

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. 2

SUMMARY OF NATIONAL CONDITIONS

Prepared by the Federal Reserve Board

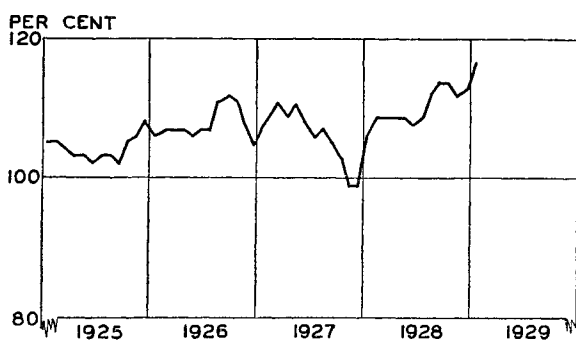
Volume of manufacturing and mining increased in January and the first part of February, while building activity continued to decline. Wholesale commodity prices rose slightly. The amount of Reserve bank credit in use declined between the middle of January and the middle of February, reflecting chiefly a reduction in reserve balances of member banks.

Production. Industrial production increased in January and continued larger than a year ago. Output of pig iron, steel ingots, and automobiles was in record volume for January. The high rate of steel activity reflected large purchases by automobile manufacturers and increased demand from railroads. Activity of textile mills increased considerably in January. Domestic output of refined copper, while continuing in large volume, was somewhat lower than in December. Output of copper ore, bituminous coal, and petroleum was exceptionally large in January, and output of anthracite coal and tin also increased. Preliminary reports indicate the maintenance of a high level of industrial activity during the first part of Febru-

ary. Steel plants operated at a high percentage of capacity; the output of coal continued large; and employment in Detroit factories increased. Production of petroleum, however, decreased slightly in mid-February. Building activity declined in January for the third successive month, reflecting primarily a large reduction in awards for residential building. Commercial building awards increased somewhat during the month. The value of building contracts let during the first six weeks of the year was substantially lower than in the corresponding period of either 1928 or 1927.

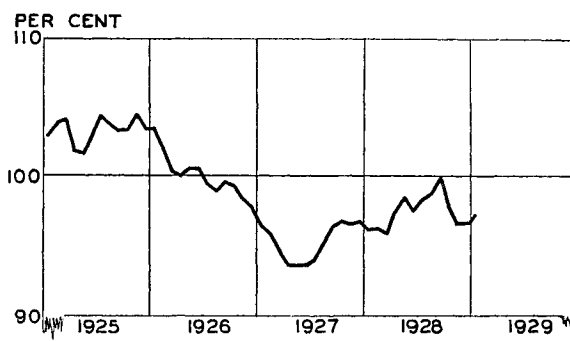
Trade. Shipments of freight by rail increased during January and the first two weeks of February, and were larger than a year ago. The increase during January reflected chiefly larger shipments of coal, coke, and livestock. Sales by wholesale firms were seasonally larger in January than in December and were above the level of a year ago. Department store sales declined less than is usual at this season and were considerably larger than in January, 1928.

Prices. The general level of wholesale prices



INDUSTRIAL PRODUCTION

Index number of production of manufactures and minerals combined, adjusted for seasonal variations (1923-1925 average=100). Latest figure, January, 117 (preliminary).

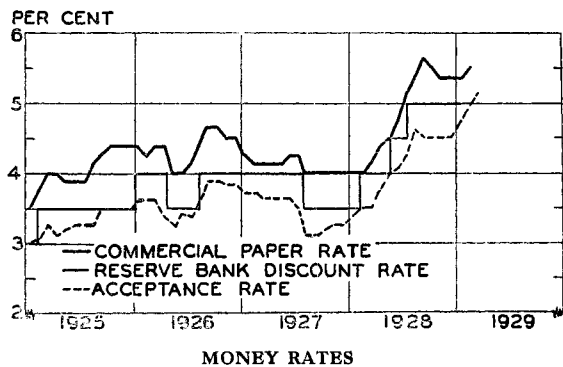


WHOLESALE PRICES

Index of United States Bureau of Labor Statistics (1926=100, base adopted by Bureau). Latest figure, January, 97.2.

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rose somewhat in January. Prices of grains, livestock, and meats advanced and there were also price advances in steel, automobiles, and copper. A decrease in the group index for building materials reflected reductions in the prices of lumber and brick. Prices of pig iron, silk, cotton, hides, and petroleum also declined.



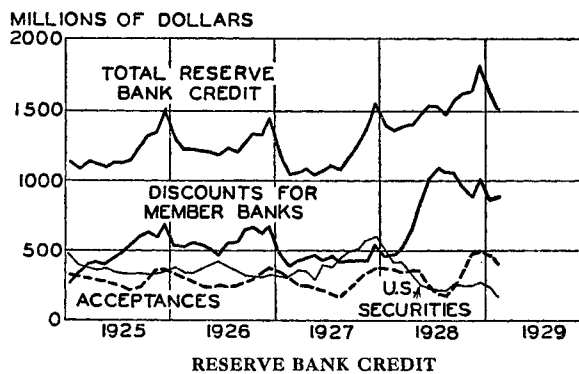
Monthly rates in the open market in New York: commercial paper rate on 4- to 6-month paper and acceptance rate on 90-day bankers' acceptances. Latest figures are averages of first 23 days in February.

Rubber advanced sharply in price. During the first half of February, the price of copper advanced to a new high level, and the price of rubber continued to rise. Among the agricultural commodities, prices of wheat, corn, and hogs rose, while prices of sugar and cattle declined slightly.

Bank Credit. On February 20 total loans and investments of member banks in leading cities were nearly 90 million dollars smaller than at the middle of January, owing chiefly to reduc-

tions in the banks' investment holdings. After the first week in February security loans declined. All other loans, largely commercial, increased somewhat in February.

During the five weeks ending February 20, a decline in the reserve balances of member banks, together with a considerable inflow of



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

gold from abroad, and some further decline in the demand for currency, were the chief factors accounting for a decrease of 173 million dollars in the volume of Reserve bank credit in use. A large decline in Reserve bank holdings of acceptances and United States Government securities was offset in part by a small increase in the volume of member bank borrowing.

Open market rates on bankers' acceptances and commercial paper advanced while rates on collateral loans showed little change.

TWELFTH FEDERAL RESERVE DISTRICT CONDITIONS

The first month of the year 1929 was a month of greater than seasonal activity in business in the Twelfth Federal Reserve District, and available data indicate a continuance of this activity during the early days of February. The major industries of the District operated on heavier schedules during January, 1929, than during either December or January, 1928. The volume of trade transacted in the District was larger than a year ago, and declines from the December peak of trade activity generally approximated the seasonal expectation. From all parts of the District have come reports of generally sound business conditions.

Those tendencies in the credit situation which were a noteworthy feature of the year 1928 persisted during January, 1929. Commercial demand for credit was moderate, but member bank loans on securities continued to expand. Borrowings from the Federal Reserve Bank of San Francisco increased during January and the first week of February. During the second

week of February discounts at the Reserve Bank were reduced slightly. Interest rates were firmer during January and the first half of February, 1929, than at any time during the past two years.

Industry employed a larger number of men than is usual during January, and output of copper, steel, metal and machine shop products, lumber, and petroleum was exceptionally high for this season of the year. The building and construction industry, though relatively quiet, showed some improvement as compared with recent months. Value of sales at both retail and wholesale was substantially larger than during January a year ago, and merchandise carloadings also exceeded those of January, 1928.

There was a slight increase in the general average of commodity prices during January, 1929. Most significant from the standpoint of this District were advances in prices of wheat, copper, and Pacific Northwest lumber.

Agriculture

Recent rains and snows have replenished ground moisture supplies in all states of the Twelfth Federal Reserve District, and although the seasonal rainfall is still below normal no acute shortage of water for agricultural purposes is now anticipated.

RAINFALL (in inches)—Twelfth District

	July 1, 1928	July 1, 1927	July 1
	to Feb. 12, 1929	to Feb. 14, 1928	to Feb. 12 Normal
	Actual	Actual	
Arizona:			
Flagstaff	12.9	17.2	15.6
Phoenix	5.9	4.3	7.2
California:			
Eureka	21.7	15.2	28.5
Fresno	4.8	5.0	6.5
Los Angeles	6.8	6.7	10.8
Red Bluff	12.5	15.9	16.8
Sacramento	8.1	6.8	12.0
San Diego	4.9	4.8	6.6
San Francisco	11.6	12.1	15.6
Idaho:			
Boise	5.5	8.6	7.9
Nevada:			
Reno	2.5	2.4	6.0
Oregon:			
Baker City	5.1	6.8	7.4
Portland	18.8	26.1	30.7
Roseburg	14.5	14.9	23.1
Utah:			
Salt Lake City	7.0	9.1	8.9
Washington:			
Seattle	13.3	19.9	24.0
Spokane	5.9	16.0	10.8

Source: Weather Bureau, United States Department of Agriculture.

In the winter wheat growing areas of the Pacific Northwest a heavy January snowfall protected the growing wheat crop from the freezing temperatures of early February. In other areas of the District, not subject to such severe winter temperatures, the 1929 wheat crop is also reported to be in good condition.

Marketing of the 1928 wheat crop is proceeding at a slow pace. From July 1, 1928, to February 1, 1929, exports of wheat from Puget Sound and Columbia River ports totaled 19,777,000 bushels. During a comparable period of the 1927-1928 season, it was estimated that 42,072,000 bushels of the larger 1927 crop were exported from these ports. Receipts of wheat at Portland and Astoria, Oregon, and at Seattle and Tacoma, Washington, for the season to February 1, 1929, totaled 34,053 carloads. Receipts at the same terminals from July 1, 1927, to February 1, 1928, totaled 47,018 carloads. The 1928 barley crop has moved to market more rapidly than the wheat crop. Exports from San Francisco since July 1, 1928, have totaled 7,113,000 bushels, compared with 6,249,000 bushels exported between July 1, 1927, and February 1, 1928. Prices received for wheat and barley sold at the District's markets during January, 1929, were approximately 10 per cent and 25 per cent lower, respectively, than in January, 1928.

The large 1928 apple crop of the District has had to compete with similarly large crops from other producing areas, and prices have ranged below those of a year ago. Prices received by

growers were approximately 30 per cent lower during January, 1929, than during January, 1928.

On February 1, storage holdings of apples in the Wenatchee and Yakima valleys of Washington totaled 8,951 carloads. A year ago storage holdings in this area were estimated at 6,178 carloads. In California there were 1,913,108 boxes of apples in storage on February 1, 1929, compared with 1,454,120 boxes held on February 1, 1928. It must again be pointed out, however, that the comparability of these figures as a gauge of marketing activity has been seriously impaired during recent years. There has been a substantial increase in cold storage capacity of Pacific Coast warehouses during this period and apples formerly shipped for storage in Eastern cities are now held here until sold.

APPLES—Carlot Shipments

	July 1 to February 1		
	1928-1929	1927-1928	1926-1927
California	5,280	3,133	4,701
Idaho	5,954	7,105	3,529
Oregon	3,367	2,679	6,029
Utah	514	408	447
Washington	32,214	21,889	28,742
Total	49,329	35,214	43,448
United States	108,589	80,353	113,230

Source: United States Department of Agriculture.

During early February the citrus fruit crop in California suffered some frost damage, but no accurate estimate of the losses can yet be made. Prior to the cold weather, the 1928-1929 Navel orange crop was estimated at 17,478,000 boxes. The 1927-1928 crop amounted to 11,650,000 boxes. The pre-frost estimate of the 1929 lemon crop in California was 5,346,000 boxes as compared with 4,520,000 boxes produced in 1928. Carlot shipments and average f. o. b. California prices of citrus fruits are shown in the following table:

CITRUS FRUITS—California

Shipments (Carlots)	November 1 to February 1		
	1928-1929	1927-1928	1926-1927
Oranges	15,236	10,660	12,284
Lemons	2,937	1,501	2,412
Price (Per box)	—January—	—December—	—November—
	1929	1928	1928
Oranges	\$3.35	\$3.68*	\$3.40
Lemons	4.27	5.72*	4.98*
			3.77
			6.12*

*Revised.

Source: California Fruit Growers Exchange.

The condition of livestock and of livestock ranges in the District declined seasonally during January. Heavy supplemental feeding of cattle and sheep has been necessary throughout the range areas.

Market movements of livestock were without particular significance during January. Prices of cattle and hogs at the District's principal stockyards decreased during the month, but part of the decline was recovered in early February. Lamb prices have risen rapidly since the first of the year and on February 15 were

at the highest level reached since February, 1925.

Thus far in 1929 there have been few forward sales of wool. At this time a year ago it was estimated that approximately 50 per cent of the 1928 wool clip in the so-called Western States had been sold.

The livestock census taken by the United States Department of Agriculture as of January 1, shows that trends in the livestock industry of the District, established in immediately preceding years, persisted during 1928. There was a marked increase in the number of sheep in the District, a decline in the number of beef cattle, and a continued steady growth in the number of dairy cows. There was a decrease during 1928 in the more rapidly fluctuating number of hogs in the District.

LIVESTOCK ON FARMS AND RANGES*

	Twelfth District			United States		
	January 1,		1927	January 1,		1927
	1929	1928	1927	1929	1928	1927
Milch Cattle	1,789	1,743	1,708	26,197	26,025	25,866
Other Cattle	3,305	3,510	3,597	29,554	29,656	31,006
Sheep	14,371	13,645	13,217	47,171	44,554	41,846
Swine	1,604	1,677	1,452	54,956	60,420	54,408

*In thousands.

Source: United States Department of Agriculture.

Changes in the number of animals on the District's farms and ranges during the past year have been reflected in the figures of livestock receipts at the principal markets of the District. The figures follow:

LIVESTOCK RECEIPTS—Twelfth District*

	January,	December,	January,	Year	Year
	1929	1928	1928	1928	1927
Cattle and Calves	93,021	85,135	105,054	1,067,831	1,267,185
Hogs	275,137	250,256	310,242	2,536,945	2,146,659
Sheep	177,342	191,560	192,712	3,832,643	3,510,826

*At the following markets: Los Angeles and San Francisco, California; Portland, Oregon; Ogden and Salt Lake City, Utah; and Seattle, Spokane and Tacoma, Washington.

Industry

During January, 1929, industrial activity was maintained at high levels for the winter season of the year. Production of copper and petro-

(A) Industry—

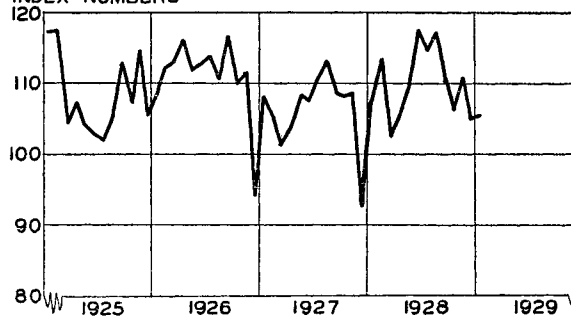
Indexes of daily average production, adjusted for seasonal variation (1923-1925 daily average = 100)

	1929		1928	
	Jan.	Dec.	Nov.	Jan.
Manufactures:				
Flour	121	103	100	107
Slaughter of Livestock	89	83	85	102
Lumber	124*	116	111	108
Refined Mineral Oils†	178	176	163	143
Cement	116	120	118	95
Wool Consumption‡	67	81	78
Minerals:				
Petroleum (California)†	114	105	101	93
Copper (United States)‡	129	133	133	102
Lead (United States)‡	112	114	114	104
Silver (United States)‡	91	103	93	93
General:				
Carloadings—Industrial	106	105	111	107
Value of Building Permits§	64	66	69	80
Value of Engineering Contracts Awarded§				
Total	171	128	123	109
Excluding Buildings	213	120	134	112

*Preliminary. †Not adjusted for seasonal variation. ‡Prepared by Federal Reserve Board. §Indexes are for three months ending on the month indicated. ¶Revised.

leum was in particularly large volume, output of lumber was greater than in either December or January, 1928, and flour mills of the District continued an active milling program. Favorable reports from the major extractive industries were supplemented by reports of a generally high level of operations among the miscellaneous manufacturing industries. A seasonal surplus of labor was present in all states of the District during January, but employment conditions were considerably better than in January, 1928.

INDEX NUMBERS



INDUSTRIAL CARLOADINGS—TWELFTH DISTRICT

Index adjusted for seasonal variation; 1923-1925 daily average=100. Latest figure, January, 106.

The lumber cut during January, 1929, increased as compared with both the previous month and the same month a year ago. Production in the Douglas Fir areas although hampered somewhat by unusually severe weather late in January was well maintained. In the Western Pine and California White Pine regions logging and milling companies were active. Redwood output in California was in small volume, a number of camps and mills being reported closed. Total production of all

(B) Employment—

Industries	No. of Firms	California		Oregon	
		No. of Firms	No. of Employees	No. of Firms	No. of Employees
All Industries	752	141,328	128,524	150	23,163
Stone, Clay and Glass Products	44	6,736	6,794	3	133
Lumber and Wood Manufactures	117	22,252	22,883	52	13,387
Textiles	17	2,486	2,483	11	2,226
Clothing, Millinery and Laundering	62	7,548	7,627	9*	468
Foods, Beverages and Tobacco	169	25,049	21,725	44	1,570
Water, Light and Power	4	3,761	4,017
Other Industries†	324	71,278	60,846
Miscellaneous	15	2,218	2,149	31	5,379

*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 January, 1928.

classes of mills was smaller than their shipments and smaller than the new orders received by them. Stocks on hand declined and unfilled orders increased during the month.

Copper production remained at high levels during January although receding slightly from the record output of December. Forward buying of this metal was heavy throughout the month, the bulk of the orders accepted at the end of the month being for May delivery. Production of lead has also been fairly large since the first of the year.

Output of petroleum in California increased steadily during January, this Bank's index of daily average production rising to 114 (1923-1925 daily average=100) the highest figure since November, 1923. The larger part of the increase resulted from the bringing in of additional wells in the Santa Fe Springs deep zone. A reduction of approximately 15 per cent in prices of lower gravity crude oils became effective on January 18, but this reduction did not materially affect the new field at Santa Fe Springs where a relatively high gravity oil is produced. Refineries were busy throughout the month running chiefly on high gravity oils. Shipments of gasoline from California to Atlantic and Gulf ports and to foreign countries were exceptionally heavy being more than twice as large as during January, 1928. It is estimated that stored stocks of all grades of petroleum and refined oils in California increased by a relatively small amount during the month.

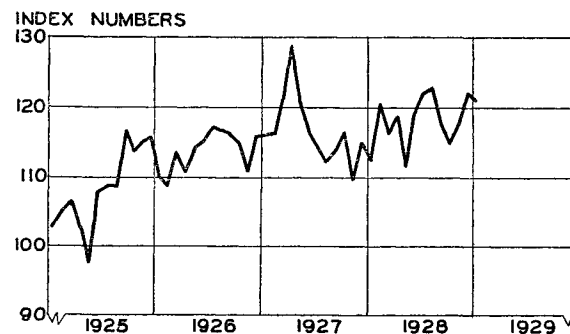
Millers of the District ground and sold a seasonally large volume of flour during January. Stocks of flour at reporting mills declined during the month but, on the first of February, they were still in excess of stocks held a year ago. Millers' stocks of wheat on that date were approximately the same as on February 1, 1928.

The building and construction industry has not contributed materially to the recent expansion in general industrial activity. This Bank's quarterly index of the value of building permits in 20 cities of the District (in which allowance has been made for the usual seasonal movements) stood at 64 (1923-1925 average=100) for the three months ending January, 1929, compared with 66 for the quarter ending December, 1928, and 80 for the quarter ending January, 1928. Heavy construction contracts awarded in this general territory have recently been large in value. The quarterly index of the value of these contracts exclusive of large commercial and industrial buildings when adjusted for the usual seasonal movements stood at 213 (1923-1925 average=100) in the quarter ending in January of this year, at 120 in the quarter ending December, 1928, and at 112 in the quarter ending January, 1928.

Trade

The most important lines of trade in the District were more active during January, 1929 than during January, 1928, and such declines as occurred from December to January approximated the seasonal expectation.

The total number of freight carloadings in the District declined seasonally during the month but was 3.7 per cent larger than in



MERCHANDISE CARLOADINGS—TWELFTH DISTRICT
Index adjusted for seasonal variation (1923-1925 daily average=100).

(C) Distribution and Trade—

	1929				Year's Average
	Jan.	Dec.	Nov.	Jan.	
Index Numbers*					
Carloadings—Revised					
Total†	114	114	114	110	114
Merchandise and Miscellaneous†	121	122	118	113	118
Wholesale Trade—Sales§	98‡	101	112	93‡	99
Retail Trade					
Department Store					
Sales†	123	125	116	118	119
Stocks¶	98	106	110	103	108
Actual Figures					
Stock Turnover	.24	.43	.24	.21	.25
Collections#					
Regular	47.7	45.6	46.2	46.7	46.1
Installment	15.9	13.6	14.7	15.9	15.6

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

January of last year. Merchandise loadings have increased by about the usual seasonal amount since the beginning of 1929.

The value of retail trade transacted by reporting stores was larger than a year ago, trade being exceptionally active in the Intermountain

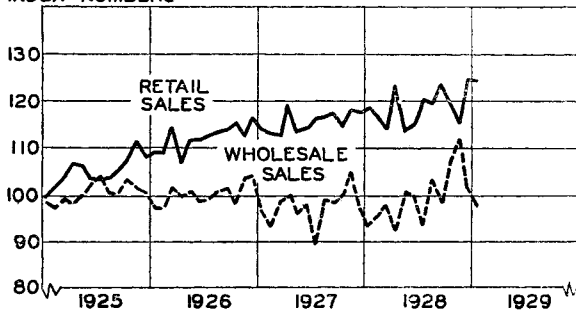
RETAIL TRADE—Twelfth District

	NET SALES*	STOCK*
	January, 1929 compared with January, 1928	January, 1929 compared with January, 1928
Department Stores†	7.9 (67)	-4.9 (52)
Apparel Stores	14.5 (32)	2.2 (17)
Furniture Stores	2.4 (49)	-7.5 (29)
All Stores	7.7 (148)	-4.7 (98)

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

Territory. Of 148 reporting stores 103 reported increases in sales as compared with January, 1928, and 45 reported decreases. Sales increases were particularly large in Arizona, Oakland, San Francisco and Salt Lake City, and were about equal to the average for the District (7.7 per cent) in Southern California and Seattle. Smaller than average increases were reported from Portland, Spokane and other Pacific Northwest cities. Sales in the central valleys of California approximated those of a year ago.

INDEX NUMBERS



RETAIL AND WHOLESALE TRADE—TWELFTH DISTRICT

Indexes adjusted for seasonal variation. 1923-1925 average=100. Daily average figures of department store sales. Monthly figures of sales at wholesale.

Trade at wholesale has been active for this season of the year. The value of sales in all lines except shoes was larger than in January, 1928. The average change was an increase of 9.6 per cent. A few declines in sales, due chiefly to seasonal causes, were recorded in January as compared with December. Lines thus affected were automobile supplies, drugs, electrical supplies, furniture, shoes, and paper and stationery. Compared with January of last year wholesale trade was especially active in Los Angeles and showed considerable improvement in Central California, the Pacific Northwest and Intermountain Region.

Sales of new automobiles are ordinarily relatively small in volume during January, and January, 1929, was no exception to this general rule.

Prices

Composite commodity price indexes have generally advanced slightly from their January first levels, increases in average prices of farm products, foods, and metals having more than offset declines in average prices of other commodities, such as hides and petroleum. Commodity prices now average about one per cent higher than a year ago.

From the District standpoint, probably the most important price movement during recent weeks has been the increase in the price of wheat, large quantities of this commodity being held by the farmers of the District. Wheat

quotations have advanced approximately 10 per cent since early in January. Prices for other grains have also moved upward during the past month. In the livestock group important price changes have included a moderate decline in cattle prices and a sharp advance in lamb prices.

Prices for copper have continued to move upward, with the rate of advance accelerated during early February when quotations for electrolytic copper at Connecticut Valley points reached 18 cents per pound, the highest quotation since 1920.

Declines in prices of lower grades of California crude oil on January 18 were followed by reductions in quotations for most grades of oil at mid-continent fields. Quotations for higher gravity California oils yielding substantial amounts of gasoline have not changed during recent weeks. Composite prices of crude oil at the well (for the United States as a whole) now average about 3 per cent lower than at the opening of this year but are more than 20 per cent higher than in February, 1928.

Credit Situation

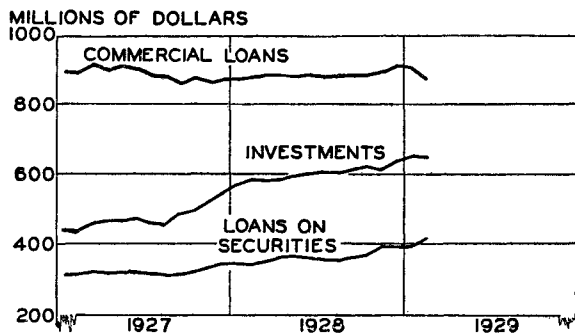
There was a seasonal decline in commercial demand for credit at member banks of the Twelfth Federal Reserve District during January and early February. Loans on securities at these banks increased, principally as a result of increased lending by city member banks. The volume of Reserve Bank credit outstanding was moderate during January as compared with recent months, but increased rapidly during the first week of February, and at all times was substantially larger than a year ago. Interest rates showed an upward tendency during this period.

(D) Bank Debts*—

	January 1929	January 1928
Bakersfield	\$ 16,551	\$ 14,831
Bellingham	9,976	9,550
Berkeley	24,380	23,883
Boise	16,809	15,414
Eugene	7,497	6,534
Everett	13,903	11,895
Fresno	35,068	33,779
Long Beach	73,327	51,703
Los Angeles	1,269,052	996,559
Oakland	256,961	250,449
Ogden	20,513	18,570
Pasadena	49,956	41,516
Phoenix	46,400	35,364
Portland	182,699†	152,810
Reno	10,956	8,883
Ritzville	1,074	1,014
Sacramento	54,154	49,046
Salt Lake City	86,361	81,060
San Bernardino	12,551	10,504
San Diego	74,758	62,511
San Francisco	1,436,725	1,371,227
San Jose	31,518	29,741
Santa Barbara	18,035	14,378
Seattle	274,478	223,067
Spokane	60,501	54,192
Stockton	29,476	33,408
Tacoma	52,467	41,690
Yakima	13,840	12,780
Total	\$4,179,986†	\$3,656,358

*In thousands. †Includes \$17,963,000 at four banks not reporting prior to week ended May 2, 1928.

Total loans and investments of reporting member banks in the District declined during January and the first two weeks of February, as the result almost entirely of a seasonal reduction in so-called commercial loans. These loans were reduced steadily from 920 million dollars on December 26, 1928, the high point for that year, to 877 million dollars on January 30, 1929. On February 20, they amounted to 876 million dollars, a total reduction for the



MEMBER BANK CREDIT—TWELFTH DISTRICT
Monthly average of weekly figures. Latest figures are averages for the first three weekly report dates in February.

period of 44 million dollars, or five per cent. On the latter date, they were the same as a year ago. Reporting member bank loans on securities, increased almost continuously from December 26, 1928, to February 13, 1929. During the week ending February 20, they were reduced 11 million dollars but at 417 million dollars were still 24 million dollars or six per cent, larger than at the close of December and 96 million dollars, or 29 per cent larger than on February 21, 1928.

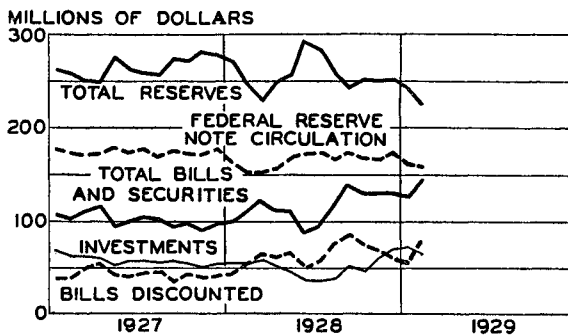
At the Federal Reserve Bank of San Francisco, changes in demand for credit during January and February reflected chiefly the movement of funds between this District and other districts of the United States and the usual seasonal changes in demand for currency. With the passing of the December holiday season, the District's need for currency declined and there appears to have been a decrease of approximately 25 million dollars in the amount of currency in circulation. Ordinarily,

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

	Condition				
	Feb. 20, 1929	Feb. 6, 1929	Jan. 30, 1929	Dec. 26, 1928	Feb. 21, 1928
Total Loans and Investments	1,948	1,947	1,943	1,997	1,828
Total Loans	1,293	1,293	1,285	1,318	1,232
Commercial Loans	876	881	877	921	881
Loans on Securities	417	412	408	393	351
Investments	655	654	658	679	596
Net Demand Deposits ..	801	780	785	796	790
Time Deposits	969	979	986	969	922
Borrowings from Federal Reserve Bank	61	72	44	49	54

*The figures for reporting member banks have again been revised since publication in the Federal Reserve Bulletin for January, 1929.

this would have brought about a reduction in borrowing at the Federal Reserve Bank, but its effect this year was more than offset by heavy



RESERVE BANK CREDIT—TWELFTH DISTRICT
Monthly average of daily figures. Latest figures are averages for the first twenty days in February.

transfers of funds out of the District, and borrowings at the Reserve Bank increased early in February to the highest levels since last September.

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

	Condition				
	Feb. 20, 1929	Feb. 6, 1929	Jan. 30, 1929	Dec. 26, 1928	Feb. 21, 1928
Total Bills and Securities ..	136	150	126	132	117
Bills Discounted	71	82	55	56	58
Bills Bought	49	50	53	58	26
United States Securities	15	17	17	17	33
Total Reserves	228	220	239	253	238
Total Deposits	183	190	188	192	185
Federal Reserve Notes in Circulation	158	159	158	177	150

During recent years the flow of funds out of the District, which commences in January, has continued during February. This year the movement ceased, at least temporarily, on February 7th, and during the following two weeks there was a slight return flow of funds into the District, accompanied by a moderate reduction in borrowings at the Federal Reserve Bank. Reserve Bank holdings of bills purchased and securities were also reduced during this period, so that on February 20 total bills and securities were 14 million dollars or nine per cent smaller than on February 6.

Interest rates in the District continued to harden during January and February, and in general averaged higher than at any time during the past two years.

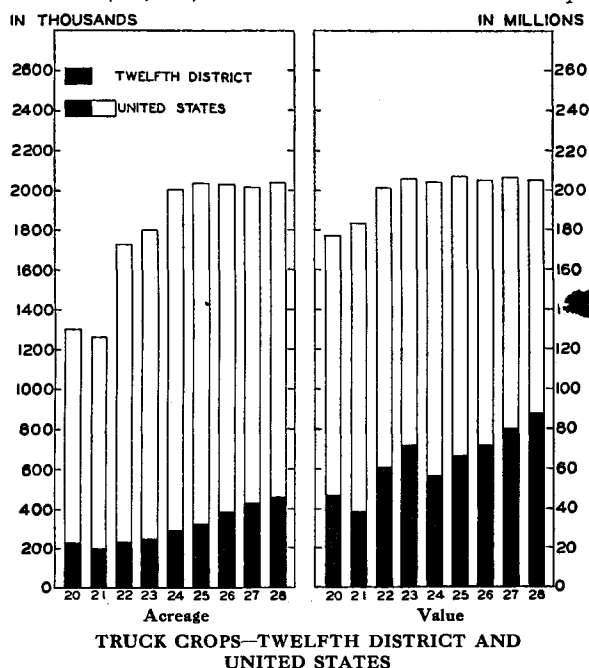
INTEREST RATES—San Francisco
(Average rates prevailing at the middle of the month)

	Commercial Paper*	Bankers' Acceptances†
February, 1929	5.58%	5¼%
January, 1929	5.57	4¾-5
December, 1928	5.22	4¼
February, 1928	4.94	3½
High, 1927	5.36§	3½‡

*Rates charged to customers by banks on prime paper eligible for rediscount with the Federal Reserve Bank. †Dealers' offering rate for 90-day prime bills. §December. ‡January-June, inclusive.

Truck Crops — Twelfth Federal Reserve District

In the years since 1920 that branch of agriculture known as truck farming has been steadily increasing in importance, particularly in the Twelfth Federal Reserve District. In 1920, the value of truck crops produced in the United States approximated \$177,123,000 or less than two per cent of the estimated value of all crops produced during that year. In 1928, the output of the truck farms of the country was valued at \$261,777,000 or slightly more than three per cent of the estimated value of all crops. A similar comparison for the Twelfth Federal Reserve District shows an increase from \$46,053,000 to \$87,360,000 in the value of truck crops



produced and from 5.7 per cent to 9.7 per cent in the proportion of total crop value represented by truck crops. Aided by improved methods of handling and transporting farm products and stimulated by favorable changes in the dietary habits of the nation, a thriving country wide agricultural industry has evolved from the small truck gardens, which were formerly a characteristic feature of the territory adjacent to centers of population. Large areas of farm land are now devoted to growing spe-

NOTE: The term truck crops includes the following crops classified by the United States Department of Agriculture: artichokes, asparagus, snap beans, cabbage, cantaloupes, carrots, cauliflower, celery, sweet corn, cucumbers, egg plant, lettuce, onions, peas, peppers, potatoes (early Irish), spinach, tomatoes, and watermelons. Unless otherwise specified the figures shown for the Twelfth Federal Reserve District are exclusive of data for Idaho and Nevada. Approximately one-quarter of the truck crop acreage in Arizona, California, Oregon, Utah, and Washington is devoted to crops for manufacturing purposes, principally canning.

cialized truck crops, and proximity of consuming markets is no longer a controlling factor in the location of production centers.

The relative importance of truck crops, as compared with field, fruit, and grain crops, is shown in the following table:

	1928		1920	
	United States	Twelfth District	United States	Twelfth District
All Crops	100.0%	100.0%	100.0%	100.0%
Field Crops	43.1	28.6	45.3	41.8
Fruits and Miscellaneous	6.8	43.9	4.3	28.2
Grains	47.0	17.8	48.5	24.3
Truck Crops	3.1	9.7	1.9	5.7

In the Twelfth District favorable climatic conditions and the ability to produce larger yields per acre than in most other areas† have combined with improved transportation facilities and better methods of refrigeration to overcome the handicap of distance from Eastern centers of consumption. In 1928, more than one third (37 per cent) of the total carlot shipments of truck crops in the United States originated in five states (Arizona, California, Oregon, Utah, and Washington) of this District. In 1920 these states accounted for a little less than a quarter (23.5 per cent) of the total carlot shipments of truck crops.

No doubt a part of the relative gain in Twelfth District shipments may be accounted for by the increasing use of motor transportation between Eastern producing and consuming centers, but not all of the increase can be explained in this way. The following table shows the average yearly increase from 1920 to 1928 in acreage, value, and carlot shipments of truck crops in the Twelfth District and in the United States.

	Acreage	Value	Carlot Shipments
Twelfth District	9.2%	7.3%	12.9%
United States	7.2	4.5	10.5

This Bank's indexes of production of truck crops in five states of the Twelfth Federal Reserve District and in the District as a whole are presented in the following table:

	1928	1927	1926	1925	1924	1923
Arizona	148.8	135.8	88.6	75.4	52.0	33.3
California	130.0	109.6	102.0	88.4	75.6	72.3
Oregon	74.3	91.8	131.5	76.6	77.3	41.7
Utah	101.4	82.1	69.5	148.3	62.7	67.7
Washington	97.0	105.6	95.2	99.2	89.7	105.8
Total†	127.3	109.1	99.7	91.1	73.9	71.3

*Does not include onions. †Includes data for a few truck crops grown in Nevada and Idaho.

‡Arizona leads the United States in per acre yields of lettuce and cantaloupes; Utah leads in canning tomatoes; and California in asparagus, cauliflower, cucumbers, early onions, spinach, and watermelons.

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