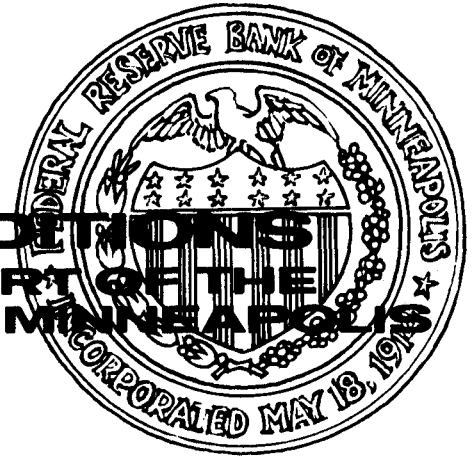


# NINTH DISTRICT CONDITIONS

## MONTHLY STATISTICAL REPORT OF THE

### FEDERAL RESERVE BANK OF MINNEAPOLIS



#### EMPLOYMENT TURNS UPWARD

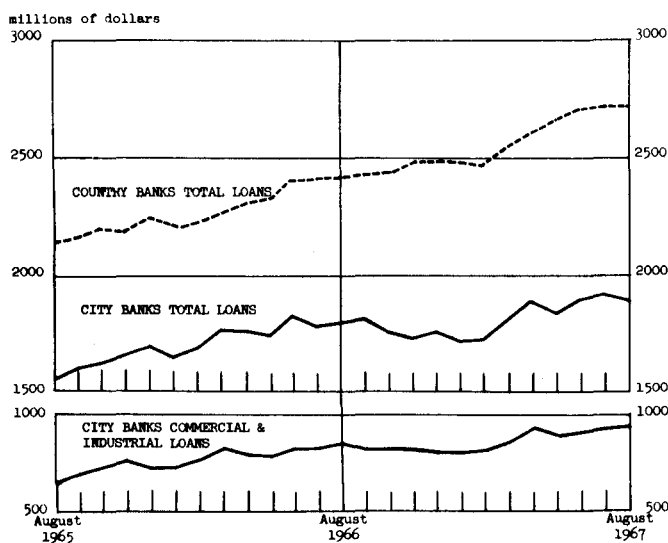
#### CASH FARM RECEIPTS SET RECORD

#### BANK CREDIT EXPANDS

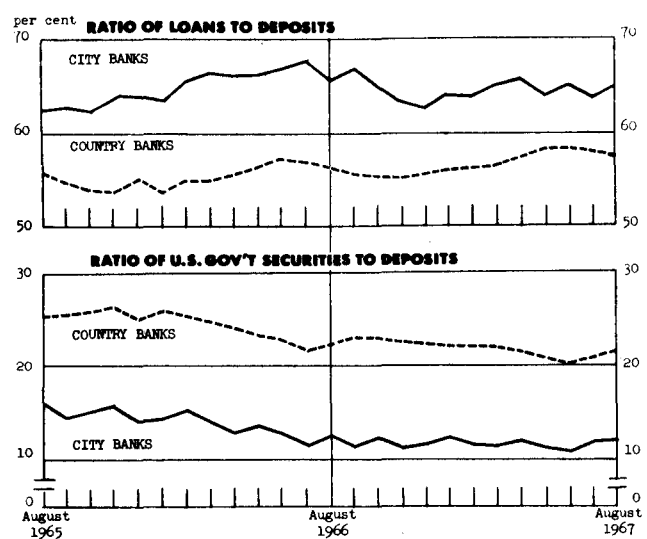
Business conditions within the Ninth district during July were generally quite favorable as employment advanced, the unemployment rate edged downward, and the housing industry continued its strong recovery. Cash farm marketing receipts during the first half of the year reached a record level and district banks recent purchasing of securities lead the strong advance in total credit.

Total civilian employment within the district moved upward slightly during July while the unemployment rate declined. The July unemployment rate of 3.8 per cent compares with a national rate of 3.9 per cent and a year-ago rate of 3.4 per cent. The important nonfarm wage and salary component of total employment registered an uptick for the first time in three months. Trade employment remained unchanged but all other major employment categories contributed to the month-to-month gain in payroll employment. Manufacturing employment

#### 9TH DISTRICT MEMBER BANK LOANS OUTSTANDING



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



also registered its first uptick in three months as the labor-management dispute in the nonelectrical machinery industry (which had depressed the June figure) was settled.

Total construction contracts let in the district during July were essentially unchanged from the June level but contracts let for residential building registered their sixth consecutive advance. On a seasonally adjusted basis the July level of residential contracts was at its highest level since the record-setting month of November 1965. Building permit data are consistent with the construction contract data as permits issued during July for new housing units were more than twice the year-ago level.

Cash receipts from farm product marketings during the first six months of 1967 reached a new district high for that period according to recent U.S. Department of Agriculture estimates. Total cash marketings amounted to \$1.7 billion during the January-June period, up 3 per cent from that period of 1966. Virtually all of the gain was attributable to crop marketings as favorable grain prices and large marketings resulted in a 10 per cent gain over a year earlier in cash marketings. Larger livestock marketings generally offset lower prices during the six month period as there was almost no change in the year-to-year comparison of cash receipts from livestock and livestock products.

Cash receipt flows varied considerably among the district states. Minnesota was the only district state to show gains in both crop and livestock receipts to achieve a 7 per cent rise in the six month total from a year earlier. Improved crop receipts in Montana more than offset lower livestock receipts as total receipts were up more than 3 per cent. In South Dakota lower livestock receipts pulled the total 2 per cent below that of a year earlier and a 1 per cent decline in the North Dakota total reflected declining crop receipts from those of the first half of 1966. Over all, the district performance was generally better than that of the U.S. where both crop and livestock receipts were below those of the first half of 1966. Total U.S. cash farm receipts amounted to \$18.2 billion for the January-June period, down 1.5 per cent from that of a year earlier.

Recent growth in total credit (loans and investments) at district member banks continues to be spearheaded by sharp advances in holdings of securities. During August, both city and country banks reported an unusually large

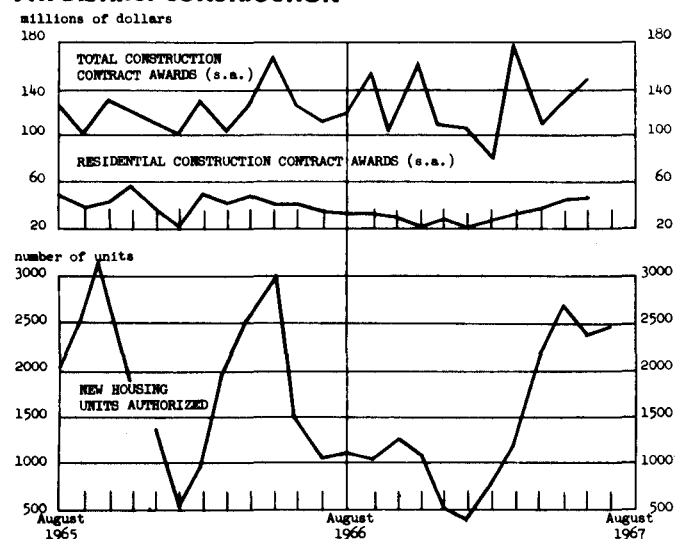
increase in their portfolios of municipal and Federal Agency securities. Over the last four months, the rate of expansion of such investments has been more rapid than during any other period of comparable length in recent years. This suggests that district banks, in the absence of any substantial demand for loans, have decided to forego more liquidity in the form of short-term U.S. Government securities in favor of higher interest rates to be found in the municipal and agency sector.

Holdings of U.S. Government securities, nonetheless, also rose sharply during August with most of the growth occurring at country banks. As they did in July, district banks as a whole purchased large quantities of newly issued U.S. Government securities which carried the privilege of full payment by means of a credit to the Government's deposit accounts.

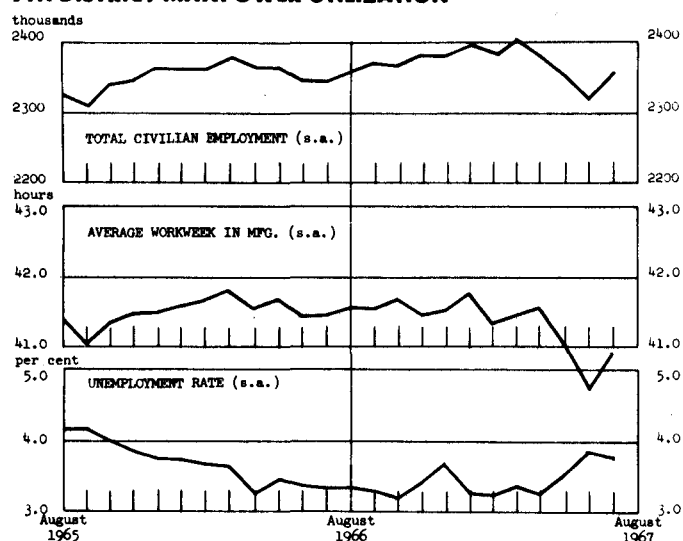
Loans at both city and country banks increased at a seasonal pace during August. For country banks this represented a definite slowdown from the rapid pace of recent months. City banks, on the other hand, have experienced rather weak loan demand in recent months (with the exception of July) and the August showing simply continues this pattern.

Recent total deposit growth at district member banks has been affected by fluctuations in U.S. Government demand deposits associated with the recent Treasury issues. Abstracting from these movements, however, reveals an underlying strength in total deposit growth. The main force behind this basic strength has been the sustained heavy inflow of time deposits, primarily that of consumer-type time deposits which has occurred at both city and country banks.

#### 9TH DISTRICT CONSTRUCTION



#### 9TH DISTRICT MANPOWER UTILIZATION



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

item	unit	1966		1967				percent change
		JULY	AUGUST	MAY	JUNE	JULY	AUGUST	JULY to JULY
MEASURES OF CONSUMER INCOME & FINANCIAL POSITION								
Total Personal Income <sup>2</sup>								*
Nonagricultural Personal Income								*
Average Weekly Earnings in Manufacturing <sup>3</sup>	Dollars	114.46	114.22	117.78e	118.02e	117.41e		+ 2.6
Consumer Instalment Credit Outstanding <sup>4</sup>	Million \$	969	981	1,023	1,051	1,074		+10.8
Time & Savings Deposits at Member Banks	Million \$	3,505	3,523	3,899	3,979	4,047		+15.5
Savings Balances at Savings & Loan Assoc. <sup>2</sup>	Million \$	2,761	2,770	2,918	2,961	2,944		+ 6.6
Cash Farm Receipts, Total <sup>2</sup>	Million \$	233	352	253	255	n.a.		
Receipts from Crops	Million \$	63	154	60	58	n.a.		
Receipts from Livestock & Produce	Million \$	170	198	193	197	n.a.		
MEASURES OF PRICE LEVELS								
Consumer Price Index <sup>5</sup>	Index, sa	112.0				115.7		+ 3.3
Prices Received by Farmers <sup>6</sup>	Index, sa	122	128	114	114	115	114	- 5.7
MEASURES OF FINANCIAL CONDITION OF MEMBER BANKS <sup>7</sup>								
CITY BANKS <sup>8</sup>								
Adjusted Loans and Discounts <sup>9</sup>	Million \$	1,807	1,834	1,853	1,906	1,914	1,906	+ 5.9
Real Estate Loans	Million \$	316	322	323	328	332	340	+ 5.1
Commercial and Industrial Loans	Million \$	850	860	916	925	934	940	+ 9.9
Total Investments	Million \$	646	664	681	684	726	743	+12.4
U.S. Government Obligations	Million \$	335	349	337	335	376	374	+12.2
Other Securities	Million \$	311	315	344	349	350	369	+12.5
Total Deposits	Million \$	2,754	2,827	2,936	2,973	3,062	3,025	+11.2
Gross Demand Deposits	Million \$	1,652	1,723	1,726	1,708	1,782	1,723	+ 7.9
Time Deposits	Million \$	1,102	1,104	1,210	1,265	1,280	1,302	+16.2
COUNTRY BANKS <sup>10</sup>								
Loans and Discounts	Million \$	2,426	2,439	2,642	2,692	2,705	2,712	+11.5
Total Investments	Million \$	1,619	1,673	1,723	1,716	1,771	1,841	+ 9.4
U.S. Government Securities	Million \$	942	984	962	956	999	1,041	+ 6.0
Other Securities	Million \$	677	689	761	760	772	800	+14.0
Total Deposits	Million \$	4,267	4,321	4,520	4,600	4,665	4,708	+ 9.3
Gross Demand Deposits	Million \$	1,864	1,901	1,831	1,886	1,898	1,909	+ 1.8
Time Deposits	Million \$	2,403	2,420	2,689	2,714	2,767	2,799	+15.1
MEASURES OF RESERVE POSITION AND 'LIQUIDITY' OF MEMBER BANKS								
Reserves: 11								
Total Reserves	Million \$	555	560	561	572	583	585	+ 5.0
Required Reserves	Million \$	534	537	541	551	563	564	+ 5.4
Excess Reserves	Million \$	21	23	20	21	20	21	- 4.8
Borrowings from FRB	Million \$	22	5	2	2	2	2	-90.9
Ratio of Loans to Total Deposits: 7								
City Banks	Per Cent	67.2	65.5	63.7	65.0	63.3	64.5	- 5.8
Country Banks	Per Cent	56.8	56.4	58.4	58.5	58.0	57.6	+ 2.1
Ratio of U.S. Gov't Securities to Deposits: 7								
City Banks	Per Cent	12.2	12.3	11.5	11.3	12.3	12.4	+ 0.8
Country Banks	Per Cent	22.1	22.8	21.3	20.8	21.4	22.1	- 3.2

# UNITED STATES income and financial indicators

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

JULY to JULY

percent change  JULY to JULY	item	unit	1966		1967			
			JULY	AUGUST	MAY	JUNE	JULY	AUGUST
	MEASURES OF CONSUMER INCOME & FINANCIAL POSITION							
+ 7.3	Total Personal Income	Billion \$, saar	584.7	589.1	618.2	622.6	627.1p	
+ 7.7	Nonagricultural Personal Income	Billion \$, saar	563.9	568.3	598.8	603.2	607.5p	
+ 1.9	Average Weekly Earnings in Manufacturing	Dollars	111.11	111.78	113.52	113.81p	113.24p	
+ 5.7	Consumer Instalment Credit Outstanding <sup>4</sup>	Billion \$	31.4	31.7	32.6	33.0	33.2	
+11.6	Time & Savings Deposits at Member Banks	Billion \$	128.9	129.4	140.5	142.0	143.8	
+ 8.1	Savings Balances at Savings & Loan Assoc.	Billion \$	111.0	111.1	118.0	120.0	120.0	
*	Cash Farm Receipts, Total	Billion \$	3.2	3.5	2.7	3.2	n.a.	
*	Receipts from Crops	Billion \$	1.4	1.3	.7	1.2	n.a.	
*	Receipts from Livestock & Produce	Billion \$	1.8	2.2	2.0	2.0	n.a.	
	MEASURES OF PRICE LEVELS							
+ 2.8	Consumer Price Index	Index, sa	113.3	113.8	115.6	116.0	116.5	
- 4.5	Prices Received by Farmers	Index, sa	111	112	104	105	106	
	MEASURES OF FINANCIAL CONDITION OF MEMBER BANKS <sup>7</sup>							
	CITY BANKS <sup>8</sup>							
+ 3.5	Adjusted Loans and Discounts <sup>9</sup>	Billion \$	131.5	131.2	133.1	136.0	136.1	
+ 3.7	Real Estate Loans	Billion \$	26.8	27.1	27.3	27.5	27.8	
+ 8.5	Commercial and Industrial Loans	Billion \$	58.7	58.3	61.8	63.8	63.7	
+15.7	Total Investments	Billion \$	50.3	50.9	56.3	55.8	58.2	
+15.9	U.S. Government Obligations	Billion \$	22.6	23.5	25.4	24.1	26.2	
+15.5	Other Securities	Billion \$	27.7	27.4	30.9	31.7	32.0	
+ 8.3	Total Deposits	Billion \$	195.9	195.8	209.3	208.2	212.1	
+ 6.6	Gross Demand Deposits	Billion \$	105.0	104.5	111.5	109.4	111.9	
+10.2	Time Deposits	Billion \$	90.9	91.3	97.8	98.8	100.2	
	COUNTRY BANKS <sup>10</sup>							
+11.4	Loans and Discounts	Billion \$	43.0	43.2	46.9	47.5	47.9	
+ 8.5	Total Investments	Billion \$	28.3	28.4	29.9	29.9	30.7	
+ 1.8	U.S. Government Securities	Billion \$	16.5	16.5	16.5	16.3	16.8	
+17.8	Other Securities	Billion \$	11.8	11.9	13.4	13.6	13.9	
+ 9.7	Total Deposits	Billion \$	75.6	75.7	81.1	81.6	82.9	
+ 4.5	Gross Demand Deposits	Billion \$	37.6	37.6	38.4	38.5	39.3	
+14.7	Time Deposits	Billion \$	38.0	38.1	42.7	43.1	43.6	
	MEASURES OF RESERVE POSITION AND 'LIQUIDITY' OF MEMBER BANKS							
	Reserves: <sup>11</sup>							
+ 3.9	Total Reserves	Million \$	23,059	22,645	23,234	23,426	23,962p	
+ 3.7	Required Reserves	Million \$	22,684	22,276	22,874	23,081	23,514p	
+19.5	Excess Reserves	Million \$	375	369	360	345	448p	
-82.7	Borrowings from FRB	Million \$	747	730	85	88	129	
	Ratio of Loans to Total Deposits: <sup>7</sup>							
- 3.9	City Banks	Per Cent	68.5	68.9	65.3	67.2	65.8	
+ 1.2	Country Banks	Per Cent	57.0	57.1	57.8	58.2	57.7	
	Ratio of U.S. Gov't Securities to Deposits: <sup>7</sup>							
+ 7.0	City Banks	Per Cent	11.5	12.0	12.1	11.6	12.3	
- 7.3	Country Banks	Per Cent	21.8	21.8	20.3	20.0	20.2	

NINTH DISTRICT<sup>1</sup> production and employment indicators9th dist.  
percent  
change

item	unit	1966		1967				percent change
		JULY	AUGUST	MAY	JUNE	JULY	AUGUST	JULY to JULY
MEASURES OF PRODUCTION AND FACTOR INPUTS TO PRODUCTION								
Total Industrial Production:								*
Manufacturing								*
Mining								*
Utilities								*
Electrical Energy Consumption: Mfg. & Mining	Index, sa	188	187	203	207	204		+ 8.5
Manufacturing	Index, sa	180	179	187	193	187		+ 3.9
Mining	Index, sa	226	226	283	276	284		+25.7
Production Worker Manhours: Mfg. & Mining	Index, sa	116	116	116	113	n.a.		
Manufacturing	Index, sa	122	123	122	119	n.a.		
Mining	Index, sa	84	85	90	88	n.a.		
Total Construction Contracts Awarded	Million \$, sa	109.6	120.8	130.5	155.0	n.a.		
Residential Buildings	Million \$, sa	35.1	34.2	44.4	47.0	n.a.		
Nonresidential Buildings	Million \$, sa	43.6	52.7	53.3	66.8	n.a.		
All Other Construction	Million \$, sa	30.9	33.9	32.8	41.2	n.a.		
Bldg. Permits: New Housing Units <sup>12</sup>	Number	1,185	1,215	2,727	2,419	2,501		+111.1
MEASURES OF MANPOWER UTILIZATION <sup>3</sup>								
Civilian Work Force	Thousands, sa	2,429	2,440	2,450	2,420p	2,450e		+ 0.9
Total Civilian Employment	Thousands, sa	2,345	2,357	2,363	2,326p	2,357e		+ 0.5
Number Unemployed	Thousands, sa	84	83	87	94p	93e		+10.7
Unemployment Rate	Per Cent, sa	3.4	3.4	3.6	3.9p	3.8e		+11.8
Average Weekly Hours in Manufacturing	Hours, sa	41.5	41.6	41.1e	40.4e	41.0e		- 1.2
EMPLOYMENT BY INDUSTRY SECTOR <sup>3</sup>								
Wage and Salary Employment, Nonfarm	Thousands, sa	1,709	1,709	1,741	1,732p	1,751e		+ 2.5
Manufacturing	Thousands, sa	344	345	354	348p	350e		+ 1.7
Mining	Thousands, sa	35	35	35	34p	35e		0.0
Construction	Thousands, sa	95	95	98	96p	97e		+ 2.1
Transport., Comm., & Public Utilities	Thousands, sa	125	125	127	123p	130e		+ 4.0
Trade	Thousands, sa	414	415	421	422p	422e		+ 1.9
Finance, Insurance & Real Estate	Thousands, sa	77	77	78	78p	79e		+ 2.6
Service Industries	Thousands, sa	259	259	265	266p	268e		+ 3.5
Government	Thousands, sa	360	358	363	365p	370e		+ 2.8
Number of Workers on Farms	Thousands, sa	385	389	368	345p	366e		- 4.9
MEASURES OF SPENDING								
Total Retail Sales	Million \$, sa	822	815	870p	n.a.	n.a.		
Durable Goods								*
Nondurable Goods	Million \$, sa	569	550	576p	n.a.	n.a.		
GAF <sup>13</sup>	Million \$, sa	159	157	164p	n.a.	n.a.		
New Passenger Car Registrations	Thousands, sa	21.6	22.4	20.6	20.9	n.a.		
Bank Debits <sup>14</sup>	Billion \$, saar	88.3	89.5	98.2	102.1	107.0		+21.2

# UNITED STATES production and employment indicators

7

U.S. <sup>15</sup> percent change JULY to JULY	item	unit	1966		1967			
			JULY	AUGUST	MAY	JUNE	JULY	AUGUST
	MEASURES OF PRODUCTION AND FACTOR INPUTS TO PRODUCTION							
- 0.6	Total Industrial Production:	Index, sa	157	158	156	155	156p	
- 0.6	Manufacturing	Index, sa	159	160	157	157	158p	
+ 4.9	Mining	Index, sa	122	122	121	124	128p	
+ 3.4	Utilities	Index, sa	176	179	182	184	182p	
*	Electrical Energy Consumption: Mfg. & Mining							
*	Manufacturing							
*	Mining							
	Production Worker Manhours: Mfg. & Mining	Index, sa	114	116	111	111	n.a.	
	Manufacturing	Index, sa	117	119	114	114	n.a.	
	Mining	Index, sa	85	85	81	82	n.a.	
+ 2.9	Total Construction Contracts Awarded	Million \$, sa	4182.7	4235.0	4323.2	4846.1	4303.9	
+24.5	Residential Buildings	Million \$, sa	1408.0	1367.6	1674.6	1690.9	1753.6	
- 3.1	Nonresidential Buildings	Million \$, sa	1604.6	1689.6	1562.7	1866.2	1554.5	
-14.9	All Other Construction	Million \$, sa	1170.1	1177.8	1085.9	1289.0	995.8	
+19.5	Bldg. Permits: New Housing Units <sup>12</sup>	Thousands	77.6	80.3	107.0	113.5	92.7p	
	MEASURES OF MANPOWER UTILIZATION							
+ 2.3	Civilian Work Force	Thousands, sa	75,770	76,069	76,189	77,237	77,505	
+ 2.3	Total Civilian Employment	Thousands, sa	72,846	73,141	73,289	74,147	74,489	
+ 3.1	Number Unemployed	Thousands, sa	2,924	2,928	2,900	3,090	3,016	
0.0	Unemployment Rate	Per Cent, sa	3.9	3.8	3.8	4.0	3.9p	
- 1.7	Average Weekly Hours in Manufacturing	Hours, sa	41.0	41.4	40.4	40.2p	40.3p	
	EMPLOYMENT BY INDUSTRY SECTOR							
+ 2.8	Wage and Salary Employment, Nonfarm	Thousands, sa	64,072	64,199	65,428	65,687	65,882p	
+ 0.1	Manufacturing	Thousands, sa	19,128	19,262	19,127	19,189	19,147p	
- 1.3	Mining	Thousands, sa	636	636	620	624	628p	
- 2.9	Construction	Thousands, sa	3,297	3,251	3,163	3,170	3,203p	
+ 3.2	Transport., Comm., & Public Utilities	Thousands, sa	4,122	4,105	4,242	4,237	4,256p	
+ 2.9	Trade	Thousands, sa	13,256	13,264	13,597	13,615	13,643p	
+ 3.8	Finance, Insurance & Real Estate	Thousands, sa	3,095	3,100	3,186	3,207	3,213p	
+ 5.4	Service Industries	Thousands, sa	9,609	9,647	10,022	10,048	10,124p	
+ 6.8	Government	Thousands, sa	10,929	10,934	11,471	11,597	11,668p	
- 1.8	Number of Workers on Farms	Thousands, sa	3,926	3,935	3,652	3,727	3,856	
	MEASURES OF SPENDING							
+ 5.4	Total Retail Sales	Million \$, sa	25,362	25,572	25,897	26,478p	26,740e	
+ 8.4	Durable Goods	Million \$, sa	8,106	8,358	8,187	8,508p	8,785e	
+ 4.0	Nondurable Goods	Million \$, sa	17,256	17,214	17,710	17,970p	17,955e	
	GAF <sup>13</sup>	Million \$, sa	6,087	6,116	6,264	6,432p	n.a.	
	New Passenger Car Registrations	Thousands, sa	772.5	768.7	763.2	769.1	n.a.	
+ 6.6	Bank Debits <sup>14</sup>	Billion \$, saar	2130.6	2138.3	2204.5	2256.7	2271.1	

## NOTES

e - Partially estimated; all data not available

Index - 1957-59 = 100

n.a. - Not available

p - Preliminary; subject to revision

r - Revised

sa - Seasonally adjusted

saar - Seasonally adjusted annual rate

\* - U.S. and District do not have comparable data

## FOOTNOTES

1. Includes Minnesota, Montana, North Dakota, South Dakota, the upper peninsula of Michigan, and northwestern Wisconsin
2. Four state total: Minnesota, Montana, North Dakota, and South Dakota
3. Excludes Wisconsin portion of the Ninth district
4. All commercial banks, estimated by a sample of banks
5. Minneapolis only; data is published quarterly for the first 15 days of the quarter
6. Minnesota only
7. Figures are for last Wednesday of the month
8. City Banks - Selected banks in major cities
9. Net loans and discounts less loans to domestic commercial banks
10. Country Banks - All member banks excluding the selected major city banks
11. Average of daily figures of the four or five weeks ending on Wednesday which contain at least four days falling within the month
12. Ninth District - A fixed sample of permit issuing centers. Does not represent district total.  
U.S. - A sample of centers blown up to represent total permits issued
13. General merchandise, apparel, and furniture and appliance groups
14. Ninth District - Figures are for six standard metropolitan statistical areas included in U.S. data.  
U.S. - 226 centers excluding the seven leading centers
15. Per cent change compares only months specified. Does not always compare latest month available.

## SOURCES

BANK DEBITS: Board of Governors of the Federal Reserve System

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

CONSTRUCTION CONTRACTS AWARDED: Board of Governors of F.R. System, F.W. Dodge Corporation data

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

EMPLOYMENT, UNEMPLOYMENT, HOURS AND WAGES: Michigan Employment Security Commission, Minnesota Department of Employment Security, Montana State Employment Service, North Dakota State Employment Service, South Dakota Department of Employment Security, and U.S. Department of Labor, Bureau of Labor Statistics

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

INDUSTRIAL PRODUCTION: Board of Governors of F.R. System

INDUSTRIAL USE OF ELECTRIC POWER: Federal Reserve Bank of Minneapolis

NEW HOUSING UNITS AUTHORIZED: Federal Reserve Bank of Minneapolis and U.S. Department of Commerce, Bureau of Census

NEW PASSENGER CAR REGISTRATIONS: Automotive News Magazine

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

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

PRODUCTION WORKER MANHOURS: Federal Reserve Bank of Minneapolis

RETAIL SALES: U.S. Department of Commerce, Bureau of Census

SAVINGS AND LOAN ASSOCIATIONS: Federal Home Loan Bank Board