

MONTHLY REVIEW

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FEDERAL RESERVE BANK OF ATLANTA

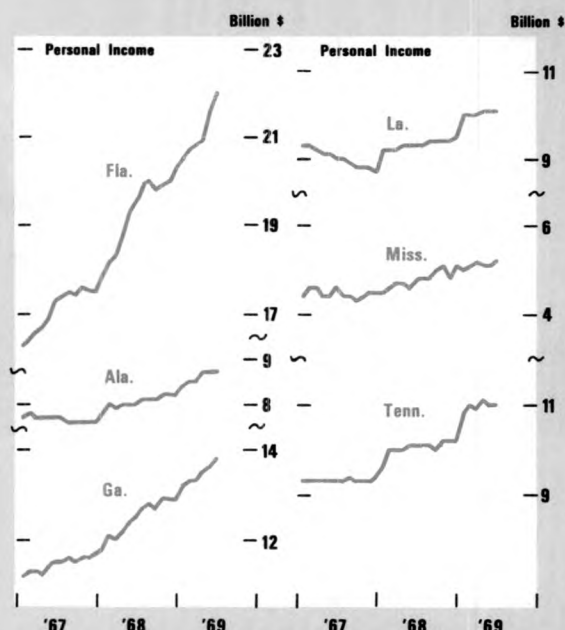
Is the Consumer Behaving?

Sometimes consumers surprise even the keenest analysts of economic activity. Such has been the case for the last year. In the summer of 1968, consumers continued to spend heavily even in the face of the newly enacted 10-percent surtax. Now, over a year later, they are spending more cautiously. Personal income has continued to grow in 1969, but by mid-year it had not increased as rapidly as it did in 1968. Sharply rising prices have eroded income gains, and consumers have apparently become less eager to part with their hard-earned dollars for many goods but not for services. Recent consumer behavior, coupled with other economic factors, therefore, has been instrumental in bringing about an easing in the momentum of the District's economy and of the nation's.

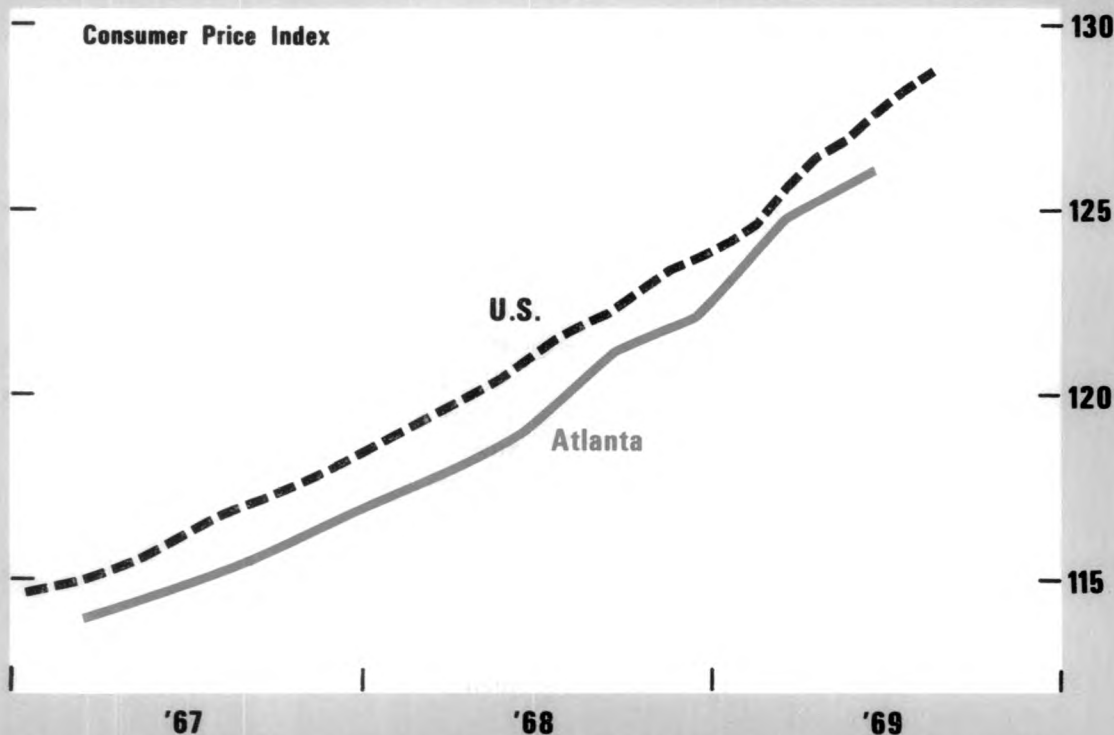
Personal income, the fountainhead of consumer activity, has continued to grow in recent months at about the same rate in the District as in the nation.



In the District, growth in personal income has varied by state, with Florida leading and Georgia placing second.



1957-59=100



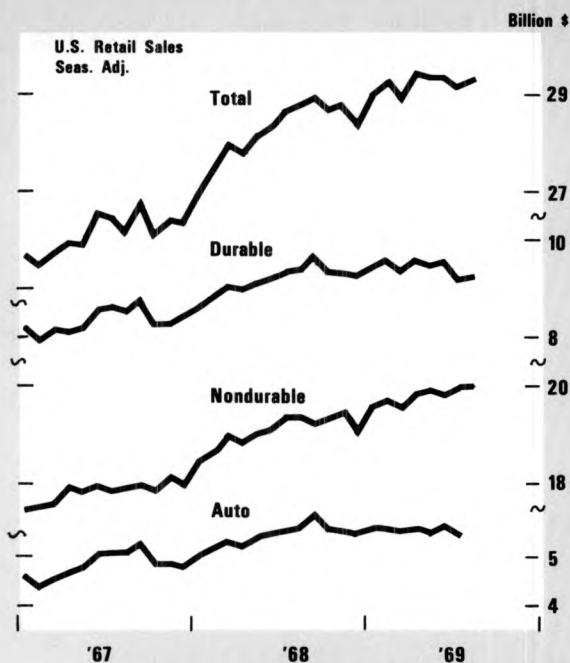
Consumers, while enjoying what would appear to be sizeable income gains, seem to have realized that the magnitude of increases in their dollar incomes has been heavily reduced by rising consumer prices. The upward movement in prices has been as sharp in Atlanta as in the nation.

1957-59=100



Rapidly growing prices for food and services have been largely responsible for the higher consumer prices this year. In coming months, however, retail food prices may increase less rapidly, since wholesale food prices are declining.

The volume of retail sales indicates that consumers are realizing their income gains are being whittled away by rising prices, and they appear to be less willing to spend than they were earlier in the year. Nondurable expenditures in the nation have pushed upward, while durable spending has lessened.

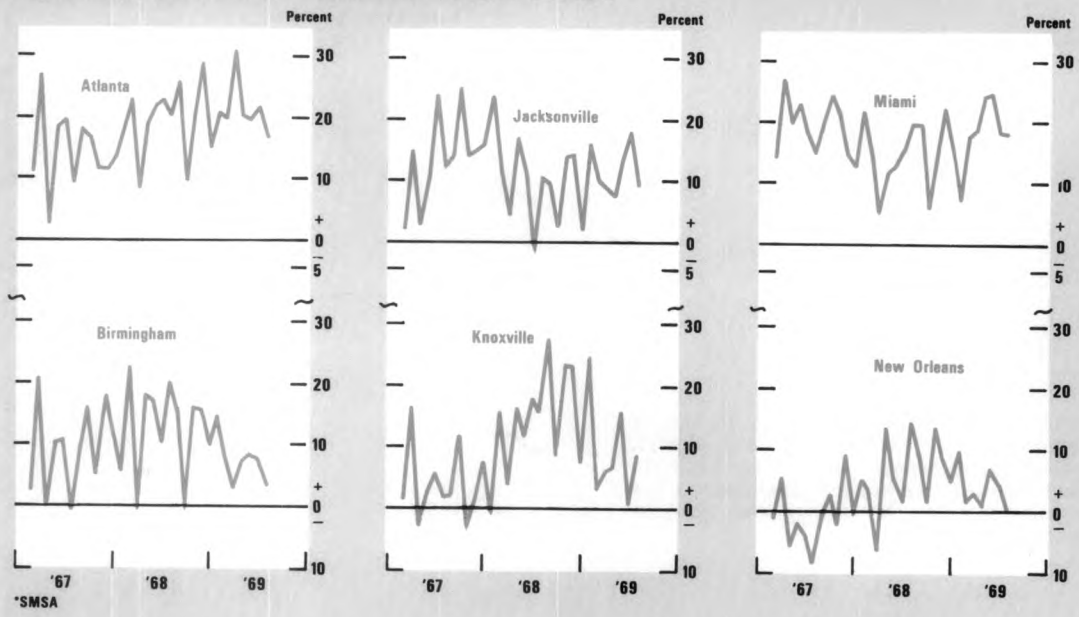


In the District, department store sales—one measure of retail activity—have shown a downward tilt since mid-1968. Several large cities in the Southeast, notably Birmingham, Knoxville, and New Orleans, have experienced considerable slackening in department store sales.

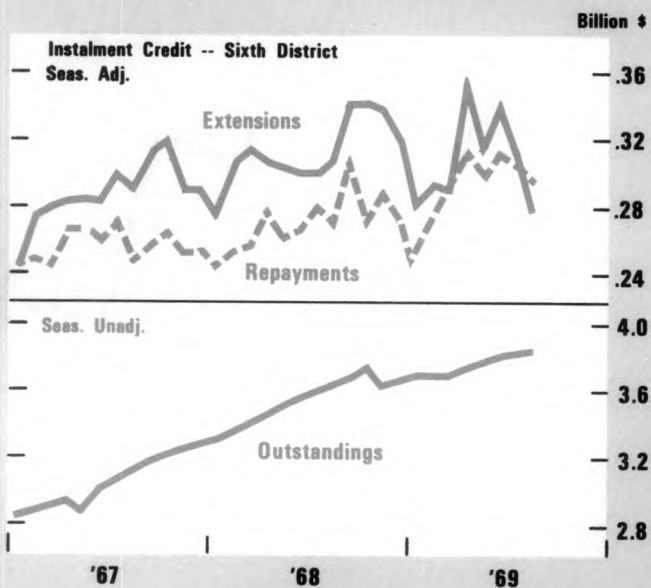
Year to Year % Chg.

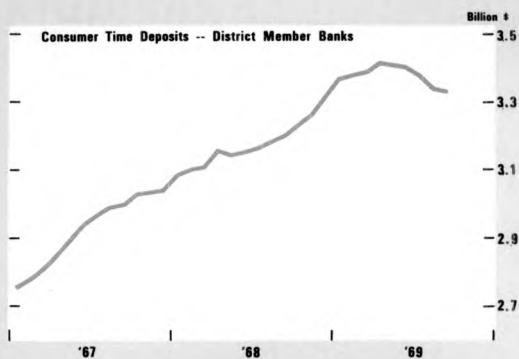


Department Store Sales,* Year-to-Year Percent Changes

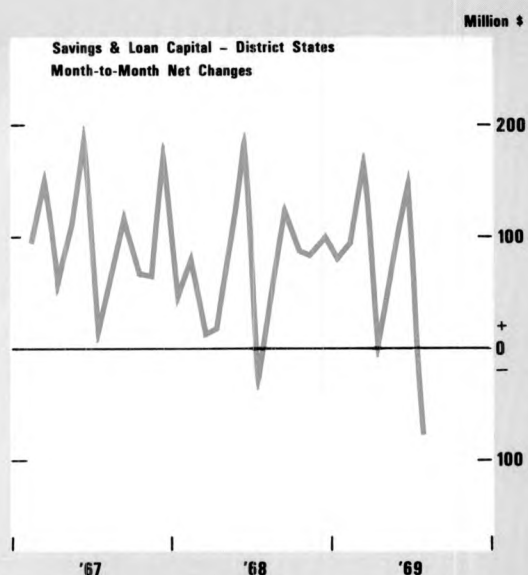


A certain degree of hesitancy is demonstrated by a tapering-off in the use of consumer credit, including automobile financing. Apparently concerned with keeping new debt within bounds, consumers have kept their repayments moving at about the same pace at which they incurred new obligations.

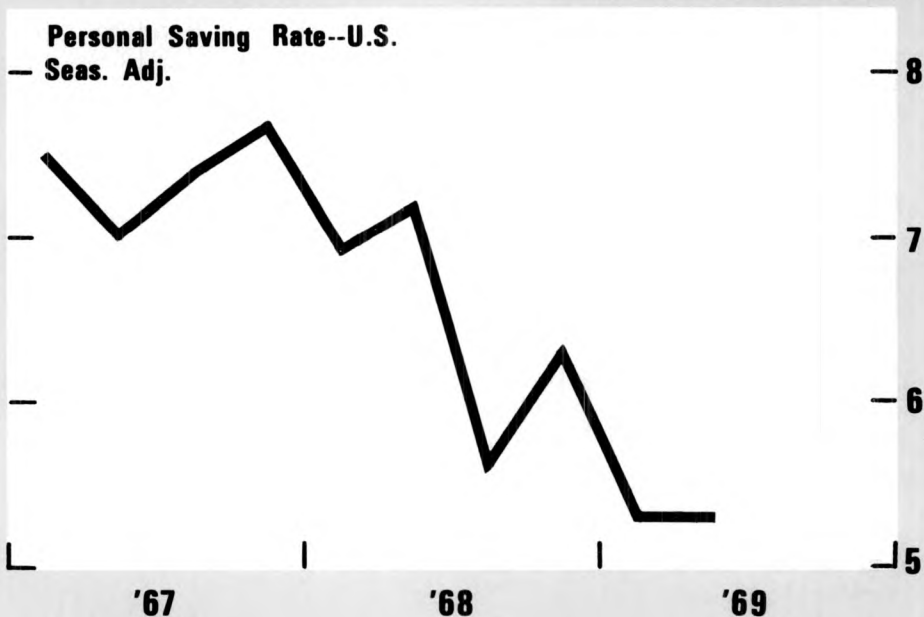




Similar to the trend in the nation, savings at selected District institutions have slowed. Consumer time deposits at member banks in recent months have actually declined, as has the savings inflow to savings and loan associations.



% of Disposable Personal Income



In view of the historically low personal savings, consumers are not likely to increase their spending much more than the further growth in personal income.

—EMERSON ATKINSON

Tennessee's Pace Begins To Slacken

After almost a decade of watching the indicators of business activity in Tennessee show proof of expansion, we should not be surprised to see some signs of less buoyancy from time to time. The economy of Tennessee, along with that of the nation, has experienced temporary downturns in the past only to move forward strongly after a short respite. Generally, it has been on an upward course since the so-called "mini-recession" of 1966-67, but recently questions about the vigor of the nation's economy might well cause us to wonder whether the pace in Tennessee has begun to slacken.

When we compare Tennessee's economic situation now with a year ago, the conclusion is that conditions still look favorable. Employment and income, for example, are up considerably from a year ago, although month-to-month changes from the first of this year to mid-summer reveal signs of a slowing-down in growth. In some cases, after normal seasonal factors are taken into account, actual declines are showing up.

Income Levels Off

A leveling-off in seasonally adjusted personal income during the summer months this year reflects the general economic situation in the state. The lack of growth in this comprehensive measure of economic activity is in marked contrast to a nearly 8-percent increase during 1968. No single factor seems to be responsible for the recent softening in personal income.

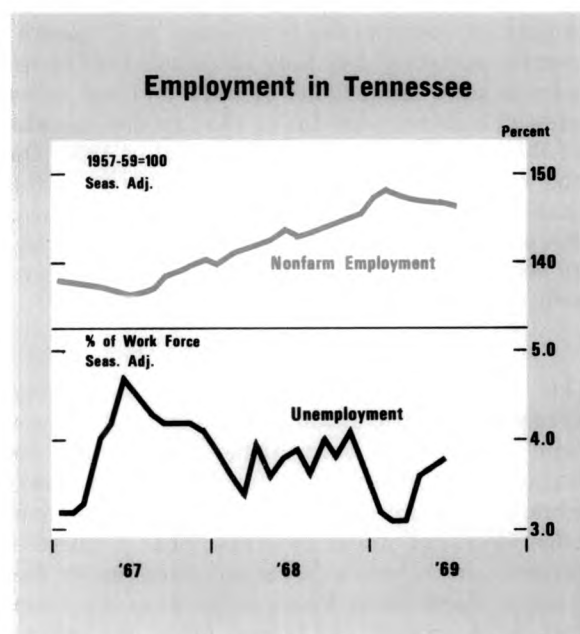
After seasonal factors are taken into consideration, the total number of persons employed in the state did not expand during the first six months of this year, although the total employed in manufacturing increased slightly. Important exceptions occurred in the primary metals, chemicals, and textile industries, which registered substantial gains. The number of persons em-

ployed in the ordnance sector, on the other hand, has declined recently, after expanding nearly 20 percent in 1968.

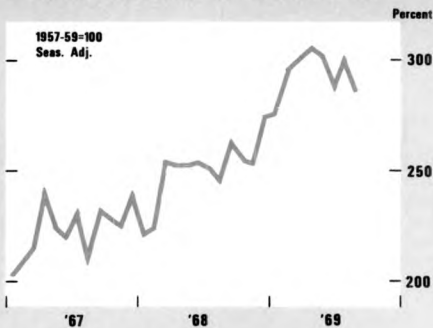
The real decline in workers has come in the nonmanufacturing sector, where strong gains were recorded last year. Construction employment in recent months has declined substantially, mirroring a general weakening in the construction sector. Both residential and nonresidential construction contracts have experienced a sharp decline since March.

Not all nonmanufacturing employment has contracted; state and local governments have continued to add employees to their payrolls.

Other signs of a slowing-down in Tennessee's economy are appearing: Factory workers are putting in shorter hours. Even though a cutback



Bank Debits at Insured Commercial Banks in District Portion of Tennessee*



*Eastern two-thirds.

in the number of hours worked has been going on, hourly wages have increased enough to just barely maintain some upward movement in average weekly earnings for the state as a whole. Many manufacturing industries, however, are reporting declines in both employment—after seasonal adjustment—and weekly earnings of production workers. Unemployment, although still at a low level, has increased.

Spending Activity Remains Mixed

While the industrial side of the economy in Tennessee has shown definite signs of cooling off, the pattern of spending in the state is mixed. Judging by one indirect measure—seasonally adjusted bank debits or charges to checking accounts of individuals, businesses, and governments—spending definitely has leveled off in recent months. Collections of sales and use taxes grew at a slower pace during the first five months of this year than in the same period of 1968. On the other hand, new auto registrations in the state and department store sales in Chattanooga, Knoxville, and Tri-Cities combined have continued strongly upward. Also, Tennesseans are still expanding their instalment debt.

Farm Income Continues to Rise

One part of Tennessee's economy still going strong is the agricultural sector. Generally, gross farm income has been higher in response to higher prices for livestock and kindred products, while increased production of crops has more than offset declining prices for crops. That Tennessee farmers are collecting larger payments under the Federal Feed Grain Program for crop diversion and price support has helped offset the effects

of lower feed-grain prices. The favorable feed-price ratio, however, has led to expanded supplies of beef cattle, poultry, and pork. As a result, prices for these products have shown signs of weakening recently.

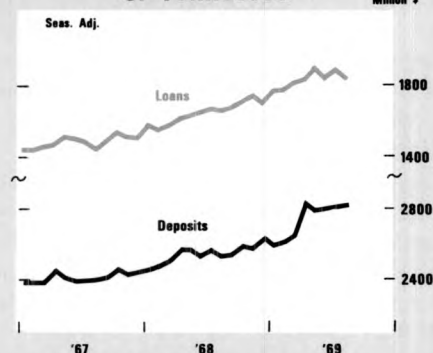
In spite of higher cash receipts, net farm income has been only slightly higher than last year, according to the U. S. Department of Agriculture. Tennessee farmers continue to be faced with a shortage of skilled farm labor, which has led to rising labor costs. Rising costs for farm machinery and equipment and other expenses have also cut into their net income.

New Legislation Affects Tennessee's Banks

The General Assembly of Tennessee passed several bills this spring that directly affected banks. The statutory interest rate that banks may charge on many types of loans was increased from 6 percent, a rate below that of any of the surrounding states, to 10 percent. This action was expected to make bankers more willing to make loans, particularly in periods of higher interest rates. Loans for construction purposes and real estate mortgages—traditionally subject to declines as interest rates rise—should be more easily obtainable than before. The rather large expansion in bank loans this spring probably reflected, in part, the more liberal conditions under which banks could lend.

The other important legal banking change raised the ceiling on interest payments for time and savings deposits. From a previous limit of 4 percent, Tennessee banks were allowed, as of April 2, to pay the maximum interest rates on time and savings deposits as established by the Board of Governors of the Federal Reserve System under the provisions of Regulation Q.

Loans and Deposits at Member Banks in District Portion of Tennessee*



*Eastern two-thirds.

The effects of allowing Tennessee banks to pay more in order to attract time and savings deposits become readily obvious when we compare the rate of deposit growth in periods during the year ending July 1969—before banks were permitted to pay the higher rates—with corresponding periods this year after higher rates became possible. From July 1968 through March 1969, when the 4-percent ceiling was still in effect, time and savings deposits declined 6.5 percent at member banks in the Sixth District portion of Tennessee (the eastern two-thirds of the state). For the District as a whole, in the same eight months, time and savings deposits increased almost 9 percent. From the first part of April through July this year, these deposits zoomed up nearly 18 percent in Tennessee, whereas in the District they increased less than one percent.

Different Areas Show Different Patterns

While the state as a whole shows signs of reduced economic activity, not all its large cities present the same general picture. In Chattanooga, seasonally adjusted bank debits in August were up over 24 percent from late 1968, whereas bank

debits in the other major metropolitan areas in the District portion of the state declined. Check-book spending can be an elusive indicator of spending in that it includes many purely financial transactions and bank clearings of checks from other cities.

In spite of the large jump in bank debits for Chattanooga, employment since the first of the year has increased only slightly. Knoxville and Nashville, on the other hand, have posted declines in spending, as measured by bank debits, but have experienced strong gains in employment.

The Future from Here

Do the present signs of easing point merely to a pause in the economy of Tennessee, or are they indicative of a more lengthy economic decline? It is still much too early to tell. Economic activity in Tennessee at other times has closely paralleled that throughout the nation. The nation's economy at this writing is still on an upward course, although it has shown signs recently of slowing down. Tennessee's economy appears to be following a similar pattern.

—JOHN M. GODFREY

Bank Announcements

On September 1, the **Farmers and Merchants Bank** of Pine Mountain, Georgia, and the **Farmers and Merchants Bank** of Leslie, Georgia, two nonmember banks, began to remit at par for checks drawn on them when received from the Federal Reserve Bank.

Jacksonville State Bank, Jacksonville, Alabama, a newly organized nonmember bank, opened for business on September 2 and began to remit at par. Officers are David W. Pearson, president and chairman; Ray V. Hartwell, Jr., executive vice president; C. Eugene Boyd, vice president and cashier. Capital is \$140,000; surplus and other capital funds, \$210,000.

Also on September 2, the **Metter Banking Company**, Metter, Georgia, a nonmember bank, began to remit at par.

On September 3, the newly organized **Peoples Hialeah National Bank**, Hialeah, Florida, opened for business as a member of the Federal Reserve System. Officers are Leonard A. Usina, chairman and president; John H. Frink, executive vice president and cashier; Roland M. Stafford and George M. Vadurro, vice presidents. Capital is \$400,000; surplus and other capital funds, \$300,000.

A newly organized bank, **Siesta Key Palmer Bank**, Siesta Key, Florida, opened as a member on September 5. Officers are Benton W. Powell, chairman; William C. Coleman, president; Francis D. Newell, executive vice president and cashier; James K. Rowland, as-

sistant vice president. Capital is \$400,000; surplus and other capital funds, \$200,000.

On September 15, the **Citizens and Southern South DeKalb Bank**, Decatur, Georgia, opened for business as a newly organized nonmember, par-remitting bank. Officers are Warren L. Berry, president; and Dan Blackwell, cashier. Capital is \$300,000; surplus and other capital funds, \$300,000.

Another newly organized nonmember bank, **Citizens and Southern Bank of Chatham County**, Savannah, Georgia, opened on September 22 and began to remit at par. Officers are J. Frank Scott, president; and Mrs. Bette B. Anderson, vice president and cashier. Capital is \$250,000; surplus and other capital funds, \$250,000.

On September 23, a nonmember bank, **Cordova-Citizens Bank**, Cordova, Alabama, began to remit at par.

Teche Bank and Trust Company, St. Martinville, Louisiana, a newly organized nonmember bank, opened for business on September 27 on a par-remitting basis. Officers are Nolan L. Olivien, chairman; Clarence J. Duchamp, president; Tom L. Voorhies, executive vice president and cashier; Harris J. Champagne, first vice president; Tilden A. Bonin, Jr., James B. Bulliard, Lawrence P. Melancon, Murphy Oubre, vice presidents; and Owen J. Resweber, Sr., assistant vice president. Capital is \$225,000; surplus and other capital funds, \$225,000.

Sixth District Statistics

Seasonally Adjusted

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

	Latest Month 1969	One Month Ago	Two Months Ago	One Year Ago		Latest Month 1969	One Month Ago	Two Months Ago	One Year Ago
SIXTH DISTRICT									
INCOME AND SPENDING									
Personal Income (Mil. \$, Annual Rate)	July 71,664	70,956	70,263	64,780	Manufacturing	Aug. 171	171	173	169
Manufacturing Payrolls	Aug. 247	244	244	231	Nonmanufacturing	Aug. 169	169	169	162
Farm Cash Receipts	July 196	184	173	159	Construction	Aug. 131	131	126	112
Crops	July 154	204	188	143	Farm Employment	Aug. 81	84	95	87
Livestock	July 201	173	172	159	Unemployment Rate				
Instalment Credit at Banks* (Mil. \$)					(Percent of Work Force)†	Aug. 2.7	2.6	2.6	2.9
New Loans	Aug. 279.5	315.8	344.3	308.9	Avg. Weekly Hrs. in Mfg. (Hrs.)	Aug. 41.9	41.1	41.7	42.2
Repayments	Aug. 297.0	307.3	313.2	272.6	FINANCE AND BANKING				
PRODUCTION AND EMPLOYMENT					Member Bank Loans	Aug. 374	370	366	311
Nonfarm Employment†	Aug. 148	148	148	143	Member Bank Deposits	Aug. 260	261	264	235
Manufacturing	Aug. 147	146	146	141	Bank Debits**	Aug. 278	282	287	235
Apparel	Aug. 175	175	175	175	GEORGIA				
Chemicals	Aug. 141	140	139	135	INCOME				
Fabricated Metals	Aug. 169	168	168	160	Personal Income (Mil. \$, Annual Rate)	July 13,977	13,762	13,623	12,665
Food	Aug. 114	115	117	113	Manufacturing Payrolls	Aug. 261	253	256	236
Lbr., Wood Prod., Furn. & Fix.	Aug. 106	106	106	106	Farm Cash Receipts	July 136	157	163	170
Paper	Aug. 129	129	130	126	PRODUCTION AND EMPLOYMENT				
Primary Metals	Aug. 139	136	137	130	Nonfarm Employment†	Aug. 149	149	148	144
Textiles	Aug. 113	113	113	112	Manufacturing	Aug. 144	141	140	137
Transportation Equipment	Aug. 216	204	202	190	Nonmanufacturing	Aug. 152	152	151	147
Nonmanufacturing†	Aug. 148	148	148	142	Construction	Aug. 148	150	151	146
Construction	Aug. 137	137	135	131	Farm Employment	Aug. 58	55	47	61
Farm Employment	Aug. 58	62	58	63	Unemployment Rate				
Unemployment Rate					(Percent of Work Force)†	Aug. 2.9	3.0	3.3	3.5
(Percent of Work Force)†	Aug. 3.5	3.5	3.7	3.9	Avg. Weekly Hrs. in Mfg. (Hrs.)	Aug. 41.0	41.0	41.1	40.7
Insured Unemployment					FINANCE AND BANKING				
(Percent of Cov. Emp.)	Aug. 1.9	1.9	1.7	2.0	Member Bank Loans	Aug. 338	332	330	298
Avg. Weekly Hrs. in Mfg. (Hrs.)	Aug. 40.8	40.9	40.9	40.8	Member Bank Deposits	Aug. 242	242	243	237
Construction Contracts*	Aug. 310	240	215	244	Bank Debits**	Aug. 308	306	315	260
Residential	Aug. 275	265	253	217	LOUISIANA				
All Other	Aug. 340	219	183	268	INCOME				
Electric Power Production**	July 164	162	159	146	Personal Income (Mil. \$, Annual Rate)	July 10,085	10,177	10,131	9,256
Cotton Consumption**	July 101	106	104	104	Manufacturing Payrolls	Aug. 186	191	191	177
Petrol. Prod. in Coastal La. and Miss.**	Aug. 248	238	243	264	Farm Cash Receipts	July 247	191	165	170
FINANCE AND BANKING					PRODUCTION AND EMPLOYMENT				
Loans*					Nonfarm Employment†	Aug. 134	133	133	131
All Member Banks	Aug. 330	327	322	286	Manufacturing	Aug. 122	122	123	121
Large Banks	Aug. 272	273	265	250	Nonmanufacturing	Aug. 137	136	135	134
Deposits*					Construction	Aug. 132	133	134	137
All Member Banks	Aug. 229	229	230	215	Farm Employment	Aug. 50	54	61	58
Large Banks	Aug. 191	191	190	186	Unemployment Rate				
Bank Debits*/**	Aug. 269	270	273	233	(Percent of Work Force)†	Aug. 4.9	4.9	5.5	5.1
ALABAMA					Avg. Weekly Hrs. in Mfg. (Hrs.)	Aug. 40.9	42.3	42.5	41.2
INCOME					FINANCE AND BANKING				
Personal Income (Mil. \$, Annual Rate)	July 8,958	8,754	8,730	8,134	Member Bank Loans*	Aug. 268	268	261	238
Manufacturing Payrolls	Aug. 210	211	206	187	Member Bank Deposits*	Aug. 179	182	180	173
Farm Cash Receipts	July 189	173	162	161	Bank Debits*/**	Aug. 208	205	203	189
PRODUCTION AND EMPLOYMENT					MISSISSIPPI				
Nonfarm Employment†	Aug. 130	131	130	128	INCOME				
Manufacturing	Aug. 131	131	131	126	Personal Income (Mil. \$, Annual Rate)	July 5,291	5,231	5,146	4,762
Nonmanufacturing	Aug. 130	130	129	127	Manufacturing Payrolls	Aug. 263	265	264	252
Construction	Aug. 127	126	124	116	Farm Cash Receipts	July 263	204	195	175
Farm Employment	Aug. 64	69	61	68	PRODUCTION AND EMPLOYMENT				
Unemployment Rate					Nonfarm Employment†	Aug. 147	147	146	145
(Percent of Work Force)†	Aug. 4.1	3.8	4.1	4.8	Manufacturing	Aug. 156	156	157	155
Avg. Weekly Hrs. in Mfg. (Hrs.)	Aug. 40.8	41.4	40.9	40.6	Nonmanufacturing	Aug. 143	143	141	140
FINANCE AND BANKING					Construction	Aug. 148	143	136	142
Member Bank Loans	Aug. 304	294	288	263	Farm Employment	Aug. 50	62	45	54
Member Bank Deposits	Aug. 214	214	215	206	Unemployment Rate				
Bank Debits**	Aug. 241	236	239	220	(Percent of Work Force)†	Aug. 4.6	4.3	4.5	4.6
FLORIDA					Avg. Weekly Hrs. in Mfg. (Hrs.)	Aug. 40.1	40.4	40.2	40.8
INCOME					FINANCE AND BANKING				
Personal Income (Mil. \$, Annual Rate)	July 22,247	22,002	21,600	19,860	Member Bank Loans*	Aug. 388	389	385	345
Manufacturing Payrolls	Aug. 337	327	325	296	Member Bank Deposits*	Aug. 270	266	260	248
Farm Cash Receipts	July 180	218	204	182	Bank Debits*/**	Aug. 259	256	264	247
PRODUCTION AND EMPLOYMENT									
Nonfarm Employment†	Aug. 169	170	169	164					

		Latest Month 1969	One Month Ago	Two Months Ago	One Year Ago
TENNESSEE					
INCOME					
Personal Income					
(Mil. \$, Annual Rate)	July	11,106	11,030	11,033	10,103
Manufacturing Payrolls	Aug.	239	241	236	215
Farm Cash Receipts	July	198	157	132	134
PRODUCTION AND EMPLOYMENT					
Nonfarm Employment	Aug.	145	146	147	143
Manufacturing	Aug.	155	157	156	153

	Latest Month 1969	One Month Ago	Two Months Ago	One Year Ago
Nonmanufacturing	Aug. 141	141	141	139
Construction	Aug. 154	155	157	147
Farm Employment	Aug. 58	58	48	61
Unemployment Rate				
(Percent of Work Force)†	Aug. 3.6	3.7	3.7	3.6
Avg. Weekly Hours in Mfg. (Hrs.)	Aug. 40.0	40.1	40.0	40.1
FINANCE AND BANKING				
Member Bank Loans*	Aug. 304	313	305	275
Member Bank Deposits*	Aug. 205	204	203	191
Bank Debits**	Aug. 286	301	287	244

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

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					
						August 1969		Year to date 8 mos 1969				August 1969		Year to date 8 mos 1969			
August 1969	July 1969	August 1968	July 1969	Aug. 1968	from 1969	From 1969	1968	August 1969	July 1969	August 1968	July 1969	August 1968	July 1969	August 1968	July 1969	August 1968	July 1969
STANDARD METROPOLITAN STATISTICAL AREAS*																	
Birmingham	1,862,732	1,971,497	1,797,325	- 6	+ 4	+11											
Gadsden	64,169	69,250	63,523	- 7	+ 1	+ 4											
Huntsville	192,894	213,090	194,251	-10	- 1	+ 6											
Mobile	615,397	658,955	545,925	- 7	+13	+12											
Montgomery	344,794	374,506	336,423	- 8	+ 2	+12											
Tuscaloosa	124,711	129,696	117,659	- 4	+ 6	+15											
Ft. Lauderdale— Hollywood	911,759	1,111,124r	710,471	-18	+28	+31											
Jacksonville	1,773,173	2,008,760	1,626,748	-12	+ 9	+17											
Miami	3,106,575	3,553,560	2,827,429	-13	+10	+19											
Orlando	642,999	766,204	616,020	-16	+ 4	+10											
Pensacola	231,744	280,991	220,422	-18	+ 5	+10											
Tallahassee	203,127	187,643	171,312	+ 8	+19	+16											
Tampa—St. Pete.	1,738,016	2,058,155	1,458,081	-16	+19	+20											
W. Palm Beach	542,564	706,404	437,342	-23	+24	+25											
Albany	106,117	112,791	94,560	- 6	+12	+10											
Atlanta	6,863,448	7,380,303	5,825,101	- 7	+18	+19											
Augusta	300,911	305,069	301,918	- 1	- 0	- 4											
Columbus	266,998	292,824	247,743	- 9	+ 8	+14											
Macon	328,954	336,238	279,390	- 2	+18	+16											
Savannah	317,733	350,491	295,224	- 9	+ 8	+10											
Baton Rouge	671,606	659,008	612,891	+ 2	+10	+ 2											
Lafayette	152,425	181,029	141,781	-16	+ 8	+17											
Lake Charles	165,671	179,984	154,440	- 8	+ 7	+ 7											
New Orleans	2,500,879	2,816,571	2,440,487	-11	+ 2	+ 4											
Biloxi—Gulfport	109,330	148,705	123,338	-26	-11	+11											
Jackson	741,418	787,648	759,540	- 6	- 2	+10											
Chattanooga	770,555	822,417	637,067	- 6	+21	+19											
Knoxville	548,974	644,002	553,362	-15	- 1	+10											
Nashville	2,149,371	2,374,239	1,889,292	- 9	+14	+22											
Other Centers																	
Annisston	73,067	77,026	75,014	- 5	- 3	+ 7											
Dothan	78,599	82,720r	69,366	- 5	+13	+17											
Selma	47,219	49,339	46,529	- 4	+ 1	+ 7											
Bartow	32,275	40,783	31,042	-21	+ 4	+ 9											
Bradenton	80,471	109,793	75,747	-27	+ 6	+16											
Brevard County	196,197	231,456	226,630	-15	-13	- 1											
Daytona Beach	96,507	110,456	90,075	-13	+ 7	+ 6											
Ft. Myers— N. Ft. Myers	111,873	131,964	85,550	-15	+31	+30											
Gainesville	110,054	109,183	92,229	+ 1	+19	+10											
Lakeland	131,924	194,173	118,761	-32	+11	+15											
Monroe County	35,263	39,500	36,192	-11	- 3	+ 5											
Ocala	116,911	98,195	58,932	+19	+98	+39											
St. Augustine	23,817	29,030	23,469	-18	+ 1	+19											
St. Petersburg	369,372	444,183	326,869	-17	+13	+21											
Sarasota	151,545	185,808	130,547	-18	+16	+24											
Tampa	951,250	1,106,244	786,235	-14	+21	+19											
Winter Haven	65,314	79,309	62,666	-18	+ 4	+11											
Athens	98,780	103,364	86,046	- 4	+15	+13											
Brunswick	52,365	54,405	47,481	- 4	+10	+12											
Dalton	121,592	115,431	106,060	+ 5	+15	+18											
Elberton	16,797	19,735	14,527	-15	+16	+14											
Gainesville	77,579	82,611	72,100	- 6	+ 8	+ 9											
Griffin	37,274	39,839	35,291	- 6	+ 6	+ 3											
LaGrange	25,650	24,058	23,515	+ 7	+ 9	+15											
Newnan	23,317	29,064	25,723	-20	- 9	- 3											
Rome	83,540	94,214	81,952	-11	+ 2	+10											
Valdosta	72,047	69,074	65,980	+ 4	+ 9	+ 6											
Abbeville	12,373	13,496	12,355	- 8	+ 0	+10											
Alexandria	162,093	177,780	145,817	- 9	+11	+20											
Bunkie	7,720	8,107	6,204	- 5	+24	+18											
Hammond	41,164	49,694	39,667	-17	+ 4	+11											
New Iberia	37,395	45,732	36,811	-18	+ 2	+10											
Plaquemine	13,689	14,385	12,634	- 5	+ 8	+ 8											
Thibodaux	22,961	26,113	21,771	-12	+ 5	+10											
Hattiesburg	58,591	81,055	62,288	-28	- 6	+15											
Laurel	49,016	54,437	40,248	-10	+22	+16											
Meridian	85,841	95,819	77,124	-10	+11	+23											
Natchez	44,353	50,793	41,331	-13	+ 7	+13											
Pascagoula— Moss Point	75,473	100,128	67,534	-25	+12	+24											
Vicksburg	45,114	44,655	40,972	+ 1	+10	+ 3											
Yazoo City	25,274	27,388	32,338	- 8	-22	+ 2											
Bristol	86,553	100,956r	83,860	-14	+ 3	+14											
Johnson City	89,325	107,628	81,426	-17	+10	+15											
Kingsport	163,107	198,552	159,261	-18	+ 2	+12											
SIXTH DISTRICT Total																	
Alabama†	4,703,468	5,019,814r	4,505,107	- 6	+ 4	+ 9											
Florida†	11,716,407	13,601,110r	10,355,693	-14	+13	+18											
Georgia†	10,294,106	10,998,357	9,080,094	- 6	+13	+15											
Louisiana†*	4,428,921	4,872,562	4,219,120	- 9	+ 5	+ 7											
Mississippi†*	1,631,516	1,847,832	1,633,214	-12	- 0	+11											
Tennessee†*	5,146,318	5,787,589	4,584,843	-11	+12	+20											

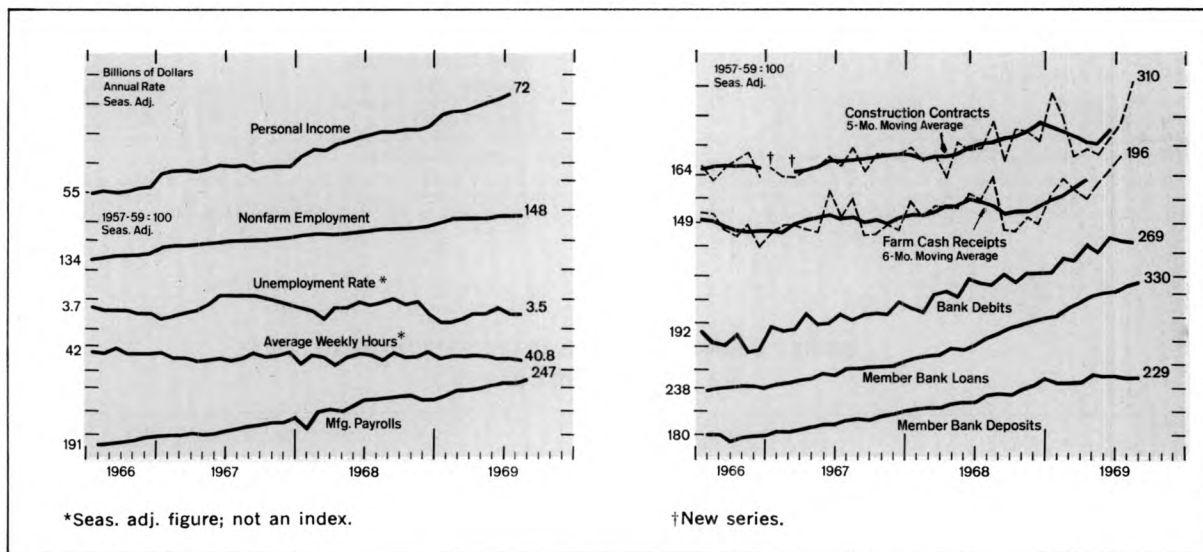
*Includes only banks in the Sixth District portion of the state.

†Partially estimated.

‡Estimated.

r-Revised.

District Business Conditions



The District economy is responding to anti-inflationary policies. Loans at member banks began to decline in the first weeks of September as the attrition of large certificates of deposit accelerated. Consumer credit extended its slackening trend, and net savings flows slowed further in August. Farm prices moved downward, but were above pre-July levels. Employment expanded only slightly.

Business loans at large commercial banks declined during the first half of September in marked contrast to expected seasonal gains. These large banks have continued selling off their U. S. Government securities of longer maturities. The smaller banks are also reporting declines in loans, compared with increases in the month of August. Country banks are showing small increases in passbook savings deposits, whereas reserve city banks report continued declines in time deposits, as the run-off of large certificates of deposit more than doubled the rate of the previous month.

The falling-off in new consumer loan volume that began in July continued in August, with all categories registering declines. Accounting for much of the weakness in new volume were sharp reductions in other consumer goods loans and repair and modernization loans. Amounts repaid slipped slightly in August but remained above the year-ago level. Both bank credit and check credit increased slightly from July.

Total construction contract volume continued strong in August. Two large electrical power systems and one large apartment project boosted the total substantially. Apartment building in major metropolitan areas is still vigorous, although

financing continues to become increasingly difficult and expensive to arrange. Further slowing in net savings at nonbank thrift institutions in the District was apparent in August.

Prices received by farmers declined in August after increasing sharply in July. Lower prices for cotton and broilers are chiefly responsible for the drop, although prices also declined for eggs, vegetables, and most livestock in response to generally heavier supplies. Peanut farmers in the area are harvesting a good crop, but tung nut orchards and citrus groves along the western Gulf Coast suffered heavy damage from Hurricane Camille.

District employment registered a diminutive increase in August, mostly in the manufacturing sector. Nevertheless, preliminary reports indicate that Camille drastically reduced employment in several major industries in the Biloxi-Gulfport area. Recent layoffs in the aero-space industry have also adversely affected the total number employed in the Coastal counties of Mississippi. However, manpower needs for the massive rebuilding programs planned may help offset these losses in the future. The oil-drilling industry in Louisiana also suffered substantially from Camille.

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