

Monthly Review

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DISTRICT BUSINESS HIGHLIGHTS

The expansion in District economic activity, with few exceptions, has gained momentum. Consumer buying has risen to new heights; bank loans and debits have increased; insured unemployment has declined contra-seasonally; and residential contract awards have been maintained at record highs. Manufacturing activity, however, has improved only slightly, and prospects for agricultural income have been materially diminished by adverse weather in some areas.

Department store sales, seasonally adjusted, rose to record peaks in early March.

Furniture store sales, seasonally adjusted, continued upward in February.

New car registrations in January were considerably ahead of the previous year, and in Atlanta they continued to increase sharply in February.

Credit sales at District department stores in February accounted for a larger proportion of total sales than they did a year earlier.

Bank debits, after seasonal adjustment, increased in February and were well above the year-earlier level.

Total deposits at member banks increased at a seasonal rate in February and were considerably higher than a year earlier.

Total loans at member banks, seasonally adjusted, increased during February and according to preliminary data continued to gain during March.

Insured unemployment dropped somewhat in February, although increases are customary during that month.

Residential contract awards during February were about the same as for January, but were the largest for any February on record.

Steel operations, as a percent of capacity, rose further between mid-February and mid-March in Birmingham, but were still slightly below those in the nation.

Manufacturing employment, after seasonal adjustment, remained almost unchanged during January; seasonally adjusted manufacturing payrolls fell slightly.

Agricultural income prospects have worsened because of severe damage to the peach, pecan, tung, strawberry, and grain crops from the freezing temperatures and because of the drought conditions which are persisting in South Georgia, South Alabama, and North Florida.

Farm employment this spring has been less than normal, principally because adverse weather conditions have interfered with springtime farm work.

Acreages of cotton, rice, tobacco, and corn will be smaller than last spring, but acreages of oats, soybeans, potatoes, and hay will be larger if farmers follow present intentions.

Broiler prices have held at the higher levels reached in February, and farmers have consequently scheduled a significant increase in broiler production.

Member bank borrowings declined in mid-March, but remained at moderately high levels.

Tufted Textiles

Rapid Development of a Local Industry

Southern industrial development is thought by many to have been achieved almost solely through the transfer of industry from other sections of the United States. Although this has occurred to a certain extent, other types of industrial development undoubtedly have been of greater importance. The establishment of branch plants by national firms in recent years has been more often in the nature of a general expansion of these companies than a transfer of their operations.

A considerable amount of native industrial development has taken place. Local entrepreneurs using local capital have organized many manufacturing firms in the District, and these have merely grown along with the economy of the region and with the national market. A striking example of an industry that originated in the District and developed in this manner, but which has recently begun to lose some of its local, small-size characteristics, is the tufted textile business.

The origin of the tufting industry can be traced to 1900, when a Dalton, Georgia, farm girl who had revived the art of hand tufting sold her first tufted (chenille) bedspread. For the next twenty years, neighboring housewives preoccupied themselves with the tufting of bedspreads for sale. The commercial success enjoyed by these women induced their husbands to form tufting businesses, and individuals who had manufactured textile products elsewhere in the District and outside the region were also attracted to the industry. Hand tufting, however, in the homes of nearby mountain people remained the principal method of manufacturing until minimum wage and hour laws were enacted in the early 1930's, which made such operations unprofitable and hastened the introduction of machinery and a change to the factory system. Tremendous strides in the development of machinery since then has made possible an increasing variety of tufted products.

Rapid Growth Since World War II

The principal expansion of the industry, therefore, is of recent origin. As late as 1939, for example, manufacturers' shipments totaled only 15 million dollars, according to the Tufted Textile Manufacturers Association. Bureau of Census data indicate that shipments of tufted products in 1953 amounted to about 165 million dollars, and in the first half of 1954, such shipments were 16 percent above the like period of 1953.

Although shipments of tufted robes and bedspreads declined in 1953, the latest year for which data are available, the value of shipments of floor coverings increased sharply. Rug production did not exceed 3 million square yards before World War II, and most of that consisted of bathmats and bath sets, but with the introduction of scatter rugs, total output rose considerably. More recently room-size rugs and wall-to-wall carpeting brought total production of tufted floor coverings to more than 29 million square yards in 1952. The value of shipments of tufted carpeting and rugs in the first half of 1954 accounted for about three-fourths of all tufted product shipments during that period.

There are probably no more than 20,000 employees engaged in tufting production in the nation, but this industry is of considerable importance in northern Georgia and to a lesser extent in eastern Tennessee, where most of the plants in the nation are located. In Georgia, in Whitfield County alone, of which Dalton is the county seat, more than 8,300 covered workers were employed in tufting factories and finishing plants in September 1954.

Shipments of Tufted Textile Products, f.o.b. Plant U. S. Manufacturers



That geographical concentration continued in or around the industry's birthplace reflects various economic forces. During the early stages of development, availability of low-cost labor in the area and the native handicraft tradition induced tufting firms to locate there. Subsequently, manufacturers of tufting machines, suppliers of yarn and other materials, and eventually finishing plants began to locate in the same general area, with the result that tufting firms already there remained and new ones moved in.

These external economies are somewhat less applicable to the making of floor coverings than bedspreads so that the trend is toward slightly greater dispersion. Several woven carpet manufacturers who have recently gone into tufted rug making have located or are about to locate outside the traditional tufted textile area. Some conventional rug mills, however, either do their own producing or have it done at plants within a 75-mile radius of Dalton, where practically all tufted floor covering plants are found.

Economic Structure Changing

About two-thirds of Georgia's manufacturers of miscellaneous fabricated textiles, largely consisting of tufted bedspreads, employed less than 20 workers each as recently as 1947, an indication of the extremely small size of many manufacturers at one time. Today, the average company is apparently larger. Despite the entry of carpeting firms, the total number of tufting concerns has declined since 1946 from more than 300 to about 150, largely as a result of consolidations and failures. Total output has become more concentrated in the hands of fewer firms. According to persons intimately associated with the industry, less than twenty firms were responsible for about 50 percent of total output in 1953. The degree to which companies are locally owned has declined with the entry of national concerns.

Changes in the economic structure of the industry have occurred because the firms have been forced to adjust to technological advances and product diversification. A firm manufacturing carpets would have to be fairly large to succeed because of the intricate operations involved and the expensive machinery requirements. Less than 30 companies belonging to the trade association, which claims to represent producers of 80 percent of output of tufted carpets and rugs, were engaged in this activity last year, and only a handful of these were traditional carpet and rug manufacturers who had gone into tufting because their sales and profits had declined in the last few years. Other influences causing this shift undoubtedly included a change in consumer tastes toward tufted rugs and the low cost of producing a tufted carpet, compared with that of producing a woven one. Some observers estimate that sales of tufted carpets made up more than one-third of all carpet sales in 1954.

These changes in structure are impressive, but the industry is, nevertheless, still one of fairly small operations and is composed of a number of comparatively small firms. Even the largest company engaged solely in the manufacture of tufted products probably employs no more than 1,500 persons. Most firms still specialize in only one or two major products, and usually they do not spin the yarn or weave the duck and other backing.

Capital Investment Rising

Costliness of the equipment naturally would be less of a handicap to an old, established, large rug concern, than to the typical tufted bedspread or bathroom-set manufacturer who considers going into carpet production. Frame-type or so-called yardage machines that can turn out tufted broadloom usually cost more than 10,000 dollars each, and often twice that much. Some machines tuft floor coverings up to 15 feet in width and contain as many as 1,200 needles. Once the roll of duck, or jute, is fed into the machine, these needles tuft either loops or cut pile into the backing at much greater rates than the looms that turn out woven carpets. The yarn that goes into the tufting machine comes from many spools mounted on a creel, a piece of equipment costing an additional few thousand dollars. The finishing of the carpet, however, involves the costliest investment, sometimes running as much as several hundred thousand dollars. The necessary equipment is elaborate; in a sequence of principal operations, it washes and dyes the carpet, extracts moisture from it, rubberizes its underside, and dries the latex.

Making bedspreads, bathmats, and small rugs today involves a greater capital outlay than in years gone by, but the machinery used for this purpose is far less intricate and costly than that used for carpets, especially in the finishing process.

Floor coverings account for major proportion of total tufted production, whereas in 1946 bedspreads were most important, as measured by value of U. S. manufacturers' shipments



A typical medium- or large-size manufacturer today makes a bedspread on a smaller yardage machine than that used for carpets. The design is traced on an electric drum that then imprints it on a bolt of sheeting. The yardage machines produce the entire pattern or, if the design is complicated, a partial pattern, in which case, operators using punchwork or small table machines finish the job after the tufted cloth is cut into segments. The bedspread is later dyed, washed, extracted, and dried in a large laundry tumbler.

The typical small operator uses table machines that cost only several hundred dollars—in some cases even for making room-size rugs. Some firms arrange with others possessing yardage machines to tuft rugs for them. It is not essential, and in many cases it is uneconomical, for companies to have their own finishing plant because there are firms that specialize in this work. These outside facilities, however, are considered by many to be inadequate. Few large carpet manufacturers do their own finishing, but an increasing number of bedspread, bathmat, and scatter rug firms do so. One reason why so many small operators can survive is that labor and raw materials are such a large proportion of total costs, although growing mechanization is undoubtedly putting the smaller-size firm at an increasing disadvantage.

Other Distinguishing Characteristics

The tufting industry is a seasonal business, probably less so now than in the past because seasonal variations in consumer purchases of tufted rugs and carpets are not extremely pronounced. Skill requirements in general have diminished, yet they remain comparatively high. Because men are usually employed on yardage machines whereas women work on table models, the proportion of women employed in the industry has declined, but it is believed that women still outnumber men. As the industry came to use more male labor and as rug production became more important, the average wage rate became larger. Hourly wages are probably not much different from those received by the District's textile workers, who averaged \$1.20 an hour last year.

Financing by Banks and Factors

Tufting firms meet some of their capital needs by borrowing from District financial institutions. Although several banks that are located in the principal area of tufting production have had little experience with lending to this industry, a small number of them have engaged in such financing to a considerable extent. Much of the credit extended has been for the purpose of satisfying working capital requirements, which are fairly considerable, not only because of the seasonal nature of both production and sales but also because tufting firms frequently offer longer credit terms than they receive from their own suppliers.

Some banks have extended lines of credit to selected manufacturers who used the borrowed funds primarily to buy raw materials or to build up finished goods inventories before the beginning of a season. A number of companies that do not have their accounts factored rely on banks to lend to them on receivables. Equipment financing is probably less common than accounts receivable financing. Some bankers have been reluctant to lend to tufting firms that have enjoyed such remarkable growth that their capital structure has become inadequate.

Factors are a fairly important source of short-term

capital. Although some of them have made loans to carry inventories, their principal activity is apparently the financing of accounts receivable. The factor commonly assumes the credit risk, does the collecting of invoices for the manufacturer, and pays him a large advance payment almost immediately after the merchandise has been shipped. For performing credit investigation, bookkeeping, and related services, the factor receives a commission. He also charges interest on the money given his client in advance of collections from the manufacturers' customers.

Future Is Bright

In view of the rapid development and tremendous changes in a comparatively few years, the industry may reasonably expect further expansion. Not only are new products being offered, of which tufted automotive floor coverings and tufted upholstery fabrics are the latest, but also the potential of some of the more familiar tufted articles has not been reached.

Much research by the companies and the industry's vigorous trade association has been directed toward further improvement of its products. Moreover, experiments with synthetics and various blends have been going on for some time, and these fibers are being used to an increasing extent in the making of tufted floor coverings. New machines and equipment are also continually being devised. Even though the trend toward geographic dispersion, mass production, and larger-size national concerns is expected to go on, this District will benefit from a continuing growth of the tufting industry.

HARRY BRANDT

Member Bank Earnings Down But Profits Up

Net profits after taxes at Sixth District banks in 1954 amounted to 55.6 million dollars, 13 million dollars more than the 1953 amount. Little of the increase in profits, however, came about because of an increase in operating income from such sources as loans and investments. Net profits from the sale of securities, together with recoveries, accounted for most of the growth in the banks' net profits.

The operating ratios for 1954, just completed by this Bank, help explain the seeming contradiction between the changes in net profits and operating earnings. The 1954 ratios were computed by using averages of data taken from reports of condition for December 31, 1953; June 30, 1954; and October 7, 1954, together with data from the banks' reports of earnings and dividends for 1954. The averages for 1954 and several preceding years are shown in the table on page 6.

The ratios reveal that in 1954 the banks earned a slightly greater return on total assets, 3.26 percent compared with 3.25 percent in 1953. For one thing, earning assets constituted a greater part of total assets in 1954. For another thing, banks shifted some of their earning assets from Government securities to loans and other securities, which normally yield higher average returns. Government security holdings in 1954 constituted 33.4 percent of total assets, compared with 33.9 percent in 1953. The corresponding ratios for other securities and loans rose from 7.9 to 8.1 percent and from 30.8 to 31.5 percent, respectively.

Net profits at District member banks rose in 1954 primarily because of recoveries and profits from the sale of securities



The shift from Government securities to loans was the expected reaction of the policy of active ease followed by the Federal Reserve System during 1954. Declining rates on Governments encouraged banks to expand their loans—one of the desired effects of an anti-recessionary monetary and credit policy. Also, for banks that could expand loans only by selling securities, declining security yields during the first part of the year and a corresponding rise in market values made the sale of such securities attractive.

Government securities yielded an average of 2.06 percent in 1954, compared with 2.04 percent in 1953, largely because banks concentrated more of their investment funds in the longer-term, higher-yield securities. Rates on Governments declined during the first half of the year but increased during the last half. Rates on loans, judging by rates on new business loans at selected banks, were still falling at the end of 1954. The average rate of return on loans declined from 6.30 percent in 1953 to 6.19 percent in 1954.

AVERAGE OPERATING RATIOS OF ALL MEMBER BANKS IN THE SIXTH FEDERAL RESERVE DISTRICT

SUMMARY RATIOS:	1949	19 50	1951	1952	1953	1954
Percentage of total capital accounts:						
Net current earnings before inc.						
taxes	16.8	16.7	16.1	16.4	16.3	15.5
Profits before inc. taxes	14.2	14.5	13.8	14.1	14.2	15.1
Cash dividends declared	33	3.2	3.4	32	31	31
Percentane of total assets.	ر.ر	5.2	2.1	2.2	2.1	2.1
Total earnings	2.87	3.05	3.05	3.12	3.25	3.26
Net current earnings before inc.	_	2.02	2.02	2.24		
taxes	1,11	1.18	1.13	1.14	1.15	1.10
Net profits	.70	.75	.68	.64	.64	.71
SOURCE AND DISPOSITION OF EARN	INGS:					
Percentage of total earnings:						
Int. on U. S. Govt. sec	24.1	21.9	21.2	22.1	23.0	22.4
Int. & div. on other sec	54 7	57.5	0.U 58 5	5.9	5./ 58.6	5.9
Sarv chas on den accounts	70	69	69	6.6	6.0	67
Trust department earnings ¹	1.0	0.5	2.6	2.2	2.2	2.6
Other current earnings	7.9	7.7	7.4	6.7	6.3	6.2
Total earnings	100.0	100.0	100.0	100.0	100.0	100.0
Salaries and wages	30.0	30.7	31.7	31.7	32.0	32.3
Interest on time deposits ² .		::	7.6	8.4	9.1	10,4
Other current expenses	31.2	30.8	31.0	31.7	32.5	33.9
lotal expenses	61.2	61.5	62.7	63.4	64.5	66.2
Net current earnings before inc.	20 a	20 E	27.2	266	2E E	22 Ø
Not losses (or not recoveries +)3	20.0 5 /	20.5	18	20.0 // 5	38	10
Net increase (or net decrease 1)	J.4	4.4	4.0	4.5	2.0	T 1.0
in valuation reserves					.47	1.4
Taxes on net income	8.6	9.0	10.0	11.4	11.3	11.4
Net profits	24.8	25.1	22.5	20.7	19.9	22.0
RATES OF RETURN ON SECURITIES &	LOANS	S:				
Return on securities:					0.04	0.00
Int. on U. S. Govt. sec	1./	1./	1.8	1.9	2.04	2.00
Net losses (or net recovering th)	2.0	2.1	2.0	2.0	2.07	2.00
on total sec 4			.1	.1	.08	+.27
Return on loans:	••	••				
Earnings on loans	5.8	6.0	6.0	6.3	6.30	6 .19
Net losses (or net recoveries +)	-		_	_		
on loans ⁶	.2	.2	.1	.1	.20	.17
DISTRIBUTION OF ASSETS:						
I S Covt con	37 1	35 Q	33 g	33 0	33 0	33 /
0. 3. 0001. Sec	72	76	7.6	77	7.9	81
Loans	28.2	30.1	30.4	29.8	30.8	31.5
Cash assets	26.4	25.4	27.1	27.5	26.2	25.8
Real-estate assets	.9	.8	.9	.9	1.0	1.0
All other assets	.2	.2	.2	.2	.2	.2
Total assets	100.0	100.0	100.0	100.0	100.0	100.0
OTHER RATIOS:						
Total cap, accts, to:	60		7.0	7.0		
Total assets	6.9	د.1	1.3	1.2	1.5	1.1
rach assets	21 5	20.8	20.4	20.1	20.0	19.6
Total denosits	7.5	8.0	8.0	7.9	8.2	8.4
Time deposits ⁶ to total deposits	23.9	23.7	22.7	22.6	23.5	24.8
Int. on time deposits ⁶ to time deposits	1.0	1.0	1.0	1.1	1.23	1.36
NUMBER OF BANKS	347	350	353	355	358	362

¹Banks with none were excluded. Ratio included in "Other current earnings."

²Banks with none were excluded. Ratio included in "Other current expenses."

^aThe 1949-1952 ratios include net recoveries or losses and net changes in valuation reserves; the 1953-1954 ratios exclude changes in valuation reserves. ⁴The 1949-1952 ratios include changes in valuation reserves.

³Net recoveries or losses excluding changes in valuation reserves.

⁵Banks with none were excluded in computing these averages.

Digitized for FRASER http://fraser.stlouisfed.org/ Federal Reserve Bank of St. Louis Although the average return on assets thus increased modestly, the increase was more than offset by greater expenses. In 1954, expenses as a ratio of total earnings were 66.2 percent—higher than a year earlier and the highest since the war years. The increase in expenses stems primarily from higher costs for wages and salaries and a higher interest cost on time deposits.

The sum total of all these developments was a smaller ratio of net current earnings (before taxes) to total assets in 1954 than the year before, 1.10 percent compared with 1.15 percent. During 1954, banks added substantially to their capital accounts. With only a moderate increase in earnings, net earnings as a percent of total capital declined to 15.5 percent in 1954 from 16.3 percent in 1953.

Losses on loans and recoveries on loans previously written off and amounts added to reserves for bad debt losses on loans are not included in the banks' operating earnings or expenses. Losses or profits from the sale of securities are also excluded. The items, however, were included in arriving at the net profit figures.

In 1954, profits from sales of securities amounted to one percent of banks' total earnings. In 1953, they had incurred losses on the sale of securities amounting to 3.8 percent of total earnings. It was the net profits and recoveries on securities in 1954, made possible by conditions in the money market, that increased net profits from 9 percent of total capital accounts to 9.9 percent. Income from this source was only partly offset by greater transfers to valuation reserves in 1954 than in 1953.

Changes in the Internal Revenue Code authorized a somewhat more liberal basis for providing for possible losses on loans in the future. Actual net losses on loans in relation to total loans were lower in 1954. Profitwise, 1954, which was considered to be a recession period, was a favorable year for bank operations. Although their expenses followed the trend of recent years, banks were able to meet dividend payments and to further add to capital funds.

CHARLES S. OVERMILLER

Bank Announcements

On February 24, the Avon Citrus Bank, Avon Park, Florida, a nonmember bank, began to remit at par for checks drawn on it when received from the Federal Reserve Bank. Its officers include James Sottile, Jr., President; William Sottile and W. D. Dorminey, Vice Presidents; W. V. Proctor, Jr., Assistant Vice President; Leon L. DeLaney, Cashier; and Mrs. Mary F. Garrett, Assistant Cashier. Capital amounts to \$100,000 and surplus and undivided profits to \$165,455.

On March 1, the Bank of Crestview, Crestview, Florida, was admitted to membership in the Federal Reserve System. Officers of this bank are C. B. McLeod, President; M. L. Campbell, Executive Vice President; A. B. Moore and Mrs. Virginia McLeod, Vice Presidents; Ralph Baggett, Cashier; Miss M. B. Anderson, Mrs. Margaret Holmes, and Mrs. N. J. Matros, Assistant Cashiers; and Alex Clemmons, Farm Representative. Capital amounts to \$100,000 and surplus and undivided profits to \$95,000.

Sixth District Statistics

Instalment Cash Loans

	No. of enders	Perce Feb. 1	/olume nt Change 1955 from	Outs Perce Feb.	tandings nt Change 1955 from
Lender	leport-	Jan.	Feb.	Jan.	Feb.
	ing	1955	1954	1955	1954
Federal credit unions	. 38	+6	+20	+1	+12
State credit unions	. 17	23	12	-2	+17
Industrial banks	. 8	14	+35	+1	+8
Industrial loan companies	. 11	2	+15	+1	+15
Small loan companies	. 33	+1	+40	+0	+34
Commercial banks	. 32	2	+39	+0	+5

Retail Furniture Store Operations

	Number of Stores	Percent Change Feb. 1955 from				
Item	Reporting	Jan. 1955	Feb. 1954			
Total sales	136	+8	+13			
Cash sales	111	-10	+13			
Instalment and other credit	sales 111	+10	+13			
Accounts receivable, end of	month 128	1	+5			
Collections during month .	128	7	+3			
Inventories, end of month .	100	+4	÷6			

Wholesale Sales and Inventories*

		Sales					Inventories					
		Perc	ent change	Feb. 28, 1	955, from	Pert	ent change	Feb. 28, 1	955, from			
Town of Milesters law	No.	of	Jan. 31	No. of	Feb. 28	No. of	Jan. 31	No. of	Feb. 28			
Type of wholesaler	F 11	ms	1957	F 11 1115	1954	FILINS	1955	r irms	1954			
Grocery, confectionery, me	eats	39	7	22	—2	28	+3	12	5			
Edible farm products .		15	+4	14	+10	13	+4	12	+40			
Drugs, chems., allied pro	ods.	16	-4	13	+9	7	-2	5	+8			
Furniture, home furnishi	ings	7	+25	• •		6	3					
Paper, allied products .		6	6			5	+5					
Automotive		8	+30	5	+17		• •	• •				
Electrical, electronic &							-	_				
appliance goods		16	+4	8	+8	16	+7	8	-11			
Hardware		19	4	18	+10			15	+8			
Lumber, construction												
materials		6	12	6	+17		22	• .:	• •			
Machinery: equip. & suppl	lies	36	8	30	4	11	+12	8	+1			
Industrial		17	10	17	4	6	+14		• •			
lron & steel scrap &						~	_	a	. 71			
waste materials .		10	+0	10	+13	8	/	8	+/1			

*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*

			Percent Chan	ge	
		Sales		Inve	ntories
	Feb.	1955 from	2 Months	Feb. 28, 1	955, from
	Jan. 1955	Feb. 1954	1955 from 1954	Jan. 31 1955	Feb. 28 1954
ALABAMA Birmingham	$\begin{array}{c} +2 \\ +7 \\ -10 \\ -14 \\ -04 \\ -28 \\ +10 \\ -11 \\ -33 \\ +14 \\ +34 \\ -99 \\ +0 \\ -100 \\ -39 \\ +0 \\ -100 \\ -39 \\ +0 \\ -100 \\ -39 \\ +0 \\ -100 \\ -39 \\ +0 \\ -100 \\ -100 \\ -39 \\ +0 \\ -100 \\ -100 \\ -39 \\ -39 \\ -100 \\ -39 $	$ \begin{array}{c} +7\\ +11\\ -112\\ +23\\ +16\\ +135\\ +20\\ +135\\ +20\\ +13\\ +20\\ +13\\ +20\\ +13\\ +20\\ +1\\ +20\\ +1\\ +20\\ +1\\ +20\\ +1\\ +20\\ +1\\ +20\\ +1\\ +20\\ +1\\ +20\\ +1\\ +20\\ +1\\ +20\\ +20\\ +1\\ +20\\ +20\\ +1\\ +20\\ +20\\ +20\\ +1\\ +20\\ +20\\ +20\\ +20\\ +20\\ +20\\ +20\\ +20$	$ \begin{array}{c} +10\\ +12\\ +13\\ +13\\ +25\\ +28\\ +39\\ +14\\ +13\\ +18\\ +14\\ +38\\ +352\\ +54\\ +55\\ +25\\ +25\\ +27\\ +25\\ +27\\ +27\\ +27\\ +27\\ +27\\ +27\\ +27\\ +27$	+86 +60 +13 +3 +3 +99 +66 +10 +10 +165 +13	$\begin{array}{c} +2 \\ +3 \\ -10 \\ -10 \\ +2 \\ +2 \\ +2 \\ +2 \\ +10 \\$
& Va.)**	. +1	—13	9	+14	8
Bristol-Kingsport- Johnson City** Chattanooga Knoxville Nashville DISTRICT	-1 -3 +2 -0 -1	11 2 +14 +4 +8	7 2 +19 +5 +10	+16 +9 +8	+42 3 +5

*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 nondepartment stores, however, are not used in computing the District percent changes.

Condition of 27 Member Banks in Leading Cities

(In Thousands of Dollars)

				Percent Mar. 23, 19	Change 955, from
ltem	Mar. 23 1955	Feb. 23 1955	Mar. 24 1954	Feb. 23 1955	Mar. 24 1954
Loans and investments-					
Total	3.224.489	3,249,927	2,991,825	1	+8
Loans-Net	1,486,180	1,470,441	1,305,652	+1	+14
Loans-Gross	1.510.450	1.494.638	1.327.046	÷1	+14
Commercial, industrial,	-,	-,,	_,,		
and agricultural loans	850.957	854.879	777.090	0	+10
Loans to brokers and			,	-	,
dealers in securities	19.094	18,193	15.143	+5	+26
Other loaps for nur-		10,175	20,2.0	1-	1 =0
chasing or carrying					
securities	34.330	35.694	33 890	-4	<u>+</u> 1
Real estate loans	122,415	118,426	85,908	+3	±42
Loans to hanks	27 770	21 389	18 339	130	151
Ather Joans	455 884	446,057	396 676	+20	115
Investments-Total	1 738 309	1 779 /86	1 686 173		
Bills cortificates	1,1,00,000	1,779,400	1,000,175		Τ.
and notes	614 258	644 720	570 772	. 5	1.6
Il S honds	799 038	815 180	8/0 307		
Of bor socurities	325 013	310 577	266,004	-2	
Poserve with F P Bank	185 381	/05 125	404 552	+ 2	+22
Cash in yault	405,501	495,125	454,552		
Balances with demostic	43,170	40,100	40,000		+0
hanks	246 507	247 004	224 061	0	
Demand deposite adjusted	2 202 240	247,094	2 1 5 2 9 0 1	0	+2
Time denosite	2,233,343	2,352,170	2,133,203		+4
II S Cov't deposite	82 116	02 256	202,002	+4	+/
Denosite of domestic banks	62,115	72,220	99,01Z		
Borrowings	26 755	28,107	16 200	+2	+2
Dollowings		28,425	10,200	+29_	*

*100 percent or over.

Debits to Individual Demand Deposit Accounts

(In Thousands of Dollars)

				Pe	rcent C	hange
			Fe	b. 195	5 from	2 Months
	Feb.	Jan.	Feb.	Jan.	Feb. 1	.955 from
	1955	1955	1954	1955	1954	1954
ALABAMA						
Anniston	28,011	31,552	26,095	11	+7	+7
Birmingham	434,307	493,287	379,569	-12	+14	+12
Dothan	18,146	19,563	17,565	7	+3	1
Gadsden	22,957	25,970	20,595	-12	+11	+11
Mobile	176,603	196,291	160,900	-10	+10	+13
Montgomery	107,362	105,868	86,174	+1	+25	+16
luscaloosa*	33,744	37,583	31,427	-10	+/	+/
FLORIDA				_		
Jacksonville	482,235	510,012	442,262	5	+9	+10
Miami	503,883	530,200	425,788	5	+18	+22
Greater Miami*	816,613	846,158	659,008	4	+24	+25
	113,907	127,642	86,118	-11	+32	+29
Pensacola	56,275	57,194	52,334		+8	+ 3
St. Petersburg	119,435	131,404	99,495	9	+20	+21
Nact Dolm Decel	225.416	236,627	199,544	>	+13	수원
West Faim Deach* .	74,159	83,188	65,711	11	+12	+15
GEORGIA	10.0-6	10 1 0 1	05 603			
Albany	42.256	48,101	35,697		+18	+18
	1,243,429	1,330,235	1,180,614	-/		
	86,284	94,353	10,163	0	+15	+15
Columbus	13,330	14,123	12,002		- 12	+0
Elberton	19,434	93,113	4 220	-15	+12	+1/
Gainesville*	20 5/7	2/ 202	24,000	-10	1.22	- 22
Griffin*	12 662	14,292	10 294	. 11	+23	+22
Macon	00 254	106 834	72 526	_16	- T J	+ 30
Newnan	12 017	13 702	10 309	_12	+17	+16
Rome*	31 424	33 274	27 704	-6	+13	$\pm \tilde{1}\tilde{2}$
Savannah	116.766	135,483	112,635	14	+4	+9
Valdosta	19,412	21,431	16.990		+14	÷9
LOUISIANA						• -
Alexandria*	44 807	49 343	41 957	9	+7	+5
Baton Rouge	135 134	148 618	126.959	9	+6	+7
Lake Charles	60,487	63,523	48,737	-5	+24	+16
New Orleans	1.010.957	1.075.510	927,853	6	, + 9	+13
MISSISSIPP)	_,,,.			-		•
Hattiesburg	22 094	23 311	20 723	5	+7	+8
Jackson .	158 310	183,566	143 553	-14	່າກ່	Ļ
Meridian	27 467	30,043	25,685		÷-7	÷9
Vicksburg	15,646	16 941	15,191	8	+3	+7
TENNESSEE	19,010	10,541		•		
Chattanonga	209 670	266 577	196 431	21	+7	
Knoxville	154 107	190 860	140,692	_19	_ ∔ 10	19
Nashville	458,593	490,193	415.586	6	- + ī ň	+12
SIXTH DISTRICT	م وم ار مر ۲		.12,200	Ŭ	•	
32 Cities	6 248 455	6 807 257	5 647 843	8	+11	+12
UNITED STATES	0,240,400	0,007,207	2,047,042		· · · ·	1
3/5 Cities	1/0 718 000	163 388 000	141 933 000	8	5	ட்ட
J=J Gittes		100,000,000	1,5,5,000			
*Not included in Sixth D	istrict totals.					

Sixth District Indexes 047 40

	Mar Em	nufactu ployn	uring nent	Manufacturing Payrolls		Cotton Consumption**			Construction Contracts			Furniture Store Sales*/**			
	Jan. 1955	Dec. 1954	Jan. 1954	Jan. 1955	Dec. 1954	Jan. 1954	Feb. 1955	Jan. 1955	Feb. 1954	Feb. 1955	Jan. 1955	Feb. 1954	Feb. 1955	Jan. 1955	Feb. 1954
UNADJUSTED District Total Alabama Florida Georgia . Louisiana Mississippi Tennessee	111 102 149 115 98 111 110	113 103 149r 116r 104r 111 110	112 105 145r 114r 104r 108r 111r	157 139 210 162 141 161 158	160r 142r 211r 164r 148r 166 159r	153 136r 198r 153r 146r 154r 154r	104 105 102 116 98	101 104 100 103 94	97 96 98 124 89	140 252 226 194 126 190	123 225 287 294 213 150	121 203 339 137 71 83	94p 99 104p 102 89p 74	84r 83 93 84 96r 68	83 84 82 91 89 72
SEASUNALLY ADJUSTED District Total Alabama Florida Georgia Louisiana	111 101 139 115 100	112 101 143r 115 100r	112 103 135r 114r 107r	155 138 194 161 146	157r 137r 199r 161r 144r	151 135 183r 151r 150r	97 	97 • • • • • •	91 •• ••	 	 	 	112p 117 125p 113 104p	109r 119 107 116 117r	99r 100r 98r 101r 104r
Mississippi	113 111	110 110	109r 113r	166 159	164 157r	159r 156r		••	 	•••	•••	••	óė	91r	87r

Department Store Sales and Stocks**

		Adjuster	1	U	Inadjusted	
	Feb. 1955	Jan. 1955	Feb. 1954	Feb. 1955	Jan. 1955	Feb. 1954
DISTRICT SALES* Atlanta ¹ Baton Rouge Birmingham Chattanooga Jackson Jacksonville Macon Miami Nashville New Orleans St. Ptrsbg-Tampa Area Tampa DISTRICT STOCKS*	132p 135 110p 128 117 112 107 148p 128 148p 121 127 134 113 146p	137r 143 118 117r 122 110r 110r 145 126 153r 128 129 143 126 146r	123r 117r 107r 120r 111r 105r 130r 118r 120r 118r 120r 118r 133r 133 118 140r	105p 110 86p 101 92 86 81 113p 97 161p 91 101 129 95 145p	106r 109 82 90r 91 80r 82r 106 90 155r 87 107 126 102 133r	101r 95r 83r 91r 95r 86r 80r 99r 131r 87r 105r 127 99 99 138r

¹To 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: Mig. 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				Unadjuste	d
	Feb. 1955	Jan. 1955	Feb. 1954		Feb. 1955	Jan. 1955	Feb. 1954
Construction contracts* Residential Other	 	 	· · · · ·	_	206 232 186	226r 236r 218r	187 177 195
Louisiana and Mississippi** Furniture store stocks* Turnover of demand deposits*. 10 leading cities Outside 10 leading cities .	141 109 21.0 21.7 18.5	138 107r 20.0 20.7 17.3	138 107 20.5 21.4 17.2		143 106 20.8 21.9 17.9	140 105r 20.6 21.7 17.6	140 104 20.3 21.6 16.7
	Jan. 1955	Dec. 1954	Jan. 1954		Jan. 1955	Dec. 1954	Jan. 1954
Elec. power prod., total** Mfg_emp_by_type			••		227	218	190
Apparel Chemicals Fabricated metals Food Lbr., wood prod., furn. & fix. Paper and allied primary metals	147 126 154 111 82 148 94	143r 126r 151r 109r 83r 149r 94	143r 124r 158r 110r 83r 143r 97r		145 128 156 110 82 148 95	146r 128r 156r 115r 83r 151r 94	141r 125r 160r 109r 83r 143r 98r
Textiles	· 95 160	95 170	95r 177r		95 160	95 167	95r 177r

p Preliminary r Revised



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