



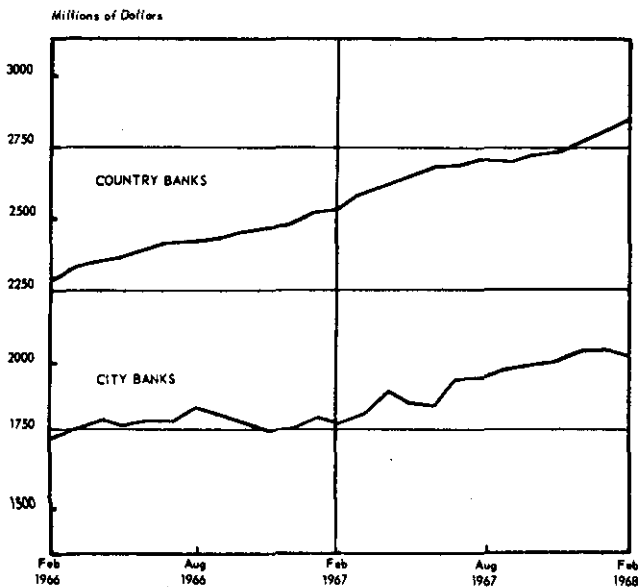
# NINTH DISTRICT CONDITIONS

## MONTHLY STATISTICAL REPORT OF THE FEDERAL RESERVE BANK OF MINNEAPOLIS

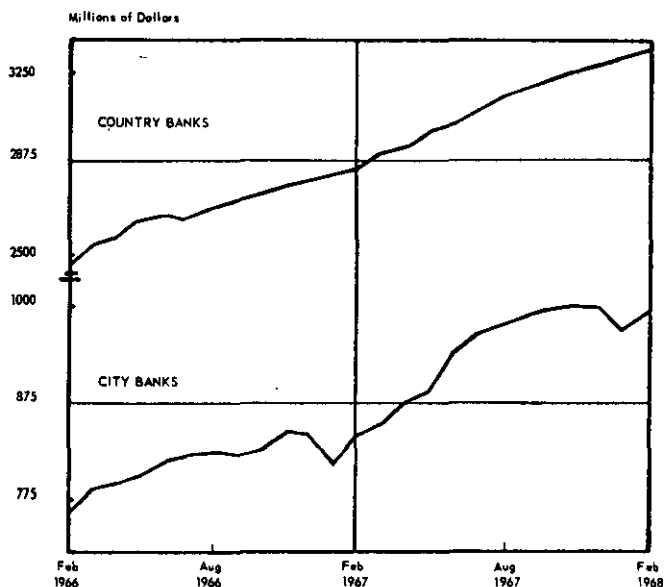
### CREDIT EXPANSION SLOWS AT CITY BANKS

Total loans and investments at Ninth district member banks in recent months have been growing at a somewhat slower pace compared to the vigorous advance recorded during the last half of 1967. This slowdown has been the result, partially, of a much reduced demand for U.S. Government securities; perhaps an indication that district banks have restored their holdings of such liquid investments to desired levels in the wake of the heavy sell-offs that occurred in 1965 and 1966. Another factor in the recent slowdown in total credit expansion, however, has been the relatively weak performance of bank loans. This trend, which has also been reported at the national level, has developed for the most part as a result of a sharp decline in the rate of loan expansion at city banks. Loan demand at country banks, however, has strengthened moderately

**LOANS OUTSTANDING -**  
**9th DISTRICT MEMBER BANKS\***



**TIME DEPOSITS -**  
**9th DISTRICT MEMBER BANKS\***



\*Seasonally Adjusted Data

in contrast to the rather depressed pace experienced in the last half of 1967.

The rate of time deposit growth at district banks has also moderated sharply during recent months. Again, city banks appear to have recorded a sharper slowdown relative to country banks during this period - a behavior that appears to be related in part to the greater volatility in large negotiable certificates of deposits which are issued principally by city banks.

#### PRODUCTION, EMPLOYMENT, AND HOUSING CONTINUE STRONG ADVANCEMENT

The economy of the Ninth Federal Reserve District, as indicated by available January information, continued to move upward with even greater vigor than in 1967. Production, employment, and housing all scored strong gains in January.

Industrial production moved up strongly in January, as evidenced by the electrical energy consumption in the district. Particularly strong gains were recorded in the durable goods sector of manufacturing as all major durable goods industries registered gains over the December level. Leading the advance were the lumber and wood products industry together with the stone, clay, and glass industry. The increased activity in these two industries reflects, in large part, the continued improvement in the homebuilding industry, in particular and construction, in general.

January building permit data give further evidence to the continued improvement in the residential construction area. A strong increase in the preliminary estimate of total construction employment indicates strength in the overall construction area even though the nonresidential area is showing very little growth. For example, in the entire year, 1967, the value of nonresidential permits issued in the district was less than 2 percent above the 1966 level - hardly enough to compensate for cost increases.

Total wage and salary employment also advanced sharply in January. With the exception of the service industry, which recorded a slight decline, employment in all major industries registered significant gains over the December level.

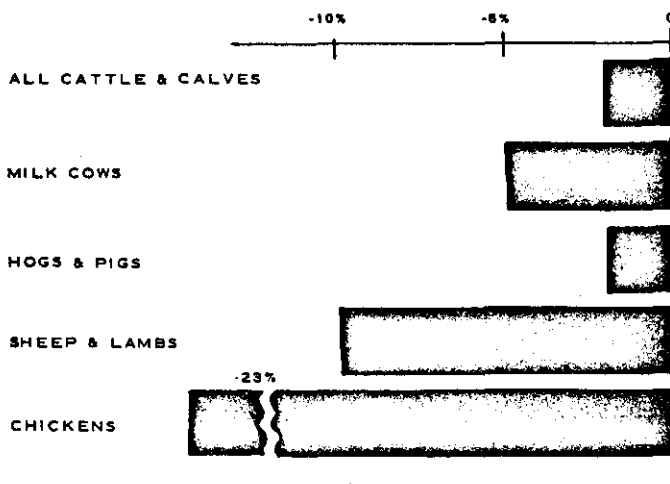
## LIVESTOCK INVENTORY DECREASES IN VALUE

The Ninth district's livestock inventory suffered a \$110 million drop in value during 1967, according to the annual livestock and poultry headcount taken on January 1 by the U.S. Department of Agriculture. Livestock assets totaled \$2.8 billion on that date, down 4 percent from a year earlier; state decreases ranged from 4 percent in Minnesota and South Dakota to 10 percent in North Dakota. Montana experienced a minimal .7 percent increase. Cattle and calves, valued at \$2.1 billion for the district, and hogs and pigs, at \$153 million, both experienced 2 percent declines. Sheep and lambs, valued at \$71 million dropped 12 percent from the previous years value. The sharpest decreases occurred in the poultry sector where chickens, at \$21.5 million, declined 23 percent and turkeys, valued at \$4.5 million, dropped 17 percent. The value of milk cows, at \$394 million declined 5 percent. Lower prices were largely responsible for the decreases in value for hogs, poultry, sheep and lambs, and to a lesser extent, cattle and calves. The declining value of milk cows, however, is attributable to the continuing decrease in the district's cow population which began about 1961 and has resulted in an overall 21 percent reduction in the number of cows since that time.

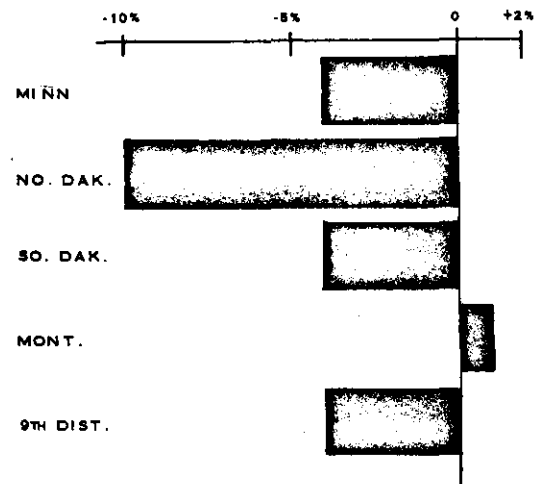
In terms of actual numbers, cattle and calves, at 13.5 million decreased 1 percent compared to the 1967 inventory count. Hogs and pigs, at 4.9 million accounted for the only increase, at 3 percent, while sheep and lambs, continuing a long term trend, declined 7 percent in number, to 3.6 million head. The district's milk cow herd, at 1.6 million head, decreased 5 percent.

### LIVESTOCK AND POULTRY INVENTORY Jan 1, 1968

SELECTED INVENTORY - VALUE CHANGE  
1967-68



TOTAL INVENTORY - VALUE CHANGE  
1967-68



NINTH DISTRICT<sup>1</sup> income and financial indicators9th dist.  
percent  
change

item	unit	1967				1968		JAN. to JAN.
		JANUARY	FEBRUARY	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	
<b>MEASURES OF CONSUMER INCOME &amp; FINANCIAL POSITION</b>								
Total Personal Income <sup>2</sup>								*
Nonagricultural Personal Income								*
Average Weekly Earnings in Manufacturing <sup>3</sup>	Dollars	117.98	117.06	121.12	126.51p	125.30e		+ 6.2
Consumer Instalment Credit Outstanding <sup>4</sup>	Million \$	995	994	1094	1097	1094		+ 9.9
Time & Savings Deposits at Member Banks	Million \$	3665	3740	4208	4228	4277	4339	+16.7
Savings Balances at Savings & Loan Assoc. <sup>2</sup>	Million \$	2852	2856	3012	3052	3041		+ 6.6
Cash Farm Receipts, Total <sup>2</sup>	Million \$	369	269	440	319	n.a.		
Receipts from Crops	Million \$	151	82	194	126	n.a.		
Receipts from Livestock & Produce	Million \$	218	187	246	193	n.a.		
<b>MEASURES OF PRICE LEVELS</b>								
Consumer Price Index <sup>5</sup>	Index, sa	113.4				119.3		+ 5.2
Prices Received by Farmers <sup>6</sup>	Index, sa	115	113	105	106	106		- 7.8
<b>MEASURES OF FINANCIAL CONDITION OF MEMBER BANKS<sup>7</sup></b>								
<b>CITY BANKS<sup>8</sup></b>								
Adjusted Loans and Discounts <sup>9</sup>	Million \$	1742	1751	1980	2013	1968	1972	+13.0
Real Estate Loans	Million \$	330	320	354	358	359	362	+ 8.8
Commercial and Industrial Loans	Million \$	830	841	974	968	941	955	+13.4
Total Investments	Million \$	688	677	795	788	877	826	+27.5
U.S. Government Obligations	Million \$	353	343	409	376	446	384	+26.3
Other Securities	Million \$	335	334	386	412	431	442	+28.7
Total Deposits	Million \$	2809	2826	3098	3328	3203	3132	+14.0
Gross Demand Deposits	Million \$	1689	1666	1761	1999	1873	1767	+10.9
Time Deposits	Million \$	1120	1160	1337	1329	1330	1365	+18.8
<b>COUNTRY BANKS<sup>10</sup></b>								
Loans and Discounts	Million \$	2491	2496	2738	2767	2770	2787	+11.2
Total Investments	Million \$	1742	1729	1968	1978	1977	1977	+13.5
U.S. Government Securities	Million \$	1000	983	1132	1122	1114	1116	+11.4
Other Securities	Million \$	742	746	836	856	863	862	+16.3
Total Deposits	Million \$	4447	4435	4948	4981	4928	4943	+10.8
Gross Demand Deposits	Million \$	1901	1855	2076	2083	1981	1969	+ 4.2
Time Deposits	Million \$	2546	2580	2872	2898	2947	2974	+15.8
<b>MEASURES OF RESERVE POSITION AND 'LIQUIDITY' OF MEMBER BANKS</b>								
<b>Reserves: 11</b>								
Total Reserves	Million \$	594	584	610	620	632	621	+ 6.4
Required Reserves	Million \$	573	565	592	602	616	604	+ 7.5
Excess Reserves	Million \$	21	19	18	18	16	17	-23.8
Borrowings from FRB	Million \$	14	3	1	3	2	2	-85.7
<b>Ratio of Loans to Total Deposits:<sup>7</sup></b>								
City Banks	Per Cent	63.7	63.6	64.5	61.7	62.7	64.2	- 1.3
Country Banks	Per Cent	56.0	56.3	55.3	55.6	56.2	56.4	+ 0.4
<b>Ratio of U.S. Gov't Securities to Deposits:<sup>7</sup></b>								
City Banks	Per Cent	12.6	12.1	13.2	11.3	13.9	12.3	+10.3
Country Banks	Per Cent	22.5	22.2	22.9	22.5	22.6	22.6	+ 0.4

## UNITED STATES income and financial indicators

5

 U.S.  
Percent  
change

to JAN.

	item	unit	1967				1968	
			JANUARY	FEBRUARY	NOVEMBER	DECEMBER	JANUARY	FEBRUARY
<b>MEASURES OF CONSUMER INCOME &amp; FINANCIAL POSITION</b>								
+ 6.7	Total Personal Income	Billion \$, saar	610.4	612.6	642.4	649.3	651.2p	
+ 6.8	Nonagricultural Personal Income	Billion \$, saar	590.2	593.0	622.0	628.8	630.5p	
+ 4.1	Average Weekly Earnings in Manufacturing	Dollars	113.42	111.88	117.50	119.60	118.08p	
+ 6.2	Consumer Instalment Credit Outstanding <sup>4</sup>	Billion \$	32.0	32.0	33.8	34.0	34.0	
+13.3	Time & Savings Deposits at Member Banks	Billion \$	132.6	134.6	148.0	148.2	150.3	
+ 8.8	Savings Balances at Savings & Loan Assoc.	Billion \$	114.2	115.0	122.9	124.6	124.2p	
	Cash Farm Receipts, Total	Billion \$	3.6	2.7	4.6	3.8	n.a.	
	Receipts from Crops	Billion \$	1.6	.9	2.6	1.9	n.a.	
	Receipts from Livestock & Produce	Billion \$	2.0	1.8	2.0	1.9	n.a.	
<b>MEASURES OF PRICE LEVELS</b>								
+ 3.4	Consumer Price Index	Index, sa	114.7	114.8	117.8	118.2	118.6	
0.0	Prices Received by Farmers	Index, sa	105	104	103	105	105	
<b>MEASURES OF FINANCIAL CONDITION OF MEMBER BANKS<sup>7</sup></b>								
<b>CITY BANKS<sup>8</sup></b>								
+ 7.3	Adjusted Loans and Discounts <sup>9</sup>	Billion \$	132.2	131.2	138.2	143.3	141.8	
+ 5.8	Real Estate Loans	Billion \$	27.4	27.2	28.8	29.0	29.0	
+ 7.8	Commercial and Industrial Loans	Billion \$	60.3	60.4	63.7	65.9	65.0	
+19.4	Total Investments	Billion \$	52.0	53.8	61.5	61.8	62.1	
+12.9	U.S. Government Obligations	Billion \$	24.9	25.6	28.4	28.3	28.1	
+25.5	Other Securities	Billion \$	27.1	28.2	33.1	33.5	34.0	
+12.9	Total Deposits	Billion \$	198.7	200.5	216.4	228.7	224.3	
+13.1	Gross Demand Deposits	Billion \$	106.2	106.5	113.4	125.7	120.1	
+12.6	Time Deposits	Billion \$	92.5	94.0	103.0	103.0	104.2	
<b>COUNTRY BANKS<sup>10</sup></b>								
+ 9.6	Loans and Discounts	Billion \$	44.8	44.7	48.8	49.4	49.1	
+16.0	Total Investments	Billion \$	29.4	29.4	33.7	33.6	34.1	
+ 9.5	U.S. Government Securities	Billion \$	16.9	16.8	18.7	18.5	18.5	
+24.8	Other Securities	Billion \$	12.5	12.6	15.0	15.1	15.6	
+10.7	Total Deposits	Billion \$	78.8	78.6	86.3	88.1	87.2	
+ 5.9	Gross Demand Deposits	Billion \$	38.8	38.0	41.3	42.9	41.1	
+15.2	Time Deposits	Billion \$	40.0	40.6	45.0	45.2	46.1	
<b>MEASURES OF RESERVE POSITION AND 'LIQUIDITY' OF MEMBER BANKS</b>								
<u>Reserves:<sup>11</sup></u>								
+ 6.8	Total Reserves	Million \$	24,144	24,665	24,683	25,378	25,778p	
+ 7.1	Required Reserves	Million \$	23,743	24,324	24,320	24,981	25,423p	
-11.5	Excess Reserves	Million \$	401	341	363	397	355p	
-47.1	Borrowings from FRB	Million \$	416	129	135	247	220	
<u>Ratio of Loans to Total Deposits:<sup>7</sup></u>								
- 5.1	City Banks	Per Cent	68.2	67.0	65.5	64.5	64.7	
- 1.1	Country Banks	Per Cent	56.9	56.9	56.5	56.0	56.3	
<u>Ratio of U.S. Gov't Securities to Deposits:<sup>7</sup></u>								
0.0	City Banks	Per Cent	12.5	12.8	13.1	12.4	12.5	
- 1.4	Country Banks	Per Cent	21.5	21.4	21.7	21.0	21.2	

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

9th dist  
percent  
change

item	unit	1967				1968		JAN. to JAN.
		JANUARY	FEBRUARY	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	
<b>MEASURES OF PRODUCTION AND FACTOR INPUTS TO PRODUCTION</b>								
Total Industrial Production:								*
Manufacturing								*
Mining								*
Utilities								*
Electrical Energy Consumption: Mfg. & Mining	Index, sa	197	201	216	218	225		+ 14.2
Manufacturing	Index, sa	184	186	198	201	208		+ 13.0
Mining	Index, sa	259	274	301	303	309		+ 19.3
Production Worker Manhours: Mfg. & Mining	Index, sa	119	119	117	116p	n.a.		
Manufacturing	Index, sa	125	124	126	126p	n.a.		
Mining	Index, sa	91	93	76	71p	n.a.		
Total Construction Contracts Awarded	Million \$, sa	102.4	79.0	160.8	164.4	n.a.		
Residential Buildings	Million \$, sa	19.4	27.9	49.8	63.7	n.a.		
Nonresidential Buildings	Million \$, sa	65.5	35.1	53.9	47.5	n.a.		
All Other Construction	Million \$, sa	17.5	16.0	57.1	53.2	n.a.		
Bldg. Permits: New Housing Units <sup>12</sup>	Number	411	848	2859	1631	1442		+150.9
<b>MEASURES OF MANPOWER UTILIZATION<sup>3</sup></b>								
Civilian Work Force	Thousands, sa	2479	2475	2491	2518p	2533e		+ 2.2
Total Civilian Employment	Thousands, sa	2397	2394	2403	2429p	2447e		+ 2.1
Number Unemployed	Thousands, sa	82	81	88	89p	86e		+ 4.9
Unemployment Rate	Per Cent, sa	3.3	3.3	3.5	3.5p	3.4e		+ 3.0
Average Weekly Hours in Manufacturing	Hours, sa	41.7	41.0	41.3	42.0p	41.5e		- 0.5
<b>EMPLOYMENT BY INDUSTRY SECTOR<sup>3</sup></b>								
Wage and Salary Employment, Nonfarm	Thousands, sa	1760	1757	1766	1801p	1817e		+ 3.2
Manufacturing	Thousands, sa	366	358	351	370p	374e		+ 2.2
Mining	Thousands, sa	35	36	30	29p	29e		- 17.1
Construction	Thousands, sa	97	100	99	98p	104e		+ 7.2
Transport., Comm., & Public Utilities	Thousands, sa	129	130	129	129p	130e		+ 0.8
Trade	Thousands, sa	422	427	428	435p	439e		+ 4.0
Finance, Insurance & Real Estate	Thousands, sa	78	77	79	81p	81e		+ 3.8
Service Industries	Thousands, sa	266	264	274	282p	281e		+ 5.6
Government	Thousands, sa	367	365	376	377p	379e		+ 3.3
Number of Workers on Farms	Thousands, sa	380	363	375	370p	384e		+ 1.1
<b>MEASURES OF SPENDING</b>								
Total Retail Sales	Million \$, sa	851	847	964	956p	n.a.		*
Durable Goods								*
Nondurable Goods	Million \$, sa	560	577	655	666p	n.a.		
GAF <sup>13</sup>	Million \$, sa	167	174	177	189p	n.a.		
New Passenger Car Registrations	Thousands, sa	17.2	16.8	18.8	15.8	n.a.		
Bank Debits <sup>14</sup>	Billion \$, saar	95.2	96.1	106.7	105.6	114.4		+ 20.2

# UNITED STATES production and employment indicators 7

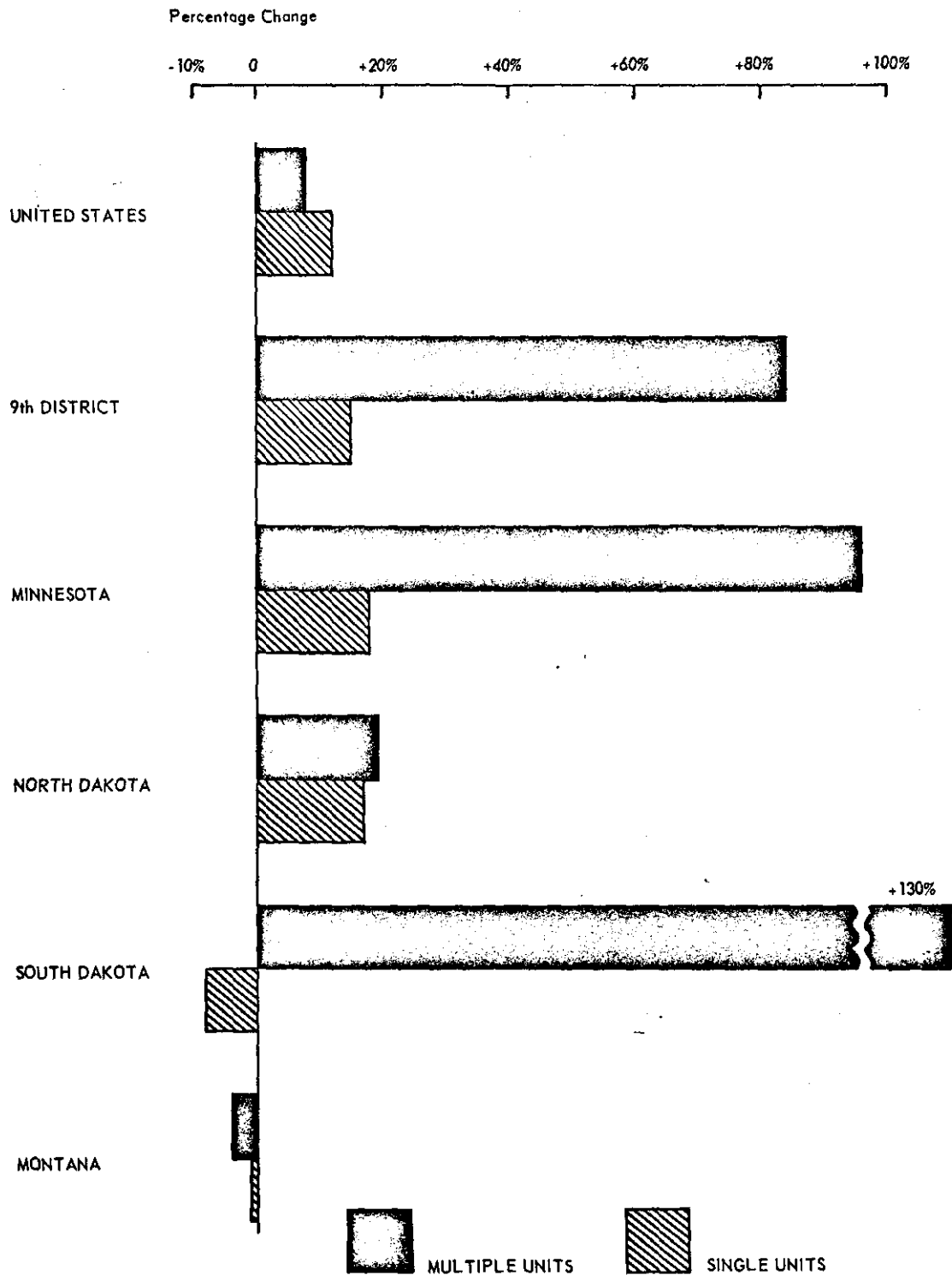
U.S.  
percent  
change

to JAN.

	item	unit	1967				1968	
			JANUARY	FEBRUARY	NOVEMBER	DECEMBER	JANUARY	FEBRUARY
<b>MEASURES OF PRODUCTION AND FACTOR INPUTS TO PRODUCTION</b>								
+ 1.9	Total Industrial Production:	Index, sa	158	157	160	162	161p	
+ 1.9	Manufacturing	Index, sa	160	158	161	164	163p	
- 0.8	Mining	Index, sa	123	122	124	123	122p	
+ 6.1	Utilities	Index, sa	181	180	190	192	192p	
*	Electrical Energy Consumption: Mfg. & Mining							
*	Manufacturing							
*	Mining							
	Production Worker Manhours: Mfg. & Mining	Index, sa	117	114	114p	114p	n.a.	
	Manufacturing	Index, sa	120	117	118p	118p	n.a.	
	Mining	Index, sa	85	82	79p	77p	n.a.	
+32.0	Total Construction Contracts Awarded	Million \$, sa	3624.4	4275.8	4811.2	4831.8	4785.8	
+56.0	Residential Buildings	Million \$, sa	1299.0	1430.5	1885.0	1812.6	2026.9	
+14.6	Nonresidential Buildings	Million \$, sa	1395.2	1823.3	1815.7	1838.9	1599.4	
+24.6	All Other Construction	Million \$, sa	930.2	1022.0	1110.5	1180.3	1159.5	
+29.6	Bldg. Permits: New Housing Units <sup>12</sup>	Thousands	57.1	55.5	95.7	83.3	74.0p	
<b>MEASURES OF MANPOWER UTILIZATION</b>								
+ 1.1	Civilian Work Force	Thousands, sa	77,087	77,025	77,989	78,473	77,923	
+ 1.2	Total Civilian Employment	Thousands, sa	74,255	74,137	75,005	75,577	75,167	
- 2.7	Number Unemployed	Thousands, sa	2832	2888	2984	2896	2756	
- 5.4	Unemployment Rate	Per Cent, sa	3.7	3.7	3.8	3.7	3.5p	
- 1.2	Average Weekly Hours in Manufacturing	Hours, sa	41.0	40.3	40.8	40.8	40.5p	
<b>EMPLOYMENT BY INDUSTRY SECTOR</b>								
+ 2.4	Wage and Salary Employment, Nonfarm	Thousands, sa	65,564	65,692	66,918	67,110	67,146p	
- 0.1	Manufacturing	Thousands, sa	19,558	19,507	19,422	19,490	19,533p	
- 4.6	Mining	Thousands, sa	625	624	597	599	596p	
- 2.6	Construction	Thousands, sa	3311	3352	3289	3346	3226p	
+ 1.1	Transport., Comm., & Public Utilities	Thousands, sa	4242	4247	4287	4290	4288p	
+ 2.8	Trade	Thousands, sa	13,515	13,541	13,900	13,864	13,896p	
+ 5.0	Finance, Insurance & Real Estate	Thousands, sa	3152	3165	3290	3303	3311p	
+ 5.4	Service Industries	Thousands, sa	9840	9883	10,297	10,333	10,367p	
+ 5.4	Government	Thousands, sa	11,321	11,373	11,836	11,885	11,929p	
- 0.3	Number of Workers on Farms	Thousands, sa	4015	3890	3839	4216	4003	
<b>MEASURES OF SPENDING</b>								
+ 5.8	Total Retail Sales	Million \$, sa	25,687	25,470	26,411	26,402p	27,176e	
+ 5.3	Durable Goods	Million \$, sa	8200	7955	8221	8329p	8637e	
+ 6.0	Nondurable Goods	Million \$, sa	17,487	17,515	18,190	18,073p	18,539e	
	GAF <sup>13</sup>	Million \$, sa	6245	6145	6459	6416p	n.a.	
	New Passenger Car Registrations	Thousands, sa	679.7	593.0	645.3	652.7	n.a.	
+11.9	Bank Debits <sup>14</sup>	Billion \$, saaf	2199.6	2180.7	2339.1	2381.9	2461.2	

# RESIDENTIAL HOUSING CONSTRUCTION\*

1967 Compared to 1966



\*Does not include Public Housing Units

SOURCE: Building Permits, Federal Reserve Bank of Minneapolis, Twelve Month Summary; Construction Reports, Housing Authorized in permit-issuing places: Summary Statistics, U. S. Department of Commerce

NOTE: For additional sources used in Volume II, No. 3, see Volume II, No. 1