

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. 12

SUMMARY OF NATIONAL CONDITIONS

Prepared by the Federal Reserve Board

Volume of industrial production and factory employment decreased further in November and wholesale commodity prices continued to decline. Distribution of commodities by department stores increased less than is usual for November.

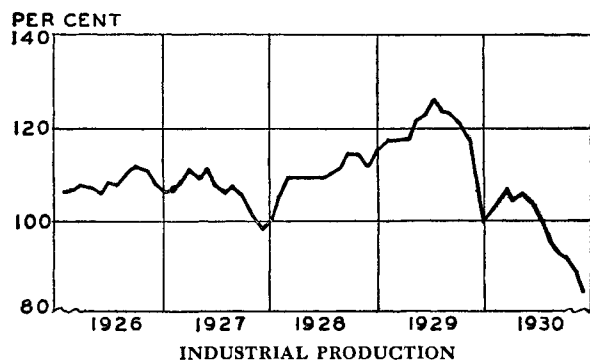
Production and Employment. Industrial production declined about 4 per cent in November according to the Federal Reserve Board's seasonally adjusted index. Output of iron and steel decreased further, while the number of automobiles produced per working day continued at a low level. Daily average cotton consumption increased further by somewhat more than the usual seasonal amount and activity at silk mills continued to increase, while wool consumption decreased by an amount substantially larger than is usual in November. Production at cement mills was reduced considerably, daily output at meat packing establishments increased less than the usual seasonal amount, and output of minerals declined. Factory employment and payrolls showed decreases in November, reflecting in part changes of a seasonal character. The number employed in the clothing and shoe industries decreased by more than the usual amount, while employment at silk mills showed an increase contrary to the ordinary seasonal movement. In the industries producing building materials, including lumber, cement, and brick, declines in employment exceeded the usual seasonal proportions. In

the automobile industry, employment declined further, but by an amount considerably smaller than is usual in November.

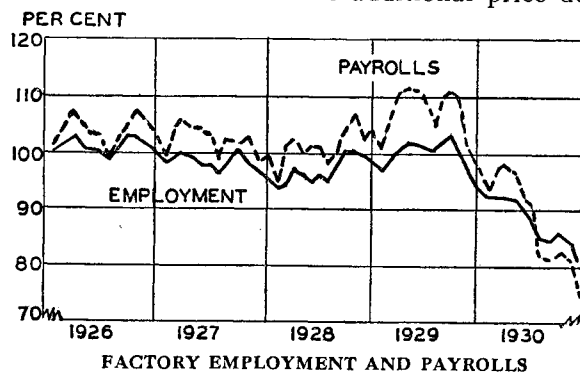
Value of contracts awarded for residential building and for public works and utilities, as reported by the F. W. Dodge Corporation, declined in November, and contracts for commercial and industrial building continued at the low levels of other recent months. In the first two weeks of December the daily average of total contracts awarded was somewhat smaller than in November. According to the December crop report of the Department of Agriculture, output of corn in 1930 was 2,081 million bushels, about 500 million less than last year, and 600 million less than the five-year average, while the total wheat crop of 851 million bushels was about equal to the 1924-1928 average. The cotton crop of 14,243,000 bales was slightly smaller than in the two previous seasons. Total crop production was about 5 per cent smaller than a year ago.

Distribution. Freight carloadings decreased further in November by more than the ordinary seasonal amount. Expansion of department store sales from October to November was smaller than usual, following a growth in October that was larger than usual.

Wholesale Prices. The general level of wholesale commodity prices declined further in November according to the Bureau of Labor Statistics and there were additional price de-

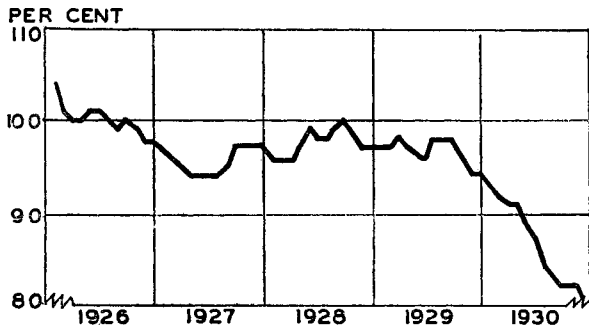


Index number of production of manufactures and minerals combined, adjusted for seasonal variations (1923-1925 average=100). Latest figure, November, 84.



Index numbers of factory employment and payrolls, without adjustment for seasonal variations (1923-1925 average=100). Latest figures, November, employment 81.1, payrolls 75.1.

clines in the first half of December, when several commodities, including silver and cotton, reached new low levels. From the end of October to the middle of December there were substantial decreases in prices of many other commodities, including corn, hogs, pork, hides, tin, and coffee, while prices of copper and rubber fluctuated widely, declining at the end of the period.



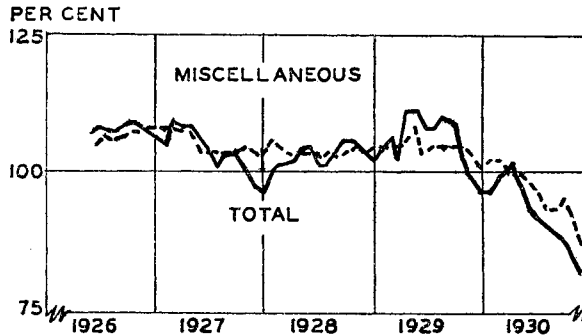
WHOLESALE PRICES

Indexes of United States Bureau of Labor Statistics (1926=100, base adopted by Bureau). Latest figure, November, 80.4.

Bank Credit. Loans and investments of reporting member banks in leading cities declined by about \$250,000,000 during the three-week period ending December 10, reflecting a further reduction of \$69,000,000 in loans on securities and a decline of \$196,000,000 in all other loans, offset in part by a further small increase in investments. There was also a decline in time deposits, reflecting in large part withdrawal of Christmas funds. In the following week, December 10 to December 17, changes in the figures for reporting banks reflected in part the closing of a large reporting bank in New York City. This resulted in a decline in the reported assets and liabilities of New York City banks.

Reserve bank credit outstanding increased by about \$294,000,000 during the four weeks

ending December 17, and there was also an addition of \$30,000,000 to the country's stock of gold. Discounts for member banks increased by \$126,000,000, acceptance holdings of the reserve banks by \$74,000,000 and their holdings of United States securities, including one day Treasury certificates issued in connection with the December 15 fiscal operations, by \$96,000,000. The increase in reserve bank credit out-



RAILROAD FREIGHT - CARLOADINGS

Cars of revenue freight loaded as reported by the American Railway Association. Index numbers adjusted for seasonal variations, (1923-1925 average = 100). Latest figures, November, total 82, miscellaneous 88.

standing reflected a large growth in the demand for currency by the public and by banks, resulting in part from the currency requirements for the holiday trade, and in part from demand for cash from banks and from the public in regions where important bank failures occurred during the period. During November and the first two weeks of December money rates continued fairly steady at extremely low levels, with prime commercial paper at a range of $2\frac{3}{4}$ to 3 per cent and bankers' acceptances at $1\frac{7}{8}$ per cent. In the third week of December there was a slight increase in rates for call and time loans on the New York Stock Exchange. The yields on high-grade bonds increased during the latter part of the period.

TWELFTH FEDERAL RESERVE DISTRICT CONDITIONS

Business activity in the Twelfth District continued to decline in its most important phases during November, even after allowance for the usual slowing down at this time of year. There was more or less slackening in nearly all instances in the selling and transporting of commodities; industrial operations were further curtailed; and prices for many of the District's products moved to still lower levels.

No significant changes took place in the agricultural situation during November, and it is now practically certain that production of farm products has been greater, but that aggregate returns will be substantially less this year than in 1929. The marketing of many crops has been completed and the movement of those crops which are still being distributed was

somewhat smaller in November than in October. Wheat and barley shipments from ports of the District were less than in October. In the case of wheat this was partly because foreign prices were several cents per bushel below domestic quotations. The low barley prices have tended to increase the use of that grain for the feeding of livestock on farms. Unfavorable conditions prevailed in the marketing of dairy and poultry products during November, particularly in the case of the poultry industry, which was confronted with sharp declines in egg prices in late November and early December.

Industrial activity declined more than seasonally during November. Reductions in output were shown in all of the important industries

for which data are available, except petroleum. In that industry there were slight increases in output of both crude and refined oils. Stocks of both refined petroleum products and crude oil also increased somewhat during the month. Lumber production was sharply reduced and moderately less copper was mined. Inventories of these products, however, have not declined commensurately with output. There was a greater than usual decline in building and construction during November. The value of engineering contracts awarded was less than in October and there was a marked falling off in the value of building permits issued, due to declines in California cities.

Accompanying the decline in industrial production, unemployment increased substantially during November. Reports of the number of workers employed in California and Oregon show greater declines as compared with the previous year than in any other month during the seven years that such data have been collected.

Department store sales fell one per cent short of the normal October-November increase. Wholesale trade for the month was 22 per cent below its value in November, 1929, while cumulative sales at wholesale for 1930 were at the lowest level since 1921. New automobile registrations were less than in any November in the past nine years and considerably below those of October, 1930, or November, 1929. Intercoastal shipments decreased more than usual between October and November.

Excepting one week late in November, wholesale commodity prices have generally moved to lower levels during the past six weeks. Since mid-November wheat prices have advanced, but prices of copper, silver, cotton, and of many other commodities have declined. There was a substantial reduction in retail prices of food during the month.

Loans, investments, and deposits of reporting member banks varied little during the four weeks ending December 17. Interest rates remained unchanged at the low figures of preceding weeks. Currency circulation expanded seasonally. Additional funds for the District were provided by the allotment of 35 million dollars of Treasury certificates to member banks on December 10. The volume of credit extended by the Federal Reserve Bank of San Francisco has increased sharply during recent weeks and that Bank's current holdings of locally purchased acceptances and of rediscounts for member banks are higher than at any time since the spring of this year.

Agriculture

Aside from some marketing of farm products and the feeding of livestock there was little agricultural activity in the Twelfth District

during November. No changes of any importance were made in the estimates of the 1930 crop output which was larger than that of 1929. Livestock on winter ranges were in satisfactory condition and sufficient supplies of range feed and supplemental forage for their sustenance during forthcoming months were available.

Marketing of wheat in the Pacific Northwest continued slowly during November, and exports from Puget Sound and Columbia River ports were 26 per cent smaller in volume than in November, 1929. From July 1 to December 1, 1930, shipments from these ports were 11 per cent smaller than during a similar period in 1929. Barley exports from San Francisco during the past five months have been 25 per cent lower than exports during the corresponding months of 1929. Low barley prices and reduced marketings have resulted in the use of more than the usual amount of that grain for feeding purposes in California.

Carlot shipments of grapes from California declined seasonally during late November, and on December 7 totaled 63,561 carloads for the 1930 marketing season, an increase of 7 per cent over the 59,156 carloads shipped during the 1929 season to December 8. The actual volume of fruit shipped, however, was probably no greater this year than last, since the minimum weight of a carload of grapes was 26,000 pounds in 1930 and 30,000 pounds in 1929. Grape prices declined throughout the 1930 marketing season. Price reductions were especially sharp in the later part of the season when prices were well below the levels of 1929. The heavy movement of grapes during October, a month in which the carlot shipments were 40 per cent greater than in October, 1929, contributed materially to the market reaction at the end of the shipping season. Apple shipments from the principal apple producing states of the Twelfth District—California, Idaho, Oregon, and Washington—were in large volume during November, and the season's shipments to December 7 were 35 per cent larger than in the corresponding period in 1929. These increased market movements as well as storage holdings of apples in the Yakima and Wenatchee Valleys in Washington, which were 32 per cent greater on December 1 than on the same date a year earlier, reflected the large 1930 apple crop in this area.

The 1930-1931 Navel orange crop in California was estimated to be 16,750,000 boxes on December 1, a 76 per cent increase over the 1929-1930 crop of 9,500,000 boxes. Shipments of 3,831 carloads during November were chiefly from central California and were slightly larger than the movement during November, 1929, (3,747 carloads). The price of oranges, f.o.b. California, declined during November, but at the end of that month prices were still approximately 35 per cent higher than a year earlier. The 1930-1931 lemon crop is estimated to be

5,626,000 boxes, compared with the crop of 4,908,000 boxes produced during the 1929-1930 season.

Production estimates for the principal **field crops**—hay, sugar beets, rice, cotton, hops, potatoes, and beans—were not changed during November. Production of each of these crops, excepting hops and sugar beets, is as great as or greater than it was in 1929.

The **poultry** and **dairy** industries of the District continued to be adversely affected during November by low market prices for their products. Accompanying a decline of 36 per cent in the price of Pacific Coast extras at New York City, egg prices at Pacific Coast markets declined sharply during late November and early December to levels which were 40 per cent below quotations of early December, 1929. On December 1, cold storage holdings of eggs at Pacific Coast markets were nearly twice as large as at the end of November, 1929. The price of butter did not change greatly during November, although it was well below the price a year ago. Storage holdings of butter at Pacific Coast centers continued large, however, and tended to prevent any improvement in butter prices.

The usable **range** area in the higher altitudes of the District was somewhat reduced by the snows of late November and early December. **Livestock** remain in relatively good condition, however, and the supply of feed, including range forage, hay and grains is ample for the winter months. Both ranges and livestock are in much better condition in California than they were last year at this time. Early estimates indicate that approximately the same number of cattle are being prepared for market in Twelfth District feedlots this winter as in the winter of

1929-1930, while the number of lambs being fed is somewhat greater. Receipts of sheep at the eight principal markets of the District for the year to December 1 were 5 per cent greater than in the same period in 1929. Cattle and hog receipts at these markets for the same period were 3 per cent and 9 per cent less, respectively, than in 1929.

Industry

Industrial activity in the Twelfth District continued to decline during November. Reductions in lumber output and in building activity were more marked than were declines in most other lines, but there were also decreases in flour milling and in meat packing, and fruit canning and packing declined seasonally. The only major field of productive activity to show an increase was the petroleum industry in California. Output of both crude and refined oils was slightly larger than in October.

The already large number of **unemployed** was substantially increased by the seasonal slowing down of such industries as the canning and preserving of fruits and vegetables and salmon packing, and the greater than seasonal declines in other forms of production. In the lumber industry most firms reported a decrease in the number of men employed or in the number of hours worked per week. A greater than seasonal decline during the month in building in California, in road construction (because of cold weather in the interior parts of the District), and in construction activity generally contributed to the seriousness of the unemployment situation.

Petroleum production and refining was almost the only industrial activity to increase

Industry—

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

General:	1930			1929 Nov
	Nov.	Oct.	Sept.	
Carloadings—Industrial	70	72	74	106
Electric Power Production .....	..	162	163	159
Manufactures:				
Lumber	63	67	70	103
Refined Mineral Oils† .....	..	170	168	196
Flour	96	106	112	104
Slaughter of Livestock	78	86	87	86
Cement	99	95	83	107
Wool Consumption‡ .....	..	89	84	83
Minerals:				
Petroleum (California)†	92	89	91	107
Copper (United States)‡	83	83	89	117
Lead (United States)‡ .....	..	..	..	113
Silver (United States)‡	76	71	72	110
Building and Construction§				
Total	63	69	78	70
Value of Building Permits				
Twenty Larger Cities	47	49	51	59
Seventy Smaller Cities	54	58	61	71
Value of Engineering Contracts				
Awarded				
Total	117	124	144	120
Excluding Buildings	115	140	183	98

†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 Nov., 1930	No. of Firms	No. of Employees Nov., 1929
All Industries*	854	144,812	135	20,727
		(-22.6)		(-19.1)
Stone, Clay and Glass Products..	47	5,453	3	190
		(-28.7)		(16.1)
Lumber and Wood Manufactures ..	118	18,668	47	10,651
		(-21.6)		(-26.0)
Textiles	18	2,246	9	1,257
		(-7.2)		(-35.6)
Clothing, Millinery and Laundering.	80	7,963	8‡	381
		(-11.4)		(-8.2)
Food, Beverages, and Tobacco...	185	29,301	40	3,255
		(-12.6)		(-1.7)
Public Utilities ..	22	56,495	..	..
		(-6.5)		..
Other Industries†.	379	75,510	..	..
		(-23.9)		..
Miscellaneous ...	27	5,671	28	5,003
		(-50.8)		(-8.8)
Wholesale and Retail	111	32,296	..	..
		(-6.2)		..

*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 November, 1929.

during the month, and the added production in this instance did not improve the position of producers. Output of crude oil increased slightly, fluctuating around 600,000 barrels a day throughout the month. A larger quantity of petroleum was run to stills than in October, and the output of refined oils, particularly of gasoline, increased. The relatively large production of gasoline during the past year has been partly a result of the high proportion of gasoline obtained in the refining of exceptionally high gravity crude oil produced at certain California fields. Stocks of crude oil increased slightly, and stocks of California gasoline increased sharply during the last two weeks of November.

Lumber producers of the District continued to curtail output more than seasonally during November, and daily average production during that month, after due allowance for seasonal variations, was smaller than in any month since 1921. A number of firms have discontinued operations entirely or have reduced their working time substantially. The output of lumber was slightly larger during the month than were shipments and orders, but the difference was so small that stocks held by the West Coast Lumbermen's Association and the Western Pine Manufacturers' Association were practically unchanged.

Building and construction declined more than seasonally during November. The value of building permits issued in Seattle and Portland was substantially larger than in either October, 1930, or November, 1929, but these increases were more than offset by marked declines in California cities. Engineering contracts awarded during the three months ending with November were about the same in value as in the corresponding months of 1929, although construction in the last month was less active than in either October, 1930, or November, 1929. The value of awards for industrial buildings fell off during the month, and road building in the outlying sections has necessarily been reduced by the coming of severe winter weather. The value of contracts awarded for water works, drainage projects, and Federal government buildings remained at levels approximating those of October.

Further curtailment of copper production during November was of approximately seasonal proportions. The unsatisfactory conditions in the industry also discouraged new development work. Stocks of refined copper in North and South America continued to increase slightly during the month, but stocks of blister copper declined, showing that, as in the past several months, restriction has been relatively greater in copper mining than in refinery operations. Reflecting some anticipation of production declines and price increases, sales of copper during the first week or ten days of No-

vember were in substantial volume. After the price advance materialized, however, buying practically ceased and apparently had not been resumed, even on a moderate scale, up to mid-December. Stimulated by the declining level of commodity prices, gold mining and prospecting in Arizona, California, and Nevada continued to become more active during November.

Trade

The decline in trade activity, evident during most of the past year, continued during November. After allowance for seasonal movements, declines were recorded in sales of department stores and wholesale houses and in registrations of new automobiles. Shipments of commodities on the District's railroads and in the intercoastal trade through the Panama Canal were at relatively low levels.

RETAIL TRADE—Twelfth District

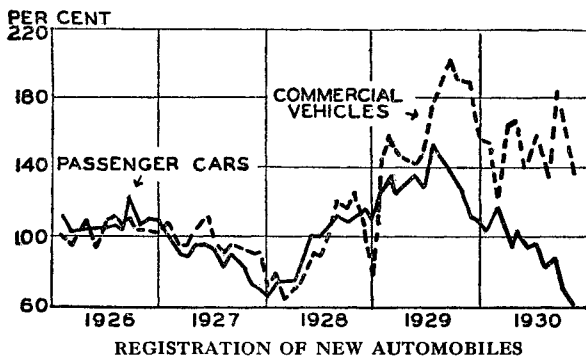
	NET SALES*		STOCK*
	Nov., 1930 compared with Nov., 1929	Jan. 1 to Nov. 30, 1930 compared with Jan. 1 to Nov. 30, 1929	
Department Stores†	—13.2 (67)	— 5.6 (64)	—11.5 (52)
Apparel Stores	—16.0 (28)	— 9.5 (28)	—10.0 (17)
Furniture Stores	—23.1 (41)	—15.4 (37)	— 9.6 (29)
All Stores	—14.7 (136)	— 7.2 (129)	—11.1 (98)

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

A further decline in retail trade, as indicated by reports from most of the department stores in the District, resulted in the smallest daily average value of sales for any November since 1925. The decline in sales as compared with November last year was accentuated by the fact that retail prices are now somewhat lower than a year ago. Decreases in sales over the year period were general throughout the District. The proportion of sales made on credit was practically the same in November as in October although the ratio of credit sales to total sales was 2 per cent above that ratio for November, 1929. Notwithstanding substantially smaller aggregate sales, the amounts receivable on regular charge and installment accounts increased during the first ten months of 1930 as compared with the same period in 1929. During recent months, however, the increases have not been so large as those prevailing during the first part of this year, and at the end of November regular accounts receivable were for the first time in 1930 slightly smaller in volume than a year earlier. The increases in installment accounts have been relatively larger during most months of the year than have increases in regular accounts.

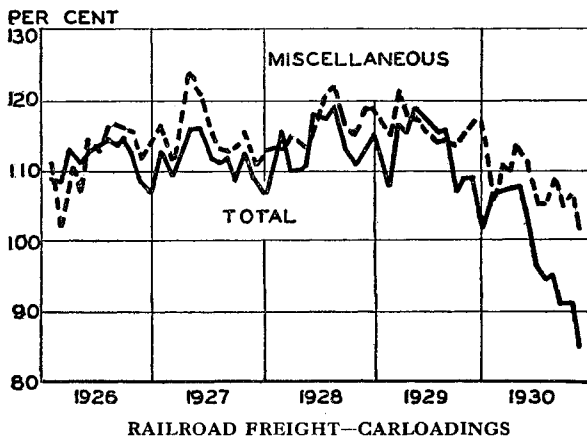
During November, for the thirteenth consecutive month, value of wholesale trade was lower than in the corresponding month a year earlier. The November decline in sales (22 per cent), as recorded in the figures of wholesale trade re-

ported to this Bank, was the largest year-to-year decline in the past nine years. The drop of 15 per cent in average wholesale commodity prices since November, 1929, accounted for a portion of the decline in value of sales of reporting firms.



Indexes of daily average registrations of new passenger and commercial motor vehicles in the Twelfth District, adjusted for seasonal variations (1923-1925 daily average=100).

Registrations of new passenger automobiles were smaller in number during November (usually a dull month for sales of new cars) than in any month since early in 1922, excepting only December, 1927. The number of new passenger vehicles registered was 30 per cent less than in October, 1930, and 47 per cent below registrations during November, 1929, while sales of new trucks declined by a greater amount than is usual from October to November and were 22 per cent below the November, 1929, level. Throughout the greater part of 1930 sales of higher priced cars have been exceptionally small.



Cars of revenue freight loaded in the Twelfth District as reported by the American Railway Association. Index numbers adjusted for seasonal variations, (1923-1925 daily average=100).

The number of cars of freight loaded on District railroads declined by a somewhat greater amount than has been usual between October and November. Distribution of commodities by rail during the first eleven months of this year was 16 per cent lower than in the same period in 1929 and was smaller in volume than in any year since 1924. November loadings of

merchandise and miscellaneous articles were substantially less than were similar loadings during October, and shipments of forest products from the Pacific Northwest continued extremely low.

Movement of goods in the intercoastal trade during November declined both in relation to October, 1930, and November, 1929. Shipments from the Pacific Coast were not greatly reduced, due to moderately large loadings of lumber and petroleum, although the tonnage of general cargo decreased sharply to levels well below the November average of recent years. Westbound shipments declined more than seasonally, and tonnage was the smallest for any month since January, 1928.

Prices

Excepting a slight rise during the week of November 28, wholesale prices have, during the past six weeks, continued to show the marked weakness that has been generally characteristic of this phase of business for more than a year. The Bureau of Labor Statistics' index declined sharply from the preceding month in November. At 80.4 for November (1926 = 100) that index was 2.7 per cent under the October figure, 14.8 per cent lower than in November, 1929, and but 15 per cent above its 1913 average. Raw materials and finished goods prices declined substantially, but prices of those commodities in the intermediate stages of production increased fractionally for the first time since October, 1929. The retail food price index of the Bureau of Labor Statistics and indexes of the cost of living declined during November, indicating that commodity prices at retail also declined during that month.

Distribution and Trade

	1930			1929
	Nov.	Oct.	Sept.	Nov.
Foreign Trade*	Index Numbers*			
Total†	..	..	..	126
Imports‡	..	..	..	122
Exports	..	101	109	141
Intercoastal Trade*	88	85	85	108
Total	109	113	109	146
Westbound	82	77	78	97
Carloadings‡	85	91	91	109
Total	101	107	105	118
Retail Trade	Actual Figures			
Automobile Sales‡				
Total	67	77	97	119
Passenger Cars	60	70	89	113
Commercial Vehicles	148	156	182	190‡
Department Store	111	112	115	122‡
Sales‡	103	106‡	103	115‡
Stocks‡				
Stock Turnover||	.24	.27	.26	.25
Collections#				
Regular	43.1	46.1	42.8	45.2
Installment	15.4	16.7	15.7	14.6

*Adjusted for seasonal variations, 1923-1925 average=100. *Indexes are for three months ending with the 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.

Wheat prices fluctuated considerably in November. The price for December wheat at Chicago, after declining irregularly for several months, reached the record low of 69¾ cents per bushel on November 10. At this level the Federal Farm Board entered the market on a large scale and domestic quotations rose notwithstanding continued price declines at markets in other parts of the world. The resulting disparity between foreign and domestic wheat quotations has tended to restrict exports, a condition exemplified by the small shipments of this commodity from Pacific Coast ports since mid-November.

Cattle prices at District markets have advanced moderately since early November. Quotations for lambs, although averaging higher during November than in October, have tended slightly downward since mid-November. Hog prices continued the irregular down-trend begun in late September, but the decline from the corresponding period of 1929 has not been nearly so great as in quotations for other livestock. Following the advances recorded late in the past summer, quotations for agricultural products generally have declined rather sharply.

Alternate periods of strength and weakness characterized the copper market during November and early December. After announcement of plans for world-wide curtailment of production, copper prices rose from 9½ to 12 cents per pound (Connecticut Valley) during the second week in November, from which level they have since declined irregularly. On December 20 the delivered price was 10 cents per pound. During the first half of November sales

were relatively large, but since the 12 cent price was established marketing of the metal has been negligible. After several months of relative stability, quotations for silver resumed in early November, the decline of the autumn of 1929 and the spring of 1930, bringing the price to 31¼ cents per fine ounce on December 18, the lowest yet recorded.

Credit Situation

The changes of chief importance in the Twelfth District credit situation during the past four weeks include an increase in the volume of credit extended by the Federal Reserve Bank, the allotment to Twelfth District banks of 35 million dollars of Treasury certificates from an issue by the United States Treasurer, a sharp seasonal increase in money in circulation, and some decline in demand and time deposits of reporting member banks.

Credit extended by the Federal Reserve Bank of San Francisco increased by 46 million dollars during the four weeks ended December 17, a growth of 42 million dollars in discounts, 3 million dollars in locally purchased acceptances, and some slight expansion in holdings of acceptances and securities purchased outside the Twelfth District being the chief items entering into the increase.

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

	Condition			
	Dec. 17, 1930	Dec. 10, 1930	Nov. 19, 1930	Dec. 18, 1929
Total Bills and Securities.....	121	79	75	109
Bills Discounted	48	6	6	64
Bills Bought	33	33	28	31
United States Securities.....	40	40	41	14
Total Reserves	266	295	299	283
Total Deposits	194	196	202	183
Federal Reserve Notes in Circulation	175	157	152	190
Ratio of Total Reserves to Deposit and Note Liabilities Combined	72.2	83.7	84.4	75.9

Bank Debits*—

	November,		—First Eleven Months—	
	1930	1929	1930	1929
Arizona				
Phoenix	\$ 31,984	\$ 45,225	\$ 398,745	\$ 475,059
California				
Bakersfield	14,499	17,425	143,092	159,046
Berkeley	15,201	23,018	212,945	235,257
Fresno	34,120	48,826	364,975	375,666
Long Beach	40,928	59,195	528,339	692,214
Los Angeles	800,562	1,236,628	11,039,276	13,520,375
Oakland	176,709	226,337	2,094,683	2,608,736
Pasadena	28,632	41,055	371,168	451,221
Sacramento	43,373	53,632	535,026	571,854
San Bernardino	8,549	11,492	112,043	125,525
San Diego	45,300	64,618	599,509	709,914
San Francisco	1,098,177	1,453,056	13,842,364	15,685,332
San Jose	26,225	42,308	304,947	353,754
Santa Barbara	13,792	17,941	170,283	189,864
Stockton	18,971	28,683	264,140	316,370
Idaho				
Boise	14,268	18,288	158,689	173,242
Nevada				
Reno	9,976	14,022	122,866	143,166
Oregon				
Eugene	6,202	8,390	75,432	87,841
Portland	172,936	220,493	1,939,736	2,182,996
Utah				
Ogden	23,047	28,447	203,337	222,233
Salt Lake City	70,659	91,343	799,455	913,168
Washington				
Bellingham	7,285	9,903	100,571	116,709
Everett	9,486	13,078	135,896	155,197
Seattle	204,221	289,412	2,582,319	3,047,268
Spokane	41,244	59,976	562,684	678,614
Tacoma	39,175	50,588	486,867	560,153
Yakima	17,258	20,937	162,530	169,994
Total	\$3,014,879	\$4,194,316	\$38,311,917	\$44,920,768

*In thousands of dollars.

The volume of discounts averaged 17 million dollars during the first half of December, nine million dollars during November, and seven million dollars during October. Discounts were small in amount from the fifteenth to the twenty-fifth of November, but increased substantially at the month-end when day-to-day transfers of "Federal funds" from eastern markets to Twelfth District banks were greatly restricted in volume. In mid-December, after a few days of relatively little borrowing, rather large transfers of funds to the New York market were made by member banks and discounts again increased substantially. This enlarged volume of discounts was not accompanied by a corresponding increase in the number of borrowing banks—in fact fewer banks were accommodated during November and early December than in October. Reserve Bank holdings of locally purchased acceptances, the other item entering into the amount of credit advanced

directly by this Bank to the Twelfth District, have averaged 23 million dollars thus far during December, compared with an average of 20 million dollars for November and 14.5 million dollars for October. The volume of funds made available by the Federal Reserve Bank of San Francisco directly to money markets outside the Twelfth District as represented by that Bank's holdings of acceptances and securities purchased outside the District, changed little during the past month.

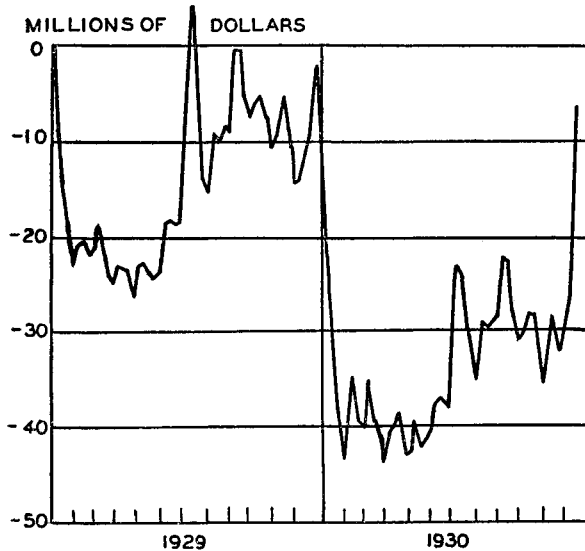
The allotment of approximately 35 million dollars of United States Treasury certificates of indebtedness to banks in this District on December 10 furnished additional funds to local money markets. Subscribing banks, as is usual, paid for most of these certificates by credit entries in their government deposits accounts, hence the purchase involved a relatively small immediate cash outlay by those banks. Since the banks sold a considerable part of the securities to eastern markets for cash, they were able to maintain their reserve accounts at the Reserve Bank and to conduct their other business transactions with a smaller volume of borrowing than would otherwise have been necessary.

Since mid-November this Bank's share of

heavy outward movement at the middle of that month.

Less than seasonal expansion in the amount of currency in circulation in the District was noted between mid-November and December 10, after which date the seasonal movement was accelerated considerably. Several factors have combined to make possible the increase of circulation during recent weeks. Of these the more important are: (1) increased borrowing at the Reserve Bank, (2) an excess of government expenditures over collections in the District amounting to 4½ million dollars for the four weeks ended December 17, and (3) purchases by the San Francisco Mint of locally produced gold amounting to three million dollars. Prior to the recent increase, currency in circulation (the amount of currency outside the vaults of the Reserve Bank and United States Treasury) had declined steadily in the Twelfth District during most of 1930.

Interest rates in the District have remained unchanged during the past month, notwithstanding generally lower rates in New York. At the middle of December, the majority of banks in San Francisco reported that they were charging 5 per cent on the best classes of loans.



DEMAND FOR CURRENCY—Twelfth District
Weekly changes cumulated from January 1, 1929.

the gold settlement fund has decreased 42 million dollars. This loss has, for the most part, been the result of a shifting of bankers' balances and the transfer to New York of credits arising from the deposit in the Federal Reserve Bank of San Francisco of 7½ million dollars of imported gold coin. The latter transaction involved no direct loss of banking funds to this District, however, since an additional amount of gold equal to that transferred remained with this Bank. A fairly large outflow of funds occurred at the end of November, followed by a small inflow early in December and a further

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

	Condition			
	Dec. 17, 1930	Dec. 10, 1930	Nov. 19, 1930	Dec. 18, 1929
Loans and Investments—Total..	2,011	2,001	1,989	1,978
Loans—Total	1,340	1,339	1,336	1,430
On Securities	436	436	437	457
All Other	904	903	899	973
Investments—Total	671	662	653	548
United States Securities	347	338	338	315
Other Securities	324	324	315	233
Reserve with Reserve Bank	110	112	110	106
Net Demand Deposits	752	765	759	775
Time Deposits	1,032	1,030	1,015	947
Due from Banks	206	200	213	163
Due to Banks	264	269	277	202
Borrowings at Reserve Bank....	44	2	1	58

At reporting member banks, loans on securities declined by a small amount during the period from November 19 to December 17, while all other (largely commercial) loans showed a slight increase. The volume of security loans has tended upward slightly during the past two years. During the four weeks ended December 17 there was a slight increase in total loans and investments of reporting member banks, most of which reflected increased holdings of government securities. Net demand deposits declined slightly during that period, the decline being most noticeable during the week of December 17, while time deposits increased slightly.

During November the volume of trading on the stock exchanges of the District was only 66 per cent of the turnover during October. The total value of securities sold was but 64 per cent of that in the preceding month, showing that securities prices declined slightly during the month. Trading became more active during the first half of December, but prices continued to decline.