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Monthly Review

The Postwar Price Rise

PRICES ARE MUCH higher now than they were at the end of World War II. Because of this, there seems to be a widespread belief that continuing price increases are inevitable in this day and age. A close look at recent price history, however, reveals that the assumptions upon which this belief seems to be based are false. Contrary to one popular notion, prices have not increased constantly since World War II. Contrary to another notion that price rigidities have caused the market place to lose its function as testing ground for products seeking consumer acceptance, recent price history demonstrates that prices still respond to the forces of demand and supply.

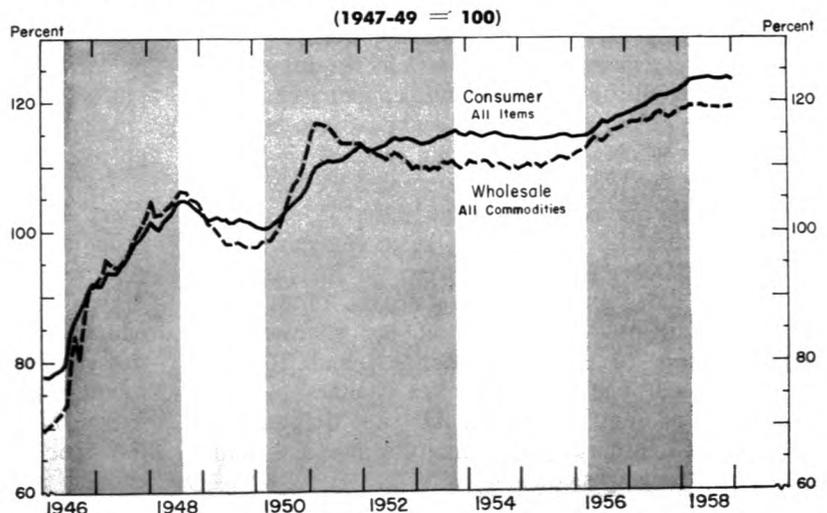
That prices have increased, of course, cannot be denied, as both the wholesale and consumer price indexes show in the chart. At the end of 1958, wholesale prices were about 70 percent higher than they were at the first of 1946, and consumer prices were up about 60 percent. Just as the increases cannot be denied, neither should they be minimized. The rises over the thirteen-year span since World War II have been large and have meant corresponding decreases in the value of the dollar used in wholesale and consumer purchases.

Three Definite Periods of Increase

The increase in prices, however, has not been uninterrupted. Consumer prices have spurted upward in three more-or-less defined periods—from mid-1946 to mid-1948, from mid-1950 to mid-1953, and from mid-1956 to mid-1958. Between the first two periods, prices actually declined! Stability prevailed from late 1953 until mid-

Nation's Postwar Price Increase

due to increases in three periods, shown for consumer prices by the shaded areas.



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TEN BILLION DOLLARS

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SIXTH DISTRICT STATISTICS

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Federal Reserve Bank of Atlanta

1956 and has been the rule again over the last seven or eight months. Generally, wholesale prices followed a similar pattern, except they declined in 1951 and 1952. Wholesale prices, moreover, started to rise before consumer prices in the second and third periods of increase.

Advancing prices in the first two periods can be traced largely to the effects of war. In the first period, there were shortages of consumer goods because the nation's productive effort had been concentrated on turning out military supplies for several years. Satisfaction of consumer wants had to be postponed, building up a huge potential demand for consumer goods. Moreover, with wartime price controls and rationing to limit dollar expenditures, personal savings increased sharply, thereby building up the means for making the potential demand effective. When Federal price controls were removed after the end of the war, the free play of these forces resulted in rapidly rising prices. Between May 1946 and August 1948, consumer prices rose 33 percent.

A similar sudden increase in demand for goods and services relative to the supply generated price advances in the second period under review. War was again the major stimulus. Hostilities in Korea aroused fears of shortages and inflation and led to increased spending by both consumers and businesses. The Federal Government, of course, increased its spending for national security purposes sharply. Again, a demand that was excessive in relation to supply was responsible for a rise in consumer prices. Between March 1950 and October 1953, prices rose 15 percent, less than half the previous rise.

The third period of price rise was not associated with war, and it began at an advanced stage of the recovery from the 1953-54 economic recession. Confidence in long-run economic growth had led to increased business spending for new productive facilities. Consumers were willing not only to spend current income, but to commit future earnings for payment of automobiles and other durable goods purchased on credit. Rising sales led businessmen to add to their inventories. As these demands increased relative to the economy's capacity to produce, prices again rose. This time, however, the rise was still smaller, amounting to less than 8 percent between April 1956 and March 1958.

Two-Way Price Adjustments Common

Just as broad price movements over the last thirteen years indicate responsiveness to changing demand and supply conditions, divergent price movements in recent months indicate that the price system is effecting changes in the allocation of our economic resources. Since March 1958, when the wholesale price index reached its most recent peak, the divergencies were concealed by the relative stability in the index for all commodities.

Among 70 industrial components, price changes from March through December ranged from an increase of 30 percent for hides and skins to a decline of over 5 percent for wool products. Forty of the components showed increases; 20 registered declines; and 10 remained unchanged. The divergent price changes suggest that the forces of supply and demand can, despite the imperfections of the market, still bring downward as well as upward price changes.

Lesson Clear

Whether we look at broad movements over the years or detailed movements in recent months, it seems clear that prices have responded to changes in demand and supply. The general price increases since World War II have come about as a result of an imbalance between excessive monetary demand and a relatively short supply of goods and services. However, the progressively smaller increases in the three periods of price rises suggest that a gradual long-run correction has been taking place in the imbalance. If this is true, it seems clear that further price increases will be inevitable only if aggregate monetary demand continues to be excessive in relation to supply.

Fortunately, the American people are able to do something about both demand and supply. Money, being man-made, can be so controlled by men as to limit aggregate monetary demands. The will to do so is, of course, essential. At the same time, the tremendous increase in this nation's productive capacity accomplished in the past provides ample evidence of our ability to do something about supply. Since the nation's supply of money is much easier to expand than its supply of goods and services, to avoid inflation, as a nation we must discipline ourselves to keep monetary demand in balance with our capacity to produce at current prices.

PHILIP M. WEBSTER

Ten Billion Dollars

On December 31, 1958, for the first time in history, the combined year-end statements of Sixth District member banks showed their total deposits to be over \$10 billion. Since the end of 1958 marked the tenth consecutive year in which deposits were greater than those of the preceding year, it marked a significant milestone in the economic growth in that part of the South served by the Federal Reserve Bank of Atlanta and its member banks. Thus, this is an appropriate time for a glance backward at the changes in the region's banking since 1948.

A Bigger Business

One of our first observations is that banking in the Sixth District has become a much bigger business during the last decade. At the end of 1948, total deposits of member banks amounted to but \$5.7 billion; at the end of 1958, they totaled \$10.2 billion. On an average, deposits of individuals and businesses and governments increased about \$450 million each year, an impressive growth record for any business.

But the growth of 80 percent in total deposits in ten years does not tell the whole story of how banking has become a bigger business. In 1948, the customers of all commercial banks in the District were making withdrawals from their demand deposit accounts in the amount of \$74 billion. By 1958, they had increased this sum to \$174 billion. Obviously, the use of checking accounts increased more rapidly than deposits themselves.

The magnitude of the paper work involved in sorting the checks, debiting the proper accounts, clearing the checks, and receiving them as deposits is difficult to

Significant Changes at District Member Banks, 1948-58*

	Sixth District Million Dollars		Percent Increase 1948-58						
	1948	1958	Sixth District	Ala.	Fla.	Ga.	La.**	Miss.**	Tenn.**
Total Deposits	5,698	10,244	80	49	147	55	56	81	62
Total Loans	1,546	4,217	173	120	361	115	157	236	133
Business	731	1,924	163	106	307	101	127	327	183
Consumer	361	1,245	245	..	..	..	..	..	..
Real Estate	232	682	194	119	414	147	221	134	104
Security	81	153	89	..	..	..	..	..	..
Other	141	213	51	..	..	..	..	..	..
Total Investments	2,653	4,035	52	34	91	47	29	49	40
U. S. Securities	2,255	3,104	38	20	73	33	18	30	28
Other Securities	398	931	134	88	219	141	115	100	106

*End of year. **Includes only that part of state in Sixth District.

conceive by one not versed in banking operations. No one knows exactly how many pieces of paper are involved in these transactions, but a reasonable estimate places the number of checks drawn against all commercial banks in the Sixth District in 1958 at something like 431 million. Last year these banks probably processed 273 million more checks than they did ten years ago. Last year they had about five million demand deposit accounts on their books; ten years ago they had over three million.

How did the member banks keep abreast of this larger volume of business? First of all, there are more member banks: At the end of 1948, there were 346 member banks; at the end of 1958, 401. In addition, they have established 196 additional offices or branches to meet the needs of the growing urban centers. They also increased the number of officers and employees. Member banks at the end of 1948 had 14,327 officers and employees on their payrolls; by 1958, they had 28,520.

A Different Kind of Business

Not only is banking in the District bigger than it was a decade ago, it is also a different kind of business. Keeping and transferring funds of depositors is, of course, only one function of commercial banking. A primary function of the banks is to make credit available to individuals, businesses, and governments. Banking is different today because of the changes in the way this function is executed.

Banks now make more intensive use of their available funds than they did ten years ago. Total combined investments and loans of the member banks in 1948 amounted to about 74 percent of their total deposits. At the end of 1958, reports showed that loans and investments amounted to 81 percent of total deposits. Furthermore, in the process of making additional credit available, bankers have placed more emphasis on granting credit to the private borrower—businesses and consumers—and placed less emphasis on making credit available to the Federal Government. Total investments, consisting principally of United States Government securities, amounted to 47 percent of total deposits in 1948, whereas loans outstanding came to but 27 percent. Since then, the relative importance has been reversed. Total loans amounted to 41 percent of total deposits at the end of 1958 and investments to 39 percent. The banks had a total of \$4.2 billion in loans outstanding at the end of last year.

Banks extend credit both when they make loans and when they buy securities. However, the nature of the work involved in granting credit through loans differs greatly from that in making investments. Investments

are generally made in large amounts in negotiable securities, and if not in Government securities, in ones that generally have been rated as to credit-worthiness by security analysts. Loans, on the other hand, are likely to be for smaller amounts for shorter terms, and the judgment of credit-worthiness is made by the banker alone.

The business of making loans has also changed. The most striking change we note from the statistics is the greater importance of the consumer as a customer for bank loans. Consumer loans are now just about four times as important as they were ten years ago, and the consumers, who at the end of 1958 owed the member banks \$1.2 billion, now rival as borrowers the businessmen, who owed \$1.9 billion. Ten years earlier, consumer loans were just about half as important as business loans.

A More Complex Business

Banking has become more complex in the last ten years because, for one thing, with an estimated 118,000 business loans on their books now, compared with 57,000 in 1948, bankers must deal with more than twice as many businessmen. Complexity has also increased because bankers have developed many specialized ways to meet the credit needs of their business borrowers and to keep abreast of the changes that have been taking place in the economy of the South.

Figures on total consumer loans are evidence enough of how much the bankers' contacts have branched out into the community. Making judgments about the credit-worthiness of each of the numerous consumer borrowers is a complex job in itself, even though most consumer loans are fairly small and more of them are repaid through regular instalments than are business loans. Keeping abreast of the repayment records adds to the complexities, and finally, since so many consumer loans are made to finance purchases of durable goods, bankers find it necessary to keep abreast of economic developments that influence the trend of consumer buying.

Moreover, even though the relative importance of investments has declined, Sixth District member bankers now have 52 percent more investments on their books than they had ten years ago. They place more emphasis on securities other than those of the Federal Government. Different types of skill are thus required to manage an investment account than when most securities bought were those of the Government. Much more skill and careful attention are also needed for successful management of the Government security account now that the money market is free to react to changes in the supply and demand for funds.

Bank Announcement

The Bank of Perrine, Perrine, Florida, a newly organized nonmember bank, opened for business on February 18, 1959, and began to remit at par for checks drawn on it when received from the Federal Reserve Bank. Officers are George C. Pedersen, Chairman; W. L. Mussett, President; and James J. Drury, Cashier. Capital totals \$300,000 and surplus and undivided profits \$101,223.

The Rural Development Program

Too many rural families are stuck in an economic eddy while the main stream of national prosperity flows swiftly past them. Facts and figures on this nation's 4.8 million farms in 1954, the latest year for which data are available, reveal a widespread economic and social problem. About 2.7 million of those farms had gross sales totaling less than \$2,500 annually. Such farms in the Sixth District states numbered 735,000, or 79 percent of all farms there. Heavily weighted by receipts on many small farms, net farm income per person in Alabama, Georgia, Louisiana, Mississippi, and Tennessee in 1957 averaged from \$254 to \$363, against \$569 in the United States. Not only do many farm families earn too little, but too often other people depending partly on farmers' incomes fail to have adequate earnings. In the six District states, where farming still has considerable weight, total personal income per capita averaged \$1,458 in 1957; the average for the United States was \$2,027.

With the income gap between rural and urban people wide and persistent, the public began to demand that efforts be made to narrow it. Thus, the Secretary of Agriculture in 1954 asked experts in agriculture, education, industry, and labor to study the problem. Following this study, President Eisenhower recommended in 1955 that Congress establish the Rural Development Program, a program embracing both town and farm people in rural areas. Congress endorsed the program and passed legislation to implement it.

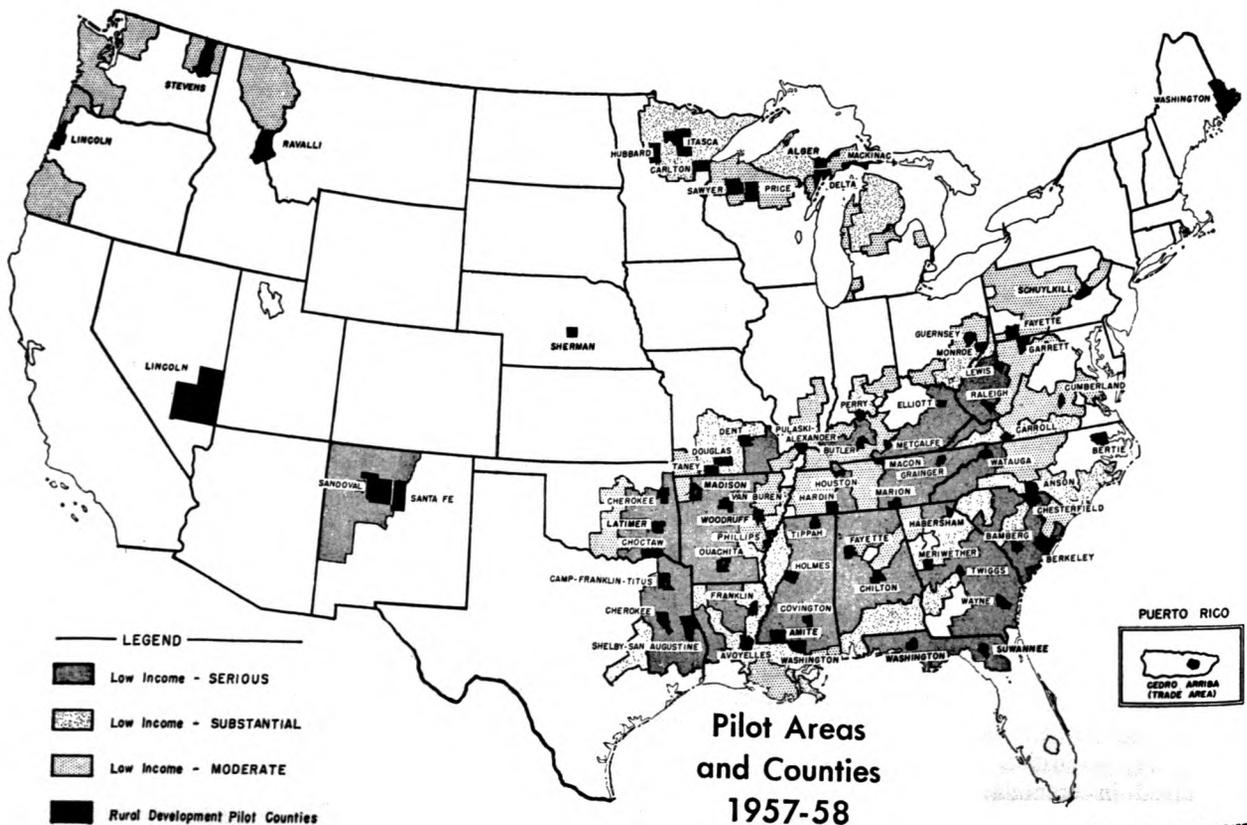
Broadly speaking, the goal of the program is to lift

farm and nonfarm incomes and living standards in rural areas chronically distressed or failing to share fully in economic growth. Local participation and action within counties or larger trade areas are emphasized. "The basic principle," says Harry J. Reed, coordinator of the Rural Development Program, "is not new—it is based on helping people help themselves."

There are numerous reasons why many rural families have not shared the national prosperity, but there are several major ones. Too often farm families are ill-equipped for farming by present standards. Many farms are too small, whether they are measured by land, by labor used, or by investment. Often the families are inadequately trained for farming or they lack interest or they are too old to farm intensively. Many have aptitudes and interests not satisfied by farming; yet they feel frozen in because they were born on farms and learned no other work and therefore they believe there are no alternative jobs available to them.

A Many Sided Program

A rural development program must necessarily be many sided because of the very nature of the problems involved. Some farmers can build up their farm earnings, but the majority in underdeveloped areas must look to off-farm jobs for more income. To provide the needed jobs may take special efforts by industrial development corporations, local civic clubs, and other groups. Guidance and counseling about jobs may be best supplied through a



coordinated labor marketing service. Young people especially can benefit from advice and guidance in choosing work which may or may not be associated with farming.

Finally, people not only farm better but learn more readily and adjust more easily to other work if they are healthy and energetic. Better health standards, of course, call for fighting malnutrition and disease. Coupled with and supporting these efforts is the building of spiritual strength in people to give them a sense of purpose and direction. Local churches, therefore, are vital for fully implementing rural development.

An energetic, trained, and resourceful people can obtain from their resources benefits not envisioned by apathetic, ill-trained, ill-fed, ill-housed, uninspired people. Thus, rural development depends on inciting people to act in their own interest. They can husband their resources, improve them, and reorganize them to reach new goals. Meanwhile to help people gain these ends, service and educational agencies like the agricultural extension service may have to redirect their efforts. Private and public agencies also may have to cooperate in solving problems too big for one agency alone.

Organization of the Program

Pushing forward on many fronts in rural development not only requires a guiding philosophy but a coordinated effort by the nation, the state, and the local community. To coordinate the current program, committees exist at three levels: (1) a national committee for rural development, whose chairman is True D. Morse, Undersecretary of Agriculture; (2) state committees for rural development; and (3) local or county committees.

Specialists agree that the program should be tested in pilot counties to expose strengths and weaknesses and to give it direction. The state committees selected the test counties; all told there are now 102 pilot counties, twenty of which are in Sixth District states. Committee members in the pilot counties were chosen by local people. Usually 15 to 20 people in the community were asked to serve, and usually the county farm agent was appointed Secretary. No one doubts that the county committee is the key one in the program. Upon it falls the task of inventorying local resources, sizing up local needs, and inspiring people to improve their status.

County committees can request aid from Federal, state, and local agencies. Five Federal departments—Agriculture, Interior, Commerce, Labor, and Health, Education, and Welfare—and the Small Business Administration offer them technical assistance. Federal agencies may conduct research, supply bulletins and printed helps, and furnish experts in many fields. Community workers also call for aid from their state health departments, the forestry and game commissions, the extension services, the colleges, and other agencies. Local farm specialists support committee activities.

No great increase in the Federal budget is necessary for the success of the program, although the USDA's appropriation was stepped up \$2.6 million for fiscal 1958. But, long-range benefits can stem from recent Federal legislation in several fields: (a) the lending power of the Small Business Administration has been broadened to provide a source of investment capital for small businesses;

(b) the National Defense Education Act of 1958 provides qualified rural and urban youths with financial aid for attending college; (c) the national Social Security program has been broadened to cover farmers; (d) the Farmers Home Administration has been given authority to make loans to farmers for repairing and building homes and other buildings.

The Program in Action

Widespread, rapid progress cannot be expected from a program as complex as the Rural Development Program. Its full impact may not be felt for decades. Yet in the three years since its inception notable changes have occurred in the test counties. People have been stirred to work at rural development. To evaluate the program at this point, questions about the pilot counties were asked: What did they do to get started in the program? What major problems did they find? What did they decide to do about them? Are they actually solving some problems?

When these questions were asked in Twiggs County, a test county in central Georgia, the answers showed what can be accomplished in the first stages of the program. With 630 farms in the county and almost 60 percent of them obtaining less than \$1,200 annually from marketings, a need for development was obvious. A county committee was formed in 1956. Members were drawn from an existing agricultural council and from local civic clubs, garden clubs, church groups, and housewives. Georgia's state committee attended the first meeting of the Twiggs County committee to discuss the program's goals and the support the state could give.

The local committee then appointed five subcommittees: Health, Religion, Business and Industry, Education, Agriculture. These were asked to survey the county resources. People on the health subcommittee, for example, secured facts on garbage disposal pits, vaccination of dogs against rabies, polio shots, tests of the family water supply, screens on farm homes, and the like. Some subcommittees looked for facts in local records at the office of the County Soil Conservation Service and other offices. The Home Demonstration Clubs and the Georgia Power Company cooperated in an industrial survey.

Each committee studied the facts and found numerous problems in the process: Families were living under inadequate health conditions, had little or no planned recreation, and were using too few acceptable farm practices, and so on. After the analysis each subcommittee set reasonable goals for 1961. Only 45 percent of the farm homes were screened in 1956; the goal for 1961 was set at 75 percent. Standards were not placed so high that people would become discouraged, but having a plan for action based on needs and goals did help focus attention on specific tasks.

People in Twiggs County worked especially hard on several major problems. They saw that for some farmers who were not reaching their potential in yields from crops and livestock, simple changes in farm practices could step up yields. They set up 28 demonstrations on farms to show how higher yields could be obtained. Within three years both yields and farm income rose markedly. People saw that too few homes in towns were landscaped; again

demonstrations were established and the townspeople urged to watch and learn. Planned recreation in the county was inadequate, especially in rural areas. The rural development committee set up a program; a record player and records were bought with funds given by a civic club, and for two years five well-attended community dances have been held each month in the county.

Overcoming Obstacles

People like those in Twiggs County can use their own resources for developing their areas, but sometimes they are confronted with obstacles. Local leaders in farming and other fields, for example, may resist changes. Rural families may lack desire to change. Such apathy is not necessarily bred into people; too often it stems from their environment—from ill-health, defective homes, insufficient education, hopelessly poor land, no other jobs at hand. Leaping such hurdles to build confidence can be difficult when families needing help shy away from group activity. Many have never had the advantage of professional advice and counsel and are not easily approached by a "government" man or woman. The values and goals some rural people hold high may not fit in with those of their neighbors and townspeople; the two groups must be brought into closer communion. Thus, motivating people—getting them to know they must act individually and collectively to better themselves—is the big task.

Finally, people in Twiggs County have learned that rural development often requires action beyond the county line. To provide off-farm jobs in factories for people in Twiggs County, for example, requires industrial development in the nearby city of Macon or possibly in adjoining counties which may be better adapted to new industries. Similarly, establishing hospitals and other health services often requires cooperation between several contiguous counties. Sometimes counties must join in creating a

single market outlet for farm produce. Thus, some pilot counties can make real progress only as their efforts are linked with those of people in a larger economic area.

Despite snags preventing rapid progress in rural development, leaders in Twiggs County feel confident. The people in their county have three years of experience with the Rural Development Program and are now building up momentum in it. They will surpass many county goals before 1961.

ARTHUR H. KANTNER

Debits to Individual Demand Deposit Accounts

(In Thousands of Dollars)

	Jan. 1959		Dec. 1958		Jan. 1958		Percent Change Jan. 1959 from	
	Jan. 1959	Dec. 1958	Jan. 1958	Dec. 1958	Jan. 1958	Dec. 1958	Jan. 1958	Dec. 1958
ALABAMA								
Anniston	40,849	40,820	36,257	+0	+13			
Birmingham	786,354	798,797	743,387	-2	+6			
Dothan	33,852	32,676r	33,232r	+4	+2			
Gadsden	41,805	37,710r	35,133r	+11	+19			
Mobile	283,036	290,644	271,553	-3	+4			
Montgomery	166,291	176,959	135,265	-6	+23			
Selma*	24,284	24,708	23,414	-2	+4			
Tuscaloosa*	52,440	51,818	47,802	+1	+10			
Total Reporting Cities	1,428,911	1,454,132r	1,326,043r	-2	+8			
Other Cities†	777,086	788,276r	653,501r	-1	+19			
FLORIDA								
Daytona Beach*	60,864	61,525	63,077	-1	-4			
Fort Lauderdale*	235,036	236,292	230,027	-1	+2			
Gainesville*	41,421	38,658	38,560	+7	+7			
Jacksonville	801,852	835,357r	801,094r	-4	+0			
Key West*	17,641	16,985	16,507	+4	+7			
Lakeland*	84,508	79,621	72,196	+6	+17			
Miami	904,811	921,010	800,683	-2	+13			
Greater Miami*	1,406,458	1,374,300	1,280,337	+2	+10			
Orlando	259,916	253,245r	210,077r	+3	+24			
Pensacola	90,530	89,903	84,571	+1	+7			
St. Petersburg	247,582	241,517r	220,979r	+3	+12			
Tampa	437,546	463,817r	394,570r	-6	+11			
West Palm Beach*	151,426	151,499	138,770	-0	+9			
Total Reporting Cities	3,834,780	3,842,719r	3,550,765r	-0	+8			
Other Cities†	1,709,209	1,743,316r	1,520,309r	-2	+12			
GEORGIA								
Albany	63,887	69,383	60,510	-8	+6			
Athens*	37,337	40,528	36,835	-8	+1			
Atlanta	1,900,324	2,079,350r	1,799,539r	-9	+6			
Augusta	101,304	112,601r	92,154r	-10	+10			
Brunswick	25,241	25,853	23,819	-2	+6			
Columbus	100,493	113,050	99,645	-11	+1			
Elberton	9,155	8,960	8,643	+2	+6			
Gainesville*	49,105	50,347	48,057	-2	+2			
Griffin*	18,478	21,050	16,382	-12	+13			
LaGrange*	21,805	20,862	23,304	+5	-6			
Macon	119,642	140,415	111,519	-15	+7			
Marietta*	33,068	29,924	28,132	+11	+18			
Newnan	19,622	18,201	19,548	+8	+0			
Rome*	41,812	49,322	41,886	-15	+0			
Savannah	193,021	211,642	177,870	-9	+9			
Valdosta	32,317	31,957r	28,694r	+1	+13			
Total Reporting Cities	2,766,611	3,023,445r	2,616,537r	-9	+6			
Other Cities†	894,287	912,428r	838,170r	-3	+6			
LOUISIANA								
Alexandria*	78,191	75,016	73,560	+4	+6			
Baton Rouge	272,635	281,501r	287,956r	-3	+3			
Lafayette*	70,895	65,541	61,909	+8	+15			
Lake Charles	99,168	101,230	94,779	-2	+3			
New Orleans	1,352,173	1,368,809	1,357,998	-1	+0			
Total Reporting Cities	1,873,062	1,892,097r	1,876,202r	-1	+0			
Other Cities†	644,847	633,667r	608,259r	+2	+6			
MISSISSIPPI								
Biloxi-Gulfport*	45,782	48,568	38,978	-6	+17			
Hattiesburg	36,509	35,045	33,024	+4	+11			
Jackson	285,451	297,888	204,982	-4	+39			
Laurel*	27,532	26,608	21,715	+3	+27			
Meridian	41,905	49,055	36,437	-15	+15			
Natchez*	23,237	23,526	23,192	+1	+3			
Vicksburg	19,868	20,743	19,353	-4	+3			
Total Reporting Cities	480,884	501,433	377,681	-4	+27			
Other Cities†	242,742	284,861	225,265	-15	+8			
TENNESSEE								
Bristol*	43,527	46,078	37,923	-6	+15			
Chattanooga	356,942	338,557	323,037	+5	+10			
Johnson City*	42,910	45,353	41,169	-5	+4			
Kingsport*	79,456	79,682	70,379	-0	+13			
Knoxville	243,284	276,785	219,015	-12	+11			
Nashville	721,045	779,943	626,313	-8	+15			
Total Reporting Cities	1,487,164	1,566,398	1,317,836	-5	+13			
Other Cities†	531,119	522,749	513,704	+2	+3			
SIXTH DISTRICT								
Reporting Cities	16,660,702	17,165,521r	15,424,269r	-3	+8			
Other Cities*	11,871,412	12,280,224r	11,065,064r	-3	+7			
Total, 32 Cities	4,789,290	4,885,297r	4,359,205r	-2	+10			
Total, 32 Cities	10,088,410	10,543,423r	9,991,636r	-4	+7			
UNITED STATES								
344 Cities	221,925,000	238,975,000	212,862,000	-7	+4			

Department Store Sales and Inventories*

Place	Percent Change			
	Sales		Inventories	
	Jan. 1959 from Dec. 1958	Jan. 1958	Jan. 31, 1959 from Dec. 31 1958	Jan. 31 1958
ALABAMA				
Birmingham	-59	+11	-2	-14
Mobile	-57	+10	-5	-17
Montgomery	-60	+11	..	..
FLORIDA				
Daytona Beach	-61	+8	+8	+5
Jacksonville	-50	+6	..	..
Miami Area	-53	+14	-7	-19
Miami	-48	+12	+16	+19
Orlando	-49	+4	..	..
St. Petersburg-Tampa Area	-43	+1	..	..
GEORGIA				
Atlanta**	-50	+8	+1	-6
Augusta	-57	+8	+3	+2
Columbus	-56	+9	+5	+6
Macon	-6	+7	..	..
Rome**	-60	+8	+4	-12
Savannah	-63	+16	+2	-1
LOUISIANA				
Baton Rouge	-59	+7	-1	-7
New Orleans	-51	+10	+0	+15
MISSISSIPPI				
Jackson	-56	+15	-5	-9
Meridian**	-55	+13	+8	-7
TENNESSEE				
Bristol-Kingsport- Johnson City**	-61	+14	-1	-1
Bristol (Tenn. & Va.)**	-62	+11	..	..
Chattanooga	-69	+2	-6	-7
Chattanooga	-67	+3	-14	-8
Chattanooga	-59	+10	..	..
Knoxville	-61	+9	-3	-3
DISTRICT	-56	+10	+3	-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 constructed that is not confined exclusively to department stores. Figures for non-department stores, however, are not used in computing the District percent changes.

*Not included in total for 32 cities that are part of the National Bank Debit Series.
†Estimated. rRevised.

Sixth District Indexes

Seasonally Adjusted (1947-49 = 100)

	1958												1959			
	1957	DEC.	JAN.	FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.	SEPT.	OCT.		NOV.	DEC.	JAN.
SIXTH DISTRICT																
Nonfarm Employment	134	134	133	133	132	132	133	133	133	134	134	134	134	134	134	134
Manufacturing Employment	118	117	115	115	114	113	115	115	115	116	116	116	116	116	117	117
Apparel	164	167	167	165	161	167	170	166	164	166	166	166	168	168	174	174
Chemicals***	133r	132r	131r	128r	129r	130r	129r	129r	129r	129r	127	128r	129r	129r	131	131
Fabricated Metals	181	181	177	174	176	176	183	186	183	182	180	177	175	178	178	178
Food	111	114	113	110	110	109	109	111	108	108	109	108	109	107	112	112
Lbr., Wood Prod., Fur. & Fix.	76	75	74	72	72	72	73	73	73	75	76	76	76	75	75	75
Paper, & Allied Products	159	158	156	157	158	157	158	157	158	157	159	158	158	159	159	159
Primary Metals	100	96	91	91	90	93	91	90	89	90	95	91	93	92	92	92
Textiles	89	87	86	86	85	84	84	85	85	86	86	86	86	86	86	86
Transportation Equipment	226	215	200	194	187	172	201	198	212	211	192	202	206	206	203	203
Manufacturing Payrolls	194	187	182	183	182	183	192	186	196	197	195	200	201r	200	200	200
Cotton Consumption**	78	82	79	79	74	75	80	83	83	89	87	87	84	91	91	91
Electric Power Production**	295	317	325	311	306	297	312	312	313	311	314	316	330	n.a.	n.a.	n.a.
Petrol. Prod. in Coastal																
Louisiana & Mississippi**	175	169	170	168	162	164	167	170	176	176	190	190	201	192	192	192
Construction Contracts*	259	272r	309r	317r	324r	375r	394r	427r	397r	393r	364r	333r	309	n.a.	n.a.	n.a.
Residential	294	290r	316r	297r	315r	338r	381r	377r	413r	421r	433r	375r	367	n.a.	n.a.	n.a.
All Other	229	257	303	333	332	406	405	468	394	371	308	298	262	n.a.	n.a.	n.a.
Farm Cash Receipts	119	119	118	121	150	157	165	134	136	104	112r	123	130	n.a.	n.a.	n.a.
Crops	92	97	92	87	134	153	146	90	118	82	84r	99	92	n.a.	n.a.	n.a.
Livestock	166	161	156	160	174	178	184	184	182	185	217r	216	211	173p	173p	173p
Dept. Store Sales*/**	170	159r	147	158	156	166	176	173	183	167	165	170	176	164	164	164
Baton Rouge	156	151	147	157	153	154	169	168	183	158	154	161	162	164	164	164
Birmingham	201	181	171	175	164	172	199	185	187	179	180	214	204r	194	194	194
Birmingham	141	123r	111	132	117	130	129	127	147	133	131	129	138	136p	136p	136p
Chattanooga	145	147r	128	141	136	145	144	159	161	150	154	163	156	162	162	162
Jackson	117	109	99	97	99	107	106	111	124	107	111	126	124	123	123	123
Jacksonville	133	127	116	122	108	122	126	127	138	129	135	136	142r	143	143	143
Knoxville	155	146	128	139	141	147	137	139	156	151	146	155	163	161	161	161
Macon	149	139	137	148	151	159	165	164	183	147	153	158	158	161	161	161
Miami	255	237r	227	233	242	244	259	268	285	250	258	230	256	247p	247p	247p
New Orleans	147	132	135	125	135	137	145	141	147	140	144	144	148	145p	145p	145p
Tampa-St. Petersburg	211	191r	174	186	181	203	202	207	219	209	209	214	212	207	207	207
Dept. Store Stocks	207	205r	199	193	190	191	191	192	192	198	202	207	205r	202p	202p	202p
Furniture Store Sales*/**	154	153r	125	132	138	143	139	139	153	145	145	152	148r	161p	161p	161p
Member Bank Deposits*	161	162	163	166	168	170	174	170	176	175	175	180	179	181	181	181
Member Bank Loans*	269	269	269	270	273	276	279	278	281	282	285	291	292	298	298	298
Bank Debits*	240	244	233	230	237	226	233	240	229	256	249	242	272	264	264	264
Turnover of Demand Deposits*	149	146	143	138r	140r	140r	144r	148r	147r	146r	142r	139r	150r	144	144	144
In Leading Cities	160	156r	154r	149r	159r	154r	168	165r	165r	161	149	146r	161	153	153	153
Outside Leading Cities	113	113r	111r	109r	105r	111r	104r	110r	113r	116r	105r	102r	121r	114	114	114
ALABAMA																
Nonfarm Employment	121	122	120	120	119	119	119	119	119	119	121	121	121	121	121	121
Manufacturing Employment	107	105	103	102	103	104	105	106	104	102	106	107	103	104	104	104
Manufacturing Payrolls	173	170	162	165	162	166	174	175	177	174	181	184	178r	180	180	180
Furniture Store Sales	131	133r	113	122	134	135	128	130	145	138	136	136	131	147p	147p	147p
Member Bank Deposits	139	140	140	140	145	146	150	150	154	152	153	158	155	155	155	155
Member Bank Loans	222	224	223	224	226	230	231	235	233	234	239	246	242	248	248	248
Farm Cash Receipts	120	120	113	128	152	142	147	143	130	97	106r	101	111	n.a.	n.a.	n.a.
Bank Debits	202	205	197	199	204	200	206	209	207	230	220	214	230	229	229	229
FLORIDA																
Nonfarm Employment	177	176	176	175	176	177	180	182	182	183	183	182	180	182	182	182
Manufacturing Employment	177	171	171	168	167	171	174	176	182	181	182	184	180	178	178	178
Manufacturing Payrolls	288	278	273	264	271	280	292	301	307	311	315	311	304	306	306	306
Furniture Store Sales	179r	156r	142	146	153	157	155	156	172	171	153	170	167r	169p	169p	169p
Member Bank Deposits	212	212	211	215	216	221	227	225	233	234	235	241	241	242	242	242
Member Bank Loans	425	425	426	431	444	441	447	449	456	457	463	477	477	485	485	485
Farm Cash Receipts	163	162	178	151	239	249	308	214	206	212	162r	147	162	n.a.	n.a.	n.a.
Bank Debits	345	344	326	319	337	322	354	361	343	386	391	360	409	376	376	376
GEORGIA																
Nonfarm Employment	128	128	126	126	125	124	125	126	126	127	127	128	127	128	127	128
Manufacturing Employment	117	115	114	113	111	108	112	112	113	114	113	114	114	114	114	114
Manufacturing Payrolls	190	183	177	177	171	167	182	189	192	189	184	198	196r	192	192	192
Furniture Store Sales	149	137	113	127	121	139	136	133	154	147	151	141	153r	149	149	149
Member Bank Deposits	142	142	144	147	147	152	146	154	154	155	154	158	158	159	159	159
Member Bank Loans	213	213	212	211	212	213	216	213	212	219	223	226	227	230	230	230
Farm Cash Receipts	142	140	141	150	150	157	167	129	157	158	104r	124	153	n.a.	n.a.	n.a.
Bank Debits	215	222	210	202	212	207	212	219	212	235	223	217	242	235	235	235
LOUISIANA																
Nonfarm Employment	132	131	131	130	129	129	127	127	127	127	127	127	127	128	128	128
Manufacturing Employment	99	98	97	96	96	95	93	93	93	93	94	95	94	93	93	93
Manufacturing Payrolls	172	174r	169	168	171	169	166	163	168	167	163	171	166r	170	170	170
Furniture Store Sales*	223	195r	178	193	171	181	178	177	189	181	166	197	196	184p	184p	184p
Member Bank Deposits*	153	153	155	156	154	157	159	153	157	155	152	156	159	163	163	163
Member Bank Loans*	270	269	270	269	269	271	272	264	273	265	268	277	274	284	284	284
Farm Cash Receipts	101	116	113	111	96	115	147	143	109	72	99r	114	109	n.a.		

SIXTH DISTRICT BUSINESS HIGHLIGHTS

NONFARM employment in the Sixth District continued relatively unchanged in January, but factory payrolls declined slightly. Consumer spending at department and household appliance stores dropped from December's advanced level, but sales at furniture stores rose sharply. Bank debits, an indicator of total spending, moved downward. Member bank loans and deposits, however, rose appreciably.

Nonfarm employment, seasonally adjusted, showed relatively little change in January, continuing at about the same level as in the preceding four months. Both **manufacturing and nonmanufacturing employment** increased slightly, but not enough to change the total index appreciably. **Factory payrolls**, after equaling the pre-recession record in December, dropped slightly in January because of a drop in **average weekly earnings**. The **rate of insured unemployment** changed little from December to January, after allowance for seasonal variation.

Cotton textile output, as measured by seasonally adjusted **cotton consumption**, rebounded sharply in January, following some decline in late 1958. **Crude oil production** in Coastal Louisiana and Mississippi dropped back to about the November level after having increased steadily for a number of months. **Steel mill operations** improved substantially in January, with further sharp gains occurring in February. The three-month average of **construction contract awards** declined further in December. **Electric power production** advanced to a new record as 1958 ended.

Spending in the Sixth District declined somewhat during January, but remained at a high level. Seasonally adjusted **bank debits** dropped slightly from the record level attained during the Christmas season, but stayed well above earlier months. **Department store sales** were also off slightly from December's advanced level, but sales at District **furniture stores** rose to the highest level in over three years. **Household appliance store sales** declined more than they usually do in January.

Consumer instalment credit outstanding at District commercial banks rose more than seasonally, mostly because of a sharp rise in loans to finance automobile purchases. Savings in the form of **time deposits** declined more than is usual for this period.

Farm marketings in the Sixth District states declined from year-ago levels during January because of a drop in livestock marketings and a smaller carry-over of 1958 crops. **Farm prices** rose above the December level primarily because of increases in beef cattle, broilers, milk, corn, rice, and soybean prices. **Farm employment** declined slightly, but remained above the level in the corresponding period last year.

Member bank deposits, seasonally adjusted, increased slightly in January, as banks in all District states registered increases. **Member bank loans**, however, rose sharply, with gains reported by banks in all states but Mississippi. **Investments** at all commercial banks also rose. The increase in investments reflected primarily an accumulation of U. S. Government securities by banks outside leading cities. In February, **total loans outstanding at banks in leading cities** rose more than in the corresponding period a year ago, mainly because of a pickup in **consumer loans**. **Member bank borrowings** from the Federal Reserve Bank of Atlanta increased.

