SIXTH FEDERAL RESERVE DISTRICT

Monthly Review

ATLANTA, GEORGIA, SEPTEMBER 30, 1954

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Federal Reserve Bank of Atlanta

DISTRICT BUSINESS HIGHLIGHTS

Economic conditions in the Sixth District are mixed, but the over-all situation is little changed from the immediately preceding months. Employment and prices are unchanged; consumer spendings are slightly down; and farm prospects are weakening. Construction, on the other hand, remains strong; credit continues easy; and bank credit is behaving in seasonal fashion.

Department store sales in September, seasonally adjusted, fell below the high July and August volume.

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Consumer instalment credit outstanding at commercial banks rose less than usual in August.

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Trade loans to retailers by commercial banks have risen more than usual during September after declining contra-seasonally through most of August.

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Excess reserves of member banks declined somewhat during the last half of August, reflecting a substantial increase in Government security holdings, and have remained at a lower, though still high, level during September.

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Total loans at member banks declined substantially during August because of a decrease in CCC loans, but increased during September, according to preliminary data.

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Deposit turnover at member banks declined during August, but remained substantially above the year-earlier level.

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Business loans at banks in leading cities increased during August, despite declines in borrowings by commodity dealers and sales finance companies.

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Short-term farm production loans outstanding at member banks are well below year-ago levels; the volume of farm real-estate loans, however, has increased significantly.

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Cash receipts from livestock so far this year are matching last year's receipts, but sharply reduced crop returns are causing total receipts to fall below those of last year.

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Prolonged drought has been especially disastrous to District farmers as many of them began the year with low feed and financial reserves. The shortage of feed and forage for stock will be further intensified this winter since farmers have not been able to work their land and start fall seedings.

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Construction contracts, residential and other than residential, advanced during August and were above a year ago.

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Factory payrolls during July, after seasonal adjustment, remained virtually unchanged from June.

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Cotton textile activity, measured by seasonally adjusted cotton consumption, advanced during August to the highest point this year, but remained substantially below the year-ago mark.

Another Look at Development Corporations

Leaders in small Southern communities have gradually come to recognize that industrial development is required in order to enlarge incomes in their communities. The end of World War II intensified recognition of the need for expanded industrial payrolls as former servicemen resisted a return to low-paying farm jobs and some localities suffered from the loss of wartime activities.

For a community to be successful in increasing industrial activity, considerably more than mere acknowledgment of such a need is required. Most important is that the town can satisfy those considerations that are generally essential to industry location—good markets, available raw materials, and an adequate labor supply. Other elements, usually of lesser importance, include the availability of bank credit, of factory buildings, and of industrial sites.

Although the degree of industrial development is determined by basic economic forces, many communities have attempted to influence decisions of industrial location. One such method is the creation of community development corporations or industrial foundations, as they are sometimes called. An industrial foundation is a privately owned and managed corporation which uses funds collected through public subscription to provide various financial services as a means of attracting new industry or assisting in the expansion of local manufacturing firms. The objective is to expand payrolls in the community.

One of the oldest and most successful development corporations in the country is the Louisville Industrial Foundation in Louisville, Kentucky. The organization specializes in providing capital loans to both new and established small businesses that often have difficulty in securing this type of capital. It does not, however, make loans in competition with existing lending institutions. The Foundation also furnishes business advice to its clients, and its capital is used as a revolving fund rather than being expended outright to subsidize particular enterprises.

This type of organization is also found in the District, and while no accurate count is available, is apparently increasing in number. This Bank from time to time has studied methods by which industrial expansion may be attained and, therefore, in 1946 surveyed a representative group of recently organized development corporations located in Georgia and Tennessee. Passage of time has now made it possible to draw on the experiences of these corporations and provide answers to the following questions which could not be answered at that time: How successful have development corporations been in achieving their objective of enlarging payrolls in the community? What have they contributed to the industrial growth of the District? Have they satisfied the need of some small businesses for capital loans and counseling or have they been merely an extension of the activities of the local Chambers of Commerce?

Organization and Capitalization

Many development corporations were established near or immediately after the end of the Second World War. All except one of the organizations covered in this report were formed at that time and located in small communities with little manufacturing. Business and professional men were generally responsible for founding these organizations and have since managed the affairs. Stock and bond holders vote for directors in proportion to their security holdings. Officers, who serve without pay and are often officials of the Chamber of Commerce, are elected by the directors.

Development corporations are usually not organized for the purpose of making profits; only three of the foundations studied intend to earn money for stockholders. Owners of the others consider themselves sufficiently compensated by increased payrolls resulting from the organization's activities. Subscriptions in at least one-third of the foundations were considered outright donations.

The initial amount of capital raised in each case was small, the average being less than $75,000. There was little correlation between the amount of paid-in capital and populations of the respective communities. Common stock with a par value of $100 was the usual type of security issued; only three ever raised money through bond sales. To some extent, development corporations also obtained funds from other sources. One draws on a one-mill property tax levied by the city and county for industrial development purposes. Another has borrowed from the Reconstruction Finance Corporation to help expand an industrial building already leased to an apparel firm. Two others have borrowed from local banks.

Scope and Type of Activities

Development corporations have concentrated their efforts in attracting new enterprises rather than helping industries already established. About three-fourths of the total number of firms aided were companies brought in from outside the community. Assistance to old, established companies was less important, although most development corporations participated to some extent in this type of activity. Except in one case, no help was given to individuals wishing to organize new businesses.

In general, the corporations did not follow any preconceived plan in providing services, but rather chose one particular activity in lieu of another as a result of circumstances. They discovered that by providing modern plant facilities on a lease basis, they could satisfy a major requirement of enterprises desiring to locate in an area. The erection and subsequent leasing of plants, therefore, was the most frequent type of assistance rendered in terms of total companies aided. Three foundations have been responsible for all the leasing to date, although most of the others plan to follow suit at the first opportune time. One erected a building but immediately sold it to a garment manufacturer. Where leases have been granted, the occupant usually has an option to purchase after a specified period.

Inability to secure capital and unwillingness to tie up money in real estate are probably the major reasons why many businesses prefer to rent a plant rather than buy one.

When they lease, they have more money available for working capital purposes and they can charge off the rent as an operating expense, an inducement emphasized by its alleged tax-saving features. It is not surprising that most leases granted were to the small and lesser-known firms, which particularly find these considerations appealing. Uncertainty of success by such companies in their new localities probably also contributed to a preference for rental. Once operations become profitable, they will frequently exercise their purchase option. A knitting mill and a hosiery manufacturer have already done this; other firms are expected to take similar action when the opportunity arises.

Some communities have learned that they may lose a prospective industry because of a scarcity of favorable sites or because the owner increases his asking price after a company has shown interest in buying this land. If a foundation purchases the land before there is an actual prospect, on the other hand, it can give an enterprise assurance of immediate availability at a reasonable price. Three local associations bought or sold sites at one time or another. However, not any of them have developed industrial tracts to the extent that paving, sewerage, utilities, and buildings are fully provided.

Lending by development corporations has not been common, and foundation officials have given little or no thought to the problem of small business financing. One possible reason for this is that the foundations' capital is usually relatively small. The four loans which were made were of a type that local banks would not have granted because of the risk involved or because they were for too long a term. Furthermore, those foundations that did lend money insisted on repayment rather than stock ownership in the assisted enterprise.

Development corporations studied in the District provide no counseling service for their clients. Of the actual financial services rendered only a small proportion went to non-manufacturing enterprises. One association, for example, was responsible for the constructing of private homes to help relieve a housing shortage.

DEVELOPMENT CORPORATION DATA

1. Development corporations studied were located mainly in small municipalities with little manufacturing.

City	*Population* 1940	*Population* 1950	*Percent Employed in Mfg.** 1940	*Percent Employed in Mfg.** 1950
Albany, Ga.	19,055	31,155	14.6	16.8
Bainbridge, Ga.	6,352	7,562	14.4	16.0
Cordele, Ga.	7,929	9,462	11.3	14.8
Decaturville, Tenn.	433	514	13.6	15.4
Dunlap, Tenn.	721	873	11.8	19.2
Greeneville, Tenn.	6,784	8,721	8.2	17.2
Hawkinsville, Ga.	3,000	3,342	7.9	13.0
Jackson, Tenn.	24,332	30,207	12.6	15.7
Macon, Ga.	57,865	70,252	23.1	22.2
Marietta, Ga.	8,667	20,687	26.2	11.5
Sparta, Ga.	1,872	1,954	10.2	23.2
Warrenton, Ga.	1,284	1,442	5.3	9.8
Waverly Hall, Ga.	569	690	16.2	30.7
Waycross, Ga.	16,763	18,899	8.7	13.8

* As represented by county data.

2. Only one half of these corporations have actually promoted industry and their efforts have been directed primarily toward attracting outside firms and creating additional jobs and payrolls.

Enterprise Assisted	*Outside Firms*	*Existing Local Firms*	*New Local Firms*	*Total*
Number of Companies	18	6	1	25
Number Employed (Est.)	4,945	458	80	5,483
Annual Payroll (Est.)	$15,050,000	1,040,750	150,000	$16,240,750

3. Assistance was largely in the form of providing buildings and went mainly to the apparel and textile industries, mostly to employers of a small number of workers.

Type of Enterprise	*No. of Cos.*	*No. of Workers***	*No. of Cos.*	*Forms of Assistance*	*No. of Cos.*
Apparel	6	0-50	9	Leasing buildings	12
Textile	4	51-100	4	Loans	4
Furniture	3	101-200	3	Sales of land	4
Elec. mach.	2	201-300	3	Gifts of land	2
Stone, clay	2	301-500	1	Other donations	3
Other mfg.	6	Over 500	5		
Non mfg.	2				

** Refers to employment by companies in cities studied. In some cases, these firms are branches and, therefore, are larger employers of labor than is indicated here.

Protective and Financial Features

Development corporations have not been equally thorough in their preliminary investigation of concerns seeking assistance. One aided a previously bankrupt firm, whereas at least four others turned down aid to firms they considered bad risks. Commonly, no obligation is imposed on the client as to a specified number of workers. Once an investment is made, the mortgage on the property is usually the only safeguard. Demands for advance rental payments as added collateral are exceptional. Usually, reserves are not set up against possible losses.

While foundation officials almost universally condemn subsidies, they are, in fact, common. Only two organizations have operated without granting outright subsidies and even these may have offered indirect subsidies at times. In terms of total transactions, at least one-third contain an indisputable element of subsidization.

Many foundation officials emphasize that community attitude is extremely important to new industry. As evidence that industry was welcome, two foundations donated land, although sites were usually sold at cost. Fearful of losing an industrial prospect to another locality, development corporations also offered the following forms of subsidies: loans at lower-than-bank rates; some degree of tax minimization; payment of the difference between the land owner's selling price for property and price industry was willing to pay; monetary contributions toward the rent and cost of a building; considerably lower rental terms than would be charged by private landlords; and free rent. Usually, however, rent payments were large enough to provide, besides repayment of the principal, some return on the investment, and the occupant commonly pays property taxes, insurance, utilities, and maintenance charges.

Like all other institutions, development corporations find it advantageous to keep their capital funds intact, yet only three out of the seven foundations which actually assisted enterprises were able to completely preserve their capital. The same three experienced a net profit in their operations;

the other four incurred losses. With expenses generally low and losses infrequent, inability to show profits depended directly on the degree of subsidization involved.

Corporations have tended to follow a policy of reinvesting funds in other enterprises. Although two have declared dividends at one time or another and one has retired a modest amount of its outstanding securities, in those instances where an occupant eventually purchased the leased building, the funds were reinvested in other plants rather than being returned to stockholders. Other organizations contemplate similar action in the future.

Success of development corporations in attracting industry has been far from universal, and their overall accomplishment has not been considerable. Six of the thirteen organizations studied in 1946 (Bainbridge, Cordele, Marietta, Waycross, Georgia; and Greeneville and Jackson, Tennessee), in addition to the one in Macon, helped locate at least one new plant each or assisted local industry. At present, all the above mentioned are active, except the Marietta Industrial Association. These six foundations have assisted a total of 25 companies employing an estimated 5,500 workers with annual aggregate payrolls of over 16 million dollars. Foundations in Greeneville, Marietta, and Cordele were responsible for assisting the bulk of these companies. As a result of the establishment of industries in at least two communities, the suppliers of raw materials located in the area. Probably accompanying the increased payrolls were greater retail sales and additional jobs in trade and services.

Organizations in Albany and Hawkinsville, Georgia, and in Decaturville, Tennessee, rendered no assistance and, with the exception of Hawkinsville, have been disbanded. No information was obtainable regarding the other four (Sparta, Waverly Hall, and Warrenton, Georgia and Dunlap, Tennessee). Presumably, they are inactive.

Difficulties and Problems

A major difficulty encountered by the development corporations studied was the comparatively small size of their paid-in capital funds. Inadequacy of capital largely explains why even the most successful ones erected only a limited number of buildings and confined assistance primarily to businesses requiring relatively small, inexpensive plants.

In only a few cases have corporations tried to overcome the problem of inadequate capitalization. Only two have engaged in further subscription drives, although some others are considering this action. However, as one corporation did experience, it is difficult to raise additional capital when no pecuniary return can be offered, and it is almost impossible unless the community has an actual industrial prospect.

Foundations commonly experience some trouble with leasing arrangements, which are fairly easily broken. Five assisted companies at one time or another vacated the property. Although the development corporations managed to collect any back rent, they were often obliged to find a manufacturer of similar products to move into the building, because of the very nature of much industrial property. In order to prevent a long vacancy, one organization was forced to agree to extremely favorable rental terms for the occupant.

The reason some were unable to attract industry can be attributed to peculiar local factors. In one, the foundation device was apparently never taken very seriously partly because of the town's success in locating industry without it. In another, inadequacy of water discouraged efforts to attract manufacturers.

As a corollary to the difficulties of some and failures of others, it may be said that an industrial foundation will be more successful if the community, aside from economic advantages, has an active Chamber of Commerce, a citizenry truly interested in industrial development, and an association supplied with ample capital.

Appraisal and Conclusions

The experiences of the development corporations under study suggest that these organizations were not guided by any underlying philosophy. Their methods of operation differed considerably from the Louisville Industrial Foundation. The need of some small businesses for capital loans and counseling aid has not been satisfied. Instead, the development corporations represent an extension of the work customarily undertaken by Chambers of Commerce in the industrial development of their communities. Subsidies have unfortunately played a considerable part in foundation activities. Furthermore, development corporations have often been unable to keep their capital funds intact. This situation arises from subsidization rather than granting of money to enterprises which failed.

Such organizations, however, also have certain desirable features to their credit. By erecting and leasing plants, they have been of considerable help to small concerns lacking long-term capital. They have undoubtedly been of benefit to certain local communities, although there is no way of knowing the extent of industrial development which might have occurred without them. By encouraging industries to locate in agricultural areas, they have promoted a more diversified local economy. Their contribution to the industrial growth of the District, however, has been minor. It is too early to tell whether this type of organization will become a permanent feature of these communities, although the reinvestment of funds returned to development corporations by assisted enterprises indicates that this may be the case.

Harry Brandt

Bank Announcement

On September 2, the Citizens National Bank of St. Petersburg, St. Petersburg, Florida, opened for business as a member of the Federal Reserve System. This bank is in territory served by the Jacksonville Branch and has a capital stock of $400,000 and surplus and undivided profits of $250,000. George E. Tomberlin is President and Fred H. Green is Vice President and Cashier.

District Bank Loans in 1954

Although businessmen, bankers, and economists may take some comfort in the recent stability in the nation's economy, they are more interested in finding some signs of an upturn in business. Because many of them placed autumn as the time of a possible revival, they are now dusting off the old business indicators with the hope that some of them will reveal a rising trend. One of these is the trend of bank loans, a significant guide to economic activity not only because it registers borrowers' expectations but also their current financial position.

Some generalizations can be made about bank borrowers. Businessmen—important bank customers—borrow because they see a chance to make a profit. They use the borrowed funds to expand inventory for future sales, to increase working capital, or to employ more workers. They may even want to improve the appearance or efficiency of their stores or factories. Borrowing for any of these reasons is a sign that they expect business to improve.

Although consumers may borrow for other purposes, they do have something in common with businessmen: they borrow when their incomes are increasing or when they are expecting an increase. Farmers, like businessmen, borrow because they need money to pay production expenses that eventually will result in earnings. Upon these borrowers, the banker, of course, imposes many different requirements, but he requires all of them to be financially sound and have a reasonably good chance of making repayment. Repayment, except for distress loans, depends upon foreseeable earnings.

On the other hand, if businessmen or farmers cannot see a possibility of making a profit, they usually cut their inventory, slow down production, and reduce loans. The consumer, if he is not certain of future income, refrains from borrowing and attempts to reduce his debts. As a result of this relationship between banker and borrower, changes in loans reflect to some degree the optimism or pessimism of the economy.

Total loan volume now high . . .

So far this year, the behavior of bank loans in this District does not point to pessimism. Loans of all types at all member banks at the end of August were 339 million dollars greater than last year. By the middle of September, business loans at weekly reporting banks in leading cities were above the year-ago level as loans to manufacturing and mining concerns—chiefly textiles, metal, fuel and chemical firms—held the total relatively high. Loans outstanding of food, liquor, and tobacco firms, however, were less this year than last year.

Construction loans, in line with the recent building boom, are well above the 1953 level and are now at a postwar high. Farm loans outstanding are less at District banks this year than they were in 1953, but outstandings on Commodity Credit Corporation loans, made last fall, have helped hold total agricultural loans up. The CCC repaid a large volume of its loans during the first week in August, however, thereby reducing total farm loans and consequently total loans.

After the postwar peak in October 1953, consumers decreased their indebtedness to banks month by month, but by June they were borrowing again, largely for automobile purchases and personal expenses. Since July they have increased their obligations to banks to obtain funds for other retail items, such as appliances.

And should increase during the last quarter . . .

Banks loans normally increase during the last quarter of the year, and some guideposts point to a gain again this year. As yet, however, these indicators do not reveal the extent of the rise. Ordinarily, business loans start to expand in August and reach a peak in December. So far, loans to District manufacturing and mining firms have followed closely previous seasonal patterns, the only exception being loans to textile, apparel, and leather firms, which are now borrowing at a rate well above that of last year. Loans to retail firms will probably continue to follow the seasonal pattern throughout the remainder of the year since department stores and wholesalers will probably expand their substantially reduced inventories. The indications so far, however, do not point to more than a seasonal rise.

Construction loans, based on contracts awarded thus far, should hold up well during the remainder of the year, and loans to commodity dealers probably will increase as long as the price attracts cotton to the market.

Since automobile and appliance sales have been running well ahead of last year's volumes and since department store sales have risen sharply, consumer loans probably will increase during the last quarter. Automobile loans, however, may experience a temporary decline in the next few months because of an expected slow-up in sales caused by model changeovers.

On the other hand farm production loans and CCC loans more than likely will not be as great as those of last year. Production loans normally decline during the autumn and CCC loans probably will not expand as rapidly as last year because the attractive current cotton market is keeping farmers from placing their cotton in loans. To the extent that banks in certain drought areas renew production loans of their farm customers, the decline in these loans will be less than usual. Nevertheless, farm loans probably will remain fairly close to their present level instead of contributing to an end-of-the-year rise in total loans as they did last year.

But no more than seasonally . . .

The prospects for bank loans for the remainder of this year, although bright, are not spectacular. On the basis of what can be seen at present, loans may possibly increase about 100 million dollars above the August level, raising total loans above the 2.5 billion dollar mark. Although the assumptions upon which this estimate is based may be altered in the next few months, few signs of marked optimism can be found in the trend of Sixth District bank loans.

Charles S. Overmiller

Sixth District Statistics

Instalment Cash Loans

Lender	No. of Lenders Report-ing	Volume: Percent Change Aug. 1954 from July 1954	Volume: Percent Change Aug. 1954 from Aug. 1953	Outstandings: Percent Change Aug. 1954 from July 1954	Outstandings: Percent Change Aug. 1954 from Aug. 1953
Federal credit unions	39	+3	+17	+1	+13
State credit unions	17	+25	+28	+3	—3
Industrial banks	8	—8	+4	—0	—3
Industrial loan companies . .	11	+10	+15	+2	+3
Small loan companies	30	+1	+7	+0	+0
Commercial banks	33	+4	+1	+0	—2

Condition of 27 Member Banks in Leading Cities

(In Thousands of Dollars)

Item	Sept. 22, 1954	Aug. 25, 1954	Sept. 23, 1953	Percent Change Sept. 22, 1954, from Aug. 25, 1954	Percent Change Sept. 22, 1954, from Sept. 23, 1953
Loans and investments—					
Total	3,096,262	3,094,342	2,912,755	+0	+6
Loans—Net	1,258,810	1,244,816	1,228,941	+1	+2
Loans—Gross	1,280,638	1,266,673	1,250,569	+1	+2
Commercial, industrial, and agricultural loans .	721,786	695,093	696,311	+4	+4
Loans to brokers and dealers in securities . .	13,988	16,269	14,739	—14	—5
Other loans for purchasing or carrying securities	33,538	33,208	38,844	+1	—14
Real estate loans	95,011	93,749	89,984	+1	+6
Loans to banks	1,670	22,069	6,273	—92	—73
Other loans	414,645	406,285	404,418	+2	+3
Investments—Total	1,837,452	1,849,526	1,683,814	—1	+9
Bills, certificates, and notes	668,434	689,365	791,796	—3	—16
U. S. bonds	888,207	875,060	622,743	+2	+43
Other securities	280,811	285,101	269,275	—2	+4
Reserve with F. R. Bank .	510,761	484,552	510,765	+5	—0
Cash in vault	46,946	46,269	46,379	+1	+1
Balances with domestic banks	237,817	239,628	217,839	—1	+9
Demand deposits adjusted .	2,237,163	2,248,757	2,111,535	—1	+6
Time deposits	604,683	602,520	573,725	+0	+5
U. S. Gov't deposits . . .	81,613	98,568	109,862	—17	—26
Deposits of domestic banks	668,976	641,496	603,019	+4	+11
Borrowings	23,600	3,000	36,900	*	—36

*100 percent or over.

Department Store Sales and Inventories*

Place	Sales: Aug. 1954 from July 1954	Sales: Aug. 1954 from Aug. 1953	Sales: 8 Months 1954 from 1953	Inventories: Aug. 31, 1954, from July 31 1954	Inventories: Aug. 31, 1954, from Aug. 31 1953
ALABAMA	+6	—2	—4	+11	—7
Birmingham	+12	—3	—5	+13	—3
Mobile	+12	+6	—2	..	..
Montgomery	+2	+1	—2	..	..
FLORIDA	+6	+6	+1	+2	—2
Jacksonville	+4	+3	+2	+2	—12
Miami	+13	+5	+1	—2	+2
Orlando	+2	+6	+2	..	..
St. Ptrsbg-Tampa Area .	—2	+5	—1	..	..
St. Petersburg	—1	+7	—3	+6	—5
Tampa	—3	+4	+1	..	..
GEORGIA	+11	+0	—1	+9	—7
Atlanta**	+17	+3	+1	+7	—5
Augusta	—1	—8	—5	..	..
Columbus	+0	—0	+0	+8	—13
Macon	+0	—12	—8	+18	+0
Rome**	+8	—11	—9	..	..
Savannah**	—4	—4	—6	..	..
LOUISIANA	+18	+5	+2	+3	+9
Baton Rouge	+1	—1	—0	+9	—4
New Orleans	+25	+6	+1	+3	+14
MISSISSIPPI	+2	—3	—3	+10	—8
Jackson	+5	—6	—3	+4	—12
Meridian**	—3	—7	—3	..	..
TENNESSEE	+10	—2	—1	+10	—10
Bristol (Tenn. & Va.)**	+25	—5	—6	+17	—11
Kingsport-Johnson City**	+18	—9	—7	..	..
Chattanooga	+8	—8	—2	..	..
Knoxville	+11	+8	+3	+15	—5
Nashville	+8	—5	—4	+7	—15
DISTRICT	+9	+1	—1	+7	—3

*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 percentage changes.

Retail Furniture Store Operations

Item	Number of Stores Reporting	Percent Change August 1954 from July 1954	Percent Change August 1954 from August 1953
Total sales	132	+4	—3
Cash sales	112	+7	+5
Instalment and other credit sales	112	+3	—4
Accounts receivable, end of month . . .	114	+1	—2
Collections during month	114	—1	—3
Inventories, end of month	90	+0	—9

Wholesale Sales and Inventories*

Type of Wholesaler	Sales: No. of Firms	Sales: Percent change Aug. 1954, from July 1954	Sales: No. of Firms	Sales: Percent change Aug. 1954, from Aug. 1953	Inventories: No. of Firms	Inventories: Percent change Aug. 31, 1954, from July 31, 1954	Inventories: No. of Firms	Inventories: Percent change Aug. 31, 1954, from Aug. 31, 1953
Grocery, confectionery, meats	41	+2	24	—6	31	—2	21	—8
Edible farm products . . .	5	—11	3	+2	.	..	.	..
Drugs, chemicals, allied products	9	+19	6	+10	6	+2	4	+10
Drugs	7	+4	5	+10	.	..	.	..
Tobacco	10	+17	9	—4	.	..	7	+5
Dry goods, apparel	3	+8	.	..	3	+1	.	..
Furniture, home furnishings	18	—40	17	+1	17	+3	17	+20
Paper, allied products . . .	3	—15	3	—13	.	..	.	..
Automotive	5	+9	4	—21	5	—5	4	—1
Electrical, electronic & appliance goods . . .	3	+4	.	..	.	..	.	..
Hardware, plumbing & heating goods	26	+3	14	+2	20	—4	10	+1
Hardware	23	+2	13	+1	.	..	.	..
Plumbing & heating goods	3	+10	.	..	.	..	.	..
Lumber, construction materials	4	—17	.	..	3	+4	.	..
Machinery equipment supplies	30	—12	26	—0	16	—3	15	—11
Industrial machinery, equip., supplies . . .	12	—15	12	—4	3	—6	3	—13
Iron, steel, scrap, waste materials . . .	14	—9	5	—31	8	+64	.	..

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

Debits to Individual Demand Deposit Accounts

(In Thousands of Dollars)

	August 1954	July 1954	August 1953	Percent Change: Aug. 1954 from July 1954	Percent Change: Aug. 1954 from Aug. 1953	Percent Change: 8 Months 1954 from 1953
ALABAMA						
Anniston	29,230	30,458	29,436	—4	—1	—3
Birmingham	414,089	442,855	416,904	—6	—1	+2
Dothan	19,131	16,992	17,600	+13	+9	+6
Gadsden	21,447	23,385	23,522	—8	—9	—6
Mobile	186,502	171,451	154,942	+9	+20	+6
Montgomery	101,730	98,462	92,838	+3	+10	+4
Tuscaloosa*	32,524	35,578	32,107	—9	+1	+2
FLORIDA						
Jacksonville	509,965	478,119	388,445	+7	+31	+10
Miami	400,912	401,280	337,738	—0	+19	+10
Greater Miami* . .	600,973	603,254	498,429	—0	+21	+10
Orlando	82,668	89,435	70,335	—8	+18	+5
Pensacola	55,153	54,860	54,605	+1	+1	+3
St. Petersburg . . .	89,300	95,099	77,129	—6	+16	+8
Tampa	179,071	183,042	164,218	—2	+9	+5
West Palm Beach* .	53,362	53,989	49,309	—1	+8	+3
GEORGIA						
Albany	38,677	40,009	37,165	—3	+4	—1
Atlanta	1,263,840	1,240,840	1,193,413	+2	+6	+5
Augusta	77,623	79,591	83,432	—2	—7	—7
Brunswick	13,768	14,259	13,738	—3	+0	+6
Columbus	76,506	81,817	77,080	—6	—1	—2
Elberton	3,975	4,315	4,645	—8	—14	—7
Gainesville*	29,965	30,551	24,702	—2	+21	+13
Griffin*	12,691	12,543	12,940	+1	—2	—7
Macon	85,255	96,817	82,402	—12	+3	+1
Newnan	10,674	12,417	9,588	—14	+11	+2
Rome*	30,115	29,321	30,931	+3	—3	+4
Savannah	118,414	124,510	119,814	—5	—1	—4
Valdosta	36,474	31,886	35,066	+14	+4	+12
LOUISIANA						
Alexandria*	45,655	49,606	42,027	—8	+9	+6
Baton Rouge	129,192	138,599	126,284	—7	+2	+2
Lake Charles . . .	64,570	55,160	49,902	+17	+29	+4
New Orleans . . .	973,838	971,163	923,246	+0	+5	+3
MISSISSIPPI						
Hattiesburg	20,981	21,388	20,589	—2	+2	+1
Jackson	164,273	151,659	159,787	+8	+3	—3
Meridian	26,132	28,025	30,286	—7	—14	—14
Vicksburg	13,970	14,901	14,411	—6	—3	—1
TENNESSEE						
Chattanooga	205,914	213,974	207,673	—4	—1	—1
Knoxville	150,691	140,859	154,342	+7	—2	—5
Nashville	472,365	447,931	460,255	+5	+3	+4
SIXTH DISTRICT						
32 Cities	6,036,330	5,995,558	5,630,830	+1	+7	+3
UNITED STATES						
345 Cities	151,525,000	154,856,000	134,386,000	—2	+13	+8

*Not included in Sixth District totals.

Sixth District Indexes

1947-49 = 100

	Manufacturing Employment			Manufacturing Payrolls			Cotton Consumption **			Construction Contracts			Furniture Store Sales */**		
	July 1954	June 1954	July 1953	July 1954	June 1954	July 1953	Aug. 1954	July 1954	Aug. 1953	Aug. 1954	July 1954	Aug. 1953	Aug. 1954	July 1954	Aug. 1953
UNADJUSTED															
District Total	107	109	114	146	149	155r	93	75	103r	..	..	..	100p	97r	104
Alabama	98	102	105r	129	134	138r	95	73	99	171	242	63	111	102r	113
Florida	124	129	123r	166	174	164r	..	..	..	233	223	172	108p	105r	98
Georgia	109	111r	116r	143	146	158r	91	77	104	259	171	152	96p	96	108
Louisiana	105	105	110r	150	152r	155r	..	..	..	142	222	165	107	107	101
Mississippi	107	107	114	157	156	161r	108	48	122r	178	141	103	..	..	..
Tennessee	110	109	119r	152	153r	164r	95	73	103	169	164	171	81p	80	97
SEASONALLY ADJUSTED															
District Total	109	111	117r	152	152	162r	96	88	107	..	..	..	96p	100r	100
Alabama	100	104	108r	131	135	141r	..	..	..	..	..	..	104	111r	106
Florida	131	133	131r	182	180	180r	..	..	..	..	..	..	104p	112r	94
Georgia	111	114	119r	149	149	165r	..	..	..	..	..	..	92p	95	103
Louisiana	106	106	112r	149	152r	153r	..	..	..	..	..	..	103	116	97
Mississippi	108	107	115	160	157r	164	..	..	..	..	..	..	..	..	..
Tennessee	111	110	120r	153	153r	166r	..	..	..	..	..	..	76p	79	92

Department Store Sales and Stocks**

	Adjusted			Unadjusted		
	Aug. 1954	July 1954	Aug. 1953	Aug. 1954	July 1954	Aug. 1953
DISTRICT SALES*	131p	132	130	115p	106	114r
Atlanta[1]	122p	134	119	125p	107	121
Baton Rouge	114	117	115	102	101	103
Birmingham	113	106	117	101	90	104
Chattanooga	124	122	134r	110	102	120r
Jackson	110	117	117	98	93	104
Jacksonville	117	115	114	102	98	99
Knoxville	130	120	121	119	106	110
Macon	129	142	146r	112	112	127r
Miami	156	142	148	117	103r	111
Nashville	113	121	118r	103	95	108r
New Orleans	134p	124	127	124p	99	117r
St. Ptrsbg-Tampa Area	142	147	135	115	117	109
Tampa	131	133	126	110	113	106
DISTRICT STOCKS*	136p	137	140r	136p	127r	140r

[1] 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		
	Aug. 1954	July 1954	Aug. 1953	Aug. 1954	July 1954	Aug. 1953
Construction contracts*	..	..	..	206	200	148
Residential	..	..	..	207	199	162
Other	..	..	..	206	201	137
Petrol. prod. in Coastal Louisiana and Mississippi**	130	135	144	130	135	144
Furniture store stocks*	106	106r	120	103	102	116
Turnover of demand deposits*	21.7	20.8	19.2	20.2	20.0	17.9
10 leading cities	24.0	22.2	21.1	21.6	21.1	19.0
Outside 10 leading cities	17.5	17.6	15.9	16.6	16.9	15.1
	July 1954	June 1954	July 1953	July 1954	June 1954	July 1953
Elec. power prod., total**	..	..	..	210	204	183
Mfg. emp. by type						
Apparel	139	144r	148r	136	140	145r
Chemicals	124	124	123r	119	119	119r
Fabricated metals	146	146	174r	138	141	165r
Food	110	110r	111r	107	108	108r
Lbr., wood prod., furn. & fix.	84	84r	91r	84	84r	91r
Paper and allied prod.	144	145	145r	142	143	143r
Primary metals	93	93	102r	92	93	101r
Textiles	88	93	99r	87	93	98r
Trans. equip.	172	175	171r	167	170	166r

r Revised
p Preliminary