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

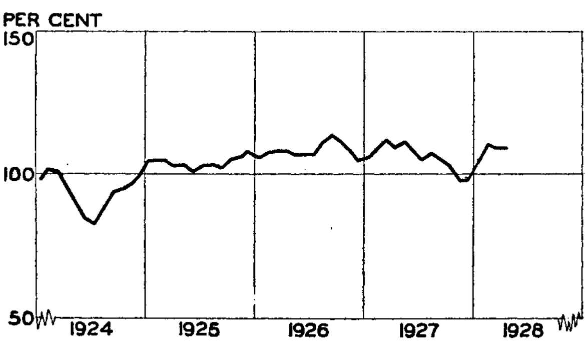
Prepared by the Federal Reserve Board

Industrial production continued in large volume during April, reflecting chiefly increased output in the metal products industry. Activity in industries producing food and clothing decreased. Wholesale and retail trade also declined. The general level of wholesale commodity prices rose in April, reflecting advances in farm products. There were large exports of gold in April and May. Member banks' loans, and their borrowings at the reserve banks, continued to increase; and money rates showed further advances.

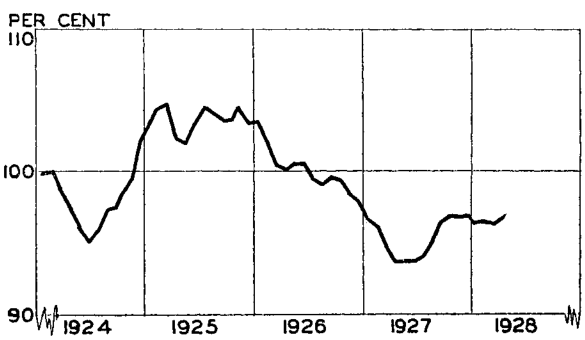
Production. Production of manufactures remained in about the same volume in April as in March, while output of minerals declined slightly, owing chiefly to a decrease in production of bituminous coal. Daily average output of iron and steel, copper, and zinc increased in April, but since the first of May there has been some curtailment in steel-mill activity. Automobile production was maintained in large volume during April and, according to preliminary reports, also during the first half of May. Textile mill activity, output of boots and shoes, and meat production showed substantial declines during April. Volume of factory employment declined slightly, reflecting chiefly decreases in the food, leather, and textile industries. Building contracts awarded in April exceeded those for any previous month, and awards during the first three weeks of May continued in unusually large volume.

Trade. Sales by department stores and by wholesale firms in most lines of trade declined in April and were smaller in dollar value than a year ago. Average daily sales of department stores, after allowance is made for the earlier date of Easter and the usual seasonal changes, were smaller in April than in March, and were also smaller than in April a year ago. This decrease was due largely to unfavorable weather conditions. Stocks of department stores, after adjustment for seasonal changes, were in about the same volume as in March and slightly smaller than a year ago. Freight carloadings showed an increase from the beginning of April to the middle of May, but for most classes of commodities continued smaller than a year ago.

Prices. The general level of wholesale commodity prices, as indicated by the index of the Bureau of Labor Statistics, rose from 96.0 per cent of the 1926 average in March to 97.4 per cent in April. This rise reflected sharp advances in the prices of grains, cotton, livestock, and hide and leather products. Rubber prices con-



INDUSTRIAL PRODUCTION
Index number of production of manufactures and minerals combined, adjusted for seasonal variations (1923-1925 average = 100). Latest figure, April, 109.



WHOLESALE PRICES
Index of United States Bureau of Labor Statistics (1926 prices = 100, base adopted by Bureau). Latest figure, April, 97.4.

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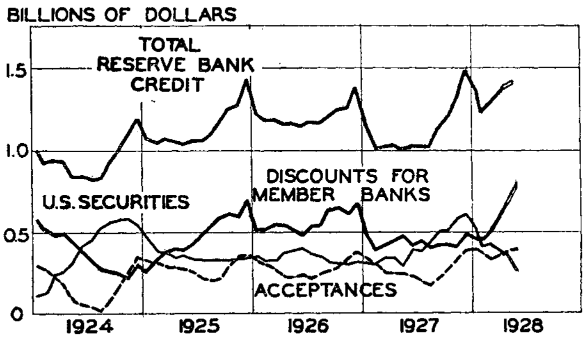
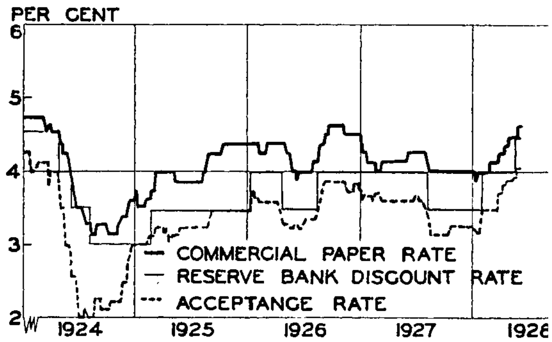
tinued to decline, and most of the other groups of commodities changed little. Decreases in the prices of grains, flour, sheep, and hogs, and increases in copper, zinc, and rubber prices occurred during the first three weeks of May.



RESERVE BANK CREDIT

Monthly averages of daily figures for 12 Federal reserve banks. Latest figures are averages of first 23 days in May.

outward movement of gold continued in M the decline in the monetary gold stock dur the four weeks ending May 23 being nearly million dollars. This loss of gold, together w further sales of United States government se



MONEY RATES

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

Bank Credit. At member banks, loans largely for commercial and industrial purposes, following a rapid increase during February and March, have shown little change since the early part of April. Loans on securities continued to expand and total loans and investments of reporting member banks in the middle of May were larger than at any previous time. The

rities by the reserve banks, was reflected in increase of nearly 140 million dollars in m ber bank borrowing at the reserve banks. Th were further advances in open-market mo rates during May, and discount rates at Federal reserve banks of New York, Ph delphia, Cleveland, Atlanta, and Dallas w raised from 4 to 4½ per cent.

TWELFTH FEDERAL RESERVE DISTRICT CONDITIONS

Primary **credit** demands arising from seasonal needs of agriculture, manufacturing, and trade in the Twelfth Federal Reserve District reached a spring peak during March and April. An adequate supply of funds was steadily available during this period. Commercial money rates at mid-May were the same as in April, 1928, and May, 1927, but prevailing rates on security loans have advanced slightly during recent weeks. The rediscount rate of the Federal Reserve Bank of San Francisco remained at 4 per cent.

The **agricultural season** in the Pacific Northwest and in the Intermountain states was retarded during April and early May by subnormal temperatures and heavy rains. In northern California, conditions have generally favored agricultural operations and growing crops. In southern California and Arizona, seasonal rainfall is still below the average of previous years.

There was a small seasonal increase in **industrial activity** during April. More wage earners were employed in industrial operations than in March, 1928, but both the numbers employed and their average weekly earnings were smaller than in April, 1927. Demands for farm labor during April and early May helped to bring about a reduction in the number of unemplo in the cities of the district. The monthly t of **building** permits issued in principal citie the district was 15 per cent smaller in A than in March, 1928, contrary to the usual pectation of a small increase. Cumulative p mit figures for the period January 1-May 1928, were 15 per cent smaller than a year ag a continuation of the downward trend prev ing since 1925, the peak year of urban build construction. Output of **lumber** in the dist increased by less than the usual seaso amount during April, but exceeded prod tion of a year ago. Daily average flow **petroleum** from California wells decli slightly during the month. Activity in **n ferrous metals mining** and **flour milling** been at relatively high levels during rec weeks.

Total volume of Twelfth District **distribut and trade** was smaller during April, 1928, t during April, 1927, a reflection, in part, of fact that there was one less trading day in A of this year. Declines were reported in frei carloadings, sales at wholesale, and sales new automobiles. Retail sales, when compu on a daily average basis, were slightly lar in April, 1928, than in April, 1927.

Agriculture

The 1928 agricultural season in the Pacific Northwest and in the Intermountain states has been retarded during April and early May by subnormal temperatures and heavy rains. In northern California, conditions have generally favored agricultural operations and growing crops. In southern California and Arizona, seasonal rainfall is still below normal.

May 1 condition figures of the **winter wheat** crop in the principal producing sections of the Pacific Northwest approximate those of a year ago. It is estimated that in Idaho, Oregon, and Washington 2,656,000 acres of winter wheat will be harvested in 1928, compared with 2,604,000 acres harvested in 1927, and 2,174,000 acres harvested in 1926. The United States Department of Agriculture estimates that of the acreage sown to winter wheat in the Pacific Northwest last autumn, approximately 6 per cent has been abandoned in Idaho, 3 per cent in Oregon, and 5 per cent in Washington. Abandonment of winter wheat acreage in the United States as a whole is estimated at 25 per cent of the area sown. Preliminary estimates of the condition, production, and abandonment of winter wheat follow:

WINTER WHEAT

	Condition (in per cent of normal) May 1, 1928	1927	1918-1927 Average	Production* Forecast May 1, 1928 (bushels)	Harvested 1927 (bushels)	Per Cent of Acreage Sown Abandoned May 1928	1927
Arizona	90	90	90	1,206	1,450	1.0	1.0
California	86	91	84	15,107	13,642	7.0	3.0
Idaho	89	90	93	10,146	12,274	6.0	4.0
Nevada	97	98	96	121	120	1.0	0.0
Oregon	93	92	94	17,925	23,400	3.0	3.0
Utah	93	92	94	3,013	2,888	2.0	2.0
Washington	93	92	88	34,200	33,684	5.0	6.0
Twelfth District	..	..	..	81,718	87,458	...	...
United States	73.8	85.6	85.0	486,478	552,384	25.1	8.4

*000 omitted.
Source: United States Department of Agriculture.

A report issued by the United States Department of Agriculture on May 9 indicates that stocks of hay on farms of the district equal those of a year ago, and that the condition of growing hay crops is somewhat below the 1927 figure and the ten-year (1918-1927) average condition.

ALL HAY

	Stocks* on Farms May 1, 1928 (tons)	1927 (tons)	1926 (tons)	Condition May 1, 1928	1927	Ten-Year Average†
Arizona	27	78	34	87	94	91
California	320	463	506	87	90	87
Idaho	232	179	672	86	90	94
Nevada	57	58	220	82	87	94
Oregon	281	112	437	93	92	94
Utah	102	155	501	86	91	95
Washington	237	184	251	88	88	91
Twelfth District	1,256	1,229	2,621	..	..	..
United States	17,920	10,819	11,481	76.1	86.8	88.4

*000 omitted. †1918-1927.

California **deciduous fruits** have not developed sufficiently to permit an accurate estimate of 1928 production, but progress of these crops thus far has been satisfactory, except in southern California where rainfall has been below the average of previous years. The fresh fruit shipping season in California this year began approximately ten days earlier than a year ago. An extensive, though at present undetermined, amount of damage was done to fruit in the Pacific Northwest by rains during the fruit blossoming period.

Reduced market supplies of **citrus fruit** have been reflected in higher prices for California oranges and lemons during the past month. Shipments of oranges and lemons during April were 5,277 and 1,146 carloads, respectively, as compared with 7,343 and 1,373 carloads, respectively, shipped during April a year ago. The 1928 production of Valencia oranges in California is now estimated at approximately 9,312,000 boxes, compared with 11,640,000 boxes produced in 1927.

The condition of **ranges** and of **livestock** has declined slightly since April 1 in all states of the district except Washington. Subnormal temperatures in the northern part of the district and lack of moisture in Arizona and southern California have retarded growth of range forage.

A two-per cent increase in the number of sheep on farms, and reports of heavier individual fleeces, indicate that the 1928 clip of **wool** in the Twelfth District will be larger than was the 1927 clip. Prices received for wool this year have ranged from 3 to 7 cents per pound higher than a year ago. There has been a gradual rise in contract prices since the bulk of the 1928 clip was sold during January, February, and March. Recent losses of **lambs,** due to unfavorable weather on spring ranges in the late lambing territory, have slightly reduced the 1928 spring lamb crop, but it is still probable that the number of lambs saved will be greater this year than one year ago. Shipments of California spring lambs to Eastern markets totaled 304,228 head between March 17 and May 18, 1928, as compared with 300,000 head for the season to May 21, 1927. The proportion of choice grade lambs shipped during 1928 has been below that of a year ago, indicating a poorer run of stock.

Receipts of livestock (largely "grass-fed" cattle, spring lambs, and hogs) at the principal markets of the district and monthly average prices at these markets are shown in the following table:

LIVESTOCK—Twelfth District

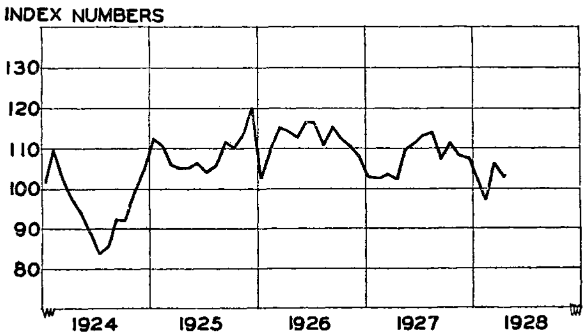
	April 1928	April 1927	March 1928	March 1927	February 1928	February 1927
Receipts*						
Cattle	63,346	78,658	68,152	83,724	65,128	82,761
Calves	14,905	18,752	14,043	20,296	15,215	17,501
Hogs	235,614	162,668	270,678	202,573	283,623	188,714
Sheep	236,558	245,103	179,271	161,204	177,462	191,514
Prices†						
Cattle‡	11.45	9.27	12.00	8.95	12.27	8.74
Hogs§	9.97	12.18	9.10	13.03	9.30	13.12
Sheep‖	15.30	14.06	14.57◊	13.08	13.66◊	11.37◊

*Eight principal markets of Twelfth District. †Weighted according to receipts at six markets in the district. Quoted in dollars per hundredweight. ‡Good grade steers. §Light weight hogs. ‖Choice lambs. ◊Revised.

Industry

A small seasonal increase in industrial activity was evident in the Twelfth Federal Reserve District during April. More wage earners were employed in industrial operations than in March, 1928, but both the numbers employed and their average weekly earnings were smaller than a year ago. In lumbering and the wood fabricating trades, in the industrial group manufacturing "foods, beverages and tobacco" products, and in the so-called "miscellaneous" industries, however, more workers were employed during April, 1928, than in April, 1927, according to available employment statistics covering California and Oregon. The largest decline in employment over the year period was in the "chemicals, oils, paints, etc.," group of industries. This group reported a 20-per cent decrease in numbers of men employed and a 19-per cent decrease in amount of payroll during April, 1928, as compared with April, 1927. Demands for farm labor during April and early May helped to bring about a reduction in the numbers of unemployed in the cities of the district.

The chart on this page displays this bank's seasonally adjusted index of carloadings (other than merchandise and miscellaneous commodities) in the Twelfth Federal Reserve District.



CARLOADINGS OF "OTHER THAN MERCHANDISE AND MISCELLANEOUS FREIGHT"—TWELFTH DISTRICT
Index adjusted for seasonal variation; 1923-1925 daily average=100. Latest figure, April, 103.

The commodities which make up these carloadings are largely the products of the principal industries of the district. As included in the index, they may be classified in two grou[ ] (1) those commodities which are being shipp[ ] to manufacturing plants (e. g., livestock [ ] slaughter houses, logs to lumber and plani[ ] mills, and ore to smelters and refineries) a[ ] (2) those commodities which are being shipp[ ] from manufacturing plants to distributors [ ] consumers (e. g., lumber, flour, meat, and otl semi-finished or finished products). In point [ ] time, carloadings of the first group tend to p[ ] cede manufacturing activity, while those of t[ ] second group tend to follow such activity. [ ] combination of the two groups with their c[ ] setting influences probably reflects with so[ ] accuracy the current situation and gene[ ] trend of industrial production. Movements [ ] the "other than merchandise and misc[ ] laneous" carloadings figures do not, ho[ ] ever, reveal changes in industrial producti[ ] with such accuracy as to permit their use [ ] exact indicators of month-to-month changes [ ] this field. The present chart reveals the sh[ ] downward trend of production experienced [ ] 1924, the subsequent recovery, the recessi[ ] during the second half of 1927 and the rec[ ] rise from the low level of activity prevailing [ ] the beginning of 1928.

The **building** and **construction** industry is [ ] many ways the most important single n[ ] agricultural industry in the Twelfth Fede[ ] Reserve District. This industry consun[ ] nearly all of the brick and cement and appro[ ] mately half of the lumber produced in the d[ ] trict and is a large employer of skilled a[ ] unskilled labor. Urban building activity [ ] decreased in each year since the peak w[ ] reached in 1925. From January 1 to May 1, 19[ ] the value of building permits issued in nea[ ] 100 cities (figures compiled by S. W. Str[ ] and Company) was 14 per cent less than in t[ ] same period of 1927. The monthly figures w[ ]

(*A*) *Industry*—

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

	1928 Apr.	1928 Mar.	1928 Feb.	1927 Apr.
Manufactures:				
Flour	119	118	116	97
Slaughter of Livestock	105	105	106	98
Lumber	104p	106	104◊	100
Refined Mineral Oils†	148	147	146	150
Cement	112	110	146	109
Wool Consumption	...	65	76	88
Minerals:				
Petroleum (California)†	92	93	94	98
Copper (United States)‡	103	101	112	106
Lead (United States)‡	100	109	111	120
Silver (United States)‡	86	92	83	90
Miscellaneous:				
Carloading§	103	106	97	103

p Preliminary. ◊Revised. †Not adjusted for seasonal variation. ‡Prepared by Federal Reserve Board. §Other than Merchandise and Miscellaneous.

(*B*) *Employment*—

Industries	California No. of Firms	California No. of Employees Apr., 1928	California No. of Employees Apr., 1927	Oregon No. of Firms	Oregon No. of Employees Apr., 1928	Oregon No. of Employees Ap[ ] 192[ ]
All Industries	**779**	**153,080 (—4.0)**	**159,429**	**156**	**24,970 (—3.8)**	**25,9[ ]**
Stone, Clay and Glass Products	47	7,364 (—5.7)	7,805	5	223 (—35.9)	3[ ]
Lumber and Wood Manufactures	121	24,583 (4.7)	23,489	59	15,587 (—2.1)	15,9[ ]
Textiles	19	2,453 (—11.8)	2,781	12	1,971 (2.1)	1,9[ ]
Clothing, Millinery and Laundering	65	8,253 (—1.0)	8,334	7*	432 (4.3)	4[ ]
Foods, Beverages and Tobacco	171	35,215 (2.8)	34,243	41	1,388 (—13.6)	1,6[ ]
Water, Light and Power	5	7,531 (—0.1)	7,538	..	...	.
Other Industries†	337	65,666 (—10.3)	73,243	..	...	.
Miscellaneous	14	2,015 (1.0)	1,996	32	5,369 (—6.6)	5,7[ ]

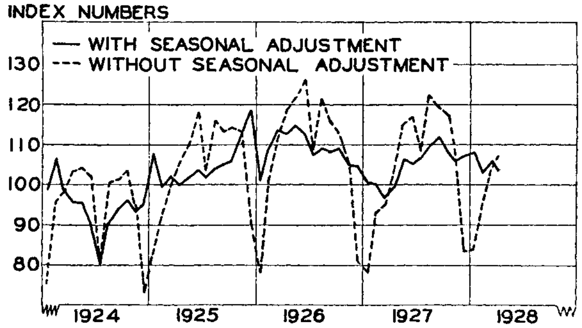
*Laundering only. †Includes the following industries: me[ ] machinery and conveyances; leather and rubber go[ ] chemicals, oils and paints; printing and paper goods.
Figures in parentheses indicate percentage changes from A[ ] 1927.

approximately 15 per cent smaller in April than in March, 1928, whereas ordinarily there is a small seasonal increase during the later month. The value of contracts awarded for engineering and public-works projects in this district* during April, as reported by Engineering News Record, was 10 million dollars (25 per cent) smaller than in March, 1928, but was 4 million dollars (15 per cent) larger than in April, 1927.

All of the larger cities, except Salt Lake City, reported decreases in value of building permits granted during April as compared with March, 1928. Seattle was the only city of this group reporting larger figures in April, 1928, than in April, 1927. Many of the smaller cities of the district, particularly those located in the Great Valley of California, reported increases in value of building permits issued during April, 1928, as compared with March, 1928, and April, 1927.

The lumbering and **lumber** products industry ranks first among all the manufacturing industries in the Twelfth Federal Reserve District. The value of its products constitutes more than 20 per cent of the value of all industrial products of this area. The considerable part played by this industry in the district's economic life is partially revealed by comparison of the curve of carloadings (other than merchandise and miscellaneous commodities) and the curves of lumber production shown in the accompanying chart. (Logs and lumber constitute approximately 70 per cent of district carloadings other than loadings of merchandise and miscellaneous commodities.)

Preliminary figures indicate that output of lumber increased by less than the usual seasonal amount during April, but exceeded that of a year ago. This bank's seasonally adjusted index of daily average production rose from 104 in February, 1928, (1923-1925 daily average=



LUMBER PRODUCTION—TWELFTH DISTRICT.

1923-1925 daily average=100. Latest figures, April, adjusted, 104 (preliminary), unadjusted, 108.

100) to 106 in March, 1928, and declined to 104 (preliminary) in April, 1928. The index also stood at 100 in April, 1927. During April, 1928, new orders at reporting mills exceeded shipments, which in turn exceeded production, so that unfilled orders increased and mill stocks decreased.

Daily average production of **petroleum** in California declined slightly during April. Curtailment of production in some districts has been offset to a considerable extent by discovery of new wells or increased flow from old wells in other sections. The shut-in oil is largely of the heavy or fuel oil type, while the newer production is of a lighter quality, with a relatively high gasoline content. There is an active demand for the latter grade of oil by West Coast refineries, and production of refined oils has tended upward.

Activity in the **mining** industry was at relatively high levels during April, a reflection chiefly of increases in the price of copper. Supply of copper has become fairly well adjusted to demand during the past year and as a result, recent activity in both domestic and foreign copper markets has been quickly reflected in price advances for that metal. For the week ending May 12, copper prices at New York

*In this compilation, the five southeastern counties of Arizona, which are in the Eleventh Federal Reserve District, are included.

(*C*) *Bank Debits**—

	April, 1928	April, 1927	First Four Months 1928	First Four Months 1927
Bakersfield	$ 13,616	$ 12,717	$ 59,517	$ 53,795
Bellingham	10,123	10,496	39,183	39,835
Berkeley	20,244	22,201	87,194	86,293
Boise	12,740	12,910	53,971	51,683
Eugene	7,831	8,155	27,046	27,783
Everett	13,092	13,441	49,814	48,982
Fresno	33,876	40,694	132,672	161,577
Long Beach	53,760	54,860	214,096	204,198
Los Angeles	1,093,193	954,235	4,212,170	3,939,358
Oakland	282,006	228,179	1,005,699	891,564
Ogden	15,091	15,322	68,043	73,897
Pasadena	45,288	44,776	173,288	175,245
Phoenix	36,669	28,563	138,664	112,330
Portland	162,473†	171,307	626,957	642,212
Reno	8,400	8,517	34,744	33,867
Ritzville	957	728	3,703	3,065
Sacramento	47,941	33,293	191,373	116,546
Salt Lake City	71,442	70,384	292,752	273,318
San Bernardino	10,333	11,000	41,100	40,058
San Diego	64,333	63,432	252,471	265,863
San Francisco	1,507,956	1,228,689	5,995,693	4,846,579
San Jose	26,595	24,890	108,169	103,116
Santa Barbara	13,524	13,897	55,407	53,864
Seattle	254,782	222,331	951,744	815,337
Spokane	57,927	56,150	222,235	219,986
Stockton	26,090	24,541	115,322	107,142
Tacoma	45,767	45,887	179,013	180,027
Yakima	12,326	12,630	50,423	48,994
District	$3,948,375	$3,434,225	$15,382,463	$13,616,514

*000 omitted. †Includes a pro rata of $2,392,000 reported for week ending May 2 from four new reporting banks in Portland.

(*D*) *Distribution and Trade*—

	1928 Apr.	1928 Mar.	1928 Feb.	1927 Apr.
	Index Numbers*			
Carloadings, Total†	110	110	115	114
Carloadings, Merchandise and Miscellaneous†	115	113	118	122
Sales at Wholesale‡	92	98	95	100
Sales at Retail†	123	114	117	119
Stocks, Retail§	104	111	108	103
	Actual Figures			
Stock Turnover, Retail¶	0.24	0.24	0.22	0.25
Collections, Retail‖				
Regular	45.5	47.0	44.3	45.3
Installment	15.7	15.4	15.8	16.1

*Adjusted for seasonal variation, 1923-1925 average=100. †Daily average. ‡Monthly totals of eleven 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.

averaged 14.021 cents per pound, compared with 13.960 cents and 12.767 cents per pound, one month ago and one year ago, respectively.

In mid-May, the price of **silver** advanced to 60 cents per ounce, the highest point since February, 1927. Seasonally adjusted indexes of national production of those non-ferrous metals important in this district (copper, lead, and silver) are given in Table "A." Of these three metals, the Twelfth District in 1927 produced the following percentages of the national output: silver, 69.7; copper, 66.1; lead, 49.0.

This bank's seasonally adjusted index of **flour** production of 19 mills of the district stood at 119 (1923-1925 monthly average=100) for April, compared with 118 for March, 116 for February, and 107 for January, 1928. In April, 1927, the index stood at 97, while in December, 1927, it registered 99.

Current active domestic demand for flour has raised local flour prices above an export basis, and during recent weeks there has been little export of flour, except on old contracts.

FLOUR PRICES PER BARREL
Received by Twelfth District Mills

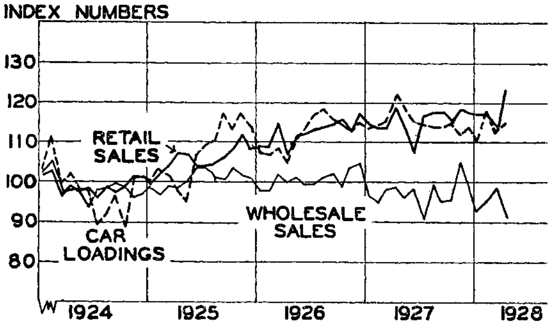
First Grade Family Patent			First Grade Bakers Patent			Straight Grade Export (Soft Wheat)		
Apr., 1928	Mar., 1928	Apr., 1927	Apr., 1928	Mar., 1928	Apr., 1927	Apr., 1928	Mar., 1928	Apr., 1927
$9.15	$8.65	$8.25	$9.10	$8.50	$7.80	$6.70	$6.30	$7.25

Although there have been month-to-month increases in flour production since January, 1928, stocks of flour in millers' hands at the end of April were 38,527 barrels or 8 per cent smaller than at the end of January, 1928.

Distribution and Trade

Total volume of **distribution** and **trade** was smaller during April, 1928, than during April a year ago, a reflection, in part, of the fact that there was one less trading day in April this year. Sales at retail, when reduced to a daily average basis showed a small increase in April of this year as compared with April of last year. Total monthly sales at wholesale, freight carloadings, and sales of new automobiles declined as compared with April, 1927. As in March, retail trade was maintained at relatively higher levels in Seattle, Salt Lake City, and in the state of Arizona than in other parts of the district. Reported value of sales at retail during the first four months of 1928 was slightly larger than during the same months of 1927. A similar expansion of sales at wholesale shows little change over the year period. There was a substantial decrease in sales of new **automobiles** (as evidenced by registrations of new passenger cars and trucks) during the first four months of 1928 as compared with the same period in 1927. Total freight **carloadings** on railroads of the district likewise showed a decline.

Total value of sales at retail reported by firms was 2.9 per cent smaller during April year than during April a year ago, but there one less trading day in April this year. T bank's index of value of average daily sale 28 department stores (index adjusted for s



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

sonal variation, 1923-25 daily average=1 was 123 in April, 1928, as compared with 11 March, 1928, and 119 in April, 1927. Stocks h by reporting stores of the district at the clos April, 1928, were 1.4 per cent smaller than the close of April, 1927. The percentage of lections to accounts receivable for all report retail stores changed little as compared wit year ago.

RETAIL TRADE—Twelfth District

	NET SALES* Apr., 1928, compared with		STO Apr., compa wit
	Apr., 1927	Mar., 1928	Apr.,
Department Stores....	—1.9 (61)	1.8 (60)	—0.3 (
Apparel Stores	—5.7 (27)	—5.1 (26)	—2.4 (
Furniture Stores	—9.1 (48)	—7.9 (42)	—7.3 (
All Stores	—2.9 (136)	—0.2 (128)	—1.4 (

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

Value of sales at **wholesale** during April this year was smaller than during April, 19 sales of 234 reporting firms in eleven lines trade showing a decrease of 5.5 per cent o the year period. This bank's seasonally adjus index of wholesale sales based on reports of firms stood at 92 (1923-1925 monthly averag 100) in April, 1928, and 98 in March, 1928, a 100 in April, 1927. The value of wholesale inventories was approximately the same at end of April, 1928, as at the end of April, 19 Collections were slower than last year in m of the eleven lines of trade for which data available.

Prices

The wholesale commodity price index of United States Bureau of Labor Statistics v steady at 96 (1926 prices=100) during the fi quarter of 1928, but during April it advan moderately to 97.4, the highest point reacl by this index since December, 1926. The A advance was largely the result of sharp increases in prices of farm products, supplemented by higher prices in other groups of commodities, namely foods, hides and leather products, and building materials. A drop in crude rubber prices prevented the general index from showing a greater increase than was recorded.

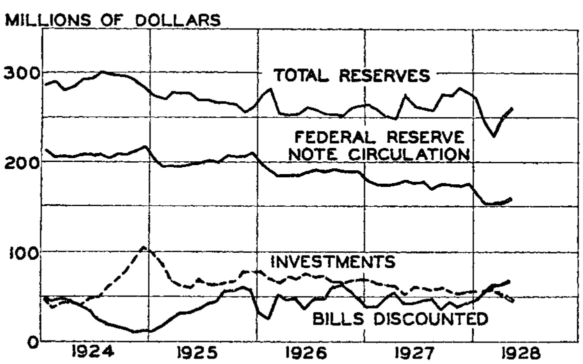
The general level of commodity prices is now approximately 5 per cent higher than it was a year ago, at which time prices were at the lowest levels since the beginning of 1922.

Increases in prices of grains and raw cotton have been mainly responsible for the advance in prices of the farm products group since the first of April. A moderate increase was recorded in prices of livestock during this period. The upward movement in prices of hogs during recent weeks has reversed a downward movement which began in the autumn of 1927. Since the first of May, a recession in farm products prices, especially prices of wheat and hogs, has taken place, but prices throughout the group as a whole have remained higher than they were before the recent advance commenced in late March.

Prices of non-ferrous metals increased slightly during April and early May. Softwood lumber prices, while well below those of April and May, 1927, have recently been at the highest levels of the current year. Prices of Yellow Pine, Douglas Fir, White Pine, and Spruce have all shared in the advance, most of which occurred in the first half of April.

Banking and Credit

Primary credit demands arising from seasonal needs of Twelfth District agriculture, manufacturing, and trade reached a spring peak during the last half of April. An adequate supply of funds was steadily available and commercial money rates at mid-May were the same as in April, 1928, and May, 1927. Rates on security loans, however, have advanced slightly during recent weeks.



RESERVE BANK CREDIT—TWELFTH DISTRICT
Monthly average of daily figures. Latest figures are averages for first three weeks in May.

Total earning assets of **reporting city member banks** increased slightly during April and early May as a result of increased investment holdings and security loans. The volume of "all other loans—largely commercial" declined, following the usual spring peak. Security loans of reporting banks, on the first three weekly report dates in May, averaged 39 million dollars, or nearly 12 per cent, larger than a year ago. Their so-called commercial loans averaged 18 million dollars, or nearly 2 per cent smaller than a year ago. Borrowings of these city banks at the Federal Reserve Bank of San Francisco showed an increase from 31 million dollars to 58 million dollars over the year period. Borrowings of country member banks at the Reserve Bank during May were 5 million dollars (50 per cent) less than a year ago.

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

	Average Condition During Month		
	May, 1928†	April, 1928	May, 1927
Total Loans and Investments	1,971	1,965	1,816
Total Loans	1,331	1,333	1,310
Commercial Loans	956	962	974
Loans on Securities	375	371	336
Investments	640	632	506
Net Demand Deposits	839	829	784
Time Deposits	1,008	1,003	954
Borrowings from Federal Reserve Bank	58	55	31

*Total resources of reporting banks are approximately 46 per cent of total resources of all banks and 62 per cent of total resources of all member banks in the Twelfth Federal Reserve District. Reporting banks embrace member banks and branches located only in Los Angeles, San Francisco, Oakland, Portland, Tacoma, Seattle, Spokane, Salt Lake City, and Ogden. †Preliminary.

Total earning assets (bills discounted, bills bought, and United States government securities) held by the **Federal Reserve Bank of San Francisco** averaged 112 million dollars during the first three weeks of May, the same figure as the average for the month of April. A reduction of 6 million dollars in holdings of United States government obligations during May was offset by increases of 4 million dollars in the amount of paper discounted and of 2 million dollars in purchased acceptances held.

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

	Average Condition During Month		
	May, 1928*	April, 1928	May, 1927
Total Bills and Securities	112	112	94
Bills Discounted	64	60	41
Bills Bought	26	24	19
United States Securities	22	28	33
Total Reserves	259	248	275
Total Deposits	191	187	176
Federal Reserve Notes in Circulation	158	155	178

*Preliminary.

Interest rates on prime commercial paper in Reserve bank and branch cities of the district continued during May, 1928, at the same levels as in April, 1928, and May, 1927, ranging from 4½ to 6 per cent, depending on the market and the borrower. The rediscount rate of the Federal Reserve Bank of San Francisco was unchanged at 4 per cent.

Deciduous Fruit Shipments — California

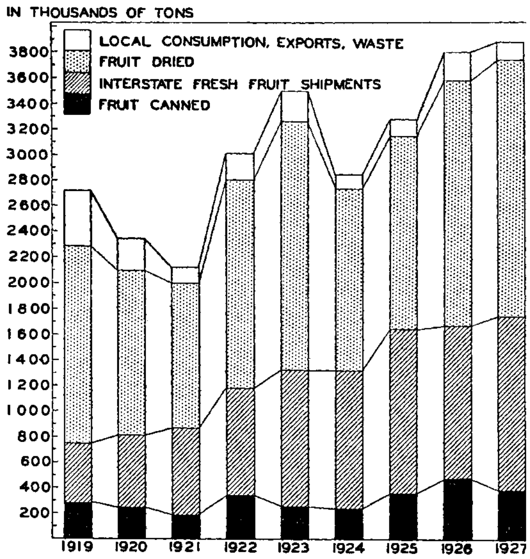
Deciduous fruits* produced in California are consumed as fresh fruit, dried fruit, and canned fruit. A large increase in production of deciduous fruits during the past ten years has been accompanied by year-to-year changes in the relative amounts of fruit canned, dried, and shipped fresh. Interstate shipments of fresh fruit from California have increased faster since 1919 than has either canned or dried fruit production. A fourfold increase in the quantity of grapes (mostly juice varieties) shipped has been the most important factor in this movement.

During recent years, shipments of grapes from California have greatly exceeded those of any other fruit or vegetable, and have averaged approximately 27 per cent of total shipments of all California fruits and vegetables† each year. There has also been a consistent and, in recent years, rapid increase in volume of interstate shipments of fresh pears. Shipments of fresh apricots, cherries and plums have shown no such regular growth nor do they approach, in volume, the shipments of grapes and pears. Peach shipments have fluctuated more than have shipments of any other deciduous fruit. According to a study of the peach industry published by the University of California,‡ experience indicates that "Whenever peach production in other states is above normal, there is a tendency for California's interstate shipments [of peaches] to fall below normal; and conversely, whenever the production is below normal in other states, California's shipments are above normal." The same statement would apply, in some degree, to all California fruits which meet with competition from other producing sections.

Variations in the total tonnage of carlot shipments of deciduous fruit from California from one year to another are shown graphically in the accompanying chart as well as in the index numbers of such shipments shown in Table I.

Approximately 50 per cent of the fresh deciduous fruit produced in California is dried. In the past ten years, the production of dried fruit has fluctuated markedly from year to year, but has generally followed the rapidly rising tre of fresh fruit production.

Excluding grapes, apples, and prunes, wh are not important items in the canning ind try, approximately 42 per cent of Californi deciduous fruit crop was canned during years 1924-1926. If these fruits be included the calculation, however, a relatively small p portion (approximately 10 per cent) of C: fornia's total deciduous fruit crop was used canning purposes during this period.



DISPOSITION OF CALIFORNIA DECIDUOUS FRUI

Deciduous fruits are shipped from Califor during each month of the year, but the per of the heaviest shipments is from June to N vember. The peak of the movement is genera in late September and early October when grape shipping season is at its height.

The percentage of total tonnage of decidu fruits shipped from California represented each of the important varieties comprising th shipments, and the conversion factors used reduce carlot shipments to a tonnage basis given in Table II. Conversion factors used reduce figures of canned and dried fruit p duction to a comparable fresh fruit basis for t purposes of this study are also given in Table

*Includes apples, apricots, cherries, figs, grapes, peaches, pears, plums and prunes. †This calculation is based on data of inter- and intrastate shipments published by the Bureau of Railway Economics in their Bulletin Number 27, Monthly Shipments of Fresh Fruits and Vegetables—United States. ‡California Agricultural Extension Service—Circular Number 1—April, 1926, Series on California Crops and Prices—Peaches.

TABLE I.

DECIDUOUS FRUIT SHIPMENTS FROM CALIFORNIA—INDEX NUMBERS (1919=100)

Variety	1927	1926	1925	1924	1923	1922	1921	1920	1919
Apples	83	122	61	117	161	106	120	108	100
Apricots	110	63	96	121	171	101	83	74	100
Cherries	172	221	152	212	179	149	198	147	100
Grapes	424	319	373	307	274	216	158	127	100
Peaches	164	58	106	66	133	85	124	113	100
Pears	215	232	183	136	170	136	103	103	100
Plums	139	178	127	98	179	119	106	87	100
Misc. and Mixed	342	597	548	416	385	373	524	491	100
All Varieties	280	247	263	222	225	174	140	118	100

TABLE II.

	SHIPMENTS	CONVERSION FACTO		
Variety	Per cent of Total*	Carlot Shipments†	Canned Fruit‡	Dr Fr
Apples	5.03	12.96	..	6
Apricots	0.47	11.25	55	5
Cherries	0.78	10.63	63	
Figs	0.05	..	..	2
Grapes	76.56	14.57	50	
Peaches	2.58	12.11	43	5
Pears	9.43	12.48	40	5
Plums	4.75	11.25	60	
Prunes	..	..	..	3
Raisins	..	..	..	4
Misc. and Mixed	0.31	12.00	..	

*Based on 1924-1926 average shipments. †Net tonnage of f fruit in one carload. ‡Cases of canned fruit equal to one of fresh fruit. §Tons of fresh fruit equal to one ton of d fruit.