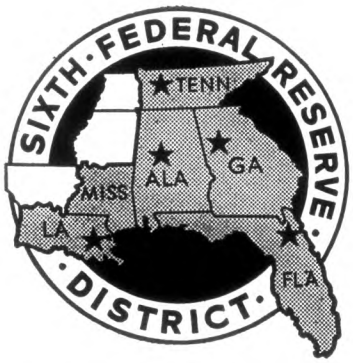

Monthly Review

ATLANTA, GEORGIA, AUGUST 31, 1956

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DISTRICT BUSINESS HIGHLIGHTS

Consumer spending in the District is brisk. Total nonfarm employment has reached a new high and manufacturing payrolls have increased. As banks increased their loans to finance trade, total loans rose more than seasonally. Member bank borrowing from the Federal Reserve Bank of Atlanta was greater in August than in July. Although farm production and prices improved, dry weather is harming some growing crops.

Department store sales in August, after adjustment for seasonal variation and trading day differences, were near record highs.

Furniture store sales in July, seasonally adjusted, increased sharply from June and established a new high for this year.

Gasoline tax collections established a new record in July.

Nonfarm employment, after seasonal adjustment, was unchanged in June, but rose to a new high in July, according to preliminary data.

Manufacturing payrolls, after seasonal adjustment, rose in June and, according to preliminary data, advanced further in July. Seasonally adjusted manufacturing employment also increased in June.

Steel operations in Birmingham in mid-August reflected the settlement of labor disputes and were at the highest point since late April.

Construction contracts in July increased despite a further drop in the residential category.

Spending by check increased somewhat during July, as measured by seasonally adjusted **bank debits.**

Consumer instalment credit outstanding at commercial banks increased during July, with the largest gains registered by personal loans.

Trade loans at commercial banks showed a greater-than-seasonal increase in the first two weeks of August, reflecting sharp gains in loans to wholesalers.

Total business loans at member banks in leading cities rose during August as a result of the increased demand for trade loans and a rise in loans to sales finance companies.

Total loans at all member banks increased more than seasonally in July and, according to preliminary data, again in August.

Deposits at member banks increased about seasonally during July; preliminary data indicate a further rise in August.

Production of livestock products is greater than a year ago, largely because of increased marketings of hogs and broilers; milk and egg production is somewhat greater; but beef production is down.

Farm prices received were about equal to those of last year. Higher prices for fruit, vegetables, and hogs brought them up.

Late crops are deteriorating in Tennessee, North Georgia, Mississippi, Alabama, and West Louisiana because of lack of rain.

Farm employment declined seasonally.

Demand deposits, seasonally adjusted, held steady at banks in rural areas between May and June, and are well over a year ago in all District states except Mississippi and Tennessee.

The Federal Reserve Bank of Atlanta raised its discount rate on loans to member banks from 2¾ percent to 3 percent, effective August 28.

Member bank borrowing from the Federal Reserve Bank in August increased considerably. With excess reserves rising less than borrowings, free reserves fell.

Dividends from Social Capital

Gains in personal income in District states during the last few decades have been striking. Income for each person, adjusted for changes in the purchasing power of the dollar, rose from 523 dollars in 1929 to 1,081 dollars in 1954. That was an average annual advance of $22.32, which was a 3-percent annual rate of growth. The growth reflects an increase in worker productivity.

Increases in productivity are frequently, and correctly, attributed to gains in the use of mechanical energy, machines, and other material capital goods. That part of the South which comprises the Sixth Federal Reserve District (Alabama, Florida, Georgia, the southern part of Louisiana and Mississippi, and the eastern two-thirds of Tennessee) is an excellent example of how a greater use of capital investment in equipment has brought about increased productivity and income. Industries that have a relatively high ratio of investment to worker are much more important in the District economy now than they were in the 1930's. The paper and chemicals industries, for example, use a much larger proportion of District workers than they did three decades ago. Even on the farms in the area, machinery is replacing human labor more and more.

Increases in use of material capital goods, however, cannot account for all the economic growth that has occurred in District states. A careful study of the District's developing economy would reveal that other factors have had equal or greater influence. The extent to which workers are able to utilize capital goods profitably, for example, depends largely upon their training, health, and attitudes. Yet those forces are often not recognized as being pertinent to economic progress.

How many companies have hesitated to build plants in the District for fear of finding an inept labor force? How many farmers have delayed substituting tractors and other machinery for animal power and unskilled labor because skilled machinery operators and mechanics were not available? How many industries have postponed installing capital equipment in the production process because of lack of skilled workers or workers with enough basic education to become skilled operators? No doubt the hesitation, delays, and postponements are basically the result of low education and health standards in the District. The standards are being raised, however, as there has been a greater capital investment in the District's people in recent years.

Investments in the Future

To make a capital investment is to divert current income or potential income from immediate consumption to uses that are expected to yield improved future incomes. A concrete block manufacturer, for example, may decide to cut his purchases of cement and sand and hence his output of blocks temporarily in order to purchase a mechanical mixer. Although his income may be cut for a short time, he expects his future income to increase because of the saving of labor and the greater efficiency that will result from use of the mixer.

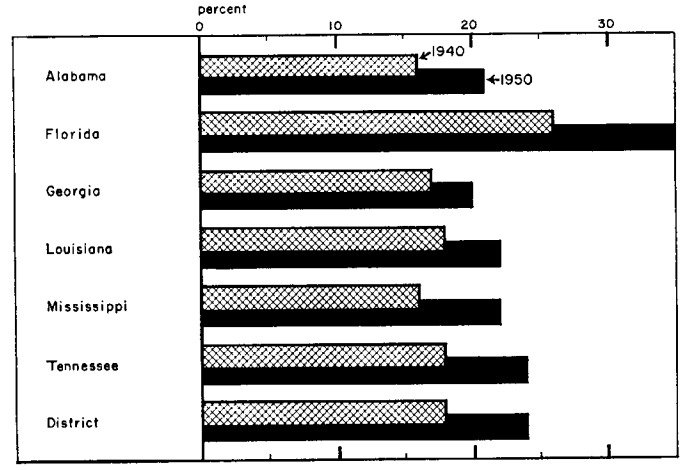
Social capital is an investment made by people as a group anticipating future benefits to accrue to society. The education, or training, of workers, for example, can be considered a social investment in the labor force. A young person could enter the labor force directly from grammar school and thereby begin contributing to the economy's output early in his productive life. Or, he may wait until his high school training is completed and be prepared to make a larger contribution to the economy. Similarly, he might further delay his entry into the labor force to get technical or college training that will even further increase his future productivity. In any event, society is giving up his current production so that he may be more productive in the future.

In addition to giving up the potential output of that worker while he is being trained, society shifts current income from other uses to finance his training. The cost of investment in a worker is borne to some extent by the community in which he lives. Publicly supported grade schools, high schools, colleges, trade schools, and similar institutions pass the knowledge developed by preceding generations to younger people who presumably become better citizens and more productive workers than they would otherwise. Society's sacrifice of current production and income in anticipation of increased future income is over and above the sacrifice of current income made by the individuals.

Gains in Education

The increasing benefits that society derives from its investment in its members result in part from the amount it spends on education. In 1924, the expenditure for each pupil in public schools in the District was $27.98, just over one-third the national average. By 1952, that had increased to $178.60, or two-thirds the national average. Georgia had increased its expenditures over sixfold from

Percentage of Population 25 Years Old and Older with at Least Four Years High School Education
Sixth District States, 1940 and 1950



Primary and Secondary Public School Expenditures per Pupil Enrolled, Sixth District States and United States, 1924 and 1952
(Dollars)

State	1924	1952	Percent Increase
Alabama	23.94	141.83	492
Florida	46.61	248.06	432
Georgia	23.15	163.55	606
Louisiana	49.70	258.52	420
Mississippi	17.53	110.75	532
Tennessee	25.62	169.95	563
District	27.98	178.60	538
United States	74.96	276.48	269
District as percent of U.S.	37.3	64.6	

Source: Statistical Abstract of the United States, 1925 and 1955.

Source of Funds Used for Public Education, Sixth District States, 1953-54
(Percent)

State	Source of Funds				
	State	Local	Federal	Other	Total
Alabama	74.6	20.3	2.3	2.8	100.0
Florida	54.0	43.2	2.8	..	100.0
Georgia	67.2	27.8	5.0	..	100.0
Louisiana[1]	69.7	28.1	2.2	..	100.0
Mississippi[1]	52.9	45.2	1.9	..	100.0
Tennessee	65.0	30.8	3.8	0.4	100.0
District States	64.4	32.0	3.1	0.5	100.0

[1] 1952-53 school year.
Source: Compiled from Department of Education Reports of the various states.

Primary and Secondary School Enrollment, Average Days Attended per Pupil, and Pupils per Teacher, Sixth District States, 1924 and 1950

	1924	1950	Percent Change
Proportion of 5-17 year old population enrolled in school	80.8	84.8	+ 5
Average days in attendance per pupil	100.7	152.5	+51
Number of pupils per teacher	39.0	30.2	—23

Source: Statistical Abstract of the United States, 1925 and 1955.

the 1924 figure and led other District states in that respect. Increases in other states ranged downward to slightly over a fourfold increase in Louisiana.

Most of the growth in investment in educational facilities has been financed by District state governments. In 1953-54, they financed about 65 percent of the expenditures for education; 32 percent came from local governments—school districts and counties. Only 3 percent was provided by the Federal Government. Although local governments have shifted much of the financial responsibility of primary and secondary education to the states, they too have increased the absolute amounts contributed to education of their citizens.

To point out that expenditures for education have increased is not to say that the quality of education has improved. Gains in the proportion of the school age population enrolled, however, do indicate a growth in the number of children in school. The substantial increase in average days each pupil attended school points out that educators are able to work with pupils longer. Decreases in the number of pupils for each teacher have made it possible for each child to get better primary and secondary education.

As a result of the improvements in educational facilities in District states, the number of persons over 25 years old with a high school education is much larger than it was a short while ago. In 1940, for example, only 18.4 percent of the 25-year old and older population had completed high school, but by 1950 that proportion had increased to 24.7 percent.

Health Improving

Society also makes a profitable investment in workers by improving their physical well-being. Healthy workers are more alert and have better attendance records, which contributes materially to their productive ability. Improvements made in the general health of Sixth District residents have been comparable in scope to those made in education. The infant death rate, one of the best indicators of the general availability of medical and hospital facilities, was cut in half between 1930 and 1951. The death rate per 1,000 people dropped from 10.9 to 9.1, a decline of 17 percent. Deaths from tuberculosis, a disease that can be overcome by good medical care, dropped from 61.4 per 100,000 people in 1938 to 18.9 in 1952, a decline of 69 percent. Many other diseases that sap the strength of a population and that were common in the District only a few years ago have disappeared or become rare.

Expanded public and private medical facilities made the improvements in health possible. District states spent $6.73 per capita for health services and hospitals in 1954, compared with $1.11 in 1937. The number of hospital beds increased from 4.6 per 1,000 people in 1947 to 5.5 in 1955, a 20-percent increase. The increased expenditures have provided rural areas with modern medical facilities and have, at the same time, helped physicians serve more people.

Greater Dividends Arise

Better education and better health for succeeding generations are moral obligations of the District's people. When these obligations are met, material benefits also arise. Much of the improved productivity of District workers in recent years has resulted from a better-trained and healthier work force.

Although investments in people return income less rapidly than investments in some material capital goods, they are necessary to a growing economy. Only well-trained, healthy workers can adequately utilize material capital goods. No doubt, the investments made in the District's people in the last two decades will begin to return even higher dividends during the coming decade. The resulting improved incomes should set the stage for even greater strides in improving education and health.

JOHN T. HARRIS

Bank Announcement

The Federal Reserve Bank of Atlanta welcomes into System membership the Augusta National Bank, Augusta, Georgia, which opened for business August 15. Officers are A. J. Beall, President and James R. Sartor, Jr., Vice President and Cashier. The bank's capital amounts to $200,000 and surplus to $100,000.

Trade Loans Now and in 1946

Retailers and Wholesalers Still Most Important Bank Loan Customers

At certain seasons of the year, sales at retail stores are especially heavy. Christmas, Easter, and Mother's Day, as well as the post Fourth of July days and Labor Day, when the harvest sales begin, all mean busy times for retailers. In planning for these sales peaks, retailers must have skilled buyers and trained personnel—people who know and understand merchandising. They also need operating capital to finance the large inventories necessary to meet their customers' demands. Stores that have a large volume of charge accounts need funds to carry their accounts receivable, which rise substantially during these peak periods.

Retailers secure funds in various ways. Some have enough money in the business itself to get through the heavy sales periods. Others have to borrow. Those who have to borrow usually find their local commercial banks willing and able to meet their needs.

Wholesalers frequently find themselves in a similar position. When they are called upon to fill unusually heavy orders for their retail customers and see that they are short of cash, they can ordinarily obtain a short-term loan from their local bank.

Retailing and wholesaling are dynamic and ever-changing sectors of the business scene. Changes occur continuously, not only in merchandising methods but also in the structure of the trade. These changes have considerable impact upon trends in bank loans to businesses.

Bankers in the Sixth District had an opportunity recently to examine changes in the borrowing traits of the area's merchants when the Federal Reserve System released a benchmark study, the Survey of Business Loans. This study is a detailed review of the loans carried by member banks in this Federal Reserve District and other Districts throughout the United States as of October 5, 1955. By comparing the results of this survey with a similar one made in 1946, District bankers should be able to answer such questions as, Are trade concerns as important as loan customers today as they were 10 years ago? Have changes in the trade structure of the South since the late 1940's affected lending practices?

Characteristics of Trade Loans

Retailers and wholesalers are the most important class of business borrowers at District member banks; they account for 42 out of every 100 loans. Typically, trade loans are smaller than loans made to other types of business organizations. They are most frequently used to finance inventory purchases, to permit extension of credit to customers, to provide additional working capital, and sometimes for expansion purposes. Over 80 percent of these loans are short-term, that is, they mature in less than a year.

In analyzing the results of the 1946 and 1955 business loan surveys, we should recognize that the surveys took place in different economic climates. The 1946 figures reflect a wartime economy still dominated by shortages of consumer goods, especially durables, and by retail firms with considerable amounts of cash and Government bonds on hand; the 1955 figures mirror a fully-employed peacetime economy with no severe shortages. Still, since trade loans generally serve the same purpose today as they did in 1946, the shifts that have taken place do reflect changes in the District economy.

Trade Loans at Sixth District Member Banks
As Percent of Total Business Loans
October 5, 1955

Type of Loan	All Banks	Size of Bank (Deposits in Millions of Dollars) Less than 10	10-20	50-100	20-50	Over 100
		(Percent of Number of Loans)				
Trade	42.0	50.2	49.7	33.9	35.4	38.7
Wholesale	8.6	6.8	8.5	7.0	9.4	10.3
Retail	33.4	43.4	41.2	26.9	26.0	28.4
		(Percent of Amount Outstanding)				
Trade	26.0	40.5	33.1	25.6	27.0	22.9
Wholesale	11.0	6.9	10.3	8.4	11.8	12.1
Retail	15.0	33.6	22.8	17.2	14.2	10.8

Survey Findings Summarized

Between 1946 and 1955, the amount of money tied up in trade loans at member banks in this District rose from 220 million dollars to 403 million dollars, a rise of 83 percent. At the same time, borrowings of all businesses rose from 562 million dollars to 1,429 million dollars, or 153 percent. Thus, trade loans today are less important in the loan portfolios of District banks than they were a decade ago. A similar decline took place in the number of loans outstanding. Trade loans, however, remain the most important single category of business loans made, both in number and amount outstanding.

Looking behind the over-all figures of the District, we find a substantial difference in the importance of trade loans at small and large banks. The majority of small bankers continue to look to local merchants as their best customers. One reason for this is that in small towns customers are scarce, and then too bankers can obtain higher rates on trade loans than on other types of loans. This tendency is even more pronounced today than it was in 1946. Banks with assets of less than 10 million dollars, according to the 1955 survey, made one-half of their short-term and long-term loans to trade concerns. Trade loans accounted for 41 percent of outstandings at these banks. In contrast, the larger banks, those with assets over 100 million dollars, placed only 39 percent of their loans, representing 23 percent of their loanable funds, with trade concerns. Today, the larger banks rely less upon trade loans than in 1946; they are considerably more dependent upon loans to industrial concerns, sales finance companies, and the services trades.

The business loan survey revealed several differences between this District and the nation. Trade concerns are

relatively more important outlets for bankers' funds in the Sixth District. This is true even though the average trade loan in this area is only three-fourths as large as the average trade loan nationally. Several factors account for this seeming paradox. The main thing is that the typical trade organization in this District is smaller than its national counterpart. The 1954 Census of Business shows an average sales volume of 805,000 dollars for District wholesalers and 89,200 dollars for District retailers. Comparable figures for the United States are 926,300 dollars for wholesalers and 98,600 dollars for retailers.

Between 1946 and 1955, interest rates on trade loans rose from an average of 3.7 percent to 4.8 percent. This increase is similar to that for all loans. The rate varied with size of borrower: Retailers with assets over 25 million paid 3.1 percent for short-term and long-term funds. Retailers with assets under 50,000 dollars paid an average of 5.9 percent on short-term loans and 7.0 percent on long-term. Since October 5, 1955, the date of the survey, rates to all borrowers have likely risen further.

Average Interest Rates, by Size of Borrower and Maturity

Sixth District Member Banks
October 5, 1955

Type of Loan	All Borrowers	Size of Borrower (Assets in Thousands of Dollars) Under 50	50-250	250-5,000	5,000-25,000	Over 25,000
(Maturity of Less Than One Year)						
Trade	4.7	5.8	5.1	4.3	3.5	3.1
Wholesale	4.4	5.5	5.0	4.2	3.3	..
Retail	4.9	5.9	5.2	4.5	3.7	3.1
All Businesses	4.5	5.7	5.1	4.4	3.8	3.3
(Maturity of One Year or Longer)						
Trade	5.2	6.9	5.3	4.7	3.8	3.2
Wholesale	4.8	6.6	5.3	4.5	4.0	4.0
Retail	5.5	7.0	5.9	4.9	3.8	3.1
All Businesses	4.9	6.8	5.8	4.7	3.8	3.2

Reasons for Changes in Trade Loans

The greater industrialization and the changing character of both retailing and wholesaling in the District since the late 1940's have resulted in a considerable diversification in loan portfolios of commercial banks. Growth in manufacturing, construction, and sales finance company activities between 1946 and 1955 has tended to make retailers and wholesalers less important borrowers at District banks. Bankers extended over 200 percent more funds in 1955 to finance the greater industrialization, increased building, and expanded consumer borrowing in the Southeast. The larger banks in the District, those with assets over 100 million dollars, secured most of this new business and became less reliant upon trade concerns as an outlet for their funds.

In the retail field, the major changes have been in the number and size of establishments, their inventory requirements, and their credit extensions. In 1954, according to the Census of Business, there were about 3,000 fewer retail establishments in the District states than there were in 1948. This 2-percent decline has been about the same as in the nation as a whole. If it were not for an offsetting gain in the rapidly growing state of Florida, however, the decline in the District would be closer to 8 percent. The most severe decrease in number of retail establishments occurred in the grocery field. Apparently, the neighborhood full-service food store has found competition from self-service supermarkets too strong, for there were 11,500 fewer of the former in District states in 1954 than in 1948.

Looking at such a decrease in the number of potential bank customers, one might expect a decline in the number of loans to retailers. Actually, the opposite has been true. The increase in the inventory and credit needs of retailers since 1946 has apparently outweighed the decrease in the number of outlets. In 1946, retailers of automobiles and household appliances, for example, held little inventory under floor-plan loans because they were able to sell their merchandise as quickly as it was received. Today, floor-planning of durables is a regular practice. In fact, if retailers are to keep their sales volume up, they must have on hand a large selection of styles, colors, and designs for their customers to choose from. The amount of stock necessary to conduct a retail business has increased and will likely continue large.

The present emphasis upon consumer instalment buying and other types of easy-payment plans is another reason why retailers find their financial needs greater. In 1946, when the average American had a considerable store of United States war bonds and other types of liquid savings, credit buying was not so prevalent. Today, more and more products are being sold to consumers on an instalment basis.

In contrast to the retail picture, we find that the number of wholesale establishments has increased substantially—20 percent between 1948 and 1954 in this District. Nationally, a rise of 16 percent was recorded. In addition, the average wholesaler sells 15 percent more goods today than he did in the late 1940's. Despite these gains, however, wholesalers are considerably less important as loan customers at District banks than they were earlier.

Between 1946 and 1955, loans to wholesalers at District banks dropped from 21.0 percent to 11.0 percent of the total amount outstanding in all business loans. In number of loans outstanding, the proportion going to wholesalers moved downward from 14.2 percent in 1946 to 8.6 percent in 1955.

We can reconcile these divergent trends in part through a closer look at the Census figures. A good share of the growth in wholesale establishments has taken place in the industrial marketing field. In 1954, there were 40 percent more manufacturers' agents, industrial distributors, and other types of industrial middlemen in this District than in 1948. Many of these new wholesale establishments were actually agents of national concerns who decided to enter the growing Southeastern markets. Such national concerns do not look to local financial institutions for their capital requirements as much as local establishments do.

LEON T. KENDALL

Sixth District Statistics

Instalment Cash Loans

Lender	No. of Lenders	Percent Change: Volume, July 1956 from June 1956	Volume, July 1956 from July 1955	Outstandings, July 1956 from June 1956	Outstandings, July 1956 from July 1955
Federal credit unions	39	—30	+11	— 1	+14
State credit unions	18	—26	+10	+ 2	+20
Industrial banks	8	—11	+26	+ 4	+ 9
Industrial loan companies	10	+ 4	+ 3	+ 1	+ 7
Small loan companies	31	+12	+20	+ 1	+ 8
Commercial banks	33	—14	— 8	+ 1	+19

Retail Furniture Store Operations

Item	Percent Change July 1956 from June 1956	July 1955
Total sales	—6	—1
Cash sales	—4	+6
Instalment and other credit sales	—6	—1
Accounts receivable, end of month	+1	+6
Collections during month	—3	+2
Inventories, end of month	—2	+6

Wholesale Sales and Inventories*

Type of Wholesaler	No. of Firms	Percent Change: Sales, July 1956 from June 1956	Sales, July 1956 from July 1955	No. of Firms	Inventories, July 1956 from June 1956	Inventories, July 1956 from July 1955
Grocery, confectionery, meats	15	+12	+25	12	+34	+82
Edible farm products	10	—5	+19	9	—24	+10
Drugs, chems., allied prods.	12	+0	+8	7	+3	+17
Drugs	9	—1	+12	..	..	..
Tobacco	20	—3	+8	19	—1	+3
Furniture, home furnishings	7	—22	—18	7	+1	—1
Paper, allied products	6	+5	—8	..	..	..
Automotive	14	—2	—10	13	—9	—1
Electrical, electronic and appliance goods	12	+1	+10	11	—4	+4
Hardware	10	+3	+9	9	+1	+6
Plumbing and heating goods	15	+7	+23	15	—12	+18
Lumber, construction materials	7	+1	+21	7	+7	+41
Machinery: equip. and supplies						
Industrial	35	+1	+7	34	+9	+9

*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, July 1956 from June 1956	Sales, July 1956 from July 1955	Sales, 7 Months 1956 from 1955	Inventories, July 31, 1956, from June 30, 1956	Inventories, July 31, 1956, from July 31, 1955
ALABAMA	—6	+4	+7	—1	+9
Birmingham	—5	+3	+5	—4	+7
Mobile	—4	+8	+8	..	..
Montgomery	—4	+7	+3	..	..
FLORIDA	—6	+13	+11	—3	+12
Jacksonville	—5	+8	+7	+1	+9
Orlando	—11	+2	+3	..	..
St. Ptrsbg-Tampa Area	—6	+8	+7	..	..
St. Petersburg	—4	+12	+8	—4	+10
Tampa	—8	+5	+6	..	..
GEORGIA	—5	—0	+2	+0	+3
Atlanta**	—0	+1	+1	+0	+1
Augusta	—22	—7	—0	..	..
Columbus	—12	—9	+1	—0	+14
Macon	—11	+5	+7	+1	+0
Rome**	—5	+16	+19	..	..
Savannah**	—9	—2	+4	..	..
LOUISIANA	—6	+9	+9	+1	+6
Baton Rouge	—5	+6	+11	—3	+25
New Orleans	—5	+10	+7	+1	+2
MISSISSIPPI	—8	+0	+5	—0	—4
Jackson	—8	+2	+4	+0	—3
Meridian**	—8	—1	+7	..	..
TENNESSEE	—7	—0	+4	—1	+15
Bristol (Tenn. & Va.)**	—17	—4	+3	—7	+16
Bristol-Kingsport-Johnson City**	—18	—3	+3	..	..
Chattanooga	—7	—0	+3	..	..
Knoxville	—7	—6	+4	—6	+35
Nashville	—5	+7	+5	—3	+9
DISTRICT	—6	+5	+6	—1	+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	August 22, 1956	July 25, 1956	August 24, 1955	Percent Change Aug. 22, 1956 from July 25, 1956	Aug. 24, 1955
Loans and investments—Total	3,364,655	3,300,495	3,264,696	+2	+3
Loans—Net	1,810,917	1,783,060	1,554,504	+2	+16
Loans—Gross	1,839,887	1,811,847	1,578,410	+2	+17
Commercial, industrial, and agricultural loans	974,367	961,489	867,130	+1	+12
Loans to brokers and dealers in securities	38,297	35,448	27,041	+8	+42
Other loans for purchasing or carrying securities	53,144	54,216	41,958	—2	+26
Real estate loans	165,818	162,413	146,406	+2	+13
Loans to banks	39,500	26,829	21,093	+47	+87
Other loans	568,761	571,452	474,782	—0	+20
Investments—Total	1,553,738	1,517,435	1,710,192	+2	—9
Bills, certificates, and notes	497,768	455,776	583,709	+9	—15
U. S. bonds	744,528	750,857	792,545	—1	—6
Other securities	311,442	310,802	333,938	+0	—7
Reserve with F. R. Bank	502,325	500,215	505,173	+0	—1
Cash in vault	51,325	51,058	48,923	+1	+5
Balances with domestic banks	234,189	249,844	242,944	—6	—4
Demand deposits adjusted	2,374,843	2,383,411	2,375,234	—0	—0
Time deposits	664,858	658,965	628,479	+1	+6
U. S. Gov't deposits	112,510	66,607	91,998	+69	+22
Deposits of domestic banks	659,377	663,481	621,028	—1	+6
Borrowings	19,700	17,200	55,950	+15	—65

Debits to Individual Demand Deposit Accounts

(In Thousands of Dollars)

	July 1956	June 1956	July 1955	Percent Change: July 1956 from June 1956	July 1956 from July 1955	7 Months 1956 from 1955
ALABAMA						
Anniston	36,161	42,614	33,738	—15	+7	+15
Birmingham	587,678	652,730	561,705	—10	+5	+24
Dothan	21,748	23,603	20,020	—8	+9	+17
Gadsden	31,099	30,749	29,424	+1	+6	+8
Mobile	240,089	246,584	210,150	—3	+14	+12
Montgomery	127,188	118,505	115,831	+7	+10	+7
Tuscaloosa*	41,727	39,778	37,706	+5	+11	+10
FLORIDA						
Jacksonville	557,589	598,284	521,537	—7	+7	+12
Miami	628,583	598,787	566,858	+5	+11	+14
Greater Miami*	963,454	908,690	849,069	+6	+13	+13
Orlando	124,793	138,012	112,119	—10	+11	+10
Pensacola	71,809	77,790	64,112	—8	+12	+18
St. Petersburg	126,974	123,115	118,459	+3	+7	+8
Tampa	247,526	280,118	213,014	—12	+16	+15
West Palm Beach*	78,686	77,209	65,267	+2	+21	+13
GEORGIA						
Albany	49,591	51,640	47,332	—4	+5	+8
Atlanta	1,516,757	1,489,545	1,365,488	+2	+11	+9
Augusta	86,586	96,193	86,981	—10	—0	—0
Brunswick	17,252	18,945	14,535	—9	+19	+22
Columbus	87,414	97,936	90,347	—11	—3	+7
Elberton	7,220	6,559	4,804	+10	+50	+38
Gainesville*	45,022	46,261	39,629	—3	+14	+21
Griffin*	14,378	15,444	14,319	—7	+0	+9
Macon	99,076	107,256	97,231	—8	+2	+7
Newnan	13,651	13,398	13,101	+2	+4	+11
Rome*	37,041	37,885	38,567	—2	—4	+7
Savannah	145,638	141,615	129,422	+3	+13	+8
Valdosta	27,114	25,036	25,907	+8	+5	+11
LOUISIANA						
Alexandria*	68,796	61,791	52,444	+11	+31	+21
Baton Rouge	179,481	165,811	155,063	+8	+16	+6
Lake Charles	73,099	77,429	66,345	—6	+10	+13
New Orleans	1,200,458	1,136,368	1,031,524	+6	+16	+9
MISSISSIPPI						
Hattiesburg	27,374	26,942	24,567	+2	+11	+18
Jackson	199,311	184,232	179,953	+8	+11	+9
Meridian	34,250	33,842	30,606	+1	+12	+12
Vicksburg	16,856	16,655	15,373	+1	+10	+3
TENNESSEE						
Bristol*	34,312	36,473	30,047	—6	+14	+13
Chattanooga	267,211	257,663	227,559	+4	+17	+13
Johnson City*	35,524	35,602	33,319	—0	+7	+10
Kingsport*	59,930	61,384	58,180	—2	+3	+5
Knoxville	149,441	156,408	161,374	—4	—7	—5
Nashville	583,102	544,094	509,032	+7	+15	+10
SIXTH DISTRICT 32 Cities	7,582,119	7,578,458	6,843,511	+0	+11	+11
UNITED STATES 345 Cities	181,284,000	186,540,000	161,748,000	—3	+12	+10

*Not included in Sixth District totals.

Sixth District Indexes

1947-49 = 100

	Nonfarm Employment			Manufacturing Employment			Manufacturing Payrolls			Construction Contracts			Furniture Store Sales*/**		
	June 1956	May 1956	June 1955	June 1956	May 1956	June 1955	June 1956	May 1956	June 1955	July 1956	June 1956	July 1955	July 1956	June 1956	July 1955
SEASONALLY ADJUSTED															
District Total	127	127	124r	117	116	118r	181	177	172r	..	..	..	119p	110r	120
Alabama	114	114r	114r	106	105	110r	153	152r	156r	..	..	..	133p	115r	126
Florida	154	153r	146r	151	151	147r	231	227r	208r	..	..	..	129	119	127
Georgia	127	128r	124	125	123	124r	190	188r	177r	..	..	..	119p	121r	128
Louisiana	121	122	119r	101	99	102	162	162	154r	..	..	..	129p	119r	117
Mississippi	120	121	121r	119	120	121r	195	193	189r	..	..	..	..	..	..
Tennessee	120	119	119r	118	118	118r	179	180r	171r	..	..	..	92p	89	97
UNADJUSTED															
District Total	126	126	123r	116	116	117r	177	176r	169r	..	..	..	112p	114	113
Alabama	114	114	114r	104	104	108r	152	150r	154r	650	211	169	117p	123r	111
Florida	149	151r	141r	147	151	143r	224	227r	202r	251	270	281	118	121	117
Georgia	128	127	124r	122	122r	121r	186	184	173r	320	331	290	118p	117	126
Louisiana	121	120	118r	100	98	101r	162	158r	154r	344	243	337	124p	126r	112
Mississippi	120	121	121r	119	119	121r	193	193	187r	139	185	329	..	..	..
Tennessee	120	120	119r	117	117	117r	179	178r	171r	162	189	163	90p	95	95

Department Store Sales and Stocks**

	Adjusted			Unadjusted		
	July 1956	June 1956	July 1955	July 1956	June 1956	July 1955
DISTRICT SALES*	160p	147	152r	128p	131	122r
Atlanta[1]	157	143	156r	126	121	125r
Baton Rouge	135	118r	127r	113	115r	106r
Birmingham	138	119r	134	106	108	103
Chattanooga	140	133	140	113	117	113
Jackson	125	111	122	98	103	97
Jacksonville	135	128	125r	111	112	103r
Knoxville	158	148	169	131	137	141
Macon	162p	147	155	130p	140	124
Nashville	156	133	145	121	123	113
New Orleans	151	136	138r	120	121	110r
St. Ptrsbg-Tampa Area	164	153	152	131	134	122
Tampa	136	132	130	117	123	112
DISTRICT STOCKS*	160p	162	149r	150p	152	140r

[1]To permit publication of figures for this city, a special sample has been constructed that is not confined exclusively to department stores. Figures for non-department stores, however, are not used in computing the District index.

* For Sixth District area only. Other totals for entire six states.

**Daily average basis.

Sources: 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. All indexes calculated by this Bank.

Other District Indexes

	Adjusted			Unadjusted		
	July 1956	June 1956	July 1955	July 1956	June 1956	July 1955
Construction contracts*	..	..	..	315	255r	267
Residential	..	..	..	223	234r	258
Other	..	..	..	384	271r	275
Petrol. prod. in Coastal Louisiana and Mississippi**	161	162	146	161	161	146
Cotton consumption**	90	90	99r	72	87	80
Furniture store stocks*	108p	109r	102	105p	107r	99
Turnover of demand deposits*	22.8	21.0	21.1	21.9	21.0	20.8
10 leading cities	24.7	23.4	22.5	23.5	22.3	21.4
Outside 10 leading cities	18.3	17.5	17.8	17.6	17.5	17.1
	June 1956	May 1956	June 1955	June 1956	May 1956	June 1955
Elec. power prod., total**	..	..	..	286	275	245
Mfg. emp. by type						
Apparel	164	162r	162r	159	158	158r
Chemicals	133	134	132	128	131	127
Fabricated metals	160	159	158r	155	156	153r
Food	114	113	112r	112	111	110r
Lbr., wood prod., furn. and fix.	83	83r	85r	83	83r	85r
Paper and allied prod.	163	161	155r	161	159	154r
Primary metals	88	91r	106r	88	89r	106r
Textiles	93	95	97r	93	93	96r
Trans. equip.	194	186	194r	188	188	188r

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