

MONTHLY REVIEW

OF

BUSINESS CONDITIONS

ISAAC B. NEWTON, Chairman of the Board and Federal Reserve Agent
Federal Reserve Bank of San Francisco

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No. 9

SUMMARY OF NATIONAL CONDITIONS

Prepared by the Federal Reserve Board

Industrial production as a whole was in the same volume in August as in July, contrary to the usual upward trend at this season, although there were seasonal increases in activity in a number of basic industries. Factory employment and payrolls declined further. The general level of commodity prices at wholesale, which had declined continuously for a year, remained unchanged between July and August, advances in price being reported for certain important agricultural staples.

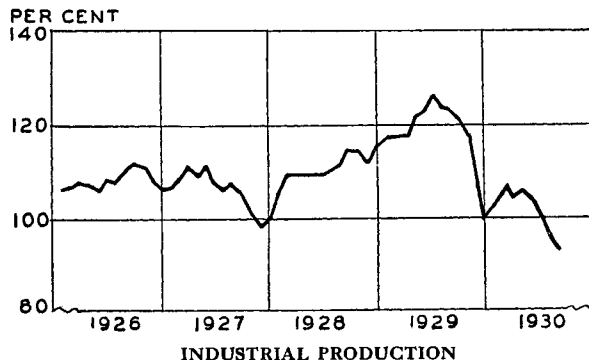
Production. The Board's index of industrial production, which makes allowance for seasonal variations, continued to decline in August. Production of automobiles, pig iron, lumber, and sugar decreased, and there was a reduction in the consumption of cotton and wool. In the bituminous coal and silk industries, there was less increase than is usual at this season, while in the steel, cement, flour, and shoe industries the increase was slightly more than seasonal. During the first two weeks of September, activity at steel plants increased, while a further reduction in output of automobiles was reported. Building contracts awarded, as reported to the F. W. Dodge Corporation, were in slightly smaller volume during August, largely on account of reductions in educational and industrial construction projects. Residential building contracts continued

small. During the first two weeks in September, awards averaged about the same as in August.

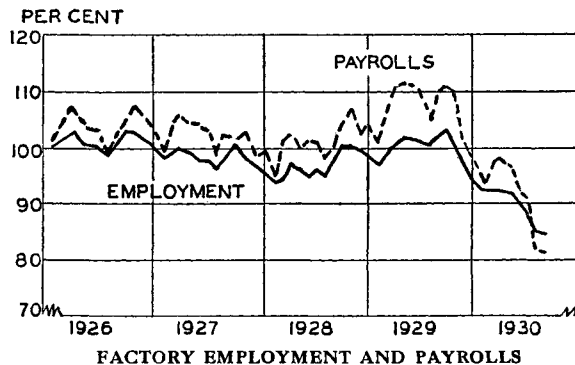
At the middle of August, the latest date for which figures are available, the number of wage earners employed in factories and the volume of factory payrolls was smaller than in the middle of July. There were decreases in employment in the iron and steel and cotton textile industries, and at foundries and machine shops, automobile plants, and sawmills. Substantial seasonal increases occurred in the canning and preserving, bituminous coal mining, and clothing industries.

Agriculture. September 1 estimates by the Department of Agriculture indicate a corn crop of 1,983,000,000 bushels, about 700,000,000 bushels less than the five-year average; a spring wheat crop of 240,000,000 bushels, slightly larger than last year's unusually small crop, making the total wheat crop about equal to the five-year average; and a crop of oats of about the usual size. Condition of pastures on September first was reported to be unusually poor. The cotton crop is expected to be about 14,340,000 bales, nearly one-half million bales less than last year.

Distribution. Volume of freight shipped by rail increased by slightly less than the seasonal amount during August. Sales of department



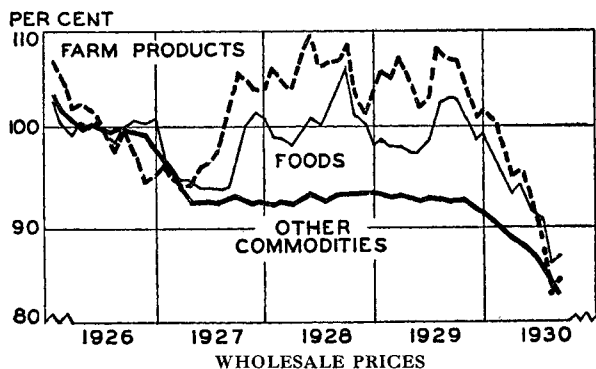
Index number of production of manufactures and minerals, combined, adjusted for seasonal variations (1923-1925 average = 100). Latest figure, August, 92.



Index numbers of factory employment and payrolls, without adjustment for seasonal variations (1923-1925 average = 100). Latest figures, August, employment 83.8, payrolls 80.9.

stores were larger than in July, but continued considerably smaller than a year ago.

Wholesale prices. There were increases during August in prices of many agricultural products, especially meats, livestock, and grains, while the price of cotton decreased. Prices of mineral and forest products and of imported raw materials and their manufactures in general declined with the principal exception of silk. The Bureau of Labor Statistics'

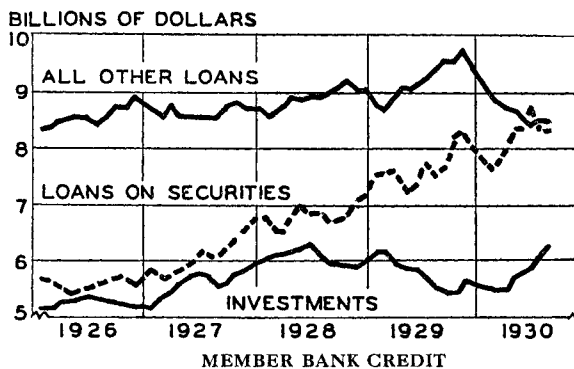


Indexes of United States Bureau of Labor Statistics (1926=100, base adopted by Bureau). Latest figures, August, farm products 84.9, foods 87.1, other commodities 83.3.

index of wholesale prices showed no change from the preceding month. During the first half of September, there were pronounced declines in prices of wheat, corn, hogs, pork, and rubber. Prices of cotton and woolen textiles remained fairly stable, while those of hides and coffee increased.

Bank Credit. Between August 20 and September 17 there was an increase in member bank holdings of investments and in their loans

on securities, while all other loans, which include loans for commercial purposes, declined, contrary to the seasonal trend. The volume of reserve bank credit outstanding showed a growth for the period, as is usual at this season, but the increase was relatively small owing to the fact that the seasonal demand for currency was smaller than in other recent years and owing to an addition of 15 million dollars to the country's stock of gold. The increase was



Monthly averages of weekly figures for reporting member banks in leading cities. Latest figures are averages of first two weeks in August.

in holdings of acceptances, offset in part by a further decline in discounts for member banks to the lowest level since 1917. Money rates continued at low levels during August and the first half of September and the yield on high-grade bonds declined further. Discount rates at the Federal Reserve Banks of Dallas and Minneapolis, the only banks which had maintained a four per cent rate, were reduced to three and one-half per cent during September.

TWELFTH FEDERAL RESERVE DISTRICT CONDITIONS

The dominant note in Twelfth District business during August was the lack of change—that is to say, a large majority of the productive and commercial activities showed only the normal seasonal movements from July. Of the few non-seasonal changes taking place more were favorable than unfavorable for the first time in several months. The excess of favorable developments was so small, however, that business as a whole remained at substantially the low levels recorded in July.

Some improvement was noticeable in the agricultural situation during August. Harvesting progressed rapidly, favored with excellent weather. Upward revisions in crop production estimates were more numerous than were reduced forecasts, ranges remained in good condition except in eastern Oregon and Washington and western Idaho where dry weather caused some decline, and the condition of livestock continued satisfactory. Declines in butter stocks found response in an appreciable in-

crease in the price of that commodity. Excepting wheat prices, there were no important declines in quotations for agricultural commodities during August.

Figures on industrial activity suggested faint improvement over the preceding month for the first time since spring. Lumber output failed to expand seasonally, but production of oil, copper, and cement was practically unchanged and the output of flour increased. Building permits issued increased slightly and construction contract awards were at decidedly higher levels than in July. Fruit canning was seasonally active during August. The number of unemployed was slightly less than in July.

Consideration of the several measures of trade activity discloses no developments during August which might indicate a change from the low levels of other recent months. Department store sales and wholesale trade, although far below last year, reached seasonal expectations during August, and sales of new automo-

biles declined. Freight carloadings improved seasonally and shipments from the east coast through the Panama Canal showed a moderate increase, although total intercoastal trade did not exceed July volume.

For the first time in a year, according to most indexes, average commodity prices have remained comparatively stable for four or five weeks. With the addition of the wheat crop now being harvested to the record carry-over from last year, wheat prices tended irregularly lower after the first week in August, reaching a new post-war low in mid-September. Quotations on livestock increased slightly during late August and hay prices advanced during that month. Prices of lumber and copper declined slightly.

There were no noteworthy changes in the credit situation between August 20 and September 17 and money conditions remained easy. Member bank loans to customers were increased slightly, while investment holdings of those banks showed virtually no change. Minor declines in borrowings from the Federal Reserve Bank of San Francisco continued to reduce the already small volume of discounts of that bank.

Agriculture

Harvesting of most of the District's grain, fruit, and field crops had been completed or was nearing completion under favorable weather conditions by mid-September. Yields of grain and field crops have been greater than was expected earlier in the season and September 1 production estimates were revised upwards. Livestock ranges in various parts of the District, particularly in eastern Oregon and Washington and western Idaho, deteriorated during August, but the condition of livestock continued good. Scattered showers in the wheat growing areas of the Pacific Northwest have facilitated tillage operations and in some sections fall wheat is being sown. Additional rainfall is needed, however, to supplement the deficient supplies of sub-soil moisture. With the notable exception of citrus fruits, prices received for nearly all agricultural products now being marketed in the District are lower than a year ago.

Estimates of the total production of wheat in this District during 1930 were increased three per cent during August, and September 1 forecasts indicate that the crop will be slightly larger (one per cent) this year than last. Out-turn of spring wheat has been greater than was anticipated earlier in the present harvest season, the 1930 crop being nearly 20 per cent larger than the 1929 crop. Exports of wheat from Puget Sound and Columbia River ports during July and August totaled 4,443,459 bushels, a nine per cent decrease from the

4,872,350 bushels exported during the same two months in 1929. On August 15 farmers' intentions to plant indicated that the acreage to be sown to wheat in the District this autumn would be 16 per cent greater than the acreage seeded in the autumn of 1929, when planting was restricted by a deficiency of soil moisture. Production of barley is greater this year than it was in 1929, but exports of barley from San Francisco during July and August, 1930, were 60 per cent smaller in volume than in July and August, 1929. The latest official estimates of production of field crops show several important increases from estimates made as of August 1.

FIELD AND GRAIN CROPS—PRODUCTION

	Forecast		1929	1928
	Sept. 1, 1930	Aug. 1, 1930		
Beans (bu.)				
California, Idaho	8,226	8,115	7,191	6,959
United States	19,458	22,024	19,693	17,656
Cotton (bales)				
Arizona, California ..	383	386	413	321
United States	14,340	14,362	14,828	14,478
Hops (lbs.)				
Calif., Ore., Wash. ...	21,720	18,360	33,220	32,944
United States	21,720	18,360	33,220	32,944
Potatoes (bu.)				
Twelfth District	45,014	44,577	39,268	47,512
United States	339,278	372,557	359,796	465,350
Rice (bu.)				
California	6,160	6,270	6,222	8,171
United States	38,307	37,897	40,217	43,240
Tame Hay (tons)				
Twelfth District	14,773	14,354	14,414	14,568
United States	82,095	83,460	101,786	93,351
Sugar Beets (tons)				
Calif., Idaho, Utah ..	1,547	1,607	1,704	1,572
United States	8,217	7,910	7,318	7,101
Barley (bu.)				
Twelfth District	49,418	48,726	44,083	46,358
United States	322,700	306,215	303,552	357,487
Oats (bu.)				
Twelfth District	37,834	35,023	34,904	35,230
United States	1,390,892	1,316,369	1,238,654	1,439,407
Wheat (bu.)				
Twelfth District	114,574	111,132	113,720	125,746
United States	837,761	772,323	805,790	914,876

Source: United States Department of Agriculture.

Harvesting of the principal deciduous fruits produced in the District excepting apples and grapes is nearly complete. Apples and grapes are now being marketed and carlot shipments to eastern markets increased each week during August and early September. Prices paid growers for these fruits generally have been less than a year ago but equal to or somewhat higher than in 1928.

APPLES—PRODUCTION

Commercial Crop	Forecast		
	Sept. 1, 1930	1929	1928
California	6,441	4,413	6,861
Idaho	3,708	4,950	4,800
Oregon	4,905	2,250	5,100
Utah	1,482	720	570
Washington	28,881	24,900	30,000
Total	45,417	37,237	47,331
United States	92,352	87,033	106,383

Source: United States Department of Agriculture.

The forthcoming crop of Navel oranges in California is reported to be in excellent condition and trade factors estimate that the 1930-1931 production of this fruit will be substantially larger than was the 1929-1930 crop, which was estimated to have been 10,500,000 boxes.

Prices for oranges and lemons sold during August remained at relatively high levels. Between May 1 and September 1 of this year 10,894 carloads of Valencia oranges were shipped from California. During the same period of 1929 shipments of that year's Valencia orange crop, which was the largest on record, totaled 20,768 carloads.

Continued improvement was evident in market conditions for dairy and poultry products during August. Stored stocks of butter in the United States declined further during the month and on September 1 were 15 per cent smaller than on the corresponding date in 1929. Prices of both butter and eggs sold in Pacific Coast markets advanced during August. At the same time, receipts of eggs and butter in those markets increased and were larger than in August, 1929.

The condition of livestock ranges improved in Arizona, Nevada, and Utah, but deteriorated somewhat in other parts of the District during August. As in other recent months, livestock remained in relatively better condition than ranges. During recent months, unfavorable marketing conditions are reported to have influenced some cattle and sheep raisers temporarily to withhold their stock from the market in anticipation of more favorable prices in the future.

During August, Twelfth District markets received shipments of cattle from the Rocky Mountain and Western Great Plains regions which normally would have been sent to mid-Western markets. This movement was induced by an abnormally small price differential between local and mid-Western livestock markets which, in turn, was caused by an unusual increase in prices at Pacific Coast markets where there was some scarcity of the better grades of cattle. Recent cattle price increases have been

greater in mid-Western markets than in Twelfth District markets, however, thus restoring the price differential to more normal levels and making such shipments unprofitable.

The number of sheep and lambs available for market in the District this year is greater than a year ago, but demand, particularly from mid-Western feeder lamb markets, is inactive because of the relatively high feed prices incident to the recent drought. Since mid-Western shipments usually constitute a large proportion of the autumn movement of lambs from Idaho and Utah, the present situation has resulted in a larger volume of lamb receipts at Twelfth District markets this year than in 1929. Lamb prices declined steadily in western markets until late August, but remained relatively stable during the three weeks preceding mid-September.

Industry

Industrial activity in the Twelfth Federal Reserve District remained at low levels during August. There was little change in output of oil, lumber, cement, or copper and the volume of unemployment remained approximately the same as in the previous month. The value of building permits issued increased slightly in the larger population centers and construction contracts awarded, exclusive of those for commercial and industrial buildings, were in large volume. Activity of flour mills expanded in response to improved demand for flour from both domestic and foreign markets. Fruit canning and drying were at high seasonal levels during August.

The total value of construction increased during August and was about the same as in

Industry—

Indexes of daily average production, adjusted for seasonal variations (1923-1925 daily average = 100)	1930			1929
	Aug.	July	June	Aug.
General:				
Carloadings—Industrial	72	78	84	116
Electric Power Production .....	..	166	162	166
Manufactures:				
Lumber	76	81	90	110
Refined Mineral Oils†	175‡	175	180	215
Flour	127	114	110	127
Slaughter of Livestock	82	82	81	84
Cement	93	94	92	100
Wool Consumption‡ .....	..	68	78	90
Minerals:				
Petroleum (California)†	92	92	91	133
Copper (United States)‡	85	83	85	119
Lead (United States)‡ .....	..	71	81	108
Silver (United States)‡	69	71	81	91
Building and Construction:				
Total	73	71	61	80
Value of Building Permits§				
Twenty Larger Cities	46	50	46	63
Seventy Smaller Cities	63	70	69	97
Value of Engineering Contracts Awarded§				
Total	144	142	109	131
Excluding Buildings	173	138	100	150

†Not adjusted for seasonal variations. ‡Prepared by Federal Reserve Board. §Indexes are for three months ending with the month indicated. ¶Preliminary.

Employment—

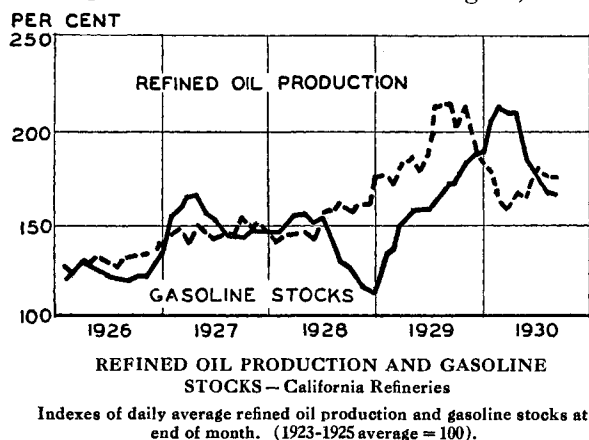
Industries	California— No. of Employees		Oregon— No. of Employees	
	No. of Firms	Aug., 1930	Aug., 1929	Aug., 1929
All Industries*	764	197,275	224,671	145
Stone, Clay and Glass Products.	48	5,952	7,553	5
Lumber and Wood Manufactures ..	119	19,843	25,997	50
Textiles	17	2,070	2,311	9
Clothing, Millinery and Laundering.	56	7,047	8,018	9§
Food, Beverages and Tobacco...	168	61,017	56,495	43
Public Utilities† ..	27	29,326	28,146	..
Other Industries¶ ..	332	70,831	87,907	..
Miscellaneous‡ ...	24	30,515	36,390	29

*Public utilities not included in this total. †Electric railway and bus operations added. ‡Motion picture producing and developing added to this group. §Laundering only. ¶Includes the following industries: metals, machinery and conveyances; leather and rubber goods; chemicals, oils and paints; printing and paper goods.

Figures in parentheses indicate percentage changes from August, 1929.

August, 1929. There is usually a small decrease in the amount of new construction in the District during August and the increase over July of this year was contrary to the usual expectations. A small increase in building permits issued in the larger cities in the District, together with a large gain in the value of heavy construction projects were the chief factors in maintaining the volume of construction during the month. Building permits issued in seventy of the smaller cities in the District decreased during August, whereas permits issued in those cities had consistently shown month to month increases earlier this year.

Curtailement of **lumber** output continued during August and the total number of board feet produced was approximately the same as in July. In recent years lumber output has increased substantially from July to August. In the Douglas Fir region, which produces more than half of the lumber output of the District, curtailement was particularly evident, and both orders and shipments exceeded production. There was also some reduction of output in the Western Pine, White Pine, and Redwood lumber producing districts, although output continued to exceed consumption. Mill stocks of lumber as reported by the West Coast Lumberman's Association increased almost steadily from the middle of 1929 to the end of May, 1930, since when they have declined nine per cent. At the end of August, however, those stocks were still much larger (17 per cent) than a year earlier. Similar figures of the Western Pine Manufacturer's Association have moved upward almost continuously since early last year and at the end of August, 1930, were 26 per cent greater than at the end of August, 1929.



There was little change in output of **petroleum** and petroleum products during August. Production of crude oil was the same in August as in July. The amount of crude oil run to stills was slightly less than in the preceding month, but consumption of California gasoline fell off somewhat more than is usual and there was

little change in stocks of that commodity. Production and consumption of petroleum and its products are approximately in balance at the present time, but the industry continues to carry large stocks of all classes of oil.

Despite the exceptionally low price for **copper**, production of that metal increased somewhat during August as compared with July, but was still well below the levels of a year ago. Demand remained inactive, as in previous months, and stocks of refined copper continued to increase. A further reduction in the price of copper (to 10½ cents per pound Connecticut Valley) was recorded on September 15. Output of **silver** was smaller than in July.

Production of **flour** mills of the District increased more than seasonally during August. Both domestic and foreign demand was reported by most of the mills as improving although the price remained at rather low levels.

In California canning fruit crops generally have been larger this year than in 1929. Consequently the **fruit canning** industry has been more active than it was a year ago, although the size of the peach pack, which ordinarily constitutes from 50 to 75 per cent of the entire California canned fruit pack, has been restricted in relation to the amount of peaches available for canning purposes this year. The number of workers employed in the industry during August was 19 per cent larger this year than last. Average weekly wages paid to workers were also greater this year than last, indicating that longer hours were worked. The pack of cling peaches, which has been practically completed, is estimated to be about 12,635,280 cases, an increase of 58 per cent over the exceptionally small pack reported for 1929, when the peach crop was badly damaged by frost, and 12 per cent larger than the 1925-1927 average. In contrast with the large peach pack, the volume of apricots canned this year was exceptionally small, being 52 per cent less than in 1929 and 30 per cent below the 1925-1927 average. Figures of the 1930 packs of other fruits are not yet available.

Trade

Trade activity during August showed little or no improvement from the reduced levels of recent months. Department store sales increased slightly more than the seasonal amount and the customary July-August changes in wholesale trade were recorded. Seasonally adjusted carloadings of revenue freight on Twelfth District railroads increased slightly and cargo shipped in the intercoastal trade through the Panama Canal was the same in volume as during July. Registrations of new automobiles continued the decline noted during most of the past year.

Reduced purchasing power of the public and lower prices have been reflected more strongly in the value of retail sales during the past two months than at any previous time during the current depression. Total monthly sales of reporting department, apparel, and furniture stores were 11 per cent smaller in value in August, 1930, than in August, 1929, partly because there was one less trading day in August this year. Among the larger department stores, declines in sales were rather well distributed

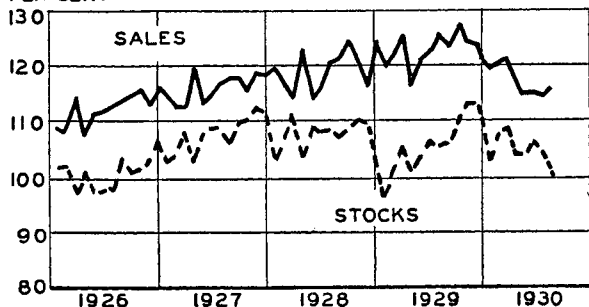
first eight months of this year, collections on regular accounts have been slower than in 1929, while collections on installment accounts have held practically at last year's levels.

RETAIL TRADE—Twelfth District

	NET SALES*		STOCK*
	Aug., 1930 compared with Aug., 1929	Jan. 1 to Aug. 31, 1930 compared with Jan. 1 to Aug. 31, 1929	Aug., 1930 compared with Aug., 1929
Department Stores†	— 9.7 (65)	— 4.1 (65)	— 6.7 (48)
Apparel Stores	—15.1 (29)	— 7.5 (28)	— 5.6 (18)
Furniture Stores	—18.5 (43)	—13.8 (41)	— 8.6 (28)
All Stores	—11.4 (137)	— 5.7 (134)	— 6.9 (94)

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

PER CENT



DEPARTMENT STORE SALES AND STOCKS

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

in nearly all kinds of goods sold, but especially large losses were reported in sales of silks and velvets, ribbons, furniture, luggage, and women's coats, suits, and dresses. Sales increases over the year period were reported in a few departments such as gloves, sports wear, and radio. Collections on regular charge accounts declined slightly during August, while installment collections improved. Throughout the

Value of merchandise distributed at wholesale was smaller during August, 1930, than in any August since 1921. Aggregate sales increased as compared with July by the usual seasonal amount. Practically no wholesalers reported increases in sales as compared with 1929, and most declines over the year period were fairly large, resulting in a drop of 19 per cent in total sales in the ten lines for which data are received. The decline in sales of groceries was eight per cent, the largest year to year decrease in that line since December, 1928.

Foreign trade of the Twelfth District declined considerably during the first six months of this year as compared with the first six months of 1929. The value of imports, excluding silk, declined less sharply than did the value of exports. Imports of silk were smaller in value than in the first half of any year since 1921, chiefly because of a smaller volume of goods shipped. The sharp decline in silk prices also reduced the value figures of imports.

Intercoastal shipments through the Panama Canal during the month of August were in approximately the same volume as in the previous month. Tonnage of lumber shipped from the west coast was extremely small. Petroleum shipments were moderately large and there was a substantial volume of general cargo included in eastbound traffic. Movements of commodities from the east coast recovered partially from the low levels noted in July.

After having declined continuously since last April, total freight carloadings on railroads of the District increased seasonally during August. A decline of six per cent in the adjusted index of industrial loadings was balanced by an increase of four per cent in the index of merchandise and miscellaneous shipments. As compared with previous years, distribution of goods by rail continued at the lowest level since 1924. The decline in loadings of forest products has been especially severe since last April. Shipments of fruit in the Pacific Northwest have been larger than in any of the past six years. Carloadings of grain in the same region approached a seasonal peak during August.

Distribution and Trade—

	1930			1929 Aug.
	Aug.	July	June	
Foreign Trade*	Index Numbers*			
Total†	105	114	149	149
Imports‡	104	108	125	125
Exports	105	116	162	162
Intercoastal Trade*				
Total	85	85	81	100
Westbound	110	107	113	150
Eastbound	77	78	72	86
Carloadings‡				
Total	95	94	96	117
Merchandise and Miscellaneous...	109	105	105	115
Wholesale Trade§				
Sales	88	88	90	111
Retail Trade				
Automobile Sales‡				
Total	89	101	93	149
Passenger Cars	84	96	89	145
Commercial Vehicles	139	159	138	191
Department Store				
Sales‡	116	114	115	123
Stocks¶	100	104	106	106
Stock Turnover||	Actual Figures			
	.26	.22	.22	.27
Collections#				
Regular	41.5	41.9	43.1	44.3
Installment	15.4	14.9	14.7	16.0

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

Prices

The steadiness noted in average wholesale commodity prices during the first half of August persisted throughout that month and the first two weeks of September. Advances in quotations for farm and food products were offset by minor declines in other commodity groups. The Bureau of Labor Statistics' index of wholesale prices remained the same in August (84.0 — 1926 = 100) as in July, the first month in a year in which that index has not declined.

Quotations for wheat advanced early in August along with increases in prices of crops seriously affected by the drought in the mid-West, but since that time they have moved irregularly downward. This declining tendency was evident in Pacific Coast markets as well as in the mid-West, and was partly the result of the addition of this year's wheat harvest to the large supplies carried over from last year's crop. On September 15 the September option for wheat at Chicago was quoted as low as 79 $\frac{1}{8}$ cents per bushel, the lowest price since 1914. Hay prices, on the other hand, moved upward during August largely because of improved demand for this year's short crop of hay which is being used to supplement other feedstuffs damaged by the drought. Although quotations for cattle and lambs averaged lower during August than in July at both District and national markets, livestock prices generally advanced irregularly after mid-August. After

declining steadily for several weeks in District markets, lamb prices increased in late August, but have since lost the greater part of those gains. Quotations for cattle have recently remained unchanged in District markets, while they have continued to advance in mid-West markets.

The market for fruits has shown substantially no change during the past six weeks. Citrus fruits are still bringing high prices and deciduous fruits have brought fair returns considering the large size of the 1930 crops.

A reduction in quotations for crude oil at Twelfth District markets on September 15 and decreased prices for refined petroleum products in the eastern part of the United States were in contrast with a slight increase in retail and wholesale prices of gasoline on the Pacific Coast.

In conformity with their trends in other recent months, prices for lumber and copper have declined slightly in the past six weeks. On September 15 copper was quoted at 10 $\frac{1}{2}$ cents per pound (Connecticut Valley), the lowest price recorded since 1897.

Credit Situation

There was no marked change in the credit situation in the Twelfth District between August 20 and September 17. Available supplies of credit and banking funds, already large, became somewhat larger, demand for credit continued slack, and member banks were able easily to meet credit demands without increasing their borrowings at the Reserve Bank. Transactions through the gold settlement fund resulted in a net loss to the District of about six million dollars. Purchases of gold by the San Francisco Mint, partly for the account of local institutions, amounting to 16 million dollars offset this loss and also provided for a seasonal increase of currency in circulation of approximately six million dollars and an increase of four million dollars in member bank reserve deposits. Security markets were relatively inactive and interest rates again declined slightly.

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

	Condition			
	Sept. 17, 1930	Sept. 10, 1930	Aug. 20, 1930	Sept. 18, 1929
Total Bills and Securities.....	66	65	64	119
Bills Discounted	7	7	8	81
Bills Bought	20	19	17	25
United States Securities.....	39	39	39	13
Total Reserves	300	308	299	265
Total Deposits	191	192	186	184
Federal Reserve Notes in Circulation	158	162	158	181

The quarterly financial operations of the United States Treasury were the most significant factor affecting the intermediate fluctuations in District credit and banking transac-

Bank Debits*—

	August, 1930	August, 1929	—First Eight Months— 1930	1929
Arizona				
Phoenix	\$ 27,583	\$ 39,565	\$ 301,527	\$ 347,732
California				
Bakersfield	10,996	13,452	104,016	112,302
Berkeley	19,036	22,143	159,576	169,990
Fresno	24,012	36,165	271,233	254,892
Long Beach	45,287	62,168	393,235	513,404
Los Angeles	936,255	1,235,288	8,310,157	9,773,478
Oakland	172,726	241,130	1,537,446	1,932,799
Pasadena	27,327	33,958	282,408	334,829
Sacramento	48,893	56,898	392,067	408,072
San Bernardino	8,850	11,080	84,912	91,480
San Diego	50,722	63,643	456,244	521,499
San Francisco	1,256,057	1,451,450	10,319,188	10,972,800
San Jose	27,345	34,617	218,767	234,977
Santa Barbara	14,559	16,002	125,454	135,314
Stockton	23,000	29,889	203,734	227,884
Idaho				
Boise	13,553	16,532	113,107	119,297
Nevada				
Reno	10,196	13,213	89,868	101,780
Oregon				
Eugene	6,378	8,326	55,649	62,604
Portland	166,842	209,376	1,401,993	1,535,576
Utah				
Ogden	17,651	21,459	137,129	145,835
Salt Lake City..	64,455	86,431	587,598	645,456
Washington				
Bellingham	8,951	11,503	75,126	85,311
Everett	11,184	14,317	103,441	114,489
Seattle	218,913	291,958	1,907,226	2,154,787
Spokane	46,943	59,662	419,951	481,362
Tacoma	42,357	53,677	363,792	404,522
Yakima	13,499	14,273	110,682	109,144
Total.....	\$3,313,570	\$4,148,175	\$28,525,526	\$31,991,615

*In thousands of dollars.

tions during the month. Tax collections during the week ended September 17 exceeded ordinary expenditures by 14 million dollars, or approximately the same amount by which expenditures had exceeded receipts during the preceding three weeks. Likewise, during the week of September 17, payments on the public debt exceeded receipts by six million dollars, an amount equal to the excess of receipts over payments on this account during the preceding three weeks. Compensating movements of bankers' balances at San Francisco during the same period furnish some evidence of the means by which the credit situation became adjusted to these changes.

There was a net inflow of bankers' balances to San Francisco amounting to about 13 million dollars during the four weeks ended September 17. The amount of such funds carried in San Francisco by banks located in other parts of this District and in other Federal reserve districts was reduced by 11 million dollars between August 20 and September 3. A large proportion of the funds thus withdrawn was sent to points outside the Twelfth District.

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

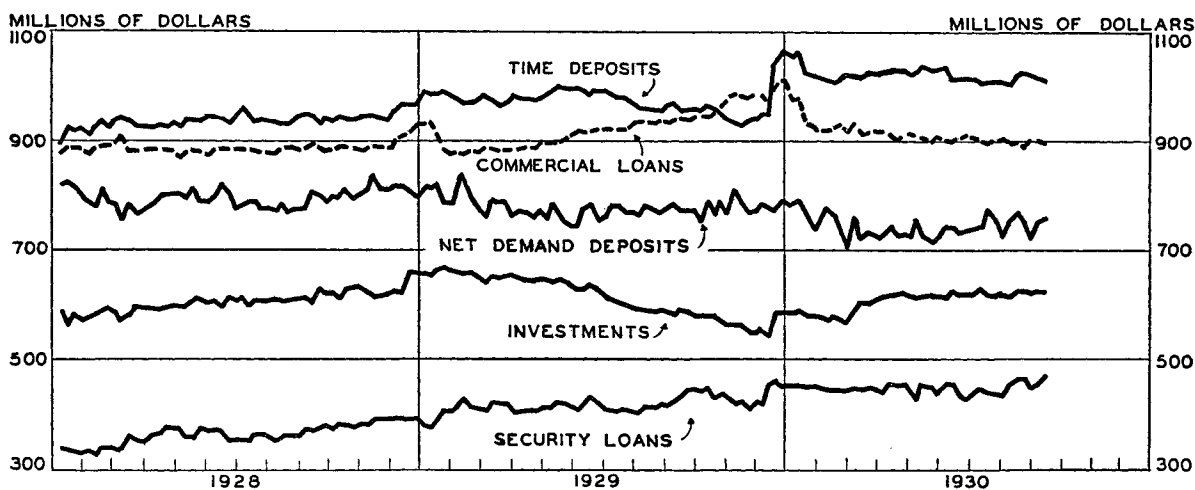
	Condition			
	Sept. 17, 1930	Sept. 10, 1930	Aug. 20, 1930	Sept. 18, 1929
Total Loans and Investments...	1,987	1,968	1,980	1,962
Total Loans	1,365	1,345	1,356	1,373
Commercial Loans	898	899	895	946
Loans on Securities	467	446	461	427
Investments	622	623	624	589
Net Demand Deposits	757	751	750	774
Time Deposits	1,007	1,016	1,019	955
Borrowings from Federal Reserve Bank	1	1	1	74

A return movement of bankers' balances amounting to 24 million dollars was recorded during the two weeks ended September 17. Most of these incoming funds were for the account of banks outside the Twelfth District.

Total loans and investments of reporting member banks increased slightly during the period under review, due to a small increase in loans which more than offset a slight decrease in investments. Discounts at the Federal Reserve Bank of San Francisco continued at low levels; in fact there was a further reduction of one million dollars during this period. This decrease was contrary to seasonal expectations and centered almost entirely in the accounts of banks located in agricultural communities. On September 17, the Reserve Bank's holdings of locally purchased acceptances, which have been declining for the past seven months, reached a low point of six million dollars.

Trading on the stock exchanges of the District was less active in August and early September than in July, a month in which the volume of trading was at low levels. Declining activity on the exchanges was accompanied by a reduction in the volume of loans extended by banks to brokers and dealers in securities and some increase in the security loans of reporting member banks.

Rates of interest charged customers of commercial banks continued to decline, following the trend of short term money rates in New York and the reduction in the discount rate of this Bank in August.



DEPOSITS, LOANS, AND INVESTMENTS OF REPORTING MEMBER BANKS — Twelfth District

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