



Atlanta, Georgia

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Monthly Review

3, 2, 1 --- Blast Off!

NASA's Impact on the District States

Buck Rogers has been around for a long time, but few people took him seriously until recently. After being confronted by a series of events ranging from "Sputnik I" to "Molly Brown," however, very few could harbor any doubt that we are now on the threshold of the space age. Although by no means common, space flight is a proven fact, and its terminology pervades many phases of our life. It's even said that our children learn to "count down" before they "count up."

The six-state area comprising the Sixth Federal Reserve District (Alabama, Florida, Georgia, Louisiana, Mississippi, and Tennessee) has not been left out of the space effort. Vital roles are played by several installations in this area, and the impact of the space industry on the region itself has been considerable. First, however, a little background about the space program in general.

NASA: Its Aims and Objectives

Space flight officially went into "orbit" with the appearance of "Sputnik I" on October 4, 1957. Although the United States had been conducting experimental work on space flight for some time, the Russian achievement gave a substantial boost to our efforts. On October 1, 1958, the National Aeronautics and Space Administration (NASA) was set up to coordinate and advance our exploration of outer space. The long-range objectives of NASA, as described in section 102 of the National Aeronautics and Space Act of 1958, were as follows:

- (1) The expansion of human knowledge of phenomena in the atmosphere and space;
- (2) The improvement of the usefulness, performance, speed, safety, and efficiency of aeronautical and space vehicles;
- (3) The development and operation of vehicles capable of carrying instruments, equipment, supplies, and living organisms through space;
- (4) The establishment of long-range studies of the potential benefits to be gained from, the opportunities for, and the problems involved in the utilization of aeronautical and space activities for peaceful and scientific purposes;
- (5) The preservation of the role of the United States as a leader in aeronautical and space science and technology and in the application thereof to the conduct of peaceful activities within and outside the atmosphere.

To accomplish these peaceful aims of space exploration, a number of laboratories, research centers, and government employees who had been working on the military aspects of rocketry were transferred to NASA. Beginning with about 9,000 employees and a relatively small budget of about \$145 million, NASA had more than tripled employment by fiscal year 1964, and expenditures had climbed to \$4,171 million, or about 4 percent of total Federal expenditures. Much of the increase resulted from President Kennedy's declaration in 1961 that space exploration was a major instrument of national policy. Currently, there are signs

Also in this issue:

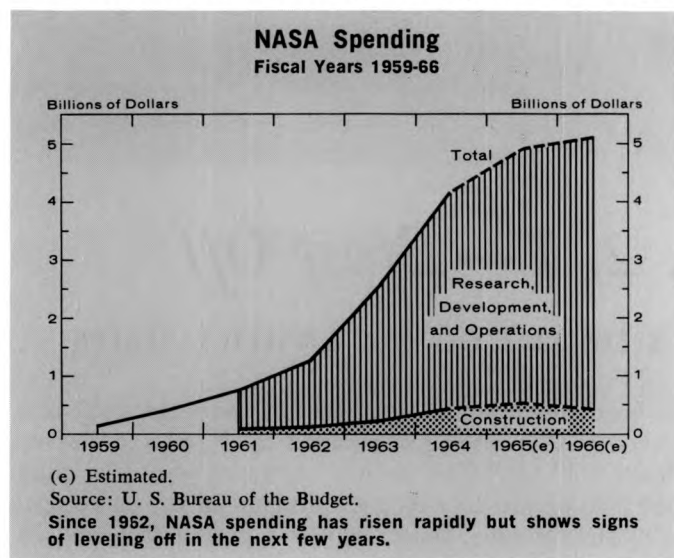
LOUISIANA EXPANDS ROLE
IN ECONOMIC PERFORMANCE

SIXTH DISTRICT
STATISTICS

DISTRICT BUSINESS
CONDITIONS

*Federal
Reserve
Bank of
Atlanta*

of a leveling off in the space program in the next few years, with employment and expenditure increases expected to be smaller than those occurring in most years since 1961.



The focus of attention for NASA has been on manned space flight. So far, three projects have been outlined. The first, Project Mercury, has already been completed. Its objective was to place a man in orbit and return him safely. Our ability to do this was demonstrated four times in 1962-63 by the successful flights of astronauts Glenn, Carpenter, Schirra, and Cooper.

Attention has now turned to Project Gemini, which is designed to further extend man's control over space. Gemini flights will be for durations of up to two weeks, during which time a pair of astronauts will develop orbital rendezvous techniques, as well as perform operations outside their space craft. Ten manned flights are planned, with the first one already completed by astronauts Grissom and Young.

By far the most complex of NASA's manned space programs is Project Apollo, which has an ultimate goal of landing Americans on the moon. An Apollo flight will place a command module containing three men into orbit about the moon. Once in lunar orbit, an excursion module will be detached and used by two of the astronauts to explore the moon's surface. They will then rejoin the command module and return to earth.

District Installations Play a Vital Role

In carrying out its missions, NASA has concentrated certain key functions at various centers throughout the country. Two of these space flight centers are located in District states and have provided considerable stimulus to the area's economy.

The **George C. Marshall Space Flight Center** was established at Redstone Arsenal near Huntsville, Alabama, on July 1, 1960, when a contingent of about 4,600 persons active in pioneer rocketry work were transferred from the Army Ballistic Missile Agency to NASA. The primary function of the Marshall Space Flight Center is to design, develop, and provide the basic launch vehicles used to overcome the earth's gravitational pull. This work is spread among many contractors located throughout the

country, but the ultimate responsibility for the necessary "boost" rests with the Marshall Center.

The Center itself occupies approximately 1,600 acres of land amid the sprawling, rustic expanse of Redstone Arsenal, and its facilities are currently valued at over \$250 million. Additional employees have augmented the original contingent to bring present civil service employment to slightly over 7,000, a level that is expected to hold through mid-1966. The buildup of NASA facilities in this area is shown by the construction spending figures of Table 1. Construction spending at Huntsville reached

Table 1: NASA Construction Spending
Fiscal Year 1961-66
(Thousands of Dollars)

	1961	1962	1963	1964	1965 (e)	1966 (e)
Huntsville	1,454	12,085	22,823	45,383	32,395	24,237
Michoud	—	1,259	10,033	19,291	17,867	4,700
Mississippi						
Test Area	—	734	11,637	45,866	114,938	58,030
Cape Kennedy	—	47,500	63,300	143,200	237,497	200,000

(e) Estimated.

Source: National Aeronautics and Space Administration.

its peak in fiscal year 1964 and is slated to taper off in the future, according to NASA estimates.

In many instances, Marshall has found it advantageous to own certain installations and have the work there carried out by private contractors under NASA supervision. Thus, in addition to its administrative offices, Marshall also has facilities at Huntsville for the development, manufacture, and ground testing of launch vehicles that are manned by contract personnel. There were over 9,000 such direct contract workers in Huntsville in 1964. Table 2 shows the growth of total employment—that is,

Table 2: Employment at NASA Facilities*
Fiscal Years 1961-66

	1961	1962	1963	1964	1965 (e)	1966 (e)
Marshall Space Flight Center—						
Huntsville	7,429	7,125	14,507	16,316	**	**
Michoud Operation	—	1,403	6,958	10,283	10,070	9,734
Mississippi Test Operation	—	—	17	232	1,290	2,579
Kennedy Space Flight Center	1,436	2,959	4,216	7,283	12,073	13,892

*Includes both civil service and direct contract employment.

**Estimates not currently available.

(e) Estimated.

Source: National Aeronautics and Space Administration.

both civil service and direct contract employment—at Huntsville and other NASA installations in the region.

Another NASA owned, privately operated installation is the Michoud (pronounced Miss'-you) plant in New Orleans. This plant began operations in 1961 and is used for the assembly of the giant Saturn boosters—the ones that will launch the lunar exploration capsules. These boosters will develop up to 7.5 million pounds of thrust, about the equivalent of one million cars, each with 160 horsepower.

The Michoud operation is housed in one of the country's largest manufacturing buildings—almost 43 acres under one roof. A nearby computer facility in Slidell, Louisiana, is a supporting part of the operation. The entire Michoud complex is presently staffed by over 10,000 workers em-

ployed by four private corporations under contract to NASA and about 300 NASA civil service employees. Because NASA took over an existing manufacturing building, construction spending at Michoud has been less than that at other locations, and relatively small expenditures are slated for fiscal year 1966. The facilities and equipment at Michoud were valued at over \$600 million at the end of 1964.

Another District space installation to be directly under Marshall's control is presently being constructed. This is the Mississippi Test Operation, where launch vehicles will be test fired on the ground before being sent to their final destination. The facility is located on the Pearl River in Hancock County, Mississippi, a site chosen because of its sparse population, proximity to Michoud, and its accessibility by water to and from other major installations, which permits the large rockets to be transported by barge.

When completed, the test stands and support facilities will occupy an area of about five square miles. This facility will represent about a \$256-million investment and should provide employment for approximately 2,500 contract workers, as well as a few civil service people. All of the construction work should be finished by 1967, and some testing is slated to begin early in 1966.

The **Kennedy Space Flight Center** near Cocoa Beach, Florida, is probably the most spectacular of NASA's operations and is the place where the work of the other centers culminates. Here the various components are assembled, checked and rechecked, and, finally, launched into space.

NASA so far has used launch facilities of the Department of Defense at Cape Kennedy. However, because of the size requirements for future projects, NASA is creating a new launch area of its own on nearby Merritt Island. Included among the facilities under construction is a vertical assembly building reputed to be the most spacious in the world. It is to be 52 stories high and will be one and one-half times larger than the Pentagon.

Construction spending at the Cape has been higher than at other facilities in the area, as can be seen from Table 1, and should continue to be high until the completion of the Merritt Island complex. The first unmanned launch from these facilities is tentatively scheduled for 1967. Total NASA employment at the Cape in fiscal year 1964 was 7,283, of which 2,359 were civil service employees and 4,924 were contract workers. Further employment growth is expected in the next two years, primarily in contract jobs.

Impact on the District

The construction and operation of these facilities have an obvious impact on the District, as is indicated by employment and construction expenditure figures. In fiscal year 1964, for instance, NASA employment at Huntsville accounted for about 2 percent of total nonfarm employment in Alabama, while the Michoud operation in New Orleans was directly responsible for over one percent of Louisiana's total nonfarm jobs. However, the impact by no means stops here. Although NASA maintains extensive facilities for carrying out its space objectives, more than 90 percent of its budget is spent with nonprofit organizations, such as universities and research institutes, and with private businesses.

District states received a sizable share of these prime contract awards, as can be seen in Table 3. In fiscal year

Table III: NASA Procurement Spending

Fiscal Years 1961-64
(Thousands of Dollars)

	1961	1962	1963	1964
Alabama	37,130	81,264	97,068	146,400
Florida	5,063	50,925	92,393	141,568
Georgia	2,921	3,352	6,025	6,416
Louisiana	79	18,534	185,263	286,257
Mississippi	—	93	86	609
Tennessee	949	2,163	2,301	2,490
District	46,142	156,331	383,136	583,740
U. S.	380,176	939,143	2,181,405	3,490,238

Source: National Aeronautics and Space Administration.

1961, the District accounted for 12 percent of NASA prime contracts; and, by fiscal year 1964, the region's share had increased to almost 17 percent. The majority of these awards in fiscal year 1961 were made in Alabama, as Marshall began to acquire launch vehicles. Contract awards in Alabama have increased in each successive year. As Project Mercury picked up speed in fiscal year 1962, the pace of awards in Florida also increased and has continued to accelerate. The opening of the Michoud plant accounts for the huge increase in awards in Louisiana beginning in fiscal year 1964.

The awarding of a prime contract to a firm within a given state does not necessarily mean that the money will actually be spent there, however. The initial firm may subcontract a part of the work, and the subcontractor, in turn, may seek other sources to supply a part of his needs. As a result, it is possible for a substantial part of the initial award to go to firms in other areas.

Some idea of the magnitude of subcontract shifting within the District is given by net first and second stage subcontracts originating with NASA's twelve largest prime contractors. This net is the difference between subcontracts placed in a state by firms located outside that state minus subcontracts let outside the state by firms located in the state. For instance, Table 4 shows that in fiscal year 1964 prime contractors in Alabama and Louisiana sublet more contracts outside the state than came into these states. However, the District states experienced a net increase in subcontracting because substantial inflows of sub-

Table IV: Space Subcontracts Flow out of and into District States*

Fiscal Year 1964
(Thousands of Dollars)

	Outgoing	Incoming	Net Gain or Loss**
Alabama	6,750	4,370	— 2,380
Florida	2,640	48,088	45,448
Georgia	153	530	377
Louisiana	45,244	13,336	— 31,908
Mississippi	—	387	387
Tennessee	—	796	796
District	54,787	67,507	12,720

*First- and second-stage subcontracts of NASA's twelve largest prime contractors.

**(-) Indicates that contractors in a state sublet more contracts outside the state than came in from outside the state.

Source: National Aeronautics and Space Administration.

contracts to Florida and smaller inflows in the remaining states more than offset the outflows.

Secondary Effects

The impact does not even stop here, however. New industry brings new jobs, which create additional income, which stimulates spending, which, in turn, produces additional jobs, income, spending, and so on. In some instances, almost all the recent growth of an area can be traced directly to space-related activity. Such is the case with the Cape Kennedy area, where the total population in Brevard County, Florida, in 1940 was only 16,142. By 1963, the population had expanded to 150,800, most of it supported, directly or indirectly, by the space program efforts of either NASA or the Department of Defense. Moreover, the growth has not been restricted to Brevard County alone but has spread into the adjoining counties as well.

Much the same can be said for Madison County, Alabama, where the combined spending of the Marshall Space Flight Center and the Redstone Arsenal has been instrumental in changing the economic structure of the local economy. One substantial difference between the growth in the two areas should be noted, however. Growth in the Alabama area has been concentrated primarily around the core city of Huntsville and has transformed that once small city into the fastest growing metropolitan area in Alabama. On the other hand, growth in the Cape Kennedy area has not been concentrated around a single core but has been spread among a number of towns, and thus no large central city has developed.

In other instances it is more difficult to assess the impact of space spending on the local economy because a broad population, industrial, and trade base already existed. The effects of the Michoud plant on the New Orleans economy is a case in point. The direct effect in 1964 was an additional 10,300 workers with a payroll of over \$70 million. But what of the secondary effects? Using a U. S. Chamber of Commerce formula, the New Orleans Chamber of Commerce estimates that new jobs at Michoud brought an increase in employment in other industries of about 6,500 and an increase in retail sales of over \$33 million per year.

NASA has also made available a number of grants for pre-doctoral study of space science and technology at major universities within the District. In September of 1965, for instance, NASA will make grants of over \$5.7 million to support 323 scholarships at fourteen District universities.

Rapid growth is not an unmixed blessing, however. Additional services, such as fire and police protection, must be extended to the additional employees and their families; more funds must be allocated to take care of the traffic congestion caused by additional automobiles; and more classrooms and teachers must be provided for the additional school children. These and other problems, however, must be faced by all expanding communities. Most areas are happy to have the opportunity to cope with them.

N. D. O'BANNON

Louisiana Expands Role in Economic Performance

At the beginning of 1964, our review of economic conditions in Louisiana showed further expansion of major indicators from their 1960-61 recession levels. We wondered if the expansion would continue and, if so, whether increased construction and manufacturing activity would again spark the advance. These questions may be partially answered now; for, during the past year, Louisiana has "gone on with the show" or, in economic terms, the expansion has continued.

Center Stage

Personal income in Louisiana advanced 5.7 percent to \$6.4 billion in 1964, according to estimates made at this Bank. Although brisk, the increase was no greater than that for the nation. In fact, personal income in Louisiana has grown at about the same rate as its national counterpart since the beginning of the current economic expansion in February 1961.

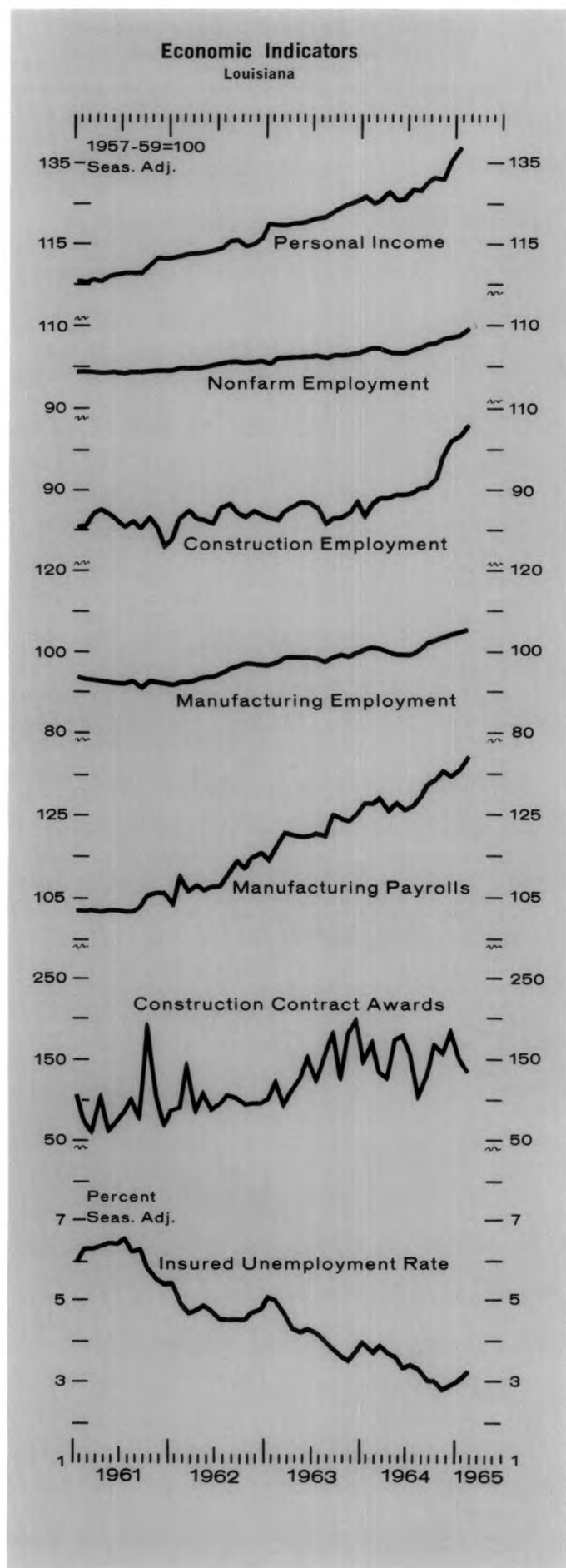
Increases in personal income in 1964 were again sparked by advances in construction and manufacturing, along with a sizable boost from state and local government spending. In addition, higher income from rent, sales, services, and entrepreneurial ventures contributed substantially to personal income growth. Income from agriculture declined considerably, however.

Per capita income in Louisiana advanced \$70 to an average of \$1,846 in 1964, according to estimates of this Bank. This growth was somewhat less than that for the nation and, as a result, Louisiana's per capita income dropped further behind the national average, which increased to \$2,568 last year.

Total employment in Louisiana has moved upward. Nonagricultural employment increased nearly 4 percent over the twelve months ending in January to a seasonally adjusted level of about 851,000. This increase, somewhat more rapid than in other recent years, more than offset the continued decline in agricultural employment. Concurrently, insured unemployment in the Pelican State receded and, in the fourth quarter, dropped below 3 percent, the lowest seasonally adjusted rate since 1957.

Construction Takes the Lead

In 1963, the F. W. Dodge survey of construction contracts revealed an unprecedented \$280-million rise in contract awards in Louisiana. This increase brought the total for 1963 to a record level of \$939 million. The construction boom has continued, with contracts increasing further in 1964 to \$996 million. In the first two months of 1965, however, construction contract awards declined somewhat on a seasonally adjusted basis. Last year's increase in



contract awards reflects greater residential construction than a year earlier. Residential awards accounted for over 40 percent of the 1964 total, while the remaining 60 percent represented awards for the construction of manufacturing plants, office buildings, highways, drainage and sanitation facilities, and other projects. Nonresidential awards dropped off slightly following the record increase in 1963.

Planned industrial investment in new plants and additions to existing facilities rose in 1964. This indicator reached its highest level since the record in 1956, according to the Louisiana State Department of Commerce and Industry. Most of this expansion was in the chemical and petroleum industry, although sizable investments were announced by electric power companies and manufacturers of paper and metal products.

Construction employment has soared since the beginning of 1964, surpassing the previous record at about mid-year. The latest data available show seasonally adjusted construction employment at 66,200 in January, about thirteen thousand workers or nearly 24 percent more than in the same month a year earlier.

Most of the increased construction activity has taken place in the New Orleans area, although sizable projects have been noted in other areas as well. Since contract awards generally precede construction projects and actual work often runs for several years, the large awards in 1963 and 1964 may have a considerable economic impact this year.

Manufacturing Costars

Manufacturing employment in the Pelican State surpassed 154,000 in January 1965, on a seasonally adjusted basis. This measure expanded by about 6,400 workers or more than 4 percent over the year-earlier level, thus repeating its performance in other recent years. The current growth confirms the markedly brighter economic picture for manufacturing that began with an upturn in manufacturing employment early in 1962.

The rise in manufacturing employment partially stemmed from a large gain early in 1964 in the transportation equipment industry, particularly in shipbuilding and ship repair. Later in 1964, employment gains of businesses producing food and kindred products provided a further substantial boost. Smaller increases were noted in industries manufacturing stone, clay, and glass products, machinery, fabricated metals, apparel, and chemical products. Increased employment, coupled with higher wages, resulted in a sizable rise in manufacturing payrolls over the year ending in January 1965. However, this growth was somewhat less rapid than it had been during each of the preceding two years.

Nonmanufacturing employment, excluding agriculture, increased by about 29,000 workers or almost 4 percent over the year ending in January 1965, a slightly faster rate of expansion than that of the preceding year. Most of this increase may be attributed to accelerated employment in the construction industry. The retail trade industry, state and local governments, and crude petroleum and natural gas producers experienced smaller gains.

Agriculture Suffers

Agricultural employment dropped substantially in 1964, with declines in both the number of family workers and hired workers. Farm cash receipts also fell off considerably. The largest decline occurred in receipts from the cotton crop, which was affected by adverse weather conditions, including October's hurricane Hilda. The same hurricane also damaged the sugarcane crop, which fell from its record level in 1963 and was substantially below expectations for 1964. A decline in cash receipts for livestock resulted mainly from lower cattle prices.

Next Act

Recent announcements of planned investment and the carry-over effects of contracts already awarded but not yet completed should give further impetus to economic expansion in Louisiana. Material and manpower requirements should remain high as long-term commercial and industrial construction projects continue. Upon completion of new or expanded facilities, construction employment would no longer benefit from the current stimulus. Actual operations, however, should provide the state with an important new source of employment and income.

ROBERT R. WYAND II

Bank Announcements

On March 1, the FIDELITY BANK AND TRUST COMPANY, Slidell, Louisiana, a newly organized nonmember bank, opened for business and began to remit at par for checks drawn on it when received from the Federal Reserve Bank. Officers are William R. Boles, Chairman of the Board; C. A. Von Hoene, President; and Willie E. Annison, Jr., Executive Vice President and Cashier. Capital is \$312,500, and surplus and undivided profits, \$187,500.

The FIRST MARION BANK, Ocala, Florida, a newly organized nonmember bank, opened for business on March 4 and began to remit at par. Officers are Fred Malever, Chairman of the Board; L. K. Edwards, Jr., President; James L. Niblack, Executive Vice President; and Bob J. Alldredge, Cashier. Capital is \$350,000, and surplus and undivided profits, \$150,000.

Debits to Demand Deposit Accounts Insured Commercial Banks in the Sixth District (In Thousands of Dollars)

	Feb. 1965	Jan. 1965	Feb. 1964	Percent Change		
				Year-to-date		
				Feb. 1965 from	Feb. 1964	2 Months from 1964
STANDARD METROPOLITAN STATISTICAL AREAS†*						
Birmingham . . .	1,084,861	1,181,269	984,016	-8	+10	+8
Gadsden . . .	52,214	58,920	48,447	-11	+8	+8
Huntsville . . .	146,653	165,095	134,929	-11	+9	+6
Mobile . . .	377,479	447,479	330,720	-16	+14	+10
Montgomery . . .	234,023	234,970	212,091	-0	+10	+13
Tuscaloosa . . .	73,920	77,567	65,025	-5	+14	+5
Ft. Lauderdale-Hollywood . . .	472,683	552,346	444,516	-14	+6	-0
Jacksonville . . .	1,308,607	1,468,071	1,189,982	-11	+10	+6
Miami . . .	1,714,178	1,844,595	1,585,213	-7	+8	+5
Orlando . . .	413,196	447,372	397,905	-8	+4	-1
Pensacola . . .	164,955	184,173	148,684	-10	+11	+11
Tampa-St. Petersburg	973,184	1,160,418	924,063	-16	+5	+5
W. Palm Beach . . .	396,362	402,900	347,684	-2	+14	+9
Albany . . .	75,895	83,464	62,505	-9	+21	+16
Atlanta . . .	3,231,930	3,549,732	2,844,184	-9	+14	+11
Augusta . . .	143,036	172,427	147,858	-17	-3	+2
Columbus . . .	169,021	193,655	152,221	-13	+11	+10
Macon . . .	201,199	197,608	163,249	+2	+24	+15
Savannah . . .	190,587	221,741	189,766	-14	+0	+0
Baton Rouge . . .	386,658	433,783	313,066	-11	+24	+18
Lafayette . . .	86,395	100,322	79,454	-14	+9	+8
Lake Charles . . .	96,576	115,111	92,641	-16	+4	-1
New Orleans . . .	1,775,632	2,007,155	1,587,614	-12	+12	+9
Jackson . . .	449,198	476,949	408,952	-6	+10	+5
Chattanooga . . .	4 1,389	523,141	381,890	-21	+8	+7
Knoxville . . .	336,923	372,731	318,373	-10	+6	+3
Nashville . . .	1,040,825	1,076,188	1,014,670	-3	+3	+2
OTHER CENTERS						
Anniston . . .	48,096	53,994	45,319	-11	+6	+6
Dothan . . .	44,247	49,294	41,304	-10	+7	+7
Selma . . .	31,133	34,203	30,938	-9	+1	+1
Bartow . . .	31,938	42,025	26,056	-24	+23	+20
Bradenton . . .	47,281	54,639	44,982	-13	+5	+1
Brevard County . . .	166,371	176,858	149,982	-6	+11	+11
Daytona Beach . . .	67,916	78,158	62,975	-13	+8	-3
Ft. Myers-N. Ft. Myers . . .	60,934	73,480	61,051	-17	-0	-0
Gainesville . . .	66,471	69,765	58,647	-5	+13	+10
Key West (Monroe County)***	30,184	29,464	24,769	+2	+22	+15
Lakeland . . .	101,250	111,616	87,881	-9	+15	+6
Ocala . . .	47,289	49,890	43,170	-5	+10	+4
St. Augustine . . .	14,228	16,473	15,863	-14	-10	-9
St. Petersburg . . .	243,938	293,069	228,537	-17	+7	+4
Sarasota . . .	88,462	98,632	82,043	-10	+8	-2
Tallahassee . . .	93,064	86,811	81,731	+7	+14	+6
Tampa . . .	537,521	628,679	506,617	-14	+6	+7
Winter Haven . . .	57,599	66,170	54,677	-13	+5	+3
Athens . . .	51,757	58,718	45,269	-12	+14	+10
Brunswick . . .	34,346	41,182	32,580	-17	+5	+3
Dalton . . .	79,976	90,566	66,593	-12	+20	+23
Elberton . . .	10,618	13,050	10,947	-19	-3	+11
Gainesville . . .	56,475	66,168	53,922	-15	+5	+5
Griffin . . .	24,171	27,827	22,012	-13	+10	+10
LaGrange . . .	17,640	19,734	17,328	-11	+2	+5
Newnan . . .	17,493	27,247	20,076	-36	-13	-5
Rome . . .	56,370	59,402	53,168	-5	+6	+1
Valdosta . . .	40,250	44,349	33,664	-9	+20	+14
Abbeville . . .	9,993	10,542	7,947	-5	+26	+7
Alexandria . . .	96,994	109,482	86,817	-11	+12	+8
Bunkie . . .	4,563	6,719	4,091	-32	+12	+17
Hammond . . .	26,894	29,488	25,220	-9	+7	+7
New Iberia . . .	28,811	36,873	26,850	-22	+7	+3
Plaquemine . . .	7,396	8,939	6,739	-17	+10	+2
Thibodaux . . .	15,420	27,328	16,740	-44	-8	+2
Biloxi-Gulfport . . .	72,987	70,058	68,360	+4	+7	+2
Hattiesburg . . .	40,240	44,861	40,164	-10	+0	+3
Laurel . . .	27,497	31,668	28,812	-13	-5	-6
Meridian . . .	55,074	55,393	51,055	-1	+8	+1
Natchez . . .	28,146	32,360	30,063	-13	-6	-2
Pascagoula-Moss Point . . .	38,863	40,453	34,702	-4	+12	+12
Vicksburg . . .	29,914	32,823	26,727	-9	+12	+10
Yazoo City . . .	19,207	27,118	17,341	-29	+11	+13
Bristol . . .	50,053	60,012	48,363	-17	+3	+4
Johnson City . . .	52,924	62,781	51,454	-16	+3	+5
Kingsport . . .	100,761	113,088	92,616	-11	+9	+7
SIXTH DISTRICT, Total	22,133,587	24,556,156	20,245,303	-10	+9	+6
Alabama† . . .	2,845,259	3,136,164	2,626,879	-9	+8	+5
Florida† . . .	7,226,318	8,001,445	6,683,998	-10	+8	+4
Georgia† . . .	5,342,187	5,933,131	4,707,281	-10	+13	+12
Louisiana*** . . .	2,969,509	3,351,459	2,621,490	-11	+13	+9
Mississippi*** . . .	987,232	1,051,980	921,186	-6	+7	+4
Tennessee*** . . .	2,763,082	3,081,977	2,684,469	-10	+3	+1

*Year-ago data have revised for all states and for all SMSA's except Birmingham, Tuscaloosa, Miami, Albany, Lafayette, and Lake Charles.

Includes only banks in the Sixth District portion of the state. *Key West coverage enlarged to include Monroe County. †Partially estimated.

Sixth District Statistics

Seasonally Adjusted

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

		Latest Month	One Month Ago	Two Months Ago	One Year Ago		Latest Month	One Month Ago	Two Months Ago	One Year Ago	
SIXTH DISTRICT						GEORGIA					
INCOME AND SPENDING						INCOME AND SPENDING					
Personal Income, (Mil. \$, Annual Rate)	Jan.	46,044	45,982r	45,039r	42,657	Personal Income, (Mil. \$, Annual Rate)	Jan.	8,665	8,536r	8,307r	8,095
Manufacturing Payrolls	Feb.	155	154	152	142	Manufacturing Payrolls	Feb.	155	157r	157	144
Farm Cash Receipts	Jan.	140	113	129	135	Farm Cash Receipts	Jan.	133	99	109	140
Crops	Jan.	162	116	136	142	Department Store Sales**	Feb.	139	146	139	133
Livestock	Jan.	119	121	118	124	PRODUCTION AND EMPLOYMENT					
Department Store Sales**	Mar.	145p	143	148	139	Nonfarm Employment	Feb.	120	120	120	116
Instalment Credit at Banks, *(Mil. \$)						Manufacturing	Feb.	117	116	116	112
New Loans	Feb.	199	195r	192	180	Nonmanufacturing	Feb.	122	122	121	118
Repayments	Feb.	183	173	164	165	Construction	Feb.	128	129	130	114
PRODUCTION AND EMPLOYMENT						Farm Employment	Feb.	64	79	73	71
Nonfarm Employment	Feb.	119	118	117	114	Insured Unemployment, (Percent of Gov. Emp.)	Feb.	2.0	2.1	2.2	2.8
Manufacturing	Feb.	118	118	117	113	Avg. Weekly Hrs. in Mfg., (Hrs.)	Feb.	40.9	41.6r	41.9	40.7
Apparel	Feb.	141	141	138	135	FINANCE AND BANKING					
Chemicals	Feb.	112	112	112	110	Member Bank Loans	Feb.	200	197	194	172
Fabricated Metals	Feb.	126	126	125	117	Member Bank Deposits	Feb.	162	161	156	144
Food	Feb.	108	108	108	106	Bank Debits**	Feb.	169	172	157	149
Lbr., Wood Prod., Furn. & Fix.	Feb.	97	98r	95	94	LOUISIANA					
Paper	Feb.	107	107	107	109	INCOME AND SPENDING					
Primary Metals	Feb.	107	108	105	100	Personal Income, (Mil. \$, Annual Rate)	Jan.	6,911	6,764r	6,549r	6,330
Textiles	Feb.	97	96	96	95	Manufacturing Payrolls	Feb.	139	136r	135	127
Transportation Equipment	Feb.	140	137	135	122	Farm Cash Receipts	Jan.	139	108	123	150
Nonmanufacturing	Feb.	119	118	118	115	Department Store Sales**	Feb.	132	131	125	118
Construction	Feb.	112	112	111	103	PRODUCTION AND EMPLOYMENT					
Farm Employment	Feb.	78	81	80	84	Nonfarm Employment	Feb.	109	107r	107	104
Insured Unemployment, (Percent of Gov. Emp.)	Feb.	2.6	2.7	2.7	3.5	Manufacturing	Feb.	106	105r	104	101
Avg. Weekly Hrs. in Mfg., (Hrs.)	Feb.	41.5	41.6	41.7	41.1	Nonmanufacturing	Feb.	110	108	108	105
Construction Contracts*	Feb.	137	190	196	165	Construction	Feb.	106	104r	102	87
Residential	Feb.	139	153	175	156	Farm Employment	Feb.	75	78	80	84
All Other	Feb.	136	221	215	172	Insured Unemployment, (Percent of Gov. Emp.)	Feb.	3.2	3.0	2.9	3.7
Industrial Use of Electric Power	Dec.	126	124	123	121	Avg. Weekly Hrs. in Mfg., (Hrs.)	Feb.	43.0	42.4r	42.2	42.1
Cotton Consumption**	Feb.	113	113	105	102	FINANCE AND BANKING					
Petrol. Prod. in Coastal La. and Miss.**	Feb.	172	170	177r	168	Member Bank Loans*	Feb.	178	175	174	155
FINANCE AND BANKING						Member Bank Deposits*	Feb.	134	139	136	124
Member Bank Loans*	Feb.	193	191	188	168	Bank Debits**	Feb.	134	143	132	125
All Banks						MISSISSIPPI					
Leading Cities	Mar.	180	177	175	158	INCOME AND SPENDING					
Member Bank Deposits*						Personal Income, (Mil. \$, Annual Rate)	Jan.	3,540	3,414r	3,436r	3,172
All Banks	Feb.	152	153	150	138	Manufacturing Payrolls	Feb.	162	161r	161	151
Leading Cities	Mar.	143	141	142	131	Farm Cash Receipts	Jan.	171	100	139	118
Bank Debits**	Feb.	156	161	150	144	Department Store Sales**	Feb.	101	102	92	102
ALABAMA						PRODUCTION AND EMPLOYMENT					
INCOME AND SPENDING						Nonfarm Employment	Feb.	120	120	120	117
Personal Income, (Mil. \$, Annual Rate)	Jan.	6,140	6,173r	5,965r	5,662	Manufacturing	Feb.	127	125r	125	121
Manufacturing Payrolls	Feb.	145	142	139	130	Nonmanufacturing	Feb.	118	118	117	116
Farm Cash Receipts	Jan.	141	106	123	124	Construction	Feb.	121	125	121	112
Department Store Sales**	Feb.	115	124	118	116	Farm Employment	Feb.	72	69	74	81
PRODUCTION AND EMPLOYMENT						Insured Unemployment, (Percent of Gov. Emp.)	Feb.	3.2	3.2	3.2	4.4
Nonfarm Employment	Feb.	111	111	110	108	Avg. Weekly Hrs. in Mfg., (Hrs.)	Feb.	41.2	41.4	41.4	40.8
Manufacturing	Feb.	109	108	107	103	FINANCE AND BANKING					
Nonmanufacturing	Feb.	112	112	111	110	Member Bank Loans*	Feb.	213	209	210	190
Construction	Feb.	102	102	101	101	Member Bank Deposits*	Feb.	167	166	162	150
Farm Employment	Feb.	76	84	74	86	Bank Debits**	Feb.	163	163	154	152
Insured Unemployment, (Percent of Gov. Emp.)	Feb.	2.7	2.9	2.8	3.8	TENNESSEE					
Avg. Weekly Hrs. in Mfg., (Hrs.)	Feb.	41.8	41.7r	41.4	41.3	INCOME AND SPENDING					
FINANCE AND BANKING						Personal Income, (Mil. \$, Annual Rate)	Jan.	7,456	7,256r	7,156r	7,034
Member Bank Loans	Feb.	187	183	183	166	Manufacturing Payrolls	Jan.	153	149	150	142
Member Bank Deposits	Feb.	154	151	149	139	Farm Cash Receipts	Jan.	117	126	121	146
Bank Debits**	Feb.	151	157	150	140	Department Store Sales**	Feb.	124	129	120	115
FLORIDA						PRODUCTION AND EMPLOYMENT					
INCOME AND SPENDING						Nonfarm Employment	Jan.	120	119	118	115
Personal Income, (Mil. \$, Annual Rate)	Jan.	13,332	13,839r	13,626r	12,364	Manufacturing	Jan.	123	121	121	118
Manufacturing Payrolls	Feb.	181	181r	179	169	Nonmanufacturing	Jan.	119	118	117	113
Farm Cash Receipts	Jan.	138	134	153	137	Construction	Jan.	150	153	144	132
Department Store Sales**	Feb.	175	181	177	169	Farm Employment	Feb.	87	84	82	91
PRODUCTION AND EMPLOYMENT						Insured Unemployment, (Percent of Gov. Emp.)	Feb.	3.3	3.4r	3.3	4.4
Nonfarm Employment	Feb.	127	126	126	122	Avg. Weekly Hrs. in Mfg., (Hrs.)	Jan.	41.2	41.2	41.3	41.0
Manufacturing	Feb.	130	129	128	126	FINANCE AND BANKING					
Nonmanufacturing	Feb.	126	126r	125	122	Member Bank Loans*	Feb.	192	192	188	169
Construction	Feb.	101	100	97	94	Member Bank Deposits*	Feb.	155	156	155	138
Farm Employment	Feb.	104	108	104	93	Bank Debits**	Feb.	162	165	156	158
Insured Unemployment, (Percent of Gov. Emp.)	Feb.	2.0	2.1r	2.2	2.7						
Avg. Weekly Hrs. in Mfg., (Hrs.)	Feb.	42.0	41.8	42.2	41.4						
FINANCE AND BANKING											
Member Bank Loans	Feb.	197	197	191	169						
Member Bank Deposits	Feb.	152	152	151	141						
Bank Debits**	Feb.	156	162	151	145						

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

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; industrial use of elec. power, 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

Spring finds the District's economy well rooted and vigorous. Nonfarm activity is providing jobs for an expanding work force, and farmers are chalking up mild gains despite wet, cool weather. Bank loans continue to expand, thus helping consumers and businessmen to maintain spending at an advanced level.

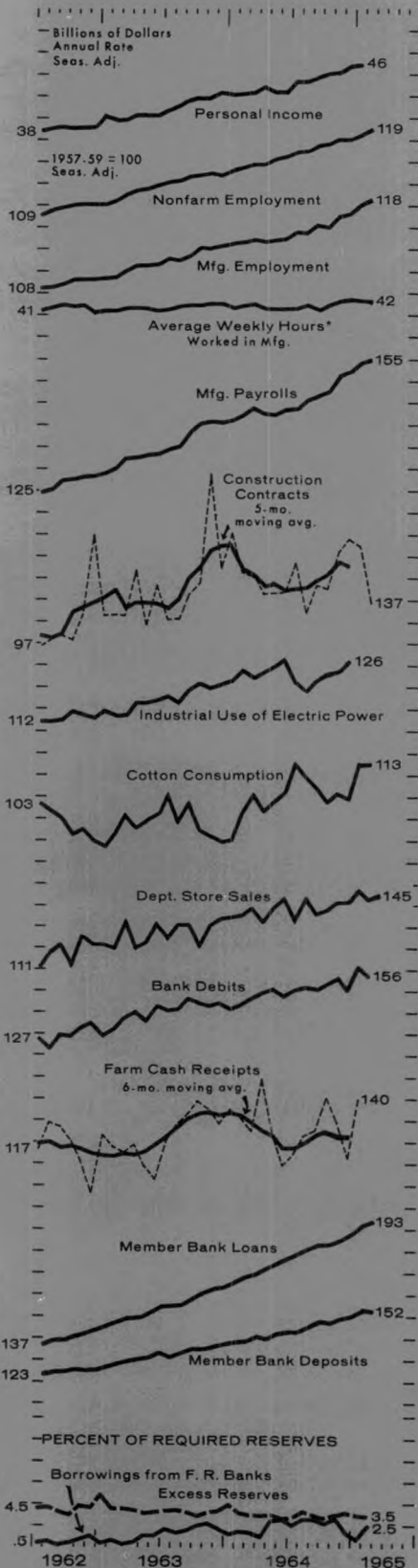
The number of nonfarm jobs in February increased by about 25,000 over the preceding month. Nonmanufacturing categories provided most of these jobs, with Louisiana experiencing the strongest upsurge among the District states as a result of the dockworker contract settlement. The District's transportation equipment industry also recorded a healthy increase. A shorter workweek, however, somewhat moderated the rise in manufacturing payrolls. Construction jobs were spotty, with gains in some states and losses in others. The rate of insured unemployment continued to creep down, and Florida and Georgia have now reached the 2-percent level.

A wet March hindered the farm economy but did not completely stall it. Rainfall during the month put farmers behind in their field work, although it benefited pastures and plants in many places. In Florida, the citrus crop, which is about a third larger than last year's, is still being harvested. Production of poultry products has been expanding, as hatchery output surges upward, broiler flocks increase, and egg flocks grow larger. Higher prices for hogs, broilers, eggs, and some vegetables have led to a rise in the average of prices received by farmers; farm costs, as measured by prices paid for feed, chicks, and labor, have remained almost unchanged.

During the first four weeks of March, banks in leading District cities registered a gain in loans. Business, consumer, and security loans showed continued strength; however, a sharp decline in loans to nonbank financial institutions partly offset these gains. Investments expanded somewhat, as a further decline in U. S. Government securities was more than offset by a continued sharp uptrend in other securities. Deposits advanced at about the usual rate, with both demand and time deposits posting gains.

The level of consumer instalment credit outstanding at commercial banks continued to climb in February despite a high repayment rate. Following a sharp gain in January, department store sales appear to have dropped back to about the fourth-quarter level. Furniture store sales, however, were well above their 1964 average in both January and February. Personal income rose slightly in January, and savings increased further in February.

Total construction contract awards for February weakened from the very high levels of December and January. The bulk of the decline occurred in the public works and utilities category, reflecting the absence of contracts for large missile and space vehicle facilities, which had boosted Florida's contract awards in early 1964. A somewhat more widespread decline occurred in the residential building category, with all District states except Georgia and Louisiana showing sizable losses in the first two months of 1965 from the comparable period of 1964. Nonresidential building contracts continued their sharp upturn, however, partially offsetting declines in other categories.



*Seas. adj. figure; not an index.

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