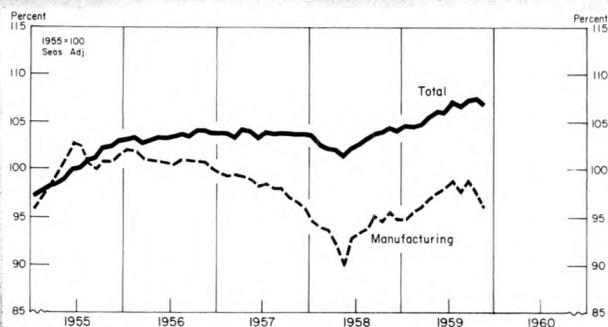


Most measures of Georgia's economy indicate that 1959 was a banner year for the "Empire State of the South." Recession-born downtrends gave way to renewed prosperity, and many indicators rose to record peaks.

Employment, Spending, and Saving Rise

Seasonally adjusted nonfarm employment passed the pre-recession high in November 1958, and has risen steadily since. Responding to high employment, Georgians spent record amounts last year. Tax receipts indicate that retail sales for the year ended September 1959 were more than 10 percent ahead of the comparable preceding year. Taxable sales of manufactures and public utilities rose even more. Debits to demand deposit accounts, a measure of spending for business and personal use, as well as a gauge of the volume of financial transactions, were 13 percent higher in the first eleven months of 1959 than in that period of 1958 at banks in 16 Georgia cities.

**Employment, Georgia
1955-59**



In addition to spending more, Georgians were able to add to their savings during 1959. Sales of ordinary life insurance policies in the January - October period exceeded the year-earlier volume 16 percent. Between October 1958 and October 1959, outstanding shares at savings and loan associations rose 10 percent, and time deposits at member banks increased 6 percent.

The increased economic activity in Georgia has been stronger in some sectors of the economy than in others, as would be expected. Georgia farmers have been plagued by lower prices for their products. Cash receipts from farm marketings during the first three quarters of 1959 were 2.5 percent below the comparable period in 1958, which, it must be remembered, was a record year. The decline was centered in livestock production, and particularly in the important broiler industry of North Georgia.

Manufacturing a Stimulus

If one major reason for the current high level of economic activity were to be singled out, it would be the turnabout in manufacturing. As the chart indicates, factory jobs in Georgia declined gradually from the end of 1955 to the middle of 1957, then dropped rather sharply until the spring of 1958. Since factory employment provides almost one-third of Georgia's nonfarm jobs, the effects of the decline on total employment were great. Gains in trade, service, government, and other types of jobs did not offset the drop in manufacturing.

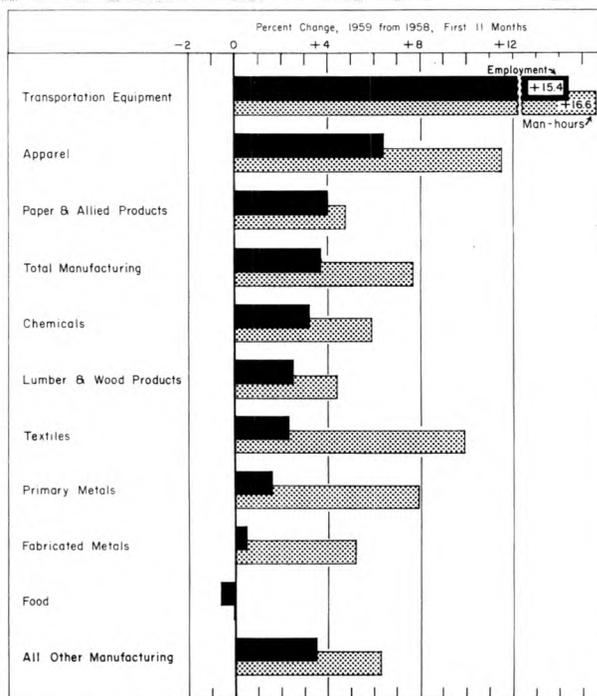
Since May 1958, however, seasonally adjusted manu-

The Pace of C

facturing employment has risen steadily, so that by October 1959 it was at the same level reached in mid-summer of 1957 and only 5 percent below the all-time peak of June 1955. The decline in November 1959 was due to a cutback in automobile manufacturing employment, a direct result of the steel strike. During the first eleven months of 1959, factory employment averaged 3.7 percent higher than in the same period a year earlier.

Even more impressive than the upturn in factory jobs has been the increase in man-hours, or the number of employees on the job multiplied by the average number of hours worked each week. Since the 7.7 percent increase in man-hours in the first eleven months of 1959 was greater than the rise in factory employment, it is apparent that the average worker put in a longer workweek, and consequently enjoyed a fatter pay check.

**Changes in Manufacturing Employment
And Man-hours Worked
Georgia, 1959 from 1958**



Within manufacturing, only food processors employed fewer workers in the average 1959 month than in 1958. Man-hours worked increased in all industry groups except food, and in each case the gain was greater than that in employment. The most dramatic upturn was in transportation equipment, which employed about 15 percent more people in 1959 than in 1958.

Textiles Strong

The highlight of the manufacturing upturn has been the new strength evidenced by the textile industry. Over 400 concerns employ 100,000 people in about 125

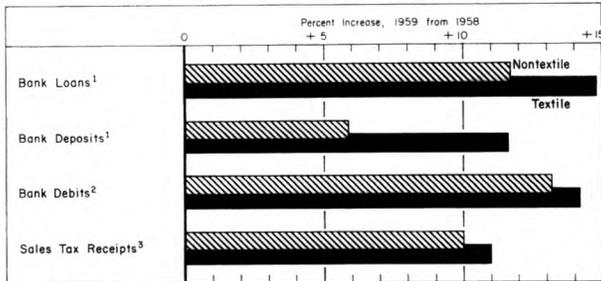
Georgia's Economy

Georgia communities in the production of cotton broadcloth, woolens, upholstery, thread, tire cord, tufted goods, and other textile products. Besides providing almost one-third of the state's manufacturing employment, textile mill production is apparently the most widespread industry in Georgia. The fortunes of over one-fourth of the Peach State's communities depend to some extent on the ups and downs of textile manufacturing.

Textile mill employment recently has enjoyed its most sustained upturn in several years. With the exception of one or two months of normal seasonal cutbacks, jobs have increased steadily for fifteen months. This is in marked contrast to the downward trend in the number of persons employed in textile mill production that began in 1951. From March 1951 until mid-1958, Georgia textile mill employment fell from 115,000 to 94,000.

Banking figures and sales tax receipts indicate that the rate of improvement in economic conditions has been greater in textile communities than in other areas of Georgia. An outstanding example of this is the North Georgia area specializing in tufted textile products, centered in Dalton and Calhoun. Employment in the Dalton area is at the highest level since World War II. Bank deposits in the two cities have risen over 20 percent in the past year, and loans have jumped 25 percent. Sales tax receipts in the twelve months ended September 30 were 17 percent above a year earlier in the two counties in which these cities are located, compared with an 11-percent gain in the state.

Changes in Economic Indicators in Textile and Nontextile Communities Georgia, 1959 from 1958



1. June 10, 1959 from June 23, 1958.
 2. First 10 months.
 3. July 1959 from July 1958.

For the state as a whole, however, the rate of gain in textile mill employment has not been as impressive, at least on the surface, as the rates of increase in other types of manufacturing. Between the July 1958 low point and November 1959, textile mill jobs increased by slightly over 6 percent, compared with a 7-percent gain for all industries. During the first eleven months of 1959, average textile mill employment was only 2.3 percent ahead of the same 1958 period, whereas the gain in total manufacturing jobs averaged almost 4 percent.

Not all of the recent upturn in textile mill activity is reflected in employment figures. Mill operators have

expanded their operations to some extent by having their employees work longer hours. During the first eleven months of 1959, Georgia textile mill workers put in an average of 41 hours per week; in the comparable 1958 period the workweek averaged 38.2 hours.

Production has increased at an even greater rate than man-hours worked as is evidenced by increased cotton consumption. Since almost 90 percent of Georgia's textile mill employees work in plants that use cotton as their principal raw material, cotton consumption figures provide a highly reliable indicator of textile activity. For January-October 1959, Georgians used slightly over 1,400,000 bales of cotton, mostly for textile production. This represents an increase of 15.6 percent over the same period in 1958, a gain of 4.0 percent over the first ten months of 1957, and a slight decline from the 1955 and 1956 ten-month totals.

The pickup in Georgia's textile mill activity reflects a general upturn in textile activity in the nation. Seasonally adjusted textile mill production in the United States rose from 91 percent of the 1947-49 average in February 1958 to 120 percent in September 1959. The July 1959 index of 123 was the highest on record, exceeding the previous peak, reached in December 1950, by over 3 percent. Textile mill employment in the nation averaged better than 3 percent above a year earlier during most of 1959.

The increased demand for Georgia's textile mill products comes primarily from two sources: tire manufacturers and apparel producers. Several of the state's largest textile mills are engaged in the manufacture of tire cord. These plants have benefited by the recent upsurge in automobile production and the resulting increase in tire consumption. Since most of Georgia's mill products are used in the manufacture of apparel, however, developments in that industry are of prime importance. Apparel production in the nation during the first three quarters of 1959 exceeded the year-earlier level 15 percent. Although production data are not available for individual states, employment figures indicate that Georgia's apparel industry is growing at a greater rate than the nation's. Over 2,200 jobs were created by new and expanded apparel plants in the year ended June 30. New plants provide a growing market for Georgia's textile mill products.

Additional Aids

Many other factors were at work to bring about the upturn in Georgia's business. Near-record building of homes, office buildings, retail stores, and other structures pushed the value of construction contracts awarded during the first ten months 13 percent ahead of the same period in 1958. New businesses were started at a rate well above that of 1958, and industrial development continued, with an estimated investment of \$60 million in major new and expanded plants during the first three quarters of 1959. Government activities in Georgia have been stepped up at both the state and Federal levels, providing an average of 5,000 additional jobs during the first eleven months of 1959. An expanding population has created new jobs in service industries, communications and at financial institutions.

ROBERT M. YOUNG