

# 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. 10

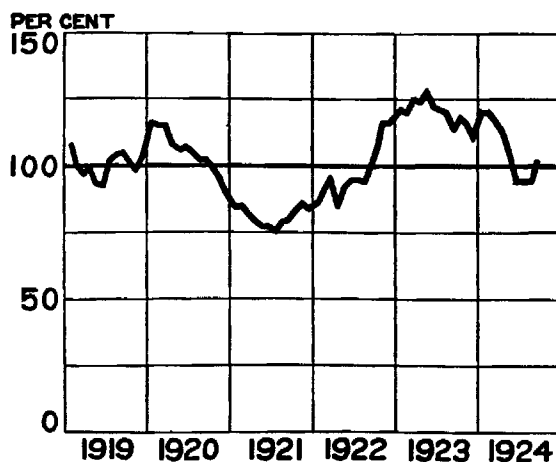
### Summary of National Conditions

Production of basic commodities, factory employment, and distribution of merchandise increased in September, and early in October there was a considerable increase in the volume of borrowing for commercial purposes.

**Production.** The Federal Reserve Board's index of production in basic industries, adjusted to allow for seasonal variations, rose 9 per cent in September, the first advance since last January. Increased activity was reported in many lines of industry including textiles, iron and steel, and coal. Factory employment increased 2 per cent during September, reflecting larger working forces in nearly all reporting industries. Average weekly earnings of industrial workers increased slightly, owing to a decrease in the extent of part time employment. Building contracts awarded showed a small seasonal decline in

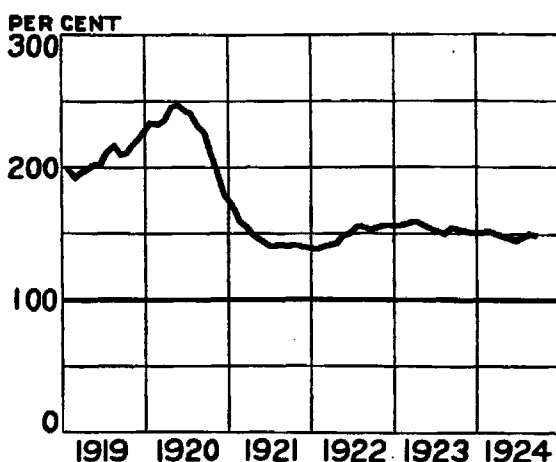
September, but were considerably larger than a year ago. Crop conditions, as reported by the Department of Agriculture, showed a further slight improvement during September, and the estimates of production for spring wheat, oats, barley, and white potatoes on October 1st were larger than a month earlier. Estimates of the yields of corn, tobacco, and cotton, however, were reduced. Marketing of wheat was exceptionally heavy in September, and exports of wheat and cotton were larger than for the same month of any recent year.

**Trade.** Distribution of commodities as reflected in railroad shipments, increased during September and was greater than last year, owing to larger loadings of miscellaneous merchandise, grain, and coal. Wholesale trade was 11 per cent larger in value than in August, as a result of increased business in almost all reporting lines. Sales of groceries and drugs were larger than a year ago, while sales of



Production in Basic Industries

Index of 22 basic commodities corrected for seasonal variation (1919=100).  
Latest figure, September, 102.



Wholesale Prices

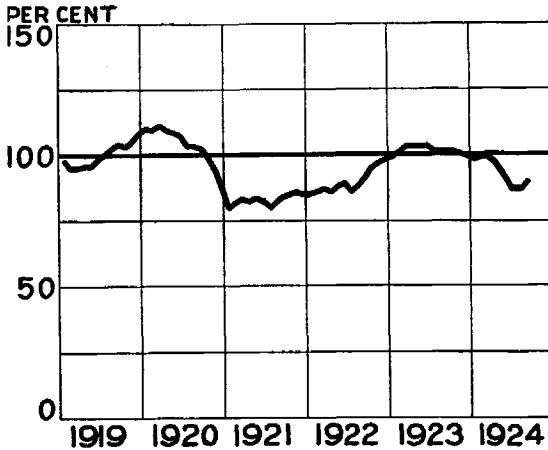
Index of U. S. Bureau of Labor Statistics (1913=100, base adopted by Bureau).  
Latest figure, September, 149.

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meat and shoes were smaller. Retail trade showed more than the usual seasonal increase in September, and sales of department stores and mail order houses were considerably larger than last year. Merchandise stocks at department stores increased more than usual during September, but continued to be slightly smaller than a year ago.

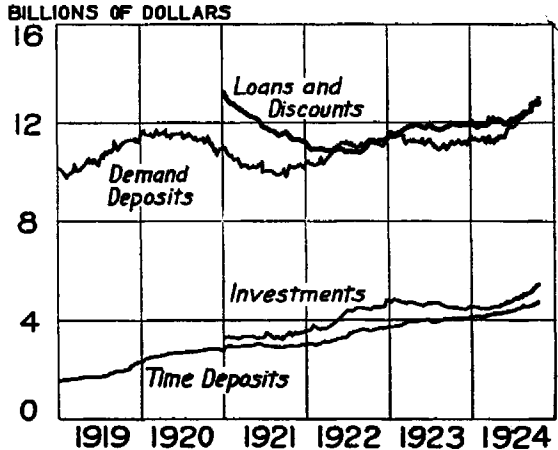
**Prices.** Wholesale prices of farm products, clothing, fuel, and metals declined somewhat in September, while prices of food products,

in the year. Larger currency requirements, partly seasonal in character, were reflected in an increase of \$140,000,000 in the total volume of money in circulation between August 1st and October 1st. Money rates in the New York market remained relatively constant during the latter part of September and in the early part of October. On October 15th the discount rate of the Federal Reserve Bank of Minneapolis was reduced from 4½ to 4 per cent.



Factory Employment

Index for 33 Manufacturing Industries (1919=100). Latest figure, September, 90.



Member Bank Credit

Weekly figures for member banks in 101 leading cities. Latest figure, October 15.

building materials, and chemicals advanced. The general level of prices, as measured by the Bureau of Labor Statistics' indexes, was slightly lower in September than in August. During the first half of October quotations on wheat, flour, cattle, hogs, wool, and rubber increased, while prices of cotton, lumber, and gasoline declined.

**Bank Credit.** During the five weeks ending October 15th loans and investments of reporting member banks in leading cities increased by more than \$600,000,000. Credit demands for financing the marketing of crops and the fall activity of trade were reflected in increased commercial loans throughout the country, and the total volume of these loans rose to a level considerably above the peak of October, 1923. Member bank investments in securities continued to increase, and loans on stocks and bonds also advanced. A further growth of demand deposits carried their total to the highest figure on record. At the Federal reserve banks, discounts changed but little in September and declined during the first three weeks of October. Holdings of acceptances increased considerably and there was also some increase in holdings of United States securities. As a consequence, total earning assets during the month were larger than at any time since early

### Summary of District Conditions

A pause in the forward movement of business which began last June was apparent during September, for although the total volume of September trade was larger than in the two previous months, the gains were smaller in many cases than the normal increase at this season of the year. Debits to individual accounts at banks in the principal centers of the district, an accurate index of general business conditions, when corrected for seasonal variation showed a decline for September as compared with July and August and were near the low point of the year reached in June.

Credit demands of the autumn crop moving period have been met by member banks of the district without difficulty, and interest rates have remained at relatively low levels. Commercial loans of 66 reporting member banks in nine cities increased \$15,000,000 (1.9 per cent) during the past month and their investment holdings by \$37,000,000 (10.2 per cent). Total loans and investments of the banks, \$1,422,000,000 on October 8th, were at the highest point on record. During this period borrowings of member banks from the Reserve Bank were declining, and the discounts of the latter, at \$13,000,000 on October 15th, were smaller

than at any time since 1917. A comparison of credit conditions at the beginning of October in 1924, 1923, and 1922 is tabulated below:

Member Banks	Oct. 8, 1924	Oct. 10, 1923	Oct. 11, 1922
Total Loans .....	\$1,022,020,000	\$1,000,326,000	\$ 887,150,000
Total Investments ..	399,900,000	350,294,000	338,398,000
Total Deposits .....	1,447,102,000	1,303,080,000	1,225,563,000
Borrowings from Federal Reserve Bank.	3,998,000	52,995,000	6,381,000
Federal Reserve Bank	Oct. 15, 1924	Oct. 17, 1923	Oct. 18, 1922
Total Discounts ....	\$ 13,181,000	\$ 71,217,000	\$ 36,580,000
Total Investments ..	75,963,000	20,579,000	94,068,000
Total Reserves .....	306,383,000	296,789,000	243,081,000
Federal Reserve Note Circulation .....	210,127,000	220,519,000	223,519,000
Interest Rates	Sept., 1924	Sept., 1923	Sept., 1922
San Francisco (Rates to large customer borrowers at banks) ..	5 5/8%	5 1/2%	5 1/2%

Increased productive activity, partly of seasonal character, was reported during September. Building permit values did not decline by the usual seasonal amount from August to September (the number of permits issued showed an increase), and for the first time since February, 1924, the number and value of building permits issued in 20 principal cities were larger than in the corresponding month a year ago. Cumulative totals of number and value of building permits issued during the first nine months of this year are less than 4 per cent below the record figures reported for the same period in 1923, when building costs averaged 9.3 per cent higher. Production of lumber increased during September, but the buying activity of the previous month was not maintained and stocks held at mills increased while the volume of their unfilled orders declined. Producing schedules at the mines of the district continued heavy, the silver mines, in particular, increasing their output as the market price of silver rose (from 68 3/4 cents per ounce on August 29th to 71 1/4 cents per ounce on October 20, 1924). Flour millers are proceeding cautiously and their output has recently been below normal. The scarcity of good local milling wheats and the high prices which must be paid for desirable varieties have not encouraged production in excess of current demand which is reported to be only moderately active. Canned and dried fruit packs are being completed and the products are moving into consumption on a steady market. Changes in volume of employment during September were largely seasonal and did not greatly alter the labor situation. The total number of men employed in the district is still estimated to be smaller than one year ago.

The close of the producers' year in agriculture finds farmers marketing relatively small crops, but generally receiving higher prices for their products than has been the case in any of the past four years.

Distribution of goods was maintained at high levels during September. Retail trade, as indicated by sales of department stores in the principal cities of the district, was more active than a year ago, a larger volume of goods being sold and stock turnover being more rapid in September, 1924, than in September, 1923. A normal seasonal decline from August to September was noted. Marked improvement in wholesale trade during September was but partly the result of seasonal influences, and comparison of volume of business transacted with figures for a year ago indicates a more favorable situation than has existed for some months past. Business failures have shown a steady downward tendency during recent months.

### Agriculture

The peak of the autumn crop-moving period has been passed, and farmers are now in a position to estimate with some degree of accuracy their returns from the year's operations. Yields generally have been considerably below the bumper yields of last year and slightly below the average of recent previous years, but prices of an important list of farm products, both in dollars and in relation to prices of non-agricultural commodities, have been higher than in any major marketing period since the depression of 1921.

The most notable reduction in yield of an important crop has been the decline in district production of wheat, the October 1st estimate of 71,879,000 bushels being less than one-half the estimated yield in 1923, when a record crop of 144,191,000 bushels was produced. Poor condition of the soil at planting time and unusually dry weather during most of the growing season were the principal causes of the unsatisfactory harvest. For the United States as a whole the 1924 wheat crop, now estimated at 856,000,000 bushels, is slightly larger than the 1923 crop (837,000,000 bushels).

The accompanying table shows estimated yields of some of the principal crops of the district harvested during the past month, and the average farm value of these crops, per unit of production, on September 15th of the years 1924 and 1923.

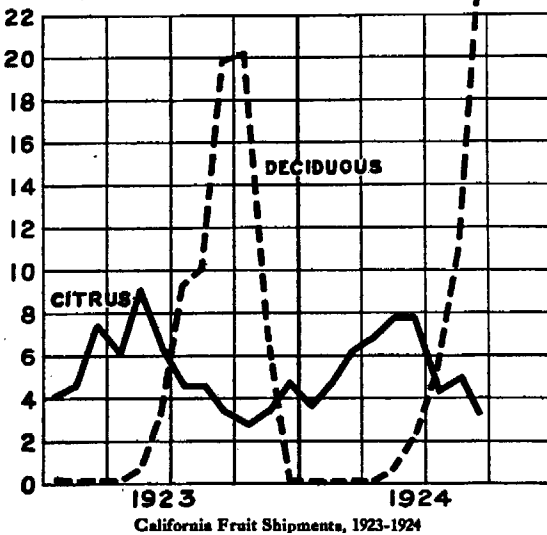
Unit	Production			Farm Prices	
	Oct. 1, 1924	Estimated Sept. 1, 1924	Actual 1923	Sept. 15, 1924	Sept. 15, 1923
Wheat ....bu.	71,879,000	69,875,000	144,191,000	\$1.18†	\$ .85†
Beans ....bu.	3,171,000	2,734,000	5,725,000	4.10*	3.96*
Potatoes .bu.	28,609,000	30,559,000	35,323,000	.57‡	.65‡
Beets, Sugar ton	1,739,000	1,678,000	2,154,000	..	..
Apples (commercial) box	28,068,000	30,714,000	43,959,000	1.20†	.89†
Grapes* ...ton	1,443,000	1,536,000	1,811,000	76.00*	50.00*

\*California. †Washington. ‡Idaho.

Favorable price movements during the harvest season have hastened marketing of crops.

by farmers, reducing, to some extent, the seasonal increase in demand for credit in agricultural sections. Comparative data for measuring the movement to market of certain crops of this district during present and past seasons are presented in Table "A." In interpreting the figures of wheat shipments, allowance should be made for the fact that domestic shipments have been much larger this year than last, so that the export figures given do not present a complete picture of the situation. Figures of deciduous fruit shipments from California have been influenced by the early ripening of the grape crop in that state.

**THOUSANDS OF CARLOADS**



The unusual and widespread drought of the past spring and summer was terminated quite generally by seasonal rains during the past month, and farmers, particularly in the Pacific Northwest, have been able to start fall plowing and seeding operations.

**Livestock—Animal Products**

Seasonal rainfall during September and early October benefited the livestock industry of the Twelfth District, replenishing failing water supplies and stimulating growth of feed on pastures and ranges. Livestock are entering winter pasture in fair condition, although in areas where the drought has been most severe the effects of reduced feed and limited water supplies are pronounced. Present feed reserves, which are reported to be somewhat smaller than normal in this district, must be drawn upon heavily if the usual numbers of cattle and sheep are to be carried through the winter months without undue suffering and loss. Condition figures of ranges, cattle, and

sheep, expressed in percentages of normal (normal = 100), for the states of this district follow:

	Ranges			Cattle			Sheep		
	Oct. 1, 1924	1923	Sept. 1, 1924	Oct. 1, 1924	1923	Sept. 1, 1924	Oct. 1, 1924	1923	Sept. 1, 1924
Arizona	55	98	63	81	90	83	82	95	80
California	50	82	52	80	92	82	82	94	83
Idaho	52	95	56	80	95	82	81	98	87
Nevada	56	100	56	70	92	70	73	95	73
Oregon	59	90	58	74	93	76	78	97	78
Utah	64	91	68	73	91	74	79	92	80
Washington	66	95	70	80	96	78	87	100	88

Receipts of all classes of meat animals at eight principal markets in the district increased rapidly during August and September, reflecting, in the case of cattle and sheep, a seasonal movement accelerated by feed and water shortages over large areas of range and pasture country, and, in the case of hogs, a strong market demand at relatively high prices.

**LIVESTOCK RECEIPTS AT EIGHT MARKETS**

	Cattle	Calves	Hogs	Sheep
September, 1924	89,408	28,893	185,127	404,528
August, 1924	77,433	26,872	159,774	294,006
September, 1923	74,806	20,343	147,026	339,027
Four-Year Average*				
September	73,692	21,216	125,833	332,130
August	66,034	21,214	129,608	267,781

\*1921-1924.

Production of butter in the Twelfth District declined seasonally during September, and holdings of cold storage butter at four markets, after reaching the record figure of 8,630,893 pounds on September 1st, were reduced by 19.0 per cent during the month, standing at 7,016,-

**(A) Movement of Crops to Market\***

**TWELFTH FEDERAL RESERVE DISTRICT**

	1924-1925 Season to Sept. 30, 1924	1923-1924 Season to Sept. 30, 1923	1922-1923 Season to Sept. 30, 1922
Wheat Exports†			
Portland and Puget Sound	4,321,180 (6.2)†	7,091,965 (4.9)	8,479,625 (8.6)
Barley Exports			
San Francisco (bu.)	4,012,727 (21.6)	5,763,645 (12.9)	7,374,715 (17.2)
Orange Shipments§			
California	43,196 (83.7)	48,571 (98.2)	28,169 (91.2)
Lemon Shipments§			
California	12,763 (97.2)	8,177 (83.4)	9,613 (92.3)
Total Deciduous Fruit Shipments¶			
California	39,707	38,588	27,069
Total Deciduous Fruit Shipments¶ Pacific Northwest (cars)	9,786	16,563	10,112

\*Figures in parentheses indicate percentage of new crop only.  
 †Percentage figures based on October 1st crop estimate.  
 ‡Season begins July 1st.  
 §Season begins November 1st.  
 ¶Season begins about May 1st.

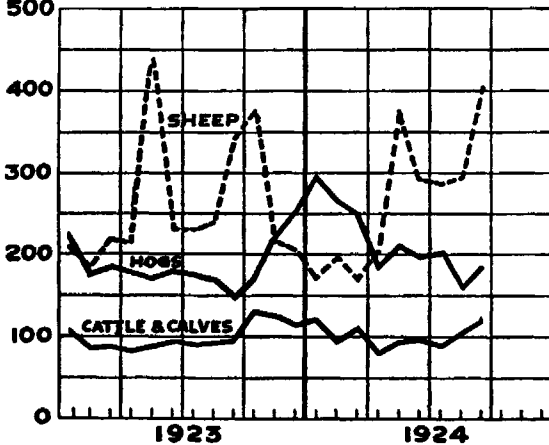
888 pounds on October 1, 1924. Comparable holdings totaled 4,578,298 pounds on October 1, 1923, and a five-year average of such stocks on October 1st is 3,888,539 pounds. Cold storage holdings of eggs declined seasonally during the past month.

**COLD STORAGE HOLDINGS OF BUTTER AND EGGS**

	Oct. 1, 1924	Sept. 1, 1924	Oct. 1, 1923	Five-Year Average Oct. 1st
<b>Butter (pounds)</b>				
*12th District.	7,016,888	8,630,893	4,578,298	3,888,539
United States.	153,271,000	156,440,000	96,117,000	103,623,000
<b>Eggs (cases)</b>				
†12th District.	389,462	516,815	476,920	..
United States.	7,416,000	8,778,000	8,737,000	7,017,000

\*Four markets. †Six markets. ‡1920-1924.

**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)

**Prices**

The general price level, which had moved steadily upward during July and August, was approximately stable during September, but indications are that the upward movement was resumed during the first half of October. No

significant departures from the general trend of prices were noted in the various commodity groups. Agricultural products quite generally maintained the gains of recent months and the purchasing power of the group continued higher than at any time since the peak of prices in 1920.

Among the important products of this district, noteworthy gains in prices of grains, wool, and silver were reported, silver prices reaching the highest point since July, 1923, when Government purchases at \$1.00 an ounce, under the Pittman Act, were discontinued. Rising prices for silver benefit not only the silver miners but also many of the copper and lead producers, silver being found in considerable quantities in many ores which are mined primarily for the other metals. Declines in prices of livestock, fruits, copper, lead, and zinc occurred during the month, and lumber prices at Pacific Northwestern producing centers both advanced and declined, the direction of the movement depending upon the grade and type of lumber involved.

Details of price movements for certain important products of the district and representative index numbers of the general price level are presented in Table "B."

**Industrial Activity**

Seasonal expansion of activity in lumbering, mining and other basic industries, and extra-seasonal activity in building construction resulted in further moderate gains in industrial output of the district during September.

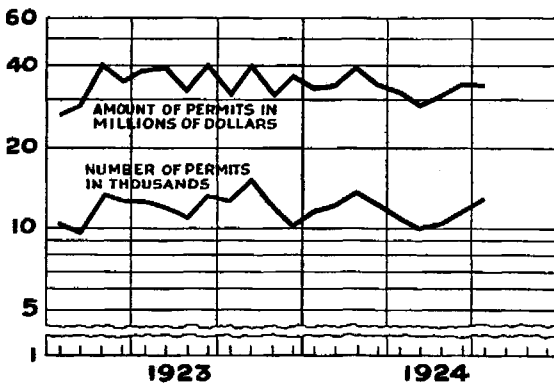
A slight increase in number and a small decline in value of building permits issued in 20 cities of the district were reported during September as compared with August, 1924, whereas an index of seasonal variation of building permits issued on the Pacific Coast indicates a normal decrease of approximately 15.0 per cent from August to September. Both number and value of September, 1924, permits

**(B) Commodity Prices—**

Commodity	Unit	Oct. 3, 1924	One Month Ago	One Year Ago
Wholesale Prices (U. S. Bureau of Labor) 1913=100.....		149.0	150.0	154.0
Purchasing Power of Farm Products (U. S. Department of Agriculture) 1913=100 .....		87.0	90.0	75.0
Cattle (Native Beef) Weekly average price at Chicago.....	100 lbs.	\$10.10	\$10.00	\$10.30
Hogs .....	100 lbs.	10.15	9.60	7.70
Lambs .....	100 lbs.	13.10	13.40	12.90
Wheat .....	bu.	1.45½-1.49	1.22¾-1.24¾	1.07¾-1.08¾
Wool .....	lb.	87.32¢	82.55¢	74.88¢
Cotton—Middling Uplands—Weekly range of spot quotations at New Orleans .....	lb.	24.50-25.75¢	23.65-24.82¢	28.25-28.50¢
Prunes .....	lb.	.09¾	.10¾-11	.10¾-10¾
Copper .....	lb.	12.92¢	13.22¢	13.32¢
Lead .....	lb.	8.00¢	7.83¢	6.86¢
Silver .....	oz.	69.35¢	68.52¢	64.20¢
Lumber (Softwood) Weekly Index, U. S.*.....		29.84	30.74	31.31

\*As published by the "Lumber Manufacturer and Dealer."

were greater (by 1.4 per cent and 9.6 per cent, respectively) than in September, 1923. The United States Bureau of Labor Statistics' index of the cost of building materials, which declined from 182 in February, March and April, 1924, to 169 in July and August, rose 2 points or 1.2 per cent during September, 1924, to 171 (1913 prices=100). In September, 1923, the index stood at 182, so that the present level of building materials prices is 6.0 per cent below that of one year ago. The Aberthaw index of the total cost (labor and materials) of constructing a reinforced concrete factory building declined from 196 on September 1st to 195 on October 1, 1924. It stood at 204 on October 1, 1923, following a decline of 2 points (1.0 per cent) during September, 1923.



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

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

	Month in 1924 compared with same Month in 1923				Month in 1924 compared with preceding Month	
	No.	Value	No.	Value	No.	Value
September	1.4%	9.6%	-0.1%	-3.9%	10.1%	-1.5%
August	-0.2%	-15.1%	-0.3%	-5.4%	12.1%	11.4%
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%

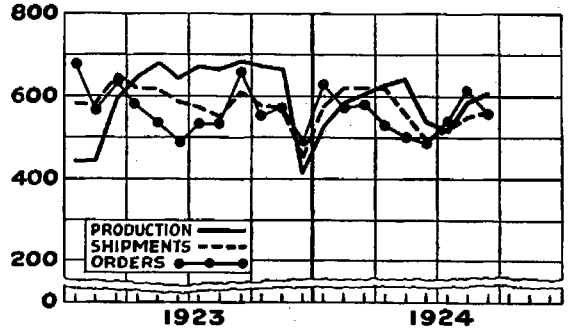
The volume of lumber produced in the district, as reported by 4 associations, increased seasonally during September, while demand, following the upward spurt of the two previous months, fell off sharply with the result that production again exceeded shipments and orders, and the volume of unfilled orders decreased. Activity in the lumber industry gen-

erally was at lower levels during September, 1924, than during September, 1923. Stocks of lumber at producing centers are reported to be small. Figures follow (000 omitted):

	Sept., 1924 (board feet)	Aug., 1924 (board feet)	Sept., 1923 (board feet)	Aug., 1923 (board feet)
Production	608,746	586,568	663,054	664,863
Shipments	562,598	549,480	582,551	551,354
Orders	558,489	616,196	610,721	533,326
Unfilled Orders	407,900	415,523	436,062	434,169
No. of Mills Reporting.	190	181	197	193

Active resumption of logging operations followed early September rains which ended the summer period of extreme fire hazard in important lumbering regions of the Pacific Northwest. Demand for lumber in domestic markets was active during the first weeks of September, but subsided during the latter part of that month and early October. Export markets have been continuously active during the past six weeks.

MILLIONS OF BOARD FEET



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

(C) Building Permits—

	September, 1924		September, 1923	
	No.	Value	No.	Value
Berkeley	426	\$ 805,809	244	\$ 765,160
Boise	80	223,278	81	110,069
Fresno	142	147,417	149	296,659
Long Beach	471	2,368,746	380	1,409,462
Los Angeles	4,553	13,090,467	5,268	14,099,353
Oakland	1,211	2,502,094	1,037	2,147,296
Ogden	33	110,300	34	267,300
Pasadena	320	923,899	471	1,061,338
Phoenix	99	214,016	71	127,323
Portland	1,558	2,548,575	1,428	2,378,060
Reno	17	19,400	12	16,400
Sacramento	318	622,016	303	429,998
Salt Lake City	137	445,525	117	953,775
San Diego	642	985,567	422	1,306,260
San Francisco	918	5,671,784	648	2,907,389
San Jose	97	721,990	108	184,685
Seattle	1,020	1,439,970	907	1,403,825
Spokane	212	203,724	252	158,410
Stockton	127	231,798	111	316,615
Tacoma	363	546,860	519	507,690
District	12,744	\$33,823,235	12,562	\$30,847,067

Preliminary reports of non-ferrous metals production at the mines of this district indicate that the upward trend in output noted during August continued during September. Silver miners in particular were more active, in consequence, no doubt, of strengthening world markets for that metal. Production of copper and lead has also increased during the past two months, but prices for these metals have declined slightly during recent weeks. The gold mines of the district have continued active.

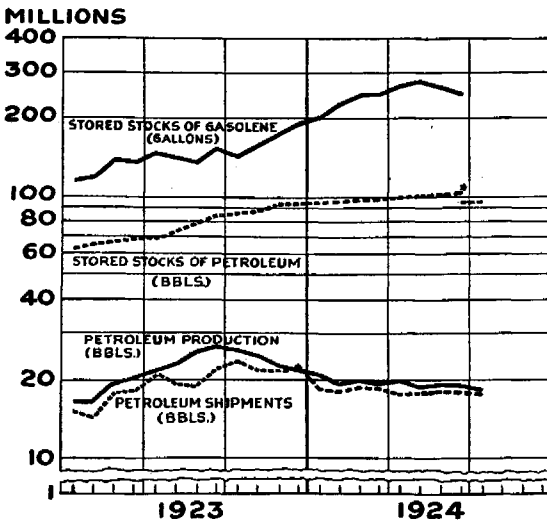
Figures of national production of copper, silver, zinc, and quicksilver during August and July, 1924, and August, 1923, follow:

**NATIONAL PRODUCTION OF NON-FERROUS METALS**

	Aug., 1924	July, 1924	Aug., 1923
Copper (lbs.) (mine production) .....	133,140,000*	129,486,000	129,377,401
Silver (oz.) (commercial bars) .....	5,491,372	4,492,351	5,292,607
Zinc (tons) (slab).....	41,775	42,913	41,625
Quicksilver (flasks of 75 lbs., estimated).....	920	775†	800

\*Preliminary. †Corrected figure. July, 1924, production reported at 775,550 flasks in September, 1924. Review was in error. Figures for lead are not available.

A further decline in average daily production of petroleum and a slight increase in stocks, the result of a more rapid decline of consumption than of production, characterized



Production, Shipments, and Stored Stocks of Petroleum, and Refinery Stored Stocks of Gasolene in California, 1923-1924

\*Present figures are not comparable with those previously reported. See note to petroleum table.

California oil field operations during September, 1924. Both production and consumption of gasolene produced by California refineries increased during September and there was a net decline of gasolene stocks during the

month. Figures for the industry in California are presented in the following tables:

**PETROLEUM**

	Average Daily Production (barrels)	Indicated Average Daily Consumption (Shipments)** (barrels)	Stored Stocks at End of Month† (barrels)	New Wells Opened	Daily Production (barrels)
Sept., 1924...	610,274	585,521	94,546,881	95	27,473
Aug., 1924...	616,548	†	93,804,301	100	33,954
Sept., 1923*	858,750	†	†	93	139,960
Dec., 1923...	706,427	†	89,274,244	134	84,364

\*Peak of production.

\*\*These figures do not represent an actual reported consumption. They are derived by adding reported stocks held at the beginning of the month to production during the month and deducting from the sum of these two figures the reported stocks held at the end of the month.

†Stocks (refined products excluded) held by the principal marketing companies at all points in all Pacific Coast territory, including British Columbia.

‡Comparable figures not available.

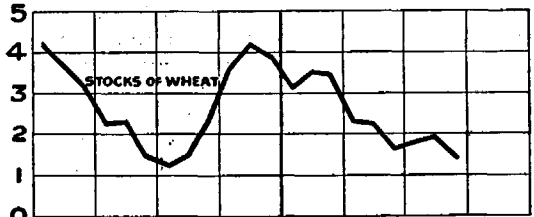
Note: The American Petroleum Institute, Pacific Coast office, from which source figures on the California petroleum industry are obtained, changed its methods of compiling data of stocks, beginning September, 1924.

**GASOLENE**

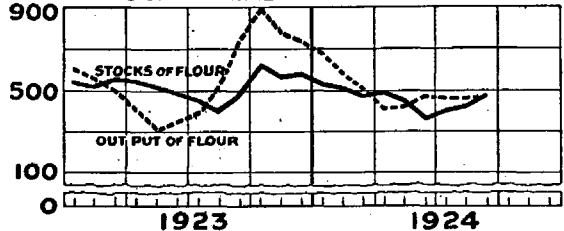
	Aug., 1924 (gallons)	July, 1924 (gallons)	Aug., 1923 (gallons)	July, 1923 (gallons)
Refinery Output...	99,955,286	93,742,087	109,165,919	121,212,438
Stored Stocks*...	245,834,954	261,419,197	153,605,104	136,585,654

\*As of last day of the month at California refineries only. Do not include stocks at distributing points.

**MILLIONS OF BUSHELS**



**THOUSANDS OF BARRELS**



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

Activity in the flour milling industry of the district was below normal during September, 1924. Production of 16 reporting mills increased but 2.4 per cent during the month, compared with a 5-year average increase of 18.6 per cent for September as compared with August. That the industry is proceeding cautiously during the present period of scarcity of good local milling wheats, high wheat prices, and but moderate demand for flour is also indicated by the fact that stocks of wheat, which normally increase during September, declined 28.2 per cent during the past month. At 1,387,699 bushels on October 1st, stocks of

wheat held by reporting mills were at the lowest figure reported for that date since the record was first kept in 1920. Stocks of flour held by the mills on October 1, 1924, totaled 474,381 barrels, compared with stocks amounting to 420,180 barrels on September 1, 1924, 477,386 barrels on October 1, 1923, and a five-year October 1st average of 440,729 barrels. Figures for the 16 reporting mills follow:

	Sept., 1924	Aug., 1924	Sept., 1923	Five-Year Average† Sept.
Output (bbls.)....	468,689	457,579	739,115	557,818
Stocks*				
Flour (bbls.)....	474,381	420,180	477,386	440,729
Wheat (bu.)....	1,387,699	1,932,525	2,328,044	2,226,286

\*As of the first day of the following month. †1920-1924.

The 1924 canned and dried fruit packs have been practically completed in this district. Although official figures of the size of the packs are not yet available, commercial estimates continue to indicate smaller totals than last year. Both canned and dried fruit markets have been firm during the past month, and seasonal demand for most fruits has been active.

Changes in the volume of employment in the Twelfth District during September were largely seasonal. Reports both statistical and otherwise indicated declines in the number of agricultural workers employed and in the payrolls of the important fruit canning and packing industries, a slight increase in employment in the lumber industry, and but little change in other industries. Employment generally remained at lower levels than in September, 1923.

**EMPLOYMENT IN CALIFORNIA\***

	No. of Firms	Number of Employees		Percentage Increase or Decrease (—) September compared with Aug.
		Aug., 1924	Sept., 1924	
All Industries.....	656	145,436	143,182	— 1.5
Stone, Clay and Glass Products	45	8,783	8,687	— 1.1
Metals, Machinery, and Conveyances	150	26,098	26,120	0.1
Wood Manufactures	114	27,366	28,462	4.0
Leather and Rubber Goods	22	4,670	3,829	4.3
Chemicals, Oils, Paints, Etc.	30	13,953	15,600	11.8
Printing and Paper Goods	63	5,865	5,909	0.8
Textiles	12	2,011	2,084	3.6
Clothing, Millinery, and Laundering	63	7,916	7,978	0.8
Foods, Beverages, and Tobacco	140	39,852	34,447	—13.6
Water, Light, and Power	3	8,918	8,902	— 0.2
Miscellaneous	14	1,004	1,164	15.9

\*Figures compiled by California State Bureau of Labor Statistics.

Changes in production and distribution of electric energy in the Twelfth District during August, 1924, as compared with August, 1923, and July, 1924, are presented in the accompanying table, compiled from reports of 20 companies operating in the several states of the district. Demands of agricultural consumers for power to pump irrigation water have continued chiefly responsible for the increased sales as compared with a year ago. During August, 1924, however, agricultural sales de-

clined seasonally, whereas there was an increase in the volume of sales to the mining and manufacturing industries.

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

	Agriculture	Mining	Manufacturing	Total Industrial Sales
California .....	20.2	10.3	—13.0	8.2
	(—6.0)	(8.2)	(12.0)	(1.1)
Pacific Northwest .....	7.8	27.4	— 7.7	4.9
	(10.3)	(11.1)	(1.8)	(10.5)
Intermountain States ...	62.2	— 7.4	— 3.8	8.8
	(5.7)	(5.5)	(—7.1)	(5.0)
Twelfth District .....	21.0	9.0	—11.1	7.7
	(—5.1)	(8.2)	(7.7)	(3.4)

\*Figures in parentheses indicate percentage increase or decrease (—) August, 1924, compared with July, 1924.

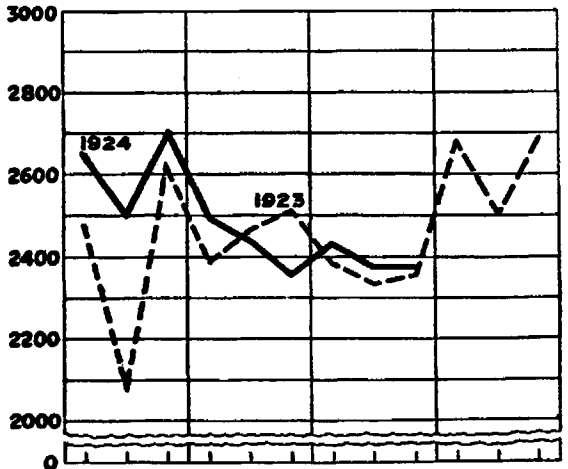
Number and Distribution of Industrial Consumers and Actual Volume of Sales

	Number of Industrial Consumers		Industrial Sales K. W. H.	
	Aug., 1924	Aug., 1923	Aug., 1924	Aug., 1923
California .....	83,670	73,170	301,985,208	278,971,232
Pacific Northwest .	14,106	12,314	88,238,204	84,044,893
Intermountain States	5,580	5,456	76,780,984	70,522,293
Twelfth District ...	103,356	90,940	467,004,396	433,538,418

**General Business and Trade**

Seasonal increases in the volume of general business and trade were smaller than normal during September, and relatively less activity was reported than in the two previous months.

MILLIONS OF DOLLARS



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

Debits to individual accounts (bank debits) at banks in 20 principal clearing house centers of the district (probably the best single available index of general business conditions) declined slightly during September, 1924, as compared with August, 1924, whereas there is usually a measurable seasonal increase during this period. The figures for September, 1924, were 0.8 per cent larger than those reported for September, 1923, an increase for the year period considerably less than the estimated normal annual growth of business in this district. Table "D" shows uncorrected figures of bank



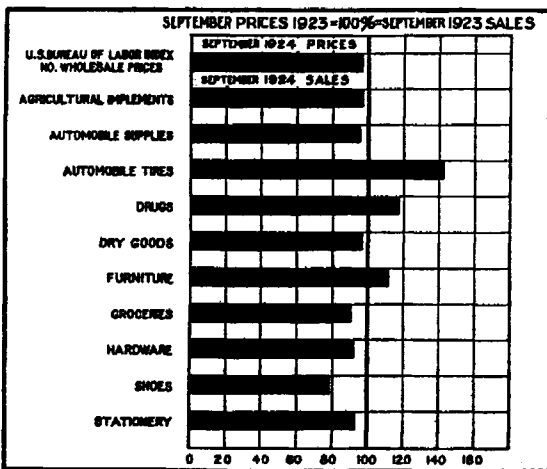
debits for the months of September, 1924, and September, 1923, and cumulative totals for the first nine months of 1924 and 1923, as reported for 21 cities of this district. Figures for Phoenix, Arizona, are not included in the total for 20 cities shown in the chart on page 136.

The wholesale trade situation improved during September as compared with recent previous months, although irregularities still persisted. Compared with the corresponding months a year ago, increases in business of eleven reporting lines generally were larger and decreases smaller during September than during any other month since February, 1924, two exceptions being wholesale shoes and groceries. The increased value of sales reported for nine of the eleven lines during September

normal annual growth of department store trade. Stocks of reporting stores, despite the increased volume of their business, were but 0.9 per cent larger than a year ago, indicating that retailers are still purchasing cautiously and for current needs only. The annual rate of stock turnover on the basis of September, 1924, figures was 2.74, compared with the annual rate of 2.66 indicated by sales figures for September, 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 Sept., 1924, compared with		Percentage increase or decrease (-) in value of stocks Sept., 1924, compared with	
		Sept., 1923	Aug., 1924	Sept., 1923	Aug., 1924
Los Angeles	6	5.9	-12.5	5.8	6.9
Oakland	4	-2.6	-4.8	-1.4	9.1
Salt Lake City	4	4.3	24.9	-13.4	14.4
San Francisco	10	5.4	-2.0	-1.3	5.6
Seattle	5	-0.1	6.1	0.5	5.3
Spokane	5	-12.6	8.3	-12.2	4.0
District*	35	3.3	-4.0	0.9	6.7

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



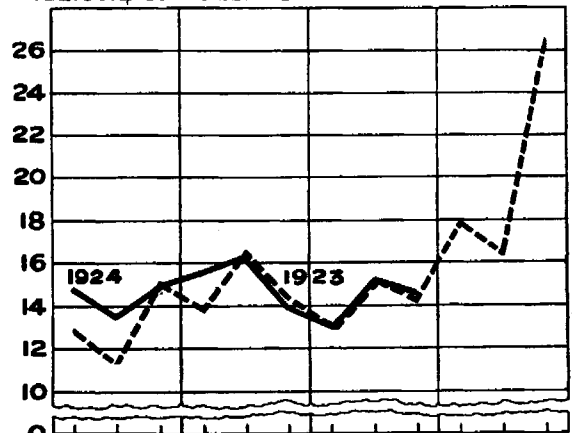
Dollar Value of Sales of Representative Wholesale Firms and General Wholesale Prices in September, 1924, compared with September, 1923

as compared with August, represents, in part, a seasonal movement. Percentage changes in the value of sales of reporting wholesale dealers during September, 1924, compared with one year ago and one month ago follow:

	No. of Firms	Percentage increase or decrease (-) in the value of sales during Sept., 1924, compared with	
		Sept., 1923	Aug., 1924
Agricultural Implements	22	-2.9	-0.5
Automobile Supplies	17	-5.0	-1.0
Automobile Tires	20	42.9	1.1
Drugs	6	17.3	6.3
Dry Goods	4	-3.2	1.6
Electrical Supplies	7	15.7	18.7
Furniture	17	11.4	21.1
Groceries	27	-9.0	6.8
Hardware	21	-7.8	6.3
Shoes	15	-21.3	5.1
Stationery	27	-6.8	2.8

The volume of trade at retail, as indicated by the value of sales of 35 reporting department stores in seven cities of the district, decreased seasonally during September, 1924, as compared with August, 1924, but was slightly larger (3.3 per cent) than during September, 1923. The increase for the year period was greater than that which would ordinarily occur with the

MILLIONS OF DOLLARS



Net Sales of 35 Department Stores in Twelfth Federal Reserve District

(D) Bank Debits\*

	September		Nine Months	
	1924	1923	1924	1923
Berkeley	\$ 16,544	\$ 14,386	\$ 157,624	\$ 151,357
Boise	11,868	11,970	101,524	111,047
Boise	38,920	54,296	283,070	434,522
Fresno	42,824	57,230	471,388	523,966
Long Beach	650,026	668,498	6,662,915	6,136,425
Los Angeles	21,727	24,161	203,505	248,087
Oakland	118,325	117,041	1,118,146	1,096,034
Oakland	21,727	24,161	203,505	248,087
Pasadena	26,670	26,450	293,617	279,291
Phoenix	18,498	17,118	180,773	163,865
Portland	167,745	160,282	1,426,690	1,337,839
Reno	7,655	10,120	71,712	90,316
Sacramento	38,039	35,751	397,671	382,543
Salt Lake City	61,493	58,032	558,062	549,638
San Diego	44,617	40,095	435,950	412,432
San Francisco	797,843	760,057	7,234,557	7,010,880
San Jose	23,173	21,227	195,111	197,238
Seattle	182,881	169,560	1,614,646	1,505,674
Spokane	48,020	48,987	422,158	434,679
Stockton	27,790	26,363	211,869	214,656
Tacoma	37,699	38,796	362,020	347,869
Yakima	11,103	11,293	86,273	86,372
<b>Total</b>	<b>\$2,393,460</b>	<b>\$2,371,713</b>	<b>\$22,489,281</b>	<b>\$21,714,730</b>

\*000 omitted.

Registrations (sales) of new automobiles in the states of this district (an index of community purchasing power) were less by approximately 13.0 per cent during the first eight months of 1924, than during the first eight months of 1923, but evidence of a recent improvement in the automobile market may be seen in these figures, when it is remembered that registrations for the first seven months of the year were 14.3 per cent smaller than during the corresponding period of 1923.

**REGISTRATIONS OF NEW AUTOMOBILES**

	Passenger		Commercial	
	Jan. 1 to Sept. 1, 1924	Jan. 1 to Sept. 1, 1923	Jan. 1 to Sept. 1, 1924	Jan. 1 to Sept. 1, 1923
Arizona	6,992	6,918	775	599
California	120,840	152,403	10,963	16,372
Idaho	8,452	6,676	840	446
Oregon	26,346	24,880	2,077	1,185
Utah	9,250	5,504	740	787
Washington	29,472	34,241	*	3,519
Total (6 states)	201,352	233,622	15,395†	19,389†

\*Not available. †Total of five states (Washington omitted).

Total registrations of old and new automobiles (pleasure and commercial) in six states of the district (figures for Nevada are not available) during the first nine months of 1924 numbered 1,923,478, an increase of 22.8 per cent over the 1,566,097 old and new passenger cars and trucks registered during the first nine months of 1923.

National production of automobiles during September, 1924, was 12.3 per cent less than during September, 1923. An increase of 2.9 per cent in production, as compared with August, 1924, was largely seasonal. Figures follow:

	Sept., 1924	Aug., 1924	Sept., 1923
Passenger Cars	257,868	251,553	298,600
Trucks	28,410	26,781	27,841
Total	286,278	278,334	326,441

Savings deposits in 71 banks in seven cities of the district increased 1.0 per cent during September, and at \$1,025,837,000 on September 30, 1924, were 0.9 per cent larger than the previous record figure (\$1,016,605,000) reported on June 30, 1924. The latest figure is 8.4 per cent larger than that reported a year ago, an increase considerably in excess of that which would have resulted from interest accruals at prevailing rates. All reporting cities participated in the increases during the month and year periods. Detailed figures follow (000 omitted):

Number of Banks	Sept., 1924		Aug., 1924		Sept., 1923		Per Cent increase compared with Sept., 1924	
	Sept., 1924	Aug., 1924	Sept., 1923	Sept., 1923	Sept., 1923	Aug., 1924	Sept., 1923	Aug., 1924
Los Angeles	13	\$ 341,062	\$ 337,659	\$ 315,281	8.1	1.0		
Oakland*	7	95,847	95,205†	89,806	6.7	0.6		
Portland	9	51,928	51,579	47,722	8.8	0.6		
Salt Lake City	8	29,907	28,988	28,191	6.0	3.1		
San Francisco	14	420,461	415,536	387,127	8.6	1.1		
Seattle	14	68,147	67,257	60,743	12.1	1.3		
Spokane	6	18,485	18,135	16,285	13.5	1.9		
Total	71	\$1,025,837	\$1,014,359	\$945,155	8.4	1.0		

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

R. G. Dun & Company's preliminary figures of the number and liabilities of business failures in the states of this district during September, 1924, and August, 1924, follow:

	September, 1924		August, 1924	
	No.	Liabilities	No.	Liabilities
Arizona	0	0	2	\$ 45,000
California	81	\$ 789,211	96	1,250,404
Idaho	6	125,933	6	55,516
Oregon	20	141,686	35	218,837
Nevada	1	3,200	0	0
Utah	9	191,416	4	42,129
Washington	25	175,614	38	525,821
District	142	\$1,427,060	181	\$2,137,707

Percentage increases or decreases (—) in the number of liabilities of business failures in the Twelfth Federal Reserve District follow:

	Sept., 1924, compared with Sept., 1923	Aug., 1924
Number of Business Failures	14.5	—21.6
Liabilities of Business Failures	—7.7	—33.2

**Banking and Credit Situation**

Commercial borrowing from banks of the district increased moderately during September and early October. The supply of loanable funds was fully adequate, however, to meet all legitimate demands for credit without causing banks to reduce investment holdings or to increase their borrowings from the Reserve Bank. Commercial loans of reporting member banks increased \$15,000,000 (1.9 per cent) during the four weeks ended October 8, 1924, and at \$819,000,000 on that date were larger than at any time since early in May of this year. During the same period investments of these banks increased \$37,000,000 (10.2 per cent), bringing total loans and investments to the highest point on record (\$1,422,000,000). Deposits, both time and demand, increased slightly during the month and were considerably higher than one year ago.

Changes occurring in the principal items of 66 reporting member banks in this district during the month and during the year are presented in the table below (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 Oct. 8, 1924
Total Loans	+ 14 ( 1.4%)	+ 22 ( 2.2%)	1,022
Commercial Loans	+ 15 ( 1.9%)	+ 15 ( 1.9%)	819
Investments	+ 37 ( 10.2%)	+ 50 (14.3%)	400
Demand Deposits	+ 1 ( 0.1%)	+ 44 ( 6.0%)	782
Time Deposits	+ 5 ( 0.8%)	+ 92 (16.8%)	638
Borrowings from Federal Reserve Bank	+ 2 (100.0%)	— 49 (92.5%)	4

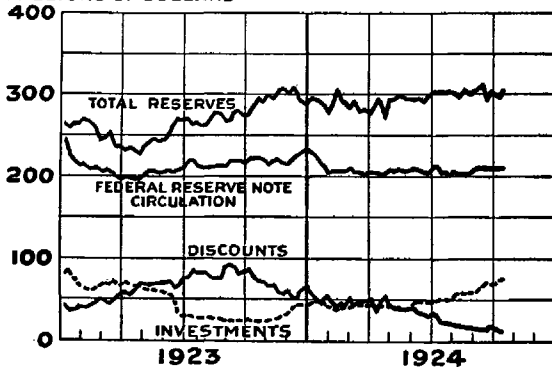
Total discounts of the Federal Reserve Bank of San Francisco increased during the latter part of September as member banks resorted to temporary borrowing to meet month-end and tax payment requirements, but in October the decline of earlier months was resumed. At \$13,000,000 on October 15, 1924, discounts were

less by \$3,000,000 (18.8 per cent) than on September 17, 1924, when the previous low point in the period since 1917 was reached. Investments of the Reserve Bank during this period increased \$5,000,000 (7.0 per cent), so that total earning assets, at \$89,000,000 on October 15, 1924, were \$2,000,000 (2.3 per cent) higher than one month ago and but \$3,000,000 (3.3 per cent) less than one year ago. Federal reserve note circulation increased by \$1,000,000 (0.5 per cent) during the four weeks ended October 15, 1924, but was considerably smaller than on the

The prevailing rate charged customers by San Francisco banks on prime commercial paper, such as is now eligible for rediscount under the Federal Reserve Act, declined from 5-5½ per cent during mid-September to 5 per cent during mid-October.

The amount of long-time credit extended to agriculture by Federal Land Banks and Joint Stock Land Banks has increased in all states of the district during the past six months and is now well above the levels of a year ago.

MILLIONS OF DOLLARS



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

same date a year ago. 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 Oct. 15, 1924
Total Discounts	- 3 (18.8%)	-58 (81.7%)	13
Investments	+ 5 (7.0%)	+55 (261.9%)	76
Total Reserves	+12 (4.1%)	+ 9 ( 3.0%)	306
Total Deposits	+11 ( 6.9%)	+ 7 ( 4.3%)	171
Federal Reserve Note Circulation	+ 1 ( 0.5%)	-11 ( 5.0%)	210

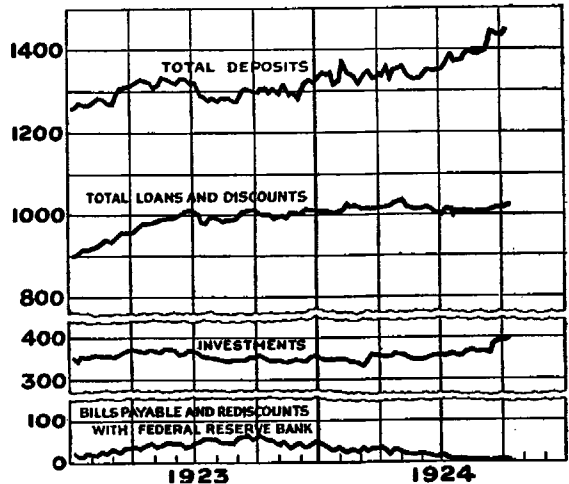
Interest rates advanced slightly during the four weeks ended October 18, 1924, but the increase was smaller than that which usually occurs at this season of the year. The following table shows weekly average interest rates on various types of paper in the New York market as reported by the Federal Reserve Bank of New York:

	Week Ended Oct. 18, 1924	Week Ended Sept. 20, 1924	High 1923	Week Ended Oct. 20, 1923
Time Money	2½-3%	2¼-2¾%	5½%	5¼%
Commercial Paper	3-3¼	3%	5¼	5¼
Bankers' Acceptances	2¼	2%	4¼	4¼

LOANS OUTSTANDING AT CLOSE OF SEPTEMBER

	Federal Land Banks		Joint Stock Land Banks	
	1924	1923	1924	1923
Arizona	\$ 4,884,800	\$ 4,198,400	\$ 1,297,600	\$ 1,260,000
California	20,991,500	17,889,600	13,438,700	11,894,300
Idaho	23,995,000	22,365,600	1,739,400	1,475,900
Nevada	706,400	641,500	374,700	240,700
Oregon	20,475,800	19,358,600	8,581,000	6,900,700
Utah	14,254,900	13,617,700	630,750	579,100
Washington	29,475,400	27,039,100	1,808,800	1,726,250
Twelfth Dist.	\$114,783,800	\$105,110,500	\$27,870,950	\$24,076,950

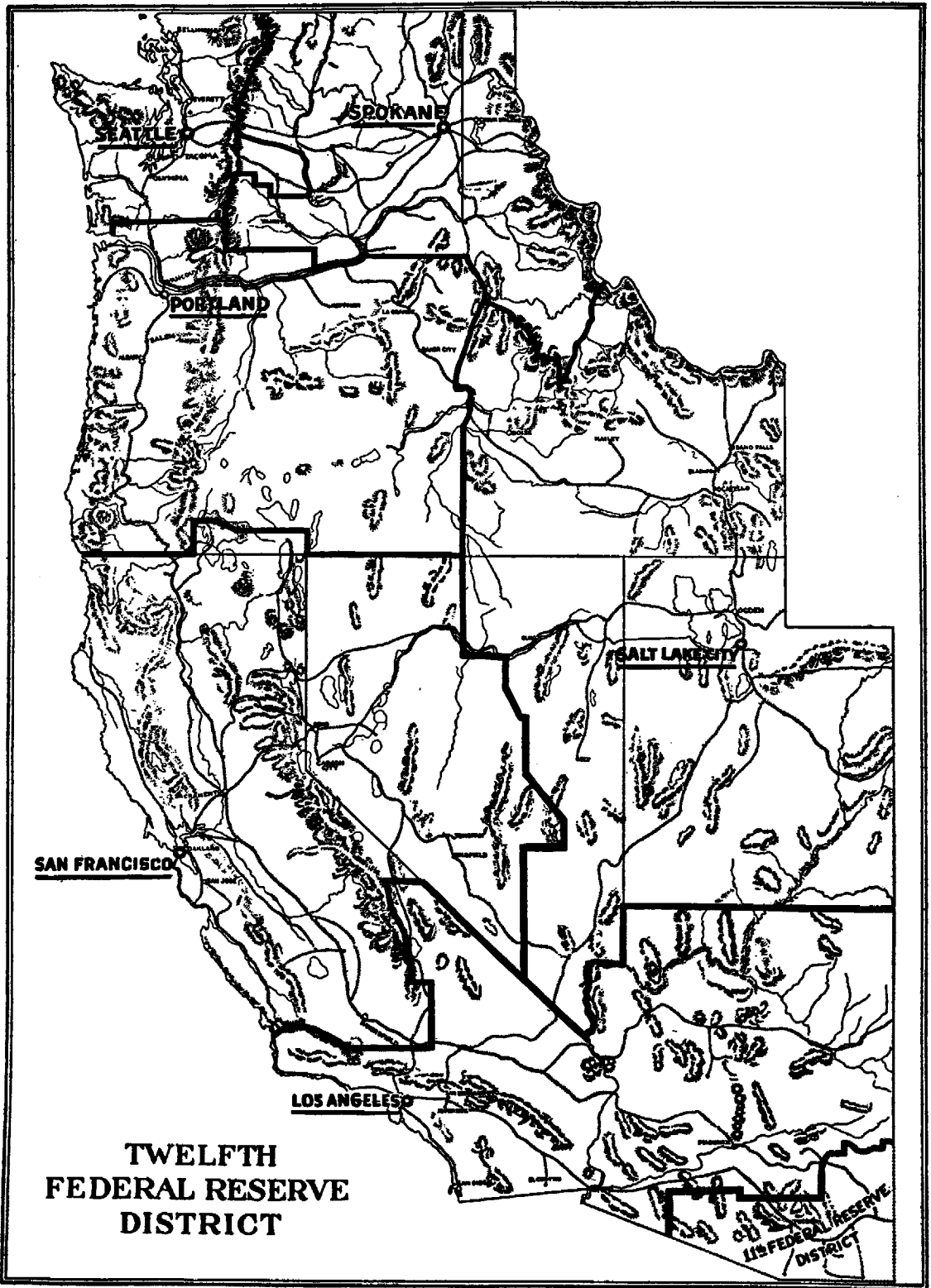
MILLIONS OF DOLLARS



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

Federal Intermediate Credit Banks (opened for business in July, 1923) which extend credit to agriculture for periods (six months to three years) intermediate between short and long-time credit, were at the close of September loaning \$6,278,190 in six states of the district. A year ago at this time these banks were loaning \$1,793,600 in three states. The figures follow:

	Loans Outstanding at close of September	
	1924	1923
Arizona	\$ 249,100	0
California	5,164,400	\$1,558,500
Idaho	44,200	0
Oregon	468,290	150,000
Utah	27,900	0
Washington	324,300	85,100
Twelfth District	\$6,278,190	\$1,793,600



**TWELFTH  
FEDERAL RESERVE  
DISTRICT**