



# MONTHLY REVIEW

TWELFTH FEDERAL RESERVE DISTRICT

MAY 1955

FEDERAL RESERVE BANK OF SAN FRANCISCO

## REVIEW OF BUSINESS CONDITIONS

THE business situation in the Twelfth District and in the nation continued to strengthen early in the second quarter of the year. In addition to the further improvement in the level of activity there has been a noticeable tendency for recent gains to be somewhat more widespread than earlier in the year. A notable feature of the recovery to date has been its heavy dependence upon unusually high rates of activity in two major markets, automobiles and new residential construction. While both of these markets continue very active, their sharp upward push, after allowance for seasonal influences, has largely disappeared, and a greater share of over-all gains in general business activity has stemmed from rising levels of output and employment in other industrial and service establishments. This broadening of the recovery is to be expected as a result of the rise in personal incomes and a tendency to spread the increment of purchasing power over the wide range of commodities and services normally appearing in consumer budgets. Moreover, the rise in business incomes and confidence has led to a marked upturn in outlays for capital equipment.

### *Employment rises more sharply in the District than in the nation*

In terms of employment changes (the most comprehensive measure of general levels of economic activity available for both the District and the nation) the District has recovered more completely than the nation from the low point of the recession and the District's recovery has covered a broader front. The low point in employment during the recession came in August 1954 for the District and September 1954 for the nation. However, in order to simplify the comparisons that are used in the following discussion, September will be used as the low point for both the District and the nation. Total District nonagricultural employment, seasonally adjusted, expanded by more than 3 percent from last September to mid-April of this year compared with a rise of less than 2 percent for the nation as a whole. Moreover, District employment in March exceeded its previous peak in July 1953, moved into even higher ground in April, and from all indications will show a further gain in May. Nationally, nonagricultural employment is still below the previous peak in July 1953, although the total number at

INDEXES OF NONAGRICULTURAL EMPLOYMENT  
UNITED STATES AND TWELFTH DISTRICT  
September 1954 = 100  
(Adjusted for seasonal variation)

Industry division	United States		Twelfth District	
	Sept. 1954	April 1955	Sept. 1954	April 1955
Total .....	100.0	101.7	100.0	103.2
Manufacturing .....	100.0	104.0	100.0	103.6
Mining .....	100.0	100.1	100.0	105.4
Contract construction..	100.0	99.9	100.0	108.0
Transportation and public utilities .....	100.0	98.6	100.0	102.1
Trade .....	100.0	101.0	100.0	103.9
Finance .....	100.0	101.4	100.0	103.2
Service .....	100.0	100.6	100.0	101.9
Government .....	100.0	101.3	100.0	102.2

Source: Board of Governors of the Federal Reserve System and Federal Reserve Bank of San Francisco.

work in May exceeded the total employed in May 1953. In addition, the percentage increases recorded since last September for each of the major industrial classifications, except for manufacturing, were significantly larger in the District than they were in the country as a whole. The slightly smaller gain in manufacturing employment in the District than in the nation (3.6 percent compared with 4 percent) reflects the lesser importance in the structure of this region's economy of those industries that have undergone the major expansions nationally. This is particularly the case for the automobile and iron and steel industries. While these industries have had a sharp rise in activity in the District as well as in the nation, the gains have had a smaller over-all impact on the District economy than in the country as a whole since they account for a smaller fraction of total manufacturing employment in the District than in the nation.

A closer look at developments in the major nonmanufacturing industries will point up the reasons for the more complete and faster District recovery from the 1953-54 recession.

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### ***Construction shows most rapid rise from earlier lows***

The largest District employment gain both in terms of percentage increase and rise relative to the national pattern has occurred in contract construction. In construction, an industry normally accounting for a larger proportion of total employment in the District than in the nation, the relative District gain is outstanding. After seasonal adjustment the percentage rise in District construction jobs from last September through mid-April was 8 percent. This compares with a slight decline in employment in construction in the nation during the same period.

Unfortunately, statistical data are not available in sufficient scope or comparability to determine precisely the trends in particular segments of the construction field that account for this large disparity between the national and District job experience. However, the data and other information that are available suggest that in recent months the building boom has been substantially more intense in the District than in the country as a whole. Part of this greater District increase stems from the relative weakness in District construction activity during the first six to eight months of 1954. One important factor contributing to that weakness was the scarcity of residential mortgage funds, for which the District is heavily dependent upon large eastern institutional lenders. The subsequent easing in money markets and the renewed readiness of these lenders to make available large blocks of mortgage funds on extremely liberal terms had an unusually sharp impact upon construction activity in this District.

These developments in mortgage markets, combined with the relatively better sustained and subsequent greater rise in over-all levels of employment and incomes, help to account for the much greater rise in District construction demands and employment. The fact that the District continues to gain population at a faster rate than the country as a whole also intensifies the District demand not only for housing but for other types of construction as well. This is particularly noticeable in school, highway, commercial, and the various community service building requirements.

### ***Mining employment up sharply***

The growth of employment in District mines, despite the rather minor importance of mining in the over-all structure of the District economy, has also been large both percentagewise and in relation to changes nationally. Mining employment, seasonally adjusted, in the District rose by more than 5 percent compared with a gain of only one-tenth of 1 percent for the nation from last September to April of this year. It should be noted that many District nonferrous mines were shut down as a result of labor disputes in the late summer and early fall of last year, which accounts for part of the subsequently large District rise in mining activity. More important, however, has

been the greatly strengthened markets for metals, particularly for nonferrous metals of which the District is a major supplier. Prices of copper, lead, and zinc have all risen in response to tight national and world supplies with a consequent sharp upward impetus to output and employment in District mining operations. Tightness in these markets is evidenced in the withdrawal of supplies from defense stockpiles to prevent serious bottlenecks in industrial production.

### ***Noncommodity producing industries show substantial but more moderate gains***

Those industrial segments of the District economy whose output is essentially of a service character, including government activities, have all shared in varying degree in the employment advance since last September. In contrast to the industries already discussed, employment in the service industries did not generally decline in any significant degree at any time during the recessionary period. Moreover, their employment has risen substantially since the low in total employment last September and accounts for a significant proportion of the relatively greater growth in total nonagricultural employment in the District than in the nation.

A number of factors have combined to raise the District level of activity in the service industries. This group of industries includes transportation, public utilities, finance, service, and governmental activity. Perhaps the factors most responsible for the greater growth of employment in these lines in the District than in the nation have been the continued faster rate of population growth in the District and the somewhat more favorable District economic situation generally throughout the past two years or so. Supplementing these trends has been the increasing proportion of consumer disposable incomes being devoted to the purchase of services as opposed to the buying of physical goods.

As many of the services produced or performed by these industrial sectors are intimately related to home ownership, the greater intensity of residential construction activity in the District is an additional factor in the better regional than national employment gains in these classifications. Suburbanization both in housing and in commercial enterprises has required sharply increased provision of transportation, communication, public utility, and a host of governmentally supplied community services. The latter factor, especially as it reflects the growth in school population in newly developed areas, is chiefly responsible for the substantial gain of more than 5 percent in state and local government employment in the District since last September.

Federal Government employment in this District is an exception to these general trends. Continuing a decline of more than two years duration, Federal Government employment fell further in the September to April period being discussed. Changes in Federal Government employment in this District are heavily influenced by fluctuations in employment at national defense installations.

While the rate of decline in Federal employment has moderated substantially from earlier periods, some additional slight decline in the Federal budget and a shifting emphasis in defense policies may imply further moderate employee reductions at ground force installations in this District.

#### Unemployment situation substantially improved

Reflecting the substantial increases in the number of people employed, unemployment, after adjustment for seasonal fluctuations, has declined sharply in both the District and the nation. In view of the relatively larger District employment gains, the absolute level of unem-

ployment, seasonally adjusted, declined by more than one-fourth from September to April compared with a decline in the nation of about 15 percent. Unemployment in relation to total labor force has also shown significant improvement during this period. Although the District ratio of unemployed to labor force exceeded the national figure during most of the winter months, recent sharp declines have brought it into rough equality with the national ratio, at least through mid-April. The national ratio reached a two-year low of 3.8 percent in mid-May, down from 4.6 percent in April. In all probability the District ratio will show an equivalent decline when the data for May become available.

### OWNERSHIP OF DEMAND DEPOSITS—TWELFTH DISTRICT

INDIVIDUALS, partnerships, and corporations held \$11,610 million in demand deposits at all commercial banks in the Twelfth District on January 31, 1955, according to the Federal Reserve System's annual Survey of Demand Deposit Ownership.<sup>1</sup> This estimated record level represents an increase of \$1,050 million (9.9 percent) over the year-ago level. The rather substantial increase in demand deposits<sup>2</sup> occurred almost entirely during the last half of the Survey year. The revival in business activity that started last fall and the credit easing actions of the Federal Reserve System, which resulted in an increase in loanable funds at commercial banks, no doubt contributed to the deposit growth in the District. Each type of holder with the exception of "Other nonfinancial businesses" shared in the increase, as indicated in the accompanying table.

<sup>1</sup>See section "Note on New Sampling Techniques" on page 64.

<sup>2</sup>Demand deposits as used throughout this article refer to those held by individuals, partnerships, and corporations.

In the nation as a whole demand deposits also increased, though at a much slower rate than in this District. In fact, the dollar increase in this District was almost 25 percent of the dollar increase for the entire nation, though this District's holdings represent only 11 percent of total holdings in the United States. Except for public utilities and transportation lines, other nonfinancial businesses, and nonprofit associations, each type of holder had a faster rate of growth in the Twelfth District than in the country as a whole.

#### Present ownership distribution

The ownership distribution of demand deposits for the nation and for the District followed the same general pattern (*i.e.*, businesses owned more than one half of total demand deposits, and individuals other than farmers held more than one-third). Within this broad pattern there were some fairly sharp differences, however, which,

ESTIMATED OWNERSHIP OF DEMAND DEPOSITS OF INDIVIDUALS, PARTNERSHIPS, AND CORPORATIONS AT ALL TWELFTH DISTRICT AND UNITED STATES BANKS  
(in millions of dollars)

Type of holder	Twelfth District				United States <sup>p</sup>			
	Amount outstanding		Change from Jan. 30, 1954		Amount outstanding		Change from Jan. 30, 1955	
	Jan. 31, 1955	(Revised) Jan. 30, 1954	Dollar amount	Percent	Jan. 31, 1955	(Revised) Jan. 30, 1954	Dollar amount	Percent
ALL HOLDERS	11,610	10,560	+1,050	+ 9.9	102,300	97,800	+4,500	+ 4.6
Business—total	6,260	5,670	+ 590	+10.4	58,900	57,200	+1,800	+ 3.1
Corporate	4,440	3,950	+ 490	+12.4	45,200	44,200	+1,000	+ 2.4
Noncorporate	1,830	1,710	+ 110	+ 7.0	13,700	13,000	+ 700	+ 5.7
Nonfinancial business	5,070	4,620	+ 450	+ 9.7	48,400	47,400	+1,000	+ 2.1
Corporate	3,500	3,150	+ 350	+11.1	37,200	36,800	+ 500	+ 1.3
Noncorporate	1,580	1,470	+ 110	+ 7.5	11,200	10,700	+ 500	+ 4.7
Manufacturing and mining	1,850	1,570	+ 280	+17.8	21,600	21,600	<sup>2</sup>	+ 0.1
Public utilities and transportation	390	390	<sup>1</sup>	0	4,700	4,500	+ 200	+ 3.4
Trade	1,820	1,660	+ 160	+ 9.6	14,600	14,200	+ 400	+ 3.0
Construction	390	370	+ 20	+ 5.4	2,500	2,400	<sup>2</sup>	+ 0.9
Other	620	630	- 10	- 1.6	5,100	4,700	+ 400	+ 7.6
Financial business	1,190	1,040	+ 150	+14.4	10,500	9,700	+ 800	+ 8.3
Corporate	940	800	+ 140	+17.5	8,000	7,400	+ 600	+ 7.7
Noncorporate	250	240	+ 10	+ 4.2	2,500	2,300	+ 200	+10.2
Farmers	740	680	+ 60	+ 8.8	5,400	5,500	- 100	- 2.2
Corporate	80	70	+ 10	+14.3	n. a.	n. a.	....	....
Individuals	650	600	+ 50	+ 8.3	n. a.	n. a.	....	....
Individuals other than farmers	3,890	3,540	+ 350	+ 9.9	31,100	28,500	+2,600	+ 9.1
Nonprofit associations	470	450	+ 20	+ 4.4	4,400	4,100	+ 300	+ 6.7
Foreign and trust deposits	250	230	+ 20	+ 8.7	2,500	2,500	<sup>2</sup>	- 0.4

<sup>p</sup> Preliminary.

n. a. Not available.

<sup>1</sup> Less than \$5 million.

<sup>2</sup> Less than \$50 million.

Note: Figures may not add to totals because of rounding. Data are not comparable with figures previously published.

to a large extent, reflect variations in the industrial structure of the nation as a whole compared with that of the Twelfth District. The most noticeable difference between the District and the national ownership distributions was in manufacturing and mining. Nationally this group held 21 percent of total demand deposits, while in the District they held 16 percent. The national figure is strongly influenced by the Second Federal Reserve District (New York) and to a lesser degree by three other eastern and midwestern Districts where manufacturing and mining concerns held a higher average portion of demand deposits. The public utilities and transportation group was the only other classification that held a larger percentage of total demand deposits nationally than it did in the District—5 percent and 3 percent respectively. In the case of financial businesses, the percentages of total demand deposits held by them in this District and in the nation are the same. However, financial corporations, as distinct from unincorporated firms, held a slightly larger share in the District than in the nation as a whole.

Individuals and farmers in the Twelfth District jointly held 40 percent of total demand deposits compared with 36 percent nationally. Farmers in this District accounted for about 14 percent of the total demand deposits held by all farmers in the United States and "other" individuals held about 13 percent of the national total.

#### *Changes in demand deposit holdings*

Total demand deposit holdings of Twelfth District businesses increased 10.4 percent during the survey year. The dollar increase, \$590 million, made up over one half of the total increase in Twelfth District demand deposits. Corporate businesses, which increased their holdings by 12.4 percent during the year, accounted for the largest part of the gain, \$490 million. Among nonfinancial businesses (corporate and noncorporate), the greatest increase was made by manufacturing and mining concerns—a gain of 17.8 percent. This possibly was the result of improving business activity and industrial growth in the District with an accompanying increase in dollar value of output. Moreover, the low level of yields on short-term securities may have tended to encourage accumulation of cash funds for tax purposes, and the holding of undistributed profits in the form of cash. The general increase in Twelfth District business activity also probably accounted for the increase in demand deposit holdings for the trade and construction categories, which showed gains of 9.6 percent and 5.4 percent respectively. The "Other" business category which includes deposits of theatres, hotels, garages, laundries, and professional people, etc., was the only classification in this District which showed a reduction in demand deposit holdings from the prior year. Nationally this group showed a substantial percentage increase (7.6 percent), rising by approximately \$400 million.

Financial businesses, such as real estate firms, insurance companies, security dealers, and finance companies,

increased their demand deposit holdings during the year by \$150 million or 14.4 percent. Only \$10 million of this increase was accounted for by noncorporate businesses. Insurance companies, which received a substantial share of personal savings during 1954, probably accounted for a considerable part of this. It is also probable that real estate sales companies have been building up their deposits as a result of a high rate of residential sales, especially since July of last year.

Both corporate and individual farmers showed an increase in their holdings of demand deposits during the year. The increase in Twelfth District farm deposits is interesting in view of the fact that nationally farmers reduced their deposits by 2 percent. On the other hand, personal accounts excluding farmers increased nationally as well as in the Twelfth District. However, the rate of increase was somewhat, though not significantly, greater in the District than in the country as a whole.

Nonprofit associations such as churches, hospitals, charities, labor unions, and private schools and colleges, while increasing their demand deposit holdings in this District, did not do so at as fast a rate as they did nationally. The remaining group, foreign and trust deposits, had a fairly large percentage increase in this District but declined slightly in the United States.

#### **Note On New Sampling Techniques**

The techniques used for estimating the 1955 ownership of demand deposits were different in several respects from those used in prior years. It was possible to revise 1954 estimates to make them comparable with 1955. Several of the revisions employed in the current Survey were introduced in 1954, and the data for last year could be reorganized in a manner that permitted estimates reasonably comparable to those for 1955. Revised estimates for earlier years, however, were not attempted. Thus, the foregoing discussion has been confined to the current structure of demand deposit ownership and to changes in holdings that occurred in the last year.

The Twelfth District estimates used in this article were derived from data furnished by selected individual commercial banks and banking offices in this District. Each reporting banking office made a listing of all accounts over a specified dollar amount (\$3,000, \$10,000, or \$25,000) depending upon the total amount of its demand deposits on December 31, 1953. Accounts below the minimum size were then sampled on a systematic basis.<sup>1</sup> All accounts thus chosen were then classified by type of holder. Using these data, ownership estimates for 90 size-area breakdowns were prepared. These breakdowns were then totaled to arrive at District estimates.

While basically the same method of obtaining data was followed in prior Surveys, there was one major difference, namely, that formerly the banking offices were not required to sample accounts with balances below a

<sup>1</sup>The first account to be used was randomly chosen; then, depending upon the size classification of the banking office, every fifth, twentieth, or thirty-third account thereafter was used.

specified minimum. Various examinations of the ownership estimates made on the basis of these limited data indicated that some classifications were being overestimated and others underestimated. For this reason the sampling techniques, classification of banking offices, and the procedure used in deriving the final estimates of ownership were revised.

In 1954 a larger number of accounts was enumerated by the reporting banking offices than in the current Survey. By using these data and a special subsample of smaller accounts reported in the current Survey it was possible to revise last year's estimates. The principal result of the revision of the 1954 estimates was to in-

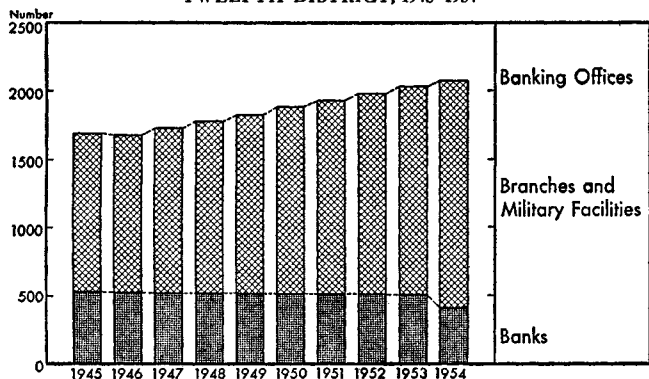
crease the estimated amount of demand deposits held by individuals and to decrease the estimates for businesses.

For the 1955 Survey it was possible to compute some measures of the probable degree of reliability of the estimated total amount of demand deposits as derived from the sample. These tests indicated that the larger dollar volumes shown for 1955 in the table on page 63 are more reliable than the smaller amounts such as those shown for farmers, nonprofit associations, and trust and foreign accounts. However, because data for 1954 were not collected in a manner which would permit tests of sample reliability, no measures of variation could be made for those data.

**CHANGES IN BANKS AND BRANCHES—TWELFTH DISTRICT, 1953-54**

**T**HERE were 2,076 banking offices, including military facilities, to serve the public in the Twelfth District as of December 31, 1954, 49 more than at the end of 1953.<sup>1</sup>

**NUMBER OF BANKING OFFICES, BANKS, AND BRANCHES TWELFTH DISTRICT, 1945-1954**



As in the country as a whole, bank mergers occurred on a large scale in the Twelfth District during 1954 and affected more banking offices than in any other postwar year. Of the 70 District banks discontinued during 1954, 68 of them were absorbed by existing banks, two banks in one city consolidated into one organization, and one bank liquidated voluntarily. Three of the banks that were absorbed were closed and their activities were transferred to other branches of the acquiring bank in the same or nearby communities. Of the 70 banks discontinued, one

<sup>1</sup>The data on banking offices presented in this article are not entirely comparable with those used in similar articles in previous years. The principal differences in the present treatment are the inclusion of military facilities as banking offices, whereas formerly they had been omitted, and the exclusion of certain nondeposit offices of financial organizations which technically fall under state banking laws but are not serving regular banking functions. These latter offices had formerly been included as banking offices. These changes provide data that more accurately represent the number of banking offices accepting deposits than did the classification previously used.

**CHANGES IN BANKS AND BRANCHES—TWELFTH DISTRICT December 31, 1953 and 1954**

	Dec. 31, 1953	Dec. 31, 1954	Change during year
Number of banks.....	502	442	- 60
Number of branches.....	1,475	1,532	+107
Number of military facilities...	50	52	+ 2
<b>Banking offices.....</b>	<b>2,027</b>	<b>2,076</b>	<b>+ 49</b>

Note: Twelfth District total for 1954 includes one member bank in Alaska.

**BRANCH BANKING SYSTEMS<sup>1</sup>—TWELFTH DISTRICT December 31, 1953 and 1954**

	Banks operating branches				Number of branches operated			
	All		Member		All		Member	
	1954	1953	1954	1953	1954	1953	1954	1953
Arizona.....	7	6	2	2	58	50	43	41
California.....	54	58	36	36	1,121	1,058	1,033	1,001
Idaho.....	8	8	6	6	65	65	60	60
Nevada.....	5	5	4	4	24	22	21	20
Oregon.....	10	13	3	5	138	116	129	106
Utah.....	10	9	6	6	38	37	34	34
Washington.....	24	23	17	15	190	177	176	161
<b>Twelfth District ...</b>	<b>118</b>	<b>122</b>	<b>74</b>	<b>74</b>	<b>1,634</b>	<b>1,525</b>	<b>1,496</b>	<b>1,423</b>

<sup>1</sup>Includes banks operating branches and/or military facilities.

was in Arizona, forty in California, one in Idaho, one in Nevada, twenty in Oregon, and seven in Washington. In California, 38 of the discontinued banks with their 27 branches were taken over by nine existing branch systems, with one branch system acquiring 27 banks and 24 of their branches. In Oregon, two branch systems acquired the 20 discontinued banks and their 13 branches. In Washington, of the seven discontinued banks, six of them with two branches were taken over by three branch systems.

Nine new banks were organized during 1954, and one existing bank in Alaska became a member of our District. Five of the newly organized banks were in California, one in Idaho, one in Nevada, and two in Washington. Six of these new banks are members.

**TOTAL ASSETS OF MEMBER AND NONMEMBER BRANCH BANKING SYSTEMS (in thousands)**

	All		Member branch banks		Branch bank as percent of all bank assets	
	1954	1953	1954	1953	1954	1953
Arizona <sup>1</sup> ...	\$ 639,170	\$ 572,865	\$ 528,927	\$ 481,258	97.2	96.0
California <sup>2</sup> ..	17,613,119	16,555,719	16,354,858	15,610,984	89.7	90.6
Idaho.....	474,349	450,150	434,960	412,693	83.4	82.9
Nevada.....	268,092	235,530	237,108	210,806	89.7	89.5
Oregon.....	1,758,384	1,555,509	1,697,575	1,487,573	91.5	86.9
Utah.....	485,605	421,326	461,257	403,800	57.4	54.3
Washington .	2,466,961	2,292,693	2,153,372	1,995,901	87.2	86.1
<b>Twelfth District ..</b>	<b>\$23,705,680</b>	<b>\$22,083,792</b>	<b>\$21,868,057</b>	<b>\$20,603,015</b>	<b>88.6</b>	<b>88.7</b>

<sup>1</sup> Asset figures not available for one branch system. Asset figures for Arizona include figures for Eleventh District branches of Twelfth District banks; there were 11 such branches in 1953 and 17 in 1954.

<sup>2</sup> Asset figures include 3 out-of-state branches.

NUMBER OF BANKING OFFICES<sup>1</sup>—TWELFTH DISTRICT  
December 31, 1945-1954

	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954
Arizona .....	31	32	38	41	44	46	55	58	62	69
California .....	1,099	1,087	1,098	1,120	1,155	1,181	1,205	1,235	1,264	1,292
Idaho .....	86	89	93	95	96	98	100	102	103	103
Nevada .....	24	25	26	26	27	27	29	30	30	32
Oregon .....	145	146	152	160	167	173	175	180	184	186
Utah .....	76	71	75	77	78	79	84	89	91	92
Washington .....	238	240	246	251	261	268	280	286	293	301
<b>Twelfth District .....</b>	<b>1,699</b>	<b>1,690</b>	<b>1,728</b>	<b>1,770</b>	<b>1,828</b>	<b>1,872</b>	<b>1,928</b>	<b>1,980</b>	<b>2,027</b>	<b>2,076</b>

<sup>1</sup> Includes head offices of banks, branches, and/or military facilities.  
Note: Twelfth District total for 1954 includes one member bank in Alaska.

Nine new branch systems, including a national bank operating one military facility for the first time, came into existence during the year. Seven of the new banking systems were in operation at the end of the year with fifteen banking offices. Thirteen branch systems with 42 branches were absorbed by existing banks. Nine of these systems were in California, three in Oregon, and one in Washington.

There were 113 branches established in the Twelfth District during 1954, including two military facilities. In addition to the net conversion of 65 discontinued banks into branches, 48 *de novo* branches and facilities were established. Of these *de novo* branches, 31 were in California, seven in Arizona, six in Washington, two in Ore-

gon, and one each in Nevada and Utah. Four branches were discontinued.

As the foregoing figures illustrate, in terms of number of offices, branch banking continued to expand in the District in 1954. The number of branches has increased 39 percent since 1945. At the end of 1954, 27 percent of all banks in the District were branch banks and they operated 84 percent of all banking offices. Despite the substantial increase in the number of branch banking offices, the proportion of total bank assets in the District held by branch banking systems declined from 88.7 percent at the end of 1953 to 88.6 percent at the end of 1954. In other words, total assets of all banks increased during 1954 at a somewhat faster rate (7.5 percent) than did the assets of branch banking systems (7.3 percent).

NUMBER AND TOTAL ASSETS OF ALL BANKS—TWELFTH DISTRICT  
December 31, 1953 and 1954  
(assets in thousands)

	Number		Assets		Number		Assets		Number		Assets		Member bank as percent of all bank assets	
	1954 1953		1954 1953		1954 1953		1954 1953		1954 1953		1954 1953		1954 1953	
	1954	1953	1954	1953	1954	1953	1954	1953	1954	1953	1954	1953	1954	1953
Arizona <sup>1</sup> .....	11	12	\$ 657,768	\$ 596,809	3	4	\$ 535,941	\$ 490,690	8	8	\$ 121,827	\$ 106,119	81.5	82.2
California <sup>2</sup> .....	171	206	19,625,475	18,264,021	108	125	18,040,602	16,937,898	63	81	1,584,873	1,326,123	91.9	92.7
Idaho .....	38	38	568,917	543,074	20	20	487,491	463,746	18	18	81,426	79,328	85.7	85.4
Nevada .....	8	8	298,783	263,288	7	6	267,799	233,565	1	2	30,984	29,723	89.6	88.7
Oregon .....	48	68	1,922,162	1,789,781	20	27	1,775,231	1,604,445	28	41	146,931	185,336	92.4	89.6
Utah .....	54	54	846,697	776,509	29	29	721,508	660,281	25	25	125,189	116,228	85.2	85.0
Washington .....	111	116	2,827,816	2,662,387	47	48	2,335,750	2,193,627	64	68	492,066	468,760	82.6	82.4
<b>Twelfth District<sup>3</sup> ..</b>	<b>442</b>	<b>502</b>	<b>\$26,751,978</b>	<b>\$24,895,869</b>	<b>235</b>	<b>259</b>	<b>\$24,168,682</b>	<b>\$22,584,252</b>	<b>207</b>	<b>243</b>	<b>\$2,583,296</b>	<b>\$2,311,617</b>	<b>90.3</b>	<b>90.7</b>

<sup>1</sup> Includes one nonmember bank for which asset data are not available.

<sup>2</sup> Asset items include 3 out-of-state branches.

<sup>3</sup> Twelfth District totals for 1954 include one member bank in Alaska.

**BUSINESS INDEXES—TWELFTH DISTRICT<sup>1</sup>**  
(1947-49 average=100)

Year and month	Industrial production (physical volume) <sup>2</sup>								Total nonagricultural employment	Total mfg employment <sup>4</sup>	Car-loadings (number) <sup>5</sup>	Dep't store sales (value) <sup>6</sup>	Retail food prices <sup>7, 8</sup>	Waterborne foreign trade <sup>9</sup>	
	Lumber	Petroleum <sup>3</sup>		Cement	Lead <sup>3</sup>	Copper <sup>3</sup>	Wheat flour <sup>3</sup>	Electric power						Exports	Imports
1929	80	87	78	54	165	105	90	29	....	102	30	64	190	124	
1931	42	57	55	36	100	49	86	29	....	68	25	50	138	80	
1933	34	52	50	27	72	17	75	26	....	52	18	42	110	72	
1935	45	62	56	33	86	37	87	30	....	47	24	48	135	109	
1937	61	71	65	56	114	88	84	38	....	60	30	50	170	119	
1939	60	67	63	56	93	80	91	40	....	55	31	47	163	85	
1940	65	67	63	61	108	94	87	43	....	63	33	47	132	101	
1941	77	69	68	81	109	107	87	49	....	83	35	40	....	....	
1942	77	74	71	96	114	123	88	60	....	121	102	49	....	....	
1943	74	85	83	79	100	125	98	76	100	164	99	59	....	....	
1944	74	93	93	63	90	112	101	82	101	158	105	65	....	....	
1945	61	97	98	65	78	90	112	78	96	122	100	72	....	....	
1946	80	94	91	81	70	71	108	78	95	97	101	91	....	....	
1947	94	100	98	96	94	106	113	90	99	100	106	99	....	....	
1948	102	101	100	104	105	101	98	101	102	100	104	103	....	....	
1949	104	99	103	100	101	93	88	108	99	97	94	98	....	....	
1950	116	98	103	112	109	115	86	119	103	105	97	105	....	....	
1951	115	106	107	112	89	115	95	136	111	122	100	109	....	....	
1952	111	107	116	124	86	112	96	144	118	132	101	114	....	....	
1953	119	109	123	130	74	111	96	161	122	139	100	116	....	....	
1954	111	106	119	132	70	101	99	173	120	136	96	113	....	....	
1954															
March	115	108	118	116	76	99	98	171	120	136	94	111	156	233	
April	116	107	119	134	71	98	96	168	120	136	99	111	157	232	
May	123	107	123	143	67	103	96	174	120	136	97	114	158	271	
June	97	107	119	140	69	105	96	183	119	137	96	114	141	237	
July	79	106	118	143	63	91	92	179	119	131	88	115	144	331	
August	87	104	115	137	73	75	101	174	119	130	90	115	96	282	
September	109	105	121	138	69	97	108	174	120	136	97	110	113	262	
October	124	104	116	143	70	110	105	176	120	137	102	116	113	277	
November	117	104	119	132	73	116	104	177	121	138	98	114	111	196	
December	130	105	119	132	69	114	101	173	121	139	106	118	113	313	
1955															
January	133	105	116	119	74	118	107	173	122	139	99	124	163	287	
February	131	105	122	131	76	130	112	179	122	139	104	115	183	263	
March	120	106	120	137	82	130	108	188	123	140	105	116	....	....	

**BANKING AND CREDIT STATISTICS—TWELFTH DISTRICT**  
(amounts in millions of dollars)

Year and month	Condition Items of all member banks <sup>1</sup>				Bank rates on short-term business loans <sup>2</sup>	Member bank reserves and related items <sup>10</sup>					Bank debits index cities <sup>11</sup> (1947-49=100) <sup>12</sup>
	Loans and discounts	U.S. Gov't securities	Demand deposits adjusted <sup>3</sup>	Total time deposits		Reserve bank <sup>4</sup>	Commercial operations <sup>5</sup>	Treasury operations <sup>6</sup>	Coin and currency in circulation <sup>7</sup>	Reserves	
1929	2,239	495	1,234	1,790	....	- 34	0	+ 23	- 6	175	42
1931	1,898	547	984	1,727	....	+ 21	- 154	+ 154	+ 48	147	28
1933	1,486	720	951	1,609	....	- 2	- 110	+ 150	- 18	185	18
1935	1,537	1,275	1,389	2,064	....	+ 2	- 163	+ 219	+ 14	287	25
1937	1,871	1,270	1,740	2,187	....	- 1	- 90	+ 157	- 3	549	32
1939	1,967	1,450	1,983	2,267	....	+ 2	- 192	+ 245	+ 31	584	30
1940	2,130	1,482	2,390	2,360	....	+ 2	- 148	+ 420	+ 96	750	32
1941	2,451	1,738	2,893	2,425	....	+ 4	- 596	+ 1,000	+ 227	930	39
1942	2,170	3,630	4,356	2,609	....	+ 107	-1,980	+ 2,826	+ 643	1,232	48
1943	2,106	6,235	5,998	3,226	....	+ 214	-3,751	+ 4,486	+ 708	1,462	60
1944	2,254	8,263	6,950	4,144	....	+ 98	-3,534	+ 4,483	+ 789	1,706	66
1945	2,663	10,450	8,203	5,211	....	- 76	-3,743	+ 4,682	+ 545	2,033	86
1946	4,068	8,426	8,821	5,797	....	+ 9	-1,607	+ 1,329	- 326	2,094	95
1947	5,358	7,247	8,922	6,006	....	- 302	- 510	+ 698	- 208	2,203	103
1948	6,032	6,366	8,655	6,087	....	+ 17	+ 472	- 482	- 209	2,420	115
1949	5,925	7,016	8,536	6,255	3.20	+ 13	- 930	+ 378	- 65	1,924	132
1950	7,093	6,415	9,254	6,302	3.35	+ 39	-1,141	+ 1,198	- 14	2,026	140
1951	7,866	6,463	9,937	6,777	3.66	- 21	-1,582	+ 1,983	+ 189	2,269	150
1952	8,839	6,619	10,520	7,502	3.95	+ 7	-1,912	+ 2,265	+ 132	2,514	158
1953	9,220	6,639	10,515	7,997	4.14	- 14	-3,073	+ 3,158	+ 39	2,551	173
1954	9,418	7,942	11,196	8,699	4.01	+ 2	-2,448	+ 2,328	- 30	2,505	153
1954											
April	9,045	6,903	10,190	8,234	....	+ 5	- 324	+ 381	+ 7	2,477	143
May	9,001	6,991	10,045	8,306	....	+ 9	- 148	+ 136	+ 36	2,432	157
June	9,049	6,981	10,087	8,428	4.14	- 21	- 254	+ 277	+ 15	2,413	145
July	8,989	7,190	10,310	8,444	....	+ 29	- 307	+ 170	+ 3	2,308	154
August	8,977	7,574	10,257	8,501	....	- 18	+ 28	- 12	+ 7	2,317	152
September	9,054	7,610	10,463	8,555	....	+ 16	- 170	+ 196	- 8	2,368	150
October	9,048	8,014	10,749	8,651	....	+ 9	- 138	+ 142	+ 23	2,384	158
November	9,343	8,089	10,937	8,596	....	- 1	- 244	+ 342	+ 27	2,440	173
December	9,422	7,973	11,168	8,663	4.01	0	- 127	+ 175	- 23	2,505	161
1955											
January	9,510	7,998	11,246	8,725	....	- 34	- 150	+ 77	- 79	2,481	166
February	9,612	7,693	10,945	8,765	....	+ 15	+ 26	- 57	+ 13	2,447	177
March	9,696	7,390	10,733	8,837	3.98	+ 10	- 401	+ 362	- 1	2,418	165
April	9,657	7,756	11,060	8,833	....	+ 60	- 306	+ 261	+ 15	2,432	....

<sup>1</sup> Adjusted for seasonal variation, except where indicated. Except for department store statistics, all indexes are based upon data from outside sources, as follows: lumber, various lumber trade associations; petroleum, cement, copper, and lead, U.S. Bureau of Mines; wheat flour, U.S. Bureau of the Census; 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. Bureau of the Census.  
<sup>2</sup> Daily average. <sup>3</sup> Not adjusted for seasonal variation. <sup>4</sup> Excludes fish, fruit, and vegetable canning. <sup>5</sup> Los Angeles, San Francisco, and Seattle indexes combined. <sup>6</sup> Commercial cargo only, in physical volume, for Los Angeles, San Francisco, San Diego, Oregon, and Washington customs districts; starting with July 1950, "special category" exports are excluded because of security reasons. <sup>7</sup> Annual figures are as of end of year, monthly figures as of last Wednesday in month or, where applicable, as of call report date. <sup>8</sup> Demand deposits, excluding interbank and U.S. Gov't deposits, less cash items in process of collection. Monthly data partly estimated. <sup>9</sup> Average rates on loans made in five major cities during the first 15 days of the month. <sup>10</sup> End of year and end of month figures. <sup>11</sup> Changes from end of previous month or year. <sup>12</sup> Minus sign indicates flow of funds out of the District in the case of commercial operations, and excess of receipts over disbursements in the case of Treasury operations. <sup>13</sup> Debits to total deposits except interbank prior to 1942. Debits to demand deposits except Federal Government and interbank deposits from 1942. r—Revised.