Monthly Review

FEDERAL RESERVE BANK OF SAN FRANCISCO
TWELFTH FEDERAL RESERVE DISTRICT

April-May 1963

In This Issue

ALASKA
IDAHO
WASHINGTON
UTAH
OREGON
CALIFORNIA
NEVADA
ARIZONA

Net Profits of District Banks Declined in 1962

NET profits of member banks in the Twelfth District fell in 1962 for the second consecutive year. The 6 percent decline in net income after taxes compares with a drop of approximately 4 percent in 1961[1]. Although larger payments of interest on time and savings deposits were the principal factor causing the decline in net profits of banks as a group, there was a wide variation in the profit experience of individual banks. Most District banks increased their interest rates on savings and other time deposits at the beginning of 1962 after Regulation Q had been amended to permit payment of higher rates. These higher rates and daily computation of interest on regular savings accounts (practiced by many District banks since early 1961) permitted banks to compete successfully for funds with savings and loan associations and other investment outlets. The outcome was a 13 percent increase in total time deposits at District member banks.[2] More than two-thirds of this growth occurred in the first half of the year, and many banks were unable to achieve a proportionate gain in income from loans and investments soon enough to prevent net profits from falling below their 1961 level. However, in the last half of 1962, the percentage increase in bank revenue more nearly equalled that of costs, and by the end of the year most banks were in a position to anticipate a rise in profits in 1963.

The relationship between the demand and supply of loanable funds in 1962 did not permit banks to pass on to borrowers the increased costs arising from the higher interest rates on time deposits. While there was a substantial increase in the demand for credit during 1962, the growth in the supply of loanable funds, including time deposits, kept pace with the expansion in demand. Interest rates on commercial and personal loans by banks changed little during the year, while rates on mortgages actually declined somewhat. Similarly, yields on longer term securities, both public and private, trended downward. Yields on short-term Treasury bills, on the other hand, rose slightly during the year, largely as the result of deliberate policy by the Federal Reserve System and the Treasury in order to discourage flows of short-term funds abroad.

Market conditions, therefore, did not permit banks either to increase significantly their interest rates on loans or to obtain higher yields on securities generally. Consequently, in order to help meet their increased expense associated with higher rates on time deposits, banks sought aggressively both those types of loans which typically carry higher rates of interest, including real estate and consumer loans, and those types of securities which offer higher yields, such as tax-exempt municipals and longer term Treasury issues. Since such shifts in loan and investment portfolios require time to accomplish, it was not until the second half of 1962 that banks were able to restore a more favorable relationship between income and expenses.

[1] The volume of assets and of earnings and expenses of Twelfth District member banks was affected more than usual in 1961 by mergers of nonmember banks with member banks. The percentage changes from 1960 to 1961 that are cited in this article are based on estimates which attempt to adjust the data for 1960 and 1961 to a roughly comparable basis so far as effects of the 1961 mergers are concerned.

[2] Approximately 80 percent of total time deposits in Twelfth District member banks are classified as savings deposits. These are deposits evidenced by a passbook or a written agreement and can be held by individuals and nonprofit organizations only. Other types of time deposits include: (1) time certificates of deposit, which are instruments stating the amount of deposit payable on a certain date not less than 30 days after the date of deposit; (2) time deposits, open account, which are deposits other than savings or time certificates and are characterized by a written contract to the effect that the deposit may not be withdrawn prior to the date of maturity; and (3) deposits accumulated for the payment of personal loans which are pledged by the borrowers to assure repayment of personal loans at maturity.

Earnings from loans increased substantially

Earnings from loans were 11 percent higher in 1962 than in 1961 and accounted for almost two-thirds of the increase in gross revenue for the year. This contrasts sharply with the experience of Twelfth District member banks in 1961, when returns from loans rose only 2 percent. Unlike previous periods of economic recovery, banks were under little reserve pressure in 1962 and had ample funds to meet existing credit demands. Commercial and industrial loans, which constitute about one-third of District member bank loan portfolios, rose 11 percent during 1962, and the amounts outstanding were well above their 1961 level throughout the year. With loanable funds readily available to business firms from both bank and nonbank sources, the prime rate on business loans remained unchanged at 4.5 percent, and average rates charged by banks on business loans were only slightly above the 1961 level.

EARNINGS AND EXPENSES OF TWELFTH DISTRICT MEMBER BANKS

(millions of dollars)

	1961	1962p
Earnings on loans	1,123.0	1,245.7
Interest and dividends on		
U. S. Government securities	224.3	242.3
Other securities	71.0	88.9
Service charges on deposit accounts	126.6	138.9
Trust Department earnings	50.1	57.0
Other earnings	52.3	61.5
Total earnings	1,647.3	1,834.3
Salaries and wages	434.1	461.7
Interest on time deposits	406.4	552.5
Other expenses	319.4	347.5
Total expenses	1,159.9	1,361.7
Net current earnings	487.3	472.7
Net recoveries and profits (—losses)[1]		
On securities	+ 28.3	+ 10.2
On loans	— 58.0	— 67.4
Others	— 5.5	— 6.4
Total net recoveries and profits (—losses)[1]	— 35.2	— 63.6
Net profits before income taxes	452.1	409.1
Taxes on net income	207.5	180.0
Net profits after taxes	244.6	229.0
Cash dividends declared	130.2	139.2
Undistributed profits	114.4	89.8

p—Preliminary.

[1] Including transfers to (—) and from (+) valuation reserves.
Note: Details may not add to totals because of rounding.

Needing higher rates of return on loans to cover mounting expenses, many District banks aggressively sought real estate loans, with the exception of VA-guaranteed mortgages which carry lower interest rates than do other types of real estate loans. Total mortgage holdings rose 15 percent during 1962; at year-end, their volume exceeded that of commercial and industrial loans at District member banks by $241 million. The relative growth of mortgage portfolios at District member banks was only slightly larger, however, than that of total time deposits; consequently, the year-end ratio of mortgage loans to time deposits of 41 percent was unchanged between 1961 and 1962. Moreover, the total supply of mortgage funds available from all lenders was so large relative to the demand that interest rates on mortgages gradually declined during 1962.

During 1961, as is usual in the first phase of a cyclical expansion, consumers were reluctant to increase their indebtedness to financial institutions. In 1962, however, purchases of consumer goods, especially automobiles, expanded, and loans to individuals at District member banks rose 12 percent; the dollar increase was more than four times larger than in 1961. More than half of the increase in the dollar volume of loans outstanding to individuals at District banks in 1962 was for financing the purchase of automobiles, a fact which is directly related to the record volume of new car registrations in the

PRINCIPAL RESOURCE AND LIABILITY ITEMS OF ALL MEMBER BANKS
TWELFTH DISTRICT, 1961 AND 1962
(millions of dollars)

	December 31, 1961	December 28, 1962	Dollar Change	Percent Change
Loans[1] and investments	29,430	32,164	+2,734	+ 9.3
Loans and discounts, net[1]	18,348	20,983	+2,635	+14.4
Commercial and industrial loans	6,320	6,986	+ 666	+10.5
Agricultural loans	912	1,030	+ 118	+12.9
Real estate loans	6,287	7,227	+ 940	+15.0
Loans to individuals	3,526	3,951	+ 425	+12.0
U. S. Government obligations[2]	8,202	7,653	— 549	— 6.7
Under 1 year	2,617	2,441	— 176	— 6.7
1 - 5 years	4,519	3,594	— 925	—20.5
5 years and over	1,066	1,617	+ 551	+51.7
Other securities	2,880	3,528	+ 648	+22.5
Total assets	37,101	40,060	+2,959	+ 8.0
Demand deposits	18,482	18,741	+ 259	+ 1.4
Time and savings deposits	15,211	17,253	+2,042	+13.4
Savings accounts	12,173	13,712	+1,539	+12.6
Total deposits	33,693	35,994	+2,301	+ 6.8
Capital accounts	2,522	2,663	+ 141	+ 5.6

[1] Total loans minus valuation reserves. Those selected loan items which follow are reported gross.
[2] Includes obligations guaranteed by the United States Government.
Note: Details may not add to totals because of rounding.

District. Almost half of the total loan increase at member banks was attributable to acquisitions of real estate and consumer loans, both with relatively high rates of return. The average yield on loans was 6.38 percent, 4 basis points[1] higher than in 1961.

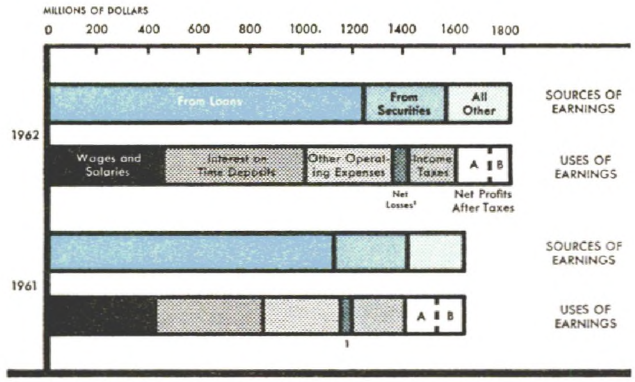
Banks switched to long-term security issues

Income from interest and dividends on securities, the second major source of revenue for District member banks, rose 12 percent in 1962. The growth in this category of earnings was attributable mainly to changes in the composition of bank investment portfolios. This contrasts with the experience of District banks in 1961, when the 18 percent gain in earnings from securities was the result chiefly of a 17 percent increase in the volume of security holdings. During 1962, however, total investments at District banks rose less than 1 percent.

With their profit position adversely affected by the higher rates paid on time deposits and anticipating no immediate uptrend in other interest rates, banks made heavy purchases of less liquid but higher yielding securities, particularly tax-exempt municipals. As a result, holdings of securities other than United States Government obligations produced 25 percent more income for District banks in 1962 than in 1961. In contrast to the 22 percent rise in holdings of other securities, the amount of United States Government issues held by District banks fell 7 percent in 1962; nevertheless, earnings from Treasury issues showed an 8 percent increase for the year. Although District member banks decreased their holdings of Government securiti

[1] A basis point—a term customarily used in discussing changes in interest rates and yields—is one one-hundredth of one percentage point, namely, 0.01 percent.

Increased interest on time deposits chief factor in decline in net profits of District banks



A—Cash dividends declared.
B—Undistributed profits.

[1] Net Losses on securities and loans including transfers to and from valuation reserves.

Source: Federal Reserve Bank of San Francisco.

most maturity classifications and in total, they made substantial increases in maturities of over 5 years, which afford higher yields; in addition, monetary and fiscal policy continued to exert upward pressure on short-term Treasury bill rates. As a result, District member banks realized an average rate of return of 3.13 percent on United States Government securities, 17 basis points higher than in 1961

Other sources of District member bank revenue also showed substantial increases in 1962. Earnings from service charges on deposit accounts rose 10 percent, while revenue from trust department earnings grew 14 percent, as many banks expanded this type of service.

Interest paid on time deposits was chiefly responsible for the decline in profits

As in 1961, increased expenses were again the principal factor in the decline in profits of Twelfth District member banks. The amendment of Regulation Q, effective January 1, 1962, permitted member banks to pay a maximum of 3½ percent on regular savings accounts and 4 percent on savings held a year or more.[1] Most banks in the District elected to pay the maximum rate on regular savings accounts, and many banks, especially the large ones, increased their rates on other savings and time deposits. Higher annual interest rates pushed the average rate of interest on time deposits paid by these banks to 3.37 percent in 1962, substantially higher than the year-ago rate of 2.84 percent. Attracted by the higher rates, savings and other time deposits of individuals, partnerships, and corporations rose 14 percent. The volume of other time deposits, especially those of states and political subdivisions, generally was above the 1961 level throughout 1962. The result was that interest payments on total time deposits registered a 36 percent gain in 1962, and for the first time they constituted a greater expense to banks than wages and salaries.

Salary and wage disbursements rose, as did occupancy expenses

Salaries and wages of bank staff and net occupancy expense of bank premises rose 6 percent and 11 percent, respectively, in 1962. Although part of the increase in these costs was due to somewhat higher average salaries and building maintenance expenses, a contributing factor was the expansion in banking offices in the District. The number of member bank offices in the Twelfth District has grown rapidly in the past two years. During 1962, District member banks made a net addition of 220 branch offices, which compares with an increase of 199 in 1961. Also, two newly opened District banks joined the Federal Reserve System in 1961, and six more the following year; however, due prima-

[1] It also raised the maximum rates allowed on other types of time deposits to 3½ percent on deposits payable in 6 months to one year, and 4 percent on deposits payable in one year or more. In addition, an amendment to the Federal Reserve Act (which was also incorporated into Regulation Q), effective October 15, 1962, exempts deposits of foreign governments and certain foreign institutions from regulation by the Board of Governors as to the rates of interest member banks may pay on these time deposits. The period of exemption is three years.

SELECTED OPERATING RATIOS OF TWELFTH DISTRICT MEMBER BANKS

(percent ratios)

	1961	1962	Increase or decrease
Earnings ratios:			
Return on loans	6.34	6.38	+ .04
Return on U. S. Government securities	2.96	3.13	+ .17
Return on other securities	2.73	2.75	+ .02
Current earnings to capital accounts	20.60	18.33	—2.27
Net profits after taxes to capital accounts	10.32	8.88	—1.44
Cash dividends to capital accounts	5.51	5.39	— .12
Other ratios:			
Interest paid on time deposits to time deposits	2.84	3.37	+ .53
Time deposits to total deposits	45.66	47.98	+2.32

Note: The ratios in this table are computed from aggregate dollar amounts of earnings and expense items of Twelfth District member banks. Capital accounts, deposits, loans, and securities items on which these ratios are based are averages of Call Report data as of December 31, 1960, April 15, June 30, September 27, and December 30, 1961; and as of December 30, 1961, March 26, June 30, September 28, and December 28, 1962.

rily to the effect of mergers, the total number of member banks in the District fell by five in 1961 to a total of 160, and then increased by two in 1962. The rapid rise in the number of banking offices reflects the present and projected future growth of population and industry in the District. Although some banks are adding materially to their present expenses by expanding now, they are confident the groundwork is being laid for larger profits later.

Net profits declined in 1962

With the rise in total expenses exceeding the gain in gross income, net current earnings of banks declined 3 percent in 1962. Nevertheless, this was an improvement over the 5 percent decrease recorded in the previous year. However, a comparison of net profits before income taxes for these two years is less favorable; they were 10 percent lower in 1962 than in 1961, due to a larger total net loss (including transfers to and from valuation reserves[1]) on loan, security, and other asset transactions.

[1] The term "valuation reserves" means all unallocated charge-offs, valuation allowances, and similar reserves deducted from loans, securities, and other assets to provide for bad debts and other losses.

For the second year in a row, member banks realized net recoveries and profits on securities, but less than half of the dollar amount obtained in 1961. Actual net profits on sales of securities were $21 million in 1962, compared with $47 million in 1961.[1] In both years, net profits on securities, including transfers to and from valuation reserves, were lower than the foregoing figures indicate, since District banks increased their valuation reserves on securities $10 million in 1962, and $21 million in 1961.

Larger transfers of funds to bad debt and other reserves on loans were the principal determinant in greater net losses on loan transactions reported by District member banks in 1962. Banks increased their valuation reserves on loans $43 million in 1962, $7 million more than had been added the previous year. The $25 million actual net loss on loans in 1962 was smaller than the $26 million loss in 1961[1]; in both years, however, almost all of this loss was charged off to valuation reserves.

[1] Actual net profits or losses realized on loans or securities are exclusive of *transfers* to and from valuation reserves; however, they include recoveries or losses *credited* or *charged* to valuation reserves.

PERCENT CHANGES IN SELECTED EARNINGS AND EXPENSE ITEMS OF TWELFTH DISTRICT MEMBER BANKS

By size groups, 1961-1962

	All	13 largest	Other
Earnings on loans	+10.9	+10.8	+11.4
Interest and dividends—total	+12.2	+13.1	+ 8.7
U. S. Government securities	+ 8.0	+ 8.1	+ 7.7
Other securities	+25.2	+28.7	+11.6
Service charges on deposit accounts	+ 9.7	+ 9.4	+10.9
Trust department earnings	+13.8	+13.5	+15.4
Other earnings	+17.6	+20.0	+ 8.3
Total earnings	+11.4	+11.5	+10.8
Salaries and wages	+ 6.4	+ 6.6	+ 5.4
Interest on time deposits	+35.6	+36.4	+33.8
Other expenses	+ 8.9	+ 8.9	+ 8.5
Total expenses	+17.4	+17.9	+15.1
Net current earnings	— 3.0	— 3.8	+ 0.7
Net profits before income taxes	— 9.5	—10.8	— 4.2
Taxes on net income	—13.3	—14.7	— 6.6
Net profits after taxes	— 6.4	— 7.4	— 2.3
Cash dividends declared	+ 6.9	+ 7.8	+ 2.4
Undistributed profits	—21.5	—26.6	— 5.8

Note: The 13 largest banks in the District include all member banks with total deposits above $500 million as of December 28, 1962

Taxes on net income were 13 percent less than in 1961, even though net profits before taxes were only 10 percent lower. The explanation is to be found in increased member bank holdings of tax-exempt securities and larger transfers of funds to the tax-deductible reserve for bad debts. Net profits after income taxes were 6 percent less than in 1961; nevertheless, member banks paid 6 percent more in dividends to their stockholders. Despite the increase in dividends paid, the ratio of dividends to capital accounts declined from 5.51 percent to 5.39 percent due to the growth of capital during the year.

Smaller banks fared better than the thirteen largest

Among District member banks, both the 13 largest and the other banks showed approximately the same rise in gross income in 1962—11 percent, but the large banks incurred greater proportionate increases in expenses. Net current earnings of the smaller banks showed a nominal gain from their 1961 level. While the large banks reported a decline in net current earnings, the smaller banks incurred relatively heavier net losses and transfers to valuation reserves with regard to their loan transactions than did the larger banks. The result was that net profits after taxes for the smaller banks were 2 percent less than in 1961, and for the large banks the decrease amounted to 7 percent.

Net profits of member banks declined relatively less in nation than in District

The net profits of all member banks in the nation had a modest 1 percent decline in 1962. This was the first time since 1959 that net profits of all member banks had fallen from the previous year's level. As in the case of the Twelfth District banks, increased costs, primarily interest paid on time deposits, were the determining factor in the decline. The percentage increase in total earnings in 1962 was slightly larger for District banks than for all member banks; however, District banks had a substantially larger increase in expenses. The smaller percentage rise in operating expenses of member banks in the nation was due chiefly to a generally lower ratio of time deposits to total deposits in these banks. At year-end, the ratio of time deposits to total deposits at District member banks had reached 48 percent as compared with 36 percent for member banks in the United States.

Twelfth District banks typically pay a higher percentage of profits to stockholders than do all member banks in the nation. However, the difference between the 61 percent ratio of cash dividends to net income after taxes in the District and the 49 percent ratio in the nation was substantially greater in 1962 than in previous years. The ratio of net income to average total capital accounts was 9.0 percent in the nation and 8.9 percent in the District. In previous years, the ratio was higher in the District than in the nation.

Although net profits both of District and of all member banks declined in 1962, preliminary reports of earnings for the first quarter of this year seem to bear out earlier forecasts of a rise in bank profits in 1963.

District Business Highlights

THE rate of growth in the nation's output of goods and services was about the same in the first quarter of 1963 as it had been in the previous quarter. The increase of $8.5 billion in gross national product in the first quarter reflected primarily more spending by consumers and by all levels of government. The accumulation of inventories of steel products in anticipation of a possible strike in the steel industry also was a contributing factor.

Data on employment, the most comprehensive measure of economic activity that is available for both the Twelfth District and the nation, indicate that the rate of economic expansion in the District during the first quarter was slower than in the final three months of 1962. Nonfarm employment expanded more rapidly in the nation than in the District from January through March. This contrasts with the experience in the last several months of 1962, when nonfarm employment declined slightly in the nation but rose in the District.

The number of nonfarm wage and salary employees in the District (excluding Alaska and Hawaii) was maintained at a record level of about 7,720,000 from January through March, as gains in the distributive and service-producing industries just offset continuing losses in the commodity-producing industries.[1] In manufacturing, the decline from January to March was 0.7 percent; in mining, 0.9 percent; and in construction, 2.5 percent. Manufacturing employment in the nation increased 0.8 percent from January to March, while the District's decline in construction employment was also shared by the nation. Transportation and utilities employment in the District rose slightly in this period, and trade employment increased 0.6 percent. The number of workers in service industries rose 0.7 percent from January to March; in finance, 0.6 percent; and in government 0.6 percent. Nationally, the distributive and service-producing industries had a similar pattern of growth.

Preliminary data for manufacturing industries in the Pacific Coast States indicate that a decline in employment occurred in March in industries producing durable goods, with defense-related employment the most severely affected. After adding 200 employees in February, ordnance (missile) firms in California cut their payrolls by 800 in March, and aircraft firms on the Pacific Coast laid off 2,000 employees in the same month. However, producers of electrical equipment, the third major component of defense-related industries, kept their volume of employment unchanged from February to March. The number of workers in primary metals industries continued to increase in March, following substantial gains in the first two months of 1963. Employment in lumber and wood products, the other industry which had been improving over its 1962 performance during early 1963, decreased in March; however, a large portion of this loss was due to a labor dispute in California.

[1] All employment data are seasonally adjusted

Department store sales in both the District and the nation reached record levels in March on a seasonally adjusted basis, with much of the District gain over February being centered in southern California. However, seasonally adjusted department sales declined in the nation in April, and preliminary estimates indicate a decline in the District also. During March, new car registrations in California averaged 2,493 per selling day, the highest for any March and the highest monthly rate since the record of last November. In the first quarter, registrations were 19 percent above a year ago but only 2 percent above 1956, the previous high for the first quarter. Nationally, sales were 10 percent above the first quarter of 1962.

BANKING AND CREDIT STATISTICS AND BUSINESS INDEXES—TWELFTH DISTRICT[1]

(Indexes: 1957-1959=100. Dollar amounts in millions of dollars)

Year and Month	Condition items of all member banks[2, 7]: Loans and discounts	U.S. Gov't securities	Demand deposits adjusted[3]	Total time deposits	Bank debits index 31 cities[4, 5]	Bank rates on short-term business loans[6, 7]	Total nonagricultural employment	Total mf'g employment	Car-loadings (number)[5]	Dep't store sales (value)[5]	Retail food prices[7, 8]
1929	2,239	495	1,234	1,790	19	....	...	...	110	18	53
1933	1,486	720	951	1,609	8	....	...	...	56	11	34
1939	1,967	1,450	1,983	2,267	14	....	...	...	83	19	38
1953	9,220	6,639	10,515	7,997	69	4.14	86	86	108	74	93
1954	9,418	7,942	11,196	8,699	71	4.09	85	84	103	74	93
1955	11,124	7,239	11,864	9,120	80	4.10	90	90	112	82	92
1956	12,613	6,452	12,169	9,424	88	4.50	95	96	112	91	94
1957	13,178	6,619	11,870	10,679	94	4.97	98	101	103	93	97
1958	13,812	8,003	12,729	12,077	96	4.88	98	96	96	98	101
1959	16,537	6,673	13,375	12,452	109	5.36	104	103	101	109	101
1960	17,139	6,964	13,060	13,034	117	5.62	106	103	95	110	103
1961	18,499	8,278	14,163	15,116	125	5.46	108	103	94	115	104
1962	....	....	....	....	141	....	113	109	104	123	...
1962											
April	19,070	7,811	13,706	16,091	140*r*	....	112	108	104	118	105
May	19,328	7,582	13,945	16,352	140	....	112	108	102	121	106
June	19,625	7,689	13,101	16,511	143*r*	5.52	112	108	102	123	106
July	19,669	7,532	13,535	16,587	144*r*	....	113	109	106	123	105
August	20,017	7,309	13,255	16,655	144*r*	....	113	109	105	124	105
September	20,165	7,471	13,446	16,772	143	5.49	114	110	107	122	106
October	20,460	7,471	13,969	16,934	142*r*	....	114	111	104	121	106
November	20,589	7,501	14,012	16,827	144*r*	....	114	110	102	128	105
December	21,102	7,608	14,431	17,093	146	5.50	115	111	101	127	106
1963											
January	21,035	7,454	13,917	17,390	146	....	116	111	90	127	107
February	21,403	7,130	13,527	17,532	149	....	116	111	105	128	107
March	21,480	7,130	13,646	17,760	152	5.46	116*p*	111*p*	105	130	107
April	21,712*p*	7,101*p*	14,194*p*	17,867*p*	...	....	...	...	...	...	...

Year and month	Industrial production (physical volume)[5]: Lumber	Petroleum[7]: Crude	Petroleum[7]: Refined	Cement	Steel[7]	Copper[7]	Electric power	Waterborne Foreign Trade Index[7, 9, 10] Exports: Total	Exports: Dry Cargo	Exports: Tanker	Imports: Total	Imports: Dry Cargo	Imports: Tanker
1929	84	91	61	34	...	89	13	96	61	193	20	55	*
1933	35	54	39	17	...	15	11	55	...	...	12	...	...
1939	62	70	49	35	16	70	17	82	43	190	16	41*r*	1
1952	101	112	90	77	92	100	61	86	81	101*r*	33	61*r*	18
1953	102	114	95	82	105	98	69	71	56	113	51	70	41
1954	101	111	92	83	85	90	73	67	57	96	44	71	28
1955	107	111	96	90	102	104	82	84	72	117*r*	52*r*	80	35
1956	104	109	100	97	108	114	89	101	105	91	75	86	69
1957	93	106	103	93	114	113	95	117*r*	124	96	95	93	97
1958	98	98	96	99	94	101	97	89	86	96	92	95	91
1959	109	96	101	108	92	86	107	95	90	108	112	113	112
1960	98	95	104	101	102	112	115	122	123	120*r*	133*r*	117*r*	142*r*
1961	95*r*	96	108	105	111	119	124	126	134	104	134	116	145
1962	97	96	111	111	100	128	...	...	...	...	...	...	...
1962													
March	97	95	106	105	112	130	130	133	124	129*r*	120	128	116
April	93	95	105	113	98	141*r*	129	107	121	67	140	117	154
May	96	96	108	111	107	136	131	134	145	104*r*	137	138	137
June	94	96	112	94	103	130	128	104	121	59	156	132	170*r*
July	98*r*	96	115	115	84	112	128	82	85	74	154	122	172
August	95*r*	97	114	117	89	115	134	116	130	76	168	136	186
September	98	96	113	115	90	119	134	105	121	61	137	122	145
October	98	97	112	120	88	127*r*	132	96	105	72	158	154	161
November	104*r*	97	113	115	91	127	135	93	91	99	163	127	183
December	103	97	113	121	100*r*	127	...	...	...	...	...	...	...
1963													
January	104	96	113	122	100*p*	125	...	...	...	...	...	...	...
February	94	96	111	118	114*p*	133	...	...	...	...	...	...	...
March	...	...	...	122	128*p*	...	...	...	...	...	...	...	...

[1] Adjusted for seasonal variation, except where indicated. Except for banking and credit and department store statistics, all indexes are based upon data from outside sources, as follows: lumber, National Lumber Manufacturers' Association, West Coast Lumbermen's Association, and Western Pine Association; petroleum, cement, and copper, U.S. Bureau of Mines; steel, U.S. Department of Commerce and American Iron and Steel Institute; electric power, Federal Power Commission; nonagricultural and manufacturing employment, U.S. Bureau of Labor Statistics and cooperating state agencies; retail food prices, U.S. Bureau of Labor Statistics; carloadings, various railroads and railroad associations; and foreign trade, U.S. Department of Commerce. [2] Annual figures are as of end of year, monthly figures as of last Wednesday in month. [3] Demand deposits, excluding interbank and U.S. Government deposits, less cash items in process of collection. Monthly data partly estimated. [4] Debits to total deposits except interbank prior to 1942. Debits to demand deposits except U.S. Government and interbank deposits from 1942. [5] Daily average. [6] Average rates on loans made in five major cities, weighted by loan size category. [7] Not adjusted for seasonal variation. [8] A new index now combining not only Los Angeles, San Francisco, and Seattle food indexes but also Portland. Reweighted by 1960 Census figures on population of standard metropolitan areas. [9] Commercial cargo only, in physical volume, for the Pacific Coast customs districts plus Alaska and Hawaii; starting with July 1950, "special category" exports are excluded because of security reasons. [10] Alaska and Hawaii are included in indexes beginning in 1950. *p*—Preliminary. *r*—Revised. * Less than 0.5 percent.