

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. 3

SUMMARY OF NATIONAL CONDITIONS

Prepared by the Federal Reserve Board

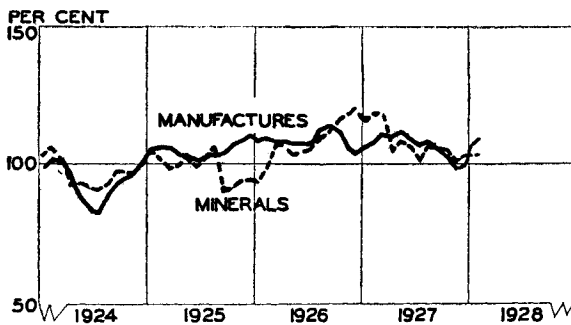
Production and distribution of commodities increased further in February, while wholesale commodity prices remained practically unchanged. Commercial loans of member banks showed a larger increase in February and the first half of March than at the same season in other recent years.

Production. Production of manufactures in February, as indicated by the Federal Reserve Board's index, increased 3 per cent over January and was 2 per cent larger than a year ago, while production of minerals declined slightly and continued substantially smaller than last year. Factory employment and payrolls showed a seasonal increase in February but continued at a lower level than a year ago. Output of iron and steel, automobiles, and agricultural machinery has increased considerably since the first of the year. Daily average production of steel ingots in February was larger than in any other month since last March, and current reports indicate that output was sustained in the first three weeks in March of this year. Production of non-ferrous metals also increased in February. Activity in the textile industries has shown little change since the first of year. Production of bituminous coal and crude petro-

leum, which decreased in February, increased slightly in the first half of March. Building contracts awarded were larger in February than in the corresponding month of any previous year, reflecting chiefly a large volume of awards for residential construction in the New York and Chicago districts. Contracts let in the first two weeks of March were in approximately the same volume as in the corresponding period of last year.

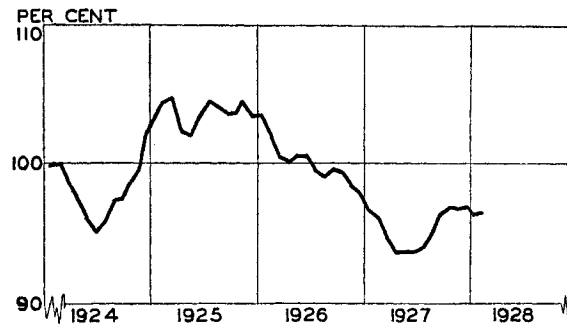
Trade. Sales of wholesale firms in leading lines increased in February and were slightly larger than a year ago. Sales of department stores, after allowance for the customary seasonal changes, were in about the same volume as in January and somewhat smaller than a year ago. Stocks of merchandise carried both by wholesale firms and by department stores showed a seasonal increase in February.

Freight carloadings have shown somewhat more than the usual seasonal increase since the beginning of the year, but have continued to be in smaller volume than in the corresponding period last year, owing chiefly to much smaller shipments of coal. Loadings of merchandise in less than carload lots and of miscellaneous commodities have been less than in the corre-



PRODUCTION OF MANUFACTURES AND MINERALS

Index numbers of production of manufactures and minerals, adjusted for seasonal variations (1923-1925 average=100). Latest figures, February, manufactures, 109; minerals, 103.



WHOLESALE PRICES

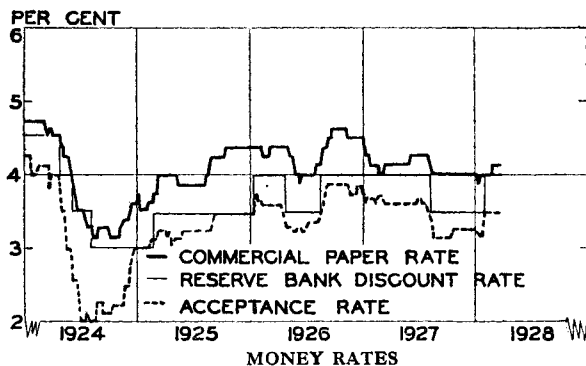
Index of United States Bureau of Labor Statistics (1926 prices=100, base adopted by Bureau). Latest figure, February, 96.4.

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sponding period of the last two years, while loadings of live stock and grain products have been larger.

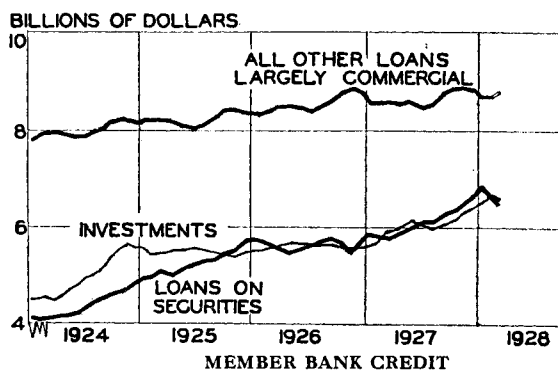
Prices. The general level of wholesale commodity prices, as indicated by the Bureau of Labor Statistics' index, remained practically unchanged in February at approximately 96 per cent of the 1926 average. There were decreases

Bank Credit. From the middle of February to the middle of March, loans and investments of member banks in leading cities creased by 200 million dollars, reflecting growth in the banks' commercial loans. Loans on securities and investments at these banks showed little change for the period. The volume of reserve bank credit outstanding increas



Weekly rates in New York money market: commercial paper rate on 4- to 6-months paper, acceptance rate on 90-day paper, and rediscount rate of the Federal Reserve Bank of New York.

in the prices of cotton, sugar, non-ferrous metals, chemicals and rubber, as well as a seasonal decline in dairy products prices. Increases occurred in prices of grains, metals, hides and leather products, and steel. In the first two weeks of March, prices of grains, hogs, and cotton advanced, while prices of cattle and rubber showed further declines.



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

somewhat from February to March, chiefly consequence of increased borrowings by member banks, which in part reflected further withdrawals of gold for export. During the few weeks ending March 21st, conditions in the money market were firmer; the rate on prime commercial paper increased from 4 to 4-1/4 per cent and there were advances in time rates on security loans.

TWELFTH FEDERAL RESERVE DISTRICT CONDITIONS

In the **agricultural areas** of the Twelfth Federal Reserve District physical conditions during recent weeks generally have favored winter planted crops and have facilitated spring farming operations. A shortage of rainfall is reported, however, in California, Nevada, and Arizona. (On March 22nd and 23rd, after this Review was closed, rain was reported to be falling over large areas of these states.)

Industrial activity during the past month, although showing seasonal expansion, continued at a slower pace than in the corresponding month of 1927. A full seasonal gain in building and construction activity has been evidenced by marked increases in the value of building permits issued in principal cities and has been reflected in the growth of output at lumber mills of the district. During February, flour mills of the district produced a record volume of flour for that month, continuing the strong upward movement in production which began in January. Increased industrial and agricultural activity has been accompanied by a decline in unemployment.

Seasonal increases in **distribution and trade** were reported during February, 1928. Dollar value of sales at wholesale and at retail was

larger than in February, 1927. In wholesale trade, gains in sales during the second month of the year were larger than usual but sales at retail showed a slightly less than seasonal growth. Carloadings increased during February, principally because of heavier shipments of lumber products. Figures of total carloadings in the district were larger than a year ago.

The general level of commodity prices changed little during the past month. A slight advance in grain prices, and small movements in prices of other commodities, important to this district, have been noted.

Banking and Credit.—A moderate increase in commercial demand for funds has accompanied seasonal expansion in trade and industry. Commercial loans at reporting member banks, however, are still smaller in amount than they were a year ago. Customers' demand deposits have declined slightly and commercial loans have increased. Concurrently, there has been an increase in discounts at the Federal Reserve Bank of San Francisco, largely on behalf of city member banks. Interest rates remained unchanged during February and early March at levels slightly below those of a year ago.

Agriculture

Spring rainfall has been light throughout the Twelfth District, and in Arizona, California, and Nevada the total rainfall up to March 13th was considerably below normal. Uncertainty also exists as to the prospective supply of water for summer irrigation in these states, because of the relatively small snowfall in their mountain areas.

RAINFALL (in inches)—Twelfth District

	July 1, 1927 to Mar. 13, 1928 (Actual)	July 1, 1926 to Mar. 15, 1927 (Actual)	July 1 to Mar. 15 (Normal)
Arizona:			
Flagstaff	16.8	15.4	18.4
Phoenix	5.2	9.6	7.2
California:			
Eureka	18.1	44.4	35.4
Fresno	5.5	9.8	7.4
Los Angeles	8.2	18.1	12.0
Red Bluff	16.6	25.5	19.7
Sacramento	8.6	16.2	15.7
San Diego	7.4	15.0	8.1
San Francisco	14.7	23.4	18.5
Idaho:			
Boise	10.6	10.5	8.9
Nevada:			
Reno	3.5	7.4	7.9
Oregon:			
Baker	7.7	8.5	8.7
Portland	30.1	42.5	35.5
Utah:			
Salt Lake City	11.3	13.3	10.0
Washington:			
Seattle	24.4	26.0	27.3
Spokane	16.4	12.8	13.3

The relatively small apple crop produced in the states of the Pacific Northwest during 1927 has moved to market at satisfactory prices. Seasonal shipments of apples from Idaho, Oregon, and Washington from June 1, 1927, to March 1, 1928, totaled 34,220 carloads, compared with 40,734 carloads shipped during the corresponding period a year ago. Storage holdings of apples in Wenatchee and Yakima Valley centers on March 1, 1928, were approximately 14 per cent larger than on the same date in 1927. Larger storage holdings within the district represent, in considerable part, increased cold storage facilities, which have enabled producers to store their apples at shipping points rather than at Eastern markets.

Estimated production of the 1927-1928 Navel orange crop in California remains unchanged from one month ago when it was reported as 11,650,000 boxes. The 1926-1927 orange crop was approximately 12,154,000 boxes. Shipments of oranges and lemons from California during the current season have been approximately 6 per cent and 32 per cent smaller in volume, respectively, than a year ago. Prices received for oranges (f. o. b. California shipping points) during February, 1928, averaged approximately 50 cents per box (14.6 per cent) higher than during February, 1927. Similarly, lemons sold at prices approximately \$2.64 per box (111.8 per cent) higher than a year ago.

Physical conditions in winter wheat growing sections have thus far favored the 1928 crop. Farm stocks of wheat in the district on March 1st were larger than a year ago, according to a report issued by the United States Department of Agriculture. The percentage of the previous year's crop marketed by that date, however, compared favorably with the average for recent years.

WHEAT AND BARLEY—STOCKS ON FARMS

	March 1, 1928			Shipped Out or To Be Shipped Out of County Where Grown (In Per Cent of Previous Year's Crop)		
	1928 (bu.)*	1927 (bu.)*	Five-Year Average (bu.)*	1928	1927	Five-Year Average
Wheat						
Arizona	145 (10)	95 (10)	87 (8)	13	20	14
California	819 (6)	1,202 (10)	856 (8)	66	65	62
Idaho	5,180 (16)	2,956 (12)	3,570 (15)	72	79	64
Nevada	97 (20)	41 (10)	56 (14)	16	15	19
Oregon	3,214 (12)	2,058 (11)	2,059 (10)	65	62	64
Utah	1,022 (18)	1,431 (26)	1,288 (24)	45	45	35
Washington ..	4,801 (9)	3,681 (9)	4,006 (10)	80	75	73
Twelfth District	15,278 (11.4)	11,464 (11.1)	11,922 (11.2)	71.2	70.6	65.1
United States..	130,007 (14.9)	130,230 (15.7)	127,254 (17.0)	72.6	69.8	63.7
Barley						
Arizona	63 (9)	70 (8)	79 (9)	15	20	20
California	1,367 (5)	4,212 (13)	2,838 (12)	65	63	62
Idaho	965 (17)	663 (16)	759 (20)	25	25	32
Nevada	61 (15)	42 (15)	50 (20)	12	15	9
Oregon	637 (20)	344 (15)	389 (19)	15	16	21
Utah	240 (17)	128 (16)	140 (22)	15	18	15
Washington ..	487 (20)	435 (20)	424 (20)	26	28	30
Twelfth District	3,820 (9.3)	5,894 (13.7)	4,679 (11.6)	50.2	53.1	46.9
United States..	61,578 (23.2)	39,183 (21.2)	44,015 (25.2)	32.8	30.3	36.2

*000 omitted. †1923-1927. ‡1917-1926. §1918-1927. Figures in parentheses indicate percentage of preceding year's crop remaining on farms March 1st. Source: United States Department of Agriculture.

Livestock ranges in the Twelfth District are reported to be in good condition, with the exception of some areas in Nevada and California which have suffered from lack of rainfall. Available stocks of hay are believed to be adequate for feeding livestock during any temporary shortage of range forage. Figures showing receipts of livestock at the principal markets of the district, indicate that cattle and sheep receipts have decreased from a year ago, while hog receipts have increased.

LIVESTOCK RECEIPTS—Eight Principal Markets

	January and February		
	1928	1927	Five-Year Average
Cattle and Calves	185,397	217,704	212,258
Sheep	370,174	412,740	356,597
Hogs	593,865	440,050	512,210

*1924-1928.

Livestock prices on Pacific Coast markets have remained relatively stable during recent weeks.

Early reports of the spring lamb crop in Arizona and California indicate an increase in number of lambs as compared with a year ago. In Idaho, Oregon, Utah, and Washington, where lambing will soon commence, the flocks are reported to be in fine condition. Prices named in early contracts for fat lambs, f. o. b. California shipping points, have been slightly higher than last year.

The volume of contracting for wool has diminished during the past month, following upon heavy sales by producers in December, January, and early February. Prices have remained stable at from 33 to 40 cents per pound, at which levels they are from 3 to 10 cents per pound higher than a year ago. The excellent condition of fleeces reflects the satisfactory range and weather conditions of the past winter.

Industry

During February, industry in the Twelfth Federal Reserve District continued to operate at a slower pace than a year ago. A steady increase in volume of employment in California and the Pacific Northwest thus far in 1928, however, tends to confirm other available evidence that industry is experiencing a generous seasonal increase in activity. Expansion in lumbering and logging operations and the beginning of spring agricultural work have helped to reduce the large surplus of unskilled labor which, as is usual, was present in the cities of the district during the winter months. Greater activity in building, engineering and public works projects has also been an important factor in increasing the demand for workers.

The building and construction industry is one of the most important, if not the most important, of the non-agricultural industries of the district. Figures of building permits issued during February indicate a full seasonal expansion in the industry during that month, particularly in the larger cities of the Pacific Northwest. The January-to-February percentage increase (9 per cent) in value of permits issued in 20 cities was greater than the 1920-1927 average January-to-February seasonal increase (2 per cent). The value of permits issued in 94 cities of the district, as reported by S. W.

(A) Industry—

Indexes of daily average production, adjusted for seasonal variation.
(1923-1925 daily average = 100.)

Manufactures:	1928		1927	
	Feb.	Jan.	Dec.	Feb.
Flour	131	107	99	102
Slaughter of Livestock	102	106	92	97
Lumber	102*	110	108	100
Refined Mineral Oils	146	143	145	150
Cement	146	95	115	123
Minerals:				
Petroleum (California)	93	93	93	97
Copper (United States)†	112	102	105	111
Lead (United States)†	111	104	109	112
Silver (United States)†	83	100	100	91

*Preliminary. †Prepared by Federal Reserve Board.

Straus and Company, was approximately the same as in February, 1927.

During 1927, the possibility of an excessive supply of certain types of residential and commercial structures in the metropolitan areas of the district occasioned some concern. Recent dwelling vacancy surveys made in some of the cities where curtailment of construction activity seemed to be indicated, and where such curtailment was subsequently effected, have shown a more nearly normal occupancy at the present time than was the case a year ago. Untenanted space is comparable to other commercial structures and, in building, as in trade, when stocks become unduly large, considerable time must ordinarily elapse before effective demand approximates supply.

Approximately 50 per cent of this district's cut of lumber is consumed in the seven states of the Twelfth District. It is to be expected, therefore, that expanding building programs will be reflected in some measure by increased activity in the lumber industry. Daily average cut of lumber, reported by four associations, increased markedly in late January and further increases were reported during February. Partly as a consequence of the sudden uptick in lumbering operations in late January, however, the January-to-February increase in output was not so great as a year ago, and the bank's seasonally adjusted index of lumber production declined from 110 in January to 108 (preliminary) in February (1923-1925 average=100). The volume of orders received by mills reporting to the four Pacific Coast lumber associations during February exceeded both the current output of the mills and the shipments made on orders previously obtained. The Bureau of Labor Statistics' index of wholesale lumber prices advanced fractionally from 88.5 in January to 88.9 in February (1926 prices=100).

(B) Employment—

Industries	California			Oregon		
	No. of Firms	No. of Employees Feb. 1928	No. of Employees Feb. 1927	No. of Firms	No. of Employees Feb. 1928	No. of Employees Feb. 1927
All Industries	794	140,651	150,275	159	24,006	24,300
Stone, Clay and Glass Products ..	48	7,093	7,766	3	134	100
Lumber and wood Manufactures ..	124	22,904	23,024	61	14,510	14,400
Textiles	18	2,536	2,769	9	1,922	1,800
Clothing, Millinery and Laundering ..	66	8,793	8,656	10*	517	500
Foods, Beverages and Tobacco ..	177	25,128	24,628	43	1,506	1,600
Water, Light and Power	5	7,585	7,775
Other Industries† ..	342	64,594	73,700
Miscellaneous	14	2,018	1,957	33	5,417	5,700

*Laundering only. †Includes the following industries: mechanical and conveyances; leather and rubber goods; chemicals, oils and paints; printing and paper goods. Figures in parentheses indicate percentage changes from February, 1927.

Non-ferrous metal (copper, silver, lead, and zinc) prices averaged lower during February than during January, 1928, or February, 1927. Lower zinc and lead quotations were responsible for most of the decline in the January-to-February comparison, copper and silver prices showing little or no change. As compared with February of last year, copper prices in February, 1928, were 9 per cent higher; silver prices were approximately one per cent lower; and lead and zinc prices were down 15 and 17 per cent, respectively.

After allowance for seasonal variation, daily average production figures increased for copper and lead and declined for silver during February as compared with January, 1928. Reports indicate that zinc production also declined during the month. As compared with a year ago, production of copper increased slightly, while production of lead, silver and zinc decreased.

Petroleum production in California during recent weeks has been at January levels and has continued smaller than a year ago. An agreement has recently been effected among the larger producing companies of the state looking toward a temporary curtailment of production of crude oil, which for some time past has been in heavy supply. Surface holdings of heavy and refinable crude oils in California increased slightly during February.

Flour mills of the district have been active during the winter months. The impressive January gain in production carried over into February, and output of flour in the later month was in record volume for this season of the year. From January to February, this bank's seasonally adjusted index of flour production rose from 107 to 131 (1923-1925 average=100). Flour moved into consumption

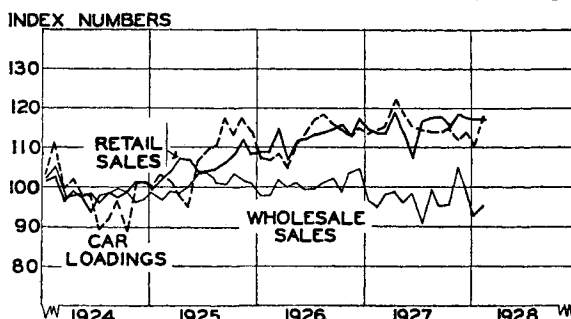
channels almost as rapidly as it was produced, so that there was little accumulation of stocks at mills. Average prices of representative grades of flour stood at about the same levels in February, 1928, as in February a year ago.

A striking increase in cement output in the district is reflected in a January-to-February rise in the cement production index from 95 to 146 (1923-1925 average=100).

Distribution and Trade

Seasonal quickening in distribution and trade of the district was noted during February, 1928.

Reported sales at wholesale increased by a greater than seasonal amount, while value of sales at retail (on a daily average basis) changed little during February. Discounting the effect of the additional trading day during February, 1928, volume of sales at retail was about 4 per cent above last year's high levels, while total monthly dollar value of wholesale trade was about 2 per cent larger than a year ago.



DISTRIBUTION AND TRADE—TWELFTH DISTRICT
Indexes adjusted for seasonal variation. 1923-1925 average=100. Daily average figures of department store sales and railway carloadings of merchandise freight. Monthly figures of sales at wholesale.

Daily average carloadings on railroads of the district also increased beyond the seasonal expectation and were above the figures of February, 1927. Larger loadings of forest products were chiefly responsible for the February increase.

Total sales of new automobiles in Arizona, California, Oregon and Washington, as evidenced by actual registrations of new cars and trucks, decreased from 17,628 in January to

(C) Bank Debits*—

	February, 1928	February, 1927	Two Months 1928	
			1928	1927
Bakersfield	\$ 13,333	\$ 12,176	\$ 28,164	\$ 26,695
Bellingham	8,702	8,331	18,252	18,143
Berkeley	19,652	19,181	43,535	41,325
Boise	12,075	11,012	27,489	25,896
Eugene	6,095	6,170	12,629	12,661
Everett	10,946	10,260	22,841	22,494
Fresno	31,274	35,545	65,053	76,718
Long Beach	51,152	43,949	102,855	91,953
Los Angeles	971,029	920,904	1,967,588	1,889,244
Oakland	212,069	211,006	462,518	424,195
Ogden	17,087	16,438	35,657	40,647
Pasadena	41,223	38,521	82,739	83,882
Phoenix	31,750	24,309	67,114	54,913
Portland	146,509	148,588	299,319	310,985
Reno	8,129	7,427	17,012	16,713
Ritzville	842	667	1,856	1,558
Sacramento	45,751	26,881	94,797	54,243
Salt Lake City	65,739	56,610	146,799	134,154
San Bernardino	9,307	8,818	19,811	18,582
San Diego	58,604	58,180	121,115	136,315
San Francisco	1,432,372	1,174,933	2,803,599	2,275,331
San Jose	24,298	22,709	54,039	52,273
Santa Barbara	13,046	11,838	27,424	26,588
Seattle	200,214	181,687	423,281	370,839
Spokane	48,095	46,024	102,287	106,901
Stockton	27,616	24,656	61,024	55,752
Tacoma	39,399	39,519	81,089	84,371
Yakima	10,897	10,826	23,677	23,302
District	\$3,557,205	\$3,177,165	\$7,213,563	\$6,476,673

*000 omitted.

(D) Distribution and Trade—

	1928		1927	
	Feb.	Jan.	Dec. Index Numbers*	Feb.
Carloadings, Total	115	107	111	110
Carloadings, Merchandise and Miscellaneous	118	110	114	114
Sales at Wholesale †	95	93	98	93
Sales at Retail	117	117	118	113
Stocks, Retail (end of month) ..	108	103	112	104
Stock Turnover, Retail ‡	0.22	0.22	0.42	0.20
Collections, Retail §	44.3	47.3	44.2	43.2
Regular	15.8	16.0	15.2	15.7
Installment				

*Adjusted for seasonal variation, 1923-1925 average=100. †Eleven lines combined. ‡Proportion of average stocks sold during month. (Multiply by 12 to get annual rate of turnover.) §Per cent of collections during month to amount outstanding at first of month.

15,476 in February, 1928 (a shorter month). There were 18,730 new cars and trucks registered during February, 1927.

Sales of 57 department stores during February, 1928, when reduced to a daily average basis, were larger than during February, 1927. Stocks on retailers' shelves were increased in anticipation of the usual spring and Easter demand and at the close of February, 1928, were larger than at the close of February, 1927. Stock turnover was more rapid during February, 1928, than during February a year ago, being at the rate of 2.6 times per year as compared with 2.4 times per year in 1927. Collections have held up well thus far in 1928, being slightly better during February of this year than during February, 1927.

	NET SALES*		STOCKS* Feb., 1928, compared with Feb., 1927
	Feb., 1928, compared with		
	Feb., 1927	Jan., 1928	
Department Stores...	6.8 (57)	— 5.7 (37)	1.5 (48)
Apparel Stores.....	3.6 (26)	— 0.4 (22)	3.7 (15)
Furniture Stores....	0.4 (42)	— 16.0 (35)	— 2.5 (30)
All Stores.....	5.7 (125)	— 3.9 (94)	1.2 (93)

*Percentage increase or decrease (—). Figures in parentheses indicate number of stores reporting.

Sales at wholesale increased in seven of the eleven reporting lines of trade during February, 1928, as compared with February, 1927. Stocks on hand were considerably smaller at the end of February this year than at the end of February last year, while collections showed improvement over those of a year ago.

Prices

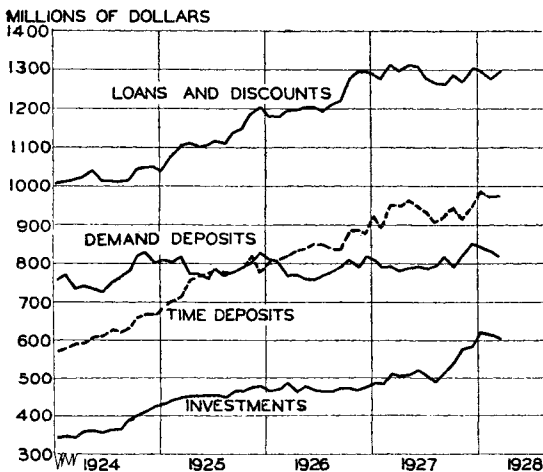
Stability in the general level of commodity prices, as indicated by indexes published by the United States Bureau of Labor Statistics and other agencies, persisted during February, 1928. The general wholesale price level has fluctuated little since last September.

Prices of some individual commodities and groups of commodities important in this district changed considerably, however, during February and early March. A general advance in prices paid for grains—wheat, corn, oats, barley, and rye—has been reported since the close of January. With quotations for cattle and hogs slightly lower, and those for sheep and lambs substantially higher, livestock prices during February may be said to have averaged approximately the same as during January. Cotton prices declined during January and the early days of February, but later recovered part of the loss. Continued advances in wool prices have been recorded by both the Fairchild and Dun averages of market quotations. February monthly average prices for non-ferrous metals were slightly lower than the January averages. Copper and silver prices at the close of February were equal to or higher

than prices paid a year ago, while lead and zinc prices were definitely lower than in February and March, 1927. Dried fruit prices at California shipping points have been firm, with few changes in quotations, during the past weeks. Canned fruits have been steady prices that have prevailed since late in 1919. Prices for oranges declined during January and early February, but since March 1st have covered to approximately the levels quoted the first of the year.

Banking and Credit

Only a moderate spring expansion in trade and industry in the Twelfth Federal Reserve District has been reflected in weekly condition statements of reporting member banks. Earning assets (total loans and investments) these banks have increased 27 million dollars from February 1st to March 14th, whereas the same period of 1927 they increased by million dollars.



MEMBER BANK CREDIT—TWELFTH DISTRICT
Figures for about 65 member banks in leading cities, as of mid-Wednesday of each month. Latest figures, March 14th.

A gradual shifting from commercial loans to investment holdings and loans secured by stocks, bonds, and similar collateral has been noted in condition statements of reporting member banks during the past year, a reflection of the apparent slackening in industrial activity.

REPORTING MEMBER BANKS*—Twelfth District (In millions of dollars)

	Average Condition During Month		
	March, 1928†	February, 1928	March, 1927
Total Loans and Investments.....	1,899	1,887	1,872
Total Loans.....	1,293	1,273	1,273
Commercial Loans.....	940	928	928
Loans on Securities.....	354	345	345
Investments.....	606	613	613
Net Demand Deposits.....	789	813	813
Time Deposits.....	974	966	966
Borrowings from Federal Reserve Bank.....	62	52	52

*Total resources of reporting banks are approximately 50 per cent of total resources of all banks and 70 per cent of resources of all member banks in the Twelfth Federal Reserve District. Reporting banks embrace member bank branches located only in Los Angeles, San Francisco, Portland, Tacoma, Seattle, Spokane, Salt Lake City, and Ogden. †Preliminary.

trade activity during that period. So-called commercial loans have not been so large in amount during recent weeks as a year ago.

The moderate seasonal increase in commercial and industrial demand for credit during the past six weeks has been accompanied by a slight decline in customers' demand deposits and concurrently there has been an increase in discounts at the Federal Reserve Bank.

Increased borrowing at the **Federal Reserve Bank of San Francisco** has been largely on behalf of city member banks. Country member banks' borrowings are small in amount and have fluctuated within relatively narrow limits during recent weeks. There was no change during the greater part of February and early March in this bank's portfolio of United States government securities, while holdings of ac-

ceptances (bills bought) increased slightly. The primary reserve ratio of the Federal Reserve Bank of San Francisco stood at 68.7 on March 14, 1928, compared with 72.8 on February 15, 1928, and 76.7 on March 16, 1927.

FEDERAL RESERVE BANK OF SAN FRANCISCO
(In millions of dollars)

	Average Condition During Month		
	March, 1928*	February, 1928	March, 1927
Total Bills and Securities.....	125	113	110
Bills Discounted	65	57	47
Bills Bought	27	23	24
United States Securities	33	34	38
Total Reserves	225	245	255
Total Deposits	180	188	177
Federal Reserve Notes in Circulation	151	152	171

*Preliminary.

Interest rates on the bulk of the prime commercial paper in Pacific Coast money centers ranged from 4½ to 6 per cent at mid-March, 1928, compared with 5 to 6 per cent a year ago.

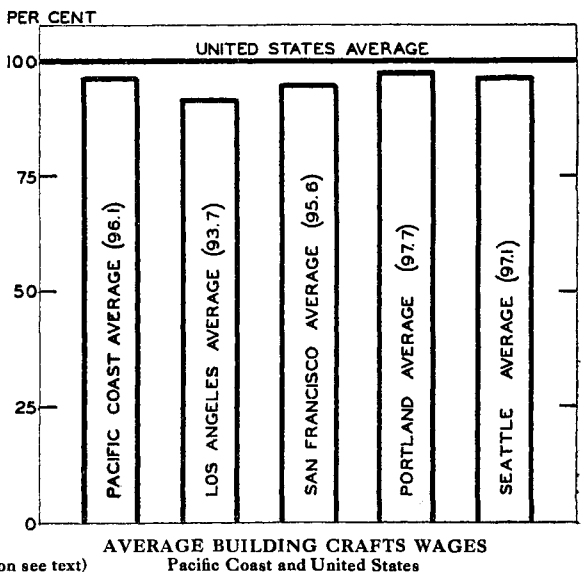
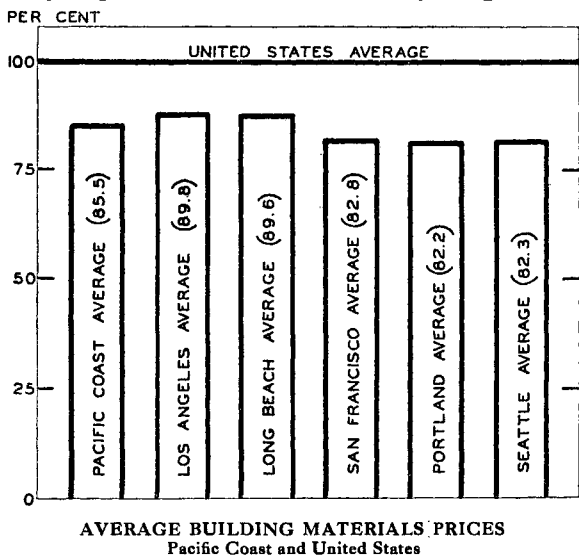
Comparative Building Materials Prices and Building Crafts Wages
Pacific Coast and United States

A study of building materials prices and building crafts wages, covering representative cities in the United States during 1927, provides the basis for the following conclusions:

1. Prices paid by contractors for building materials delivered on the job were, in general, lower in Pacific Coast cities than the average for the United States as a whole.
2. Building crafts wages paid in Pacific Coast cities generally were lower than the average for the United States as a whole.

These findings are set forth graphically in the accompanying charts. In the first chart, the bars for individual cities represent the sum of 1927 average prices of a comparable group of building materials, and in the second chart they represent the sum of hourly wage rates

of a comparable group of building crafts in May, 1927. The bars labeled Pacific Coast average represent an average of the totals of prices or wages, as the case may be, for all reporting Pacific Coast cities combined. Likewise, the sums of averages for all cities in the United States, included in this study, have been averaged to obtain the horizontal lines labeled United States average. The data from which the United States averages were computed are comparable with the data from which the Pacific Coast averages were computed. In the case of both prices and wages, the United States average (horizontal line in the charts) is taken as 100, and the bars show the percentage relationship which corresponding Pacific Coast figures bear to figures for the United States as a whole.



(For explanation see text)

Comparative Building Materials Prices and Building Crafts Wages

(Concluded)

These averages, for reasons some of which are set forth below, cannot be used as absolute indicators of relative building costs in one area as compared with another:

1. The averages of prices are composed of prices for building materials expressed in terms of dollars paid for different kinds of units and commodities (dollars per bunch of shingles, per foot of lumber, per gallon of linseed oil, per ton of steel, etc.)
2. The quantity of each commodity used in constructing a building varies, not only for different types of structures but also for the same type of structure when built in different localities.
3. The averages for building crafts wages are composed of hourly wage rates only, with no allowance for either the total amount of wages paid or the relative amounts paid at different rates for a given unit of finished construction work.

The study does provide some knowledge, however, of the relative position of building materials prices and building crafts wages on the Pacific Coast as compared with the United States.

Among reasons which may be advanced to explain the lower average of building materials prices and building crafts wage rates in Pa-

cific Coast cities than in the United States as a whole are the following:

1. Water transportation is available to all of the Pacific Coast cities included in this study.
2. These cities are all located relatively close to the timber supplies of the Pacific Northwest.
3. Weather conditions on the Pacific Coast are more favorable for all-year construction activity than in most other regions of the United States.
4. Building crafts wage rates are probably influenced by the relatively low cost of living in Pacific Coast cities, by the prospect of a minimum amount of unemployment during winter months, and by the constant yearly influx of workers desiring to live in Pacific Coast states.

The above findings are based upon data regularly published by the United States Bureau of Labor Standards and of Labor Statistics. There are presented below the names of cities, the building materials, and the crafts embraced by this study, together with tables showing those materials and crafts for which the average price or wage is higher or lower on the Pacific Coast than in the United States as a whole.

AVERAGE BUILDING MATERIALS PRICES

Higher on Pacific Coast than in United States for:	Lower on Pacific Coast than in United States for:	
Lime	Common brick	Crushed stone
Wire nails*	Portland cement	Window glass
Hollow tile	Douglas fir, No. 1	Reinforcement bars
Castiron soil pipe	Douglas fir, No. 2	White lead
Steel pipe*	Common boards	Zinc oxide
Structural steel	Red cedar shingles	Gypsum plaster
Tar paper, roofing*	Building sand	Linseed oil
Rosin sized sheathing*		

AVERAGE BUILDING CRAFTS WAGES

Higher on Pacific Coast than in United States for:	Lower on Pacific Coast than in United States for:	
Plasterers' laborers	Bricklayers	Painters
Granite cutters	Building laborers	Plasterers
	Carpenters	Plumbers
	Cement finishers	Sheet metal workers
	Hod carriers	Stone cutters
	Inside wiremen	Structural iron workers

LIST OF CITIES

Akron	Hartford	Poughkeepsie
Albany	Haverhill	Providence
Atlanta	Houston	Reading
Baltimore	Indianapolis	Richmond, Va.
Bay City	Jackson	Rochester
Birmingham	Jacksonville	Rockford
Boston	Kansas City, Mo.	Saginaw
Buffalo	Lansing	St. Louis
Canton	Little Rock	St. Paul
Charleston, S. C.	Long Beach	Salt Lake City
Chicago	Lorain	San Antonio
Cincinnati	Los Angeles	San Francisco
Cleveland	Louisville	Scranton
Columbia	Manchester	Seattle
Columbus	Memphis	Shreveport
Council Bluffs	Milwaukee	Sioux Falls
Dallas	Minneapolis	Springfield
Dayton	Newark, N. J.	Syracuse
Denver	New Bedford	Terre Haute
Detroit	New Haven	Toledo
Erie	New London	Trenton
Fairmont	New Orleans	Tucson
Fall River	New York	Washington
Flint	Omaha	Waterbury
Fort Wayne	Paterson	Waterloo
Grand Forks	Philadelphia	Yonkers
Harrisburg	Portland, Ore.	Youngstown

*Only slightly higher on Pacific Coast than in United States.

LIST OF

CRAFTS	COMMODITIES
Bricklayers	Common brick
Building laborers	Portland cement
Carpenters	Douglas fir, No. 1
Cement finishers	Douglas fir, No. 2
Granite cutters	Common boards
Hod carriers	Red cedar shingle
Inside wiremen	Lime
Painters	Building sand
Plasterers	Crushed stone
Plasterers' laborers	Wire nails
Plumbers	Window glass
Sheet metal workers	Hollow tile
Stone cutters	Castiron soil pipe
Structural iron workers	Steel pipe
	Reinforcement bars
	Structural steel
	White lead
	Zinc oxide
	Gypsum plaster
	Linseed oil
	Tar paper, roofing
	Rosin sized sheathing