



ALASKA

# Monthly Review



IDAHO

FEDERAL RESERVE BANK OF SAN FRANCISCO  
TWELFTH FEDERAL RESERVE DISTRICT

*October 1959*

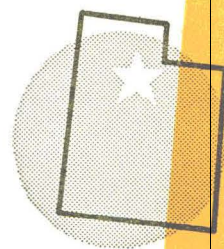
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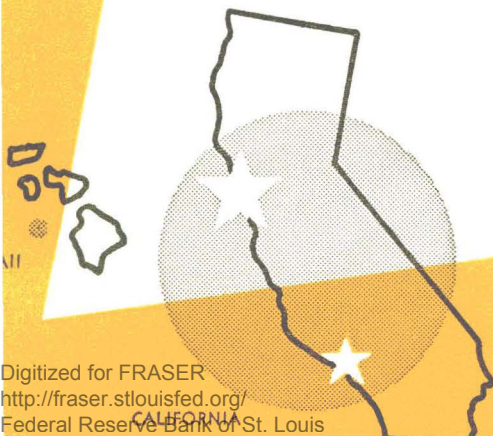
WASHINGTON



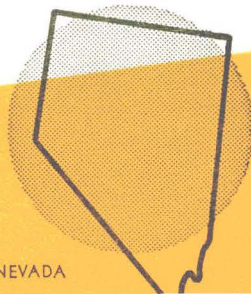
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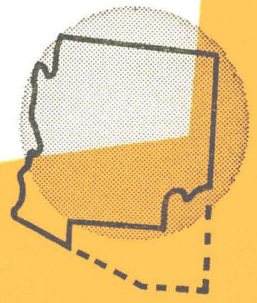
OREGON



CALIFORNIA



NEVADA



ARIZONA

# Review of Business Conditions

**L**ABOR-management disputes continued to affect economic activity in the country in September. The spreading impact of work stoppages in the steel and copper industries resulted in a further decline in industrial output in September. Liquidation of inventories among primary metal, fabricated metal, and transportation equipment industries was primarily responsible for the decrease in manufacturers' stocks recorded in August, while heavier than normal sales of 1959 model cars accounted for most of the reduction in retail stocks.

Production bottlenecks stemming from skimpy steel supplies multiplied rapidly in September and early October and resulted in immediate or scheduled cutbacks in the automobile, road equipment, appliance, and other industries. The number of lay offs in steel-using industries increased after mid-September, adding to the estimated 725,000 workers already idled by that date as a result of the stoppages in the basic metal industries. For example, nearly one-third of the work force of Caterpillar Tractor Co. was released early in October and several thousand additional workers were dropped from the payroll by General Motors up to mid-October. In addition, announcements of impending lay offs continued to mount.

Even though steel mills have resumed operations, furnace repair and general production problems will hold down the operating rate for a period of time. Similar obstacles preclude volume shipments of finished steel during the first one or two months. Hence, resumption of steel production after issuance of the back-to-work order under provisions of the Taft-Hartley law was not expected to be of immediate help to industries faced with the most critical shortages of steel.

Total unemployment, seasonally adjusted, declined about 250,000 in September, with moderate declines in both agricultural and nonagricultural employment. Although there

was a greater than seasonal decline in the labor force, the lack of economic expansion meant that more workers were unable to secure jobs. As a result, the seasonally adjusted rate of unemployment rose to 5.6 percent of the labor force, compared with 5.5 percent in August.

Personal income in July and August was influenced more by the labor disputes in the basic metals industries than previously estimated. Originally, July income was reported as rising slightly from June, on a seasonally adjusted basis, but later estimates indicated instead a slight decline with further reductions occurring in August and September. The reduction in income reflected a decline in labor income accompanying the strikes and was moderated by small increases in dividend, interest, and transfer payments. Consumer purchases at retail stores also declined in August and September, the first month-to-month decline since September of last year. Retail sales in September fell more sharply than in August, with a reduction in sales of durable goods accounting for most of the decline. A slight decline was also registered in sales of non-durables.

The declining levels of production arising from the steel and copper strikes have not been of sufficient duration to have a marked impact in the money and capital markets. The total demand for funds continued strong and interest rates remained firm.

## **Labor disputes moderate expansion in District business activity**

Although labor disputes have obviously held down the level of business activity in the District, there are numerous indications of strength in the economy. A substantial number of District workers have been temporarily unemployed because of strikes. Nevertheless, expansion in other sectors has been sufficient to maintain an increase in nonfarm employment. In addition, the demand for credit remains at a high level, consumer markets are

strong, and personal income in the District continues to rise. Construction activity has declined, but this decline was apparent considerably in advance of the steel and copper strikes. Labor disputes, however, may have accentuated the decline. The effect of the strike is probably most evident in unemployment data, as entrants into the labor force exceed increases in employment, and in a contraction in commercial bank loans to metal and metal products producers as inventories decline.

**Employment and unemployment rise**

Total employment in the District continues to rise on a seasonally adjusted basis, but by less than the increases in the labor force. As a result, the unemployment rate during August rose to 4.8 percent of the labor force from 4.6 percent in July. Upwards of 35,000 workers were unemployed by labor disputes, according to mid-August estimates, an increase of 25,000 workers from July. Most of this increase took place in the steel industry. The full impact of the copper and shipyards disputes will not be evident until September employment data are released. Even with settlement of the steel strike, it would be some time before employment fully recovers from the labor dispute.

Despite the sizable number of workers involved in labor disputes, only Utah and Washington reported declines in total employment during August, seasonal factors considered. Practically all of the decline in Utah is related directly to the steel strike. In Washington, on the other hand, food canning and preserving, lumbering, and aircraft firms were largely responsible for the employment decline. Strikes idled 19,000 steel workers in California and 1,200 Bay Area Teamsters. But these losses in California were more than offset by gains in defense-related firms, including aircraft, of more than 6,000 workers, and a combined increase of 27,000 workers in construction, trade, services, and gov-

ernment. Other District states were affected somewhat more mildly by the steel dispute and reported moderate net gains in employment, except in Arizona. In this state, employment rose sharply as the result of the settlement of a construction industry work stoppage which returned 10,000 workers to their jobs in late July.

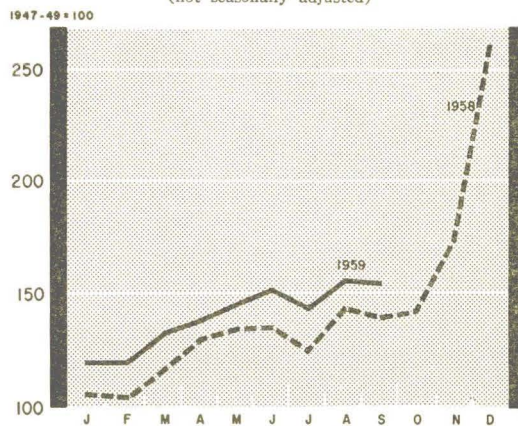
**District personal income and retail trade continue strong**

Twelfth District personal income, seasonally adjusted, increased slightly between June and July reaching a monthly total of \$4.9 billion, according to estimates by McGraw-Hill. Estimates for July do not fully reflect the impact of the steel strike on personal income as the labor dispute began in mid-July. The depressing effect of the steel strike will be more evident in August income estimates.

Retail sales<sup>1</sup> in the District during August amounted to \$2.2 billion, up 12.5 percent from a year ago, but were unchanged from July. Later data for District department stores indicate that sales weakened during September, with sales 10 percent above year-ago figures. As shown in Chart 1, department

<sup>1</sup>As reported by firms operating 1-10 stores at the time of the 1954 Census of Business.

CHART 1  
DEPARTMENT STORE SALES INDEXES,  
TWELFTH DISTRICT  
(not seasonally adjusted)



Source: Federal Reserve Bank of San Francisco.

store sales in the District through September have been higher each month in 1959 than in the corresponding 1958 month. Moreover, the percentage increase has been higher in the District than in the nation for each month except April when the two were equal. Credit sales at District department stores were of greater importance in August than in July but this is a usual occurrence as regular charge and instalment sales increase in importance with back-to-school purchases.

Total new passenger car registrations in the District for August were substantially above a year earlier and preliminary data indicate that this is the largest volume of new car registrations for this month since 1955. Although registrations were down somewhat from July, the high level of automobile sales was supported in part by the liberal use of the longer maturities on new car loans extended by commercial banks in the District.

The demand for consumer credit at commercial banks was strong during the four week period ending September 30. This is indicated by a rise of \$31 million in the volume of "other" loans (principally loans for consumer expenditure) held by weekly reporting banks

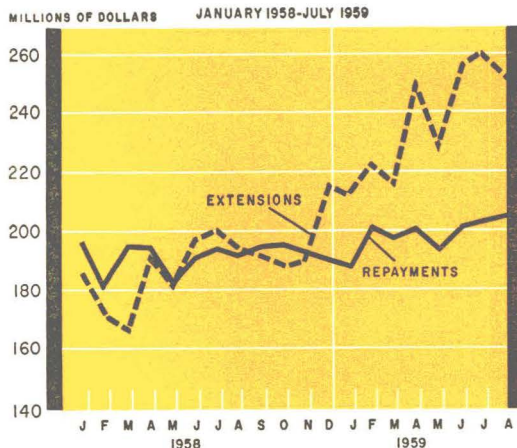
in the District. Although consumer instalment credit held by all commercial banks in the District, a more comprehensive figure than for weekly reporting banks, continued to rise in August, the volume extended during the month was less than that extended in July. The reduction took place in automobile and personal loans which were about \$5 million less in each category. The condition of instalment loans deteriorated somewhat in August as delinquency rates rose. Nevertheless, the rates remained below year-earlier figures. A high level of auto sales in the months ahead would, of course, suggest a continued strong demand for consumer credit.

**Construction contract awards continue to decline and lumber prices weaken**

Total construction contracts awarded in the District (excluding Alaska and Hawaii) continued to decline through August from the peak levels reached in May. The level of awards declined 7 percent between July and August. This decline resulted primarily from a 25 percent reduction in nonresidential contract awards and was general in all classes of nonresidential construction but particularly in the office building and public building categories. Residential construction was about the same in August as it was in July.

Despite the current strength in residential construction, lumber prices reflect uncertainty concerning the future. Prices of both Western pine and Douglas fir species have been falling moderately since mid-August. Although this is primarily a seasonal occurrence, industry sources report that dealers and builders have also delayed ordering because of the difficulty in gauging the strength of housing demand and the availability of mortgage funds. Plywood prices have remained fairly stable during September and late August but with an undertone of weakness stemming from an excess of capacity in the industry. Some firms have made appreciable cutbacks in produc-

CHART 2  
CONSUMER INSTALMENT CREDIT AT ALL  
COMMERCIAL BANKS, TWELFTH DISTRICT



Source: Board of Governors of the Federal Reserve System.

tion schedules, but it is questionable whether prices can be held even at their current low levels as the industry enters its three poorest selling months of the year.

### Signs of tightening in the District money market

Rates, as computed by Statt's, advanced on outstanding California state and local securities from 3.68 percent to 3.89 percent during the month of September. Along with the increase in yield, new bond issues by state and local governments in the District received somewhat better reception than bonds issued during the latter part of August. During September, a total of almost \$103 million in District state and local government bonds was placed on the market, a considerable increase from the \$44 million issued in August.

Despite the increase of the ceiling interest rate on FHA mortgages to 5¾ percent, effective September 24, 1959, the rise was not sufficient to create a par market for such loans at District banks. In fact, some commercial banks in the District report a shortening of maturities and an increase in down payment requirements on FHA loans. This tightening in terms reflects the desire of commercial banks to better control the growth in their real estate loan portfolios. Initiation of such a policy suggests that the inflow of savings deposits is not sufficient to support a marked expansion in residential mortgage lending and/or that rates on other types of loans and investments are more attractive to commercial banks than FHA mortgages.

The more conservative attitude toward residential mortgage lending by commercial banks is reflected by changes in the loan and investment portfolios of weekly reporting member banks in the District during September. The volume of real estate loans outstanding increased moderately during September with the bulk of the increase occurring in the first half of the reporting period. "Other" loans, principally loans for consumer expenditure,

also increased during September but the bulk of the expansion came in the last week of the reporting period.

During most of September, District commercial banks experienced less pressure on their reserve position relative to banks in other districts and were heavy net sellers of Federal funds. While they continued to be net sellers throughout September, their net position decreased markedly during the last two weeks of the month indicating a tightening in the reserve position of District banks. Demand deposits and time deposits decreased in the four weeks ending September 30, \$30 million and \$5 million respectively. Furthermore, holdings of Government securities were reduced by \$165 million. Most of the decrease occurred in the 1-5 year maturity range.

TABLE 1

### SELECTED CONDITION ITEMS OF WEEKLY REPORTING MEMBER BANKS IN LEADING CITIES

(Percent change)

Sept. 2, 1959 to Sept. 30, 1959

	United States	Twelfth District	Other Districts
<b>Assets:</b>			
Loans and investments adjusted <sup>1</sup>	— 0.2	— 0.3	— 0.1
Loans adjusted <sup>1</sup>	1.1	0.5	1.3
Commercial and industrial loans	1.7	0.3	2.0
Real estate loans	0.9	0.6	1.1
Loans to foreign banks	6.1	2.8	7.4
Loans to domestic banks	—33.8	—12.2	—37.6
Loans to nonbank financial institutions	— 0.3	4.4	— 0.9
Loans for purchasing or carrying securities	— 2.4	—11.8	— 1.9
Other loans	1.1	1.1	1.1
United States Government securities	— 3.3	— 2.8	— 3.4
Other securities	0.3	1.0	0.2
Reserve with Federal Reserve Banks	— 1.2	3.1	— 1.5
<b>Liabilities:</b>			
Demand deposits	— 0.1	0.3	— 0.2
Time deposits	— 0.1	0.0	— 0.1

<sup>1</sup> Exclusive of loans to domestic commercial banks and after deduction of valuation reserves; individual loan items are shown gross.

Source: Board of Governors of the Federal Reserve System.

# The Behavior of Selected Interest Rates in the Business Cycle

A prime topic of conversation in any assessment of the current business and financial picture is the present relatively high level of interest rates. One means of determining whether or not this is an abnormal situation is to examine the course of interest rates in previous business expansions. The reference cycles determined by the National Bureau of Economic Research have come to be considered a standard measure of business fluctuations, and using these turning points as a touchstone, some notion of the cyclical behavior of interest rates may be obtained.

In the period 1919 to 1958 there were nine business cycles designated by the National Bureau of Economic Research.<sup>1</sup> If the classical explanation of interest as a price paid for the use of money is valid, we may expect, with some degree of confidence, that changes in interest rates will correspond to changes in the level of economic activity, even as other prices rise. Six series of interest rates have been examined in the 40 years 1919 to 1958.

Three of these are long-term rates and three are short-term rates; similarly, three represent private demands for funds and three are public or government demands for funds. The period covered is not representative of the "average" behavior of the American economy if such an average may be said to exist, for it includes the Great Depression of 1929-1933, which was less a cyclical contraction than a national catastrophe, and the Second World War. Since the economy was rigidly controlled during World War II, there is little point in examining the functioning of a free market system in this period. Similarly, since the business cycle of 1933 to 1938 is not a "normal" period, interest rates are examined including and excluding this cycle. Table 1 shows the timing of interest rates in the reference cycle.

If there is a typical pattern of behavior for interest rates, it appears to be that rates lag behind the turns in general activity. A considerable difference in timing in the average cycle is evident if the 1933-1938 cycle is included. Interest rates continued to fall from

<sup>1</sup> See "The Current Reporting Series as a Guide to Business Activity," this *Review*, April 1958 for a description of the NBER method of determination of business cycles.

TABLE 1  
COMPARISON OF TURNING POINTS OF REFERENCE CYCLES  
AND SELECTED INTEREST RATES, 1919-1958

	Unadjusted				Adjusted <sup>1</sup>			
	Peak		Trough		Peak		Trough	
	Avg. Months Lead (—) or Lag (+)	Mean Deviation Around Avg.	Avg. Months Lead (—) or Lag (+)	Mean Deviation Around Avg.	Avg. Months Lead (—) or Lag (+)	Mean Deviation Around Avg.	Avg. Months Lead (—) or Lag (+)	Mean Deviation Around Avg.
Long-Term U. S. Bonds	+2.6	( 2.5)	+10.0	(11.4)	+3.0	(2.3)	+3.8	(3.8)
Corporate Bonds	+0.7	( 1.7)	+ 9.5	(10.2)	+1.0	(1.7)	+4.3	(3.5)
Municipal Bonds	+3.3	( 5.8)	+10.2	(10.8)	+3.0	(6.3)	+5.1	(5.3)
Business Loans	—2.1	(13.0)	+ 1.4	( 4.1)	+5.3	(2.7)	+3.8	(2.6)
Prime Commercial Paper	+4.8	( 3.3)	+13.7	(13.8)	+4.1	(3.0)	+5.0	(3.4)
Treasury Bills*	+2.0	( 4.3)	+ 2.6	( 4.2)	+2.6	(4.5)	+3.5	(5.2)

\*Prior to 1933, 3-6 month Treasury notes and certificates.

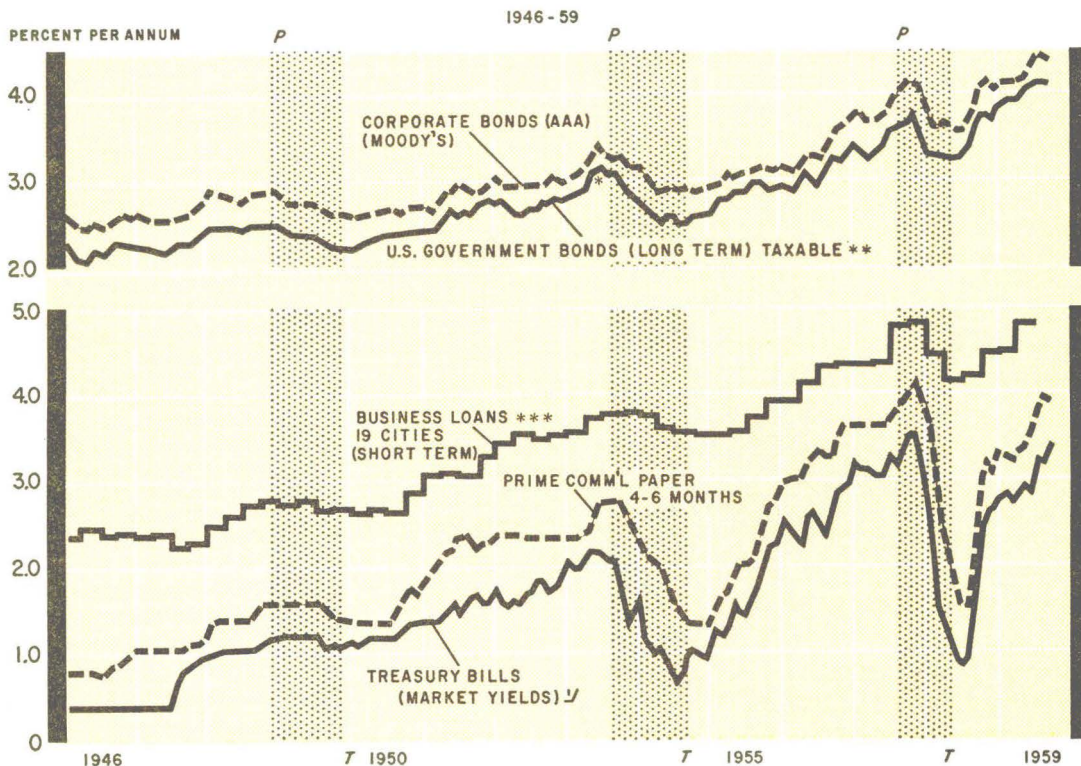
<sup>1</sup>The adjustment here is the elimination of the 1933-1939 cycle, which was unique for its severity and duration.

their 1929 peaks for almost a decade. The reason for the low levels prevailing throughout this period was widespread unemployment of labor and resources and the low level of business borrowing and investment. Not only were potential borrowers in the private sectors of the economy reluctant to borrow, but banks, having been through the bank "holiday" of 1933, were similarly hesitant to lend and preferred to put much of their funds into United States Government securities, driving the interest rates on short-term Government securities down to the lowest yields

in their history. This period may not properly be used as a benchmark for measuring interest rates either previously or after, for the very large excess reserves of banks in this period testify to the unemployment of money that accompanied the unemployment of labor and other resources.

Another manner of examining the behavior of interest rates is to look at the range of variation over the expansion and contraction phases of the cycle. Table 2 shows the average range of variation from trough to peak and peak to trough respectively for specific

CHART 1  
SELECTED INTEREST RATES



\*Change in series.

\*\*Long-term bonds include bonds due or callable after 15 years in the period January 1946-March 1952; after 12 years, April 1952-March 1953; and in 10 years or more beginning April 1953 to the present.

\*\*\*Averages of rates charged on commercial loans maturing in one year or less made by banks in 19 cities during the first halves of March, June, September, and December.

<sup>1</sup>Yields are averages computed from daily closing bid prices.

Note: The shaded areas represent periods of economic recession, running from peak to trough according to dating by the National Bureau of Economic Research. The periods are November 1948 to October 1949, July 1953 to August 1954, and July 1957 to April 1958.

Source: *Federal Reserve Bulletin*, Board of Governors of the Federal Reserve System.

FEDERAL RESERVE BANK OF SAN FRANCISCO

TABLE 2

**AVERAGE RANGE OF VARIATION OF SELECTED INTEREST RATES IN EXPANSIONS AND CONTRACTIONS, 1919-1938 AND 1945-1958**

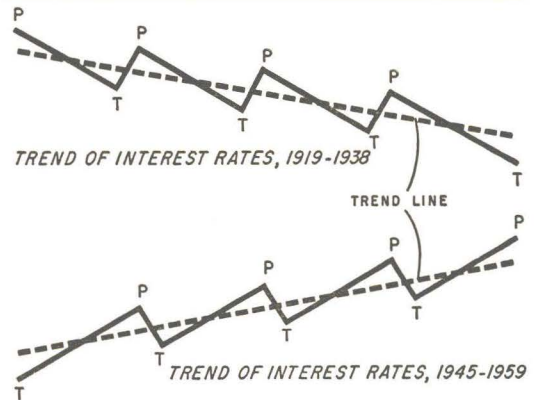
	Expansion		Contraction	
	Average Variation	Mean Deviation	Average Variation	Mean Deviation
<b>Long-term rates</b>				
U. S. Government bonds	0.69	(0.36)	0.95	(0.49)
Corporation bonds (AAA)	0.69	(0.35)	0.90	(0.56)
Municipal bonds	0.95	(0.38)	0.99	(0.44)
<b>Short-term rates</b>				
Business loans by banks	0.95	(0.73)	1.06	(0.78)
Prime commercial paper	1.81	(0.70)	2.13	(1.27)
Short-term U. S. securities	1.75	(0.56)	2.21	(0.96)

**RANGE OF VARIATION IN SPECIFIC CYCLES, 1945-1958**

	Expansion		Contraction	
	Average Variation	Mean Deviation	Average Variation	Mean Deviation
<b>Long-term rates</b>				
U. S. Government bonds	0.85	(0.33)	0.51	(0.17)
Corporation bonds (AAA)	0.82	(0.29)	0.45	(0.12)
Municipal bonds	1.38	(0.18)	0.78	(0.11)
<b>Short-term rates</b>				
Business loans by banks	1.04	(0.26)	0.35	(0.22)
Prime commercial paper	2.12	(0.68)	1.43	(0.79)
Short-term U. S. securities	2.38	(0.56)	2.15	(0.60)

cycles of the six rates of interest that we are considering. The table suggests that interest rates are much more sensitive in a recession than in an expansion, responding more quickly to a contraction in general activity. However, the averages for the entire 40-year period are strongly biased by the post World War I and the Great Depression experiences. If we isolate the variations of these same interest rates during the post World War II years, we find that the opposite case holds true: there is a greater variation in the expansion phase than in the contraction phase of specific interest rate cycles. It is apparent from these differences in the cyclical variations of interest rates before and after World War II that interest rates were influenced by a secular trend as well as by the business cycle. From

1919 to about 1946 the level of interest rates followed a declining trend, while subsequent to this date they have followed a rising trend. The accompanying diagram illustrates in a





highly simplified manner the contrasting trends of major market interest rates in the period 1919-1938 and 1946 to the present. The movement of rates in this 40-year period is strongly reminiscent of the theory of long waves in prices, wages, and interest rates advanced by Kondratieff in 1926. The upward trend of interest rates is confirmed in Chart 1, where the actual rates have been plotted.

Another characteristic of interest rates suggested by Table 2 is that short-term rates are much more sensitive to cyclical swings than long-term rates. This difference in sensitivity is more apparent than real if we consider the element of maturity of the debt. The yield on a specific security is a function of the length of time that this security has to run before maturity. The change in the market price of a 3 percent bond with 20 years to run would have to decline by 13.68 to bring about an increase of 1 percent in its yield, while a 91-day bill would only need a change of about 0.25 in its price to show a 1 percent rise in yield. In consequence, the prices of long-term securities fluctuate much more than the prices of short-term debt, while the yields on short-term instruments vary by a much wider range than do the yields of long-term debt.

The specific cycles of the six interest rates considered here do not necessarily correspond to the National Bureau reference cycles for

business activity as a whole. While in the 33 years examined (eliminating the cycle spanning World War II) there were eight reference cycles, from six to eight and a half specific cycles have been identified for the various series of interest rates. As noted in Table 3, with the exceptions of municipal bonds and prime commercial paper, interest rates rose in more months of the complete business cycle than they fell. This is not totally unexpected, for in general the expansion phases of the cycle—in which we would normally expect rates to rise—are of longer duration than the contraction phases of the cycle. There is such a wide range of variation in the lengths of the individual expansions and contractions that the averages conceal about as much as they convey. The Great Depression had a profound effect upon interest rates and in most cases rates fell from 1933 until World War II and after. In the postwar period, with a much higher degree of utilization of the physical and financial resources of the economy, the periods of rising interest rates have been much longer than the periods of falling rates and have corresponded much more closely to the swings in general activity.

From the evidence here examined, it may be concluded that the rise in interest rates in the postwar period, and particularly in the present expansion, is not an unexpected or

TABLE 3

**DURATION OF EXPANSION AND CONTRACTION PHASES OF SPECIFIC CYCLES FOR SELECTED INTEREST RATES, 1919-1938 AND 1945-1958**

	Number of Cycles	Expansion (months)		Contraction (months)	
		Total	Average	Total	Average
<b>Long-term rates</b>					
U. S. Government bonds	6	158	(22.6)	138	(27.3)
Corporate bonds (AAA)	7	198	(24.8)	162	(23.1)
Municipal bonds	7½	174	(19.3)	197	(24.6)
<b>Short-term rates</b>					
Business loans by banks	7	218	(23.2)	160	(20.2)
Prime commercial paper	7	162	(20.2)	219	(24.3)
Short-term U. S. securities	8½	185	(26.4)	163	(20.3)

unnatural development. In times of relatively full employment of money resources and other resources against which money is exchanged, rising interest rates have a two-fold function. First, they restrict investment or purchases on borrowed funds to those uses which appear to afford the greatest return. The more speculative or marginal investments are ruled out. Secondly, a higher interest rate will encourage savings or call forth more funds out of idle balances and so help to meet the heavy demand for funds. The free market mechanism is an impersonal thing but it is not capricious nor without logic. The price system has proven itself to be a highly effective agency for the production and allocation of goods and services in the commodity markets and certainly there is much to recommend the

same structure in the allocation of funds in the money market. Rising interest rates are symptomatic of pressure on the money resources of the community and they function in much the same manner. Insofar as rising rates act as a check upon the level of spending as the physical resources of the economy approach full employment, they act as a brake upon upward movements in prices in general. To achieve some degree of stability in the general price level it is necessary that the volume of spending for goods and services be kept within the bounds prescribed by the supply conditions governing goods and services available for purchase. In this respect, the interest rate is an instrument for obtaining the most efficient and effective use of the money supply.

BUSINESS INDEXES AND BANKING AND CREDIT STATISTICS—TWELFTH DISTRICT<sup>1</sup>

(Indexes: 1947-1949 = 100. Dollar amounts in millions of dollars)

Year and month	Industrial production (physical volume) <sup>2</sup>							Total nonagri-cultural employment	Total mfg employment	Car-loadings (number) <sup>2</sup>	Dep't store sales (value) <sup>2</sup>	Retail food prices <sup>3, 4</sup>	Bank rates on short-term business loans <sup>5</sup>
	Lumber	Petroleum <sup>3</sup>		Cement	Steel <sup>3</sup>	Copper <sup>3</sup>	Electric power						
		Crude	Refined										
1929	95	87	78	55	...	103	29	...	...	102	30	64	....
1933	40	52	50	27	...	17	26	...	...	52	18	42	....
1939	71	67	63	56	24	80	40	60	57	77	31	47	....
1949	100	99	103	100	97	93	108	99	97	94	98	100	....
1950	114	98	103	112	125	115	119	103	105	98	107	100	....
1951	113	106	112	128	146	116	136	112	121	100	112	113	3.66
1952	115	107	116	124	139	115	144	118	130	100	120	115	3.95
1953	116	109	122	131	158	113	161	121	137	100	122	113	4.14
1954	115	106	119	133	128	103	172	120	134	96	122	113	4.09
1955	122	106	122	145	154	120	192	127	143	104	132	112	4.10
1956	120	105	129	156	163	131	210	134	152	104	141	114	4.50
1957	106	101	132	149	172	130	224	138	157	96	140	118	4.97
1958	106	94	124	158	142	116	229 <sup>r</sup>	137	154	89	142	123	4.88
1958													
August	108	93	128	179	134 <sup>r</sup>	91	232	139 <sup>r</sup>	155	92	149	123	....
September	108	93	130 <sup>r</sup>	179	149 <sup>r</sup>	119	228	139	155	94	140	123	4.80
October	111	93	130	186	152	132	238	139	156	81	141	123	....
November	112	93	127	159	169 <sup>r</sup>	139	238 <sup>r</sup>	140	158	91	149	124	....
December	117 <sup>r</sup>	93	125	165	161 <sup>r</sup>	129	236	140	159	97	147	123	4.95
1959													
January	119	92	125	161	168	136	240 <sup>r</sup>	141	161	98	150	124	....
February	115	92	126	142	187	138	242	141	162	93	155	123	....
March	112	92	128	171	192	140	250 <sup>r</sup>	142	163	97	155	123	4.97
April	112	92	130	178	213	144	250	142	164	94	153	123	....
May	116	92	128	188	216	148	254	142	163	101	154	123	....
June	109	93	128	186	205	138	269	143	164	95	161	123	5.21
July	116	92	136	192	75 <sup>e</sup>	118	267	144 <sup>r</sup>	165	88	161	123	....
August	109	92	136	191	...	73	...	144	163	105	162	123	....

Year and Month	Waterborne Foreign Trade Index						Condition items of all member banks <sup>6</sup>				Bank debits index 31 cities <sup>12</sup> (1947-49=100) <sup>2</sup>
	Exports			Imports			Loans and discounts	U.S. Gov't securities	Demand deposits adjusted <sup>7</sup>	Total time deposits	
	Total	Dry Cargo	Tanker	Total	Dry Cargo	Tanker					
1929	190	150	247	124	128	7	2,239	495	1,234	1,790	42
1933	110	...	...	72	...	...	1,486	720	951	1,609	18
1939	163	107	243	95	97	57	1,967	1,450	1,983	2,267	30
1949	85	87	81	121	118	199	...	...	...	...	...
1950	91	80	108	137	141	88	...	...	...	...	...
1951	186	194	175	157	136	660	7,866	6,463	9,937	6,777	132
1952	171	200	129	199	137	1,836	8,839	6,619	10,520	7,502	140
1953	140	137	145	308	157	4,224	9,220	6,639	10,515	7,997	150
1954	132	139	123	260	163	2,803	9,418	7,942	11,196	8,699	154
1955	164	176	149	308	183	3,594	11,124	7,239	11,864	9,120	172
1956	199	258	117	449	197	7,029	12,613	6,452	12,169	9,424	189
1957	229	306	123	575	213	10,008	13,178	6,619	11,870	10,679	203
1958	174	210	123	537	213	8,986	13,812	8,003	12,729	12,077	209
1958											
September	178	212	130	607	195	11,330	13,350	7,827	11,860	11,776	212
October	174	207	127	712	221	13,516	13,419	7,816	12,176	11,836	217
November	178	201	145	545	235	8,633	13,591	8,026	12,395	11,725	213
December	170	218	101	762	231	14,589	13,812	8,003	12,729	12,077	224
1959											
January	237	243	228	504	263	6,799	13,897	8,099	12,508	12,037	218
February	153	181	144	694	210	13,375	14,022	7,735	12,210	12,018	235
March	209	204	217	652	378	7,810	14,176	7,436	12,228	12,003	244
April	168	190	138	600	273	9,101	14,768	7,739	12,874	12,301	241
May	158	178	131	576	272	8,482	15,000	7,511	12,520	12,399	231
June	165	191	129	809	302	14,022	15,328	7,329	12,589	12,517	235
July	160	205	96	...	...	...	15,617	7,096	12,945	12,390	242
August	...	...	...	...	...	...	15,924	6,932	12,797	12,378	241
September	...	...	...	...	...	...	15,978	6,717	12,850	12,365	238

<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, California Redwood Association and U.S. Bureau of the Census; petroleum, cement, and copper, U.S. Bureau of Mines; steel, U.S. Department of Commerce and American Iron and Steel Institute; electric power, Federal Power Commission; nonagricultural and manufacturing employment, U.S. Bureau of Labor Statistics and cooperating state agencies; retail food prices, U.S. Bureau of Labor Statistics; carloadings, various railroads and railroad associations; and foreign trade, U.S. Bureau of the Census. <sup>2</sup> Daily average. <sup>3</sup> Not adjusted for seasonal variation. <sup>4</sup> Los Angeles, San Francisco, and Seattle indexes combined. <sup>5</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>6</sup> Annual figures are as of end of year, monthly figures as of last Wednesday in month. <sup>7</sup> Demand deposits, excluding interbank and U.S. Gov't deposits, less cash items in process of collection. Monthly data partly estimated. <sup>8</sup> Average rates on loans made in five major cities. <sup>9</sup> Changes from end of previous month or year. <sup>10</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>11</sup> End of year and end of month figures. <sup>12</sup> Debits to total deposits except interbank prior to 1942. Debits to demand deposits except U.S. Government and interbank deposits from 1942. <sup>e</sup>—Estimated. <sup>r</sup>—Revised.

