

MONTHLY REVIEW

OF BUSINESS CONDITIONS

ISAAC B. NEWTON, Chairman of the Board and Federal Reserve Agent
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No. 7

SUMMARY OF NATIONAL CONDITIONS

Prepared by the Federal Reserve Board

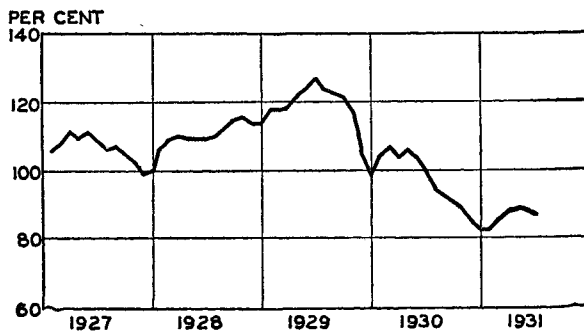
Industrial production showed more than the usual seasonal decline in June, and factory employment and payrolls decreased. Wholesale prices, which had continued to decline until the end of May, advanced in June, but for most commodities declined again in the first half of July.

Production. A decrease in industrial output from May to June was reflected in a decline in the Board's index of industrial production, which is adjusted for seasonal variations, to 86 per cent of the 1923-1925 output, as compared with 89 per cent in May. Taking the second quarter of the year as a whole, production has averaged about 4 per cent above its low level in the last three months of 1930. The reduction of activity in June was most marked in the iron and steel industry, with steel plants operating at 38 per cent of capacity. Automobile output declined further, and there was some recession in production of lumber, meat products, and flour. Petroleum output, however, was not reduced. Activity of textile mills and shoe factories continued in relatively large volume. In the woolen industry, activity was sustained at the unusually high level of May, and the decline in the consumption of cotton was not in excess of the usual seasonal amount. During the first half of July, there were further reductions, partly seasonal in nature, in output of steel, automobiles, and lumber. Fac-

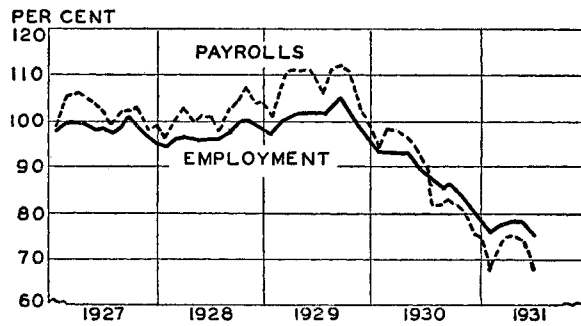
tory employment was further reduced by nearly 3 per cent, and payrolls declined by six per cent between the middle of May and the middle of June. The largest decreases were in the steel, machinery, and women's clothing industries, while reductions at automobile plants and cotton mills were partly seasonal in character, and employment at woolen and hosiery mills increased. Building contracts awarded in June were somewhat larger than in May, but declined again in the first half of July. Since the early spring, awards have not increased as much as is usual for the season. In residential building there has been relatively little change for about a year and a half, except for seasonal fluctuations, the decline in construction having been chiefly in other types of building, principally public works and utilities.

Distribution. At department stores, daily average sales were seasonally smaller in June than in May. Freight carloadings were also reduced, reflecting principally a further reduction in loadings of miscellaneous commodities.

Prices. During June wholesale prices of many commodities advanced considerably, after having reached low levels late in May and early in June. Prices of livestock and meats increased, and after June 21 there were rapid advances in prices of raw materials important in world markets, especially cotton, hides,

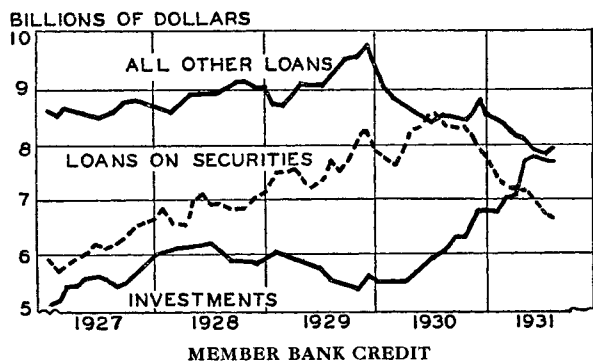


Index numbers of industrial production adjusted for seasonal variations (1923-1925 average=100).



Indexes of factory employment and payrolls, without adjustment for seasonal variations (1923-1925 average=100).

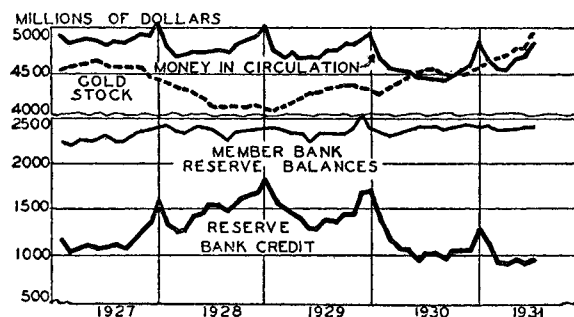
sugar, silk, copper, silver, and rubber. Subsequently, however, most of these prices receded somewhat, although in mid-July they were, in general, above their lowest levels. The price of wheat declined during June and the first half of July as the domestic price became adjusted to world levels.



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

Bank Credit. At reporting member banks in leading cities, loans on securities continued to decline between the middle of June and the middle of July, while all other loans increased by \$140,000,000. This increase was concentrated at New York City banks and was largely in the form of acceptances purchased in the open market. Member banks' investments continued at about the same level as in May and

early June. Notwithstanding a further addition of \$77,000,000 to the country's stock of monetary gold between the weeks ending June 20 and July 18, there was no decrease in Federal reserve bank credit outstanding. During the period the reserve banks' portfolio of United States securities was increased by \$75,000,000,



FEDERAL RESERVE BANK CREDIT AND PRINCIPAL FACTORS IN CHANGES
Monthly averages of daily figures for twelve Federal Reserve Banks. Latest figures are averages of first nineteen days in July.

while their combined holdings of acceptances and of discounts for member banks decreased by approximately the same amount. The gold inflow provided member banks with funds to meet an added demand for currency, as well as to increase their balances with the reserve banks. There was also a considerable growth in foreign bank deposits with the reserve banks. Money rates continued at low levels.

TWELFTH FEDERAL RESERVE DISTRICT CONDITIONS

Business activity in the Twelfth Federal Reserve District receded during June. Both production and distribution of commodities were at lower levels than in May, even after allowance for the usual moderation at this time of the year. Prices of many commodities important in this District rose temporarily during the last two or three weeks of June, but averages for the month were considerably lower than in May. No marked change occurred in the banking situation during the month.

Rainfall during June brought some relief from semi-drought conditions which had become evident in the Pacific Northwest late in May, but did not benefit growing crops materially. Harvests of most Twelfth District field and grain crops are expected to be smaller this year than in 1930. Production of deciduous fruits is also expected to be smaller than last year, while the volume of citrus fruits being harvested is of near-record proportions. The condition of livestock and livestock ranges, with the exception of those in Arizona, became less satisfactory during June. Ranges and cattle and sheep in Arizona are in excellent condition.

Industrial activity, which was relatively

more stable during the first half of 1931 than in similar months of 1930, declined moderately during June, following a similar decrease in May. Reductions in the output of crude and refined oils, lumber, and copper were reported in both of those months. Inventories of lumber and refined copper rose further during June. Supplies of crude oil and gasoline, on the other hand, were reduced to the lowest levels in two years, reflecting continuation of vigorous efforts within the petroleum industry to bring about a better adjustment between the supply of and demand for products of that industry. The value of contracts awarded for public construction increased sharply during June, but commercial and industrial building activity was smaller in value than at any time since 1922. Residential building permits increased somewhat in value during June. Employment was sustained by seasonal increases in the canning and preserving industry and in agricultural work, but there was evidence that reductions in wage rates continued.

Value of sales at retail declined by more than the seasonal amount and wholesale sales increased less than is customary in June. Registrations of new automobiles were well below

the levels of May and April, after seasonal adjustment. Increases in waterborne traffic from the east coast and in the movement of lumber and general cargo from the west coast were more than offset by the sharp decline in shipments of petroleum from District ports.

Credit extended by the Reserve Bank during the four weeks ended July 15 averaged somewhat larger in amount than in previous months of this year. There was the usual increase in currency circulation over the July 4 holiday, and contraction of circulation has been retarded since that time. Funds continued to flow from the District in settlement of adverse trade balances. The funds with which to meet demands occasioned by these developments and to reduce borrowings from this Bank over the June 30 call date became available to reporting member banks through United States Treasury expenditures in excess of collections in this District and a temporary increase in the Reserve Bank's holdings of government securities.

Agriculture

Weather conditions in the Twelfth District were more favorable during June than in May, particularly in the Pacific Northwest where near-drought conditions existed at the end of the earlier month. The rains were of but slight benefit to crops, however, and on July 1 the condition of crops was lower than either a year earlier or the long-time average. Similar conditions exist in Utah. Arizona and California were favored with satisfactory weather conditions during June but in the latter state the cumulative effects of sub-normal rainfall during the past winter and spring were indicated in July 1 reports. Unusually hot weather in most parts of the District caused some damage to crops in early July. Estimates as of July 1 indicate that the aggregate volume of crop production in the District as a whole will be less in 1931 than in 1930. Livestock ranges in all states west of the Continental Divide, except Arizona, are furnishing less feed than in early June and are in poorer condition than in any July during the past nine years.

GRAIN CROPS—PRODUCTION
(In thousands of bushels)

	All Wheat		Barley	
	Forecast July 1, 1931	1930	Forecast July 1, 1931	1930
Arizona	624	616	630	576
California	5,582	12,432	14,375	38,290
Idaho	23,982	33,787	5,565	6,342
Nevada	339	334	144	240
Oregon	15,950	23,621	2,640	2,988
Utah	4,376	6,989	1,290	1,720
Washington	41,504	39,493	2,331	2,278
Twelfth District	92,357	117,272	26,975	52,434
United States	869,013	850,965	266,618	334,971

Source: United States Department of Agriculture.

Rainfall in the wheat growing areas of the Pacific Northwest during June improved production prospects for the current spring wheat crop, but were too late to be of much benefit

to winter wheat. The production of all wheat in the District is estimated to be 24,915,000 bushels smaller than the 1930 crop, which was 117,272,000 bushels. The California barley crop is turning out to be about 60 per cent smaller than a year ago, when 38,290,000 bushels were harvested. This decline substantiates earlier estimates of production for the 1931 crop, which reflected the unfavorable growing conditions during the current season.

FIELD CROPS—PRODUCTION
(In thousands)

	Forecast July 1, 1931	1930	1929
Beans (bu.)			
California, Idaho	7,918	9,464	7,884
United States	22,695	22,137	20,707
Tame Hay (tons)			
Twelfth District	13,244	15,011	14,414
United States	79,107	77,850	100,893
Hops (lbs.)*			
California, Oregon, Washington	23,495	23,447	31,383
Potatoes (bu.)			
Twelfth District	43,660	50,210	39,096
United States	396,451	343,236	359,048
Rice (bu.)			
California	7,250	7,271	6,222
United States	40,711	41,322	40,462
Sugar Beets (tons)			
California, Idaho, Utah	1,637	1,767	1,602
United States	7,566	9,201	7,318

*California, Oregon, Washington produce all the hops grown in the United States.

Source: United States Department of Agriculture.

July 1 production estimates of the principal field crops in the District (beans, sugar beets, rice, hay, hops, and potatoes) indicate a generally smaller output than in 1930 because of poorer yields of most of these crops. Estimates of cotton production are not yet available, but the acreages in Arizona and California are 17 per cent and 25 per cent less, respectively, than a year ago.

Except for the production of apples, prunes, and grapes, it is expected that deciduous fruit and nut crops in California, Idaho, Oregon,

DECIDUOUS FRUITS AND NUTS—PRODUCTION
(In thousands)

	Unit	Forecast July 1, 1931	1930	1929
California				
Apples*	bu.	5,940	6,522	4,413
Apricots	tons	257	200	215
Cherries	tons	24	18	17
Grapes	tons	1,522†	2,182	1,827
Raisin	tons	887†	1,308	1,098
Table	tons	240†	388	312
Wine	tons	395†	486	417
Peaches	tons	727	796	320
Clingstone	tons	516	542	179
Freestone	tons	211	254	141
Pears	tons	227	272	190
Plums	tons	73	82	40
Prunes	tons	208	267	103
Almonds	tons	15	14	5
Walnuts	tons	36	30	39
Oregon				
Apples*	bu.	3,627	4,800	2,250
Pears	bu.	2,170	3,200	2,356
Prunes†	tons	25	20	57
Washington				
Apples*	bu.	25,560	34,065	24,900
Pears	bu.	3,600	4,500	2,800
Idaho				
Apples*	bu.	4,440	4,500	4,950
United States				
Apples*	bu.	115,089	101,169	87,012
Pears	bu.	24,406	27,577	20,903
Peaches	bu.	77,963	53,286	45,789

*Commercial crop. †Dried prunes Oregon and Washington. ‡Estimated as of July 13, 1931.

Source: United States Department of Agriculture.

and Washington will approximate those of last year. The production of apples (commercial crop) in the Pacific Northwest was estimated on July 1 to be 33,627,000 bushels, a 22 per cent decline from 1930. In California, the 1931 prune crop is forecasted to be 22 per cent smaller in volume than the record crop of 1930. In a special report issued as of July 13, grape production was placed at 1,522,000 tons, compared with 1,742,000 tons on July 1, and with a 1930 crop of 2,182,000 tons. The decline in estimated production during the first half of July was due principally to unusually hot weather. The mid-July forecast is 13 per cent lower than the actual harvest in 1930, and is smaller than any crop produced since 1924.

During June there was a slight decline in the estimate of the 1931 Valencia orange crop in California, which, on July 1, was estimated to be 17,755,600 boxes. Orange shipments from California during June (5,484 carloads) were about the same as in the preceding month. The movement of Florida oranges ceased during June and some increase in California orange prices occurred toward the end of that month. These increases were not sufficient to offset earlier declines, however, and the monthly average price of oranges, f.o.b. California, declined from \$2.34 a box in May to \$2.12 a box in June. Hot weather over the entire United States stimulated shipments of lemons during June. The movement of 2,905 carloads of lemons during June was greater than that of any month of record. Prices at which the fruit sold averaged \$4.46 a box, f.o.b. California, compared with an average price of \$3.08 per box for the 2,083 carloads shipped in May.

CONDITION OF LIVESTOCK AND RANGES
(Per cent of normal)

	Ranges			Cattle			Sheep		
	July, 1931	June, 1931	July, 1930	July, 1931	June, 1931	July, 1930	July, 1931	June, 1931	July, 1930
Arizona	90	90	90	90	90	92	90	90	90
California	58	59	78	77	81	90	80	83	90
Idaho	85	88	97	92	95	97	91	93	97
Nevada	68	75	100	85	93	99	86	92	101
Oregon	81	81	91	87	87	92	86	92	101
Utah	74	82	93	88	90	96	87	89	96
Washington ..	89	87	89	91	89	91	92	90	93

Source: United States Department of Agriculture.

On July 1, ranges were furnishing less feed than a month earlier and their condition was reported to be poorer in all states of the District, except Arizona, than in any July during the past nine years, the entire period during which records have been kept. Arizona ranges are in good condition. In California the condition of livestock has become steadily less satisfactory since March, but in other states of the District this tendency was reported for the first time this year on July 1.

There was little change in the market for dairy and poultry products in the District during June. Butter receipts at Pacific Coast cities during the current year to July 1 were 41,526,504 pounds, compared with 38,290,550 pounds

during the first half of 1930, and storage holdings have not increased as rapidly during 1931 as last year, indicating that the low level of prices this year has encouraged consumption of butter. On July 1, 1931, the volume of butter in storage was 35 per cent less than on the same date of the previous year. Egg receipts, which usually increase during the spring and early summer months, have declined since March and storage holdings on July 1 were 13 per cent smaller than a year ago.

Industry

Industrial activity was more nearly stable during the first half of 1931 than a year ago, although it remained at levels about 25 per cent below the average of the first six months of 1930. Considering the half-year period as a whole, the volume of production tended to decline slightly, most of the more important industries in the District, including petroleum producing and refining, mining, lumbering, and building and construction participating in this gradual decline. During June there was some further recession in the output of crude and refined oils, lumber, and copper. Canning and preserving of fruits and vegetables increased as is usual at this season, but apparently by a smaller amount than in other recent years due more to curtailment of output because of low prices than to shortages of farm products for canning. While employment improved somewhat during June because of increased construction and agricultural activity, the number employed remained well below the levels of a year ago.

Output of petroleum in California declined steadily throughout June, reflecting vigorous efforts of producers to limit production. De-

Employment—

Industries	California			Oregon		
	No. of Firms	No. of Employees June, 1931	June, 1930	No. of Firms	No. of Employees June, 1931	June, 1930
All Industries*	1,143	152,232	185,881	134	21,630	23,817
Stone, Clay and Glass Products ..	54	6,068	7,217	4	136	122
Lumber and Wood Manufactures ..	147	19,505	24,710	50	11,786	13,936
Textiles	17	2,033	2,170	8	1,005	1,234
Clothing, Millinery and Laundering ..	139	11,440	12,244	8†	371	388
Food, Beverages, and Tobacco ...	270	33,868	40,978	35	3,518	2,410
Public Utilities ..	39	53,817	59,685
Other Industries† ..	463	70,491	88,449
Miscellaneous ...	53	8,827	10,113	29	4,814	5,727
Wholesale and Retail	148	37,225	40,414

*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; oils and paints; printing and paper goods. Figures in parentheses indicate percentage change from June, 1930.

spite increases in the potential production because of new wells in the Kettleman Hills, Santa Barbara County, and Huntington Beach fields, daily average output of crude oil was reduced by approximately 20,000 barrels during the month. Output increased during July, however, almost entirely due to larger production at Kettleman Hills. Production of refined oils declined during June. Partly as a result of the decline in output of crude and refined oils, inventories held by California refineries were reduced substantially and at the end of June stocks of both gasoline and crude oil were lower than at any time since the middle of 1929.

Activity in the District's mining industries declined throughout the first six months of 1931, and during May and June several copper and lead mines ceased producing entirely. In recent months development work at copper mines, which had been relatively active early in the year, has been restricted. Despite declining production, stocks of refined copper increased sharply during the second quarter of this year and the price fell to record low levels. Output of both copper and lead declined during June and was smaller than at any time since 1922. Output of silver was less during June than in any month in the post-war period.

The value of building and construction was unusually small during the first half of 1931, even after including the large contract for the Hoover Dam. Contract awards in June, exclusive of those for commercial and industrial building, more than doubled in value, however, as compared with the small total for May. Substantial increases occurred in contracts let for waterworks, sewers, streets and roads, public and Federal government buildings, and unclassified projects, but awards for industrial and commercial buildings were the lowest in value

Industry—

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

	1931				1930—	
	Six Months Average	June	May	April	June	Six Months Average
General:						
Carloadings—Industrial . . .	66	61	68	63	84	97
Electric Power Production . . .	156*	..	153	168	162	158
Manufactures:						
Lumber	62	61	65	65	90	101
Refined Mineral Oils† . . .	141*	..	145	150	180	171
Flour	103	124	98	94	110	109
Slaughter of Livestock . . .	86	97	88	92	81	77
Cement	80	74	72	83	92	89
Wool Consumption†	64*	..	59	56	78	67
Minerals:						
Petroleum (California)† . . .	80	79	81	80	91	98
Copper (United States)‡ . . .	70	67	68	70	85	91
Lead (United States)‡	79*	..	78	71	99	103
Silver (United States)‡ . . .	59*	..	47	54	81	88
Building and Construction§						
Total	68	57	75	77	61	62
Value of Building Permits						
Twenty Larger Cities . . .	36	29	31	33	46	50
Seventy Smaller Cities . . .	44	40	43	43	69	62
Value of Engineering Contracts Awarded						
Total	121	89	144	157	109	120
Excluding Buildings	208	159	273	286	100	110

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

for any month since these figures became available in 1922, totaling only \$680,000 for the month. Building permits for the District declined in value slightly during June as compared with May, chiefly because of decreases in Seattle and San Francisco. A sharp increase in the value of permits issued in Los Angeles partly offset these declines. In other cities of the District increases over May nearly compensated for decreases in the value of permits issued. For both the six-month period and for June, the total value of construction was substantially smaller than a year ago.

Output of lumber, after allowance for seasonal changes, remained fairly constant during the first six months of 1931, but at levels only slightly higher than those prevailing at the bottom of the depression in 1921. During June there was some further recession in production. Shipments declined by a greater amount than did production, however, and inventories increased. Shutdowns of somewhat more than the customary duration over the holiday period are reported to have taken place during the first part of July.

Output of flour mills declined by more than the usual amount throughout the first five months of 1931, but increased sharply in June. Millers' stocks of flour which have been declining almost continuously since the end of 1929, now approximate those held in 1921. Domestic demand has been reported for the half-year as being only fair, and because of the lower level of world prices with relation to domestic prices, foreign buying from Twelfth District mills has been almost negligible.

The total pack of canned cherries in California, Oregon, and Washington was 315,265 cases as compared with 1,082,930 cases in 1930 and a five-year average of 768,825 cases. This is the smallest pack since 1920 when composite figures for these states first became available. The pack of canned asparagus in California was reduced this year as a result of voluntary curtailment among producers. The 1,747,499 cases packed compares with 2,663,191 in 1930 and a five-year average of 2,322,185. Likewise, canned tuna packers in southern California have curtailed their output during the first half of this year as compared with the first six months of 1930. The curtailment reflects marketing difficulties and was accomplished by means of a voluntary agreement not to operate the fishing boats during May and June, months in which the catch is normally rather light.

Trade

Since the first of this year the distribution and consumption of commodities has been substantially smaller in value than in the corresponding period of 1930. The downward movement in most indexes of trade has, however, been at a somewhat slower rate than last year.

Department store sales, adjusted for seasonal variation, were better around Easter than in earlier or later months. Freight carloadings of merchandise and miscellaneous commodities, after allowance for seasonal tendencies, changed little during the first half of the year, whereas they had declined irregularly during 1930, dropping precipitately at the end of the year. Registrations of new automobiles increased moderately during March, April, and May, but declined considerably during June.

	NET SALES*		STOCKS*
	Jan. 1 to		
	June, 1931 compared with June, 1930	June 30, 1931 compared with Jan. 1 to June 30, 1930	
Department Stores†	5.6 (68)	9.0 (66)	12.4 (52)
Apparel Stores	9.0 (28)	12.2 (27)	21.1 (18)
Furniture Stores	16.6 (42)	14.4 (41)	13.2 (31)
All Stores	7.3 (138)	9.9 (134)	13.1 (101)

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

After allowance for differences in the number of trading days and for seasonal changes, department store sales were smaller in value during June than in any of the preceding five months of this year. Inasmuch as inventories of these stores declined proportionately more than sales, the turnover of stock was somewhat more rapid during the first half of this year than during 1930. Since January, cash and C. O. D. sales of department stores have constituted a larger proportion of total sales than was the case a year ago.

Sales at wholesale declined from May to June contrary to the usual seasonal movement

between those months and were 17 per cent smaller in value than in June, 1930. A considerable part of the decline over the year period may be attributed to reductions in prices. In relation to last year, some improvement was shown in the wholesale furniture trade during June, in which line sales have been severely curtailed for many months.

Like other phases of trade activity, intercoastal traffic through the Panama Canal declined more than seasonally during June. Totals for the quarter ending with June, however, were somewhat larger than in the three-month period ending with May. Shipments of lumber from the west coast, which during most of 1930 and 1931 have been smaller in amount than in preceding years, increased 16 per cent during June, 1931, as compared with the same month a year earlier and were larger than in May, 1931. Because of the distance between the Canal and the North Pacific ports, a large part of this lumber movement through the Canal corresponds with the Pacific Northwest lumber mill "shipments" reported for the last three weeks in May. Eastbound tonnage of articles other than lumber and petroleum was also 18 per cent higher than in June of last year. The increases from May to June in lumber and general cargo loadings, however, were more than offset by the decline in shipments of petroleum. After adjustment for the usual seasonal decrease, intercoastal shipments from the Atlantic coast were 7 per cent higher than in May.

During the first five months of this year, the value of foreign trade through Pacific Coast

Distribution and Trade—

	1931			1930	
	Six Months Average	June	May	June	Six Months Average
Carloadings†	Index Numbers*				
Total	80	80	80	77	96
Merchandise and Miscellaneous	93	94	93	91	105
Foreign Trade°					
Total†	82¶	..	78	82	112
Imports†	73¶	..	67	77	109
Exports	86¶	..	82	83¶	113
Intercoastal Trade°					
Total	76	70	68	71	81
Westbound	89	89	86	86	113
Eastbound	72	64	63	67	72
Retail Trade					
Automobile Sales‡					
Total	75	71	76	76	93
Passenger Cars	70	66	72	71	89
Commercial Vehicles	123	117	113	127	138
Department Store					
Sales‡	107	105	106	107	115
Stocks§	92	94	93	89	106
	Actual Figures				
Stock Turnover¶	.25	.25	.25	.26	.22
Collections#					
Regular	43.3	42.9	44.0	43.7	43.0
Installment	15.5	15.8	15.7	16.0	14.7

*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. ¶Five months average. ¶Revised.

Bank Debts*—

	June, 1931	June, 1930	First Six Months	
			1931	1930
Arizona				
Phoenix	\$ 30,398	\$ 35,714	\$ 195,126	\$ 240,472
California				
Bakersfield	8,930	12,456	66,705	80,570
Berkeley	17,676	18,171	100,249	120,129
Fresno	20,677	24,656	130,912	222,042
Long Beach	39,950	47,108	259,172	296,460
Los Angeles	765,450	1,025,108	5,054,541	6,363,569
Oakland	182,013	193,494	1,142,836	1,172,160
Pasadena	29,430	35,470	193,844	221,658
Sacramento	45,431	47,787	276,430	289,511
San Bernardino	8,802	10,052	53,329	65,405
San Diego	44,750	54,867	297,229	348,517
San Francisco	956,351	1,294,157	6,110,834	7,829,854
San Jose	22,396	25,418	141,258	162,195
Santa Barbara	12,015	15,686	79,683	93,660
Stockton	17,982	26,268	105,615	151,821
Idaho				
Boise	14,799	15,372	76,033	83,342
Nevada				
Reno	11,246	12,516	58,921	67,159
Oregon				
Eugene	6,285	7,857	33,681	42,083
Portland	146,905	178,751	875,851	1,065,860
Utah				
Ogden	14,238	16,934	84,812	101,338
Salt Lake City	58,600	73,382	365,944	453,147
Washington				
Bellingham	6,739	9,346	41,190	56,324
Everett	9,656	12,863	56,217	79,646
Seattle	220,825	249,052	1,207,418	1,468,036
Spokane	43,951	57,872	251,826	322,329
Tacoma	35,307	48,703	206,959	277,429
Yakima	11,804	13,339	74,051	84,340
Total	\$2,782,606	\$3,562,399	\$17,540,666	\$21,759,056

*In thousands of dollars.

customs districts was more than 30 per cent below that of 1930. Exports during May, the latest month for which data are available, were lower than in any month since April, 1925. Total imports during May declined 31 per cent as compared with a year ago. Receipts of silk, which are far greater in value than imports of any other individual commodity at Pacific Coast ports, were more than 100 per cent greater in quantity and 2 per cent higher in value than in May, 1930, due to increased imports at Seattle and Los Angeles. The quantity of coffee imported into the District was 19 per cent larger than a year ago, but was 9 per cent less in value. Imports of rubber at Los Angeles declined 60 per cent in value as compared with a year ago and were 24 per cent smaller in volume. The excess of exports over imports noted during the past few years has continued during 1931, amounting to over 45 million dollars for the first five months of the year.

Prices

A slight firming of commodity prices during the second and third weeks of June was followed by rather widespread increases during the last week of that month, subsequent to announcement of the proposal for a year's moratorium on intergovernmental debts. The upturn was most pronounced among commodities marketed on organized exchanges. Early in July, however, prices for these commodities declined by as much on the average as they had risen in June. The wholesale commodity price index of the Bureau of Labor Statistics declined 1.3 points during June to 70.0 (1926=100), a figure practically as low as the 1913 average of 69.8. Prices for cotton, wool, sugar, silk, and rubber were slightly higher in mid-July than in the first two weeks of June.

Following a slight improvement in wheat prices during late June, quotations again declined in early July and on July 15 the September contract reached a low of 51 $\frac{3}{8}$ cents per bushel at the Chicago market. Prospects for another large wheat crop, the present heavy carryover, and lack of export demand have all been important factors contributing to the decline in wheat prices. Other grain prices have moved downward during July in sympathy with the falling quotations on wheat.

Cattle and hog prices at Pacific Coast markets advanced during June by amounts equivalent to the declines experienced in May. Lamb prices, which declined during June to the lowest point of the year, are currently at about the same level as in October, 1930, when the heavy autumn movement of lambs to market was underway.

Prices at eastern auction markets for Pacific Coast deciduous fruits were maintained during late June and early July at levels approximat-

ing those of a month earlier. California orange prices decreased slightly. Prices for lemons increased despite heavy shipments, reflecting an active demand which arose concurrently with hot weather in most parts of the United States. Fruits for canning in California are returning less to the grower than in 1930.

The delivered price of copper increased from 8-8 $\frac{1}{4}$ cents per pound in early June to 9 cents per pound late in that month. Declines followed during July, however, and quotations fell to their earlier range of 8-8 $\frac{1}{4}$ cents—in fact, certain custom smelters offered the metal at 7 $\frac{3}{4}$ cents per pound, but there were few sales at that level. Lead, zinc, and silver were quoted at slightly higher prices on July 20 than in mid-June.

Lumber prices, as shown by the average of several quotations, declined from May to June. Month-to-month declines in these quotations have been reported continually since February, 1930.

On June 19 the tankwagon price of gasoline was advanced from 8 to 13 cents per gallon in Los Angeles and from 8 to 13 $\frac{1}{2}$ cents per gallon in San Francisco. Similar price increases occurred in the Pacific Northwest. Corresponding changes were made in the retail sales price of gasoline. Prices of crude oil in California have remained unchanged since June 19, when quotations on light crudes were advanced from the low level established on March 31.

Credit Situation

Reserve Bank credit extended in the Twelfth District averaged higher during the four weeks ended July 15 than during any period of similar length since the first of the year. Continuing the 25-million dollar level established for the first half of June, discounts varied from that amount to more than 30 million dollars during the subsequent four weeks, except for

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

	Condition			
	July 15, 1931	July 8, 1931	June 17, 1931	July 16, 1930
Total Bills and Securities	82	86	79	60
Bills Discounted	24	27	22	8
Bills Bought	6	8	8	16
United States Securities	52	51	49	36
Total Deposits	193	193	184	182
Total Reserves	304	306	289	298
Federal Reserve Note Circulation	176	181	169	160
Ratio Total Reserves to Deposit and Note Liabilities Combined	82.5	81.8	82.1	87.0

a period of seven days over the month-end call date period. During that week, however, the total volume of Reserve Bank credit remained constant as a result of local purchases of government securities by the Federal Reserve Bank of San Francisco which offset the decline in borrowings. Acceptance holdings of the Reserve Bank remained small.

All classes of loans and investments of reporting member banks declined during the four weeks from June 17 to July 15, the principal reduction being a 22-million dollar decrease in loans on securities. A small increase in demand deposits offset an equivalent decline in time deposits, the total remaining unchanged.

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

	Condition			
	July 15, 1931	July 8, 1931	June 17, 1931	July 16, 1930
Loans and Investments—Total..	1,948	1,955	1,986	1,964
Loans—Total	1,201	1,207	1,223	1,337
On Securities	317	322	333	445
All Other	884	885	890	892
Investments—Total	747	748	763	627
United States Securities ..	392	390	401	341
Other Securities	355	358	362	286
Reserve with Reserve Bank...	107	109	105	107
Net Demand Deposits.....	741	727	733	771
Time Deposits	1,050	1,053	1,057	1,005
Due from Banks	203	195	186	227
Due to Banks	251	248	244	298
Borrowings at Reserve Bank...	18	20	15	0

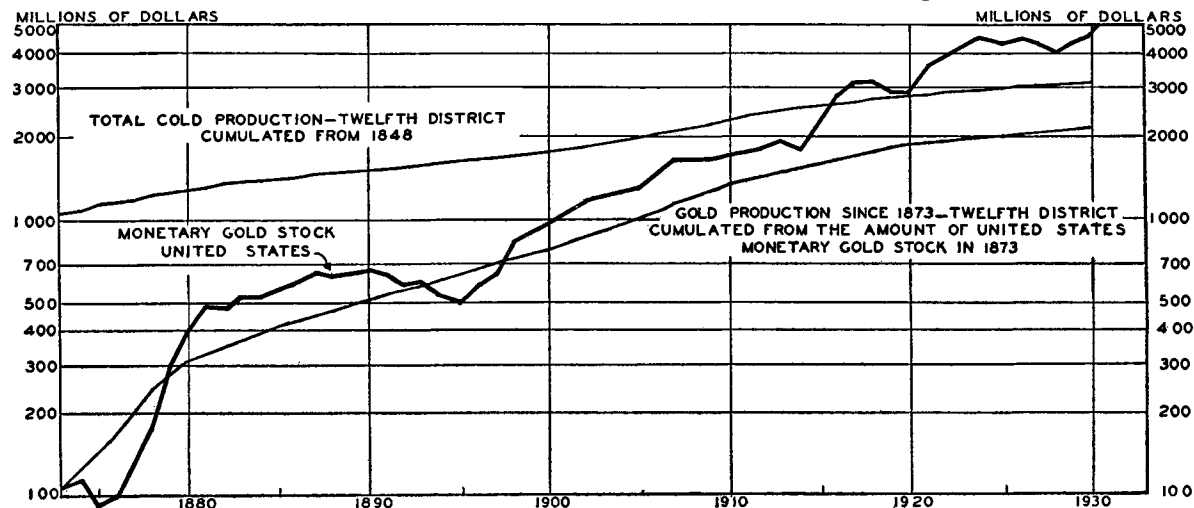
As in the remainder of the United States, there was the usual increase in circulation of money over the July 4 week-end. This expansion in currency circulation (12 million dollars in the Twelfth District) was accompanied by continued losses of funds through an adverse balance of trade with other districts. The normal contraction of circulation during the two mid-weeks of July has not yet occurred. Needs of member banks for additional funds to meet currency demands and for transfer to other districts were met by discounting or by selling government securities and through an excess of United States Treasury expenditures over collections in the Twelfth District. Approximately \$5,800,000 of gold from Australia and China were purchased by the San Francisco Mint during June. Since these deposits were principally for the account of eastern banks, however, they did not serve to enlarge this District's banking funds. The usual purchases by the Mint of locally produced gold,

while smaller than imports during the past month, increased deposits in District banks.

The total value of gold produced in the Twelfth Federal Reserve District since gold was discovered in California in 1848 has amounted to more than 3,150 million dollars. Before the heavy influx of gold into this country from Europe, which began soon after the commencement of the World War, the cumulated output of this area had exceeded the monetary gold stock of the United States. The chart below shows that when District production is cumulated from the amount of gold stocks of the country in 1873 (somewhat more than 100 million dollars), there is a marked similarity in the trends of the two curves.

This District has for many years been an exporter of gold in payment for commodities received from other districts; in fact, gold is still exchanged for credit outside this area, since the current annual production is considerably in excess of the growth of the combined gold reserves of the Federal Reserve Bank of San Francisco and of banking institutions in this District which hold their reserves outside the Federal Reserve Bank.

Since the beginning of the World War, large imports of gold from abroad have helped maintain the past rate of growth of the American stock of the metal, notwithstanding a slowing up in the rate of increase in the cumulated total of gold mined in this area. During 1930 and 1931 large shipments have been imported from Japan, China, Australia, and other Pacific basin countries through San Francisco and Seattle. These have amounted to \$222,000,000 and have nearly all been for the account of eastern financial houses. This gold, although actually purchased by the San Francisco Mint, neither remained on deposit here nor created excess reserves for local banks, for the proceeds of its sale were transferred to the institutions for whose account it was imported.



GOLD PRODUCTION IN THE TWELFTH DISTRICT IN RELATION TO MONETARY GOLD STOCK OF THE UNITED STATES