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A Full Measure of the District States' Employment

During the 1960-65 economic expansion period, 5.5 million jobs were created in the nation. This growth not only provided jobs but reduced the number of unemployed persons by half a million. The 5.6-percent unemployment rate of 1960 fell to a 4.6-percent annual average in 1965. During the past year the rate has been in the 3.7-4.0-percent range.

The same general trend occurred in the six states wholly or partly in the Atlanta Federal Reserve District. Nonfarm payroll jobs increased from 5.3 million in 1960 to 6.3 million last year, and the insured unemployment rate decreased from 4.8 percent to 2.4 percent. However, these statistics give only a partial picture because they are not strictly comparable with national total labor force statistics. Both the nonfarm payroll and the insured unemployment series exclude farm workers, proprietors, and the self-employed. Insured unemployment statistics also exclude new entrants and re-entrants to the labor force and those who have exhausted their unemployment insurance benefits. About 60 percent of total employment is covered by unemployment insurance. Therefore, only a full measure of the District states' employment and unemployment can provide a comprehensive picture of total job growth.

Series for the District states' total work force and unemployment could answer some of these questions: How large is unemployment for those not covered by unemployment insurance—new entrants to the labor force, those who have exhausted their benefits, and those who work on uninsured jobs? How has the percentage of working age people (14 and over) in the labor force changed over time in District states? How does the participation rate differ among District states? Has the high level of demand for labor affected the willingness of people to enter or re-enter the labor force?

The rapid gains in economic activity in the past year have pushed the unemployment rate to the point where further economic expansion will be increasingly dependent on growth in the labor force. The possibilities of expanding output by reducing the number of unemployed below the present national rate (3.7 percent in November) are limited. How does the present pool of unemployed persons in District states compare with that of the nation? Is our situation more or less severe?

Estimating Procedures

To complement the national series on nonfarm payroll employment, a monthly household survey provides data on the size of the labor force, different types of employment, and characteristics of the unemployed for the nation. However, such a survey is not feasible on a regular basis for individual states because of the prohibitive cost. An accurate state survey would cost nearly as much as the national survey.

After experimenting with the types of information available within the Federal-state employment security system for many years, the Bureau of Employment Security concluded "that it is possible to derive reasonably accurate estimates of total unemployment, by state and area, from this data." The Bureau then developed a procedure for estimating total unemployment based largely on data from covered unemployment

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1960-65 Employment Trends

	District States		United States	
	1965	Percent Change From 1960	1965	Percent Change From 1960
<i>Employment (Thousands)</i>				
Total	8,279	12.4	72,179	8.2
Nonfarm, Wage and Salary	6,249	18.6	60,444	11.5
<i>Unemployment (Thousands)</i>				
Total	347	-28.4	3,456	-12.1
Insured	99	-44.2	1,328	-30.3
<i>Unemployment Rates (Percent)</i>				
Total	4.0	-39.4	4.6	-17.9
Insured	2.4	-51.0	3.0	-37.5
Noninsured	5.4	-25.0	6.8	3.0
<i>Civilian Participation</i>				
Rate* (Percent)	53.7	- 1.5	53.2	- 6.0

*These civilian participation rates are not comparable with the participation rates published in conjunction with the national household survey, which includes members of the armed forces.

and employment service operations.

The estimates are now prepared by state employment agencies for total employment, unemployment, and the civilian work force. However, the method as first developed has become less accurate in recent years because more young people are now entering the labor force than in the 1950's. A recent revision of the estimating procedure, incorporated by all the states' employment agencies, has corrected this weak point. (Starting in January, the six-state unemployment rate will be published regularly in the *Review*.)

How reliable are these estimates? The accuracy for an individual area is difficult to ascertain, because accurate benchmarks with which to compare the estimates generally are not available. However, some idea of the series accuracy is possible by comparing the BES estimating procedure with the national household survey data. Such a comparison was made for the annual average for the 1961-64 period.

The difference between the estimates derived from the BES method and the household survey for each year was within two standard errors (the largest difference occurring between the true value and the survey estimate 95 percent of the time). The largest difference between the two estimates would have led to a difference of only one-tenth of one percent in the national unemployment rate. The expected error for a state, however, would be larger, because overestimates of unemployment in some states offset underestimates in other states. Yet the estimates appear reliable enough for many uses. And the change between two periods in the estimated unemployment would probably be more accurate than the estimate of the unemployment level.

Some Applications of the Figures

Using these figures, we found that the District states compared favorably with the nation in terms of total job growth and the reduction of unemployment. The District's unemployment rate of 6.6 percent in 1960 was one percentage point above the national rate. However, by 1965, the region's rate dropped to 4.0 percent, while the na-

tion's rate declined to 4.6 percent. In accomplishing this feat, District states provided 913,000 additional jobs and reduced unemployment by 137,000. The area's job growth was 50 percent greater than the nation's. Additional figures on these trends are given in the table.

All six District states registered a faster employment growth than the nation. Florida, with the smallest unemployment rate in the District in 1960, led in percentage job gains, made possible by an upsurge in the state's population and work force. The growth rate of total employment trailed that for nonfarm payroll employment because of the decline in agricultural jobs.

The incidence of unemployment is greater on those not covered by unemployment insurance than those covered. This reflects two factors: the high rate of unemployment for new entrants to the labor force who have not yet built up unemployment insurance benefits and higher unemployment rates in agriculture than in nonfarming activities because of the large seasonal fluctuations in farming activity. In 1965, only 46 percent of the total work force was covered by unemployment insurance in the District states.

While the total unemployment rate in 1965 stood at 4.0 percent in the region, the rate for those not covered by unemployment insurance was 5.4 percent. Not only was the rate lower for insured employees in 1960, but it dropped faster. However, those not covered by unemployment insurance were more fortunate in the District states than in the nation. While the region's rate declined from 7.2 percent in 1960 to 5.4 percent in 1965, the nation's rate rose from 6.6 percent to 6.8 percent. These figures support the hypothesis that the demand for skilled workers (roughly represented by those covered by unemployment insurance) has risen faster during expansion than the demand for unskilled workers.

Over time, the percent of the noninstitutional population in the labor force has declined. In the 1955-65 period, the rate dropped from 58.7 percent to 57.5 percent for the U. S., mainly because young people stayed in school longer and old people retired at an earlier age. The decline would have been even larger except for the greater participation of women in the labor force.

Figures for the District states from 1960 through 1965 reveal a similar trend. All states showed a lower civilian participation rate in 1965 than in 1960. The smallest decrease in the participation rate occurred in Florida, where jobs have grown most rapidly. However, the state ranked fifth among District states in 1960 participation rates because of its large number of retirees. Mississippi has the lowest participation rate in the region because of its less industrialized economy.

The participation rate is also affected by the demand for labor. During a time of slack employment, some persons drop out of the labor force. When demand is stronger, they return to the labor force because of the greater employment opportunities.

In 1965, strong demands for labor led to an increase in the civilian participation rate in the U. S. and in each of the District states. The region's greater job growth and its larger gain in the civilian participation rate than the nation's reflect these demands.

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Mississippi Pauses to Enjoy Its Gains

Mississippi's economy is sporting a new and more expensive coat this year, purchased with its steadily rising income. More than likely, the coat will not be outgrown this year, for growth is not quite so vigorous as last year.

The state's economy is moving upward (ask any Mississippian), but it is not traveling quite so fast as last year. Evidence of this slowing can be seen in personal income figures computed by this Bank for the first eight months of 1966. Mississippi's growth rate of personal income for this period last year led national and District averages. This year it fell below the District average, and the gap between it and the national rate has narrowed. Although income growth in the nation topped 1965 gains, Mississippi's growth fell behind last year's pace.

A difference between the growth rates of income in Mississippi and the nation is not unusual. As was shown in a recent *Review* article (September 1966, page 70) personal income in Mississippi moves less closely with national income than does that of any other District state.

Because of the unusual importance of agriculture in the Magnolia state—a factor which often explains fluctuations in Mississippi's growth rate—one may be inclined to attribute any straying from the national path to agriculture.

Through this summer, agriculture enjoyed healthy gains in the state, largely because of high prices for livestock and livestock products. True, livestock prices fell a bit in the fall, and crop receipts, which cluster late in the year, are being dampened noticeably by low cotton prices and reduced acreages. But the slowdown came after aggregate income growth began decreasing. Thus, we must look beyond agriculture to discover the reason for this year's slackening.

The Role of Manufacturing

While you can't say that as manufacturing goes, so goes Mississippi, you may rest assured that this dynamic sector will determine to a large extent where the state goes. An infant a decade ago, today manufacturing is the state's largest income producer outside government.

In 1955, a "good" year for agriculture, manufacturing income was less than that of agriculture. Two years later, as agriculture slumped, manufacturing outstripped its rural rival. Manufacturing has remained larger ever since, significantly outweighing agriculture even in boom farm years. Nearly 21 percent of the total civilian labor force is employed in manufacturing industries. In 1965, they accounted for about 17 percent of Mississippi's personal income, and this, of course, is only part of their influence.

A basic sector of the economy, like manufacturing, is important not only for its size but for its ability to increase the size of itself and other sectors. It is able to do this because manufacturing fuels the economy just as the public utility's generators fuel other industries. Manufacturing spawns a host of other types of employment.

Slowing Centered in Heavy Industry

A slowing in manufacturing accounted for nonagricultural wage and salary employment growth's falling from 1965's 31,700 ten-month gain to 26,000 this year. Growth of weekly earnings in manufacturing also leveled off. Sectors outside manufacturing which are growing less rapidly than in 1965 are fairly well balanced by those growing more rapidly, like transportation, communication, and public utilities.

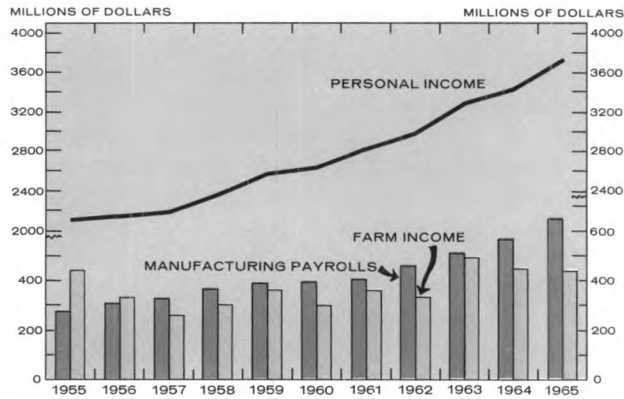
The reduced pace in manufacturing has been centered in durable goods (heavy industry). The overall dampening of nonagricultural employment growth is entirely accounted for by the slower pace in durable goods manufacturing. In contrast to durables, nondurables have bettered last year's record, offsetting part of the shortfall in durables.

The lag in durable goods was particularly discernible in nonelectrical machinery and transportation equipment. These industries have experienced absolute declines in employment since early 1966. The decline was greater in the larger industry, transportation equipment, whose shipbuilding sector was particularly affected, but relatively

The "SS Long Beach" was built in Pascagoula, the state's shipbuilding capital. This vessel, the world's largest container ship (600 feet in length), was used as a Navy transport ship until this year.



Mississippi's Income



Steadily rising manufacturing payrolls and fluctuating farm income influence the growth of total personal income.

larger in machinery. Shipbuilding employment also dropped from January to September in the nation, whereas last year it rose during this period. In Mississippi a sizable part of the reduction in shipbuilding occurred in Pascagoula, the state's shipbuilding capital.

In contrast, employment in Mississippi's largest manufacturing industry, lumber and wood products, continues to climb. Its increase this year falls short of last year's phenomenal gain, however. The nationwide slump in housing starts, which has reduced demand for Mississippi softwoods, helps explain the slower employment growth. Growth of employment in this industry has been less energetic throughout the nation this year.

A disproportionate share of the shortfall in nonfarm employment growth based on last year's state average can be attributed to Mississippi's larger cities: Biloxi, Greenville, Gulfport, Hattiesburg, Jackson, Laurel, Meridian, and Vicksburg. They currently account for a little more than 30 percent of the state's manufacturing employment; in the last census they had only 20 percent of the state's population. Here, however, a slowing based on the state rate is not on balance solely confined to manufacturing, although the larger part lies within it. The eight large cities as a group registered a nonagricultural growth rate below last year's state average, but Greenville beat the average. Credit for this accomplishment resides with its nonmanufacturing sector, however.

Slowing Rather General

How does Mississippi's employment growth compare with others? For the nation as a whole, gains in employment occurred more rapidly in the first months of 1966 than in 1965. Early Sixth District employment gains exceeded these national gains, but in recent months the District's rate of employment growth has fallen behind the now lagging national rate. In the District, contract construction has been particularly affected, but the slowing is rather general and is apparent in manufacturing. The let-up in Mississippi's rate of employment growth is common in the Sixth District. But, unlike Mississippi, the District's personal income gain over the first eight months of this year was greater than last year, though the gap between the District's and the nation's rate lessened.

We cannot conclude that the slowdown in the growth of weekly earnings and employment in manufacturing is the only factor causing an excessive deceleration in the growth of personal income in Mississippi. Other factors which also determine the economic health of the state may offset or emphasize the effect of changes in manufacturing. We have already considered agriculture. What are some of the other factors?

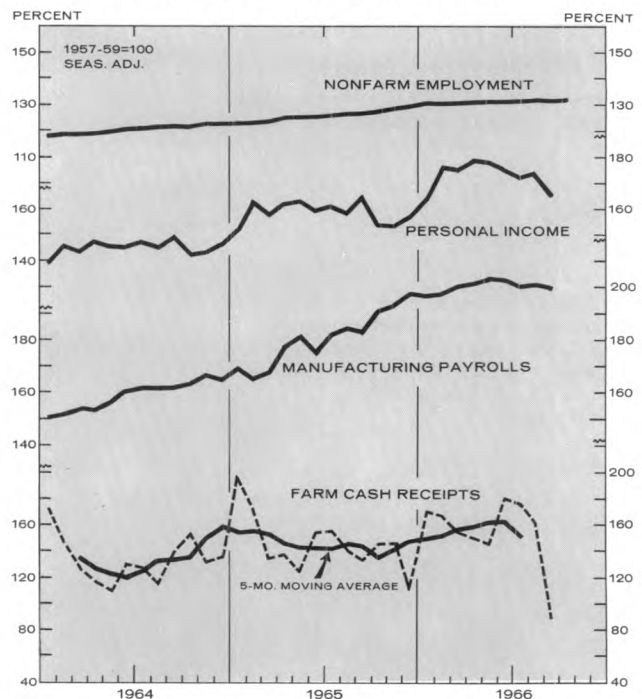
Investment plays a leading role in determining the growth of the state. A number of firms have announced new plants or expansions in Mississippi this year, but there has been no spate of announcements like those appearing last year for the paper and allied products industries. In a related key sector, major construction, the tempo of activity has tapered off, despite increased activity in nonresidential construction. As is generally true in the Southeast, residential building activity has held up surprisingly well, only recently falling below last year's mark.

We see that a leveling of an uptrend in key Mississippi economic indicators is rather common today. It reminds one of a runner pausing between hurdles to catch his breath.

CAROLE E. SCOTT

This is one of a series in which economic developments in each of the Sixth District states are discussed. Developments in Louisiana's economy were analyzed in the September 1966 REVIEW, and a discussion of Georgia's economy is scheduled for a forthcoming issue. • Copies of the revised editions of A REVIEW OF FLORIDA'S ECONOMY, 1959-66, and A REVIEW OF LOUISIANA'S ECONOMY, 1959-66, are now available upon request to the Research Department, Federal Reserve Bank of Atlanta, Atlanta, Georgia 30303.

Economic Indicators, Mississippi



A leveling off can be seen in several economic indicators.

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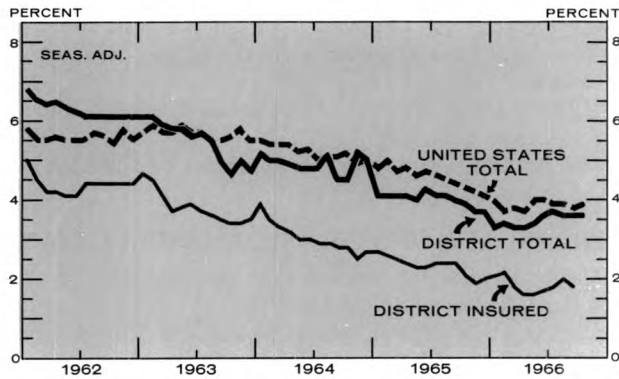
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Comparative Unemployment Rates Sixth District States and United States



Current Analysis

To measure the normal seasonal pattern and to make identity of cyclical changes easier, we seasonally adjusted the unemployment and the work force series on the Bureau of the Census' X-11 program. The ratio of the two series gives the District's seasonally adjusted unemployment rate.

The District's unemployment rate declined during 1962 and early 1963, while the U. S. rate fluctuated around 5½ percent (see chart). By mid-1963, the District's rate had fallen below the U. S. rate and has generally maintained a lower level since then. As the economy picked up steam in mid-1965, the unemployment rate declined rapidly. The national rate sank from 4.6 percent in June to 3.7 percent in February of this year. The rate in the District states plummeted from 4.3 percent in June to 3.3 percent in January.

Neither the District nor the nation has been able to penetrate the low rates established early this year. The lower District unemployment rate at the beginning of the year and the subsequent slowdown in job growth indicates the District is facing greater labor supply problems than the nation. Nonetheless, the gap between the region's and the nation's unemployment rates has narrowed in recent months. Alabama, Louisiana, and Mississippi currently have rates above 4.0 percent. The October unemployment rate of 3.6 percent for the region leads one to ask if the District can push below the January rate in the months ahead. Recent experience illustrates the difficulty of the task. Time will give us the answer.

C. RICHARD LONG

Bank Announcements

THE FAIRBURN BANKING COMPANY, Fairburn, Georgia, a nonmember bank, began to remit at par on November 1 for checks drawn on it when received from the Federal Reserve Bank.

Another nonmember bank, the MERCHANTS BANK AND TRUST COMPANY, Bay St. Louis, Mississippi, began to remit at par on November 21.

THE BANK OF KINSTON, Kinston, Alabama, a newly organized nonmember bank, opened for business on November 28 and began to remit at par. J. F. Grigg, Jr., is President, and T. W. Pierce, Cashier. Capital amounts to \$100,000, and surplus and other capital funds, \$50,000.

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

	Oct. 1966	Sept. 1966	Percent Change			
			Year-to-Date 10 months			
			Oct. 1966	Sept. 1966	Oct. 1965	from 1965
STANDARD METROPOLITAN STATISTICAL AREAS†						
Birmingham	1,450,753	1,378,015	1,257,351	+5	+15	+13
Gadsden	66,508	63,948	60,489	+4	+10	+10
Huntsville	167,098	173,069	163,941	-3	+2	+5
Mobile	509,759	414,214	440,980	+23	+16	+10
Montgomery	297,413	290,027	268,373	+3	+11	+11
Tuscaloosa	90,369	83,410	80,722	+8	+12	+14
Ft. Lauderdale—						
Hollywood	539,463	506,878	461,394	+6	+17	+16
Jacksonville	1,340,591	1,312,153	1,304,973	+2	+3	+13
Miami	2,076,988	1,868,937	1,732,877	+11	+20	+15
Orlando	464,136	409,286	393,736	+13	+18	+9
Pensacola	195,710	202,148	181,881	-3	+8	+7
Tampa—						
St. Petersburg	1,182,997	1,065,280	1,014,216	+11	+17	+11
W. Palm Beach	394,518	369,941	326,544	+7	+21	+21
Albany	89,020	97,885	85,327	-9	+4	+7
Atlanta	4,168,917	4,154,755	3,852,056	+0	+8	+12
Augusta	261,312	256,727	210,816	+2	+24	+26
Columbus	206,921	213,891	179,884	-3	+15	+7
Macon	223,449	221,295	202,928	+1	+10	+11
Savannah	240,436	244,909	225,659	-2	+7	+11
Baton Rouge	570,707	544,005	452,754	+5	+26	+22
Lafayette	116,691	115,352	108,053	+1	+8	+15
Lake Charles	122,956	138,931	112,494	-12	+9	+17
New Orleans	2,216,166	2,235,687	2,093,690	-1	+6	+15
Jackson	587,754	598,270	558,500	-2	+5	+15
Chattanooga	542,493	552,719	494,125	-2	+10	+14
Knoxville	421,825	432,965	408,741	-3	+3	+9
Nashville	1,332,430	1,439,524	1,201,281	-7	+11	+12
OTHER CENTERS						
Annikton	62,619	64,676	58,971	-3	+6	+14
Dothan	59,377	61,655	54,640	-4	+9	+11
Selma	45,299	42,822	45,434	+6	-0	+14
Bartow	34,033	39,012	36,343	-13	-6	+14
Bradenton	58,359	59,225	44,569	-1	+31	+21
Brevard County	198,307	199,979	193,911	-1	+2	+9
Daytona Beach	83,484	77,279	74,998	+8	+11	+9
Ft. Myers—						
N. Ft. Myers	66,190	63,856	57,206	+4	+16	+14
Gainesville	82,580	83,411	67,474	-1	+22	+12
Monroe County	29,190	29,198	29,629	-0	-1	+14
Lakeland	108,853	107,190	98,654	+2	+10	+12
Ocala	57,484	51,897	47,109	+11	+22	+12
St. Augustine	17,564	19,298	16,582	-9	+6	+15
St. Petersburg	293,608	254,078	258,270	+16	+14	+12
Sarasota	97,194	90,287	85,250	+8	+14	+12
Tallahassee	114,985	113,960	103,776	+1	+11	+12
Tampa	658,521	610,697	562,908	+8	+17	+9
Winter Haven	48,837	52,507	48,542	-7	+1	+6
Athens	75,768	80,661	60,930	-6	+24	+14
Brunswick	38,595	38,791	37,087	-1	+4	+1
Dalton	80,165	81,550	84,940	-2	-6	-1
Elberton	12,427	15,838	15,012	-22	-17	+14
Gainesville	69,124	68,543	68,303	+1	+1	+5
Griffin	31,778	31,674	28,589	+0	+11	+14
LaGrange	20,828	24,028	19,894	-13	+5	+16
Newnan	25,351	22,118	22,141	+15	+14	+6
Rome	73,087	72,076	65,931	+1	+11	+12
Valdosta	54,096	50,254	47,061	+8	+15	+4
Abbeville	11,894	13,216	10,453	-10	+14	+14
Alexandria	117,102	116,582	117,163	+0	-0	+12
Bunkie	6,412	6,169	6,561	+4	-2	+4
Hammond	35,986	36,258	30,194	-1	+19	+14
New Iberia	33,528	34,986	34,142	-4	-2	+8
Plaquemine	10,696	10,832	8,152	-1	+31	+21
Thibodaux	20,692	21,106	19,500	-2	+6	+10
Biloxi-Gulfport	93,890	92,963	84,890	+1	+11	+17
Hattiesburg	57,039	53,362	48,997	+2	+16	+18
Laurel	35,866	34,516	37,460	+4	-4	+2
Meridian	64,870	62,141	58,118	+4	+12	+9
Natchez	34,610	33,451	29,944	+3	+16	+15
Pascagoula—						
Moss Point	64,190	51,506	45,592	+25	+41	+16
Vicksburg	41,453	40,454	35,415	+2	+17	+18
Yazoo City	22,612	25,739	27,630	-12	-18	+11
Bristol	70,722	71,419	61,457	-1	+15	+14
Johnson City	68,953	66,247	63,659	+4	+8	+11
Kingsport	139,814	142,606	118,875	-2	+18	+17
SIXTH DISTRICT, Total						
Alabama‡	3,628,188	3,473,852	3,287,346	+4	+10	+10
Florida‡	8,299,538	7,699,520	7,374,424	+8	+13	+11
Georgia‡	6,831,194	6,821,925	6,253,246	+0	+9	+11
Louisiana††	3,790,228	3,820,728	3,519,955	-1	+8	+15
Mississippi††	1,303,940	1,277,916	1,190,477	+2	+10	+15
Tennessee*†	3,666,824	3,704,128	3,287,787	-1	+12	+12

*Includes only banks in the Sixth District portion of the state.
†Partially estimated. ‡Estimated.

Sixth District Statistics

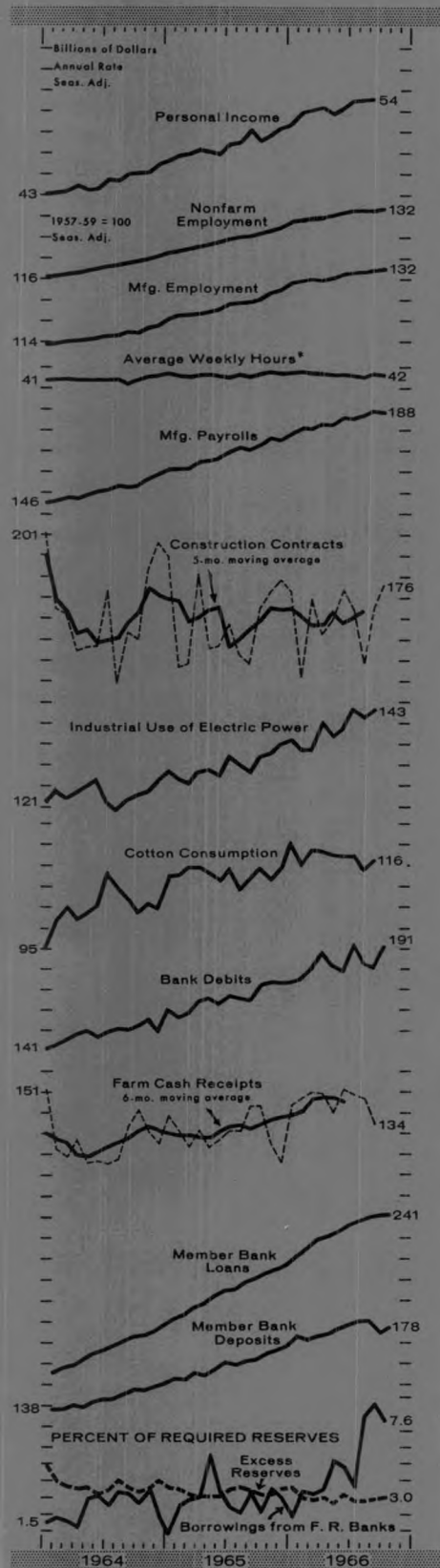
Seasonally Adjusted

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

	Latest Month (1966)	One Month Ago	Two Months Ago	One Year Ago		Latest Month (1966)	One Month Ago	Two Months Ago	One Year Ago
SIXTH DISTRICT					GEORGIA				
INCOME AND SPENDING					INCOME AND SPENDING				
Personal Income, (Mil. \$, Annual Rate)	Sept. 53,997	53,975r	53,875r	50,239	Personal Income, (Mil. \$, Annual Rate)	Sept. 10,213	10,100r	10,114r	9,411
Manufacturing Payrolls	Oct. 188	189	187	173	Manufacturing Payrolls	Oct. 189	191r	187	173
Farm Cash Receipts	Sept. 134	147	149	143	Farm Cash Receipts	Sept. 183	111	135	151
Crops	Sept. 118	114	126	136	PRODUCTION AND EMPLOYMENT				
Livestock	Sept. 156	158	157	143	Nonfarm Employment	Oct. 132	130	130	126
Instalment Credit at Banks, *(Mil. \$)					Manufacturing	Oct. 132	128	126	123
New Loans	Oct. 264	264r	282	262	Nonmanufacturing	Oct. 132	131	131	127
Repayments	Oct. 253	265	265	228	Construction	Oct. 122	118	118	138
PRODUCTION AND EMPLOYMENT					Farm Employment	Oct. 56	52	66	69
Nonfarm Employment	Oct. 132	131	131	126	Insured Unemployment, (Percent of Cov. Emp.)	Sept. 1.5	2.1	1.4	2.1
Manufacturing	Oct. 132	132	132	125	Avg. Weekly Hrs. in Mfg., (Hrs.)	Oct. 41.1	42.0	41.1	41.2
Apparel	Oct. 161	160	161	155	FINANCE AND BANKING				
Chemicals	Oct. 127	127	127	120	Member Bank Loans	Oct. 252	252	252	223
Fabricated Metals	Oct. 144	143r	145	134	Member Bank Deposits	Oct. 195	190	196	178
Food	Oct. 112	111	111	109	Bank Debits**	Oct. 199	194	196	183
Lbr., Wood Prod., Furn. & Fix.	Oct. 104	106	105	102	LOUISIANA				
Paper	Oct. 115	114	115	109	INCOME AND SPENDING				
Primary Metals	Oct. 116	116r	117	109	Personal Income, (Mil. \$, Annual Rate)	Sept. 8,147	8,168r	8,302r	7,538
Textiles	Oct. 104	104r	104	101	Manufacturing Payrolls	Oct. 170	168	166	156
Transportation Equipment	Oct. 174	170	170	159	Farm Cash Receipts	Sept. 130	210	153	135
Nonmanufacturing	Oct. 132	131	131	126	PRODUCTION AND EMPLOYMENT				
Construction	Oct. 125	124	123	125	Nonfarm Employment	Oct. 122	121	121	116
Farm Employment	Oct. 63	58	67	70	Manufacturing	Oct. 112	111	112	106
Insured Unemployment, (Percent of Cov. Emp.)	Sept. 1.8	2.0	1.8	2.4	Nonmanufacturing	Oct. 124	123	123	118
Avg. Weekly Hrs. in Mfg., (Hrs.)	Oct. 41.5	41.8r	41.3	41.8	Construction	Oct. 136	136	134	131
Construction Contracts*	Oct. 176	165	139	166	Farm Employment	Oct. 70	62	67	81
Residential	Oct. 117	124	137	167	Insured Unemployment, (Percent of Cov. Emp.)	Oct. 1.8	1.8	1.9	2.1
All Other	Oct. 226	199	141	165	Avg. Weekly Hrs. in Mfg., (Hrs.)	Oct. 42.5	42.7r	41.9	43.0
Electric Power Production**	Sept. 143	141	144	128	FINANCE AND BANKING				
Cotton Consumption**	Oct. 117	116	114	115	Member Bank Loans*	Oct. 223	226	225	201
Petrol. Prod. in Coastal La. and Miss.**	Oct. 225	207	205	196	Member Bank Deposits*	Oct. 152	154	156	144
FINANCE AND BANKING					Bank Debits**	Oct. 170	167	167	158
Member Bank Loans*	Oct. 241	240	240	214	MISSISSIPPI				
All Banks	Oct. 241	240	240	214	INCOME AND SPENDING				
Leading Cities	Nov. 221	224	223	198	Personal Income, (Mil. \$, Annual Rate)	Sept. 3,799	4,004r	3,959r	3,794
Member Bank Deposits*	Oct. 178	175	180	165	Manufacturing Payrolls	Oct. 204	201r	201	191
All Banks	Oct. 178	175	180	165	Farm Cash Receipts	Sept. 88	162	177	133
Leading Cities	Nov. 164	163	159	154	PRODUCTION AND EMPLOYMENT				
Bank Debits*/**	Oct. 191	181	182	172	Nonfarm Employment	Oct. 132	132	132	127
ALABAMA					Manufacturing	Oct. 143	142	142	136
INCOME AND SPENDING					Nonmanufacturing	Oct. 127	127	127	123
Personal Income, (Mil. \$, Annual Rate)	Sept. 7,200	7,286r	7,282r	6,855	Construction	Oct. 132	130	128	129
Manufacturing Payrolls	Oct. 169	170	173	162	Farm Employment	Oct. 55	47	56	66
Farm Cash Receipts	Sept. 126	133	157	149	Insured Unemployment, (Percent of Cov. Emp.)	Sept. 1.6	1.6	1.7	2.1
PRODUCTION AND EMPLOYMENT					Avg. Weekly Hrs. in Mfg., (Hrs.)	Oct. 41.1	41.2	41.0	41.7
Nonfarm Employment	Oct. 121	121	122	118	FINANCE AND BANKING				
Manufacturing	Oct. 120	120	121	116	Member Bank Loans*	Oct. 291	290	283	226
Nonmanufacturing	Oct. 122	122	123	119	Member Bank Deposits*	Oct. 216	208	228	175
Construction	Oct. 128	128r	128	122	Bank Debits**	Oct. 199	196	205	181
Farm Employment	Oct. 60	48	79	61	TENNESSEE				
Insured Unemployment, (Percent of Cov. Emp.)	Oct. 2.0	2.1	2.0	2.6	INCOME AND SPENDING				
Avg. Weekly Hrs. in Mfg., (Hrs.)	Oct. 41.1	41.3r	41.4	41.8	Personal Income, (Mil. \$, Annual Rate)	Sept. 8,615	8,679r	8,631r	7,945
FINANCE AND BANKING					Manufacturing Payrolls	Oct. 189	189r	186	169
Member Bank Loans	Oct. 223	222	224	204	Farm Cash Receipts	Sept. 107	156	140	119
Member Bank Deposits	Oct. 175	175	178	166	PRODUCTION AND EMPLOYMENT				
Bank Debits**	Oct. 180	164	173	162	Nonfarm Employment	Oct. 135	134	135	127
FLORIDA					Manufacturing	Oct. 142	142	143	132
INCOME AND SPENDING					Nonmanufacturing	Oct. 131	131	131	125
Personal Income, (Mil. \$, Annual Rate)	Sept. 16,023	15,738r	15,587r	14,696	Construction	Oct. 156	155r	153	144
Manufacturing Payrolls	Oct. 223	228r	221	200	Farm Employment	Oct. 66	66	77	66
Farm Cash Receipts	Sept. 149	142	137	151	Insured Unemployment, (Percent of Cov. Emp.)	Sept. 1.8	1.7	1.9	2.5
PRODUCTION AND EMPLOYMENT					Avg. Weekly Hrs. in Mfg., (Hrs.)	Oct. 41.4	41.3	40.7	41.2
Nonfarm Employment	Oct. 143	143	142	137	FINANCE AND BANKING				
Manufacturing	Oct. 148	147	147	139	Member Bank Loans*	Oct. 237	235	231	213
Nonmanufacturing	Oct. 143	142	141	137	Member Bank Deposits*	Oct. 171	170	174	165
Construction	Oct. 110	110	110	112	Bank Debits**	Oct. 204	206	195	183
Farm Employment	Oct. 84	79	53	89	Footnotes				
Insured Unemployment, (Percent of Cov. Emp.)	Oct. 1.6	1.8	2.0	1.9	*For Sixth District area only. Other totals for entire six states. **Daily average basis. r-Revised.				
Avg. Weekly Hrs. in Mfg., (Hrs.)	Oct. 42.4	42.7r	42.7	42.7	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.				

*For Sixth District area only. Other totals for entire six states. **Daily average basis. 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; 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



Although economic activity continues at a high level, a definite cooling of the District's economy has accompanied falling winter temperatures. Consumer spending slackened, reflecting in part the slower rate of income growth. Rising mortgage interest rates and restricted availability of construction loans kept the total contract volume of residential construction well below its year-ago levels for October. Other types of lending expanded unenergetically, as banks experienced lower deposit gains. Total man-hours worked declined as a shorter workweek in October more than offset the largest employment gain in recent months. Weaker livestock prices and reduced cotton production caused the agricultural sector to lose some of its glow.



The recent slower rate of increase in seasonally adjusted incomes may dampen consumer spending further. Indirect measures indicate that spending has already slackened considerably. Retail sales in September were up only slightly, and new consumer loan extensions at commercial banks were down. This trend may have extended into October, as new loan extensions remained at about the September level and automobile sales declined further.



Banks expanded credit moderately in November, continuing their actions of recent months. Business loans rose somewhat less than seasonally, following the modest October gains. Deposits again failed to gain significantly, perhaps accounting for some of the lack of steam in bank lending. Many banks may have difficulty in meeting a fairly strong loan demand during the holidays because of reduced deposit inflows.



Total contract volume, still exhibiting modest gains in October, was up from the year-ago level. Strong increases in nonresidential construction were repeated in October, offsetting persistent weakness in residential building. Mortgage rates rose further, and lending terms became less liberal. Net savings flows to the District's savings and loan associations remain severely depressed.



District manufacturers in October shortened the workweek from the high September level but employed additional workers. Nonfarm jobs registered the largest gain in recent months—a gain still only half the average monthly increase of the September 1965-March 1966 period. Construction jobs scored their second monthly gain after suffering large cuts earlier this year. October petroleum production continued the phenomenal pace of recent months.



Harvesting of the District's major row crops is nearing completion. Prices for eggs, broilers, cattle, and hogs weakened further in October, but prices for milk and rice increased. Through September, cash receipts for each District state are above those of the same period last year. However, if livestock prices continue to fall as the smaller cotton crop is marketed, the rate of growth in cash incomes may decline. Interest rates paid by farmers for both production and real estate loans seem to be advancing.

*Seas. adj. figure; not an index.

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