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Also in this issue:

Federal Reserve Bank of Atlanta

A Source of Funds for the South's Economy

Growth of District Financial Institutions

The South's economy has expanded rapidly since the end of World War II. This expansion could be documented, as it frequently has been in the past, by citing increases in production, employment, income, and other "real" economic phenomena. It might be more fruitful, however, to view an equally fascinating but somewhat neglected aspect of the South's recent economic development: the growth in financial services and the financial institutions that provide them.

Our review of the growth of financial institutions does not purport to be the complete story of how the South's expanding economy has been financed. To tell this tale would require a full accounting of the flow of all funds to southern industry, commerce, and agriculture. This would involve an analysis of all types of *domestic* institutions—those domiciled in the South—and *foreign* institutions—those located and operated in the South but with headquarters elsewhere. In addition, we would have to determine the amount of all funds imported into the area from financial centers outside. Many problems prevent us from neatly debiting and crediting all the economic accounts in one writing.

It would be well, therefore, to make one thing clear at the start. Our analysis of the growth of financial institutions will deal with commercial banks, life insurance companies, savings and loan associations, credit unions, and consumer finance companies domiciled in Alabama, Florida, Georgia, Louisiana, Mississippi, and Tennessee, all or parts of which make up the Sixth Federal Reserve District.

One might ask why, at this late date, we are dredging up musty old statistics on the postwar growth of domestic financial institutions. Do the data simply provide "nickel knowledge," interesting but useless facts? The answer is that the domestic financial institutions provide a very important source of funds for the financing of the District's economy. It is imperative, therefore, to review from time to time changes in the different types of institutions within our financial structure and to determine what has happened to their capacity to provide funds for various purposes.

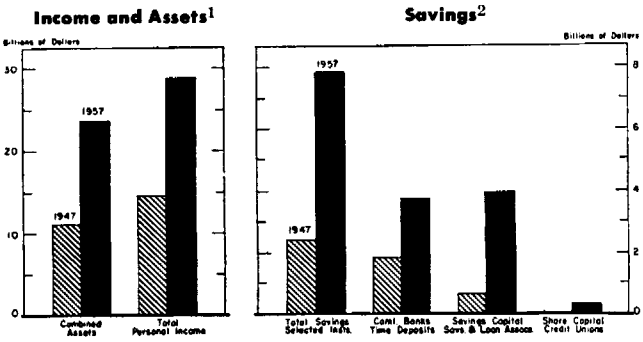
We have spoken of a "local" financial structure. It should be emphasized, however, that the institutions operating within the District are linked with the national financial system in a variety of ways. Commercial banks located in the District have correspondent relations with banks in the large financial centers outside the District. Foreign insurance companies and consumer and sales finance companies are, of course, in close contact with their head offices which frequently operate on an interstate basis. More importantly,

however, District financial institutions of all types respond to national money market changes, reflecting variations in the supply and demand for funds as well as changes in the credit policy of the Federal Reserve System.

A Decade of Growth

The assets of financial institutions—insured commercial banks, insured savings and loan associations, legal reserve life insurance companies, and credit unions—domiciled in the Sixth District states expanded greatly from 1947 to 1957. During this period, their number increased from 2,415 to 3,974, and their combined assets rose from $11.2 billion to $23.7 billion. This rise in assets about matched the growth in District personal income, which also increased about twofold. The growth in financial institutions, therefore, reflects the District's expanding economy. As the need for financial services has developed, institutions have grown and evolved to serve them.

Selected Financial Institutions Domiciled in Sixth District States
1947 and 1957



[1]Includes total personal income and combined assets of insured commercial banks, insured savings and loan associations, legal reserve life insurance companies, and credit unions.

[2]Includes time deposits at commercial banks, savings capital at savings and loan associations, and share capital at credit unions.

Needs, however, are constantly changing. Shifts take place in both the nature of credit demands and in the quantity and kinds of saving that an economy generates. The changing flows of saving and investment are brought into rough alignment through the interest rate mechanism. Financial institutions must also adjust to changing saving-investment patterns. The extent to which different types of financial institutions successfully adapt to new conditions, however, depends in part upon the legal restrictions under which they operate and in part on their willingness and ability to modify their traditional roles by aggressively competing in the financial market. Since the economic roles of financial institutions vary, in reviewing their growth we will briefly describe their main functions.

Commercial Banks

Commercial banks are the predominant institutions in our District's financial structure, as they are in the nation's. This position results, not only because they account for a major share of the number and total assets of all financial institutions, but also because they, alone, can create deposits and participate with the central bank in the expansion and contraction of the money supply.

The modern commercial bank is unique in another way. It provides a variety of financial services in contrast to the relatively specialized functions of some types of institutions. Commercial banks receive demand and time deposits, and extend credit to both businesses and consumers, and many of them conduct a trust business. Most of the credit extended is of the short- and intermediate-term variety, but some long-term investment funds are provided to businesses and some mortgage funds are made available to consumers. They also help finance Federal, state, and local governments by buying their securities.

The total assets of all insured commercial banks in the District states amounted to $16.3 billion on December 31, 1957, compared with $9.6 billion at the end of December 1947, a gain of 70 percent. This expansion in bank assets has been accompanied by an increase in the number of banks from 1,360 to 1,521, or an increase of 10 percent. A major factor in the increase in the number of banks and in assets in the District states was the sharp expansion in Florida. In that state, the number of banks increased 50 percent and total bank assets more than doubled.

The rate of growth in total assets of banks in District states, although impressive, was slower than that of other financial institutions under study. When the assets of banks are combined with those of savings and loan associations, credit unions, and domestic life insurance companies, the banks' proportion declined from 86 percent in 1947 to 69 percent in 1957.

The growth in the principal categories of assets provides some clues as to how banks in District states responded to the economy's changing needs. Investments—which had expanded greatly during World War II—increased from $4.5 billion in 1947 to $5.9 billion in 1957, or about 30 percent. This increase reflected a modest rise in United States Government securities and a sharp expansion in the holdings of other securities.

Loans and discounts, however, increased from $2.3 billion to $6.1 billion, or 165 percent, over the ten-year period as bank credit expanded to finance the rising expenditures of businesses and consumers. Loans to individuals, essentially short- and intermediate-term credit to finance automobiles and other consumer goods and services, rose almost 300 percent. Commercial and industrial loans and loans secured by real estate increased somewhat less sharply than consumer loans.

The expansion of bank loans and investments has been accompanied by a sharp growth in total deposits at banks in District states during the 1947-1957 period. Time deposits, moreover, have been growing at a more rapid pace than demand deposits. In 1947, time deposits at District commercial banks totaled $1.8 billion and accounted for more than three-fourths of the combined savings at banks, savings and loan associations, and credit unions. By 1957, time deposits at commercial banks had risen to $3.7 billion, but their share of total savings had decreased to about one-half.

Savings and Loan Associations

Savings and loan capital at insured savings and loan associations in District states rose by a spectacular 500 percent from 1947 to 1957. The ability of these institutions

Number and Asset Value Selected Financial Institutions Domiciled in Sixth District States, 1947-57

Insured Commercial Banks and Savings and Loan Associations, Credit Unions, and Legal Reserve Life Insurance Companies

	NUMBER OF INSTITUTIONS				VALUE OF ASSETS			
	Number		Percent Distribution		Assets ($Millions)		Percent Distribution	
	1947	1957	1947	1957	1947	1957	1947	1957
Alabama	334	544	14	14	1,499.1	2,770.5	14	12
Florida	419	872	17	22	2,124.2	6,750.0	19	28
Georgia	508	762	21	19	2,026.0	3,864.3	18	16
Louisiana	440	734	18	18	2,012.2	3,995.9	18	17
Mississippi	261	393	11	10	897.6	1,473.6	8	6
Tennessee	453	669	19	17	2,600.7	4,892.2	23	21
District	2,415	3,974	100	100	11,159.8	23,746.5	100	100

Insured Commercial Banks

	NUMBER OF INSTITUTIONS				VALUE OF ASSETS			
	Number		Percent Distribution		Assets ($Millions)		Percent Distribution	
	1947	1957	1947	1957	1947	1957	1947	1957
Alabama	219	239	16	16	1,341.2	1,949.2	14	12
Florida	180	265	13	17	1,816.7	4,393.7	19	27
Georgia	311	353	23	23	1,801.5	2,751.1	19	17
Louisiana	159	181	12	12	1,735.8	3,002.1	18	18
Mississippi	202	192	15	13	834.6	1,165.2	9	7
Tennessee	289	291	21	19	2,058.5	3,054.4	21	19
District	1,360	1,521	100	100	9,588.3	16,315.7	100	100

Insured Savings and Loan Associations

	NUMBER OF INSTITUTIONS				VALUE OF ASSETS			
	Number		Percent Distribution		Assets ($Millions)		Percent Distribution	
	1947	1957	1947	1957	1947	1957	1947	1957
Alabama	26	35	10	10	41.4	281.0	6	7
Florida	49	94	20	25	229.9	1,977.7	33	46
Georgia	51	83	20	22	147.0	752.4	21	17
Louisiana	67	81	27	22	163.1	639.3	23	15
Mississippi	23	34	9	9	22.9	188.5	3	4
Tennessee	35	46	14	12	97.3	492.1	14	11
District	251	373	100	100	701.6	4,331.0	100	100

Credit Unions

	NUMBER OF INSTITUTIONS				VALUE OF ASSETS			
	Number		Percent Distribution		Assets ($Millions)		Percent Distribution	
	1947	1957	1947	1957	1947	1957	1947	1957
Alabama	78	223	12	12	6.3	49.6	18	16
Florida	170	487	25	27	8.4	80.9	24	26
Georgia	133	293	20	16	7.3	48.8	21	16
Louisiana	137	360	21	20	4.9	49.0	14	16
Mississippi	25	143	4	8	0.8	10.9	2	4
Tennessee	119	310	18	17	7.4	65.6	21	22
District	662	1,816	100	100	35.1	304.8	100	100

Legal Reserve Life Insurance Companies

	NUMBER OF INSTITUTIONS				VALUE OF ASSETS			
	Number		Percent Distribution		Assets ($Millions)		Percent Distribution	
	1947	1957	1947	1957	1947	1957	1947	1957
Alabama	11	47	8	18	110.2	490.7	13	17
Florida	20	26	14	10	69.2	297.7	8	11
Georgia	13	33	9	13	70.2	312.0	8	11
Louisiana	77	112	54	42	108.4	305.5	13	11
Mississippi	11	24	8	9	39.3	109.0	5	4
Tennessee	10	22	7	8	437.5	1,280.1	53	46
District	142	264	100	100	834.8	2,795.0	100	100

to attract savings has been an essential factor in their rapid postwar growth. Without these funds, they would not have been able to take advantage of the investments which arose out of an extremely active housing market. At the same time, high earnings on mortgages—which account for about 83 percent of their total assets—enabled them to pay high dividends and attract additional savings. Money, mortgages, and management are the elements which have combined to spark the remarkable growth of these institutions.

The total assets of all insured savings and loan associations in District states amounted to $4.3 billion in December 1957, an amount five times larger than that in 1947. The number of associations have also shown a marked expansion throughout each District state. It would be difficult indeed to ignore the state of Florida in any discussion of savings and loan associations. In the ten-year period, 1947-57, total assets rose from $230 million to slightly under $2 billion. Florida associations now account for almost one-half of the asset value of all insured savings and loan associations in District states.

Credit Unions

Credit unions are mutual organizations designed to promote savings and make low-cost loans to their members. A major difference between the credit unions and the savings and loan associations is that the former are engaged chiefly in making short- and intermediate-term cash instalment loans, whereas the latter are engaged primarily in mortgage lending. Another major difference is that credit union charters are usually granted only to organized groups, such as employees of a company or members of a non-profit association. Their activities, moreover, are limited to members of the group.

Credit unions in District states and in the nation have grown faster than any other type of financial institution. The total assets of all credit unions—Federal and state chartered—in the District amounted to $305 million at the end of 1957, compared with $35 million ten years earlier. If the growth in savings and loan capital can be called "spectacular," the 900-percent rise in share saving at credit unions can only be described as "colossal." Like most other types of institutions, the number has also grown rapidly: In 1957, there were 1,816 credit unions in the District, almost three times more than in 1947.

Consumer Finance Companies

The sharp expansion in spending for consumer durable goods and services with the aid of instalment credit has been a factor in the growth of many types of financial institutions, including consumer finance companies, which specialize in the short-term lending of cash loans of relatively small average amounts. National data show that the loans outstanding of consumer finance companies rose from $1.4 billion in 1947 to $3.3 billion in 1957, or an increase of 136 percent. Detailed information on the activities of these institutions by region is still rather fragmentary but, from what we can piece together, they have also flourished in District states.

In Florida, outstanding loans of consumer finance companies rose at a much more rapid rate than in the

nation, expanding from $15 million in 1947 to $128 million in 1957. At the same time, the number of offices increased from 208 to 805. In 1957, moreover, about one-half were offices of companies domiciled in the state. These domestic institutions, however, accounted for only one-third of the loans outstanding.

Consumer finance companies are also thriving in Georgia. In 1957, there were approximately 670 offices with outstandings of about $100 million. As in Florida, domestic companies accounted for about one-half of the number of offices and about one-third of the outstanding loans.

Life Insurance Companies

Life insurance companies operate on the principle of "distributed risk," and for a premium, they pay the beneficiary a specified sum of money on the death of the insured. The premiums so obtained are invested primarily in long-term bonds and mortgages.

In 1957, there were about 1,200 life insurance companies operating in District states, but only 264 were domestic companies. Domestic companies account for about 40 percent of all premiums collected from residents in District states, according to Economic Study No. 6, "The Savings and Investment Function of Life Insurance Companies in the Sixth Federal Reserve District," prepared by this Bank in 1956. The total assets of these companies amounted to $2.8 billion in 1957, compared with $835 million in 1947. Tennessee companies loom large in the total, accounting for almost one-half of all assets of District domestic companies.

Looking Ahead

Further development of the District's financial institutions will be related to the pace and pattern of real economic growth. The nature of the financial expansion will also be affected by shifts in saving and investment. With the number of kinds of saving likely to increase, on the supply side, and with an infinite variety of potential types of investments, on the demand side, the variety of institutions, as well as resources, should grow. In the past, the financial institutions in the District have helped provide the financial needs of the South's economy, and in all likelihood they will continue to be equal to the economic challenges of the future.

ALFRED P. JOHNSON

Commercially Freezing Fruits and Vegetables in the Sixth District

Buying frozen fruits and vegetables in convenient size cartons with instructions for preparing enticing dishes is popular with today's busy housewife. Every man, woman, and child in the United States ate 51 pounds of such frozen items in 1957, compared with only ten pounds ten years earlier, according to latest data available. This rapid rise in per capita consumption has encouraged District food processors to develop and expand freezing plants and facilities. When the 1959 citrus crop is all harvested, over one-half of it will be frozen. Large volumes of strawberries, green beans, peas, and okra, as well as many other items, will find their way into District freezers.

Higher incomes, a growing population, and technological advances in food processing have encouraged growth in commercial freezing. Postwar gains in consumer incomes have had a dual effect on the frozen food industry. First, higher incomes have allowed housewives to become more selective in their food purchases. They can afford to pay extra pennies for added services. Also, rising incomes have helped well over 90 percent of all American families to purchase mechanical refrigeration units for their homes.

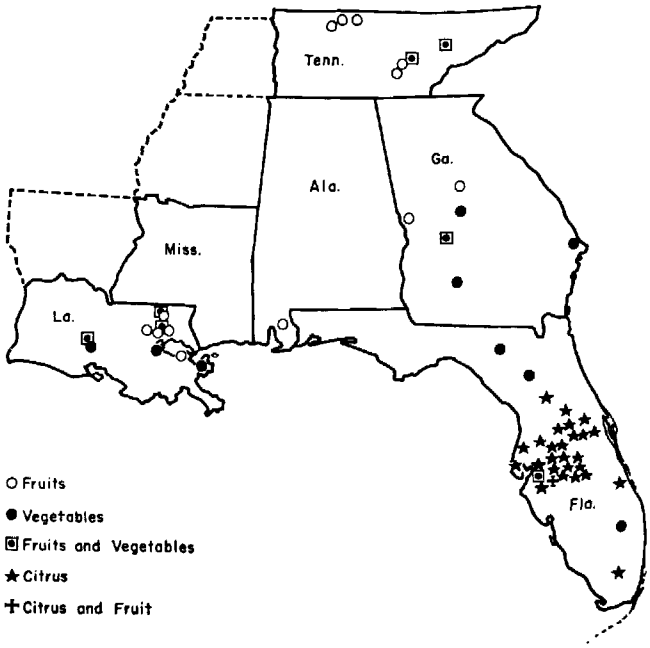
Most housewives place a premium on food items that are consistent in quality. Standardization of quality, therefore, has been a prime aim of the frozen fruit and vegetable industry since its inception. This has helped it grow. Today a consumer can confidently buy most frozen items knowing that she is getting the same product she bought last week. Add to this the effects of a growing urban population who must purchase all the food they eat from their grocery and the reasons for rapid growth in the freezing industry become apparent.

Despite a bright growth record and a favorable outlook for demand, processors of frozen fruits and vegetables are wrestling with several major problems that may have an impact on future growth in industry in the District.

District Industry Small

Compared with related industries, the frozen fruit and vegetable industry is small in this area. Although it is

Fruit and Vegetable Freezing Plants
Sixth District, 1957



growing, it represents but a small part of its parent industry and region leader, the food processing industry. In 1954, the latest year for which data are available, value added by frozen fruit and vegetable manufacturers was only 4 percent of the total value added by all food processors in District states. For a manufacturing industry, this figure is usually considered the best measure of economic importance.

During 1954, District freezing plants paid out around $14 million in salaries and wages to employees. Wage disbursements, however, are not regular throughout the year because the demand for workers in frozen fruit and vegetable plants is seasonal. Payrolls during the winter and spring months are much larger than during other seasons. Many workers who are gainfully employed in citrus processing during the winter have similar jobs in other areas during the remainder of the year.

Citrus Weighty The District frozen fruit and vegetable industry is concentrated in a relatively small area. Central Florida accounts for about 50 percent of all commercial freezing plants. Most Florida plants are citrus freezers. This year plants in that state alone will freeze over 76 million gallons of concentrated orange juice, around 95 percent of all the orange juice frozen in the United States. The annual frozen citrus pack in Florida is larger than the combined pack of all other District frozen fruits and vegetables. Strawberries follow oranges in importance, but quantitative measures are not available for other items.

Plants freezing citrus products are much larger than plants freezing other fruits and vegetables. Citrus plants employ roughly 700 workers each; other District freezers work around 100. Capital investment in citrus freezer plants is also higher than that in other plants. Some $2 million is invested per plant for citrus freezing plant and equipment, compared with less than $500,000 per plant for all other freezers.

Capital Investment Large Capital investment in plants freezing fruits and vegetables is high in relation to total output and when compared with that required for other food processing industries. Around $170 million is invested in the frozen citrus industry in this District alone, according to estimates made by this Bank. This does not include any investments in home freezers necessary to preserve the finished product in the home. Investment in plant and equipment amounting to roughly $50 million constitutes the largest single component. Equipment for zero-degree warehousing, transporting, and retailing accounts for the remainder. Comparable figures are not available for plants freezing other foods, but probably investment is less than that in the citrus industry because citrus freezers are usually larger.

Operating Funds Needed District processors' operating needs are large: Their costs for raw products make up a sizable part of the sale price for their finished product, and the seasonal production of fruits and vegetables necessitates large inventories during much of the year for supplying a year-round demand.

Bankers Serve the Industry

District bankers supply some of the funds needed by commercial freezing plants. Before a banker finances a freezer in this region, ordinarily he studies the plant operation and the operator's financial position. He appraises the company's management, its plant and equipment, its inventory and sales record, its source and quality of raw products, and its repayment ability. Then he determines how bank financing will increase the company's profits. If he makes the loan, the banker may establish a line of credit with the upper limit determined by the company's needs and potentials. This form of credit is probably the most desirable for the freezing company; it allows the flexibility needed in adjusting inventories to meet crop conditions.

Loans made to freezers are most often secured by warehouse receipts or invoices. In some cases bankers take additional collateral; personal notes and even mortgages are used. Maturity varies from demand to six months on operating loans to fruit and vegetable freezers, and most banks charge 5½ to 6 percent interest annually.

A thumb rule is often used for extending this type of credit. On warehouse receipt secured loans, for example, bankers may lend 60 percent of the resale value of the warehoused product. Those lending on invoices may lend 90 percent of the face value. Because bankers specialize in short-term loans, the industry cannot depend on bank credit for its investment needs. Relatively small loans for modernization or enlargement, however, may be obtained if the bank is repaid in three to five years.

Local bank credit is not used by all District freezers. Often large companies, especially those in the citrus area, are financed by internal funds. Then too, some freezing plants are branch plants that depend entirely upon their home office for all their capital needs.

Processors Have Problems

Correctly evaluating their capital needs is probably one of the most difficult jobs commercial freezers have. They operate in a new, dynamic industry, one that is growing and changing rapidly. New techniques and methods are developed each year which often makes their equipment obsolete. If they attempt to write old equipment off as new equipment becomes available, they run the risk of over-extending themselves. On the other hand, if they hold on to obsolete methods and equipment, they risk losing their market to competitors who adapt new methods and possibly improve their product.

Plant managers are faced with the problem of selling a product that is both superior in quality to its canned counterpart and comparable in price. Holding the sale price in line is not easy. Then too, frozen products must also compete with fresh products for the consumer food dollar. To market a product that meets these requirements managers need access to high quality raw farm products at reasonable prices. They need to operate their costly freezing equipment at capacity and that is difficult because farm production follows seasonal patterns.

Many processors are overcoming some of these obstacles by integrating their operations to include farm production. For some processors, this means a contract with a local farmer or farm cooperative. Still other fruit and vegetable freezers lease or own farm land outright for farm production. Those who operate farms, of course,

have the most direct line to their raw product supply; still they are plagued by all the hazards connected with weather, diseases, and insects.

The most serious difficulty in some local plants is maintaining quality control from the farm to the consumer. To do this, a plant manager must begin with a good quality product. Vegetables to be frozen, for example, must be free from insect damage and they must be harvested at the proper stage of development.

Frozen products are unique in the food family because they require special attention to maintain quality from the moment they are frozen until the housewife prepares them for her family. There must be a completely continuous zero-degree temperature chain for holding, transporting, and retailing frozen products. If at any time the product is subjected to a thawing temperature, it starts deteriorating.

Transportation companies and retailers are improving their facilities to handle frozen foods at low temperatures. Most transportation equipment now in use is adequately refrigerated and insulated. If normal handling practices are followed in shipping, frozen foods usually reach their destination in good order. Food stores are making more zero-degree shelf space and storage area available for marketing frozen foods.

Future Growth Likely

In the years ahead frozen fruits and vegetables will likely gain an even more prominent spot in the District's food processing industry. As plants have improved the delivery of a hard-frozen product to the housewife, additional years of research and experience will enable them to obtain high quality produce and correctly assess their capital needs. Emphasis on quality control is already strong. Meanwhile, some local plants will begin operating farms to insure their raw product supply, and consumers will find their grocery better stocked the year-round with frozen fruits and vegetables.

N. CARSON BRANAN

Department Store Sales and Inventories*

Place	Percent Change: Sales, June 1959 from May 1959	Sales, June 1959 from June 1958	Sales, 6 Months 1959 from 1958	Inventories, June 30, 1959 from May 31 1959	Inventories, June 30, 1959 from June 30 1958
ALABAMA	—10	+7	+7	—6	—3
Birmingham	—12	+2	+4	—7	—5
Mobile	—11	+9	+7	..	..
Montgomery	—10	+9	+6	..	..
FLORIDA	—4	+14	+12	—6	+8
Daytona Beach	+4	+10	+11	..	..
Jacksonville	—15	+15	+14	—1	+1
Miami Area	+1	+11	+8	—7	+4
Miami	+2	+8	+4	..	..
Orlando	—9	+13	+14	..	..
St. Petersburg-Tampa Area	—4	+26	+20	—6	+25
GEORGIA	—7	+7	+6	—3	+6
Atlanta**	—8	+7	+6	—3	+7
Augusta	—13	+9	+14	..	..
Columbus	+0	—1	—1	—6	+5
Macon	—3	+6	+6	—1	+13
Rome**	—5	+23	+22	..	..
Savannah	—3	+1	—1	..	..
LOUISIANA	—8	+5	+4	—3	+4
Baton Rouge	—15	+0	+5	—4	+27
New Orleans	—7	+7	+5	—3	—0
MISSISSIPPI	—13	+11	+11	—1	+3
Jackson	—16	+12	+11	—0	+4
Meridian**	—14	+7	+8	..	..
TENNESSEE	—13	+10	+9	—4	+12
Bristol-Kingsport-Johnson City**	—12	+11	+6	—1	+3
Bristol (Tenn. & Va.)**	—2	+10	+4	—4	—2
Chattanooga	—14	+17	+11	..	..
Knoxville	—11	+13	+8	—0	+16
DISTRICT	—7	+9	+8	—5	+6

*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.

Debits to Individual Demand Deposit Accounts

(In Thousands of Dollars)

	June 1959	May 1959	June 1958	Percent Change: June 1959 from May 1959	June 1959 from June 1958	Year-to-date 6 Months 1959 from 1958
ALABAMA						
Anniston	40,096	40,303	34,978	—1	+15	+15
Birmingham	906,012	771,730	726,663	+17	+25	+14
Dothan	31,423	32,373	27,287	—3	+15	+11
Gadsden	38,399	37,949	30,431	+1	+26	+19
Huntsville*	62,536	64,653	51,709	—3	+21	+27
Mobile	300,850	292,533	239,551	+3	+26	+11
Montgomery	168,506	167,596	139,994	+1	+20	+21
Selma*	22,565	24,556	20,111	—8	+12	+10
Tuscaloosa*	49,957	50,869	43,316	—2	+15	+14
Total Reporting Cities	1,620,344	1,482,562	1,314,040r	+9	+23	+15
Other Cities†	718,265	754,240	617,890r	—5	+16	+19
FLORIDA						
Daytona Beach*	60,698	59,929	54,878	+1	+11	+9
Fort Lauderdale*	202,881	201,010	183,573	+1	+11	+9
Gainesville*	41,839	36,826	33,518	+14	+25	+14
Jacksonville	812,782	827,699	649,893	—2	+25	+13
Key West*	16,375	16,322	14,394	+0	+14	+10
Lakeland*	76,663	76,319	63,690	+0	+20	+18
Miami	870,680	845,919	759,119	+3	+15	+16
Greater Miami*	1,291,733	1,267,459	1,131,635	+2	+14	+15
Orlando	252,924	254,419	188,678	—1	+34	+28
Pensacola	89,986	86,144	76,627	+4	+17	+10
St. Petersburg	223,179	215,356	178,439	+4	+25	+19
Tampa	428,365	418,598	336,879	+2	+27	+19
West Palm Beach*	125,555	138,916	109,704	—10	+14	+16
Total Reporting Cities	3,622,980	3,598,997	3,021,908	+1	+20	+16
Other Cities†	1,536,046	1,539,148	1,322,534	—0	+16	+15
GEORGIA						
Albany	65,094	62,567	54,695	+4	+19	+13
Athens*	38,543	36,822	35,892	+5	+7	+8
Atlanta	1,980,702	1,927,974	1,704,904	+3	+16	+14
Augusta	111,357	99,593	92,650	+12	+20	+12
Brunswick	26,509	25,682	19,328	+3	+37	+25
Columbus	106,920	101,433	93,990	+5	+14	+9
Elberton	9,172	9,356	8,534	—2	+7	+6
Gainesville*	48,580	51,067	49,341	—5	—2	+1
Griffin*	18,324	18,522	15,782	—1	+16	+13
LaGrange*	19,356	20,164	16,302	—4	+19	+14
Macon	118,956	115,105	101,217	+3	+18	+16
Marietta*	30,679	32,572	24,032	—6	+28	+21
Newnan	15,810	16,612	14,401	—5	+10	+8
Rome*	43,853	42,351	35,693	+4	+23	+14
Savannah	213,501	202,376	184,156	+5	+16	+15
Valdosta	33,619	33,923	23,544	—1	+43	+28
Total Reporting Cities	2,880,975	2,796,119	2,474,461	+3	+16	+14
Other Cities†	891,638	874,050	706,789	+2	+26	+17
LOUISIANA						
Alexandria*	73,892	65,813	64,665	+12	+14	+8
Baton Rouge	265,354	279,706	230,891	—5	+15	+11
Lafayette*	65,004	63,715	51,351	+2	+27	+17
Lake Charles	84,854	88,111	80,804	—4	+5	+5
New Orleans	1,328,096	1,288,361	1,211,772	+3	+10	+6
Total Reporting Cities	1,817,200	1,785,706	1,639,483	+2	+11	+7
Other Cities†	571,843	582,397	450,617	—2	+27	+16
MISSISSIPPI						
Biloxi-Gulfport*	49,502	47,580	41,353	+4	+20	+20
Hattiesburg	35,634	35,045	29,680	+2	+20	+15
Jackson	306,253	280,485	237,149	+9	+29	+32
Laurel*	27,134	26,744	22,523	+1	+20	+18
Meridian	47,428	43,370	36,067	+9	+31	+20
Natchez*	21,572	23,468	18,414	—8	+17	+12
Vicksburg	19,080	18,525	17,148	+3	+11	+6
Total Reporting Cities	506,603	475,217	402,334	+7	+26	+25
Other Cities†	253,454	242,128	202,116	+5	+25	+17
TENNESSEE						
Bristol*	49,495	44,494	40,316	+11	+23	+17
Chattanooga	339,963	319,583	287,673	+6	+18	+18
Johnson City*	44,769	39,247	37,631	+14	+19	+7
Kingsport*	81,825	79,692	70,143	+3	+17	+15
Knoxville	233,237	219,784	206,122	+6	+13	+12
Nashville	713,825	680,911	618,139	+5	+15	+20
Total Reporting Cities	1,463,114	1,383,711	1,260,024	+6	+16	+17
Other Cities†	550,567	542,712	428,576	+1	+28	+18
SIXTH DISTRICT	16,433,029	16,056,987	13,840,772	+2	+19	+15
Reporting Cities	11,911,216	11,522,312	10,112,250r	+3	+18	+14
Other Cities†	4,521,813	4,534,675	3,728,522r	—0	+21	+17
Total, 32 Cities	10,218,566	9,839,121	8,641,403	+4	+18	+14
UNITED STATES 344 Cities	228,581,000	215,964,000	219,477,000	+6	+4	+8

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

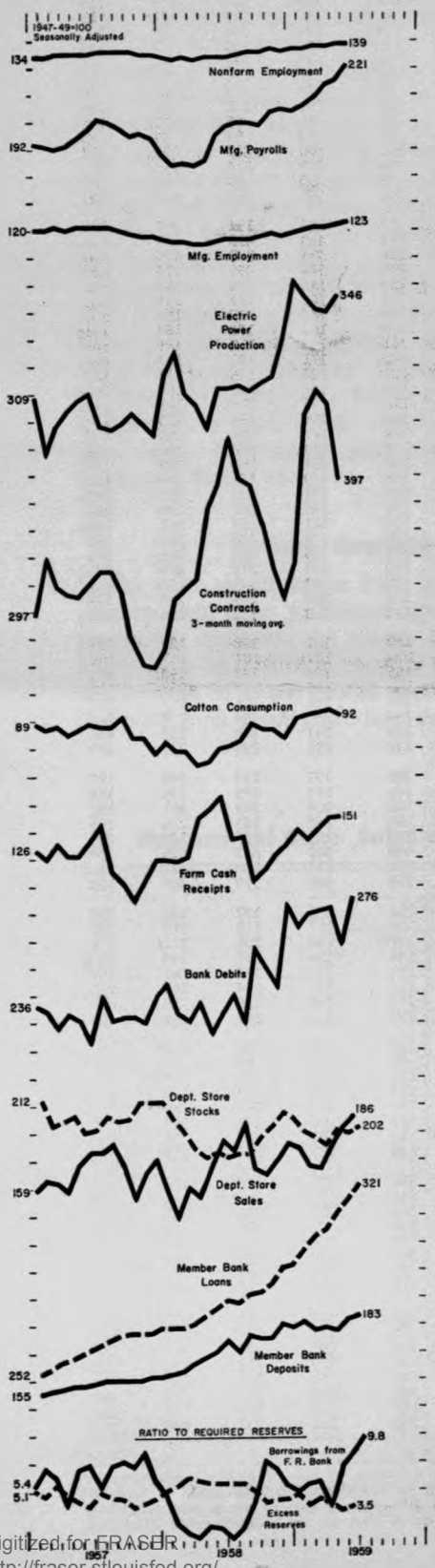
Sixth District Indexes

Seasonally Adjusted (1947-49 = 100)

	1958								1959					
SIXTH DISTRICT	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY	JUNE
Nonfarm Employment	134	134	134	135	136	136	137	136	137	137	138	138	139	139
Manufacturing Employment	115	116	117	117	117	118	119	118	119	120	121	121	122r	123
Apparel	167	168	170	168	167	169	170	172	173	174	174	176	179	182
Chemicals	133	132	130	130	127	127	128	129	132	132	133	135	135	135
Fabricated Metals***	172r	175r	178r	181r	182r	179r	178r	179r	182r	178r	179r	180r	181r	182
Food	110	109	111	110	112	113	112	112	113	114	115	115	113	113
Lbr., Wood Prod., Fur. & Fix.	74	74	75	76	79	80	80	79	79	80	78	79	80	79
Paper & Allied Products	156	154	154	156	159	159	159	160	160	161	161	161	163	164
Primary Metals	93	91	89	88	89	94	90	92	91	92	95	98	100r	103
Textiles	84	84	85	85	86	86	86	86	86	87	88	87	88	88
Transportation Equipment	183	210	208	221	220	203	213	217	213	205	200	207	210	207
Manufacturing Payrolls	186	195	199	200	200	199	204	205	204	206	209	214	215r	221
Cotton Consumption**	75	80	81	83	89	87	87	84	91	92	93	94	92	89
Electric Power Production**	297	312	312	313	311	314	316	330	351	346	341	340	346	n.a.
Petrol. Prod. in Coastal Louisiana & Mississippi**	164	167	170	176	187	190	190	201	192	193	189	191	207	206
Construction Contracts*	375	394	427	397	393	364	333	309	336	445	463	453	397	n.a.
Residential	338	381	377	413	421	433	375	367	364	382	394	398	429	n.a.
All Other	406	405	468	384	371	308	298	262	314	496	520	499	370	n.a.
Farm Cash Receipts	157	165	134	136	104	112	123	130	141	134	142	150	151	n.a.
Crops	143	146	90	118	82	84	99	92	128	113	105	127	131	n.a.
Livestock	178	184	184	182	185	217	216	211	162	164	185	183	181	n.a.
Dept. Store Sales*/**	168	177r	173	183	167	165	170	176	174	168	167	175	182	186p
Atlanta	154	169	168	183	158	154	161	162	164	161	155	169	161	174
Baton Rouge	172	199	185	187	179	180	214	204	195	180	171	190	187	192p
Birmingham	133	130r	127	147	133	131	129	138	136	127	127	135	135	127
Chattanooga	145	144	159	161	150	154	163	156	162	154	148	148	164	161
Jackson	107	106	111	124	107	111	126	124	124	116	104	111	121	114p
Jacksonville	122	126	127	138	129	135	136	142	143	141	136	130	135	139
Knoxville	148	137	139	156	151	146	155	163	161	154	147	151	153	148
Macon	159	165	164	183	147	153	158	158	161	155	143	170	166r	168
Miami	247	260r	268	285	250	258	230	256	242	248	251	263	269	277p
New Orleans	137	146r	141	147	140	144	144	148	145	139	130	142	144	151p
Tampa-St. Petersburg	203	202	207	219	209	209	214	212	207	203	221	230	251	245p
Dept. Store Stocks*	193	191	192	192	198	202	207	205	200	198	195	201	200	202
Furniture Store Sales*/**	143	138r	139	153	145	145	152	148	161	154	141	157	153	148p
Member Bank Deposits*	170	174	170	176	175	175	180	179	181	178	179	178	182	183
Member Bank Loans*	276	279	278	281	282	285	291	292	298	303	305	311	316	321
Bank Debits*	226	233	240	230	257	250	243	273	265	270	271	272	259	276
Turnover of Demand Deposits*	140	144	148	147	146	142	139	150	144	153	149	145	158	152
In Leading Cities	154	168	165	165	161	149	146	161	153	162	160	164	174	174
Outside Leading Cities	111	104	110	113	116	105	102	121	114	121	118	112	126	117
ALABAMA														
Nonfarm Employment	118	118	118	118	118	120	120	120	121	120	121	120	121	121
Manufacturing Employment***	103r	104r	104r	104	104r	104r	104r	105r	105r	106r	107r	107	107r	106
Manufacturing Payrolls	167	175	175	177	175	182	186	179	182	185	189	193	190r	196
Furniture Store Sales	134	129r	130	145	138	136	136	131	147	154	125	145	135	138p
Member Bank Deposits	146	150	150	154	152	153	158	155	155	154	154	156	157	160
Member Bank Loans	230	231	235	233	234	239	246	242	248	254	250	254	259	266
Farm Cash Receipts	142	147	143	130	97	106	101	111	126	123	147	148	132	n.a.
Bank Debits	200	206	210	208	231	221	216	232	233	232	231	235	227	249
FLORIDA														
Nonfarm Employment	180	182	186	186	188	188	188	187	188	189	191	193	195	197
Manufacturing Employment	177	178	183	185	187	187	186	186	188	190	193	195	195	198
Manufacturing Payrolls	289	298	309	313	320	326	322	316	318	326	319	343	351	351
Furniture Store Sales	157	155	156	172	171	153	170	167	176	184	163	183	176	175
Member Bank Deposits	221	227	225	233	233	235	241	241	242	238	235	233	241	243
Member Bank Loans	441	447	449	456	457	463	477	477	485	492	500	511	526	534
Farm Cash Receipts	249	308	214	206	212	162	147	162	281	232	182	230	227	n.a.
Bank Debits	322	354	360	342	384	388	357	403	370	378	383	379	387	420
GEORGIA														
Nonfarm Employment	127	128	128	129	130	130	130	130	131	131	131	132	132	132
Manufacturing Employment	110	113	114	114	116	115	116	116	115	116	117	118	119	120
Manufacturing Payrolls	170	186	193	195	191	190	201	200	195	197	204	206	211r	215
Furniture Store Sales	138	134r	133	154	147	151	141	153	149	143	134	151	148	139p
Member Bank Deposits	148	152	146	154	155	154	158	158	159	157	157	157	160	159
Member Bank Loans	213	216	213	212	219	223	226	227	230	237	235	244	246	250
Farm Cash Receipts	157	167	129	157	158	104	124	153	143	142	169	150	158	n.a.
Bank Debits	207	212	219	212	236	224	218	243	236	238	242	247	235	252
LOUISIANA														
Nonfarm Employment	129	129	127	127	128	128	128	129	129	129	128	128	128r	128
Manufacturing Employment	96	95	94	95	96	96	98	97	96	95	96	96	96r	96
Manufacturing Payrolls	166	167	164	168	167	165	172	169	173	173	175	178	179r	174
Furniture Store Sales*	182	175r	177	189	181	166	197	196	171	174	203	177	191	177
Member Bank Deposits*	157	159	153	157	155	152	156	159	163	160	165	160	165	165
Member Bank Loans*	271	272	264	273	265	268	277	274	284	287	293	293	295	295
Farm Cash Receipts	115	147	143	109	72	99	114	109	103	112	130	123	159	n.a.
Bank Debits*	203	211	209	201	235	215	199	230	210	216	227	230	218	241
MISSISSIPPI														
Nonfarm Employment	128	127	127	127	130	130	131	130	132	131	131	130	132	131
Manufacturing Employment	125	125	127	129	130	132	133	132	131	131	131	132	134	133
Manufacturing Payrolls	226	231	235	246	247	247	248	245	247	246	251	250	247	249
Furniture Store Sales*	107	113	101	123	101	80	107	133	114	106	97	114	120	132
Member Bank Deposits*	186	186	184	192	194	197	198	195	197	190	198	195	191	195
Member Bank Loans*	334	337	367	352	359	359	363	369	361	367	378	383	391	398
Farm Cash Receipts	148	145	138	100	59	99	129	122	93	85	146	129	139	n.a.
Bank Debits*	190	191	207	201	221	211	214	233	217	210	226	226	209	240
TENNESSEE														
Nonfarm Employment	119	119	119	119	120	120	120	120	120	121	122	123	122r	123
Manufacturing Employment	113	113	113	114	115	116	116	116	117	118	119	119	119r	120
Manufacturing Payrolls	181	182	187	193	192	187	187	196	202	204	205	208	207r	217
Furniture Store Sales*	109	103r	105	105	103	103	112	113	111	114	109	114	116	116p
Member Bank Deposits*	158	161	156	159	158	159	161	162	165	160	159	162	166	164
Member Bank Loans*	245	248	243	250	247	251	251	256	262	267	268	272	276	283
Farm Cash Receipts	103	113	114	112	77	114	114	100	98	107	119	109	95	n.a.
Bank Debits*	197	199	201	202	217	220	213	235	230	243	232	231	228	238

*For Sixth District area only. Other totals for entire six states. n.a. Not Available. p Preliminary. r Revised.
**Daily average basis. ***Revisions reflect new seasonal factors.
Sources: Nonfarm and mfg. emp. and payrolls, state depts. of labor; cotton consumption, U. S. Bureau Census; construction contracts, F. W. Dodge Corp.; petrol. prod., U. S. Bureau of Mines; elec. power prod., Fed. Power Comm. Other indexes based on data collected by this Bank. All indexes calculated by this Bank.

SIXTH DISTRICT BUSINESS HIGHLIGHTS



NONFARM EMPLOYMENT in June held at advanced levels. Total spending, measured by bank debits, and factory payrolls set new records. Consumer spending changed little, and farm marketings dropped. Loan demand increased without letup.

Nonfarm employment in June, seasonally adjusted, held at the record set in May. **Manufacturing employment** rose slightly, but **nonmanufacturing employment** was virtually unchanged. **Manufacturing payrolls** rose substantially because of longer hours worked and higher earnings, with all states except Louisiana sharing in this increase. **Insured unemployment** declined further.

Electric power production rose in May, with increases occurring in each District state. June **crude petroleum production** in Coastal Louisiana and Mississippi held near the seasonally adjusted record set in May, and **cotton textile activity,** as measured by cotton consumption, declined. **Steel mill activity** in July dropped sharply as a result of the strike. The three-month average of **construction contract awards,** including data for June, dropped further, and **construction employment** rose less than it usually does in June.

Farm prices decreased in June, reflecting declines in milk, beef cattle, broilers, hogs, vegetables, and cotton. **Farm marketings** were down, chiefly because fewer hogs, citrus, eggs, and milk were sold than in May. **Farm employment** exceeded that of last June as more workers were needed to cultivate additional **acreage,** especially cotton. Overall prospects for most **summer crops** remain favorable.

Measures of consumer spending continued at high levels in May and June. **Retail sales** in May rose somewhat more than usual for that month. **Automobile sales** increased further in May. Spurred by a sharp rise in Atlanta, seasonally adjusted **department store sales** established a record in June.

Consumer instalment credit outstanding at commercial banks in June continued to increase more than seasonally, reflecting a moderate gain in automobile paper and a sharp increase in other consumer goods paper. Credit extended by consumer finance companies and credit unions rose moderately. Consumer **savings,** measured by time deposits at commercial banks, savings and loan shares, and ordinary life insurance sales, also increased.

International trade through District ports in May showed increases in **exports** as well as **imports**. Through May, however, exports remained below last year's level, while imports were up. **Bank debits,** a measure of total District spending, set a new record in June.

Member bank loans, seasonally adjusted, increased further in June. **Deposits** at member banks also edged up after seasonal adjustment, but were used somewhat less actively at reporting banks than during the record month of May. **Interest rates** on most sizes of short-term business loans made by Atlanta and New Orleans banks in early June were higher than those made in early March. In July, **total loans at banks in leading cities** rose more than normally, and **member bank borrowings from the Federal Reserve Bank of Atlanta** set a new high.