

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

The output of industry declined substantially in June to a level close to that of a year ago. The decline reflected reduced activity both in mines and in factories. The value of building contracts awarded was the largest for any month on record. The general level of prices was practically unchanged.

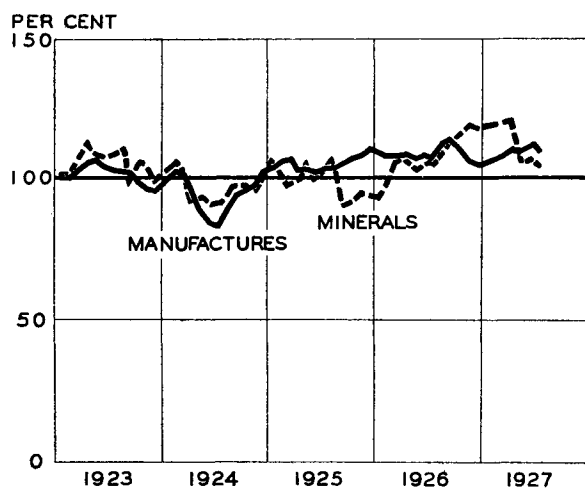
Production. Production of iron and steel and automobiles declined considerably during June and curtailment in these industries continued during the early part of July. There were also decreases in June in silk deliveries, sugar refining, and production of lumber, copper, and anthracite coal. Cotton and woolen mills continued active for the season of the year, and consumption of raw cotton was larger than in any previous June on record. Meat packing, shoe production, and manufacture of building materials showed increases. Production of manufactures, as a group, was slightly larger in June, 1927, than in the same month of 1926, but output of minerals, owing largely to decreased production of coal, was in smaller volume than a year ago.

The value of building contracts awarded during June was larger than in any previous month on record, chiefly as a result of the steady increase, within recent months, of con-

tracts for public works and public utilities. Awards were particularly large, as compared with previous months of this year and with June of last year, in the New York and Chicago Federal Reserve Districts. Contracts were awarded during the first half of July in practically the same volume as the corresponding period of last year.

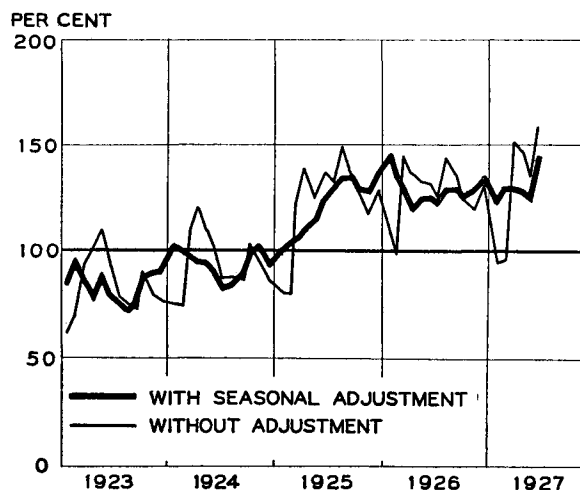
On the basis of conditions on July 1st, forecasts of the Department of Agriculture indicate increases, as compared with the 1926 harvested production, in the output of wheat, oats, barley, rye, hay, and potatoes, and decreases in corn, tobacco, and the principal fruit crops. Cotton, for which no production estimate was given, shows a decrease of 12 per cent in acreage planted, while the total area planted to all crops shows a reduction of 2 per cent. A reduction of 371,000,000 bushels in the estimated production of corn, compared with 1926, indicates the smallest crop since 1901.

Trade. Wholesale trade in most leading lines increased slightly between May and June, while retail trade showed less than the customary seasonal decline. Sales of department stores were in about the same volume as a year ago, while those of mail order houses and chain stores were larger. Sales of meat, dry goods,



PRODUCTION OF MANUFACTURES AND MINERALS

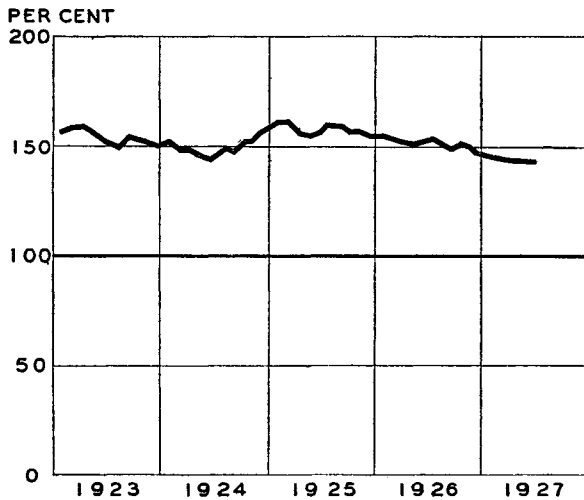
Index numbers of production of manufactures and minerals, adjusted for seasonal variations (1923-1925 average=100). Latest figures, June, manufactures, 108; minerals, 103.



BUILDING CONTRACTS AWARDED

Federal Reserve Board's indexes of value of building contracts awarded as reported by the F. W. Dodge Corporation (1923-1925 average =100). Latest figures, June, with adjustment, 144; without adjustment, 154.

and hardware at wholesale were smaller than in June of last year, while sales of groceries, shoes, and drugs were about the same in volume. Inventories of department stores declined further to a level of about 3 per cent below that of June, 1926. Stocks carried by wholesale firms showed no change for the month and were smaller than a year ago. Daily average freight carloadings failed to show the customary seasonal increase between May and June and were in smaller volume from early in May to the middle of July than during the corresponding period of last year. Shipments of almost all groups of commodities have been smaller than a year ago. The largest declines occurred in the shipments of coal and coke.

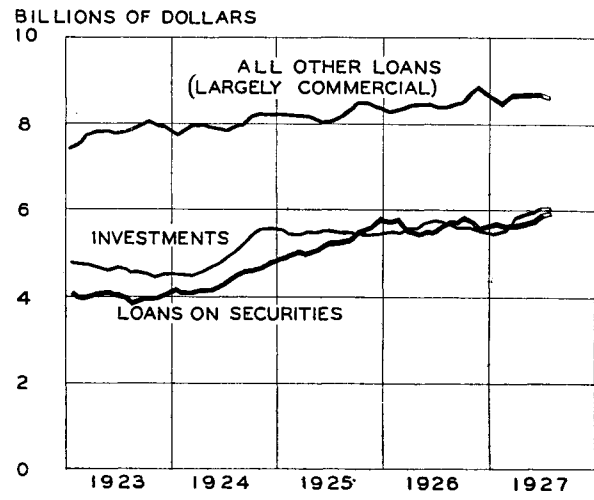


WHOLESALE PRICES
Index of United States Bureau of Labor Statistics (1913 prices = 100, base adopted by Bureau). Latest figure, June, 143.7.

Prices. The general level of wholesale commodity prices, according to the Bureau of Labor Statistics' index, continued practically the same in June as in the two preceding months. The prices of agricultural commodities as a group declined slightly while the average for the non-agricultural group remained practically unchanged. There were declines between May and June in the prices of silk, iron and steel, non-ferrous metals, building materials, and rubber, and advances in grains, cotton, hides and skins, and anthracite coal. Dur-

ing the first three weeks of July, prices of wheat, bituminous coal, iron and steel, and rubber declined, while those of livestock, cotton, wool, copper, and hides advanced.

Bank Credit. The demand for member bank credit decreased from the latter part of June to the middle of July, and on July 20th loans and investments of member banks in leading cities were more than \$200,000,000 lower than a month before. The decline was principally in the banks' investment holdings and in loans secured by stocks and bonds. Loans for commercial, agricultural, and industrial purposes decreased by about \$45,000,000. Demand for reserve bank credit, in connection with settlements at the end of the fiscal year and increased



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

currency requirements over the holiday period, carried total discounts for member banks on July 6th to the highest level since the first of the year. Thereafter, largely in consequence of the return flow of currency from circulation, there was a decreased demand for member bank accommodation, and on July 20th total discounts were in smaller volume than four weeks earlier. Holdings of United States securities showed a slight increase during July. Conditions in the money market, after seasonal firmness at the end of June, were easier in July.

TWELFTH FEDERAL RESERVE DISTRICT CONDITIONS

In the Twelfth Federal Reserve District, trade activity was at higher levels during the first six months of 1927 than during the first six months of 1926, but industrial output, on the whole, has been smaller than a year ago. The agricultural areas of the district have, in general, experienced a favorable season.

Industry has been less active thus far in 1927 than it was a year ago, the principal declines being in the lumber and food products indus-

tries. As a corollary of declining activity, volume of employment generally has ranged lower and payrolls have been smaller than in 1926. Further decreases in industrial production were reported during June, 1927.

Total volume of trade during the first half of the year was of record proportions. Value of sales at retail ranged well above the 1926 figures. Sales at wholesale were slightly smaller in value than during the first six months of

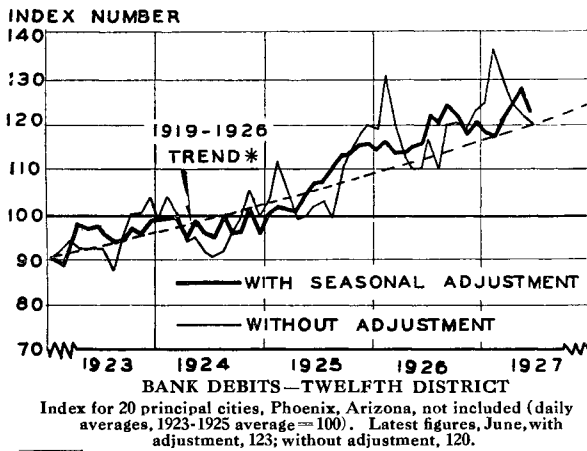
1926, but, if allowance be made for price declines over the year period, it is probable that the physical volume of goods moved through wholesale channels was as large as a year ago. Merchandise and miscellaneous carloadings on railroads of the district have been larger during the first half of 1927 than during the first half of 1926.

The total amount of check payments (bank debits) at 20 principal clearing house centers of the district was \$19,572,866,000 during the period January 1-June 30, 1927, as compared with \$18,085,566,000 during the same period of 1926. This bank's index of daily average debits, adjusted for seasonal variation, advanced from 118 in February, 1927 (1923-1925 daily average = 100) to 128 in May, 1927, and then declined to 123 (preliminary estimate) in June. The index averaged 123 during the first six months of 1927 compared with 115 during the first six months of 1926.

BANK DEBITS*—Twelfth District

	June, 1927	May, 1927	Apr., 1927	June, 1926	May, 1926
With Seasonal Adjustment . . .	123♢	128	125	116	115
Without Seasonal Adjustment	120♢	122	125	110	110

*Daily average, 1923-1925=100. ♢Preliminary.



*Based upon average month to month increase during the years 1919 to 1926 inclusive.

The banking and credit situation continued sound throughout the half year period, condition reports of member banks and of the Federal Reserve Bank of San Francisco showing none but usual seasonal changes.

Agriculture

The present generally satisfactory condition of crops and ranges of the district reflects the favorable weather of June and early July. Early harvest reports on yields of grains, field crops, and deciduous fruit have, in most cases, been in accord with preliminary estimates of production.

Early season reports of a decrease in production of deciduous fruit in California during 1927 have been supported by available harvest returns and by production forecasts as of July 1st. As a result both of smaller produc-

tion and of a later season, shipments of early deciduous fruit—apricots, cherries, peaches, pears, and plums—from California had totaled but 3,183 cars on July 10th, whereas 7,220 cars had been shipped by July 10, 1926. Production and condition figures issued by the United States Department of Agriculture follow:

PRODUCTION OF FRUITS AND NUTS IN CALIFORNIA

	Condition (Per cent of normal)		Production*	
	July 1, 1927	July 1, 1926	Estimated July 1, 1927 (tons)	Actual 1926 (tons)
Almonds	66	91	12	16
Apricots	61†	66	182	176
Cherries	47†	70	12	20
Figs	86	91	..	9
Grapes	88	84	2,318	2,129
Wine	90	89	455	414
Table	83	78	490	398†
Raisin	89	85	1,373	1,317
Olives	74	58	..	10
Peaches . . . . .	..	90	485	541
Pears	67	78	191	207
Plums	67	92	60	71
Prunes	79	60	194	150
Walnuts	95†	55	40	15

*000 omitted. †As of June 1, 1927. ‡15,000 tons not harvested.

The estimated 1927 production of commercial apples in the principal fruit raising sections of California, Idaho, Oregon, and Washington is 33,045,000 bushels, a 20 per cent decrease from the large crop of a year ago.

Although a slight decline in condition of California citrus fruit has been reported during recent weeks, the appearance of the crop supports current estimates of abundant yields. Seasonal demands for oranges and lemons have been reflected in increased shipments and higher prices. It is now estimated that the 1927 Valencia orange crop will approximate 13,500,000 boxes, as compared with 11,260,000 boxes produced in 1926. Shipments of oranges and lemons during June, 1927, totaled 5,647 and 2,184 carloads, respectively, compared with 4,495 and 1,859 carloads shipped during June, 1926.

Harvesting of grains has commenced in the southern states of the district. Estimates of district production by states are as follows:

PRODUCTION—GRAIN CROPS

	All Wheat		Barley	
	Forecast July 1, 1927 (bu.)*	Actual 1926 (bu.)*	Forecast July 1, 1927 (bu.)*	Actual 1926 (bu.)*
California	15,456	12,015	29,994	32,400
Idaho	30,118	24,633	4,954	4,144
Nevada	496	408	323	280
Oregon	24,039	19,586	3,058	2,378
Utah	5,816	5,505	1,181	800
Washington	49,898	40,271	2,117	2,176
Total	125,823	102,418	41,627	42,178
United States	853,634	832,305	242,730	191,182

*000 omitted.

The winter wheat crop in the states of the Pacific Northwest is estimated to be 32.1 per cent larger than one year ago, while the acreage available for harvest is 16.8 per cent larger than the acreage harvested in 1926. These figures tend to substantiate local reports of increased yields per acre in the principal grain raising sections of Idaho, Oregon, and Washington.

The acreage devoted to the principal field crops of the district, with the exception of cotton and beans, was larger in 1927 than in 1926. Plentiful supplies of ground moisture have favored the growth of those field crops grown in dry farming areas. Early forecasts of production issued by the United States Department of Agriculture indicate that yields of rice, potatoes, and sugar beets will be approximately 9, 19, and 34 per cent larger, respectively, than a year ago.

PRODUCTION—Field Crops

	Acreage*		Unit	Production*	
	1927	1926		Forecast July 1, 1927	Actual 1926
Beans					
†Twelfth District..	349	359	bu.	6,063	6,459
United States	1,749	1,659	bu.	17,932	17,138
Cotton					
†Twelfth District..	268	335	bales	...	238
United States	42,683	48,730	bales	...	17,911
Potatoes					
Twelfth District..	330	266	bu.	51,057	41,726
United States	3,495	3,151	bu.	392,943	356,360
Rice					
§Twelfth District..	164	149	bu.	9,004	7,986
United States	979	1,018	bu.	39,864	41,006
Sugar Beets					
||Twelfth District..	143	137	ton	1,394	918
United States	771	764	ton	6,861	7,223

*000 omitted. †California and Idaho. ‡Arizona and California. §California. ||California, Idaho, and Utah.

Livestock of the district are generally in excellent condition. Recent price trends have favored Western stockmen, especially those engaged in cattle raising. The United States Department of Agriculture's index of the relative purchasing power (at May, 1927, farm prices) of beef cattle in terms of all commodities stood at 94 (August, 1909-July, 1914, prices = 100) as compared with an index of 82 in May, 1926.

Industry

Industrial production in the district declined during the first half of 1927 as compared with the first half of 1926, chiefly as the result of curtailed output in the lumber and food products industries. Volume of employment generally ranged lower and payroll expenditures have been smaller this year than in 1926. Further curtailment in industrial activity was re-

ported during June, 1927, and industrial output continued at levels below those of a year ago.

A large volume of building during the third quarter of 1927 is indicated by figures of building permits issued in principal cities of the district although, currently, construction is not proceeding as actively as in the past three years. According to figures compiled by S. W. Straus & Company, value of building permits issued in 20 cities of the district during the first half of 1927 amounted to 178 million dollars, compared with 192 million dollars during the same period of 1926, 224 million dollars during the first six months of 1925, and 201 million dollars during the first six months of 1924. A decrease in number of permits issued for large commercial and semi-commercial structures was chiefly responsible for the reduced value of permits issued during 1927. Value of building permits issued during June, 1927, was considerably smaller than during either May, 1927, or June, 1926.

BUILDING PERMITS IN 20 CITIES

	Per cent increase or decrease (—)					
	Months in 1927 compared with same Months in 1926				Month in 1927 compared with preceding Month	
	Monthly		Year-to-date		No.	Value
June	— 6.2	—23.5	— 8.9	— 8.1	— 3.3	—21.2
May	— 1.4	22.0	— 9.4	— 4.6	— 6.3	5.0
April	— 6.6	— 4.5	—11.3	—10.6	— 9.5	1.3
March	—10.7	— 8.9	—12.9	—12.9	41.1	44.5
February	—13.2	—14.4	—14.4	—15.5	— 1.9	— 6.0
January	—15.5	—16.5	—15.5	—16.5	3.6	—19.2

As a result, principally, of lower prices for steel and for spruce lumber, building costs resumed, during June, the downward trend which was interrupted temporarily during May. The United States Bureau of Labor Statistics' index of wholesale prices of building materials declined from 165.6 (1913 prices = 100) in May to 164.3 in June, 1927, the lowest level reported in five years. The Aberthaw index of

(B) Employment—

Industries	California—		Oregon—	
	No. of Firms	No. of Employees June, 1927	No. of Firms June, 1926	No. of Employees June, 1926
All Industries	757	136,156	141,691	171
Stone, Clay and Glass Products.	49	7,783	7,267	6
Lumber and Wood Manufactures ..	116	25,685	25,808	63
Textiles	19	2,760	2,711	10
Clothing, Millinery and Laundering.	65	8,025	7,458	8*
Foods, Beverages and Tobacco...	177	27,789	34,556	48
Water, Light and Power	4	3,346	3,304	..
Other Industries†.	315	58,714	58,488	..
Miscellaneous	12	2,054	2,099	36

*Laundry 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 change from June, 1926.

(A) Building Permits—

	June, 1927		June, 1926	
	No.	Value	No.	Value
Berkeley	201	\$ 568,135	248	\$ 474,434
Boise	72	59,628	60	47,800
Fresno	70	216,075	87	261,665
Long Beach	355	1,420,000	343	503,520
Los Angeles	3,100	9,355,175	3,068	11,856,082
Oakland	748	2,141,720	853	2,674,656
Ogden	20	53,200	23	365,000
Pasadena	238	918,507	221	1,169,566
Phoenix	125	333,723	104	278,471
Portland	926	2,372,240	1,092	2,879,180
Reno	21	43,150	27	267,325
Sacramento	160	383,105	210	1,094,925
Salt Lake City.....	129	966,900	108	362,147
San Diego	522	839,499	753	1,493,431
San Francisco	838	3,926,432	832	8,479,058
San Jose	91	179,505	113	439,385
Seattle	805	3,266,055	852	2,670,380
Spokane	181	195,224	181	240,859
Stockton	99	241,187	84	144,515
Tacoma	229	243,715	261	518,000
District	8,930	\$27,723,175	9,520	\$36,220,399

industrial building costs, including labor and materials, registered a May to June decline of one point to 192 (1914 costs = 100). This figure also was the lowest reported since 1922.

Lumber mills of the district produced approximately 25 per cent less lumber during the first half of 1927 than during the first half of 1926, according to reports of four lumber manufacturing associations. As a result of this curtailment of output, and despite some decline in demand, both orders received by the mills and shipments from the mills were in excess of production for the six months' period. Output of these mills did not show the full seasonal expansion during June, 1927, but exceeded both shipments and orders which, however, were smaller than in May.

	LUMBER*					
	Twelfth District			First Six Months		
	June, 1927	May, 1927	June, 1926	1927	1926	
Production (board feet)	646,340	610,667	852,996	3,122,487	4,269,051	
Shipments (board feet)	610,485	614,170	803,789	3,442,053	4,316,277	
Orders	570,336	602,802	796,293	3,494,722	4,353,883	
Unfilled Orders†	424,591	456,992	549,674	.....	.....
No. of Mills Reporting‡	146	144	181	150	183	

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

Figures of national non-ferrous metal production, together with a guide to the proportionate importance of this district in such production, are presented in the following table:

	NON-FERROUS METALS			Per Cent of Total Produced in 12th Dist.*
	National Production			
	June, 1927	May, 1927	June, 1926	
Copper (short tons) (mine production)	69,539	70,552	70,707	64.1
Lead (short tons) (crude)†	59,164	57,651	56,302	43.5
Zinc (short tons) (slab)	49,718	51,296	48,226	13.3
Silver (oz.) (commercial bars)	5,012,000	4,770,000	5,446,000	69.7

*Including all of Arizona, the five southeastern counties of which are in the Eleventh Federal Reserve District. †Includes figures for Mexico.

Production and indicated consumption of petroleum in California during the six months, January-June, 1927, were in close alignment. During that period, which witnessed a net gain of 384 in number of producing wells, consumption of petroleum slightly exceeded production, and volume of stored stocks declined 489,096 barrels, or 0.4 per cent. Although daily average output of petroleum was larger during June than during May, total production was smaller in the later and shorter month.

	PETROLEUM—California			New Wells	
	Average Daily Production (barrels)	Indicated Average Daily Consumption (Shipments) (barrels)	Stored Stocks at End of Month (barrels)	Number Opened	Daily Production (barrels)
June, 1927....	639,381	633,278	119,053,460	96	64,201
May, 1927....	629,228	629,997	119,061,211	80	52,575
June, 1926....	608,981	645,812	124,414,745	67	30,346

Source: American Petroleum Institute.

Production of flour during the six months ending June 30, 1927, was 18.4 per cent larger than during the same period a year ago, according to data furnished by 14 large milling factors in the district. Stocks of flour held by these millers were approximately equal in amount at the beginning and end of the six months' period. During May and June, 1927, output of flour increased by more than the usual seasonal amount. Shipments of flour did not keep pace with production during June, however, and stocks on millers' hands rose from 378,000 barrels on June 1 to 397,000 barrels on July 1, 1927. At the latter figure, stocks were larger than at any other mid-year date since 1923 and approximated the five-year, 1922-1926, average holdings for July 1st.

	FLOUR MILLING			Five-Year Average June, 1922-1926
	Twelfth District			
	June, 1927	May, 1927	June, 1926	
Output (bbls.)...	427,792	452,641	363,898	342,039
Stocks*				
Flour (bbls.)...	397,087	378,330	357,044	397,163
Wheat (bu.)...	2,152,991	2,354,538	1,128,082	1,383,197

*At end of month.

Distribution and Trade

The volume of trade transacted in the district during the first half of 1927 was slightly larger than during the first half of 1926. Trade at retail was more active than last year. Sales at wholesale were slightly smaller in value than in 1926, but the physical volume of goods moved through wholesale channels was probably as large as a year ago. Carloadings on the principal railroads of the district declined during the first six months of 1927 as compared with the first six months of 1926 as a result, chiefly, of a decrease in shipments of lumber. Merchandise and miscellaneous carloadings were slightly larger than a year ago.

Sales of 99 reporting retail stores during the first six months of 1927 were 3.2 per cent larger than during the first six months of 1926. Sales

(C) Bank Debits* —

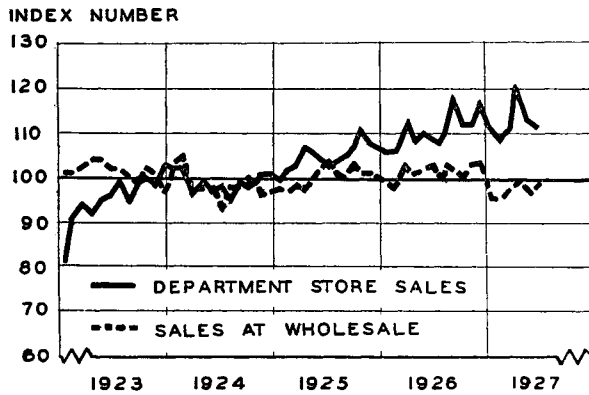
	June, 1927		June, 1926		First Six Months 1927		First Six Months 1926	
	\$		\$		\$		\$	
Berkeley	20,640		17,614		127,245		115,818	
Boise	13,078		13,185		76,060		75,574	
Fresno	28,660		32,287		222,435		208,368	
Long Beach ...	49,355		45,932		303,784		313,775	
Los Angeles ...	881,759		863,539		5,703,502		5,225,024	
Oakland	227,251		167,827		1,332,796		1,009,971	
Ogden	14,455		15,002		101,934		118,598	
Pasadena	40,831		34,539		256,904		230,818	
Phoenix	27,471		24,611		168,522		154,111	
Portland	162,863		184,266		984,943		1,047,152	
Reno	10,624		9,990		54,018		52,582	
Sacramento ...	44,707		29,664		199,890		191,152	
Salt Lake City..	71,889		70,888		412,160		420,982	
San Diego	55,999		63,329		377,594		392,668	
San Francisco	1,200,298		1,009,498		7,199,776		6,443,509	
San Jose	23,159		23,369		150,707		146,245	
Seattle	219,041		212,032		1,237,336		1,249,524	
Spokane	54,795		58,276		325,108		332,663	
Stockton	29,562		26,159		162,167		160,786	
Tacoma	47,864		46,541		271,378		275,903	
Yakima	11,792		13,411		73,129		74,404	
District	\$3,236,093		\$2,961,959		\$19,741,388		\$18,239,627	

*000 omitted.

of 36 department stores during the first half of 1927 were 3.1 per cent greater in value than were sales of the same stores during the corresponding period a year ago. Dollar value of June, 1927, sales of 119 retail firms was 0.6 per cent larger than during June, 1926, and approximately 8 per cent smaller than during May, 1927. The decline in value of sales during June as compared with May was seasonal in character and approximated, in extent, the decline which has occurred at this time of the year during each of the past eight years. Stocks of

physical volume of goods sold. Decreases in value of sales were reported for five lines, namely, agricultural implements, dry goods, furniture, groceries, and hardware, the other six lines showing increases over the year period.

An average decline of 1 per cent in dollar value of sales at wholesale in June, 1927, as compared with June, 1926, was indicated by this bank's index of sales in 11 lines of trade. Aggregate June sales were 6 per cent larger than were May sales, a greater than seasonal movement, and the index of total sales adjusted for seasonal variation advanced from 97 in May, 1927 (1923-1925 monthly average sales = 100), to 99 in June, 1927. All lines, except automobile supplies and shoes, showed increases in value of goods distributed during June as compared with May, 1927. The index of total sales stood at 101 in June, 1926.



TRADE ACTIVITY—TWELFTH DISTRICT
Seasonally adjusted index numbers of sales of 28 department stores and about 170 wholesale firms, (1923-1925 average = 100). Latest figures, June, department stores, 112; wholesale firms, 99.

78 stores at the close of June, 1927, were 4.6 per cent smaller than at the end of May, 1927, and were 2.3 per cent larger than on June 30, 1926. The rate of stock turnover of 78 stores for the first half of 1927 was 2.8 times per year or slightly faster than for the same period in 1926.

	NET SALES*		End of Month, June, 1927, compared with June, 1926
	June, 1927, compared with June, 1926	January 1 to June 30, 1927, compared with same period in 1926	
Department Stores ..	1.1 (42)	3.1 (36)	2.3 (36)
Dry Goods	21.9 (5)	14.1 (4)	-4.1 (3)
Furniture	-2.7 (63)	1.1 (32)	0.9 (22)
Men's Apparel	0.0 (22)	..	8.5 (3)
Men's and Women's Apparel	-0.8 (10)	3.6 (10)	..
Shoes	1.8 (23)	3.7 (6)	4.9 (3)
Women's Apparel ...	1.5 (11)	6.8 (11)	9.5 (10)
All Reporting Stores	0.6 (119)	3.2 (99)	2.3 (79)

*Percentage increase or decrease (—). Figures in parentheses indicate number of stores reporting. Figures of identical departments of department stores reporting such figures separately included in sales comparisons of furniture, men's apparel, and shoe stores, June, 1927, with June, 1926.

Total sales of 182 wholesale dealers in 11 lines of trade were 2 per cent smaller during the first six months of 1927 than during the same period of 1926. According to the United States Bureau of Labor Statistics' index, average prices of commodities at wholesale have been about 5 per cent lower during 1927 than during 1926, and it seems likely, therefore, that the reported decline in dollar value of sales does not represent an equivalent decline in actual

WHOLESALE TRADE—Twelfth District
Index Numbers of Sales
(1923-1925 monthly average = 100)

	No. of Firms	1927		1926 June
		June	May	
Agricultural Implements	14	181	130	145
Automobile Supplies	13	94	94	98
Automobile Tires	16	156	139	110
Drugs	6	103	103	116
Dry Goods	24	80	77	84
Electrical Supplies	10	101	101	106
Furniture	16	101	89	82
Groceries	19	95	90	91
Hardware	19	101	100	100
Shoes	8	108	124	128
Paper and Stationery	22	92	80	96
All Lines	167	100	94	97
All Lines Adjusted*	167	99	97	100

*For seasonal variation.

Prices

The general price level fluctuated within narrow limits during June and early July. The United States Bureau of Labor Statistics' index of prices of 404 commodities at wholesale declined to 143.7 (1913 prices = 100) for June, 1927, compared with 144.1 for May, 1927. This index stood at 152.3 for June, 1926. Of the group indexes composing the general index, farm products, fuel and lighting, metals and miscellaneous articles advanced slightly, while

(D) DEPARTMENT STORE SALES*—Index Numbers
(1923-1925 monthly average = 100)

	Los Angeles	Oakland	San Francisco	Salt Lake City	Seattle	Spo-kane	District
	(5)†	(4)†	(5)†	(5)†	(5)†	(3)†	(28)†
Without Seasonal Adjustment							
June, 1927...	102	104	94	98	102	92	99
May, 1927...	111	110	112	110	104	92	110
April, 1927...	121	118	111	97	102	100	113
Mar., 1927...	116	103	98	85	90	87	93
Feb., 1927...	105	96	91	80	84	80	95
Jan., 1927...	114	99	88	80	77	72	98
June, 1926...	111	104	94	99	96	92	97
With Seasonal Adjustment							
June, 1927...	114	117	111	107	107	107	112
May, 1927...	117	119	116	96	105	102	113
April, 1927...	128	127	120	101	105	103	120
Mar., 1927...	120	116	103	98	100	100	111
Feb., 1927...	116	118	102	95	108	95	109
Jan., 1927...	118	119	105	100	104	105	111
June, 1926...	112	114	111	105	100	104	109

*Description of these indexes is given in Monthly Review for June 20, 1927. †Figures in parentheses indicate number of stores. One store included in District figures not included in cities shown above.

foods, building materials, house furnishings, and chemicals and drugs declined. The cloths and clothing group was unchanged from a month ago. Those groups which showed declines were, with the exception of house furnishings, the groups which last month showed increases, and those groups which showed advances were, with the exception of the miscellaneous group, the ones which declined in May.

Although the United States Bureau of Labor Statistics' index of prices paid for agricultural products in wholesale channels declined during June, 1927, the United States Department of Agriculture's index of prices paid producers for farm products advanced four points to 130 (August, 1909-July, 1914, prices = 100). The Bureau of Labor Statistics' index of prices of non-agricultural commodities remained practically unchanged during June, and the ratio between the latter two indexes, an indication of the purchasing power of farm products, increased from 83.8 in May, 1927 (pre-war purchasing power = 100) to 86.4 for June, 1927, the highest point recorded since June, 1926 (86.9).

Quotations for cattle and lambs at Chicago averaged higher and quotations for hogs and sheep averaged lower during June than during May, 1927. Cattle prices during June averaged approximately 2 per cent higher than May prices and were 15 per cent higher than a year ago. At present levels, cattle are selling at the highest prices reported since the autumn of 1925. Average prices for the week ending July 1, 1927, with percentage changes from the corresponding week, a month ago and a year ago are shown below:

	Percentage changes from				
	July 1, 1927	June 3, 1927	July 2, 1926	One Month Ago	One Year Ago
Cattle	\$11.35	\$10.75	\$ 9.75	+5.6	+16.4
Hogs	8.65	9.20	13.60	--6.0	--36.4
Sheep	5.60	6.00	5.80	--6.7	-- 3.4
Lambs	14.15	14.20	14.95	--0.4	-- 5.4

Wheat prices moved within a narrow range during June, 1927. Toward the close of the month they were at levels slightly above those of a year ago. Contract prices for September wheat at Chicago on July 1, 1927, ranged from \$1.42 $\frac{5}{8}$ to \$1.44 $\frac{3}{4}$ per bushel, compared with a range of from \$1.41 $\frac{5}{8}$ to \$1.44 $\frac{1}{2}$ on June 3, 1927, and prices ranging from \$1.33 $\frac{7}{8}$ to \$1.34 $\frac{7}{8}$ on July 2, 1926. A price range of \$1.39 $\frac{3}{8}$ to \$1.41 $\frac{5}{8}$ per bushel was established for this contract on July 14, 1927.

The upward movement in cotton prices which has been in progress for the past six months continued during June. A monthly average of daily quotations during June, 1927, was 6 per cent higher than the average for May, 1927, but was still 6 per cent lower than the average price for June, 1926, and approximately 31 per cent lower than the average for June, 1925. Spot sales prices of middling uplands cotton at New Orleans varied from 16.49 to 16.70 cents per pound during the week ending July 1, 1927, compared with ranges of 16.22 to 16.59 on June 3, 1927, and 17.37 to 17.70 cents per pound on July 2, 1926. Wool prices, as indicated by an average of 98 quotations on the Boston market, advanced slightly during June. For the week ending July 1, 1927, the average price was 64.18 cents per pound, compared with 63.54 cents a month ago, and 66.11 cents per pound a year ago.

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

Number 1 Grade Canning Fruit	1927 (per ton)	1926 (per ton)	1925 (per ton)	1924 (per ton)
Apricots	\$75*	\$60-\$65	\$50-\$60	\$65
Cherries	160-170	160-200	160-180	115
Peaches, Y. C.	30||	35-42	35	45
Peaches, Y. P.	not quoted	30-35	25	25
Pears§	44†	30-35‡	70-75‡	60

*Santa Clara. †Canners were charged a \$2.00 service fee in addition. ‡Canners were charged a \$3.00 service fee in addition. §Sacramento River pears receive a premium of 15 per cent. ||Price set by growers' association; not accepted by canners at this date.

(E) Commodity Prices—

Commodity	Unit	July 1, 1927	One Month Ago	One Year Ago
Wholesale Prices (U. S. Bureau of Labor—1913=100).....		143.7	144.1	152.3
Purchasing Power of Farm Products (U. S. Dept. of Agriculture)*....		86.4	83.8	86.9
Cattle (Native Beef).. Weekly average price at Chicago.....	100 lbs.	\$11.35	\$10.75	\$9.75
Lambs..... Weekly average price at Chicago.....	100 lbs.	14.15	14.20	14.95
Hogs..... Weekly average price at Chicago.....	100 lbs.	8.65	9.20	13.60
Wheat..... Chicago contract price for September wheat.....	bu.	1.42 $\frac{5}{8}$ -1.44 $\frac{3}{4}$	1.41 $\frac{5}{8}$ -1.44 $\frac{1}{2}$	1.33 $\frac{7}{8}$ -1.34 $\frac{7}{8}$
Wool..... Average of 98 quotations at Boston.....	lb.	64.18¢	63.54¢	66.11¢
Apples..... Extra Fancy Gravenstein, wholesale at San Francisco.....	box	\$2.75-3.00	Not quoted	\$1.50-2.75
Oranges..... Valencias, Fancy, wholesale at San Francisco.....	box	5.50-6.00	\$4.75-5.25	4.00-5.25
Prunes..... Size 40/50 in 25-lb. boxes, f. o. b. California.....	lb.	.07 $\frac{1}{4}$ -.07 $\frac{3}{4}$	.07 $\frac{1}{4}$ -.07 $\frac{3}{4}$	.08 $\frac{1}{4}$ -.08 $\frac{3}{4}$
Raisins..... Thompson Seedless, bulk, in 25-lb. boxes, f. o. b. California.....	lb.	.07 $\frac{1}{4}$	.07 $\frac{1}{4}$	.07 $\frac{1}{4}$
Canned Peaches..... Choice Cling, sliced, 2 $\frac{1}{2}$ s, f. o. b. California.....	doz.	1.85-2.10	1.85-2.10	2.05-2.10
Butter..... 92 score at San Francisco.....	lb.	.42	.41	.40 $\frac{1}{2}$
Copper..... Electrolytic, monthly average at New York.....	lb.	12.370¢	12.621¢	13.656¢
Lead..... Monthly average at New York.....	lb.	6.414¢	6.616¢	8.033¢
Silver..... Monthly average at New York.....	oz.	56.769¢	56.280¢	65.481¢
Lumber (Softwood).. Weekly Index, United States†.....		30.65	30.65	30.22

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

Silver and zinc prices advanced slightly during June, 1927, but prices of copper and lead continued to decline. Monthly average prices with percentage changes from one month ago and one year ago are shown below:

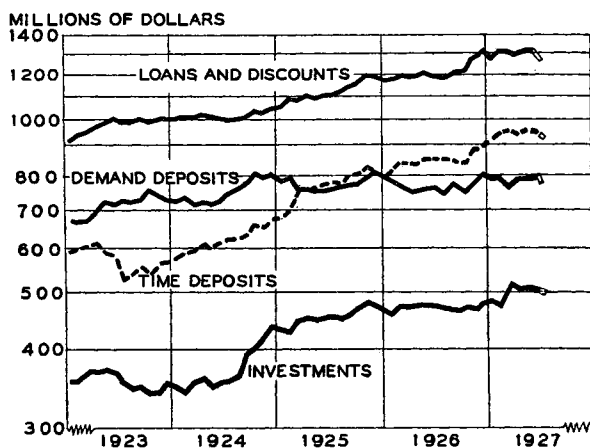
NON-FERROUS METALS PRICES					
(Cents per pound)					
	June, One Month			Percentage	
	June, 1927	May, 1927	June, 1926	changes from Ago	changes from One Year Ago
Silver* (New York)...	56.769	56.280	65.481	+0.9	-13.3
Copper (New York)...	12.370	12.621	13.656	-2.0	- 9.4
Lead (New York)...	6.414	6.616	8.033	-3.1	-20.2
Zinc (St. Louis)...	6.213	6.075	7.112	+2.3	-12.6

*Cents per ounce.

A national index of lumber prices published by "The Lumber Manufacturer and Dealer," remained unchanged at 30.65 for June, 1927. A year ago it stood at 30.22.

Banking and Credit

The volume of member bank credit employed in the Twelfth Federal Reserve District at the close of the first half of the year was slightly smaller than the volume of credit in use at the beginning of the year. Analysis of banking data, submitted by member banks in the district's principal cities, reveals only seasonal movements during the first six months of 1927—a slackening in demand for bank credit during February, expansion to a new high level



MEMBER BANK CREDIT—TWELFTH DISTRICT

Figures for about 65 member banks in leading cities, as of last Wednesday of each month. Latest figures, July 13th.

during March, and the usual diminution in demand during April, May, and June. A further and greater than seasonal contraction in volume of loans outstanding at reporting member banks occurred during the first half of July.

The decrease was due, chiefly, to a marked decline in the amount of loans extended for financing commerce and industry, although loans on securities also declined.

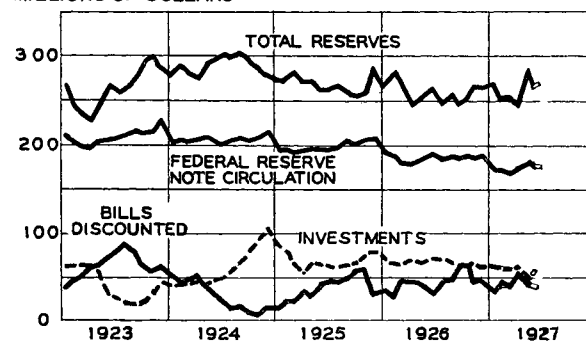
REPORTING MEMBER BANKS*—Twelfth District

	Condition July 13, 1927	Changes from	
		One Month Ago	One Year Ago
(In millions of dollars, percentage changes in parentheses)			
(+ = increase. — = decrease.)			
Total Loans	1,278	-32 (2.4)	+ 86 (7.2)
Commercial Loans	949	-20 (2.0)	+ 45 (5.0)
Loans on Securities	329	-12 (3.6)	+ 40 (14.0)
Investments	503	-19 (3.7)	+ 39 (8.4)
Total Loans and Investments	1,781	-51 (2.8)	+125 (7.5)
Net Demand Deposits	784	- 9 (1.1)	+ 16 (2.0)
Time Deposits	934	-15 (1.6)	+ 86 (10.1)
Borrowings from Federal Reserve Bank	26	- 4 (14.3)	- 7 (21.7)

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

Condition statements of the Federal Reserve Bank of San Francisco for the period January to June, 1927, also reflected seasonal movements in credit demands at member banks. Demands for accommodation at the Reserve Bank

MILLIONS OF DOLLARS



RESERVE BANK CREDIT—TWELFTH DISTRICT

Figures for Federal Reserve Bank of San Francisco, as of last Wednesday of each month. Latest figures, July 13th.

were maintained during June despite decreases in volume of loans granted by the borrowing member banks. With the passing of July 1st requirements, however, discounts for member banks declined to the figure reported on June 8th. Holdings of bills bought in the open market and of United States government securities increased during June.

FEDERAL RESERVE BANK OF SAN FRANCISCO

(In millions of dollars, percentage changes in parentheses)

	Condition July 13, 1927	Changes from	
		One Month Ago	One Year Ago
(In millions of dollars, percentage changes in parentheses)			
(+ = increase. — = decrease.)			
Total Bills and Securities	95	-1 (1.0)	-24 (19.8)
Bills Discounted	37	-3 (7.5)	-10 (20.8)
United States Securities	40	+1 (2.1)	-10 (20.0)
Bills Bought	18	+1 (7.6)	- 4 (16.6)
Total Reserves	273	+8 (3.1)	+10 (3.9)
Total Deposits	180	+5 (2.9)	+ 8 (4.4)
Federal Reserve Note Circulation	176	+4 (2.5)	-16 (8.4)

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