

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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SUMMARY OF NATIONAL CONDITIONS

Prepared by the Federal Reserve Board

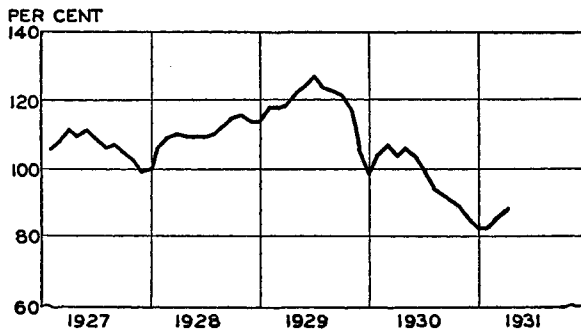
Further increase in industrial activity was reported for the month of March which usually shows little change from February. Factory employment and payrolls increased by the usual seasonal amount between the middle of February and the middle of March. The volume of building contracts awarded in March showed considerable growth, largely of a seasonal nature. The general level of wholesale prices continued to decline.

Production and Employment. Industrial production increased 2 per cent further in March and the Federal Reserve Board's seasonally adjusted index stood at 88 per cent of the 1923-1925 average, compared with 104 per cent in March, 1930. There was a considerable increase in daily average output of steel, which ordinarily shows little change from February to March, while production of automobiles increased by about the usual seasonal percentage. Activity at cotton mills increased slightly, contrary to the ordinary seasonal movement, and the output of shoes increased substantially. In the first half of April steel mill activity declined.

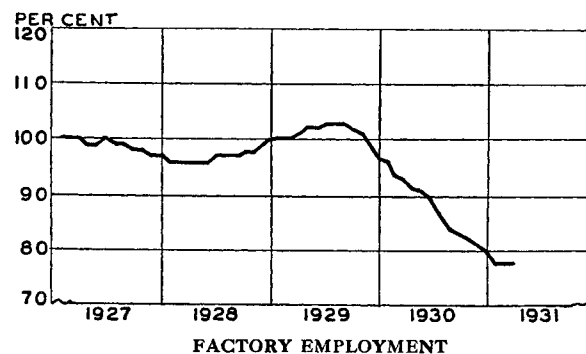
The number of men employed at factories increased between the middle of February and the middle of March by about the usual seasonal amount. In the iron and steel and automobile industries somewhat larger than usual increases were shown and at textile mills and shoe factories, where the number employed

ordinarily declines in March, substantial increases in employment were reported. In the agricultural machinery and petroleum refining industries and at car-building shops employment declined contrary to the usual seasonal trend, and in the automobile tire and fertilizer industries the increase was less than usual. Volume of building contracts awarded in March increased considerably from February, according to the F. W. Dodge Corporation, reflecting in large part developments of a seasonal character. Contracts for residential building increased seasonally and were in about the same volume as a year ago, while contracts for public works and utilities rose to the high level of March, 1930.

Agriculture. Definite improvement in moisture conditions in the drought area was an important development in March and the first week of April; supplies of moisture in the topsoil have been replenished, but the subsoil continued to be dry in certain areas, particularly in the spring wheat belt. Department of Agriculture estimates, based on April 1 conditions, indicate a winter wheat crop of 644,000,000 bushels, about 100,000,000 bushels larger than the five-year average and 40,000,000 more than last year. Intentions to plant, as reported on March 1, indicate a considerable reduction in spring wheat acreage, and an increase in acreage to be planted to corn.



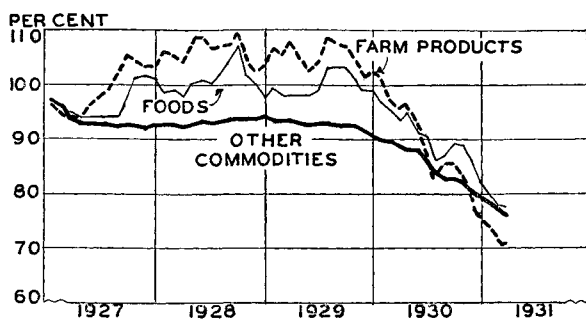
Index numbers of industrial production adjusted for seasonal variations (1923-1925 average=100).



Federal Reserve Board's index of factory employment with adjustment for seasonal variations (1923-1925 average=100).

Distribution. Volume of freight carloadings increased seasonally in March and department store sales increased during the Easter season by about the usual amount.

Prices. The general level of wholesale commodity prices continued to decline in March, according to the Bureau of Labor Statistics, reflecting chiefly reductions in the prices of petroleum products, bituminous coal, and textile products. Prices of farm products increased slightly and there was a substantial

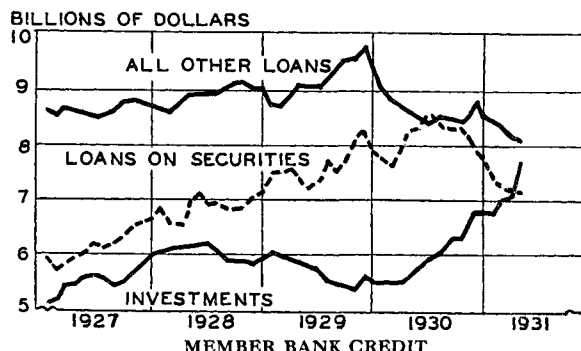


WHOLESALE PRICES
Indexes of United States Bureau of Labor Statistics (1926=100).

advance in the price of hides. In the first half of April prices of many commodities including cattle, cotton, rubber, and coffee declined while the price of wheat advanced.

Bank Credit. Loans and investments of member banks in leading cities, which had increased in the middle of March as the result of Treasury operations, showed a decline for every week between March 18 and April 8, but on the latter date were still \$270,000,000 larger than four weeks earlier. Investment holdings of these banks were at a new high figure on

April 8, owing largely to an increase in their holdings of United States government obligations, while loans on securities as well as all other loans showed a decline for the four-week period. Volume of reserve bank credit has fluctuated since the middle of February around a level of \$925,000,000. Continued imports of gold, deposited by member banks with the reserve banks, have provided the member banks with sufficient funds to meet an increase in the demand for currency. United States govern-



MEMBER BANK CREDIT
Monthly averages of weekly figures for reporting member banks in leading cities. Latest figures are averages of first three weeks in April.

ment security holdings of the reserve banks have remained at the \$600,000,000 level established last summer, while discounts for member banks have continued to decline and holdings of purchased acceptances have fluctuated in response to temporary changes in the demand for reserve bank credit. Money rates showed little change from the middle of March to the middle of April. Rates on commercial paper declined further from a prevailing rate of $2\frac{1}{2}$ per cent to a range of $2\frac{1}{4}$ - $2\frac{1}{2}$ per cent, while bond yields increased slightly.

TWELFTH FEDERAL RESERVE DISTRICT CONDITIONS

As in February, Twelfth District business was relatively stable during March. It seems probable that, after allowance for seasonal movements, declines outnumbered advances, but by a smaller margin than during most months of the past year. Industrial production increased seasonally, while distributive activity was slightly lower than in February and wholesale commodity prices continued to decline.

Deficient soil moisture for the season to date retarded the normal growth of some crops and of forage on livestock ranges in parts of the District during March and early April. Rain-fall in the Pacific Northwest during March improved the condition of livestock ranges and crops in that area and on April 1 it was estimated that the harvest of winter wheat in Washington and Oregon would be larger than last year. In the remainder of the District, production of winter wheat was expected to be

smaller than in 1930. On March 1 farmers intended to plant a smaller acreage of spring wheat, but larger acreages of most other field crops than were harvested in 1930. Markets for most important crops, for livestock, and for livestock products continued to be very unsatisfactory to producers during March.

Expansion of industrial production was approximately equal to the usual increase during March. This is the second consecutive month during which this phase of activity has, in the aggregate, shown only the customary seasonal changes. Output of crude and refined oils was practically the same as in February and lumber production increased seasonally. Copper production and flour milling were slightly less active. Total value of building and construction, however, increased sharply during the month. This increase was principally because of the large Hoover Dam contract, although

most types of engineering contracts were greater in value than in February. Employment increased seasonally, but there was further evidence of wage reductions.

Although trade activity as a whole declined slightly during March, department store sales increased, even after allowing for the usual gain over February and for the early Easter Sunday this year, and registrations of new automobiles rose by more than the seasonal amount. Wholesale trade in the aggregate was less active than in February, seasonal factors allowed for, and there were further small declines in District freight carloadings and intercoastal traffic through the Panama Canal.

The amount of Reserve Bank credit outstanding in the Twelfth District has declined slightly during the past month. Member bank discounts have declined since the third week of March, but part of this decline was offset by sales of acceptances to the Reserve Bank. Both commercial and security loans of reporting member banks declined somewhat, while total investments changed little, a decline in holdings of government securities being about offset by increases in investments in other securities. Net demand deposits of reporting member banks remained practically unchanged during the month and time deposits rose slightly. Interest rates charged customers continued to move downward slowly.

Agriculture

During late March and early April the cumulative effect of the season's subnormal rainfall in the Twelfth District was made apparent by a decline in the condition of livestock ranges and growing crops on dry land farms in California and parts of Arizona, Nevada, and Utah. Timely rains throughout the Pacific Northwest during late March helped to replenish soil moisture in that area, although these supplies are still less than usual. Storage of irrigation water in the mountain areas continues less than normal in almost all parts of the District. Prices of agricultural products being marketed in the District have moved slightly lower during the past month.

On April 1 the fall-sown wheat crop in the Pacific Northwest was in excellent condition.

FALL-SOWN WHEAT

	Condition (Percent of normal)			Indicated Production Apr. 1, 1931 (In thousands of bushels)	Har- vested 1930
	April 1—		Dec. 1, 1930		
	1931	1930			
Arizona	89	98	95	1,000	1,288
California	79	85	87	10,000	13,020
Idaho	93	86	94	12,000	13,520
Nevada	92	98	94	70	48
Oregon	94	85	89	19,000	18,538
Utah	88	91	95	2,600	3,735
Washington	92	50	82	39,000	20,240
Twelfth District .....	..	..	..	83,670	70,389
United States	88.8	77.4	86.3	643,920	604,337

Source: United States Department of Agriculture.

The condition of that crop in the southern part of the District was less satisfactory, reflecting the lack of sufficient rainfall in the dry farming areas which produce wheat.

Data collected by the United States Department of Agriculture show that on March 1 farmers in the District intended to plant larger acreages of barley, oats, beans, potatoes, and rice but smaller acreages of spring wheat than were harvested in 1930. These early figures on intentions to plant frequently differ considerably from actual plantings, however, because of the week-to-week influences of the market situation, climatic conditions, and other factors.

INTENTIONS TO PLANT—1931
(In per cent of 1930 harvested acreage)

	Ariz.	Calif.	Idaho	Nev.	Ore.	Utah	Wash.	U. S.
Spring Wheat .. .. .	..	..	76	120	95	92	65	88.0
Oats	125	104	100	100	95	104	100	106.5
Barley	140	101	110	100	116	125	100	112.0
Rice .....	..	114	..	..	..	..	..	97.1
Grain .....	..	..	..	..	..	..	..	..
Sorghum ..	120	87	..	..	..	..	..	106.6
Potatoes	115	112	112	90	110	120	102	110.7
Beans	100	100	108	..	100	..	..	98.5

Source: United States Department of Agriculture.

Production estimates of the forthcoming deciduous fruit crops in the Pacific Coast states are not yet available. Blossoming of fruit trees in these states has been heavy, however, and somewhat earlier than in the spring of 1930.

Lemon and Valencia orange crops in California are maturing rapidly. The forthcoming crop of Valencia oranges is currently estimated to be much larger than the crop harvested in 1930 (10,930,000 boxes).

Prices for dairy products declined during late March and early April, a reflection in part of the heavy receipts of these products during recent weeks at Pacific Coast markets. The price for 92-score butter at San Francisco, changes in which usually correspond closely

Agricultural Marketing Activity—

	March		Season to Date	
	1931	1930	1931	1930
Carlot Shipments				
Apples	3,607	2,458	58,594§	43,235§
Lemons	1,159	749	4,333*	2,669*
Oranges	7,391	4,705	28,656*	18,966*
Vegetables (Cal.)	6,046	7,026	39,819	42,360
Eggs (Cal., Ore., Wash.)	447	339	1,397	1,094
Beans (Cal., Idaho)	301	..	4,348	5,083
Exports				
Wheat (bu.)....	97,498	808,541	13,894,659§	20,952,936§
Barley (bu.)....	512,735	526,053	7,792,476§	8,850,496§
Receipts				
Cattle†	62,143	69,251	185,271	202,742
Calves‡	12,265	12,157	33,971	36,327
Hogs‡	216,876	169,654	670,955	580,950
Sheep‡	205,711	171,931	691,119	510,696
Eggs (cases)†..	213,027	209,410	519,155	514,716
Butter (lbs.)†..	6,142,272	5,866,754	16,960,723	16,069,430
Storage Holdings (end of the month)				
Wheat (bu.)....	6,584,000	4,886,000	.....	.....
Beans (bags—Cal.)	1,410,019	678,853	.....	.....
Butter (lbs.)†..	270,133	208,042	.....	.....
Eggs (cases)†..	197,789	203,198	.....	.....

§Season begins July 1. *Season begins November 1. †Eight markets. ‡Three markets.

with changes in other dairy products prices at Pacific Coast markets, declined from 29 cents per pound in late March to 24 cents per pound in mid-April. In April, 1930, this quotation was 38 cents per pound. The seasonal placement of eggs in cold storage reduced the supplies of eggs available for current consumption and prices were maintained at 19½ cents a dozen (United States Extras, San Francisco) during March and early April.

Receipts of cattle at eight markets in the District were greater during March than in February but somewhat smaller than in March, 1930. The seasonal shift in market shipments from feedlot cattle to grass-fat cattle is now underway. Beef cattle prices have been relatively stable in recent weeks at levels approximately 30 per cent lower than a year ago.

Spring lambing and wool shearing are now seasonally important in the sheep raising areas of the District. Trade associations report that both the wool clip and lamb crop this year will be larger than in 1930. Eastern shipments of California spring lambs started relatively early this year, 53,800 head of live and dressed lambs having been moved to eastern markets up to April 1 in comparison with 8,600 head shipped during the corresponding period last year. Because of poor feed conditions in California, which are expected to affect unfavorably the condition of spring lambs, the proportion of fat lambs marketed this spring will probably be less than a year ago. Recent sales of the 1931 wool clip have been at prices approximately 20 per cent less than in the spring of 1930, while lamb prices have declined about 25 per cent over the year period.

Industry

Industrial activity in the Twelfth District remains at relatively low levels. During the past two months, however, there has been an encouraging cessation of the declines in most of this Bank's seasonally adjusted indexes of industrial output and approximately the expected seasonal increase was evident during March in most lines of industry. During the ten months prior to these changes nearly all of the indexes had moved downward almost without interruption. Building and construction, even after allowance for the Hoover Dam contract, increased rather sharply during March. Available data indicate that employment throughout the District also increased during the month by about the customary February-March amount. The tendency to reduce wage rates has persisted, especially in the employment of additional agricultural workers.

Building and construction in the District showed the most striking improvement of any

of the industries for which this Bank maintains records. This was due in large part, of course, to the letting of the contract for the Hoover Dam, but even after deducting the value of this major contract, which approximated \$49,000,000, there was more than the usual increase in value of construction activity generally. The value of engineering contracts awarded for projects other than industrial buildings was moderately large and the value of building permits for residential construction in the smaller cities of the District increased by more than the normally expected amount. Value of building permits in the larger cities, however, failed to increase as much as seasonally during the month. During the first quarter of 1931 the average value per building permit issued in the District was 16 per cent smaller than in 1930 and 30 per cent smaller than during the past seven years. No composite index of building costs in the Twelfth Federal Reserve District is available, but on the basis of reductions in Pacific Coast prices of many building materials and from the decline in indexes of building costs in the United States as a whole, it appears probable that an appreciable part of the declines in the average value of permits resulted from lower building costs in this District.

The output of lumber in the Twelfth District increased by approximately the usual amount during March, but the total amount produced, as in preceding months, was smaller than for the corresponding month in any year since 1921. Orders and shipments did not increase as much as did production; consequently the ratios of these factors to production decreased. Declines in these ratios, however, are usual occurrences during March.

Industry—

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

	1931		1930	
	Mar.	Feb.	Jan.	Mar.
General:				
Carloadings—Industrial	64	66	75	111
Electric Power Production .....	..	151	151	151
Manufactures:				
Lumber	60	59	63	112
Refined Mineral Oil† .....	..	140	133	184
Flour	94	101	105	100
Slaughter of Livestock .....	..	86	70	72
Cement	81	96	75	88
Wool Consumption† .....	..	77	54	63
Minerals:				
Petroleum (California)†	80	81	81	98
Copper (United States)†	70	76	71	88
Lead (United States)†	79	82	83	107
Silver (United States)† .....	..	62	68	93
Building and Construction:§				
Total	85	56	57	67
Value of Building Permits				
Twenty Larger Cities	36	44	44	54
Seventy Smaller Cities	45	45	47	59
Value of Engineering Contracts				
Awarded				
Total	158	83	96	124
Excluding Buildings	308	107	117	124

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

There was little or no change in the production of petroleum during March. Daily average output of crude oil remained approximately the same as in January and February—about 525,000 barrels. The most important development of the month was in the petroleum price structure. Prices of crude oil declined sharply and there were also drastic reductions in quotations for gasoline. The ill effects of this market weakness within the industry were more keenly felt in those areas producing crude oil having a high gasoline content, the declines in prices of light crudes being greater actually and relatively than the decreases in prices of heavy crudes.

Activity in the mining industry declined during March, output of both copper and lead being at a slower rate than in February.

Output of the District's flour mills declined slightly from February to March as a result of the continued unsettled condition of the wheat market. Domestic demand for flour did not improve and, because of the relatively higher wheat prices in domestic markets, foreign business remained negligible. Purchases of wheat by mills were reported to be for immediate needs only.

Trade

Some further decrease in distribution through primary channels was apparent during March but the rate of decline was less than in most recent months. Seasonally adjusted indexes of wholesale sales, carloadings, and inter-coastal shipping were at lower levels than in any other month of the current business depression. Sales of department stores on the other hand were stimulated during March by

the occurrence of Easter Sunday early in April, and registrations of new automobiles increased sharply from the low February level.

Value of sales of reporting wholesale houses was 18 per cent lower in March, 1931, than in March, 1930, a year-to-year decline of the same magnitude as that recorded for the first three months of the year. The value of reported wholesale transactions was smaller than in any March since these figures have been collected (1919).

RETAIL TRADE—Twelfth District

	NET SALES*		STOCKS* Mar., 1931 compared with Mar., 1930
	Mar., 1931 compared with Mar., 1930	Jan. 1 to Mar. 31, 1931 compared with Jan. 1 to Mar. 31, 1930	
Department Stores†	6.8 (64)	8.6 (64)	-14.1 (49)
Apparel Stores	4.5 (28)	8.9 (27)	-14.2 (18)
Furniture Stores	-10.0 (43)	-13.2 (43)	-14.0 (32)
All Stores	7.1 (135)	9.2 (134)	-14.1 (99)

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

Department store sales increased by considerably more than the usual amount during March, largely because the Easter trading period was earlier than in most years. This improvement in excess of seasonal proportions was evident in all parts of the District except Salt Lake City. Compared with March, 1930, increases were recorded in the value of department store sales of millinery, gloves, women's and misses' coats, juniors' and girls' wear, and women's sports wear.

Registrations of new automobiles in the Twelfth District increased substantially more than seasonally during March and were only 7 per cent fewer in number than in March, 1930. This is the smallest decline from the corresponding month in the preceding year since January, 1930.

Employment—

Industries	California		Oregon	
	No. of Firms	No. of Employees	No. of Firms	No. of Employees
All Industries*	920	137,021	133	18,569
		(-18.1)		(-15.0)
Stone, Clay and Glass Products	49	5,542	3	180
		(-23.0)		(-17.8)
Lumber and Wood Manufactures	117	15,804	46	10,164
		(-18.2)		(-18.9)
Textiles	18	2,152	9	1,441
		(-7.8)		(-12.0)
Clothing, Millinery and Laundering	98	9,125	7‡	342
		(-6.4)		(-6.0)
Food, Beverages, and Tobacco	203	26,253	39	1,525
		(-4.4)		(-6.8)
Public Utilities	38	54,299	..	..
		(-9.9)		..
Other Industries†	400	70,328	..	..
		(-23.6)		..
Miscellaneous	35	7,817	29	4,917
		(-14.0)		(-9.6)
Wholesale and Retail	137	34,901	..	..
		(-6.2)		..

*Public utilities and wholesale and retail figures not included in this total. †Laundering only. ‡Includes the following industries: metals, machinery and conveyances; leather and rubber goods; oils and paints; printing and paper goods. Figures in parentheses indicate percentage change from March, 1930.

Distribution and Trade—

	1931			1930
	Mar.	Feb.	Jan.	Mar.
Carloadings‡	Index Numbers*			
Total	80	82	84	108
Merchandise and Miscellaneous	95	91	92	111
Foreign Trade°				
Total†	..	..	91‡	124
Imports†	..	..	88‡	110
Exports	..	94	92	132
Intercoastal Trade°				
Total	76	83	86	91
Westbound	86	92	97	110
Eastbound	73	81	82	86
Retail Trade				
Automobile Sales‡				
Total	94	71	84	101
Passenger Cars	92	67	78	96
Commercial Vehicles	123	115	144	158
Department Store Sales§	111	105◊	108	118◊
Stocks‡	92	92	93	106◊
Stock Turnover||	Actual Figures			
Regular Collections#	.27	.22	.25	.25
Installment	43.5	40.9	44.8	44.5
	15.9	14.8	15.9	14.9

*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. †Preliminary.

Intercoastal traffic through the Panama Canal continued to decline sharply during March. During the first three months of the current year intercoastal trade dropped precipitately, reversing the upward tendency of the last half of 1930. After allowance for seasonal changes the volume of cargo shipped during the first quarter of 1931 was 14 per cent smaller than in the last three months of 1930. Shipments of each of the three most important commodities in the eastbound traffic (petroleum, lumber, and canned goods) were substantially lower than in the first quarter of 1930. Volume of practically all classes of commodities shipped to the west coast declined, decreases being particularly pronounced in shipments of articles of iron and steel manufacture, sulphur, tin plate, and automobiles and automobile accessories.

Railroad freight moved in the District did not increase by the customary seasonal amount during March. This decline was entirely the result of a further reduction in the volume of industrial freight loaded, inasmuch as loadings of merchandise and miscellaneous commodities increased by more than the seasonal expectations.

Prices

A small rise in most weekly indexes of wholesale prices between late February and mid-March has been slightly more than offset by declines in such composite measures during the past month. The Bureau of Labor Statistics' monthly index of wholesale prices declined from 75.5 (1926 = 100) in February to 74.5 in March. This decline was due chiefly, however, to sharp decreases in prices of fuels and textiles, there having been advances in group indexes of metals, building materials, hides, and farm products. This is the first month in which these indexes have advanced since 1929, excepting the drought period of August-September, 1930, when the indexes of hides and farm products rose slightly. Retail prices of food at principal Pacific Coast cities continued to decline between February 15 and March 15 but, like wholesale price decreases, the declines were less pronounced than in other recent months.

Prices of wheat for delivery before July have tended to rise slightly in national markets since early March. Options for July futures, however, continued to decline irregularly during March at both Chicago and Pacific Coast markets, but during April they have risen perceptibly. Although the disparity between domestic and world prices for wheat has recently diminished, exports from Pacific Coast ports are still exceedingly small.

Cattle and hogs, District market receipts of which were larger during March than in February, have continued to decline moderately in price. Quotations for California spring lambs (marketing of this year's crop in substantial volume began during March, somewhat earlier than usual) have been from 25 to 30 per cent lower than a year ago. Prices for wool have risen slightly in eastern markets since mid-March. Rubber has declined to the lowest price ever recorded, while prices of cotton, beans, hay, potatoes, and butter have recently declined slightly. Sugar, oranges, and lemons on the other hand have been quoted at slightly rising prices.

Quotations for crude oil were sharply reduced during March and there were further declines in retail and wholesale prices of gasoline. United States Motor gasoline, quoted f.o.b. California refinery or seaboard terminal, has also declined substantially in price during recent weeks.

PRICES OF CRUDE OIL AND GASOLINE—California

	1931		1930		1929
	Apr. 20	Mar. 20	Feb. 20	Apr. 21	Apr. 22
Petroleum, Crude, 30° gravity, well, per bbl.	\$0.35	\$0.65	\$1.35	\$1.47	\$1.22
Gasoline, Refinery, 54-58° gravity, per gal.	.035	.041	.098	.074	.090

Building materials prices at the principal District markets have been steady to slightly rising during the first quarter of 1931. Common brick, structural steel, and sand and gravel prices have advanced a little while quotations

Bank Debits*—

	March, 1931	March, 1930	—First Three Months—	
			1931	1930
Arizona				
Phoenix	\$ 33,030	\$ 40,164	\$ 97,976	\$ 124,431
California				
Bakersfield	10,904	13,261	35,808	42,197
Berkeley	15,051	19,757	48,663	61,581
Fresno	22,360	42,936	70,134	132,002
Long Beach	42,542	50,479	137,140	149,297
Los Angeles	860,412	1,088,138	2,614,040	3,165,756
Oakland	180,571	222,784	574,205	593,622
Pasadena	32,009	39,456	100,688	112,792
Sacramento	45,267	45,728	136,497	142,973
San Bernardino	8,863	10,950	27,093	32,601
San Diego	47,890	57,803	154,564	176,558
San Francisco	1,059,858	1,530,955	3,164,792	3,967,189
San Jose	23,177	26,664	73,409	84,723
Santa Barbara	13,238	15,091	40,744	46,322
Stockton	16,625	24,711	52,825	75,326
Idaho				
Boise	11,832	12,791	37,810	41,432
Nevada				
Reno	8,605	10,687	27,528	32,813
Oregon				
Eugene	5,267	6,649	16,287	19,329
Portland	144,347	180,543	417,287	506,318
Utah				
Ogden	14,485	17,651	43,220	51,240
Salt Lake City	62,526	74,559	187,865	229,404
Washington				
Bellingham	7,259	9,935	20,631	26,933
Everett	9,448	13,996	27,732	39,621
Seattle	212,039	260,891	589,260	730,189
Spokane	41,905	60,914	130,547	160,430
Tacoma	36,294	48,255	104,500	134,976
Yakima	13,208	14,795	38,285	41,019
Total	\$2,979,012	\$3,940,543	\$8,969,530	\$10,921,074

*In thousands of dollars.

for cement have remained unchanged. Average lumber prices declined slightly during the quarter.

After rising from a low of 25¾ cents per fine ounce on February 16 to 31⅜ cents per fine ounce on March 16, silver prices again moved downward and were quoted on April 20 at 28⅞. A dull market for copper has been accompanied by renewed weakness in the price of that commodity which, on April 20, sold at 9¾ cents per pound, delivered Connecticut Valley.

Credit Situation

There was little change in the credit situation during the past four weeks. Borrowings from the Reserve Bank continued small in amount and for relatively short terms. Net demand and time deposits of reporting member banks remained practically stationary while loans declined. The tendency to reduce rates paid on savings accounts, large demand deposits, and bankers' balances has gained momentum during the past month in the larger cities of the District. This tendency is a result of easy money conditions in the short-term investment markets and the steady reduction of rates charged customers of banks in the larger cities, which rates continued to decline slightly between mid-March and April 15.

There were only slight changes in net demand and time deposits of reporting member banks during the month, while government deposits declined substantially. The decrease in government deposits, as well as an accompanying decline in holdings of government securities, was partly offset as a result of additional Treasury financing in mid-April. Although there was little change in total net demand and time deposits, deposits other than those of bankers and the government rose moderately during the four-week period. This rise was probably the result of government expenditures in commercial channels which reduced government deposits and caused funds paid out to be redeposited as ordinary demand or time deposits. Both commercial loans and loans on securities declined slightly while investments in securities other than governments increased somewhat.

Daily average discounts at the Federal Reserve Bank of San Francisco were slightly lower during the last half of March and the first half of April, than during the preceding four weeks. City banks secured some additional funds by the sale of acceptances to the Federal Reserve Bank, thus availing themselves of the relatively low Reserve Bank buying rate on acceptances. An average of 14 million dollars of locally purchased bills was held by the Reserve Bank on the first three report dates in

April, compared with 10 million dollars during March and 4½ million dollars during February. San Francisco banks continued to obtain funds also by employing large amounts of excess reserves of eastern banks on a day-to-day basis although the volume of such funds averaged smaller than in the preceding month. Considering the four-week period as a whole, there was a moderate outflow of funds from the District through the Gold Settlement Fund.

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

	Condition			
	Apr. 15, 1931	Apr. 8, 1931	Mar. 18, 1931	Apr. 16, 1930
Total Bills and Securities.....	63	64	70	78
Bills Discounted	6	6	12	10
Bills Bought	18	19	19	31
United States Securities.....	39	39	39	37
Total Reserves	299	316	296	280
Total Deposits	184	198	188	183
Federal Reserve Notes in Circulation	161	162	160	157
Ratio of Total Reserves to Deposit and Note Liabilities Combined	86.4	87.8	85.0	82.5

In addition to the slight reduction in borrowings from the Reserve Bank between March 18 and April 15 there was also a small decline in the net amount of funds of outside banks in use by San Franciscobanks. There was little change in the aggregate amount of funds required by member banks, and the reductions in bankers' balances as well as the other losses through the Gold Settlement Fund were offset by Treasury expenditures in excess of collections, by Mint purchases of new and imported gold, and by a slight decrease in the amount of currency in circulation.

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

	Condition			
	Apr. 15, 1931	Apr. 8, 1931	Mar. 18, 1931	Apr. 16, 1930
Loans and Investments—Total.	1,982	1,967	2,001	1,973
Loans—Total	1,240	1,237	1,257	1,360
On Securities	343	340	347	450
All Other	897	897	910	910
Investments—Total	742	730	744	613
United States Securities...	379	372	387	349
Other Securities	363	358	357	264
Reserve with Reserve Bank...	106	117	111	105
Net Demand Deposits	760	752	760	742
Time Deposits	1,038	1,035	1,028	1,025
Due from Banks	212	198	208	168
Due to Banks	275	271	287	226
Borrowings at Reserve Bank...	0	0	7	1

Fluctuations in monetary circulation of the Twelfth District as a whole have been similar to changes in national circulation during the past few months, as has been the case over a period of years. Changes in currency circulation in individual areas served by the several offices of the Federal Reserve Bank of San Francisco have not, however, corresponded closely with each other. These changes are shown in the charts on the following page. The tendency for circulation to increase or decrease steadily in any given area (as, for example, the steady downward movement in Seattle) does not take account of currency carried into or out of such areas by travelers.

