

MONTHLY REVIEW

OF BUSINESS CONDITIONS

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Federal Reserve Bank of San Francisco

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No. 5

SUMMARY OF NATIONAL CONDITIONS

Prepared by the Federal Reserve Board

Industrial output declined in April, reflecting reduced activity both in mines and in factories. Distribution of commodities by railroads increased, as did trade at retail. The general level of prices showed a further slight decline.

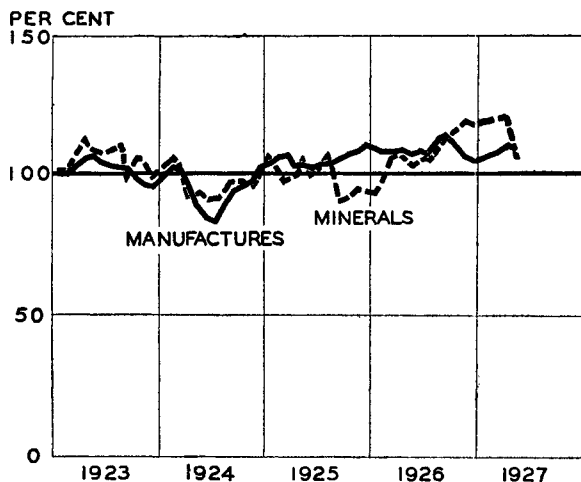
Production. Decreased output of industry in April, as compared with March, was due chiefly to the coal miners' strike, which caused a large decline in production of bituminous coal. Manufacturing industries, as a whole, were somewhat less active in April than during the previous month, when allowance is made for usual seasonal changes. Reductions were reported in the iron and steel and textile industries, as well as in meat packing and in production of building materials. The manufacture of motor cars, though showing the usual seasonal increase in April, remained at a lower level than a year ago. Petroleum production continued in record volume, notwithstanding large stocks and declining prices. Value of building contracts awarded in April declined slightly from the record high figure of March, but was larger than a year ago. The decline in building between March and April

reflected reduced activity in the construction of commercial, industrial, and educational buildings. Volume of contracts for construction of residential and public buildings increased.

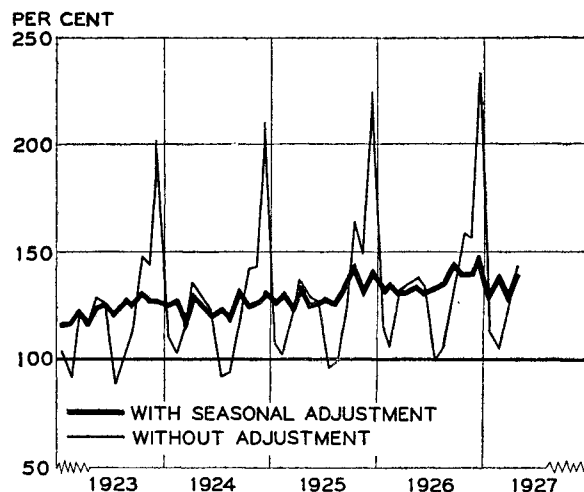
On the basis of conditions on May 1st, the Department of Agriculture forecasts a winter wheat crop of 594,000,000 bushels, or about 5 per cent less than in 1926. Continued wet, cold weather over much of the corn belt and also in the spring wheat area has retarded the planting of spring crops.

Trade. Commodity distribution at retail was larger in April than at the same season of any previous year, owing in part to the lateness of the Easter holiday. Department store sales were approximately 7 per cent larger than in April of last year, and sales of mail order houses and chain stores were also in large volume. Wholesale trade showed about the usual decrease between March and April and continued smaller than in the corresponding month of 1926.

Inventories of merchandise carried by department stores were in about the same volume at the end of April as in March, while stocks of wholesale firms were smaller than at the

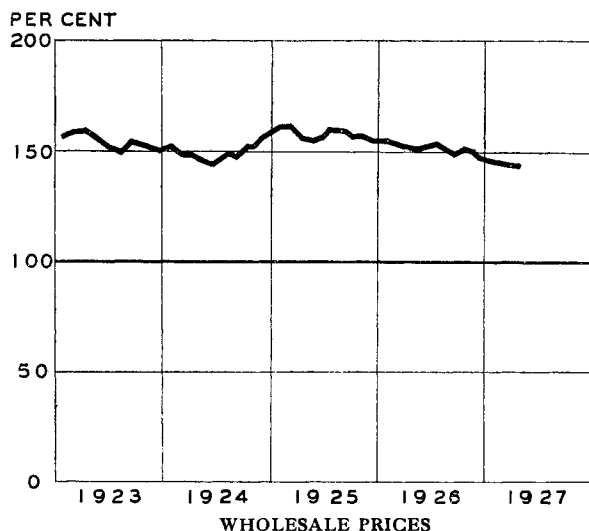


PRODUCTION OF MANUFACTURES AND MINERALS
Index numbers of production of manufactures and minerals, adjusted for seasonal variations (1923-1925 average=100). Latest figures, April, manufactures, 109; minerals, 107.



DEPARTMENT STORE SALES
Index of Sales of 359 Stores (1919 sales=100). Latest figures, April, with adjustment, 140, without adjustment, 143.

close of the previous month. Railroad carloadings were larger in April than is usual at this season of the year, reflecting chiefly large shipments of iron ore, coke, grain, and grain products. An increased movement of miscellaneous freight and of merchandise in less than carload lots was also reported. Coal shipments were 27 per cent smaller in April than in March.

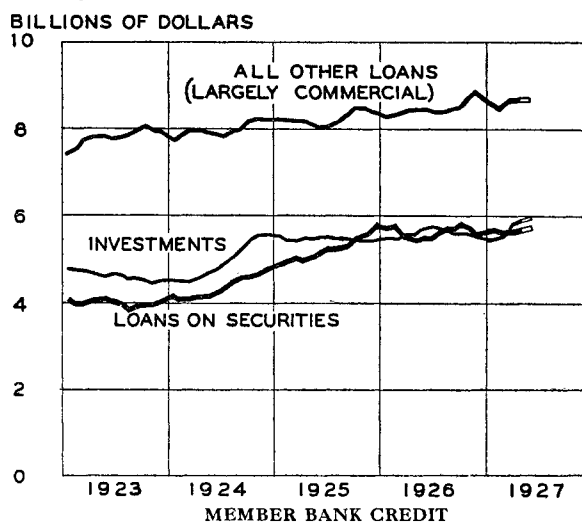


Index of United States Bureau of Labor Statistics (1913 prices = 100, base adopted by Bureau). Latest figure, April, 144.2.

Prices. In April there was a further slight recession in the general level of wholesale prices, as measured by the index of the Bureau of Labor Statistics, but in the first three weeks of May firmer price conditions were encountered. The decline in April reflected chiefly a decrease in the price of petroleum, lumber, and several of the non-ferrous metals. There was little change in the level of agricultural prices, which have been fairly constant since the beginning of the year. During the first three weeks of May, prices of grains, cotton, iron and steel, petroleum, lumber, and hides advanced, while prices of livestock, coke, and non-ferrous metals declined.

Bank Credit. Volume of credit of weekly reporting member banks, as measured by their total loans and investments, increased by more

than \$300,000,000 during the month ending May 18th, and was, on that date, at the highest level on record. This growth represented for the most part an increase in the banks' holdings of investments and in the volume of their loans on stocks and bonds. Their commercial loans showed relatively little change during this period.



Monthly averages of weekly figures for banks in 101 leading cities. Latest figures are averages for first three weekly report dates in May.

At the reserve banks, there was a decrease during the month in total volume of credit outstanding, owing to the receipt of a considerable amount of gold from abroad, in addition to the purchase abroad by the reserve banks of about \$60,000,000 of gold, now held earmarked with a foreign correspondent. The banks' holdings of acceptances and of government securities declined by about \$85,000,000, while discounts for member banks increased by about \$45,000,000, apparently in response to the increased reserve requirements arising from the growth in the member bank deposits.

Conditions in the money market were comparatively stable during the first three weeks of May, and there were no changes in rates quoted on prime commercial paper and on acceptances.

TWELFTH FEDERAL RESERVE DISTRICT CONDITIONS

In the Twelfth Federal Reserve District, general business activity expanded by more than the usual seasonal amount during April, 1927, and was at higher levels than in April, 1926. The district's industries did not participate in this movement, even to the extent of the usual seasonal increase, although industrial output approximated that of a year ago. Substantial gains in volume of distribution and trade were reported, however, both as compared with March, 1927, and April, 1926.

Most evident among the signs of trade expansion during April was the growth in value of sales at retail which, partly in consequence of a relatively late Easter buying period, increased 4 and 9 per cent as compared with one month and one year ago. Wholesale trade was in but slightly greater volume than in April of last year. Daily average railway freight carloadings, a measure of physical volume of distribution, showed an increase over the year period, the result of increases reported for

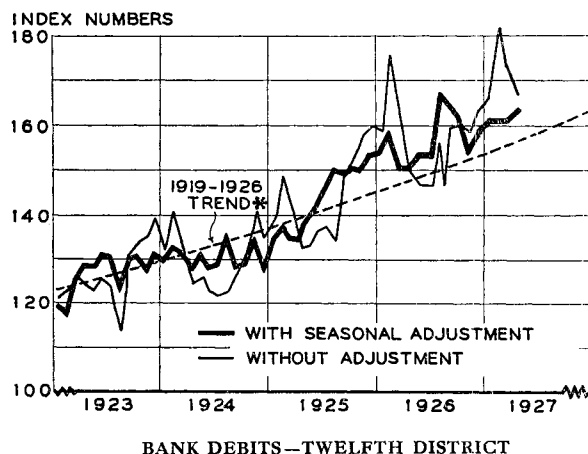
Arizona, California, and Nevada. The number of railway carloadings in the Pacific Northwest was 5 per cent smaller in April, 1927, than in April, 1926.

This bank's seasonally adjusted index of daily average bank debits advanced slightly during April and was above the figure of a year ago.

BANK DEBITS*—Twelfth District

	Apr., 1927	Mar., 1927	Feb., 1927	Apr., 1926	Mar., 1926
With Seasonal Adjustment...	164	161	161	150	150
Without Seasonal Adjustment	167	173	182	150	159

*Daily average, 1919 average=100.



BANK DEBITS—TWELFTH DISTRICT

Index for 20 principal cities, Phoenix, Arizona, not included (daily averages, 1919 average=100). Latest figures, April, with adjustment, 164; without adjustment, 167.

*Based upon average month to month increase during the years 1919 to 1926 inclusive.

Soundness continued to characterize the banking and credit situation in the district. Condition statements of member banks have revealed only mild seasonal changes, and demands upon the Federal Reserve Bank of San Francisco have declined.

The trend of prices continued downward during April, although advances in prices of some of the district's important agricultural products were recorded during the latter part of that month and early in May.

Agriculture

Cold weather and heavy rains during late April delayed an already late agricultural season, but warmer temperatures during early May have favored growth of crops and of range feed.

Abandonment of winter wheat during the present season has been larger, in proportion to the acreage planted, than a year ago. The acreage sown in the district was considerably larger than last year, however, and estimated production, as indicated by condition figures of May 1, 1927, is 19.5 per cent larger than a year ago. The following table gives condition estimates,

acreage remaining for harvest, and the per cent of acreage abandoned:

WINTER WHEAT									
	Condition				Acreage†		Per Cent of Acreage Sown		
	(Per Cent of Normal)		10-Year* Average	To be har-	Har-vested	Abandoned			
			(Per Cent of Normal)	vested		May			
	1927	1926		1927	1926	1927	1926		
Arizona	90	100	94	41	38	1.0	3.0		
California	91	88	82	749	653	3.0	4.0		
Idaho	90	97	87	512	427	4.0	2.5		
Nevada	98	98	92	5	5	0.0	1.0		
Oregon	92	97	93	900	880	3.0	2.0		
Utah	92	99	95	149	149	2.0	2.0		
Washington ..	92	91	87	1,250	847	6.0	2.5		
Twelfth District .....	...	...	...	3,606	2,999	...	...
United States.	85.6	84.0	83.7	38,701	36,913	8.4	5.6		

*1917-1926. †000 omitted.

In California and in the fruit producing sections of the Pacific Northwest, late frosts have materially injured deciduous fruit crops, but, because of the lateness of the season, an accurate estimate of condition of deciduous fruits is not yet possible. California citrus fruits are reported to be in excellent condition. Shipments of oranges and lemons from California during April, 1927, totaled 7,343 and 1,373 carloads, respectively, compared with 5,834 and 1,121 carloads a year ago. Estimated production of the 1927 Valencia orange crop is 14,300,000 boxes, as compared with 11,260,000 boxes shipped during 1926.

The United States Department of Agriculture estimates that on May 1, 1927, the condition of the hay crop in all states of this district was slightly below that of a year ago. A late spring, which has delayed growth of the 1927 crop of hay and other feed, has also made considerable feeding of livestock necessary, and this in turn has reduced the carryover of hay on farms of the district as compared with stocks held in 1926. The presence of an adequate supply of soil moisture in most range areas gives promise of good summer range conditions. Condition figures for livestock and ranges are shown in the following table:

CONDITION OF RANGES AND LIVESTOCK (Per Cent of Estimated Normal)

	Ranges		Cattle		Sheep	
	May 1, 1927	Apr. 1, 1926	May 1, 1927	Apr. 1, 1926	May 1, 1927	Apr. 1, 1926
	1927	1926	1927	1926	1927	1926
Arizona	89	110	90	89	98	95
California	98	94	99	95	95	93
Idaho	81	95	86	87	99	91
Oregon	84	100	91	87	99	89
Nevada	89	103	87	90	106	88
Utah	89	100	91	90	105	92
Washington ..	89	92	90	88	93	90

Source: United States Department of Agriculture.

Wool shearing is nearing completion under favorable weather conditions, in the sheep raising sections of the district. Fairchild's estimate of the 1927 domestic wool clip of the United States, at 281,310,000 pounds, is 4.3 per cent larger than the clip of 1926. Field buyers of wool have not been active during April and May, and there has been considerable shipment

of wool to Boston on consignment. The contract price for wool has ranged from 28 to 33 cents per pound, which is 2 to 5 cents lower than a year ago.

Shipments of California spring lambs to Eastern markets totaled 269,496 head for the season to May 13, 1927, as compared with 173,368 head for the season to May 15, 1926. Excellent feed conditions in California have made it possible to market a better grade of lambs than was possible a year ago.

There were 97,410 head of cattle and calves shipped to the eight principal markets of the district during April, 1927, as compared with 93,805 head during April, 1926. Improved prices for cattle are reflected in the following table:

WEEKLY AVERAGE PRICE OF CATTLE*

	Week Ending		
	April 30, 1927	April 30, 1926	May 2, 1925
Los Angeles	\$9.09	\$8.65	\$9.06
Ogden	8.80	8.00	8.50
Portland	10.29	8.26	9.95
Salt Lake City.....	8.80	8.00	8.50
San Francisco	9.06	8.50	9.50

*Good grade steers, 1,100 pounds or under, as quoted by the United States Department of Agriculture.

Industry

Reports of industrial activity received by this bank during April, 1927, were somewhat contradictory in character. Available data indicate, however, that, in the aggregate, industrial output and volume of employment did not experience the full seasonal expansion usually noted during April, although approximating the levels of a year ago.

Volume of employment in California was larger during April, 1927, than during April, 1926. In the Pacific Northwest, however, volume of employment is estimated to have been smaller than a year ago, a result chiefly

(A) Employment—

Industries	California			Oregon		
	No. of Firms	No. of Employees	Apr., 1927	No. of Firms	No. of Employees	Apr., 1926
All Industries	787	153,946	149,899	174	28,337	31,219
Stone, Clay and Glass Products..	47	7,135	6,439	6	414	364
Lumber and Wood Manufactures ..	127	24,673	27,719	63	17,422	19,766
Textiles	18	2,551	2,604	13	2,107	2,518
Clothing, Millinery and Laundering.	62	8,243	7,765	9*	479	469
Foods, Beverages and Tobacco...	176	33,775	28,792	48	1,890	1,879
Water, Light and Power	5	7,528	8,937	..	..	..
Other Industries†.	340	68,034	65,492	..	..	..
Miscellaneous	12	2,007	2,151	35	6,025	6,223

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

Figures in parentheses indicate percentage changes from April, 1926.

of curtailed operations in the lumber industry, one of the most important industries in that section.

Building operations, as indicated by building permits issued, continued during April, 1927, at levels below a year ago. The value of permits issued in 20 principal cities of this district was less during April, 1927, than during April, 1926, and was smaller than in any other April since 1922. As compared with last month, value of building permits issued during April, 1927, increased slightly, but the increase was not so great as the average March to April increase recorded since 1919. Large gains in value of proposed construction during April, 1927, as compared with both March, 1927, and April, 1926, were reported for Phoenix, Arizona, Boise, Idaho, Portland, Oregon, and Spokane, Washington, but the increases for the year period were more than offset by substantial declines in Los Angeles, Oakland, and San Francisco, California, and Seattle, Washington.

BUILDING PERMITS IN 20 CITIES
Per Cent Increase or Decrease (—)

	Months in 1927 compared with same Months in 1926				Month in 1927 compared with preceding Month	
	Monthly		Year-to-date		No.	Value
April.....	—6.6	—4.5	—11.3	—10.6	—9.5	1.3
March.....	—10.7	—8.9	—12.9	—12.9	41.1	44.5
February...	—13.2	—14.4	—14.4	—15.5	—1.9	—6.0
January....	—15.5	—16.5	—15.5	—16.5	3.6	—19.2

Building materials prices, as reflected by the index of the United States Bureau of Labor Statistics, continued their downward trend during April, a result chiefly of lower prices for lumber. According to this index, which for April stood at 165.0 (1913 prices=100), building materials costs were then at the lowest point since May, 1922 (160.6). In April, 1926, the index stood at 173.0. In April, 1927, for the third consecutive month, the Aberthaw index of industrial building costs, including both labor and materials, stood at 193 (1914 prices=100). A year ago this index stood at 199.

(B) Building Permits—

	April, 1927		April, 1926	
	No.	Value	No.	Value
Berkeley	206	\$ 600,319	254	\$ 642,100
Boise	100	198,620	84	55,822
Fresno	109	306,083	95	186,921
Long Beach	453	1,133,440	335	490,190
Los Angeles	3,296	10,458,622	3,332	11,207,289
Oakland	796	1,891,716	1,010	2,134,179
Ogden	37	161,800	46	183,250
Pasadena	245	814,332	213	948,839
Phoenix	87	1,375,383	90	149,653
Portland	1,085	4,022,170	1,213	3,176,370
Reno	29	75,750	24	110,700
Sacramento	212	491,556	247	1,349,576
Salt Lake City.....	146	462,565	147	923,015
San Diego	555	2,008,444	679	1,596,560
San Francisco	964	4,939,212	981	7,299,451
San Jose	100	256,325	122	611,730
Seattle	962	3,181,555	1,031	2,534,130
Spokane	252	490,020	276	393,580
Stockton	78	302,168	91	247,676
Tacoma	143	314,890	286	817,125
District	9,855	\$33,484,970	10,556	\$35,058,156

Lumbering operations expanded by less than the usual seasonal amount during April, 1927, as compared with March, 1927, and are reported to have been considerably smaller in volume than a year ago. In every year since 1920, according to data reported by mills of the district to The National Lumber Manufacturers Association, annual output of lumber has exceeded shipments which in turn have exceeded orders received. This tendency persisted throughout 1926 and, within the district, wherein is consumed approximately 50 per cent of the lumber produced here, was accompanied by a decline in demand for lumber. Inventories were accumulated at mills and prices declined to unsatisfactory levels. Unsatisfactory lumber prices are reported to have forced many high cost mills to cease operation. Other mills, more favorably situated, curtailed production during the winter months and output declined sharply to levels below those of a year ago, where it has since remained. Since December, 1926, output has been smaller than both shipments and orders, and some diminution of inventories has been reported.

LUMBER*				
	Apr., 1927†	Mar., 1927	Apr., 1926	—First Four Months— 1927 1926
	(board feet)	(board feet)	(board feet)	(board feet)
Production	515,321	491,655	812,316	1,893,578 2,609,064
Shipments	621,641	589,061	788,887	2,227,462 2,753,379
Orders	600,877	620,492	751,192	2,330,680 2,793,579
Unfilled Orders†	438,525	458,565	553,076	.....
No. of Mills Reporting‡	145	147	183	151 183

*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. §Figures not strictly comparable with those reported a year ago.

Source: National Lumber Manufacturers Association.

Figures of national **non-ferrous metal** production, together with a guide to the proportionate importance of this district in such production, are presented in the following table:

	NON-FERROUS METALS National Production			Per Cent of Total Produced in 12th Dist.*
	Apr., 1927	Mar., 1927	Apr., 1926	
Copper (short tons) (mine production)	70,552	68,881	73,006	64.1
Lead (short tons) (crude)†	61,237	61,365	55,347	43.5
Zinc (short tons) (slab) ..	51,626	56,546	53,334	13.3
Silver (oz.) (commercial bars)	4,310,000	5,131,000	4,954,000	69.7

*Including all of Arizona, the five southeastern counties of which are in the Eleventh Federal Reserve District. †Revised. ‡Includes figures for Mexico.

Following four months of declining production, average daily output of **petroleum** at California wells increased slightly during April. Indicated average daily consumption of crude oil during April was 4.0 per cent less than in March, and stored stocks at the end of April were 0.5 per cent larger than at the beginning of the month. Indicated average daily consumption during April, 1927, was 5.0 per cent greater than in April a year ago. Although the number of new wells brought into production has been smaller during the first four months of 1927 than during the corresponding period

of 1926, the total flow of crude oil from such wells has been greater. An average of 89 new wells were opened each month during the period January through April, 1927, with an average initial daily output of 49,341 barrels of petroleum. During the first four months of 1926, there was an average of 93 new wells brought in each month, but the average initial daily production of new wells during that period was only 27,112 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, 1927...	648,870	629,918	119,085,070	105	81,432
Mar., 1927...	639,862	656,143	118,516,525	79	40,552
April, 1926...	603,059	599,789*	124,685,080	95	24,267

*Excludes fire losses during April, 1926, equivalent to 273,829 barrels daily.

Source: American Petroleum Institute.

Output of **flour**, as reported to this bank by 14 milling companies, was larger in volume during April, 1927, than during April, 1926, and exceeded the five-year (1922-1926) average output for that month by 15 per cent. Mills were less active during April, 1927, than during March, 1927, but the decline was not so great as that which usually occurs at that season of the year. Output during April was approximately 14 per cent smaller in volume than during March, compared with an average March to April decrease of 20 per cent during the five years 1922-1926, inclusive. Stocks, both of flour and of wheat, in millers' hands declined during April but were larger than at the close of April a year ago. Stocks of flour were smaller, however, than average April 30th holdings during the past five years.

	FLOUR MILLING*			Five-Year Average April, 1922-1926
	Apr., 1927	Mar., 1927	Apr., 1926	
Output (bbls.)...	394,912	461,617	371,473	342,948
Stocks†				
Flour (bbls.)...	415,284	449,286	375,133	495,197
Wheat (bu.)...	2,164,092	2,429,973	1,942,454	1,965,691

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

Distribution and Trade

Distribution and trade in the Twelfth Federal Reserve District were in greater volume during April, 1927, than during April, 1926, and, if allowance be made for usual seasonal movements, were more active than in March, 1927.

Retail sales during April, 1927, as reported by 120 stores in seven lines of trade, were approximately 4 per cent larger in value than in March, 1927, and were 9 per cent larger than in April, 1926. Increases were shown in sales of each of the seven lines upon which this bank compiles data, although in some lines the increases were, no doubt, caused by the relative

lateness of Easter buying this year, as compared with last year. Total reported sales of 43 department stores were 5.2 per cent greater in value during April than during March whereas, ordinarily, there is but little difference in value of sales as between these two months. Sales of the 43 department stores were 11 per cent larger than in April a year ago. Stocks of 74 stores were but 0.7 per cent larger in value at the close of April, 1927, than at the close of April, 1926, and stock turnover of reporting stores was more rapid than a year ago in all lines except furniture and women's apparel.

Percentage changes in sales and stocks of all reporting retail stores are shown below, and index numbers of sales of 32 stores, chiefly department stores, for which data have been compiled since 1919, are shown in Table "D."

	NET SALES*		STOCKS*	
	April, 1927 compared with April, 1926	January 1 to April 30, 1927 compared with same period in 1926	End of Month, April, 1927 compared with April, 1926	
Department Stores ..	11.0 (43)	4.3 (38)	— 0.4 (36)	
Dry Goods	12.4 (7)	8.7 (6)	— 3.9 (4)	
Furniture	0.8 (61)	3.3 (33)	3.3 (17)	
Men's and Women's Apparel	15.8 (10)	—1.4 (10)	...	
Shoes	13.6 (22)	2.2 (6)	...	
Women's Apparel ...	5.9 (11)	7.1 (11)	16.1 (10)	
All Reporting Stores†	9.2 (120)	4.3 (104)	0.7 (74)	

*Percentage increase or decrease (—). Figures in parentheses indicate number of stores reporting. Figures of identical departments of department stores reporting such figures separately included in sales comparisons of furniture and shoe stores, April, 1927, with April, 1926. †Includes figures of men's furnishings stores not shown separately.

Value of sales at wholesale during April, 1927, as reported to this bank by 215 firms in 11 lines of trade, approximated the figures of a year ago, and was but 2.3 per cent smaller than in March, 1927. The March to April decline was less than that which usually occurs at this season of the year. Increased sales, as compared with April of last year, were reported in

seven lines, while the other four showed decreases ranging from one per cent in sales of groceries to 9 per cent in sales of furniture. Dry goods and hardware jobbers continued to report declines in dollar value of sales over the year period, a characteristic of wholesale trade reports for the past five months. Decline in value of sales in these lines over the year period is not, however, necessarily indicative of a smaller volume of trade, inasmuch as the United States Bureau of Labor Statistics' indexes of wholesale prices of those commodities handled by dealers in each of these lines have for some time been several points lower than were the indexes of twelve months ago. Prices of automobile tires during April, 1927, were considerably below those of April, 1926, but an average increase of one per cent in dollar value of sales was reported by 24 co-operating firms.

WHOLESALE TRADE

	No. of Firms	Percentage increase or decrease (—) in Value of Sales		
		Apr., 1927 compared with Apr., 1926	Apr., 1927 compared with Mar., 1927	Mar., 1927 compared with Mar., 1926
Agricultural Implements.	15	6.4	— 8.7	—13.2
Automobile Supplies	24	2.4	1.4	— 0.5
Automobile Tires	24	1.0	— 7.3	— 1.8
Drugs	7	3.3	— 1.9	2.8
Dry Goods	31	— 3.7	— 5.7	— 9.6
Electrical Supplies	11	4.8	3.3	4.4
Furniture	17	— 8.7	—17.9	— 2.5
Groceries	28	— 1.0	2.3	— 0.3
Hardware	22	— 4.5	— 2.1	— 4.8
Shoes	13	9.1	8.0	— 4.9
Paper and Stationery	23	15.0	— 5.0	2.7
All Lines	215	0.2	— 2.3	— 2.8

The dollar value of foreign commerce passing through ports of the Twelfth Federal Reserve District during the first three months of 1927 was approximately the same as during the first three months of 1926. Exports were larger in value than during the first quarter of any year since 1920 and were 10 per cent larger than in the first quarter of 1926. Imports were 8 per cent smaller than a year ago and exceeded exports by only 7.6 per cent. In the first quarter of last year, the excess of imports over exports was 28 per cent. A 40 per cent increase in exports from Los Angeles and an 18 per

(C) Bank Debts* —

	—First Four Months—			
	April, 1927	April, 1926	1927	1926
Berkeley	\$ 22,201	\$ 19,504	\$ 86,293	\$ 78,609
Boise	12,910	11,950	51,683	50,545
Fresno	40,694	36,418	161,577	143,565
Long Beach	54,860	56,027	204,198	219,650
Los Angeles	954,235	863,984	3,939,358	3,566,899
Oakland	228,179	168,264	891,564	684,043
Ogden	15,322	17,017	73,897	88,644
Pasadena	44,776	38,163	175,245	158,637
Phoenix	28,563	26,007	112,330	103,289
Portland	171,307	173,443	642,212	680,573
Reno	8,517	8,584	33,867	33,588
Sacramento	33,293	29,368	116,546	132,764
Salt Lake City ...	70,384	73,051	273,318	285,146
San Diego	63,432	69,925	265,863	265,971
San Francisco ...	1,228,689	1,041,377	4,846,579	4,455,517
San Jose	24,890	24,668	103,116	99,185
Seattle	222,331	221,119	815,337	836,778
Spokane	56,150	57,958	219,986	216,466
Stockton	24,541	26,436	107,142	107,764
Tacoma	45,887	48,796	180,027	185,250
Yakima	12,630	13,286	48,994	49,437
District	\$3,363,791	\$3,025,345	\$13,349,132	\$12,442,320

*000 omitted.

(D) DEPARTMENT STORE SALES—Index Numbers†

	Los Angeles (6)*	Oak- land (5)*	San Fran- cisco (8)*	Salt Lake City (4)*	Seattle (5)*	Spokane (3)*	District (32)*
Without Seasonal Adjustment							
April, 1927...	254	161	146	106	109	99	164
Mar., 1927...	254	147	139	97	99	89	159
Feb., 1927...	196	117	108	79	79	73	124
Jan., 1927...	230	130	115	87	81	69	138
Dec., 1926...	411	286	247	198	193	165	281
April, 1926...	222	144	134	106	102	95	150
With Seasonal Adjustment							
April, 1927...	263	166	152	113	115	103	170
Mar., 1927...	254	157	140	106	107	106	164
Feb., 1927...	242	155	141	110	122	107	162
Jan., 1927...	243	152	130	105	107	96	157
Dec., 1926...	272	171	154	127	122	109	180
April, 1926...	229	149	139	113	108	98	155

*Figures in parentheses indicate number of stores. One store included in district figures not included in cities shown above. †1919 monthly average=100.

cent decrease in imports into Seattle were reported during the first three months of this year as compared with the first three months of 1926.

FOREIGN COMMERCE—Twelfth District
Exports*

Customs Districts	January 1 to March 31, 1927	1926	Calendar Year 1926	1925
Los Angeles	\$29,425	\$21,032	\$ 99,708	\$ 71,792
Oregon	11,160	12,286	78,422	41,925
San Francisco	46,297	43,338	187,165	183,014
Washington	33,190	32,486	147,582	120,559
District	\$120,072	\$109,142	\$512,877	\$417,290

Imports*

Customs Districts	January 1 to March 31, 1927	1926	Calendar Year 1926	1925
Los Angeles	\$ 8,945	\$11,350	\$ 42,130	\$ 38,732
Oregon	3,602	2,993	13,720	12,431
San Francisco	60,540	57,429	210,185	197,375
Washington	56,106	68,826	261,936	262,171
District	\$129,193	\$140,598	\$527,971	\$510,709

*000 omitted.

Prices

Irregularity characterized price movements of April and early May but the general trend continued downward. The United States Bureau of Labor Statistics' index of prices of 404 commodities at wholesale declined to 144.2 (1913 prices=100) during April, 1927, compared with 145.3 for March, 1927, and 151.1 for April, 1926. Of those group indexes composing the general index, declines were registered during the month by the fuels, metals, building materials and miscellaneous groups while group indexes of farm products, foods, cloths and clothing, and chemicals and drugs advanced. The house furnishings group was unchanged.

**INDEX NUMBERS OF WHOLESALE PRICES
BY GROUPS OF COMMODITIES
(1913=100).**

Group	April, 1927	March, 1927	February, 1927	January, 1927	April, 1926
All Commodities	144.2	145.3	146.4	146.9	151.1
Farm Products	136.7	136.6	136.9	137.2	144.9
Foods	147.3	147.1	148.2	149.6	153.2
Cloths and Clothing.....	169.1	168.4	168.7	167.3	176.8
Fuel and Lighting.....	160.6	168.3	177.1	179.8	174.0
Metals	121.9	122.8	122.2	124.4	126.5
Building Materials	165.0	166.8	167.9	169.7	173.2
Chemicals and Drugs.....	121.8	120.7	122.0	122.1	130.3
House Furnishings	157.4	157.4	157.5	157.4	163.4
Miscellaneous	118.5	118.6	118.5	117.9	126.5

Prices paid to farmers for farm products were slightly lower during April, 1927, than during March, 1927, according to the United States Department of Agriculture. The decline in farm prices was not so great as the decline in prices of non-agricultural commodities, however, and the purchasing power of farm crops is estimated to have increased fractionally during the month. The United States Department of Agriculture's index of prices for farm products at the farm declined from 126 in March (August, 1909-July, 1914 prices=100) to 125 in April, 1927, and the Bureau of Labor Statistics' index of non-agricultural commodities declined from 152.9 (1909-1914 prices=100) to 150.9. The ratio between these two indexes, an indication of the purchasing power of farm products, stood at 82.8 for April, 1927 (pre-war purchasing power=100), compared with 82.4 for March, 1927, and 87.8 in April, 1926.

Livestock quotations at Chicago averaged higher during April, 1927, than during March, 1927, and April, 1926, with the exception of prices for hogs which continued to decline. Monthly average prices and percentage changes are shown in the following table:

LIVESTOCK PRICES AT CHICAGO

(Monthly averages per 100 pounds)

	April, 1927	March, 1927	April, 1926	Percentage changes from One Month Ago	One Year Ago
Cattle	\$11.00	\$10.62	\$ 9.46	+3.6	+16.3
Hogs	10.77	11.47	12.05	-3.5	-10.6
Sheep	8.87	8.09	8.35	+9.6	+ 6.2
Lambs	15.66	14.94	13.15	+4.8	+19.1

Influenced by weather conditions in the wheat sections, the market for wheat during recent weeks has been somewhat unsettled. Price declines of early April were more than offset, however, by advances during the latter weeks of April and early weeks of May. For the week ending May 6, 1927, quotations for September contract wheat at Chicago ranged from \$1.31 $\frac{3}{4}$ to \$1.32 $\frac{7}{8}$ per bushel, compared with a range of from \$1.27 $\frac{5}{8}$ to \$1.28 a month ago, and \$1.33 $\frac{3}{4}$ to \$1.35 per bushel a year ago. On May 19, 1927, quotations for this grade of

(E) Commodity Prices—

Commodity	Unit	May 6, 1927	One Month Ago	One Year Ago
Wholesale Prices (U. S. Bureau of Labor) 1913=100.....		144.2	145.3	151.1
Purchasing Power of Farm Products (U. S. Dept. of Agriculture)*....		82.8	82.4	87.8
Cattle (Native Beef).....Weekly average price at Chicago.....	100 lbs.	\$11.00	\$10.90	\$9.30
Lambs.....Weekly average price at Chicago.....	100 lbs.	16.25	15.75	14.70
Hogs.....Weekly average price at Chicago.....	100 lbs.	10.15	10.90	12.80
Wheat.....Chicago contract price for September wheat.....	bu.	1.31 $\frac{3}{4}$ -1.32 $\frac{7}{8}$	1.27 $\frac{5}{8}$ -1.28	1.33 $\frac{3}{4}$ -1.35
Wool.....Average of 98 quotations at Boston.....	lb.	64.44¢	65.44¢	67.77¢
Oranges.....Navels, Fancy, wholesale at San Francisco.....	box	\$4.50-5.00	\$4.25-4.50	\$4.50-5.00
Prunes.....Size 40/50 in 25-lb. boxes, f. o. b. California.....	lb.	.07 $\frac{1}{4}$ -.07 $\frac{3}{4}$	.07-.07 $\frac{1}{2}$	.08 $\frac{1}{2}$ -.09 $\frac{1}{4}$
Raisins.....Thompson Seedless, bulk, in 25-lb. boxes, f. o. b. California.....	lb.	.07 $\frac{1}{2}$	.07 $\frac{1}{2}$	.07 $\frac{3}{4}$
Canned Peaches.....Choice Cling, sliced, 2 $\frac{1}{2}$ s, f. o. b. California.....	doz.	1.85-2.10	1.85-2.10	2.20-2.35
Butter.....92 score at San Francisco.....	lb.	.41	.42	.40
Copper.....Electrolytic, monthly average at New York.....	lb.	12.808¢	13.079¢	13.706¢
Lead.....Monthly average at New York.....	lb.	7.126¢	7.577¢	7.971¢
Silver.....Monthly average at New York.....	oz.	56.399¢	55.306¢	64.409¢
Lumber (Softwood).....Weekly Index, United States.....		30.52	30.52	31.52

*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."

wheat ranged slightly higher (from \$1.34¾ to \$1.36½ per bushel), and were higher than on May 19, 1926 (from \$1.30¾ to \$1.31⅞).

Cotton prices advanced steadily during April, 1927, continuing an upward movement in progress since late February, but ranged considerably lower than during April, 1926. Quotations for spot middling uplands cotton at New Orleans during the week ending May 6, 1927, ranged from 14.86 to 15.42 cents per pound, compared with a range of from 14.12 to 14.31 cents per pound a month ago, and 17.89 to 18.02 cents per pound a year ago. The average of daily quotations for the month of April, 1927, was 2 per cent higher than for March, 1927, but approximately 20 per cent lower than for April, 1926. An average of 98 wool quotations on the Boston market declined to 64.44 cents per pound during April, 1927. A month ago it stood at 65.44 cents, and a year ago at 67.77 cents per pound.

During March and early April, competitive conditions resulted in sharp declines in gasoline prices in California. Early in May, however, prices were again advanced to levels but slightly lower than those prevailing before the reductions were made. Price changes, made by important factors in the industry during recent months, are shown in the following table:

GASOLINE PRICES—California
(Tank Wagon)

1927	Los Angeles (Cents per gallon)	San Francisco (Cents per gallon)	Sacramento (Cents per gallon)
March 1	15½	16	17
March 17	14½	15	16
March 19	12½	13	14
March 31	10½	13	14
April 15	8½	13	14
April 16	8½	11	12
May 5	14½	15	16

Monthly average prices of **non-ferrous metals**, with the exception of **silver**, declined during April, 1927, continuing an earlier movement which was interrupted only temporarily by the slight price advances reported during March. A national **lumber** index published by "The Lumber Manufacturer and Dealer" remained unchanged in April, 1927, at 30.52 where it stood in March. A year ago this index was 31.52.

Banking and Credit

Throughout the early months of 1927, condition statements of **reporting member banks** in nine principal cities of the Twelfth Federal Reserve District have shown relatively mild seasonal changes. An abundant supply of credit and sound condition of these banks have enabled them to meet all customers' demands for credit accommodation, to add to their in-

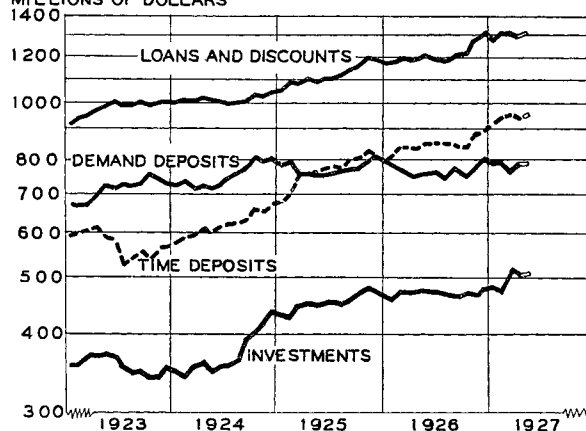
vestment holdings, and at the same time to reduce their borrowings from the Federal Reserve Bank of San Francisco.

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

	Condition May 18, 1927	Changes from One Month Ago (+ = increase, — = decrease.)	Changes from One Year Ago (+ = increase, — = decrease.)
Total Loans	1,312	+13 (1.0)	+109 (9.1)
Commercial Loans	974	+9 (1.0)	+73 (8.1)
Loans on Securities	337	+3 (0.9)	+36 (12.1)
Investments	507	+1 (0.1)	+33 (6.8)
Total Loans and Investments	1,819	+13 (0.7)	+142 (8.4)
Net Demand Deposits	788	+5 (0.6)	+24 (3.2)
Time Deposits	963	+20 (2.2)	+128 (15.4)
Borrowings from Federal Reserve Bank	33	—13 (28.6)	—1 (2.7)

Total earning assets of the **Federal Reserve Bank of San Francisco** declined by 22 per cent (26 million dollars) during the four weeks ending May 18, 1927, and on the latter date were 20 per cent smaller than on May 19, 1926. All

MILLIONS OF DOLLARS



MEMBER BANK CREDIT—TWELFTH DISTRICT

Figures for about 65 member banks in leading cities, as of last Wednesday of each month. Latest figures, May 18.

classes of earning assets—member bank discounts, holdings of bills bought in the open market, and of United States government securities—declined over the month and year periods. Federal reserve note circulation increased slightly during the month. Deposits were lower at the close of the period than at its beginning, however, and reserves were considerably higher, so that the reserve ratio of the Federal Reserve Bank of San Francisco rose to 78.2 on May 18th, the highest point reached in over a year.

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

	Condition May 18, 1927	Changes from One Month Ago (+ = increase, — = decrease.)	Changes from One Year Ago (+ = increase, — = decrease.)
Total Bills and Securities	91	—26 (22.4)	—23 (20.1)
Bills Discounted	42	—13 (23.7)	—2 (5.2)
United States Securities	31	—8 (21.1)	—19 (38.1)
Bills Bought	18	—5 (21.8)	—1 (6.1)
Total Reserves	282	+28 (11.0)	+27 (10.6)
Total Deposits	180	—5 (2.6)	+11 (6.6)
Federal Reserve Note Circulation	182	+10 (5.7)	—4 (2.3)