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PERSONAL INCOME IN NEBRASKA

Total Personal Income in Nebraska for the year of 1975 has been estimated at $9.5 billion (see Table 1). This represents an increase of 17 percent from the $8.1 billion estimate for 1974. Some revision in the 1975 figure is to be expected. Even so, it would take a considerable reduction to drop the increase enough to preclude saying that the state had a remarkable gain in personal income in 1975.

The year-to-year increase of 17 percent from 1974 to 1975 will surely be one of the two largest gains—if not the largest—since 1965. Once again, after the severe collapse of growth to a rate of 2.5 percent in 1974, the increase returned to a double-digit rate reached first in 1969 and again in 1972. The increase from 1974 to 1975 was considerably in excess of either the 9 percent rise in the Consumer Price Index or the 8 percent rise in the Implicit Price Index used to deflate the Personal Consumption Expenditures component of the Gross National Product. There has been, therefore, by any measure, a marked increase in the real personal income of the state.

Nebraska's gain in personal income from 1974 to 1975 was at a rate nearly double that of the seven-state Plains Region (see Table 2, page 2). After falling to a rate well under those of both the nation and the Plains Region in 1974, the state made a major recovery in 1975. Although showing a considerable recovery, the Plains Region's year-to-year quarterly and annual gains fell well below those of Nebraska. The nation as a whole registered a gain even less than that from 1973 to 1974. One of the best measures of economic welfare is per capita income, that is, income per person. By this measure, the state's populace has, *on the average*, done well in recent years (see Columns 3 and 4, Table 1). Since 1968 and prior to 1972, year-to-year increases in per capita personal income ranged between 5.0 percent and 13.2 percent. The increases of 17 percent in 1973 and 1975 bracket the very low 2.5 percent gain of 1974. Data are not yet available for calculating the 1974 to 1975 changes for the United States and the Plains Region. Data available elsewhere have indicated, however, that the 1965-1975 growth trend of the state has been above that of the nation and the Plains Region.

TABLE 1
TOTAL AND PER CAPITA PERSONAL INCOME IN NEBRASKA
1965-1975

Year	Total		Per Capita	
	Millions of Dollars	Percent of Change	Millions of Dollars	Percent of Change
1965	3853.1	---	2619	---
1966	4239.2	+10.0	2912	+11.2
1967	4396.5	+ 3.7	3018	+ 3.6
1968	4631.9	+ 5.4	3157	+ 4.6
1969	5268.5	+13.7	3574	+13.2
1970	5638.5	+ 7.0	3789	+ 6.0
1971	5992.9	+ 6.3	3974	+ 4.9
1972	6785.1	+13.2	4442	+11.8
1973	7948.9	+17.2	5187	+16.8
1974	8144.3	+ 2.5	5297[1]	+ 2.1
1975	9546.0[2]	+17.2	6190(E)	+16.8

[1] Not as originally published. Based upon a revised population figure.
[2] Provisional and subject to revision, 1965-1974 figures are revised.
(E) — Estimated using provisional population estimates.
Source: Data from U.S. Department of Commerce, *Survey of Current Business*, various issues, and special tabulations provided by Bureau of Economic Analysis, U.S. Department of Commerce.

Over the ten-year 1965-1975 period, the state's total personal income increased 148 percent (Table 1). This increase was considerably above that of the ten-year rise of 70 percent in the Consumer Price Index. Thus, despite the erosion of the purchasing power of the money income associated with personal income as measured in dollars of changing value—as a result of the double-digit inflation of recent years—the real purchasing power of the "average" or per capita income has increased.

Gains in total and per capita and/or current and deflated incomes are not evenly distributed either among the state's geographical areas or among the occupations of those creating the incomes. The dependence of our state in a major way upon agriculturally created incomes places that sector of our economy in the key position as the determinant of the state's economic welfare. Nevertheless, total and per capita personal incomes are useful indicators of economic growth, general welfare, and market potentials for the state and its regions and counties. Later articles in this publication will present up-to-date data and analyses dealing with county income situations and types of income. It is expected that these presentations will provide more detailed explanations of the "causes" or sources for the changes.

Of particular interest have been the cyclical developments in our economy, especially since 1972. Disregarding the element of inflation—which if adjusted for would decrease markedly the percentage increases in the real purchasing power of that income—it can still be seen that the general decline of the national economy continued to dampen the rises in U.S. personal income into 1975 (see Table 2, page 2). After double-digit gains for all the quarters of 1973 over 1972, the year-to-year quarterly gains for the United States dropped to between 8 and 10 percent in 1974 and fell further to between 7 and 8 percent in 1975.

Nebraska's pattern shows a much sharper dip and recovery than that of either the Plains Region or the nation. After quarterly percentage gains equal to or above those of the Plains Region and the United States from 1972 to 1973, Nebraska's growth rates dropped to levels well below those of the Plains Region and the United States during the 1974 period. (Continued on page 2)

TABLE 2
PERCENTAGE CHANGE IN TOTAL PERSONAL INCOME
IN THE UNITED STATES, PLAINS REGION, AND NEBRASKA
BY QUARTERS, 1972 – 1975

Year and Area	Percent of Change in Personal Income				
	Quarter I	Quarter II	Quarter III	Quarter IV	Year
From 1972 to 1973					
United States	+10.8	+11.5	+12.3	+11.7	+11.6
Plains Region[1]	+16.3	+16.6	+21.1	+16.6	+17.7
Nebraska	+16.6	+13.8	+16.4	+21.5	+17.2
From 1973 to 1974					
United States	+ 9.3	+ 9.7	+ 9.8	+ 8.2	+ 9.3
Plains Region[1]	+ 6.1	+ 7.2	+ 3.1	– 3.2	+ 3.9
Nebraska	+ 2.0	+ 7.5	+ 4.8	– 3.7	+ 2.5
From 1974 to 1975					
United States	+ 8.4	+ 7.3	+ 7.4	+ 8.6	+ 8.0
Plains Region[1]	+ 8.1	+ 6.1	+ 8.6	+12.0	+ 8.7
Nebraska	+17.5	+14.2	+17.6	+19.5	+17.2
	Percent of Change in Price Index[2]				
	Quarter I	Quarter II	Quarter III	Quarter IV	Year
From 1972 to 1973	+ 3.5	+ 5.2	+ 6.4	+ 8.3	+ 5.6
From 1973 to 1974	+10.2	+11.0	+12.0	+12.5	+11.4
From 1974 to 1975	+10.3	+ 8.6	+ 7.1	+ 5.8	+ 7.9

[1]Includes Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota.
[2]Implicit Price Index used to deflate the Personal Consumption Expenditures component of the Gross National Product.
Source: Same as for Table 1, page 1.

(Continued from page 1) The year 1975 was a year of marked recovery, however. The depressed regional and local situations show up most vividly in Quarters III and IV in 1974, when Nebraska's percentage increase fell to less than one-half that of the United States in Quarter III and turned into a decrease in Quarter IV. While the nation's rates continued to drop during the 1975 period, the rates for the state, and the Plains Region, climbed to levels once again above those of the nation. This reversal of position was especially pronounced in the last two quarters of 1975.

Nebraska's rate of year-to-year increases has become very favorable—becoming once again of a magnitude approaching 20 percent and nearly double the rates of both the Plains Region and the United States. It would appear that the recessionary phase of the cyclical pattern has been passed in the state's economy (see Table 1, page 1). Of course, noncyclical developments such as a drought or an energy emergency may create adverse conditions or pressures that reverse the general pattern of recovery—especially in a state which is so vitally affected by developments in the agricultural sector, which in turn is subject to the vicissitudes of weather and government policy.

In general, it is common knowledge that the major reason for the personal income gains in the state in 1975 has been the rise in agricultural incomes, as a result of improved prices and volumes of agricultural products and livestock. Such improvements need not, of course, be completely determined by cyclical factors. Whether or not such a set of conditions favorable to agriculture will continue to exist is uncertain. Moreover, the relative importance of this component of personal income (especially in Nebraska's case), when combined with technical difficulties involved in estimating farm income, should cause one to consider both the data and the resulting conclusions as less than completely precise. Particularly this is true of the quarterly personal income estimates and patterns of change based upon them. Even so, the direction of change and the performance of the state, when compared with other states or national economies, may be indicated reasonably well by the estimates. Likewise, the impreciseness of the data does not preclude the finding that there have been marked gains in the economic welfare of the populace of the state—as measured by its personal income.

EDWARD L. HAUSWALD

NEBRASKA POTPOURRI

Some indication of improvement in the state's economic situation is found in the dollar volume of *ORDINARY LIFE INSURANCE SOLD* in Nebraska. In 1975, $1.6 billion of sales were made in the state. This represented only a 1 percent gain from the 1974 level. Over the same period, U.S. sales volumes increased 2 percent. That Nebraska's situation has been improving is shown in a 16 percent gain in February, 1976, sales over the February, 1975, volume. Likewise, the sales volume for the first two months of 1976 is 16 percent greater than that for the same period in 1975. For the United States, February, 1976, was also 16 percent ahead of a year ago; yet for the two months, only 12 percent ahead.

BANK DEBITS continue to increase in Nebraska's metropolitan areas. The seasonally adjusted dollar volume for March, 1976, was up from that of February, 1976, by 11 percent in the Lincoln area and 4 percent in the Omaha area. Compared with the year ago level, Lincoln's March volume was up 18 percent; Omaha's was up 10 percent. (Continued on page 6)

AGRICULTURAL OUTLOOK: TRANSPORTATION

The following continues a series of reprints of articles that are especially relevant to farmers, ranchers, and agribusinesses of our state. This article was prepared by Lee H. Keely, of the U.S. Department of Agriculture's Economic Research Division, and was originally published in the April, 1976, issue of *Agricultural Outlook.* E. L. H.

Hardly anyone outside the transportation industry noticed when the Railroad Revitalization and Regulatory Reform Act of 1976 (PL 94-210) became law on February 5—despite its wide-ranging impacts on commerce and agriculture. In addition to changing the authority of the Interstate Commerce Commission (ICC) over ratemaking and other railroad business, the law establishes a five-year, nationwide local rail service subsidy program administered by the States but subject to U.S. Department of Transportation regulations as a condition for receiving federal funds. The federal share declines from 100 percent the first year to 70 percent the fourth and fifth years. The law also authorizes $1.6 billion for improving passenger service on the Northeast Corridor (Washington, D.C., to Boston). Other provisions include: the implementation of the Final System Plan, which permits the Consolidated Rail Corporation (ConRail) to take over the Penn Central and smaller bankrupt railroads; procedures for expediting railroad mergers and consolidations; and establishment of the Railroad Rehabilitation and Improvement Fund. The purpose of the fund, for which $600 million is authorized, is to provide interest-free, medium-term financing for "facilities maintenance, rehabilitation, improvements, and acquisitions, and such other financial needs as the Secretary (of Transportation) approves."

The law is a landmark in the constantly evolving relationship between government and the rail industry. It acknowledges the rail industry's decrease in competitive advantage over the motor carrier, water carrier, and pipelines industries—an advantage which has been steadily eroding for many years—and the severity of the industry's current economic problems which must be solved if railroads are to remain in private ownership.

Although not necessarily the most significant, one section, nicknamed the "yo-yo clause," has probably received the most attention. This section of the new law gives carriers relative freedom to adjust individual rates up or down by as much as 7 percent from the rate in effect January 1, 1976. The first adjustment period is calendar 1976. A second year of the same rate freedom follows—based on rates in effect January 1, 1977.

UPCOMING ICC RULINGS

Of the several decisions which the ICC must make, three are of particular interest to agricultural shippers. The first is to give definition to the statutory phrase "market dominance." The law allows the new rate freedom to apply only to transport services over which the carrier does not have market dominance. In other words, for the purpose of this law, effective competition, whether from other railroads or other transport modes, will exist where market dominance is found not present. Applying any definition of the phrase to many bulk commodity movements (such as grain) will prove controversial. The ICC's deadline for decision is October 4, 1976.

The second proceeding, to be decided by February 5, 1977, is to establish standards and procedures for rail rates based on seasonal, peak, or regional demand. Because of the seasonality of agriculture, this decision will also have significant effects on the farm community.

Finally, the ICC is to develop an accounting system for determining rail branch-line costs and revenues. Heretofore, there has been no standardized, consistent procedure for measuring the profitability of branch lines. In conjunction with other proceedings undertaken simultaneously, this one should bring about a simplified abandonment process eliminating much of the costly uncertainty to both carriers and shippers. The deadline for this ruling is November 1, 1976.

COMPETITION HOLDING RAIL RATES DOWN

Rail freight rates have continued to level off since the last ICC-approved general rate increase caused a jump last October. During January and February, rates on farm products climbed 0.3 percent or at an annual rate of 2 percent. Rates on food products for the same period increased just slightly, less than 1 percent on an annual basis.

The general rate increase which seemed so probable 2 months ago has been stalled, and the outcome now seems less predictable. The uncertainty has not resulted from the railroads' failure to gain approval—the ICC authorized the 7 percent increase as requested. Instead, the railroads themselves disagreed over the advisability of the rate increase. In a rare move, several western railroads, led by the Southern Pacific, refused to go along with the proposed price rise. They felt it would further erode their competitive situation and result in a loss of traffic. Originally scheduled to go into effect in early March, the increase was postponed by the ICC in hopes that the railroads could reach an accord. It appears now that an agreement will be reached to include part of western territory traffic in the increase.

GRAIN SHIPMENTS IN SEASONAL DECLINE BUT EXPORTS ON TRACK

Despite a recent explosion which put one of Houston's export elevators out of commission, grain shipments for export are being handled with only minor problems. Shipments which were enroute to the disabled elevator were diverted to other Gulf elevators under provisions of an ICC order. The seasonal low in Gulf grain exports eased the resulting transportation problems.

The longer-term impact of reduced export capacity for the Gulf area is far more difficult to assess. When the Houston elevator may be back in service is not known. A new elevator in the New Orleans area is expected to be on line by summer, in time for the 1976 harvest season. Another elevator under construction at Galveston will be operating this fall. Even though two-thirds of total grain exports typically move through the Gulf, any measured restriction in export capacity from the loss of one elevator is improbable.

Shipments of wheat, corn, and soybeans in total are keeping pace with the rate required to fulfill official export projections for the current marketing years. Corn and soybean shipments are running well ahead of the rates (Continued on page 6)

Review and Outlook

The economic indicators in Table 1, relative to a year ago, continue to record improvement in January over the December figures. Agriculture, which was leading the procession during the last quarter of the year, is now lagging, however, and the advance is being supported by the nonagricultural industries. For the nation, however, agriculture is still a strong factor. With regard to the physical volume of agriculture, January, 1976, was lower than January, 1975, in both the state and the nation.

In Table 2, relative to the base year 1967, we find the same gradual advance which was true for most of last year. In physical volume the state was one percentage point better in January than in December; the nation, less than one percentage point better. Thus, there was still an advance, although a small one. Construction shows up somewhat better than it did in December, although it is still lagging behind other industries in relation to 1967. For the United States, construction is still not up to 1967's physical volume level.

Retail sales, in Table 3, appear to be in a marked upsurge. Even after adjusting for price increases, as compared with January, 1975, the volume of net taxable retail sales was up almost 13 percent for the total of the cities. The rise for the regional total, which includes motor vehicle sales, was more than 16 percent. Omaha and Bellevue, which in recent months had been lagging, were well ahead of the state average in January. The second and third columns of Table 3 are (Continued on page 5)

Notes for Tables 1 and 2: (1) The "distributive" indicator represents a composite of wholesale and retail trade; transportation, communication and utilities; finance, insurance, and real estate; and selected services. (2) The "physical volume" indicator and its components represent the dollar volume indicator and its components adjusted for price changes using appropriate price indexes—see Table 5, page 5.

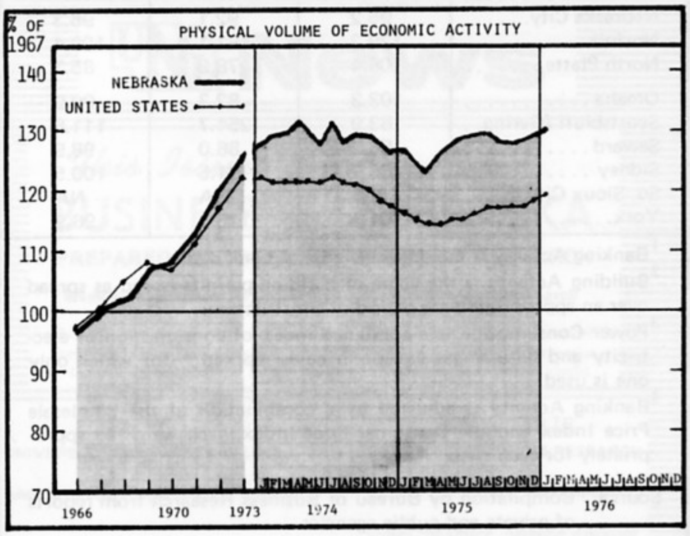
ECONOMIC INDICATORS: NEBRASKA AND UNITED STATES

1. CHANGE FROM PREVIOUS YEAR

January, 1976	Current Month as Percent of Same Month Previous Year		1976 Year to Date as Percent of 1975 Year to Date	
Indicator	Nebraska	U.S.	Nebraska	U.S.
Dollar Volume	108.0	108.1	108.0	108.1
Agricultural	109.7	107.6	109.7	107.6
Nonagricultural	107.7	108.1	107.7	108.1
Construction	99.5	105.7	99.5	105.7
Manufacturing	102.2	104.9	102.0	104.9
Distributive	111.2	109.8	111.2	109.8
Government	105.4	108.6	105.4	108.6
Physical Volume	101.9	102.2	101.9	102.2
Agricultural	98.5	99.8	98.5	99.8
Nonagricultural	102.5	102.3	102.5	102.3
Construction	96.5	102.4	96.5	102.4
Manufacturing	99.9	100.7	99.9	100.7
Distributive	104.1	102.9	104.1	102.9
Government	101.3	103.5	101.3	103.5

2. CHANGE FROM 1967

Indicator	Percent of 1967 Average: Nebraska	U.S.
Dollar Volume	224.0	201.4
Agricultural	222.8	219.7
Nonagricultural	224.3	200.8
Construction	213.8	174.3
Manufacturing	239.4	189.5
Distributive	220.6	205.8
Government	222.5	216.7
Physical Volume	129.6	118.8
Agricultural	119.9	118.0
Nonagricultural	131.3	118.8
Construction	110.2	89.8
Manufacturing	134.4	108.1
Distributive	132.3	123.4
Government	130.6	135.5

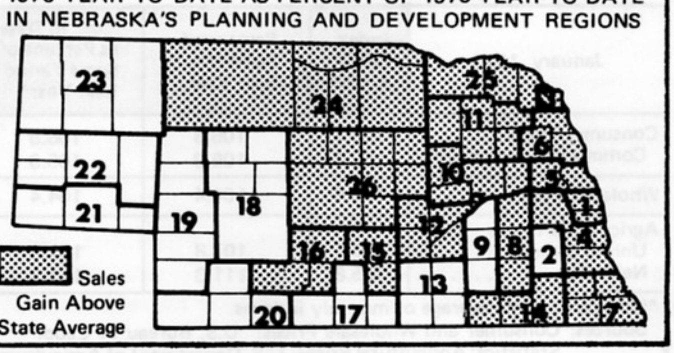


3. NET TAXABLE RETAIL SALES OF NEBRASKA REGIONS AND CITIES (Adjusted for Price Changes)

Region Number[1] and City	City Sales[2]: Jan. 1976 as percent of Jan. 1975	Sales in Region[2]: Jan. 1976 as percent of Jan. 1975	Year to date '76 as percent of Year to date '75
The State	112.8	116.1	116.1
1 Omaha	114.3	117.2	117.2
Bellevue	121.9		
2 Lincoln	111.0	112.9	112.9
3 So. Sioux City	114.1	117.6	117.6
4 Nebraska City	95.6	122.5	122.5
5 Fremont	109.1	119.3	119.3
Blair	112.9		
6 West Point	120.3	125.6	125.6
7 Falls City	106.2	119.2	119.2
8 Seward	128.3	129.1	129.1
9 York	98.3	108.5	108.5
10 Columbus	112.0	129.6	129.6
11 Norfolk	109.4	121.0	121.0
12 Grand Island	113.6	116.7	116.7
13 Hastings	107.1	107.4	107.4
14 Beatrice	116.3	119.8	119.8
Fairbury	109.1		
15 Kearney	109.6	116.4	116.4
16 Lexington	146.8	136.3	136.3
17 Holdrege	83.3	103.8	103.8
18 North Platte	110.2	113.6	113.6
19 Ogallala	104.0	97.3	97.3
20 McCook	103.4	104.2	104.2
21 Sidney	101.4	96.8	96.8
Kimball	95.3		
22 Scottsbluff /Gering	103.6	103.7	103.7
23 Alliance	106.4	107.8	107.8
Chadron	105.1		
24 O'Neill	119.1	117.6	117.6
25 Hartington	145.8	131.4	131.4
26 Broken Bow	113.0	129.0	129.0

[1] See region map below.
[2] Sales on which sales taxes are collected by retailers located in the state. Region totals include motor vehicle sales; city totals exclude motor vehicle sales.
Compiled from data provided by Nebraska Department of Revenue.

1976 YEAR TO DATE AS PERCENT OF 1975 YEAR TO DATE IN NEBRASKA'S PLANNING AND DEVELOPMENT REGIONS



(Continued from page 4) naturally identical this month, because January is the "Year to date." After several months at levels below a year ago, Omaha joined the better-than-last-year group. Of the cities, only York, Nebraska City, Holdrege, and Kimball fell below levels of a year ago, and among the regions, only those around Ogallala and Sidney failed to come up to the previous year's levels.

In Table 4 we do not find the same degree of advance. The city business in this table is below or only a little above January, 1975. In particular, banking activity (price adjusted), which in December was 9.5 percent above the year before, is only one-half of one percent above in January. The very low ratio attributed to McCook is due to an extraordinarily high figure in January, 1975 (which we have been assured is correct), rather than a low figure for this year.

As has been true for several months, the consumption of electricity is higher than the year before, while the usage of natural gas is lower. Data available elsewhere show that for the total of the cities, electric power use is up 6.4 percent, while natural gas consumption is down 3.3 percent. Total power consumption, as a result, is up slightly.

In the city business indexes in the chart (built up from the data in Tables 3 and 4), Sidney dropped from the top to the near bottom this month—reflecting for the most part its poor showing in banking activity. Bellevue, Fairbury, and Falls City joined the leaders, which otherwise remained much the same.

The automotive age has not slowed down much in Nebraska—rather, it appears to be speeding up again. Data available elsewhere show motor vehicle sales almost 48 percent above January, 1975. Allowing for price increases, they were up about 30 percent. The Omaha region led the advance in motor vehicle sales with a 60 percent rise, while Lincoln, the total of nine other cities, and the remainder of the state each rose between 40 and 45 percent. Traffic on the highways and streets of the state increased almost 9 percent, according to figures developed by the Department of Roads. Later figures (for February and March) show the same trend. We do not have available at this time the figures on motor fuel consumption, but it also appears certain that they will be higher. Clearly there is no basis for assuming that the conservation of petroleum is being observed in this state.

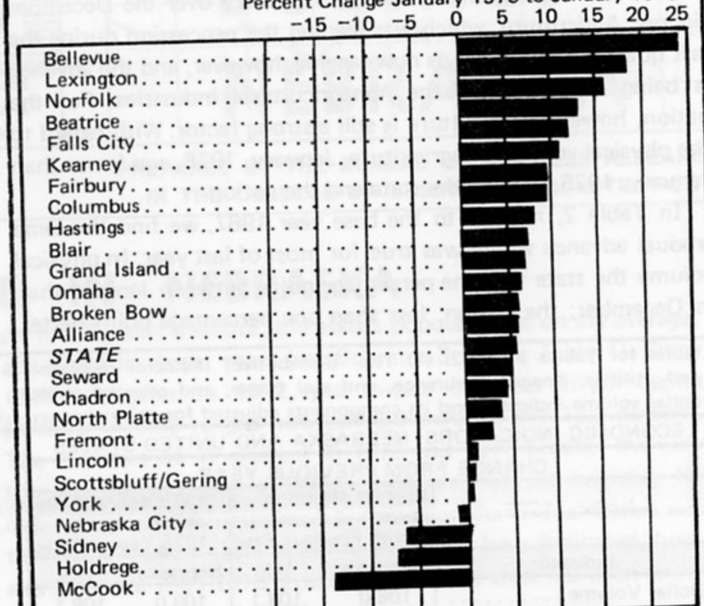
If, as now seems possible, agricultural prices—particularly livestock prices—rise in the near future, Nebraska is in a good position economically for the spring. The drought has hurt wheat prospects in some parts of the state, but other favorable developments should more than offset this unfavorable one and favor the state as a whole.

E. Z. P.

5. PRICE INDEXES January, 1976	Index (1967 = 100)	Percent of Same Month Last Year	Year to Date as Percent of Same Period Last Year*
Consumer Prices	166.7	106.8	106.8
Commodity component	162.4	105.9	105.9
Wholesale Prices	179.4	104.4	104.4
Agricultural Prices			
United States	186.1	107.8	107.8
Nebraska	185.8	111.3	111.3

*Using arithmetic average of monthly indexes.
Sources: Consumer and Wholesale Prices: U.S. Bureau of Labor Statistics; Agricultural Prices: U.S. Department of Agriculture.

CITY BUSINESS INDEXES
Percent Change January 1975 to January 1976



Source: Table 4 below.

4. JANUARY CITY BUSINESS INDICATORS

The State and Its Trading Centers	Banking Activity[1] (Adjusted for Price Changes)[4]	Building Activity[2]	Power Consumption[3]
	Percent of Same Month a Year Ago		
The State	100.5	95.7	101.5
Alliance	99.8	120.3	122.5
Beatrice	107.3	237.5	99.1
Bellevue	129.0	158.8	116.0*
Blair	110.1	65.7	96.8
Broken Bow	110.6	52.7	94.9
Chadron	96.4	188.4	113.6
Columbus	107.7	125.3	106.5
Fairbury	114.8	89.7	104.5*
Falls City	110.4	246.8	109.8
Fremont	102.5	73.5	103.2*
Grand Island	100.4	122.6	102.2
Hastings	103.4	180.2	111.3
Holdrege	94.1	147.4	113.4
Kearney	103.5	308.6	105.4
Lexington	92.1	91.0	119.3
Lincoln	97.2	52.1	98.3
McCook	56.6	122.9	105.4
Nebraska City	95.2	92.1	95.3
Norfolk	129.2	81.1	109.4
North Platte	106.4	78.9	85.7
Omaha	103.3	82.3	99.9
Scottsbluff /Gering	83.9	254.7	111.8
Seward	86.2	86.0	98.9
Sidney	86.7	81.5	100.5
So. Sioux City	NA	NA	NA
York	101.1	118.6	96.9

[1] Banking Activity is the dollar volume of bank debits.
[2] Building Activity is the value of building permits issued as spread over an appropriate time period of construction.
[3] Power Consumption is a combined index of consumption of electricity and natural gas except in cases marked * for which only one is used.
[4] Banking Activity is adjusted by a combination of the Wholesale Price Index and the Consumer Price Index, each weighted appropriately for each city.

Source: Compilation by Bureau of Business Research from reports of private and public agencies.

(Continued from page 3) necessary to fulfill projections, although wheat is lagging. However, unless a surge in wheat shipments is accompanied by large and unexpected increases in shipments of other grains in the next few months, transportation should not be restrictive.

INCREASED TRUCKING COSTS TO HIT FRUIT AND VEGETABLE SHIPPERS

Despite marked increases in the cost of getting into the trucking business over the last 2 years, trucking of agricultural commodities exempt from ICC regulation remains a highly competitive business by most standards and the most competitive sector of the total transportation network. As a result, shipping rates respond readily to market conditions. (Unregulated, or exempt, commodities generally include unmanufactured agricultural commodities.)

But in the long run, of course, truckers have to cover their costs. Though rates have been going up, equipment costs have probably risen even faster. For example, the cost of a new tractor-trailer has nearly doubled in the past 3 years. Therefore, while present rates may be high enough to keep established operators in business, they may not be high enough to attract much new capital into the industry.

Regulated motor carriers also haul fruits and vegetables. They are free to compete with unregulated carriers on exempt commodities and frequently take a load as backhaul—that is, they load with perishables on a return trip after carrying regulated commodities. However, the number of exempt truckers determines the total supply of motor transport for perishables, and rates which will keep them in business determine the cost to the shipper.

FRESH FRUIT AND VEGETABLE SHIPMENTS

	Share hauled by	
Year	Trucks (percent)	Railroads (percent)
1972	73	27
1973	76	24
1974	78	22
1975	84	16

Also, railroads are rapidly getting out of the perishables hauling business—failing to provide an acceptable service at competitive prices. As the height of the season for fresh fruits and vegetables approaches, economic pressures all seem to point to higher truck rates.

(Continued from page 2) On an unadjusted basis, the year-to-year March gains for five Nebraska cities were: Fremont, +24 percent; Grand Island, +20 percent; Hastings, +55 percent; Lincoln, +28 percent; and Omaha, +19 percent. The *TURNOVER RATE* for demand deposits was 79 for Lincoln and 69 for Omaha. Of 14 metropolitan areas reported on in the Tenth Federal Reserve District in March, 1976, only Denver, Topeka, Kansas City, and Albuquerque had rates higher than those of the Nebraska areas. The flow of funds through checking accounts, therefore, has been notably greater in recent months and appears to reflect improved conditions.

The number of *NEW INCORPORATIONS* in Nebraska shows a favorable movement. After increasing by only 3 percent in 1975, compared with 1974, new incorporations in the state in January, 1976, exceeded that of the same month in 1975 by 15 percent—being up from 217 to 249. For the United States the January-to-January gain was also about 15 percent, as compared with a 3 percent gain for the year. For a seven-state North Central Region—which includes Nebraska—the January-to-January gain was 14 percent, as compared to an approximate 3 percent gain for the year. The continued expansion in corporate entities gives indication of a favorably inclined group of investors and entrepreneurs.

Nebraska's *EMPLOYMENT* stood at 649,700 persons in March, 1976, up about 1 percent over that of the same month in 1975. The number of *UNEMPLOYED* was estimated by the Nebraska Department of Labor to be down to 45,200, as compared with 50,800 a year ago—a decline of about 11 percent. Likewise, the *RATE OF UNEMPLOYMENT* was down to 6.5 percent, from 7.3 percent a year ago. Nonagricultural wage and salary employment was reported up by about six-tenths of 1 percent; agricultural employment was up 8.5 percent; and all other nonagricultural employment fell 2 percent. In general, the employment situation was favorable.

E. L. H.

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