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NINTH DISTRICT CONDITIONS MONTHLY STATISTICAL REPORT OF THE FEDERAL RESERVE BANK OF MINNEAPOLIS

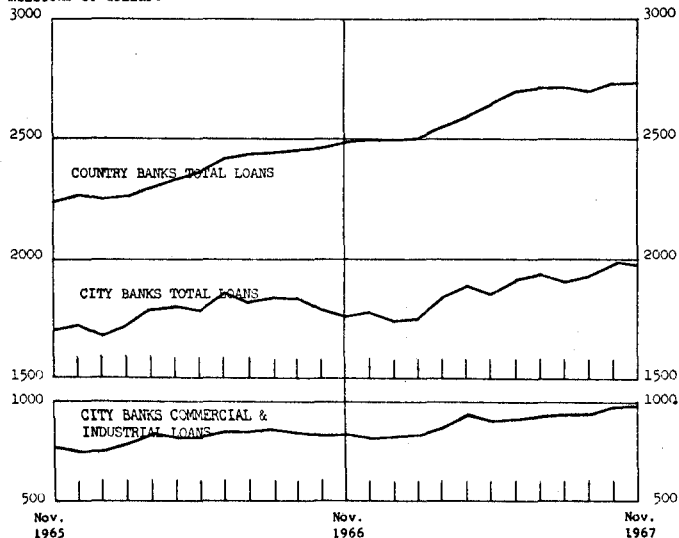
LOAN DEMAND CONTRACTS AT CITY BANKS, INDUSTRIAL SECTOR HINDERED BY LABOR-MANAGEMENT DISPUTES, AGRICULTURAL LABOR FORCE CONTINUES TO DECLINE

Following an unusually rapid expansion during October, total loans and investments at all district member banks advanced at a much slower, although still above normal, pace during November. Loan demand slackened visibly during November to account for a great share if not all of the slow-down in district bank credit growth between October and November. The contraction in loan demand occurred entirely at city banks. Business loans at these large banks, unusually vigorous during October as a result of an above seasonal increase in loan demand on the part of commodity dealers, rose very little during November even though commodity dealer loan demand remained very strong during the month. Country banks, in contrast to city banks, recorded near normal loan demand during November.

Total deposits at all district banks rose at an above seasonal pace

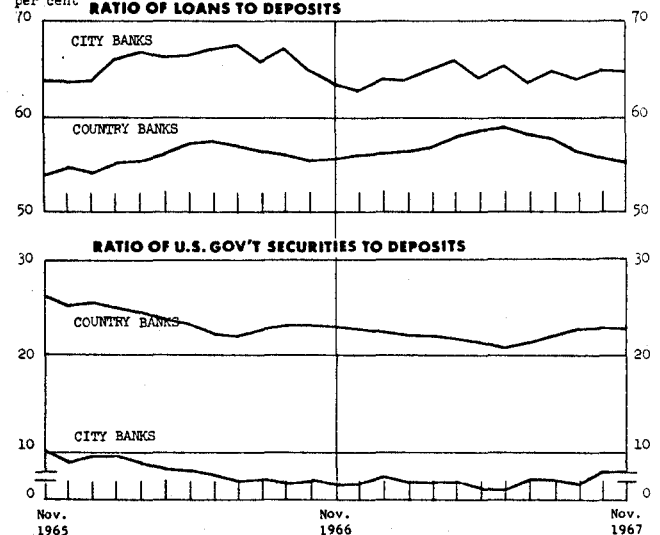
9TH DISTRICT MEMBER BANK LOANS OUTSTANDING

millions of dollars



9TH DISTRICT MEMBER BANK 'LIQUIDITY' RATIOS

per cent



during November. The recent rate of total deposit expansion has declined markedly, however, from that recorded earlier this year. This slowdown, has been visible in both the demand and time deposit categories. It should be noted, however, that the recent pace of time deposit expansion, although slower than that recorded throughout most of 1967, is still in line with the vigorous rate of growth recorded in recent years.

At present district banks appear to be in a relatively strong liquidity position. At the end of November the loan-deposit ratio of city banks stood at .645--the level which has existed throughout 1967 and somewhat below the 1966 average level. The country bank loan-deposit ratio at the end of November was .553--about the same as that recorded at this time a year ago.

During October, Ninth district production and employment indicators told essentially the same story as the previous several months. Improvement in the industrial sector was hampered by several major labor-management disputes; the housing industry continued its steady improvement; total employment increased slightly, but was basically a sideways movement.

Judging by the downturn in the electric power index and the expected downturn in the production worker manhours index, district industrial production retreated slightly from the September level. Most of this decline can be attributed to labor stoppages in three major industries--primary metals, transportation equipment, and paper and allied products.

In the construction sector our data indicate a rather buoyant industry. Although employment in the construction sector has been virtually stable throughout the entire year, an increased level of activity is evidenced by higher levels of construction contracts and building permits. The residential area in particular has shown rather rapid increases in the level of activity. Building permits data for the first ten months of the year indicate that the number of housing units started over this ten month period is about 32 per cent above the corresponding period of 1966.

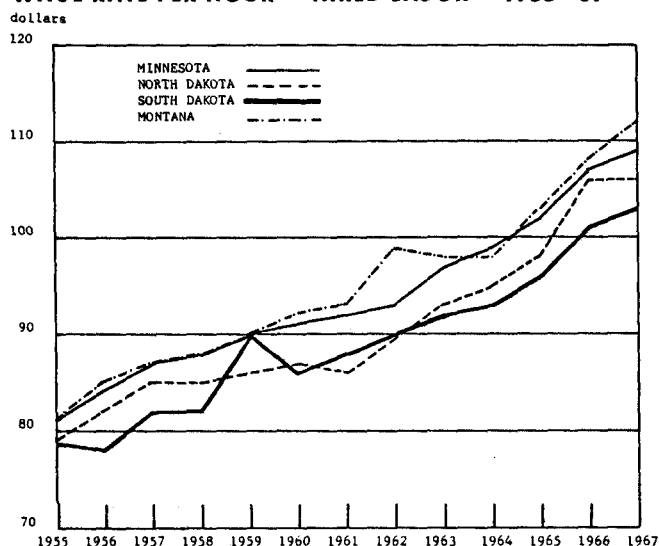
Although total employment increased slightly from the September level, the important wage and salary component registered a slight decline--which can be attributed to major labor-management disputes.

The Ninth district agricultural labor force totaling 395,000 farm workers on November 1, has declined by 4.5 per cent since 1966. As shown in the accompanying graphs, all district states have experienced relatively

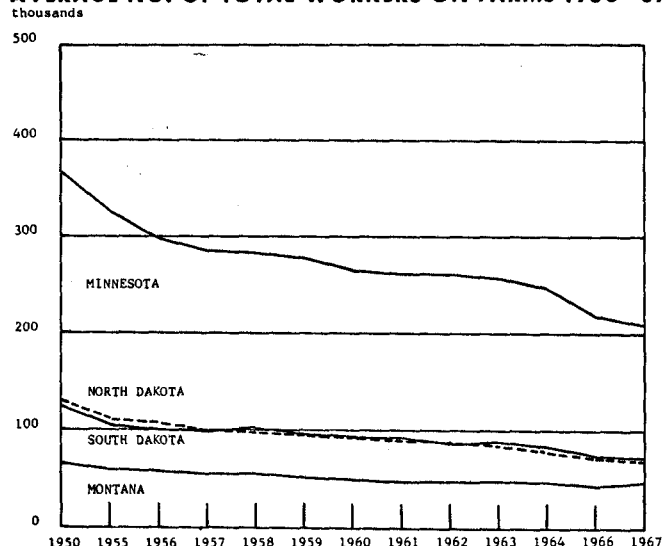
constant rates of decline with a total decrease of 285,000 farm workers since 1950. Minnesota, North and South Dakota all experienced declines in the agricultural labor force, of around 21 per cent since 1960. Montana, however, diverges considerably from the district pattern with a minimal 1 per cent decrease in farm workers since 1960. District farm laborers are composed primarily (about 85 per cent) of farm family members, but the most rapid rate of decrease in farm workers is found among hired laborers, reflecting the impact of the technological shifts in farm production methods. During the period 1960-67 the average number of family workers declined by 19 per cent, while the average number of hired workers decreased by 29 per cent. Once again, Montana deviates from the district mean substantially, as the number of hired workers actually increased by 14 per cent since 1960.

According to the Department of Agriculture, wage rates for the district's hired laborers continued to increase through October 1967. The average cash rate per hour (without board and room) for the district farm worker, at \$1.08 cents per hour, is 2 cents above 1966 wage levels and 8 cents above the national average. The range in wages varies among district states from a high of \$1.12 cents in Montana to a low of \$1.03 cents in South Dakota. In the aggregate, however, all district states have experienced wage increases on the order of 20-22 per cent since 1960. In spite of the high relative wage increases since 1960, agricultural wage rates for hired laborers are still considerably lower than are wages for the district's manufactural employees who currently average about \$2.78 cents per hour.

WAGE RATE PER HOUR — HIRED LABOR — 1955-67



AVERAGE NO. OF TOTAL WORKERS ON FARMS 1950-67



NINTH DISTRICT¹ income and financial indicators9th dist.
percent
change

item	unit	1966		1967				percent change
		OCTOBER	NOVEMBER	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	OCT. to OCT.
MEASURES OF CONSUMER INCOME & FINANCIAL POSITION								
Total Personal Income ²								*
Nonagricultural Personal Income								*
Average Weekly Earnings in Manufacturing ³	Dollars,	117.61	115.35	117.62	119.57p	120.45e		+ 2.4
Consumer Instalment Credit Outstanding ⁴	Million \$	997	998	1,085	1,087	n.a.		
Time & Savings Deposits at Member Banks	Million \$	3,558	3,596	4,102	4,112	4,154	4,208	+16.8
Savings Balances at Savings & Loan Assoc. ²	Million \$	2,781	2,800	2,964	3,002	2,998		+ 7.8
Cash Farm Receipts, Total ²	Million \$	517	405	383	373	n.a.		
Receipts from Crops	Million \$	244	144	182	159	n.a.		
Receipts from Livestock & Produce	Million \$	273	261	201	214	n.a.		
MEASURES OF PRICE LEVELS								
Consumer Price Index ⁵	Index, sa	113.4				118.4		+ 4.4
Prices Received by Farmers ⁶	Index, sa	120	115	114	112	108	105	-10.0
MEASURES OF FINANCIAL CONDITION OF MEMBER BANKS ⁷								
CITY BANKS ⁸								
Adjusted Loans and Discounts ⁹	Million \$	1,792	1,767	1,906	1,936	1,987	1,980	+10.9
Real Estate Loans	Million \$	331	332	340	346	351	354	+ 6.0
Commercial and Industrial Loans	Million \$	836	840	940	943	969	974	+15.9
Total Investments	Million \$	656	656	743	725	785	795	+19.7
U.S. Government Obligations	Million \$	343	335	374	361	408	409	+19.0
Other Securities	Million \$	313	321	369	364	377	386	+20.4
Total Deposits	Million \$	2,822	2,860	3,025	3,096	3,103	3,098	+10.0
Gross Demand Deposits	Million \$	1,725	1,744	1,723	1,802	1,795	1,761	+ 4.0
Time Deposits	Million \$	1,097	1,116	1,302	1,294	1,308	1,337	+19.2
COUNTRY BANKS ¹⁰								
Loans and Discounts	Million \$	2,456	2,472	2,712	2,699	2,720	2,738	+10.7
Total Investments	Million \$	1,760	1,763	1,841	1,879	1,928	1,968	+ 9.5
U.S. Government Securities	Million \$	1,032	1,029	1,041	1,085	1,111	1,132	+ 7.6
Other Securities	Million \$	728	734	800	794	817	836	+12.2
Total Deposits	Million \$	4,441	4,464	4,708	4,796	4,872	4,948	+ 9.7
Gross Demand Deposits	Million \$	1,980	1,984	1,909	1,978	2,026	2,076	+ 2.3
Time Deposits	Million \$	2,461	2,480	2,799	2,818	2,846	2,872	+15.6
MEASURES OF RESERVE POSITION AND 'LIQUIDITY' OF MEMBER BANKS								
Reserves: 11								
Total Reserves	Million \$	581	586	585	596	607	610	+ 4.5
Required Reserves	Million \$	563	565	564	578	589	592	+ 4.6
Excess Reserves	Million \$	18	21	21	18	17	18	- 5.6
Borrowings from FRB	Million \$	3	3	2	0	1	1	-66.7
Ratio of Loans to Total Deposits: 7								
City Banks	Per Cent	64.6	63.3	64.5	63.7	64.6	64.5	0.0
Country Banks	Per Cent	55.3	55.4	57.6	56.3	55.8	55.3	+ 0.9
Ratio of U.S. Gov't Securities to Deposits: 7								
City Banks	Per Cent	12.2	11.7	12.4	11.7	13.1	13.2	+ 7.4
Country Banks	Per Cent	23.2	23.1	22.1	22.6	22.8	22.9	- 1.7

UNITED STATES income and financial indicators

5

U.S.¹⁵
percent
change

OCT. to OCT.

Percent change OCT. to OCT.	item	unit	1966		1967			
			OCTOBER	NOVEMBER	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER
	MEASURES OF CONSUMER INCOME & FINANCIAL POSITION							
+ 6.4	Total Personal Income	Billion \$, saar	597.5	602.1	631.6	634.4	636.0p	
+ 6.6	Nonagricultural Personal Income	Billion \$, saar	577.5	581.9	611.4	614.0	615.8p	
+ 2.1	Average Weekly Earnings in Manufacturing	Dollars,	113.85	113.99	114.77	116.57	116.28p	
+ 5.6	Consumer Instalment Credit Outstanding ⁴	Billion \$	31.9	32.0	33.5	33.4	33.7	
+15.0	Time & Savings Deposits at Member Banks	Billion \$	128.0	127.3	146.0	146.2	147.2	
+ 9.6	Savings Balances at Savings & Loan Assoc.	Billion \$	111.7	112.3	120.7	121.9	122.4	
	Cash Farm Receipts, Total	Billion \$	5.4	4.6	3.6	4.0	n.a.	
	Receipts from Crops	Billion \$	3.0	2.5	1.5	1.8	n.a.	
	Receipts from Livestock & Produce	Billion \$	2.4	2.1	2.1	2.2	n.a.	
	MEASURES OF PRICE LEVELS							
+ 2.6	Consumer Price Index	Index, sa	114.5	114.6	116.9	117.1	117.5	
- 5.5	Prices Received by Farmers	Index, sa	110	107	106	104	104	
	MEASURES OF FINANCIAL CONDITION OF MEMBER BANKS ⁷							
	CITY BANKS ⁸							
+ 4.8	Adjusted Loans and Discounts ⁹	Billion \$	131.1	131.6	135.5	138.0	137.4	
+ 4.0	Real Estate Loans	Billion \$	27.4	27.5	28.1	28.3	28.5	
+ 6.0	Commercial and Industrial Loans	Billion \$	59.5	59.9	62.2	63.4	63.1	
+23.9	Total Investments	Billion \$	49.8	49.8	59.3	59.7	61.7	
+26.4	U.S. Government Obligations	Billion \$	22.7	23.4	26.9	27.0	28.7	
+21.8	Other Securities	Billion \$	27.1	26.4	32.4	32.7	33.0	
+10.8	Total Deposits	Billion \$	194.8	197.2	209.5	214.7	215.9	
+ 7.7	Gross Demand Deposits	Billion \$	105.6	108.8	107.7	113.0	113.7	
+14.6	Time Deposits	Billion \$	89.2	88.4	101.8	101.7	102.2	
	COUNTRY BANKS ¹⁰							
+11.0	Loans and Discounts	Billion \$	43.8	44.1	48.0	48.2	48.6	
+13.0	Total Investments	Billion \$	29.2	29.1	31.8	32.4	33.0	
+ 7.6	U.S. Government Securities	Billion \$	17.0	16.9	17.5	18.0	18.3	
+20.5	Other Securities	Billion \$	12.2	12.2	14.3	14.4	14.7	
+11.4	Total Deposits	Billion \$	76.9	77.5	83.6	84.6	85.7	
+ 6.8	Gross Demand Deposits	Billion \$	38.1	38.6	39.4	40.1	40.7	
+16.0	Time Deposits	Billion \$	38.8	38.9	44.2	44.5	45.0	
	MEASURES OF RESERVE POSITION AND 'LIQUIDITY' OF MEMBER BANKS							
	Reserves: ¹¹							
+ 5.4	Total Reserves	Million \$	23,387	23,214	23,743	24,123	24,655p	
+ 5.4	Required Reserves	Million \$	23,059	22,822	23,371	23,789	24,302p	
+ 7.6	Excess Reserves	Million \$	328	392	372	334	353p	
-82.4	Borrowings from FRB	Million \$	732	608	78	82	129	
	Ratio of Loans to Total Deposits: ⁷							
- 4.9	City Banks	Per Cent	68.8	68.4	66.4	66.0	65.4	
- 0.4	Country Banks	Per Cent	56.9	56.9	57.4	57.0	56.7	
	Ratio of U.S. Gov't Securities to Deposits: ⁷							
+13.7	City Banks	Per Cent	11.7	11.9	12.8	12.6	13.3	
- 2.7	Country Banks	Per Cent	22.0	21.8	20.9	21.2	21.4	

6 NINTH DISTRICT¹ production and employment indicators

								9th dis- percent change
item	unit	1966		1967				OCT. to NOV.
		OCTOBER	NOVEMBER	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	
MEASURES OF PRODUCTION AND FACTOR INPUTS TO PRODUCTION								
Total Industrial Production:								*
Manufacturing								*
Mining								*
Utilities								*
Electrical Energy Consumption: Mfg. & Mining	Index, sa	192	192	216	215	203		+ 5.7
Manufacturing	Index, sa	180	180	200	198	188		+ 4.4
Mining	Index, sa	248	250	291	299	277		+11.7
Production Worker Manhours: Mfg. & Mining	Index, sa	117	117	115	117p	n.a.		
Manufacturing	Index, sa	123	124	122	125p	n.a.		
Mining	Index, sa	89	84	84	77p	n.a.		
Total Construction Contracts Awarded	Million \$, sa	102.6	174.5	129.1	150.2	n.a.		
Residential Buildings	Million \$, sa	31.1	26.2	49.0	49.4	n.a.		
Nonresidential Buildings	Million \$, sa	46.5	42.0	44.4	50.8	n.a.		
All Other Construction	Million \$, sa	25.0	106.3	35.7	50.0	n.a.		
Bldg. Permits: New Housing Units ¹²	Number	1,345	1,185	3,035	2,456	2,436		+81.1
MEASURES OF MANPOWER UTILIZATION ³								
Civilian Work Force	Thousands, sa	2,453	2,476	2,470	2,481p	2,492e		+ 1.6
Total Civilian Employment	Thousands, sa	2,371	2,389	2,376	2,389p	2,398e		+ 1.1
Number Unemployed	Thousands, sa	82	87	94	92p	94e		+14.6
Unemployment Rate	Per Cent, sa	3.3	3.5	3.8	3.7p	3.7e		+12.1
Average Weekly Hours in Manufacturing	Hours, sa	41.8	41.5	41.1	41.8p	41.5e		- 0.7
EMPLOYMENT BY INDUSTRY SECTOR ³								
Wage and Salary Employment, Nonfarm	Thousands, sa	1,717	1,721	1,753	1,761p	1,758e		+ 2.4
Manufacturing	Thousands, sa	343	349	346	353p	346e		+ 0.9
Mining	Thousands, sa	36	35	32	31p	30e		-16.7
Construction	Thousands, sa	97	95	96	97p	98e		+ 1.0
Transport., Comm., & Public Utilities	Thousands, sa	128	128	131	129p	130e		+ 1.6
Trade	Thousands, sa	419	418	426	427p	427e		+ 1.9
Finance, Insurance & Real Estate	Thousands, sa	77	77	79	79p	80e		+ 3.9
Service Industries	Thousands, sa	261	260	269	271p	270e		+ 3.4
Government	Thousands, sa	356	359	374	374p	377e		+ 5.9
Number of Workers on Farms	Thousands, sa	387	394	375	373p	374e		- 3.4
MEASURES OF SPENDING								
Total Retail Sales	Million \$, sa	853	853	838	859p	n.a.		
Durable Goods								*
Nondurable Goods	Million \$, sa	565	569	593	595p	n.a.		
GAF ¹³	Million \$, sa	172	172	165	162p	n.a.		
New Passenger Car Registrations	Thousands, sa	21.7	20.2	16.8	25.2	n.a.		
Bank Debits ¹⁴	Billion \$, saar	92.9	97.1	108.5	101.2	99.2		+ 6.8

UNITED STATES production and employment indicators

7

ent
age

OCT.

1.9

2.5

0.8

6.3

*

*

*

0.9

1.7

7.2

3.5

4.7

4.2

8.6

8.5

1.6

2.0

6.8

3.2

1.5

2.3

1.3

4.5

0.5

1.6

3.0

4.8

5.2

5.9

1.9

2.4

1.5

4.2

9.5

item

unit

1966

1967

OCTOBER

NOVEMBER

AUGUST

SEPTEMBER

OCTOBER

NOVEMBER

MEASURES OF PRODUCTION AND FACTOR INPUTS TO PRODUCTION

Total Industrial Production:

Index, sa

159

159

158

157

156p

Manufacturing

Index, sa

162

161

160

158

158p

Mining

Index, sa

122

121

128

125

121p

Utilities

Index, sa

175

177

185

185

186p

Electrical Energy Consumption: Mfg. & Mining

Manufacturing

Mining

Production Worker Manhours: Mfg. & Mining

Index, sa

116

116

113

114p

115p

Manufacturing

Index, sa

120

119

116

117p

118p

Mining

Index, sa

83

82

79

79p

77p

Total Construction Contracts Awarded

Million \$, sa

3983.3

3931.1

5008.3

4654.4

4918.7

Residential Buildings

Million \$, sa

1207.6

1187.3

1741.0

1778.0

1868.1

Nonresidential Buildings

Million \$, sa

1681.3

1623.4

1804.9

1796.2

1752.4

All Other Construction

Million \$, sa

1094.4

1120.4

1462.4

1080.2

1298.2

Bldg. Permits: New Housing Units¹²

Thousands

63.5

58.1

107.1

101.0

107.0p

MEASURES OF MANPOWER UTILIZATION

Civilian Work Force

Thousands, sa

76,801

76,612

77,701

77,803

77,997

Total Civilian Employment

Thousands, sa

73,199

73,897

74,718

74,625

74,630

Number Unemployed

Thousands, sa

2,882

2,715

2,983

3,178

3,367

Unemployment Rate

Per Cent, sa

3.8

3.5

3.8

4.1

4.3p

Average Weekly Hours in Manufacturing

Hours, sa

41.3

41.3

40.7

40.8

40.7p

EMPLOYMENT BY INDUSTRY SECTOR

Wage and Salary Employment, Nonfarm

Thousands, sa

64,694

65,014

66,190

66,047

66,165p

Manufacturing

Thousands, sa

19,422

19,498

19,318

19,153

19,166p

Mining

Thousands, sa

623

621

606

599

595p

Construction

Thousands, sa

3,239

3,241

3,223

3,235

3,224p

Transport., Comm., & Public Utilities

Thousands, sa

4,190

4,212

4,283

4,266

4,256p

Trade

Thousands, sa

13,354

13,406

13,664

13,706

13,748p

Finance, Insurance & Real Estate

Thousands, sa

3,120

3,132

3,253

3,263

3,270p

Service Industries

Thousands, sa

9,675

9,744

10,130

10,167

10,177p

Government

Thousands, sa

11,071

11,160

11,713

11,658

11,729p

Number of Workers on Farms

Thousands, sa

3,779

3,892

3,992

3,676

3,707

MEASURES OF SPENDING

Total Retail Sales

Million \$, sa

25,550

25,610

26,422

26,753p

26,152e

Durable Goods

Million \$, sa

8,276

8,143

8,508

8,731p

8,155e

Nondurable Goods

Million \$, sa

17,274

17,467

17,914

18,022p

17,997e

GAF¹³

Million \$, sa

6,086

6,222

6,426

6,473p

n.a.

New Passenger Car Registrations

Thousands, sa

785.1

747.0

734.9

723.0

n.a.

Bank Debits¹⁴

Billion \$, saar

2148.7

2138.1

2307.1

2333.4

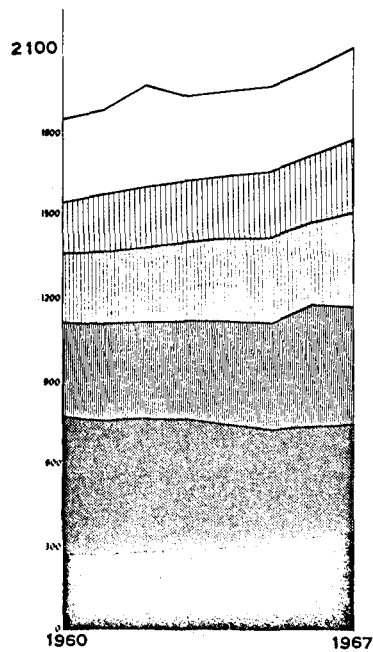
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EMPLOYMENT STRUCTURE FOR THE NINTH DISTRICT

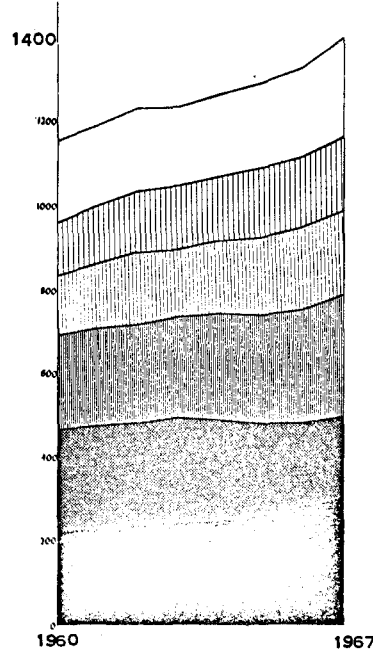
1960 - 67

(MANUFACTURE INCREASES - AGRICULTURE DECREASES)

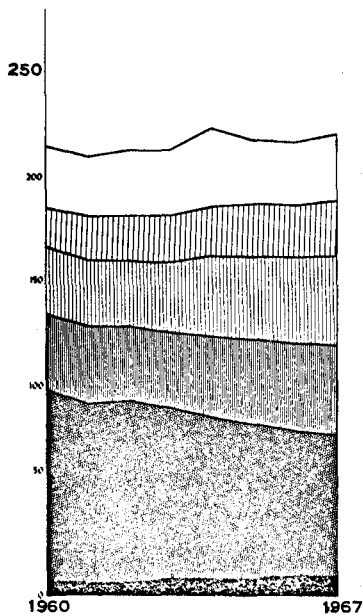
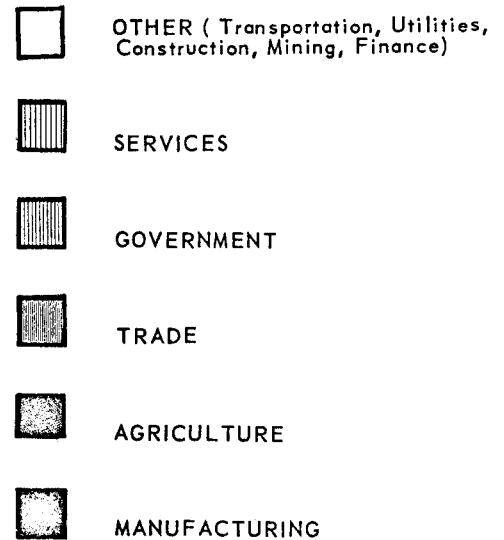
Thousands



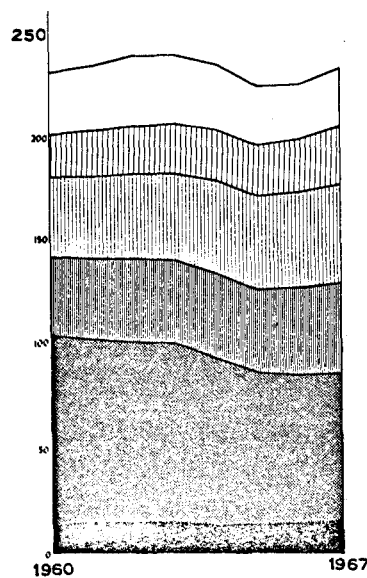
Ninth District



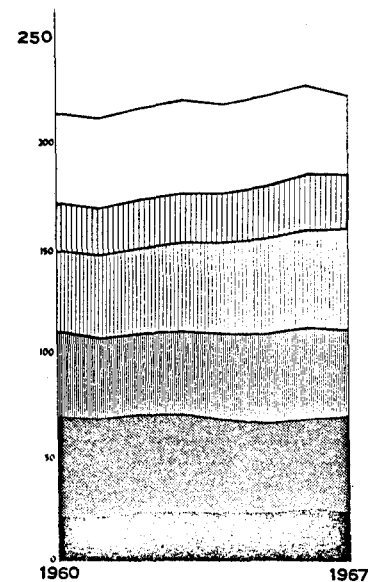
Minnesota



North Dakota



South Dakota



Montana

SOURCE:

Montana Labor Market, Montana State Employment Service; Labor Bulletin, Employment Security Department of South Dakota; North Dakota Employment Trends, Employment Security Bureau; Minnesota Employment Trends, Employment Security Department; Bureau of Labor Statistics, U. S. Department of Labor. For additional sources used in Vol. 1 issue no. 12 - see Vol. 1 issue no. 10.