

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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SUMMARY OF NATIONAL CONDITIONS

Prepared by the Federal Reserve Board

Industrial production declined further in October, and there was also a decrease in factory employment. Industrial activity continued at a higher level than a year ago, however, and distribution of commodities to the consumer was sustained. Bank credit outstanding increased rapidly in the latter part of October, when security prices declined abruptly and there was a large liquidation of broker's loans by non-banking lenders. In the first three weeks of November further liquidation of broker's loans was reflected in a reduction of security loans of member banks. Money rates declined throughout the period.

Production. Production in basic industries, which had declined for several months from the high level reached in mid-summer, showed a further reduction in October. The Board's index of industrial production declined from 121 in September to 117 in October, a level to be compared with 114 in October of last year.

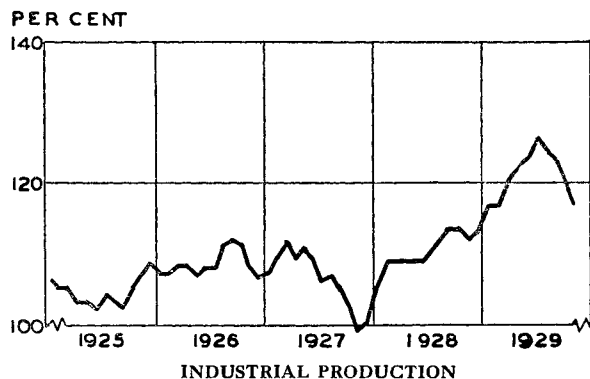
The decline in production reflected chiefly further decreases in output of steel and automobiles. Daily average output of shoes, leather, and flour also declined, while production of cotton and wool textiles increased. Preliminary reports for the first half of November indicate further reduction in output of steel and auto-

mobiles and a decrease in output of cotton textiles.

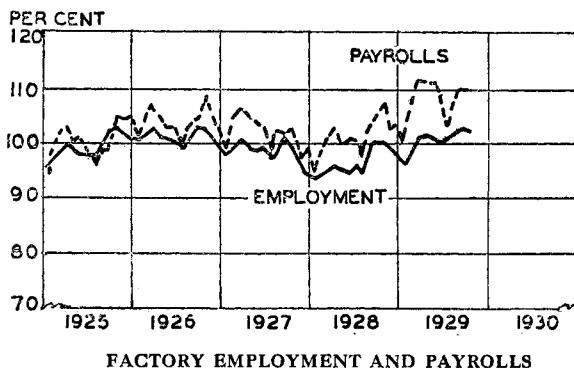
Total output of minerals showed little change during the month of October. Production of coal increased and copper output was somewhat larger, while daily output of crude petroleum declined slightly and was further curtailed in November. Volume of construction, as measured by building contracts awarded, changed little between September and October and declined in the early part of November.

Distribution. Shipments of freight by rail on an average daily basis decreased slightly in October and the first two weeks in November. Department store sales continued, as in other recent months, to be approximately 3 per cent larger than a year ago.

Wholesale Prices. The general level of wholesale prices showed little change during the first three weeks of October, but in the last week of the month a considerable decline in prices was recorded. The decline reflected chiefly price reductions of commodities with organized exchanges, which were influenced by the course of security prices. During the first three weeks of November prices for most of these commodities recovered from their lowest levels. Certain prices, particularly those of



Index number of production of manufactures and minerals, combined, adjusted for seasonal variations (1923-1925 average = 100). Latest figure, October, 117.



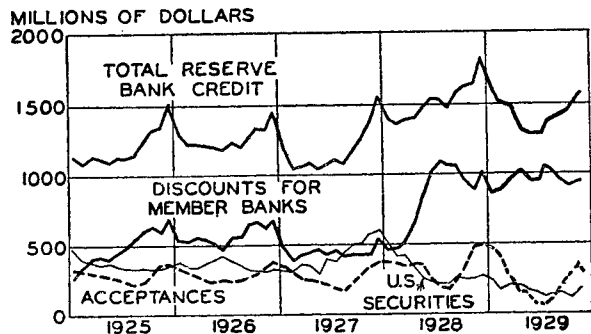
Index numbers of factory employment and payrolls, without adjustment for seasonal variations (1923-1925 average = 100). Latest figures, October, employment 102.1, payrolls 110.0.

petroleum, iron and steel, and coal, showed little change during the period.

Bank Credit. Following the growth of \$1,200,000,000 in security loans by New York City banks during the week ending October 30, when loans to brokers by out-of-town banks and non-banking lenders were withdrawn in even larger volume, there was a liquidation of these loans, accompanying the decline in

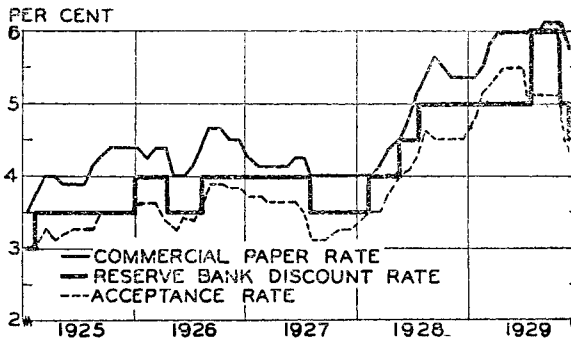
larger, while the banks' portfolio of acceptances had declined by \$100,000,000.

Money rates in New York declined rapidly during October and the first three weeks in November. Open market rates on prime commercial paper declined from 6¼ per cent on October 22, to 5½-5¾ per cent on November 20. During the same period rates on 90-day bankers' acceptances declined from 5½ per cent



RESERVE BANK CREDIT

Monthly averages of daily figures for 12 Federal Reserve Banks. Latest figures are averages of first 21 days in November.



MONEY RATES

Monthly rates in the open market in New York: commercial paper rate on 4- to 6-month paper and acceptance rate on 90-day bankers' acceptances. Latest figures are averages of first 20 days in November.

broker's loans during the first three weeks of November. All other loans of the banks increased and there was also a growth in their investments.

Reserve bank credit, after increasing by \$310,000,000 in the last week of October, declined by about \$120,000,000 in the following three weeks. On November 20, discounts for member banks were about \$100,000,000 larger than four weeks earlier, and holdings of United States securities were \$190,000,000

to 3¾ per cent. Rates on call loans were 6 per cent during most of this period, but declined to 5 per cent in the third week of November. Rates on time loans also declined. The discount rate of the Federal Reserve Bank of New York was lowered from 6 to 5 per cent, effective November 1, and to 4½ per cent, effective November 15, and the discount rates of the Federal Reserve Banks of Boston and Chicago were lowered from 5 to 4½ per cent effective November 21 and November 23.

TWELFTH FEDERAL RESERVE DISTRICT CONDITIONS

During October the decline in production and primary distribution in this District, reported in September, spread to other fields of business activity. Business generally was more active than a year ago, however. Commodity prices moved downward. A drastic decline in securities prices placed additional credit burdens upon member banks and more Federal reserve credit was called into use than has been needed since 1921.

Continued dry weather has affected agriculture unfavorably, retarding the sowing of winter wheat and causing further impairment of condition of livestock and livestock ranges. Scanty range forage has forced the premature marketing of some range stock during recent weeks. Both foreign and domestic buying of wheat have been in rather small volume this autumn and stored stocks are relatively large. Although yields of nearly all fruit crops have

been smaller than last year, aggregate financial returns to growers, due to higher prices, have been about equal to those of 1928. Despite recent unfavorable factors in the situation, it still appears probable that agricultural purchasing power has not been reduced as compared with a year ago.

Seasonal curtailment in employment of industrial workers was reported during October. For the month as a whole, there were smaller than seasonal increases in building and construction operations, flour milling, and non-ferrous metals mining. During the last week of October, sharp curtailment in output of many industries was reported although those industries supplying goods for the holiday trade were reported to be generally active.

After making allowance for the usual seasonal changes, nearly all lines of retail trade showed declines in value of sales during the

month. Daily average department store sales were smaller than in September and sales of new passenger automobiles and trucks decreased substantially. Sales at wholesale increased. Domestic shipments through the Panama Canal also increased, chiefly because of heavier eastbound shipments of refined petroleum products.

The general level of commodity prices declined during October. Included in the decline were prices of wheat, livestock, and wool, all important products of this District. Relatively satisfactory prices for fruits have helped maintain the purchasing power of a large section of the agricultural community. Early in November California crude oil prices which on October 21 had been reduced as much as 65 per cent in some fields, were restored to the levels in effect prior to the reduction.

Changes in both member bank and Reserve Bank statements during recent weeks have reflected largely demands for additional credit growing out of the needs of local and eastern security markets. The rapid downward movement of stock prices in late October and early November was accompanied, at member banks, by a substantial movement of funds to New York, a decrease in deposits, and an increase in loans. To help meet this situation, member banks increased their borrowings at the Reserve Bank by 38 million dollars. The amount of reserve bank credit in use at mid-November was larger than at any time since 1921, and the reserve ratio of the Federal Reserve Bank of San Francisco, at 57.9 on November 15, was at the lowest point reached since that year.

Agriculture

Absence of seasonal rainfall during recent weeks has become a serious factor in the agricultural outlook for the Twelfth District. Between July 1 and November 6 the total rainfall in the Pacific Coast states and in Nevada and Idaho was from two to five inches below normal. In Arizona and Utah rainfall has been more nearly normal and livestock ranges and crops have been and still are in relatively better condition in those states than elsewhere in the District. With the harvest of the various field and fruit crops of the District largely completed, it is estimated that aggregate production of crops this year will be somewhat less than in 1928. Excepting the wheat crop, satisfactory progress has been made in marketing the year's agricultural output.

Decreased foreign sales of **wheat** have resulted in reduced shipments of that grain from Puget Sound and Columbia River ports during the past month. A similar situation existing at Gulf and Atlantic Coast export centers has been

an important factor in the recent decline of wheat prices. Grain growers in the Pacific Northwest have not sown the usual acreage of winter wheat this autumn because of unsatisfactory soil conditions. Exports of **barley** from San Francisco during the 1929 shipping season up to November 1 have approximated shipments during similar periods in 1928 and 1927.

EXPORTS OF WHEAT AND BARLEY

	July 1—November 1		
	1929	1928	1927
Wheat (bushels)			
Puget Sound	1,277,246	2,559,341	4,610,287
Columbia River	9,750,239	11,026,033	22,703,843
Total	11,027,485	13,585,374	27,314,130
Barley (bushels)			
San Francisco	5,305,386	5,968,472	5,230,575

Source: Commercial Review—Portland.
San Francisco Chamber of Commerce.

Practically all of the 1929 California **grape** crop had been shipped to market by the middle of November. Up to the ninth of that month the movement of grapes from California for the current season was 20 per cent less than during the corresponding period in 1928. Shipments from northern and central California have been less than a year ago, while shipments from southern California, which produces a small proportion of the total crop, have approximated those of a year ago. Prices for grapes sold at Eastern auction markets this year have been higher than last year.

The market movement of this year's relatively small crop of **apples** from the Pacific Northwest, Utah, and California has been smaller in volume than a year ago. Shipments of 27,145 carloads from these states during the 1929 marketing season to November 17, may be compared with shipments of 38,748 carloads during the corresponding period of 1928.

APPLES—Carlot Shipments

	June 1—November 17		
	1929	1928	1927
California	2,657	5,238	3,065
Idaho	5,484	4,901	5,981
Oregon	1,392	4,443	2,163
Utah	151	525	386
Washington	17,461	23,641	16,647
Total	27,145	38,748	28,242
United States	65,364	87,463	61,149

Source: United States Department of Agriculture.

Early in November, it was estimated that the 1929-1930 Navel **orange** crop in California would approximate 10,542,000 boxes. At the same time the 1929 **lemon** crop was estimated at 5,025,000 boxes. Production of these crops in the preceding season was estimated to be 17,500,000 boxes, and 4,524,000 boxes, respectively. Shipments of Valencia oranges from California during June, July, August, September, and October, 1929, were 31,122 carloads, as compared with 14,948 carloads shipped during the same months of 1928.

On the whole, 1929 has been a profitable year for the **dairy** industry of the Twelfth District.

Butter prices at San Francisco during the first half of 1929 were higher than in 1928. Since July, however, prices have averaged about four per cent lower than during the corresponding period in 1928. The price of milk sold for fresh consumption in Pacific Coast cities during 1929 has followed a directly opposite course. During the first half of the year prices were lower than in 1928 but since July prices have moved upward to levels higher than a year ago. Pacific Coast storage stocks of butter and cheese as of November 1, 1929, were somewhat larger than on November 1, 1928, reflecting the heavier movement of these commodities into storage earlier this year and lighter withdrawals this autumn. Production of creamery butter in the four principal dairy states of the District is estimated to have been two per cent smaller during the first nine months of 1929 than during the similar period of 1928.

The poultry industry of the Twelfth District is centered in the Pacific Northwest and in California. Income is derived chiefly from sales of eggs, and prices of eggs, therefore, are important in measuring the condition of the industry. During the current year prices have held at levels higher than in either 1928 or 1927. The number of chickens on farms has increased somewhat during 1929 but remains less than in 1927. Receipts of eggs at Los Angeles and San Francisco during the current year have been larger in volume than a year ago, while shipments to eastern markets have declined. Storage holdings of eggs both in the United States and at Pacific Coast centers were less on November 1, 1929, than a year previous.

Continued absence of seasonal rains has resulted in a further decline in the condition of livestock and livestock ranges of the District, except in Arizona and Utah, where physical factors have been generally favorable during recent months. The shortage of range forage

in many areas has resulted not only in an increased use of supplementary feed supplies, but also in shipments to market of a greater than usual proportion of the District's herds. Prices paid for livestock at Pacific Coast markets declined slightly during October and early November, and at mid-November were generally lower than either one year or two years ago.

LIVESTOCK—MARKET RECEIPTS

	Twelfth District*		Mid-West†	
	1929	1928	1929	1928
Cattle				
October	84,369	97,122	1,105,772	1,063,565
Aug., Sept., Oct...	220,071	242,505	2,911,065	2,822,746
Sheep				
October	418,059	407,674	2,280,685	2,283,267
Aug., Sept., Oct...	1,395,387	1,368,316	5,433,721	5,290,578
Hogs				
October	184,490	178,076	1,824,382	1,937,360
Aug., Sept., Oct...	472,159	462,787	4,596,103	5,206,109

*Seattle, Spokane, Tacoma, Salt Lake City, Ogden, Portland, Los Angeles and San Francisco. †Chicago, Kansas City, Omaha, East St. Louis, St. Joseph, Sioux City, and St. Paul.

Receipts of livestock at the eight principal markets of this District have followed different trends during recent months than have receipts at seven markets in the mid-West. Mid-West market receipts of cattle and sheep have been larger than a year ago, while receipts of hogs have been smaller than last year. At the District's markets receipts of cattle have been less and receipts of sheep and hogs have been greater than a year ago.

Industry

Considering October as a whole, there was a slight increase in industrial activity but during the last ten days of the month sharp curtailment of output in the petroleum, lumber, copper mining and steel industries was in evidence. By the end of the month seasonal and non-seasonal curtailment of operations had released a sub-

(A) Industry—

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

Manufactures:	1929			1928
	Oct.	Sept.	Aug.	Oct.
Flour	109	120	132	107
Slaughter of Livestock	89	85	84	95
Lumber	103	102	110	111
Refined Mineral Oils*	215	204	215	162
Cement	102	93	100	105
Wool Consumption .....	..	91	90	88
Minerals:				
Petroleum (California)*	132	132	133	95
Copper (United States)†	123	124	119	128
Lead (United States)†	115	119	108	109
Silver (United States)†	92	80	91	81
General:				
Carloadings—Industrial	106	102	116	112
Value of Building Permits‡				
Twenty Larger Cities	60	64	63	70
Seventy Smaller Cities	82	88	97	87
Value of Engineering Contracts Awarded‡				
Total	111	115	131	121
Excluding Buildings	116	147	150	114

*Not adjusted for seasonal variation. †Prepared by Federal Reserve Board. ‡Indexes are for three months ending on the month indicated.

(B) Employment—

Industries	No. of Firms	California No. of Employees		No. of Firms	Oregon No. of Employees	
		Oct., 1929	Oct., 1928		Oct., 1929	Oct., 1928
All Industries	720	170,314 (4.4)	163,062	148	32,067 (3.2)	31,066
Stone, Clay and Glass Products ..	44	6,935 (0.8)	6,879	4	109 (-35.9)	170
Lumber and Wood Manufactures ..	110	22,705 (-8.3)	24,747	53	17,536 (4.3)	16,806
Textiles	15	2,292 (-1.8)	2,334	11	2,338 (20.0)	1,948
Clothing, Millinery and Laundering ..	57	8,337 (5.3)	7,919	9*	497 (1.6)	489
Food, Beverages and Tobacco ...	153	31,536 (1.2)	31,166	42	5,899 (-6.2)	6,290
Water, Light and Power	7	11,384 (15.8)	9,832	..	..	..
Other Industries† ..	321	84,261 (7.9)	78,084	..	..	..
Miscellaneous ...	13	2,864 (36.3)	2,101	29	5,688 (6.1)	5,363

*Laundering only. †Includes the following industries: metals, machinery and conveyances; leather and rubber goods; chemicals, oils and paints; printing and paper goods. Figures in parentheses indicate percentage changes from October, 1928.

stantial number of workers from the oil, mining, lumber, steel, fishing, and fruit and vegetable packing and canning industries. Some scarcity of cotton pickers was reported from southern California and Arizona, but on the whole the supply of agricultural labor was greater than the demand.

Production of crude petroleum in California remained at record levels until the last few days in October, but during the following two weeks a substantial reduction in output was recorded, chiefly at the heavy-producing Santa Fe Springs field. Oil storage facilities of the state were taxed to the utmost and record-breaking shipments of refined oils were made through the Panama Canal.

Lumber production increased more than seasonally during October but was substantially less than production a year ago. The slight increase as compared with September was the result of a relatively large output during the first two weeks of the month, which was followed by a sharp curtailment of operations. Contrary to the usual experience, shipments increased during October as compared with September, as a result of heavy shipments to the east coast of the United States through the Panama Canal and of increased exports to Australia. Shipments were still considerably smaller, however, than during October of last year. Available data indicate that stocks of lumber held on the Pacific Coast declined slightly during October. Orders fell off sharply, however, and the generally unfavorable relationship between supply and demand for lumber was little improved.

three months than during the quarter ending September 30, 1929, but this form of construction activity did not reach the low levels established during the autumn of 1928.

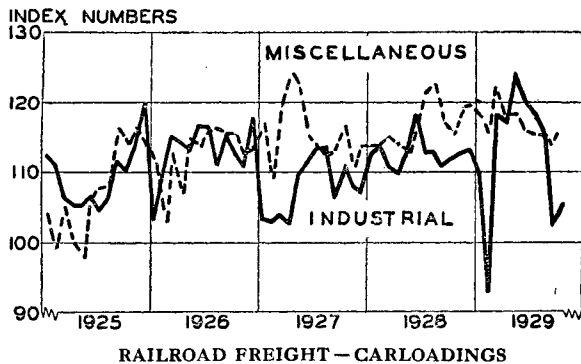
Mine development and improvement work continued active during October, but output of copper declined slightly and was smaller than in October, 1928. Output of silver was larger than in either September, 1929, or October, 1928. Demand for these metals was light.

Output of flour increased less than seasonally during October but was in slightly larger volume than a year ago. At the end of October, stocks of flour held by mills were larger than in previous years. The trend of flour prices was downward and statements from nearly all reporting mills indicate that both domestic and foreign sales were slow.

Preliminary reports indicate that the canned salmon pack in Alaska and the Pacific Northwest thus far has been smaller this year than in 1928.

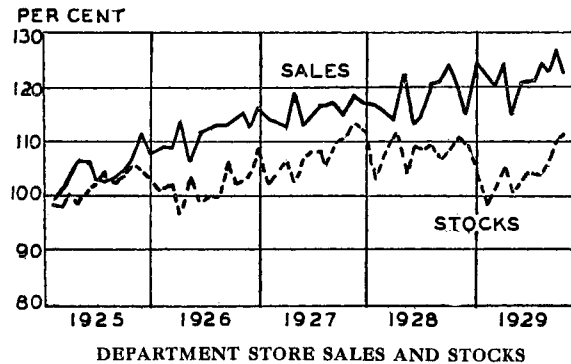
Trade

Activity in trade increased less than seasonally during October. Retail sales of department, apparel and furniture stores, as reported to this Bank, failed to expand by the usual seasonal amount and were slightly smaller in value than in October, 1928. Registrations of new automobiles declined substantially as compared with September, although they were larger in number than in October of last year. Sales at wholesale showed a marked increase as compared with September, 1929, and were about two per



Cars of revenue freight loaded in the Twelfth District as reported by the American Railway Association. Index numbers adjusted for seasonal variations, (1923-1925 daily average=100).

Commercial, industrial, and residential building activity increased during the three months ending October 31, 1929, but by a smaller than seasonal amount and permits issued declined in value by more than ten per cent as compared with the like period a year ago. General engineering and construction projects, exclusive of large buildings, were contracted for in considerably smaller volume during the past



Index numbers of daily average sales and of stocks at end of month of department stores in the Twelfth District, adjusted for seasonal variations (1923-1925=100).

cent larger than in October, 1928. Freight carloadings on railroads of the District increased as compared with last month but were fewer in number than a year ago. The movement of goods from the Pacific Coast through the Panama Canal to Atlantic and Gulf ports was in large volume. The foreign trade of the District was at a high level (during August), reflecting chiefly an unusually large volume of imports.

Aggregate retail sales of 70 department stores reporting to this Bank were the same as in October, 1928, but sales of reporting apparel and furniture stores declined by five and four per cent, respectively, over the year period. Sales of department stores in Arizona, Los Angeles, Oakland and Seattle showed increases as compared with October, 1928, with no change

	NET SALES*		STOCK*
	Oct., 1929	Jan. 1 to Oct. 31, 1929	
	compared with Oct., 1928	compared with Jan. 1 to Oct. 31, 1928	
Department Stores†	0.3 (70)	2.3 (65)	1.8 (53)
Apparel Stores	-5.0 (30)	1.4 (28)	2.3 (19)
Furniture Stores	-3.6 (46)	2.4 (42)	1.4 (30)
All Stores	-0.6 (146)	2.2 (135)	1.8 (102)

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

in sales reported by San Francisco stores. Substantial declines in sales were reported by stores in southern California cities outside of Los Angeles, central California cities outside of the San Francisco Bay region, Pacific Northwestern cities other than Seattle, and by stores in Utah and Idaho. Department store stocks at the end of October showed slightly more than the usual increase as compared with stocks held at the end of September.

Sales at wholesale of 253 firms in ten lines of trade increased by four per cent during October, 1929, as compared with September, 1929, and were two per cent larger than in October, 1928. Sales of agricultural implements, drugs and groceries showed the largest percentage increases over the year period. Dealers in hardware and automobile supplies reported slightly larger sales than last year, while sales of dry

(C) Distribution and Trade—

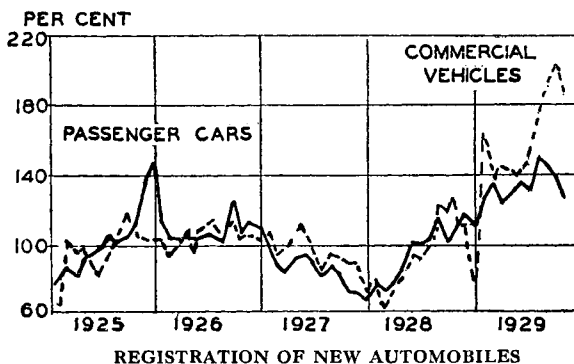
	1929			1928
	Oct.	Sept.	Aug.	
Foreign Trade°	Index Numbers*			Oct.
Total†	149	149	135	135
Imports†	125	125	111	111
Exports	162	162	148	148
Intercoastal Trade°				
Total	105	100	100	92
Westbound	147	150	150	139
Eastbound	93	87	86	81
Carloadings‡				
Total	109	107	117	111
Merchandise and Miscellaneous...	116	114	115	115
Wholesale Trade§				
Sales	115	100	109	113
Retail Trade				
Automobile Sales‡				
Total	134	145	149	113
Passenger Cars	128	139	145	112
Commercial Vehicles	190	204	191	126
Department Store				
Sales‡	124	127	123	120
Stocks‡	111	110	106	110
	Actual Figures			
Stock Turnover||	.27	.25	.27	.27
Collections#				
Regular	48.4	44.5	44.2	48.1
Installment	16.3	15.9	15.8	17.3

*Adjusted for seasonal variations, 1923-1925 average = 100. †Excluding raw silk. ‡Daily average. §Monthly totals of ten lines combined. ¶At end of month. ||Proportion of average stocks sold during month. #Per cent of collections during month to amount outstanding at first of month. °Indexes are for three months ending on month indicated.

goods, electrical supplies, furniture, shoes, and paper and stationery decreased over the year period.

Movement of goods through the Panama Canal in the District's intercoastal trade, was exceptionally heavy during October, chiefly because of large eastbound petroleum and lumber shipments. General cargo tonnage, eastbound, also increased somewhat and was larger than in October a year ago. Shipments from the Atlantic to the Pacific for the month were smaller than in September, 1929, or in October, 1928, but totals for the quarter ending October 31 were considerably larger this year than last.

Foreign trade was active during August, with imports showing an unusually large increase. Raw silk constitutes more than 50 per cent of the imports into the District, but it has been excluded from this Bank's index. Exclusive of silk, the chief imports into the District during August in the order of their relative value were green coffee, crude rubber, copper ores and blister copper, jute and burlap fabrics, newsprint, vegetable and wood oils, sea foods, and tea.



REGISTRATION OF NEW AUTOMOBILES
Indexes of daily average registrations of new passenger and commercial motor vehicles in the Twelfth District, adjusted for seasonal variations (1923-1925 daily average = 100).

Sales of new automobiles declined rather sharply during October, and this Bank's seasonally adjusted index moved downward to 134 from 145, the figure for September. The volume of sales remained well above that of last year, however.

Freight carloadings increased by more than the usual amount from September to October but were smaller in number than in October of last year. Fewer loadings of grain, livestock, and forest products contributed largely to this latter decrease while loadings of merchandise and miscellaneous freight were in about the same volume as in October, 1928.

Prices

Wholesale commodity prices declined during October and the first part of November, following similar movements in August and Septem-

ber. Average prices as indicated by most indexes are now at approximately the low levels which prevailed early in June. The wholesale commodity price index of the Bureau of Labor Statistics declined to 96.3 (1926 = 100) in October, the lowest figure for any month thus far in 1929. At that level the index was 1.2 per cent lower than in September and 1.5 per cent below the index for October, 1928. Prices of a large proportion of the commodities included in the index were reduced, although sharp declines were few in number.

Despite the relatively small 1929 world wheat crop, prices of that grain at both District and national markets have followed a downward trend during recent weeks, reaching a new low level for this season during the second week in November. Prices of other grains have experienced a similar decline. These declines were partly in sympathy with declines in security prices during the same period. Slight decreases in regional hay prices have accompanied reduced demand for that commodity in some parts of the District. Livestock quotations at Pacific Coast markets moved uniformly downward during October, as increased selling of stock was stimulated by unusually poor range conditions. Prices of both hides and wool were lower at the beginning of November than they were in September, and were below the levels of November, 1928.

Some important agricultural products of the District continue to sell at relatively high prices largely because of small crop yields this season. Nearly all of the deciduous fruits are in this category. Both apples and grapes, the principal deciduous fruits marketed during October and early November are currently quoted at prices higher than those which prevailed last year. Potato prices are at a higher level than a year ago, reflecting a substantial reduction in this year's production. Other factors, including efficient marketing, have been responsible for the high lemon prices and generally satisfactory orange prices obtained this year, for the crops were not small, the 1929 Valencia orange crop being of record size.

Non-ferrous metals markets have been dull for the past month and quotations for lead, zinc, silver, and tin have been reduced. Copper prices have remained unchanged, although sales of that metal, both for domestic and for foreign consumption, have recently been relatively small.

As a production control measure prices of California crude oil at certain fields were reduced more than 50 per cent on October 21. These prices were restored to their former levels early in November. Quotations for refined oils, especially gasoline and fuel oil, declined moderately during October.

(D) Bank Debits*—

	Oct., 1929	Oct., 1928	First ten months 1929 1928	
Arizona				
Phoenix	\$ 45,419	\$ 38,900	\$ 429,834	\$ 343,220
California				
Bakersfield	16,618	15,909	141,621	140,595
Berkeley	22,362	22,333	212,239	218,246
Fresno	37,845	45,274	326,840	351,308
Long Beach	63,069	61,175	633,019	550,612
Los Angeles	1,360,297	1,160,189	12,283,747	10,619,691
Oakland	245,004	257,782	2,382,399	2,461,251
Pasadena	42,621	39,068	410,166	402,736
Sacramento	56,191	55,004	518,222	500,551
San Bernardino	12,624	11,205	114,033	106,873
San Diego	64,795	61,273	645,296	623,771
San Francisco	1,859,568	1,464,231	14,232,276	15,228,367
San Jose	42,583	34,249	311,446	285,555
Santa Barbara	19,694	15,601	171,923	140,910
Stockton	31,470	29,528	287,687	292,501
Idaho				
Boise	19,644	19,601	154,954	153,643
Nevada				
Reno	14,496	11,311	129,144	99,493
Oregon				
Eugene	8,882	9,106	79,451	75,821
Portland	218,971	207,511	1,962,503†	1,790,173
Utah				
Ogden	25,711	24,612	193,786	186,770
Salt Lake City	94,588	87,405	821,825	748,593
Washington				
Bellingham	10,671	9,983	106,806	100,670
Everett	13,737	14,500	142,119	136,291
Ritzville	1,045	1,309	9,202	10,403
Seattle	329,448	277,784	2,757,856	2,466,042
Spokane	71,854	62,390	618,638	567,327
Tacoma	55,991	50,332	509,565	460,461
Yakima	22,093	19,964	149,057	138,885
Total	\$4,807,291	\$4,107,529	\$40,735,654†	\$39,200,759

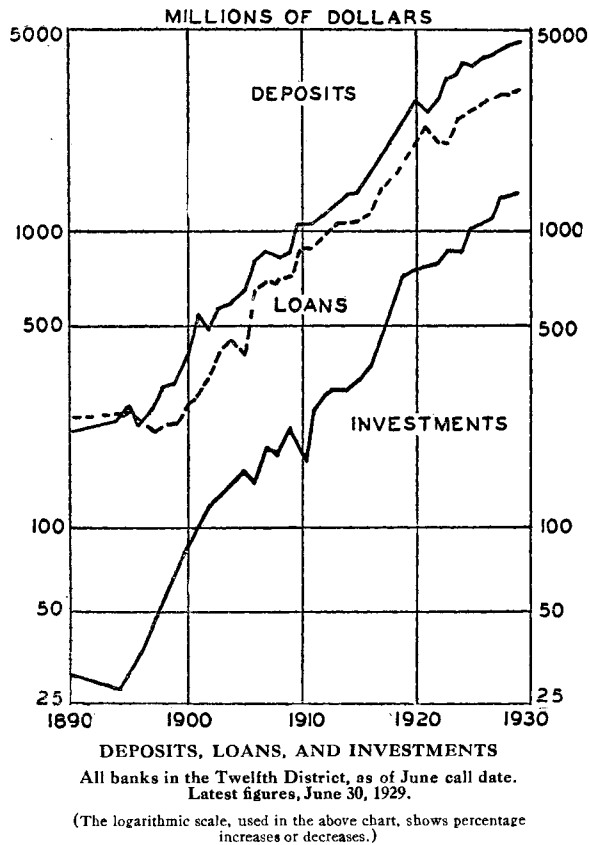
*In thousands of dollars. †To obtain a figure comparable with that for 1928, subtract \$66,400,000 for four banks not reporting prior to week ended May 2, 1928. ‡Revised.

Credit Situation

During the five weeks ended November 20, the volume of discounts at the Federal Reserve Bank of San Francisco advanced rapidly to the highest figure since 1921. Underlying this movement was an increase in member bank loans and a decrease in member bank deposits, which reflected expansion of local demand for credit based on securities and substantial transfers of funds to New York. Interest rates on loans to customers did not change during this period. Reductions in the Federal Reserve Bank of San Francisco's buying rates for acceptances were followed by moderate declines in this Bank's holdings of locally purchased bills.

Not since 1921 has the Federal Reserve Bank of San Francisco been called upon to furnish so large a volume of credit as during the past few weeks. On November 20 discounts were 116 million dollars and total bill and security holdings were 160 million dollars. Even larger amounts of Reserve Bank credit would probably have been called into use had not funds also been supplied to the money market through rather large purchases of new gold by the San Francisco Mint and through United States Treasury expenditures within the District which exceeded receipts by ten million dollars.

During and following the recent sharp decline in securities prices on practically all stock exchanges of the country, the Federal Reserve Bank of San Francisco was called upon for an additional 38 million dollars of credit. Member banks were thus enabled to meet the demands of customers for loans, the funds being used both in this District and for transfer in



large volume to New York City. Concurrently with the movement of funds out of the District, there was an unusually heavy non-seasonal flow of funds from Pacific Northwestern and Intermountain cities into the two important securities markets of this region, San Francisco and Los Angeles. During the period the District's gold supply suffered a net loss amounting to more than 61 million dollars, and this Bank's ratio of primary reserves to deposit and note liabilities declined to 57.9 per cent, the lowest figure since 1921.

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

	Condition			
	Nov. 20, 1929	Nov. 13, 1929	Oct. 16, 1929	Nov. 21, 1928
Total Bills and Securities.....	160	158	127	129
Bills Discounted	116	112	78	66
Bills Bought	32	35	37	45
United States Securities.....	12	12	12	17
Total Reserves	227	235	260	250
Total Deposits	187	191	191	194
Federal Reserve Notes in Circulation	183	184	177	165

Since the close of October the Federal Reserve Bank of San Francisco has reduced its buying rate for bankers' acceptances on three occasions. Its holdings of locally purchased bills have declined since October 23. Comparative rates are:

Maturities	Effective Nov. 19, 1929	Effective Nov. 5, 1929	Effective Oct. 29, 1929	Effective Aug. 13, 1929
	1-120 days	4¾	4¾	5	5½
121-180 days	4½	5	5½	5½
Purchases upon agreement of seller to repurchase..	4¾	4¾	5	5¾

During late October and early November member banks were called upon to transfer large amounts of funds to New York, largely as a result of prevailing conditions in security markets. This occasioned withdrawals of deposits, totaling 55 million dollars, and the granting of additional loans, which reached a maximum of 25 million dollars above the total on October 16, so that the banks were forced to increase their indebtedness at the Federal Reserve Bank. Both the expansion of credit and the contraction of deposits were contrary to the seasonal experience of past years, when no marked changes in either loans or deposits have been observed during late October and early November. Necessarily, the ratio of member banks' total deposits to total loans declined during this period of heavy credit demand, touching 122 on November 6. This ratio has been declining steadily since July, 1929, when it stood at 134. Little disturbance of interest rates has accompanied these sharp movements of banking funds, although a slight increase in rates for time loans on securities has been reported, a movement contrary to trends in New York City.

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

	Condition			
	Nov. 20, 1929	Nov. 13, 1929	Oct. 16, 1929	Nov. 21, 1928
Total Loans and Investments...	1,954	1,970	1,968	1,900
Total Loans	1,402	1,416	1,391	1,288
Commercial Loans	976	981	944	892
Loans on Securities	426	435	447	396
Investments	552	554	577	612
Net Demand Deposits	785	816	790	811
Time Deposits	924	929	965	941
Borrowings from Federal Re- serve Banks	108	106	73	61
Due from Banks	157	160	164	144
Due to Banks	186	195	198	208

Deposits, loans, and investments of all banks in the Twelfth Federal Reserve District increased only slightly during the year ended June 30, 1929. The peak was reached at the close of 1928, since when there has been a steady decline. This decline was contrary to the tendency noted in most years since 1921. The accompanying chart shows these items of condition as of June 30, 1890, and as of June 30, 1894 to 1929.