MONTHLY REVIEW

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FEDERAL RESERVE BANK OF ATLANTA

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The Southeast's Booming Paper Industry

Dramatizing the industrialization lag of the South, Henry W. Grady, the renowned Atlanta journalist, related before a Boston audience in 1889 his observance of a funeral in his native Georgia for which the South had provided nothing but the corpse and the hole in the ground. He was said to be particularly sad that the pine coffin used in the funeral had been made in Cincinnati, even though the body was buried in the heart of a southern pine forest. If he were alive today, he would be more than overjoyed; for the southern pine forest not only has ceased to be a mere sleeping green beauty, but has made the South a major production center of paper as well as the showplace of American technology in papermaking. The pine trees have also brought booms in employment and income for many communities in the South.

A Spectacular Record

A glimpse of the region's pulp and paper industry activities that have taken place during the last two decades will undoubtedly impress even the most casual observers. Being endowed with

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fast-growing southern pine and an abundance of fresh water, the region was a natural target for the expansion-thrust of the pulp and paper industry after World War II. From 1947 to 1966, this industry's output in the Southeast increased a spectacular 250 percent as compared to a 97-percent increase in the rest of the nation. In short, the region's paper and paperboard output grew more than twice as fast as in the U. S. as a whole and contributed one-third of the net increase in the nation's total paper production.

As a result of such rapid growth in production capacity, the region has emerged as a major production center of paper and paper products. In 1946, the region produced about 17 percent of the country's total paper and paperboard production; in 1966 the share jumped to about 27 percent; and by the end of 1969, it is estimated that its share will have nudged up to 28 percent.

Growth Factors and Production Efficiency

In a way, the enviable growth of the region's paper industry and subsequent emergence of the region as the nation's major paper production center provide a classic example of how the interplay of competitive forces in the free market has guided business decision making and has contributed to the development of the regional economy. As was noted earlier, the abundance of fast-growing southern pine and fresh water undoubtedly gave the region a competitive edge over other regions. However, this does not tell the whole story.

¹The region includes Alabama, Florida, Georgia, Louisiana, Mississippi, and Tennessee.

First of all, overall demand for paper and paper products expanded along with the growth of the economy and the living standards of the American consumers. As the economy has produced more and better products and services for the growing population, industrial and commercial users have demanded more paper products—ranging from container boards to disposable bedspreads. At the same time, better-educated and affluent American consumers read more books and newspapers and consume more paper-based products. Per capita consumption of paper products in the United States increased about 40 percent to 530 pounds between 1950 and 1968. Paper consumption in the U.S. is almost astronomical compared to the rest of the world-estimated to be only slightly more than 50 pounds per person in 1968.

The second reason the paper industry turned to the South was that this region offered an opportunity to reduce production costs. There has been keen competition among paper producers stemming largely from the industry's overall excess capacity, particularly of paperboard. Then, too, paper products faced stiff competition from other products—such as plastics—that can be used as substitutes for paper.

Price data reflect the paper industry's competitive pricings and its ramifications. Prices received for pulp and paper products have risen at a slower pace than average prices for all industrial commodities. In some cases, such as paperboard, prices were lower in 1967 than during the average 1957-59 level. On the other hand, the cost of pulp wood and papermaking chemicals has risen substantially since late 1950. Seeking more efficient means of making papers, the industry found the logical answer in the construction of large-scale, highly automated, and vertically integrated paper mills in the region. Today, large mills in this area produce finished paper rolls from raw pines in a continuing flow process, and the new technology of papermaking used by the region's mills is widely regarded as one of the most efficient in the world.

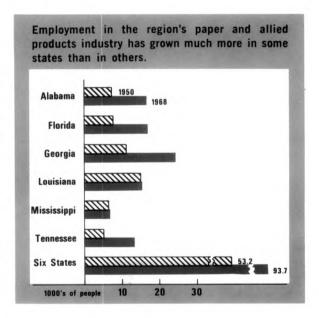
The region's production efficiency in paper-making is attested to by the rapid rise in labor productivity. While total paper production increased 160 percent between 1950 and 1966, employment increased only about 60 percent. Consequently, output per employee rose from 91 tons in 1950 to 147 tons in 1966. Also, productivity in the region was higher than in the nation. In 1966, the value of shipments per manhour was \$22.36 for the region and \$18.98 for the nation.

Income and Employment

The emergence of the Southeast as a major paper production center has brought booms in employment and payroll income which in turn have boosted the overall economic well-being of the region in general and of a number of communities in particular. In 1950, 53,200 persons were employed by the region's paper and allied products industry. In 1968, the industry's employment was nearly 94,000.

The industry's payroll income is estimated to have increased from \$145 million in 1950 to \$608.1 million in 1967, about a 320-percent jump. This is considerably faster than the pace of the region's total personal income.

Even more significant than the fast-growing payroll income is that production workers in the region's paper industry earn more on average than their counterparts in the nation's paper industry. For instance, in 1967, an average production worker in the region's paper industry earned \$130.80 a week as compared to \$122.84 a week earned by his national counterpart. The average hourly wage was \$3.05 compared to the national average of \$2.87 an hour.



The contribution of the pulp and paper industry to the general well-being of the regional economy has been substantial. A rough estimate indicates that the average net increase in the industry's payroll income was about \$50 million annually between 1966 and 1968.

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In general, the initial increase in income payment to individuals multiplies. That is, when the initial income recipient spends his new income on a variety of goods and services, income of those who are engaged in producing those goods and services will increase. Then, the latter group spends its increased income which will in turn increase the income of still another group of workers. Through this multiplier process, the industry probably contributed to the net increase in the region's total personal income by about \$150 million to \$200 million a year between 1966 and 1968.

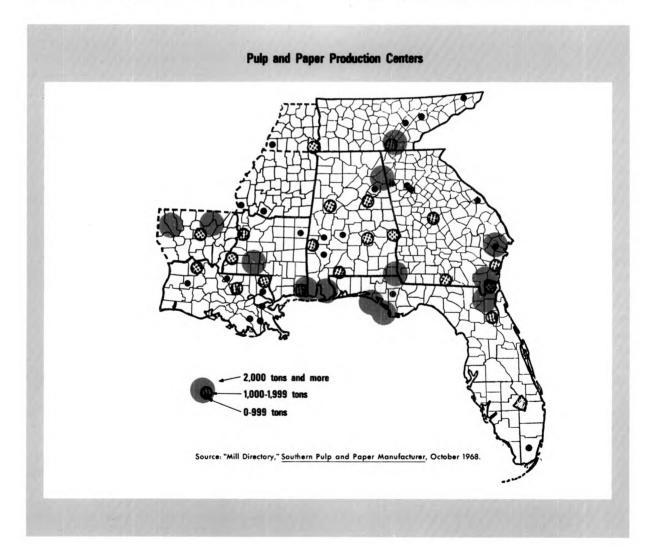
Industry Development by Area

Within the region, paper and paperboard plants are located in both urban and rural areas. Most of the mills in nonurban areas are engaged in the so-called primary sector of the industry—

that is, the making of pulp, paper, and paper-boards. Many of the mills in or near urban areas are engaged in converting paper and paperboard to various paper products as well as the primary operation of making pulp and paperboard. Reflecting the changing patterns of demand for paper products, the region's major product lines are shifting to printing papers and bleached paperboard from unbleached kraft linerboard which dominated the region's paper output until very recently.

The map shows the locations of major pulp and paper plants in the region. The Georgia coast line and Gulf coast areas host mills that produce approximately half of the region's total paper output and the remaining half is produced by mills in Tennessee and inland areas of Georgia, Alabama, Mississippi, and Louisiana.

In terms of total production, Georgia ranked



PAPER AND BOARD PRODUCTION (thousand of tons)

	1947	1950	1958	1962	1966	1 9 69p
Alabama	375	516	955	1,536	2,198	
Florida	633	1,070	1,818	2,102	2,344	
Georgia	587*	993	1,750	2,577	3,482	
Louisi ana	1,342	1,430*	1,671	1,856	2,551	
Mississippi	462	564	687	721	766	
Tennessee	211	281	644	1,017	1,215	
Total Region	3,610	4,854	7,525	9,809	12,556	14,200**
Total U. S.	21,114	24,375	30,775	36,648	47,189	50,500
Region's Share in U.S. Production (in percent)	17.1	19. 9	24.4	26.8	26.6	28.1**

p == projection.

first in the country. In 1966 (for which the latest production data are available in detail), mills in Georgia produced 3.5 million tons, or about 7 percent of the nation's total paper and paper-board production. Total value of shipments by Georgia mills was 29 percent of the total shipment by the region's mills. Louisiana, third in the national ranking, was the runner-up in the region's paper production, but in terms of value of shipments, the state trailed behind Florida. (For details on production data, see table above.)

Regional Surplus

Viewed from the region's perennial effort to develop a wider industrial base, the spectacular growth that its paper industry has logged since 1950 marked a new era in interregional trade relationships. For one reason, paper making has emerged as a basic industry of the region; it not only satisfies the regional needs but produces a surplus which it exports to other parts of the country and abroad. Actual quantity and dollar value of paper products shipped to other regions are not available. However, measured indirectly by what is known as the "location quotient" and "crude export quotient" techniques (see Note), the region's mills are estimated to have exported in 1966 about 34 percent of their total shipments, or about \$1,100 million in dollar value.

Industry Prospects

While census data are not yet available, it does not appear that capital spending by the region's industry has reached the leveling-off phase that the nation's paper industry apparently has reached. According to new plant announcements compiled by this Bank, there were 17 announcements for new paper plants with investments totaling about \$300 million in 1967 and 30 announcements totaling \$760 million in 1968 for the region. For the industry as a whole, it has

been estimated that capital investments might have amounted to \$1,640 million in 1967 and \$1,550 million last year.

Trade sources estimate the entire industry is now operating at near capacity levels and the problem of excess capacity, which once depressed the prices of paper products, is becoming a thing of the past (except for some excess capacity in paperboard production). The strength of the current demand for paper in relation to supply is reflected in the slightly more rapid increase in wholesale prices of paper products than industrial prices generally. This is a significant change from past years when price rises generally lagged behind average industrial commodities. In coming months, paper prices may continue to advance at a fairly rapid pace if the demand for most paper and paper products continues as strong as is widely expected. Meanwhile, the nation's paper industry is expected to add little new capacity. Under these circumstances, the region's paper industry will undoubtedly continue to benefit.

C. S. PYUN

NOTE

The "location quotient" is the ratio of district employment in an industry to the corresponding employment in that industry in the nation. As an example, the location quotient for the paper and allied products industry in the Southeast in 1966 was derived by dividing 4.86 by 3.46, giving a quotient of 1.404. (In 1966, the U. S. paper and allied products industry accounted for 3.46 percent of the nation's total manufacturing employment, while 4.86 percent of the region's manufacturing employment was engaged in the same industry.)

After the location quotient is derived, the "crude export quotient" is obtained by dividing the difference of the location quotient minus 1 by the location quotient (that is, crude

export quotient =
$$\frac{\text{location quotient} - 1}{\text{location quotient}} = \frac{1.404 - 1}{1.404}$$
).

By this computation, the crude export quotient for the region's paper industry was found to be .2877 for 1966. Since the region's labor productivity for the industry was higher than that of the nation by about 17.8 percent in 1966, the export quotient was adjusted to reflect this difference. The adjusted export quotient was found to be .3388.

^{*}Estimated by extrapolation.

^{**}Projection made by this Bank.

Sources: U. S. Department of Commerce (BDSA) and American Paper Institute.

Unemployment: Who It Hits

The average unemployment rate for all workers has drifted gradually downward since the 1960-61 recession. In early 1961, about 7 percent of the reported work force was jobless. After midyear 1961, economic activity began to expand and the unemployment rate started to decline, gradually dropping to a 5-percent rate by the end of 1964. During this period, the economy was on the road to achieving, simultaneously, two of the nation's basic economic objectives: a fairly stable price level and an unemployment rate approaching the full-employment goal of 4 percent.

Continuing economic advances and employment opportunities after 1964 resulted in further decreases in the unemployment rate, and by the end of 1965, the 4-percent rate had been achieved. Since then, the unemployment rate has generally been below 4 percent, and since late 1968 it has been close to 3.5 percent or below.

Meanwhile, however, as the unemployment rate dropped below the 4-percent level, the rise in prices accelerated to inflationary proportions. This pattern of accelerating prices at low unemployment provides the basis for the observation that to decelerate the price advances will cause some increase in overall unemployment.

Judging from past experience, a rise in unemployment is not likely to affect all segments of the work force alike. The inexperienced, the unskilled, and the marginal workers in terms of education and training are usually the first to feel its effect.

The purpose of this article is not to assess or evaluate the implications or reasons for the different unemployment impacts for various groups of the work force. Rather, the objective is to specify, based on past experience, the relationships between movements in overall unemployment and unemployment in the white and nonwhite categories separately.

Some indication of the unemployment movements among selected categories compared to the total is seen from an examination of Chart 1. Each of the subgroups of the work force shown has followed the overall downtrend in unemployment during the current economic upswing. Several important differences stand out, however. First of all, while the unemployment rate in each of these groups has declined, the actual jobless rates for nonwhites-total, male, and female-are substantially higher than the rates for the comparable white workers' categories. For example, the unemployment rate for the nonwhite group as a whole was in excess of 12 percent in 1961; it declined to 9 percent at the end of 1964; and in early 1969, when the rate for all workers had declined to 3.5 percent or less, it was around 6 percent. At the same time, the unemployment rate for white workers has been below the all-worker rate throughout the period shown, and considerably lower than the rate for nonwhites. The jobless rate for male workers in both groups has been below the rate for females.

Based on this historical experience, what is the likely impact of a change in the overall unemployment rate on each group?

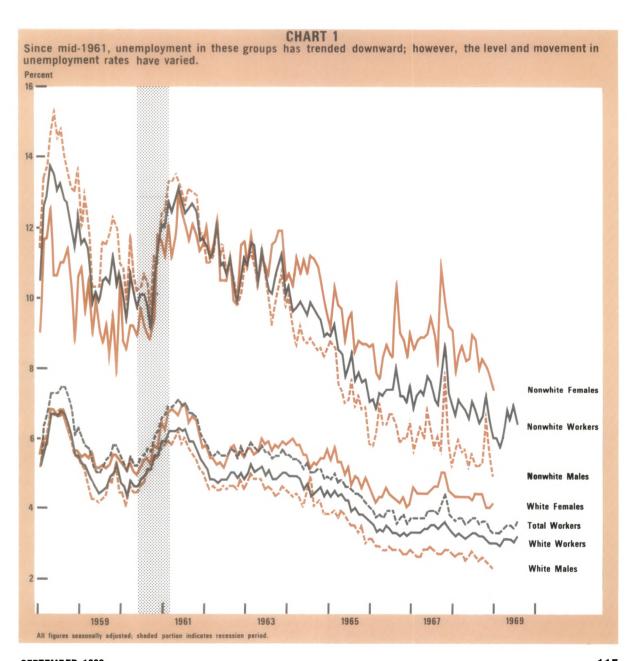
The Relationships

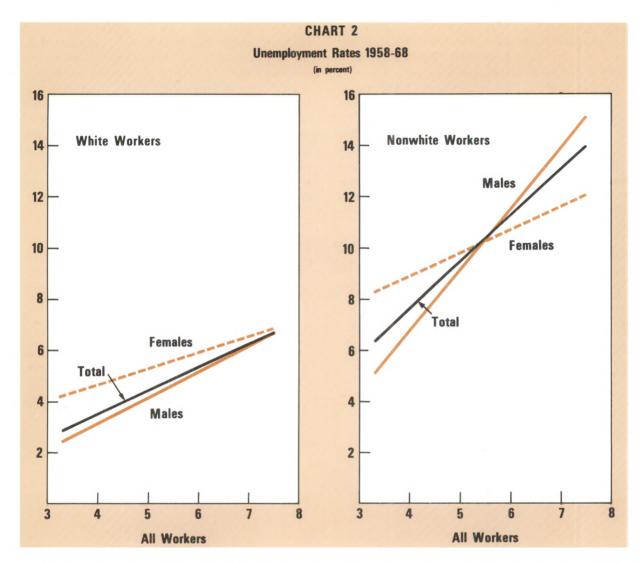
To answer this question, we compared the un-

employment rates for the six subgroups previously described with the all-worker unemployment rate for the period 1958-68. The comparisons were based on a simple regression equation using monthly data (see Regression Note). The regressions allow a comparison of the average relationship between unemployment in a specified category and the total. They also allow us to predict, with some degree of confidence, the expected unemployment rate in each of the subgroups associated with various total unemployment rates.

The average relationship between the unem-

ployment rate in each of the subgroups and the total are shown in Chart 2 and summarized in the Regression Note. Generally, movements in unemployment among the selected subgroups were related to movements in the same direction in the total unemployment rate. However, the relationships varied between white and nonwhite groups. More specifically, we see that for each unemployment rate on the horizontal scale, the expected unemployment rate based on the regression is higher for each nonwhite category (See Chart 2). For example, if the all-worker unem-





ployment rate rose to 4.5 percent from the recent 3.5-percent rate, the associated rate for white workers, based on historical relationships, would remain below 4 percent. Nonwhite workers, on the other hand, would be affected more—their unemployment rate as a group would rise to about 8.5 percent from the below 7-percent rate attained when the aggregate rate was at 3.5 percent. In both groups, fewer male workers would be unemployed relative to their total work force than females.

These predicted unemployment rates are, of course, based on past average relationships that may or may not apply in the future. In each category, except nonwhite females, the statistical relationship between movements in unemployment of that category and the total was fairly close over the 1958-68 period. However, the chance of an error in prediction is much higher for the non-

white groups because of more unevenness in the month-to-month movements. The latter is probably related at least in part to variation in sample size.

Implications for the Present

Almost everyone would like to make some progress in the present fight to curb inflation. But, based on past experience, it is difficult to see how the inflationary movement can be substantially reduced without some increase in unemployment. As usual, however, the increase in unemployment would not affect all working groups equally. Those groups that can afford the increase in unemployment the least are likely to feel the impact the most.

JOE W. McLEARY

¹For further discussion on this subject, see "The Unemployment-Inflation Trade-Off: What 1969 Forecasts Imply," *Monthly Review*, February 1969, pp. 19-23.

Regression Note

Simple regressions of the form Y = a + bx were used to derive the average relationships plotted on the charts. Six separate equations were derived, one for each of the selected subgroups studied. In each case, the aggregate unemployment rate was used as the independent variable (X) to explain movements in the unemployment rates for each of the special groups, the dependent variable (Y). Monthly data for 1958-68 were analyzed.

The (a) and (b) values shown in the table for each regression equation summarize the overall relationship between the independent and dependent variables. Thus, for a given aggregate unemployment rate (X), the expected unemployment rate in the various subgroups (Y) can be calculated from the appropriate (a) and (b) values and plotted on the chart. R² is a measure of how good the relationship is between (X) and (Y) and ranges between zero (no correlation) and one (perfect correlation). The standard error of estimate (S) tells us by how much, on average, the actual values deviate from those calculated from the estimating equation.

The (b) value in each case, which measures the change in the dependent variable associated with a change in the independent variable, is positive. This indicates, as expected, that unemployment in each of the groups generally moves in the same direction as changes in the overall unemployment rate over a long period of time. And, the R2's suggest that the movements are highly correlated. However, the individual monthly observations around the longer-term average relationship are more volatile for the non-white workers, as indicated by the higher standard errors (S).

Regression Results

Dependent Variable (Y)	a	b	R ²	S
All White Workers	- 0.0351	0.8944	.99	.092
White Males	- 1.1675	1.0407	.98	.148
White Females	1.9602	0.6463	.90	.244
All Nonwhite Workers	0.4478	1.7959	.95	.478
Nonwhite Males	-3.0029	2.4207	.93	.747
Nonwhite Females	5.2557	0.9114	.56	.891

NOTE: Based on simple linear regressions using seasonally adjusted monthly unemployment data for 1958-68.

Bank Announcements

Citizens National Bank of Davie, Davie, Florida, opened for business as a new member bank on August 1. Officers are Charles W. Lantz, president; H. David Kelso and James J. Hunter, vice presidents. Capital is \$340,000; surplus and other capital funds, \$170,000.

Also on August 1, Powder Springs Bank, Powder Springs, Georgia, opened as a nonmember bank and

began to remit at par for checks drawn on it when received from the Federal Reserve Bank. Ralph N. Baker is president; J. S. Keith, vice president; and James T. Turner, cashier. Capital is \$200,000 surplus and other capital funds, \$200,000.

Tippins Bank & Trust Company, Claxton. Georgia, a nonmember bank, began to remit at par on August 15.

Sixth District Statistics

Seasonally Adjusted

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

La	test Month		Two Months		One Two O Latest Month Month Months Y 1969 Ago Ago A
SIXTH DISTRICT	1969	Ago	Ago	- Ago	
INCOME AND SPENDING					Nonmanufacturing July 169 169 167 16
Personal Income					Construction July 130 126 124 1
(Mil. \$, Annual Rate) Ji		70,168	69,437	64,237	Farm Employment July 84 95 86 I Unemployment Rate
Manufacturing Payrolls		244	242	229	(Percent of Work Force)† July 2.6 2.6 2.4 2
Farm Cash Receipts		173 188	160 147	165 184	Avg. Weekly Hrs. in Mfg. (Hrs.) July 41.3 41.7 41.6 41
Livestock J		172	166	154	FINANCE AND BANKING
Instalment Credit at Banks* (Mil. \$)					Member Bank Loans July 370 366 357 3
New Loans J Repayments		344,3 313.2	314.9 302.6	302.0 282.2	Member Bank Deposits July 261 264 258 23 Bank Debits** July 282 287 266 23
	uny 507.0	313.2	302.0	204.2	balk besits
PRODUCTION AND EMPLOYMENT					GEORGIA
Nonfarm Employment†		148 146	147 146	143 141	INCOME
Apparet	uly 176	175	174	175	Personal Income
Chemicals		139	138	135	(Mil. \$, Annual Rate) June 13,764 13,607 13,539 12,4 Manufacturing Payrolls July 259 256 251 2
Fabricated Metals J		168 117	166 115	161 113	Manufacturing Payrolls July 259 256 251 2. Farm Cash Receipts June 157 163 163 1
Lbr., Wood Prod., Furn. & Fix J		106	107	105	
Paper		130	129	125	PRODUCTION AND EMPLOYMENT
Primary Metals		137 113	136 112	126 111	Nonfarm Employment† July 148 148 147 1 Manufacturing July 141 140 139 1
Transportation Equipment		202	198	187	Manufacturing July 141 140 139 1 Nonmanufacturing July 152 151 151 1
Nonmanufacturing†	uly 148	148	148	142	Construction July 149 151 149 1
Construction		135 56	138 58	130 66	Farm Employment July 55 47 46
Farm Employment J Unemployment Rate	uly 02	30	,,,	00	Unemployment Rate (Percent of Work Force)† July 3.0 3.3 2.9 3
(Percent of Work Force)† J	uly 3.6	3.7	3,5	3.8	Avg. Weekly Hrs. in Mfg. (Hrs.) July 41.0 41.1 41.0 40
Insured Unemployment (Percent of Cov. Emp.) J	uly 1.9	1.7	1.8	1.9	FINANCE AND BANKING
Avg. Weekly Hrs. in Mfg. (Hrs.) J		40.9	41.1	41.2	Member Bank Loans July 332 330 334 2
Construction Contracts* J	uly 240	215	185	197	Member Bank Deposits July 242 243 252 2
Residential		253 183	210 164	213 183	Bank Debits** July 306 315 291 2
Electric Power Production**		159	154	146	
Cotton Consumption**		104	103	107	LOUISIANA
Petrol. Prod. in Coastal La. and Miss.**J	uly 232	240	237	263	INCOME
INANCE AND BANKING					Personal Income
Loans*					(Mil. \$. Annual Rate) June 10,116 10,120 10,120 9,3 Manufacturing Payrolls July 191 192 191 1
All Member Banks J Large Banks J		322 265	321 277	282 249	Farm Cash Receipts June 191 165 178 1
Deposits*	uly 2/3	203	211	249	PRODUCTION AND EMPLOYMENT
All Member Banks		230	230	214	Nonfarm Employment t July 133 133 134 1
Large Banks J Bank Debits*/**		190 273	193 260	186 235	Manufacturing July 122 123 123 1
Dalik Debits /	uly 270	2/3	200	233	Nonmanufacturing July 136 135 137 1 Construction July 133 134 144 1
LABAMA					Construction July 133 134 144 1 Farm Employment July 54 61 63
NCOME					Unemployment Rate
Personal Income					(Percent of Work Force)† July 5.3 5.5 5.1 4 Avg. Weekly Hrs. in Mfg. (Hrs.) July 42.6 42.5 42.2 42.2
(Mil. \$, Annual Rate) J	une 8,739	8,691	8,665	8,007	,
Manufacturing Payrolls J Farm Cash Receipts J		206 162	205 157	188 150	FINANCE AND BANKING
					Member Bank Loans* July 268 261 259 2 Member Bank Deposits* July 182 180 180 1
RODUCTION AND EMPLOYMENT					Bank Debits*/** July 205 203 198 1
Nonfarm Employment†		130	130	128	
Manufacturing		131 129	131 129	127 128	MISSISSIPPI
Construction		124	126	122	INCOME
Farm Employment	uly 69	61	60	74	Personal Income
Unemployment Rate (Percent of Work Force)† J	ulv 3.8	4.1	3.9	4.5	(Mil. S, Annual Rate) June 5,235 5,139 5,133 4,7
Avg. Weekly Hrs. in Mfg. (Hrs.) J		40.9	41.3	41.8	Manufacturing Payrolls July 265 264 267 2 Farm Cash Receipts June 204 195 168 1
INANCE AND BANKING					·
Member Bank Loans	ulv 294	288	287	260	PRODUCTION AND EMPLOYMENT
Member Bank Deposits		215	215	205	Nonfarm Employment† July 147 146 147 1 Manufacturing July 156 157 158
Bank Debits**	uly 236	239	223	219	Manufacturing July 156 157 158 1 Nonmanufacturing July 143 141 142 1
LOPIDA					Construction July 143 136 146 1
LORIDA					Farm Employment July 62 45 47
NCOME					Unemployment Rate (Percent of Work Force)† July 4.3 4.5 4.3
Personal Income	un 2 2 022	21 502	20,930	19 575	Avg. Weekly Hrs. in Mfg. (Hrs.) July 40.2 40.2 40.9 4
(Mil. \$, Annual Rate) J Manufacturing Payrolls J		325	322	290	
Farm Cash Receipts		204	157	180	FINANCE AND BANKING
PRODUCTION AND EMPLOYMENT					Member Bank Loans* July 389 385 382 3 Member Bank Deposits* July 266 260 260 2
Nonfarm Employment †	uly 170	169	167	164	Bank Debits*/** July 256 264 282 2
	,				

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	est Month 1969	One Month Ago	Two Months Ago	One Year Ago	t -	atest Month	One Month Ago	Two Months Ago	One Year Ago
TENNESSEE					Nonmanufacturing Ju	uly 141	142	142	138
					Construction Ju	ıly 159	164	168	156
INCOME					Farm Employment Ju	ıly 58	48	60	64
Personal Income					Unemployment Rate				
(Mil. \$, Annual Rate) June	11.018 11	,019 1	1,050	10,103	(Percent of Work Force)† Ju	ıly 3.7	3.7	3.7	3.9
Manufacturing Payrolls July	241	236	236	216	Average Weekly Hours in Mfg. (Hrs.) . Ju	ıly 3 9 .9	40.0	40.4	40.2
Farm Cash Receipts June	157	132	141	147	FINANCE AND BANKING				
PRODUCTION AND EMPLOYMENT					Member Bank Loans* Ju	ulv 313	305	314	276
Nonfarm Employment† , July	146	147	146	142	Member Bank Deposits* Ju		203	203	193
Manufacturing July	156	155	156	152	Bank Debits*/** Ju	ıly 301	287	302	251

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.

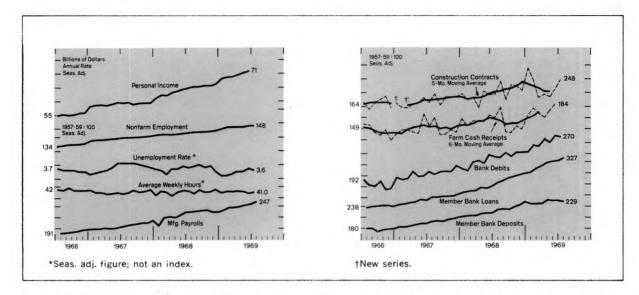
Debits to Demand Deposit Accounts

Insured Commercial Banks in the Sixth District

(In Thousands of Dollars)

			Percent							Perce	nt Ch	ang
				9	year to date 7 mos 1969				-	June '69 from		year to date 7 mo 1969
July 1969	June 1969	July 1968	June J 1969 19		from 1968		July 1969	June 1969	July 1968	June 1969		fro 196
STANDARD METROPOLITAN			-			Lakeland	194,173	156,858	152,281	+24	+28	+
STATISTICAL AREAS†						Monroe County	39,500	39,112	39,025	+ 1	+ 1	
a :						Ocala	98,195	83,056	68,149		+44	
Birmingham 1,971,497	1,878,404	1,851,431		+ 6		St. Augustine	29,030	26,515	26,310	+ 9	+10	
Gadsden 69,250	69,278	68,399		+ 1	+ 4	St. Petersburg	444,183	419,134	379,961	+ 6	+17	
Huntsville 213,090	214,103	198,356		+ 7		Sarasota	185,808	169,598	152,778	+10	+22	
Mobile 658,955	600,646	548.876		+20		Tampa	1,106,244	1,007,891	854,300	+10	+29	
Montgomery 374,506	396,908	354,520		+ 6		Winter Haven	79,309	77,785	69,291	+ 2	+14	
Tuscaloosa 129,696	122,203	111,948	+ 6	+16	+16							
_						Athens	103.364	106,621	95,030	- 3	+ 9	
Ft. Lauderdale						Brunswick	54,405	52,723	53,475	+ 3	+ 2	-
Hollywood 1,106,554	1,030,219	793,654	+ 7	+39	+31	Dalton	115,431	113,920	106,425	+ 1	+ 8	
Jacksonville 2,008,760	2,042,540	1,712,873	- 2	+17	+18	Elberton	19,735	17,258	16,290	+14	+21	
Miami 3,553,560	3,391,813	2,985,304	+ 5	126	+20	Gainesville	82,611	78,898	83,231	+ 5	- 1	
Orlando 766,204	743,030	731,518	+ 3	+ 5	+12	Griffin	39,839	39,737	38,332	+ 0	+ 4	
Pensacola 280,991	237,582	225,062	+18	+25	+11	LaGrange	24,058	32,879	26,320	-27	- 9	
Tallahassee 187,643	192,314	158,217	- 2	+19	+16	Newnan	29,064	25,707	25,240		+15	
Tampa-St. Pete 2,058,155	1,904,333	1,632,781	+ 8	+26	+20	Rome	94.214	92,596	89.603	+ 2	+ 5	
W. Palm Beach 706,404	623,293	505,513	+13	+40	+25	Valdosta	69,074	60,123	60,949	+15	+13	
Albany 112,791	110,471	105,822	+ 2	+ 7	+10							
Atlanta 7,380,303	6,897,234	6,177,709	+ 7	+19	+20	Abbeville	13,496	14,149	12,275	- 5	+10	
Augusta	314,720	326,621	- 3	- 7	- 5	Alexandria	177,780	166.005	153,312	+ 7	+16	
Columbus 292,824	278,084	269,242	+ 5	+ 9	+15	Bunkie	8,107	7,981	7,536	+ 2	+ 8	
Macon	313,056	287,017	+ 7	+17	+16	Hammond	49,694	42,547	43,926	+17	+13	
Savannah 350,491	350,228	333,257	+ 0	+ 5	+10	New Iberia	45,732	37.898	41,124	+21	+11	
						Plaquemine	14,385	14,693	14,137	- 2	+ 2	
Baton Rouge 659,008	605,808	678,904	+ 9	- 3	+ 1	Thibodaux	26,113	26,774	26,148		- 0	
Lafayette 181,029	157,876	144,868	+15	+25	+18	TINDOGGGA	20,115	20,774	20,140	-	·	
ake Charles 179,984	173,728	177,104		+ 2								
New Orleans 2,816,571	2,646,737	2,668,445	+ 6	+ 6		Hattiesburg	81,055	68,004	66,457	+19	+22	
•						Laurel	54,437	45,755	45,604	+19	+19	
Biloxi-Gulfport 148.705	136,652	137,905	+ 9	+ 8	+14	Meridian	95,819	81,601	72,578	+17	+32	
Jackson 787,648	781,532	701,776		+12		Natchez	50,793	43,218	48,224	+15	+ 5	
•	•					Pascagoula –						
Chattanooga 822,417	783,906	695,729	+ 5	+18	+16	Moss Point	100,128	81,000	72,020	+24	+39	
Knoxville 644,002	592,521	547,073		+18		Vicksburg	44,655	42,679	44,914	+ 5	- 1	
Nashville 2,374,239	2,023,678	1,988,895		+19	+23	Yazoo City	27,388	29,473	32,360	- 7	-15	
HER CENTERS						B.C.A.A	07.07-	05.465	04.00*		. 10	
Anniston 77,026	80,552	75,833	- 4	+ 2	+ 9	Bristol	97,275	96,405	84,881	+ 1	+15	
Dothan 81,371	81,418	73,424		+11		Johnson City	107,628	90,534	91,096	+19	+18	
Selma 49,735	50,099	45,862	- 1	+ 8	+ 8	Kingsport	198,552	173,885	180,337	+14	+10	•
Bartow 40,783	42,277	36,333	- 4	+12	+10	SIXTH DISTRICT, Total 4	2,118,360	39,705,706r	36,658,033	+ 6	+15	-
Bradenton 109,793	93,396	94,032	+18	+17	+18	Alabama‡	5,018,861	4,835,717	4,659,276	+ 4	+ 8	
Brevard County 231,285	245,404r	242,472		- 5	+ 1	Florida‡ 1		13,014,868r	11,179,400	+ 5	+22	-
Daytona Beach 110,456	101,948	112,601		- 2			0,998,357	10,455,248	9,614,287	+ 5	+14	
Ft. Myers-	,			_			4,872,562	4,537,916	4,582,026	+ 7	+ 6	
N. Ft. Myers 131,964	130,160	94.363	+ 2	+40	+30		1.847.832	1,701,818	1,792,293	+ 9	+ 3	
Gainesville 109,183	115,902		- 6			• •	5,783.908	5,160,139	4,830,751			
	110,502	104,511	U		1 9	remiessee;	5,703.500	3,100,139	*,030,731	1 12	, 20	

District Business Conditions



Even before hurricane Camille hit the Louisiana-Mississippi coast, the winds of economic activity in many areas of the District continued to abate. Bankers reported smaller increases and even a few declines in loan-deposit activity in early August. A similar picture characterized industrial activity, where unspectacular gains in employment were the rule in July. Consumer credit extensions also took a dip. Repeating the ditto signs, the extraordinary early-1969 strength in the construction sector has faded somewhat. On the other hand, renewed strength in contract construction appeared in July. Farm crop receipts posted only a small gain in the first half of 1969.

At member banks, loan expansion leveled off in early August and total deposits, particularly demand deposits, continued to decline. Large District commercial banks have reported only small increases in business loans, and because of continued liquidity pressures, they have lightened their U.S. Government securities portfolios. At the smaller banks, loans actually declined in the first half of August. Total borrowings at the discount window have tapered off in recent weeks but the decline has been more than offset by increased purchases of Federal funds.

Employment increased slightly. July marked a small increase in nonfarm employment and payrolls, as well as a small decline in the unemployment rate. Most sectors of manufacturing shared in the employment increase, except for Florida's food processing industry. Announcements of new plant and equipment expenditures in the second quarter have dropped off.

Consumer instalment credit extended in July declined from June. This was primarily a result of sharp reductions in auto and personal loans. Repayments rose slightly. Bank credit card and check-credit volume extended also reflected an increase from June. Personal income for June moved ahead at a pace similar to that of the

previous two months and slightly above the U.S. rate.

Total volume of contract construction showed greater strength in July than in any month since February. Renewed strength was apparent in both residential and nonresidential building categories. South Florida's apartment boom continues to produce the lion's share of residential construction gains in the District. Pressures in the mortgage market continue to mount, although they have not been as quickly reflected in housing output declines as in the 1966 period. The supply of mortgage credit for single family homes continues to be supported mainly by FNMA and by the Federal Home Loan Bank System.

In the first six months of 1969, total cash receipts from farm marketings for District states showed a healthy gain over the same period a year ago. Largely responsible for the increase was a sizable jump in receipts from livestock and livestock products. Crop receipts registered little gain. Next season's orange crop, according to preliminary estimates, will be significantly greater than in the 1969 season.

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

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