



# NINTH DISTRICT CONDITIONS

## MONTHLY STATISTICAL REPORT OF THE

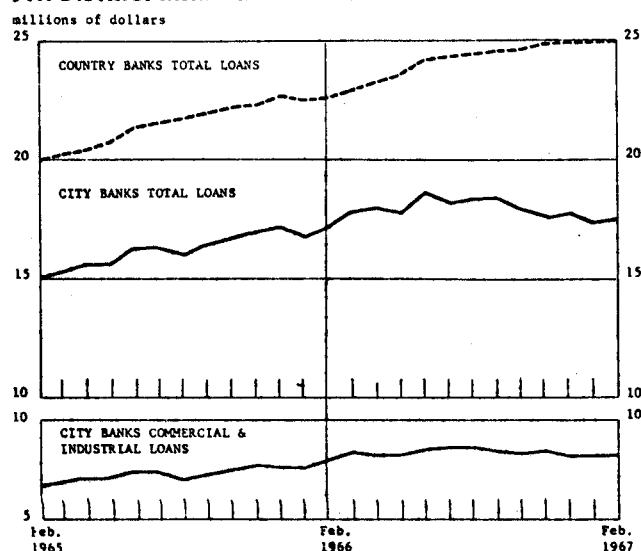
### FEDERAL RESERVE BANK OF MINNEAPOLIS

BANK RESERVE POSITION STRONGER;  
DISTRICT UNEMPLOYMENT RATE FALLS IN JANUARY,  
LIVESTOCK INVENTORY SHOWS GREATER VALUE

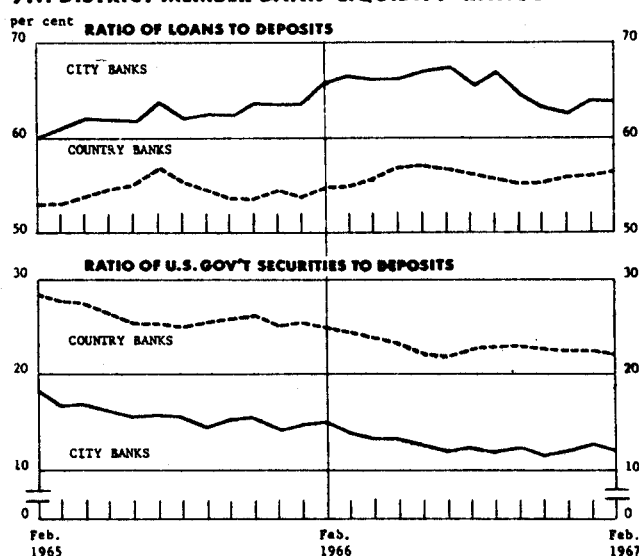
An unusual combination of movements in bank deposits and loans and investments resulted in stronger district bank reserve and liquidity positions at the end of February as compared to the end of 1966. Typically, there is a substantial outflow of total deposits from district banks during the early months of the year. In the first two months of 1967, however, the outflow of deposits was only about one-third of the average movement. This strong deposit performance, which occurred at both city and country banks, was due entirely to greater than normal gains in time deposits reflecting in part a vigorous expansion in large CD's. The outflow of demand deposits during the two month period was about normal.

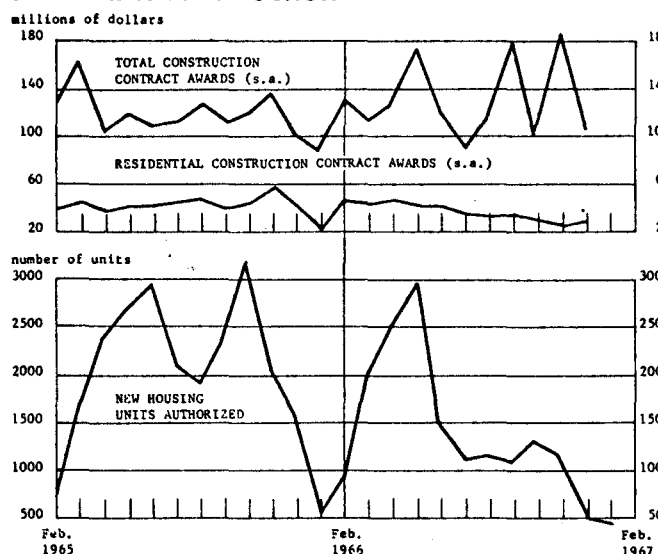
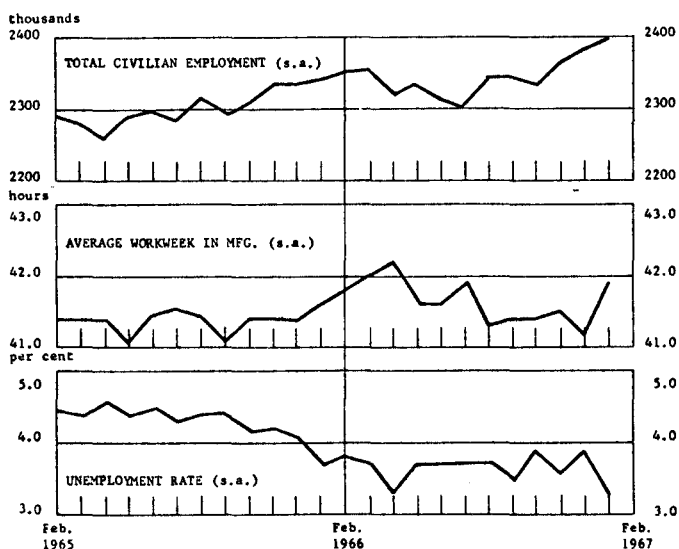
On the asset side of the bank ledger, total credit (loans and investments) declined slightly as a sluggish rate of loan expansion, 60 per cent below normal for February, was the overriding factor producing the contraseasonal down turn. The weakness in bank credit was more severe in city banks relative to country banks

#### 9TH DISTRICT MEMBER BANK LOANS OUTSTANDING



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



**9TH DISTRICT CONSTRUCTION****9TH DISTRICT MANPOWER UTILIZATION**

due in large parts to a sharp reduction in outstanding mortgage loans.

Thus, reserve positions strengthened considerably during February as borrowings from the discount window and net borrowings in the federal funds market were sharply reduced. Too, the normally large rise in loan-deposit ratios for February also failed to materialize during February of 1967.

Ninth district construction surveys for January of 1967 show a reduction in the number of permits issued, but the total dollar value of permits was 12 per cent higher than the corresponding month of a year ago. The data on construction permits indicate that the number of residential permits issued fell from 323 to 238, and the number of nonresidential permits issued dropped from 289 to 198; however, the total dollar evaluation of all permits issued increased from \$24.5 million to \$27.5 million in the Ninth district during January of 1967 as compared to January of 1966.

The Ninth district unemployment rate fell .6 percentage points during January to 3.3 per cent, a figure .4 percentage points below the national unemployment figure. In December of last year, the district unemployment rate was above the national average. Average weekly hours in manufacturing, an economic indicator which has been declining nationally, rose in the Ninth district from 41.2 hours during December of 1966 to 41.9 during January of 1967, a level which is one hour above that recorded for the nation.

The Minnesota index of production worker manhours reflected gains from 119 in January 1966, to 124 in December of 1966, to 126 for January of this year. Over the period gains in this measure of manufacturing were strongest in electrical

machinery, furniture and fixtures, and primary metals within the durable goods industries. Among the non durable producers, apparel, printing and publishing, and petroleum showed gains in production worker manhours on the year-to-year comparison. The electrical machinery and apparel industries, even though scoring increases between January of 1966 and of 1967, experienced a slight decrease in their indices between December of 1966 and January of 1967.

The farm assets of the district moved upwards on the basis of the annual livestock headcount. As of January 1, the district's livestock inventory was valued at \$2.4 billion, an increase of 6 per cent over that of a year earlier, according to the U. S. Department of Agriculture. The current value of all cattle and calves was estimated at \$2.1 billion, up 10 per cent, as both beef and dairy cattle reflected increases. Lower hog prices dropped the inventory value of swine down 25 per cent from a year earlier to \$162 million. The value of all sheep and lambs, at \$86.4 million, was down 5 per cent. A 5 per cent gain in value was recorded for the district chicken flock while the value of turkey was down 10 per cent.

Turning to actual numbers of head, the district experienced a 1 per cent drop in the total number of cattle and calves. Dairy cow numbers fell off 6 per cent from a year earlier to 1.7 million head. There was virtually no change in the numbers of beef cattle and calves as the total held at 10.9 million head. District hog numbers increased to 4.5 million head, up 9 per cent from January 1966, while sheep and lamb numbers, continuing a long term trend, declined 3 per cent in number to 3.9 million head.

### 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	Jan. 67	+ 0.7	+ 1.7	+ 0.5	+ 2.5
Average weekly hours - mfg.	Jan. 67	+ 1.7	+ 0.7	0.0	- 1.2
Total retail sales	Dec. 66	+ 1.9	+12.9	- 0.1	+ 2.1
Electrical energy consumption	Dec. 66	+ 3.1	+14.5		
Construction contracts awarded	Dec. 66	-38.6	- 5.0	- 5.1	-16.3
Member bank loans*	Jan. 67	- 0.6	+ 8.0	- 1.5	+ 7.9
Member bank deposits*	Jan. 67	- 1.5	+ 6.0	- 2.1	+ 5.0

\*not seasonally adjusted

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

								9th dist. percent change
item	unit	1966				1967		Jan. to Jan.
		January	February	November	December	January	February	
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	114.03	113.18	116.48 P	117.85 e	118.04 e		+ 3.5
Consumer Instalment Credit Outstanding <sup>4</sup>	Million \$	883	889	998	1,004	n.a.		*
Time & Savings Deposits at Member Banks	Million \$	3,285	3,318	3,596	3,600	3,665	3,707 P	+ 11.6
Savings Balances at Savings & Loan Assoc. <sup>2</sup>	Million \$	2,720	2,735	2,800	2,844	n.a.		*
Cash Farm Receipts, Total <sup>2</sup>	Million \$	323	246	405	323	n.a.		*
Receipts from Crops	Million \$	134	65	144	119	n.a.		*
Receipts from Livestock & Produce	Million \$	189	181	261	204	n.a.		*
MEASURES OF PRICE LEVELS								
Consumer Price Index <sup>5</sup>	Index, sa	110.5				113.4		+ 2.6
Prices Received by Farmers <sup>6</sup>	Index, sa	99	101	115	115	n.a.		*
MEASURES OF FINANCIAL CONDITION OF MEMBER BANKS <sup>7</sup>								
CITY BANKS <sup>8</sup>								
Adjusted Loans and Discounts <sup>9</sup>	Million \$	1,670	1,709	1,767	1,772	1,742	1,751	+ 4.3
Real Estate Loans	Million \$	312	313	332	335	330	321	+ 5.8
Commercial and Industrial Loans	Million \$	756	790	840	820	830	841	+ 9.8
Total Investments	Million \$	694	694	656	676	688	677	- 0.8
U.S. Government Obligations	Million \$	400	391	335	348	353	343	- 11.8
Other Securities	Million \$	294	303	321	328	335	334	+ 13.9
Total Deposits	Million \$	2,678	2,618	2,860	2,914	2,809	2,826	+ 4.9
Gross Demand Deposits	Million \$	1,640	1,574	1,744	1,815	1,689	1,666	+ 1.2
Time Deposits	Million \$	1,038	1,044	1,116	1,099	1,120	1,160	+ 7.9
COUNTRY BANKS <sup>10</sup>								
Loans and Discounts	Million \$	2,248	2,258	2,472	2,488	2,491	2,496	+ 10.8
Total Investments	Million \$	1,712	1,686	1,763	1,745	1,742	1,729	+ 1.8
U.S. Government Securities	Million \$	1,068	1,031	1,029	1,008	1,000	983	- 6.4
Other Securities	Million \$	644	655	734	737	742	746	+ 15.2
Total Deposits	Million \$	4,165	4,105	4,464	4,449	4,447	4,435	+ 6.8
Gross Demand Deposits	Million \$	1,918	1,831	1,984	1,948	1,901	1,855	+ 0.9
Time Deposits	Million \$	2,247	2,274	2,480	2,501	2,546	2,580	+ 13.3
MEASURES OF RESERVE POSITION AND 'LIQUIDITY' OF MEMBER BANKS								
Reserves: <sup>11</sup>								
Total Reserves	Million \$	553	541	586	595	594	586 P	+ 7.4
Required Reserves	Million \$	532	522	565	573	573	565 P	+ 7.7
Excess Reserves	Million \$	21	19	21	22	21	21 P	0.0
Borrowings from FRB	Million \$	7	7	3	3	14	4 P	-100.0
Ratio of Loans to Total Deposits: <sup>7</sup>								
City Banks	Per Cent	63.6	66.0	63.3	62.5	63.7	63.6	- 0.1
Country Banks	Per Cent	54.0	55.0	55.4	55.9	56.0	56.3	+ 3.7
Ratio of U.S. Gov't Securities to Deposits: <sup>7</sup>								
City Banks	Per Cent	14.9	14.9	11.7	11.9	12.6	12.1	- 15.4
Country Banks	Per Cent	25.6	25.1	23.1	22.7	22.5	22.2	- 12.1

## UNITED STATES income and financial indicators

U.S. <sup>15</sup> percent change		item	unit	1966				1967	
Jan. to Jan.				January	February	November	December	January	February
MEASURES OF CONSUMER INCOME & FINANCIAL POSITION									
+ 8.4	Total Personal Income	Billion \$, saar	560.2	564.7	598.5	601.8	607.2		
+17.6	Nonagricultural Personal Income	Billion \$, saar	499.2	500.1	578.6	581.7	587.1		
+ 2.9	Average Weekly Earnings in Manufacturing	Dollars, sa	110.00	110.27	113.99	114.40 P	113.15 P		
*	Consumer Instalment Credit Outstanding <sup>4</sup>	Billion \$	29.2	29.3	32.0	32.2	n.a.		
+ 8.9	Time & Savings Deposits at Member Banks	Billion \$	122.0	122.5	127.3	128.9	132.6		
*	Savings Balances at Savings & Loan Assoc.	Billion \$	110.2	110.7	112.2	113.8	n.a.		
*	Cash Farm Receipts, Total	Billion \$	3.7	2.8	4.6	3.7	n.a.		
*	Receipts from Crops	Billion \$	1.7	.9	2.5	1.7	n.a.		
*	Receipts from Livestock & Produce	Billion \$	2.0	1.9	2.1	2.0	n.a.		
MEASURES OF PRICE LEVELS									
+ 3.3	Consumer Price Index	Index, sa	111.0	111.6	114.6	114.7	114.7		
- 2.8	Prices Received by Farmers	Index, sa	108	112	107	107	105		
MEASURES OF FINANCIAL CONDITION OF MEMBER BANKS <sup>7</sup>									
CITY BANKS <sup>8</sup>									
+ 4.9	Adjusted Loans and Discounts <sup>9</sup>	Billion \$	115.1	115.7	131.6	134.8	132.2		
+21.2	Real Estate Loans	Billion \$	22.6	22.7	27.5	27.5	27.4		
+19.9	Commercial and Industrial Loans	Billion \$	50.3	51.1	59.9	60.6	60.3		
+ 8.8	Total Investments	Billion \$	47.8	46.4	49.8	51.5	52.0		
+ 2.5	U.S. Government Obligations	Billion \$	24.3	22.5	23.4	24.8	24.9		
+15.3	Other Securities	Billion \$	23.5	23.9	26.4	26.7	27.1		
+12.3	Total Deposits	Billion \$	176.9	177.0	197.2	204.4	198.7		
+ 8.7	Gross Demand Deposits	Billion \$	97.7	97.7	108.8	114.8	106.2		
+16.8	Time Deposits	Billion \$	79.2	79.3	88.4	89.6	92.5		
COUNTRY BANKS <sup>10</sup>									
- 8.6	Loans and Discounts	Billion \$	49.0	49.2	44.1	44.9	44.8		
-12.0	Total Investments	Billion \$	33.4	33.3	29.1	29.1	29.4		
-16.3	U.S. Government Securities	Billion \$	20.5	20.2	16.9	16.8	16.9		
- 3.1	Other Securities	Billion \$	12.9	13.1	12.2	12.3	12.5		
- 9.9	Total Deposits	Billion \$	87.3	86.9	77.5	78.9	78.7		
-13.0	Gross Demand Deposits	Billion \$	44.5	43.7	38.6	39.6	38.7		
- 6.5	Time Deposits	Billion \$	42.8	43.2	38.9	39.3	40.0		
MEASURES OF RESERVE POSITION AND 'LIQUIDITY' OF MEMBER BANKS									
Reserves: <sup>11</sup>									
*	Total Reserves	Million \$	22,792	22,175	23,214	23,688 P	n.a.		
*	Required Reserves	Million \$	22,418	21,832	22,822	23,350 P	n.a.		
*	Excess Reserves	Million \$	374	343	392	338 P	n.a.		
*	Borrowings from FRB	Million \$	428	485	608	529	n.a.		
Ratio of Loans to Total Deposits: <sup>7</sup>									
+ 2.3	City Banks	Per Cent	66.5	67.1	68.4	65.9	68.2		
+ 1.2	Country Banks	Per Cent	56.2	56.6	56.9	56.9	56.9		
Ratio of U.S. Gov't Securities to Deposits: <sup>7</sup>									
- 9.4	City Banks	Per Cent	13.8	12.7	11.9	12.1	12.5		
- 8.5	Country Banks	Per Cent	23.5	23.2	21.8	21.3	21.5		

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

								9th dist percent change
item	unit	1966				1967		Jan. to Jan.
		January	February	November	December	January	February	
MEASURES OF PRODUCTION AND FACTOR INPUTS TO PRODUCTION								
Total Industrial Production:								*
Manufacturing								*
Mining								
Utilities								
Electrical Energy Consumption: Mfg. & Mining	Index, sa	175	175	191	197	n.a.		*
Manufacturing	Index, sa	166	166	179	185	n.a.		*
Mining	Index, sa	219	219	248	254	n.a.		*
Production Worker Manhours: Mfg. & Mining	Index, sa	110	110	115	114 P	n.a.		*
Manufacturing	Index, sa	114	114	121	119 P	n.a.		*
Mining	Index, sa	89	90	89	91 P	n.a.		*
Total Construction Contracts Awarded	Million \$, sa	96.0	121.8	174.5	107.2	n.a.		*
Residential Buildings	Million \$, sa	23.7	47.1	26.2	30.5	n.a.		*
Nonresidential Buildings	Million \$, sa	37.3	46.2	42.0	43.5	n.a.		*
All Other Construction	Million \$, sa	35.0	28.5	106.3	33.2	n.a.		*
Bldg. Permits: New Housing Units <sup>12</sup>	Number	579	957	1,184	524	404		-30.2
MEASURES OF MANPOWER UTILIZATION <sup>3</sup>								
Civilian Work Force	Thousands, sa	2,450	2,440	2,456 P	2,478 P	2,482 e		+ 1.3
Total Civilian Employment	Thousands, sa	2,359	2,349	2,369 P	2,382 P	2,399 e		+ 1.7
Number Unemployed	Thousands, sa	91	91	87 P	96 P	83 e		- 8.8
Unemployment Rate	Per Cent, sa	3.7	3.8	3.6 P	3.9 e	3.3 e		-10.8
Average Weekly Hours in Manufacturing	Hours, sa	41.6	41.8	41.5 P	41.2 e	41.9 e		+ 0.7
EMPLOYMENT BY INDUSTRY SECTOR <sup>3</sup>								
Wage and Salary Employment, Nonfarm	Thousands, sa	1,678	1,663	1,691 P	1,720 P	1,741 e		+ 3.8
Manufacturing	Thousands, sa	333	329	337 P	352 P	358 e		+ 7.5
Mining	Thousands, sa	36	37	35 P	35 P	36 e		0.0
Construction	Thousands, sa	100	98	92 P	99 P	102 e		+ 2.0
Transport., Comm., & Public Utilities	Thousands, sa	126	126	126 P	127 P	130 e		+ 3.2
Trade	Thousands, sa	409	402	408 P	415 P	423 e		+ 3.4
Finance, Insurance & Real Estate	Thousands, sa	76	75	76 P	77 P	77 e		+ 1.3
Service Industries	Thousands, sa	253	250	257 P	260 P	260 e		+ 2.8
Government	Thousands, sa	345	346	360 P	355 P	355 e		+ 2.9
Number of Workers on Farms	Thousands, sa	408	415	408	387 P	384 e		- 5.9
MEASURES OF SPENDING								
Total Retail Sales	Million \$, sa	764	800	827 P	843 e	n.a.		*
Durable Goods								
Nondurable Goods	Million \$, sa	562	566	572 P	601 e	n.a.		*
GAF <sup>13</sup>	Million \$, sa	143	145	168 P	157 e	n.a.		*
New Passenger Car Registrations	Thousands, sa	19.0	20.6	18.6	24.1	n.a.		*
Bank Debits <sup>14</sup>	Billion \$, saar	80.0	85.2	97.1	99.0	95.2		+19.0

# UNITED STATES production and employment indicators

U.S.<sup>15</sup>  
percent  
change

n. to Jan.

Percent change n. to Jan.	item	unit	1966				1967	
			January	February	November	December	January	February
	MEASURES OF PRODUCTION AND FACTOR INPUTS TO PRODUCTION							
+ 4.8	Total Industrial Production:	Index, sa	150.6	152.4	158.6	158.9	157.9 P	
+ 4.6	Manufacturing	Index, sa	152.9	154.7	160.9	161.2	160.0 P	
+ 5.2	Mining	Index, sa	117.3	117.7	120.8	123.2	123.4 P	
+ 7.8	Utilities	Index, sa	164.7	168.7	176.9	178.0	177.5 P	
	Electrical Energy Consumption: Mfg. & Mining							
	Manufacturing							
	Mining							
+ 3.8	Production Worker Manhours: Mfg. & Mining	Index, sa	112	113	117 P	116 P	n.a.	
+ 3.5	Manufacturing	Index, sa	115	116	120 P	119 P	n.a.	
- 5.7	Mining	Index, sa	87	85	81 P	82 P	n.a.	
-16.3	Total Construction Contracts Awarded	Million \$, sa	4,332.4	4,226.3	3,931.1	3,819.5	3,624.4	
-26.6	Residential Buildings	Million \$, sa	1,770.8	1,746.7	1,187.3	1,167.9	1,299.0	
+ 0.6	Nonresidential Buildings	Million \$, sa	1,386.7	1,594.0	1,623.4	1,609.8	1,395.2	
-20.8	All Other Construction	Million \$, sa	1,174.9	885.6	1,120.4	1,041.8	930.2	
-26.1	Bldg. Permits: New Housing Units <sup>12</sup>	Thousands	77.8	75.0	57.7	50.6	57.5 P	
	MEASURES OF MANPOWER UTILIZATION							
+ 2.3	Civilian Work Force	Thousands, sa	75,355	75,126	76,612	76,764 P	77,087 P	
+ 2.5	Total Civilian Employment	Thousands, sa	72,410	72,341	73,897	73,893 P	74,255 P	
- 3.8	Number Unemployed	Thousands, sa	2,945	2,785	2,715	2,871 P	2,832 P	
- 5.1	Unemployment Rate	Per Cent, sa	3.9	3.7	3.5	3.7 P	3.7 P	
- 1.2	Average Weekly Hours in Manufacturing	Hours, sa	41.4	41.5	41.3	40.9 P	40.9 P	
	EMPLOYMENT BY INDUSTRY SECTOR							
+ 4.6	Wage and Salary Employment, Nonfarm	Thousands, sa	62,469	62,811	64,823	65,081 P	65,360 P	
+ 4.9	Manufacturing	Thousands, sa	18,566	18,722	19,415	19,445 P	19,480 P	
- 1.1	Mining	Thousands, sa	635	634	624	628 P	631 P	
- 1.0	Construction	Thousands, sa	3,318	3,323	3,204	3,286 P	3,286 P	
+ 3.2	Transport., Comm., & Public Utilities	Thousands, sa	4,091	4,105	4,195	4,195 P	4,223 P	
+ 4.0	Trade	Thousands, sa	13,009	13,045	13,393	13,404 P	13,532 P	
+ 2.5	Finance, Insurance & Real Estate	Thousands, sa	3,052	3,051	3,110	3,120 P	3,128 P	
+ 5.3	Service Industries	Thousands, sa	9,363	9,410	9,778	9,819 P	9,858 P	
+ 7.5	Government	Thousands, sa	10,435	10,521	11,104	11,184 P	11,222 P	
- 2.3	Number of Workers on Farms	Thousands,sa	4,144	4,155	3,892	4,011 P	4,015 P	
	MEASURES OF SPENDING							
+ 1.2	Total Retail Sales	Million \$, sa	25,023	25,049	25,610	25,329	25,315 P	
- 2.4	Durable Goods	Million \$, sa	8,324	8,185	8,143	8,138	8,123 P	
+ 3.0	Nondurable Goods	Million \$, sa	16,699	16,864	17,467	17,191	17,192 P	
*	GAF <sup>13</sup>	Million \$, sa	5,855	5,895	6,222	5,954	n.a.	
*	New Passenger Car Registrations	Thousands, sa	649.5	851.9	765.2	730.5	n.a.	
+ 9.1	Bank Debits <sup>14</sup>	Billion \$, saar	2,015.3	2,032.3	2,138.1	2,156.8	2,199.6	

## 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 fixed sample of permit issuing centers. Does not represent district total.  
U.S. - A sample of centers blown up to represent total permits issued

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. - 218 centers excluding the seven leading centers

15. Per cent change compares only months specified. Does not always compare latest month available.

## 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