

# Monthly Review

ATLANTA, GEORGIA, NOVEMBER 30, 1955

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# DISTRICT BUSINESS HIGHLIGHTS

Some signs of faltering have appeared in Sixth District business activity after about a year of continued advance. Spending as measured by department store sales and bank debits turned down slightly from summer and early fall levels, and no advance occurred in nonfarm employment. Construction awards fell below last year for the first time. Against these adverse signs, however, were further gains in bank loans and deposits, and farm cash receipts exceeded last year's.

**Department store sales,** seasonally adjusted, declined in the first three weeks of November after a sharp rise in October.

**Instalment buying** at department and furniture stores in October was at a slower pace than in the previous month, but both charge and cash transactions recorded greater year-to-year gains.

Gains in sales of nondurables at department stores equaled those of durables during October, after having lagged during most of the year.

**New car registrations** in September and, according to preliminary reports, in October continued to show sizable gains over a year ago.

**Nonfarm employment,** after seasonal adjustment, remained practically unchanged in September for the third consecutive month.

**Manufacturing payrolls,** after seasonal adjustment, rose slightly in September, reflecting a longer workweek and higher hourly earnings.

**Residential construction awards** recovered somewhat in October, but remained below a year ago. **Total construction awards** for the first time this year fell below previous year levels.

**Petroleum production,** after seasonal adjustment, continued to increase in September and October.

Farm cash receipts through August this year exceeded receipts for the similar 1954 period.

**Crop production** is expected to exceed last year's output by a wide margin; cotton, tobacco, and peanut crops are improved, but rice and sugarcane and pecan harvests will be lower.

**Prices of most farm products** are near or below last October's; cattle, eggs, and oranges have improved, but cotton, hogs, and corn have declined.

**Farm costs** remained near their last fall levels; farm wage rates were higher, but some feed costs were slightly lower.

**Moisture shortages** in most areas through mid-November materially aided harvesting operations but damaged pastures and delayed fall planting of grazing and small grain crops.

**Citrus harvesting** began later than usual; aided by favorable weather, however, the crop is expected to exceed last year's.

**Total deposits** at member banks, seasonally adjusted, increased during October, reflecting gains in all types.

**Seasonally adjusted loans** at member banks increased during October and, according to preliminary information, continued to gain during November.

Spending, as measured by seasonally adjusted bank debits, decreased in October but remained well above a year ago.

**Business, real estate, and consumer loans** continued the upward pattern of recent months and accounted for most of the gain in total loans.

The Federal Reserve Bank of Atlanta raised the **discount rate** on loans to member banks from  $2\frac{1}{4}$  percent to  $2\frac{1}{2}$  percent on November 18.

# Southern Pine Industry Faces Challenge

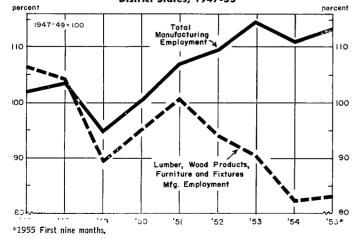
In the Sixth Federal Reserve District, more people depend on wood products industries for their livelihood than on any other type of manufacturing. Marked differences in trends within this group of industries in the last few years, therefore, are of widespread interest. The rapid expansion in the paper industry, for example, has been noteworthy, but the contraction in lumbering, the most important of the forest product industries, has caused some concern. Between 1947 and 1954, employment in lumber and furniture declined 22 percent in District states; between 1947 and 1953, output of all types of lumber fell about 15 percent.

Producers of Southern yellow pine, which accounts for about two-thirds of this area's lumber output, had special cause to lament. Many mills went out of business and onefourth of the operating companies showed no profit at all in 1954, according to the Southern Pine Industry Committee. Production of Southern pine tumbled from about 4.8 billion board feet in 1947 to about 3.8 billion in 1953 in District states, where about one-half of the nation's output is produced.

These declines were part of a secular downtrend that began in the District in 1925. Large-scale operations had characterized the preceding era, and after the virgin forests had become practically depleted, many big operators moved to the Pacific Northwest. In 1919, the District states produced 29 percent of total lumber output in the nation; by 1953 the proportion had fallen to 17 percent.

#### **Economic Contribution**

Although less so than in the past, lumbering still makes a tremendous economic contribution in every District state. Second only to textile manufacturing, lumber and wood products (excluding furniture) provided jobs to some 160,000 District workers in 1954, or about one-sixth of total manufacturing employees. Scattered throughout the region and often located in rural areas, sawmill operations are a major source of cash income in many small communities. Southern pine provides the raw material for other District industries, such as naval stores and paper.



#### Manufacturing and Lumber Employment District States, 1947-55\*

The basic process in manufacturing Southern pine is similar to that used for other types of wood. Trees are felled, limbed, and cut into suitable lengths. The resulting logs are then skidded to a central place where they are loaded on a vehicle and hauled to a sawmill. Here the logs are fed through a saw that reduces them to boards or planks of the desired thickness, after which they are conveyed to edgers and trimmers. The lumber is then ready to be airor kiln-dried for seasoning purposes and is later graded and sorted. Finally, in a planing mill, the rough dry lumber is dressed smooth and sometimes further processed.

#### Structure

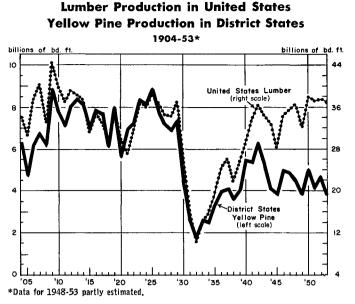
The nature of the timber resources has imposed special characteristics on the Southern pine industry. Generally of second or third growth and principally found in small scattered tracts, the timberstands in this region lend themselves best to small operations. That small operators are the principal lumber producers is evident from Census data. Numbering about 11,000 in 1947, small-size mills (those producing less than three million board feet annually) comprised 96 percent of the mill population in District states and produced almost two-thirds of the total lumber.

The Southern pine industry is also known for a high rate of turnover in number of mills. In 1947, a fairly good year from a market standpoint, some 1,432 mills in District states were idle and 545 new ones were organized. The ease with which firms enter this business reflects the insignificant amounts of capital and manpower necessary. The equipment required for starting a small mill that saws approximately 5,000 board feet of lumber daily costs less than \$10,000, and such a mill can be operated with about eight men, excluding loggers.

Many of the District's small sawmills are of the portable type. Operating in the midst of a small timberstand, they can be easily moved to another tract when the supply of available logs has been exhausted. Typically, such mills are the properties of part-time farmers or small businessmen. In some instances, they employ loggers, although many producers now obtain their logs from contractors, which eliminates the purchase and upkeep of logging equipment as well as the supervision of the logging crew.

That small producers usually do not have finishing machines and facilities for seasoning has given rise to an important processing and manufacturing establishment—the concentration yard. These yards buy, from small sawmill operators, rough green lumber which they season, dress, and grade and eventually sell, either to outside markets or directly to local users. Some concentration yards also operate a permanent sawmill or one or more portable sawmills.

Although fewer in number than small mills, large sawmilling establishments still account for a fairly important share of total production. These mills are permanent installations with an elaborate plant for manufacturing finished lumber, including dry-kilns and planing facilities. Sometimes they cut hardwood as well as pine. Unlike the typical small operator, they usually possess timber tracts of their



own. But because the sawtimber on his own land may fall short of his everyday log requirements and because he may wish to build up his forest, the large operator is commonly obliged to buy stumpage (standing timber) and, to a lesser extent, green lumber from small mills.

#### Financing

Lumber producers obtain their capital from various sources. Concentration yards frequently finance the small mills. If a yard extends a loan to finance timber purchases, the mill must contract to sell its output to that yard until the obligation is discharged. Some District bankers also lend to small operators, but others consider many of them poor risks because of their unstable nature and inadequacy of invested capital. The larger concern, however, often has its own funds to finance production and distribution, but sometimes large firms do borrow from banks for short periods.

Lumber concerns use borrowed funds primarily to carry inventories and to purchase timber and equipment. Since sawmills usually must pay for timber as soon as it is cut, some banks accommodate them by lending against timber contracts. To the extent that the larger mills do not market their lumber until after it is properly seasoned and must carry various grades of finished lumber in stock, substantial amounts of working capital become tied up. Some District banks, therefore, advance funds against inventoriescommonly by a field warehousing arrangement. In lumbering, this technique is highly specialized and complex, since lumber is poorly suited as collateral. Banks that engage in equipment financing often prefer to lend on trucks rather than on specialized machinery and, since much of the lumbering equipment wears out quickly, they often insist on rapid repayment.

#### **Loss of Markets**

Known for its strength and nail-holding power, Southern pine has many sales outlets. Its most extensive use is in the building of homes, but large quantities go into the production of boxes and crates; lesser amounts are used in railway construction and other industrial fields.

The industry has recently suffered a declining market for

its products. In residential building, for example, lumber consumption dropped, according to the Stanford Research Institute, from 18,900 board feet per dwelling unit in 1920 to 10,520 board feet in 1953. About one-half of this decline is attributable to the use of competing materials; the remainder to changes in size and architecture of homes. The use of lumber fell more rapidly between 1950 and 1953 than it did in the previous thirty years, according to the same report, because of a change in trend to low-cost, slab-type construction.

#### **Competition from Douglas Fir**

Additional competition has come from brick, tile, sheet rock, and concrete and from other forest products, such as paperboard, masonite, veneer, and plywood, as well as from other types of lumber. Inroads by Western soft woods have been a particular source of difficulty to Southern pine producers. Whereas total consumption of Southern pine fell 8 percent between 1947 and 1954, Douglas fir consumption rose 21 percent. The severity of this competition is reflected by rising shipments of Douglas fir into the Southern pine producing states themselves, despite freight costs that are equivalent to as much as 50 percent of the f. o. b. mill price (per 1,000 board feet). Southern producers find it even more difficult to compete in Northern states, to which they once shipped large quantities.

The Western mills' ability to outsell Southern pine producers is largely attributable to their lower costs. It takes from one-third to one-half as many manhours to log and manufacture 1,000 board feet of Douglas fir as it does to produce a like amount of Southern pine. This is because in the West, trees are much larger, volume per acre is higher, and mechanization is greater and, therefore, the wage levels and proportion of skilled workers are higher.

#### **Increasing Costs**

Rising costs in manufacturing Southern pine have made for additional pressure, especially since wholesale pine prices have been held down. Stumpage prices, which to the typical small producer constitute the largest portion of his total costs, have shown a sharp upward trend since 1949. Many mill owners in the District consider this the principal cause for the declining number of mills and lowered production. Declines in the local supply of suitable timber and in the large-size and high-quality trees in many areas are responsible for the higher stumpage prices. Also, an increasing number of timberland owners have learned that they can enhance the value of their tracts by careful management and they have become reluctant to sell except at unusually good prices. Loss of skilled labor to industries offering higher wages has also increased costs to pine producers.

Sawmill operators have made concerted efforts to reduce their work force by increased mechanization. The use of power chain saws has become more widespread, and the replacement of animals with tractors has continued. Even portable mills often have chain saws and tractors. At the larger mills, handling of materials has become highly mechanized. Furthermore, within the last few years an increasing number of mills have installed debarking machines, which strip the bark from the logs before sawing. The outside pieces of the log left after sawing, or slabs, are

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made into chips for sale to pulp mills. Since this reduces the cost of producing the lumber by about four dollars per 1,000 board feet, sawmills that have the equipment gain a considerable advantage over those that do not. A concomitant benefit of this development is the reduction in the waste common to some sawmill operators.

#### Future

The most immediate problem confronting the industry is the increase in the minimum hourly wage from 75 cents to one dollar. More than four-fifths of the workers in Southern pine sawmills in early 1955, but few lumber workers elsewhere, earned less than the new minimum. To offset this comparative disadvantage, Southern pine producers will be forced to mechanize further. Since the nature of small sawmilling operations severely limits the application of machinery, the larger mills are likely to become more important at the expense of the smaller ones.

The quality of the finished pine lumber produced in the future will be a strong determinant of sales and production. A good deal of Southern pine that was sold immediately after World War II lacked proper seasoning, according to some observers, and therefore, caused considerable consumer resistance. Standard grading rules, which require that lumber be dried to certain specifications, have been adopted by more and more producers, but they still cover only little more than half of the total Southern pine output.

Markets for Southern pine will depend heavily on the level of housing and industrial activity and on scientific developments in lumber substitutes. According to the aforementioned Stanford Report, the amount of lumber per dwelling unit will decline still further.

Another potentially adverse factor is the effects on sawtimber prices of a possible sharp expansion in demands for logs by pulpwood producers. Moreover, the better-quality species of Southern pine sawtimber apparently is still declining in some areas.

On the other side of the ledger are a number of favorable elements for the future. According to the United States Forest Service the annual rate of growth of softwood sawtimber in District states in 1952 was 12 percent greater than the drain on sawtimber for all purposes. Although the productivity of recently cut lands, especially on small private ownership lands, is still relatively poor in the South, improved management practices induced by tree-farm and other programs are beginning to pay dividends.

Another favorable aspect is that the average rate of growth of Southern pine is greater than that of woods in most other parts of the country. And since the Pacific Northwest will eventually exhaust its virgin timber, competition from that area will probably diminish. Finally, greater development of new products made of Southern pine and the creation of new markets for present products are foreseeable. One of the most promising developments of this type is the use of glued laminated construction. The Southern pine industry will undoubtedly continue to make a substantial economic contribution in this region.

HARRY BRANDT

## Banking Facilities Keep Pace with Prosperous South

A substantial addition to the number of banking facilities has accompanied a growth of banking resources in the Sixth District states during the war and postwar periods. There were 391 more banking offices here at the end of 1954 than there had been at the end of 1939; this number includes 190 new banks and 201 new branches. It appears likely that by the end of 1955, there will have been an addition of 60 more new offices. The figure 391 represents an increase of 27 percent, which compares with one of only 13 percent for the nation as a whole. Like the increase in banking resources, it reflects the area's greaterthan-national rate of expansion.

Commercial banks help in the smooth functioning of the economy in many other ways besides granting credit. Among the many services they provide, they give their customers a safe place to keep their funds and they furnish a means of convenient payment in the form of checks. To provide these services, a commercial banking system must have not only adequate resources but also banking offices that are conveniently accessible to its customers.

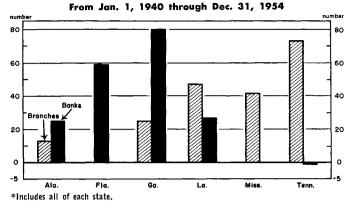
How many banking offices an area can support, however, is more than a matter of how many people live in the area; it is a matter of the amount of financial resources of the community. The success of a new banking office depends upon its ability to attract and retain the deposits needed to insure a profitable operation and upon the potential loan demand in the area. Persons interested in opening a banking office, therefore, usually make a study of the resources available in the community to determine the need for such an establishment. Thus it has been the growth in financial resources in the District that has made possible the new banking facilities. In 1939, per-capita deposits amounted to \$170 in the District states; at present the figure is \$679. The pattern of location and type of office opened have varied from state to state within the District depending on

varied from state to state within the District, depending on population shifts, on economic changes, and on banking legislation. State laws are the most important factor determining the type of new banking office.

In terms of net additions, Florida, which prohibits branch banking, has met the needs of its growing communities by opening 59 new banks since 1939. In Georgia, where banks may open branches in the city of the main office provided the city has a population of 80,000 or over, the new offices consisted of 80 banks and 25 branches. In other states where branches are permitted in the same county as the parent bank, greater relative use of branches was made. In Alabama, 25 new banks and 13 branches



New Banks and Branches, Member and Nonmember



were opened. Louisiana has 27 new banks and 47 branches. Tennessee showed a decline of one bank but a gain of 73 branches. In Mississippi, which permits branches provided they are established within a radius of 100 miles of the parent banks, no new banks were established but 42 branches were opened. (See Chart 1.)

More detailed data are available for the 1945-54 period. These data show that although state laws set the framework for establishing the type of banking facility, they are only of secondary importance in determining location. Since much of the increase in population occurred in and around large cities, the need for banking facilities in these areas was extremely great. In a large city, however, a small beginning bank finds it difficult to compete with the large and well-established banks. As a result, when state laws permit, branches are usually established in newly developed areas of the city by the older, going banks.

In the suburban areas also, it is easier to start a new branch than it is to open a new bank, particularly because

#### Table 1

New Banking Offices Opened From Jan. 1, 1945, through Dec. 31, 1953 Sixth District States\*

	Alabi	ama	Flor	ida	Geo	rgia	Louis	siana	Missis	sippi	Tenn	essee
Population of City (in thousands	Bank	Branch	Bank	Branch	Bank	Branch	Bank	Branch	Bank	Branch	Bank	Branch
50 and over	1	3	8	0	3	20	1	10	0	7	1	17
15 to 50	1	0	11	0	3	0	0	4	0	1	1	3
2.5 to 15	7	3	10	0	16	0	8	3	1	0	2	3
Under 2.5	9	1	15	0	18	Ó	4	4	3	1	2	4
Total	18	7	44	Ó	40	20	13	21	4	9	6	27

#### Table 2

New Branch Banks Opened

By Size of Parent Bank and Size of City From Jan. 1, 1945 through Dec. 31, 1953 Sixth District States\*

Population of Branch City		(	Size of <b>P</b> in millions	arent Banl of deposi										
(in thousands)	Over 100	50 to 100	20 to 50	10 to 20	Under 10	Total								
500 and over	1	3	2	0	0	6								
100 to 500	22	5	8	1	0	36								
50 to 100	_0	7	6	2	0	15								
25 to 50	Ó	0	2	4	0	6								
10 to 25	2	0	1	0	1	4								
Under 10	6	5	2	2	2	17								
Total	31	20	21	9	3	84								

\*Includes only Sixth District portions of Louisiana, Mississippi and Tennessee.

Digitized for FRASER http://fraser.stlouisfed.org/ Federal Reserve Bank of St. Louis the name of the city bank is already well known and customers can conduct their bank business either in their own neighborhood or in town without changing their banking affiliation. Furthermore, in these areas loan demand tends to be comparatively weak. Whether a bank can establish a branch in the suburbs, however, depends upon state legislation. In states prohibiting branch banking and in states limiting branches to the incorporated area of the city in which the main office is located, new banks are opened in suburban areas to provide banking services.

Because the laws of most states in the District permit branch banking within the same county, it is generally the practice to meet much of the need for banking facilities in and around large cities by opening new branches. Indeed, many of the new branches in cities of less than 15,000 population, as is shown in Table I, were actually in suburban areas of large cities.

Since most states prohibit branch banking beyond the limits of the county of the parent bank, needs for banking facilities in smaller rural communities were met by establishing new banks. In Alabama, for instance, where there was an apparent need for 20 new banking facilities in small cities between 1945 and 1953, the need was met by the establishment of 16 new banks and only 4 branches.

CHARLES S. OVERMILLER

#### Bank Announcements

The Merchants Bank of Miami, Miami, Florida, a newly organized, nonmember bank, opened for business November 14 and will remit at par for checks drawn on it when received from the Federal Reserve Bank. Its officers are H. T. Maroon, President; Ronald N. Aurswald, Executive Vice President; Gregory Constantine, A. E. Schrader, and M. E. Stephens, Vice Presidents; and James M. Lord, Cashier. The bank's capital amounts to \$400,000, and surplus and undivided profits to \$200,000.

On November 18 the Richmond County Bank, Augusta, Georgia—another newly organized, nonmember, par-remitting bank—opened for business. Officers of this bank are Spencer L. Hart, President; W. C. Clary, Jr., Vice President; and Henry B. McNorrill, Cashier. It has capital of \$100,000 and surplus and undivided profits of \$100,000.

The Federal Reserve Bank of Atlanta is pleased to welcome a new member into the Federal Reserve System—the newly organized Florida National Bank at Arlington, Arlington, Florida, which opened for business November 25. Its officers are Byruss Lee, President; H. E. Lewis, Vice President; and Herman A. Alexander, Cashier. Capital stock totals \$150,000 and surplus \$50,000.

Another new member of the System, the City National Bank of Clearwater, Clearwater, Florida, opened for business November 19. Officers of this bank are Addison A. Wakeford, President; Earle L. Divers and John L. Martens, Vice Presidents; and Edwin A. Branson, Cashier. Capital stock amounts to \$300,000 and surplus and undivided profits to \$200,000.

### Sixth District Statistics

#### **Instalment Cash Loans**

		Volu Percen	ume t Change	Outstandin Percent Char	
			955 from	Oct. 19	955 from
Lender	No. of Lenders	Sept. 1955	0ct. 1954	Sept. 1955	0ct. 1954
Federal credit unions State credit unions Industrial banks Industrial loan companies . Small loan companies Commercial banks	37 15 8 11 28 33	6 28 7 +12 0 5	+17 +0 +16 9 +56 +25	+1 +1 +1 -1 +1 +1 +1	+21 +16 +18 +9 +64 +20

#### **Retail Furniture Store Operations**

	Percent Change October, 1955, from		
Item	Sept. 1955	Oct. 1954	
Total sales	. +14	+9	
Cash sales	. <del>+</del> 23	+25	
Instalment and other credit sales	. +13	+7	
Accounts receivable, end of month	. +1		
Collections during month	. +10	+8 +9	
Inventories, end of month	. +5	+3	

#### Wholesale Sales and Inventories\*

		Sales			Inventories					
	Percent ch	ange Oct. 19	55 from	Percent ch	ange Oct. 19	1955 from 0ct. 1954 +15 +19 +13  +12 +8				
Type of Wholesaler	No or Firms	Sept. 1955	0ct. 1954	No. of Firms	Sept. 1955					
Grocery, confectionery, Edible farm products	14	+2 +20	+6 9	9 11	+9 +2	+19				
Drugs, chems., allied ni Drugs	7	7 +1	+9 +15	9	+5					
Automotive Hardware, plumbing &		+9	+12	42	0					
heating goods Machinery: equip, & su	pplies 36	+7 +3	+9 +23	23 21	$^{+1}_{+13}$	+1				
Industrial Iron & steel scrap & wa	ste	+6	+24	15	+12	+2				
materials	/	+12	+68	••	• •					

\*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 Change	!	
		Sales		Inven	tories
	Oct.	1955 from	10 Months	Oct. 31, 3	1955, from
Place	Sept. 1955	0ct. 1954	1955 from 1954	Sept. 30, 1955	0ct. 31 1954
ALABAMA	+16	+8	+9	+3	+6
Birmingham	+11	+8	÷9	+2	+6
Mobile	+25	+10	+11		
Montgomery,	+11	-3	+7		
FLORIDA	+35	+21	+16	+4	+5
Jacksonville	+40	+5	+6	+4	+4
Orlando	+ 32	+7	+9		
St. Ptrsbg-Tampa Area	+30	+11	÷5		۰.
St. Petersburg	+32	+12	+9	+8	+13
Татра	+28	+10	+2		
GEORGIA	+4	+2	+11	+2	+10
Atlanta**	-1	+2	+12	+1	+12
Augusta	+12	3	+2		
Columbus	+19	+9	+18	1	+12
Macon	+11	+3	+7	+6	+2
Rome**	+41	+18	+10		
Savannah**	+7	2	+8		
LOUISIANA	+17	+6	+7	+5	+1
Baton Route	+3	+1	+4	+15	+1
New Orleans	+20	+7	+7	+4	+19
MISSISSIPPI	+21	+5	+4	+7	+10
Jackson	+17	+3	+2	+10	+1
Meridian**	÷30	+19	+11		
TENNESSEE	+17	+8	+8	+10	$+1^{-1}$
Bristol (Tenn, & Va.)**.	+13	+8	-2	+3	+
Bristol-Kingsport-	• •	•			
Johnson City**	+17	+8	+1		
Chattanooga	+13	+4	÷0		
	+15	+11	+13	+16	+6
Nashville	+20	+8	+8	+10	+
DISTRICT	+18	+9	+11	+5	+1

\*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 con-structed that is not confined exclusively to department stores. Figures for nondepart-ment stores, however, are not used in computing the District percent changes.

#### **Condition of 27 Member Banks in Leading Cities** ars)

				Percer Nov. 16, 19	nt Change 955, from
Item	Nov. 16 1955	0ct. 19 1955	Nov. 17 1954	Oct. 19 1955	Nov. 17 1954
Loans and investments-					
Total	3,371,986	3,328,426	3,300,888	+1	+2
Loans-Net	1,698,783	1,634,603	1,376,691	+4	+23
Loans-Gross	1,723,099	1,659,019	1,398,549	+4	+23
Commercial, industrial,					
and agricultural loans .	939,059	899,280	807,197	+4	+16
Loans to brokers and					
dealers in securities .	27,607	26,540	21,19 <b>0</b>	+4	+30
Other loans for purchasing					
or carrying securities .	42,078	39,735	37,151	+6	+13
Real estate loans	158,430	155,635	105,837	+2	+ 50
Loans to banks	20,448	16,495	2,847	+24	*
Other Ioans	535,477	521,334	424,327	+3	+26
Investments-Total	1,673,203	1,693,823	1,924,197	1	13
Bills, certificates,					
and notes	597,756	615,283	718,474	—3	17
<b>U. S.</b> bonds	751,218	754,006	896,187	0	16
Other securities	324,229	324,534	309,536	0	+5
Reserve with F. R. Bank .	498,391	491,431	522,466	+1	5 +9
Cash in vault	49,527	51,9 <b>0</b> 0	45,274	—5	+9
Balances with domestic					
banks	258,307	247,421	260,497	+4	1
Demand deposits adjusted .	2,393,972	2,343,252	2,298,926	+2	+4
Time deposits	631,791	627,352	615,271	+1	+3
U. S. Gov't deposits	93,992	99,762	167,031	6	-44
Deposits of domestic banks .	724,316	688,798	722,459	+5	+0
Borrowings	31,900	55,250	44,400		

\*100 percent or over.

#### **Debits to Individual Demand Deposit Accounts**

#### (In Thousands of Dollars)

ALABAMA Anniston37,57835,75932,307 $+5$ $+16$ $+12$ Birmingham610,720.605,587.495,979 $+1$ $+23$ .422Birmingham24,954.23,381.19,611 $+7$ $+27$ .411Gadisden206,759.228,838.174,427 $-10$ $+19$ $+20$ Mobile206,759.228,838.174,427 $-10$ $+19$ $+20$ Montgomery23,800.41,918.38,230 $+5$ $+15$ $+12$ FLORIDA43,890409,915 $+3$ $+21$ $+23$ Greater Miami* <th></th> <th></th> <th></th> <th></th> <th></th> <th></th> <th></th>							
Oct.Sept.Oct.Sept.Oct.Sept.Oct.Sept.Oct.Sept.IorALABAMAAnniston37,57835,75932,307+5+16+12Birmingham610,720605,587495,979+1+23+22Dothan24,95423,38119,611+7+27+11Gadsden206,759228,838174,427-10+19+20Mohite206,759228,838174,427-10+19+20Montgomery122,316129,846109,062-6+12+18FLORIDAJacksonville525,807546,710464,794-4+13+13Miami483,562471,43698,915+3+21+22Orlando105,990106,84094,256-1+12+22Pensacola65,08365,13993,375-0+22+12Tampa222,268190,866+0+17+16West Palm Beach*.71,67563,62051,197+13+40+22GeGRGIA14,9551,351,901+2+11+14Augusta94,76196,926-0-2+11Augusta94,76196,926-0-2+14Atlanta							
Oct.Sept.Oct.Sept.Oct.Sept.Oct.Sept.Oct.Sept.IorALABAMAAnniston37,57835,75932,307+5+16+12Birmingham610,720605,587495,979+1+23+22Dothan24,95423,38119,611+7+27+11Gadsden206,759228,838174,427-10+19+20Mohite206,759228,838174,427-10+19+20Montgomery122,316129,846109,062-6+12+18FLORIDAJacksonville525,807546,710464,794-4+13+13Miami483,562471,43698,915+3+21+22Orlando105,990106,84094,256-1+12+22Pensacola65,08365,13993,375-0+22+12Tampa222,268190,866+0+17+16West Palm Beach*.71,67563,62051,197+13+40+22GeGRGIA14,9551,351,901+2+11+14Augusta94,76196,926-0-2+11Augusta94,76196,926-0-2+14Atlanta					Oct. 195	5 from 10	Monthe
$\begin{array}{c c c c c c c c c c c c c c c c c c c $		Oct.	Sent.	Oct	Sent	000 19	55 from
ALABAMA Anniston37,57835,759 $32,307$ $+5$ $+16$ $+12$ Birmingham $610,720$ $605,587$ $495,979$ $+1$ $+23$ $+22$ Dothan $24,954$ $23,381$ $19,611$ $+7$ $+77$ $+11$ Gadisden $31,618$ $30,932$ $26,830$ $+2$ $+18$ $+21$ Mobile $220,759$ $228,838$ $174,427$ $-10$ $+19$ $+20$ Montgomery $122,316$ $129,846$ $109,062$ $-6$ $+12$ $+18$ FLORIDA $43,890$ $41,918$ $38,230$ $+5$ $+15$ $+12$ Jacksonville $525,807$ $546,710$ $464,794$ $-4$ $+13$ $+13$ Jacksonville $525,807$ $546,710$ $464,794$ $-4$ $+13$ $+13$ Greater Miami* $753,125$ $723,174$ $625,580$ $+4$ $+20$ $+22$ Orlado $105,990$ $106,840$ $94,256$ $-1$ $+12$ $+22$ Tampa $222,407$ $222,288$ $190,866$ $+0$ $+17$ $+16$ West Palm Beach* $71,675$ $63,620$ $51,197$ $+13$ $+40$ $+22$ Greater Miami* $104,530$ $98,528$ $87,407$ $+6$ $+20$ $+12$ Augusta $94,704$ $94,761$ $96,926$ $-0$ $-2$ $+11$ Augusta<							1954
$\begin{array}{llllllllllllllllllllllllllllllllllll$							
$\begin{array}{llllllllllllllllllllllllllllllllllll$		37.578	35,759	32,307	+5	+16	⊥12
$\begin{array}{cccccccccccccccccccccccccccccccccccc$							
							+11
$\begin{array}{cccccccccccccccccccccccccccccccccccc$			30,932	26,830		+18	+21
$\begin{array}{cccccccccccccccccccccccccccccccccccc$	Mobile				10		+20
$ \begin{array}{llllllllllllllllllllllllllllllllllll$		43,890	41,918	38,230	+5	+15	+12
$\begin{array}{cccccccccccccccccccccccccccccccccccc$							
$\begin{array}{c} \mbox{Greater Miami*}{} $$$						+13	
$\begin{array}{cccccccccccccccccccccccccccccccccccc$						+21	
$\begin{array}{cccccccccccccccccccccccccccccccccccc$						+20	
$\begin{array}{cccccccccccccccccccccccccccccccccccc$						+12	
$\begin{array}{cccccccccccccccccccccccccccccccccccc$			115 523	102 020		+22	
West Palm Beach*.71,675 $63,620$ $51,197$ $+13$ $+40$ $+23$ GEORGIAAlbany $52,703$ $48,899$ $53,267$ $+8$ $-1$ $+15$ Atlanta $1,465,550$ $1,351,901$ $+2$ $+11$ $+12$ Augusta $94,704$ $94,761$ $96,926$ $-0$ $-2$ $+11$ Branswick $16,370$ $14,281$ $13,850$ $+15$ $+18$ $+46$ Columbus $164,570$ $98,528$ $87,407$ $+6$ $+20$ $+12$ Griffin*. $16,557$ $16,261$ $15,671$ $+2$ $+6$ $+11$ Macon. $98,946$ $98,540$ $96,897$ $+2$ $+12$ Newnan. $14,909$ $13,824$ $11,667$ $+8$ $+28$ $+22$ Savannah. $138,879$ $134,383$ $129,701$ $+3$ $+7$ $+11$ Valdosta. $23,611$ $28,012$ $19,725$ $-16$ $+20$ $+12$ Newn orleans. $1,072,189$ $1,050,314$ $978,345$ $+2$ $+10$ MissiSSIPPIHattiesburg. $26,867$ $27,234$ $22,177$ $-1$ $+21$ $+11$ Meridia. $32,635$ $32,102$ $28,393$ $+5$ $+18$ $+40$ MissiSiSPIPIHattiesburg. $32,635$ $32,102$ $28,393$ $+5$ $+11$ MississiPri. $18,428$ $17,001$					16	117	
$\begin{array}{llllllllllllllllllllllllllllllllllll$							
Albany.52.70348.89953.267 $+8$ $-1$ $+12$ Atianta1.496.8151.465.5501.351.901 $+2$ $+11$ $+12$ Augusta94.70494.76196.926 $-0$ $-2$ $+11$ Brunswick1.637014.28113.850 $+15$ $+18$ $+4$ Columbus1.04,53098.52887.407 $+6$ $+20$ $+12$ Elberton6.4616.2766.054 $+3$ $+7$ $+7$ Gainesville*43.44242.21733.215 $+3$ $+31$ $+22$ Griffin*1.65571.626115.671 $+2$ $+6$ $+10$ Macon98.94698.54096.897 $+0$ $+2$ $+11$ Newman14.65940.07438.151 $+11$ $+17$ $+22$ Rome*44.65940.07438.151 $+11$ $+17$ $+22$ Valdosta23.61128.01219.725 $-16$ $+20$ $+11$ LOUISIANA1Baton Rouge1.050.314978.345 $+2$ $+11$ Lake Charles71.51566.58966.498 $+7$ $+8$ $+10$ NississiPPiH1.050.314978.345 $+2$ $+10$ $+11$ MississiPPi18.42817.001 $17.174$ $+8$ $+7$ $+6$ Hattiesburg23.60332.21428.933 $+5$ $+18$ $+4$ Chatanooga23.635<		,1,0,5	02,020	21,197	+12	1.40	+ 65
Atlanta1,496,8151,465,5501,351,901+2+11+12Augusta94,70194,76196,926-0-2+11Brunswick16,37014,28113,850+15+18+4Columbus104,53098,52887,407+6+20+11Elberton6,4616,2766,054+3+7+7Gainesville*43,44242,21733,215+3+31+25Griffin*16,55716,26115,671+2+6+11Macon98,94698,54096,897+0+2+11Newnan14,90913,82411,667+8+28+22Rome*14,65940,07438,151+11+17+22Savannah23,61128,01219,725-16+20+11LOUISIANAAlexandria*53,41757,94051,108-8+5+11Alexandria*53,41757,94051,108-8+5+11BatonNouge154,613150,252136,853+3+12MiSSISSIPPI1,072,1891,050,314978,345+2+10+11Meridia32,63532,10228,393+5+18+4Chatanooga236,005248,255228,580-5+3+11Johnson City*33,63532,10228,393+5+18+4Chatanooga236,005 <td< td=""><td></td><td>52,703</td><td>48,899</td><td>53.267</td><td>+8</td><td>1</td><td>+19</td></td<>		52,703	48,899	53.267	+8	1	+19
$\begin{array}{cccccccccccccccccccccccccccccccccccc$				1.351.901	+2	$+11^{-1}$	+12
$\begin{array}{cccccccccccccccccccccccccccccccccccc$		94,704	94,761	96,926	<u>–</u> ō		÷11
$\begin{array}{cccccccccccccccccccccccccccccccccccc$		16,370		13,850			+8
$\begin{array}{cccccccccccccccccccccccccccccccccccc$					+6		+18
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$							+7
$\begin{array}{cccccccccccccccccccccccccccccccccccc$							
Newman14,90913,82411,667 $+8$ $+28$ $+22$ Rome*44,65940,07438,151 $+11$ $+17$ $+22$ Savannah138,879134,383129,701 $+3$ $+7$ $+11$ Valdosta23,61128,01219,725 $-16$ $+20$ $+11$ LOUISIANAAlexandria*53,41757,94051,108 $-8$ $+5$ $+11$ Baton Rouge154,613150,252136,853 $+3$ $+13$ $+12$ Lake Charles71,51566,58966,498 $+7$ $+8$ $+10$ MISSISSIPPIHattiesburg26,86727,23422,177 $-1$ $+21$ $+12$ Meridia32,82035,22430,879 $-7$ $+6$ $+11$ Vicksburg18,42817,00117,174 $+8$ $+7$ $+6$ TENNESSEEBristol*33,63532,10228,393 $+5$ $+18$ $+4$ Chatanooga236,005248,255228,580 $-5$ $+3$ $+11$ Johnson City*33,63532,10228,393 $+5$ $+18$ $+4$ Chatanooga528,722516,458454,970 $+2$ $+16$ $+12$ Johnson City*528,722516,458454,970 $+2$ $+16$ $+12$ SiXTH DISTRICT		16,557					+10
$\begin{array}{cccccccccccccccccccccccccccccccccccc$							+12
$\begin{array}{cccccccccccccccccccccccccccccccccccc$					. + ?		+23
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$							
$ \begin{array}{c c c c c c c c c c c c c c c c c c c $					_16		
$\begin{array}{cccccccccccccccccccccccccccccccccccc$		22,011	20,012	19,765	-10	740	τ <b>-</b> ,
$\begin{array}{cccccccccccccccccccccccccccccccccccc$		53,417	57.940	51.108	8	+5	+10
Lake Charles  71,515  66,589  66.498  +7  +8  +10    New Orleans  1,072,189  1,050,314  978,345  +2  +10  +10    MISSISSIPPI  Hattiesburg  26,867  27,234  22,177  -1  +21  +11    MISSISSIPPI  Hattiesburg  26,867  27,234  22,177  -1  +21  +11    Jackson  192,144  189,564  166,450  +1  +15  +11    Meridian  32,820  35,224  30,879  -7  +6  +12    Vicksburg  18,428  17,001  17,174  +8  +7  +6    TENNESSEE  Bristol*  33,635  32,102  28,393  +5  +18  +4    Johnson City*  33,834  35,149  30,684  -4  +10  +11    Kingsport*  64,131  58.038  53,342  +10  +20  +27    Knoxville  528,722  516,458  454,970  +2  +16  +12    SIXTH DISTRICT  32 Citites  7,100,389  7,052,138							+11
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	Lake Charles	71,515	66,589	66,498	+7		+16
$\begin{array}{llllllllllllllllllllllllllllllllllll$	New Orleans		1,050,314	978,345		+10	+10
Jackson  192,144  189,564  166,450  +1  +15  +11    Meridian  32,820  35,224  30,879  -7  +6  +11    Vicksburg  18,428  17,001  17,174  +8  +7  +6    TENNESSEE  33,635  32,102  28,393  +5  +18  +4    Chattanooga  236,005  248,255  228,580  -5  +3  +11    Johnson City*  33,834  35,149  30,684  -4  +10  +11    Kingsport*  64.131  58,038  53,342  +10  +22  +20    Knoxville  164.977  165.914  161,006  -1  +2  +16    SIXTH DISTRICT  32 Cities  7,100,389  7,052,138  6,292,769  +1  +13  +14    UNITED STATES  345 Cities  175,807,000 169,001,000 1,669,848,000  +4  +15  +4							
Meridian  32,820  35,224  30,879  -7  +6  +1    Vicksburg  18,428  17,001  17,174  +8  +7  +6    TENNESSEE  Bristol*  33,635  32,102  28,393  +5  +18  +4    Johnson City*  33,635  32,102  28,393  +5  +18  +4    Johnson City*  33,834  35,149  30,684  -4  +10  +11    Kingsport*  64,131  58,038  53,342  +10  +20  +22    Knoxville  528,722  516,458  454,970  +2  +16  +11    SIXTH DISTRICT  32 Cities  7,100,389  7,052,138  6,292,769  +1  +13  +14    UNITED STATES  345 Cities  175,807,000 169,001,000 1,669,848,000  +4  +15  +8							+13
Vickshurg  18,428  17,001  17,174  +8  +7  +6    TENNESSEE  Bristol*   33,635  32,102  28,393  +5  +18  +4    Chattanooga   236,005  248,255  228,580  -5  +3  +11    Johnson City*   33,834  35,149  30,684  -4  +10  +20  +22    Kingsport*   64,131  58,038  53,342  +10  +20  +22    Knoxville    528,722  516,458  454,970  +2  +16  +13    SIXTH DISTRICT   7,100,389  7,052,138  6,292,769  +1  +13  +14    UNITED STATES   175,807,000 169,001,000 1,669,848,000  +4  +15  +4							+13
$\begin{array}{cccccccccccccccccccccccccccccccccccc$							
Bristol*   33,635  32,102  28,393  +5  +18  +1    Chattanooga   236,005  248,255  228,580  -5  +3  +11    Johnson City*   33,834  35,149  30,684  -4  +10  +11    Kingsport*   64,131  58,038  53,342  +10  +20  +22    Knoxville    164,977  165,914  161,006  -1  +2  +16    Naskwile     528,722  516,458  454,970  +2  +16  +12    SIXTH DISTRICT      7,100,389  7,052,138  6,292,769  +1  +13  +14    UNITED STATES                 345  Cities             Johnson		18,428	17,001	17,174	+8	+7	+6
Chattanooga  236,005  248,255  228,580  -5  +3  +1    Johnson City*  33,834  35,149  30,684  -4  +10  +2    Kingsport*  64.131  58.038  53,342  +10  +20  +2    Knoxville  -  164.977  165.914  161.006  -1  +2  +11    Mashwille  .  528,722  516,458  454.970  +2  +16  +12    SIXTH DISTRICT  32 Cities  .  7,100,389  7,052,138  6,292,769  +1  +13  +14    UNITED STATES  345 Cities  .  175,807,000 169,001,000 1,669,848,000  +4  +15  +4			00 100	00.000			
Johnson City*  33,834  35,149  30,684  -4  +10  +11    Kingsport*  64,131  58,038  53,342  +10  +20  +22    Knoxville  164,977  165,914  161,006  -1  +2  +14    Nashville  528,722  516,458  454,970  +16  +13    SIXTH DISTRICT  32 Cities  7,100,389  7,052,138  6,292,769  +1  +13  +14    UNITED STATES  345 Cities  175,807,000  169,001,000  1,669,848,000  +4  +15  +4							
Kingsport*  64.131  58.038  53.342  +10  +20  +2?    Knoxville  164.977  165.914  161.006  -1  +2  +10    Nashville   528.722  516.458  454.970  +2  +16  +12    SIXTH  DISTRICT  32 Cities   7,100.389  7,052,138  6,292.769  +1  +13  +14    UNITED  STATES  345 Cities   175,807,000  1669,001,000  +,669,848,000  +4  +15  +4							
Knoxville  164.977  165.914  161,006  -1  +2  +16    Nashville  . </td <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>							
Nashville     528,722    516,458    454,970    +2    +16    +12      SIXTH DISTRICT    32    Cities     7,100,389    7,052,138    6,292,769    +1    +13    +14      UNITED    STATES    345    Cities     175,807,000    1669,001,000    +,669,848,000    +4    +15    +4							
SIXTH DISTRICT    32 Cities     7,100,389  7,052,138  6,292,769  +1  +13  +14    UNITED STATES  345 Cities   175,807,000  1669,848,000  +4  +15  +8							
32 Cities    7,100,389    7,052,138    6,292,769    +1    +13    +14      UNITED STATES    345 Cities    .    .    175,807,000    169,001,000    1,669,848,000    +4    +15    +8		220,122	210,420	724,370	<b>Τ</b> 4	±10	717
UNITED STATES 345 Cities 175,807,000 169,001,000 1,669,848,000 +4 +15 +8		7.100.389	7.052.138	6.292.769	+1	+13	+14
345 Cities 175,807,000 169,001,000 1,669,848,000 +4 +15 +8		.,100,209	7,052,250	0,222,703	11	125	1 14
		175,807,000	169,001,000	1,669,848,000	+4	+15	+8
			-				

\*Not included in Sixth District totals.

# Sixth District Indexes

					19	4/-49	=100	,							
		lonfar ploym		Manufacturing Employment			ufactu ayroll:			struct			Sales	re s*/**	
	Sept. 1955	Aug. 1955	Sept. 1954	Sept. 1955	Aug. 1955	Sept. 1954	Sept. 1955	Aug. 1955	Sept. 1954	0ct. 1955	Sept. 1955	0ct. 1954	0ct. 1955	Sept. 1955	0ct. 1954
SEASONALLY ADJUSTED							6								
District Total	122	121	118	114	114	110	170	166	152r				120p	107	111
Alabama	113	109	110	106	101	101	158	141r	137				129p	106	110
Florida	140	140	135	142	144	138r	201	203	190r				129	112	119
Georgia	125	125	120	119	120	112r	177	178	149				128p	114	117
Louisiana	116	116	116	99	101	101r	152	151	144r				124p	115	121
Mississippi	118	117	115	114	114	110	174	176r	166						
Tennessee	117	117	115	114	114	109r	167	172r	154r				103p	84r	96
UNADJUSTED		111	112	***	114	1051	207	272	2011				TODH	0.11	20
District Total	122	120	118	115	114	111	171	164	153r				120p	110	111
Alabama		109	111	109	101r	103	163	141r	141	197	207	214	127p	118	108
Florida	134	132r	129	135	134	131r	189	186	179r	235	266	284	135	119	123
Georgia	125	125	119	121	121	114	181	176	152r	221	147	279	124	113	113
Louisiana	117	116	117	101	102	103r	155	152	147r	359	623	242	120p	115	117
	119	118	117	116	102	112	180	178r	171	174	359	257			
Townson	118	117	116	115	115	111	171	170r	157r	276	301	177	98p	85r	93
Tennessee	110	11/	110	115	115	111	1/1	1701	17/1	270	501	1//	90h	100	35

#### **Department Store Sales and Stocks\*\***

		Adjusted		U	Inadjusted	
	0ct. 1955	Sept. 1955	0ct. 1954	0ct. 1955	Sept. 1955	0ct 1954
DISTRICT SALES*	. 148p	140	136r	154p	136	141
Atlanta <sup>1</sup>	. 141	150	138r	151	158	148
Baton Rouge	. 119	119	115	122	124	119
Birmingham	. 134	117	124r	134	125	124
Chattanooga	. 140	130	135r	142	131	137
Jackson	. 114	107	111r	125	111	121
Jacksonville	. 128	129	122r	152	113	145
Knoxville	. 160	150	143r	165	149	148
Macon	. 144	132	139r	151	141	146
Nashville	. 133	122	123r	134	116	125
New Orleans	. 142	131	133r	145	125	135
St. Ptrsbg-Tampa Area .	. 157	144	142r	157	126	142
Tampa	3.00	126	126r	141	115	128
DISTRICT STOCKS*	. 156p	156r	142r	170p	163r	155

<sup>1</sup>To permit publication of figures for this city, a special sample has been constructed that is not confined exclusively to department stores. Figures for nondepartment 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 and 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		U	Inadjuste	d
	0ct. 1955	Sept. 1955	0ct. 1954	0ct. 1955	Sept. 1955	0ct. 1954
Construction contracts*				255	264r	256
Residential				237	195r	275
Other				268	315r	242
Petrol. prod. in Coastal						
Louisiana and Mississippi** .		154	127r	155	152	127r
Furniture store stocks*	. 110p	108r	107	114p	108r	111
Turnover of demand deposits* .		20.6	20.2	20.0	21.0	20.2
10 leading cities	. 20.4	22.0	20.5	21.2	22.2	21.3
Outside 10 leading cities	. 16.0	17.8	16.5	16.8	17.8	17.3
	Sept. 1955	Aug. 1955	Sept. 1954	Sept. 1955	Aug. 1955	Sept. 1954
Elec. power prod., total** Mfg. emp. by type				273	276	213r
Apparel	. 152	152	142r	154	154r	144r
Chemicals	. 130	131	126r	132	127	127r
Fabricated metals	. 161	164r	156r	162	162r	157r
Food	300	107	106r	107	109r	108r
Lbr., wood prod., furn. & fix.		83	82r	83	84	82r
Paper and allied prod		153	145r	153	153	146r
Primary metals		83r	94r	106	83r	94
Textiles	. 95	95	93	97	95	94
Trans. equip		194r	165r	187	186	164

r Revised p Preliminary



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