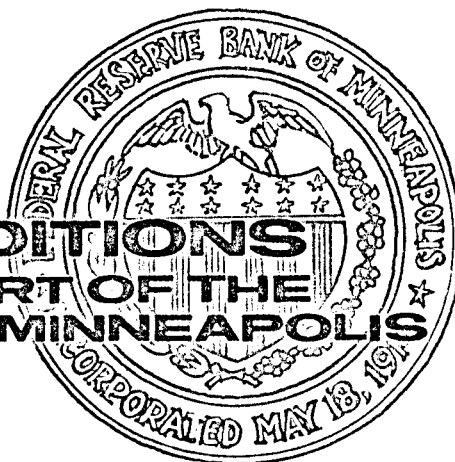


NINTH DISTRICT CONDITIONS

MONTHLY STATISTICAL REPORT OF THE

FEDERAL RESERVE BANK OF MINNEAPOLIS

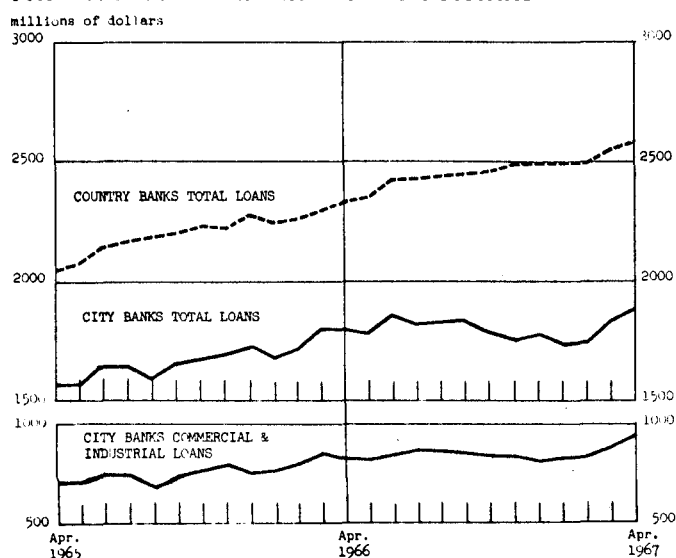


DISTRICT BUSINESS ACTIVITY ADVANCES AT SLOWED PACE: BANK CREDIT EXPANSION IS VIGOROUS

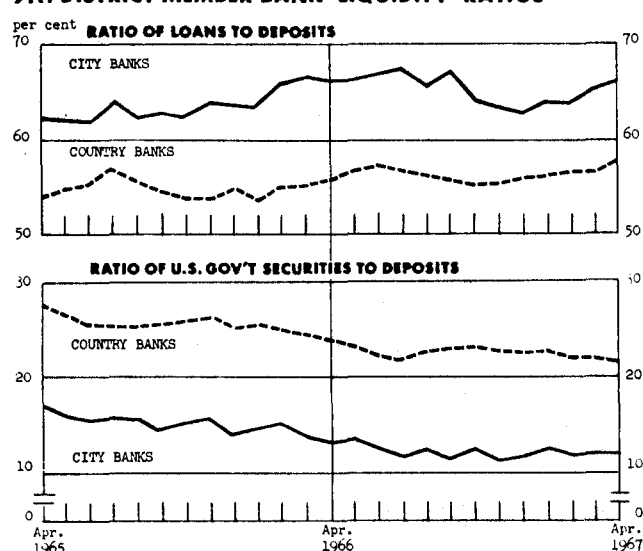
Ninth district business conditions advanced somewhat during March, though the rate of gain was less than that experienced throughout most of last year. Employment increased slightly between February and March, as well as from a year ago, while unemployment in the district was lower than that experienced during March of 1966. The industrial sector remained at the high production and employment levels of the first two months of this year, while construction work trailed behind the year-ago levels. Retail sales, for which February data are the most current available, continued to show slight increases in the district.

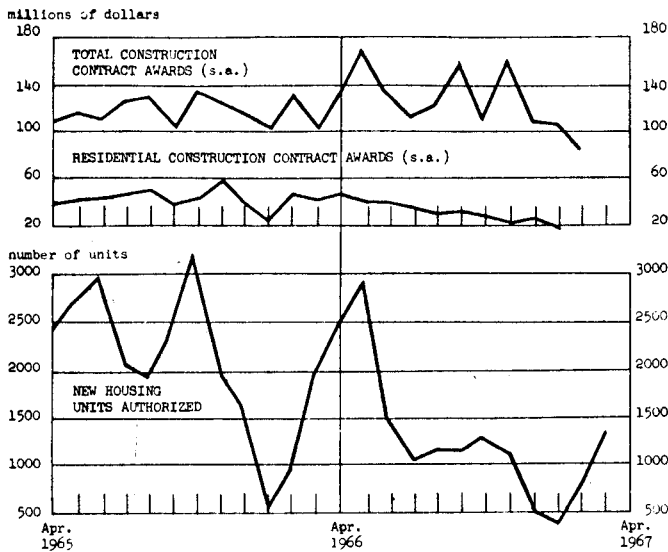
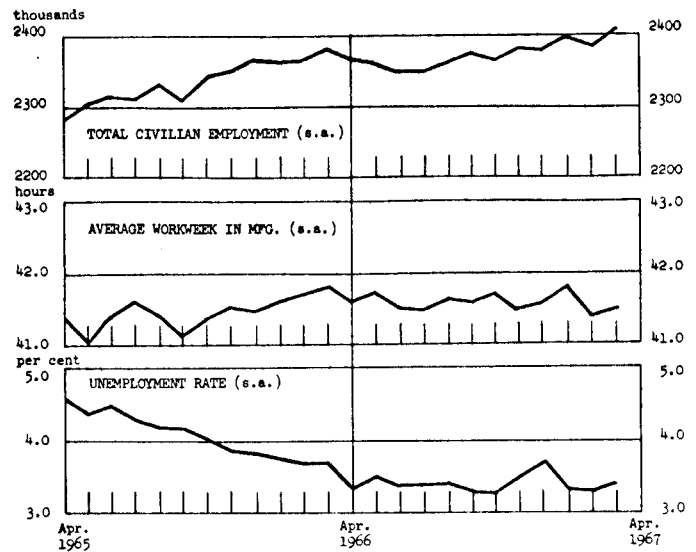
Strength in the industrial sector of the Ninth district during March was evidenced by the rise in electric power consumption and continued high employment and manhours figures. Continuation of high levels of defense expenditures is expected to maintain district output at a very high rate over the next several months.

9TH DISTRICT MEMBER BANK LOANS OUTSTANDING



9TH DISTRICT MEMBER BANK 'LIQUIDITY' RATIOS



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

Increases occurred in both number and valuation of residential building permits in March, but comparisons with previous years indicates that these construction indicators in March 1967 did not achieve the normal seasonal increase that usually occurs. Some other areas of construction can expect increased levels of activity as a result of the recent releases of delayed highway funds. Employment within the industry remains very high and the shifting of labor between sectors of the construction industry has been a factor contributing to the high employment situation existing within that industry.

District member banks reported no letup in the rapid expansion of deposits and bank credit in April following an unusually strong upsurge during the previous month. The sharp rise in total deposits during April was due entirely to a substantial inflow of time deposits at both city and country banks, about twice as large as the normal inflow for the month. Unlike the experience at city banks nation-wide where increases in large negotiable certificates of deposits provided much of the recent sharp increases in total time deposits, the recent increase in time deposits at Ninth district city banks was due primarily to rapid growth in smaller, consumer-type certificates of deposits. Demand deposits at district banks declined slightly during April, in line with the seasonal pattern.

The unusually vigorous expansion of bank credit at district banks during April represented principally an upsurge in total loans; bank holdings of U.S. Government and other securities remained essentially unchanged for the district as a whole during this period. The above seasonal growth of total loans occurred for the most part during the middle weeks of the month, a period which encompassed

corporate tax payment dates. It is generally believed that corporate demand for loans was unusually large at this time not only because of heavy tax obligations but also because corporations were generally in a poorer liquidity position to meet these obligations.

February cash farm receipts figures provide the first concrete evidence of the slowdown that has occurred in the agricultural sector. Total receipts for that month amounted to \$269 million in the district, a gain of 1 per cent above that of February 1966. All of the february gain, however, is due to a six per cent rise in crop sales reflecting both relatively large marketings and favorable price levels. Livestock receipts, on the other hand, dropped 1 per cent below the February 1966 level as market prices declined. The February data undoubtedly depicts the pattern of the last two months. Crop receipts typically drop off fairly sharply during the spring season as the crop year closes out and livestock receipts assume a more dominant position in terms of total receipts. Thus, with current livestock prices in a relatively depressed state, livestock receipts are likely to fall well below those of last year, which would result in lower total cash receipts from farm marketings. By the end of June, total cash farm receipts could be lagging year-earlier levels by as much as 5 per cent.

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	March	+ 0.9	+ 1.3	- 0.5	+ 2.0
Average weekly hours - mfg.	March	+ 0.2	- 0.7	+ 0.2	- 2.7
Total retail sales	Feb.	+ 0.2	+ 8.0	+ 3.3	+ 3.7
Electrical energy consumption	March	+ 1.0	+15.9		
Construction contracts awarded	Feb.	-22.9	-35.1	+18.0	+ 1.2
Member bank loans*	March	+ 3.0	+ 7.2	+ 1.5	+ 6.0
Member bank deposits*	March	+ 1.1	+ 7.1	+ 1.0	+ 6.3

*not seasonally adjusted

NINTH DISTRICT¹ income and financial indicators

									9th dist percent change
item	unit	1966		1967				Mar. to Mar.	
		MARCH	APRIL	JANUARY	FEBRUARY	MARCH	APRIL		
MEASURES OF CONSUMER INCOME & FINANCIAL POSITION									
Total Personal Income ²								*	
Nonagricultural Personal Income								*	
Average Weekly Earnings in Manufacturing ³	Dollars,	114.92	114.12	117.94	117.26 p	118.13 e		+ 2.8	
Consumer Instalment Credit Outstanding ⁴	Million \$	900	912	995	994	998		+10.9	
Time & Savings Deposits at Member Banks	Million \$	3,368	3,398	3,665	3,740	3,791	3,847	+12.6	
Savings Balances at Savings & Loan Assoc. ²	Million \$	2,769	2,747	2,838	2,856	2,909		+ 5.0	
Cash Farm Receipts, Total ²	Million \$	258	259	369	269	n.a.			
Receipts from Crops	Million \$	52	51	151	82	n.a.			
Receipts from Livestock & Produce	Million \$	206	208	218	187	n.a.			
MEASURES OF PRICE LEVELS									
Consumer Price Index ⁵	Index, sa		111.8	113.4					
Prices Received by Farmers ⁶	Index, sa	118	115	115	113	112		- 5.1	
MEASURES OF FINANCIAL CONDITION OF MEMBER BANKS ⁷									
CITY BANKS ⁸									
Adjusted Loans and Discounts ⁹	Million \$	1,788	1,796	1,742	1,751	1,829	1,888	+ 2.3	
Real Estate Loans	Million \$	313	312	330	320	319	319	+ 1.9	
Commercial and Industrial Loans	Million \$	831	819	830	841	885	939	+ 6.5	
Total Investments	Million \$	688	688	688	677	679	689	- 1.3	
U.S. Government Obligations	Million \$	377	369	353	343	347	349	- 8.0	
Other Securities	Million \$	311	319	335	334	332	340	+ 6.8	
Total Deposits	Million \$	2,701	2,737	2,809	2,826	2,856	2,892	+ 5.7	
Gross Demand Deposits	Million \$	1,632	1,661	1,689	1,666	1,685	1,693	+ 3.2	
Time Deposits	Million \$	1,069	1,076	1,120	1,160	1,171	1,199	+ 9.5	
COUNTRY BANKS ¹⁰									
Loans and Discounts	Million \$	2,295	2,329	2,491	2,496	2,547	2,588	+11.0	
Total Investments	Million \$	1,675	1,660	1,742	1,729	1,737	1,721	+ 3.7	
U.S. Government Securities	Million \$	1,017	990	1,000	983	992	978	- 2.5	
Other Securities	Million \$	658	670	742	746	745	743	+13.2	
Total Deposits	Million \$	4,156	4,155	4,447	4,435	4,486	4,490	+ 7.9	
Gross Demand Deposits	Million \$	1,857	1,833	1,901	1,855	1,866	1,842	+ .5	
Time Deposits	Million \$	2,299	2,322	2,546	2,580	2,620	2,648	+14.0	
MEASURES OF RESERVE POSITION AND 'LIQUIDITY' OF MEMBER BANKS									
Reserves: ¹¹									
Total Reserves	Million \$	545	540	594	584	573	566	+ 5.1	
Required Reserves	Million \$	523	523	573	565	553	546	+ 5.7	
Excess Reserves	Million \$	22	17	21	19	20	20	- 9.1	
Borrowings from FRB	Million \$	19	51	14	3	2	2	-89.5	
Ratio of Loans to Total Deposits: ⁷									
City Banks	Per Cent	66.6	66.2	63.7	63.6	64.9	65.8	- 2.6	
Country Banks	Per Cent	55.2	56.0	56.0	56.3	56.8	57.6	+ 2.9	
Ratio of U.S. Gov't Securities to Deposits: ⁷									
City Banks	Per Cent	14.0	13.5	12.6	12.1	12.1	12.1	-13.6	
Country Banks	Per Cent	24.5	23.8	22.5	22.2	22.1	21.8	- 9.8	

UNITED STATES income and financial indicators

U.S. ¹⁵ percent change		item	unit	1966		1967			
Mar. to Mar.				MARCH	APRIL	JANUARY	FEBRUARY	MARCH	APRIL
MEASURES OF CONSUMER INCOME & FINANCIAL POSITION									
+ 7.8	Total Personal Income	Billion \$, saar	569.0	570.5	607.5	609.7	613.1 p		
+ 8.5	Nonagricultural Personal Income	Billion \$, saar	547.0	549.1	587.5	590.0	593.5 p		
+ 1.3	Average Weekly Earnings in Manufacturing	Dollars, sa	110.95	111.24	113.42	111.48 p	112.44 p		
+ 8.1	Consumer Instalment Credit Outstanding ⁴	Billion \$	29.7	30.1	32.0	32.0	32.1		
+10.1	Time & Savings Deposits at Member Banks	Billion \$	124.8	126.0	132.6	134.6	137.4		
+ 4.2	Savings Balances at Savings & Loan Assoc.	Billion \$	111.6	110.8	114.1	114.8	116.3		
	Cash Farm Receipts, Total	Billion \$	3.0	2.8	3.6	2.7	n.a.		
	Receipts from Crops	Billion \$.8	.8	1.6	.9	n.a.		
	Receipts from Livestock & Produce	Billion \$	2.2	2.0	2.0	1.8	n.a.		
MEASURES OF PRICE LEVELS									
+ 2.7	Consumer Price Index	Index, sa	112.0	112.5	114.7	114.8	115.0		
- 7.2	Prices Received by Farmers	Index, sa	111	110	105	104	103		
MEASURES OF FINANCIAL CONDITION OF MEMBER BANKS ⁷									
CITY BANKS ⁸									
+12.3	Adjusted Loans and Discounts ⁹	Billion \$	118.4	119.5	132.2	131.2	133.0		
+18.3	Real Estate Loans	Billion \$	22.9	23.0	27.4	27.2	27.1		
+17.9	Commercial and Industrial Loans	Billion \$	52.6	52.5	60.3	60.4	62.0		
+23.8	Total Investments	Billion \$	45.3	46.3	52.0	53.8	56.1		
+24.7	U.S. Government Obligations	Billion \$	21.5	21.8	24.9	25.6	26.8		
+23.1	Other Securities	Billion \$	23.8	24.5	27.1	28.2	29.3		
+13.7	Total Deposits	Billion \$	178.2	182.9	198.7	200.5	202.7		
+ 9.7	Gross Demand Deposits	Billion \$	97.2	101.1	106.2	106.5	106.6		
+18.6	Time Deposits	Billion \$	81.0	81.8	92.5	94.0	96.1		
COUNTRY BANKS ¹⁰									
- 9.0	Loans and Discounts	Billion \$	49.9	50.6	44.8	44.7	45.4		
-10.9	Total Investments	Billion \$	33.1	33.0	29.4	29.4	29.5		
-15.2	U.S. Government Securities	Billion \$	19.8	19.5	16.9	16.8	16.8		
- 4.5	Other Securities	Billion \$	13.3	13.5	12.5	12.6	12.7		
- 9.1	Total Deposits	Billion \$	87.1	88.0	78.7	78.6	79.2		
-12.5	Gross Demand Deposits	Billion \$	43.3	43.8	38.7	38.0	37.9		
- 5.7	Time Deposits	Billion \$	43.8	44.2	40.0	40.6	41.3		
MEASURES OF RESERVE POSITION AND 'LIQUIDITY' OF MEMBER BANKS									
Reserves: ¹¹									
+ 5.4	Total Reserves	Million \$	22,185	22,801	24,144	23,703	23,376 p		
+ 5.1	Required Reserves	Million \$	21,839	22,139	23,743	23,341	22,952 p		
+22.5	Excess Reserves	Million \$	346	362	401	362	424 p		
-64.1	Borrowings from FRB	Million \$	565	638	416	363	203		
Ratio of Loans to Total Deposits: ⁷									
- 1.5	City Banks	Per Cent	68.2	66.8	68.2	67.0	67.2		
0.0	Country Banks	Per Cent	57.3	57.5	56.9	56.9	57.3		
Ratio of U.S. Gov't Securities to Deposits: ⁷									
+10.0	City Banks	Per Cent	12.0	11.9	12.5	12.8	13.2		
- 6.6	Country Banks	Per Cent	22.7	22.2	21.5	21.4	21.2		

NINTH DISTRICT¹ production and employment indicators

								9th dis- percent change
item	unit	1966		1967				Mar. to Mar
		MARCH	APRIL	JANUARY	FEBRUARY	MARCH	APRIL	
MEASURES OF PRODUCTION AND FACTOR INPUTS TO PRODUCTION								
Total Industrial Production:								*
Manufacturing								*
Mining								*
Utilities								*
Electrical Energy Consumption: Mfg. & Mining	Index, sa	176	178	198	202	204		+15.9
Manufacturing	Index, sa	167	168	184	185	188		+12.6
Mining	Index, sa	219	223	261	285	280		+27.9
Production Worker Manhours: Mfg. & Mining	Index, sa	112	112	119	119	119 p		+ 6.3
Manufacturing	Index, sa	117	117	124	125	125 p		+ 6.8
Mining	Index, sa	88	90	93	90	93 p		+ 5.7
Total Construction Contracts Awarded	Million \$, sa	107.3	129.6	102.4	79.0	n.a.		
Residential Buildings	Million \$, sa	44.6	47.8	19.4	27.9	n.a.		
Nonresidential Buildings	Million \$, sa	42.8	44.0	65.5	35.1	n.a.		
All Other Construction	Million \$, sa	19.9	37.8	17.5	16.0	n.a.		
Bldg. Permits: New Housing Units ¹²	Number	1,999	2,635	404	823	1,396		-30.2
MEASURES OF MANPOWER UTILIZATION ³								
Civilian Work Force	Thousands, sa	2,465	2,447	2,476	2,466 p	2,489 p		+ 1.0
Total Civilian Employment	Thousands, sa	2,374	2,365	2,394	2,385 p	2,406 p		+ 1.3
Number Unemployed	Thousands, sa	91	82	82	81 p	83 p		- 8.8
Unemployment Rate	Per Cent, sa	3.7	3.4	3.3	3.3 p	3.4 p		- 8.1
Average Weekly Hours in Manufacturing	Hours, sa	41.8	41.6	41.8	41.4 p	41.5 e		- 0.7
EMPLOYMENT BY INDUSTRY SECTOR ³								
Wage and Salary Employment, Nonfarm	Thousands, sa	1,691	1,695	1,744	1,750 p	1,751 p		+ 3.5
Manufacturing	Thousands, sa	341	340	358	358 p	358 p		+ 5.0
Mining	Thousands, sa	35	35	35	36 p	36 p		+ 2.9
Construction	Thousands, sa	99	100	101	101 p	99 p		0.0
Transport., Comm., & Public Utilities	Thousands, sa	126	126	129	129 p	130 p		+ 3.2
Trade	Thousands, sa	411	412	424	426 p	425 p		+ 3.4
Finance, Insurance & Real Estate	Thousands, sa	76	76	77	77 p	77 p		+ 1.3
Service Industries	Thousands, sa	254	255	261	262 p	264 p		+ 3.9
Government	Thousands, sa	349	351	359	361 p	362 p		+ 3.7
Number of Workers on Farms	Thousands, sa	408	400	380	365 p	386 p		- 5.4
MEASURES OF SPENDING								
Total Retail Sales	Million \$, sa	788	826	851	853 p	n.a.		
Durable Goods								
Nondurable Goods	Million \$, sa	568	582	560	590 p	n.a.		
GAF ¹³	Million \$, sa	151	152	167	177 p	n.a.		
New Passenger Car Registrations	Thousands, sa	21.9	20.0	17.2	16.8	n.a.		
Bank Debits ¹⁴	Billion \$, saar	84.8	86.5	95.2	96.1	97.3		+14.7

UNITED STATES production and employment indicators

U.S.¹⁵
percent
change

Mar. to Mar.

percent change Mar. to Mar.	item	unit	1966		1967			
			MARCH	APRIL	JANUARY	FEBRUARY	MARCH	APRIL
	MEASURES OF PRODUCTION AND FACTOR INPUTS TO PRODUCTION							
+ 1.3	Total Industrial Production:	Index, sa	154	154	158	156	156	
+ 1.3	Manufacturing	Index, sa	156	157	160	158	158	
+ 2.5	Mining	Index, sa	120	116	123	122	123	
+ 5.3	Utilities	Index, sa	169	169	180	178	178	
*	Electrical Energy Consumption: Mfg. & Mining							
*	Manufacturing							
*	Mining							
	Production Worker Manhours: Mfg. & Mining	Index, sa	114	113	117	114	n.a.	
	Manufacturing	Index, sa	116	116	120	117	n.a.	
	Mining	Index, sa	86	81	80	78	n.a.	
- 6.6	Total Construction Contracts Awarded	Million \$, sa	4,452.0	4,391.3	3,624.4	4,275.8	4,157.9	
-21.5	Residential Buildings	Million \$, sa	1,796.2	1,707.8	1,299.0	1,430.5	1,410.5	
- 1.6	Nonresidential Buildings	Million \$, sa	1,674.1	1,668.8	1,395.2	1,823.3	1,646.6	
+12.1	All Other Construction	Million \$, sa	981.7	1,014.7	930.2	1,022.0	1,100.8	
-27.0	Bldg. Permits: New Housing Units ¹²	Thousands	121.7	115.3	57.1	55.5	88.9 p	
	MEASURES OF MANPOWER UTILIZATION							
+ 1.9	Civilian Work Force	Thousands, sa	75,117	75,341	77,087	77,025	76,523	
+ 2.0	Total Civilian Employment	Thousands, sa	72,266	72,542	74,255	74,137	73,747	
- 2.6	Number Unemployed	Thousands, sa	2,851	2,799	2,832	2,888	2,776	
- 5.3	Unemployment Rate	Per Cent, sa	3.8	3.7	3.7	3.7	3.6	
- 2.7	Average Weekly Hours in Manufacturing	Hours, sa	41.5	41.5	41.0	40.3	40.4 p	
	EMPLOYMENT BY INDUSTRY SECTOR							
+ 3.5	Wage and Salary Employment, Nonfarm	Thousands, sa	63,247	63,350	65,381	65,463 p	65,486 p	
+ 2.7	Manufacturing	Thousands, sa	18,840	18,923	19,468	19,388 p	19,353 p	
- 1.6	Mining	Thousands, sa	637	595	628	626 p	627 p	
- 3.0	Construction	Thousands, sa	3,419	3,333	3,301	3,351 p	3,318 p	
+ 2.7	Transport., Comm., & Public Utilities	Thousands, sa	4,109	4,114	4,230	4,225 p	4,220 p	
+ 2.9	Trade	Thousands, sa	13,085	13,128	13,503	13,506 p	13,458 p	
+ 3.0	Finance, Insurance & Real Estate	Thousands, sa	3,064	3,068	3,129	3,142 p	3,157 p	
+ 5.4	Service Industries	Thousands, sa	9,463	9,484	9,869	9,915 p	9,971 p	
+ 7.1	Government	Thousands, sa	10,630	10,705	11,253	11,310 p	11,382 p	
- 6.3	Number of Workers on Farms	Thousands,sa	4,113	4,199	4,015	3,890	3,855	
	MEASURES OF SPENDING							
+ 3.7	Total Retail Sales	Million \$, sa	25,536	24,949	25,687	25,636 p	26,474 p	
- 4.0	Durable Goods	Million \$, sa	8,649	7,939	8,200	8,001 p	8,302 p	
+ 7.6	Nondurable Goods	Million \$, sa	16,887	17,010	17,487	17,635 p	18,172 p	
	GAF ¹³	Million \$, sa	5,851	5,785	6,245	6,152 p	n.a.	
	New Passenger Car Registrations	Thousands, sa	833.1	704.2	679.7	593.0	n.a.	
+ 5.5	Bank Debits ¹⁴	Billion \$, saar	2,059.3	2,074.9	2,199.6	2,180.7	2,172.5	