

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. 2

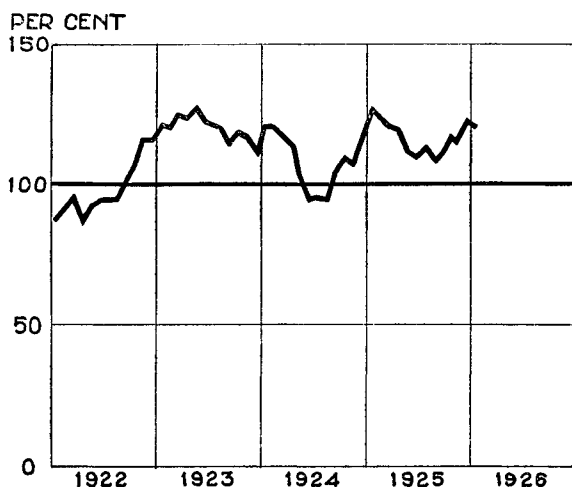
SUMMARY OF NATIONAL CONDITIONS

Industrial activity in January was in slightly smaller volume than in December, and the distribution of commodities showed a seasonal decline. The level of prices remained practically unchanged.

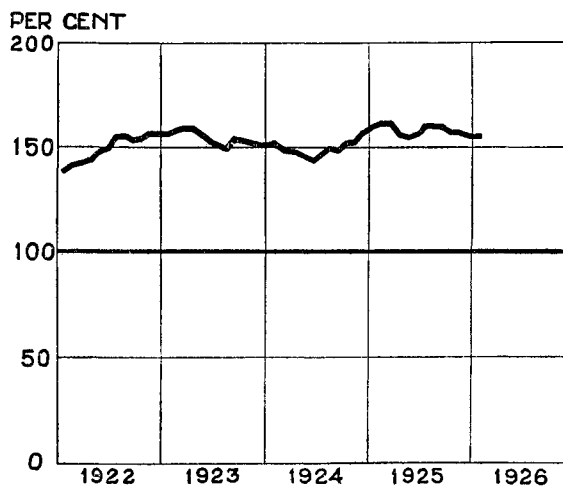
Production. The Federal Reserve Board's index of production in selected basic industries was about one per cent lower in January than in December. Output of iron and steel, copper, and zinc increased, while activity in the woolen and petroleum industries, and mill consumption of cotton, declined. The cut of lumber, and bituminous coal production increased less than is usual at this season of the year. Automobile production, not included in the index, was slightly smaller than in December, 1925, but considerably larger than in January, 1925. Factory employment changed but little in January,

1926, but earnings of workers decreased considerably owing to the closing of plants in most industries at the opening of the year for inventory taking and repairs. The volume of building contracts awarded in January, 1926, although seasonally less than in December, 1925, exceeded that of any previous January on record. Contracts awarded were particularly large in the New York and Atlanta districts.

Trade. Sales of department stores and of mail order houses showed more than the usual seasonal decline in January, 1926, but were larger than in January of last year. Wholesale trade declined considerably and was in smaller volume than a year ago. Stocks at department stores showed more than the usual increase in January, and were about 11 per cent larger than at the end of January, 1925. Freight car



PRODUCTION IN BASIC INDUSTRIES
Index of 22 basic commodities corrected for seasonal variation (1919=100). Latest figure, January, 120.



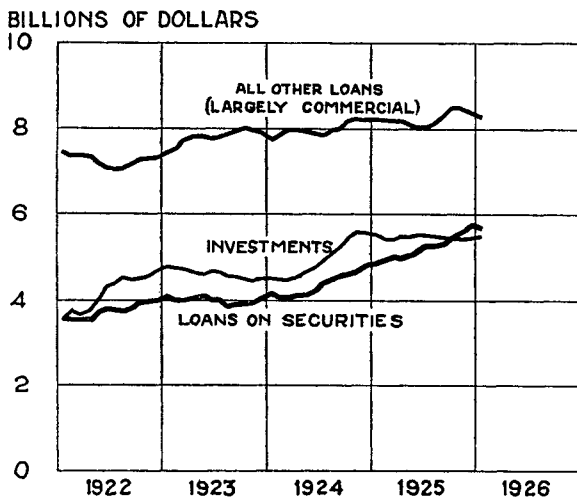
WHOLESALE PRICES
Index of U. S. Bureau of Labor Statistics (1913=100, base adopted by Bureau). Latest figure, January, 156.

Those desiring this review sent them regularly will receive it without charge upon application.

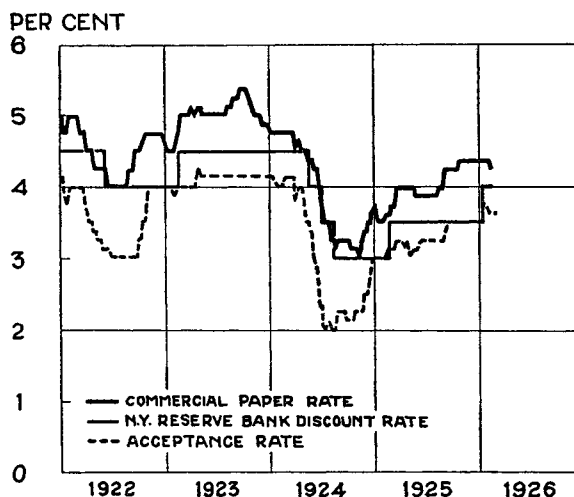
loadings declined in January, 1926, and the daily average for the month was approximately the same as a year earlier.

Prices. Wholesale prices, as measured by the index number of the Bureau of Labor Statistics, remained practically unchanged from December to January. Prices of grains, coke, and paper and pulp increased, while prices of

and in the early part of February the volume of loans and investments at these banks increased considerably. The increase was largely in loans for commercial purposes, which, after declining almost continuously from their seasonal peak early in October, advanced by more than \$50,000,000 in February. The growth in commercial demand for credit throughout the



MEMBER BANK CREDIT
Monthly averages of weekly figures for banks in 101 leading cities. Latest figures are averages for first three weekly report dates in February.



MONEY RATES
Weekly rates in New York money market: commercial paper rate on 4- to 6-months paper and acceptance rate on 90-day paper.

dairy products, cotton goods, bituminous coal and rubber declined. In the first three weeks of February, there was a decline in prices of grains and, following the settlement of the strike in the anthracite region, a drop in prices of bituminous coal and coke. Price advances were shown for refined sugar, copper and petroleum.

Bank Credit. At member banks in leading cities, the seasonal decline in the demand for credit, which began at the turn of the year, came to an end toward the close of January,

country, together with some increase in currency requirements, was reflected in a withdrawal of funds from the New York money market and was a factor in the increase in demand for reserve bank credit after the end of January. Reserve banks' holdings of bills and securities increased by about \$66,000,000 between January 27th and February 17th.

As the result of the withdrawal of funds from New York, rates on call loans became somewhat firmer in February. Commercial paper rates, however, were slightly lower.

TWELFTH FEDERAL RESERVE DISTRICT CONDITIONS

Statistical Summary—

	Jan., 1926	Dec., 1925	Jan., 1925	Dec., 1924	Jan., 1926# compared with	
					Jan., 1925	Dec., 1925
Bank Debits—21 cities*.....	\$3,079,742	\$3,230,574	\$2,797,011	\$2,703,044	10.1	— 4.7
Bank Debits—Index Numbers†—20 cities.....	155	148°	135°	123°	14.8	4.7
Building Permits—20 cities.....	\$29,165,741	\$37,071,485	\$31,464,205	\$31,478,701	— 7.3	—21.3
Retail Sales—32 stores—Index Numbers†.....	148	164	147	153	0.7	— 9.8
Savings Deposits—69 banks*§.....	\$1,146,713	\$1,155,008	\$1,056,682°	\$1,054,972°	8.5	— 0.7
Lumber Production—4 associations—board feet*	491,625	576,995	554,303°	492,629°	—11.3	—14.8
Petroleum Production†—California—barrels....	615,147	620,958	604,622	606,294	1.7	— 0.9
Flour Production—16 companies—barrels.....	396,709	483,092	489,357	530,949	—18.9	—17.9
Reporting Member Bank Loans and Discounts *	\$1,180,645	\$1,186,206	\$1,071,730	\$1,040,889	10.2	— 0.5
Reporting Member Bank Deposits *.....	\$1,634,715	\$1,633,464	\$1,514,817	\$1,486,787	7.9	0.1
Federal Reserve Bank Discounts *.....	\$22,555	\$25,227	\$17,747	\$7,614	27.1	—10.6
Federal Reserve Bank Reserve Ratio 	79.5	75.6	75.5	74.0	5.0	5.3

*In thousands. †Adjusted for seasonal variations—1919 monthly average=100. ‡Daily average production. §Not comparable with figures published in previous reviews. ||February 10, and January 6, 1926, February 11, and January 7, 1925. ¶February 17, and January 13, 1926, February 18, and January 14, 1925. #Percentage increase or decrease(—). °Revised.

Agricultural Situation

Mild winter weather and ample rainfall were reported from most parts of the Twelfth Federal Reserve District during the last two weeks of January and the first weeks of February. Seasonal measurements of rainfall at mid-February approximated normal in the important agricultural areas of the district, except in parts of the Pacific Northwest, where some deficiency was reported. As a result of recent weather changes there has been a measurable improvement in condition of fall-sown grain crops, of livestock pastures and ranges, and in the whole physical aspect of the agricultural situation.

RAINFALL—Twelfth District			
	July 1, 1925 to Feb. 16, 1926 (Actual) (inches)	July 1, 1924 to Feb. 16, 1925 (Actual) (inches)	July 1 to Feb. 16 (Normal) (inches)
Arizona:			
Flagstaff	14.7	15.5	16.2
Phoenix	4.1	2.6	6.6
California:			
Eureka	22.6	27.8	28.6
Fresno	5.3	4.8	6.0
Los Angeles	9.6	3.3	9.9
Red Bluff	16.2	17.8	16.0
Sacramento	10.6	11.6	12.7
San Diego	9.4	2.4	6.4
San Francisco	14.7	20.0	14.9
San Jose	11.1	7.9	9.5
San Luis Obispo.....	13.9	9.7	12.6
Idaho:			
Boise	7.5	8.2	7.6
Lewiston	7.8	8.9	8.4
Nevada:			
Reno	5.0	4.1	6.7
Oregon:			
Baker City	5.4	5.1	7.3
Portland	21.4	28.7	30.8
Roseburg	25.7	32.1	23.5
Utah:			
Salt Lake City.....	10.1	9.3	8.5
Washington:			
Seattle	16.4	24.2	24.6
Spokane	8.1	10.6	12.2

Citrus fruit crops in California were slightly damaged by frost during January. Serious losses were prevented, however, by prompt use of orchard heating devices following the receipt, by growers, of warnings of the approaching cold weather, as issued by the United States Weather Bureau.

Estimates published by the United States Department of Agriculture indicate that the sugar beet crop of this district was larger in

volume in 1925 than in 1924, although a smaller acreage was harvested in the later year. Large yields in Idaho and Utah more than offset a decrease in production in California, the district's remaining important sugar beet growing state.

	Twelfth District			United States		
	1925	1924	1923	1925	1924	1923
Acreage Planted.	209	253	201	776	925	732
Acreage Harvested	187	204	187	667	817	657
Production	1,932	1,575	2,034	6,932	7,075	6,565
Sugar Content	17.14%	17.40%	16.59%	15.12%	17.19%	15.34%

*000 omitted.

The number of sheep and of milk cows on farms and ranges in the Twelfth District increased during the year ending January 1, 1926, while the number of other cattle (chiefly beef cattle) and swine declined during the same period, according to estimates published by the United States Department of Agriculture. The figures are given in the accompanying table together with comparable figures for the United States as a whole.

LIVESTOCK ON FARMS AND RANGES*

	Twelfth District			United States		
	1926	1925	1924	1926	1925	1924
Milk Cows	1,401	1,397	1,535	22,290	22,523	24,786
Other Cattle ..	4,314	4,532	4,652	37,539	39,627	41,720
Sheep	12,582	11,984	12,130	40,748	39,390	38,300
Swine	1,198	1,390	1,859	51,223	55,769	66,130

*000 omitted.

Livestock of the district generally are reported to be in good condition. In the early lambing sections, particularly California, lambing is proceeding satisfactorily.

Industrial Activity

Seasonal declines in general industrial activity and in volume of employment were reported in the Twelfth Federal Reserve District during January. Available statistical and non-statistical evidence indicated that both industrial activity and volume of employment were at approximately the levels of a year ago.

Value of building permits issued in 20 principal cities of the district declined 21.3 per cent during January, 1926, as compared with De-

(A) Agricultural Marketing Activity—

Monthly	Exports		Carlot Shipments			Livestock Receipts at Eight Markets in 12th District			Cold Storage Holdings ² 12th District	
	Wheat* Portland and Puget Sound (1000 bu.)	Barley* San Francisco (1000 bu.)	Apples* 12th Dist. (cars)	Oranges† Calif. (cars)	Lemons† Calif. (cars)	Cattle and Calves	Hogs	Sheep	Butter (1000 lbs.)	Eggs (1000 cases)
January, 1926.....	2,219	529	2,823	3,380	644	121,342	225,562	155,741	1,743	11
December, 1925.....	1,103 ³	673 ³	4,206	4,310	672	119,935	234,920	172,372	2,164	78
January—5-year average (1919-1923)	1,995	583	3,779 ⁴	3,273	650	105,125	237,016	188,609	930	4
Cumulative	Crop Year		Calendar Year							
To January 31, 1926.....	10,115 (10.1)	9,993 (21.8)	41,529 (76.3)	11,099 (21.8)	1,755 (11.7)	121,342	225,562	155,741		
To January 31, 1925.....	16,076 (24.0)	6,775 (29.7)	34,020 (79.1)	10,769 (22.4)	1,965 (17.1)	126,301	316,990	171,656 [°]		
Five-year average to January 31..... (1919-1923)	17,823 (15.4)	8,937 (22.2)	39,926 [†] (78.8)	9,359 (19.8)	1,478 (13.1)	105,125	237,016	188,609		

Figures in parentheses indicate percentage of new crop only. *Season begins July 1st. †Season begins November 1st. ‡Four-year average (1923-1926). §At end of month. ||1921-1925. ¶1922-1926. °Revised. November, 1925, wheat exports published in the January, 1926, Review should have read 1,057 instead of 1,179.

ember, 1925, and was 7.3 per cent less than in January, 1925. The usual seasonal decrease from December to January is estimated at 22.8 per cent. Large gains in value of permits issued in San Francisco and Seattle during January, 1926, as compared with January, 1925, were more than offset by decreases in Fresno, Los Angeles, and Portland. The January figure reported by Los Angeles was the lowest monthly figure reported for that city in four years. If figures of Los Angeles be eliminated from the total of the 20 cities, gains of 9.5 per cent and 9.4 per cent are shown for January, 1926, as compared with December, 1925, and January, 1925, respectively.

The United States Bureau of Labor Statistics' index number of building materials prices stood at 178 during January, 1926, compared with 177 in December, 1925, and 179 in January, 1925. The Aberthaw index of the total cost of labor and building materials employed in the construction of a reinforced concrete factory building remained at 195 in January, 1926, compared with 197 in January, 1925.

During January, 1926, lumber production at reporting mills of four associations in this district was less than during December, 1925, and January, 1925, by 14.8 per cent and 11.3 per cent, respectively, and was smaller in volume than in any month since February, 1923. Volume of new orders received during the month was 2.8 per cent less than volume of orders booked during December, 1925, but was 10.8 per cent greater than in January, 1925. Orders received during January, 1926, exceeded shipments, which in turn exceeded production, so that stocks of lumber held by mills decreased and unfilled orders increased.

LUMBER ACTIVITY*

	Jan., 1926 (board feet)	Dec., 1925 (board feet)	Jan., 1925 (board feet)	Dec., 1924 (board feet)
Production	491,625	576,995	554,303†	492,629†
Shipments	604,924	643,419	623,259†	572,645†
Orders	635,691	654,124	573,619†	634,115†
Unfilled Orders	476,856	404,969	462,630†	467,784†
No. of Mills Reporting..	179	175	183†	183†

*As reported by four associations, 000 omitted except in case of number of mills reporting. †Revised.
Source: National Lumber Manufacturers Association.

(B) Building Permits—

	January, 1926		January, 1925	
	No.	Value	No.	Value
Berkeley	299	\$ 943,339	284	\$ 810,251
Boise	28	22,458	29	14,381
Fresno	85	75,176	103	758,008
Long Beach	430	814,450	406	1,240,010
Los Angeles	3,236	6,973,252	3,908	11,171,162
Oakland	914	2,895,253	1,214	2,850,970
Ogden	9	15,800	11	51,600
Pasadena	241	1,295,207	257	878,465
Phoenix	111	397,980	115	341,158
Portland	944	1,985,660	1,090	2,942,410
Reno	21	43,700	21	97,740
Sacramento	195	457,312	238	592,479
Salt Lake City	48	137,346	42	128,200
San Diego	626	1,252,953	752	1,868,228
San Francisco	786	5,153,504	875	3,403,623
San Jose	134	391,445	116	219,325
Seattle	834	5,003,660	859	2,715,790
Spokane	92	163,381	84	99,065
Stockton	82	156,190	101	273,690
Tacoma	192	987,675	292	1,007,650
District	9,307	\$29,165,741	10,797	\$31,464,205

During January, 1926, average daily production of petroleum in California decreased slightly as compared with December, 1925, but was 1.7 per cent higher than in January, 1925. Indicated consumption increased during January, 1926, but was less than production, and stored stocks reached a new high point of 127,374,984 barrels on January 31st.

PETROLEUM—California

	Average Daily Production (barrels)	Indicated Average Daily Consumption (Shipments) (barrels)	Stored Stocks at End of Month (barrels)	— New Wells — Number Opened	Daily Production (barrels)
Jan., 1926...	615,147	609,338	127,374,984	73	33,548
Dec., 1925...	620,958	589,085	127,194,894	55	22,761
Jan., 1925...	604,622	530,688	100,121,136	62	21,286
Sept., 1923*..	858,700	†	†	93	139,960

*Peak of production. †Comparable figures not available.
Source: American Petroleum Institute.

Figures of national production of non-ferrous metals follow:

NON-FERROUS METALS—National Production

	Jan., 1926	Dec., 1925	Jan., 1925
Copper (lbs.) (mine production)	142,628,000	138,356,000	144,544,000
Silver (oz.) (commercial bars)	5,401,000	4,937,000	5,374,000
Zinc (tons) (slab).....	56,389	53,794	50,386

Seasonal decline in flour milling activity continued during January, 1926. Output of 16 representative milling companies of the district, which report regularly to this bank, was approximately 18 per cent smaller in volume than during either December or January, 1925. As compared with the five-year (1921-1925) average for the month, production during January, 1926, showed a decline of 28.1 per cent. Millers' stocks of flour increased during January, but on February 1st were 13.6 per cent smaller than the five-year average of stocks held on that date. Reported holdings of wheat

(C) Employment—

Industries	No. of Firms	California No. of Employees		Oregon No. of Employees	
		Jan., 1926	Dec., 1925	Jan., 1926	Dec., 1925
All Industries	697	144,511 (-3.2)	149,279	105	17,392 (-6.3)
Stone, Clay and Glass Products..	43	7,237 (-2.0)	7,387	5	209 (-9.5)
Lumber and Wood Manufactures ..	118	25,041 (-8.4)	27,328	47	14,212 (-3.6)
Textiles	13	2,381 (-2.1)	2,432	4	870 (-7.2)
Clothing, Millinery and Laundering..	60	7,624 (-1.5)	7,740	8	535 (-3.4)
Food, Beverages and Tobacco...	152	22,847 (-7.4)	24,674	32	1,146 (-29.4)
Water, Light and Power	5	8,947 (-3.2)	9,247
Other Industries*.	294	68,372 (-0.2)	68,542
Miscellaneous	12	2,062 (6.9)	1,929	9	420 (-10.8)

*Includes the following industries: metals, machinery and conveyances; leather and rubber goods; chemicals, oils and paints; printing and paper goods.

Figures in parentheses represent percentage changes from December.

at the mills decreased 21.2 per cent during January, but on February 1, 1926, they were larger than the five-year average holdings on February 1st.

	FLOUR MILLING*			Five-Year Average Jan.
	Jan., 1926	Dec., 1925	Jan., 1925	1921-1925
Output (bbls.)....	396,709	483,092	489,357	551,718
Stocks†				
Flour (bbls.)....	446,027	412,192	556,007	516,283
Wheat (bu.)....	3,169,868	4,022,593	2,731,217	2,889,217

*As reported by 16 companies.

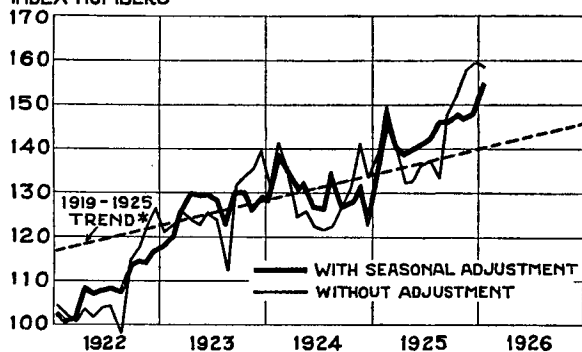
†As of the first day of the following month.

General Business and Trade

General business activity in this district continued at relatively high levels during January. The volume of trade decreased seasonally during the month, but was larger than in January, 1925.

Debits to individual accounts (bank debits) at banks in 20 principal clearing house centers declined slightly during January, 1926, but the decrease was less than the usual seasonal decrease for that month. This bank's index of bank debits, adjusted for seasonal variations, advanced from 148 in December to 155 in January, 1926 (1919 average=100). In January, 1925, it stood at 135.

INDEX NUMBERS



BANK DEBITS—TWELFTH DISTRICT
Index for 20 principal cities, Phoenix, Arizona, not included, (1919 monthly average=100). Latest figures, January, with adjustment, 155; without adjustment, 158.

*Fitted to monthly averages for years 1919-1925, inclusive, by method of least squares.

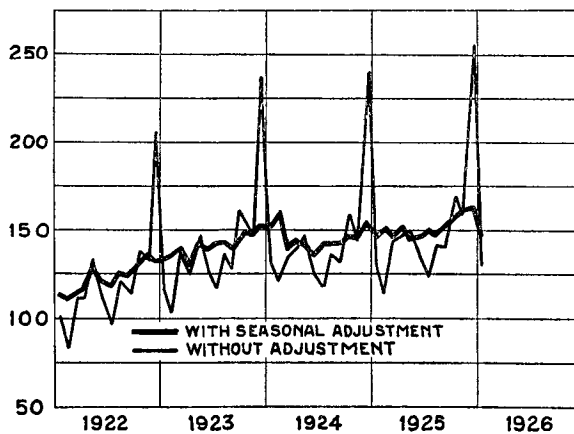
(D) Bank Debits*—

	January, 1926	January, 1925
Berkeley	\$ 21,714	\$ 20,759
Boise	15,534	13,906
Fresno	39,469	31,322
Long Beach	55,779	54,332
Los Angeles	884,893	818,585
Oakland	167,449	146,962
Ogden	32,921	28,268
Pasadena	41,205	38,377
Phoenix	27,590	27,663
Portland	167,646	153,573
Reno	9,379	8,055
Sacramento	35,320	44,889
Salt Lake City	79,848	74,568
San Diego	65,892	52,904
San Francisco	1,053,360	919,228
San Jose	28,115	27,890
Seattle	206,479	196,406
Spokane	56,466	53,996
Stockton	30,753	27,921
Tacoma	46,881	44,713
Yakima	13,049	12,694
District	\$3,079,742	\$2,797,011

*000 omitted.

Trade at retail, as reported by 32 department stores in seven principal cities of the district, was 49 per cent smaller in value during January, 1926, than during December, 1925. This decrease compares with a usual seasonal decline of approximately 44 per cent from December to January. This bank's index of department store sales, adjusted for seasonal variations, stood at 148 in January, 1926, 164 in December, 1925, and 147 in January, 1925. Stocks of goods held by reporting stores increased 1.3 per cent in value during January, and on January 31, 1926, were 4.6 per cent greater in value than on January 31, 1925. The indicated stock turnover, 2.8 times per year in January, 1926, compares with an indicated turnover of 5.2 and 2.9 times per year in December, 1925, and January, 1925, respectively.

INDEX NUMBERS



DEPARTMENT STORE SALES—TWELFTH DISTRICT
Index of 32 Stores in 7 cities (1919 monthly average=100). Latest figures, January, with adjustment, 148; without adjustment, 130.

DEPARTMENT STORE SALES—Index Numbers
(1919 Monthly Average=100)

		Los Angeles	Oakland	San Francisco	Salt Lake City	Seattle	Spokane	District
Without Seasonal Adjustment								
Jan., 1919..	71	77	77	76	75	65	74	
Jan., 1920..	126	113	118	92	93	89	111	
Jan., 1921..	142	108	109	97	72	82	109	
Jan., 1922..	138	87	102	77	64	70	100	
Jan., 1923..	164	109	115	87	75	75	117	
Jan., 1924..	213	115	119	86	76	74	133	
Jan., 1925..	203	119	115	91	78	69	129	
Sept., 1925..	193	133	130	113	107	100	141	
Oct., 1925..	238	178	148	139	116	131	170	
Nov., 1925..	230	145	153	122	102	98	159	
Dec., 1925..	361	268	235	191	177	157	255	
Jan., 1926..	210	124	113	86	75	70	130	
With Seasonal Adjustment								
Jan., 1919..	75	90	87	92	100	91	85	
Jan., 1920..	133	132	133	112	124	123	127	
Jan., 1921..	149	127	124	117	96	114	124	
Jan., 1922..	146	102	115	93	85	97	114	
Jan., 1923..	173	128	130	105	100	105	133	
Jan., 1924..	224	135	135	104	102	104	151	
Jan., 1925..	214	139	130	111	105	96	147	
Sept., 1925..	223	140	140	114	98	97	153	
Oct., 1925..	232	164	137	117	105	98	158	
Nov., 1925..	231	143	148	115	104	93	161	
Dec., 1925..	239	160	146	123	112	104	164	
Jan., 1926..	221	145	128	104	99	97	148	

Value of sales of 167 wholesale firms in eleven lines of business decreased seasonally during January, 1926, but was 1 per cent greater

than in January, 1925, increased sales of six of the eleven reporting lines offsetting decreases in the remaining five lines. The wholesale price level was 2.5 per cent lower during January, 1926, than in January, 1925.

WHOLESALE TRADE

	No. of Firms	Percentage increase or decrease (—)			
		in Value of Sales			
		Jan., 1926 compared with Jan., 1925	Jan., 1926 compared with Dec., 1925	Dec., 1925 compared with Dec., 1924	
Agricultural Implements.	*	*	*	
Automobile Supplies	12	— 3.8	—11.9	5.8	
Automobile Tires†	19	—14.0	—25.3	—18.7	
Drugs	6	7.4	9.3	6.0	
Dry Goods	15	— 4.7	11.8	— 4.6	
Electrical Supplies	9	— 3.2	—32.6	17.5	
Furniture	16	7.1	—16.3	22.2	
Groceries	21	— 5.9	1.6	— 5.2	
Hardware	18	9.1	3.7	7.7	
Shoes	11	8.2	4.6	12.7	
Stationery	24	— 0.5	—19.1	9.6	

*Temporarily not available. †These figures are probably influenced by the discontinuance by certain of the larger companies of "spring dating" sales, or the practice of advancing credit on sales made in autumn months until March, April, and May of the following year.

On January 31, 1926, savings deposits at 69 banks in seven principal cities of the district were 0.7 per cent smaller in amount than on December 31, 1925, but 8.5 per cent larger than on January 31, 1925.

SAVINGS DEPOSITS

	Number of Banks	Jan. 31, 1926*		Jan. 31, 1925*		Jan. 31, 1926† compared with Jan. 31, 1925	
		\$	\$	\$	\$	%	%
Los Angeles	13	\$393,515	\$394,181	\$351,429	\$12.0	—0.2	
Oakland‡	7	99,651	100,796	94,633	5.3	—1.1	
Portland§	7	54,630	54,681	53,132	2.8	—0.1	
Salt Lake City	8	31,177	29,935	29,493	5.7	4.1	
San Francisco	14	469,585	476,445	436,366	7.6	—1.4	
Seattle	14	78,616	78,971	71,944	9.3	—0.4	
Spokane	6	19,539	19,999	19,685	— 0.7	—2.3	
Total 	69	\$1,146,713	\$1,155,008	\$1,056,682	8.5	—0.7	

*000 omitted. †Percentage increase or decrease (—). ‡Includes one bank in Berkeley which was formerly a branch of an Oakland bank. §Revised. ||Not comparable with figures published in previous Reviews.

Prices

That stability in the general price level which characterized the year 1925, continued during January and early February of 1926. The index of prices of 404 commodities at whole-

sale, prepared by the United States Bureau of Labor Statistics, stood at 156.0 for January, 1926, compared with 156.3 for December, 1925, 160.4 for August, 1925, the recent high point, and 160.0 for January, 1925. All of the groups comprising the index, except fuels, building materials, and miscellaneous commodities showed price declines during January, 1926. During November and December, 1925, and January, 1926, prices of agricultural and of non-agricultural commodities moved together and the purchasing power of farm crops remained unchanged at 87 (August, 1909-July, 1914, monthly average=100). This was in contrast to the movement of these two series during September and October of 1925 when prices of agricultural commodities declined and prices of non-agricultural commodities were unchanged, the result being a decrease in purchasing power of farm products from 93 in August, 1925, the highest point reached since June, 1920, to 87 in November, 1925.

Decline in prices of agricultural commodities, excepting the grains, was general during January, but early in February grain prices participated in the downward movement. The weekly average price for May contract wheat at Chicago ranged from \$1.73 $\frac{3}{8}$ to \$1.76 on February 5, 1926, compared with a range of from \$1.76 to \$1.79 $\frac{1}{2}$ on January 5, 1926. On February 16, 1926, May contract wheat was quoted at \$1.66 $\frac{3}{8}$ -\$1.68 $\frac{1}{8}$ which compares with quotations of \$1.83-\$1.87 $\frac{1}{2}$ on February 16, 1925.

Prices of cattle and lambs at Chicago continued to decline and prices of hogs continued to advance during the month. The weekly average price of hogs at Chicago advanced to \$12.80 per 100 pounds during the week ending February 6, 1926, an increase of \$1.40 over the average (\$11.40) reached during the week ending January 6, 1926. Prices of sheep advanced slightly during January.

(E) Commodity Prices—

Commodity	Unit	February 5, 1926	One Month Ago	One Year Ago
Wholesale Prices (U. S. Bureau of Labor) 1913=100.		156.0	156.3	160.0
Purchasing Power of Farm Products (U. S. Department of Agriculture)*		87	87	88
Cattle (Native Beef). Weekly average price at Chicago.	100 lbs.	\$9.65	\$9.40	\$9.25
Hogs	100 lbs.	12.80	11.40	10.60
Lambs	100 lbs.	14.50	16.00	18.20
Wheat	bu.	1.73 $\frac{5}{8}$ —1.76	1.76—1.79 $\frac{1}{2}$	1.85—1.94 $\frac{3}{4}$
Cotton	lb.	20.02—20.34¢	19.82—20.00¢	23.75—24.55¢
Wool	lb.	77.87¢	77.57¢	102.04¢
Sugar	lb.	5.35¢†	5.10¢	6.05¢
Apples	box	1.75	1.75—2.00	2.75
Prunes	lb.	.09—0.09 $\frac{1}{2}$.09—0.09 $\frac{1}{2}$.10—0.10 $\frac{1}{2}$
Raisins	lb.	.07 $\frac{3}{4}$.07 $\frac{3}{4}$.07 $\frac{7}{8}$
Copper	lb.	13.822¢	13.866¢	14.709¢
Lead	lb.	9.255¢	9.310¢	10.169¢
Silver	oz.	67.795¢	68.889¢	68.447¢
Zinc	lb.	8.304¢	8.565¢	7.738¢
Lumber (Softwood). Weekly Index United States‡.		31.32	30.26	31.68

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

†February 17, 1926. ‡As published by "The Lumber Manufacturer and Dealer."

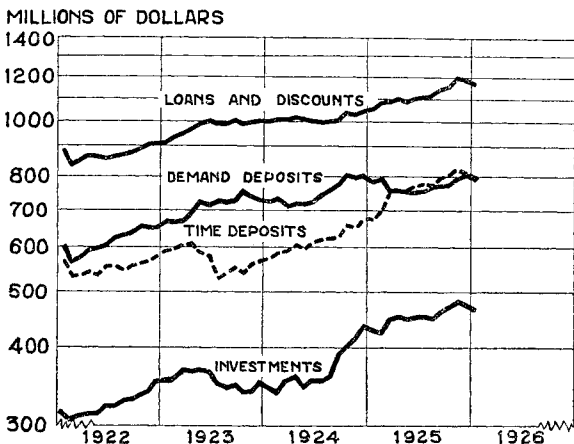
Cotton prices fluctuated little during January, but the range of prices for spot middling uplands cotton at New Orleans from January 29th, to February 4th (20.02¢-20.34¢), showed a slight advance over the range of 19.82¢-20.00¢ during the week ending December 31, 1925. A year ago during the week ending February 5, 1925, quotations ranged from 23.75¢ to 24.55¢. An average of 98 wool quotations on the Boston market stood at 77.87¢ on February 5th, a slight advance over the average (77.57¢) reported on January 5, 1926, but a decline of 24.17¢ from the average price of 102.04¢ reached on February 5, 1925.

The price of refined beet sugar at San Francisco advanced slightly during January and at \$5.55 per hundred pounds on February 1st was \$0.45 higher than on January 1st. On February 1, 1925, the price stood at \$6.05. On February 17, 1926, refined beet sugar was quoted at \$5.35 per hundred pounds, a decline of \$0.20 from the figure quoted on February 1, 1926.

Monthly average prices for copper, lead and zinc were 0.3 per cent, 0.6 per cent, and 3.0 per cent lower, respectively, during January, 1926, than during December, 1925. Average prices for copper and lead were 6.0 per cent and 9.0 per cent lower, respectively, and the average price for zinc was 7.3 per cent higher in January, 1926, than in January, 1925.

Banking and Credit Situation

Changes in the banking and credit situation in the Twelfth Federal Reserve District during January and early February have been largely seasonal in character. Current bank statements revealed a sound credit position and general activity in business.



MEMBER BANK CREDIT—TWELFTH DISTRICT
 Figures for 67 member banks in leading cities, as of last Wednesday of each month. Latest figures, January 27.

Total loans of reporting city member banks declined during January, and increased during

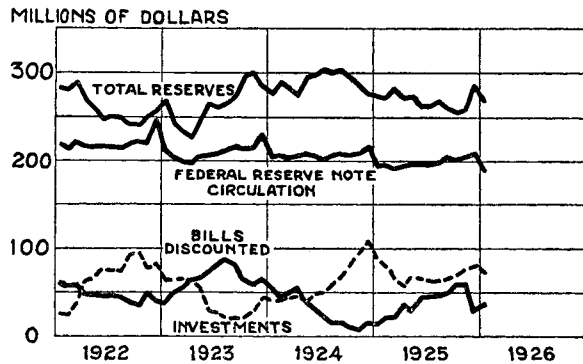
the early part of February, normal seasonal movements. On February 10, 1926, these loans amounted to \$1,181,000,000, and were \$109,000,000 or 10.2 per cent larger than a year ago. Investment holdings of reporting banks increased, and their borrowings from the Reserve Bank decreased during the month, evidence of an abundance of available funds.

REPORTING MEMBER BANKS*—Twelfth District
 (In millions of dollars, percentage changes in parentheses.)

	Condition Feb. 10, 1926	Changes from	
		One Month Ago	One Year Ago
Total Loans	1,181	- 6 (0.5)	+109 (10.2)
Commercial Loans	909	- 7 (0.7)	+ 62 (7.3)
Loans on Securities	272	+ 1 (0.4)	+ 47 (21.0)
Investments	467	+10 (2.1)	+ 26 (5.8)
Total Loans and Investments	1,648	+ 4 (0.2)	+135 (8.9)
Net Demand Deposits	804	- 3 (0.4)	- 1 (0.1)
Borrowings from Federal Reserve Bank	14	-10 (41.6)	+ 4 (40.6)

*Total resources of reporting banks are approximately 50 per cent of total resources of all banks, and 75 per cent of total resources of all member banks in Twelfth Federal Reserve District. Reporting banks embrace member banks in Los Angeles, Oakland, Ogden, Portland, Salt Lake City, San Francisco, Seattle, Spokane, and Tacoma.

There was a seasonal decrease in demand for credit at the Federal Reserve Bank of San Francisco during the five weeks ending February 17, 1926, and holdings of all classes of bills



RESERVE BANK CREDIT—TWELFTH DISTRICT
 Figures for Federal Reserve Bank of San Francisco, as of last Wednesday of each month. Latest figures, January 27.

and securities declined. Currency demands also decreased seasonally during the period, and volume of Federal reserve notes in circulation was less by \$8,000,000 on February 17th than on January 13th. As a result of the above movements the bank's holdings of reserve cash increased from \$282,000,000 to nearly \$294,000,000 and the reserve ratio rose from 75.6 to 79.5.

FEDERAL RESERVE BANK OF SAN FRANCISCO
 (In millions of dollars, percentage changes in parentheses.)

	Condition Feb. 17, 1926	Changes from	
		One Month Ago	One Year Ago
Total Bills and Securities	91	-14 (13.8)	-11 (10.5)
Bills Discounted	23	- 3 (10.6)	+ 5 (27.1)
United States Securities	45	- 5 (9.6)	+ 6 (16.0)
Bills Bought	22	- 7 (23.4)	-21 (48.6)
Total Reserves	294	+11 (4.0)	+22 (8.0)
Total Deposits	181	+ 4 (2.0)	+15 (9.0)
Federal Reserve Note Circulation	189	- 8 (4.0)	- 6 (2.9)

