SIXTH · FEDERAL RESERVE · DISTRICT ·

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Also in this issue:

Federal Reserve Bank of Atlanta

The South and Its Future

Meeting here with you today is indeed a pleasant occasion. It is now over a year since I retired from the Federal Reserve Bank of Atlanta, and I therefore welcome this opportunity to be associated again with old friends and colleagues.

At the Bank we have always been proud of our several Boards of Directors because of the public spirit and intelligence with which they have discharged their duties. Today, however, I think that a special accolade of praise is due the Nashville Branch Board and its Chairman for having brought together such a distinguished group as this in the interest of forging closer and more understanding bonds between the Federal Reserve System and the business community.

We of the Federal Reserve System write and talk a great deal about ourselves and our policy problems. We do so because we want you businessmen and the general public to have an intelligent interest in us, for we know that what we do is going to affect all of you very intimately in your business.

On our side, however, we want you to know that we are equally interested in you and your problems, for what goes on in the nation's economy is a matter of the greatest concern to us. The Federal Reserve System, after all, has a fundamental duty to help maintain a healthy rate of growth in the nation's economy, insofar as it can do so with the limited powers given it by law.

Each Federal Reserve Bank, in turn, therefore, has a very special interest in the economic health and progress of its own particular district and seeks to promote them in whatever way it can. It is because I know of the Federal Reserve Bank of Atlanta's lively and continuing interest in the economic development and well-being of the South that I want to say a few things on this subject today. It must be understood, however, that what I have to say today is on my own responsibility and must not be held against anyone else in or out of the System's official family.

Looking Backward

My own interest in the matter of the South's economic future goes back some forty-five years to the days of the First World War when I was soldiering with the Twenty-Eighth Division at Camp Hancock at Augusta, Georgia. In those days I had the pleasure of knowing a prominent Georgia industrialist. One Sunday afternoon he took me out to his factory to show me what he had built up there.

When we had completed the inspection, my friend turned to me and said that although he was proud of his plant, it was, nevertheless, only a drop in the bucket. What the South needed, he said, was thousands of factories and plants of all kinds. The South, he said, had been asleep ever since the War Between the States, and he hoped that the war then

NOTE—An address by Earle L. Rauber, former Vice President and Director of Research, Federal Reserve Bank of Atlanta, before an assembly of Middle Tennessee bankers and businessmen. The meeting was held under the auspices of the Board of Directors of the Nashville Branch of the Federal Reserve Bank of Atlanta at Peabody College, April 13, 1962.

going on would wake it up. In any case, he urged me to return and be a part of the "new South" that he hoped would emerge.

My friend was a very persuasive gentleman, and I determined that when the war was over I would come back and cast my lot with the South. For various personal reasons, however, this was not to be. It was not until 1930 that I finally realized my earlier intention and came South to stay.

But in 1930 the whole nation was going over the precipice into the most catastrophic depression in history, and the South, not yet having been stirred from its lethargy, as my friend had hoped, landed on the bottom of the heap with the reputation of being the nation's "No. 1 Economic Problem."

What the First World War did not accomplish, however, the Second World War did. In helping to meet unprecedented war demands, the South was finally galvanized into unheard-of activity, and the pulse of this new life has been coursing through its veins ever since.

Those of us who have lived through these years have seen a veritable economic revolution take place before our eyes. We have seen a region that had lain fallow for generations burst suddenly into life and, in the course of three brief decades, carry through an economic revolution on two fronts.

A region once predominantly agricultural so changed its face that in 1960 agriculture produced only 5.3 percent of the income in the six states of this Federal Reserve District. And within agriculture itself—once dominated by cotton—cotton is no longer king, for that crop yielded only 20 percent of total cash receipts from farm marketings in this District in 1960, whereas livestock—a newcomer—produced more than 45 percent.

In the industrial complex, the old traditional textile industry now employs only 13.7 percent of all manufacturing workers in this District. Lusty newcomers like chemicals and allied products, transportation equipment, fabricated metals, and a host of others are providing more and more jobs for Southern workers, as are the trade and service industries.

All in all, the South is apparently on the march at last, as the soaring skylines of our cities and the changing face of the countryside continually remind us.

What Has the South Achieved?

Contemplating the gains made in the past thirty years, one could easily bask in the luxury of self-congratulation. On sober second thought, however, he would have to admit that this economic upsurge was not something peculiar to the South. On the contrary, it was a nationwide phenomenon, and the South's economic rebirth was only an episode in the larger development of the nation.

Indeed, if we are quite frank about the matter, we shall have to admit that these great changes in the South were by no means exclusively the result of Southern initiative. It was the prodigal expenditure of Government funds during the Second World War and the influx of capital and management from the outside that turned the trick. Even in 1960, Government expenditures provided almost 14 percent of all personal income in the South—about half of the income from this source coming from Federal expenditures.

But regardless of where the initiative came from, these changes have nevertheless been of tremendous importance for the South. They have meant that the South is no longer the nation's "No. 1 Economic Problem." It is no longer an enclave of economic backwardness within the body of the national economy. The South has at last been drawn into the mainstream of economic progress.

To what extent, however, has the South actually shared in this nationwide upsurge of economic well-being? I do not want to burden you with statistics, but I find I must use a few. They will concern the six states of this Federal Reserve District, for I think them fairly representative of the South and especially so of the Southeast. I shall draw your attention, moreover, only to *per capita* personal income. This measures in a general way the average individual's contribution to the production of goods and services and also indicates the extent to which he can function as either a saver or a spender.

In dealing with such figures we must beware of the trickery that lies in percentage changes, for they can easily lull one into unwarranted complacency. For example: Between 1930 and 1960, *per capita* personal income increased by 256 percent in the United States as a whole but by 418.9 percent in this District. Putting it another way, *per capita* personal income in the District was 50 percent of the national average in 1930. By 1950 it had risen to 68 percent, and in 1960 it was 73 percent. Looking at these percentage figures, one could easily conclude that the South was making quite satisfactory progress.

A somewhat different impression, however, is gained when we look at some dollars and cents figures. After all, people earn and spend dollars—not percentages. In 1930, *per capita* personal income amounted to $624 a year in the United States, but only to $312 a year in the District. In other words, the average person got $312 a year less in the District than he did in the nation as a whole. By 1950, the figures had risen to $1,491 for the United States and to $1,010 for the District. The District's lag behind the nation was then $481 a year instead of the earlier $312. And as of July 2, 1960, when the national figure had grown to $2,223 and the District figure to $1,619, the discrepancy between them was greater than ever—$604 a year.

Thus, although the average person's income position was improving in absolute terms in the South as it was in the nation, there was an increasing lag in absolute terms behind the national average.

The Disappearance of "the South"

So much for statistics. I have cited these only to make clear two points. First: The South's economic direction now tends to conform to that of the nation and may therefore be presumed to be governed by nationwide forces rather than by peculiarly Southern conditions. Second: The fact that *per capita* personal income in the South shows a tendency to lag by an increasing amount behind that of the nation even while conforming to its general direction is therefore probably explainable in terms of regional factors.

Let me speak a little more to these two points. It is merely stating a fact, I believe, to say that except as a geographical designation, "the South" no longer exists. By that I mean that there is no longer a more or less homogeneous Southern economy as there was in the days before the War Between the States and for more than a half century thereafter. So varied have become the economic interests of the region that differences from state to state, and even differences within individual states, are now greater than those between the so-called "South" as a whole and the rest of the country.

Per capita personal income as of July 2, 1960, for example, ranged from a low of $1,173 a year in Mississippi to a high of $1,988 in Florida—a spread of $815, whereas there was a spread of only $604 between the District as a whole and the United States. By what stretch of the statistical imagination can two such disparate states be considered parts of any meaningful whole? And what community of economic interest can there possibly be between the great petro-chemicals development along the Gulf Coast and an upland farmer in Louisiana? No, for better or worse, the inexorable march of economic history has abolished the South as an economic entity and there remains now only our common destiny as Americans.

The Population Explosion and the South

We may take for granted, therefore, that the future of the South is going to be shaped by the same forces as those shaping that of the nation. We don't know all of them, but we can see a few clearly enough.

The most obvious, and perhaps the most important, of these is the explosive growth of population. This is actually a worldwide phenomenon in which the United States is sharing, albeit on a more modest scale than some other parts of the world. But even in this country the increase in population is great enough to be creating many serious problems.

Let us consider this for a moment. In 1950, we had approximately 152 million people in this country. In 1960, we had about 180 million, and in 1975, by a very conservative estimate, we shall have over 222 million. Thus, between 1950 and 1975 the population will grow by at least 70 million persons. If present trends continue, moreover, this increase will not be spread evenly over the country. On the contrary, it is much more likely to be distributed in such a way as to create the maximum of problems, for it is estimated that 60 million of the increase will go into the country's metropolitan districts—the areas already most densely populated.

Do you have any idea what this means? It means that between 1950 and 1975 the metropolitan population of this country will increase by the equivalent of another 1950-sized New York-Northern New Jersey district; another Boston district; another Buffalo district; another Philadelphia; a Baltimore; a Pittsburgh; a Cleveland; a Chicago; a Detroit; a St. Louis; a Minneapolis-St. Paul; a Los Angeles; and another San Francisco district. And there will still remain 15 million more people to be spread among the smaller metropolitan districts.

We know only too well the difficulties presently faced by cities, by states, and by public utilities in providing essential services to these rapidly growing and shifting masses of people—streets, roads, and expressways; housing; water; sewers; schools; fire protection; police protection; sanitary facilities; health services; recreation; electric power, gas, and telephone service. In city after city, schools cannot be built fast enough to keep up with the growth of population, and half-day sessions are becoming increasingly common. If cities and states are having difficulty now in meeting the demands being made on them, imagine the physical and financial job they will have on their hands thirteen or fourteen years hence when they will have to provide for the much larger population that is already in sight!

Just as the United States shares the world's population problem, so the South will have to share that of the nation. The South is already the most populous of the four regions into which the Census divides the country, and between 1950 and 1960, except for the West's, its numerical and percentage growth was the greatest. The South, therefore, cannot hope to escape the serious economic and financial difficulties that are bound to arise from this cause.

The Impact of the Technological Revolution

A second force shaping the future of the nation, and therefore that of the South, is the technological revolution now in progress. We know what such technological revolutions have meant in the past, when, for example, the introduction of machinery destroyed age-old handicraft industries in the latter part of the eighteenth century; or again, when steam power applied to transportation by land and water in the middle of the last century opened up the continents and oceans of the world to commerce and industry; or when, at the beginning of the present century, electricity and the internal combustion engine began to alter every aspect of life so radically that we can now scarcely think of any tolerable life without them.

The present technological revolution, however, is so complex and so profound in its nature that we cannot even imagine what its ultimate effects are likely to be. Chemistry is giving us a fantastic array of materials to work with that nature never dreamed of; nuclear fission and fusion hold the promise of a supply of energy beyond man's wildest dreams. And, under the catch-all name of "automation," electronic science is creating machines that are replacing unskilled and semi-skilled workers by the thousands; and because in some respects these machines rival and even surpass the human brain, they are now invading the ranks of skilled workers, of white-collar workers, and even of some echelons of management itself.

The nature of the problems created by the conjunction of these two forces—the explosive growth of population and the technological revolution—is already evident in the statistics. In 1961, for example, when the civilian labor force in this country was greater by 9 percent than it was in 1955, the number of persons employed was greater by only 6 percent, but the number of unemployed was greater by 66 percent. In 1961, our manufacturing industries turned out a product 13 percent greater than in 1955 but did so with 9 percent fewer production workers.

Although its dimensions will fluctuate with seasonal and cyclical factors, this nagging problem of the unemployed and unemployable will continue to be serious in many parts of the nation but is likely to be especially so in the South.

Think again of the population figures. The South enjoys a higher birth rate and a lower death rate than the country as a whole and consequently has a higher rate of natural increase. One would therefore expect the population to grow faster here than in the nation. This, however, is not the case, and the reason lies in the fact that the South loses many thousands of its people every year through migration to other parts of the country. This migration occurs because, among other things, capital expansion has so far been insufficient to create enough jobs to absorb the increase in population. Many people, therefore, must remain unemployed; or they must be content to rot away on a submarginal level of living; or they must seek their livelihood outside the South. At present the South is experiencing all three contingencies.

Will the South find in migration the same partial relief from population pressure in the future as it has in the past? There is reason to doubt it, for the classes of workers that have constituted the bulk of the migrants are precisely those that are feeling the brunt of automation everywhere. Uneducated, untrained, and unskilled workers from the South are therefore going to experience increasing difficulty in finding jobs elsewhere. Some people, of course, will always be able to migrate, but more and more of them will have to remain at home and seek their future here, if they are to have any future at all.

If these people are to be an economic asset rather than an economic liability, they will have to be provided with jobs and with the necessary education and training for those jobs. This will entail a huge investment of new capital. As much as we may rejoice in the growing share of our capital requirements now being generated within the South itself, it is obvious that the bulk of the new capital will still have to come from the outside, and it will have to come on a much larger scale than ever before.

In the past, industry came South partly because it found here an abundant supply of cheap labor, but this factor may not be of the same importance in the future. All across the country the spread of automation is creating pools of unemployed unskilled and semi-skilled labor. Not only will other parts of the country be unable to absorb the South's excess population but will themselves be looking for new industries and new enterprises to provide jobs for their own surplus labor. The South, indeed, will have to compete with all of them in seeking the capital we shall need to care for our people.

Some Considerations in Attracting Capital

Capital will be attracted to the South only by what we can offer it, and we can offer only two things—the endowment of natural resources with which we have been blessed, and the kind of social, political, and economic climate that we create for business to work in. We can do little to alter our endowment of natural resources, although there are some things we can do by way of sound conservation and developmental programs. There is much that we can and must do, however, to provide a climate congenial to modern business. Many things go to create such a climate and thus tend to encourage new capital investment. Here we can mention but a few.

One of the most important of these is the adequacy and quality of the services that states and municipalities now find it necessary to provide for their citizens. I mentioned some of these a little while ago. The number, the complexity, and the quality of these services increase inexorably year by year, and the state or region that fails to keep abreast of them is almost sure to fall behind in the race for new capital.

It is almost equally important that the tax burden occasioned by these expanding services be distributed equitably as among the various political jurisdictions and as among the various classes of business and taxpayers. Without such tax equity, new investment will be discouraged. Business taxes must certainly not be punitive. If we expect business to come and make its home with us, we dare not treat it as a beast of all burdens or as a cow placidly waiting to be milked.

It must also be said (although this should really go without saying!) that the public officials responsible for the levying, the collection, and the expenditure of tax monies should not only be technically qualified for their jobs but should also be men of the greatest honesty and probity of character. No intelligently managed business will be eager to risk its capital and subject itself to taxation where it has reason to believe that the tax revenues, to which it may be a substantial contributor, will be frittered away through incompetence, or be leached away through the malfeasance of those through whose hands the money passes.

Another condition necessary for a healthy business climate is the political equality of all citizens. By this I mean that the vote of any man must be roughly equal to that of any other, regardless of where he may happen to live. No man should ever feel that he is losing part of his American heritage or having it diluted into insignificance when he finds it necessary to move from one state to another or from one political jurisdiction to another within a state. It would be difficult for business to attract the higher type personnel it now requires if they were to be subjected to substantial disfranchisement because of a too common discrimination against urban areas in the distribution of political power under whatever guises it may occur.

And finally, a state of social tranquillity must prevail. No business can thrive in an atmosphere of public apathy and indifference toward the pressing problems of crime, delinquency, and of haphazard and discriminatory law enforcement, on the one hand, or of public disorder and the defiance of constitutional authority on the other.

These are some of the conditions that must be established if we are to attract really adequate amounts of new capital to the South. How far we are presently succeeding or are failing to do so I leave to your own knowledge and observation. Let me say this, however—although capital is the most mobile of all the agents of production and will go to the ends of the earth seeking a profit, it is also the most timid. Let any condition arise to threaten its safety and the continuity of its operations, or to reduce its profitability because of unfair burdens, and capital will either not come at all, or will soon take wings and seek refuge in more hospitable climes.

Looking Forward

To make a long story short, what I have been saying boils down to this: The South is no longer an economic entity in itself; for better or worse, the thousand strands of its varied economic interests have been woven inextricably into the warp and woof of the nation's economy. The South must therefore be prepared to adopt not only the external, physical, and institutional arrangements appropriate to this new and irrevocable position, but also the attitudes, customs, practices, and obligations implicit therein.

I do not believe, for example, that we can much longer afford the folly of pretending to maintain a so-called "Southern way of life" when all we probably mean by that phrase is a body of fetishes and taboos, of habits and customs that were appropriate only to a kind of economy that has long since "gone with the wind."

Least of all, therefore, should we be caught playing the fool with our schools and colleges in an age when the universe is shrinking under the impact of science and when education, more than ever before, is going to spell the difference between destitution and affluence for the individual; between stagnation and progress for the region; and, perhaps, between death and survival for our country. We cannot afford to waste the productive potential of any individual or class of individuals by relegating them, through lack of educational opportunities or substandard education, to a position where they can only exist as parasites on the otherwise productive elements of the economy. The South is rapidly growing up economically—it now behooves us to grow up in other respects as well.

Much wisdom is enshrined in the folklore, the proverbs, and the poetry of peoples. During the great expansion period of the United States in the last half of the nineteenth century and the early part of the twentieth, there entered into American folklore a mythical bird of uncertain parentage known variously as the "whiffle bird," or the "galawampus." The late H. L. Mencken called it the "goofus bird." The peculiarity of this creature was that it flew backwards, since it was more interested in where it had been than in where it was going. This mythical bird symbolized the folks who preferred to keep their eyes on the past rather than on the magnificent future that was then opening up for them as individuals and for the country as a whole—a future they could not see but with which they were bound to collide, blindly and therefore painfully.

If you gentlemen are really interested in the future of the South—indeed, if you are concerned about the future of your own business—you had better use your influence as citizens and as businessmen to get rid of the "goofus birds" that still nest in too great numbers in nearly every nook and cranny of our Southern institutions. As painful as it may be to do so, we must learn to turn our backs to the past and face the future with open eyes. In no case can we escape the future. We should therefore not be so stupid as to damage our tailfeathers by flying into it backwards.

The ancient Romans had a proverb that taught this same lesson. In Latin it goes like this: *Ducunt fata volentem, nolentem trahunt.* In a very free translation this means that destiny will lead you along gently by the hand if you go willingly and cooperatively. If, however, you go unwillingly and resentfully, it will nevertheless drag you along, but then by the scruff of the neck.

This task that I envisage for the South, and for all of us who love the South and who want her to have a future worth the having—this task of growing up to the requirements of a new age—has been expressed in noble words by one of America's early poets—Oliver Wendell Holmes. It is the last stanza of his poem, "The Chambered Nautilus."

Build thee more stately mansions, O my soul,
as the swift seasons roll;
Leave thy low-vaulted past; let each new temple,
nobler than the last,
Shut thee from heaven with a dome more vast,
till thou at length art free,
Leaving thine outgrown shell by life's unresting sea.

Do we have the wisdom to heed the lesson taught by folklore, by proverb, and by poetry? Or will the iron finger of economic reality have to spell it out for us in red ink on the books of every countinghouse before we understand?

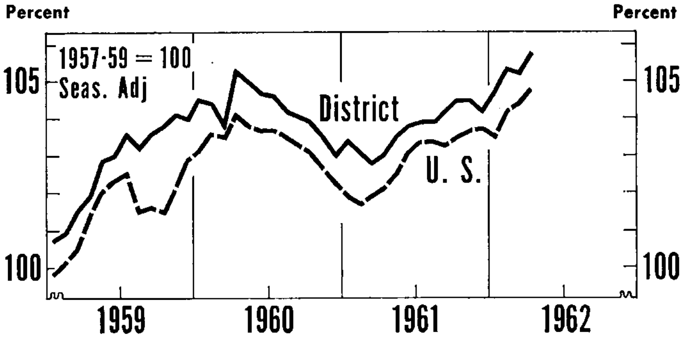
Bank Announcements

On May 1, the Industrial Savings Bank of Fort Lauderdale, Fort Lauderdale, Florida, converted to a nonmember commercial bank and opened for business under the name of the Central Bank in Fort Lauderdale. The bank began to remit at par for checks drawn on it when received from the Federal Reserve Bank. Officers are Charles L. Perkins, President; J. W. Bates, Executive Vice President; and N. Robert Hammer, Cashier.

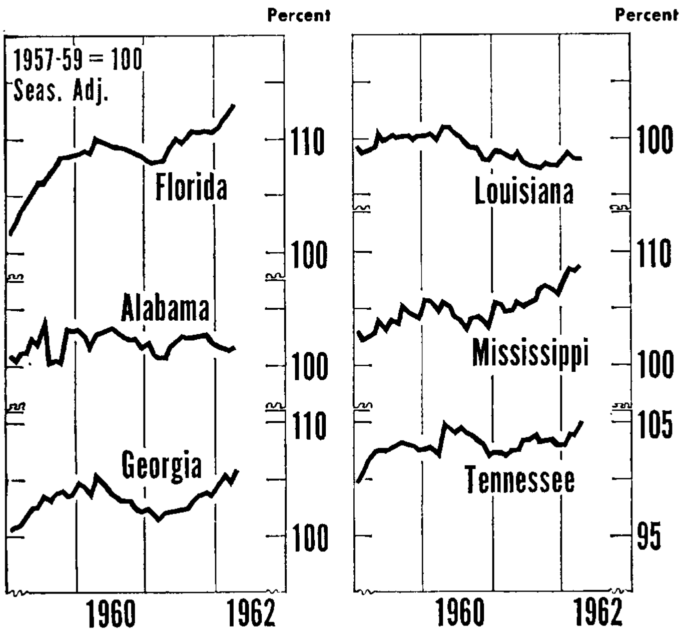
The Florida National Bank at Lake Shore, Jacksonville, Florida, a newly organized member bank, opened for business on May 7 and began to remit at par. Officers include E. B. Kirkpatrick, Jr., President; Charles B. Norton and David L. Reid, Vice Presidents; and H. H. Stewart, Cashier. Capital totals $300,000, and surplus and undivided profits, $150,000.

On May 15, the Ocean State Bank, Neptune Beach, Florida, a newly organized nonmember bank, opened for business and began to remit at par. Officers are Joseph C. Gill, President; and Jack W. Connell, Vice President and Cashier. Capital totals $250,000, and surplus and undivided profits, $150,000.

NONFARM EMPLOYMENT in the District has continued to improve this year, generally paralleling the national trend.



Trends among District states, however, have varied. Further advances have occurred in Florida, Georgia, Mississippi, and Tennessee, while a decline has taken place in Alabama. Louisiana employment has changed little.



Department Store Sales and Inventories*

Place	Percent Change: Sales, Apr. 1962 from Mar. 1962	Sales, Apr. 1962 from Apr. 1961	Sales, 4 Months 1962 from 1961	Inventories, Apr. 30, 1962 from Mar. 31, 1962	Inventories, Apr. 30, 1962 from Apr. 30, 1961
ALABAMA	—2	+1	+1	+2	+3
Birmingham	—11	—2	+0	+2	+1
Mobile	+4	+12	+5	..	..
Montgomery	+4	+4	+4	..	..
FLORIDA	—3	+18	+12	+1	+14
Daytona Beach	—1	+6	+1	..	..
Jacksonville	+12	+11	+1	+3	—3
Miami Area	—7	+10	+9	..	..
Miami	—8	+9	+5	..	..
Orlando	+3	+67	+35	..	..
St. Ptrsbg-Tampa Area	—2	+30	+22	+3	+15
GEORGIA	+4	+14	+7	—1	—0
Atlanta**	+2	+15	+10	—1	+1
Augusta	+8	+20	+4	..	..
Columbus	n.a.	n.a.	n.a.	n.a.	n.a.
Macon	+13	+16	+3	+1	+9
Rome**	+16	+19	+5	..	..
Savannah	+3	+11	+2	..	..
LOUISIANA	+9	+10	+2	—0	+1
Baton Rouge	—1	+12	+11	+3	+12
New Orleans	+11	+10	—1	—1	—2
MISSISSIPPI	+12	+13	+6	—1	+7
Jackson	+5	+16	+8	—2	+6
Meridian	n.a.	n.a.	n.a.	n.a.	n.a.
TENNESSEE	+6	+10	+3	+4	+7
Bristol-Kingsport-Johnson City**	+10	+21	+5	+2	—0
Bristol (Tenn. & Va.)**	+10	+19	+4	..	..
Chattanooga	+1	+11	+8	..	..
Knoxville	+7	+10	+2	..	..
DISTRICT	+2	+12	+6	+1	+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.
n.a. Not available.

Debits to Individual Demand Deposit Accounts

(In Thousands of Dollars)

	Apr. 1962	Mar. 1962	Apr. 1961	Percent Change: Apr. 1962 from Mar. 1962	Apr. 1962 from Apr. 1961	Year-to-date 4 months 1962 from 1961
ALABAMA						
Anniston	43,466	43,762	37,130	—1	+17	+7
Birmingham	861,658	901,171	762,176	—4	+13	+11
Dothan	37,454	40,430	35,060	—7	+7	+8
Gadsden	34,901	35,201	34,590	—1	+1	+2
Huntsville*	80,289	77,205	62,648	+4	+28	+18
Mobile	291,353	303,902	269,554	—4	+8	+5
Montgomery	178,086	184,685	154,691	—4	+15	+9
Selma*	25,118	26,340	23,756	—5	+6	+8
Tuscaloosa*	60,642	60,896	52,825	—0	+15	+14
Total Reporting Cities	1,612,967	1,673,592	1,432,430	—4	+13	+10
Other Cities†	781,346	811,414	701,945r	—4	+11	+9
FLORIDA						
Daytona Beach*	61,905	61,378	56,315	+1	+10	+5
Fort Lauderdale*	236,658	236,187	217,123	+0	+9	+7
Gainesville*	48,575	46,767	42,497	+4	+14	+9
Jacksonville	852,688	915,967	802,362	—7	+6	+7
Key West*	19,459	18,768	18,103	+4	+7	+9
Lakeland*	82,347	90,806	77,292	—9	+7	+0
Miami	1,006,764	1,053,109	896,504	—4	+12	+6
Greater Miami*	1,490,546	1,544,082	1,343,114	—3	+11	+6
Orlando	272,579	269,500	238,995	+1	+14	+7
Pensacola	85,722	96,975	81,799	—12	+5	+3
St. Petersburg	239,022	244,173	204,061	—2	+17	+12
Sarasota*	90,733	n.a.	n.a.	n.a.	n.a.	n.a.
Tallahassee*	71,728	68,812	n.a.	+4	n.a.	n.a.
Tampa	456,798	477,018	409,812	—4	+11	+7
W. Palm-Palm Bch.*	183,278	179,676	147,949	+2	+24	+19
Total Reporting Cities	4,192,038	4,250,109	3,639,422	—1	+15	+9
Other Cities†	1,842,492	1,954,972	1,709,139r	—6	+8	+8
GEORGIA						
Albany	56,866	58,615	49,985	—3	+14	+13
Athens*	45,689	47,059	37,823	—3	+21	+17
Atlanta	2,476,813	2,512,335	1,965,841	—1	+26	+17
Augusta	119,747	126,017	99,905	—5	+20	+13
Brunswick	33,849	30,529	23,276	+11	+45	+27
Columbus	119,589	122,483	102,783	—2	+16	+13
Dalton*	55,390	n.a.	n.a.	n.a.	n.a.	n.a.
Elberton	10,559	8,843	8,677	+19	+22	+4
Gainesville*	51,323	52,502	46,061	—2	+11	+9
Griffin*	20,575	21,851	17,510	—6	+18	+10
LaGrange*	16,796	18,614	16,302	—10	+3	—4
Macon	130,184	137,150	114,668	—5	+14	+10
Marietta*	34,683	38,604	31,540	—10	+10	+12
Newnan	19,982	22,608	19,072	—12	+5	+13
Rome*	48,571	50,062	45,238	—3	+7	—1
Savannah	172,315	182,506	158,859	—6	+8	+8
Valdosta	37,036	35,310	30,644	+5	+21	+10
Total Reporting Cities	3,449,967	3,465,088	2,768,184	—0	+25	+16
Other Cities†	940,582	1,030,211	899,350r	—9	+5	+5
LOUISIANA						
Alexandria*	76,300	77,132	68,354	—1	+12	+16
Baton Rouge	272,409	289,039	246,532	—6	+10	+13
Lafayette*	64,718	70,675	63,680	—8	+2	+8
Lake Charles	85,476	84,211	72,881	+2	+17	+12
New Orleans	1,407,887	1,537,390	1,244,263	—8	+13	+6
Total Reporting Cities	1,906,790	2,058,447	1,695,710	—7	+12	+8
Other Cities†	683,224	682,856	560,816r	+0	+22	+20
MISSISSIPPI						
Biloxi-Gulfport*	60,342	59,099	52,861	+2	+14	+11
Hattiesburg	37,798	41,428	36,428	—9	+4	+6
Jackson	342,803	358,914	297,448	—4	+15	+15
Laurel*	28,591	28,625	24,664	—0	+16	+4
Meridian	47,722	48,375	39,459	—1	+21	+12
Natchez*	23,629	25,231	22,242	—6	+6	+7
Vicksburg	23,242	23,656	19,011	—2	+22	+15
Total Reporting Cities	564,127	585,328	492,113	—4	+15	+13
Other Cities†	290,140	298,058	255,193r	—3	+14	+10
TENNESSEE						
Bristol*	52,184	55,383	55,117	—6	—5	+7
Chattanooga	331,217	373,073	300,671	—11	+10	+9
Johnson City*	43,514	47,396	37,738	—8	+15	+11
Kingsport*	96,180	108,793	78,775	—12	+22	+14
Knoxville	250,840	254,143	224,511	—1	+12	+5
Nashville	808,466	847,680	700,916	—5	+15	+10
Total Reporting Cities	1,582,401	1,686,468	1,397,728	—6	+13	+9
Other Cities†	600,525	662,851	582,421r	—9	+3	+3
SIXTH DISTRICT	18,466,599	19,159,394r	16,134,451r	—4	+14	+10
Reporting Cities	13,308,290	13,719,032r	11,425,587r	—3	+16	+11
Other Cities†	5,138,309	5,440,362r	4,708,864r	—6	+9	+9
Total, 32 Cities	11,145,291	11,660,198r	9,682,564r	—4	+15	+10
UNITED STATES						
344 Cities	281,700,000	293,300,000	241,000,000r	—4	+17	+12

*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 Statistics

Seasonally Adjusted

(All data are indexes, 1957-59 = 100, unless indicated otherwise.)

	Latest Month (1962)		One Month Ago	Two Months Ago	One Year Ago
SIXTH DISTRICT					
INCOME AND SPENDING					
Personal Income, (Mil. $, Annual Rate)	Mar.	37,416	37,252r	36,492r	35,087
Farm Cash Receipts	Mar.	113	111	114	109
Crops	Mar.	119	112	111	101
Livestock	Mar.	113	108	104	114
Department Store Sales*/**	May	114p	111	110	102
Department Store Stocks*	Apr.	120	118	115	114
Instalment Credit at Banks,* (Mil. $)					
New Loans	Apr.	137	136	142	118
Repayments	Apr.	130	124	130	129
PRODUCTION AND EMPLOYMENT					
Nonfarm Employment	Apr.	106	105	105	103
Manufacturing	Apr.	105	104	104	101
Apparel	Apr.	116	114	114	109
Chemicals	Apr.	100	100	100	101
Fabricated Metals	Apr.	105	105	104	102
Food	Apr.	107	105	105	104
Lbr., Wood Prod., Furn. & Fix.	Apr.	97	97	96	95
Paper	Apr.	104	102	102	103
Primary Metals	Apr.	95	94	94	90
Textiles	Apr.	96	96	96	95
Transportation Equipment	Apr.	101	99	101	87
Nonmanufacturing	Apr.	106	105	106	104
Construction	Apr.	93	94	94	88
Farm Employment	Apr.	91	91	85	94
Insured Unemployment, (Percent of Cov. Emp.)	Apr.	4.2	4.1	4.5	6.3
Avg. Weekly Hrs. in Mfg., (Hrs.)	Apr.	40.8	41.1r	40.9	39.7
Manufacturing Payrolls	Apr.	121	122r	121	109
Construction Contracts*	Mar.	137	133	99	92
Residential	Mar.	114	112	100	96
All Other	Mar.	156	151	99	90
Electric Power Production**	Mar.	124	120	130	115
Cotton Consumption**	Apr.	105	109	104	94
Petrol. Prod. in Coastal La. and Miss.**	Apr.	147	150	145r	131
FINANCE AND BANKING					
Member Bank Loans*					
All Banks	Apr.	134	132	130	123
Leading Cities	May	133	133	131	126
Member Bank Deposits*					
All Banks	Apr.	121	121	120	112
Leading Cities	May	119	120	120	112
Bank Debits*/**	Apr.	127	127	121	117
ALABAMA					
INCOME AND SPENDING					
Personal Income, (Mil. $, Annual Rate)	Mar.	5,115	5,097r	4,934r	4,834
Farm Cash Receipts	Mar.	112	107	111	111
Department Store Sales**	Apr.	102	111	106	110
PRODUCTION AND EMPLOYMENT					
Nonfarm Employment	Apr.	102	101	101	101
Manufacturing	Apr.	98	97	97	94
Nonmanufacturing	Apr.	103	103	104	104
Construction	Apr.	92	92	91	93
Farm Employment	Apr.	85	84	82	93
Insured Unemployment, (Percent of Cov. Emp.)	Apr.	4.6	4.5	5.1	6.7
Avg. Weekly Hrs. in Mfg., (Hrs.)	Apr.	40.2	40.7r	41.0	39.3
Manufacturing Payrolls	Apr.	114	116	115	101
FINANCE AND BANKING					
Member Bank Loans	Apr.	133	133	129	125
Member Bank Deposits	Apr.	119	119	117	114
Bank Debits**	Apr.	124	124	122	116
FLORIDA					
INCOME AND SPENDING					
Personal Income, (Mil. $, Annual Rate)	Mar.	10,893	10,887	10,569r	10,089
Farm Cash Receipts	Mar.	115	115	109	98
Department Store Sales**	Apr.	133	141	127	119
PRODUCTION AND EMPLOYMENT					
Nonfarm Employment	Apr.	113	112	112	108
Manufacturing	Apr.	119	119	118	113
Nonmanufacturing	Apr.	112	111	111	107
Construction	Apr.	92	93r	90	87
Farm Employment	Apr.	94	96	94	100
Insured Unemployment, (Percent of Cov. Emp.)	Apr.	3.3	3.6	3.8	5.2
Avg. Weekly Hrs. in Mfg., (Hrs.)	Apr.	41.4	41.8	41.9	40.9
Manufacturing Payrolls	Apr.	146	145	146	133
FINANCE AND BANKING					
Member Bank Loans	Apr.	130	128	125	119
Member Bank Deposits	Apr.	123	121	120	111
Bank Debits**	Apr.	129	125	121	120

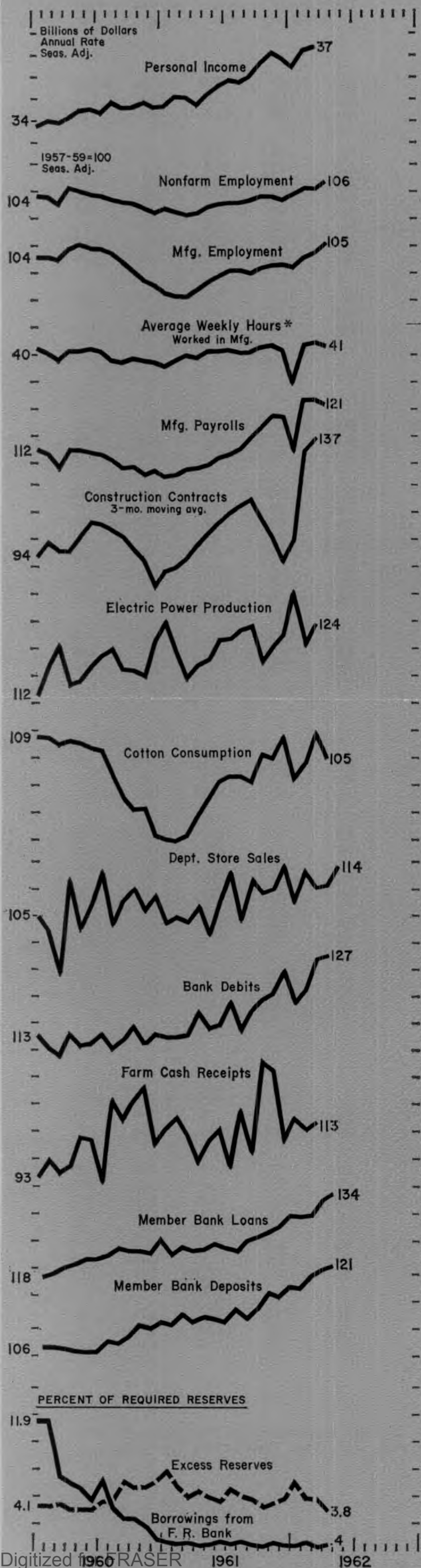
	Latest Month (1962)		One Month Ago	Two Months Ago	One Year Ago
GEORGIA					
INCOME AND SPENDING					
Personal Income, (Mil. $, Annual Rate)	Mar.	6,947	6,872r	6,691r	6,492
Farm Cash Receipts	Mar.	114	111	103	122
Department Store Sales**	Apr.	99	113	103	96
PRODUCTION AND EMPLOYMENT					
Nonfarm Employment	Apr.	106	105	105	102
Manufacturing	Apr.	103	102	102	98
Nonmanufacturing	Apr.	107	105r	106	104
Construction	Apr.	104	102	105	92
Farm Employment	Apr.	82	84	80	85
Insured Unemployment, (Percent of Cov. Emp.)	Apr.	3.4	3.3	3.8	5.9
Avg. Weekly Hrs. in Mfg., (Hrs.)	Apr.	39.9	40.5r	39.9	39.4
Manufacturing Payrolls	Apr.	118	120r	118	106
FINANCE AND BANKING					
Member Bank Loans	Apr.	136	136	133	128
Member Bank Deposits	Apr.	126	126	124	115
Bank Debits**	Apr.	133	132	126	116
LOUISIANA					
INCOME AND SPENDING					
Personal Income, (Mil. $, Annual Rate)	Mar.	5,582	5,597r	5,556r	5,345
Farm Cash Receipts	Mar.	117	101	114	98
Department Store Sales*/**	Apr.	95	102	105	97
PRODUCTION AND EMPLOYMENT					
Nonfarm Employment	Apr.	98	98	99	98
Manufacturing	Apr.	94	94	93	94
Nonmanufacturing	Apr.	99	99	100	99
Construction	Apr.	76	80	79	77
Farm Employment	Apr.	98	100	89	105
Insured Unemployment, (Percent of Cov. Emp.)	Apr.	4.7	4.5	5.0	6.3
Avg. Weekly Hrs. in Mfg., (Hrs.)	Apr.	41.8	41.5r	42.9	40.7
Manufacturing Payrolls	Apr.	108	106r	110	101
FINANCE AND BANKING					
Member Bank Loans*	Apr.	132	128	126	119
Member Bank Deposits*	Apr.	112	111	111	108
Bank Debits*/**	Apr.	116	120	112	107
MISSISSIPPI					
INCOME AND SPENDING					
Personal Income, (Mil. $, Annual Rate)	Mar.	2,822	2,831r	2,847	2,607
Farm Cash Receipts	Mar.	110	109	148	108
Department Store Sales*/**	Apr.	104	104	108	101
PRODUCTION AND EMPLOYMENT					
Nonfarm Employment	Apr.	109	108	108	105
Manufacturing	Apr.	111	110	109	103
Nonmanufacturing	Apr.	107	107	108	105
Construction	Apr.	102	98	96	94
Farm Employment	Apr.	93	91	79	92
Insured Unemployment, (Percent of Cov. Emp.)	Apr.	4.6	4.8	5.5	7.6
Avg. Weekly Hrs. in Mfg., (Hrs.)	Apr.	40.2	40.8r	40.9	39.2
Manufacturing Payrolls	Apr.	126	128r	127	109
FINANCE AND BANKING					
Member Bank Loans*	Apr.	150	148	145	133
Member Bank Deposits*	Apr.	129	127	124	117
Bank Debits*/**	Apr.	138	140	136	127
TENNESSEE					
INCOME AND SPENDING					
Personal Income, (Mil. $, Annual Rate)	Mar.	6,057	5,968r	5,895r	5,720
Farm Cash Receipts	Mar.	95	96	106	96
Department Store Sales*/**	Apr.	94	106	104	97
PRODUCTION AND EMPLOYMENT					
Nonfarm Employment	Apr.	105	104	104	102
Manufacturing	Apr.	107	106	106	103
Nonmanufacturing	Apr.	104	103	103	102
Construction	Apr.	111	118	118	100
Farm Employment	Apr.	92	90	86	94
Insured Unemployment, (Percent of Cov. Emp.)	Apr.	4.9	5.0	5.4	7.3
Avg. Weekly Hrs. in Mfg., (Hrs.)	Apr.	41.0	41.1r	40.8	39.6
Manufacturing Payrolls	Apr.	119	121	120	109
FINANCE AND BANKING					
Member Bank Loans*	Apr.	134	134	133	123
Member Bank Deposits*	Apr.	122	124	123	112
Bank Debits*/**	Apr.	127	130	119	121

*For Sixth District area only. Other totals for entire six states. p Preliminary. r Revised.

**Daily average basis.

Sources: Personal income estimated by this Bank; nonfarm, mfg. and nonmfg. emp., mfg. payrolls and hours, and unemp., U.S. Dept. of Labor and cooperating state agencies; 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.; farm cash receipts and farm emp., U.S.D.A. Other indexes based on data collected by this Bank. All indexes calculated by this Bank.

DISTRICT BUSINESS CONDITIONS



*Seas. adj. figure; not an index.

Expansion of District economic activity continued in April. This is apparent from trends in seasonally adjusted indicators. Employment increases were the result of widespread gains in most types of activity. Although a rise in cash receipts from farm marketings occurred in March, a critical spring drought in recent weeks has weakened the farm economy. Most measures of consumer spending increased further in April, reflecting first-quarter gains in personal income. Loans and deposits at member banks continued to expand moderately.

Total nonfarm employment rose substantially in April after a month of virtually no change. The nonmanufacturing sector contributed significantly to the increase in the number of those gainfully employed. Manufacturing employment also expanded. A slight shortening in the average work week in District manufacturing, however, caused a minor dip in manufacturing payrolls.

The latest three-month average of contracts for new construction rose further, following a month of sharply increased volume. Construction employment, however, changed little in April from the improved level of the two preceding months. Cotton consumption, a measure of activity in the textile industry, declined but was still at a relatively high level.

Important measures of consumer spending advanced during April. Bank debits, a measure of total spending, increased somewhat further to a record high. Department store sales rose slightly during April, and preliminary figures suggest that they reached a new record in May. Auto sales during the first quarter, as reflected by the latest state registration figures, were at the highest level in recent years.

Consumer instalment credit outstanding at District commercial banks increased slightly, primarily reflecting greater borrowing for the purchase of automobiles and a rise in personal loans. At the same time, consumers added to their time deposits and savings and loan accounts during April but at a reduced rate from that in March.

A modest rise in receipts from farm marketings in March has buoyed the farm economy, although a critical shortage of soil moisture in May has jeopardized crop plantings and pastures in many areas. With production of livestock and some crops increasing more than seasonally in March, and the index of prices received by District farmers down only slightly, cash receipts from farm marketings increased moderately. Recent rainfall in scattered localities suggests that the severe drought that has plagued farmers may be ending.

Loans and deposits at member banks advanced further in April. Preliminary data for member banks in leading District cities indicate that loans, seasonally adjusted, may have increased in May and that recent strength stems principally from a rise in consumer loans. Member bank deposits, seasonally adjusted, rose partly because time deposits expanded significantly. Among District states, Florida has experienced the sharpest deposit gain so far this year.