



Atlanta, Georgia
June • 1960

Monthly Review

Southern Manufacturing's Contribution to Income

In the February issue of the *Monthly Review*, we noted that during the 1950's per capita personal income in the Sixth Federal Reserve District moved gradually closer to the national average. The reasons were numerous and complex, but they all involved one common factor: Change.

Changes taking place in the farm economy were examined in detail in the March *Monthly Review*. We turn now to an examination of developments in manufacturing in recent years. This should help us to see how manufacturing has contributed to the growth of personal income and to learn something of the forces that will shape the economy during the 1960's.

More People at Work in Manufacturing

Perhaps the most outstanding contribution of manufacturing to the District economy during the past ten years has been the provision of new jobs. These were needed not only because the labor force was expanding but also because many individuals were losing employment in other types of activity, notably in farming, as the chart shows. Not until detailed results of the recent population census are made known later this year will we know accurately how much the civilian labor force of District states increased in the last ten years. Population estimates indicate that the number of people at work or looking for work may have increased by about 800,000 between 1950 and 1959. During the same period of time, however, the number of farm jobs declined by nearly 600,000. District states, therefore, probably had to provide as many as 1.4 million new jobs during the 1950's if all people able and willing to work were to find employment in the District. This was perhaps 25 percent of the number of all jobs available in 1950, a large increase to be required in so short a time. The problem of providing new jobs for

Also in this issue:

AUTOS SHIFT GEARS

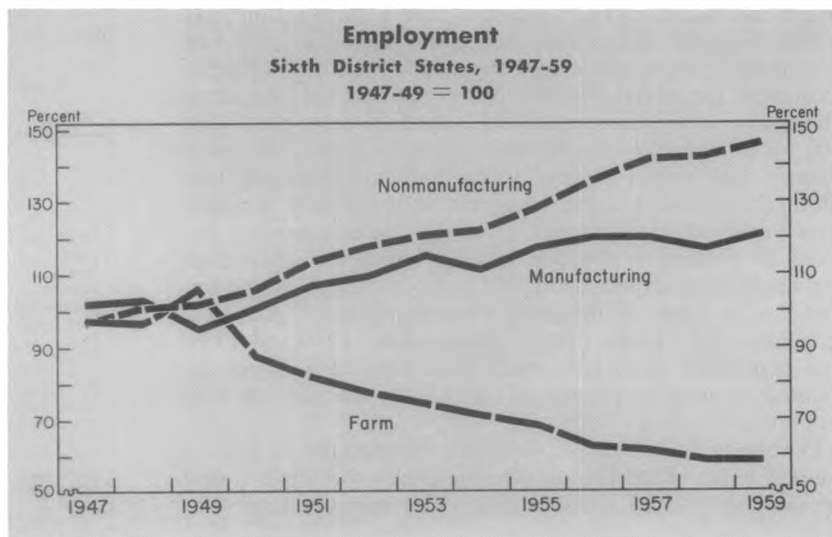
**BUSINESS IN TENNESSEE
AT HIGH LEVEL**

**DISTRICT BUSINESS
HIGHLIGHTS**

**SIXTH DISTRICT
STATISTICS**

**SIXTH DISTRICT
INDEXES**

*Federal
Reserve
Bank of
Atlanta*



Employment in 1959
Sixth District States and U. S.
(Thousands)

	Annual Average			Change Since 1950		
	Farm	Mfg.	Other Nonfarm	Farm	Mfg.	Other Nonfarm
Alabama	158	237	509	- 119	+ 21	+ 117
Florida	103	197	1,053	- 4	+ 99	+ 458
Georgia	197	336	671	- 123	+ 52	+ 168
Louisiana	164	142	632	- 49	+ 2	+ 151
Mississippi	270	118	274	- 189	+ 32	+ 54
Tennessee	256	298	571	- 107	+ 51	+ 78
Sixth District	1,148	1,328	3,710	- 591	+ 257	+ 1,026
U. S.	7,384	16,156	35,796	-2,542	+1,189	+6,025

Source: Farm employment, U. S. Department of Agriculture. Nonfarm employment, U. S. Department of Labor.

those leaving the farm was, of course, much more acute in some states than in others, as is shown in the table.

In helping directly to satisfy the need for employment, District manufacturing provided 257,000 new jobs between 1950 and 1959, raising total employment in manufacturing to about 1,328,000 last year. As the chart shows, however, nearly all the growth occurring in the 1950's had taken place by 1956. The economic recession of late 1957 and early 1958 brought a decline, and the subsequent recovery raised manufacturing employment to a level only slightly higher than the average of 1956. If we can judge from national developments, the failure of manufacturing employment to grow more in the past few years reflects, in part, sharp gains in productivity. In the nation, employment in manufacturing declined by 6 percent from 1953 to 1959, although factory output actually rose by nearly 14 percent.

The jobs added directly in manufacturing do not, of course, picture the entire stimulus to employment given by manufacturing during the past ten years. Indirectly, it has stimulated employment in all those activities involved in supplying materials for processing and fabricating, furnishing energy, or providing transportation and other services required to support a developing industrial complex. A still more indirect effect has been the stimulus given to increased employment in trade, government, and other services. Although they cannot be measured, these effects are nonetheless real. For every job added in manufacturing since 1950, approximately four jobs were added in nonmanufacturing. The growth in manufacturing has, undoubtedly, been responsible for many of these additional jobs.

It is apparent, therefore, that the so-called industrialization of an area involves much more than a mere increase in manufacturing. In a broader sense, it involves both a reorientation of the economy and an attempt to use the region's material and human resources more efficiently.

Because of their individual advantages and disadvantages for various types of manufacturing activity, we would expect to find the states differing in their shares in the total increase in manufacturing jobs during the 1950's. Of the 257,000 new jobs added in all District states between 1950 and 1959, Florida accounted for about 99,000, or 39 percent of the total, whereas in 1950 it accounted for only 9 percent of all District manufacturing employment. Louisiana, at the other extreme, had only a nominal increase in manufacturing jobs during this period, less than one percent of the total. Between these extremes, Georgia and Tennessee each accounted for about 20 percent of the gain in jobs, but this was less than one might have expected on the basis of their previous importance in terms of manufacturing employment. Alabama, accounting for 8 percent of the gain between 1950 and 1959, also gained less than its proportionate share. Mississippi accounted for over 12 percent of the total, much more than its proportionate share.

In spite of these changes, however, the ranking of District states in terms of total manufacturing employment was almost the same in 1959 as it was in 1950. The only difference was

that last year manufacturing employment in Florida exceeded that in Louisiana.

Just as aggregate District figures for manufacturing employment hide variations among the states, so the changes in state totals hide differences within states. Information concerning changes occurring in smaller areas within states is available only from the infrequent Census of Manufactures. Fortunately, data from the 1958 Census of Manufactures have just been released for Sixth District states. We can now see the differences existing among such intrastate areas and make comparisons with similar information for 1947. We can also discern the changes that have occurred in manufacturing since then. We should remember, however, that we are here comparing conditions in a year, 1958, that included the low point of a recession with a year, 1947, in which business was enjoying its early postwar expansion. Percentage changes, therefore, probably understate the growth that would be shown by a longer term trend, if such were readily available.

Although the number of manufacturing jobs increased in each state between 1947 and 1958, the picture was far from uniform among smaller areas. Of the 355 counties for which total manufacturing employment has been published, the majority showed a wide range of increases, but 84 showed declines. Because the number of people engaged in manufacturing in many rural counties is small, percentage changes are frequently very large and tend to lose significance in comparison with developments in urban manufacturing centers. The mere fact, however, that some areas are experiencing declines at a time when the general trend in manufacturing employment is upward emphasizes the highly localized effects of the changes taking place.

This is also true of the metropolitan areas of the District. Of the 21 metropolitan areas for which comparable data are available from the 1947 and 1958 Censuses of Manufactures, declines of 14 and 22 percent, respectively, occurred in manufacturing employment in Columbus, Georgia, and Gadsden, Alabama. In the Knoxville, Mobile, and New Orleans metropolitan areas, the total was little changed over the 11-year span, while the other metropolitan areas of the District experienced gains ranging up to the fourfold increase reported for Orlando, Miami, and West Palm Beach.

Changing Types of Manufacturing

From the table showing employment and payrolls, we see that all but three of the fifteen listed major industry groups showed increases in employment between 1947 and 1958. Gains ranged from 3 percent in petroleum refining to nearly 300 percent in electrical machinery. Impressive as the latter gain is, it had comparatively little influence on the total, however, inasmuch as only about two out of every 100 District manufacturing employees are engaged in making electrical machinery. The declines occurring in textiles, lumber,

Employment and Payrolls in Manufacturing
Sixth District States and U. S.

	Percent Change, 1947 to 1958				Average Pay Per Employee 1958 (Dollars)	
	Employees		Payrolls		Dist.	U. S.
	Dist.	U. S.	Dist.	U. S.		
All Industries	+ 29	+ 9	+135	+ 87	3,808	4,779
Food	+ 41	+17	+146	+ 97	3,533	4,425
Textiles	- 13	-25	+ 23	+ 7	2,835	3,283
Apparel	+ 90	+10	+203	+ 42	2,390	3,019
Lumber and wood	- 29	- 9	+ 13	+ 49	2,329	3,408
Furn. and fix.	+ 82	+15	+207	+ 79	3,185	3,986
Paper	+ 75	+23	+228	+115	4,944	4,986
Printing	+ 53	+21	+157	+ 97	4,487	5,184
Chemicals	+ 37	+19	+179	+120	5,170	5,614
Petroleum	+ 3	-13	+ 80	+ 55	6,260	6,227
Stone, clay, etc.	+ 74	+21	+219	+117	3,954	4,680
Primary metals	- 4	- 7	+105	+ 72	5,500	5,758
Fab. metals	+ 86	+ 7	+239	+ 86	4,362	5,052
Mach., excl. elec.	+ 59	+ 0	+188	+ 74	4,465	5,417
Elec. mach.	+292	+28	+790	+123	4,240	4,967
Trans. equip.	+112	+39	+153	+162	5,247	5,943

Source: U. S. Census of Manufactures, 1947 and 1958.

and primary metals were much more important, however, for they represented losses in industries that accounted for nearly 28 percent of all manufacturing employment in 1958.

The declines in employment in textiles and lumber manufacturing have probably made their greatest impact in predominantly rural areas, where the migration from farms has necessitated many difficult adjustments. Where this was the case, the declines in manufacturing employment compounded the problem of providing jobs to those no longer able to find employment in farming.

Textile and lumber manufacturing, particularly the latter, are widely scattered throughout the states in which they are important. In many counties they provide virtually all the manufacturing employment there is. In 1954, for example, the latest Census year for which such detailed data are available, every county in Alabama, Georgia, and Mississippi listed lumber manufacture as a source of employment, and, in a substantial number, it was the only source.

Textile manufacturing, though less widely scattered than lumber, was listed in 76 of Georgia's 159 counties and in 39 of Alabama's 67 counties. In all probability, the declines in textile and lumber employment provide the explanation for the declines in total manufacturing employment noted above in a number of rural counties in the Sixth District between 1947 and 1958. In larger manufacturing centers where the textile industry is also an important employer, declines in textile employment have undoubtedly been offset by increases in other types of activity. In Atlanta, for example, total manufacturing employment increased between 1947 and 1958 in spite of a sharp decline in textile employment.

Despite the variety of changes that occurred in manufacturing employment in District states as a group, there was surprisingly little change in the ranking of the most important industries by employment. The first four industries in 1947—textiles, lumber, food processing, and apparel—were still the first four in 1958. Textiles, with over 170 thousand employees in 1958, maintained the number one position, while the other three traded positions.

Manufacturing Increases Average Pay

The average pay per employee in manufacturing is affected by the kinds of jobs that are lost and the kinds of new jobs that are created, for, as the table shows, there is a wide variation among industries in their average annual pay. The two largest losses of jobs, in textiles and lumber, occurred in industries in which the average annual pay is relatively low. By and large, the biggest gains occurred in those industries paying relatively high annual wages. In the absence of any change in pay within individual industries, this shift of employment toward the higher paying types of industries would increase the average pay in all manufacturing.

A much more important factor was the sharp rise occurring in the average pay per employee in every type of industry. Manufacturing industries as a group showed an average gain of 90 percent between 1947 and 1958, reflecting increases ranging from 42 percent for textile employees to 112 percent for employees of the District's primary metal manufacturers. Because of these gains in average pay per employee, total payrolls in each industry either grew more than did the number of employees, or, as in the case of textiles, lumber, and primary metals, grew in spite of declines in total employment. As shown by the indexes on page 7 of this *Review* and in the chart on page 8, manufacturing payrolls in April were 222 percent of the average for 1947-49, whereas manufacturing employment was only 124 percent.

Providing more jobs at higher pay is not the only direct contribution of manufacturing toward increasing personal income. Others are made in the form of dividend payments to owners, interest payments to lenders, and rent payments to

individuals for leased land, buildings, or equipment. Such direct payments accrue to the benefit of a particular region only to the extent that the owners, lenders, and renters live in the region in which the manufacturing establishment generates the income. Many of them do not. It is impossible, therefore, to measure the contribution to personal income made in these forms in any particular region. We do know, however, that such payments, like wages and salaries, must be paid from the value added to products by the manufacturing process, that is, the difference between the value of products sold and the cost of the materials used. Changes in the value added by manufacture in relationship to payroll changes may therefore give us some idea whether or not the potential contribution to a region's personal income from dividends, interest, and rents has increased or decreased.

The most we can say in this regard is that the potential for increased payments of dividends, interests, and rents to District residents probably increased sharply between 1947 and 1958. For manufacturing as a whole, that part of value added remaining after payment of payrolls in 1958 was more than double the 1947 figure. Textile and lumber manufacturing were the industries in which the potential for making such property income payments declined.

The District Outstrips the Nation

Increases in the number of jobs as well as in average wages, together with a relative shift of more and more workers into higher-paying industries, do not explain, however, why per capita personal income has moved closer to the United States average. To have done so, these increases would have had to be greater in the District than in the country as a whole. By and large, this was the case between 1947 and 1958.

Manufacturing employment in the District gained 29 percent between 1947 and 1958, compared to 9 percent in the country as a whole, while average pay gained 90 percent in the District, compared to 71 percent in the United States. District increases in employment, moreover, were larger than for the United States in all industries experiencing gains, and

Average Pay per Employee in Manufacturing
Sixth District Areas, 1958



in two of the three industries experiencing losses, declines were less in the District than in the nation.

District gains in average pay exceeded U. S. gains in ten of the fifteen industries listed in the table and approximately equaled U. S. gains in two more. It follows, then, that total payrolls also showed a larger gain here in most industries. There was also a somewhat more marked shift toward the higher-paying manufacturing jobs here than in the nation, but this had less effect in closing the gap between the national and District averages than did the other factors just mentioned.

In spite of all the improvements in District manufacturing, however, the average annual pay per employee in 1958 was less than the comparable national figure in every industry except petroleum refining. If more detailed information were available within industry groups, we might well find a different "mix" of activities involving different skills and average wages, explaining in some degree the lower average pay in the District compared to the nation. Differences of this sort undoubtedly explain the wide variation in average manufacturing pay per employee among the metropolitan areas of the District, shown in the chart.

If current trends such as those just reviewed should continue, the more favorable growth in employment in this region would mean that a higher percentage of new manufacturing jobs would be available here than in the nation, and that the differential in pay would be reduced.

National Developments and Regional Change

Whether or not such trends in Sixth District manufacturing continue will depend, in part, on national developments. It is well, therefore, to look at some broad changes taking place on the national scene that have affected manufacturing activity. Perhaps the most important development confronting manufacturing has been the existence of a market expanding on a vast scale because of a rapidly growing population and a rapid rise in per capita income. During the past three decades, even after allowing for price increases, per capita income has almost doubled.

Expansion and modernization of productive capacity to meet this enlarged demand have occurred not only in the long-established manufacturing centers of the Northeast and Midwest, but, in other regions as well, the need to satisfy the expanding demand for manufactured goods has led to the building of new factories to serve more economically markets in the immediately surrounding areas.

To serve the regional market was, indeed, the major reason why new plants were located in the Sixth District between 1947 and 1958. Judging from an analysis of employment changes roughly classified according to the market orientation of the industries involved, it would seem that about nine out of every ten manufacturing jobs added were in industries serving the regional rather than the national market. The region's rising importance as a market for consumer and industrial goods has therefore been a major factor inducing industry to locate in Southern states.

While market-oriented activities have accounted for the bulk of employment increases in District manufacturing in recent years, changing technology and the development of new products have stimulated growth in resource-oriented activities such as the pulp and paper and chemical industries.

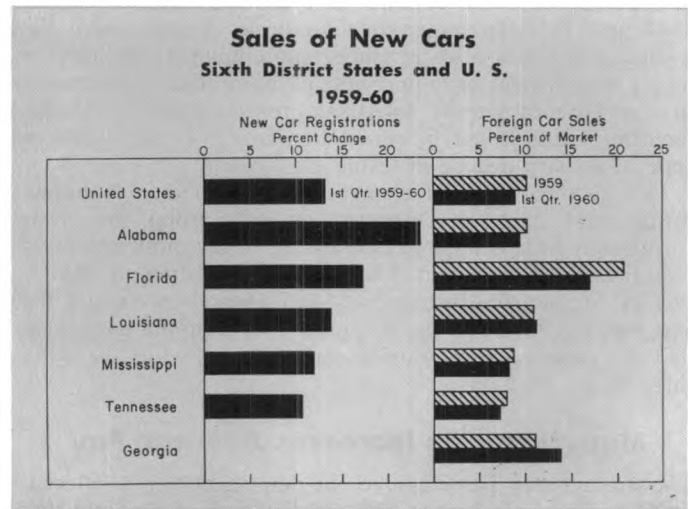
Projections of the nation's population in the years ahead herald continued expansion in the demands for manufactured products. If science and technology continue to advance as they have in the past, the demands of greater numbers of people may be supported by further growth in per capita income. These forces working in the past have served to promote manufacturing activity in the Sixth District at a faster rate than in the nation. They will probably continue to do so in the near future as well.

PHILIP M. WEBSTER

Autos Shift Gears

New car sales in the nation shifted out of low gear after the steel strike, accelerated in second during the first quarter, and went into high gear at the end of March. Perhaps the major disappointment so far is only that sales did not shoot into overdrive as the industry once expected.

New car sales have, nevertheless, been running substantially above last year, as shown in the chart. If selling continues throughout the rest of the year as it did through early May, sales of domestic autos would amount to about 6.3 million units, or about 14 percent above last year. As good as sales have been, however, production was originally geared to meet an even higher level of sales. The result has been that inventories quickly rose to unusually high levels, and production cutbacks were consequently made in February and March. The recent acceleration of sales, however, has again led manufacturers to revise output plans slightly upward.



Within the Sixth District, sales gains (based on reported registrations) ranged from 23 percent in Alabama to 11 percent in Tennessee, as shown in the chart. Comparable data for Georgia are not available, but industry sources report Georgia new car sales also were above year-ago levels during the first quarter.

The Impact of the Compact

This has been a year of transition in the automobile industry as baby brothers were born to many of the standard-size lines. Like most baby brothers, these so-called "compact" cars significantly disrupted family life in the car clan. The compacts have had an impact on both volume and price of their standard-size new and used brethren, as well as their foreign cousins.

Compacts significantly dented the new car market. They widened their share of the domestically produced market from 9 percent in the first four months of 1959, when there were only two compacts, to 24 percent during the comparable 1960 period, with six compacts. Furthermore, the compacts' share has increased during 1960, from 22 percent in January to 28 percent in April. As a result of these inroads by the compacts, fewer standard-

(Continued on Page 6)

Business in Tennessee at High Level

In common with that of the rest of the country since mid-1959, Tennessee business has shown an unusual amount of wiggling about a high average level. Though less in Tennessee than in some other parts of the country, the influence of the steel strike has helped confuse the economic picture. In February and March of this year, confusion was compounded by such bad weather that Tennesseans will talk about it for years to come. Despite the resulting temporary fluctuations, business activity since mid-1959 has averaged out at a near record level, but with no definite movement either up or down. While little change is better than a decline, more jobs are needed to absorb Tennesseans entering the labor force or shifting from farm to nonfarm work. A keen realization of this need explains why the Volunteer state is among the most active in trying to attract new industries.

Total income received by Tennesseans last year increased by about 7 percent over 1958, but trends in employment and payrolls indicate the increase occurred in early 1959 with little or no change since then.

Total nonfarm employment has been at record or near record levels for about a year, following recovery from the recession. Changes during the past 12 months have been slight, but unfortunately brought about a net loss through March of this year. This loss, however, was regained in April because of gains in both manufacturing and nonmanufacturing.

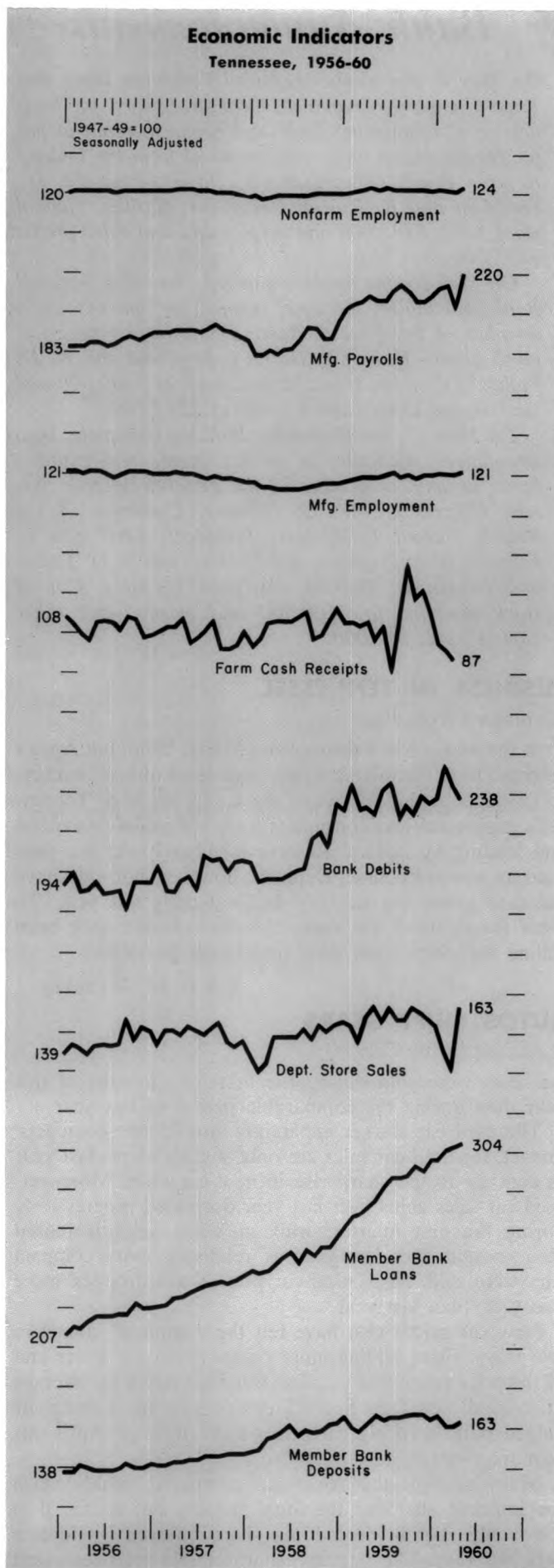
Most types of manufacturing employment, however, either held steady or declined slightly in the preceding eight months. The high level attained by last July was attributable to increases in Tennessee's important apparel and textile industries and, to a lesser extent, those in lumber and primary metals.

Manufacturing payrolls have fluctuated substantially since the middle of last year as changes in the number of hours worked have been reflected in average weekly pay checks. The general level, however, has remained high and, in April of this year, a new record was established.

Tennessee farmers have experienced their own brand of uncommon income fluctuations during the past year. Fortunately, the unusual feature was an exceptional rise in farm cash receipts as a big cotton crop was harvested last fall. Its effects, however, were temporary. As our chart shows, the trend before and after has been downward, mainly because of lower prices for livestock.

Indicators of spending have followed a course roughly similar to those of employment and payrolls, showing that Tennesseans, like other Americans, spend more when they have more to spend. Bank debits, a measure of check payments by individuals, businesses, and state and local governments, rose through early 1959. Although check payments have generally held at a high level, their behavior since then must have caused observers who attach too much importance to monthly fluctuations considerable nervousness. Department store sales suffered

(Continued on Page 6)



Bank Announcements

On May 6, the newly organized Peachtree Bank and Trust Company, Chamblee, Georgia, opened for business as a nonmember bank and began to remit at par for checks drawn on it when received from the Federal Reserve Bank. Officers are B. Davis Fitzgerald, Jr., President and R. Russell Hightower, Cashier. Capital stock totals \$125,000 and surplus and undivided profits \$175,000.

On May 16, the newly organized Chamblee National Bank, Chamblee, Georgia, opened for business as a member of the Federal Reserve System and began to remit at par. Hubert L. Harris is President and W. H. Fallaw is Cashier. It has capital stock of \$300,000 and surplus and other capital funds of \$112,500.

On May 23, the Brundidge Banking Company, Inc., Brundidge, Alabama, a former state, par-remitting bank, became a member of the Federal Reserve System. Officers are W. G. Gilmore, Chairman of the Board; Harold E. Walker, President; Mrs. Era P. Johnson, Vice President and Cashier; and S. D. Tatom and Evelyn B. Dickert, Assistant Cashiers. Capital stock amounts to \$100,000 and surplus and other capital funds \$62,000.

BUSINESS IN TENNESSEE

(Continued from Page 5)

from the weather in February and March 1960, but April's rebound took them back to the high level of last summer.

Throughout the past year, the credit needs of Tennessee's businesses and consumers have continued to expand and lending by Federal Reserve member banks has pursued an upward course. Deposits, however, not only have failed to grow, but actually declined early this year. To meet the demand for loans, therefore, banks have been selling securities from their investment portfolios.

PHILIP M. WEBSTER

AUTOS SHIFT GEARS

(Continued from Page 4)

size cars were sold during the first four months of this year than during the comparable period of last year.

The used car market apparently also felt the compacts' impact, for used car sales are only slightly above last year in contrast to the sharp rise in new car sales. Moreover, used car sales gains over last year decreased progressively during the first quarter, while new car sales increased their margin over last year as relatively more compact cars were sold. Also, used car prices have dropped more this year than last year.

New car prices also have felt the compacts' impact in two ways. First, adding more compacts to the lower end of the price range this year has weighted down the average price of all new cars. Second, competition from compacts helped pull down big car prices more through April this year than last year.

Many thought the American compacts would smash the imports' share of the auto market, but so far they have only slightly dented the share enjoyed by foreign cars last year. The imports' share of District sales eased

slightly from 14 percent last year to 13 percent in the first quarter of this year and nationally from 10 percent down to 9 percent.

District consumers continue to favor foreign cars more than do consumers in the nation as a whole. Within the District, imports hold the largest market shares in Florida, Georgia, and Louisiana, the three District states with ports of entry through which foreign cars come to this country.

WINFIELD HUTTON

Debits to Individual Demand Deposit Accounts

(In Thousands of Dollars)

	Apr. 1960	Mar. 1960	Apr. 1959	Percent Change		
				Year-to-date 4 Months		
				April 1960 from 1959	Apr. 1960 from 1959	1960 from 1959
ALABAMA						
Anniston	37,832	39,682	39,355	-5	-4	+5
Birmingham	784,772	851,324	777,120	-8	+1	+3
Dothan	35,655	35,649	31,783	+0	+12	+8
Gadsden	35,845	37,823	38,053	-5	-6	-1
Huntsville*	61,561	60,679	62,324	+1	-1	-1
Mobile	284,477	286,250	271,745	-1	+5	+6
Montgomery	157,274	163,992	162,413	-4	-3	-0
Selma*	24,111	24,081	22,459	+0	+7	+8
Tuscaloosa*	55,111	53,787	50,741	+2	+9	+8
Total Reporting Cities	1,476,638	1,553,267	1,455,993	-5	+1	+4
Other Cities†	713,617	715,549	696,894	-0	+2	+3
FLORIDA						
Daytona Beach*	59,993	61,641	63,011	-3	-5	+1
Fort Lauderdale*	215,956	240,774	213,908	-10	+1	+7
Gainesville*	42,956	48,725	40,003	-12	+7	+13
Jacksonville	794,924	890,762	769,412	-11	+3	+7
Key West*	16,319	17,442	17,355	-6	-6	-0
Lakeland*	80,492	87,411	75,542	-8	+7	+10
Miami	895,300	965,340	890,651	-7	+1	+5
Greater Miami*	1,343,458	1,445,774	1,358,964	-7	-1	+3
Orlando	243,643	282,376	236,278	-14	+3	+10
Pensacola	86,830	90,698	87,033	-4	-0	+4
St. Petersburg	218,767	256,500	225,919	-15	-3	+4
Tampa	430,993	458,784	421,023	-6	+2	+5
West Palm Beach*	146,731	153,642	159,079	-5	-8	-1
Total Reporting Cities	3,681,062	4,034,529	3,667,527	-9	+0	+5
Other Cities†	1,751,292	1,854,603	1,646,955	-6	+6	+12
GEORGIA						
Albany	49,041	53,241	46,870	-8	+5	+12
Athens*	39,417	38,051	37,236	+4	+6	+6
Atlanta	2,026,117	2,068,713	1,988,306	-2	+2	+7
Augusta	108,827	110,901	101,234	-2	+8	+10
Brunswick	22,427	23,672	22,401	-5	+0	+4
Columbus	100,280	105,606	101,838	-5	-2	+5
Elberton	9,805	8,832	9,164	+11	+7	+6
Gainesville*	46,074	44,819	50,866	+3	-9	-5
Griffin*	17,919	18,398	18,203	-3	-2	+3
LaGrange*	21,183	21,146	18,808	+0	+13	-7
Macon	117,555	121,532	119,181	-3	-1	+2
Marietta*	32,423	30,634	30,515	+6	+6	+5
Newnan	17,942	21,205	15,610	-15	+15	+16
Rome*	45,970	49,290	42,489	-7	+8	+13
Savannah	192,923	206,385	194,049	-7	-1	+1
Valdosta	33,363	33,732	31,826	-1	+5	+7
Total Reporting Cities	2,881,266	2,956,157	2,828,596	-3	+2	+6
Other Cities†	946,287	969,768	888,337	-2	+7	+9
LOUISIANA						
Alexandria*	70,347	71,732	73,881	-2	-5	+1
Baton Rouge	277,332	278,290	275,357	-0	+1	+1
Lafayette*	63,220	60,714	60,113	+4	+5	-1
Lake Charles	79,600	83,249	87,424	-4	-9	-7
New Orleans	1,325,631	1,470,397	1,326,957	-10	-0	+3
Total Reporting Cities	1,816,130	1,964,382	1,823,732	-8	-0	+2
Other Cities†	623,712	626,059	593,643	-0	+5	+2
MISSISSIPPI						
Biloxi-Gulfport*	47,438	51,066	49,469	-7	-4	+5
Hattiesburg	38,058	36,663	35,352	+4	+8	+8
Jackson	284,612	292,291	281,170	-3	+1	+6
Laurel*	27,461	31,804	25,818	-14	+6	+12
Meridian	40,594	44,235	42,638	-8	-5	+0
Natchez*	24,407	23,248	21,737	+5	+12	+6
Vicksburg	19,673	20,719	18,546	-5	+6	+4
Total Reporting Cities	482,243	500,026	474,730	-4	+2	+6
Other Cities†	282,086	294,851	258,885	-4	+9	+14
TENNESSEE						
Bristol*	46,375	43,563	46,983	+6	-1	+4
Chattanooga	311,585	345,892	322,605	-10	-3	+5
Johnson City*	43,740	40,568	40,358	+8	+8	+5
Kingsport*	85,797	92,647	79,470	-7	+8	+9
Knoxville	230,546	236,068	228,150	-2	+1	+3
Nashville	686,158	743,486	670,007	-8	+2	-2
Total Reporting Cities	1,404,201	1,502,224	1,387,573	-7	+1	+2
Other Cities†	592,179	596,526	563,545	-1	+5	+9
SIXTH DISTRICT						
Reporting Cities	16,650,713	17,567,941	16,286,410	-5	+2	+5
Other Cities†	11,741,540	12,510,585	11,638,151	-6	+1	+4
Total, 32 Cities	4,909,173	5,057,356	4,648,259	-3	+6	+8
Total, 32 Cities	9,978,381	10,664,289	9,869,470	-6	+1	+4
UNITED STATES						
344 Cities	226,007,000	245,705,000	226,368,000	-8	-0	+6

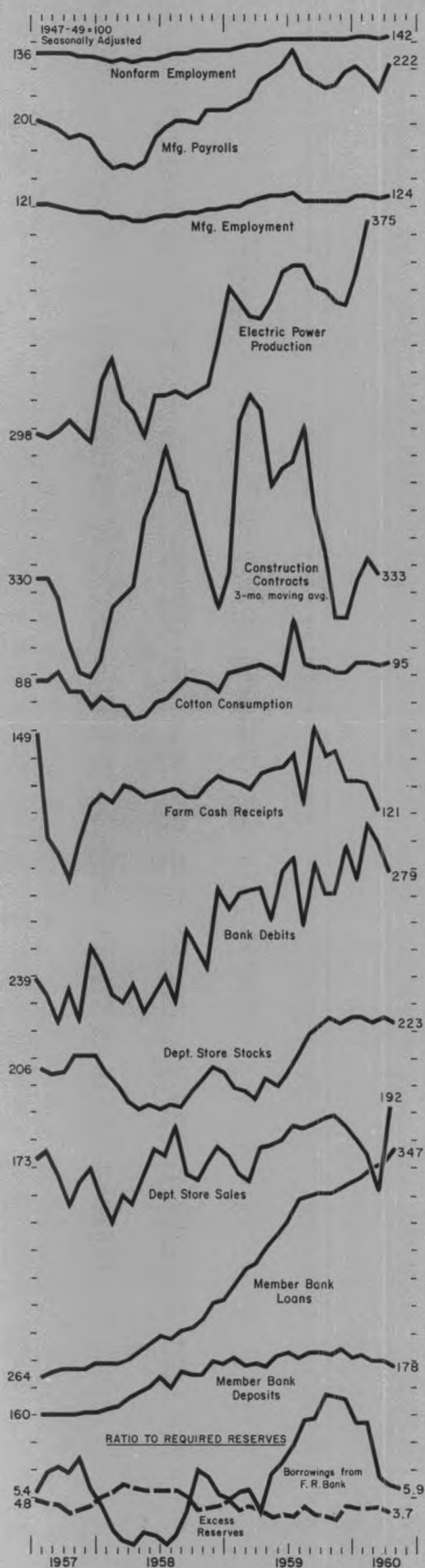
* Not included in total for 32 cities that are part of the National Bank Debit Series.
† Estimated. r Revised.

Sixth District Indexes

Seasonally Adjusted (1947-49 = 100)

	1959										1960			
SIXTH DISTRICT	MAR.	APR.	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.
Nonfarm Employment	139r	139r	140r	141r	141r	141r	141r	141r	141r	141r	142r	142r	141r	142
Manufacturing Employment	122r	123r	124r	124r	125r	122r	122r	122r	122r	122r	124r	124r	123r	124
Apparel	177r	180r	182r	185r	189r	187r	187r	187r	187r	189r	190r	188r	189r	191
Chemicals	131r	133r	133r	134r	134r	130r	130r	129r	129r	131r	132r	132r	132r	134
Fabricated Metals	180r	184r	185r	186r	185r	178r	179r	176r	176r	179r	185r	187r	183r	183
Food	114r	115	114r	114	113r	113r	114r	115	116	113r	117	117	115	116
Lbr., Wood Prod., Fur. & Fix.	80	80r	81r	81r	81	80	80	80	80	80	79	79	79	79
Paper & Allied Products	162r	163r	165r	164r	166r	164r	166r	164	161	160	166	165	164	166
Primary Metals	97r	99r	102r	105r	104r	79r	79r	79r	79r	103r	101r	100r	95r	97
Textiles	88	88r	88	89r	89	88	89r	88r	87r	87r	87	87r	88r	87
Transportation Equipment	211r	218r	217r	207r	213r	212r	211r	217r	192r	195r	205r	204r	202r	206
Manufacturing Payrolls	209	216r	218r	221r	227r	218r	215r	213r	214r	219r	221r	217r	212r	222
Cotton Consumption**	93	94	92	89	110	94	93	93	91	91	95	95	94	95
Electric Power Production**	341	340	346	357	359	359	351	350	346	345	358	375	387	n.a.
Petrol. Prod. in Coastal Louisiana & Mississippi**	189	198	206	200	195	203	207	215	214	231	227	226	230	226
Construction Contracts*	463	453	397	411	416	440	380	350	302	302	328	345	333	n.a.
Residential	394	398	429	433	425	444	440	441	373	367	351	366	360	n.a.
All Other	520	499	370	393	410	436	331	276	245	249	309	327	311	n.a.
Farm Cash Receipts	129	135	136	137	142	123	151	141	143	132	132	131	121	n.a.
Crops	109	116	119	114	123	96	134	124	123	106	104	108	96	n.a.
Livestock	183	188	183	186	186	179	194	181	176	154	166	173	179	n.a.
Dept. Store Sales**/**/****	165	177r	178r	180r	185r	184r	186r	188r	189r	185r	180r	175r	162r	192
Atlanta	159r	171r	165r	166r	173r	175r	174r	176r	175r	176	175r	173r	157r	180
Baton Rouge	179r	195r	193r	190r	185r	184r	178r	189r	187r	189r	187	178r	190r	176
Birmingham	124	136r	129r	126r	134r	136r	133r	131r	134r	132r	133r	128r	122r	137
Chattanooga	145	154r	163r	163r	158r	157r	156r	167r	161r	160	154r	148r	131	161
Jackson	114r	119r	122r	120r	121r	118r	113r	117r	120r	116r	115r	112r	107r	115
Jacksonville	138	143r	135	137r	136r	205r	171r	156r	179r	171r	169r	161	160	178
Knoxville	162r	150r	150r	152r	157r	158r	162r	166r	166r	167r	170	156r	148r	167
Macon	146r	168r	161r	161r	165r	161r	167r	165r	165r	164	166r	151r	150r	163
Miami	259r	269r	266r	262r	272r	270r	275r	279r	297r	282	274r	270r	269r	300
New Orleans	141r	142	143r	144r	153r	150r	153r	152r	157r	149r	144r	140r	134r	150
Tampa-St. Petersburg	249r	223r	240r	240r	244	245r	241	236r	252r	244r	243r	245r	229r	285
Dept. Store Stocks**/**/****	195	203r	200	205r	212	219r	222	225	223	225r	225r	223r	225r	225p
Furniture Store Sales**/**	139r	159r	153	148	158	161	149	158	163	151	166	143	129r	149
Member Bank Deposits*	179	178	182	183	181	183	183	182	184	181	182	180	180	178
Member Bank Loans*	305	311	316	321	329	330	331	331	333	335	337	340	342	347
Bank Debits*	272	273	261	279	284	259	282	271	271	288	276	296	289	279
Turnover of Demand Deposits*	149	145	158	152	162	154	150	147	150	154	154	156	153	148
In Leading Cities	160	164	174	174	179	174	164	153	160	166	166	168	167	167
Outside Leading Cities	118	112	126	117	124	115	118	109	109	121	119	120	119	114
ALABAMA														
Nonfarm Employment	123r	123r	125r	125r	126r	122r	122r	122r	125r	125r	126r	125r	124r	125
Manufacturing Employment	109r	109r	110r	109r	111r	103r	102r	100r	107r	108r	108r	107r	106r	108
Manufacturing Payrolls	193r	197r	194r	200r	204r	179r	172r	173r	188r	194r	198r	192r	190r	195
Furniture Store Sales	126r	126r	135	134	139	143	139	138	134	128	148	133	112r	127
Member Bank Deposits	154	156	157	160	160	160	160	159	159	158	158	158	159	158
Member Bank Loans	250	254	259	266	275	269	270	272	273	272	279	283	284	296
Farm Cash Receipts	130	126	122	125	129	125	141	114	136	142	124	124	128	n.a.
Bank Debits	230	234	226	247	248	220	242	235	223	246	234	244	243	238
FLORIDA														
Nonfarm Employment	188r	192r	194r	196r	200r	200r	200	200	199r	197r	197r	197r	197r	199
Manufacturing Employment	193	197r	202r	206r	206r	206r	206r	203r	201r	204r	204r	202r	202r	205
Manufacturing Payrolls	320r	347r	357r	358r	372r	378r	377r	377r	371r	374r	366r	364r	352r	371
Furniture Store Sales	163	183	176	175	178	212	177	180	203	195	189	174	157	181
Member Bank Deposits	235	233	241	243	238	246	247	245	245	241	242	237	234	230
Member Bank Loans	500	511	526	534	544	548	550	547	547	549	546	549	545	553
Farm Cash Receipts	179	243	231	241	240	203	210	194	177	206	229	205	170	n.a.
Bank Debits	386	382	391	426	430	396	439	425	417	427	394	427	414	391
GEORGIA														
Nonfarm Employment	132r	134r	134r	134r	136r	135r	136r	136r	136r	136r	137r	136r	135r	137
Manufacturing Employment	120r	121r	122r	122r	124r	122r	123r	123r	120r	121r	122r	122r	122r	122
Manufacturing Payrolls	209r	212r	217r	220r	225r	221r	213r	216r	208r	210r	216r	211r	205r	214
Furniture Store Sales	139r	153r	148	139	159	163	144	159	157	150	149	127	120r	142
Member Bank Deposits	157	157	160	159	157	162	160	160	163	158	161	160	158	157
Member Bank Loans	235	244	246	250	256	260	260	260	266	266	269	271	267	271
Farm Cash Receipts	147	140	137	127	172	133	142	136	164	142	137	147	146	n.a.
Bank Debits	243	248	236	253	261	239	259	249	244	264	254r	265	254	254
LOUISIANA														
Nonfarm Employment	128	129r	131r	130r	130r	129r	130r	130r	130r	130r	131r	131r	130r	131
Manufacturing Employment	94r	95r	96	96	95r	94r	94r	95r	94r	93r	94r	95r	95r	95
Manufacturing Payrolls	171r	176r	177r	174r	175r	175r	175r	175r	168r	168r	173r	175r	176r	180
Furniture Store Sales*	191	184r	191	177	193	178	193	171	195	184	188	192	172	175
Member Bank Deposits*	165	165	165	165	160	160	160	157	160	158	162	159	161	162
Member Bank Loans*	293	293	295	295	302	299	304	307	309	311	313	316	335	331
Farm Cash Receipts	109	111	141	109	105	97	127	136	104	111	98	101	100	n.a.
Bank Debits*	229	231	220	244	237	227	252	229	216	239	208	224	244	234
MISSISSIPPI														
Nonfarm Employment	133r	132r	134r	133r	134r	133r	135r	135r	136r	135r	138r	137r	136r	137
Manufacturing Employment	130r	131r	133r	132r	133r	133r	134r	134r	134r	135r	135r	134r	134r	134
Manufacturing Payrolls	249r	248r	245r	246r	250r	250r	251r	239r	242r	244r	253r	247r	254r	248
Furniture Store Sales*	97	114	120	132	115	129	95	83	117	133	106	99	94	100
Member Bank Deposits*	198	195	191	195	197	194	195	202	204	208	200	201	206	199
Member Bank Loans*	378	383	391	398	403	400	411	392	392	403	414	424	418	422
Farm Cash Receipts	110	110</												

SIXTH DISTRICT BUSINESS HIGHLIGHTS



MOST MEASURES of economic activity improved in April. Retail sales and credit picked up as the weather improved. Nonfarm employment also rose. Construction employment recovered from the depressed level caused by unseasonable cold, ice, and snow in March. Employment on farms also increased as clearing weather facilitated field work, but farm production and prices declined slightly and incomes remained at a seasonally low level. Loans at member banks increased in April, but in May they declined slightly at banks in major cities.

Department store sales, seasonally adjusted, after rebounding sharply in every major metropolitan area except Baton Rouge in April, receded in May, according to preliminary estimates. **Department store stocks** declined slightly in April, thus reducing the **stock-to-sales ratio**. In April, **furniture store sales**, seasonally adjusted, increased in every state. **Appliance store sales** also rose.

Reflecting increased spending, **consumer instalment credit outstanding**, seasonally adjusted, mounted as outstandings at retail outlets increased significantly, although changing little at financial institutions. At commercial banks, extensions for nonautomotive consumer goods showed the largest increase, whereas home repair and modernization loans showed the sharpest decline.

Nonfarm employment, seasonally adjusted, rose in April, regaining the advanced level of January and February. Although both **manufacturing and nonmanufacturing employment** increased, manufacturing employment was still slightly below the record set last July; nonmanufacturing employment established a new high. **Manufacturing payrolls** rose sharply in April, reflecting both a longer work week and increased employment. The **rate of insured unemployment** declined more than usual in April.

After declining sharply during March's bad weather, **construction employment** recovered in April, but continued below the high level of a year ago. The **three-month average of construction contract awards**, based partly on April data, declined. **Cotton consumption**, a measure of activity in cotton textile mills, continued to hold steady at a high level. **Steel mill operations** were curtailed further in April and May.

Farm production recently declined somewhat, so that smaller volumes of vegetables, citrus, milk, and hogs reached the market. At the same time lower prices for milk, eggs, cattle, and tomatoes depressed the average of all prices received by farmers. **Employment** on farms rose as clear weather facilitated field work.

Loans and investments at District member banks increased during April. The increase in loans represented a continuation of a moderately strong trend observed thus far this year. In May, however, **loans at banks in major District cities** declined slightly. The April increase in **investments** at member banks was limited to Alabama, Florida, and Tennessee. **Member bank deposits** dropped somewhat, after seasonal adjustment, since the declines in four states, especially Florida, more than offset modest gains in Louisiana and Tennessee. **Borrowings at the Federal Reserve Bank of Atlanta** in May changed little from April.