

MONTHLY REVIEW

OF BUSINESS CONDITIONS

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

Vol. XII

San Francisco, California, April 20, 1928

No. 4

SUMMARY OF NATIONAL CONDITIONS

Prepared by the Federal Reserve Board

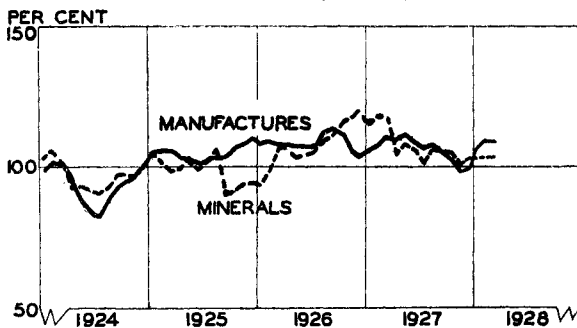
Industrial production during March was in about the same volume as in February and there was a seasonal increase in the distribution of commodities. Wholesale prices remained practically unchanged. During the past month there have been increases in the volume of bank credit in use and in member bank borrowing at the reserve banks. Open market money rates have advanced further.

Production. Production of manufactures was maintained during March at the high level reached in February, and the output of minerals also showed little change. Production of passenger automobiles and trucks during March totaled 413 thousand units, the largest output recorded for any month since August, 1926. Production schedules in automobile plants continued large during April. Activity in the iron and steel industry was maintained at a high level during March and April, and lumber production was in larger volume than a year ago. Cotton and wool consumption declined in March, but silk deliveries were the largest on record. There was some decline in meat packing and in the production of sole leather during March, and the output of boots and shoes showed less than the usual seasonal increase during that month. Mining of bituminous coal decreased during March by less than the usual seasonal amount, but as the result of a strike in certain Middle Western mines, production in the early weeks of April was considerably curtailed. Building contracts awarded were smaller in March than a year ago, while those

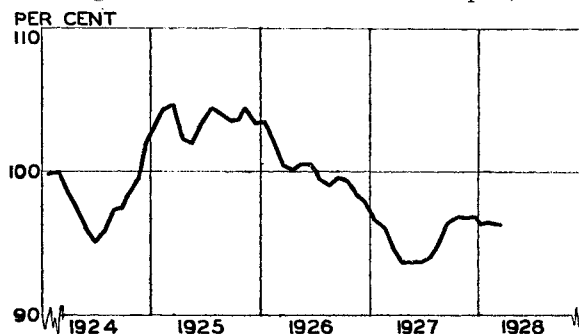
for the first three weeks in April were in about the same volume as in the corresponding period of 1927. As a result of large contracts during the first two months of this year, total awards for the year to April 20th exceeded those for the same period of 1927. Contracts for residential buildings and for public works have been especially large.

Trade. Sales of wholesale firms increased less than is usual in March and were somewhat smaller than in the same month of last year. Sales of department stores, on the other hand, after allowance is made for customary seasonal changes and the early date of Easter, were about the same in March as in the preceding month and in March, 1927. Stocks of merchandise carried in March by wholesale firms were larger, while those of department stores were smaller than at this time last year. Figures of freight carloadings showed more than the usual seasonal increase in March, but declined in the first two weeks of April. Carloadings continued smaller than a year ago for all classes of commodities except grains and livestock.

Prices. The general level of wholesale commodity prices showed little change in March, the index of the Bureau of Labor Statistics declining slightly from 96.4 to 96.0 per cent of the 1926 average. There were decreases in the prices of livestock, dairy products, meats, coal, and rubber. Prices of grains, cattle, feed, cotton, and steel, on the other hand, advanced. During the first three weeks in April, there



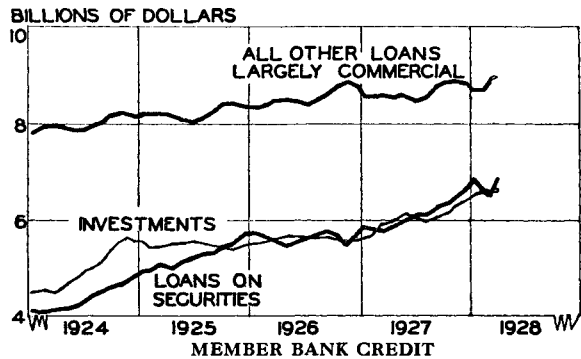
PRODUCTION OF MANUFACTURES AND MINERALS
Index numbers of production of manufactures and minerals, adjusted for seasonal variations (1923-1925 average=100). Latest figures, March, manufactures, 111; minerals, 104.



WHOLESALE PRICES
Index of United States Bureau of Labor Statistics (1926 prices=100, base adopted by Bureau). Latest figure, March, 96.0.

were further substantial increases in the prices of grains and more moderate advances in flour, hogs, cotton, and lumber, while prices of cattle and rubber declined.

Bank Credit. Between March 21st and April 18th, total loans and investments of member banks in leading cities increased by about 410 million dollars, reaching the highest level on

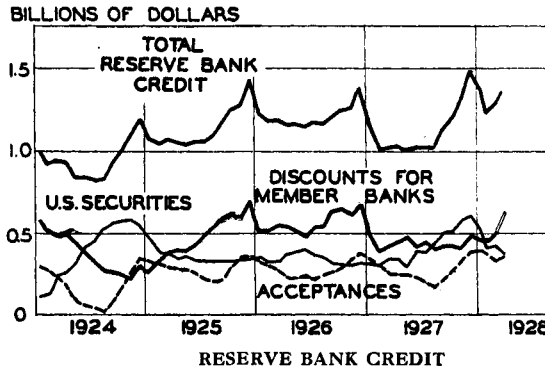


Monthly averages of weekly figures for banks in 101 leading cities. Latest figures are averages for first three weekly report dates in April.

record. The advance was largely in loans on securities which showed an increase of nearly 380 million dollars, and which in April were close to the high point of the first of the year. Loans for commercial purposes continued the increase which began in February and notwithstanding a small decline during the last week of the period were nearly 350 million dollars larger on April 18th than at the end of January.

The volume of reserve bank credit in use increased by 180 million dollars during the five weeks ending April 25th, reflecting increased

reserve requirements of member banks and further net outflow of gold amounting to more than 50 million dollars. Federal reserve bank holdings of securities were reduced by about 100 million dollars, while discounts for member banks increased by 230 million dollars. Federal reserve acceptance holdings also showed small increase.



Monthly averages of daily figures for 12 Federal reserve banks. Latest figures are averages of first 23 days in April.

A firmer tendency in the money market was evidenced at the end of March and during first weeks of April by further increases in rates on call and time loans on securities, a by increases of from 4-4¼ per cent to 4½ per cent in the rates on commercial paper and from 3½ per cent to 3¾ per cent in the rate on 90-day bankers' acceptances. Between April 20th and April 25th, discount rates were raised from 4½ per cent at the Boston, Chicago, Louis, Richmond, and Minneapolis Federal Reserve Banks.

TWELFTH FEDERAL RESERVE DISTRICT CONDITIONS

Moderately heavy rains during the period March 20th to April 20th have provided partial relief from the shortage of rainfall which had previously threatened agricultural areas of the district, particularly in Arizona, California, and Nevada. Crops and livestock are generally reported to be in good condition.

Data now available for March, 1928, show that a moderate seasonal expansion in industry took place during that month, and that in at least two of the more important lines of activity in the district, lumbering and flour milling, operations were at higher levels than a year ago. Similar improvement, as compared with a year ago, was lacking in the building and construction industries. Value of building permits issued increased by a normal seasonal amount from February to March, but failed both in number and value to equal the figures of March, 1927.

Reports from distribution and trade factors reflect some backwardness in that field of commercial activity during March, although sales

at retail were slightly greater in value than a year ago. Seasonal increases in sales were less than has been customary at this time of year and many firms, both wholesale and retail, have not been able to equal their last year's sales volume. Exceptions worthy of note are the distinctly larger retail sales reported from Arizona and from Seattle and Salt Lake City. Aggregate sales of wholesalers during March 1928, were but slightly larger than in February 1928, or March, 1927. Registrations of new automobiles in the district are increasing, but are not yet equal to new car registrations during early 1927.

Commodity prices, in general, remain steady during March. Practically all indexes of commodity prices are now slightly higher than they were a year ago, a period in which prices were at the lowest levels since the beginning of 1922.

Largely as a result of the seasonal quickening in general business activity during the opening months of 1928, commercial loans

reporting member banks expanded to a spring peak in March, since when such loans have declined slightly. Security loans and investment holdings of these banks have increased substantially since March 1st, however, and their total loans and investments averaged higher during April than ever before. Discounts at the Federal Reserve Bank of San Francisco recently have been in the largest volume reported since early in 1923.

Agriculture

Moderately heavy rains fell over large areas of the district during late March and early April, and were particularly beneficial in those parts of the district (Arizona, California, and Nevada) where rainfall had previously been considerably below normal. Although lower temperatures and light frosts followed these rains, no serious damage to growing crops was reported.

Condition of **winter wheat** in this district on April 1st, as reported by the United States Department of Agriculture, was above the average of the past ten years, although below the high levels of 1926 and 1927. In contrast to the situation in this district, the condition of the crop in other producing sections of the United States was well below the average of recent years.

CONDITION OF WINTER WHEAT
(Per cent of normal)

	April 1,			Ten-Year* Average	Dec. 1, 1927
	1928	1927	1926		
Arizona	86	95	95	92	97
California	88	95	82	86	99
Idaho	89	92	96	92	93
Nevada	96	99	97	95	98
Oregon	93	95	96	91	98
Utah	96	95	92	93	96
Washington	94	95	95	83	95
United States	68.8	84.5	84.1	81.9	86.0

*1918-1927.

Important changes in acreage to be sown to certain crops of the district during 1928 are indicated in the United States Department of Agriculture's annual report of "Intentions to Plant" as follows:

INTENTIONS TO PLANT—1928
(In per cent of 1927 harvested acreage)

	Ariz.	Calif.	Idaho	Nev.	Ore.	Utah	Wash.	U.S.
All Spring								
Wheat .....	..	..	108	104	98	111	75	98.5
Oats	100	99	106	110	111	100	102	98.6
Barley	80	110	115	110	102	115	98	123.9
Rice .....	..	80	..	..	..	..	..	88.7
Grain								
Sorghums ..	90	95	..	..	..	..	..	102.3
Tame Hay ..	100	100	99	100	101	98	100	98.6
Potatoes (White) ..	125	95	112	115	101	95	92	111.9

The 1927-1928 Navel **orange** shipping season in California may be characterized in general as one of strong markets, an average volume of shipments, and high returns to the grower. A preliminary estimate of the 1928 Valencia orange crop shows a yield of 10,382,000 boxes

compared with 12,700,000 boxes shipped in 1927. Prices for **lemons**, f. o. b. California, during January, February, and March, 1928, have averaged approximately \$2.25 per box higher than a year ago (\$4.96 per box in 1928 as compared with \$2.71 per box in 1927). Shipments of lemons for the period November 1, 1927, to April 1, 1928, amounted to 2,988 cars, a total 30.6 per cent less than that for the same period a year ago.

Livestock in the Twelfth District are generally in good condition. Rainfall during late March and early April has favored growth of range forage in most of the grazing areas where the supply of range feed had previously been short.

Cattle prices have declined at Pacific Coast markets during the past three months, as the bulk of receipts has changed from "feed-lot" to "grass-fed" cattle. Prices thus far in 1928 have, however, been substantially above those of the first quarter of 1927. Current prices for cattle have induced some marketing of breeding stock and this movement has tended to check expansion of the district's herds.

LIVESTOCK—Twelfth District

Receipts*	March		February		January	
	1928	1927	1928	1927	1928	1927
Cattle ..	68,152	83,724	65,128	82,761	85,970	97,046
Calves ..	14,043	20,296	15,215	17,501	19,084	20,396
Hogs ..	270,678	202,573	283,623	188,714	310,242	251,336
Sheep ..	179,271	161,204	177,462	191,514	192,712	221,226
Prices†						
Cattle‡	12.00	8.95	12.27	8.74	12.16	8.73
Hogs§	9.10	13.03	9.30	13.12	9.68	12.96
Sheep||	14.14	13.08	13.26	11.73	12.55	11.24

*Eight principal markets of Twelfth District. †Weighted according to receipts at six markets in the district. Quoted in dollars per hundred-weight. ‡Good grade steers. §Light-weight hogs. ||Choice lambs.

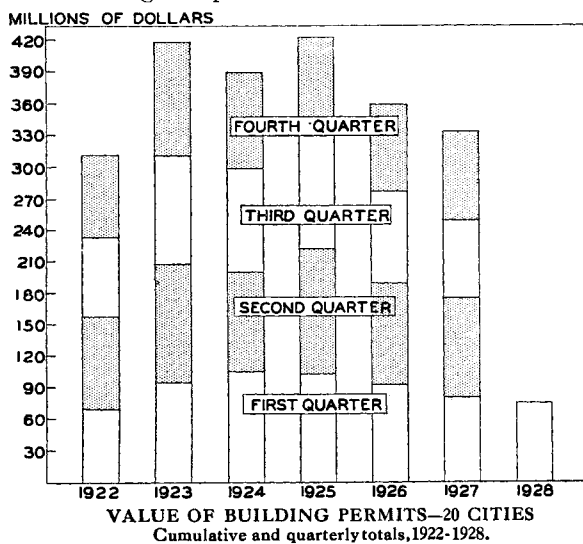
A successful spring lambing season is reported from most parts of the district. Seasonal shipments of California **spring lambs** to Eastern markets, although temporarily delayed by recent rains, are expected to approximate shipments made a year ago (427,104 head). Contract prices for California lambs, f. o. b. shipping point, remain relatively stable at slightly higher levels than last year.

Industry

With the advance of the spring season, the volume of **employment** in agriculture, lumbering, vegetable canning, fishing, and other seasonal occupations has increased and the general surplus of labor in the district has been reduced materially. There were more men employed in industry in this district during March, 1928, than during March, 1927. During recent weeks, there has been considerable part time employment, however, and both aggregate wages paid and average weekly wages received have been slightly lower than a year ago. An improved

demand for lumber and lumber manufactures has been reflected during the past month in notable increases in volume of employment and average weekly wages in that industry as contrasted with the spring weeks of 1927. Food canning and preserving plants, particularly vegetable canneries in California, have reported substantial increases in operating schedules as compared with a year ago, but average weekly wages in this industry have been lower than in 1927.

Thus far in 1928, building has been less active than a year ago, continuing the downward trend first noted in 1926. The value of building permits issued in 20 principal cities of the Twelfth Federal Reserve District during the first three months of 1928 was smaller by 8 per cent than in the first quarter of 1927. A full seasonal expansion of building activity has, however, been experienced this year. For the past ten years the average February-to-March increase in value of building permits granted in these twenty cities has amounted to 33.0 per cent. The February-to-March increase this year was 32.4 per cent. The accompanying chart shows the quarterly and annual values of building permits granted (exclusive of figures of public works) in 20 principal cities of the district during the period from 1922 to 1928.



(A) Industry—

Indexes of daily average production, adjusted for seasonal variation.
(1923-1925 daily average = 100)

	1928			1927
	Mar.	Feb.	Jan.	Mar.
Manufactures:				
Flour	118	116½	107	108
Slaughter of Livestock.....	99	106	102	97
Lumber	103*	102	108½	97
Refined Mineral Oils†	147	146	143	142
Cement	110	146	95	112
Minerals:				
Petroleum (California)†	93	94	93	97
Copper (United States)‡	101	112	104	115
Lead (United States)‡	109	111	104	115
Silver (United States)‡	92.0	83	100	90

*Preliminary. †Not adjusted for seasonal variation. ‡Prepared by Federal Reserve Board. ◊Revised.

A group of 92 Twelfth District cities, which building permits figures are collected S. W. Straus and Company, reported a 41 per cent increase in value of permits granted during March, as compared with February, 1928. Value of permits granted in this group of cities was 8.8 per cent lower in the first quarter 1928, than in the first quarter of 1927. Segregated by states, these data show that only Idaho, Utah, and Washington were there increases in urban building construction this year as compared with 1927.

Engineering projects and heavy construction in general show a relatively larger decrease than does urban construction, when figures for the first quarter of 1928 are compared with those of a year ago. According to data collected by "Engineering News Record," contracted for so-called engineering projects in the Far Western States amounted to 78.5 million dollars during the period January 1 to March 31, 1928, a total smaller by 13.4 per cent than that for the January-March period in 1927.

Wholesale prices of building materials and building labor costs were stable throughout the first quarter of 1928 at slightly lower levels than a year ago. The Bureau of Labor Statistics' index of wholesale prices of building materials averaged 91 (1926 prices=100), during the first three months of 1928 compared with 96 during the corresponding period in 1927. The Aberthaw index of the cost of industrial building, including both labor and materials, has changed little since last June, when it stood at 192 (1914 costs=100), the present level.

The up-trend in lumber production in the Twelfth Federal Reserve District which began late in January, 1928, continued during March. Daily average cut of mills reporting to four

(B) Employment—

Industries	California		Oregon		M
	No. of Firms	No. of Employees	No. of Firms	No. of Employees	
All Industries	784	152,002	149,340	160	26,151
Stone, Clay and Glass Products.	47	7,418	8,075	4	226
Lumber and Wood Manufactures ..	118	24,019	22,982	62	15,701
Textiles	18	2,328	2,580	12	2,188
Clothing, Millinery and Laundering.	65	8,603	8,602	10*	514
Foods, Beverages and Tobacco...	176	33,926	22,492	40	1,443
Water, Light and Power	5	7,548	7,788	..	...
Other Industries†.	342	66,338	74,978	..	...
Miscellaneous	13	1,822	1,843	32	5,449

*Laundering only. †Includes the following industries: machinery and conveyances; leather and rubber goods; chemicals, oils and paints; printing and paper goods. Figures in parentheses indicate percentage changes from March 1927.

sociations in the district during the latter month was nearly 29 million board feet, a figure 13.7 per cent greater than that for February, 1928, and 11.2 per cent greater than this bank's estimated figure for March, 1927. As in February, 1928, shipments kept pace with production, and the volume of orders received by reporting mills again exceeded both current output and shipments made on orders previously obtained. A national index of softwood lumber prices published by "The Lumber Manufacturer and Dealer" showed a further slight advance (1 per cent) in March, and stood at 27.57 for the fortnight ending April 1st, compared with 30.52 a year ago.

For some time past more petroleum (particularly of the heavier grade having a relatively low gasoline content) has been produced in California oil fields than could be properly stored and marketed. During March, 1928, production was curtailed by shutting in a large number of wells producing the heavier crude oils. Estimates indicate that so-called "shut-in production" amounted to 122,000 barrels per day early in April. Drilling of new wells is reported to be active in certain fields which produce the lighter grades of crude oil having a relatively high gasoline content.

This bank's index of daily average production of petroleum declined during March to 93 (1923-1925 average output=100). The index stood at 94 in February, 1928, and at 97 in March, 1927. Price quotations of petroleum and of gasoline were stable during the first quarter of 1928. A slight decline in surface holdings of heavy crude oil in California (which

have been increasing during recent years) was reported during March.

A greater than normal production of flour was reported by 13 large milling companies (operating 19 mills) in the Twelfth Federal Reserve District during the first quarter of 1928. Total output of these mills increased 108,566 barrels (8.6 per cent) as compared with the corresponding period of 1927. This bank's seasonally adjusted index of flour production (1923-1925 average=100) rose during March to 118, compared with 116 (revised) for February and 107 for January, 1928. The index stood at 108 in March, 1927. Stocks of flour in millers' hands at the end of March, 1928, were slightly larger than a year ago, but have been reduced somewhat since January of the present year.

Increased demand for flour has been reflected in higher price quotations for representative grades of flour, both as compared with February, 1928, and March, 1927.

FLOUR PRICES PER BARREL
Received by Twelfth District Mills

First Grade Family Patent			First Grade Bakers Patent			Straight Grade Export (Soft Wheat)		
Mar., 1928	Feb., 1928	Mar., 1927	Mar., 1928	Feb., 1928	Mar., 1927	Mar., 1928	Feb., 1928	Mar., 1927
\$8.65	\$8.35	\$8.10	\$8.50	\$8.10	\$7.70	\$6.30	\$6.10	\$6.15

Distribution and Trade

Considering the Twelfth Federal Reserve District as a whole, distribution and trade experienced a smaller than seasonal increase during March, 1928, and generally continued at levels below those of a year ago. Activity at some of the trade centers in those sections of the district whose chief industrial output consists of raw materials, such as lumber or non-ferrous metals, diverged widely from the general trend, however. In the State of Arizona, and in Seattle and Salt Lake City, trade expanded by more than the expected seasonal amount and was distinctly more active in March, 1928, than in March, 1927.

Total freight carloadings on railroads of the district were smaller during March, 1928, than

(C) Bank Debits*—

	March, 1928	March, 1927	First Three Months—	
			1928	1927
Bakersfield	\$ 17,737	\$ 14,382	\$ 45,901	\$ 41,078
Bellingham	10,808	11,196	29,060	29,339
Berkeley	23,415	22,767	66,950	64,092
Boise	13,742	12,877	41,231	38,773
Eugene	6,586	6,967	19,215	19,628
Everett	13,881	13,047	36,722	35,541
Fresno	33,743	44,165	98,796	120,883
Long Beach	57,481	57,385	160,336	149,338
Los Angeles	1,151,389	1,095,879	3,118,977	2,985,123
Oakland	261,175	239,190	723,693	663,385
Ogden	17,295	17,928	52,952	58,575
Pasadena	45,261	46,587	128,000	130,469
Phoenix	34,881	28,854	101,995	83,767
Portland	165,165	159,920	464,484	470,905
Reno	9,332	8,637	26,344	25,350
Ritzville	890	779	2,746	2,337
Sacramento	48,635	29,010	143,432	83,253
Salt Lake City	74,511	68,780	221,310	202,934
San Bernardino	10,956	10,476	30,767	29,058
San Diego	67,023	66,116	188,138	202,431
San Francisco	1,684,138	1,342,559	4,487,737	3,617,890
San Jose	27,535	25,953	81,574	78,226
Santa Barbara	14,459	13,379	41,883	39,967
Seattle	273,681	222,168	696,962	593,006
Spokane	62,021	56,935	164,308	163,836
Stockton	28,208	26,849	89,232	82,601
Tacoma	52,157	49,769	133,246	134,140
Yakima	14,420	13,062	38,097	36,364
District	\$4,220,525	\$3,705,616	\$11,434,088	\$10,182,289

*000 omitted.

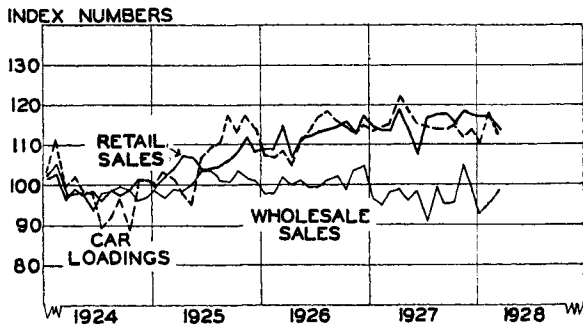
(D) Distribution and Trade—

	1928			1927
	Mar.	Feb.	Jan.	Mar.
	Index Numbers*			
Carloadings, Total†	110	115	107	111
Carloadings, Merchandise and Miscellaneous†	113	118	110	115
Sales at Wholesale‡	98	95	93	98
Sales at Retail†	114	117	118	113
Stocks, Retail§	111	108	103	108
	Actual Figures			
Stock Turnover, Retail¶	0.24	0.22	0.23	0.24
Collections, Retail#				
Regular	47.0	44.3	47.3	46.5
Installment	15.4	15.8	16.0	16.8

*Adjusted for seasonal variation, 1923-1925 average=100. †Daily average. ‡Monthly totals of eleven lines combined. §At end of month. ¶Revised. #Proportion of average stocks sold during month. #Per cent of collections during month to amount outstanding at first of month. ¶Preliminary.

during the same month a year ago, the decrease being due chiefly to a decline in loadings of ore, coal, fruits, and merchandise and miscellaneous freight.

Sales of new **automobiles**, as evidenced by actual registrations of new passenger cars and new trucks, increased seasonally during March, 1928, but sales totals were still below those of a year ago.



DISTRIBUTION AND TRADE—TWELFTH DISTRICT
Indexes adjusted for seasonal variation. 1923-1925 average=100. Daily average figures of department store sales and railway carloadings of merchandise freight. Monthly figures of sales at wholesale.

Trade at **retail** during March, 1928, did not hold the active pace of the previous month and showed little gain as compared with a year ago. The effect of the earlier date of Easter this year was at least partially offset by inclement weather late in March. This bank's index of value of sales of 28 department stores, (index adjusted for seasonal variation, 1923-1925 daily average=100) was 114 in March, 1928, as compared with 117 in February, 1928, and 113 in March, 1927. Stocks held by reporting stores of the district at the close of March, 1928, were 1.2 per cent larger than at the close of March, 1927. Collections of retail firms during the past month were about on a par with those of a year ago.

RETAIL TRADE—Twelfth District

	NET SALES* Mar., 1928, compared with		STOCKS* Mar., 1928, compared with Mar., 1927
	Mar., 1927	Feb., 1928	
Department Stores...	1.1 (60)	19.9 (49)	1.4 (46)
Apparel Stores	-2.6 (27)	28.3 (24)	-4.6 (16)
Furniture Stores	2.2 (49)	-11.6 (39)	-3.2 (32)
All Stores	0.9 (136)	17.1 (113)	0.2 (94)

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

Value of sales at **wholesale** during March of this year were larger than a year ago, sales of 234 reporting firms in eleven lines of trade showing an increase of 3.7 per cent over the year period. Among the reporting firms, six lines showed increases and five lines showed decreases, as compared with March, 1927. This bank's seasonally adjusted index of wholesale sales, based on reports of 153 firms stood at 98 (1923-1925 monthly average=100) in March, 1928, 95 in February, 1928, and 98 in

March, 1927. Wholesalers' stocks were substantially smaller in value (2.0 per cent) at end of March, 1928, than at the end of March, 1927. Collections were slightly better than a year in most of the eleven lines of trade which data were available.

Prices

The commodity price index of the United States Bureau of Labor Statistics declined fractionally during March, but at 96 (1913 prices=100) the index, in terms of whole numbers, was unchanged from February. Several other indexes of wholesale prices in the United States advanced during March, the increase varying from one-tenth to nine-tenths of one per cent. Most of the monthly indexes indicate that stability in the general price level continued throughout March, although certain weekly indexes advanced slightly toward close of that month.

Stability in indexes of the general level of commodity prices during March was duplicated in the indexes of individual groups of commodities. None of the ten group indexes of the Bureau of Labor Statistics changed by more than one per cent, and only three (those for farm products, foods, and miscellaneous commodities) moved as much as one-half of one per cent. Such movements as did occur in the group indexes of the Bureau of Labor Statistics were downward, with the exception of the index of metals prices which advanced one-tenth of one per cent.

At their present level, prices are higher than they were a year ago, when the Bureau of Labor Statistics' index stood at 94.5. By April, 1927, the decline in commodity prices, which had been in progress since the beginning of 1926, had reached its low point, a fact which should not be overlooked in comparing price indexes of current months with those of the period (March, April, May, or June, 1927).

In the Twelfth Federal Reserve District, the commodity price situation during recent weeks has been similar to that in the United States as a whole, relative stability prevailing in commodity markets.

Banking and Credit

During the latter part of 1927 and the first quarter of 1928 the commercial banking situation was influenced by certain general business trends, a partial summary of which may aid in arriving at an understanding of present conditions:

1. Declining activity in trade and industry during the last half of 1927 resulted in an increased demand for commercial credit, which persisted until the spring of 1928, when a seasonal revival in business occurred.

2. Many large corporations have accumulated heavy cash reserves during recent years and, because of these reserves, they have been able to satisfy their financial needs, in part, without recourse to banks. Some of these concerns, taking advantage of prevailing low interest rates, have also resorted to the open market for funds.

3. Conjunction of the two trends noted above resulted in a relative decrease in commercial demand for bank funds at a time when the supply of such funds was increasing. In order to keep their funds employed, banks have found it necessary to increase their own investment holdings, and to accommodate a growing demand for loans on securities, the proceeds of which no doubt have in some instances been used for commercial rather than purely speculative operations.

During the first quarter of 1928, there was a revival in business activity of at least seasonal proportions. Mirroring this recovery, commercial loans of reporting member banks expanded from 947 million dollars on January 4th to a spring peak of 975 million dollars in March. The spring peak was not so high as in 1927 when the record figure, 989 million dollars, was reported. Increases in loans on securities and in investment holdings of reporting member banks continued throughout the first quarter of 1928. Since the beginning of April, commercial loans of these banks have declined slightly but loans on securities and investments have advanced further, so that their loans and investments combined have averaged higher during the first three weeks of April than ever before.

REPORTING MEMBER BANKS*—Twelfth District
(In millions of dollars)

	Average Condition During Month		
	April, 1928†	March, 1928	April, 1927
Total Loans and Investments.....	1,963	1,948	1,802
Total Loans	1,333	1,323	1,297
Commercial Loans	963	967	965
Loans on Securities	369	356	332
Investments	631	625	505
Net Demand Deposits	827	803	773
Time Deposits	1,001	1,009	943
Borrowings from Federal Reserve Bank	54	58	42

*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 and branches located only in Los Angeles, San Francisco, Oakland, Portland, Tacoma, Seattle, Spokane, Salt Lake City, and Ogden. †Preliminary.

Demand deposits of reporting member banks declined seasonally during the first quarter of 1928, but turned upward during April. Time deposits have tended upward during the present year, and by April 18th a net increase of 27 million dollars in total deposits had been recorded. This increase was smaller by 41 million dollars than the reported increase in total

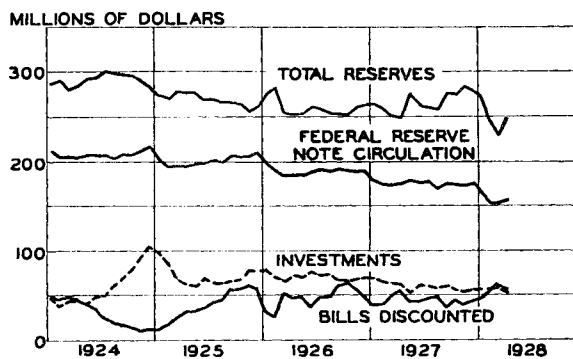
loans and investments. Borrowing of reporting member banks at the Federal Reserve Bank has been heavier this year than a year ago.

Total earning assets (bills and securities) of the Federal Reserve Bank of San Francisco were not so large during most of the first quarter of 1928 as during the corresponding period of 1927. The volume of bills discounted was consistently larger than in the earlier year, but purchases of acceptances did not approach the 1927 figures until late February and holdings of government securities declined in January and again in April. These latter movements represent, largely, the participation of this bank in the operations of the Federal Reserve System Open Market Investment Committee in New York City.

FEDERAL RESERVE BANK OF SAN FRANCISCO
(In millions of dollars)

	Average Condition During Month		
	April, 1928*	March, 1928	April, 1927
Total Bills and Securities.....	111	121	116
Bills Discounted	58	61	53
Bills Bought	23	27	24
United States Securities	30	32	39
Total Reserves	249	229	251
Total Deposits	186	180	178
Federal Reserve Notes in Circulation	155	150	171

*Preliminary.



RESERVE BANK CREDIT—TWELFTH DISTRICT

Monthly, average of daily figures. Latest figures are averages for first three weeks in April.

Rediscounts at the San Francisco Reserve Bank showed a full seasonal expansion in March, 1928, and have since been maintained at the highest levels since the first quarter of 1923, a year of active business. Circulation of Federal reserve notes declined from 175 million dollars on January 4, 1928, to 148 million dollars on March 21, 1928, and, although some increase in circulation has taken place during April, the volume of outstanding notes is still smaller than at any other time since 1917.

During March and early April, the prevailing rate on the bulk of prime commercial paper in leading Pacific Coast money centers was unchanged at 4½ to 6 per cent, the rates quoted one month ago and one year ago. Rates on banker's acceptances advanced during the month and were higher than a year ago.

Map showing territories
of Head Office and
Branches
of the
Federal Reserve Bank
of San Francisco

