# Monthly Review

SIXTH FEDERAL RESERVE DISTRICT

Atlanta, Georgia

January • 1961


## Also in this issue:

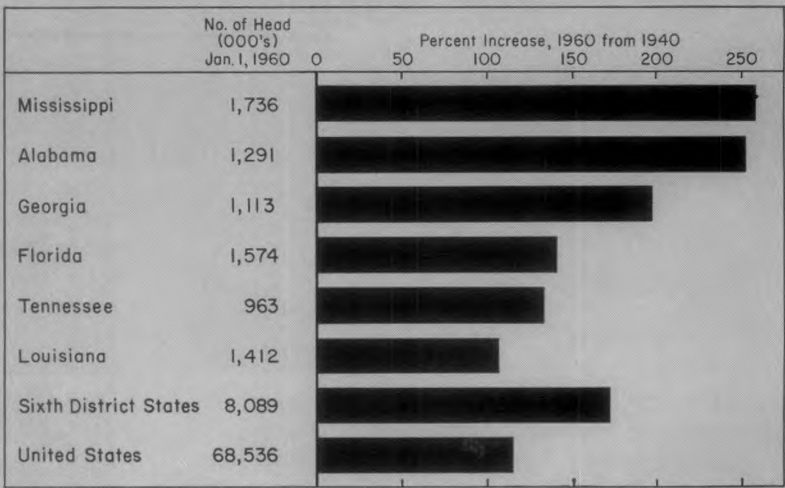



Federal Reserve Bank of Atlanta


# More Beef from District Farms?

We hear the cowpoke's yell and the beef calf's bawl more and more in the Southeast. New beef cattle herds have been established, and cattle numbers have increased markedly in recent years in the southeastern states in the Sixth Federal Reserve District, especially in Alabama and Mississippi. Twenty years ago the beef cattle inventory in District states totaled three million head; now that number has almost tripled.

The remarkable expansion in the beef cattle enterprise has been highly significant for the District's economy. For one thing, many farmers used land and capital items idled by government restrictions on crop plantings to produce beef, and their earnings from cattle offset to some extent their reduced receipts from crops. In Alabama, for example, income from cotton declined by $79 million from 1948 to 1959, while




**Growth in Beef Cattle on Farms**
**Sixth District States and United States**
**1960 from 1940**

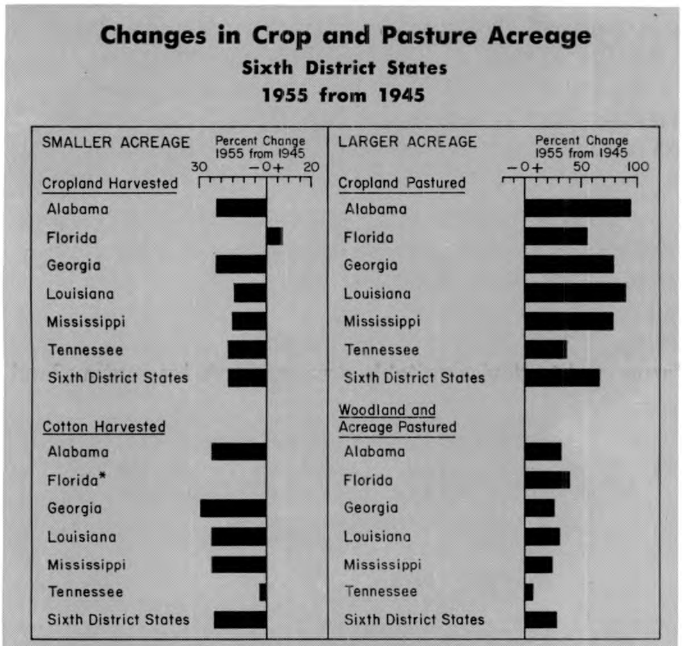
income from cattle increased by $58 million. Then too, off-farm activities related to beef marketing and processing brought additional income to rural areas. Cattle auctions were established, cattle dealers and trucking firms became more active, and meat packing plants grew in number and employed more workers.

We cannot say whether future growth in the District's beef herd will outstrip recent growth. Some elements which shaped growth in the past, however, will persist and affect trends in the region's beef industry.

### Bases for Past Growth

District farmers have expanded their beef cattle herds in the last twenty years in response to a substantial increase in the demand for beef. This demand grew rapidly after 1940, primarily because the population grew larger and wealthier. The nation's population count in 1960 was 36 percent greater than in 1940; in District states the count in 1960 was about 40 percent larger. Meanwhile, personal income per capita in the nation, expressed in 1959 dollars, rose from $1,240 to $2,166, and incomes in District states also increased sharply. Annual personal income per capita in Florida, for example, rose from $1,069 in 1940, expressed in 1959 dollars, to $1,980 in 1959. Because consumers with high incomes eat more and higher-quality beef than those with low incomes, the demand increased.

Several important developments in the District's farm economy helped farmers to meet the demand for beef. In the first place, crop acreage was curtailed, principally through restrictions on row crops, and this released land for new uses. Many farmers also sold their mules and horses, thereby releasing acreage formerly used to produce feed for work stock. A sizable portion of these acres were converted into pasture for beef cattle.



*Few acres of cotton were harvested in Florida.

At the same time, workers left the farms for other jobs, which had become more plentiful. Many farmers with sufficiently large acreages, therefore, established beef enterprises because they can be managed with relatively little labor. A farmer who invests one hundred hours of labor per acre in producing cotton, for example, might invest only five hours per acre for maintaining a cattle herd.

Farmers also expanded their beef production because they either had or could acquire needed capital. In Alabama, for example, farmers' equities increased 320 percent from 1940 to 1955. The rising equities gave many farmers a larger base for borrowing funds to invest in pastures, fencing, and brood cattle. Furthermore, some farm operators in areas where beef cattle was an attractive alternative to cash crops and other farm enterprises, as in Alabama's Black Belt and the Mississippi Delta, had sufficiently large land holdings and capital to invest easily in cattle.

Capital for investment in beef herds flowed onto ranches and farms from financial institutions as well. District commercial banks, for instance, had made 7 percent of their farm loans outstanding in June 1956 for purchasing livestock. Farmers also borrowed from the Farm Credit Administration and the Farmers Home Administration and took advantage of special credit facilities provided by some state governments. The Georgia legislature, for example, created the Georgia Livestock Development Authority in 1953 and empowered it to insure loans for livestock farming and pasture improvement. Similar legislation was enacted in Mississippi.

Finally, farm scientists and technicians made a large fund of knowledge available to farmers who wanted to reorganize their farms for beef production. Their efforts resulted in better seeds, insect control, feeding systems, cultural practices, and soil conservation methods.

Although District farmers have increased their beef production sharply in the last twenty years, they do not yet supply all the local needs. In Florida, Georgia, and Tennessee in 1955, for example, cattlemen marketed fewer cattle than were slaughtered. The deficit totaled 253 million pounds, according to the United States Department of Agriculture. Cattle had to be imported to meet the demand. To supply the growing local market, some District cattlemen established feed lots for fattening cattle, and in turn this enlarged the market for locally produced feeder cattle. Nevertheless, high-quality beef for the local market is still imported largely from distant areas where cattle are fattened on grain.

## *Limitations*

Why hasn't the District's beef cattle industry supplied more to both national and local markets? To a large degree it has been hampered by several adverse physical and economic conditions. In the first place, small farms, which predominate in many areas of the District, are not easily consolidated into units large enough for beef enterprises. Often owners of small farms prefer to hold their land even if they do not work it. Frequently the farms that are available are too scattered to be welded into a beef ranch. Beef production also is hampered by poor-quality cattle, by insects and parasites that flourish in the District's mild climate, by characteristic summer and fall droughts that severely restrict grazing, and by an inadequate supply of nutritive feeds.

High costs and low returns are obstacles for District beef producers. Beef production in the District is at an economic disadvantage, compared with beef in other areas and with other farm products in District states. In a 1958 business summary of ten South Florida cattle ranches prepared by the University of Florida's Extension Service, the average cost for producing beef, exclusive of operator labor, was 25.3 cents per pound, and gross receipts averaged 25.2 cents per pound. In Montana, on the other hand, where the calf crop is larger and the beef yield per cow greater, total costs per pound were about half as large, according to estimates based on data compiled by the USDA. The average ranch income per dollar of invested capital on the ten South Florida ranches was only 4 cents; on cattle ranches in the intermountain region of the United

States it was 17 cents. Similar though less onerous competition prevails, of course, between beef producers within the District.

Finally, the beef enterprise in many places in the District does not have any economic advantage over high-value cash crops like citrus and vegetables, and price-supported, high-value crops like rice, peanuts, and cotton. According to the USDA, cash income for cotton in 1958 in the southern Piedmont was $159.30 per acre, and on large-scale cotton farms in the Mississippi Delta, $166.91. Even if the beef yield per acre in these regions were 500 pounds and brought 25 cents a pound, the producers would gross only $125 per acre. On an average farm a more probable income would be $60 per acre. Moreover, beef cattle must compete with poultry, hogs, and dairy cows for the available feed supply in many District communities.

**Income from Cattle Ranches**

**United States, 1958**

| *Cattle Ranch Area* | *Avg. Ranch Capital, Jan. 1* | *Avg. Ranch Income* [1] | *Ranch Income Per Dollar of Capital* |
|---|---|---|---|
| | | *(Dollars)* | |
| Intermountain | 76,550 | 13,124 | 0.17 |
| Northern Plains Livestock | 72,650 | 6,409 | 0.09 |
| Southwest | 140,660 | 9,242 | 0.07 |
| South Florida | 343,020 | 14,379 | 0.04 |

[1] Gross ranch income less operating expenses gives ranch income, which is available for paying a return for the capital invested and for operator and family labor.

Sources: "Farm Costs and Returns, Commercial Farms by Type, Size, and Location," ARS, USDA, June 1960; "Business Summary, South Florida Ranches," College of Agriculture, University of Florida, 1958.

## Potentials

Taken overall, the District's beef enterprise has progressed remarkably despite physical and economic obstacles. Does a large untapped potential remain for the beef enterprise in the Southeast? Can we expect marked expansion in beef output?

Several elements underlying the past development probably will continue to further growth in beef production somewhat. First, demand for the region's beef is apt to rise, since a sizable increase in both the nation's and the District's population and per capita income is likely. Also, because the far West is now claiming more cattle from range areas east of the Rocky Mountains for fattening and slaughter, cattlemen in the Corn Belt and areas adjacent to the District are turning to the District for feeder cattle. This demand already has been reflected in local sales. At auctions in South Louisiana in 1958, for example, 46 percent of the feeder calves went to Texas, 25 percent to Oklahoma and Kansas, and 11 percent to California and Arizona. Furthermore, because the nation's range land is limited, future expansion in the national beef herd may have to occur partly in the District, where forage can be grown.

Secondly, District beef producers probably will profit from possible advances in farm technology. Florida scientists say, for example, that sooner or later technicians will produce bacteria that live on the roots of grasses and put nitrogen into the soil. This could vastly increase the Southeast's capacity for producing forage. Furthermore, research scientists undoubtedly will discover ways to increase corn yields and may develop grain sorghums into a major southeastern feed crop. Current experiments in biological and mechanical methods for tenderizing meat and increasing feeding efficiency may revolutionize beef feeding processes.

A persistently favorable element for the District's beef enterprise is the improvement in management skill on cattle ranches. Highly trained cattlemen, for example, are now being hired to operate cattle ranches and feed lots in the region. Capital for investment in the beef enterprise also should become available where cost-price relationships are favorable.

## Challenges

At least three challenges confronting District beef producers must be met if the gains in the next twenty years are to match those in the past. First, some way must be found to cope with the increasing scarcity of land required for economically expanding beef enterprises. Little additional land will be available for beef production by diverting acreage now used for cash crops unless controls become more restrictive. Nor can growers depend on the release of much additional acreage from a further decline in the number of mules on farms. Ways will have to be found, therefore, to develop economic units out of small farms and to devise suitable arrangements for renting land from owners of both small and large farms.

Secondly, beef producers must meet the challenge of establishing more effective programs for producing low-cost forage and other feed. There must be better adapted grasses for providing forage in the normally dry summer and fall months, the yields and quality of corn and roughage must be raised, and winter feed supplies must be accumulated regularly.

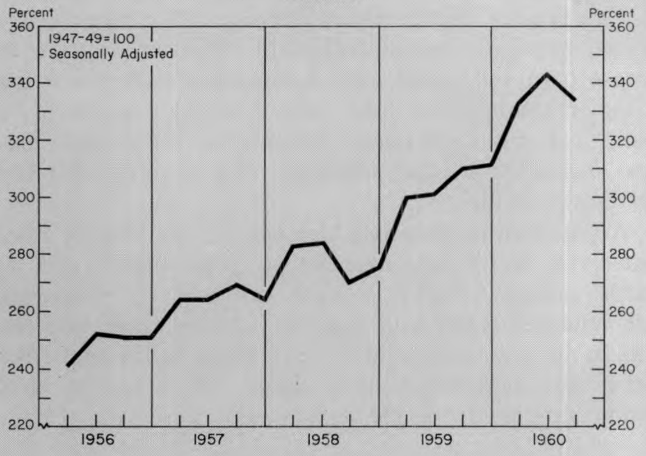
Third, cattlemen are challenged to improve the present poor quality of beef cattle on farms. Even cattlemen with adequate forage may be unable to produce more beef per acre unless their cattle are good feed converters.

Relatively few areas in District states appear automatically favored for future marked expansion of beef cattle herds. Further growth in beef output probably will occur in areas such as parts of Mississippi, where land holdings are large; South Florida and the Black Belt in Alabama, where few profitable alternatives exist for using land and where some cattlemen may prefer to produce beef while holding their land for higher prices; and South Louisiana, where cattle production supplements the incomes of rice and sugar cane producers.

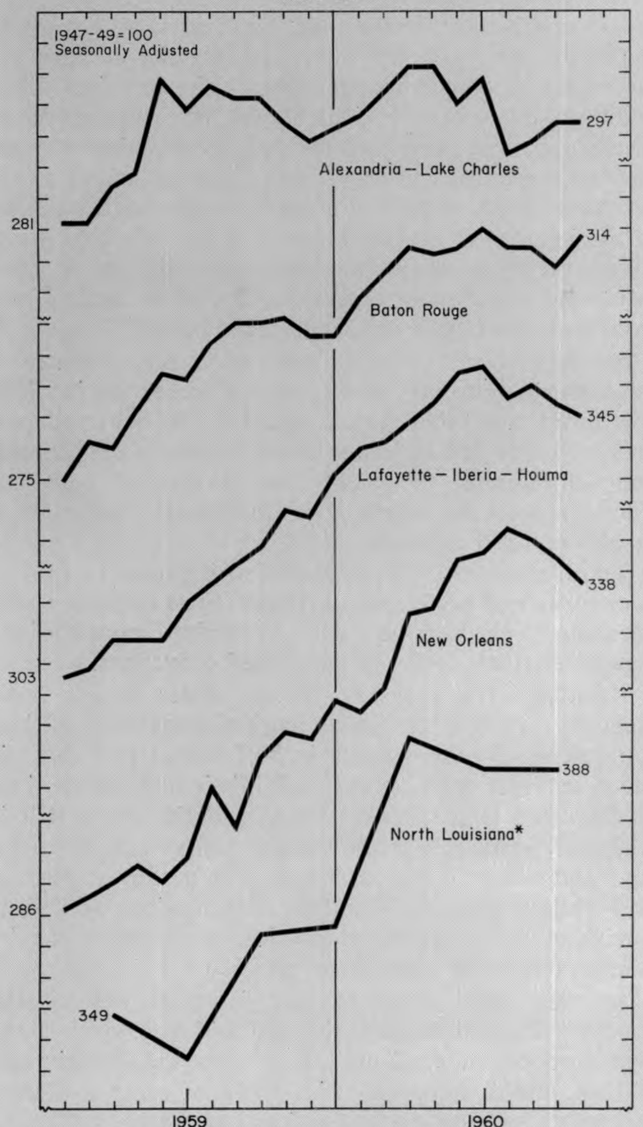
In other areas of the District, future growth will depend heavily upon the initiative and skill with which cattlemen respond to challenges and upon the effectiveness of their efforts compared with those of other cattlemen competing for the local and national markets.

ARTHUR H. KANTNER

**Member Bank Loans**
**Louisiana**
**1956-60**




**Member Bank Loans**
**Louisiana Trade and Banking Areas**
**1959-60**




*Quarterly figures. Includes that portion of state located in Eleventh Federal Reserve District.

# Bank Lending Reflects C

Transactions that take place in the loan departments of commercial banks are often important gauges of business activity. Generally, when business is expanding, bank loans confirm that growth by rising. Likewise, as businesses reduce operations, loans often decline. Thus trends in bank loans may provide helpful clues to economic changes in an area.

Recent loan data collected from member banks in Louisiana reveal that loans have declined since mid-1960. That this decline reflects economic weakness is shown by changes in certain nonbanking indicators.

Nonfarm employment, for example, has declined slightly since early 1960, after allowances were made for seasonal change. Although fractional, the decline was spread over a wide range of businesses, including apparel, paper, chemicals, primary metals, and other manufacturing plants.

Perhaps the recent sharp drop in manufacturing payrolls is more indicative of weakness than the small decline in employment. Manufacturers apparently are shortening their work week in an effort to bring production in line with sales without major shutdowns.

Not only have incomes declined recently for manufacturing workers, but earnings by Louisiana's farmers are lower than in 1959. Cash receipts from the sale of farm commodities through October 1960 were 7 percent below those for the same period in 1959. Lower earnings in these major economic segments have perhaps caused people to cut spending.

From several indications, spending in Louisiana has been sagging recently. Debits to demand deposits at commercial banks, a measure of total spending by check, dropped sharply in October, after adjustments were made for normal seasonal variation. Although debits rose in November, they remained below mid-1960 levels. Changes in personal spending are often reflected in department and furniture store sales, which also have been relatively weak in recent months. Finally, state sales tax collections, also reflecting trends in spending, declined 3 percent during June-October 1960, compared with the same period in 1959.

## Weakness Greater in South Louisiana

Although the indicators suggest that some weakness has developed in business over all of Louisiana, the weakness appears to be greater in the southern portion than in the upper part of the state. To learn more about changes within the state we grouped bank loans by trade and banking areas. These areas in South Louisiana are made up of parishes, having homogeneous economic characteristics, that surround major cities. The North Louisiana area includes the upper third of the state.

The data show that loans in all areas have decreased since mid-1960, but the greatest drops occurred in the Alexandria-Lake Charles, Lafayette-Iberia-Houma, and New Orleans areas. Here business activity apparently has declined more than elsewhere. Additional data, though fragmentary, give further evidence of this decline. Reports of labor trends, for example, indicate that total nonfarm employment from June through October in the New

Orleans area, which includes Orleans, Jefferson, and St. Bernard Parishes, was below employment for the same period in 1959. In comparison, nonfarm employment during June-October 1960 for the state was virtually unchanged from employment during the same period in 1959.

Information on local business conditions recently published by the Louisiana State University at Baton Rouge suggests that spending has declined more in southwest Louisiana than in other parts of the state. Retail sales in Lafayette and Lake Charles, for example, have been noticeably lower in recent weeks. Finally, bank debits during the June through October 1960 period in Alexandria, Lafayette, and Lake Charles were below those for the same period in 1959 by 5 percent, 6 percent, and 12 percent, respectively. There was virtually no change in debits during that period for the state, compared with the same period in 1959, as increases in Monroe, Shreveport, and perhaps other North Louisiana communities apparently offset the decline in South Louisiana.

### The End of a Boom

Why has business apparently been weaker in recent months in South Louisiana than in the rest of the state? It is significant that South Louisiana, buoyed by the petroleum and chemicals industries, experienced a boom in business between 1955 and 1958. New industrial plants were being built at a fast rate, and this stimulated the local economy. In 1956 alone, the amount spent in South Louisiana for new and expanded plants was over $475 million, or 85 percent of total capital expenditures for the state. To expect capital spending to continue at that rate for any prolonged period would be overly optimistic.

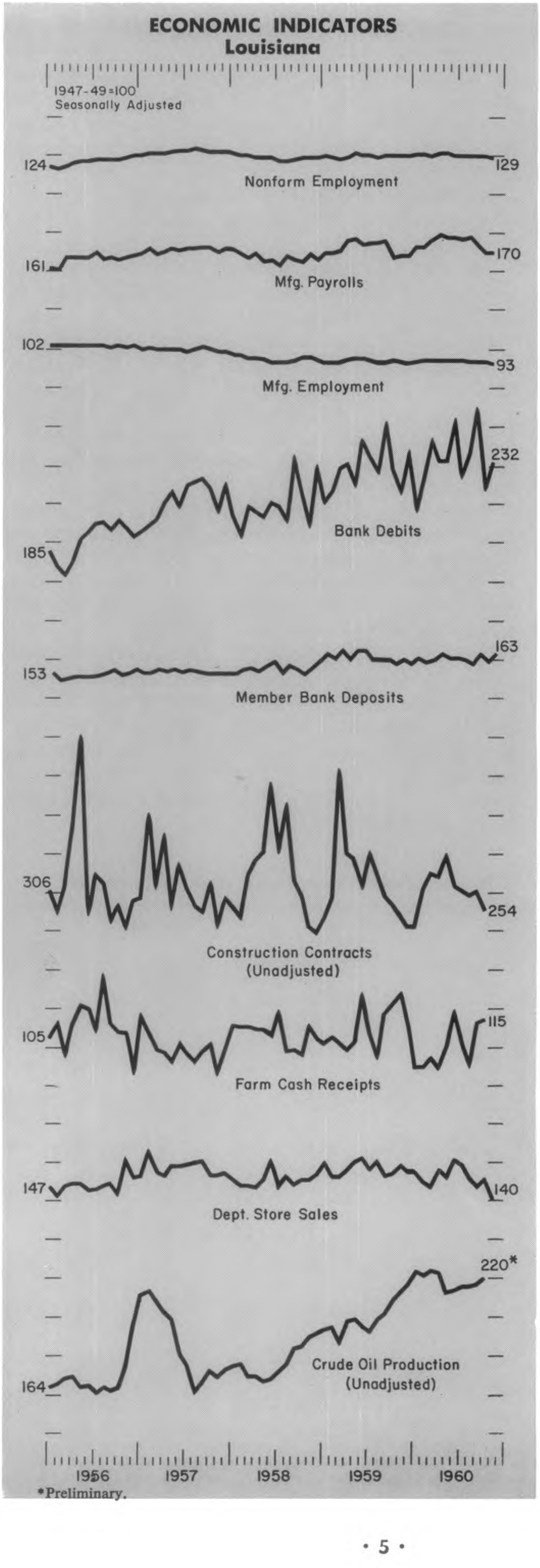
Furthermore, recently there has been a small decline in South Louisiana in the petroleum industry. According to the Louisiana Department of Conservation, the number of rigs drilling for oil declined from 334 to 285 between March and October 1960. During that same time drilling increased in North Louisiana. Crude oil production declined slightly in South Louisiana during that period, but has increased since then.

The closing of military bases in southwest Louisiana is perhaps responsible for further losses in business. Depressed conditions in the lumber industry and political disturbances in neighboring Cuba are other factors influencing business.

### Incomes Continue to Rise

Despite the weakness that has appeared in Louisiana, economic activity in the state remains at a relatively high level. According to estimates made by this Bank, total personal income continues to rise, primarily because of small gains in earnings by trade and Government workers. Oil production remains at a high level. Meanwhile, rice and cotton farmers in Louisiana had good crops in 1960, which may prove to be a stimulant to business. Perhaps when enough such stimulants appear, bank loans will again rise, confirming that business in Louisiana is increasing.

N. CARSON BRANAN



# Bank Announcements

*On December 1, the Bank of Maplesville, Maplesville, Alabama, a nonmember bank, began to remit at par for checks drawn on it when received from the Federal Reserve Bank. Officers are E. T. Clapp, President; E. G. Herrod and J. P. Thomas, Vice Presidents; E. P. Jones, Cashier; and Jane M. Shanks, Assistant Cashier. Capital totals $75,000 and surplus and undivided profits, $87,890.*

*The Federal Reserve Bank of Atlanta is pleased to welcome the following three banks to membership in the Federal Reserve System:*

*December 5: The Caladesi National Bank at Dunedin, Dunedin, Florida. Officers are W. V. Register, Chairman of the Board; Eugene H. Lallance, President; Albert D. Bogert, Vice President; Lester E. Hagglund, Vice President and Cashier; and John A. Roth, Assistant Cashier. Capital stock totals $300,000 and surplus and other capital funds, $300,000.*

*December 7: The First National Bank of Lake Wales, Lake Wales, Florida. Officers are Walter W. Woolfolk, Chairman of the Board; Edwin S. Howard, President; E. C. Burns, Vice President; and R. E. Prentice, Vice President and Cashier. Capital totals $400,000 and surplus and other capital funds, $260,000.*

*December 15: The Boca Raton National Bank, Boca Raton, Florida. Officers are Milton N. Weir, Chairman of the Board and President; Robert W. Freitag, Executive Vice President; Arthur H. Ogle, Vice President; Harold P. Anderson, Cashier; and Claude D. Nelson and Rose Marie Rutherford, Assistant Cashiers. Capital amounts to $500,000 and surplus and other capital funds, $250,000.*

*The Bank of Seminole, Seminole, Florida, a newly organized nonmember bank, opened for business on December 15 and began to remit at par. Jesse W. Johnson is Chairman of the Board; DeWitt C. Turner is President; and Dan Chambers, Jr., is Vice President and Cashier. Capital totals $360,000 and surplus and undivided profits, $183,000.*

## Department Store Sales and Inventories*

| | Percent Change | | | | |
|---|---|---|---|---|---|
| | Sales | | | Inventories | |
| | Nov. 1960 from | | 11 Months | Nov. 30, 1960 from | |
| Place | Oct. 1960 | Nov. 1959 | 1960 from 1959 | Oct. 31 1960 | Nov. 30 1959 |
| ALABAMA | +6 | —1 | +0 | +3 | +0 |
| Birmingham | +12 | —0 | —0 | +0 | +2 |
| Mobile | +7 | +4 | +2 | . . | . . |
| Montgomery | —2 | —9 | —4 | . . | . . |
| FLORIDA | +8 | +5 | +6 | +9 | +15 |
| Daytona Beach | —7 | —7 | —4 | . . | . . |
| Jacksonville | —2 | —6 | +8 | +4 | —1 |
| Miami Area | +4 | +11 | +9 | . . | . . |
| Miami | +6 | —10 | —5 | . . | . . |
| Orlando | —2 | —3 | —2 | . . | . . |
| St. Petersburg-Tampa Area | +17 | +3 | +6 | +2 | +29 |
| GEORGIA | +11 | —2 | —0 | +4 | +0 |
| Atlanta** | +16 | —2 | +1 | +4 | +1 |
| Augusta | —2 | —3 | +2 | . . | . . |
| Columbus | +14 | +1 | —3 | +6 | +1 |
| Macon | —0 | —5 | —2 | +2 | +3 |
| Rome** | —7 | +4 | +1 | . . | . . |
| Savannah | +1 | —11 | —6 | . . | . . |
| LOUISIANA | +6 | —8 | —3 | +2 | +7 |
| Baton Rouge | +10 | —1 | —2 | +2 | +14 |
| New Orleans | +6 | —9 | —1 | +2 | +6 |
| MISSISSIPPI | +2 | —8 | —6 | +1 | —10 |
| Jackson | +10 | —11 | —8 | +2 | —17 |
| Meridian** | —6 | —4 | —3 | . . | . . |
| TENNESSEE | +2 | —0 | —2 | +8 | —0 |
| Bristol-Kingsport-Johnson City** | —2 | +0 | —4 | +8 | +2 |
| Bristol (Tenn. & Va.)** | —5 | —1 | —6 | +3 | —4 |
| Chattanooga | +6 | +1 | —3 | . . | . . |
| Knoxville | —1 | +1 | +1 | +5 | +3 |
| DISTRICT | +6 | —1 | +1 | +6 | +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)

| | | | | Percent Change | | |
|---|---|---|---|---|---|---|
| | | | | Nov. 1960 from | | Year-to-date 11 Months 1960 from |
| | Nov. 1960 | Oct. 1960 | Nov. 1959 | Oct. 1960 | Nov. 1959 | 1959 |
| **ALABAMA** | | | | | | |
| Anniston | 41,308 | 42,672 | 40,159 | —3 | +3 | +2 |
| Birmingham | 815,829 | 850,128 | 709,483 | —4 | +15 | +6 |
| Dothan | 35,845 | 38,784 | 30,982 | —8 | +16 | +9 |
| Gadsden | 36,487 | 37,514 | 33,493 | —3 | +9 | +2 |
| Huntsville* | 80,650 | 75,664 | 67,487 | +7 | +20 | +2 |
| Mobile | 306,712 | 292,071 | 281,726 | +5 | +9 | +4 |
| Montgomery | 173,880 | 176,369 | 162,291 | —1 | +7 | —1 |
| Selma* | 29,856 | 33,176 | 25,426 | —10 | +17 | +6 |
| Tuscaloosa* | 56,588 | 57,848 | 50,337 | —2 | +12 | +4 |
| Total Reporting Cities | 1,577,155 | 1,604,226 | 1,401,384 | —2 | +13 | +4 |
| Other Cities† | 800,418 | 773,899 | 708,695 | +3 | +13 | +6 |
| **FLORIDA** | | | | | | |
| Daytona Beach* | 54,184 | 50,797 | 56,701 | +7 | —4 | —3 |
| Fort Lauderdale* | 194,035 | 182,907 | 199,581 | +6 | —3 | +1 |
| Gainesville* | 42,758 | 41,335 | 40,139 | +3 | +7 | +8 |
| Jacksonville | 804,732 | 764,919 | 761,621 | +5 | +6 | +6 |
| Key West* | 16,026 | 15,017 | 16,939 | +7 | —5 | —1 |
| Lakeland* | 76,680 | 71,778 | 73,221 | +7 | +5 | +6 |
| Miami | 879,147 | 819,400 | 877,631 | +7 | +0 | +2 |
| Greater Miami* | 1,271,622 | 1,193,389 | 1,269,834 | +7 | +0 | +1 |
| Orlando | 236,855 | 226,548 | 232,110 | +5 | +2 | +3 |
| Pensacola | 83,698 | 85,112 | 81,698 | —2 | +2 | +1 |
| St. Petersburg | 208,559 | 197,937 | 222,582 | +5 | —6 | —3 |
| Tampa | 419,475 | 398,614 | 400,326 | +5 | +5 | +2 |
| W. Palm-Palm Bch.* | 121,576 | 118,807 | 132,418 | +2 | —8 | —3 |
| Total Reporting Cities | 3,530,200 | 3,347,160 | 3,487,170 | +5 | +1 | +2 |
| Other Cities† | 1,617,085 | 1,538,611 | 1,518,398 | +5 | +6 | +5 |
| **GEORGIA** | | | | | | |
| Albany | 54,724 | 52,003 | 52,332 | +5 | +5 | +5 |
| Athens* | 42,597 | 41,955 | 38,372 | +2 | +11 | +7 |
| Atlanta | 2,072,649 | 2,149,727 | 1,899,634 | —4 | +9 | +7 |
| Augusta | 113,567 | 110,523 | 102,479 | +3 | +11 | +6 |
| Brunswick | 23,912 | 24,305 | 21,564 | —2 | +11 | +6 |
| Columbus | 106,209 | 107,695 | 102,526 | —1 | +4 | +3 |
| Elberton | 9,799 | 10,291 | 9,078 | —5 | +8 | +8 |
| Gainesville* | 48,067 | 49,241 | 40,383 | —2 | +19 | +1 |
| Griffin* | 20,763 | 20,161 | 18,906 | +3 | +10 | +4 |
| LaGrange* | 20,421 | 19,960 | 18,271 | +2 | +12 | —1 |
| Macon | 119,079 | 123,284 | 118,771 | —3 | +0 | +3 |
| Marietta* | 29,212 | 30,820 | 29,754 | —5 | —2 | +2 |
| Newnan | 18,218 | 19,231 | 17,142 | —5 | +6 | +8 |
| Rome* | 51,330 | 52,687 | 50,655 | —3 | +1 | +11 |
| Savannah | 181,691 | 181,430 | 182,484 | +0 | —1 | —1 |
| Valdosta | 35,506 | 34,541 | 31,419 | +3 | +13 | —0 |
| Total Reporting Cities | 2,947,744 | 3,027,854 | 2,733,770 | —3 | +8 | +6 |
| Other Cities† | 1,041,477 | 1,030,751 | 960,034 | +1 | +8 | +10 |
| **LOUISIANA** | | | | | | |
| Alexandria* | 69,419 | 69,126 | 69,159 | +0 | +0 | —1 |
| Baton Rouge | 255,750 | 253,664 | 253,994 | +1 | +1 | +1 |
| Lafayette* | 61,484 | 63,225 | 59,304 | —3 | +4 | —3 |
| Lake Charles | 77,302 | 73,637 | 79,029 | +5 | —2 | —9 |
| New Orleans | 1,344,534 | 1,278,927 | 1,223,266 | +5 | +10 | +3 |
| Total Reporting Cities | 1,808,489 | 1,738,579 | 1,684,752 | +4 | +7 | +2 |
| Other Cities† | 638,292 | 638,810 | 590,131 | —0 | +8 | +3 |
| **MISSISSIPPI** | | | | | | |
| Biloxi-Gulfport* | 51,710 | 49,963 | 48,316 | +3 | +7 | +3 |
| Hattiesburg | 36,529 | 37,000 | 33,538 | —1 | +9 | +6 |
| Jackson | 324,697 | 340,216 | 284,764 | —5 | +14 | +7 |
| Laurel* | 29,331 | 27,015 | 27,335 | +9 | +7 | +4 |
| Meridian | 46,101 | 46,113 | 44,729 | —0 | +3 | +0 |
| Natchez* | 22,736 | 25,780 | 22,660 | —12 | +0 | +2 |
| Vicksburg | 23,185 | 20,994 | 20,896 | +10 | +11 | +5 |
| Total Reporting Cities | 534,289 | 547,081 | 482,238 | —2 | +11 | +5 |
| Other Cities† | 275,344 | 267,601 | 263,689 | +3 | +4 | +4 |
| **TENNESSEE** | | | | | | |
| Bristol* | 45,128 | 48,560 | 41,944 | —7 | +8 | +4 |
| Chattanooga | 317,269 | 314,371 | 308,660 | +1 | +3 | +0 |
| Johnson City* | 42,880 | 41,305 | 38,592 | +4 | +11 | +3 |
| Kingsport* | 84,949 | 83,497 | 80,596 | +2 | +5 | +4 |
| Knoxville | 241,640 | 241,682 | 232,623 | —0 | +4 | +5 |
| Nashville | 772,517 | 711,990 | 753,619 | +9 | +3 | +2 |
| Total Reporting Cities | 1,504,383 | 1,441,405 | 1,456,034 | +4 | +3 | +2 |
| Other Cities† | 615,212 | 583,486 | 570,897 | +5 | +8 | +4 |
| SIXTH DISTRICT | 16,890,088 | 16,539,463 | 15,857,192 | +2 | +7 | +4 |
| Reporting Cities | 11,902,260 | 11,706,305 | 11,245,348 | +2 | +6 | +3 |
| Other Cities† | 4,987,828 | 4,833,158 | 4,611,844 | +3 | +8 | +6 |
| Total, 32 Cities | 10,217,405 | 10,061,692 | 9,606,649 | +2 | +6 | +4 |
| UNITED STATES 344 Cities | 235,183,000 | 233,154,000 | 217,139,000 | +1 | +8 | +7 |

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

†Estimated.

# Sixth District Indexes

**Seasonally Adjusted (1947-49 = 100)**

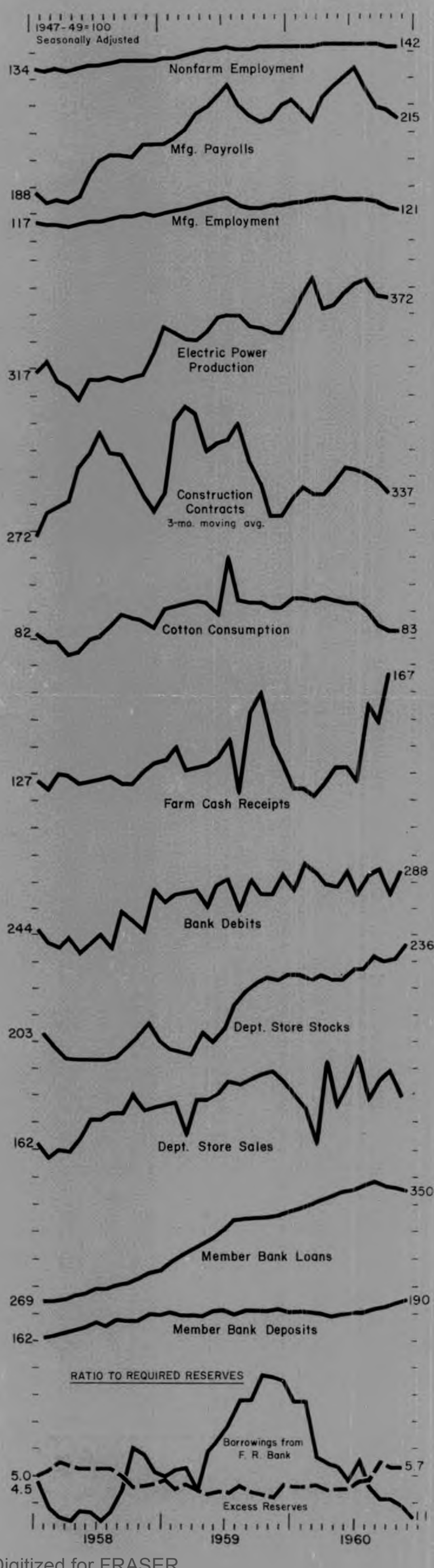
| | 1959 | | | 1960 | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| SIXTH DISTRICT | OCT. | NOV. | DEC. | JAN. | FEB. | MAR. | APR. | MAY | JUNE | JULY | AUG. | SEPT. | OCT. | NOV. |
| Nonfarm Employment | 142 | 142 | 142 | 142 | 142 | 142 | 143 | 143 | 143 | 143 | 143 | 143 | 142 | 142 |
| Manufacturing Employment | 122 | 123 | 123 | 124 | 124 | 124 | 125 | 126 | 125 | 125 | 124 | 124 | 122r | 121 |
| Apparel | 190 | 189 | 191 | 192 | 190 | 191 | 194 | 195 | 195 | 197 | 192 | 189 | 183 | 184 |
| Chemicals | 130 | 130 | 132 | 132 | 133 | 132 | 135 | 135 | 136 | 135 | 135 | 129 | 128 | 128 |
| Fabricated Metals | 182 | 183 | 185 | 191 | 193 | 190 | 188 | 192 | 194 | 194 | 195 | 190 | 186 | 185 |
| Food | 115 | 116 | 113 | 117 | 117 | 115 | 116 | 117 | 116 | 116 | 117 | 120 | 119 | 117 |
| Lbr., Wood Prod., Fur. & Fix. | 81 | 80 | 80 | 80 | 80 | 79 | 79 | 79 | 79 | 78 | 78 | 77 | 77 | 76 |
| Paper & Allied Products | 164 | 161 | 160 | 166 | 165 | 164 | 166 | 167 | 165 | 166 | 164 | 164 | 162 | 161 |
| Primary Metals | 79 | 97 | 103 | 101 | 100 | 95 | 98 | 99 | 99 | 97 | 95 | 87 | 93 | 88 |
| Textiles | 88 | 87 | 87 | 87 | 87 | 88 | 87 | 87 | 87 | 88 | 87 | 86 | 86 | 84 |
| Transportation Equipment | 221 | 195 | 199 | 209 | 208 | 206 | 210 | 211 | 206 | 200 | 202 | 203 | 208r | 187 |
| Nonmanufacturing Employment | 150 | 150 | 149 | 150 | 150 | 149 | 151 | 151 | 150 | 151 | 151 | 151 | 151 | 150 |
| Manufacturing Payrolls | 214 | 215 | 220 | 222 | 218 | 214 | 223 | 227 | 230 | 234 | 226 | 219 | 218r | 215 |
| Cotton Consumption** | 93 | 91 | 91 | 95 | 95 | 94 | 95 | 94 | 93 | 93 | 90 | 85 | 83 | 83 |
| Electric Power Production** | 350 | 346 | 345 | 358 | 375 | 387 | 363 | 366 | 375 | 382 | 385 | 373 | 372 | n.a. |
| Petrol. Prod. in Coastal Louisiana & Mississippi** | 215 | 214 | 231 | 227 | 226 | 228 | 224 | 222 | 220 | 220 | 221 | 223r | 232r | 233 |
| Construction Contracts* | 350 | 302 | 302 | 328 | 345 | 333 | 333 | 351 | 371 | 370 | 361 | 353 | 337 | n.a. |
| Residential | 441 | 373 | 367 | 351 | 366 | 360 | 356 | 384 | 387 | 376 | 367 | 362 | 364 | n.a. |
| All Other | 276 | 245 | 249 | 309 | 327 | 311 | 315 | 325 | 359 | 365 | 357 | 346 | 316 | n.a. |
| Farm Cash Receipts | 160 | 142 | 133 | 124 | 124 | 121 | 126 | 132 | 132 | 127 | 155 | 149 | 167 | n.a. |
| Crops | 149 | 120 | 99 | 93 | 96 | 95 | 100 | 111 | 98 | 83 | 147 | 134 | 157 | n.a. |
| Livestock | 179 | 185 | 184 | 169 | 176 | 179 | 188 | 185 | 192 | 194 | 189 | 188 | 186 | n.a. |
| Department Store Sales*/** | 188 | 189 | 185 | 180 | 175 | 162 | 192 | 176 | 183 | 194 | 178 | 185 | 189 | 179p |
| Department Store Stocks* | 224 | 223 | 225 | 225 | 223 | 225 | 223 | 223 | 227 | 227 | 232 | 230 | 231 | 236p |
| Furniture Store Sales*/** | 158 | 163 | 151 | 166 | 143 | 129 | 149 | 145 | 142 | 147 | 143 | 135 | 141r | 140p |
| Member Bank Deposits* | 182 | 184 | 181 | 182 | 181 | 180 | 178 | 180 | 181 | 181 | 184 | 185 | 188 | 190 |
| Member Bank Loans* | 331 | 332 | 335 | 337 | 340 | 344 | 347 | 350 | 351 | 354 | 357 | 354 | 352 | 350 |
| Bank Debits* | 271 | 271 | 286 | 275 | 294 | 288 | 278 | 277 | 288 | 271 | 285 | 290 | 270 | 288 |
| Turnover of Demand Deposits* | 147 | 150 | 154 | 154 | 156 | 153 | 148 | 163 | 159 | 162 | 167 | 158 | 152 | 153 |
| In Leading Cities | 153 | 160 | 166 | 166 | 168 | 167 | 167 | 181 | 183 | 179 | 190 | 175 | 159 | 162 |
| Outside Leading Cities | 108 | 109 | 120 | 119 | 120 | 119 | 114 | 126 | 119 | 129 | 124 | 120 | 113 | 111 |
| ALABAMA | | | | | | | | | | | | | | |
| Nonfarm Employment | 122 | 125 | 125 | 126 | 125 | 124 | 125 | 126 | 126 | 126 | 126 | 125 | 125 | 125 |
| Manufacturing Employment | 100 | 107 | 108 | 108 | 107 | 106 | 108 | 109 | 109 | 109 | 108 | 106 | 104 | 104 |
| Manufacturing Payrolls | 173 | 188 | 194 | 198 | 192 | 190 | 195 | 198 | 201 | 202 | 194 | 184 | 189r | 185 |
| Department Store Sales** | 172 | 163r | 163 | 165 | 158 | 156 | 176 | 162 | 171 | 178 | 170 | 166 | 166 | 155 |
| Furniture Store Sales | 138 | 134 | 128 | 148 | 133 | 112 | 127 | 128 | 127 | 126 | 119 | 117 | 120 | 110p |
| Member Bank Deposits | 159 | 159 | 158 | 159 | 158 | 160 | 157 | 159 | 160 | 162 | 164 | 165 | 169 | 166 |
| Member Bank Loans | 272 | 272 | 273 | 279 | 283 | 284 | 296 | 300 | 292 | 299 | 294 | 292 | 293 | 294 |
| Farm Cash Receipts | 159 | 112 | 112 | 113 | 122 | 125 | 122 | 131 | 123 | 124 | 123 | 150 | 182 | n.a. |
| Bank Debits | 236 | 224 | 247 | 236 | 245 | 244 | 240 | 240 | 245 | 234 | 257 | 258 | 246 | 253 |
| FLORIDA | | | | | | | | | | | | | | |
| Nonfarm Employment | 200 | 199 | 197 | 197 | 197 | 197 | 199 | 201 | 202 | 204 | 203 | 203 | 202 | 199 |
| Manufacturing Employment | 206 | 203 | 201 | 204 | 204 | 202 | 205 | 209 | 211 | 213 | 214 | 213 | 210 | 207 |
| Manufacturing Payrolls | 377 | 371 | 374 | 366 | 364 | 352 | 372 | 389 | 392 | 409 | 406 | 394 | 402r | 387 |
| Department Store Sales** | 248 | 265r | 257 | 250 | 240 | 245 | 274 | 260 | 264 | 277 | 263 | 256 | 261 | 268 |
| Furniture Store Sales | 180 | 203 | 195 | 189 | 174 | 157 | 181 | 175 | 167 | 167 | 203 | 172 | 156r | 168 |
| Member Bank Deposits | 245 | 245 | 241 | 242 | 237 | 234 | 230 | 235 | 238 | 239 | 244 | 245 | 248 | 252 |
| Member Bank Loans | 546 | 547 | 548 | 546 | 550 | 546 | 553 | 554 | 559 | 563 | 571 | 562 | 559 | 551 |
| Farm Cash Receipts | 202 | 190 | 201 | 231 | 206 | 171 | 217 | 225 | 187 | 204 | 270 | 248 | 212 | n.a. |
| Bank Debits | 423 | 414 | 424 | 391 | 423 | 410 | 387 | 404 | 443 | 399 | 437 | 426 | 411 | 426 |
| GEORGIA | | | | | | | | | | | | | | |
| Nonfarm Employment | 136 | 136 | 136 | 137 | 136 | 135 | 138 | 137 | 136 | 136 | 135 | 135 | 135 | 135 |
| Manufacturing Employment | 123 | 120 | 121 | 122 | 122 | 122 | 122 | 122 | 122 | 121 | 120 | 120 | 119r | 117 |
| Manufacturing Payrolls | 216 | 208 | 210 | 216 | 211 | 205 | 215 | 223 | 221 | 226 | 216 | 211 | 208r | 203 |
| Department Store Sales** | 175 | 176 | 172 | 172 | 164 | 156 | 170 | 169 | 164 | 175 | 159 | 168 | 172 | 158 |
| Furniture Store Sales | 159 | 157 | 150 | 149 | 127 | 120 | 142 | 132 | 135 | 134 | 137 | 134 | 144r | 138p |
| Member Bank Deposits | 161 | 163 | 158 | 161 | 161 | 158 | 157 | 161 | 160 | 157 | 166 | 167 | 170 | 171 |
| Member Bank Loans | 261 | 266 | 267 | 269 | 271 | 268 | 271 | 275 | 277 | 278 | 285 | 287 | 287 | 292 |
| Farm Cash Receipts | 155 | 134 | 153 | 130 | 134 | 146 | 153 | 144 | 150 | 125 | 215 | 160 | 204 | n.a. |
| Bank Debits | 249 | 244 | 261 | 254 | 265 | 254 | 254 | 257 | 269 | 258 | 264 | 279 | 255 | 263 |
| LOUISIANA | | | | | | | | | | | | | | |
| Nonfarm Employment | 130 | 130 | 130 | 131 | 131 | 130 | 131 | 131 | 130 | 130 | 130 | 130 | 130 | 129 |
| Manufacturing Employment | 95 | 94 | 93 | 94 | 95 | 95 | 95 | 95 | 95 | 95 | 94 | 94 | 94 | 93 |
| Manufacturing Payrolls | 167 | 168 | 168 | 173 | 173 | 176 | 179 | 178 | 178 | 177 | 178 | 174 | 170r | 170 |
| Department Store Sales*/** | 154 | 158 | 155 | 155 | 150 | 147 | 156 | 152 | 161 | 159 | 152 | 148 | 151 | 140 |
| Furniture Store Sales* | 171 | 195 | 184 | 188 | 192 | 172 | 176 | 175 | 184 | 203 | 145 | 161 | 159r | 167 |
| Member Bank Deposits* | 157 | 160 | 158 | 161 | 159 | 160 | 163 | 161 | 161 | 160 | 158 | 163 | 159 | 163 |
| Member Bank Loans* | 307 | 309 | 311 | 312 | 316 | 335 | 332 | 338 | 333 | 334 | 334 | 328 | 326 | 323 |
| Farm Cash Receipts | 123 | 127 | 112 | 90 | 90 | 94 | 89 | 101 | 119 | 102 | 91 | 113 | 115 | n.a. |
| Bank Debits* | 229 | 216 | 238 | 207 | 224 | 244 | 233 | 233 | 253 | 225 | 238 | 259 | 219 | 232 |
| MISSISSIPPI | | | | | | | | | | | | | | |
| Nonfarm Employment | 135 | 136 | 135 | 138 | 137 | 136 | 137 | 137 | 136 | 136 | 135 | 136 | 136 | 136 |
| Manufacturing Employment | 134 | 134 | 135 | 135 | 134 | 133 | 134 | 135 | 134 | 133 | 132 | 131 | 130 | 131 |
| Manufacturing Payrolls | 239 | 242 | 244 | 253 | 247 | 254 | 249 | 244 | 256 | 253 | 247 | 235 | 239r | 236 |
| Department Store Sales*/** | 172 | 160 | 169 | 161 | 154 | 155 | 169 | 154 | 175 | 175 | 153 | 149 | 158 | 151 |
| Furniture Store Sales* | 83 | 117 | 133 | 106 | 99 | 94 | 100 | 113 | 107 | 112 | 100 | 95 | 84r | 101p |
| Member Bank Deposits* | 202 | 204 | 208 | 200 | 202 | 205 | 199 | 198 | 195 | 196 | 193 | 194 | 205 | 203 |
| Member Bank Loans* | 392 | 392 | 403 | 414 | 422 | 418 | 422 | 433 | 438 | 449 | 431 | 440 | 425 | 427 |
| Farm Cash Receipts | 147 | 145 | 128 | 92 | 91 | 115 | 101 | 105 | 97 | 104 | 98 | 121 | 141 | n.a. |
| Bank Debits* | 234 | 237 | 252 | 226 | 244 | 246 | 236 | 222 | 243 | 241 | 254 | 251 | 240 | 257 |
| TENNESSEE | | | | | | | | | | | | | | |
| Nonfarm Employment | 124 | 124 | 124 | 124 | 124 | 123 | 126 | 125 | 125 | 126 | 125 | 125 | 124 | 124 |
| Manufacturing Employment | 122 | 123 | 123 | 124 | 123 | 123 | 124 | 124 | 124 | 125 | 124 | 124 | 122 | 121 |
| Manufacturing Payrolls | 212 | 212 | 214 | 219 | 219 | 208 | 225 | 223 | 223 | 225 | 224 | 217 | 214 | 211 |
| Department Store Sales*/** | 161 | 163r | 157 | 154 | 145 | 137 | 159 | 146 | 155 | 167 | 151 | 157 | 164r | 156 |
| Furniture Store Sales* | 108 | 102 | 109 | 104 | 95 | 98 | 103 | 111 | 107 | 93 | 98 | 96 | 101r | 98 |
| Member Bank Deposits* | 167 | 167 | 164 | 166 | 161 | 161 | 163 | 165 | 167 | 169 | 167 | 166 | 172 | 171 |
| Member Bank Loans* | 292 | 292 | 296 | 296 | 300 | 303 | 304 | 310 | 313 | 316 | 316 | 310 | 312 | 312 |
| Farm Cash Receipts | 135 | 119 | 116 | 88 | 90 | 86 | 100 | 95 | 102 | 109 | 113 | 106 | 122 | n.a. |
| Bank Debits* | 228 | 237 | 232 | 235 | 252 | 242 | 236 | 247 | 245 | 236 | 245 | 242 | 226 | 248 |

*For Sixth District area only. Other totals for entire six states. n.a. Not Available. p Preliminary. r Revised.

**Daily average basis.

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




EVIDENCE OF CONTRACTION *in economic activity accumulated in November. Total nonfarm employment declined further, reflecting weakness in both manufacturing and nonmanufacturing. Manufacturing payrolls also continued to drop, but farm income held at about the 1959 level. Department store sales fluctuated around a level below the peak reached last summer. Loans at member banks rose less than usual, and bank deposits expanded further.*

During November, seasonally adjusted **nonfarm employment** declined further, reflecting reductions in all District states except Alabama. The largest drop occurred in Florida, where trade employment failed to make its usual upturn. **Manufacturing employment** fell for the third straight month, with a reduction in transportation equipment workers accounting for over half the decline. Lower employment and a shorter **average work week** combined to reduce **manufacturing payrolls** to the lowest level since last March.

Seasonally adjusted **construction contracts,** an indicator of future construction activity, dropped in October, continuing the decline in the three-month average. **Cotton consumption,** a measure of textile activity, remained unchanged in November, following a six-month downward trend. **Crude oil production** in Coastal Louisiana and Mississippi rose to a new record in November. **Steel mill operations** in November and December were slightly above the October level, but were still well below those of a year ago.

Virtually all **fall crops** have been marketed, but **winter vegetable crops** and **livestock marketings** are increasing. In Florida, where the bulk of District winter vegetables is grown, interstate shipments have risen sharply in recent weeks to a level considerably above that of a year ago. **Larger marketings** of broilers, cattle, and hogs are responsible for the gain in livestock sales. Although lower broiler, cattle, cotton, corn, orange, and grapefruit prices pulled the **index of prices received by farmers** down in November, the index remained substantially above the year-ago level, and total **farm cash receipts** for the year were only slightly under the previous year's level.

**Department store sales,** seasonally adjusted, fell in November because of declines in all metropolitan areas except Miami, Jacksonville, and Tampa-St. Petersburg. However, preliminary December figures, which do not include the final week of Christmas shopping, indicate a rise from November's reduced level. **Furniture store sales** remained unchanged from October, as substantial gains in Florida and Mississippi offset a sharp drop in Alabama. **Household appliance store sales** increased in contrast to usual declines in November. **Consumer savings** in the form of member bank time deposits declined less than seasonally in November, as contra-seasonal gains in Florida and Georgia offset a greater-than-usual drop in Tennessee.

**Member bank loans,** seasonally adjusted, fell in November for the third consecutive month because of declines at banks in Florida and Louisiana. Preliminary data also indicate that a further decline in loans may occur in December. **Investments** declined slightly in November following a sharp increase in October that was partly associated with Treasury financing. Investments at banks in leading District cities, however, show week-to-week gains through December 21. **Member bank deposits,** seasonally adjusted, increased again in November, although declines occurred in Alabama, Mississippi, and Tennessee.