

monthly statistical report

NINTH DISTRICT CONDITIONS

federal reserve bank of minneapolis



DISTRICT ECONOMY REMAINS DEPRESSED BUT SIGNS OF MILD IMPROVEMENT APPEAR

Ninth District economic activity in early 1971 generally remained at the lower level of the previous several months. However, some mildly encouraging indications have appeared. District manufacturers anticipate modest increases in sales through the first half of 1971 and stronger gains during the third quarter of this year. Residential construction continues to strengthen. Business loans by large city banks continued to rise strongly through the first half of February.

The pace of Ninth District business activity remained slow during early 1971. In January, district payroll employment, seasonally adjusted, was up slightly from the level of the fourth quarter of 1970. Manufacturing employment persisted in declining again in January due to a further drop in durable goods manufacturing employment. Nondurable goods manufacturing employment was unchanged between December and January. Employment in the other nonagricultural sectors of the district's economy increased in January from fourth quarter levels.

District payroll employment in January was essentially unchanged from a year ago. Down 6.6

percent from a year ago in the manufacturing industries, employment in the transportation and public utilities sectors was down only 1.7 percent and in the trade sector matched its year-ago level. Meanwhile, employment was up 2.7 and 3.0 percent, respectively, in the government and service sectors and 1.8 percent in finance, insurance and real estate. Employment in the construction and mining sectors advanced 2.0 percent from a year ago.

The district's January unemployment rate, seasonally adjusted, was 5.0 percent, compared to a national rate of 6.0 percent, according to preliminary data. Although there has been very little change in the district's rate of joblessness in recent months, it is 2.7 percentage points above January 1970. Since district employment is essentially unchanged from a year ago, the increase in the district unemployment rate can be attributed to the failure of the district's economy to grow fast enough to absorb the growth in the labor force. One group of labor force entrants who have suffered this past year from this lack of new jobs is ex-servicemen; approximately 5,000 ex-servicemen are drawing unemployment compensation in the district.

The rate of increase in Twin Cities consumer prices has slowed considerably in recent months. Between October and January the Minneapolis/St. Paul



consumer price index rose only 0.7 percent after averaging quarterly gains of 1.5 percent in the 12 preceding months. The national advance in consumer prices was 0.9 percent from October to January. The recent slowing in Twin Cities consumer price advances can be traced to a 1.9 percent decline in apparel and upkeep prices and a slight decline in food prices. In addition, housing, health and recreation, and transportation costs rose 0.3, 1.0, and 3.5 percent, respectively, between October and January.

Other business indicators disclose very little fluctuation in district economic activity in early 1971. There was no change in the district's help-wanted advertising index, seasonally adjusted, between December and January, and the index is currently 44 percent below its year-earlier level. The average weekly hours worked in manufacturing dropped 2.0 percent between December and January.

HOMEBUILDING CONTINUES TO ADVANCE MORTGAGE INTEREST RATES FALL RAPIDLY

Ninth District residential construction activity continues to mirror the national picture by moving well above the trough experienced early last year. Following the uptrend through the latter half of 1970, the number of housing units authorized in the district rose again in January. As a result, authorizations for new housing units during the six months ending in January, seasonally adjusted, rose about 25 percent the preceding six-month period.

Expectations are that homebuilding activity will remain strong over the next few months. Savings flows to district thrift institutions remained strong in the early part of this year and mortgage interest rates have been declining rapidly since late 1970.

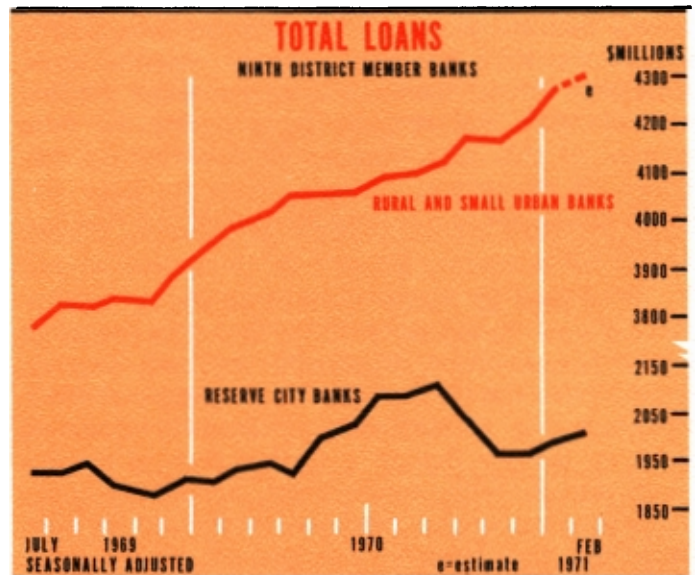
Conditions in other district construction sectors have not changed materially over the past few months, although there have been some mildly encouraging signs regarding "heavy" construction. The valuation of nonresidential building contract awards during the

fourth quarter was about 8 percent above the preceding quarter. Denoting the relatively slack conditions in this sector, however, such awards were still about 5 percent below the same period a year earlier.

After remaining on a plateau for most of the year, during the fourth quarter, contract awards for such things as dams, highways and bridges rose about 11 percent from the third quarter level and were about 30 percent above the same period a year earlier. A part of this recent increase as well as that in nonresidential building can be traced to the recent easing in municipal bond market conditions which has permitted state and local governments to acquire long-term debt funds.

SAVINGS AT SMALL BANKS STILL BOOMING CDs HELD AT BIG CITY BANKS DECLINE

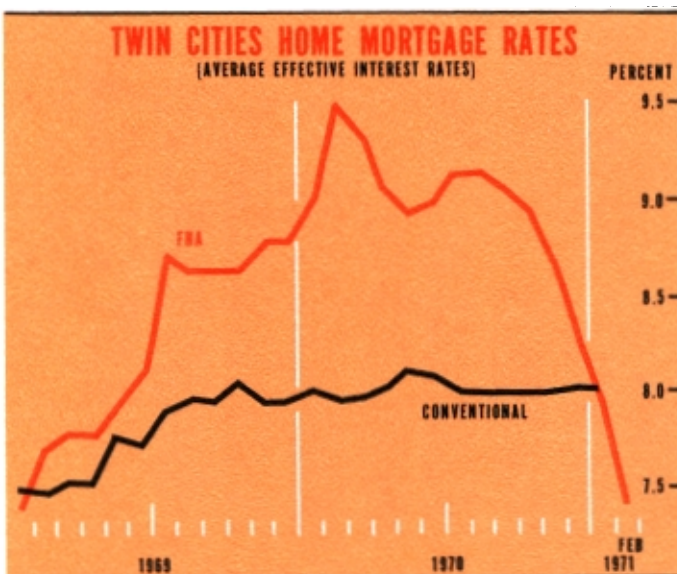
Time and savings deposits at Ninth District member banks continued to expand rapidly during January and the first half of February. Most of the



increase occurred at banks located in rural areas and at smaller banks in urban centers. Time deposits at large city banks, on the other hand, were essentially unchanged from December levels.

The continued vigorous growth of time deposits at smaller banks is probably due to the fact that those issued by these banks are owned largely by individuals. Partly because of the uncertain economic outlook, consumers have been saving an unusually large portion of their incomes recently, not only at commercial banks but also at savings and loan associations and mutual savings banks. In addition to increasing savings, consumers may also be shifting them into these institutions from other types of investments. Interest rates on U. S. government securities, for example, have generally declined sharply in recent months, while rates on consumer savings have changed very little.

Consumer time deposits at large city banks have also continued to grow, but this advance has been offset since December by a decline in large negotiable certificates of deposit (large CDs) which are held



mainly by large corporations and government units. Large CDs currently account for one-third of total time deposits at large city banks.

Outstanding loans at Ninth District member banks, after adjustment for seasonal movements, advanced strongly in January and continued to climb in the early part of February. The growth of bank loans so far in 1971, somewhat faster than in the latter part of 1970, has occurred for the most part at large city banks and has been principally centered in business loans. Large city banks in the district have generally kept pace with those in the nation in reducing the prime rate to business loan customers. This reduction may have improved the banks' competitive position compared to the commercial paper market and other sources of short-term funds to corporate borrowers.

Seasonally adjusted loans at district rural banks continued to advance strongly in January and early February. The sustained pace of loan expansion reflects both the depressed farm income situation and increased fund availability. Demand for loan refinancing and tide-over loans has been stronger than usual while pay-down on existing loans has fallen below normal. At the same time, some banks have been accommodating loan requests previously turned down and stepping up their search for new loans because of the heavier inflow of time deposits.

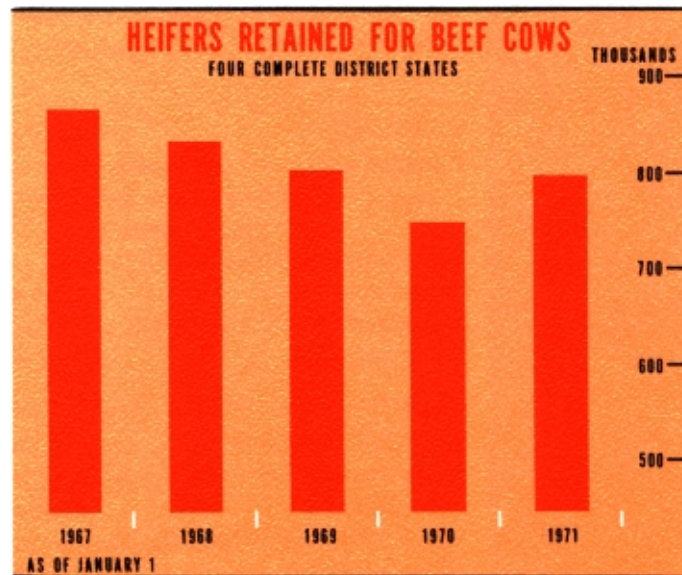
DISTRICT CATTLE FEEDING ACTIVITY DROPS DECLINE LINKED TO HIGH CORN PRICES

The number of cattle on feed in the Ninth District is 7 percent below a year ago, according to January 1 data. This is the first downturn since April 1969. In the intervening period, district feeding activity had expanded at an average rate of 8 percent per year.

The January 1 totals show 1.053 million steers and heifers on feed in the four complete states of the Ninth District. Feeding activity in the district is somewhat seasonal, with the peak usually occurring in January. The all-time high level of feeding in this

district was reached in January 1968 when 1.175 million steers and heifers were on feed.

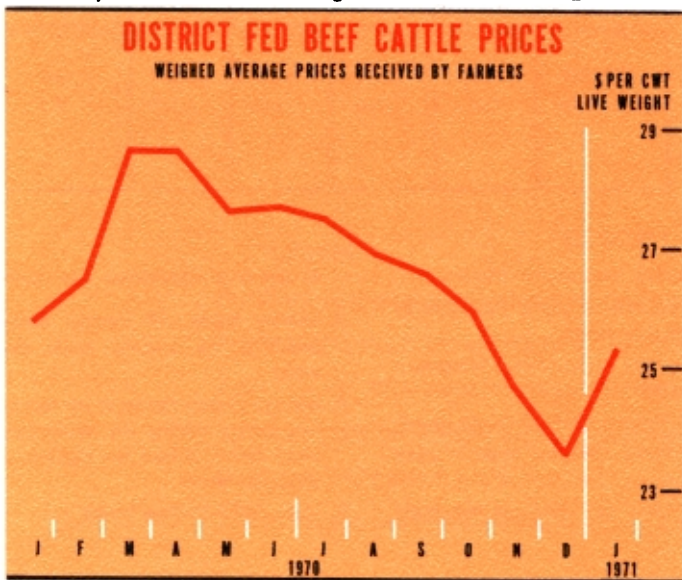
The decline in cattle on feed appears to be the result of national economic developments. High prices for corn and other feeds following last fall's extensive corn blight damage caused farmers and feedlot managers to take a cautious attitude toward placing animals on feed. Fourth quarter placements in the district dropped 15 percent from the number one year earlier. The rise in feed prices also made further weight gains more costly in animals already being fed. District farmers and feedlot managers responded by increasing fourth quarter marketings about 9 percent over the level one year earlier.



Despite the heavier fourth quarter marketings, the current weight distribution of middle to heavier weight cattle on feed is about the same as on January 1, 1970. This is because prior to the fourth quarter there had been a buildup in numbers of cattle in middle weight categories. The present distribution portends district marketings about level with last year throughout the remainder of the first quarter of 1971 and early in the second.

Reduced placements on feed and earlier marketings were also seen in the national figures and combined to produce the first national decline in cattle on feed in 13 years. These events bolstered expectations and caused a strengthening in cattle prices. For district cattle feeders, the national strengthening caused a January reversal in a gradual, seven-month price slide.

District ranchers apparently expected the price turn-around and anticipate that it will be translated into higher feeder cattle prices. The number of heifers kept for beef cows increased sharply, registering a 6 percent gain over the year-earlier level in contrast to declines ranging from 4 to 7 percent in the three previous years. In addition, a greater number of cows which have already had at least one calf are being retained for calving this year. This figure is up 3 percent from a year ago.



NINTH DISTRICT income and finance

I N D I C A T O R	UNIT	1971		1970		Percent Change JAN. -JAN.
		FEBRUARY	JANUARY	DECEMBER	JANUARY	
MEASURES OF CONSUMER INCOME & FINANCIAL POSITION	Total Personal Income*					
	Nonagricultural Personal Income*					
	Average Weekly Earnings in Manufacturing ¹	Dollars, n.a.	142.76e	144.36p	139.08	+ 2.6
	Consumer Installment Credit Outstanding ²	Million \$ n.a.	n.a.	1,360	1,325	
	Time and Savings Deposits at Member Banks	Million \$ 5,716	5,607	5,518	4,715	+ 18.9
	Savings Balances at Savings & Loan Assoc. ³	Million \$ n.a.	3,794p	3,771	3,354	+ 13.1
	Cash Farm Receipts ³	Million \$ n.a.	n.a.	345	429	
MEASURES OF FINANCIAL CONDITION OF MEMBER BANKS	CITY BANKS ^{4,5}					
	Adjusted Loans and Discounts*	Million \$ 2,476	2,450	2,488	2,271	+ 7.9
	Commercial and Industrial Loans	Million \$ 1,130	1,105	1,105	968	+ 14.2
	Real Estate Loans	Million \$ 448	449	449	460	- 2.4
	Gross Demand Deposits	Million \$ 1,972	2,003	2,200	1,982	+ 1.1
	Time Deposits	Million \$ 1,591	1,538	1,524	1,171	+ 31.3
	U.S. Government Securities	Million \$ 439	463	481	327	+ 41.6
	Other Securities	Million \$ 563	545	564	530	+ 2.8
	COUNTRY BANKS ^{4,7}					
	Loans and Discounts	Million \$ 3,894	3,857	3,904	3,529	+ 9.3
	Gross Demand Deposits	Million \$ 2,167	2,224	2,451	2,167	+ 2.6
	Time Deposits	Million \$ 4,125	4,069	3,993	3,545	+ 14.8
	U.S. Government Securities	Million \$ 1,076	1,069	1,171	994	+ 7.5
	Other Securities	Million \$ 1,229	1,232	1,217	1,088	+ 13.2
MEASURES OF RESERVE POSITION AND "LIQUIDITY" OF MEMBER BANKS	Total Reserves*	Million \$ 713p	741	731	706	+ 5.0
	Required Reserves	Million \$ 706p	733	724	698	+ 5.0
	Excess Reserves	Million \$ 7p	8	7	8	
	Borrowings from FRB	Million \$ 1p	1	1	37	- 97.3
	Ratio of Loans to Total Deposits—City Banks ⁴	Percent 71.8	69.7	69.7	74.0	- 5.8
	Ratio of Loans to Total Deposits—Country Banks ⁴	Percent 61.9	61.3	60.6	61.8	- 0.8
MEASURES OF PRICE LEVELS	Consumer Price Index ⁹ —Minneapolis	Index, sa n.a.	139.2	n.a.	132.8	+ 4.8
	Prices Received by Farmers ⁹ —Minnesota	Index, sa n.a.	118	114	130	- 9.2

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

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

UNITED STATES income and finance

Percent Change JAN. -JAN.	1971		1970		UNIT	I N D I C A T O R	
	FEBRUARY	JANUARY	DECEMBER	JANUARY			
+ 6.1		825.4p	817.5	777.8	Billion \$, saar	Total Personal Income	MEASURES OF CONSUMER INCOME & FINANCIAL POSITION
+ 6.5		804.3p	796.2	755.0	Billion \$, saar	Nonagricultural Personal Income	
+ 4.5		137.86p	138.05	131.93	Dollars	Average Weekly Earnings in Manufacturing	
			41.9	40.1	Billion \$	Consumer Installment Credit Outstanding ²	
+ 24.3		184.3	180.0	148.3	Billion \$	Time and Savings Deposits at Member Banks	
+ 11.2		149.4p	146.7	134.3	Billion \$	Savings Balances at Savings & Loan Assoc.	
		n.a.	4.2	4.2	Billion \$	Cash Farm Receipts	
+ 4.5		175.2	180.4	167.6	Billion \$	CITY BANKS ^{4,5}	MEASURES OF FINANCIAL CONDITION OF MEMBER BANKS
+ 2.4		80.0	81.6	78.1	Billion \$	Adjusted Loans and Discounts ⁶	
+ 2.4		34.3	34.1	33.5	Billion \$	Commercial and Industrial Loans	
+ 4.9		138.3	147.4	131.9	Billion \$	Real Estate Loans	
+ 29.6		123.1	119.4	95.0	Billion \$	Gross Demand Deposits	
+ 26.3		28.3	28.1	22.4	Billion \$	Time Deposits	
+ 27.8		45.0	44.1	35.2	Billion \$	U.S. Government Securities	
						Other Securities	
+ 7.8		64.9	66.4	60.2	Billion \$	COUNTRY BANKS ^{4,7}	
+ 4.7		46.5	49.2	44.4	Billion \$	Loans and Discounts	
+ 15.0		61.2	60.5	53.2	Billion \$	Gross Demand Deposits	MEASURES OF RESERVE POSITION AND "LIQUIDITY" OF MEMBER BANKS
+ 6.9		17.0	17.0	15.9	Billion \$	Time Deposits	
+ 17.9		22.4	22.1	19.0	Billion \$	U.S. Government Securities	
						Other Securities	
+ 5.6		30,517p	29,224	28,900	Million \$	Total Reserves ⁸	
+ 5.3		30,267p	28,999	28,731	Million \$	Required Reserves	
+ 47.9		250p	225	169	Million \$	Excess Reserves	
- 59.3		377p	321	927	Million \$	Borrowings from FRB	MEASURES OF PRICE LEVELS
- 9.4		69.8	70.8	77.0	Percent	Ratio of Loans to Total Deposits—City Banks ⁴	
- 2.4		60.2	60.5	61.7	Percent	Ratio of Loans to Total Deposits—Country Banks ⁴	
+ 5.2		138.6	138.5	131.8	Index, sa	Consumer Price Index ⁹	MEASURES OF PRICE LEVELS
		n.a.	110	119	Index, sa	Prices Received by Farmers ⁹	

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

I N D I C A T O R		UNIT	1971	1970		Percent Change
			JANUARY	DECEMBER	JANUARY	JAN. -JAN.
MEASURES OF PRODUCTION AND FACTOR INPUTS TO PRODUCTION	Total Industrial Production*					
	Electrical Energy Consumption: Mfg. and Mining ¹	Index, sa	n.a.	260	262	
	Production Worker Manhours: ¹	Index, sa	120e	122p	128	- 6.3
	Manufacturing	Index, sa	127e	129p	137	- 7.3
	Mining	Index, sa	88p	90	82	+ 7.3
	Total Construction Contracts Awarded	Million \$, sa	n.a.	247.3	141.8	
	Residential Buildings	Million \$, sa	n.a.	54.3	81.9	
	Nonresidential Buildings	Million \$, sa	n.a.	97.3	44.2	
	All Other Construction	Million \$, sa	n.a.	95.7	15.7	
	Bldg. Permits: New Housing Units ²	Number	1,456	1,651	958	+52.0
MEASURES OF MANPOWER UTILIZATION	Civilian Work Force ³	Thousands, sa	2,651e	2,596p	2,637	+ 0.5
	Total Civilian Employment	Thousands, sa	2,518e	2,462p	2,550	- 1.3
	Number Unemployed	Thousands, sa	133e	134p	87	+52.9
	Unemployment Rate ³	Percent, sa	5.0e	5.2p	3.3	+51.5
	Average Weekly Hours in Manufacturing ³	Hours, sa	39.7e	39.9p	41.4	- 4.1
EMPLOYMENT BY INDUSTRY SECTOR	Wage and Salary Employment, Nonfarm ³	Thousands, sa	1,944e	1,922p	1,947	- 0.2
	Manufacturing	Thousands, sa	367e	369p	393	- 6.6
	Mining	Thousands, sa	34e	33p	34	
	Construction	Thousands, sa	103e	99p	102	+ 0.1
	Transport., Comm., & Public Utilities	Thousands, sa	131e	130p	133	- 1.5
	Trade	Thousands, sa	473e	465p	469	+ 0.9
	Finance, Insurance & Real Estate	Thousands, sa	90e	89p	88	+ 2.3
	Service Industries	Thousands, sa	325e	321p	316	+ 2.8
	Government	Thousands, sa	421e	416p	412	+ 2.2
MEASURES OF SPENDING	Total Retail Sales*	Thousands, sa	n.a.	n.a.	17.6	
	New Passenger Car Registrations	Billion \$, saar	170.2	163.8	164.8	+ 3.3
	Bank Debits*					

NOTES

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n.a.—Data not available
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sa—Seasonally adjusted data
*—U.S. and District do not have comparable data
saar—Seasonally adjusted annual rate

FOOTNOTES

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

UNITED STATES production and employment

Percent Change JAN. -JAN.	1971	1970		UNIT	I N D I C A T O R	
	JANUARY	DECEMBER	JANUARY			
- 3.1	165.1p	164.0	170.4	Index, sa	Total Industrial Production	MEASURES OF PRODUCTION AND FACTOR INPUTS TO PRODUCTION
				Index, sa	Electrical Energy Consumption: Mfg. and Mining *	
-12.2	101p	107	115	Index, sa	Production Worker Manhours: ¹	
- 8.4	109p	109	119	Index, sa	Manufacturing	
+20.3	95p	102	79	Index, sa	Mining	
-10.8	5,562.7	5,900.6	6,233.0	Million \$, sa	Total Construction Contracts Awarded	
+15.0	2,174.8	2,606.1	1,891.0	Million \$, sa	Residential Buildings	
-26.3	1,984.9	1,839.8	2,692.6	Million \$, sa	Nonresidential Buildings	
-14.9	1,403.0	1,454.7	1,649.4	Million \$, sa	All Other Construction	
+63.7	113.3p	122.4	69.2	Thousands	Bldg. Permits: New Housing Units ⁵	
+ 2.1	83,897p	83,609	82,165	Thousands, sa	Civilian Work Force	MEASURES OF MANPOWER UTILIZATION
- 0.1	78,864p	78,463	78,943	Thousands, sa	Total Civilian Employment	
+56.2	5,033p	5,146	3,222	Thousands, sa	Number Unemployed	
+53.8	6.0p	6.2	3.9	Percent, sa	Unemployment Rate	
- 1.4	39.7p	39.6	40.3	Hours, sa	Average Weekly Hours in Manufacturing	
- 0.7	70,487p	70,264	70,992	Thousands, sa	Wage and Salary Employment, Nonfarm	EMPLOYMENT BY INDUSTRY SECTOR
- 6.1	18,805p	18,814	20,018	Thousands, sa	Manufacturing	
- 0.8	620p	625	625	Thousands, sa	Mining	
- 5.0	3,226p	3,311	3,394	Thousands, sa	Construction	
- 0.6	4,480p	4,440	4,507	Thousands, sa	Transport., Comm., & Public Utilities	
+ 0.5	15,013p	14,829	14,938	Thousands, sa	Trade	
+ 2.4	3,737p	3,725	3,648	Thousands, sa	Finance, Insurance & Real Estate	
+ 2.8	11,792p	11,730	11,472	Thousands, sa	Service Industries	
+ 3.4	12,814p	12,790	12,390	Thousands, sa	Government	
	n.a.	30,441p	29,570	Million \$, sa	Total Retail Sales	MEASURES OF SPENDING
	n.a.	n.a.	715.0	Thousands, sa	New Passenger Car Registrations	
+ 6.0	3,408.8p	3,400.2	3,216.1	Billion \$, saar	Bank Debits ⁶	

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

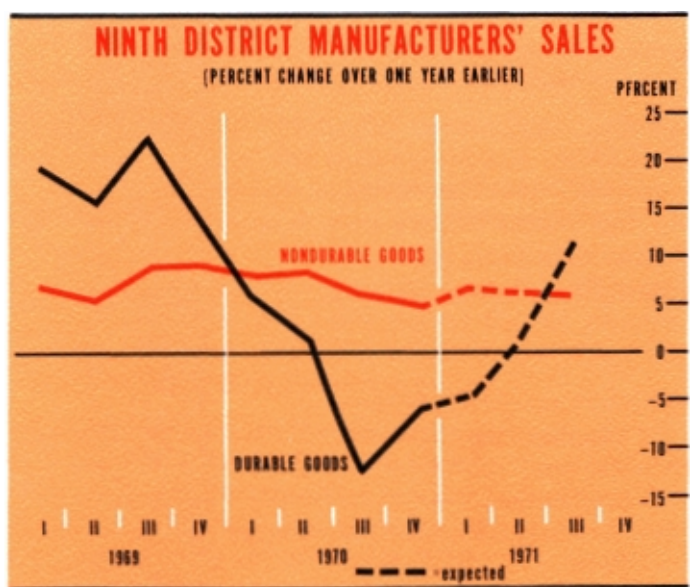
RETAIL SALES: U.S. Department of Commerce, Bureau of Census

NEW PASSENGER CAR REGISTRATIONS: Automotive News Magazine

INDUSTRIAL EXPECTATIONS SURVEY

FOURTH QUARTER SALES EQUAL YEAR-AGO SMALL SALES GAINS EXPECTED BY SPRING

Although the results of the latest Quarterly Industrial Expectations Survey, taken around the first of February, fail to reveal any rejuvenation in district industrial activity in early 1971, survey respondents foresee their sales performance improving over the survey period. District industrial sales were essentially unchanged from a year ago in the fourth quarter of 1970, and they are expected to decline 2.2 percent from a year earlier in the first quarter of 1971. However, industrial sales are anticipated to surpass year-earlier levels by 1.7 percent in the second quarter and then advance 6.2 percent in the third.



This improvement in district industrial sales performance is limited, however, to the survey's manufacturing component. After exceeding year-earlier levels by 9.2 percent in the fourth quarter, district mining sales are expected to be down 15.3 percent from a year ago in the first. In the second and third quarters of 1971, mining respondents look for their sales to fall approximately 7.0 percent.

In contrast to the mining sales, district manufacturing sales in the fourth quarter of 1970 were down slightly and are expected to match year-earlier levels in the first quarter. Manufacturing respondents expect their sales to be up 3.6 percent from a year ago in the second quarter and then to advance 8.8 percent in the third. These sales expectations are very close to those anticipated in the previous survey. This is the second consecutive survey in which manufacturing respondents expect their sales to strengthen over the forecast period.

The source of this anticipated improvement in manufacturing sales growth next year is the durable goods industries. Durable goods sales dropped 6.3

percent in the fourth quarter and are expected to fall 4.7 percent from a year earlier in the current quarter. Manufacturers of durable goods foresee their sales then rising 1.4 percent during the second quarter and 11.3 percent in the third.

MANUFACTURING INDUSTRIES

This expected improvement in durable goods sales can be traced in large part to the machinery industries. Nonelectric machinery industry sales were down 16.7 percent in the fourth quarter, and no significant improvement is foreseen in the current quarter. In the third quarter of 1971, however, nonelectric machinery sales are expected to surpass year-earlier levels by 8.2 percent. The expected sales performance of the electric machinery industries is similar to that of the nonelectric; in the third quarter these sales are expected to be up 18.5 percent. The metals, fabricated metals, transportation equipment and scientific instrument industries also expect a strong increase in third quarter sales.

The rate of sales gain in nondurable goods industries is expected to improve from 4.6 percent in the fourth quarter of 1970 to 6.2 percent in the current quarter and to remain at approximately this level for the next two quarters. During this period, the sales gains of the food and kindred products industry, the district's largest manufacturing industry, are expected to vary between 4.0 and 5.0 percent.

If these sales gains are realized, they should stimulate some recovery in district manufacturing activity. In January, with durable and nondurable goods employment down 11.1 and 1.4 percent, respectively, manufacturing employment was 6.6 percent below its year-earlier level.

TOTAL MANUFACTURING SALES (PERCENT CHANGE FROM ONE YEAR EARLIER)						
	1969		1970			1971
	IV	I	II	III	IV	I
NINTH DISTRICT	11.1	6.5	4.6	-3.7	-1.2	0.4
UNITED STATES	7.3	3.8	2.6	2.0	.2	6.4
						-expected

The district's slight fourth quarter decline in manufacturing sales parallels the expected performance of national manufacturing sales last quarter. In the current quarter, however, national manufacturing sales are anticipated to be up 6.5 percent as compared to the district's expected slight increase. The national figures reflect the automobile industry's effort to recover from last fall's General Motors strike, and the automobile industry does not have the relative importance in the district's economy that it does in the national economy.