



# NINTH DISTRICT CONDITIONS

## MONTHLY STATISTICAL REPORT OF THE

### FEDERAL RESERVE BANK OF MINNEAPOLIS

#### HOUSING CONSTRUCTION CONTINUES AT HIGH LEVEL,

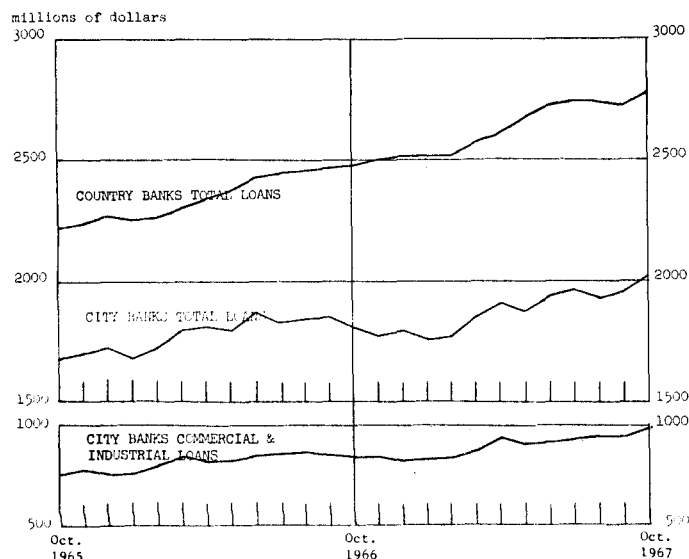
#### CREDIT DEMAND EXPANDS AT CITY BANKS,

#### CATTLE ON FEED DECLINE

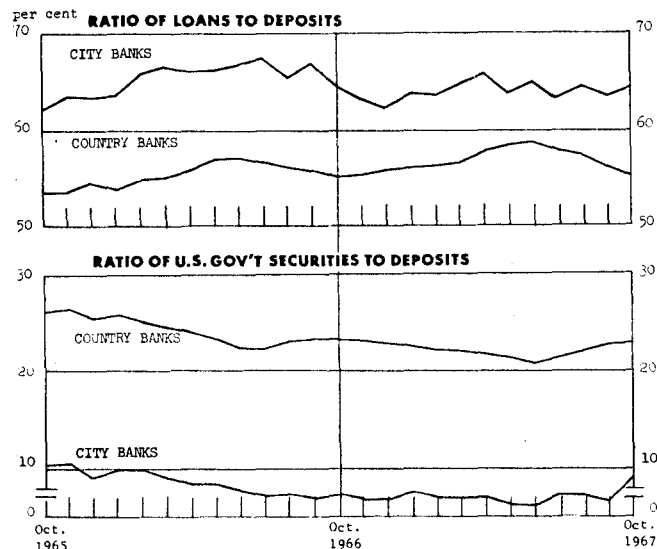
Business activity in the Ninth Federal Reserve District remained at a high level during September as the recovery continued in the residential construction area and employment in manufacturing turned upward after declining rather steadily for the past several months.

The strength in the residential building sector is evidenced by the fact that building permits issued for new housing units during September were double the year-ago level. This year-to-year comparison is somewhat misleading since the housing market was severely depressed last fall; however, a similar picture emerges when the cumulative statistics for the year are compared. During the first eight months of 1967 the total number of building permits issued for new housing units advanced by nearly 30 per cent over the corresponding period of 1966. The largest part of this gain is due to increases in apartment buildings

#### 9TH DISTRICT MEMBER BANK LOANS OUTSTANDING



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



with five or more family units per building, but there has also been a significant increase in the number of single family homes built this year as compared to 1966. With the exception of Upper Michigan which is about the same and South Dakota which is about 8 per cent below last year, all of the district states have experienced at least a 10 per cent advance in housing permits issued this year over 1966.

Manufacturing employment in the district edged up slightly during September as several labor-management disputes were terminated and those industries resumed normal production operations. The machinery industries, both electrical and nonelectrical, continued to be the pace-setters of the industrial sector as they have maintained a strong growth record in the face of a general economic slowdown during the first half of this year. The high level of defense contracts which are flowing to district producers indicates that the outlook for the industrial sector over the short term is quite favorable.

Loans and investments at district member banks rose at an above seasonal rate during October after having advanced at a relatively sluggish pace in September. The quickened tempo of the October bank credit expansion was observed for the most part at city banks. Loan demand at these large banks, relatively mild in recent months, picked up sharply in October. The demand for business loans was especially pronounced during this period. City bank holdings of U.S. government and other securities which had shown unusual vigor in the preceding three months continued to expand rapidly during October. At country banks both loans and investments increased at no more than a seasonal pace.

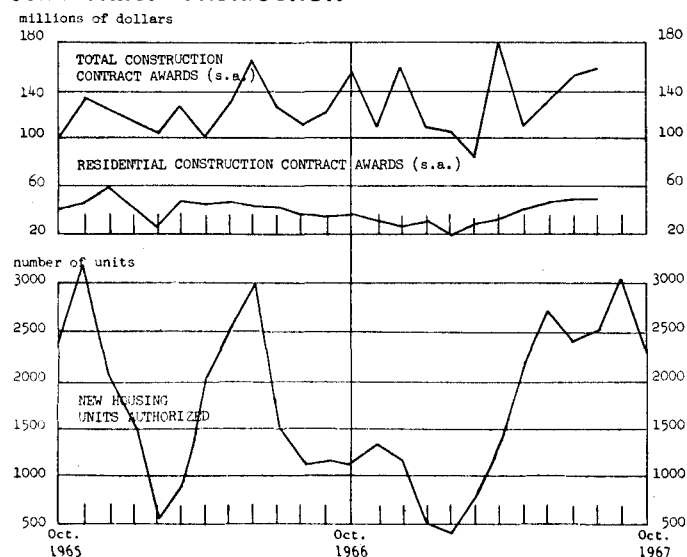
Overall deposit growth subsided from the rapid rate scored in September to the near seasonal pace maintained during October. The seasonal rise in demand deposits was sustained by the continued heavy inflow of Treasury deposits which nearly offset a below normal inflow of private deposits. In recent months and again in October, banks have been allowed to credit a large portion of the purchase price on newly issued Treasury issues to tax and loan accounts. This together with heavier and accelerated tax collections have served to expand the rate of inflow of Treasury deposits. Time deposit growth during October proceeded at the very rapid rate which has been observed throughout 1967.

District savings and loan associations in recent months have seen their outstanding loan commitments rise to unusually high levels. This not only reflects the strength of mortgage loan demand but also attests to the continued vigorous inflow of net savings at these institutions.

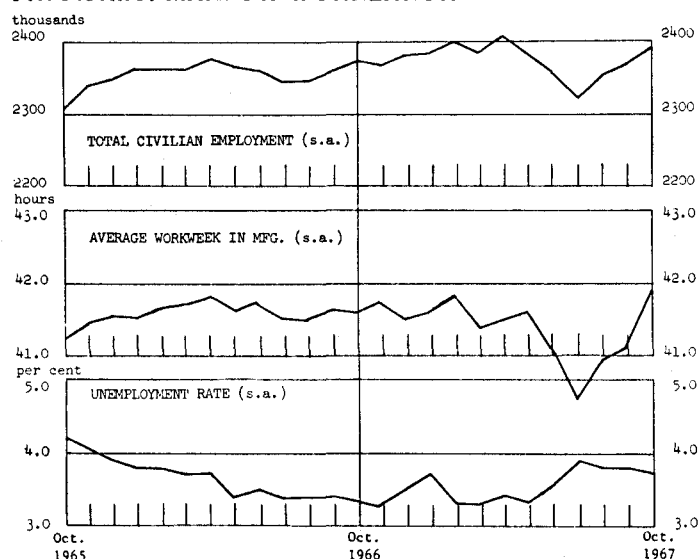
In the agricultural sector of the Ninth District, cattle feeding operations have dropped significantly from year earlier levels. District feed lots, as reported by the United States Department of Agriculture on October 1, 1967, held 657 thousand head, a drop of 7 per cent from year earlier inventories. The district shift is contrary to the change reported for the major 32 state feeding area which showed a 2 per cent gain over last year. District livestock marketings for the fourth quarter 1967 are expected to stand at 377 thousand head, down 5 per cent from the fourth quarter 1966, however, total livestock marketings during that period are expected to be up by 2 per cent throughout the 32 state feeding area. Most of the decline in the number of livestock on feed in the district is accounted for by 8 and 3 per cent decreases in Minnesota and South Dakota, respectively. Livestock marketings during the third quarter 1967 were 6 per cent over that of the previous year. This increase, coupled with the relatively small gain in the number of cattle and calves placed on feed lots during the July-September period, explains the decrease in the October 1 livestock numbers.

Due to the lower number of cattle on feed, livestock marketings for the fourth quarter 1967 are expected to be off throughout each of the district states, with declines ranging from 16 per cent in North Dakota to 3 per cent in South Dakota. The lower level of livestock marketings of the fourth quarter is expected to be extended into the first of next year with the movement of slaughter cattle in early 1968 likely to be down from year ago levels by 9 per cent. All district states are expected to experience marketing decreases with the exception of Montana where a 4 per cent increase is anticipated for early 1968.

#### 9TH DISTRICT CONSTRUCTION



#### 9TH DISTRICT MANPOWER UTILIZATION



## NINTH DISTRICT income and financial indicators

								9th dist. percent change
item	unit	1966		1967				SEPT. to SEPT.
		SEPTEMBER	OCTOBER	JULY	AUGUST	SEPTEMBER	OCTOBER	
MEASURES OF CONSUMER INCOME & FINANCIAL POSITION								
Total Personal Income <sup>2</sup>								*
Nonagricultural Personal Income								*
Average Weekly Earnings in Manufacturing <sup>3</sup>	Dollars,	115.47	117.62	117.32	117.29p	118.47e		+ 2.6
Consumer Instalment Credit Outstanding <sup>4</sup>	Million \$	991	997	1,074	1,085	1,087		+ 9.7
Time & Savings Deposits at Member Banks	Million \$	3,524	3,558	4,047	4,102	4,112		+ 16.7
Savings Balances at Savings & Loan Assoc. <sup>2</sup>	Million \$	2,796	2,781	2,944	2,964	n.a.		
Cash Farm Receipts, Total <sup>2</sup>	Million \$	412	517	243	383	n.a.		
Receipts from Crops	Million \$	187	244	70	182	n.a.		
Receipts from Livestock & Produce	Million \$	225	273	173	201	n.a.		
MEASURES OF PRICE LEVELS								
Consumer Price Index <sup>5</sup>	Index, sa		113.4	115.7				
Prices Received by Farmers <sup>6</sup>	Index, sa	125	120	115	114	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 \$	1,814	1,792	1,914	1,906	1,936	1,987	+ 6.7
Real Estate Loans	Million \$	326	331	332	340	346	351	+ 6.1
Commercial and Industrial Loans	Million \$	850	836	934	940	943	969	+ 10.9
Total Investments	Million \$	644	656	726	743	725	785	+ 12.6
U.S. Government Obligations	Million \$	333	343	376	374	361	408	+ 8.4
Other Securities	Million \$	311	313	350	369	364	377	+ 17.0
Total Deposits	Million \$	2,771	2,822	3,062	3,025	3,096	3,103	+ 11.7
Gross Demand Deposits	Million \$	1,688	1,725	1,782	1,723	1,802	1,795	+ 6.8
Time Deposits	Million \$	1,083	1,097	1,280	1,302	1,294	1,308	+ 19.5
COUNTRY BANKS <sup>10</sup>								
Loans and Discounts	Million \$	2,441	2,456	2,705	2,712	2,699	2,720	+ 10.6
Total Investments	Million \$	1,715	1,760	1,771	1,841	1,879	1,928	+ 9.6
U.S. Government Securities	Million \$	1,007	1,032	999	1,041	1,085	1,111	+ 7.7
Other Securities	Million \$	708	728	772	800	794	817	+ 12.1
Total Deposits	Million \$	4,363	4,441	4,665	4,708	4,796	4,872	+ 9.9
Gross Demand Deposits	Million \$	1,921	1,980	1,898	1,909	1,978	2,026	+ 3.0
Time Deposits	Million \$	2,442	2,461	2,767	2,799	2,818	2,846	+ 15.4
MEASURES OF RESERVE POSITION AND 'LIQUIDITY' OF MEMBER BANKS								
Reserves: 11								
Total Reserves	Million \$	574	581	583	585	596	607	+ 3.8
Required Reserves	Million \$	555	563	563	564	578	589	+ 4.1
Excess Reserves	Million \$	19	18	20	21	18	18	- 5.3
Borrowings from FRB	Million \$	3	3	2	2	0	1	-100.0
Ratio of Loans to Total Deposits: 7								
City Banks	Per Cent	66.8	64.6	63.3	64.5	63.7	64.6	- 4.6
Country Banks	Per Cent	55.9	55.3	58.0	57.6	56.3	55.8	+ 0.7
Ratio of U.S. Gov't Securities to Deposits: 7								
City Banks	Per Cent	12.0	12.2	12.3	12.4	11.7	13.1	- 2.5
Country Banks	Per Cent	23.1	23.2	21.4	22.1	22.6	22.8	- 2.2

# UNITED STATES income and financial indicators

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

SEPT. to SEPT.

Percent change SEPT. to SEPT.	item	unit	1966		1967			
			SEPTEMBER	OCTOBER	JULY	AUGUST	SEPTEMBER	OCTOBER
	MEASURES OF CONSUMER INCOME & FINANCIAL POSITION							
+ 6.6	Total Personal Income	Billion \$, saar	594.1	597.5	627.0	631.5	633.5p	
+ 6.9	Nonagricultural Personal Income	Billion \$, saar	573.4	577.5	607.2	611.4	613.2p	
+ 1.9	Average Weekly Earnings in Manufacturing	Dollars,	114.13	113.85	113.65	114.77	116.28p	
+ 5.0	Consumer Instalment Credit Outstanding <sup>4</sup>	Billion \$	31.8	31.9	33.2	33.5	33.4	
+13.5	Time & Savings Deposits at Member Banks	Billion \$	128.8	128.0	143.8	146.0	146.2	
+ 9.0	Savings Balances at Savings & Loan Assoc.	Billion \$	111.7	111.7	120.0	120.7	121.8	
	Cash Farm Receipts, Total	Billion \$	4.1	5.4	3.3	3.6	n.a.	
	Receipts from Crops	Billion \$	1.9	3.0	1.4	1.5	n.a.	
	Receipts from Livestock & Produce	Billion \$	2.2	2.4	1.9	2.1	n.a.	
	MEASURES OF PRICE LEVELS							
+ 2.6	Consumer Price Index	Index, sa	114.1	114.5	116.5	116.9	117.1	
- 7.1	Prices Received by Farmers	Index, sa	112	110	106	106	104	
	MEASURES OF FINANCIAL CONDITION OF MEMBER BANKS <sup>7</sup>							
	CITY BANKS <sup>8</sup>							
+ 4.5	Adjusted Loans and Discounts <sup>9</sup>	Billion \$	132.0	131.1	136.1	135.5	138.0	
+ 3.7	Real Estate Loans	Billion \$	27.3	27.4	27.8	28.1	28.3	
+ 6.7	Commercial and Industrial Loans	Billion \$	59.4	59.5	63.7	62.2	63.4	
+18.0	Total Investments	Billion \$	50.6	49.8	58.2	59.3	59.7	
+16.9	U.S. Government Obligations	Billion \$	23.1	22.7	26.2	26.9	27.0	
+18.9	Other Securities	Billion \$	27.5	27.1	32.0	32.4	32.7	
+10.0	Total Deposits	Billion \$	195.1	194.8	212.1	209.5	214.7	
+ 7.9	Gross Demand Deposits	Billion \$	104.7	105.6	111.9	107.7	113.0	
+12.5	Time Deposits	Billion \$	90.4	89.2	100.2	101.8	101.7	
	COUNTRY BANKS <sup>10</sup>							
+12.1	Loans and Discounts	Billion \$	43.0	43.8	47.9	48.0	48.2	
+12.5	Total Investments	Billion \$	28.8	29.2	30.7	31.8	32.4	
+ 7.8	U.S. Government Securities	Billion \$	16.7	17.0	16.8	17.5	18.0	
+19.0	Other Securities	Billion \$	12.1	12.2	13.9	14.3	14.4	
+11.2	Total Deposits	Billion \$	76.1	76.9	82.9	83.6	84.6	
+ 6.4	Gross Demand Deposits	Billion \$	37.7	38.1	39.3	39.4	40.1	
+15.9	Time Deposits	Billion \$	38.4	38.8	43.6	44.2	44.5	
	MEASURES OF RESERVE POSITION AND "LIQUIDITY" OF MEMBER BANKS							
	Reserves: <sup>11</sup>							
+ 4.0	Total Reserves	Million \$	23,196	23,387	23,967	23,743	24,120p	
+ 4.2	Required Reserves	Million \$	22,822	23,059	23,553	23,371	23,786p	
-10.7	Excess Reserves	Million \$	374	328	414	372	334p	
-89.3	Borrowings from FRB	Million \$	764	732	129	78	82	
	Ratio of Loans to Total Deposits: <sup>7</sup>							
- 4.6	City Banks	Per Cent	69.2	68.8	65.8	66.4	66.0	
+ 1.1	Country Banks	Per Cent	56.4	56.9	57.7	57.4	57.0	
	Ratio of U.S. Gov't Securities to Deposits: <sup>7</sup>							
+ 5.9	City Banks	Per Cent	11.9	11.7	12.3	12.8	12.6	
- 3.2	Country Banks	Per Cent	21.9	22.0	20.2	20.9	21.2	

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

item	unit	1966		1967				9th dis percent change
		SEPTEMBER	OCTOBER	JULY	AUGUST	SEPTEMBER	OCTOBER	
MEASURES OF PRODUCTION AND FACTOR INPUTS TO PRODUCTION								
Total Industrial Production:								
Manufacturing								*
Mining								*
Utilities								*
Electrical Energy Consumption: Mfg. & Mining	Index, sa	190	192	206	216	219		+ 15.3
Manufacturing	Index, sa	180	180	189	200	198		+ 10.0
Mining	Index, sa	237	247	284	291	318		+ 34.2
Production Worker Manhours: Mfg. & Mining	Index, sa	117	117	116	114p	n.a.		
Manufacturing	Index, sa	122	123	122	121p	n.a.		
Mining	Index, sa	89	89	91	81p	n.a.		
Total Construction Contracts Awarded	Million \$, sa	150.7	102.6	160.1	129.1	n.a.		
Residential Buildings	Million \$, sa	34.9	31.1	48.9	49.0	n.a.		
Nonresidential Buildings	Million \$, sa	52.0	46.5	45.2	44.4	n.a.		
All Other Construction	Million \$, sa	63.8	25.0	66.0	35.7	n.a.		
Bldg. Permits: New Housing Units <sup>12</sup>	Number	1,229	1,330	2,501	3,035	2,456		+ 99.8
MEASURES OF MANPOWER UTILIZATION <sup>3</sup>								
Civilian Work Force	Thousands, sa	2,454	2,445	2,442	2,464p	2,484e		+ 1.2
Total Civilian Employment	Thousands, sa	2,372	2,363	2,349	2,370p	2,392e		+ 0.8
Number Unemployed	Thousands, sa	82	82	93	94p	92e		+ 12.2
Unemployment Rate	Per Cent, sa	3.3	3.3	3.8	3.8p	3.7e		+ 12.1
Average Weekly Hours in Manufacturing	Hours, sa	41.6	41.7	40.7	41.1p	41.9e		+ 0.7
EMPLOYMENT BY INDUSTRY SECTOR <sup>3</sup>								
Wage and Salary Employment, Nonfarm	Thousands, sa	1,713	1,707	1,748	1,752p	1,752e		+ 2.3
Manufacturing	Thousands, sa	345	343	350	346p	353e		+ 2.3
Mining	Thousands, sa	35	36	34	32p	31e		- 11.4
Construction	Thousands, sa	96	95	96	96p	96e		0.0
Transport., Comm., & Public Utilities	Thousands, sa	127	127	130	131p	129e		+ 1.6
Trade	Thousands, sa	417	416	422	425p	426e		+ 2.2
Finance, Insurance & Real Estate	Thousands, sa	77	77	78	79p	79e		+ 2.6
Service Industries	Thousands, sa	260	260	269	269p	267e		+ 2.7
Government	Thousands, sa	356	353	369	374p	371e		+ 4.2
Number of Workers on Farms	Thousands, sa	391	387	362	375p	382e		- 2.3
MEASURES OF SPENDING								
Total Retail Sales	Million \$, sa	844	853	964	845p	n.a.		
Durable Goods								*
Nondurable Goods	Million \$, sa	563	565	618	605p	n.a.		
GAF <sup>13</sup>	Million \$, sa	164	172	184	162p	n.a.		
New Passenger Car Registrations	Thousands, sa	20.6	21.7	26.3	16.8	n.a.		
Bank Debits <sup>14</sup>	Billion \$, saar	90.2	92.9	107.0	108.5	101.2		+ 12.2

See previous issues for Notes, Footnotes, and Sources.

# UNITED STATES production and employment indicators

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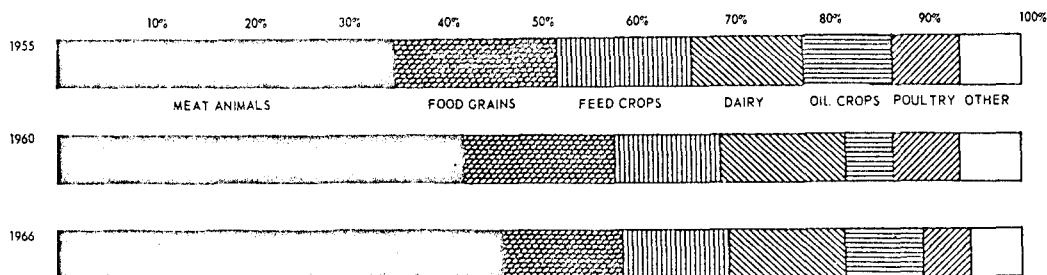
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item		unit	1966		1967			
			SEPTEMBER	OCTOBER	JULY	AUGUST	SEPTEMBER	OCTOBER
MEASURES OF PRODUCTION AND FACTOR INPUTS TO PRODUCTION								
3	Total Industrial Production:	Index, sa	158	159	157	158	156p	
2	Manufacturing	Index, sa	160	162	158	159	158p	
3	Mining	Index, sa	121	122	128	128	125p	
4	Utilities	Index, sa	177	175	182	182	183p	
*	Electrical Energy Consumption: Mfg. & Mining							
*	Manufacturing							
*	Mining							
	Production Worker Manhours: Mfg. & Mining	Index, sa	115	116	113p	113p	n.a.	
	Manufacturing	Index, sa	118	120	116p	116p	n.a.	
	Mining	Index, sa	84	83	84p	82p	n.a.	
1	Total Construction Contracts Awarded	Million \$, sa	4,042.1	3,983.3	4,303.9	5,008.3	4,654.4	
3	Residential Buildings	Million \$, sa	1,304.0	1,207.6	1,753.6	1,741.0	1,778.0	
8	Nonresidential Buildings	Million \$, sa	1,698.2	1,681.3	1,554.5	1,804.9	1,796.2	
9	All Other Construction	Million \$, sa	1,039.9	1,094.4	995.8	1,462.4	1,080.2	
2	Bldg. Permits: New Housing Units <sup>12</sup>	Thousands	68.4	63.5	92.4	107.1	100.7p	
MEASURES OF MANPOWER UTILIZATION								
3	Civilian Work Force	Thousands, sa	76,039	76,081	77,505	77,701	77,803	
0	Total Civilian Employment	Thousands, sa	73,195	73,199	74,489	74,718	74,625	
7	Number Unemployed	Thousands, sa	2,844	2,882	3,016	2,983	3,178	
8	Unemployment Rate	Per Cent, sa	3.7	3.8	3.9	3.8	4.1p	
7	Average Weekly Hours in Manufacturing	Hours, sa	41.4	41.3	40.4	40.7	40.7	
EMPLOYMENT BY INDUSTRY SECTOR								
6	Wage and Salary Employment, Nonfarm	Thousands, sa	64,394	64,694	65,939	66,216	66,100p	
8	Manufacturing	Thousands, sa	19,337	19,422	19,169	19,355	19,174p	
3	Mining	Thousands, sa	625	623	623	605	598p	
0	Construction	Thousands, sa	3,260	3,239	3,231	3,223	3,228p	
1	Transport., Comm., & Public Utilities	Thousands, sa	4,184	4,190	4,292	4,285	4,271p	
1	Trade	Thousands, sa	13,279	13,354	13,647	13,656	13,686p	
7	Finance, Insurance & Real Estate	Thousands, sa	3,118	3,120	3,234	3,256	3,265p	
3	Service Industries	Thousands, sa	9,619	9,675	10,074	10,130	10,176p	
7	Government	Thousands, sa	10,972	11,071	11,669	11,706	11,702p	
4	Number of Workers on Farms	Thousands, sa	3,886	3,779	3,856	3,992	3,676	
MEASURES OF SPENDING								
8	Total Retail Sales	Million \$, sa	25,703	25,550	26,444	26,558p	26,688e	
7	Durable Goods	Million \$, sa	8,394	8,276	8,592	8,542p	8,704e	
9	Nondurable Goods	Million \$, sa	17,309	17,274	17,852	18,016p	17,984e	
	GAF <sup>13</sup>	Million \$, sa	6,106	6,086	6,334	6,427p	n.a.	
	New Passenger Car Registrations	Thousands, sa	770.0	785.1	686.3	734.9	n.a.	
1	Bank Debits <sup>14</sup>	Billion \$, sa	2,158.9	2,148.7	2,271.1	2,307.1	2,333.4	

# MEAT ANIMALS INCREASE Their Proportion of Total Cash Farm Receipts - Food Grains and Feed Crops Decrease

CASH FARM RECEIPTS by COMMODITY, 1955 - 66

9th DISTRICT

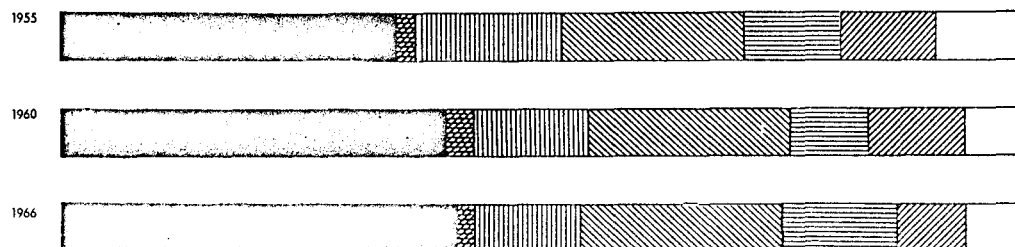


NINTH DISTRICT  
( 4 STATES )

Total Cash Farm Receipts

1955 - \$2,666,549  
1960 - 2,975,436  
1966 - 3,930,253

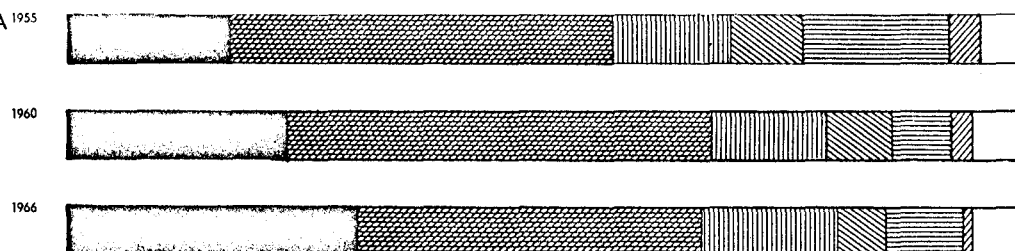
MINNESOTA



MINNESOTA

1955 - \$1,247,544  
1960 - 1,437,134  
1966 - 1,814,626

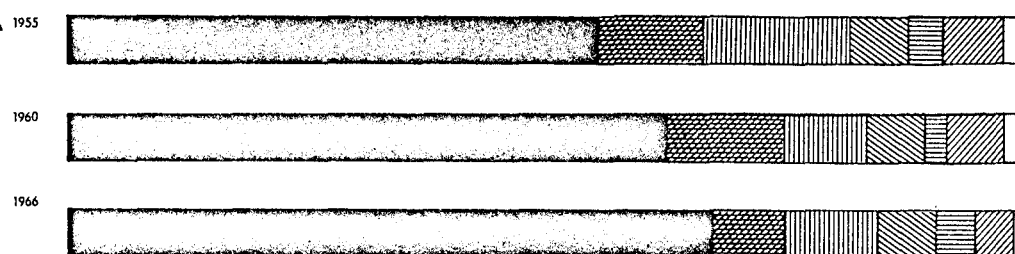
NORTH DAKOTA



NORTH DAKOTA

1955 - \$514,719  
1960 - 527,635  
1966 - 732,165

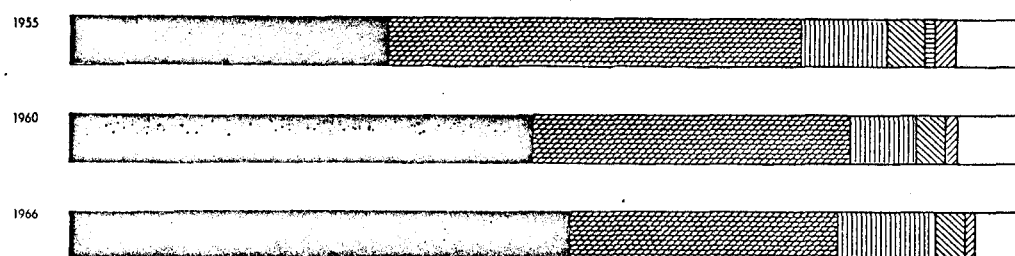
SOUTH DAKOTA



SOUTH DAKOTA

1955 - \$528,833  
1960 - 603,321  
1966 - 880,133

MONTANA



MONTANA

1955 - \$375,453  
1960 - 407,346  
1966 - 503,329

MEAT ANIMALS FOOD GRAINS FEED CROPS DAIRY OIL CROPS POULTRY OTHER