

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. 1

SUMMARY OF NATIONAL CONDITIONS

Prepared by the Federal Reserve Board

Industry and trade continued active in December, and the general level of prices remained unchanged. Banking and credit conditions at the turn of the year were influenced chiefly by seasonal changes in the demand for currency and by requirements for end-of-year financial settlements.

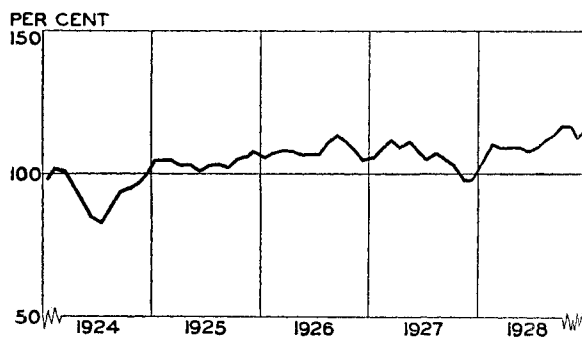
Production. Output of manufacturers decreased in December, but the decline was less than is usual during the month. The Federal Reserve Board's index was slightly higher than in November and above the level of a year ago. Smaller than usual seasonal reductions were reported in the daily average output of steel, pig iron, automobiles, copper, cement, silk, and flour, while output of cotton and wool textiles declined considerably. Meat packing increased in December, reflecting a larger output of pork products, as beef and mutton production declined. Volume of factory employment and payrolls was larger than at this season of last year.

Production of minerals was in somewhat smaller volume in December than in November, reflecting chiefly a large reduction in the output of both bituminous and anthracite coal. Production of copper and zinc ore, on a daily average basis, was slightly smaller than in November, while petroleum output increased. Preliminary reports for the first half of Janu-

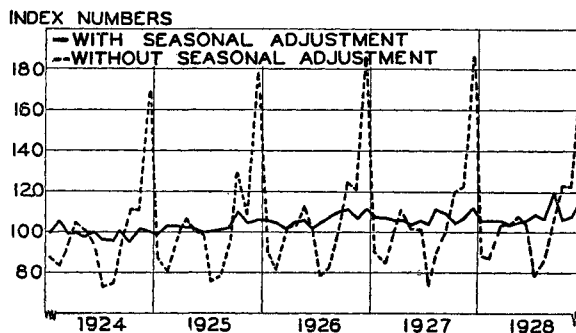
ary indicate a steady increase in output of petroleum and greater activity in the steel, automobile, coal, and lumber industries following the temporary lull during the inventory period at the end of the year.

Building contracts awarded in 37 eastern states declined sharply during December, as in the preceding month, and were smaller than in any December since 1924. The decline from November was attributable largely to decreases in awards for residential building and public works and utilities. By districts, the largest declines over the preceding month were in the Cleveland, Chicago, Boston, and Richmond Federal Reserve Districts, while increases were reported in the New York, Philadelphia, and Atlanta Districts.

Trade. Department store trade showed greater activity in December than in the preceding month, even after allowance is made for the customary holiday increase. Total sales for the month were the largest on record, exceeding December, 1927, by one per cent, although there was one less trading day this year. Increases over a year ago were reported for the New York and Philadelphia Districts while substantial decreases occurred in Atlanta and Minneapolis. Distribution at wholesale declined seasonally and was smaller than a year ago. Freight carloadings in December and the



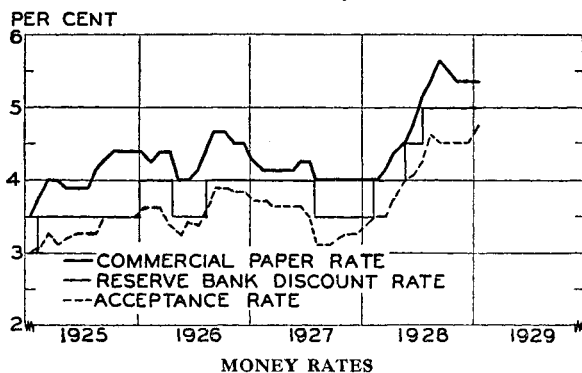
Index number of production of manufactures and minerals combined, adjusted for seasonal variations (1923-1925 average=100). Latest figure, December, 112.



Federal Reserve Board's index of department store sales (1923-1925 average=100). Latest figures, December adjusted index 117, unadjusted index 188.

first half of January showed a seasonal reduction which was slightly larger than usual, but continued above those of a year ago.

Prices. The general level of wholesale prices, as measured by the index of the United States Bureau of Labor Statistics, remained approximately the same during December as in the preceding month. Average prices of iron and steel, automobiles, copper, and building materials continued to advance slowly. Prices of farm

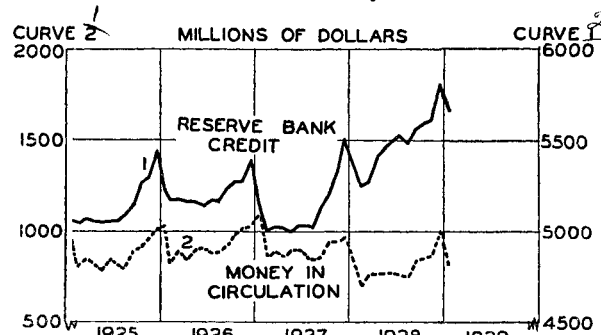


Monthly rates in the open market in New York: commercial paper rate on 4- to 6-month paper and acceptance rate on 90-day bankers' acceptances. Latest figures are averages of first 23 days in January.

products, after declining during October and November, also rose in December, reflecting higher average prices for raw cotton, oats, rye, and some grades of wheat, offset in part by lower prices for corn and cattle. In the first three weeks of January the price of rubber advanced sharply and prices of wheat, corn, potatoes, and flour also increased. Silk and sugar prices decreased somewhat, and quotations on hides reached the lowest level in more than a year.

Bank Credit. Banking and credit conditions in January were influenced chiefly by the sea-

sonal decline in the volume of money in circulation. At the Reserve banks the return flow of currency from circulation resulted in a liquidation of member bank borrowing and small declines in Reserve bank holdings of acceptances and of United States securities. Total bills and securities showed a decline of about 450 million dollars for the period from December 26 to January 23 and were in about the same volume as in mid-summer of last year. At member



RESERVE BANK CREDIT AND MONEY IN CIRCULATION

Monthly averages of daily figures. Latest figures are averages of first 23 days in January.

banks there was an increase in the total volume of loans at the turn of the year due chiefly to year-end financial settlements, and the temporary withdrawal of funds loaned by corporations in the New York market. In January deposits and loans of member banks declined to approximately the level of the early part of December.

In the money market, rates on call loans declined sharply in January, while rates on time loans on securities remained firm and rates on acceptances advanced.

TWELFTH FEDERAL RESERVE DISTRICT CONDITIONS

The year-end brought no fundamental change in the generally satisfactory condition of business in this District. Seasonal declines in industrial activity and in employment during December were smaller than in most previous years; retail sales expanded by more than the usual amount; wholesale trade was in moderately large volume; the supply of credit was ample for the needs of business, although at somewhat higher rates than prevailed earlier in 1928.

Developments in marketing of agricultural products were seasonal in character during December. A shortage of rainfall was reported from all states of the District, with some damage to fall-sown grains and to livestock ranges.

The industrial situation was marked by unusual activity at the copper mines of the District and daily average production of copper reached the highest rate ever reported, although the month's total output was slightly

below the total for November. Increases in production of the metal accompanied price advances to the highest levels quoted since early in 1923. Production of crude oil increased substantially during December. Lumber output was smaller than in preceding months, a usual seasonal movement resulting largely from the annual winter shut-down of logging camps and lumber mills.

Retailers of the District reported larger sales during December, 1928 than during December, 1927, despite the fact that there was one less trading day in December of the later year. Sales of reporting wholesalers were also larger than a year ago although seasonally smaller than in November, 1928.

An active demand for credit was experienced during 1928, particularly during the closing months of the year. Increased use of bank funds was accompanied by advances in interest rates,

but at no time during the year was there a lack of credit available to business at relatively moderate costs. Changes in member bank and reserve bank statements at the year-end were largely seasonal.

Agriculture

Agricultural developments in the Twelfth Federal Reserve District during December and early January have been of a seasonal character. Marketing of grains, citrus fruits, apples, and livestock has continued and preparations for the forthcoming season have made further progress. Condition of fall-sown grains and of forage on winter livestock ranges has suffered further from lack of rain. Seasonal rainfall at mid-January was below normal in all of the states of the District.

RAINFALL (in inches)—Twelfth District

	—July 1, 1928—Jan. 15, 1929—	
	Actual	Normal
Arizona:		
Flagstaff	10.5	12.7
Phoenix	4.7	6.0
California:		
Eureka	16.9	20.0
Fresno	3.1	4.6
Los Angeles	4.6	7.4
Red Bluff	8.8	11.5
Sacramento	6.0	7.8
San Diego	3.2	4.2
San Francisco	8.6	9.9
Idaho:		
Boise	3.3	5.9
Nevada:		
Reno	1.3	4.3
Oregon:		
Baker City	3.4	6.0
Portland	16.0	23.1
Roseburg	11.3	17.1
Utah:		
Salt Lake City	5.2	7.2
Washington:		
Seattle	11.5	18.7
Spokane	4.9	8.5

On December 1, 1928, the condition of fall-sown **wheat** in the states of Idaho, Oregon, and Washington was reported as 78.0 per cent of normal. A year ago the condition figure stood at 95.0. In the United States as a whole, the condition of the fall-sown crop was reported to be 84.4 per cent of normal on December 1, 1928, as compared with 86.0 on December 1, 1927. The acreage sown to winter wheat in Idaho, Oregon, and Washington is estimated to be 2 per cent smaller than a year ago. In the United States the area sown to winter wheat is estimated to be 8.6 per cent less than in 1927 and approximately the same as in 1926.

Volume of exports of wheat from Puget Sound and Columbia River ports during the current crop season has reflected the generally slow movement to market of Pacific Northwestern wheat. Up to January 1, 1929, exports from these ports had totaled 18,299,000 bushels which may be compared with 37,800,000 bushels exported during a corresponding period of the 1927-1928 crop season.

On January 1, 1929, it was estimated that the yield of the 1928-1929 crop of Navel **oranges** in

California would approximate 16,700,000 boxes, a figure 200,000 boxes above last month's estimate and 5,050,000 boxes larger than last year's crop. Shipments of oranges from California during the current crop season (from November 1, 1928, to January 1, 1929) have totaled 9,569 carloads. During November and December, 1927, it was estimated that 7,335 carloads were shipped. Prices for oranges, f. o. b. California, declined during November and December and on January 1, 1929, averaged approximately 13.4 per cent less than a year ago. **Lemon** shipments from California during December totaled 1,102 carloads as compared with 518 carloads shipped during December, 1927.

Marketing of **apples** from the late apple shipping states of the District—Idaho, Oregon, and Washington—as indicated by carlot shipments during December was in slightly smaller volume than during November but was in larger volume than during December, a year ago. Shipments from these states for the season from June 1, 1928, to January 1, 1929, were 34.5 per cent larger than during the same months of the 1927-1928 season, when the smaller 1927 crop was being marketed. Prices for apples, f. o. b. Pacific Northwest in early January, 1929, ranged from 75 cents to one dollar per box or 38 per cent lower than during January, 1928.

December snows covered much of the desert areas of the District devoted to winter grazing of livestock, and increased use has been made of supplemental feed supplies for both sheep and cattle. Livestock are generally in good condition despite the scarcity of good range forage during the autumn and early winter months.

The number of **cattle** on feed in the District during the winter of 1928-1929 is estimated to be 6 per cent less than a year ago. In the eleven Corn Belt states of the Middle West, the number of cattle on feed increased 3 per cent during the same period. The number of sheep on feed in the District on January 1, 1929, was 7 per cent smaller than a year ago.

CATTLE AND SHEEP ON FEED—Twelfth District

	Cattle		Sheep	
	January 1, 1929	1928	January 1, 1929	1928
Arizona	30,000	25,000	10,000	20,000
California	66,000	85,000	90,000	100,000
Idaho	25,000	25,000	100,000	106,000
Nevada	23,000	20,000	29,000	18,000
Oregon	15,000	15,000	30,000	40,000
Utah	25,000	27,000	102,000	105,000
Washington	7,000	7,000	30,000	30,000
Total	191,000	204,000	391,000	419,000

Source: United States Department of Agriculture.

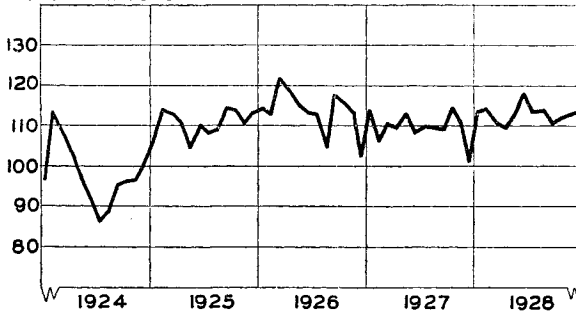
Receipts of **sheep** and **swine** at eight principal markets in the District during December, 1928, were approximately 1 per cent and 7 per cent larger, respectively, than during December a year ago. Receipts of **cattle** and **calves** at the same markets were 14.7 per cent smaller

during December, 1928, than during December, 1927. Prices for livestock, particularly fed lambs, increased at Pacific Coast markets during late December and early January.

Industry

Industrial activity in the Twelfth Federal Reserve District increased gradually throughout the year 1928, and in the later months of the year was well above the low levels of the last quarter of 1927. The record of railway freight carloadings of industrial products indicates that production, for the year as a whole, was substantially larger than in 1927. Output of the District's mines and factories is estimated to have been in record volume from July to December. Unemployment decreased substantially during this period and, as the winter season advanced, was reported to be smaller in volume than for several winters past.

INDEX NUMBERS



CARLOADINGS OF "OTHER THAN MERCHANDISE AND MISCELLANEOUS FREIGHT"—TWELFTH DISTRICT
Index adjusted for seasonal variation; 1923-1925 daily average=100.
Latest figure, December, 113.

A real surplus of labor existed in the District during the spring months of 1928 but by July there were evidences of considerable improvement in the employment situation. In Arizona, Utah, and Washington it was reported that labor was fully employed during the summer and autumn, and that less than the usual sea-

(A) Industry—

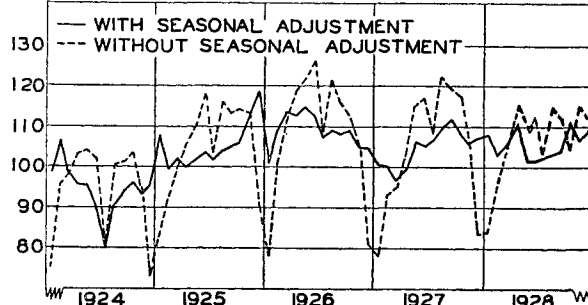
Indexes of daily average production, adjusted for seasonal variation
(1923-1925 daily average = 100)

	1928					1927
	Av.	Dec.	Nov.	Oct.	Dec.	Av.
Manufactures:						
Flour	104	103	101	109	99	100
Slaughter of Live-stock	94	83	85	92	92	97
Lumber	106*	109	107	111	108	105
Refined Mineral Oils†..	155	176	161	162	145	148
Cement	115	120	118	103	115	114
Wool Consumption	76§	..	81	88	74	89
Minerals:						
Petroleum (California)†.	96	105	101	95	93	96
Copper (United States)‡	115	133	133	128	105	105
Lead (United States)‡..	105§	..	114	109	109	112
Silver (United States)‡..	88	103	91	81	95	93
General:						
Carloadings§	113	113	113	112	101	110

*Preliminary. †Not adjusted for seasonal variation. ‡Prepared by Federal Reserve Board. §Eleven months average, December figures not available. ¶Other than Merchandise and Miscellaneous.

sonal recession in employment was noted during November and December. In the remainder of the District (California, Idaho, Nevada, and Oregon) conditions were reported as better than in 1927 but a surplus of labor, attributable in considerable part to an influx of workers from other regions, was available at all times. Activity in mining, agriculture, lumbering, road building, and hydro-electric construction work, and unusually favorable autumn weather, were important factors in the improved employment situation during the later months of 1928.

INDEX NUMBERS



LUMBER PRODUCTION—TWELFTH DISTRICT.

1923-1925 daily average=100. Latest figures, December, adjusted, 109 (preliminary), unadjusted, 85 (preliminary).

Lumber production for the year 1928 was somewhat greater than for 1927. In an effort to adjust supply to demand and so to achieve greater stability in the lumber market, output was reduced during the early summer months, but during the autumn a high rate of production was reported. Increased output from the Douglas Fir and Western Pine regions in Washington and Idaho was chiefly responsible for this fourth quarter activity. The lumber mills of Southern Oregon and of California were less active and smaller production was

(B) Employment—

Industries	California		Oregon	
	No. of Firms	No. of Employees	No. of Firms	No. of Employees
All Industries	749	153,877	150	24,262
Stone, Clay and Glass Products.	42	6,273	4	188
Lumber and Wood Manufactures ..	118	23,904	53	14,012
Textiles	16	2,438	10	1,949
Clothing, Millinery and Laundering.	59	7,651	9*	479
Foods, Beverages and Tobacco...	164	25,506	46	2,596
Water, Light and Power	4	6,930
Other Industries†.	332	79,534
Miscellaneous ...	14	1,641	28	5,038

*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 December, 1927.

reported for 1928 than for 1927. Orders received and shipments made by mills of the District during 1928 were larger in volume than the lumber cut, and mill stocks are estimated to have diminished during the year. The end of December witnessed the usual winter closing of mills and logging camps.

The total value of **building** permits issued in 93 cities of the District (as reported by S. W. Straus and Company) was 13 per cent smaller during 1928 than during 1927, the decrease being the result, chiefly, of declines in a few of the larger cities. In general, building in smaller cities of the District was more active in 1928 than in the previous year. Total value of contracts awarded for engineering and heavy **construction** projects in the Twelfth District (as reported by the Engineering News Record) was 11 per cent less during 1928 than during 1927. This decline may be attributed chiefly to decreased construction of large commercial and industrial buildings.

Production of **petroleum** in California, after a long period of approximate stability, rose sharply during November and December, chiefly as a result of increased drilling in the new deep well zone at Santa Fe Springs. Wells in this deep zone produce an oil of unusually high gravity. The index of daily average petroleum production rose to 105 (1923-1925 daily average = 100) in December, the highest figure since October, 1923. The index stood at 101 in November, 1928; 95 in October, 1928; and 93 in December, 1927. Oil refineries were also unusually active during December, 1928. At the year end stocks of gasoline and of light crude oil were smaller and stocks of heavy crude oil and the heavier refined oils were larger than at the end of 1927.

Output of non-ferrous metal mines increased rapidly during the last half of 1928. Production of **copper** reached record levels during the

last quarter of the year, while **lead**, **quicksilver** and, to some extent, **silver** were extracted in increasing quantities as compared with previous months. Total silver and lead production for the year, however, was smaller than in 1927. Despite greatly increased production stocks of copper at the end of 1928 were considerably smaller than those held at the end of 1927. A number of leading producers were reported to be approaching the limits of their capacity for immediate and rapid expansion in production of this metal.

Flour mills of the District produced more flour during 1928 than during 1927. Not all of the increased output was sold, however, and millers' stocks of flour (and of wheat) were larger at the end of the year than at its beginning. Domestic demand for flour was fairly well maintained throughout 1928, but export demand was light, particularly in the early months of the year.

The pack of **salmon** on the Pacific Coast of the United States was larger during the 1928 season than during the 1927 season. The carry over from the 1927 pack was small, demand was well maintained during 1928 and contrary to the usual experience in seasons of large production, prices remained steady. The number of cases of canned salmon on hand was lower at the close of the year than on December 31, 1927.

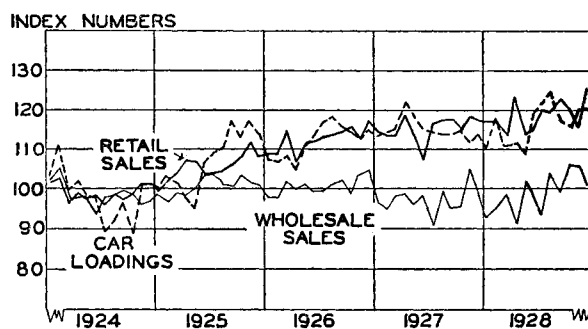
Trade

Trade in the Twelfth District was more active during 1928 than during 1927. Railway freight carloadings, sales at wholesale, and sales of new automobiles were in moderate volume during the first half of 1928, and compared unfavorably with the previous year. Activ-

(C) Distribution and Trade—

	1928				1927	
	Year's Av.	Dec.	Nov.	Oct.	Dec.	Year's Av.
Carloadings, Total†	114	120	116	112	111	112
Carloadings, Merchandise and Miscellaneous†	117	120	120	115	114	115
Sales at Wholesale‡	99	101	106	100	96	97
Sales at Retail§	119	125	116	120	118	115
Stocks, Retail§	108	106	110	110	112	108
Sales of New Automobiles						
Passenger Cars	99	111	117	112	68	86
Commercial Vehicles	96	78	113	126	73	95
	Actual Figures					
Stock Turnover, Retail¶	.25	.43	.24	.26	.41	.24
Collections, Retail#						
Regular	46.1	45.6	46.2	48.3	44.2	44.8
Installment	15.6	13.6	14.7	17.3	15.0	16.0

*Adjusted for seasonal variations, 1923-1925 average=100. †Daily average. ‡Monthly totals of eleven lines combined. §At end of month. ||For source of figures, see June, 1928, Review. ¶Proportion of average stocks sold during month. #Per cent of collections during month to amount outstanding at first of month. ◇Preliminary.



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.

ity expanded during the second half of the year, however, and the figures for the year as a whole averaged larger than in 1927. Department store sales declined slightly during the first quarter of the year, but expanded there-

after and were generally above the levels of 1927. The export trade of Pacific Coast ports is estimated to have been larger in 1928 than in 1927, but import trade probably declined slightly in the later year. Despite seasonal recession in some instances, a relatively high level of activity continued into December and trade generally was in greater volume than during December, 1927.

Total value of sales at **retail** of 114 department, apparel, and furniture stores was 1.7 per cent greater during 1928 than during 1927. Sales in the state of Arizona, and in Salt Lake City and Seattle showed the largest increases as compared with the previous year. Throughout the District, merchandise stocks carried averaged lower and stock turnover higher than in 1927. A decline in the proportion of cash sales to total sales was reported during 1928, the principal increase in credit transactions being in installment sales. The rate of collections on ordinary accounts improved during the year, and that on installment accounts averaged practically the same as in 1927. Sales of 136 reporting stores increased more than seasonally during December, 1928, and were 1.4 per cent larger in value than sales reported for December, 1927.

RETAIL TRADE—Twelfth District

	NET SALES*		STOCK* Dec., 1928, compared with Dec., 1927
	Dec., 1928, compared with Dec., 1927	Jan. 1 to Dec. 31, 1928, compared with Jan. 1 to Dec. 31, 1927	
Department Stores†...	2.2 (66)	2.3 (61)	-4.6 (50)
Apparel Stores	9.5 (21)	2.7 (13)	-1.5 (14)
Furniture Stores	-7.8 (49)	-2.7 (40)	-5.3 (32)
All Stores	1.4 (136)	1.7 (114)	-4.5 (96)

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

Total sales at **wholesale** as reported to this Bank by 169 firms in eleven lines of trade were 3 per cent larger during 1928 than during 1927, the large volume of business done during the last five months of 1928 being responsible for the increase. Total sales in Southern California for 1928 were about on a par with those of a year ago, while sales in Northern California exhibited moderate increases and those in the rest of the District substantial increases as compared with 1927. Agricultural implements, drugs, electrical supplies, furniture, and groceries were the individual lines in which substantial increases over the year period were reported. Sales of 214 firms were seasonally smaller during December, but were 1.4 per cent larger than in December, 1927.

Total **carloadings** were higher during the latter part of 1928 than during the last half of 1927. Loadings of grain were lighter than in the earlier year, while loadings of merchandise and miscellaneous commodities, of livestock, and of

forest products showed substantial gains. Carloadings receded seasonally during December, 1928, but were larger than in December, 1927.

Sales of new **automobiles** were in large volume during 1928, due partly to improved conditions generally and partly to the active re-entry of the Ford Motor Company into the selling field. New car sales for the year were well above those of 1927, but only in Arizona did they surpass the high levels of 1926. The increase registered in the sale of commercial vehicles during the year was sharper than that for passenger cars.

Prices

Commodity price movements have been slight during recent weeks with practically no variation in average indexes and few, if any, significant changes in prices of commodities individually important in this District. There have been wide fluctuations in quotations for many items during the year just ended, but these changes have tended to offset one another with the result that the general level of commodity prices is now practically the same as a year ago.

In three non-agricultural industries of leading importance in this District (copper, petroleum, and lumber) favorable readjustments in prices during 1928 accompanied concerted efforts toward adjustment of output to the known consuming capacity of their markets. Efforts to effect stabilization and improvement in the copper industry were aided by a rapid expansion in demand for the metal during 1928. Copper was selling slightly below 14 cents per pound a year ago, with production in only moderate volume—the latter condition resulting from a close adjustment by producers of output to consumption. Increases in demand for the metal resulted in relatively sharp increases in output, and in November, 1928, the daily rate of production was 29 per cent larger than in January, 1928, and 25 per cent larger than in November, 1927. Even this increased activity failed to keep pace with rapidly mounting demand, and the price for copper advanced practically continuously throughout the year, reaching 17 cents per pound in January, 1929.

The oil industry experienced a distinctly unsatisfactory year during 1927, as a result of severe overproduction of petroleum and consequent sharp declines in prices. During the first half of 1928 production was kept more or less in line with demand, and improvement in the industry resulting from this partial control of production was largely responsible for the substantial upward revisions in prices for the higher grades of crude oil during July and August. Other advances in quotations have been made since that time and California petro-

leum in December, 1928, was selling at prices approximately 40 per cent higher than in December, 1927. Prices of lower grade or fuel oils did not share in the advances during 1928, and were reduced approximately 15% on January 18, 1929. These grades of oil it is estimated, constitute not more than 15% of production in California at the present time.

Lumber producers in the Pacific Northwest have for several years experienced unsatisfactory conditions because of overproduction and wasteful competitive practices within the industry. Restriction of production became effective early in 1928 and prices for several important lumber products of this region—particularly Douglas Fir, and Spruce—started to recover from the low levels reached in December, 1927. These advances were continued throughout 1928, and in December prices were approximately 15 per cent higher than at the beginning of the year.

The Credit Situation

During 1928, the demand for credit in the Twelfth Federal Reserve District was of record proportions. Requirements for funds were heaviest during the later months of the year, when the agricultural marketing movement was in progress, industry and trade were at their highest levels, and securities markets were active with prices tending upward. Interest rates hardened from July to December but ranged only slightly above those of the corresponding months of 1927. General

changes in the banking situation of the District during 1928 are shown in the accompanying charts and are discussed in some detail below.

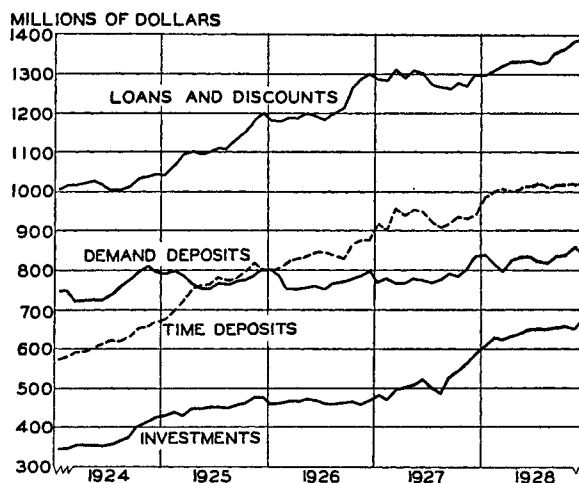
The volume of member bank credit in use expanded almost continuously throughout the year, reaching successive new record levels. Demand for Reserve Bank credit averaged higher than in any year since 1921. The discount rate of the Federal Reserve Bank of San Francisco on all classes and maturities of eligible paper was raised from 3½ per cent, the rate in effect since September, 1927, to 4 per cent on February 4, 1928, and 4 ½ per cent on June 2.

Except for temporary lulls in March, July, and early August, total loans and investments of reporting member banks in the District increased steadily during 1928. On December 19, they stood at the 1928 record figure of 1,971 million dollars, an increase of 185 million dollars or 10 per cent as compared with the 1927 peak figure of 1,786 million dollars reached on December 21, 1927. All important classes of loans and of investments showed increases over the year period. Investments were increased by 99 million dollars, or 18 per cent; loans on securities by 43 million dollars or 13 per cent; and commercial loans by 43 million dollars or

(D) Bank Debits*—

	Dec., 1928	Dec., 1927	Twelve Months	
			1928	1927
Bakersfield	\$ 16,946	\$ 18,230	\$ 173,978	\$ 164,401
Bellingham	10,336	9,679	120,771	116,418
Berkeley	22,641	25,795	262,936	263,732
Boise	16,976	16,431	186,728	169,194
Eugene	9,092	8,420	93,425	91,111
Everett	15,014	12,817	164,881	152,544
Fresno	43,950	45,560	435,938	495,141
Long Beach	65,475	53,428	674,411	580,188
Los Angeles	1,170,195	1,035,884	12,912,344	11,198,618
Oakland	336,155	274,803	3,017,346	2,697,244
Ogden	23,941	22,349	233,931	226,087
Pasadena	45,382	42,351	486,775	481,068
Phoenix	51,542	35,185	437,768	334,493
Portland	201,221†	171,483	2,201,755‡	2,046,247
Reno	12,016	10,427	122,774	113,839
Ritzville	1,271	1,094	12,841	11,881
Sacramento	53,124	52,991	604,698	479,753
Salt Lake City	100,071	95,803	927,404	861,866
San Bernardino	11,244	11,095	129,104	123,856
San Diego	69,501	68,365	752,846	743,279
San Francisco	1,679,536	1,498,791	18,384,203	15,051,180
San Jose	29,865	30,211	359,611	320,184
Santa Barbara	17,059	16,111	173,052	164,360
Seattle	267,778	241,460	2,958,306	2,615,827
Spokane	62,954	57,696	686,240	668,485
Stockton	31,609	34,356	352,319	342,612
Tacoma	51,935	45,574	558,767	538,560
Yakima	16,211	15,929	173,053	159,767
Total	\$4,433,040†	\$3,952,318	\$47,598,205‡	\$41,211,935

*In thousands. †Includes \$17,390,000 at four banks not reporting prior to week ended May 2, 1928. ‡Includes \$139,369,000 at four banks not reporting prior to week ended May 2, 1928.



MEMBER BANK CREDIT—TWELFTH DISTRICT

Monthly average of weekly figures. Latest figures are averages for the month of December.

5 per cent. There was a relatively continuous growth in the banks' investment holdings throughout 1928. Total loans increased during the early months of the year, reflecting for the most part growth in the volume of loans on securities, and after some decline in late June and July continued to advance until the end of the year. The increase during the last half of 1928 represented further growth in loans on securities, and, particularly in December, an increase in loans for commercial purposes.

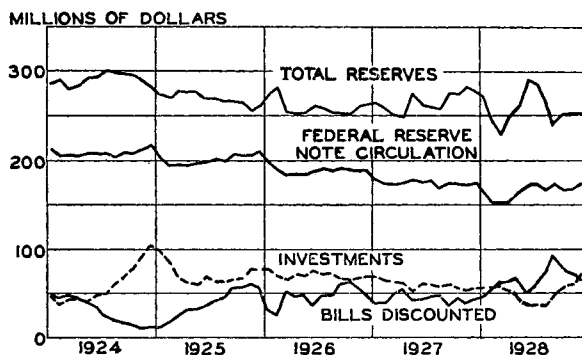
Loans reached the highest point for the year on December 19 and 26, when the total volume was 1,314 million dollars.

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

	Jan. 16, 1929	Dec. 19, 1928	Jan. 18, 1928	Dec. 21, 1927
Total Loans and Investments...	1,975	1,971	1,802	1,786
Total Loans	1,316	1,314	1,221	1,228
Commercial Loans	918	933	889	890
Loans on Securities	398	381	331	338
Investments	659	657	581	558
Net Demand Deposits	825	805	814	810
Time Deposits	995	960	915	867
Borrowings from Federal Reserve Bank	44	59	48	33

*The figures for reporting member banks have been revised. A description of this revision together with a tabulation of the revised figures for 1927 and 1928 appear in the Federal Reserve Bulletin for January, 1929.

At the Federal Reserve Bank of San Francisco demand for credit during 1928 averaged higher than in any year since 1921, a year during which a large part of the borrowing represented delayed liquidation of earlier loans rather than demand for funds needed to finance current business activity. City member banks were responsible for this increased use of credit. Country bank borrowings during 1928 averaged smaller than in any other year of the post-war period. The factors directly reflected in the discount record of the Reserve Bank during the year were member bank transfers of funds to and from other parts of the United States (chiefly New York), United States Treasury receipts and disbursements within



RESERVE BANK CREDIT—TWELFTH DISTRICT

Monthly average of daily figures. Latest figures are averages for the month of December.

the District, and changes in District demand for currency. The volume of currency in circulation, except for a temporary and unusual expansion and contraction in June and July, has responded quite faithfully to the needs of the District's changing business situation. During the first part of the year, when industry and trade either were depressed or were operating at moderate levels, the demand for currency was relatively light. During the second

half of the year, increased activity in agriculture, industry, and trade resulted in larger pay-rolls and increased need for hand-to-hand funds. There was a slight increase in the reserve requirements of member banks of the District during the year but its net effect upon the demand for Reserve Bank credit was negligible.

As is usual during the final month of the year, the most striking feature of the credit statistics for December, 1928, was the increase in coin and currency in circulation. This year the extra currency needs of the District, which apparently approximated 20 million dollars were indirectly met by transfers of funds into the District rather than by borrowing at the Federal Reserve Bank of San Francisco. The total of these transfers was approximately 65 million dollars and, in addition to providing for holiday currency needs, they served to offset a Treasury withdrawal of 15 million dollars and to enable member banks to reduce their borrowings at the Reserve Bank by 35 million dollars. This latter movement was facilitated by Reserve Bank purchases of acceptances amounting to 9 million dollars.

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

	Jan. 16, 1929	Dec. 19, 1928	Jan. 18, 1928	Dec. 21, 1927
Total Bills and Securities...	128	136	111	94
Bills Discounted	56	65	54	39
Bills Bought	54	54	15	10
United States Securities	17	17	41	46
Total Reserves	247	245	254	278
Total Deposits	194	190	188	184
Federal Reserve Notes in Circulation	163	172	159	176

Changes in demand for credit at the Federal Reserve Bank of San Francisco during the first half of January, 1929, were similar to those of January, 1928, although the demand was heavier this year than last. There was a slight reduction in commercial demand for credit at member banks during January, 1929, but all other classes of loans and of investments increased. Total loans and investments of these banks were considerably larger than at the beginning of 1928.

During the past year there has been a considerable expansion in activity in the security markets of the Pacific Coast. Stocks with a market value of 4,302 million dollars changed hands on the principal exchanges (San Francisco, Los Angeles, and Seattle), during 1928, an increase of 3,465 million dollars, or 414 per cent as compared with the figure (837 million dollars) for 1927. Bond transactions at these markets totaled 20 million dollars in 1928 compared with 18 million dollars in 1927. Security prices generally tended upward during the year.

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