

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. 11

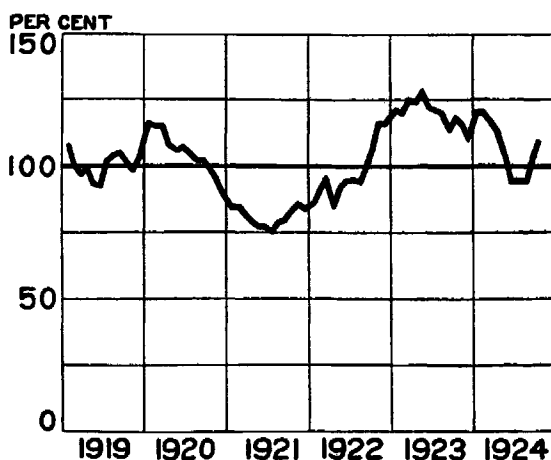
Summary of National Conditions

Production of basic commodities and factory employment showed further increases in October, and distribution of merchandise was in large volume. The general level of wholesale prices advanced, reflecting largely a rise in the prices of agricultural products.

Production. The Federal Reserve Board's index of production in basic industries, adjusted to allow for seasonal variations, increased 6 per cent in October, and was 16 per cent above low point of midsummer, though still considerably below the level of the early months of this year. Output of iron and steel, cotton and woolen textiles, lumber, and bituminous coal was substantially larger than the month before. Factory employment increased 2 per cent in October reflecting larger working forces in most of the manufacturing industries. Building contract awards increased and were 14 per cent above a year ago.

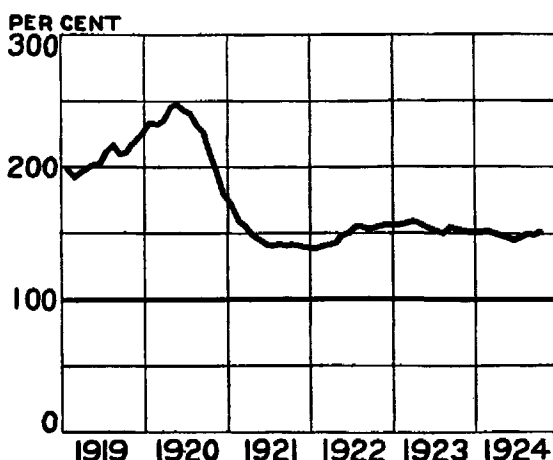
Crop estimates by the Department of Agriculture in November showed increases in the expected yields of corn, cotton, tobacco, and potatoes. The movement of crops to market in October reached the largest volume in five years, and exports of grain and cotton were in greater volume than in the corresponding month of any recent year.

Trade. Railroad freight shipments were larger in October than in any previous month owing to exceptionally heavy loadings of miscellaneous merchandise and grain. Wholesale trade increased slightly but was 3 per cent less than in October, 1923. Sales of dry goods, shoes, and hardware were considerably smaller than a year ago, while sales of groceries and drugs were larger. Department store sales showed a seasonal increase but were 4 per cent less than last year, and sales of mail order houses and chain stores also increased and were in greater volume than in 1923. In prep-



Production in Basic Industries

Index of 22 basic commodities corrected for seasonal variation (1919=100).
Latest figure, October, 109.



Wholesale Prices

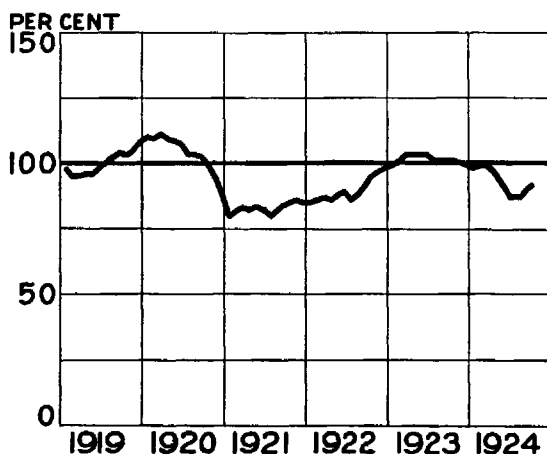
Index of U. S. Bureau of Labor Statistics (1913=100, base adopted by Bureau).
Latest figure, October, 152.

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aration for Christmas trade, stocks of merchandise at department stores increased substantially and were 2 per cent larger than a year ago.

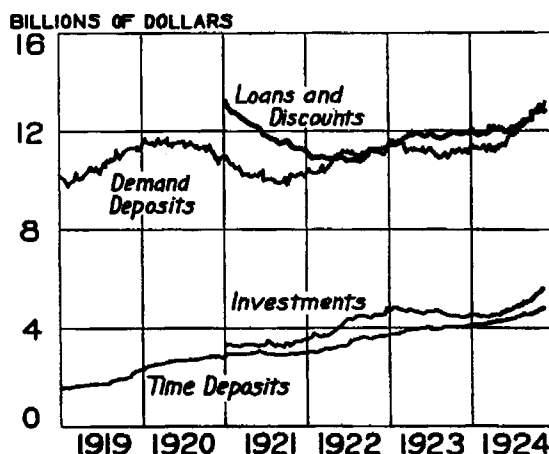
Prices. The wholesale price index of the Bureau of Labor Statistics rose 2 per cent in October as a result of considerable advances in the prices of farm products and foods and slight

point since the early part of the year. Money in circulation increased in October for the third successive month, and the total on November 1 was \$215,000,000 larger than in August. Money rates continued to show a firmer tendency and by November 23rd were generally from $\frac{1}{4}$ to $\frac{1}{2}$ of one per cent higher than in October.



Factory Employment

Index for 33 Manufacturing Industries (1919=100). Latest figure, October, 91.5.



Member Bank Credit

Weekly figures for member banks in 101 leading cities. Latest figure, November 12.

increases in the prices of clothing and chemicals. Fuel and metal prices declined, and prices of building materials and house furnishings were practically unchanged. During the first half of November quotations on all grains, cotton, silk, copper, and rubber advanced, while prices of raw sugar and bituminous coal declined.

Bank Credit. Loans for commercial purposes at member banks in leading cities, which had increased rapidly from the beginning of September to the middle of October, advanced only slightly in the following four weeks. The growth of loans secured by stocks and bonds was also relatively small, notwithstanding great activity in the securities market. Holdings of investments by these banks continued the increase which began in the early months of the year. A large part of the increase in demand deposits during the four weeks ending November 12th, when they were higher than at any previous time, was in bankers' balances, indicating a continued movement of funds to the large centers. At the reserve banks an increase in earning assets was the result of larger offerings of acceptances, reflecting firmer money conditions. While discounts and holdings of United States securities remained practically unchanged during the four weeks ending November 19th, the increase in acceptances carried total earnings assets to the highest

Summary of District Conditions

The upward trend of business activity, interrupted during September, was resumed in October. The improvement was moderate and minor movements contrary to the general trend were present, but the total volume of business transacted in the district was noticeably larger than in the previous month. This appraisal of the situation is borne out by figures of debits to individual accounts (**bank debits**) at 20 principal clearing house centers, an excellent measure of general business conditions. The total of reported bank debits was 10.5 per cent larger in October, 1924, than in September, 1924, and but 1.9 per cent smaller than in October, 1923, when greater than normal business activity was reported. The October, 1924, figures, corrected for seasonal variation and year-to-year growth, approximated an estimated normal for the month and year.

Steady marketing of the district's crops, generally at prices above those paid in recent previous years, has contributed greatly to the improvement in the business situation. The rise in prices of farm products during the period of heavy sales following the harvest did much to offset the effect of the smaller than average crops and encouraged prompt sale of the yields which were secured.

Productive activity in the principal industries of the district was well maintained during October, although seasonal curtailment in some lines caused a moderate decrease in the volume of employment. The amount of building construction now under way is large, and so also is the amount of building in prospect as shown by the number and value of building permits issued in 20 principal cities during October. The totals for the month, excluding the figures for Los Angeles, where a large decline occurred, were slightly above the record figures of October a year ago. The value of building permits issued in these cities during the first ten months of 1924 has been but 5.0 per cent less than the value of permits issued in the corresponding period of 1923, and this despite the fact that the cost of building was then higher. Lumber mills of the district increased their output during October, but sales were smaller than in the previous month, partly the result of careful buying and partly the result of a disposition on the part of the mills to curtail sale commitments in anticipation of a rise in prices. The mines of the district, particularly those producing silver and lead, were active and production of all the principal non-ferrous metals continued at the high levels of recent months. The flour milling industry operated at reduced capacity during the month, output of 16 reporting mills being less than the five-year average for October and well below the figure for a year ago. The rapid advance of wheat prices during recent weeks and persistent sluggishness in the market for flour have been the primary causes of curtailed output. Further declines in production of petroleum were reported from California, average daily output during October (603,115 barrels) being smaller than during any month since February, 1923, and 29.7 per cent below the peak figure of September, 1923 (858,750 barrels per day). Stored stocks increased by 483,896 barrels (0.5 per cent) during the month, production still being slightly in excess of consumption.

Wholesale trade reports for October showed increased sales as compared with September in practically all lines except agricultural implements, automobile supplies, and automobile tires, products which normally experience a decline in demand toward the close of the year. Continuance of marked irregularity in the wholesale trade situation is indicated, however, by the many declines in value of sales as compared with a year ago, seven of the eleven reporting lines showing decreases varying from 3.9 to 22.7 per cent. Trade at retail, although exhibiting a greater than seasonal increase as compared with September, 1924, was smaller in value during October, 1924, than during Octo-

ber, 1923. Stocks of reporting stores at the close of October were slightly larger than in the previous year and the indicated rate of turnover for the month was less rapid than a year ago.

A sharp and widespread upward movement of prices took place in October, the index of wholesale prices compiled by the United States Bureau of Labor Statistics showing an increase of 2 per cent for the month. The chief gains were in the farm products' group which advanced 4.2 per cent. Prices of the principal products of this district, both agricultural and non-agricultural, shared quite generally in the advance.

The volume of member bank credit in use in this district was at record levels during October, but borrowings from the Reserve Bank were smaller than at any time since 1917, and interest rates were relatively low. Commercial loans of 66 reporting member banks in principal cities advanced from \$819,000,000 on October 8, 1924, to \$833,000,000 on October 22, 1924, the highest figure reported since January, 1921. These loans stood at \$831,000,000 on November 5, 1924. Total loans and investments of the banks at \$1,459,000,000 on November 5, 1924, were larger than ever before. Demand and time deposits of member banks have increased in substantially the same proportion as have their loans and investments and the ratio of deposits to loans has increased slightly during the past year.

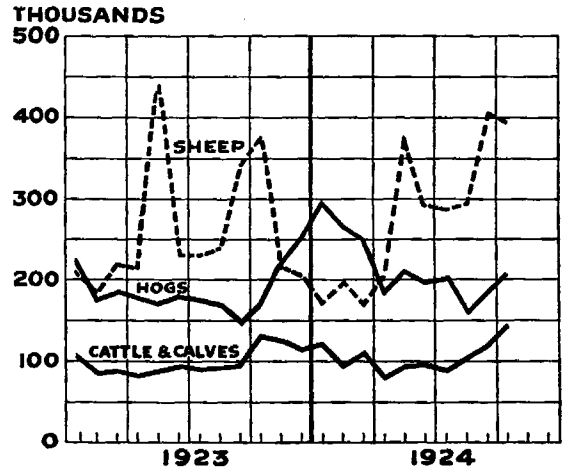
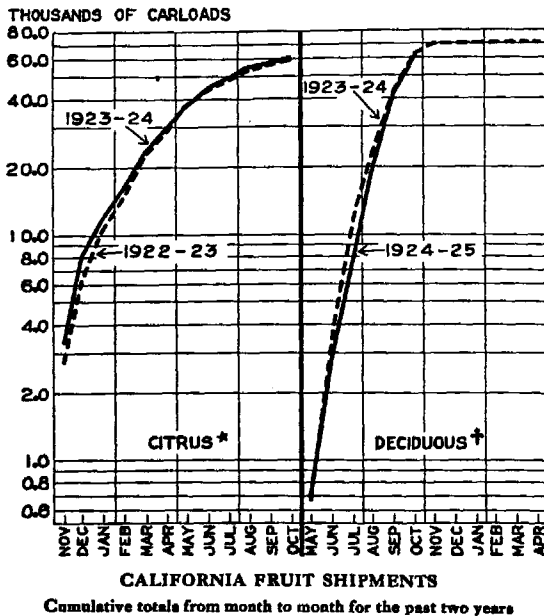
Agriculture

Agricultural products of the district have generally been in active demand during the autumn marketing season, and prices have risen to levels promising financial returns to growers not far below those of years when crop yields have been larger. Wheat prices in the Pacific Northwest during the heavy marketing period immediately following the harvest have been higher than at any time since 1920, and commercial factors estimate that farmers already have sold more than 75 per cent of the 1924 crop. Deciduous fruits (including apples) and citrus fruits (except lemons) generally have sold at higher prices than one year ago, the market for most varieties of dried fruits has been more active than in 1923, and surplus or carryover stocks have been greatly reduced. Staple field crops, such as beans, cotton, potatoes, and sugar beets, have been selling at prices above those of one year ago in most cases, and sales by producers have been large in volume. Comparative data for measuring the movement to market of certain crops of this district during present and past seasons are presented in Table "A." Harvest returns have confirmed previous reports of smaller yields of

nearly all grain and fruit crops, and of the majority of field crops, than were produced last year. The United States Department of Agriculture's final estimates of crop production are not yet available.

During the past month, practical completion of the harvest of important crops and widespread autumn rains, accompanied by comparatively mild temperatures, have enabled farmers to utilize labor and equipment for fall plowing, planting of winter grain crops, and other seasonal operations. Normal stands of fall-sown grain are reported, and these crops are making satisfactory growth in the winter grain-growing sections of the district.

be carried through the winter than was the case a year ago, and that consequently feed requirements of the district will be smaller than in the winter of 1923-1924. As the result of prevailing feed and market conditions during the past season, some cattle raisers sold their entire herds and have temporarily withdrawn from the business, while many others have retained less than the usual number of animals for winter feeding. The supply of hay and other feeds in areas where winter pasture is not available is reported to be sufficient to carry the reduced herds through the winter months. Condition



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)

The less abrupt rise of the lines for citrus fruits than those for deciduous fruits shows that the movement of citrus fruits is more evenly distributed throughout the season than is that of deciduous fruits. Shipments of deciduous fruits began at about the same time this year as last year, and have been of approximately the same volume.

*Crop year begins November 1st and ends October 31st.
 †Crop year begins about May 1st and ends about April 30th.

Livestock — Animal Products

Continued seasonal rainfall during October and the first weeks of November stimulated the growth of grass and browse on livestock ranges and pastures in this district, and feed conditions are now better than at any time since early in the year.

In some sections range areas, hitherto inaccessible to livestock because of the lack of water, have been made available by the filling of long-dry water holes. The movement of cattle and sheep to winter range and to feed lots has been practically completed. It is reported that a smaller number of beef cattle will

(A) Movement of Crops to Market*

TWELFTH FEDERAL RESERVE DISTRICT

	1924-1925 Season to Oct. 31, 1924	1923-1924 Season to Oct. 31, 1923	1922-1923 Season to Oct. 31, 1922
Wheat Exports†			
Portland and Puget Sound	9,250,935 (13.2)†	12,677,327 (8.9)	11,710,812 (11.9)
Barley Exports			
San Francisco (bu.)	5,403,495 (29.1)	6,887,827 (14.9)	10,280,600 (24.0)
Orange Shipments§			
California ... (cars)	45,780 (88.9)	50,868 (100.0)	29,591 (95.8)
Lemon Shipments§			
California ... (cars)	13,262 (100.0)	8,740 (89.2)	9,926 (95.3)
Total Deciduous Fruit Shipments¶			
California ... (cars)	58,814	58,484	42,879
Total Deciduous Fruit Shipments¶ Pacific Northwest			
Northwest (cars)	25,209	40,229	21,986

*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.

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

	Ranges			Cattle			Sheep		
	Nov. 1, 1924	1923	Oct. 1, 1924	Nov. 1, 1924	1923	Oct. 1, 1924	Nov. 1, 1924	1923	Oct. 1, 1924
	Arizona	55	95	55	75	94	81	78	93
California	60	84	50	80	91	80	82	93	82
Idaho	55	97	52	81	99	80	82	98	81
Nevada	57	95	56	70	91	70	73	98	73
Oregon	64	93	59	75	95	74	76	97	78
Utah	65	90	64	73	90	73	79	94	79
Washington	63	97	66	76	95	80	89	100	87

Unusually large sales of cattle and a normal seasonal movement of livestock to market during October are shown in the accompanying table and chart of receipts at the chief markets of the district. There were slight increases in the number of calves and hogs marketed as compared with September, and receipts of all classes of meat animals were larger than during October, 1923. Figures follow:

LIVESTOCK RECEIPTS AT EIGHT MARKETS

	Cattle	Calves	Hogs	Sheep
October, 1924	113,168	30,117	206,821	394,979
September, 1924	89,408	28,893	185,127	404,528
October, 1923	101,269	29,176	170,809	375,127
Four-Year Average*				
October	97,085	25,025	148,918	369,747
September	73,692	21,216	125,833	332,130

*1921-1924.

Butter production in this district continued to decline seasonally during October. Holdings of cold-storage butter at the principal butter markets also declined during the month, but on November 1st were 57.4 per cent larger than one year ago and nearly twice as large as the five-year average for that date. There was a further seasonal decline in the holdings of cold-storage eggs during the past month.

COLD STORAGE HOLDINGS OF BUTTER AND EGGS

	Nov. 1, 1924	Oct. 1, 1924	Nov. 1, 1923	Five-Year Average Nov. 1st†
Butter (pounds)				
*12th District	5,524,632	7,016,888	3,508,888	2,944,371
United States	135,251,000	153,494,000	76,472,000	86,113,000
Eggs (cases)				
†12th District	253,537	389,462	333,047	‡
United States	5,295,000	7,409,000	6,645,000	5,135,000

*Four markets. †Six markets. ‡1920-1924. †Not available.

Prices

The general level of prices, which has tended upward since June, advanced sharply during October. The United States Bureau of Labor's index number of wholesale prices at 152 (1913 prices = 100) was 2 per cent higher than in September and 4.8 per cent above the mid-summer low point. Of particular significance was the rise in price of farm products, which advanced from 143 to 149, or 4.2 per cent, making a total advance of 11.2 per cent since last June. A rise of such proportions, particularly during the period of heaviest marketing of farm products, is unusual.

While the relative purchasing power of farm products in general is now greater than at any time since the war, one important agricultural industry of this district, the cattle-raising industry, is still suffering severely from price mal-adjustment. Beef cattle, after four years of unsatisfactory market conditions, are now selling at less than pre-war prices, unfinished and grass fat cattle bringing lower prices during the autumn of 1924 than in any year since 1912 (excepting possibly 1921). Beef cattle purchasing power in terms of other commodities is still less than 75 if 1913 purchasing power be taken as 100.

Rising prices were reported for the majority of the important farm products of this district during October. Increases in prices of sheep, lambs, wheat, wool, deciduous and citrus fruits, and both canned and dried fruits were recorded. Slight declines were noted for beef cattle, hogs, cotton, and poultry and dairy products during the month. Prices of the principal non-ferrous metals produced in the district, except silver, again advanced. Copper prices rose to the highest point reached since March, 1924, and, at 14 cents per pound on November 14th, were approximately 7.0 per cent higher than one year ago. The monthly average price for that metal, however, was but fractionally higher during October, 1924, than during September, 1924, or

(B) Commodity Prices—

Commodity	Unit	Nov. 7, 1924	One Month Ago	One Year Ago
Wholesale Prices (U. S. Bureau of Labor) 1913=100		152.0	149.0	153.0
Purchasing Power of Farm Products (U. S. Department of Agriculture) 1913=100		91.0	87.0	75.0
Cattle (Native Beef) Weekly average price at Chicago	100 lbs.	\$10.00	\$10.10	\$9.90
Hogs Weekly average price at Chicago	100 lbs.	9.30	10.15	7.25
Lambs Weekly average price at Chicago	100 lbs.	13.75	13.10	13.05
Wheat Chicago contract price for December wheat	bu.	1.47½-1.50¼	1.45½-1.49	1.06¾-1.07
Wool Average of 98 quotations at Boston	lb.	89.29¢	87.32¢	74.28¢
Cotton—Middling Uplands—Weekly range of spot quotations at New Orleans	lb.	22.85-23.05¢	24.50-25.75¢	30.50-31.50¢
Prunes Size 40/50 in 25-lb. boxes f. o. b. California	lb.	.10-.10¼	.09¾	.10¾-.11
Raisins Thompson's bulk in 25-lb. boxes f. o. b. California	lb.	.07¾*	.07¾	.08¾
Copper Electrolytic, monthly average at New York	lb.	12.93¢	12.92¢	12.57¢
Lead Monthly average at New York	lb.	8.24¢	8.00¢	6.83¢
Silver Monthly average at New York	oz.	70.83¢	69.35¢	63.65¢
Lumber (Softwood) Weekly Index, U. S.**		30.14	29.86	31.65

*1924 opening.

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

October, 1923. Lead prices advanced nearly one cent per pound during the month, under the stimulus of a strong demand for that product, and, at 9 cents per pound on November 14th, were 28.5 per cent higher than one year ago. Lumber prices changed little during October, no general trend being apparent. Prices paid producers of petroleum in California oil fields have remained unchanged since February, 1924.

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

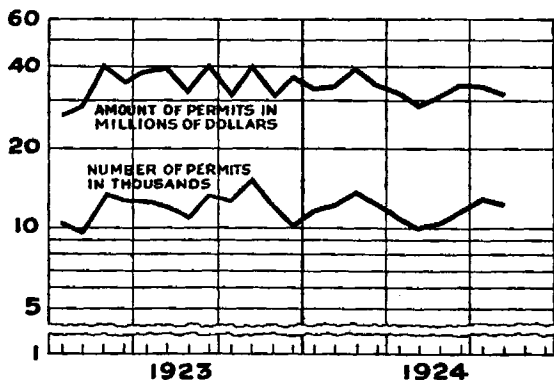
Declining activity in seasonal industries obscured the trend of industrial output during October, but available data indicate that the improvement of recent months continued.

A large volume of building construction is still in progress. Building permit totals for November, which in a measure forecast future

building activity, were seasonally smaller than in September and, because of a 40 per cent decrease in Los Angeles, were considerably below the totals for a year ago. Less severe declines than that experienced in Los Angeles were reported for several other cities in the district, but the totals for 20 cities, excluding Los Angeles, were slightly larger in October, 1924, than in October, 1923. Cumulative figures for 20 cities for the first ten months of 1924 and the first ten months of 1923 show declines of 2.5 per cent in number and 5.8 per cent in value of permits issued during the later year. The figures for the year 1923 were the largest ever recorded.

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	
	Monthly		Cumulative		No.	Value
	No.	Value	No.	Value		
October	-19.5%	-20.1%	2.5%	-5.8%	-4.3%	-6.4%
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%



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

(C) Building Permits—

	October, 1924		October, 1923	
	No.	Value	No.	Value
Berkeley	353	\$ 660,985	311	\$ 1,224,225
Boise	91	84,997	80	32,448
Fresno	151	181,355	228	1,392,081
Long Beach	483	986,275	489	2,336,695
Los Angeles	4,312	11,057,277	6,632	20,541,872
Oakland	1,210	2,619,703	1,275	2,759,208
Ogden	35	163,800	34	47,100
Pasadena	333	1,551,667	436	1,062,362
Phoenix	84	144,729	71	217,424
Portland	1,457	2,429,195	1,579	2,136,360
Reno	24	42,700	17	26,710
Sacramento	321	914,829	364	448,897
Salt Lake City	141	451,041	125	481,955
San Diego	626	1,004,649	535	1,318,147
San Francisco	818	6,116,313	909	3,793,374
San Jose	112	183,950	119	207,100
Seattle	943	2,022,350	976	1,219,270
Spokane	240	259,873	283	183,892
Stockton	129	269,125	164	323,700
Tacoma	330	507,645	413	275,636
District	12,193	\$31,652,458	15,140	\$40,028,456

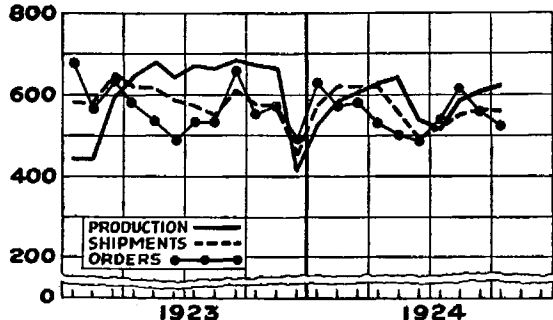
The United States Bureau of Labor Statistics' index of the cost of building materials stood at 171 in both September and October, 1924, compared with 182 in October, 1923. The general level of building materials prices in the United States was therefore 6.0 per cent lower during October, 1924, than during October, 1923. The Aberthaw index of the total cost of labor and materials employed in the construction of a reinforced concrete factory building stood at 195 during October and September, 1924, compared with 200 on November 1, 1923.

Lumber production, as reported by four associations whose members operate in this district, increased during October. New orders received by the mills were less than shipments on old orders which in turn were smaller than production, so that the volume of unfilled orders on the books of the mills declined and stocks of lumber held by them increased. The volume of mill stocks of lumber, however, is reported to be relatively small. Figures follow (000 omitted):

	Oct., 1924 (board feet)	Sept., 1924 (board feet)	Oct., 1923 (board feet)	Sept., 1923 (board feet)
Production	622,369	608,746	697,490	663,054
Shipments	558,294	562,598	591,241	582,551
Orders	523,433	558,489	602,940	610,721
Unfilled Orders	384,503	407,900	466,581	436,062
No. of Mills Reporting.	189	190	209	197

During the month domestic markets for lumber were sluggish, but foreign demand was relatively active. In the early weeks of November the domestic market improved, while foreign demand subsided slightly.

MILLIONS OF BOARD FEET



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

Preliminary estimates for October indicate that production of non-ferrous metals in this district was maintained at the high levels of recent months. Strengthening world markets for silver and lead have stimulated mining operations and development work in regions where production of these metals is of primary importance. A steady foreign and domestic demand for copper tended to stabilize the market for that metal during October and early November, and prices advanced slightly.

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

NATIONAL PRODUCTION OF NON-FERROUS METALS

	Sept., 1924	Aug., 1924	Sept., 1923
Copper (lbs.) (mine production)	127,346,000	133,140,000	125,289,025
Silver (oz.) (commercial bars)	5,457,359	5,491,372	4,998,386
Zinc (tons) (slab)	40,852	41,775	39,105

Figures for lead are not available.

Daily average production of petroleum in California during October, at 603,115 barrels, was smaller than during any month since February, 1923. Consumption of petroleum, as indicated by average daily shipments, increased slightly during the month, but was still less than production, and stored stocks at 95,030,777 barrels were 0.5 per cent larger at the close of the month than at its beginning. A marked increase in production of gasolene at California refineries at a time of seasonally declining consumption, resulted in an increase in stored stocks of this product from 245,834,954 gallons on August 31, 1924, to 255,326,763 gal-

lons on September 30, 1924. 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) Number	(Daily Production) (barrels)
Oct., 1924..	603,115	587,505	95,030,777	84	21,534
Sept., 1924..	610,274	585,521	94,546,881	95	27,473
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, deducting from the sum of these two figures the reported stocks held at the end of the month, and dividing the resultant by the number of days in 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.

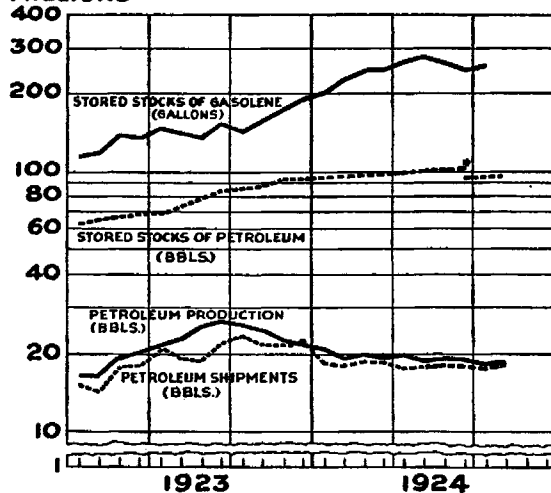
Note: The American Petroleum Institute, Pacific Coast office, from which source figures on the California petroleum industry are obtained, changed its methods of compiling data of stocks, beginning September, 1924.

GASOLENE

	Sept., 1924 (gallons)	Aug., 1924 (gallons)	Sept., 1923 (gallons)	Aug., 1923 (gallons)
Refinery Output	102,118,190	99,955,286	103,618,605	109,165,919
Stored Stocks*	255,326,763	245,834,954	144,099,126	153,605,104

*As of the last day of the month at California refineries only. Stocks held at distributing points are not included.

MILLIONS



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

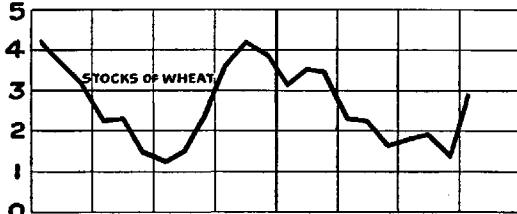
Flour millers of the district increased their wheat stocks seasonably during October, sixteen reporting milling companies enlarging their holdings from 1,387,699 bushels on October 1st to 2,919,099 bushels on November 1st. On November 1, 1923, the same mills held 3,611,781 bushels of wheat, and their average holdings on that date during the past five years have been 2,889,209 bushels. Production of flour at reporting mills increased during October, 1924, but was less than in October, 1923,

or the five-year average for that month. The greater part of the increased output went into millers' warehouses as the flour market, generally, was relatively inactive during the month. Figures for the 16 reporting mills follow:

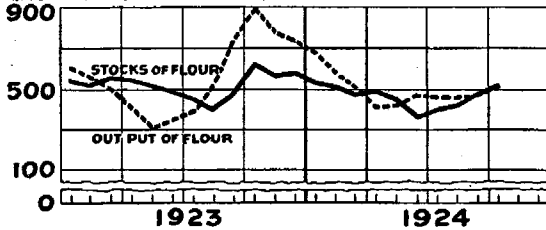
	Oct., 1924	Sept., 1924	Oct., 1923	Five-Year Average† Oct.
Output (bbls.)....	510,214	468,689	895,470	632,803
Stocks*				
Flour (bbls.)....	522,390	474,381	612,735	509,578
Wheat (bu.)....	2,919,099	1,387,699	3,611,781	2,889,209

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

MILLIONS OF BUSHELS



THOUSANDS OF BARRELS



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

The volume of employment in this district declined slightly during October, a normal seasonal tendency. The principal declines were in agriculture and fruit canning, although some of the smaller industries contributed to the movement. Employment in the district generally continues below the levels of last year.

EMPLOYMENT IN CALIFORNIA*

	No. of Firms	Number of Employees		Percentage Increase or Decrease (—) October compared with Sept.
		Sept., 1924	Oct., 1924	
All Industries.....	670	154,203	150,206	— 2.6
Stone, Clay and Glass Products	47	8,713	8,528	— 2.1
Metals, Machinery, and Conveyances	161	35,517	35,511	— 0.01
Wood Manufactures	111	27,971	30,001	7.3
Leather and Rubber Goods....	22	3,829	3,896	1.7
Chemicals, Oils, Paints, Etc....	30	17,815	18,254	2.5
Printing and Paper Goods....	66	6,489	6,708	3.4
Textiles	12	2,067	2,184	5.7
Clothing, Millinery, and Laundering	63	7,746	7,743	— 0.03
Foods, Beverages, and Tobacco	141	33,996	27,823	—18.2
Water, Light, and Power....	3	8,902	8,359	— 6.1
Miscellaneous	14	1,158	1,199	3.5

* Figures compiled by California State Bureau of Labor Statistics.

Changes in consumption and distribution of electric energy in the Twelfth District during September, 1924, as compared with September, 1923, and August, 1924, are shown by the accompanying tables, compiled from reports of 20 companies operating in the several states of the district.

Total industrial consumption of electric power was greater during September, 1924, than during September, 1923, the largest percentage increase being in sales to agriculturists. A decline of 2.9 per cent was reported for September as compared with August, 1924, seasonal decreases in use of power for agricultural and mining purposes more than offsetting an increase of 5.2 per cent in sales to manufacturing industries. Figures follow:

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

	Agriculture	Mining	Manufacturing	Total Industrial Sales
California	16.9	2.9	— 6.0	9.3
Pacific Northwest	(—10.6)	(—7.5)	(4.1)	(—0.3)
Intermountain States ...	— 1.7	29.3	20.3	—10.8
Twelfth District	(—21.2)	(1.1)	(5.3)	(—8.0)
	54.1	— 3.7	23.8	7.6
	(—17.4)	(—19.5)	(32.9)	(—7.4)
	17.3	6.9	1.1	4.8
	(—11.2)	(—8.1)	(5.2)	(—2.9)

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

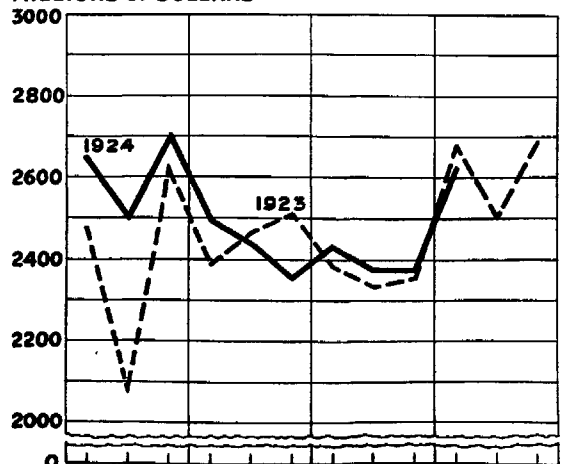
Number and Distribution of Industrial Consumers and Actual Volume of Sales

	Number of Industrial Consumers		Industrial Sales K. W. H.	
	Sept., 1924	Sept., 1923	Sept., 1924	Sept., 1923
California	84,393	74,154	300,968,407	275,184,903
Pacific Northwest ..	14,265	12,447	81,118,435	91,032,020
Intermountain States	5,618	5,490	71,098,023	66,015,287
Twelfth District ...	104,276	92,091	453,184,865	432,232,210

General Business and Trade

The volume of business transacted in this district during October was substantially greater

MILLIONS OF DOLLARS

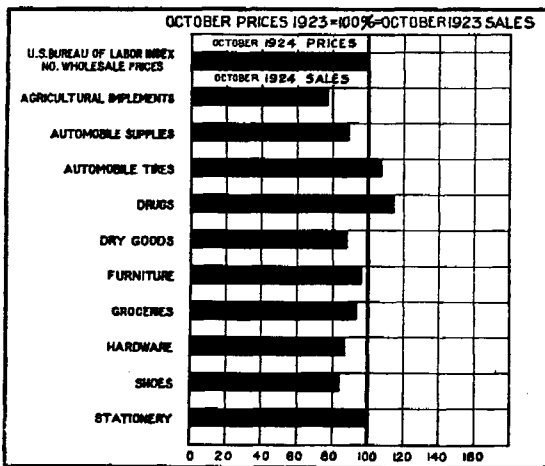


Debits to Individual Accounts in 20 Principal Cities, Twelfth Federal Reserve District, 1923-1924

than in September, but generally was below the levels of a year ago, when business activity was slightly above estimated normal.

Debits to individual accounts (bank debits) at banks in 20 principal clearing-house centers

of this district (probably the best single available index of general business activity) increased 10.5 per cent during October, 1924, as compared with September, 1924, an advance greatly in excess of that which usually occurs at this season of the year. Debits figures, although 1.9 per cent smaller during October, 1924, than during October, 1923, were approximately normal for the month and year, the October, 1923, figures having been almost 6 per cent above the estimated line of trend. Bank debits at 21 centers of the district were 2.9 per cent larger during the first ten months of 1924 than during the first ten months of 1923 (see Table "D"). (Figures for Phoenix, Arizona, are not included in the total for 20 cities shown in the chart on page 148.)



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

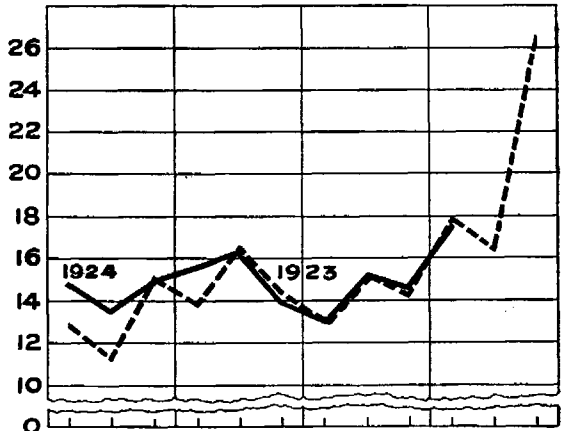
Figures for the month of October show continued irregularity in the wholesale trade situation, aggregate sales of 136 firms in seven of the eleven reporting lines having decreased as compared with a year ago. Comparing figures of all lines over the year period, decreases were larger and increases smaller during October than during September in seven reporting lines. The percentage changes in the value of sales of reporting wholesale dealers during October, 1924, compared with one year ago and one month ago follow:

Category	No. of Firms	Percentage increase or decrease (-) in the value of sales during Oct., 1924, compared with	
		Oct., 1923	Sept., 1924
Agricultural Implements	23	-22.7	- 8.5
Automobile supplies	17	-11.0	- 3.4
Automobile Tires	20	7.6	-22.9
Drugs	6	14.2	11.3
Dry Goods	15	-11.9	- 3.8
Electrical Supplies	7	2.9	9.5
Furniture	17	- 3.9	0.04
Groceries	27	- 6.5	5.3
Hardware	22	-12.7	4.9*
Shoes	15	-16.1	4.2
Stationery	28	0.5	3.3

*21 firms reporting.

The volume of trade at retail as indicated by the value of sales of 35 reporting department stores in seven cities of the district, increased 20.3 per cent during October, 1924, as compared with September, 1924, but was less by 1.8 per cent than during October, 1923. The increase as compared with the previous month was only partly due to seasonal causes. Stocks of reporting department stores were 2.0 per cent greater in value on October 31, 1924, than on

MILLIONS OF DOLLARS



Net Sales of 35 Department Stores in Twelfth Federal Reserve District

October 31, 1923, and the annual rate of stock turnover during October, 1924, was 3.14, compared with 3.23 during October, 1923.

Reports received from retail furniture dealers in principal cities of the district showed a decrease of 18.4 per cent in the aggregate value of sales during October, 1924, as compared with October, 1923. Sales of reporting retail shoe dealers showed an increase for the year amounting to 7.2 per cent.

(D) Bank Debits*

City	October		Ten Months	
	1924	1923	1924	1923
Berkeley	\$ 17,310	\$ 18,624	\$ 174,934	\$ 169,981
Boise	13,474	13,777	114,998	124,824
Fresno	44,160	66,605	327,230	501,127
Long Beach	46,104	64,934	517,492	588,900
Los Angeles	748,228	770,469	7,411,143	6,906,894
Oakland	124,088	121,593	1,242,234	1,217,627
Ogden	28,243	32,461	231,748	280,548
Pasadena	31,761	33,079	325,378	312,370
Phoenix	23,866	22,230	204,639	186,095
Portland	195,394	196,792	1,622,084	1,534,631
Reno	8,035	11,203	79,747	101,519
Sacramento	39,636	43,880	437,307	426,423
Salt Lake City	70,831	67,198	628,893	616,836
San Diego	46,988	43,245	482,938	455,677
San Francisco	857,026	849,907	8,091,583	7,860,787
San Jose	30,920	27,058	226,031	224,296
Seattle	194,145	182,264	1,808,791	1,687,938
Spokane	52,348	57,619	474,506	492,298
Stockton	22,888	26,773	234,757	241,425
Tacoma	40,045	38,869	402,065	386,738
Yakima	15,356	12,897	101,629	99,268
Total	\$2,650,846	\$2,701,477	\$25,140,127	\$24,416,207

*000 omitted.

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 Oct., 1924, compared with		Percentage increase or decrease (—) in value of stocks Oct., 1924, compared with	
		Oct., 1923	Sept., 1924	Oct., 1923	Sept., 1924
Los Angeles	6	0.8	23.6	4.9	2.6
Oakland	4	2.2	36.1	— 2.1	2.6
Salt Lake City	4	— 5.5	10.9	11.1	6.7
San Francisco	10	— 3.3	16.0	1.8	6.9
Seattle	5	— 1.4	10.4	0.4	5.5
Spokane	5	—15.7	24.7	—10.0	2.2
District*	35	— 1.8	20.3	2.0	4.7

*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 amount and availability of community purchasing power) were less by approximately 15.3 per cent during the first nine months of 1924, than during the first nine months of 1923. Figures follow:

REGISTRATIONS OF NEW AUTOMOBILES

	Passenger		Commercial	
	Jan. 1 to Oct. 1, 1924	1923	Jan. 1 to Oct. 1, 1924	1923
Arizona	7,913	7,779	869	678
California	134,927	168,961	12,374	18,195
Idaho	9,229	7,464	967	547
Oregon	26,011*	27,202	1,816*	1,344
Utah	10,126	9,278	843	862
Washington	32,043	37,547	**	3,991
Total (6 states)	220,249	258,231	16,869†	21,626†

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

Savings deposits in 71 banks in seven cities of the district, at \$1,022,166,000 on October 31, 1924, were 1.2 per cent larger than on September 30, 1924. All cities, except Salt Lake City, reported increases for the month. The October figure is 9.5 per cent larger than the figure reported one year ago, an increase considerably in excess of that which would have resulted solely from interest accruals at prevailing rates. Figures follow (000 omitted):

Number of Banks	Oct., 1924		Sept., 1924		Oct., 1923		Per Cent increase or decrease (—) Oct., 1924, compared with	
	No.	\$	No.	\$	No.	\$	Oct., 1923	Sept., 1924
Los Angeles	13	\$34,506	13	\$32,851	13	\$302,666	10.5	3.0
Oakland*	7	96,350	7	95,847	7	89,806	7.3	0.5
Portland	9	52,566	9	51,928	9	47,722	10.2	1.2
Salt Lake City	8	29,274	8	29,907	8	28,191	3.8	—2.1
San Francisco†	14	421,454	14	420,461	14	387,127	8.9	0.2
Seattle†	14	69,271	14	68,147	14	60,743	14.0	1.6
Spokane	6	18,745	6	18,485	6	16,285	15.1	1.4
Total†	71	\$1,022,166	71	\$1,009,626	71	\$932,540	9.5	1.2

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

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

r Revised.

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

	October, 1924		September, 1924	
	No.	Liabilities	No.	Liabilities
Arizona	2	\$ 15,532	0	\$ 0
California	127	2,433,929	81	789,211
Idaho	5	97,872	6	125,933
Oregon	36	158,150	20	141,686
Nevada	0	0	1	3,200
Utah	12	555,920	9	191,416
Washington	50	258,015	25	175,614
District	232	\$3,519,418	142	\$1,427,060

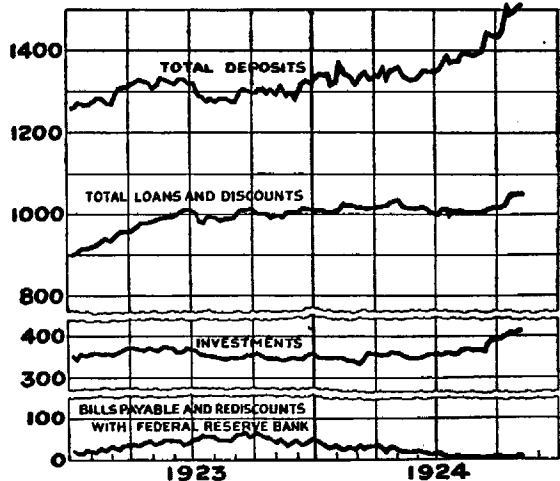
Percentage increases or decreases (—) in the number and liabilities of business failures in the Twelfth Federal Reserve District follow:

	Oct., 1924, compared with	
	Oct., 1923	Sept., 1924
Number of Business Failures	24.7	63.4
Liabilities of Business Failures	—5.7	146.6

Banking and Credit Situation

Increased demand for credit during the four weeks ended November 5, 1924, reflected chiefly in increased commercial loans and in increased loans secured by stocks and bonds, brought the total volume of member bank credit in use in this district to record levels. Commercial loans

MILLIONS OF DOLLARS



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

of reporting member banks advanced during October to \$833,000,000, the highest figure reported since January, 1921. At \$831,000,000 on November 5, 1924, these loans were still \$12,000,000 (1.5 per cent) larger than one month ago, and approximately at the level of the previous peak figure for the year reached in May, 1924. Loans secured by stocks and bonds (other than United States securities) increased by \$15,000,000 (7.8 per cent) during the month. An

increase of \$10,000,000 in investments carried this item to a peak of \$410,000,000, and total loans and investments, at \$1,459,000,000 on November 5, 1924, were also at record levels. Demand and time deposits in reporting member banks increased substantially, both as compared with one year ago and one month 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 are indicated by plus, decreases by minus signs. The figures are in millions of dollars, numbers in parentheses indicating percentage changes.

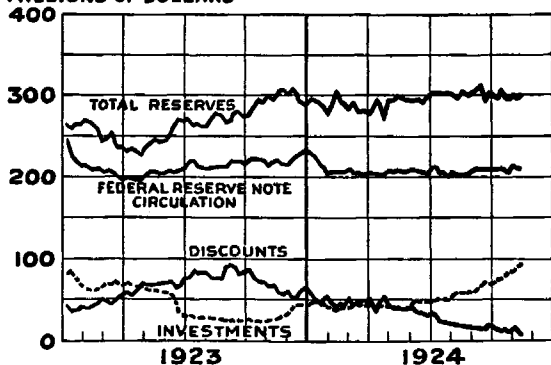
	Change from One Month Ago	Change from One Year Ago	Con- dition Nov. 5, 1924
Total Loans	+ 27 (2.6%)	+ 50 (5.0%)	1,049
Commercial Loans	+ 12 (1.5%)	+ 29 (3.6%)	831
Loans secured by stocks and bonds*	+ 15 (7.8%)	+ 23 (12.4%)	208
Investments	+ 10 (2.5%)	+ 69 (20.2%)	410
Demand Deposits	+ 34 (4.3%)	+ 78 (10.6%)	816
Time Deposits	+ 22 (3.4%)	+ 114 (20.9%)	660
Borrowings from Federal Reserve Bank	+ 5 (125.0%)	- 35 (79.5%)	9
Ratio of Total Deposits to Total Loans and Invest- ments	101.8†	96.3‡	102.9

*Other than United States Securities.
†Ratio at close of business Oct. 8, 1924.
‡Ratio at close of business Nov. 7, 1923.

November 12, 1924, the Bank's earning assets were larger by \$12,000,000 (13.5 per cent) than on October 15, 1924. Total discounts declined by \$1,000,000 (7.7 per cent) during late October and early November, increased borrowing on the part of member banks in the principal cities of the district having been offset by decreased borrowing of member banks in rural districts. Total discounts of the Federal Reserve Bank have declined steadily throughout the present year, and indebtedness of member banks to this bank is now smaller than at any time since shortly after this country entered the World War in April, 1917. An increase in Federal reserve note circulation and a decrease in reserves reflected the growing demand for currency, usually experienced at this time of the year. 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	Con- dition Nov. 12, 1924
Total Discounts	- 1 (7.7%)	-45 (78.9%)	12
Total Investments	+13 (19.1%)	+66 (287.0%)	89
Purchased Acceptances ..	+12 (75.0%)	+14 (100.0%)	28
Total Reserves	- 9 (2.9%)	- 9 (2.9%)	297
Total Deposits	- 2 (1.2%)	+ 7 (4.3%)	169
Federal Reserve Note Circulation	+ 2 (1.0%)	- 7 (3.2%)	212

MILLIONS OF DOLLARS



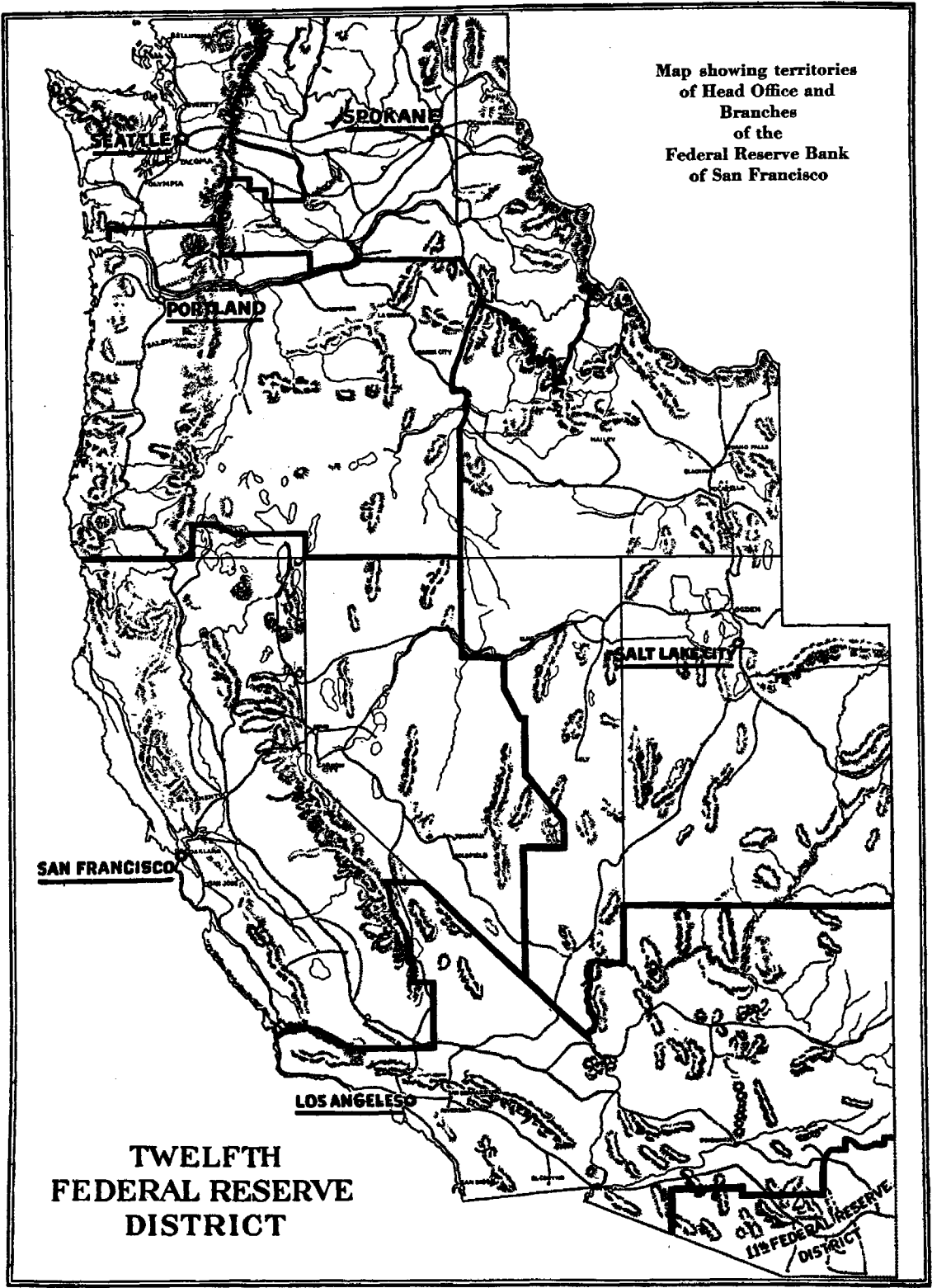
Total Reserves, Federal Reserve Note Circulation, Bills Discounted, and Investments, Federal Reserve Bank of San Francisco

An increase of \$12,000,000 (15.8 per cent) in holdings of acceptances purchased in the open market (principal purchases made at New York City) during the four-week period ended November 12th brought total earning assets of the Federal Reserve Bank of San Francisco above the \$100,000,000 mark for the first time since January 9, 1924. At \$101,000,000 on No-

Interest rates advanced slightly during the four weeks ended November 15, 1924, but were still at relatively low levels on the latter date. The persistence of low rates of interest during a period in which loans and investments of banks have been rising to record levels has been one of the outstanding features of the business situation during recent months. 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 Nov. 15, 1924	Week Ended Oct. 18, 1924	1923 Low	Week Ended Nov. 17, 1923
Time Money	3¼-3½%	2½-3%	4½%	5-5½%
Commercial Paper ...	3¼-3½%	3-3¾%	4½%	5%
Bankers' Acceptances.	2¼%	2¼%	3¾%	4½%

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, increased from 5 per cent during mid-October to 5-5½ per cent during mid-November.



Map showing territories
of Head Office and
Branches
of the
Federal Reserve Bank
of San Francisco

SAN FRANCISCO

LOS ANGELES

**TWELFTH
FEDERAL RESERVE
DISTRICT**

**11th
FEDERAL RESERVE
DISTRICT**