SIXTH · FEDERAL · RESERVE · DISTRICT

Monthly Review

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Also in this issue:

Federal Reserve Bank of Atlanta

Workers Leave Southern Farms

"Mechanical cotton pickers have become a boon to growers, but they are throwing hundreds of field hands out of work," reported a local newspaper recently. No clearer observation can be made about the South's present farm labor scene. Following World War II, increased farm mechanization hastened changes in agriculture, and the foremost of these was a cutback in the labor force. Between 1950 and 1960, total farm employment in District states shrank from an average of 1,738,000 workers to 1,083,000, or 38 percent. This decline suggests that farm workers must have changed both jobs and residences. Because future adjustments in the farm labor force will influence Southern economic growth, this pattern of change is of great significance.

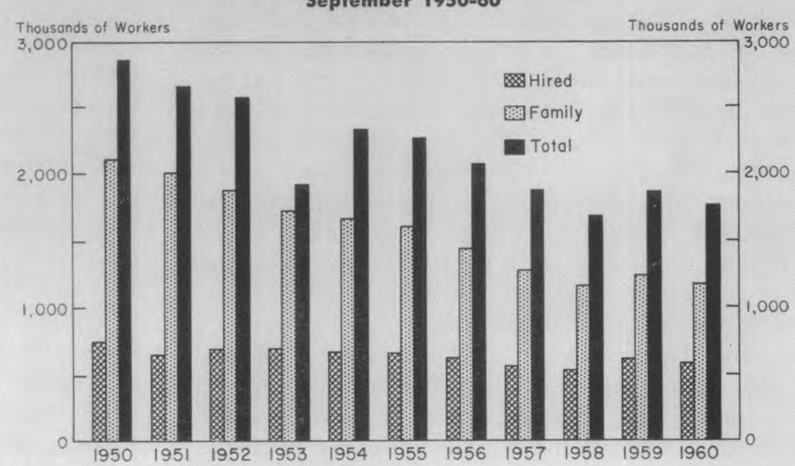
Exodus Is Widespread

Total farm employment declined during the Fifties in all District states because there was a great loss of family workers. From 1950 to 1960 the number of these workers employed in September, when the farm work force reaches a peak, fell 43 percent. The contraction was greatest in areas where family labor figures prominently on small farms. As small units were abandoned or consolidated and the harvest operations for cotton and other crops were more completely mechanized, these workers were forced to seek other jobs. They also found it necessary to leave farms as cash cropping, heavily dependent upon labor, declined and livestock production increased.

Although many workers left because individually owned and operated small farms closed down, a number of them did so because farm tenancy was waning. This downtrend in tenancy—especially pro-

Workers on Farms in Sixth District States

September 1950-60

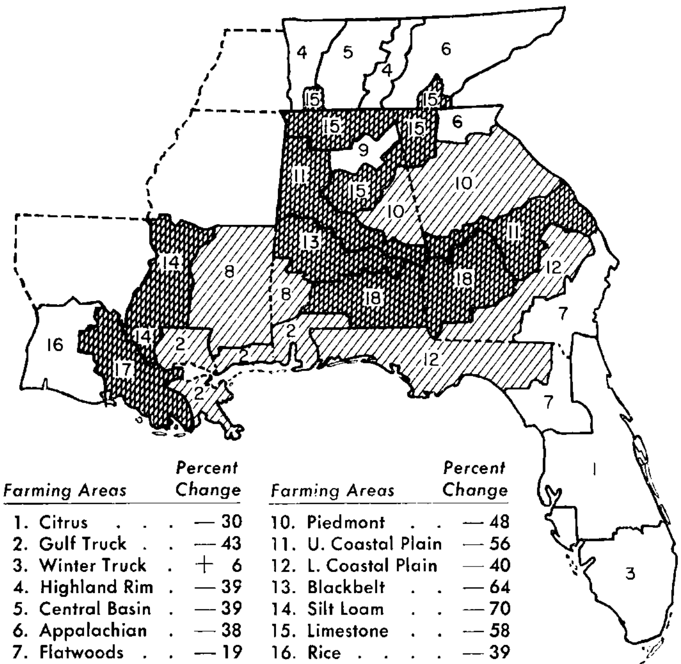


Source: United States Department of Agriculture.

Unpaid Farm Family Members Working 15 or More Hours, Sixth District

Percent Decrease, 1959 from 1954

55% or More 40% to 54% 39% or Less



Farming Areas	Percent Change	Farming Areas	Percent Change
1. Citrus	—30	10. Piedmont	—48
2. Gulf Truck	—43	11. U. Coastal Plain	—56
3. Winter Truck	+ 6	12. L. Coastal Plain	—40
4. Highland Rim	—39	13. Blackbelt	—64
5. Central Basin	—39	14. Silt Loam	—70
6. Appalachian	—38	15. Limestone	—58
7. Flatwoods	—19	16. Rice	—39
8. Ala.-Miss. Timber	—46	17. Sugar Cane	—71
9. Sand Mountain	—54	18. Peanut	—60

nounced in the Piedmont, Silt Loam, Limestone, and Peanut areas—reflects a notable decrease in the number of Negro families operating farms.

The reduction in the region's hired farm work force was less pronounced than in family workers, but it was significant nonetheless. Between 1950 and 1960 the number of hired workers declined 17 percent. In the Silt Loam and Limestone areas, however, the number actually increased as some farm owners substituted hired labor for tenant families.

Farm Labor Moves to Small Urbanized Areas

Where did the people leaving the Southeast's farm labor force go, and what types of jobs did they take? Many of them, both white and Negro, moved to rural nonfarm and urban areas, judging from data in the 1950 and 1960 Censuses of Population. In 1950, less than half of the District's people lived in places with more than 2,500 inhabitants. By 1960, the ratio had increased to 60 percent. In each state, urban areas generally grew at the expense of smaller places and rural areas.

When farm labor moved to the nonfarm economy, it did not necessarily gravitate to large urban centers. Large gains in population did occur in places with population of 50,000 or more, but there were also marked increases in places with 10,000 to 25,000 inhabitants.

White and Negro workers leaving farms evidently flowed into certain areas in disproportionate numbers, according to changes in total population between 1950 and 1960. Many Negroes moved into small- and medium-size cities, if changes in the ratio of nonwhite to white residents there are any indication. This ratio increased significantly in 29 such cities in District states and in four large cities. Negroes also tended to move from rural areas into small communities having 1,000 to 2,500 inhabitants. Both Negro and white farm workers, of course, migrated to other regions in the nation.

Lacking industrial training, farm workers, white and Negro, naturally sought work in nonfarm industries that utilize large numbers of semiskilled and unskilled workers. The latest available occupation data, obtained from the 1950 Census of Population, indicate that such workers are most numerous in the mining, construction, lumber and furniture, food, and textile industries, in wholesale and retail trade activities, and in service work for public agencies and private households. These industries are not only found in large cities, but also in numerous small- and medium-size ones throughout the Southeast.

Workers migrating from farms no doubt found employment opportunities as operatives and kindred workers. This class of employment ranks first in importance for white workers and second for Negroes, according to the 1950 Census of Population. It includes jobs in garages, laundries, trucking companies, and sawmills. Because employment in the crafts—carpentry, electrical installation and repair, painting, plumbing—is second in importance for white workers, some farm labor presumably found jobs in those specialties. White farm migrants also may have taken jobs as service workers and laborers.

We can infer from the Census data that Negro workers found their principal job opportunities as household workers, as operatives and kindred workers, and as laborers in the wood processing, chemicals, construction, and stone, clay, and glass industries. Some also became craftsmen—principally automobile repairmen, painters, masons, plasterers, and carpenters.

Future Movement

The adjustments that occurred in the farm labor force during the Fifties are likely to continue throughout the next decade, a prospect that has great meaning for the Southeast's economic growth. As farmers continue to enlarge their enterprises and as small farms are consolidated, the downtrend in total employment will continue, although at a lesser rate. This in turn will stimulate farming technology and ultimately increase productivity and income in farm and nonfarm economies.

Changes in farm employment reflect a reasonable degree of labor and job mobility among farm workers. Although these workers have not always moved into nonfarm pursuits painlessly, they have flowed to places where their labor could be used profitably. Job opportunities for displaced farm workers may increase in rural places as the national Rural Development Program gains headway. Congress recently gave the Program new impetus when it passed the Area Redevelopment Act.

Workers will be needed in the future, as in the past, by industries that have traditionally offered employment to semiskilled or unskilled farm labor. As these industries absorb underemployed or displaced white and Negro farm workers, the region's economy will be strengthened and its further growth assured.

Arthur H. Kantner

Migratory Farm Labor in the South's Economy

The Need for Seasonal Workers Expands in Florida

The move from farm to city during the past decade, discussed in the first article, involved mainly small farm operators and tenants and their families. Statistics show that very few hired workers left farms, and this is in part because the number of migratory workers was maintained and even increased in some areas. Migratory laborers are people who move about performing seasonal farm jobs, mainly harvesting perishable farm crops such as tomatoes, strawberries, and oranges. There are about 85,000 such workers employed each year on District farms. Their average annual earnings are under $700, less than half of the region's per capita income. It is difficult to understand why these people are willing to work for such low wages when wages in general have risen strikingly in recent years. It is surprising too that such a large number of these workers should be employed in a farming system that is mechanizing at so rapid a pace. No doubt the explanations of these enigmas can be found if we look a little closer at migrant workers and their economic position.

The Migrant Worker

Characteristics The region's migrant farm work force is largely made up of Negroes, most of whom were born and reared in the Southeast, and some Mexicans from the South Central states. As their name implies, migrants are always moving, seldom staying in one place longer than three or four months. Most of them are uneducated farm tenants who have been displaced by farm consolidation and mechanization. Because of this and because they have no skills other than farming, they have few alternative uses for their labor.

Migratory Workers in Florida
1958-60

Home State	*Number of Workers* 1958	1959	1960
Alabama	637	942	2,244
Arkansas	308	397	563
Florida	35,424	54,465	54,528
Georgia	753	867	563
Louisiana	. . .	. . .	425
Mississippi	986	1,020	2,501
Missouri	83	54	482
New York	170	221	79
North Carolina	794	754	1,117
South Carolina	368	836	. . .
Tennessee	393	514	375
Texas	344	231	18
Other	96	. . .	118
Total	40,356	60,301*	63,013*

* Some of the increase due to improved reporting.
SOURCE: Florida Annual Agricultural and Food Processing Report.

Movement Patterns About 75 to 90 percent of all migrants employed on District farms find work in Florida. Because of the seasonal nature of producing the fruits and vegetables for which Florida is famous, a definite pattern of migration has been formed. The state's crops mature in the winter, so migrants work there from October or November until April or May. When harvests are completed, most of them move northward to North Carolina or Virginia to pick strawberries and beans. A little later they may move to New Jersey and New York to pick tomatoes and squash, and finally on to Maryland and Pennsylvania, where they end the season in September or October by harvesting apples. Then they return to Florida to begin the cycle again.

Photo by Florida State News Bureau

While this pattern is followed year after year by most migrant workers, there are those who live and work during the summer in Southeastern states and move to Florida to work during the winter. A few others find jobs for a short time each year in the strawberry fields of Louisiana and Tennessee.

Earnings Southern migrants earned an average of $644 for their farm work in 1959, according to the United States Department of Agriculture. Since migrants are deprived of the fringe benefits usually enjoyed by farm workers, those wages represent everything they got from the farm. One reason these earnings seem so low is because migrants are not employed regularly. In 1959, Southern migrants worked only 120 days, on the average, partly because they spent much time traveling from job to job and partly because work was often unavailable. Migrants harvest crops that are generally delicate, and they can do so only when weather conditions are just right. Then too, time is often lost while crops are maturing.

The Market for Migratory Labor

Because migrants will work for low wages, their job opportunities have persisted. Farmers have had little incentive to substitute machinery for this low-cost hand labor. Unlike harvesting equipment that is expensive for farmers to keep up even when not in use, migrant workers cost the farmer nothing when unemployed. More often than not they live off the farm in migrant labor camps or nearby towns and are paid on a piecework basis for the jobs performed.

Perhaps a more fundamental reason the market for migrant labor has been maintained is that physical obstacles—some engineering, some botanical—prevent the mechanical harvesting of many crops. In the first place, most fruit and vegetables grown in the South are tender and easily bruised, and mechanizing the harvesting often means a sacrifice in the quality of the crop in question. Furthermore, most citrus and vegetables do not ripen evenly. This means they must be selectively harvested, and doing this with machines is particularly difficult.

In Florida soil characteristics often give the migrant worker an advantage over the machine. Much of the land used for growing sugar cane, for example, is mucky. Rain causes the cane to fall over in the row, preventing machines from traversing the fields without damaging the cane. In addition to any economic and physical obstacles to mechanization that have helped migrants retain their jobs, the market for their labor has been protected and even increased in Florida by the vast expansion in the state's sugar cane and citrus production. According to the Florida Employment Service, Florida's sugar cane acreage is expected to reach 100,000 acres this year, or three times the acreage two years ago. Although citrus production has not increased nearly so rapidly, the industry's growth record in recent years has been quite impressive.

Photo by Florida State News Bureau

The Migrant's Economic Future

If gains in output of Florida's sugar cane and citrus continue, there may be an increase in the need for migrant workers in that state. A similar increase elsewhere in the District is not likely because few crops utilizing migrant

Photo by Florida State News Bureau

harvesters are grown in District states other than Florida.

Despite this need for workers in Florida, experts believe there is little prospect for much improvement in wages. According to a Florida Legislative Council, which investigated migratory labor practices in that state, other Southeastern states seem to have unlimited numbers of agricultural workers eager to find seasonal employment and willing to migrate. As the movement of people away from Southeastern farms continues during the next few years, the supply of such workers unable to find other jobs may remain large.

In the long run, however, the supply of migrants will probably diminish. There is evidence already that the level of education among migrants is increasing. A survey in New York of migrant workers, most of whom are Southern, revealed that between 1953 and 1957 the median level of education of adult migrants rose about one-half a grade. It indicated also that migrant children stay in school longer now than they did a few years ago. As their educational level improves migrants will probably find more nonfarm job opportunities and obtain higher wages. At the same time, it is likely that farmers will eventually place more emphasis on developing adequate mechanical methods for harvesting their delicate crops than they have in the past.

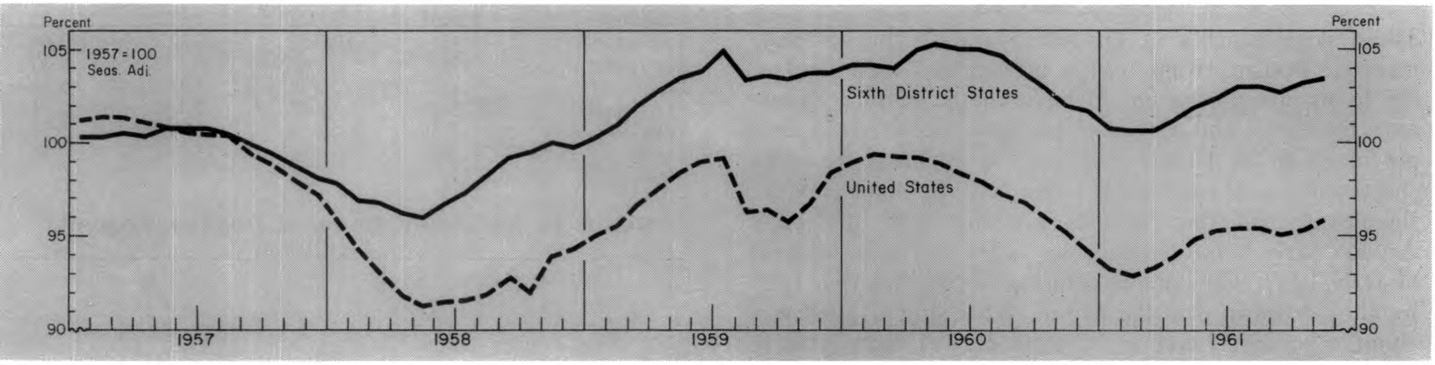
Just how rapid the shift from migrant to mechanical harvesters will be is not certain. Nevertheless, the trend in farming is toward mechanization. It may be many years before the need for migrants diminishes significantly, but when it does and when the number of migrants willing to work under adverse conditions has been reduced, the District's economy will be strengthened.

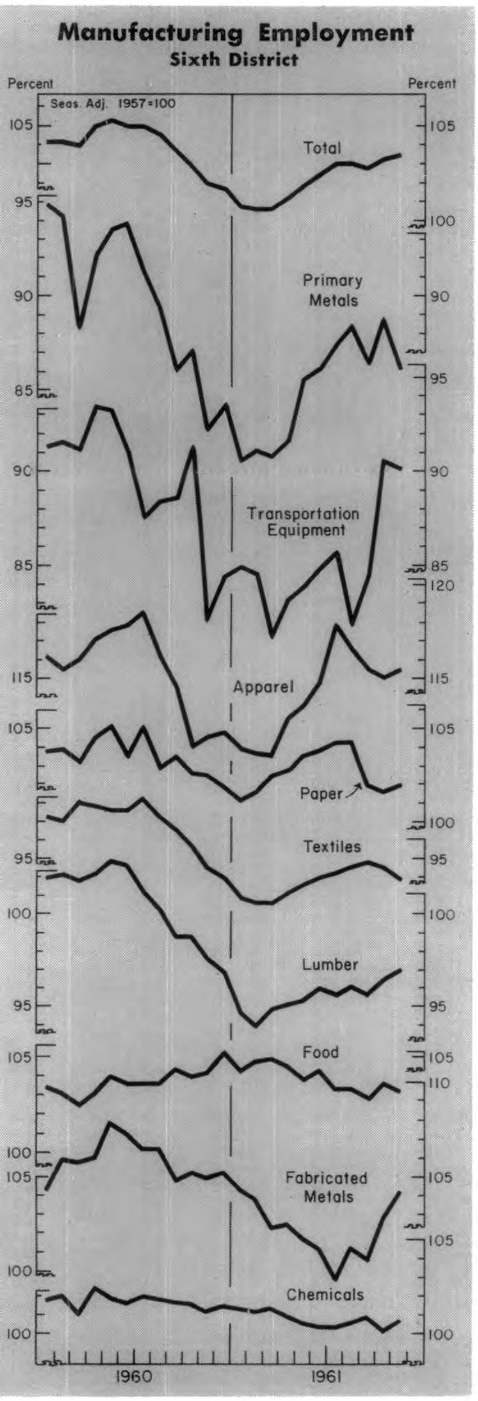
N. Carson Branan

The Sixth Federal Reserve District embraces a land area of 247,778 square miles. It is the fifth largest of the twelve Federal Reserve Districts and the largest east of the Mississippi River.

The door to the main vault at the Atlanta office weighs thirty tons.

Partial Recovery in Manufacturing Employment





Recent developments in manufacturing employment in District states are a mixture of the good and the not-quite-good-enough. The good is represented, on the right-hand side of the chart across the top of the page, by the gain in employment that occurred after February 1961; the not-quite-good-enough is represented by the failure of employment to completely regain ground lost between May 1960 and February 1961. During that period of recession, 62,000 District factory workers lost their jobs; through November 1961, only 36,500 had regained factory employment.

What happens in manufacturing is important, for factory work provides about one out of every four nonfarm jobs in this region. Moreover, since factory workers typically bear the brunt of employment declines associated with recessions, observers pay close attention to subsequent improvements in manufacturing employment when assessing the vigor of recovery.

Diverse Changes in District

The trend of District manufacturing employment since February 1961 has not been one of steady, uninterrupted gains. Rather, the improvement has come in steps. Substantial gains were made through July in an initial period of improvement. Little change occurred from July through September. Since then, manufacturing employment has improved again.

This overall picture is the net result of diverse trends among types of manufacturing employment, as is suggested by the charted indexes of employment in the region's major manufacturing industries. In the initial period of recovery, a sharp gain in apparel manufacturing almost took the industry's employment to its previous high, and employment in the primary metals industry also rose sharply. Starting from a low point in March, transportation equipment recovered substantially. Slower, but steady gains were registered by employment in the paper, textiles, and lumber industries. These gains more than offset slight declines in the food, chemicals, and fabricated metals industries.

The lack of change that followed the first upswing reflected an even more diverse picture. Strikes in the automobile industry temporarily confused developing trends in transportation equipment and, as their depressing influence on employment totals was left behind, a paper mill strike in Louisiana brought a decline in paper employment. More fundamental was the weakening of employment in the apparel industry after July.

Since last September the resumption of increases in total manufacturing employment have reflected renewed improvement in the transportation equipment and lumber industries and belated gains in fabricated metals and food. Slight declines have occurred in textiles and primary metals.

It seems that the path toward complete recovery of previous employment levels has not been an easy one. All major types of District employment are, as a result, still below earlier high levels. Recent gains in some types have been encouraging, but the lack of more widespread increases continued to hamper complete recovery in total manufacturing employment even nine months after the low point of recession in February 1961. Following the low point of the recession ending in the first part of 1958, manufacturing had surpassed its previous high after nine months.

The Longer Run View

These developments in District manufacturing employment are not surprising in view of what has been happening to manufacturing employment in the nation. Recurrent upswings and downswings have occurred in employment in the United States, as is apparent from the chart, and recent recovery has also been incomplete. More significantly, in the previous upswing from mid-1958 through early 1960, employment failed to reach the level of early 1957. Thus, manufacturing employment has been trending downward in the nation. While employment was about 6 percent lower in November 1961 than in early 1957, however, factory output of goods was actually about 10 percent larger. This means, of course, that productivity has increased greatly.

We can be sure that similar, probably even greater, gains in productivity have occurred in District states, for the relatively recent industrial growth here has meant the installation of newer, more efficient productive processes. In view of this, the longer run developments in manufacturing employment have really been rather favorable. This is particularly true in relation to national developments. District states have actually shown a gain in total manufacturing employment since early 1957, whereas the nation experienced a decline. The District's gain, moreover, occurred despite downtrends in some of its most important types of employment, such as textile and lumber.

While economic forces may have slowed the upward march of manufacturing employment in District states, they do not preclude full recovery in the months ahead. Undoubtedly the resumption of gains in October and November is a hopeful sign that this is true.

PHILIP M. WEBSTER

Department Store Sales and Inventories*

Place	Percent Change: Sales, Nov. 1961 from Oct. 1961	Sales, Nov. 1961 from Nov. 1960	Sales, 11 Months 1961 from 1960	Inventories, Nov. 30, 1961 from Oct. 31, 1961	Inventories, Nov. 30, 1961 from Nov. 30, 1960
ALABAMA	+11	+5	+0	+6	+6
Birmingham	+16	+9	+1	+6	+9
Mobile	+18	+6	+0	..	..
Montgomery	+2	+0	—5	..	..
FLORIDA	+8	+6	+6	+6	+4
Daytona Beach	+12	+9	—3	..	..
Jacksonville	+3	+1	+6	—5	+9
Miami Area	+5	+6	+6	..	..
Miami	+5	+5	—3	..	..
Orlando	+3	—1	—2	..	..
St. Petersburg-Tampa Area	+19	+10	+1	+5	—2
GEORGIA	+18	+2	—2	—1	—2
Atlanta**	+21	+4	—1	—1	+1
Augusta	+5	+0	—0	..	..
Columbus	+24	—3	—3	+5	—6
Macon	+21	+7	—3	—5	—11
Rome**	+4	+3	—2	..	..
Sa annah	+7	—5	—7	..	..
LOUISIANA	+16	+5	—1	+2	+5
Baton Rcuge	+17	+9	+4	+4	+13
New Or'eans	+17	+4	—1	+1	+3
MISSISSIPPI	+12	+6	—1	+3	+1
Jackson	+16	+5	—1	+5	+2
Meridian	n.a.	n.a.	n.a.	..	..
TENNESSEE	+10	—1	—3	+5	—0
Bristol-Kingsport-Johnson City**	+5	+2	+0	+6	—1
Bristol (Tenn. & Va.)**	+9	+3	—2	..	..
Chattanooga	+2	—2	—0	+5	+0
Knoxville	+15	—1	—6	..	..
DISTRICT	+13	+4	+1	+3	+2

*Repcrting stores account fcr 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 fcr non-department stores, however, are not used in computing the District percent changes.
n.a. Not Available.

Personal Income in Sixth District States

(Seasonally Adjusted Annual Rates, in Millions of Dollars)

	Oct.[1] *1961*	*Sept.*[2] *1961*	*Aug.*[2] *1961*	*Oct.* *1960*
Alabama	5,069	5,002	4,969	4,857
Florida	10,486	10,529	10,459	10,047
Georgia	6,709	6,567	6,532	6,371
Louisiana	5,462	5,338	5,368	5,264
Mississippi	2,820	2,642	2,710	2,568
Tennessee	5,720	5,714	5,722	5,505
Total	36,266	35,791	35,761	34,612

[1] Preliminary. [2] Revised.

Debits to Individual Demand Deposit Accounts

(In Thousands of Dollars)

	Nov. 1961	Oct. 1961	Nov. 1960	Percent Change: Nov. 1961 from Oct. 1961	Nov. 1961 from Nov. 1960	Year-to-date 11 Months 1961 from 1960
ALABAMA						
Anniston	44,909	45,088	41,308	—0	+9	+3
Birmingham	920,556	904,451	815,829	+2	+13	+2
Dothan	39,995	43,072	35,845	—7	+12	+7
Gadsden	37,731	38,355	36,487	—2	+3	—4
Huntsville*	90,800	86,181	80,650	+5	+13	+11
Mobile	305,998	301,998	306,712	+1	—0	+2
Montgomery	184,269	188,267	173,880	—2	+6	+6
Selma*	30,669	33,472	29,856	—8	+3	+1
Tuscaloosa*	65,543	70,246	56,588	—7	+16	+8
Total Reporting Cities	1,720,470	1,711,130	1,577,155	+1	+9	+3
Other Cities†	825,094	825,865	759,457r	—0	+9	+2
FLORIDA						
Daytona Beach*	55,003	53,140	54,184	+4	+2	—3
Fort Lauderdale*	204,608	194,330	194,035	+5	+5	—0
Gainesville*	43,724	45,561	42,758	—4	+2	+2
Jacksonville	840,536	816,710	804,732	+3	+4	+1
Key West*	17,283	17,161	16,026	+1	+8	+7
Lakeland*	77,545	73,943	76,680	+5	+1	+1
Miami	930,970	863,349	879,147	+8	+6	+3
Greater Miami*	1,360,648	1,270,258	1,271,622	+7	+7	+3
Orlando	257,802	243,062	236,855	+6	+9	—0
Pensacola	83,239	85,348	83,698	—2	—1	—2
St. Petersburg	225,201	207,083	208,559	+9	+8	—1
Tallahassee*	71,029	n.a.	n.a.	n.a.	n.a.	n.a.
Tampa	447,201	429,615	419,475	+4	+7	+1
W. Palm-Palm Bch.*	148,474	141,226	121,576	+5	+22	+11
Total Reporting Cities	3,832,293	3,577,437	3,530,200	+7	+9	+2
Other Cities†	1,541,137	1,542,799	1,550,089r	—0	—1	+2
GEORGIA						
Albany	60,354	61,446	54,724	—2	+10	+2
Athens*	42,671	46,452	42,597	—8	+0	+6
Atlanta	2,319,972	2,412,200	2,072,649	—4	+12	+4
Augusta	123,189	123,687	113,567	—0	+8	+2
Brunswick	28,822	29,686	23,912	—3	+21	+11
Columbus	115,895	121,155	106,209	—4	+9	+6
Elberton	9,084	9,954	9,799	—9	—7	—7
Gainesville*	46,465	47,662	48 067	—3	—3	+1
Griffin*	22,039	21,013	20,763	+5	+6	+3
LaGrange*	16,588	17,152	20,421	—3	—19	—15
Macon	128,860	146,293	119,079	—12	+8	+3
Marietta*	34,119	34,186	29,212	—0	+17	+4
Newnan	22,915	21,243	18,218	+8	+26	+4
Rome*	52,139	53,748	51,330	—3	+2	+0
Savannah	179,289	174,360	160,691r	+3	+12	—2
Valdosta	35,293	36,565	35 506	—3	—1	+2
Total Reporting Cities	3,237,694	3,356,802	2,926,744r	—4	+11	+4
Other Cities†	1,030,613	1,083,302	967,575r	—5	+7	+6
LOUISIANA						
Alexandria*	76,269	74,881	69,419	+2	+10	—2
Baton Rouge	271,573	271,091	255,750	+0	+6	—3
Lafayette*	66,973	68,034	61,484	—2	+9	+3
Lake Charles	83,358	81,263	80,896r	+3	+3	—3
New Orleans	1,316,851	1,342,330	1,344,534	—2	—2	—1
Total Reporting Cities	1,815,024	1,837,599	1,812,083r	—1	+0	—1
Other Cities†	601,459	595,666	566,531r	+1	+6	+1
MISSISSIPPI						
Bilcxi-Gulfport*	56,191	56,282	51,710	—0	+9	+7
Hattiesburg	37,759	38,366	36,529	—2	+3	+1
Jackscn	373,134	357,371	324 697	+4	+15	+6
Laurel*	28,899	28,084	29,331	+3	—1	—0
Meridian	47,294	49,655	46,101	—5	+3	+1
Natchez*	24,342	22,991	22,736	+6	+7	—1
Vicksburg	23,537	23,514	23 185	+0	+2	+7
Total Reporting Cities	591,156	576,263	534,289	+3	+11	+5
Other Cities†	297,194	303,045	278,112r	—2	+7	+1
TENNESSEE						
Bristol*	50,824	54,775	45,128	—7	+13	+9
Chattanooga	345 450	354,575	317 269	—3	+9	+5
Johnson City*	44,188	41,868	42,880	+6	+3	—2
Kingsport*	94,957	89,743	84,949	+6	+12	+4
Knoxville	257,163	268 208	241,640	—4	+6	+6
Nashville	864,117	812,001	772 517	+6	+12	+8
Total Reporting Cities	1,656,699	1,621,170	1,504,383	+2	+10	+6
Other Cities†	591,733	585 331	604,7[illegible]2r	+1	—2	+4
SIXTH DISTRICT	17,740,566	17,616,409	16,611,370r	+1	+7	+3
Reporting Cities	12,853,336	12,680,401	11,884,854r	+1	+8	+3
Other Cities†	4,887,230	4,936 008	4,72[illegible] 516r	—1	+3	+3
Total, 32 Cities	10,962,316	10,898,616	10,199,999r	+1	+7	+2
UNITED STATES						
344 Cities	272,541,000	275,115,000	235,100,000	—1	+16	+9

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

Sixth District Indexes

Seasonally Adjusted (1947-49 = 100)

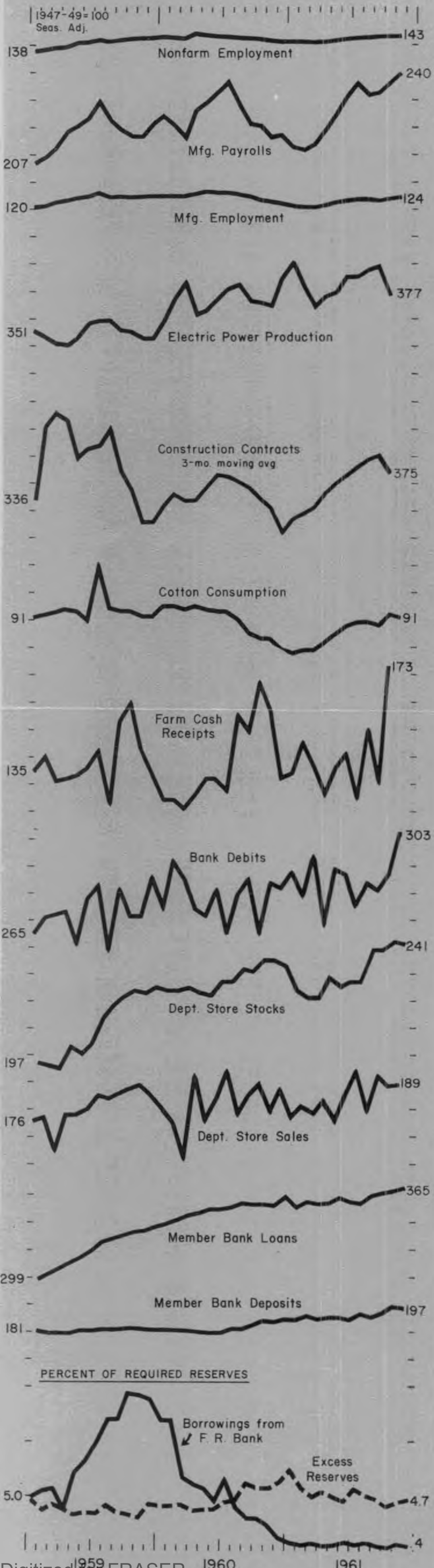
	1960			1961										
SIXTH DISTRICT	OCT.	NOV.	DEC.	JAN.	FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.
Nonfarm Employment	142	142	141	142	141	141	141	142	142	142	142	143	143	143
Manufacturing Employment	123	122	122	121	121	121	121	122	123	124	124	123	124	124
Apparel	188	188	189	187	187	186	190	191	193	198	196	194	193	194
Chemicals***	134r	134r	134r	134r	134r	134	133r	133r	133r	133r	133r	133r	132r	133
Fabricated Metals***	191r	191r	191r	190r	189	186r	186r	185	184r	181r	184r	183r	187r	190
Food***	117r	117	119r	118	118	118	118	117	118	117	117	116r	117r	117
Lbr., Wood Prod., Fur. & Fix.	76	76	75	73	73	73	74	74	74	74	74	74	75	75
Paper	166	165	164	163	164	165	166	167	167	168	168	165	164	165
Primary Metals	92	88	89	86	87	86	87	91	92	93	94	92	94	91
Textiles	86	85	85	84	84	83	84	84	85	85	85	85	85	85
Transportation Equipment	205	185	190	191	190	183	187	188	191	193	184	190	204	203
Nonmanufacturing Employment	150	150	149	150	150	149	149	150	150	150	150	151	151	151
Manufacturing Payrolls	220	217	218	213	212	214	220	225	232	236	232	232	235r	240
Cotton Consumption**	83	83	79	78	79	79	82	85	88	89	89	88	92	91
Electric Power Production**	372	369	390	401	383	368	376	379	391	391	396	398	377	n.a.
Petrol. Prod. in Coastal Louisiana & Mississippi**	232	233	250	239	237	241	244	253	252	243	243	239	251r	253
Construction Contracts*	339	324	288	309	315	324	345	360	372	384	394	402	375	n.a.
Residential	367	308	304	291	330	343	362	388	412	393	402	406	431	n.a.
All Other	316	336	276	324	303	309	330	337	340	377	387	400	329	n.a.
Farm Cash Receipts	167	156	132	134	145	136	126	136	141	125	150	131	173	n.a.
Crops	157	131	94	97	123	104	99	113	117	97	139	104	162	n.a.
Livestock	186	201	199	191	191	205	189	192	191	175	187	197	194	n.a.
Department Store Sales*/**	189	181r	187	177	181	178	183	175	185	194	179	192	188	189
Department Store Stocks*	235	235	233	224	221	221	229	225	227	227	239	239	242	241
Furniture Store Sales*/**	138	133	134	127	130	134	135	129	130	135	132	143	139	138
Member Bank Deposits*	188	188	189	189	192	189	191	191	189	193	190	194	199	197
Member Bank Loans*	353	352	359	351	355	353	354	357	355	353	359	361	363	365
Bank Debits*	265	283	282	287	279	293	268	288	287	275	284	281	287	303
Turnover of Demand Deposits*	152	153	151	162	156	155	146	165	154	162	166	152	161	161
In Leading Cities	159	162	163	176	168	167	164	183	175	179	189	164	170	170
Outside Leading Cities	113	111	119	125	116	122	111	127	119	129	122	126	119	117
ALABAMA														
Nonfarm Employment	125	125	124	125	123	123	123	124	125	125	125	125	125	126
Manufacturing Employment	103	103	102	101	101	101	102	102	103	104	105	104	104r	104
Manufacturing Payrolls	187	183	175	175	175	177	183	185	191	196	195	197	204r	210
Department Store Sales**	167	155	165	158	156	166	173	163	168	177	171	175	166	163
Furniture Store Sales	117r	111	113	103	106	112	124	101	112	111	117	114	108	120
Member Bank Deposits	169	165	167	169	170	167	169	163	162	163	163	167	170	168
Member Bank Loans	293	294	299	300	299	303	298	304	301	295	302	303	304	309
Farm Cash Receipts	182	130	121	115	126	133	115	126	118	117	113	118	163	n.a.
Bank Debits	242	249	243	247	238	248	231	264	251	239	253	252	262	271
FLORIDA														
Nonfarm Employment	201	201	201	200	200	200	200	202	203	203	204	204	204	204
Manufacturing Employment	207	207	208	206	207	209	209	211	213	215	214	214	215	216
Manufacturing Payrolls	399	384	384	368	374	373	392	406	414	443	432	437	441	428
Department Store Sales**	262	272r	276	264	264	287	269	263	277	290	274	284	280	288
Furniture Store Sales	164	158	158	154	155	161	156	151	155	162	148	167	171	155
Member Bank Deposits	246	248	250	247	252	247	248	250	247	253	250	254	260	260
Member Bank Loans	561	551	560	550	556	556	550	559	555	553	561	567	567	568
Farm Cash Receipts	212	196	232	266	264	197	227	244	257	211	292	246	200	n.a.
Bank Debits	405	420	413	414	396	413	377	421	428	396	426	420	431	445
GEORGIA														
Nonfarm Employment	135	134	134	134	134	133	134	134	134	134	134	135	136	136
Manufacturing Employment	121	118	119	117	116	116	117	118	118	119	119	119	120	120
Manufacturing Payrolls	211	205	205	199	200	203	205	215	217	223	218	215	223r	229
Department Store Sales**	172	158	164	157	155	166	155	166	166	175	159	167	165	168
Furniture Store Sales	133	131	130	124r	131r	138r	132	133	133	136	136	139	133	128
Member Bank Deposits	170	169	170	169	173	172	172	175	173	176	171	175	183	180
Member Bank Loans	286	291	289	285	292	292	290	292	291	289	292	289	296	300
Farm Cash Receipts	204	120	148	144	152	171	149	144	147	127	193	151	184	n.a.
Bank Debits	249	257	256	263	254	266	244	266	269	266	269	267	279	282
LOUISIANA														
Nonfarm Employment	129	128	128	129	129	128	128	129	128	127	127	127	127	127
Manufacturing Employment	94	93	93	92	91	92	91	91	90	90	90	89	90	90
Manufacturing Payrolls	170	168	175	177	173	177	180	179	179	178	177	175	179r	181
Department Store Sales*/**	151	140	155	151	151	155	149	149	157	157	152	148	144	147
Furniture Store Sales*	170	160	166	163	152	147	158	165	159	164	159	185	177	186
Member Bank Deposits*	163	164	166	165	167	163	169	166	167	172	169	171	174	173
Member Bank Loans*	329	323	331	319	322	314	331	324	326	327	331	337	335	331
Farm Cash Receipts	115	137	113	93	103	104	98	105	112	104	112	109	130	n.a.
Bank Debits*	212	225	234	210	207	234	213	230	246	218	230	228	224	229
MISSISSIPPI														
Nonfarm Employment	135	135	134	137	136	137	136	137	136	137	137	138	138	138
Manufacturing Employment	132	133	131	130	129	130	132	134	135	136	136	136	137	138
Manufacturing Payrolls	242	239	240	244	237	241	244	243	256	259	260	263	265	266
Department Store Sales*/**	159	153r	164	149	146	154	157	153	165	169	156	160	155	165
Furniture Store Sales*	108	99	102	95	100	108	95	85	91	112	116	119	105	110
Member Bank Deposits*	204	199	209	204	205	207	208	210	208	207	205	208	213	215
Member Bank Loans*	431	433	460	442	446	442	449	455	451	446	458	460	464	477
Farm Cash Receipts	141	162	136	86	99	116	90	99	99	100	102	92	174	n.a.
Bank Debits*	242	258	254	238	234	256	236	243	256	246	258	256	260	282
TENNESSEE														
Nonfarm Employment	126	125	124	124	124	124	124	125	126	126	126	126	126	126
Manufacturing Employment	126	124	123	123	123	123	123	124	125	125	124	125	125	125
Manufacturing Payrolls	221	218	217	215	216	216	222	224	230	227	234	231	228r	234
Department Store Sales*/**	163	156	157	147	154	151	147	141	152	157	146	157	150	154
Furniture Store Sales*	99	100	94	85	95	98	100	91	84	90	89	102	97	101
Member Bank Deposits*	171	169	170	170	176	176	175	174	175	179	176	179	181	180
Member Bank Loans*	313	314	328	315	319	310	311	315	312	313	320	323	325	326
Farm Cash Receipts	122	143	86	96	99	99	101	96	101	100	109	93	127	n.a.
Bank Debits*	224	247	236	248	243	255	233	258	255	256	254	248	246	263

*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



The old year ended on a note of optimism, as preliminary seasonally adjusted figures showed that both department store sales and member bank loans reached record highs in December. This is especially encouraging, since the behavior of these two indicators had been disappointing throughout much of the recovery period that began early in 1961. However, optimism must be restrained by the slow and hesitant progress of the District employment and income figures. Improvement in these indicators has been weaker than that of earlier recovery periods and less than that of comparable national figures.

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Nonfarm employment held steady in November, after having increased in each of the preceding seven months. Alabama and Georgia experienced slight gains, while employment was virtually unchanged in Florida, Louisiana, Mississippi, and Tennessee. Manufacturing employment, however, rose slightly further, and the average work week lengthened, indicating a continued expansion in manufacturing activity. Reflecting these developments, manufacturing payrolls reached a new record in November. Construction employment held steady for the fourth consecutive month, but the three-month average of contracts for future construction, based partly on November data, declined. Cotton consumption, a measure of textile activity, weakened slightly in November. Personal income, which had shown little change from July through September, increased slightly in October, according to the latest available estimates.

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Consumer spending has shown considerable strength quite recently. Not only did department store sales reach record levels in December, but the revised November figures show greater strength than was previously indicated. Bank debits also rose sharply in November. Sales at furniture and household appliance stores, however, increased less than seasonally. Latest available figures for stores of all kinds with one to ten outlets held steady in October.

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With farm marketings sustained and prices rising slightly, farmers' cash receipts probably increased somewhat in November and December although adverse weather conditions prevailed. Weather conditions in December slowed operations on District farms. Widespread rains stalled harvesting activities, and excessive wetness limited the grazing of livestock. Water from flooding rivers in South Central Mississippi damaged unharvested cotton and killed some livestock. In Florida, recent scattered frosts hurt tender truck crops and slowed vegetable marketings, but did little harm to the citrus crop. On the other hand, livestock product marketings, especially shipments of hogs and cattle, increased in most areas of production. The average of prices received by farmers increased slightly in December, principally because prices for broilers, hogs, and citrus rose.

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Member bank loans, seasonally adjusted, continued to advance during November, as gains were registered in all states except Louisiana. Data for banks in leading cities suggest there were further loan increases in December. Total member bank deposits, seasonally adjusted, declined after rising sharply during September and October. The decline mirrored substantial decreases in Alabama, Georgia, and Louisiana, where previous gains were especially sharp. Total investments at District member banks also declined slightly. Credit demands, however, have not yet caused sustained tightening of member bank reserve positions, as indicated by the behavior of excess reserves and borrowings from the Federal Reserve Bank of Atlanta.