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Review

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Current Economic Trends

THE ECONOMY has been growing, but the rate of advance has moderated in recent months. Major problems facing the economy continue to be an adverse balance of payments and a low rate of resource utilization.

Introduction

RECENT ECONOMIC trends have been quite uncertain. From early summer to September it appears that moderate gains were made in business activity, but the most recent information reveals that the expansion continues to lack the vigor necessary for full utilization of resources. Following the stock market break in May and along with the continued decline into June, there was considerable concern that an economic recession might be imminent. Some June economic statistics, when they became available in July, seemed to reinforce this concern for the state of the economy. From May to June industrial production was about unchanged, the rate of unemployment rose slightly, and retail sales edged downward for the second consecutive month. On the other hand, in this same period expenditures on new construction increased sharply.

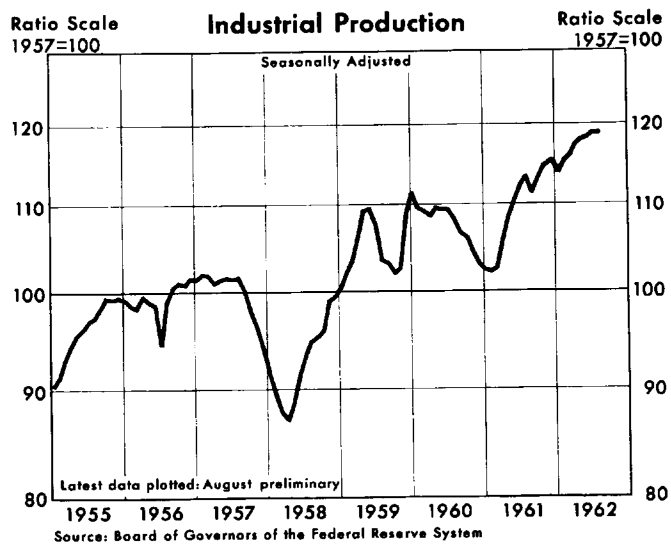
When economic data for July became available in August, the picture appeared brighter; the President decided that the situation did not at that time call for stimulative fiscal action. The statistics which have become available since the President's report continue to show the ambiguity of the previous month: no clear picture of either a strongly rising or declining economy. These observations point to a need for perspective, a cautionary note that too much significance should not be attached to a single economic series, or to one-month movements in any series.

The problems created by the deficit in the U. S. balance of payments continue. Monetary policy objectives have taken into account our net payments position and capital movements in addition to domestic considerations. In an effort to reduce the outflow of private capital and to demonstrate to foreigners that the U. S. is taking the necessary measures to reduce the payments deficit, the System has given important consideration in the conduct of monetary policy to the level of interest rates.[1] In view of both the credit demands and the rate of saving thus far in 1962, a policy in which interest rates are an important consideration has brought forth a stable rather than expanding supply of bank reserves and money.

[1] The importance of an interest rate objective was pointed out by Chairman Martin in his testimony before the Joint Economic Committee on August 16, in which he stated that ". . . we have generally maintained short-term rate relationships with other major financial markets such as to avoid encouraging outflows of short-term funds. The fact that we have done and are continuing to do this, as we strive to improve our basic balance-of-payments situation, is bound to strengthen confidence in the dollar at home and abroad."

Production, Capacity, and Investment

Industrial production rose from 118 per cent of the 1957 average in June to 119 in July and remained at this level in August. Steel output has risen moderately since

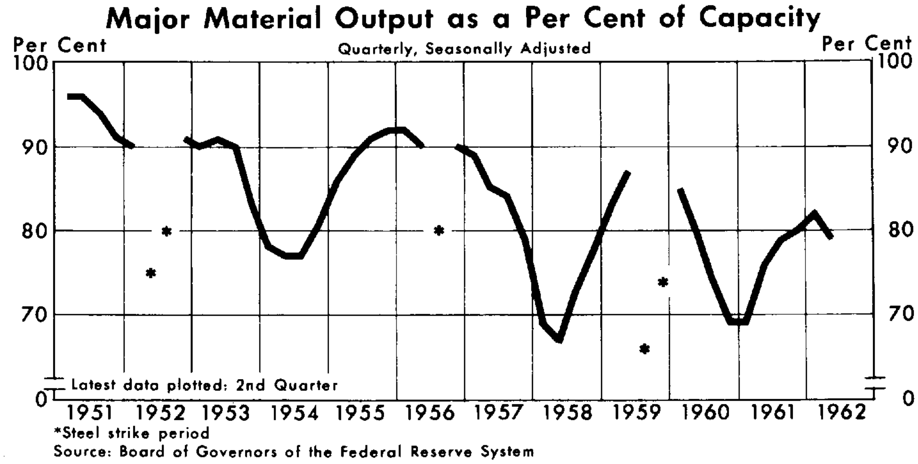


Source: Board of Governors of the Federal Reserve System

August, but the industry currently is operating at less than 60 per cent of capacity. The picture in auto assemblies is somewhat clouded by the August model changeover. However, it appears that after allowance for this factor, August assemblies were near July levels. Auto production rose each week in September, reaching a total for the month greater than in any September since 1953.

Since June 1961, when the previous peak in industrial production was reached, output of the nation's mines, factories, and utilities has risen 7.4 per cent. This gain compares favorably with corresponding periods of previous economic expansions. During the comparable 14-month periods of the two previous expansions, from February 1959 to April 1960 and from March 1955 to May

1956, industrial production increased 6.7 and 6.5 per cent, respectively.[2]



Despite recent gains in industrial output, the gap between production and capacity has not been materially reduced. Output of major industrial materials (see chart) has fluctuated around 80 per cent of capacity since the third quarter of 1961. A drop in steel output was a principal factor in the decline which took place during the spring and early summer. With steel output rising moderately in recent weeks, however, capacity utilization in September is likely to exceed July and August levels.

Perhaps more important than the most recent fluctuations in use of productive facilities is the downward trend of the last decade. Rates of output of major industrial materials in trough quarters were 77 per cent of capacity in 1954, 67 per cent in 1958, and 69 per cent in 1960. Rates during peak quarters were 91 per cent in 1953, 92 per cent in 1956, and 87 per cent in 1959.

Most interpretations of how business expansions take place emphasize the role of investment in new productive facilities. The amount of unused capacity currently available could act as a dampening force on investment growth. The effects of 1962 changes in depreciation regulations and the investment credit feature of the tax bill now being considered in Congress could of course work in the opposite direction. According to the Securities and Exchange Commission-Commerce Department Survey, published in September, spending on plant and equipment in 1962 is estimated to be in excess of $37 billion. The previous survey in May, which took place prior to the stock market episode and prior to changes in depreciation regulations, also estimated a total of $37 billion.

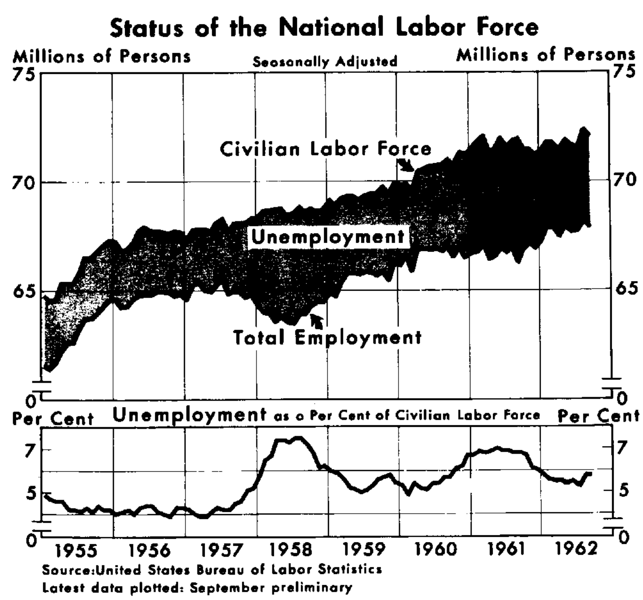
Employment-Unemployment

Labor market statistics recently have received a major share of attention. Total civilian employment, which had been about unchanged from early 1962 to July, seasonally adjusted, rose sharply from July to August to record levels (over 68 million jobs), but declined again in September. The latest estimates place employment at about the level prevailing last spring. Unemployment, which had been about 3.9 million from March to July, rose to roughly 4.2 million in August and September. As a consequence of these developments, the proportion of the labor force unemployed, which had been at about 5.5 per cent during the spring and early summer, rose to 5.8 per cent in August and September. At the corresponding period of the previous economic advance in 1959-60, the unemployment rate was in the neighborhood of 5.3 per cent. At the comparable stage of the 1955-56 upswing, unemployment averaged about 4.2 per cent of the civilian labor force.

[2] Figures for the 1958-60 expansion are not strictly comparable because of the steel strike during the second half of 1959 which distorted output levels both before and after.

Prices

Prices have shown mixed trends. The consumer price index in August continued its slow upward movement, rising to 105.5 per cent of the 1957-59 average, a rise from 105.3 in June. An upward drift of services plus a seasonal increase in food prices were responsible for the overall increase. The wholesale price index also rose slightly from June to August (100.0 to 100.5 per cent of the 1957-59 average), with seasonal food increases causing the change. Since 1958 the wholesale price index has been relatively

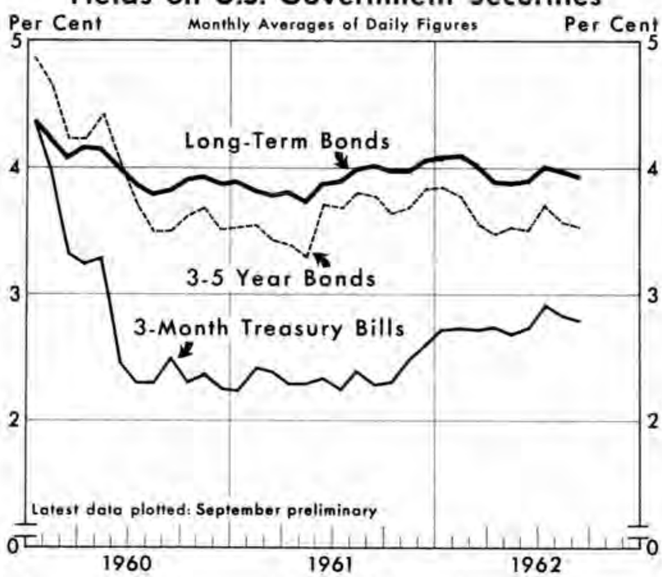


stable; industrial commodity prices in particular have displayed almost no cyclical change. According to quotations on basic industrial commodities, it appears that there were only moderate price movements from August to September.

Interest Rates, Bank Reserves and Money Supply

Interest rates have been drifting downward since early July. The three-month Treasury bill rate, which averaged close to 3.00 per cent in early July, averaged 2.75 per cent in the week ending September 28. With the recent decline, short-term rates are now at about the January-to-June average. Despite the recent decline in the U. S. Treasury bill rate, there does not appear to have been any additional incentive to move short-term capital abroad. Yields on intermediate- and long-term securities have also declined from levels reached in early July.

Yields on U.S. Government Securities



Source: Board of Governors of the Federal Reserve System

Concern for short-term interest rates stems from the sensitivity of the United States balance-of-payments position to movements of short-term funds. Given the level of short-term interest rates in the United States compared with higher rates abroad, the Federal Reserve System has avoided actions which might have produced lower yields and thus have increased the outflow of short-term capital. The large volume of private saving, as represented by the growth in commercial bank time deposits and liabilities of other financial institutions, combined with moderately rising domestic credit demands have produced an expansion of total credit with relatively stable interest rates. An increase in bank reserves and money, i.e., a larger increase in the supply of bank credit, in such a situation might have produced downward pressure on interest rates.

From July to the month ending September 15 total member bank reserves, seasonally adjusted, increased fractionally. Monetary reserves (total reserves less reserves behind Treasury deposits) contracted at an annual rate of about 1 per cent in this period, as the increase in total reserves was offset by a rise in the seasonally adjusted level of Treasury balances. Total reserves presently are slightly above the December 1961 level, and monetary reserves have remained about unchanged since early this year.

Total Reserves of Member Banks

† Latest figure plotted is month ending September 15, preliminary.

With the sharp decline in short-term interest rates in the first half of 1960 and the worsening of the U. S. payments position in the latter part of that year, short-term interest rate considerations became important in System actions. Bank reserves were increased substantially in the latter part of 1960, but seasonal demands for funds were strong, and interest rates remained about unchanged. In the final months of 1961 reserves were again expanded markedly, but interest rates rose in response to seasonal forces and expanding business activity (see chart).

The money supply defined narrowly has been about unchanged thus far in 1962 after adjustment for seasonal influences. From July to the month ending September 15 the money supply contracted at an annual rate of 4 per cent. The money supply increased substantially in late 1960 and 1961.

Money Supply

† Latest figure plotted is month ending September 15, preliminary.

Time deposits, which rose sharply earlier in the year, have continued to expand, but at a decreasing rate. Since July the expansion in time deposits has been about offset by a decline in demand deposits and, as a result, money supply plus time deposits has changed very little. Because of the lower reserve requirement on time deposits relative to demand deposits, the rapid growth of time deposits in 1962 has made possible an expansion of bank credit at a time when bank reserves were unchanged.

Total loans and investments of commercial banks rose $2.7 billion from July to August after adjustment for seasonal variation and probably expanded somewhat further in September. The August rise in bank credit was only slightly larger than the June to July decline, and as a result bank holdings of earnings assets have shown little net change in recent months. This leveling off in the growth of bank credit since June followed a 13 per cent annual rate of increase in the period from April 1961 to June 1962. The major components of bank credit have increased unevenly in the period since April 1961. Investments increased sharply from April through September of last year but have since expanded at a relatively slow rate. On the other hand, loans did not begin to rise until August last year but from August 1961 to September 1962 have increased at an annual rate of 9 per cent.

Of the total rise in loans at weekly reporting banks from August 1961 to September this year about one-third was in credit extended to business. Real estate and consumer loans each accounted for about 25 per cent of the loan expansion at these banks. The remainder of the expansion was in loans to financial institutions.

The normal increase in the demand for short-term funds arising out of the movement of crops to market and an autumn inventory buildup exerts an upward pressure on interest rates during the last four months of the year. In addition to the seasonal increase in private credit demands, the Treasury recently has borrowed a large amount of funds in the market and is expected to be a net borrower of funds during the remainder of the year. Despite these forces, the anticipated autumn increase in interest rates has not yet materialized. If upward pressures on short-term interest rates develop, the System's actions can be based to a greater degree on domestic economic conditions and less on balance-of-payments considerations.

Debt Management

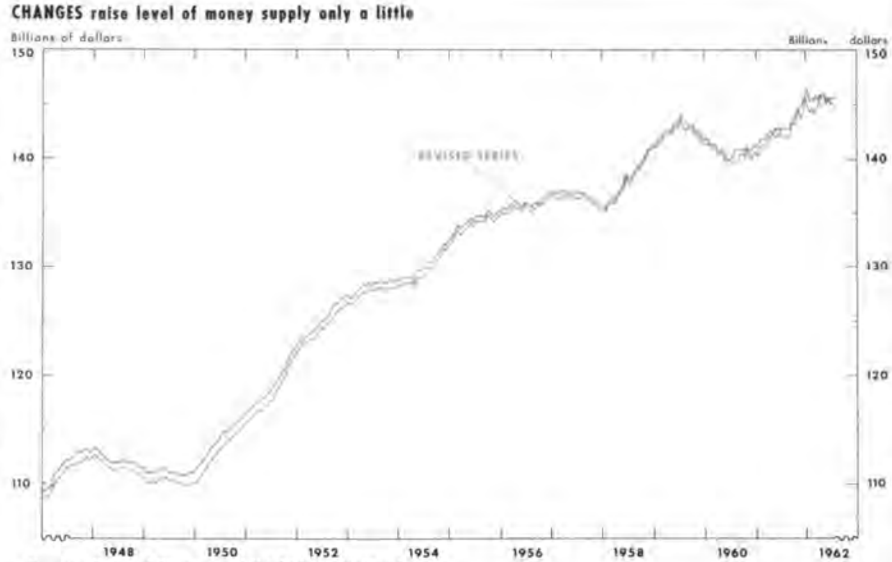
In early September the Treasury announced an offering to holders of $26.8 billion of certificates and notes, maturing in February and May 1963, the right to exchange them

(continued on page 8)

Revised Money Supply Series

THE DAILY AVERAGE MONEY SUPPLY series beginning in 1947, first published in 1960, has recently been revised. In addition the related series on commercial bank time deposits has been revised to be consistent in coverage with the demand deposit component of the money supply. Although the long-term movements of the money supply series before and after revision are highly correlated, there are short-term differences in the two series which are at times significant. The differences in the series may alter slightly an historical analysis of when changes in the rate of change of the money supply occurred. The major features of the revision are discussed in the August 1962 issue of the *Federal Reserve Bulletin*.

CHANGES raise level of money supply only a little



Source: Board of Governors of the Federal Reserve System

Current data on the money supply will continue to be available in the Federal Reserve publication *Demand Deposits, Currency and Related Items* (J.3). Two releases of this document will appear monthly, seven to ten days following the semimonthly period. This release may be secured by writing the Publications Section, Board of Governors of the Federal Reserve System, Washington 25, D. C. The series will also appear monthly in the *Federal Reserve Bulletin*, also published by the Board of Governors of the Federal Reserve System.

Farm Capital Rose in 1961

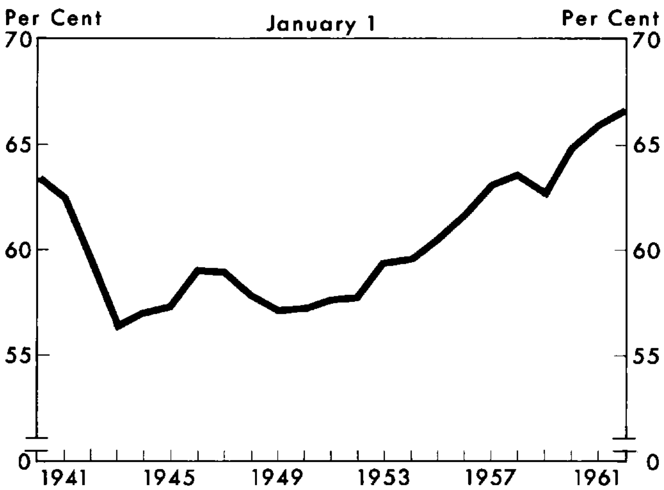
THE VALUE OF FARM ASSETS in the United States rose $7.3 billion in 1961, reaching $207.3 billion at the beginning of this year.[1] Most of the gain reflected a $6.2 billion rise in real estate values, the largest increase in the last three years. Farm debt also continued the post-World War II upward trend. Proprietors' equities were $5.1 billion greater on January 1 this year than a year earlier.

Farm Assets

After a two-year slowdown, farm asset values during 1961 resumed their uptrend of the past two decades, rising 3.7 per cent. A sharp increase of 5 per cent in farm real estate prices was the major factor accounting for the gains. In comparison, farm real estate values increased only 3 per cent in 1959 and 1 per cent in 1960.

As a proportion of total farm asset values, farm real estate continued its upward trend of recent years. At the beginning of this year real estate constituted 66.6 per cent of total farm asset values compared to 65.9 per cent a year earlier and 57.1 per cent in 1949 when the uptrend began.

Value of Farm Real Estate as a Per Cent of Total Farm Assets



Source: United States Department of Agriculture

The value of non-real-estate physical assets rose slightly, with gains in livestock and crop inventories more than offsetting a decline in the value of household furnishings and equipment. The number of cattle, hogs, and chickens on farms was somewhat higher than a year earlier and the value per head of cattle and hogs was also up slightly. The number of milk cows declined somewhat. Crop inventories rose $0.7 billion, reflecting gains in cotton and soybean holdings which more than offset a decline in wheat stocks. The decline in value of household furnishings reflected a decrease in the number of farm families. On a per farm basis such values have increased in most recent years.

The value of farm financial assets turned upward in 1961 after decreasing in the previous two years. These assets, totaling $17.8 billion, were up one per cent from the previous year. Investments in cooperatives account for all the gain. Total liquid assets, including bank deposits, currency and United States savings bonds, were unchanged. A slight increase in deposits was offset by a decline in savings bonds.

TABLE 1

Comparative Balance Sheet of Agriculture, United States, January 1, 1950, 1961 and 1962[1]

	1950	1961	1962	1950-62	1961-62
	(Billions of Dollars)			(Per Cent Change)	
ASSETS					
Physical assets:					
Real estate	75.3	131.8	138.0	83.3	4.7
Non-real estate:					
Livestock	12.9	15.5	16.3	26.4	5.1
Machinery and motor vehicles	11.3	18.2	18.2	61.1	0.2
Crops stored on and off farms	7.6	8.0	8.7	14.5	8.6
Household furnishings and equipment	8.6	8.9	8.3	— 3.5	—6.0
Financial assets:					
Deposits and currency	9.1	8.7	8.8	— 3.3	1.0
United States savings bonds	4.7	4.6	4.5	— 4.3	—3.5
Investments in cooperatives	2.1	4.3	4.5	125.0	5.5
Total	131.6	200.0	207.3	57.7	3.7
CLAIMS					
Liabilities:					
Real Estate debt	5.6	13.1	14.2	153.6	8.5
Non-real-estate debt to—					
Commodity Credit Corporation	1.7	1.4	1.9	11.8	34.2
Other reporting institutions[2]	2.8	7.0	7.5	171.4	8.2
Nonreporting creditors	2.4	4.0	4.1	70.8	2.5
Total liabilities	12.5	25.5	27.7	121.1	8.9
Proprietors' equities	119.1	174.5	179.6	51.0	2.9
Total	131.6	200.0	207.3	57.7	3.7

[1] *The Balance Sheet of Agriculture 1962,* United States Department of Agriculture.

[2] Loans of all operating banks, the production credit associations, and the Farmers Home Administration, and discounts of the Federal intermediate credit banks for agricultural credit corporations and livestock loan companies.

[1] *The Balance Sheet of Agriculture 1962,* United States Department of Agriculture.

Production Assets Per Farm and Per Farm Worker

The value of production assets per farm and per farm worker in 1961 continued the pronounced upward trend of recent years. Gains in these assets (which exclude the value of farm dwellings, household furnishings and equipment, and a portion of the value of automobiles and liquid assets) resulted from a decline in the number of farms and farm workers coupled with an increase in the total value of production assets in agriculture. The value of production assets per farm, which averaged $47,632 at the beginning of 1962, was 8 per cent greater than a year earlier.

Production assets per farm worker rose 6 per cent in 1961, boosting capital per worker to $23,259. The number of workers in agriculture, like the number of farms, has declined consistently throughout most of the postwar period.

Debts

Farm debt in 1961 continued a steady upward postwar trend. The rate of increase in farm debt was somewhat higher than the rate of increase in the value of farm assets. Farm debt, excluding CCC loans, totaled $25.8 billion at the beginning of this year, up $1.8 billion or 7 per cent from year-earlier levels.

Farm mortgage debt rose $1.1 billion during the year. As in most recent years, the increase in mortgage debt was at a somewhat higher rate than the increase in other debt, 8 and 6 per cent, respectively. Since 1955 farm mortgage debt has increased 71 per cent compared with a 60 per cent increase in other debt.

In relation to assets, total farm debt, excluding CCC loans, moved upward one percentage point to 13.4 per cent, a new postwar level. However, this ratio of debt to total assets was still well below the 18.9 per cent ratio of 1940.

Proprietors' Equities

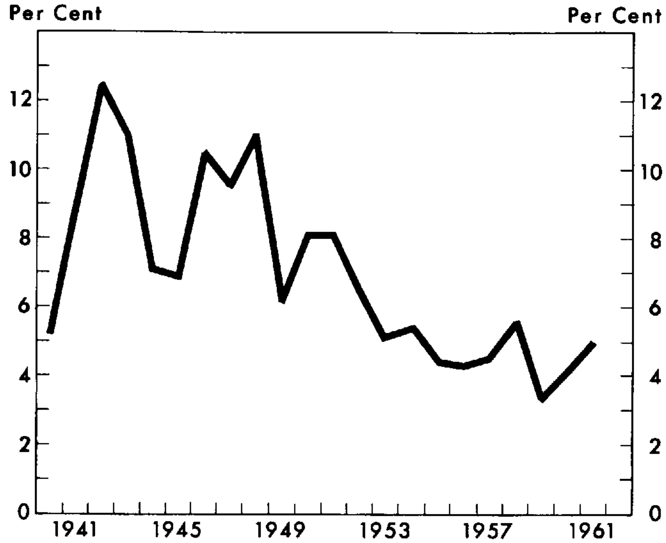
Equities of farm operators and other owners of farms rose $5.1 billion in 1961 to $179.6 billion at the turn of the year. Although debts have risen at a faster rate than assets in most recent years, the large dollar volume of asset gains has more than offset the debt increases. As a result there has been a net growth in equity.

Returns on Farm Production Assets

In 1961 the rate of return on farm production assets continued its rise of the previous year. After having fallen to a low of 3.4 per cent in 1959, the rate rose to 4.2 per cent in 1960 and 5.0 per cent last year.[2].

[2] For a detailed explanation of calculating procedures see *Current Developments in the Farm Real Estate Market,* February 1960, United States Department of Agriculture.

Rate of Return on Farm Production Assets



Source: United States Department of Agriculture

Although the rate of return on production assets in agriculture has increased for the past two years, it is still only about average for the decade of the fifties and well below levels for the 1940's and the early part of the 1950's. From the prewar level of 5.2 per cent in 1940, returns on such assets rose rapidly, averaging about 10 per cent for the years 1942-1948, inclusive. Then, a downward drift began with the rate dropping to about 5 per cent in 1953. It held in the 4.3 to 5.5 per cent range subsequently with the exception of lower rates in 1959 and 1960.

Changes in the rate of return on farm assets reflect either changes in income accruing to farm capital or changes in the value of capital assets. Since 1959, for example, the residual returns assignable to farm capital have increased sharply whereas value of production assets has risen more moderately, especially in 1959 and 1960. This greater increase in returns to capital than in the asset values resulted in the higher rate.

In addition, the rate of return on farm production assets is a factor in the changing value of such assets. For example, if investors expect farm real estate to yield a higher rate of return than other forms of capital, they will tend to bid up the value of farm real estate. On the other hand, if returns on capital invested in farm real estate are low relative to returns on other forms of capital, assuming that risks and other factors are the same, investors will tend to liquidate farm holdings, resulting in a reduction in their value.

Numerous noneconomic factors enter into determination of the value of farm production assets. Many people, for personal reasons, apparently prefer to own farm assets rather than other forms of capital. Such personal preferences tend to be reflected in lower returns to assets in agriculture.

Economic Indicators

THE FEDERAL RESERVE BANK OF ST. LOUIS has prepared a series of six economic indicators for each of the four largest metropolitan areas in the Eighth District. The current charts and tables for the areas of St. Louis, Louisville, Memphis, and Little Rock are presented on the following pages. Sets of these local economic indicators will be made available each month to those who request them. They may be obtained by writing the RESEARCH DEPARTMENT, FEDERAL RESERVE BANK OF ST. LOUIS, P. O. Box 442, ST. LOUIS 66, MISSOURI.

These materials will be of assistance in following the economic progress of the four metropolitan centers. The composite picture presented by examining all six indicators together gives a better indication of the current economic situation of an area than an examination of one indicator by itself.

All of the data have been adjusted for seasonal variations. The August 1962 *Review* of this bank discussed seasonal variations in these four metropolitan areas.

The series on electric power, department store sales, and check payments are presented as three-month moving averages of seasonally adjusted data. The three-month moving average is used to smooth out erratic fluctuations in the data. It should be noted that the last month's index presented for each of these three indicators is estimated by an average of the last two months' indexes. This estimate is subject to revision.

The basic data used come from several sources. The index of the industrial use of electrical power is based on data provided by the public utilities in each area. Total employment data are developed by the respective Employment Security Offices. Cooperating department stores in each center provide total sales figures.[1] Check payments, or debits, are reported monthly by commercial banks. The data for total deposits and business loans are provided by the weekly reporting banks in each area. The monthly figures for each of these latter two indicators are averages of weekly data.

[1] It should be recognized that these data are only for department store sales and do not necessarily reflect trends and fluctuations of other categories of retail sales or of total retail sales.

Current Economic Trends—*continued from page 5*

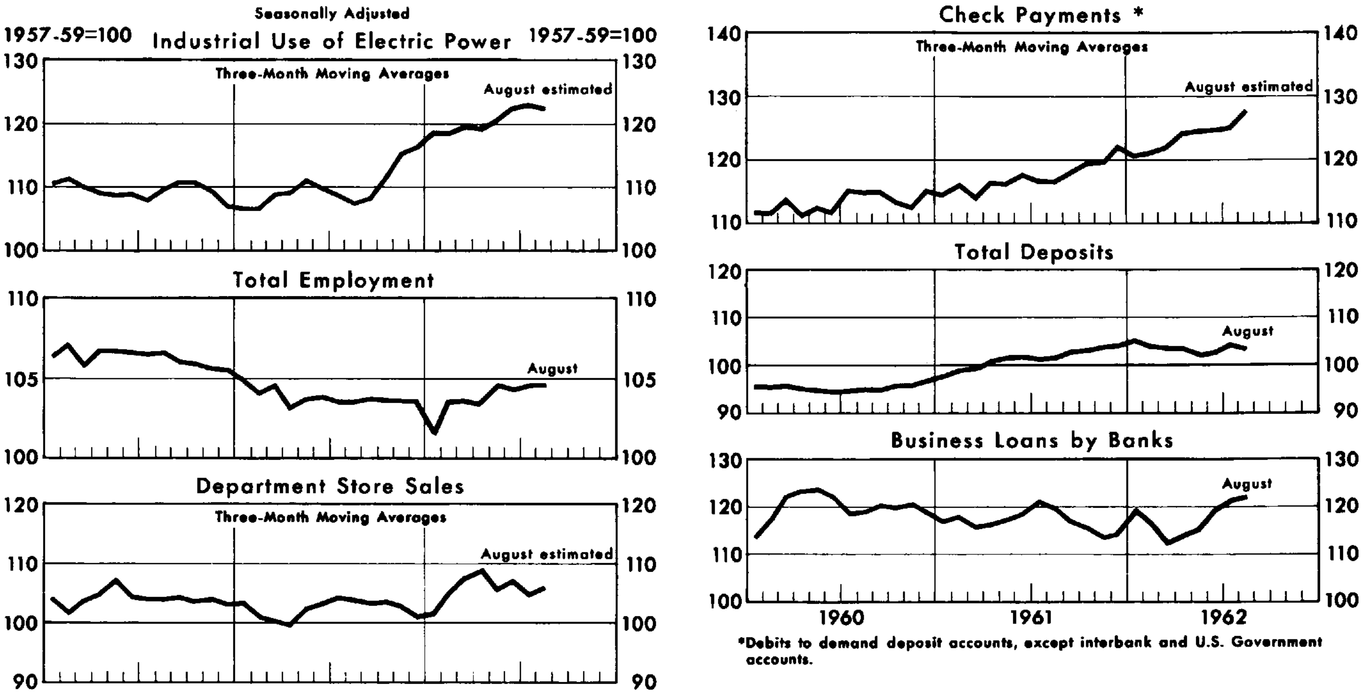
for a 3¾ per cent note due in 1967 or a 4 per cent bond due in 1972. Holders of $7.8 billion of the eligible securities exchanged them for $5.2 billion of the 5-year note and $2.6 billion of the 10-year bond. This operation lengthened by about 2 months the average maturity of the Federal debt and may have exerted some downward pressure on short-term rates.

During September the Treasury also announced that it will offer, within the next six months, a long-term bond issue of about $250 million for competitive bidding by underwriting syndicates. The offering will be experimental, designed to see if competitive bidding can be used successfully to market long-term Government bonds.

In recent months the Treasury has made additions of $100 million to the volume of weekly bill offerings and in late September sold $3 billion in 172-day tax anticipation bills. The Treasury's financing needs are usually large during the latter part of the year because of the seasonal decline in tax receipts. In the past this need has been met by short-term borrowing, which, adding to the increased private demand for funds, puts additional upward pressure on short-term interest rates.

SELECTED ECONOMIC INDICATORS—MAJOR DISTRICT CITIES

ST. LOUIS METROPOLITAN AREA ECONOMIC INDICATORS



*Debits to demand deposit accounts, except interbank and U.S. Government accounts.

	Industrial Use of Electric Power		Total Employment		Department Store Sales		Check Payments		Total Deposits[1]		Business Loans by Banks[1]	
1960	Millions of Kilowatt Hours	1957-59=100 Index**	Thousands of Persons	1957-59=100 Index*	Unadjusted Index	1957-59=100 Index**	Millions of Dollars	1957-59=100 Index**	Millions of Dollars	1957-59=100 Index*	Millions of Dollars	1957-59=100 Index*
Jan.	197	110.4	829	106.3	84.0	104.1	2,872	111.7	1,151	95.4	371	113.7
Feb.	202	111.2	830	107.1	75.7	101.6	2,836	111.6	1,130	95.3	381	117.4
Mar.	203	109.9	820	105.8	79.8	103.7	3,186	113.8	1,125	95.5	415	122.2
Apr.	200	109.0	836	106.7	103.9	104.7	2,848	111.2	1,126	94.7	413	123.5
May	212	108.6	840	106.7	104.3	107.1	2,921	112.5	1,111	94.4	409	123.8
June	211	108.8	850	106.6	97.4	104.5	3,256	111.7	1,113	94.2	398	122.1
July	204	107.8	844	106.5	85.3	104.0	2,921	115.1	1,116	94.3	390	118.5
Aug.	226	109.4	842	106.6	98.4	104.1	3,142	114.9	1,126	94.8	397	118.9
Sept.	219	110.7	843	106.0	107.3	104.3	3,010	115.0	1,117	94.7	407	120.3
Oct.	216	110.7	841	105.9	109.2	103.8	3,001	113.2	1,131	95.7	400	119.9
Nov.	201	109.4	834	105.6	123.2	104.0	2,937	112.5	1,127	95.6	401	120.5
Dec.	197	106.9	839	105.5	180.5	103.1	3,242	115.1	1,165	96.6	389	118.8
1961												
Jan.	194	106.5	818	104.9	82.3	103.4	3,181	114.6	1,176	97.7	376	117.1
Feb.	182	106.4	805	104.0	75.8	101.0	2,743	116.1	1,175	98.9	384	117.9
Mar.	199	108.7	810	104.5	91.7	100.3	3,376	114.0	1,169	99.2	395	115.9
Apr.	198	109.1	807	103.1	86.9	99.6	2,790	116.4	1,200	100.7	390	116.3
May	217	110.8	815	103.7	99.7	102.5	3,220	116.3	1,197	101.4	389	117.3
June	222	109.8	828	103.8	98.9	103.2	3,330	117.7	1,203	101.6	387	118.6
July	205	108.6	821	103.5	84.5	104.4	3,039	116.7	1,195	101.0	401	121.2
Aug.	216	107.2	818	103.5	99.6	103.9	3,126	116.4	1,203	101.4	403	119.8
Sept.	203	108.0	824	103.7	107.1	103.3	3,039	118.0	1,212	102.7	396	117.0
Oct.	226	111.3	823	103.6	105.4	103.6	3,257	119.4	1,214	102.8	385	115.6
Nov.	213	115.1	819	103.6	125.1	102.9	3,138	119.7	1,220	103.5	377	113.7
Dec.	209	116.3	824	103.6	175.4	101.0	3,332	122.1	1,248	103.8	374	114.3
1962												
Jan.	234	118.5	793	101.6	77.0	101.5	3,441	120.6	1,255	104.8	381	119.2
Feb.	211	118.5	802	103.5	78.4	105.0	2,836	121.0	1,232	103.7	379	116.3
Mar.	224	119.5	804	103.6	90.2	107.6	3,424	121.8	1,220	103.4	382	112.2
Apr.	233	119.2	810	103.4	97.2	108.8	3,240	124.1	1,232	103.2	383	114.0
May	247	120.5	823	104.6	108.8	105.7	3,320	124.5	1,206	101.9	383	115.3
June	248	122.4	832	104.3	96.5	107.0	3,420	124.7	1,216	102.5	390	119.3
July	259	123.0	829	104.6	88.3	104.7	3,417	124.9	1,234	104.3	403	121.3
Aug.	256	122.3e	827	104.6	98.7	105.9e	3,344	127.7e	1,225	103.3	411	122.1
Sept.												
Oct.												
Nov.												
Dec.												

* Seasonally adjusted

** Three-month moving averages of seasonally adjusted data

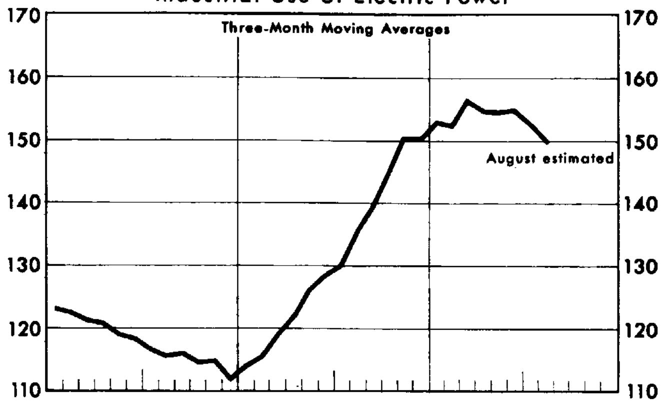
e estimated

1 Weekly reporting banks

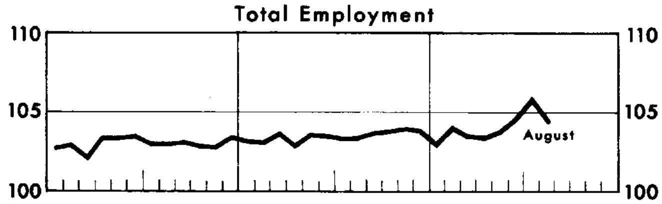
MEMPHIS METROPOLITAN AREA ECONOMIC INDICATORS

Seasonally Adjusted

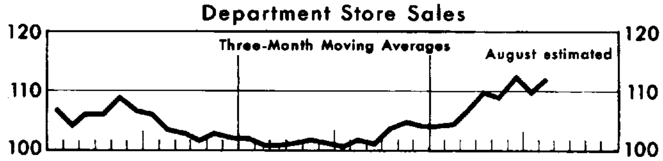
1957-59=100 Industrial Use of Electric Power 1957-59=100



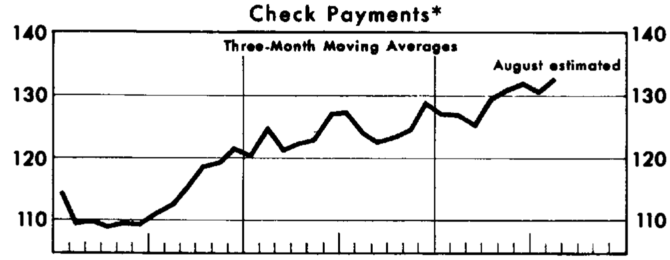
Total Employment



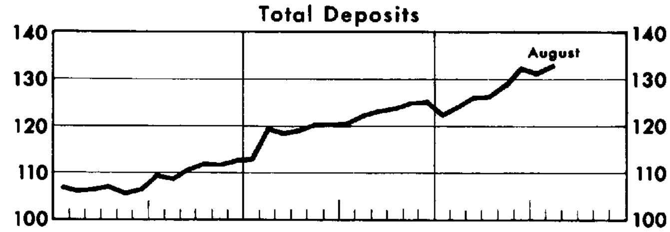
Department Store Sales



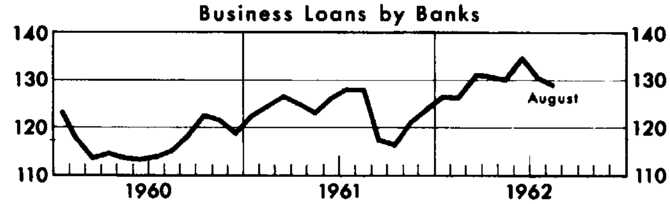
Check Payments*



Total Deposits



Business Loans by Banks



*Debits to demand deposit accounts, except interbank and U.S. Government accounts.

	Industrial Use of Electric Power		Total Employment		Department Store Sales		Check Payments		Total Deposits[1]		Business Loans by Banks[1]	
1960	Millions of Kilowatt Hours	1957-59=100 Index**	Thousands of Persons	1957-59=100 Index*	Unadjusted Index	1957-59=100 Index**	Millions of Dollars	1957-59=100 Index**	Millions of Dollars	1957-59=100 Index*	Millions of Dollars	1957-59=100 Index*
Jan.	100	123.1	233	102.6	81.7	106.8	956	114.5	484	106.9	228	123.4
Feb.	99	122.6	233	102.9	80.7	104.0	859	109.6	475	106.2	209	117.2
Mar.	103	121.3	232	102.0	83.8	106.1	901	109.9	477	106.5	188	113.3
Apr.	98	120.9	236	103.3	107.2	106.0	852	109.0	486	106.9	179	114.4
May	96	119.2	237	103.3	107.9	108.9	862	109.5	474	105.6	170	113.6
June	91	118.4	236	103.4	89.1	106.6	887	109.3	478	106.4	161	113.2
July	87	116.7	235	102.9	93.3	105.9	823	111.1	490	109.3	162	113.8
Aug.	96	115.5	236	102.9	104.4	103.4	891	112.7	486	108.8	166	114.9
Sept.	85	115.9	236	103.0	97.4	102.9	887	115.3	493	110.7	177	118.1
Oct.	94	114.7	236	102.8	111.5	101.6	1,166	118.7	495	112.0	198	122.6
Nov.	92	114.8	237	102.7	119.2	102.7	1,230	119.3	490	111.7	228	121.4
Dec.	90	111.9	239	103.3	176.7	102.0r	1,115	121.7	503	112.7	235	118.7
1961												
Jan.	93	114.0	234	103.1	78.4r	101.9r	1,080	120.4	511	113.0	228	122.5
Feb.	91	115.6	233	103.0	75.6r	100.8r	928	124.8	536	119.3	224	124.5
Mar.	99	119.1	236	103.6	91.0r	100.8r	1,089	121.3	532	118.6	210	126.7
Apr.	95	122.0	235	102.8	90.6r	101.1r	876	122.5	543	119.1	195	125.0
May	106	126.1	238	103.5	102.9r	101.6r	981	122.9	540	120.4	182	123.1
June	101	128.4	137	103.4	84.7r	101.1r	1,066	127.1	538	120.4	178	126.3
July	95	130.0	236	103.3	89.4r	100.6r	946	127.3	541	120.6	182	128.1
Aug.	109	135.5	236	103.3	99.1r	101.7r	976	124.0	547	122.3	185	128.1
Sept.	106	139.3	238	103.6	101.9r	101.3r	924	122.7	550	123.3	174	117.4
Oct.	116	145.0	238	103.7	106.9r	103.6r	1,220	123.4	546	123.8	184	116.3
Nov.	120	150.3	240	103.9	125.4r	104.6r	1,357	124.6	547	124.9	230	121.2
Dec.	124	150.2	240	103.8	184.9r	104.0r	1,180	128.9	558	125.3	249	123.9
1962												
Jan.	123	153.0	233	103.0	75.0r	104.1r	1,174	127.1	553	122.4	237	126.5
Feb.	122	152.4	235	104.0	80.4r	104.3r	935	127.0	559	124.2	229	126.4
Mar.	129	156.4	235	103.4	89.0r	106.8r	1,049	125.4	566	126.1	218	130.8
Apr.	125	154.8	236	103.3	102.6r	109.8r	1,003	129.7	576	126.3	203	130.7
May	129	154.6	239	103.7	118.3r	109.0r	1,059	130.8	578	128.9	192	130.0
June	118	155.0	240	104.6	88.9r	112.2r	1,045	132.0	591	132.5	188	134.6
July	119	152.6	242	105.8	101.8r	109.9r	1,000	130.8	589	131.3	185	130.3
Aug.	120	149.7e	239	104.3	108.5r	112.0e	1,024	132.8e	597	133.3	187	128.9
Sept.												
Oct.												
Nov.												
Dec.												

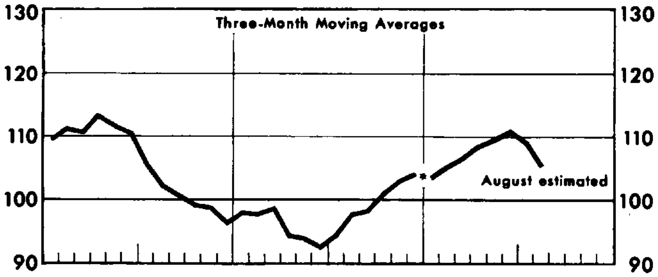
* Seasonally adjusted
** Three-month moving averages of seasonally adjusted data
e Estimated on the basis of two months only

r Revised
1 Weekly reporting banks

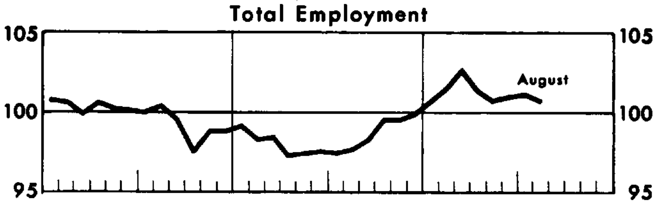
LOUISVILLE METROPOLITAN AREA ECONOMIC INDICATORS

Seasonally Adjusted

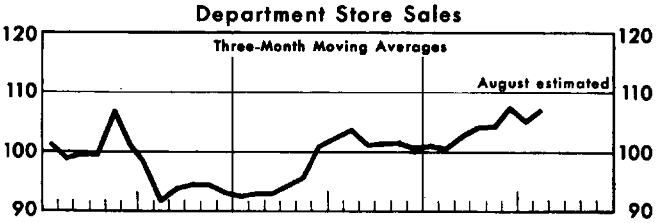
1957-59=100 **Industrial Use of Electic Power** 1957-59=100



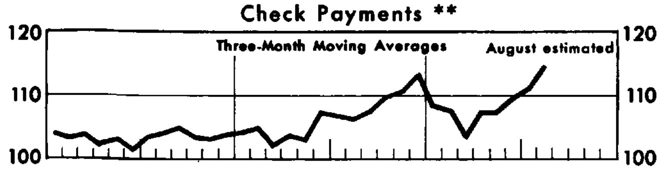
Total Employment



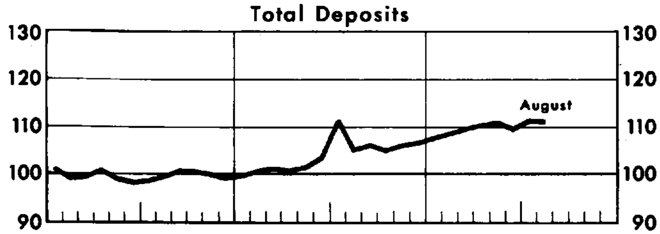
Department Store Sales



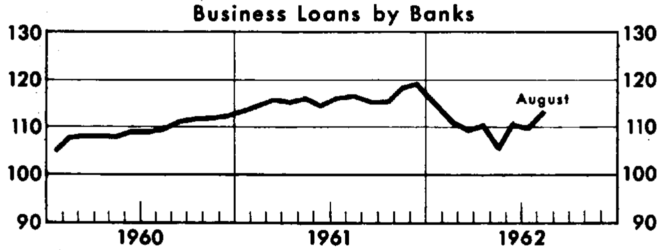
Check Payments **



Total Deposits



Business Loans by Banks



*Revision in sample.

**Debits to demand deposit accounts, except interbank and U.S. Government accounts.

	Industrial Use of Electric Power		Total Employment		Department Store Sales		Check Payments		Total Deposits[1]		Business Loans by Banks[1]	
1960	Millions of Kilowatt Hours	1957-59=100 Index**	Thousands of Persons	1957-59=100 Index*	Unadjusted Index	1957-59=100 Index**	Millions of Dollars	1957-59=100 Index**	Millions of Dollars	1957-59=100 Index*	Millions of Dollars	1957-59=100 Index*
Jan.	100	109.5	273	100.8	71.9	101.4	924	104.0	440	101.1	123	105.0
Feb.	98	111.2	272	100.6	67.9	98.8	889	103.2	423	99.2	121	107.7
Mar.	104	105.5	271	99.9	75.9	99.6	929	103.7	421	99.4	123	108.2
Apr.	102	113.2	280	100.6	114.3	99.6	904	102.0	427	100.8	123	108.2
May	101	111.6	283	100.2	100.3	106.9	922	103.1	413	99.0	123	107.9
June	98	110.5	284	100.1	104.7	101.1	977	101.3	414	98.4	123	109.1
July	95	105.5	283	100.0	73.4	98.3	880	103.3	415	98.7	122	109.0
Aug.	95	102.2	284	100.4	82.0	91.7	959	104.0	414	99.5	119	109.7
Sept.	95	100.5	284	99.6	89.4	93.7	932	104.9	417	100.8	119	111.3
Oct.	95	99.2	273	97.5	98.8	94.3	933	103.3	422	100.5	121	111.8
Nov.	88	98.8	277	98.8	111.2	94.3	907	103.1	426	100.0	129	112.0
Dec.	87	96.2	276	98.8	179.3	93.0	1,065	103.8	424	99.3	140	112.4
1961												
Jan.	90	97.8	269	99.1	63.5	92.5	927	104.1	434	99.8	133	113.5
Feb.	90	97.7	266	98.3	61.6	92.9	864	104.8	428	100.8	130	114.6
Mar.	86	98.6	267	98.4	87.6	92.9	1,001	102.1	429	101.3	132	115.9
Apr.	88	94.3	270	97.3	90.8	94.3	827	103.6	427	100.8	131	115.3
May	82	93.9	275	97.4	95.7	95.7	981	103.0	421	101.6	132	116.2
June	84	92.5	277	97.5	92.1	100.9	1,006	107.3	437	103.8	129	114.7
July	84	94.3	276	97.4	87.5	102.4	956	106.8	467	111.3	130	116.2
Aug.	88	97.5	276	97.6	88.5	103.7	953	106.2	438	105.2	127	116.6
Sept.	95	98.2	280	98.2	97.5	101.2	910	107.5	443	106.1	123	115.4
Oct.	93	100.9	277	99.5	103.6	101.4	1,033	109.8	440	105.2	124	115.4
Nov.	93	102.9	279	99.5	120.5	101.5	1,004	110.5	452	106.2	136	118.4
Dec.	93	104.0	280	99.9	197.8	100.5	1,071	113.2	455	106.7	149	119.2
1962												
Jan.	125	103.5	274	100.7	67.5	101.3	1,073	108.4	468	107.6	134	115.0
Feb.	120	105.1	274	101.5	69.0	100.5	826	107.5	462	108.7	126	110.8
Mar.	128	106.4	279	102.6	81.5	102.7	969	103.7	466	109.8	125	109.4
Apr.	125	108.3	281	101.4	115.2	104.1	944	107.4	468	110.4	125	110.3
May	132	109.6	284	100.7	106.9	104.3	999	107.4	459	110.9	120	105.5
June	131	110.8	287	101.0	94.6	107.3	987	109.5	462	109.6	124	110.7
July	129	109.0	286	101.1	91.7	105.1	1,012	111.2	469	111.6	123	109.8
Aug.	126	105.3e	285	100.7	95.8	107.1e	1,033	114.8e	464	111.3	123	113.2
Sept.												
Oct.												
Nov.												
Dec.												

* Seasonally adjusted

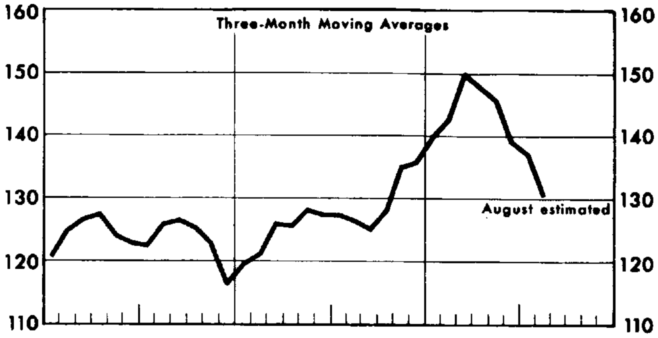
** Three-month moving averages of seasonally adjusted data

e Estimated on the basis of two months only

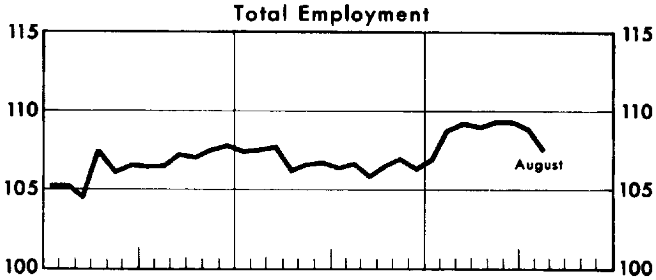
[1] Weekly reporting banks

LITTLE ROCK METROPOLITAN AREA ECONOMIC INDICATORS

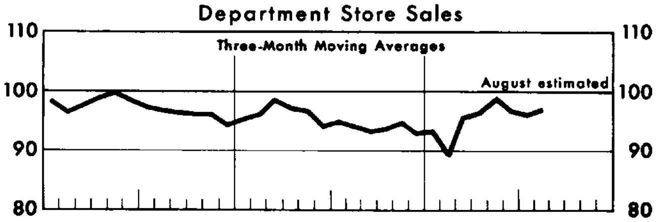
Seasonally Adjusted
1957-59=100 Industrial Use of Electric Power 1957-59=100



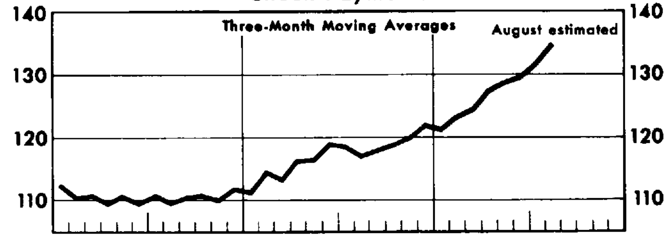
Total Employment



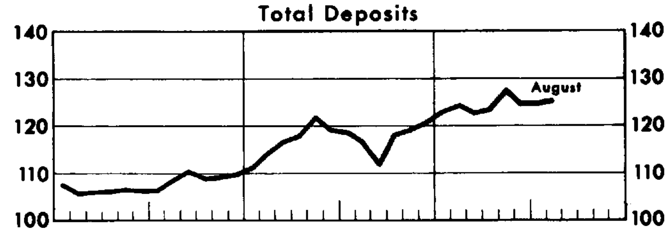
Department Store Sales



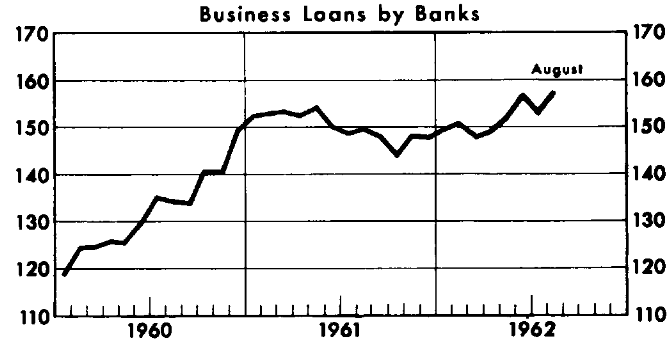
Check Payments**



Total Deposits



Business Loans by Banks



**Debits to demand deposit accounts, except interbank and U.S. Government accounts.

	Industrial Use of Electric Power		Total Employment		Department Store Sales		Check Payments		Total Deposits[1]		Business Loans by Banks[1]	
1960	Millions of Kilowatt Hours	1957-59=100 Index**	Thousands of Persons	1957-59=100 Index*	Unadjusted Index	1957-59=100 Index**	Millions of Dollars	1957-59=100 Index**	Millions of Dollars	1957-59=100 Index*	Millions of Dollars	1957-59=100 Index*
Jan.	7.37	120.7	95	105.2	74.9	98.3	243	112.5	163	107.7	29	118.6
Feb.	7.20	124.9	96	105.2	68.4	96.5	228	110.3	160	105.8	29	124.6
Mar.	6.78	126.7	97	104.5	71.7	97.5	256	110.7	163	106.0	29	124.6
Apr.	6.71	127.5	102	107.4	106.9	98.8	237	109.6	158	106.2	29	125.8
May	5.66	124.1	102	106.1	98.4	99.7	251	110.6	155	106.7	29	125.4
June	5.85	122.8	102	106.5	77.8	98.3	256	109.5	158	106.3	30	129.7
July	6.48	122.5	101	106.4	86.8	97.3	234	110.7	160	106.4	32	135.2
Aug.	6.27	125.8	102	106.5	91.6	96.8	243	109.6	168	108.7	31	134.3
Sept.	6.93	126.5	104	107.2	95.3	96.4	241	110.4	170	110.5	31	133.9
Oct.	8.70	125.3	105	107.0	115.6	96.2	259	110.7	163	109.0	34	140.7
Nov.	8.62	122.8	103	107.5	107.5	96.2	255	110.0	161	109.2	34	140.7
Dec.	7.54	116.3	101	107.8	171.0	94.3	248	111.9	165	109.9	38	149.6
1961												
Jan.	6.77	119.4	97	107.4	69.1	95.3	255	111.3	167	111.2	37	152.5
Feb.	7.22	121.1	98	107.5	69.6	96.1	227	114.5	172	114.4	36	153.0
Mar.	6.58	125.9	100	107.7	82.7	98.5	276	113.4	180	116.8	36	153.4
Apr.	6.28	125.6	100	106.2	95.3	97.1	237	116.3	176	118.1	35	152.5
May	6.09	128.1	102	106.6	92.5	96.7	280	116.5	177	121.8	36	154.2
June	6.53	127.4	102	106.7	78.1	94.0	270	119.0	177	119.1	35	150.0
July	6.35	127.4	101	106.4	80.8	94.8	258	118.6	179	118.5	35	148.7
Aug.	6.47	126.4	102	106.6	91.4	94.1	261	117.1	180	116.7	34	149.6
Sept.	6.77	125.1	103	105.8	94.5	93.2	245	118.0	172	112.1	34	147.9
Oct.	8.40	127.9	105	106.5	105.2	93.7	289	118.9	177	118.4	34	144.1
Nov.	9.63	134.9	103	106.9	110.0	94.7	279	119.9	176	119.2	36	148.3
Dec.	9.14	135.7	100	106.3	175.7	93.0	263	121.9	181	120.6	38	147.9
1962												
Jan.	7.76	140.0	97	106.9	62.9	93.1	284	121.3	185	123.1	36	149.6
Feb.	8.34	142.5	100	108.8	69.1	89.7	244	123.3	187	124.4	36	150.8
Mar.	7.96	149.7	101	109.2	77.5	95.7	290	124.6	189	122.7	34	147.9
Apr.	7.65	147.7	103	109.0	93.2	96.3	279	127.4	187	123.4	34	149.1
May	6.81	145.7	105	109.3	98.2	98.6	300	128.5	186	127.2	36	151.7
June	7.11	139.3	105	109.3	76.2	96.6	291	129.8	185	124.4	36	156.8
July	6.77	137.2	104	108.9	84.6	96.1	293	131.9	188	124.6	36	153.0
Aug.	6.91	130.5e	103	107.5	93.6	97.0e	296	134.9e	193	125.3	36	157.6
Sept.												
Oct.												
Nov.												
Dec.												

* Seasonally adjusted
** Three-month moving averages of seasonally adjusted data

e Estimated on the basis of two months only
[1] Weekly reporting banks