



Monthly Review

ATLANTA, GEORGIA, OCTOBER 31, 1954

In This Issue:

Monetary Policy in 1954

The Rim of the Saucer?

District Business Highlights

Sixth District Statistics:

Condition of 27 Member Banks in Leading Cities

Debits to Individual Demand Deposit Accounts

Department Store Sales and Inventories

Instalment Cash Loans

Sixth District Indexes:

Construction Contracts

Cotton Consumption

Department Store Sales and Stocks

Electric Power Production

Furniture Store Sales and Stocks

Manufacturing Employment

Manufacturing Payrolls

Petroleum Production

Turnover of Demand Deposits

Federal Reserve Bank of Atlanta

DISTRICT BUSINESS HIGHLIGHTS

The drought is adversely affecting agricultural income, particularly in certain areas. In the nonagricultural segment of the District's economy there are some indications of improvement: Nonagricultural employment has apparently stabilized. Textile production has recovered slightly. Construction remains extremely high. Bank loans are expanding as is customary at this time of year. And there are indications that merchants are adding more than seasonally to their inventories in response to a pick-up in consumer buying and anticipation of continuing improvement.

Free reserves of member banks continued adequate during October as both excess reserves and borrowings from the Federal Reserve Bank remained near their September levels.

Nonfarm employment in August remained virtually unchanged from the preceding month and from last August.

Textile activity improved during August as cotton consumption and seasonally adjusted textile employment increased significantly, although preliminary data indicate that part of this gain was lost in September.

Average wholesale prices of nonfarm commodities important in the District during September continued to show the relative stability of previous months, but prices of certain types of industrial products continued to rise.

Steel operations, as a percent of capacity, between mid-September and mid-October were relatively unchanged in Birmingham but were up in the nation.

Petroleum production on the coast of Louisiana and Mississippi continued to decline more than seasonally during September.

Department store sales, seasonally adjusted, after a low September reached their high point for the year in October, well above last October.

Department store stocks rose more than seasonally in September after having been relatively stable during the past few months.

Retailers increased their borrowings from commercial banks more in October than they did last October.

Sales of durable home furnishings at department stores were strong in August and September, bringing durable sales for the year up to those of the corresponding period last year.

Commercial bank loans increased more than seasonally during September and, according to preliminary information, continued to expand in October.

Interest rates on new business loans made by banks in Atlanta and New Orleans averaged slightly lower in September than they did three months earlier.

Bank debits, seasonally adjusted, declined in September, but remained above the year-ago level.

Crop production will be substantially below last year's, with cotton, corn, peanuts, pecans, hay, and pastures showing the greatest declines, but marketings of livestock and poultry are increasing substantially.

Prices received by farmers for most farm products are below last fall's prices, with eggs, rice, chickens, hogs, beef cattle, milk, and corn showing the greatest declines. Cotton and peanut prices are above last fall's levels.

Increased livestock marketings during the latter part of this year will offset part of the substantial loss in cash receipts from crop marketings.

Monetary Policy in 1954

Program of Ease Affects Bank Loans, Home Values, Capital Issues

Monetary conditions during the first ten months of 1954 continued to be dictated by the policy of ease adopted in the late spring and summer of 1953. Although actions taken by the Open Market Committee, the Board of Governors, and the twelve Federal Reserve Banks were relatively unspectacular during most of the year, their effect probably reduced the impact of the seventeen-month old recession. District banks and local business generally felt these effects, but they may not have easily identified them as the product of monetary policy.

All Three Reserve Weapons Used in 1954

The Reserve System has three weapons at its command which it can use to alleviate the swings in the business cycle—open market operations, reserve requirements, and the discount rate. During 1954, all three of the weapons were used in an attempt to slow the slide in economic activity and, if possible, turn it the other way.

Open market operations during the year aimed at providing banks with ample reserves to satisfy the credit demands of the economy without so flooding the money and capital markets with presumably temporary funds that the long-term requirements of savers and investors would cease to be served and users of funds would gain little advantage from a further artificial lowering of rates and superabundance of credit. During the first part of the year, pursuit of this policy meant that the System sold securities in order to offset the seasonal decline in credit demand. As the fall seasonal credit demand began to appear, the System commenced to purchase securities and between the first of September and mid-October added about three-fourths of a billion dollars to bank reserves through this route.

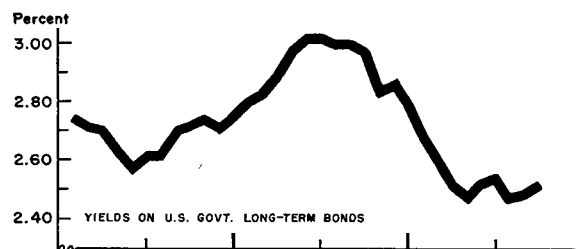
On two different occasions since the first of the year **reserve requirements** were reduced. In mid-June a reduction of one percentage point in reserve requirements on demand deposits of banks in New York and Chicago and one percentage point on time deposits of all banks made 600 million dollars available to banks. In late July and August, a further reduction in reserve requirements released an additional 900 million dollars, actually making necessary open market sales of securities to prevent an unduly easy money market.

Early in February and again in April, **discount rates** were reduced. The February reduction from 2 to $1\frac{3}{4}$ percent in the rate charged by Federal Reserve Banks lending to commercial banks was followed by an announcement that commercial banks in major cities were reducing the rate of interest charged to prime business customers. The second reduction, from $1\frac{3}{4}$ to $1\frac{1}{2}$ percent, however, produced no similar reaction.

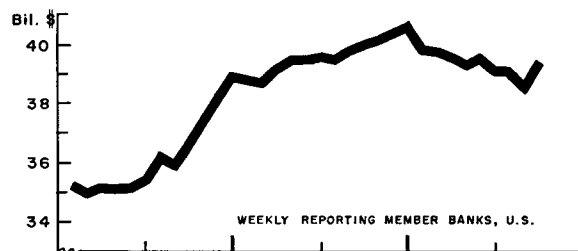
Commercial Banks Affected Directly

Monetary policy during 1954 has been aimed at **easing reserve positions** of commercial banks so that lack of reserve funds did not, in itself, tend to restrict the expansion of bank credit if demand for such an expansion existed. Commercial banks in general have substantially reduced their debt to Federal Reserve Banks, and some commercial banks—principally those in smaller cities—have

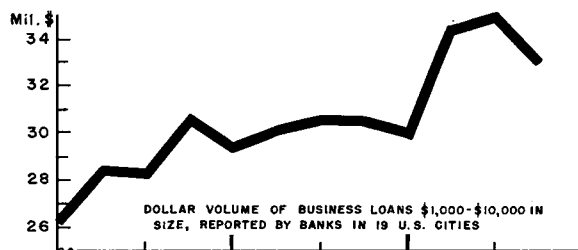
Bond prices have increased as yields have fallen



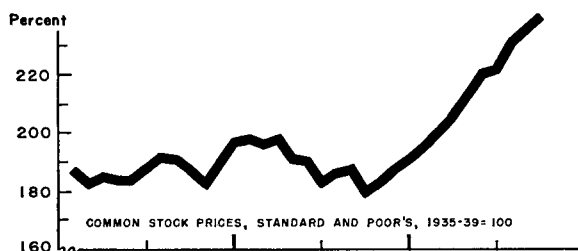
When total loans began to stabilize,



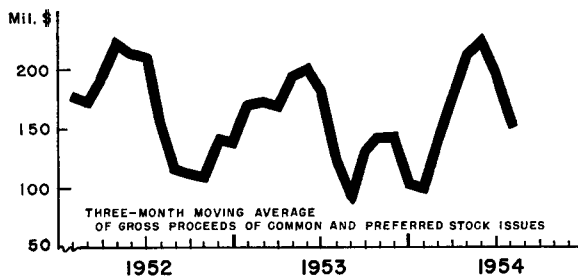
Loans to small business apparently rose



Prices of corporate stocks also rose



And new issues remained in good volume



increased the amount of reserves held idle. At present, if all excess reserves of member banks were utilized, a three- to four-billion dollar increase in the volume of credit outstanding would ensue.

The abundance of reserves **lowered the rates of earnings on new investments**. Eased reserve positions, of course, increased the supply of bank funds available for purchases of investments, and partly as a result security prices rose and yields fell. Yields on long-term Government bonds have fallen about one-tenth since the end of 1953 and on medium-term securities about one-fifth. Treasury bill yields, however, have fallen by one-third or more. Both in the District and elsewhere member banks have begun to feel a shrinking in this source of income, causing them to cast about for other earning opportunities.

A rise in capital values of previously purchased securities in bank portfolios acted to encourage shifts out of investments and into loans, whenever loan demands justified, at the same time that declining interest rates were acting to reduce the rate of earnings on new investments. In particular, banks in smaller cities during 1954 were probably encouraged to expand loans because they could sell securities at a capital gain.

Banks React in Loan and Investment Policies

Despite eased reserve positions some banks felt a reduced demand for credit by their customers, although in the Sixth District total member bank loans continued to expand during 1954. In other sections, however, when the volume of loans declined, commercial banks **increased security holdings** by as much or slightly more than the drop in loans. As a result total bank deposits expanded in spite of a comparatively mild loan demand.

The expansion of total bank deposits, approximating six billion dollars in the 12 months prior to October, in itself acted to encourage bank lending. Particularly in smaller banks the recent deposit trend is probably more important than any other single factor in determining lending policy. In 1954 loan expansion continued in banks located in smaller communities, and although customer loan rates in these communities probably were not greatly different from those prevailing in 1953, in major cities **business loan rates fell** during the year.

Loan policies of commercial banks during 1954 showed changes not only in the average rate of interest charged to borrowers but also in the **type of borrowers** they were willing to accommodate. Here the evidence is very uncertain. Nevertheless, if there is any association between size of loan and size of borrower, small business must have been accommodated more this year than last. There was a 10-percent increase in loans of \$1,000 to \$10,000 size from December 1953 to September 1954 in the face of declines in larger size loans at a sample of banks in 19 cities throughout the country reporting lending volume data by loan size.

Other Institutions Similarly Affected

All types of financial institutions, of course, felt the effects of an easy money policy. The reduction in interest rates

and the improved availability of credit were probably stimulating to the economy in two ways.

First, in spite of the success of the construction industry in reducing the postwar physical housing shortage, the volume of homebuilding remained extremely high in 1954. One immediate cause of high homebuilding volume has undoubtedly been eased money conditions, which have resulted in relatively **stable prices of new homes**. Because of declines in yields on market securities, the relative attractiveness of mortgages improved in 1954 and many nonbank lending institutions were encouraged to grant more favorable terms to would-be purchasers of homes. The result was an increase in the number of families able to meet credit standards of lenders and therefore able to bid for housing. In the short run, stable housing prices thus encouraged speculative building, much of which would not have materialized in a period of falling housing prices.

Second, falling interest rates during most of the last half of 1953 and so far in 1954 have undoubtedly contributed to the **rise in prices of corporate equity securities**. Income-earning assets in general are subject to price increases in periods of falling interest rates because a fixed return is capitalized for a greater sum at a lower, rather than a higher, rate of interest and the stock market frequently reacts in the same general manner as the markets for other income-earning assets. Rising prices in corporate equities, of course, have encouraged stock flotations and perhaps aided in maintaining a high level of corporate investment. Deterioration of security markets which has been conspicuous in previous recessions has been equally conspicuous by its absence during 1954.

In a moderate recession such as the present one, monetary policy performs a useful service by so assuring plenty of low-cost credit that particular sectors of the economy still enjoying a high demand for their product find it easy and profitable to expand production facilities. If these sectors are important enough in the total economy or if a new stimulus to expansion occurs, the decline in economic activity can perhaps be reversed. During the first ten months of 1954, although no enormously important stimulus to economic expansion appeared, monetary policy has undoubtedly been successful in aiding the maintenance of high rates of activity in several major sectors of the economy.

THOMAS R. ATKINSON

*The Monthly Review is published regularly
by the Research Department of the Federal
Reserve Bank of Atlanta, Atlanta, Georgia.
Single or multiple copies may be obtained
free of charge upon request.*

The Rim of the Saucer?

Since mid-1954 economists have actively sought signs that the economy is once again on the upgrade. Those who trace the economy's course by plotting economic statistics on charts have searched for the characteristic saucer-like curve which, they explain, has historically appeared in some series of economic data between recession and recovery. Efforts to find that historic pattern have brought various interpretations of the current economic scene. Some observers believe the downward trend in economic activity is continuing; some believe the recession has hit bottom. Others read the charts and are convinced that the economy is climbing the rim of the saucer.

The National Economy

There is some evidence that the decline in national economic activity has halted or—more succinctly—that it has “bottomed out.” Stability in industrial output this year at about 9 percent below the peak of 1953 tends to support this view. Unemployment, which reached a high in March of this year, has been gradually reduced and according to the latest data on insured unemployment, the decline in numbers of unemployed workers is continuing. Changes in production and employment between June 1953 and March 1954 indicate that a recession did occur and that it reached a low point, but the average of all wholesale prices and consumer prices held reasonably steady. Since spring, stable prices and output have prevented a further decline in the nation's gross national product, which declined in the latter part of 1953 and early 1954.

Some areas of economic activity such as construction have shown great vitality through the summer. Spending by consumers at a record annual rate of 234 billion dollars in the third quarter of 1954 has also been gratifying. Another source of satisfaction is the recent quickening in some lines that had previously experienced a slowing-up in tempo. Production of primary metals, electrical equipment, lumber products, and nondurable goods, for example, started to edge up in September. And though business inventories were still being reduced, the rate of reduction had slackened. Finally, it is worth noting that the amount of consumer instalment credit outstanding rose about 684 million dollars between March and August, following a sharp decline that began in January 1954.

Increased output in some lines, improvements in the inventory situation, and consumers' renewed use of credit could bring a further rise in general economic activity, although just now the magnitude of these forces seems insufficient to offset reductions in business spending for durable equipment, in Federal spending, and in farm income. The annual rate of spending on durable equipment by business firms fell about 2.4 billion dollars between the third quarter of 1953 and the second quarter of 1954. Estimates by the Department of Commerce on expenditures of business firms indicate a cutback in such spending in the fourth quarter of 1954. Cash outlays of the Government in fiscal 1955 are expected to be down an estimated

2.4 billion dollars from outlays a year earlier, and the decline in farm income that started in 1951 continues.

Sixth District Developments

Economic changes in the Sixth District, like those in the nation, manifest mixed tendencies. Industrial activity has been low, but is improving slightly. Factory employment in August was 6 percent below its 1953 peak on a seasonally adjusted basis, principally because of the poor performance of the lumber and textile industries. Since springtime, manufacturing employment has gotten some support from the opening of new plants such as the Rayonier plant at Jesup, Georgia, the General Electric plant at Rome, Georgia, and the Bowaters Southern paper plant at Calhoun, Tennessee. More recently, total factory employment has risen by the normal seasonal amount. Factory payrolls have also risen but no more than seasonally.

Although Factory Employment Not Up Much, Insured Unemployment at New Low

One sign of modest industrial recovery is the September decline in insured unemployment to the lowest point of the year. Although the total number of District unemployed workers has declined recently, improvements in Chattanooga, Knoxville, and Columbus, and nine minor areas have not yet been great enough to warrant removing those areas from the “substantial labor surplus” classification. Recall of workers in furniture, textile, construction, and cotton oil industries in Jackson, Mississippi, however, has been sufficient for a reclassification of that city.

Steel May Be Strengthening Force but Lumber Still Somewhat Weak

Another reason for hope that industrial activity in the District is at least moving into a normal seasonal upswing is the rise since late August in steel production at Birmingham, Alabama. The steel operating rate there rose from 58 percent of capacity on August 19 to 74 percent on October 14. Increased steel production has been accompanied by a gain in the region's textile activity, as indicated by a modest rise of 4 percent in the seasonally adjusted index of cotton consumption between July and September. This rise has come after a desultory and dragging pattern of consumption during the first part of the year.

Unfortunately, the District's important lumber industry is not adding much, if any, steam to the fall upswing. During the summer, demand for southern pine increased because of a strike of lumber workers on the West Coast. That demand was met largely from inventories. Yet stocks in District states remain above year-ago levels. Despite the relatively large stocks, pine lumber prices have been fairly steady, indicating that demand has not weakened. Even so, not much increase in lumber production is likely until stocks are further reduced or demand picks up sharply.

Construction Likely to Continue Strong

Construction activity has been a strong sustaining force in the District as well as in the nation, and seems likely to

continue in that role. Construction contracts awarded for residential and nonresidential building increased during August and were greater than awards a year ago. This gain adds to the record value of contracts awarded in the District during early 1954 and helps to assure a high rate of construction through the fall and early winter months.

Consumer Spending Shows Seasonal Rise

A recovery in consumer spending has also been a support for District business this year. New automobile sales in the first part of the year, for example, were higher than in 1953, with May and June sales especially heavy. Continued high department and furniture stores sales since the recession low point in March also indicate that consumers have been spending more freely. In most months since March, major appliance and floor covering sales have been running ahead of last year.

Consumers' changed pattern of spending is also reflected in their use of credit. Consumers decreased their indebtedness to banks between October 1953 and May of this year.

In June, however, they began borrowing more heavily, principally to buy automobiles and to pay other bills. Since July they have been borrowing more from banks to buy various types of hard goods. Gains in most types of loans since June, however, have been less than seasonal.

There is little evidence that the free spending stream of many of the District's urban consumers is likely to dry up this fall. On the other hand, there is severe distress in rural areas of the District where extreme drought persists. Farm cash receipts in the region will likely be off about a tenth from 1953 receipts. Because of lower incomes, farm families will unquestionably reduce their spending and avoid new debt as much as possible. For that reason there is small likelihood that total District consumer spending will rise more than seasonally this fall.

Business Spending and Bank Loans Lag

Although total consumer spending shows signs of rising seasonally, business spending is tending to be slack. Businessmen's plans for plant construction and expansion, for instance, have apparently been altered in recent months. In the first half of 1954 the number of announcements for new and expanded plants was unchanged from recent comparable periods. In the third quarter of this year, however, announcements were small in number, compared with like months in former years. Nor is business spending for inventories likely to be spectacular. District wholesale inventories this year have been slightly higher than in 1953, with the greatest concentration in automobile, appliance, and refrigeration equipment lines. Department stores and furniture stores reduced their inventories significantly earlier in the year. There has been a pick-up in their new orders, however, apparently because the gain in sales since early summer has eaten into their mid-year stocks sufficiently to stimulate reordering. But such inventory replenishment is unlikely to cause much of a rise in national production.

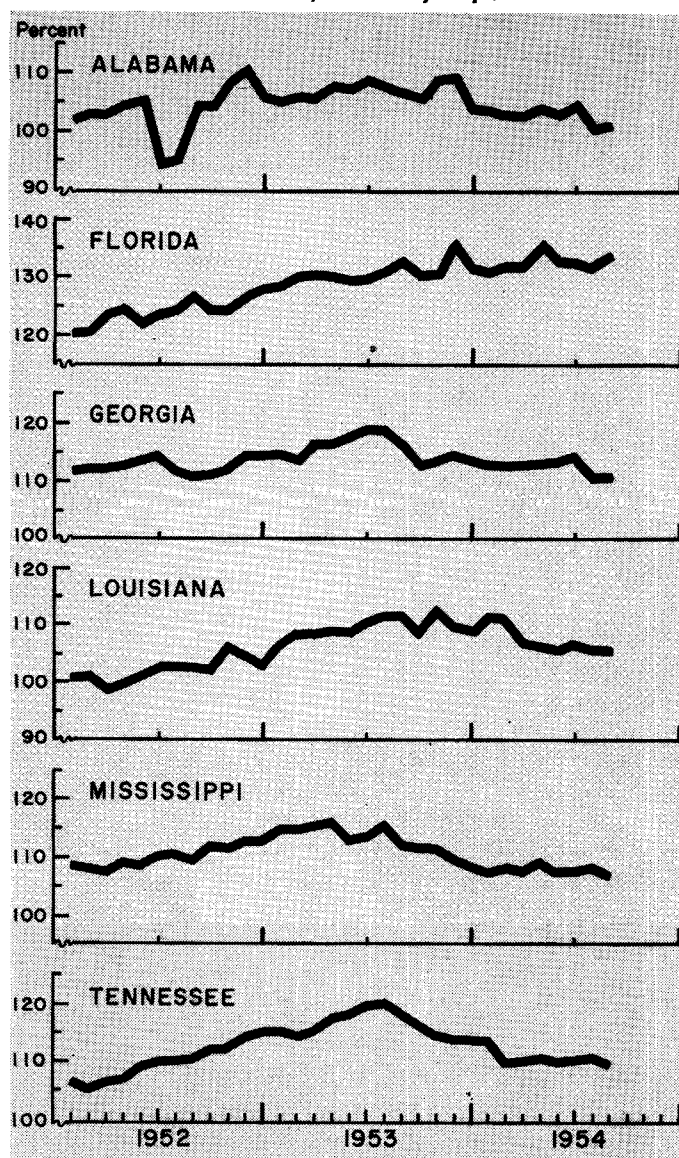
Trends in District bank loans fail to show that the region's economy is in a marked upswing. In fact, bank loans indicate that the increase in business activity has been no greater than would ordinarily be expected at this time of the year. Total loans at selected banks in the District have been well above 1953 levels during most of the year and since August have risen in a seasonal manner. Since District banks currently have very large excess reserves, compared with 1952 and 1953, there is little reason to expect that a shortage of funds will curtail bank loans and therefore bring about a slackening in business activity.

Saucer Shallow and Broad

Business activity in the District and the nation remains high and evidently there has been a hesitant recovery from the 1953 recession. The hope for a further advance in economic activity rests largely on the building boom and consumers' apparent willingness and ability to spend. There is, however, a counter-balancing slackness in business and Government expenditures and in farm income. Failure of District business to show more than seasonal improvement so far this year suggests that a substantial revival in economic activity has not begun. This creates suspicion that the nation's current economic saucer is shallow but broad.

ARTHUR H. KANTNER

MANUFACTURING EMPLOYMENT SINCE 1952
1947-49 = 100, Seasonally Adjusted



Sixth District Statistics

Instalment Cash Loans

| Lender | No. of Lenders Reporting | Volume | | Outstandings | |
|-------------------------------------|--------------------------|--------------------------------|------------|--------------------------------|------------|
| | | Percent Change Sept. 1954 from | | Percent Change Sept. 1954 from | |
| | | Aug. 1954 | Sept. 1953 | Aug. 1954 | Sept. 1953 |
| Federal credit unions | 37 | —3 | +10 | +2 | +15 |
| State credit unions | 18 | —9 | +19 | —2 | —3 |
| Industrial banks | 8 | +3 | +3 | +1 | —3 |
| Industrial loan companies | 11 | —7 | +9 | +1 | +3 |
| Small loan companies | 33 | —5 | +3 | —0 | +0 |
| Commercial banks | 33 | —3 | —1 | +0 | —1 |

Condition of 27 Member Banks in Leading Cities (In Thousands of Dollars)

| Item | Oct. 20 1954 | Sept. 15 1954 | Oct. 21 1953 | Percent Change Oct. 20, 1954, from | |
|---|--------------|---------------|--------------|------------------------------------|--------------|
| | | | | Sept. 15 1954 | Oct. 21 1953 |
| Loans and investments— | | | | | |
| Total | 3,186,832 | 3,123,656 | 2,939,882 | +2 | +8 |
| Loans—Net | 1,302,970 | 1,258,327 | 1,273,661 | +4 | +2 |
| Loans—Gross | 1,324,786 | 1,280,148 | 1,295,287 | +3 | +2 |
| Commercial, industrial, and agricultural loans | 749,496 | 716,558 | 744,836 | +5 | +1 |
| Loans to brokers and dealers in securities | 14,769 | 15,513 | 13,690 | —5 | +8 |
| Other loans for purchasing or carrying securities | 32,475 | 33,391 | 37,519 | —3 | —13 |
| Real estate loans | 99,652 | 95,264 | 89,963 | +5 | +11 |
| Loans to banks | 7,167 | 7,000 | 6,314 | +2 | +14 |
| Other loans | 421,227 | 412,422 | 402,965 | +2 | +5 |
| Investments—Total | 1,883,862 | 1,865,329 | 1,666,221 | +1 | +13 |
| Bills, certificates, and notes | 710,128 | 702,342 | 762,877 | +1 | —7 |
| U. S. bonds | 884,791 | 882,810 | 636,212 | +0 | +39 |
| Other securities | 288,943 | 280,177 | 267,132 | +3 | +8 |
| Reserve with F. R. Bank | 534,173 | 490,416 | 505,769 | +9 | +6 |
| Cash in vault | 46,079 | 46,610 | 45,978 | —1 | +0 |
| Balances with domestic banks | 244,997 | 271,865 | 225,319 | —10 | +9 |
| Demand deposits adjusted | 2,269,123 | 2,254,534 | 2,139,505 | +1 | +6 |
| Time deposits | 610,044 | 604,016 | 577,163 | +1 | +6 |
| U. S. Gov't deposits | 133,881 | 71,500 | 64,704 | +87 | * |
| Deposits of domestic banks | 709,985 | 723,561 | 648,225 | —2 | +10 |
| Borrowings | 12,400 | 5,000 | 36,400 | * | —66 |

*100 percent or over.

Department Store Sales and Inventories*

| Place | Sales | | | Inventories | |
|-----------------------------------|---------------------------|----------------------------|-------------------------|-----------------------------------|---------------|
| | Percent Change | | | Percent Change | |
| | Sept. 1954 from Aug. 1954 | Sept. 1954 from Sept. 1953 | 9 months 1954 from 1953 | Sept. 30, 1954, from Aug. 31 1954 | Sept. 30 1953 |
| ALABAMA | +10 | +0 | —4 | +9 | —3 |
| Birmingham | +20 | +3 | —4 | +11 | +1 |
| Mobile | —9 | —5 | —3 | .. | .. |
| Montgomery | —4 | +4 | —2 | .. | .. |
| FLORIDA | —6 | +1 | +1 | +6 | +1 |
| Jacksonville | —7 | +1 | +2 | +13 | —5 |
| Miami | —8 | +3 | +1 | +1 | +3 |
| Orlando | —1 | +1 | +2 | .. | .. |
| St. Ptersbg-Tampa Area | —3 | —1 | —1 | .. | .. |
| St. Petersburg | +0 | +1 | —2 | +12 | +3 |
| Tampa | —5 | —3 | +1 | .. | .. |
| GEORGIA | +6 | +2 | —1 | +9 | —5 |
| Atlanta** | +5 | +3 | +1 | +10 | —1 |
| Augusta | +10 | —2 | —4 | .. | .. |
| Columbus | +0 | +2 | +0 | +0 | —20 |
| Macon | +10 | —11 | —9 | +5 | —5 |
| Rome** | +15 | —9 | —9 | .. | .. |
| Savannah** | +15 | +11 | —4 | .. | .. |
| LOUISIANA | —1 | +3 | +2 | +7 | —4 |
| Baton Rouge | +9 | —2 | —0 | +8 | +3 |
| New Orleans | —4 | +3 | +1 | +6 | —5 |
| MISSISSIPPI | +7 | +4 | —3 | +10 | —1 |
| Jackson | +10 | —1 | —3 | +11 | —3 |
| Meridian** | +9 | —13 | —4 | .. | .. |
| TENNESSEE | +7 | +1 | —1 | +9 | —7 |
| Bristol (Tenn. & Va.)** | —2 | —10 | —6 | +4 | —14 |
| Bristol-Kingsport | .. | .. | .. | .. | .. |
| Johnson City** | +1 | —12 | —8 | .. | .. |
| Chattanooga | +12 | —1 | —2 | .. | .. |
| Knoxville | +9 | +9 | +4 | +13 | +4 |
| Nashville | +3 | —3 | —4 | +8 | —13 |
| DISTRICT | +3 | +1 | —1 | +8 | —2 |

*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 that is not confined exclusively to department stores. Figures for non-department stores, however, are not used in computing the District percent changes.

Debits to Individual Demand Deposit Accounts (In Thousands of Dollars)

| Place | September 1954 | August 1954 | September 1953 | Percent Change | | |
|----------------------------|----------------|-------------|----------------|---------------------------|----------------------------|--------------------------------------|
| | | | | Sept. 1954 from Aug. 1954 | Sept. 1953 from Sept. 1954 | Year-to-date 9 months 1954 from 1953 |
| ALABAMA | | | | | | |
| Anniston | 31,542 | 29,230 | 31,469 | +8 | +0 | —3 |
| Birmingham | 462,562 | 414,089 | 432,097 | +12 | +7 | +3 |
| Dothan | 19,952 | 19,131 | 19,762 | +4 | +1 | +5 |
| Gadsden | 24,075 | 21,447 | 24,616 | +12 | —2 | —6 |
| Mobile | 183,714 | 186,502 | 184,728 | —2 | —1 | +5 |
| Montgomery | 110,553 | 101,730 | 103,815 | +9 | +6 | +4 |
| Tuscaloosa* | 35,242 | 32,524 | 36,263 | +8 | —3 | +1 |
| FLORIDA | | | | | | |
| Jacksonville | 468,106 | 509,965 | 395,261 | —8 | +18 | +11 |
| Miami | 394,549 | 400,912 | 346,136 | —2 | +14 | +10 |
| Greater Miami* | 614,835 | 600,973 | 513,449 | +2 | +20 | +11 |
| Orlando | 86,056 | 82,668 | 77,298 | +4 | +11 | +5 |
| Pensacola | 53,615 | 55,153 | 53,326 | —3 | +1 | +2 |
| St. Petersburg | 97,318 | 89,300 | 81,602 | +9 | +19 | +9 |
| Tampa | 188,423 | 179,071 | 161,807 | +5 | +16 | +6 |
| West Palm Beach* | 50,103 | 53,362 | 48,322 | —6 | +4 | +3 |
| GEORGIA | | | | | | |
| Albany | 40,922 | 38,677 | 38,462 | +6 | +6 | —0 |
| Atlanta | 1,296,034 | 1,263,840 | 1,358,966 | +3 | —5 | +4 |
| Augusta | 84,073 | 77,623 | 87,271 | +8 | —4 | —6 |
| Brunswick | 13,119 | 13,768 | 11,475 | —5 | +14 | +7 |
| Columbus | 83,914 | 76,506 | 77,952 | +10 | +8 | —1 |
| Elberton | 5,377 | 3,975 | 5,608 | +35 | —4 | —7 |
| Gainesville* | 35,529 | 29,965 | 30,127 | +19 | +18 | +14 |
| Griffin* | 13,987 | 12,691 | 14,469 | +10 | —3 | —6 |
| Macon | 90,598 | 85,255 | 78,339 | +6 | +16 | +3 |
| Newnan | 11,371 | 10,674 | 9,990 | +7 | +14 | +3 |
| Rome* | 32,397 | 30,115 | 32,062 | +8 | +1 | +4 |
| Savannah | 121,193 | 118,414 | 129,663 | +2 | —7 | —4 |
| Valdosta | 20,332 | 36,474 | 18,485 | —44 | +10 | +12 |
| LOUISIANA | | | | | | |
| Alexandria* | 47,962 | 45,655 | 43,304 | +5 | +11 | +6 |
| Baton Rouge | 144,380 | 129,192 | 126,018 | +12 | +15 | +3 |
| Lake Charles | 60,417 | 64,570 | 50,988 | —6 | +18 | +6 |
| New Orleans | 986,565 | 973,838 | 948,636 | +1 | +4 | +3 |
| MISSISSIPPI | | | | | | |
| Hattiesburg | 21,686 | 20,981 | 20,639 | +3 | +5 | +2 |
| Jackson | 158,692 | 164,273 | 154,106 | —3 | +3 | —2 |
| Meridian | 29,881 | 26,132 | 33,790 | +14 | —12 | —14 |
| Vicksburg | 16,549 | 13,970 | 16,706 | +18 | —1 | —1 |
| TENNESSEE | | | | | | |
| Chattanooga | 212,781 | 205,914 | 208,032 | +3 | +2 | —1 |
| Knoxville | 152,678 | 150,691 | 166,590 | +1 | —8 | —5 |
| Nashville | 445,330 | 472,365 | 436,961 | —6 | +2 | +4 |
| SIXTH DISTRICT | | | | | | |
| 32 Cities | 6,116,357 | 6,036,330 | 5,890,594 | +1 | +4 | +3 |
| UNITED STATES | | | | | | |
| 345 Cities | 149,907,000 | 151,510,000 | 147,699,000 | —1 | +1 | +7 |

*Not included in Sixth District total.

Bank Announcements

The Federal Reserve System welcomed two new members in October. One came about through the conversion of the Industrial Savings Bank of Miami into the Industrial National Bank of Miami, Miami, Florida, on October 1. The officers of this bank include Leonard L. Abess, President; Michael J. Franco, Vice President and Assistant to the President; Roy A. Perry, Executive Vice President; and Mary B. Mitchell, Cashier. Vice Presidents include H. H. Meador, and Marie G. Whaler. Assistant Vice Presidents are W. J. Dannenhauer, R. T. Paris, and Harry M. Barklow. Assistant Cashiers are Anna M. Ambler, W. B. Nelson, and Allan T. Abess, Jr. The bank's capital stock totals \$650,000 and surplus and undivided profits, \$1,078,000.

The First National Bank of Dunedin, Dunedin, Florida, converted from a state bank to a National banking association with membership in the Federal Reserve System on October 20. W. V. Register is President, G. W. Hammock is Vice President, and Raymond J. Bolles is Cashier. Floyd H. Beagles, Thelma R. Chalk, and Fred Chase are Assistant Cashiers, and S. Wilbor Edgcombe is Auditor. The capital stock amounts to \$200,000 and surplus and undivided profits to over \$250,000.

Sixth District Indexes

1947-49 = 100

| | Manufacturing Employment | | | Manufacturing Payrolls | | | Cotton Consumption ** | | | Construction Contracts | | | Furniture Store Sales */** | | |
|----------------------------|--------------------------|-----------|-----------|------------------------|-----------|-----------|-----------------------|-----------|------------|------------------------|-----------|------------|----------------------------|-----------|------------|
| | Aug. 1954 | July 1954 | Aug. 1953 | Aug. 1954 | July 1954 | Aug. 1953 | Sept. 1954 | Aug. 1954 | Sept. 1953 | Sept. 1954 | Aug. 1954 | Sept. 1953 | Sept. 1954 | Aug. 1954 | Sept. 1953 |
| UNADJUSTED | | | | | | | | | | | | | | | |
| District Total | 109 | 107 | 115 | 149 | 145r | 158r | 93 | 93 | 103 | .. | .. | .. | 95p | 100 | 98 |
| Alabama | 101 | 98 | 107r | 134 | 128r | 140r | 93 | 95 | 100 | 124 | 171 | 167 | 98 | 111 | 108 |
| Florida | 124 | 124 | 124 | 170 | 167r | 164 | .. | .. | .. | 236 | 233 | 183 | 105 | 107r | 103 |
| Georgia | 112 | 109 | 118r | 148 | 142r | 162r | 94 | 91 | 104 | 188 | 259 | 175 | 94p | 96 | 100 |
| Louisiana | 106 | 104r | 113r | 149 | 150 | 157r | .. | .. | .. | 310 | 142 | 237 | 102 | 107 | 99 |
| Mississippi | 108 | 107 | 113 | 160 | 155r | 163 | 103 | 108 | 114 | 168 | 178 | 103 | .. | .. | .. |
| Tennessee | 110 | 110 | 120r | 153 | 150r | 166r | 91 | 95 | 104 | 175 | 169 | 149 | 77p | 80r | 84 |
| SEASONALLY ADJUSTED | | | | | | | | | | | | | | | |
| District Total | 109 | 109 | 115 | 150 | 151r | 159r | 92 | 96 | 101 | .. | .. | .. | 92p | 96 | 95 |
| Alabama | 101 | 100 | 106r | 134 | 131 | 140r | .. | .. | .. | .. | .. | .. | 87 | 106r | 96r |
| Florida | 134 | 132r | 133 | 185 | 183r | 178 | .. | .. | .. | .. | .. | .. | 99 | 107r | 97r |
| Georgia | 111 | 111 | 117r | 150 | 148r | 164r | .. | .. | .. | .. | .. | .. | 95p | 91r | 101r |
| Louisiana | 105 | 105r | 111r | 148 | 148r | 155r | .. | .. | .. | .. | .. | .. | 102 | 107r | 99r |
| Mississippi | 107 | 108 | 112 | 158 | 158r | 161 | .. | .. | .. | .. | .. | .. | .. | .. | .. |
| Tennessee | 109 | 111 | 119r | 154 | 152r | 167r | .. | .. | .. | .. | .. | .. | 76p | 74r | 82r |

Department Store Sales and Stocks**

| | Adjusted | | | Unadjusted | | |
|--------------------------------|------------|-----------|------------|------------|-----------|------------|
| | Sept. 1954 | Aug. 1954 | Sept. 1953 | Sept. 1954 | Aug. 1954 | Sept. 1953 |
| DISTRICT SALES* | | | | | | |
| Atlanta ¹ | 121p | 131 | 119r | 123p | 115 | 122r |
| Baton Rouge | 128p | 122 | 123 | 137p | 125 | 132 |
| Birmingham | 107 | 114 | 108 | 115 | 102 | 117 |
| Chattanooga | 113 | 113 | 110 | 125 | 101 | 122 |
| Jackson | 117 | 124 | 118r | 129 | 110 | 130r |
| Jacksonville | 108 | 110 | 101r | 112 | 98 | 114r |
| Knoxville | 100 | 117 | 99 | 98 | 102 | 98 |
| Macon | 130 | 130 | 119 | 135 | 119 | 123 |
| Miami | 116 | 129 | 131r | 129 | 112 | 145r |
| Nashville | 136 | 156 | 133r | 112 | 117 | 109r |
| New Orleans | 106 | 113 | 110r | 110 | 103 | 114r |
| St. Ptsbg-Tampa Area | 123p | 134 | 120 | 123p | 124 | 120 |
| Tampa | 127 | 142 | 129r | 116 | 115 | 117 |
| Tampa | 114 | 131 | 118 | 109 | 110 | 112 |
| DISTRICT STOCKS* | 143p | 136 | 146r | 147p | 136 | 151r |

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 | | |
|---|------------|-----------|------------|------------|-----------|------------|
| | Sept. 1954 | Aug. 1954 | Sept. 1953 | Sept. 1954 | Aug. 1954 | Sept. 1953 |
| Construction contracts* | | | | | | |
| Residential | .. | .. | .. | 206 | 210r | 187 |
| Other | .. | .. | .. | 191 | 210r | 211 |
| Petrol. prod. in Coastal Louisiana and Mississippi* | 128 | 130 | 146r | 127 | 130 | 144 |
| Furniture store stocks* | 109 | 106 | 125 | 109 | 103 | 125 |
| Turnover of demand deposits* | 19.9 | 21.7 | 19.2 | 20.3 | 20.2 | 19.6 |
| 10 leading cities | 21.3 | 24.0 | 20.8 | 21.5 | 21.6 | 21.0 |
| Outside 10 leading cities | 17.1 | 17.5 | 15.8 | 17.1 | 16.6 | 15.8 |
| | Aug. 1954 | July 1954 | Aug. 1953 | Aug. 1954 | July 1954 | Aug. 1953 |
| Elec. power prod., total** | .. | .. | .. | n.a. | 210 | 188 |
| Mfg. emp. by type | | | | | | |
| Apparel | 139 | 139 | 145r | 140 | 136 | 147r |
| Chemicals | 124 | 124 | 123r | 120 | 119 | 120r |
| Fabricated metals | 142 | 146 | 168r | 140 | 138 | 165r |
| Food | 110 | 110 | 109r | 111 | 107 | 111r |
| Lbr., wood prod., furn. & fix. | 84 | 84 | 90r | 85 | 84 | 91r |
| Paper and allied prod. | 144 | 144 | 144r | 144 | 142 | 144r |
| Primary metals | 93 | 93 | 101r | 93 | 92 | 101r |
| Textiles | 91 | 88 | 98r | 91 | 87 | 99 |
| Trans. equip. | 169 | 172 | 181r | 162 | 167 | 174r |

r Revised
p Preliminary
n.a. Not Available

