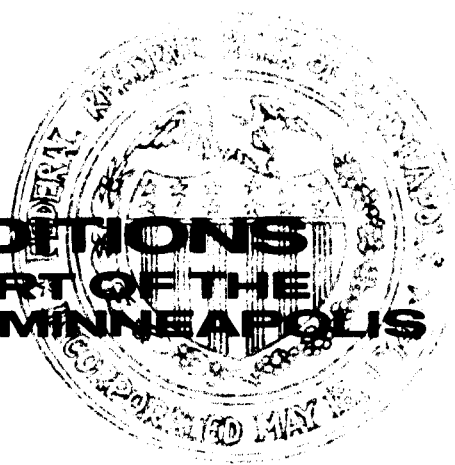


# NINTH DISTRICT CONDITIONS

## MONTHLY STATISTICAL REPORT OF THE

### FEDERAL RESERVE BANK OF MINNEAPOLIS



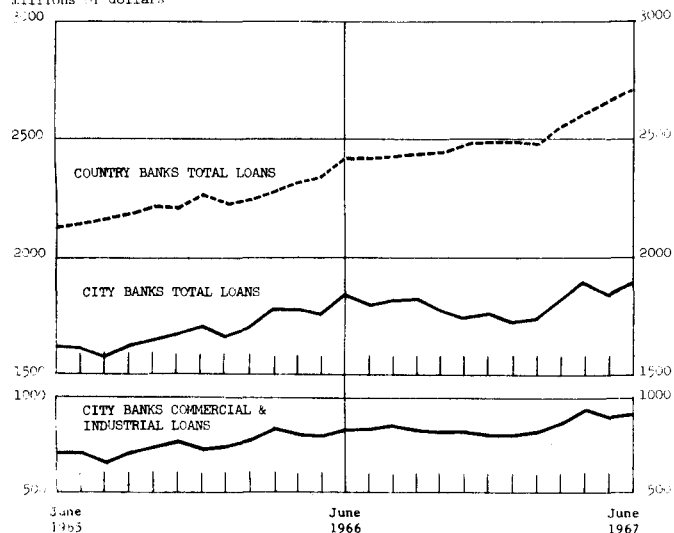
#### DISTRICT INDUSTRIAL ACTIVITY SLOWS SLIGHTLY; STRONG UPSURGE IN CONSUMER-TYPE SAVINGS OCCURS

Most sectors of the Ninth district economy continued to operate at high levels during May although output and employment levels were generally below the record highs established earlier in the year. This pattern of growth can be seen quite clearly in the industrial sector. During May, the index of electrical energy consumption reached a level which was about 14 per cent above the year ago level, but was down slightly from the record high established in April. Similarly, the index of production worker manhours was nearly two per cent above the year ago, but almost four per cent below the record high established in January. The man-hours index has fallen not only because of the cutbacks in employment in manufacturing but also because of the decline in overtime hours.

The slowdown in the industrial sector of the economy has naturally resulted in employment cutbacks in that sector. Spillover effects from the indus-

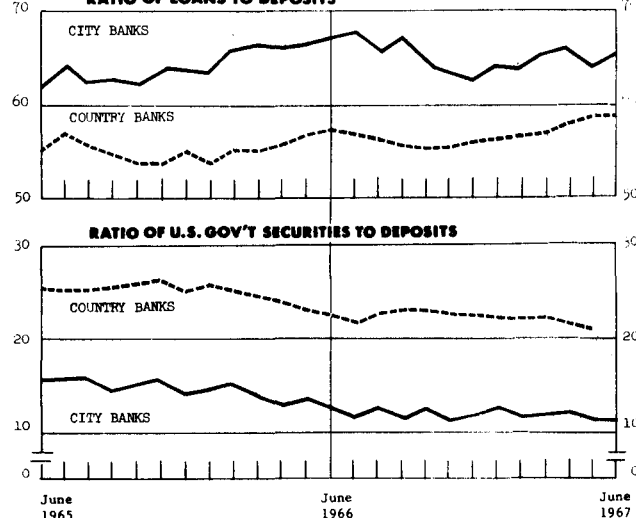
#### 9TH DISTRICT MEMBER BANK LOANS OUTSTANDING

millions of dollars



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

per cent



trial slowdown have also resulted in slowdowns in employment growth in the non-industrial sectors as well. For example, growth in the service industries has been minimal the past few months although a new record high was established in May, and employment in the trade sector has retreated slightly from the record high established in February.

In spite of the recent employment cutbacks, the unemployment rate continued at historically low levels. The May rate of 3.5 per cent was the highest rate observed so far this year, but was about the mid-point of the 3.3-3.7 per cent range in which the unemployment rate has moved since February 1966.

District member bank activity in June was highlighted by the continued strong and widespread upsurge in time and savings deposits. During the second quarter, total time and savings deposits grew at an annual rate of 21 per cent, surpassing the impressive 16 per cent annual growth rate recorded during the first quarter and nearly doubling the pace recorded in 1966. Throughout much of the current year, small consumer-type time deposits have provided the bulk of the increase in total time and savings deposits. During June, however, large negotiable certificates of deposits (issued in denominations of \$100,000 or more) also rose sharply.

Savings and loan associations located in the Ninth district have also been recording impressive savings inflow performances in 1967, after suffering through a period of meager inflow during the high-interest span in the latter part of 1966. Net savings inflow during the first five months of 1967 exceeded that of the comparable period in 1966 by nearly 70 per cent and moreover, was only about 15 per cent below the inflow recorded during the first five months of 1963--the record year for growth in savings at district S&L's.

#### FARM LAND VALUES AND MORTGAGE DEBT IN 1966

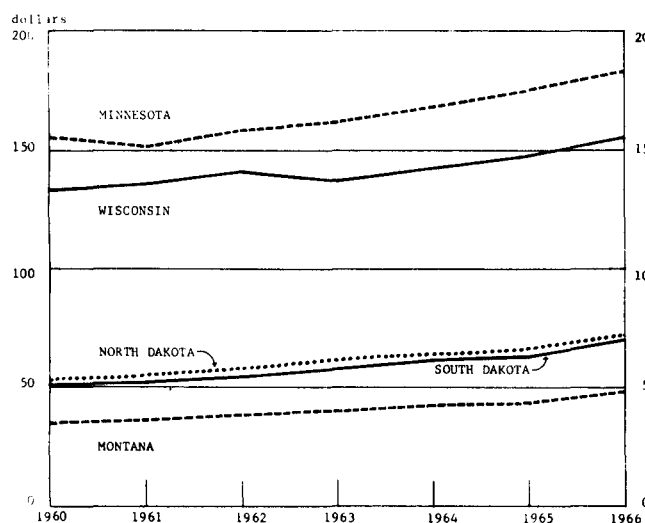
Farm real estate values and total farm mortgage debt continued to rise throughout the Ninth Federal Reserve District during 1966. November 1966 dollar values per acre ranged from \$48 in Montana, up 12 per cent from that of 1965, to \$184 in Minnesota, up 5 per cent. Total farm mortgage debt in the district amounted to \$2.7 billion on January 1, 1967, up 10 per cent from a year earlier. The debt totals varied from a low of \$356 million in South Dakota to a high of

\$925 million in Minnesota.

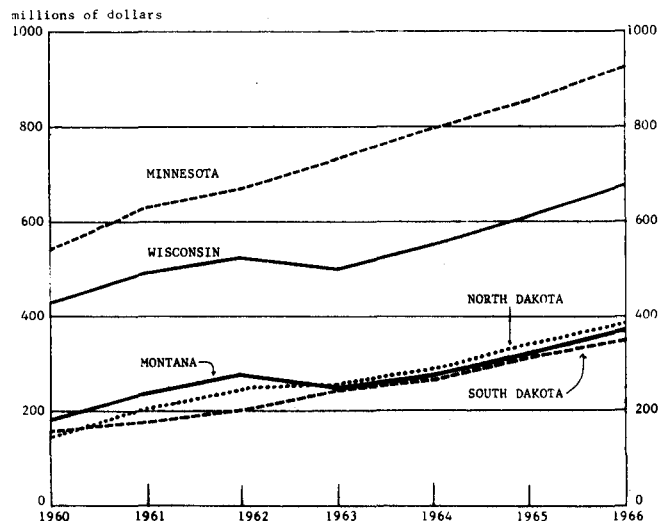
While average value per acre is considerably higher in Minnesota compared with the western area of the district, values in the western region, comprising the Dakotas and Montana, have been increasing at a proportionately faster rate (25-27 per cent) than in Minnesota (10 per cent) since 1960. Farm real estate values in the Dakotas and Montana rose at a very slow rate from 1960 to 1964 and then took a relatively sharp upturn between 1965-66. In Minnesota values declined absolutely between 1960 and 1961, increased slightly from 1962 to 1963 and then began a steady, though moderate, upward trend that has continued to the present. The long term rise in farm real estate values is due primarily to increased farm expansion--a reflection of the technological developments that have greatly increased the income potential of larger farm units.

Total farm mortgage debt generally followed the same pattern as real estate values, with the western states increasing mortgage debt proportionately faster (51-61 per cent) than Minnesota (41 per cent) for the period 1960-66. Minnesota farm mortgage real estate debt steadily increased since 1960 with the exception of a slowdown between 1961 and 1962. Montana's total dropped absolutely between 1962-63 and has risen continuously since then with a rather sharp upturn occurring in 1966. Farm real estate debt in North Dakota increased steadily since 1960 with the exception of a near leveling-off during the 1962 to 1964 period while the upward trend in South Dakota had been more steady throughout the period.

**AVERAGE VALUE OF REAL ESTATE PER ACRE**



**TOTAL FARM MORTGAGE DEBT**



## NINTH DISTRICT income and financial indicators

9th dist.  
percent  
change

item	unit	1966		1967				percent change
		MAY	JUNE	MARCH	APRIL	MAY	JUNE	MAY to MAY
MEASURES OF CONSUMER INCOME & FINANCIAL POSITION								
Total Personal Income <sup>2</sup>								*
Nonagricultural Personal Income								*
Average Weekly Earnings in Manufacturing <sup>3</sup>	Dollars,	115.18	115.97	117.93	118.37p	117.87e		+ 2.3
Consumer Instalment Credit Outstanding <sup>4</sup>	Million \$	931	953	998	1,006	1,023		+ 9.9
Time & Savings Deposits at Member Banks	Million \$	3,431	3,455	3,791	3,847	3,899		+13.6
Savings Balances at Savings & Loan Assoc. <sup>2</sup>	Million \$	2,759	2,797	2,909	2,901	2,918		+ 5.8
Cash Farm Receipts, Total <sup>2</sup>	Million \$	231	243	272	250	n.a.		
Receipts from Crops	Million \$	46	55	74	65	n.a.		
Receipts from Livestock & Produce	Million \$	185	188	198	185	n.a.		
MEASURES OF PRICE LEVELS								
Consumer Price Index <sup>5</sup>	Index, sa				114.2			
Prices Received by Farmers <sup>6</sup>	Index, sa	115	118	112	110	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 \$	1,780	1,845	1,829	1,888	1,853	1,906	+ 4.1
Real Estate Loans	Million \$	310	315	319	319	323	328	+ 4.2
Commercial and Industrial Loans	Million \$	824	851	885	939	916	925	+11.2
Total Investments	Million \$	677	670	679	689	681	684	+ 0.6
U.S. Government Obligations	Million \$	362	355	347	349	337	335	- 6.9
Other Securities	Million \$	315	315	332	340	344	349	+ 9.2
Total Deposits	Million \$	2,722	2,787	2,856	2,892	2,936	2,973	+ 7.9
Gross Demand Deposits	Million \$	1,633	1,689	1,685	1,693	1,726	1,708	+ 5.7
Time Deposits	Million \$	1,089	1,098	1,171	1,199	1,210	1,265	+11.1
COUNTRY BANKS <sup>10</sup>								
Loans and Discounts	Million \$	2,365	2,411	2,547	2,588	2,642	2,692	+11.7
Total Investments	Million \$	1,639	1,621	1,737	1,721	1,723	1,716	+ 5.1
U.S. Government Securities	Million \$	963	945	992	978	962	956	- 0.1
Other Securities	Million \$	676	676	745	743	761	760	+12.6
Total Deposits	Million \$	4,146	4,214	4,486	4,490	4,520	4,600	+ 9.0
Gross Demand Deposits	Million \$	1,804	1,858	1,866	1,842	1,831	1,886	+ 1.5
Time Deposits	Million \$	2,342	2,356	2,620	2,648	2,689	2,714	+14.8
MEASURES OF RESERVE POSITION AND 'LIQUIDITY' OF MEMBER BANKS								
Reserves: 11								
Total Reserves	Million \$	536	545	573	566	561	572	+ 4.7
Required Reserves	Million \$	522	526	553	546	541	551	+ 3.6
Excess Reserves	Million \$	14	19	20	20	20	21	+42.9
Borrowings from FRB	Million \$	30	27	1	2	2	2	-93.3
Ratio of Loans to Total Deposits: 7								
City Banks	Per Cent	66.2	66.2	64.9	65.8	63.7	65.0	- 3.8
Country Banks	Per Cent	57.0	57.2	56.8	57.6	58.4	58.5	+ 2.5
Ratio of U.S. Gov't Securities to Deposits: 7								
City Banks	Per Cent	13.3	12.7	12.1	12.1	11.5	11.3	-13.5
Country Banks	Per Cent	23.2	22.4	22.1	21.8	21.3	20.8	- 8.2

# UNITED STATES income and financial indicators

5

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

MAY to MAY

Percent change MAY to MAY	item	unit	1966		1967			
			MAY	JUNE	MARCH	APRIL	MAY	JUNE
	MEASURES OF CONSUMER INCOME & FINANCIAL POSITION							
+ 7.7	Total Personal Income	Billion \$, saar	573.0	577.2	612.7	614.1	616.9	
+ 8.2	Nonagricultural Personal Income	Billion \$, saar	551.9	556.5	593.1	594.4	597.0	
+ 0.7	Average Weekly Earnings in Manufacturing	Dollars,	112.05	112.74	112.44	112.56	112.84p	
+ 6.9	Consumer Instalment Credit Outstanding <sup>4</sup>	Billion \$	30.5	31.0	32.1	32.3	32.6	
+10.5	Time & Savings Deposits at Member Banks	Billion \$	127.2	127.5	137.4	138.2	140.5	
+ 6.0	Savings Balances at Savings & Loan Assoc.	Billion \$	111.2	112.4	116.3	116.8	117.9	
	Cash Farm Receipts, Total	Billion \$	2.7	3.1	2.8	2.7	n.a.	
	Receipts from Crops	Billion \$	.7	1.1	.8	.8	n.a.	
	Receipts from Livestock & Produce	Billion \$	2.0	2.0	2.0	1.9	n.a.	
	MEASURES OF PRICE LEVELS							
+ 2.7	Consumer Price Index	Index, sa	112.6	112.9	115.0	115.3	115.6	
- 4.6	Prices Received by Farmers	Index, sa	109	109	103	101	104	
	MEASURES OF FINANCIAL CONDITION OF MEMBER BANKS <sup>7</sup>							
	CITY BANKS <sup>8</sup>							
+10.9	Adjusted Loans and Discounts <sup>9</sup>	Billion \$	120.0	133.0	133.0	133.6	133.1	
+17.7	Real Estate Loans	Billion \$	23.2	26.7	27.1	27.1	27.3	
+15.5	Commercial and Industrial Loans	Billion \$	53.5	58.3	62.0	62.3	61.8	
+24.0	Total Investments	Billion \$	45.4	50.2	56.1	56.0	56.3	
+23.3	U.S. Government Obligations	Billion \$	20.6	22.5	26.8	25.3	25.4	
+24.6	Other Securities	Billion \$	24.8	27.7	29.3	30.7	30.9	
+16.0	Total Deposits	Billion \$	180.5	199.1	202.7	206.4	209.3	
+14.0	Gross Demand Deposits	Billion \$	97.8	108.9	106.6	110.0	111.5	
+18.3	Time Deposits	Billion \$	82.7	90.2	96.1	96.4	97.8	
	COUNTRY BANKS <sup>10</sup>							
- 8.6	Loans and Discounts	Billion \$	51.3	43.3	45.4	46.1	46.9	
- 8.8	Total Investments	Billion \$	32.8	27.4	29.5	29.6	29.9	
-13.6	U.S. Government Securities	Billion \$	19.1	16.5	16.8	16.7	16.5	
- 2.2	Other Securities	Billion \$	13.7	10.9	12.7	12.9	13.4	
- 7.5	Total Deposits	Billion \$	87.7	75.0	79.2	80.1	81.1	
-11.1	Gross Demand Deposits	Billion \$	43.2	37.7	37.9	38.3	38.4	
- 4.0	Time Deposits	Billion \$	44.5	37.3	41.3	41.8	42.7	
	MEASURES OF RESERVE POSITION AND 'LIQUIDITY' OF MEMBER BANKS							
	Reserves: <sup>11</sup>							
+ 3.3	Total Reserves	Million \$	22,482	22,547	23,373	23,427	23,230p	
+ 3.3	Required Reserves	Million \$	22,143	22,194	22,952	23,067	22,876p	
+ 4.4	Excess Reserves	Million \$	339	353	421	360	354p	
-87.6	Borrowings from FRB	Million \$	685	699	203	147	85	
	Ratio of Loans to Total Deposits: <sup>7</sup>							
- 4.1	City Banks	Per Cent	68.1	68.5	67.2	66.2	65.3	
- 1.2	Country Banks	Per Cent	58.5	57.7	57.3	57.6	57.8	
	Ratio of U.S. Gov't Securities to Deposits: <sup>7</sup>							
+ 6.1	City Banks	Per Cent	11.4	11.3	13.2	12.3	12.1	
- 6.9	Country Banks	Per Cent	21.8	22.1	21.2	20.8	20.3	

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

								9th dist percent change
item	unit	1966		1967				MAY to MAY
		MAY	JUNE	MARCH	APRIL	MAY	JUNE	
MEASURES OF PRODUCTION AND FACTOR INPUTS TO PRODUCTION								
Total Industrial Production:								*
Manufacturing								*
Mining								*
Utilities								*
Electrical Energy Consumption: Mfg. & Mining	Index, sa	178	184	204	205	203		+14.0
Manufacturing	Index, sa	170	174	188	189	186		+ 9.4
Mining	Index, sa	219	229	280	285	283		+29.2
Production Worker Manhours: Mfg. & Mining	Index, sa	114	115	118	118	116p		+ 1.8
Manufacturing	Index, sa	120	122	124	124	122p		+ 1.7
Mining	Index, sa	83	85	91	92	91p		+ 9.6
Total Construction Contracts Awarded	Million \$, sa	163.9	123.7	161.6	112.3	n.a.		
Residential Buildings	Million \$, sa	43.2	42.0	31.9	40.3	n.a.		
Nonresidential Buildings	Million \$, sa	40.0	41.0	35.8	49.2	n.a.		
All Other Construction	Million \$, sa	80.7	40.7	93.9	22.8	n.a.		
Bldg. Permits: New Housing Units <sup>12</sup>	Number	2,957	1,565	1,396	2,178	2,727		- 7.8
MEASURES OF MANPOWER UTILIZATION <sup>3</sup>								
Civilian Work Force	Thousands, sa	2,443	2,429	2,492	2,462p	2,435e		- 0.3
Total Civilian Employment	Thousands, sa	2,357	2,347	2,408	2,380p	2,350e		- 0.3
Number Unemployed	Thousands, sa	86	82	84	82p	85e		- 1.2
Unemployment Rate	Per Cent, sa	3.5	3.4	3.4	3.3p	3.5e		0.0
Average Weekly Hours in Manufacturing	Hours, sa	41.7	41.5	41.2	41.5p	41.2e		- 1.2
EMPLOYMENT BY INDUSTRY SECTOR <sup>3</sup>								
Wage and Salary Employment, Nonfarm	Thousands, sa	1,692	1,701	1,750	1,745p	1,741p		+ 2.9
Manufacturing	Thousands, sa	341	343	358	356p	354p		+ 3.8
Mining	Thousands, sa	35	35	36	35p	35p		0.0
Construction	Thousands, sa	96	96	99	101p	97p		+ 1.0
Transport., Comm., & Public Utilities	Thousands, sa	125	126	129	128p	127p		+ 1.6
Trade	Thousands, sa	413	413	425	421p	421p		+ 1.9
Finance, Insurance & Real Estate	Thousands, sa	76	76	77	78p	78p		+ 2.6
Service Industries	Thousands, sa	255	257	264	264p	265p		+ 3.9
Government	Thousands, sa	351	355	362	362p	364p		+ 3.7
Number of Workers on Farms	Thousands, sa	401	393	391	372p	364e		- 9.2
MEASURES OF SPENDING								
Total Retail Sales	Million \$, sa	810	814	905	854p	n.a.		
Durable Goods								*
Nondurable Goods	Million \$, sa	569	567	607	582p	n.a.		
GAF <sup>13</sup>	Million \$, sa	153	158	185	167p	n.a.		
New Passenger Car Registrations	Thousands, sa	20.8	20.3	19.5	19.3	n.a.		
Bank Debits <sup>14</sup>	Billion \$, saar	82.4	86.1	97.3	102.6	98.2		+19.2

# UNITED STATES production and employment indicators

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

MAY to MAY

percent change  MAY to MAY	item	unit	1966		1967			
			MAY	JUNE	MARCH	APRIL	JUNE	
	MEASURES OF PRODUCTION AND FACTOR INPUTS TO PRODUCTION							
+ 0.6	Total Industrial Production:	Index, sa	155	156	156	156	156p	
- 0.6	Manufacturing	Index, sa	158	159	158	158	157p	
0.0	Mining	Index, sa	121	122	122	122	121p	
+ 5.9	Utilities	Index, sa	170	172	181	180	180p	
*	Electrical Energy Consumption: Mfg. & Mining							
*	Manufacturing							
*	Mining							
	Production Worker Manhours: Mfg. & Mining	Index, sa	113	115	114p	112p	n.a.	
	Manufacturing	Index, sa	116	118	117p	116p	n.a.	
	Mining	Index, sa	83	84	78p	80p	n.a.	
- 0.5	Total Construction Contracts Awarded	Million \$, sa	4344.0	4332.2	4157.9	3767.7	4323.3	
+ 1.5	Residential Buildings	Million \$, sa	1650.5	1551.4	1410.5	1330.8	1674.6	
- 0.6	Nonresidential Buildings	Million \$, sa	1572.4	1695.8	1646.6	1608.9	1562.7	
- 3.1	All Other Construction	Million \$, sa	1121.1	1085.0	1100.8	828.0	1086.0	
- 3.2	Bldg. Permits: New Housing Units <sup>12</sup>	Thousands	110.5	97.5	87.7	95.6	107.0p	
	MEASURES OF MANPOWER UTILIZATION							
+ 1.4	Civilian Work Force	Thousands, sa	75,149	75,668	76,523	76,740	76,189	
+ 1.4	Total Civilian Employment	Thousands, sa	72,253	72,730	73,747	73,910	73,289	
+ 0.1	Number Unemployed	Thousands, sa	2,896	2,938	2,776	2,830	2,900	
- 2.6	Unemployment Rate	Per Cent, sa	3.9	3.9	3.6	3.7	3.8p	
- 2.9	Average Weekly Hours in Manufacturing	Hours, sa	41.5	41.3	40.4	40.5p	40.3p	
	EMPLOYMENT BY INDUSTRY SECTOR							
+ 3.0	Wage and Salary Employment, Nonfarm	Thousands, sa	63,517	63,983	65,600	65,479p	65,435p	
+ 0.7	Manufacturing	Thousands, sa	19,002	19,167	19,355	19,221	19,143p	
- 1.4	Mining	Thousands, sa	628	632	627	625p	619p	
- 2.4	Construction	Thousands, sa	3,238	3,300	3,321	3,262p	3,159p	
+ 2.5	Transport., Comm., & Public Utilities	Thousands, sa	4,132	4,143	4,223	4,185p	4,235p	
+ 3.2	Trade	Thousands, sa	13,164	13,217	13,547	13,578p	13,581p	
+ 3.5	Finance, Insurance & Real Estate	Thousands, sa	3,076	3,090	3,159	3,175p	3,183p	
+ 5.4	Service Industries	Thousands, sa	9,515	9,549	9,981	10,007p	10,031p	
+ 6.7	Government	Thousands, sa	10,762	10,885	11,387	11,426p	11,484p	
- 6.4	Number of Workers on Farms	Thousands,sa	3,902	3,981	3,855	3,890	3,652	
	MEASURES OF SPENDING							
+ 6.5	Total Retail Sales	Million \$, sa	24,475	25,394	25,739	25,923	26,069p	
+ 7.9	Durable Goods	Million \$, sa	7,506	8,056	8,150	8,132	8,099p	
+ 5.6	Nondurable Goods	Million \$, sa	16,969	17,338	17,589	17,791	17,970p	
	GAF <sup>13</sup>	Million \$, sa	5,802	6,023	6,048	6,356p	n.a.	
	New Passenger Car Registrations	Thousands, sa	726.8	722.2	632.6	675.7	n.a.	
+ 6.6	Bank Debits <sup>14</sup>	Billion \$, saar	2068.9	2087.2	2172.5	2238.1	2204.5	

## 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. - 226 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