# MONTHLY REVIEW

OF

## BUSINESS CONDITIONS

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

**Vol. IX** | **San Francisco, California, November 20, 1925** | **No. 11**

## SUMMARY OF NATIONAL CONDITIONS

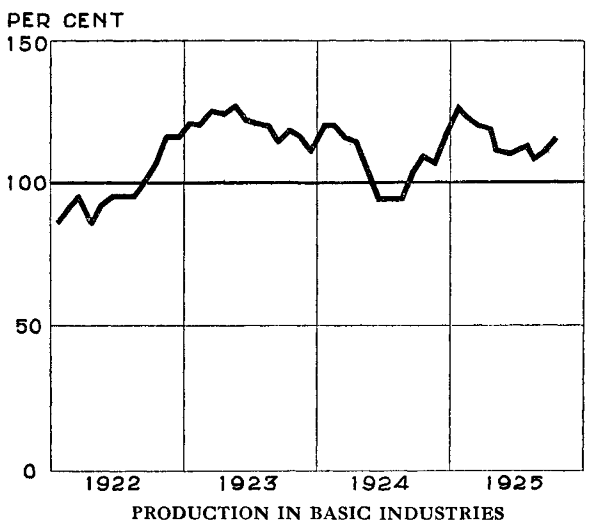
Industrial activity and the volume of wholesale and retail trade increased in October. Wholesale prices declined somewhat to the level prevailing at mid-year.

**Production.** The Federal Reserve Board's index of production of basic industries, which makes allowance for seasonal changes, rose by about 4 per cent in October, reflecting increases in the output of most of the 22 commodities included in the index. Particularly large increases in activity were shown for the iron and steel and textile industries, and the output of bituminous coal and of lumber was in large volume. Production of automobiles in October was the largest on record.

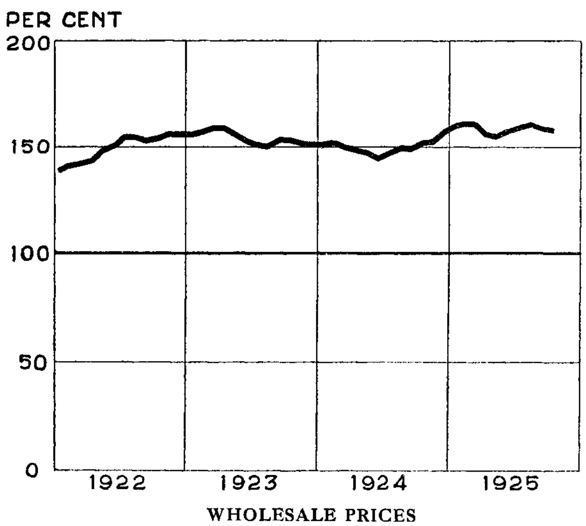
Payrolls at factories, including industries not covered by the production index, increased in October to the highest level since early 1924. The value of building contracts awarded declined further in October, contrary to the usual seasonal tendency in building activity between September and October, but the total was considerably larger than in the corresponding month of any other year.

Estimates by the Department of Agriculture in November indicate a corn crop of 3,013,000,000 bushels and a cotton crop of 15,298,000 bales, compared with 2,437,000,000 bushels and 13,628,000 bales in 1924. Marketing of crops was seasonally larger in October than in September, but averaged nearly ten per cent less than a year ago.

**Trade.** Wholesale trade, according to the Federal Reserve Board's combined index of sales in six leading lines, reached a seasonal peak in October and was in larger volume than for any month of the past five years. Sales at department stores and mail order houses, owing partly to favorable weather conditions, showed considerably more than the usual increase in October and were the largest on record for that month. Stocks of dry goods, shoes, and hardware at wholesale firms were smaller at the end of October than on September 30th,



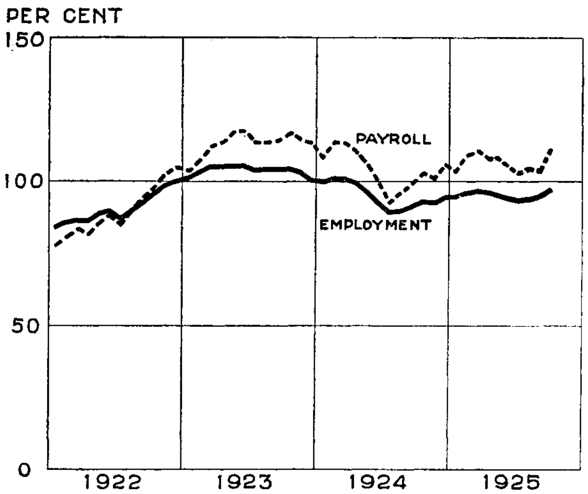

**PRODUCTION IN BASIC INDUSTRIES**
Index of 22 basic commodities corrected for seasonal variation (1919=100). Latest figure, October, 116.




**WHOLESALE PRICES**
Index of U. S. Bureau of Labor Statistics (1913=100, base adopted by Bureau). Latest figure, October, 158.

but stocks of groceries were larger. Merchandise stocks at department stores showed slightly more than the usual increase in October and were somewhat larger than at the end of October a year ago.

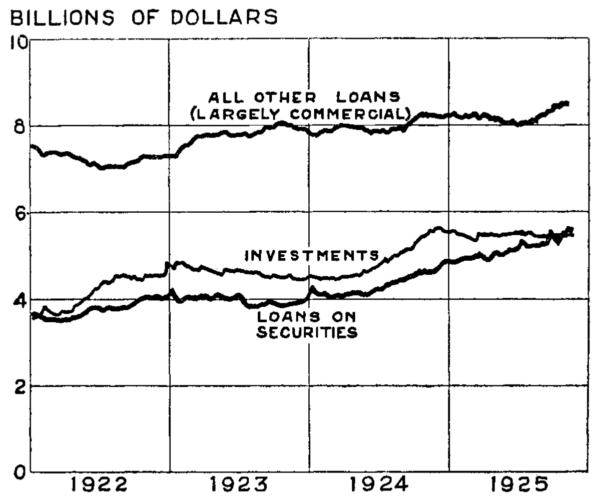
Freight car loadings reached a seasonal peak in October and totaled more than in any previous month, notwithstanding reduced shipments of anthracite and of grains and grain products.




**FACTORY EMPLOYMENT AND PAYROLLS**
**Indexes for 45 manufacturing industries (1919 = 100). Latest figures, October, employment, 97; payrolls, 111.**

**Prices.** The Bureau of Labor Statistics' index of wholesale prices, after remaining relatively constant for three months, declined from 160 in September to 158 in October, reflecting declines in the prices of agricultural products, particularly grains, livestock, meats, cotton, and sugar. Since November 1st, prices of grains, wool, sugar, pig iron, and rubber have increased.

**Bank Credit.** Between the middle of October and the middle of November, loans for commercial and industrial purposes at member banks in leading cities continued in a volume about $450,000,000 larger than at mid-summer. Loans on securities increased further and total loans on November 11th were about $1,000,000,000 larger than at the opening of the present year. Demand deposits increased further during October and early November to a level near the high point of last January. At the reserve banks, total bills and securities were in the largest volume for the year in November and about $200,000,000 larger than a year ago. Member bank borrowings declined somewhat from the high point reached early in October,




**MEMBER BANK CREDIT**
**Weekly figures for member banks in 101 leading cities. Latest figures, November 11.**

while acceptance holdings continued to increase and on November 18th were larger than at any previous time this year. The growth in reserve bank credit since mid-summer was chiefly in response to the seasonal increase of money in circulation, which on November 1st was about $180,000,000 larger than on August 1st.

During the latter part of October and early part of November, open market rates for commercial paper and bankers' acceptances remained virtually unchanged at levels reached during the early autumn. Discount rates at the Federal Reserve Banks of Boston, Cleveland, Philadelphia, and San Francisco were advanced from 3½ to 4 per cent during November.

## TWELFTH FEDERAL RESERVE DISTRICT CONDITIONS

***Statistical Summary—***

| | Oct., 1925 | Sept., 1925 | Oct., 1924 | Sept., 1924 | Oct., 1925# compared with Oct., 1924 | Sept., 1925 |
|---|---|---|---|---|---|---|
| Bank Debits—Index Numbers†—20 cities...... | 148 | 143 | 128 | 123 | 15.6 | 3.5 |
| Building Permits—20 cities.................. | $32,335,188 | $31,826,926 | $31,652,458 | $33,823,235 | 2.2 | 1.6 |
| Retail Sales—32 Stores—Index Numbers†...... | 158 | 153 | 147 | 143 | 7.5 | 3.3 |
| Lumber Production—4 associations—board feet* | 726,098 | 687,592 | 703,507 | 661,393 | 3.2 | 5.6 |
| Flour Production—16 companies—barrels...... | 512,120 | 475,456 | 510,214 | 468,689 | 0.4 | 7.7 |
| Reporting Member Bank Loans and Discounts‖* | $1,186,316 | $1,150,086 | $1,049,592 | $1,022,020 | 13.0 | 3.2 |
| Reporting Member Bank Deposits‖*........... | $1,618,829 | $1,586,821 | $1,512,941 | $1,447,102 | 7.0 | 2.0 |
| Federal Reserve Bank Discounts¶*............ | $50,308 | $49,868 | $6,652 | $13,181 | 656.3 | 0.9 |

*In thousands. †Adjusted for seasonal variation—1919 monthly average=100. ‖November 10, October 7, 1925, and November 12, and October 8, 1924. ¶November 18, October 14, 1925, and November 19, and October 15, 1924. #Percentage increase or decrease (—). °Revised.

## Agricultural Activities

Weather conditions have been favorable to agriculture over the larger part of the district throughout the harvesting season which is now drawing to a close. Preliminary estimates of 1925 crop production are in most cases larger than final estimates for 1924, and indicate a total agricultural output approximately equal to, or slightly greater than, the five-year (1919-1923) average. Figures for certain important crops follow:

**PRODUCTION—GRAIN, FIELD AND ORCHARD CROPS**

| Twelfth District | Preliminary Estimate* Nov. 1, 1925 | Final Estimate* 1924 | 5-Year Average* 1919-1923 | Nov. 1, 1925 Percentage changes from Forecast Oct. 1, 1925 | Final Estimate 1924 | 5-Year Average 1919-1923 |
|---|---|---|---|---|---|---|
| Wheat (bu.) | 103,995 | 70,874 | 113,736 | 0.0 | +46.7 | — 8.6 |
| Barley (bu.) | 47,930 | 19,270 | 39,395 | 0.0 | +148.7 | +21.7 |
| Rice (bu.) | 6,026 | 4,497 | 7,363 | 0.0 | +34.0 | —18.2 |
| Beans (bu.)† | 5,642 | 3,630 | 5,147 | +15.6 | +55.4 | + 9.6 |
| Cotton (bales)‡ | 224 | 186 | 123 | + 7.7 | +20.4 | +82.1 |
| Potatoes (bu.) | 35,442 | 31,508 | 35,760 | + 1.4 | +12.5 | — 0.9 |
| Sugar Beets (tons)§ | 1,901 | 1,620 | 2,144 | + 2.6 | +17.3 | —11.3 |
| Hops (lbs.) | 28,386 | 25,333 | 26,733 | 0.0 | +12.1 | + 6.2 |
| Hay (tons) | 16,790 | 13,309 | 15,214 | — 0.5 | +26.2 | +10.4 |
| Apples (boxes)‖ | 37,161 | 32,184 | 35,481 | — 0.3 | +15.5 | + 4.7 |
| Pears (bu.) | 10,027 | 8,367 | 7,690 | + 5.1 | +19.8 | +30.4 |
| Raisins (tons)¶ | 200 | 180 | 206 | 0.0 | +11.1 | — 2.9 |
| Oranges (boxes)¶ | 19,200° | 24,100 | 19,025 | 0.0 | —20.3 | + 0.9 |

*000 omitted. †Arizona, California, and Idaho. ‡Arizona and California. §California, Idaho, and Utah. ‖Figures are for commercial crop. ¶California. °Crop for year beginning November 1. 1925, and ending October 30, 1926, estimated at 22,200,000 boxes.

Late maturing crops generally have escaped damage from rain and cold weather, although low temperatures during October and early November caused some loss of **grapes** in California and **potatoes** in Idaho. Output of these crops compares favorably with the average of recent years, however, and market demand for them has been active.

According to the figures in the accompanying table, 12.5 per cent more potatoes were produced in this district in 1925 than in 1924, this year's production being but slightly less than the five-year average. Carlot shipments of potatoes from the states of the district during the current shipping season to November 7, 1925, exceeded shipments during the same period in 1924 by 18.2 per cent. The 1925 potato crop of the United States is estimated to be 23.8 per cent smaller than the 1924 crop and 10.8 per cent smaller than the average crop for the five years 1919-1923. Total shipments of potatoes in the United States, to November 7th of the present season, were 5.6 per cent less than in the same period one year ago.

**PRODUCTION AND SHIPMENTS—POTATOES AND GRAPES**

| | Production* 1925‡ | 1924 | 5-Year Average§ | Carlot Shipments To November 7, 1925 (cars) | 1924 (cars) | Total 1924 (cars) |
|---|---|---|---|---|---|---|
| Potatoes: | | | | | | |
| California | 7,248 | 7,750 | 9,225 | 4,111 | 4,212 | 6,588 |
| Idaho | 12,920 | 10,725 | 10,471 | 5,101 | 4,250 | 11,942 |
| Washington | 7,344 | 6,615 | 8,000 | 3,512 | 2,432 | 6,692 |
| Other† | 7,930 | 6,418 | 8,064 | 1,619 | 1,244 | 2,103 |
| Twelfth District | 35,442 | 31,508 | 35,760 | 14,343 | 12,138 | 27,325 |
| United States | 346,503 | 454,784 | 388,497 | 122,001 | 129,221 | 252,620 |
| Grapes: | | | | | | |
| California | 1,989 | 1,550 | ... | 69,589 | 55,424 | 57,318 |
| Raisin | 1,200 | 900 | ... | ... | ... | ... |
| Table | 404 | 300 | 270 | ... | ... | ... |
| Wine | 385 | 350 | 393 | ... | ... | ... |

*000 omitted. Potatoes given in bushels. Grapes given in tons. †Nevada, Oregon, and Utah. ‡Preliminary estimate November 1, 1925. §1919-1923.
Source: United States Department of Agriculture.

A survey of the **livestock industry** in the Twelfth District indicates that condition of ranges, excepting small areas in Washington, is excellent, that supplies of hay for winter feeding are plentiful and obtainable at prices which permit of their profitable use, and that livestock generally are entering the winter months in satisfactory condition. Favorable physical conditions during the past season and generally satisfactory financial returns during the past two years have encouraged some expansion in the **sheep raising** branch of the livestock industry since 1923. Physical conditions have also favored **cattle raising** during the past two years, but it is only within the past eight months that a strengthening demand for beef has been noted, and improvement in the cattle industry has but recently become apparent. Liquidation of financially weak concerns has continued in slight degree, and, in some parts of the district, a tendency to shift from cattle to sheep raising has persisted through 1925. Two important factors in the present livestock situation as referring to cattle in this district are: 1. The continued upward trend of cattle prices during the greater part of 1925; 2. A re-

### (*A*) *Agricultural Marketing Activity*—

| Monthly | Exports: Wheat* Portland and Puget Sound (1000 bu.) | Barley* San Francisco (1000 bu.) | Carlot Shipments: Apples* 12th Dist. (cars) | Oranges† Calif. (cars) | Lemons† Calif. (cars) | Livestock Receipts at Eight Markets in 12th District: Cattle and Calves | Hogs | Sheep | Cold Storage Holdings§ 12th District: Butter (1000 lbs.) | Eggs (1000 cases) |
|---|---|---|---|---|---|---|---|---|---|---|
| October, 1925 | 1,382 | 1,000 | 16,056 | 827 | 724 | 144,353 | 162,175 | 440,452 | 3,064 | 334 |
| September, 1925 | 3,864¶ | 1,999 | 8,603 | 1,860 | 700 | 120,880 | 136,796 | 411,260 | 3,910 | 464 |
| October—5-year average (1919-1923) | 3,952 | 1,499 | 15,092‡ | 1,921 | 578 | 126,541° | 151,569° | 383,888° | 3,001 | 285‖ |
| **Cumulative** | Crop Year | | | | | Calendar Year | | | | |
| To October 31, 1925 | 5,737 (5.5) | 7,540 (16.0) | 25,593 (44.5) | 37,341 (90.2) | 11,761 (100.0) | 1,069,365 | 1,823,445 | 2,815,650 | | |
| To October 31, 1924 | 9,251 (13.1) | 5,403 (28.0) | 20,907 (45.5) | 47,559 (91.2) | 13,085 (94.0) | 1,047,467 | 2,151,939 | 2,787,329 | | |
| Five-year average to October 31 (1919-1923) | 11,034 (9.7) | 6,978 (17.7) | 22,448 (41.2) | 42,262 (95.8) | 10,522 (96.4) | 928,335° | 1,595,235° | 2,676,061° | | |

Figures in parentheses indicate percentage of new crop only. *Season begins July 1st. †Season begins November 1st. ‡Four-year average (1922-1925). §At end of month. ‖Four-year average. °1921-1925. ¶Revised.

ported decline, of considerable amount, in the volume of forced sales during the past year as compared with recent previous years.

## Industrial Activity

Moderate expansion of industrial activity in this district has been reported during the past month. Available data for many important industries show a larger volume of production during October, 1925, than during September, 1925, or October, 1924. The number of persons gainfully employed declined slightly during the month, reflecting chiefly seasonal decreases in demand for workers in the fruit canning and packing, fishing, and agricultural industries. There was less unemployment, however, during October, 1925, than during October, 1924. Figures of **employment** in California and Oregon are shown in Table "B."

The value of **building** permits issued in 20 cities of the district was 1.6 per cent greater during October, 1925, than during September, 1925. The normal seasonal increase from September to October is estimated to be 2.0 per cent. Figures of the value of permits issued were 2.2 per cent larger in October, 1925, than in October, 1924, but 19.2 per cent smaller than in October, 1923. The cumulative value of building permits issued in the 20 cities selected for tabulation during the first ten months of 1925 ($356,639,033) was 7.4 per cent and 1.1 per cent greater than in the same periods of 1924 and 1923. Figures for the ten-month period of 1923 ($352,678,431) have not previously been exceeded.

Trends of activity in the building industry in this district, as shown by monthly and cumulative year-to-date comparisons of building permit figures for 20 cities, are indicated in the following table:

**BUILDING PERMITS IN 20 CITIES**

Per Cent Increase or Decrease (—)

| | Months in 1925 compared with same Months in 1924: Monthly No. | Monthly Value | Year-to-date No. | Year-to-date Value | Month in 1925 compared with preceding Month: No. | Value |
|---|---|---|---|---|---|---|
| October .. | 0.9 | 2.2 | —2.6 | 7.4 | 1.9 | 1.6 |
| September. | —5.2 | — 5.9 | —3.0 | 7.9 | 5.3 | —10.3 |
| August ... | —1.0 | 3.3 | —2.7 | 9.7 | 8.1 | 7.0 |
| July ..... | 2.6 | 7.5 | —3.0 | 10.6 | —2.0 | —15.1 |
| June ..... | 8.4 | 38.6 | —3.8 | 11.1 | —2.2 | 0.6 |

The United States Bureau of Labor Statistics' index number of building material prices stood at 174 during October and September, 1925, compared with 171 for October, 1924. The Aberthaw index of the total cost of labor and material employed in the construction of a reinforced concrete factory building has remained unchanged at 194 (1914 average=100) since June 1, 1925. On November 1, 1924, it was 195.

**Lumber** production, as reported by four associations whose members operate in this district, exceeded shipments and new orders received by 6.6 per cent and 16.4 per cent, respectively, during October. The cut of lumber was 5.6 per cent larger than during September. New orders received by the mills during October were smaller in volume than shipments, which in turn were less than production, so that the volume of unfilled orders on the books of the mills declined and stocks of lumber held by them increased.

**LUMBER ACTIVITY***

| | Oct., 1925 (board feet) | Sept., 1925 (board feet) | Oct., 1924 (board feet) | First Ten Months 1925 (board feet) | First Ten Months 1924 (board feet) |
|---|---|---|---|---|---|
| Production .... | 726,098 | 687,592 | 703,507 | 6,640,860 | 6,337,192 |
| Shipments .... | 681,411 | 660,775 | 633,453 | 6,610,707 | 6,168,318 |
| Orders ....... | 623,986 | 625,314 | 585,904 | 6,497,504 | 5,982,973 |
| Unfilled Orders | 363,582 | 429,749 | 363,570 | ... | ... |
| No. of Mills Reporting .. | 167 | 167 | 189 | 193† | 177† |

*As reported by four associations, 000 omitted except in case of number of mills reporting. †Average of first ten months.

Daily average production of **petroleum** in California declined 3.5 per cent during October, 1925, but was 7.1 per cent greater than in Oc-

### (B) *Employment*—

| Industries | California No. of Firms | California No. of Employees Oct., 1925 | California No. of Employees Sept., 1925 | Oregon No. of Firms | Oregon No. of Employees Oct., 1925 | Oregon No. of Employees Sept., 1925 |
|---|---|---|---|---|---|---|
| **All Industries** ..... | **704** | **158,812 (—5.3)** | **167,743** | **108** | **19,828 (—2.6)** | **20,355** |
| Stone, Clay and Glass Products. | 46 | 8,221 (—1.9) | 8,380 | 6 | 284 (0.4) | 283 |
| Lumber and Wood Manufactures .. | 116 | 29,525 (1.4) | 29,113 | 47 | 15,768 (—2.0) | 16,084 |
| Textiles ......... | 13 | 2,433 (4.6) | 2,326 | 4 | 836 (2.2) | 818 |
| Clothing, Millinery and Laundering. | 64 | 7,642 (0.0) | 7,641 | 6 | 234 (—4.9) | 246 |
| Food, Beverages and Tobacco... | 156 | 32,778 (—22.3) | 42,192 | 35 | 2,133 (—9.7) | 2,362 |
| Water, Light and Power .... | 5 | 9,372 (—6.8) | 10,060 | .. | ... | ... |
| Other Industries*. | 296 | 68,057 (1.1) | 67,288 | .. | ... | ... |
| Miscellaneous .... | 8 | 784 (5.5) | 743 | 10 | 573 (2.0) | 562 |

*Includes the following industries: metals, machinery and conveyances; leather and rubber goods; chemicals, oils and paints; printing and paper goods.

Figures in parentheses represent percentage changes from September.

### (C) *Building Permits*—

| | October, 1925 No. | October, 1925 Value | October, 1924 No. | October, 1924 Value |
|---|---|---|---|---|
| Berkeley .......... | 399 | $ 780,205 | 353 | $ 660,985 |
| Boise ............ | 86 | 308,997 | 91 | 84,997 |
| Fresno ........... | 127 | 95,683 | 151 | 181,355 |
| Long Beach ...... | 421 | 1,286,320 | 483 | 986,275 |
| Los Angeles ...... | 3,882 | 11,655,786 | 4,312 | 11,057,277 |
| Oakland .......... | 1,294 | 3,311,192 | 1,210 | 2,619,703 |
| Ogden ............ | 32 | 101,500 | 35 | 163,800 |
| Pasadena ......... | 256 | 779,535 | 333 | 1,551,667 |
| Phoenix .......... | 151 | 309,767 | 84 | 144,729 |
| Portland ......... | 1,441 | 2,295,800 | 1,457 | 2,429,195 |
| Reno ............. | 23 | 271,049 | 24 | 42,700 |
| Sacramento ....... | 333 | 685,225 | 321 | 914,829 |
| Salt Lake City..... | 137 | 935,592 | 141 | 451,041 |
| San Diego ........ | 786 | 1,227,548 | 626 | 1,004,649 |
| San Francisco ..... | 1,057 | 4,351,249 | 818 | 6,116,313 |
| San Jose ......... | 132 | 446,220 | 112 | 183,950 |
| Seattle .......... | 1,094 | 2,053,100 | 943 | 2,022,350 |
| Spokane .......... | 236 | 284,220 | 240 | 259,873 |
| Stockton .......... | 124 | 233,325 | 129 | 269,125 |
| Tacoma .......... | 297 | 922,875 | 330 | 507,645 |
| District ......... | 12,308 | $32,335,188 | 12,193 | $31,652,458 |

tober, 1924. Indicated consumption of petroleum increased by 10.6 per cent during the month but was less than production, and stored stocks of petroleum were again at new high levels on November 1, 1925. Figures follow:

PETROLEUM—California

| | Average Daily Production (barrels) | Indicated Average Daily Consumption (Shipments) (barrels) | Stored Stocks at End of Month (barrels) | New Wells — Number Opened | New Wells — Daily Production (barrels) |
|---|---|---|---|---|---|
| Oct., 1925 | 645,648 | 566,948 | 124,689,411 | 69 | 35,678 |
| Sept., 1925 | 668,759 | 512,780 | 122,249,717 | 80 | 41,978 |
| Oct., 1924 | 603,115 | 587,505 | 95,030,777 | 84 | 21,534 |
| Sept., 1923* | 858,750 | † | † | 93 | 139,960 |

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

Figures of national production of **non-ferrous metals** follow:

NON-FERROUS METALS—National Production

| | Oct., 1925 | Sept., 1925 | Oct., 1924 |
|---|---|---|---|
| Copper (lbs.) (mine production) | 141,248,000 | 134,786,000 | 137,924,000 |
| Silver (oz.) (commercial bars) | 4,933,000 | 4,634,000 | 5,631,057 |
| Zinc (tons) (slab) | 50,497 | 47,384 | 42,448 |

Seasonal increases in **flour milling** activity were reported during October. The output of 16 representative milling companies of the district was larger in volume than during September, 1925, and October, 1924, by 7.7 per cent and 0.4 per cent, respectively. As compared with the five-year (1920-1924) average for the month, production during October, 1925, showed a decline of 19.1 per cent. Millers' stocks of flour decreased during October and on November 1st were approximately 30 per cent smaller than the five-year average of stocks held on that date. Reported holdings of wheat at the mills increased 54.2 per cent during October, 1925, and, at 3,663,097 bushels on November 1st, were approximately 25 per cent larger than either the holdings of a year ago or the five-year average holdings on November 1st.

FLOUR MILLING*

| | Oct. 1925 | Sept., 1925 | Oct., 1924 | Five-Year Average Oct., 1920-1924 |
|---|---|---|---|---|
| Output (bbls.) | 512,120 | 475,456 | 510,214 | 632,803 |
| Stocks† | | | | |
| Flour (bbls.) | 356,068 | 374,022 | 522,390 | 509,578 |
| Wheat (bu.) | 3,663,097 | 2,375,637 | 2,919,099 | 2,889,209 |

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

According to preliminary estimates, slightly less than 6,000,000 cases of **canned salmon** were packed in Alaska and the Pacific Northwest during the past season. This compares with a 1924 pack of 6,246,000 cases and a five-year average (1920-1924) pack of 5,323,000 cases. The smaller volume of the 1925 pack as compared with the 1924 pack is reported to have been due largely to a reduction in the catch of red salmon in western Alaskan waters. Preliminary figures indicate that the 1925 world salmon pack has been smaller than the 1924 pack and larger than the five-year (1920-1924) average pack. Figures follow:

CANNED SALMON PACK (000 omitted)

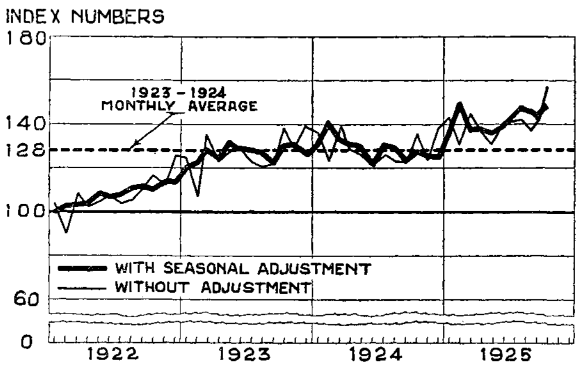
| | 1925* (cases) | 1924 (cases) | Five-Year Average 1920-1924 (cases) |
|---|---|---|---|
| Alaska | 4,500 | 5,306 | 4,381 |
| United States (excluding Alaska) | 1,300 | 940 | 942 |
| Total United States | 5,800 | 6,246 | 5,323 |
| British Columbia | 1,550 | 1,769 | 1,238 |
| Siberia and Japan | 650 | 810 | 713 |
| Total World | 8,000 | 8,825 | 7,274 |

A case contains 48 one-pound cans or their equivalent.
*Preliminary estimate.

## General Business and Trade

There was a slight increase in business activity in the Twelfth Federal Reserve District during October. It is estimated that the volume of trade transacted was above normal.

Debits to individual accounts (**bank debits**) at banks in 20 principal clearing house centers, a measure of total trade volume, were 10.4 per cent larger in volume during October than during September. The increase exceeded the estimated normal seasonal increase for October, and this bank's index, which is adjusted for seasonal variations, advanced from 143 to 148 (1919 average=100). In October, 1924, the




**BANK DEBITS—TWELFTH DISTRICT**
**Index for 20 principal cities, Phoenix, Arizona, not included, (1919 monthly average=100). Latest figures, October, with adjustment, 148; without adjustment, 157.**

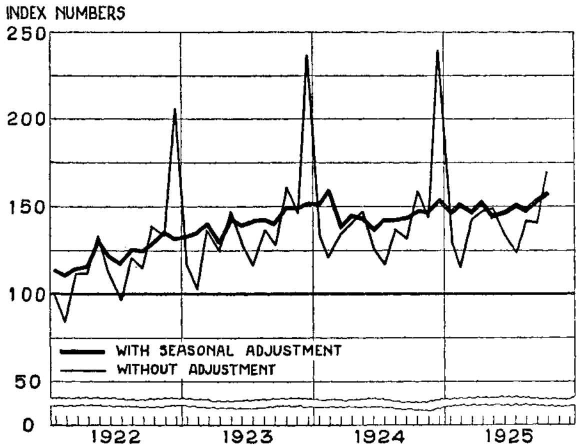
### (D) *Bank Debits**—

| | October, 1925 | October, 1924 | Ten Months 1925 | Ten Months 1924 |
|---|---|---|---|---|
| Berkeley | $ 19,648 | $ 17,310 | $ 181,907 | $ 174,934 |
| Boise | 14,247 | 13,474 | 121,160 | 114,998 |
| Fresno | 59,502 | 44,160 | 359,722 | 327,230 |
| Long Beach | 49,916 | 46,104 | 469,657 | 517,492 |
| Los Angeles | 803,085 | 748,228 | 7,795,797 | 7,411,143 |
| Oakland | 158,475 | 124,088 | 1,393,963 | 1,242,234 |
| Ogden | 33,025 | 28,243 | 243,195 | 231,748 |
| Pasadena | 33,455 | 31,761 | 346,612 | 325,378 |
| Phoenix | 26,750 | 23,866 | 227,575 | 204,639 |
| Portland | 203,184 | 195,394 | 1,653,966 | 1,622,084 |
| Reno | 9,819 | 8,035 | 86,097 | 79,747 |
| Sacramento | 38,300 | 39,636 | 363,280 | 437,307 |
| Salt Lake City | 83,978 | 70,831 | 689,963 | 628,893 |
| San Diego | 59,926 | 46,988 | 544,437 | 482,938 |
| San Francisco | 1,071,722 | 857,026 | 9,427,965 | 8,091,583 |
| San Jose | 33,075 | 30,920 | 252,452 | 226,031 |
| Seattle | 218,220 | 194,145 | 1,998,729 | 1,808,791 |
| Spokane | 60,215 | 52,348 | 515,411 | 474,506 |
| Stockton | 31,134 | 22,888 | 257,643 | 234,757 |
| Tacoma | 45,689 | 40,045 | 436,358 | 402,065 |
| Yakima | 19,203 | 15,356 | 127,138 | 101,629 |
| Total | $3,072,568 | $2,650,846 | $27,493,027 | $25,140,127 |

*000 omitted.

index stood at 128, the same figure as the average for the years 1923 and 1924.

**Trade at retail** increased by more than the usual seasonal amount during October. An index based upon sales reported by 32 department stores, adjusted for normal seasonal movements, advanced from 153 in September




**DEPARTMENT STORE SALES—TWELFTH DISTRICT**

**Index of 32 Stores in 7 cities (1919 monthly average=100). Latest figures, October, with adjustment, 158; without adjustment, 170.**

to 158 in October. Retailers' inventories at the close of October were larger than a year ago, but the increase was not so great as the increase in value of sales over the year period, and the rate of stock turnover during October, 1925 (3.34 times per annum) was higher than in October, 1924 (3.17 times per annum).

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

| | Los Angeles | Oakland | San Francisco | Salt Lake City | Seattle | Spokane | District |
|---|---|---|---|---|---|---|---|
| **Without Seasonal Adjustment** | | | | | | | |
| Oct., 1919.. | 116 | 111 | 115 | 125 | 124 | 159 | 120 |
| Oct., 1920.. | 139 | 136 | 129 | 138 | 106 | 165 | 131 |
| Oct., 1921.. | 145 | 120 | 125 | 111 | 92 | 131 | 124 |
| Oct., 1922.. | 170 | 134 | 137 | 119 | 102 | 129 | 139 |
| Oct., 1923.. | 216 | 153 | 151 | 126 | 113 | 138 | 161 |
| Oct., 1924.. | 218 | 160 | 146 | 121 | 111 | 117 | 159 |
| June, 1925.. | 194 | 143 | 120 | 106 | 98 | 85 | 136 |
| July, 1925.. | 188 | 117 | 104 | 85 | 91 | 77 | 124 |
| Aug., 1925.. | 210 | 138 | 129 | 90 | 97 | 88 | 142 |
| Sept., 1925.. | 193 | 133 | 130 | 113 | 107 | 100* | 141 |
| Oct., 1925.. | 238 | 178 | 148 | 139 | 116 | 131 | 170 |
| **With Seasonal Adjustment** | | | | | | | |
| Oct., 1919.. | 113 | 102 | 107 | 106 | 112 | 119 | 112 |
| Oct., 1920.. | 135 | 126 | 119 | 117 | 96 | 124 | 122 |
| Oct., 1921.. | 141 | 111 | 116 | 93 | 83 | 98 | 115 |
| Oct., 1922.. | 166 | 124 | 127 | 100 | 92 | 97 | 129 |
| Oct., 1923.. | 210 | 142 | 139 | 106 | 102 | 104 | 150 |
| Oct., 1924.. | 212 | 147 | 135 | 102 | 101 | 88 | 147 |
| June, 1925.. | 209 | 143 | 143 | 103 | 98 | 84 | 147 |
| July, 1925.. | 219 | 146 | 134 | 106 | 100 | 99 | 150 |
| Aug., 1925.. | 195 | 153 | 135 | 115 | 102 | 101 | 148 |
| Sept., 1925.. | 223 | 140 | 140 | 114 | 98 | 97* | 153 |
| Oct., 1925.. | 232 | 164 | 137 | 117 | 105 | 98 | 158 |

*Revised.

Value of sales of 193 **wholesale** firms in eleven lines of trade was 11.4 per cent greater in October, 1925, than in October, 1924. Eight of eleven reporting lines showed increased sales as compared with October, 1924, the increases ranging from 3.1 per cent for shoes to 92.7 per cent for automobile tires. Part of the increases in value of sales were no doubt due to higher prices now prevailing, as compared with a year ago. The general wholesale price level was 3.8 per cent higher in October, 1925, than in October, 1924.

**WHOLESALE TRADE**

| | No. of Firms | Percentage increase or decrease (—) in Value of Sales: Oct., 1925 compared with Oct., 1924 | Oct., 1925 compared with Sept., 1925 | Sept., 1925 compared with Sept., 1924 |
|---|---|---|---|---|
| Agricultural Implements. | 20 | 44.5 | —10.3 | 45.5 |
| Automobile Supplies .... | 18 | 4.0 | 3.2 | — 1.2 |
| Automobile Tires ....... | 22 | 92.7 | 24.1 | 19.7 |
| Drugs .................. | 6 | — 0.6 | 7.2 | 1.2 |
| Dry Goods .............. | 17 | — 1.2 | — 1.2 | — 7.4 |
| Electrical Supplies ..... | 10 | 16.3 | 15.9 | 9.6 |
| Furniture ............. | 18 | 9.9 | 15.2 | — 1.8 |
| Groceries ............. | 25 | 3.4 | 10.4 | — 0.6 |
| Hardware ............. | 20 | 4.0 | 1.6 | 6.4 |
| Shoes ................. | 11 | 3.1 | —11.3 | 18.1 |
| Stationery ............ | 26 | — 2.5 | —11.0 | 11.6 |

On October 31, 1925, **savings deposits** at 70 banks in seven principal cities of the district were 0.4 per cent smaller in amount than on September 30, 1925, but were 10.2 per cent larger than on October 31, 1924. Ordinarily there is a slight increase in savings deposits during October.

**SAVINGS DEPOSITS**

| | Number of Banks | Oct. 31, 1925* | Sept. 30, 1925* | Oct. 31, 1924* | Oct. 31, 1925‡ compared with Oct. 31, 1924 | Sept. 30, 1925 |
|---|---|---|---|---|---|---|
| Los Angeles .. | 13 | $387,174 | $391,127§ | $341,121§ | 13.5 | —1.0 |
| Oakland ..... | 7 | 99,126 | 99,587 | 92,344§ | 7.3 | —0.5 |
| Portland ..... | 8 | 55,135 | 53,168 | 52,566 | 4.9 | 3.7 |
| Salt Lake City | 8 | 29,990 | 30,959 | 29,274 | 2.4 | —3.1 |
| San Francisco. | 14 | 462,970 | 464,889 | 421,454 | 9.9 | —0.4 |
| Seattle ....... | 14 | 76,658 | 75,884 | 69,271 | 10.7 | 1.0 |
| Spokane ..... | 6 | 19,554 | 19,413 | 20,109§ | —2.8 | 0.7 |
| Total ....... | 70 | $1,130,607 | $1,135,027§ | $1,026,139§ | 10.2 | —0.4 |

*000 omitted. ‡Percentage increase or decrease (—). §Revised.

## Prices

The trend of prices was downward during October, but there has been some evidence of a reversal of the movement during the first weeks of November. The wholesale price index number of the Bureau of Labor Statistics declined during October, and, at 157.6 (1913 prices=100) was 1.3 per cent below the figure for September and 1.7 per cent below the figure for August, a recent peak. The index was 3.8 per cent higher in October, 1925, than in October, 1924 (151.9). Decline in the index during October as compared with September, 1925, was due principally to lower prices prevailing for farm products and foods, although the building materials and chemical and drugs groups of the composite index also declined slightly. Weekly indexes of commodity prices at wholesale advanced during the last week of October and the first two weeks of November.

The Department of Agriculture's farm price index of 30 farm products declined during October, while the Bureau of Labor's non-agricultural products price index advanced during the month, so that the ratio between the two indexes declined from 88 in September to 87 in October. The ratio, which affords a measure of the purchasing power of farm products, is now the same as in October, 1924. In August, 1925, it stood at 93, the highest point reached since June, 1920.

The upward trend of **cattle, sheep** and **lamb** prices noted during recent months continued during October, and average quotations on all classes of meat animals were higher during that month than they were one year ago. Prices of hogs declined during October, 1925. Monthly average prices (per 100 pounds) of beef cattle, hogs, sheep, and lambs at Chicago and percentage comparisons for the past month and year follow:

| | Cattle (Native beef) | Hogs | Sheep | Fat Lambs |
|---|---|---|---|---|
| **1924** | | | | |
| October | $10.27 | $10.10 | $6.33 | $13.40 |
| November | 9.79 | 8.96 | 6.80 | 13.90 |
| December | 9.23 | 9.55 | 7.82 | 16.21 |
| **1925** | | | | |
| January | 9.13 | 10.40 | 9.04 | 18.10 |
| February | 9.35 | 11.09 | 8.48 | 17.49 |
| March | 10.21 | 13.61 | 8.88 | 16.21 |
| April | 10.25 | 12.84 | 7.50 | 14.02 |
| May | 10.04 | 12.00 | 7.26 | 13.72 |
| June | 10.65 | 12.51 | 6.74 | 14.89 |
| July | 11.95 | 13.43 | 7.75 | 15.05 |
| August | 12.17 | 12.85 | 7.11 | 14.89 |
| September | 11.56 | 12.33 | 7.05 | 15.10 |
| October | 11.73 | 11.49 | 7.24 | 15.18 |
| Increase Oct., 1925, over Oct., 1924 | 14.2% | 13.8% | 14.4% | 13.3% |
| Increase Oct., 1925, over Sept., 1925 | 1.5% | 6.8%* | 2.7% | 0.5% |

*Decrease.

**Wheat** prices have advanced rapidly during the past month. At Chicago, the May contract for new wheat, which reached a 1925 low point of $1.33 to $1.36⅛ per bushel on October 3rd, sold for $1.52⅛ to $1.54 per bushel on November 18th. Quotations on the latter date were about 14¼ cents per bushel lower than the 1925 high point ($1.66¼ to $1.68¼ per bushel) for this (May, 1926) contract reached on August 8, 1925. May contracts for new wheat sold at $1.58⅝ to $1.60⅞ per bushel on November 18, 1924, and $2.02⅜ to $2.05½ per bushel (1925 high) on January 30, 1925. **Cotton** prices at the beginning of November were approximately 17.5 per cent below the figures of one month and one year ago. Quotations for cash middling uplands cotton at New Orleans are given in Table "E." Present cotton prices are approximately 53 per cent higher than 1913 monthly average prices. The average of 98 **wool** quotations at Boston, at 78.86 cents per pound for the week ending November 13th, was 1.8 per cent higher than one month ago and 11.9 per cent lower than one year ago.

**Potato** prices advanced rapidly during October, both in this district and in the United States, and present returns to growers of this crop, an important one in some parts of this district, are larger than one year ago. Prices at important loading and receiving markets in this district and at certain mid-west and eastern terminal markets follow:

**WEEKLY RANGE OF PRICES OF POTATOES**

(Dollars per 100 lbs., sacked)

| | Oct. 31, 1925 | Oct. 3, 1925 | Nov. 1, 1924 | Percentage increase Oct. 31, 1925 compared with One Month Ago | One Year Ago |
|---|---|---|---|---|---|
| Idaho Falls | $3.50–$3.75† | $1.20* | $1.07½† | 202.1 | 237.2 |
| Yakima‡ | 3.00– 3.50 | 1.90 | .. | 71.1 | .. |
| Los Angeles‖ | 4.00– 4.25 | 2.50–$2.60 | 1.60–$1.70 | 61.8 | 150.0 |
| San Francisco‖ | 4.00– 4.25 | 2.15– 2.25 | 1.35– 1.55 | 87.5 | 184.5 |
| Chicago§ | 4.15– 4.25 | 1.80– 1.90 | .70– .85 | 127.0 | 441.9 |
| New York§ | 4.00– 4.15 | 2.40– 2.50 | 1.00– 1.15 | 66.3 | 279.1 |
| Philadelphia§ | 4.00 | 2.15– 2.30 | 1.05– 1.35 | 79.8 | 233.3 |

*Wagon loads. cash to growers, sacked rurals. †Sacked russets. ‡Netted gems, U. S. No. 1. §Representative market varieties, price to jobbers. ‖California long whites, U. S. No. 1.

Average f. o. b. prices for **oranges** and **lemons** at California shipping points for the past four crop years, as reported by the California Fruit Growers Exchange, are given below:

| | Nov., 1924 to Oct., 1925 | Nov., 1923 to Oct., 1924 | Nov., 1922 to Oct., 1923 | Nov., 1921 to Oct., 1922 |
|---|---|---|---|---|
| Oranges (box) | $4.42 | $2.73 | $2.67 | $4.42 |
| Lemons (box) | 4.50 | 2.57 | 4.69 | 4.08 |

Recent spot prices for certain varieties of **canned salmon** and 1925 and 1924 opening prices for the same varieties are given in the following table:

| Variety | Spot Price* Nov. 2, 1925 | Opening Price* 1925 | 1924 |
|---|---|---|---|
| Alaska Reds | $3.25–$3.50 | $3.50 | $2.25–$2.50 |
| Pinks | 1.35– 1.45 | 1.25–$1.45 | 1.25– 1.30 |
| Chums | 1.15 | 1.10– 1.15 | 1.20 |

*Per dozen number 1 tall cans.

## (*E*) *Commodity Prices—*

| Commodity | | Unit | November 6, 1925 | One Month Ago | One Year Ago |
|---|---|---|---|---|---|
| Wholesale Prices (U. S. Bureau of Labor) 1913=100 | | | 157.6 | 159.7 | 151.9 |
| Purchasing Power of Farm Products (U. S. Department of Agriculture)* | | | 87 | 88 | 87 |
| Cattle (Native Beef) | Weekly average price at Chicago | 100 lbs. | $10.50 | $12.10 | $10.00 |
| Hogs | Weekly average price at Chicago | 100 lbs. | 11.10 | 12.60 | 9.30 |
| Lambs | Weekly average price at Chicago | 100 lbs. | 15.05 | 15.10 | 13.75 |
| Wheat | Chicago contract price for December wheat | bu. | 1.47⅞–1.51⅛ | 1.33⅛–1.37½† | 1.47⅝–1.50¼ |
| Barley | Shipping barley f. o. b. San Francisco | cental | 1.50–1.75 | 1.55–1.75 | 2.75–2.90 |
| Cotton | Middling Uplands—Weekly range of spot quotations at New Orleans | lb. | 18.05–19.82¢ | 22.60–23.33¢ | 22.85–23.05¢ |
| Wool | Average of 98 quotations at Boston | lb. | 77.98¢ | 76.76¢ | 89.29¢ |
| Sugar | Beet granulated f. o. b. San Francisco | lb. | 5.35¢‡ | 5.15¢ | 7.20¢ |
| Apples | Winesaps medium to large extra fancy f. o. b Pacific Northwest | box | 2.15 | 1.75–2.10 | 2.00–2.25 |
| Prunes | Size 40/50 in 25-lb. boxes f. o. b. California | lb. | .08–.08¾ | .08¾–.09¼ | .10–.10¼ |
| Raisins | Loose Muscatel 3-crown in 25-lb. boxes f. o. b. California | lb. | .08 | .08 | .08 |
| Copper | Electrolytic monthly average at New York | lb. | 14.300¢ | 14.376¢ | 12.933¢ |
| Lead | Monthly average at New York | lb. | 9.513¢ | 9.508¢ | 8.235¢ |
| Silver | Monthly average at New York | oz. | 71.106¢ | 71.570¢ | 70.827¢ |
| Zinc | Monthly average at St. Louis | lb. | 8.282¢ | 7.753¢ | 6.324¢ |
| Lumber (Softwood) | Weekly Index United States§ | | 30.59 | 30.34 | 30.14 |

*Ratio of farm prices (August, 1909-July 1914=100) to wholesale prices of non-agricultural commodities (1910-1914=100).
†Revised. ‡November 16, 1925. §As published by "The Lumber Manufacturer and Dealer."

Prices of the important industrial **non-ferrous metals** produced in this district and index numbers of softwood **lumber** prices are given in Table "E."

## Banking and Credit Situation

Commercial demand for credit in the Twelfth Federal Reserve District increased during October and the first half of November. Increases in loans of member banks were partially reflected in an increased volume of credit extended by the Federal Reserve Bank of San Francisco.

Total loans of reporting member banks in principal cities of the district increased by $36,000,000 (3.2 per cent) during the five weeks ending November 10, 1925. Commercial loans increased by $26,000,000 (3.0 per cent) and loans secured by stocks and bonds increased by $10,000,000 (3.7 per cent). Demand deposits at these banks also increased during the five-week period, but the relative increase was less than that of their loans and the ratio of demand deposits to total loans declined from 66.8 on October 7, 1925, to 66.4 on November 10, 1925. A year ago the ratio stood at 79.3. During the year period, however, there has been a significant increase in volume of time deposits, and the ratio of total deposits to total loans was but 7.6 points lower on November 10, 1925 (136.5) than on November 12, 1924 (144.1).

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

| | Condition Nov. 10, 1925 | Changes from One Month Ago | Changes from Six Months Ago | Changes from One Year Ago |
|---|---|---|---|---|
| Total Loans | 1,186 | +36 ( 3.2) | + 84 ( 7.6) | +137 ( 13.0) |
| Commercial Loans | 912 | +26 ( 3.0) | + 49 ( 5.7) | + 80 ( 9.6) |
| Loans secured by stocks and bonds | 274 | +10 ( 3.7) | + 35 ( 14.5) | + 57 ( 26.3) |
| Investments | 475 | +14 ( 3.0) | + 25 ( 5.5) | + 61 ( 14.8) |
| Total Loans and Investments | 1,661 | +50 ( 3.1) | +109 ( 7.0) | +198 ( 13.5) |
| Net Demand Deposits | 788 | +20 ( 2.6) | + 19 ( 2.5) | — 44 ( 5.2) |
| Time Deposits | 821 | +24 ( 3.1) | + 57 ( 7.4) | +152 ( 22.8) |
| Borrowings from Federal Reserve Bank | 54 | +10 (22.6) | + 33 (158.5) | + 49 (978.8) |

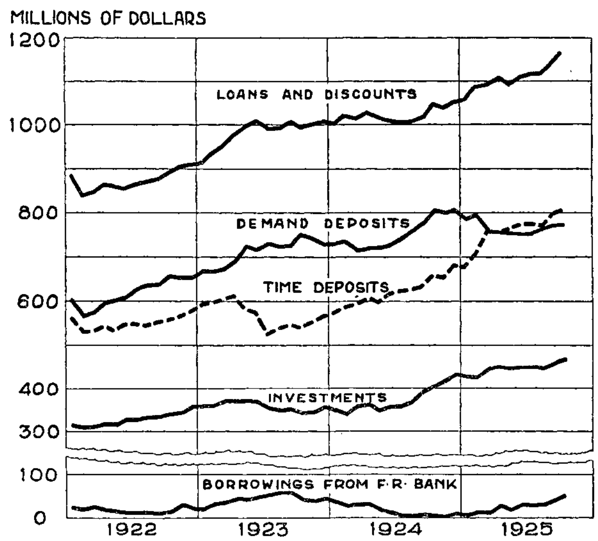
*Total resources of reporting banks are approximately 50% of total resources of all banks, and 75% of total resources of all member banks in Twelfth Federal Reserve District. Reporting banks embrace member banks in Los Angeles, Oakland, Ogden, Portland, Salt Lake City, San Francisco, Seattle, Spokane, and Tacoma.

Holdings of bills and securities at the Federal Reserve Bank of San Francisco increased by $9,000,000 (8.0 per cent) during the five-week period ending November 18, 1925, all of the increase being in the item of bills bought in the open market. At $126,346,000 on November 18th, however, total bills and securities were $16,625,000 below the autumn peak of $142,974,000 reached on November 4th. Changes in volume of discounts were responsible for the rise between October 14th and November 4th and for the subsequent decline. Member banks have used some of the funds made available during recent weeks to augment their reserve deposits, and total deposits at the Reserve Bank increased $6,000,000 (3.3 per cent) during the five-week period. Federal reserve note circulation in the district declined from $206,000,000 to $204,000,000 during the month ending November 18th.

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

| | Condition Nov. 18, 1925 | Change from One Month Ago | Change from One Year Ago |
|---|---|---|---|
| Total Bills and Securities* | 126 | +9 ( 8.0) | +25 ( 25.0) |
| Bills Discounted† | 50 | 0 | +43 (656.3) |
| United States Securities | 44 | 0 | —16 ( 27.2) |
| Bills Bought‡ | 32 | +9 (39.2) | — 2 ( 6.9) |
| Total Reserves | 268 | —4 ( 1.6) | —32 ( 10.8) |
| Total Deposits | 176 | +6 ( 3.3) | — 1 ( 0.8) |
| Federal Reserve Note Circulation | 204 | —2 ( 0.8) | — 6 ( 2.9) |

*Formerly published as "Total Earning Assets." †Formerly published as "Discounts." ‡Formerly published as "Purchased Acceptances."




**MEMBER BANK CREDIT—TWELFTH DISTRICT**
**Figures for 67 member banks in leading cities, as of last Wednesday of each month. Latest figures, October 28.**

During November, four of the twelve Federal reserve banks in the United States have, with the approval of the Federal Reserve Board, announced increases in their rediscount rates. These changes are shown in the following table:

**REDISCOUNT RATES**
(All classes of paper, all maturities)

| Federal Reserve Bank of | New Rate: Rate | New Rate: Date Effective | Old Rate: Rate | Old Rate: Date Effective |
|---|---|---|---|---|
| Boston | 4 | Nov. 10, 1925 | 3½ | June 12, 1924 |
| Cleveland | 4 | Nov. 17, 1925 | 3½ | Aug. 15, 1924 |
| Philadelphia | 4 | Nov. 20, 1925 | 3½ | June 19, 1924 |
| San Francisco | 4 | Nov. 23, 1925 | 3½ | Aug. 25, 1924 |

All of the Federal reserve banks now have a rediscount rate of 4 per cent except the Federal Reserve Bank of New York, which has a rate of 3½ per cent.