MONTHLY REVIEW

IN THIS ISSUE:

- Milk Flows Where Population Goes
- What's Happening in Textiles?
- District Business Conditions

FEDERAL RESERVE BANK OF ATLANTA

MAY 1970

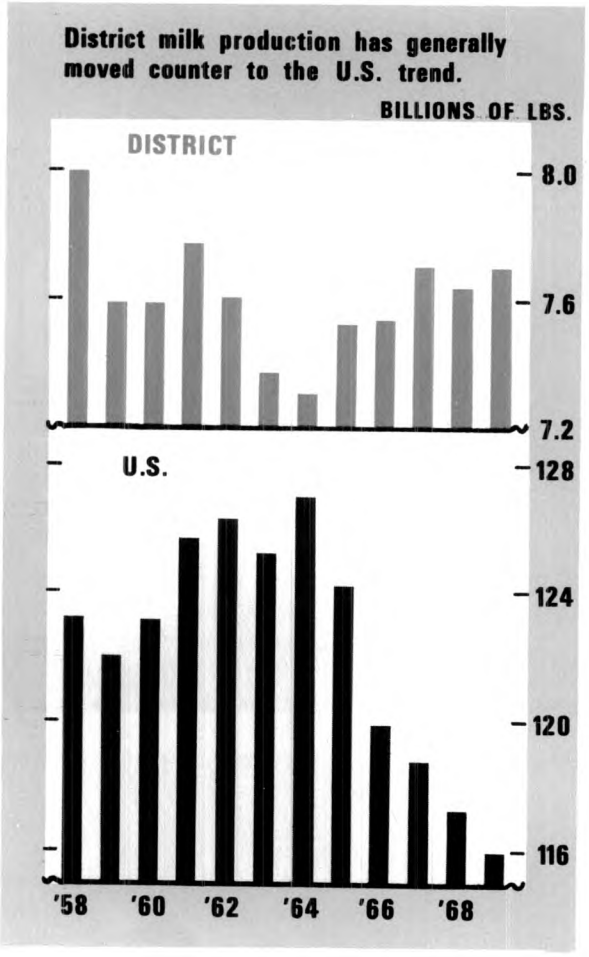
Milk Flows Where Population Goes

Waiting until the cows come home takes less time in the Southeast these days—at least if you are waiting for milk cows. This region's milk producing industry has undergone far-reaching changes within a relatively short time period. The collective dairy herd, cut by half since 1958, is continuing to shrink with each passing year. The cows that remain are often located in new areas adjacent to growing urban concentrations. Nevertheless, annual milk production per cow, or yield, has improved remarkably.

Total Milk Production

In tune with the drop in dairy cattle numbers, the Southeast's total milk production declined during the first half of the sixties (Figure I). Production turned upward again, however, during the latter half of the decade, even though the aggregate dairy herd continued to shrink. In 1964, District milk production was down nearly a billion pounds from its peak in 1958. By 1969, production had increased from the 1964 level by .3 billion pounds. Total U. S. production, on the other hand, reached a high in 1964 (the year of the low point in the region) and has been falling off sharply each year since. Thus, the region's milk production generally has been moving counter to the U. S. trend.

Figure I

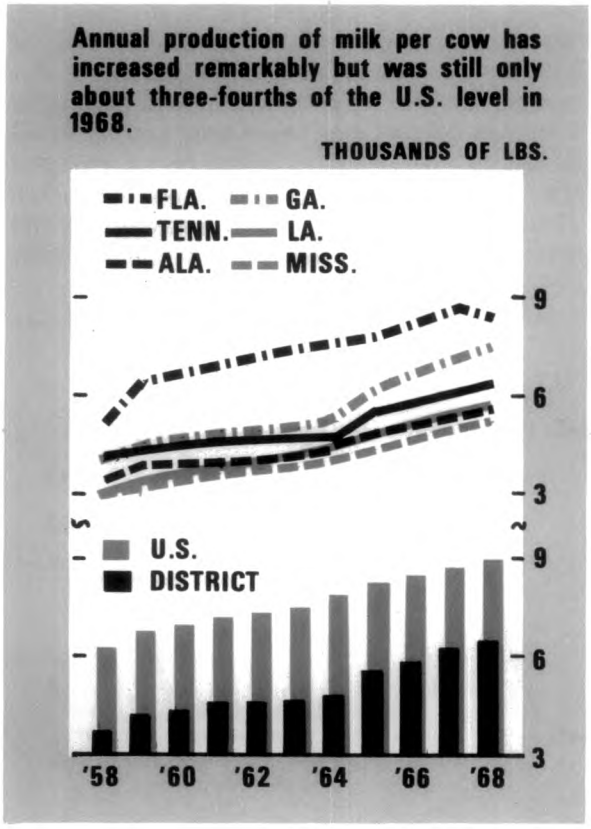


Monthly Review, Vol. LV, No. 5. Free subscription and additional copies available upon request to the Research Department, Federal Reserve Bank of Atlanta, Atlanta, Georgia 30303.

Production Per Cow

One of the Southeast's most remarkable improvements in agriculture during the past decade has been the increase in milk produced per cow (Figure II). In 1968, the average milk cow gave nearly twice as much milk as she did in 1958.

Figure II

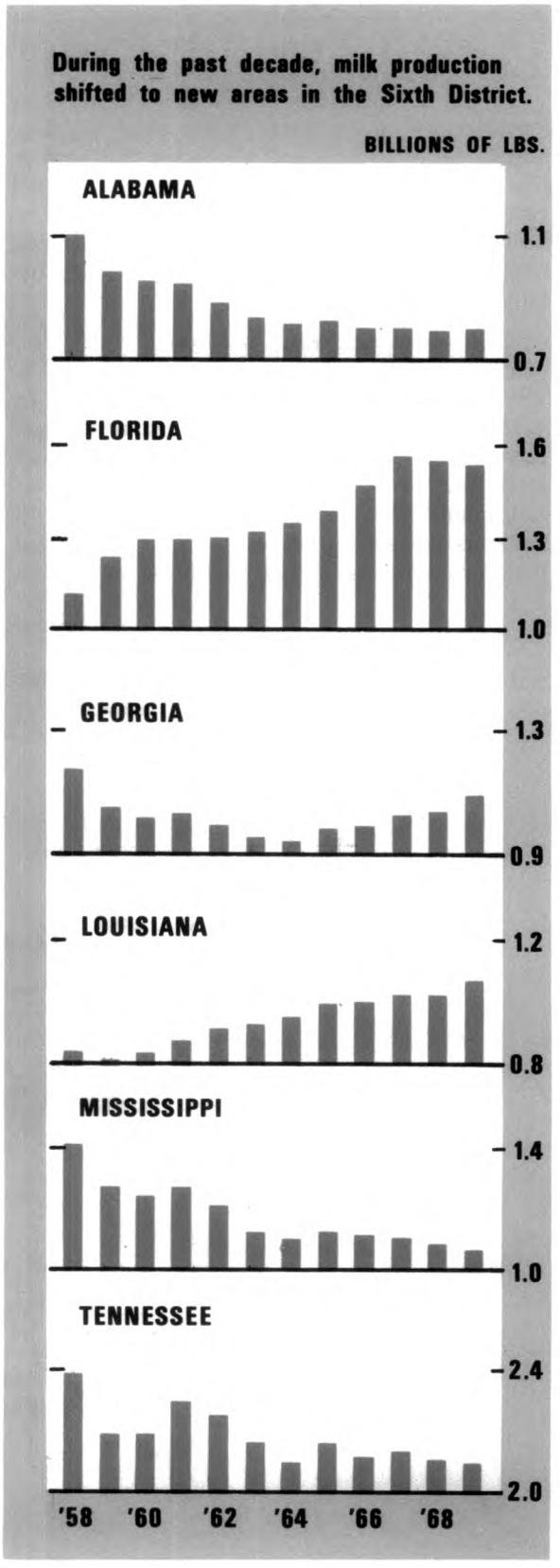


Although production per cow in individual states deviated somewhat from the regional average, it was up in each state without exception, with the most dramatic improvement occurring in Louisiana and Florida.

Not until after 1964 was there any major improvement in overall production efficiency. During the period from 1959-1964, Tennessee, Georgia, and Alabama, the states which accounted for the majority of total District production, showed much less gain in efficiency per cow.

By comparison, the growth in average production per cow in the U. S. as a whole was much smoother from year to year. The average U. S. cow also outperformed her Sixth District counterpart, but the gap grew progressively narrower during the ten-year period. District production

Figure III



per cow was slightly less than 60 percent of the U. S. average in 1958 but had reached 72 percent of the U. S. figure by 1968.

The rapid liquidation of small inefficient dairy herds (cows of low productivity receiving haphazard care) contributed to closing the productivity gap between District cows and other milk cows in the U. S. The level of management as well as the quality of animals in the herds that remain have been improved remarkably and that improvement continues.

Shifting Production Areas

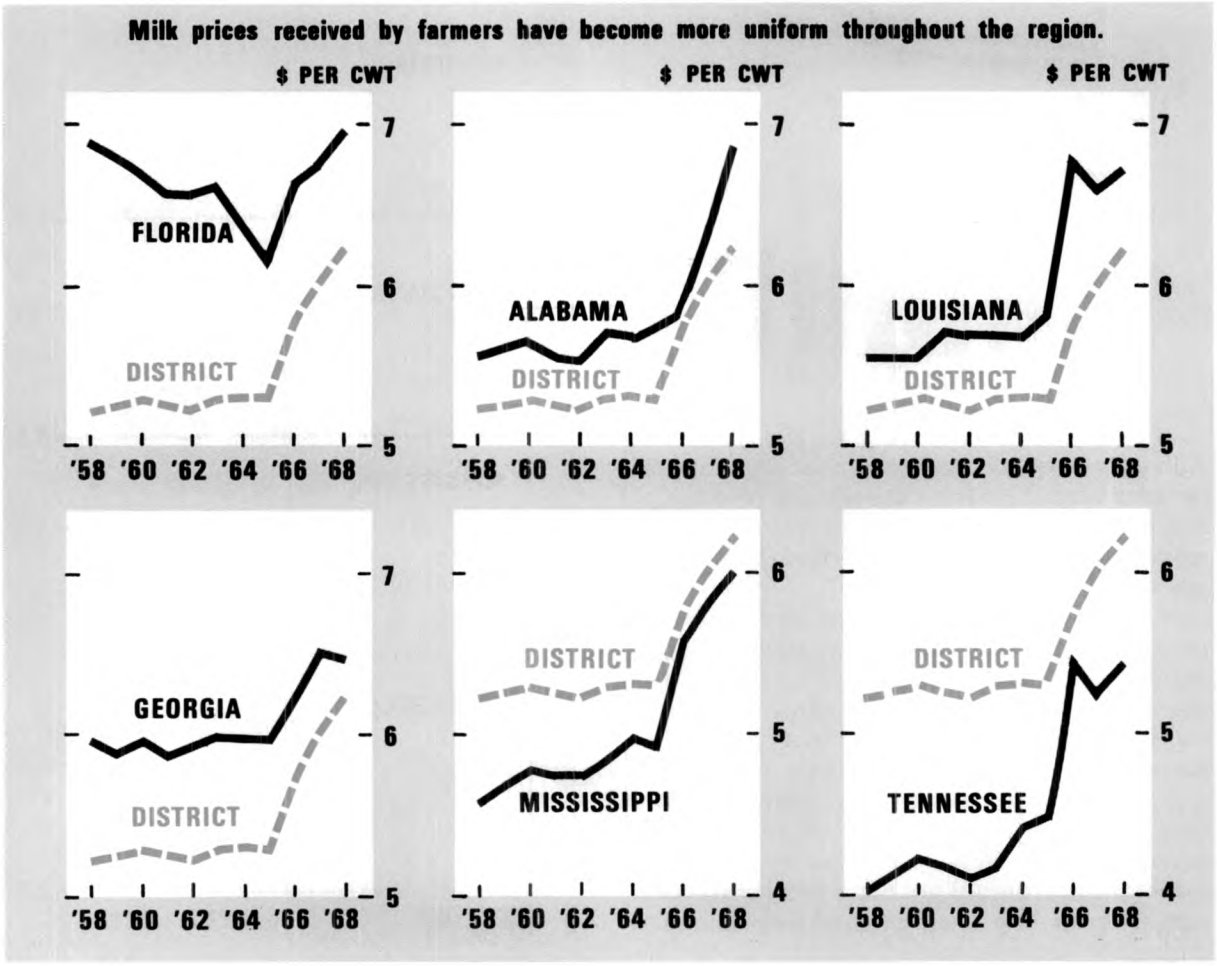
The areas of milk production as represented by state totals have also been undergoing changes (see Figure III on preceding page). Although total dairy cow numbers have declined in all states, only Alabama, Tennessee, and Mississippi have sustained heavy losses in total milk production during the last ten years. Florida and Louisiana, on the other hand, have experienced rapid growth since 1958, and production in Georgia turned upward after 1964. Milk cow numbers declined less in Florida and Louisiana during the period than in other states.

Varying Milk Prices

Changing production levels within states appeared to be partially related to interstate differences in the prices that farmers received for milk during the past decade (Figure IV). For example, production decreased in Mississippi and Tennessee where prices were lowest and increased in Florida and Louisiana where prices remained above the District average throughout the period. The pattern was not consistent in Alabama and Georgia, however, suggesting that factors other than prices are also influential.

Milk prices at the farm level are typically

Figure IV



determined by formulas administered under Federal or state marketing orders. The more usual type of formula, applied by market areas within the District, bases prices on the average price paid producers for manufacturing grade milk in Minnesota and Wisconsin plus a differential. The size of the differential bears some relationship to the distance of a given market from the Minnesota-Wisconsin area but also often includes special premiums that might be considered necessary to insure that an adequate supply of fresh fluid milk is provided for the local market.

The average price per cwt that farmers actually receive is also influenced by the percentage of their milk supply utilized in the higher priced fluid category (Class I products such as homogenized milk, cream, skim milk, and chocolate milk) as opposed to that used in manufactured products, (e. g., ice cream, cheese, and butter). Thus, in markets where most of the locally produced milk is used for fluid consumption, the average price received by producers is higher than in another market where a larger percentage of the supply is sold for manufacturing uses. The supply in excess of Class I needs is sold at the lower manufacturing grade price and, thus, lowers the overall average or *blend price* that producers receive.

Production Compared with Consumption

The rather consistently higher milk prices in Florida during the past decade reflect not only a greater distance of the area from the pricing base point (Minnesota and Wisconsin) but also that Florida farmers sell a larger portion of their milk for Class I fluid use than do farmers in other District states. Other states where total annual milk production typically does not exceed estimated annual fluid milk consumption are Georgia, Alabama, and Louisiana. Because of the seasonality of production, however, local supplies have exceeded fluid consumption levels at times during flush production periods (April through June) and milk is marketed in lower class uses. Average milk prices received by farmers within these three states exceeded the District average throughout the decade. Dairymen in Mississippi and Tennessee have maintained decided surpluses of milk production over their estimated Class I consumption, and average prices have remained consistently below the District average.

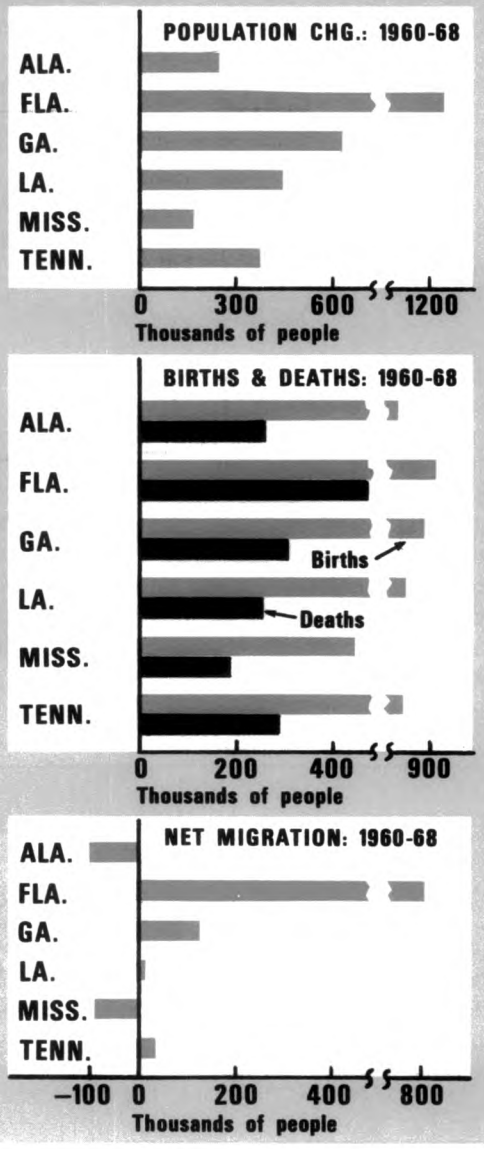
Considering the estimated milk equivalent volume of all dairy products consumed, however, all six states are deficit producers of milk. Apparently the lower prices that farmers receive for milk used in manufactured products do not encourage sufficient local production to meet the total demand for all products.

Population Changes

Changes and movements in the region's population have been underlying factors influencing milk production. All District states experienced a net growth in population from 1960 to 1968 (Figure V). The greatest growth occurred in

Figure V

Milk production was related to population changes—particularly net migration.



Florida, Georgia, and Louisiana—the states where milk production has been increasing. Florida's population growth resulted primarily from a net migration gain, whereas other states grew mostly because of the excess of births over deaths. Mississippi and Alabama, the states suffering net migration losses, experienced the most pronounced declines in total milk production in the past decade.

Thus, it seems that population changes resulting from migration have been more closely associated with changing milk production patterns than have natural population increases. People are usually encouraged to move from one area to another by opportunities for higher levels of income. Thus, total personal income rises as people move into an area. Natural population gains, on the other hand, result in no *immediate* increase in purchasing power.

It is not surprising, then, that (1) Mississippi and Alabama realized smaller increases in total personal income since 1958 than did the other states, and that (2) the greatest income gain occurred in Florida where the total increase was nearly twice as large as the average gain in the region during the same period.

Future Trends

Population shifts are likely to continue since more people are being attracted away from relatively disadvantaged rural areas of the Southeast by greater opportunities in rapidly growing urban centers. Many of the migrants of the past decade have left the area entirely, while others are settling around the larger cities within the region. In addition, some of the Southeast's metropolitan areas have attracted large numbers of residents from other parts of the country to work in relatively new industries.

Future rural to urban migration is likely to slow its pace from that of the past decade, however, simply because less potential migrants remain in rural areas. Then too, more migrants will probably be remaining within the Southeast if employment opportunities in the District's urban areas continue to improve. Population inflows from other sections of the country are also likely to continue, resulting in even greater net gains from migration than in the past. Average incomes will rise as wage earners in low income families secure more lucrative employment. Thus, the combination of more people with higher incomes is likely to result in a continual increase in milk consumption within the region.

As long as it remains more economical and/or desirable to produce milk adjacent to centers of consumption than to transport it long distances, human migration patterns will probably still affect the locations of dairy farms of the future. Smaller dairy herds in rural areas will continue to be replaced by large-scale dairy farms clustered around metropolitan centers.

Milk production is unlikely to grow in proportion to the population, however. For a number of reasons, the trend of declining per capita milk consumption will probably be accentuated in the future. A more diet-conscious populace will discriminate more against relatively high calorie foods such as milk fat. In addition, a declining birth rate will, in time, reduce the proportion of the younger age groups (the preponderant milk consumers) in the total population.

Milk-like substitutes, though only of minor importance at present, could gain a significant share of the market in the future if milk prices continue their upward trend.

GENE D. SULLIVAN

Bank Announcements

On April 9, **First National Bank of Doraville,** Doraville, Georgia, opened for business as a newly organized member bank. Officers are L. Thomas Robinson, president; and Wilbur Cohen, cashier. Capital is $300,000; surplus and other capital funds, $300,000.

A newly organized nonmember bank, **Barnett Bank of Anastasia Island,** St. Augustine, Florida, opened for business on April 14. Officers are H. A. Meitin, chairman of the board; W. B. Smith, president; and David Halstead, cashier. Capital is $250,000; surplus and other capital funds, $125,000.

On April 15, **Normandy Atlantic Bank,** Jacksonville, Florida, opened for business as a newly organized nonmember bank. Officers are William A. Bettes, chairman of the board; Keith S. Steen, president; and Jimmy Myers Brown, cashier.

What's Happening in Textiles?

During the past six months, American business activity simmered down, and textile producers in the Southeast (and elsewhere) found their fortunes inextricably woven into the national pattern.

The demand for textiles in this country is primarily a *derived* demand and fluctuates with the fortunes and misfortunes of textile customers. And right now textile customers, in general, seem to be reluctant buyers. Auto demand has fallen off and has thus affected the need for tire cord and upholstery fabric. Homebuilding has had its problems, too, and has indirectly limited the demand for carpets, draperies, and furniture fabrics. Defense spending is on the wane, thereby reducing military demand. And finally, apparel manufacturers, the biggest textile customers of all, have lost business as a result of faltering personal income.

Textile producers spent a good part of 1969 adjusting inventories in an attempt to maintain them at an acceptable level. Production was cut back about midyear, but inventories kept climbing right on into October when a temporary but impressive surge in sales reduced them to a hopefully more tenable level. At this point, it appears that the adjustment has largely been accomplished even though the inventory-sales ratio has still not stabilized. And consistent with year-end inventory reduction, textile mills have apparently reduced their borrowings at commercial banks.

It is fortunate for the textile mills that wholesale prices for textile goods have not declined but stabilized on a high plateau. Price weakness evident in the mini-slowdown of 1967 has not yet materialized in the current situation. This may be related to the growing importance of manmades whose supply is of a stabler sort.

As the demand for a particular commodity abates, requirements to produce that commodity abate. Since midyear, textile employment and working hours have both reflected this economic fact of life. Even a spurt of strength at year-end has been followed by more cutbacks and layoffs.

If the American textile industry is reflecting general economic conditions at the national level, the same is true for that portion of the Southeast that is circumscribed by the frontiers of the Sixth Federal Reserve District. The action is found primarily in Georgia, Tennessee, and Alabama where total textile employment is approximately 200,000. This is an important source of personal income for the region, since the industry ranks as the third most important manufacturing employer. The textile slowdown in the Southeast closely resembles the national textile slowdown, which in turn reflects the somewhat sluggish nature of the U. S. economy.

By mid-1969 in the region, employment weakness in textiles showed up in hours worked and in the large number of layoffs. On the other hand, at the national level, employment fell off early in the year, and working hours held strong until early 1970. As in the nation, textile mill borrowing from large District banks declined in early 1970. This reflects the abatement of financing needs, resulting from reduced inventories.

Even though the U. S. economy has faltered for two consecutive quarters, there is widespread

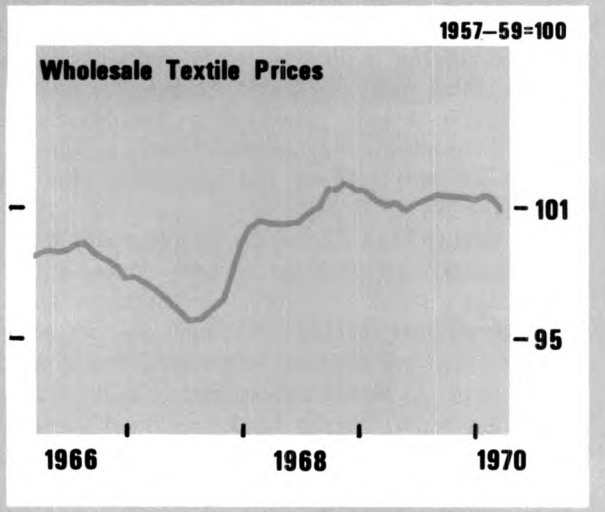
expectation of renewed economic vigor later in the year which should brighten the outlook for textiles. Renewed growth of the U. S. economy will probably stimulate activity in apparel, autos, and construction, and indirectly in textiles. One remaining weak spot for textiles will likely be military demand.

Looking at the other side of the valley, District mills announced increased capital spending plans. This can be taken as a vote of confidence for the industry. The resulting new plant capacity, along with general economic advance expected later in the year, should generate demand for bank loans to finance permanent increases in levels of working capital.

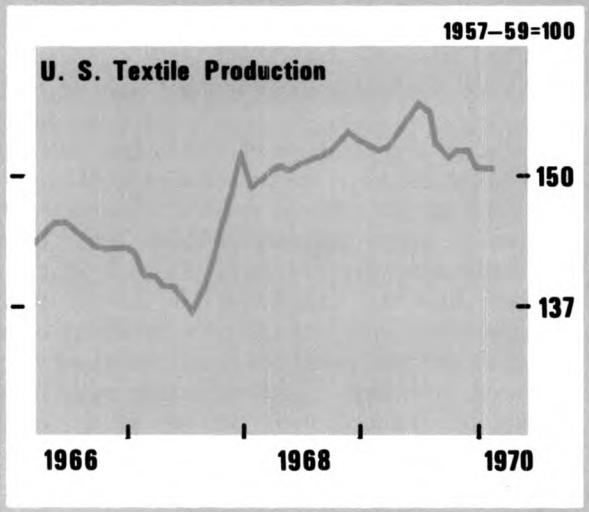
ROBERT E. WILLARD

Textiles at a Glance

Sales have been sluggish since the record high in 1968; however, the contraction so far has been milder than in 1966.

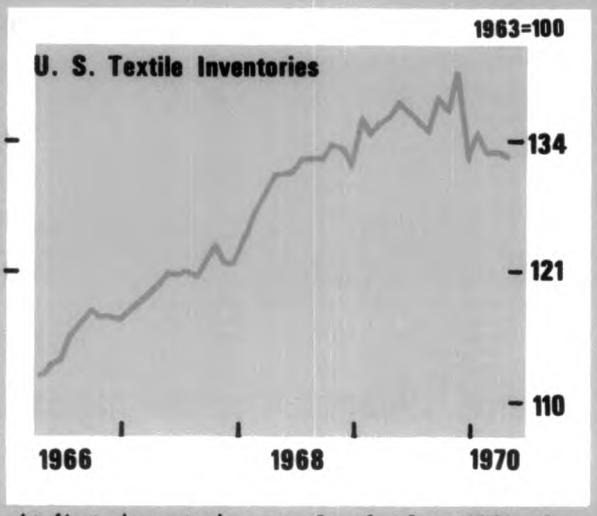


Prices have also remained firmer than they were in 1966-67.



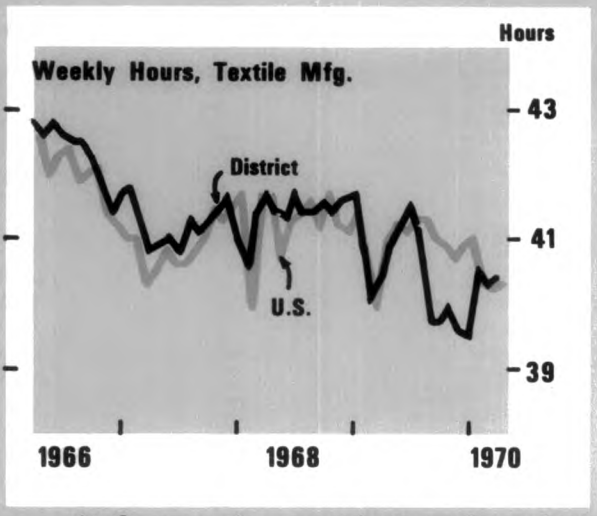
In response to lagging sales, manufacturers began to cut their output in mid-1969.

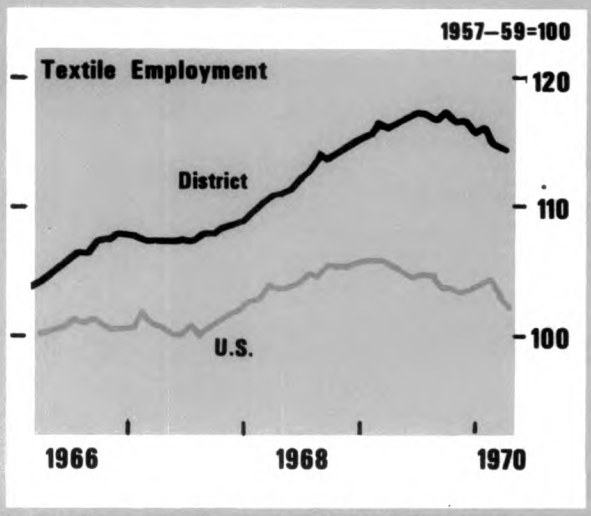
The Textile Industry Seems to Reflect the Performance of the Economy.



At first, inventories rose but by late 1969, they too were cut back.

Less demand for borrowed funds mirrored inventory reductions.





At the same time, manufacturers have shortened work hours and reduced their labor force.

NOTE: All chart data have been seasonally adjusted.

Sixth District Statistics

Seasonally Adjusted

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

		Latest Month 1970	One Month Ago	Two Months Ago	One Year Ago
SIXTH DISTRICT					
INCOME AND SPENDING					
Personal Income (Mil. $, Annual Rate)	Mar.	N.A.	N.A.	N.A.	68,701
Manufacturing Payrolls	Mar.	253	252	250	238
Farm Cash Receipts	Feb.	180	175	150	177
Crops	Feb.	177	153	122	190
Livestock	Feb.	189	203	202	172
Instalment Credit at Banks* (Mil. $)					
New Loans	Mar.	326	311	305	293
Repayments	Mar.	296	276	289	294
PRODUCTION AND EMPLOYMENT‡					
Nonfarm Employment†	Mar.	152	152	153	148
Manufacturing	Mar.	149	149	150	149
Apparel	Mar.	174	174	176	174
Chemicals	Mar.	142	144	143	142
Fabricated Metals	Mar.	177	177	179	175
Food	Mar.	120	121	118	115
Lbr., Wood Prod., Furn. & Fix.	Mar.	108	109	109	109
Paper	Mar.	129	129	130	129
Primary Metals	Mar.	131	133	135	131
Textiles	Mar.	114	115	116	116
Transportation Equipment	Mar.	199	200	211	210
Nonmanufacturing†	Mar.	153	154	153	147
Construction	Mar.	141	145	146	136
Farm Employment	Mar.	57	60	60	59
Unemployment Rate (Percent of Work Force)†	Mar.	4.0	3.8	3.5	3.5
Insured Unemployment (Percent of Cov. Emp.)	Mar.	2.3	2.3	2.3	1.8
Avg. Weekly Hrs. in Mfg. (Hrs.)	Mar.	40.4	40.3	40.3	40.9
Construction Contracts*	Mar.	204	246	439	182
Residential	Mar.	247	246	318	207
All Other	Mar.	166	246	542	161
Electric Power Production**	Feb.	165	166	167	159
Cotton Consumption**	Feb.	103	103	103	102
Petrol. Prod. in Coastal La. and Miss.**	Apr.	277	273	270	257
FINANCE AND BANKING					
Loans*					
All Member Banks	Mar.	345	342	342	313
Large Banks	Mar.	287	287	289	268
Deposits*					
All Member Banks	Mar.	228	225	225	225
Large Banks	Mar.	187	185	186	189
Bank Debits*/**	Mar.	279	280	276	253
ALABAMA ‡					
INCOME					
Personal Income (Mil. $, Annual Rate)	Mar.	N.A.	N.A.	N.A.	8,497
Manufacturing Payrolls	Mar.	217	218	218	202
Farm Cash Receipts	Feb.	187	193	143	159
PRODUCTION AND EMPLOYMENT					
Nonfarm Employment†	Mar.	133	134	134	131
Manufacturing	Mar.	134	136	137	133
Nonmanufacturing	Mar.	133	133	133	130
Construction	Mar.	121	123	127	119
Farm Employment	Mar.	55	61	60	62
Unemployment Rate (Percent of Work Force)†	Mar.	4.3	4.0	3.8	3.8
Avg. Weekly Hrs. in Mfg. (Hrs.)	Mar.	40.5	40.5	40.5	41.2
FINANCE AND BANKING					
Member Bank Loans	Mar.	311	311	306	278
Member Bank Deposits	Mar.	216	213	210	212
Bank Debits**	Mar.	253	249	248	231
FLORIDA ‡					
INCOME					
Personal Income (Mil. $, Annual Rate)	Mar.	N.A.	N.A.	N.A.	20,784
Manufacturing Payrolls	Mar.	342	344	335	310
Farm Cash Receipts	Feb.	189	172	172	188
PRODUCTION AND EMPLOYMENT					
Nonfarm Employment†	Mar.	177	177	177	169
Manufacturing	Mar.	177	179	178	177
Nonmanufacturing	Mar.	176	177	175	167
Construction	Mar.	139	142	138	131
Farm Employment	Mar.	77	85	91	83
Unemployment Rate (Percent of Work Force)†	Mar.	3.1	2.9	2.4	2.6
Avg. Weekly Hrs. in Mfg. (Hrs.)	Mar.	41.2	40.9	40.3	41.5
FINANCE AND BANKING					
Member Bank Loans	Mar.	391	384	386	347
Member Bank Deposits	Mar.	260	258	258	253
Bank Debits**	Mar.	279	287	294	251
GEORGIA ‡					
INCOME					
Personal Income (Mil. $, Annual Rate)	Mar.	N.A.	N.A.	N.A.	13,296
Manufacturing Payrolls	Mar.	262	258	255	249
Farm Cash Receipts	Feb.	175	201	189	166
PRODUCTION AND EMPLOYMENT					
Nonfarm Employment†	Mar.	153	153	154	150
Manufacturing	Mar.	142	141	145	145
Nonmanufacturing	Mar.	158	158	159	153
Construction	Mar.	146	150	155	150
Farm Employment	Mar.	50	52	56	52
Unemployment Rate (Percent of Work Force)†	Mar.	3.3	3.5	2.9	2.6
Avg. Weekly Hrs. in Mfg. (Hrs.)	Mar.	40.1	39.9	39.6	41.0
FINANCE AND BANKING					
Member Bank Loans	Mar.	348	347	348	329
Member Bank Deposits	Mar.	233	229	229	250
Bank Debits**	Mar.	340	340	317	283
LOUISIANA‡					
INCOME					
Personal Income (Mil. $, Annual Rate)	Mar.	N.A.	N.A.	N.A.	9,961
Manufacturing Payrolls	Mar.	196	199	199	186
Farm Cash Receipts	Feb.	196	158	136	197
PRODUCTION AND EMPLOYMENT					
Nonfarm Employment†	Mar.	133	134	134	131
Manufacturing	Mar.	123	124	124	123
Nonmanufacturing	Mar.	136	136	136	132
Construction	Mar.	132	134	137	131
Farm Employment	Mar.	47	50	45	56
Unemployment Rate (Percent of Work Force)†	Mar.	6.0	5.5	5.2	5.1
Avg. Weekly Hrs. in Mfg. (Hrs.)	Mar.	41.0	41.4	42.5	41.4
FINANCE AND BANKING					
Member Bank Loans*	Mar.	280	282	277	254
Member Bank Deposits*	Mar.	179	177	176	176
Bank Debits*/**	Mar.	198	203	217	192
MISSISSIPPI‡					
INCOME					
Personal Income (Mil. $, Annual Rate)	Mar.	N.A.	N.A.	N.A.	5,249
Manufacturing Payrolls	Mar.	275	272	274	261
Farm Cash Receipts	Feb.	189	190	118	214
PRODUCTION AND EMPLOYMENT					
Nonfarm Employment†	Mar.	152	152	152	148
Manufacturing	Mar.	161	160	161	160
Nonmanufacturing	Mar.	148	148	148	143
Construction	Mar.	167	175	183	137
Farm Employment	Mar.	56	57	54	52
Unemployment Rate (Percent of Work Force)†	Mar.	4.7	4.3	3.9	3.7
Avg. Weekly Hrs. in Mfg. (Hrs.)	Mar.	40.0	40.1	40.9	40.7
FINANCE AND BANKING					
Member Bank Loans*	Mar.	422	416	425	373
Member Bank Deposits*	Mar.	275	271	277	255
Bank Debits*/**	Mar.	291	298r	284	265

TENNESSEE ‡	Latest Month 1970		One Month Ago	Two Months Ago	One Year Ago
INCOME					
Personal Income (Mil. $, Annual Rate)	Mar.	N.A.	N.A.	N.A.	10,914
Manufacturing Payrolls	Mar.	246	245	242	236
Farm Cash Receipts	Feb.	142	121	116	135
PRODUCTION AND EMPLOYMENT					
Nonfarm Employment†	Mar.	150	151	151	146
Manufacturing	Mar.	156	157	157	157
Nonmanufacturing	Mar.	147	148	147	141
Construction	Mar.	162	170	175	155
Farm Employment	Mar.	58	63	62	61
Unemployment Rate (Percent of Work Force)†	Mar.	4.0	3.7	3.9	3.1
Avg. Weekly Hours in Mfg. (Hrs.)	Mar.	39.8	39.7	39.9	40.3
FINANCE AND BANKING					
Member Bank Loans*	Mar.	332	325	325	300
Member Bank Deposits*	Mar.	208	203	203	193
Bank Debits*/**	Mar.	294	273	262	302

*For Sixth District area only; other totals for entire six states **Daily average basis †Preliminary data r-Revised N.A. Not available
‡Employment figures for all states have been adjusted to new bench mark data.

Sources: Personal income estimated by this Bank; nonfarm, mfg. and non mfg. 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 Div., McGraw-Hill Information Systems Co.; 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

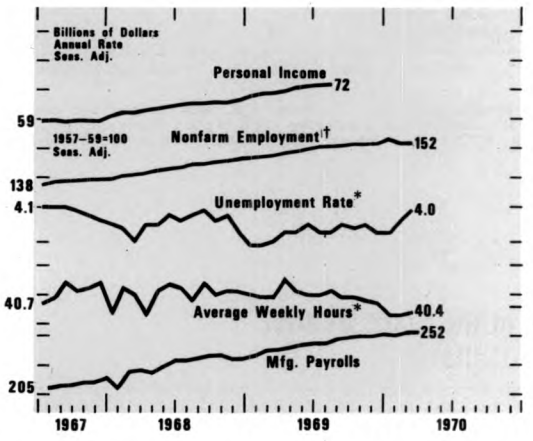
Insured Commercial Banks in the Sixth District

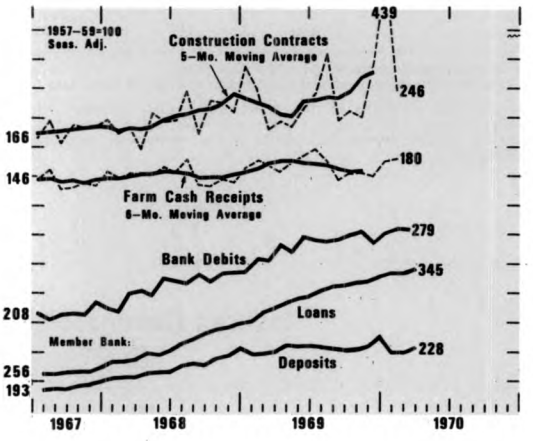
(In Thousands of Dollars)

	March 1970	February 1970	March 1969	Percent Change: March 1970 From Feb. 1970	Mar. 1969	Year to date 3 mos. 1970 from 1969
STANDARD METROPOLITAN STATISTICAL AREAS†						
Birmingham	2,011,147	1,875,881	1,732,225	+ 7	+16	+10
Gadsden	68,730	65,731	65,583	+ 5	+ 5	+ 7
Huntsville	219,690	214,847	194,417	+ 2	+13	+17
Mobile	728,233	574,749	542,122	+27	+34	+17
Montgomery	382,874	336,355	348,954	+14	+10	+ 3
Tuscaloosa	127,080	115,338	113,036	+10	+12	+ 5
Ft. Lauderdale–Hollywood	1,144,686	1,049,022	1,018,724	+ 9	+12	+ 9
Jacksonville	2,068,690	2,000,832	1,856,845	+ 3	+14	+10
Miami	3,713,421	3,328,016	3,080,449	+12	+21	+13
Orlando	822,413	740,216	703,151	+11	+17	+15
Pensacola	251,426	222,128	216,239	+13	+16	+10
Tallahassee	202,321	201,461	152,424	+ 0	+33	+19
Tampa–St. Pete.	2,071,257	2,047,331	1,809,860	+ 1	+14	+17
W. Palm Beach	685,654	666,037	572,665	+ 3	+20	+17
Albany	126,231	106,361	105,429	+19	+20	+12
Atlanta	7,964,260	7,445,020	5,956,181	+ 7	+34	+26
Augusta	316,129	292,470	276,151	+ 8	+14	+ 9
Columbus	278,850	247,922	275,814	+12	+ 1	+ 0
Macon	327,206	282,392	287,405	+16	+14	+ 6
Savannah	349,278	270,277	297,576	+29	+17	+ 5
Baton Rouge	795,106	757,320	611,624	+ 5	+30	+27
Lafayette	167,046	154,679	150,619	+ 8	+11	+ 5
Lake Charles	163,691	157,684	161,765	+ 4	+ 1	+ 1
New Orleans	2,636,230	2,497,335	2,526,071	+ 6	+ 4	+ 7
Biloxi–Gulfport	168,205	164,522	124,258	+ 2	+35	+31
Jackson	830,940	863,522r	699,930	− 4	+19	+19
Chattanooga	889,246	760,908	765,450	+17	+16	+15
Knoxville	574,375	504,657	527,480	+14	+ 9	+ 2
Nashville	2,015,922	1,777,274	2,193,405	+13	− 8	−18
OTHER CENTERS						
Anniston	75,178	68,288	72,090	+10	+ 4	+11
Dothan	91,165	83,897	78,709	+ 9	+16	+15
Selma	51,629	48,136	46,185	+ 7	+12	+ 2
Bartow	36,709	35,716	35,674	+ 3	+ 3	− 2
Bradenton	103,538	99,370	90,659	+ 4	+14	+ 3
Brevard County	238,261	199,880	219,317	+19	+ 9	− 2
Daytona Beach	99,443	94,128	92,446	+ 6	+ 8	+ 8
Ft. Myers–N. Ft. Myers	135,261	125,732	122,469	+ 8	+10	+ 3
Gainesville	112,840	107,148	98,636	+ 5	+14	+13
Lakeland	160,760	161,296	152,454	− 0	+ 5	+17
Monroe County	45,961	43,299	38,698	+ 6	+19	+ 6
Ocala	98,178	95,699	87,221	+ 3	+13	+24
St. Augustine	24,370	21,459	25,965	+14	− 6	− 7
St. Petersburg	457,756	414,495	408,096	+10	+12	+ 8
Sarasota	196,572	197,822	142,623	− 1	+38	+30
Tampa	1,117,475	1,126,085	959,724	− 1	+17	+22
Winter Haven	96,029	89,987	75,379	+ 7	+27	+20
Athens	100,808	92,077	89,375	+ 9	+13	+ 8
Brunswick	54,062	53,585	51,148	+ 1	+ 6	+11
Dalton	117,860	97,909	107,876	+20	+ 9	− 3
Elberton	18,804	18,482	15,954	+ 2	+18	+14
Gainesville	89,282	80,345	84,505	+11	+ 6	+20
Griffin	44,420	39,972	36,169	+11	+23	+17
LaGrange	26,651	21,734	22,019	+23	+21	+ 5
Newnan	29,978	27,456	23,007	+ 9	+30	+21
Rome	93,118	81,608	85,530	+14	+ 9	+ 9
Valdosta	64,268	61,268	61,745	+ 5	+ 7	+ 7
Abbeville	13,012	11,657	13,258	+12	− 2	+ 0
Alexandria	161,565	149,761	167,164	+ 8	− 3	− 4
Bunkie	7,632	6,318	6,971	+21	+ 9	− 3
Hammond	45,618	44,688	42,894	+ 2	+ 6	+ 8
New Iberia	41,829	37,487	36,751	+12	+14	+ 4
Plaquemine	12,787	15,040	14,562	−15	−12	+ 5
Thibodaux	27,233	23,519	27,515	+16	− 1	+ 0
Hattiesburg	61,406	52,698	70,136	+17	−12	−17
Laurel	50,164	45,502	42,730	+10	+17	+20
Meridian	78,577	70,507	82,254	+11	− 4	+ 1
Natchez	44,916	39,384	42,819	+14	+ 5	+ 2
Pascagoula–Moss Point	93,427	78,573	74,587	+19	+25	+11
Vicksburg	51,321	47,677	39,266	+ 8	+31	+19
Yazoo City	25,047	23,493	34,288	+ 7	−27	−25
Bristol	109,625	83,981	97,998	+31	+12	+ 8
Johnson City	106,563	91,964	90,688	+16	+18	+14
Kingsport	207,156	156,624	213,897	+32	− 3	− 6
SIXTH DISTRICT, Total	42,652,745	39,400,302r	36,896,458	+ 8	+16	+11
Alabama‡	5,106,140	4,678,452	4,451,960	+ 9	+15	+ 9
Florida‡	13,946,861	13,040,154	11,952,301	+ 7	+17	+13
Georgia‡	11,626,230	10,730,806	9,249,188	+ 8	+26	+19
Louisiana†*	4,751,336	4,497,183	4,382,168	+ 6	+ 8	+ 8
Mississippi†*	1,854,082	1,804,303r	1,607,209	+ 3	+15	+15
Tennessee†*	5,368,096	4,649,404	5,253,632	+15	+ 2	− 5

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

District Business Conditions





†1967-70, new bench mark data *Seas. adj. figure; not an index

Economic activity continued to subside, but price pressures lingered. Very large projects in a few scattered markets continue to mask a construction slump in many local markets. Consumer activity gained little strength in March. While announcements of new and expanded plants increased, employment continued to decrease and unemployment rose. Farm prices reached the highest level in six years. Deposit inflows enabled banks to rebuild their depleted liquidity. Bank lending failed to increase.

The overall level of construction contract awards continued deceptively high, considering the current levels of interest rates and the shortage of residential mortgage funds. However, residential awards through February were down slightly from a year ago, and only Florida and Tennessee showed gains. During January and February, nonresidential awards were extremely high in Alabama, Tennessee, and in sections of Florida. Savings and loan associations in five of the District states had substantial net outflows in January that were not recouped in February. Only Florida had a net inflow of savings in both months. According to preliminary March data, however, savings flows have increased.

Consumers continued to behave cautiously in March. The amounts outstanding of each major type of consumer loan at commercial banks increased slightly, resulting in only a fractional increase for total consumer credit. Auto sales continued sluggish. Estimates are that personal income growth slowed substantially for the first three months of 1970.

Employment slipped slightly in March, and the unemployment rate rose modestly. Declines in employment occurred in nearly every manufacturing and nonmanufacturing sector. Working hours in manufacturing edged up after declining in the previous month. Payrolls also continued upward—primarily because of rising wage rates. Announcements of new and expanded plants increased sharply in the first quarter of 1970, reversing the continuous decline of the previous three quarters.

In March, prices received by farmers again rose slightly, reaching the highest level since the spring of 1964. Recent price strength came primarily from the livestock sector, where rising prices for broilers, beef cattle, and calves offset price declines for milk, hogs, and eggs. Reflecting rapidly increasing production in the livestock sector—particularly in the case of eggs and broilers—farm cash receipts were higher than they were a year ago.

Member banks continued to enjoy substantial inflows of deposits in April. It appears that banks are placing more emphasis on rebuilding liquidity which was sharply diminished last year. In April, banks did not increase loans but added to their investment portfolios—purchases of municipal and short-term U.S. Government obligations were among the prime selections.

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