



Monthly Review

Atlanta, Georgia
October • 1959

Renewing Sixth District Cities

WE HAVE BEEN hearing the term "urban renewal" more and more frequently in recent years. Such increasing use of a term gives the impression that something new and different must be happening, and something new and different certainly is taking place.

Urban renewal itself is not new, however, for the faces of cities have changed strikingly over the years as old buildings have been remodeled or demolished and replaced by modern structures, sometimes with an entirely different use. It is, in fact, a rare city these days whose downtown area is not changing as businessmen see the opportunity for more profitable use of scarce land. It is the sort of thing one can expect in a dynamic, vigorous economic area.

The term urban renewal, as now used, has come to have a special meaning: It refers to those projects undertaken with Federal aid to clear slums on a broad scale and to prevent the spread of blight in urban areas. As a result of growing concern over slums and a desire to encourage cities to deal effectively with the slum problem, a national program has developed. The first comprehensive legislation in this program was the Housing Act of 1949, which organized and amplified the piecemeal legislation of the past dealing with slum clearance. Subsequent studies emphasized the need for a broader approach to the problem of slums, recognizing that efforts should be made, not only to clear slum areas, but to rehabilitate areas where feasible and to prevent the spread of slums to other areas. The Housing Act of 1954 had as its objective the encouragement of this broader approach. To help further the cause, the Federal Government will pay two-thirds of the cost of projects undertaken by cities to clear and redevelop slum areas or to rehabilitate deteriorating areas.

To receive this aid, certain conditions must be met. The city must have a plan of community development; it must analyze its needs for specific projects; it must be able to carry out its responsibility in connection with such projects; and it must be able to deal effectively with problems of developing a project area and relocating people displaced. The community must, as the Federal legislation puts it, have a "workable program" which will insure not only that slums will be eliminated, but that they will be prevented from developing in the future.

Two assumptions underlie the Federal legislation to encourage urban renewal: (1) that the cost of clearing slum land and preparing it for development is greater than the land's resale value, (2) that large-scale redevelopment of urban areas is not possible without the use of the powers of eminent domain to assemble a large enough tract of land whose use can be planned and developed efficiently. The Federal Government will share the cost of slum clearance and resale of land, but, once this has been accomplished, the urban renewal legislation looks to private enterprises for redevelopment. Local governments, however, must be able to assemble the necessary land. Their ability to do this through the use of the power of eminent domain has depended upon the enactment of special enabling legislation by the various states,

Also in this issue:

COTTON'S COMEBACK

DISTRICT BUSINESS HIGHLIGHTS

SIXTH DISTRICT STATISTICS

SIXTH DISTRICT INDEXES

*Federal
Reserve
Bank of
Atlanta*



From slum area to cleared land to subsequent redevelopment with higher-value uses—this sequence of events illustrated by these pictures typifies the projects being undertaken in the Sixth Federal Reserve District by cities participating in the Federal Government's urban renewal program.



The picture on the left shows how the area surrounding Tennessee's State Capitol, the prominent building on the hill, looked before Nashville undertook its first urban renewal project, known as the Capitol Hill Project. The center picture shows how the same area looked after the first

since urban renewal involves using such power to buy land from private individuals to resell to other individuals. Thus, a new method of serving a public purpose has evolved. From the legal point of view, one lawyer has observed, urban renewal represents a new term applied to the old conflict between public welfare and private property rights.

53 Cities—77 Projects

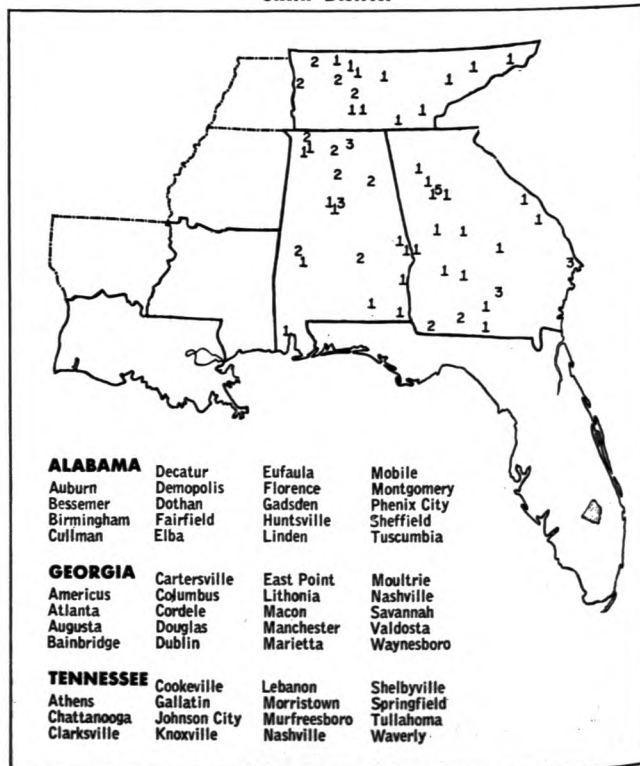
The great interest in the urban renewal program in the Sixth District is evident when we consider that on June 30 of this year 53 towns and cities in the area were actively participating in the Federal-aid program of urban renewal. That it is not just a "big-city" program is also apparent when we consider that projects are underway in cities ranging from less than 5,000 people to the largest District cities with populations in excess of 500,000.

Even the number of cities does not tell the whole story for many have more than one project: The total number of projects involved at mid-year was 77. As one would expect, they are in various stages of completion. Twenty-eight projects are in the planning stage, and 44 have actually been started, with the cities actively engaged in buying and clearing land, improving the cleared sites, and reselling parcels to private concerns. The remaining five projects have been completed, at least to the extent that cleared land has been sold and is awaiting redevelopment by its new owners. Three of the five—Florence and Auburn, Alabama, and Waverly, Tennessee—have finished redeveloping their project areas for residential use.

As the accompanying map shows, all the projects in the Sixth Federal Reserve District are in cities in Alabama, Georgia, and Tennessee. Alabama and Georgia each has 19 cities with a total of 29 projects, and the Sixth District portion of Tennessee—the eastern two-thirds—includes 15 cities with 19 projects underway. Florida, Louisiana, and Mississippi participation in the urban renewal program is conspicuous by its absence, as is also apparent from the map. Both Florida and Louisiana lack the special state enabling legislation necessary to under-

take urban renewal projects. Mississippi has such legislation but it was only passed in April 1958, and it takes time to initiate the projects. By the time the Mississippi act was passed, Federal funds available for new projects were running low. Since early this year, no Federal funds have been available to start new projects, and projects which may have been in the minds of Mississippians, therefore, have had to wait for new Federal-aid authority. New opportunities are available now, however, for the housing legislation signed into law in late September provides additional funds for urban renewal projects.

Location and Number of Urban Renewal Projects Sixth District





phase, land clearance, had been completed. The final phase, redevelopment, is illustrated by the picture on the right, which shows a new motel under construction, and beyond the motel, a modern high-rise apartment is being built. Photos by Nashville Housing Authority

Ambitious Projects—High Cost

The size of some of the projects being undertaken in the Sixth District is impressive, whether viewed in terms of dollar cost or area involved. As the table shows, the gross cost of all projects is estimated at about \$178 million. If the total were averaged among the 53 cities, the cost per city for its self-improvement effort would be about \$3.4 million. The range is great, however, with some smaller cities undertaking single projects costing less than \$100,000, while other cities have several multi-million-dollar projects, as is apparent from the ten largest projects also listed in the table. Nashville, which has been in the forefront among District cities engaged in urban renewal, expects to start soon on the District's largest single project, estimated to cost nearly \$27 million. One project already completed in that city cost a total of nearly \$12 million. Chattanooga's single project, in which land clearance is well underway, will cost nearly \$21 million. Atlanta has five projects, not yet having reached the stage of land purchase, which will cost a total of over \$42 million. Those who assume all the large projects are accounted for by large cities will be surprised to see among the ten largest projects one costing nearly \$6 million in Shelbyville, Tennessee, whose population at the time of the 1950 census was about 10,000.

Consider now that most of the urban renewal projects involve the acquisition and clearance of slum land for subsequent resale to private concerns for redevelopment in accordance with re-uses permitted by a city's pre-conceived plan. The total cost of doing this and, in addition, making desirable street improvements and providing utilities, schools, and public recreation areas, in all cases greatly exceeds the amount received by reselling that part of the land designed for private development. For projects in the District, this excess is shown in the table as net project cost. The amount can be considered as the net public expenditure necessary to provide the project area with required public facilities and to enable the local government to offer cleared land to private developers.

It is perhaps safe to assume that no private concerns

would be willing to incur the loss involved in this process. At least, none has offered to do so in this District. In fact, the cities by themselves have been unable to assume such costs in spite of pressing needs for self-improvement in all cases. By helping with these costs, the Federal-aid program, however, has made it feasible for the 53 District cities to carry out their renewal programs. Insofar as the figures in the table prove to be the actual costs incurred in carrying out the projects, the Federal contribution, amounting to two-thirds of the net cost, will enable these District cities to complete improvement projects costing \$178 million by investing time, effort, land, and money worth only about \$41 million.

Even this cost to District cities can be considered an investment that will yield returns in the form of higher taxes. After all, when slum dwellings are replaced by multi-unit apartments or commercial and industrial establishments or when blight is eliminated through rehabilitation of existing buildings, a higher tax base can be expected. Estimated figures provided for 26 of the 77 projects in this District indicate the tax base will be increased about sevenfold when the land involved has been redeveloped. A rule of thumb used in assessing the feasibility of urban renewal projects is that a city should be able to recover its cost through increased tax receipts in about ten years. Many expect to do much better than this; Atlanta expects to recover its cost in about seven years.

With the Federal Government standing ready to pay two-thirds of the net cost and many cities forecasting a quick recovery of their one-third, it may seem strange that more cities have not joined the urban renewal parade. Lack of frequently needed legal authority enabling cities to acquire property through condemnation procedure for resale to private developers, we have seen, has been the reason why no projects are underway in Florida and Louisiana. Some cities simply may not have a real need for urban renewal projects. Where there is a need, it must be balanced against the cost to the city, even though the city pays only one-third of the total.

Decisions! Decisions!

Even after cities make the major decision to undertake an urban renewal program, other decisions are required, based on a balancing of needs and costs. Areas needing clearance and redevelopment are usually so extensive that it becomes a matter of selecting for attention a more lim-

Sixth District's Ten Largest Urban Renewal Projects

Ten Largest Projects	Project Cost (\$000's)		Number of Acres
	Gross	Net	
Nashville, Tenn. (Eastside Area)	26,950	20,270	2,052.0
Chattanooga, Tenn.	20,879	15,737	340.1
Atlanta, Ga. (Butler Street)	12,351	6,681	227.5
Nashville, Tenn. (Capitol Hill)	11,728	7,811	72.0
Atlanta, Ga. (University Center)	11,094	8,488	350.5
Atlanta, Ga. (Rawson-Washington)	8,571	4,083	33.8
Shelbyville, Tenn.	5,956	4,791	161.8
Knoxville, Tenn.	5,899	3,941	97.2
Atlanta, Ga. (Thomasville)	5,404	4,328	266.7
Atlanta, Ga. (Rockdale)	4,737	3,476	255.4
Sub-Total	113,569	79,606	3,857.0
Other	64,832	41,868	2,207.8
Total	178,401	121,474	6,064.8

ited area in which conditions are particularly bad and for which the city is able to pay the cost. Even within a project so selected, a city must choose between demolition and rehabilitation of old buildings as the best way to stretch their urban renewal dollars. Atlanta, for example, has changed an earlier plan for its Butler Street project, located just east of the central business district, to include a larger area by leaving buildings in several blocks that had been scheduled for partial clearance. Surrounding land, it was reasoned, was in greater need of attention. Also, scheduled redevelopment for higher uses is expected to enhance the value of the by-passed land, and, through natural economic pressures, bring about its redevelopment. Nashville will use rehabilitation extensively to conserve basically sound structures in its eastside project.

Each city then sets the limit on its urban renewal effort after balancing the need and value of re-uses of land against the city's share of the cost. Some small towns have found urban renewal programs impractical despite the availability of generous Federal aid. In one such case in Tennessee, a proposed project was turned down because of what appeared to be an insurmountable problem of temporarily relocating people that would be displaced by land clearance. The social disruption and costs involved did not, in the judgment of the city authorities, justify the potential benefits. In still other cases, some smaller cities find it difficult to sell the land cleared, an obstacle which illustrates that successful redevelopment ultimately depends upon there being a demand to use cleared land to better advantage. As desirable as slum clearance might be, the absence of such demand would mean an urban renewal project would not be a feasible undertaking.

Much Careful Planning

Because of the importance of determining the economic feasibility of urban renewal projects, cities with large projects usually study very carefully the most efficient ways to re-use cleared land and whether or not there is likely to be a strong demand for the re-uses proposed. The Chattanooga Housing Authority, for example, engaged private economic consultants to study the re-use and marketability of land in its Westside Urban Renewal Project. Basing its analysis on Chattanooga's general economic growth in the past, its potential economic development, and the probable demand for the specific land uses planned for the project in relation to the supply, the consultants recommended that certain sites within the project be used for garden-type and high-rise apartments with supporting neighborhood shopping facilities, schools, and recreational areas; other sites would be developed for light industrial and wholesaling uses; still others were to be developed for central business district uses.

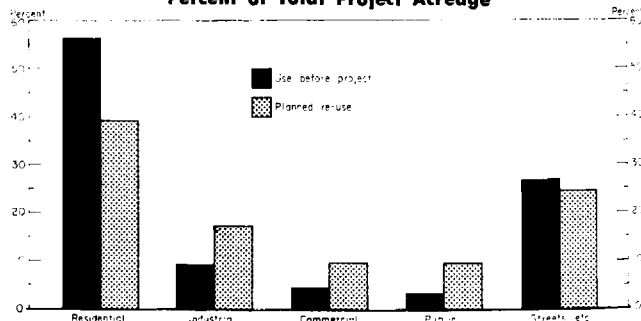
The project allows for a great diversity of future land use, therefore, with suitable buffers between areas of different uses designed to prevent future blight. A freeway through the project area, for example, will serve as a buffer between a residential section and a section zoned for light industry and central business district uses. Careful coordination of the planning for the urban renewal project and for the freeway has been beneficial to the development of both, giving the Chattanooga project its most unique aspect. To enhance the usefulness of a hilly

section in the area, the hills are literally being cut down to provide a level plateau for residential development. As a result, usable land on one hilltop will be increased from the present 12 acres to an estimated 35 acres. In all, about seven million cubic yards of Chattanooga's westside hilltops will be removed at no cost to the urban renewal project in order to provide the fill required for the freeway.

New Uses

As cities eliminate slum areas and adapt land to a higher value use, a change in the relative importance of broad types of land use will occur. This is suggested by the chart, which shows the relative importance of types of land use before and after redevelopment. Generally, residential uses will give way to industrial, commercial, and public uses.

Land Use in Urban Renewal Projects, Sixth District
Percent of Total Project Acreage



The general picture, however, conceals many striking changes in land use that will take place as a result of urban renewal projects in the Sixth Federal Reserve District. In Birmingham, for example, the existing Medical Center will be enlarged by building additional hospitals and related buildings in an adjacent area, 82 percent of which previously contained residential slums. A somewhat similar hospital project is underway in Florence, Alabama. In Fairfield, Alabama, on the other hand, 84 percent of the project area will be used to provide much needed space for light industry, whereas 63 percent of the area now contains slums.

Such aspects of urban renewal, however, will obscure the most significant results of the projects being undertaken in the Sixth District. These results will become apparent gradually and will be realized fully only when the slums being eliminated have been replaced by sparkling new single family houses, modern garden-type or high-rise apartments, or by well designed commercial and industrial establishments, or by public parks and buildings.

PHILIP M. WEBSTER

Bank Announcement

On September 9, the Bank of Monterey, Tennessee, began to remit at par for checks drawn on it when received from the Federal Reserve Bank. Officers are: W. T. Ray, Chairman of the Board; William Eugene Morgan, President; J. R. Bower, Vice President; William B. Uffelman, Cashier; and Jack Ray and Mozelle Stevens, Assistant Cashiers. Capital stock amounts to \$60,000 and surplus and undivided profits to \$174,693.

Cotton's Comeback

Cotton growers in District states emphatically expressed their faith in their favorite crop this year by stepping up their planted acreage 44 percent in the region over that last year. To date yields exceed those a year ago despite adverse weather earlier. Given good weather for harvesting, farmers should gather a total crop at least 61 percent larger than that last year. Cotton's comeback in 1959 and the beneficial economic impact from it will be cheered in many local communities.

Why the Comeback?

Topping the list of reasons why farmers increased their cotton crop this year was the close-out of the national Soil Bank's acreage reserve. The Soil Bank had attracted heavy deposits of cotton land from farmers in 1958. In Georgia half of the 900,000 allotted acres were deposited. With the acreage reserve ending in 1958, farmers chose to seed cotton on most of their previously banked acres. Meanwhile, special provisions covering price support for cotton in 1959 enabled farmers to further increase their acreage. By these provisions farmers could plant up to 40 percent more than their cotton allotment if they accepted price support at 65 percent of cotton's parity price. Few farmers in District states, however, elected to do that.

Farmers chose to grow cotton on their previously banked acres largely because few other crops looked as promising to them. For one thing, pricing and marketing arrangements favored cotton over alternative crops; for another, farmers had the capital items and credit base required for growing cotton. They also could expect fairly high yields, especially since the land on many farms had been rested or even rehabilitated. Similar considerations moved the few farmers who accepted the special provisions for planting cotton on more acres than they were allotted.

Cotton output also is resurging because the cotton land is yielding well this year. Although wet weather in May and June was a hindrance, the weather improved during early summer with beneficial effects for cotton growers. Farmers also controlled boll weevils effectively and they have fertilized their crop heavily. The tonnage of mixed fertilizers and materials sold for all crops in District states from July 1958 to July 1959 rose about 12 percent over the preceding year. True, farmers used more fertilizer because they increased their plantings, but they did so for other reasons as well. Many of them had higher incomes in 1958 and could afford to spend more; at the same time, they found prices for plant nutrients favorable—the cost per pound was actually down somewhat from costs in early 1958.

Taken together, these events insured record or near record yields for many cotton growers. According to crop estimates by the United States Department of Agriculture, average yields are greater than those last year in Alabama, Louisiana, Mississippi, and Tennessee. Yields in Georgia are down only slightly.

Where Concentrated?

The major economic impact from heavier cotton plantings and output in the District centers in Georgia, Alabama, and Mississippi. Many acres were planted to cotton in those states and output this year is sharply above that in 1958. In Alabama, 1959 output is indicated at 725,000 bales, up 65 percent from the 439,000-bale output last year. Meanwhile the price support for cotton, although lowered somewhat for the 1959 crop, still enables growers to realize larger returns for their crop than they otherwise might.

Large harvests of cotton are bound to stimulate economic activity in District states, especially in Mississippi. Receipts from cotton are important in Mississippi's farm economy. In 1956, such receipts accounted for 51 percent of all cash receipts from farm marketings there, and 71 percent of receipts from crops. Because cotton land was put in the Soil Bank in 1957, the proportions declined to 34 and 62 percent, respectively, and probably even further in 1958. This year cotton in Mississippi will retake the position it held earlier.

Estimated Cotton Production by Areas in Four District States, 1959

State and Geographic Area (thirds of states)	Total 1958	Indicated 1959	Percent Change 1959 from 1958
	<i>bales</i>		
Mississippi	960,970	1,600,000	+ 66
North	485,840	765,000	+ 57
Middle	427,795	730,000	+ 71
South	47,335	105,000	+122
Alabama	439,000	725,000	+ 65
North	237,000	406,000	+ 71
Middle	122,000	174,000	+ 43
South	80,000	145,000	+ 81
Louisiana	297,000	490,000	+ 65
North	196,500	319,000	+ 62
Middle	78,800	145,000	+ 84
South	21,700	26,000	+ 20
Georgia	352,000	575,000	+ 63
North	49,400	106,400	+115
Middle	150,800	259,900	+ 72
South	151,800	208,700	+ 37

SOURCE: State cotton crop releases, Sept. 1, 1959, Crop Reporting Service, USDA.

Although farmers are growing more cotton in each District state, not all areas will share equally in the heavier yield and increased receipts. In relative terms, the gain in Alabama is greatest in the southern third of the state; output there jumped from 80,000 bales in 1958 to 145,000 bales in 1959, or 81 percent. Yet with about half of the Alabama crop grown in the northern third of the state, the 169,000-bale-increase forecast for that area will be much more significant. In Mississippi the relative gain was greatest in the southern third of the state, which lies within the Sixth District, but output there is overshadowed by that in the delta area in mid- and north Mississippi; in Georgia the middle third of the state shows the largest increase in acreage and output.

With farmers in these places assured larger gross receipts this year, a pertinent question arises: How will

they spend them? Farmers will give a modest portion—roughly a tenth—to their wage hands and other labor. They also will repay their short-term debts incurred for buying operating supplies in 1959. But the big leverage in their disbursements will appear among items needed for strengthening farm businesses. Wherever cotton is important this year, therefore, merchants may experience increased sales of farm equipment, durable household items, and automobiles and trucks.

Comeback Temporary?

Whether the recovery of cotton in the District farm economy is solidly based and whether it will persist are difficult questions that cannot be answered at this time. By looking at some facts one can conclude that the resurgence simply heralds a future slump. Nationally, the cotton carry-over stands at 8.9 million bales—slightly greater than a year ago. With a 14.7-million-bale crop possible this year and an estimated disappearance of 14.5 million bales the carry-over could rise another notch by mid-1960. Meanwhile cotton consumption per capita remains depressed. Finally, although price supports are lower than previously, they still hold domestic prices for cotton above world prices. Our cotton exports suffered from this in the recent past and for the marketing year just ended reached the discouragingly low total of 2.8 million bales, a drop reflecting to a great extent uncertainty as to the United States' price policy for cotton exports. We had shipped 5.6 million bales in 1957-58 when exports were heavily subsidized.

When we look at other evidence, however, we see some signs that cotton may be able to hold its ground. Most importantly, domestic consumption of cotton has moved sharply higher as cotton mills experienced strength-

Department Store Sales and Inventories*

Place	Percent Change					
	Sales			Inventories		
	Aug. 1959 from July 1959	Aug. 1958 1959 from 1958	8 Months 1959 from 1958	Aug. 31, 1959 from July 31 1959	Aug. 31 1958	Aug. 31 1958
ALABAMA	+12	+2	+6	+11	+2	
Birmingham	+11	-3	+3	+11	-2	
Mobile	+12	+1	+5			
Montgomery	+8	-2	+5			
FLORIDA	+13	+17	+13	+4	+17	
Daytona Beach	-3	+2	+9			
Jacksonville	+68	+62	+20	+8	+8	
Miami Area	+5	+9	+8	-1	+12	
Miami	+5	+9	+6			
Orlando	+9	+5	+12			
St. Ptersbg-Tampa Area	+4	+19	+19	+8	+39	
GEORGIA	+17	+2	+5	+12	+20	
Atlanta**	+20	+3	+5	+12	+24	
Augusta	+11	+8	+14			
Columbus	+10	-6	-2	+8	+5	
Macon	+8	-3	+4	+7	+10	
Rome**	+11	+6	+19			
Savannah	+5	-5	-1			
LOUISIANA	+18	+5	+5	+6	+5	
Baton Rouge	+10	-1	+3	+5	+7	
New Orleans	+19	+6	+6	+7	+5	
MISSISSIPPI	+8	+5	+10	+9	+10	
Jackson	+13	+5	+10	+9	+12	
Meridian**	+3	+0	+7			
TENNESSEE	+6	+3	+8	+6	+13	
Bristol-Kingsport-						
Johnson City**	+10	-7	+4	+14	+3	
Bristol (Tenn. & Va.)**	+3	-13	+1	+8	-10	
Chattanooga	+7	+4	+9			
Knoxville	+4	+6	+9	+7	+21	
DISTRICT	+12	+6	+8	+7	+13	

*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.

ening demand for their goods. Then too, mill output abroad could rise and lift foreign demand for our cotton. Probable heavier subsidization of our cotton exports this year could induce mills abroad to take more cotton from us. Finally, innovation and product development for cotton cloth may enable the cotton trade to recover some sales lost to cotton's close substitutes.

ARTHUR H. KANTNER

Debits to Individual Demand Deposit Accounts

(In Thousands of Dollars)

	Aug. 1959	July 1959	Aug. 1958	Percent Change		
				Year-to-date		1959 from 1958
				Aug. 1959 from July 1959	Aug. 1958 from July 1958	
ALABAMA						
Anniston	41,674	45,728	36,825	-9	+13	+17
Birmingham	717,287	875,180	687,919	-18	+4	+14
Dothan	31,585	32,280	28,170	-2	+12	+18
Gadsden	35,073	40,183	33,379	-13	+5	+12
Huntsville*	60,402	61,418	53,874	-2	+12	+22
Mobile	270,686	283,841	232,070	-5	+17	+12
Montgomery	158,590	172,451	151,473	-8	+5	+19
Selma*	23,091	23,636	20,108	-2	+15	+13
Tuscaloosa*	51,412	54,592	45,548	-6	+13	+13
Total Reporting Cities	1,389,800	1,589,309	1,289,366	-13	+8	+14
Other Cities†	695,879	752,798	663,009	-8	+5	+17
FLORIDA						
Daytona Beach*	57,797	67,198	54,909	-14	+5	+9
Fort Lauderdale*	178,304	211,851	162,301	-16	+10	+11
Gainesville*	36,455	39,682	33,084	-8	+10	+13
Jacksonville	744,780	800,767	645,971	-7	+15	+13
Key West*	13,476	16,211	13,020	-17	+4	+17
Lakeland*	70,351	76,154	62,250	-8	+13	+16
Miami	781,864	906,210	681,630	-14	+15	+15
Greater Miami*	1,155,679	1,352,908	1,029,491	-15	+12	+15
Orlando	230,415	256,297	178,162	-10	+19	+28
Pensacola	87,912	98,451	77,664	-11	+13	+12
St. Petersburg	394,404	245,894	160,715	-19	+24	+20
Tampa	114,369	134,967	107,715	-15	+6	+15
West Palm Beach*	114,369	134,967	107,715	-15	+6	+15
Total Reporting Cities	3,283,544	3,729,281	2,859,720	-12	+15	+16
Other Cities†	1,414,475	1,624,007	1,252,984	-13	+13	+15
GEORGIA						
Albany	Included in 'Other Cities'					
Athens*	35,709	40,730	34,225	-12	+4	+8
Atlanta	1,990,180	2,052,331	1,719,567	-3	+16	+15
Augusta	108,032	109,678	117,415	-2	-8	+10
Brunswick	25,759	27,006	19,582	-5	+32	+26
Columbus	103,166	109,155	92,786	-5	+11	+10
Elberton	9,258	9,073	9,152	+2	+1	+4
Gainesville*	48,058	49,898	49,705	-4	+3	+0
Griffin*	18,266	18,855	16,429	-3	+11	+14
LaGrange*	19,119	20,818	17,786	-8	+7	+14
Macon	117,597	124,417	105,483	-5	+11	+16
Marietta*	31,711	31,746	26,022	-0	+22	+22
Newnan	19,959	18,732	15,211	+7	+31	+10
Rome*	42,619	45,640	36,370	-7	+17	+16
Savannah	188,436	206,954	168,067	-9	+12	+15
Valdosta	48,451	41,464	41,429	+17	+17	+30
Total Reporting Cities	2,806,320	2,906,497	2,469,229	-3	+14	+14
Other Cities†	929,532	989,773	867,065	-6	+7	+17
LOUISIANA						
Alexandria*	72,780	74,671	64,663	-3	+13	+8
Baton Rouge	263,966	274,908	225,371	-4	+17	+11
Lafayette*	61,270	67,883	59,112	-10	+4	+16
Lake Charles	84,359	88,379	80,914	-5	+4	+6
New Orleans	1,302,882	1,391,667	1,167,113	-6	+12	+7
Total Reporting Cities	1,785,257	1,897,508	1,597,173	-6	+12	+8
Other Cities†	565,190	575,946	503,342	-2	+12	+15
MISSISSIPPI						
Biloxi-Gulfport*	49,498	51,563	40,524	-4	+22	+19
Chattanooga	35,857	38,537	31,140	-7	+15	+15
Jackson	278,015	295,947	254,718	-6	+9	+25
Laurel*	28,451	28,796	23,888	-1	+19	+18
Meridian	42,914	46,286	40,434	-7	+6	+18
Natchez*	23,053	22,831	20,224	+1	+14	+13
Vicksburg	18,214	19,946	17,399	-9	+5	+6
Total Reporting Cities	476,002	503,906	428,327	-6	+11	+21
Other Cities†	253,426	261,577	223,392	-3	+13	+17
TENNESSEE						
Bristol*	43,713	46,159	40,287	-5	+9	+16
Chattanooga	332,198	362,906	277,416	-8	+20	+20
Johnson City*	41,311	43,553	36,677	-5	+13	+9
Kingsport*	82,713	89,649	72,086	-8	+15	+17
Knoxville	217,203	246,300	201,759	-12	+8	+12
Nashville	705,552	717,699	649,558	-2	+9	+17
Total Reporting Cities	1,422,690	1,506,266	1,277,783	-6	+11	+17
Other Cities†	561,986	564,478	511,282	-0	+10	+18
TOTAL						
SIXTH DISTRICT	15,584,101	16,901,346	13,938,672	-8	+12	+15
Reporting Cities	11,163,613	12,132,767	9,915,598	-8	+13	+14
Other Cities†	4,420,488	4,768,579	4,023,074	-7	+10	+16
Total, 32 Cities	9,585,870	10,367,568	8,476,930	-8	+13	+14
UNITED STATES						
344 Cities	208,131,000	235,645,000	185,849,000	-12	+12	+9
* Not included in total for 32 cities that are part of the National Bank Debit Series.						
† Estimated. r Revised.						

SIXTH DISTRICT BUSINESS HIGHLIGHTS

THE RISE in economic activity was tempered in August. Nonfarm employment did not rise above July levels, reflecting both the steel strike and little change or slight declines in most types of employment. Manufacturing payrolls declined substantially. Farm employment and income rose, however, as harvesting of large crops began. Consumer borrowing and spending continued to rise as did member bank deposits and loans; borrowings from the Federal Reserve Bank of Atlanta also increased.

Nonfarm employment, seasonally adjusted, was virtually unchanged in August, principally because of losses in employment in Alabama due to the steel strike, but also because seasonally adjusted employment either did not rise further, as in Florida, Mississippi, and Tennessee, or declined, as in Georgia and Louisiana. Most of the major types of **manufacturing employment** showed little change or slight declines in August. **Manufacturing payrolls** decreased substantially, mainly because of strike losses in Alabama. The **rate of insured unemployment** declined less than usual.

Construction contract awards, expressed as a three-month moving average centered on July, showed further improvement as a result of gains in awards for **nonresidential construction**. **Residential awards** were off slightly, but, on the whole, have held at a high volume recently. **Cotton consumption**, a measure of cotton textile activity, dropped in August, following a sharp rise in the preceding month. **Crude oil production** in Coastal Louisiana and Mississippi rose sharply, largely as a result of efforts to make up for allowable production lost in May because of a tropical storm.

As the harvest season gained headway, **farm employment** increased about seasonally in all District states except Florida. Harvesting operations were favored by the weather. **Total farm output** exceeded levels a year earlier; **prices received by farmers**, however, averaged slightly less, largely because hogs, broilers, citrus, corn, and cotton brought lower prices. **Demand deposits**, seasonally adjusted, at banks in agricultural areas rose slightly in August with gains registered in all states except Alabama and Louisiana.

Retail sales, seasonally adjusted, increased slightly in July, and seasonally adjusted **automotive sales** were virtually unchanged. **Department store sales** set another new record in August as gains occurred in practically every major metropolitan area, and preliminary data indicate that September sales declined. **Furniture store sales** increased in August everywhere except Louisiana.

International trade through District ports reversed its recent trends in July. **Imports** registered contraseasonal declines and **exports** began to increase; the Mobile Customs District was the only exception to these movements. The dollar volume of spending by check dropped in August, as **bank debits** declined sharply in every District state.

Consumer instalment credit outstanding rose in August, as slight gains occurred at both retail outlets and financial institutions, with increases in outstandings of all forms at commercial banks.

Member bank loans, seasonally adjusted, increased less in August than July, as gains in Georgia and Florida were partly offset by declines in Alabama, Mississippi, Louisiana, and Tennessee. A further rise in September is suggested by an increase reported in that month by member banks in major District cities. **Deposits** also increased enough in August at Georgia and Florida member banks to yield a small seasonally adjusted increase for the District. Modest disposal of bank **investments** continued. By September, **interest rates** had risen sharply on all sizes of short-term business loans at Atlanta and New Orleans banks, and **borrowings from the Federal Reserve Bank of Atlanta** rose slightly to a record high.

