

MONTHLY REVIEW

IN THIS ISSUE:

- A Regional View of Export Patterns
- 1968: Another Prosperous Year for Georgia
- District Business Conditions



FEDERAL RESERVE BANK OF ATLANTA

A Regional View of Export Patterns

Efforts to increase exports form part of a broad program to bring about a better balance in our international payments. In addition to benefiting our payments balance, export expansion also promotes national and regional economic growth. For a given region such as the South, therefore, export expansion can play a significant role in policies designed to foster economic growth.

Developing an effective program for export expansion requires more than general steps to promote a region's exports. Although measures such as special financing plans, exhibitions, and special promotions are essential, some knowledge of individual markets for specific types of goods is needed to help direct energies to where they are most likely to succeed. Moreover, knowledge of the destination and character of exports is essential for analysis of the economic forces underlying export activity.

This article provides information on the export pattern of that part of the South covering the states in the Sixth Federal Reserve District: Alabama, Florida, Georgia, the southern halves of Louisiana and Mississippi, and the eastern two-thirds of Tennessee. The emphasis is on what the region exports, where the exports go, and how the region's export pattern differs from the pattern of exports from the United States as a whole. The underlying data are derived from

Monthly Review, Vol. LIV, No. 3. Free subscription and additional copies available upon request to the Research Department, Federal Reserve Bank of Atlanta, Atlanta, Georgia 30303.

a special tabulation of exports (obtained by this Bank from the Census Bureau of the U. S. Department of Commerce) moving through the customs districts of Miami, Mobile, New Orleans, Savannah, and Tampa in 1966.¹

Some caveats about these data are in order. The dollar value of exports includes charges for freight, insurance, and other items up to the point of exportation. Thus, the value of the region's exports at port of exit necessarily differs from the value at their production sites. Furthermore, exports through District ports include goods produced outside the region. On the other hand, some goods produced within the District are exported through non-District ports. Despite these imperfections, the data on exports moving through District ports reasonably approximate the pattern of exported goods actually produced within the District (at the level of aggregation to be used).

¹No published information provides commodity exports for recent years by geographic destination for states or regions of the U.S. in the specific form used here. Therefore, a special tabulation was necessary. The U.S. Bureau of the Census publishes, in *FT 990 Highlights of U.S. Export and Import Trade*, export data by customs districts and area destination and by customs districts and commodity groups. However, it does not publish, for customs districts, export data on commodity groups by area destination. In addition, the Bureau of the Census has published for each of the 50 states a *State Export Report*. These provide data on manufacturing exports for each state by 2-digit SIC codes and agricultural export estimates based on state agricultural production. No data on manufacturing or agricultural exports by area destination and no mineral export data are provided, however.

Commodity Composition of Exports

In 1966, manufactured goods were half of total District exports, followed by agricultural commodities with a substantial 40.7-percent share. Mining accounted for only 4.5 percent.

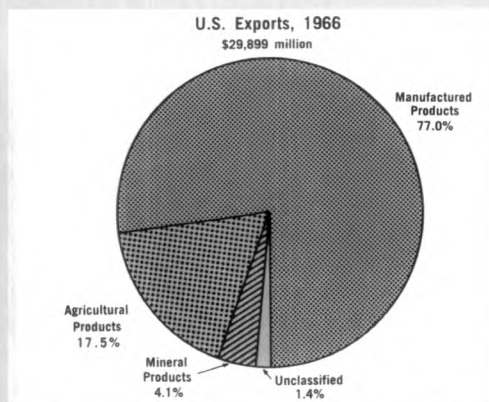
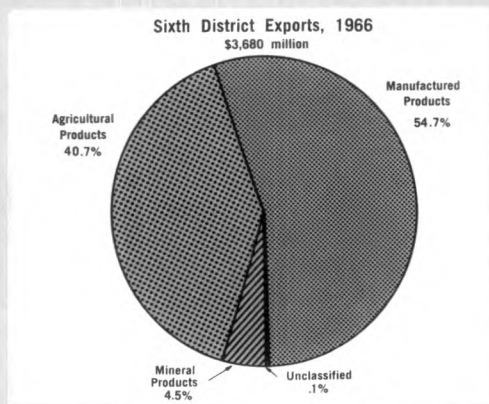
The importance of agricultural exports may be overstated to some degree, because some of the agricultural exports, particularly grain shipments, originate in Midwestern states. For instance, much of the exports of corn seed, unmilled wheat, and soybeans moving through New Orleans have been produced outside District states. These three commodities through New Orleans accounted for nearly a third of all agricultural exports from the District in 1966. Even after making allowance for this, agricultural exports accounted for a substantial proportion of total District exports.

Within the manufactured goods sector, exports from capital goods producers nearly tripled ex-

Table I
Commodity Structure of Sixth District and U. S. Exports
(Percent)

SIC Code	Product Group	Sixth District	U. S.
19-39	Manufacturing	54.7	77.0
20 & 21	Food & Tobacco	11.7	6.7
22 & 23	Textiles & Apparel	1.9	2.6
25	Furniture	.2	.2
27	Printing	.2	1.0
30 & 31	Rubber & Leather	.6	1.2
39	Misc. Manufacturing	.7	3.3
TOTAL — Consumer Goods		15.3	15.0
24	Wood	.9	1.2
26	Paper	5.1	2.2
28 & 29	Chemicals & Petroleum	11.1	11.6
32	Stone, Clay, & Glass	.5	1.2
19, 33-38	Metal & Metalworking Industries	21.8	45.8
TOTAL — Capital Goods		39.4	62.0
01-09	Agriculture	40.7	17.5
10-14	Mining	4.5	4.1
	Unclassified	.1	1.4
TOTAL — ALL EXPORTS		100.0	100.0

The distribution of agricultural and manufactured products in Sixth District exports contrasts sharply with the national distribution.



ports from consumer goods industries.² Exports from the metal and metalworking industries (primary and fabricated metals, machinery, transportation equipment, instruments, and ordnance) account for a substantial part of capital goods exports. Chemical and petroleum products also added significantly to these exports. However, even though consumer goods were smaller than capital goods, food and tobacco ranked second in overall importance of manufactured exports (see Table I).

District and U. S. Compared District and U. S. export patterns reveal rather sharp contrasts. Agricultural exports are relatively more important in the region than nationally. Correspondingly, District manufacturing exports are less important than those of the nation.

In addition, District exports also differ sharply from the national pattern within the manufacturing sector—primarily because of the disparity in the importance of capital goods. The District exports a much lower proportion of goods from the metal and metalworking industries than does the nation. On the other hand, the District exports a higher proportion of paper products, and nearly matches the nation in chemical and petroleum products. The abundant timber and water resources (necessary for manufacturing

²The terms capital goods and consumer goods are employed mainly for descriptive convenience. They are based on general characteristics of industries in each classification; *i.e.*, a major portion of consumer goods are destined for final consumption, while capital goods more often serve as inputs to other industries.

paper and paper pulp) and the petroleum output in Louisiana (which stimulates petroleum refining and petrochemical manufactures) have apparently boosted the importance of these products in District exports.

Despite the nearly equal importance of consumer goods in both District and U.S. exports, considerable variation exists between individual groups. The lesser share of textiles and apparel, printing and publishing, rubber and leather, and miscellaneous goods in District exports compared with the nation is completely offset by the much higher proportion of food, beverages, and tobacco exports. This reflects the orientation of the region toward production of agricultural raw materials. These serve as inputs to many consumer goods industries and are of greater importance in District exports than in the U.S.

The contrast between regional and national commodity export patterns reflects widely known differences in economic structures and endowments of productive resources. The South, of which District states form a substantial part, has more abundant natural resources and labor, while capital is relatively scarcer than in the nation. Thus, the South enjoys a comparative advantage in producing many raw materials, especially those of agricultural origin. Industries processing these raw materials and industries using relatively more labor than capital are more important in the region's share of manufactures than in the entire nation.

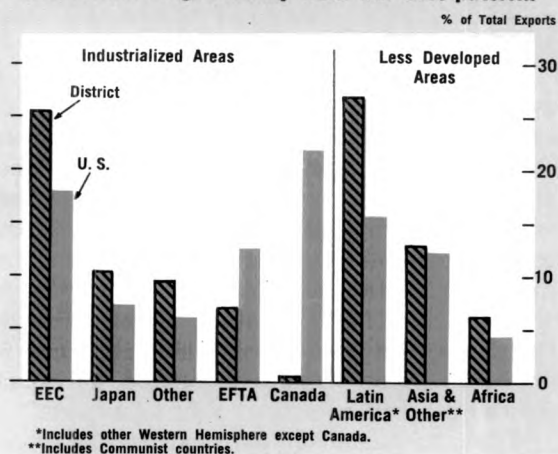
On the other hand, most producer and durable goods industries, which require large amounts of capital and generally are technologically more sophisticated, account for a considerably smaller portion of output in the South than in the nation. Not unexpectedly, the differences in the two export patterns closely resemble these differences in productive structure.

Although the pattern of District exports implies an industrialization level somewhat less than that of the nation, it does indicate that the region has achieved a significant degree of industrialization. Manufactured goods constitute more than half of total District exports, and capital goods far surpass consumer goods—despite the greater orientation to raw materials and consumer industries.

Geographic Destination of Exports

The area destination of District and U. S. exports reveals further distinct dissimilarities. The impact of geographic location on exports is reflected in the much larger share going from the District to Latin America and other Western Hemisphere

The area destination of Sixth District exports in 1966 differed significantly from the U.S. pattern.



countries (except Canada). In fact, this area leads as a claimant of District exports, not only in total value, but for many individual groups as well. Proximity of District ports to Mexico, one of the nation's largest trading partners, and the relative nearness to other parts of the hemisphere have obviously influenced the share of District exports to this area.

In contrast, Canada, which commands the number one spot as a market for exports from the entire nation, receives less than one percent of District exports. The distance of District states from Canada probably has something to do with this.

The shares of District and national exports going to the European Common Market (EEC) and the European Free Trade Association (EFTA) also differ markedly, although the combined totals for the two groups are nearly equal. The other industrialized areas reveal an additional divergence in the two patterns. Factors other than geographic location seem to have played a role here, however.

Interaction of Commodity Composition and Geographic Destination

The level of development of diverse countries may have a distinct impact on the character of their purchases of District exports. As can be seen from Table II, the total value of export trade with industrialized areas only modestly exceeds that with so-called less developed areas. Yet, the major portion of District manufactured exports flows to less developed areas, while the greatest part of its raw material exports goes to industrialized areas. As a corollary, the proportion of manufactured exports sold to less developed areas far exceeds the proportion of raw materials. Conversely, industrialized areas pur-

Table II
Structure of Sixth District Exports
(Percent of Total)

SIC Code	Product Group	Industrialized Areas					Less Developed Areas					Total All Areas
		Canada	EEC	EFTA	Japan	Other Indust. Areas	Total Indust. Areas	Lat. Am. & West. Hemis.	Africa	Asia, Comm. Areas & Others	Total Less Dev. Areas	
19-39	Manufacturing	.5	8.2	4.0	1.8	4.4	18.9	24.2	4.1	7.5	35.8	54.7
20 & 21	Food & Tobacco	*	3.0	.9	.5	1.0	5.4	2.8	1.3	2.2	6.3	11.7
22 & 23	Textiles & Apparel	*	.2	.1	*	.2	.5	1.3	.1	*	1.4	1.9
25	Furniture	*	*	*	*	*	*	.2	*	*	.2	.2
27	Printing	*	*	*	*	*	*	.2	*	*	.2	.2
30 & 31	Rubber & Leather	*	.1	*	*	*	.1	.4	*	*	.5	.6
39	Misc. Manuf.	*	*	*	*	*	*	.6	*	*	.7	.7
TOTAL — Consumer Goods		*	3.3	1.0	.5	1.2	6.0	5.5	1.5	2.3	9.3	15.3
24	Wood	*	.2	.2	*	.1	.5	.3	*	*	.4	.9
26	Paper	*	1.8	1.1	.2	.3	3.4	1.1	.1	.5	1.7	5.1
28 & 29	Chemicals & Petroleum	.3	1.8	.9	.9	.8	4.7	3.4	.4	2.6	6.4	11.1
32	Stone, Clay, & Glass	*	.1	*	*	*	.2	.3	*	*	.3	.5
19, 33-38	Metal & Metal-working Ind.	.1	1.0	.8	.2	2.0	4.1	13.6	2.0	2.1	17.7	21.8
TOTAL — Capital Goods		.5	4.9	3.0	1.3	3.2	12.9	18.7	2.6	5.2	26.5	39.4
01-09	Agriculture		40.7		17.5	4.6	31.0	2.4	2.1	5.2	9.7	40.7
10-14	Mining		4.5		4.1	.6	3.7	.4	.1	.3	.8	4.5
	Unclassified		.1		1.4	*	*	.1	*	*	.1	.1
TOTAL — ALL EXPORTS		.6	25.7	7.2	10.5	9.6	53.6	27.1	6.3	13.0	46.4	100.0

*Less than .1 percent.

chase considerably more raw materials than manufactured goods from the District. Canada and EFTA countries were exceptions.

The area distribution of specific groups of manufactured exports reveals further contrasts. Not only did the less developed areas purchase more of nearly all types of manufactured exports than the industrialized areas, but their purchases of capital goods constituted a larger portion of their total purchases of manufactures than the industrialized areas. The greatest differences lie in exports of metal and metalworking industries.

In this instance, diversity of economic structures between industrialized and less developed areas provides a probable explanation for these patterns. Industrialized countries tend to meet a large part of their demand for manufactured goods through internal production, but they import large amounts of raw materials as inputs for manufacturing. Thus, their purchases are heavily oriented toward District raw material commodities. Furthermore, the manufactured goods they buy from the District are completely dominated by paper products and by food, beverage, and tobacco goods—exports with high raw material content. On the other hand, production in less developed areas is heavily oriented toward raw materials, thereby reducing their demand for these commodities from the District. But their lower levels of industrialization limit their ability

to satisfy domestic demand for many manufactured goods. Thus, these must be imported. Programs to promote industrialization and economic development in many of these areas have stimulated a high demand for capital goods—the most difficult for them to produce domestically.

District and U. S. Compared District and U. S. exports diverge both in overall commodity structure and area trade. Hence the District export structure, not unexpectedly, differs from the U. S. export structure vis-a-vis industrialized and less developed areas (see Table III). Whereas District exports are split approximately equally between industrialized and less developed areas, two-thirds of national exports flow to the former areas and only one-third to the latter. Since roughly two-thirds of raw material exports from both the District and the nation flow to industrialized areas, the variation in area destination of total exports stems primarily from manufactured goods. Not only do U. S. exports of manufactures to industrialized areas more than double such exports to lesser developed areas, but they exceed by a wide margin raw material exports to the industrialized areas. In both cases, the reverse pattern holds for the District. The orientation of District manufactured exports to less developed areas can be narrowed down to the large proportion of capital goods destined to these

Table III
Commodity Distribution and Area Destination
of Sixth District and U. S. Exports
(Percent of Total)

	District			U. S.		
	Industrialized	Less Developed	Total	Industrialized	Less Developed	Total
Consumer Goods	6.0	9.3	15.3	9.9	5.1	15.0
Capital Goods	12.9	26.5	39.4	40.4	21.6	62.0
Total Manufactured Goods	18.9	35.8	54.7	50.3	26.7	77.0
Agriculture	31.0	9.7	40.7	12.4	5.1	17.5
Mining	3.7	.8	4.5	3.6	.5	4.1
Unclassified	*	.1	.1	.7	.7	1.4
TOTAL EXPORTS	53.6	46.4	100.0	67.0	33.0	100.0

*Less than .1 percent

areas. In turn, the orientation of U. S. manufactured and total exports to industrialized areas also derives from the large proportion of capital goods going to industrialized areas.

These commodity-area export differences very likely lie in the interaction of distinct demands of industrialized and less developed areas and dissimilar production structures of the District and the nation. Thus, the more industrialized areas require more sophisticated goods and, for industry in particular, goods incorporating very advanced levels of technology. A large quantity of these goods—such as computers, large commercial aircraft, electronic equipment, and high-precision machinery—are purchased from the United States—a major world producer of these goods. The relatively limited production of these manufactures in the District reduces its scope for exporting them. Moreover, the industrialized areas tend to meet, through their own domestic production, their demand for the type of manufactured goods the District usually exports.

On the other hand, the simpler, consumer-

oriented industries most common in less developed areas generally don't require the most technologically advanced goods. But, the expansion of such industries does require certain capital goods that these areas usually find uneconomical to produce. Therefore, the District—possessing an industrial structure more advanced than the less developed areas—has a comparative advantage in furnishing capital goods necessary to these areas.

In summary, the examination of the pattern of exports through Sixth District ports in 1966 revealed sharp contrasts with exports from the United States as a whole in both the commodity composition and area destination of exports. Unfortunately, the focus on a single year precludes the possibility of determining trends in District exports and thus makes difficult the task of anticipating future export patterns. Further studies along these lines could prove very fruitful.

JOHN E. LEIMONE

1968: Another Prosperous Year for Georgia

Mid-February's snow and ice brought memories of early 1968, which was launched by the icy breath of old man winter. But the sun soon melted last January's offering of snow and ice and Georgia's economy—off temporarily—soon was upward bound again.

Charting the course of economic activity in Georgia during 1968, we find that some key sectors started the year hesitantly and gathered momentum as the year progressed; others gave a vigorous showing early in the year, but were dragging by year-end. For an overall picture of the year, we can look to personal income, which expanded 10 percent last year—a growth rate better than 1967's and better than the nation's.

Employment

The demand for labor remained strong in Georgia, and unemployment was extremely low. Non-agricultural employment averaged 3 percent higher than in 1967. In terms of number, government jobs (especially on the state and local level), trade, and manufacturing were the biggest gainers. Nonmanufacturing jobs advanced quickly during the first few months of 1968, tapered off during April and May, and then resumed their climb. Manufacturing jobs were lethargic at first and even dipped slightly through April, but then climbed the rest of the year.

Much of the early sluggishness in manufacturing can be traced to the durable goods sector where problems at automobile assembly plants kept employment down. In February and early

March, local assembly plants were plagued by supply shortages as a result of labor disputes at their out-of-state suppliers. Then at mid-March, several thousand auto workers walked off their jobs in a dispute over working conditions. In turn, several hundred workers at related body assembly facilities were idled. By May the disputes were settled, and workers had returned to their jobs. Since then, the trend has been strongly up, except for the purely seasonal drop during late summer when auto assembly plants shut down for the annual model changeover.

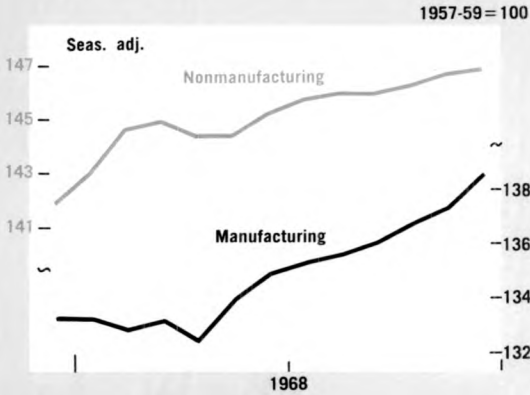
Payrolls started out the year at the lowest level since May 1967, as snow and ice storms prevented many workers from reaching their jobs on time and caused temporary shutdowns in some plants. However, once recovered from January's wintry blast, the path was upward bound. Not only did jobs increase, but the average workweek lengthened 15 minutes, and most workers enjoyed sizable wage increases. Consequently, 1968 manufacturing payrolls averaged 12 percent higher than 1967's.

Construction

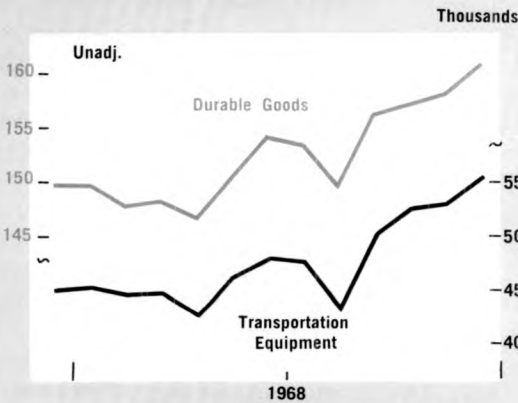
Residential building provided the strength in Georgia's construction sector. In fact, increases in the residential sector, in terms of contracting volume, were more than enough to offset a sluggish year in all other types of construction. The total value of contracts awarded for the year were up 5 percent from 1967.

Among Georgia's metropolitan areas, activity

Nonmanufacturing employment climbed vigorously early in the year and more gradually afterwards; whereas manufacturing employment had a sluggish start.



Much of this early sluggishness can be attributed to developments in durable goods, especially transportation equipment.



varied. In areas where construction had been booming the year before—Albany, Augusta, and Columbus—construction (again measured by contract awards) was down. And in areas where construction had been relatively weak in 1967—Atlanta, Macon, and Savannah—1968 brought an increase in the value of contracts awarded. More specifically, in Atlanta, some very large apartment complexes and a considerable amount of public housing contributed to a surge in residential building. In the Savannah, Macon, and Columbus areas, public-owned school and medical facilities provided a boost to nonresidential building.

Evidently, the increasingly high cost of mortgage funds did not reduce homebuyers' demands for funds or dampen residential construction ac-

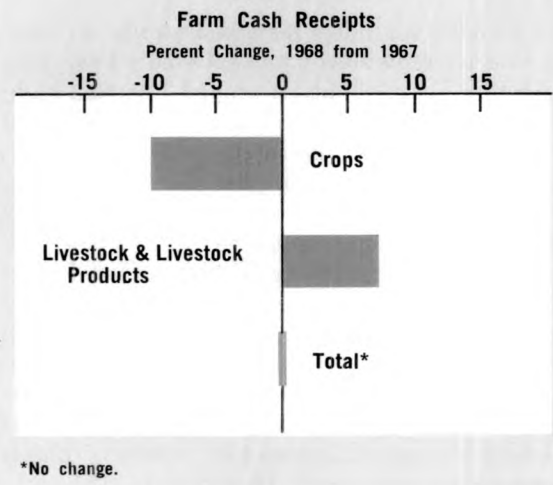
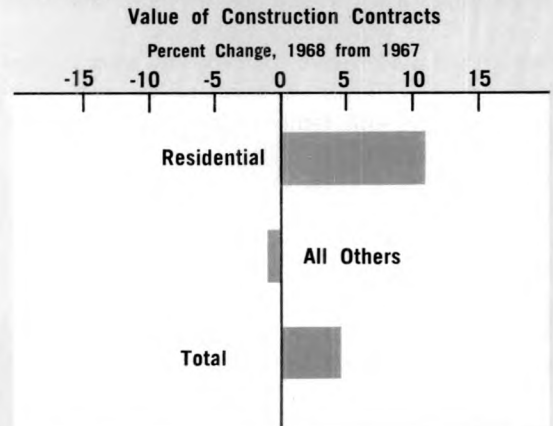
tivity in 1968. And, Georgia's insured savings and loan associations appeared to be willing lenders. Though net savings inflows were somewhat less than in 1967, mortgage repayments were up, and net acquisitions totaled almost one-third again as great as in 1967.

Agriculture

What started out to be a promising year for most Georgia crops turned out to be disappointing. Very dry weather late in the growing season caused yields to fall far short of what had been previously anticipated. And, many planted acres were not harvestable. With both yields and harvested acreages below 1967, production plunged. Price rises, where they did occur, were modest and not anywhere near enough to offset the lower production.

Georgia's four principal crops—peanuts, corn, tobacco, and cotton—were all plagued by low yields and, with the exception of cotton, lower

Diverse trends were evident in Georgia's construction and agricultural sectors during 1968.



production. The jump in cotton production can be attributed to modifications in the Federal cotton program which resulted in an almost 50-percent increase in acreages. Still, despite this increase in harvested acreages and slightly higher average prices, the value of the cotton crop rose only 20 percent because of low yields.

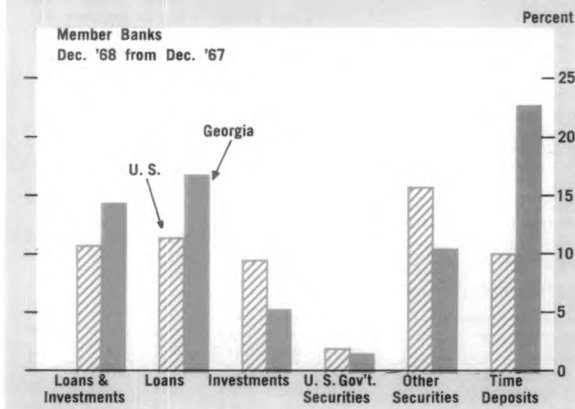
Of all Georgia crops, soybeans were the hardest hit by Georgia's dry weather. Yields dipped to less than two-thirds what they were in 1967. Many acres had to be left standing in the fields and prices were sluggish. As a result, soybean production was cut in half, as was the value of the crop.

Higher prices and greater production made 1968 a profitable year for Georgia livestock producers. Red meat, broiler, and egg prices were all strong last year. Only hog prices tended to be somewhat lower than in 1967, but increased sales kept receipts at a high level. With prices and production generally improved, total cash receipts from livestock and livestock product marketings climbed 8 percent. Barely offsetting the cut in crop receipts, total cash receipts from farm marketings were unchanged from 1967.

Banking

To the extent that bank credit growth and deposit inflows accelerated after mid-year, developments at Georgia member banks followed the national pattern. However, there were also some sharp differences. Throughout the year, time deposit inflows were relatively stronger in Georgia. And, the rise in bank credit (loans and investments) was more heavily concentrated in the lending area. Though some Georgia metropolitan areas fared better than others, all enjoyed healthy

Georgia outpaced the U.S. in rate of bank credit and loan expansion.



deposit inflows and made sizable additions to their loan portfolios. For the year as a whole, Georgia member banks outpaced the U. S. in both deposit and bank credit growth.

What Lies Ahead?

It is really too early to say exactly how Georgia will fare in 1969. Closely tied to the nation's economic fortunes as Georgia is, the state's economy will probably behave not too much differently from national activity. Many forecasters expect expansion in the national economy to slow in 1969. If this prediction proves correct, Georgia's economy may also expand at a slower pace. Sporting a faster long-run growth rate than the nation's, chances are good, though, that in 1969 Georgia will outperform the national economy once again.

DOROTHY F. ARP

This is one of a series of articles in which economic developments in each of the Sixth District states are discussed.

Bank Announcements

Cornelia Bank, Cornelia, Georgia, a nonmember bank, and its branch in Demorest, Georgia, began to remit at par on February 1 for checks drawn on them when received from the Federal Reserve Bank.

The Merchants & Farmers Bank, Milledgeville, Georgia, a nonmember bank, also began to remit at par on February 1.

On February 19, **Bank of Coral Gables**, Coral Gables, Florida, a newly organized nonmember bank, opened for business and began to remit at par. Officers are

Tully F. Dunlap, president; James R. Davant, executive vice president; and Gaylord S. Sayles, assistant vice president. Capital is \$300,000; surplus and other capital funds, \$285,000.

Another newly organized nonmember bank, **American Bank of Fort Myers**, Fort Myers, Florida, opened on February 25 and began to remit at par. Luis W. Woodson is president and Glenn D. Myers, cashier. Capital is \$480,000; surplus and other capital funds, \$120,000.

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									
INCOME AND SPENDING									
Personal Income (Mil. \$, Annual Rate)***	Dec. 65,616	65,258	65,682	59,325	Manufacturing	Jan. 168	168	167	168
Manufacturing Payrolls	Jan. 231	230	229	205	Nonmanufacturing	Jan. 163	162	163	155
Farm Cash Receipts	Dec. 139	145	133	134	Construction	Jan. 122	117	116	105
Crops	Dec. 126	134	104	131	Farm Employment	Jan. 94	95	94	77
Livestock	Dec. 171	164	161	145	Unemployment Rate (Percent of Work Force)†	Jan. 2.6	2.6	2.8	3.0
Instalment Credit at Banks* (Mil. \$)					Avg. Weekly Hrs. in Mfg. (Hrs.)	Jan. 40.8	42.1	41.9	41.5
New Loans	Jan. 284.8	320.2r	339.1	274.0	FINANCE AND BANKING				
Repayments	Jan. 248.3	273.4	292.9	245.7	Member Bank Loans	Jan. 324	325	326	279
					Member Bank Deposits	Jan. 250	257	246	216
					Bank Debits**	Jan. 251	247	248	216
PRODUCTION AND EMPLOYMENT									
Nonfarm Employment†	Jan. 145	144	144	141	GEORGIA				
Manufacturing	Jan. 144	144	143	141	INCOME				
Apparel	Jan. 177	177	177	172	Personal Income (Mil. \$, Annual Rate)***	Dec. 12,851	12,875	12,904	11,705
Chemicals	Jan. 137	138	137	132	Manufacturing Payrolls	Jan. 241	241	244	205
Fabricated Metals	Jan. 164	164	164	158	Farm Cash Receipts	Dec. 147	123	132	152
Food	Jan. 116	115	112	115	PRODUCTION AND EMPLOYMENT				
Lbr., Wood Prod., Furn. & Fix.	Jan. 110	107	106	106	Nonfarm Employment†	Jan. 146	145	145	141
Paper	Jan. 126	126	126	121	Manufacturing	Jan. 140	140	139	135
Primary Metals	Jan. 130	134	130	135	Nonmanufacturing	Jan. 149	148	147	144
Textiles	Jan. 112	112	112	110	Construction	Jan. 154	147	145	145
Transportation Equipment	Jan. 198	197	194	187	Farm Employment	Jan. 64	59	48	64
Nonmanufacturing†	Jan. 145	144	144	141	Unemployment Rate (Percent of Work Force)†	Jan. 2.5	2.8	3.4	3.2
Construction	Jan. 141	136	130	130	Avg. Weekly Hrs. in Mfg. (Hrs.)	Jan. 41.0	41.3	40.9	39.6
Farm Employment	Jan. 63	62	60	66	FINANCE AND BANKING				
Unemployment Rate (Percent of Work Force)†	Jan. 3.2	3.5	3.9	3.7	Member Bank Loans	Jan. 324	321	309	276
Insured Unemployment (Percent of Cov. Emp.)	Feb. 1.9	1.9	2.0	2.1	Member Bank Deposits	Jan. 250	248	241	224
Avg. Weekly Hrs. in Mfg. (Hrs.)	Jan. 41.1	41.5	41.1	40.4	Bank Debits**	Jan. 266	268	269	237
Construction Contracts*	Jan. 290	209	226	196	LOUISIANA				
Residential	Jan. 268	270	233	224	INCOME				
All Other	Jan. 309	157	220	173	Personal Income (Mil. \$, Annual Rate)***	Dec. 9,444	9,399	9,377	8,679
Electric Power Production**	Dec. 153	153	150	152	Manufacturing Payrolls	Jan. 182	186	182	172
Cotton Consumption**	Dec. 100	107	101	120	Farm Cash Receipts	Dec. 156	170	150	150
Petrol. Prod. in Coastal La. and Miss.**	Jan. 206	242	215	265	PRODUCTION AND EMPLOYMENT				
FINANCE AND BANKING									
Loans*					Nonfarm Employment†	Jan. 134	132	132	132
All Member Banks	Jan. 301	299	296	266	Manufacturing	Jan. 123	122	123	120
Large Banks	Jan. 264	263	259	239	Nonmanufacturing	Jan. 136	134	134	134
Deposits*					Construction	Jan. 150	147	143	156
All Member Banks	Jan. 224	227	222	203	Farm Employment	Jan. 51	51	58	55
Large Banks	Jan. 189	193	190	181	Unemployment Rate (Percent of Work Force)†	Jan. 4.9	5.1	5.2	4.4
Bank Debits**	Jan. 244	243	242	213	Avg. Weekly Hrs. in Mfg. (Hrs.)	Jan. 41.7	40.9	40.5	42.5
ALABAMA									
INCOME									
Personal Income (Mil. \$, Annual Rate)***	Dec. 8,146	8,211	8,209	7,607	FINANCE AND BANKING				
Manufacturing Payrolls	Jan. 197	192	193	182	Member Bank Loans*	Jan. 247	249	242	235
Farm Cash Receipts	Dec. 123	125	105	113	Member Bank Deposits*	Jan. 178	181	179	170
PRODUCTION AND EMPLOYMENT									
Nonfarm Employment†	Jan. 129	129	128	128	Bank Debits**	Jan. 190	189	196	173
Manufacturing	Jan. 131	131	130	129	MISSISSIPPI				
Nonmanufacturing	Jan. 128	128	128	127	INCOME				
Construction	Jan. 119	124	124	120	Personal Income (Mil. \$, Annual Rate)***	Dec. 5,013	4,779	5,135	4,483
Farm Employment	Jan. 61	67	64	65	Manufacturing Payrolls	Jan. 257	254	255	226
Unemployment Rate (Percent of Work Force)†	Jan. 3.7	4.1	4.5	4.3	Farm Cash Receipts	Dec. 133	126	121	113
Avg. Weekly Hrs. in Mfg. (Hrs.)	Jan. 41.4	42.0	41.3	41.3	PRODUCTION AND EMPLOYMENT				
FINANCE AND BANKING									
Member Bank Loans	Jan. 272	270	267	247	Nonfarm Employment†	Jan. 147	146	145	144
Member Bank Deposits	Jan. 211	213	211	194	Manufacturing	Jan. 159	158	157	153
Bank Debits**	Jan. 223	227	219	205	Nonmanufacturing	Jan. 142	141	141	139
FLORIDA									
INCOME									
Personal Income (Mil. \$, Annual Rate)***	Dec. 19,971	19,834	19,886	17,490	Construction	Jan. 159	151	147	159
Manufacturing Payrolls	Jan. 303	299	293	264	Farm Employment	Jan. 57	51	52	60
Farm Cash Receipts	Dec. 151	188	162	160	Unemployment Rate (Percent of Work Force)†	Jan. 3.6	3.7	4.8	4.6
PRODUCTION AND EMPLOYMENT									
Nonfarm Employment†	Jan. 163	163	163	157	Avg. Weekly Hrs. in Mfg. (Hrs.)	Jan. 40.8	41.9	41.5	40.3
FINANCE AND BANKING									
Member Bank Loans*	Jan. 359	359	353	330	FINANCE AND BANKING				
Member Bank Deposits*	Jan. 254	256	253	241	Member Bank Loans*	Jan. 359	359	353	330
Bank Debits**	Jan. 242	231	251	217	Member Bank Deposits*	Jan. 254	256	253	241
					Bank Debits**	Jan. 242	231	251	217

	Latest Month	One Month Ago	Two Months Ago	One Year Ago	Latest Month	One Month Ago	Two Months Ago	One Year Ago	
TENNESSEE									
Nonmanufacturing					Jan.	138	136	136	135
Construction					Jan.	185	176	165	172
Farm Employment					Jan.	63	64	61	69
Unemployment Rate (Percent of Work Force)†					Jan.	3.0	3.7	4.1	3.9
Average Weekly Hours in Mfg. (Hrs.)					Jan.	40.0	40.9	40.9	39.2
INCOME									
Personal Income (Mil. \$, Ann. Rate)***					Dec. 10,191	10,160	10,171	9,361	
Manufacturing Payrolls					Jan.	227	225	221	200
Farm Cash Receipts					Dec.	111	137	120	104
PRODUCTION AND EMPLOYMENT									
Nonfarm Employment†					Jan.	143	141	140	139
Manufacturing					Jan.	151	151	149	149
Member Bank Loans*					Jan.	293	281	288	260
Member Bank Deposits*					Jan.	189	199	194	186
Bank Debits/**					Jan.	275	274	253	221

*For Sixth District area only. †Other totals for entire six states. **Daily average basis. ***Reflects revision of current monthly estimates to 1967 U.S. Dept of Commerce benchmarks. ‡Preliminary data. 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.

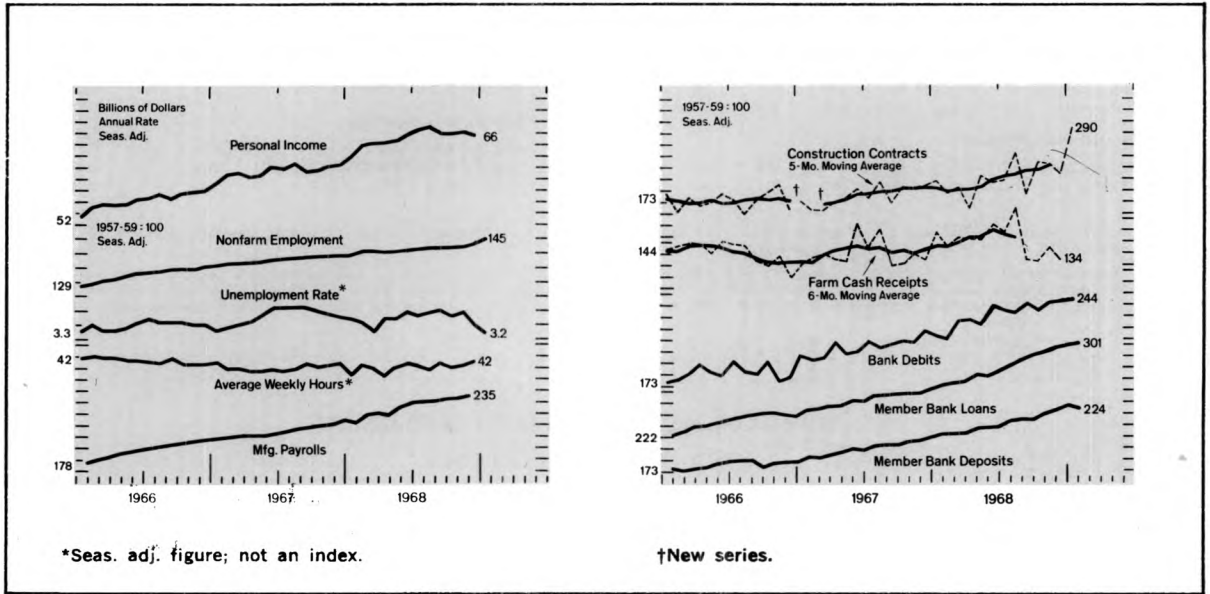
Debits to Demand Deposit Accounts

Insured Commercial Banks in the Sixth District (In Thousands of Dollars)

	Jan. 1969	Dec. 1968	Percent Change			Jan. 1969	Dec. 1968	Percent Change		
			Jan. 1968	Dec. 1968	Jan. 1968			Jan. 1968	Dec. 1968	Jan. 1968
STANDARD METROPOLITAN STATISTICAL AREAS†										
Birmingham	1,915,657	1,955,487	1,770,560r	-2	+8	102,692	110,727	98,588	-7	+4
Gadsden	69,095	72,245r	66,500	-4	+4	149,525	155,848	154,014	-4	-3
Huntsville	210,806	211,284	193,946	-9	+9	47,497	42,910	40,517	+11	+17
Mobile	600,148	563,284	571,223	+7	+5	81,615	81,864	66,926	-0	+22
Montgomery	367,563	349,973	320,277	+5	+15	29,977	32,338	24,251	-7	+24
Tuscaloosa	130,152	119,250	117,622	+9	+11	492,041	408,245	411,638	+21	+20
Ft. Lauderdale—						176,762	154,678	158,668	+14	+11
Hollywood	1,158,492	984,890	930,513	+18	+24	1,089,859	1,004,221	911,255	+9	+20
Jacksonville	1,997,372	1,906,911	1,690,593	+5	+18	86,031	71,432	81,796	+20	+5
Miami	3,593,128	3,446,050	2,996,284	+4	+20					
Orlando	744,943	744,943	748,594	-0	-1					
Pensacola	240,740	235,872	221,634	+2	+9					
Tallahassee	169,043	158,022	151,113	+7	+12					
Tampa—St. Pete.	2,165,087	1,882,774	1,752,034	+15	+24					
W. Palm Beach	668,973	586,477	582,167	+14	+15					
Albany	113,770	117,398	110,297	-3	+3					
Atlanta	6,456,435	6,302,666	5,626,301	+2	+15					
Augusta	309,357	323,733	304,065	-4	+2					
Columbus	272,884	280,097	243,019	-3	+12					
Macon	312,516	301,638	280,259	+4	+12					
Savannah	341,512	355,879	305,460	-4	+12					
Baton Rouge	665,322	643,606r	640,229	+3	+4					
Lafayette	189,446	155,548	150,118	+22	+26					
Lake Charles	193,125	174,208	179,819	+11	+7					
New Orleans	2,812,288	2,686,381	2,627,433	+5	+7					
Biloxi—Gulfport	132,737	129,088	112,722	+3	+18					
Jackson	759,490	776,593	692,575	-2	+10					
Chattanooga	766,233	712,181	662,433	+8	+16					
Knoxville	600,216	584,927	522,004	+3	+15					
Nashville	2,443,931	2,359,683	1,782,033	+4	+37					
OTHER CENTERS										
Anniston	77,813	80,062	67,836	-3	+15					
Dothan	79,751	75,327	71,196	+6	+12					
Selma	51,467	53,573	45,716	-4	+13					
Bartow	50,921	40,322	50,260	+26	+1					
Bradenton	121,804	89,318	102,749	+36	+19					
Brevard County	286,893	258,295r	270,656	+11	+6					
Daytona Beach	106,974	99,377	105,782	+8	+1					
Ft. Myers—										
N. Ft. Myers	145,207	142,853r	113,887	+2	+28					
Athens	104,144	98,526	92,594	+6	+12					
Brunswick	57,408	57,108	50,141	-4	+10					
Dalton	125,948	119,075	97,139	+6	+30					
Elberton	17,155	16,231	14,617	+6	+17					
Gainesville	78,393	80,294	75,285	-2	+4					
Griffin	39,181	42,176	37,567	-7	+4					
LaGrange	24,876	24,162	22,155	+3	+12					
Newnan	25,597	28,389	28,114	-10	-9					
Rome	88,054	93,907	76,308	+6	+15					
Valdosta	61,332	61,669	62,862	-1	-2					
Abbeville	17,817	16,135	14,186	+10	+26					
Alexandria	185,062	178,973	154,467	+3	+20					
Bunkie	8,825	9,537	8,610	-7	+2					
Hammond	43,277	39,973	38,828	+8	+11					
New Iberia	46,193	42,011	38,828	+10	+19					
Plaquemine	15,983	14,219	14,867	+12	+8					
Thibodaux	36,398	33,333	31,472	+9	+16					
Hattiesburg	71,718	63,153	62,267	+14	+15					
Laurel	40,305	45,602	37,517	-12	+7					
Meridian	81,213	81,487	72,613	-0	+12					
Natchez	47,927	45,840	41,063	+5	+17					
Pascagoula—										
Moss Point	83,931	74,345	70,150	+13	+20					
Vicksburg	48,694	43,925	44,119	+11	+10					
Yazoo City	34,670	27,690	31,326	+25	+11					
Bristol	91,008	84,499	85,146	+8	+7					
Johnson City	94,619	95,351	85,911	-1	+10					
Kingsport	186,410	179,495	163,574	+4	+14					
SIXTH DISTRICT, Total						40,879,928	38,876,054r	25,743,669	+5	+14
Alabama†	4,899,474	4,785,760r	4,504,700	+2	+9					
Florida‡	13,628,151	12,588,657r	11,710,724	+8	+16					
Georgia‡	10,103,330	9,922,169	8,971,922	+2	+13					
Louisiana†	4,905,958	4,636,651r	4,485,559	+6	+9					
Mississippi†	1,720,909	1,603,853	1,543,836	+7	+11					
Tennessee†	5,622,106	5,338,964	4,526,928	+5	+24					

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

District Business Conditions



Despite some indications that the consumer may be spending less heavily, inflationary pressures continue in the District economy. Employment continued to push upward; construction advanced sharply to a new high; and banks increased loans at a brisk pace. Farmers, having just completed a profitable year, concentrated on preparing for the forthcoming season.

Sharp increases in construction contract volume continued in January, accented by large gains in the nonresidential categories. Higher costs for building materials and shortages of construction labor continue widespread. Nevertheless, strong housing demand, reflecting the lowest vacancy rates in a decade, and large public projects underlie the sustained strength in construction.

Bank lending, especially to businesses, advanced rapidly in the first three weeks of February. With demand for loans remaining strong and deposit inflows tapering off, large banks have been moderate sellers of U. S. Government securities and have stepped up their borrowing from other commercial banks in the Federal funds market and from the Federal Reserve.

In January, nonfarm employment continued to rise at a brisk pace as manufacturing and non-manufacturing jobs registered moderately strong gains. While the unemployment rate edged down further, average weekly hours in manufacturing also declined fractionally. Reflecting the rapid pace of new job increases, manufacturing workers' payrolls registered further sizable gains. The two-month strike by the longshoremen's union ended in late February, and dock operations have reportedly resumed at virtually every District port.

Instalment lending at banks in January dropped sharply from the previous month. Most of the decline was concentrated in automobile loans, although new loans to finance nonauto purchases also dropped. Outstanding instalment credit rose, however, as repayments also declined and remained below new loan extensions. Personal income continued to rise at a brisk pace through December 1968. However, District consumers, like their national counterparts, probably received a smaller boost in income in January, partly reflecting the increase in social security taxes.

Plans for the new crop year dominate the District's agricultural activity. Some early soil preparations are taking place in the southern portions of the region, and early season vegetable crops are being planted. Prices for most major crops declined in December, but sharply higher returns from eggs have helped keep total farm receipts up. Preliminary estimates indicate that net income per farm in 1968 was higher in each state except Mississippi. Florida made the largest gain, reflecting very high receipts from citrus.

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