

MONTHLY

REVIEW

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FEDERAL RESERVE BANK OF MINNEAPOLIS

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District developments in 1965

From Montana to Michigan the Ninth district's economy mirrored in many ways the continuing expansionary forces that drove the national economy to record and near-record levels during 1965. District farmers continued to improve their aggregate cash farm income picture in 1965, showing about a 6 per cent gain over 1964. Off the farm, further increases in numbers employed and in average weekly earnings during 1965 helped carry the wage and salary component of the nonfarm personal income measure over that of 1964 — also by about 6 per cent.

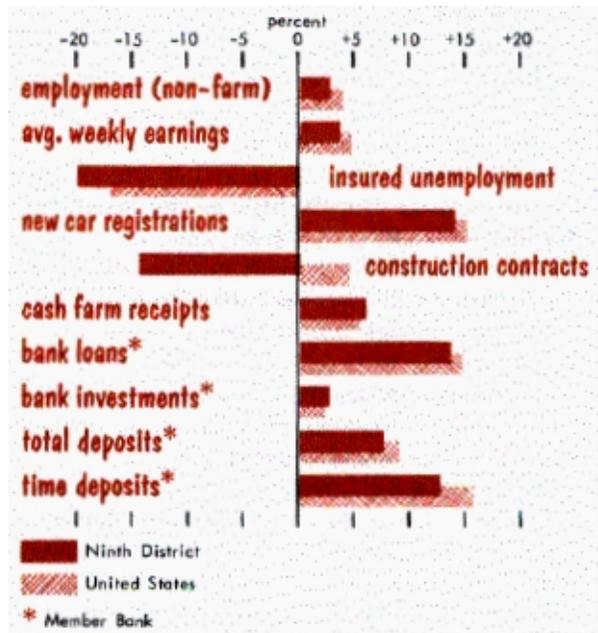
One outcome of higher incomes was more spending. Available measures of district retail trade suggest a proportionate — or better — swelling in 1965 total sales volume, and a glance at sharply expanded consumer installment credit figures (a 15 per cent increase during 1965 at major Ninth district commercial banks) shows that net credit extensions provided important support for added consumer buying.

In some sectors the Ninth district's advances in levels of activity were at or in excess of national rates of increase. While the record of new construction in the district showed little expansionary zeal (as was true at the national level), capital spending on plant and equipment by Ninth district businesses apparently exhibited much of the same upward thrust shown at the national level during 1965. New plant outlays in the Ninth district, however, were heavily weighted by the taconite industry spending boom in Minnesota and in Michigan.

Retail trade

Advancing levels of personal income, consumer credit, and, to some extent, prices, left an imprint on the district's 1965 retail sales record. Total retail sales in the district, at an annual rate of \$8,872 million up to last quarter 1965, increased nearly 7 per cent over the comparable 1964 figure. On the basis of relative gains, the

Chart 1 — Per cent change of selected indicators, U.S. and Ninth district December 1964 to December 1965



Ninth district compared favorably with the U.S. as a whole (where retail sales increased about 8 per cent in 1965 over 1964). Part of the increased value of sales was attributable to price changes: the Bureau of Labor Statistics Consumer Price index (all items) increased about 1.5 per cent, on the average, with food and apparel prices exhibiting the largest increases.

Closer examination of some components of total dollar sales figures shows that nondurable goods sales in the district rose 8.2 per cent (to final quarter 1965 compared with the like period in 1964), while durable goods sales increased only 2.9 per cent; the so-called GAF groups (general merchandise, apparel, furniture, and appliance goods) decreased 1.6 per cent.

Auto sales in the district increased substantially over 1964, and compare favorably with national gains. The number of new cars registered in the district (four whole states) for the first 11 months of 1965 was 14 per cent greater than for the like 1964 period, while for the U.S. the corresponding increase was 15 per cent.

Bank loans

Member banks in the district experienced in the aggregate large increases in total loans during 1965. The principal elements in the increase were in business loans and consumer loans, a pattern that held true for the U.S. as well. Increased loan activity was particularly high at city banks during the first half of the year, while the country banks accounted for more of the increase in the latter part of 1965. For the nation, increased business loans, though largely due to increased economic activity in general, were also affected by expectations of a steel strike, and thus a build up of inventories financed by loans. It is possible that the same issues affected the district loan pattern, but it is difficult to specify any particular effects other than the generally high economic activity. Consumer demand for loans was almost as significant as business loan demand, particularly in supporting increases in spending for automobiles.

Labor market

The district's 1965 labor force experience was marked by a continuing decline in unemployment. The drop in district unemployment kept the district rate well below that of the nation. The district's relatively smaller increase in wage and salary employment than that for the U.S. as a whole indicates that the district's "good showing" in declining unemployment rate was in part attributable to the fact that virtually no net addition was made to the district's civilian labor force between 1964 and 1965.

In November the seasonally adjusted unemployment rate for the district was 3.6 per cent compared with 4.3 per cent in November 1964, and was significantly below the national rate for November 1965 of 4.2 per cent. The estimated average rate for the district for the year 1965 was about 3.8 per cent compared with a national rate of 4.6 per cent for 1965.

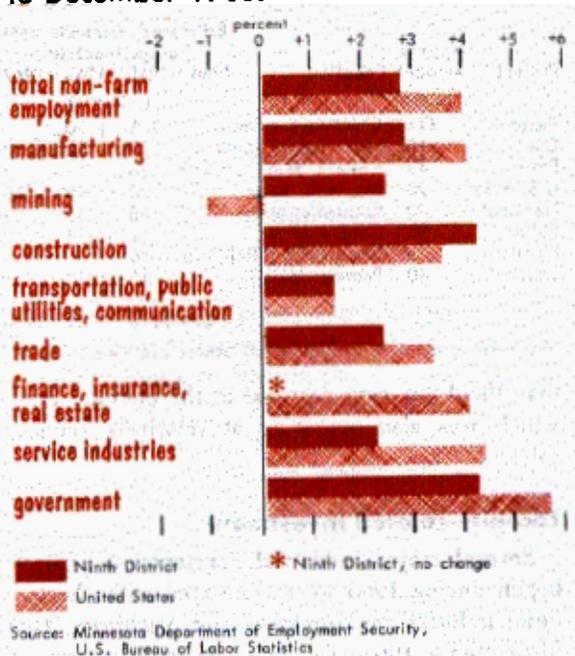
A closer look at the employment data points up some of the regional differences that occurred. The district index of nonagricultural employment during 1965 averaged 113.9 (1957-59=100), up nearly 3 per cent from 1964.¹ The corresponding index for the U.S., averaging 115.0 for 1965, represented an increase of almost 4 per cent over 1964.

By state, total nonagricultural employment increased most in Minnesota, where the 1965 average was 1,063,300 compared with a 1964 average of 1,027,400, a 3.5 per cent increase. Montana's increase was 2.1 per cent (1965: 179,900; 1964: 176,200); North Dakota's also 2.1 per cent (1965: 144,700; 1964: 141,800). Only in South Dakota did total nonagricultural employment drop: the 1965 average was at 149,900; the 1964 average was 152,000; the percentage decrease to 1965 was thus 1.4 per cent.

In terms of distribution of employment in the district, the greatest gains over the year occurred in the government and the construction sectors (Chart 2).

¹Index excludes Wisconsin portion of the Ninth district.

Chart 2 — Employment growth by sector, U.S. and Ninth district, December 1964 to December 1965.



Note: Data are only for wage and salary workers and thus exclude self-employment, domestics, and armed services personnel.

Of the eight sectors of the district's economy, only one, "finance, insurance, and real estate," contrasted sharply with national experience, exhibiting essentially no increase in average employment in 1965. One other sector, "mining," showed contrary moves: for the district an increase, for the nation a decrease. The largest district increase in employment, expressed in absolute terms, occurred in the "government" sector. An equally high-ranking percentage increase in 1965 occurred in "construction," which in turn was largely the result of the still-continuing taconite investment boom. In the Mesabi Range area, where most of this activity is centered, nearly 3,000 men were employed in construction in the fall of 1965, a figure which is expected to climb to around 5,000 by the summer of 1966. General employment

throughout the Range was at the highest point since 1961 and there has been a reported shortage of skilled labor. A similar situation has held true in some Upper Michigan iron mining areas.

Two other job-related sets of figures indicate other areas where the district again compares favorably with the nation. The district's average weekly earnings in manufacturing reached an average in 1965 of \$110.27, an increase of 3 per cent over a year earlier. In the nation the 1965 average was \$107.64, a 4.4 per cent increase. The district's average hours worked weekly in manufacturing reached an average in 1965 of 41.3 hours, an increase of 0.7 per cent over 1964. The national figure reached 41.1 hours for an increase of 1.0 per cent.

Industrial production

The industrial sector of the district operated at a high level in 1965. Both the index of the industrial use of electric power and the index of production worker man-hours increased during the year. The 1965 district index of industrial use of electric power (11 months) increased 6.6 per cent above the corresponding 1964 period (the corresponding U.S. figure was a little more than 8 per cent). For the district, production worker man-hours in manufacturing increased nearly 3 per cent for 1965 over 1964, about the same as for the nation.

Electric power production increased relatively more in the district than in the U.S. Through November 1965 power output increased over the like 1964 period by more than 10 per cent in the district as compared with 7 per cent in the U.S.

Production of iron ore advanced rapidly in third quarter 1965, bringing the cumulative calendar-year increase through October to 11.2 per cent above the like 1964 period. Lake shipments of iron ore from the district, at 62.5 million long tons in 1965, stood only a scant 1 per cent above those of the 1964 season. Other mineral output of some regional importance in the district also exhibited increases: both copper production and crude oil production were up 6 per cent.

Forest products industries, relatively important in western Montana, have been operating at high levels for more than a year and seem to be continuing their recent expansion momentum.

In the northeastern portion of the district production of wood products continued at a good level throughout 1965, though preliminary reports indicate some difficulties developed in this sector. Early impressions reported by the Lake States Forest Experiment Station regarding 1965 logging and milling activities in the Upper Michigan and northern Wisconsin areas indicate that, while pulpwood production has continued its upward trend, other products slowed a bit in 1965. It was estimated that lumber production was down about 5 per cent from 1964; veneer logs, down 15 per cent; and other products, down 5 per cent. Because of a change in the wood procurement pattern of several Lower Michigan and Wisconsin pulpmills, more wood was obtained from Upper Michigan in 1965 than during 1964. This stimulated pulpwood logging activity resulting in about a 5 per cent increase in pulpwood cut in that area. Demand for forest products seemed to be strong, all around. Shipments of lumber reportedly exceeded production at some sawmills by 10 or 15 per cent. Such slowing as was reported to have occurred was indicated to be due to adverse wet weather conditions and a growing shortage of manpower in 1965.

Construction activity

The construction industry, despite relatively large gains in employment, experienced a decline in valuation of construction contracts let. Valuation dropped 14.4 per cent over the first 11 months of 1965 from the like period of 1964, as reported for the Ninth district by F. W. Dodge Corporation. While this decline was due largely to a 25 per cent drop in "nonbuilding" contracts (roads, etc.), nonresidential contracts, with a 5 per cent decline, also contributed to the slowing.

The number of new housing units authorized in the district in 1965 dropped about 2 per cent below the number reported in 1964, a decline less

TABLE 1 — ESTIMATED DISTRIBUTION, 1964-67, OF COMMITTED CAPITAL SPENDING ON MAJOR TACONITE AND PELLET PLANT FACILITIES

Project	Approx. amount (millions)	Location	Estimated calendar year project outlay (millions)				
			1964	1965	1966	1967	
Reserve*	\$25	Silver Bay, Minn.	\$ 5	\$ 20			
Erie*	50	Hoyt Lakes, Minn.	10	20	\$ 20		
Ford	45	Eveleth, Minn.	\$ 9	36			
U.S. Steel	120	Mt. Iron, Minn.	20	40	60		
National	70	Keewatin, Minn.	15	35	20		
Butler	56	Cooley, Minn.	12	24	20		
Pioneer	15	Eagle Mills, Mich.	5	10			
Empire*	40	Palmer, Mich.	10	30			
			\$421	\$14	\$118	\$169	\$120

*Expansions to existing plants; all others are new facilities.

than the 4 per cent decrease at the national level, which was also operating at relatively reduced rates.

Taconite-related investment

Several major industrial construction projects begun during 1965 were connected with the taconite industry in Minnesota and Michigan. That Minnesota's 1964 Taconite Amendment was a factor in the timing of industry investment may be observed from Table 1. While some decisions were made in advance of statewide balloting on the amendment in November 1964, most companies preferred to await the results. Yet practically all firms had their groundwork out of the way and wasted no time in starting their projects with the result that taconite construction outlays in Minnesota jumped from an estimated \$10 million in 1964 to about \$100 million in 1965. Outlays for the current spate of plant building should peak this year (1966) at about \$170 million, including Michigan investment, and be pretty much completed by the end of 1967 for the eight projects active last year.

Other construction projects involving investment outlays totaling several million dollars are directly connected to taconite industry expansion. Among these projects, as reported, are the following: American Brake Shoe Company, a \$3.2 million taconite machinery plant at Two Harbors;

Barrett Drill Service Company, a plant to produce drill bits; Union Carbide Company, a \$1.5 million liquid oxygen plant at Babbitt; Dow Chemical Company, a \$2 million explosives plant at Biwabik; E. I. DuPont, another \$1.5 million explosives plant in Aurora; Monsanto Chemical Company, blasting products plant at Aurora; and Hercules Powder Company, blasting products plant at Virginia.

Utilities also are heavily involved: Minnesota Power & Light Co. engineers foresee potential investments of \$80 million or more in new transmission lines and a power plant in the next five years in order to serve taconite and other growing demands; Northern Natural Gas Company has invested an estimated \$14 million in natural gas pipeline facilities to serve plants and communities on the Minnesota iron ranges, and additional amounts to serve Michigan plants. At the lakehead, both the Duluth, Missabe and Iron Range Railway (DM&IR) and Great Northern Railroad are reconstructing loading and storage facilities to handle taconite pellets, the latter a reported \$5 million project.

Seaway trade

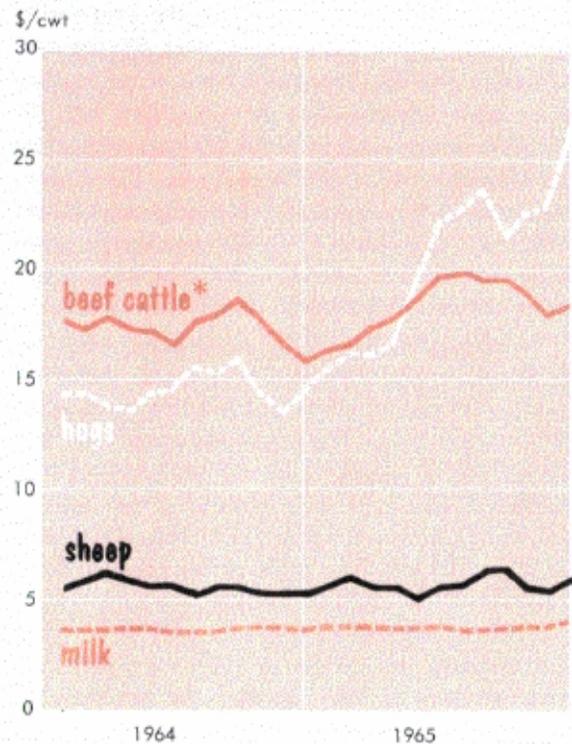
Exports and imports from Duluth-Superior have been increasing rapidly since the opening of the St. Lawrence Seaway in 1958. From 1958 to 1964 overseas exports increased from 17,600 tons to 3,222,000 tons, while imports rose from 3,800 tons in 1958 to 44,600 tons in 1964. Even greater improvements were shown in 1965. Although general cargo imports dropped 5 per cent, to 42,215 tons, general cargo exports increased 13 per cent to 155,760 tons. Combined domestic and foreign shipments handled in the port totaled about 48 million tons for 1965, a gain of 15 per cent over 1964. In total, import and export freight that moved through the port totaled 3.6 million tons, an increase of 11 per cent over 1964. Bulk grain shipments continued to dominate the port's foreign trade, with grain exports totaling 3.2 million tons, up 14 per cent (1964 grain shipments were affected by a grain handlers' strike). In 1965, the

year's total number of ocean vessels in-and-out of Duluth-Superior was 323 compared to 299 in 1964. The Duluth-Superior harbor was the third largest American port for total inbound-outbound use of the Seaway.

Farm prices

Favorable farm commodity prices during 1965 were the major factor in the improved farm income situation. Except for the first few months of the year, the index of prices received for all commodities by farmers in the district states ran well above 1964 levels. Livestock prices, as measured by the index, advanced markedly in the early

Chart 3 — Monthly average livestock prices at farm level, Ninth district, 1964 and 1965



* Average price for all beef cattle

Source: U.S. Department of Agriculture

spring and held at relatively high levels through the entire year. The crop price index tended to lag behind that of 1964 through most of 1965 although the decline in crop prices was modest and had little effect on the all-commodity index.

While virtually all livestock and livestock products prices were up from year-earlier levels, the most notable price gains occurred for hogs (Chart 3). The district average farm price for hogs in 1965 amounted to \$20.46 per cwt., up about \$6 per cwt. from 1964 and the highest average since 1954. Hog prices rose rapidly in the early spring and were in excess of \$20 per cwt. from June on. The average farm price for all beef cattle in the district amounted to \$18.37 per cwt. during the year, a \$1 per cwt. gain over 1964. The beef price average was under that of 1964 during the first quarter of 1965, but was above the year-earlier level after April, achieving a near \$2 per cwt. spread in the fall. Sheep and lamb prices reached their highest levels since the late 1950s with the district average lamb price for 1965 exceeding that of 1964 by about \$2.73 per cwt. The district wholesale milk price for 1965 averaged \$3.50 per cwt., up 9 cents from 1964. The average price for eggs, the only exception to an otherwise bright price picture, fell slightly under 1964 levels.

The annual average price for wheat in 1965, reflecting a drop in support price levels in mid-1964, amounted to \$1.36 per bushel in 1965, down about 25 cents per bushel from the 1964 level. Late 1965 wheat prices showed considerable strength and moved to about the same level as a year earlier. In general, however, wheat prices were not as high as those of 1964. Feed grain prices began 1965 at relatively high levels as compared with 1964 but fell off rapidly during the latter part of the year. On average, corn prices in 1965 were about the same as those of 1964 although the spread at the end of 1965 was about 10 cents per bushel under the 1964 price. Soybean and flax prices followed the same price pattern as feed grains. Prices of both crops generally fell off during the year

resulting in year-end price levels well under those of year-end 1964.

Farm production: livestock

District livestock production during 1965 fell short of the total output of 1964 and lagged that of producers in other areas. Most of the decline can likely be attributed to the drought-reduced feed grain and hay supplies of the 1964 crop year. Total fed beef marketings during the year amounted to about 1.5 million head, a drop of 4 per cent under the 1964 total. Total beef production was further reduced by a decline in the average weight per head. Hog production underwent a similar reduction as reflected in a 1965 pig crop of about 8.3 million head, a district total 14 per cent below that of 1964.

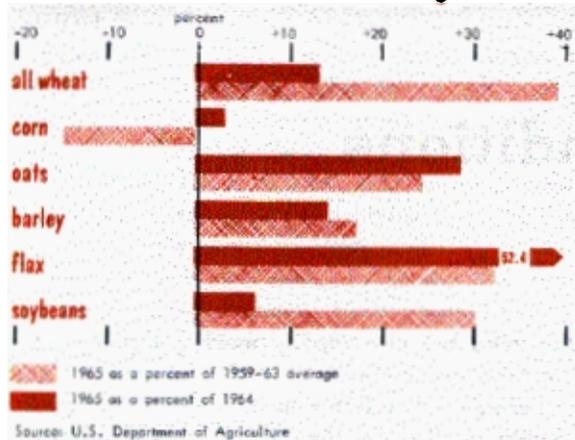
District milk production fell 2 per cent short of the 1964 total, amounting to 14.2 billion pounds during 1965. The total figure reflected not only a continuation in the drop in cow numbers but a decline in the average output per cow. The dairy areas in the district have not fully recovered from the recent dry years and both the quantity and quality of feed for milk cows have been reduced resulting in lower per unit production.

Farm production: crops

Despite what was perhaps one of the most trying years in terms of weather, district crop output in 1965 would have to be rated as excellent. Record levels were achieved in total wheat, barley, and soybean production (Chart 4). Oat production reached its highest level since 1958 and hay and forage output surpassed all other years for which records have been kept. Corn production, while a major disappointment in terms of its mid-summer potential, still exceeded year-earlier levels.

The over-all district crop totals were the result of a modest increase in harvested acres along with generally improved crop yields per acre. Total harvested acres amounted to 5.9 million acres, up only 1 per cent from 1964 and about the same as the average for the 1959-63 period.

Chart 4 -- Per cent change in crop production, Ninth District, 1965 compared with 1964 and 1959-63 average



Harvested acres in Montana and North Dakota were up 3 and 2 per cent respectively from 1964 levels primarily due to marked increases in wheat acres. Harvested acres of feed grains in those states were generally cut back from those of a year earlier. Cutbacks in feed grain acres in Minnesota and South Dakota offset an increase in harvested soybean acres resulting in a less than 0.5 per cent reduction in the total.

While weather conditions were of major concern during 1965, particularly at harvest time, a comparison of planted acres to harvested acres provides evidence that the district was not treated too harshly. District wheat farmers succeeded in harvesting 96 per cent of their planted acres as compared with 95 per cent in 1964. The proportion of harvested to planted wheat acres in Montana fell off about 2 percentage points from that of 1964 while the ratio in North Dakota improved a like 2 percentage points. The proportion of corn acres harvested remained unchanged from 1964 at

70 per cent although the drought of 1964 and wet conditions of the fall of 1965 reduced the ratio to an abnormally low level. Harvested soybean acres remained unchanged as a proportion of acres planted at 99 per cent on the 1964-65 comparison.

Total crop production in the district exceeded 1964 levels for all major crops. All wheat production at 341 million bushels was 13 per cent higher than in 1964 and almost 40 per cent above the 1959-63 average. Corn production in Minnesota was down 1 per cent from 1964, offsetting sizable gains in the Dakotas, with the result that the 1965 district figure of nearly 370 million bushels was only 3 per cent above that of 1964. Compared with the 5-year average, district corn production was down 14 per cent. Total soybean production continued to increase although the district-wide gain of 6 per cent over that of 1964 was much more modest than that of recent years.

The higher crop production generally offset lower price levels during the past fall resulting in higher crop values (crop output times estimated average season price) than those of a year earlier. No change occurred in value of crops produced in Minnesota while the valuations in the other states ranged from increases of 6 per cent in Montana to 14 per cent in North Dakota and 18 per cent in South Dakota. The district wheat crop was valued at \$460 million, up 11 per cent from 1964, while increases of 26 per cent, 23 per cent, and 48 per cent were recorded for oats, barley, and flax respectively. A drop of about 7 per cent to \$353 million occurred in the value of corn production, and a 2 per cent decline occurred in soybeans as compared with 1964. Over-all, the value of crop production in the district during 1965 was estimated at just over \$2 billion, up 7 per cent from that of 1964.

Current conditions . . .

The year 1965 was a good one in the economy of the Ninth Federal Reserve district. Not only was prosperity fairly general, but it also gathered momentum as the year waned.

Employment, on a seasonally adjusted basis, for example, increased at a somewhat faster pace by the end of the year. Unemployment declined substantially by December with the number of insured unemployed down 28 per cent from a year earlier. The district unemployment rate in December was only 3.4 per cent compared with a 4.1 per cent rate for the United States as a whole. One evidence of the tight labor situation in the district was the very sizable expansion, about 50 per cent, during 1965 in the district's "Help Wanted" advertising index. Gains in district construction employment were influenced to some degree in the final quarter of 1965 by an expanded program of expenditures for new plant and equipment. A sharp increase during December in new building permits and construction contract awards indicates further construction employment gains in early 1966.

Industrial production, as measured by industry's use of electric power and by production worker man-hours, also increased sharply as 1965 drew to its close.

Other evidence of acceleration of the tempo of business activity was the big 16 per cent bulge in total district bank debits in December over the year earlier, reflecting not only booming re-

tail sales but also rapidly moving business and financial transactions as well.

Perhaps a key factor in the district's economic growth in 1965 was the very substantial improvement in farm product prices and farm incomes. Cash farm receipts in 1965 are estimated to have increased about 6 per cent over 1964 levels. Cash incomes from the sale of livestock and livestock products were particularly favorable. A good part of this improvement was due, of course, to a 7 to 9 per cent increase in the all-farm commodity price levels in the various district states as well as to good crops and expanded marketings.

Loan demand continued strong at the end of 1965 and into early 1966 with December loans about 15 per cent higher compared with December 1964 at both city and country banks. Commercial and industrial loan demand at the weekly reporting city banks was particularly strong — up 20 per cent in December over the same period a year earlier.

A fairly steady advance in demand deposits at district member banks occurred in 1965, averaging around 3 per cent above 1964 levels. Time deposit growth averaged a 12 to 13 per cent rate of growth. Since deposit growth lagged somewhat behind loan demand, loan-to-deposit ratios increased moderately during the year. Some banks found it necessary to borrow federal funds or to borrow from the Federal Reserve Bank of Minneapolis to maintain reserves at the required level.

The following selected topics describe particular aspects of the district's current economic scene:

Loans expand vigorously

Loans at Ninth district member banks expanded at an unusually vigorous pace during the fourth quarter of 1965, a continuation of the pattern of loan growth noted in the third quarter as well as during the first half of 1965. The fourth quarter loan increase was 50 per cent higher than that for the comparable period of 1964.

The loan gain was decidedly stronger at non-weekly reporting (country) banks than at weekly reporting (city) banks. The increase in outstanding loans at country banks during the last quarter of 1965 was twice as large as loan growth during the last quarter of 1964; at city banks it was only slightly larger. Over the course of the entire year, however, the pace of loan growth at both country and city banks was nearly identical by virtue of a relatively stronger performance by city banks during the first half of 1965.

At city banks the fourth quarter total loan advance was aided primarily by large increases in business loans and in "all other loans" (composed principally of consumer loans), a pattern not unlike that of the final three months of 1964. During all of 1965 gains in these two loan categories were the principal forces supporting the strong performance of total city bank loans. Business loans in 1965 increased 20 per cent, three times as large as loan growth in 1964; "all other loans" rose 16 per cent, more than double the rate of increase recorded at district city banks in 1964.

Deposits up substantially

District member bank deposit growth during the fourth quarter of 1965 proceeded at a rate substantially above that of recent years. Although country banks usually receive a greater share of the total deposits flowing into district banks, their margin over city banks diminished somewhat in the final quarter of 1965: the relative seasonal

rise in both demand deposits and time deposits was stronger at city banks than at country banks.

Total deposit growth at all district banks during 1965 was a little stronger than in 1964. Demand deposits rose 4 per cent in 1965, slightly more than in 1964, while time deposits showed a 13 per cent advance in 1965, also slightly higher than the expansion during the previous year. Throughout the nation member banks recorded a total deposit growth rate similar to that achieved by district banks, but with a slightly different composition: demand deposits inched up 2 per cent (a somewhat smaller advance than that recorded in 1964); time deposits rose by 16 per cent (considerably greater than the rise of the year before).

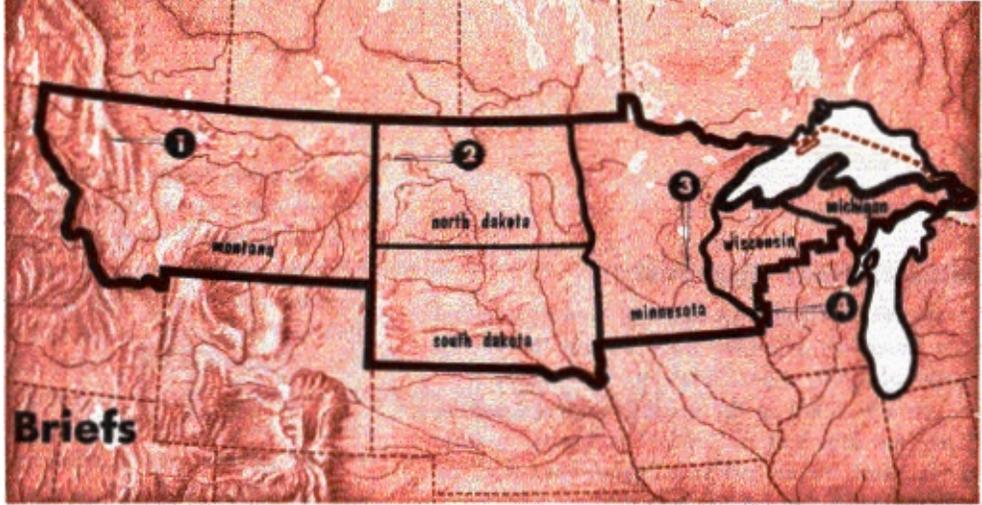
In the district both city and country banks reported a slightly larger rise in total deposits in 1965 than in the preceding year, but different routes were taken in achieving it. City banks depended principally on time deposits which shot up to a 15 per cent rate of growth in 1965, double the 1964 growth rate. The pace of demand deposit expansion, however, amounted to only 2 per cent in 1965, one-half the growth rate achieved in 1964. At country banks time deposits increased by 12 per cent, slightly below that of 1964; but demand deposits expanded at a somewhat greater clip in 1965 than in 1964.

One fact sticks out: time deposits continued to grow at an impressive rate, much faster than demand deposits, and as a result they gained a greater share of total district deposits. At the end of 1964 time deposits represented 44 per cent of total deposits at district member banks; one year later their share had risen to over 46 per cent.

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Economic Briefs



1. Convention center planned

A development corporation has been formed in Kalispell, Montana to build a \$1,750,000 convention center and shopping complex to be known as "Crossroads." Present plans include a 90-unit motel, swimming pool, lounge, banquet hall for 700, and restaurant. It will cover a city block.

2. Refinery to be enlarged

Westland Oil Company has announced plans to increase the capacity of its Williston, North Dakota refinery from 2,000 barrels of crude oil per day to 5,000. Also included in the construction program will be the addition of a platforming process to boost gasoline octane, and an increase of storage and loading capacities. The improvement program will be Westland's fourth at the refinery in 10 years.

3. Office complex underway

Construction of the 6-story central tower of a \$3 million office complex in Edina, Minnesota is expected to be completed by July 1. The development, called Pentagon Office Park and located at a major freeway cloverleaf, when completed will total 178,000 square feet of floor space.

4. Test planned for nuclear plant

Dairyland Power Cooperative is scheduled to start testing of its new 60,000-kilowatt atomic power installation at Genoa, Wisconsin, near LaCrosse, this month. When operational, the \$39 million plant will supply power to 18 member systems of central Minnesota's Cooperative Power Association as well as to 27 member systems of western Wisconsin's Dairyland. Ground-breaking for a nearby coal-fired plant, to produce 300,000 kilowatts, is set for this spring.