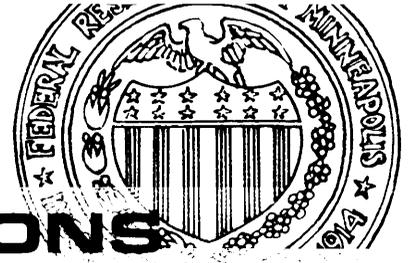


# monthly statistical report

## NINTH DISTRICT CONDITIONS federal reserve bank of minneapolis



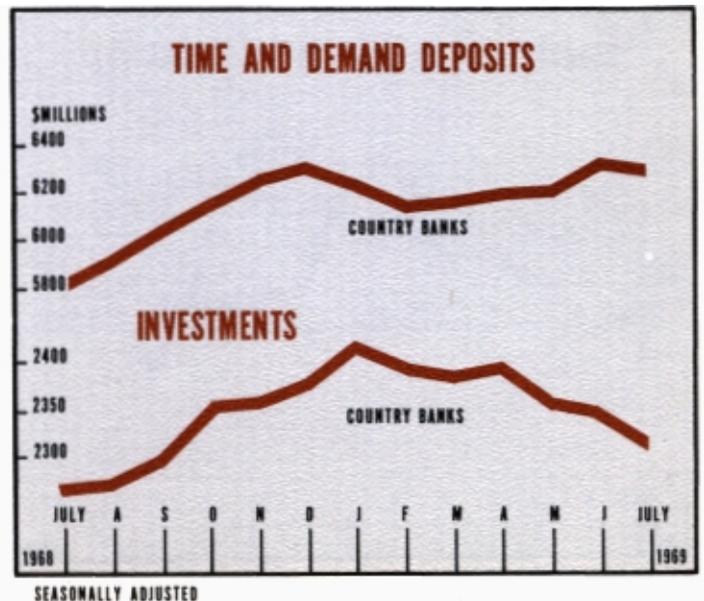
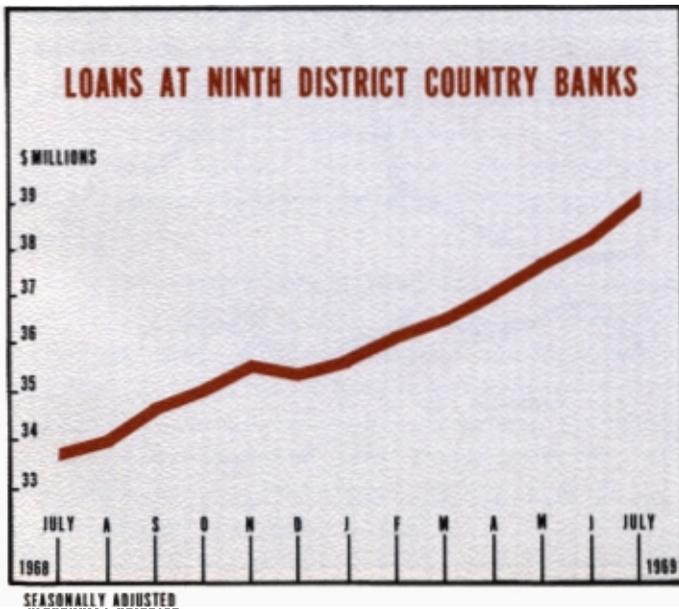
### LOANS DECREASE AT CITY BANKS, INCREASE AT COUNTRY BANKS

Total loans at Ninth district member banks declined slightly during July following the unusual increase in June. The July decrease in loans partly reflected the repayment of loans made in June to meet increased quarterly income tax obligations. In spite of the strong advance in June followed by the downtrend in July, total loans expanded at a 9 percent seasonally adjusted annual rate during this two-month period, about in line with the growth rate maintained during the first half of 1969.

The loan expansion at district banks as a whole conceals sharply divergent trends between city and country banks. Reserve city banks which have been under intense liquidity pressures throughout 1969 due in large part to substantial losses of large certificates of deposit, experienced a 13 percent (seasonally adjusted annual rate) drop in outstanding loans during the June-July period. In the first five months of 1969, the level of total loans had remained essentially unchanged as deposit losses were offset by increased borrowings and sales of U. S. Government securities.

District country banks, on the other hand, continue to increase their total loans substantially. During the June-July period total loans increased at an annual rate of 20 percent (seasonally adjusted), somewhat faster than the 16 percent pace maintained throughout the first half of 1969. A portion of the recent increase in loans at country banks represented short-term loans to large city banks and quite probably, participations in loans or pools of loans originally made by city banks and subsequently sold to country correspondent banks.

There is some indication that loan growth at country banks may weaken in the months ahead. Country banks have been able to maintain a vigorous pace of loan expansion during 1969 due in part to the fact that total deposit inflow did not weaken much during the first half of the year. In addition, country banks were in a relatively liquid position at the beginning of 1969 and were thus able to sell U. S. Government securities to supplement deposit funds in meeting the increased demand for loans. During July, however, total deposit inflow slowed perceptibly due in part to a substantial slowdown in time deposit inflow. Moreover, liquidity positions have begun to deteriorate in recent months and it is not likely that investments will continue to decline at the current pace.



## HOUSING CONSTRUCTION CONTINUES TO FALL

Ninth district construction activity continued to recede during July. Following the downward trend established earlier in the year, employment fell again in July settling to 94,900 on a seasonally adjusted basis. This level of employment was nearly 3 percent lower than in June, but was still about 1 percent above the year-ago level.

It appears that most of the weakness in the construction sector is centered in home building, for the number of housing units authorized by building permits has depicted a strong downward trend throughout the first seven months of this year. In July, the number of authorized housing units fell to 2,725 on a seasonally adjusted basis, or about 5 percent below June's level. During the past six months, the number of housing units authorized each month averaged 16 percent below the preceding six-month average.

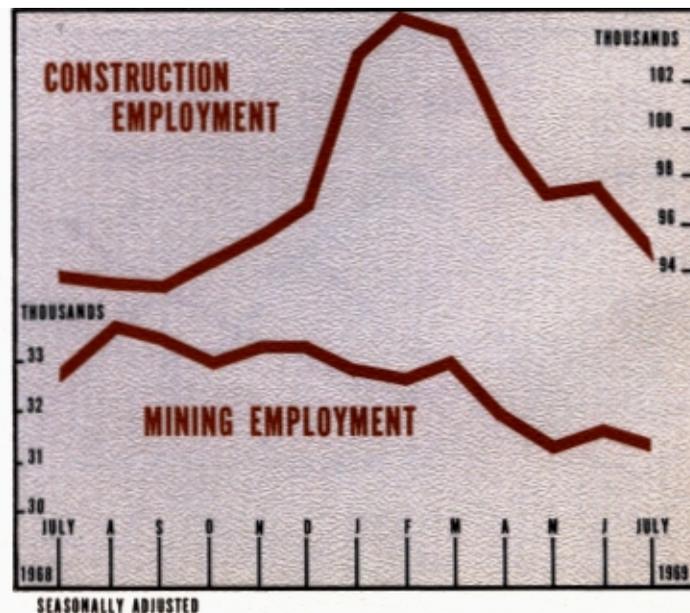
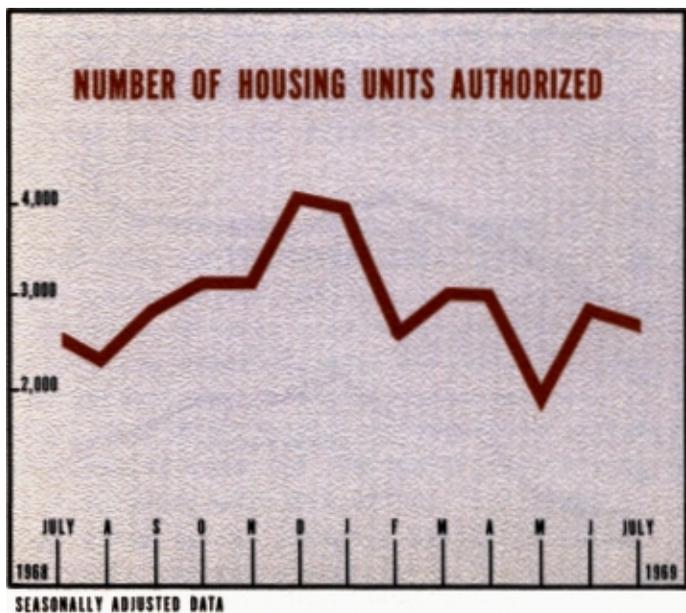
Information relating to new building construction contracts awarded in the district show a slowing in residential construction that has exceeded the downturn in nonresidential construction. During the first half of this year residential contract awards were about 17 percent lower than during the latter half of last year. Although contract awards for nonresidential building also trended downward through the first six months of this year, the average level during this period was only about 5 percent below the average level during the last half of 1968. "Heavy" (nonbuilding) construction contract awards, on the other hand, have trended upward, but, because of the sharp drop in contract awards around the first of the year due to the temporary freeze on highway spending, the six-month average of new awards for the period ending in June was virtually the same as during the preceding six months.

At the same time that home building activity has slackened, interest rates on new homes have soared. Mortgage interest rates in the Minneapolis-St. Paul metropolitan area rose to another new record level in July. The average effective rate of 7.90 percent for new homes was the same as the average rate for the entire nation and was 17 basis points higher than the previous record reached a month earlier. Last July, the average effective mortgage rate in the Twin Cities was 7.37 percent.

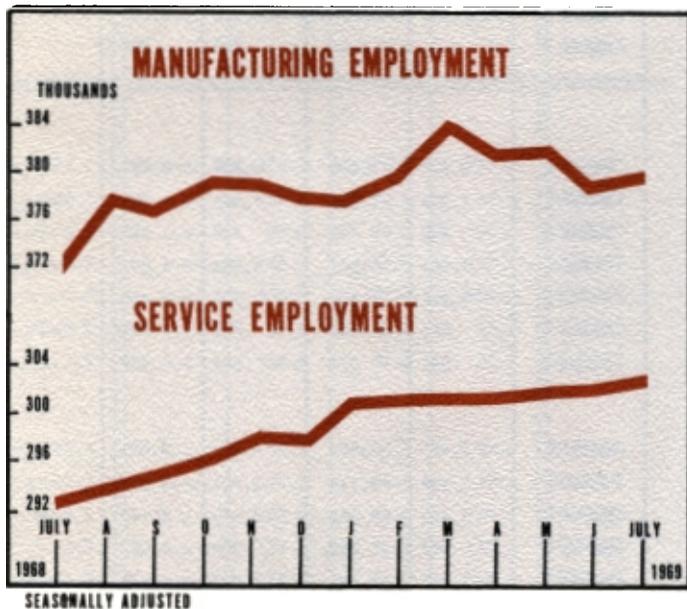
## TOTAL WAGE & SALARY EMPLOYMENT DECREASES IN THE NINTH DISTRICT

Indicators of business activity in the Ninth Federal Reserve District reveal that the district's economy is still operating at a high level although its rate of growth appears to be slowing. Growth in district employment has not been expanding, and in the three-month period ending in July, district wage and salary employment decreased at a 1.5 percent seasonally adjusted annual rate. The decline in Ninth district employment was largely concentrated in the goods producing sectors, for manufacturing employment declined 1.6 percent at an annual rate and mining and construction employment were down sharply in the three-month period ending in July. During the same period, employment in the district's other sectors was essentially unchanged except for the service sector where a 1.9 percent increase was registered (annual rate). In contrast to the decline in district employment, national wage and salary employment increased at a 3.5 percent annual rate in the three-month period ending in July with all sectors except mining increasing.

Labor markets, however, appear to be slightly tighter in the district than in the nation. The district's unemployment rate for the three-month period ending in July was 3.4 percent compared to 3.5 percent nationally.



In addition to the decline in Ninth district manufacturing employment, there is further evidence of a slowdown in the manufacturing sector. District manufacturers responding to the latest Ninth District Industrial Expectations Survey (see back page) indicated that their sales in the second quarter of 1969 were 10.6 percent above year-earlier levels after increasing 13.3 percent in the first quarter. In addition to the recent declines in manufacturing employment, the number of average weekly hours worked in manufacturing declined slightly in the second quarter. The only indication that manufacturing activity in the district may not be slowing down is the industrial use of electric power which increased at a 10.1 percent annual rate in the second quarter.



### FARM TRACTOR SALES IMPROVE

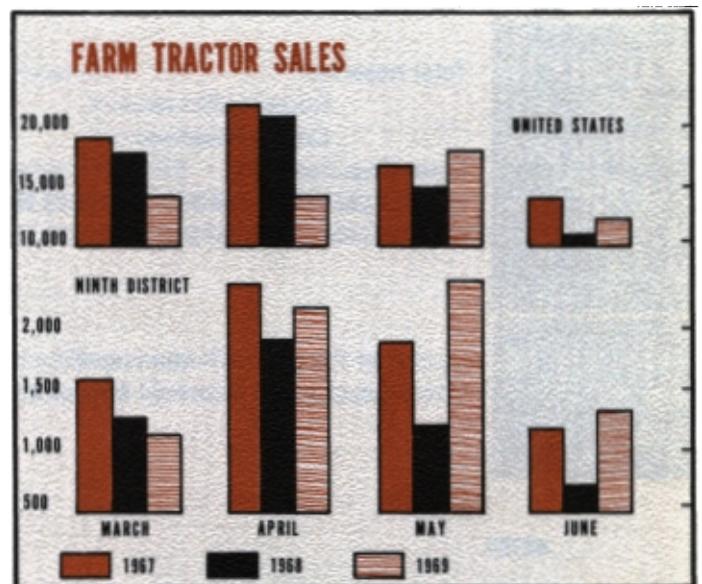
Farm tractor sales in the Ninth district states have recently risen above the year-earlier levels. An upswing has also been noticed in the national sales figures but the increase relative to the Ninth district has not been as large.

Sales of farm tractors may be used as a rough indicator for sales of all farm machinery and farm machinery sales are, in turn, taken as an indicator of farmers' overall income situation and degree of optimism about farming.

The recent change in sales experience, which began with the second quarter of this year is particularly noteworthy since generally the farm machinery industry has been quite depressed for the past 2-2½ years. There have been momentary improvements before, but this improvement has developed more steadily and been more persistent than any other bright spot in sales since the farm machinery boom year of 1966.

Higher prices and better incomes in livestock production may be the reason for a large part of the increase in tractor sales. Farmers usually take advantage of a looser constraint on available cash to add to, or improve, their equipment. That this has been the case for the livestock farmer may be substantiated by the fact that in June slightly over one-half of the increase in all U.S. tractor sales over year-earlier levels was accounted for by sales in just two out of nine horsepower classes. These were the 60 to 70 horsepower and 80 to 90 horsepower classes, and models of these sizes are probably the most useful for general livestock farming operations.

Practically all of the remaining tractor sales increase in June, other than those in the 60 to 70 and 80 to 90 horsepower categories, was accounted for by the largest class of farm tractors – 100 horsepower and larger. Most of these machines are "crops-only" equipment particularly suited to large acreages. The large increase in the sales of these tractors seems to reasonably accompany the large increase in the sales of all tractors in the Ninth district where Great Plains wheat production accounts for a large share of the agricultural activity. However, wheat prices have been very low for some time and the outlook for the wheat farmer can hardly be rated optimistic. In the case of the wheat farmer, it is more likely that the growing need for larger equipment is arising from the consolidation of farms. Farmers, in an attempt to beat the shrinking margins caused by lower prices are spreading their labor over more acres and using larger machines to do their work.



# NINTH DISTRICT income and finance

INDICATOR	UNIT	1969			1968		Percent Change JULY to JULY
		AUGUST	JULY	JUNE	JULY		
<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.	132.26e	133.88e	126.23	+ 4.8
	Consumer Installment Credit Outstanding <sup>2</sup>	Million \$	n.a.	1,312	1,294	1,195	+ 9.8
	Time and Savings Deposits at Member Banks	Million \$	4,774	4,791	4,815	4,563	+ 5.0
	Savings Balances at Savings & Loan Assoc. <sup>3</sup>	Million \$	n.a.	3,292p	3,310	3,122	+ 5.4
Cash Farm Receipts <sup>3</sup>	Million \$	n.a.	n.a.	265	282		
<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 \$	2,238	2,236	2,309	2,083	+ 7.3
	Commercial and Industrial Loans	Million \$	1,034	1,056	1,066	983	+ 7.4
	Real Estate Loans	Million \$	458	456	448	391	+16.6
	Gross Demand Deposits	Million \$	1,904	1,862	1,924	1,851	+ 0.6
	Time Deposits	Million \$	1,286	1,309	1,347	1,420	- 7.8
	U.S. Government Securities	Million \$	311	325	312	362	-10.2
	Other Securities	Million \$	551	574	572	479	+19.8
	<b>COUNTRY BANKS<sup>4,7</sup></b>						
	Loans and Discounts	Million \$	3,481	3,487	3,419	3,028	+ 15.2
	Gross Demand Deposits	Million \$	2,139	2,115	2,101	2,017	+ 4.9
	Time Deposits	Million \$	3,488	3,482	3,473	3,143	+ 10.8
	U.S. Government Securities	Million \$	987	985	994	1,067	- 7.7
	Other Securities	Million \$	1,025	1,009	1,017	878	+14.9
<b>MEASURES OF RESERVE POSITION AND "LIQUIDITY" OF MEMBER BANKS</b>	Total Reserves <sup>8</sup>	Million \$	671	673	674	630	+ 6.8
	Required Reserves	Million \$	662	662	664	617	+ 7.3
	Excess Reserves	Million \$	9	11	10	13	-15.4
	Borrowings from FRB	Million \$	22	37	19	27	+37.0
	Ratio of Loans to Total Deposits—City Banks <sup>4</sup>	Percent	72.8	71.8	72.3	64.5	+11.3
	Ratio of Loans to Total Deposits—Country Banks <sup>4</sup>	Percent	61.9	62.3	61.3	58.7	+ 6.1
<b>MEASURES OF PRICE LEVELS</b>	Consumer Price Index <sup>9</sup> —Minneapolis	Index, sa		128.0		121.8	+ 5.1
	Prices Received by Farmers <sup>9</sup> —Minnesota	Index, sa		128	127	117	+ 9.4

## 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
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 to domestic commercial city banks
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 JULY to JULY	1969		1968		UNIT	INDICATOR	
	AUGUST	JULY	JUNE	JULY			
+ 8.9	n.a.	752.3p	746.1	691.0	Billion \$, saar	Total Personal Income	MEASURES OF CONSUMER INCOME & FINANCIAL POSITION
+ 8.8	n.a.	729.8p	723.4	670.9	Billion \$, saar	Nonagricultural Personal Income	
+ 5.5	n.a.	128.79p	129.65	122.10	Dollars	Average Weekly Earnings in Manufacturing	
+11.7	n.a.	39.2	38.9	35.1	Billion \$	Consumer Installment Credit Outstanding <sup>2</sup>	
- 1.0	n.a.	154.0	157.6	155.5	Billion \$	Time and Savings Deposits at Member Banks	
+ 5.1	n.a.	133.8p	134.8	127.3	Billion \$	Savings Balances at Savings & Loan Assoc.	
	n.a.	n.a.	3.5	3.4	Billion \$	Cash Farm Receipts	
+ 12.1	n.a.	168.0	170.0	149.8	Billion \$	CITY BANKS <sup>4,5</sup>	MEASURES OF FINANCIAL CONDITION OF MEMBER BANKS
+ 12.1	n.a.	77.6	78.4	69.2	Billion \$	Adjusted Loans and Discounts <sup>6</sup>	
+ 9.5	n.a.	33.3	33.3	30.4	Billion \$	Commercial and Industrial Loans	
+ 3.9	n.a.	127.2	128.6	122.4	Billion \$	Real Estate Loans	
- 5.5	n.a.	100.6	104.0	106.4	Billion \$	Gross Demand Deposits	
-13.3	n.a.	23.5	22.6	27.1	Billion \$	Time Deposits	
+ 4.3	n.a.	36.6	37.6	35.1	Billion \$	U.S. Government Securities	
						Other Securities	
+ 12.9	n.a.	59.4	55.0	52.6	Billion \$	COUNTRY BANKS <sup>4,7</sup>	
+ 3.5	n.a.	43.9	44.0	42.4	Billion \$	Loans and Discounts	
+ 8.8	n.a.	53.4	53.6	49.1	Billion \$	Gross Demand Deposits	
- 8.3	n.a.	16.5	16.6	18.0	Billion \$	Time Deposits	
+ 13.9	n.a.	18.8	18.9	16.5	Billion \$	U.S. Government Securities	
						Other Securities	
+ 3.8	n.a.	27,059p	27,318	26,071	Million \$	Total Reserves <sup>8</sup>	MEASURES OF RESERVE POSITION AND "LIQUIDITY" OF MEMBER BANKS
+ 4.5	n.a.	26,867p	26,997	25,702	Million \$	Required Reserves	
-48.0	n.a.	192p	321	369	Million \$	Excess Reserves	
+132.0	n.a.	1,232p	1,411	531	Million \$	Borrowings from FRB	
+13.5	n.a.	76.3	75.4	67.2	Percent	Ratio of Loans to Total Deposits—City Banks <sup>4</sup>	
+ 6.4	n.a.	61.1	56.3	57.4	Percent	Ratio of Loans to Total Deposits—Country Banks <sup>4</sup>	
+ 5.5	n.a.	128.2	127.6	121.5	Index, sa	Consumer Price Index <sup>9</sup>	MEASURES OF PRICE LEVELS
+ 8.3	n.a.	117	117	108	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 JULY to JULY	
		JULY	JUNE	JULY		
<b>MEASURES OF PRODUCTION AND FACTOR INPUTS TO PRODUCTION</b>	Total Industrial Production*					
	Electrical Energy Consumption: Mfg. and Mining <sup>1</sup>	Index, sa	256p	255	229	+ 11.8
	Production Worker Manhours: <sup>1</sup>	Index, sa	124p	123	122	+ 1.6
	Manufacturing	Index, sa	134p	133	130	+ 3.1
	Mining	Index, sa	80p	77	83	- 3.6
	Total Construction Contracts Awarded	Million \$, sa	n.a.	141.7	177.8	
	Residential Buildings	Million \$, sa	n.a.	48.2	60.4	
	Nonresidential Buildings	Million \$, sa	n.a.	59.6	59.1	
	All Other Construction	Million \$, sa	n.a.	33.9	58.3	
	Bldg. Permits: New Housing Units <sup>2</sup>	Number	3,151	4,356	2,941	+ 7.1
<b>MEASURES OF MANPOWER UTILIZATION</b>	Civilian Work Force <sup>3</sup>	Thousands, sa	2,549p	2,513p	2,495	+ 2.2
	Total Civilian Employment	Thousands, sa	2,462p	2,425p	2,404	+ 2.4
	Number Unemployed	Thousands, sa	87p	88p	91	- 4.4
	Unemployment Rate <sup>3</sup>	Percent, sa	3.4p	3.5p	3.6	- 5.6
	Average Weekly Hours in Manufacturing <sup>3</sup>	Hours, sa	41.1e	41.2e	41.3	- 0.5
<b>EMPLOYMENT BY INDUSTRY SECTOR</b>	Wage and Salary Employment, Nonfarm <sup>3</sup>	Thousands, sa	1,876p	1,873p	1,829	+ 2.6
	Manufacturing	Thousands, sa	380p	379p	373	+ 1.9
	Mining	Thousands, sa	31p	32p	33	- 6.1
	Construction	Thousands, sa	94p	98p	94	0.0
	Transport., Comm., & Public Utilities	Thousands, sa	131p	131p	130	+ 0.8
	Trade	Thousands, sa	455p	455p	443	+ 2.7
	Finance, Insurance & Real Estate	Thousands, sa	85p	85p	82	+ 3.7
	Service Industries	Thousands, sa	303p	302p	293	+ 3.4
	Government	Thousands, sa	397p	391p	381	+ 4.2
<b>MEASURES OF SPENDING</b>	Total Retail Sales*					
	New Passenger Car Registrations	Thousands, sa	n.a.	22.3	18.1	
	Bank Debits <sup>4</sup>	Billion \$, saar	161.2	140.3	123.2	+ 30.8

## NOTES

e—Partially estimated; all data not available  
n.a.—Data 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. 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 JULY to JULY	1969		1968	UNIT	INDICATOR	
	JULY	JUNE	JULY			
+ 5.4	175	174	166	Index, sa	Total Industrial Production	MEASURES OF PRODUCTION AND FACTOR INPUTS TO PRODUCTION
				Index, sa	Electrical Energy Consumption: Mfg. and Mining <sup>1</sup>	
+ 1.7	119p	119p	117	Index, sa	Production Worker Manhours: <sup>1</sup>	
+ 2.5	123p	122p	120	Index, sa	Manufacturing	
+ 2.5	83p	84p	81	Index, sa	Mining	
+ 4.0	5606.8	5452.2	5392.7	Million \$, sa	Total Construction Contracts Awarded	
- 3.0	2036.0	2077.5	2099.2	Million \$, sa	Residential Buildings	
- 2.5	2111.2	2086.8	2165.5	Million \$, sa	Nonresidential Buildings	
+ 29.4	1459.6	1287.9	1128.0	Million \$, sa	All Other Construction	
	n.a.	126.4	120.4	Thousands	Bldg. Permits: New Housing Units <sup>5</sup>	
+ 2.3	80,756p	80,433	78,917	Thousands, sa	Civilian Work Force	MEASURES OF MANPOWER UTILIZATION
+ 2.4	77,874p	77,671	76,020	Thousands, sa	Total Civilian Employment	
- 5.2	2,882p	2,762	2,897	Thousands, sa	Number Unemployed	
- 2.7	3.6p	3.4	3.7	Percent, sa	Unemployment Rate	
- 0.5	40.7p	40.7	40.9	Hours, sa	Average Weekly Hours in Manufacturing	
+ 3.7	70,462p	70,270	67,945	Thousands, sa	Wage and Salary Employment, Nonfarm	EMPLOYMENT BY INDUSTRY SECTOR
+ 2.5	20,290p	20,196	19,804	Thousands, sa	Manufacturing	
+ 1.1	626p	622	619	Thousands, sa	Mining	
+ 5.4	3,445p	3,459	3,268	Thousands, sa	Construction	
+ 4.1	4,490p	4,456	4,315	Thousands, sa	Transport., Comm., & Public Utilities	
+ 4.3	14,692p	14,663	14,093	Thousands, sa	Trade	
+ 5.8	3,572p	3,557	3,376	Thousands, sa	Finance, Insurance & Real Estate	
+ 4.4	11,051p	11,062	10,582	Thousands, sa	Service Industries	
+ 3.4	12,296p	12,255	11,888	Thousands, sa	Government	
+ 2.8	29,481e	29,337p	28,674	Million \$, sa	Total Retail Sales	MEASURES OF SPENDING
	n.a.	785.2	800.2	Thousands, sa	New Passenger Car Registrations	
+17.5	3089.7	3065.3	2629.0	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

# NINTH DISTRICT INDUSTRIAL EXPECTATIONS SURVEY

## RESULTS SHOW STRONG ADVANCE IN MINING SALES

Second quarter industrial sales in the Ninth Federal Reserve District were 13.3 percent above their 1968 level according to the results of the latest Industrial Expectations Survey taken the first of August. This increase is 1.5 percent greater than the advance experienced in the first quarter of this year. An examination of the survey's mining and manufacturing components reveals that mining sales were responsible for the district's second quarter expansion in industrial sales. The percentage increase in manufacturing sales measured on a year-to-year basis declined from the first to the second quarter.

Mining sales in the Ninth district advanced strongly in the second quarter increasing 26.6 percent above the 1968 level. District mining respondents, however, do not expect this rate of increase in sales to continue into the third and fourth quarters of 1969. Mining sales are expected to increase by 9.1 percent in the third quarter and 13.3 percent in the fourth quarter.

Second quarter manufacturing sales in the Ninth district were 10.6 percent above the year-ago level, a decline from the 13.3 percent increase in the first quarter. The second quarter increase represents a downward revision in sales expectations from last May when second quarter sales were expected to increase 13.7 percent over last year's level. A slowdown in district manufacturing activity has also been detected in manufacturing employment data. Employment in the district's manufacturing sector failed to increase in the second quarter and the average weekly hours worked in manufacturing declined slightly.

The second quarter year-to-year increase in durable goods sales was 15.3 percent, down 4.1 percent from the first quarter advance. This decrease in the rate of sales growth can be traced to the nonelectrical and electrical machinery industries. After increasing 39.6 percent in the first quarter, second quarter nonelectrical machinery sales increased 15.2 percent over the corresponding period of a year ago. The rate of increase in electrical machinery sales dropped from 39.2 percent in the first quarter to 29.5 percent in the second quarter. This slowdown was anticipated by the electrical machin-

ery manufacturers last May when they estimated that second quarter sales would increase 30.9 percent over last year's level. Nonelectrical machinery manufacturers on the other hand failed to realize the 27.5 percent second quarter sales increase that had been anticipated last May.

The rate of growth in nondurable goods sales also declined between the first and second quarters. The second quarter increase over the previous year's sales was 5.3 percent compared to the 6.8 percent increase registered in the first quarter of 1969. District manufacturers in these industries were not anticipating this decline, as they estimated last May that nondurable goods sales would increase 7.4 percent in the second quarter. Sales in the district's largest manufacturing industry, food and kindred products, increased only 1.1 percent above the 1968 second quarter level.

The results of the current survey show continued strength in the sales of Ninth district manufacturers. In the third quarter, sales are expected to be 12.4 percent above year-earlier levels. Although this is above the second quarter sales increase, it represents a downward-revision in sales expectations from last May when third quarter sales were projected to increase 16.2 percent.

Although the district's rate of growth in manufacturing sales slowed in the second quarter, it was above the 7.9 percent national sales increase anticipated for the second quarter. It is interesting to note that manufacturing sales in 1969 either have or are anticipated to grow, on a year-to-year basis, at a faster rate in the district than in the nation.

