

Monthly Review

FEDERAL RESERVE BANK OF SAN FRANCISCO

JULY 1947

CASH RECEIPTS FROM LIVESTOCK AND LIVESTOCK PRODUCTS, 1939-46—TWELFTH DISTRICT

THE WAR brought about a great increase in farm production, which, with increasing prices, resulted in a tremendous increase in cash receipts from farm marketings. After the war, farm production continued to be maintained almost at wartime levels, and the gradual relaxation and final removal of price controls increased cash receipts from farm marketings in 1946 still further.

TABLE 1—PERCENT PRODUCED IN THE TWELFTH DISTRICT OF TOTAL UNITED STATES PRODUCTION OF LIVESTOCK AND LIVESTOCK PRODUCTS, 1939 AND 1946¹

Commodity	1939	1946
Cattle and calves.....	9.4	9.7
Hogs.....	3.0	2.1
Sheep and lambs.....	26.3	21.5
Wool.....	25.0	21.6
Turkeys.....	21.7	26.2
Chickens.....	4.8	5.3
Eggs.....	8.7	7.9
Milk (dairy products).....	8.9	9.7

¹ Based on various reports of U. S. Department of Agriculture on farm production, 1939 and 1946; data for 1946 preliminary and subject to revision.

Twelfth District farmers receive about 10 percent of the total cash income obtained by United States farmers for livestock products. The District's share in national production varies greatly with respect to individual commodities, as Table 1 shows. The District contributes between one-fourth and one-fifth of the total United States production of sheep, wool and turkeys. These products combined, however, contributed only 5 percent of District farm income in 1946.

Total receipts from livestock vs. crops

In the United States as a whole, cash receipts from livestock and livestock products in recent years have

constituted over half of all cash receipts from farm marketings.

The picture in the Twelfth District differs on two counts (Table 2). First, District cash receipts from livestock marketings have been nearer 40 than 50 percent of the total. Second, the increase over the war years in cash receipts from crops was much larger than the increase in receipts from livestock, so that the relative importance of livestock income declined from 43 percent of total receipts in 1939 to 36 percent in 1946.¹

The importance of livestock varies greatly in different states of the District. In Nevada and Utah it provides some three-quarters or more of farm income; in California, Washington, and Arizona, on the other hand, it provided 35 percent or less of 1946 farm income. In every state of the District livestock was a less important source of farmers' cash income in 1946 than it had been in 1939.

Price rises contributed more to increased cash receipts than production

The increased cash receipts both from crops and from livestock and livestock products during the past eight years were a combined effect of increased production and increased prices, the latter being much the stronger influence of the two. Exactly comparable composite figures on crop production and livestock production are not available. The existing data show, however (Table 3), that between 1939 and 1946 production of eight leading Dis-

¹ In addition to cash receipts from farm marketings, gross farm income includes (1) government payments—conservation, rental and benefit, cotton option, price adjustment, and Sugar Act payments; (2) the value of products consumed on the farms where they are produced.

TABLE 2—TOTAL CASH RECEIPTS FROM FARM MARKETINGS, 1939, 1945, AND 1946; PERCENTAGE DISTRIBUTION OF CASH RECEIPTS BETWEEN CROPS AND LIVESTOCK, 1939 AND 1946; AND PERCENTAGE INCREASE IN CASH RECEIPTS FROM CROPS AND LIVESTOCK, 1945 AND 1946 OVER 1939—TWELFTH DISTRICT BY STATES, AND UNITED STATES¹

State	Total Cash Receipts ²			Percentage Distribution				Percentage Increase			
	1939	1945	1946 ³	1939		1946 ³		1945 over 1939		1946 ³ over 1939	
				Crops	Live-stock	Crops	Live-stock	Crops	Live-stock	Crops	Live-stock
Arizona.....	\$ 52.2	\$ 138.9	\$ 159.0	55.2	44.8	64.7	35.3	212.5	109.0	257.3	139.7
California.....	606.0	1,786.5	1,927.9	63.3	36.7	69.3	30.7	226.4	140.2	248.2	166.2
Idaho.....	89.0	247.6	278.6	49.1	50.9	55.0	45.0	201.1	156.1	250.6	176.8
Nevada.....	13.3	27.7	30.9	13.5	86.5	14.9	85.1	183.3	96.5	155.6	128.7
Oregon.....	106.1	288.3	317.5	45.1	54.9	54.4	45.6	217.8	134.0	261.3	148.4
Utah.....	45.1	121.0	123.9	28.2	71.8	29.3	70.7	178.0	164.5	185.8	170.4
Washington.....	147.0	470.7	539.6	57.6	42.4	67.2	32.8	267.8	155.5	328.2	183.9
TWELFTH DISTRICT.....	\$1,058.7	\$ 3,080.7	\$ 3,377.4	57.0	43.0	64.2	35.8	227.9	142.1	259.5	165.4
United States.....	\$7,877.0	\$20,780.9	\$23,933.8	42.7	57.3	44.7	55.3	169.1	159.9	217.6	193.6

¹ Based on Farm Income Situation, U. S. Department of Agriculture (Bureau of Agricultural Economics).

² In millions of dollars.

³ All 1946 figures preliminary and subject to revision.

TABLE 3—INDEXES OF 1946 PRODUCTION OF LEADING CROPS AND OF LIVESTOCK AND LIVESTOCK PRODUCTS—TWELFTH DISTRICT¹
(1939=100)

Crops ²		Livestock	
Commodity	Twelfth District	Commodity	Twelfth District
Hay	128.3	Cattle and calves	127.6
Wheat	160.9	Hogs	88.6
Grapes and raisins	119.1	Sheep and lambs	71.3
Potatoes	201.6	Wool	66.9
Apples	112.1	Turkeys	180.9
Oranges	122.4	Chickens	110.3
Barley	156.3	Eggs	133.0
Cotton	89.6	Milk	120.5

¹ Based on various reports of U. S. Department of Agriculture on farm production, 1939 and 1946; data for 1946 preliminary and subject to revision.
² District crops whose value of production in the 1946 crop year (not the calendar year) was in excess of \$100 million (cotton \$96.5 million). Their value of sales, which in such crops as hay and barley is relatively low due to consumption on farms where they are produced, amounted to about 52 percent of the 1946 cash receipts from all crops in the District.

tract crops rose more than the production of livestock and livestock commodities.

More important to cash receipts than increased production was the rise in prices, and here again the effect on crop income was more favorable than the effect on livestock income. While the livestock price index (Table 4) declined in 1944 due to price controls, the crops index rose each year. A number of crops were, for various reasons, not affected by price controls, or were affected to only a slight extent. Fruits, truck crops, and cotton, each an important crop in the Twelfth District, showed especially marked price increases between 1942 and 1945.

1939-46 changes in production and income, by commodities

Twelfth District production of various types of livestock and livestock products in the years 1939 through 1946, and cash receipts from them, are shown in Table 5. The war led to greatly increased production of all livestock products, except sheep, lambs, and wool. For the latter, the peak of District production was in 1941. The country-wide drop in production since 1942, caused by difficulties in providing herders, uncertainty in the wool market, and relatively smaller profits in sheep raising than in other livestock branches, was greater in the District than elsewhere. District hog production reached its peak in 1943, when it was 42 percent above 1939, but output fell in the next three years to only 88.6 percent of

TABLE 4—PRICE INDEXES OF FARM PRODUCTS, 1940-46—UNITED STATES¹
(1935-39=100)

Commodity	1940	1941	1942	1943	1944	1945	1946 ²
Livestock and livestock products	96	120	148	172	166	174	215
Meat animals	93	123	159	176	168	177	221
Dairy products	100	117	137	163	167	166	215
Poultry and eggs	88	111	139	175	160	180	195
Wool	119	147	166	171	170	173	174
All crops	91	110	147	189	200	206	233
Food grains	89	103	128	157	175	182	214
Feed grains and hay	86	94	117	155	175	170	215
Fruits	88	102	137	216	258	264	269
Truck crops	108	126	160	240	207	219	212
Cotton	93	129	179	192	197	206	290

¹ Based on data from U. S. Department of Agriculture, *Agricultural Statistics*, and monthly reports of U. S. Department of Agriculture (Bureau of Agricultural Economics), *Agricultural Prices*.
² Figures preliminary and subject to revision.

1939 quantity. The peak in egg production was reached in 1944; in cattle and calves, milk, turkeys, and chickens, it occurred in 1945.

The only year in which both production and income rose for every commodity listed was 1941. The most consistent increases occurred in cattle, turkeys, and milk; these commodities showed rising production and receipts in every year through 1945 (except that cattle production fell off in 1943).

In 1946 the production of all livestock products in the Twelfth District was smaller than in 1945. In some instances this was a result of trends previously established—as in the case of sheep and lambs and wool. In some cases the decline came from adjustments in production to bring it more in line with peace-time patterns—as in the case of hogs and poultry. In some cases there were uncertainties regarding price control which temporarily affected the marketing of the products—for example, meat animals. Moreover, the feed supply situation in 1946 was more difficult than in 1945. Despite this general decline in production, however, cash receipts rose in 1946 for all commodities except turkeys, chickens, and wool.

Importance of commodities in different states

Examination of Table 6 reveals other details about livestock as a source of farm income in the Twelfth Dis-

TABLE 5—PRODUCTION AND CASH RECEIPTS FOR LIVESTOCK AND LIVESTOCK PRODUCTS, 1939-1946—TWELFTH DISTRICT¹

	1939	1940	1941	1942	1943	1944	1945	1946 ²
Production								
Cattle and calves ³	1,411.8	1,474.8	1,598.9	1,725.4	1,698.9	1,833.1	1,882.4	1,819.0
Hogs ³	513.6	512.7	515.1	604.0	731.2	546.3	412.9	397.2
Sheep and lambs ³	535.9	519.5	560.0	527.5	459.1	424.1	412.2	382.2
Wool ³	90.3	87.8	89.1	87.2	78.8	73.2	66.7	60.4
Turkeys ³	104.4	118.1	131.0	138.1	154.9	181.2	246.1	188.8
Chickens ³	129.1	104.4	123.2	128.9	160.2	115.5	196.0	142.5
Eggs ⁴	3,321	3,577	3,638	3,913	4,301	4,711	4,441	4,417
Milk ³	9.6	10.4	10.9	11.2	11.2	11.6	11.7	11.6
Cash Receipts⁵								
Cattle and calves	\$125.0	\$130.0	\$157.3	\$212.6	\$232.5	\$265.6	\$336.6	\$361.9
Hogs	29.6	29.0	44.1	66.8	93.3	87.1	58.2	68.2
Sheep and lambs	41.5	40.9	51.8	64.9	66.6	61.4	61.5	68.5
Wool	19.8	24.1	29.9	34.1	31.6	30.3	27.3	24.9
Turkeys	15.0	18.7	25.5	41.1	47.5	61.5	81.1	71.3
Chickens	13.7	11.1	14.5	19.5	33.0	26.3	43.3	34.8
Eggs	48.5	50.7	70.2	95.0	133.6	129.8	141.0	145.4
Milk (dairy products)	143.6	168.3	212.5	270.2	327.8	352.2	358.0	421.9

¹ Data from various reports of U. S. Department of Agriculture (Bureau of Agricultural Economics) on farm production and cash receipts. In addition to the livestock products shown in this table, there are a few minor branches of production (horses, mules, honey, mohair, and the like) which provide a small percentage of farm income.

² Figures preliminary and subject to revision.

³ In millions of pounds.

⁴ In millions.

⁵ In millions of dollars.

TABLE 6—PERCENT OF TOTAL CASH RECEIPTS OF AGRICULTURE DERIVED FROM LIVESTOCK AND LIVESTOCK PRODUCTS, IN THE TWELFTH DISTRICT BY STATES AND IN THE UNITED STATES, 1939 AND 1946¹

Commodity	Arizona		California		Idaho		Nevada		Oregon		Utah		Washington		Twelfth District		United States	
	1939	1946	1939	1946	1939	1946	1939	1946	1939	1946	1939	1946	1939	1946	1939	1946	1939	1946
Cattle and calves.....	25.5	25.1	10.4	8.6	10.7	13.1	41.3	51.8	13.1	14.2	16.6	18.7	8.2	6.5	11.8	10.7	16.4	15.5
Hogs	1.1	.7	1.8	1.4	7.1	3.8	2.3	2.7	4.7	4.1	3.6	3.7	3.3	2.0	2.8	2.0	10.3	12.4
Sheep and lambs.....	3.0	1.2	2.3	1.2	10.2	6.2	15.7	8.9	5.5	2.4	13.3	9.0	1.9	.8	3.9	2.0	2.2	1.5
Wool	2.0	.7	.9	.4	4.1	1.6	10.0	5.6	3.1	.9	8.1	4.5	.8	.3	1.9	.7	1.0	.5
Turkeys4	.3	1.3	1.7	.5	.5	.8	1.1	3.2	4.7	4.4	9.4	.7	1.8	1.4	2.1	.9	1.1
Chickens8	.4	1.2	1.0	1.4	.9	.8	.7	1.2	1.2	1.9	2.4	1.9	1.0	1.3	1.0	2.9	2.6
Eggs	1.9	1.3	4.4	4.2	3.2	2.8	2.7	4.4	3.9	4.7	8.1	11.5	6.7	4.6	4.6	4.3	5.4	6.2
Milk (dairy products)..	7.4	5.8	12.5	12.1	13.1	13.4	11.4	10.3	17.5	14.5	13.4	16.2	17.7	13.4	13.6	12.5	17.2	15.5
TOTAL	42.1	35.5	34.8	30.6	50.3	42.3	85.0	85.5	52.2	46.7	69.4	75.4	41.2	30.4	41.3	35.3	56.3	55.3

¹ Based on Tables 2 and 5. Several state totals differ from those shown in Table 2. The differences arise because (1) Table 2 includes a few minor livestock products omitted from this table, and (2) there are minor discrepancies in the data from the various sources used in Tables 2 and 5. All 1946 data preliminary and subject to revision.

tract. Individual livestock products varied tremendously among states as a source of cash income in 1946. Cattle brought in more than one dollar out of every two received by Nevada farmers, but only seven percent of the income of Washington farmers. Eggs were a minor source of income in most states, but in Utah they accounted for 11.5 percent of total farm cash receipts. Poultry in general (turkeys, chickens, and eggs combined) brought in only 2 percent of Arizona farm income, but almost one-quarter of Utah income. Sheep raising was of considerable importance only in Nevada, Utah, and Idaho. Dairy products provided between 10 and 17 percent of income in all states except Arizona, where their importance was much less. Hogs, though of small importance in any state, were almost seven times as important in Oregon as in Arizona.

In Utah, five different commodities were of substantial importance in 1946; in Arizona, on the other hand, only two commodities produced more than a negligible fraction of total cash receipts. Arizona showed a decline in the importance of all livestock commodities between 1939 and 1946. The only branch of livestock production that increased in every state (except Arizona) was turkeys. The only branch that decreased in every state was sheep raising.

Conclusion

It is clear that the relative importance of livestock compared to crops as a source of agricultural income has declined more sharply in the Twelfth District than in the rest of the United States. Two reasons may be suggested. First, there was a tendency for crop income to increase more than livestock income in the country as a whole. The former rose 218 percent between 1939 and 1946, and the latter rose 194 percent. Second, it would appear that both of the factors—production and prices—that influence cash receipts operated in favor of crops more strongly in the District than in the rest of the country. Crop acreage was expanded during the war more in the District than in the United States, and prices of several important District crops rose more markedly than prices in general.

It is too early to say whether this change in the composition of farm income represents a permanent shift in the agricultural economy of the District or a temporary result of changes in production and prices during the war and early postwar years. Caution is especially needed in appraising the changes shown in 1946, because changes in price control policy during that year reduced the quantities of certain livestock products marketed—beef, veal, and pork, for example.

MEMBER BANK LOANS—TWELFTH DISTRICT

LED BY real estate and consumer loans, total loans of Twelfth District member banks increased 14 percent during the first six months of 1947 (Table 1). This is a substantially greater increase than the one that took place in the country as a whole. In the District, the gain was much smaller than the gain during the second half of last year, but a trifle above the gain during the first half of 1946. For every month so far in 1947, total outstanding loans of District member banks increased. The rate of increase in May and June was slightly smaller than in February, March and April.

Increases by states

In every state of the District there was an increase in loans during the first six months of 1947; California and Utah banks showed the greatest gains. Oregon and Washington experienced the smallest increase. This was

due largely to the fact that commercial and industrial loans in these two states declined slightly in contrast to the gain for the District as a whole, a gain which occurred largely in California banks. Nevada was the only state where a significant drop in loans occurred at any time within this six-month period; at the end of June its loans had declined 10 percent from the peak at the end of May.

Comparison of first six months of 1946 and 1947

Seasonal factors undoubtedly are responsible for some of the differences in loan trends among states, but they do not appear to account for all of them. Comparing loan trends in the first six months of 1947 with the first six months of 1946 reveals several such differences. Only California and Idaho had a larger increase in 1947 than in 1946. In each of the other states the increase was much smaller this year than last. In 1946 three states—Arizona,

TABLE 1—AMOUNT OF TOTAL LOANS OF TWELFTH DISTRICT MEMBER BANKS, BY STATES, SEMI-ANNUALLY
DECEMBER 31, 1945 TO JUNE 25, 1947, WITH PERCENT OF INCREASE

State	Amount ¹				Percent Increase		
	Dec. 31, 1945	June 29, 1946	Dec. 31, 1946	June 25, 1947	Dec. 31, '45- June 29, '46	June 29, '46- Dec. 31, '46	Dec. 31, '46- June 25, '47
Arizona	\$ 55	\$ 66	\$ 89	\$ 99	20.0	34.8	11.2
California	1,989	2,254	3,064	3,579	13.3	35.9	16.8
Idaho	43	46	61	66	7.0	32.6	8.2
Nevada	20	25	32	34	25.0	28.0	6.3
Oregon	169	187	250	256	10.7	33.7	2.4
Utah	74	93	109	128	25.7	17.2	17.4
Washington	314	357	463	484	13.7	29.7	4.5
TWELFTH DISTRICT	\$ 2,663	\$ 3,030	\$ 4,068	\$ 4,646	13.8	34.3	14.2
United States	\$22,775	\$23,302	\$26,696	\$28,497	2.3	14.6	6.7

¹In millions of dollars.

Nevada, and Utah—had loan increases well above the District increase, and only two states—Idaho and Oregon—were significantly below the District figure. This year, by contrast, five states were below the District increase, and only California and Utah were above it.

Comparison of first and second half of year

In the second six months of 1946 member bank loans increased much more than they did in the first six months of either year. This was true not only in the District as a whole but in the individual states as well. The only exception was Utah, which in the first half of both years showed the greatest loan expansion of any state in the District, and in the second half of 1946 the smallest loan expansion.

There are a number of reasons for the large increase in loans that occurred in the last half of 1946. Beginning in June 1946 industrial production increased substantially. During this period inventory accumulation also continued at a high rate and the removal of price controls was followed by a sharp advance in prices. These factors, combined with some reduction in the cash position of many business organizations, resulted in a marked expansion in total bank loans in the last half of 1946. Their influence was most pronounced in the case of commercial and industrial loans, which provided the largest part of the 1946 increase in total District bank loans.

During the first half of 1947 the Federal Reserve index of industrial production leveled off at about 190 percent of the 1935-39 average. Although it has declined slightly since March, the average for the first half of 1947 was about 17 percent above the average for the corresponding period in 1946 and 5 percent above that for the last half of the year.

Because of its current high level, it is unlikely that industrial production will expand during the second half of this year to the same extent that it did in the last half of 1946. This situation, together with the marked slowing down of inventory accumulation, is likely to result in a smaller expansion in commercial and industrial loans during the last half of 1947 than occurred a year ago, although serious upward pressure on prices still persists. Consequently, consumer and real estate loans are likely to contribute relatively more to any further expansion in total loans than they did in the last half of 1946.

Increases by type of loan

Commercial and industrial loans increased 9 percent in the first six months of 1947 compared with an increase of 16 percent in the corresponding period a year ago (Table 2). In 1946 the expansion in commercial and industrial loans accounted for about 40 percent of the dollar increase in total loans of District member banks in the first half of the year and about 60 percent in the second half. It is estimated, however, that in the first six months of 1947 the expansion of such loans accounted for only about one-fourth of the increase in total loans. This is a reflection of the fact that there has been much less

TABLE 2—PERCENT INCREASES IN LOANS OF TWELFTH DISTRICT MEMBER BANKS BETWEEN SEMI-ANNUAL DATES DECEMBER 31, 1945 TO JUNE 25, 1947, BY TYPE OF LOAN

Type of loan	Dec. 31, 1945 to June 29, 1946	June 29, 1946 Dec. 31, 1946	Dec. 31, 1946 ¹ to June 30, 1947
Commercial and industrial	+16	+55	+ 9
Agricultural (except real estate)	+16	+ 2	+ 3
To purchase and carry securities	-28	-26	-30
Real estate	+20	+31	+33
Consumer instalment loans ²	+45	+36	+37

¹ Estimated.

² Includes consumer credit extended indirectly through the purchase of instalment paper.

change in the volume of commercial and industrial activity so far this year than in the corresponding period a year ago.

California leads in GI loans

Real estate loans, on the other hand, increased more rapidly in the first half of this year than they did in the first six months of 1946. Most of these are secured by residential property, and new houses had not started to come into the market in great volume in the first six months of last year.

It is of interest to note that California has been leading all other states in the country in the average size of GI home loans that have been approved since the inception of the GI loan program. The figures through April 25, 1947 indicate that the average size of loan in California was \$7,750. This was above the average figure in Nevada, the state in the District having the second highest average, and the average figure in the country as a whole, by about \$2,000. It was \$1,000 above the average for Connecticut, the state having the second highest average for the entire country.

Although several factors have contributed to the large difference between the average size of GI home loans in California and elsewhere, it is not possible to assess accurately the relative importance of each one. Lending policies of financial institutions in California may have been more liberal than in other states; relatively more new houses have been constructed; and a greater wartime increase occurred in the price of old houses, fully prepared lots, and raw land.

Consumer instalment loans increased more than one-third in both the Twelfth District and the United States

during the first half of 1947. No other type of bank loan made as large a gain in the Twelfth District during this period. The percent gain was not as large, however, as the increase in these loans in the first half of 1946, a period during which consumer durable goods began to make their first postwar appearance in significant quantity.

Agricultural loans (other than real estate) showed a smaller increase than in the first six months of 1946.

Loans to purchase and carry securities continued their postwar decline; they have dropped substantially in each six-month period since December 1945.



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BUSINESS INDEXES—TWELFTH DISTRICT

1935-39 Average=100¹

Year and month	Industrial production (physical volume) ²										Factory employment ⁴		Factory payrolls ⁴	
	Lumber		Petroleum ³		Cement ³		Wheat flour ³		Electric power		California		California	
	Ad-justed	Unad-justed	Unad-justed	Unad-justed	Ad-justed	Unad-justed	Ad-justed	Unad-justed	Ad-justed	Unad-justed	Ad-justed	Unad-justed	Ad-justed	Unad-justed
1929		148	121	193		110 _r		115		83		100		111
1930		112	95	168		96 _r		107		84		85		93
1931		77	78	140		71 _r		110		82		73		73
1932		46	74	134		48 _r		98		73		61		54
1933		62	72	127		54 _r		97		73		66		53
1934		67	73	123		70 _r		106		79		79		64
1935		83	86	140		68 _r		113		85		87		78
1936		106	89	154		117 _r		109		96		99		96
1937		113	99	163		112 _r		114		105		112		115
1938		88	104	159		92 _r		111		102		98		101
1939		110	93	160		114 _r		123		112		104		110
1940		120	93	158		124 _r		118		122		122		134
1941		140	96	172		164 _r		120		136		173		224
1942		140	103	175		194 _r		120		167		270		460
1943		133	118	194		160 _r		132		214		363		705
1944		138	129	226		128 _r		136		231		335		694
1945		108	135	243		131 _r		152		219		246		497
1946		118	131	219		165 _r		147		219		177		339
1946														
May	111	129	131	222	170 _r	172 _r	150	132	210	212	177 _r	177 _r	336 _r	337 _r
June	117 _r	137 _r	132	219	161 _r	175 _r	167	147	212	216	180 _r	180 _r	344 _r	345 _r
July	107	120	132	228	165 _r	175 _r	124	109	213	222	180	180	345	345
August	113	139	131	234	167 _r	182 _r	136	136	222	231	184	185	362	364
September	120	139	131	222	170 _r	182 _r	129	154	227	227	184	185	360	361
October	122	133	131	229	161 _r	175 _r	130	154	236	229	187	188	372	375
November	128	122	132	227	182 _r	170 _r	133	146	237	232	192	193	372	373
December	133	100	133	221	182 _r	170 _r	166	166	243	240	192	193	387	388
1947														
January	155	106	134	219	191 _r	164 _r	174	174	250	246	194	191	386	379
February	172	121	136	227	182 _r	166 _r	162	162	249	244	192	191	387	384
March	143	124	137	255	207 _r	190 _r	165	162	252	248	193	192	390	389
April	132	135	137	259	193 _r	196 _r	173	153	254	252	192	192	392	392
May	130	151	138	267	193	195	179 _r	158 _r	251	253	190	190	392	394 _r
June	131	151	139	264			179	157			187	187	394	396

Year and month	Carloadings (number) ²						Department store sales (value) ²					Dept. store stocks (value) ⁵		Consumers' prices ⁴						
	Total		Merchandise and miscellaneous		Other		District		California	Pacific North-west	Utah & So. Idaho	District		All items	Food					
	Ad-justed	Unad-justed	Ad-justed	Unad-justed	Ad-justed	Unad-justed	Ad-justed	Unad-justed	Ad-justed	Ad-justed	Ad-justed	Ad-justed	Unad-justed	Unad-justed	Unad-justed	Unad-justed				
1929		112		114		109		112		109		115		124		132		121.8		132.0
1930		96		105		84		104		103		106		111		125		118.1		124.8
1931		75		89		57		94		94		91		97		110		108.2		104.0
1932		57		74		37		71		72		68		69		89		98.8		89.8
1933		58		70		43		68		68		66		72		80		93.6		86.8
1934		66		81		48		77		75		78		82		85		95.3		93.2
1935		72		85		56		86		86		85		89		89		97.0		96.6
1936		85		97		70		100		99		100		99		97		97.9		100.3
1937		90		102		75		105		106		105		104		108		102.2		104.5
1938		79		90		65		100		100		100		98		101		102.0		99.0
1939		85		96		72		109		109		110		110		106		101.0		96.9
1940		90		99		79		116		117		117		116		113		101.1		97.6
1941		105		116		91		139		136		146		138		137		106.3		107.9
1942		113		121		103		169		160		189		174		187		119.4		130.9
1943		109		119		97		201		192		219		212		172		126.1		143.4
1944		115		130		97		221		217		232		217		177		128.3		142.1
1945		110		131		83		244		242		252		237		182		131.7		146.3
1946		111		132		86		306		304		310		304		238		142.1		167.4
1946																				
May	108	108	128	120	83	93	305	284	300	317	277	217	225	134.6	150.0					
June	113	122	137	145	84	93	315	288	315	310	300	217	221	136.8	154.5					
July	121	124	138	147	101	96	322	266	316	327	331	250	265	143.1	170.8					
August	102	118	125	140	74	90	324	291	311	333	364	240	263	145.7	176.1					
September	109	126	125	148	90	100	313	326	308	312	319	249	281	147.7	179.7					
October	109	128	125	151	89	99	319	330	320	313	301	270	299	150.6	186.2					
November	111	112	134	134	83	84	319	376	325	307	289	296	313	156.2	199.9					
December	121	107	145	129	91	79	317	503	310	329	305	334	273	156.9	198.4					
1947																				
January	136	108	146	122	124	89	313	249	307	318	326	315	277	156.7	195.7					
February	134	111	150	125	113	93	330	278	317	352	335	330	290	156.7	193.5					
March	117	109	129	120	103	96	325	295	318	336	314	331	308	158.2	196.6					
April	120	117	130	122	108	111	315	297	314	312	313	308	304	159.0	197.8					
May	112	112	131	123	88	98	323	301	321	332	279	287	298	158.7	197.3					
June	115	124	134	142	91	101	320	294	317	325	294	280	285	158.7	194.8					

¹ The terms "adjusted" and "unadjusted" refer to adjustment of monthly figures for seasonal variation. Excepting department store statistics, all indexes are based upon data from outside sources, as follows: Lumber, various lumber trade associations; Petroleum and Cement, U.S. Bureau of Mines; Wheat flour, U.S. Bureau of the Census; Electric power, Federal Power Commission; Factory employment, Factory payrolls, and Consumers' prices, U.S. Bureau of Labor Statistics and cooperating state agencies; and Carloadings, various railroads and railroad associations.
² Daily average. ³ 1923-25 daily average=100. ⁴ Wage earners only. Excludes fish, fruit and vegetable canning.
⁵ At retail, end of month or end of year. ⁶ Los Angeles, San Francisco, and Seattle indexes combined.

p-preliminary. *r*-revised.

BANKING AND CREDIT STATISTICS—TWELFTH DISTRICT

(amounts in millions of dollars)

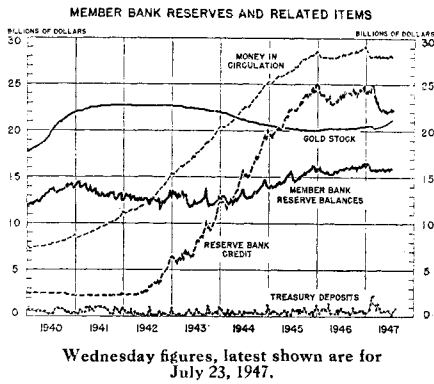
Year and month	Condition items of all member banks ¹									
	Loans and discounts					Investments ²		Demand deposits adjusted ^{3,4}	Time deposits (except U.S. Gov't) ⁴	U.S. Gov't deposits ¹
	Total ⁵	Coml., ind. & agric.	For purch., carry'g secs.	Real estate	All other	U.S. Gov't securities	All other securities			
1929	2,239			647		495	458	1,234	1,776	36
1930	2,218			721		467	561	1,158	1,915	49
1931	1,898			711		547	560	984	1,667	99
1932	1,570			635		601	528	840	1,515	148
1933	1,486			670		720	510	951	1,453	233
1934	1,469			662		1,034	575	1,201	1,759	228
1935	1,537			692		1,275	587	1,389	2,006	167
1936	1,682			686		1,334	614	1,791	2,078	96
1937	1,871			730		1,270	498	1,740	2,164	90
1938	1,869	663	82	798	327	1,323	486	1,781	2,212	127
1939	1,967	664	76	864	362	1,450	524	1,983	2,263	118
1940	2,130	735	65	931	399	1,482	590	2,390	2,351	68
1941	2,451	933	59	1,000	460	1,738	541	2,893	2,417	144
1942	2,170	870	51	974	275	3,630	538	4,356	2,603	307
1943	2,106	934	62	899	211	6,235	557	5,998	3,197	842
1944	2,254	956	184	885	228	8,263	698	6,950	4,127	1,442
1945	2,663	1,103	343	908	309	10,450	795	8,203	5,194	2,050
1946	4,068	1,882	195	1,431	560	8,426	908	8,821	5,781	303
1946										
May	2,909					10,090	867	8,339	5,404	1,635
June	3,030	1,283	246	1,090	411	9,673	861	8,328	5,494	1,213
July	3,184					9,651	882	8,488	5,521	1,125
August	3,334					9,624	888	8,566	5,570	1,122
September	3,601					9,171	900	8,630	5,609	853
October	3,794					9,157	891	8,757	5,669	808
November	3,954					8,815	889	8,801	5,696	610
December	4,068	1,882	195	1,431	560	8,426	908	8,821	5,781	303
1947										
January	4,140					8,303	911	8,704	5,761	308
February	4,254					8,058	893	8,367	5,804	370
March	4,364					7,909	894	8,327	5,820	396
April	4,479					7,677	876	8,334	5,837	286
May	4,558					7,662	862	8,260 ^r	5,851	235
June	4,644					7,425	868	8,285	5,883 ^r	118

Year and month	Member bank reserves and related items ⁵								Bank debits index 31 cities ⁶
	Reserve bank credit ⁵	Commercial operations ⁵	Treasury operations ⁵	Coin and currency in circulation		Reserves ⁷			
				Total ⁸	F.R. notes of F.R.B. of S.F.	Total	Required	Excess	
1929	- 34	0	+ 23	- 6	189	175	171	4	146
1930	- 16	53	+ 89	+ 16	186	183	180	5	126
1931	+ 21	154	+ 154	+ 48	231	147	154	- 4	97
1932	+ 42	175	+ 234	+ 30	227	142	135	8	68
1933	- 2	110	+ 150	- 18	213	185	142	37	63
1934	- 7	108	+ 257	+ 4	211	242	172	84	72
1935	+ 2	163	+ 219	+ 14	280	287	201	100	87
1936	+ 6	227	+ 454	+ 38	335	479	351	119	102
1937	- 1	90	+ 157	- 3	343	549	470	70	111
1938	- 3	240	+ 276	+ 20	361	565	418	142	98
1939	+ 2	192	+ 245	+ 31	388	584	459	138	102
1940	+ 2	148	+ 420	+ 96	493	754	515	257	110
1941	+ 4	596	+ 1,000	+ 227	700	930	720	245	134
1942	+ 107	- 1,980	+ 2,826	+ 643	1,279	1,232	1,025	262	165
1943	+ 214	- 3,751	+ 4,486	+ 708	1,937	1,462	1,343	103	211
1944	+ 98	- 3,534	+ 4,483	+ 789	2,699	1,706	1,598	104	237
1945	- 76	- 3,743	+ 4,682	+ 545	3,219	2,033	1,878	136	260
1946	+ 9	- 1,607	+ 1,329	- 326	2,871	2,094	2,051	59	298
1946									
May	- 34	177	+ 220	- 11	2,984	1,955	1,900	77	281
June	+ 35	2	+ 55	- 52	2,981	2,038	1,929	84	307
July	+ 11	272	+ 128	- 42	2,894	2,000	1,936	66	291
August	+ 28	73	+ 95	0	2,890	2,045	1,958	54	292
September	- 26	15	- 20	- 9	2,878	2,005	1,987	55	306
October	- 162	29	+ 223	- 2	2,875	2,040	2,002	56	310
November	+ 74	136	+ 111	- 2	2,866	2,092	2,030	54	313
December	+ 37	37	- 62	+ 7	2,871	2,094	2,051	59	339
1947									
January	+ 109	35	- 168	- 81	2,800	2,081	2,043	60	322
February	+ 14	25	- 133	- 32	2,765	1,981	1,982	51	325
March	- 62	3	+ 50	- 30	2,735	2,003	1,940	61	332
April	- 2	69	+ 47	- 18	2,716	1,997	1,934	63	309
May	+ 34	96	+ 61	+ 10	2,714	1,993	1,934	59	297
June	- 21	90	- 138	- 13	2,695	1,992	1,944	51	322

¹ Annual figures are as of end of year; monthly figures are as of last Wednesday in month or, where applicable, as of call report date.
² Monthly data for 1946 partly estimated.
³ Demand deposits, excluding interbank and U.S. Gov't deposits, less cash items in process of collection.
⁴ Monthly data partly estimated. ⁵ End of year and end of month figures. ⁶ Changes only.
⁷ Total reserves are as of end of year or month. Required and excess: monthly figures are daily averages, annual figures are December daily averages.
⁸ Debits to total deposit accounts, excluding interbank deposits. 1935-39 daily average=100.
^r-preliminary. ^r-revised.

National Summary of Business Conditions

Released July 30, 1947—Board of Governors of the Federal Reserve System



INDUSTRIAL production declined somewhat further in June and the early part of July. Value of retail trade continued to show little change, after allowance for seasonal changes. Prices of commodities traded in the organized markets generally advanced and prices of coal and iron and steel were increased.

INDUSTRIAL PRODUCTION

Total output of manufactures and minerals, as measured by the Board's seasonally adjusted index, which reached a postwar peak of 190 percent of the 1935-39 average in March, had declined to 183 by June and a further reduction is indicated in July.

Durable goods production continued to decline slightly in June, reflecting mainly further small reductions in demand for various metals and metal products and building materials. Automobile passenger car production, however, which has been limited by the available supply of steel sheets, increased in June. In July the rate of automobile production was reduced again, reflecting partly a temporary curtailment in supplies of steel. Production of steel was curtailed in the early part of July as a result partly of uncertainties surrounding the signing of a new wage contract in the bituminous coal industry, but at the end of July steel operations again were scheduled at a rate of 94 percent of capacity.

Contraction in nondurable goods production continued in June, reflecting chiefly earlier declines in domestic demands for these goods as well as some slackening in export demands. Further reductions in output in the textile industry accounted for most of the decline in June, but there were also decreases in activity in most other nondurable goods lines except meat-packing, petroleum refining, and newsprint consumption.

Production of minerals decreased somewhat in June as a decline in production of bituminous coal more than offset gains in output of anthracite and crude petroleum.

EMPLOYMENT

Employment in most types of nonagricultural establishments continued to show little change in June, after allowance for seasonal changes. Further reductions in employment in the textile and rubber industries were offset by increased employment in automobile plants and in some nonmanufacturing lines.

CONSTRUCTION

Value of construction contracts awarded, as reported by the F. W. Dodge Corporation, declined 10 percent from May to June, reflecting chiefly a further decrease in awards for most types of private construction. Awards for public construction, following increases in earlier months of the year, showed little change. New dwelling units started, according to preliminary estimates of the Bureau of Labor statistics, continued to increase in June and amounted to 75,000 units as compared with 65,000 in June 1946.

DISTRIBUTION

Department store sales in June and the first three weeks of July showed about the usual seasonal decline and were 6 percent greater than in the same period last year. The Board's seasonally adjusted index of sales was about 290 percent of the 1935-39 average in May and June as compared with 270 during the first four months of the year. Value of sales at most other retail stores, after allowance for seasonal changes, has been slightly lower in recent months than during the first quarter of the year.

Despite a marked expansion in grain shipments in June and the early part of July, total loadings of railroad revenue freight declined considerably, reflecting the temporary curtailment in coal shipments in this period and a further decline in shipments of manufactured goods.

COMMODITY PRICES

Prices of commodities traded in the organized markets generally advanced somewhat in June and the early part of July. Prices of coal, pig iron, and various steel products were also increased in this period. Wholesale prices of chemicals and some other products were reduced. Toward the end of the month prices of wheat and cotton declined considerably.

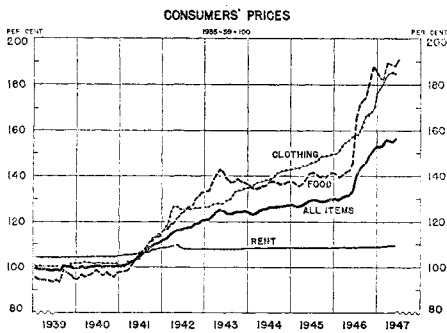
Retail prices of foods increased somewhat in June and the consumers' price index of the Bureau of Labor statistics, at 157 percent of the 1935-39 average, was slightly above the March peak.

TREASURY FINANCE AND BANK CREDIT

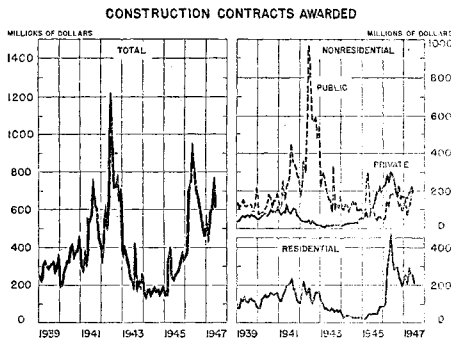
On July 2, the Federal Open Market Committee of the Federal Reserve System directed the Federal Reserve Banks to terminate the policy of buying all bills offered at the fixed rate of $\frac{3}{8}$ percent and to terminate the repurchase option privilege on Treasury bills; the new policy applied to bills issued on or after July 10. The average rates bid on the weekly bill offerings rose to .74 percent for the issue of July 24.

Additions to monetary gold stock during June and the first three weeks of July, together with a return flow of currency from circulation during July following a seasonal increase prior to July 4, resulted in a growth in member bank reserve balances. Required reserves increased, reflecting a further growth in deposits at member banks.

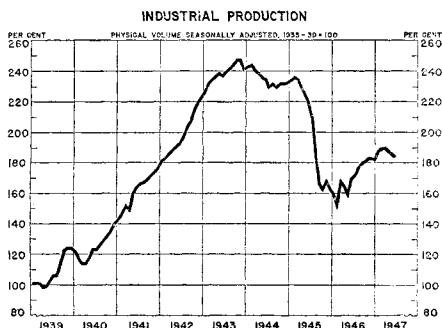
Commercial and industrial loans at banks in leading cities outside New York increased somewhat between early June and mid-July, following a decline which had been in progress since early April. Real estate and consumer loans continued to increase. Government security holdings at banks in leading cities increased by over 600 million dollars between June 4 and July 16 with most of the additions at New York City banks.



Bureau of Labor Statistics' indexes. "All items" includes house furnishings, fuel, and miscellaneous groups not shown separately. Mid-month figures, latest shown are for June 1947.



F. W. Dodge Corporation data for 37 Eastern States. Nonresidential includes awards for buildings and public works and utilities. Monthly figures, latest shown are for June 1947.



Federal Reserve index. Monthly figures, latest shown is for June 1947.