

MONTHLY REVIEW

OF BUSINESS CONDITIONS

ISAAC B. NEWTON, Chairman of the Board and Federal Reserve Agent
Federal Reserve Bank of San Francisco

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No. 3

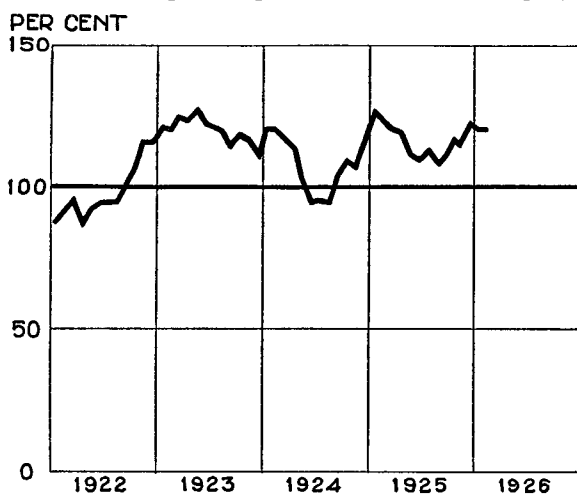
SUMMARY OF NATIONAL CONDITIONS

Production and trade continued in February at the high level of the preceding month, while the general average of prices declined and was lower in February than at any time since the latter part of 1924.

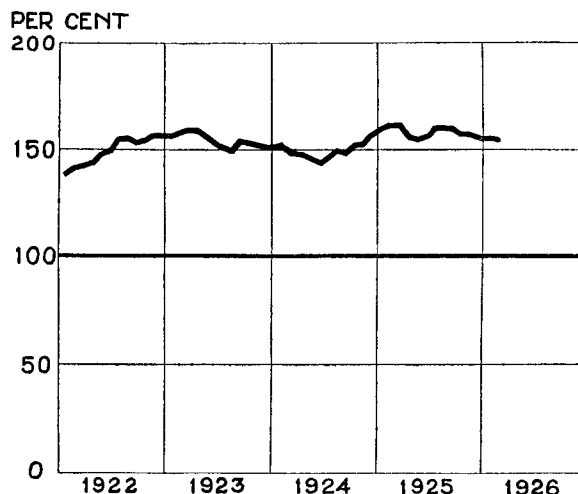
Production. The Federal Reserve Board's index of production in basic industries, which is adjusted for seasonal variations, indicated a continuation of productive activity during February in about the same volume as in the preceding two months. Mill consumption of cotton and the output of flour, anthracite coal, copper, and newsprint showed increases in February, when allowance is made for usual seasonal changes, and the output of iron and steel and lumber remained practically unchanged. Activity in the woolen industry and the production of cement declined. Automobile production was in considerably greater volume in February than in January, and was larger than a year ago, although smaller than in the corresponding month of 1924. Employ-

ment and earnings of factory workers increased after the seasonal recession of January and were at practically the same levels in February as during the latter part of 1925. The volume of building contracts awarded declined both in January and in February, but remained larger than in the corresponding months of last year. Reports by farmers to the Department of Agriculture of intentions to plant in 1926 indicate that the acreage of spring wheat and tobacco will be slightly smaller, the acreage of corn will be about the same, and that of oats, barley, hay, and potatoes larger than in 1925.

Trade. Wholesale trade in February was in about the same volume as a year ago. A smaller volume of sales was reported for groceries, dry goods, and hardware, while sales of meats, shoes, and drugs were larger. Inventories of wholesale firms dealing in groceries, dry goods, shoes, and hardware were smaller at the end of February than a year ago. Trade at department stores and at mail-order houses



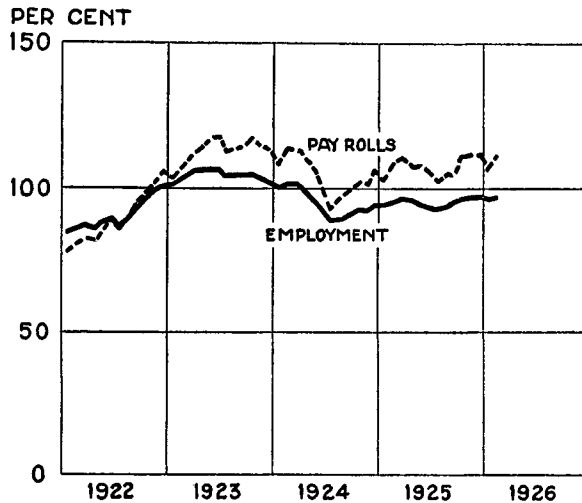
PRODUCTION IN BASIC INDUSTRIES
Index of 22 basic commodities corrected for seasonal variation (1919=100). Latest figure, February, 120.



WHOLESALE PRICES
Index of U. S. Bureau of Labor Statistics (1913=100, base adopted by Bureau). Latest figure, February, 155.

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was larger than in February of last year, and department store stocks were about 5 per cent greater on March 1st than on the corresponding date of 1925. Freight car loadings continued at about the same daily rate in February as in the preceding two months. Shipments of merchandise in less-than-carload-lots and of miscellaneous commodities were particularly large.

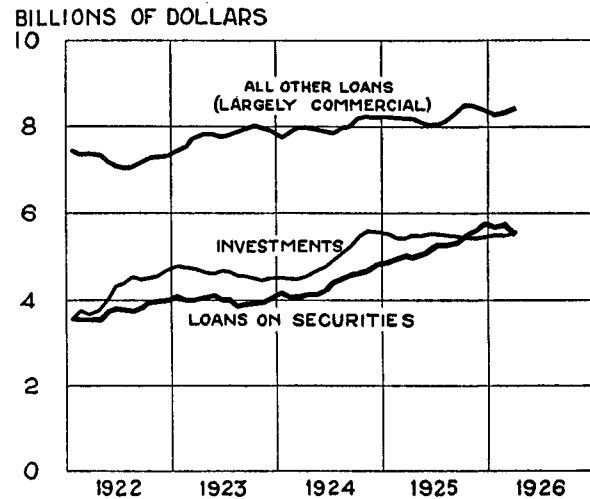


FACTORY EMPLOYMENT AND PAYROLLS

Federal Reserve Board's indexes of factory employment and payrolls (1919=100). Latest figures, February, employment, 97.0; payrolls, 111.5.

Prices. The general level of wholesale prices, as measured by the Bureau of Labor Statistics' index, after remaining unchanged for two months, declined in February to a point slightly below the low figure of 1925, reported for last May. The greater part of the decline since last autumn has been in prices of agricultural commodities. In February, prices of all major groups of commodities, except fuels, declined, and particularly large reductions occurred in the prices of grains, cotton, wool, silk, and rubber. Price advances in February were shown for petroleum, coke, and paper. During the first three weeks of March, prices of grains, cotton, wool, and silk continued to decline, and recessions were also reported in the prices of sugar and hardwood lumber.

Bank Credit. At member banks in leading cities, demand for loans, chiefly for commercial purposes, showed an increase, partly seasonal in character, between the middle of February and the middle of March, and on March 17th the total volume of these loans was close to the high point reached last autumn. A further decline of loans on securities which ac-



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 March.

companied the sharp recession in securities prices in March, carried the total to a point nearly \$430,000,000 below that reached at the end of the year. Following a growth during February in the volume of reserve bank credit outstanding, there was a sharp decline early in March to about the same level as a year ago. Factors contributing to the decline have been continued imports of gold and some reduction in member bank reserve requirements, as well as the temporary abundance of funds resulting from the excess of Treasury disbursements over receipts around March 15th.

Open market rates on prime commercial paper after a slight decline in February, advanced in March to $4\frac{1}{4}$ - $4\frac{1}{2}$ per cent, the level which had prevailed since last October.

TWELFTH FEDERAL RESERVE DISTRICT CONDITIONS

Statistical Summary—

	Feb., 1926	Jan., 1926	Feb., 1925	Jan., 1925	Feb., 1926# compared with Feb., 1925	Jan., 1926
Bank Debits—Index Numbers†—20 cities.....	158	154°	138°	135°	14.5	2.6
Building Permits—20 cities	\$26,736,564	\$29,165,741	\$32,649,155	\$31,464,205	—18.1	— 8.3
Retail Sales—32 stores—Index Numbers†.....	156	148	150	147	4.0	5.4
Savings Deposits—69 banks*§.....	\$1,194,572	\$1,150,383°	\$1,101,976°	\$1,059,099°	8.4	3.8
Lumber Production—4 associations—board feet*	557,605	491,625	524,379	554,303°	6.3	13.4
Flour Production—16 companies—barrels	325,161	396,709	414,985	489,357	—21.6	—18.0
Reporting Member Bank Loans and Discounts||*	\$1,188,573	\$1,180,645	\$1,093,957	\$1,071,730	8.6	0.7
Reporting Member Bank Deposits||*.....	\$1,604,612	\$1,634,715	\$1,525,973	\$1,514,817	5.2	— 1.8
Federal Reserve Bank Discounts||*.....	\$49,814	\$22,555	\$23,689	\$17,747	110.3	120.9

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

Agricultural Situation

Seasonal rainfall in most sections of the district and unusually mild temperatures during February and the first weeks of March favored early spring agricultural operations, and stimulated growth of fall sown grain crops and of livestock forage. Although seasonal rainfall has generally been nearly normal in amount, many important agricultural areas of the district, particularly in California and Washington, need additional moisture to insure satisfactory growth of crops during the forthcoming growing season.

The **livestock** industry has been particularly benefited by the comparatively mild weather of recent months in that general use of open ranges, with consequent saving of hay and other feeds, has been possible during much of the past winter. Livestock generally have been maintained in satisfactory condition.

CONDITION OF RANGES AND LIVESTOCK
(Percent of Estimated Normal)

	Ranges			Cattle			Sheep		
	Mar. 1, 1926	Feb. 1, 1925	Feb. 1, 1926	Mar. 1, 1926	Feb. 1, 1925	Feb. 1, 1926	Mar. 1, 1926	Feb. 1, 1925	Feb. 1, 1926
Arizona	85	57	84	88	69	88	95	87	95
California ...	90	92	83	92	89	90	93	91	91
Idaho	96	87	97	98	91	99	98	98	98
Oregon	98	82	95	98	85	99	99	92	99
Nevada	100	67	100	105	69	104	103	80	102
Utah	96	69	97	104	71	103	103	83	101
Washington ..	93	71	87	92	77	92	96	87	96

Source: United States Department of Agriculture.

Spring lambing has been practically completed in principal sheep-raising sections of the district. Increase in flocks and growth of young lambs are reported to have been generally satisfactory. Market demand for choice lambs is active, and shipments from California to eastern markets have begun.

Marketing of the district's chief crops has, for the most part, proceeded in an orderly manner during the present crop year. The proportion of total grain crops remaining on farms in this district on March 1, 1926, was greater than on March 1, 1925, a result partially of a smaller export movement of wheat from the Pacific

Northwest and partially of the greater production of wheat in 1925 than in 1924. Figures follow:

STOCKS ON FARMS—WHEAT AND BARLEY

	March 1, 1926			Per Cent of Crop Shipped Out or To Be Shipped Out of County		
	1926 (bu.)*	1925 (bu.)*	Five-Year Average† (bu.)*	1926	1925	Five-Year Average†
Wheat						
California	802 (7.0)	226 (4.0)	948 (8.3)	69	59	62
Idaho	3,906 (15.0)	1,927 (12.0)	4,290 (17.4)	68	62	63
Oregon	2,079 (11.0)	1,322 (9.0)	2,328 (11.1)	60	60	65
Washington ..	3,316 (9.0)	1,847 (7.0)	4,560 (10.6)	65	70	73
Four States ..	10,103 (10.8)	5,322 (8.5)	12,126 (12.1)	..	..	..
United States..	99,279 (14.8)	112,042 (13.0)	151,428 (18.9)	68.6	73.0	64.9
Barley						
California	3,546 (11.0)	1,189 (8.0)	2,876 (10.0)	64	64	68
Idaho	1,364 (25.0)	476 (13.0)	680 (18.1)	33	42	31
Oregon	634 (20.0)	157 (11.0)	441 (18.3)	28	23	19
Washington ..	402 (13.0)	158 (10.0)	588 (22.1)	28	25	27
Four States ..	5,946 (13.5)	1,980 (9.2)	4,585 (12.2)	..	..	..
United States..	53,466 (24.5)	40,064 (22.5)	46,997 (25.2)	35.5	37.0	36.1

Figures in parentheses indicate percentage of crop of preceding year remaining on farms on March 1st. *000 omitted. †1921-1925.

Unsold holdings of **wool** in this district are reported to be considerably larger than at this time in 1925. During the early part of the present marketing season some growers held their clips for higher prices, but as the season progressed the market became less active, and during the past three months the trend of prices has been downward.

Industrial Activity

Industrial activity and volume of **employment** in this district continued at relatively high seasonal levels during February, although some evidence of a slackening in building activity was contained in the month's record of building permits issued. Available statistical and non-statistical data indicated that activity in general was at slightly higher levels than in February, 1925.

(A) Agricultural Marketing Activity—

	Exports		Carlot Shipments—			Livestock Receipts at Eight Markets in 12th District			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)	Cattle and Calves	Hogs	Sheep	Butter (1000 lbs.)	Eggs (1000 cases)
Monthly										
February, 1926.....	1,272	168	3,059	3,481	558	95,348	175,059	149,749	840	12
January, 1926.....	2,219	529	2,823	3,380	664	121,342	225,562	155,741	1,743	11
February—5-year average (1919-1923)	1,214	443	3,197‡	3,431	723	82,794||	192,538||	172,751||	450||	5||
Cumulative										
To February 28, 1926.....	11,387 (11.3)	10,161 (22.2)	44,589 (81.9)	14,580 (28.6)	2,313 (15.4)	216,690	400,621	305,490		
To February 28, 1925.....	16,172 (24.1)	6,869 (30.2)	35,381 (82.3)	13,454 (28.0)	2,547 (22.1)	226,417	567,850	325,755		
Five-year average to February 28.... (1919-1923)	19,037 (16.5)	9,380 (23.3)	43,122‡ (85.1)	12,790 (27.0)	2,201 (19.4)	187,918||	429,554||	361,360||		

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.

Value of building permits issued in 20 principal cities of the district declined 8.3 per cent during February, 1926, as compared with January, 1926, and was 18.1 per cent less than in February, 1925. The usual seasonal change from January to February is estimated to be an increase of approximately 17 per cent. District percentage changes appear below, and detailed figures by cities are presented in Table "C."

BUILDING PERMITS IN 20 CITIES

	Per Cent Increase or Decrease (—) Months in 1926 compared with same Months in				Month in 1926 compared with preceding Month	
	1925		1926		No.	Value
	Monthly No.	Year-to-date Value	Monthly No.	Year-to-date Value		
February..	-11.2%	-18.1%	-12.6%	-12.8%	-4.4%	- 8.3%
January...	-13.8%	- 7.3%			3.5%	-21.3%

Lumber production, as reported by four associations whose members operate in this district, was larger during February than during January, 1926, and February, 1925, by 13.4 per cent and 6.3 per cent, respectively. The cut was 9.2 per cent less, however, than the amount of new orders received during the month. Volume of such orders was slightly smaller than in January, 1926, but was 14.6 per cent larger than in February, 1925. Orders received during February exceeded shipments, which in turn exceeded production, so that stocks of lumber held by mills decreased, and unfilled orders increased.

LUMBER ACTIVITY*

	Feb., 1926 (board feet)	Jan., 1926 (board feet)	Feb., 1925 (board feet)	Jan., 1925 (board feet)
Production	557,605	491,625	524,379	554,303†
Shipments	598,385	604,924	556,735	623,259†
Orders	614,234	635,691	535,760	573,619†
Unfilled Orders	502,278	476,856	432,498	462,630
No. of Mills Reporting..	177	179	180	183†

*As reported by four associations, 000 omitted except in case of number of mills reporting. †Revised.

(B) Employment—

Industries	California No. of Employees		Oregon No. of Employees			
	No. of Firms	Feb., 1926	Jan., 1926	No. of Firms	Feb., 1926	Jan., 1926
All Industries	696	126,525	127,087	100	17,174	16,536
Stone, Clay and Glass Products.	44	7,032 (-3.9)	7,321	5	224 (7.2)	209
Lumber and Wood Manufactures ..	110	23,070 (0.0)	23,070	45	13,950 (3.5)	13,479
Textiles	17	2,580 (0.4)	2,570	5	1,078 (23.9)	870
Clothing, Millinery and Laundering.	58	7,607 (2.4)	7,432	7	462 (0.4)	460
Food, Beverages and Tobacco...	149	22,108 (-0.2)	22,163	29	950 (-9.8)	1,053
Water, Light and Power	4	3,372 (0.7)	3,350	..	..	..
Other Industries*.	302	58,835 (-0.5)	59,119	..	..	..
Miscellaneous	12	1,921 (-6.8)	2,062	9	510 (9.7)	465

*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 January.

Figures of national production of non-ferrous metals, a considerable proportion of which is produced in the Twelfth Federal Reserve District, follow:

NON-FERROUS METALS—National Production

	Feb., 1926	Jan., 1926	Feb., 1925
Copper (lbs.) (mine production)	135,586,000	142,628,000	138,772,000
Silver (oz.) (commercial bars)	4,970,000	5,401,000	5,077,000
Zinc (tons) (slab)	53,237	56,389	46,811

Reported daily average production of petroleum in California has declined during each of the past six months, but, at 612,999 barrels in February, 1926, was still 1.7 per cent greater than in February, 1925. Indicated consumption continued less than production, and stored stocks again reached new high levels on February 28, 1926. Figures follow:

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)
Feb., 1926...	612,999	586,888	128,106,096	98	26,969
Jan., 1926...	615,147	609,338	127,374,984	73	33,548
Feb., 1925...	602,494	558,801	101,344,730	65	28,170
Sept., 1923*..	858,750	†	†	93	139,960

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

The decline in flour milling activity reported by 16 large milling companies of the district during January continued during February, 1926. Output during the latter month was 18.0 per cent smaller than in January, 1926, 21.6 per cent smaller than in February, 1925, and 33.6 per cent smaller than the five-year average for February. Millers' stocks of flour decreased during the month, and on March 1st were approximately 18 per cent below the figures both for March 1, 1925, and the five-year average for that date. Reported holdings of wheat at the mills declined 27.6 per cent during February and on March 1st were approximately 19 per

(C) Building Permits—

	February, 1926		February, 1925	
	No.	Value	No.	Value
Berkeley	227	\$ 476,546	250	\$ 669,639
Boise	48	21,273	63	58,695
Fresno	91	88,327	96	201,041
Long Beach	404	815,675	345	1,520,892
Los Angeles	2,783	8,542,370	3,336	10,884,244
Oakland	909	3,062,466	978	3,540,141
Ogden	11	19,150	20	54,850
Pasadena	223	509,666	194	509,656
Phoenix	91	152,332	84	409,351
Portland	1,009	2,502,190	1,236	3,504,680
Reno	14	75,050	24	50,325
Sacramento	199	443,673	240	1,966,158
Salt Lake City....	54	187,690	105	472,700
San Diego	574	1,293,205	608	1,028,360
San Francisco	753	4,711,886	846	3,871,487
San Jose	107	303,895	103	465,585
Seattle	901	2,346,300	850	2,052,105
Spokane	159	204,555	242	344,851
Stockton	93	219,175	110	306,750
Tacoma	248	761,140	291	737,645
District	8,898	\$26,736,564	10,021	\$32,649,155

cent less than the five-year average for that date.

	FLOUR MILLING*			Five-Year Average Feb., 1925
	Feb., 1926	Jan., 1926	Feb., 1925	1921-1925
Output (bbls.)....	325,161	396,709	414,985	489,363
Stocks †				
Flour (bbls.)....	417,548	446,027	510,605	504,282
Wheat (bu.)....	2,295,563	3,169,868	2,823,484	2,835,859

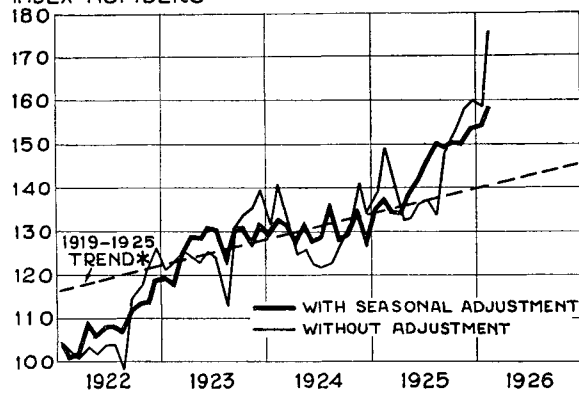
*As reported by 16 companies. †As of the first day of the following month.

General Business and Trade

Continuance of general business activity at the relatively high levels of recent months was noted in this district during February, 1926. Trade activity increased more than seasonally during the month, and was considerably greater than in February, 1925.

Debits to individual accounts (bank debits) at banks in 20 principal clearing house centers of this district, the movements of which reflect changes in the business situation, declined slightly during February, 1926, but the decrease was less than the usual decrease resulting from the relatively small number of business days in that month. This bank's revised index of

INDEX NUMBERS



BANK DEBITS—TWELFTH DISTRICT
Index for 20 principal cities, Phoenix, Arizona, not included, (daily averages, 1919 average=100). Latest figures, February, with adjustment, 158; without adjustment, 175.

*Based upon average month to month increase during the years 1919 to 1925 inclusive.

(D) Bank Debits*

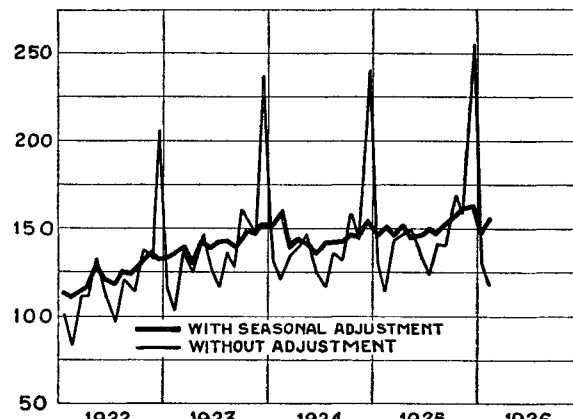
	February, 1926	February, 1925	Two Months—1926	
			1926	1925
Berkeley	\$ 17,175	\$ 16,391	\$ 38,889	\$ 37,150
Boise	11,138	9,259	26,672	23,165
Fresno	31,284	25,368	70,753	56,690
Long Beach	51,011	42,133	106,790	96,465
Los Angeles	842,902	745,252	1,727,795	1,563,837
Oakland	162,428	115,190	329,877	262,152
Ogden	19,556	22,437	52,477	50,705
Pasadena	36,932	34,425	78,137	72,802
Phoenix	22,745	22,135	50,335	49,798
Portland	157,839	134,296	325,485	287,869
Reno	7,212	6,184	16,591	14,239
Sacramento	31,127	35,942	66,447	80,831
Salt Lake City...	59,916	55,994	139,764	130,562
San Diego	58,775	46,572	124,667	99,476
San Francisco	1,161,763	938,395	2,215,123	1,857,623
San Jose	21,375	20,432	49,490	48,322
Seattle	181,529	171,188	388,008	367,594
Spokane	48,028	42,840	104,494	96,836
Stockton	23,387	21,823	54,140	49,744
Tacoma	39,447	38,672	86,328	83,385
Yakima	10,511	9,392	23,560	22,086
District	\$2,996,080	\$2,534,320	\$6,075,822	\$5,351,331

*000 omitted.

bank debits, adjusted for seasonal variations, advanced from 154 in January, 1926, to 158 in February, 1926 (1919 average = 100). In February, 1925, it stood at 138.

Value of sales at retail, as shown by reports of 68 retail stores in principal cities of the district, was 3.1 per cent larger during February, 1926, than during February, 1925, and 9.8 per cent less than during January, 1926. This bank's index of department store sales, corrected for seasonal variations, advanced from

INDEX NUMBERS



DEPARTMENT STORE SALES—TWELFTH DISTRICT
Index of 32 Stores in 7 cities (1919 monthly average=100). Latest figures, February, with adjustment, 156; without adjustment, 119.

148 in January, 1926 (1919 monthly average = 100) to 156 in February, 1926. The index stood at 150 in February, 1925. The index record, which is based on the total value of sales of 32 department stores, is presented in the table below. Stocks of goods held by reporting stores increased 4.3 per cent (in value) during the month ending February 28, 1926, and on that date were 5.2 per cent larger (in value) than on February 28, 1925. The indicated rate of stock turnover, 2.5 times per year in February, 1926, compares with an indicated rate of turnover of 2.8 and 2.6 times per year in January, 1926, and February, 1925, respectively.

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

	Without Seasonal Adjustment						
	Los Angeles	Oakland	San Francisco	Salt Lake City	Seattle	Spokane	District
Feb., 1926..	180	112	108	82	73	76	119
Jan., 1926..	210	124	113	86	75	70	130
Feb., 1925..	173	110	104	80	73	73	115
With Seasonal Adjustment							
Feb., 1926..	223	149	142	114	113	110	156
Jan., 1926..	221	145	128	104	99	97	148
Feb., 1925..	213	146	136	112	114	106	150

Value of sales at wholesale, as reported by 166 firms in 11 lines of business, was approximately 4.6 per cent less during February, 1926, than during January, 1926, but was 1.6 per cent greater than during February, 1925. Five of 10 reporting lines for which segregated data are available showed increases over the year pe-

riod. The United States Bureau of Labor Statistics' index of wholesale prices (1913 = 100) stood at 155 during February, 1926, compared with 161 during February, 1925.

WHOLESALE TRADE

	No. of Firms	Percentage increase or decrease (—) in Value of Sales		
		Feb., 1926	Feb., 1926	Jan., 1926
		compared with Feb., 1925	compared with Jan., 1926	compared with Jan., 1925
Agricultural Implements. . .	..	*	*	*
Automobile Supplies	13	— 3.9	— 2.3	— 3.8
Automobile Tires†	18	4.2	27.9	—14.0
Drugs	7	5.0	—12.2	7.4
Dry Goods	15	— 4.4	— 6.4	— 4.7
Electrical Supplies	9	— 4.1	— 5.7	— 3.2
Furniture	16	6.8	2.8	7.1
Groceries	21	— 1.3	— 9.5	— 5.9
Hardware	18	— 0.1	— 1.3	9.1
Shoes	11	5.2	7.9	8.2
Stationery	23	7.9	—12.1	— 0.5

*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 February 28, 1926, savings deposits at 69 banks in seven principal cities of the district were 3.8 per cent larger in amount than on January 31, 1926, and 8.4 per cent larger than on February 28, 1925. The increase of 3.8 per cent during the month, chiefly the result of increases in deposits at banks in Los Angeles and San Francisco, was in accord with previous experience, which has indicated that in each year a large, but not always permanent, growth of savings deposits occurs in February.

SAVINGS DEPOSITS

Number of Banks	Feb. 28, 1926*	Jan. 31, 1926*	Feb. 28, 1925*	Feb. 28, 1926† compared with	
				Feb. 28, 1925	Jan. 31, 1926
Los Angeles	13	\$415,938	\$393,515	\$380,267*	9.4 5.7
Oakland‡	7	101,143	99,651	94,914*	6.6 1.5
Portland§	7	54,130	54,630	52,552*	3.0 —0.9
Salt Lake City	8	32,231	31,177	29,941	7.6 3.4
San Francisco.	14	493,000	473,255*	452,435*	9.0 4.2
Seattle	14	78,596	78,616	72,085	9.0 —0.03
Spokane	6	19,534	19,539	19,782	—1.3 —0.03
Total§	69	\$1,194,572	\$1,150,383*	\$1,101,976*	8.4 3.8

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

Prices

The general price level declined slightly during February, continuing a movement which has been in progress since August, 1925. The

United States Bureau of Labor Statistics' index of wholesale prices stood at 155.0 (1913 = 100) in February, 1926, compared with 156.0 in January, 1926, 161.0 in February, 1925, and 155.0 in May, 1925, the low point for that year. The index for the sub-group non-agricultural commodities remained practically unchanged during February, as did the United States Department of Agriculture's farm price index. The ratio¹ between these two indexes, an indication of the purchasing power of farm products, continued at 87 where it has stood for the past four months. In February, 1925, this ratio was 87, and in August, 1925, it was 93, the highest point reached since June, 1920.

Wheat prices declined slightly during February. The weekly average price of the May contract for new wheat raised from \$1.63 to \$1.66 $\frac{3}{8}$ per bushel at Chicago on March 12, 1926, compared with \$1.73 $\frac{5}{8}$ to \$1.76 per bushel on February 5, 1926, and \$1.80 $\frac{1}{2}$ to \$1.84 on March 12, 1925.

The general level of livestock prices at important markets of this district and at Chicago has changed little during recent weeks. It was lower than in February and the first weeks of March, 1925.

LIVESTOCK PRICES AT CHICAGO

(Weekly average per 100 pounds)

Week Ending	Beef Cattle	Lambs	Hogs	Sheep
March 6, 1926	\$ 9.85	\$13.60	\$12.45	\$8.10
February 6, 1926	9.65	14.50	12.80	9.00
March 7, 1925	10.10	17.05	13.00	9.00
February 7, 1925	9.25	18.20	10.60	8.75

Prices for spot middling uplands cotton at New Orleans for the week ending March 5, 1926, ranged from 18.14 to 18.83 cents per pound, a slight decline from quotations for the week ending February 5, 1926 (20.02 to 20.34 cents per pound). One year ago the quotation was 25.30 to 26.00 cents per pound. The average of 98 wool quotations on the Boston market stood at 76.02 cents per pound on March 5, 1926, a slight decline from the average of 77.87 cents reported for February 5, 1926. On March 5, 1925, the average was 101.22 cents per pound.

¹A ratio of 100 would indicate that a given quantity of farm products could be exchanged for the same quantity of non-agricultural products as during the pre-war base period of the two indexes.

(E) Commodity Prices—

Commodity	Unit	March 5, 1926	One Month Ago	One Year Ago
Wholesale Prices (U. S. Bureau of Labor) 1913=100		155.0	156.0	161.0
Purchasing Power of Farm Products (U. S. Department of Agriculture)*		87	87	87
Wheat Chicago contract price for May wheat	bu.	\$1.57-1.61 $\frac{3}{8}$	\$1.73 $\frac{5}{8}$ -1.76	\$1.80 $\frac{1}{2}$ -1.96 $\frac{3}{8}$
Cotton Middling Uplands—Weekly range of spot quotations at New Orleans	lb.	18.14-18.83¢	20.02-20.34¢	25.30-26.00¢
Sugar Beet granulated f. o. b. San Francisco	lb.	5.25¢	5.35¢†	6.25¢
Apples Winesaps—Medium to large extra fancy f. o. b. Pacific Northwest	box	1.80	1.75	2.75
Prunes Size 40/50 in 25-lb. boxes f. o. b. California	lb.	.08 $\frac{3}{4}$ -.09 $\frac{1}{4}$	.09-.09 $\frac{1}{2}$	.10 $\frac{1}{4}$ -.10 $\frac{1}{2}$
Copper Electrolytic monthly average at New York	lb.	13.999¢	13.822¢	14.463¢
Lead Monthly average at New York	lb.	9.154¢	9.255¢	9.428¢
Silver Monthly average at New York	oz.	66.773¢	67.795¢	68.472¢
Zinc Monthly average at St. Louis	lb.	7.759¢	8.304¢	7.480¢
Lumber (Softwood) Weekly Index United States‡		31.44	31.32	31.65

*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."

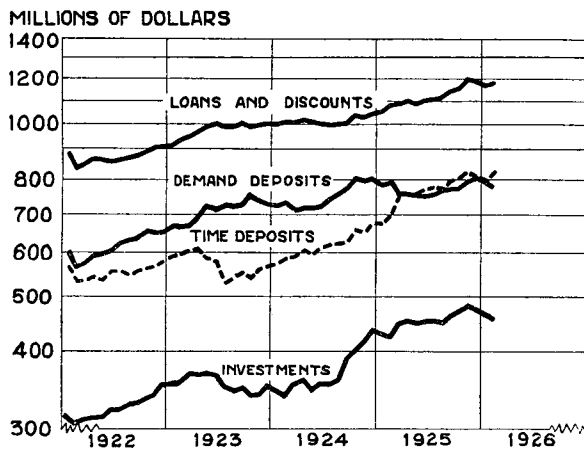
The price of refined beet sugar at San Francisco declined slightly during February, and on March 1, 1926, at \$5.25 per 100 pounds, was 10 cents below the price quoted on February 17, 1926 (\$5.35). On March 2, 1925, the price was \$6.25 per 100 pounds.

The monthly average price of copper was 1.3 per cent higher during February, 1926, than during January, 1926, but 3.2 per cent lower than in February, 1925. Average price of lead during February was 1.1 per cent below that of January, 1926, and 2.9 per cent lower than the average for February, 1925. Zinc prices showed an average decline of 6.6 per cent during February, but showed an increase of 3.7 per cent over February, 1925.

A national index² of lumber prices, published by "The Lumber Manufacturer and Dealer," remained practically unchanged at 31.44 during February, 1926. Slight price declines, both as compared with a month ago and a year ago, were reported for certain kinds and grades of lumber at Pacific Northwestern producing centers during February, 1926.

Banking and Credit Situation

Banking and credit statistics for February reflect moderately active business conditions in the Twelfth Federal Reserve District.



MEMBER BANK CREDIT—TWELFTH DISTRICT
 Figures for 66 member banks in leading cities, as of last Wednesday of each month. Latest figures, February 24.

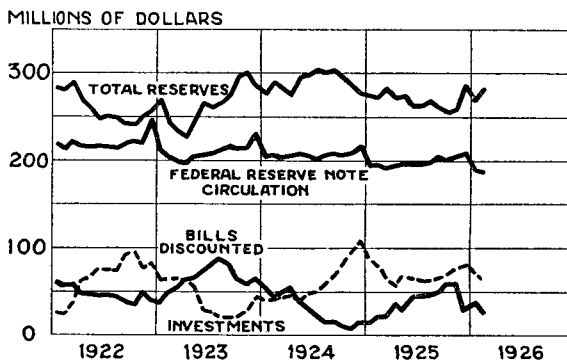
Commercial loans of 66 reporting member banks in nine principal cities of the district decreased by \$4,000,000 or 0.4 per cent during the four weeks ending March 10, 1926, but on that date were \$39,000,000 or 4.5 per cent larger than a year ago. Investment holdings of these banks declined \$5,000,000 or 1.2 per cent during the four weeks' period. Their demand deposits

² This index is based on an aggregate of 34 items of the following seven species: yellow pine, Douglas fir, North Carolina pine, white pine, hemlock, spruce and cypress. Carefully estimated weights have been accorded the different grades, determined from the government's 1918 production reports.

decreased \$51,000,000 or 6.4 per cent, a seasonal fluctuation related to the filing of income tax returns as of March 15th of each year. Total loans of reporting member banks stood at \$1,189,000,000 on March 10th, an increase of \$8,000,000 or 0.7 per cent during the past month, but were still \$24,000,000 or 2.0 per cent lower than the high mark of December 9, 1925.

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

	Condition March 10, 1926	Changes from One Month Ago	Changes from One Year Ago
Total Loans	1,189	+ 8 (0.7)	- 5 (0.5)
Commercial Loans	905	- 4 (0.4)	+ 39 (4.5)
Loans on Securities.....	284	+12 (4.2)	+ 56 (24.5)
Investments	462	- 5 (1.2)	+ 41 (9.7)
Total Loans and Invest- ments	1,650	+ 2 (0.1)	+135 (8.9)
Net Demand Deposits....	752	-51 (6.4)	- 50 (6.2)
Borrowings from Federal Reserve Bank	30	+16 (116.3)	+ 15 (94.7)



RESERVE BANK CREDIT—TWELFTH DISTRICT

Figures for Federal Reserve Bank of San Francisco, as of last Wednesday of each month. Latest figures, February 24.

During the four weeks ending March 17, 1926, discounts at the Federal Reserve Bank of San Francisco rose from \$23,000,000 to \$50,000,000, a gain of 120.9 per cent. Expanding spring trade, corporation disbursements, and needs arising from tax and interest payments were largely responsible for this increase in demand for accommodation by member banks. Holdings of United States securities declined \$13,000,000 or 28.7 per cent, and purchased acceptances increased \$1,000,000 or 0.9 per cent during the same period. Total earning assets were approximately \$15,000,000 (16.1 per cent) larger on March 17th than on February 17, 1926. Total reserves decreased from \$294,000,000 to \$260,000,000 during the four weeks, and Federal reserve note circulation declined from \$189,000,000 to \$185,000,000.

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

	Con- dition Mar. 17, 1926	Changes from One Month Ago	Changes from One Year Ago
Total Bills and Securities.	105	+15 (16.1)	+20 (22.9)
Bills Discounted	50	+27 (120.9)	+26 (110.3)
United States Securities...	32	-13 (28.7)	- 1 (3.2)
Bills Bought	23	+ 1 (0.9)	- 5 (18.7)
Total Reserves	260	-34 (11.5)	-24 (8.3)
Total Deposits	164	-17 (9.2)	+ 1 (0.9)
Federal Reserve Note Circulation	185	- 4 (2.1)	-10 (5.1)

