

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

Prepared by the Federal Reserve Board

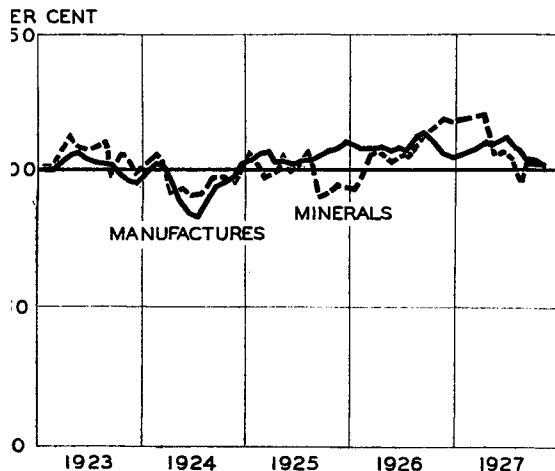
Industry and trade were less active in October than in the preceding month and were in smaller volume than a year ago. The general level of wholesale commodity prices showed a further slight advance during the month.

Production. Production of manufacturers declined in October, contrary to the usual seasonal tendency, while the output of minerals remained in practically the same volume as in September. In October and November activity of iron and steel mills and of automobile plants was smaller than at any previous period of the year. During October, there were also decreases in cotton consumption and in production of building materials, crude petroleum, and boots and shoes. Output of bituminous coal and the number of hogs and cattle slaughtered increased by less than the usual seasonal amount. Production of flour, copper, and anthracite coal increased in October. Building contracts awarded increased considerably, owing to unusually large awards in New York

and Chicago during the last week of the month. The increases were largest in contracts for residential and commercial buildings.

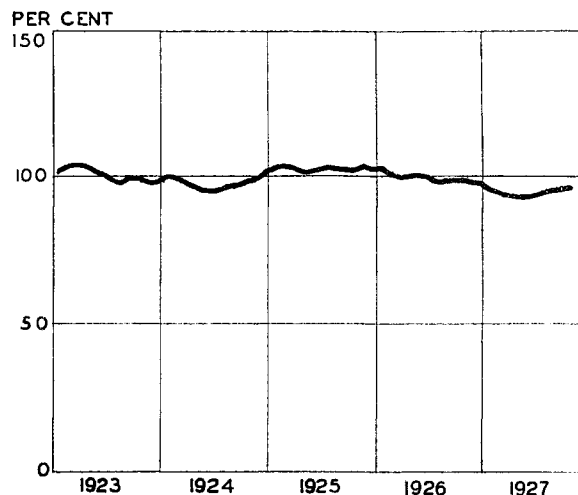
Favorable weather during October in agricultural states resulted in an increased yield for late fall crops. The indicated production of corn, according to the November crop report of the Department of Agriculture, was placed at 2,753,000,000 bushels, an increase of 150,000,000 bushels over the estimate of the previous month and 106,000,000 bushels over the yield a year ago. Larger yields, as compared with the previous month's estimates, were also indicated for cotton, tobacco, and potatoes.

Trade. Trade at wholesale and retail showed less than the usual seasonal increase in October compared with October a year ago. Wholesale trade in all leading lines, except meats and drugs, was smaller than last year. Department store sales were approximately 3 per cent smaller than in October, 1926, while sales of mail order houses and chain stores were some-



PRODUCTION OF MANUFACTURES AND MINERALS

Index numbers of production of manufactures and minerals, adjusted for seasonal variations (1923-1925 average = 100). Latest figures, October, manufactures, 102; minerals, 105.



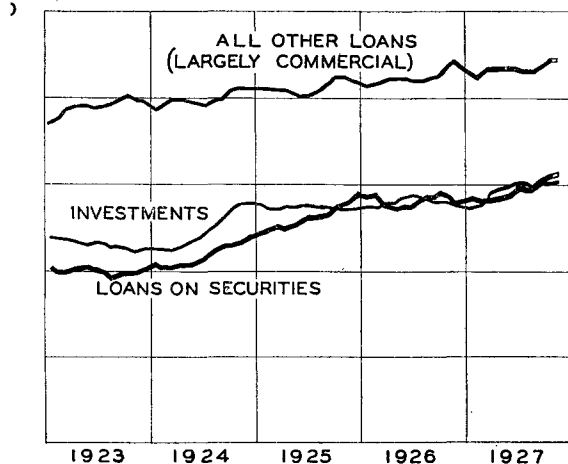
WHOLESALE PRICES

Index of United States Bureau of Labor Statistics (1926 prices = 100, base adopted by Bureau). Latest figure, October, 97.0.

Requests for early numbers of this Review have been received from universities and libraries whose files of the publication are incomplete. It would be appreciated if those readers who have available copies of the Review for months prior to January, 1923, would forward them to the Federal Reserve Agent, Federal Reserve Bank, San Francisco.

what larger than a year ago. Inventories of merchandise carried by wholesale firms were smaller in all reporting lines at the end of the month than in September. Compared with a year ago, stocks were smaller in all lines except drugs. Stocks of department stores increased during October in anticipation of the growth in sales that usually occurs in November and December, but at the end of the month they were no larger than a year ago. Freight

ILLIONS OF DOLLARS



MEMBER BANK CREDIT

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

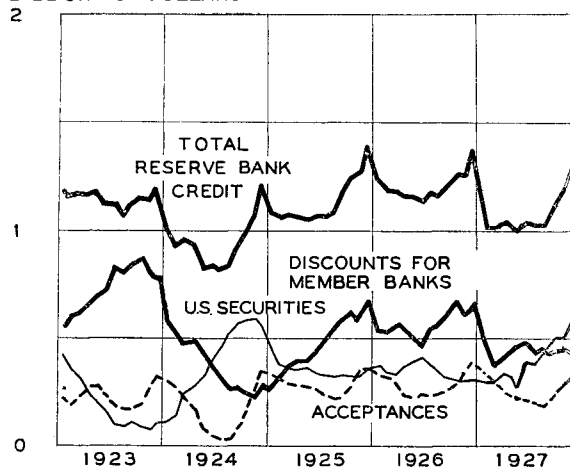
loadings declined in October and the first part of November, and were smaller than in the corresponding period of last year for all classes of freight except grain and grain products.

Prices. Wholesale commodity prices increased slightly during October, continuing the advance which began early in the summer, and the Bureau of Labor Statistics' index for October was higher than for any previous month of this year. The September-to-October advance in the average for all commodities reflected increases in the prices of livestock, meats and dairy products. Prices of corn, cotton, coal, metals, paint materials, and automobile tires declined. During the first three weeks in November there were increases in the prices of rains, cattle, copper, hides, and rubber, and

decreases in prices of hogs, cotton, silk, coal, petroleum, and iron and steel.

Bank Credit. Total loans and investments of member banks in leading cities increased by nearly \$300,000,000 during the latter part of October and the first half of November, and on November 16th, were the highest ever reported. Investments increased by more than \$200,000,000 during the same period, reflecting in large part purchases of Treasury certificates

BILLIONS OF DOLLARS



RESERVE BANK CREDIT

Monthly averages of daily figures for 12 Federal Reserve Banks. Latest figures are averages of first 23 days in November.

issued on November 15th. Loans on securities increased by about \$125,000,000, while loans chiefly for commercial and agricultural purposes declined from the seasonal peak reached early in October. There was a continued increase in the demand for reserve bank credit between October 19th and November 23rd, arising chiefly out of further exports of gold. Discounts for member banks declined somewhat, while acceptances and holdings of United States government securities increased. Conditions in the money market remained moderately easy during the first weeks of November. Call loan rates continued at the level reached in the latter part of October, and rates on prime commercial paper and bankers' acceptances were unchanged.

TWELFTH FEDERAL RESERVE DISTRICT CONDITIONS

Production in the Twelfth Federal Reserve District has recently been below the levels of a year ago, but distribution and consumption have been well maintained. During October, 1927, **industry**, generally, operated at slightly lower levels than in October, 1926, and, if allowance be made for usual seasonal fluctuations, was less active than in September, 1927. Activity in **distribution** and **trade** during October approximated that of the previous month

and was slightly greater than in the same month a year ago. The district's abundant crops have been moving to market in an orderly manner.

The anticipated autumn expansion in demand for primary **credit** reached its maximum during early October, with the peak of the fall crop movement. Contrary to the experience of most previous years, the 1927 autumn peak in member bank loans was lower than the spring peak,

reflection of the moderate recession in business which has been in progress since early summer.

Building and lumbering were less active during October, 1927, than one month ago or one year ago. Output of flour mills, while greater than last year, did not show the full seasonal increase during the month. If allowance be made for seasonal movements, railway freight loadings and sales at wholesale were larger during October than during September, while sales at retail were smaller. The physical volume of goods moved through channels of distribution is estimated to have been larger during October, 1927, than during the corresponding month a year ago.

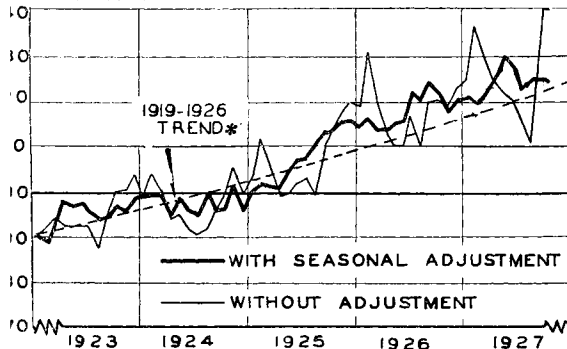
This bank's index of daily average check payments (bank debits) adjusted for seasonal variations declined from 125 in September (revised figure) to 124 in October (1923-1925 daily average=100). A year ago the index stood at 22.

BANK DEBITS*—Twelfth District

	Oct., 1927	Sept., 1927	Aug., 1927	Oct., 1926	Sept., 1926
With Seasonal Adjustment...	124	125	125	122	124
Without Seasonal Adjustment	139	134	111	121	120

Daily average volume of check payments, 1923-1925=100.
*Revised.

INDEX NUMBER



BANK DEBITS—TWELFTH DISTRICT

Index for 20 principal cities, Phoenix, Arizona, not included (daily averages, 1923-1925 average=100). Latest figures, October, with adjustment, 124; without adjustment, 139.

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

Agriculture

Seasonal rains in the Pacific Northwest during late October and early November continued to hamper late harvesting operations, but livestock ranges and fall-sown grains were benefited. In the southern portion of the district the first seasonal rains fell during late October. A minimum of damage to drying fruit crops and late maturing field crops was reported. Temperatures were generally normal throughout the district.

No new official estimates of production of wheat in the Pacific Northwest were made during the month, but it is reported that recent unfavorable weather conditions have materially lowered the quality and quantity of wheat har-

vested. Exports of wheat from Puget Sound and Columbia River ports during the period July 1 to November 1, 1927, totaled approximately 27,526,000 bushels as compared with 20,191,000 bushels shipped during the same period of 1926 and with average exports of 11,807,000 bushels during the corresponding period for the five years, 1921-1925.

Preliminary United States Department of Agriculture estimates of field crop production in the Twelfth District during 1927 are given in the table below. Production of potatoes, rice, and sugar beets appears to have been approximately 34, 11, and 59 per cent larger, respectively, than a year ago, while production of cotton and beans was approximately 28 and 4 per cent less, respectively, than in 1926. Wet weather during late October handicapped harvesting of the late top crop of cotton in California.

PRODUCTION*—Field and Grain Crops

	Preliminary Estimate Nov. 1, 1927	Actual 1926	Five-Year Average (1922-1926)
Wheat (bushels)			
Twelfth District	134,765†	103,368	102,989
United States	866,538	832,809	807,731
Barley (bushels)			
Twelfth District	41,314†	43,053	40,609
United States	264,703	188,340	192,707
Rice (bushels)			
Twelfth District‡	8,905	7,986	6,084
United States	39,299	41,006	36,387
Beans (bushels)			
Twelfth District§	6,487	6,739	5,593
United States	18,112	17,138	16,140
Cotton (bales)			
Twelfth District||	181	253	174
United States	12,842	17,977	13,649
Potatoes (bushels)			
Twelfth District	55,577	41,506	36,661
United States	400,305	356,123	394,182
Sugar Beets (tons)			
Twelfth District¶	1,422	892	1,642
United States	7,887	7,223	6,942
Hops (pounds)			
Twelfth District	29,300†	34,838	26,237

*000 omitted. †As of October 1, 1927. ‡California. §California and Idaho. ||Arizona and California. ¶California, Idaho, and Utah.

Source: United States Department of Agriculture.

The harvest of deciduous fruits is now complete and previous forecasts of production have quite generally been substantiated. Carlot shipments of apples from the principal producing sections of the district, during the 1927 shipping season to November 1st, were approximately 28 per cent smaller than a year ago. Returns to the growers are reported to be more satisfactory than last year, despite increased costs of cleaning fruit as a result of spray residue regulations. Production estimates follow:

COMMERCIAL APPLE PRODUCTION*—Twelfth District and United States

	Preliminary Estimate Nov. 1, 1927 (bushels)	Actual 1926 (bushels)	Five-Year Average (1922-1926) (bushels)
California	4,413	6,144	4,881
Idaho	4,272	2,775	3,615
Oregon	3,285	5,100	4,502
Utah	429	480	621
Washington	20,445	25,650	24,261
Total	32,844	40,149	37,880
United States	72,180	118,233	111,130

*000 omitted.

Source: United States Department of Agriculture.

The peak of the 1927 grape shipping season in California was passed during October. Grape shipments to Eastern markets decreased following the late October rains. It is estimated that 285,000 tons of raisins have been dried during 1927, as compared with 272,000 tons dried in 1926. Production estimates of grapes are given below:

PRODUCTION OF GRAPES—California
(In tons - fresh basis)

	1927*	1926†	1925‡
Wine Grapes	470,000	414,000	395,000
Table Grapes	468,000	395,000	339,000
Raisin Grapes	1,434,000	1,241,000	1,178,000
Total	2,372,000	2,050,000	1,912,000

*Preliminary estimate November 1st. †15,000 tons not harvested.
‡138,000 tons not harvested.

Source: California Co-operative Crop Reporting Service.

The 1927 Valencia orange crop in California is estimated at 12,700,000 boxes as compared with approximately 11,260,000 boxes produced in 1926. The estimated production of the 1927-1928 Navel orange crop is 11,200,000 boxes as compared with approximately 12,154,000 boxes produced during the 1926-1927 season. Although Navel oranges are ripening slowly this year, some shipments of this crop have already been reported. Shipments of oranges and lemons from California during October, 1927, amounted to 2,646 and 606 carloads, respectively, as compared with 2,868 and 801 carloads during October, 1926. Shipments of all ranges from California during the crop year [November 1, 1926, to November 1, 1927, totaled 7,163 carloads. There were 50,030 carloads shipped during the season ending November 1, 1926. During the five seasons, 1922-23—1926-27, shipments for the crop season ending November 1st averaged 48,686 carloads.

Livestock have gone to winter ranges in good condition. Plentiful supplies of range forage and hay for supplementary feeding purposes

during the 1927-1928 winter season are reported. The bulk of range lambs and range cattle have moved to fall markets and to feedlots at satisfactory prices. A strong demand exists for breeding stock. Condition figures of ranges, cattle and sheep follow:

CONDITION OF LIVESTOCK AND RANGES
(100 = Normal)

	Ranges		Cattle		Sheep	
	Nov. 1, 1927	Nov. 1, 1926	Nov. 1, 1927	Nov. 1, 1926	Nov. 1, 1927	Nov. 1, 1926
Arizona	95	78	95	88	95	93
California	81	81	89	90	90	91
Idaho	93	59	96	86	96	85
Oregon	100	82	98	89	98	91
Nevada	77	65	91	85	91	86
Utah	93	67	97	87	98	90
Washington	105	90	96	92	97	94

Source: United States Department of Agriculture.

Industry

During October, industry, generally, operated at levels slightly below those of a year ago, and, if allowance be made for usual seasonal fluctuations, was less active than in September. The reported volume of employment in the manufacturing and building industries was smaller in October, 1927, than in either September, 1927, or October, 1926. As is usual during the autumn and winter months in this district, the release of workers from seasonal harvesting operations and from fruit and vegetable canning and packing has contributed to a surplus of labor now present in most sections of the district.

Because a building permit ordinarily is issued some time prior to commencement of construction on a given project, data on value of building permits issued tend to indicate trends in building construction activity. The cumulative value of building permits in the important cities of this district has been considerably smaller, throughout 1927, than in each of the previous four years and has been only slightly larger than the figures for 1922. This decline has been reflected in building construction activity exclusive of public and engineering proj-

A) Employment—

Industries	California			Oregon		
	No. of Firms	No. of Employees Oct., 1927	No. of Employees Oct., 1926	No. of Firms	No. of Employees Oct., 1927	No. of Employees Oct., 1926
All Industries	793	145,436	151,649	166	29,621	31,600
		(-4.1)			(-6.3)	
Stone, Clay and Glass Products	51	7,783	7,876	5	214	178
		(-1.2)			(20.2)	
Timber and Wood Manufactures ..	125	28,969	27,774	61	16,822	18,176
		(4.3)			(-7.4)	
Textiles	18	2,791	2,809	11	2,028	2,271
		(-0.1)			(-10.7)	
Clothing, Millinery and Laundering ..	68	8,445	8,473	8*	434	425
		(-0.3)			(2.1)	
Food, Beverages and Tobacco ..	170	33,904	33,101	47	4,172	4,253
		(2.4)			(-1.9)	
Water, Light and Power	4	3,456	3,452	..	...	...
		(0.1)			...	...
Other Industries† ..	343	57,886	65,498	..	...	...
		(-11.6)			...	...
Miscellaneous	14	2,202	2,666	34	5,951	6,297
		(-17.4)			(-5.5)	

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 October, 1926.

(B) Building Permits—

	October, 1927		October, 1926	
	No.	Value	No.	Value
Berkeley	327	\$ 648,164	295	\$ 432,177
Boise	123	69,658	102	57,920
Fresno	100	193,909	121	83,860
Long Beach	422	634,655	368	497,120
Los Angeles	3,676	10,388,098	3,482	9,950,229
Oakland	647	1,444,600	970	1,777,085
Ogden	25	47,800	20	49,350
Pasadena	227	592,413	309	858,431
Phoenix	103	444,673	145	295,361
Portland	976	2,212,380	1,229	2,624,320
Reno	23	76,450	17	92,875
Sacramento	276	363,762	249	615,413
Salt Lake City	70	349,767	92	326,005
San Diego	787	1,010,227	862	1,637,331
San Francisco	769	2,518,374	849	5,649,690
San Jose	85	300,345	142	295,400
Seattle	839	1,296,255	923	1,457,965
Spokane	225	461,755	233	382,785
Stockton	83	145,753	102	126,060
Tacoma	188	694,590	223	440,775
District	9,971	\$23,893,628	10,733	\$27,650,152

cts, a branch of construction which is reported to have been more active this year than in recent previous years. Data for 92 of the district's cities, compiled by S. W. Straus and Company, reveal a September-to-October, 1927, reduction in value of permits issued amounting to 2.2 per cent. As compared with October, 1926, value of permits issued in these cities during October, 1927, was smaller by 16 per cent.

A further fractional decrease in the wholesale prices of building materials is indicated by the October, 1927, index published by the United States Bureau of Labor Statistics. Standing at 1.6 (1926 prices=100) for October, 1927, the index of building materials prices registered a decline of 8.4 per cent from the level of one year ago. The Aberthaw index of industrial building costs, including both labor and materials, was unchanged during October, 1927, and rested at 191 (1914 costs=100) compared with 197 for October, 1926.

Production of lumber¹ failed to show the usual seasonal increase during October. Figures of output reported by four associations whose members operate in this district were larger during October, 1927, than during October, 1926. The increase was due chiefly to the larger number of mills reporting this year, however, and if allowance be made for this factor, it is probable that production activity during October, 1927, was no greater than a year ago. Shipments increased during October, but were smaller than production, and stocks at mills increased. Shipments were larger than new orders received, the excess approximating the decline in unfilled orders during the month.

LUMBER*—Twelfth District

	Oct., 1927 (board feet)	Sept. 1927 (board feet)	Oct., 1926 (board feet)
Production	831,839	835,530	790,376
Shipments	777,485	749,393	722,749
Orders	732,545	730,682	709,414
Unfilled Orders†	452,670	483,681	486,604
No. of Mills Reporting‡	193	193	181

¹As 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. §Revised.

Source: National Lumber Manufacturers Association.

Monthly movement of California petroleum into consumption channels, throughout 1927 to date, has generally exceeded production. Production has tended downward during the year and stocks of crude oil have been reduced by over 4 million barrels (3.4 per cent) since January 1, 1927. Average daily flow of petroleum from wells during October was 1.3 per cent smaller than in September, 1927. The rate of

consumption of crude oil during October changed little from that of September, 1927, and stocks of petroleum declined further. Output of petroleum during October, 1927, averaged 2.5 per cent larger than in October, 1926.

PETROLEUM—California

	Average Daily Production (barrels)	Indicated Average Daily Consumption (Shipments) (barrels)	Stored Stocks at End of Month (barrels)	New Wells Opened	Daily Production (barrels)
Oct., 1927....	627,384	659,000	115,435,022	61	26,101
Sept., 1927....	635,483	659,405	116,415,194	51	18,559
Oct., 1926....	611,808	610,795	118,911,731	73	50,986

Source: American Petroleum Institute.

Figures of national non-ferrous metals 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

	Oct., 1927	Sept., 1927	Oct., 1926	Per Cent of Total Produced in 12th Dist.*
Copper (short tons) (mine production)	68,828	65,936	75,643	64.1
Lead (short tons) (crude)†	56,740	53,204	63,250	43.5
Zinc (short tons) (slab)	50,185	47,735	54,979	13.3
Silver (oz.) (commercial bars)	4,930,000	4,641,000	5,011,000	69.7

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

Output of flour in this district during October, as reported by 13 large operators, continued at levels above those of a year ago, but was nearly 10 per cent smaller in volume than the average output for that month during the past five years. Flour production usually reaches a peak for the year during October and, as usual, output of flour increased during October, 1927, as compared with the previous month. The September-to-October increase amounted to only 10.5 per cent, however, as against a five-year (1922-1926) average increase of 17.2 per cent. The reported increase in stocks of flour at mills during October was relatively as large as the increase in output. Millers' stores of wheat increased little during October, whereas the average September-to-October increase in recent years has been nearly 50 per cent. The small increase this year was probably largely due to a later agricultural season and unfavorable weather conditions during the harvest period which resulted in a considerable quantity of wet wheat. A quiet export market for flour, due in part to lower price quotations in Canada, has recently been reported.

FLOUR MILLING* Twelfth District

	Oct., 1927	Sept., 1927	Oct., 1926	Five-Year Average Oct., 1922-1926
Output (bbls.)...	554,407	501,593	499,766	614,374
Stocks†				
Flour (bbls.)...	410,905	371,865	388,868	476,385
Wheat (bu.)...	3,188,882	3,090,994	4,068,546	3,685,405

*Data from one mill are temporarily unavailable. Figures presented in the table are based on thirteen milling factors, instead of fourteen as heretofore. †At end of month.

In the Monthly Review for October, 1927, on page 77, the following statement appears: "Current information, both statistical and non-statistical, indicates that lumber mills of the district cut more lumber during September than during August." The statement should read: "Current information, both statistical and non-statistical, indicates that lumber mills of the district cut less lumber during September than during August."

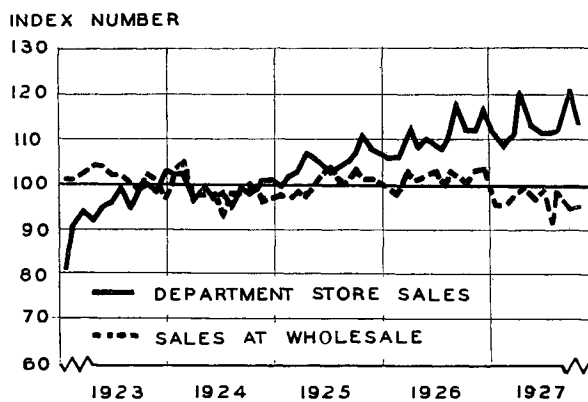
Distribution and Trade

Activity in distribution and trade during October, 1927, approximated that of September, 1927, and was somewhat greater than in October, 1926. Value of sales at retail was slightly higher and of sales at wholesale slightly lower than during October, 1926. If allowance be made for changing price levels, the volume of goods moved through distributive channels during October was probably larger this year than last year.

Railway freight carloadings in the district increased slightly during the month and were 2.6 per cent larger than in October, a year ago. The increase for the month was general for all classes of commodities. More carloads of livestock, sand, stone and gravel, and perishables were moved during October, 1927, than during October, 1926.

Reported retail sales increased 0.6 per cent during October, 1927, as compared with October, 1926. This bank's index of department store sales, adjusted for seasonal variation, declined from 121 in September, 1927 (1923-1925 daily average=100) to 113 in October, 1927. The sharp increase in the index during September and the subsequent decline in October was the result largely of special sales conditions in Los Angeles during the earlier month. October sales showed approximately the usual seasonal change as compared with August, when the index stood at 112. October sales in San Francisco, Seattle, and Salt Lake City were larger, and in Los Angeles and Spokane were smaller, than a year ago.

Sales at wholesale showed less than the usual seasonal decline during October, and this bank's seasonally adjusted index of sales of 151



TRADE ACTIVITY—TWELFTH DISTRICT

Seasonally adjusted index numbers of sales of 28 department stores and about 170 wholesale firms, (1923-1925 average=100). Latest figures, October, department stores, 113; wholesale firms, 96.

firms in eleven lines of trade advanced from 95 in September (1923-1925 monthly average=100) to 96 in October. A year ago the index stood at 98.

WHOLESALE TRADE—Twelfth District

	No. of Firms	Index Numbers of Sales*		
		Oct.	Sept.	Aug.
Agricultural Implements	13	116	127	173
Automobile Supplies	13	103	100	97
Automobile Tires	13	134	148	168
Drugs	6	129	118	101
Dry Goods	18	96	119	114
Electrical Supplies	9	131	122	100
Furniture	15	117	112	101
Groceries	17	90	95	92
Hardware	20	97	101	96
Shoes	7	129	150	144
Paper and Stationery	20	104	122	105
All Lines	151	104	110	105
All Lines, Adjusted†	151	96	95	99

*1923-1925 monthly average=100. †For seasonal variation.

Prices

During the past month, the general level of wholesale prices increased slightly, according to the United States Bureau of Labor Statistics' revised index of 550 commodities which moved

	NET SALES*		STOCKS*	
	Oct., 1927, compared with		January 1 to Oct. 31, 1927, compared with same period in 1926	
	Oct., 1926	Sept., 1927	Oct., 1926	Sept., 1927
Department Stores	0.7 (44)	6.8 (43)	2.6 (37)	1.4 (36)
Dry Goods	-0.4 (7)	6.5 (7)	10.0 (4)	-0.4 (4)
Furniture	-5.4 (56)	16.3 (56)	-1.3 (31)	1.9 (27)
Men's Apparel	3.0 (5)	13.9 (5)	...	1.5 (3)
Men's and Women's Apparel	7.7 (11)	18.7 (10)	0.7 (10)	4.2 (3)
Women's Apparel	0.6 (11)	12.6 (11)	1.7 (11)	1.8 (10)
All Reporting Stores	-0.1 (134)	8.7 (132)	2.2 (94)	1.5 (83)

*Percentage increase or decrease (—). Figures in parentheses indicate number of stores reporting.

(C) DEPARTMENT STORE SALES—Index Numbers (1923-1925 daily average=100)

	Los Angeles (5)†	Oakland (4)†	San Francisco (5)†	Salt Lake City (5)†	Seattle (5)†	Spokane (3)†	District (28)†
Without Seasonal Adjustment							
Oct., 1927	113	134	118	118	111	126	117
Sept., 1927	124	108	109	103	117	112	116
Aug., 1927	118	107	103	82	94	90	107
Oct., 1926	115	134	113	116	109	133	116
With Seasonal Adjustment							
Oct., 1927	115	113	117	105	105	99	113
Sept., 1927	139	115	105	102	110	103	120
Aug., 1927	119	108	111	106	103	91	112
Oct., 1926	116	115	113	103	103	104	112

†Figures in parentheses indicate number of stores. One store included in district figures not included in cities shown above.

(D) Bank Debits*—

	October, 1927	October, 1926	Sept., 1927‡
Berkeley	\$ 24,023	\$ 19,272	\$ 21,242
Boise	17,181	15,188	14,751
Fresno	51,237	57,832	49,876
Long Beach	43,404	47,007	43,383
Los Angeles	928,896	884,380	859,094
Oakland	225,606	174,914	214,163
Ogden	22,700	23,286	21,840
Pasadena	37,697	36,668	33,813
Phoenix	27,957	26,819	23,837
Portland	184,005	198,102	181,023
Reno	9,742	10,355	10,567
Sacramento	41,318	33,532	46,247
Salt Lake City	76,554	79,245	68,707
San Diego	61,280	61,668	57,415
San Francisco	1,429,842	1,052,831	1,283,350
San Jose	30,697	32,792	27,264
Seattle	236,585	223,207	240,852
Spokane	59,160	60,062	59,425
Stockton	30,261	26,846	29,233
Tacoma	44,739	46,272	45,835
Yakima	17,302	16,932	14,460
District	\$3,600,186	\$3,127,210	\$3,346,377

*000 omitted. ‡Revised figures.

upward from 96.5 (1926 prices=100) in September to 97.0 in October. For October, 1926, the index stood at 99.4. The advance of the composite index was caused almost entirely by increases in food prices, the index for that group of commodities advancing from 96.5 in September to 100.0 in October. Prices for farm products were slightly lower than in September, a result chiefly of declines in prices for cotton and corn.

Average prices of **cattle, hogs, lambs, and sheep** were higher during October than during September. Quotations for cattle declined during the first half of October, but during the last two weeks of that month prices for native beef at Chicago rose rapidly, the average for the week ending October 29th—\$14.00 per 100 pounds—being the highest weekly average since October, 1920. The movement of hog prices during October was the reverse of the cattle price movement. An advance in prices during the first weeks of the month was followed by a sharp drop in its closing weeks. Prices for lambs were steady at slightly higher levels than in October. Sheep prices, which had advanced during the last week of September, were generally maintained during October, although a slight decline was recorded during the last two weeks of that month. Average prices of cattle and lambs were higher and of hogs and sheep lower during October, 1927, than during October, 1926.

LIVESTOCK PRICES AT CHICAGO

	Cents per pound			Percentage changes* from	
	Oct., 1927	Sept., 1927	Oct., 1926	One Month	One Year
Cattle	13.45	12.29	10.29	9.4	30.7
Hogs	10.66	10.20	12.62	4.5	—15.5
Lambs	13.81	13.50	13.47	2.3	2.5
Sheep	5.71	5.66	6.13	0.9	—6.9

* (—) decrease.

Toward the close of October **wheat** prices declined to the lowest levels of the current year but recovered slightly during the first ten days of November. An advance of nearly two cents per bushel in quotations at Chicago occurred on November 12th, and, since then, prices have held fairly steady. On November 19th, December contract wheat at Chicago ranged from

\$1.26½ to \$1.27⅝ cents per bushel, as compared with ranges from \$1.25⅝ to \$1.27¼ a month earlier, and \$1.32⅛ to \$1.35¼ on November 19, 1926. These daily range quotations indicate quite accurately the general comparative levels of prices in the respective periods mentioned.

The **cotton** market has recorded comparatively small price fluctuations since October 20th. The price of spot middling uplands cotton at New Orleans advanced from 19.68 cents per pound on October 24th to 20.68 cents per pound on October 25th, and generally held above that figure until November 9th, when the Department of Agriculture released its estimate of 12,842,000 bales for the 1927-1928 crop. This was an increase of 164,000 bales over that department's estimate as of October 1st. Quotations declined nearly 1.5 cents a pound on November 9th and 10th, and since then prices have held within relatively narrow limits. On November 19th, spot middling uplands at New Orleans sold for 19.58 cents per pound.

Wool prices advanced steadily during October and remained stable during early November. The average of 98 quotations at Boston for the week ending November 18, 1927, was 67.78 cents per pound. For the weeks ending October 14, 1927, and November 19, 1926, these quotations averaged 67.04 and 67.40 cents per pound, respectively.

As a whole, prices for **California dried fruits** have not shown much change during recent weeks. Exceptions to this statement are the lowering of **raisin** prices and the improvement in prices for certain grades of **figs**. Opening prices on the 1927 crop of California walnuts were well below those of 1926, a representative grade selling for 19 cents per pound this year as compared with 25 cents per pound a year ago.

Citrus fruit growers have received high prices for their 1927 crop. During October, there was a decline in prices for **oranges**, but shippers averaged \$5.34 per box, f. o. b. California shipping points, for the month as a whole. The average price in October, 1926, was \$4.88 per box. Prices for **lemons** were high dur-

(E) Commodity Prices—

Commodity	Unit	Nov. 4, 1927	One Month Ago	One Year Ago
Wholesale Prices (U. S. Bureau of Labor Statistics—1926 prices=100).		97.0	96.5	99.4
Purchasing Power of Farm Products (U. S. Dept. of Agriculture)*		91.8	92.4	81.2
Wheat..... Chicago contract price for December wheat.....	bu.	\$1.23¼-1.25½	\$1.30¼-1.31¾	\$1.39¼-1.41¾
Wool..... Average of 98 quotations at Boston.....	lb.	67.78¢	66.68¢	67.59¢
Apples..... Winesaps, Extra Fancy, f. o. b. Pacific Northwest	box	\$2.25	Not quoted	\$1.25-1.40
Oranges..... Valencias, Fancy, wholesale at San Francisco.....	box	7.75-8.50	\$7.50-8.25	6.00-6.25
Prunes..... Size 40/50 in 25-lb. boxes, f. o. b. California.....	lb.	.06-.06½	.06¼-.06½	.06¼-.07¼
Raisins..... Seedless, bulk, in 25-lb. boxes, f. o. b. California..	lb.	.05¾	.06¼	.07½
Canned Peaches..... Choice Cling, sliced, 2½s, f. o. b. California.....	doz.	1.75-1.85	1.75-1.85	2.00-2.10
Butter..... 92 score at San Francisco.....	lb.	.49	.48	.46
Copper..... Electrolytic, monthly average at New York.....	lb.	12.958¢	12.940¢	13.862¢
Lead..... Monthly average at New York.....	lb.	6.250¢	6.297¢	8.402¢
Silver..... Monthly average at New York.....	oz.	56.035¢	55.445¢	54.505¢
Lumber (Softwood)..... Weekly Index, United States†		31.70	29.91	30.18‡

*Ratio of farm prices (August, 1909-July, 1914 prices=100) to wholesale prices of non-agricultural commodities (1910-1914 prices=100). †As published by "The Lumber Manufacturer and Dealer." ‡Revised.

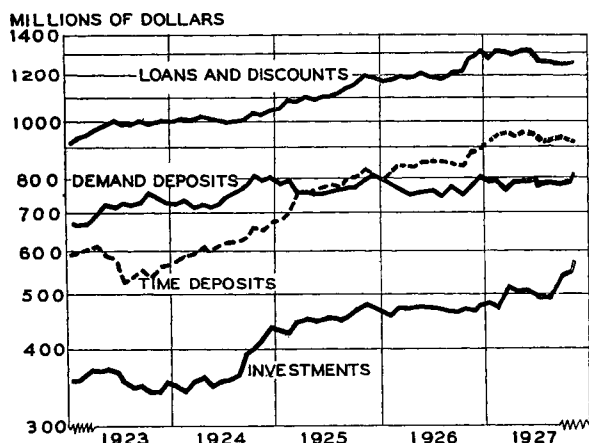
ing October, reaching a peak about the middle of the month. The average price per box, f. o. b. California shipping points, was \$7.21 as compared with \$2.95 in October, 1926.

Of the non-ferrous metals, copper and silver advanced in price during October as compared with September; lead prices were practically unchanged; and those for zinc declined.

Lumber prices advanced slightly during the month. The softwood lumber index of The Lumber Manufacturer and Dealer advanced to 31.70 for October as compared with 29.91 in September and 30.18 in October, 1926.

Banking and Credit

The autumn peak in primary demand for credit was reached during early October. For the first time since 1921, and contrary to the experience of most previous years, the high point of autumn borrowing was below that of the previous spring, a reflection of recent dullness in several lines of industry and trade. On October 12, 1927, total loans and discounts of reporting member banks amounted to 1,291



MEMBER BANK CREDIT—TWELFTH DISTRICT
Figures for about 65 member banks in leading cities, as of last Wednesday of each month. Latest figures, November 16th.

million dollars compared with 1,317 million dollars on March 9, 1927. During the autumn of 1926, demands for credit accommodation did not culminate in a seasonal peak but continued to expand, practically unchecked from week to week, until the close of the Christmas season when they stood at 1,314 million dollars as compared with 1,295 million dollars in mid-November, 1926, and 1,222 million dollars on October 6, 1926.

Commercial loans outstanding at member banks of the district have been quite consistently smaller in volume than in the spring months and in only one week, that of October 12th, have they been above the level of mid-summer. Standing at 930 million dollars on

November 16, 1927, these loans were 16 million dollars (1.7 per cent) smaller than at mid-October, and 44 million dollars (4.5 per cent) below the level of a year ago. During the past two months, fluctuations in time and demand deposits at reporting member banks have counter-balanced each other. During the four weeks ended October 12th, time deposits increased 26 million dollars while net demand deposits decreased by an equal amount. During the five-week period ended November 16, 1927, a contrary fluctuation occurred, demand deposits increasing 22 million dollars while time deposits decreased 19 million dollars.

At the Reserve Bank, borrowings of reporting member banks were less than half as large on November 16th as at mid-October, 1927, and were only slightly more than half as large as a year ago.

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

	Condition Nov. 16, 1927	Changes from One Month Ago (+ = increase, — = decrease.)	Changes from One Year Ago (+ = increase, — = decrease.)
Total Loans	1,271	—11 (0.8)	—24 (1.9)
Commercial Loans	930	—16 (1.7)	—44 (4.5)
Loans on Securities	341	+ 6 (1.7)	+ 20 (6.2)
Investments	573	+27 (4.9)	+108 (23.3)
Total Loans and Investments	1,844	+16 (0.9)	+82 (4.7)
Net Demand Deposits	816	+22 (2.7)	+24 (3.0)
Time Deposits	914	—19 (2.1)	+30 (3.4)
Borrowings from Federal Reserve Bank	25	—11 (30.4)	—22 (46.8)

*Total resources of reporting banks are approximately 50 per cent of total resources of all banks and 70 per cent of total resources of all member banks in the Twelfth Federal Reserve District. Reporting banks embrace member banks in San Francisco, Los Angeles, Oakland, Portland, Seattle, Tacoma, Spokane, Salt Lake City, and Ogden.

Seasonal demands upon member banks have not been so heavy this year and they have been able to care for the financing of crop movements and of general trade with less than the usual amount of borrowing from the Federal Reserve Bank of San Francisco. Member banks' demands for accommodation at the Federal Reserve Bank expanded seasonally to a 1927 peak of 59 million dollars during early October, since which time they have declined sharply. With the exception of the week ended September 14, 1927, bills discounted at the Reserve Bank on November 16th were at the lowest point since February, 1926, and were at the lowest point for this season of the year since 1924, a year characterized by abundant supplies of credit and recession in business and industrial activity.

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

	Condition Nov. 16, 1927	Changes from One Month Ago (+ = increase, — = decrease.)	Changes from One Year Ago (+ = increase, — = decrease.)
Total Bills and Securities...	90	— 5 (5.4)	—28 (24.1)
Bills Discounted	29	—12 (29.7)	—21 (42.2)
United States Securities	56	+10 (21.8)	+17 (43.6)
Bills Bought	5	— 3 (37.0)	—24 (83.7)
Total Reserves	294	+14 (5.0)	+30 (11.4)
Total Deposits	194	+ 8 (4.0)	+14 (7.6)
Federal Reserve Note Circulation	171	— 0 (0.0)	—17 (9.2)