SIXTH FEDERAL RESERVE DISTRICT

Monthly Review

Atlanta, Georgia
May • 1963

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The Common Market and Agriculture

As certain as the knowledge of death and taxes is the realization of many farmers that they must export their produce to prosper. Building and holding an export market to achieve maximum income has long been a cardinal aim of farmers in District states, and they have developed a large export trade. In fiscal year 1961, their export sales of rice, cotton, and tobacco accounted for almost two-fifths of the value of their annual harvests or sales of those crops, according to the United States Department of Commerce. Furthermore, almost one-fourth of the farm labor force in District states was utilized to produce the volume sold abroad. To lay bare and sever the District's farm export nerve is to sever a pocketbook nerve, and the pain caused by such an event could be intense.

When farmers observe current economic and political developments abroad, especially in the European Economic Community or Common Market, whose member nations are France, Italy, West Germany, the Netherlands, Belgium, and Luxembourg, their attention is redirected almost immediately to their own export sales. Interest is especially keen because District farmers have been increasing their exports, particularly of cotton and poultry products, to the Common Market since 1958.

As farm exports to member nations in the Common Market increased, District farmers became more dependent upon them. Concomitantly, came the realization that a decline in farm exports to that market would be potentially damaging to the District's farm economy. Duties recently imposed on broilers by Common Market authorities and current discussions about the possibility of additional duties on rice and other farm products, therefore, have spurred farmers and those dependent upon farm activity and prosperity to be concerned about their future. This concern is also shared by those engaged in shipping and other pursuits connected with farm exports.

The Common Market an Economic Union

The Common Market came into being with the signing of the Treaty of Rome in 1957. Fundamentally, the six member nations united to achieve the economic goals of increasing their internal markets and their productivity. To attain these goals, they plan to abolish restrictions on internal movements of goods, capital, services, and workers. Internal trade barriers will be lowered in four-year steps, and the final act of the drama is scheduled for December 1969. In addition, external trade and tariff policies binding upon each member nation are being formed. Ultimately, free trade among member nations and a single policy on imports will be achieved.

Although the Common Market nations are relatively small geographically—covering 450,000 square miles, compared with 307,000 for the District states and 3,615,211 for the United States—they pack a powerful economic punch. There were about 170 million people in the Common Market countries in 1960 and approximately 180 million in the United States. The Gross National Product for the Common Market that year totaled about $181 billion; it was $505 billion here. Common Market output in 1962, however, was expanding at about 6 percent per year, as measured by industrial production, compared with about 4 percent for the U. S. economy.

A Common Agricultural Policy for the Six

Agriculture has been assigned a central role in European economic adjustments by the Common Market's economic planners. In Europe, the basic emphasis is upon maximum self-sufficiency in farm production. This broad policy goal would tend to alleviate shortages of farm products experienced in former years and give the widest possible scope to production and economic growth of the farm economies of member nations. These aims find expression in the Common Agricultural Policy.

In its broadest terms, the Common Agricultural Policy calls upon each member nation to modernize its agricultural economy. The numerous small farms—nine million in all—must be consolidated to achieve the economies associated with larger-scale operations. In this process, farmers who cannot profitably enlarge their units will be absorbed into the general labor force and, it is hoped, utilized in the burgeoning nonfarm economy. This has, of course, a familiar ring to us, since it is stressed in the U. S. as a partial solution to our "farm problem." Along with farm enlargement, the Common Market is bent upon mechanizing its farms and applying much more widely the farm technology that is taken for granted in this country.

At the outset, the authorities intend to use the well-known device of price supports to achieve greater self-sufficiency in farm output, as well as to adjust agricultural production within the Common Market. The immediate goal of this policy is agreement upon uniform support prices for the six nations. Initial steps to carry out this policy are anticipated this year, and the policy is expected to be fully implemented by 1970, if not sooner.

At present, discussions in Europe are centering on a single support price for wheat. If this support price is set lower than the recent West German support price of about $3.00 per bushel but higher than the current French support price of about $2.15 per bushel, French farmers would be encouraged to expand wheat acreage and apply more technology to its production. German growers would tend to reduce output and divert some resources to step-up farm production for which they have a competitive advantage. Meanwhile, wheat from abroad, available at perhaps $2.00 per bushel, would not be accepted by a member nation at a price below that received by the European farmer. An import levy, which would be stepped up or down to bring external and internal prices in line, would be placed upon the imported wheat. This would likely have adverse effects on wheat exporting nations. The European support price for wheat will have far-reaching implications, for it will affect the price structure for other grains and, ultimately, for livestock and poultry products.

Farm price policies in a somewhat different guise will be in effect for certain farm products. Poultry meat is a case in point. Producers in Europe will be protected by a minimum import or "gate" price, in addition to the variable import levies on the imports. This entry price, announced in 1962 as 33.34 cents per pound in the port of entry for ready-to-cook poultry, is higher than this country's costs of production and delivery to Europe. Import duties on poultry were raised from 4½ cents a pound in 1961 to 12½ cents a pound on July 30, 1962. These duties, of course, protect producers in the Common Market nations and place them in a position to capitalize on a growing internal market for poultry meat. The restrictions, however, are a threat to our poultry industry, which finds itself priced out of the market.

Our Farm Exports to the Common Market

Overall, the Common Market, a prosperous industrial unit, is now a prime outlet for U. S. farm products. American farmers number West Germany, the Netherlands, and Italy among their largest Common Market customers. These countries receive 80 percent of U. S. shipments; France, Belgium, and Luxembourg, 20 percent. When these national export figures are related to District states, we see that farmers in these states supplied about 12 percent of total farm exports from the U. S. in fiscal year 1961.

Exports from District states bulk larger, however, when they are related to the total amount sold or harvested by farmers. In 1961, District farmers exported 20 percent of their total sales or harvests. The proportion for field crop exports—cotton, soybeans, tobacco, and rice—was 38 percent. Exports of fruits, principally citrus fruits and products, accounted for 20 percent of the total; vegetables, 12 percent; and poultry, 4 percent.

Farm Export Equivalent as a Proportion of Amount Sold or Harvested
Sixth District States
Fiscal Year 1960-61

Commodity Group	*Value of Commodity Sold or Harvested as Shown in the 1959 Census*	*Export Equivalent*	*Export Equivalent as a Percent of Amount Sold or Harvested*
	($000,000)	($000,000)	
Field Crops[1] (Excl. Vegetables, Fruits and Nuts)	1,214	459	38
Vegetables[1]	102	12	12
Fruits and Nuts[1]	357	70	20
Total Livestock and Products	1,284	47	4
Dairy	269	9	3
Poultry	404	16	4
Other	611	22	4
Total Agricultural Products	2,957	588	20

[1] Includes products and preparations.
Source: United States Department of Commerce.

Although not all farm export items to the Common Market are equally important, the sales trends for some less important items have considerable local impact. Poultry products, rice, fruits, and vegetables come readily to mind. These items have been purchased in increasing volume by nations in the Common Market, especially by West Germany and the Netherlands, since 1955. While only 2 percent of our broiler production went to the Common Market in 1962, a sudden shrinkage in sales could dampen market prices here.

Some Pressure on Farmers Likely

Where will American farmers, particularly those in the Sixth District, stand as the Common Agricultural Policy becomes operative and European nations become more self-sufficient?

Taking an overall view, the impact on this nation's farm exports could be modest during the next year or so. Fortunately, Europeans will require some time to put their Common Agricultural Policy into full operation. Meanwhile, their hoped-for results may not be achieved rapidly. Farmers here probably would be unrealistic, however, to expect anything but a generally restrictive policy against certain farm exports for several years.

Considering this nation's total farm export trade with the Common Market, a possible loss in exports may have to be borne principally by American wheat growers. Even here, however, the outcome is uncertain because much depends upon the internal price set for wheat in Europe. Whether European farmers will be able to quickly satisfy local needs and whether other nations that could supply wheat become full or associate members of the Common Market are also important factors. Finally, the Common Market's impact on wheat growers hinges to some extent upon this nation's agricultural price policies.

The important Sixth District farm products exported to the Common Market are cotton, oilseeds, and tobacco.

Farm Product Export Equivalent, Major Commodity Groups

Fiscal Year 1960-61

Commodity Group	*Ala.*	*Fla.*	*Ga.*	*La.*	*Miss.*	*Tenn.*	*Six States*	*United States*
				(Percent of Totals)				
Field Crops[1] (Excl. Vegetables, Fruits and Nuts)	87	21	84	94	93	90	78	80
Vegetables[1]	1	10	1	*	*	1	2	2
Fruits and Nuts[1]	1	63	3	1	1	1	12	6
Poultry	5	1	6	1	2	1	3	2
Other Livestock and Products	6	5	6	4	4	7	5	10
Total	100	100	100	100	100	100	100	100
Total Amount Exported ($000,000)	72	101	103	82	137	93	588	4,900

[1] Includes products and preparations.
* Less than 0.5 percent.
Note: The export equivalents show the state's proportionate share of national agricultural exports and do not necessarily mean that the commodities shown were actually exported. They do reflect, however, the contribution of the state to total national trade.
Source: United States Department of Commerce.

Because these products are not produced in any quantity, if at all, in the Common Market, District growers should continue to enjoy export sales to these countries. Cotton can now enter the Common Market duty free. Thus, our future cotton trade with the Common Market nations will hinge more upon our farm policies than upon their policies. Oilseeds, such as soybeans and oil meals, also enter Common Market ports duty free. Under present conditions of demand and supply, farmers here could well experience increased sales of these items, according to the United States Department of Agriculture.

Tobacco sales to the Common Market are more problematical because the Common Agricultural Policy and possible levies on imported tobacco have not been put in force. If they should be somewhat restrictive because of French and Italian attitudes, District tobacco exports may be crimped. However, District producers might be able to increase their exports to other European nations and thus avoid making any immediate adjustment to a loss of export sales to the Common Market.

For the District's farm economy, shrinking poultry sales to Common Market countries is a troublesome export problem. The European policy for broilers has already caused a decline in broiler exports to these nations, and further declines could occur. Exports, of course, may be reasonably well maintained if farmers in Europe cannot supply consumer demand for broilers. However, the broiler industry in this nation probably will experience, at least temporarily, a decline in exports to the Common Market. The industry may offset sales loss there, however, with increased sales to other nations in Europe and elsewhere in the world.

Taking a longer-range view, farm product exports from both the nation and the District could actually increase to the Common Market. As European economies become more productive, consumers will gain spending power, and their demands for food, clothing, and other consumer goods will increase. These demands could cause Common Market trade negotiators to ultimately adopt more liberal trading policies for farm products, although the European farm population might not acquiesce readily to such policies. This resistance is reflected in current Common Market discussions with respect to the support price for wheat, which may be set more for political than for economic reasons.

Nevertheless, there is room for maneuver, especially with the powers granted by Congress in the Trade Expansion Act of 1962. This Act gives the President authority to bargain and negotiate to obtain simultaneous concessions for a large range of items. Until negotiations are completed, the volume of both national and District exports to Common Market countries, which now take one-third of our farm export sales for dollars, will be uncertain. Sales to other free-world nations outside the European Economic Community, however, may offer farmers some consolation.

ARTHUR H. KANTNER

FEDERAL RESERVE OPEN MARKET OPERATIONS IN 1962

This report, originally published in the April 1963 issue of the *Federal Reserve Bulletin*, describes the open market operations of the Federal Reserve System, as they took place against the background of broad system policy objectives on one side and money and capital market developments on the other. It supplements the 1962 *Annual Report* of the Board of Governors of the Federal Reserve System, which traced the development of Open Market Committee policy during the year. Reprints of this report may be obtained from the Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington 25, D. C., and, in limited quantities, from the Research Department, Federal Reserve Bank of Atlanta, Atlanta 3, Georgia.

Good Growth Marks Georgia's Economy in '62

In a general climate of sharp changes in the national financial markets, substantial cold-war shocks, and high-level economic plateaumanship, Georgia's diversified economy forged strongly ahead in 1962. This survey measures recent progress in the two major areas of personal income and employment. Following this review, a look at long-term income and employment trends will provide a basis for evaluating the staying power of these gains.

Personal Income Georgia's total personal income increased about $450 million during 1962, according to preliminary estimates of this Bank. This represented almost one-third of the total gain registered by the six states included in the Sixth Federal Reserve District. Looking at annual rates of gain for seasonally adjusted income, it appears that Georgia's growth of more than 7 percent through December set the pace within the District.

A combination of factors, including unusually severe weather, caused Georgia's economy to slow down somewhat in December, as did that of the District as a whole. However, preliminary estimates indicate that Georgia's rebound was vigorous, though still hampered by weather and the effects of the East Coast dock strike. Total personal income, seasonally adjusted annual rate, spurted in January almost $170 million, a gain of 2.3 percent over December's retarded rate. In comparison, the District's economy recorded a less impressive gain, 1.8 percent.

Looking further back, it was pointed out when Georgia's economy was last reviewed (*Monthly Review,* April 1962) that Georgia recovered rather slowly from the recession trough of February 1961. In fact, Georgia's recession, as measured by manufacturing employment, did not bottom out until March 1961, and it was not until May that nonmanufacturing and total nonfarm employment hit their low points. Total personal income gained slowly through March of 1961, but then slumped sharply. From mid-1961 to year-end, however, all four indices reflected steady and vigorous gains. Thus, the increase in personal income for 1962 was achieved from a year-end 1961 base, which had risen almost 7 percent from the end of 1960. From January 1962 through January 1963, personal income in Georgia climbed steadily with only slight and temporary interruptions.

Analysis of income changes shows that strength in these aggregate gains has not been reflected in per capita income growth. As indicated in the table, Georgia's rate of per capita income growth, when measured against the national average, has been slowing perceptibly. Moreover, in spite of a five-year growth of 21 percent, compared with 15 percent for the nation, the average Georgian still receives only 73 percent of the national average.

COMPARATIVE PER CAPITA INCOME CHANGES

	1957	*1958*	*1959*	*1960*	*1961*	*1962*
			(Dollars)			
Georgia	1,418	1,469	1,558	1,610	1,649	1,714
District States	1,465	1,505	1,587	1,612	1,647	1,708
United States	2,052	2,069	2,168	2,218	2,266	2,357

(Percent Change)

	1958 from 1957	*1959 from 1958*	*1960 from 1959*	*1961 from 1960*	*1962 from 1961*
Georgia	3.6	6.1	3.3	2.4	3.9
District States	2.7	5.4	1.6	2.2	3.7
United States	0.8	4.8	2.3	2.2	4.1

Employment and Production Measures Underlying these growth trends in total personal income, of course, are solid gains in employment and production measures. Georgia's total nonfarm employment, on which later data are available, rose in February to 111 percent of the 1957-59 index base. This compares with an index of 107 for February 1962.

On the other hand, manufacturing employment, after remaining on a plateau from December through February, rose only slightly to 107.1 in March. Even so, for the 12 months ending in March, this index rose 2.5 percent, but fell somewhat short of the 2.6 percent increase for the District states.

Georgia's star performer in employment for the past 12 months has been nonmanufacturing employment. Paced by buoyant construction, service, and state and Federal government employment and sustained by good rates of activity in trade, finance, insurance, and real estate, this type of employment rose 4.5 percent for the year ending in March 1963.

As was also true of the District, farm employment was Georgia's weakest employment index for the past year. This index moved down from 79 to 75, a decline of nearly 16 percent. Reductions in acreage and yields for some types of crops contributed to Georgia's decline and more than offset gains in livestock and poultry activities.

Average weekly hours in manufacturing in Georgia rose to 40.2 in March, continuing the trend of January and February gains. This was somewhat below the March level of 40.7 for the District. Insured unemployment continued to decline, reaching a level of 3.0 percent of covered employees in March. This was substantially below the levels of January and February and compares with the District's rate of 4.0 percent for March.

Will It Last? Georgia's economy has changed considerably in the postwar period, as is shown by the chart tracing employment indices. While total nonagricultural employment has behaved in about the same manner as national cyclical patterns, its cycle has been decreasing in severity. At the same time, it is clear that although the cyclical pattern in manufacturing employment continues to be the most pronounced of the three indices, it, too, has shown less extreme swings in succeeding cycles. Moreover, each postwar low point has held at successively higher levels.

It is not to be inferred from the changed behavior of these employment indices that manufacturing employment is any less important in Georgia's total economy. In fact, this category now contributes almost one-fifth of total personal income, compared with a ratio of about 16 percent for the average of the six District states. Moreover, the qualitative improvement of "area-building" income from this source, in spite of continuing cyclical swings, may be inferred from the behavior of nonmanufacturing employment. As the chart shows, strong recovery in manufacturing employment in each succeeding cycle has been accompanied by growth in nonmanufacturing employment of equal recovery strength and of enhanced staying power. Part of this changed pattern is no doubt attributable to growth in trade, financial, and service functions in the region. Strong growth in manufacturing employment within the state, however, has supported substantial intra-state nonmanufacturing and service employment.

How does Georgia's more recent performance affect the immediate outlook? Do these gains, including long-term ones, imply continued and perhaps increased growth from continuing diversification? Quite apart from non-quantifiable and longer-term political and social factors that influence growth, it is clear that any one state's economic health depends largely on national and regional trends. Nevertheless, analysis of comparative performance intra-regionally indicates that Georgia has had an exceptionally favorable combination of employment sources in the recent past.

This analysis, shown in the chart comparing 13 components of income source, is based upon preliminary estimates by this Bank for personal income in 1962.

As shown in the chart, Georgia had three components of income source that were individually weaker, year-to-year, than they were in the District as a whole. Each of these, however, accounted for a smaller share of Georgia's total personal income than of District income. Moreover, taken as a group, their total contribution was actually less retarded than it was in the District.

In two important components of income source, Georgia fared about the same as the District. Eight components, however, exceeded their District counterparts and accounted for more than seven-tenths of total income, compared with slightly less than two-thirds for the District states. As indicated, the composite rate of increase in this group was almost 9 percent, versus 7 percent for all six states.

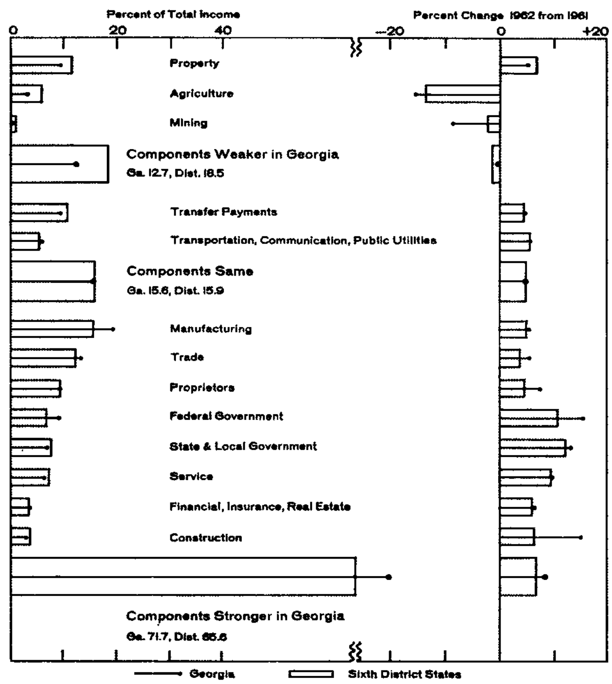
Recent economic data indicate a strengthening underlying current in the nation's economy, which is marked by signs of broadening investment spending, as well as continuing strength in the consumer sector. If these trends persist, it seems reasonable to expect that Georgia will continue to show vigorous growth in the months ahead. Whether the economic mix will be equally favorable in the more distant future cannot be foreseen. On the other hand, it is evident that the continual upgrading and diversification of employment sources has greatly benefited Georgia's economy. Indeed, paraphrasing a line from the ever-popular musical, "South Pacific," Georgia's economy is, at present, broad where an economy should be broad.

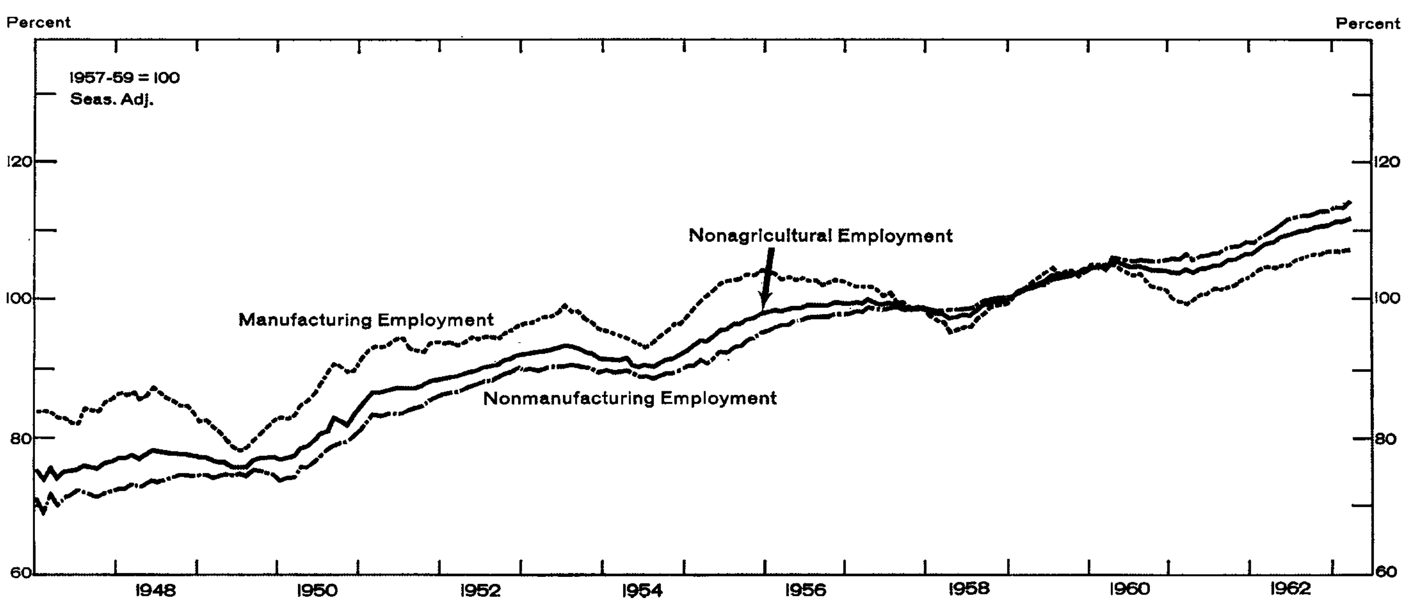
HIRAM J. HONEA

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

Components of Income, by Source

Georgia and Sixth District States, 1962





Bank Announcements

On April 1, the Limestone County Bank, Athens, Alabama, a state member, converted into a national banking association under the title of the First National Bank of Athens. Officers include W. Van Gilbert, Chairman of the Board; Allen Beasley, President; John J. Huber, Vice President and Cashier; and James E. Horton, Vice President. Capital is $200,000, and surplus and other capital funds, $639,719, as reported by the Comptroller of Currency at the time the conversion was approved.

The Harbor State Bank, Safety Harbor, Florida, a recently organized nonmember bank, began to remit at par on April 1 for checks drawn on it when received from the Federal Reserve Bank. Officers are A. B. Edwards, Jr., President; and Charles M. Davis, Vice President and Cashier. Capital is $150,000, and surplus and undivided profits, $75,000.

Also on April 1, The Bank of Inverness, Inverness, Florida, a nonmember bank, began to remit at par.

The Hendry County Bank, La Belle, Florida, a newly organized nonmember bank, opened for business and began to remit at par on April 23. Officers include K. J. Curtis, President; and W. E. Dickson, Vice President and Cashier. Capital is $140,000, and surplus and undivided profits, $63,000.

A REVIEW OF GEORGIA'S ECONOMY, 1960-63

A compilation of articles devoted to Georgia's economy that appeared in this Bank's *Monthly Review* during 1960-63, together with revised monthly figures of major business indicators for Georgia. The articles emphasize various aspects of Georgia's economic scene and often consider longer-run developments. Copies are available upon request to the Research Department, Federal Reserve Bank of Atlanta, Atlanta 3, Georgia.

Department Store Sales and Inventories*

	Percent Change				
	Sales			Inventories	
	Mar. 1963 from		3 Months	Mar. 31, 1963 from	
Place	Feb. 1963	Mar. 1962	1963 from 1962	Feb. 28, 1963	Mar. 31, 1962
ALABAMA	+48	+2	+0	—0	—3
Birmingham	+53	—2	—3	—2	—2
Mobile	+51	+9	+4	..	..
Montgomery	+38	+5	+3	..	..
FLORIDA	+23	+5	+8	+2	+18
Daytona Beach	+24	+13	+12	..	..
Jacksonville	+37	+15	+12	+2	+28
Miami Area	+23	+1	+4	..	..
Miami	+16	—13	—7	..	..
Orlando	n.a.	n.a.	n.a.	n.a.	n.a.
St. Petersburg-Tampa Area	+18	+3	+6	+2	+6
GEORGIA	+50	+10	+8	+3	+3
Atlanta**	+49	+9	+8	+4	+4
Augusta	+55	+7	+7	..	..
Macon	+53	+8	+6	+5	+0
Rome**	+60	+14	+6	..	..
Savannah	+40	+11	+8	..	..
LOUISIANA	+42	+15	+8	+5	+2
Baton Rouge	+82	+24	+10	+8	—6
New Orleans	+34	+15	+8	+4	+4
MISSISSIPPI	+32	+5	+4	—3	+4
Jackson	+36	+6	+4	—6	+6
TENNESSEE	+48	+3	—0	+5	+16
Bristol-Kingsport-Johnson City**	+44	—3	—4	+5	+4
Bristol (Tenn. & Va.)**	+54	—6	—8	..	..
Chattanooga	+49	+6	—0	..	..
Knoxville	+43	—3	—5	..	..
DISTRICT	+36	+7	+6	+3	+9

*Reporting stores account for over 80 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

Insured Commercial Banks in the Sixth District

(In Thousands of Dollars)

				Percent Change		
				March 1963 from		Year-to-date 3 Months 1963 from
	March 1963	Feb. 1963	March 1962	Feb. 1963	March 1962	1962
ALABAMA, Total†	2,585,821	2,385,967	2,424,710	+8	+7	+8
Anniston	43,886	40,103	43,762	+9	+0	+5
Birmingham	953,071	877,561	901,171	+9	+6	+5
Dothan	41,459	37,504	40,430	+11	+3	+5
Gadsden	37,924	36,502	35,201	+4	+8	+10
Huntsville*	93,136	87,270	77,205	+7	+21	+21
Mobile	309,852	300,016	303,902	+3	+2	+9
Montgomery	214,624	182,163	184,685	+18	+16	+14
Selma*	28,690	24,891	26,340	+15	+9	+8
Tuscaloosa*	63,033	61,628	60,896	+2	+4	+10
FLORIDA, Total†	6,474,686	6,148,800	5,833,674	+5	+11	+13
Bartow*	23,265†	22,396	n.a.	+4	n.a.	n.a.
Bradenton*	46,643	44,233	n.a.	+5	n.a.	n.a.
Brevard County*	119,003	110,149	n.a.	+8	n.a.	n.a.
Clearwater*	73,716	76,394	n.a.	—4	n.a.	n.a.
Daytona Beach*	65,973	59,431	61,378	+11	+7	+8
Delray Beach*	25,167	23,307	n.a.	+8	n.a.	n.a.
Ft. Lauderdale*	238,787	216,332	236,187	+10	+1	+0
Ft. Myers-North Ft. Myers*	55,420	53,003	n.a.	+5	n.a.	n.a.
Gainesville*	51,517	51,422	46,767	+0	+10	+10
Jacksonville	874,762	872,390	915,967	+0	—4	—3
Key West*	18,959	17,611	18,768	+8	+1	—3
Lakeland*	94,820	86,355	90,806	+10	+4	+6
Miami	1,075,768	984,651	1,053,109	+9	+2	+2
Greater Miami*	1,565,363	1,466,235	1,544,082	+7	+1	+2
Ocala*	44,523	40,837	n.a.	+9	n.a.	n.a.
Orlando	286,935	277,598	269,500	+3	+6	+7
Pensacola	99,268	86,079	96,975	+15	+2	+7
St. Augustine*	16,362	15,509	n.a.	+6	n.a.	n.a.
St. Petersburg	232,756	211,944	244,173	+10	—5	—6
Sarasota*	82,518	76,574	n.a.	+8	n.a.	n.a.
Tallahassee*	70,197	77,280	68,812	—9	+2	+6
Tampa	483,588	452,460	477,018	+7	+1	+4
W. Palm-Palm Bch.*	178,593	170,955	179,676	+4	—1	+1
Winter Haven*	46,813	45,167	n.a.	+4	n.a.	n.a.
GEORGIA, Total†	4,848,257	4,536,438	4,396,071	+7	+10	+15
Albany	58,190	56,539	58,615	+3	—1	+2
Athens*	42,911	42,658	46,999	+1	—9	—2
Atlanta	2,728,961	2,570,837	2,454,468	+6	+11	+19
Augusta	136,310	128,050	126,017	+6	+8	+10
Brunswick	33,939	28,475	30,529	+19	+11	+9
Columbus	118,766	114,151	122,483	+4	—3	+0
Dalton*	57,631	52,164	n.a.	+10	n.a.	n.a.
Elberton	10,080	7,661	8,843	+32	+14	+13
Gainesville*	53,280	48,622	52,502	+10	+1	+9
Griffin*	21,184	21,250	21,851	+0	—3	+6
LaGrange*	16,264	15,123	18,614	+8	—13	—9
Macon	146,299	127,075	137,150	+15	+7	+7
Marietta*	42,019	35,485	38,604	+18	+9	+14
Newnan	20,853	19,677	22,608	+6	—8	—5
Rome*	49,675	45,694	50,062	+9	—1	+0
Savannah	185,012	169,120	182,506	+9	+1	+4
Valdosta	35,328	32,802	35,310	+8	+0	+1
LOUISIANA, Total†**	2,769,436	2,482,920	2,682,534	+12	+3	+8
Abbeville*	7,752	7,170	n.a.	+8	n.a.	n.a.
Alexandria*	81,621	76,015	77,132	+7	+6	+5
Baton Rouge	296,872	289,680	289,039	+2	+3	+5
Bunkie*	4,470	4,196	n.a.	+7	n.a.	n.a.
Hammond*	23,900	21,807	n.a.	+10	n.a.	n.a.
Lafayette*	74,718	65,351	70,675	+14	+6	+6
Lake Charles	87,371	79,586	84,211	+10	+4	+2
New Iberia*	26,398	23,283	n.a.	+13	n.a.	n.a.
New Orleans	1,496,981	1,316,917	1,537,390	+14	—3	+2
Plaquemine*	6,308	5,755	n.a.	+10	n.a.	n.a.
Thibodaux*	17,662	14,989	n.a.	+18	n.a.	n.a.
MISSISSIPPI, Total†**	882,235	839,608	799,445	+5	+10	+14
Biloxi-Gulfport*	66,817	60,548	59,099	+10	+13	+13
Hattiesburg	38,320	35,754	41,428	+7	—8	—3
Jackson	362,000	336,799	358,914	+7	+1	+2
Laurel*	27,480	24,991	28,625	+10	—4	+1
Meridian	46,506	60,236	48,375	—23	—4	+15
Natchez*	26,354	25,701	25,231	+3	+4	+9
Pascagoula-Moss Point*	37,855	32,518	n.a.	+16	n.a.	n.a.
Vicksburg	24,189	23,601	23,656	+2	+2	+7
Yazoo City*	16,576	14,762	n.a.	+12	n.a.	n.a.
TENNESSEE, Total†**	2,368,676	2,214,458	2,377,738	+7	+0	+5
Bristol*	50,974	52,270	55,383	—2	—8	+2
Chattanooga	376,969	336,338	373,073	+12	+1	+5
Johnson City*	50,175	45,568	47,396	+10	+6	+11
Kingsport*	108,576	85,383	108,793	+27	+0	+1
Knoxville	259,065	246,895	254,143	+5	+2	+5
Nashville	822,528	793,158	835,157	+4	—2	+6
SIXTH DISTRICT, Total	19,929,111	18,608,191	18,514,172	+7	+8	+11
Total, 32 Cities	11,938,432	11,132,322	11,589,808	+7	+3	+6
UNITED STATES						
344 Cities	306,400,000	274,500,000	293,200,000	+12	+5	+10

*Not included in total for 32 cities that are part of the national debit series maintained by the Board of Governors. †Partly estimated. n.a. Not available.
**Includes only banks in the Sixth District portion of the state. r Revised.

Sixth District Statistics

Seasonally Adjusted

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

SIXTH DISTRICT

	Latest Month (1963)		One Month Ago	Two Months Ago	One Year Ago
INCOME AND SPENDING					
Personal Income, (Mil. $, Annual Rate)	Feb.	38,861	39,333r	38,663r	36,979r
Farm Cash Receipts	Feb.	114	123	114	114
Crops	Feb.	112	130	114	120
Livestock	Feb.	115	115	115	108
Department Store Sales*/**	Apr.	124p	134r	119	114
Department Store Stocks*	Mar.	123	126r	129	113
Instalment Credit at Banks,* (Mil. $)					
New Loans	Mar.	166	178	148	147r
Repayments	Mar.	149	146	141	132r
PRODUCTION AND EMPLOYMENT					
Nonfarm Employment	Mar.	110	110	110	108
Manufacturing	Mar.	109	109r	109	106
Apparel	Mar.	129	129	129	124
Chemicals	Mar.	104	104	103	102
Fabricated Metals	Mar.	110	110	110	107
Food	Mar.	103	102	104	102
Lbr., Wood Prod., Furn. & Fix.	Mar.	93	93	94	93
Paper	Mar.	107	107	107	104
Primary Metals	Mar.	98	96	96	99
Textiles	Mar.	94	95	95	98
Transportation Equipment	Mar.	116	114	112	103
Nonmanufacturing	Mar.	111	110	110	108
Construction	Mar.	100	98	97	96
Farm Employment	Mar.	89	90	89	92
Insured Unemployment, (Percent of Cov. Emp.)	Mar.	4.0	4.4	4.7	4.1
Avg. Weekly Hrs. in Mfg., (Hrs.)	Mar.	40.7	40.3	40.0	41.0
Manufacturing Payrolls	Mar.	130	128	128	124
Construction Contracts*	Feb.	124	140	128	133
Residential	Feb.	122	108	109	112
All Other	Feb.	125	167	144	151
Electric Power Production**	Feb.	145	145	135	120
Cotton Consumption**	Mar.	96	95	91	109
Petrol. Prod. in Coastal La. and Miss.**	Mar.	157	152	153r	149
FINANCE AND BANKING					
Member Bank Loans*					
All Banks	Mar.	149	147	146	132
Leading Cities	Apr.	141	141	139	130
Member Bank Deposits*					
All Banks	Mar.	131	129	126	121
Leading Cities	Apr.	124	125	122	118
Bank Debits*/**	Mar.	137	132	128	127

ALABAMA

	Latest Month (1963)		One Month Ago	Two Months Ago	One Year Ago
INCOME AND SPENDING					
Personal Income, (Mil. $, Annual Rate)	Feb.	5,355	5,423r	5,330r	5,081r
Farm Cash Receipts	Feb.	129	134	128	115
Department Store Sales**	Mar.	120	104	106	114
PRODUCTION AND EMPLOYMENT					
Nonfarm Employment	Mar.	107	106	106	105
Manufacturing	Mar.	102	102	102	100
Nonmanufacturing	Mar.	109	108	108	107
Construction	Mar.	92	91	92	98
Farm Employment	Mar.	81	92	85	85
Insured Unemployment, (Percent of Cov. Emp.)	Mar.	4.2	4.9	5.3	4.5
Avg. Weekly Hrs. in Mfg., (Hrs.)	Mar.	40.1	40.1	39.7	40.7
Manufacturing Payrolls	Mar.	120	118	116	117
FINANCE AND BANKING					
Member Bank Loans	Mar.	150	146	149	133
Member Bank Deposits	Mar.	129	128	128	119
Bank Debits**	Mar.	135	128	126	121

FLORIDA

	Latest Month (1963)		One Month Ago	Two Months Ago	One Year Ago
INCOME AND SPENDING					
Personal Income, (Mil. $, Annual Rate)	Feb.	10,967	11,113r	11,024r	10,615r
Farm Cash Receipts	Feb.	103	112	102	117
Department Store Sales**	Mar.	157	149	148	145
PRODUCTION AND EMPLOYMENT					
Nonfarm Employment	Mar.	116	115	115	114
Manufacturing	Mar.	120	118	120	119
Nonmanufacturing	Mar.	115	114	114	113
Construction	Mar.	93	90	90	89
Farm Employment	Mar.	117	116	125	116
Insured Unemployment, (Percent of Cov. Emp.)	Mar.	3.5	3.9	4.0	3.6
Avg. Weekly Hrs. in Mfg., (Hrs.)	Mar.	41.5	40.9	40.8	41.8
Manufacturing Payrolls	Mar.	157	152	153	151
FINANCE AND BANKING					
Member Bank Loans	Mar.	148	145	142	128
Member Bank Deposits	Mar.	134	130	126	121
Bank Debits**	Mar.	136	134	130	125

GEORGIA

	Latest Month (1963)		One Month Ago	Two Months Ago	One Year Ago
INCOME AND SPENDING					
Personal Income, (Mil. $, Annual Rate)	Feb.	7,349	7,445r	7,280r	6,902r
Farm Cash Receipts	Feb.	114	122	109	107
Department Store Sales**	Mar.	137	110	120	119
PRODUCTION AND EMPLOYMENT					
Nonfarm Employment	Mar.	112	111	111	108
Manufacturing	Mar.	107	107	107	105
Nonmanufacturing	Mar.	114	113	113	109
Construction	Mar.	109	108	114	103
Farm Employment	Mar.	75	66	75	84
Insured Unemployment, (Percent of Cov. Emp.)	Mar.	3.0	3.5	3.7	3.3
Avg. Weekly Hrs. in Mfg., (Hrs.)	Mar.	40.2	39.9	40.0	40.5
Manufacturing Payrolls	Mar.	128	127	126	123
FINANCE AND BANKING					
Member Bank Loans	Mar.	150	149	151	136
Member Bank Deposits	Mar.	134	132	130	126
Bank Debits**	Mar.	149	145	135	134

LOUISIANA

	Latest Month (1963)		One Month Ago	Two Months Ago	One Year Ago
INCOME AND SPENDING					
Personal Income, (Mil. $, Annual Rate)	Feb.	5,892	5,951r	5,818r	5,586r
Farm Cash Receipts	Feb.	115	130	105	117
Department Store Sales*/**	Mar.	115	103	107	101
PRODUCTION AND EMPLOYMENT					
Nonfarm Employment	Mar.	102	102	102	100
Manufacturing	Mar.	100	100	100	93
Nonmanufacturing	Mar.	102	103	102	102
Construction	Mar.	92	89	88	85
Farm Employment	Mar.	85	87	91	97
Insured Unemployment, (Percent of Cov. Emp.)	Mar.	4.6	4.9	5.3	4.5
Avg. Weekly Hrs. in Mfg., (Hrs.)	Mar.	42.6	42.7	41.4	41.5
Manufacturing Payrolls	Mar.	124	123r	119	107
FINANCE AND BANKING					
Member Bank Loans*	Mar.	140	144	139	128
Member Bank Deposits*	Mar.	119	120	115	111
Bank Debits*/**	Mar.	121	112	116	117

MISSISSIPPI

	Latest Month (1963)		One Month Ago	Two Months Ago	One Year Ago
INCOME AND SPENDING					
Personal Income, (Mil. $, Annual Rate)	Feb.	2,985	3,029r	2,966r	2,794r
Farm Cash Receipts	Feb.	141	149	132	127
Department Store Sales*/**	Mar.	104	99r	103	93
PRODUCTION AND EMPLOYMENT					
Nonfarm Employment	Mar.	115	114	114	110
Manufacturing	Mar.	117	117	117	111
Nonmanufacturing	Mar.	114	113	112	110
Construction	Mar.	119	113	107	104
Farm Employment	Mar.	84	87	80	84
Insured Unemployment, (Percent of Cov. Emp.)	Mar.	4.6	5.3	5.4	4.8
Avg. Weekly Hrs. in Mfg., (Hrs.)	Mar.	40.3	40.5	40.3	40.8
Manufacturing Payrolls	Mar.	135	134	132	125
FINANCE AND BANKING					
Member Bank Loans*	Mar.	165	161	159	148
Member Bank Deposits*	Mar.	141	140	136	127
Bank Debits*/**	Mar.	147	140	135	136

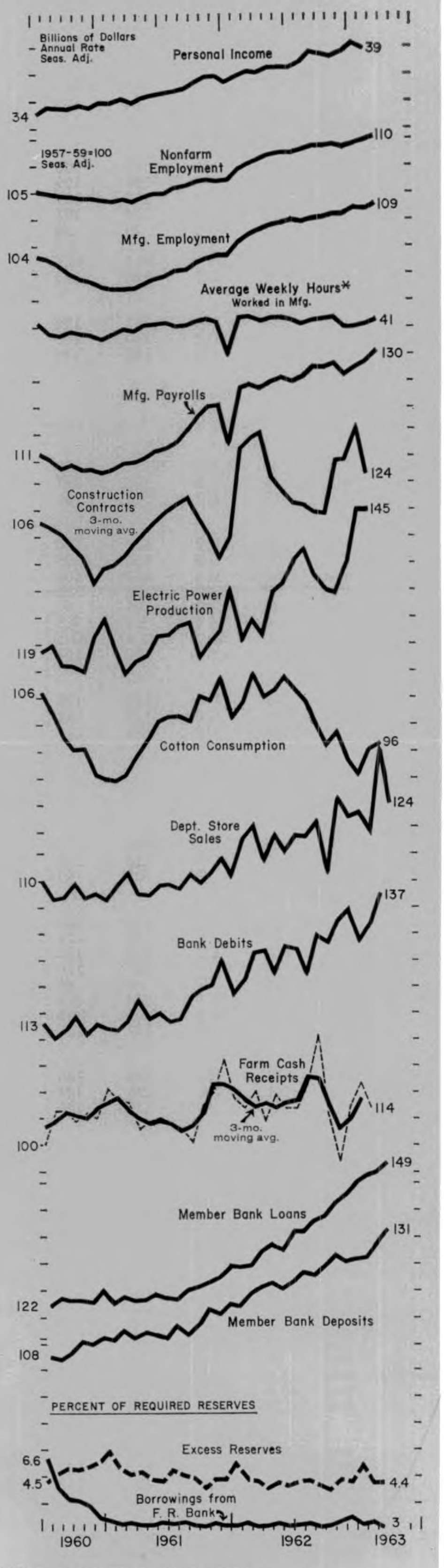
TENNESSEE

	Latest Month (1963)		One Month Ago	Two Months Ago	One Year Ago
INCOME AND SPENDING					
Personal Income, (Mil. $, Annual Rate)	Feb.	6,313	6,372r	6,245r	6,001r
Farm Cash Receipts	Feb.	117	119	106	106
Department Store Sales*/**	Mar.	123	104	107	118
PRODUCTION AND EMPLOYMENT					
Nonfarm Employment	Mar.	110	110	110	108
Manufacturing	Mar.	111	111	111	110
Nonmanufacturing	Mar.	109	109	109	106
Construction	Mar.	124	123	120	121
Farm Employment	Mar.	97	95	88	93
Insured Unemployment, (Percent of Cov. Emp.)	Mar.	5.0	5.7	6.0	5.0
Avg. Weekly Hrs. in Mfg., (Hrs.)	Mar.	40.4	40.0	40.6	41.1
Manufacturing Payrolls	Mar.	127	125	126	126
FINANCE AND BANKING					
Member Bank Loans*	Mar.	152	150	148	134
Member Bank Deposits*	Mar.	134	131	129	124
Bank Debits*/**	Mar.	137	131	128	132

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

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.

The District's economic indicators confirm a genuine improvement in recent business activity. Production and employment in nearly all sectors continued the strengthening trend begun earlier this year. The farm sector, experiencing relatively favorable marketings and prices for some products, added a push. District consumers, aided by larger incomes and an apparent willingness to incur debt, provided further basic strength to the advance. And, total loans at member banks remained near March's record level.

✓ ✓ ✓

District nonagricultural employment reached a new high in March, reflecting increases in every state except Louisiana and Tennessee. Manufacturing employment also climbed to a new peak. Manufacturing payrolls rose substantially, as both average hourly earnings and average hours worked per week increased. Among types of manufacturing activity, primary metals, fabricated metals, and transportation equipment showed the strongest advances. Construction employment was up in all states, as the result of recent high levels of construction contract awards and residential building permits. Crude petroleum production rose strongly in March; and steel production paralleled the sharp national uptrend in March and April.

✓ ✓ ✓

Favorable economic developments have spurred the farm economy recently. Dry, cool weather during most of April facilitated field work but delayed crop growth and seed germination in some areas. Rains have replenished soil moisture recently in most principal farming areas in the northern half of the District. Meanwhile, farm marketings have been sustained, as larger-than-seasonal gains in marketings of livestock and poultry products, principally cattle, broilers, and eggs, more than offset declining citrus and vegetable shipments. Egg and broiler production are maintaining their rapid pace of recent weeks.

✓ ✓ ✓

District consumer spending continues to make a substantial contribution to the improvement in overall economic activity. Preliminary figures indicate that April department store sales declined moderately from the record volume of March. Bank debits, however, reached an all-time record during March, with all District states showing increases. Auto sales for early '63, as reflected by registration figures, continued to run well ahead of the year-earlier volume. Consumer credit at District commercial banks expanded strongly, but the net increase in outstandings was smaller than the record volume registered in February.

✓ ✓ ✓

Total loans at Sixth District member banks were virtually unchanged during April, and banks reduced their security holdings. Total bank credit, therefore, declined moderately. Total deposits also declined during April. During March, loans and deposits at member banks posted substantial gains, with all District states except Louisiana sharing in the increase.

NOTE: Data on which statements are based have been adjusted to eliminate seasonal influences.