

MONTHLY REVIEW

OF

BUSINESS CONDITIONS

JOHN PERRIN, Chairman of the Board and Federal Reserve Agent
Federal Reserve Bank of San Francisco

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No. 7

Summary of National Conditions

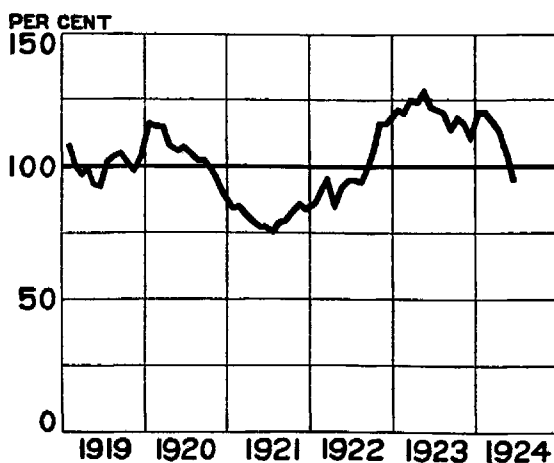
Production of basic commodities and factory employment showed further large declines during June. Trade, both at wholesale and retail, also decreased during the month and was in smaller volume than a year ago.

Production. The Federal Reserve Board's index of production in basic industries, adjusted to allow for seasonal variation, declined about 9 per cent in June to a point 22 per cent below the level of the first two months of the year. Iron and steel and cotton manufacturing industries continued to show the most marked curtailment of activity, and decreases were general in other industries. Factory employment decreased 3 per cent in June, the metal, automobile, textile, and leather industries re-

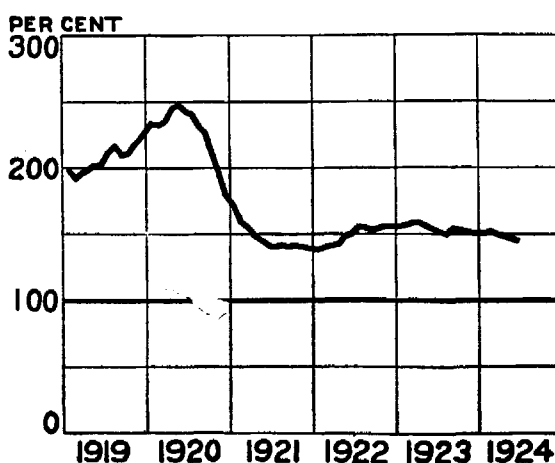
porting the largest reductions in forces. Value of building contracts awarded in June was 8 per cent smaller than in May, though 4 per cent larger than in June, 1923.

Condition of the corn crop on July 1st, as reported by the Department of Agriculture, was the lowest on record for that date and indicated a probable yield about 500,000,000 bushels less than last year. The recorded condition of the crop was less satisfactory than a month earlier, while forecasts for wheat and oats were larger than in June.

Trade. Railroad shipments decreased in June, and were about 15 per cent less than a year ago owing to smaller loadings of all classes of freight except grain and livestock. Wholesale trade showed a further slight decline in June and was 11 per cent smaller than a year



Production in Basic Industries
Index of 22 basic commodities corrected for seasonal variation (1919=100).
Latest figure, June, '24.

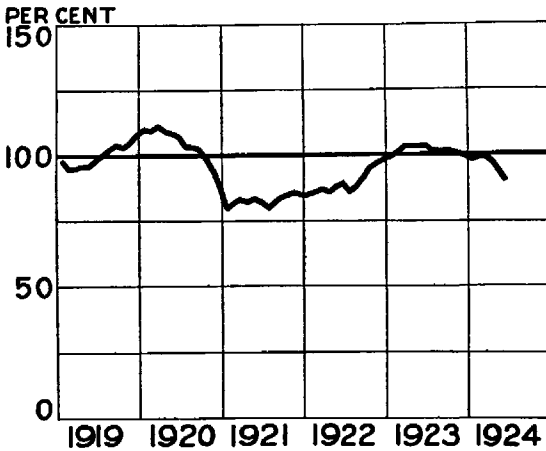


Wholesale Prices
Index of U. S. Bureau of Labor Statistics (1913=100, base adopted by Bureau).
Latest figure, June, 145.

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ago. Sales of hardware, drugs, shoes, and dry goods decreased, while sales of groceries and meat increased slightly. Sales of department stores and chain stores showed more than the usual seasonal decrease during June, and were smaller than last year. Mail order sales in June showed less than the usual seasonal decline and

July 16th were larger than at any time since the organization of the system. Money rates in July were comparatively steady, but continued to show a somewhat easier tendency. Discount rates at the Federal Reserve Banks of Kansas City and Dallas were reduced during July from 4½ to 4 per cent.

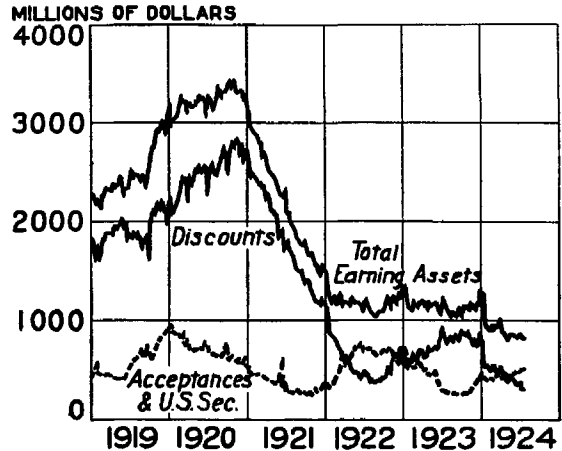


Factory Employment
Index for 33 Manufacturing Industries (1919=100). Latest figure, June, 24.

were larger than a year ago. Department stores further reduced their stocks of merchandise and slightly increased their outstanding orders.

Prices. Wholesale prices, as measured by the index of the Bureau of Labor Statistics, declined more than 1 per cent in June to a level 5 per cent below the high point for this year. Prices of all groups of commodities, except clothing, showed declines, and decreases were particularly large for building materials. During the first three weeks of July quotations on wheat, corn, and hogs advanced sharply, while prices of sugar, cotton goods, and iron and steel products were lower.

Bank Credit. Commercial loans at member banks in leading cities during June and the first two weeks of July remained at a relatively constant level considerably below the peak reached in April, while investment holdings and loans secured by stocks and bonds increased rapidly and carried total loans and investments to the high point for the year. Demand deposits, owing partly to the growth of bankers' balances at financial centers, advanced to a record level. At the reserve banks there was a continued decline in discounts and an increase in purchases of Government securities in the open market. As a consequence, total earning assets in the middle of July were only slightly less than at the beginning of June. Member bank reserve balances increased rapidly, reflecting a return flow of currency and further imports of gold. Total deposits at the reserve banks on



Reserve Bank Credit
Weekly figures for 12 Federal Reserve Banks. Latest figure, July 23.

Summary of District Conditions

Distribution of commodities at wholesale and retail throughout the Twelfth District during June was in smaller volume than during preceding months. This decline in general trade has followed by from two to three months the falling off in basic industrial production which appeared early in the spring. Declines both in production and distribution have been from the high levels of the late winter, so that, notwithstanding five months' diminishing activity, this bank's corrected index of bank debits (checks drawn against individuals' accounts at banks), probably the fairest measure of general business conditions obtainable, did not fall below "normal" (100) until June, when it appears to have stood at 96. The movement of the index, which is corrected for seasonal variation, year to year growth, and price changes, has been as follows during the first six months of 1924:

January	105.4
February	113.1
March	104.9
April	103.4
May	103.0*
June	96.0*

*Preliminary.

During all of this period, however, and particularly during recent weeks, bank credit for conducting business has been in ample supply and relatively cheap.

The decline in general trade, which June figures confirm, has been preceded and is still attended by declining production throughout the district. During June lumber production in the district was smaller than in the preceding month for the first time since January, 1924, and the value of building permits was 28.5 per cent and 8.9 per cent below figures reported for a year ago and a month ago, respectively, continuing the downward tendency of the past three months. Flour milling has remained active, however, while petroleum production has, temporarily at least, been stabilized.

In distribution, which held up well in volume during the first four months of the year, declines were more pronounced during June than during May. Ten of the eleven lines of wholesale trade reporting to this bank showed decreases in volume of sales during June, 1924, as compared with June, 1923, while the month to month declines have recently been greater than the normal seasonal expectation. Sales of representative department stores in the larger cities declined by more than the seasonal amount from May to June, and during the latter month were 1.8 per cent less in value than during June, 1923. Stocks held by the same stores were 7.5 per cent larger in value on July 1, 1924, than on July 1, 1923, which, taken in conjunction with decline of sales over the year period, indicates a slower turnover of goods.

Although the total volume of member bank credit in use in the district has remained at or near the highest levels recorded, its composition has changed steadily toward a smaller proportion of commercial loans to customers and a larger proportion of investments, a change explainable both by diminishing business activity and by the relatively rapid increase in time as compared with demand deposits of the banks. Significant figures follow (000,000 omitted):

		Com- mercial Loans	Other Loans and Invest- ments	Total Loans and Invest- ments	Demand Deposits	Time Deposits
July	9, 1924	\$805	\$565	\$1,370	\$731	\$625*
May	14, 1924	833	563	1,396*	736	607
January	9, 1924	812	538	1,350	758	571
July	11, 1923	788	545	1,333	740	531

*Highest point on record.

The amount of Federal reserve bank credit in use in the district has been steadily declining, total earning assets of this bank, at \$73,000,000 on July 16th, having been smaller than at any time since the summer of 1918.

Interest rates in the larger cities throughout

the past month have remained at low levels, only a slight and temporary hardening of rates having been noted at the close of the fiscal year on June 30th.

Agriculture

Few changes in the general agricultural situation in the Twelfth Federal Reserve District, other than those of a seasonal nature, were reported during June. In the Pacific Northwest the condition of growing crops was improved slightly in many sections by light rainfall during the first weeks of July, but the added moisture came too late, and was insufficient in volume, to overcome entirely effects of the serious lack of rainfall earlier in the present season. Yields of most crops, especially the grains, will be lower than last year. In California, effects of the drought have become more apparent as the season has advanced. Present condition of the majority of crops in that state, some of which are now being harvested, indicates a lower yield per acre, and frequently a yield of poorer quality than last year. Most of the streams which supply irrigation water are far below normal levels. In the Intermountain States, scattered showers in the northern section during the first weeks of July did not materially influence the general agricultural situation there. Many of the field crops grown on unirrigated soil, such as beans, hay, potatoes, and sugar beets, and the grains (which crops comprise the greater part of agricultural production in these states) are now so far advanced that additional moisture will be of no great benefit in promoting growth. In Arizona, the usual summer showers have been falling and a normal agricultural situation prevails in that state.

Harvesting of grain crops, particularly winter wheat, is now in progress in this district. Yields, although in some instances better than previously anticipated, are less than half as large in volume as last year. Figures of the estimated condition and yield of all wheat, barley and rice in the chief grain growing states of the district on July 1st, with comparative data for one month ago and one year ago and the actual 1923 yield, are given in the following table:

	All Wheat Yield*		Barley Yield*		Rice† Yield*	
	Estimated July 1, 1924	Actual 1923	Forecast July 1, 1924	Actual 1923	Forecast July 1, 1924	Actual 1923
	(bushels)	(bushels)	(bushels)	(bushels)	(bushels)	(bushels)
California	3,928	16,157	9,979	33,069	5,184	5,470
Idaho	15,734	30,115	..	..	..	..
Oregon	14,656	28,010	..	..	..	..
Utah	4,233	6,567	..	..	..	..
Washington	25,339	61,743	..	..	..	..
Twelfth District	63,890	142,592	..	..	..	..
United States	740,000	786,000	..	..	..	..

*000 omitted.

†Rice acreage: 1924, 90,000 acres; 1923, 106,000 acres.

Figures of acreage and forecasted yield of the important field crops of the district, segregated by the chief states growing them, are presented in the following tables:

	Beans				Cotton			
	Acreage*		Yield*		Acreage*		Yield*	
	1924†	1923	Fore-casted July 1, 1924	Actual July 1, 1923	1924†	1923	Fore-casted June 25, 1924	Actual 1923
Arizona	5	6	37	39	179§	128§	108,932	77,500
California (Total) ..	1,969	4,694	126	85	..	..	..	54,500
Lima Beans† ..	68	100	..	..	..	..	..	..
"Other" Beans†	105	199	..	..	..	..	..	..
Idaho	65	45	819	990	..	..	..	..
Totals	243	350	2,825	5,723	305	213	..	132,000

*000 omitted.
 †Yield not reported separately.
 ‡Preliminary.
 §Including Pima cotton acreage: 1924, 8,000 acres; 1923, 40,000 acres.
 ¶Figures not available.

	Potatoes				Sugar Beets			
	Acreage*		Yield*		Acreage*		Yield*	
	1924†	1923	Fore-casted July 1, 1924	Actual July 1, 1923	1924†	1923	Fore-casted July 1, 1924	Actual 1923
California ...	52	50	6,545	7,800	93	61	676	581
Idaho	67	67	10,713	11,725	62	43	368	498
Oregon	43	42	3,805	4,243	..	..	..	..
Utah	14	16	2,201	2,688	98	83	780	1,075
Washington ..	49	52	6,272	8,060	..	..	..	..
Totals	225	227	29,536	34,516	253	187	1,824	2,154

*000 omitted.
 †Preliminary.

The condition and estimated yield of deciduous fruit crops in California as reported by the Department of Agriculture for the dates indicated are as follows:

	Condition			Yield		
	July 1st		10-Year Average	Forecasted July 1, 1924	Actual 1923	
	1924	1923	1924	(tons)	(tons)	
Almonds ..	62	77	72	63	9,500	11,000
Apples	76	82	78	75	5,337,000†	5,196,000†
Apricots ..	65	102	..	65	137,000	170,000
Cherries ..	65	81	..	62	13,500	14,500
Grapes	73	96	..	..	..	..
Wine ...	79	..	..	84	..	237,000
Table ...	74	..	..	78	..	340,000
Raisin ...	70	..	..	72	..	428,000
Peaches ...	72	92	..	75	313,000	380,000
Pears	68	80	78	68	120,000	128,000
Plums	73	97	78*	74	..	69,000
Prunes	66	63	76	68	100,000	80,000
Walnuts ..	76	90	76	80	23,000	25,000

*Seven-year average.
 †Commercial crop in boxes. Total crop, 1924—8,896,000 boxes
 Total crop, 1923—8,450,000 boxes.

The deciduous fruit situation in the Pacific Northwest changed little during the past month. It is estimated that yields this season will be from 20 to 50 per cent smaller in volume than last year.

Considerable improvement in railroad transportation, as it affects the movement of fresh fruit from this district, has been achieved during the past year, both through more efficient service with old equipment and by the addition of new refrigerator cars on the lines serving the important fruit shipping states of the district.

The total number of refrigerator cars on the lines of the principal railroads serving California and the Pacific Northwest on June 15, 1924, and 1923, as reported by the American Railway Association, Car Service Division, follow:

	June 15, 1924	June 15, 1923
California	27,898	21,314
Pacific Northwest.....	9,219*	12,486
Totals	37,117	33,800

*It is anticipated that the yield of perishable products in the Pacific Northwest will be substantially smaller than a year ago.

According to present commercial estimates the 1924 canned fruit pack in California will be approximately 85 per cent as large as the 1923 pack (11,351,536 cases), a probable slight increase in the amount of apricots canned this year being insufficient to offset a material decline in the pack of other fruits, particularly peaches. The supply of canning peaches was reduced by killing spring frosts in some of the principal growing regions. Canning operations are now under way in some sections of the state. Both canned and dried fruit markets have been relatively active during recent weeks and both industries are entering the 1924 season with a substantially smaller carryover of old crop goods than one year ago.

Available data for roughly measuring the progress made in marketing certain crops of the district are presented in table "A." Total wheat exports from the Pacific Northwest (Idaho, Oregon, and Washington) during the past season were greater than during any of the preceding five crop years, except 1921-1922, and domestic shipments are also reported to have been considerably larger in volume

(A) Movement of Crops to Market*

	TWELFTH FEDERAL RESERVE DISTRICT		
	1923-1924 Season to June 30, 1924	1922-1923 Season to June 30, 1923	1921-1922 Season to June 30, 1922
Wheat Exports†			
Portland and Puget Sound	31,988,585 (22.4)	19,985,229 (20.4)	42,719,581 (33.8)
Barley Exports†			
San Francisco (bu.)	10,574,508 (22.8)	16,138,050 (37.6)	17,241,010 (43.8)
Apple Shipments†			
Twelfth Dist. (cars)	57,643 (99.8)	41,063 (91.7)	50,923 (99.6)
Orange Shipments‡			
California ... (cars)	33,672 (61.2)	38,742 (78.3)	24,011 (77.8)
Lemon Shipments‡			
California ... (cars)	9,360 (73.4)	6,258 (63.9)	7,534 (72.3)
Total Deciduous Fruit Shipments§			
California ... (cars)	2,911	3,884	1,157

*Figures in parentheses indicate percentage of crop.
 †Season begins July 1st.
 ‡Season begins November 1st.
 §Excluding apples. Season begins May 1st.

than in previous seasons. A combination of these two favorable circumstances has effected the marketing of all but approximately 10,000,000 bushels (commercial estimate of the carry-over on July 1, 1924) of the record 1923 wheat crop, which for the three states totaled 118,665,000 bushels. The decrease in deciduous fruit shipments from California as compared with last year has been due largely to a decline in plum shipments.

Livestock—Animal Products

Range and pasture conditions showed no improvement during June, except in certain sections of Arizona and the Pacific Northwest. Continued deficiency of rainfall and the abnormally hot weather which has prevailed over large areas during the past month have tended to dry up feed grass and to decrease available water supplies on many ranges. Livestock are being moved to stubble fields in California and feeding grounds which usually are reserved for the early fall months are now being used to

Figures for total receipts for all classes of livestock at eight principal markets of the district during June are presented in the accompanying table and chart. Receipts of cattle, calves, and hogs at Southern California markets during June, 1924, were slightly lower than one year ago, and this decline, together with a small decrease in cattle receipts for all other California markets during the past month, largely accounts for any apparent departures from normal seasonal trends.

LIVESTOCK RECEIPTS AT EIGHT MARKETS

	Cattle	Calves	Hogs	Sheep
June, 1924.....	72,834	23,093	197,220	293,455
May, 1924.....	70,029	23,088	209,506	371,778
June, 1923.....	74,750	19,915	179,457	229,663
4-year average*—				
June	67,694	17,442	143,723	255,560
May	62,463	17,698	150,864	401,750

*1921-1924.

Federal officials report that the hoof and mouth disease in California is definitely under control and state that rapid progress toward eradication is now being made. The few additional outbreaks of the disease which have occurred during the past month have been confined to previously infected and quarantined areas.

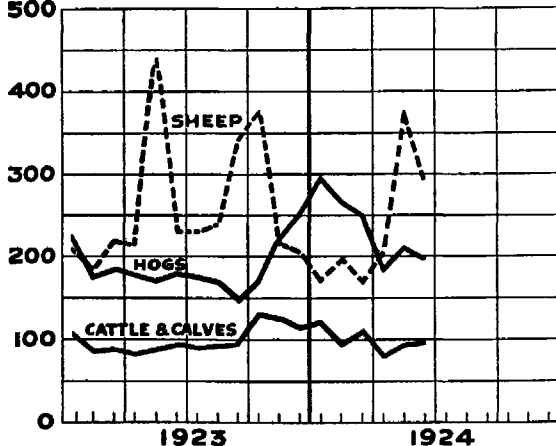
As a result of the continued rapid seasonal increase of butter production, cold storage stocks, both in the Twelfth District and in the United States, increased rapidly during June. Increases in holdings of cold storage eggs were less marked, as production normally begins to slacken during June.

COLD STORAGE HOLDINGS OF BUTTER AND EGGS

	July 1, 1924	June 1, 1924	July 1, 1923	Five-Year Average July 1st†
Butter (pounds)				
*Twelfth District	6,778,552	4,361,528	4,676,890	4,400,555
United States...	74,446,000	22,348,000	62,768,000	66,971,000
Eggs (cases)				
†Twelfth District	524,560	429,049	634,208	‡
United States...	8,697,000	6,944,000	10,222,000	8,395,000

*Four markets. †Six markets. ‡Figures not available. §1920-1924.

THOUSANDS



Receipts of Livestock at Eight of the Principal Markets of the District 1923-1924. (Los Angeles, Ogden, Portland, Salt Lake City, San Francisco, Seattle, Spokane, and Tacoma included)

supplement scanty summer pastures in that state and in parts of Intermountain and Pacific Northwestern states. The condition (per cent of normal) of ranges, cattle, and sheep as reported by the Department of Agriculture for the states of this district is presented below:

	Ranges			Cattle			Sheep		
	July 1, 1924	1923	June 1, 1924	July 1, 1924	1923	June 1, 1924	July 1, 1924	1923	June 1, 1924
Arizona	92	73	95	94	84	95	95	90	96
California ...	52	88	55	86	95	88	85	96	88
Idaho	62	104	65	75	101	84	78	101	83
Nevada	64	103	78	79	92	85	83	101	96
Oregon	69*	101	65*	84	99	83	85	101	85
Utah	72	88	75	78	92	80	86	95	98
Washington ..	74*	102	74*	82	97	85	92	98	90

*Condition of all pastures: July 1, 1924 June 1, 1924
 Oregon 62 75
 Washington 56 65

Prices

Price movements among the chief agricultural products of the Twelfth District during June effected little change in the general price level of the group. A rapid advance in grain prices and the general upward tendency of prices for many varieties of fruits (fresh, canned, and dried) were largely offset by the decline of wool, cotton, and livestock quotations. Further recession of the price level for mineral and forest products was recorded during the month.

Of chief importance during the past month has been the rapid advance of grain prices. July wheat, which sold for \$1.03½—\$1.04½ per bushel on June 4th at the Chicago market, ad-

vanced to \$1.15½-\$1.16¾ per bushel on July 3rd, and was quoted at \$1.26-\$1.29¾ per bushel on July 18th, the latter price being 27.0 per cent above the price quoted on July 18, 1923 (\$.98-\$1.00 per bushel). The price of shipping barley advanced 20.5 per cent during the month reaching \$2.35 per cental at San Francisco on July 3, 1924, compared with \$1.50 per cental on July 3, 1923. Rice quotations at the close of June, at \$5.30 per cental for California Fancy Japan rice on the San Francisco market, were 5 cents per cental higher than one month ago and 65 cents per cental higher than one year ago. Livestock prices, the general level of which has been declining during recent months, continued downward (excepting lamb quotations which advanced slightly) during June, and at the close of the month all classes of meat animals sold for less than they did one year ago on the Chicago market. At the principal markets in this district, prices paid for beef cattle and lambs increased, and hog quotations declined during June. The course of cotton prices was slightly downward during June, but at the close of the month the general level was approximately 3.6 per cent above that of one year ago. Wool prices continued their decline of recent months during June. At 73.28 cents per pound on July 3rd, the average of 98 wool quotations on the Boston market was slightly more than 4 cents below the average one month ago and 8.65 cents lower than one year ago. San Francisco prices for granulated cane sugar stood at \$7.30 per 100

pounds on June 18th and \$6.85 per 100 pounds on July 19th, compared with \$9.00 per 100 pounds on July 19, 1923. Small advances were recorded for the majority of canned and dried fruits during June, but most grades and varieties still sold for less than they did one year ago. A statistical summary of prices for these two products is presented in table "B."

The market for copper, the non-ferrous metal produced in greatest volume in the Twelfth District, continued weak. Prices declined ¼ cent per pound during June, reaching 12¼ cents per pound on July 3rd, and then advanced to 12¾ cents per pound on July 10th. The present (July 21st) quotation is 12½ cents per pound. Lead and zinc prices fluctuated little during the month, and the present (July 21st) quotations of 7 cents per pound for lead and 5.90 cents per pound for zinc are 7.7 per cent higher and 1.3 per cent lower, respectively, than market prices for these products one year ago. Silver sold for 66.25 cents per ounce on the New York market on July 3, 1924, a quotation fractionally lower than one month ago, but 4.5 per cent higher than one year ago. Average monthly prices for copper, lead, silver, zinc, and quicksilver follow:

	June, 1924 (cents)	May, 1924 (cents)	June, 1923 (cents)
Copper (lb.)			
New York Electrolytic..	12.33	12.77	14.66
Lead (lb.)			
New York.....	7.02	7.27	7.15
Silver (oz.)			
New York.....	66.69	65.52	64.86
Zinc (lb.)			
St. Louis.....	5.79	5.79	6.03
Quicksilver (dollars per flask) San Francisco....	71.91	72.65	66.80

(B) Canned and Dried Fruit Prices

Canned Fruit (f. o. b. cannery California):

Choice Grade No. 2's Cans	Opening Prices		Spot Prices	
	1924 per doz.	1923 per doz.	July 12, 1924 per doz.	July 12, 1923 per doz.
Apples	\$2.20	\$2.20	\$2.20	\$..
Apricots	2.45	2.15	2.50	2.75
Blackberries	2.85	3.00	2.85	2.35
Cherries, R. A.....	2.85	3.25	2.85	4.15
Grapes, Muscat.....	2.25	2.10	2.25	2.35
Plums, Egg.....	1.85	1.85	1.85	2.15
Loganberries*.....	3.10	3.10	3.10	..
Peaches, Y. C.....	2.40	2.25	2.45	2.75
Peaches, Y. F.....	2.25	2.10	2.25	..
Pears, Bartlett.....	3.00	2.65	3.10	3.10

*F. o. b. San Francisco.

Dried Fruit (cents per pound):

Choice Grade	Opening Prices				Spot Prices	
	1924	1923	1922	1921	July 12, 1924	July 12, 1923
Bulk in 25 lb. boxes						
Apples*	8¾-9	7¼-7½	12	10¾	9¼-9½	6½-6¾
Apricots, Northern.	12¾	14½	22¾	18¼	13¼	10
Figs, White Adriatic	6¼	6½	8½	8	6¾	6¼
Figs, Black Mission.	9	7½	11¼	8	9½	9½
Peaches, Unpeeled						
Yellow	8	7½	11¼	9½	8¾	7
Pears*	12¾	8-8½	15	12¼	13	7½
Prunes, 40/50.....	10¼	9½-9¾	8¼-8¾	8	10¼	9½-10
Raisins, 3 Crown						
Loose Muscatel... ..	8¼	10	13¾	8	8	7¾-8
Raisins, Thompsons ..	8½	10	14¾	8	8	9¾

*Bulk in 50-lb. boxes.

The downward trend of lumber prices at producing centers in the Pacific Northwest, noted during recent months, continued during June. Prices at the close of the month were from 6.0 to 15.0 per cent lower than at its beginning, and 30.0 to 35.0 per cent below those of one year ago. The softwood index of "Lumber" stood at 29.41 for the week ending July 11, 1924, compared with 30.31 one month ago and 34.00 one year ago. Prices paid producers for petroleum in California, which have been unchanged during the past four months at \$1.40 per barrel for crude oil of 35 degrees gravity and above, are 34.6 per cent higher than one year ago.

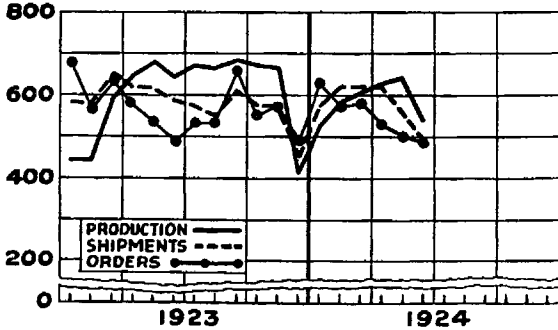
Industrial Activity

Available evidence, both statistical and non-statistical, indicates that the downward trend of industrial activity in the Twelfth District, from the high levels noted earlier in the year, continued during June, and that production was slightly below that of June, 1923.

The quantity of lumber produced by mills reporting to four associations in this district decreased 16.1 per cent during June as compared with May. The monthly decrease during June was the first reported since January, 1924, but the cut was, for the third consecutive month, smaller than that reported for the corresponding month last year. Stocks of lumber at the mills tended to increase during June, the volume of shipments being smaller than production and 11.5 per cent below the figures for May, 1924. Orders for lumber placed with the mills totaled 486,569,000 board feet during the month, a figure smaller by 2.7 per cent and 0.4 per cent, respectively, than the volume of orders reported for May, 1924, and June, 1923. Figures follow (000 omitted):

	June, 1924 (board feet)	May, 1924 (board feet)	June, 1923 (board feet)	May, 1923 (board feet)
Production	538,066	641,456	642,411	680,193
Shipments	494,362	558,490	585,894	618,534
Orders	486,569	500,096	488,082	535,299
Unfilled Orders...	338,494	384,370	504,845	575,280
Number of Mills Reporting.	187	201	192	200

MILLIONS OF BOARD FEET



Lumber Production, Orders Received, and Shipments in Twelfth Federal Reserve District as Reported by Four Lumber Associations, 1923-1924

Logging operations in the Pacific Northwest were further curtailed during the past month, but available supplies of logs are reported sufficient to maintain the present rate of activity of the industry for some time.

Domestic lumber markets were relatively inactive during June, non-statistical evidence indicating the transaction of a smaller volume of business during that month than during May, 1924, and June, 1923. The volume of new orders received from foreign markets, however, increased during June, and was nearly twice as great as in the preceding month and more than four times as large as in June, 1923.

Preliminary reports indicate little change during June in the output of the principal minerals produced at the mines of this dis-

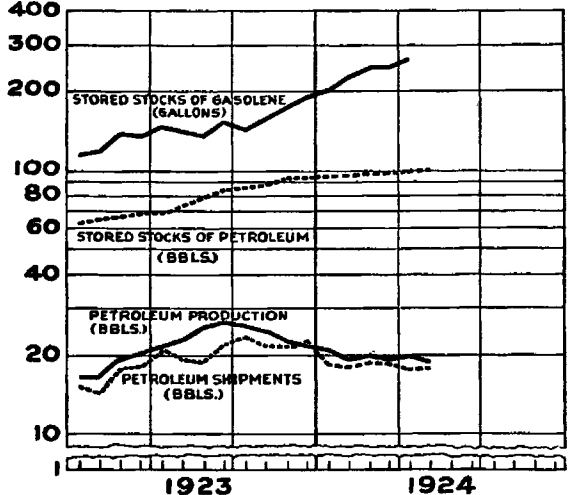
trict. Figures for national production of copper, silver, zinc, and quicksilver during May and April, 1924, and May, 1923, follow:

Copper (lbs.) (mine production)	May, 1924	Apr., 1924	May, 1923
Silver (oz.) (commercial bars)	5,832,680	4,588,375	6,835,221
Zinc (tons) (slab)	47,666	44,949	47,347
Quicksilver (flasks—75 lbs., estimated)	1,080	1,120	..

Figures for lead are not available.

Non-ferrous metals markets generally continued sluggish during June, domestic demand for copper, lead, and zinc being relatively inactive. Foreign demand for copper during the last half of the month and early in July, however, was reported slightly more active than during previous recent weeks.

MILLIONS



Production, Shipments, and Stored Stocks of Petroleum, and Refinery Stored Stocks of Gasolene, 1923-1924

Petroleum production in California oil fields during June was 5.1 per cent smaller in volume than during May. Although declining production was accompanied by an increase of consumption (as indicated by shipments), stored stocks increased slightly (1.1 per cent) during the month. The production of 118,108,412 barrels of crude oil reported from California oil fields during the first six months of 1924 was but 0.6 per cent greater in volume than production (117,390,826 barrels) during the first six months of 1923. Stored stocks of petroleum were increased by 8,652,702 barrels (9.4 per cent) during the first six months of 1924, compared with an increase of 12,141,254 barrels (19.8 per cent) during the first six months of 1923. Average daily indicated consumption of gasolene during June, at 3,087,465 gallons, was

less than refinery production, and stored stocks increased 7.8 per cent during the month. A statistical summary of the California oil industry follows:

	PETROLEUM		Stored Stocks at End of Month (barrels)	New Wells (Daily Production)	
	Average Daily Production (barrels)	Indicated Average Daily Consumption (Shipments) (barrels)		Number Opened	(barrels)
June, 1924	626,933	591,403	100,577,855	88	37,209
May, 1924	639,793	569,590	99,511,937	150	56,451
Sept., 1923*	858,750	779,657	85,496,609	93	139,960
June, 1923	755,570	650,345	73,326,182	79	152,974

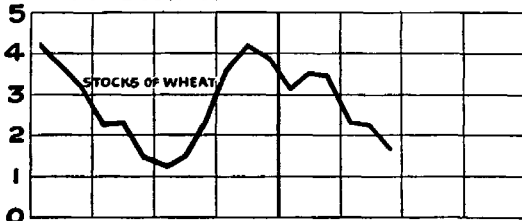
*Peak of production.

	GASOLENE			
	May, 1924 (gallons)	Apr., 1924 (gallons)	May, 1923 (gallons)	Apr., 1923 (gallons)
Refinery Output.	114,860,114	113,124,488	112,314,674	192,428,548
Stored Stocks*..	265,749,634	246,600,953	147,125,960	136,684,477

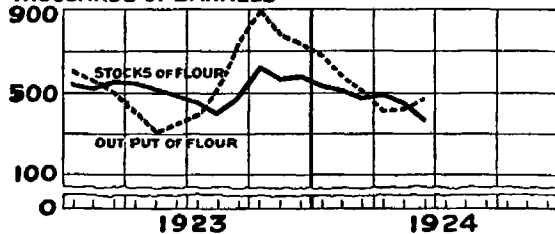
*As of the last day of the month.

Flour milling activity in the Twelfth District continued at high seasonal levels during June, the reports of 16 regularly reporting companies showing an increase of 11.4 per cent in total

MILLIONS OF BUSHELS



THOUSANDS OF BARRELS



Monthly Flour Output, and Stocks of Wheat and Flour at End of Month of 16 Reporting Milling Companies

output, compared with an increase of 12.1 per cent in the four-year average for June as compare with May. Production, at 469,626 barrels for June, was greater than any figure previously reported for that month since this bank has been keeping the record. The increased activity of the industry appears to have been the result of an increasing demand, as reported stocks of flour declined 19.5 per cent during the month. Stocks of wheat held by the 16 companies declined during June, and on July 1, 1924, were 28.0 per cent less than on June 1st, and 15.1 per cent and 13.8 per cent,

respectively, greater than on July 1, 1923, and the five-year average for July 1st. Figures follow:

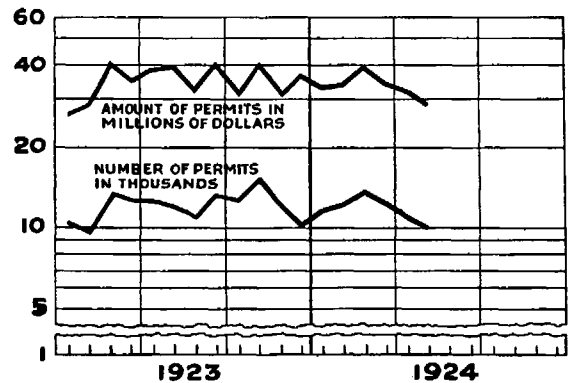
	June, 1924	May, 1924	June, 1923	Five-Year Average† June
Output (bbls.)	470,108	421,961	345,342	376,969‡
Stocks*				
Flour (bbls.)	361,780	449,346	492,571	450,118
Wheat (bu.)	1,632,835	2,269,107	1,418,798	1,433,569

*As of the first day of the following month.

†1920-1924.

‡Four-year average, 1921-1924.

A continuance of the downward tendency of building activity in this district noted during the past three months was indicated by the figures of building permits issued during June. The following table summarizes recent trends of activity in the industry as indicated by the percentage increase or decrease (—) in both the number and value of building permits issued in 20 cities during each of the first six



Building Permits Issued in 20 Principal Cities, Twelfth Federal Reserve District, 1923-1924

(C) Building Permits—

	June, 1924		June, 1923	
	No.	Value	No.	Value
Berkeley	243	\$ 568,516	188	\$ 527,175
Boise	56	40,712	91	86,913
Fresno	68	64,013	126	242,306
Long Beach...	416	1,515,232	396	3,422,324
Los Angeles..	3,387	10,292,542	5,094	15,074,446
Oakland	936	2,527,008	894	2,751,751
Ogden	30	82,200	39	126,650
Pasadena	247	628,146	278	1,265,854
Phoenix	61	100,000	88	111,122
Portland	1,159	2,344,290	1,155	2,166,470
Reno	18	63,750	10	19,625
Sacramento ..	235	509,410	282	990,485
Salt Lake City	167	561,245	179	521,075
San Diego....	480	1,524,490	429	1,390,720
San Francisco.	858	3,899,374	868	4,213,346
San Jose.....	78	198,135	100	301,550
Seattle	898	2,094,350	892	5,230,445
Spokane	217	236,970	241	426,510
Stockton	94	276,555	97	269,560
Tacoma	332	670,695	378	353,463
District	9,980	\$28,197,633	11,825	\$39,491,790

months of 1924 compared with the same month one year ago and the previous month.

	Month in 1924 compared with month in 1923		Month in 1924 compared with preceding month	
	Number	Value	Number	Value
January	12.6%	27.0%	14.9%	- 9.3%
February	26.3%	18.5%	5.1%	2.8%
March	1.5%	- 2.1%	11.0%	15.1%
April	- 2.2%	- 2.4%	- 8.7%	-12.2%
May	-12.6%	-18.7%	-11.5%	- 7.6%
June	-15.6%	-28.5%	- 8.9%	-11.6%

The decline in value of building permits during June and May, 1924, as compared with June and May, 1923, respectively, was in each case greater than the estimated decline of building costs during the same periods.

The United States Department of Labor's index number of building materials prices stood at 173 in June, 1924 (1913 prices=100), a decrease of 3.8 per cent from one month ago and of 10.8 per cent from one year ago. The Aberthaw index number of the total cost of constructing a reinforced concrete factory building stood at 198 on July 1, 1924 (1914 average=100), compared with 199 on June 1, 1924, and 206 on July 1, 1923.

From non-statistical evidence now available it appears probable that employment in the Twelfth District generally decreased somewhat during June, and continued at levels slightly lower than one year ago. The increase in unemployment, as compared with one year ago, is greatest among unskilled labor, particularly in the agricultural and lumber industries. The number of men employed in the lumber industry of the Pacific Northwest (Idaho, Oregon, and Washington) on July 1, 1924, was estimated at 69,500, compared with 74,900 on June 1st and 95,000 on July 1, 1923. Although there is little unemployment of skilled building tradesmen and miners, employers generally report no labor shortage in these lines.

Sales of electric energy to industries in the Twelfth District were 20.3 per cent greater during May, 1924, than during May, 1923, and 13.6 per cent greater than during April, 1924. Among the industries for which segregated figures are available, the largest percentage increase, both during the year period and the month, was for agriculture. As a result of the dry weather which has prevailed during the present season in the chief agricultural states of the district, a heavy increase in the use of electric power for pumping irrigation water has occurred, and sales to agriculture have become of increasing importance to the industry, amounting to 16.0 per cent of the total volume of industrial sales during May, 1924, compared with 10.4 per cent during April, 1924, and 11.8 per cent during May, 1923. Total sales to the

mining industry decreased slightly during the year period, a large decline in the Intermountain States and the Pacific Northwest more than offsetting an advance of 21.3 per cent in California. Manufacturing industries of the district consumed 10.9 per cent more electrical power during May, 1924, than during May, 1923. A current statistical summary of the industry in the Twelfth District is presented in the following tables:

Percentage Increase or Decrease (-) in Volume of Sales May, 1924, compared with May, 1923

	Agriculture	Mining	Manufacturing	Total Industrial Sales
California	66.5	21.3	7.7	22.5
Pacific Northwest.....	23.9	- 6.6	18.0	13.6
Intermountain States..	34.4	-36.3	4.6	19.7
Twelfth District.....	63.1	- 4.2	10.9	20.3

Number and Distribution of Industrial Consumers and Actual Volume of Sales

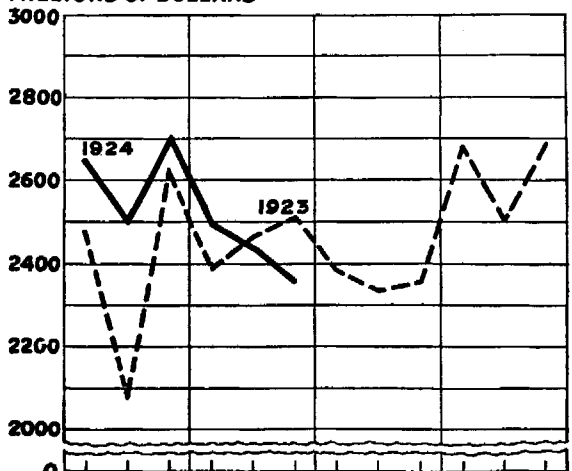
	Number of Industrial Consumers		Industrial Sales K. W. H.	
	May, 1924	May, 1923	May, 1924	May, 1923
California	79,395	68,181	278,915,106	227,592,155
Pacific Northwest ..	13,642	11,976	80,927,548	71,234,656
Intermountain States	5,517	5,355	68,903,468	57,538,471
Twelfth District	98,554	85,512	428,746,122	356,365,282

As a result of the decreasing flow of water in streams used to develop electric energy in Southern California, power companies serving that territory have ordered a general decrease of 25 per cent in the consumption of power.

General Business and Trade

The recent decline in business activity in the district continued during June. Checks drawn against individual accounts (bank debits) at

MILLIONS OF DOLLARS



Debits to Individual Accounts in 20 Principal Cities, Twelfth Federal Reserve District, 1923-1924

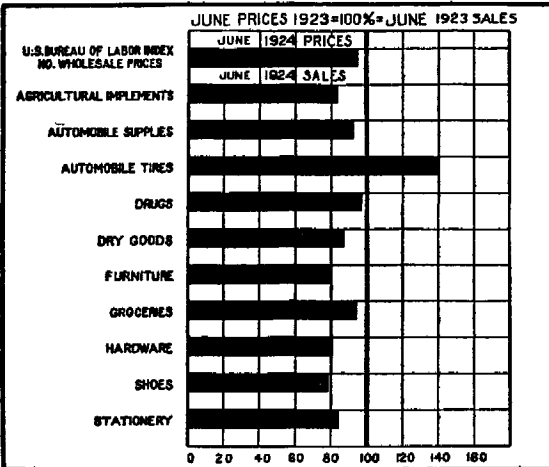
banks in 21 principal clearing house centers declined 3.4 per cent in total amount during June, 1924, as compared with May, 1924, whereas normally there is a seasonal increase of approximately 4.0 per cent. As compared with June, 1923, bank debits for June, 1924, de-

clined 6.1 per cent, the second consecutive month in which they have been below the figures of a year ago. The estimated general price level for this district declined less than 1.0 per cent during the same period.

The accompanying chart (page 101) of monthly bank debits in 20 principal cities (figures for Phoenix, Arizona, are not included) shows the general downward tendency in business during the past three months. If allowance be made for the fewer number of days in February, it appears that activity reached a peak in that month, since when there has been a steady decline. Table "D" shows bank debits for the months of June, 1924, and June, 1923, and cumulative totals for the first six months of 1924 and of 1923 in 21 cities in this district.

The downward trend of sales at wholesale which has appeared during the past three or four months continued during the past month, ten of the eleven reporting lines showing decreases in the value of sales during June, 1924,

As was the case last month, sales at retail during June, 1924, were slightly less than during June, 1923. As compared with the preceding month the decline of 14.0 per cent during June was considerably greater than the usual seasonal decrease. The decline for the year period, amounting to 1.8 per cent, cannot be attributed to price changes, the estimated level of retail prices in this district having shown a slight gain (less than 1.0 per cent). Stocks of reporting stores on June 30, 1924, were 7.5 per cent larger in value than on June 30, 1923. The rate of stock turnover during June, 1924, was 2.83 as compared with a rate of 3.16 during June, 1923. A detailed statement of the percentage changes in the value of sales and stocks of reporting department stores in the district follows:



Dollar Value of Sales of Representative Wholesale Firms and General Wholesale Prices in June, 1924, compared with June, 1923

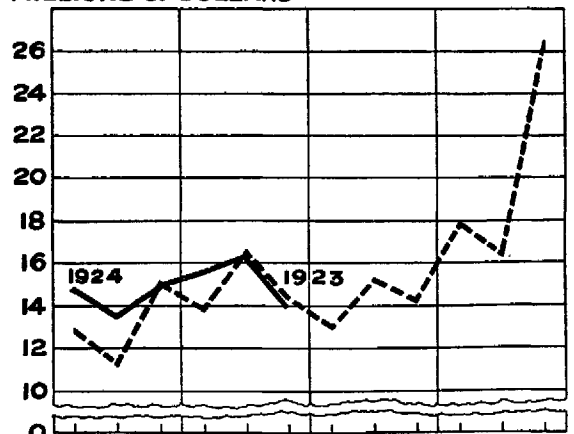
as compared with June, 1923, automobile tires alone showing an increase. Percentage changes in the value of sales of reporting wholesale dealers during June, 1924, compared with one year ago and one month ago, follow:

Category	No. of Firms	Percentage increase or decrease (-) in the value of sales during June, 1924, compared with	
		June, 1923	May, 1924
Agricultural Implements	20	-16.5	2.7
Automobile Supplies	17	-7.4	7.1
Automobile Tires	20	40.3	15.2
Drugs	8	-2.9	-3.0
Dry Goods	12	-12.8	-9.7
Electrical Supplies	6	-4.0	-4.9
Furniture	17	-20.3	-10.4
Groceries	27	-5.5	9.5
Hardware	21	-19.1	-7.8
Shoes	15	-21.7	-11.1
Stationery	27	-15.9	-5.4

City	No. of Stores	Percentage increase or decrease (-) in value of sales June, 1924, compared with		Percentage increase or decrease (-) in value of stocks June, 1924, compared with	
		June, 1923	May, 1924	June, 1923	May, 1924
Los Angeles	6	-0.07	-10.1	21.0	-2.1
Oakland	4	-5.6	0.6	2.3	6.7
Salt Lake City	4	-7.4	-17.0	11.9	-6.8
San Francisco	10	3.3	-21.8	1.0	-7.0
Seattle	5	-5.9	-9.3	3.6	-4.6
Spokane†	4	-22.0	-16.0	-4.6	-4.5
*District†	34	-1.8	-14.0	7.5	-4.7

*Figures for one store included in district figures not included in figures for cities shown above. †Preliminary.

MILLIONS OF DOLLARS



Net Sales of 35 Department Stores in Twelfth Federal Reserve District (in Millions of Dollars)

Registrations (sales) of new automobiles in the states of this district during the first five months of 1924 (an index of purchasing power of the community) were less by 10.8 per cent than during the first five months of 1923. Sales of automobiles during May, 1924 (as indicated by new car registrations), were less by 0.3 per cent and 27.2 per cent, respectively, than during April, 1924, and May, 1923. Declines in

cumulative totals of new registrations were the result largely of declines in registrations in California. Figures follow:

REGISTRATIONS OF NEW AUTOMOBILES

	Passenger		Commercial	
	Jan. 1 to June 1, 1924	1923	Jan. 1 to June 1, 1924	1923
Arizona	4,163	3,950	472	292
California	77,299	94,057	6,813	9,555
Idaho	5,631	3,671	521	235
Oregon	15,878	14,521	1,039	577
Utah	5,207	4,337	342	422
Washington	*	18,899	*	1,994
Total (5 states) ..	108,178	120,535	9,187	11,081

*Not available.

National production of automobiles during June, 1924, was less than during June, 1923, and May, 1924, by 35.0 per cent and 21.4 per cent, respectively. Figures compiled by the Federal Reserve Bank of Chicago follow:

	June, 1924	May, 1924	June, 1923
Passenger Cars.....	217,845	279,385	337,048
Trucks	27,040	32,326	39,945
Total	244,885	311,711	376,993

Production during the first six months of 1924 was reported at 1,992,030 passenger cars and trucks, compared with 2,016,968 passenger cars and trucks during the first six months of 1923.

Savings deposits at 72 banks in seven principal cities increased 2.0 per cent during June, as compared with May, and at \$1,019,515,000 on June 30, 1924, were greater by 0.9 per cent than the previous record figure reported on March 31, 1924. As compared with a year ago, savings deposits increased 9.3 per cent, an amount considerably in excess of the increase which could be attributed to interest accruals alone. All cities reported increases for the

month and for the year. Detailed changes in the amount of savings deposits during the month and year as reported by the 72 banks are presented in the following table (000 omitted):

	Number of Banks	June, 1924			Per Cent increase June, 1924, compared with June, 1923	
		June, 1924	May, 1924	June, 1923	June, 1923	May, 1924
Los Angeles...	13	\$ 339,103	\$337,391	\$309,638	9.5	0.5
Oakland*	7	95,311	93,242	89,570	6.4	2.2
Portland	9	51,012	49,837	46,235	10.3	2.3
Salt Lake City. 8	28,277	28,178	26,530	6.5	0.3	
San Francisco† 14	421,354	407,998	386,027	9.1	3.2	
Seattle	15	66,756	65,442	58,701	13.7	2.0
Spokane	6	17,702	17,144	15,516	14.0	3.2
Total	72	\$1,019,515	\$999,232	\$932,217	9.3	2.0

*Includes one bank in Berkeley which was formerly a branch of an Oakland bank.

†The consolidation of reporting banks has reduced their number, but has not affected the value of reported figures for comparative purposes.

R. G. Dun & Company's preliminary figures of the number and liabilities of business failures in the states of this district during June, 1924, and May, 1924, follow:

	June, 1924		May, 1924	
	No.	Liabilities	No.	Liabilities
Arizona	1	\$ 24,323	0	0
California	75	779,085	127	\$1,417,427
Idaho	8	49,626	5	47,713
Nevada	3	576	2	2,450
Oregon	16	132,103	43	327,099
Utah	16	145,801	13	138,197
Washington	43	473,303	36	503,094
District	162	\$1,604,817	226	\$2,435,980

Percentage increases and decreases (—) in the number and liabilities of business failures in the Twelfth Federal Reserve District follow:

	June, 1924, compared with June, 1923	
	June, 1923	May, 1924
Number of Business Failures.....	8.0	—28.4
Liability of Business Failures.....	2.2	—34.1

(D) Bank Debits*—

	Cumulative Total from First of Year		Cumulative Total from First of Year	
	June, 1924	to July 1, 1924	June, 1923	to July 1, 1923
Berkeley	\$ 17,450	\$ 107,446	\$ 16,268	\$ 103,603
Boise	11,436	65,402	13,223	74,644
Fresno	26,426	179,915	46,615	283,392
Long Beach....	46,851	337,339	61,164	346,388
Los Angeles....	700,255	4,642,565	706,983	4,088,838
Oakland	106,513	744,794	137,591	746,828
Ogden	19,750	136,721	24,490	173,391
Pasadena	28,811	210,090	31,622	194,928
Phoenix	21,062	126,517	20,760	113,641
Portland	149,469	951,757	150,081	870,655
Reno	8,057	48,522	11,655	59,525
Sacramento	36,029	272,064	35,203	273,380
SALT LAKE CITY. 62,923	375,022	66,640	375,144	
San Diego	48,195	292,046	47,901	281,266
SAN FRANCISCO.. 777,716	4,842,328	829,544	4,760,171	
San Jose	19,255	123,324	20,766	132,126
SEATTLE	179,757	1,070,839	178,692	999,288
SPOKANE	47,274	281,861	51,445	288,432
Stockton	20,638	137,938	25,579	137,938
Tacoma	40,792	247,196	45,296	231,501
Yakima	8,802	57,669	9,421	57,392
Total	\$2,377,461	\$15,251,355	\$2,530,939	\$14,592,471

*Estimated from weekly totals (000 omitted).

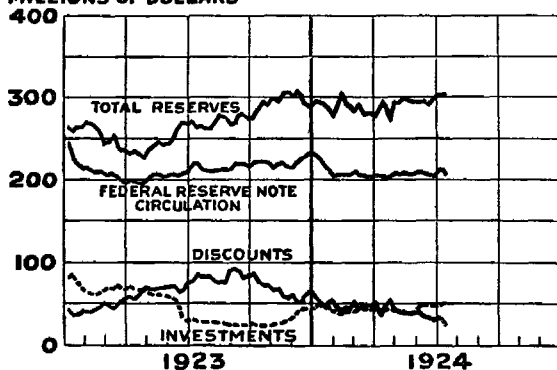
Banking and Credit Situation

An abundant potential supply of credit at a time of slackening demand for commercial loans has characterized the banking situation during the past month, and interest rates have continued at unusually low levels. The total volume of member bank credit in use remained relatively unchanged, although a slight decline in loans to business concerns was noted. Demand for credit at the Reserve Bank, except for a temporary increase during the week ending July 2nd (reflecting member bank needs at the end of the fiscal year), continued the decline which has been in progress intermittently since the spring of 1923.

Total loans and investments of reporting member banks in this district fluctuated within relatively narrow limits during June and early July, and on July 9th, at \$1,370,000,000, showed

no change from the figure reported last month, an increase of \$5,000,000 in investments being offset by a similar decline in total loans. As compared with one year ago, total loans and investments on July 9, 1924, were greater by \$37,000,000 (2.8 per cent), total loans showing an increase of \$34,000,000 (3.5 per cent). Demand deposits changed little during the month, the net movement for the four weeks ended July 9th being a decline of \$2,000,000 or less than 0.3 per cent. Time deposits continued to increase, and borrowings from the Reserve Bank to decline.

MILLIONS OF DOLLARS



Total Reserves, Federal Reserve Note Circulation, Bills Discounted, and Investments, Federal Reserve Bank of San Francisco

Changes occurring in the principal items of the statement of 74 reporting member banks in this district during the month and during the year are presented in the following table (increases indicated by plus, decreases by minus signs). The figures are in millions of dollars, numbers in parentheses indicating percentage changes.

	Change from One Month Ago	Change from One Year Ago	Condition July 9, 1924
Total Loans.....	- 5 (0.5%)	+34 (3.5%)	1,014
Investments.....	+ 5 (1.4%)	+ 3 (0.8%)	356
Demand Deposits ..	- 2 (0.3%)	- 9 (1.2%)	731
Time Deposits...	+15 (2.5%)	+94(17.7%)	625
Borrowings from Federal Reserve Bank....	- 4(26.7%)	-46(80.7%)	11

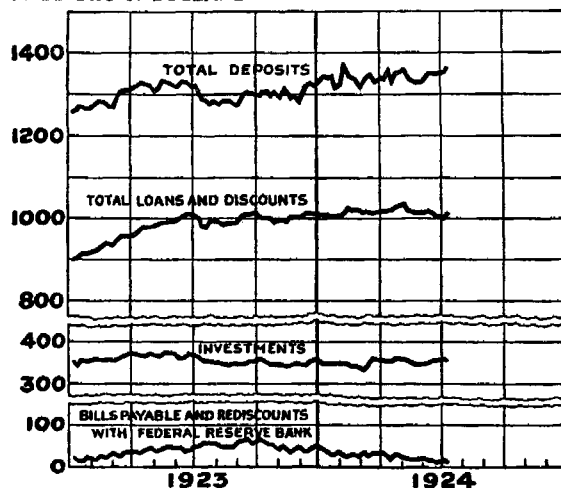
Total earning assets of the Federal Reserve Bank of San Francisco during June and the first half of July declined, except for a temporary seasonal increase during the week ending July 2nd, and, at \$73,000,000 on July 16, 1924, were less by \$8,000,000 (9.9 per cent) and \$34,000,000 (31.7 per cent) than one month ago and one year ago, respectively. The decline both for the month and for the year period was due entirely to a decline in total discounts amounting to \$11,000,000 (33.3 per cent) for the month and \$60,000,000 (73.2 per cent) for the year period. Investment holdings increased during

the month to a figure almost double that of a year ago. The volume of Federal reserve notes in circulation, except for a seasonal increase during the early part of July, showed little change for the month, and on July 16, 1924, was \$4,000,000 (1.9 per cent) smaller than on July 18, 1923.

Principal changes in the condition of the Federal Reserve Bank of San Francisco during the month and during the year follow (figures are in millions of dollars):

	Change from One Month Ago	Change from One Year Ago	Condition July 16, 1924
Total Discounts.....	-11 (33.3%)	-60 (73.2%)	22
Investments	+ 3 (6.25%)	+25 (96.2%)	51
United States Securities	+ 5 (11.6%)	+39 (433.3%)	48
Federal Reserve Note Circulation	+ 1 (0.5%)	- 4 (1.9%)	206
Total Reserves..	+11 (3.8%)	+39 (14.7%)	303

MILLIONS OF DOLLARS



Total Deposits, Loans and Discounts, Investments, and Bills Payable and Rediscounts of Reporting Member Banks

Interest rates declined from previous low levels during the four weeks ended July 12, 1924, the rate on commercial paper reaching the lowest point since 1916. The following table shows weekly average interest rates on various classes of paper in the New York market as reported by the Federal Reserve Bank of New York:

	Week Ended July 12, 1924	Week Ended June 14, 1924	1923 High	Week Ended July 14, 1923
Time Money.....	2¾-3%	3¾%	5½%	5¾%
Commercial Paper...	3½	3¾-4	5½	5
Bankers' Acceptances	2	2¾	4½	4¾

The prevailing rate charged customers by San Francisco banks on prime commercial loans was 5 per cent during the week ending July 15, 1924, compared with 5-6 per cent one month ago and 5 per cent one year ago.