

MONTHLY REVIEW

OF

BUSINESS CONDITIONS

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

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No. 8

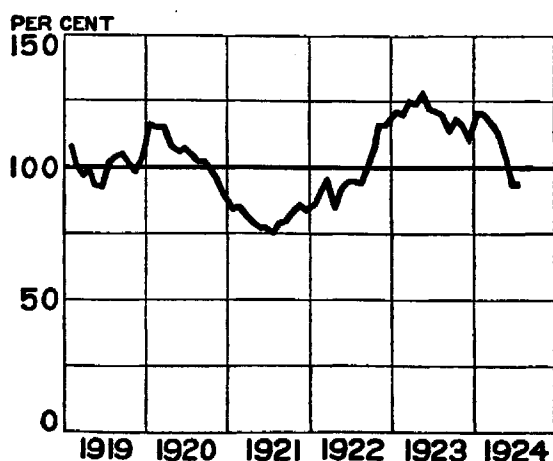
Summary of National Conditions

Production in basic industries, after a considerable decline in recent months, was maintained in July at the same level as in June. Factory employment continued to decline. Wholesale prices increased for the first time since early in the year, reflecting chiefly the advance in the prices of farm products.

Production. The Federal Reserve Board's index of production in basic industries, which had declined 22 per cent between February and June, remained practically unchanged during July. The iron and steel and woolen industries showed further curtailment, while production of flour, cement, coal, and copper was larger than in June. Factory employment decreased 4 per cent in July, owing to further reduction of forces in the textile, metal, and automobile

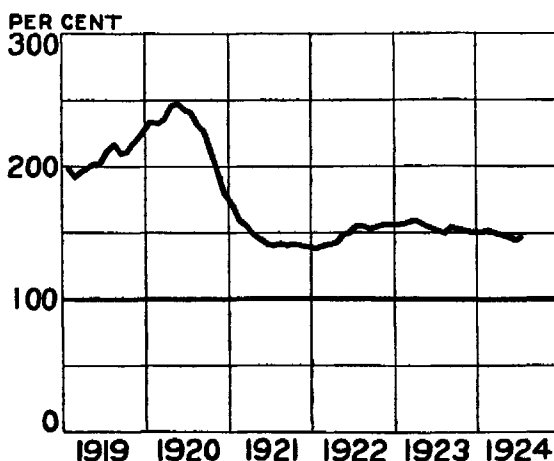
industries. Building contract awards showed more than the usual seasonal decline in July, but were 10 per cent larger than a year ago. Crop conditions, as reported by the Department of Agriculture, were better on August 1st than a month earlier. Estimated production of nearly all of the principal crops except tobacco was larger than in July, and the yields of wheat, oats, rye, and cotton are expected to be considerably larger than last year.

Trade. Railroad shipments increased in July, owing to larger loadings of miscellaneous merchandise, grain, and coal. Wholesale trade was 3 per cent larger than in June, owing to increased sales of meat, dry goods, and drugs, but was 3 per cent smaller than a year ago. Retail trade showed the usual seasonal decline in July, and department store sales were 1 per



Production in Basic Industries

Index of 22 basic commodities corrected for seasonal variation (1919=100).
Latest figure, July, 94.



Wholesale Prices

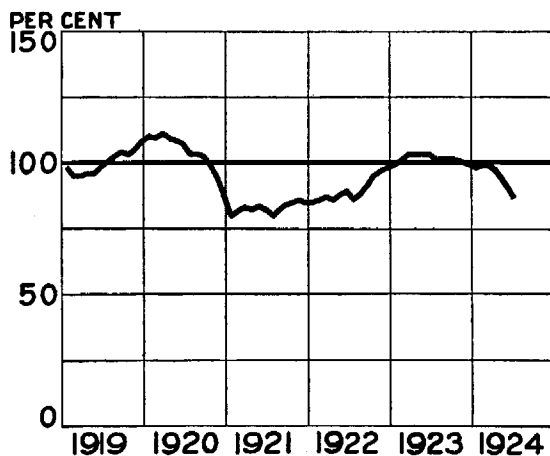
Index of U. S. Bureau of Labor Statistics (1913=100, base adopted by Bureau).
Latest figure, July, 147.

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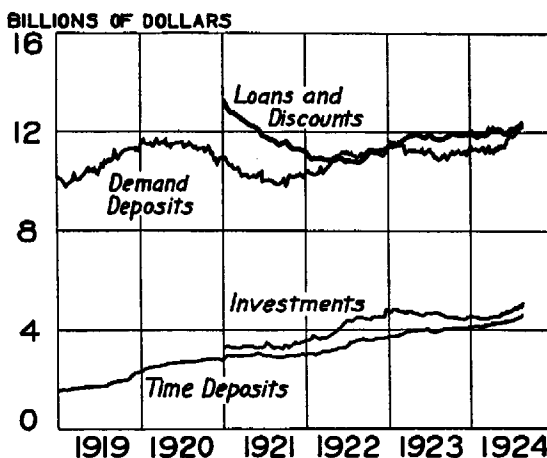
cent greater and mail order sales 7 per cent less than a year ago. Merchandise stocks at department stores continued to decline during July, and were only slightly larger at the end of the month than a year earlier.

Prices. Wholesale prices, as measured by the index of the Bureau of Labor Statistics, in-

for bankers' acceptances and short term government securities. During August the discount rate at the Federal Reserve Bank of New York was reduced from $3\frac{1}{2}$ to 3 per cent, and at the Federal Reserve Banks of Cleveland and of San Francisco the discount rate was reduced from 4 to $3\frac{1}{2}$ per cent.



Factory Employment
Index for 33 Manufacturing Industries (1919=100). Latest figure, July, 87.



Member Bank Credit
Weekly figures for member banks in 101 leading cities. Latest figure, August 13.

creased more than 1 per cent in July. Prices of farm products, foods, and clothing increased, while prices of building materials again declined sharply, and prices of metals, fuel, and house furnishings decreased slightly. During the first half of August, quotations for corn, beef, sugar, silk, copper, rubber, and anthracite coal advanced, while prices of cotton, flour, and bricks declined.

Bank credit. Commercial loans of member banks in leading cities increased considerably, owing partly to seasonal influences, early in August. Both loans secured by stocks and bonds and investments continued to increase, so that at the middle of August total loans and investments of these banks were larger than at any previous time. Further growth of demand deposits carried them also to the highest level on record. Between the middle of July and the middle of August Federal reserve banks' discounts for member banks declined further, and their holdings of acceptances decreased. United States security holdings increased, however, and total earning assets of Federal reserve banks remained practically unchanged. Continued easing in money rates in the New York market during July and early August is indicated by a decline of $\frac{1}{4}$ of 1 per cent in prevailing rates for commercial paper to $3-3\frac{3}{4}$ per cent. After the middle of August there was some advance in open market rates

Summary of District Conditions

A moderate increase in business activity was recorded in the Twelfth District during July, following four months of decline. Wider distribution of goods at wholesale and retail has been accompanied by rising commodity prices, and more recently productive industry has increased in response to strengthening demand and price advances. Bank credit has continued plentiful, and interest rates relatively low.

Reflecting recent trends of business in the district, this bank's index of bank debits (corrected for seasonal variation, year to year growth, and price changes) advanced 6.5 per cent during July, and was again slightly above normal (100) in that month. During June the index had fallen below normal for the first time since November, 1922. The value of trade at retail during July, as reported by representative department stores in the larger cities, was practically the same as during July a year ago, and, if allowance be made for seasonal factors, was larger than in the previous two months of the present year. This improvement was quickly reflected in increased purchases from wholesalers, indicating light stocks of goods on retailers' shelves. In general, however, trade at wholesale may still be termed inactive, although not displaying the abnormal dullness noted during May and June.

Accompanying the increasing willingness of consumers and retailers to buy in more normal amounts, commodity prices at wholesale have moved upward, reversing a downward trend which has continued since last February. Private weekly indexes of wholesale prices advanced steadily during July, preceding the upward movement of the United States Bureau of Labor's monthly index of the general wholesale price level (404 commodities), which stood at 147 for July compared with 145 for June (1913 prices=100). Of particular importance to this district were increases in prices of grains, wool, non-ferrous metals, and lumber.

The improvement in business conditions was not generally reflected in July figures of industrial production, but evidence, mostly non-statistical, down to August 20th indicates that production schedules were increased during the latter part of July and the early part of August. A significant increase in the number and value of building permits issued in 20 principal cities was reported during July as compared with June, and while the July figures were still below the high levels of a year ago the percentages of decline were smaller than in any month since April. In the lumber industry shipments increased in comparison with production, while new orders increased in comparison with both shipments and production. Stocks of lumber held by mills accordingly declined and their unfilled orders increased. Relative stability in production of important minerals, petroleum, and flour was reported.

Deposits continued to increase in the banks of the district during July and, in the absence of increased commercial borrowing, were largely diverted into investment channels. During the five weeks ending August 13th demand deposits at reporting member banks in principal cities increased by \$34,000,000 or 4.7 per cent, commercial loans declined by \$6,000,000 or 0.7 per cent, and investments increased by \$9,000,000 or 2.5 per cent. Total earning assets of the Reserve Bank increased during this period, but solely as the result of further purchases of United States government securities. Total discounts of the Reserve Bank, at \$19,000,000 on August 13, 1924, were at the lowest point since April, 1917. On August 21, 1924, the Federal Reserve Bank of San Francisco lowered its rediscount rate on all classes of paper from 4 to 3½ per cent. The 4 per cent rate had been in effect since June 10, 1924, it having superseded the 4½ per cent rate announced March 21, 1923.

Agriculture

Final crop yields in the Twelfth District this year will be generally smaller in volume than last year and, in some cases, slightly below normal in quality, due to the general shortage of rainfall, but growers are being paid higher prices than they received a year ago for the majority of agricultural products. Grain prices have advanced substantially since June; returns now being received by deciduous fruit growers for number one grade fruit are better than those obtained last year; prices for canned and dried fruits have been rising recently, with markets for these products active; and the purchasing power of farm products, as measured by the Department of Agriculture's index for the United States, stood at 83 in July, 1924, (1913=100), compared with 74 in March, 1924, and 72 in July, 1923.

Physical aspects of the agricultural situation in this district changed little, other than seasonally, during July and early August. Field crops not yet matured were benefited slightly by scattered showers in certain sections of the Pacific Northwest and Intermountain States, but the drought of previous months continued in most of the district's major agricultural areas excepting in Arizona. During recent weeks, farmers, favored in this instance by continued dry weather, have commenced to harvest their 1924 crops. Harvesting and threshing of wheat, barley, and oats has been practically completed in California, and is progressing rapidly in the Pacific Northwest. Picking and processing of the important deciduous fruits in California proceeded satisfactorily.

As threshing returns become available it is evident that the 1924 yield of wheat is somewhat greater than previously estimated, considering the district as a whole. Figures for wheat, oats, barley, and rice, covering the important grain growing states of the district follow:

	GRAIN CROPS					
	All Wheat		Barley		Oats	
	†Esti- mated 1924	Actual 1923	†Esti- mated 1924	Actual 1923	†Esti- mated 1924	Actual 1923
California ...	4,770	16,157	10,282	33,069	1,649	3,780
Idaho	16,227	30,115	2,892	3,999	6,054	7,820
Oregon	15,237	28,010	2,211	2,969	7,776	10,617
Utah	4,290	6,567	721	893	2,756	3,062
Washington .	27,421	61,743	2,390	3,884	8,461	11,970
Totals	67,945	142,592	18,496	44,814	26,696	37,249
United States	814,117	785,741	184,170	198,185	1,439,041	1,299,823

California Rice:

Condition (per cent of normal)		10 Year Average	Yield* Estimated† 1924	Actual 1923	Average* 1924†	1923
Aug. 1, 1924	July 1, 1924	Aug. 1, 90	(bushels)	(bushels)	(acres)	(acres)
87	90	90	5,011	5,470	90	106

*000 omitted.

†August 1st.

‡Preliminary.

Harvesting of the earlier maturing field crops has commenced. Cotton is being picked in Arizona and California, and sugar beets are now being pulled in the latter state. Digging of mid-season potatoes is general in the district. Estimated yields of the important field crops in this district are given in the following tables:

FIELD CROPS*

Potatoes, Sugar Beets, and Tame Hay:

	Potatoes		Sugar Beets		Tame Hay	
	1924† (bushels)	1923‡ (bushels)	1924† (tons)	1923‡ (tons)	1924† (tons)	1923‡ (tons)
Arizona .....	..	..	..	..	608	612
California	6,594	7,800	696	581	4,316	5,268
Idaho	10,613	11,725	379	498	2,066	2,650
Nevada	539	870	..	..	325	477
Oregon	3,629	4,180	..	..	1,595	2,214
Utah	2,128	2,688	766	1,075	1,124	1,407
Washington	6,248	8,060	..	..	1,630	2,362
12th District	29,751	35,323	1,841	2,154	11,664	14,990
United States....	399,360§	413,262§	7,439	7,006	90,100	89,100

*000 omitted.
 †Forecasted yield as of August 1, 1924.
 ‡Actual yield.
 §20 states.

Beans, Cotton, Hops:

	Acreage*		Yield*	
	1924 (acres)	1923 (acres)	Unit	Actual 1923
Beans†	243	350	bu.	2,869
(Arizona, California, and Idaho)				5,725
Cotton‡	305	213	bales	177
(Arizona and California)				132
Hops§	17.3	16	lbs.	17,514
(California, Oregon, and Washington)				17,770

*000 omitted.
 †United States crop (8 states), 1924—13,688,000 bushels.
 1923—15,740,000 bushels.

‡United States crop, 1924—12,351,000 bales.
 1923—10,128,478 bales.

§Practically all hops produced in United States are grown in the Twelfth District.

The condition and estimated yield of deciduous fruit and nut crops in California on the dates indicated are as follows:

	Condition August 1st			Yield	
	1924	1923	10-Year Average	Forecasted Aug. 1, 1924†	Actual 1923
Almonds	61	78	73	9,200	11,000
Apricots	71	99	79	137,000†	170,000†
Grapes	72	88	79	1,638,000†	..
Wine	78	90	..	..	237,000
Table	74	89	..	..	340,000
Raisin	69	91	..	..	428,000
Peaches	69	92	..	300,000	380,000
Pears	66	80	..	115,000	128,000
Plums	71	99	79*	..	69,000
Prunes	66	66	..	100,000‡	80,000‡
Walnuts	82	90	77	25,000	25,000

*Seven-year average.
 †Fresh basis.
 ‡Dried basis.

Further progress in harvesting maturing deciduous fruits in the Pacific Northwest tends to confirm previous estimates placing the 1924 deciduous fruit yields in those states from 20

to 50 per cent below estimated production last year. Condition and production figures for the district's important apple crop, the greater part of which is produced in the Pacific Northwest, are presented below:

	Condition			Commercial Forecasted Aug. 1, 1924 (boxes)	Yield Actual 1923 (boxes)
	Aug. 1, 1924	1923	July 1, 1924		
California	70	82	76	4,917,000	5,196,000
Idaho	46	88	50	2,484,000	4,800,000
Oregon	65	86	70	3,954,000	5,250,000
Utah	60	90	66	600,000	1,119,000
Washington	58	86	56	19,332,000	27,594,000
Totals .....	..	..	..	31,287,000	43,959,000
United States ..	57.8	63.8	66.5	88,146,000	103,209,000

Railroad transportation, an important factor in the deciduous fruit raising industry of this district, continued adequate during the past month. The first heavy shipments of grapes during the present shipping season were sent to Eastern markets from California during the last weeks of July. In recent years grapes have made up approximately three-fourths of the total shipments of seasonal deciduous fruits from California. The number of refrigerator cars on the lines of the principal railroads serving California and the Pacific Northwest on July 15, 1924, and 1923, as reported by the American Railway Association, Car Service Division, follows:

	July 15, 1924	July 15, 1923
California	37,352	28,483
Pacific Northwest	10,407	14,566
Totals	47,759	43,049

(A) Movement of Crops to Market*

TWELFTH FEDERAL RESERVE DISTRICT

	1924-1925 Season to July 31, 1924	1923-1924 Season to July 31, 1923	1922-1923 Season to July 31, 1922
Wheat Exports‡			
Portland and Puget Sound	547,729 (0.8)†	786,668 (0.6)	1,307,010 (1.3)
Barley Exports‡			
San Francisco (bu.)	1,113,650 (6.0)†	992,966 (2.1)	2,110,764 (4.9)
Orange Shipments§			
California ... (cars)	37,193 (72.1)	42,827 (86.5)	25,726 (83.3)
Lemon Shipments§			
California ... (cars)	10,578 (80.5)	7,047 (71.9)	8,361 (80.3)
Total Deciduous Fruit Shipments¶			
California ... (cars)	9,345	13,961	6,573
Total Deciduous Fruit Shipments¶ Pacific Northwest .. (cars)	863	839	231

*Figures in parentheses indicate percentage of new crop only. Carryover figures are disregarded.
 †Percentage figures based upon August 1st crop estimate.
 ‡Season begins July 1st.
 §Season begins November 1st.
 ¶Season begins about May 1st.

Available data roughly measuring the progress made in marketing certain crops of the district are presented in table "A." The total export movement of wheat from Pacific Northwest ports was 30.0 per cent smaller during July, 1924, than during July, 1923, and was smaller than the reported movement during any previous July since the record was first kept by this bank in July, 1918. Total foreign and domestic shipments of wheat and wheat as flour amounting to 2,713,637 bushels were slightly larger, however, than one year ago (2,144,419 bushels), but smaller than the five-year (1919-1923) average of 3,442,884 bushels. Smaller total shipments of deciduous fruits from California during July, 1924, than during July, 1923, are a result of the smaller crops in that state this year. Inasmuch as deciduous fruit crops in the Pacific Northwest (Idaho, Oregon, and Washington) are also smaller than a year ago, it seems probable that the slightly larger shipments during July, 1924, as compared with July, 1923, and the large increase over July, 1922, represent a tendency towards the marketing of a greater proportion of the earlier deciduous fruits grown in those states in Eastern fresh fruit markets.

Livestock—Animal Products

Summer showers in the Pacific Northwest and in parts of the Intermountain States during late July and the first two weeks of August, although beneficial to scattered ranges and pastures, did not materially improve general conditions, and no improvement in the feed situation was reported. Despite the relative shortage of feed and water supplies on grazing and pasture lands, losses of livestock have been small. Large areas of stubble field are being utilized for pasture purposes following the harvest of hay and grain crops. The condition (per cent of normal) of ranges, cattle, and sheep as reported by the Department of Agriculture for the states of this district is presented below:

	Ranges			Cattle			Sheep		
	Aug. 1, 1924	1923	July 1, 1924	Aug. 1, 1924	1923	July 1, 1924	Aug. 1, 1924	1923	July 1, 1924
Arizona	79	82	92	85	85	94	90	94	95
California	51	85	52	84	95	86	84	97	85
Idaho	68	102	62	81	96	75	88	99	78
Nevada	58	95	64	75	92	79	75	97	83
Oregon	61	103	69	79	101	84	85	101	85
Utah	73	94	72	76	93	78	82	94	86
Washington ...	74	99	74	78	98	82	90	98	92

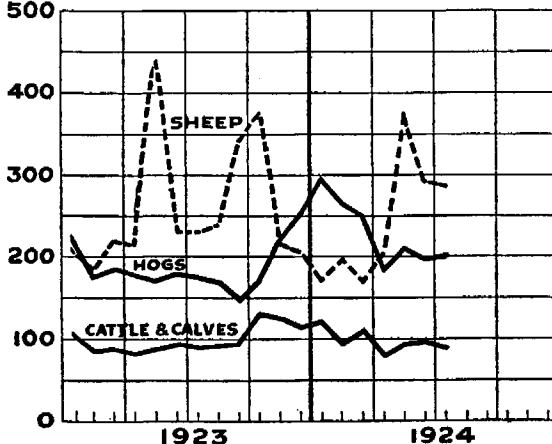
Figures for total receipts of all classes of livestock at eight principal markets of the district during July are presented in the accompanying table and chart. Receipts of cattle and calves combined, and of sheep were seasonally smaller during July than during June. Shipments of hogs have been unusually large during the past month, reflecting, no doubt, advancing prices paid for hogs.

LIVESTOCK RECEIPTS AT EIGHT MARKETS

	Cattle	Calves	Hogs	Sheep
July, 1924.....	64,850	24,607	201,351	285,881
June, 1924.....	72,834	23,093	197,220	293,455
July, 1923.....	69,101	22,280	176,373	230,904
Four-Year Average*				
July	61,598	18,913	136,109	237,688
June	67,694	17,442	143,723	255,560

*1921-1924.

THOUSANDS



Receipts of Livestock at Eight of the Principal Markets of the District 1923-1924. (Los Angeles, Ogden, Portland, Salt Lake City, San Francisco, Seattle, Spokane, and Tacoma included)

Production of butter continued in large volume during July, and cold storage stocks of butter increased to the highest point on record (8,580,037 pounds) on August 1, 1924. More than three-fourths of present reported stocks of cold storage butter in the district are held at California markets. A further slight increase in cold storage stocks of eggs was reported during the month.

COLD STORAGE HOLDINGS OF BUTTER AND EGGS

	Aug. 1, 1924	July 1, 1924	Aug. 1, 1923	Five-Year Average Aug. 1st
Butter (pounds)				
*12th District...	8,580,037	6,778,552	6,563,787	5,543,994
United States...	133,402,000	74,184,000	101,774,000	102,553,000
Eggs (cases)				
†12th District...	554,165	524,560	664,789	‡
United States...	9,264,000	8,685,000	10,509,000	8,599,000

*Four markets. †Six markets. ‡Figures not available. §1920-1924.

Prices

The general price level moved sharply upward during July, ending a decline in prices which had been practically uninterrupted since last February. Commodity groups such as farm products and minerals, prices of which have been below the general price level for the past three years, have participated largely in recent price movements, and further partial correction of existing price mal-adjustments has taken place.

Of prime importance to the agricultural industry of the district has been the advance in prices paid for **wheat**. On August 15th wheat was quoted for September delivery on the Chicago market at \$1.27 $\frac{7}{8}$ to \$1.32 $\frac{1}{2}$ per bushel, compared with \$1.13 $\frac{3}{8}$ to \$1.13 $\frac{1}{2}$ per bushel on June 14, 1924, and \$0.99 $\frac{3}{8}$ to \$1.01 per bushel on August 15, 1923. Shipping **barley** was quoted at \$2.50 per cental at San Francisco on August 15th compared with \$2.05 per cental two months ago and \$1.45 per cental a year ago. **Wheat flour** advanced 5.2 per cent in price during July, average California mill prices being \$8.00 per barrel on August 1st compared with \$7.60 per barrel on July 1, 1924, and \$7.04 per barrel on August 1, 1923.

All classes of livestock, except lambs, were quoted during July in the district's markets at prices ranging from 3.0 to 10.0 per cent higher than one year ago. During the past month prices advanced approximately 11.0 per cent for hogs, tended slightly downward for beef cattle, and declined nearly 5.0 per cent for lambs. **Wool** prices, which had followed a gentle downward course since April, 1924, turned upward during July, and the average of 98 quotations on the Boston market at the close of July (77.58 cents per pound) was 5.8 per cent higher than one month ago, although still fractionally lower than one year ago. The price of spot middling uplands **cotton** at New Orleans advanced one cent per pound during July, and at the close of the month, at 29.42 to 30.00 cents per pound, was about 7 cents per pound higher than on August 1, 1923. **Cane sugar** was quoted at \$7.25 per 100 pounds at San Francisco on August 20th, compared with \$6.85 per 100 pounds on July 18, 1924, and \$7.80 per 100 pounds on August 20, 1923. Prices for **canned and dried fruits** continued to advance during July, and the general level of prices for these products is as high as, or slightly higher than, one year ago. **Dairy and poultry products** were quoted at seasonally higher prices during July than during June, 1924, but sold for less than they did one year ago.

Indexes compiled by the Department of Agriculture showing trend of the farm price

of crops, livestock, crops and livestock combined, wholesale prices of non-agricultural commodities, and the purchasing power of farm products follow (1913=100):

	Farm Price 15th of month			Wholesale Price Non- Agricultural Com- modities*	Pur- chasing Power Farm Prod- ucts†
	Crops	Livestock	Crops and Livestock Com- bined		
July, 1924.....	155	101	128	..	83
June, 1924.....	142	102	122	155	79
March, 1924.....	138	100	119	161	74
July, 1923.....	136	102	119	165	72
1923 Average.....	136	103	120	167	72
1922 Average.....	113	111	112	163	69
1921 Average.....	109	107	108	161	67
1920 Average.....	238	168	203	234	86
1919 Average.....	234	198	216	195	111
1918 Average.....	224	192	208	186	112

*Department of Labor "All Commodities" excluding farm products and food.

†Farm product index divided by index of non-agricultural commodities.

Non-ferrous metal markets were stronger during July, as will appear from the following table:

	Actual	Monthly Averages		
	Aug. 19, 1924	July, 1924	June, 1924	July, 1923
	(cents)	(cents)	(cents)	(cents)
Copper (lb.) New York Electrolytic	13.75	12.39	12.32	14.32
Lead (lb.) New York.....	8.25	7.12	7.02	6.24
Silver (oz.) New York.....	66 $\frac{9}{16}$	67.16	66.69	63.02
Zinc (lb.) St. Louis.....	6.22	5.90	5.79	6.09
Quicksilver (dollars per flask) San Francisco	71.85*	71.22	71.91	66.05

*August 13, 1924.

Lumber prices in general advanced slightly during July, small increases ranging from 3.0 per cent to 5.0 per cent being recorded at producing centers in the Pacific Northwest, although declines for some grades and kinds of lumber were also reported. Present prices are from 20.0 per cent to 30.0 per cent lower than one year ago. **Petroleum** prices were unchanged during the month.

Industrial Activity

Monthly figures of production in the principal industries of the district during July do not afford a wholly satisfactory means of gauging the trend of industrial activity, for other evidence, mostly non-statistical, suggests that declines shown by monthly reports were the result of decreased production during the first half of the month, and that a slight increase in production marked its closing weeks, thus terminating, for the present, the decline in productive activity which began in February, 1924.

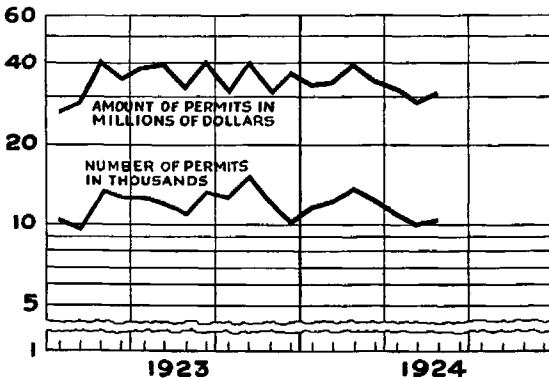
Definite improvement in the building industry is reflected in figures of building permits issued in 20 principal cities of the district during the month. While still below the high levels of a year ago, both in number and value, the July figures showed smaller percentage decreases for the year period than have been

reported in any month since April. Recent trends of activity in the industry, as shown by monthly and cumulative year to date comparisons of building permit figures for 20 cities, are indicated in the following table:

	Month in 1924 compared with same Month in 1923				Month in 1924 compared with preceding Month	
	Monthly		Cumulative		No.	Value
	No.	Value	No.	Value		
July	5.5%	3.4%	0.4%	3.8%	3.5%	9.3%
June	15.6%	28.5%	0.5%	3.8%	8.9%	11.6%
May	12.6%	18.7%	3.7%	1.9%	11.5%	7.6%
April	2.2%	2.4%	8.2%	8.1%	8.7%	12.2%
March	1.5%	2.1%	12.1%	12.1%	11.0%	15.1%
February	26.3%	18.5%	19.3%	22.5%	5.1%	2.8%
January	12.6%	27.0%	12.6%	27.0%	14.9%	9.3%

Building materials costs have declined markedly during recent months as shown by the following price index numbers of the United States Department of Labor.

	1924	1923	1924	1923
January	181	188	July	169
February	182	192	August	186
March	182	198	September	182
April	182	204	October	182
May	180	202	November	181
June	173	194	December	178



Building Permits Issued in 20 Principal Cities, Twelfth Federal Reserve District, 1923-1924

(B) Building Permits—

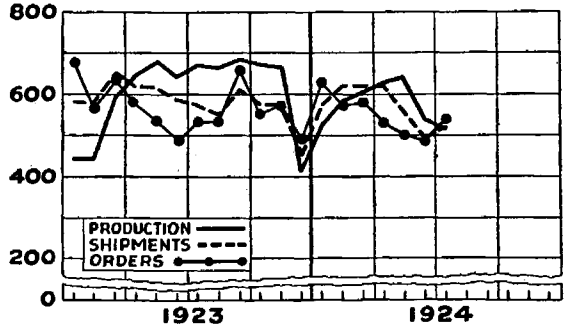
	July, 1924		July, 1923	
	No.	Value	No.	Value
Berkeley	321	\$ 1,158,918	222	\$ 444,700
Boise	64	29,204	25	25,305
Fresno	83	96,490	136	271,916
Long Beach	363	1,419,968	339	1,377,332
Los Angeles	3,552	11,599,782	4,722	15,083,273
Oakland	983	3,350,532	892	1,947,324
Ogden	40	161,000	25	58,290
Pasadena	272	871,465	332	760,079
Phoenix	86	125,868	55	94,242
Portland	1,243	2,048,145	1,059	1,532,115
Reno	20	33,325	23	40,132
Sacramento	252	609,405	263	1,065,330
Salt Lake City	138	646,048	120	676,025
San Diego	522	879,080	363	1,177,045
San Francisco	776	3,988,466	733	3,227,115
San Jose	86	547,560	79	157,480
Seattle	920	2,061,110	890	3,122,315
Spokane	200	198,350	205	181,645
Stockton	91	526,515	82	323,740
Tacoma	319	492,343	373	386,445
District	10,331	\$30,843,574	10,938	\$31,951,848

The Aberthaw index of the total cost of constructing a reinforced concrete factory building stood at 196 on August 1, 1924 (1914 average=100), compared with 198 a month earlier and 206 a year ago. The peak of recent years, 207, was reached on June 1, 1923.

Lumber production during July was less than during June, but how much of the decrease was due to seasonal curtailment in the first two weeks of the month cannot yet be determined. The July cut was also smaller than during July, 1923, this being the fourth consecutive month during which production has fallen below that of the corresponding month a year ago. Shipments of lumber were slightly larger than production and new orders received by the mills were considerably greater in volume than either production or shipments, so that stocks of lumber held at mills were reduced and the amount of their unfilled orders increased. Figures follow (000 omitted):

	July, 1924	June, 1924	July, 1923	June, 1923
	(board feet)	(board feet)	(board feet)	(board feet)
Production	515,453	538,066	673,392	642,411
Shipments	517,302	494,362	573,249	585,894
Orders	540,924	486,569	533,294	488,082
Unfilled Orders	358,851	338,494	439,315	504,845
Number of Mills Reporting	182	187	200	192

MILLIONS OF BOARD FEET



Lumber Production, Orders Received, and Shipments in Twelfth Federal Reserve District as Reported by Four Lumber Associations, 1923-1924

Logging companies in the Pacific Northwest continued to curtail production during July, partly as a result of the summer fire hazard and partly as a result of the sluggish condition of the log market. Available supplies of logs were reported as ample for immediate needs of the mills.

Domestic demand for lumber increased as the month progressed, particular improvement in buying demand being noted in the markets of the Middle West. Orders for shipments to foreign markets were smaller in volume than in June, but nearly three times as large as in July, 1923.

Little change in activity was reported from the mines of the district during July, although

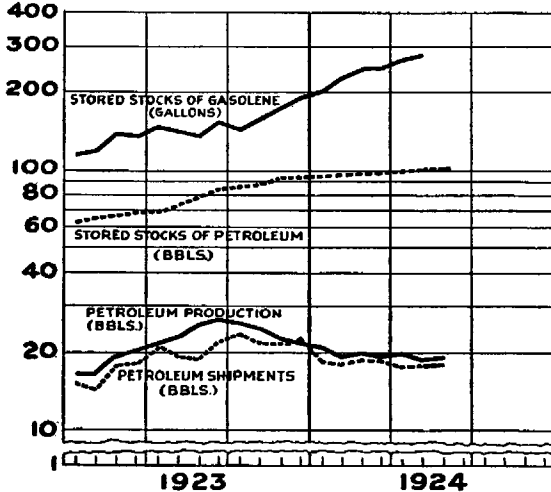
preliminary figures indicate that production was slightly less than during June. Final figures of national production of copper, silver, zinc, and quicksilver during May and June, 1924, and June, 1923, follow:

	June, 1924	May, 1924	June, 1923
Copper (lbs.) (mine production)	126,948,000*	130,644,000†	125,479,000
Silver (oz.) (commercial bars)	5,228,000	5,832,680	5,100,840
Zinc (tons) (slab)	43,442	47,666	42,840
Quicksilver (flasks of 75 lbs., estimated)	775,550	1,080	..

Figures for lead are not available. *Preliminary. †Revised.

A general strengthening of the market for non-ferrous metals was reported during July, and prices for silver, copper, lead, and zinc moved upward. Increased domestic demand for all metals, and larger foreign purchases of copper and silver were responsible for the movement.

MILLIONS



Production, Shipments, and Stored Stocks of Petroleum, and Refinery Stored Stocks of Gasoline, 1923-1924

Average daily flow of petroleum in California oil fields was 0.8 per cent smaller in volume during July, 1924, than during June, 1924, continuing the downward trend of production noted during recent months. Average daily production for the month was 621,766 barrels, as compared with 626,933 barrels in June, 1924, and 814,906 barrels in July, 1923. A small increase (0.3 per cent) in indicated average daily consumption was insufficient to prevent a slight accumulation of stored stocks of petroleum during the month. Reported stocks, at 101,466,225 barrels on August 1, 1924, were 0.9 per cent and 29.0 per cent greater than on July 1, 1924, and August 1, 1923, respectively. Production of gasoline at California refineries declined during June for the first time since February, 1924. Indicated consumption during the

month (98,357,215 gallons) was less than production (109,567,063 gallons), however, and stored stocks increased 4.2 per cent, reaching a total of 276,959,482 gallons on June 30, 1924. During June, 1923, stocks of gasoline declined by 2.9 per cent, and at the close of the month stood at 142,859,892 gallons. Pertinent data concerning the California oil industry are presented in the following table:

PETROLEUM

	Average Daily Production (barrels)	Indicated Average Daily Consumption (Shipments) (barrels)	Stored Stocks at End of Month (barrels)	New Wells Opened	Daily Production (barrels)
July, 1924...	621,766	593,109	101,466,225	137	55,975
June, 1924...	626,933	591,403	100,577,855	88	37,209
Sept., 1923*..	858,750	779,657	85,496,609	93	139,960
July, 1923... 814,906	814,906	620,762	78,655,604	95	161,599

*Peak of production.

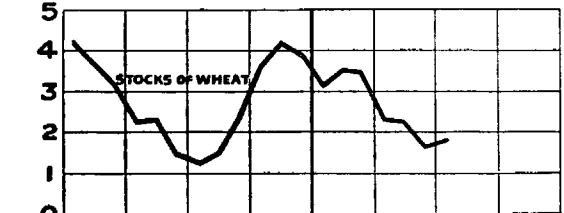
GASOLENE

	June, 1924 (gallons)	May, 1924 (gallons)	June, 1923 (gallons)	May, 1923 (gallons)
Refinery Output...	109,567,063	114,860,114	115,316,719	112,314,674
Stored Stocks*..	276,959,482	265,749,634	142,859,892	147,125,960

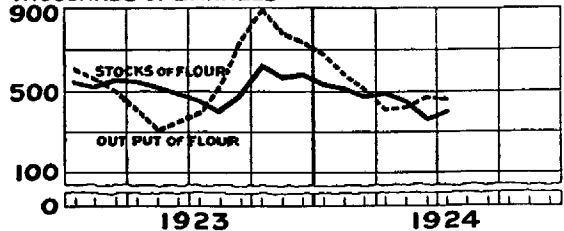
*As of the last day of the month.

Production of flour at mills of the district, which has been at high seasonal levels in recent months, declined slightly during July. Output during the month (462,327 barrels) was sub-

MILLIONS OF BUSHELS



THOUSANDS OF BARRELS



Monthly Flour Output, and Stocks of Wheat and Flour at End of Month of 16 Reporting Milling Companies

stantially greater, however, than during July, 1923, or the four-year average (1921-1924) for July. Stocks of flour held by reporting millers, although showing a seasonal increase during July, were, on July 31, 1924, 10.9 per cent and 17.7 per cent smaller, respectively, than on July 31, 1923, or the five-year average for that date. A closer adjustment than has prevailed in recent previous years between millers'

stocks of flour and the effective market demand for their products is indicated. Stocks of wheat held by millers on July 31, 1924, at 1,803,093 bushels, were the largest reported for that date since this bank began keeping the record in 1920. Total figures for 16 milling companies for which comparative data are available for the past five years follow:

	July, 1924	June, 1924	July, 1923	Five-Year Average† July
Output (bbls.)....	462,327	470,108	393,330	401,193‡
Stocks*				
Flour (bbls.)...	403,092	361,780	452,435	489,890
Wheat (bu.)...	1,803,093	1,632,835	1,233,375	1,446,708

*As of the first day of the following month.
 †1920-1924. ‡Four-year average, 1921-1924.

The important fruit canning industry operated at high seasonal levels during July and the first weeks of August. The 1924 pack of canned apricots in California, now completed, is larger than was the 1923 pack of this fruit. The volume of other fruits now being packed in that state generally continues below last year's figures, and commercial factors estimate that the total pack of all fruits will be smaller than in 1923. Dried fruit operators, having completed the drying of apricots during July, began work with prunes and raisins in mid-August and curing of the latter fruits has commenced. The market position of canned and dried fruits has shown further improvement. Old crop packs of both canned and dried fruits were further reduced during July and carry-over stocks on August 1st were generally smaller than one year ago. Foreign and domestic markets for canned and dried fruits have been active, and more forward buying has been reported than was the case a year ago.

It is quite generally reported from all states of the district that there was more unemployment during July, 1924, than during July, 1923, although normal seasonal increases in employment occurred in July as compared with June. The relative increase of unemployment as compared with a year ago may be attributed to the lessened need for labor on the farms of the district as a result of this year's smaller crops, curtailment in the lumber industry, and the generally lower level of activity in business and trade which prevailed during the first six months of 1924 as compared with 1923.

Changes in production and distribution of electric energy in the Twelfth District during June, 1924, as compared with June, 1923, and May, 1924, are indicated in the following tables, compiled from reports of 20 producing companies operating in the district. Decreased flow of water in streams used to generate power, following upon an unusually dry winter and spring season, has restricted productive

capacity of the industry in California, particularly in the southern part of the state.

Percentage Increase or Decrease (—) in Volume of Sales June, 1924, compared with June, 1923*

	Agriculture	Mining	Manufacturing	Total Industrial Sales
California	9.6	-15.2	13.0	8.0
	(6.4)	(-19.6)	(-4.2)	(0.6)
Pacific Northwest.....	7.1	5.2	9.5	8.0
	(-2.5)	(20.8)	(-4.1)	(-2.0)
Intermountain States.....	44.0	-15.3	29.1	20.2
	(17.7)	(15.9)	(14.0)	(3.5)
Twelfth District.....	10.6	-11.3	12.1	9.4
	(6.5)	(-3.9)	(-3.8)	(0.4)

*Figures in parentheses indicate percentage increase or decrease (—) June, 1924, compared with May, 1924.

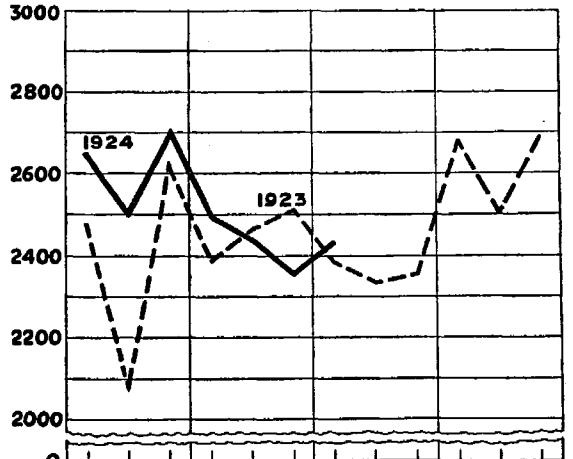
Number and Distribution of Industrial Consumers and Actual Volume of Sales

	Number of Industrial Consumers		Industrial Sales K. W. H.	
	June, 1924	June, 1923	June, 1924	June, 1923
California	81,706	70,685	280,413,112	259,438,155
Pacific Northwest ..	13,939	12,191	79,135,771	75,211,728
Intermountain States	5,340	5,386	71,336,802	59,337,318
Twelfth District	100,985	88,262	430,885,685	393,987,201

General Business and Trade

Moderate improvement in business and trade appeared during July, following several months of declining activity. Adjusted figures of bank debits for the principal cities of the dis-

MILLIONS OF DOLLARS



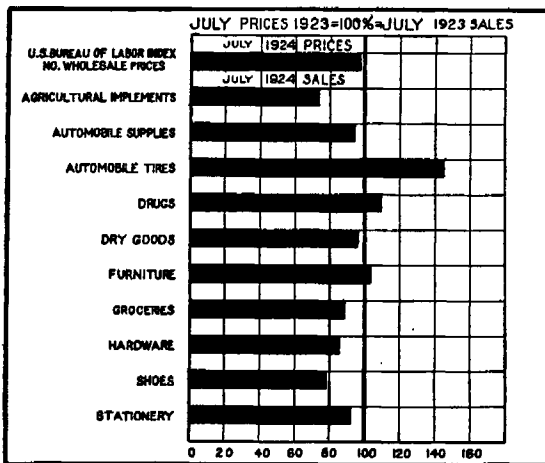
Debits to Individual Accounts in 20 Principal Cities, Twelfth Federal Reserve District, 1923-1924

trict (an accurate index of general business conditions), which had fallen 15.5 per cent between February and June, increased 6.5 per cent during July and were at levels which indicated that a normal volume of trade was carried on during that month. Table "C" (page 114) shows bank debits unadjusted for price changes, seasonal variations, and normal annual growth, for the months of July, 1924, and July, 1923, and cumulative totals for the first seven months of 1924 and 1923 as reported for 21 cities of the district. Figures for Phoenix, Arizona, are not included in the total for 20 cities shown in the above chart.

Diminution in stocks of goods on retailers' shelves at a time of sustained buying by consumers resulted in increased purchases from wholesalers during July, and the wholesale trade situation showed improvement over recent previous months. Comparing the value of sales in eight of eleven reporting lines during July, 1924, with sales during July, 1923, increases were larger and decreases were smaller than when the same comparison was made between June, 1924, and June, 1923, or May, 1924, and May, 1923. Declines in the value of sales of six of the reporting lines during July, 1924, compared with June, 1924, were largely seasonal. Percentage changes in the

value of sales of reporting wholesale dealers during July, 1924, compared with one year ago and one month ago, follow:

	No. of Firms	Percentage increase or decrease (—) in the value of sales during July, 1924, compared with	
		July, 1923	June, 1924
Agricultural Implements.....	20	-26.3	-18.0
Automobile Supplies.....	17	- 4.3	1.2
Automobile Tires.....	20	44.5	14.7
Drugs.....	7	9.3	22.4
Dry Goods.....	13	- 3.5	14.3
Electrical Supplies.....	7	7.6	- 3.1
Furniture.....	17	3.3	- 2.2
Groceries.....	27	-10.8	- 5.8
Hardware.....	21	-13.9	- 7.8
Shoes.....	15	-22.8	-14.6
Stationery.....	28	- 7.0	5.3



Dollar Value of Sales of Representative Wholesale Firms and General Wholesale Prices in July, 1924, compared with July, 1923

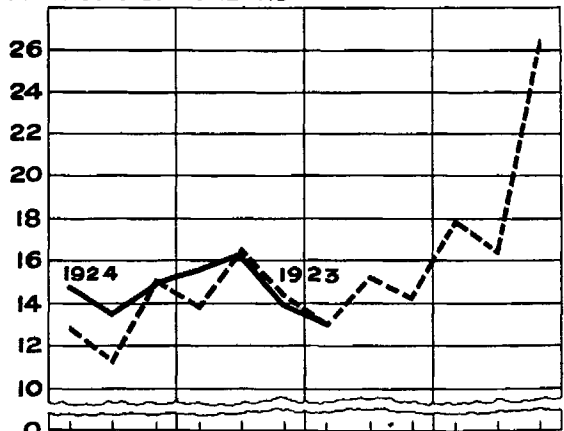
(C) Bank Debits*—

	July		Seven Months	
	1924	1923	1924	1923
Berkeley.....	\$ 17,096	\$ 16,808	\$ 124,542	\$ 120,411
Boise.....	13,191	12,813	78,593	87,457
Fresno.....	30,247	45,768	210,162	329,160
Long Beach.....	47,479	58,516	384,818	404,904
Los Angeles.....	703,307	706,621	5,345,872	4,795,459
Oakland.....	124,445	119,668	869,239	866,496
Ogden.....	21,640	24,657	158,361	198,048
Pasadena.....	29,559	29,848	239,649	224,776
Phoenix.....	18,865	15,873	145,382	129,514
Portland.....	153,459	152,587	1,105,216	1,023,242
Reno.....	7,971	7,971	56,493	70,262
Sacramento.....	39,949	35,581	312,013	308,961
SALT LAKE CITY.....	60,916	58,849	435,938	433,993
San Diego.....	53,207	48,581	345,253	329,847
SAN FRANCISCO.....	808,352	750,867	5,650,680	5,511,038
San Jose.....	24,087	21,844	147,411	153,970
SEATTLE.....	182,323	166,825	1,253,162	1,166,113
SPOKANE.....	46,562	48,615	328,423	337,047
Stockton.....	22,377	25,627	160,315	163,565
Tacoma.....	38,057	39,559	285,253	271,060
Yakima.....	8,111	8,893	65,780	66,285
Total.....	\$2,451,200	\$2,399,137	\$17,702,555	\$16,991,608

*Estimated from weekly totals (000 omitted).

The volume of trade at retail, as indicated by the value of sales of 35 reporting department stores, was well maintained during July, 1924. As compared with July, 1923, sales showed a slight increase (0.004 per cent) in value, whereas during May and June, 1924, declines were reported for the year period. The July increase for the year was due entirely to in-

MILLIONS OF DOLLARS



Net Sales of 35 Department Stores in Twelfth Federal Reserve District (In Millions of Dollars)

creases reported from California cities, cities in other states of the district again reporting small decreases. As compared with June, 1924, sales during July, 1924, declined 7.2 per cent, a smaller decline than that which usually occurs at this season of the year. It is reported that stocks of goods on retailers' shelves are not large and purchases have recently increased, the percentage of outstanding orders at the close of July, 1924, to total purchases during the preceding year amounting to 10.2 per cent, as compared with 8.8 per cent on June 30, 1924. It was 12.0 per cent on July 31, 1923, and 11.5 per cent on June 30, 1923. A detailed statement of percentage changes in

the value of sales and stocks of reporting department stores in the district follows:

	No. of Stores	Percentage increase or decrease (-) in value of sales		Percentage increase or decrease (-) in value of stocks	
		July, 1924, compared with July, 1923	June, 1924, compared with June, 1923	July, 1924, compared with July, 1923	June, 1924, compared with June, 1923
Los Angeles.....	6	0.7	-1.8	15.6	-2.0
Oakland.....	4	3.8	-20.7	1.7	-2.9
Salt Lake City.....	4	-0.7	-17.4	11.8	-3.5
San Francisco.....	10	0.4	-8.1	1.6	-0.3
Seattle.....	5	-0.2	-9.2	4.7	-7.8
Spokane.....	5	-11.8	-9.0	-11.1	-5.5
District*.....	35	0.004	-7.2	5.8	-2.6

*Figures for one store included in district figures not included in figures for cities shown above.

Registrations (sales) of new automobiles in the states of this district (an index of the purchasing power of the community) were less by 12.5 per cent during the first six months of 1924 than during the first six months of 1923, compared with a decrease of 9.5 per cent (revised figure) for the first five months of 1924, compared with the first five months of 1923. Declines in cumulative totals were principally the result of declines in California and Washington. Figures follow:

REGISTRATIONS OF NEW AUTOMOBILES

	Passenger		Commercial	
	Jan. 1 to July 1, 1924	1923	Jan. 1 to July 1, 1924	1923
Arizona.....	4,872	4,917	557	383
California.....	92,108	114,745	8,206	11,784
Idaho.....	6,750	4,795	639	307
Oregon.....	17,492	16,417	1,139	675
Utah.....	6,788	6,241	528	648
Washington.....	22,826	24,477	2,562	2,523
Total (6 states).....	150,836	171,592	13,631	16,320

National production of automobiles during July, 1924, was 7.1 per cent greater than during June, 1924, the first increase over the preceding month reported since March, 1924. As compared with July, 1923, production during July, 1924, was less by 19.7 per cent.

Figures compiled by the Federal Reserve Bank of Chicago follow:

	July, 1924	June, 1924	July, 1923
Passenger Cars.....	237,431	217,845	297,173
Trucks.....	24,895	27,040	29,712
Total.....	262,326	244,885	326,885

Savings deposits at 71 banks in seven principal cities of the district amounted to \$1,013,823,000 on July 31, 1924, a decline of 0.2 per cent from the record figure (\$1,016,605,000) reported on June, 30, 1924. This decline may possibly be accounted for by withdrawals of interest payments, credited on June 30th, during the following month. As compared with a year ago, savings deposits on July 31st had increased 8.6 per cent, all cities reporting in-

creases. Detailed changes in the amount of savings deposits during the month and year as reported by the 71 banks are presented in the following table (000 omitted):

	Number of Banks	July, 1924		June, 1924		Per Cent increase or decrease (-) July, 1924, compared with July, 1923	
		July, 1924	June, 1924	July, 1924	June, 1924	July, 1924	June, 1924
Los Angeles..	13	\$ 338,916	\$ 339,103	\$310,765	9.0	-0.05	
Oakland*....	7	95,457	95,311	89,156	7.0	0.1	
Portland.....	9	51,692	51,012	47,438	8.9	1.3	
Salt Lake City	8	28,500	28,277	26,868	6.0	0.7	
San Francisco†	14	415,005	418,444‡	382,813	8.4	-0.8	
Seattle†.....	14	66,479	66,756	59,425	11.8	-0.4	
Spokane.....	6	17,774	17,702	15,889	11.8	-0.4	
Total.....	71	\$1,013,823	\$1,016,605‡	\$932,354	8.6	-0.2	

*Includes one bank in Berkeley which was formerly a branch of an Oakland bank.

†The consolidations of reporting banks has reduced their number, but has not affected the value of reported figures for comparative purposes.

‡Revised figures.

R. G. Dun & Company's preliminary figures of the number and liabilities of business failures in the states of this district during July, 1924, and June, 1924, are tabulated below:

	July, 1924		June, 1924	
	No.	Liabilities	No.	Liabilities
Arizona.....	2	\$ 13,035	1	\$ 24,323
California.....	137	1,704,565	75	779,085
Idaho.....	8	73,290	8	49,626
Nevada.....	2	90,300	3	576
Oregon.....	36	306,363	16	132,103
Utah.....	5	24,695	16	145,801
Washington.....	30	318,917	43	473,303
District.....	220	\$2,531,165	162	\$1,604,817

Percentage increases in the number and liabilities of business failures in the Twelfth Federal Reserve District follow:

	July, 1924, compared with July, 1923	June, 1924
Number of Business Failures.....	54.9	35.8
Liability of Business Failures.....	32.9	57.7

Banking and Credit Situation

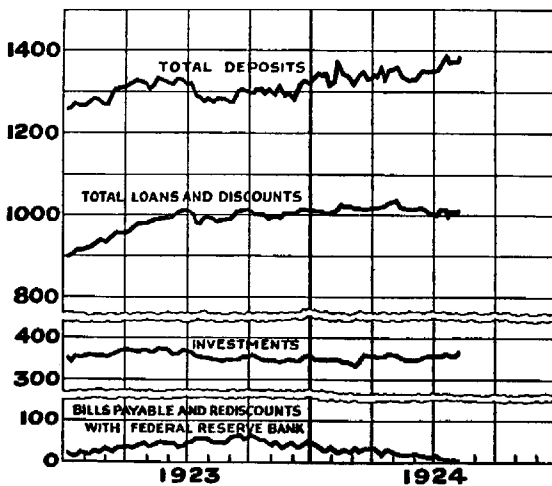
Further increase of demand deposits, continued diminution in the use of bank credit for commercial purposes, and a reduction in member bank borrowings from the Federal Reserve Bank have characterized the banking situation during recent weeks. Commercial loans of reporting member banks declined \$11,000,000 (1.4 per cent) during the four weeks ended August 6, 1924, and, although they rose approximately \$4,000,000 during the week ended August 13th, remained below levels of earlier months of the year. A decline in total loans, amounting to \$7,000,000 (0.7 per cent) during the five-week period was more than offset by an increase of \$9,000,000 (2.5 per cent) in investments, so that the total volume of reporting member bank credit in use (total

loans and investments) increased \$2,000,000 (0.1 per cent). At \$1,372,000,000 on August 13, 1924, it was \$24,000,000 (1.7 per cent) below the record figure (\$1,396,000,000) reached on May 14, 1924, but above the figures of a year ago. Demand deposits increased by \$34,000,000 during the five-week period and, at \$765,000,000 on August 13th, were larger than one year ago. Borrowings of reporting city banks from the Federal Reserve Bank declined to \$2,000,000, the lowest figure in recent years.

Changes occurring in the principal items of the statement of 66 reporting member banks in this district during the month and during the year are presented in the following table. (Increases indicated by plus, decreases by minus signs.) The figures are in millions of dollars, numbers in parentheses indicating percentage changes.

	Change from One Month Ago	Change from One Year Ago	Condition Aug. 13, 1924
Total Loans.....	- 7 (0.7%)	+18 (1.8%)	1,007
Investments.....	+ 9 (2.5%)	+17 (4.9%)	365
Demand Deposits.....	+34 (4.7%)	+34 (4.7%)	765
Time Deposits.....	- 6 (1.0%)	+81 (15.1%)	619
Borrowings from Federal Reserve Bank.....	- 9 (81.8%)	-43 (95.6%)	2

MILLIONS OF DOLLARS

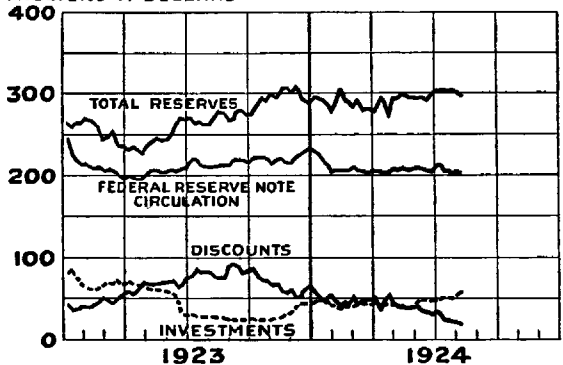


Total Deposits, Loans and Discounts, Investments, and Bills Payable and Rediscounts of Reporting Member Banks

Total earning assets of the Federal Reserve Bank of San Francisco, as a result of further purchases of United States Government securities, increased by \$3,000,000 (4.1 per cent) during the four weeks ended August 13, 1924, but, at \$76,000,000 on that date, were less by \$21,000,000 (21.6 per cent) than they were a year

ago. The increase in holdings of United States Government securities amounted to \$8,000,000, the present investment in this class of paper being more than five times as great as that of a year ago. Total discounts, as well as holdings of acceptances purchased in the open market, declined during the month, the former by \$3,000,000 (13.6 per cent). Holdings of paper discounted for member banks and of acceptances are well below those of a year ago, total discounts, at \$19,000,000 on August 13, 1924, being smaller than at any time since April 6, 1917. The volume of Federal reserve notes in circulation declined during July, but increased seasonally during the first week of August.

MILLIONS OF DOLLARS



Total Reserves, Federal Reserve Note Circulation, Bills Discounted, and Investments, Federal Reserve Bank of San Francisco

Principal changes in the condition of the Federal Reserve Bank of San Francisco during the month and during the year follow (figures are in millions of dollars):

	Change from One Month Ago	Change from One Year Ago	Condition Aug. 13, 1924
Total Discounts.....	-3 (13.6%)	-54 (74.0%)	19
Investments.....	+6 (11.8%)	+33 (137.5%)	57
United States Securities.....	+8 (16.7%)	+47 (522.2%)	56
Federal Reserve Note Circulation.....	-3 (15.0%)	- 8 (3.8%)	203
Total Reserves.....	-7 (2.3%)	+18 (6.4%)	296

Interest rates again declined during the five weeks ended August 16, 1924. The following table shows weekly average interest rates on various types of paper in the New York market as reported by the Federal Reserve Bank of New York:

	Week Ended Aug. 16, 1924	Week Ended July 12, 1924	1923 High	Week Ended Aug. 18, 1923
Time Money.....	2¼-2¾%	2¾-3%	5½%	5¼%
Commercial Paper.....	3-3¼	3½	5¼	5¼
Bankers' Acceptances .	2	2	4½	4¼