

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. 11

SUMMARY OF NATIONAL CONDITIONS

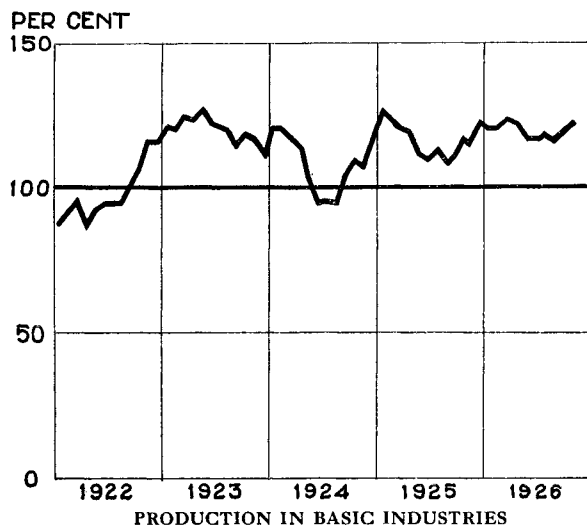
Industrial activity continued in large volume in October, while the general level of prices declined slightly. Despite a seasonal increase in borrowing for commercial purposes, the volume of bank credit outstanding has declined in recent weeks, reflecting continued liquidation of loans on securities.

Production. Production in basic industries, as measured by the Federal Reserve Board index, which makes allowance for the usual seasonal variations, showed little change in October as compared with September. Textile mill activity and the daily average output of iron and steel was maintained during October, but in the forepart of November there was a decrease in steel production. Output of bituminous coal was stimulated by export and bunker demand and attained new high levels in October and November. Petroleum production also was large. There was a sharp decline in automobile production in October and output of cars was smaller than in any month since January.

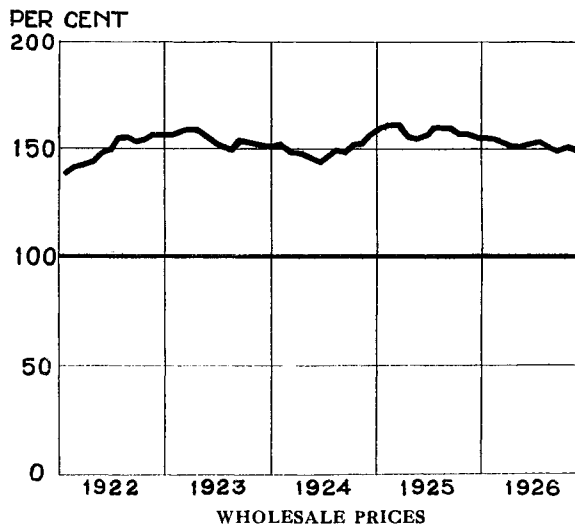
The volume of building activity, as indicated

by reported value of building contracts awarded, has declined for the past three months, as is usual at this season of the year. Throughout the period, it has been at a slightly lower level than during the exceptionally active autumn season of 1925. Contracts for residential structures have been smaller in volume during recent months than during the same period a year ago, while those for engineering projects and public works have been larger.

Trade. Distribution of commodities at wholesale declined in October, contrary to the usual trend for that month, and was in smaller volume than in October of any year since 1922. Sales of department stores showed the usual seasonal growth in October, but owing partly to less favorable weather conditions and partly to a smaller number of trading days, were at somewhat lower level than in the same month of last year. Sales of mail order houses were also smaller than a year ago. Stocks of merchandise carried by wholesale firms were slightly smaller than a year ago, while department store stocks increased more than is usual



Index of 22 basic commodities corrected for seasonal variation (1919=100). Latest figure, October, 122.



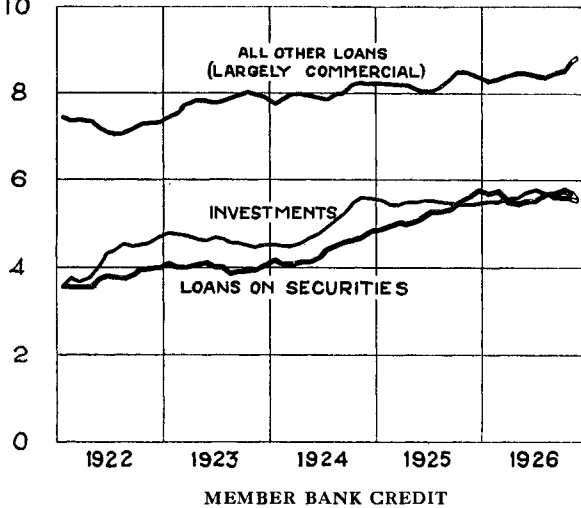
Index of U. S. Bureau of Labor Statistics (1913=100, base adopted by Bureau). Latest figure, October, 149.7.

in September and October and at the end of October were larger than in 1925.

Freight car loadings were of record volume in October and November, because of unusually large shipments of coal and ore coincident with continued heavy movement of other commodities.

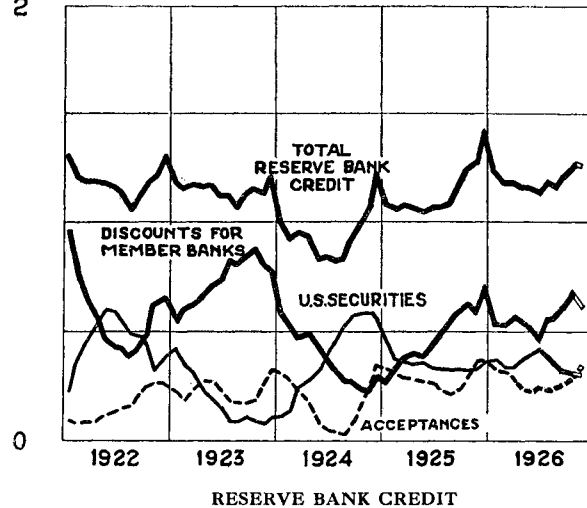
Bank Credit. Seasonal growth in loans for commercial and agricultural purposes at member banks in leading cities has been accompanied by continued liquidation of loans on securities, with the consequence that the total volume of loans and investments of these banks in the middle of November was considerably

BILLIONS OF DOLLARS
10



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

BILLIONS OF DOLLARS
2



RESERVE BANK CREDIT
Monthly averages of daily figures for 12 Federal Reserve Banks. Latest figures are averages of first 22 days in November.

Prices. Wholesale prices of nearly all groups of commodities declined in October and November. Prices of bituminous coal, however, advanced sharply as the result of active foreign demand caused by the British coal strike. Recently there has been some decline in coal prices. The price of raw cotton, after falling rapidly in September and early October has been steady during recent weeks. Prices of non-agricultural commodities, as classified in the Bureau of Labor Statistics price indexes, declined slightly between September and October, while prices of agricultural products declined by about 2 per cent to the lowest level since the summer of 1924.

smaller than a month earlier. At the reserve banks, decline in the volume of member banks' credit has been reflected in a reduction of total holdings of bills and securities to a level \$37,000,000 below that of the corresponding date in 1925. Discounts for member banks were in about the same volume as a year ago, while holdings of acceptances and of United States securities were smaller. Easier conditions have prevailed in the money market in November than in October. Rates on prime commercial paper declined from $4\frac{1}{2}$ - $4\frac{3}{4}$ per cent in October to $4\frac{1}{2}$ per cent in November. There was also a reduction of $\frac{1}{8}$ per cent in the rates on bankers' acceptances.

TWELFTH FEDERAL RESERVE DISTRICT CONDITIONS

Statistical Summary—

	October, 1926	September, 1926	October, 1925	September, 1925	October, 1926 [¶] compared with	
					Oct., 1925	Sept., 1926
Bank Debits—21 cities*	\$3,127,210	\$3,004,429	\$3,072,578	\$2,779,033	1.8	4.1
Bank Debits—Index Numbers†—20 cities.....	162	164	151	149	7.3	— 1.2
Building Permits—20 cities	\$27,650,152	\$26,317,852	\$32,335,188	\$31,826,926	—14.5	5.1
Retail Sales—32 Stores—Index Numbers†.....	158	171	158	153	0.0	— 7.6
Savings Deposits—68 banks*§	\$1,209,664	\$1,209,816	\$1,128,326	\$1,130,738	7.2	0.0
Lumber Production—4 associations—board feet*..	790,376	777,106	726,098	687,592	8.9	1.7
Petroleum Production†—California—barrels	611,808	603,498	645,648	668,759	— 5.2	1.4
Flour Production—14 companies—barrels	512,685	484,831	512,120	475,456	0.1	5.7
Reporting Member Bank Loans and Discounts**..	\$1,295,015	\$1,278,923	\$1,188,910	\$1,148,225	8.9	1.3
Reporting Member Bank Deposits**.....	\$1,684,618	\$1,718,551	\$1,629,595	\$1,603,005	3.4	— 2.0
Federal Reserve Bank Discounts**.....	\$50,890	\$64,867	\$50,308	\$49,868	1.2	—21.5
Federal Reserve Bank Reserve Ratio||.....	71.5	69.7	70.5	72.4	1.4	2.6

*In thousands. †Adjusted for seasonal variations—1919 monthly average=100. ‡Daily average production. §Not comparable with figures published in previous Reviews. ¶November 17 and October 13, 1926, and November 18 and October 14, 1925. †Percentage increase or decrease (—). ◊Revised.

Agricultural Activities

Over most of the Twelfth Federal Reserve District, dry weather followed the rains of early October, a condition favorable to the successful harvesting of crops which were still in the field. Preliminary estimates of 1926 crop production in the district indicate that total yield of agricultural products was slightly larger this year than last, and that, in general, yield per acre was increased and quality of product improved as compared with a year ago.

Harvesting of late maturing crops is now practically completed. From threshing returns it appears that the 1926 rice crop in California was the largest crop of this grain produced in that state since 1920. Both acreage planted and harvested and yield per acre were greater in 1926 than in 1925, and the rice is reported to be of good quality. Climatic conditions during Oc-

Because of this fact, and because of the high yields per acre obtained, cotton growers of the district are generally reported to be realizing some profit on the year's operations.

Early estimates of the 1926 apple crop of the district forecasted a record volume of production. Unfavorable weather conditions during late September resulted in severe crop losses, however, and it is now estimated that the crop this year will be but slightly larger than last year, although still well above the average of recent previous years.

APPLE PRODUCTION—Twelfth District and United States

	Preliminary Estimate Nov. 1, 1926	Preliminary Estimate Sept. 1, 1926	Actual 1925
Commercial Crop*			
Twelfth District†	39,763,000	45,447,000	37,989,000
United States	119,847,000	126,153,000	95,727,000

*In boxes. †Idaho, Washington, Oregon, California.

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

	Preliminary Estimate November 1, 1926	Preliminary Estimate October 1, 1926	Actual 1925	Five-Year Average (1919-1923)
Wheat (bushels)				
†Twelfth District...	101,974	101,974	100,227	115,641
United States.....	839,818	840,000	666,437	852,176
Barley (bushels)				
†Twelfth District...	39,720#	39,720	44,364	39,395
United States.....	196,762	197,000	217,497	173,576
Rice (bushels)				
§Twelfth District...	8,100	8,100	4,738	7,363
United States.....	40,809	39,436	34,300	40,856
Beans (bushels)				
||Twelfth District...	6,066#	6,066	6,154	5,147
United States.....	16,970	17,000	19,500	12,068
Cotton (bales)				
Twelfth District...	225	216	229	123
United States.....	17,918	16,627	16,104	10,543
Potatoes (bushels)				
Twelfth District...	41,946	40,125	37,082	35,760
United States.....	360,727	350,821	325,902	388,497
Sugar Beets (tons)				
†Twelfth District...	742#	742	2,010	2,144
United States.....	6,797	6,797	7,423	6,652

*000 omitted. †Does not include Arizona. ‡Does not include Arizona and Washington. §California. ||California and Idaho. ¶California, Idaho, and Utah. ◊Revised. #As of October 1, 1926.

tober favored development and opening of the top or late crop of cotton, and estimates of production in California and Arizona were increased by 9,000 bales during the month. Cotton of the grade and quality grown in these states sells at a slight premium over most of the cotton grown in other parts of the United States.

Citrus fruit crops in California have thus far experienced a favorable season. Condition of the orange crop is reported as 83 per cent of normal compared with a ten-year average of 76 per cent, while condition of the lemon crop was reported as 92 per cent of normal, compared with a ten-year average of 79 per cent. Estimated production of the 1926-1927 Navel orange crop is 11,800,000 boxes, compared with a crop of 10,100,000 boxes in 1925-1926.

The peak of the 1926 grape shipping season in California was passed during October. At mid-November practically all unharvested grapes were of the table varieties, and their shipment, in some degree, depended upon favorable market developments. The present season may be characterized as one of early maturity, good quality, heavy drying, moderate shipments, and relatively low prices.

CALIFORNIA GRAPE CROP
(Thousands of Tons)

	Estimated Total Production		Estimated Tonnage Dried (Fresh basis)		Est. Tonnage Harvested and Shipped Fresh	
	1926	1925	1926	1925	1926*	1925
Wine Grapes	414	395	20	4	394	391
Table Grapes	395	424†	40	6	355	318
Raisin Grapes	1,241	1,136‡	1,020	720	221	378
Total	2,050	1,955	1,080	730	970	1,087

*Includes shipments to November 1st and estimated tonnage still available for shipment on that date. †100,000 tons not harvested. ‡38,000 tons not harvested.

(A) Agricultural Marketing Activity—

Monthly	Exports		Carlot Shipments		Livestock Receipts at Eight Markets in 12th District			Cold Storage Holdings† 12th District		
	Wheat* Portland and Puget Sound (1000 bu.)	Barley* San Francisco (1000 bu.)	Apples* 12th Dist. (cars)	Oranges† Calif. (cars)	Lemons† Calif. (cars)	Cattle and Calves	Hogs	Sheep	Butter (1000 lbs.)	Eggs (1000 cases)
October, 1926.....	6,041	482	18,186	2,868	728	119,064	151,310	445,028	5,259	292
September, 1926.....	8,288	1,109	7,216	3,232	593	126,541§	151,569§	383,888§	6,292	412
October, 5-year average (1919-1923)	3,952	1,499	15,176	1,918	577				3,865||	287||
Cumulative	Crop Year		Calendar Year							
To October 31, 1926.....	20,193 (19.8)	4,641 (11.7)	28,314 (49.8)	50,030 (98.1)	13,610 (90.7)	...	...	...	...	...
To October 31, 1925.....	5,809 (5.8)	7,539 (16.5)	26,003 (47.8)	37,637 (78.4)	11,753 (91.7)	1,072,972	1,845,257	2,922,377		
Five-year average to October 31st (1919-1923)	11,034 (9.5)	6,977 (17.3)	20,413 (40.3)	42,431 (89.6)	10,523 (93.0)	928,332§	1,599,000§	2,672,496§		

Figures in parentheses indicate percentage of new crop only. *Season begins July 1st. †Season begins November 1st. ‡At end of month. §1921-1925. ||1922-1926. ◊Revised. (...) Not available.

Seeding of winter wheat in Idaho, Oregon, and Washington has been in progress for the past month. It is estimated that the area to be planted this year will approximate the seven-year (1919-1925) average of 2,591,800 acres. Early sown fields are reported to be in good condition.

Condition of livestock ranges in the Twelfth District did not change materially during October, except in the southern range areas where some improvement was noted. Hay for supplementary winter feeding is plentiful. Livestock generally are in good condition. Shipments of western feeder lambs to corn belt feedlots have been unusually heavy during recent weeks. A growing tendency among sheepmen to retain ewe lambs and yearling ewes for breeding purposes has increased the demand for this class of livestock. The usual fall marketing of cattle has proceeded normally, but prices have not been such as to encourage any widespread restocking of depleted breeding herds.

Industrial Activity

Maintenance of industrial activity at the high levels of recent months was reported during October, and figures of employment indicate that industry is now slightly more active than a year ago. Declining labor needs in agriculture, fishing, construction, and other seasonal occupations have released numbers of casual laborers from employment. The seasonal migration of itinerant workers into California and Arizona has commenced.

The steady decline in figures of building permits issued in principal cities of the district, which has been a feature of the industrial data of the past six months, was interrupted, at least temporarily, during October, 1926, when these figures showed an increase of 5.1 per cent as compared with September, 1926. This increase

in value of permits issued was considerably greater than the usual seasonal increase from September to October, estimated to be 2.0 per cent. Total value of building permits recorded in 20 selected cities of the district during the first ten months of 1926 (\$306,961,635) was practically 14 per cent less than the value of permits issued during the same period in 1925, a record year, and was less than in the first ten months of any year since 1922.

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	
	Monthly		Year-to-date		No.	Value
	No.	Value	No.	Value		
October . . .	-12.8%	-14.5%	-12.1%	-13.9%	0.2%	5.1%
Sept.	-10.9%	-17.3%	-12.0%	-13.9%	7.0%	9.3%
August . . .	-12.3%	-18.2%	-12.1%	-13.5%	8.5%	8.4%
July	-12.6%	4.5%	-12.1%	-12.9%	2.6%	-12.6%
June	-12.0%	7.3%	-12.0%	-14.1%	1.7%	25.6%
May	-15.3%	-25.8%	-12.0%	-15.5%	-11.3%	-17.8%
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 building materials prices has remained practically unchanged at about 172 (1913 prices=100) since last May. It stood at 174 in October, 1925. The Aberthaw index number of the total cost of constructing a reinforced concrete factory building remained unchanged at 197 (1914 prices=100) during October.

Activity at lumber mills reporting to four associations in the district was characterized during October, 1926, by a slight increase in

LUMBER ACTIVITY*

	Oct., 1926 (board feet)	Sept., 1926 (board feet)	Oct., 1925 (board feet)	—First Ten Months— 1926 (board feet)	1925 (board feet)
Production . . .	790,376	777,106	726,098	7,421,319	6,640,860
Shipments . . .	722,749	740,674	681,411	7,322,132	6,610,707
Orders	709,414	724,603	623,986	7,318,701	6,497,504
Unfilled Orders†	486,604	504,136	363,582	...	...
No. of Mills Reporting‡	181	179	167	182	193

*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.

(B) Employment—

Industries	California		Oregon	
	No. of Firms	No. of Employees	No. of Firms	No. of Employees
All Industries	676	155,379	101	19,603
Stone, Clay and Glass Products	43	8,671	5	184
Lumber and Wood Products	108	28,218	44	14,678
Textiles	13	2,381	4	1,001
Clothing, Millinery and Laundering	62	7,771	8	545
Foods, Beverages and Tobacco	139	32,247	31	2,588
Water, Light and Power	5	8,674	..	..
Other Industries*	293	64,837	..	..
Miscellaneous	13	2,580	9	607

*Includes the following industries: metals, machinery and conveyances; leather and rubber goods; chemicals, oils and paints; printing and paper goods. †Decrease. Figures in parentheses indicate percentage changes from October, 1925.

(C) Building Permits—

	October, 1926		October, 1925	
	No.	Value	No.	Value
Berkeley	295	\$ 432,177	399	\$ 780,205
Boise	102	57,920	86	308,997
Fresno	121	83,860	127	95,683
Long Beach	368	497,120	421	1,286,320
Los Angeles	3,482	9,950,229	3,882	11,655,786
Oakland	970	1,777,085	1,294	3,311,192
Ogden	20	49,350	32	101,500
Pasadena	309	858,431	256	779,535
Phoenix	145	295,361	151	309,767
Portland	1,229	2,624,320	1,441	2,295,800
Reno	17	92,875	23	271,049
Sacramento	249	615,413	333	685,225
Salt Lake City	92	326,005	137	935,592
San Diego	862	1,637,331	786	1,227,548
San Francisco	849	5,649,690	1,057	4,351,249
San Jose	142	295,400	132	446,220
Seattle	923	1,457,965	1,094	2,053,100
Spokane	233	382,785	236	284,220
Stockton	102	126,060	124	233,325
Tacoma	223	440,775	297	922,875
District	10,733	\$27,650,152	12,308	\$32,335,188

production, a decline in volume of shipments, sales, and unfilled orders, and an increase in unsold stocks. Due partly to an increase in number of mills reporting in October, 1926, figures of production, shipments, sales and unfilled orders were considerably larger during that month than in October a year ago.

Daily average production of petroleum in California increased 1.4 per cent during October, 1926, as compared with September, 1926, but was 5.1 per cent less than in October, 1925. Indicated consumption of petroleum was 7.6 per cent smaller during October than during September, but was only slightly less in volume than production. Stored stocks increased by 31,405 barrels and stood at 118,911,731 barrels on November 1, 1926.

	Average Daily Production (barrels)	Indicated Average Daily Consumption (Shipments) (barrels)	Stored Stocks at End of Month (barrels)	New Wells Opened	Daily Production (barrels)
Oct., 1926..	611,808	610,795	118,911,731	73	50,986
Sept., 1926..	603,498	661,017	118,880,326	58	26,832
Oct., 1925..	645,648	566,948	124,689,411	69	35,678
Sept., 1923*.	858,750	†	†	93	139,960

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

Figures of national production of non-ferrous metals, together with a guide to the proportionate importance of this district in such production, follow:

	Oct., 1926	Sept., 1926	Oct., 1925	Per Cent of Total Production 12th Dist.
Copper (short tons) (mine production)	75,643	71,777	70,624	64.5
Lead (short tons) (crude)	53,809	49,830	52,927	47.7
Zinc (short tons) (slab) ..	54,979	52,144	50,497	8.8
Silver (oz.) (commercial bars)	5,011,000	4,995,000	4,933,000	69.0

During October, 1926, total production of 14 representative flour milling companies in the district showed less than one-half the usual September to October percentage increase. While the month's output of flour was equal

to that of October, 1925, it was 20.6 per cent below the five-year (1921-1925) average output for October, emphasizing the downward trend in milling activity which has been apparent in the district since late 1923 and early 1924. Millers' stocks of flour decreased 7.5 per cent during October and on November 1st were 15 per cent smaller than the five-year (1921-1925) average of stocks held on that date. Seasonal buying of wheat proceeded actively during October and stocks of wheat on hand at the mills increased 55 per cent. Last year, during October, a 54 per cent increase was reported, and during the past five years the average increase during October has been 41 per cent. Stocks of wheat at reporting mills on November 1st (4,157,397 bushels) were 13.5 per cent larger than stocks held on November 1, 1925, and were 36 per cent larger than the five-year (1921-1925) average of stocks on that date.

	Oct., 1926	Sept., 1926	Oct., 1925	Five-Year Average Oct., 1921-1925
Output (bbls.)...	512,685	484,831	512,120	645,699
Stocks†				
Flour (bbls.)...	404,657	437,455	356,068	476,065
Wheat (bu.)...	4,157,397	2,689,582	3,663,097	3,053,290

*Consolidations have reduced the number of reporting companies but have not seriously affected the comparability of the figures. †At end of month.

Available data, which afford the basis for preliminary estimates of the canned salmon pack during the season just closed, indicate a world output of approximately 10 million cases. This is the largest pack since 1918, and exceeds the five-year (1921-1925) average of 7,572,043 cases by about 28 per cent. The increase was the result chiefly of a larger pack in Alaska. As compared with a year ago the Alaska pack increased by approximately two million cases or 44 per cent. The British Columbia pack was also larger than both the 1925 and the five-year (1921-1925) average pack by about 12 and 41 per cent, respectively. Figures follow:

	1926* (cases)	1925 (cases)	Five-Year Average 1921-1925 (cases)
Alaska	6,407,000	4,450,898	4,385,312
United States (excluding Alaska)	816,536	1,583,423	1,123,825
Total United States	7,223,536	6,034,321	5,509,137
British Columbia	1,894,981	1,697,298	1,340,280
Siberia and Japan	540,000	676,663	722,626
Total World	9,658,517	8,408,282	7,572,043

A case contains 48 one-pound cans or their equivalent. *Preliminary estimate. Source: Pacific Fisherman.

General Business and Trade

A high level of activity in business and trade was reported during October, although seasonal increases were smaller than normal, as indicated by the experience of past years. Total trade volume in the district approximated that of October, 1925, a period of active business.

(D) Bank Debits*

	October, 1926	October, 1925	Ten Months 1926	
			1926	1925
Berkeley	\$ 19,272	\$ 19,648	\$ 191,863	\$ 181,907
Boise	15,188	14,247	133,879	121,160
Fresno	57,832	59,502	382,281	359,722
Long Beach	47,007	49,916	498,391	469,657
Los Angeles	884,380	803,085	8,696,136	7,795,797
Oakland	174,914	158,485	1,688,758	1,393,973
Ogden	23,286	33,025	202,504	243,195
Pasadena	36,668	33,455	369,100	346,612
Phoenix	26,819	26,750	252,198	227,575
Portland	198,102	203,184	1,819,631	1,653,966
Reno	10,355	9,819	92,099	86,097
Sacramento	33,532	38,300	324,909	363,280
Salt Lake City	79,245	83,978	709,939	689,963
San Diego	61,668	59,926	640,599	544,437
San Francisco	1,052,831	1,071,722	10,560,056	9,427,965
San Jose	32,792	33,075	264,573	252,452
Seattle	223,207	218,220	2,139,252	1,998,729
Spokane	60,062	60,215	560,655	515,411
Stockton	26,846	31,134	266,393	257,643
Tacoma	46,272	45,689	457,965	436,358
Yakima	16,932	19,203	133,545	127,138
District	\$3,127,210	\$3,072,578	\$30,384,726	\$27,493,037

*000 omitted.

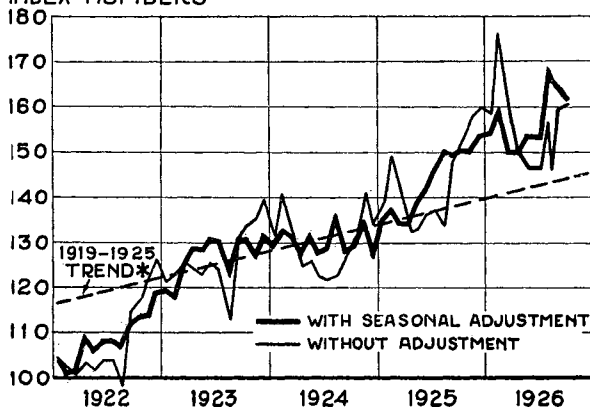
Debits to individual accounts (bank debits) in 20 principal cities of the district (a measure of general business activity) increased one per cent during October, 1926, as compared with September, 1926, and were 5 per cent larger than in October a year ago. This bank's index of bank debits, in which allowance is made for usual seasonal movements, declined during October for the third consecutive month.

**BANK DEBITS—Twelfth District
Index for 20 Principal Cities***

	Oct., 1926	Sept., 1926	Aug., 1926	Oct., 1925
Without Seasonal Adjustment...	161	160	146	152
With Seasonal Adjustment.....	162	164	166	151

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

INDEX NUMBERS



BANK DEBITS—TWELFTH DISTRICT
Index for 20 principal cities, Phoenix, Arizona, not included, (daily averages, 1919 average=100). Latest figures, October, with adjustment, 162; without adjustment, 161.

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

Declining activity in trade at wholesale was reported during October. Sales of 174 firms in eleven lines of trade were 5.5 per cent smaller than during September, whereas during past years the tendency has been for sales to increase at this season. If allowance be made for seasonal changes in sales volume, activity in trade at wholesale, except during September, has shown a tendency to decline since last June. Sales during October, 1926, were 3.6 per cent less in value than during October, 1925. In making value comparisons over the year period,

WHOLESALE TRADE

	No. of Firms	Percentage increase or decrease (—) in Value of Sales		
		Oct., 1926 compared with		
		Oct., 1925	Sept., 1926	Sept., 1925
Agricultural Implements.....	15	7.2	— 9.4	— 3.6
Automobile Supplies.....	13	— 6.5	1.8	— 5.3
Automobile Tires.....	17	— 7.6	—35.5	61.4
Drugs.....	7	9.1	21.1	— 1.0
Dry Goods.....	21	—13.4	—10.6	— 4.6
Electrical Supplies.....	9	12.7	21.2	8.1
Furniture.....	16	—15.6	— 3.4	3.5
Groceries.....	21	— 7.9	— 3.4	— 1.5
Hardware.....	17	— 3.2	— 1.9	— 0.6
Shoes.....	14	5.1	— 3.2	10.8
Stationery.....	24	2.2	—11.3	2.2

it should be remembered that the general wholesale price level, as measured by the index of the United States Bureau of Labor Statistics, is now approximately 5 per cent lower than a year ago. Collections were generally slower during October, 1926, than during October, 1925.

Sales at retail during October, as reported by 68 leading retail stores of the district, were 8.2 per cent larger in value than September sales and were practically equal to those of October, 1925. The increase for the month was less than that which usually occurs at this season of the year, a fact accounted for by the relatively large volume of sales during September rather than by a general tendency for activity of trade at retail to diminish. This bank's seasonally adjusted index of sales of 32 department stores (representing 85 per cent of sales of the 68 reporting stores) indicates that during recent months trade at retail has tended to become more active. While sales during October approximated those of a year ago, stocks on hand were slightly larger this year than last, and the indicated rate of stock turnover during October, 1926, was 3.2 times per annum compared with 3.3 times per annum during October, 1925. Collections during the past month were larger in actual amount than last year, but were smaller in proportion to accounts outstanding.

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							
Oct., 1926...	241	182	151	127	112	132	170
Sept., 1926...	231	140	139	110	114	115	157
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
Oct., 1925...	238	178	148	139	116	131	170
With Seasonal Adjustment							
Oct., 1926...	234	168	139	107	101	99	158
Sept., 1926...	265	147	150	112	105	112	171
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
Oct., 1925...	232	164	137	117	105	98	158

*Figures in parentheses indicate number of stores. †Revised.

On October 31, 1926, savings deposits in 68 banks in seven principal cities of the district were virtually unchanged from the figure reported on September 30, 1926, and were 7.2 per cent larger than on October 31, 1925.

SAVINGS DEPOSITS

	Number of Banks	Oct. 31, 1926†		Oct. 31, 1925	
		Oct. 31, 1926*	Sept. 30, 1926*	Oct. 31, 1925*	Oct. 31, 1925*
Los Angeles ..	12	\$420,840	\$422,533	\$383,372	9.8
Oakland	7	104,457	102,986	99,126	5.4
Portland	7	56,015	55,725	53,226	5.2
Salt Lake City ..	8	33,131	33,469	29,990	10.5
San Francisco ..	14	491,536	491,412	466,400	5.4
Seattle	14	83,911	83,784	76,658	9.5
Spokane	6	19,774	19,907	19,554	1.1
Total	68	\$1,209,664	\$1,209,816	\$1,128,326	7.2

*000 omitted. †Percentage increase or decrease (—). ‡Revised.

Prices

The wholesale price index number of the United States Bureau of Labor Statistics declined slightly during October, and at 149.7 (1913 prices=100) was four per cent below the high point (156.0) of January, 1926. A month ago this index stood at 150.5, and a year ago at 157.6. Group indexes for farm products, cloths and clothing, building materials, metals, chemicals and drugs, house furnishings, and miscellaneous articles, declined during October. The general level of fuel and lighting prices advanced, and that of foodstuffs was unchanged.

The United States Department of Agriculture's farm price index of 30 commodities declined from 134 in September to 130 in October, while the Bureau of Labor Statistics' index of non-agricultural commodities held at previous levels. The ratio between these two indexes, an indication of the purchasing power of farm products, declined from 83 in September to 81 in October. A year ago this ratio was 87 (pre-war purchasing power ratio=100).

Prices for agricultural products of the Twelfth Federal Reserve District have generally been lower in 1926 than in 1925, but not so low as to threaten seriously the opportunity for financial profit on the year's farm operations. Developments during the past month have, on the whole, been favorable. Quotations on several varieties of **grapes**, a fruit which over much of the 1926 season has sold at prices below the low levels of last year, advanced during October. Prices for **citrus fruits** have quite generally been lower during 1926 than during 1925, but recent advances have reflected rising opening prices for new crop fruit. The trend of **potato** prices during October of this year resembled the October trend in 1925, when prices moved upward throughout the entire month, with a sharp advance between October 23rd and 30th. Prices for representative grades and varieties of **apples**, f. o. b. Pacific Northwest, declined during October, but recovered a part of the loss in early November.

Cotton prices continued downward during October but at a much slower rate than in September. Prices in early November were 8.8 per cent lower than at the beginning of October and 34 per cent below those of November a year ago. Quotations for spot middling uplands cotton at New Orleans for the week ending November 6, 1926, ranged from 12.27 to 12.68 cents per pound. Although the crop is growing in importance, cotton is still a minor product of this district, and recent drastic price declines will not seriously reduce aggregate financial returns to the district's farmers.

The **wheat** market during October remained firm, but showed weakness during the forepart of November. Quotations for December contract wheat at Chicago, for the week ending November 5, 1926, ranged from \$1.39½ to \$1.41¾ per bushel, a slight variation from the range for the week ending October 1, 1926 (\$1.39½ to \$1.42 per bushel). On November 15, 1926, the quotation per bushel ranged from \$1.35 to \$1.36½. On November 14, 1925, it ranged from \$1.54¼ to \$1.56 per bushel.

Weekly average prices for best grade **live-stock** at six district markets continued at high levels during October, 1926, as compared with October, 1925. Livestock price trends in the Chicago market during October reflected volume of receipts. The rise in **cattle** prices during late September and early October was terminated as receipts increased, and prices broke sharply to \$9.90 (per 100 pounds, native beef) for the week ending November 5, 1926, a decline of 5.3 per cent from the average of October 1, 1926. The November figure was 7.5 per cent below the high point of the year reached in September, when for the week ending September 25th, the average price of cattle on this market was \$10.70 per 100 pounds. Average prices for **lambs** and **hogs** for the week ending November 5, 1926, were 3.8 per cent, and 0.4 per cent higher, respectively, than for the week ending October 1, 1926. Prices for lambs for the week ending November 5, 1926, were 10.3 per cent below, and for hogs 13.1 per cent above average prices

(E) Commodity Prices—

Commodity	Unit	November 5, 1926	One Month Ago	One Year Ago
Wholesale Prices (U. S. Bureau of Labor) 1913=100.....		149.7	150.5	157.5
Purchasing Power of Farm Products (U. S. Dept. of Agriculture)*.....		81.2	83.0	87.0
Cattle (Native Beef). Weekly average price at Chicago.....	100 lbs.	\$9.90	\$10.45	\$10.45
Lambs..... Weekly average price at Chicago.....	100 lbs.	13.50	13.00	15.05
Hogs..... Weekly average price at Chicago.....	100 lbs.	12.55	12.50	11.10
Wheat..... Chicago contract price for December wheat.....	bu.	1.39½-1.41¾	1.39½-1.42	1.47½-1.51½
Wool..... Average of 98 quotations at Boston.....	lb.	67.59¢	67.38¢	77.98¢
Apples..... Winesaps, Extra Fancy, medium to large, f. o. b. Pacific Northwest.....	box	1.25-1.40	1.30-1.35	2.15
Oranges..... Valencias, Fancy, wholesale at San Francisco.....	box	6.00-6.25	5.25-5.75	8.00-9.00
Prunes..... Size 40/50 in 25-lb. boxes, f. o. b. California.....	lb.	.06¾-.07¼	.07½-.08	.08-.08¾
Raisins..... Thompson Seedless, Bulk in 25-lb. boxes, f. o. b. California.....	lb.	.07½	.07½	Not Quoted
Canned Peaches..... Cling Choice, 2½s, f. o. b. California.....	doz.	2.20	2.20	2.20
Butter..... 92 score at San Francisco.....	lb.	.46	.44	.54¾
Copper..... Electrolytic, monthly average at New York.....	lb.	13.862¢	14.062¢	14.300¢
Lead..... Monthly average at New York.....	lb.	8.402¢	8.786¢	9.513¢
Silver..... Monthly average at New York.....	oz.	54.505¢	60.580¢	70.106¢
Lumber (Softwood)..... Weekly Index, United States†.....		30.28	29.91	30.35

*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." ◊Revised.

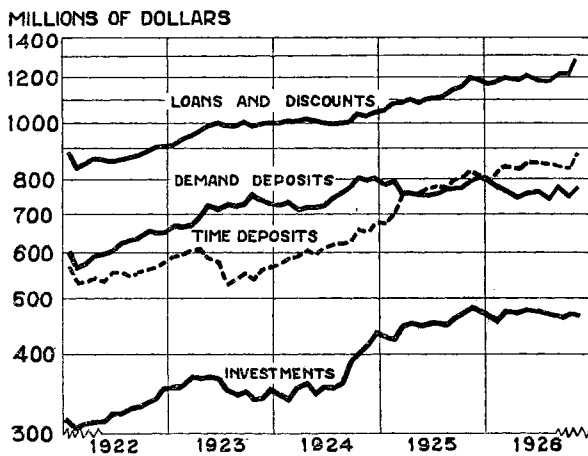
for the corresponding period in 1925. Prices for sheep remained practically unchanged.

Monthly average prices of silver, copper, lead, and zinc declined during October. Average prices of these metals during the present year have been generally lower than 1925 averages. A national lumber price index published by "The Lumber Manufacturer and Dealer" advanced from 29.91 to 30.28 during the month. A year ago it stood at 30.35.

Banking and Credit Situation

Although the peak of the crop moving season has passed, demand for credit (as reflected in recent condition reports of 65 city member banks in the Twelfth Federal Reserve District) continued to expand during October and rose to record levels during the first half of November, 1926. This increase in demand for funds was similar to that which occurred in 1925 and 1922, periods of increasing business activity, but was contrary to the decline which occurred after the peak of the harvest season in 1924 and 1923, when, relatively, business was not so active. It must be remembered that these are figures of city banks and that if data were available for all banks, country and city, different movements might be reflected. Such information as can be secured indicates that country banks have been liquidating their borrowings as crops have moved to market.

The increased demand for credit noted during the five-week period ended November 17th has been reflected solely in an increased volume of commercial loans, while loans made on securities as collateral have declined. Between



MEMBER BANK CREDIT—TWELFTH DISTRICT
Figures for about 65 member banks in leading cities, as of last Wednesday of each month. Latest figures, October 27.

October 13th and November 17th, commercial loans of reporting banks increased 31 million dollars (3.3 per cent) to 974 million dollars, the highest figure on record. At 1,762 million dol-

lars on November 17th, total loans and investments of these banks were also at record levels. Both demand and time deposits, although smaller in amount on November 17th than on October 13th, have increased during the most recent weeks of the period, continuing a tendency which, with the exception of late September, has been in evidence since early summer.

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

Condition	Nov. 17, 1926	Changes from	
		One Month Ago	One Year Ago
		(+ = increase - = decrease)	
Total Loans	1,295	+16 (1.3)	+106 (8.9)
Commercial Loans	974	+31 (3.3)	+ 61 (6.7)
Loans on Securities	321	-15 (4.4)	+ 45 (16.4)
Investments	467	- 8 (1.6)	- 9 (2.0)
Total Loans and Investments	1,762	+ 8 (0.5)	+ 97 (5.8)
Net Demand Deposits	792	-16 (2.0)	- 10 (1.2)
Time Deposits	885	- 2 (0.2)	+ 63 (7.7)
Borrowings from Federal Reserve Bank	46	-11 (19.5)	+ 2 (4.0)

Total earning assets (total bills and securities) of the Federal Reserve Bank of San Francisco decreased by 10 million dollars (7.8 per cent) during the five-week period ended November 17, 1926, due to a decrease of 14 million dollars in the holdings of bills discounted, which was only partially offset by an increase of 4 million dollars in holdings of purchased acceptances. At 118 million dollars on November 17th, total bills and securities were nearly 15 million dollars below the seasonal peak of 133 million dollars recorded on September 29th, and approximated the mid-summer level. Coincident with the growth of deposits at member banks during the summer and fall months, reserve deposits of those banks with the Reserve Bank have tended upward and total deposits at the Reserve Bank rose to 180 million dollars on November 17, 1926, a record figure. Federal Reserve note circulation, although of practically constant volume during recent months, declined 3 million dollars between October 13th and November 17th and on the latter date was nearly 8 per cent smaller in amount than one year ago.

FEDERAL RESERVE BANK OF SAN FRANCISCO

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

Condition	Nov. 17, 1926	Changes from	
		One Month Ago	One Year Ago
		(+ = increase - = decrease)	
Total Bills and Securities	118	-10 (7.8)	- 8 (6.3)
Bills Discounted	51	-14 (21.5)	+ 1 (1.2)
United States Securities	39	0	- 5 (11.5)
Bills Bought	29	+ 4 (16.2)	- 3 (9.7)
Total Reserves	264	+ 6 (2.4)	- 4 (1.6)
Total Deposits	180	+ 2 (1.3)	+ 5 (2.6)
Federal Reserve Note Circulation	188	- 3 (1.6)	-16 (7.8)

Despite increased use of funds, adequate supplies of bank credit have continued available, and interest rates during recent weeks have been approximately the same as a year ago.