

MONTHLY REVIEW

IN THIS ISSUE:

- Spending — Slowing Down?
- Louisiana: Some Puzzling Economic Trends
- Index for the Year 1968
- District Business Conditions



FEDERAL RESERVE BANK OF ATLANTA

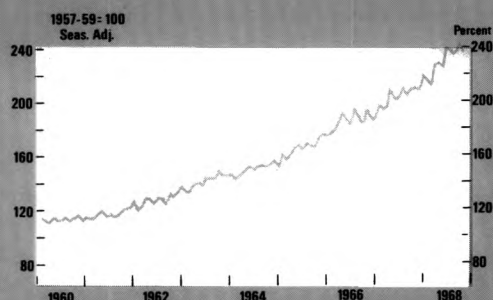
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Spending—Slowing Down?

The recent course of the economy has been confounding the experts. Many expected business activity to slow down on the heels of the tax increase in July. Instead, the economy has shown a substantial degree of strength.

The Southeast has shared in the spurt of economic activity during the third quarter. But, more recently, signs of a reduced pace have appeared. One such piece of evidence is the recent behavior of bank debits. As the name implies, debits represent deductions or charges to checking accounts of individuals, businesses, and state and local governments at insured commercial banks. Since most payments for goods and services are made by check, this indirect measure of spending is watched closely as an indication of economic conditions in an area. Because debits also include financial transfers, they are not the best measure of spending for goods and services. This imperfection often shows up in the debits figures for a local area for single months when an especially large financial transaction, such as a bond issue,

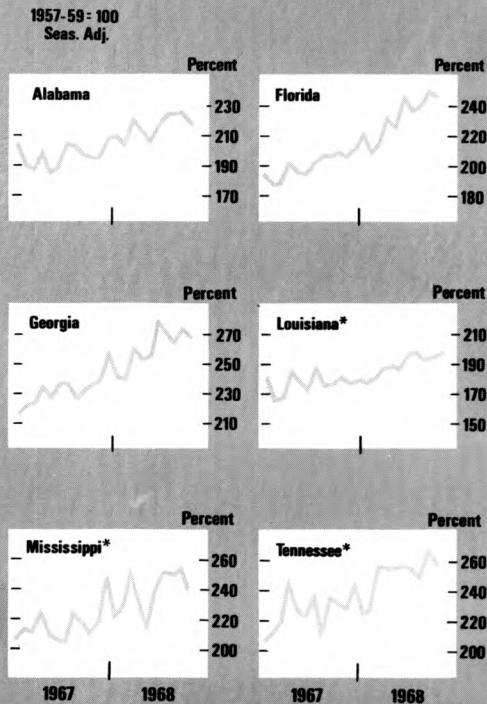
Bank debits in the District continue on an up-trend, despite recent signs of slowing down.



occurs. Nevertheless, they are an important gauge of economic activity.

Bank debits in the District as a whole have increased little since July, after taking into ac-

The recent slowdown in checkbook activity is evident in varying degrees in every state.

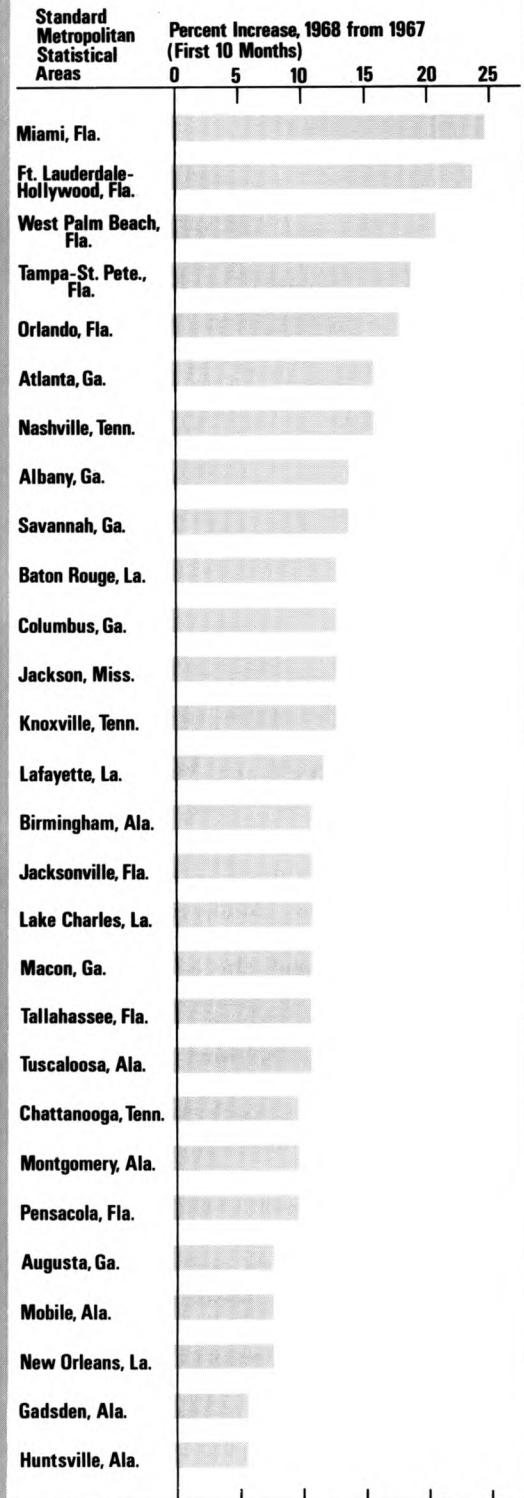


*Sixth District portion of state.

count normal seasonal changes. Debits in October, in fact, dipped sharply to the July level. The chart above shows widespread differences among each of the six states. Checkbook spending in Alabama, Georgia, and the District parts of Louisiana and Mississippi have declined irregularly in recent months. By this measure, economic conditions have softened in those areas. In Florida and the District part of Tennessee, on the other hand, check spending in October was higher than in July.

These statewide differences mirror the variations of local business throughout the region. Despite recent dips, debits so far in 1968 have been considerably greater than in 1967 in every major area. And, as the table on page 167 shows, all but two of the District's smaller trade centers have recorded an increase in debits during 1968. This suggests that economic activity in practically every area of the Southeast is still more ebullient than last year even though, more recently, the underlying tone has been less boomy. If the economy does decelerate more than it has so far, we can expect this additional change to show up in the local bank debits figures in the future.

All standard metropolitan statistical areas report bank debits substantially above 1967 levels.



Louisiana: Some Puzzling Economic Trends

In our last report on Louisiana's economy,¹ major indicators were outpacing trends in the U. S. economy, which was going through a period of readjustment. Since mid-1967, however, Louisiana's economy has advanced somewhat erratically, despite the boom in the national economy. Thus, the Pelican state once again has tended to follow its own particular economic path.

Pieces of the Puzzle

Nonagricultural employment, one of the more important measures of economic activity, typifies the current state of economic affairs in Louisiana. Following a strong uptrend, this indicator (after adjustment for seasonal movements) decelerated in the last half of 1967, and since early this year, has shown no definite trend.

The lethargic behavior of employment appears to have pervaded most sectors of activity. For instance, manufacturing jobs inched up very modestly, following healthy gains in early 1967. Employment in most individual manufacturing industries stood fast or declined in the first three quarters of 1968. Only food and kindred products, chemicals, transportation equipment, and machinery industries achieved significant employment gains. The strength in the food and kindred

products industries is rather surprising in view of the longer-run shrinkage of these industries' share of Louisiana's total employment. The growth of chemicals, of course, reflects the upsurge in petrochemicals, so closely linked to the rapid growth of petroleum extraction in the state. Shipbuilding boosted the transportation industry's employment level and apparently helped to offset the dropoff in rocket assembly activity at the Michoud space facility in New Orleans. This facility, which employed about 8,500 persons in mid-1967, currently has approximately 6,300 persons on its payroll.

The inertia of employment this year has been even more pronounced in nonmanufacturing activity than in manufacturing. A leveling off of construction activity, which experienced a large boom during 1965 and 1966, had a major impact on this category of employment. Labor problems have plagued this industry in Louisiana in the past year.

Service industries, an even larger source of jobs than construction, also revealed some softness.

On the other hand, the high level of port activity in New Orleans, particularly in imports, served to offset some difficulties the port has been experiencing, thereby achieving some small gains for the transportation and public utilities sector. The governmental sector, especially state

¹"Louisiana: An Independent Economic Path?" *Monthly Review*, September 1967, pp. 123-25.

and local government, made the best showing in job growth, thereby continuing a long-term trend. Most other areas experienced only minor changes.

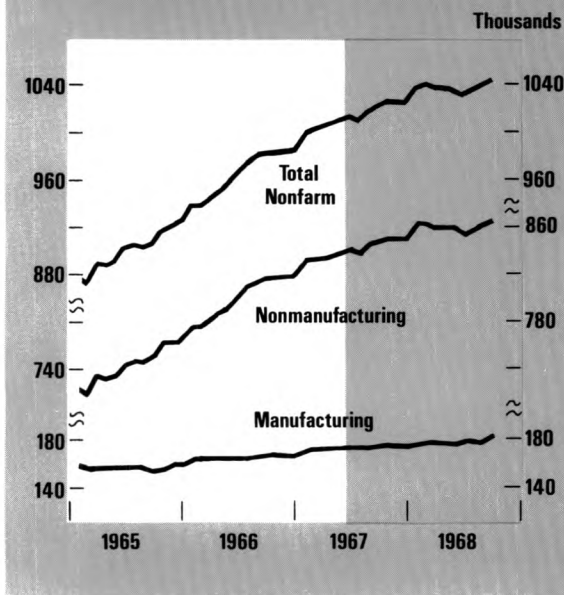
Wages and salaries in most sectors made moderate gains despite relatively small increases in employment in many of these sectors. Still, the rate of increase in earnings was slowed by the lackadaisical job growth. Weakness in the growth of total wages and salaries in construction reflected the sag in this industry's employment.

Financial Trends

Financial trends confirm a milder pace of economic activity in the state. Since mid-1967, bank loans of Sixth District member banks expanded at a reduced pace until a short spurt began this summer. In addition, bank debits in recent months failed to rise, although the growth trend of member bank deposits remained unchanged. Nevertheless, an examination of bank loans and deposits in different trade and banking areas suggests that the trend in economic activity varied appreciably.

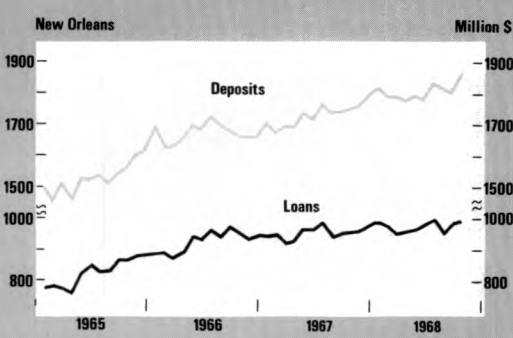
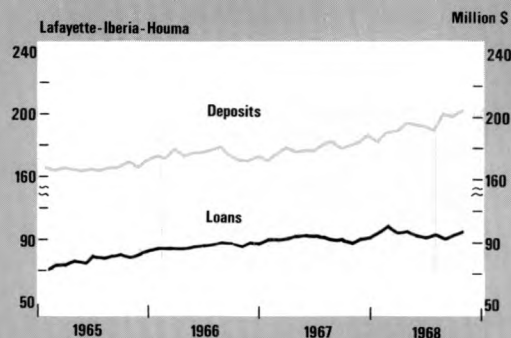
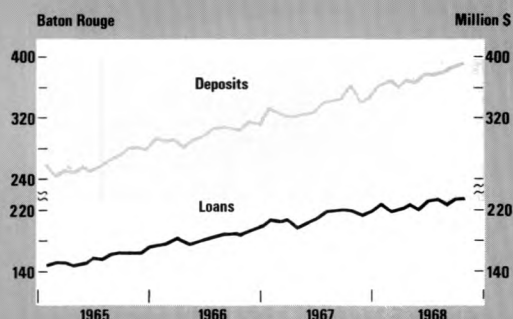
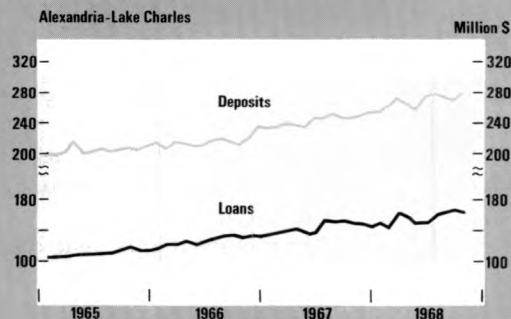
Bank loans in the New Orleans area have fluctuated considerably since mid-1967 without indicating any definite trend. The listless performance of total bank loans in the Sixth District portion of Louisiana is owed to New Orleans's

Since mid-1967, growth in nonfarm employment has decelerated.



very large share of total loans. Bank loans in the Lafayette-Iberia-Houma area also moved erratically, especially in 1968. Loans continued ex-

Trade and Banking Areas*



*Member bank figures.

panding in the Baton Rouge and Alexandria-Lake Charles areas, suggesting a brisker pace of economic activity in those areas.

The relative growth of bank deposits among the different areas paralleled somewhat the behavior of bank loans. Again, the deceleration of deposit growth in New Orleans, until late summer, slowed down the deposit growth for all Louisiana District member banks in 1968. Deposit expansion in the Lafayette-Iberia-Houma

area performed better than loan growth. The Baton Rouge and Alexandria-Lake Charles areas were pacesetters in deposits as well as in loans.

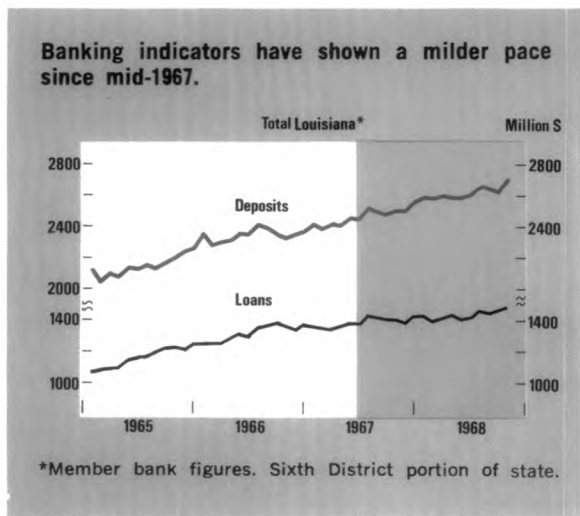
Future Prospects

Some of the current spottiness in Louisiana's economy could well continue, although, on balance, prospects are reasonably good for an upward thrust. Uncertainty about the space program and the winding up of some current contracts pose problems for the NASA Michoud facility. Nevertheless, the boom in shipbuilding in New Orleans may help offset possible declines at Michoud.

According to cumulated newspaper reports, announced investment in new plants and equipment for the first three quarters of 1968 has already exceeded the banner year of 1967. This should provide a boon to construction, one of the major lagging areas at present. Since a substantial portion of these investments will take place in the high-wage paper and chemical industries, wages and salaries should also receive a boost. Employment should also gain, but at a less rapid rate than wages and salaries partly because of the large capital intensity of these industries.

JOHN E. LEIMONE

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



Bank Announcements

Bank of Millen, Millen, Georgia, a nonmember bank, began to remit at par on November 5 for checks drawn on it when received from the Federal Reserve Bank.

Citizens Bank, Gainesboro, Tennessee, a newly organized nonmember bank, opened on November 23 and began to remit at par. Ward Draper is president; Joe Law, executive vice president and cashier; Earl Spivey and Virgil Halfacre, vice presidents. Capital is \$160,000; surplus and other capital funds, \$160,000.

On November 25, **First National Bank of Ocean Springs**, Ocean Springs, Mississippi, a new member bank, opened for business and began to remit at par. Officers are W. Earl Jones, Jr., president; George L. Balsly, vice president and cashier. Capital is \$200,000; surplus and other capital funds \$300,000.

REVISED PUBLICATIONS

A Review of Florida's Economy, 1959-68.

Revised November 1968.

A Review of Tennessee's Economy, 1960-68.

Revised October 1968.

Now available upon request to the Research Department, Federal Reserve Bank of Atlanta, Atlanta, Georgia 30303.

Index for the Year 1968

<i>Month</i>	<i>Pages</i>
January	1-16
February	17-28
March	29-44
April	45-56
May	57-68
June	69-88
July	89-100
August	101-116
September	117-128
October	129-144
November	145-156
December	157-168

AGRICULTURAL CREDIT

Bookkeeping for Farmers: A New Bank Service
by Robert E. Sweeney, 90.

AGRICULTURE

District Egg Producers Crack U. S. Market
by Robert E. Sweeney, 146.

King Cotton's Dwindling Empire by Robert E.
Sweeney, 22.

1968 Crop Acreages Up? by Robert E.
Sweeney, 61.

See also Agricultural Credit

BANK ANNOUNCEMENTS

21, 35, 50, 63, 74, 97, 113, 125, 149, 163.

BANK DEBITS

Spending—Slowing Down?, 159.

BANK HOLDING COMPANIES

Bank Holding Companies: Their Growth and Performance by Joe W. McLeary, 131.

BANKING

See Bank Holding Companies

Credit Cards

Financial Institutions

BOARD OF DIRECTORS

Federal Reserve Bank of Atlanta and Branches, Effective January 1, 1968, 40.

BUDGET

The New Budget by Lawrence F. Mansfield, 30.

CONSUMER

The Consumer Conundrum by Joe W. McLeary, 70.

CREDIT CARDS

Credit Cards—Can Small Banks Compete? by Joe W. McLeary, 18.

DISTRICT BUSINESS CONDITIONS

16, 28, 44, 56, 68, 88, 100, 116, 128, 144, 156, 168.

ECONOMIC CONDITIONS

After the Pause—The Sixth District in 1967, 2.
Florida Still on the Growth Path by C. S. Pyun, 139.

Growing Metropolitan Areas Profile Alabama's Economy by Joe W. McLeary, 36.

Louisiana: Some Puzzling Economic Trends by John E. Leimone, 161

Mississippi: Industrialization Brings Interdependence by William N. Cox, III, 64.

Shifting Sands in Georgia's Economy by Dorothy F. Arp, 52.

Tennessee Paints an Abstract by C. William Schleicher, Jr., 124.

See also Bank Debits
Income

EMPLOYMENT

See Unemployment

FEDERAL FUNDS MARKET

The Federal Funds Market in the Southeast by Harry Brandt and Paul A. Crowe, 7.

FINANCIAL INSTITUTIONS

Our Challenged Financial Institutions by Dorothy F. Arp, 110.

GOLD POLICY

Gold Policy Communique, 51.

INCOME

Seasonal Income Patterns in the South by Joe W. McLeary, 150.

INTERNATIONAL FINANCE

The Euro-Dollar Market: An Element in Monetary Policy by John E. Leimone, 102.

See also Gold Policy

MONETARY POLICY

Threats to the Dollar, 46.

See also Gold Policy

State and Local Government
Finances, 82.

PRICES

What's Happened to Prices? by Lawrence F. Mansfield, 119.

SIXTH DISTRICT STATISTICS

14, 26, 42, 54, 66, 86, 98, 114, 126, 142, 154, 166.

STATE AND LOCAL GOVERNMENT FINANCES

Southern Municipals Feel the Pinch by Hiram J. Honea, 82.

State and Local Government Finances in the Sixties by Lawrence F. Mansfield, 75.

TEXTILES

The Recent Textile Recession and Recovery by Richard Long, 58.

UNEMPLOYMENT

County Job Growth and Unemployment Patterns by Richard Long, 94.

Sixth District Statistics

Seasonally Adjusted

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

	Latest Month (1968)	One Month Ago	Two Months Ago	One Year Ago		Latest Month (1968)	One Month Ago	Two Months Ago	One Year Ago
SIXTH DISTRICT									
INCOME AND SPENDING									
Personal Income (Mil. \$, Annual Rate)	Sept. 65,222	67,067r	66,343r	59,398	Manufacturing	Oct. 161	164	162	161
Manufacturing Payrolls	Oct. 234	233	231	210	Nonmanufacturing	Oct. 158	159	159	151
Farm Cash Receipts	Sept. 151	159	102	129	Construction	Oct. 113	113	112	100
Crops	Sept. 93	187	143	99	Farm Employment	Oct. 81	79	87	82
Livestock	Sept. 169	165	159	161	Unemployment Rate (Percent of Work Force)	Oct. 2.9	2.8	2.9	3.0
Instalment Credit at Banks* (Mil. \$)					Avg. Weekly Hrs. in Mfg. (Hrs.)	Oct. 41.1	42.1	42.2	42.4
New Loans	Oct. 359.1	356.6r	320.1	325.3	FINANCE AND BANKING				
Repayments	Oct. 280.4	321.8	282.3	278.8	Member Bank Loans	Oct. 320	315	311	270
Retail Sales	June 183½	180	168	170	Member Bank Deposits	Oct. 243	235	235	205
					Bank Debits**	Oct. 242	245	235	205
PRODUCTION AND EMPLOYMENT					GEORGIA				
Nonfarm Employment	Oct. 142	142	142	138	INCOME				
Manufacturing	Oct. 141	141	140	138	Personal Income (Mil. \$, Annual Rate)	Sept. 12,737	13,024r	12,925r	11,583
Apparel	Oct. 173	174	172	169	Manufacturing Payrolls	Oct. 238	238	238	210
Chemicals	Oct. 137	135	135	133	Farm Cash Receipts	Sept. 141	163	170	141
Fabricated Metals	Oct. 161	155	159	151	PRODUCTION AND EMPLOYMENT				
Food	Oct. 114	114	114	113	Nonfarm Employment	Oct. 143	143	143	138
Lbr., Wood Prod., Furn. & Fix.	Oct. 106	106	106	105	Manufacturing	Oct. 137	136	136	132
Paper	Oct. 124	124	124	121	Nonmanufacturing	Oct. 146	146	146	141
Primary Metals	Oct. 128	128	129	128	Construction	Oct. 145	146	144	140
Textiles	Oct. 110	110	110	108	Farm Employment	Oct. 54	48	61	54
Transportation Equipment	Oct. 191	186	185	180	Unemployment Rate (Percent of Work Force)	Oct. 3.2	3.5	3.5	3.6
Nonmanufacturing	Oct. 142	142	142	138	Avg. Weekly Hrs. in Mfg. (Hrs.)	Oct. 40.9	41.5	40.7	41.0
Construction	Oct. 130	130	128	125	FINANCE AND BANKING				
Farm Employment	Oct. 55	51	63	56	Member Bank Loans	Oct. 305	308	298	265
Unemployment Rate (Percent of Work Force)	Oct. 3.8	4.0	3.9	4.0	Member Bank Deposits	Oct. 242	237	237	215
Insured Unemployment (Percent of Cov. Emp.)	Oct. 2.6	2.7	2.6	1.8	Bank Debits**	Oct. 264	268	260	232
Avg. Weekly Hrs. in Mfg. (Hrs.)	Oct. 41.0	41.4	40.8	41.1	LOUISIANA				
Construction Contracts*	Oct. 228	172	244	186r	INCOME				
Residential	Oct. 271	198	217	199r	Personal Income (Mil. \$, Annual Rate)	Sept. 9,916	10,147r	10,059r	9,135
All Other	Oct. 191	150	268	176	Manufacturing Payrolls	Oct. 202	205	201	193
Electric Power Production**	Sept. 149	146	146	147	Farm Cash Receipts	Sept. 108	308	170	143
Cotton Consumption**	Sept. 106	104	104	108	PRODUCTION AND EMPLOYMENT				
Petrol. Prod. in Coastal La. and Miss.** Oct.	250	257	264	246	Nonfarm Employment	Oct. 132	132	131	130
FINANCE AND BANKING					Manufacturing	Oct. 123	123	121	120
Loans*					Nonmanufacturing	Oct. 134	134	134	132
All Member Banks	Oct. 294	291	286	258	Construction	Oct. 140	138	137	141
Large Banks	Oct. 258	254	250	230	Farm Employment	Oct. 58	51	58	60
Deposits*					Unemployment Rate (Percent of Work Force)	Oct. 5.1	5.2	5.1	5.0
All Member Banks	Oct. 220	215	215	196	Avg. Weekly Hrs. in Mfg. (Hrs.)	Oct. 41.2	41.8	41.2	42.7
Large Banks	Oct. 190	187	186	176	FINANCE AND BANKING				
Bank Debits*/**	Oct. 235	241r	233	208	Member Bank Loans*	Oct. 244	242	238	231
ALABAMA					Member Bank Deposits*	Oct. 177	172	173	164
INCOME					Bank Debits*/**	Oct. 192	190	189	176
Personal Income (Mil. \$, Annual Rate)	Sept. 8,294	8,676r	8,615r	7,747	MISSISSIPPI				
Manufacturing Payrolls	Oct. 207	204	199	183	INCOME				
Farm Cash Receipts	Sept. 111	144	161	125	Personal Income (Mil. \$, Annual Rate)	Sept. 4,753	5,216r	5,056r	4,254
PRODUCTION AND EMPLOYMENT					Manufacturing Payrolls	Oct. 270	270	268	233
Nonfarm Employment	Oct. 127	127	127	126	Farm Cash Receipts	Sept. 108	191	175	85
Manufacturing	Oct. 128	126	126	124	PRODUCTION AND EMPLOYMENT				
Nonmanufacturing	Oct. 127	127	127	126	Nonfarm Employment	Oct. 144	143	143	140
Construction	Oct. 117	117	116	119	Manufacturing	Oct. 154	153	153	148
Farm Employment	Oct. 55	52	68	54	Nonmanufacturing	Oct. 139	139	139	137
Unemployment Rate (Percent of Work Force)	Oct. 4.6	4.9	4.8	4.7	Construction	Oct. 141	141	139	144
Avg. Weekly Hrs. in Mfg. (Hrs.)	Oct. 41.3	41.3	40.6	40.0	Farm Employment	Oct. 45	38	54	45
FINANCE AND BANKING					Unemployment Rate (Percent of Work Force)	Oct. 4.6	5.2	4.6	4.9
Member Bank Loans	Oct. 270	265	263	240	Avg. Weekly Hrs. in Mfg. (Hrs.)	Oct. 41.2	40.9	40.8	41.2
Member Bank Deposits	Oct. 207	205	206	190	FINANCE AND BANKING				
Bank Debits**	Oct. 214	221	220	191	Member Bank Loans*	Oct. 349	347	345	314
FLORIDA					Member Bank Deposits*	Oct. 247	249	248	232
INCOME					Bank Debits*/**	Oct. 237	251	247	207
Personal Income (Mil. \$, Annual Rate)	Sept. 19,484	19,734r	19,515r	17,339					
Manufacturing Payrolls	Oct. 291	295	291	269					
Farm Cash Receipts	Sept. 187	172	182	164					
PRODUCTION AND EMPLOYMENT									
Nonfarm Employment	Oct. 159	159	160	153					

	Latest Month (1968)	One Month Ago	Two Months Ago	One Year Ago		Latest Month (1968)	One Month Ago	Two Months Ago	One Year Ago	
TENNESSEE					Nonmanufacturing	Oct.	134	135	134	133
INCOME					Construction	Oct.	163	162	159	159
					Farm Employment	Oct.	52	52	61	57
Personal Income (Mil. \$, Ann. Rate)	Sept. 10,038	10,270r	10,173r	9,340	Unemployment Rate					
Manufacturing Payrolls	Oct. 223	217	216	198	(Percent of Work Force)	Oct.	3.8	4.0	3.6	4.2
Farm Cash Receipts	Sept. 114	139	134	107	Avg. Weekly Hrs. in Mfg. (Hrs.)	Oct.	40.4	40.8	40.1	40.2
PRODUCTION AND EMPLOYMENT					FINANCE AND BANKING					
Nonfarm Employment	Oct. 139	139	138	137	Member Bank Loans*	Oct.	284	277	275	254
Manufacturing	Oct. 149	147	147	146	Member Bank Deposits*	Oct.	195	192	191	186
					Bank Debts**/**	Oct.	255	263r	244	228

*For Sixth District area only. Other totals for entire six states. **Daily average basis. r-Revised. ‡Estimated.
 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.

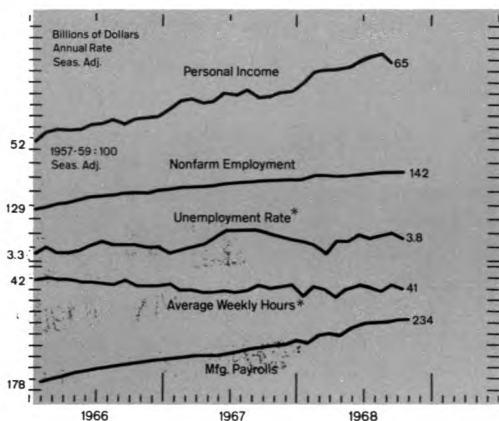
Debits to Demand Deposit Accounts

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

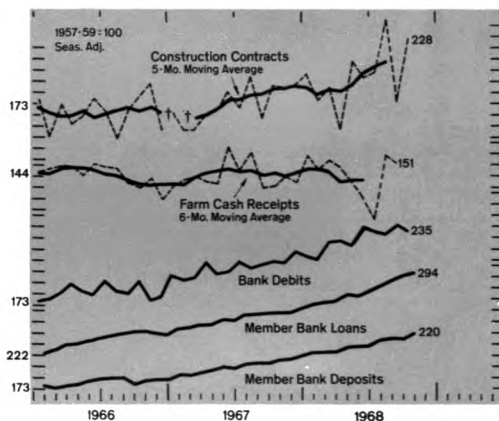
					Percent Change										Percent Change						
					Year-to-Date 10 months Oct., 1968 from 1968										Year-to-Date 10 months Oct., 1968 from 1968						
	Oct. 1968	Sept. 1968	Oct. 1967	Sept. 1968	Oct. from 1967	Oct. from 1967	Oct. from 1967		Oct. 1968	Sept. 1968	Oct. 1967	Sept. 1968	Oct. from 1967	Oct. from 1967	Oct. from 1967						
STANDARD METROPOLITAN STATISTICAL AREAS†															Lakeland	164,094	116,583	119,591	+41	+37	+11
Birmingham	1,894,262	1,793,079	1,534,421r	+6	+23	+11		Monroe County	39,661	36,469	31,726	+9	+25	+11							
Gadsden	67,774	60,255	67,319	+12	+1	+6		Ocala	68,669	63,802	64,605	+9	+6	+10							
Huntsville	211,570	181,898	186,172	+16	+14	+6		St. Augustine	25,051	24,494	20,037	+2	+25	+17							
Mobile	556,573	501,169	514,726	+11	+8	+8		St. Petersburg	403,680	335,965	337,992	+20	+19	+10							
Montgomery	358,002	325,725	311,005	+10	+15	+10		Sarasota	140,910	118,444	111,082	+19	+27	+28							
Tuscaloosa	112,916	113,411	103,942	-0	+9	+11		Tampa	971,626	782,157r	738,633	+24	+32	+22							
Ft. Lauderdale—															Winter Haven	62,130	61,847	60,385	+0	+3	+15
Hollywood	856,496	753,354	657,205	+14	+30	+24		Athens	94,924	82,426	74,672	+15	+27	+20							
Jacksonville	1,835,593	1,815,989	1,510,856	+1	+21	+11		Brunswick	46,167	45,637	44,513	+1	+4	+12							
Miami	2,984,016	2,713,647	2,350,435	+10	+27	+25		Dalton	122,569	116,375	91,823	+5	+33	+30							
Orlando	640,760	612,609	561,105	+5	+14	+18		Elberton	17,664	16,580	15,158	+7	+17	-3							
Pensacola	219,406	214,696	198,064	+2	+11	+10		Gainesville	79,623	72,949	78,185	+9	+2	+1							
Tallahassee	152,407	147,886	137,386	+3	+11	+11		Griffin	38,426	38,065	37,471	+1	+3	+9							
Tampa-St. Petersburg	1,760,199	1,468,059	1,418,658	+20	+24	+19		LaGrange	23,566	24,479	22,667	-4	+4	+5							
W. Palm Beach	516,107	464,141	400,560	+11	+29	+21		Newnan	26,787	25,329	27,796	+6	-4	+4							
Albany	105,504	103,257	95,389	+2	+11	+14		Rome	86,225	82,148	77,522	+5	+11	+13							
Atlanta	6,464,307	5,799,193	5,214,781r	+11	+24	+16		Valdosta	56,226	59,525	60,514	-6	-7	+4							
Augusta	318,863	304,541	307,844	+5	+4	+8		Abbeville	13,332	14,580	11,642	-9	+15	+9							
Columbus	260,234	248,279	235,784	+5	+10	+13		Alexandria	164,566	136,625	132,870	+20	+24	+10							
Macon	292,412	263,671	259,927	+11	+12	+11		Bunkie	7,772	6,800	8,174	+14	-5	+2							
Savannah	320,308	305,941	267,941	+5	+20	+14		Hammond	41,656	38,891	36,432	+7	+14	+3							
Baton Rouge	610,821	567,014	564,246	+8	+8	+13		New Iberia	39,736	35,841	37,519	+11	+6	+5							
Lafayette	150,368	136,895	143,987	+10	+4	+12		Plaquemine	13,588	13,134	11,891	+3	+14	+20							
Lake Charles	173,594	159,858	142,864	+9	+22	+11		Thibodaux	24,993	21,744	21,262	+15	+18	+8							
New Orleans	2,792,254	2,441,728	2,403,779	+14	+16	+8		Biloxi-Gulfport	127,812	116,084	102,164	+10	+25	+15							
Jackson	785,525	686,932	654,504	+14	+20	+13		Hattiesburg	70,289	63,093	56,581	+11	+24	+13							
Chattanooga	684,022	621,296	594,557	+10	+15	+10		Laurel	43,705	38,839	33,740	+13	+30	+22							
Knoxville	563,579	519,417	487,539	+9	+16	+13		Meridian	76,362	69,400	66,951	+10	+14	+8							
Nashville	2,092,756	1,941,591r	1,748,701	+8	+20	+16		Natchez	43,885	40,757	37,686	+8	+16	+11							
OTHER CENTERS															Pascagoula—						
Anniston	77,680	75,086	65,874	+3	+18	+15		Moss Point	76,102	75,140	55,600	+1	+37	+25							
Dothan	81,276	74,784	65,732	+9	+24	+14		Vicksburg	45,307	38,190	43,946	+19	+3	+3							
Selma	58,200	46,935	49,022	+24	+19	+3		Yazoo City	28,617	50,522	27,324	-43	+5	+6							
Bartow	33,239	29,810	33,381	+12	-0	-1		Bristol	87,469	82,433	83,624	+6	+5	+19							
Bradenton	87,283	74,757	73,832	+17	+18	+17		Johnson City	91,840	85,013	79,133	+8	+16	+10							
Brevard County	241,368	222,737	223,049	+8	+8	+9		Kingsport	182,214	166,558	159,003	+9	+15	+11							
Daytona Beach	100,790	93,933	90,616	+7	+11	+8		SIXTH DISTRICT, Total							37,526,594	33,945,341r	31,476,330r	+11	+19	+14	
Ft. Myers—								Alabama‡	4,762,823	4,446,648	4,082,810r	+7	+17	+12							
N. Ft. Myers	103,122	81,353	78,519	+27	+31	+27		Florida‡	11,434,656	10,318,603r	9,260,031	+11	+23	+18							
Gainesville	105,679	99,818	87,171	+6	+21	+18		Georgia‡	9,919,920	8,957,521	8,317,998r	+11	+19	+15							
Lakeland	164,094	116,583	119,591	+41	+37	+11		Louisiana†	4,677,123	4,151,924	4,094,865	+13	+14	+9							
Monroe County	39,661	36,469	31,726	+9	+25	+11		Mississippi†	1,701,422	1,564,140	1,423,863	+9	+19	+14							
Ocala	68,669	63,802	64,605	+9	+6	+10		Tennessee†	5,030,650	4,506,505r	4,296,763	+12	+17	+12							
St. Augustine	25,051	24,494	20,037	+2	+25	+17															
St. Petersburg	403,680	335,965	337,992	+20	+19	+10															
Sarasota	140,910	118,444	111,082	+19	+27	+28															
Tampa	971,626	782,157r	738,633	+24	+32	+22															
Winter Haven	62,130	61,847	60,385	+0	+3	+15															
Athens	94,924	82,426	74,672	+15	+27	+20															
Brunswick	46,167	45,637	44,513	+1	+4	+12															
Dalton	122,569	116,375	91,823	+5	+33	+30															
Elberton	17,664	16,580	15,158	+7	+17	-3															
Gainesville	79,623	72,949	78,185	+9	+2	+1															
Griffin	38,426	38,065	37,471	+1	+3	+9															
LaGrange	23,566	24,479	22,667	-4	+4	+5															
Newnan	26,787	25,329	27,796	+6	-4	+4															
Rome	86,225	82,148	77,522	+5	+11	+13															
Valdosta	56,226	59,525	60,514	-6	-7	+4															
Abbeville	13,332	14,580	11,642	-9	+15	+9															
Alexandria	164,566	136,625	132,870	+20	+24	+10															
Bunkie	7,772	6,800	8,174	+14	-5	+2															
Hammond	41,656	38,891	36,432	+7	+14	+3															
New Iberia	39,736	35,841	37,519	+11	+6	+5															
Plaquemine	13,588	13,134	11,891	+3	+14	+20															
Thibodaux	24,993	21,744	21,262	+15	+18	+8															
Biloxi-Gulfport	127,812	116,084	102,164	+10	+25	+15															
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Vicksburg	45,307	38,190	43,946	+19	+3	+3															
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Bristol	87,469	82,433	83,624	+6	+5	+19															
Johnson City	91,840	85,013	79,133	+8	+16	+10															
Kingsport	182,214	166,558	159,003	+9	+15	+11															

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

District Business Conditions



*Seas. adj. figure; not an index.



†New series.

Some signs of slower growth have appeared, although the region's economy remains strong. In October, total nonfarm employment remained unchanged for the second consecutive month, instalment lending at banks advanced only moderately, and loans at commercial banks grew less rapidly. At the same time, the District's construction boom continued, reflecting strong gains in metropolitan areas, and the agricultural sector remained healthy.

In October, nonfarm employment failed to rise because of a decline in nonmanufacturing jobs. Though manufacturing employment rose marginally, the factory workweek declined fractionally. Employment at steel mills continued to remain at a low level, but output of steel production finally reversed the downward trend that prevailed during the previous three months. Settlement of a labor dispute in a Tennessee firm boosted the District's fabricated metal industry employment. The region's overall unemployment rate dropped moderately.

The gain in consumer borrowing from banks decelerated in October, because nonauto loans were weaker. Automobile loans continued to climb, as new car sales remained strong through the month. Despite the smaller gain in new loans, the total volume of outstanding consumer debt increased sharply, as consumers decreased the rate of repayment on existing loans.

The expansion in bank loans during October was considerably less than in September at smaller banks, but continued at about the same pace at larger banks where business and real estate lending was stronger than in September. Through the first three weeks of November, business lending has continued strong at the larger banks with the trade and durable goods sectors the major bor-

rowers. Following a slight drop in the amount of large CD's outstanding, banks have raised their CD rates.

Total construction contracts continued to reflect underlying strength. Recent sharp gains in residential contracts, particularly in the larger metropolitan areas, have set the pace. Metropolitan areas have also experienced the largest boosts in nonresidential building and in total building during 1968. Some improvement in inflows to savings and loan associations has occurred, and new mortgage lending is well above that of a year ago.

The index of prices received by farmers is well above year-ago levels in both the crop and live-stock sectors. Through September, cash receipts from farm marketings exceeded last year's record pace. Orange production is expected to increase from last year's crop by 28 percent, but the juice yield of the early and mid-season crop is running below normal levels. If this trend continues, concentrate prices may not decline proportionately. Bankers report that farm loan repayment is slow in some areas where a wet fall delayed harvesting. Overall, however, delinquencies and unplanned renewals remain low.

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