

MONTHLY REVIEW

OF BUSINESS CONDITIONS

ISAAC B. NEWTON, Chairman of the Board and Federal Reserve Agent
Federal Reserve Bank of San Francisco

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No. 7

SUMMARY OF NATIONAL CONDITIONS

Industrial activity was at the same level in June as in May and was slightly above the level of a year ago. The average of commodity prices advanced further in June.

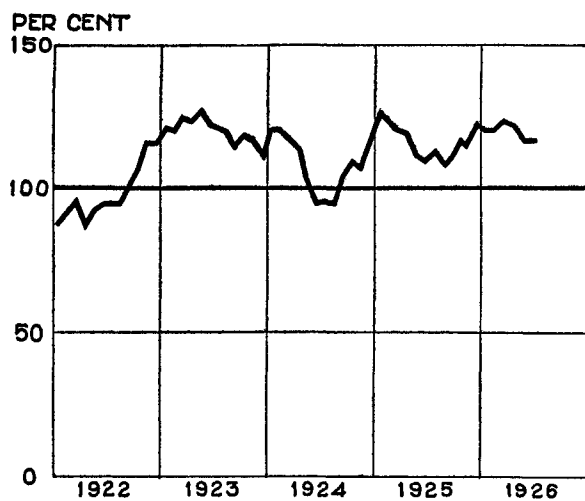
Production. The Federal Reserve Board's index of production in basic industries remained unchanged in June. Production of iron and steel and activity of woolen machinery continued to decline, and there were also reductions in the output of copper, zinc, and petroleum, while cotton consumption, the manufacture of food products and the output of coal and cement increased. Production of automobiles was smaller in June than in May, and for the first time this year was less than in the corresponding month of 1925.

Declines took place in June in employment and payrolls of all textile industries, except woolen and worsted goods and men's clothing, and some of these industries were less active than at any time since 1924. Building contracts awarded during June were slightly less than in May, and for the first time since early in 1925 were smaller than in the corresponding month of the preceding year.

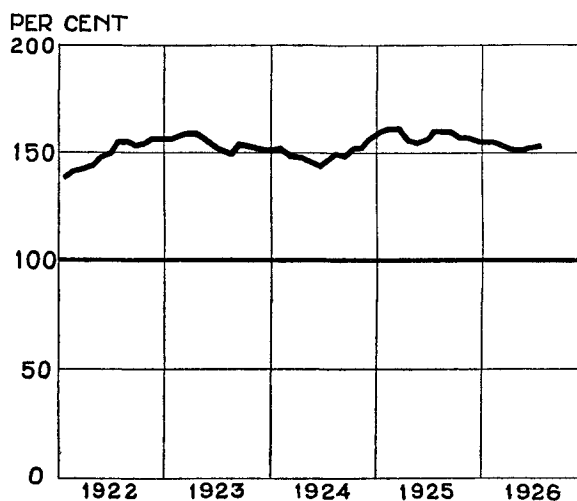
Crop reports issued by the Department of

Agriculture indicated a slight improvement during June. The composite condition of all crops on July 1st was reported at 6.4 per cent below the average July condition during the last ten years. The production of winter wheat was estimated at 568,000,000 bushels or 172,000,000 bushels more than in 1925, and that of spring wheat at 200,000,000 bushels or 71,000,000 bushels less than last year. A production of 2,661,000,000 bushels of corn or 8.3 per cent less than yast year, is indicated in the same report. Cotton production on the basis of July 16th condition, was estimated at 15,368,000 bales, or 718,000 bales less than the production of last year.

Trade. Total volume of wholesale and retail trade in June was larger than for the same month in 1925. Department store sales declined seasonally in June and wholesale trade in all trading lines, except groceries, also decreased during the month. Sales of mail order houses increased more than usual in June and were 5 per cent larger than in June, 1925. Stocks of merchandise carried by wholesale firms at the end of June were smaller than a year earlier. Department stores continued to reduce their stocks, and their inventories, which had been



PRODUCTION IN BASIC INDUSTRIES
Index of 22 basic commodities corrected for seasonal variation (1919=100). Latest figure, June, 117.



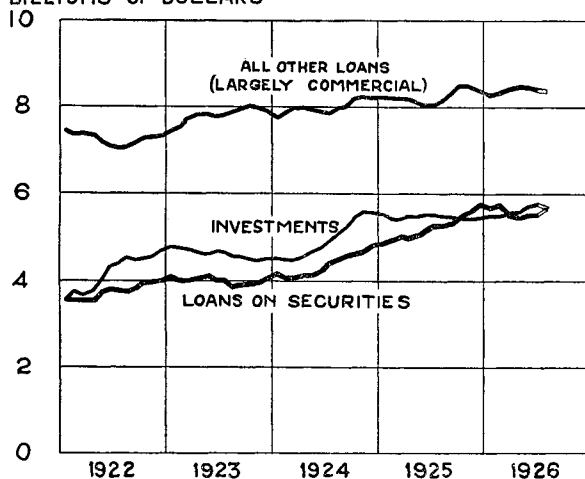
WHOLESALE PRICES
Index of U. S. Bureau of Labor Statistics (1913=100, base adopted by Bureau). Latest figure, June, 152.3.

considerably above last year's level earlier in the year, were, at the end of June, only about 1 per cent larger than a year ago. Freight car loadings showed seasonal increases during June and continued through the first half of July at higher levels than in previous years. Loadings of grains in the southwestern states have been particularly large.

Prices. The general level of wholesale prices, according to the index of the Bureau of Labor

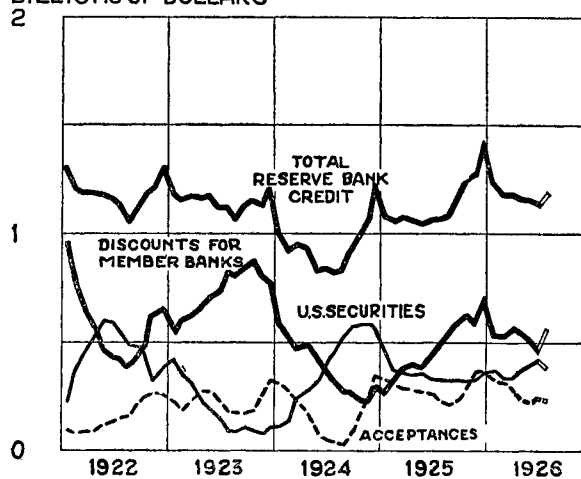
level of a year ago. Of this increase, about \$385,000,000 was in loans on securities, \$340,000,000 in commercial loans and \$175,000,000 in investments. Since the beginning of 1926 an increase in commercial loans, together with the growth of investments, has more than offset the reduction in loans on securities. The demand for credit at the end of the fiscal year and the increased currency requirements over the holiday were reflected in a growth of member

BILLIONS OF DOLLARS



MEMBER BANK CREDIT
Monthly averages of weekly figures for banks in 101 leading cities. Latest figures are averages for first two weekly report dates in July.

BILLIONS OF DOLLARS



RESERVE BANK CREDIT
Monthly averages of daily figures for 12 Federal Reserve Banks. Latest figures are averages of first 22 days in July.

Statistics increased from May to June by less than half of one per cent. Prices of livestock and meats advanced, and there were small increases for silk, petroleum products, non-ferrous metals and chemicals and drugs. Price decreases occurred in grains, cotton, textiles, building materials, and house furnishings. In the first two weeks of July, prices of grains, flour, cotton, wool, and hides increased, while those of cattle, hogs, silk, and rubber declined.

Bank Credit. Loans and investments of member banks in leading cities at the end of June were in larger volume than at any previous time, and after declining during the first half of July were still \$900,000,000 above the

banks' borrowings at the reserve banks, and on July 7th total discounts were near the highest point of the year. With the return flow of currency from circulation after the holiday, discounts declined, and on July 21st were in about the same volume as in the last half of June. The reserve banks' holdings of acceptances and of United States securities changed little during the period, and the total volume of reserve bank credit outstanding in the third week of July was close to the June level. Money market conditions were firmer in July, as indicated chiefly by increases in rates on call and time security loans. Rates on acceptances and on commercial paper were also slightly higher.

TWELFTH FEDERAL RESERVE DISTRICT CONDITIONS

Statistical Summary—

	June, 1926	May, 1926	June, 1925	May, 1925	June, 1926# compared with June, 1925, and May, 1926	
Bank Debits—Index Numbers†—20 cities.....	154	153	142	139	+ 8.5	+ 0.7
Building Permits—20 cities.....	\$36,220,399	\$28,830,537	\$39,072,852	\$38,841,828	— 7.3	+25.6
Retail Sales—32 stores—Index Numbers†.....	154	147	147	145	+ 4.8	+ 4.8
Lumber Production—4 associations—board feet*	843,977	806,991	728,185	698,816	+15.9	+ 4.6
Petroleum Production‡—California—barrels ..	608,981	602,166	642,938	607,107	— 5.3	+ 1.1
Flour Production—16 companies—barrels.....	363,898	325,887	276,313	231,456	+31.7	+11.7
Reporting Member Bank Loans and Discounts||*	\$1,192,245	\$1,199,493	\$1,114,272	\$1,099,927	+ 7.0	— 0.6
Reporting Member Bank Deposits||*.....	\$1,631,253	\$1,626,063	\$1,559,639	\$1,540,496	+ 4.6	+ 0.3
Federal Reserve Bank Discounts||*.....	\$46,977	\$37,278	\$37,939	\$39,288	+23.8	+26.0
Federal Reserve Bank Reserve Ratio||.....	72.0	74.5	75.9	74.4	— 5.1	— 3.4

*In thousands. †Adjusted for seasonal variations—1919 monthly average=100. ‡Daily average production. ||July 14 and June 9, 1926, July 8 and June 10, 1925. ¶July 14 and June 16, 1926, July 15 and June 17, 1925. #Percentage increase or decrease (—).

Agricultural Activities

Early harvests, and an advanced stage of growth of those crops not yet ready to be gathered, have thus far characterized the present agricultural season in the Twelfth Federal Reserve District. Crop conditions and prospective yields at mid-July were, with few exceptions, better than in 1925, a favorable circumstance partially offset by the slightly lower level of prices for agricultural products this year. In the **livestock** industry, the physical condition of animals and ranges is reported to be good, although some lack of seasonal rainfall has been noted in certain sections of the Intermountain States. Livestock markets have continued relatively strong.

Harvesting of **grains** is nearly completed in the southern states of the district and is now in progress in the Pacific Northwest. Early threshing returns indicate that the yield of **winter wheat** will be smaller than was previously anticipated, as a result, chiefly, of hot, dry weather in the Pacific Northwest late in the growing season. It is estimated that the deficiency will be more than offset by an increase over previous estimates in the yield of **spring wheat**, which crop was benefited by light rainfall following the hot weather of the last of May.

PRODUCTION—GRAIN CROPS

	All Wheat		Barley	
	Forecast July 1, 1926 (bu.)*	Actual 1925 (bu.)*	Forecast July 1, 1926 (bu.)*	Actual 1925 (bu.)*
Twelfth District	99,472	99,644	40,315	44,364
United States	767,357	666,485	190,959	217,497

*000 omitted.

According to estimates based on yields of those varieties of **deciduous fruits** already picked, on the present condition of other varieties, and on the general increase in bearing acreage, particularly in California, the 1926 deciduous fruit crop in this district will materially exceed the 1925 output. Demand for fruits, both at fresh fruit distributing centers of eastern states and among local canners and dryers, has generally been well maintained. **Citrus fruits** in California are in excellent condition,

and summer shipments are now going forward. The market for both oranges and lemons has thus far been less active than the summer market of 1925.

PRODUCTION OF CALIFORNIA HORTICULTURAL CROPS (Except Apples)

	Condition				Yield	
	July 1, 1926	July 1, 1925	10-year average 1916-25	June 1, 1926	Forecast July 1, 1926 (tons)	Actual 1925 (tons)
Almonds	91	56	67.2	91	...	30,500
Apricots	66	64	68.0	62	160,000	150,000
Cherries	72	50	73.8	70	17,000	11,000
Figs	91	86	92.4	..	...	9,500
Grapes†	84	87	..	84	2,171,000	1,817,000
Wine	89	..	..	..	418,000	395,000
Table	78	..	..	..	441,000	424,000
Raisin	85	..	..	..	1,312,000	1,136,000
Olives	58	79	72.7	74	...	14,000
Peaches	90	80	..	90	484,000	390,000
Pears	78	74	77.0	75	206,000	181,000
Plums	92	78	77.1	92	77,000	51,000
Prunes	60	66	74.2	58	...	140,000
Walnuts	55	96	84.4	58	...	30,500
Oranges	83	88	80.3	87	21,300,000*	20,800,000*
Lemons	94	81	80.6	94	5,800,000*	6,000,000*

Apples
 Twelfth District

*Boxes. †It is estimated that about 150,000 tons of table and raisin grapes were not harvested.

Field crops of the district are reported to be in satisfactory condition. As compared with 1925, there has been an increase in acreage planted to potatoes and rice, little change in cotton acreage, and a decrease in acreage planted to sugar beets. These changes in acreage reflect, in a general way, relative activity in the market for potatoes and rice during the past year and some sluggishness in sugar and cotton markets. In the accompanying table are given district and United States acreage and production figures of certain field crops important in the agriculture of this district.

	Acreage*		Unit	Production*	
	1926	1925		Forecast July 1, 1926	Actual 1925
Beans:					
†Twelfth District ..	371	312	bu.	6,336	6,154
United States	1,754	1,575	bu.	18,600	19,500
Cotton:					
†Twelfth District ..	335	333	bales	...	220
United States	48,898	48,090	bales	15,638¶	15,603
Potatoes:					
Twelfth District ...	249	205	bu.	36,352	31,840
United States	3,202	3,137	bu.	334,044	326,000
Rice:					
§Twelfth District ..	150	103	bu.	8,463	4,738
United States	999	895	bu.	39,600	34,300
Sugar Beets:					
||Twelfth District ..	155	209	ton	1,152	2,010
United States	764	917	ton	6,748	7,423

*000 omitted. †California and Idaho. ‡Arizona and California. §California. ||California, Idaho and Utah. ¶July 16th estimate.

(A) Agricultural Marketing Activity—

Monthly	Exports		Carlot Shipments			Livestock Receipts at Eight Markets in 12th District			Cold Storage Holdings ² 12th District	
	Wheat* Portland and Puget Sound (1000 bu.)	Barley* San Francisco (1000 bu.)	Deciduous Fruits† (cars)	Oranges† Calif. (cars)	Lemons† Calif. (cars)	Cattle and Calves	Hogs	Sheep	Butter (1000 lbs.)	Eggs (1000 cases)
June, 1926	4,302	967	3,852	4,495	1,859	94,275	144,493	334,086	6,024	501
May, 1926	3,094	518	1,273	5,520	2,361	91,839	140,112	411,697	3,582	421
June—5-year average (1919-1923) ..	1,809	498	2,030	4,482	1,802	86,913||	150,705||	254,054||	4,941¶	546¶
Cumulative			Crop Year			Calendar Year				
To June 30, 1926	20,890 (20.8)	12,402 (27.1)	5,193	35,990 (70.6)	8,935 (59.6)	604,106	1,036,822	1,489,086		
To June 30, 1925	16,784 (25.0)	8,442 (37.1)	3,018	30,576 (63.7)	8,047 (70.0)	611,480	1,274,809	1,486,778		
Five-year average to June 30th... (1919-1923)	25,520 (22.1)	11,195 (27.8)	2,280	32,698 (69.0)	7,449 (65.8)	528,253||	1,052,622||	1,419,546||		

Figures in parentheses indicate percentage of new crop only. *Season begins July 1st. †Season begins November 1st. ‡California, excluding apples. Season begins April 1st. §At end of month. ||1921-1925. ¶1922-1926. ¶Revised.

Industrial Activity

Industrial activity increased seasonally during June, 1926, and, as indicated by figures of production and employment, was above the level of June, 1925. An increased volume of employment in industry accompanied seasonal expansion in general construction and agricultural work, and in allied industries during June. Figures of employment in California and Oregon are shown in Table C.

Volume of building construction in the district, as indicated by value of building permits issued in twenty cities, was slightly smaller during the first six months of 1926 than during the first six months of any of the three preceding years. During the first half of 1926, a total of 59,841 permits valued at \$192,297,000 was issued in these cities, the estimated cost of proposed building being 14.1 per cent smaller than for the same period of 1925, the record half year, and 8.2 per cent and 4.5 per cent, respectively, smaller than in the same periods of 1923 and 1924. Value of building permits issued during June, 1926, showed a larger than usual seasonal increase as compared with May, but was 7.3 per cent less than in June, 1925. A carpenters' strike in the San Francisco Bay region continued to interfere with building construction in three reporting cities.

	Months in 1926 compared with same Months in 1925				Month in 1926 compared with preceding Month	
	Monthly 1925		Year-to-date 1925		No.	Value
June	—12.0%	—7.3%	—12.0%	—14.1%	1.7%	25.6%
May	—15.3%	—25.8%	—12.0%	—15.5%	—11.3%	—17.8%
April	—12.7%	—15.7%	—11.2%	—12.8%	—13.5%	—3.4%
March	—7.8%	—9.8%	—10.7%	—11.6%	37.1%	35.7%
February	—11.2%	—18.1%	—12.6%	—12.8%	—4.4%	—8.3%
January	—13.8%	—7.3%	....	....	3.5%	—21.3%

The United States Bureau of Labor Statistics' index number of wholesale building materials prices declined from 172 in May to 171 in June (1913 prices = 100), the latter figure being

(B) Building Permits—

	June, 1926		June, 1925	
	No.	Value	No.	Value
Berkeley	248	\$ 474,434	382	\$ 1,265,175
Boise	60	47,800	50	43,982
Fresno	87	261,665	92	518,730
Long Beach	343	503,520	337	1,077,900
Los Angeles	3,068	11,856,082	3,652	15,305,516
Oakland	853	2,674,656	1,187	2,766,419
Ogden	23	365,000	29	182,550
Pasadena	221	1,169,566	271	919,357
Phoenix	104	278,471	78	169,026
Portland	1,092	2,879,180	1,148	4,772,020
Reno	27	267,325	36	91,445
Sacramento	210	1,094,925	274	1,131,976
Salt Lake City	108	362,147	150	565,697
San Diego	753	1,493,431	626	1,294,130
San Francisco	832	8,479,058	902	4,661,024
San Jose	113	439,385	86	330,830
Seattle	852	2,670,380	909	2,168,230
Spokane	181	240,859	216	424,255
Stockton	84	144,515	94	710,900
Tacoma	261	518,000	294	673,690
District	9,520	\$36,220,399	10,813	\$39,072,852

the same as in June, 1925. The Aberthaw index of the cost (including labor and materials) of a concrete factory building continued on July 1st at 199, where it has stood for the last four months. A year ago it was 194 (1914 cost = 100).

During June, 1926, reporting lumber mills of four associations in this district cut more than 850 million board feet of lumber, the largest output reported for any single month in the last four years. Figures of production, shipments, and new orders received, were all above those of both May, 1926, and June, 1925, the increases averaging approximately 4 per cent as compared with the previous month, and 10 per cent as compared with a year ago. During the first six months of this year, activity in the lumber industry as reflected by reported production, shipments, and orders received, was more than 10 per cent above the level of the same period of 1925, a year of record activity in the lumber business on the Pacific Coast. During the first half of 1926, orders received exceeded shipments, which, in turn, exceeded production. Stocks of lumber at mills were reported to be smaller on June first than on January first, 1926. The supply of logs in the Pacific Northwest is reported to be ample for immediate needs.

	June, 1926	May, 1926	June, 1925	First Six Months 1926	First Six Months 1925
Production	852,996	806,991	728,185	4,269,051	3,828,344
Shipments	803,789	759,109	709,928	4,316,277	3,899,662
Orders	796,293	764,011	704,322	4,353,883	3,863,746
Unfilled Orders†	549,674	536,337	498,533	....	....
No. of Mills Reporting‡	181	183	176	183	180

*As reported by four associations. †Reported by three associations. The figures are not strictly comparable with other figures appearing in the table. ‡Average.
Source: National Lumber Manufacturers Association.

(C) Employment—

Industries	California		Oregon			
	No. of Firms	No. of Employees	No. of Firms	No. of Employees		
All Industries	738	161,457	155,274	95	18,998	18,132
Stone, Clay and Glass Products	46	8,449	7,732	4	149	141
Lumber and Wood Manufactures	112	26,230	26,057	40	14,350	14,870
Textiles	20	2,711	2,654	5	1,049	1,036
Clothing, Millinery and Laundering	63	7,623	7,949	7	442	439
Food, Beverages and Tobacco	156	33,960	28,595	30	2,361	1,044
Water, Light and Power	5	9,362	9,107	..	..	..
Other Industries*	324	71,023	70,975	..	..	..
Miscellaneous	12	2,099	2,205	9	647	602

*Includes the following industries: metals, machinery and conveyances; leather and rubber goods; chemicals, oils and paints; printing and paper goods.
Figures in parentheses represent percentage changes from May.

Figures of national production of non-ferrous metals, a large proportion of which is produced in states of this district, are presented in the following table:

NON-FERROUS METALS—National Production			
	June, 1926	May, 1926	June, 1925
Copper (short tons) (mine production)	70,707	73,651	70,322
Lead (short tons) (crude) ..	48,558	49,853	48,775
Zinc (short tons) (slab) ...	48,226	53,703	45,921
Silver (oz.) (commercial bars)	5,446,000	4,960,000	5,328,000

Average daily production of petroleum in California increased slightly during June, as compared with the preceding month, the first such monthly increase reported since August, 1925. Current production is still smaller than one year ago, the June, 1926, daily average output (608,981 barrels) being 5.3 per cent less than that of June, 1925.

PETROLEUM—California					
	Average Daily Production (barrels)	Indicated Average Daily Consumption (Shipments) (barrels)	Stored Stocks at End of Month (barrels)	New Wells Opened	Daily Production (barrels)
June, 1926...	608,981	645,812	124,414,745	67	30,346
May, 1926...	602,166	575,243	125,519,693	58	15,738
June, 1925...	642,938	563,173	113,162,744	119	73,150
Sept., 1923*..	858,750	†	†	93	139,960

*Peak of production. †Comparable figures not available. ‡Revised. Source: American Petroleum Institute.

Production of flour, as reported by 16 milling companies in this district, increased seasonally during June and, as in April and May, approximated the five-year (1921-1925) average of production. Wheat stocks held by the mills at the end of June were 51.6 per cent larger than one year ago, when activity in the flour milling industry of the district was greatly curtailed. Stocks of both flour and wheat held by millers

(D) Bank Debts*

	June, 1926	June, 1925	Six Months	
			1926	1925
Berkeley	\$ 17,614	\$ 16,682	\$ 115,818	\$ 108,808
Boise	13,185	12,613	75,574	66,507
Fresno	32,287	28,479	208,368	169,656
Long Beach ...	45,932	43,812	313,775	285,543
Los Angeles ...	863,539	787,260	5,225,024	4,719,470
Oakland	167,827	133,867	1,009,971	815,739
Ogden	15,002	21,700	118,598	137,223
Pasadena	34,539	33,408	230,818	217,541
Phoenix	24,611	22,721	154,111	140,598
Portland	184,266	165,202	1,047,152	931,179
Reno	9,990	9,568	52,582	48,868
Sacramento ...	29,664	35,423	191,152	225,365
Salt Lake City..	70,888	65,989	420,982	404,234
San Diego	63,329	56,018	392,668	318,917
San Francisco ..	1,009,498	950,044	6,443,509	5,517,040
San Jose	23,369	22,468	146,245	138,873
Seattle	212,032	207,924	1,249,524	1,158,147
Spokane	58,276	53,432	332,663	297,775
Stockton	26,159	24,443	160,786	147,499
Tacoma	46,541	48,004	275,903	262,438
Yakima	13,411	12,245	74,404	69,325
District	\$2,961,959	\$2,751,302	\$18,239,627	\$16,180,745

*000 omitted.

at the end of June were below the five-year average for that date.

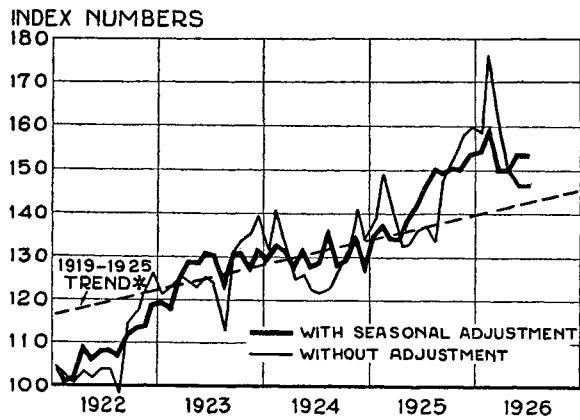
FLOUR MILLING*				Five-Year Average June, 1921-1925
	June, 1926	May, 1926	June, 1925	
Output (bbls.)....	363,898	325,887	276,313	356,838
Stocks†				
Flour (bbls.)...	357,044	362,434	361,597	401,642
Wheat (bu.)....	1,128,082	1,700,880	743,885	1,218,227

*As reported by 16 companies. †As of the first day of the following month.

The district's canned fruit industry operated at high seasonal levels during June and early July. Commercial factors estimate that the 1926 pack of canned apricots in California is running considerably larger than the 1925 pack of that fruit (2,196,680 cases), and present indications are that the total fruit pack will approximate the record pack of a year ago. Both domestic and foreign markets for canned fruits are reported to have been active during the past year, and the present season has witnessed a considerable volume of sales for future delivery.

General Business and Trade

Fluctuations in volume of trade during June were largely seasonal in character and general business activity continued at the level of the preceding three months. The record for the



BANK DEBITS—TWELFTH DISTRICT

Index for 20 principal cities, Phoenix, Arizona, not included, (daily averages, 1919 average=100). Latest figures, June, with adjustment, 154; without adjustment, 147.

*Based upon average month to month increase during the years 1919 to 1925 inclusive.

half year ending June 30, 1926, when compared with the record of the first six months of 1925, shows an increase in trade volume and business activity which exceeds the normal expectation, based on growth of population and development of natural resources of the district.

This bank's index numbers of bank debits, which reflect changes in business activity in

the district, advanced slightly during June, 1926. The index adjusted for seasonal variation stood at 154 (1919 average=100), or 8 per cent higher than in June, 1925.

**BANK DEBITS—Twelfth District
Index for 20 Principal Cities***

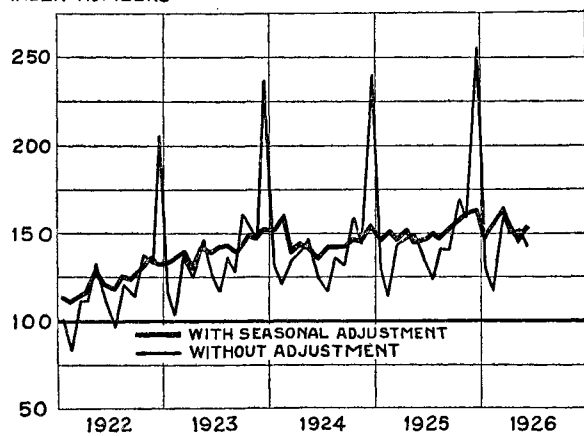
	June, 1926	May, 1926	April, 1926	June, 1925
Without Seasonal Adjustment...	147	146	150	136
With Seasonal Adjustment.....	154	153	150	142

*Daily averages, 1919 average=100.

In 19 of the 21 reporting cities, debits to individual accounts (bank debits) were larger in volume during the first six months of 1926 than during the first six months of 1925, and the total for the 21 cities showed an increase of 12.7 per cent in the later year. Detailed figures are shown in Table D.

Combined sales of 68 retail stores in 22 important cities of this district were 4.1 per cent larger in value during June, 1926, than during

INDEX NUMBERS



DEPARTMENT STORE SALES—TWELFTH DISTRICT
Index of 32 Stores in 7 cities (1919 monthly average=100). Latest figures, June, with adjustment, 154; without adjustment, 142.

June, 1925, increased sales being reported by 36 stores. This bank's retail trade index declined during June, as compared with May. The decrease was less than that which usually occurs at this season of the year, however, and the index, when adjusted for seasonal movements, advanced seven points to 154, or 4.8 per cent. Stocks of merchandise held by reporting retail stores decreased 6.0 per cent during June 1926, and on June 30th were but 2.6 per cent larger than on the same date last year. The indicated rate of stock turnover for June, 1926, was 2.92 times per year, compared with 2.87 times per year for June, 1925.

Reported figures indicate that sales at retail were 3.8 per cent larger in value during the first six months of 1926 than during the same period of 1925. The indicated rate of stock turnover thus far in 1926 (2.9 times per year) has been

the same as the indicated rate of stock turnover during the first half of 1925.

DEPARTMENT STORE SALES—Index Numbers
(1919 Monthly Average=100)

		Without Seasonal Adjustment		San Francisco	Salt Lake City	Seattle	Spokane	District
		Los Angeles	Oakland					
June, 1926..	209	142	124	109	98	91	142	
May, 1926..	214	152	147	121	98	90	152	
April, 1926..	222	144	134	106	102	95	150	
March, 1926..	247	148	146	105	95	93	160	
Feb., 1926..	180	112	108	82	73	76	119	
Jan., 1926..	210	124	113	86	75	70	130	
June, 1925..	194	143	120	106	98	85	136	
		With Seasonal Adjustment						
June, 1926..	226	141	149	106	98	90	154	
May, 1926..	233	163	133	105	100	90	147	
April, 1926..	237	149	139	113	108	98	155	
March, 1926..	255	158	147	115	102	110	164	
Feb., 1926..	223	149	142	114	113	110	156	
Jan., 1926..	221	145	128	104	99	97	148	
June, 1925..	209	143	143	103	98	84	147	

Total value of sales at wholesale reported by 164 firms in eleven lines of business was 2.0 per cent greater during June, 1926, than during June, 1925. Nine of the eleven lines for which segregated data are available showed increased sales over the year period. During the first half of 1926, total sales of these firms were 2.8 per cent greater than during the first half of 1925. Eight lines (agricultural implements, automobile tires, drugs, electrical supplies, furniture, hardware, shoes, and stationery) reported larger cumulative sales for the period January 1st to June 30, 1926, than for the same period in 1925, while three lines (automobile supplies, dry goods, and groceries) reported decreased sales.

WHOLESALE TRADE

	No. of Firms	Percentage increase or decrease (—) in Value of Sales		
		June, 1926 compared with June, 1925	June, 1926 compared with May, 1926	May, 1926 compared with May, 1925
Agricultural Implements..	15	31.5	30.1	14.8
Automobile Supplies	14	0.1	11.3	6.5
Automobile Tires	17	8.2	30.9	0.9
Drugs	7	1.4	1.8	1.6
Dry Goods	14	1.1	2.2	4.6
Electrical Supplies	9	2.6	11.2	15.8
Furniture	16	3.1	10.0	11.9
Groceries	21	0.1	7.6	1.6
Hardware	17	2.3	0.5	3.4
Shoes	10	16.4	9.2	10.7
Stationery	24	4.9	4.3	2.7

On June 30, 1926, savings deposits in 69 banks in seven principal cities of the district were 7.3 per cent larger than on June 30, 1925, and 1.9 per cent larger than on May 31, 1926.

SAVINGS DEPOSITS

	Number of Banks	June 30, 1926*	May 31, 1926*	June 30, 1925*	June 30, 1926# compared with	
					June 30, 1925	May 31, 1926
Los Angeles ..	13	\$422,213	\$415,224	\$382,933	10.3	1.7
Oakland	7	102,596	99,829	97,457	5.3	2.8
Portland	7	55,735	54,731	54,060	3.1	1.8
Salt Lake City	8	32,839	32,410	29,963	9.6	1.3
San Francisco.	14	496,436	487,509	470,843	5.4	1.8
Seattle	14	81,457	79,767	73,750	10.5	2.1
Spokane	6	19,392	19,042	19,786	1.9	1.8
Total	69	\$1,210,668	\$1,188,512	\$1,128,792	7.3	1.9

*000 omitted. #Percentage increase or decrease (—). †Revised.

Prices

General wholesale prices continue to fluctuate at a level approximately 50 per cent above that which prevailed in 1913. During June, the Bureau of Labor Statistics' index of wholesale prices advanced slightly, standing at 152.3 (1913 prices = 100), compared with 151.7 for May, 1926, and 157.4 for June, 1925. The Department of Agriculture's farm price index remained at 139 during the past month, while the Bureau of Labor Statistics' index of non-agricultural commodities declined from 160.2 to 159.9, causing the ratio between these two indexes (an indication of the purchasing power of farm products) to advance from 86.8 to 86.9. A year ago this ratio was 90.

The weekly average price of **beef cattle** at Chicago advanced slightly during June. At \$9.75 per 100 pounds, on July 2, 1926, it was 1.6 per cent above the price on June 4, 1926, but 17 per cent below the price in June, 1925. Average prices of **lambs** and **hogs** have declined 6.6 per cent and 2.2 per cent, respectively, from the high points of a month ago. Lamb prices at mid-July were approximately 3 per cent below the prices of July, 1925, but the price of hogs remained 2.2 per cent higher than a year ago.

Contract prices for September **wheat** at Chicago have fluctuated within a relatively narrow range during recent weeks, advancing from \$1.32 $\frac{7}{8}$ -\$1.34 per bushel on June 4, 1926, to \$1.33 $\frac{7}{8}$ -\$1.34 $\frac{7}{8}$ per bushel on July 2, 1926. Quotations were lower than in June, 1925, when a comparable grade and delivery of wheat sold for \$1.38 $\frac{5}{8}$ -\$1.41 $\frac{1}{2}$ per bushel. On July 19th, this contract was quoted at \$1.44 $\frac{1}{2}$ -\$1.47 $\frac{1}{4}$ per bushel, compared with \$1.55 $\frac{3}{4}$ -\$1.58 $\frac{3}{4}$ per bushel on July 18, 1925.

Cotton prices declined during June and continued well below the figures of a year ago. Spot quotations for middling uplands cotton at New Orleans for the week ending July 2, 1926, ranged from 17.37 to 17.70 cents per pound, a

decline of 2.6 per cent from the price on June 4, 1926, and of 25.5 per cent from the price on July 3, 1925. An average of 98 **wool** quotations on the Boston market, at 66.11 cents per pound on July 2, 1926, was 1.2 per cent lower than a month ago, and 16.5 per cent lower than a year ago.

Opening prices for 1926 **canned fruits** have been generally higher than were 1925 opening prices, an important exception being the quoted prices for canned pears. Opening and spot prices for the principal California canned fruits in 1925 and 1926 follow:

Choice Grade No. 2½ Cans	Opening Prices*		Spot Prices	
	1926	1925	July 17, 1926	July 18, 1925
Apricots	\$2.60	\$2.40	\$2.45	\$2.50
Cherries, R. A.	3.60	3.45	3.35-3.40	.....
Plums, Egg	2.00	1.90	1.90	2.00
Peaches, Y. C.	2.30	2.20	2.10	2.30
Peaches, Y. F.	2.25	2.15	2.00	.....
Pears, Bartlett	2.65	3.30	2.50	3.50

*F. O. B. Cannery in California.

Prices now being paid growers in California for the chief canning fruits are compared with prices paid during three previous seasons in the following table:

Number 1 Grade Canning Fruit	1926 (per ton)	1925 (per ton)	1924 (per ton)	1923 (per ton)
Apricots	\$60-\$65	\$50-\$60	\$65	\$25-\$35
Cherries	160-200	160-180	115	190-200
Peaches, Y. C.	35-42	35	45	30
Peaches, Y. F.	30-35	25	25	25
Pears	30-35*	70-75*	60	35

*Canners are charged a \$3.00 service fee in addition.

Monthly average prices for **copper**, **lead**, **silver**, and **zinc** advanced 0.4 per cent, 3.6 per cent, 0.6 per cent, and 4.3 per cent, respectively, during June. Prices of copper, silver, and zinc were 1.9 per cent, and 5.2 per cent, and 1.7 per cent, respectively, above prices for June, 1925, but the price of lead was 3.5 per cent under the average price of a year ago.

Lumber prices changed little during the past month, but were approximately 2 per cent higher in July, 1926, than in July, 1925.

(E) Commodity Prices—

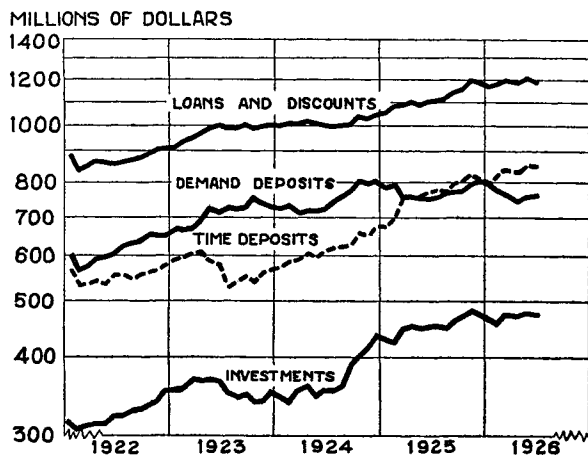
Commodity	Unit	July 2, 1926	One Month Ago	One Year Ago
Wholesale Prices (U. S. Bureau of Labor) 1913=100		152.3	151.7	157.4
Purchasing Power of Farm Products (U. S. Department of Agriculture)†		86.9	86.8	90.0
Cattle (Native Beef). Weekly average price at Chicago	100 lbs.	\$9.75	\$9.60	\$11.75
Lambs	100 lbs.	14.95	16.00	15.85
Hogs	100 lbs.	13.60	13.90	13.20
Wheat	bu.	1.33 $\frac{7}{8}$ -1.34 $\frac{7}{8}$	1.32 $\frac{7}{8}$ -1.34	1.38 $\frac{5}{8}$ -1.41 $\frac{1}{2}$
Wool	lb.	66.11¢	66.90¢	79.18¢
Apples	box	1.50-2.75	Not Quoted	3.00-3.50
Oranges	box	4.00-5.25	Not Quoted	7.25-7.75
Prunes	lb.	.08 $\frac{1}{4}$ -.08 $\frac{3}{4}$	.08 $\frac{1}{2}$ -.09	.08 $\frac{1}{4}$ -.08 $\frac{3}{4}$
Raisins	lb.	.07 $\frac{3}{4}$	.07 $\frac{3}{4}$	Not Quoted
Canned Peaches	doz.	2.20	2.20	2.10
Butter	lb.	.40 $\frac{1}{2}$	.40 $\frac{1}{2}$	.46
Copper	lb.	13.656¢	13.599¢	13.399¢
Lead	lb.	8.033¢	7.751¢	8.321¢
Silver	oz.	65.481¢	65.075¢	69.106¢
Lumber (Softwood).. Weekly Index, United States*		30.22	31.46	29.73

†Ratio of farm prices (August, 1909-July, 1914=100) to wholesale prices of non-agricultural commodities (1910-1914=100).

*As published by "The Lumber Manufacturer and Dealer."

Banking and Credit Situation

Analysis of banking conditions in the Twelfth Federal Reserve District at the mid-year reveals a strong situation. Volume of credit available for commercial needs continued adequate, while there was evidence of the usual seasonal decreases in demand for funds.



MEMBER BANK CREDIT—TWELFTH DISTRICT

Figures for 66 member banks in leading cities, as of last Wednesday of each month. Latest figures, June 30.

Total loans and investments of reporting member banks in this district declined slightly during the five weeks between June 9th and July 14th, but on the latter date were \$88,000,000, or 5.6 per cent above the level of one year

REPORTING MEMBER BANKS*—Twelfth District
(In millions of dollars, percentage changes in parentheses.)

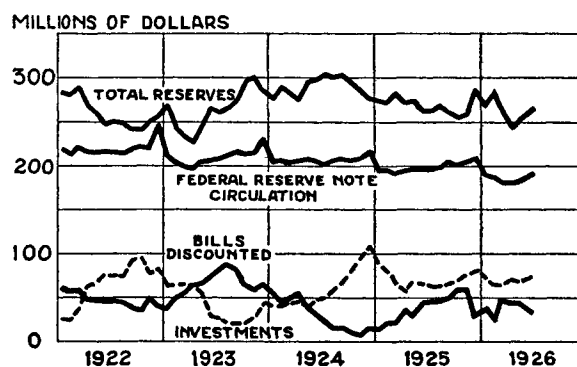
Condition	July 14, 1926	Changes from	
		One Month Ago	One Year Ago
(+ = increase - = decrease)			
Total Loans	1,192	- 7 (0.6)	+76 (6.8)
Commercial Loans	904	- 3 (0.4)	+42 (5.0)
Loans on Securities	289	- 4 (1.3)	+33 (12.8)
Investments	464	-10 (2.1)	+12 (2.7)
Total Loans and Investments	1,656	-17 (1.0)	+88 (5.6)
Net Demand Deposits	769	+10 (1.3)	-15 (1.9)
Time Deposits	848	- 1 (0.1)	+66 (8.5)
Borrowings from Federal Reserve Bank	33	+12 (56.0)	+11 (49.3)

*Total resources of reporting banks are approximately 50 per cent of total resources of all banks, and 71 per cent of total resources of all member banks in Twelfth Federal Reserve District. Reporting banks embrace member banks in Los Angeles, San Francisco, Oakland, Portland, Tacoma, Seattle, Spokane, Ogden, and Salt Lake City.

ago. The volume of commercial loans remained relatively constant during the five-week period, the principal declines being in loans on securities and in investment holdings. Net demand deposits at reporting banks have increased dur-

ing recent weeks, while time deposits have decreased slightly. This movement was contrary to that which has prevailed during the past year in which time deposits have increased by 8.5 per cent and demand deposits have declined by 1.9 per cent.

Total earning assets (total bills and securities held) of the Federal Reserve Bank of San Francisco fluctuated about the \$110,000,000 level during June and early July, the net movement for the period being a gain of \$8,785,000, or 8 per cent. On July 14th, earning assets of the bank were nearly one-fifth larger in amount than one year ago. In response to the usual increase in currency demands at the close of the half year, circulation of Federal reserve notes of the Federal Reserve Bank of San



RESERVE BANK CREDIT—TWELFTH DISTRICT

Figures for Federal Reserve Bank of San Francisco, as of last Wednesday of each month. Latest figures, June 30.

Francisco rose from \$190,000,000 on June 30th to \$200,000,000 on July 7th. By July 14th, volume of circulation had declined to \$192,000,000, a figure 4.3 per cent below that of a year previous.

FEDERAL RESERVE BANK OF SAN FRANCISCO
(In millions of dollars, percentage changes in parentheses.)

	Condition July 14, 1926	Changes from	
		One Month Ago	One Year Ago
(+ = increase - = decrease)			
Total Bills and Securities	119	+12 (10.7)	+19 (19.0)
Bills Discounted	47	+10 (26.0)	+ 9 (23.8)
United States Securities	50	+ 5 (11.9)	+ 6 (13.9)
Bills Bought	22	- 3 (12.6)	+ 4 (25.1)
Total Reserves	262	- 6 (2.4)	-17 (5.9)
Total Deposits	172	+ 2 (0.9)	+ 6 (3.4)
Federal Reserve Note Circulation	192	+ 2 (1.1)	- 9 (4.3)

Interest rates at commercial banks of the district were practically unchanged during the month.

Those desiring this review sent them regularly will receive it without charge upon application.