

# MONTHLY REVIEW

OF

## BUSINESS CONDITIONS

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

Vol. XIV

San Francisco, California, November 20, 1930

No. 11

### SUMMARY OF NATIONAL CONDITIONS

Prepared by the Federal Reserve Board

Volume of industrial production and factory employment declined in October, and there was a further downward movement of commodity prices. Volume of sales by department stores increased by more than the usual seasonal amount. There was a considerable inflow of gold from South America and the Orient, and a further slight easing of money rates.

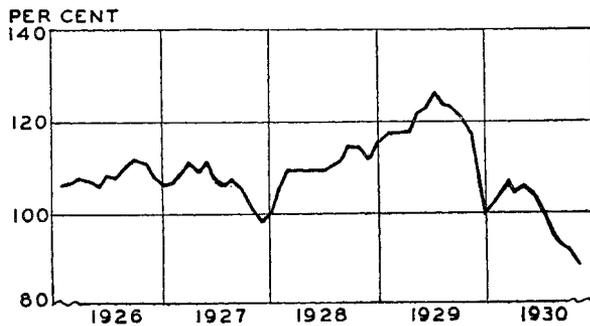
**Production and Employment.** Industrial production, including the output of both factories and mines, decreased by about three per cent in October, according to the Federal Reserve Board's index which makes allowance for seasonal changes. This decline reflected chiefly a further decrease in output of steel ingots, contrary to the usual movement, and a larger than seasonal decline in the output of automobiles. Output in the shoe industry was also curtailed. Consumption of cotton by domestic mills showed a further increase of slightly more than the usual seasonal amount, and stocks of cotton cloth were further reduced. Increased activity was also reported for the silk industry. Output of coal was in substantially larger volume than in September, while production of copper and petroleum declined.

The number of workers employed showed a decrease for the month in foundries and in the

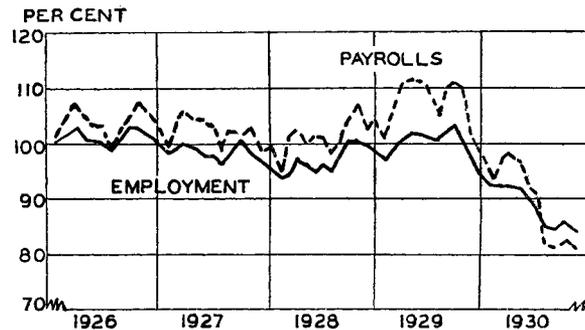
automobile, machine tool, woolen, and shoe industries, while increases were reported in the number of persons employed in the production of silk goods, hosiery, and radios. Employment at coal mines increased considerably, partly in response to seasonal influences. Value of contracts for residential buildings, as reported by the F. W. Dodge Corporation, which had shown a growth in September, increased further in October, but by an amount smaller than is usual for that month. Contracts for public works and utilities also increased somewhat, reflecting a larger volume of awards for pipe lines. Owing to a substantial decrease in contracts for industrial building, however, there was little change in the total value of building contracts awarded.

**Distribution.** Volume of distribution of commodities by rail showed a decline from September to October. Retail trade, however, as indicated by sales of department stores, increased by considerably more than the seasonal amount, according to preliminary reports to the Federal Reserve System.

**Wholesale Prices.** The general level of wholesale prices, as measured by the Bureau of Labor Statistics' index, declined in October and the decline continued in the first half of

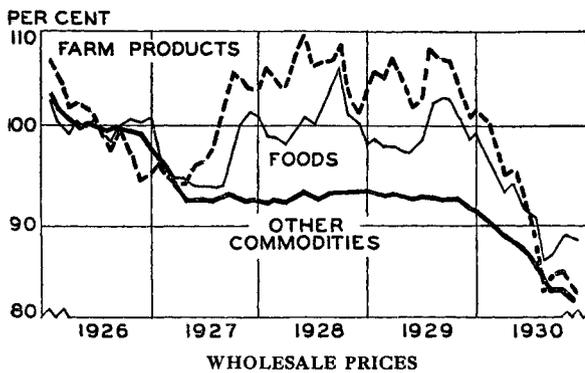


Index number of production of manufactures and minerals combined, adjusted for seasonal variations (1923-1925 average = 100). Latest figure, October, 88.



Index numbers of factory employment and payrolls, without adjustment for seasonal variations (1923-1925 average = 100). Latest figures, October, employment 84.3, payrolls 80.8.

November. Further decreases in the prices of many agricultural products, including grain, livestock and meats, were accompanied by reduction in the prices of hides, tin, petroleum and gasoline, while sugar and copper advanced.

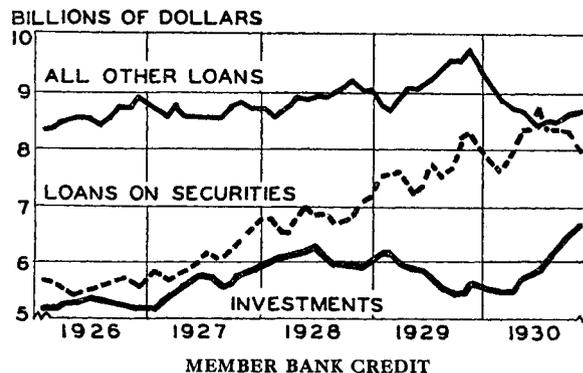


Indexes of United States Bureau of Labor Statistics (1926=100, base adopted by Bureau). Latest figures, October, farm products 82.6, foods 88.6, other commodities 81.5.

The price of cotton rose considerably at the end of October from the low level prevailing early in the month.

**Bank Credit.** Total volume of credit at reporting member banks in leading cities showed relatively little change for the four-week period ending November 12. Loans on securities declined further by \$350,000,000, reflecting reductions in loans to brokers and dealers in securities, while all other loans increased by \$150,000,000, partly on account of purchases of acceptances by the member banks. The banks also increased their holdings of investments.

The volume of reserve bank credit in use showed little change between the middle of October and the middle of November. There was a further addition of \$30,000,000 to the stock of monetary gold and a decline of \$20,000,-



Monthly averages of weekly figures for reporting member banks in leading cities. Latest figures are averages of first two weeks in November.

000 in money in circulation, while member bank reserve balances increased. No material change in the composition of the reserve bank portfolio was shown for the month.

Money rates in the open market have eased slightly since the middle of October. The rate on prime commercial paper declined from 3 per cent to a range from  $2\frac{3}{4}$  to 3 per cent and there was a reduction in the rate on bankers' acceptances of the longer maturities. Long time money rates as measured by yields on United States government securities declined slightly during the period under review.

## TWELFTH FEDERAL RESERVE DISTRICT CONDITIONS

Quantitative measures of the business situation indicate that October was a month of slight further recession in the Twelfth Federal Reserve District. There was little change in the economic position of agriculture or trade, but industry became less active and prices of many commodities moved downward.

Harvesting operations were practically completed during the past month and the final results are confirming the 1930 crop production estimates of earlier months which indicated that aggregate output will be greater this year than it was in 1929. Exports of wheat from Puget Sound and Columbia River ports, subnormal throughout most of the season, were greater in volume during October and early November than in either September, 1930, or October, 1929. A sharp reduction of Twelfth District wheat stocks accompanied this outflow, but stocks still remain larger than usual. Large shipments of apples and grapes reached eastern auction markets during October, and prices for those fruits, especially for grapes,

were depressed. Markets for dairy produce did not show the usual seasonal improvement during October. The District's livestock ranges and farm lands have been benefited by rainfall in recent weeks.

Industrial activity declined during October. This decline should not be construed as entirely unfavorable, however, because of the desirability of further adjustment between the supply of and the demand for certain raw materials and other commodities produced in the District. Production of lumber, crude oil, silver, and copper declined slightly during the month, and, as a consequence, there were further reductions in the number of workers employed in these industries. The value of building permits issued declined during October and the value of engineering contracts awarded, which had been relatively high in immediately preceding months, fell off sharply, contrary to the usual seasonal development. Unemployment generally has not increased more than is customary at this time of year.

There was little change in the trade situation during October. Department store sales increased less than seasonally while wholesale trade and freight carloadings showed only the usual September-October changes. Intercoastal shipments were somewhat greater in volume than in the preceding month although total tonnage of the past three months was approximately equal to that of the three months ending with September.

Further weakness during October in the markets for many commodities brought a two per cent reduction in the Bureau of Labor Statistics' index of wholesale prices. This movement also has become manifest in retail prices, although to a lesser degree than in wholesale quotations.

The volume of credit extended by the Federal Reserve Bank of San Francisco to the Twelfth District increased moderately between mid-October and mid-November. Discounts averaged somewhat higher because of occasional daily borrowing of several million dollars by city member banks for the purpose of maintaining their reserve accounts. The chief increase in reserve bank credit used in the District came through additions to this Bank's holdings of locally purchased acceptances which averaged more than 20 million dollars during the first three weeks of November, compared with an average of 14 million dollars during October. A decline in security loans of reporting member banks was more than offset by an increase in "all other" (commercial) loans of those banks. Interest rates on commercial loans advanced slightly while rates on security loans declined.

### Agriculture

The economic position of agriculture in the Twelfth District changed little during October. With fairly complete data of 1930 agricultural output now available, it is evident that aggregate crop production has been larger this year than in 1929, chiefly because of increases in the production of deciduous fruits. Aggregate returns to farmers for these larger crops, however, have been less than in the preceding season. Livestock and livestock ranges are in better condition than a year ago, but markets, particularly for cattle and sheep, have not been as favorable to producers as in 1929. Harvesting of late maturing crops had been completed and autumn tillage operations were practically finished by early November. Rainfall in most of the important agricultural areas of the District has been somewhat greater since July 1 than in the corresponding period of 1929, but, except in northern Arizona, seasonal precipitation has been less than the long time average.

Exports of **wheat** from Puget Sound and Co-

lumbia River ports during October were 40 per cent larger than in September, 1930, and 25 per cent larger than in October, 1929, indicating that wheat marketing in this District proceeded at an accelerated pace during the month. The season's shipments to November 1, however, remained lower by nine per cent than shipments made during the 1929 season to November 1. Exports of **barley** from San Francisco continued at low levels during October. Shipments for the season to November 1 were 37 per cent smaller than shipments over a similar period in 1929.

Shipments of **deciduous fruits** from California and the Pacific Northwest increased during October, when a large volume of apples and grapes was moved to eastern markets. As in September, prices for apples ranged from 30 to 45 per cent lower in October than in the autumn of 1929. Grape prices declined during the month and were from 10 to 35 per cent lower than at the end of October, 1929. The bulk of other deciduous fruit crops had been marketed by the end of September. Carlot shipments of deciduous fruits from California, Idaho, Oregon, and Washington during the current year to November 1 have been 28 per cent greater in number than during the first ten months of 1929.

APPLE AND GRAPE SHIPMENTS  
(In carlots)

	October		Season to Nov. 1	
	1930	1929	1930	1929
<b>Grapes</b>				
California .....	37,226	26,696	58,814	53,494
<b>Apples</b>				
California .....	1,335	694	4,491	2,521
Idaho .....	3,465	3,964	4,324	4,855
Oregon .....	2,547	1,099	2,876	1,250
Washington .....	14,002	11,636	19,128	14,247
<b>Total</b> .....	<b>21,349</b>	<b>17,393</b>	<b>30,819</b>	<b>22,873</b>

Source: Weekly Summary Carlot Shipments, United States Department of Agriculture.

Market shipments of the 1930-1931 crop of Navel **oranges** in California commenced early in November. No change has been made in earlier estimates forecasting a yield from 40 to 45 per cent larger than last season's crop of 10,500,000 boxes. Shipments of the 1930 Valencia orange crop, marketing of which was completed at the end of October, amounted to 19,937 carloads and were 51 per cent less than shipments during the 1929 season. The 1930-1931 **lemon** crop is estimated to be 5,916,000 boxes, compared with the 1929-1930 crop of 5,160,000 boxes. In contrast with declines in prices of most farm products this year, the prices of citrus fruits have advanced during the 1930 marketing season and have averaged higher than in 1929.

During October **dairy** and **poultry** products markets were, as in September, relatively unsatisfactory for producers. Receipts of butter at San Francisco, Los Angeles, and Portland increased nine per cent during October. Stor-

age holdings, which decreased only 14 per cent during the month as compared with a September-October decrease of 22 per cent last year, were 22 per cent larger on November 1, 1930, than on November 1, 1929. The price of butter declined slightly during the past month and continued about 25 per cent lower than a year ago. Notwithstanding a sharp advance during October, wholesale prices of eggs at San Francisco were 24 per cent lower on November 1 than a year earlier. On the later date storage holdings were three per cent greater than on November 1, 1929.

Livestock generally are in better flesh than a year ago. Range forage is plentiful except in some small areas of the three Pacific Coast states and the supply of hay and grain is adequate for necessary supplemental feeding during the forthcoming winter months. The volume of lambs and sheep marketed during August, September, and October at eight principal markets of the District was two per cent greater than in the same months of 1929, but cattle receipts at those markets were seven per cent smaller than last year.

## Industry

Industrial activity in the Twelfth District declined in October to the lowest levels since the autumn of 1922. After allowance for seasonal movements, decreases in activity were apparent in practically all industries for which data are available. Declines were moderate in most cases, but the value of building permits issued and construction contracts awarded showed a sharp non-seasonal reduction.

The rather difficult unemployment situation was alleviated to some extent during October

by moderate increases in the number of employees in the coal and beet sugar industries of Utah, and by a greater demand for cotton pickers in Arizona. These more favorable factors were more than offset, however, by seasonal declines in the number of workers employed in the fruit and salmon packing industries of the Pacific Northwest and by the declining activity of the lumber, petroleum, and copper mining industries, all of which combined to prevent any noticeable improvement of employment conditions during the month.

The petroleum industry continued to become less active during October. Daily average production of crude oil in California was smaller than in any month since February, 1923, a reduction in output being recorded notwithstanding increased activity in the new Playa del Rey field which is developing a greater potential production than was at first expected. A slight expansion of operations at petroleum refineries was accompanied by a substantial decline in shipments of gasoline from the Pacific Coast of the United States (such shipments have been falling off quite rapidly for several months), causing a sharp increase in California stocks of gasoline toward the end of the month. Stocks of crude oil decreased slightly as compared with September.

Production of lumber declined in October, although by a smaller amount than in any of the preceding six months. The decline was chiefly in the Douglas Fir and Western Pine producing areas of the Pacific Northwest. Orders were also smaller than in September, with the result that stocks of lumber as reported by the larger associations changed little during the month.

## Industry—

Indexes of daily average production, adjusted for seasonal variations (1923-1925 daily average = 100)	1930			1929
	Oct.	Sept.	Aug.	Oct.
<b>General:</b>				
Carloadings—Industrial .....	72	74	72	106
Electric Power Production .....	..	163	164	163
<b>Manufactures:</b>				
Lumber .....	67	70	75	103
Refined Mineral Oils† .....	170	168	172	215
Flour .....	106	112	127	108
Slaughter of Livestock .....	86	87	82	89
Cement .....	95	83	93	102
Wool Consumption† .....	..	84	85	105
<b>Minerals:</b>				
Petroleum (California)† .....	89	91	92	132
Copper (United States)† .....	83	89	85	123
Lead (United States)† .....	..	..	99	115
Silver (United States)† .....	71	72	69	92
<b>Building and Construction:§</b>				
Total .....	69	78	73	71
Value of Building Permits				
Twenty Larger Cities .....	49	51	46	60
Seventy Smaller Cities .....	58	61	63	82
Value of Engineering Contracts				
Awarded				
Total .....	124	144	144	111
Excluding Buildings .....	140	183	173	116

†Not adjusted for seasonal variations. ‡Prepared by Federal Reserve Board. §Indexes are for three months ending with the month indicated.

## Employment—

Industries	California			Oregon		
	No. of Firms	No. of Employees Oct., 1930	Oct., 1929	No. of Firms	No. of Employees Oct., 1930	Oct., 1929
<b>All Industries* . . . .</b>	<b>810</b>	<b>149,401</b>	<b>183,798</b>	<b>141</b>	<b>23,624</b>	<b>29,834</b>
Stone, Clay and Glass Products.	49	6,211 (-20.8)	7,838	3	190 (79.2)	106
Lumber and Wood Manufactures ..	117	19,558 (-22.7)	25,293	50	11,580 (-28.0)	16,092
Textiles .....	18	2,289 (-5.3)	2,418	9	1,399 (-31.3)	2,035
Clothing, Millinery and Laundering	76	8,244 (-9.5)	9,105	9‡	457 (-8.0)	497
Food, Beverages, and Tobacco...	178	37,325 (-4.2)	38,960	42	4,703 (-15.2)	5,547
Public Utilities ..	31	53,756 (-6.4)	57,428	..	..	..
Other Industries†.	345	69,193 (-20.9)	87,448	..	..	..
Miscellaneous ...	27	6,581 (-48.3)	12,736	28	5,295 (-4.7)	5,557
Wholesale and Retail .....	104	31,011 (-3.0)	31,963	..	..	..

\*Public utilities and wholesale and retail figures not included in this total. ‡Laundry only. †Includes the following industries: metals, machinery and conveyances; leather and rubber goods; chemicals, oils and paints; printing and paper goods. Figures in parentheses indicate percentage changes from October, 1929.

The value of building permits issued and construction contracts awarded, which had been increasing for several months, declined during October. This movement was contrary to the usual increase during that month and caused this Bank's seasonally adjusted index of building and construction to drop sharply. The value of building permits issued in eighty cities of the District was 29 per cent smaller than in October, 1929, and 15 per cent smaller than in September of this year. These decreases were largely accounted for by sharp declines in Portland, in central California cities other than San Francisco, and in most southern California cities. In Seattle, San Francisco, and Long Beach the value of permits issued compared favorably with both September, 1930, and October, 1929. Total engineering contracts awarded also were smaller in value than in the previous month, notwithstanding marked increases in the value of contracts for water works, streets and roads, and industrial buildings.

Output of the copper mines of the District was reduced considerably during October, but, as in preceding months, sales of refined copper were relatively small in volume and stocks rose to a level slightly higher than was reported at any time during 1921. Early in November, following a conference of the leading producers of copper, an announcement was made of intentions to effect further curtailment of approximately 20,000 tons a month in world output of that metal, an amount corresponding roughly to the average monthly increase in stocks during the last half year. After this announcement and partly as a result of an anticipated restriction of output, the price of copper advanced from  $9\frac{1}{2}$  to 12 cents per pound, delivered Connecticut Valley, during the three days preceding November 15, but sales at that level are reported to have been negligible and prices have since declined.

Production of flour did not increase by the full seasonal amount during October. As in each of the two preceding months, however, output coincided closely in volume with that of the corresponding month of 1929.

## Trade

Allowing for ordinary seasonal tendencies, distribution of goods in the Twelfth District declined slightly during October. Department store sales increased by less than the customary September-October amount and registrations of new automobiles decreased markedly whereas there has usually been a small increase in registrations during October. The movement of freight on District railroads expanded as much as is usual in October and sales of wholesalers showed about the same advance in rela-

tion to September as the average increase of the preceding three years. Waterborne commerce between the Pacific and Atlantic coasts was somewhat greater than in either August or September. According to reports from the California State Labor Department, the number of employees in wholesale and retail establishments in California was three per cent less in October, 1930, than in October, 1929.

	RETAIL TRADE—Twelfth District		STOCK*
	NET SALES*		
	Oct., 1930 compared with Oct., 1929	Jan. 1 to Oct. 31, 1930 compared with Jan. 1 to Oct. 31, 1929	
Department Stores†..	8.4 ( 67)	4.7 ( 65)	10.2 (49)
Apparel Stores.....	11.8 ( 30)	9.0 ( 29)	8.5 (20)
Furniture Stores.....	18.7 ( 42)	14.2 ( 42)	8.3 (29)
All Stores.....	10.1 (139)	6.4 (136)	9.8 (98)

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

Daily average sales of department stores were the same in October as in September and this Bank's seasonally adjusted index declined to 112 (1923-1925 = 100) the lowest level reached by that index since June, 1926. Sales of stores in Oakland, San Francisco, and Salt Lake City failed by a considerable amount to attain seasonal expectations during October, while greater than seasonal increases were recorded for Los Angeles and Seattle. Inventories of department stores increased more than seasonally as compared with September, although they were ten per cent lower in value than in October, 1929. The rate of stock turnover was slightly higher than in October last year. During the past five months collections on charge accounts in department, apparel, and furniture stores have been slower than at any time during the past three years, and, although the rate of collections improved seasonally during October, it was still slower than in any October since 1927. Collections of department stores have held up relatively better on installment accounts than on regular charge accounts. Installment collections of furniture stores have been slower during most of this year, particularly since June, than in 1929.

Not since 1922 has the aggregate value of wholesale trade in this District, as indicated by reports from 221 firms in ten lines of business, been so small as it has been during 1930. In October, declines in each of the lines for which data are received were large in relation to October, 1929, but total sales advanced somewhat in comparison with September, 1930. As in most previous months of this year, the value of sales of grocery houses compared more favorably with 1929 than did sales in other lines, but even in this line of trade the decline over the year period (ten per cent) was greater than in any month since November, 1926. Sales of other lines were from 12 to 33 per cent smaller in value than in October, 1929.

District freight **carloadings** increased by the full seasonal amount during October. Merchandise and miscellaneous loadings advanced more than seasonally, almost entirely as a result of large shipments of grapes from California and apples from the Pacific Northwest. Both of these fruits were moved in greater volume than in October, 1929. Daily average carloadings for the total of all classifications other than merchandise and miscellaneous remained unchanged from September, although there is ordinarily a slight seasonal increase in October.

**Intercoastal** shipments through the Panama Canal have averaged about the same during recent months as in the first half of this year. A large decline in traffic as compared with last year was chiefly the result of marked decreases in lumber and petroleum shipments from the Pacific Coast. Since March, the eastbound movement of commodities other than lumber and petroleum has been almost consistently higher than a year ago and tonnage of canned goods, copper, paper and paper pulp, wool, cotton, and silk was greater during the first nine months of this year than in the first nine months of 1929. In contrast with greatly reduced imports of silk at Pacific Coast ports, the eastbound movement of that commodity in the intercoastal trade has been twice as large as in 1929. Such shipments are still relatively small, although they have been increasing for several years. The movement of goods from the east coast was larger in October than in September. Westbound shipments thus far during 1930 have been considerably below those of 1929, largely because of smaller movements of

iron and steel manufactures, machinery, and textiles.

**Exports** of commodities from Pacific Coast ports increased more than seasonally during August, although their value remained well below that of exports in August, 1929, during which month the figures were, however, higher than in any other August on record. Shipments to the Orient decreased considerably as compared with last year. Exports to the United Kingdom, France, and Germany were larger during August than in July. Exports to France were almost twice as large in value during August, 1930, as in August, 1929. Total imports increased more than seasonally during August due chiefly to larger receipts from the Orient.

### Prices

Commodity prices at wholesale, after recovering somewhat from September declines during the first two weeks in October, moved downward again in the second half of the month and in early November. Considering the entire month of October, the United States Bureau of Labor Statistics' index of wholesale commodity prices decreased 1.7 points to 82.6 (1926 = 100) at which level it was lower than at any time since May, 1916, and was 14.2 per cent under the level of October, 1929. Lower

### Distribution and Trade—

	1930			1929 Oct.
	Oct.	Sept.	Aug.	
<b>Foreign Trade*</b>	Index Numbers*			
Total†	..	..	..	138
Imports†	..	..	..	133
Exports	..	..	119	141
<b>Intercoastal Trade*</b>				
Total	85	85	85	105
Westbound	113	109	110	147
Eastbound	77	78	77	93
<b>Carloadings‡</b>				
Total	91	91	95	109
Merchandise and Miscellaneous...	107	105	109	116
<b>Retail Trade</b>				
Automobile Sales‡				
Total	77	97	86	134
Passenger Cars	70	89	82	128
Commercial Vehicles	156	182	136	190
<b>Department Store</b>				
Sales‡	112	115	116	121½
Stocks‡	105	103	103	115½
	Actual Figures			
Stock Turnover	.27	.26	.26	.26
<b>Collections#</b>				
Regular	46.1	42.8	41.5	48.3
Installment	16.7	15.7	15.4	16.5

\*Adjusted for seasonal variations, 1923-1925 average=100. \*Indexes are for three months ending with month indicated. †Excluding raw silk. ‡Daily average. §At end of month. ||Proportion of average stocks sold during month. #Per cent of collections during month to amount outstanding at first of month. ¶Revised.

### Bank Debits\*—

	October, 1930	October, 1929	First Ten Months 1930	First Ten Months 1929
<b>Arizona</b>				
Phoenix .....	\$ 35,960	\$ 45,419	\$ 366,761	\$ 429,834
<b>California</b>				
Bakersfield .....	13,424	16,618	128,593	141,621
Berkeley .....	19,998	22,362	197,744	212,239
Fresno .....	32,309	37,845	330,855	326,840
Long Beach ...	47,874	63,069	487,411	633,019
Los Angeles ...	1,023,893	1,360,297	10,238,614	12,283,747
Oakland .....	204,067	245,004	1,915,974	2,382,399
Pasadena .....	32,164	42,621	342,536	410,166
Sacramento ...	52,639	56,191	491,653	518,222
San Bernardino..	9,569	12,624	103,494	114,033
San Diego .....	50,591	64,795	554,209	645,296
San Francisco... 1,275,269	1,859,568	12,744,187	14,232,276	
San Jose .....	31,774	42,583	278,722	311,446
Santa Barbara..	16,349	19,694	156,491	171,923
Stockton .....	21,380	31,470	245,169	287,687
<b>Idaho</b>				
Boise .....	17,259	19,644	144,421	154,954
<b>Nevada</b>				
Reno .....	11,124	14,496	112,890	129,144
<b>Oregon</b>				
Eugene .....	7,071	8,882	69,230	79,451
Portland .....	183,625	218,971	1,766,800	1,962,503
<b>Utah</b>				
Ogden .....	21,767	25,711	180,290	193,786
Salt Lake City..	74,979	94,588	728,796	821,825
<b>Washington</b>				
Bellingham ....	9,155	10,671	93,286	106,806
Everett .....	11,401	13,737	126,410	142,119
Seattle .....	243,554	329,448	2,378,098	2,757,856
Spokane .....	50,463	71,854	521,440	618,638
Tacoma .....	41,549	55,991	447,692	509,565
Yakima .....	19,143	22,093	145,272	149,057
<b>Total</b> .....	\$3,558,350	\$4,806,246	\$35,297,038	\$40,726,452

\* In thousands of dollars.

retail food prices and reduced living costs generally during October appear to have practically offset the advances which had occurred in prices to consumers during September.

The October and early November declines carried prices for several commodities to the lowest figures in many years. Among the low prices of greatest direct or indirect importance to this District were those of wheat, cotton, silk, sugar, wool, copper, lead, and zinc. More recently prices for most of these commodities have been firmer.

Wheat prices continued the irregular downward course of the past year during October and early November. December futures at Chicago were quoted at a low of 69¾ cents per bushel on November 10, approximately 14 cents less than the October high. Substantial shipments from the Pacific Northwest effected a steady decline in Twelfth District visible stocks (which are of but minor importance as price determining factors in world markets) during October, a movement in contrast with the increases being recorded elsewhere in the United States.

Prices received for the small 1930 citrus fruit crop have been satisfactory to growers, a condition quite different from that prevailing in deciduous fruit markets in which large crops were accompanied by unusually low prices for the season. Opening prices for this year's walnut crop, which is rather small but of good quality, were somewhat higher than those quoted in 1929. Prices for the large almond crop have been only about half as high this year as last.

Mixed tendencies were evident in District livestock markets during October. Early in the month, cattle, hogs, and lambs were quoted at the lowest prices of the past year. Cattle and lamb prices moved upward slightly during later weeks, however, while hog prices continued to decline.

Quotations for copper decreased one cent during October to the extremely low price of 9½ cents per pound (Connecticut Valley) on October 23. Shortly thereafter indications that a program including world-wide curtailment of production would be put into operation had a favorable effect on the copper market and prices advanced to 10 cents on November 12, later (November 14) reaching 12 cents per pound. Reports indicate that practically no sales were made at the 12-cent level, however, and, although quotations remained unchanged, copper was available at prices ranging down to 10½ cents per pound.

Average lumber prices showed practically no change between September and October. This was the first time since February that prices for this product had not declined substantially.

## Credit Situation

Comparability of the figures of reporting member banks has been affected to some degree by the recent merger of two large institutions. The significance of changes in the credit situation during the past month is, therefore, to be found more in their qualitative than in their quantitative character. Total loans of reporting banks declined slightly during the five weeks ended November 19 entirely as a result of reductions in loans on securities, "all other" (commercial) loans having increased for the first time since June when this year's rapid decline was temporarily halted; total deposits did not change; investments increased further;

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

	Condition			
	Nov. 19, 1930	Nov. 12, 1930	Oct. 15, 1930	Nov. 20, 1929
Loans and Investments—Total..	1,989	1,994	1,978	1,954
Loans—Total .....	1,336	1,345	1,342	1,402
On Securities .....	437	444	452	426
All Other .....	899	901	890	976
Investments—Total .....	653	649	636	552
United States Securities.....	338	335	339	309
Other Securities .....	315	314	297	243
Reserve with Reserve Bank.....	110	110	110	107
Net Demand Deposits .....	759	779	757	785
Time Deposits .....	1,015	1,027	1,016	924
Due from Banks .....	213	219	228	157
Due to Banks .....	277	309	300	186
Borrowings at Reserve Bank....	1	2	0	108

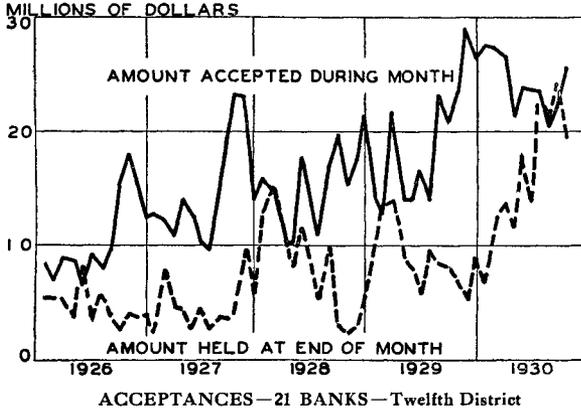
interest rates for the more mobile funds such as excess reserves transferred from eastern money markets stiffened noticeably; and borrowings from the Federal Reserve Bank of San Francisco continued at low average levels, but showed sharp, temporary, upward movements on some days when "Federal" funds or excess reserves were not readily available in eastern money markets. Security loans to customers in the Twelfth District increased substantially, the reduction in total security loans of reporting banks being accomplished by withdrawing loans from the New York market. These factors, including particularly the withdrawal of loans from New York, the use of relatively large amounts of "Federal" funds, and the occasional sharp increase in borrowings from the Reserve Bank, reflected a greater demand for funds in this District and a slight firming of the credit situation.

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

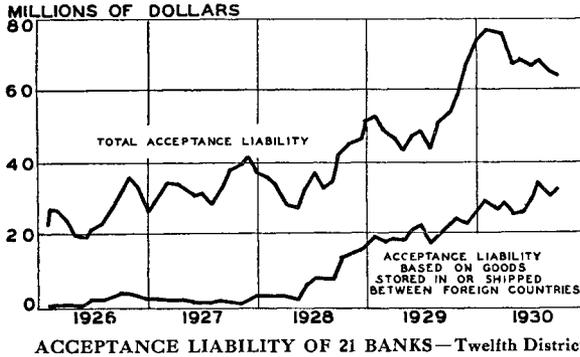
	Condition			
	Nov. 19, 1930	Nov. 12, 1930	Oct. 15, 1930	Nov. 20, 1929
Total Bills and Securities.....	75	75	69	160
Bills Discounted .....	6	6	6	116
Bills Bought .....	28	30	24	32
United States Securities.....	41	39	39	12
Total Reserves .....	299	299	290	227
Total Deposits .....	202	197	183	187
Federal Reserve Notes in Circulation .....	152	156	157	183
Ratio of Total Reserves to Deposit and Note Liabilities Combined .....	84.4	84.5	85.2	61.5

Despite some decline in the amount of currency in circulation with its accompanying tendency to increase deposits, the volume of credit in use in the Twelfth District increased

slightly during the past five weeks. The Reserve Bank contributed to this increase by adding moderately to its holdings of locally purchased acceptances, the volume of which averaged higher during the first three weeks of November than in any recent month. The average of member bank borrowings at that Bank also increased slightly during November.



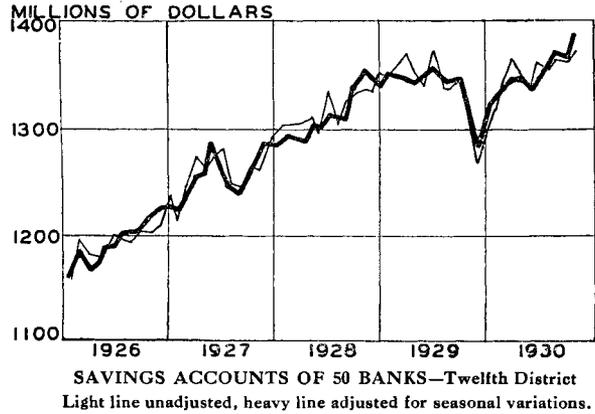
The acceptance holdings of city banks in the Twelfth District have grown rapidly since the first of this year. Most of the additional volume has been acquired through the execution of acceptances for foreign account, bringing the proportion of such acceptances to higher levels than had previously been customary. Prior to the spring of 1928 accepting banks in the Twelfth District confined their acceptance business almost entirely to import, export and domestic transactions. Since that time, however, the proportion of acceptances based upon goods stored in or being shipped between foreign countries has risen steadily.



As is usual during the first part of a recession or depression in business, savings accounts decreased rapidly between September and November last year. Since November, 1929, however, there has been a rapid growth in the volume of savings deposits, which now stand at record levels according to the reports of fifty

banks in this District whose figures are shown in the chart below.

Shipments of gold from Japan were large during the first six months of this year but were small from June to mid-October because the yen had advanced to a point where there was little or no profit in such shipments. Although the value of the yen did not depreciate during the latter half of October and the first two weeks of November, 25 million dollars in gold arrived from Japan during that four-week period and was deposited in the Federal Reserve Bank of San Francisco. These imports consisted of United States gold coins which, if of standard weight, are not subject to melting, bar, and assay charges as are imports of bullion and foreign gold coin. Credits resulting from the transactions were transferred to eastern cities.



Interest rates generally continue at low levels. Between mid-October and mid-November, however, rates for commercial loans were advanced slightly, while rates charged for security loans were reduced somewhat. Rates charged customers by members of stock exchanges in the District remained unusually low. At the same time the New York rate on "Federal" funds, or member bank balances at Federal reserve banks in excess of reserve requirements, which had been as low as 1/4 of one per cent early in October, rose to 1 1/4 to 1 1/2 per cent early in November. As explained in previous numbers of this Review, the difference in time between the Pacific and Atlantic Coasts encourages the use of these and similar funds by Pacific Coast banks on a day to day basis.

The volume of trading on stock exchanges of the District was greater in October than in September. The value of shares traded did not increase in the same proportion as did their volume, however, because of substantial declines in securities prices, which averaged lower at the end of October than at any time in the past year.

The mailing list for the Monthly Review is being revised. Persons who wish to continue receiving the Review should return the accompanying card by January 10, 1931.