

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. 5

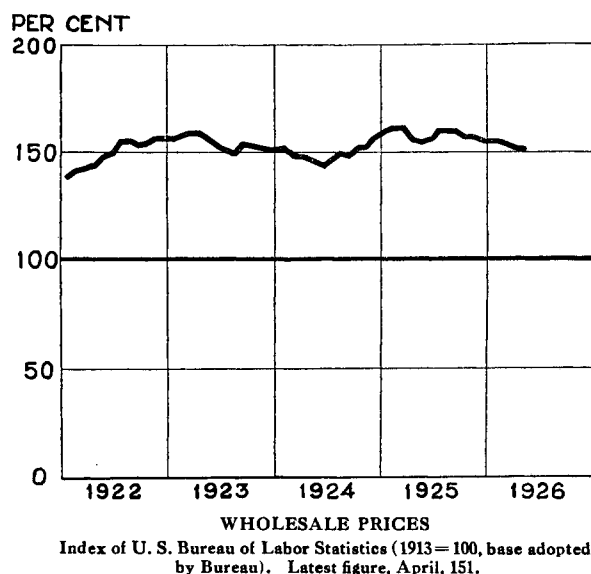
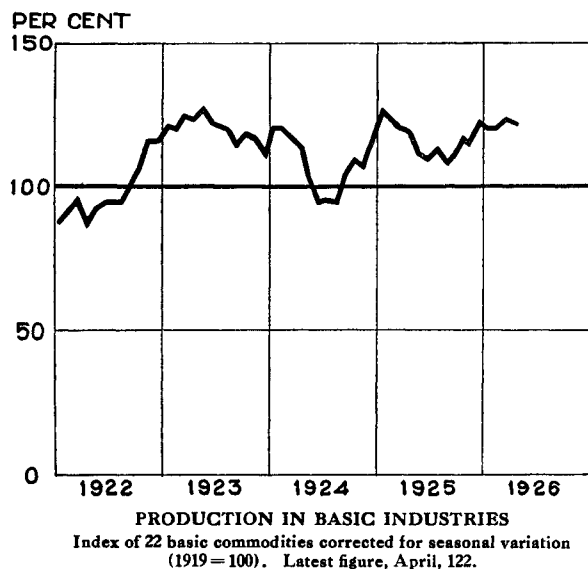
SUMMARY OF NATIONAL CONDITIONS

There was a slight decline in the activity of industry and trade in April and a further reduction in the general price level. Commercial demand for bank credit continued large and the volume of security loans, after a rapid decline since the turn of the year, remained at a constant level.

Production. Production in basic industries, according to the Federal Reserve Board's index, decreased one per cent in April, slight increases in production of lumber and pig iron being more than offset by declines in output in other industries. Particularly large recessions were shown in the production of steel ingots and in textile mill activity. Automobile production, not included in the index, continued in large volume. Factory employment and payrolls declined slightly in April, particularly in the food, tobacco, textile, and boot and shoe industries. The value of building contracts awarded during April was smaller than in March and practically the same as in April of last year. Awards for the first two weeks in May, however, showed increases as compared with the same weeks in 1925.

Reports by the Department of Agriculture indicate that up to the first of May 68 per cent of spring plowing and 56 per cent of sowing and planting was completed, compared with about 83 per cent and 66 per cent last year. On the basis of the condition of winter wheat on May 1st, a yield of 549,000,000 bushels is forecast, compared with a final yield of 398,000,000 bushels in 1925.

Trade. The volume of wholesale trade in April was seasonally smaller than in March for all lines except meats. Compared with a year ago, sales of groceries, meats, and drugs increased in April, 1926, while sales of dry goods, shoes, and hardware decreased. Department store sales increased less than usual during the month and were somewhat smaller than a year ago. Sales of mail order houses were slightly smaller than in March, but continued larger than in the corresponding month of 1925. There was some decrease in the stocks of merchandise held by wholesale firms during the month, and inventories of department stores showed less than the usual seasonal increase, though they

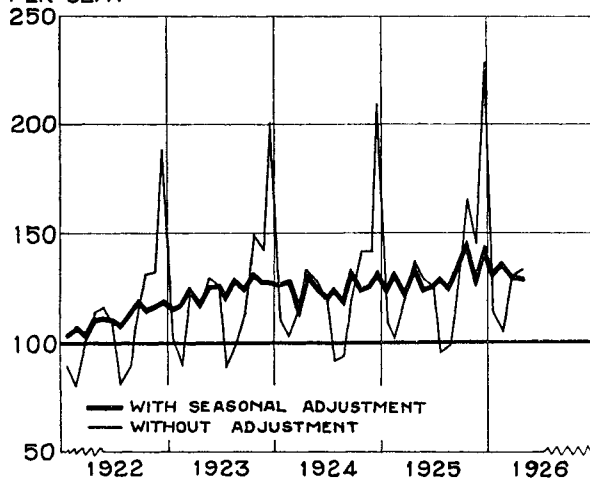


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were larger than a year ago. Weekly freight car loadings decreased in the early part of April, but later increased, and the volume of shipments for the month of April as a whole, and for the first two weeks in May, was larger than in the corresponding periods of any previous year.

April and the middle of May. Liquidation of security loans, which had been rapid since the beginning of the year, did not continue after the middle of April and the volume of these loans remained fairly constant at a level about \$450,000,000 below the peak at the end of 1925. There was some addition to bank investments

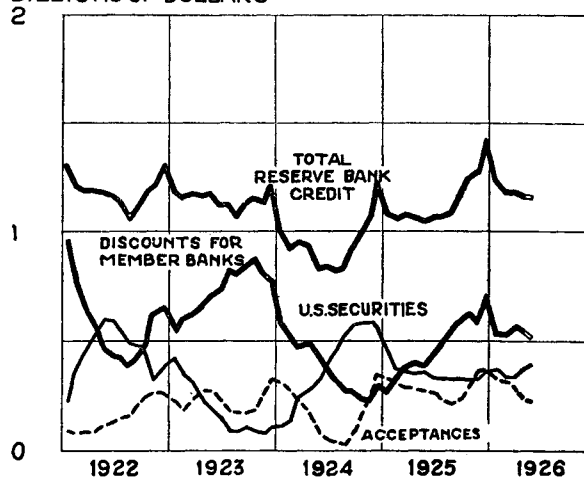
PER CENT



DEPARTMENT STORE SALES

Index of sales of 359 stores (1919=100). Latest figures, April; adjusted index, 129; unadjusted index, 133.

BILLIONS OF DOLLARS



RESERVE BANK CREDIT

Monthly averages of daily figures for 12 Federal Reserve Banks. Latest figures are averages of first 21 days in May.

Prices. Wholesale commodity prices, according to the Bureau of Labor Statistics' index, declined slightly from March to April. Increases in the farm products and foods groups, which had been declining for several months, were more than offset by decreases in other groups. The greatest declines were in the prices of clothing materials. In the first three weeks of May prices of wheat, cattle, sheep, cotton goods, pig iron, bricks, and rubber declined, while prices of hogs, raw silk, and crude petroleum advanced.

Bank Credit. Commercial demand for bank credit at member banks in leading cities continued in large volume between the middle of

and the total of their loans and investments was about \$1,000,000,000 larger than in the same period of last year. Withdrawals of funds from New York were reflected in an increase between the middle of April and the middle of May in borrowings by member banks from the Federal Reserve Bank of New York, while borrowings at most of the other reserve banks declined. Open market holdings of the reserve banks remained fairly constant during the period and there was little change in the total volume of reserve bank credit outstanding.

Money rates late in April reached the lowest level for a year, but in May conditions in the money market became somewhat firmer.

TWELFTH FEDERAL RESERVE DISTRICT CONDITIONS

Statistical Summary—

	Apr., 1926	Mar., 1926	Apr., 1925	Mar., 1925	Apr., 1926# compared with Apr., 1925	Mar., 1926
Bank Debits—21 cities*	\$3,025,345	\$3,341,153	\$2,668,049	\$2,826,955	13.4	—9.5
Bank Debits—Index Numbers†—20 cities.....	150	150	134°	134°	11.9	0.0
Building Permits—20 cities.....	\$35,058,156	\$36,285,512	\$41,593,882	\$40,216,339	—15.7	—3.4
Retail Sales—32 stores—Index Numbers†.....	155	164	152	147	2.0	—5.5
Savings Deposits—69 banks*	\$1,180,395	\$1,186,917	\$1,094,394°	\$1,102,080°	7.9	—0.5
Lumber Production—4 associations—board feet*	812,316	747,518	680,690	641,971	19.3	8.7
Petroleum Production‡—California—barrels ...	603,059	607,283	598,655	600,839	0.7	—0.7
Flour Production—16 companies—barrels	371,473	355,450	279,372	353,703	33.0	4.5
Reporting Member Bank Loans and Discounts||*	\$1,203,697	\$1,194,461	\$1,102,303	\$1,100,904	9.2	0.8
Reporting Member Bank Deposits||*.....	\$1,622,774	\$1,611,525	\$1,549,405	\$1,553,789	4.7	0.7
Federal Reserve Bank Discounts||*.....	\$44,228	\$41,745	\$29,771	\$28,762	48.6	5.9
Federal Reserve Bank Reserve Ratio||.....	72.1	72.0	78.3	77.8	— 7.9	0.1

*In thousands. †Adjusted for seasonal variations—1919 monthly average=100. ‡Daily average production. ||May 12 and April 7, 1926; May 13 and April 8, 1925. ¶May 19 and April 14, 1926. #Percentage increase or decrease (—). °Revised.

Agricultural Situation

Over the Twelfth Federal Reserve District as a whole, mild spring weather, including a generous seasonal rainfall, has contributed towards a slightly earlier agricultural season this year than in 1925. Abandonment of winter wheat acreage has been smaller in proportion to the acreage planted than in recent years, and, as shown in the table below, the growing grain reflects the favorable conditions of the present season. Preliminary estimates of prospective winter wheat production indicate a district output more than double the unusually small crop of last year, and slightly greater than the ten-year average (1916-1925) crop.

WINTER WHEAT						
	Condition (Per Cent of Normal)		10-Year Average (Per Cent of Normal)		Acreage* To be har- vested	
	May 1, 1926	1925	May 1, 1926	1925	1926	1925
Arizona	100	85	94	32	32	3
California	88	92	81	756	603	4
Idaho	97	81	86	466	406	2.5
Nevada	98	94	92	2	2	1
Oregon	97	80	93	880	350	2
Utah	99	92	95	149	145	2
Washington ...	91	76	86	900	372	2.5
Twelfth District ..	..	..	..	3,185	1,910	2.8
United States ..	84	77	83.6	37,085	31,269	5.6

*000 omitted.

Planting of those field crops normally sown at this season is progressing favorably in all states of this district.

In California, deciduous fruits are maturing more rapidly than last year because of favorable weather and soil moisture conditions. Acreage of bearing deciduous fruit trees in that state is estimated to be approximately seven per cent larger than last year, and bearing acreage of all grapes is estimated to have increased approximately eight per cent, as compared with 1925. Shipments of cherries, normally the earliest deciduous fruit marketed from California, totaled 198 car loads up to May 9, 1926, compared with 47 car loads shipped during the 1925 season to the same date.

Harvesting of navel oranges in California was practically completed, and picking of valencia oranges commenced during the past month. Condition of the valencia orange crop is reported to be good and the 1926 production is estimated at 11,260,000 boxes, compared with 6,300,000 boxes picked from the 1925 crop.

Approximately 90 per cent of this district's 1925 apple crop (47,000,000 boxes) had been shipped by May 15th, and reports indicate that returns to growers on these shipments have been generally satisfactory. Shipping point prices of two important varieties of Pacific Northwestern apples for the past two seasons are given in the following table:

APPLE PRICES*						
Season commencing June 1st.						
		Jonathans		Winesaps		
		1925	1924	1925	1924	
Opening Month†		\$1.35-\$1.75	\$1.65-\$2.10	\$1.65-\$2.10	\$1.90-\$2.25	
High Month.....		Sept., 1925	Sept., 1924	Sept., 1925	Sept., 1924	
		1.55- 1.90	2.25	2.00- 2.30	2.75- 3.00	
		Oct., 1925	Nov.-Dec., 1924	Nov., 1925	Feb., 1925	
Low Month.....		1.35- 1.75	1.65- 1.75	1.50- 1.70	1.90- 2.25	
		Sept., 1925	Sept., 1924	April, 1926	Sept., 1924	
Closing Month..		1.85	2.25	1.50- 1.70	2.65- 2.85	
		Nov., 1925	Dec., 1924	April, 1926	April, 1925	

*Range as reported by United States Department of Agriculture for shipping points in Wenatchee Valley, Washington. †First month of heavy shipments. ‡The month during which the last of approximately 90 per cent or more of the crop was shipped.

Live stock on the ranges of this district are reported to be in excellent condition and adequate supplies of range feed are available. Marketing of feed lot cattle in California is reported to have been practically completed, clearing the way for marketing of the forthcoming grass fed cattle of that state and of those areas normally shipping grass fed stock to California markets.

CONDITION OF RANGES AND LIVESTOCK

(Per Cent of Estimated Normal)

	Ranges			Cattle			Sheep		
	May 1, 1926	Apr. 1, 1925	1926	May 1, 1926	Apr. 1, 1925	1926	May 1, 1926	Apr. 1, 1925	1926
Arizona	110	63	92	98	65	93	99	90	95
California	94	97	84	95	97	91	95	98	92
Idaho	95	100	96	99	94	99	100	97	100
Oregon	100	92	99	99	93	98	101	95	99
Nevada	103	88	98	106	80	104	106	91	103
Utah	100	81	96	105	81	104	105	93	103
Washington ...	92	86	92	93	80	90	99	85	97

Source: United States Department of Agriculture.

(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 Cattle and Calves	Hogs	Sheep	12th District Butter (1000 lbs.)	Eggs (1000 cases)
Monthly										
April, 1926	587	509	1,678	6,699	1,309	93,805	167,801	252,384	1,650	272
March, 1926	1,330°	247	2,729	5,059	1,158	107,497	183,795	185,429	699	140
April—5-year average (1919-1923)	1,481	447	1,223‡	5,034	991	80,906||	145,747||	225,920||	1,043||	293||
Cumulative	Crop Year					Calendar Year				
To April 30, 1926.....	13,305 (13.3)	10,918 (23.8)	48,996 (90.0)	26,338 (51.6)	4,780 (31.9)	417,992	752,217	743,303		
To April 30, 1925.....	16,482 (24.6)	6,997 (30.7)	37,238 (86.6)	22,422 (46.7)	4,363 (37.9)	427,640	934,237	763,075		
Five-year average to April 30..... (1919-1923)	21,603 (18.7)	10,397 (25.8)	46,358‡ (91.2)	22,846 (48.2)	4,039 (35.7)	359,946||	753,115||	771,656||		

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. ¶1922-1936. °Revised.

The Department of Agriculture estimates that on May 1, 1926, the condition of the hay crop in all states of this district was slightly below normal, although better than a year ago. Comparatively mild weather during the past winter favored extended use of open pasture and range, with consequent reduction in the amount of hay needed for livestock feeding. As a result of this situation, stocks of hay now remaining on farms in this district are considerably larger than usual. Stocks of hay in the United States as a whole are slightly smaller than usual.

Wool shearing is nearing completion in the sheep raising sections of the district. Commercial factors estimate that the 1926 clip will be approximately 1.1 per cent larger in volume and of slightly better quality than the 1925 clip of 261,000,000 pounds. Prices offered growers have been lower than last year, ranging from 29 to 33 cents per pound in April, to 25 cents per pound in May, 1926. A much smaller proportion of the season's clip had been contracted for sale by May 15, 1926, than had been contracted by May 15, 1925. The wool market has been relatively inactive during recent weeks, with practically no sales being made in the field. Lack of seasonal moisture during February and March and an accompanying shortage of green feeds in important sheep raising sections of central California retarded growth of spring lambs, making it necessary to hold many animals for a longer feeding period than is usual. Total shipments of live and dressed spring lambs from California to eastern markets up to May 23rd of this shipping season (222,000 head) were approximately 70% as large as shipments during the same period of 1925. Movement of spring lambs from Pacific Northwestern and southern Intermountain states commenced during the past month.

Industrial Activity

Changes in the industrial situation in this district during April, 1926, were largely seasonal in character. Increases in activity in the lumber and food products industries and in agriculture caused an increase in total volume of employment, which continued at approximately the levels of a year ago. A slight surplus of skilled building tradesmen, general construction workers, wood and lumber mill workers, and common laborers was reported. Current employment data for California and Oregon are presented in Table "C."

A slight diminution of building activity in this district is indicated by reports of building permits issued in 20 principal cities during recent months. Cumulative figures of value of permits issued during the first four months of 1926 (\$127,245,973) were below those of the first four months of 1923 (\$130,619,621), 1924 (\$141,322,454), and 1925 (\$145,923,581), the latter figure being the largest ever reported. At \$35,058,156 for April, 1926, the estimated cost of proposed building showed a slight decrease as compared with March, 1926, was 15.7 per cent less than in April, 1925, one per cent less than in April, 1923, but was larger than for the same month in other years. Decreases reported from Los Angeles, Oakland, and Seattle were responsible for the decline in the value of permits issued in April, 1926, as compared with April, 1925. In San Francisco, although building operations were somewhat hampered by a carpenters' strike, issuance of permits for several large office buildings brought the monthly total of permits granted to the highest figure reported since the days of reconstruction following the earthquake and fire of 1906 (ex-

(B) Building Permits—

	April, 1926		April, 1925	
	No.	Value	No.	Value
Berkeley	254	\$ 642,100	349	\$ 842,388
Boise	84	55,822	75	44,138
Fresno	95	186,921	91	202,287
Long Beach	335	490,190	424	754,649
Los Angeles	3,332	11,207,289	4,040	14,498,031
Oakland	1,010	2,134,179	1,175	3,530,546
Ogden	46	183,250	47	139,600
Pasadena	213	948,839	230	900,043
Phoenix	90	149,653	95	218,347
Portland	1,213	3,176,370	1,425	3,403,300
Reno	24	110,700	30	115,175
Sacramento	247	1,349,576	287	746,522
Salt Lake City	147	923,015	187	963,675
San Diego	679	1,596,560	686	1,538,766
San Francisco	981	7,299,451	994	6,102,731
San Jose	122	611,730	109	315,045
Seattle	1,031	2,534,130	1,135	5,593,820
Spokane	276	393,580	276	475,411
Stockton	91	247,676	101	237,523
Tacoma	286	817,125	339	971,885
District	10,556	\$35,058,156	12,095	\$41,593,882

(C) Employment—

Industries	No. of Firms	California— No. of Employees		No. of Firms	Oregon— No. of Employees	
		Apr., 1926	Mar., 1926		Apr., 1926	Mar., 1926
All Industries	744	156,361 (6.7)	146,585	98	16,752 (3.1)	16,256
Stone, Clay and Glass Products.	45	7,981 (2.2)	7,809	6	262 (2.3)	256
Lumber and Wood Manufactures ..	118	28,069 (10.2)	25,480	40	13,409 (3.2)	12,995
Textiles	19	2,604 (1.0)	2,579	5	1,123 (1.9)	1,102
Clothing, Millinery and Laundering.	63	7,773 (—1.9)	7,927	7	533 (—0.7)	537
Food, Beverages and Tobacco ..	155	29,753 (26.9)	23,454	31	859 (2.0)	842
Water, Light and Power	5	8,937 (4.8)	8,532	..	...	...
Other Industries*.	327	69,010 (0.5)	68,663	..	...	...
Miscellaneous	19	2,234 (4.4)	2,141	9	566 (8.0)	524

*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 March.

cepting only January, 1914, when the total, \$7,349,816, was swelled by \$6,000,000 of Panama Pacific Exposition building permits.)

BUILDING PERMITS IN 20 CITIES

Per Cent Increase or Decrease (—)

	Months in 1926 compared with same Months in 1925				Month in 1926 compared with preceding Month	
	No.	Value	No.	Value	No.	Value
April ...	—12.7%	—15.7%	—11.2%	—12.8%	—13.5%	—3.4%
March ..	—7.8%	—9.8%	—10.7%	—11.6%	37.1%	35.7%
February..	—11.2%	—18.1%	—12.6%	—12.8%	—4.4%	—8.3%
January..	—13.8%	—7.3%	....	....	3.5%	—21.3%

The United States Bureau of Labor Statistics' index number of wholesale building materials prices declined from 176 in March, 1926, to 173 in April. In April, 1925, it was 174. The Aberthaw index of the total cost of constructing a reinforced factory building remained at 199 in April, 1926. This compares with 195 on May 1, 1925, the increase over the year period being due chiefly to advancing labor costs in eastern centers.

A large seasonal increase in lumber production by mills which are members of four associations operating in this district was reported for April, 1926, and the cut was 8.7 per cent and 19.3 per cent greater than in March, 1926, and April, 1925, respectively. Lumber markets were relatively less active in April than in March, 1926, and production exceeded both shipments and new orders received. Volume of new orders booked by the mills declined 5.2 per cent during April, 1926, but was 7.8 per cent greater than in April, 1925. During the first four months of 1926 the lumber industry of this district produced 8.7 per cent more lumber than in the first four months of 1925, yet shipments exceeded production and orders received exceeded shipments. These conditions have been reflected in a reported tendency toward firmer prices at producing centers.

LUMBER ACTIVITY*

	Apr., 1926 (board feet)	Mar., 1926 (board feet)	Apr., 1925 (board feet)	— First Four Months — 1926 (board feet)	1925 (board feet)
Production ...	812,316	747,518	680,690	2,609,064	2,401,343
Shipments	788,887	761,183	678,834	2,753,379	2,498,326
Orders	751,192	792,462	697,042	2,793,579	2,480,632
Unfilled Orders	553,076	511,405	479,313	...	...
No. of Mills Reporting ...	192	183	184	183†	182†

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

Figures of national production of non-ferrous metals follow:

NON-FERROUS METALS—National Production

	Apr., 1926	Mar., 1926	Apr., 1925
Copper (short tons) (mine production)	73,006	75,450	70,432
Zinc (short tons) (slab)...	53,334	54,411	48,851
Silver (oz.) (commercial bars)	4,954,000	5,225,000	5,125,000

Reported daily average production of petroleum in California has declined during each of the past eight months, but, at 603,059 barrels in April, 1926, was 0.7 per cent greater than in

April, 1925. There were 8,214,864 barrels of oil destroyed by fire on tank farms of the state during April, this loss causing a decline of 6.1 per cent in storage stocks. Indicated average daily consumption, excluding loss by fire, increased during the month but continued less than production, and if there had been no loss of oil by fire, stocks on hand would have increased by 98,098 barrels.

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)
April, 1926...	603,059	873,618	124,685,080	95	24,267
Mar., 1926...	607,283	580,740	132,801,846†	105	23,663
April, 1925...	598,655	500,053‡	107,474,015‡	83	26,008
Sept., 1923*	858,750	†	†	93	139,960

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

Flour production, as reported by 16 large milling companies in this district, increased during April, 1926, as compared with March, 1926, and April, 1925, by 4.5 per cent and 33.0 per cent respectively, and approximately equaled the five-year (1921-1925) average production for April. Since August, 1924, production of these mills has been continuously below the five-year average. Millers' stocks of flour and wheat decreased during April. On May 1st reported stocks of flour were approximately 25 per cent less than one year ago and were less than the five-year average for that date by an equal amount. Millers' stocks of wheat on May 1, 1926, were 51.6 per cent larger than on May 1, 1925, and 10 per cent larger than the five-year average for that date. Domestic and foreign flour markets were relatively inactive during April, 1926, although activity, particularly in domestic markets, has been at higher levels during recent months than one year ago.

FLOUR MILLING*

	Apr., 1926	Mar., 1926	Apr., 1925	Five-Year Average April, 1921-1925
Output (bbls.)....	371,473	355,450	279,372	372,704
Stocks†				
Flour (bbls.)...	375,133	402,253	499,978	503,559
Wheat (bu.)....	1,942,454	2,285,652	1,281,184	1,761,666

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

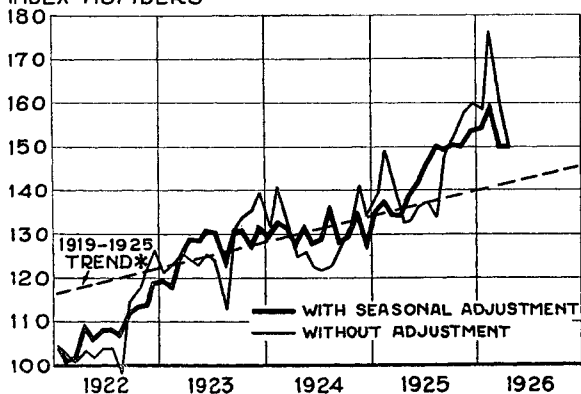
General Business and Trade

The generally high level of business activity which characterized the greater part of the year 1925 appears to have been maintained during the first four months of 1926. Seasonal declines, which usually follow the spring peak of trading, were more pronounced during March and April, 1926, however, than in the same months of 1925.

Amount of debits to individual accounts (bank debits) in 20 principal cities of the district was seasonally less during April than in March, 1926. This bank's unadjusted index of

daily average bank debits (daily average 1919 =100) declined 5.9 per cent from 159.3 for March, 1926, to 149.9 for April, 1926. Adjusted for seasonal variations, the index stood at 150.3 in March, 1926, 150.1 in April, 1926, and 134.2 in April, 1925.

INDEX NUMBERS



BANK DEBITS—TWELFTH DISTRICT

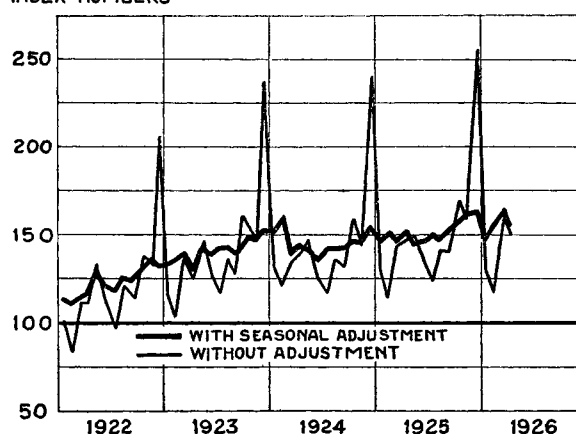
Index for 20 principal cities, Phoenix, Arizona, not included, (daily averages, 1919 average=100). Latest figures, April, with adjustment, 150; without adjustment, 159.

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

During April sales of 68 reporting retail stores increased 1.4 per cent as compared with the same month a year ago, and during the first four months of the present year were 4.2 per cent larger than in 1925. Increased sales were reported from Los Angeles, Oakland, and Spokane, and decreased sales were reported from Salt Lake City, San Francisco, and Seattle during April, 1926, as compared with April, 1925. This bank's index of department store sales in the Twelfth District, which makes allowance for seasonal changes, declined from 164 (1919 monthly average=100) in March, 1926, to 155 in April. A year ago in April it stood at 152. A comparison of retail trade movements during

the spring months of 1926 and 1925 should allow for differences in Easter dates in the two years (April 12th in 1925 and April 4th in 1926), and for the purpose of making such allowance it is desirable to combine figures of sales for March and April in each year. Total sales of the 32 department stores whose figures are used in this index were 6.4 per cent greater in March and April, 1926, than in the same months of

INDEX NUMBERS



DEPARTMENT STORE SALES—TWELFTH DISTRICT

Index of 32 Stores in 7 cities (1919 monthly average=100). Latest figures, April, with adjustment, 164; without adjustment, 160.

1925. Stocks of goods held by reporting stores increased 7.9 per cent in value during March and 1.8 per cent during April and on April 1 and May 1 were 3.9 per cent and 3.6 per cent greater in value, respectively, than at the end of March and April one year ago. Indicated rates of stock turnover in March and April, 1926, were 3.3 and 2.9 times per year, as compared with 3.1 and 3.0 times per year in March and April, 1925.

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

	Without Seasonal Adjustment		San Francisco		Salt Lake City		Seattle		Spokane		District
	Los Angeles	Oakland	Los Angeles	Oakland	Los Angeles	Oakland	Los Angeles	Oakland	Los Angeles	Oakland	
April, 1926..	222	144	134	106	102	95	150				
March, 1926..	247	148	146	105	95	93	160				
Feb., 1926..	180	112	108	82	73	76	119				
Jan., 1926..	210	124	113	86	75	70	130				
April, 1925..	218	133	135	110	98	92	147				
March, 1925..	215	129	132	98	95	77	143				
With Seasonal Adjustment											
April, 1926..	237	149	139	113	108	98	155				
March, 1926..	255	158	147	115	102	110	164				
Feb., 1926..	223	149	142	114	113	110	156				
Jan., 1926..	221	145	128	104	99	97	148				
April, 1925..	232	137	141	117	104	95	152				
March, 1925..	223	138	133	107	102	91	147				

Total value of sales of 164 wholesale firms in eleven lines of trade, reporting for April, 1926, was 3.1 per cent larger than during April, 1925, and 5.8 per cent less than during March, 1926. Eight of the eleven lines for which segregated data are available showed increases over the year period. The general level of wholesale prices has declined approximately 3 per cent since April, 1925, a factor which should be

(D) Bank Debits*

	April		Four Months	
	1926	1925	1926	1925
Berkeley	\$ 19,504	\$ 18,045	\$ 78,609	\$ 73,244
Boise	11,950	10,419	50,545	43,811
Fresno	36,418	28,493	143,565	114,257
Long Beach	56,027	48,430	219,650	196,169
Los Angeles	863,984	778,200	3,566,899	3,174,004
Oakland	168,264	136,691	684,043	533,796
Ogden	17,017	20,863	88,644	95,127
Pasadena	38,163	36,494	158,637	149,408
Phoenix	26,007	22,139	103,289	95,217
Portland	173,443	167,684	680,573	612,103
Reno	8,584	7,656	33,588	30,459
Sacramento	29,368	34,807	132,764	151,939
Salt Lake City..	73,051	75,466	285,146	273,411
San Diego	69,925	54,320	265,971	210,494
San Francisco ..	1,041,377	880,585	4,455,517	3,718,498
San Jose	24,668	23,689	99,185	94,941
Seattle	221,119	195,786	836,778	766,096
Spokane	57,958	50,504	216,466	196,815
Stockton	26,436	23,123	107,764	100,878
Tacoma	48,796	43,051	185,250	171,192
Yakima	13,286	11,604	49,437	45,476
District	\$3,025,345	\$2,668,049	\$12,442,320	\$10,847,335

*000 omitted.

taken into account when comparing figures of dollar sales in an endeavor to estimate physical volume of trade.

WHOLESALE TRADE

	No. of Firms	Percentage increase or decrease (—) in Value of Sales		
		Apr., 1926 compared with Apr., 1925	Apr., 1926 compared with Mar., 1926	Mar., 1926 compared with Mar., 1925
Agricultural Implements.	15	22.3	—25.5	26.6
Automobile Supplies	13	—1.0	—1.5	7.0
Automobile Tires†	17	14.2	—5.7	29.7
Drugs	7	1.8	—6.0	5.7
Dry Goods	15	1.1	—12.7	6.8
Electrical Supplies	9	1.5	—4.4	—3.1
Furniture	16	—1.5	—13.9	9.5
Groceries	21	5.5	3.3	—5.7*
Hardware	17	5.4	—0.9	5.2
Shoes	10	1.0	—7.6	—2.5
Stationery	24	—9.6	—14.9	6.1

†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.
*Revised.

On April 30, 1926, savings deposits in 69 banks in seven principal cities of the district were 7.9 per cent larger than on April 30, 1925, and 0.5 per cent smaller than on March 31, 1926. The latter movement is seasonal.

SAVINGS DEPOSITS

Number of Banks	Apr. 30, 1926*	Mar. 31, 1926*	Apr. 30, 1925*	Apr. 30, 1926† compared with	
				Apr. 30, 1925	Mar. 31, 1926
Los Angeles	13	\$416,044	\$412,912	\$370,184	12.4 0.8
Oakland†	7	99,571	100,240	94,552	5.3 —0.7
Portland	7	54,460	55,021	51,968	4.8 —1.0
Salt Lake City	8	32,342	33,541	29,757	8.7 —3.6
San Francisco	14	479,715	487,851	456,643*	5.1 —1.7
Seattle	14	79,173	78,089	71,821	10.2 1.4
Spokane	6	19,090	19,263	19,469	—1.9 —0.9
Total	69	\$1,180,395	\$1,186,917	\$1,094,394*	7.9 —0.5

*000 omitted. †Percentage increase or decrease (—). †Includes one bank in Berkeley which was formerly a branch of an Oakland bank. *Revised.

Prices

The United States Bureau of Labor Statistics' index of wholesale prices declined slightly during April, 1926, standing at 151.1 (1913=100), compared with 151.5 for March, 1926, and 156.0 for April, 1925. Small advances in the farm products and foods groups were more than offset by declines in the remaining groups comprising the general index.

The Department of Agriculture's farm price index remained unchanged at 140 in April while the Labor Bureau's wholesale price in-

dex of non-agricultural commodities declined from 161.6 in March to 159.5 in April, causing the ratio between these two index numbers, an indication of the purchasing power of farm products, to advance from 87.0 in March to 87.8 in April, 1926. The advance during April was the first change in this ratio since September, 1925, when it stood at 88. One year ago the ratio was 91.

The weekly average price of beef cattle at Chicago declined slightly during April while weekly average prices of lambs and hogs tended upward. Seasonal trends of livestock prices at Chicago and at the chief livestock markets of this district correspond in a general way. Chicago quotations follow:

LIVESTOCK PRICES AT CHICAGO

(Weekly average per 100 pounds)

Week Ending	Beef Cattle	Lambs	Hogs	Sheep
May 7, 1926.....	\$9.30	\$14.70	\$12.80	\$8.50
April 2, 1926.....	9.50	12.50	11.70	8.00
May 2, 1925.....	10.00	14.80	11.60	7.10

Wheat prices advanced during April and declined slightly during the first weeks of May. September contract wheat at Chicago was quoted at \$1.30¾ to \$1.32¾ per bushel on May 17, 1926, compared with \$1.34 to \$1.37¾ per bushel on April 18th, \$1.29 to \$1.31½ per bushel on April 1st, and \$1.42¼ to \$1.45½ per bushel one year ago.

Cotton prices continued downward during the past month. Spot quotations for middling uplands cotton at New Orleans for the week ending May 7, 1926, ranged from 17.89 to 18.02 cents per pound, the figures showing a decline of 1.6 per cent during the month and being 26.0 per cent below the quotation of one year ago (24.05 to 24.50 cents per pound). An average of 98 wool quotations on the Boston market changed little during April. On May 7, 1926, it stood at 67.77 cents per pound, a figure slightly below that of a month ago (69.93 cents), and 12.34 cents (15.5 per cent) below that of a year ago.

The relative stability of prices of canned fruits during the 1925-1926 marketing season has been noteworthy. Quoted prices of practically all the staple items with the exception of pears and apricots have changed little from

(E) Commodity Prices—

Commodity	Unit	May 7, 1926	One Month Ago	One Year Ago
Wholesale Prices (U. S. Bureau of Labor) 1913=100.....		151.1	151.5	156.0
Purchasing Power of Farm Products (U. S. Department of Agriculture)*		87.8	87	91
Wheat.....Chicago contract price for September wheat.....	bu.	1.33¾-1.35	1.29-1.31½	1.35-1.42½
Barley.....Shipping barley f. o. b. San Francisco.....	cental	1.20-1.25	1.30-1.35	1.70-1.75
Cotton.....Middling Uplands—Weekly range of spot quotations at New Orleans.....	lb.	17.89-18.02¢	17.96-18.55¢	24.05-24.50¢
Wool.....Average of 98 quotations at Boston.....	lb.	67.77¢	69.93¢	80.21¢
Sugar.....Beet granulated f. o. b. San Francisco.....	lb.	5.60¢†	5.35¢	5.70¢
Prunes.....Size 40/50 in 25-lb. boxes f. o. b. California.....	lb.	.08½-.09½	.08½-.09	.09
Copper.....Electrolytic—Monthly average at New York.....	lb.	13.706¢	13.859¢	13.252¢
Lead.....Monthly average at New York.....	lb.	7.971¢	8.386¢	8.005¢
Silver.....Monthly average at New York.....	oz.	64.409¢	65.880¢	66.899¢
Zinc.....Monthly average at St. Louis.....	lb.	7.001¢	7.332¢	6.985¢
Lumber (Softwood)..Weekly Index United States‡.....		31.52	31.40	31.03

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

†May 12, 1926. ‡As published by "The Lumber Manufacturer and Dealer."

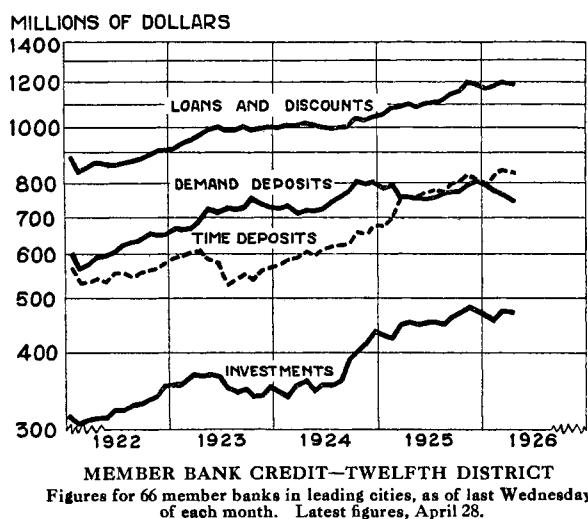
the 1925 opening prices. Prices of canned pears have declined slightly and prices of canned apricots have advanced. Prices of dried fruits have fluctuated more than have prices of canned fruits, but have been relatively more stable than during recent previous years.

The price of refined beet sugar at San Francisco on May 12, 1926, stood at \$5.60 per 100 pounds, an increase of 25 cents since April 3, 1926. A year ago the quotation was \$5.70.

April average prices of copper, lead, silver, and zinc declined 1.1 per cent, 4.9 per cent, 2.2 per cent, 4.5 per cent, respectively, from the average prices of March, 1926. The averages for copper and zinc were 3.4 per cent and 0.2 per cent higher during April, 1926, than during April, 1925, but those for lead and silver were 0.4 per cent and 3.7 per cent below the prices of one year ago. Lumber prices at Pacific Northwestern producing centers tended upward during April.

Banking and Credit Situation

The banking and credit situation in the Twelfth Federal Reserve District changed little during the five weeks period ending May 12th.



Commercial loans of 66 reporting member banks in nine principal cities of the district have varied only a fraction more than one per cent above or below \$900 million since the middle of last September. Loans made on securities as collateral, on the other hand, have steadily increased during this period, a movement which continued during April and the first half of May. Increase in total loans has accompanied increased activity in production and distribution of goods, and in the financing of new construction. The figure for total loans and investments on May 12, 1926, only excepting the March, 1926, tax period and the December, 1925, pre-Christmas season, was at a higher

point than ever before. Net demand deposits increased during April and the first half of May, but remained smaller in volume than a year ago.

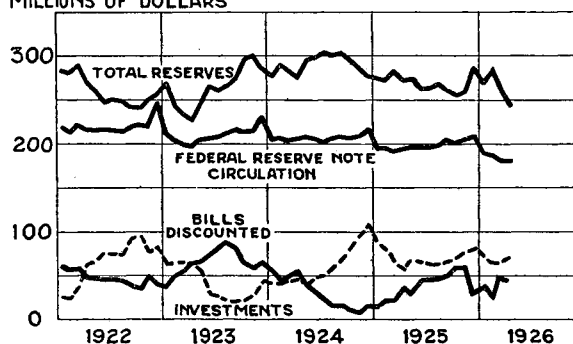
REPORTING MEMBER BANKS*—Twelfth District

(In millions of dollars, percentage changes in parentheses.)

	Condition May 12, 1926	Changes from	
		Five Weeks Ago	One Year Ago
Total Loans	1,204	+ 9 (0.8)	+101 (9.2)
Commercial Loans	906	+ 3 (0.3)	+ 43 (4.5)
Loans on Securities	298	+ 6 (2.2)	+ 58 (24.2)
Investments	476	+ 9 (1.9)	+ 26 (5.8)
Total Loans and Invest- ments	1,680	+18 (1.0)	+128 (8.2)
Net Demand Deposits	763	+13 (1.8)	+ 6 (0.8)
Time Deposits	837	+ 6 (0.7)	+ 73 (9.5)
Borrowings from Federal Reserve Bank	35	- 1 (1.5)	+ 15 (70.3)

*Total resources of reporting banks are approximately 50 per cent of total resources of all banks, and 71 per cent of total resources of all member banks in Twelfth Federal Reserve District. Reporting banks embrace member banks in San Francisco, Los Angeles, Oakland, Portland, Seattle, Tacoma, Spokane, Salt Lake City, and Ogden.

MILLIONS OF DOLLARS



Total earning assets of the Federal Reserve Bank of San Francisco have fluctuated considerably during the past several weeks, but were of approximately the same volume on May 19th as one month earlier. Rediscounts of short time paper secured by United States Government securities have increased, supplementing the discounting of ordinary commercial paper for the financing of manufacture and trade. Security holdings also increased but gains in these two items were more than counterbalanced by decline in amount of bills purchased in the open market. Circulation of Federal Reserve Notes was unchanged during the month. The reserve ratio stood at 72.1 on May 19th compared with 72.0 on April 14th. The discount rate continued at 4 per cent, the official rate established on November 23, 1925.

FEDERAL RESERVE BANK OF SAN FRANCISCO

(In millions of dollars, percentage changes in parentheses.)

	Con- dition May 19, 1926	Changes from	
		Five Weeks Ago	One Year Ago
Total Bills and Securities	114	- 2 (1.5)	+23 (24.6)
Bills Discounted	44	+ 2 (5.9)	+14 (48.6)
United States Securities	50	+ 1 (2.1)	+ 5 (12.1)
Bills Bought	20	- 5 (20.7)	+ 3 (17.7)
Total Reserves	255	- 4 (1.4)	-25 (9.0)
Total Deposits	168	- 5 (2.9)	+ 5 (3.2)
Federal Reserve Note Circulation	186	0	- 9 (4.7)