

# MONTHLY REVIEW

## OF BUSINESS CONDITIONS

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Federal Reserve Bank of San Francisco

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### SUMMARY OF NATIONAL CONDITIONS

Prepared by the Federal Reserve Board

Industrial production and factory employment declined by somewhat more than the usual seasonal amount in July, while the general level of commodity prices remained unchanged. Conditions in the money market continued easy.

**Production and Employment.** Industrial production, as measured by the Board's index, which is adjusted to allow for the usual seasonal variations, declined one per cent further in July to 83 per cent of the 1923-1925 average, compared with the low point of 82 for last December and the year's high point of 90 in April. Output of iron and steel, automobiles, lumber, and copper decreased further, while activity at textile mills and shoe factories was maintained at a high level.

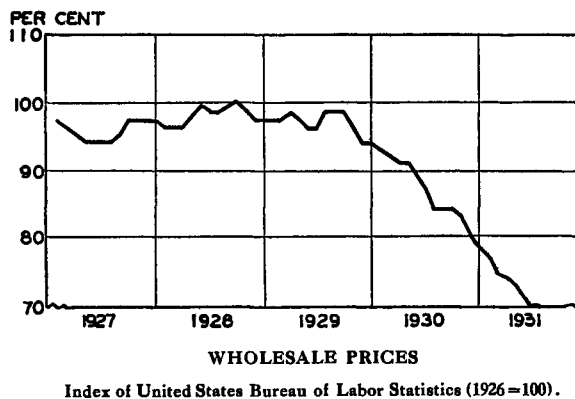
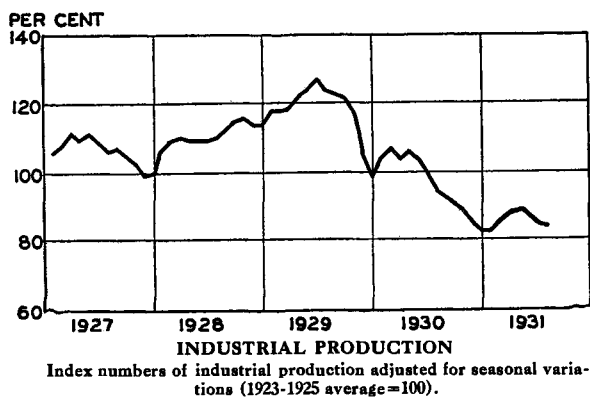
Factory employment and payrolls declined by somewhat more than the seasonal amount from the middle of June to the middle of July. Large decreases in employment were reported at carbuilding shops, machinery and automobile factories, and lumber mills. In the textile industries as a whole, employment decreased somewhat less than is usual in July, and there were increases in employment in the woolen goods and men's clothing industries.

Figures on the value of building contracts awarded during July and the first half of August, as reported by the F. W. Dodge Cor-

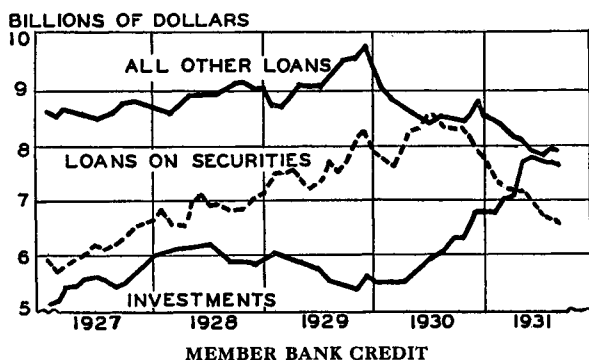
poration, show a continuation of the downward movement of recent months. Department of Agriculture estimates based on August 1 conditions indicated an unusually large crop of winter wheat, an exceptionally small yield of spring wheat, and a total wheat crop of 894,000,000 bushels, 72,000,000 bushels larger than the five-year average. The corn crop was estimated at 2,775,000,000 bushels, about the usual size and 700,000,000 bushels larger than last year's small crop. In spite of a 10 per cent reduction in acreage, the cotton crop was estimated by the Department of Agriculture to be about 15,584,000 bales, an increase of 1,600,000 bales over last year.

**Distribution.** Freight carloadings increased by slightly less than the usual seasonal amount in July and department store sales, which ordinarily decline sharply at this season, apparently decreased somewhat more than usual.

**Wholesale Prices.** The general level of wholesale prices in July continued at 70 per cent of the 1926 average, according to the index of the Bureau of Labor Statistics. Increases were reported in the prices of livestock and meats, while prices of building materials and of grains, particularly wheat, declined. During July and the first half of August prices of cotton and cotton textiles declined sharply, while prices of dairy products increased.



**Bank Credit.** Loans and investments of reporting member banks in leading cities declined by about \$340,000,000 between July 15 and August 15, reflecting chiefly further liquidation of loans on securities and a decrease in all other

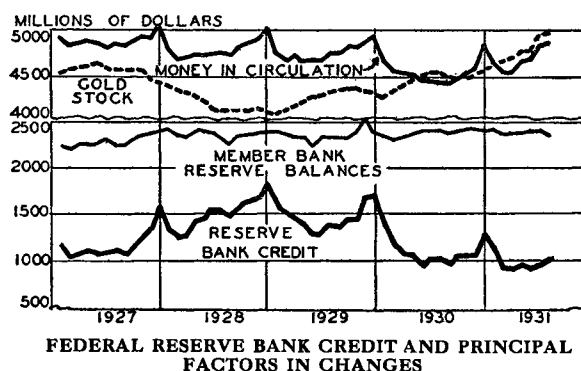


Monthly averages of weekly figures for reporting member banks in leading cities. Latest figures are averages of first two weeks in August.

loans, which was partly a consequence of sales of acceptances to the reserve banks. The volume of the member banks' investments also showed a slight decline for the period.

At the reserve banks there was an increase in the total volume of credit of \$190,000,000 between July 15 and August 19. Demand for re-

serve bank credit during this period increased as a result of an outflow of \$144,000,000 of currency, which was larger than is usual at this season, and further transfers of foreign funds from the open market into balances at the re-



Monthly averages of daily figures for twelve Federal Reserve Banks. Latest figures are averages of first twenty days in August.

serve banks. This demand for reserve bank credit was met by the reserve banks for the most part through the purchase of bills and United States Government securities in the open market, but also through increased discounts for member banks.

Money rates remained at low levels.

## TWELFTH FEDERAL RESERVE DISTRICT CONDITIONS

A further decline in the volume of business transacted in the Twelfth District was recorded during July. Adjusted indexes of production declined, while trade activity remained at the low June levels. Commodity price averages were fairly steady during July and the first half of August although some products important in this area sold at new low levels. Reserve Bank credit in use in the District averaged lower during the four weeks ending August 19, than in the two preceding months. Interest rates advanced slightly, continuing an upward tendency evident since the middle of May.

Unusually hot weather was reported from most sections of the District during July. As a result production estimates for nearly every deciduous fruit crop in California were reduced during the month. Damage to field and grain crops, however, was not extensive and ill effects of the heat wave were not apparent in the Pacific Northwest where production of fruits and grains was generally expected to be greater than had been estimated a month earlier. Quotations for wheat, cotton, and livestock declined further, while deciduous fruit prices advanced following publication of the reduced production estimates. Because of excessive temperatures, resulting in a decrease in the supply of range forage, the need of supplemental feeding of livestock was even greater during July than in

June, except in Arizona where ranges continued to supply adequate forage.

Mining and manufacturing declined somewhat from June to July, continuing the trend of the past two years. Output of crude oil decreased, but activity at petroleum refineries expanded, contributing to a small increase of gasoline supplies. Despite a decline in the amount of copper produced, total inventories continued to rise sharply. Output of lumber and of flour declined after allowance for seasonal variations. The total value of building permits and engineering contracts awarded increased between June and July contrary to the usual tendency, principally as a result of the optional award of the large Golden Gate bridge contracts. There was little net change in employment during the month, although substantial reductions from July, 1930, were recorded.

Sales at retail showed a decline of about seasonal proportions from June, while wholesale trade declined contrary to the usual movement in July. The volume of intercoastal traffic continued to decline during the month, reflecting principally the extremely small eastbound shipments of petroleum and its products. Freight carloadings decreased but little although a sharp decline is usually recorded during July. New automobile registrations declined seasonally.

Since July 22, on which day borrowings from the Federal Reserve Bank of San Francisco (\$39,873,000) were greater than at any other time since early in 1931, discounts have averaged lower than in June or the first three weeks of July. A declining volume of bills accepted by District banks during recent months has been accompanied by increased purchases of bills by those banks for investment purposes, and as a result the Federal Reserve Bank holdings of locally purchased acceptances have declined, notwithstanding the prevailing low acceptance buying rates. Participation by that Bank in Reserve System purchases of bills in national markets, however, has increased recently. Member bank balances at the Reserve Bank increased slightly late in July and in August, although the volume of time and demand deposits against which a reserve is required decreased somewhat. Security loans of reporting member banks continued to decrease during the month and practically no change was shown in "all other" (commercial) loans.

### Agriculture

Abnormally high temperatures which prevailed in the Twelfth District during much of July accentuated the relative scantiness of irrigation water in California, caused considerable damage to deciduous fruit crops in that state, and contributed to further deterioration of livestock ranges in most of the western states. The beneficial effects of rain which fell late in June in the Pacific Northwest became more evident during the heat of July and a satisfactory development of crops in that region during the later month was reported. In addition to unfavorable physical conditions in California, agriculture generally was confronted with unsatisfactory prices for crops now being marketed. In nearly all cases quotations were well below those of 1930 and in some instances they stood at record low levels.

The August 1 estimate of wheat production in the District was 3 per cent greater than the estimate of July 1, but 19 per cent smaller than the final estimate of the 1930 harvest. The July to August increase is accounted for by an improvement in production prospects for winter wheat in Washington, where the progress of harvesting has demonstrated that yields are likely to be greater than was expected earlier. Shipments of wheat to seaboard terminals were seasonally heavy during July. Receipts at Portland, Tacoma, and Seattle totaled 4,196 carloads, compared with 4,079 cars received in July, 1930. Exports of wheat from Puget Sound and Columbia River ports were also heavy, amounting to 2,195,589 bushels. In July, 1930, exports amounted to 1,715,379 bushels, and shipments to foreign destinations during July have averaged 1,417,752 bushels during the

past five years. Storage of wheat at interior mills and elevators in Idaho, Oregon, and Washington amounted to 11,150,000 bushels on July 1, compared with 18,000,000 bushels reported on July 1, 1930.

### WHEAT PRODUCTION (In thousands of bushels)

	Forecast Aug. 1, 1931	Forecast July 1, 1931	1930
Arizona .....	672	624	616
California .....	5,467	5,582	12,432
Idaho .....	21,797	23,982	33,787
Nevada .....	315	339	334
Oregon .....	16,186	15,950	23,621
Utah .....	4,120	4,376	6,989
Washington .....	46,747	41,504	39,493
Twelfth District .....	95,304	92,357	117,272
United States .....	893,582	869,013	850,965

Source: United States Department of Agriculture.

Production of barley in California, in which state considerably more than half of the District's barley crop has been grown in recent years, was estimated to be 13,054,000 bushels on August 1. The 1931 barley crop in that state is the smallest of record since 1898, when 9,164,750 bushels were produced. Barley exports from San Francisco during July were 654,114 bushels as compared with 558,021 bushels exported in July, 1930.

With the exception of the 1931 rice crop, which is estimated to be slightly larger than in 1930, production of the principal field crops—cotton, beans, tame hay, hops, potatoes, rice, and sugar beets—will be smaller than a year ago according to August 1 estimates. These declines resulted from decreases both in acreage planted and in yields per acre.

### FIELD CROPS—PRODUCTION (In thousands)

	Forecast Aug. 1, 1931	Forecast July 1, 1931	1930
<b>Cotton (bales)</b>			
Arizona, California .....	325	*	419
United States .....	15,584	*	13,932
<b>Beans (bu.)</b>			
California, Idaho .....	7,751	7,918	9,464
United States .....	20,659	22,695	22,137
<b>Tame Hay (tons)</b>			
Twelfth District .....	12,435	13,244	15,011
United States .....	77,587	79,107	77,850
<b>Hops (lbs.)†</b>			
California, Oregon, Washington .....	22,170	23,495	23,447
<b>Potatoes (bu.)</b>			
Twelfth District .....	44,697	43,660	50,210
United States .....	370,580	396,451	343,236
<b>Rice (bu.)</b>			
California .....	7,500	7,250	7,271
United States .....	40,199	40,711	41,322
<b>Sugar Beets (tons)</b>			
California, Idaho, Utah...	1,622	1,637	1,767
United States .....	7,202	7,566	9,201

\*Federal legislation does not allow a production forecast at this time. †California, Oregon, and Washington produce all the hops grown in the United States.

Source: United States Department of Agriculture.

Decreases in the estimates of deciduous fruit production during July were confined entirely to California, slight increases being general in the Pacific Northwest. Abnormal temperatures in the former state resulted not only in a decrease in the estimated volume of production, but also in a decline in the proportion of high quality fruit. Following the decrease in pro-

duction estimates, prices for fresh fruit at eastern auction markets and prices paid growers for dried fruits in California advanced.

#### DECIDUOUS FRUITS AND NUTS—PRODUCTION

(In thousands)

	Unit	Forecast August 1, 1931	Forecast July 1, 1931	1930
California				
Apples*	bu.	5,406	5,940	6,522
Apricots	tons	245	257	200
Cherries	tons	24	24	18
Grapes	tons	1,486	1,522†	2,182
Raisin	tons	872	887†	1,308
Table	tons	231	240†	388
Wine	tons	383	395†	486
Peaches	tons	638	727	796
Clingstone	tons	438	516	542
Freestone	tons	200	211	254
Pears	tons	208	227	272
Plums	tons	70	73	82
Prunes	tons	179	208	267
Almonds	tons	15	15	14
Walnuts	tons	35	36	30
Oregon				
Apples*	bu.	3,684	3,627	4,800
Pears	bu.	2,205	2,170	3,200
Prunes (dried)	tons	23	...	26
Washington				
Apples*	bu.	26,280	25,560	34,065
Pears	bu.	3,650	3,600	4,500
Prunes (dried)	tons	5	...	4
Idaho				
Apples*	bu.	4,560	4,440	4,500
United States				
Apples*	bu.	116,349	115,089	101,169
Pears	bu.	24,143	24,406	27,577
Peaches	bu.	77,074	77,963	53,286

\*Commercial crop. †Estimated as of July 13, 1931.  
Source: United States Department of Agriculture.

In late July it was estimated that packed box shipments of Valencia oranges for the 1931 season in California would be 17,317,150 boxes, compared with 10,930,000 boxes in 1930. Of the 1931 crop, 7,190 carloads were shipped during July—substantially more than the 5,484 carlots shipped in the preceding month or the 3,799 carlots shipped in July, 1930. The 1931 lemon crop, as measured by packed box shipments, was estimated to be 5,933,000 boxes on August 1, compared with 5,150,000 boxes for the 1930 season. Shipments of lemons declined from the record volume of 2,905 carlots in June to 2,419 carlots in July, but were larger than the 2,004 carlots shipped during July, 1930. Both lemon and orange prices averaged slightly higher in July than in June.

Receipts of butter and eggs at Pacific Coast markets declined slightly from June to July and were smaller than a year ago, but storage holdings increased seasonally during the later month. Although there was some increase in butter and egg prices, the consumption of these products apparently was well maintained.

Excessive heat during July and the lack of the usual summer rains in the higher mountain areas has resulted in further deterioration of livestock ranges in all states of the District except Arizona. In Arizona, the supply of feed continues to be more nearly adequate than in other states west of the Continental Divide, and livestock in that state are in excellent flesh. Livestock in the District generally, however, failed to make the gains ordinarily expected during July and on August 1 were in poorer

condition than either a month or a year earlier. In some areas it has been necessary to provide supplemental feed for stock on summer ranges. Reflecting unsatisfactory feeding conditions, receipts of livestock at Pacific Coast markets during July included a larger proportion of thin stock than has been received in any July during recent years.

The 1931 lamb crop in the District was estimated to be 9,917,000 head on August 1, compared with 9,543,000 head in 1930. This increase in the number of lambs is the result of a larger number of ewes on farms this year than last and lighter losses of lambs during the spring lambing season. The United States Department of Agriculture estimates this District's 1931 wool clip at 116,810,000 pounds, an 8 per cent increase over the 107,939,000 pounds shorn in 1930.

#### Industry

Industrial production declined in the Twelfth District during July. The output of lumber, copper, flour, and crude oil decreased, but production of refined oils increased slightly during the month. The value of building permits issued increased by a small amount during July as compared with June, but was less than in July, 1930. Engineering contracts awarded were substantially larger in value during the month than in June and slightly larger than in July, 1930.

Available evidence indicates that the volume of employment changed little in July except in Arizona, where the estimated number of workers employed declined 20 per cent. All reports show large decreases in comparison with July, 1930. One hundred and thirty-six firms in Ore-

#### Employment—

Industries	California		Oregon	
	No. of Firms	No. of Employees July, 1931	No. of Firms	No. of Employees July, 1931
All Industries*	1,113	156,020	191,712	136
		(-18.6)		(-19.9)
Stone, Clay and Glass Products	57	5,592	7,395	4
		(-24.4)		(-11.4)
Lumber and Wood Manufactures	135	16,833	21,576	47
		(-22.0)		(-20.2)
Textiles	17	2,053	2,086	9
		(-1.6)		(0.9)
Clothing, Millinery and Laundering	144	11,607	11,931	8‡
		(-2.7)		(-8.6)
Food, Beverages, and Tobacco	265	42,282	50,574	38
		(-16.4)		(-35.6)
Public Utilities	40	52,529	59,942	..
		(-12.4)		..
Other Industries†	466	70,377	88,807	..
		(-20.8)		..
Miscellaneous	49	7,276	9,343	30
		(-22.1)		(-15.4)
Wholesale and Retail	141	32,232	35,039	..
		(-8.0)		..

\*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 July, 1930.

gon whose figures are received by this Bank reported an 11 per cent decrease in the number of industrial employees as compared with June and a decrease of 20 per cent as compared with July, 1930. Fourteen of these firms reported decreases in wage rates during the month averaging 9 per cent. In California 1,133 firms reported a decrease of 19 per cent in the number of industrial employees as compared with July a year ago. This figure is the same as the average decrease during the first seven months of 1931 compared with 1930.

Production of crude oil in California during July averaged about 518,000 barrels per day, a slight decrease as compared with the June average of approximately 521,000 barrels. Daily average production in July, 1930, was 607,000 barrels. Refineries operated at a slightly higher rate in July than in June and stocks of both fuel oil and gasoline increased somewhat. East-bound shipments of petroleum and its products through the Panama Canal totaled only 124,182 tons in July, a much smaller monthly total than any reported to this Bank since these data first became available in November, 1925.

Mining was less active in July than in June, 1931, or July, 1930. The American Bureau of Metal Statistics reports that stocks of refined copper in North and South America on August 1 were 440,000 tons, compared with 413,000 tons on July 1 and 322,000 on August 1, 1930. On August 1 stocks of refined and blister copper combined were 619,000 tons, compared with 564,000 tons on August 1, 1930.

The value of building permits issued and construction contracts awarded in the Twelfth District was approximately 46 million dollars in July, compared with 44 million dollars in June and 41 million dollars in July, 1930. The value of building permits issued during the month

decreased by slightly less than the usual amount in 70 of the smaller cities, while contrary to the usual movement, there was an increase in 20 of the larger cities. This non-seasonal rise was influenced chiefly by the figures for Seattle which increased abruptly from \$556,000 in June to \$2,183,000 in July. Figures for Portland also recorded a substantial increase. In Los Angeles, Pasadena, San Diego, and San Francisco the value of building permits issued was considerably smaller in July than in June, and there were appreciable declines in several other cities of the District. A comparison of July, 1931, with July, 1930, shows decreases in Long Beach and Los Angeles and increases in Portland, San Francisco, and Seattle. The value of all engineering contracts awarded in the Far West, as reported by Engineering News-Record, was considerably larger than in June and was slightly greater than in July, 1930. The principal items causing this increase, however, were optional awards aggregating \$21,862,000 for the Golden Gate bridge in San Francisco. These contracts provide for definite awards under certain conditions at a later date. Contract awards for industrial and commercial buildings increased during the month, but awards for construction of water works, sewers, streets and roads, public and Federal Government buildings, and unclassified projects were smaller in value than in the previous month.

Output of lumber by mills in this District declined somewhat more than seasonally during July. Shipments and orders decreased also, but by a smaller amount than production, and stocks were reduced. Shipments of lumber through the Panama Canal from the West Coast totaled 162,420 tons during the month, an amount which compares favorably with average monthly shipments during most of 1930 and 1931.

Output of flour declined substantially during July, contrary to the usual movement during that month. Stocks of flour held by millers were slightly smaller at the end of the month than at the end of June and were 40 per cent smaller than a year ago. Stocks of milling wheat increased 15 per cent during July, but were 55 per cent smaller than on August 1, 1930. Shipments of flour from Puget Sound and Columbia River ports were large during July, reflecting chiefly greater activity in the Oriental trade to which 306,000 barrels were shipped compared with the shipment of 190,000 barrels in July, 1930.

### Trade

Trade activity in the Twelfth District did not change appreciably during July. Sales of department stores declined by about the seasonal amount, as did registrations of new auto-

### Industry—

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

	1931			1930
	July	June	May	
<b>General:</b>				
Carloadings—Industrial .....	59	61	68	78
Electric Power Production .....	..	158	153	166
<b>Manufactures:</b>				
Lumber .....	58	61	65	81
Refined Mineral Oils† .....	..	137	145	175
Flour .....	101	124	98	114
Cement .....	71	74	72	94
Wool Consumption† .....	..	87	59	68
<b>Minerals:</b>				
Petroleum (California)† .....	78	79	81	92
Copper (United States)† .....	59	67	68	83
Lead (United States)† .....	64	60	78	103
Silver (United States)† .....	43	52	47	71
<b>Building and Construction‡</b>				
Total .....	71	57	75	71
Value of Building Permits				
Twenty Larger Cities .....	33	29	31	50
Seventy Smaller Cities .....	41	40	43	70
Value of Engineering Contracts				
Awarded				
Total .....	123	89	144	142
Excluding Buildings .....	210	159	273	138

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

mobiles. Wholesale sales and the total volume of intercoastal shipments decreased contrary to seasonal expectations, in the latter instance, chiefly because of an exceptionally small movement of petroleum and its products from this District. Carloadings decreased by less than the seasonal amount between June and July. Foreign trade during June decreased more than is usual during that month.

RETAIL TRADE—Twelfth District

	1931 compared with 1930*		
	NET SALES		STOCKS
	July	Jan. 1—July 31	July
Department Stores...	7.8 (66)	8.9 (64)	12.5 (52)
Apparel Stores .....	12.3 (28)	12.3 (27)	23.6 (18)
Furniture Stores .....	10.0 (42)	13.5 (40)	13.7 (30)
All Stores .....	8.4 (136)	9.7 (131)	13.5 (100)

\*Percentage change.

Figures in parentheses indicate number of stores reporting.

Department store sales were approximately the same in value during July as in June, after allowance for seasonal variations, but were 8 per cent smaller than in July, 1930. This decrease is slightly smaller than the decline of 9 per cent recorded for the first seven months of this year as compared with a similar period in 1930. There was some increase over June in sales reported by Oakland and San Francisco stores. Sales in Los Angeles were practically the same in July as in June, but appreciable declines were reported from the Pacific Northwest.

Value of sales at wholesale declined by a small amount during July and was approximately 19 per cent less than in July, 1930. Sales during the first seven months of this year were 18 per cent lower in value than in the corresponding period of 1930. In making comparisons with dollar figures, however, it must be remembered that prices this year are substan-

tially below those of a year ago. The greatest declines in dollar value of sales over the year period were registered in sales of agricultural implements, electrical supplies, and hardware, while the smallest decreases were in sales of dry goods, groceries, and paper and stationery.

Daily average registrations of new automobiles in the District remained unchanged during July, after allowance for seasonal movements. Sales of new automobiles, which are currently at low levels, are subject to unusually wide fluctuations during the various phases of the business cycle, declines during the recessions of 1924 and 1927 having been almost as pronounced as in the present instance.

The volume of intercoastal shipments through the Panama Canal, which is indicative of the volume of waterborne commerce of this District with the eastern and southern sections of the United States, decreased during July as compared with June, although the usual seasonal movement is slightly upward. Shipments from the Atlantic to the Pacific Coast (usually from 25 to 30 per cent of the total) increased somewhat but the volume of goods consigned to the Atlantic Coast declined substantially as compared with the previous month. Of the two principal commodities, lumber and petroleum, which make up the eastbound traffic, the volume of the former compared favorably with shipments during preceding months, but there was a sharp reduction in the movement of petroleum and its products. Relatively high prices for crude oil in California as compared with the mid-continent fields have doubtless reduced

Distribution and Trade—

	Index Numbers*			
	July	June	May	1930 July
<b>Carloadings†</b>	Index Numbers*			
Total .....	83	80	80	94
Merchandise and Miscellaneous...	103	98	93	105
<b>Foreign Trade°</b>				
Total .....		72	78	109
Imports† .....		54	67	97
Exports .....		76	82	113
<b>Intercoastal Trade°</b>				
Total .....	68	70	68	85
Westbound .....	87	89	86	107
Eastbound .....	62	64	63	78
<b>Retail Trade</b>				
<b>Automobile Sales‡</b>				
Total .....	73	72	76	101
Passenger Cars .....	68	68	72	96
Commercial Vehicles .....	118	117	113	159
<b>Department Store</b>				
Sales‡ .....	105	105	106	114
Stocks§ .....	92	94	93	104
	Actual Figures			
<b>Collections#</b>				
Regular .....	42.7	42.9	44.0	43.1
Installment .....	15.5	15.8	15.7	15.0

\*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. #Per cent of collections during month to amount outstanding at first of month.

Bank Debits\*—

	July, 1931	July, 1930	First Seven Months	
			1931	1930
<b>Arizona</b>				
Phoenix .....	\$ 29,236	\$ 33,472	\$ 224,362	\$ 273,944
<b>California</b>				
Bakersfield .....	9,633	12,450	76,338	93,020
Berkeley .....	17,899	20,411	117,848	140,540
Fresno .....	20,344	25,179	151,256	247,221
Long Beach .....	39,728	51,488	298,900	347,948
Los Angeles .....	756,266	1,010,333	5,810,807	7,373,902
Oakland .....	196,702	192,560	1,339,538	1,364,720
Pasadena .....	27,442	33,423	221,286	255,081
Sacramento .....	51,313	53,663	327,743	343,174
San Bernardino .....	9,463	10,657	62,792	76,062
San Diego .....	47,588	57,005	344,817	405,522
San Francisco .....	899,813	1,233,277	7,010,647	9,063,131
San Jose .....	31,156	29,227	172,414	191,422
Santa Barbara .....	12,973	17,235	92,656	110,895
Stockton .....	19,117	28,913	124,732	180,734
<b>Idaho</b>				
Boise .....	14,915	16,212	90,948	99,554
<b>Nevada</b>				
Reno .....	11,641	12,513	70,562	79,672
<b>Oregon</b>				
Eugene .....	5,447	7,188	39,128	49,271
Portland .....	146,990	169,291	1,022,841	1,235,151
<b>Utah</b>				
Ogden .....	13,811	18,140	98,623	119,478
Salt Lake City .....	58,460	69,996	424,404	523,143
<b>Washington</b>				
Bellingham .....	6,947	9,851	48,137	66,175
Everett .....	10,120	12,611	66,337	92,257
Seattle .....	202,558	220,277	1,409,976	1,688,313
Spokane .....	43,628	50,679	295,454	373,008
Tacoma .....	33,292	44,006	240,251	321,433
Yakima .....	10,756	12,843	84,807	97,183
<b>Total .....</b>	<b>\$2,726,938</b>	<b>\$3,452,900</b>	<b>\$20,267,604</b>	<b>\$25,211,956</b>

\*In thousands of dollars.

the competitive sales of California petroleum products on the Atlantic seaboard.

Foreign trade of the Twelfth District ports declined during June, the latest month for which data are available, and was far below the levels of June a year ago. Imports of silk were smaller both in value and in quantity than in May, a substantial decline in imports of that commodity through Seattle being only partially offset by an increase at San Francisco. Imports of rubber into Los Angeles declined slightly. The total value of the foreign trade of this District has declined more than 50 per cent during the past two years, but during the same period there has been a sharp decline in the wholesale price level. In view of the declines in prices of particular commodities entering into the District's foreign trade it seems probable that considerably more than half of the contraction in dollar amounts since 1929 can be accounted for by price decreases. The greatest decrease has been recorded in the value of imports, of which silk and rubber are two of the most important items. As compared with the first six months of 1930, imports during the first half of 1931 were 40 per cent smaller, exports 34 per cent smaller, and total foreign trade 36 per cent less in value.

**Prices**

During the second half of July and the first two weeks in August, commodity prices fluctuated around the levels of mid-June. The Bureau of Labor Statistics' index of wholesale prices remained at 70.0 (1926 = 100) in July, the first month in almost a year in which that index has not declined from the preceding month.

On August 6 the September contract for wheat at Chicago reached the lowest level ever recorded at that market, 47 $\frac{5}{8}$  cents per bushel, since when there has been a slight increase in quotations. Livestock sold at prices slightly below those of June, lamb quotations reaching a new low level for the year during the first week of August. Pacific Coast prices for dairy and poultry products advanced seasonally during July and early August. Opening prices for California canned fruits, announced during the last week of July, were the lowest in any year since 1916.

**CANNED FRUIT—Opening Prices**  
(One dozen No. 2½ size cans—choice grade fruit)

	1931	1930	1929	1928
Apricots.....	\$1.65-\$1.75	\$1.90-\$2.00	\$2.55-\$2.65	\$2.30-\$2.45
Cherries.....	2.35- 2.45	2.75- 2.85	3.50- 3.65	3.00- 3.15
Peaches (clingstone) ...	1.55- 1.65	1.70- 1.80	2.45- 2.60	1.75- 1.90
Pears.....	1.85- 1.95	2.05- 2.15	3.15- 3.25	2.40- 2.50
Plums.....	1.40- 1.50	1.50- 1.60	2.00- 2.10	1.65- 1.75
Pineapples.....	1.75	2.10- 2.20	2.35- 2.60	2.20- 2.30
(Hawaiian-Fancy Sliced)				

Petroleum prices in California have not changed since the sharp advance on June 19. As a result of state restrictive measures on

production, however, prices have recently been increased in mid-continent fields from the extremely low levels established in those fields during June. Prices of silver, copper, zinc, and tin were lower at the end of July than at the beginning of that month. On August 6 sales of copper were reported at 7½ cents per pound delivered Connecticut Valley, a new record low price. Lead quotations have not changed during the past six weeks. Pacific Coast lumber prices continued to decline during July. Prices for flour, barley, coffee, cotton, and rubber—miscellaneous commodities of considerable importance in the District's commercial activity—declined during the month, while quotations on sugar, cement, and hides increased.

**Credit Situation**

Little change occurred in the credit situation during July and early August. Demand and time deposits of reporting member banks declined slightly and security loans continued their decrease, while all other loans changed little and security portfolios were reduced somewhat. A moderate reduction in holdings of government securities followed upon the call by the Treasurer of the United States for payments on recent subscriptions to those obligations. These slight fluctuations in condition reflect small net changes in factors which add to or subtract from the supply of banking funds available to this area and afford some evidence that there was an approximate balance of payments between this District and other sections of the country during the month.

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

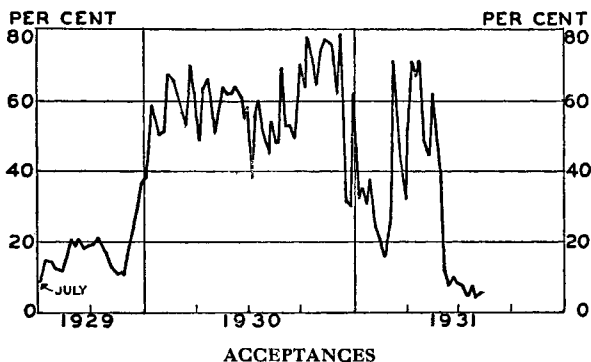
	Condition			
	Aug. 19, 1931	Aug. 12, 1931	July 15, 1931	Aug. 20, 1930
Total Bills and Securities.....	98	72	82	64
Bills Discounted.....	34	11	24	8
Bills Bought.....	12	9	6	17
United States Securities....	52	52	52	39
Total Reserves.....	199	197	193	186
Total Deposits.....	318	326	304	299
Federal Reserve Note Circulation	198	183	176	158
Ratio Total Reserves to Deposit and Note Liabilities Combined.	80.1	85.7	82.5	87.1

The return flow of currency from circulation which usually follows the July 4 holiday has been retarded this year. In fact there has been a slight non-seasonal increase in the amount of currency in circulation during recent weeks. This condition appears to reflect withdrawals of cash by depositors following upon recent bank failures and some growth among banks of their holdings of vault cash.

Some changes in the form, but relatively little variation in the amount, of Reserve Bank credit extended in the Twelfth District have been recorded during the past ten weeks. During June, July, and the first weeks of August the bulk of credit granted has been extended in the form of discounts, whereas during 1930

and the first five months of this year an average of about 60 per cent of Reserve Bank credit extended to the Twelfth District was obtained by member banks through the sale of acceptances to this Bank. On July 22 bor-

or storage of goods in foreign countries and (2) increased demand for acceptances by commercial banks for investment purposes. The average acceptance holdings of banks reporting such figures during 1931 have been more than twice as large during the year to date as they have been at any previous time during the ten years for which figures have been collected.



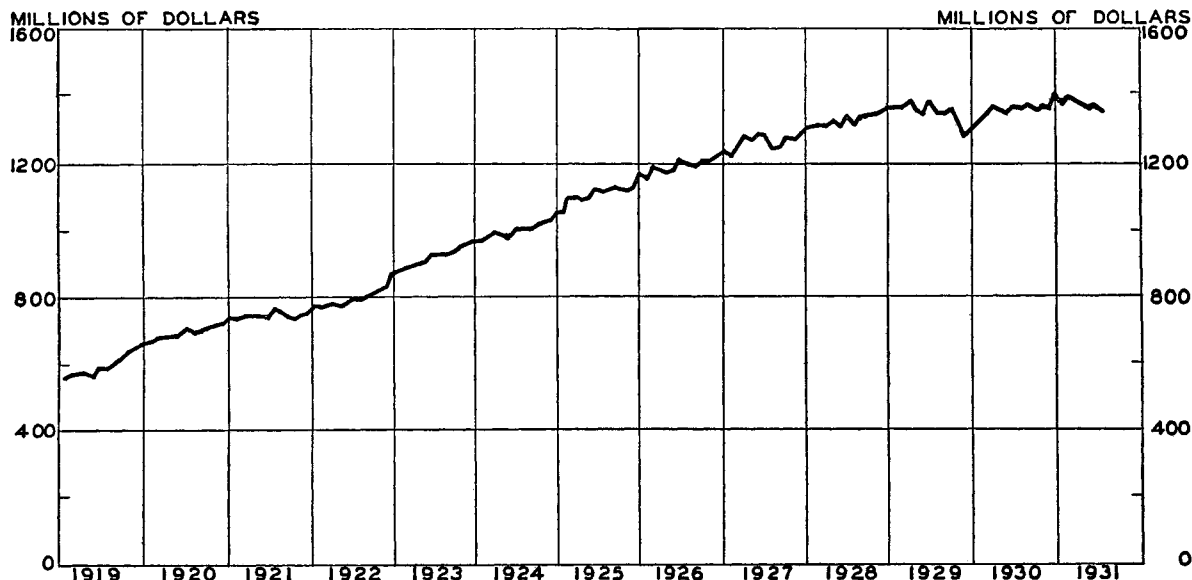
Locally purchased acceptance holdings of the Federal Reserve Bank of San Francisco shown as a percentage of Reserve System credit employed in the Twelfth District (weekly figures).

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

	Condition			
	Aug. 19, 1931	Aug. 12, 1931	July 15, 1931	Aug. 20, 1930
Loans and Investments—Total..	1,923	1,927	1,948	1,980
Loans—Total .....	1,196	1,197	1,201	1,356
On Securities .....	312	310	317	461
All Other .....	884	887	884	895
Investments—Total .....	727	730	747	624
United States Securities .....	371	371	392	331
Other Securities .....	356	359	355	293
Reserve with Reserve Bank....	108	106	107	110
Net Demand Deposits.....	729	732	741	750
Time Deposits .....	1,017	1,028	1,050	1,019
Due from Banks .....	192	185	203	229
Due to Banks .....	233	236	251	293
Borrowings at Reserve Bank...	27	4	18	1

rowings from the Reserve Bank, at 40 million dollars, reached the highest figure since the first few days of this year. During the past three months when only 5 to 10 per cent of the volume of Reserve Bank credit extended to the Twelfth District has been extended through the purchase of acceptances by the Reserve Bank, acceptance buying rates have been at the lowest levels on record and have also been relatively lower than the discount rate just as was the case during most of 1930 and during the earlier months of this year. The decline in the Reserve Bank's holdings of locally purchased acceptances since the end of 1930 may therefore be attributed to (1) a considerable reduction in the amount of paper accepted by banks, reflecting a smaller need for financing foreign trade

The volume of savings deposits in principal Twelfth District banks, although tending downward slightly since January, 1931, approximates the level at the beginning of 1929. These deposits were reduced sharply in the autumn of 1929, but by June, 1930, had been built up to their former levels and during most of that year registered a steady though slow increase. The long term rate of growth has been retarded during the current business depression, however, and the average of reported monthly figures was but little higher during the first half of 1931 than it was in the first six months of 1929. This period of relative stability represents the most protracted interruption of the steady growth of savings deposits since such figures were first collected in 1919.



SAVINGS DEPOSITS — Twelfth District  
Principal banks in seven larger cities (monthly figures).