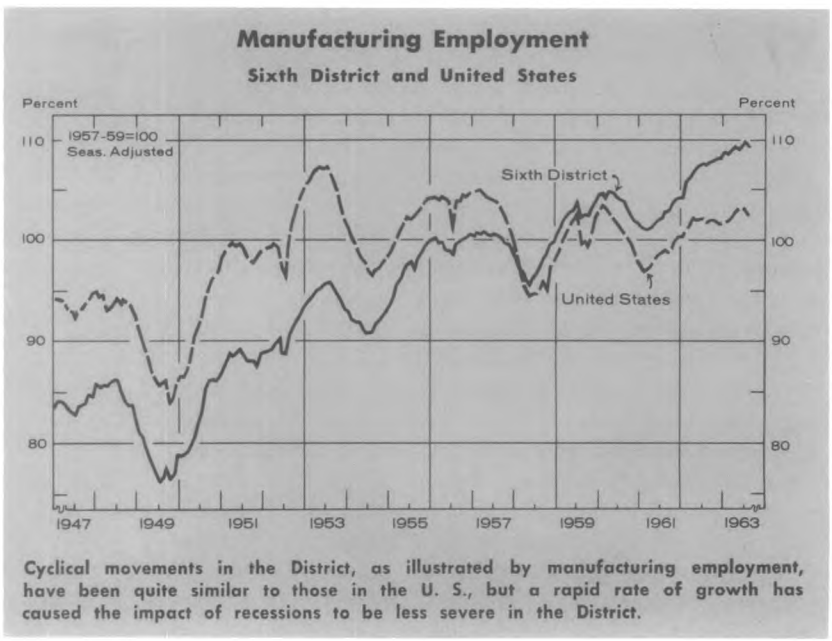
Monthly Review

Atlanta, Georgia
October • 1963

Postwar Business Cycles in the Sixth District

"Business cycles are a type of fluctuation found in the aggregate economic activity of nations that organize their work mainly in business enterprises: A cycle consists of expansions occurring at about the same time in many economic activities, followed by similarly general recessions. . . ." This is the way Wesley C. Mitchell and Arthur F. Burns defined the business cycle in 1946, and it is a good working definition. But, the business cycle, as they would be the first to point out, is not the same at all times and places. As a matter of fact, the picture of the U. S. business cycle that Burns and Mitchell and many other investigators have laboriously put together over many years is an abstraction, a composite of many individual fluctuations. Some of these, in particular, those in widely diffused industries, such as automobiles, steel, and aluminum, do occur all over the nation at the same time. Other fluctuations, however, are the result of decisions made by local businesses in response to local conditions in their regions, states, or even counties. We know that business cycles differ in different countries, and we know that the economic characteristics of the various parts of the United States differ from one another. It is, therefore, reasonable to assume that business cycles in the Sixth Federal Reserve District will differ from those in the rest of the country. This is an attempt to explain how and, if possible, why these cyclical patterns differ.



Cyclical movements in the District, as illustrated by manufacturing employment, have been quite similar to those in the U. S., but a rapid rate of growth has caused the impact of recessions to be less severe in the District.

Federal Reserve Bank of Atlanta

The Evidence of the Numbers

In order to compare the District and the nation, we need statistical series that: (1) display cyclical movements (farm employment, for example, apparently does not); (2) are continuous for the whole of the postwar period; (3) have the same coverage in the two areas; and (4) describe fairly large aggregates of economic activity. This last criterion is necessary so that our conclusions will not be unduly influenced by events in one particular industry, such as textiles or construction.

To some extent, these criteria conflict, and compromises have been necessary. Ideally, for example, we should like to use the Gross National Product because it is the most comprehensive indicator available, but there is no comparable District series. There is also no District industrial production series, but we have substituted an index of electric power consumption by industrial establishments. Again, unemployment figures as a percentage of the labor force were unavailable for the District, so the insured unemployment rate was used instead for both areas.

This process of elimination left seven series:

1. Average weekly hours worked in manufacturing establishments.
2. Industrial production.
   a. For the U. S., the Federal Reserve Board index of industrial production.
   b. For the District, an index of the total of:
      (1) Sales of electricity to ultimate industrial users and
      (2) Production of electric energy by industrial establishments.
3. Employment in manufacturing industries.
4. Income from payrolls of manufacturing establishments.
5. Employment in nonmanufacturing industries (excluding agriculture).
6. Employment in all nonfarm activities.
7. Unemployment as a percentage of all employees covered by state unemployment insurance programs.

Initially, all the series were adjusted for seasonal variation and converted to indexes with a base period of 1957-59, so that the U. S. and District could be more easily compared.

There have been four recessions and four recoveries in the United States since World War II. The latest recovery period has not ended yet, so far as we know, but that does not matter for our purposes because we are primarily concerned with the turning points. That is, we shall be looking at the times at which the various economic indicators changed their direction of movement, either upward from a recession trough or downward from an expansion peak. The indicators did not all change direction at the same time, however. Since we wanted to compare the timing of the various series, one with another, and also the timing of each series in the U. S. and District, some fixed reference points seemed necessary. Such reference dates have been estimated by the National Bureau of Economic Research and identified as the turning points in "general business activity". By no means does everyone agree with these dates; but whether they are "correct" or not is of no importance in this connection because they are only being used as reference points to compare the relative positions of the individual series. The first table shows the comparisons thus obtained. A minus sign indicates that the series in question turned up from a trough or down from a peak *before* the National Bureau reference date; a plus sign signifies that it turned *after* that date.

Number of Months by Which Cyclical Reversals in the United States and Sixth District States Occurred Later or Earlier than Reference Dates

(Minus signs indicate reversals occurred earlier.)

ECONOMIC SERIES	UPTURNS Oct. 1949	Aug. 1954	Apr. 1958	Feb. 1961	DOWNTURNS Nov. 1948	July 1953	July 1957	May 1960
1. Average Weekly Hours								
U. S.	n.a.	—4	0	—2	n.a.	—3	—20	—12
District States	n.a.	—3	0	—1	n.a.	—8	—23	—13
2. Insured Unemployment								
U. S.	0	+1	0	—2	n.a.	—8	—20	—11
District States	0	—2	+1	+3	n.a.	—1	—18	—11
3. Industrial Output								
U. S.	0	—5	0	—2	—4	0	—5	—4
District States	0	—8	+1	—1	+2	+3	—3	—3
4. Manufacturing Emp.								
U. S.	0	0	+1	0	—10	—2	—4	—3
District States	—3	—1	+1	+1	—4	+1	—3	—1
5. Manufacturing Income								
U. S.	n.a.	0	0	0	n.a.	0	0	—4
District States	n.a.	—2	+1	—1	n.a.	+1	+1	—4
6. Nonfarm Employment								
U. S.	0	0	0	0	—4	—2	—4	—1
District States	0	—2	+1	+2	—4	+1	+1	—1
7. Nonmanufacturing Emp.								
U. S.	+4	—2	0	0	+1	+3	+2	—1
District States	0	—5	—2	+2	+3	+3	+2	—1

Only two of our seven indicators, average weekly hours and the insured unemployment rate, consistently turned down from peaks in both areas before the other series did. They tend, in other words, to be "leading indicators." They did not, however, always lead on the upturn in either area. Even the extent to which they led the other series down was not very consistent, but at least the degree of inconsistency was about the same in the U. S. and District. Furthermore, the relation between the U. S. and District series for these "leading indicators" remained about the same for the whole period studied. This was not true, however, for the other series, the "roughly coincident indicators." A distinct tendency may be discerned for these other five series to turn *down* from the cyclical peaks of 1948 and 1953 *later* in the District than in the nation, whereas in 1960 this lag had almost disappeared. And, in the recovery phase, the District indicators had shown a tendency to turn *up* from the 1949 and 1954 cyclical troughs *before* the national indicators did. In

Percentage Rise and Fall in Economic Series During Recessions and Expansions

United States and Sixth District States

ECONOMIC SERIES	UPTURNS 1949	1954	1958	1961	DOWNTURNS 1948	1953	1957	1960
1. Average Weekly Hours								
U. S.	n.a.	4	5	6	n.a.	—4	—6	—5
District States	n.a.	4	6	5	n.a.	—6	—6	—5
2. Insured Unemployment								
U. S.	—69	—46	—50	—41	n.a.	138	130	84
District States	—60	—44	—40	—39	n.a.	118	92	57
3. Industrial Output								
U. S.	50	21	27	17	—10	—10	—14	—7
District States	94	68	14	12	—10	—2	—4	—7
4. Manufacturing Emp.								
U. S.	28	9	9	6	—12	—10	—10	—6
District States	26	11	10	8	—12	—5	—5	—4
5. Manufacturing Income								
U. S.	n.a.	26	19	18	n.a.	—9	—8	—6
District States	n.a.	34	21	22	n.a.	—5	—5	—4
6. Nonfarm Employment								
U. S.	18	9	8	7	—5	—3	—4	—2
District States	21	15	8	6	—4	—1	—2	—1
7. Nonmanufacturing Emp.								
U. S.	14	10	7	7	—3	—1	—2	—1
District States	20	16	8	6	—1	0*	—1	—1

*Less than 0.5 percent.

1958 and 1961, however, District recovery seemed to show signs of lagging behind that of the nation.

The second table on the opposite page compares the size of the cyclical swings in the District and nation, that is, the percentage change from peak to trough and from trough to succeeding peak in each successive cycle. With few exceptions, the decline from prosperity to recession was less pronounced in the District than in the nation, and the following recovery was stronger in the District than in the nation. Even the exceptions do not, for the most part, contradict this impression. The District unemployment rate in every case has declined less during recovery than its national counterpart, but this is understandable because it also rose considerably less during recessions. In other words, it had less ground to recover. In the latest recovery, however, not only did the improvement in the District's unemployment rate lag behind the nation's, but four of the other six indicators have also been less buoyant in the District than in the nation.

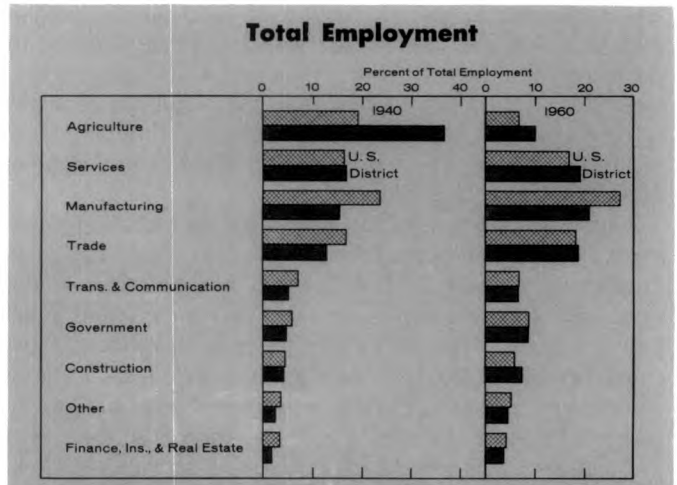
All this seems to add up to the following broad pattern: In the early postwar period, the District did not feel the effect of recessions until they had been underway nationwide for some time. When the effects were felt, they were less severe. Furthermore, they did not last as long, for recovery began earlier in the District. More recently, the District seems to have been affected by recession about as soon and about as much as the nation and to have recovered not much more quickly.

Why the Difference?

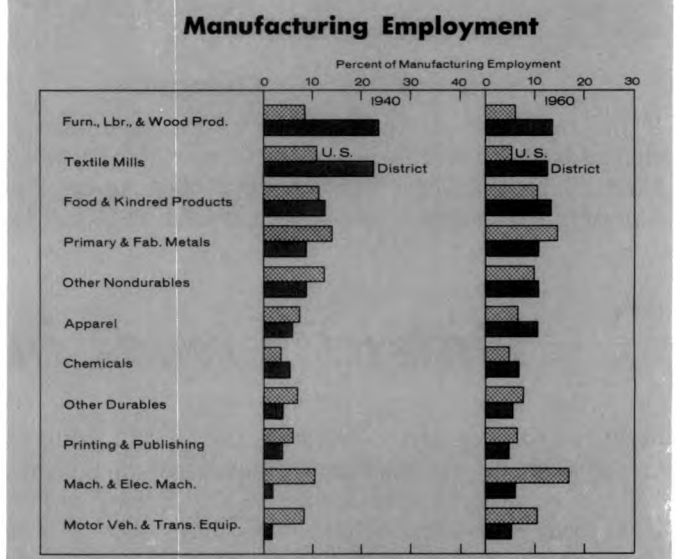
There are two possible explanations for the differences we have observed between our two areas. They are not rival explanations, however, since they reinforce each other. The first is the simplest: The District, throughout most of the postwar period, has grown more rapidly than the nation; and cycles in a rapidly growing area are almost certain to be less severe than in an area of slower growth. To put it more technically, if trends are fitted to time series that are otherwise similar, the series with the steepest upward trend will show smaller and shorter recessions. The amount of decline from peak to trough will be less; the subsequent expansion will be greater; and the time between peak and trough will be shorter for the series with the larger rate of growth. This explanation certainly fits our evidence. Even the tendency we have observed for the District's behavior to become more similar to the nation's in the latest cycle can be explained by the observation that the rate of growth in most District indicators has slowed down since 1960 and is now little different from that of the nation as a whole.[1]

The second possible explanation concerns the different economic structures of the District and the nation. Since various types of activity respond differently to cyclical forces, we would certainly not expect two areas with different activity "mixes" to behave in the same way. The

[1] In order to measure the effect of trend on cyclical behavior, a least squares trend fitted to the logarithms of the data was constructed for each series in each area for the period July 1953-May 1960. This period runs from the first post-Korean War peak to the latest known peak and, thus, eliminates as much cyclical influence on the trend as possible. Deviations from these trends were then computed. In all of the employment series and the electric power series, the amplitude of recessions was found to be considerably larger than before the removal of trend; recessions were longer; and expansions were not so large. In general, all of the cycles conformed more closely to the national pattern than they did before trend elimination, and the tendency for this conformity to increase over time was considerably weakened.



Dramatic changes in the District's economic structure have: (1) increased the importance of manufacturing; and (2) heightened the District's similarity to the U. S.



Much greater diversity characterizes District manufacturing activity; although still not large by U. S. standards, the machinery industries have grown most rapidly.

charts above compare employment patterns in the District states and the U. S. The first thing to notice is that the two areas are, indeed, different. The right-hand panel of the top chart shows that manufacturing, for example, accounted in 1960 for a considerably larger percentage of total employment in the nation (27 percent) than in the District (21 percent). Trade and service occupations, agriculture, and construction, on the other hand, were relatively more important in the District. Typically, manufacturing activity and employment fluctuate more widely than nonmanufacturing. Since manufacturing accounts for a smaller percentage of income and employment in the District than in the nation, one may presume that cyclical swings in the District should be smaller and of shorter duration than in the country as a whole. Another fact pointing in the same direction is the District's concentration, within the manufacturing category, on nondurable goods. The right-hand panel of the lower chart demonstrates that the District is relatively more important in the production of textiles, food, apparel, and chemicals. It is

less important in the production of hard goods, such as metals, machinery, and motor vehicles. Since demand for nondurables is less sensitive to fluctuations in income than durables (it is easier to postpone the purchase of a new refrigerator than it is this week's grocery shopping), the District's concentration in this field should also dampen cyclical swings somewhat.

Our two charts give us additional information, however. The left-hand panel of each of them shows the U. S.-District comparison in 1940, twenty years earlier. At that time, the differences between the two areas were much greater. Since 1940, however, the rapid growth of fabricated metals, electrical machinery, and transportation equipment plants has caused the District's economy to become: (1) more diversified and (2) more like the rest of the country. This should mean that, relative to the U. S., recessions in the District are longer and deeper and expansions shorter and smaller now than at the beginning of the period. To put it another way, the District's business cycle of 1960-63 should be more like that of the nation as a whole than were earlier cycles.

Will the Pattern Change?

If the economic structure of the District continues to change in the future as it has in the past, the District is likely to become more sensitive to cyclical forces than formerly. Agriculture tends to be a stabilizing factor, because price supports act to prevent wide swings in farmers' incomes. But if agriculture continues to decline in importance, this factor will diminish. To some extent, growth in the trade and service occupations may take its place; but increased reliance on manufacturing should work in the opposite direction, particularly if durable goods production continues to gain in importance. Four out of the five District manufacturing industries that grew most rapidly between 1947 and 1958—electrical machinery, transportation equipment, stone, clay, and glass products, and fabricated metals—were durable goods industries.

The growth of such industries will tend to raise incomes, as they usually pay higher wages, and they may also help to absorb labor released from those industries in which employment has been declining, such as textiles, lumber, and primary metals. Unfortunately, the durable goods industries are the most unstable cyclically because both their employment and output tend to decline further during recessions than is true of nondurables. A rapid overall rate of growth, such as the District experienced in the mid-fifties, would tend to cushion the effect of recessions, however. If we continue to grow industrially and to develop the heavier, more unstable industries, maintenance of a high rate of growth will become all the more important.

LAWRENCE F. MANSFIELD
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District Trends in Corporate Financing

Security issues registered with the Securities and Exchange Commission by corporations headquartered in the Sixth Federal Reserve District declined $100 million in 1962 from their 1961-dollar volume. This drop followed a decline of more than $146 million in dollar volume between 1960 and 1961. Data for the first half of this year suggest a further decline in 1963. Moreover, actual sales of such securities by District businesses declined sharply relative to total corporate issues sold by all American firms.

The issue and sale of corporate securities is an important means of mobilizing a region's savings and of importing outside funds for private business use. Changes of this magnitude are, thus, of considerable interest to those persons concerned with the availability of investment capital in this area.

Total Volume of Securities Issued, 1959 to Mid-1963

During this period, the District's local businesses filed registration statements for securities amounting to over $2 billion. Regular issues to be offered publicly, as distinguished from small issues exempt from registration under SEC's Regulation A, accounted for 97 percent of the total. As shown in the table on the right, 89 percent of the total dollar volume of securities registered were sold. However, there was a striking disparity between the ratio of success in marketing larger "public" issues and in marketing the smaller "Regulation A" issues. While 91 percent of the former offerings were sold during this period, only 46 percent of Regulation A issues were sold.

Corporate Securities Issues by Business Firms Headquartered in the Sixth Federal Reserve District

January 1959-June 1963

Year	Total Registered with SEC (Millions of $) All	Public	Reg. A	Total Sold* (Millions of $) All	Public	Reg. A	Total U.S. Issues Sold (Billions of $)	Ratio of District to U.S.
1959	495.1	484.8	10.3	476.6	471.1	5.5	9.8	5.1
1960	599.7	579.1	20.6	575.0	564.2	10.8	10.2	5.9
1961	453.4	430.9	22.5	377.7	366.4	11.3	13.1	3.5
1962	353.7	340.2	13.5	266.0	262.0	4.0	10.8	3.3
1963 (6 Mos.)	132.7	129.4	3.3	124.6	123.8	.8	6.3	2.1
Total	2,034.6	1,964.4	70.2	1,819.9	1,787.5	32.4	50.2	4.1
Percentage Distribution	100.0	96.6	3.4	100.0	98.2	1.8		
Percent of Filings Actually Sold				89.5	91.0	46.2		

*All sales recorded in year filed, even though partial sales occurred in subsequent years.

Sources: Tabulated from data supplied by SEC, Investment Bankers' Association, *Moody's Industrial Manual, Moody's Bank and Finance Manual,* and *The Commercial and Financial Chronicle.*

The table also reveals that changes in the annual volume of securities sales by businesses in this District differed significantly from the total volume of U. S. corporate securities sold between January 1959 and June 1963. Such sales by District businesses reached a peak of $600 million in 1960, after which annual volume declined sharply. In contrast, 1961 was the peak sales year for total corporate issues in the nation as a whole. Moreover, while

sales of total corporate issues for the U. S. dropped sharply in 1962 from the 1961 peak, figures through June 1963 indicate substantial recovery has taken place. In contrast, the annual sales volume of District private corporate issues continues to decline. The extent of this decline is pointed up by comparing the volume of District security issues sold with the U. S. total: This ratio fell from a high of 6 percent in 1960 to 2 percent for the first half of 1963.

Does this mean that businesses in the Sixth District no longer require as much outside capital? Have they been willing but unable to sell additional securities? What kinds of securities have sold best in recent months? What kinds of businesses have found it most difficult to raise equity capital since the stock market stringencies of 1962? Analysis of the types of issues offered and the timing of such offerings provides some clues to the answers.

Types of Issues

Over six-tenths of the total dollar volume of securities issues registered by District businesses since 1959 has consisted of bonds and notes. The bulk of these offerings was made by public utilities whose investment programs were at a peak in 1959-60. In the latter year, filings of debt securities accounted for $431 million of the $575 million of securities sold. Since 1960, however, the annual total of such debt securities sales has steadily declined. Thus, a significant part of the overall decline in District securities sales may be ascribed to reduced need for corporate funds, since there is no question about the ability of public utilities to sell their debt securities.

Common stock issues registered during the period January 1959 to June 1963 totaled $667 million and accounted for one-third of the aggregate value of securities registered. The peak year in this category was 1959, when the volume filed was $207 million. Registrations of common stock in 1960 and 1961 were somewhat reduced, although still above $150 million in each year. It was in 1962, however, that volume of these marketings slumped sharply, falling from $162 million in 1961 to $104 million in 1962. Volume in the first half of 1963 was reduced still further, amounting to only $36 million.

Why the Decline?

One of the most widely appreciated facts of the current recovery is the high-level flow of internal funds generated by the corporate business sector. Does this mean that Sixth District businesses, like many giant national corporations, have found themselves with ample cash and no longer wish to sell securities? The table showing ratios of securities sold to those registered for sale indicates otherwise. It also indicates that small businesses, those most likely to attempt to raise capital through small securities issues under Regulation A, were most severely penalized.

This was particularly evident in 1962, when the severe stock market slump occurred in May and June. So far in 1963, it also appears to be true when the ratios for larger public issues and Regulation A issues are compared. The ratio of sold-to-registered securities of the former recovered from 75 to 94 percent between 1962 and first-half 1963, while the ratio for Regulation A issues declined from 30 percent to 24 percent. From these comparisons it would appear that in 1962 and so far in 1963 many District businesses attempted to raise additional capital through securities sales but were unable to do so. It would also appear that very small businesses were most severely inhibited in raising desired capital.

Sales of Corporate Securities as a Percentage of Registrations, by Year and by Type of Filing
Sixth Federal Reserve District

Year	All Issues	Regular Public Issues	Exempt, Regulation A Issues
1959	96.3	97.2	53.2
1960	95.9	97.4	52.3
1961	83.3	85.0	50.3
1962	75.2	77.0	29.9
1963 (6 Mos.)	93.9	95.8	24.3

Sources: Tabulated from data supplied by SEC, Investment Bankers' Association, *Moody's Industrial Manual, Moody's Bank and Finance Manual,* and *The Commercial and Financial Chronicle.*

Types of Security Issuers

In addition to issuing the bulk of debt securities within this District, public utilities also account for a sizable share of equity issues. Typically, these are public offerings of preferred stocks of operating companies and sales of additional common stock to holding company parents, the latter of which are not included in this review. Over the period 1959 to mid-1963, public utilities offered some 68 percent of the total dollar volume of such securities registered for public sale; the annual ratio ranged from 59 percent of total dollar volume in 1961 to 76 percent in the first half of 1963.

Issues registered by manufacturing concerns headquartered in the Sixth District, which consisted mostly of common stocks, reached their peak for the period in 1961, when a total of $52 million was filed. The market break of May-June 1962 affected this type of security issue severely, so that, for the full year 1962, volume was reduced to $18 million. Further reduction to $7 million occurred in the first half of 1963. Moreover, the length of time between filing and sale increased, and the ratio of withdrawals to filings rose.

Securities registered by Sixth District businesses other than public utilities and manufacturing reached a peak in 1961, when filings amounted to $133 million. Real estate and financial firms dominated this "other" category, ranging in annual volume from $125 million in 1960 to a mere $22 million in first-half 1963. Reaction to the equity-market disruption of 1962 has especially inhibited securities sales of this type.

Weathering the Storm

Both debt and equity securities of established, appraisable manufacturing concerns are once more being well received by the market, although the latter may often be a relatively costly means of raising funds. Speculative issues, involving mostly services, real estate, or financial enterprises, continue to have little market success. However, some revival appears in the offing for public utilities issues. On balance, the District's economy as a whole has weathered a severe equity-market disruption rather well.

HIRAM J. HONEA

Bank Announcements

On September 9, the First National Bank of Riviera Beach, Riviera Beach, Florida, a newly organized member bank, opened for business and began to remit at par for checks drawn on it when received from the Federal Reserve Bank. Officers include Stanley H. Oenbrink, Chairman of the Board; James F. Hunt, President; and Jack D. Webb, Cashier. Capital is $600,000, and surplus and other capital funds, $420,000, as reported by the Comptroller of Currency at the time the charter was granted.

The Inter National Bank of Miami, Miami, Florida, a newly organized member bank, opened for business on September 9 and began to remit at par. Officers are George Coury, Chairman of the Board; William L. Pallot, President; and R. C. Nahm, Executive Vice President and Cashier. Capital is $750,000, and surplus and other capital funds, $525,000, as reported by the Comptroller of Currency at the time the charter was granted.

On September 16, the Commercial National Bank of Broward County, Fort Lauderdale, Florida, a newly organized member bank, opened for business and began to remit at par. Officers include Richard B. Wiggins, Chairman of the Board; T. G. Williamson, President; John S. Fox, Executive Vice President; and James E. King, Jr., Cashier. Capital is $600,000, and surplus and other capital funds, $400,000, as reported by the Comptroller of Currency at the time the charter was granted.

The Bank of Florida, Fort Lauderdale, Florida, a newly organized nonmember bank, opened for business on September 17 and began to remit at par. Officers are James S. Hunt, Sr., President and Chairman of the Board; J. Brunton, Executive Vice President; and John J. Hotaling, Cashier. Capital is $400,000, and surplus and undivided profits, $150,000.

On September 19, the Citizens Bank of Broward County, West Hollywood, Florida, converted into a national banking association under the title of Citizens National Bank of West Hollywood. Officers include H. D. Perry, Chairman of the Board; C. W. Lantz, President and Chief Executive Officer; W. L. Paul, S. P. Lewis, G. T. Simpson, D. M. Jordan, and J. S. Portu, Vice Presidents; and Loretta S. Pennell, Cashier. Capital is $948,660, and surplus and undivided profits, $574,586, as reported by the Comptroller of Currency at the time the conversion was approved.

Debits to Individual Demand Deposit Accounts

Insured Commercial Banks in the Sixth District

(In Thousands of Dollars)

	Aug. 1963	July 1963	Aug. 1962	Percent Change: Aug. 1963 from July 1963	Percent Change: Aug. 1963 from Aug. 1962	Percent Change: Year-to-date 8 months 1963 from 1962
ALABAMA, Total†	2,784,907	2,869,298	2,509,138	—3	+11	+11
Anniston	48,727	51,864	47,555	—6	+2	+5
Birmingham	1,017,022	1,068,340	918,731	—5	+11	+10
Dothan	42,508	40,245	38,780	+6	+10	+7
Gadsden	43,146	43,732	36,948	—1	+17	+11
Huntsville*	113,229	114,247	84,703	—1	+34	+29
Mobile	320,989	330,551	303,360	—3	+6	+10
Montgomery	234,414	232,255	205,616	+1	+14	—21
Selma*	30,892	28,998	26,901	+7	+15	+10
Tuscaloosa*	71,191	71,222	70,651	—0	+1	+7
FLORIDA, Total†	6,034,169	6,642,900	5,667,716	—9	+7	+9
Bartow*	20,162	22,913	n.a.	—12	n.a.	n.a.
Bradenton*	41,922	48,193	44,452	—13	—6	n.a.
Brevard County*	134,857	136,314	n.a.	—1	n.a.	n.a.
Clearwater*	63,567	74,438	n.a.	—15	n.a.	n.a.
Daytona Beach*	65,036	77,334	58,960	—16	+10	+11
Delray Beach*	17,693	26,842	n.a.	—34	n.a.	n.a.
Ft. Lauderdale*	201,034	227,118	196,404	—11	+2	+3
Ft. Myers-North Ft. Myers*	46,648	56,736	n.a.	—18	n.a.	n.a.
Gainesville*	53,346	56,532	52,584	—6	+1	+13
Jacksonville	928,057	982,764	939,932	—6	—1	+2
Key West*	17,287	18,942	16,846	—9	+3	+2
Lakeland*	81,440	85,988	80,150	—5	+2	+5
Miami	909,088	1,022,247	958,231	—11	—5	+3
Greater Miami*	1,360,512	1,542,655	1,368,903	—12	—1	+5
Ocala*	43,534	45,004	n.a.	—3	n.a.	n.a.
Orlando	267,558	305,532	262,264	—12	+2	+10
Pensacola	100,021	97,781	87,178	+2	+15	+9
St. Augustine*	14,887	17,640	n.a.	—16	n.a.	n.a.
St. Petersburg	215,989	245,975	198,814	—12	+9	—1
Sarasota*	72,084	85,381	72,771	—16	—1	+12
Tallahassee*	77,443	79,865	74,506	—3	+4	+9
Tampa	469,623	481,505	422,844	—2	+11	+6
W. Palm-Palm Bch.*	138,769	163,722	149,868	—15	—7	—1
Winter Haven*	38,131	40,494	n.a.	—6	n.a.	n.a.
GEORGIA, Total†	5,823,543	5,463,801	4,643,972	+7	+25	+14
Albany	60,541	64,226	59,511	—6	+2	+5
Athens*	48,848	51,812	44,808	—6	+9	+3
Atlanta	3,394,562	3,104,386	2,570,304	+9	+32	+18
Augusta	143,122	158,524	127,155	—10	+13	+13
Brunswick	33,536	39,841	34,367	—16	—2	+5
Columbus	138,354	134,213	129,700	+3	+7	+4
Dalton*	59,402	55,027	54,734	+8	+9	n.a.
Elberton	12,314	8,890	8,807	+39	+40	+5
Gainesville*	60,558	59,997	55,047	+1	+10	+7
Griffin*	22,449	23,985	21,744	—6	+3	+5
LaGrange*	16,254	16,544	17,060	—2	—5	—4
Macon	151,767	161,639	145,646	—6	+4	+8
Marietta*	46,758	43,916	37,122	+6	+26	+19
Newnan	23,599	22,045	24,655	+7	—4	+0
Rome*	52,879	56,621	49,421	—7	+7	+4
Savannah	201,675	192,323	184,485	+5	+9	+6
Valdosta	44,566	38,882	45,672	+15	—2	+1
LOUISIANA, Total†**	2,839,023	3,138,498	2,630,699	—10	+8	+10
Abbeville*	8,182	8,067	n.a.	+1	n.a.	n.a.
Alexandria*	91,429	92,286	85,058	—1	+7	+6
Baton Rouge	301,091	359,362	309,721	—16	—3	+10
Bunkie*	4,681	4,460	4,981	+5	—6	n.a.
Hammond*	24,194	25,709	n.a.	—6	n.a.	n.a.
Lafayette*	80,557	85,938	73,521	—6	+10	+13
Lake Charles	86,316	88,320	83,611	—2	+3	+1
New Iberia*	25,057	28,225	n.a.	—11	n.a.	n.a.
New Orleans	1,535,875	1,690,989	1,463,900	—9	+5	+5
Plaquemine*	6,692	7,436	6,383	—10	+5	n.a.
Thibodaux*	14,495	16,169	14,475	—10	+0	n.a.
MISSISSIPPI, Total†**	985,230	994,039	888,201	—1	+11	+8
Biloxi-Gulfport*	71,786	75,322	62,674	—5	+15	+11
Hattiesburg	40,007	39,712	40,703	+1	—2	—2
Jackson	393,193	411,352	371,915	—4	+6	+6
Laurel*	30,835	30,499	30,529	+1	+1	+2
Meridian	50,434	55,294	50,088	—9	+1	+8
Natchez*	28,547	28,475	26,198	+0	+9	+10
Pascagoula-Moss Point*	43,081	39,944	n.a.	+8	n.a.	n.a.
Vicksburg	25,902	28,097	22,929	—8	+13	+10
Yazoo City*	37,994	19,258	n.a.	+97	n.a.	n.a.
TENNESSEE, Total†**	2,627,662	2,696,012	2,458,254	—3	+7	+8
Bristol*	52,197	61,695	53,497	—15	—2	+5
Chattanooga	378,660	392,484	369,442	—4	+2	+7
Johnson City*	51,420	55,137	48,208	—7	+7	+9
Kingsport*	95,481	104,404	92,254	—9	+3	+1
Knoxville	287,561	290,343	264,752	—1	+9	+6
Nashville	984,483	993,965	913,180	—1	+8	+8
SIXTH DISTRICT, Total	21,094,534	21,804,548	18,797,980	—3	+12	+10
Total, 32 Cities	12,884,700	13,177,681	11,640,796	—2	+11	+9
UNITED STATES 344 Cities	300,500,000	320,700,000r	281,000,000	—6	+7	+9

*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.)

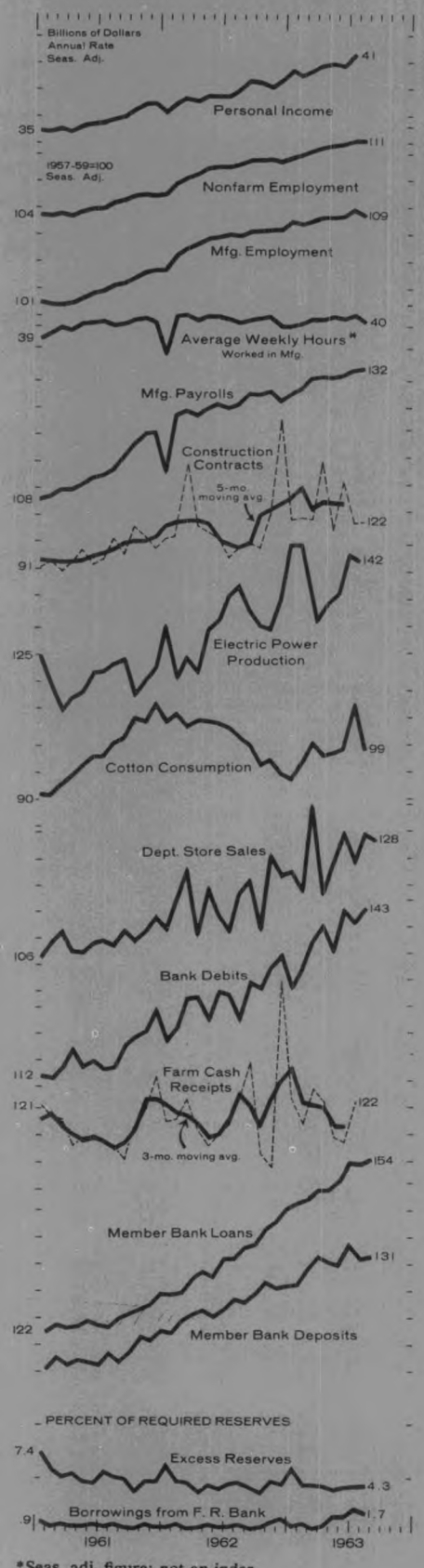
	Latest Month (1963)		One Month Ago	Two Months Ago	One Year Ago
SIXTH DISTRICT					
INCOME AND SPENDING					
Personal Income, (Mil. $, Annual Rate)	July	40,568	39,726r	39,975r	37,482
Farm Cash Receipts	July	122	107	109	114
Crops	July	122	95	100	116
Livestock	July	120	114	116	112
Department Store Sales*/**	Sept.	128p	129	124	121
Department Store Stocks*	Aug.	124p	128r	127	116r
Instalment Credit at Banks, *(Mil. $)					
New Loans	Aug.	150	160	165	146
Repayments	Aug.	154	155	151	141
PRODUCTION AND EMPLOYMENT					
Nonfarm Employment	Aug.	111	111	111	109
Manufacturing	Aug.	109	110	109	107
Apparel	Aug.	130	132	131	127
Chemicals	Aug.	105	105r	104	103
Fabricated Metals	Aug.	113	113	112	102
Food	Aug.	104	103r	102	103
Lbr., Wood Prod., Furn. & Fix.	Aug.	93	93	93	93
Paper	Aug.	106	107	106	105
Primary Metals	Aug.	99	99	98	94
Textiles	Aug.	94	94	94	96
Transportation Equipment	Aug.	111	115	114	111
Nonmanufacturing	Aug.	112	112	112	110
Construction	Aug.	98	100	102	98
Farm Employment	Aug.	87	92	87	90
Insured Unemployment, (Percent of Cov. Emp.)	Aug.	3.7	3.7	3.9	4.5
Avg. Weekly Hrs. in Mfg., (Hrs.)	Aug.	40.4	41.1r	40.7	40.3
Manufacturing Payrolls	Aug.	132	132r	131	126
Construction Contracts*	Aug.	122	122	153	104
Residential	Aug.	141	140	149	107
All Other	Aug.	107	106	156	101
Electric Power Production**	July	142	143	136	136
Cotton Consumption**	Aug.	99	107	99	102
Petrol. Prod. in Coastal La. and Miss.**	Aug.	167	167	164	147
FINANCE AND BANKING					
Member Bank Loans*					
All Banks	Aug.	154	153	154	138
Leading Cities	Sept.	150	144	145	134
Member Bank Deposits*					
All Banks	Aug.	131	131	133	123
Leading Cities	Sept.	127	124	125	119
Bank Debits*/**	Aug.	143	141	143	122
ALABAMA					
INCOME AND SPENDING					
Personal Income, (Mil. $, Annual Rate)	July	5,587	5,450r	5,513r	5,065
Farm Cash Receipts	July	119	118	127	110
Department Store Sales**	Aug.	107	105	113	107
PRODUCTION AND EMPLOYMENT					
Nonfarm Employment	Aug.	106	107	107	105
Manufacturing	Aug.	102	102r	102	100
Nonmanufacturing	Aug.	108	109	109	107
Construction	Aug.	94	93	94	94
Farm Employment	Aug.	74	95	82	86
Insured Unemployment, (Percent of Cov. Emp.)	Aug.	3.9	4.0	4.1	5.0
Avg. Weekly Hrs. in Mfg., (Hrs.)	Aug.	41.0	40.4r	40.3	40.8
Manufacturing Payrolls	Aug.	121	121	121	116
FINANCE AND BANKING					
Member Bank Loans	Aug.	154	153	154	137
Member Bank Deposits	Aug.	131	133	133	122
Bank Debits**	Aug.	137	135	139	118
FLORIDA					
INCOME AND SPENDING					
Personal Income, (Mil. $, Annual Rate)	July	11,628	11,277r	11,282r	10,894
Farm Cash Receipts	July	124	83	88	131
Department Store Sales**	Aug.	161	157	160	143
PRODUCTION AND EMPLOYMENT					
Nonfarm Employment	Aug.	118	118	117	116
Manufacturing	Aug.	123	123	119	121
Nonmanufacturing	Aug.	117	117	117	115
Construction	Aug.	90	91	93	92
Farm Employment	Aug.	108	110	127	107
Insured Unemployment, (Percent of Cov. Emp.)	Aug.	3.0	3.0	3.3	4.2
Avg. Weekly Hrs. in Mfg., (Hrs.)	Aug.	41.2	41.2	40.8	41.0
Manufacturing Payrolls	Aug.	162	160	157	155
FINANCE AND BANKING					
Member Bank Loans	Aug.	154	153	151	135
Member Bank Deposits	Aug.	134	129	134	125
Bank Debits**	Aug.	137	138	141	123

	Latest Month (1963)		One Month Ago	Two Months Ago	One Year Ago
GEORGIA					
INCOME AND SPENDING					
Personal Income, (Mil. $, Annual Rate)	July	7,646	7,487r	7,537r	7,041
Farm Cash Receipts	July	135	117	128	116
Department Store Sales**	Aug.	122	114	123	110
PRODUCTION AND EMPLOYMENT					
Nonfarm Employment	Aug.	113	113	112	110
Manufacturing	Aug.	107	108	108	106
Nonmanufacturing	Aug.	115	115	115	112
Construction	Aug.	113	116r	114	115
Farm Employment	Aug.	90	97	72	85
Insured Unemployment, (Percent of Cov. Emp.)	Aug.	3.1	3.0	3.0	3.2
Avg. Weekly Hrs. in Mfg., (Hrs.)	Aug.	40.0	39.7	39.8	40.2
Manufacturing Payrolls	Aug.	128	128	128	123
FINANCE AND BANKING					
Member Bank Loans	Aug.	158	156	155	145
Member Bank Deposits	Aug.	133	137	138	126
Bank Debits**	Aug.	168	153	152	128
LOUISIANA					
INCOME AND SPENDING					
Personal Income, (Mil. $, Annual Rate)	July	6,073	6,009r	6,014r	5,571
Farm Cash Receipts	July	109	112	116	107
Department Store Sales*/**	Aug.	113	111	113	106
PRODUCTION AND EMPLOYMENT					
Nonfarm Employment	Aug.	102	102	102	101
Manufacturing	Aug.	98	99	99	96
Nonmanufacturing	Aug.	103	103	103	102
Construction	Aug.	91	94	95	85
Farm Employment	Aug.	98	96	96	95
Insured Unemployment, (Percent of Cov. Emp.)	Aug.	4.0	4.1	4.3	4.5
Avg. Weekly Hrs. in Mfg., (Hrs.)	Aug.	42.2	42.1	41.9	42.2
Manufacturing Payrolls	Aug.	123	124	122	116
FINANCE AND BANKING					
Member Bank Loans*	Aug.	141	145	147	131
Member Bank Deposits*	Aug.	120	119	121	115
Bank Debits*/**	Aug.	125	132	134	111
MISSISSIPPI					
INCOME AND SPENDING					
Personal Income, (Mil. $, Annual Rate)	July	3,064	3,042r	3,171r	2,839
Farm Cash Receipts	July	119	121	127	140
Department Store Sales*/**	Aug.	109	97	107	105
PRODUCTION AND EMPLOYMENT					
Nonfarm Employment	Aug.	114	115r	114	111
Manufacturing	Aug.	117	117	116	113
Nonmanufacturing	Aug.	112	113	113	111
Construction	Aug.	107	112	117	102
Farm Employment	Aug.	69	78	77	84
Insured Unemployment, (Percent of Cov. Emp.)	Aug.	4.4	4.8	4.0	4.7
Avg. Weekly Hrs. in Mfg., (Hrs.)	Aug.	40.6	40.4	40.4	40.1
Manufacturing Payrolls	Aug.	140	139	135	130
FINANCE AND BANKING					
Member Bank Loans*	Aug.	175	169	172	154
Member Bank Deposits*	Aug.	142	143	150	131
Bank Debits*/**	Aug.	151	139	142	130
TENNESSEE					
INCOME AND SPENDING					
Personal Income, (Mil. $, Annual Rate)	July	6,570	6,461r	6,458r	6,072
Farm Cash Receipts	July	105	103	103	103
Department Store Sales*/**	Aug.	115	106	114	103
PRODUCTION AND EMPLOYMENT					
Nonfarm Employment	Aug.	111	111	111	109
Manufacturing	Aug.	112	112r	112	110
Nonmanufacturing	Aug.	111	110	110	108
Construction	Aug.	121	122	125	122
Farm Employment	Aug.	96	98	95	94
Insured Unemployment, (Percent of Cov. Emp.)	Aug.	4.1	4.8	4.6	5.3
Avg. Weekly Hrs. in Mfg., (Hrs.)	Aug.	40.7	41.1r	40.1	40.5
Manufacturing Payrolls	Aug.	130	131r	130	123
FINANCE AND BANKING					
Member Bank Loans*	Aug.	157	154	159	139
Member Bank Deposits*	Aug.	132	135	136	123
Bank Debits*/**	Aug.	140	141	147	126

*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.

Widespread strength continues to highlight the District's economy. Farm income, boosted by substantial crop and livestock marketings, climbed higher. Although sales of new automobiles slackened, retail spending, supported by higher department store sales, advanced further. Gains in personal income have continued, and bank credit, sustained by stronger commercial and industrial loan demand, is still expanding. Employment remained unchanged, with increases outside manufacturing balancing a slight decline in some types of factory employment.

Farm income pushed to a higher level, with both crop and livestock marketings exceeding the usual seasonal gains. Excellent cotton and peanut yields boosted incomes, especially in Alabama and Georgia. Louisiana's rice crop, granted a last-minute reprieve from hurricane Cindy, also yielded well. A large burley tobacco crop has been harvested by Tennessee farmers, and soybean and corn output is sharply higher than last year in most of the District's producing areas. Cattle forage has been ample, except on farms in Alabama and in parts of Louisiana and Mississippi. Hogs, broilers, and eggs have been moving to market at greater than seasonal rates in recent weeks, and prices received for important farm products have held relatively stable.

Total retail spending, boosted by a rise in department store sales, expanded further during August, but the month-to-month gain was dampened somewhat by fewer new-car purchases. New automobile loans at District banks were lower than in July, and the volume of personal loans also declined. Banks thus encountered their first decline in outstanding consumer debt since September of last year. Department store sales in August showed widespread gains, with most of the District's cities sharing in the uptrend. Furniture store sales are still exhibiting some weakness. On the whole, however, consumer spending, as measured by District bank debits, showed continued gains through August. Personal income expanded sharply in July, with all District states sharing in the increase. Cumulative gains in District states through July continue to outstrip those of the nation, with Mississippi, Georgia, and Alabama leading in rate of gain.

District member banks continued to expand total bank credit in September. In spite of some weakening in volume of consumer lending, total bank loans at weekly reporting member banks expanded. Investments were somewhat reduced as a consequence of accommodating this stronger loan demand, and the level of excess reserves declined. Some shifting in investments also occurred, as these banks added to holdings of U. S. Governments maturing after five years and reduced their holdings of municipal securities. A substantial increase in deposits at leading member banks reflects primarily an increase in U. S. Government demand deposits. Time deposits increased, but at a noticeably lower rate than in most other months of this year.

Employment gains were maintained but not further augmented in August. Adjustments to automobile model changeover and to reduced steel output placed some downward pressure on total manufacturing employment, as did small declines in chemical and paper employment. Construction employment volume was also somewhat lower in all states except Alabama. Petroleum production remained steady, while cotton consumption receded from the unusually sharp increase registered in July. In spite of these crosscurrents, insured unemployment did not rise and total manufacturing payrolls increased, as longer workweeks offset small declines in total employment. Preliminary data for September indicate a strong employment recovery in auto assemblies, and high-level construction contracts in August imply an early pickup in construction employment.

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