

MONTHLY REVIEW

OF

BUSINESS CONDITIONS

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

Vol. VIII

San Francisco, California, December 20, 1924

No. 12

Summary of National Conditions

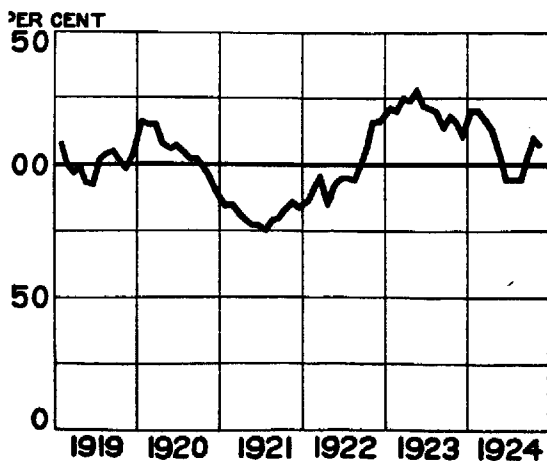
Production in basic industries and factory employment continued at about the same level in November as in October. There was a further slight rise in the general level of prices, reflecting advances in nearly all groups of commodities.

Production. Production of basic commodities was at about the same rate in November as in October, but owing to the smaller number of working days not allowed for in the adjustment for usual seasonal variations the Federal Reserve Board's index of production declined by about 2 per cent. Increased activity was shown in the iron and steel industry and in cotton and woolen textiles, while production of food, coal, lumber, paper, and automobiles declined. There was little change in the volume of factory employment during the month. Building contracts awarded declined somewhat

in November, but the total was considerably larger than for the corresponding month of any recent year.

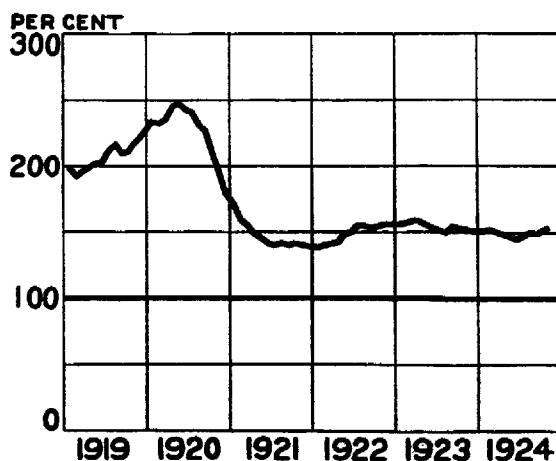
Final estimates by the Department of Agriculture of crop yields in 1924 showed a greater aggregate production than in 1923 and an increase of about 9 per cent in the total value of all crops. Yields of wheat, oats, cotton, potatoes, and hay were larger than in 1923, but the production of corn and tobacco was smaller. Marketing continued in large volume during November, and exports of agricultural products were the largest for that month in any recent year.

Prices. The level of wholesale prices, as measured by the index of the Bureau of Labor Statistics, advanced slightly in November, price increases in most of the commodity groups being nearly offset by a considerable decline in the prices of animal products. During the first half of December there were further advances



Production in Basic Industries

Index of 22 basic commodities corrected for seasonal variation (1919=100).
Latest figure, November, 1924.



Wholesale Prices

Index of U. S. Bureau of Labor Statistics (1913=100, base adopted by Bureau).
Latest figure, November, 1924.

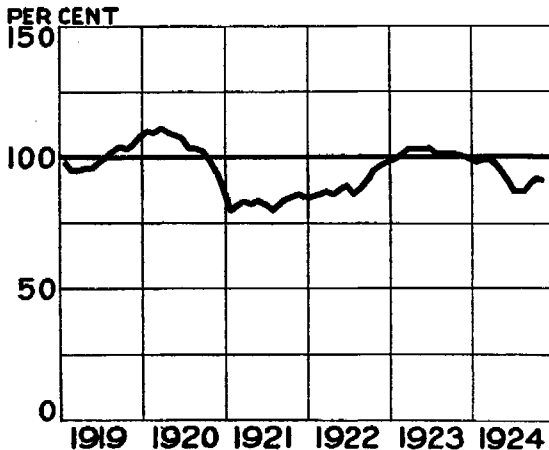
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in the prices of grains, flour, sheep, metals, and lumber, while the prices of beef, hides, silk, and brick declined.

Trade. Railroad freight shipments, though smaller in November than in October owing to seasonal influences, were in about the same volume as in November, 1923. Wholesale trade showed the usual decline in November, and was about as active as a year ago. Sales of furniture and meat were larger than last year, while

November and the middle of December, and their holdings of acceptances also showed a net increase, while United States security holdings declined somewhat.

Firmer conditions in the money market during the last half of November and the first half of December were indicated by higher rates on bankers' acceptances and a rise of one-half of one per cent in the rate on commercial paper.

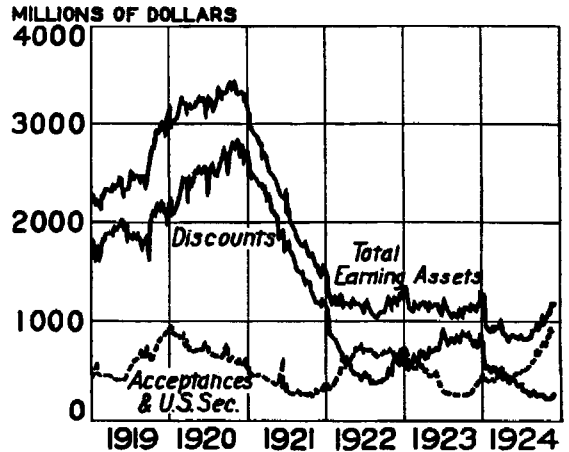


Factory Employment

Index for 33 Manufacturing Industries (1919=100). Latest figure, November, 91.

the volume of business in nearly all other lines was smaller. Retail trade was somewhat more active during November, and sales of mail order houses and chain stores were larger than last year. Merchandise stocks at department stores were slightly reduced and were 2 per cent smaller than a year ago.

Bank Credit. Total loans and investments of member banks in leading cities continued to increase during the four weeks ending December 10th, and on that date were in larger volume than at any previous time. The increase during the period was chiefly in loans secured by stocks and bonds, and accompanied continued activity in the security markets. Commercial loans showed a seasonal decline from the high point of the year reached in the middle of November, but continued above the level of a year ago. Security holdings, after increasing rapidly since the spring of the year, reached a peak on November 19th, and after that time showed a slight decline. At the reserve banks, total earning assets increased considerably during the four weeks ending December 17th, reflecting the seasonal demand for currency and the export of gold. The volume of discounts of the reserve banks increased between the middle of



Reserve Bank Credit

Weekly figures for 12 Federal Reserve Banks. Latest figure, December 17.

Summary of District Conditions

In November, 1924, there were five Sundays, five Saturdays and three holidays. The unusually small number of business days adds difficulty to statistical analysis of commerce and industry. Available data, however, indicate that improvement in business conditions, which has been in progress since mid-summer, continued during the month.

The improvement has recently been chiefly reflected in commodity markets, and prices with few exceptions have moved upward. The general price level, according to the United States Bureau of Labor's index number of wholesale prices, advanced from 151.9 in October to 152.7 in November (1913 prices = 100), the latter figure being 5.2 per cent above the low point of last June and 0.4 per cent above the figure for November a year ago. Of particular importance in this district was the further rise in prices of general farm products, the larger part of the district's crops now having been sold on a steadily advancing market, at prices more nearly approximating the general level of all prices than has been the case during the past four years. The upward movement of prices during November was not confined to agricul-

tural commodities and foods, however, non-agricultural commodities participating in the movement more generally than at any time since its beginning five months ago.

Productive activity was well maintained during November. The mines of the district were operated on full producing schedules, and an increasing amount of new development work was undertaken. Expansion in the demand for lumber at a time when weather conditions were forcing some curtailment of output has resulted in material increases in the volume of unfilled orders held by lumber mills. Less than seasonal activity in the flour milling industry was reported during the month, the small supply and high price of wheat having discouraged production of flour in excess of immediate demands. Flow of petroleum in California has continued to decline, but at a slower rate than the decline in shipments, so that stored stocks reached another record figure, 96,774,598 barrels, on December 1st. Activity in building construction declined by less than the usual seasonal amount from October to November and the number and value of building permits taken out in anticipation of future construction work has been large. The values of building permits issued in Los Angeles and San Francisco were \$9,700,000 and \$6,300,000, respectively, in November, 1924, compared with \$13,500,000 and \$3,800,000 in November, 1923. If figures for Los Angeles be excluded, the value of permits issued in principal cities of the district was 11.7 per cent greater in November, 1924, than in November, 1923, although not all of the cities included reported increases. The volume of employment in principal industries of the district declined seasonally during November, and continued less than one year ago when unemployment figures were unusually small.

Signs of increasing business activity, present in commodity markets and in industry, were lacking in the field of distribution during November. The value of trade at wholesale compared unfavorably with the figures for Novem-

ber, 1923, eight of the eleven lines of trade which report the value of their sales to this bank showing a decline over the year period. Sales at retail, as reflected in sales of 35 department stores in seven cities of the district, were also smaller in value than one year ago, and the indicated rate of stock turnover was below that of the previous year. The lack of marked improvement in distributive activity is not surprising, however, when it is remembered that the mid-summer depression was not so acute in this as in other branches of business, and that improving business conditions are normally reflected last in the market for consumers' goods.

Credit requirements for financing current business operations have changed little during the past month, and reporting member banks have again found it advantageous to employ a large part of their loanable funds in the investment market. As a result of an increase of \$12,000,000 in investments of 66 reporting member banks in principal cities of the district, their total loans and investments reached the highest figure on record, \$1,470,000,000, on December 10th. At the same time their borrowings from the Federal Reserve Bank declined to \$3,000,000, the lowest point since a separate report of this item was first made in 1919. Total earning assets of the Federal Reserve Bank increased during this period, however, to the highest figures of the present year, additional purchases of acceptances in the open market more than offsetting declines in total discounts and in holdings of government securities. Total discounts remained at the lowest levels since 1917. Interest rates, in the presence of a supply of loanable funds in excess of current commercial demand for credit, have remained relatively low.

Agriculture

The annual December reports of the United States Department of Agriculture confirm that which had previously been assumed, namely,

(A) Grain and Field Crops—Twelfth Federal Reserve District and the United States*—

| | Unit | Twelfth District | | | United States | | |
|-------------------|---------|------------------|---------|--------|---------------|-----------|-----------|
| | | 1924 | 1923 | 1922 | 1924 | 1923 | 1922 |
| Wheat | bushels | 71,000 | 144,191 | 99,280 | 872,673 | 797,381 | 867,598 |
| Barley | bushels | 20,444 | 46,192 | 45,358 | 187,875 | 197,691 | 182,068 |
| Oats | bushels | 28,132 | 37,249 | 30,126 | 1,541,900 | 1,305,883 | 1,215,803 |
| Corn | bushels | 12,815 | 14,554 | 13,148 | 2,436,513 | 3,053,557 | 2,906,020 |
| Hay, Tame | tons | 12,694 | 14,990 | 15,456 | 97,970 | 89,250 | 95,882 |
| Potatoes | bushels | 31,934 | 35,323 | 46,667 | 454,784 | 416,105 | 453,396 |
| Rice | bushels | 4,497 | 5,470 | 8,260 | 33,936 | 33,717 | 41,405 |
| Beans | bushels | 3,630 | 5,725 | 5,166 | 13,327 | 16,004 | 12,793 |
| Cotton | bales | 171 | 132 | 76 | 13,153 | 10,140 | 9,762 |
| Sugar Beets | tons | 1,625 | 2,137 | 1,457 | 7,478 | 7,006 | 5,183 |

*000 omitted.

that while crops produced in this district during the past year were generally smaller in volume than the average for recent previous years, prices were such that aggregate returns to farmers of the district were not much below those of years when yields were more abundant.

The continued strength in prices of general farm products throughout the period of harvesting and of heavy marketing immediately following the harvest, has been of particular significance because assuring receipt by the farmer of a large part of the increased value of his crops. Reports from all sections of the district indicate that farmers this year sold a larger proportion of their crops immediately after the harvest than has been their practice in recent previous years. In some sections and in many individual cases a considerable part of the amounts realized has necessarily been used to liquidate debts carried forward from past years.

Figures showing total district and United States yields of ten of the more important grain and field crops for 1924 and 1923 are given in table "A." Percentage figures of increases or decreases in production and total value and actual figures of farm prices during the present year as compared with 1923 are presented in the following table:

| | Farm Value† | | Percentage increase or decrease (—) 1924 compared with 1923 | Unit | Farm Price December 1, | |
|--------------|-------------|-----------|--|------|---------------------------|---------|
| | 1924 | 1923 | | | 1924 | 1923 |
| Wheat | \$ 93,640 | \$125,701 | —25.5* | bu. | \$1.30‡ | \$.85§ |
| Barley | 20,871 | 31,809 | —34.4* | bu. | 1.16‡ | .70‡ |
| Oats | 18,255 | 19,803 | —7.8* | bu. | .58‡ | .44‡ |
| Corn | 15,937 | 13,986 | 13.9 | bu. | 1.38‡ | 1.08‡ |
| Hay, Tame.. | 211,433 | 176,984 | 19.5 | ton | 8.90‡ | 8.90‡ |
| Potatoes .. | 27,124 | 27,702 | —2.1 | bu. | .54‡ | .50‡ |
| Rice | 7,465 | 6,126 | 21.8 | bu. | 1.66‡ | 1.12‡ |
| Beans | 17,375 | 22,492 | —32.8 | bu. | 5.20‡ | 4.00‡ |
| Cotton | 21,720 | 21,950 | —1.0 | lbs. | .24‡ | .32‡ |

†000 omitted.

*1923 production of wheat, barley and oats combined was 23.8 per cent greater than the five-year average.

‡California. §Washington. †Idaho.

(B) Movement of Crops to Market*

TWELFTH FEDERAL RESERVE DISTRICT

| | 1924-1925 Season to Nov. 30, 1924 | 1923-1924 Season to Nov. 30, 1923 | 1922-1923 Season to Nov. 30, 1922 |
|---|---|---|---|
| Wheat Exports‡ | | | |
| Portland and Puget Sound | (bu.) 13,614,677 (19.5%)† | 15,672,242 (11.0%) | 13,968,174 (14.2%) |
| Barley Exports‡ | | | |
| San Francisco (bu.) | 6,632,831 (35.7%) | 7,060,500 (15.2%) | 11,140,956 (26.0%) |
| Apple Shipments Twelfth District | | | |
| (cars) | 28,412 | 40,072 | 24,936 |
| Orange Shipments§ | | | |
| California ... (cars) | 4,160 | 2,967 | 2,264 |
| Lemon Shipments§ | | | |
| California ... (cars) | 643 | 399 | 430 |

*Figures in parentheses indicate percentage of new crop only.

†Percentage figures based on December 1st crop estimate.

‡Season begins July 1st. §Season begins November 1st.

Recent marketing trends of certain of the district's important crops, for which data are available, are shown in Table "B."

Weather conditions during the past six weeks have favored the growth of winter grain crops and have promoted normal seasonal agricultural operations.

Livestock—Animal Products

Condition of pastures and ranges has continued to improve during recent weeks as normal or greater than normal amounts of rain have fallen over large areas of the district. The presence of an adequate supply of moisture and prevailing mild temperatures have stimulated the growth of natural livestock feeds, the supply of which had been seriously reduced during the semi-drought which prevailed in many sections during the first nine months of the year. Improvement in range conditions has reduced prospective needs for hay and other prepared feeds during the forthcoming winter, and has relieved a possible feed shortage in portions of the Intermountain States. In general, the livestock industry of the district is reported to be entering the winter in satisfactory physical condition.

No such general statement may be made concerning the financial condition of the industry. Sheep raisers have had a satisfactory year, the market for wool and lambs having been active and prices relatively high. Demand for cattle, on the contrary, has been unsteady in the face of a possible oversupply, and liquidation, which has been in progress during the past three years, has continued. Beef cattle prices are discussed in the "Prices" section of this Review, page 157.

Receipts of cattle at the chief markets of the district declined by more than seasonal amounts during November, 1924, and were smaller than in November, 1923. The number of calves marketed increased slightly from October to November, whereas the four-year average of calf receipts shows a decline during this period. Receipts of hogs and sheep apparently followed normal seasonal trends during November. Figures follow:

LIVESTOCK RECEIPTS AT EIGHT MARKETS

| | Cattle | Calves | Hogs | Sheep |
|---------------------|---------|--------|---------|---------|
| November, 1924..... | 98,525 | 29,138 | 228,076 | 221,678 |
| October, 1924..... | 113,168 | 30,117 | 206,821 | 394,979 |
| November, 1923..... | 101,593 | 23,393 | 218,471 | 213,732 |
| *Four-Year Average | | | | |
| November | 96,913 | 21,337 | 180,565 | 226,086 |
| October | 97,085 | 25,025 | 148,918 | 369,747 |

*1921-1924.

Continued seasonal declines in butter production during November necessitated further sales from cold storage stocks held at the chief markets of the district, net withdrawals

amounting to 38.8 per cent of the total stocks reported at the beginning of the month. The volume of stocks held on December 1st of the present year was 84.2 per cent greater than the five-year average for that date. Cold storage stocks of eggs continued to decline seasonally during the past month.

COLD STORAGE HOLDINGS OF BUTTER AND EGGS

| | Dec. 1, 1924 | Nov. 1, 1924 | Dec. 1, 1923 | Five-Year Average Dec. 1st [‡] |
|-----------------|-----------------|-----------------|-----------------|---|
| Butter (pounds) | | | | |
| *12th District. | 3,620,829 | 5,524,632 | 1,117,208 | 1,965,529 |
| United States. | 100,743,000 | 135,018,000 | 51,508,000 | 63,563,000 |
| Eggs (cases) | | | | |
| †12th District. | 125,409 | 253,537 | 194,810 | ‡ |
| United States. | 3,101,000 | 5,267,000 | 4,028,000 | 2,971,000 |

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

Prices

The upward movement of the general price level which was sharply accelerated during October continued during November, reaching, according to the United States Department of Labor's wholesale price index, a level 5.2 per cent above that of June, 1924 (the recent low point), and slightly above that of November, 1923. The advance of the index during the past month has been due only partly to increases in prices of farm products and foods, prices of other important district products, such as lumber and non-ferrous metals, excepting silver, also strengthening materially.

The advance in prices for farm products, as a group, during and since the harvest period has been notably greater than the advance in the general price level. Agricultural products are now selling more nearly on a parity with other commodity groups than at any time since the beginning of the major price decline in 1920. Correction of existing price maladjustments has materially improved the financial position of the agricultural industry of the Twelfth Federal Reserve District in a year which otherwise might have been a disappointing one because of the generally small crops which were produced. One important branch of the industry, beef cattle raising, has not participated in the

general improvement. Prices for beef cattle, which declined again during November, have been low continuously for a period of four years and the cattle raiser during all of this period has been at a serious disadvantage when exchanging his product for other commodities.

Among the more important individual products of this district, noteworthy price gains were recorded during November for lambs, wool, wheat, rice, copper, lead, zinc, and lumber. Details of price movements of a selected group of products of the district, and representative index numbers of the general price level are presented in Table "C."

Industrial Activity

Industrial activity in this district was maintained at moderately high levels during November. Seasonal curtailment of output in some important industries was offset by marked increases in mineral production and greater than seasonal activity in building.

Attempts of public and private agencies to eliminate, in so far as possible, seasonal peaks and troughs in building construction appear to be meeting with some success, as indicated by the fact that building has continued active during the present winter season. The volume of building in prospect, as indicated by the number and value of building permits issued in 20 cities of the district during November, is also large. Decreases as compared with the previous month (20.7 per cent in number of permits issued and 9.6 per cent in their value) averaged slightly less than the estimated seasonal decline. Compared with the high figures of a year ago, building permits during November, 1924, were smaller by 5.9 per cent in value and by 21.9 per cent in number. In all such comparisons of November, 1924, with November, 1923, however, it must be remembered that there were but 22 business days, including 5 Saturdays, in November of this year whereas there were 24 working days, of which but 4 were Saturdays, in November, 1923. The value of building permits in Portland, San Francisco, and Seattle during November, 1924, was materially

(C) Commodity Prices—

| Commodity | Unit | Dec. 5, 1924 | One Month Ago | One Year Ago |
|---|----------|--------------|---------------|--------------|
| Wholesale Prices (U. S. Bureau of Labor) 1913=100..... | | 153.0 | 152.0 | 152.0 |
| Purchasing Power of Farm Products (U. S. Department of Agriculture) 1913=100..... | | 86 | 91 | 73 |
| Cattle (Native Beef). Weekly average price at Chicago..... | 100 lbs. | \$9.75 | \$10.00 | \$9.65 |
| Hogs..... Weekly average price at Chicago..... | 100 lbs. | 9.00 | 9.30 | 7.00 |
| Lamba..... Weekly average price at Chicago..... | 100 lbs. | 14.85 | 13.75 | 12.75 |
| Wheat..... Chicago contract price for December wheat..... | bu. | 1.54½-1.56 | 1.47½-1.50½ | 1.03¾-1.05½ |
| Rice..... California Fancy Japan..... | cental | 7.00 | 5.75 | 5.20 |
| Wool..... Average of 98 quotations at Boston..... | lb. | 96.64¢ | 89.29¢ | 78.28¢ |
| Copper..... Electrolytic, monthly average at New York..... | lb. | 13.64¢ | 12.93¢ | 12.73¢ |
| Lead..... Monthly average at New York..... | lb. | 8.69¢ | 8.24¢ | 6.85¢ |
| Silver..... Monthly average at New York..... | oz. | 69.30¢ | 70.83¢ | 63.82¢ |
| Lumber (Softwood)... Weekly Index, U. S.*..... | | 30.61 | 29.86 | 31.38 |

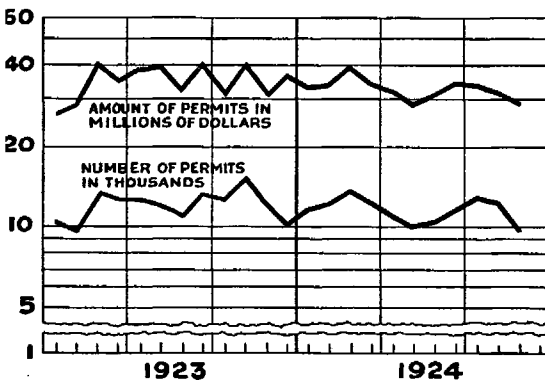
*As published by the "Lumber Manufacturer and Dealer."

greater than in November, 1923, in contrast with the decline reported for the district as a whole.

Recent trends of activity in the building industry in this district, as shown by monthly and 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 | | Year-to-date | | No. | Value |
| November | -21.9% | -5.9% | -4.3% | -5.8% | -20.7% | -9.6% |
| 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% | -12.0% |
| 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 United States Bureau of Labor Statistics' index of the cost of building materials advanced 0.6 per cent during November, but at 172 for that month was 5.0 per cent lower than a year ago. The Aberthaw index of the total cost of labor and materials employed in the



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

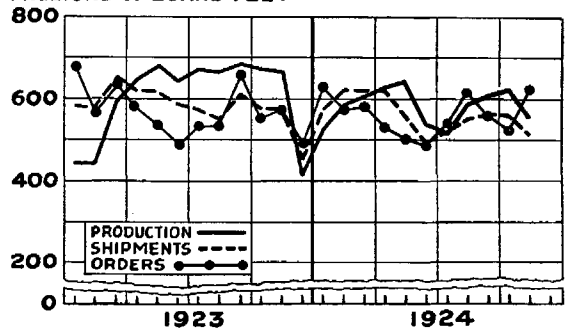
(D) Building Permits—

| | November, 1924 | | November, 1923 | |
|----------------|----------------|--------------|----------------|--------------|
| | No. | Value | No. | Value |
| Berkeley | 334 | \$ 805,081 | 227 | \$ 730,235 |
| Boise | 55 | 39,768 | 79 | 26,359 |
| Fresno | 107 | 103,778 | 198 | 382,598 |
| Long Beach | 385 | 938,566 | 475 | 1,925,828 |
| Los Angeles | 3,648 | 9,754,196 | 5,595 | 13,512,042 |
| Oakland | 942 | 2,104,741 | 1,041 | 2,336,472 |
| Ogden | 26 | 61,800 | 38 | 93,625 |
| Fasadena | 247 | 1,067,798 | 329 | 1,668,641 |
| Phoenix | 110 | 193,722 | 59 | 80,397 |
| Portland | 1,010 | 2,118,340 | 1,191 | 1,672,145 |
| Reno | 13 | 31,070 | 21 | 46,650 |
| Sacramento | 216 | 292,742 | 312 | 464,476 |
| Salt Lake City | 85 | 332,604 | 102 | 326,650 |
| San Diego | 497 | 1,289,712 | 465 | 984,499 |
| San Francisco | 707 | 6,358,729 | 786 | 3,850,265 |
| San Jose | 74 | 323,560 | 93 | 204,370 |
| Seattle | 748 | 1,902,413 | 785 | 1,147,805 |
| Spokane | 157 | 158,475 | 160 | 181,543 |
| Stockton | 97 | 242,283 | 114 | 221,044 |
| Tacoma | 210 | 482,750 | 310 | 336,241 |
| District | 9,668 | \$28,604,132 | 12,380 | \$30,391,905 |

construction of a reinforced concrete factory building rose 2 points during November, reaching 197 on December 1, 1924, compared with 198 on December 1, 1923, and a peak of 206 in June, 1923.

An advance of 19.1 per cent over October figures in the volume of new orders received at nearly 200 reporting lumber mills in this district was the outstanding feature of the lumbering industry during November. The total of orders received exceeded the total of lumber cut during the month by 12.4 per cent and total shipments by 21.4 per cent, the latter excess resulting in a marked advance in volume of unfilled orders held by the mills. Unfavor-

MILLIONS OF BOARD FEET



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

able weather in Pacific Northwestern producing regions forced general curtailment of production, and total lumber cut during November, 1924, at 554,406,000 board feet, was 10.1 per cent and 16.8 per cent smaller in volume than in October, 1924, and November, 1923, respectively. Shipments declined by 8.0 per cent during the month. Figures follow (000 omitted):

| | Nov., 1924 (board feet) | Oct., 1924 (board feet) | Nov., 1923 (board feet) | Oct., 1923 (board feet) |
|-------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Production | 554,406 | 622,369 | 666,753 | 697,490 |
| Shipments | 513,569 | 558,294 | 574,877 | 591,241 |
| Orders | 623,446 | 523,433 | 572,966 | 602,940 |
| Unfilled Orders | 445,126 | 384,503 | 462,251 | 466,581 |
| No. of Mills Reporting. | 183 | 189 | 203 | 209 |

Increasing activity in this country and relative inactivity in foreign countries characterized the market for lumber during November and the first half of December.

Reports show that mineral producers of the Twelfth Federal Reserve District were active both in the extraction of ore and in the development of new properties during November. Activity in mining in this district during recent months has been stimulated and maintained by rising metal prices influenced by strengthening world markets for copper, lead, and zinc. The average level of prices for silver has also been sufficiently high to encourage production of

this metal. Silver mines, and mines in which silver is one of two or more ore products, have generally been active. Quotations for copper, lead, and zinc rose slightly during November, while silver prices declined.

Figures of national production of copper, silver, and zinc during October (the latest complete figures available) and September, 1924, and October, 1923, follow:

NATIONAL PRODUCTION OF NON-FERROUS METALS

| | Oct., 1924 | Sept., 1924 | Oct., 1923 |
|---------------------------------------|-------------|-------------|-------------|
| Copper (lbs.) (mine production) | 137,924,000 | 127,346,000 | 132,934,701 |
| Silver (oz.) (commercial bars) | 5,620,000 | 5,457,359 | 5,428,071 |
| Zinc (tons) (slab)..... | 42,488 | 40,852 | 42,098 |

Figures for lead are not available.

Average daily production of petroleum in California again declined during November, total production averaging 592,234 barrels daily. This was less than in any month since February, 1923, when the rapidly increasing flow which culminated in the peak output of 858,750 barrels per day for September, 1923, had been in progress for five months. Stored stocks of petroleum increased 1.8 per cent during November, consumption as indicated by shipments and other withdrawals from stocks having declined more than production.

Although production of gasolene at California refineries decreased by 4.0 per cent during October, consumption declined more rapidly than output and stored stocks of gasolene rose 8.8 per cent during the month. At 277,887,576 gallons on November 1, 1924, they were 75.4 per cent larger than the 158,441,451 gallons held one year previous.

Figures of the California oil industry 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 | — New Wells — Daily Production (barrels) |
|-----------------|------------------------------------|---|--|------------------|--|
| Nov., 1924... | 592,234 | 534,107 | 96,774,598 | 62 | 33,130 |
| Oct., 1924... | 603,115 | 587,505 | 95,030,777 | 84 | 21,534 |
| Sept., 1923*... | 858,750 | ‡ | ‡ | 93 | 139,960 |
| Nov., 1923... | 746,595 | ‡ | 89,274,244‡ | 111 | 99,797 |

*Peak of production.

†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.

§December stocks.

GASOLENE

| | Oct., 1924 (gallons) | Sept., 1924 (gallons) | Oct., 1923 (gallons) | Sept., 1923 (gallons) |
|------------------|----------------------|-----------------------|----------------------|-----------------------|
| Refinery Output. | 98,045,453 | 102,118,190 | 119,134,600 | 103,618,605 |
| Stored Stocks*.. | 277,887,576 | 255,326,763 | 158,441,451 | 144,099,126 |

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

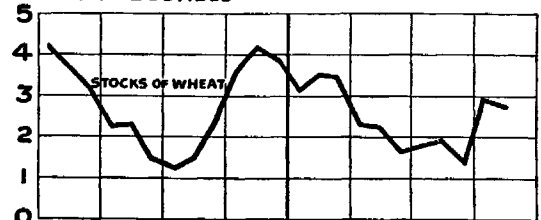
Flour markets have been unsettled during recent weeks, rising wheat prices being followed by sharp advances in the price of flour.

Millers have smaller stocks of wheat than usual and have been manufacturing flour to meet current needs only. Output of 16 reporting companies decreased 30.9 per cent during November (only 22 working days, including 5 Saturdays) as compared with October and, at 403,681 barrels, was 48.1 per cent and 28.9 per cent below the figures for November, 1923, and the five-year average for November, respectively. Millers' stocks of flour also declined, indicating that curtailment of production was relatively greater than reduction in volume of sales during the month. Reported stocks of flour on December 1st were slightly less than the five-year average for that date. Mills ground more wheat than they purchased during November, and their wheat stocks, at 2,734,512 bushels on December 1st, were smaller than on December 1st a year ago, or the five-year average for that date. Figures for the 16 reporting milling companies follow:

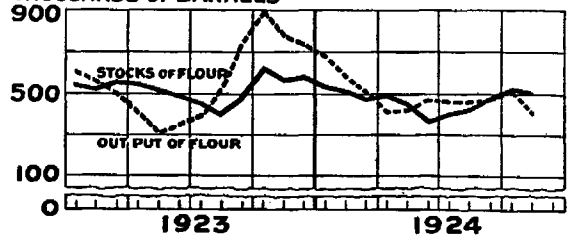
| | Nov., 1924 | Oct., 1924 | Nov., 1923 | Five-Year Average† Nov. |
|--------------------|------------|------------|------------|-------------------------|
| Output (bbls.).... | 403,681 | 510,214 | 777,795 | 567,562 |
| Stocks* | | | | |
| Flour (bbls.)... | 503,371 | 522,390 | 560,189 | 505,672 |
| Wheat (bu.).... | 2,734,512 | 2,919,099 | 4,150,492 | 3,290,501 |

*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 1924 canned and dried fruit packing season has been completed in this district and reports indicate that an average canned fruit pack of generally good quality was produced and that dried fruit output, while smaller than in 1923, was larger than had been expected early in the season. The market position of both canned and dried fruits has improved during recent months and prices generally are at higher levels for canned fruits and are more easily maintained for dried fruits than one year ago.

The volume of employment decreased during November, due to declines in employment in agriculture, building, and other seasonal occupations. Unemployment generally continued slightly larger in volume than one year ago.

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

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

| | Agriculture | Mining | Manufacturing | Total Industrial Sales |
|--------------------------|-------------|---------|---------------|------------------------|
| California | 39.4 | 3.6 | — 5.7 | 11.8 |
| | (—34.3) | (3.8) | (0.1) | (—5.4) |
| Pacific Northwest | —48.9 | 25.2 | 12.0 | —13.2 |
| | (—94.6) | (2.2) | (7.3) | (—5.2) |
| Intermountain States ... | 28.5 | —28.3 | 5.2 | 2.4 |
| | (—36.8) | (—18.2) | (—13.5) | (—15.5) |
| Twelfth District | 38.5 | 1.0 | 0.2 | 4.9 |
| | (—36.6) | (—0.7) | (2.2) | (—6.9) |

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

Number and Distribution of Industrial Consumers and Actual
Volume of Sales

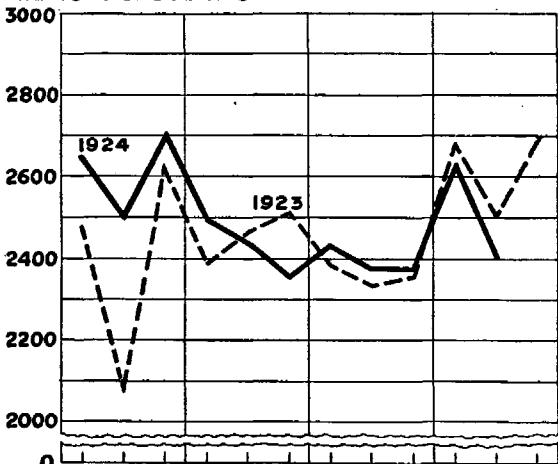
| | Number of Industrial Consumers | | Industrial Sales K. W. H. | |
|----------------------|--------------------------------|------------|---------------------------|-------------|
| | Oct., 1924 | Oct., 1923 | Oct., 1924 | Oct., 1923 |
| California | 83,483 | 74,390 | 284,580,780 | 254,468,584 |
| Pacific Northwest .. | 14,440 | 12,532 | 76,861,932 | 88,638,237 |
| Intermountain States | 5,344 | 5,181 | 60,035,612 | 58,581,407 |
| Twelfth District ... | 103,267 | 92,103 | 421,478,324 | 401,688,228 |

General Business and Trade

Partly as a result of the small number of full business days in November, 1924, debits to individual accounts (bank debits) at banks in 20 principal cities of this district (probably the best single available index of general business activity), declined by more than the usual seasonal amount during November, 1924, and were 8.6 per cent smaller than in October, 1924, and

4.0 per cent smaller than in November, 1923. Bank debits at 21 centers (including figures for Phoenix, Arizona, only available for the past two years) of the district were 2.3 per cent larger during the first eleven months of 1924 than during the first eleven months of 1923 (see Table "E").

MILLIONS OF DOLLARS



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

Figures for Phoenix, Arizona, are not included.

Trade at wholesale continued sluggish during November, the total value of sales declining seasonally from October levels and comparing unfavorably with the figures reported for November a year ago. Eight of the eleven lines of wholesale trade concerning which reports are received by this bank, showed declines in value of sales during November, 1924, as compared with November, 1923. Percentage decreases over the year period were generally larger during November than during October, when only seven lines reported decreases as compared with a year ago. Comparisons are as follows:

WHOLESALE TRADE

| | No. of Firms | Percentage increase or decrease (—) in the value of sales during Nov., 1924, compared with | |
|-------------------------------|--------------|--|------------|
| | | Nov., 1923 | Oct., 1924 |
| Agricultural Implements | 18 | —12.3p | —20.8p |
| Automobile Supplies | 17 | —14.3 | — 7.4 |
| Automobile Tires | 20 | 16.6 | 13.9 |
| Drugs | 6 | 0.8 | —18.4 |
| Dry Goods | 5 | —13.0 | —23.5 |
| Electrical Supplies | 15 | 7.8 | — 1.7 |
| Furniture | 17 | —15.1 | —16.8 |
| Groceries | 27 | —12.4 | — 9.2 |
| Hardware | 21 | —14.1 | —16.6 |
| Shoes | 15 | —15.9 | —17.2 |
| Stationery | 28 | — 5.6 | —12.3 |

p Preliminary.

The volume of trade at retail, as indicated by the value of sales (retail prices have been comparatively stable) of 35 reporting department stores in seven cities of the district, declined 8.5 per cent during November, 1924, as compared

(E) Bank Debits*—

| | November | | Eleven Months | |
|----------------------|-------------|-------------|---------------|--------------|
| | 1924 | 1923 | 1924 | 1923 |
| Berkeley | \$ 16,480 | \$ 17,787 | \$ 191,414 | \$ 187,768 |
| Boise | 11,269 | 11,788 | 126,267 | 136,612 |
| Fresno | 37,908 | 59,920 | 365,138 | 561,047 |
| Long Beach | 40,784 | 59,160 | 558,276 | 648,060 |
| Los Angeles | 707,973 | 722,857 | 8,119,116 | 7,629,731 |
| Oakland | 111,279 | 114,110 | 1,353,513 | 1,331,737 |
| Ogden | 25,956 | 34,405 | 257,704 | 314,953 |
| Pasadena | 28,519 | 31,188 | 353,897 | 343,558 |
| Phoenix | 24,078 | 24,365 | 228,717 | 210,460 |
| Portland | 156,501 | 162,622 | 1,778,585 | 1,697,253 |
| Reno | 8,056 | 11,517 | 87,803 | 113,036 |
| Sacramento | 41,179 | 49,826 | 478,486 | 476,249 |
| Salt Lake City | 65,314 | 66,203 | 694,207 | 683,039 |
| San Diego | 43,733 | 47,820 | 526,671 | 503,497 |
| San Francisco | 790,866 | 785,434 | 8,882,449 | 8,646,221 |
| San Jose | 25,390 | 23,474 | 251,421 | 247,770 |
| Seattle | 171,275 | 174,742 | 1,980,066 | 1,862,680 |
| Spokane | 44,500 | 51,628 | 519,006 | 543,926 |
| Stockton | 24,516 | 26,400 | 259,273 | 267,829 |
| Tacoma | 36,678 | 37,567 | 438,743 | 424,305 |
| Yakima | 13,041 | 12,880 | 114,670 | 112,149 |
| Total | \$2,425,295 | \$2,525,673 | \$27,565,422 | \$26,941,880 |

*000 omitted.

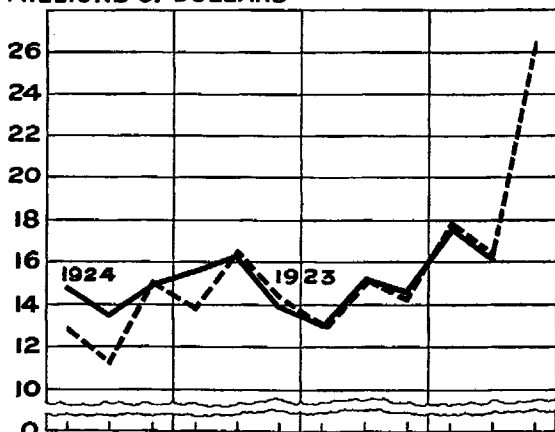
with October, 1924, a seasonal movement, and was 1.4 per cent less than in November, 1923. Stocks of goods held by reporting department stores had approximately the same value on November 30, 1924, as on November 30, 1923, and the annual rate of stock turnover at 2.77 for November, 1924, was slightly less rapid than the rate (2.83) for November, 1923. Comparisons are as follows:

RETAIL TRADE

| | No. of Stores | Percentage increase or decrease (—) in value of sales Nov., 1924, compared with | | Percentage increase or decrease (—) in value of stocks Nov., 1924, compared with | |
|----------------------|---------------|---|------------|--|------------|
| | | Nov., 1923 | Oct., 1924 | Nov., 1923 | Oct., 1924 |
| Los Angeles | 6 | 4.0 | 7.9 | 1.9 | 4.3 |
| Oakland | 4 | 3.4 | 13.9 | 3.9 | 1.6 |
| Salt Lake City..... | 4 | 1.5 | 11.1 | 2.3 | 6.2 |
| San Francisco..... | 10 | 2.2 | 5.1 | 0.6 | 0.8 |
| Seattle | 5 | 0.3 | 6.7 | 0.9 | 0.3 |
| Spokane | 5 | 12.4 | 17.0 | 8.2 | 0.9 |
| Twelfth District* .. | 35 | 1.4 | 8.5 | 0.09 | 1.1 |

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

MILLIONS OF DOLLARS



Net Sales of 35 Department Stores in Twelfth Federal Reserve District

Registrations (sales) of new automobiles in six states of this district, which is an indication of the amount and availability of community purchasing power, were less by approximately 16 per cent during the first ten months of 1924 than during the first ten months of 1923, the larger part of the decline being reported from California. Figures follow:

REGISTRATIONS OF NEW AUTOMOBILES

| | Passenger | | Commercial | |
|------------------------------|------------------------|----------------|------------------------|----------------|
| | Jan. 1 to Nov. 1, 1924 | 1923 | Jan. 1 to Nov. 1, 1924 | 1923 |
| Arizona | 8,791 | 8,750 | 957 | 761 |
| California | 149,342 | 189,169 | 13,749 | 20,266 |
| Idaho | 9,730 | 8,030 | 1,014 | 601 |
| Oregon | 30,411 | 30,188 | 2,415 | 1,528 |
| Utah | 10,755 | 9,909 | 942 | 925 |
| Washington | 34,009 | 41,003 | † | 4,347 |
| Total (6 states)..... | 243,038 | 287,049 | 19,077* | 24,081* |

*Washington not included. †Not available.

On November 30, 1924, savings deposits in 71 banks in seven cities of the district were 0.09 per cent larger than on October 31, 1924, and 8.7 per cent larger than on November 30, 1923. Figures follow (000 omitted):

SAVINGS ACCOUNTS

| | Number of Banks | Nov., 1924 | | Nov., 1923 | | Per Cent increase or decrease (—) Nov., 1924, compared with | |
|---------------------|-----------------|--------------------|--------------------|------------------|------------|---|-------------|
| | | Nov., 1924 | Oct., 1924 | Nov., 1923 | Oct., 1923 | Nov., 1923 | Oct., 1924 |
| Los Angeles .. | 13 | \$ 332,885 | \$ 334,506 | \$305,501 | | 8.9 | —0.4 |
| Oakland* | 7 | 91,271 | 90,333 | 85,949 | | 6.1 | 1.0 |
| Portland | 9 | 52,254 | 52,566 | 48,881 | | 6.9 | —0.5 |
| Salt Lake City | 8 | 29,059 | 29,274 | 26,931 | | 7.9 | —0.7 |
| San Francisco† | 14 | 422,793 | 421,454 | 388,797 | | 8.7 | 0.3 |
| Seattle | 14 | 70,151 | 69,271 | 62,767 | | 11.7 | 1.2 |
| Spokane | 6 | 18,722 | 18,745 | 17,140 | | 9.2 | —0.1 |
| Total† | 71 | \$1,017,135 | \$1,016,149 | \$935,966 | | 8.7 | 0.09 |

*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.

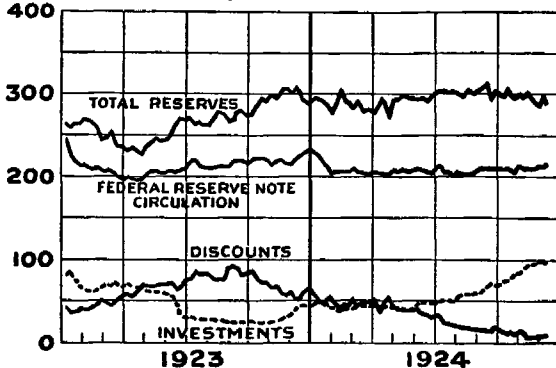
Percentage increases or decreases (—) in the number and liabilities of business failures in the Twelfth Federal Reserve District follow:

| | Nov., 1924, compared with | |
|---------------------------------------|---------------------------|------------|
| | Nov., 1923 | Oct., 1924 |
| Number of Business Failures..... | —1.5 | —16.8 |
| Liabilities of Business Failures..... | 11.8 | —15.01 |

Banking and Credit Situation

There was little change in the demand for credit in this district during November and early December. Accompanying a slight decline in commercial activity, commercial loans of reporting member banks in the principal

MILLIONS OF DOLLARS



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

cities of the district decreased moderately during the latter part of November, but during the early part of December the volume of these loans advanced to approximately the level of a month ago. A steady increase during the five-week period ended December 10th brought investments of these banks to \$422,000,000 and total loans and investments to \$1,470,000,000,

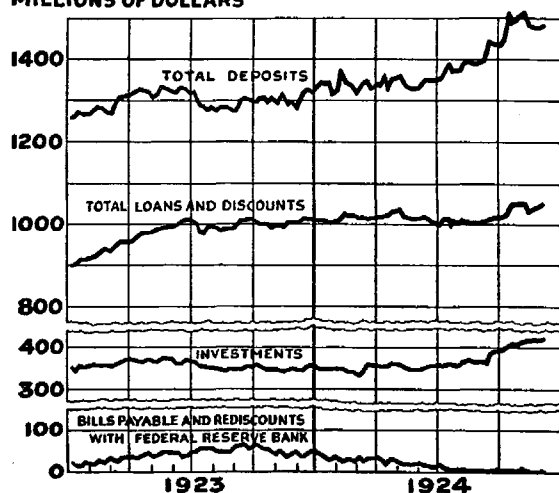
both record figures. Total deposits held by reporting member banks declined by \$19,000,000 or 1.3 per cent during the five weeks' period, slight decreases in demand and government deposits being but partly offset by a small increase in time deposits. Borrowings from the Federal Reserve Bank by reporting member banks again declined during the month, continuing smaller in amount than at any time since the figures were first reported in 1919.

Changes occurring in principal items of the combined statement of the 66 reporting member banks in this district during the month and during the year are presented in the following table (000,000 omitted):

| | Change from One Month Ago* | Change from One Year Ago* | Con- dition Dec. 10, 1924 |
|---|----------------------------------|---------------------------------|------------------------------------|
| Total Loans | - 1 (0.1%) | + 40 (4.0%) | \$1,048 |
| Commercial Loans | 0 | + 22 (2.7%) | 831 |
| Investments | + 12 (2.9%) | + 80 (23.4%) | 422 |
| Demand Deposits | - 10 (1.2%) | + 49 (6.5%) | 806 |
| Total Deposits | - 19 (1.3%) | + 170 (12.9%) | 1,483 |
| Borrowings from Federal Reserve Bank | - 6 (66.7%) | - 31 (91.2%) | 3 |

*Increases are indicated by plus, decreases by minus signs. Numbers in parentheses indicate percentage changes.

MILLIONS OF DOLLARS



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

Total earning assets of the Federal Reserve Bank were at the highest point of the current year on December 17th, the figure for that date, \$109,000,000, being \$8,000,000 or 7.9 per cent larger than on November 12, 1924, and \$6,000,000 or 5.8 per cent larger than on December 19, 1923. During the five weeks ended December 17th there was an increase of \$17,000,000 in holdings of acceptances purchased in the open market, accompanied by a decline of \$6,000,000 in holdings of government securities and of \$3,000,000 in member bank discounts. During

the five weeks under review total discounts of the Reserve Bank reached the lowest point (less than \$7,000,000 on November 19, 1924) since June, 1917. An increase in Federal reserve note circulation during the five-week period reflected the usual increased demand for currency at this season of the year.

Changes in significant items in the statement of condition of the Federal Reserve Bank of San Francisco during the month and during the year are presented in the following table (000,000 omitted):

| | Change from One Month Ago* | Change from One Year Ago* | Con- dition Dec. 17, 1924 |
|---|----------------------------------|---------------------------------|------------------------------------|
| Total Earning Assets..... | + 8 (7.9%) | + 6 (5.8%) | \$109 |
| Discounts | - 3 (25.0%) | - 50 (84.7%) | \$ 9 |
| Purchased Acceptances .. | + 17 (60.7%) | + 10 (28.6%) | 45 |
| Total Reserves | - 9 (3.0%) | - 2 (0.7%) | 288 |
| Total Deposits | - 3 (1.8%) | + 9 (5.7%) | 166 |
| Federal Reserve Note Circulation | + 4 (1.9%) | - 13 (5.7%) | 216 |

*Increases are indicated by plus, decreases by minus signs. Numbers in parentheses indicate percentage changes.

Interest rates on commercial paper and bankers' acceptances in the New York City market increased slightly during the four weeks ended December 13, 1924, a period when a contrary movement is usual. Rates in the Twelfth Federal Reserve District showed little or no change during the same period. The following table shows weekly interest rates on various types of paper in the New York market, as reported by the Federal Reserve Bank of New York.

| | Week Ended Dec. 13, 1924 | Week Ended Nov. 15, 1924 | 1923 Low | Week Ended Dec. 15, 1923 |
|-----------------------|-----------------------------------|-----------------------------------|-------------|-----------------------------------|
| Time Money | 3¼-3½% | 3¼-3½% | 4½% | 5-5½% |
| Commercial Paper ... | 3¼-3¾% | 3¼-3¾% | 4½% | 4¾-5% |
| Bankers' Acceptances. | 2¾% | 2¾% | 3¾% | 4¼% |

On December 3, 1924, the Treasury Department announced an issue of "United States of America Four Per Cent Treasury Bonds of 1944-54", dated December 15, 1924, maturing December 15, 1954, but redeemable at the option of the United States Government at par and accrued interest on or after December 15, 1944, and bearing interest at 4 per cent per annum, payable on June 15th, and December 15th of each year, subscriptions to be paid for in cash or by exchange of specified government securities. Cash subscriptions were closed on December 4th and amounted to \$1,461,000,000, of which only about \$225,000,000 were allotted. Exchange subscriptions, estimated to have amounted to \$532,000,000, were received up to the close of business December 20th and were allotted in full. Total cash subscriptions in this district amounted to \$99,984,500, of which \$13,888,300 were allotted.