



Monthly Review

ATLANTA, GEORGIA, SEPTEMBER 30, 1955

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DISTRICT BUSINESS HIGHLIGHTS

Economic activity continued to expand as the fall season opened. Manufacturing employment and payrolls increased further; production of cotton textiles was up; and farmers' harvests exceeded those of last year. Gains in department store sales and in debits to deposit accounts suggest that a further rise occurred in total spending. At the same time the volume of both business and consumer loans showed further increases.

Manufacturing payrolls, seasonally adjusted, reached a new high during July; manufacturing employment also rose in July to almost reach the mid-summer 1953 peak.

Business failures during July were lower than in June, but substantially greater than a year earlier.

Residential construction awards rose moderately in August and were substantially higher than a year ago but below the spring peak.

Steel operations at mid-September in Birmingham, as a percent of capacity, remained at the near-capacity levels of late August.

Textile activity, as measured by seasonally adjusted cotton consumption, advanced during August to the highest point reached this year but remained far below postwar highs.

Announcements of spending for new and expanded manufacturing plants during the third quarter totaled more than for any preceding quarter, according to preliminary figures.

Record yields are expected to hold District cotton production at last year's level despite a substantial decline in harvested acreage.

Peanuts picked and threshed will be nearly double last year's harvest as a result of increased acreage and yields.

Prices of most farm commodities have held near last year's; hog prices are substantially lower; broiler prices have weakened recently.

Cash receipts from farm marketings through June nearly equaled receipts during the similar period last year.

Farm costs have held near last year's although feed and hay prices have declined.

Department store sales, seasonally adjusted, increased slightly during September and in the third quarter were the highest on record.

Furniture store sales, seasonally adjusted, declined in August but were still considerably above the first half average.

Consumer savings, as measured by time deposits, showed less than seasonal gains in August, but sales of ordinary life insurance increased to record levels.

Spending, as indicated by seasonally adjusted bank debits, increased during August and remained well above a year ago.

Total deposits at all member banks did not change from the July level, as declines in time and inter-bank deposits were offset by an expansion in demand deposits.

Total loans adjusted at all member banks increased in August but investments declined somewhat and remained below a year ago.

Estimated consumer credit outstanding at all commercial banks increased sharply during August largely because of a gain in loans on automobiles.

Business loans at banks in leading cities increased during August and reflected large gains in sales finance and trade loans.

Borrowings by Sixth District member banks from the Federal Reserve Bank declined through the first half of September but rose later in the month to average about the same as in August.

Life Insurance Companies

A Source of District Investment Capital

Not the least of the problems that the average person faces is concern for the financial security of his family after his death. As many have learned, savings alone will not provide this security, particularly in case of an untimely death. Thus, most people find the financial security and protection offered by a life insurance policy invaluable. Insurance companies are able to provide this protection because they pool the risks of death for a large number of policyholders. They know from experience that the claims they will have to pay in any one year will not exceed their resources.

Most life insurance provides for uniform premium payments on the part of the insured even though the probability of death increases with age. Insurance companies, therefore, must set aside reserves in the earlier years for the future death claims they know they will have to pay. In this manner, most insurance companies accumulate funds which become available for investment. The staggering size of the funds collected and of the task of investing current premiums and reinvesting maturing assets makes insurance companies ranking financial institutions in the nation's economic structure.

In the Sixth Federal Reserve District states—Alabama, Florida, Georgia, Mississippi, Louisiana, and Tennessee—life insurance is a big business, in many respects second only to banking as an accumulator and investor of funds. The 164 local firms with head offices in the six states had combined assets of almost 2 billion dollars at the end of 1954 and income from all sources of 615 million dollars. In addition, from 200 to 300 companies whose headquarters are outside of District states operate in the area and, as might be expected, overshadow local companies in the volume of business done. As an employer the insurance industry, including both life and casualty branches in the area, provides the livelihood for about 75,000 persons.

Beyond their importance because of sheer size, life insurance companies have particular significance in the South. To a major extent, economic growth there, as typified by the area included in the Sixth Federal Reserve District, depends upon the availability of investment capital. Capital is needed to finance industrialization, to transform the area's agriculture, to alter the cities' skylines, and to provide more and better governmental facilities and all the other improvements needed to raise the area's productivity and income. To a growing economic region with almost limitless needs for long-term capital funds, how well life insurance companies do their job of mobilizing individual savings and how they invest those savings undoubtedly will help shape the economic future of the area.

District Buyers Emphasize Protection

During 1954, residents of the District states paid over 800 million dollars in premiums on life insurance policies. Because the types and amounts of insurance carried by residents of District states differ somewhat from the national

average, the function that insurance performs in the District is somewhat different from that in the nation.

Recent surveys indicate that the proportion of Southern families that carry life insurance is smaller than the national proportion. In part this might be expected in a low-income and largely agricultural region, for the large proportion of uninsured families are among low-income groups and farmers. In 1953, about 75 percent of Southern families were insured, compared with a national average of 80 percent and a regional high of 86 percent in the Northeast.

Perhaps also indicative of the lower per-capita income of the region is that a greater proportion of life insurance in District states tends to be industrial type insurance, that is, insurance issued for small face amounts. In 1954, about 21 percent of the total insurance in force in District states was in policies of this type, compared with only 12 percent nationally. The smaller average size of policies owned by District residents is reflected in state averages of insurance in force per family, which range from a high of 5,800 dollars in Georgia to a low of 2,700 dollars in Mississippi. The national average is 6,300 dollars.

Even though fewer families are insured and policies tend to be smaller in Sixth District states, the amount of insurance in force in 1954 amounted to 27.4 billion dollars. In fact, relative to the prevailing income levels, residents of District states in the aggregate are not underinsured, compared with the national average. In 1953, for example, life insurance in force in District states and in the nation represented about 1.1 times annual personal income payments.

For their insurance, residents of District states paid about as great a proportion of their income—2.87 percent—as residents in the nation paid for theirs—3.31 percent. Likewise, the death benefits paid on the lives of residents of District states by life insurance companies were about the same proportion of income payments—0.72 percent—as death benefits paid in the nation were of income payments—0.74 percent. Clearly, residents of the District states were receiving insurance protection comparable to the national average, considering the somewhat lower incomes in the Southeast.

Nevertheless, life insurance plays a substantially smaller role in the personal savings programs of District residents. Benefits paid to policyholders other than death benefits (and excluding dividends) are one measure of the importance of the role of insurance policies in personal savings. In 1953, these benefits represented only 0.46 percent of income payments in District states, in comparison with the national figure of 0.63 percent.

Perhaps the generalization that District residents do not make extensive use of life insurance as a mode of savings is best explained by the fact that family protection undoubtedly takes priority over a savings program, and thus, in a low-income area greater emphasis on protection

would be expected in life insurance programs. In addition, the proposition that the mobilization of savings is more expensive in "dribbles" than in "buckets" must go far in explaining the apparent lower savings through life insurance made by District residents.

The Investment Side

In 1954, out of funds received by all the nation's life insurance companies from premiums and interest income, about 6 billion dollars were available to increase company assets after all death benefits had been paid. Obviously the manner in which these funds were invested was of vital consequence to the economy. During 1954, about 49 percent of the increase in assets of life insurance companies was accounted for by 2.9 billion dollars of securities of business and industry; 45 percent of the increase was represented by 2.7 billion dollars of mortgages acquired. The remainder consisted largely of increases in state, county, and municipal obligations, policy loans, and other investments.

What principles govern the investment of life insurance funds? Within the limits imposed by the regulatory agencies which emphasize the public trust nature of the insurance business, insurance companies invest for yield considerations, recognizing, of course, that the return should be at least high enough to provide for required additions to policy reserves. Practical considerations also enter into investment decisions for the individual company—the need for diversification, adequacy of trained personnel to handle particular types of investments, inflexibility of bond and mortgage programs based on advance commitments to borrowers, and costs of originating and handling various types of investments.

The regional impact of life insurance investment, of course, is molded by the investment possibilities and the particular programs of local and national underwriting firms. Although some local insurance companies tend to identify themselves with a region and seek loans in states where they sell insurance, most companies do not deliberately allocate investment funds according to geographical boundaries, choosing instead to invest in the highest yielding asset of the moment, regardless of location. Some limit to this principle arises in the case of mortgage investments where elaborate systems of loan correspondents are necessary to originate and service loans and consequently where sharp changes in allocations cannot be made easily. Even here, however, changes do take place, as quotas for correspondents are revised between budget periods. On the other hand, most other investments by both local and national companies are made almost entirely on the basis of relative attractiveness to the lender.

Reliance upon maximization of investment yields to provide for the geographical allocation of insurance company funds means that funds tend to flow from high saving areas to those rapidly growing areas with many investment opportunities. In the Southeast the willingness of borrowers to pay more for borrowed funds than in many other sections of the country in the postwar years has been one expression of the relatively greater demand for such funds in the region. That both local and national insurance companies have responded to this demand has

been largely due to the virtually complete freedom from geographical restrictions of investments enjoyed by American life insurance companies.

District Firms' Contribution to Savings

In basic features of providing protection and investing their accumulated funds, the 164 life insurance companies in District states closely resemble insurance firms located elsewhere. Although local companies constitute only a small segment of the national insurance industry, they are big business in District states and are relatively important in providing insurance protection to District residents. For example, in 1952, 1953, and 1954, companies domiciled in District states received about 40 percent of total premium payments made by residents of those states and presumably provided a like proportion of insurance protection and death benefits.

It is difficult to characterize the policies issued by local companies, as every generalization has notable exceptions. In general, however, the outstanding differences between policies of District companies and those of national companies lie in the function of insurance in the individual's savings program. District companies, for example, mainly write policies that do not provide for the policyholder to participate in savings arising through lower-than-expected mortality or greater-than-expected return on investments. Most District life companies are growing faster than the national average and are finding their administrative and selling costs fairly high, relative to national companies. In order to encourage the development of local companies, most District states are less severe in regulating permissible selling costs of domiciled companies than are some of the Northeastern states that are important insurance centers.

District companies charge lower first-year premium rates than do national companies. It must be remembered, however, that the cash surrender values of their policies are lower and their policyholders do not receive dividends such as are paid by national companies and which would decrease their cost of protection. Local companies generally show somewhat smaller-than-national company additions to aggregate savings, as measured by accretion of policy reserves per dollar of premiums paid. For example, in 1954 the addition to aggregate policy reserves occasioned by a dollar of premium income was 29 cents for local companies, compared with 37 cents for national life underwriting firms. Much of the lower savings contribution of District firms, of course, arises because they do a greater amount of industrial business than national firms do. Recent trends in local companies, however, suggest that the higher-savings type policy will be an increasing part of their future business.

Mortgages More Important Than Business Loans

On the investment side, local life insurance companies as a group make more mortgage loans in proportion to their assets than the industry as a whole. At the end of 1954, local companies, for example, had mortgage holdings of 906 million dollars, which represented 46 percent of their

assets, in comparison with only 31 percent for the industry as a whole. The opposite side of the picture is, of course, the lighter emphasis of District firms on investments in corporate securities. In this respect, perhaps the most striking feature of local company investment practices is their relatively minor role in the financing of small "home-grown" industries. Life companies domiciled in District states largely confine their corporate bond purchases to utility and railroad issues and to the obligations of large industrial firms—able, because of their size, to issue marketable instruments. Most District companies do not have the staff to carry out necessary investigations and supervision of direct placement loans to small borrowers.

National life insurance companies have long been making direct loans to industrial firms. Even so, major companies often set the minimum size of such loans in excess of the amounts small- and medium-size industrial firms seek to borrow. Local life insurance companies, thus, have a relatively clear field in industrial lending activities to smaller-size local firms. In spite of this, however, out of a sample of 50 life insurance companies domiciled in District states, only 22 made any acquisitions of obligations of industrial firms during 1954, and only six made direct placement loans to local industrial firms.

For the 22 companies, 83.3 percent of the dollar volume of their industrial bond acquisitions was in marketed obligations, and only about 3 percent of the dollar amount of these marketed industrial bonds represented instruments issued by local industrial firms. So small was the total volume of direct placements of the 22 companies that acquisitions of local industrial bonds, through both private placement and market channels, represented only about 2.5 percent of their total industrial bond acquisitions.

Even though results are still small, a few Southern companies are making strides in filling the long-term capital needs of small, local industrial firms and are developing permanent lending programs in this area. In general as District life insurance firms grow and pass from closed to public ownership, greater specialization and emphasis on the investment aspects of the business will undoubtedly produce more interest in capital lending to the small, local industrial firms. District life insurance companies should find important advantages in building up their business with these industrial borrowers to whom they can give the close attention that capital credits usually involve.

An Avenue of Capital Inflow

There is no question but that District states have benefited from the investment activities of the insurance industry. As might be expected in an area undergoing rapid urbanization, the chief gain has come through the mortgage acquisitions of life companies. In 1953, non-local companies increased their mortgage holdings of properties in District states by 350 million dollars, and in 1954 by 250 million dollars. In general, the rising income levels in the Southeast, with a consequent rising demand for better housing, have created a fertile investment field for many major national firms. Local life firms also have been active in making mortgage loans in District states, increasing their holdings in 1953 by 77 million dollars and in 1954 by 62

million dollars. Presumably the high volume of building in 1955 in Sixth District states will lead to even higher mortgage acquisitions for both national and local companies.

Even when one attempts to strike a total of the inflow and outflow of funds from life insurance activities, on balance the District states appear to have been net beneficiaries. Besides the intangible services provided by both local and out-of-District companies in the form of life insurance protection, in 1953 and 1954 the payments made through death benefits to residents of District states and through purchases of mortgages, utility bonds, and bonds of states, counties, and municipalities located in the Sixth District area amounted to 1.6 billion dollars.

If figures were available showing policy loans made, real estate acquired, and the pro-rata share of industrial bond proceeds invested by national firms in facilities located in District states, it is quite clear the total would exceed the premium payments made by District state residents amounting to 1.6 billion dollars in the two-year period. Actually the figures show that the out-of-District states life insurance companies put more dollars back in District states than they take out. They paid death benefits and invested in mortgages and utility and municipal bonds in the two-year period in the amount of 1.2 billion dollars in District states, whereas they received only about one billion dollars in premiums from District states.

Any projection of present trends in the life insurance industry seems to point to continuing benefits to the District economy. With a gradual shift from industrial insurance to ordinary insurance by local firms, an improved efficiency in the mobilization of the region's savings should result. Finally, the development of industrial direct placements by local companies should increase long-term funds available for District business and help increase the inflow apparently experienced through the activities of insurance companies.

In conclusion, the activities of life insurance companies in District states have been of considerable value beyond that of merely providing protection: The investment function of insurance companies has made a definite contribution to the development of the region. And as the area's incomes and savings grow, these institutions will undoubtedly have an even more important part in shaping the District's economy.

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A more extensive treatment of this subject is being prepared and will be available upon request to the Research Department of this Bank.

Bank Announcement

On September 1, the St. Petersburg Bank, St. Petersburg, Florida, opened for business as a nonmember bank and began to remit at par. Hubert Rutland is President; John A. Elbon is Executive Vice President; I. Robert Mills is Cashier; and J. T. Christian is Assistant Cashier. Capital stock amounts to \$400,000 and surplus and undivided profits to \$250,000.

Brighter Prospects for Farm Income

Farm cash receipts in Sixth District states this year may exceed 1954 receipts despite losses to pecan, early commercial vegetable, and peach crops caused by the late spring freeze. Farm production will exceed last year's output if September 1 prospects, as reported by the United States Department of Agriculture, materialize. Farm commodity prices have remained near or only slightly below last year's and, except for hog prices, are not likely to decline sharply during the fall months.

Production of most leading District cash crops is expected to equal or exceed last year's output. Improved yield prospects for cotton resulted in an upward revision of the Department of Agriculture's August yield estimates: Farmers in District states are expected to harvest about 12,000 bales more cotton than were harvested last year, despite an expected 12 percent decline in harvested acreage. Alabama farmers will harvest 92,000 bales more than in 1954 and Mississippi farmers will harvest 29,000 bales more. Louisiana farmers, however, are expected to harvest about 72,000 bales less cotton than in 1954.

Tobacco production is expected to exceed last year's crop slightly, with significant increases in Alabama and Georgia flue-cured crops more than offsetting declines in Tennessee crops of burley and air-cured tobacco. Peanuts picked and threshed likely will double the 1954 tonnage, with Alabama, Georgia, and Florida, the chief peanut producing areas, sharing in the increases. Only the rice and sugar cane crops, both important to Louisiana farmers, will be significantly lower than 1954 harvests.

Increases in production of meat and eggs will also contribute to increased District farm output this year, but milk production will likely remain near last year's level. Cattle slaughter in District states during the first seven months of this year increased 11 percent from the similar 1954 period, and hog slaughter exceeded the 1954 level by 12 percent, with all states showing increases. Chick placements in commercial broiler producing areas from October through August, approximately equivalent to total 1955 broiler production, exceeded placement during the similar previous period by 8 percent. Egg production from January through August was 6 percent higher than in the compara-

ble 1954 period. Milk was the only major District livestock product that failed to register a gain over the 1954 period.

Favorable weather has been a major factor contributing to increased production of farm products. Forage and feed crops failed in many District areas last year, but this year most areas anticipate high yields from corn and hay crops and pasture that should enable District farmers to maintain the current rate of livestock and livestock products production. High fertilization rates and diligent attention to insect and weed control have also been significant in increasing yields, especially of crops like cotton and peanuts.

Lower prices for farm commodities could, of course, offset production increases and consequently reduce farm cash receipts. But, with few exceptions, prices of major District farm products apparently will not decline from last year's level. Cotton support prices are slightly higher than last year and, with a limited supply of cotton outside the loan program, market prices should not fall below the support level. Thus the 1955-56 season's average price may be slightly higher than last season's average price.

Rice and peanut prices probably will be nearer their support levels because of expected higher supplies relative to current demands, but support levels for those crops are near last season's average prices. Hog prices have dropped sharply from last year and may decline further, but prices of other livestock and livestock products may be higher.

If current production and price prospects materialize, then District farmers may look forward to a year fully as rewarding as last year in terms of cash receipts and one that is certain to provide larger cash receipts than the years immediately following World War II. Variations will occur, however, by states. Louisiana farmers, for example, will likely have lower cash receipts because of reduced rice and cotton crops. Tennessee farmers, too, may have smaller cash receipts as increased livestock production is not likely to offset losses in tobacco and cotton. Alabama farmers with larger cotton and peanut crops, Georgia farmers with more tobacco and peanuts, and Florida growers with a larger citrus harvest are likely to receive larger cash receipts. Mississippi farmers will probably receive about the same cash receipts as in 1954.

JOHN T. HARRIS

INDICATED 1955 PRODUCTION OF SELECTED FARM COMMODITIES

September 1, 1955 and Percent Change from September 1, 1954

Item	ALABAMA		FLORIDA		GEORGIA		LOUISIANA		MISSISSIPPI		TENNESSEE		DISTRICT STATES	
	Prod.	Pct. Chg.	Prod.	Pct. Chg.	Prod.	Pct. Chg.	Prod.	Pct. Chg.	Prod.	Pct. Chg.	Prod.	Pct. Chg.	Prod.	Pct. Chg.
Cotton (1,000 Bales)	820	+13	23	-8	600	-2	500	-13	1,600	+2	525	-4	4,068	+0
Tobacco (1,000 Lbs.)	980	+58	34,528	+5	146,740	+18	150	-37	..	..	125,870	-15	308,268	+1
Rice (1,000 Bags) . . . . .	..	..	..	..	..	..	12,267	-18	1,378	-38	..	..	13,645	-21
Peanuts ¹ (1,000 Tons)	220,375	+99	63,800	+43	571,950	+107	..	..	2,700	+55	2,475	+14	861,300	+98
Soybeans ² (1,000 Bu.)	2,332	+95	680	+95	438	+109	1,064	+25	12,512	+154	3,885	+80	20,911	+116
Cattle & Calf Slaughter ³ (1,000 Lbs.) .	117,016	+6	205,446	+22	231,025	+8	159,941	+14	108,037	+37	266,553	+1	1,088,018	+11
Hog Slaughter ³ (1,000 Lbs.)	81,027	+22	57,311	+2	165,600	+3	19,872	+12	32,620	+26	195,757	+20	552,187	+12
Milk ⁴ (Million Lbs.)	935	+0	n.a.	..	882	+2	n.a.	..	1,161	+2	1,707	-3	4,685	0
Eggs ⁴ (Million)	599	+11	342	+2	762	+16	307	+2	501	-4	720	+3	3,231	+6
Broiler Placements ⁵ (1,000)	52,311	+22	8,978	-22	152,893	+9	..	..	37,412	-4	..	..	251,594	+8

¹Picked and threshed only.

²Liveweight, January through July.

³Oct. through Aug., almost equivalent to calendar year production.

⁴For beans only.

⁵January through August.

n.a. Not available.

Sixth District Statistics

Instalment Cash Loans

Lender	No. of Lenders	Volume		Outstandings	
		Percent Change Aug. 1955 from		Percent Change Aug. 1955 from	
		July 1955	Aug. 1954	July 1955	Aug. 1954
Federal credit unions	38	+16	+37	+3	+20
State credit unions	16	+8	+11	+4	+15
Industrial banks	8	+33	+70	+2	+19
Industrial loan companies	12	—9	—0	+0	+14
Small loans companies	32	+13	+51	+1	+54
Commercial banks	33	+1	+42	+2	+16

Retail Furniture Store Operations

Item	Percent Change Aug. 1955 from	
	July 1955	Aug. 1954
Total sales	+11	+20
Cash sales	+13	+13
Instalment and other credit sales	+10	+21
Accounts receivable, end of month	+2	+10
Collections during month	+2	+8
Inventories, end of month	+1	—3

Wholesale Sales and Inventories*

Type of Wholesaler	No. of Firms	Percent Change			
		Sales		Inventories	
		Aug. 1955 from	Aug. 1954	Aug. 1955 from	Aug. 1954
Grocery, confectionery, meats	56	—2	+10	50	+0
Edible farm products	14	—15	—30	12	—5
Drugs, chems., allied prods.	20	+21	+22	14	+6
Drugs	11	+13	+18	7	+6
Furniture, home furnishings	10	+15	+18	8	+1
Automotive	41	+12	+14	39	—0
Electrical, electronic & appliance goods	11	+14	+11	..	..
Hardware, plumbing & heating goods	25	+14	+23	21	+1
Machinery: equip. & supplies	25	+14	+25	18	—1
Industrial	9	+6	+32	8	+2

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

Department Store Sales and Inventories*

Place	Percent Change			
	Sales		Inventories	
	Aug. 1955 from	8 Months 1955 from	Aug. 31, 1955, from	Aug. 31, 1954
ALABAMA	+8	+12	+10	+8
Birmingham	+8	+6	+9	+8
Mobile	+14	+17	+11	..
Montgomery	+16	+13	+8	..
FLORIDA	+16	+21	+15	+4
Jacksonville	+16	+11	+5	+8
Orlando	+7	+10	+9	..
St. Ptersbg.-Tampa Area	+5	+5	+4	..
St. Petersburg	+3	+9	+8	+5
Tampa	+6	+3	+1	+15
GEORGIA	+13	+12	+12	+9
Atlanta**	+16	+11	+13	+10
Augusta	+6	+6	+3	+16
Columbus	+10	+24	+20	+9
Macon	+8	+14	+8	+11
Rome**	+17	+19	+7	..
Savannah**	+4	+16	+11	..
LOUISIANA	+25	+13	+7	+5
Baton Rouge	+5	+10	+4	+10
New Orleans	+30	+12	+7	+3
MISSISSIPPI	+8	+6	+4	+8
Jackson	+12	+6	+3	+8
Meridian**	+1	+12	+9	..
TENNESSEE	+10	+14	+8	+18
Bristol (Tenn. & Va.)**	+15	+4	—4	+17
Bristol-Kingsport-Johnson City**	+15	+5	—1	..
Chattanooga	+8	+4	—0	..
Knoxville	+10	+21	+14	+46
Nashville	+10	+16	+9	+7
DISTRICT	+14	+15	+11	+8

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

**In order to permit publication of figures for this city, a special sample has been constructed that is not confined exclusively to department stores. Figures for non-department stores, however, are not used in computing the District percent changes.

Condition of 27 Member Banks in Leading Cities

(In Thousands of Dollars)

Item	Sept. 21, 1955	Aug. 17, 1955	Sept. 22, 1954	Percent Change	
				Sept. 21, 1955, from	Sept. 22, 1954
Loans and investments—					
Total	3,259,649	3,251,902	3,096,262	+0	+5
Loans—Net	1,577,120	1,558,815	1,258,810	+1	+25
Loans—Gross	1,601,062	1,582,741	1,280,638	+1	+25
Commercial, industrial, and agricultural loans	892,583	865,372	721,786	+3	+24
Loans to brokers and dealers in securities	27,227	29,276	13,988	—7	+95
Other loans for purchasing or carrying securities	42,406	41,477	33,538	+2	+26
Real estate loans	150,611	147,031	95,011	+2	+59
Loans to banks	11,702	27,733	1,670	—58	*
Other loans	476,533	471,852	414,645	+1	+15
Investments—Total	1,682,529	1,693,087	1,837,452	—1	—8
Bills, certificates, and notes	580,703	572,600	668,434	+1	—13
U. S. bonds	774,933	793,646	888,207	—2	—13
Other securities	326,893	326,841	280,811	+0	+16
Reserve with F. R. Bank	491,201	497,840	510,761	—1	—4
Cash in vault	50,023	48,470	46,946	+3	+7
Balances with domestic banks	241,569	277,152	237,817	—13	+2
Demand deposits adjusted	2,336,398	2,357,818	2,237,163	—1	+4
Time deposits	626,321	628,400	604,683	—0	+4
U. S. Gov't deposits	75,442	89,601	81,613	—16	—8
Deposits of domestic banks	656,436	674,190	668,976	—3	—2
Borrowings	53,500	38,000	23,600	+41	*

*100 percent or over.

Debits to Individual Demand Deposit Accounts

(In Thousands of Dollars)

	Aug. 1955	July 1955	Aug. 1954	Percent Change		
				Aug. 1955 from	8 Months 1955 from	Aug. 1954
				July 1955	July 1954	Aug. 1954
ALABAMA						
Anniston	33,579	33,738	29,230	—0	+15	+11
Birmingham	596,594	561,705	414,089	+6	+44	+21
Dothan	22,162	20,020	19,131	+11	+16	+8
Gadsden	30,206	29,424	21,447	+3	+41	+21
Mobile	222,921	208,175	186,502	+7	+20	+20
Montgomery	116,381	115,831	101,730	+0	+14	+18
Tuscaloosa*	39,358	37,706	32,524	+4	+21	+11
FLORIDA						
Jacksonville	530,113	521,537	509,965	+2	+4	+12
Miami	490,260	553,126	400,912	+13	+22	+23
Greater Miami*	757,649	822,360	600,973	—8	+26	+26
Orlando	106,653	112,119	82,668	+5	+29	+28
Pensacola	63,257	64,112	55,153	—1	+15	+10
St. Petersburg	112,991	118,459	89,300	+5	+27	+22
Tampa	216,139	213,014	179,071	+1	+21	+16
West Palm Beach*	68,273	65,267	53,362	+5	+28	+21
GEORGIA						
Albany	46,965	47,332	38,677	—1	+21	+22
Atlanta	1,546,776	1,365,488	1,263,840	+13	+22	+12
Augusta	90,195	86,981	77,623	+4	+16	+12
Brunswick	15,241	14,535	13,768	+5	+11	+7
Columbus	92,502	90,347	76,506	+2	+21	+18
Elberton	4,531	4,804	3,975	—6	+14	+6
Gainesville*	39,634	39,629	29,965	+0	+32	+30
Griffin*	14,450	14,319	12,691	+1	+14	+10
Macon	98,456	97,231	85,255	+1	+15	+18
Newnan	16,618	13,101	10,674	+27	+56	+23
Rome*	38,226	38,567	30,115	+1	+27	+22
Savannah	128,535	129,422	118,414	—1	+9	+10
Va'dosta	53,993	25,907	36,474	+108	+48	+14
LOUISIANA						
Alexandria*	50,142	52,444	45,655	—4	+10	+9
Baton Rouge	149,281	155,063	129,192	—4	+16	+12
Lake Charles	63,376	66,345	64,570	—4	+2	+18
New Orleans	1,100,669	1,031,524	973,838	+7	+13	+11
MISSISSIPPI						
Hattiesburg	24,005	24,567	20,981	—2	+14	+11
Jackson	182,436	179,953	164,273	+1	+11	+11
Meridian	30,812	30,606	26,132	+1	+18	+13
Vicksburg	15,658	15,373	13,970	+2	+12	+6
TENNESSEE						
Bristol*	30,091	30,047	26,855	+0	+12	+5
Chattanooga	252,915	227,559	205,914	+11	+23	+12
Johnson City*	33,272	33,319	28,888	—0	+15	+9
Kingsport*	59,653	58,180	42,063	+3	+42	+30
Knoxville	170,950	161,374	150,691	+6	+13	+12
Nashville	550,975	509,032	472,365	+8	+17	+12
SIXTH DISTRICT						
32 Cities	7,176,145	6,827,804	6,036,330	+5	+19	+14
UNITED STATES						
345 Cities	167,358,000	161,748,000	151,510,000	+3	+10	+7

*Not included in Sixth District totals.

Sixth District Indexes

1947-49 = 100

	Nonfarm Employment			Manufacturing Employment			Manufacturing Payrolls			Construction Contracts			Furniture Store Sales* / **		
	July 1955	June 1955	July 1954	July 1955	June 1955	July 1954	July 1955	June 1955	July 1954	Aug. 1955	July 1955	Aug. 1954	Aug. 1955	July 1955	Aug. 1954
SEASONALLY ADJUSTED															
District Total	121	121	118	116	115	110r	173	169	152r	..	..	..	111	120r	96
Alabama	113	112	109	109	109	103r	157	155	135r	..	..	..	120	126	106
Florida	139	138	135	141	143r	136r	201	202r	189r	..	..	..	115	127r	107
Georgia	124	124	117	121	122	111	183	174	148	..	..	..	113	128r	91
Louisiana	116	116	115	103	102	102r	154	152r	144r	..	..	..	132	117r	107
Mississippi	118	118	114	116	115r	111r	177	180r	163r	..	..	..	..	..	..
Tennessee	117	117	114	114	114	110r	168	165r	152	..	..	..	85	97r	74
UNADJUSTED															
District Total	120	120	116	114	114	108r	166	165r	146r	..	..	..	115	113r	100
Alabama	112	112	108	107	107	101r	154	153	132r	189	169	171	126	111	111
Florida	132	133r	127	132	139	128r	183	196r	172r	266	281	233	115	117r	107
Georgia	123	124r	116	119	119	109	175	170	142	331	290	259	120	126r	96
Louisiana	116	115	115	101	100	101r	155	152r	145r	208	337	142	132	112r	107
Mississippi	117	118	113	115	115r	110r	174	178r	160r	145	329	178	..	..	..
Tennessee	116	117	114	113	113	109r	167	165r	150	191	163	169	93	95r	80

Department Store Sales and Stocks**

	Adjusted			Unadjusted		
	Aug. 1955	July 1955	Aug. 1954	Aug. 1955	July 1955	Aug. 1954
DISTRICT SALES*	143p	152	129r	128p	122	116r
Atlanta ¹	139	156	129r	134	125	126r
Baton Rouge	118	130	112r	107	109	102
Birmingham	114	134	112r	104	103	101r
Chattanooga	125	140	125r	113	113	113r
Jackson	109	122	107r	100	97	99r
Jacksonville	124	125	116r	110	103	103r
Knoxville	155	169	133r	143	141	122r
Macon	136	155	125r	124	124	113r
Nashville	130	145	116r	115	113	103r
New Orleans	143	138	132r	133	110	123r
St. Ptsbg-Tampa Area	144	152	142r	118	122	116r
Tampa	126	130	127r	110	112	111r
DISTRICT STOCKS*	154p	148	139r	151p	139	136r

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: Nonfarm emp., 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. 1955	July 1955	Aug. 1954	Aug. 1955	July 1955	Aug. 1954
Construction contracts*	..	..	..	245	267r	210
Residential	..	..	..	280	258r	210
Other	..	..	..	219	275	210
Petrol. prod. in Coastal	..	..	..	..	..	..
Louisiana and Mississippi**	146	146r	129r	146	146r	129r
Cotton Consumption**	105	98	97r	100	83	88r
Furniture store stocks*	102p	102r	106	99p	99r	103
Turnover of demand deposits*	21.3	21.1	21.7	19.8	20.3	20.2
10 leading cities	23.6	22.5	24.0	21.2	21.4	21.6
Outside 10 leading cities	16.9	17.8	17.5	16.1	17.1	16.6
Elec. power prod., total**	..	..	..	258	245	210
Mfg. emp. by type	..	..	..	..	..	..
Apparel	151	155	141r	148	150	138r
Chemicals	131	132	127r	126	127	121r
Fabricated metals	168	166r	160r	158	160r	151r
Food	109	109	108r	106	107	104r
Lbr., wood prod., furn. & fix.	84	83	81r	84	83	81r
Paper and allied prod.	153	153	148r	151	151r	146r
Primary metals	105	105	94r	104	105	93r
Textiles	95	96	91r	94	95	90r
Trans. equip.	190	189	171r	185	183r	166r

r Revised.

p Preliminary.

