

MONTHLY REVIEW

OF BUSINESS CONDITIONS

ISAAC B. NEWTON, Chairman of the Board and Federal Reserve Agent
Federal Reserve Bank of San Francisco

Vol. XII

San Francisco, California, November 20, 1928

No. 11

SUMMARY OF NATIONAL CONDITIONS

Prepared by the Federal Reserve Board

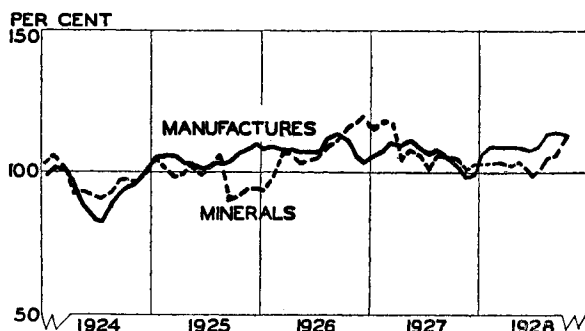
Industry continued active in October and the distribution of commodities was in large volume. Wholesale commodity prices declined sharply, owing chiefly to decreases in the prices of farm products. Member bank credit in use increased in October and November, while reserve bank credit outstanding showed little change. Conditions in the money market were somewhat easier.

Production. Industrial production continued in October at the high level of September and considerably above the level of a year ago. Output of minerals increased over September, while the production of manufactures declined slightly. Factory employment and payrolls increased to the highest level since early in 1927. The production of pig iron was particularly large in October and the first half of November, and output of steel continued in record volume. Automobile production declined considerably in October after exceptional activity in September and showed further reduction in November. As is usual at this season, activity increased in October in meat packing and in the textile industries with the exception of silk. Copper mining and smelting continue at a high level, and the output of coal and petroleum increased by more than the usual seasonal amount, while the production of zinc declined. There was also a decline in the output of lumber and building materials. Building contracts

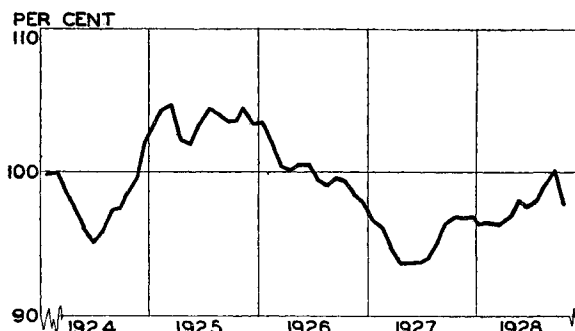
awarded continued to increase in October and were larger than in that month of any previous year, but declined sharply during the first two weeks of November. The increase in October was due principally to large contracts for engineering and industrial projects.

The November cotton crop estimate of the Department of Agriculture was slightly larger than the October estimate and indicated a yield of 14,133,000 bales, 1,178,000 more than the production of 1927. Ginnings of the current crop prior to November 14 totaled 11,320,302 bales, compared with 10,894,912 in the similar period of a year ago. Indicated yields of wheat, corn, oats, potatoes, and tobacco were larger than the 1927 crops, while estimates of hay, rye, and flaxseed were smaller.

Trade. Department store sales in October were in about the same volume as in the same period of the preceding year, but showed somewhat less than the usual seasonal increase from the high level of September. Inventories of these stores increased during the month, but continued smaller than a year ago. The volume of distribution at wholesale was larger than in September and showed a substantial gain over October, 1927. Freight carloadings continued larger in October and November than a year ago, reflecting chiefly large loadings of miscellaneous freight.



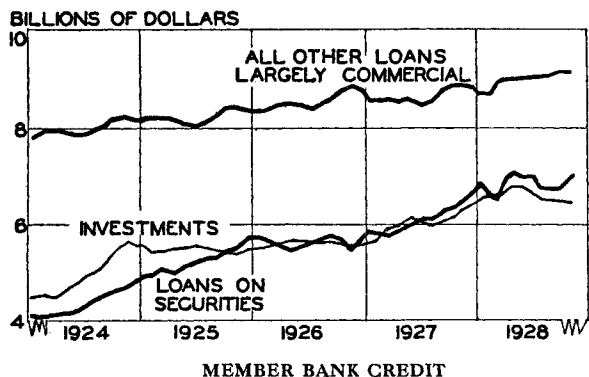
PRODUCTION OF MANUFACTURES AND MINERALS
Index numbers of production of manufactures and minerals, adjusted for seasonal variations (1923-1925 average=100). Latest figures, October, manufactures, 114; minerals, 114.



WHOLESALE PRICES
Index of United States Bureau of Labor Statistics (1926 prices=100, base adopted by Bureau). Latest figure, October, 97.8.

Prices. Wholesale commodity prices declined in October after a continuous increase for three months, and the Bureau of Labor Statistics' index for October, at 97.8 per cent of the 1926 average, was over 2 per cent below that for September. This decline reflected principally large decreases in prices of farm and food products and hides and leather. Prices of industrial commodities increased slightly, with

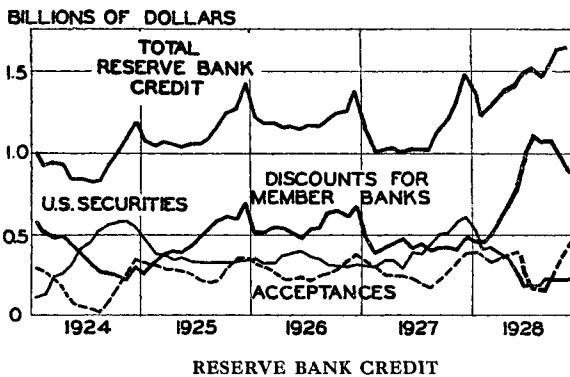
leading cities, but at the end of this period the total was still below the large volume outstanding at the middle of the year. Loans chiefly for commercial purposes remained at a high level during the period and loans on securities showed further growth, reflecting a marked increase in the volume of loans to brokers and dealers in securities. Investments showed a further decline.



Monthly averages of weekly figures for banks in 101 leading cities. Latest figures are averages for the first three weeks in November.

small gains recorded in metals, building materials, and chemicals and drugs. The principal increases occurred in prices of iron and steel, copper, and raw silk. During the first three weeks of November prices of cotton, pig iron, copper, and petroleum increased, and prices of most farm and food products, except corn, pork, and sugar, recovered somewhat after the October decline.

Bank Credit. Between October 24 and November 21, there was a considerable increase in loans and investments of member banks in



Monthly averages of daily figures for 12 Federal Reserve Banks. Latest figures are averages for first 23 days in November.

During the four weeks ending November 21 there was little change in the volume of reserve bank credit in use. Reserve bank holdings of acceptances again increased and discounts for member banks declined. During the last week of October and the first three weeks of November, conditions in the money market were somewhat easier; the rate on four to six months commercial paper declined from a level of $5\frac{1}{2}$ per cent to a range from $5\frac{1}{4}$ to $5\frac{1}{2}$ per cent, and rates on call and time loans in the open market also declined slightly.

TWELFTH FEDERAL RESERVE DISTRICT CONDITIONS

A month ago this Review called attention to the generally satisfactory agricultural outlook, the large volume of trade being transacted, well sustained industrial activity, and the ample credit supply, as salient features of the business situation in the Twelfth Federal Reserve District. There has been no fundamental change in the situation since that time, agriculture being, on the whole, in satisfactory condition; retail and wholesale trade having been active during October and early November; industrial operations having continued at high levels; and the supply of credit having been ample to care for the seasonal needs of business.

Total agricultural returns in the District have thus far approximated those of a year ago, but their distribution by regions is somewhat changed. Livestock returns have undoubtedly been well above those of 1927, and evidence of improved purchasing power in areas where that industry is especially important is afforded by increased trading activity. Some of the areas

producing specialized crops have had a satisfactory season, but returns to producers in certain other sections of the District have been disappointing.

Increases in value of sales during October, 1928, as compared with October, 1927, were reported by a large majority of the principal retail and wholesale establishments operating throughout this District. Expansion of building activity during October has helped further to improve the industrial situation, and as a consequence of this improvement little surplus of labor was reported.

Seasonal expansion of trade and industry was carried on with an adequate supply of credit. Reporting city member banks were able to reduce their borrowings at this Bank, even though their loans reached record levels during the first half of November. Additional loans were made at rates which have prevailed for several months, and which are slightly higher than a year ago.

Agriculture

Rainfall during September and October has been below normal in the agricultural areas of the Twelfth District. As was reported last month, dry weather has retarded fall sowing of grain and growth of forage on winter livestock ranges, but has favored late harvesting operations. Production of the principal crops grown in the District, as estimated by the United States Department of Agriculture on November 1, approximates previous forecasts with the exception of certain field crops whose harvest yields have been somewhat greater than was anticipated earlier in the crop season.

Marketing of the Pacific Northwest's 1928 wheat crop, as indicated by the export movement of wheat from Puget Sound and Columbia River ports and carlot receipts of grain at seaboard grain terminals in Oregon and Washington, has progressed slowly. During the period July 1, 1928, to October 31, 1928, exports totaled 13,224,000 bushels compared with an export movement of 27,314,000 bushels during the corresponding period in 1927. At seaboard grain terminals carlot receipts of wheat were 27 per cent less for the season to November 1, 1928, than for the same period last year.

Yields of some of the District's field crops have been somewhat greater than was anticipated six weeks ago, and on November 1, production estimates for cotton in Arizona and California and rice in California were revised upwards by approximately 2 and 20 per cent, respectively. Similarly, estimates of sugar beet production in California, Idaho, and Utah and of bean production in California and Idaho were increased 16 and 6 per cent, respectively.

Production of Navel oranges in California for the 1928-1929 season is estimated at 15,700,000 boxes. The 1927-1928 crop amounted to 11,650,000 boxes. Shipments of oranges from California totaled 2,129 carloads during October, the last month of the 1927-1928 crop marketing season. During October, 1927, it was estimated that 2,646 carloads of oranges were shipped. Total shipments of oranges, including Navels and Valencias, for the 1927-1928 season amounted to 46,922 carloads compared with 57,163 carloads shipped during the 1926-1927 season. Orange prices (f.o.b. shipping point—California) declined slightly during October but remained at levels above those of a year ago.

Harvesting of late maturing varieties of grapes and apples grown in this District was practically completed early in November. By November 14, shipments of the 1928 crop grapes from California had totaled 68,204 carloads compared with a total movement of 73,234 carloads during the 1927 season to November 14. The California Crop Reporting Service, on November 1, estimated that production of grapes in California during 1928 would total

2,327,000 tons. The 1927 crop was estimated to be 2,406,000 tons, of which 142,000 tons were not harvested.

Marketing of the Pacific Northwestern apple crop is progressing satisfactorily. Between July 1 and November 1, 1928, domestic shipments of apples from Oregon, Idaho, and Washington totaled 26,866 carloads, compared with shipments totaling 17,694 carloads during the 1927-1928 apple marketing season to November 1, 1927. Exports of boxed apples from the United States have been approximately 134 per cent larger in volume this year than last. Returns to growers for the principal varieties of apples marketed during the current season in the Pacific Northwest have ranged from 62 cents to \$1.05 per box below those of a year ago.

Although the condition of the District's livestock ranges usually improves during October, scant rainfall during the present season resulted in a decline in range conditions during that month. Livestock generally have remained in good condition despite deterioration of ranges, however, and reports indicate that ample stocks of hay are available for supplemental feeding purposes, should such feeding be necessary.

The fall movement of cattle to the District's markets and feedlots, as indicated by livestock receipts at eight principal markets during October, was slightly heavier than a year ago. Similarly, the movement of sheep to Twelfth District markets has been heavier than it was last year.

Industry

Industry was active throughout the Twelfth Federal Reserve District during October and proceeded at approximately the levels of a year ago. Employment was well maintained for this season of the year, especially in the Pacific Southwest where increased mining activity and heavy agricultural demands quite generally absorbed the available labor supply. This Bank's seasonally adjusted index of freight carloadings of industrial commodities stood at 109 (preliminary estimate) (1923-1925 daily average=100) in October, 1928; 109 in September, 1928; and 111 in October, 1927.

(A) Industry—

Indexes of daily average production, adjusted for seasonal variation.
(1923-1925 daily average = 100)

	1928			1927
	Oct.	Sept.	Aug.	Oct.
Manufactures:				
Flour	109	108	98	104
Slaughter of Livestock	93*	84	89	92
Lumber	105*	104	103	109
Refined Mineral Oils† .....	...	159	161	149
Cement	103	117	128	113
Wool Consumption .....	...	73	75	100
Minerals:				
Petroleum (California)‡	95	96	95	95
Copper (United States)§	128	121	115	102
Lead (United States)¶	109	116	108	105
Silver (United States)§	81	79	82	91
General:				
Carloadings§	109*	109	118	111

*Preliminary. †Not adjusted for seasonal variation. ‡Prepared by Federal Reserve Board. §Other than Merchandise and Miscellaneous.

A slight seasonal reduction in **employment** was reported during October. The decline was noted particularly in the Pacific Northwest, where the agricultural, canning and packing, and fishing industries have commenced to release men not needed during the winter season. Activity in the construction industry, however, helped to absorb a part of the surplus. In southern California and Arizona, the labor needs arising from a large cotton crop, an increased mineral output, and a fairly active construction program have tested the adequacy of the available supply of workers.

Production and shipments of **lumber** were maintained at seasonal levels during October and orders received were in large volume. This Bank's seasonally adjusted index of lumber production stood at 105 (1923-1925 daily average=100) in October, 1928, as compared with 104 in September, 1928, and 109 in October, 1927.

The number and value of **building** permits awarded in principal cities of the District (figures of S. W. Straus and Company) increased during October, reversing, at least temporarily, the downward trend of the past 11 months. The total value of building permits issued between January 1 and October 31, 1928, was about 10 per cent lower than for the same period of 1927; at the end of September, 1928, a similar comparison showed a decline of 11 per cent. The value of **engineering** and **heavy construction** contracts awarded during October in the far-western district (figures published by the Engineering News Record) increased moderately from the low levels of September. The January 1-October 31, 1928, total for the far-western district, however, was 14 per cent below that for January 1-October 31, 1927.

Daily average output of **petroleum** declined slightly during October, 1928, as compared with

September, 1928, and was approximately the same as in October, 1927. Sharp reductions in output during the first two weeks were offset by increases during the last half of the month. This Bank's index of the daily average production of petroleum stood at 95 (1923-1925 daily average=100) in October, 1928; 96 in September, 1928; and 95 in October, 1927. Stocks of light crude oil were relatively small at the end of October, but stocks of heavy crude were taxing storage capacities. As a result, the price of heavy crude was somewhat lower during October than earlier in the year.

Production of **copper** increased again during October and producers were reported to be planning a continuance of heavy operating schedules during the immediate future. Stocks of refined copper on hand at the month-end were extremely low. **Zinc** and **silver** production remained at relatively low levels.

Flour mills of the District continued active during October. Demand for flour in both local and eastern markets was fairly heavy, but orders from foreign countries were light.

Trade

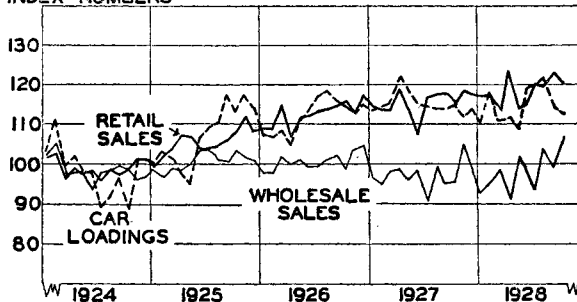
A large volume of trade was transacted in the Twelfth Federal Reserve District during October, 1928, and activity both at wholesale and at retail was substantially greater than during October, 1927. The centers showing the largest increases in trade activity as compared with a year ago were Los Angeles, Salt Lake City, Seattle, and Spokane. When reduced to a daily average basis, retail trade declined from September to October, while wholesale trade increased during the same period, both movements being contrary to the usual seasonal expectation.

(B) Employment—

Industries	No. of Firms	California		Oregon		
		No. of Firms	No. of Employees	No. of Firms	No. of Employees	Oct., 1927
All Industries	722	158,093	151,725	153	31,125	28,082
Stone, Clay and Glass Products	43	6,339	6,339	4	170	265
Lumber and Wood Manufactures	109	25,227	26,645	55	16,788	15,805
Textiles	18	2,467	2,791	11	1,960	2,040
Clothing, Millinery and Laundering	65	8,281	8,133	9*	489	458
Foods, Beverages and Tobacco	160	34,952	34,085	43	6,319	3,862
Water, Light and Power	5	7,617	7,733	..	..	..
Other Industries†	309	72,381	65,117	..	..	..
Miscellaneous	13	829	882	31	5,399	5,652

*Laundering only. †Includes the following industries: metals, machinery and conveyances; leather and rubber goods; chemicals, oils and paints; printing and paper goods. Figures in parentheses indicate percentage changes from October, 1927.

INDEX NUMBERS



DISTRIBUTION AND TRADE—TWELFTH DISTRICT
Indexes adjusted for seasonal variation. 1923-1925 average=100. Daily average figures of department store sales and railway carloadings of merchandise freight. Monthly figures of sales at wholesale.

Total value of sales at retail of 150 department, apparel, and furniture stores was 6.3 per cent larger in October, 1928, than in October, 1927. The seasonally adjusted index of sales of 28 department stores stood at 120 (1923-1925 daily average=100) in October, 1928, as com-

pared with 123 in September, 1928, and 115 in October, 1927. Stock on hand of 27 reporting department stores was approximately the same during October this year as during October a year ago.

RETAIL TRADE—Twelfth District

	NET SALES*		STOCK* Oct., 1928, compared with Oct., 1927
	Oct., 1928, compared with Oct., 1927	Jan. 1 to Oct. 31, 1928, compared with Jan. 1 to Oct. 31, 1927	
Department Stores†..	7.6 (68)	2.9 (61)	-1.8 (51)
Apparel Stores	3.8 (32)	0.9 (25)	-3.4 (19)
Furniture Stores	0.4 (50)	-2.2 (41)	-7.3 (31)
All Stores	6.3 (150)	2.1 (127)	-2.7 (101)

*Percentage increase or decrease (—). Figures in parentheses indicate number of stores reporting. †Includes dry goods stores.

The usual autumn increase in the District's wholesale trade was not experienced until October this year, whereas the initial expansion is usually felt in September. Largely as a result of this late seasonal movement, nine of the eleven lines of wholesale trade canvassed by this Bank showed increased sales during October, 1928, as compared with September, 1928, and October, 1927. The seasonally adjusted index of value of sales at wholesale advanced to 107 (1923-1925 monthly average=100) in October as compared with 99 in September and 100 in October a year ago. Stock on hand of 99 wholesalers was 3 per cent smaller in October, 1928, than in October, 1927.

Sales of new automobiles registered a more than seasonal increase during October, 1928, and surpassed the high levels of the last two months, reaching a point far in excess of the small sales of October, 1927.

Total carloadings decreased throughout the District during October, due chiefly to lighter loadings of merchandise and miscellaneous freight.

Prices

The general level of commodity prices has declined slightly but steadily for several weeks. The downward tendency, which was accentuated during late October, apparently was checked, however, during the first week or ten days of November. Lower prices for agricultural commodities, foods and food products,

(C) Distribution and Trade—

	—1928—			1927 Oct.
	Oct.	Sept.	Aug.	
Carloadings, Total†	1120	114	122	114
Carloadings, Merchandise and Miscellaneous†	1150	118	124	116
Sales at Wholesale‡	107	99	103	100
Sales at Retail‡	120	123	120	115
Stocks, Retail§	110	109	107	110
Sales of New Automobiles||				
Passenger Cars	112	110	115	75
Commercial Vehicles	126	119	121	90
		Actual Figures		
Stock Turnover, Retail¶	.26	.25	.27	.24
Collections, Retail#				
Regular	55.7	45.3	45.1	51.0
Installment	19.4	15.8	17.1	14.1

*Adjusted for seasonal variation, 1923-1925 average=100. †Daily average. ‡Monthly totals of eleven lines combined. §At end of month. ¶For source of figures, see June, 1928 Review. ||Proportion of average stocks sold during month. #Per cent of collections during month to amount outstanding at first of month. ¶Preliminary.

and for hides and leather products, have been mainly responsible for declines in various composite indexes. The force of the downward movement was moderated by the action of prices of fuels and chemicals, and by price advances recorded in the metals group. The Bureau of Labor Statistics' index of wholesale prices of 550 commodities declined during October to 98 (1926 monthly average=100) as compared with 100 for September, but remained higher than in October a year ago, when the index stood at 97.

Recent declines in prices for foods and certain farm products have had an unfavorable effect upon anticipated agricultural purchasing power in the Twelfth District, and actual aggregate returns in some cases are not equalling predictions made earlier in the season. Quotations for wheat have for some time been substantially below prices of a year ago, and, as this year's crop was smaller than the 1927 crop, it is apparent that income returns to wheat growers in this region will be reduced. The potato situation in this District is similar to that of wheat, prices being substantially lower and production being somewhat smaller than a year ago. Prices for peaches were lower this year than last, and, even with the large crop, aggregate returns probably fell below those of 1927. Fresh grape and apple prices have been relatively low during the current season and there has been little or no measurable improvement in recent weeks. Citrus fruits have sold at high levels this year, and prices are being well maintained.

On the whole, quotations for dried fruits have changed little during the past month, although slight advances have been reported in certain lines, the most important of which is

(D) Bank Debits*—

	Oct., 1928	Oct., 1927	—First Ten Months—	
			1928	1927
Bakersfield	\$ 15,909	\$ 14,399	\$ 140,595	\$ 130,540
Bellingham	9,983	9,594	100,670	97,501
Berkeley	22,333	24,023	218,246	214,700
Boise	19,601	17,181	153,643	136,525
Eugene	9,106	7,747	75,821	74,762
Everett	14,500	13,001	136,291	127,232
Fresno	45,274	51,237	351,308	394,415
Long Beach	61,175	43,404	550,612	483,165
Los Angeles	1,160,189	928,896	10,619,691	9,202,907
Oakland	257,782	225,606	2,461,251	2,199,073
Ogden	24,612	22,700	186,770	178,457
Pasadena	39,068	37,697	402,736	401,396
Phoenix	38,900	27,957	343,220	267,050
Portland	207,511†	184,005	1,790,173‡	1,685,108
Reno	11,311	9,742	99,493	94,209
Ritzville	1,309	1,578	10,403	9,524
Sacramento	55,004	41,318	500,551	378,416
Salt Lake City..	87,405	76,554	748,593	690,586
San Bernardino.	4,371	10,102	98,446	101,337
San Diego	61,273	61,280	623,771	612,454
San Francisco ..	1,464,231	1,429,842	15,228,367	12,228,718
San Jose	34,249	30,697	285,555	262,799
Santa Barbara..	15,601	14,040	140,910	134,908
Seattle	277,784	236,585	2,466,042	2,151,331
Spokane	62,390	59,160	567,327	552,673
Stockton	29,328	30,261	292,501	281,180
Tacoma	50,332	44,739	460,461	450,037
Yakima	19,964	17,302	138,885	126,359
District	\$4,100,695†	\$3,670,647	\$39,192,332‡	\$33,667,362

*In thousands. †Includes \$17,753,000 at four banks not reporting prior to week ended May 2, 1928. ‡Includes \$103,953,000 at four banks not reporting prior to week ended May 2, 1928.

raisins. Quotations for canned fruits have remained steady for several months.

After approximately a month of unchanged quotations, copper prices were further advanced during the latter part of October. These advances have not been accompanied by rises in prices of other non-ferrous metals; in fact, prices for lead have declined slightly since the first of November.

Banking and Credit

During October and the first half of November, a supply of credit sufficient for all requirements of expanding industry and trade has been available in the Twelfth District. Loans of reporting city member banks increased to record levels during this period, but their borrowings at the Federal Reserve Bank of San Francisco were reduced. Interest rates were generally unchanged from those of recent months and were slightly higher than a year ago.

Commercial loans and loans on securities at reporting city member banks expanded throughout October and November, and on November 14 were at the highest level ever reported. The so-called commercial loans were 57 million dollars (6 per cent) and the loans on securities were 61 million dollars (12 per cent) larger than on November 16, 1927. Demand and time deposits of these banks increased during this period and were larger than a year ago. The increase over last year was not so great, relatively, as the increase in loans, however, and the ratio of total deposits to total loans stood at 137.2 on November 14, 1928, compared with 140.0 on November 16, 1927, the high point for that year. Investment holdings of these banks were reduced slightly during October and November, but exceeded, in amount, the investments reported in October and November, 1927. Their borrowings from the Reserve Bank were reduced during October and November, but were slightly more than twice as large as at this time last year.

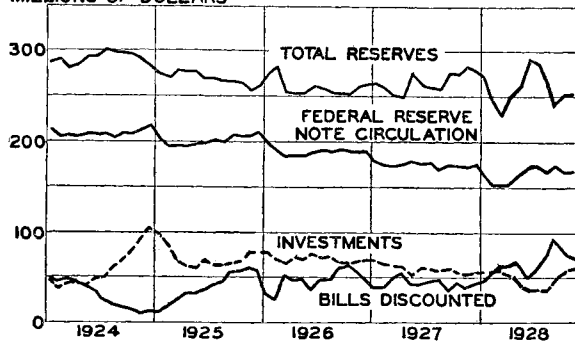
REPORTING MEMBER BANKS—Twelfth District
(In millions of dollars)

	Condition			
	Nov. 14, 1928	Oct. 17, 1928	Oct. 3, 1928	Nov. 16, 1927
Total Loans and Investments..	2,044	2,027	2,009	1,844
Total Loans	1,389	1,362	1,350	1,271
Commercial Loans	987	973	970	930
Loans on Securities	402	384	380	341
Investments	655	665	660	573
Net Demand Deposits	882	851	833	816
Time Deposits	1,017	1,013	1,010	914
Borrowings from Federal Reserve Bank	61	71	70	25

Earning assets of the Federal Reserve Bank of San Francisco declined by seven million dollars during the four weeks ending November 14, but on the latter date were still 35 million dollars larger than a year ago. Member bank borrowings from the Reserve Bank were reduced by 10 million dollars during the four-week period, as a result entirely of reduced borrowings of city member banks. Borrowing by

country banks increased slightly. The reduction in borrowings of city member banks from the Reserve Bank was accomplished despite (a) the withdrawal of approximately 10 million dollars of government deposits from commercial banks of the District, (b) the transfer by member banks of approximately 7½ million dollars to other parts of the United States, (c) an increase of member bank reserve balances at the Reserve Bank of 4 million dollars during the four weeks, and (d) a decrease in other credits granted by the Reserve Bank, all factors tending to increase the demand for Reserve Bank credit. In the present instance, however, the effect of these factors was more than offset by the effect of certain other factors, namely (a) an excess of Treasury disbursements over Treasury receipts amounting to approximately 12 million dollars in this District, (b) a reduction in demand for currency in the District amounting to approximately 6 million dollars and (c) Reserve Bank purchase in the local market of 2½ million dollars of acceptances.

MILLIONS OF DOLLARS



RESERVE BANK CREDIT—TWELFTH DISTRICT
Monthly average of daily figures. Latest figures are averages for first 20 days in November.

The reduction in cash reserves of the Federal Reserve Bank resulting from net outgoing member bank transfers of 7½ million dollars and net Treasury withdrawals of 2 million dollars of gold coin and currency from the Reserve Bank was more than counterbalanced by an inflow of cash other than Federal reserve notes from within the District (amounting to approximately 4 million dollars) and by Treasury transfers into the District (amounting to 14 million dollars) to cover its disbursements. As a result of these movements of funds, cash reserves at this Bank were increased by approximately 10 million dollars during the four-week period.

FEDERAL RESERVE BANK OF SAN FRANCISCO
(In millions of dollars)

	Condition			
	Nov. 14, 1928	Oct. 17, 1928	Oct. 3, 1928	Nov. 16, 1927
Total Bills and Securities	125	132	133	90
Bills Discounted	66	76	76	29
Bills Bought	42	40	40	5
United States Securities	17	17	17	56
Total Reserves	262	251	253	294
Total Deposits	200	197	193	194
Federal Reserve Notes in Circulation	167	169	171	171

Earnings and Expenses of Member Banks in Twelfth District

Analysis of Costs and Earnings of Non-Branch Operating Banks During 1927

(Statement of amounts per \$100 of earning assets in even dollars and cents results in some instances in slight discrepancies between component figures and related totals.)

	Twelfth District*	California	Idaho	Oregon	Utah	Wash- ington
Number of Banks	620	213	73	148	128	45
Amount per \$100 of Earning Assets						
Total Earnings	\$6.77	\$6.46	\$7.52	\$6.65	\$6.88	\$7.12
Interest Earned	5.90	5.72	6.67	5.91	5.98	6.01
Other Earnings .....	.87	.74	.85	.73	.89	1.11
Total Expenses	5.00	4.77	5.61	4.78	5.15	5.36
Salaries and Wages	1.65	1.51	1.90	1.70	1.54	1.84
Interest and Discount on Borrowed Money.....	.08	.12	.15	.04	.08	.04
Interest on Deposits	2.03	2.04	2.11	1.96	2.23	2.00
All Other Expenses	1.23	1.11	1.44	1.07	1.29	1.47
Net Earnings	1.77	1.68	1.91	1.86	1.72	1.76
Net Losses .....	.82	.83	1.56	.83	.91	.47
Net Addition to Profits.....	.95	.85	.35	1.03	.81	1.29
Dividends Declared .....	.73	.73	.34	.65	.71	.89
Amount per \$100 of Earnings						
Interest Earned	87.05	88.51	88.72	88.95	86.99	84.42
Other Earnings	12.95	11.49	11.28	11.05	13.01	15.58
Total Expenses	73.79	73.85	74.58	71.94	74.95	75.27
Salaries and Wages	24.41	23.29	25.29	25.64	22.46	25.88
Interest and Discount on Borrowed Money.....	1.24	1.78	2.03	.66	1.18	.58
Interest on Deposits	29.93	31.54	28.07	29.56	32.48	28.19
All Other Expenses	18.21	17.24	19.19	16.09	18.84	20.62
Net Earnings	26.21	26.15	25.42	28.06	25.05	24.73
Net Losses	12.19	13.06	20.80	12.49	14.37	6.64
Net Addition to Profits.....	14.02	13.09	4.62	15.57	11.80	18.09
Dividends Declared	10.79	11.34	4.46	9.77	10.27	12.45

Other Operating Ratios

(Amount per \$100)

Earning Assets to Invested Capital.....	\$724.82	\$665.63	\$752.76	\$804.90	\$701.16	\$794.07
Profits to Invested Capital.....	6.89	5.63	2.62	7.21	5.69	10.22
Interest on Deposits to Gross Deposits.....	2.11	2.30	1.93	1.90	2.34	1.98
Time Deposits to Gross Deposits.....	38.54	33.96	36.32	46.16	40.05	41.00
Losses on Loans to Total Losses.....	58.68	53.92	68.74	61.33	38.64	65.27
Losses on Securities to Total Losses.....	12.10	12.33	4.69	15.78	31.70	7.81
Other Losses to Total Losses.....	29.22	33.75	26.57	22.89	29.65	26.92

Miscellaneous Comparative Items

EARNING ASSETS—JUNE 30, 1927

	Twelfth District	Arizona	California	Idaho	Nevada	Oregon	Utah	Wash- ington
Per Cent of Member Banks to All Banks	72.67	80.77	73.85	69.88	42.80	77.51	53.69	69.53
Per Cent of Member Banks in Each State to All Member Banks in the District	100.00	1.05	78.02	1.73	.52	6.61	2.54	9.53

*Includes figures for Arizona and Nevada which are not shown separately because of small numbers of banks included.

These ratios are based upon data taken from the customary abstracts of reports of condition and of earnings, expenses, and dividends. It should be borne in mind in using them that the statistics employed represent aggregates for all member banks reporting on the various dates, and such ratios as are shown in this table are therefore ratios of aggregates in which figures for large banks have a statistical influence somewhat disproportionate to their number in comparison with the figures for small banks. Data are only for member banks for which complete condition reports for every call in a particular year were available. Where reports for any bank were not complete during any year all figures for that bank were omitted.

NOTE: Some of the figures in the above table are revisions or corrections of figures appearing in a similar table on page 80 of the October, 1928, Review. The present table should be substituted for the one published last month, which may now be destroyed. These figures are still subject to change. Complete and final figures, including those for 1928, will probably be published during 1929.

Earnings and Expenses of Member Banks in Twelfth District

Analysis of Costs and Earnings of Non-Branch Operating Banks During 1927

(Statement of amounts per \$100 of earning assets in even dollars and cents results in some instances in slight discrepancies between component figures and related totals.)

	Twelfth District*	Size of City Number of Inhabitants—1920 Census						
		Under 1,000	1,000 to 2,499	2,500 to 4,999	5,000 to 14,999	15,000 to 49,999	50,000 to 99,999	100,000 and Over
Number of Banks	620	136	175	100	93	51	14	51
Amount per \$100 of Earning Assets								
Total Earnings	\$6.77	\$7.82	\$7.53	\$7.37	\$7.32	\$7.16	\$6.91	\$6.29
Interest Earned	5.90	6.96	6.78	6.61	6.52	6.14	5.97	5.40
Other Earnings .....	.87	.85	.75	.77	.80	1.01	.94	.89
Total Expenses	5.00	5.71	5.70	5.54	5.24	5.14	5.64	4.63
Salaries and Wages	1.65	2.14	2.10	2.01	1.82	1.75	2.01	1.42
Interest and Discount on								
Borrowed Money .....	.08	.13	.13	.12	.07	.10	.07	.08
Interest on Deposits	2.03	1.98	1.95	2.02	1.99	1.92	2.18	2.06
All Other Expenses	1.23	1.46	1.51	1.39	1.36	1.39	1.37	1.08
Net Earnings	1.77	2.10	1.82	1.84	2.07	2.02	1.27	1.66
Net Losses .....	.82	.80	1.03	1.33	1.14	1.14	1.09	.56
Net Addition to Profits .....	.95	1.30	.79	.51	.93	.88	.18	1.10
Dividends Declared .....	.73	1.23	.69	.68	.85	.64	.72	.70
Amount per \$100 of Earnings								
Interest Earned	87.05	89.06	90.15	89.56	89.13	85.91	86.40	85.82
Other Earnings	12.95	10.94	9.85	10.44	10.87	14.09	13.60	14.18
Total Expenses	73.79	73.10	75.81	75.09	71.63	71.77	81.55	73.57
Salaries and Wages	24.41	27.44	27.98	27.18	24.81	24.47	29.06	22.51
Interest and Discount on								
Borrowed Money	1.24	1.72	1.74	1.65	.94	.95	1.02	1.23
Interest on Deposits	29.93	25.32	25.98	27.39	27.23	26.87	31.61	32.72
All Other Expenses	18.21	18.62	20.10	18.86	18.65	19.49	19.86	17.10
Net Earnings	26.21	26.90	24.19	24.91	28.37	28.23	18.45	26.44
Net Losses	12.19	10.25	13.74	17.99	15.73	16.00	15.85	8.97
Net Addition to Profits	14.02	16.65	10.45	6.92	12.64	12.23	2.60	17.47
Dividends Declared	10.79	15.70	9.17	9.25	11.57	9.01	10.40	11.13

Other Operating Ratios

(Amount per \$100)

Earning Assets to Invested Capital...	\$724.82	\$616.63	\$629.70	\$703.25	\$691.82	\$728.37	\$794.74	\$754.15
Profits to Invested Capital	6.89	8.02	4.69	3.60	6.40	6.37	1.43	8.29
Interest on Deposits to Gross Deposits	2.11	1.91	1.86	1.93	1.93	1.86	2.32	2.28
Time Deposits to Gross Deposits.....	38.54	41.64	40.11	42.24	41.20	39.96	37.48	36.55
Losses on Loans to Total Losses	58.68	67.96	66.44	59.50	60.14	62.37	79.28	53.54
Losses on Securities to Total Losses..	12.10	7.71	9.51	7.22	10.37	9.25	8.34	16.91
Other Losses to Total Losses.....	29.22	24.33	24.05	33.28	29.48	28.39	12.38	29.55

Miscellaneous Comparative Items

(Per Cent of District Total)

Invested Capital	100.0	4.54	8.64	6.36	12.66	12.27	4.81	50.72
Earning Assets	100.0	3.86	7.50	6.17	12.08	12.32	5.30	52.77
Gross Deposits	100.0	4.17	8.22	6.71	12.96	13.23	5.17	49.54

*Includes figures for Arizona and Nevada which are not shown separately because of small numbers of banks included.

These ratios are based upon data taken from the customary abstracts of reports of conditions and of earnings, expenses, and dividends. It should be borne in mind in using them that the statistics employed represent aggregates for all member banks reporting on the various dates, and such ratios as are shown in this table are therefore ratios of aggregates in which figures for large banks have a statistical influence somewhat disproportionate to their number in comparison with the figures for small banks. Data are only for member banks for which complete condition reports for every call in a particular year were available. Where reports for any bank were not complete during any year all figures for that bank were omitted.

NOTE: The character of the work and the large amount of data involved in preparing these operating ratios have resulted in occasional clerical errors. It is, therefore, necessary to regard the figures now being published as preliminary data, subject to some revision. Complete and final figures, including those for 1928, will probably be published during 1929.