



# NINTH DISTRICT CONDITIONS

## MONTHLY STATISTICAL REPORT OF THE

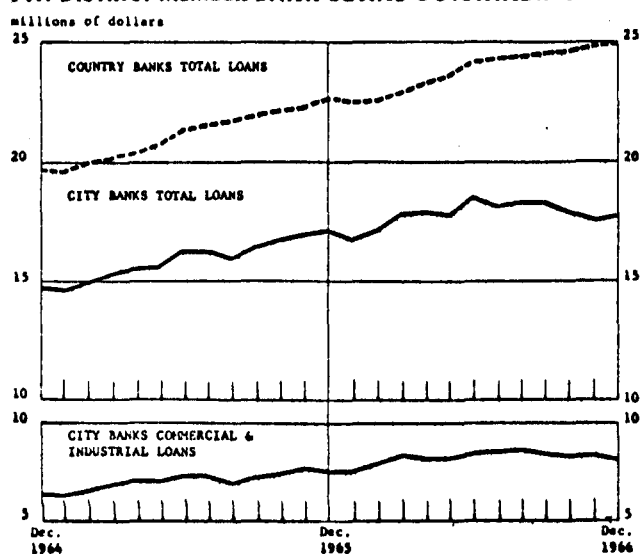
### FEDERAL RESERVE BANK OF MINNEAPOLIS

#### DISTRICT BUSINESS, BANKING POST SPOTTY GAINS IN DECEMBER; AGRICULTURE STRONG

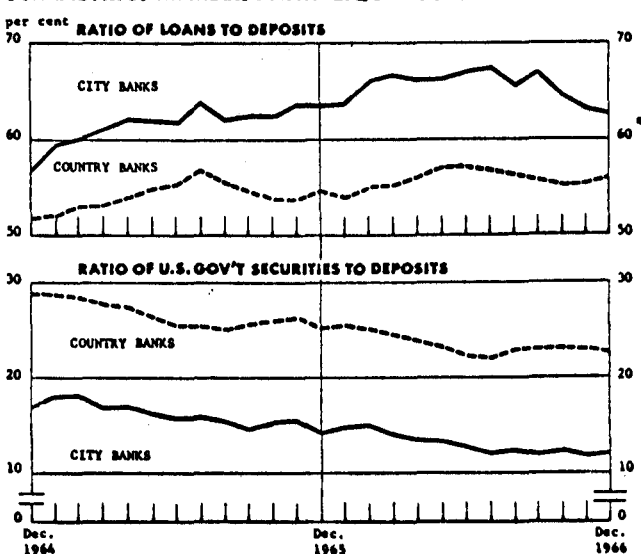
District member banks as a group ended 1966 on a strong note as both bank credit (that is, loans plus investments) and deposits showed healthy gains during December. This showing represents somewhat of a comeback from downturns experienced in the prior two or three months.

The November-to-December growth showed up entirely in the city bank total. An unusually large increment to city bank holdings of U.S. Government securities more than offset a decline in total loans, thereby accounting for the advance in total credit. Deposits at city banks rose as a result of an increase in demand deposits which more than made up for a small loss of time deposits. The combination of an increase in total deposits and a decrease in total loans lowered the loan-deposit ratio of city banks to .625 at the end of the year, down somewhat from the .633 November level as well as from the .635 posted at the end of 1965. At country banks total credit at the end of December was essentially unchanged from the

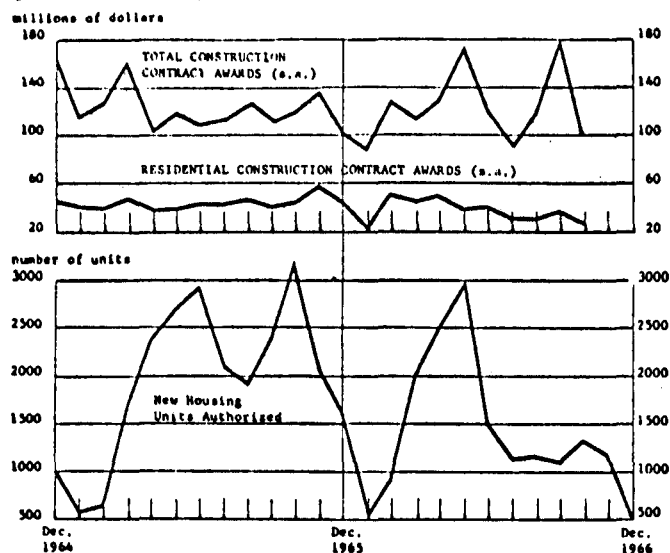
**9TH DISTRICT MEMBER BANK LOANS OUTSTANDING**



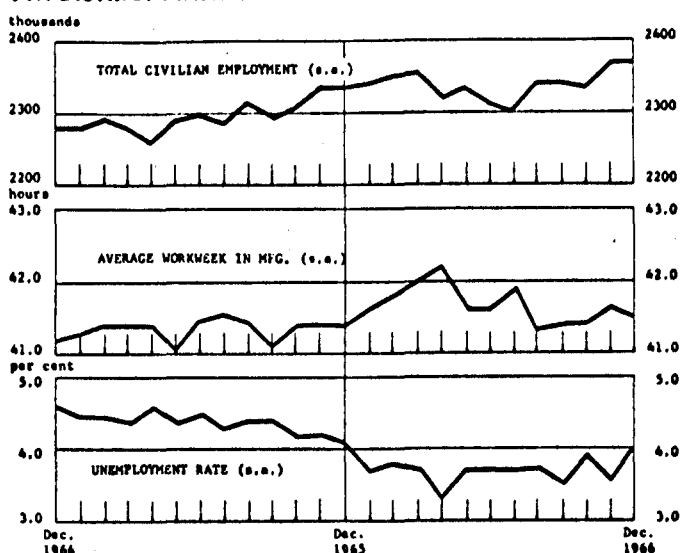
**9TH DISTRICT MEMBER BANK 'LIQUIDITY' RATIOS**



## 9TH DISTRICT CONSTRUCTION



## 9TH DISTRICT MANPOWER UTILIZATION



previous month-end. Total deposits declined slightly during December as a noticeable increase in time deposits failed to match an even greater outflow of demand deposits.

Ninth district business activity showed some continued gains during December, but at the moderated rates established in October and November. Industrial output appears to have advanced slightly, based on the strength of the defense-related industries. However, weaknesses have appeared in softgoods and construction-related industries. The construction picture remains generally the same as established in late fall--namely continued strength in nonresidential activity but sharp declines in residential activity. Continuing the downtrend, the number of building permits issued in the district during December was less than one-third the year-ago level.

The average size of civilian work force in the district during 1966 registered a 1 per cent gain over the average 1965 level. This is a significantly higher rate of growth than has been observed in the last few years and may be attributable in part to a slower rate of out-migration. Although the district unemployment rate rose to 4.0 per cent (seasonally adjusted), the labor market remained relatively tight as evidenced by high labor turnover rates and a significant amount of overtime in manufacturing.

The district's livestock feeding sector continued to expand during the recent months, although the rate of increase has tended to moderate. The number of cattle and calves on feed on January 1, 1967 totaled 1.1 million head, up 4 per cent from a year ago. All of the expansion occurred in Minnesota and South

Dakota where numbers were up 4 and 12 per cent, respectively. The number on feed in 32 major feeding states was up 7 per cent. Placement of cattle into district feed lots during the fourth quarter held at last year's level of about 844,000 head, as a sharp increase in South Dakota offset declines in the other states. Total marketings from district feed lots during that period were up 3 per cent from a year earlier, as compared to an 8 per cent increase in total feeding area marketings. District marketings of fed cattle during the first quarter of 1967 are expected to exceed those of a year earlier by 6 per cent and over-all U.S. marketings are expected to be up 8 per cent.

Swine production also expanded in the district, as the number of hogs and pigs on farms on December 1 totaled 5 million head, up 6 per cent from a year earlier. After some increase in marketings during the first quarter as compared to a year earlier, little change is anticipated in hog marketings during most of 1967 from that experienced in 1966.

Cash farm receipts from marketings can be expected, over-all, to be equal to or a little higher than a year ago during the first quarter of 1967. Beef cattle prices will probably hold at current levels through the quarter, as larger marketings coupled with heavy weights are likely to suppress an expected price rise until later in the spring. Relatively low current hog prices will prevail with some moderate increases likely during the quarter, resulting in lower cash receipts despite higher marketings. Dairy income should continue well above that of last year.

### KEY INDICATORS

Item	Latest Month	9th District Per Cent Change From		U.S. Per Cent Change From	
		Month Ago	Year Ago	Month Ago	Year Ago
Total civilian Employment	Dec.	0.0	+ 1.4	+ 0.2	+ 2.4
Average weekly hours - Mfg.	Dec.	- 0.2	+ 0.2	- 0.7	- 0.7
Total retail sales	Nov.	- 1.9	+11.9	+ 0.6	+ 4.3
Electrical Energy Consumption	Dec.	+ 3.1	+14.5		
Construction Contracts Awarded	Nov.	+96.7	+46.6	- 4.4	- 7.6
Member Bank Loans	Dec.	+ 0.5	+ 7.6	+ 2.3	+ 8.1
Member Bank Deposits	Dec.	+ 0.5	+ 6.5	+ 3.1	+ 5.4

NINTH DISTRICT<sup>1</sup> income and financial indicators

item	unit	1965		1966				percent latest mo. 9th dist.
		November	December	September	October	November	December	
MEASURES OF CONSUMER INCOME & FINANCIAL POSITION								
Total Personal Income <sup>2</sup>								.
Nonagricultural Personal Income								.
Average Weekly Earnings in Manufacturing <sup>3</sup>	Dollars, sa	111.39	114.40	114.82	117.46p	116.15e	117.95e	+ 3.1
Consumer Instalment Credit Outstanding <sup>4</sup>	Million \$	872	880	991	997	998	1,004	+14.1
Time & Savings Deposits at Member Banks	Million \$	3,172	3,210	3,524	3,558	3,596	3,600	+12.1
Savings Balances at Savings & Loan Assoc.	Million \$	2,682	2,719	2,796	2,781	2,800	n.a.	+ 4.4
Cash Farm Receipts, Total	Million \$	372	290	412	517	405	n.a.	+ 8.9
Receipts from Crops	Million \$	122	87	187	244	144.	n.a.	+18.0
Receipts from Livestock & Produce	Million \$	250	203	225	273	261	n.a.	+ 4.4
MEASURES OF PRICE LEVELS								
Consumer Price Index <sup>5</sup>	Index, sa	n.a.	n.a.	n.a.	113.4	n.a.	n.a.	.
Prices Received by Farmers <sup>6</sup>	Index, sa	107	115	125	120	115	115	0.0
MEASURES OF FINANCIAL CONDITION OF MEMBER BANKS <sup>7</sup>								
CITY BANKS <sup>8</sup>								
Adjusted Loans and Discounts <sup>9</sup>	Million \$	1,698	1,702	1,814	1,792	1,767	1,772	+ 4.1
Real Estate Loans	Million \$	311	314	326	331	332	335	+ 6.7
Commercial and Industrial Loans	Million \$	774	748	850	836	840	820	+ 9.6
Total Investments	Million \$	697	686	644	656	655	676	- 1.5
U.S. Government Obligations	Million \$	413	392	333	343	335	348	-11.2
Other Securities	Million \$	284	294	311	313	320	328	+11.6
Total Deposits	Million \$	2,677	2,776	2,771	2,822	2,860	2,913	+ 4.9
Gross Demand Deposits	Million \$	1,687	1,769	1,688	1,725	1,744	1,814	+ 2.5
Time Deposits	Million \$	990	1,007	1,083	1,097	1,116	1,099	+ 9.1
COUNTRY BANKS <sup>10</sup>								
Loans and Discounts	Million \$	2,227	2,258	2,441	2,456	2,472	2,488	+10.2
Total Investments	Million \$	1,711	1,691	1,715	1,760	1,763	1,745	+ 3.2
U.S. Government Securities	Million \$	1,084	1,046	1,007	1,032	1,029	1,008	- 3.6
Other Securities	Million \$	627	645	708	728	734	737	+14.3
Total Deposits	Million \$	4,139	4,139	4,363	4,441	4,464	4,449	+ 7.5
Gross Demand Deposits	Million \$	1,957	1,937	1,921	1,980	1,984	1,948	+ 0.6
Time Deposits	Million \$	2,182	2,202	2,442	2,461	2,480	2,501	+13.6
MEASURES OF RESERVE POSITION AND 'LIQUIDITY' OF MEMBER BANKS								
Reserves: <sup>11</sup>								
Total Reserves	Million \$	544	554	574	581	586	595	+ 7.4
Required Reserves	Million \$	525	536	555	563	565	573	+ 6.9
Excess Reserves	Million \$	19	18	19	18	21	22	+22.2
Borrowings from FRB	Million \$	25	13	3	3	3	3	-76.9
Ratio of Loans to Total Deposits: <sup>7</sup>								
City Banks	Per Cent	63.6	63.5	66.8	64.6	63.3	62.5	- 1.6
Country Banks	Per Cent	53.8	54.6	55.9	55.3	55.4	55.9	+ 2.4
Ratio of U.S. Gov't Securities to Deposits: <sup>7</sup>								
City Banks	Per Cent	15.4	14.1	12.0	12.2	11.7	11.9	-15.6
Country Banks	Per Cent	26.2	25.3	23.1	23.2	23.1	22.7	-10.3

## UNITED STATES income and financial indicators

change from yr. ago U.S.	item	unit	1965		1966			
			November	December	September	October	November	December
	MEASURES OF CONSUMER INCOME & FINANCIAL POSITION							
+ 7.8	Total Personal Income	Billion \$, sa	553.2	558.2	590.0	594.4	598.5	601.5
+ 8.2	Nonagricultural Personal Income	Billion \$, sa	532.6	537.2	570.1	574.6	578.6	581.4
+ 3.4	Average Weekly Earnings in Manufacturing <sup>3</sup>	Dollars, sa	109.71	110.92	113.71	113.85	113.99	114.68p
+10.3	Consumer Instalment Credit Outstanding <sup>4</sup>	Billion \$	28.9	29.2	31.8	31.9	32.0	32.2
+ 7.1	Time & Savings Deposits at Member Banks	Billion \$	119.3	120.3	128.8	128.0	127.3	128.9
+ 3.4	Savings Balances at Savings & Loan Assoc.	Billion \$	108.6	110.3	111.6	111.6	112.2	114.0
+ 2.2	Cash Farm Receipts, Total	Billion \$	4.5	3.8	4.1	5.3	4.6	n.a.
+ 4.2	Receipts from Crops	Billion \$	2.4	1.8	1.9	3.0	2.5	n.a.
0.0	Receipts from Livestock & Produce	Billion \$	2.1	2.0	2.2	2.3	2.1	n.a.
	MEASURES OF PRICE LEVELS							
+ 3.2	Consumer Price Index	Index, sa	110.6	111.0	114.1	114.5	114.6	114.7
0.0	Prices Received by Farmers	Index, sa	103	107	112	110	107	107
	MEASURES OF FINANCIAL CONDITION OF MEMBER BANKS <sup>7</sup>							
	CITY BANKS <sup>8</sup>							
+15.0	Adjusted Loans and Discounts <sup>9</sup>	Billion \$	113.2	117.2	132.0	131.1	131.6	134.8
+19.8	Real Estate Loans	Billion \$	49.0	50.6	59.4	59.5	59.9	60.6
+22.2	Commercial and Industrial Loans	Billion \$	22.4	22.5	27.3	27.4	27.5	27.5
+ 6.6	Total Investments	Billion \$	47.8	48.3	50.6	49.8	49.8	51.5
+ 2.1	U.S. Government Obligations	Billion \$	24.3	24.3	23.1	22.7	23.4	24.8
+11.2	Other Securities	Billion \$	23.5	24.0	27.5	27.1	26.4	26.7
+12.4	Total Deposits	Billion \$	174.8	181.8	195.1	194.8	197.2	204.4
+10.9	Gross Demand Deposits	Billion \$	97.1	103.5	104.7	105.6	108.8	114.8
+14.4	Time Deposits	Billion \$	77.7	78.3	90.4	89.2	88.4	89.6
	COUNTRY BANKS <sup>10</sup>							
- 8.6	Loans and Discounts	Billion \$	48.3	49.1	43.0	43.8	44.1	44.9
-11.6	Total Investments	Billion \$	32.9	32.9	28.8	29.2	29.1	29.1
-16.4	U.S. Government Securities	Billion \$	20.3	20.1	16.7	17.0	16.9	16.8
- 3.9	Other Securities	Billion \$	12.6	12.8	12.1	12.2	12.2	12.3
- 9.4	Total Deposits	Billion \$	85.8	87.1	76.1	76.9	77.5	78.9
-12.0	Gross Demand Deposits	Billion \$	44.2	45.0	37.7	38.1	38.6	39.6
- 6.7	Time Deposits	Billion \$	41.6	42.1	38.4	38.8	38.9	39.3
	MEASURES OF RESERVE POSITION AND 'LIQUIDITY' OF MEMBER BANKS							
	Reserves: <sup>11</sup>							
+ 4.5	Total Reserves	Million \$	21,930	22,670	23,196	23,387	23,214	23,688p
+ 5.0	Required Reserves	Million \$	21,580	22,240	22,822	23,059	22,822	23,350p
-21.4	Excess Reserves	Million \$	350	430	374	328	392	338p
+22.5	Borrowings from FRB	Million \$	430	432	764	732	608	529
	Ratio of Loans to Total Deposits: <sup>7</sup>							
- 0.5	City Banks	Per Cent	66.0	66.2	69.2	68.8	68.4	65.9
+ 0.9	Country Banks	Per Cent	56.3	56.4	56.4	56.9	56.9	56.9
	Ratio of U.S. Gov't Securities to Deposits: <sup>7</sup>							
- 9.0	City Banks	Per Cent	13.9	13.3	11.9	11.7	11.9	12.1
- 7.8	Country Banks	Per Cent	23.6	23.1	21.9	22.0	21.8	21.3

NINTH DISTRICT<sup>1</sup> production and employment indicators

item	unit	1965		1966				percent latest mo. 9th dist.
		November	December	September	October	November	December	
MEASURES OF PRODUCTION AND FACTOR INPUTS TO PRODUCTION								
Total Industrial Production:								.
Manufacturing								.
Mining								.
Utilities								.
Electrical Energy Consumption: Mfg. & Mining	Index, sa	170	172	190	192	191	197	+ 14.5
Manufacturing	Index, sa	162	163	181	180	179	185	+ 13.5
Mining	Index, sa	207	212	237	248	248	254	+ 19.8
Production Worker Manhours: Mfg. & Mining	Index, sa	109	110	115	115	115	114p	+ 3.6
Manufacturing	Index, sa	114	114	118	119	121	119p	+ 4.4
Mining	Index, sa	87	88	97	95	89	91p	+ 3.4
Total Construction Contracts Awarded	Million \$, sa	138.5	98.0	204.9	103.2	203.0	n.a.	+ 46.6
Residential Buildings	Million \$, sa	58.4	42.3	38.5	29.9	26.5	n.a.	- 54.6
Nonresidential Buildings	Million \$, sa	48.7	32.2	62.8	51.0	37.2	n.a.	- 23.6
All Other Construction	Million \$, sa	31.4	23.5	103.6	22.3	139.3	n.a.	+343.6
Bldg. Permits: New Housing Units 12	Number	2,096	1,606	1,170	1,330	1,184	524	- 67.4
MEASURES OF MANPOWER UTILIZATION <sup>3</sup>								
Civilian Work Force	Thousands, sa	2,434	2,438	2,428	2,431p	2,457p	2,468e	+ 1.2
Total Civilian Employment	Thousands, sa	2,336	2,338	2,341	2,335p	2,370p	2,371e	+ 1.4
Number Unemployed	Thousands, sa	98	100	87	96p	87p	97e	- 3.0
Unemployment Rate	Per Cent, sa	4.0	4.1	3.5	3.9p	3.6p	4.0e	- 2.4
Average Weekly Hours in Manufacturing	Hours, sa	41.4	41.4	41.4	41.4p	41.6e	41.5e	+ 0.2
EMPLOYMENT BY INDUSTRY SECTOR <sup>3</sup>								
Wage and Salary Employment, Nonfarm	Thousands, sa	1,641	1,647	1,682	1,689p	1,692p	1,706e	+ 3.6
Manufacturing	Thousands, sa	322	323	333	334p	337p	340e	+ 5.3
Mining	Thousands, sa	35	36	36	36p	35p	35e	- 2.8
Construction	Thousands, sa	95	97	95	95p	92p	98e	+ 1.0
Transport., Comm., & Public Utilities	Thousands, sa	124	124	126	127p	126p	127e	+ 2.4
Trade	Thousands, sa	400	400	406	406p	408p	407e	+ 1.8
Finance, Insurance & Real Estate	Thousands, sa	75	75	76	76p	76p	77e	+ 2.7
Service Industries	Thousands, sa	250	250	255	257p	257p	259e	+ 3.6
Government	Thousands, sa	340	342	355	358p	361p	363e	+ 6.1
Number of Workers on Farms	Thousands, sa	428	423	385	380p	408p	395e	- 6.6
MEASURES OF SPENDING								
Total Retail Sales	Million \$, sa	750	747	848	855	839p	n.a.	+ 11.9
Durable Goods								.
Nondurable Goods	Million \$, sa	545	550	567	570	572p	n.a.	+ 5.0
GAF 13	Million \$, sa	139	137	165	174	168p	n.a.	+ 20.9
New Passenger Car Registrations	Thousands, sa	23.2	22.0	19.2	22.8	18.6	n.a.	- 19.8
Bank Debits 14	Billion \$, saar	82.0	80.8	90.2	92.9	97.1	99.0	+ 22.5

## UNITED STATES production and employment indicators

change  
from yr. ago  
U.S.

15

	item	unit	1965		1966			
			November	December	September	October	November	December
	MEASURES OF PRODUCTION AND FACTOR INPUTS TO PRODUCTION							
+ 6.7	Total Industrial Production	Index, sa	147	149	158	159	159	159
+ 6.6	Manufacturing	Index, sa	149	151	160	161	161	161
+ 4.2	Mining	Index, sa	116	118	121	121	121	123
+ 7.3	Utilities	Index, sa	164	165	177	175	176	177
*	Electrical Energy Consumption: Mfg. & Mining							
*	Manufacturing							
*	Mining							
*	Production Worker Manhours: Mfg. & Mining	Index, sa	110	110	115	116	117	n.a.
*	Manufacturing	Index, sa	112	113	118	119	120	n.a.
*	Mining	Index, sa	84	86	84	85	81	n.a.
- 7.6	Total Construction Contracts Awarded	Million \$, sa	4,229.0	4,373.7	3,913.1	4,087.4	3,907.5	3,668.0
-36.8	Residential Buildings	Million \$, sa	1,918.4	1,899.7	1,256.1	1,206.3	1,212.0	1,183.0
+ 8.0	Nonresidential Buildings	Million \$, sa	1,489.9	1,640.8	1,755.0	1,705.3	1,608.9	1,540.4
+32.4	All Other Construction	Million \$, sa	820.7	833.2	902.0	1,175.8	1,086.6	944.6
-46.8	Bldg. Permits: New Housing Units <sup>12</sup>	Thousands	101.1	91.7	68.1	63.3	57.7	48.8p
	MEASURES OF MANPOWER UTILIZATION							
+ 2.1	Civilian Work Force	Thousands, sa	76,111	76,567	77,113	77,135	77,927	78,189p
+ 2.4	Total Civilian Employment	Thousands, sa	72,914	73,441	74,165	74,163	75,076	75,226p
- 5.2	Number Unemployed	Thousands, sa	3,197	3,126	2,948	2,972	2,851	2,963f
- 7.3	Unemployment Rate	Per Cent, sa	4.2	4.1	3.8	3.9	3.7	3.8f
- 0.7	Average Weekly Hours in Manufacturing	Hours, sa	41.4	41.3	41.5	41.3	41.3	41.0p
	EMPLOYMENT BY INDUSTRY SECTOR							
+ 4.5	Wage and Salary Employment, Nonfarm	Thousands, sa	61,864	62,241	64,168	64,466	64,818p	65,066p
+ 5.3	Manufacturing	Thousands, sa	18,392	18,492	19,204	19,312	19,422p	19,465p
- 0.9	Mining	Thousands, sa	631	633	628	625	623p	627p
- 1.6	Construction	Thousands, sa	3,234	3,334	3,228	3,202	3,212p	3,282p
+ 2.7	Transport., Comm., & Public Utilities	Thousands, sa	4,080	4,083	4,168	4,165	4,193p	4,194p
+ 3.5	Trade	Thousands, sa	12,880	12,941	13,268	13,340	13,380p	13,390p
+ 2.3	Finance, Insurance & Real Estate	Thousands, sa	3,045	3,049	3,100	3,102	3,109p	3,119p
+ 5.2	Service Industries	Thousands, sa	9,282	9,329	9,649	9,712	9,780p	9,814p
+ 7.7	Government	Thousands, sa	10,320	10,380	10,923	11,008	11,099p	11,175p
- 5.2	Number of Workers on Farms	Thousands, sa	4,273	4,486	4,049	3,971	4,108	4,254p
	MEASURES OF SPENDING							
+ 4.3	Total Retail Sales	Million \$, sa	24,647	24,816	25,703	25,550	25,706	25,362p
+ 1.1	Durable Goods	Million \$, sa	8,092	8,252	8,394	8,276	8,185	8,143p
+ 5.8	Nondurable Goods	Million \$, sa	16,555	16,564	17,309	17,274	17,521	17,219p
+ 7.2	GAF <sup>13</sup>	Million \$, sa	5,801	5,616	6,106	6,086	6,219	n.a.
- 7.3	New Passenger Car Registrations	Thousands, sa	825.1	824.2	773.4	810.1	765.2	n.a.
+ 5.3	Bank Debits <sup>14</sup>	Billion \$, saar	1,963.9	2,015.1	2,137.9	2,123.6	2,138.4	2,122.0

## NOTES

e - Partially estimated; all data not available

Index - 1957-59 = 100

n.a. - Not available

p - Preliminary; subject to revision

r - Revised

sa - Seasonally adjusted

saar - Seasonally adjusted annual rate

\* - U.S. and District do not have comparable data

## FOOTNOTES

1. Includes Minnesota, Montana, North Dakota, South Dakota, the upper peninsula of Michigan, and northwestern Wisconsin

2. Four state total: Minnesota, Montana, North Dakota, and South Dakota

3. Excludes Wisconsin portion of the Ninth district

4. All commercial banks, estimated by a sample of banks

5. Minneapolis only; data is published quarterly for the first 15 days of the quarter

6. Minnesota only

7. Figures are for last Wednesday of the month

8. City Banks - Selected banks in major cities

9. Net loans and discounts less loans to domestic commercial banks

10. Country Banks - All member banks excluding the selected major city banks

11. Average of daily figures of the four or five weeks ending on Wednesday which contain at least four days falling within the month

12. Ninth District - A sample of permits issued  
U.S. - Partially estimated by Bureau of Census to represent all permits

13. General merchandise, apparel, and furniture and appliance groups

14. Ninth District - Figures are for six standard metropolitan statistical areas included in U.S. data  
U.S. - <sup>226</sup>218 centers excluding the seven leading centers

15. Per cent changes computed using latest month available compared to year ago; U.S. per cent change compares the same two months as district

## SOURCES

BANK DEBITS: Board of Governors of the Federal Reserve System

CASH RECEIPTS FROM FARM MARKETINGS: U.S. Department of Agriculture

CONSTRUCTION CONTRACTS AWARDED: Board of Governors of F.R. System, F.W. Dodge Corporation data

CONSUMER PRICE INDEX: U.S. Department of Labor, Bureau of Labor Statistics

EMPLOYMENT, UNEMPLOYMENT, HOURS AND WAGES: Michigan Employment Security Commission, Minnesota Department of Employment Security, Montana State Employment Service, North Dakota State Employment Service, South Dakota Department of Employment Security, and U.S. Department of Labor, Bureau of Labor Statistics

FINANCIAL DATA OF MEMBER BANKS: Federal Reserve Bank of Minneapolis and Board of Governors of F.R. System

INDUSTRIAL PRODUCTION: Board of Governors of F.R. System

INDUSTRIAL USE OF ELECTRIC POWER: Federal Reserve Bank of Minneapolis

NEW HOUSING UNITS AUTHORIZED: Federal Reserve Bank of Minneapolis and U.S. Department of Commerce, Bureau of Census

NEW PASSENGER CAR REGISTRATIONS: Automotive News Magazine

PERSONAL INCOME: U.S. Department of Commerce, Office of Business Economics

PRICES RECEIVED BY FARMERS: U.S. Department of Agriculture and Minnesota Farm Price Report

PRODUCTION WORKER MANHOURS: Federal Reserve Bank of Minneapolis

RETAIL SALES: U.S. Department of Commerce, Bureau of Census

SAVINGS AND LOAN ASSOCIATIONS: Federal Home Loan Bank Board