

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. 3

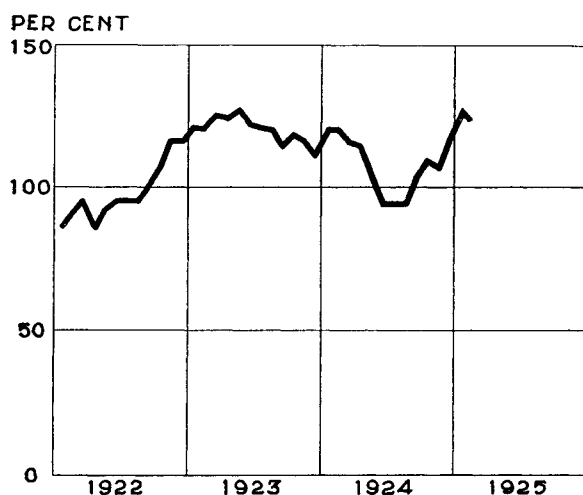
SUMMARY OF NATIONAL CONDITIONS

Production in basic industries declined in February from the high rate of output in January, but continued above the level of a year ago. Notwithstanding a decline in prices of agricultural commodities, the average of wholesale prices rose slightly, owing to a further advance in prices of certain other commodities.

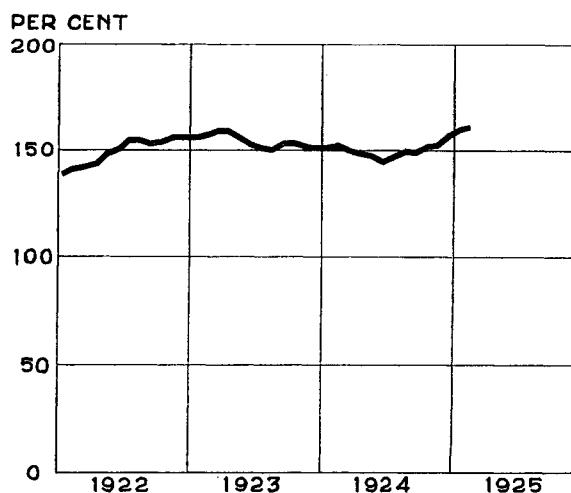
Production. The Federal Reserve Board's index of production in 22 basic industries, which is adjusted to allow for differences in the number of working days and for seasonal variations, declined 3 per cent in February, but continued to be higher than at any time since the peak reached in May, 1923. Average daily output of iron and steel was exceptionally heavy, and copper production per day was the largest since 1918. There was a slight decline in activity in the woolen industry and more considerable reductions in the output of lumber, cement, bituminous coal, and crude petroleum.

Production of automobiles increased 19 per cent in February, the largest monthly increase in nearly two years, but output was still over 25 per cent smaller than a year ago. Factory employment increased by about 2 per cent in February, considerable increases being reported for the automobile, iron and steel, and clothing industries, while the number of workers in the meat packing and cement industries declined. Earnings of industrial workers in February were larger than in January, reflecting in part the resumption of full time work after the inventory period. Reports to the Department of Agriculture of intentions to plant in 1925 indicate that the acreage of practically all grains and of tobacco will be larger and that of white potatoes smaller than in 1924.

Trade. Total railroad freight movements continued at approximately the same daily rate in February as in January, and shipments of



Production in Basic Industries—Index of 22 basic commodities corrected for seasonal variation (1919=100). Latest figure, February, 124.



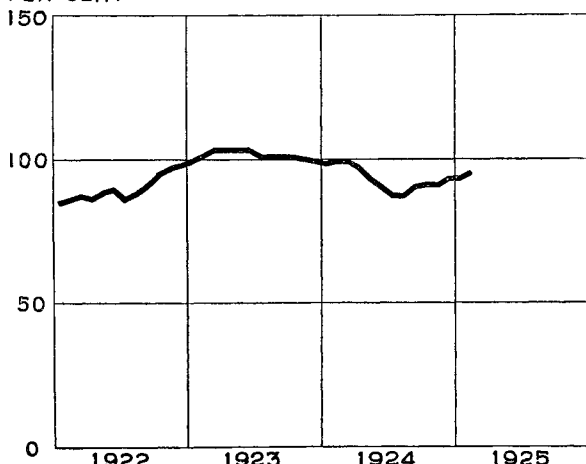
Wholesale Prices—Index of U. S. Bureau of Labor Statistics (1913=100, base adopted by Bureau). Latest figure, February, 161.

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merchandise, which have increased in recent weeks, were much larger than a year ago. Wholesale and retail sales were smaller during February than a year ago, owing partly to the fact that February had one less business day this year. Department store sales were one per cent smaller in February than in the corresponding month of 1924. Wholesale trade in all lines, except meats and hardware, was less

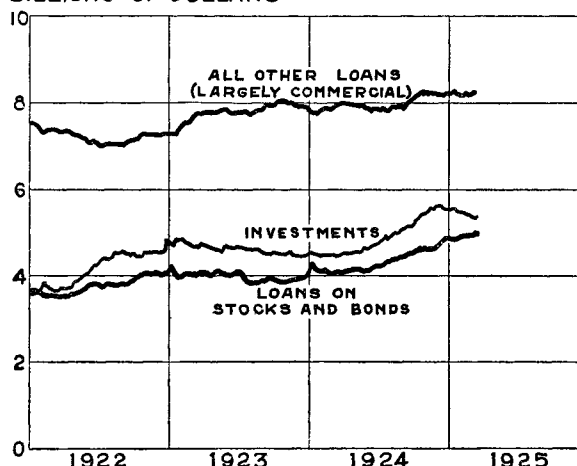
the middle of February and the middle of March, and on March 11th were larger than at any time in the past four years. The volume of loans for commercial purposes has been at a high and almost constant level since last autumn, and loans on stocks and bonds, which have increased continuously since the summer of 1924, reached the largest amount on record in March. Increases in loans were accompanied

PER CENT



Factory Employment—Index for 33 Manufacturing Industries (1919=100.) Latest figure, February, 95.

BILLIONS OF DOLLARS



Member Bank Credit—Weekly figures for member banks in 101 leading cities. Latest figure, March 11.

than a year ago, and showed in February about the usual seasonal changes. Sales of groceries, meats, and drugs decreased while sales of dry goods and shoes increased.

Prices. The slight rise in the wholesale price index of the Bureau of Labor Statistics was due to advances in the fuel and lighting group, largely in petroleum, and in building materials, while prices of other commodity groups declined. During the first three weeks of March prices of hogs, cotton goods, and rubber increased, while prices of many other commodities decreased, the largest decreases being those of wheat and other grains.

Bank Credit. Loans of member banks in principal cities continued to increase between

by further reduction in the holdings of securities, particularly at banks in the financial centers. At the reserve banks demand for credit increased between the end of January and the middle of March, chiefly as a result of the export demand for gold and the growth in domestic currency requirements, with the consequence that earning assets increased. After March 15th, however, temporary abundance of funds arising out of Treasury operations resulted in a sharp reduction in member bank borrowings. Somewhat firmer conditions in the money market in the latter part of February and the early weeks of March were indicated by a rise of the rate on 4-6 months prime commercial paper from $3\frac{3}{4}$ to 4 per cent.

TWELFTH FEDERAL RESERVE DISTRICT CONDITIONS

Statistical Summary—

	February, 1925	January, 1925	February, 1924	Feb., 1925** compared with	
				Feb., 1924	Jan., 1925
Bank Debits—21 cities*	\$2,554,320	\$2,797,011	\$2,521,733	1.3	— 8.7
Bank Debits—Index Numbers\$—20 centers.....	149	138	147	1.3	8.0
Building Permits—20 centers.....	\$32,649,155	\$31,464,205	\$34,176,113	— 4.5	3.8
Retail Sales—32 stores—Index Number\$.....	150	147	159	— 5.7	2.0
Savings Deposits—71 banks*	\$1,088,108	\$1,046,886	\$980,347	11.0	3.9
Lumber Production—4 associations—board feet*	524,379	523,932	586,050	—10.5	— 9.7
Petroleum Production†—California—barrels.....	602,494	604,622	666,939	— 9.7	— 0.4
Flour Production—16 companies—barrels.....	414,985	489,357	578,314	—28.2	—15.2
Reporting Member Bank Loans and Discounts†*	\$1,093,957	\$1,071,730	\$1,016,297	7.7	2.1
Reporting Member Bank Deposits†*	\$1,525,973	\$1,514,817	\$1,339,163	14.0	0.7
Federal Reserve Bank Discounts†*	\$23,689	\$17,747	\$48,564	—51.2	33.5
Federal Reserve Bank Reserve Ratio†	79.4	75.5	77.6	2.3	5.2

*In thousands. \$Adjusted for seasonal variations—1919 monthly average=100. †Daily average production.

‡March 11, 1925, February 11, 1925, and March 12, 1924. ¶March 18, 1925, February 18, 1925, and March 19, 1924.

**Percentage increase or decrease.

Agricultural Activities

Weather conditions during February and early March favored seasonal agricultural operations and stimulated growth of crops and forage. The supply of moisture now in the soil and prospective supplies of water for irrigation purposes are reported to be adequate in most sections of the district, the principal exceptions being areas in Southern California and in Arizona, where seasonal rainfall to date has been considerably (50 to 70 per cent) below normal. Satisfactory progress has been made in reseeded winter-killed grain crops in the Pacific Northwest.

There has been improvement in physical condition of the livestock industry, except in Arizona. Generally excellent returns from early spring lambing are reported from sheep-raising sections of the district. Condition figures of livestock ranges, cattle, and sheep, expressed in percentages of normal (normal=100), for the states of this district follow:

	—Ranges—			—Cattle—			—Sheep—		
	Mar. 1, 1925	1924	Feb., 1, 1925	Mar. 1, 1925	1924	Feb., 1, 1925	Mar. 1, 1925	1924	Feb., 1, 1925
Arizona	57	88	59	69	90	72	87	96	85
California	92	62	85	89	82	85	91	83	88
Idaho	87	100	75	91	100	88	98	99	96
Oregon	82	101	77	85	100	87	92	100	91
Nevada	67	95	61	69	91	65	80	97	75
Utah	69	91	65	71	94	68	83	93	80
Washington ...	71	98	59	77	95	74	87	102	86

Agricultural market trends, as indicated by comparative figures of the movement of certain of the district's important crops, figures of market receipts of livestock, and of cold storage holdings of butter and eggs, are shown in Table "A." Evidence of unusually rapid marketing of the district's wheat and barley crops, presented in the table, is confirmed by reports of relatively small stocks of these grains held on farms in the important grain growing states of the district on March 1, 1925. Estimates of the

United States Department of Agriculture are shown in the following tables:

	STOCKS ON FARMS			Per Cent of Crop Shipped Out of County Where Grown		
	— March 1, —			— March 1, —		
	1925 (bu.)*	1924 (bu.)*	Five-Year Average (bu.)*	1925	1924	1923
WHEAT						
California	191 (4.0)	1,131 (7.0)	1,139 (8.6)	59	70	72
Idaho	2,139 (9.0)	5,421 (18.0)	4,486 (18.0)	62	63	68
Oregon	1,390 (9.0)	2,949 (15.6)	2,479 (10.9)	60	65	70
Washington	1,911 (7.0)	7,346 (11.8)	4,861 (10.4)	70	81	75
Four States	5,631 (8.6)	16,847 (12.5)	12,965 (12.3)			
United States ..	113,928 (13.1)	137,717 (17.3)	163,000 (19.2)	70.5	63.4	67.3
BARLEY						
California	806 (8.0)	2,646 (8.0)	3,065 (9.8)	64	65	72
Idaho	385 (13.0)	800 (20.0)	651 (20.0)	42	26	30
Oregon	267 (11.0)	462 (15.0)	462 (19.6)	23	20	11
Washington	264 (10.0)	893 (22.9)	658 (21.0)	25	27	23
Four States	1,722 (9.5)	4,801 (11.0)	4,836 (12.1)			
United States ..	43,127 (22.9)	44,930 (22.6)	45,480 (25.5)	35.0	34.5	36.6

Figures in parentheses indicate the per cent of crop of preceding year remaining on farms on March 1st.
*000 omitted.

Wool growers of the district report that fleeces this year will be of average quality and amount. Wool buyers were active during the winter and it is estimated that a considerably larger proportion of the spring clip has been contracted for sale than was sold prior to shearing a year ago. During recent weeks buyers have temporarily withdrawn from the field, however, and prices generally have declined slightly. Sales contracts made during the past winter were at prices ranging from 40 to 53 cents per pound, depending upon quality of wool and cost of transportation to market, compared with prices ranging from 33 to 43 cents per pound a year ago.

(A) Agricultural Marketing Activity—

	—Exports—		—Carlot Shipments—			Livestock Receipts			Cold Storage Holdings**	
	Wheat* Portland and Puget Sound (1000 bu.)	Barley* San Francisco (1000 bu.)	Apples* 12th Dist. (cars)	Oranges‡ Calif. (cars)	Lemons‡ Calif. (cars)	at Eight Markets in 12th District			12th District Butter (1000 lbs.)	12th District Eggs (1000 cases)
Monthly						Cattle and Calves	Hogs	Sheep		
February, 1925.....	96	93	1,371	2,685	582	100,116	250,860	154,099	622	7.3
January, 1925.....	322	82	2,063	3,403	724	126,301	316,990	179,656	1,244	0.6
February—Five-year average.....	1,214	1,042	3,246†	3,431	723	82,797	192,538	172,751	414	3.7‡
Cumulative	Crop Year					Calendar Year				
To February 28, 1925.....	16,025 (22.6)‡	6,868 (33.6)‡	35,106 (76.3)	13,454	2,547	226,417	567,850	333,755		
To February 29, 1924.....	23,907 (16.6)	8,407 (18.2)	53,852 (81.6)	14,992	2,471	215,083	558,666	368,827		
Five-Year Average to February 28...	19,037 (16.6)	9,380 (22.5)	42,575† (79.6)	12,790	2,201	187,922	425,789	365,126		

Figures in parentheses indicate percentage of new crop only.

*Season begins July 1st. ‡Season begins November 1st. †Three-year average. ‡Revised on December 1, 1924, estimate of production.

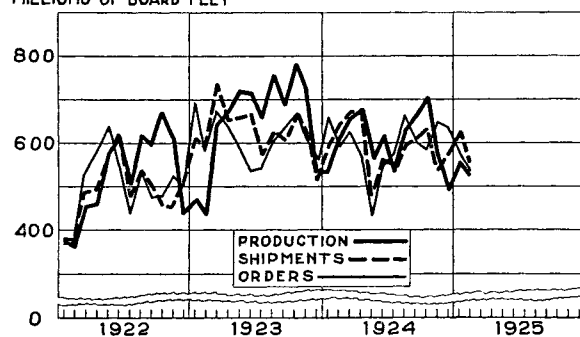
‡Four-year average. **At end of month.

Industrial Activity

During February industrial activity in the district continued at levels slightly below those of a year ago. A corresponding decline in volume of employment is indicated by statistics for two states, California and Oregon, and by available non-statistical evidence for other states of the district. As compared with January, 1925, February figures show little change either in volume of production or of employment. (Employment data for California and Oregon are presented in Table "B.")

The lumber industry of the district was less active during February, 1925, than during January, 1925, or February, 1924. Demand has been smaller in volume than a year ago and reporting mills have curtailed production accordingly, their total output in February being

MILLIONS OF BOARD FEET



Lumber Production, Orders Received, and Shipments in Twelfth Federal Reserve District as Reported by Four Lumber Associations, 1922-1925

(B) Employment—

Industries	California			Oregon		
	No. of Firms	No. of Employees Feb., 1925	No. of Employees Jan., 1925	No. of Firms	No. of Employees Feb., 1925	No. of Employees Jan., 1925
Stone, Clay and Glass Products.	42	7,316 (-3.2)	7,557	5	256 (-3.0)	264
Metals, Machinery and Conveyances	174	35,945 (0.2)	35,869	..	...	...
Lumber and Wood Manufactures ..	110	25,115 (-2.7)	25,819	53	15,284 (-5.7)	16,214
Leather and Rubber Goods..	23	4,078 (1.3)	4,025	..	...	...
Chemicals, Oils, Paints, etc.....	31	14,327 (1.6)	14,095	..	...	...
Printing	67	8,215 (0.5)	8,176	..	...	...
Textiles	14	1,997 (-5.0)	2,102	4	836 (4.5)	800
Clothing, Millinery and Laundering.	65	7,624 (4.0)	7,334	8	465 (-3.5)	482
Food, Beverages and Tobacco....	153	21,985 (-1.4)	22,293	38	1,338 (0.8)	1,327
Water, Light and Power	4	8,656 (-6.3)	9,234	..	...	...
Miscellaneous	14	1,878 (3.1)	1,821	9	433 (-4.4)	453
All Industries....	697	137,136 (-0.9)	138,325	117	18,612 (-4.8)	19,540

Figures in parentheses indicate percentage increase or decrease (—) as compared with previous month.

less than the amount of new orders placed with them during that month. Shipments continued in excess of production and of orders, so that stocks and unfilled orders held by reporting mills were further reduced. Figures follow:

LUMBER ACTIVITY*

	Feb., 1925 (board feet)	Jan., 1925 (board feet)	Feb., 1924 (board feet)	Jan., 1924 (board feet)
Production	524,379	523,932	586,050	528,175
Shipments	556,735	580,797	620,421	575,934
Orders	535,760	536,869	573,624	629,300
Unfilled Orders	474,812	501,049	569,978	596,008
No. of Mills Reporting.	180	182	203	197

*As reported by four associations. (000 omitted.)

National production of non-ferrous metals representing, in large part, production of this district, was smaller during February, 1925, than during January, 1925, but was larger than during February, 1924. Figures follow:

NATIONAL PRODUCTION OF NON-FERROUS METALS

	Feb., 1925	Jan., 1925	Feb., 1924
Copper (lbs.) (mine production)	138,772,000	144,544,000	128,260,000
Silver (oz.) (commercial bars)	5,077,000	5,374,000	5,426,776
Zinc (tons) (slab).....	46,811	50,386	43,933

Figures for lead are not available.

Average daily production of petroleum in California during February was 602,494 barrels, compared with 604,622 barrels in January. The figures for February were smaller than the reported daily average for any month since February, 1923, and were 29.8 per cent below the peak figures of September, 1923. Consumption of petroleum, although increasing during February, was less than production, and stored stocks continued to increase, reaching a new high point of 101,344,730 barrels on February 28, 1925.

Current and comparative figures of the petroleum industry in California follow:

PETROLEUM

	Average Daily Production (barrels)	Indicated Average Daily Consumption (Shipments) (barrels)	Stored Stocks at End of Month (barrels)	New Wells Number Opened	Daily Production (barrels)
Feb., 1925...	602,494	558,801	101,344,730	65	28,170
Jan., 1925...	604,622	530,688	100,121,316	62	21,286
Sept., 1923*...	858,750	†	†	93	139,960
Feb., 1924...	666,939	†	93,804,301†	102	44,471

*Peak of production.

†August, 1924, stocks. ‡Comparable figures not available.

The decline in flour production reported by 16 large milling companies of this district during January, continued during February, 1925. Output during the later month was 15.2 per cent smaller in volume than in January, 1925, 28.2 per cent smaller than in February, 1924, and 15.2 per cent below the five-year average for February. Reduced production was accompanied by a decline for the month of 8.2 per cent in millers' stocks of flour, which stood at 510,605 barrels at the end of February, an ap-

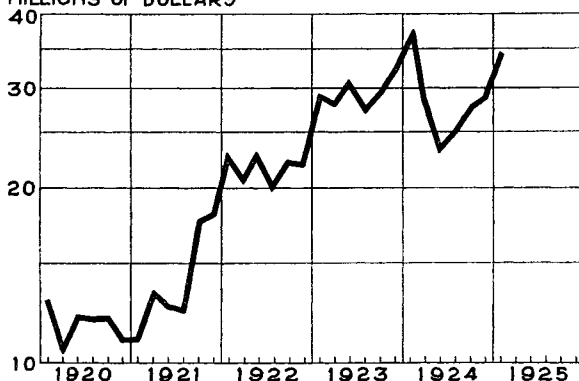
proximately normal figure. Millers reported some further accumulation of wheat during February, but their stocks, at 2,823,484 bushels at the end of the month, were 19.8 per cent lower than a year ago and 10.5 per cent below the five-year average for February 28th. Comparative figures follow:

	FLOUR MILLING*			Five-Year Average Jan.
	Feb., 1925	Jan., 1925	Feb., 1924	(1920-1924)
Output (bbls.)....	414,985	489,357	578,314	489,363†
Stocks‡				
Flour (bbls.)...	510,605	556,007	508,699	509,792
Wheat (bu.)....	2,823,484	2,731,217	3,520,908	3,159,536

*As reported by 16 companies. ‡As of the first day of the following month. †1921-1925.

Decreased activity in both domestic and export flour markets was reported in February as compared with January.

MILLIONS OF DOLLARS



Value of Building Permits—Ten Cities
Bi-Monthly Averages Corrected for Seasonal Variations

The figures represented by the above chart differ from those presented in the text in that they are bi-monthly averages, have been corrected for seasonal variations, and are for 10 instead of 20 cities. Cities for which figures are included are Berkeley, Los Angeles, Oakland, Pasadena, Portland, Salt Lake City, San Francisco, Seattle, Spokane, and Tacoma. Latest figures are for January-February, 1925.

This chart is an extension of a chart published in the January, 1924, Review of Economic Statistics, Harvard Economic Service.

(C) Building Permits—

	February, 1925		February, 1924	
	No.	Value	No.	Value
Berkeley	250	\$ 669,639	210	\$ 668,880
Boise	63	58,695	54	30,798
Fresno	96	201,041	135	144,040
Long Beach	345	1,520,892	525	2,156,132
Los Angeles	3,336	10,884,244	5,344	16,083,412
Oakland	978	3,540,141	1,025	2,250,570
Ogden	20	54,850	23	74,700
Pasadena	194	509,656	314	654,294
Phoenix	84	409,351	99	308,250
Portland	1,236	3,504,680	1,312	2,607,965
Reno	24	50,325	10	13,100
Sacramento	240	1,966,158	267	694,538
Salt Lake City.....	105	472,700	94	251,980
San Diego	608	1,028,360	443	763,430
San Francisco	846	3,871,487	794	3,912,166
San Jose	103	465,585	101	219,380
Seattle	850	2,052,105	866	2,217,330
Spokane	242	344,851	183	273,108
Stockton	110	306,750	111	447,425
Tacoma	291	737,645	307	404,615
District	10,021	\$32,649,155	12,217	\$34,176,113

Distribution of canned and dried fruits has continued seasonally active during recent months, and present carryover stocks are generally small in volume. Packers' unsold holdings of raisins and prunes, the two varieties of dried fruits in heaviest supply, are reported to be considerably smaller than a year ago. Early spring canning vegetables, chiefly spinach and asparagus, are now being packed in California.

The value of building permits issued in 20 principal cities of this district during February, 1925, was larger by 3.8 per cent than in January, 1925, as compared with an estimated normal seasonal increase between these two months of approximately 17 per cent. The figures for February, 1925, were 16 per cent above the low point of June, 1924, and 4.5 per cent below the peak figure of February, 1924. District comparisons follow and detailed figures by cities are presented in Table "C."

BUILDING PERMITS IN 20 CITIES

	Month in 1925 compared with same Month in 1924				Month in 1925 compared with preceding Month	
	Monthly No.	Monthly Value	Year-to-date No.	Year-to-date Value	No.	Value
February.....	18.0%	4.5%	12.7%	4.9%	7.2%	3.8%
January	7.1%	5.3%	7.1%	5.3%	21.2%	0.05%

Wholesale prices of building materials stood at 183 in February, 1925, compared with 179 in January, 1925, and 182 in February, 1924, according to the United States Bureau of Labor Statistics' index. Building costs, including labor as well as materials, are estimated to be about 2.5 per cent less than a year ago.

During January, 1925, sales of electric energy for industrial purposes were larger than in January, 1924, in all sections of the district except the Pacific Northwest. As compared with December, 1924, all sections showed increased sales during January, 1925. Figures follow:

ELECTRIC ENERGY*

	Percentage increase or decrease (—) in volume of sales, Jan., 1925, compared with	
	Jan., 1924	Dec., 1924
California	7.7	0.4
Pacific Northwest	—0.08	1.2
Intermountain States	2.8	1.1
Twelfth District	5.2	0.7

Number and Distribution of Industrial Consumers and Actual Volume of Sales

	Number of Industrial Consumers		Industrial Sales K. W. H.	
	Jan., 1925	Jan., 1924	Jan., 1925	Jan., 1924
California	85,891	76,342	235,900,714	218,869,950
Pacific Northwest ..	15,044	12,705	77,482,587	77,546,615
Intermountain States	5,246	5,142	58,371,878	56,733,947
Total	106,181	94,189	371,755,179	353,150,512

*As reported by 20 companies.

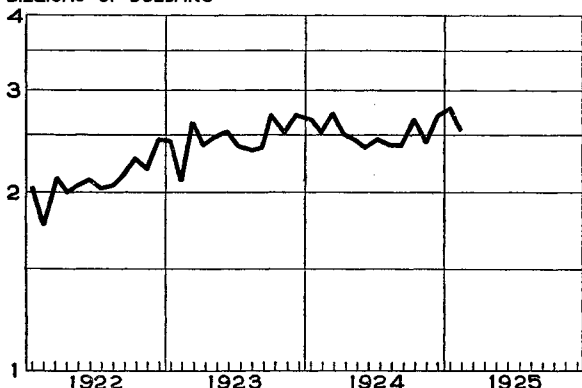
General Business and Trade

There was an increase in general business activity in this district during February, 1925, as compared with January, 1925, due allowance being made for the shortness of the later month

and for other seasonal factors. General business activity is estimated to have been above normal in each of the past two months.

These statements are best illustrated by figures of debits to individual accounts (bank debits) at banks in 21 principal cities of the district, which in February, 1925, reached record levels for that month. This bank's index of debits to individual accounts, corrected for seasonal variation, but not for price changes or year to year growth, stood at 149 for February and 138 for January (1919 monthly average=100). One year ago it stood at 147, the peak figure for 1924.

BILLIONS OF DOLLARS



Bank Debits in 21 Principal Cities, Twelfth Federal Reserve District, 1922-1925

Value of sales at wholesale as reported by 190 firms in eleven lines of business, was approximately 8 per cent less during February, 1925, than during January, 1925, or February, 1924. Seven of the eleven lines concerning which reports of value of sales are available showed decreases for the year period, the declines ranging from 7.6 per cent to 21.1 per cent. Three lines showed small increases as compared with

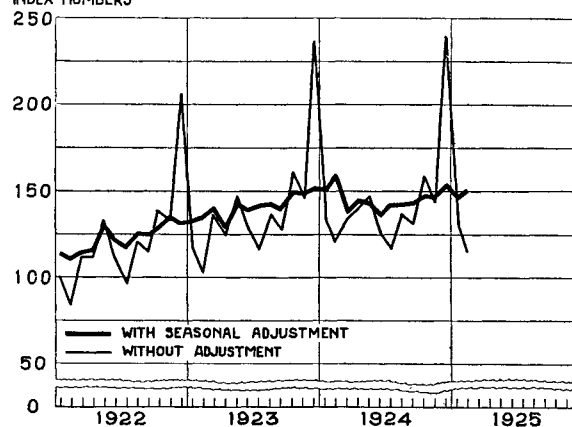
February, 1924, and one, automobile tires, sales of which were at a relatively low point last year, showed an increase of 11.6 per cent. In January, 1925, value of sales of reporting wholesale dealers was approximately 1 per cent less than in January, 1924. Wholesale prices have increased over the year period, the United States Bureau of Labor Statistics' Index standing at 161 for February, 1925, compared with 152 for February, 1924. Detailed comparisons follow:

WHOLESALE TRADE

	No. of Firms	Percentage increase or decrease (—) in Value of Sales		
		Feb., 1925 compared with Feb., 1924	Feb., 1925 compared with Jan., 1925	Jan., 1925 compared with Jan., 1924
		Feb., 1924	Jan., 1925	Jan., 1924
Agricultural Implements	20	0.9	61.2	7.1
Automobile Supplies	17	— 9.6	— 2.4	— 9.0
Automobile Tires	21	11.6	—28.4	31.0
Drugs	6	4.3	—10.3	10.8
Dry Goods	17	—21.1	— 8.0	—13.3
Electrical Supplies	10	4.6	— 3.2	4.0
Furniture	17	—10.2	5.0	— 8.0
Groceries	24	— 7.6	—14.4	— 2.2
Hardware	19	— 9.1	4.8	— 5.7
Shoes	13	—18.2	15.2	—15.5
Stationery	26	— 9.8	—16.1	— 3.2

Value of sales at retail as shown by reports of 32 department stores in principal cities of the district, was 5.0 per cent smaller during Febru-

INDEX NUMBERS



Department Store Sales—Twelfth District

Index of 32 Stores in 7 cities (1919=100). Latest figures, February, with correction, 150; without correction, 115.

(D) Bank Debits*—

	February, 1925	February, 1924	Two Months 1925	Two Months 1924
Berkeley	\$ 16,391	\$ 18,086	\$ 37,150	\$ 38,176
Boise	9,259	10,105	23,165	21,815
Fresno	25,368	31,332	56,690	66,760
Long Beach	42,133	57,662	96,465	124,831
Los Angeles	745,252	790,766	1,563,837	1,589,588
Oakland	115,190	122,487	262,152	258,418
Ogden	22,437	21,336	50,705	50,976
Pasadena	34,425	36,149	72,802	76,968
Phoenix	22,135	20,496	49,798	43,086
Portland	134,296	152,737	287,869	310,591
Reno	6,184	7,958	14,239	18,083
Sacramento	35,942	50,494	80,831	112,441
Salt Lake City	55,994	53,884	130,562	122,790
San Diego	46,572	49,171	99,476	103,841
San Francisco	938,395	814,165	1,857,623	1,628,129
San Jose	20,432	19,926	48,322	44,802
Seattle	171,188	154,758	367,594	334,375
Spokane	42,840	44,667	96,836	92,216
Stockton	21,823	21,598	49,744	48,592
Tacoma	38,672	34,812	83,385	74,607
Yakima	9,392	9,144	22,086	19,152
Total	\$2,554,320	\$2,521,733	\$5,351,331	\$5,180,237

*000 omitted.

ary, 1925, than during February, 1924, and 10.9 per cent smaller than during January, 1925. The decline as compared with the previous month was less than that which normally occurs at this time of the year, however, and this bank's index of retail trade, corrected for seasonal variations, advanced from 147 in January, 1925 (1919 monthly average=100), to 150 in February, 1925. The index stood at 159 in February, 1924, the highest point reached during that year. The index record, which is based on the dollar value of sales of 32 department stores, is presented in the following table which shows the figures adjusted and unadjusted for seasonal variations. The monthly

average of sales during 1919 has been taken as 100 in both cases.

INDEX NUMBERS OF DEPARTMENT STORE SALES

(Monthly Average 1919=100)

Without Seasonal Adjustment

	Los Angeles	Oakland	San Francisco	Salt Lake City	Seattle	Spokane	District*
Feb., 1919...	71	67	71	71	55	61	67
Feb., 1920...	105	93	88	76	67	75	88
Feb., 1921...	120	97	95	85	62	82	95
Feb., 1922...	117	79	82	66	54	68	84
Feb., 1923...	147	94	100	71	65	73	103
Feb., 1924...	183	108	114	79	75	82	121
Sept., 1924...	176	126	125	109	101	92	132
Oct., 1924...	218	160	146	121	111	117	159
Nov., 1924...	200	138	138	107	104	95	145
Dec., 1924...	335	243	221	177	173	148	239
Jan., 1925...	203	119	115	91	78	69	129
Feb., 1925...	173	110	104	80	73	73	115

With Seasonal Adjustment

	Los Angeles	Oakland	San Francisco	Salt Lake City	Seattle	Spokane	District*
Feb., 1919...	88	89	92	99	85	88	88
Feb., 1920...	130	124	115	105	105	110	115
Feb., 1921...	149	129	124	118	96	118	124
Feb., 1922...	144	105	108	92	85	98	111
Feb., 1923...	182	126	131	99	102	106	135
Feb., 1924...	226	143	149	110	116	119	159
Sept., 1924...	203	133	135	110	93	90	143
Oct., 1924...	212	147	135	102	101	88	147
Nov., 1924...	201	137	133	101	106	91	146
Dec., 1924...	222	146	137	114	110	98	153
Jan., 1925...	214	139	130	111	105	96	147
Feb., 1925...	213	146	136	112	114	106	150

*32 stores.

On February 28, 1925, savings deposits in 71 banks in seven cities of the district were larger by 11.0 per cent and 4.0 per cent, respectively, than on February 29, 1924, and on January 31, 1925. Figures follow:

SAVINGS ACCOUNTS

Number of Banks		Feb., 1925*	Jan., 1925*	Per Cent increase or decrease (—) Feb., 1925, compared with		
				Feb., 1924	Jan., 1925	1925
Los Angeles	13	\$371,291	\$343,777	\$325,347	14.1	8.0
Oakland†	7	92,595	92,352	88,094	5.1	0.2
Portland	9	52,682	53,269	50,079	5.1	—1.1
Salt Lake City	8	29,941	29,493	27,385	9.3	1.5
San Francisco	14	449,732	436,366	407,785	10.2	3.0
Seattle	14	72,085	71,944	64,705	11.4	0.1
Spokane	6	19,782	19,685	16,952	16.6	0.4
Total	71	\$1,088,108	\$1,046,886	\$980,347	11.0	4.0

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

Percentage increases or decreases (—) in the number and liabilities of business failures in the Twelfth Federal Reserve District, as reported by R. G. Dun and Company, follow:

	Feb., 1925, compared with	
	Feb., 1924	Jan., 1925
Number of Business Failures.....	— 0.5	—25.5
Liabilities of Business Failures.....	—17.3	15.7

Prices

Commodity prices at wholesale, as measured by the Bureau of Labor's index of 404 commodities, increased during February, but not so rapidly as in recent previous months. Among the commodity groups included in the index, price advances in building materials and fuel and lighting offset price declines of farm products and foods, while prices of remaining groups (cloths and clothing, metals and metal products, chemicals and drugs, and house furnishing goods) were practically unchanged. The lower price level in the farm products and foods groups was the result, chiefly, of a considerable decline in prices of grains, particularly wheat, during February.

The purchasing power of farm products in terms of other commodities declined by about one per cent during February, according to the index of the Department of Agriculture which is based upon the relation of farm prices of 30 selected products of the farm to prices of non-agricultural commodities. In February, 1925, this index was 6.1 per cent higher than in February, 1924.

Commodity price movements in the Twelfth District during February were similar to those reported for the United States as a whole, the trend being slightly upward. Comparing present prices with those of a year ago, a list of 30 selected commodities produced in this district shows 23 advances, and six declines, one commodity showing no change over the year period.

Prices of wheat and barley have declined steadily since reaching a peak late in January, but on the 18th of March were still, for wheat, 52.5 per cent and, for barley, 15.7 per cent higher than a year ago. The decline in wheat prices during the past month amounted to 22 cents per bushel, and on March 18, 1925, May wheat at Chicago sold for \$1.64 a bushel, or 41½ cents per bushel lower than the high point reached on January 30, 1925. Prices of cattle, sheep, and hogs increased, and the price of lambs declined during February. Chicago quotations for hogs on March 7th were 12.2 per cent higher than one month ago and 59.5 per

(E) Commodity Prices—

Commodity	Unit	Mar. 6, 1925	One Month Ago	One Year Ago
Wholesale Prices (U. S. Bureau of Labor) 1913=100.....		161.0	160.0	152.0
Purchasing Power of Farm Products (U. S. Department of Agriculture)†		87	88	82
Cattle (Native Beef).....Weekly average price at Chicago.....	100 lbs.	\$10.10	\$9.25	\$9.60
Hogs.....Weekly average price at Chicago.....	100 lbs.	13.00	10.60	7.35
Lambs.....Weekly average price at Chicago.....	100 lbs.	17.05	18.20	15.50
Wheat.....Chicago contract price for May wheat.....	bu.	1.80½-1.96½	1.85-1.94¾	1.10¾-1.11½
Cotton.....Midling Uplands—Weekly range of spot quotations at New Orleans.....	lb.	25.30-26.00¢	23.75-24.55¢	28.88-29.63¢
Raisins.....Loose Muscatel in 25-lb. boxes f. o. b. California.....	lb.	.09¼	.09¼	Not quoted
Wool.....Average of 98 quotations at Boston.....	lb.	101.22¢	102.04¢	82.47¢
Copper.....Electrolytic, monthly average at New York.....	lb.	14.463¢	14.709¢	12.708¢
Lead.....Monthly average at New York.....	lb.	9.428¢	10.169¢	8.554¢
Silver.....Monthly average at New York.....	oz.	68.472¢	68.447¢	64.359¢
Lumber (softwood).....Weekly Index, U. S.*.....		31.65	31.68	32.36

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

†Ratio of farm prices (August, 1909-July, 1914=100) to wholesale prices of non-agricultural commodities (1910-1914=100).

cent higher than one year ago. An average of 98 wool quotations on the Boston market, which has been declining since the last week in January, was 2.6 per cent below the peak on March 14th, and 21.7 per cent higher than a year ago. The spot price of middling uplands cotton at New Orleans, which reached a peak of 35.5 cents per pound during the first week of January, 1924, and a low point of 22.15 cents per pound on October 15, 1924, was quoted at 25.45 cents per pound on March 14, 1925.

Prices of copper, lead, and zinc declined 2, 7, and 5 per cent, respectively, during February as compared with January, but were 14, 10, and 11 per cent higher, respectively, than one year ago. Silver prices changed little during the month, and were still higher than at the beginning of 1924.

Details of price movements for a selected group of products of the district, and representative index numbers of the general price level are presented in Table "E."

Banking and Credit Situation

Banking and credit statistics for February reflect increasing business activity in this district.

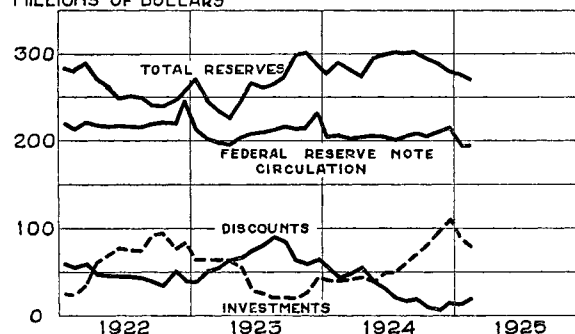
Commercial loans of reporting member banks increased by \$19,000,000 or 2.2 per cent during the four weeks ending March 11, 1925. Invest-

higher than ever before. Changes occurring in the principal items of the combined statement of reporting member banks in this district (representing approximately 52 per cent of the district's banking resources) during the month and year ending March 11, 1925, are presented in the following table (000,000 omitted):

	Con- dition Mar. 11, 1925	Change from One Month Ago*	Change from One Year Ago*
Total Loans	\$1,094	+22 (2.1%)	+78 (7.7%)
Commercial Loans	866	+19 (2.2%)	+53 (6.5%)
Investments	421	-20 (4.5%)	+76 (22.0%)
Demand Deposits	802	-3 (0.4%)	+66 (9.0%)
Total Deposits	1,526	+11 (0.7%)	+187 (14.0%)
Borrowings from Federal Reserve Bank	15	+5 (50.0%)	-12 (44.4%)

*Figures in parentheses indicate percentage changes.

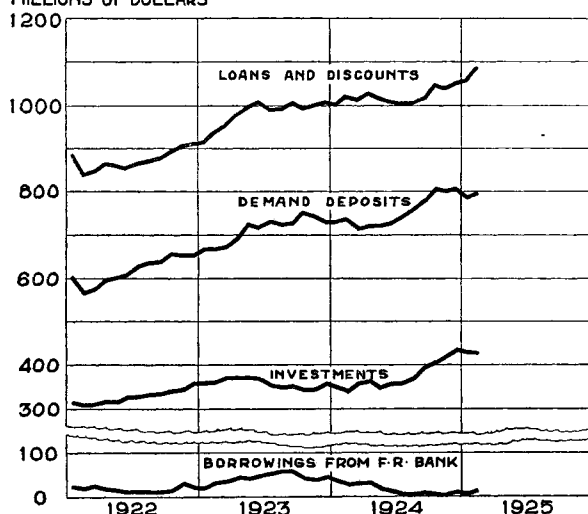
MILLIONS OF DOLLARS



Reserve Bank Credit—Twelfth District

Figures for Federal Reserve Bank of San Francisco, as of last Wednesday of each month. Latest figure, February 25.

MILLIONS OF DOLLARS



Member Bank Credit—Twelfth District

Figures for 70 member banks in leading cities, as of last Wednesday of each month. Latest figure, February 25.

ment holdings of these banks decreased by \$20,000,000 or 4.5 per cent during this period, and their demand deposits declined slightly. Concurrence of these three movements is the normal expectation in a period of increasing business activity, when loans are already at a high level. Total loans of reporting member banks, at \$1,094,000,000 on March 11th, were

Discounts at the Federal Reserve Bank of San Francisco increased by \$6,000,000 (43.3%) during the four weeks ending March 18, 1925. Holdings of United States securities and of purchased acceptances declined by \$6,000,000 (15.4%) and \$16,000,000 (36.4%), respectively, during the same period. Total earning assets were approximately \$15,000,000 (14.9%) less on March 18th than on February 18, 1925. Total reserves increased from \$272,000,000 to \$282,000,000 during these four weeks, and Federal reserve note circulation increased from \$194,000,000 to \$195,000,000.

Changes in significant items in the statement of condition of the Federal Reserve Bank of San Francisco during the month and year ending March 18, 1925, are presented in the following table (000,000 omitted):

	Con- dition Mar. 18, 1925	Change from One Month Ago*	Change from One Year Ago*
Total Earning Assets....	\$ 86	-15 (14.9%)	-6 (6.5%)
Discounts	24	+6 (33.5%)	-25 (51.2%)
United States Securities....	33	-6 (15.4%)	+8 (32.0%)
Purchased Acceptances ..	28	-16 (36.4%)	+9 (47.4%)
Total Reserves	284	+12 (4.4%)	+5 (1.8%)
Total Deposits	163	-3 (1.8%)	+8 (5.2%)
Federal Reserve Note Circulation	195	+1 (0.5%)	+10 (4.9%)

*Figures in parentheses indicate percentage changes.

Interest rates in this district during the early part of March were generally unchanged from those quoted early in February.

FINANCIAL CONDITIONS IN THE TWELFTH FEDERAL RESERVE DISTRICT

by

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

San Francisco, California, March 20, 1925

A SURVEY of financial conditions in the Twelfth Federal Reserve District based upon reports of condition of all banks (State and National) as of December 31, 1924, is presented herewith in comparison with a similar survey made a year ago on December 31, 1923. Considering the district as a whole, comparison of the two surveys shows moderate improvement in financial conditions during the year 1924, with a continuance of the generally sound banking situation revealed by figures of the 1923 survey. Some shifting of comparative banking strength within the district occurred during the year, important, though small, agricultural areas in south central and southern California and in Arizona, showing a loss of banking strength, while large areas in Pacific Northwestern States and in Utah, improved their condition.

As in previous surveys, the ratio of total loans and discounts to total deposits of all banks, State and National, in a given area was used in determining the financial condition of that area. Where the total of loans and discounts was less than 80 per cent of total deposits, financial conditions were characterized as "good" (colored blue on accompanying maps); where the ratio was between 80 per cent and 100 per cent, financial conditions were characterized as "fair" (colored yellow on maps); and where the ratio was over 100 per cent, financial conditions were characterized as "poor" (colored green on maps).

This study relates primarily to conditions in the agricultural regions of the district, as have

previous studies. The following summary, which excludes figures for the cities of Berkeley, Los Angeles, Oakland, Portland, Salt Lake City, San Francisco, Seattle, and Spokane, shows the improvement in condition since the end of 1921:

PROPORTION OF TOTAL DEPOSITS OF BANKS IN
COLORED AREAS TO TOTAL DEPOSITS OF
ALL COUNTRY BANKS

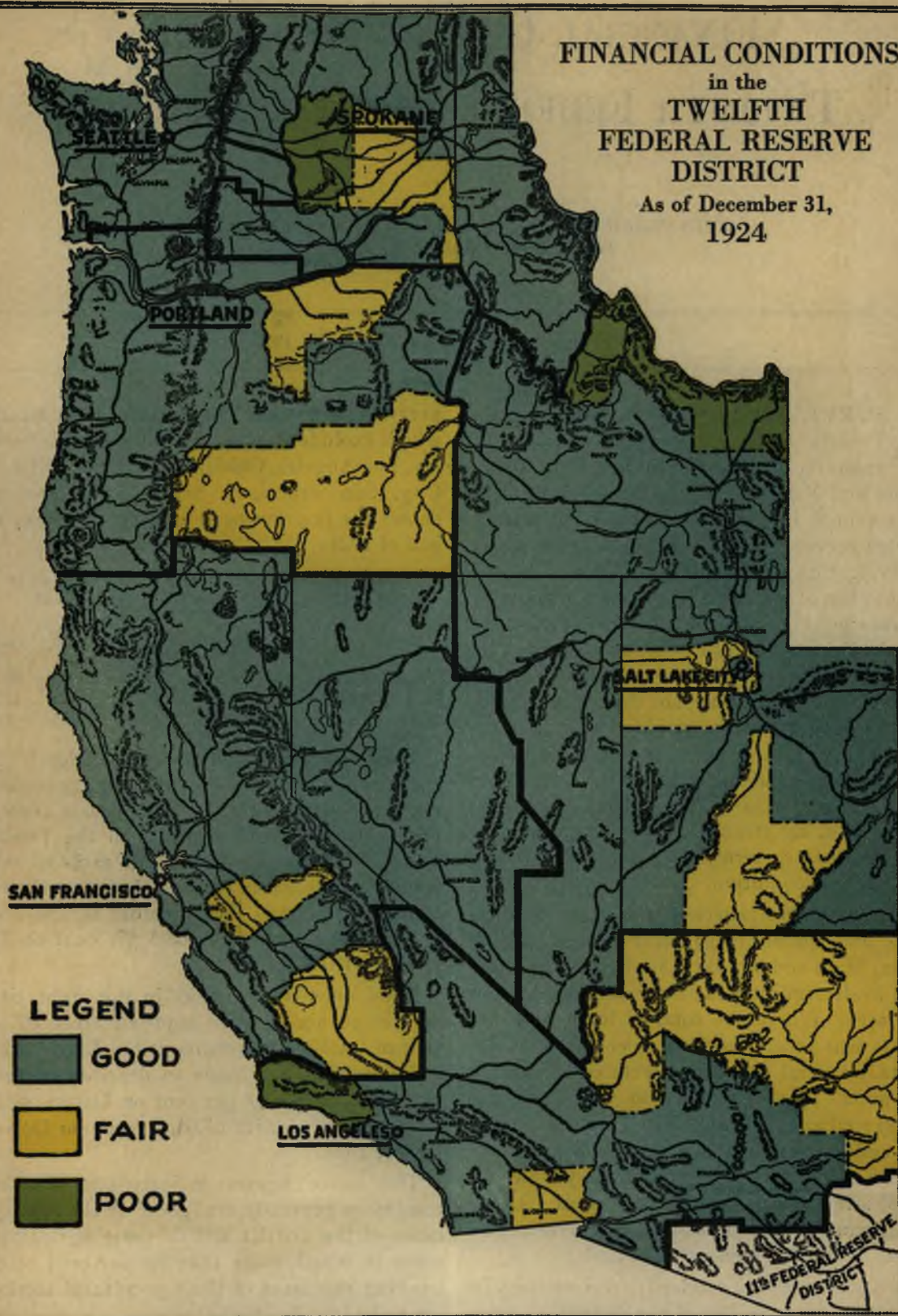
	Dec. 31, 1924	Dec. 31, 1923	Dec. 29, 1922	Dec. 31, 1921
"Good" Areas	88.6%	87.9%	89.0%	80.3%
"Fair" Areas	8.7%	10.0%	7.4%	12.7%
"Poor" Areas	2.7%	2.1%	3.6%	7.0%

Total deposits of all banks included in the above summary—the so-called country banks—were, on December 31, 1924, approximately 40 per cent of all bank deposits in the Twelfth Federal Reserve District. The ratio of total loans and discounts to total deposits of these country banks was, on December 31, 1924, 68.6 per cent compared with 68.3 per cent on December 31, 1923.

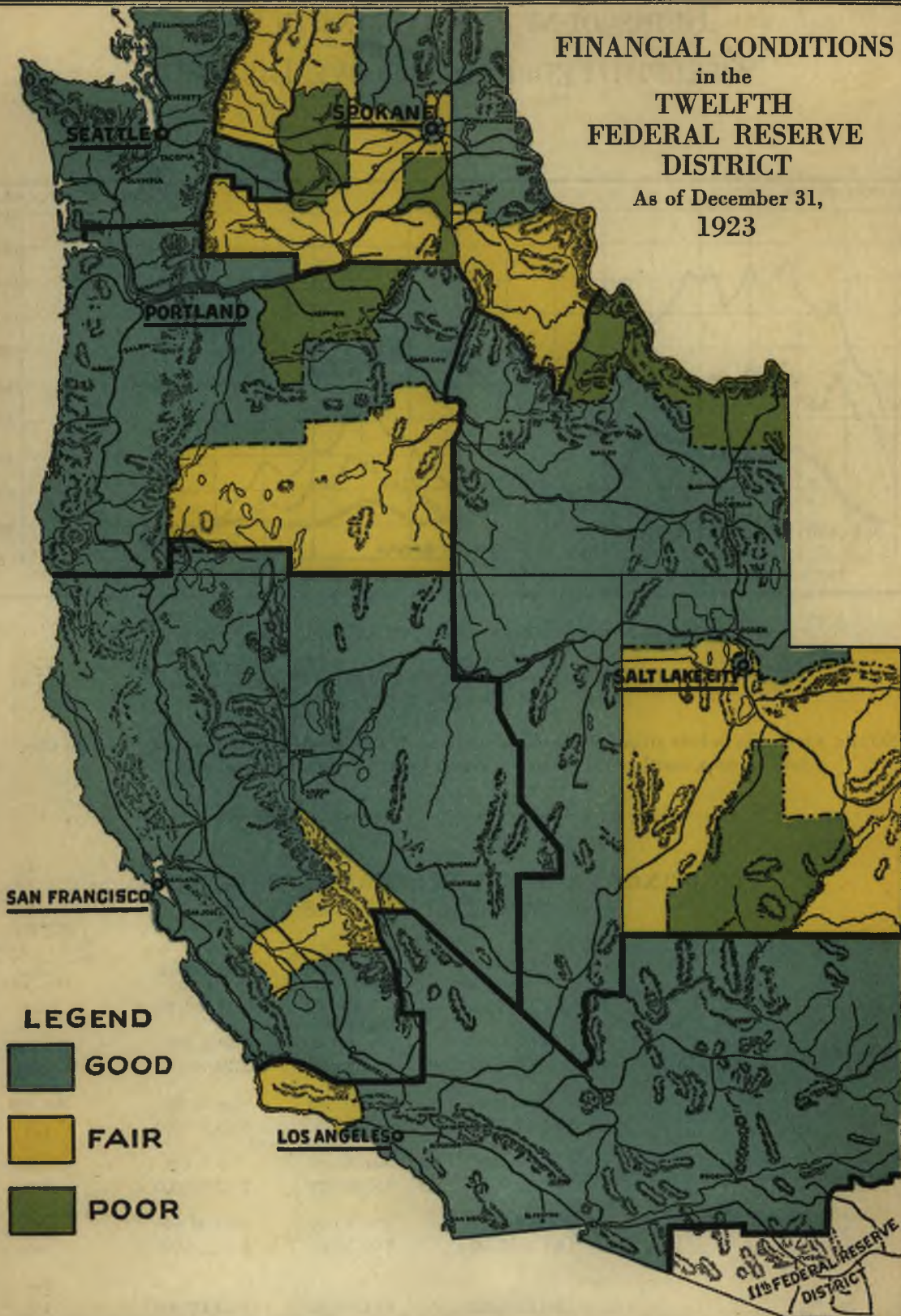
Total deposits in banks in the eight cities mentioned above were approximately 60 per cent of total bank deposits in the district. The ratio of combined loans to deposits of these city banks was 63.7 per cent on December 31, 1924, compared with 67.6 per cent on December 31, 1923.

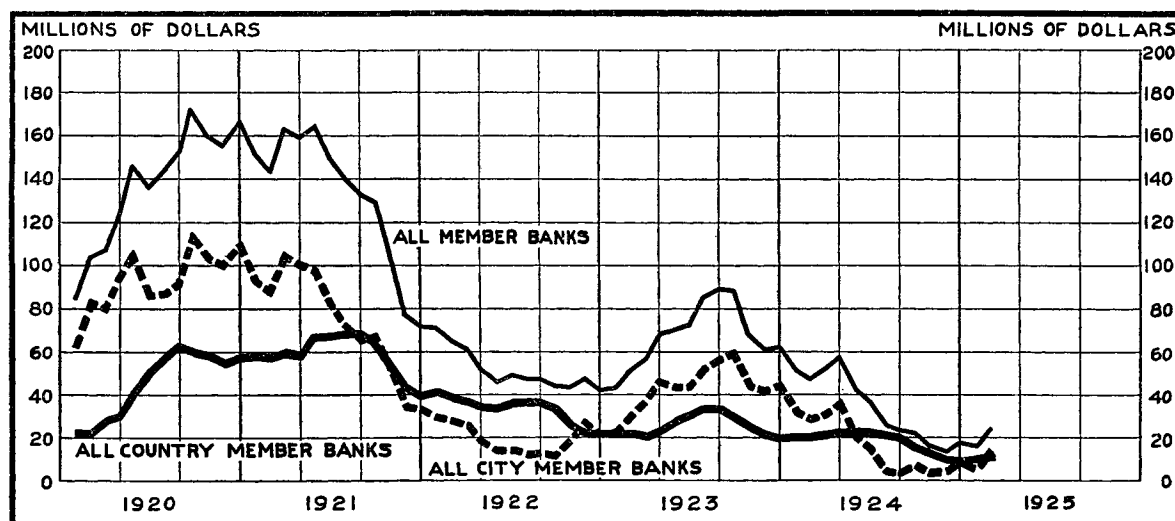
The above figures indicate that financial conditions generally are "good" in the principal cities of the district and in those agricultural areas in which more than 88 per cent of the banking resources of the agricultural sections are to be found.

FINANCIAL CONDITIONS
in the
TWELFTH
FEDERAL RESERVE
DISTRICT
As of December 31,
1924



FINANCIAL CONDITIONS
in the
TWELFTH
FEDERAL RESERVE
DISTRICT
As of December 31,
1923





COMPARATIVE REDISCOUNT OPERATIONS, 1920-1925

(Borrowings of City and Country Member Banks)
(As of the end of each month)

NOTE: City banks include all member banks in Berkeley, Los Angeles, Oakland, Portland, Salt Lake City, San Francisco, Seattle, and Spokane. Country banks include all other member banks.

Date	City Bank Borrowings	Country Bank Borrowings	All Member Bank Borrowings	United States Bureau of Labor Wholesale Price Index (1913=100)
January 27, 1920.....	\$ 62,088,000	\$21,978,000	\$ 84,066,000	233
1920-1921 Peak	{ Oct. 5, 1920 \$116,286,000	Aug. 23, 1921 \$68,985,000	Oct. 5, 1920 \$174,699,000	May, 1920 247
1922-1923 Low Point.....	{ Aug. 8, 1922 \$ 8,264,000	Dec. 11, 1923 \$18,430,000	Jan. 16, 1923 \$ 35,576,000	Jan., 1922 138
1923 Peak	{ Oct. 2, 1923 \$ 64,269,000	Aug. 28, 1923 \$32,698,000	Oct. 2, 1923 \$ 92,092,000	Mar.-April 159
1924 Low Point	{ Sept. 9, 1924 \$ 2,076,000	Dec. 9, 1924 \$ 8,615,000	Nov. 18, 1924 \$ 11,256,000	June 145
February 24, 1925.....	\$ 13,593,000	\$10,884,000	\$ 24,477,000	Feb. 161