

# NINTH DISTRICT CONDITIONS

## MONTHLY STATISTICAL REPORT OF THE

### FEDERAL RESERVE BANK OF MINNEAPOLIS

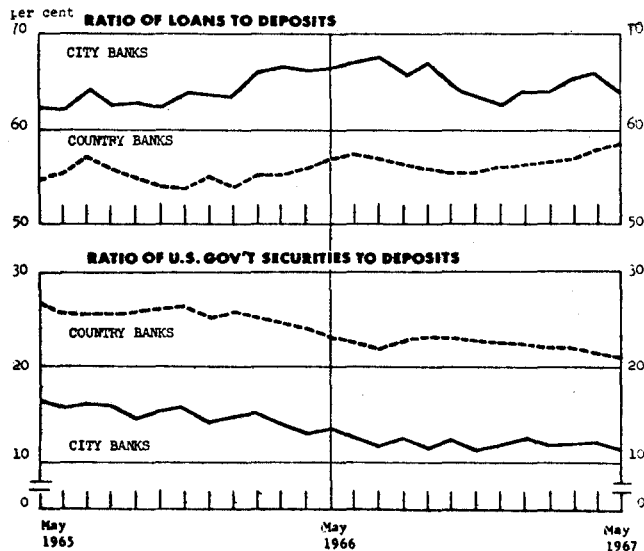


#### DISTRICT CROP PROSPECTS GOOD; DISTRICT BUSINESS ACTIVITY SHOWS SOME GAINS AS BANK CREDIT AND DEPOSIT GROWTH SLOWS

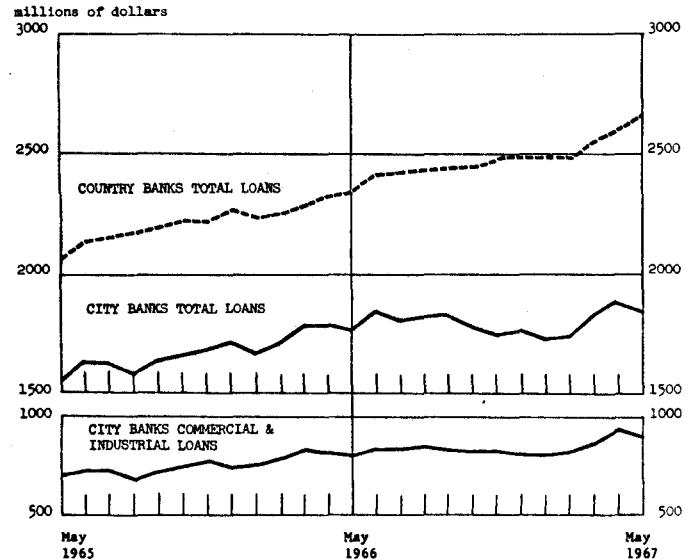
In spite of generally poor spring weather conditions--unseasonably cool temperatures and relatively meager amounts of precipitation--crop conditions and prospects in the Ninth district at the end of May ranged from good to excellent. Only a few isolated areas had been adversely affected by the weather. Although drought conditions had been apparent in some localized areas, this threat has largely been eliminated by the early June rainfall.

According to District Crop and Weather Reports, topsoil moisture conditions appear adequate with drought threatening in limited areas only. Temperatures have been well below normal in most sections of the district, unfavorably affecting the planting of some crops and stalling the growth of others. Crop planting, however, is moving ahead rapidly with most areas ahead of their normal rates of progression. Throughout the district, plantings of wheat, sugar beets, corn, and oats had been virtually completed by June 1, while barley, flax, and soybeans are proceeding

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



#### 9TH DISTRICT MEMBER BANK LOANS OUTSTANDING



at a somewhat slower pace. Winter wheat, rye, pasture, and hay conditions at that time ranged from fair to good although additional moisture and warmer temperatures were needed. Due to dry soil conditions, germination and growth of crops has progressed slowly throughout the district. This problem should be alleviated, however, by the rains received earlier in June.

Among the district states, Minnesota's crop prospects appear to be the most favorable. All crop planting has been virtually completed, and the onset of June rains should terminate the threat of drought in the central and southern portions of the state. Montana lags behind other district states in crop planting, but is rapidly progressing after earlier weather delays. Topsoil moisture has been mostly adequate with some threat of shortages developing in the northwest and north central section of the state. The only real drought conditions in the district exist in central and southeastern South Dakota. These conditions have been partially relieved by recent rains, but more is needed. Crop plantings are progressing at normal rates, with all small grain acreage sown. Corn and soybeans are 90 per cent planted. North Dakota weather, and subsequent crop conditions, have been generally favorable in spite of the lack of topsoil moisture in the central and northwest portions of the state. Although they lag behind in some row crop planting, all sugar beet and small acreage has been planted.

The pace of district member bank credit (loans plus investments) and deposit expansion eased perceptibly during May following a period of unusually rapid growth during March and April. Total deposits during May advanced at no more than a seasonal rate. This occurred despite an increase in time deposits which was double the normal inflow for the month. The May surge in time deposits continues a pattern which has prevailed since the start of the year. Time deposit inflow in the first five months of 1967 exceeded that of the comparable period in 1966 by 30 per cent. Virtually the entire increase in 1967 represents an expansion in consumer-type time deposits: Passbook savings declined slightly during this period. Demand deposits on the other hand, were unusually weak during May due to an above-normal decline in U.S. Government deposits, and this was sufficient to offset the added strength provided by time deposits.

Reversing the upward surge of recent months, loan demand for the entire district dropped sharply in May. This, however, was not true for all banks. At country banks, the increase in outstanding loans was nearly double the seasonal advance. At city banks, on the other hand, the level of outstanding loans, in

fact, declined as repayments on existing loans exceeded new loans made by a substantial amount.

Several indices of district economic conditions provided evidence of increased business activity. Retail sales and auto registrations moved upward from February to March, the latest data available, with seasonally adjusted retail sales reaching a record high. Construction activity, although below that of a year earlier, showed signs of a revival from recent depressed levels as contracts awarded for both residential and non-residential building experienced appreciable gains from March to April. Other positive signs include March to April gains in the index of electrical energy usage in manufacturing and mining, and a slight rise in the average number of hours worked per week by production workers in manufacturing. The index of total production worker manhours, however, remained unchanged during the March to April period.

Employment statistics for the district present a mixed and somewhat weaker picture of business activity. Total wage and salary employment dropped moderately from March to April with declines occurring in most of the major sectors. A notable exception occurred in the construction sector where there was a moderate increase in employment. For the most part, however, April non-farm employment figures were well ahead of those of April 1966. The April unemployment rate for the district remained virtually unchanged from March as the drop in civilian employment was offset by a decline in the civilian work force.

### KEY INDICATORS

Item	Latest month	9th District per cent change from		U.S. per cent change from	
		Month ago	Year ago	Month ago	Year ago
Total civilian employment	April	- 1.2	+ 1.3	+ 0.2	+ 1.9
Average weekly hours - mfg.	April	+ 1.0	0.0	+ 0.2	- 2.4
Total retail sales	March	+ 6.3	-23.7	+ 1.2	+ 0.9
Electrical energy consumption	April	+ 0.5	+15.2		
Construction contracts awarded	April	-30.5	-13.3	- 9.4	-13.7
Member bank loans*	April	+ 2.3	+ 8.5	+ 0.7	+ 5.6
Member bank deposits*	April	+ 0.5	+ 7.1	+ 1.6	+ 5.8

\*not seasonally adjusted

NINTH DISTRICT<sup>1</sup> income and financial indicators

									9th dist. percent change
item	unit	1966		1967				Apr to Apr	
		April	May	February	March	April	May		
MEASURES OF CONSUMER INCOME & FINANCIAL POSITION									
Total Personal Income <sup>2</sup>									
Nonagricultural Personal Income									
Average Weekly Earnings in Manufacturing <sup>3</sup>	Dollars,	114.12	115.18	117.07	117.95p	118.01e		+ 3.4	
Consumer Instalment Credit Outstanding <sup>4</sup>	Million \$	912	931	994	998	1,006		+10.3	
Time & Savings Deposits at Member Banks	Million \$	3,398	3,431	3,740	3,791	3,847		+13.2	
Savings Balances at Savings & Loan Assoc. <sup>2</sup>	Million \$	2,747	2,759	2,856	2,909	2,901		+ 5.6	
Cash Farm Receipts, Total <sup>2</sup>	Million \$	259	231	269	272	n.a.			
Receipts from Crops	Million \$	51	46	82	74	n.a.			
Receipts from Livestock & Produce	Million \$	208	185	187	198	n.a.			
MEASURES OF PRICE LEVELS									
Consumer Price Index <sup>5</sup>	Index, sa	111.8				114.2		+ 2.1	
Prices Received by Farmers <sup>6</sup>	Index, sa	115	115	113	112	110		- 4.3	
MEASURES OF FINANCIAL CONDITION OF MEMBER BANKS <sup>7</sup>									
CITY BANKS <sup>8</sup>									
Adjusted Loans and Discounts <sup>9</sup>	Million \$	1,796	1,780	1,751	1,829	1,888	1,853	+ 5.1	
Real Estate Loans	Million \$	312	310	320	319	319	323	+ 2.2	
Commercial and Industrial Loans	Million \$	819	824	841	885	939	916	+14.7	
Total Investments	Million \$	688	677	677	679	689	681	+ 0.1	
U.S. Government Obligations	Million \$	369	362	343	347	349	337	- 5.4	
Other Securities	Million \$	319	315	334	332	340	344	+ 6.6	
Total Deposits	Million \$	2,737	2,722	2,826	2,856	2,892	2,936	+ 5.7	
Gross Demand Deposits	Million \$	1,661	1,633	1,666	1,685	1,693	1,726	+ 1.9	
Time Deposits	Million \$	1,076	1,089	1,160	1,171	1,199	1,210	+11.4	
COUNTRY BANKS <sup>10</sup>									
Loans and Discounts	Million \$	2,329	2,365	2,496	2,547	2,588	2,642	+11.1	
Total Investments	Million \$	1,660	1,639	1,729	1,737	1,721	1,723	+ 3.7	
U.S. Government Securities	Million \$	990	963	983	992	978	962	- 1.2	
Other Securities	Million \$	670	676	746	745	743	761	+10.9	
Total Deposits	Million \$	4,155	4,146	4,435	4,486	4,490	4,520	+ 8.1	
Gross Demand Deposits	Million \$	1,833	1,804	1,855	1,866	1,842	1,831	+ 0.5	
Time Deposits	Million \$	2,322	2,342	2,580	2,620	2,648	2,689	+14.0	
MEASURES OF RESERVE POSITION AND 'LIQUIDITY' OF MEMBER BANKS									
Reserves: <sup>11</sup>									
Total Reserves	Million \$	540	536	584	573	566	561	+ 4.8	
Required Reserves	Million \$	523	522	565	553	546	541	+ 4.4	
Excess Reserves	Million \$	17	14	19	20	20	20	+17.6	
Borrowings from FRB	Million \$	51	30	3	2	2	2	-96.1	
Ratio of Loans to Total Deposits: <sup>7</sup>									
City Banks	Per Cent	66.2	66.2	63.6	64.9	65.8	63.7	- 0.6	
Country Banks	Per Cent	56.0	57.0	56.3	56.8	57.6	58.4	+ 2.9	
Ratio of U.S. Gov't Securities to Deposits: <sup>7</sup>									
City Banks	Per Cent	13.5	13.3	12.1	12.1	12.1	11.5	-10.4	
Country Banks	Per Cent	23.8	23.2	22.2	22.1	21.8	21.3	- 8.4	

## UNITED STATES income and financial indicators

U.S. <sup>15</sup> percent change		item	unit	1966		1967			
Apr to Apr	April			May	February	March	April	May	
MEASURES OF CONSUMER INCOME & FINANCIAL POSITION									
+ 7.6	Total Personal Income	Billion \$, saar	570.5	573.0	609.3	612.7	614.1p		
+ 8.3	Nonagricultural Personal Income	Billion \$, saar	549.1	551.9	589.6	593.1	594.5p		
+ 1.2	Average Weekly Earnings in Manufacturing	Dollars,	111.24	112.05	111.48	112.44	112.56p		
+ 7.3	Consumer Instalment Credit Outstanding <sup>4</sup>	Billion \$	30.1	30.5	32.0	32.1	32.3		
+ 9.7	Time & Savings Deposits at Member Banks	Billion \$	126.0	127.2	134.6	137.4	138.2		
+ 5.4	Savings Balances at Savings & Loan Assoc.	Billion \$	110.8	111.2	114.8	116.3	116.8		
	Cash Farm Receipts, Total	Billion \$	2.8	2.7	2.7	2.8	n.a.		
	Receipts from Crops	Billion \$	.8	.7	.9	.8	n.a.		
	Receipts from Livestock & Produce	Billion \$	2.0	2.0	1.8	2.0	n.a.		
MEASURES OF PRICE LEVELS									
+ 2.5	Consumer Price Index	Index, sa	112.5	112.6	114.8	115.0	115.3		
- 7.3	Prices Received by Farmers	Index, sa	110	109	104	103	102		
MEASURES OF FINANCIAL CONDITION OF MEMBER BANKS <sup>7</sup>									
CITY BANKS <sup>8</sup>									
+11.8	Adjusted Loans and Discounts <sup>9</sup>	Billion \$	119.5	120.0	131.2	133.0	133.6		
+17.8	Real Estate Loans	Billion \$	23.0	23.2	27.2	27.1	27.1		
+18.7	Commercial and Industrial Loans	Billion \$	52.5	53.5	60.4	62.0	62.3		
+20.9	Total Investments	Billion \$	46.3	45.4	53.8	56.1	56.0		
+16.1	U.S. Government Obligations	Billion \$	21.8	20.6	25.6	26.8	25.3		
+25.3	Other Securities	Billion \$	24.5	24.8	28.2	29.3	30.7		
+12.8	Total Deposits	Billion \$	182.9	180.5	200.5	202.7	206.4		
+ 8.8	Gross Demand Deposits	Billion \$	101.1	97.8	106.5	106.6	110.0		
+17.8	Time Deposits	Billion \$	81.8	82.7	94.0	96.1	96.4		
COUNTRY BANKS <sup>10</sup>									
- 8.9	Loans and Discounts	Billion \$	50.6	51.3	44.7	45.4	46.1		
-10.3	Total Investments	Billion \$	33.0	32.8	29.4	29.5	29.6		
-14.4	U.S. Government Securities	Billion \$	19.5	19.1	16.8	16.8	16.7		
- 4.4	Other Securities	Billion \$	13.5	13.7	12.6	12.7	12.9		
- 9.0	Total Deposits	Billion \$	88.0	87.7	78.6	79.2	80.1		
-12.6	Gross Demand Deposits	Billion \$	43.8	43.2	38.0	37.9	38.3		
- 5.4	Time Deposits	Billion \$	44.2	44.5	40.6	41.3	41.8		
MEASURES OF RESERVE POSITION AND 'LIQUIDITY' OF MEMBER BANKS									
Reserves: <sup>11</sup>									
+ 3.9	Total Reserves	Million \$	22,501	22,482	23,703	23,373	23,377p		
+ 4.0	Required Reserves	Million \$	22,139	22,143	23,341	22,952	23,031p		
- 4.4	Excess Reserves	Million \$	362	339	362	421	346p		
-77.0	Borrowings from FRB	Million \$	638	685	363	203	147	85	
Ratio of Loans to Total Deposits: <sup>7</sup>									
- 0.9	City Banks	Per Cent	66.8	68.1	67.0	67.2	66.2		
+ 0.2	Country Banks	Per Cent	57.5	58.5	56.9	57.3	57.6		
Ratio of U.S. Gov't Securities to Deposits: <sup>7</sup>									
+ 3.4	City Banks	Per Cent	11.9	11.4	12.8	13.2	12.3		
- 6.3	Country Banks	Per Cent	22.2	21.8	21.4	21.2	20.8		

# NINTH DISTRICT<sup>1</sup> production and employment indicators

9th dist.  
percent  
change

item	unit	1966		1967				percent change
		April	May	February	March	April	May	Apr to Apr
MEASURES OF PRODUCTION AND FACTOR INPUTS TO PRODUCTION								
Total Industrial Production:								*
Manufacturing								*
Mining								*
Utilities								*
Electrical Energy Consumption: Mfg. & Mining	Index, sa	178	178	202	204	205		+15.2
Manufacturing	Index, sa	169	170	185	188	189		+11.8
Mining	Index, sa	222	219	285	280	285		+28.4
Production Worker Manhours: Mfg. & Mining	Index, sa	112	111	119	119	119p		+ 6.2
Manufacturing	Index, sa	117	116	125	124	124p		+ 6.0
Mining	Index, sa	90	87	93	92	93p		+ 3.3
Total Construction Contracts Awarded	Million \$, sa	129.6	163.9	79.0	161.6	112.3		-13.3
Residential Buildings	Million \$, sa	47.8	43.2	27.9	31.9	40.3		-15.7
Nonresidential Buildings	Million \$, sa	44.0	40.0	35.1	35.8	49.2		+11.8
All Other Construction	Million \$, sa	37.8	80.7	16.0	93.9	22.8		-39.7
Bldg. Permits: New Housing Units <sup>12</sup>	Number	2,634	2,965	823	1,396	2,178		-17.3
MEASURES OF MANPOWER UTILIZATION <sup>3</sup>								
Civilian Work Force	Thousands, sa	2,431	2,442	2,466	2,492p	2,462p		+ 1.3
Total Civilian Employment	Thousands, sa	2,349	2,357	2,385	2,408p	2,380p		+ 1.3
Number Unemployed	Thousands, sa	82	85	81	84p	82p		0.0
Unemployment Rate	Per Cent, sa	3.4	3.5	3.3	3.4p	3.3p		- 2.9
Average Weekly Hours in Manufacturing	Hours, sa	41.6	41.7	41.4	41.2p	41.6e		0.0
EMPLOYMENT BY INDUSTRY SECTOR <sup>3</sup>								
Wage and Salary Employment, Nonfarm	Thousands, sa	1,695	1,692	1,750	1,750p	1,745p		+ 2.9
Manufacturing	Thousands, sa	340	341	358	358p	356p		+ 4.7
Mining	Thousands, sa	35	35	36	36p	35p		0.0
Construction	Thousands, sa	100	96	101	99p	102p		+ 2.0
Transport., Comm., & Public Utilities	Thousands, sa	126	125	129	129p	128p		+ 1.6
Trade	Thousands, sa	412	413	426	425p	421p		+ 2.2
Finance, Insurance & Real Estate	Thousands, sa	76	76	77	77p	78p		+ 2.6
Service Industries	Thousands, sa	255	255	262	264p	264p		+ 3.5
Government	Thousands, sa	351	351	361	362p	361p		+ 2.8
Number of Workers on Farms	Thousands, sa	384	401	365	391p	372p		- 3.1
MEASURES OF SPENDING								
Total Retail Sales	Million \$, sa	826	810	847	900p	n.a.		
Durable Goods								
Nondurable Goods	Million \$, sa	582	569	577	601p	n.a.		
GAF <sup>13</sup>	Million \$, sa	152	153	174	187p	n.a.		
New Passenger Car Registrations	Thousands, sa	20.0	20.8	16.8	19.5	n.a.		
Bank Debits <sup>14</sup>	Billion \$, saar	86.5	82.4	96.1	97.3	102.6		+18.6

# UNITED STATES production and employment indicators

U.S.<sup>15</sup>  
Percent  
Change

Percent Change Year to Apr	item	unit	1966		1967			
			April	May	February	March	April	May
	MEASURES OF PRODUCTION AND FACTOR INPUTS TO PRODUCTION							
+ 1.3	Total Industrial Production:	Index, sa	154	155	156	156	156p	
+ 0.6	Manufacturing	Index, sa	157	158	158	158	158p	
+ 6.0	Mining	Index, sa	116	121	123	122	123p	
+ 6.5	Utilities	Index, sa	169	170	178	180	180p	
*	Electrical Energy Consumption: Mfg. & Mining							
*	Manufacturing							
*	Mining							
	Production Worker Manhours: Mfg. & Mining	Index, sa	113	113	114p	114p	n.a.	
	Manufacturing	Index, sa	116	116	117p	117p	n.a.	
	Mining	Index, sa	81	83	78p	78p	n.a.	
-13.7	Total Construction Contracts Awarded	Million \$, sa	4,365.1	4,344.0	4,275.8	4,157.9	3,767.7	
-20.9	Residential Buildings	Million \$, sa	1,681.6	1,650.5	1,430.5	1,410.5	1,330.8	
-3.6	Nonresidential Buildings	Million \$, sa	1,668.8	1,572.4	1,823.3	1,646.6	1,608.9	
-18.4	All Other Construction	Million \$, sa	1,014.7	1,121.1	1,022.0	1,100.8	828.0	
-16.3	Bldg. Permits: New Housing Units <sup>12</sup>	Thousands	115.3	110.5	55.5	87.7	96.5	
	MEASURES OF MANPOWER UTILIZATION							
+ 1.9	Civilian Work Force	Thousands, sa	75,341	75,149	77,025	76,523	76,740p	
+ 1.9	Total Civilian Employment	Thousands, sa	72,542	72,253	74,137	73,747	73,910p	
+ 1.1	Number Unemployed	Thousands, sa	2,799	2,896	2,888	2,776	2,830p	
0.0	Unemployment Rate	Per Cent, sa	3.7	3.9	3.7	3.6	3.7p	
- 2.4	Average Weekly Hours in Manufacturing	Hours, sa	41.5	41.5	40.3	40.4	40.5p	
	EMPLOYMENT BY INDUSTRY SECTOR							
+ 3.6	Wage and Salary Employment, Nonfarm	Thousands, sa	63,350	63,517	65,497	65,513	65,611p	
+ 1.6	Manufacturing	Thousands, sa	18,923	19,002	19,402	19,351	19,234p	
+ 5.2	Mining	Thousands, sa	595	628	626	626	626p	
- 1.6	Construction	Thousands, sa	3,333	3,238	3,350	3,320	3,279p	
+ 1.9	Transport., Comm., & Public Utilities	Thousands, sa	4,114	4,132	4,225	4,221	4,191p	
+ 4.1	Trade	Thousands, sa	13,128	13,164	13,524	13,477	13,665p	
+ 3.5	Finance, Insurance & Real Estate	Thousands, sa	3,068	3,076	3,142	3,158	3,175p	
+ 5.4	Service Industries	Thousands, sa	9,484	9,515	9,919	9,977	9,994p	
+ 6.9	Government	Thousands, sa	10,705	10,762	11,309	11,383	11,447p	
- 7.4	Number of Workers on Farms	Thousands, sa	4,199	3,902	3,890	3,855	3,890p	
	MEASURES OF SPENDING							
+ 2.9	Total Retail Sales	Million \$, sa	24,949	24,475	25,470	25,771	25,667p	
+ 2.8	Durable Goods	Million \$, sa	7,939	7,506	7,955	8,170	8,164p	
+ 2.9	Nondurable Goods	Million \$, sa	17,010	16,969	17,515	17,601	17,503p	
	GAF <sup>13</sup>	Million \$, sa	5,785	5,802	6,145	6,083p	n.a.	
	New Passenger Car Registrations	Thousands, sa	704.2	726.8	593.0	632.6	n.a.	
+ 7.9	Bank Debits <sup>14</sup>	Billion \$, saar	2,074.9	2,068.9	2,180.7	2,172.5	2,238.1	

## 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