

MONTHLY REVIEW

BUSINESS CONDITIONS IN THE TWELFTH FEDERAL RESERVE DISTRICT

Federal Reserve Bank of San Francisco

December 1, 1937

Review of the Month

Industrial activity receded further in October. Some reduction in number of wage earners employed at district mills and factories took place, particularly in the lumber-producing areas, and total wages paid decreased more than seasonally. Department store sales recovered from the decline recorded in September, while furniture store sales were unchanged after allowance for seasonal factors. Prices of farm products declined further, but total agricultural income continued higher than a year ago because of the larger volume of marketings.

INDUSTRY

Reflecting sharply curtailed operations in the three principal producing areas, lumber output declined more than is usual in October. In the western pine region, production decreased by twice the seasonal amount after a summer of unusually high activity, but output for the month was larger than in any October since 1929. Operations in the Douglas fir area, on the other hand, continued the decline in evidence since July, and the volume of lumber cut in October was 18 percent lower than a year ago. New orders continued to decline in all areas. Unfilled orders at district mills are estimated to have declined to 490 million feet by October 31. At that level they were 45 percent lower than a year ago, and 69 percent below last winter's high.

Output of cement has tended downward since the period of high activity last winter, the seasonally adjusted index having declined from an average of 134 percent of the 1923-1925 average during the last quarter of 1936 to 106 during the three months ending with September. In October the downward tendency was continued and the adjusted index was 101. Since most Portland cement produced in the Twelfth District is used locally, the decline in output tends to reflect the current recession in district building and construction operations. The large quantities of cement still being used in construction of Grand Coulee Dam have maintained demand for cement at relatively higher levels in the Pacific Northwest than in California.

Meatpacking was practically unchanged in October and continued at the level of the corresponding month last year. Retail meat prices in larger Pacific Coast cities declined slightly during the month, but were 12 percent higher than in October 1936. Flour production was curtailed, although activity at district mills is usually continued through that month at the September rate. Prices of flour, which declined in September, receded further in October. Alaskan salmon canning operations for this season were completed by October 23. The 1937 pack, aggregating 6,600,000 cases, was considerably smaller than the record packs of 1934 and 1936, but exceeded the 1927-1936 average by 16 percent. Unsold stocks of

salmon held by Pacific Coast canners on October 31 amounted to about 4,000,000 cases, compared with 2,500,000 cases a year ago. While sales are reported slow, canners have not reduced their asking prices, and quotations for most grades on December 1 were generally as high as in the preceding two months.

Activity in the petroleum industry continued at a high rate. Daily average production of crude petroleum approximated 694,000 barrels during October, an increase over the preceding month when output was the highest since February 1930. Preliminary data for November indicate a daily rate of production somewhat higher than in October. Activity at refineries was also higher than in September, with volume of output approximately 16 percent larger than a year ago.

According to trade reports, aircraft factories continue to operate at near-capacity levels and have a large volume of unfilled orders on their books. Trade information also indicates that the important motion picture industry, which has been producing at high levels, has curtailed its activity during recent weeks.

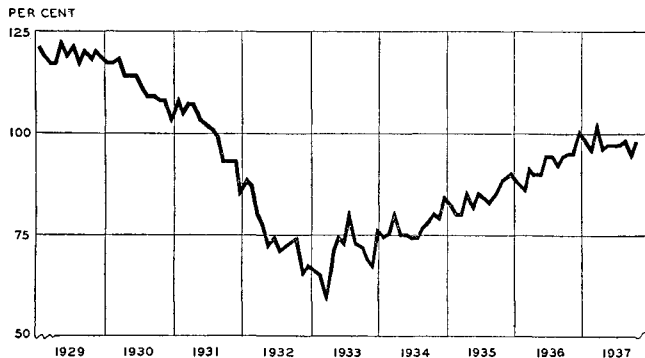
Private building initiated in October, as measured by value of permits issued and contracts awarded, continued the decline in evidence since last spring. The small decline in private building was accompanied by an increase in awards for public building, which were at comparatively low levels during August and September. During the first 10 months of 1937 the value of contracts for new commercial, industrial, and other types of private buildings (including public utilities) aggregated \$54,000,000, compared with \$41,000,000 in the corresponding 1936 period. About a third of the \$13,000,000 increase occurred in the manufacturing and mining industries, about a third in public utilities, and the remainder in a miscellaneous classification covering private schools, hotels, amusement enterprises, mausoleums, etc. Cost of new office buildings and buildings of a mercantile character, such as retail stores and wholesalers' warehouses, was about the same as in the first 10 months of 1936. In the industrial classification, increases occurred in the petroleum, motion picture, paper and pulp, chemical, and mining industries. Plant expansion in the important automobile industry was negligible this year, whereas in 1936 large expenditures resulted from construction of new Pacific Coast assembly plants by eastern manufacturers.

TRADE

Available measures indicate that since last winter and spring, when consumer demand attained the highest level within recent years, the value of retail trade has not continued the upswing in evidence since 1933. This comparative stability has followed upon a four-year period of advancing prices and incomes which, particularly during 1936, operated to increase the aggregate value of goods sold at retail. Since expansion in sales has not con-

tinued during 1937, year-period increases have become smaller during the past few months and an increasing number of retailers have reported sales barely equal to or lower than in the preceding year.

Sales movements of reporting department stores, from 1933 to the present time, are typical of these developments. Department stores do not represent the entire field of retail trade, but inasmuch as they sell a wide variety of goods and account for a substantial portion of all retail trade, their sales figures are of considerable use as indicators of current trade conditions. As shown in the accompanying chart, this bank's seasonally adjusted index



DEPARTMENT STORE SALES—Twelfth District
Index of value of sales, adjusted for seasonal variation (1923-1925 daily average=100). By months, January 1929 to October 1937.

of department store sales advanced almost continuously from a depression low in March 1933 of 59 percent of the 1923-1925 average to 102 percent in March 1937. During the next five months, the index fluctuated between 96 and 98, and in September it declined to 94. In October, value of daily average sales was four percent higher than in September, although no change is customary, and the index returned to the August level. The comparative stability in value of department store sales during 1937 does not show accurately the changes in quantity of goods purchased, since retail prices have averaged higher this year than last.

Furniture store sales were lower in 1933 with respect to 1929 than department store sales, and the recovery in that line since 1933 has been at a higher rate. From December 1932 to December 1936 sales of reporting furniture stores more than doubled, as compared with an increase of 22 percent in prices of housefurnishing goods in Pacific Coast cities during the same period. Value of sales continued to increase during the first eight months of 1937 at a faster rate than changes in the cost of housefurnishing goods, but in September declined sharply to within one percent of the September 1936 total. In October value of sales was the same as in the corresponding 1936 month with average prices somewhat higher than a year ago.

AGRICULTURE

Warm weather in most sections of the Twelfth District during October and November and widespread rains in the later month were generally favorable to agriculture. These conditions facilitated the seeding of wheat in the Pacific Northwest and also benefited winter livestock ranges. Late field crops and fruits being harvested in California were damaged slightly by rain.

Excepting citrus fruits, output of most crops was unusually large during the past season, and record harvests of several grain, field, and fruit crops were reported. Chiefly because of the prospective large crops in the district and elsewhere, prices of many farm products have been declining from the high levels reached last spring. During the past two months in which prices of nonagricultural commodities have shown considerable reduction, declines in prices of farm products have been particularly sharp. To a considerable extent the effect of these lower prices upon farm cash income has been compensated for by larger marketings, and through October district agricultural income continued to exceed that reported in the comparable month last year, although by a smaller margin than in earlier months of this year. Judging from available information, district farm cash income will probably be from 10 to 13 percent higher in the calendar year 1937 than in 1936.

California is one of the four states in the country growing rice and, on the average, produces approximately one-fifth of the United States crop. From a record acreage planted this year, growers expect to harvest 4,712,000 bags. This estimate is nearly 10 percent higher than production in 1936 and approximately 41 percent larger than the average output in the five years 1928-1932. Including carryover of old-crop rice, total supplies for the 1937-1938 season beginning October 1 have been forecast at 4,933,000 bags, compared with 4,781,000 bags last year and 3,039,000 bags two years ago. Utilization of California rice during the year ending September 30, 1937, estimated at 4,560,000 bags, was about 60 percent in excess of utilization in the 1935-1936 season. This gain in consumption reflected record usage for feeding purposes, increased purchases by brewers, and heavy shipments to southern mills. Prices to growers during the past season, reflecting the larger supplies, were lower than in the 1935-1936 crop year.

Because of unfavorable market conditions, as well as damage from insects and disease to part of the hop crop, growers in the three Pacific Coast states left more than 20 percent of the estimated 1937 output unpicked. Estimates indicate a total harvest of 44,024,000 pounds, compared with 23,310,000 pounds in 1936 and an average output of 36,426,000 pounds in the five years 1931-1935. The income outlook for hop growers is not as favorable

Production and Employment—

Index numbers, 1923-1925 average=100	With Seasonal Adjustment (1937)			Without Seasonal Adjustment (1937)		
	Oct.	Sept.	Oct.	Oct.	Sept.	Oct.
Industrial Production						
Manufactures (physical volume)						
Lumber*	77	87	86	82	98	91
Refined Oils*	—	—	—	178	177	154
Cement*	101	103	114	116	109	131
Meat*	113	114	114	—	—	—
Wheat Flour*	108	114	99	129	136	118
Minerals (physical volume)						
Petroleum*	—	—	—	105	104	88
Lead (U. S.)*†	—	77	71	—	73	73
Construction (value)						
Urban residential building permits in 18 cities*	26	27	34	28	31	37
Public Works Contracts*	—	—	—	101	158	192
Miscellaneous						
Electric Power Production*	200	210	189	199	220	188

*Daily average. †Prepared by Board of Governors of the Federal Reserve System.

Note: Series on employment and pay rolls, usually published in this table, are in process of revision.

as it was a year ago. Stocks held by growers on November 1 were markedly larger than a year earlier and, with slow demand from both foreign and domestic sources, prices to growers in recent weeks have averaged more than 60 percent below those received in November 1936.

Cotton production in Arizona and California was estimated on November 1 at 940,000 bales, compared with 633,000 bales harvested last year and an average output of 328,000 bales from 1928 through 1932. Acreage planted to cotton expanded from 576,000 acres in 1936 to 883,000 acres this year. Average yield per acre declined from 550 pounds in 1936 to 530 pounds in 1937, but remained approximately 50 percent above the average for the ten years 1923-1932. Prices paid growers in October and November were more than 25 percent lower than a year earlier. Notwithstanding lower prices, growers' gross income from cotton should exceed last year's returns.

Total production of apples in the Pacific Northwest was forecast on November 1 at 39,227,000 bushels, a substantial gain over the total of 35,150,000 bushels harvested last year. The crop in eastern and mid-western apple growing areas competing with the Pacific Northwest is markedly larger than in 1936 and consequently prices returned to growers in the Pacific Northwest have been below those received last year.

A further upward revision on November 1 of the estimated output of grapes in California indicated a record production of 2,409,000 tons. Last year 1,714,000 tons were harvested and average production in recent years has been 1,924,000 tons. The raisin drying season drew to a close in late October and early November without losses through damage from rain. Grape crushing at wineries continued at a high level of activity during October and November. Although auction prices for table and juice grapes in eastern and mid-western markets have declined in recent weeks, indicated total returns through November 12 were 6 percent greater than those received during the comparable part of last season.

Distribution and Trade—

Index numbers, 1923-1925 average=100				With Seasonal Adjustment— 1937—1936			Without Seasonal Adjustment— 1937—1936		
	Oct.	Sept.	Oct.	Oct.	Sept.	Oct.	Oct.	Sept.	Oct.
Retail Trade									
Department Store Sales (value)*									
Twelfth District.....	98	94	95	101	97	98			
California.....	104	99	102	105	101	103			
Los Angeles.....	99	92	96	101	96	98			
Bay Region.....	107	105	107	107	106	107			
San Francisco.....	104	102	104	103	104	103			
Oakland.....	118	114	118	121	110	120			
Pacific Northwest.....	74	74	73	84	83	83			
Seattle.....	82	83	80	86	90	84			
Spokane.....	66	58	66	95	64	94			
Salt Lake City.....	86	82	76	92	84	81			
Department Store Stocks (value)†	72	74	65	79	74	71			
Furniture Store Sales (value)*‡..	82	82	82	85	87	86			
Automobile Sales (number)*									
Total.....	—	—	—	106	119	93			
Passenger.....	—	—	—	98	107	84			
Commercial.....	—	—	—	188	249	189			
Carloadings (number)*									
Total.....	85	90	86	103	105	105			
Merchandise and Misc.....	94	104	93	122	125	121			
Other.....	71	76	77	80	85	86			
Intercoastal Traffic (volume)									
Total.....	68	65	75	73	66	81			
Eastbound.....	55	56	66	62	58	75			
Westbound.....	106	93	97	111	94	101			

*Daily average. †At end of month. ‡1929 average=100.

BANK CREDIT

Following a slight increase during the preceding three months, earning assets of Twelfth District reporting member banks declined moderately during the five weeks ending November 24. The decline was the result of a reduction in holdings of Government securities which are now almost 10 percent lower than in late November of last year. Investments in other securities increased slightly but remained substantially below the level reported a year ago.

Total loans were practically unchanged during the five week period. The steady expansion of the preceding three months in demand for loans for commercial, industrial, and agricultural purposes was interrupted during late October and a slight decline was reported in November. Loans to brokers and dealers in securities, which had declined during late September and the month of October with the sharp reduction in prices of corporate stocks, were unchanged in November. Real estate loans, which have shown practically no net change over the past three years, increased slightly. Total deposits fluctuated with little net change at a level moderately lower than in November last year.

Earning assets of the Federal Reserve Bank of San Francisco increased from \$221,793,000 on October 20 to \$224,020,000 on November 24, mainly because of increased holdings of Government securities acquired through Federal Reserve System purchases in the open market for the purpose of providing additional bank reserves to meet seasonal currency and other requirements. The amount of credit extended to the Twelfth District by this bank showed practically no net change over the five weeks.

Condition of Reporting Member Banks

Twelfth District
(In millions of dollars)

	Nov. 24 1937	Nov. 17 1937	Oct. 20 1937	Nov. 25 1936
Assets				
Loans and investments—total...	\$2,111	\$2,121	\$2,138	\$2,167
Loans—total.....	1,045	1,047	1,049	943
Commercial, industrial and agricultural loans:				
On securities.....	40	40	40	*
Otherwise secured and unsecured	339	339	342	*
Open market paper.....	36	37	35	*
Loans to brokers and dealers in securities.....	17	16	18	17
Other loans for purchasing or carrying securities.....	57	57	56	*
Real estate loans.....	371	372	369	365
Loans to banks.....	3	3	2	1
Other loans:				
On securities.....	78	78	83	*
Otherwise secured and unsecured.....	104	105	104	*
U. S. Government direct obligations.....	658	665	683	709
Obligations fully guaranteed by U. S. Govt.....	118	118	121	157
Other securities.....	290	291	285	358
Reserve with Federal Reserve Bank.....	330	334	322	284
Cash in vault.....	20	20	20	20
Balances with domestic banks.....	203	201	200	241
Other assets—net.....	202	205	209	228
Liabilities				
Demand deposits—adjusted.....	917	923	921	900
Time deposits.....	995	998	999	1,020
U. S. Government deposits.....	37	37	44	45
Inter-bank deposits:				
Domestic banks.....	245	252	257	299
Foreign banks.....	14	14	15	13
Borrowings.....	0	0	0	0
Other liabilities.....	329	329	326	338
Capital account.....	329	328	327	325

*Comparable figures not available.

Summary of National Business Conditions

Prepared by the Board of Governors of the Federal Reserve System

VOLUME of industrial production showed a further sharp decrease in October and the first 3 weeks of November, and there was a reduction in employment. Commodity prices continued to decline. Distribution of commodities to consumers was maintained at the level of other recent months.

PRODUCTION AND EMPLOYMENT

In October, the Board's seasonally adjusted index of industrial production was 103 percent of the 1923-1925 average as compared with 111 percent in September and an average of 116 percent in the first 8 months of this year. There was a marked curtailment of activity in the durable goods industries. Output of steel ingots, which had shown a steady decline since August, was at an average rate of 59 percent of capacity in October and by the third week in November the rate had declined to 36 percent. Automobile production increased considerably in October as most manufacturers began assembly of 1938 model cars. In the first three weeks of November output of automobiles showed little change from the level reached at the end of October, with assemblies by one leading manufacturer continuing in exceptionally small volume. Production of lumber and of plate glass declined further in October. In the nondurable goods industries, where output had been declining since the spring of this year, there was a further decrease in October. Cotton consumption showed a sharp reduction and activity at woolen mills and shoe factories continued to decline. There was an increase in output at sugar refineries, where activity had been at a low level in September. In most other lines changes in output were largely seasonal. Mineral production continued at about the level reached at the close of 1936 and maintained throughout this year.

Value of construction contracts awarded in October and the first half of November was smaller than in the preceding 6 weeks, according to figures of the F. W. Dodge Corporation. The decline was chiefly in private nonresidential construction.

Factory employment declined substantially in October and pay rolls showed little change, although an increase is usual at this season. Declines in the number employed were reported by factories producing steel, machinery, lumber, and textiles, and in many smaller industries. There was a seasonal increase in employment at automobile factories. Employment and pay rolls increased seasonally at mines and at establishments engaged in wholesale and retail trade.

DISTRIBUTION

Sales at department stores and mail order sales increased seasonally in October. Throughout the year sales at department stores have been sustained, with seasonal fluctuations, and the Board's adjusted index of these sales has shown little change.

Freight carloadings declined in October and the first half of November, reflecting smaller shipments of forest products, ore, and miscellaneous freight.

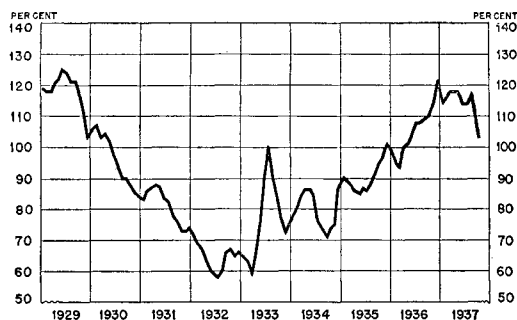
COMMODITY PRICES

Prices of industrial materials, particularly nonferrous metals, steel scrap, rubber, and hides, declined further from the middle of October to the third week of November, and there were some decreases in the prices of finished industrial products. Livestock and meat prices declined substantially and coffee prices dropped sharply following the announcement by Brazil of modification of its control policy.

BANK CREDIT

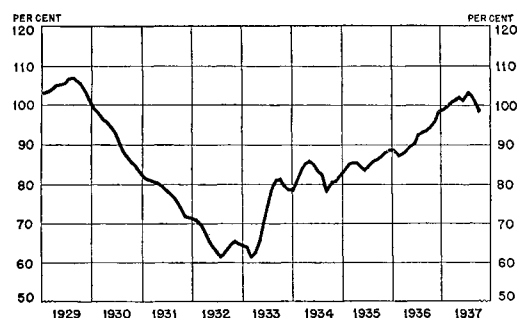
During the first half of November the Federal Reserve banks purchased \$28,525,000 of United States Government securities, in accordance with the policy adopted in September to provide additional reserves for meeting seasonal currency and other requirements. From the middle of October to November 17, excess reserves of member banks increased from about \$1,000,000,000 to \$1,100,000,000, reflecting the Federal Reserve security purchases and a considerable decline in required reserves at member banks in New York City, caused partly by a reduction in demand deposits arising from a liquidation of brokers' loans.

Loans to brokers and dealers reported by banks in leading cities declined by \$250,000,000 during the 4 weeks ending November 17. Commercial loans, following a steady increase for several months, declined after the middle of October. Member banks in New York City increased their holdings of United States Government securities by over \$150,000,000 while banks outside New York City



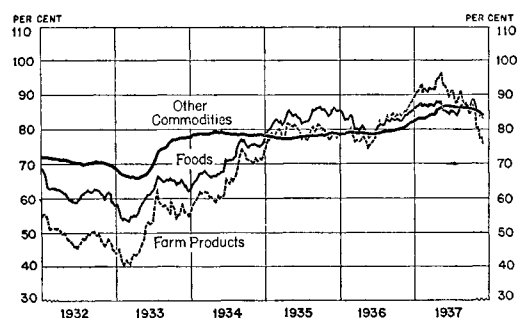
INDUSTRIAL PRODUCTION

Index of physical volume of production, adjusted for seasonal variation, 1923-1925 average=100. By months, January 1929 to October 1937.



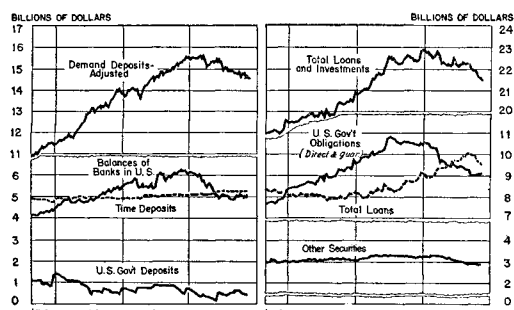
FACTORY EMPLOYMENT

Index of number employed, adjusted for seasonal variation, 1923-1925 average=100. By months, January 1929 to October 1937.



WHOLESALE PRICES

Indexes compiled by the United States Bureau of Labor Statistics, 1926=100. By weeks, 1932 to date. Latest figure is for week ending November 20, 1937.



MEMBER BANK CREDIT

Wednesday figures for reporting member banks in 101 lead-

MONTHLY REVIEW

BUSINESS CONDITIONS IN THE TWELFTH FEDERAL RESERVE DISTRICT

Federal Reserve Bank of San Francisco

Supplement, December 1, 1937

Bank Suspensions—Twelfth Federal Reserve District

Since 1933 there has been an almost complete absence of bank suspensions in the Twelfth Federal Reserve District. The one failure reported was that of a comparatively small bank in San Francisco affiliated with a foreign bank and engaged primarily in foreign exchange transactions. Its suspension in 1935 was a result entirely of difficulties of the parent institution.

The lack of bank failures during recent years contrasts sharply with the large number of suspensions reported

in the preceding decade, particularly in the period 1930 to mid-1933. In that period of widespread deflation a total of 426 banks, or 32 percent of the number of active institutions on January 2, 1930, failed in the seven western states, including the five southeastern counties of Arizona which are outside the Twelfth Federal Reserve District. Deposits held by these banks at or about the time of failure amounted to \$280,625,000 or slightly more than six percent of all deposits reported by banks in

NUMBER OF BANK SUSPENSIONS 1921-1936 BY CLASSES OF BANKS

TWELFTH DISTRICT STATES AND UNITED STATES

	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	Total
National Banks																	
Arizona	1	—	2	—	—	3	—	—	—	—	1	1	1	—	—	—	6
California	2	3	1	—	2	—	4	—	1	2	8	14	22	—	—	—	62
Idaho	7	1	5	4	4	1	2	1	1	—	4	6	3	—	—	—	39
Nevada	—	—	—	—	—	—	—	—	—	—	—	2	1	—	—	—	3
Oregon	2	—	2	—	1	—	2	1	—	—	4	8	11	—	—	—	31
Utah	—	2	—	1	—	—	—	—	—	—	1	—	1	—	—	—	5
Washington	1	—	—	5	2	2	—	—	1	1	6	5	18	—	—	—	41
Twelfth District.	13	6	10	10	9	6	8	2	3	3	24	36	57	—	—	—	187
United States...	52	49	90	122	118	123	91	57	64	161	409	276	1,101	1	4	1	2,719
State Member Banks																	
Arizona	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
California	—	—	—	—	—	—	—	—	—	—	1	—	2	—	—	—	3
Idaho	4	4	2	—	2	—	3	1	—	—	2	2	1	—	—	—	21
Nevada	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Oregon	1	—	—	—	1	2	3	—	—	—	3	4	7	—	—	—	21
Utah	1	1	2	—	—	—	1	—	—	1	2	2	1	—	—	—	11
Washington	1	—	—	1	—	—	—	—	1	1	2	5	9	—	—	—	20
Twelfth District.	7	5	4	1	3	2	7	1	1	2	10	13	20	—	—	—	76
United States...	19	13	32	38	28	35	31	16	17	27	107	55	174	—	—	—	592
Nonmember Banks*																	
Arizona	6	5	6	3	3	1	1	—	—	5	4	6	3	—	—	—	43
California	1	3	1	2	1	2	2	—	3	5	9	19	25	—	1	—	74
Idaho	11	3	3	3	2	3	2	—	2	1	4	16	12	—	—	—	62
Nevada	—	1	—	—	—	—	—	1	1	—	2	14	1	—	—	—	20
Oregon	3	6	3	3	1	3	7	2	1	2	7	14	20	—	—	—	72
Utah	6	—	—	1	1	—	1	2	—	2	6	12	4	—	—	—	35
Washington	10	5	5	6	4	—	4	2	5	1	14	18	35	—	—	—	109
Twelfth District.	37	23	18	18	12	9	17	7	12	16	46	99	100	—	1	—	415
United States...	390	281	501	578	433	766	514	406	547	1,104	1,697	1,085	2,616	43	30	42	11,033
All Banks*																	
Arizona	7	5	8	3	3	1	1	—	—	5	5	7	4	—	—	—	49
California	3	6	2	2	3	5	6	—	4	7	18	33	49	—	1	—	139
Idaho	22	1	10	7	8	4	7	2	3	1	10	24	16	—	—	—	122
Nevada	—	—	—	—	—	—	—	1	1	—	2	16	2	—	—	—	23
Oregon	6	6	5	3	3	5	12	3	1	2	14	26	38	—	—	—	124
Utah	7	—	—	2	1	—	2	2	—	3	9	14	6	—	—	—	51
Washington	12	5	5	12	6	2	4	2	7	3	22	28	62	—	—	—	170
Twelfth District.	57	34	32	29	24	17	32	10	16	21	80	148	177	—	1	—	678
United States...	461	343	623	738	579	924	636	479	628	1,292	2,213	1,416	3,891	44	34	43	14,344

*Excludes private banks, of which 599 were suspended in the United States during the 16 year period, and mutual savings banks.
Source: Federal Reserve Bulletin, September 1937.

FEDERAL RESERVE BANK OF SAN FRANCISCO

the seven western states at the beginning of 1930. Of these failures, 261 were nonmember state banks having deposits of \$133,770,000 at or about the time of suspension. Although bank failures were unusually severe from 1930 to mid-1933, the nine years preceding 1930 were not free from bank suspensions. Following the post-war depression of 1920, 57 district banks having deposits of almost \$34,000,000 were suspended in 1921, and in the nine years ending with 1929 a total of 251 district banks having deposits of \$115,676,000 failed. The fewest reported in any one year of the pre-depression decade was in 1928 when ten banks having deposits of \$4,999,000 were taken over by state or national banking authorities.

The absence of bank failures in this district since January 1, 1934 reflects a variety of influences. One factor of outstanding importance was the strengthening of the

banking structure during and immediately following the banking holiday of 1933. At that time rigid requirements were laid down for the purpose of preventing the licensing and reopening of weak or insolvent banks. Immediately thereafter steps were taken to strengthen the capital structure of banks wherever it seemed desirable. Thus, generally speaking, only solvent banks, in locations and with managements which had been relatively successful in the past, were in operation at the beginning of 1934, when the Temporary Federal Deposit Insurance Fund went into effect. The substantial improvement in general business conditions since 1933, accompanied by increases in commodity and security prices, has also been a major factor. Ability to recover on all lines of credit has improved and the market value of assets acquired prior to and since 1933 has appreciated during most of this period.

NUMBER OF BANK SUSPENSIONS PER 100 ACTIVE BANKS IN OPERATION DURING PARTICULAR PERIODS
TWELFTH DISTRICT STATES AND UNITED STATES

	Average Number of Active Banks (1)			Number of Suspensions			Suspensions per 100 Active Banks			Annual Rate of Suspensions per 100 Active Banks		
	1921-36	1921-29	1930-33	1921-36	1921-29	1930-33	1921-36	1921-29	1930-33	1921-36	1921-29	1930-33
National Banks												
Arizona.....	15	18	12	6	3	3	40.0	16.7	25.0	2.5	1.9	6.3
California.....	220	266	186	62	16	46	28.2	6.0	24.7	1.8	0.7	6.2
Idaho.....	51	65	37	39	26	13	76.5	40.0	35.1	4.8	4.4	8.8
Nevada.....	9	11	9	3	0	3	33.3	.0	33.3	2.1	.0	8.3
Oregon.....	85	96	86	31	8	23	36.5	8.3	26.7	2.3	0.9	6.7
Utah.....	19	22	17	5	3	2	26.3	13.6	11.8	1.6	1.5	3.0
Washington.....	97	108	96	41	11	30	42.3	10.2	31.3	2.6	1.1	7.8
Twelfth District.....	496	586	443	187	67	120	37.7	11.4	27.1	2.4	1.3	6.8
United States.....	7,181	8,009	6,704	2,719	766	1,947	37.9	9.6	29.0	2.4	1.1	7.3
State Member Banks												
Arizona.....	3	4	2	0	0	0	.0	.0	.0	.0	.0	.0
California.....	25	35	11	3	0	3	12.0	.0	27.3	0.8	.0	6.8
Idaho.....	22	29	14	21	16	5	95.5	55.2	35.7	6.0	6.1	8.9
Nevada.....	0	0	0	0	0	0	.0	.0	.0	.0	.0	.0
Oregon.....	25	33	20	21	7	14	84.0	21.2	70.0	5.3	2.4	17.5
Utah.....	25	29	20	11	5	6	44.0	17.2	30.0	2.8	1.9	7.5
Washington.....	40	47	35	20	3	17	50.0	6.4	48.6	3.1	0.7	12.2
Twelfth District.....	140	177	102	76	31	45	54.3	17.5	44.1	3.4	1.9	11.0
United States.....	1,239	1,464	957	592	229	363	47.8	15.6	37.9	3.0	1.7	9.5
Nonmember Banks (2)												
Arizona.....	29	41	22	43	25	18	148.3	61.0	81.8	9.3	6.8	20.5
California.....	250	323	185	74	15	58	29.6	4.6	31.4	1.9	0.5	7.9
Idaho.....	69	79	74	62	29	33	89.9	36.7	44.6	5.6	4.1	11.2
Nevada.....	19	24	20	20	3	17	105.3	12.5	85.0	6.6	1.4	21.3
Oregon.....	110	138	96	72	29	43	65.5	21.0	44.8	4.1	2.3	11.2
Utah.....	55	65	55	35	11	24	63.6	16.9	43.6	4.0	1.9	10.9
Washington.....	180	213	165	109	41	68	60.6	19.2	41.2	3.8	2.1	10.3
Twelfth District.....	712	883	617	415	153	261	58.3	17.3	42.3	3.6	1.9	10.6
United States.....	14,872	17,889	12,859	11,033	4,416	6,502	74.2	24.7	50.6	4.6	2.7	12.7
All Banks (2)												
Arizona.....	47	63	36	49	28	21	104.3	44.4	58.3	6.5	4.9	14.6
California.....	495	624	382	139	31	107	28.1	5.0	28.0	1.8	0.6	7.0
Idaho.....	142	173	125	122	71	51	85.9	41.0	40.8	5.4	4.6	10.2
Nevada.....	28	35	29	23	3	20	82.1	8.6	69.0	5.1	1.0	17.3
Oregon.....	220	267	202	124	44	80	56.4	16.5	39.6	3.5	1.8	9.9
Utah.....	99	116	92	51	19	32	51.5	16.4	34.8	3.2	1.8	8.7
Washington.....	317	368	296	170	55	115	53.6	14.9	38.9	3.4	1.7	9.7
Twelfth District.....	1,348	1,646	1,162	678	251	426	50.3	15.2	36.7	3.1	1.7	9.2
United States.....	23,292	27,362	20,520	14,344	5,411	8,812	61.6	19.8	42.9	3.9	2.2	10.7

(1) Based on the number of banks in operation at the beginning of each year of the respective periods.

(2) Excludes private and mutual savings banks.

Source: Federal Reserve Bulletin, September 1937.