

# monthly statistical report

## NINTH DISTRICT CONDITION federal reserve bank of minneapolis



### FARM LOAN INTEREST RATES RISE SHARPLY

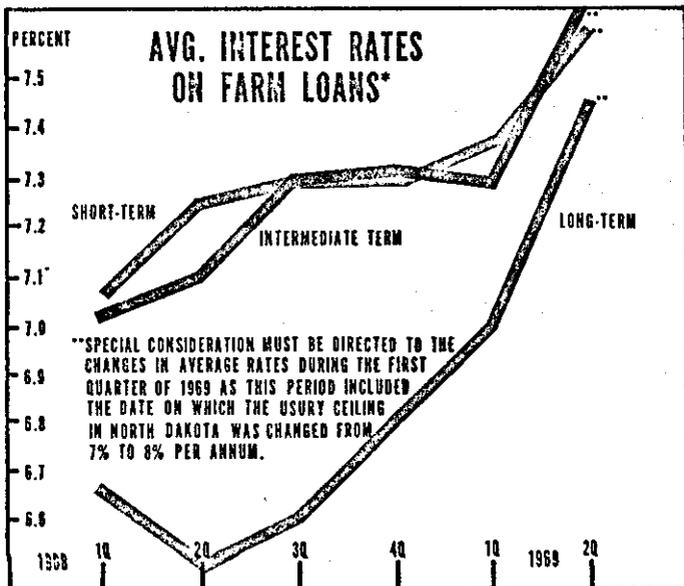
The cost of bank borrowing for Ninth district farmers has increased steadily as tight money conditions have spread throughout the economy. The Ninth District Quarterly Survey of Agricultural Credit Conditions shows that quoted interest rates on agricultural loans are now one-half to nearly one full percent higher than at the beginning of 1968. Increases in some areas of the district have been considerably greater than the averages.

Increases in rates for short and intermediate-term loans have been about parallel while long-term rates have risen more rapidly.

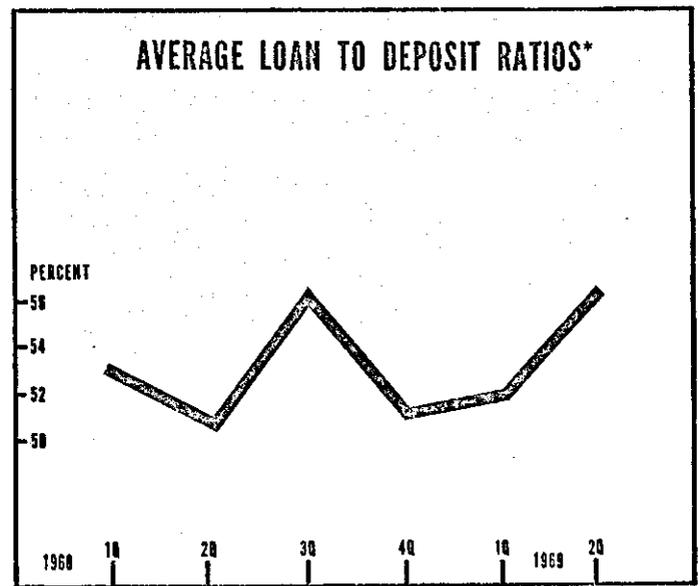
The rate on short-term agricultural loans appears to have become the most significant interest rate in the agricultural bank credit situation. Many bankers have reported that, although they quote a long-term rate, they no longer make long-term (primarily real estate) agricultural loans because the price of land and the size of farms now make these loans too large for their banks to handle profitably. Also, bankers are becoming reluctant to tie up these large sums of money for long periods of time unless

they can obtain very high returns for them. What is often quoted as a long-term rate is the interest rate that the banker would charge on a farm mortgage if he were to make one. The recent rates on intermediate-term loans are also said to be somewhat fictitious. Many of these loans are, in fact, short-term loans with bankers agreeing to renew them. This is another attempt to hedge against further increases in the general rate structure.

The demand for agricultural loans has apparently played a significant part in the upward movement of rates. Bankers responding to the survey indicated demand for short-term agricultural loans to be particularly strong in each of the quarters in which the short-term rate moved up. The percentage of bankers noting demand for short-term loans to be definitely "greater than usual" was approximately 20 percent in each of the quarters ending with April 1968, July 1968 and April 1969. This compares to 9 percent in the quarter ending October 1968 which provided the one noticeable plateau in short-term rates. In addition, the average ratio of loans to deposits at the surveyed banks, a rough measure of the strength of agricultural loan demand, has increased nearly coincidentally



\*SOURCE: NINTH DISTRICT AG. CREDIT CONDITIONS SURVEY



\*SOURCE: NINTH DISTRICT AG. CREDIT CONDITIONS SURVEY

with the larger increases in the short-term rates.

Part of this strong short-term loan demand can be attributed to demand for financing livestock on feed. This has been particularly true since last autumn. One of the most outstanding recent conditions in agriculture has been a strong consumer demand for red meat which is still causing extraordinarily high prices for fed cattle and hogs. Ninth district livestock feeders, who have responded to increased consumer demand by feeding heavily and maintaining large numbers of cattle and hogs on feed, have needed more financing for their increased operations.

Another factor in the strong short-term loan demand this past winter and spring has been the severe weather in several parts of the district. Many marketing operations were postponed and farm earnings impaired, causing farmers to seek bank financing for many items they would have otherwise been able to finance out of income.

### DOWNTREND APPEARS IN THE NINTH DISTRICT CONSTRUCTION INDUSTRY

Preliminary information regarding construction activity during April in the Ninth Federal Reserve District suggests that recent money conditions are beginning to have a noticeable effect on the housing industry. Indicators regarding the nonresidential sectors are less clear.

Employment declined during April for the second consecutive month, ebbing to 99,500 on a seasonally adjusted basis. The decline in employment appears to have been primarily a result of a changing seasonal pattern in the construction industry, although some areas in the district reported that adverse weather conditions caused contractors to postpone their usual spring build-up of work forces. Also contributing to a slower than normal increase in construction employment is the difficulty

employers are having in obtaining qualified construction workers in a number of labor market areas.

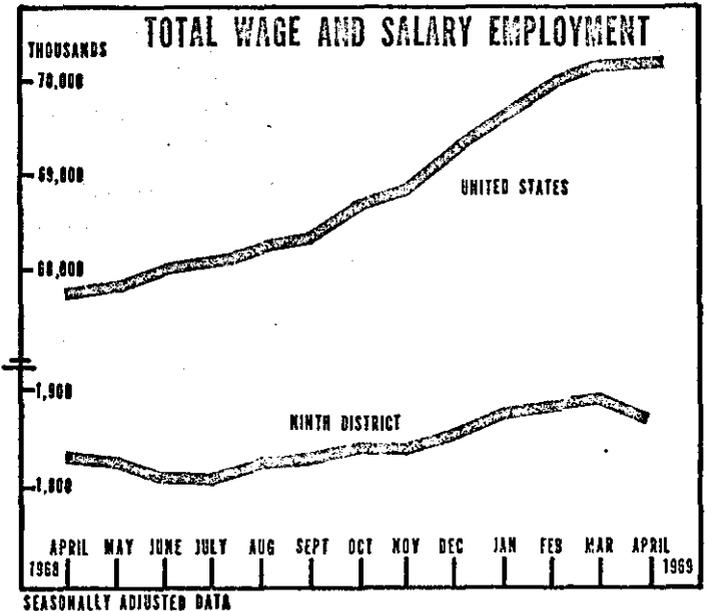
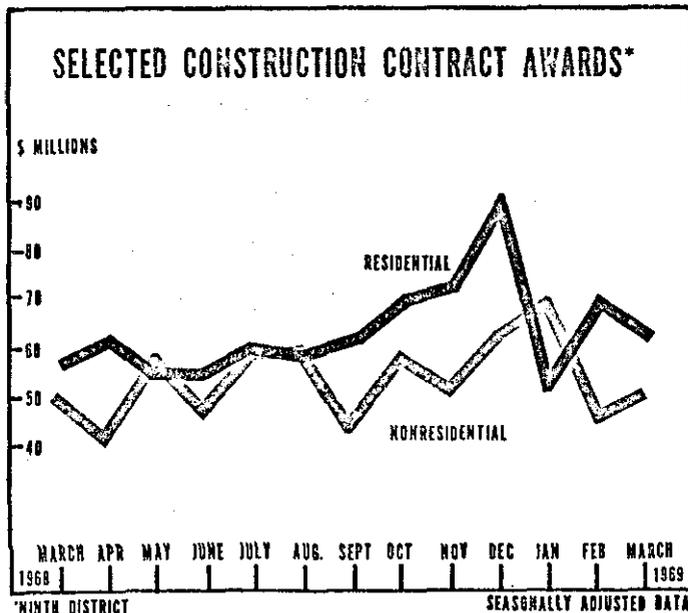
Signs of softening in the housing industry are becoming more evident. During April, the number of housing units authorized by building permits in the district slipped to 2,966 on a seasonally adjusted basis. Because this series tends to fluctuate quite widely, month-to-month changes are very difficult to interpret. During the three months ending in April, however, the number of housing unit authorizations was about 22 percent below the preceding three-month period.

Information relating to the volume of new contract awards indicates that weaknesses are becoming more apparent in the construction sector. The downtrend in contract awards since the beginning of the year was evident in both the residential and nonresidential building sectors while nonbuilding contract awards rose slightly.

Mortgage market conditions in the district continued to remain tight with interest rates continuing at record-high levels during April. In the Twin Cities, the average mortgage rate on a conventional new home loan during April was 7.52 percent, considerably above the 6.96 average interest rate recorded during April 1968. Because of the strong demand for mortgage loans, it is expected that mortgage rates in the Twin Cities will move even closer to Minnesota's 8 percent interest rate ceiling in the coming months.

### EMPLOYMENT GROWTH MAY BE MODERATING IN BOTH THE DISTRICT AND NATION

The latest available data for the Ninth Federal Reserve District indicate that the business economy is operating at a high level, even though employment growth has moderated recently. Currently, employment is at an historically high level in spite of the fact that total wage and salary employment, both in the district and the nation,



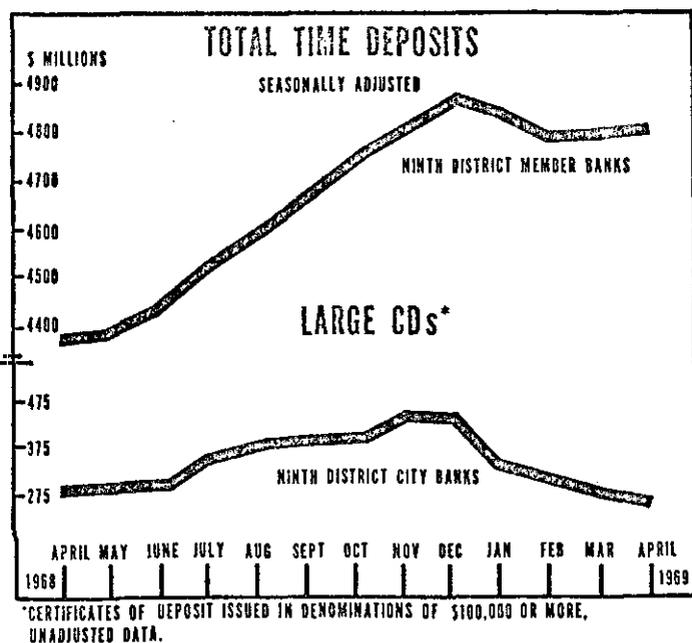
has failed to grow appreciably since February. In the district, wage and salary employment increased moderately in March (after being revised upward), but in April, according to preliminary estimates, it decreased 1 percent from the March level with all sectors declining. In the nation, wage and salary employment has remained virtually unchanged since February.

An overall slowdown in the business economy, however, cannot be inferred from an examination of the available data on the manufacturing sector. Manufacturers responding to the latest Ninth District Industrial Expectations Survey (see back page) taken on the first of May, indicated that their sales in the first quarter of 1969 were 13.3 percent above year earlier levels after increasing 11.8 percent in the fourth quarter. Manufacturing employment in the district also increased during the first quarter.

In the trade sector there is some indication of a slowdown, relative to the nation, in Ninth district economic activity, as department store sales (taken from selected urban areas) increased only 4 percent over the first quarter of 1968 compared to a national advance of 11 percent. Although the increase in department store sales during the first quarter was quite general throughout the district — with the exception of Montana and North Dakota — in the Twin Cities Metropolitan Area the increase (in sales) was only 4 percent which is low by present standards. These data are consistent with an observed slowdown in district trade employment which has not advanced since February.

### RATE OF TIME DEPOSIT EXPANSION SLOWS AT NINTH DISTRICT MEMBER BANKS

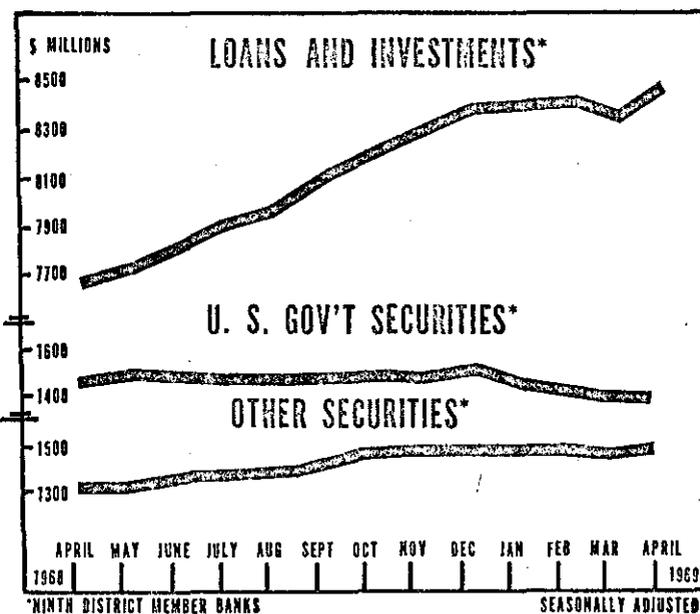
Total time and savings deposits at Ninth district member banks as a whole grew at an annual rate of 4 percent (seasonally adjusted) during April, about the same pace as maintained during March. This relatively slow



rate of expansion partly reflected the continuation of a greater-than-seasonal attrition in large negotiable certificates of deposit at large city banks, although at nowhere near the magnitude experienced during the first two months of 1969. In addition, smaller, consumer-oriented, time deposits at district banks as a whole continued to advance at the less-than-seasonal pace which prevailed during the first quarter. Passbook savings deposit flow, on the other hand, has adhered to seasonal patterns throughout the first four months of 1969.

Total loans and investments at district banks as a whole increased at an annual rate of 22 percent (seasonally adjusted) during April thus reversing the slowing trend of recent months which culminated with a 10 percent decline during March. The pronounced acceleration in total credit expansion during April reflects to a large extent a reversal in the recent downward trend in holdings of U. S. Government and municipal securities. During the first quarter total investments declined at a 16 percent annual rate, whereas an increase of 22 percent (annual rate) was recorded in April. This upsurge coincides with a temporary buildup of U. S. Government demand deposits. Thus it is quite likely that a much slower pace of investment growth will emerge shortly.

The resurgence of credit growth at district banks as a whole during April also reflects a rise in the rate of loan expansion. Loan growth at country member banks rose to an annual rate of 20 percent in April, following an already vigorous 13 percent pace during the first quarter. City banks after recording a sharp decline (seasonally adjusted) during March, experienced no further attrition in total loans during April. City bank business loans, however, continued to decline during April. In the last three months the attrition in outstanding business loans (seasonally adjusted) has been on the order of 15 percent, annual rate.



# NINTH DISTRICT income and finance

INDICATOR	UNIT	1969			1968	Percent Change APR. to APR.	
		MAY	APRIL	MARCH	APRIL		
<b>MEASURES OF CONSUMER INCOME &amp; FINANCIAL POSITION</b>	Total Personal Income*						
	Nonagricultural Personal Income*						
	Average Weekly Earnings in Manufacturing <sup>1</sup>	Dollars,	n.a.	131.65 <sup>e</sup>	130.57 <sup>p</sup>	125.00	+ 5.3
	Consumer Installment Credit Outstanding <sup>2</sup>	Million \$	n.a.	1,252	1,231	1,125	+11.3
	Time and Savings Deposits at Member Banks	Million \$	4,834	4,814	4,837	4,364	+10.3
	Savings Balances at Savings & Loan Assoc. <sup>3</sup>	Million \$	n.a.	3,257 <sup>p</sup>	3,283	3,082	+ 5.7
Cash Farm Receipts <sup>3</sup>	Million \$	n.a.	n.a.	303	256		
<b>MEASURES OF FINANCIAL CONDITION OF MEMBER BANKS</b>	<b>CITY BANKS<sup>4,5</sup></b>						
	Adjusted Loans and Discounts <sup>6</sup>	Million \$	2,188	2,268	2,247	2,042	+11.1
	Commercial and Industrial Loans	Million \$	1,036	1,065	1,061	1,003	+ 6.2
	Real Estate Loans	Million \$	442	436	432	370	+17.8
	Gross Demand Deposits	Million \$	1,856	1,974	1,848	1,712	+15.3
	Time Deposits	Million \$	1,378	1,392	1,425	1,338	+ 4.0
	U.S. Government Securities	Million \$	294	344	331	355	- 3.1
	Other Securities	Million \$	478	514	481	447	+15.0
	<b>COUNTRY BANKS<sup>4,7</sup></b>						
	Loans and Discounts	Million \$	3,322	3,254	3,186	2,854	+14.0
Gross Demand Deposits	Million \$	2,062	2,084	2,057	1,946	+ 7.1	
Time Deposits	Million \$	3,456	3,422	3,411	3,027	+13.0	
U.S. Government Securities	Million \$	1,015	1,060	1,092	1,073	- 1.2	
Other Securities	Million \$	1,021	1,027	1,029	869	+18.2	
<b>MEASURES OF RESERVE POSITION AND LIQUIDITY OF MEMBER BANKS</b>	Total Reserves <sup>8</sup>	Million \$	685	669	656	606	+10.4
	Required Reserves	Million \$	677	661	647	596	+10.9
	Excess Reserves	Million \$	8	8	9	10	-20.0
	Borrowings from FRB	Million \$	24	42	59	29	+44.8
	Ratio of Loans to Total Deposits—City Banks <sup>4</sup>	Percent	70.2	68.4	69.9	67.6	+ 1.2
	Ratio of Loans to Total Deposits—Country Banks <sup>4</sup>	Percent	60.2	59.1	58.3	57.4	+ 3.0
<b>MEASURES OF PRICE LEVELS</b>	Consumer Price Index <sup>9</sup> —Minneapolis	Index, sa		125.1		120.4	+ 3.9
	Prices Received by Farmers <sup>9</sup> —Minnesota	Index, sa	123	119	118	113	+ 5.3

### NOTES

- e—Partially estimated; all data not available
- n.a.—Not available
- p—Preliminary; subject to revision
- r—Revised
- sa—Seasonally adjusted data
- \*—U.S. and District do not have comparable data
- saar—Seasonally adjusted annual rate

### FOOTNOTES

1. Excluding Northwestern Wisconsin to domestic commercial city banks
2. All commercial banks, estimated by a sample of banks
3. Excluding Northwestern Wisconsin and Upper Michigan
4. Last Wednesday of the month figures
5. City Banks—Selected banks in major cities
6. Net loans and discounts less loans
7. Country Banks—All member banks excluding the selected major city banks
8. Average of daily figures of the four or five weeks ending on Wednesday which contain at least four days falling within the month
9. Index: 1957-59 Base Period

# UNITED STATES income and finance

Percent Change APR. to APR.	1969			1968	UNIT	INDICATOR	
	MAY	APRIL	MARCH	APRIL			
+ 8.6	n.a.	730.5p	727.7	672.6	Billion \$, saar	Total Personal Income	MEASURES OF CONSUMER INCOME & FINANCIAL POSITION
+ 8.8	n.a.	709.9p	707.0	652.4	Billion \$, saar	Nonagricultural Personal Income	
+ 7.3	n.a.	126.86p	127.39	118.21	Dollars	Average Weekly Earnings in Manufacturing	
+12.8	n.a.	37.9	37.3	33.6	Billion \$	Consumer Installment Credit Outstanding <sup>2</sup>	
+ 5.4	n.a.	160.1	161.4	151.9	Billion \$	Time and Savings Deposits at Member Banks	
+ 5.8	n.a.	133.0	133.5	125.7	Billion \$	Savings Balances at Savings & Loan Assoc.	
	n.a.	n.a.	3.2	2.8	Billion \$	Cash Farm Receipts	
+13.1	n.a.	162.4	158.4	143.6	Billion \$	<b>CITY BANKS<sup>4,5</sup></b>	MEASURES OF FINANCIAL CONDITION OF MEMBER BANKS
+13.5	n.a.	76.7	75.0	67.6	Billion \$	Adjusted Loans and Discounts <sup>6</sup>	
+11.5	n.a.	32.9	32.6	29.5	Billion \$	Commercial and Industrial Loans	
+17.2	n.a.	134.8	123.3	115.0	Billion \$	Real Estate Loans	
+ 2.6	n.a.	106.9	108.4	104.2	Billion \$	Gross Demand Deposits	
- 5.0	n.a.	24.8	24.8	26.1	Billion \$	Time Deposits	
+ 9.4	n.a.	38.4	38.1	35.1	Billion \$	U.S. Government Securities	
						Other Securities	
+12.6	n.a.	57.0	56.1	50.6	Billion \$	<b>COUNTRY BANKS<sup>4,7</sup></b>	
+ 7.0	n.a.	44.2	43.0	41.3	Billion \$	Loans and Discounts	
+11.5	n.a.	53.2	53.0	47.7	Billion \$	Gross Demand Deposits	
- 3.3	n.a.	17.6	17.9	18.2	Billion \$	Time Deposits	
+15.5	n.a.	18.6	18.4	16.1	Billion \$	U.S. Government Securities	
						Other Securities	
+ 5.7	n.a.	27,105p	26,765	25,636	Million \$	<b>Total Reserves<sup>8</sup></b>	MEASURES OF RESERVE POSITION AND "LIQUIDITY" OF MEMBER BANKS
+ 6.5	n.a.	26,959p	26,542	25,302	Million \$	Required Reserves	
-56.3	n.a.	146p	223	334	Million \$	Excess Reserves	
+44.6	n.a.	989	909	684	Million \$	Borrowings from FRB	
+ 2.5	n.a.	68.9	70.6	67.2	Percent	Ratio of Loans to Total Deposits—City Banks <sup>4</sup>	
+ 2.8	n.a.	58.5	58.4	56.9	Percent	Ratio of Loans to Total Deposits—Country Banks <sup>4</sup>	
+ 5.4	n.a.	126.4	125.6	119.9	Index, sa	Consumer Price Index <sup>9</sup>	MEASURES OF PRICE LEVELS
+ 4.7	n.a.	112	112	107	Index, sa	Prices Received by Farmers <sup>9</sup>	

## SOURCES

PERSONAL INCOME: U.S. Department of Commerce, Office of Business Economics

SAVINGS AND LOAN ASSOCIATIONS: Federal Home Loan Bank Board

CASH RECEIPTS FROM FARM MARKETINGS: U.S. Department of Agriculture

FINANCIAL DATA OF MEMBER BANKS: Federal Reserve Bank of Minneapolis and Board of Governors of F. R. System

CONSUMER PRICE INDEX: U.S. Department of Labor, Bureau of Labor Statistics

PRICES RECEIVED BY FARMERS: U.S. Department of Agriculture and Minnesota Farm Price Report

# NINTH DISTRICT production and employment

INDICATOR	UNIT	1969		1968	Percent Change APR. to APR.	
		APRIL	MARCH	APRIL		
MEASURES OF PRODUCTION AND FACTOR INPUTS TO PRODUCTION	Total Industrial Production*					
	Electrical Energy Consumption: Mfg. and Mining <sup>1</sup>	Index, sa	248	249	228	+ 8.8
	Production Worker Manhours: <sup>1</sup>	Index, sa	126p	124	115	+ 9.6
	Manufacturing	Index, sa	134p	133	127	+ 5.5
	Mining	Index, sa	87p	83	60	+45.0
	Total Construction Contracts Awarded	Million \$, sa	n.a.	154.7	160.6	
	Residential Buildings	Million \$, sa	n.a.	63.1	61.4	
	Nonresidential Buildings	Million \$, sa	n.a.	50.9	41.5	
	All Other Construction	Million \$, sa	n.a.	40.7	57.7	
	Bldg. Permits: New Housing Units <sup>2</sup>	Number	4,205	2,823	3,795	+10.8
MEASURES OF MANPOWER UTILIZATION	Civilian Work Force <sup>3</sup>	Thousands, sa	2,561e	2,564p	2,517	+ 1.7
	Total Civilian Employment	Thousands, sa	2,475e	2,485p	2,430	+ 1.9
	Number Unemployed	Thousands, sa	86e	79p	87	- 1.2
	Unemployment Rate <sup>3</sup>	Percent, sa	3.4e	3.1p	3.4	0.0
	Average Weekly Hours in Manufacturing <sup>3</sup>	Hours, sa	41.3e	41.0e	41.1	+ 0.5
EMPLOYMENT BY INDUSTRY SECTOR	Wage and Salary Employment, Nonfarm <sup>3</sup>	Thousands, sa	1,876e	1,896p	1,824	+ 2.8
	Manufacturing	Thousands, sa	383e	385p	375	+ 2.1
	Mining	Thousands, sa	33e	33p	32	+ 3.1
	Construction	Thousands, sa	100e	107p	97	+ 3.1
	Transport., Comm., & Public Utilities	Thousands, sa	131e	131p	129	+ 1.6
	Trade	Thousands, sa	453e	458p	440	+ 3.0
	Finance, Insurance & Real Estate	Thousands, sa	85e	85p	82	+ 3.7
	Service Industries	Thousands, sa	298e	302p	285	+ 4.6
	Government	Thousands, sa	393e	395p	384	+ 2.3
MEASURES OF SPENDING	Total Retail Sales*	Thousands, sa	n.a.	n.a.	23.3	
	New Passenger Car Registrations	Billion \$, saar	154.3	151.6	116.9	+32.0
	Bank Debits <sup>4</sup>					

## NOTES

- e—Partially estimated; all data not available
- n.a.—Data not available
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- \*—U.S. and District do not have comparable data
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## FOOTNOTES

1. Index: 1957-59 Base Period
2. A sample of permit issuing centers
3. Excluding Northwestern Wisconsin
4. Six standard metropolitan statistical areas
5. A sample of centers blown up to represent total permits issued
6. 226 centers excluding the seven leading centers

# UNITED STATES production and employment

Percent Change APR. to APR.	1969		1968	UNIT	INDICATOR	
	APRIL	MARCH	APRIL			
+ 6.2	172p	171	162	Index, sa	Total Industrial Production	MEASURES OF PRODUCTION AND FACTOR INPUTS TO PRODUCTION
+ 4.4	119p	117p	114	Index, sa	Electrical Energy Consumption: Mfg. and Mining <sup>1</sup>	
+ 4.3	122p	121p	117	Index, sa	Production Worker Manhours: <sup>1</sup>	
+ 2.5	83p	80p	81	Index, sa	Manufacturing	
+22.5	5683.0	4617.9	4638.5	Million \$, sa	Mining	
+11.0	2276.1	1823.7	2050.7	Million \$, sa	Total Construction Contracts Awarded	
+41.9	2047.0	1675.0	1442.4	Million \$, sa	Residential Buildings	
+18.7	1359.9	1119.2	1145.4	Million \$, sa	Nonresidential Buildings	
	n.a.	122.8	135.4	Thousands	All Other Construction	
					Bldg. Permits: New Housing Units <sup>5</sup>	
+ 2.6	80,450p	80,495	78,427	Thousands, sa	Civilian Work Force	MEASURES OF MANPOWER UTILIZATION
+ 2.6	77,605p	77,767	75,653	Thousands, sa	Total Civilian Employment	
+ 2.6	2,845p	2,728	2,774	Thousands, sa	Number Unemployed	
0.0	3.5p	3.4	3.5	Percent, sa	Unemployment Rate	
+ 1.5	40.7p	40.8	40.1	Hours, sa	Average Weekly Hours in Manufacturing	
+ 3.6	70,214p	70,180	67,755	Thousands, sa	Wage and Salary Employment, Nonfarm	EMPLOYMENT BY INDUSTRY SECTOR
+ 2.4	20,131p	20,128	19,657	Thousands, sa	Manufacturing	
+ 2.2	646p	645	632	Thousands, sa	Mining	
+ 3.1	3,416p	3,440	3,313	Thousands, sa	Construction	
+ 3.3	4,475p	4,449	4,331	Thousands, sa	Transport., Comm., & Public Utilities	
+ 3.8	14,537p	14,536	14,009	Thousands, sa	Trade	
+ 5.4	3,501p	3,485	3,323	Thousands, sa	Finance, Insurance & Real Estate	
+ 4.8	10,902p	10,911	10,402	Thousands, sa	Service Industries	
+ 4.3	12,606p	12,586	12,088	Thousands, sa	Government	
+ 5.9	29,419e	28,998p	27,791	Million \$, sa	Total Retail Sales	
	n.a.	652.4	755.5	Thousands, sa	New Passenger Car Registrations	
+16.2	2953.0	2866.2	2541.7	Billion \$, saar	Bank Debits <sup>6</sup>	

INDUSTRIAL PRODUCTION: Board of Governors of F.R. System  
INDUSTRIAL USE OF ELECTRIC POWER: Federal Reserve Bank of Minneapolis  
PRODUCTION WORKER MANHOURS: Federal Reserve Bank of Minneapolis  
CONSTRUCTION CONTRACTS AWARDED: Board of Governors of F. R. System, F. W. Dodge Corporation data  
NEW HOUSING UNITS AUTHORIZED: Federal Reserve Bank of Minneapolis and U.S. Department of Commerce, Bureau of Census  
BANK DEBITS: Board of Governors of F. R. System

## SOURCES

EMPLOYMENT, UNEMPLOYMENT, HOURS AND WAGES:  
Employment Security Departments; Minnesota, North Dakota, South Dakota, Montana, Michigan, and U.S. Department of Labor, Bureau of Labor Statistics  
RETAIL SALES: U.S. Department of Commerce, Bureau of Census  
NEW PASSENGER CAR REGISTRATIONS: Automotive News Magazine

## SUMMARY OF THE INDUSTRIAL EXPECTATIONS SURVEY – SECOND QUARTER 1969

Industrial activity is at a very high level in the Ninth Federal Reserve District according to the results of the latest Industrial Expectations Survey taken on the first of May. The survey indicates that industrial sales in the first quarter were 11.8 percent above their 1968 level which is substantially above the 6.2 percent increase experienced in the fourth quarter of 1968. The first quarter increase represents a strong upward revision in industrial sales expectations from last February when a 9.9 percent increase was anticipated for the first quarter.

When the mining and manufacturing sections of the survey are compared, it is apparent that the first quarter sales increase was concentrated in manufacturing, for manufacturing sales increased 13.3 percent while mining sales increased only 4.4 percent. Moreover, the outlook for mining sales is rather pessimistic, as district mining respondents do not expect this year's second and third quarter sales to surpass 1968 levels. In the fourth quarter, however, sales are expected to be up markedly.

The first quarter increase in manufacturing sales of 13.3 percent exceeded the 11.8 percent increase in manufacturing sales realized in the fourth quarter of 1968. This is the highest rate of increase reported thus far in seven surveys (see Table 1) and it represents a very substantial upward revision in manufacturing sales expectations from last February when district manufacturers expected their first quarter sales to increase 9.2 percent. The high level of industrial activity borne out by the survey is also substantiated by the industrial use of electric power for manufacturing. During the first quarter of 1969 an 11.1 percent increase in the use of electric power was registered over the first quarter of 1968, whereas a 4.6 percent advance occurred in the fourth quarter of 1968 over the comparable period in 1967.

No simple explanation exists that accounts for the strong upward revision in manufacturing sales, but

some insights are provided by the detailed data on various district manufacturing industries. All Ninth district manufacturing industries reported positive first quarter sales increases. But the durable goods industries were largely responsible for the strong first quarter sales increase. Durable goods sales in the first quarter were up 19.1 percent over year ago levels, whereas nondurable goods sales were up only 6.8 percent. The durable goods performance can be largely attributed to the nonelectrical and electrical machinery industries, where unusually large first quarter sales increases of 39 percent each were recorded. These rates of sales growth were approximately double what had been anticipated in February. The slower rate of sales growth in the nondurable goods sector can be attributed to the food and kindred products industry – the district's largest manufacturing industry – for its sales in the first quarter were just 4.3 percent above year earlier levels.

When the results of the current district survey are compared to a similar national survey, it is apparent that overall manufacturing sales in the district advanced at almost double the rate that had been anticipated for the nation during the first quarter of 1969. However, the district probably had a lower rate of growth in the sales of nondurable goods than did the nation in the first quarter.

It is important to note that district manufacturers view their first quarter sales performance as sustainable at least through the second and third quarters with year to year increases of 13.7 and 16.2 percent expected, respectively. In the fourth quarter the rate of sales increase is expected to drop to 11.5 percent.

TABLE I  
Percent Change in Manufacturing Sales from One Year Earlier

	NINTH DISTRICT			UNITED STATES		
	Total	Dur	Nondur	Total	Dur	Nondur
III 67	+ 8.6	+13.1	+ 4.7	+ 1.0	+ .6	+ 1.4
IV	+12.6	+20.7	+ 5.6	+ 2.5	+ .8	+ 4.6
I 68	+10.4	+13.1	+ 7.3	+ 7.8	+ 9.1	+ 6.5
II	+ 9.5	+11.1	+ 7.8	+10.5	+10.9	+10.3
III	+ 9.7	+13.5	+ 5.4	+11.0	9.9	12.3
IV	+11.8	+13.3	+10.1	+11.6	11.5	+11.5
I 69	+13.3	+19.1	+ 6.8	+ 8.9e	+ 7.2e	+11.0e
II	+13.7e	+19.3e	+ 7.4e	+ 6.9e	+ 5.8e	8.2e
III	+16.2e	+24.5e	+ 6.9e	--	--	--
IV	+11.5e	+15.4e	+ 7.1e	--	--	--

e = expected