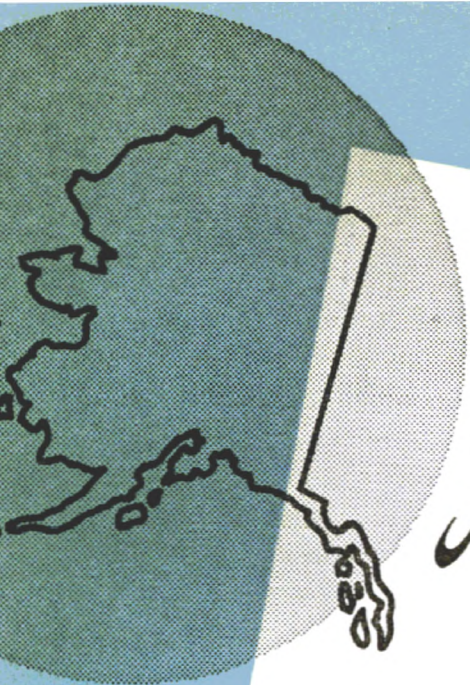


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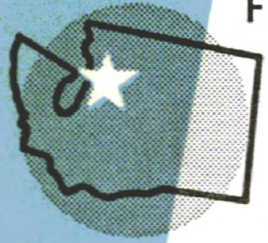
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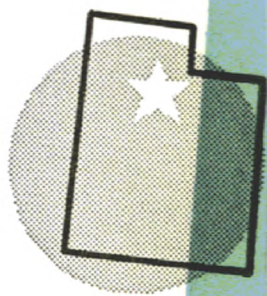
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TWELFTH FEDERAL RESERVE DISTRICT



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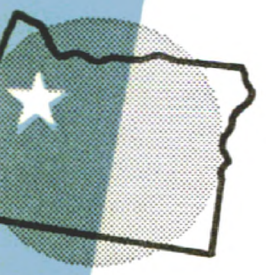
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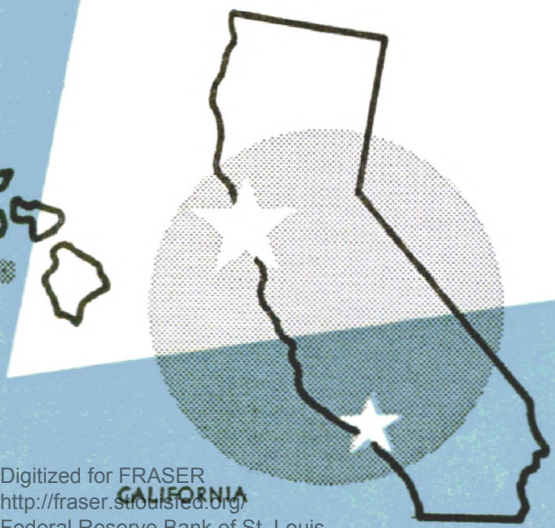


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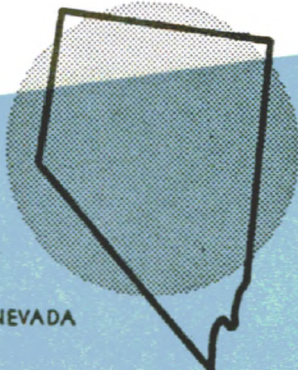
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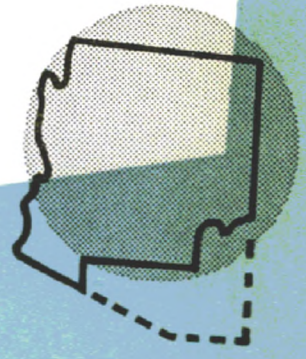
OREGON



CALIFORNIA



NEVADA



ARIZONA

Review of Business Conditions

THE mild pessimism which accompanied the release of June data on business indicators was somewhat dissipated by the generally better performance of the economy in July. Although the July developments were viewed by many analysts as primarily "sustaining" in character rather than as an indication of renewed buoyance in the economy, the record for August is probably less favorable than had generally been expected. Several of the major business indicators which had risen in July were little changed in August.

Industrial production was unchanged in August at 119 percent of the 1957 average; it had been rising gradually since January except for a leveling off in June when automobile output was curtailed by a labor dispute. An increase in output of business equipment in August was offset by a decline in consumer goods, including automobiles, while production of materials was maintained. The value of new construction activity, seasonally adjusted, also remained unchanged in August and was slightly below the record level of June. Residential construction declined for the second consecutive month, while public construction and some types of business building increased. Housing starts in August, however, rose 5 percent above the revised seasonally adjusted rate for July. The revision of the latter figure resulted in gains being registered from the prior month in both July and August. Applications for FHA mortgage insurance on new houses, an indicator of future homebuilding activity, declined 10 percent in August to the lowest seasonally adjusted level since July 1957. Requests for appraisals by the Veterans Administration also declined in August, whereas in most years there has been an increase from July to August in the actual number of applications.

Nonfarm payroll employment declined slightly in August on a seasonally adjusted

basis, with the reduction being concentrated primarily in manufacturing. While total unemployment was smaller in August than in July, the drop was much less than seasonal, and consequently the seasonally adjusted rate of unemployment rose sharply to 5.8 percent of the civilian labor force from 5.3 percent in mid-July. A marked expansion in the labor force contributed to this overall result. The survey week for collecting data came comparatively late in the month, and this led to the inclusion both in the labor force and in the number of unemployed a larger than usual number of prospective teachers waiting the start of the new school term.¹ In addition, the survey week coincided with a heavy rate of layoffs in the automobile industry owing to model changeovers.

With fewer people at work in factories and a further decline in average weekly hours, factory payrolls fell in August. This drop served to hold down the seasonally adjusted increase in personal income to the smallest amount since last January, when both personal income and factory payrolls declined somewhat.

Preliminary estimates indicate that total retail sales declined slightly in August following a 3 percent rise in July. A decline in sales of new automobiles was largely responsible for some falling off in seasonally adjusted sales of durable goods, while sales of nondurables increased at most types of outlets. Sales of department stores, however, declined slightly to 114 percent of the 1957-59 average from 115 percent in July.

Following the break in the stock market in late May, there has been considerable speculation as to what effect the decline in stock prices would have upon the spending plans of consumers and of businessmen. The most recent quarterly survey of consumer buying

¹ Persons waiting for a new job to start within 30 days are considered to be in the same situation as those on a temporary layoff and are included in the unemployment count.

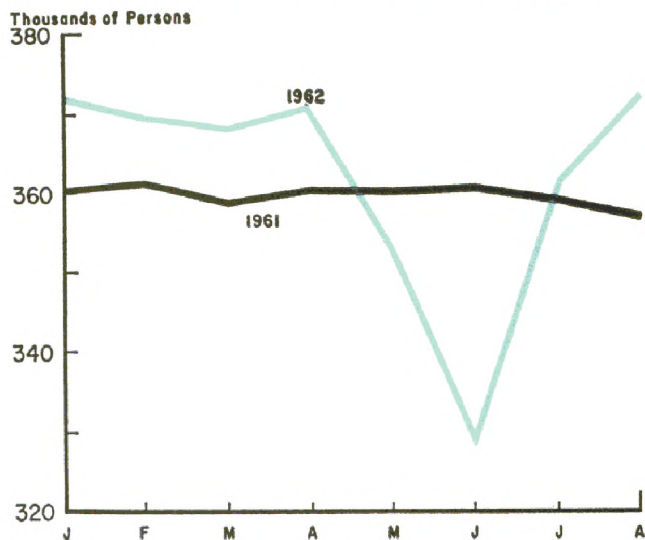
intentions, which is conducted by the Bureau of the Census for the Board of Governors of the Federal Reserve System, indicated that in July the overall buying plans of consumers were little changed from April, although there were some variations among particular categories of goods. Similarly, the August survey of anticipated plant and equipment expenditures, conducted by the Department of Commerce and the Securities and Exchange Commission, indicated the same total expenditures in 1962 as revealed by the survey in May. These surveys seem to indicate that no measurable deterioration in the spending expectations of consumers and of businessmen has occurred as a consequence of the stock market break. At the same time, however, current expectations do not point to an imminent strong upsurge in consumer or business spending which would provide a major stimulus to overall business activity.

Pacific Coast employment rose, unemployment diminished in August

Total civilian employment on the Pacific Coast rose in July and August on a seasonally adjusted basis after a small decline in June, with both farm and nonfarm employment gaining in each of the two months. The seasonally adjusted rate of unemployment, which had risen in May and June largely as a consequence of the labor dispute in the construction industry in northern California, declined in July and again in August, reaching a level of 5.7 percent in the latter month.

The number of wage and salary workers at nonfarm establishments on the Pacific Coast increased 0.3 percent from July to August on a seasonally adjusted basis. Gains occurred in all major categories of activity except trade and services, in which employment was unchanged. Contract construction activity had the largest relative increase, 2.8 percent, reflecting the settlement of the labor dispute involving iron workers in the Pacific

Construction jobs in August up to prestrike level in Pacific Coast States



Source: State departments of employment.

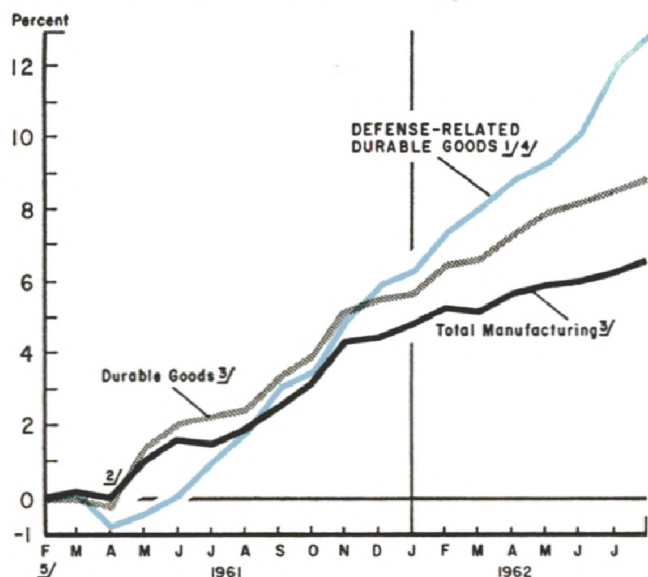
Northwest as well as continued expansion in northern California following the earlier settlement of the protracted labor dispute there.

District employment up in July; insured unemployment down

After seasonal adjustment, nonfarm wage and salary employment in the Twelfth District (excluding Alaska and Hawaii) rose by almost 1 percent in July, with the greatest gain occurring in contract construction. After the settlement of the labor dispute in northern California in late June, the mid-July level of construction employment was 431,000 workers, a gain of almost 9 percent. Even after this improvement, employment in construction was still 1 percent lower than the prestrike level prevailing in the first four months of 1962 because of the disputes still affecting industry employment in the Pacific Northwest and Nevada.

All other industry divisions except government showed moderate increases—manufacturing and finance rose 0.7 percent each, and trade and services gained 0.6 percent each. Government employment was off slightly; apparently there were greater than seasonal layoffs this year in the education sector.

Pacific Coast Manufacturing employment has been getting a boost from defense activity



¹ Aircraft, electrical equipment, and ordnance (in California).
² Labor dispute affecting metalworking industries.
³ Seasonally adjusted.
⁴ Not adjusted for seasonal variation. Seasonal patterns are relatively insignificant.
⁵ February 1961 was the trough month in the 1960-61 recession, as dated by the National Bureau of Economic Research.
 Source: State departments of employment.

In the District including Alaska and Hawaii, average weekly insured unemployment fell to a seasonally adjusted level of 310,700 workers in July, a decrease of 4.7 percent from June and almost 17 percent from July 1961. With this reduction in the number of unemployed, the rate of insured unemployment dropped from 5.7 percent in June to 5.5 percent in July; however, the June and July rates were the highest since October 1961. In the first seven months of 1962, District insured unemployment declined by 18.5 percent from the comparable period of 1961, in contrast to a drop of 28 percent in the nation. Average weekly initial claims for unemployment benefits fell in July to 44,500, down 6.7 percent from June and down 22 percent below the recent high of 57,000 in May.

Fewer District labor market areas have "substantial unemployment"

With the reclassification of Spokane, Washington to an area of "moderate unemploy-

ment" in July, there were only three major labor market areas in the District remaining as areas of "substantial unemployment" (6.0 to 8.9 percent rate of unemployment). Unemployment in the three areas—Fresno, San Diego, and Stockton—represented approximately 13.3 percent of total unemployment in the State of California in July 1962, as compared with 10.7 percent in July 1961 and 10.4 percent in July 1960. Of the three labor market areas, only Stockton has had an increase in total employment from July 1961 to July 1962; however, the over-the-year decline in the number of unemployed in this area was not as impressive as in Fresno, where the rate of unemployment fell from 9.4 percent in July 1961 to 7.4 percent this July despite a slight decline in total employment. In contrast to the improvement in the employment picture in Fresno and Stockton, the situation in San Diego appears to have worsened; total employment declined by 4,600 workers from July 1961, and unemployment rose by 4,200 workers over the year-ago figure and was 6,500 greater than in July 1960. Aircraft and missile employment at San Diego plants fell by 13,300 workers, a decline of 25 percent below the level of July 1961; this was the major element in the total employment reduction in this area.

Construction contracts rose in July

The value of construction contracts awarded in Twelfth District states (less Alaska and Hawaii) reached \$734 million in July, a 3 percent gain from the June level and an increase of 17 percent above contract awards in July 1961. After seasonal adjustment, July awards showed a substantial gain over June, as they often fall off sharply in July. Residential contract awards showed the largest relative gain above June (5.5 percent), and the number of dwelling units represented also rose by about the same percentage. Nonresidential awards increased 3.2 percent in July,

while public works and utilities construction fell 4 percent. During the first seven months of this year, the value of residential contract awards was 22 percent above that in the comparable period of 1961, nonresidential awards were nearly 5 percent larger, but public works and utilities fell 12 percent below a year ago.

For the second quarter of 1962, the Bureau of the Census reported that the vacancy rate for rental housing units in the West (including Montana, Wyoming, Colorado, and New Mexico in addition to Twelfth District states) stood at 10.3 percent, an increase over the first quarter rate but somewhat under that of the April-June period of 1961. Vacancies in homes available only for sale were, at 1.7 percent, also above first-quarter levels, as well as above the rate for the second quarter of last year.

Growth in savings and loan shares slowed down in July

The dollar increase in savings capital at District savings and loan associations in July was somewhat below the average in the preceding six months and well under the June gain. (Withdrawals of savings following the June dividend are often made in July.) However, this contrasts with an actual decline in savings held by savings and loan associations in the nation in the same month, which had not occurred since 1957. For the first seven months of this year, the growth in savings capital of District associations was 23 percent larger than in the comparable period of 1961. Mortgage lending activity also slowed down in July; commitments to lend continued to rise, however.

The average net price paid in the West for FHA-insured 5¼ percent, 25-year new-home mortgages rose from the July 1 estimate of \$97.0 to \$97.1 as of August 1. This price has been increasing steadily since last December, when it stood at \$96.1. The Federal Home

Loan Bank Board, in its monthly survey of interest rates on conventional mortgages for August, indicated that the average rate charged by reporting savings and loan associations fell from 6.06 percent in July to 5.97 percent in August; the August figure is also 5 basis points below rates charged in the same month of 1961. The decline from July to August in rates for loans on newly built homes was largely offset by an increase in fees and other charges; however, these charges are 29 basis points under their level for August 1961. (Although this survey does not distinguish rates by area, it is reported as considerably influenced by large associations in the Twelfth District.) Secondary market activities of the District office of the Federal National Mortgage Association resulted in a small decline in mortgage holdings in July; holdings were reduced in the preceding two months as well, but on a larger scale.

Lumber orders rebounded in August but remained below June levels

Production, orders, and shipments of Douglas fir in July declined approximately 14, 16, and 18 percent, respectively, from June but all were above their year-ago levels. The July decline in orders was about equal to the decline a year ago, but the drop in production this year was much milder than in 1961. At the end of July 1961, unfilled orders were equal to 46 percent of inventories on hand. Orders and shipments in July this year exceeded production so that unfilled orders rose slightly and inventories were reduced by 4 percent, raising the ratio of unfilled orders to inventory from about 52 to 54 percent.

Preliminary weekly data indicate that August production, orders, and shipments were at about the same levels as during the last two weeks in July after the rebound from the July 4 holiday but were still below June levels. During the first two weeks in August, production substantially exceeded new orders, but

FEDERAL RESERVE BANK OF SAN FRANCISCO

in the last two weeks of the month orders out-paced production.

In July both production and new orders for pine fell off about 3 percent, while shipments dropped a little over 4 percent. Unfilled orders rose and stocks declined slightly as shipments ran ahead of production. Unfilled orders in July were about 22 percent above July 1961 while inventories were almost 17 percent below their July 1961 levels.

Production of California redwood in July declined about 17 percent from June, while new orders received fell about 20 percent and shipments about 24 percent. Although the output decline about matched the year-ago drop, the decline in new orders was about twice as large as in July 1961. However, new orders ran ahead of production. On a cumulative basis through July, production, new orders received, and shipments all were substantially below their levels for the first seven months of 1961.

Crow's average lumber price per thousand board feet declined \$1.19 from the week ended August 2 to the week ended August 30. Green fir and pine species recorded declines of \$1.84 and \$1.08, respectively, while dry fir remained unchanged. At the end of August, however, the industry average was up \$2.79, or 3.8 percent, from its year-ago level.

Western and national steel production advanced in August

Recovering further from year-low levels in July, Western and national steel production rose 3.4 and 5.9 percent, respectively, from the week ended August 4 to the week ended September 1. The national output of 1,672,000 tons in the latter week was the highest since early May and brought the unofficial operating rate to 55.5 percent of estimated capacity. The weekly output level of 106,000 tons produced in the Western states¹ in the week ended September 1 was the highest

since mid-June. Overall recovery in national steel output from the end of the holiday week on July 7 to the beginning of September was much stronger than the recovery in the Western states, 35 percent compared with 17 percent. For the entire month of August, national steel production not only exceeded the July level but equalled the June output level; Western output, on the other hand, was below its June level.

Outside the District, production and shipments are expected to be only slightly higher in September than August, since excess inventories are causing purchases by automobile producers to lag behind their usual pace in a period of automobile model changeover. In the District the demand for construction steel and canmaking tinplate should begin easing in September in response to seasonal influences.

August copper orders and shipments higher than in July but below year-ago levels

Copper producers and smelters have reported that orders for September shipment are slightly better than August but that August and September shipments are below both year-ago levels and average monthly shipments by producers in the first half of 1962. United States stocks of refined copper rose sharply from 69,838 tons in June to 100,517 tons in July as shipments during the latter months declined from the preceding month by about 24 percent while July production fell only about 5.5 percent from June.

The slow pace of orders from copper fabricators, which include brass mills, wire mills and foundries, not only reflects the fact that these buyers realize producers hold large stocks of refined copper available for quick delivery, but also that their own stocks of copper are relatively high. These copper customers continue to work off large inventories bought in the first half of this year as a hedge

against possible copper strikes. A low level of inventories currently held by the customers of the brass and wire mills, for example, the automobile, construction, and electrical equipment industries, public utilities and defense contractors, offers one encouraging factor for future orders.

Following estimates by copper producers that August and September business would decline sharply from last year and the early months of this year, major producers announced curtailments in output. These cut-backs in mine production are not expected to affect output of refined copper until about October since approximately 90 days are required from the time copper ore is mined to the time it is concentrated, smelted, and refined.

Department store sales at high level in July and August

District department store sales during July were 7 percent higher than a year ago. However, after adjustment for seasonal variation, they were unchanged from the record level attained in June of this year. Preliminary figures indicate that the seasonally adjusted index for the Twelfth District rose slightly in August, which contrasts with the minor decline in the national index.

Car sales in California fell off in July and August

Daily average new automobile registrations in California were 2,153 during July, 11 percent below the June level; however, auto sales usually decline from June to July. Almost the entire decline occurred in the last week of July when the daily average was the lowest it has been since the first week of February. Registrations during July were the highest they have been during that month since 1955. During the first 20 selling days of August, the daily sales rate dropped 16 percent below the

Plentiful supply of canned fruits and vegetables

Twelfth District canners are expected to pack about 150 million cases of fruits and vegetables in 1962. With the large inventory on hand at the beginning of the canning year, a near-record supply of canned products is in prospect for the 1962 marketing season. District canners started the season with a record high inventory of canned fruits. On June 1, canners' stocks totaled more than 13 million cases. With large supplies of raw material in prospect, despite the traditional "green drop" of cling peaches in California, canners' price quotations for their fruit products are generally lower than a year earlier. The opening price for freestone peaches is reported to be the lowest that canners have ever quoted on this item. Prices for apricots are an exception to the general downward adjustment in canners' prices. A small crop of apricots boosted the contract price to California producers from \$80 a ton in 1961 to \$135 a ton in 1962. As a result of this increased cost of raw material to canners, the price of the canned product was raised somewhat less than 10 percent. In contrast with the reported downward movement in prices for canned tomato products nationally, the opening price quotations by District canners were about the same as a year earlier. However, the production of tomatoes for processing may be larger in the District than anticipated because of recent improvements in yields. If increased supplies are realized, some weakening in canned tomato prices may occur.

Near-record output of crops in prospect

Despite the removal of about 2 million acres of District farm land from crop production under Federal "emergency" farm programs, the production of crops in 1962 may exceed the crop output in the preceding year

FEDERAL RESERVE BANK OF SAN FRANCISCO

CHANGES IN SELECTED BALANCE SHEET ITEMS OF
WEEKLY REPORTING MEMBER BANKS IN LEADING CITIES

(dollar amounts in millions)

	Twelfth District				United States			
	From July 11, 1962 to August 29, 1962		From August 30, 1961 to August 29, 1962		From July 11, 1962 to August 29, 1962		From August 30, 1961 to August 29, 1962	
	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent
ASSETS:								
Total loans and investments	— 11	— 0.04	+ 2,030	+ 8.14	+ 171	+ 0.14	+ 8,326	+ 7.19
Loans adjusted and investments ¹	— 161	— 0.60	+ 1,974	+ 8.02	— 438	— 0.36	+ 7,767	+ 6.80
Loans adjusted ¹	+ 178	+ 1.04	+ 1,870	+ 12.07	+ 436	+ 0.58	+ 6,424	+ 9.24
Commercial and industrial loans	+ 54	+ 0.93	+ 547	+ 10.24	+ 164	+ 0.49	+ 1,966	+ 6.25
Real estate loans	+ 123	+ 2.10	+ 623	+ 11.61	+ 296	+ 2.06	+ 1,641	+ 12.57
Agricultural loans	— 62	— 7.02	+ 77	+ 10.35	— 154	— 11.13	+ 118	+ 10.61
Loans to nonbank financial institutions	+ 28	+ 3.18	+ 137	+ 17.75	+ 149	+ 2.50	+ 1,060	+ 21.02
Loans for purchasing and carrying securities	— 2	— 0.83	+ 54	+ 29.19	+ 3	+ 0.08	— 11	— 0.31
Loans to foreign banks	0	0	+ 64	+ 32.49	— 26	— 3.38	+ 179	+ 31.68
Other loans	+ 37	+ 1.05	+ 400	+ 12.66	+ 6	+ 0.03	+ 1,630	+ 10.03
Loans to domestic commercial banks	+ 150	+ 64.94	+ 56	+ 17.23	+ 609	+ 42.65	+ 559	+ 37.82
U. S. Government securities	— 296	— 4.54	— 590	— 8.65	— 1,162	— 3.61	— 2,389	— 7.14
Other securities	— 43	— 1.42	+ 694	+ 30.32	+ 288	+ 1.96	+ 3,732	+ 33.07
LIABILITIES:								
Demand deposits adjusted	— 194	— 1.66	— 43	— 0.37	— 880	— 1.43	— 1,217	— 1.97
Time deposits	+ 50	+ 0.34	+ 1,736	+ 13.33	+ 114	+ 0.24	+ 6,709	+ 16.50
Savings accounts	+ 192	+ 1.67	+ 1,321	+ 12.72	+ 544	+ 1.66	+ 4,374	+ 15.07

¹ Exclusive of loans to domestic commercial banks and after deductions of valuation reserves; individual loan items are shown gross. Source: Board of Governors of the Federal Reserve System and Federal Reserve Bank of San Francisco.

and approach the record level of crop production in 1959. According to August 1 production estimates, favorable growing conditions for major crops are expected to boost yields substantially from their 1961 levels. The most pronounced increase is anticipated for the wheat crop in Washington where yields are forecast to rise by more than one-third. Yields of tomatoes for processing are also expected to rise sharply in California; they may be even higher than indicated by the August 1 report if yields from early pickings are maintained.

Farm loans remain high

Production loans outstanding to District farmers from lending institutions remain above a year ago despite the high level of cash

income. The increase in loans stems in part from the expansion in the District of cattle feeding, which relies heavily on the use of credit, and from the inability of some farmers, particularly producers of spring potatoes, to liquidate completely loans carried over from the extremely poor 1961 season.

Loans of District banks increased from mid-July through August as security holdings and deposits declined

During the mid-summer period from July 11 to August 8, Twelfth District banks were under some reserve pressure as the level of total deposits declined. Reflecting this somewhat tighter position, District banks were net purchasers of Federal funds in rather substan-

tial amounts. Then, as deposits were gained back in the last half of August, the pressure on reserves was eased and District banks became net sellers of Federal funds.

Weekly reporting member banks in the District experienced the usual summer slackness in business borrowing from mid-July to mid-August, which was followed by an increase in loan demand during the last half of August. In the latter period, the increase in commercial and industrial loans was fairly widely distributed among the various categories of business borrowers. Nondurable goods manufacturers registered the largest gains, mainly due to seasonal borrowings by food, liquor and tobacco firms. In the durable goods sector there were gains in loans to primary metal, transportation equipment, and "other durable goods" manufacturers. Commodity dealers increased their borrowing seasonally, and transportation, communication and public utilities firms also increased their bank debt.

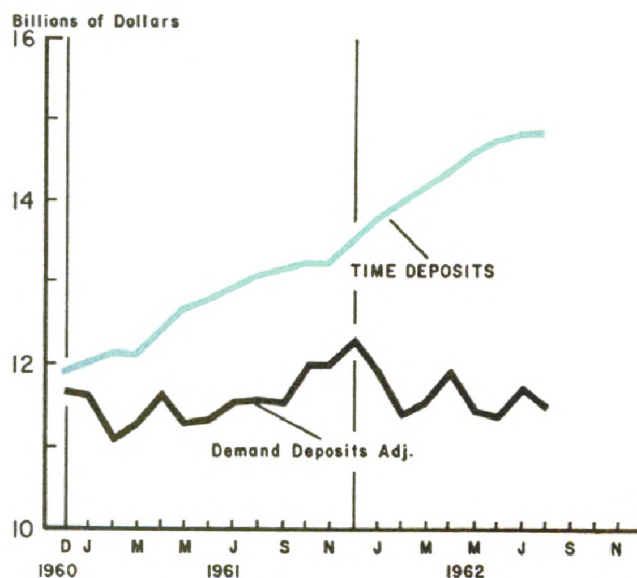
Banks continued to seek real estate loans actively from mid-July through August and added about \$123 million to their mortgage portfolios. Loans to nonbank financial institutions also rose as sales and personal finance companies increased their borrowings. The "other loans" category showed a gain as consumers continued to increase their bank debt. The only sizable decrease during this period was in agricultural loans, and it was due to a reduction in bank holdings of Commodity Credit Corporation guaranteed loans.

Changes from mid-July through August in the holdings of United States Government securities of District weekly reporting banks were largely due to the new Treasury issues acquired on August 15. Certificate holdings rose \$135 million as of that date, and bonds in the over-5-year range increased \$138 million. A decline of \$228 in Treasury bills more than offset the acquisition of new certificates. There was also a decline of over \$500 million in bonds in the 1 - 5-year maturity range as

the 2½ percent bonds of August 15, 1963 dropped into the under-1-year category in mid-August. Weekly reporting banks had weekly decreases in their portfolios of securities other than United States Governments throughout August, a reversal of the upward trend prevailing through July of this year.

As previously mentioned, banks lost deposits in the first part of the period under review as a decline in demand deposits adjusted was accompanied by lower United States Government deposits, and as withdrawals of time deposits by States and political subdivisions practically offset the gain in savings deposits. In the latter half of August, however, United States Government deposits increased as a result of payments received for the new Treasury issues on August 15. During this period the increase in savings was sufficient to more than offset continued withdrawals in other time deposit categories.

Growth in time deposits at District banks slowed down in July and August



Note: Data are for Twelfth District weekly reporting member banks. Time deposit data from February 1961 through September 1961 have been adjusted to exclude loan funds of a national retailer temporarily held as time certificates of deposit. Demand deposits adjusted are total demand deposits other than domestic commercial interbank and United States Government, less cash items in process of collection.

FEDERAL RESERVE BANK OF SAN FRANCISCO

TABLE 1
CHANGES IN REAL ESTATE LOANS OF TWELFTH DISTRICT MEMBER BANKS
 (dollar amounts in thousands)

	March 26, 1962 to June 30, 1962		December 29, 1961 to March 26, 1962	
	Dollars	Percent	Dollars	Percent
Total real estate loans	310,827	4.88	81,654	1.30
Secured by farm lands	17,054	9.67	12,137	7.39
Secured by residential properties	210,655	4.28	—13,288	— .27
Insured by FHA	53,524	2.21	— 2,593	— .11
Insured by VA	— 14,683	—3.00	—21,547	—4.22
Not insured by either	171,814	8.52	10,852	.54
Secured by other properties	83,118	6.55	82,805	6.98

Sizable growth in District member bank credit during second quarter

The data now available for all District member banks as of the Call Report date of June 30, 1962 indicate that total bank credit outstanding increased \$902 million during the second quarter, nearly three times larger than the growth in the comparable period of 1961. Loans accounted for over two-thirds of the gain, whereas they declined in the second quarter of last year. District banks continued to invest in higher yielding obligations of states and political subdivisions but reduced their holdings of United States Government securities by \$19 million. There was a second quarter gain of \$1,563 million in total deposits. Demand deposits of individuals, partnerships, and corporations and of states and political subdivisions both registered increases during the second quarter. Two-thirds of the \$695 million increase in time deposits was in the savings deposit component. The dollar increase in savings deposits was slightly above that of the second quarter of 1961 and well above that of the first quarter of this year.

Residential mortgages boosted second quarter loan volume

District banks had shown renewed interest in relatively high yielding real estate loans

during the first quarter of 1962 as a means of offsetting increased interest costs on time deposits; in the second quarter they channeled increased amounts of funds into such loans. Nearly one-half of the total loan increase for the quarter was accounted for by real estate loans. As Table 1 indicates, the increase in real estate loans of District member banks was more than 3½ times greater than in the first quarter of the year and was equivalent to nearly 75 percent of the dollar increase in savings deposits during the quarter. The largest dollar increase was in residential mortgages, conventional and FHA-insured. This was a reversal of the experience in the first quarter when most of the dollar gain was in nonresidential mortgages; this latter type of mortgage showed further sizable gains in the second quarter, however.

Business loans also rose

Business loans rose \$215 million in the second quarter in contrast to only a nominal increase in the corresponding period of 1961 and a decline of \$105 million in the first quarter of this year, a period when seasonal repayments are usually in excess of new business borrowings. The increase of \$218 million in consumer loans in the second quarter was four times that of the first quarter, with passenger automobile instalment loans ac-

counting for half the gain in consumer borrowing. Loans to farmers registered a larger than seasonal gain during the second quarter and continued well above the year-ago level.

The increase in loans to nonbank financial institutions, which was particularly heavy around mid-year, was nearly twice that of the second quarter of 1961.



FEDERAL RESERVE BANK OF SAN FRANCISCO

BANKING AND CREDIT STATISTICS AND BUSINESS INDEXES—TWELFTH DISTRICT¹

(Indexes: 1947-1949=100, except where otherwise indicated. Dollar amounts in millions of dollars)

Year and Month	Condition items of all member banks ^{2, 7}				Bank debits index 31 cities ^{4, 5}	Bank rates on short-term business loans ^{6, 7}	Total nonagricultural employment ¹¹	Total mfg employment ¹¹	Car-loadings (number) ^{5, 11}	Dep't store sales (value) ^{5, 11}	Retail food prices ^{7, 8}
	Loans and discounts	U.S. Gov't securities	Demand deposits adjusted ³	Total time deposits							
1929	2,239	495	1,234	1,790	42	....	...	...	109	18	64
1933	1,486	720	951	1,609	18	....	...	...	59	11	42
1939	1,967	1,450	1,983	2,267	30	....	...	...	87	19	47
1952	8,839	6,619	10,520	7,502	140	3.95	84	82	108	73	115
1953	9,220	6,639	10,515	7,997	150	4.14	86	86	108	74	113
1954	9,418	7,942	11,196	8,699	153	4.09	85	84	103	74	113
1955	11,124	7,239	11,864	9,120	173	4.10	90	90	112	82	112
1956	12,613	6,452	12,169	9,424	190	4.50	95	96	112	91	114
1957	13,178	6,619	11,870	10,679	204	4.97	98	101	103	93	118
1958	13,812	8,003	12,729	12,077	209	4.88	98	96	96	98	123
1959	16,537	6,673	13,375	12,452	237	5.36	104	103	101	109	123
1960	17,139	6,964	13,060	13,034	253	5.62	106	103	95	110	125
1961	18,499	8,278	14,163	15,116	270	5.46	108	102	94	115	127
1961 August	17,779	7,863	13,212	14,656	262	....	108	103	93	113	126
1961 September	18,028	7,955	13,317	14,786	277	5.45	108	103	95	118	125
1961 October	17,901	8,190	13,901	14,867	291	....	109	104	100	115	126
1961 November	18,212	8,182	13,944	14,874	265	....	109	105	102	118	127
1961 December	18,499	8,278	14,163	15,116	293	5.42	109	105	104	120	126
1962 January	18,646	8,082	13,671	15,448	294	....	110	106	107	119	127
1962 February	18,622	7,820	13,163	15,647	289	....	110	106	106	120	128
1962 March	18,906	7,776	13,235	15,939	300	5.50	111	106	104	123	128
1962 April	19,070	7,811	13,706	16,091	311	....	111	107	104	118	128
1962 May	19,328	7,582	13,945	16,352	304	....	111	106	99	121	128
1962 June	19,625	7,689	13,101	16,511	315	5.52	111	106	100	123	129
1962 July	19,669	7,532	13,535	16,587	315	....	112	107	106	123	128
1962 August	20,017	7,309	13,255	16,655	300	....	112 _p	107 _p	...	124	...

Year and month	Industrial production (physical volume) ⁵							Waterborne Foreign Trade Index ^{7, 9, 10}					
	Lumber	Petroleum ⁷		Cement	Steel ⁷	Copper ⁷	Electric power	Exports			Imports		
		Crude	Refined					Total	Dry Cargo	Tanker	Total	Dry Cargo	Tanker
1929	95	87	78	55	...	103	29	190	150	247	124	128	7
1933	40	52	50	27	...	17	26	110	...	...	72	...	...
1939	71	67	63	56	24	80	40	163	107	243	95	97	57
1951	113	106	112	128	146	116	136	186	194	175	162	140	733
1952	115	107	116	124	139	115	145	171	201	130	204	141	1,836
1953	116	109	122	131	158	113	162	141	138	145	314	163	4,239
1954	115	106	119	133	128	103	172	133	141	123	268	166	2,912
1955	122	106	124	145	154	120	192	166	178	149	314	187	3,614
1956	120	105	129	156	163	131	209	201	261	117	459	201	7,180
1957	106	101	132	149	172	130	224	231	308	123	582	216	10,109
1958	107	94	124	158	142	116	229	176	212	123	564	221	9,504
1959	116	92	130	174	138	99	252	188	223	138	686	263	11,699
1960	110	91	134	161	154	129	271	241	305	149	808	269	14,209
1961	109	92	140	169	171	136	...	...	...	...	...	...	...
1961 July	110	91	143	157	183	124	293	271	365	138	1,026	297	20,025
1961 August	111	91	140	160	180	107	300	247	322	140	805	277	14,586
1961 September	111	92	142	163	174	138	295	217	317	76	841	277	15,542
1961 October	110	92	144	171	181	149	310	209	310	67	872	307	15,613
1961 November	113	92	144	182	167	147	305	256	331	148	756	264	13,573
1961 December	106	92	141	152	167	145	294	273	371	134	725	272	12,529
1962 January	106	90	139	165	184	142	310	245	325	130	762	259	13,870
1962 February	113	90	142	153	187	159	295	272	353	157	572	249	8,993
1962 March	114	91	137	175	176	150	306	263	306	166	734	299	12,085
1962 April	112	91	135	192	151	160	...	212	300	86	856	273	16,029
1962 May	113	92	139	181	161	156 _p	...	266	360	133	839	322	14,295
1962 June	...	92	144	160	149	...	...	...	...	...	...	...	...
1962 July	...	92	147	176	128	...	...	...	...	...	...	...	...

¹ Adjusted for seasonal variation, except where indicated. Except for banking and credit and department store statistics, all indexes are based upon data from outside sources, as follows: lumber, National Lumber Manufacturers' Association, West Coast Lumberman's Association, and Western Pine Association; petroleum, cement, and copper, U.S. Bureau of Mines; steel, U.S. Department of Commerce and American Iron and Steel Institute; electric power, Federal Power Commission; nonagricultural and manufacturing employment, U.S. Bureau of Labor Statistics and cooperating state agencies; retail food prices, U.S. Bureau of Labor Statistics; carloadings, various railroads and railroad associations; and foreign trade, U.S. Department of Commerce. ² Annual figures are as of end of year, monthly figures as of last Wednesday in month. ³ Demand deposits, excluding interbank and U.S. Government deposits, less cash items in process of collection. Monthly data partly estimated. ⁴ Debits to total deposits except interbank prior to 1942. Debits to demand deposits except U.S. Government and interbank deposits from 1942. ⁵ Daily average. ⁶ Average rates on loans made in five major cities, weighted by loan size category. ⁷ Not adjusted for seasonal variation. ⁸ Los Angeles, San Francisco, and Seattle indexes combined. ⁹ Commercial cargo only, in physical volume, for the Pacific Coast customs districts plus Alaska and Hawaii; starting with July 1950, "special category" exports are excluded because of security reasons. ¹⁰ Alaska and Hawaii are included in indexes beginning in 1950. ¹¹ Index: 1957-1959=100. _p—Preliminary. _r—Revised.