

MONTHLY REVIEW

OF BUSINESS CONDITIONS

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

Vol. X

San Francisco, California, September 20, 1926

No. 9

SUMMARY OF NATIONAL CONDITIONS

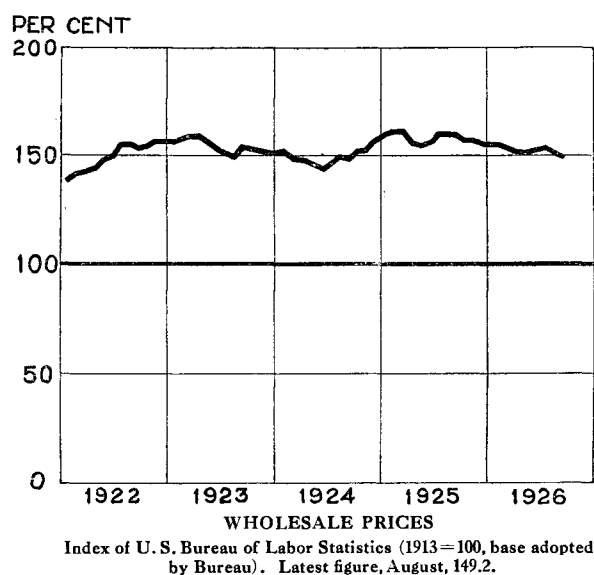
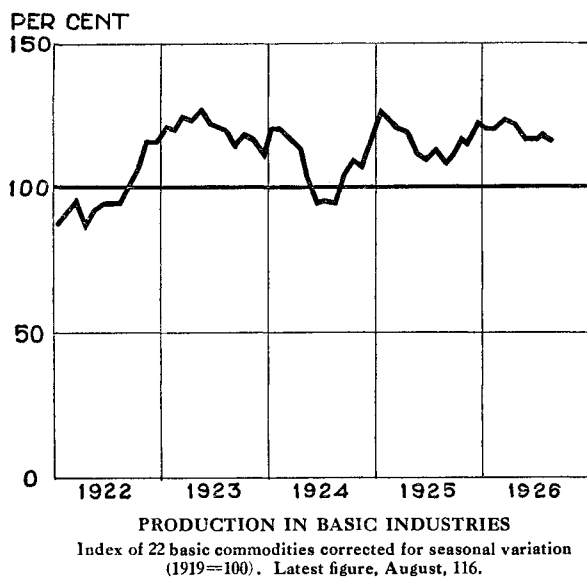
Industrial activity and distribution of commodities were in large volume in August and were at higher levels than a year ago. The general level of wholesale prices receded further in August, reflecting price declines for agricultural commodities.

Production. The index of production in basic industries, which is adjusted for the usual seasonal variation, declined slightly in August, but this decline was accounted for by the fact that there were five Sundays in that month as against four in July. Textile mill activity and production of steel ingots, zinc and petroleum increased, while the output of pig iron, lumber, coal, copper, cement and sugar was smaller than during the previous month. Automobile production increased considerably in August and was larger than in any month since April. Factory employment and payrolls, after declining in July, increased in August, as is usual at this season of the year. Building activity, as measured by contract awards in thirty-seven states east of the Rocky Mountains, was in larger volume in August than in July or in any other previous month, with the exception of August, 1925. In Eastern and Southeastern States the volume of building was smaller in August than a year ago, while in the Middle West contracts

awarded were larger. Contracts for residential structures were smaller than last year, while those for industrial buildings, public works and public utilities were substantially larger.

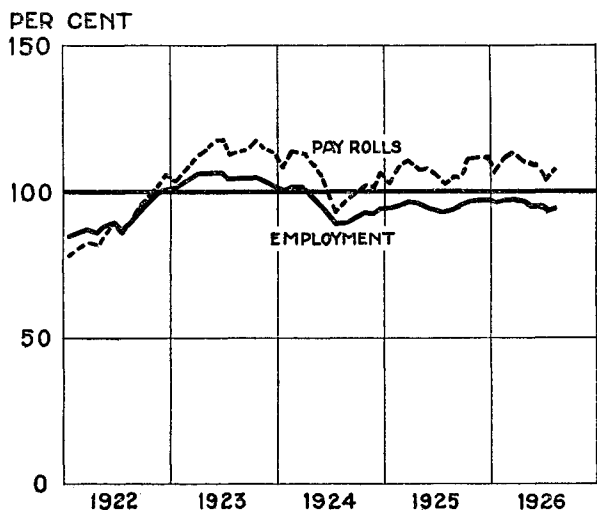
Crop conditions improved in August, according to a statement by the Department of Agriculture. September forecasts of yields of corn, barley, hay, tobacco, and most fruit and vegetable crops were above those made in August, while expected yields of oats and spring wheat were slightly less. A cotton crop of 15,810,000 bales was indicated on the basis of the condition of the crop at the middle of September. The crop, however, is later than last year and ginnings up to September 16th amounted to only 2,511,000 bales compared with 4,282,000 bales prior to September 16, 1925.

Trade. Volume of wholesale trade and of sales at department stores increased in August, and retail sales were larger than a year ago. Stocks of dry goods and shoes carried by wholesale firms were smaller at the end of August than one year ago, while those of groceries and hardware were larger. Inventories of department stores increased in preparation for volume trade, but this increase was less than is usual at this season, and at the end of the month stocks were smaller than a year ago. Freight

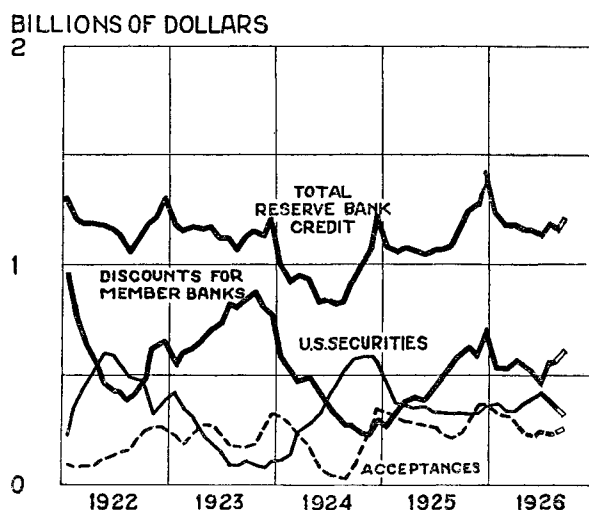


car loadings in August continued higher than in the corresponding months of previous years, and for the weeks of August 28th and September 4th exceeded all previous weekly records. Loadings of grain continued large, and shipments of merchandise in less than car load lots, miscellaneous commodities, ore and coke were considerably larger than in the corresponding period of previous years.

marketing of crops and Autumn trade, together with an increase in loans on securities, was reflected in a considerable growth, between the middle of August and the middle of September, in loans of member banks in leading cities. The banks' holdings of investments also increased, though there was a decrease in investments at banks in New York City, and total loans and investments on September 15th were larger



FACTORY EMPLOYMENT AND PAYROLLS
Federal Reserve Board's indexes of factory employment and payrolls (1919=100). Latest figures, August, employment, 94.4; payrolls, 107.7.



RESERVE BANK CREDIT
Monthly averages of daily figures for 12 Federal Reserve Banks. Latest figures are averages of first 23 days in September.

Prices. Wholesale commodity prices, according to the index of the Bureau of Labor Statistics, declined by over one per cent in August, reflecting largely price decreases for grains, live stock and meat products. Prices of clothing materials, fuel and metals increased during August, while prices of cotton, wool, sugar, building materials and rubber showed little change. In the first half of September, prices of grains, cattle, sugar, bituminous coal and coke advanced, while prices of raw cotton, silver and bricks declined.

Bank Credit. Increased demand for bank credit in connection with the harvesting and

than at any previous time. The volume of reserve bank credit increased by about \$90,000,000 between August 18th and September 22nd, partly in response to seasonal demands for currency. Discounts for member banks rose in September to the highest figure for the year and acceptance holdings also increased, while holdings of United States securities declined by about \$55,000,000. Money rates continued to rise during the first three weeks of September. Rates on commercial paper advanced by one-fourth of one per cent to $4\frac{1}{2}$ - $4\frac{3}{4}$ per cent. Rates on security loans also averaged higher than in August.

TWELFTH FEDERAL RESERVE DISTRICT CONDITIONS

Statistical Summary—

	August, 1926	July, 1926	August, 1925	July, 1925	August, 1926 compared with Aug., 1925	July, 1926 compared with July, 1925
Bank Debits—21 cities*	\$2,865,710	\$3,147,750	\$2,693,729	\$2,766,952	6.4	— 9.0
Bank Debits—Index Numbers†—20 cities.....	166	168	150	147	10.7	— 1.2
Building Permits—20 cities.....	\$29,025,541	\$31,671,181	\$35,482,926	\$33,155,732	—18.2	— 8.4
Retail Sales—32 stores—Index Numbers†.....	158	157	148	150	6.8	0.6
Savings Deposits—69 banks*§	\$1,203,457	\$1,204,508	\$1,122,507	\$1,118,549	7.2	— 0.1
Lumber Production—4 associations—board feet*	826,845	756,966	717,588	681,238	15.2	9.2
Petroleum Production†—California—barrels ...	605,325	604,619	677,599	658,421	—10.7	0.1
Flour Production—16 companies—barrels	420,516	454,175	371,882	275,634	13.1	— 7.4
Reporting Member Bank Loans and Discounts*||	\$1,218,658	\$1,200,933	\$1,137,922	\$1,112,409	7.1	1.5
Reporting Member Bank Deposits*||.....	\$1,654,922	\$1,630,982	\$1,580,341	\$1,554,544	4.7	1.5
Federal Reserve Bank Discounts*||.....	\$50,848	\$44,292	\$48,172	\$41,802	5.6	14.8
Federal Reserve Bank Reserve Ratio||.....	70.2	71.8	72.3	74.7	— 2.9	— 2.2

*In thousands. †Adjusted for seasonal variations—1919 monthly average=100. ‡Daily average production. §Not comparable with figures published in previous Reviews. ||September 15 and August 11, 1926, and September 16 and August 12, 1925. ¶Percentage increase or decrease (—). ◇Revised.

Agricultural Activities

Weather conditions generally have been favorable during the present crop moving season. The peak of grain and early deciduous fruit harvesting has now been passed and harvesting of field crops and grapes, which, particularly in California, have ripened earlier than usual, is progressing rapidly. Current harvesting returns indicate crop yields generally in excess of those anticipated earlier in the growing season, an important exception being grapes in California, which are reported to be returning slightly smaller yields than were forecasted in pre-harvest estimates.

PRODUCTION OF CALIFORNIA HORTICULTURAL CROPS (Except Apples)

	Forecast Sept. 1, 1926 (tons)	Actual 1925 (tons)	Five-Year Average (1919-1923) (tons)
Almonds	14,000	7,500	7,650
Apricots	160,000§	150,000	148,000
Cherries	17,000§	11,000	14,800
Figs	9,120	9,500	10,880
Grapes	2,108,000	1,955,000	...
Wine	408,000	395,000	392,600
Table	414,000	424,000*	270,000
Raisin	1,286,000	1,136,000*	...
Olives	11,200	14,000	10,400
Peaches	473,000	390,000	378,000
Pears	219,500	181,000	117,200
Plums	72,000	51,000	47,200
Prunes	145,000	145,000	114,500
Walnuts	20,000	30,500	24,120
Oranges	22,100,000†	20,800,000†	19,025,000†
Lemons	5,800,000†	6,000,000†	4,527,000†
Apples—Commercial Crop			
Twelfth District‡....	45,447,000†	37,989,000†	34,435,000†
United States	126,153,000†	95,727,000†	88,721,000†

*It is estimated that about 100,000 tons of table and 38,000 tons of raisin grapes, not harvested, are included in the above estimates. †Boxes. ‡California, Idaho, Oregon, and Washington. §As of August 1, 1926.

Enforcement of spray residue regulations of the United States Department of Agriculture, Bureau of Chemistry, affecting all fruits entering into interstate commerce, has this season presented new problems to growers and shippers of fruits, particularly pears and apples. These regulations have necessitated special wiping of the fruit, thereby adding to costs of production, but the situation is now being met satisfactorily, with due regard for the public health interests involved.

Satisfactory yields of most field crops have been obtained this year and prices generally have been well maintained. Estimates of the

district yield of sugar beets, however, indicate that the 1926 output will be less than half that of 1925. Picking of cotton has commenced in Arizona and California, and yields generally indicate a crop slightly smaller than was harvested in 1925 (229,000 bales). In California, rice fields are being drained and harvesting of rice has commenced. The acreage to be harvested this year (150,000 acres) is 31.3 per cent larger than was harvested in 1925, and estimated production (8,118,000 bushels, or 3,653,100 bags of 100 pounds each) is nearly double that of last year. Storage holdings of 1925 crop rice are reported to be small in amount.

PRODUCTION—PRINCIPAL GRAIN AND FIELD CROPS* Twelfth Federal Reserve District and United States

	Preliminary Estimate September 1, 1926	Forecast August 1, 1926	Actual 1925	Five-Year Average (1919-1923)
Wheat (bushels)				
Twelfth District...	100,843	103,062	100,227	115,641
United States.....	838,591	839,201	666,437	852,176
Barley (bushels)				
Twelfth District...	39,492	39,433	44,364	39,395
United States.....	195,204	191,088	217,497	173,576
Rice (bushels)‡				
Twelfth District...	8,118	8,370	4,738	7,363
United States.....	39,267	40,500	34,300	40,856
Beans (bushels)				
Twelfth District...	5,829	6,219	6,154	5,147
United States.....	17,253	19,100	19,500	12,068
Cotton (bales)				
Twelfth District...	216	...	229	123
United States.....	15,166	15,621	16,104	10,543
Potatoes (bushels)				
Twelfth District...	39,718	39,530	37,082	35,760
United States.....	351,557	345,569	325,902	388,497
Sugar Beets (tons)				
Twelfth District...	826	945	2,010	2,144
United States.....	6,525	6,654	7,423	6,652
Hops (pounds)				
Twelfth District...	26,984	25,631	28,500	26,733

*000 omitted. †Does not include Arizona. ‡Does not include Arizona and Washington. §California. ¶California and Idaho. ¶California, Idaho, and Utah. #One bushel of paddy rice weighs 45 pounds. ØRevised.

With the completion of the harvest, wheat and other grain crops have been moving to market more rapidly than was the case last year. Export shipments of wheat from the Pacific Northwest have been large in volume, and domestic demand has been active. The 1926 barley crop in California was slightly smaller in volume than the 1925 barley crop in that state. Both domestic and foreign markets for barley have continued sluggish during the past month. Agricultural marketing data are presented in Table "A."

Seasonal rainfall during the first weeks of September improved the condition of ranges in

(A) Agricultural Marketing Activity—

	Exports		Carlot Shipments				Livestock Receipts at Eight Markets in 12th District			Cold Storage Holdings ¹ 12th District	
	Wheat ² Portland and Puget Sound (1000 bu.)	Barley ³ San Francisco (1000 bu.)	Apples ⁴ 12th Dist. (cars)	Deci- duous Fruits (cars)	Oranges ⁵ Calif. (cars)	Lemons ⁶ Calif. (cars)	Cattle and Calves	Hogs	Sheep	Butter (1000 lbs.)	Eggs (1000 cases)
Monthly											
August, 1926.....	3,618	1,575	1,262	10,685	3,313	1,367	112,795	144,884	393,498	7,438	516
July, 1926.....	1,675	1,315	1,650	9,151	4,627	1,914	89,486	139,858	310,820	7,754	542
August, 5-year average	2,461	2,187	926	7,578	2,501	826	90,713§	129,225§	275,136§	6,271¶	542¶
(1919-1923)											
Cumulative											
To August 31, 1926.....	5,293	2,890	2,912	25,029	43,930	12,216	806,387	1,321,564	2,193,404		
	(5.3)	(7.3)	(3.4)	(86.1)	(81.4)						
To August 31, 1925.....	491Ø	4,541Ø	1,084	19,814	34,938	10,333	807,617	1,545,073	2,070,209		
	(0.7)	(19.9)	(2.5)	(72.8)	(89.9)						
5-year average to August 31st. (1919-1923)	4,027	3,458	1,586	15,240	38,323	9,344	701,689§	1,319,405§	1,940,746§		
	(3.5)	(8.6)	(3.1)	(80.9)	(82.6)						

Figures in parentheses indicate percentage of new crop only. *Season begins July 1st. †Season begins November 1st. ‡At end of month. §1921-1925. ¶California, excluding apples. Season begins April 1st. ¶1922-1926. ØRevised.

most sections of the district, and **livestock** generally are in satisfactory condition. According to the United States Department of Agriculture, the number of range cattle available for marketing in the United States continues to decline, reflecting the heavy sales during 1925 and 1926 to date.

Industrial Activity

Productive activity in the district as a whole increased seasonally during August and in most industries was above the level of a year ago. Available evidence, both non-statistical and statistical, indicates that total volume of **employment** was seasonally greater during August, 1926, than during July, 1926, and was slightly greater during the later month than in August, 1925. Detailed employment data of reporting industrial plants in California and Oregon are shown in Table "C."

Building continued active at high levels during August. Value of building permits issued in 20 principal cities of the district again declined, however, both as compared with the previous month and with the same month a year ago. A decrease of 8.4 per cent in the value of permits issued during August as compared with July, 1926, compares with an average increase of 14.4 per cent from July to August during the past seven years, 1919-1925, inclusive. In comparison with August, 1925, there was a decrease of 12.3 per cent in the number of permits and 18.2 per cent in the estimated cost of construction involved. The cumulative figures of permits issued during the year-to-date show a decline of 12.1 per cent in number and 13.5 per cent in value for 1926 as compared with 1925. Detailed figures by cities are shown in Table "B."

The United States Bureau of Labor Statistics' index number of wholesale building materials prices increased slightly from 171.5 in July to 171.8 in August (1913 prices = 100). It stood at 172.4 in August, 1925. The Aberthaw index of total cost of building a reinforced con-

crete factory building, including labor and materials, stood on September 1st at 197 (1914 = 100), compared with 198 one month ago and 194 one year ago.

Activity in the **lumber** industry of the district was greater during August than in July and continued at higher levels than a year ago. Lumber production of mills reporting to four associations exceeded shipments and new orders received by 3.2 per cent and 9.1 per cent, respectively, during August, and was 9.2 per cent larger than production during July. The volume of new orders received during August was less than shipments, and unfilled orders at the close of the month were less than at its beginning.

LUMBER ACTIVITY*					
	Aug., 1926	July, 1926	Aug., 1925	First Eight Months— 1926	First Eight Months— 1925
	(board feet)	(board feet)	(board feet)	(board feet)	(board feet)
Production	826,845	756,966	717,588	5,852,862	5,227,170
Shipments	801,024	741,408	678,035	5,858,709	5,268,521
Orders	757,952	772,849	688,786	5,884,684	5,248,204
Unfilled Orders†	545,068	586,442	497,824	...	...
No. of Mills Reporting‡ ..	184	177	173	182	179

*As reported by four associations, 000 omitted except in case of number of mills reporting. †Reported by three associations. The figures are not strictly comparable with other figures appearing in the table. ‡Average.

Source: National Lumber Manufacturers Association.

Gasolene production at California refineries totaled 4,203,431 barrels during August, 1926, an increase of 7.8 per cent over July, 1926, and an increase of 14.39 per cent over the output of August, 1925. Stocks of gasolene, at 9,554,687 barrels on August 31, 1926, showed a decrease of 177,286 barrels since the end of July, 1926, and were 5.3 per cent larger than one year ago.

GASOLENE—California			
	Aug., 1926	July, 1926	Aug., 1925
	(barrels)	(barrels)	(barrels)
Refinery Output .	4,203,431	3,899,264	3,674,599
Stored Stocks* ..	9,554,687	9,731,973	9,077,569

*End of month. †Comparable figures not available. Source: United States Bureau of Mines.

(C) Employment—

Industries	California		Oregon	
	No. of Firms	No. of Employees— Aug., 1926 July, 1926	No. of Firms	No. of Employees— Aug., 1926 July, 1926
All Industries	699	163,584 (3.3)	90	18,257 (3.8)
Stone, Clay and Glass Products.	45	7,828 (0.0)	5	219 (-2.2)
Lumber and Wood Manufactures ..	109	29,038 (2.2)	36	13,605 (-0.8)
Textiles	18	2,573 (-1.7)	3	302 (7.5)
Clothing, Millinery and Laundering.	60	6,955 (1.8)	8	550 (2.6)
Food, Beverages and Tobacco...	141	38,379 (10.3)	29	2,988 (32.4)
Water, Light and Power	5	8,905 (-2.9)	..	...
Other Industries*.	307	67,588 (1.6)	..	...
Miscellaneous	14	2,318 (4.6)	9	593 (3.5)

*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 July.

(B) Building Permits—

	August, 1926		August, 1925	
	No.	Value	No.	Value
Berkeley	305	\$ 586,206	458	\$ 929,956
Boise	54	38,975	65	42,675
Fresno	60	89,305	96	137,330
Long Beach	282	459,166	341	6,026,029
Los Angeles	2,906	8,826,108	3,493	10,221,257
Oakland	985	2,665,900	1,238	3,246,419
Ogden	37	208,100	22	101,550
Pasadena	232	917,792	230	676,426
Phoenix	106	222,162	119	178,792
Portland	1,325	3,169,865	1,377	3,544,110
Reno	27	109,050	18	133,889
Sacramento	217	662,286	266	655,454
Salt Lake City	93	741,595	143	539,190
San Diego	749	1,384,439	704	1,254,099
San Francisco	862	4,163,510	939	3,840,076
San Jose	139	355,825	109	221,615
Seattle	1,026	2,784,660	1,111	2,083,895
Spokane	219	452,345	245	533,944
Stockton	76	594,150	94	220,360
Tacoma	355	594,102	398	895,860
District	10,055	\$29,025,541	11,466	\$35,482,926

Average daily production of petroleum in California during August was slightly greater than during July, but was smaller in volume than in August, 1925. Indicated consumption was greater than production during the month. Stored stocks continued the decline which began in June and at the end of August, 1926, were slightly smaller than one year ago.

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)
Aug., 1926..	605,325	607,417	120,605,895	55	18,067
July, 1926..	604,619	685,393	121,910,744	68	27,582
Aug., 1925..	677,599	538,204	120,818,310	98	68,202
Sept., 1923*.	858,750	†	†	93	139,960

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

Figures of national production of non-ferrous metals follow:

NON-FERROUS METALS—National Production

	August, 1926	July, 1926	August, 1925
Copper (short tons) (mine production)	72,221	72,949	68,574
Lead (short tons) (crude)	49,625	49,749	46,223
Zinc (short tons) (slab)	51,761	48,403	47,849
Silver (oz.) (commercial bars)	5,073,000	4,660,000	4,907,000

Production of 16 reporting flour milling companies in the Twelfth District decreased, and stocks of flour increased during August, both movements being contrary to the experience of the five years, 1921 to 1925. Stocks of wheat held by reporting millers were increased by more than 50 per cent during August, and, at the end of the month, exceeded the five-year average end of August figure by about the same amount. Figures follow:

FLOUR MILLING*

	Aug., 1926	July, 1926	Aug., 1925	Five-Year Average August, 1921-1925
Output (bbls.)...	420,516	454,175	371,882	479,356
Stocks†				
Flour (bbls.)...	536,380	349,938	334,213	364,404
Wheat (bu.)...	2,440,349	1,570,287	1,441,377	1,604,519

*As reported by 16 companies. †At end of month.

Trade factors report that both domestic and foreign flour markets have been relatively inactive during recent weeks.

(D) Bank Debits*

	August, 1926	August, 1925	Eight Months 1926	1925
Berkeley	\$ 17,846	\$ 17,574	\$ 153,188	\$ 144,919
Boise	13,407	12,660	103,812	93,116
Fresno	33,695	44,149	276,737	247,593
Long Beach ..	43,786	44,629	407,514	377,437
Los Angeles ...	817,286	734,485	6,959,992	6,232,627
Oakland	153,313	140,839	1,347,883	1,091,999
Ogden	21,102	24,063	156,542	182,419
Pasadena	32,306	30,343	300,801	283,811
Phoenix	21,889	18,197	201,877	180,117
Portland	193,043	168,461	1,431,000	1,272,911
Reno	9,167	9,220	72,030	67,408
Sacramento ...	30,077	32,299	253,340	291,842
Salt Lake City..	65,059	66,703	558,729	535,312
San Diego	58,761	53,027	518,967	429,390
San Francisco ..	983,851	932,358	8,502,692	7,416,340
San Jose	24,421	26,444	203,535	192,653
Seattle	214,752	204,054	1,680,332	1,560,675
Spokane	51,602	50,927	442,708	401,181
Stockton	24,349	27,117	212,372	199,270
Tacoma	43,818	43,555	367,792	347,693
Yakima	12,180	12,625	101,244	92,713
District	\$2,865,710	\$2,693,729	\$24,253,087	\$21,641,426

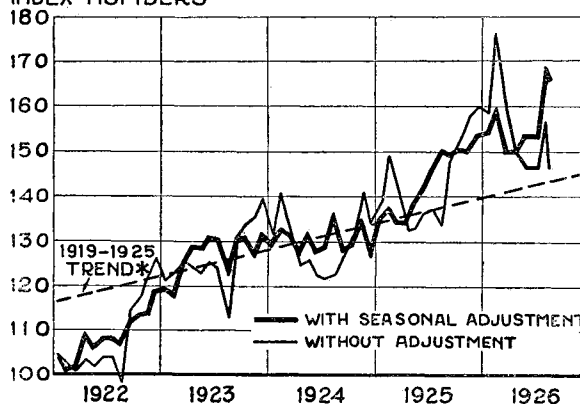
*000 omitted.

The peak of the 1926 fruit canning season in the Twelfth District was reached during the past month. Commercial factors estimate that the total canned fruit pack will exceed that of a year ago (20,206,276 cases in the principal producing states). Canned fruit markets have been active, and prices have been relatively stable during the present marketing season. Fruit drying operations for the year are now drawing to a close with the drying and delivery to packing houses of prune and raisin crops. The amount of fruit dried or to be dried has not yet been officially estimated. The market during recent weeks has been moderately active.

General Business and Trade

General business activity continued at high levels during August, although seasonally corrected figures of bank debits, a measure of

INDEX NUMBERS



BANK DEBITS—TWELFTH DISTRICT

Index for 20 principal cities, Phoenix, Arizona, not included, (daily averages, 1919 average=100). Latest figures, August, with adjustment, 166; without adjustment, 146.

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

total trade volume, declined slightly during the month. Detailed trade statistics, in general, confirm the evidence of the more comprehensive indexes.

The volume of debits against individual accounts (bank debits), reported by clearing houses in 21 cities of the Twelfth District, decreased 9 per cent during August. The decrease was slightly greater than has been usual during August of past years, and this bank's index of daily average bank debits (1919 monthly average = 100) declined from 168 in July, the highest point reached by this index, to 166 in August. As compared with August, 1925, an increase of 11 per cent was recorded.

BANK DEBITS—Twelfth District Index for 20 Principal Cities*

	Aug., 1926	July, 1926	June, 1926	Aug., 1925
Without Seasonal Adjustment...	146	157	147	134
With Seasonal Adjustment.....	166	168	154	150

*Daily averages, 1919 average=100. ‡Revised.

Detailed dollar figures of bank debits in 21 principal clearing house centers are given in Table "D."

The value of sales at 66 reporting retail stores in this district was seasonally larger during August than during July and exceeded the reported value of sales for August, 1925, by 6.3 per cent. Total sales were 4.2 per cent greater in value during the eight months ended August 31st than during the same period in 1925. Total stocks on hand at reporting stores were increased 3.9 per cent during August, but at the end of the month were 0.2 per cent smaller in value than one year ago. The indicated rate of stock turnover, based upon reports of 32 department stores, was higher in August, 1926 (3.1 times per year) than in August, 1925 (3.0 times per year). During each of the past six months, including August, the value of total sales reported by 32 department stores whose figures are included in this bank's index of department store sales has been greater than in the same month of any previous year during the period in which the record has been kept, 1919 to date. Index numbers of department store sales, based upon value of sales of 32 representative department stores in this district are given below.

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

	Los Angeles (6)*	Oakland (5)*	San Francisco (8)*	Salt Lake City (4)*	Seattle (5)*	Spokane (3)*	District (32)*
Without Seasonal Adjustment							
Aug., 1926..	232	145	135	87	97	97	151
July, 1926..	200	128	109	84	89	79	129
June, 1926..	209	142	124	109	98	91	142
May, 1926..	214	152	147	121	98	90	152
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
Aug., 1925..	210	138	129	90	97	88	142
With Seasonal Adjustment†							
Aug., 1926..	216	161	142	112	103	111	158
July, 1926..	233	161	141	105	97	101	157
June, 1926..	226	141	149	106	98	90	154
May, 1926..	233	163	133	105	100	90	147
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
Aug., 1925..	195	153	135	115	102	101	148

*Figures in parentheses indicate number of stores. One store included in district figures not included in cities shown above.
†No adjustment has been made for business days lost due to Saturday closing of stores during the summer months.

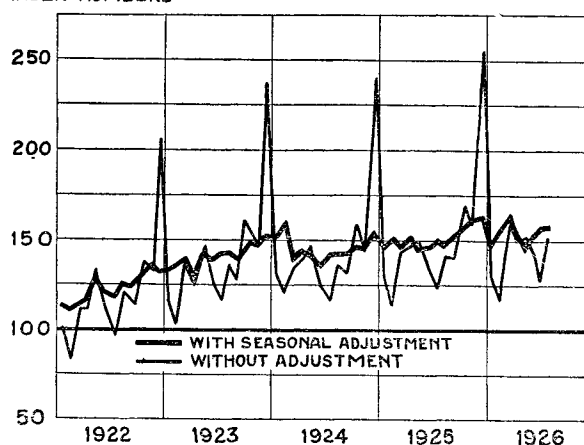
Wholesale trade was more active during August than a year ago. Total value of sales reported to this bank by 162 firms in eleven lines of business was 2.9 per cent larger in August, 1926, than in August, 1925. Seven of the eleven reporting lines showed increases over the year period. General wholesale prices continued to

decline in August and averaged approximately 7 per cent lower than in August, 1925.

WHOLESALE TRADE

	No. of Firms	Percentage increase or decrease (—) in Value of Sales		
		Aug., 1926 compared with Aug., 1925	Aug., 1926 compared with July, 1926	July, 1926 compared with July, 1925
Agricultural Implements.	15	—14.8	—40.2	— 3.6
Automobile Supplies . . .	13	— 4.6	— 2.4	— 8.5
Automobile Tires	17	31.8	28.3	—15.6
Drugs	7	3.8	— 0.9	— 1.0
Dry Goods	15	— 1.5	36.6	— 8.8
Electrical Supplies	9	12.7	24.9	— 0.1
Furniture	14	3.6	22.9	— 9.1
Groceries	20	2.6	— 2.4	— 4.2
Hardware	17	— 1.8	3.0	— 6.9
Shoes	12	6.9	44.2	19.2
Stationery	23	6.2	26.8	3.4

INDEX NUMBERS



DEPARTMENT STORE SALES—TWELFTH DISTRICT

Index of 32 Stores in 7 cities (1919 monthly average = 100). Latest figures, August, with adjustment, 158; without adjustment, 151.

On August 31, 1926, savings deposits in 69 banks in seven principal cities of the district were 7.2 per cent larger than on August 31, 1925, and 0.1 per cent smaller than on July 31, 1926.

SAVINGS DEPOSITS

	Number of Banks	August 31, 1926†			August 31, 1926† compared with	
		Aug. 31, 1926*	July 31, 1926*	Aug. 31, 1925*	Aug. 31, 1925	July 31, 1926
Los Angeles	13	\$421,024	\$420,493	\$380,705	10.6	0.1
Oakland†	7	102,367	102,246	97,869	4.6	0.1
Portland	7	55,771	55,316	52,776	5.7	0.8
Salt Lake City	8	33,263	33,004	30,243	10.0	0.8
San Francisco	14	488,875	492,042	466,584	4.8	—0.6
Seattle	14	82,411	81,880	74,971	9.9	0.6
Spokane	6	19,746	19,527	19,359	2.0	1.1
Total	69	\$1,203,457	\$1,204,508	\$1,122,507	7.2	—0.1

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

Prices

Further slight declines in commodity prices during August, 1926, placed the United States Bureau of Labor Statistics' wholesale price index (1913 prices = 100) at 149.2 for that month, compared with 150.7 in July, 1926, and

160.4 in August, 1925. The August, 1926, figure was lower than any reported since June, 1924, when the index stood at 147.1. The 1925 low, 155.2, was reported in May, 1925. Group index numbers of prices of farm products, foods, cloths and clothing, building materials, chemicals and drugs, house furnishings, and miscellaneous commodities have declined throughout the present year. Index numbers of prices in the other groups, fuel and lighting and metals, making up the all-commodities index have been relatively unchanged during this period.

The Department of Agriculture's farm price index (1909-1914 prices = 100) declined from 135 in July to 132 in August, 1926, and the Bureau of Labor Statistics' index of prices of non-agricultural commodities also declined from 147.3 to 143.6. The ratio between these two indexes (an indication of the purchasing power of farm products) declined from 84.8 to 82.4 during the month, the latter figure being the lowest since May, 1924, when the ratio was 82.0. In August, 1925, this ratio was 93.

Livestock prices declined during early August, as they had in July, but advanced slightly during the later weeks of the month and in early September. The weekly average prices at Chicago for cattle, lambs, and hogs, per 100 pounds, were 7.0 per cent, 1.1 per cent, and 1.7 per cent higher, respectively, for the week ending September 3, 1926, than for the week ending August 6, 1926, but were 11.9 per cent, 5.0 per cent, and 2.9 per cent lower, respectively, than the averages for the corresponding period a year ago. The average price for sheep declined 14.4 per cent during August and at the close of the month was 20.4 per cent under the average price for the week ending September 4, 1925.

Wheat prices declined during August but advanced slightly during the first weeks of September. Quotations for September contract wheat at Chicago, for the week ending September 3, 1926, ranged from \$1.29 $\frac{1}{8}$ to \$1.30 $\frac{3}{8}$ per bushel, compared with a range of from \$1.38 to \$1.39 $\frac{3}{4}$ on August 6, 1926. On September 18,

1926, cash wheat sold for \$1.33 $\frac{1}{4}$ to \$1.34 $\frac{1}{4}$ per bushel at Chicago, compared with a price range of \$1.51 to \$1.53 $\frac{1}{8}$ per bushel reported for September 18, 1925. With the exception of quotations for a short period early in May, wheat prices thus far in 1926 have consistently been lower than in 1925.

Cotton prices fluctuated within narrow limits during August and early September, with a general downward tendency. Spot quotations for middling uplands cotton at New Orleans for the week ending September 3, 1926, ranged from 17.83 to 18.12 cents per pound, a decrease of 2.2 per cent from their range one month ago, and a decline of 16.9 per cent since September 4, 1925, when the quotations ranged from 21.28 to 22.00 cents per pound. On September 16, 1926, the quotation was 16.37 cents per pound. An average of 98 wool quotations at Boston declined 0.9 per cent during the month, and on September 3, 1926, was 15.3 per cent lower than for the corresponding period a year ago.

Refined beet sugar was quoted at \$5.70 per 100 pounds, f. o. b. San Francisco, on September 3, 1926, a decline of ten cents since August 6, 1926. A year ago the price was \$5.65 per 100 pounds.

California shipping point prices for grapes were generally lower during the first weeks of September, 1926, than in mid-September, 1925. A summary of prices paid f. o. b. at shipping points during mid-September of each of the past four years follows:

Mid-September	TABLE GRAPES—Per Crate		
	Thompsons	Malagas	Tokays
1926	\$0.60-\$0.65	\$0.70-\$0.75	\$0.90-\$1.00
1925 .....	.65-.75	.75-1.00	1.15-1.30
1924 .....	.65-.75	.75-.90	.90-1.35
1923 .....	.75-.85	.90-1.10	1.50

	JUICE GRAPES—Per Ton		
	Alicantes	Zinfandels	Muscats
1926	\$62.50-\$65.00	\$60.00-\$62.50	\$30.00-\$32.50
1925	95.00-105.00	70.00-77.50	32.50-37.50
1924	100.00-120.00	80.00-85.00	30.00-37.50
1923	90.00-100.00	65.00-85.00	35.00-40.00

(E) Commodity Prices —

Commodity	Unit	September 3, 1926	One Month Ago	One Year Ago
Wholesale Prices (U. S. Bureau of Labor—1913=100).....		149.2	150.7	160.4
Purchasing Power of Farm Products (U. S. Dept. of Agriculture)*.....		82.4	84.8	93.0
Cattle (Native Beef)..... Weekly average price at Chicago.....	100 lbs.	\$10.00	\$9.35	\$11.35
Lambs..... Weekly average price at Chicago.....	100 lbs.	14.25	14.10	15.00
Hogs..... Weekly average price at Chicago.....	100 lbs.	11.65	11.45	12.00
Wheat..... Chicago contract price for September wheat.....	bu.	1.29 $\frac{1}{8}$ –1.30 $\frac{3}{8}$	1.38–1.39 $\frac{3}{4}$	1.51 $\frac{3}{4}$ –1.54 $\frac{1}{2}$
Wool..... Average of 98 quotations at Boston.....	lb.	66.17¢	66.76¢	78.08¢
Apples..... California Gravenstein, wholesale at San Francisco.....	box	1.00–1.25	1.00–1.35	2.50–3.00
Oranges..... Valencias, Fancy, wholesale at San Francisco.....	box	4.75–5.25	4.50–5.25	7.25–7.75
Prunes..... Size 40/50 in 25-lb. boxes f. o. b. California.....	lb.	.07 $\frac{1}{2}$ –.08	.08–.08 $\frac{1}{2}$	.09–.09 $\frac{1}{2}$
Raisins..... Thompson Seedless bulk in 25-lb. boxes f. o. b. California.....	lb.	.07 $\frac{1}{2}$	.07 $\frac{3}{4}$	Not Quoted
Canned Peaches..... Cling Choice, 2 $\frac{1}{2}$ s f. o. b. California.....	doz.	2.20	2.20	2.20
Butter..... 92 score at San Francisco.....	lb.	.44	.42	.50 $\frac{1}{4}$
Lumber (Softwood)..... Weekly Index, United States†.....		29.90	29.96	30.37

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

†As published by "The Lumber Manufacturer and Dealer."

The general trend of silver prices has been downward since June, 1920. The monthly average price of silver at New York for August, 1926 (62.380 cents per ounce) was the lowest reached since August, 1921, when the average was 61.597 cents per ounce. Monthly average prices of non-ferrous metals, with the percentage increase or decrease from one month ago and from one year ago, are shown in the following table:

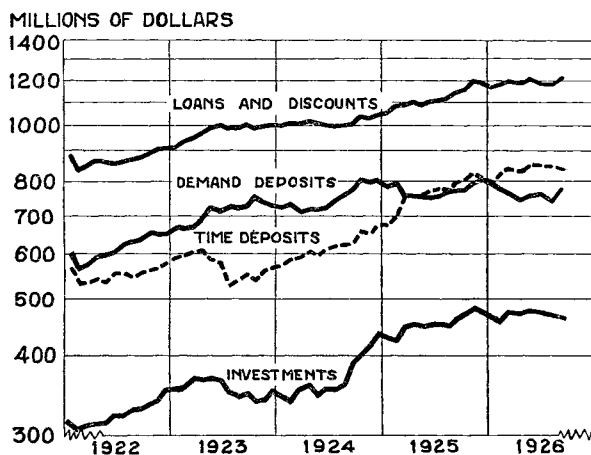
	NON-FERROUS METALS PRICES (Cents per pound)			Percentage increase or decrease(—)from	
	August, 1926	July, 1926	August, 1925	One Mo. Ago	One Yr. Ago
Copper, New York....	14.174	13.924	14.490	1.8	— 2.2
Lead, New York.....	8.908	8.499	9.192	4.8	— 3.1
Silver,* New York....	62.380	64.793	70.240	—3.7	—11.2
Zinc, St. Louis.....	7.376	7.411	7.576	—0.5	— 2.6

*Cents per ounce.

A national index of lumber prices, published by "The Lumber Manufacturer and Dealer," declined from 29.96 to 29.90 during August, 1926. A year ago the index stood at 30.37. Trade reports indicate that lumber prices at Pacific Northwestern producing centers have tended to become firmer during recent weeks.

Banking and Credit Situation

Commercial demand for credit changed little during the summer months. With the approach of the peak of the harvest season, however,



MEMBER BANK CREDIT—TWELFTH DISTRICT

Figures for about 65 member banks in leading cities, as of last Wednesday of each month. Latest figures, August 25.

demands for funds for crop moving and other agricultural purposes were evidenced in an increase of loans reported by member banks, and in some sections in an increase in discounts at the Federal Reserve Bank. Adequate supplies of funds continued available at moderate rates of interest.

During August, city member banks reported that their total loans and investments, which

had declined during June and July, had advanced to levels approximating the high point of the previous May (\$1,680,000,000). By mid-September, the peak of the harvest season, their total loans and investments had advanced to a new all-time high of over \$1,691,000,000. Commercial loans of these banks were nearly constant in volume during the mid-summer months but rose from \$899,000,000 on August 4th to \$924,000,000 on September 15th, the latter figure approximating the 1925 pre-Christmas peak. Loans made on securities as collateral stood at \$295,000,000 on September 15th, compared with the May 12th figure of \$297,000,000. Total deposits, which have fluctuated but little during the past few months, were slightly larger on September 15th than in May.

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

	Condition Sept. 15, 1926	Changes from	
		One Month Ago	One Year Ago
		(+ = increase — = decrease)	
Total Loans	1,219	+18 (1.5)	+81 (7.1)
Commercial Loans	924	+21 (2.3)	+39 (4.5)
Loans on Securities	295	— 3 (1.0)	+41 (16.3)
Investments	473	+ 8 (1.8)	+ 9 (1.9)
Total Loans and Invest- ments	1,691	+26 (1.6)	+89 (5.6)
Net Demand Deposits....	793	+19 (2.5)	+14 (1.8)
Time Deposits	836	— 8 (1.0)	+58 (7.5)
Borrowings from Federal Reserve Bank	42	+10 (29.4)	+ 5 (12.4)

*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 Los Angeles, San Francisco, Oakland, Portland, Tacoma, Seattle, Spokane, Ogden, and Salt Lake City.

Total earning assets of the Federal Reserve Bank of San Francisco declined from May to June, recovered to the May level during July and August, advanced sharply during the first week in September, and then decreased so that by mid-September the total of bills and securities held was approximately equal in volume to May holdings. Federal reserve note circulation has been at higher levels during the past summer than during the spring months of 1926, reflecting increased currency demands on the part of member banks. On September 15th the volume of Federal reserve notes in circulation was 7 per cent less than one year ago.

FEDERAL RESERVE BANK OF SAN FRANCISCO

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

	Con- dition Sept. 15, 1926	Changes from	
		One Month Ago	One Year Ago
		(+ = increase — = decrease)	
Total Bills and Securities..	122	+ 6 (5.5)	+ 9 (8.4)
Bills Discounted	51	+ 7 (14.8)	+ 3 (5.6)
United States Securities..	43	— 6 (11.7)	+ 0 (0.6)
Bills Bought	28	+ 6 (24.9)	+ 7 (33.9)
Total Reserves	259	+ 2 (0.6)	— 9 (3.3)
Total Deposits	177	+ 7 (4.0)	+13 (8.2)
Federal Reserve Note Circulation	192	+ 4 (2.0)	—15 (7.2)