,795	687,590	-8	+2
Loans to brokers and dealers in securities . . . . .	14,473	13,806	15,137	+5	-4
Other loans for purchasing or carrying securities . . . . .	33,320	33,148	38,288	+1	-13
Real estate loans . . . . .	92,879	91,000	91,325	+2	+2
Loans to banks . . . . .	26,016	5,959	15,598	*	+67
Other loans . . . . .	406,191	402,357	399,239	+1	+2
Investments—Total . . . . .	1,871,781	1,713,172	1,766,345	+9	+6
Bills, certificates, and notes . . . . .	709,979	625,270	782,917	+14	-9
U. S. bonds . . . . .	875,808	802,357	722,553	+9	+21
Other securities . . . . .	285,994	285,365	260,875	+0	+10
Reserve with F. R. Bank . . . . .	495,104	514,903	500,580	-4	-1
Cash in vault . . . . .	46,167	47,238	46,926	-2	-2
Balances with domestic banks . . . . .	237,279	255,784	214,116	-7	+11
Demand deposits adjusted . . . . .	2,254,704	2,273,509	2,140,594	-1	+5
Time deposits . . . . .	602,483	595,917	571,912	+1	+5
U. S. Gov't deposits . . . . .	102,440	72,184	146,726	+42	-30
Deposits of domestic banks . . . . .	668,060	609,350	602,116	+10	+11
Borrowings . . . . .	6,000	700	46,400	*	-87

\*Increase of 100 percent or over.

## Debits to Individual Demand Deposit Accounts

(In Thousands of Dollars)

	July 1954	June 1954	July 1953	Percent Change		
				July 1954 from		7 Months 1954 from 1953
				June 1954	July 1953	
ALABAMA . . . . .						
Anniston . . . . .	30,458	30,452	31,038	+0	-2	-3
Birmingham . . . . .	442,855	455,006	421,753	-3	+5	+2
Dothan . . . . .	16,992	16,280	16,157	+4	+5	+5
Gadsden . . . . .	23,385	23,027	24,078	+2	-3	-6
Mobile . . . . .	171,451	192,917	175,766	-11	-2	+4
Montgomery . . . . .	98,462	97,233	93,699	+1	+5	+3
Tuscaloosa* . . . . .	35,578	33,153	33,760	+7	+5	+2
FLORIDA . . . . .						
Jacksonville . . . . .	478,119	458,897	424,994	+4	+13	+7
Miami . . . . .	401,280	395,266	364,794	+2	+10	+9
Greater Miami* . . . . .	603,254	601,341	546,187	+0	+10	+9
Orlando . . . . .	89,435	96,043	82,839	-7	+8	+3
Pensacola . . . . .	54,860	54,927	57,141	-0	+4	+3
St. Petersburg . . . . .	95,099	97,440	86,725	-2	+10	+7
Tampa . . . . .	185,147	204,620	179,007	-10	+3	+5
West Palm Beach* . . . . .	53,989	58,574	53,686	-8	+1	+2
GEORGIA . . . . .						
Albany . . . . .	40,009	38,135	38,768	+5	+3	-2
Atlanta . . . . .	1,240,840	1,231,950	1,240,640	+1	+0	+5
Augusta . . . . .	79,591	81,436	88,770	-2	-10	-7
Brunswick . . . . .	14,259	13,543	12,874	+5	+11	+7
Columbus . . . . .	81,817	77,126	80,383	+6	+2	-3
Elberton . . . . .	4,315	4,872	4,700	-11	-8	-6
Gainesville* . . . . .	30,551	28,888	25,692	+6	+19	+12
Griffin* . . . . .	12,543	12,788	13,671	-2	-8	-7
Macon . . . . .	96,817	84,948	86,364	+14	+12	+1
Newnan . . . . .	12,417	9,109	12,226	+36	+2	+0
Rome* . . . . .	29,321	29,157	30,131	+1	-3	+5
Savannah . . . . .	124,510	117,134	128,423	+6	-3	-4
Valdosta . . . . .	31,886	18,799	31,244	+70	+2	+14
LOUISIANA . . . . .						
Alexandria* . . . . .	49,606	43,293	43,850	+15	+13	+5
Baton Rouge . . . . .	138,599	136,448	148,682	+2	-7	+2
Lake Charles . . . . .	55,160	55,440	49,754	-1	+11	+1
New Orleans . . . . .	971,163	985,939	952,400	-1	+2	+2
MISSISSIPPI . . . . .						
Hattiesburg . . . . .	21,388	21,213	20,427	+1	+5	+1
Jackson . . . . .	151,659	155,577	161,909	-3	-6	-3
Meridian . . . . .	28,025	26,360	30,560	+6	-8	-14
Vicksburg . . . . .	14,901	14,989	15,098	-1	-1	-0
TENNESSEE . . . . .						
Chattanooga . . . . .	213,974	217,502	219,125	-2	-2	-1
Knoxville . . . . .	140,859	153,207	168,695	-8	-17	-5
Nashville . . . . .	447,931	460,527	429,803	-3	+4	+4
SIXTH DISTRICT . . . . .	5,997,663	6,026,362	5,878,836	-0	+2	+3
UNITED STATES . . . . .						
345 Cities . . . . .	154,859,000	163,507,000	147,957,000	-5	+5	+7

\*Not included in Sixth District totals.

# Sixth District Indexes

1947-49 = 100

	Manufacturing Employment			Manufacturing Payrolls			Cotton Consumption **			Construction Contracts			Furniture Store Sales */**		
	June 1954	May 1954	June 1953	June 1954	May 1954	June 1953	July 1954	June 1954	July 1953	July 1954	June 1954	July 1953	July 1954	June 1954	July 1953
<b>UNADJUSTED</b>															
District Total	109	110	114	149	148r	155r	75	87	84r	..	..	..	96p	102	93
Alabama	102	102	107	134	132r	140	73	87	80	242	193	169	97	109	89
Florida	129	133	127r	174	177	168r	..	..	..	223	225	268	103p	106	93
Georgia	112	112	116r	146	145r	160r	77	77	85	171	224	282	96	100	100
Louisiana	105	105	109r	151	149r	150r	..	..	..	222	399	234	107	117r	95
Mississippi	107	106	114r	156	149r	162r	48	94	118	141	111	94	..	..	..
Tennessee	109	109	118r	154	152r	162r	73	89	84	164	191	305	80p	84	85
<b>SEASONALLY ADJUSTED</b>															
District Total	111	110	116r	152	149r	158r	88	91	99r	..	..	..	99p	103	96
Alabama	104	103	109r	135	134r	141r	..	..	..	..	..	..	106	110	97
Florida	133	133	130r	180	177	173r	..	..	..	..	..	..	110p	106	99
Georgia	114	113	119r	149	148r	163r	..	..	..	..	..	..	95	99	99
Louisiana	106	106	110r	151	152r	150r	..	..	..	..	..	..	116	112	104
Mississippi	107	107	114r	158	149r	163	..	..	..	..	..	..	..	..	..
Tennessee	110	110	120r	154	154r	162r	..	..	..	..	..	..	79p	85	84

## Department Store Sales and Stocks \*\*

	Adjusted			Unadjusted		
	July 1954	June 1954	July 1953	July 1954	June 1954	July 1953
<b>DISTRICT SALES*</b>						
Atlanta <sup>1</sup>	132p	129	127r	106p	114	102r
Baton Rouge	134	128	125	107	110	100
Birmingham	117	124	110	101	109	95
Chatanooga	106	110	102	90	100	87
Jackson	122	129	125r	102	114	105r
Jacksonville	117	117	111r	93	100	88r
Knoxville	115	117	105r	98	103	89r
Macon	120	126	118	106	116	105
Miami	142	139	143	112	120	113
Nashville	142	137	139r	104	109	102r
New Orleans	121	125	117r	95	109	93r
St. Ptsbg-Tampa Area	124p	131	128	99p	114	102
Tampa	147	133	136	117	118	109
<b>DISTRICT STOCKS*</b>	133	122	125	113	113	106
	137p	135	149r	128p	128	139r

<sup>1</sup> To permit publication of figures for this city, a special sample has been constructed that is not confined exclusively to department stores. Figures for non-department stores, however, are not used in computing the District Index.

\*For Sixth District area only. Other totals for entire six states.

\*\*Daily average basis.

Sources: Mfg. emp. and payrolls, state depts. of labor; cotton consumption, U. S. Bureau Census; construction contracts, F. W. Dodge Corp.; 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		
	July 1954	June 1954	July 1953	July 1954	June 1954	July 1953
<b>Construction contracts*</b>	..	..	..	200	249	238
Residential	..	..	..	199	170	236
Other	..	..	..	201	310	240
<b>Petrol. prod. in Coastal Louisiana and Mississippi*</b>	135	144r	144	135	143r	144
<b>Furniture store stocks*</b>	105	112	122	102	110	119
<b>Turnover of demand deposits*</b>	20.8	20.2	19.4	20.0	20.2	18.6
10 leading cities	22.2	22.3	20.7	21.1	21.3	19.7
Outside 10 leading cities	17.6	16.9	16.5	16.9	16.9	15.8
	June 1954	May 1954	June 1953	June 1954	May 1954	June 1953
<b>Elec. power prod., total**</b>	..	..	..	204	184	184r
<b>Mfg. emp. by type</b>						
Apparel	145	143	150r	140	141	145r
Chemicals	124	123	122r	119	120	118r
Fabricated metals	146	144	170r	141	142	164r
Food	111	111	108r	108	109	106r
Lbr., wood prod., furn. & fix.	85	85	91r	85	85	91r
Paper and allied prod.	145	144	144r	143	143r	142r
Primary metals	93	93	102r	93	92r	102r
Textiles	93	95	101	93	93	101
Trans. equip.	175	166r	170r	170	168	165r

r Revised p Preliminary

