

BINDING

MONTHLY REVIEW

AN ECONOMIC SURVEY

**Federal Reserve Bank
of Atlanta**

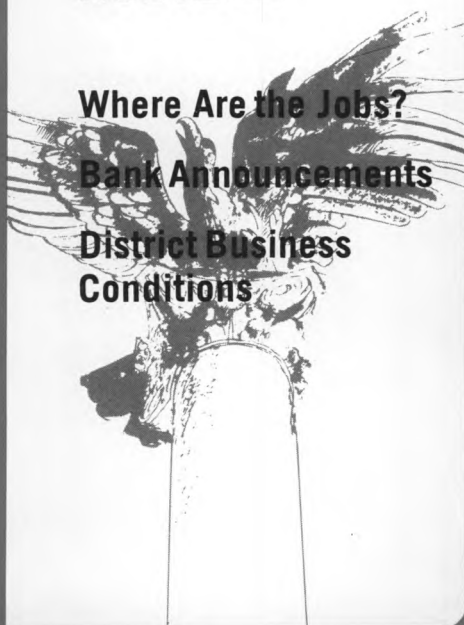
January 1977

INSIDE:

Where Are the Jobs?

Bank Announcements

**District Business
Conditions**



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FEATURES:

Where Are the Jobs? 3

A look at the Southeast's economic performance in 1976 reveals disappointing activity on the way to recovery. The big minus—lack of enough new jobs.

District Business Conditions 12

Bank lending, manufacturing income and construction have been looking better, and farm cash receipts are higher.

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BANK ANNOUNCEMENTS

June 18, 1976

THE CENTURY NATIONAL BANK OF PALM BEACH COUNTY

West Palm Beach, Florida

Converted to a national bank from Northwood Bank of West Palm Beach.

July 1, 1976

BARNETT BANK OF GAINESVILLE

Gainesville, Florida

Opened for business as a member. Officers: Allen L. Lastinger, Jr., President; Ronald E. Hall, vice president and cashier. Capital, \$500,000; surplus and other funds, \$500,000.

July 1, 1976

BARNETT BANK OF ORANGE PARK

Orange Park, Florida

Opened for business as a member. Officers: Burnis E. Harnage, president; Donald T. Pomar, vice president and cashier. Capital, \$625,000; surplus and other funds, \$625,000.

July 30, 1976

BANK OF DOOLEY

Vienna, Georgia

Opened for business as a par-remitting non-member.

August 28, 1976

CLAY COUNTY BANK

Celina, Tennessee

Opened for business as a par-remitting non-member.

October 29, 1976

WHITE COUNTY BANK

Cleveland, Georgia

Opened for business as a par-remitting non-member.

November 2, 1976

COMMERCIAL BANK OF CLAIBORNE COUNTY

Harrogate, Tennessee

Opened for business as a par-remitting non-member.

November 3, 1976

CITIZENS BANK OF GREENSBORO

Greensboro, Alabama

Opened for business as a par-remitting non-member.

November 13, 1976

CENTURY NATIONAL BANK

Jacksonville, Florida

Opened for business as a member. Officers: Melvyn L. White, president; Andy Ignatowicz, vice president/cashier. Capital, \$338,000; surplus and other funds, \$507,000.

WHERE ARE THE JOBS?

by William N. Cox, III

The most significant aspect of the Southeast's economy during 1976 was not what happened, but what failed to happen. The increase in jobs was disappointingly slow. An economy's ability to provide jobs for its work force is the acid test of success. Accordingly, the focus of this year's review of the southeastern economy will be on jobs and the influences which stifled their growth.¹

A year ago we reported:

In summary, this year (1976) could easily bring on continued recovery for the Southeast. We should be cautious, however, about expecting a quick reduction in unemployment in 1976. A recovery of the present moderate proportions will act only slowly on unemployment. Unemployment will, therefore, remain a problem, but should recede as the year progresses.²

We were right to be cautious about expecting a quick recovery. In the Southeast, as in the nation, convalescence has been far from rapid. We were also correct in thinking the region's unemployment rate would drop; it did. But it

dropped for the wrong reasons. It didn't decline because job growth was strong enough to pull it down, but because of a decrease in the labor force—those actively seeking jobs. Falling unemployment rates, therefore, are a false sign of what really happened in 1976. The real story lies in the lack of enough new jobs.

Between October 1975 and October 1976, the latest data available, the number of nonfarm jobs in the District states grew by nearly 80,000, or approximately one percent. The previous year there was a loss of five times that many jobs. Normally, a one-percent growth in nonfarm jobs would bring rising unemployment rates, since labor force growth in the Southeast has averaged about three percent, or 270,000, per year. The reason unemployment rates fell (from 9.0 to 7.6 October-to-October) was that the region's labor force actually fell by about 110,000. Reports from around the region suggest there was an unusual out-migration of workers in 1976, particularly from Florida. In the Southeast, as elsewhere in the country, women especially left the ranks of job-seekers in the face of discouraging job prospects. And, especially in Florida, a reported exodus of construction workers must have reduced that

¹References to Southeast are to states that are partly or entirely in the Sixth Federal Reserve District: Alabama, Florida, Georgia, Louisiana, Mississippi and Tennessee.

²Toal, William D., et al., "The Southeast's Economic Review and Outlook: A Slow Road to Recovery," this *Review*, 61 (January-February 1976) pp. 2-11.

state's work force. The labor force can shrink for a short period, as it did in 1976, but slow job growth cannot persist for long without pushing unemployment rates back up.

Among the District states, Florida's nonfarm employment was the slowest to recover, although it has been stronger in recent months. Tennessee's employment growth has been only slightly better, as the number of workers in both services and construction has declined sharply. Job reductions in Louisiana's manufacturing sector, mainly in durable goods and transportation equipment, offset gains in nonmanufacturing. Alabama, Georgia and Mississippi each posted moderate gains of about two percent over the number of 1975 employees. (These, too, are October-to-October data.)

Other broad indicators of regional economic activity paralleled the picture of slow job growth. Personal income in the six states grew about eight percent over the past year, but this represented little real growth in the face of a prevailing five- to six-percent rate of inflation. Bank debits and loans also grew slowly. Such subsidiary indicators as tax receipts and retail sales suggest the same pattern of languid recovery in real terms, which are what count when it comes to creating jobs.

What happened? Three broad conclusions emerge from our analysis. First, the sluggishness was diffused across both areas and industries, not concentrated in construction as much as it has been the previous year. Second, just as nationally, there was a distinct break in January 1976; the recovery in job growth was proceeding smartly until then. From October 1975 to January 1976 seasonally adjusted nonfarm employment rose 137,000, from January to April there was no significant change and from April 1976 to October 1976 it **declined** 51,000. This erratic pattern produced a net October-to-October increase of 83,000.

The third broad conclusion is that the disappointing job growth basically reflected demand, rather than supply, conditions. Production and employment in 1976 have been relatively unruffled by shortages of materials or machinery. Strikes in the auto and rubber industries had no significant effects, except perhaps in Georgia's transportation industry. Lack of credit availability has had little or no impact on jobs, although banks, confronted as they were by extensive loan write-offs, kept a close eye on loan quality.

EMPLOYMENT CHANGES IN THE SOUTHEAST

	Oct. '75- Jan. '76	Jan. '76- April '76	April '76- Oct. '76	Oct. '75- Oct. '76
Manufacturing	+ 51	+ 19	- 31	+ 39 (+2%)
Trade, Services and Finance	+ 49	- 3	- 6	+ 39 (+1%)
Government	+ 12	+ 10	- 6	+ 16 (+1%)
Transportation and Public Utilities	+ 11	+ 3	- 0	+ 14 (+3%)
Construction	+ 14	- 31	- 8	- 25 (-6%)
TOTAL NONFARM JOBS	+137	- 2	- 51	+ 83 (+1%)
FARM JOBS				+ 20 (+3%)*

Note: Changes reflect thousands of jobs, on a seasonally adjusted basis, according to the latest available data from the U. S. Department of Labor for the states of Alabama, Florida, Georgia, Louisiana, Mississippi and Tennessee.

*Estimated separately on the basis of quarterly Department of Agriculture data.

There has been no general shortage of labor, except in a few specialized fields, so employers have not had to deal with restricted supplies of productive resources.

The problem of low employment gains seems to have come from slowing demand for the products, since employers do not hire to produce unwanted goods. With this idea in mind, and with the attention on the question of disappointing job growth, here is a sector-by-sector examination of the region's economy in 1976. In this analysis, the focus is on the employment changes between October 1976 and the previous October, since the October data were the latest available at the time of this analysis.

MANUFACTURING

The manufacturing sector accounted for half of the region's gross increase in employment from October 1975 to October 1976. This overall increase of approximately 40,000 jobs was erratic. Employment grew by 51,000 between October 1975 and January 1976. Another 19,000 jobs were added between January and April, but this gain was more than offset by losses between April and October.

The manufacturing sector includes approximately two million jobs, 22 percent of total nonfarm employment in the Southeast, compared with 19 million jobs, 25 percent in

the United States. Slightly less than half of the region's jobs in this category are in non-durables: food, textiles, apparel, paper, publishing and chemicals. The rest are in durables: lumber, furniture, stone, metals, machinery and transportation equipment.

Durables jobs accounted for 28,000 of the total increase between October 1975 and October 1976, while nondurables accounted for 12,000. Also, these two sectors behaved differently within the period. Job growth in nondurables was greater through April, but there was a sharp drop in employment between April and October. Jobs in durables manufacturing dropped only slightly between April and October.

The biggest disappointment, then, came in the slump in nondurables jobs after April. There were job losses in every state of the region, primarily in textiles, apparel, paper, and chemicals—the same industries that posted large gains in late 1975 and early 1976. The major reason for this change in pattern was a nationwide overbuilding of nondurables inventories by early 1976, which mounted as expected sales increases failed to occur.

Durables sector figures look better because employment was steady between April and October 1976. Inventory problems in the durables industries were not as severe as in the nondurable class. Employment in all segments of durable manufacturing rose between October 1975 and April 1976, and was flat between April 1976 and October 1976.

TRADE, SERVICES AND FINANCE

This section covers employment in trade, in services and in finance, insurance and real estate. Together these industries contributed 39,000 jobs to the regional nonfarm employment rise between October 1975 and October 1976. But just as in manufacturing, the pattern was spasmodic: A gain of 49,000 jobs from October to January, a 3,000 decline from January to April and a 6,000 decline since April.

The recent dip was mostly in the trade sector, which has cut 14,000 jobs since April. Services lost that many jobs and more from January 1976 through August 1976, but the slippage was gradual rather than concentrated in the period since April. However, increases in September and October show services jobs

regaining January 1976 levels. The financial sector (finance, insurance and real estate), by comparison, has shown almost no changes in employment levels.

Trade, services and finance, insurance and real estate accounted for four million jobs, or 45 percent of the region's nonfarm employment. The individual industry shares are 23, 17 and five percent, respectively.

A closer look at the trade category shows that four states in our region (Alabama, Georgia, Tennessee and Mississippi) posted steady gains in trade employment throughout most of the year, although Mississippi and Alabama failed to match their normal patterns of seasonal increase. Tennessee's jobs have followed normal seasonal trends and Georgia's have gained at an above-normal rate. Louisiana has had almost no change in trade employment, which also results in a disappointing performance relative to seasonal norms.

Florida is the big exception. Employment in trade rose for several months ending in March 1976, but has since fallen to a lower level than during the recession. Although Florida trade employment normally declines during the autumn "off-season" for tourism, the softening is also evident in data adjusted for seasonal variation. This indicates that Florida's trade sector, which constitutes over one-third of trade employment in the Southeast, is still in a state of recession. The actual unadjusted decrease in trade jobs in Florida has been 27,000, as of October, compared to a 14,000 decrease regionwide.

Services employment in three states (Tennessee, Louisiana and Georgia) increased, but because of weakness in the summer months, fell below the usual seasonal gains. In some areas, this decline on an adjusted basis was attributed to the drain on tourist trade, resulting from local Bicentennial observations, although a general reduction in consumer expenditures may have played a role.

Here again, Florida employment performed weakly. Services employment there normally drops during the year, following the peak winter season. However, the declines in 1976 were greater than normal. As in the three other states, this decline was concentrated in the summer months.

The picture in finance was quite different. Jobs increased slowly in Alabama. In Louisiana, Mississippi and Florida employment was

virtually stagnant all year. Georgia and Tennessee continued to lose ground until autumn. Stability in Florida, which has nearly 40 percent of the District's finance, insurance and real estate jobs, followed steep, concentrated losses in 1974 and 1975 due to the severe slump in the construction and real estate business. Georgia's and Tennessee's losses reflect a continuing weakness in markets for real estate and associated financial services similar to, but more protracted than in Florida.

CONSTRUCTION

Of all the nonfarm sectors examined, construction was the only one posting an employment decline—25,000 jobs—between October 1975 and October 1976. So, the other sectors had to absorb 25,000 people from construction and provide 80,000 additions to the job total. This drop in construction was less than half that of the previous year.

The time pattern of construction job swings is similar to that of the other sectors. There was an increase of 14,000 from October to January, a loss of 31,000 from January to April and a further decline of 8,000 since April.

The District's construction employment, almost a half million, is only five percent of its total employment. Yet the industry has been a primary depressing factor in the District's overall employment performance in 1975 and 1976. The nation's construction industry, by comparison, employed an average of 3.4 million people during the first ten months of 1976; this is just over four percent of the total U. S. employment.

Construction contracts provide a key to these declines; contracts historically have influenced the level of construction employment, but their effect is not felt immediately. Fewer contracts during 1974 and 1975 meant fewer construction jobs through October 1976.

Residential unit contracts dropped sharply in 1975 before rebounding in the spring of 1976. These contracts are quite susceptible to local economic conditions. Continued high unemployment in most areas plus a surplus of single-family residences, condominiums and apartments in Florida and Georgia depressed residential construction well into 1976. Some speculative activity in residential

construction in Florida made matters worse there.

Nonresidential building contracts were down, too, by over 30 percent in 1975 (in terms of square footage). This category improved only slightly in 1976. These contracts are affected by both regional and national economic conditions. Contracts for stores, schools, churches and hospitals depend mainly on local factors, while contracts for manufacturing plants, office parks and hotels are more affected by regional and national economic conditions. There were fewer new contracts than usual in both 1975 and 1976, and employment sagged as projects were completed.

GOVERNMENT

The pattern of government job growth was much like that of other sectors during the past year. Employment grew most during the October 1975-January 1976 period. Job growth continued, albeit at a lesser pace, through April, then declined. Nevertheless, government was the only major sector in the region's economy to have a net addition to employment during the January-October 1976 period.

Employment by state and local government dominated the sector's picture. This category accounts for four-fifths of total government employment in the District and it accounted for all of the October-to-October change. In the April-October 1976 period, shrinkage in the state and local sector overcame a slight increase in federal government employment.

The pattern within the District was quite mixed. Alabama and Georgia accounted for nearly all of the gains in state and local government during the October-to-October period and between April and October 1976. On the other hand, Florida and Tennessee added sharp April-October 1976 decreases and moderate October 1975 to April 1976 declines to provide the region's negative figure for state and local government employment during the year.

Although there was some year-to-year growth in government employment in the region, this increase, like that of other sectors, was disappointing compared to previous years. Government employment has, in the past, grown somewhere between two and four percent. This year's increase of 15,000 jobs is less than one percent.

TRANSPORTATION, COMMUNICATION AND PUBLIC UTILITIES

Although the transportation, communication and public utilities industries account for only six percent of the region's employment, they accounted for more than 12 percent of the region's employment growth. Nearly all of the employment gains in transportation, communication and public utilities occurred between October 1975 and January 1976. After January, jobs in the sector leveled off and then dropped slightly between April and October 1976.

Although each state showed some year-to-year employment gains in these industries, Florida accounted for more than two-thirds of the region's total increase. Much of Florida's growth was prompted by increased tourism and a resurgence in airline passenger traffic. High automobile sales during most of the year accounted for much of the employment boost in the transportation industry in Georgia since trucks and trains had to transport the automobiles to dealers. A new South Central Bell computer center in Birmingham accounted for approximately 5,000 new jobs in Alabama. However, job losses elsewhere held the state's total increase to about 2,000.

WHAT ABOUT 1977?

The conclusion is that 1976 has been a disappointing year for the Southeast, both in the small number of jobs our region's economy has generated and in the summer and fall erosion of earlier job gains.

Looking ahead, with all the uncertainties of the current situation, we nevertheless expect job growth to be better in 1977. Here, and in the nation, there are signs of economic pickup, especially in retail sales. The region may still be hard-pressed to attain the kind of three-percent job growth it needs over the long run. It is unlikely, however, that the region's labor force will show another exceptional decline like the one this year. But the odds are that our work force will once again resume its normal growth. ■

AGRICULTURE

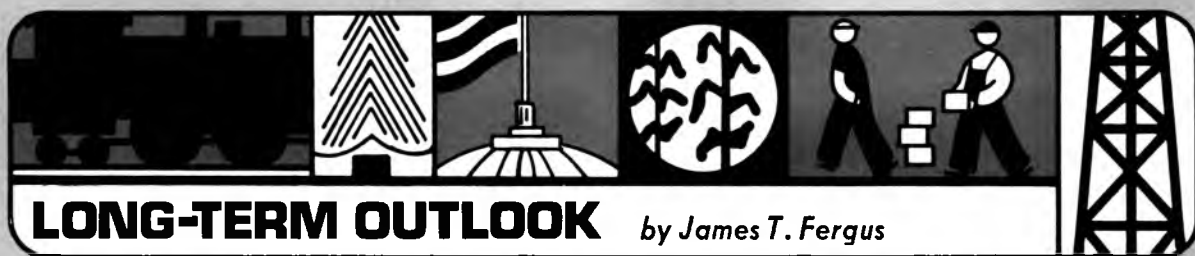
Unlike most of the nonfarm sector, employment in agriculturally-related activities has shown gains from the year-ago levels throughout 1976. Comparisons with nonfarm employment are hindered, however, by differences in methods of reporting farm and nonfarm employment. Basically, the Statistical Reporting Service (SRS) of the U. S. Department of Agriculture includes in farm employment numbers those individuals who perform a set minimum amount of work per week on farms regardless of the extent of their off-farm employment. This technique obviously allows for double counting of some employees and for the inclusion of some family workers under 16 years of age who are excluded in nonfarm employment data.

The problem of double counting may be less severe than this description suggests, however. During the survey week in January 1976, typically the lowest point of the year for farm employment, the average number of hours of farm work per week was 28.5 for family members and 36.9 for hired workers. This compared with an average factory workweek of 40.4 hours during January.

Farm employment in the District, as reported by SRS, averaged about 20,000 higher through the first three quarters of 1976 as compared with 1975. This average gain of between three and four percent occurred primarily in the cotton-producing states of Tennessee, Georgia, Alabama and Mississippi. In these states, sharp increases in planted cotton acreage, along with increased broiler output, dominated other changes in agricultural production.

The food processing industries employed an average of 1,800 workers more than in 1975. The gains were concentrated in those states where broiler and meat production has shown substantial growth. Unusually strong employment gains in Georgia were partially offset by declines in Florida and Louisiana. Both these states have felt the impact of depressed market conditions for sugar, and Louisiana has also suffered as rice prices have dropped.

Employment has varied from month to month during the year, even though it has remained above 1975's comparable levels. Jobs in food processing industries declined by nearly 4,000 workers from the recent peak in June to the low point in August, but most of that loss has since been recovered.



Many factors shape a region's economic progress. To locate the key changes underway in the Southeast, the Federal Reserve Bank of Atlanta has sought the opinions of a number of business and banking leaders. Their responses help provide an insight into the probable future course of the region's economy and indicate its weaknesses and strengths.

Population Migration. There is a continuing inflow of individuals seeking jobs. This group includes members of minority groups, whose previous net out-migration has been reversed during the 1970s as employment opportunities have improved. Because job seekers generally are skilled and well-motivated, they enhance the labor stock and contribute to economic growth. Within the region, persons in rural areas, drawn by broader occupational, cultural and social opportunities, are moving to the cities. This trend reduces the number of skilled laborers in rural areas. Third, retirees are still relocating in the Southeast, bringing income generated by other regions and, frequently, a transfer of accumulated capital, which boosts the financial base for regional economic growth.

Natural Resources. There is a variety of southeastern resources, including a superior climate, extensive forests and mineral deposits, but its plentiful water supply is the most fundamental requirement for the region's continued growth. Water from natural runoff and ground water storage is more abundant here than in most other parts of the country. Projections of water withdrawals and consumption relative to supplies in 1980 indicate a very favorable outlook for the Southeast.

Energy Resources. Here, as in other regions, there is a pinch stemming from unreliable natural gas supplies; users may be forced to switch to more expensive alternative fuels. Some parts of the region report adverse plant

location decisions as a result of potential shortages.

Recent Federal Energy Administration projections for the 1976-77 heating season anticipate high curtailments in five District states, but also show adequate alternative fuel supplies, if winter weather returns to normal. If severe weather continues, Tennessee and Georgia may experience shortages of some alternate fuels, primarily because of transportation system constraints. Louisiana has rich but diminishing natural gas and petroleum reserves. Alabama holds substantial reserves of oil and gas; exploration continues and new discoveries have been made recently. Abundant coal deposits also exist in central and northern Alabama.

A large oil "superport" has been approved for the Gulf of Mexico south of New Orleans. The facility will receive large quantities of imported oil, beginning around 1980. This flow should offset the decline in onshore production and help maintain the growth of refineries and secondary chemical industries in Louisiana. The potential remains great for increased production from offshore drilling along the Gulf and East Coasts. Finally, increasing research into solar energy as an alternative energy source may yield substantial benefits for the sunny Southeast.

Transportation. A variety of changes in transportation facilities underway in the Southeast will stimulate future economic growth. Upon its completion, the Tennessee-Tombigbee Waterway will join the Tombigbee River north of the port of Mobile with the Tennessee River, uniting 12 river systems which touch 23 states. The port of Mobile will then have an inland waterway connection to the Great Lakes. In addition, Birmingham's port facilities should expand as the water system's availability increases that city's importance as a regional distribution center.

A second major project is the effort to

improve the navigability of the Red River. This endeavor, underway and scheduled for completion by 1983, will undoubtedly stimulate industrial development. Construction work on the Cross Florida Barge Canal is partially complete; builders are awaiting decisions by the state government and federal courts.

Airports are expanding in several southeastern cities, including Atlanta, Orlando, Birmingham and Nashville, as growing air traffic demands larger facilities. Mass transit systems are being built or planned in Atlanta, Miami and Jacksonville. Incomplete portions of the interstate highway system will boost economic growth when they are finished.

Convention and Tourist Trade. The Southeast's bid for convention and trade show business has been strengthened by the recent opening of the World Congress Center in Atlanta. This convention facility, the site of the Jimmy Carter victory celebration, has 350,000 square feet of floor space in the main exhibit hall, as well as other extensive facilities. Opryland in Nashville is constructing a convention center to be completed in 1978. Walt Disney World near Orlando is adding an attraction with the flavor of a world's fair to maintain the growth of central Florida's tourist flow. Miami's tourist traffic has been down, but extensive redevelopment efforts are underway to maintain hotel quality and revitalize the downtown area. Extensive hotel, motel and restaurant construction is underway in New Orleans.

Agribusiness. Fresh produce has been the main output of District agriculture, but processed food production is now gaining in importance. Building an enlarged food processing sector on the present agricultural base should help stabilize the highly seasonal agribusiness employment. A second significant trend is the transformation of arable land into urban and industrial development, which reduces the acreage available for agricultural production and places a premium on higher productivity. However, substantial additional acreage is available in coastal land, as well as land now planted in forage crops and timber. This acreage can be cultivated if prices of agricultural products justify the costs of draining or clearing. There is an increasing emphasis on agricultural export markets.

International Commerce. Within the Southeast's banking and business communities, there is a growing awareness of opportunities in international trade, particularly with the Caribbean and Latin American countries. Miami continues to expand as an international financial center, and international banking departments are growing in other major southeastern cities. Free trade zones are being established or considered in several District states. Growth in this sector should be rapid in coming years.

National, State and Local Government. National environmental regulations greatly affect several key regional industries, including timber, pulp and paper, petroleum drilling and refining, chemicals and strip mining of phosphates and coal. The lack of a well-defined national energy policy creates uncertainty, which impedes progress in fuel-producing areas of the Southeast.

Most state governments in the region have established an atmosphere conducive to industrial and commercial growth. Growth has created complex problems for states and localities. Land use planning involves competing claims of residential, recreational, industrial and environmental interests. Tax structures must be modified if vital services are to obtain needed support. Public utility rate structures also present difficult choices. In some areas, coping with revenue, pollution and water supply problems may necessitate municipal consolidation or a regional approach to planning.

Labor Resources. In recent years, several southeastern states have stepped up their efforts to develop a skilled labor force. In Tennessee, a well-developed labor pool has permitted selectivity in planning industrial growth. Conversely, the job opportunities new industries provide have helped limit emigration of well-trained persons. Additional resources have been devoted to training, especially in vocational and technical schools, in several other states; but stronger efforts are needed to eliminate unevenness in educational achievement. Improved training is particularly vital in rural areas, where there is a continuous loss of better-educated workers to the cities. Despite these needs, some industries, such as textiles, still prefer the less costly, more responsive labor force in smaller towns.

SIXTH DISTRICT STATISTICS

Seasonally Adjusted

(All data are indexes, unless indicated otherwise.)

	Latest Month 1976	One Month Ago	Two Months Ago	One Year Ago
SIXTH DISTRICT				
INCOME AND SPENDING				
Manufacturing Income	Oct. 140.8	141.2	138.0	127.4
Farm Cash Receipts	Aug. 189.9	287.7	228.0	176.8
Crops	Aug. 165.0	480.3	290.4	151.6
Livestock	Aug. 200.9	215.6	211.8	184.9
Installment Credit at Banks* (Mil. \$)				
New Loans	Sept. 806	869	819	791
Repayments	Sept. 777	789	722	730
Retail Sales	Sept. 149.2	149.5	146.5	132.5
EMPLOYMENT AND PRODUCTION				
Nonfarm Employment	Oct. 106.7	106.5	106.1	105.7
Manufacturing	Oct. 97.3	97.7	96.8	95.4
Nondurable Goods	Oct. 98.4	98.9	98.0	97.4
Food	Oct. 97.5	96.4	95.7	97.4
Textiles	Oct. 95.4	95.4	95.3	93.9
Apparel	Oct. 94.4	96.2	97.3	95.1
Paper	Oct. 99.2	99.2	98.8	96.1
Printing and Publishing	Oct. 106.0	106.2	106.0	103.7
Chemicals	Oct. 103.8	104.4	104.6	102.4
Durable Goods	Oct. 95.9	95.3	95.3	92.9
Libr., Woods Prods., Furn. & Fix.	Oct. 88.9	89.7	87.3	86.3
Stone, Clay, and Glass	Oct. 89.0	91.6	91.0	91.6
Primary Metals	Oct. 97.5	98.5	98.2	91.9
Fabricated Metals	Oct. 94.6	94.9	94.8	94.9
Machinery	Oct. 107.9	108.1	107.8	102.8
Transportation Equipment	Oct. 93.3	93.8	91.4	89.8
Nonmanufacturing	Oct. 109.6	109.2	109.0	109.0
Construction	Oct. 82.0	81.1	80.3	86.4
Transportation	Oct. 104.6	104.3	104.3	102.1
Trade	Oct. 107.9	107.6	107.8	106.9
Fin., ins., and real est.	Oct. 113.9	113.3	112.9	113.2
Services	Oct. 117.8	116.9	116.3	116.4
Federal Government	Oct. 106.8	107.1	106.6	106.6
State and Local Government	Oct. 118.1	118.4	119.0	116.9
Farm Employment	Sept. 91.9	94.5	97.5	90.5
Unemployment Rate (Percent of Work Force)	Oct. 7.6	7.6	7.8	9.0
Insured Unemployment (Percent of Gov. Emp.)	Oct. 3.8	3.8	3.8	4.8
Average Weekly Hours in Mfg. (Hrs.)	Oct. 40.3	39.3	40.4	40.3
Construction Contracts*	Oct. 310	174	190	180
Residential	Oct. 166	168	184	143
All Other	Oct. 451	179	195	216
Cotton Consumption**	Sept. 70.1	74.9	65.3	73.4
Petroleum Production**	Oct. 87.5	88.0	86.6	90.9
Manufacturing Production	Sept. 150.4	147.9	148.0	145.9
Nondurable Goods	Sept. 148.3	145.6	146.3	147.0
Food	Sept. 127.2	125.0	126.8	128.2
Textiles	Sept. 147.7	146.7	149.7	145.5
Apparel	Sept. 124.2	124.8	126.9	130.4
Paper	Sept. 146.7	146.6	146.0	140.7
Printing and Publishing	Sept. 130.5	129.6	129.6	128.4
Chemicals	Sept. 166.8	165.3	163.9	161.7
Durable Goods	Sept. 153.8	151.7	150.8	144.3
Lumber and Wood	Sept. 164.6	163.1	162.1	150.0
Furniture and Fixtures	Sept. 133.8	133.5	133.5	137.5
Stone, Clay, and Glass	Sept. 143.2	140.5	138.8	146.3
Primary Metals	Sept. 105.4	104.1	104.1	102.6
Fabricated Metals	Sept. 109.0	109.8	111.8	113.5
Nonelectrical Machinery	Sept. 164.5	159.8	157.9	145.7
Electrical Machinery	Sept. 263.2	259.0	254.9	231.3
Transportation Equipment	Sept. 153.1	151.5	150.7	139.8

FINANCE AND BANKING

Loans*				
All Member Banks	Nov. 284	282	277	266
Large Banks	Nov. 224	222	220	226
Deposits*				
All Member Banks	Nov. 243	239	237	226
Large Banks	Nov. 204	199	197	197
Bank Debits**	Oct. 363	368r	370r	313r

ALABAMA

INCOME				
Manufacturing Income	Oct. 147.4	144.5	139.6	130.2
Farm Cash Receipts	Aug. 232.2	304.9	267.9	219.2
EMPLOYMENT				
Nonfarm Employment	Oct. 110.6	110.4	108.9	108.1
Manufacturing	Oct. 100.0	100.1	98.1	97.7
Nonmanufacturing	Oct. 115.3	115.0	113.7	112.7
Construction	Oct. 122.4	122.4	121.7	123.1
Farm Employment	Sept. 108.2	117.7	116.7	110.1

Unemployment Rate

(Percent of Work Force)***	Oct. 6.6	6.8	7.0	7.7
Average Weekly Hours in Mfg. (Hrs.)	Oct. 40.9	40.1	40.5	40.2

FINANCE AND BANKING

Member Bank Loans	Nov. 309	308	304	271
Member Bank Deposits	Nov. 251	251	247	230
Bank Debits**	Oct. 342	346	332	295

FLORIDA

INCOME

Manufacturing Income	Oct. 140.5	140.0	137.6	124.6
Farm Cash Receipts	Aug. 197.2	442.4	240.1	124.1

EMPLOYMENT

Nonfarm Employment	Oct. 109.2	108.9	109.1	108.8
Manufacturing	Oct. 99.2	98.7	97.9	95.6
Nonmanufacturing	Oct. 110.8	110.5	110.9	111.0
Construction	Oct. 63.5	62.4	61.8	70.7
Farm Employment	Sept. 98.6	99.2	107.8	100.1
Unemployment Rate (Percent of Work Force)***	Oct. 9.4	9.9	9.6	11.3
Average Weekly Hours in Mfg. (Hrs.)	Oct. 40.5	40.0	40.7	40.1

FINANCE AND BANKING

Member Bank Loans	Nov. 306	300	297	285
Member Bank Deposits	Nov. 268	264	264	250
Bank Debits**	Oct. 382	380r	404r	324

GEORGIA

INCOME

Manufacturing Income	Oct. 130.8	132.7	128.8	123.1
Farm Cash Receipts	Aug. 132.3	264.8	202.8	111.6

EMPLOYMENT

Nonfarm Employment	Oct. 103.2	103.1	102.7	101.6
Manufacturing	Oct. 95.3	95.9	94.9	92.9
Nonmanufacturing	Oct. 106.3	105.8	105.7	104.9
Construction	Oct. 74.0	73.0	72.2	75.9
Farm Employment	Sept. 106.2	115.7	112.8	102.3
Unemployment Rate (Percent of Work Force)	Oct. 6.1	6.2	6.5	8.3
Average Weekly Hours in Mfg. (Hrs.)	Oct. 39.6	36.2	40.0	40.2

FINANCE AND BANKING

Member Bank Loans	Nov. 257	258	250	244
Member Bank Deposits	Nov. 211	200	198	194
Bank Debits**	Oct. 436	442	432	363r

LOUISIANA

INCOME

Manufacturing Income	Oct. 145.7	147.0	142.2	131.7
Farm Cash Receipts	Aug. 191.0	200.8	209.4	351.6

EMPLOYMENT

Nonfarm Employment	Oct. 106.2	106.1	105.1	105.7
Manufacturing	Oct. 100.8	101.2	101.2	100.6
Nonmanufacturing	Oct. 107.2	107.0	105.8	106.6
Construction	Oct. 104.3	104.0	101.9	103.7
Farm Employment	Sept. 67.8	71.8	76.7	71.4
Unemployment Rate (Percent of Work Force)***	Oct. 7.7	7.3	7.7	7.6
Average Weekly Hours in Mfg. (Hrs.)	Oct. 41.4	41.5	41.2	41.3

FINANCE AND BANKING

Member Bank Loans*	Nov. 255	249	245	253
Member Bank Deposits*	Nov. 229	227	220	211
Bank Debits**	Oct. 289	301	295	279r

MISSISSIPPI

INCOME

Manufacturing Income	Oct. 160.6	157.0	159.0	142.7
Farm Cash Receipts	Aug. 252.3	279.3	276.6	200.8

EMPLOYMENT

Nonfarm Employment	Oct. 106.9	106.5	106.7	105.2
Manufacturing	Oct. 99.3	99.5	99.2	97.8
Nonmanufacturing	Oct. 110.5	109.9	110.3	108.7
Construction	Oct. 102.5	100.8	99.4	99.7
Farm Employment	Sept. 78.3	73.5	87.4	67.8

		Latest Month 1976	One Month Ago	Two Months Ago	One Year Ago
Unemployment Rate (Percent of Work Force)***	Oct.	6.3	5.9	6.3	5.6
Average Weekly Hours in Mfg. (Hrs.)	Oct.	39.6	39.2	39.8	39.9

FINANCE AND BANKING

Member Bank Loans*	Nov.	290	286	284	259
Member Bank Deposits*	Nov.	251	247	244	228
Bank Debits**	Oct.	327	326	330	267

TENNESSEE

INCOME

Manufacturing Income	Oct.	136.1	139.2	136.0	124.7
Farm Cash Receipts	Aug.	227.0	247.8	256.2	163.3

*For Sixth District area only; other totals for entire six states

***Seasonally adjusted data supplied by state agencies.

**Daily average basis

†Preliminary data

‡Revised

N.A. Not available

Note: All indexes: 1967 = 100, except mfg. income, employment, and retail sales, 1972 = 100.

Sources: Manufacturing production estimated by this Bank; nonfarm, mfg. and nonmfg. emp., mfg. income 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 Div., McGraw-Hill Information Systems Co.; pet. prod., U.S. Bureau of Mines; 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.

†Data have been bench marked and new trading day factors and seasonal factors computed using December 31, 1974 and June 30, 1975 Report of Condition data as bases.

*Partially estimated

EMPLOYMENT

Nonfarm Employment	Oct.	103.9	103.8	103.4	103.8
Manufacturing	Oct.	94.1	95.3	94.4	93.2
Nonmanufacturing	Oct.	108.9	108.2	108.1	109.2
Construction	Oct.	81.3	80.0	80.3	92.5
Farm Employment	Sept.	99.9	96.9	96.1	101.3
Unemployment Rate (Percent of Work Force)	Oct.	7.3	7.2	7.2	8.6
Average Weekly Hours in Mfg. (Hrs.)	Oct.	40.2	40.3	40.6	40.3

FINANCE AND BANKING

Member Bank Loans*	Nov.	281	284	278	272
Member Bank Deposits*	Nov.	234	235	232	224
Bank Debits**	Oct.	306	320r	316	273

DEBITS TO DEMAND DEPOSIT ACCOUNTS

Insured Commercial Banks in the Sixth District

(In Thousands of Dollars)

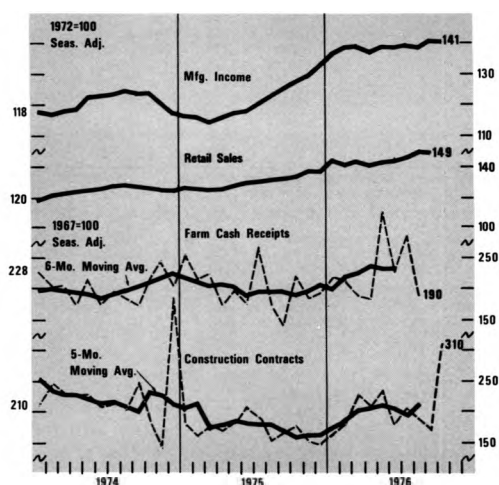
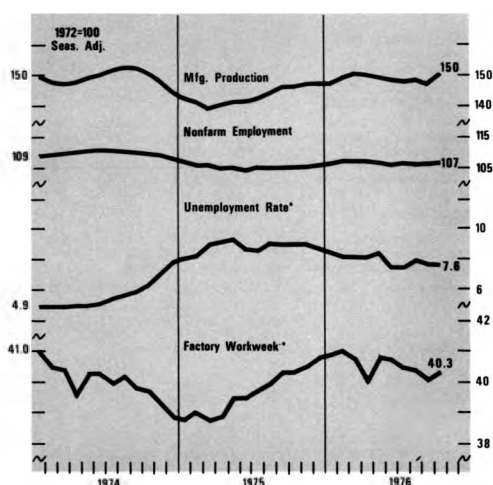
Percent Change							Percent Change						
		Oct. 1976		Year to date 10 mos. from 1976					Oct. 1976		Year to date 10 mos. from 1976		
	Oct. 1976	Sept. 1976	Oct. 1975	Sept. Oct. 1976	Oct. 1975	from 1975		Oct. 1976	Sept. 1976	Oct. 1975	Sept. Oct. 1976	Oct. 1975	from 1975
STANDARD METROPOLITAN STATISTICAL AREAS ¹													
Birmingham	5,981,708	6,324,868	5,295,585	- 5	+13	+13	Dothan	311,930	278,497	248,959	+12	+25	+20
Gadsden	141,923	129,082	118,183	+10	+20	+16	Selma	101,459	99,596	94,763	+ 2	+ 7	+15
Huntsville	491,612	462,776	420,280	+ 6	+17	+15	Bradenton	196,766	196,271	191,130	+ 0	+ 3	+ 5
Mobile	1,459,636	1,372,425	1,420,435	+ 6	+ 3	+ 0	Monroe County	102,826	81,850	91,303	+26	+13	-14
Montgomery	1,029,233	975,452	950,575	+ 6	+ 8	+26	Ocala	207,585	213,687	223,762	- 3	- 7	+ 1
Tuscaloosa	290,447	299,031	312,439	- 3	- 7	+ 6	St. Augustine	45,146	48,054	43,554	- 6	+ 4	+ 8
							St. Petersburg	1,144,590	1,163,695	1,045,086	- 2	+10	+10
							Tampa	2,335,784	2,365,333	2,315,582	- 1	+ 1	+ 7
Bartow-Lakeland-													
Winter Haven	878,124	900,643	885,125	- 3	- 1	+ 9	Athens	192,282	194,354	181,964	- 1	+ 6	+12
Daytona Beach	478,259	482,221	486,643	- 1	- 2	+ 8	Brunswick	116,817	117,046	123,126	- 0	- 5	+ 4
Ft. Lauderdale-							Dalton	205,583	212,326	204,466	- 3	+ 1	+19
Hollywood	2,559,073	2,467,236	2,066,199	+ 4	+28	+30	Elberton	32,365	33,379	34,665	- 3	- 7	+16
Ft. Myers	429,176	431,359	415,288	- 1	+ 3	+ 2	Gainesville	207,592	203,730	194,471	+ 2	+ 7	+13
Gainesville	313,418	342,727	291,178	- 9	+ 8	+ 8	Griffin	84,676	81,958	75,603	+ 3	+12	+12
Jacksonville	5,808,809	6,089,229	5,507,199	- 5	+ 5	+26	LaGrange	48,543	42,065	45,690	+15	+ 6	+14
Melbourne-							Newnan	56,597	57,045	51,468	- 1	+10	+15
Titusville-Cocoa	389,436	414,551	419,751	- 6	- 7	+ 2	Rome	168,240	173,562	222,581	- 3	-24	+ 2
Miami	9,503,391	9,044,039r	7,693,450	+ 5	+24	+17r	Valdosta	125,414	128,712	134,590	- 3	- 7	+ 9
Orlando	2,013,404	1,991,471	1,727,354	+ 1	+17	+19							
Pensacola	719,728	723,782	754,454	- 1	- 5	+29	Abbeville	21,825	22,552	20,682	- 3	+ 6	+ 8
Sarasota	499,368	464,616	441,839	+ 7	- 8	- 4	Bunkie	17,494	14,860	25,801	+18	-32	-11
Tallahassee	1,098,451	999,426	1,374,309	+10	-20	+ 0	Hammond	93,367	93,857	91,505r	- 1	+ 2	- 5r
Tampa-St. Pete	4,502,816	4,542,474	4,381,173	- 1	+ 3	+ 7	New Iberia	101,842	100,987	91,511	+ 1	+11	+14
W. Palm Beach	1,279,436	1,150,131	1,087,098	+11	+18	+ 8	Plaquemine	34,216	33,623	29,202	+ 2	+17	- 6
							Thibodaux	63,144	63,419	68,529	- 0	- 8	- 2
Albany	229,959	223,598	220,528	+ 3	+ 4	+ 7							
Atlanta	26,070,462	25,863,625	22,968,416	+ 1	+14	+14	Hattiesburg	166,954	181,403	172,893	- 8	- 3	+13
Augusta	856,780	828,518	612,865	+ 3	+40	+18	Laurel	98,130	93,683	93,346	+ 5	+ 5	+15
Columbus	539,620	556,398	501,686	- 3	+ 8	+11	Meridian	163,959	149,204	148,180	+10	+11	+ 9
Macon	856,034	824,075	842,058r	+ 4	+ 2	+ 1	Natchez	70,862	72,856	70,733	- 3	+ 0	+15
Savannah	1,399,851	1,408,458	1,104,940	- 1	+27	+36	Pascagoula-						
Alexandria	380,721	376,643	331,883	+ 1	+15	+10	Moss Point	143,606	168,037	160,272	-15	-10	- 0
Baton Rouge	2,053,822	2,169,237	2,357,878	- 5	-13	+ 0	Vicksburg	126,490	88,241	110,520	+43	+14	+18
Lafayette	461,389	491,361	459,472	- 6	+ 0	+13	Yazoo City	62,399	48,427	63,585	+29	- 2	- 2
Lake Charles	373,392	356,524	313,878	+ 5	+19	+14							
New Orleans	5,988,388	6,205,510	5,962,506	- 3	+ 0	+ 7	Bristol ²	236,312	258,500	140,124	- 9	+69	+54
							Johnson City	168,793	171,748	201,883	- 2	-16	- 0
							Kingsport	390,912	396,999	389,390	- 2	+ 0	+19
Biloxi-Gulfport	380,447	358,527	328,026	+ 6	+16	+21	DISTRICT TOTAL	109,346,603	109,344,696r	99,506,873r	+ 0	+10	+14r
Jackson	2,328,632	2,302,931	1,849,055	+ 1	+26	+22	Alabama	13,407,249	13,461,791	12,133,051	- 0	+11	+12
Chattanooga	1,360,181	1,343,422	1,333,272	+ 1	+ 2	+ 3	Florida	33,260,550	32,660,427r	30,061,411	+ 2	+11	+15r
Knoxville	1,744,458	1,718,779	1,749,895	+ 1	- 0	+ 8	Georgia	34,629,051	34,630,845	30,538,505r	- 0	+13	+13
Nashville	5,190,935	5,491,152r	4,729,525	- 5	+10	+12r	Louisiana ¹	11,116,381	11,523,119	11,257,903r	- 4	- 1	+ 6r
							Mississippi ¹	4,610,356	4,498,300	3,943,951	+ 2	+17	+19
OTHER CENTERS							Tennessee ¹	12,323,016	12,570,214r	11,572,052	- 2	+ 6	+11r
Anniston	156,209	156,316	148,472	- 0	+ 5	+15							

¹District portion only.

²Conforms to SMSA definitions as of December 31, 1972.

*Changes reflect structural changes in series.

DISTRICT BUSINESS CONDITIONS



*Seas. adj. figure; not an index.

Latest plotting: October, except mfg. production and retail sales, September, and farm cash receipts, August.

The region's economy shows further signs of improvement. Bank lending, manufacturing income and construction activity have picked up. Higher prices for cotton and soybeans and larger marketings of livestock boosted farm cash receipts. The impact of auto strikes and shortages kept retail sales flat. Employment gained slightly and the unemployment rate remained stable.

Manufacturing income took off in September from a seven-month long plateau but leveled off in October. Department stores posted strong sales gains. A sharp drop in auto registrations, reflecting the temporary impact of strikes and shortages, caused retail sales to remain flat. Extensions of bank consumer installment credit fell in all categories; credit and personal loans registered the greatest declines.

Loan demand has strengthened at regional banks. At the larger banks, business loans have increased nearly \$200 million since September. The largest gains concentrated in loans to firms engaged in transportation, wholesale and retail trade and services. Borrowing by manufacturing firms has declined. Very strong time and savings deposit inflows have continued at District banks. These banks have stepped up their purchases of Treasury securities, especially coupon issues offered at the mid-November Treasury refunding. Most large banks maintained a 6-1/2-percent prime rate through early December. Discount activity is confined to several small banks taking advantage of the seasonal borrowing privilege.

The value of construction contracts rose sharply as soaring nonresidential contracts overcame a slight dip in the residential sector. The decline in the residential sector was the second in as many months.

A very large contract for an electric generating plant in Louisiana plus several large contracts for hospitals, office buildings and manufacturing plants pushed that sector to a record high. October inflows at the region's savings and loan associations continued their strong September performance.

The economic situation of farmers was varied in mid-November. Preliminary data showed livestock prices declining further from October's level; hog prices led the slide. The adverse impact on producers was partially buffered by lower feed prices. Egg prices, bucking the trend, increased from mid-October levels. In the crop sector, brisk demand in the face of limited supplies contributed to higher cotton and soybean prices. Cash receipts continued to show gains from year-ago levels because of higher crop prices and increased marketings of major products in the livestock sector.

The District's unemployment rate remained unchanged in October, holding at 7.6 percent. Unemployment rate declines in Alabama, Florida and Georgia were matched by increases in Louisiana, Mississippi and Tennessee. Both nonfarm jobs and the labor force posted slight gains. Declines in manufacturing jobs were offset by sizable gains in construction and service jobs. Factory hours increased.

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