



NINTH DISTRICT CONDITIONS

MONTHLY STATISTICAL REPORT OF THE FEDERAL RESERVE BANK OF MINNEAPOLIS

LARGER CROP ACRES PLANNED

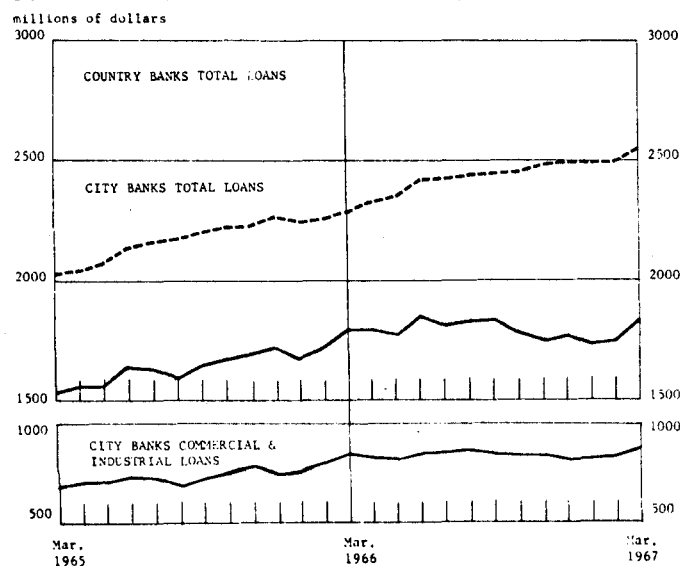
SHARP GAINS IN MEMBER BANK LENDING

DISTRICT BUSINESS DECLINES SMALL

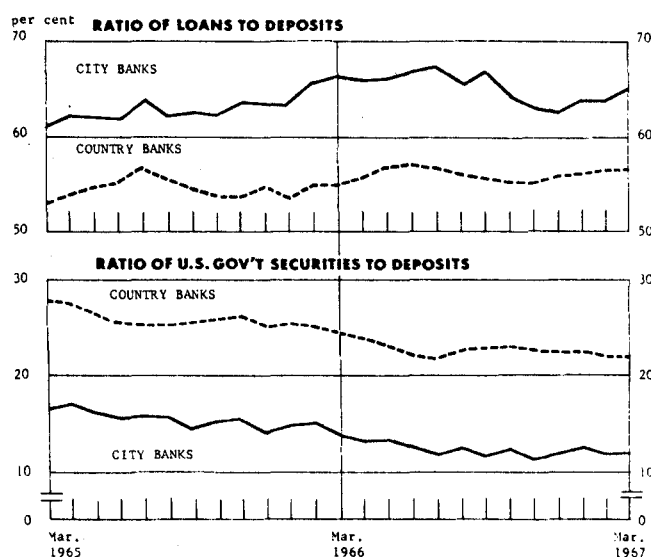
District farmers are planning a fairly extensive increase in 1967 crop acreages according to the March 1 U.S. Department of Agriculture planting intentions report. Marked gains in acres above those of 1966 are expected for the spring planted wheats, corn and soybeans. Acreages to be planted to oats and barley, however, are not expected to reach year-ago levels. The sharpest relative gain in acres is expected to occur in durum wheat as district plantings are anticipated to be 31 per cent above a year ago. Land planted to other spring wheats in the district is expected to reach 9.8 million acres, up 15 per cent from 1966. Increased acreages of spring wheats are expected in all of the district states.

Almost 10.3 million acres are to be planted into corn production in the district, up 8 per cent from 1966. Gains in corn acreages of 10 per cent and 8 per cent are expected in Minnesota and South Dakota. Total barley acres in the

9TH DISTRICT MEMBER BANK LOANS OUTSTANDING



9TH DISTRICT MEMBER BANK 'LIQUIDITY' RATIOS



district are expected to be down 8 per cent from last year to 5.2 million acres, reflecting, for the most part, a shift in land use from barley to wheat in North Dakota and Montana. Soybeans continue to expand in terms of land use in the district as 4.3 million acres are expected for 1967, up 10 per cent from last year.

The planting intentions report indicates a slightly larger relative expansion in the district as compared to the national figures. Total U.S. corn acreages are expected to be up about 7 per cent from last year and a 9 per cent increase is expected in soybean acres. There is little difference in the per cent increase in spring wheats between the district and the U.S.

Total deposits and credit (loans plus investments) at district member banks rose at an unusually sharp pace during March. For deposits, this marked a continuation of the strong upward trend which has been in evidence during the initial months of 1967. Much of the increase in total district deposits during March occurred at country banks as a result of sizable additions to passbook savings accounts and consumer-type certificates of deposit. Demand deposit expansion was stronger at city banks than at country banks. Growth of time deposits at city banks, however, was held down by a heavier than usual decline in large denomination certificates of deposit.

The sharp rise in bank loans and investments during March--a rise which surpassed the sizable increase recorded during March 1966--represents a notable change in pace from the below-seasonal rate of growth recorded during the first two months of 1967. Virtually the entire March advance resulted from increases in outstanding loans. At city banks this growth occurred, for the most part, in additions to business loans. These advances have generally been identified with the need of corporations for funds with which to meet quarterly income tax obligations.

Savings and loan associations located in the district recorded a vigorous expansion in savings capital during February (the latest month for which such data are available). It was the sharpest February advance since 1964. New mortgage loans made in February, on the other hand, were still considerably below normal, amounting to less than 50 per cent of the figure recorded in February 1966.

Ninth district business activity during February remained near the high levels established in January and the last few months of 1966. Although few indicators registered advances during February, any declines observed were of

little significance. While the district's performance was less than bullish, it did compare quite favorably to general national developments during the month.

Average weekly hours worked in manufacturing in the district remained constant at 41.9 hours between January and February while nationally it fell to the lowest level recorded in the past three years. The district hours worked figure for February has been exceeded only twice in the last two years. District unemployment was one-tenth of a percentage point higher during February than it was in January, but remained well below the national level of 3.7 per cent. Only during April of 1966 and January of 1967 has the district registered an equal or lower rate of unemployment in recent years. The seasonally adjusted index of production worker manhours moved down one point between January and February of 1967 in the Ninth district but remained nine points higher than it was a year earlier. Furniture and fixture manufacturers along with the nonmetallic mineral mining industries showed the greatest monthly drop, while primary metals and transportation equipment production sectors were strongest among those showing month-to-month gains.

The construction industry remains a soft spot in both the Ninth district and the nation. The number of building permits issued in the district increased from 1,199 during January to 1,302 in February of this year but remains below the 1,392 and 1,735 building permits recorded respectively during January and February of 1966. Total valuation of permits in the district reached a two-year low of \$18.1 million for the month of February, 1967.

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	Feb.	- 0.0	+ 0.9	- 0.2	+ 2.5
Average weekly hours - mfg.	Feb.	0.0	- 0.5	- 1.7	- 2.9
Total retail sales	Jan.	- 3.8	+ 9.8	+ 1.3	+ 2.5
Electrical energy consumption	Feb.	+ 2.0	+15.4		
Construction contracts awarded	Jan.	- 4.5	+ 6.7	- 5.1	-16.3
Member bank loans*	Feb.	+ 0.3	+ 7.1	- 0.6	+ 6.7
Member bank deposits*	Feb.	+ 0.1	+ 8.0	+ 0.6	+ 5.8

*not seasonally adjusted

NINTH DISTRICT¹ income and financial indicators

								9th dist percent change
item	unit	1966			1967			Feb. to Feb.
		February	March	December	January	February	March	
MEASURES OF CONSUMER INCOME & FINANCIAL POSITION								
Total Personal Income ²								*
Nonagricultural Personal Income								*
Average Weekly Earnings in Manufacturing ³	Dollars, sa	112.97	114.92	118.31	117.91 P	117.08 e		+ 3.6
Consumer Instalment Credit Outstanding ⁴	Million \$	889	900	1004	995	994		+ 11.8
Time & Savings Deposits at Member Banks	Million \$	3318	3368	3600	3665	3740		+ 12.7
Savings Balances at Savings & Loan Assoc. ²	Million \$	2735	2769	2844	2838	2856		+ 4.4
Cash Farm Receipts, Total ²	Million \$	246	258	323	369	n.a.		*
Receipts from Crops	Million \$	65	52	119	151	n.a.		*
Receipts from Livestock & Produce	Million \$	181	206	204	218	n.a.		*
MEASURES OF PRICE LEVELS								
Consumer Price Index ⁵	Index, sa				113.4			
Prices Received by Farmers ⁶	Index, sa	122	118	115	115	113		- 7.4
MEASURES OF FINANCIAL CONDITION OF MEMBER BANKS ⁷								
CITY BANKS ⁸								
Adjusted Loans and Discounts ⁹	Million \$	1709	1788	1772	1742	1751	1829	+ 2.4
Real Estate Loans	Million \$	313	313	335	330	320	319	+ 2.2
Commercial and Industrial Loans	Million \$	790	831	820	830	841	885	+ 6.4
Total Investments	Million \$	694	688	676	688	677	679	- 2.4
U.S. Government Obligations	Million \$	391	377	348	353	343	347	- 12.3
Other Securities	Million \$	303	311	328	335	334	332	+ 10.2
Total Deposits	Million \$	2618	2701	2914	2809	2826	2856	+ 7.9
Gross Demand Deposits	Million \$	1574	1632	1815	1689	1666	1685	+ 5.8
Time Deposits	Million \$	1044	1069	1099	1120	1160	1171	+ 11.1
COUNTRY BANKS ¹⁰								
Loans and Discounts	Million \$	2258	2295	2488	2491	2496	2547	+ 10.5
Total Investments	Million \$	1686	1675	1745	1742	1729	1737	+ 2.6
U.S. Government Securities	Million \$	1031	1017	1008	1000	983	992	- 4.6
Other Securities	Million \$	655	658	737	742	746	745	+ 13.9
Total Deposits	Million \$	4105	4156	4449	4447	4435	4486	+ 8.0
Gross Demand Deposits	Million \$	1831	1857	1948	1901	1855	1866	+ 1.3
Time Deposits	Million \$	2274	2299	2501	2546	2580	2620	+ 13.4
MEASURES OF RESERVE POSITION AND 'LIQUIDITY' OF MEMBER BANKS								
Reserves: 11								
Total Reserves	Million \$	541	545	595	594	584	573	+ 7.9
Required Reserves	Million \$	522	523	573	573	565	553	+ 8.2
Excess Reserves	Million \$	19	22	22	21	19	20	0.0
Borrowings from FRB	Million \$	7	19	3	14	3	2	- 57.1
Ratio of Loans to Total Deposits: 7								
City Banks	Per Cent	66.0	66.6	62.5	63.7	63.6	64.9	- 3.6
Country Banks	Per Cent	55.0	55.2	55.9	56.0	56.3	56.8	+ 2.4
Ratio of U.S. Gov't Securities to Deposits: 7								
City Banks	Per Cent	14.9	14.0	11.9	12.6	12.1	12.1	- 18.8
Country Banks	Per Cent	25.1	24.5	22.7	22.5	22.2	22.1	- 11.6

UNITED STATES income and financial indicators

U.S. ¹⁵ percent change		item	unit	1966			1967	
Feb. to Feb.	February			March	December	January	February	March
MEASURES OF CONSUMER INCOME & FINANCIAL POSITION								
+ 8.0	Total Personal Income	Billion \$, saar	564.7	569.0	601.8	607.5	609.9 P	
+ 8.7	Nonagricultural Personal Income	Billion \$, saar	543.0	547.0	581.7	587.5	590.1 P	
+ 1.1	Average Weekly Earnings in Manufacturing	Dollars, sa	110.27	100.95	114.40	113.02 P	111.48 P	
+ 9.2	Consumer Instalment Credit Outstanding ⁴	Billion \$	29.3	29.7	32.2	32.0	32.0	
+ 9.9	Time & Savings Deposits at Member Banks	Billion \$	122.5	124.8	128.9	132.6	134.6	
+ 3.7	Savings Balances at Savings & Loan Assoc.	Billion \$	110.7	111.6	113.9	114.1	114.8	
	Cash Farm Receipts, Total	Billion \$	2.8	3.0	3.7	3.6	n.a.	
	Receipts from Crops	Billion \$.9	.8	1.7	1.6	n.a.	
	Receipts from Livestock & Produce	Billion \$	1.9	2.2	2.0	2.0	n.a.	
MEASURES OF PRICE LEVELS								
+ 2.9	Consumer Price Index	Index, sa	111.6	112.0	114.7	114.7	114.8	
- 7.1	Prices Received by Farmers	Index, sa	112	111	107	105	104	
MEASURES OF FINANCIAL CONDITION OF MEMBER BANKS. ⁷								
CITY BANKS ⁸								
+ 13.4	Adjusted Loans and Discounts ⁹	Billion \$	115.7	118.4	134.8	132.2	131.2	
+ 19.8	Real Estate Loans	Billion \$	22.7	22.9	27.5	27.4	27.2	
+ 18.2	Commercial and Industrial Loans	Billion \$	51.1	52.6	60.6	60.3	60.4	
+ 15.9	Total Investments	Billion \$	46.4	45.3	51.5	52.0	53.8	
+ 13.8	U.S. Government Obligations	Billion \$	22.5	21.5	24.8	24.9	25.6	
+ 18.0	Other Securities	Billion \$	23.9	23.8	26.7	27.1	28.2	
+ 13.3	Total Deposits	Billion \$	177.0	178.2	204.4	198.7	200.5	
+ 9.0	Gross Demand Deposits	Billion \$	97.7	97.2	114.8	106.2	106.5	
+ 18.5	Time Deposits	Billion \$	79.3	81.0	89.6	92.5	94.0	
COUNTRY BANKS ¹⁰								
- 9.1	Loans and Discounts	Billion \$	49.2	49.9	44.9	44.8	44.7	
- 11.7	Total Investments	Billion \$	33.3	33.1	29.1	29.4	29.4	
- 16.8	U.S. Government Securities	Billion \$	20.2	19.8	16.8	16.9	16.8	
- 3.8	Other Securities	Billion \$	13.1	13.3	12.3	12.5	12.6	
- 9.6	Total Deposits	Billion \$	86.9	87.1	78.9	78.7	78.6	
- 13.0	Gross Demand Deposits	Billion \$	43.7	43.3	39.6	38.7	38.0	
- 6.0	Time Deposits	Billion \$	43.2	43.8	39.3	40.0	40.6	
MEASURES OF RESERVE POSITION AND 'LIQUIDITY' OF MEMBER BANKS								
Reserves: ¹¹								
+ 7.3	Total Reserves	Million \$	22,175	22,185	23,885	24,144	23,797 P	
+ 7.0	Required Reserves	Million \$	21,832	21,839	23,540	23,743	23,369 P	
+ 24.8	Excess Reserves	Million \$	343	346	345	401	428 P	
- 25.2	Borrowings from FRB	Million \$	485	565	536	416	363	
Ratio of Loans to Total Deposits: ⁷								
- 0.1	City Banks	Per Cent	67.1	68.2	65.9	68.2	67.0	
+ 0.5	Country Banks	Per Cent	56.6	57.3	56.9	56.9	56.9	
Ratio of U.S. Gov't Securities to Deposits: ⁷								
+ 0.8	City Banks	Per Cent	12.7	12.0	12.1	12.5	12.8	
+ 7.8	Country Banks	Per Cent	23.2	22.7	21.3	21.5	21.4	

NINTH DISTRICT¹ production and employment indicators9th dist.
percent
change

item	unit	1966			1967		percent change Feb. to Feb.
		February	March	December	January	February	
MEASURES OF PRODUCTION AND FACTOR INPUTS TO PRODUCTION							
Total Industrial Production:							*
Manufacturing							*
Mining							*
Utilities							*
Electrical Energy Consumption: Mfg. & Mining	Index, sa	175	176	197	198	202	+ 15.4
Manufacturing	Index, sa	166	167	185	184	185	+ 11.4
Mining	Index, sa	220	219	255	261	285	+ 29.5
Production Worker Manhours: Mfg. & Mining	Index, sa	110	112	118	120	119 P	+ 8.2
Manufacturing	Index, sa	114	117	124	126	125 P	+ 9.6
Mining	Index, sa	90	88	92	93	90 P	0.0
Total Construction Contracts Awarded	Million \$, sa	121.8	107.3	107.2	102.4	n.a.	
Residential Buildings	Million \$, sa	47.1	44.6	30.5	19.4	n.a.	
Nonresidential Buildings	Million \$, sa	46.2	42.8	43.5	65.5	n.a.	
All Other Construction	Million \$, sa	28.5	19.9	33.2	17.5	n.a.	
Bldg. Permits: New Housing Units ¹²	Number	951	2,001	524	404	823	- 13.4
MEASURES OF MANPOWER UTILIZATION ³							
Civilian Work Force	Thousands, sa	2,463	2,474	2,482 P	2,473 P	2,475 e	+ 0.5
Total Civilian Employment	Thousands, sa	2,371	2,382	2,386 P	2,393 P	2,392 e	+ 0.9
Number Unemployed	Thousands, sa	92	92	96 P	80 P	83 e	- 9.8
Unemployment Rate	Per Cent, sa	3.7	3.7	3.9 P	3.3 P	3.4 e	- 8.1
Average Weekly Hours in Manufacturing	Hours, sa	41.8	42.0	41.5	41.6 P	41.6 e	- 0.5
EMPLOYMENT BY INDUSTRY SECTOR ³							
Wage and Salary Employment, Nonfarm	Thousands, sa	1,682	1,693	1,724 P	1,745 P	1,744 e	+ 3.7
Manufacturing	Thousands, sa	338	342	352 P	358 P	360 e	+ 6.5
Mining	Thousands, sa	36	35	35 P	36 P	37 e	+ 2.8
Construction	Thousands, sa	97	99	99 P	102 P	98 e	+ 1.0
Transport., Comm., & Public Utilities	Thousands, sa	126	127	128 P	129 P	130 e	+ 3.2
Trade	Thousands, sa	409	411	416 P	425 P	423 e	+ 3.4
Finance, Insurance & Real Estate	Thousands, sa	76	76	77 P	77 P	77 e	+ 1.3
Service Industries	Thousands, sa	253	254	261 P	261 P	261 e	+ 3.2
Government	Thousands, sa	347	349	356 P	357 P	358 e	+ 3.2
Number of Workers on Farms	Thousands, sa	413	404	387 P	382 P	374 e	- 9.4
MEASURES OF SPENDING							
Total Retail Sales	Million \$, sa	800	765	872	839 P	n.a.	
Durable Goods							*
Nondurable Goods	Million \$, sa	566	549	592	570 P	n.a.	
GAF ¹³	Million \$, sa	145	150	174	163 P	n.a.	
New Passenger Car Registrations	Thousands, sa	20.6	22.9	24.1	16.5	n.a.	
Bank Debits ¹⁴	Billion \$, saar	85.5	84.8	99.0	95.2	96.1	+ 12.4

UNITED STATES production and employment indicators

U.S.¹⁵
Percent
Change

to Feb.

Percent Change to Feb.	item	unit	1966			1967		
			February	March	December	January	February	March
	MEASURES OF PRODUCTION AND FACTOR INPUTS TO PRODUCTION							
2.6	Total Industrial Production:	Index, sa	152	154	159	158	156 P	
1.9	Manufacturing	Index, sa	155	156	161	160	158 P	
3.4	Mining	Index, sa	118	120	123	124	122 P	
4.1	Utilities	Index, sa	169	169	176	176	176 P	
*	Electrical Energy Consumption: Mfg. & Mining							
*	Manufacturing							
*	Mining							
	Production Worker Manhours: Mfg. & Mining	Index, sa	113	114	116 P	117 P	n.a.	
	Manufacturing	Index, sa	116	116	119 P	120 P	n.a.	
	Mining	Index, sa	85	86	82 P	80 P	n.a.	
1.2	Total Construction Contracts Awarded	Million \$, sa	4,226.3	4,452.0	3,819.5	3,624.4	4,275.8	
8.1	Residential Buildings	Million \$, sa	1,746.7	1,796.2	1,167.9	1,299.0	1,430.5	
4.4	Nonresidential Buildings	Million \$, sa	1,594.0	1,674.1	1,609.8	1,395.2	1,823.3	
5.4	All Other Construction	Million \$, sa	885.6	981.7	1,041.8	930.2	1,022.0	
14.9	Bldg. Permits: New Housing Units ¹²	Thousands	75.0	121.7	50.4	57.1	56.3	
	MEASURES OF MANPOWER UTILIZATION							
2.5	Civilian Work Force	Thousands, sa	75,126	75,117	76,764	77,087	77,025	
2.5	Total Civilian Employment	Thousands, sa	72,341	72,266	73,893	74,255	74,137	
3.7	Number Unemployed	Thousands, sa	2,785	2,851	2,871	2,832	2,888	
0.0	Unemployment Rate	Per Cent, sa	3.7	3.8	3.7	3.7	3.7	
2.9	Average Weekly Hours in Manufacturing	Hours, sa	41.5	41.5	40.9	41.0 P	40.3 P	
	EMPLOYMENT BY INDUSTRY SECTOR							
4.3	Wage and Salary Employment, Nonfarm	Thousands, sa	62,811	63,247	65,076	65,372 P	65,495 P	
3.6	Manufacturing	Thousands, sa	18,722	18,840	19,445	19,469 P	19,404 P	
1.4	Mining	Thousands, sa	634	637	626	627 P	625 P	
1.0	Construction	Thousands, sa	3,323	3,419	3,293	3,301 P	3,357 P	
3.0	Transport., Comm., & Public Utilities	Thousands, sa	4,105	4,109	4,196	4,233 P	4,230 P	
3.5	Trade	Thousands, sa	13,045	13,085	13,392	13,499 P	13,500 P	
2.8	Finance, Insurance & Real Estate	Thousands, sa	3,051	3,064	3,121	3,129 P	3,137 P	
5.4	Service Industries	Thousands, sa	9,410	9,463	9,821	9,870 P	9,914 P	
7.7	Government	Thousands, sa	10,521	10,630	11,244	11,244 P	11,328 P	
6.4	Number of Workers on Farms	Thousands,sa	4,155	4,113	4,011	4,015	3,890	
	MEASURES OF SPENDING							
0.9	Total Retail Sales	Million \$, sa	25,049	25,536	25,368	25,703 P	25,277 P	
5.5	Durable Goods	Million \$, sa	8,185	8,649	8,156	8,178 P	7,733 P	
4.0	Nondurable Goods	Million \$, sa	16,864	16,887	17,212	17,525 P	17,544 P	
	GAF ¹³	Million \$, sa	5,895	5,851	5,967	6,213 P	n.a.	
	New Passenger Car Registrations	Thousands, sa	851.9	861.1	730.5	659.7	n.a	
7.3	Bank Debits ¹⁴	Billion \$, saar	2,032.3	2,159.3	2,156.8	2,199.6	2,180.7	

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