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monthly statistical report

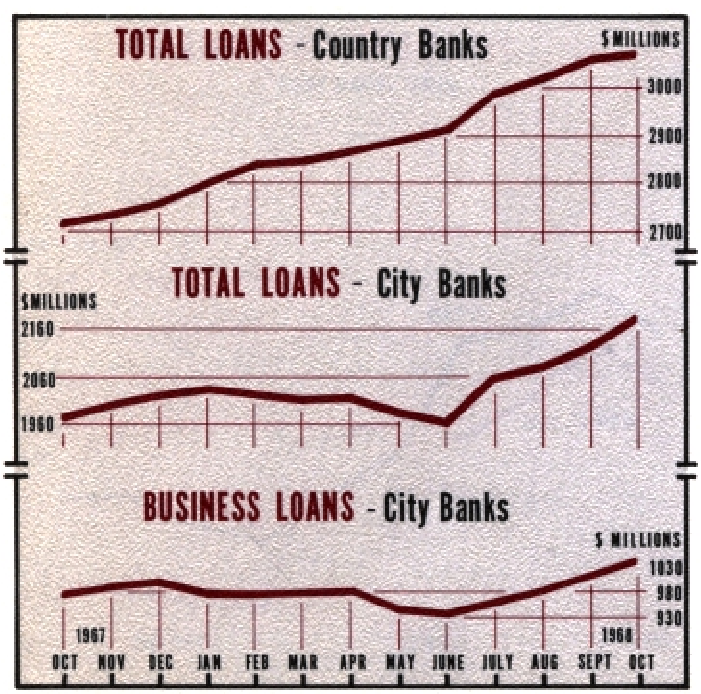
NINTH DISTRICT CONDITIONS
federal reserve bank of minneapolis

CREDIT EXPANSION CONTINUES AT NINTH DISTRICT MEMBER BANKS

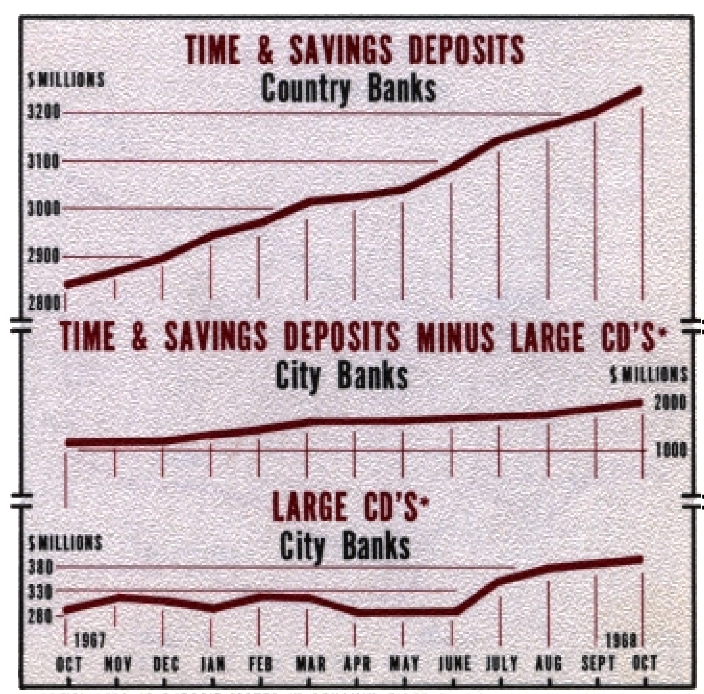
Loans and investments at all Ninth district member banks continued their upward surge during October after having advanced sharply during September. In terms of annual growth rates the October advance was on the order of 20 percent (seasonally adjusted) — roughly the same as September, but substantially greater than the October credit expansion at commercial banks throughout the nation.

Outstanding loans at all district member banks expanded at an unusually vigorous pace during October following a near seasonal advance in September. The much faster growth occurred for the most part at weekly reporting banks. These banks recorded a $77 million increase during October compared to a $59 million advance in October 1967 and a $19 million average rise during the comparable 1963-1967 5-year period. While greater than seasonal advances were reported in most loan categories, the sharpest increases were scored by business loans and loans to nonbank financial institutions. This contrasts somewhat with the pattern of loan growth at weekly reporting banks throughout the nation, where total loans during October also rose more than seasonally, but business loan growth was no greater than normal. Loan expansion at district country member banks proceeded at a seasonal pace during October — a continuation of the September pattern — after having advanced at a somewhat faster rate over the summer months.

District member bank holdings of U.S. Treasury, municipal, and federal agency securities also increased more than seasonally during October. The increase in holdings of U.S. Treasury securities was 15 percent above the average advance for October and reflected the heavy participation of country banks in the late October issue of tax anticipation bills. The net addition to the portfolios of municipal and federal agency securities was double the normal increase for



SEASONALLY ADJUSTED DATA



* CERTIFICATES OF DEPOSIT ISSUED IN DENOMINATIONS OF $100,000 OR MORE

the month, thus continuing the unusually rapid and fairly steady growth rate which has occurred during the past 17 months.

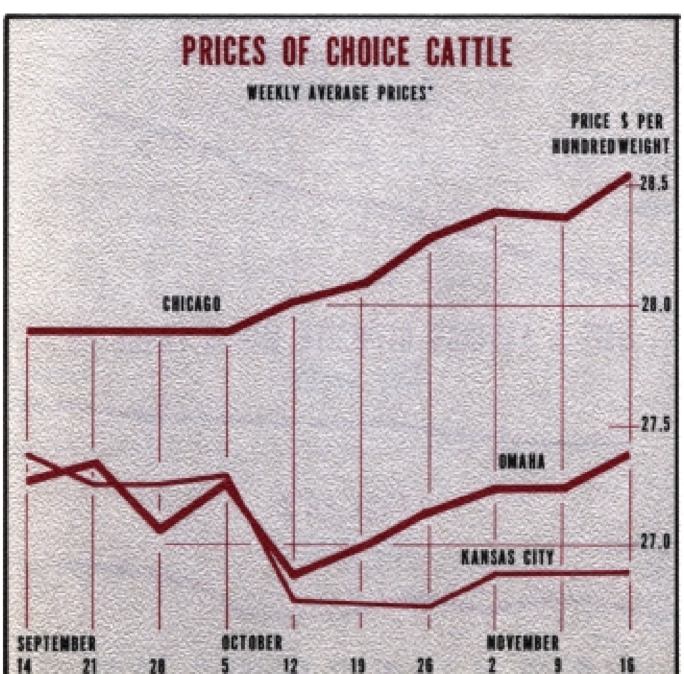
Total time deposits at all district member banks increased at an annual rate of 21 percent (seasonally adjusted) during October — about in line with the rapid growth rate that has prevailed since mid-year. At country banks time deposit inflow during October was substantially stronger than during the preceding month. At city banks the rate of time deposit inflow during October, although still relatively strong, was down somewhat from the unusually high rate of inflow recorded during September. An upturn in consumer-type time deposit inflow was reported by city banks during October, but this was not sufficient to offset a moderate slowdown in the inflow of large negotiable CD's.

CATTLE AND HOG PRICES SHOW STRENGTH IN SPITE OF LARGE SUPPLIES

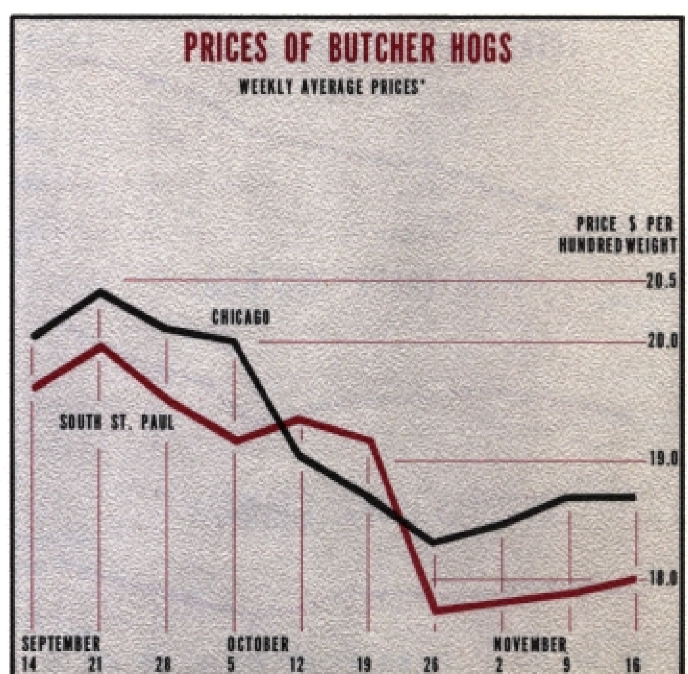
The large nationwide consumer demand for red meat that has become a notable feature of 1968 consumer spending continues to affect the Ninth district agricultural sector. For the entire nation, livestock producers increased red meat production this year by more than the population growth, but prices still rose for cattle, calves and lambs. Hog prices were somewhat lower, but the decline was less than the increased supplies alone would have indicated. Sharp increases in consumer demand for meat are thought to explain this situation. In the interval between January through September of this year, disposable income per person — a rough measure of consumer demand — rose at an average annual rate of 7 percent. Annual increases for 1960-67 averaged less than 5 percent.

Cattle and hog prices — particularly important to the Ninth district agricultural sector — are presently continuing to reflect the strong demand with hog prices showing some absolute increase in the past 4 to 6 weeks. Recently fed cattle prices have maintained a remarkably steady high level with a slight upturn registered in mid-November. Since late summer, trading at major markets has been almost entirely in the $27-28 per hundredweight range. Butcher hog prices declined approximately $1.50 per hundredweight from mid-September to late October, but regained about one-third of this decline and in late November were trading near $18.50 per hundredweight at Chicago and South St. Paul.

Although the large demand for meat is expected to continue, several indicators have appeared which suggest that total supplies will soon increase sufficiently to depress prices. The recent quarterly report on the number of cattle on feed published by the Department of Agriculture indicated that supplies of fed cattle would be abruptly increased about, or slightly after, the first of the year. The Department's projections on fall farrowings indicated that the early-1969 hog supply would also be substantially larger. In addition, concerning the beef outlook, Chicago live beef cattle futures for February, 1969 — the price which represents the "best guess" of all speculating traders as to what the price will be next February — have recently been trading at slightly less than $2 per hundredweight under the current prices for cattle at Chicago.



* QUOTED BY LIVESTOCK MARKET NEWS, USDA

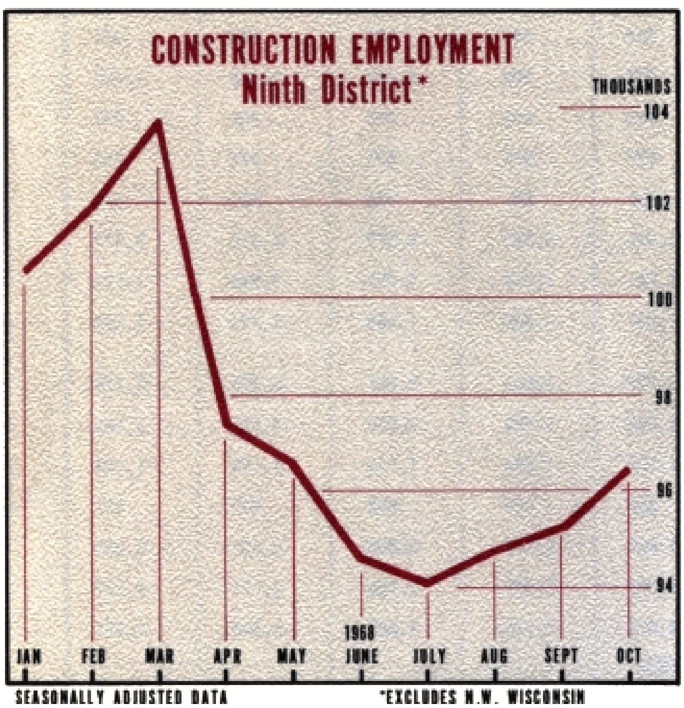


*QUOTED BY LIVESTOCK MARKET NEWS, USDA

ACTIVITY IN THE NINTH DISTRICT HOUSING INDUSTRY REMAINS STRONG

Construction activity in the Ninth district continued its seasonal fall slowdown during October. The cutbacks in employment by area contractors this fall were not as great as in past years, however, and seasonally adjusted construction employment rose for the third consecutive month. At 96,400, employment (seasonally adjusted) in mid-October was about 1.3 percent greater than in mid-September.

The rise in construction employment this fall seems to be primarily the result of increased activity in the housing industry. After dipping in August, the number of housing units authorized by building permits scored successive increases during the past two months. During October, permits were issued for 3,827 units which, after adjusting for seasonal factors, is a 6.8 percent gain over the September level. The expansion in home building activity appears to be quite general throughout the district, for increases in the number of authorized housing units were noted in all states during October.



The non-residential sector of the Ninth district construction industry has not expanded as rapidly as residential construction this year. The value of contracts awarded for non-residential projects, including both building and non-building construction, rose just slightly in October 1968 compared to September. Non-residential contracts awarded in the four complete states of the district for the first ten months of 1968 did increase about 12 percent above the corresponding period of one year ago. However, this ten-month gain can be traced to an unusually large defense contract awarded in North Dakota earlier this year. With the exception of North Dakota, non-residential contracts awarded in each of the remaining district states (Minnesota, South Dakota and Montana) fell behind their 1967 levels for the first ten months of the year.

TOTAL WAGE AND SALARY EMPLOYMENT INCREASES IN THE NINTH DISTRICT

Recently available data on employment for October 1968 indicate that the economy of the Ninth district has again turned toward expansion after showing signs of slowing down this summer. Total wage and salary employment advanced in both September and October after remaining relatively constant throughout the summer. Preliminary estimates of wage and salary employment for October indicate an advance of 3.1 percent at an annual rate over the September level. The government sector contributed substantially to the recent upturn in overall employment, after being relatively stagnant through the summer months. The growth in the government sector can be attributed, to a large degree, to increased employment in the district's educational institutions when they reopened in September. The trade sector also contributed substantially to the recent employment upturn.

The results of the third quarter Industrial Expectations Survey (see back page) indicate strong growth in the district's industrial sector. However, district mining operations are still adversely affected by high steel inventory levels accumulated in anticipation of a strike this summer. District mining employment in September decreased at a 13.6 percent annual rate from the August level and is estimated to have been down substantially again in October. Also, October shipments of iron ore in the district were down by 4 percent from the October 1967 level.

In contrast to mining, manufacturing activity in the Ninth district is quite buoyant and shows no signs of substantially abating, at least through the end of June 1968. Manufacturing employment in the Ninth district, for the month of October, indicates a rather substantial advance over the average third quarter level. The increased activity in manufacturing is also substantiated by the survey data which show an expected increase in fourth quarter sales by manufacturing establishments. The sale of durable goods, in contrast to nondurable goods, has dominated the growth of manufacturing sales in the district.

NINTH DISTRICT[1] income and financial indicators

item	unit	1967 OCTOBER	1967 NOVEMBER	1968 AUGUST	1968 SEPTEMBER	1968 OCTOBER	1968 NOVEMBER	9th dist. percent change OCT. to OCT.
MEASURES OF CONSUMER INCOME & FINANCIAL POSITION								
Total Personal Income [2]								
Nonagricultural Personal Income								
Average Weekly Earnings in Manufacturing [3]	Dollars,	122.88	122.95	126.79p	128.47e	129.23e		+ 5.2
Consumer Instalment Credit Outstanding [4]	Million $	1,091	1,094	1,235	1,253	1,272		+ 16.6
Time & Savings Deposits at Member Banks	Million $	4,154	4,208	4,626	4,670	4,744		+ 14.2
Savings Balances at Savings & Loan Assoc.[2]	Million $	2,998	3,012	3,137	3,173	3,174p		+ 5.9
Cash Farm Receipts, Total [2]	Million $	458	440	377	388	n.a.		
Receipts from Crops	Million $	191	194	174	167	n.a.		
Receipts from Livestock & Produce	Million $	267	246	203	221	n.a.		
MEASURES OF PRICE LEVELS								
Consumer Price Index [5]	Index, sa	118.4				122.9		+ 3.8
Prices Received by Farmers [6]	Index,	108	105	114	117	112		+ 3.7
MEASURES OF FINANCIAL CONDITION OF MEMBER BANKS [7]								
CITY BANKS [8]								
Adjusted Loans and Discounts [9]	Million $	1,987	1,980	2,080	2,114	2,198	2,242	+ 10.6
Real Estate Loans	Million $	351	354	396	406	415	421	+ 18.2
Commercial and Industrial Loans	Million $	969	974	986	1,007	1,046	1,083	+ 7.9
Total Investments	Million $	785	795	841	873	902	892	+ 14.9
U.S. Government Obligations	Million $	408	409	370	377	377	363	- 7.6
Other Securities	Million $	377	386	471	496	525	529	+ 39.3
Total Deposits	Million $	3,103	3,098	3,265	3,379	3,410	3,479	+ 9.9
Gross Demand Deposits	Million $	1,795	1,761	1,814	1,911	1,915	1,924	+ 6.7
Time Deposits	Million $	1,308	1,337	1,451	1,468	1,495	1,555	+ 14.3
COUNTRY BANKS [10]								
Loans and Discounts	Million $	2,720	2,738	3,051	3,057	3,075	3,114	+ 13.1
Total Investments	Million $	1,928	1,968	1,992	2,050	2,150	2,165	+ 11.5
U.S. Government Securities	Million $	1,111	1,132	1,094	1,128	1,193	1,194	+ 7.4
Other Securities	Million $	817	836	898	922	957	971	+ 17.1
Total Deposits	Million $	4,872	4,948	5,224	5,308	5,427	5,520	+ 11.4
Gross Demand Deposits	Million $	2,026	2,076	2,049	2,106	2,179	2,229	+ 7.6
Time Deposits	Million $	2,846	2,872	3,175	3,202	3,248	3,291	+ 14.1
MEASURES OF RESERVE POSITION AND 'LIQUIDITY' OF MEMBER BANKS								
Reserves: [11]								
Total Reserves	Million $	620	612	639	641	655	667	+ 5.6
Required Reserves	Million $	602	592	624	629	646	658	+ 7.3
Excess Reserves	Million $	18	20	15	12	9	9	- 50.0
Borrowings from FRB	Million $	3	1	18	23	20	24	+ 566.7
Ratio of Loans to Total Deposits: [7]								
City Banks	Per Cent	64.6	64.5	65.2	65.0	65.4	64.4	+ 1.2
Country Banks	Per Cent	55.8	55.3	58.4	57.6	56.7	56.4	+ 1.6
Ratio of U.S. Gov't Securities to Deposits: [7]								
City Banks	Per Cent	13.1	13.2	11.3	11.2	11.1	10.4	- 15.3
Country Banks	Per Cent	22.8	22.9	20.9	21.2	22.0	21.6	- 3.5

UNITED STATES income and financial indicators

U.S.[15] percent change OCT. to OCT.	item	unit	1967 OCTOBER	1967 NOVEMBER	1968 AUGUST	1968 SEPTEMBER	1968 OCTOBER	1968 NOVEMBER
	MEASURES OF CONSUMER INCOME & FINANCIAL POSITION							
+ 10.1	Total Personal Income	Billion $, saar	638.0	644.9	694.1	699.7	702.2p	
+ 10.1	Nonagricultural Personal Income	Billion $, saar	618.8	625.4	673.3	678.6	681.1p	
+ 7.8	Average Weekly Earnings in Manufacturing	Dollars,	116.28	117.5	121.69	125.25	125.36	
+ 12.2	Consumer Instalment Credit Outstanding[4]	Billion $	33.7	33.8	37.1	37.4	37.8	
+ 9.8	Time & Savings Deposits at Member Banks	Billion $	147.2	148.0	157.9	158.8	161.7	
+ 5.7	Savings Balances at Savings & Loan Assoc.	Billion $	122.4	122.9	127.7	128.9	129.4p	
	Cash Farm Receipts, Total	Billion $	4.9	4.6	3.8	3.9	n.a.	
	Receipts from Crops	Billion $	2.6	2.6	1.6	1.7	n.a.	
	Receipts from Livestock & Produce	Billion $	2.3	2.0	2.2	2.2	n.a.	
	MEASURES OF PRICE LEVELS							
+ 4.6	Consumer Price Index	Index, sa	117.5	117.8	121.9	122.2	122.9	
+ 3.8	Prices Received by Farmers	Index,	104	104	108	110	108	
	MEASURES OF FINANCIAL CONDITION OF MEMBER BANKS[7]							
	CITY BANKS[8]							
+ 10.6	Adjusted Loans and Discounts[9]	Billion $	137.4	138.2	148.6	151.3	151.9	
+ 10.5	Real Estate Loans	Billion $	28.5	28.8	30.7	31.0	31.5	
+ 10.5	Commercial and Industrial Loans	Billion $	63.1	63.7	68.1	69.4	69.7	
+ 10.4	Total Investments	Billion $	61.7	61.5	64.1	66.1	68.1	
+ 4.9	U.S. Government Obligations	Billion $	28.7	28.4	27.8	28.6	30.1	
+ 15.2	Other Securities	Billion $	33.0	33.1	36.3	37.5	38.0	
+ 8.6	Total Deposits	Billion $	215.9	216.4	225.3	230.5	234.4	
+ 8.7	Gross Demand Deposits	Billion $	113.7	113.4	117.0	121.8	123.6	
+ 8.4	Time Deposits	Billion $	102.2	103.0	108.3	108.7	110.8	
	COUNTRY BANKS[10]							
+ 11.7	Loans and Discounts	Billion $	48.6	48.8	53.0	53.9	54.3	
+ 8.5	Total Investments	Billion $	33.0	33.7	34.7	35.0	35.8	
+ 1.6	U.S. Government Securities	Billion $	18.3	18.7	18.1	18.1	18.6	
+ 17.0	Other Securities	Billion $	14.7	15.0	16.6	16.9	17.2	
+ 10.7	Total Deposits	Billion $	85.7	86.3	91.9	93.3	94.9	
+ 8.1	Gross Demand Deposits	Billion $	40.7	41.3	42.3	43.1	44.0	
+ 13.1	Time Deposits	Billion $	45.0	45.0	49.6	50.2	50.9	
	MEASURES OF RESERVE POSITION AND 'LIQUIDITY' OF MEMBER BANKS							
	Reserves:[11]							
+ 8.0	Total Reserves	Million $	24,665	24,683	26,033	26,057	26,648p	
+ 8.7	Required Reserves	Million $	24,324	24,320	25,696	25,704	26,434p	
- 37.2	Excess Reserves	Million $	341	363	337	353	214p	
+ 239.5	Borrowings from FRB	Million $	129	135	576	501	438	540
	Ratio of Loans to Total Deposits:[7]							
+ 1.7	City Banks	Per Cent	65.4	65.5	67.8	67.3	66.5	
+ 0.9	Country Banks	Per Cent	56.7	56.5	57.7	57.8	57.2	
	Ratio of U.S. Gov't Securities to Deposits:[7]							
- 3.8	City Banks	Per Cent	13.3	13.1	12.3	12.4	12.8	
- 8.4	Country Banks	Per Cent	21.4	21.7	19.7	19.5	19.6	

NINTH DISTRICT[1] production and employment indicators

item	unit	1967 OCTOBER	1967 NOVEMBER	1968 AUGUST	1968 SEPTEMBER	1968 OCTOBER	1968 NOVEMBER	9th dist. percent change OCT. to OCT.
MEASURES OF PRODUCTION AND FACTOR INPUTS TO PRODUCTION								
Total Industrial Production:								
Manufacturing								
Mining								
Utilities								
Electrical Energy Consumption: Mfg. & Mining	Index, sa	212	216	241	240	n.a.		
Manufacturing	Index, sa	195	198	221	222	n.a.		
Mining	Index, sa	295	301	340	328	n.a.		
Production Worker Manhours: Mfg. & Mining	Index, sa	115	118	122	124p	n.a.		
Manufacturing	Index, sa	124	127	130	132p	n.a.		
Mining	Index, sa	76	76	87	85p	n.a.		
Total Construction Contracts Awarded	Million $, sa	141.9	152.7	199.2	190.0	173.9		+ 22.6
Residential Buildings	Million $, sa	56.3	57.1	59.8	58.6	73.9		+ 31.3
Nonresidential Buildings	Million $, sa	39.8	50.1	63.3	36.4	58.4		+ 46.7
All Other Construction	Million $, sa	45.8	45.5	76.1	95.0	41.0		- 9.2
Bldg. Permits: New Housing Units[12]	Number	2,680	2,859	2,253	3,076	3,827		+ 42.8
MEASURES OF MANPOWER UTILIZATION[3]								
Civilian Work Force	Thousands, sa	2,485	2,491	2,474p	2,514p	2,514e		+ 1.2
Total Civilian Employment	Thousands, sa	2,393	2,402	2,379p	2,418p	2,425e		+ 1.3
Number Unemployed	Thousands, sa	92	89	95p	96p	89e		- 3.3
Unemployment Rate	Per Cent, sa	3.7	3.5	3.9p	3.8p	3.5e		- 5.4
Average Weekly Hours in Manufacturing	Hours, sa	41.3	41.5	41.4p	41.4e	41.1e		- 0.5
EMPLOYMENT BY INDUSTRY SECTOR[3]								
Wage and Salary Employment, Nonfarm	Thousands, sa	1,786	1,789	1,823	1,831p	1,840p		+ 3.0
Manufacturing	Thousands, sa	362	364	374	376p	379p		+ 4.7
Mining	Thousands, sa	29	29	33	32p	32p		+ 10.3
Construction	Thousands, sa	94	95	94	95p	96p		+ 2.1
Transport., Comm., & Public Utilities	Thousands, sa	129	128	130	129p	129p		0.0
Trade	Thousands, sa	432	433	440	443p	445p		+ 3.0
Finance, Insurance & Real Estate	Thousands, sa	81	81	82	82p	82p		+ 1.2
Service Industries	Thousands, sa	279	280	288	288p	289p		+ 3.6
Government	Thousands, sa	380	379	382	386p	388p		+ 2.1
Number of Workers on Farms	Thousands, sa	364	368	338	353p	346e		- 4.9
MEASURES OF SPENDING								
Total Retail Sales	Million $, sa							
Durable Goods								
Nondurable Goods	Million $, sa							
GAF[13]	Million $, sa							
New Passenger Car Registrations	Thousands, sa	18.6	18.2	23.9	21.7	n.a.		
Bank Debits[14]	Billion $, saar	99.2	106.7	125.7	123.8	126.7		+ 27.7

UNITED STATES production and employment indicators

U.S.[15] percent change OCT. to OCT.	item	unit	1967 OCTOBER	1967 NOVEMBER	1968 AUGUST	1968 SEPTEMBER	1968 OCTOBER	1968 NOVEMBER
	MEASURES OF PRODUCTION AND FACTOR INPUTS TO PRODUCTION							
+ 5.1	Total Industrial Production:	Index, sa	157	160	164	164	165p	
+ 5.7	Manufacturing	Index, sa	158	161	165	166	167p	
- 0.9	Mining	Index, sa	123	124	130	127	122p	
+ 6.9	Utilities	Index, sa	189	192	201	203	202p	
	Electrical Energy Consumption: Mfg. & Mining							
	Manufacturing							
	Mining							
	Production Worker Manhours: Mfg. & Mining	Index, sa	112	113	116p	117p	n.a.	
	Manufacturing	Index, sa	115	116	119p	120p	n.a.	
	Mining	Index, sa	77	77	85p	84p	n.a.	
+ 18.4	Total Construction Contracts Awarded	Million $, sa	5032.1	4864.0	5831.8	5240.4	5956.7	
+ 18.5	Residential Buildings	Million $, sa	2068.0	1937.9	2132.1	2244.6	2450.1	
+ 26.6	Nonresidential Buildings	Million $, sa	1745.3	1804.0	1987.3	1766.9	2209.8	
+ 6.4	All Other Construction	Million $, sa	1218.8	1122.1	1712.4	1288.9	1296.8	
+ 15.0	Bldg. Permits: New Housing Units[12]	Thousands	111.6	100.1	117.6	121.3p	128.3p	
	MEASURES OF MANPOWER UTILIZATION							
+ 0.9	Civilian Work Force	Thousands, sa	78,072	77,989	78,690	78,831	78,804p	
+ 1.6	Total Civilian Employment	Thousands, sa	74,735	75,005	75,929	75,957	75,952p	
- 14.5	Number Unemployed	Thousands, sa	3,337	2,984	2,761	2,874	2,852p	
- 16.3	Unemployment Rate	Per Cent, sa	4.3	3.8	3.5	3.6	3.6p	
+ 0.7	Average Weekly Hours in Manufacturing	Hours, sa	40.7	40.8	40.7	41.1	41.0p	
	EMPLOYMENT BY INDUSTRY SECTOR							
+ 3.4	Wage and Salary Employment, Nonfarm	Thousands, sa	66,286	66,778	68,314	68,389	68,525p	
+ 2.6	Manufacturing	Thousands, sa	19,302	19,518	19,748	19,754	19,806p	
- 1.8	Mining	Thousands, sa	603	603	638	637	592p	
+ 2.4	Construction	Thousands, sa	3,184	3,214	3,195	3,246	3,261p	
+ 2.4	Transport., Comm., & Public Utilities	Thousands, sa	4,267	4,297	4,358	4,372	4,368p	
+ 3.9	Trade	Thousands, sa	13,729	13,791	14,181	14,222	14,269p	
+ 4.2	Finance, Insurance & Real Estate	Thousands, sa	3,261	3,273	3,376	3,385	3,398p	
+ 3.9	Service Industries	Thousands, sa	10,171	10,270	10,548	10,546	10,569p	
+ 4.2	Government	Thousands, sa	11,769	11,812	12,270	12,227	12,262p	
- 6.4	Number of Workers on Farms	Thousands, sa	3,718	3,839	3,733	3,602	3,481p	
	MEASURES OF SPENDING							
+ 10.3	Total Retail Sales	Million $, sa	26,100	26,385	29,037	28,941p	28,789e	
+ 12.6	Durable Goods	Million $, sa	8,268	8,276	9,567	9,736p	9,309e	
+ 9.2	Nondurable Goods	Million $, sa	17,832	18,109	19,470	19,205p	19,480e	
	GAF[13]	Million $, sa	6,488	6,619	7,819	7,548p	n.a.	
	New Passenger Car Registrations	Thousands, sa	682.2	648.7	726.8	904.3	n.a.	
+ 16.5	Bank Debits[14]	Billion $, saar	2352.9	2339.1	2617.0	2670.4	2741.2	

NOTE: For explanation of footnotes, sources and other notes used in volume 2, No. 12 (December 1968 issue), see volume 2, No. 8 (August 1968 issue).

SUMMARY OF THE THIRD QUARTER INDUSTRIAL EXPECTATIONS SURVEY

The results of the latest Quarterly Industrial Expectations Survey show that the industrial sector of the Ninth district economy continued to expand during the third quarter of 1968. The overall 8.1 percent increase in total industrial sales over the third quarter of 1967 was, however, slightly below the 9.8 percent increase experienced in the second quarter of 1968. (Total industrial sales is defined as the sum of mining and manufacturing sales.) Essentially all of the slowdown in the overall rate of growth, from the second quarter to the third, may be accounted for by a lower rate of sales by mining establishments. In the manufacturing component of total industrial sales, the rate of increase nearly matched the second quarter increase.

In the third quarter of 1968, those mining establishments responding to the survey reported an increase in sales over the third quarter of 1967 of just three-tenths of one percent. Sales projections for the fourth quarter as well as the first half of 1969 also indicate a continued slowdown in the rate of growth for these mining establishments. The decreased rates of growth may be explained by the atypical situation within the steel industry since the first of the year. During the first half of 1968, district mining establishments experienced an unusually high rate of growth in sales as the nation's steel mills, in anticipation of a major strike, were producing at essentially capacity rates. But, when the successful outcome of the strike negotiations came and the major steel users began to work down their large strike hedge inventories, the nation's steel industry began reducing production. The poor sales performance of the third quarter, and that anticipated for the future by the district's mining companies would seem to indicate that these industries are still advérsely affected by high steel inventory levels.

During the third quarter of 1968, sales of manufacturing establishments in the Ninth district increased by 9.7 percent over the third quarter of 1967. This rate of growth is nearly the same as that experienced in the second quarter of this year. The third quarter increase in manufacturing sales may be accounted for by the increased rate of growth registered in the durable goods industry. There was, however, some weakening in the growth rate of sales in the nondurable goods industry. The slowdown in the rate of growth in the nondurable goods industries can be attributed almost entirely to the food products industry which experienced an increase in sales of only six-tenths of one percent during the third quarter of this year. This development was of particular importance in the overall survey results because of the major position that the food products industry holds in this region of the country.

It is interesting to compare the results of the district survey with that of a similar national survey as displayed in Table I. Since there is no comparable data for mining establishments at the national level, Table I shows data of manufacturing establishments only. The overall growth in manufacturing sales within the district compares quite favorably to the growth in sales at the national level. However, the sales increases at the district level have been relatively more dependent on the growth in durable goods sales than has the nation. At the national level the growth in total manufacturing sales has been reasonably balanced between durable and nondurable goods, while the growth in durable goods sales in the district has been roughly double the rate of increase in sales of nondurable goods. The data in Table I show that the district rate of growth was far greater than the national rate of growth during the third and fourth quarters of 1967. This is primarily a reflection of the relative importance of auto production for the nation as a whole in contrast to its relative insignificance in the Ninth district; for it was in the fall of 1967 that some of the automobile companies did not produce at all because of strikes.

TABLE I

Percent Change in Sales From One Year Earlier

		District			U.S.			Gross National Product
Q.	Yr.	Mfg.	Dur.	Nondur.	Mfg.	Dur.	Nondur.	
III	'67	+ 8.6%	+13.1%	+4.7%	+ 1.0%	+ 0.6%	+ 1.4%	+5.6%
IV		+12.6	+20.7	+5.6	+ 2.5	+ 0.8	+ 4.6	+5.6
I	'68	+10.4	+13.1	+7.3	+ 7.8	+ 9.1	+ 6.5	+7.6
II		+ 9.5	+11.1	+7.8	+10.5	+10.9	+10.3	+9.3
III		+ 9.7	+13.5	+5.4	+12.8e	+12.1e	+13.5e	+9.5
IV		+11.2e	+15.4e	+6.5e	+10.5e	+ 9.6e	+11.6e	
I	'69	+ 8.7e	+12.8e	+4.1e				
II		+10.6e	+13.4e	+7.4e				

e = estimate