

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. 10

SUMMARY OF NATIONAL CONDITIONS

Industrial and trade activity increased during September, and is at present in considerably larger volume than during the midsummer months. The price of cotton has declined sharply within recent weeks, while prices of most groups of commodities have advanced. Volume of bank credit has increased seasonally, and money rates have remained firm.

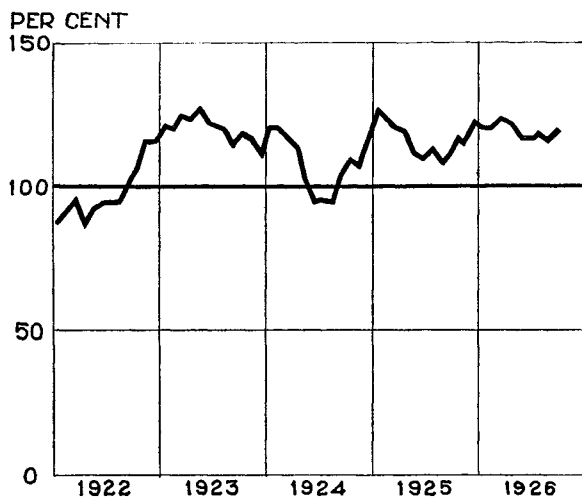
Production. According to Federal Reserve Board indexes, production in basic industries and factory employment and payrolls, after changing but little for approximately four months, advanced in September to the highest points since last spring. Gains in activity of textile mills were particularly noteworthy. Consumption of cotton increased, woolen mills were more active than at any time since January, and increased employment was reported in nearly all branches of the textile industry. Iron and steel production was maintained from early in August until the latter part of October at a level higher than for the corresponding period of previous years. Automobile output

was reduced in September, but continued larger than a year ago. Mining of coal has steadily increased since midsummer. The weekly run of crude petroleum from wells in October reached the highest level since June of last year.

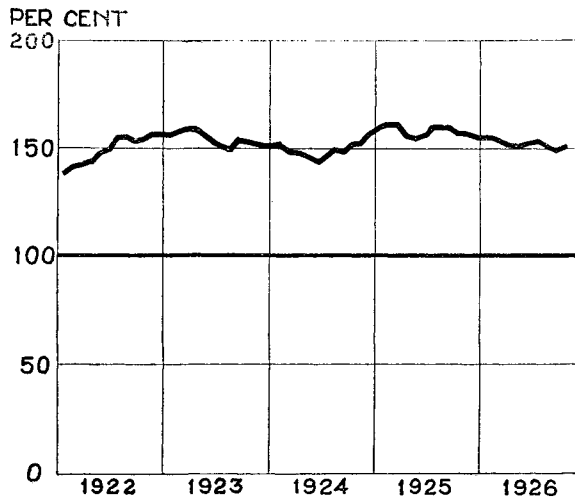
Building contracts awarded during August and September were only slightly smaller in value than the awards for the corresponding period of last year and, in the first half of October, far exceeded those of a year ago. A substantial decline in contracts for residential structures has been largely offset by an increase in awards for industrial and engineering projects.

The Department of Agriculture's October 18th estimate placed 1926 cotton production at 17,454,000 bales, an increase of about three-quarters of a million bales over the estimate made on the first of the month, and of 1,350,000 bales over last year's crop.

Trade. Wholesale and retail trade activity increased in September and value of sales was slightly larger than last year. Inventories of



PRODUCTION IN BASIC INDUSTRIES
Index of 22 basic commodities corrected for seasonal variation (1919=100). Latest figure, September, 121.

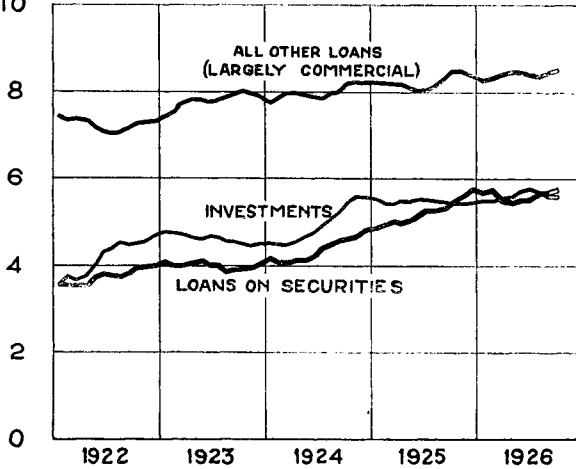


WHOLESALE PRICES
Index of U. S. Bureau of Labor Statistics (1913=100, base adopted by Bureau). Latest figure, September, 150.5.

department stores increased slightly more than is usual in September, and at the end of the month were about the same in volume as a year ago. Railroad freight car loadings reached new high weekly records in September, and shipments were maintained during the early weeks of October in much larger volume than in previous years. An important part of the increase, as compared with last year, was due to larger shipments of coal and ore, but loadings of manufactured commodities have also increased.

Bank Credit. Between September 22nd and October 20th, seasonal increase in the demand for credit for agricultural and commercial purposes was reflected in a continued growth in the commercial loans of member banks in leading cities. Loans on securities and holdings of investments declined, but the banks' total loans and investments were about \$60,000,000 larger on October 20th than four weeks earlier. At the Reserve Banks, the volume of member bank borrowing, after considerable fluctuation re-

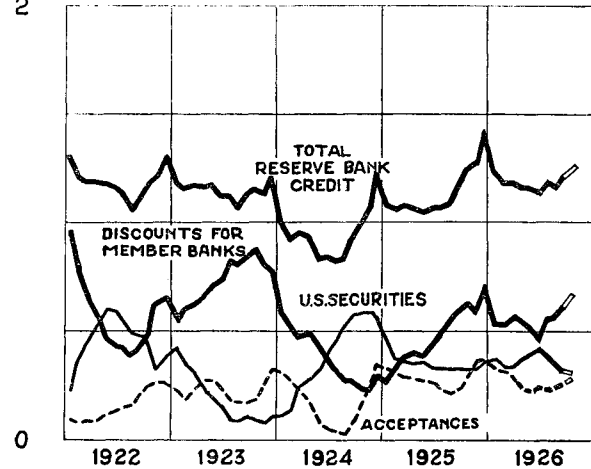
BILLIONS OF DOLLARS
10



MEMBER BANK CREDIT

Monthly averages of weekly figures for banks in 101 leading cities. Latest figures are for first three weekly report dates in October.

BILLIONS OF DOLLARS
2



RESERVE BANK CREDIT

Monthly averages of daily figures for 12 Federal Reserve Banks. Latest figures are averages of first 22 days in October.

Prices. The general level of wholesale prices advanced slightly in September and October, notwithstanding a drop in the price of cotton to the lowest level since 1921. The Bureau of Labor Statistics' index of wholesale prices was about one per cent higher in September than in August, reflecting advances both in agricultural and in non-agricultural commodities. In recent weeks prices of corn, non-ferrous metals, and paper have declined, while prices of livestock, meats, poultry and dairy products, and bituminous coal have increased.

ulting from temporary conditions, was in October at about the same average level as in September. There was little change in the banks' holdings of United States securities. Acceptance holdings continued to increase, as is usual at this season. Except for a temporary firming of interest rates around the first of October, there has been little change in the condition of the money market during recent weeks. Rates on commercial paper and on acceptances have remained at the levels established in September.

TWELFTH FEDERAL RESERVE DISTRICT CONDITIONS

Statistical Summary—

	September, 1926	August, 1926	September, 1925	August, 1925	September, 1926† compared with	
					Sept., 1925	Aug., 1926
Bank Debits—21 cities*	\$3,004,429	\$2,865,710	\$2,779,033	\$2,693,729	8.1	4.8
Bank Debits—Index Numbers†—20 cities.....	164	166	149◊	150◊	10.1	— 1.2
Building Permits—20 cities.....	\$26,317,852	\$29,025,541	\$31,826,926	\$35,482,926	—17.3	— 9.3
Retail Sales—32 stores—Index Numbers†.....	171	158	153	148	11.8	8.2
Savings Deposits—69 banks*§.....	\$1,209,816	\$1,203,457	\$1,130,738◊	\$1,122,507◊	7.0	0.5
Lumber Production—4 associations—board feet*	777,106	831,635◊	687,592	717,588	13.0	— 6.6
Petroleum Production‡—California—barrels ..	603,498	605,325	668,759	677,599	— 9.8	— 0.3
Flour Production—14 companies#—barrels ...	484,831	420,516	475,456	371,882	2.0	15.3
Reporting Member Bank Loans and Discounts *	\$1,278,923	\$1,218,658	\$1,148,225	\$1,137,922	11.4	4.9
Reporting Member Bank Deposits *.....	\$1,718,551	\$1,654,922	\$1,603,005	\$1,580,341	7.2	3.8
Federal Reserve Bank Discounts *.....	\$64,867	\$50,848	\$49,868	\$48,172	30.1	27.6
Federal Reserve Bank Reserve Ratio 	68.2	70.2	72.4	72.3	— 5.8	— 2.8

*In thousands. †Adjusted for seasonal variations—1919 monthly average=100. ‡Daily average production. §Not comparable with figures published in previous Reviews. ||October 13 and September 15, 1926, and October 14 and September 16, 1925. ¶Percentage increase or decrease (—). ◊Revised. #See footnote to Flour Milling Table, page 77.

Agricultural Activities

Early autumn rains, which fell over large areas of the Twelfth Federal Reserve District during the first weeks of October, did little damage to crops still in the field and facilitated progress of fall plowing and planting. Harvesting of grain and early field and deciduous fruit crops has been completed, and district yields of such crops as rice, cotton, sugar beets, and late maturing varieties of apples are rapidly being gathered from fields and orchards. The more complete harvesting returns now available tend to confirm earlier estimates of a relatively large district crop of grains and of deciduous fruits. Prices in both of these important crop groups and for agricultural products in general have been lower during the 1926 agricultural marketing season than they were last year, and indications thus far are that, despite more abundant yields, aggregate financial returns from this season's operations have not differed greatly from the 1925 figures.

PRODUCTION—PRINCIPAL GRAIN AND FIELD CROPS*
Twelfth Federal Reserve District and United States

	Preliminary Estimate October 1, 1926	Preliminary Estimate September 1, 1926	Actual 1925	Five-Year Average (1919-1923)
Wheat (bushels)				
†Twelfth District...	101,974	100,843	100,227	115,641
United States.....	840,000	838,591	666,437	852,176
Barley (bushels)				
†Twelfth District...	39,720	39,492	44,364	39,395
United States.....	197,000	195,204	217,497	173,576
Rice (bushels)‡				
§Twelfth District...	8,100	8,118	4,738	7,363
United States.....	39,436	39,267	34,300	40,856
Beans (bushels)				
¶Twelfth District...	6,066	5,829	6,154	5,147
United States.....	17,000	17,253	19,500	12,068
Cotton (bales)				
Twelfth District...	216	216	229	123
United States.....	16,627	15,166	16,104	10,543
Potatoes (bushels)				
Twelfth District...	40,125	39,718	37,082	35,760
United States.....	350,821	351,557	325,902	388,497
Sugar Beets (tons)				
¶¶Twelfth District...	742	826	2,010	2,144
United States.....	6,797	6,525	7,423	6,652

*000 omitted. †Does not include Arizona. ‡Does not include Arizona and Washington. §California. ¶California and Idaho. ¶¶California, Idaho, and Utah. #One bushel of paddy rice weighs 45 pounds. ◊Revised.

Crops generally are moving to market in an orderly manner, as indicated in Table "A." Some reduction in seasonal shipments of apples from the Pacific Northwest may be anticipated as a result of crop losses attendant upon freezing temperatures and strong winds late in Sep-

tember. Approximately 5,619,000 bushels of apples, or 16.6 per cent of the estimated crop in Idaho, Oregon and Washington, were destroyed. Shipments of grapes from California during the season to October 15, 1926, totaled 48,637 carloads, which compares with 55,707 carloads shipped during the 1925 season to October 15th, and a total movement in 1925 of 75,858 carloads. This year's grape crop, which is estimated to be approximately 4.5 per cent larger than the 1925 crop, ripened from two to three weeks earlier than usual, and the resultant dislocation of shipping schedules was an important factor in a market which has been generally characterized by growers as unsatisfactory. A statistical summary giving estimates of production and disposition of the California grape crop during the past two years follows:

CALIFORNIA GRAPE CROP
(Thousands of Tons)

	Estimated Total Production		Estimated Tonnage Harvested and Dried (Fresh basis)		Est. Tonnage Harvested and Shipped Fresh	
	1926	1925	1926	1925	1926*	1925
Wine Grapes	400	395	20	4	380	391
Table Grapes	407	424†	40	6	367	318
Raisin Grapes	1,241	1,136‡	1,020	720	221	378
Total	2,048	1,955	1,080	730	968	1,087

*Includes shipments to October 1st and estimated tonnage still available for shipment on that date. †100,000 tons not harvested. ‡38,000 tons not harvested.

The United States Department of Agriculture estimates that the total 1926 production of raisins in California will be 270,000 tons, compared with an output of 180,000 tons in 1925, and an average production for the past seven years of 197,357 tons.

PRODUCTION—CALIFORNIA HORTICULTURAL CROPS
(Except Apples)

	Preliminary Estimate Oct. 1, 1926 (tons)	Actual 1925 (tons)	Five-Year Average (1919-1923) (tons)
Almonds	14,000	7,500	7,650
Apricots	160,000‡	150,000	148,000
Figs	9,120§	9,500	10,880
Peaches	483,000	390,000	378,000
Pears	214,000§	181,000	117,200
Prunes	147,000	145,000	114,500
Walnuts	19,500	30,500	24,120
Oranges	22,100,000*§	20,800,000*	19,025,000*
Lemons	5,800,000*§	6,000,000*	4,527,000*
Apples—Commercial Crop			
Twelfth District†	39,825,000*	37,989,000*	34,435,000*
United States	115,524,000*	95,727,000*	88,721,000*

*Boxes. †California, Idaho, Oregon, and Washington. ‡As of August 1, 1926. §As of September 1, 1926.

(A) Agricultural Marketing Activity—

Monthly	Exports		Carlot Shipments			Livestock Receipts at Eight Markets in 12th District			Cold Storage Holdings‡ 12th District	
	Wheat* Puget Sound (1000 bu.)	Barley* San Francisco (1000 bu.)	Apples* 12th Dist. (cars)	Oranges† Calif. (cars)	Lemons† Calif. (cars)	Cattle and Calves	Hogs	Sheep	Butter (1000 lbs.)	Eggs (1000 cases)
September, 1926	8,288	1,109	7,216	3,422	593	119,064	151,310	445,028	6,292	414
August, 1926	4,188◊	1,735◊	1,262	3,313	1,367	112,795	144,884	393,498	7,438	516
September, 5-year average..... (1919-1923)	3,055	2,019	3,786	2,189	602	100,102§	128,026§	347,956§	4,952	431
Cumulative										
To September 30, 1926.....	14,151 (13.9)	4,159 (10.4)	10,128 (17.8)	47,309 (92.8)	12,812 (85.4)	925,451	1,472,874	2,638,432		
To September 30, 1925.....	4,422 (4.4)	6,540 (14.3)	8,076 (14.8)	36,782 (76.6)	11,025 (95.9)	928,497	1,681,869	2,481,469		
5-year average to September 30th.. (1919-1923)	7,082 (6.1)	5,477 (13.6)	5,237 (10.3)	40,512 (85.5)	9,946 (87.9)	801,791§	1,447,431§	2,288,608§		

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

Physical conditions generally have continued favorable to the livestock industry of the district, although ranges in Utah, Nevada, Idaho and Northern Arizona have suffered from early freezes and partial drought. Cattle shipments have been maintained in large volume on a firm market, and the tendency to neglect restocking of depleted herds has persisted. Movement of sheep to market has approximated the seasonal expectation. An improved demand for feeder lambs during recent weeks has broadened the market for this class of animals, which is now in large supply. There has been considerable culling of aged ewes in range flocks and purchases of ewe lambs and yearling ewes for replacement purposes have been increasing.

Industrial Activity

Figures of production in basic industries, reports on the volume of building construction, and data on employment conditions indicate a generally high level of industrial activity in this district.

Although the amount of building now under way is large, permit figures of recent months have indicated some decline in activity in this field. In 20 principal cities of the district the value of permits issued during September, 1926, was less than in any September since September, 1922, and less than in any month since January, 1923. The total value of permits issued in these cities during the first nine months of 1926 has been exceeded by the value of permits issued during the first nine months of each year since 1922. The 1926 figures were 14 per cent smaller than those for the first three quarters of 1925, a record year.

The United States Bureau of Labor Statistics' index number of building materials prices continued to advance during September, while

the Aberthaw index number of the total cost of constructing a reinforced concrete factory building remained unchanged.

BUILDING COSTS—Index Numbers

Month	U.S. Bureau of Labor*		Average U.S. Bureau of Labor*		Aberthaw†	
	of Labor*	Aberthaw†	First Nine Months	of Labor*	Aberthaw†	Aberthaw†
September, 1926....	172.4	197	1926	174	197	197
September, 1925....	174	194	1925	175	195	195
September, 1922....	180	190	1924	177	199	199
			1923	193	202	202
January, 1923....	188	192	1922	164	163	163
			1921	168	187	187
August, 1926....	171.8	197				

*United States Bureau of Labor Statistics' index number of cost of building materials (1913=100). †Aberthaw index number of total cost of constructing a reinforced concrete factory building (1914=100).

Production, shipments, and sales of lumber at mills reporting to four associations in the district were all smaller in volume during September, 1926, than during August, 1926, but were larger than during September, 1925. Production of reporting mills exceeded both shipments and new orders during September, 1926, with a consequent increase in volume of unsold stocks. An excess of shipments over new orders received was accompanied by a decline in volume of unfilled orders. Cumulative mill figures for the first nine months of this year show that during that period production has exceeded both shipments and sales by small amounts. Domestic and foreign markets for lumber have been relatively inactive during recent weeks.

LUMBER ACTIVITY*

	Sept., 1926	Aug., 1926	Sept., 1925	—First Nine Months—	
	(board feet)	(board feet)	(board feet)	1926	1925
Production	777,106	831,635	687,592	6,630,943	5,914,766
Shipments	740,674	801,024	660,775	6,599,383	5,929,296
Orders	724,603	757,952	625,314	6,609,287	5,873,518
Unfilled Orders†	504,136	545,068	429,749
No. of Mills Reporting‡ ..	179	184	167	181	178

*As reported by four associations, 000 omitted except in case of number of mills reporting. †Reported by three associations. The figures are not strictly comparable with other figures appearing in the table. ‡Average. §Revised.
Source: National Lumber Manufacturers Association.

Average daily production of petroleum in California during September, 1926, was 0.3 per

(B) Employment—

Industries	California			Oregon		
	No. of Firms	No. of Employees		No. of Firms	No. of Employees	
		Sept., 1926	Sept., 1925		Sept., 1926	Sept., 1925
All Industries	673	170,181	163,850	93	17,502	17,155
Stone, Clay and Glass Products..	44	7,597	7,448	6	194	283
Lumber and Wood Manufactures ..	108	28,202	28,631	40	12,464	12,625
		(-1.5)†			(-1.3)†	
Textiles	13	2,344	2,325	4	1,029	908
Clothing, Millinery and Laundering.	60	7,647	7,431	8	549	550
		(0.8)			(13.3)	
Food, Beverages and Tobacco...	140	45,231	42,232	26	2,681	2,249
		(7.1)			(19.2)	
Water, Light and Power	5	9,056	10,062
		(-10.0)†				
Other Industries*..	289	67,678	63,669
		(6.3)				
Miscellaneous	14	2,426	2,052	9	585	540
		(18.2)			(8.3)	

*Includes the following industries: metals, machinery and conveyances; leather and rubber goods; chemicals, oils and paints; printing and paper goods. †Decrease.
Figures in parentheses indicate percentage changes from September, 1925.

(C) Building Permits—

	September, 1926		September, 1925	
	No.	Value	No.	Value
Berkeley	327	\$ 670,584	431	\$ 839,312
Boise	99	154,550	92	41,937
Fresno	138	147,981	120	125,886
Long Beach	300	657,245	395	1,480,551
Los Angeles	3,335	8,163,581	3,704	11,071,923
Oakland	945	2,123,002	1,267	3,000,070
Ogden	19	79,300	34	203,700
Pasadena	313	675,835	223	815,363
Phoenix	123	254,671	100	182,124
Portland	1,301	2,617,580	1,563	3,539,685
Reno	28	238,690	28	67,250
Sacramento	250	414,973	319	655,920
Salt Lake City....	126	380,565	144	511,495
San Diego	825	1,413,572	790	1,641,940
San Francisco	800	4,001,012	902	3,158,082
San Jose	129	351,845	87	161,163
Seattle	1,055	2,862,185	1,101	2,805,050
Spokane	278	592,699	276	299,341
Stockton	102	114,167	123	235,021
Tacoma	266	403,815	378	991,113
District	10,759	\$26,317,852	12,077	\$31,826,926

cent (1,827 barrels) less than in August, 1926, and was 8.7 per cent less than estimated average daily consumption, which increased by 2.1 per cent.

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)
Sept., 1926..	603,498	661,017	118,880,326	58	26,832
Aug., 1926..	605,325	647,417	120,605,895	55	18,067
Sept., 1925..	668,759	512,780	122,249,717	80	41,978
Sept., 1923*.	858,750	†	†	93	139,960

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

Figures of national production of non-ferrous metals, together with a guide to the proportionate importance of this district in such production, follow:

NON-FERROUS METALS National Production

	Sept., 1926	Aug., 1926	Sept., 1925	Per Cent of Total produced in 12th Dist. in 1925*
Copper (short tons) (mine production)	71,777	72,221	67,393	64.5
Lead (short tons) (crude)	49,830	49,625	44,334	47.7
Zinc (short tons) (slab) ..	52,144	51,761	47,384	8.8
Silver (oz.) (commercial bars)	4,995,000	5,073,000	4,634,000	69.0

*Including all of Arizona, the five southeastern counties of which are in the Eleventh Federal Reserve District.

Seasonal increases in flour production were reported during September but the gain in output was smaller than is usual for that month. Aggregate production of 14 principal milling companies was 15 per cent larger in September, 1926, than in August, 1926, which compares with a five-year (1921-1925) average August-to-September increase of 21 per cent. The mills produced 2.0 per cent more flour during September, 1926, than during September, 1925. Millers' stocks of flour decreased during September, but the composite figure for October 1, 1926 (437,455 barrels) was 6 per cent greater than the five-year (1921-1925) average figure for October 1st. Stocks of wheat held by reporting millers, at 2,689,582 bushels on October 1, 1926, were 24 per cent larger than the average of stocks held on October 1st during the years 1921 to 1925, inclusive. They exceeded

(D) Bank Debits*

	September, 1926	September, 1925	Nine Months	
			1926	1925
Berkeley	\$ 19,403	\$ 17,340	\$ 172,591	\$ 162,259
Boise	14,879	13,797	118,691	106,913
Fresno	47,712	52,627	324,449	300,220
Long Beach	43,870	42,304	451,384	419,741
Los Angeles	851,764	760,085	7,811,756	6,992,712
Oakland	165,961	143,489	1,513,844	1,235,488
Ogden	22,676	27,751	179,218	210,170
Pasadena	31,631	29,346	332,432	313,157
Phoenix	25,502	20,708	225,379	200,825
Portland	190,529	177,871	1,621,529	1,450,782
Reno	9,714	8,870	81,744	76,278
Sacramento	38,037	33,138	291,377	324,980
Salt Lake City..	71,965	70,673	630,694	605,985
San Diego	59,964	55,121	578,931	484,511
San Francisco ..	1,004,533	939,903	9,507,225	8,356,243
San Jose	28,246	26,724	231,781	219,377
Seattle	235,713	219,834	1,916,045	1,780,509
Spokane	57,885	54,015	500,593	455,196
Stockton	27,175	27,239	239,547	226,509
Tacoma	43,901	42,976	411,693	390,669
Yakima	15,369	15,222	116,613	107,935
District	\$3,004,429	\$2,779,033	\$27,257,516	\$24,420,459

*000 omitted.

holdings as of September 1, 1926, by 10 per cent. Both domestic and foreign flour markets are reported to have been active during recent weeks. Shipments of flour from Columbia River and Puget Sound ports during the first three months (July, August, and September) of the 1926-1927 season have approximated those of the first quarter of the 1925-1926 season.

FLOUR MILLING*

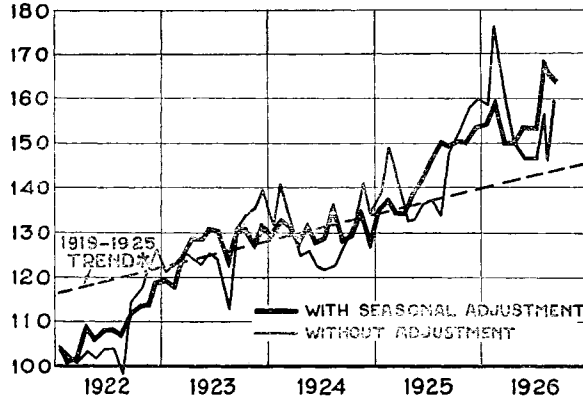
	Sept., 1926	Aug., 1926	Sept., 1925	Five-Year Average Sept., (1921-1925)
Output (bbls.)...	484,831	420,516	475,456	579,713
Stocks†				
Flour (bbls.)...	437,455	536,380	374,022	412,903
Wheat (bu.)...	2,689,582	2,440,349	2,375,637	2,166,037

*As reported by 14 companies. Consolidations have reduced the number of reporting companies but have not seriously affected the comparability of the figures. †At end of month.

General Business and Trade

Seasonal increases in volume of trade were reported during September, and the level of business activity in the district was well above that of a year ago.

INDEX NUMBERS



BANK DEBITS—TWELFTH DISTRICT

Index for 20 principal cities, Phoenix, Arizona, not included, (daily averages, 1919 average=100). Latest figures, September, with adjustment, 164; without adjustment, 158.

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

The daily average volume of payments by check (bank debits) in 20 principal cities of the district increased by approximately 8 per cent during September, 1926, as compared with August, 1926, and was approximately 7 per cent larger than in September, 1925. The increase over the previous month was less than that which the experience of past years has indicated should occur at this season so that our index, which makes allowance for seasonal movements, declined for the second consecutive month. The decline was slight, however, and the index is still relatively high.

BANK DEBITS—Twelfth District Index for 20 Principal Cities*

	Sept., 1926	Aug., 1926	July, 1926	Sept., 1925
Without Seasonal Adjustment...	158	146	156	148
With Seasonal Adjustment.....	164	166	163	149

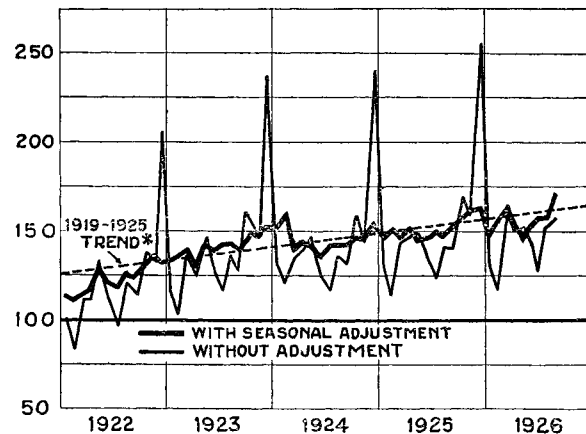
*Daily averages, 1919 average=100. †Highest point reached. ‡Revised.

Variations in the seasonally corrected index tend to reveal changes in business activity which are non-seasonal in character and which are the resultant of year-to-year growth and the so-called "cyclical" movements of business. The broken line on the chart, page 77, shows the average year-to-year growth (trend) of business during the post-war period 1919-1925, inclusive. The index reveals that during the past three months business activity has been at the highest levels, relative to the post-war trend, since 1920.

Sales of 69 retail stores of the district during September, 1926, were approximately 3 per cent larger than during August, 1926, whereas ordinarily there is a decline of 4 per cent in sales from August to September. The month's sales of reporting stores were 10 per cent larger than during September a year ago. Stocks held by the same stores were but 1.3 per cent larger than last year, and the indicated annual rate of stock turnover for September, 1926, was 3.2 compared with 2.9 for September, 1925. The accompanying table and chart giving index numbers of sales of 32 department stores (whose sales total approximately 85 per cent of sales of the 69 stores referred to above) reveal a marked increase in activity of trade at retail during recent months, an increase which has brought the index to a point above the post-war trend.

The United States Bureau of Labor Statistics' index of wholesale prices stood at 151 (1913=100) in September, 1926, compared with 160 in September, 1925. This decline of

INDEX NUMBERS



DEPARTMENT STORE SALES—TWELFTH DISTRICT

Index of 32 Stores in 7 cities (1919 monthly average=100). Latest figures, September, with adjustment, 171; without adjustment, 157.

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

5.8 per cent is a factor which must be considered when comparing dollar values of sales for the two periods.

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

	Los Angeles (6)*	Oakland (5)*	San Francisco (8)*	Salt Lake City (4)*	Seattle (5)*	Spokane (3)*	District (32)*
Without Seasonal Adjustment							
Sept., 1926...	231	140	139	110	117	115	157
Aug., 1926...	232	145	135	87	97	97	151
July, 1926...	200	128	109	84	89	79	129
Sept., 1925...	193	133	130	113	107	100	141
With Seasonal Adjustment†							
Sept., 1926...	265	147	150	112	107	112	171
Aug., 1926...	216	161	142	112	103	111	158
July, 1926...	233	161	141	105	97	101	157
Sept., 1925...	223	140	140	114	98	97	153

*Figures in parentheses indicate number of stores. One store included in district figures not included in cities shown above.
†No adjustment has been made for business days lost due to Saturday closing of stores during the summer months.

Value of sales at wholesale, as reported by 168 firms in eleven lines of trade, increased 4.8 per cent, or more than the usual seasonal amount, during September, 1926, as compared with August, 1926. Reported sales were 50.2-6 per cent greater in value during September, 1926, than during September, 1925. In five of the reporting lines a comparison of sales over the year period showed decreases, but these were offset by substantial increases in the other six lines. In no case did the reported decrease in value of sales exceed the decline in the general level of wholesale prices over the year

WHOLESALE TRADE

	No. of Firms	Percentage increase or decrease (—) in Value of Sales		
		Sept., 1926 compared with Sept., 1925	Sept., 1926 compared with Aug., 1926	Aug., 1926 compared with Aug., 1925
Agricultural Implements.	15	— 3.6	1.7	—14.8
Automobile Supplies	13	— 5.3	— 2.7	— 4.6
Automobile Tires	18	61.4	1.7	31.8
Drugs	7	— 1.0	6.1	3.8
Dry Goods	18	4.6	— 4.0	— 1.5
Electrical Supplies	9	8.1	10.9	12.7
Furniture	15	3.5	13.6	3.6
Groceries	20	— 1.5	9.9	2.6
Hardware	17	— 0.6	6.0	— 1.8
Shoes	12	10.8	6.9	6.9
Stationery	24	2.2	3.7	6.2

On September 30, 1926, savings deposits in 69 banks in seven principal cities of the district were 0.5 per cent larger than on August 31, 1926, and 7.0 per cent larger than on September 30, 1925.

SAVINGS DEPOSITS

	Number of Banks	Sept. 30, 1926*	Aug. 31, 1926*	Sept. 30, 1926† compared with	
				Sept. 30, 1925*	Sept. 30, 1926
Los Angeles	13	\$422,533	\$421,024	\$383,681	10.1 0.4
Oakland†	7	102,986	102,367	99,587	3.4 0.6
Portland	7	55,725	55,771	53,084	5.0 —0.1
Salt Lake City	8	33,469	33,263	30,959	8.1 0.6
San Francisco.	14	491,412	488,875	468,130	5.0 0.5
Seattle	14	83,784	82,411	75,884	10.4 1.7
Spokane	6	19,907	19,746	19,413	2.5 0.8
Total	69	\$1,209,816	\$1,203,457	\$1,130,738	7.0 0.5

*000 omitted. †Includes one bank in Berkeley which was formerly a branch of an Oakland bank. ‡Percentage increase or decrease (—). ◊Revised.

The dollar value of **foreign commerce** passing through ports of the Twelfth Federal Reserve District during the first eight months of 1926 was 16 per cent larger than during the first eight months of 1925, all customs districts participating in the increase. During the first six months of 1926 the combined value of imports through these customs districts tended to decline, but increased rapidly during July and August, and for the eight months period was greater than for any corresponding eight months period since 1918, when large quantities of vegetable oils and fats and other raw materials for war purposes were being imported. Similarly, exports were larger in value during the first eight months of this year than in any like period since the first eight months of 1920. These dollar value comparisons assume added significance as a record of increased volume of trade when necessary allowances are made for the lower level of general prices which now prevails as compared with the years 1918-1920.

FOREIGN COMMERCE—Twelfth District

Customs Districts	Exports*		Calendar Year	
	January 1 to August 31, 1926	1925	1925	1924
Los Angeles	\$ 63,446	\$ 48,903	\$ 75,791	\$ 66,527
Oregon	41,297	18,133	44,550	62,836
San Francisco	112,937	101,222	177,906	173,429
Washington	85,732	64,471	116,451	134,525
District	\$303,412	\$232,729	\$414,698	\$437,317

Customs Districts	Imports*		Calendar Year	
	January 1 to August 31, 1926	1925	1925	1924
Los Angeles	\$ 26,775	\$ 23,464	\$ 40,808	\$ 31,533
Oregon	8,646	7,723	10,738	10,612
San Francisco	136,764	127,682	183,250	146,813
Washington	167,866	164,534	262,055	270,450
District	\$340,051	\$323,403	\$496,851	\$459,408

*000 omitted.

Prices

The United States Bureau of Labor Statistics' index of general wholesale prices advanced slightly during September, 1926, standing at 150.5 (1913=100) for that month, compared with 149.2 for August, 1926, and 159.7 for September, 1925. Group indexes for farm products,

foods, cloths and clothing, fuel and lighting advanced during the month, the chemical and drugs group remained unchanged, and the house furnishings and miscellaneous groups declined.

The Department of Agriculture's farm price index (1909-1914=100) advanced one point to 134 in September, and the Bureau of Labor Statistics' index of prices of non-agricultural commodities advanced one-half point to 160.6. The ratio between these two indexes, an indication of the present, as compared with the pre-war (100), purchasing power of farm products, was unchanged at 83.0. In September, 1925, it was 88.0.

Quotations on **cattle, sheep and hogs** at Chicago advanced during September. For the week ending October 1, 1926, average prices ranged from 4 to 7 per cent higher than for the week ending September 3, 1926, but were 13.6 per cent, 0.8 per cent, and 12.4 per cent lower, respectively, than for the week ending October 2, 1925. Prices paid for lambs declined approximately 9 per cent during September, 1926, and in the closing week of that month were slightly below the prices quoted a year ago.

LIVESTOCK PRICES AT CHICAGO*

(Weekly average per 100 pounds)

Week Ending	Beef Cattle	Lambs	Hogs	Sheep
October 1, 1926	\$10.45	\$13.00	\$12.50	\$6.00
September 3, 1926	10.00	14.25	11.65	5.65
October 2, 1925	12.10	13.10	12.60	6.85

*Dates indicate end of week for which prices have been averaged.

Wheat prices tended upward during September and early October. Quotations for December contract wheat at Chicago ranged from \$1.35¼-\$1.36½ on September 1, 1926, to \$1.41¾-\$1.42¾ per bushel on October 18, 1926. On October 15, 1925, following a decline in prices, quotations for December contract wheat ranged from \$1.41¼ to \$1.43¼ per bushel.

Cotton prices declined rapidly during September and early October, as estimates of production were increased. Spot quotations for middling uplands cotton at New Orleans fell 25 per cent during the month ending October 7,

(E) Commodity Prices --

Commodity	Unit	October 1, 1926	One Month Ago	One Year Ago
Wholesale Prices (U. S. Bureau of Labor) 1913=100		150.5	149.2	159.7
Purchasing Power of Farm Products (U. S. Dept. of Agriculture)*		83.0	83.0	88.0
Wheat..... Chicago contract price for December wheat	bu.	\$1.39¼-1.42	\$1.35¼-1.36½	\$1.33¼-1.37½
Wool..... Average of 98 quotations at Boston	lb.	67.38¢	66.17¢	76.76¢
Apples..... Jonathans Extra Fancy med. to large, f. o. b. Pacific Northwest	box	1.10-1.25	Not Quoted	1.75
Oranges..... Valencias Fancy, wholesale at San Francisco	box	5.25-5.75	4.75-5.25	8.00-8.75
Prunes..... Size 40/50 in 25-lb. boxes f. o. b. California	lb.	.07½-.08	.07½-.08	.08¼-.09¼
Raisins..... Thompson Seedless Bulk in 25-lb. boxes f. o. b. California	lb.	.07½	.07½	Not Quoted
Canned Peaches..... Cling Choice, 2½s f. o. b. California	doz.	2.20	2.20	2.20
Butter..... 92 score at San Francisco	lb.	.44	.44	.54
Copper..... Electrolytic, monthly average at New York	lb.	14.062¢	14.174¢	14.376¢
Lead..... Monthly average at New York	lb.	8.786¢	8.908¢	9.508¢
Silver..... Monthly average at New York	oz.	60.580¢	62.380¢	71.570¢
Lumber (Softwood)..... Weekly Index, United States†		29.91	29.90	30.48

*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." ◊Revised.

1926, and October quotations have been approximately 40 per cent below the prices quoted a year ago. At 12.70 cents per pound on October 4, 1926, this grade of cotton was quoted at the lowest price recorded since August 21, 1921, when it sold for 12.50 cents per pound.

An average of 98 wool quotations at Boston advanced from 66.17 cents per pound on September 3, 1926, to 67.38 cents per pound on October 1, 1926, an increase of 1.8 per cent during the month. The latest figure is 13.3 per cent below the average of a year ago (76.76 cents per pound).

Opening prices for California almonds and walnuts in each of the past six years, as published by the co-operative associations controlling the bulk of these two crops in that state, follow:

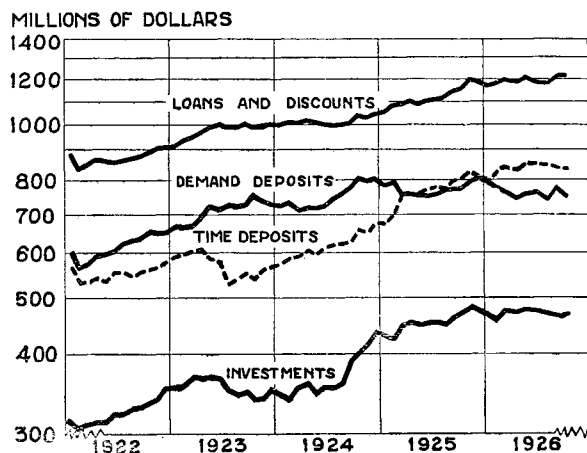
PRICES OF CALIFORNIA NUT CROPS (Cents per pound)

	1926	1925	1924	1923	1922	1921
Almonds (Nonpareil)	25½	30½	23½	21	25	23
Walnuts (Large budded)	32	29	29	26	26	28

Monthly average prices of copper, lead, silver, and zinc declined 0.8 per cent, 1.4 per cent, 2.9 per cent, and 0.5 per cent, respectively, during September, 1926, and were 2.2 per cent, 7.6 per cent, 15.4 per cent, and 4.4 per cent below the average of September, 1925.

Banking and Credit Situation

Credit demands of the autumn crop moving period have been met by the member banks of the district without difficulty, although the volume of credit outstanding has been larger



MEMBER BANK CREDIT—TWELFTH DISTRICT
Figures for about 65 member banks in leading cities, as of last Wednesday of each month. Latest figures, September 29.

than ever before. Borrowing from the Federal Reserve Bank has been at slightly higher levels than in the past two years.

Total loans of 65 reporting member banks in the principal cities of the district, after a period

of relative stability during September advanced sharply during the first half of October and at the middle of that month were nearly 5 per cent larger than in mid-September. Investments of these banks increased slightly during the same period, and total loans and investments, at \$1,753,000,000 on October 13, 1926, reached the highest point on record. Reporting member bank borrowings from the Federal Reserve Bank had, on October 13, 1926, increased 37 per cent from their mid-September low point, but were only 7 per cent larger than on September 1, 1926.

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

	Condition Oct. 13, 1926	Increase Over	
		One Month Ago	One Year Ago
Total Loans	1,279	60 (4.9)	131 (11.4)
Commercial Loans	943	20 (2.1)	55 (6.2)
Loans on Securities	336	41 (13.8)	76 (29.2)
Investments	474	2 (0.4)	10 (2.2)
Total Loans and Invest- ments	1,753	62 (3.7)	141 (8.8)
Net Demand Deposits	809	15 (1.9)	18 (2.3)
Time Deposits	887	51 (6.1)	95 (11.9)
Borrowings from Federal Reserve Bank	57	15 (36.9)	15 (36.3)

*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 the Twelfth Federal Reserve District. Reporting banks embrace member banks in Los Angeles, San Francisco, Oakland, Portland, Tacoma, Seattle, Spokane, Ogden, and Salt Lake City.

Total discounts of the Federal Reserve Bank of San Francisco reached \$68,700,000 on September 29, 1926, the highest figure recorded this year. Following the month-end peak, discounts declined slightly, and on October 13, 1926, were approximately the same in amount as on September 1, 1926, but still 28 per cent higher than on September 15, 1926. Total investments of the Reserve Bank declined by \$8,000,000 (11 per cent) during the four-week period ending October 13th, and at \$63,513,000 were smaller in amount than at any time since March 24, 1926. The resultant of the contrary movement of discounts and of investments during the period between September 15th, and October 13th, was an increase in total earning assets (total bills and securities) of \$6,000,000 or 5 per cent. The volume of Federal reserve notes in circulation has changed little during recent weeks.

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

	Con- dition Oct. 13, 1926	Changes from	
		One Month Ago	One Year Ago
		(+ = increase - = decrease)	
Total Bills and Securities	128	+ 6 (5.1)	+11 (9.7)
Bills Discounted	65	+14 (27.6)	+15 (30.1)
United States Securities	39	- 4 (10.4)	- 5 (11.5)
Bills Bought	25	- 3 (11.7)	+ 2 (8.2)
Total Reserves	258	- 2 (0.6)	-15 (5.4)
Total Deposits	178	+ 1 (0.8)	+ 8 (4.6)
Federal Reserve Note Circulation	191	- 1 (0.6)	-14 (7.0)