Monthly Review

Atlanta, Georgia

September • 1961

Also in this issue:

Federal Reserve Bank of Atlanta

Textile Activity Joins the Upswing

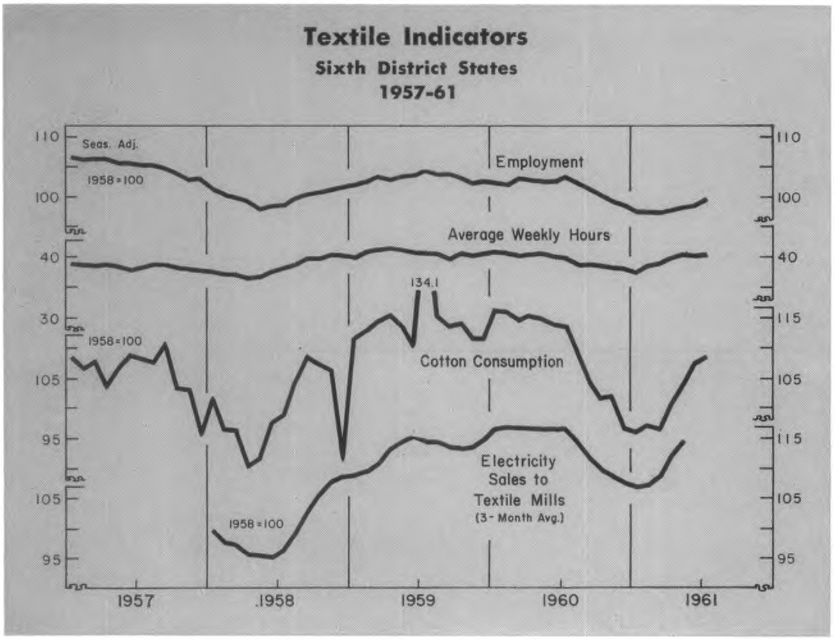
As the nation enjoys the exhilaration of a general expansion in business activity, it seems an appropriate time to see what is happening to an industry that provides employment to about one out of every eight persons engaged in manufacturing in the District.

This area's textile industry fortunately was quick to join the upswing in business activity that got underway after February of this year. This is not surprising since District products are closely tied to national markets. Developments in markets for consumer goods are likely to affect regional output of cotton, man-made, and wool fabrics used by the so-called "needle trades;" hosiery and other knit wear; home goods, such as bedspreads, blankets, towels, carpets, and rugs; and yarn and thread.

Since many regional textile products, *e.g.,* tire cord and fabric, twine, and upholstery, have industrial uses, demand for them is likely to be affected by changes in a broad range of other industrial activities. We cannot determine precisely how the impact of changes in demand for textile products is transmitted to the Southeast's textile industry, but we do know that changes since January have combined to bring about an upswing in textile activity here.

The Evidence

We can see this, first of all, from looking at the rise in the number of manhours worked in the District's textile industry. As the accompanying chart shows, textile employment held steady in February and March of this year and then rose gradually through July, the latest month for which figures are available. The average work week lengthened in February, indicating a pickup in activity even before employment rose.



Typically, the work week lengthens as a first response to increased demand; additions to the work force usually follow as recovery continues. This was the response of the textile industry here to recovery from the national recession that ended in early 1958, and recovery from the recession that ended about last February appears to be influencing our textile industry in a similar way. Whereas those textile workers employed in January put in an average of 37.3 hours each week, a slightly larger number in July put in an average of 40.2. As a result of increases in employment and a lengthening of the work week, total manhours worked rose about 10 percent from January to July.

Because cotton is the dominant fiber used in textile manufacturing, cotton consumption is a valuable indicator of short-run changes in textile activity. Cotton had lost ground in textile manufacturing for a number of years prior to 1955 because of the increased use of man-made fibers. Since that time, however, it has held its own rather well, accounting for slightly less than two-thirds of total fiber consumption. The amount of cotton consumed can thus be used with greater confidence as an indicator of current textile activity now than was the case a few years ago.

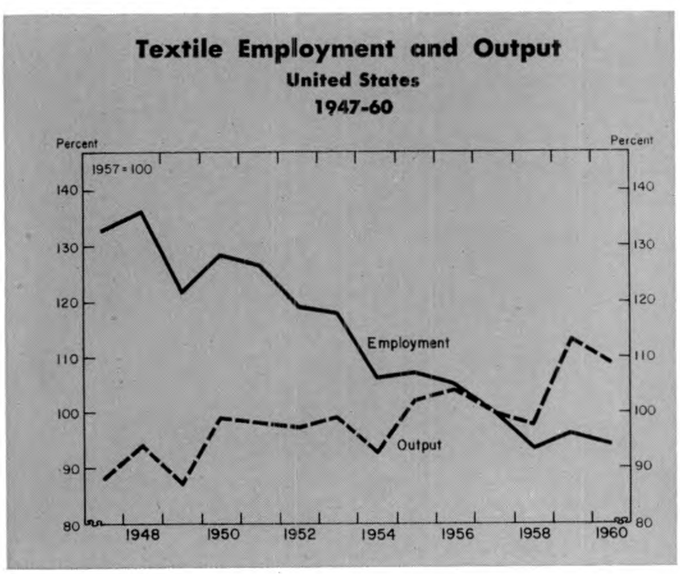
Recently, cotton consumption has turned upward, following a decline that started in early 1960 and continued throughout the year. From a low point reached in January, it had risen 13 percent by July 1961. Despite the sharp gain made by mid-year, however, cotton consumption still has a substantial distance to go before recovering the pre-recession level of early 1960.

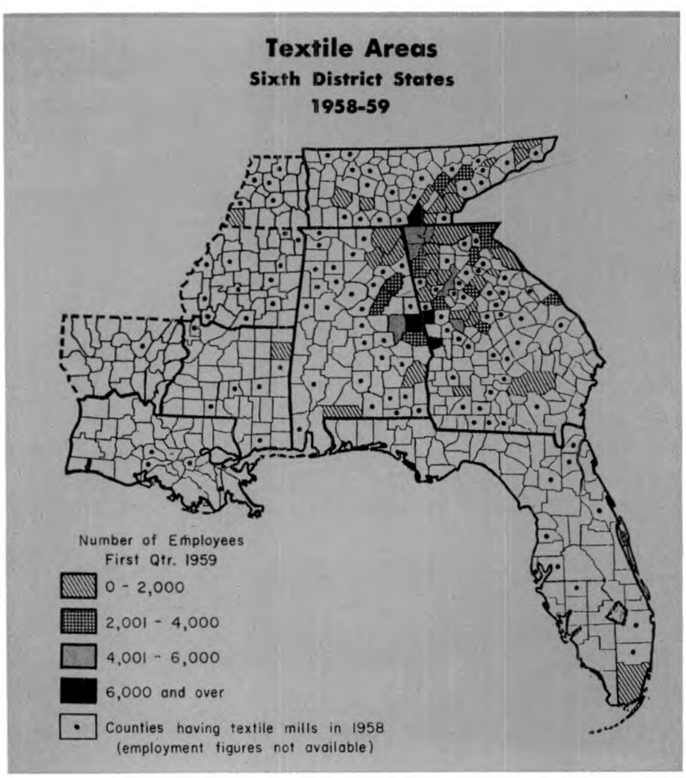
Textile mill employment also has a gap to close in recovering its pre-recession level, and if previous experience is a guide it may not succeed in doing so. Although a slight rise has occurred so far this year, a downward trend has been taking place over the years as more efficient machinery has come into use. Nationally, a similar development has been reflected in the sharply divergent trends in textile employment and output between 1947 and 1960, as shown in the chart below. Even though employment dropped about 29 percent in that thirteen-year period, output increased nearly 24 percent. Comparable output figures for the District are not available, but information from the periodic Censuses of Manufactures tells us that the use of more efficient machinery and a reduction in manpower are taking place here. Thus, between 1947 and 1958 textile employment dropped 13 percent while the value added to textile products by the manufacturing process in the District rose 9 percent. Employment and manhours worked, therefore, are likely to understate substantially the current level of textile activity in comparison with that of even a year ago. As the period of comparison is extended, of course, the understatement increases.

Figures on consumption of electricity by textile mills give further evidence of recovery in activity this year, as the index plotted in the first chart shows. This index, which is being developed by this Bank on an exploratory basis, increased 8 percent between January and May after allowance for seasonal adjustment. Just as figures on employment and manhours may understate activity, however, the increased use of machinery may cause the figures on electricity consumption to overstate it. Further experience with both sets of data should eventually enable us to draw more accurate inferences with regard to trends in textile activity. Whichever indicator is considered, there can be no doubt that textile activity has expanded substantially since the first of the year.

Areas Affected

The improvement has directly affected about 170,000 textile workers in this District and, of course, has indirectly affected an unknown number of people in other businesses. The direct effects from changes in the textile industry are concentrated to a large extent in the shaded areas of Georgia, Alabama, and Tennessee, shown on the map. The various degrees of shading are based on available





textile employment figures in mid-March 1959, as shown by old-age, survivors, and disability insurance information published by the U. S. Department of Commerce. The shaded areas account for about 75 percent of all District textile employment at that time, the latest period for which such information is available by counties. Of the remaining counties, those containing one or more textile establishments at the time of the 1958 Census of Manufactures are indicated by the small black dots.

Factors at Work

Since the nation serves as the market for our textile products, we can look to national figures to discern some of the factors behind the expansion in activity here. Undoubtedly of particular importance have been developments in the apparel market, which accounts for over 40 percent of textile fiber consumption in this country. From January to June, apparel manufacture expanded nearly 9 percent after allowance for seasonal changes. Other important markets that have shown increased activity are the manufacture of furniture and rugs and automobiles, which would particularly affect the output of tire cord and fabric and of upholstery. From a depressed level earlier in the year, output of automobiles experienced an especially sharp rise through June. On a much broader scale, the expansion of general manufacturing output has surely contributed to the rise in demand for textile products. Textile mill operators had, through June, expanded their production less than their sales had increased, a development that probably indicates they have been responding cautiously to an increase in current demand rather than to the mere anticipation of increased sales.

A look at developments in consumer spending indicates that such caution is understandable at this time. For a sustained rise in apparel manufacture to occur, we should look for a pickup in spending at the retail level, but in June sales at apparel stores were little changed from the first three months of the year. Furniture and home furnishings sales have shown some increase since February, but the rise has not matched the gain in the manufacture of furniture and rugs. Although automobile sales have increased sharply since early in the year, the question now on the minds of observers is, "Will the next few months bring still further gains?" Consumer spending at retail outlets has had a slight upward trend this year, but it may have to do even better to maintain the upward trend of textile activity.

PHILIP M. WEBSTER

Beginnings of Recovery in Alabama

Happily, the title of this article suggests that Alabama's recent economic slump can now be discussed in the past tense. Last summer's highs in output and employment have been about regained. For Alabama, as for the nation, the 1960-61 recession turned out to be the mildest of the postwar period. From the peak level recorded in July 1960 to March of this year, Alabama's nonagricultural employment declined, after seasonal adjustment, 2.5 percent, compared to a peak-to-trough drop of 3.8 percent during the 1957-58 recession. A look at the forces that shaped the saucer-like recession of 1960-61 may throw light on Alabama's present economic stance and indicate where the state is headed.

Sources of Decline

Alabama's economy weakened somewhat in late 1959 as a result of the steel strike. After recovering rapidly from the strike effects, activity inched up slowly and by midsummer had about regained its earlier peak. Declining steel orders threatened to hold down the economy during that half-year, but strength in other sectors was more than offsetting. The beginning of the recession in Alabama even trailed that of the nation by about two months.

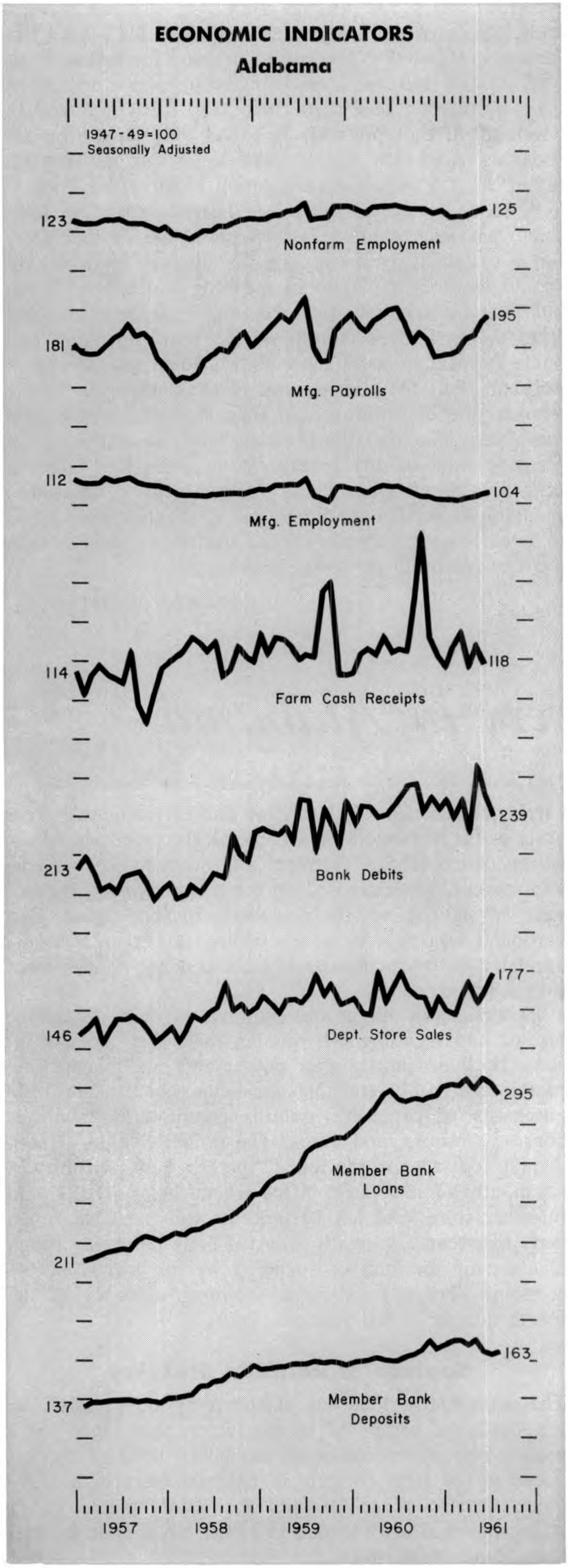
Declines in iron and steel production were an important element in Alabama's recession. During the recession period, employment reductions in Alabama's steel mills and iron foundries may have accounted for as much as one-fourth of the decline in total nonfarm employment. Reduced steel orders, moreover, accounted for declines in coal and iron mining activity.

The national recession reached Alabama's economy in other manufacturing industries, too. Slight-to-moderate employment declines in late 1960 and early this year were observed in fabricated metals, chemicals, processed foods, woven cotton fabrics, furniture and other wood products, and cement. Superimposed on these employment declines were substantial lay-offs of workers in ship repair. This particular weakness, however, was associated with factors unrelated to the national recession and has been evident over a longer period.

Reductions in output and employment normally reduce income and spending. No wonder, then, that personal income declined shortly after output and employment had passed their peaks and that consumers cut back on their purchases of expensive durable commodities, such as houses, furniture, and autos. The dollar volume of residential contract awards was 18 percent lower in the last six months of 1960 than in the second half of 1959, and furniture store sales fell 14 percent; auto sales weakened early this year. Seasonally adjusted bank debits—a rough measure of the rate of spending by all groups in the economy—began to show a declining tendency in the fourth quarter of last year.

Sources of Relative Stability

The comparative mildness of the recession in Alabama can partly be attributed to the factors that made for a modest national recession. In particular, since goods produced in the state compete in national markets, a fairly quick turnaround in demand for manufactured goods at the national level tended to arrest the decline in Alabama's manufacturing.



Certain stabilizing tendencies internal to Alabama's economy reinforced the national factors. While employment was off in other sectors, state and local governments provided opportunities to workers at an increasing rate as they responded to expanding needs for state and municipal services. Judging from announced intentions and construction contract award data, the former high rate of plant expansion probably was not interrupted during the recession months. Public utility construction was also strong. Total non-residential contract awards thus measured 43 percent higher during the twelve months ended June this year than in the previous twelve months.

Despite declines in furniture and auto sales, total retail sales were higher during the recession months than in the comparable period a year earlier. The rate of increase in retail spending, however, declined substantially. Farm income, as measured by cash receipts, remained stable over the recession as year-to-year gains in livestock receipts about offset moderate declines in receipts from crop sales.

Because of stabilizing tendencies, certain parts of Alabama were more immune to the recession than others. Differences within the state reflect dissimilarities in economic structure. Montgomery, for example, showed more resilience than such industrial centers as Birmingham, Anniston, and Gadsden because of the greater relative importance of nonmanufacturing activity there. Another city that apparently was little affected by the recession was Huntsville, where business continued to be boosted by activity at the Redstone Arsenal.

How Strong Will Recovery Be?

Just as weakening in steel production in early 1960 preceded the over-all economic decline in Alabama, new orders prompted recovery in the steel industry about four months before gains in the total economy were detectable. Manufacturing payrolls, seasonally adjusted, rebounded sharply in April. In May, seasonally adjusted nonfarm employment and, according to the University of Alabama's Bureau of Business Research, industrial production began to rise. Retail sales seemed to be on the upsurge again in May and June.

What are the short-run prospects for further economic gains in Alabama? The state's manufacturing sector, where output responds sensitively to national business conditions, may very well mirror the national recovery in the coming months. According to industry sources, there will probably be further gradual improvements in most lines of steel. Rail production—for which Alabama mills have considerable capacity—may be an exception. Cement production could be strengthened by anticipated highway programs. With shipbuilding and repair activity already at relatively low levels, we may not see a dampening influence on Alabama's economy from further declines there.

In farming, on the other hand, not all parts of the picture are bright. Because of heavy rains in North Alabama, the state's production of cotton in 1961 is expected to decline about 15 percent from last year's level. The effect on total farm cash receipts should nevertheless be small.

Continued on Page 6

Directors of Federal Reserve Bank of Atlanta and Branches

Each Federal Reserve Bank has nine directors: three Class A and three Class B, who are elected by the member banks, and three Class C, who are appointed by the Board of Governors of the Federal Reserve System. Class A directors are representative of the member banks. Class B directors may not be officers, directors, or employees of any bank and must be actively engaged in their district in commerce, agriculture, or some industrial pursuit. Class C directors may not be officers, directors, employees, or stockholders of a bank. One Class C director is designated by the Board of Governors as Chairman of the Board of Directors and Federal Reserve Agent and one as Deputy Chairman. Federal Reserve Bank branches have either five or seven directors; a majority are appointed by the board of directors of the parent Federal Reserve Bank and the others by the Board of Governors. One of the directors appointed by the Board at each branch is designated annually as Chairman of the Board.

Following is a current list of the directors of the Federal Reserve Bank of Atlanta and its branches. The list shows the name of each director, his principal business affiliation, the class of directorship, and the date when his term expires.

FEDERAL RESERVE BANK OF ATLANTA

			Term Expires December 31
Class C:	Walter M. Mitchell[1]	Vice President, The Draper Corporation, Atlanta, Ga.	1961
	J. M. Cheatham	President, Dundee Mills, Griffin, Ga.	1962
	H. G. Chalkley, Jr.[2]	President, Sweet Lake Land & Oil Company, Inc., Lake Charles, La.	1963
Class B:	Donald Comer	Chairman, Avondale Mills, Birmingham, Ala.	1961
	McGregor Smith	Chairman, Florida Power & Light Company, Miami, Fla.	1962
	W. Maxey Jarman	Chairman, Genesco, Inc., Nashville, Tenn.	1963
Class A:	William C. Carter	Chairman and President, Gulf National Bank of Gulfport, Gulfport, Miss.	1961
	M. M. Kimbrel	Chairman, First National Bank, Thomson, Ga.	1962
	George S. Craft	President, Trust Company of Georgia, Atlanta, Ga.	1963

BIRMINGHAM BRANCH

Appointed by Board of Governors:		
John E. Urquhart[1]	Chairman, Woodward Iron Company, Woodward, Ala.	1961
Jack W. Warner	Chairman and President, Gulf States Paper Corporation, Tuscaloosa, Ala.	1962
Selden Sheffield	Cattleman, Farview Farm, Greensboro, Ala.	1963
Appointed by Federal Reserve Bank:		
George W. Hulme	Senior Vice President, The First National Bank of Alexander City, Alexander City, Ala.	1961
Marshall Dugger	Vice President and Cashier, The First National Bank in Tuscumbia, Tuscumbia, Ala.	1961
R. J. Murphy	Executive Vice President, Citizens-Farmers & Merchants Bank, Brewton, Ala.	1962
Frank A. Plummer	Chairman and President, Birmingham Trust National Bank, Birmingham, Ala.	1963

JACKSONVILLE BRANCH

Appointed by Board of Governors:		
Harry T. Vaughn	President, United States Sugar Corporation, Clewiston, Fla.	1961
Claude J. Yates[1]	Vice President and General Manager, Southern Bell Telephone & Telegraph Company, Jacksonville, Fla.	1962
Dr. J. Ollie Edmunds	President, Stetson University, DeLand, Fla.	1963
Appointed by Federal Reserve Bank:		
Roger L. Main	Chairman, Jacksonville Expressway Authority, Jacksonville, Fla.	1961
A. L. Ellis	Chairman, First National Bank in Tarpon Springs, Tarpon Springs, Fla.	1961
Leonard A. Usina	Chairman, Peoples National Bank of Miami Shores, Miami Shores, Fla.	1962
Godfrey Smith	President, Capital City National Bank of Tallahassee, Tallahassee, Fla.	1963

NASHVILLE BRANCH

Appointed by Board of Governors:		
V. S. Johnson, Jr.	Chairman and President, Aladdin Industries, Inc., Nashville, Tenn.	1961
Dr. Andrew D. Holt[1]	President, University of Tennessee, Knoxville, Tenn.	1962
W. N. Krauth	President and General Manager, Colonial Baking Company, Nashville, Tenn.	1963
Appointed by Federal Reserve Bank:		
Clarence A. Whelchel	President, First Farmers & Merchants National Bank, Columbia, Tenn.	1961
W. E. Newell	President, The First National Bank of Sullivan County, Kingsport, Tenn.	1961
D. L. Earnest	President, Blount National Bank, Maryville, Tenn.	1962
D. W. Johnston	Executive Vice President, Third National Bank in Nashville, Nashville, Tenn.	1963

NEW ORLEANS BRANCH

Appointed by Board of Governors:		
Gerald L. Andrus	President, New Orleans Public Service Inc., New Orleans, La.	1961
J. O. Emmerich[1]	Editor, *State Times,* Jackson, Miss.	1962
Frank A. Godchaux, III	Vice President, Louisiana State Rice Milling Co., Inc., Abbeville, La.	1963
Appointed by Federal Reserve Bank:		
W. P. McMullan, Sr.	Chairman, Deposit Guaranty Bank & Trust Co., Jackson, Miss.	1961
Wallace M. Davis	President, The Hibernia National Bank in New Orleans, New Orleans, La.	1961
Frank A. Gallaugher	President, Jeff Davis Bank & Trust Company, Jennings, La.	1962
Giles W. Patty	President, First National Bank in Meridian, Meridian, Miss.	1963

[1]Chairman [2]Deputy Chairman

Continued from Page 4

Recovery has not lifted all woe from Alabama's nonfarm economy either. Certain parts of the state show evidence of long-run unemployment problems. For example, although the number of idle workers has been reduced from the recession high, the rate of unemployment in June was above 9 percent in Anniston and Gadsden. Unemployment had been high in those areas even before the recession.

Can jobs be found for most of these workers? As elsewhere in the nation, the answer depends to a large extent on how readily workers increase their skills and mobility under the pressures of automation and shifting demands. If the large number of recent announcements of plant building and expansion in Alabama is a realistic indication of industrial growth now and in the near future, many new job opportunities will become available for Alabamians.

ALBERT A. HIRSCH

This is one of a series of articles in which economic developments in each of the Sixth District states are discussed. Developments in Mississippi's economy were analyzed in the August REVIEW, *and a discussion of Tennessee's economy is scheduled for the November issue.*

Bank Announcement

The Farmers and Merchants Bank, Breaux Bridge, Louisiana, a nonmember bank, began to remit at par on August 10 for checks drawn on it when received from the Federal Reserve Bank. Officers are Emile Girard, President; Martin Begnaud, Executive Vice President; W. O. Clause and Regis LaGrange, Vice Presidents; Thomas J. Periou, Cashier; and Lucille L. Castille, Lucille Badeaux, Grady Dupre, and Thomas O. Guidry, Assistant Cashiers. Capital totals $150,000, and surplus and undivided profits, $313,292.

Department Store Sales and Inventories*

	Percent Change				
	Sales			Inventories	
	July 1961 from		7 Months	July 31, 1961 from	
Place	June 1961	July 1960	1961 from 1960	June 30 1961	July 31 1960
ALABAMA	—2	—1	—1	—3	—3
Birmingham	+0	+1	—2	—3	—1
Mobile	—9	—3	—0	..	..
Montgomery	+2	—6	—8	..	..
FLORIDA	—6	+4	+5	—3	+3
Daytona Beach	—5	—5	—3	..	..
Jacksonville	—1	+4	+6	—2	+21
Miami Area	—8	+6	+6	..	..
Miami	—2	+3	—6	..	..
Orlando	—6	—3	—3	..	..
St. Ptrsbg-Tampa Area	—3	+0	—2	—7	—14
GEORGIA	—1	+1	—2	+1	+1
Atlanta**	+3	+5	—2	+0	+1
Augusta	—14	—5	+1	..	..
Columbus	—12	—9	—2	—1	—1
Macon	—5	—8	—3	+4	—3
Rome**	—15	—6	—3	..	..
Savannah	—9	—6	—7	..	..
LOUISIANA	—6	—1	—1	—8	—7
Baton Rouge	—12	+2	+2	+1	+6
New Orleans	—5	—1	—1	—11	—10
MISSISSIPPI	—3	—5	—4	+6	—5
Jackson	—1	—7	—6	+5	—6
Meridian**	—7	+0	—1	..	..
TENNESSEE	—4	—5	—3	+19	+7
Bristol-Kingsport-Johnson City**	—17	—7	+0	+0	+0
Bristol (Tenn. & Va.)**	—19	—14	—3	..	..
Chattanooga	—8	—5	—1	..	..
Knoxville	+3	—2	—6	..	..
DISTRICT	—4	+0	+0	—1	—0

*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		
				July 1961 from		Year-to-date 7 Months
	July 1961	June 1961	July 1960	June 1961	July 1960	1961 from 1960
ALABAMA						
Anniston	41,553	45,325	42,305	—8	—2	+2
Birmingham	804,495	849,177	826,752	—5	—3	+2
Dothan	35,782	38,678	33,104	—7	+8	+7
Gadsden	33,576	35,487	35,979	—5	—7	—5
Huntsville*	67,183	69,754	59,015	—4	+14	+12
Mobile	285,471	313,895	279,471	—9	+2	+2
Montgomery	172,116	172,592	149,997	—0	+15	+6
Selma*	22,617	26,263	21,994	—14	+3	+2
Tuscaloosa*	55,209	60,634	52 034	—9	+6	+4
Total Reporting Cities	1,518,002	1,611,805	1,500,651	—6	+1	+3
Other Cities†	720,374	748,755	683,782r	—4	+5	+2
FLORIDA						
Daytona Beach*	56,398	53,114	59,630	+6	—5	—4
Fort Lauderdale*	190,659	200,569	187,810	—5	+2	—2
Gainesville*	39,486	43,019	43,462	—8	—9	+0
Jacksonville	756,086	833,265	783,739	—9	—4	+1
Key West*	15,619	16,769	14,300	—7	+9	+7
Lakeland*	76,701	83,100	71,392	—8	+7	+4
Miami	826,162	863,841	833,401	—4	—1	+2
Greater Miami*	1,238,697	1,298 032	1,232,037	—5	+1	+2
Orlando	253,877	253,640	237,163	+0	+7	—2
Pensacola	82,026	85,773	84,322	—4	—3	—3
St. Petersburg	214,586	218,542	211 036	—2	+2	—4
Tampa	394,587	427,776	384,284	—8	+3	+0
W. Palm-Palm Bch.*	140,461	143,747	117,589	—2	+19	+8
Total Reporting Cities	3,459,183	3,657,346	3,426,764	—5	+1	+1
Other Cities†	1,533,538	1,600,203	1,487,726r	—4	+3	+3
GEORGIA						
Albany	51,099	52,343	50,955	—2	+0	+1
Athens*	44,138	45,879	40,651	—4	+9	+6
Atlanta	2,171,330	2,184,965	2,018,820	—1	+8	+3
Augusta	119,037	113,162	109,182	+5	+9	+1
Brunswick	26,621	27,361	24,713	—3	+8	+8
Columbus	109,972	112,862	103,255	—3	+7	+5
Elberton	8,630	8,829	10,698	—2	—19	—7
Gainesville*	49,234	50,343	50 262	—2	—2	+2
Griffin*	18,816	19,963	17,377	—6	+8	+3
LaGrange*	15,821	17,180	21,198	—8	—25	—14
Macon	121,777	126,664	119,024	—4	+2	+1
Marietta*	32 889	34,765	32,694	—5	+1	+1
Newnan	20,251	21,878	18,961	—7	+7	+1
Rome*	45,525	47,331	47,813	—4	—5	+2
Savannah	172,050	158,964r	171,308r	+8	+0	—6
Valdosta	35,527	33,132	34,121	+7	+4	+1
Total Reporting Cities	3,042,717	3,055,621r	2,871,032r	—0	+6	+2
Other Cities†	946,427	977,643r	894,493r	—3	+6	+5
LOUISIANA						
Alexandria*	67,136	70,000	71,566	—4	—6	—6
Baton Rouge	258,177	262 204	265,618	—2	—3	—5
Lafayette*	62,520	60,137	59,733	+4	+5	+2
Lake Charles	81,327	79,661	78,641r	+2	+3	—6
New Orleans	1,319,839	1,429,291	1,307,356	—8	+1	—0
Total Reporting Cities	1,788,999	1,901,293	1,782,914r	—6	+0	—1
Other Cities†	517,331	534,687	499,584r	—3	+4	—0
MISSISSIPPI						
Biloxi-Gulfport*	52,419	54,458	49,978	—4	+5	+7
Hattiesburg	38,408	37,897	38 876	+1	—1	—0
Jackson	308,903	308,490	323,673	+0	—5	+6
Laurel*	29,159	29,629	26,393	—2	+10	—1
Meridian	45,333	44,617	42,067	+2	+8	+1
Natchez*	21,528	23,220	21,820	—7	—1	—2
Vicksburg	21,985	22,414	19,306	—2	+14	+7
Total Reporting Cities	517,735	520,725	522,113	—1	—1	+5
Other Cities†	286,188	290,562	272,713r	—2	+5	—1
TENNESSEE						
Bristol*	48,512	51,405	46,632	—6	+4	+7
Chattanooga	335,828	350,040	304,902	—4	+10	+2
Johnson City*	41,536	43,917	43,225	—5	—4	—3
Kingsport*	87,614	95,281	86,911	—8	+1	+1
Knoxville	255,435	260,566	238,413	—2	+7	+5
Nashville	833,330	782,480	706,915	+6	+18	+7
Total Reporting Cities	1,602,255	1,583,689	1,426,998	+1	+12	+5
Other Cities†	587,676	575,053	542,182r	+2	+8	+6
SIXTH DISTRICT	16,520,425	17,057,382r	15,910,952r	—3	+4	+2
Reporting Cities	11,928,891	12,330,479r	11,530,472r	—3	+3	+2
Other Cities†	4,591,534	4,726,903r	4,380,480r	—3	+5	+3
Total, 32 Cities	10,233,268	10,555,811r	9,888,357r	—3	+3	+0
UNITED STATES						
344 Cities	247,657,000	271,830,000r	223,539,000	—9	+11	+8

*Not included in total for 32 cities that are part of the national debit series maintained by the Board of Governors. †Estimated. r Revised.

Sixth District Indexes

Seasonally Adjusted (1947-49 = 100)

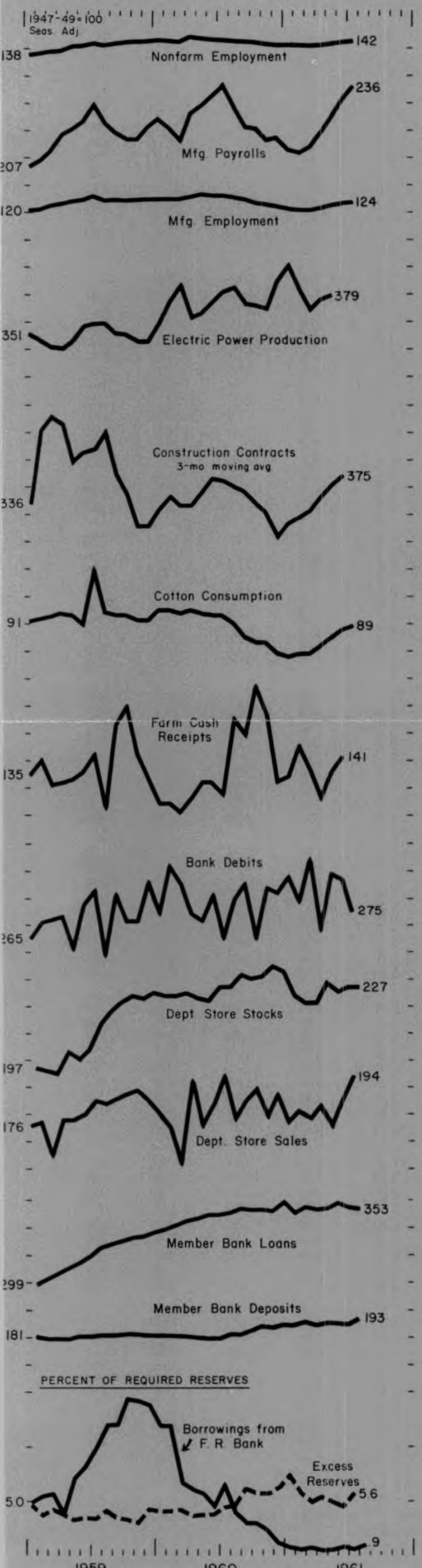
	1960							1961						
SIXTH DISTRICT	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY	JUNE	JULY
Nonfarm Employment	143	143	143	143	142	142	141	142	141	141	141	142	142	142
Manufacturing Employment	126	126	125	124	123	122	122	121	121	121	121	122	123	124
Apparel	198	199	196	193	188	188	189	187	187	186	190	191	193r	199
Chemicals	138	137	137	132	131	131	133	133	133	134	135	135	136	135
Fabricated Metals	196	196	197	193	190	188	189	191	189	184	185	185	185	186
Food	117	117	117	120	119	117	116	118	118	118	118	117	118	117
Lbr., Wood Prod, Fur. & Fix.	79	78	78	77	76	76	75	73	73	73	74	74	74	74
Paper	167	169	166	167	166	165	164	163	164	165	166	167	167r	168
Primary Metals	99	97	95	91	92	88	89	86	87	86	87	91	92	93
Textiles	88	89	88	87	86	85	85	84	84	83	84	84	85	85
Transportation Equipment	205	197	199	199	205	185	190	191	190	183	187	188	191	193
Nonmanufacturing Employment	151	150	150	150	150	150	149	150	150	149	149	150	150	150
Manufacturing Payrolls	233	236	228	221	220	217	218	213	212	214	220	225	232	236
Cotton Consumption**	93	93	90	85	83	83	79	78	79	79	82	85	88	89
Electric Power Production**	375	382	385	373	372	369	390	401	383	368	376	379	391	n.a.
Petrol. Prod. in Coastal Louisiana & Mississippi**	220	220	221	223	232	233	250	239	237	241	244	253r	252r	242
Construction Contracts*	371	370	361	353	337	322	286	307	313	323	344	361	375	n.a.
Residential	387	376	367	362	364	305	300	286	326	341	361	392	416	n.a.
All Other	359	365	357	346	316	336	276	324	303	309	330	337	341	n.a.
Farm Cash Receipts	132	127	155	149	167	156	132	134	145	136	126	136	141	n.a.
Crops	98	83	147	134	157	131	94	97	123	104	99	113	117	n.a.
Livestock	192	194	189	188	186	201	199	191	191	205	189	192	191	n.a.
Department Store Sales */**	184	194	178	185	189	179	187	177	181	178	183	175	185	194
Department Store Stocks*	227	227	232	230	231	235	233	224	221	221	229	225	227	227
Furniture Store Sales*/**/***	147r	144r	137r	139r	138r	133r	134	127r	130r	134r	135r	129r	130r	135p
Member Bank Deposits*	180	183	183	185	188	188	189	189	192	189	191	191	189	193
Member Bank Loans*	349	351	354	353	353	352	359	351	355	353	354	357	355	353
Bank Debits*	281	265	279r	284r	265	283r	282	287r	279	293r	268	288r	287	275
Turnover of Demand Deposits*	159	162	167	158	152	153	151	162	156	155	146	165	154	162
In Leading Cities	183	179	190	175	159	162	163	176	168	167	164	183	175	179
Outside Leading Cities	119	129	124	120	113	111	119	125	116	122	111	127	119	129
ALABAMA														
Nonfarm Employment	126	126	126	125	125	125	124	125	123	123	123	124	125	125
Manufacturing Employment	108	108	107	105	103	103	102	101	101	101	102	102	103	104
Manufacturing Payrolls	199	200	192	182	187	183	175	175	175	177	183	185	191r	195
Department Store Sales**	171	178	170	166	166	155	165	158	156	166	173	163	168	177
Furniture Store Sales***	129r	125r	117r	117	117r	111r	113r	103r	106r	112r	124r	101	112r	111
Member Bank Deposits	159	160	162	164	169	165	167	169	170	167	169	163	162	163
Member Bank Loans	293	291	293	292	293	294	299	300	299	303	298	304	301	295
Farm Cash Receipts	123	124	123	150	182	130	121	115	126	133	115	126	118	n.a.
Bank Debits	244	233	255	255	241	249	243	247	238	248	231	264	251	239
FLORIDA														
Nonfarm Employment	202	202	202	202	201	201	201	200	200	200	200	202	203	203
Manufacturing Employment	209	208	208	208	207	207	208	206	207	209	209	211	213	215
Manufacturing Payrolls	392	407	403	392	399	384	384	368	374	373	392	406	414	442
Department Store Sales**	264	278r	263	256	261	268	276	264	264	287	269	263	277	290
Furniture Store Sales***	174r	173r	178r	171r	164r	158r	158r	154r	155r	161r	156	151r	155r	162
Member Bank Deposits	236	242	240	241	246	248	250	247	252	247	248	250	247	253
Member Bank Loans	553	557	564	560	561	551	560	550	556	556	550	559	555	553
Farm Cash Receipts	187	204	270	248	212	196	232	266	264	197	227	244	257	n.a.
Bank Debits	431	389r	427	418	405	420	413	414	396	413	377	421	428	396
GEORGIA														
Nonfarm Employment	136	136	135	135	135	134	134	134	134	133	134	134	134	134
Manufacturing Employment	123	123	123	121	121	118	119	117	116	116	117	118	118r	119
Manufacturing Payrolls	223	228	220	213	211	205	205	199	200	203	205	215	217	222
Department Store Sales**	164	175	159	168	172	158	164	157	155	166	155	166	166	175
Furniture Store Sales***	141r	133r	129r	136r	133r	131r	130r	124r	131r	138r	132	133r	133r	136
Member Bank Deposits	160	161	164	166	170	169	170	169	173	172	172	175	173	176
Member Bank Loans	275	278	286	288	286	291	289	285	292	292	290	292	291	289
Farm Cash Receipts	150	125	215	160	204	120	148	144	152	171	149	144	147	n.a.
Bank Debits	262r	251r	257r	273r	249r	257r	256r	263r	254r	266r	244r	266r	269r	266
LOUISIANA														
Nonfarm Employment	131	131	130	129	129	128	128	129	129	128	128	129	128	127
Manufacturing Employment	95	96	95	94	94	93	93	92	91	92	91	91	90	90
Manufacturing Payrolls	181	182	181	173	170	168	175	177	173	177	180	179	179r	177
Department Store Sales*/**	161	159	152	148	151	140	155	151	151	155	149	149	157	157
Furniture Store Sales*/***	185r	184r	157r	161	170r	160r	166r	163r	152	147r	158r	165r	159r	164
Member Bank Deposits*	158	161	159	164	163	164	166	165	167	163	169	166	167	172
Member Bank Loans*	334	335	334	332	329	323	331	319	322	314	331	324	326	327
Farm Cash Receipts	119	102	91	113	115	137	113	93	103	104	98	105	112	n a.
Bank Debits*	242	216	230	250	212	225	234	210	207	234	213	230	246	218
MISSISSIPPI														
Nonfarm Employment	135	135	134	135	135	135	134	137	136	136	136	137	136	137
Manufacturing Employment	136	135	134	132	132	133	131	130	129	130	132	134	135	136
Manufacturing Payrolls	257	256	250	238	242	239	240	244	237	241	244	243	256	263
Department Store Sales*/**	177	178r	153	149	158	151	164	149	146	154	157	153	165	169
Furniture Store Sales*/***	99r	109r	94r	106r	108r	99r	102r	95r	100r	108r	95r	85r	91r	112p
Member Bank Deposits*	197	198	194	196	204	199	209	204	205	207	208	210	208	207
Member Bank Loans*	431	433	425	431	431	433	460	442	446	442	449	455	451	446
Farm Cash Receipts	97	104	98	121	141	162	136	86	99	116	90	99	99	n.a.
Bank Debits*	245	243	255	253	242	258	254	238	234	256	236	243	256	246
TENNESSEE														
Nonfarm Employment	127	127	127	126	126	125	124	124	124	124	124	125	126r	126
Manufacturing Employment	127	128	127	128	126	124	123	123	123	123	123	124	125	125
Manufacturing Payrolls	229	230	231	224	221	218	217	215	216	216	222	224	230r	228
Department Store Sales*/**	155	167	151	157	164	156	157	147	154	151	147	141	152	157
Furniture Store Sales*/***	104r	103r	96r	98r	99r	100r	94r	85r	95r	98r	100r	91r	84r	90
Member Bank Deposits*	165	170	167	166	171	169	170	170	176	176	175	174	175	179
Member Bank Loans*	309	313	314	311	313	314	328	315	319	310	311	315	312	313
Farm Cash Receipts	102	109	113	106	122	143	86	96	99	99	101	96	101	n.a.
Bank Debits*	238	230	240	238	224	247	236	248	243	255	233	258	255	256

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

**Daily average basis. ***Revisions reflect new seasonal factors.

Sources: Nonfarm and mfg. emp. and payrolls, state depts. of labor; cotton consumption, U.S. Bureau of 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.

DISTRICT BUSINESS CONDITIONS



Unevenness continues to mark the pace of economic recovery among the District states and their 29 metropolitan areas. But taking the region as a whole, there has been a decided pickup in activity from the recession low, after allowance for seasonal variation. Manufacturing activity has improved further in recent months, and consumers have begun to spend somewhat more freely.

The employment trend in most District states has been upward since March, but the rate of gain has varied. Florida has shown the largest increase, while Alabama, Tennessee, Mississippi, and Georgia have experienced more modest gains through July. Louisiana's employment has declined slightly.

Widespread gains in manufacturing employment during July were responsible for a further rise in total nonfarm employment; employment in nonmanufacturing activities changed little. Reflecting the rise in manufacturing employment, payrolls reached a record high. The work week, which had lengthened substantially through June, held steady in July. The number of construction jobs increased in all District states except Georgia, where a labor dispute caused a small decline. Recent increases in construction contracts, particularly in Florida, Alabama, and Georgia, may herald further employment gains.

Favorable developments have boosted the farm economy in this part of the South. Good weather in most places improved crops and pastures, spurred harvests, and hastened preparation for fall plantings. Thanks to increased marketings and higher prices received for most products, farm cash receipts reached a record high in the first six months of this year, compared with that period of other years.

With the improvement in incomes, consumers have increased their spending. Department store sales, after reaching an all-time high in July, declined in August, according to preliminary figures, but remained above sales in earlier months of the year. The July gains were shared by almost all major District cities. Sales at furniture stores continued to increase at better-than-seasonal rates, although they still remained below previous records. Recent gains have been highest in Alabama, Georgia, and Mississippi. In June, sales tax collections, which are a more comprehensive indicator of spending, maintained an earlier improvement. Retail sales at firms with one to ten outlets showed a slight gain.

Consumers also appear to be buying more on credit. Instalment credit at commercial banks increased more than seasonally in July for the first time since the onset of the last recession. Figures for extensions of new loans for automobiles were especially impressive, and borrowing for purchases of other consumer goods showed signs of picking up. At the same time, the recent rise in consumer savings appeared to be tapering off.

There has as yet been no pickup in loan demand at District member banks. In the Tampa-St. Petersburg, Anniston-Gadsden, and Augusta areas, banks have increased their loans, seasonally adjusted, in recent months, but in most other areas they have shown a sideways trend. Total member bank deposits, seasonally adjusted, increased sharply in July, following two months of declines. Most areas have experienced a moderately rising deposit trend over the first seven months of the year.