

MONTHLY REVIEW

OF

BUSINESS CONDITIONS

JOHN PERRIN, Chairman of the Board and Federal Reserve Agent
Federal Reserve Bank of San Francisco

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No. 1

Summary of National Conditions

Production and prices remained relatively constant in December while trade and credit showed the usual increases in the holiday season, followed by declines in January.

Production. The index of production in basic industries, after rising rapidly since last August, showed a slight recession in December, though production was maintained at a level near the peak of 1920. The output of pig iron and coal continued to increase, but the production of certain other commodities, particularly of cotton textiles and flour, showed declines.

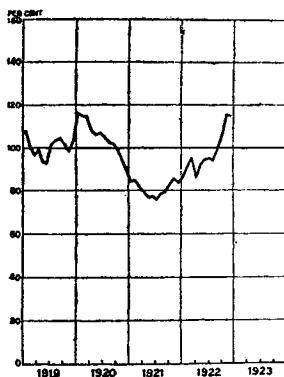
In southern districts the building industry continued active and in all parts of the country much new construction was projected. Railroad traffic continued heavier than a year ago. The seasonal decline in car loadings and the reduction in bad order cars partially relieved freight congestion. Employment in industrial establishments made a further advance in De-

ember, accompanied by wage increases in certain industries. Some shortage of labor in the eastern districts was still reported, but in the Pacific states the customary winter surplus of unskilled labor was indicated.

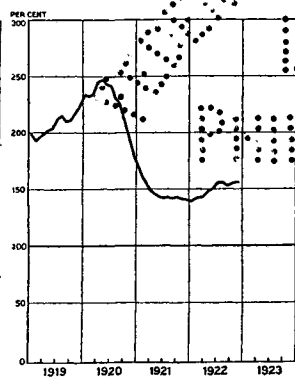
Wholesale prices. The general level of wholesale prices remained unchanged in December. Among various groups of commodities the price tendencies of recent months were continued. Prices of farm products, cloth, chemicals, and house furnishings registered further increases, while fuel and metals prices continued to decline.

During January a number of basic commodities advanced in price and cotton, rubber, and lead rose to the highest points since 1920.

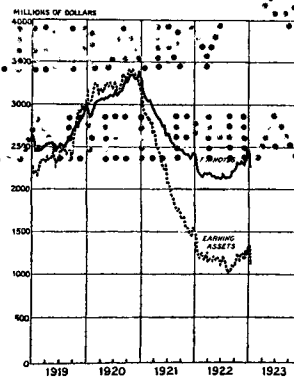
Volume of trade. Wholesale trade in most reporting lines showed a seasonal decline during December, but was considerably larger than a year ago. Farm implement dealers, however, reported larger sales than in November, and



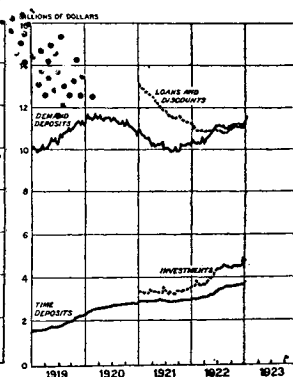
Index of Production in Basic Industries
Combination of 22 individual series corrected for seasonal variation (1919 average = 100 per cent)



Prices
Index numbers of wholesale prices, United States Bureau of Labor statistics (1913 average = 100 per cent)



Bank Credit
All Federal Reserve Banks



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more than doubled their December, 1921, business. Retail sales of reporting stores during December reached the largest volume in the last four years.

Bank credit. Dividend and interest payments and the disbursement of government funds in connection with the redemption of Victory Notes and War Savings Certificates, together with the usual decline in the demand for currency after the holiday season, were attended by a large increase in the volume of new security issues and by somewhat easier money conditions. Open market commercial paper rates in financial centers, which were $4\frac{1}{2}$ to $4\frac{3}{4}$ per cent in December, declined to $4\frac{1}{4}$ to $4\frac{1}{2}$ per cent in January.

Member banks in leading cities reported an increase in demand deposits, an important factor in which was the usual seasonal flow of funds from country districts to financial centers. While the volume of loans on stocks and bonds decreased in the first two weeks of January, there was a somewhat larger increase in the investments owned by the banks.

At the Federal Reserve banks the principal change between December 20th and January 24th was a reduction of \$230,000,000 in Federal Reserve note circulation caused by the seasonal decline in currency requirements. Reserves increased \$65,000,000 while earning assets declined \$171,000,000. These changes are similar to developments during the same period a year ago, although the decline in earning assets was less than last year.

Summary of District Conditions

Final estimates of the United States Department of Agriculture show that the physical volume of agricultural production in this district in 1922 was approximately the same as in 1921, but that the aggregate value of the crops

grown was 10 per cent greater in 1922 than in the previous year. Prices for livestock and livestock products have returned moderate profits to producers during the major portion of the year and the livestock industry is now in appreciably better condition than it was a year ago. The recovery is reflected in the present active demand for breeding animals to be used in rebuilding flocks and herds. Heavy rains and snows during recent weeks have benefited fall sown crops, stimulated the growth of feed for livestock, and practically assured an adequate supply of water for irrigation purposes later in the year.

Industrial activity, which has been steadily increasing during the past year, continued through December with less than seasonal diminution. The volume of trade in the lumber industry was approximately 50 per cent greater in December, 1922, than in December, 1921. The mines of the district have, temporarily at least, stabilized production, at levels much above those prevailing a year ago. The total value of the district's production of five principal metals (gold, silver, copper, lead, and zinc) was \$163,340,471 in 1922 compared with \$101,638,967 in 1921. Production of petroleum in California continues to exceed consumption and stored stocks were increased by 1,430,204 barrels during December, reaching the record figure of 61,184,928 barrels on January 1, 1923. Building permits issued during December, 1922, were greater both in number and in value than in December, 1921, but the percentages of increase were not so great as in previous months of 1922. The 1922 pack of canned fruits and vegetables has proved to be the largest ever produced in the district, exceeding the small 1921 pack by almost 75 per cent. Seasonal decreases in employment have been smaller this winter than in the past two years.

NOTE: A national summary of business and credit conditions similar to that presented above will be included in the Review regularly hereafter. This summary, which is to be prepared each month by the statistical services of the Federal Reserve Board and the Federal Reserve banks, will deal with the latest available facts regarding production, prices, trade, and bank credit. The figures for banking will be those of the current month, but the other figures will necessarily relate to the preceding month.

The index of production includes the following 22 series: Pig Iron, Steel Ingots, Cotton (consumption), Wool (consumption), Wheat Flour, Sugar Meltings, Hogs Slaughtered, Cattle Slaughtered, Calves Slaughtered, Sheep Slaughtered, Lumber, Bituminous Coal, Anthracite Coal, Copper, Zinc, Leather, Newsprint Paper, Cement, Petroleum, Cigars, Cigarettes, Manufactured Tobacco.

In combining these series in a single index, the different items have been weighted in accordance with their relative importance. Allowance has been made for seasonal variations, so that the index does not reflect changes due to seasonal causes. The combined production index compares current output with the production in 1919. The wholesale price index is prepared by the Bureau of Labor Statistics, and uses average prices in 1913 as a base.

Reporting department stores of the district transacted the largest volume of business in their history during the past Christmas season. Sales were 11.9 per cent greater in value than in December, 1921, and 8.1 per cent greater than the previous record month of December, 1920. Sales in all of the 10 reporting lines of **wholesale trade** increased in December, 1922, compared with December, 1921, the increases varying from 3.5 per cent to 31.4 per cent and being over 15 per cent in 7 of the 10 lines. **Debits to individuals' accounts** in banks of the district outside of San Francisco were 11.6 per cent larger in December, 1922, than in December, 1921. Including the figures for San Francisco the increase was 5.5 per cent. A marked improvement in the record of **business failures** was noted during the month. They were less both in number and in amount of liabilities than in December, 1921.

The **banking situation** changed little during December. Loans of 66 reporting member banks were less by \$8,432,000 on January 10th than on December 6th. Total deposits of the same banks increased from \$1,222,483,000, to the record figure of \$1,261,296,000 during the five-week period. They reduced their borrowings from the Federal Reserve Bank by approximately 50 per cent, from \$28,000,000 on December 6th to \$14,000,000 on January 10th. Country bank borrowings were unchanged. The demands of member banks for additional currency to meet holiday and year-end requirements caused the amount of Federal Reserve notes of this bank in circulation to rise from \$235,842,000 on December 13th to a peak of \$244,596,000 on December 27th. With the subsidence of business activity after the holidays, this total steadily declined to \$226,388,000 on January 10th.

Prices in general were relatively stable during December. The wholesale price index number of the United States Department of Labor was unchanged at 156 (1913 prices=100). Advances and declines in the prices of the principal products of this district were almost equally divided and none was of significant proportions.

Crop Conditions

Acreage sown to **winter wheat** in this district during the 1922-1923 planting season was 3.1 per cent less than the area sown one year ago. The condition of the plant on December 1, 1922, in all states except California, was below the 10-year average for that date. Weather conditions during December were favorable for growing grain, rains and light snows in many sections improving the appearance of the crop. The acreage and condition of winter wheat by states of this district are shown in the following table:

	Area Sown (Acres)		Condition 1922	Dec. 1st 10 year average
	Autumn, 1922 (Preliminary)*	Autumn, 1921 (Revised)*		
Arizona	46	54	90	95
California	813	774	96	92
Idaho	409	465	81	91
Nevada	3	3	90	90
Oregon	879	879	91	92
Utah	143	162	70	90
Washington	1,456	1,533	77	88
Twelfth District....	3,749	3,870	..	..
Total United States.	46,069	47,611	79.5	87.9

*000 Omitted.

Marketing of the 1922 wheat crop was less rapid during December than in the previous month. Little additional grain moved out of farmers' hands, and in the Pacific Northwest, where the bulk of the district's wheat crop is

(A) Crop Estimates—Twelfth Federal Reserve District*

Crop	Unit	Production			Farm Value on December 1st		
		1922	1921	1920	1922	1921	1920
Wheat	(bushels)	99,277	126,548	105,307	\$101,754	\$106,412	\$145,329
Oats	(bushels)	30,126	34,343	35,482	16,695	13,682	25,217
Barley	(bushels)	45,358	39,295	38,703	29,265	21,729	38,268
Corn	(bushels)	13,148	11,806	11,774	12,725	9,256	14,620
Rye	(bushels)	898	1,204	855	721	817	1,141
Hay	(tons)	15,456	16,115	14,814	202,011	149,214	244,006
Cotton	(bales)	127	79	178	17,350	9,018	26,746
Beans	(bushels)	5,166	3,902	3,332	19,264	11,005	10,956
Rice	(bushels)	8,262	7,290	8,262	9,086	8,384	9,997
Potatoes	(bushels)	46,307	37,637	35,629	21,901	38,229	36,429
Sugar Beets.....	(tons)	1,578	2,496	2,867	9,760	16,287	36,340
Hops	(pounds)	25,910	29,340	33,330	2,200	7,080	11,666
Apples	(boxes)	32,241	38,646	22,131	31,084	49,008	26,489
Peaches	(bushels)	20,188	14,758	15,188	31,536	18,679	29,912
Pears	(bushels)	8,365	6,271	6,568	10,557	9,884	14,229
Oranges	(boxes)	16,500	13,000	21,600	42,075	36,400	47,088

* (000) Omitted.

grown, growers' holdings are still estimated at 10 to 15 per cent of the total crop of 76,000,000 bushels. Both export and domestic markets were relatively inactive. Exports of wheat from Portland and the Puget Sound ports for the season to date have been approximately one-half of the movement during the corresponding period last season.

WHEAT EXPORTS

	July 1st to December 31st (inclusive)		
	1922 (bushels)	1921 (bushels)	1920 (bushels)
Portland	11,624,619	23,680,712	11,484,638
Puget Sound....	2,653,445	4,788,761	3,878,821
Total	14,278,064	28,469,473	15,363,459

The rice harvest in California was practically completed during December, and small lots, yet uncut, will be removed from the fields only if weather and market conditions are favorable. Of the total crop of 8,260,000 bushels (3,717,000 bags of 100 pounds each), approximately 1,777,778 bushels, or 800,000 bags, were damaged by rain. The market value of this rice will depend to a considerable extent upon the care used in handling the grain in warehouses and mills. In addition to the 1922 crop of rice, commercial factors estimate that there are 222,225 bushels, or 100,000 bags, of 1921 crop rice yet to be disposed of by California growers. At present the market is reported weak on account of cessation of hitherto substantial Japanese buying. Pacific Coast markets and the Hawaiian Islands are buying normal quantities of California grown rice. On December 29, 1922, the Rice Growers Association of California sold number one paddy rice of the 1922 crop for \$2.40 per 100 pounds. In 1921, at this time, the same grade of rice sold for \$2.60 per 100 pounds.

Rising prices for cotton stimulated the harvesting of that crop during December, so that nearly all of the merchantable cotton grown in the district has now been picked and ginned. Ginning returns up to January 1, 1923, indicate that the crop will probably fall short of the 76,000 bales previously estimated.

COTTON GINNING TO JANUARY 1st

	1923	1922	1921
	(bales)	(bales)	(bales)
Arizona	36,692	35,441	77,562
California	23,611	23,229	47,119
Total	60,303	58,670	124,681

The short staple cotton crop of California is reported to have been sold as fast as it was baled. Growers received from 27 to 29 cents per pound for this cotton during December, an advance of 2 cents per pound over the previous month and of 6 cents per pound over the same month a year ago. Approximately one-half of the 30,000-bale crop of Pima long staple cotton

grown in Arizona was reported sold by January 1, 1923. Prices to growers during December, 1922, were based on a price of 32 cents per pound for number two Pima cotton, the same price which prevailed during December, 1921.

The preliminary sugar beet report of the United States Department of Agriculture for 1922 gives the following information concerning the crop in this district:

	Acres*	Production in Short Tons*	Average Sugar Content	Average Farm Price of Beets per ton
California	59	441	18.60%	\$8.77
Idaho	25	277	16.66%	5.50
Utah	74	860	16.23%	5.08

*000 Omitted.

Acres and yield in 1922 were slightly more than half as large as in 1921. Average farm prices given in the above table are largely guaranteed or minimum prices. As final prices paid to producers are partly determined by the selling price of refined sugar during the year, these farm prices may be raised as the season progresses.

An unusually large proportion of the apple crop of the district remains in storage at shipping centers as a result of inactive buying in Eastern markets, which continue to be well supplied with low-priced, locally grown fruit. Storage holdings in this district are estimated as follows:

	1922 (cars)	1921 (cars)
Total commercial crop.....	44,800	51,123
Shipments July 1st to Dec. 31st.....	27,933	42,615
Remaining in storage in the district...	16,867	8,508

In many cases mid-season varieties of apples held in common storage have been forced into sale to avoid deterioration. Later varieties held in common storage, and all varieties in cold storage, are reported to be in good condition. Prices to growers for apples are now approximately 15 per cent below prices of a year ago.

Revised estimates of the 1922-1923 Navel orange crop in California as of January 1, 1923, indicate a yield of 8,400,000 boxes, or 21,000 carloads, compared with an earlier estimate of 7,500,000 boxes, or 18,750 carloads. Warm rains and high temperatures during December resulted in a rapid increase in the size of the individual fruits. The preliminary estimate of the 1922-1923 yield of lemons in California has been reduced from 4,400,000 boxes to 4,200,000 boxes, or 10,500 carloads. Citrus fruit shipments for the season up to December 31st of the past two years were as follows:

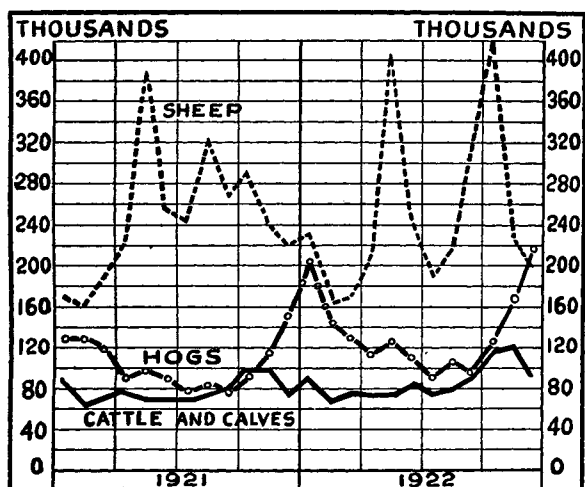
	Nov. 1st to Dec. 31st	
	1922 (cars)	1921 (cars)
Oranges	5,629	5,406
Lemons	762	912

Smaller shipments of lemons this year than last year have been due to the rapid decline in the price of lemons during December following the receipt of a large quantity of foreign lemons in the New York market. Preliminary average returns for lemons to grower members of the California Fruit Growers Exchange were \$4.66 per box during December, 1922, compared with \$6.78 during November, 1922, and \$2.12 per box during December, 1921.

Livestock

The livestock industry of the district was benefited during December by favorable weather and grass conditions on the ranges, and by increases in local market prices of all meat animals.

The principal feature of the month at the livestock markets of the district was the large increase in receipts of hogs, 30 per cent more



Receipts of Livestock at Eight of the Principal Markets of the District 1921-1922. (Los Angeles, Ogden, Portland, Salt Lake City, San Francisco, Seattle, Spokane and Tacoma included)

having been shipped than during November, 1922, and 44 per cent more than during December, 1921. As in November, 1922, a considerable proportion of hog shipments originated within the district. The movement of cattle and sheep to market declined seasonally during December, 1922. Sheep receipts were also less during December, 1922, than during December, 1921. Figures showing the receipts of livestock at eight of the principal markets of the district during December, 1922, and December, 1921, follow:

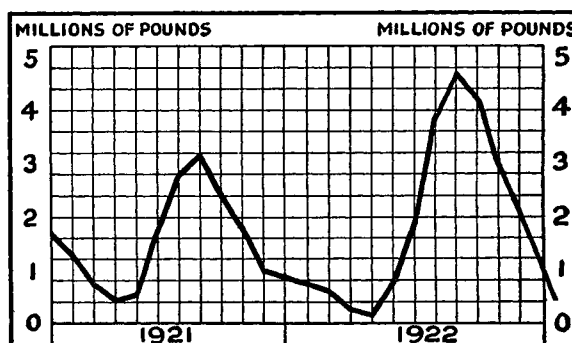
	Cattle	Calves	Hogs	Sheep
December, 1922..	74,217	17,734	217,124	199,526
December, 1921..	62,243	12,800	150,724	221,142

The market for stocker and feeder animals has been active during the past few weeks and in the Pacific Northwest the supply of these

classes of animals has not always been equal to the demand. According to estimates of the United States Department of Agriculture, the seasonal movement of cattle and sheep to the ranges and pastures of the district was much heavier during the autumn of 1922 than during the autumn of 1921, the number of animals now on feed in the district being considerably larger than last year. For the United States as a whole it is estimated that there are now 27 per cent more cattle on feed and 20 per cent more sheep than on December 1, 1921.

Dairy and Poultry Products

In anticipation of the seasonal increase in butter production during the spring, dealers are rapidly reducing their cold storage holdings. Withdrawals during December at the four principal markets of this district amounted to 741,399 pounds, and holdings on January 1, 1923, had been reduced to 437,061 pounds, a figure considerably smaller than reported storage stocks on January 1, 1922, which were high as a result of the importation of a considerable quantity of low priced butter from Australia during the latter part of 1921. During the early part of the past month, a few cars of butter were shipped to Eastern markets but when prices advanced on the local markets as a result of the active holiday demand, this move-



Seasonal Movement of Holdings of Cold Storage Butter at Four Principal Markets of the District, 1921-1922

ment ceased. In the San Francisco market the price of 93 score creamery butter advanced from 49½ cents per pound on December 12th to 53½ cents per pound on December 30th, and declined to 50½ cents per pound on January 3rd, compared with 36½ cents per pound a year ago.

Holdings of cold storage eggs in five markets of this district were reduced more than 90 per cent during December and on January 1, 1923, were approximately one-fourth as large as on January 1, 1922. During the period of heavy withdrawals between December 12th and December 27th, the price of extra grade eggs on the San Francisco market declined from 53¼

cents per dozen to 42½ cents per dozen. The price on January 16th was 35½ cents per dozen.

A summary of the cold storage holdings of butter and eggs in the chief markets of the Twelfth Federal Reserve District is presented in the following table:

	Jan. 1, 1923	Dec. 1, 1922	Nov. 1, 1922	Jan. 1, 1922
Butter (pounds)...	437,061	1,178,460	2,139,676	786,682
Eggs (cases).....	6,200	73,183	282,576	24,908

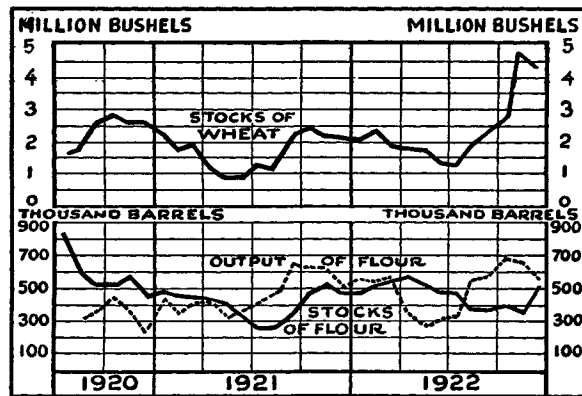
Milling

Flour mills of the district were less active during December than during the previous month but production was considerably greater than in the same month a year ago. The figures follow:

	No. of Mills Reporting		Output		
	Dec. 1922	Nov. 1922	Dec., 1922 (barrels)	Nov., 1922 (barrels)	Dec., 1921* (barrels)
California ..	10	10	286,977	368,512	215,314
Idaho	3	3	9,019	13,091	15,726
Oregon	17	15	155,162	180,761	157,963
Washington	16	16	360,984	384,034	386,136
District ...	46	44	812,142	946,398	775,139

*61 Mills reporting.

Millers ground more wheat than they purchased during December and produced more flour than they sold. As a result stocks of wheat at 16 reporting mills were smaller and stocks of flour were larger on January 1, 1923, than on December 1, 1922. Present stocks of wheat at these mills, 4,337,362 bushels, are nearly double the amount held on January 1, 1922.



Monthly Flour Output, and Stocks of Wheat and Flour at End of Month, of 16 Reporting Milling Companies

There has been an active domestic demand for flour during the past month but foreign buying has been light according to the reports of millers. Flour prices advanced during December and on January 1, 1923, they were approximately 8 per cent higher than one year ago.

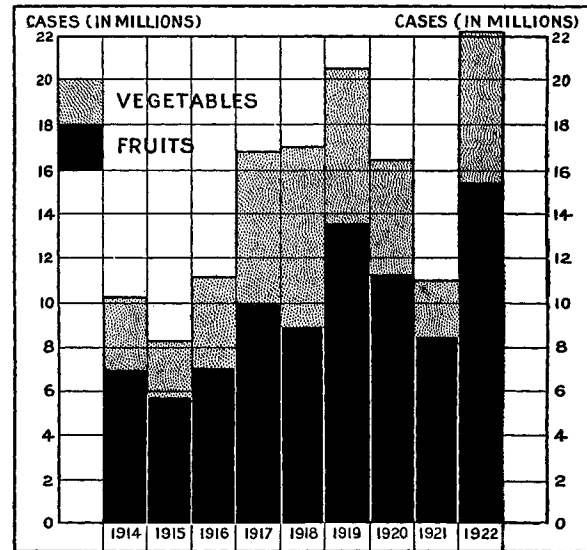
Canned Fruits and Vegetables

Production of canned fruits and vegetables during 1922 by canners in four of the principal producing states of the district was larger than in the previous record year, 1919, and practically double that of 1921.

	Fruits		Vegetables	
	1922 (cases)	1921 (cases)	1922 (cases)	1921 (cases)
California* .	15,477,865	8,511,851	6,913,371	2,615,947
Idaho†	80,111	66,328	49,276	8,500
Oregon† ...	1,793,854	1,304,457	182,787	53,745
Washington†	1,549,087	1,307,548	364,395	103,655
Total	18,900,917	11,190,184	7,509,829	2,781,847

*Estimated by Canners League of California.
†Estimated by American Can Company.

In 1919 the total pack in these states was 23,498,014 cases, including 16,208,793 cases of canned fruits and 7,289,221 cases of canned vegetables.



Pack of Canned Fruits and Vegetables in California, 1914-1922

Canners generally entered the 1922 packing season with small holdover stocks. The market was steady and fairly active but buyers proceeded cautiously and future sales were reported to be small in volume. As the season progressed and general business and industrial conditions improved, demand became more active and canners repeatedly increased the amount of their projected packs. Foreign demand was also greater than had been expected and it is estimated that between 2,600,000 and 3,100,000 cases of canned fruits were shipped from the Pacific Coast to the United Kingdom alone.

As the possibility of profitably disposing of a large pack became apparent, the demand for green fruit increased rapidly and prices rose accordingly. The following table shows aver-

age prices paid growers in central California for some of the principal fruits during the past two seasons:

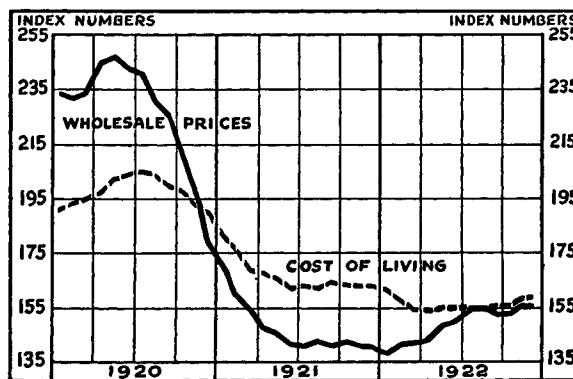
	1922 (per ton)	1921 (per ton)
Apricots	\$ 95.00	\$ 60.00
Royal Anne Cherries.....	200.00	110.00
Clingstone Peaches.....	55.00	40.00
Pears	70.00	60.00

Opening prices on 1922 canned fruits, which were slightly above 1921 opening prices, have been well maintained on the lower grades of fruits, which were in heavy supply and have recently been advanced on the better grades, of which the pack was relatively small.

Prices

The general level of prices changed little during December, 1922. Index numbers of wholesale prices constructed by the Federal Reserve Bank of New York and the United States Department of Labor were the same as in November, 1922. Prices at retail, as indi-

cated by the National Industrial Conference Board's index of the cost of living, advanced three-tenths of 1 per cent, standing at 158.9 in December compared with 158.4 in November. The wholesale price level is now 11 per cent higher than one year ago while the cost of living is 2.3 per cent lower.



Wholesale Prices and the Cost of Living, 1920-1922
United States Bureau of Labor Index of Wholesale Prices (1913=100)
National Industrial Conference Board Index of the Cost of Living (July 1914=100).

(B) Commodity Prices—

Commodity	Unit	Jan. 5, 1923	One Month Ago	One Year Ago
Twenty Basic Commodities (F. R. B. of N. Y.) 1913=100.		148.7	149.6	128.7
Wholesale Prices (U. S. Bureau of Labor*) 1913=100....		156	156	140
Cost of Living (National Industrial Conference Board) July, 1914=100		158.9	158.4	162.7
Cattle (Native Beef)... Weekly average price at Chicago..	100 lbs.	\$8.90	\$9.65	\$7.00
Sheep	100 lbs.	7.75	7.00	5.10
Lambs	100 lbs.	13.90	14.35	11.50
Hogs	100 lbs.	8.50	8.15	7.30
Wheat	bu.	1.175 $\frac{5}{8}$ -1.195 $\frac{5}{8}$	1.18 $\frac{1}{2}$ -1.20 $\frac{1}{4}$	1.09-1.113 $\frac{1}{4}$
Barley	cental	1.60-1.70	1.50-1.55	1.35-1.45
Rice	cental	4.40	4.75	5.25
Cotton	lb.	26.50-26.75¢	25.25-25.62¢	17.25-17.75¢
Wool	lb.	79.50¢	78.43¢	47.38¢
Flour	bb.	7.73	7.59	7.18
Sugar	100 lbs.	7.10	7.45	5.00
Apples	box	1.65-1.75	1.65-1.75	2.00-2.15
Oranges	box	3.00-3.25	4.50-4.75	2.50-4.50
Lemons	box	7.00	8.00-9.00	3.50
Dried Apples... Choice in 50-lb. boxes, f. o. b. California.	lb.	.083 $\frac{1}{4}$	.09 $\frac{1}{4}$	.133 $\frac{1}{4}$ -14
Dried Apricots... Choice in 25-lb. boxes, f. o. b. California.	lb.	.23-.24	.23-.24	.22 $\frac{1}{2}$ -.23
Prunes	lb.	.113 $\frac{1}{4}$ -.12	.12 $\frac{1}{4}$	.113 $\frac{1}{4}$ -.12
Raisins	lb.	.11	.11	.15 $\frac{1}{8}$
Canned Apricots. Choice 2 $\frac{1}{2}$ s f. o. b. California.....	doz.	3.25	3.25	3.25
Canned Peaches..Cling Choice, 2 $\frac{1}{2}$ s, f. o. b. California....	doz.	2.60	2.60	2.60
Canned Pears... Bartlett, Standard 2 $\frac{1}{2}$ s, f. o. b. California	doz.	2.90	2.85	2.90
Raw Milk..... Pacific Coast—December average.....	100 lbs.	2.72	2.61	2.57
Butter	lb.	.49 $\frac{1}{2}$	.45 $\frac{1}{2}$	.37
Eggs	doz.	.47	.59	.45
Copper	lb.	.143 $\frac{1}{4}$	.137 $\frac{3}{8}$	.137 $\frac{3}{8}$
Lead	lb.	7.40¢	7.375¢	4.70¢
Silver	oz.	.645 $\frac{1}{2}$	.643 $\frac{1}{4}$	.65
Zinc	lb.	7.05-7.10¢	6.50-6.75¢	4.90-4.95¢
Petroleum	bb.	1.95	1.95	2.45
Douglas Fir..... 2x4, 16-ft. No. S1S1E, f. o. b. Seattle.....	M ft.	20.50	20.50	11.00
Douglas Fir..... 12x12 Timbers, f. o. b. Seattle.....	M ft.	20.00	20.00	16.00

* Revised figures.
† December Wheat.

Prices of the principal products of this district displayed no definite general trend during the month. Prices for sheep and hogs advanced slightly in the Chicago market but the advance was accompanied by a decline in prices for beef cattle and lambs. Wheat prices at Chicago tended lower than in the previous month but the average price of first grade family flour in this district advanced 14 cents per barrel. Barley prices gained from 10 to 15 cents per cental. The rice market was weak and California rice was quoted at prices 35 cents per cental below those prevailing one month ago. The prices of deciduous fruits, fresh, canned, and dried, were generally unchanged or fluctuated within narrow limits. Prices for oranges and lemons declined heavily.

Among non-agricultural products the continued advance of copper prices was noteworthy. On December 18th copper was quoted at 14 $\frac{3}{8}$ cents per pound and on January 5th at 14 $\frac{3}{4}$ cents per pound, the price prevailing on January 16th. The price of zinc continued upward during December and is now approximately 43 per cent higher than in January, 1922. Lead prices also advanced substantially during the month. They are now approximately 58 per cent above the levels of one year ago.

Lumber

Conforming to the usual seasonal trend the lumber industry was slightly less active during December, 1922, than during the previous month, but production, shipments and orders received were all greatly in excess of the figures for December, 1921. Production, although 30 per cent greater than in December, 1921, was well below the capacity of reporting mills, as many plants were completely or partially shut down for winter repairs. Figures showing the activity of reporting mills in the four lumber associations in this district follow (000 omitted):

	Dec., 1922 (Board feet)	Nov., 1922 (Board feet)	Dec., 1921 (Board feet)
Production	388,354	556,707	297,139
Shipments	465,488	430,555	306,836
Orders	460,314	482,248	335,500
Unfilled Orders....	500,511*	479,880	329,751

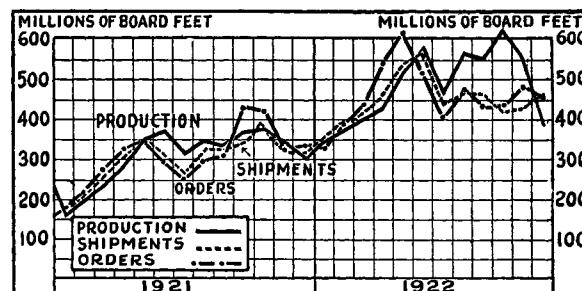
*Figures for one association based on five weeks.

Production of lumber in this district during the year 1922 was approximately 49 per cent greater than during 1921. Shipments increased 50 per cent during the year period and the amount of orders received was greater by 57 per cent. Compared with the previous record year, 1920, production in 1922 increased 5 per cent, shipments 23 per cent, and orders received 51 per cent. Figures showing the cut, orders, and shipments of the seven principal

soft wood lumber associations in the United States, four of which are in this district, during the years 1922 and 1921 follow (000,000 omitted):

	Four Associations in Twelfth District (Board feet)		Seven Principal Associations in the United States (Board feet)	
	1922	1921	1922	1921
Cut	6,180	4,142	10,977	8,156
Orders	6,819	4,335	10,447	8,228
Shipments ..	6,063	4,055	11,333	8,461

Domestic and foreign lumber markets were unusually active during December. The railroads were particularly heavy purchasers in the domestic market. A large amount of cargo business was transacted, water shipments of lumber from the Pacific Northwest to the Atlantic Coast and to California being nearly double those of a year ago. In the foreign market, dealers in Australia, China, Japan, and



Lumber Production, Orders Received, and Shipments in Twelfth Federal Reserve District as Reported by Four Lumber Associations, 1921-1922

the West Coast of South America were the principal buyers. A factor which has contributed materially to recent activity in the lumber market has been the practical disappearance of freight car shortages.

Reports indicate that log production was smaller in December, 1922, than in November, 1922, but greater than in December, 1921. Severe weather conditions and the customary winter shut-down for repairs have curtailed or prevented logging activity in many sections.

Mining

The total value of mine production of gold, silver, copper, lead, and zinc in the Twelfth Federal Reserve District was \$161,340,471 in 1922 compared with \$101,638,967 in 1921, according to figures compiled by the United States Geological Survey. Figures of production by states for gold, silver, lead, and copper are presented in table "C."

Reports received from the mineral producing sections of the district state that general mining conditions remained unchanged during December, 1922, compared with November, 1922. Compared with December, 1921, there was a

marked increase in mining activity and development work.

National production of copper, silver, and zinc, three of the most important metals produced in this district, continues well above production a year ago. The figures are shown in the following table which compares the output during November, 1922, with October, 1922, and November, 1921.

Copper (lbs.) (mine production)	Nov., 1922	Oct., 1922	Nov., 1921
Silver (oz.) (commercial bars)	4,869,905	5,160,732	3,789,828
Zinc (tons) (slab)	38,746	39,940	21,135

Figures for lead are not available.

Reports received from 8 of the 13 principal copper mines which are operating in this district show that they produced 30,305,000 pounds of copper in November, 1922, compared with 28,643,000 pounds in October, 1922. In November, 1921, the production of three mines then producing metal was 7,251,000 pounds.

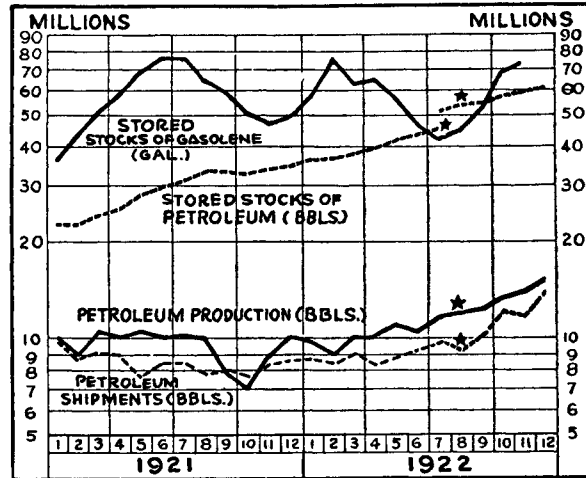
Petroleum

Stored stocks of petroleum in California reached the record level of 61,184,928 barrels on January 1, 1923. One year ago they stood at 35,021,912 barrels. This increase of approximately 75 per cent has occurred in spite of a steady increase in consumption and is chiefly due to the flush production of new oil fields developed during the year. There were 835 new wells completed during 1922 and 121 wells abandoned, a net increase of 714 wells.

During the entire year 1922, California wells produced 140,849,596 barrels of petroleum, an increase of 25,999,672 barrels or 22 per cent over the previous record figures of 1921. In December, 1922, for the seventh consecutive month, production was greater than in the preceding month, amounting to 497,639 barrels per day compared with the November daily average of 467,851 barrels. Consumption (shipments) of petroleum averaged 451,503 barrels per day during December, 1922, an increase of

56,482 barrels per day over the previous month and of 175,559 barrels per day over the same month a year ago.

On January 6, 1923, reductions in buying prices of certain grades of crude oil were announced, ranging from one cent per barrel on oil of 20.9 degrees gravity to 50 cents per barrel



CALIFORNIA
Production, Shipments and Stored Stocks of Petroleum, and Refinery
Stored Stocks of Gasolene, 1921-1922

* Figures for subsequent months furnished by American Petroleum Institute. Figures for previous months partly estimated.

on oil of 35 degrees gravity and above. There was no reduction in the buying prices of the heavier crude oil of 14 to 19.9 degrees gravity. On January 4th the service station price of gasolene in California was reduced two cents to 20 cents per gallon.

Electric Energy

Sales of electric power for industrial purposes during November, 1922, were 21.1 per cent larger than during November, 1921, according to reports from 20 electric power companies in the Twelfth Federal Reserve District. Greater activity in manufacturing, mining, lumbering, and oil refining in 1922 as compared with 1921 is chiefly responsible for this increase in use of electric power. Sales of power for industrial purposes by certain industries and by

(C) Output of Metal in Twelfth Federal Reserve District—

	COPPER* (pounds)		LEAD* (pounds)		GOLD (ounces)		SILVER* (ounces)	
	1922	1921	1922	1921	1922	1921	1922	1921
Arizona	418,000	185,034	14,080	6,541	175,036	141,765	4,760	2,469
California	22,660	11,681	6,260	1,124	718,100	761,660	3,181	3,629
Idaho	3,946	1,688	195,300	198,469	23,705	26,402	5,998	6,080
Nevada	19,892	10,961	9,107	7,188	152,249	160,276	8,198	7,083
Oregon	1,089	274	..	..	426	375	47	43
Utah	95,500	30,891	134,000	89,187	106,507	85,626	16,800	12,251
Washington	335	251	1,500	143	8,790	6,216	192	142
District	561,422	240,780	360,247	302,652	1,184,813	1,182,320	39,176	31,697

* (000) Omitted.

sections of this district are compared in the following percentage table:

	Percentage Increase or Decrease, November, 1922, compared with November, 1921			Total Industrial Sales
	Agriculture	Mining	Manufacturing	
California	-15.2	+ 2.5	+29.9	+14.2
Pacific Northwest..	+99.5	+13.0	+32.0	+23.3
Intermountain	+39.3	+62.1	+11.0	+58.0
Twelfth District...	-13.8	+10.9	+30.0	+21.1

Compared with October, 1922, sales in November declined 4.7 per cent, a seasonal movement due to decreasing needs of agricultural consumers and to the winter curtailment of other industries in certain sections of the district. Figures showing the number of industrial consumers and industrial sales of reporting companies during November, 1922, and November, 1921, follow:

	Number of Industrial Consumers		Industrial Sales K.W.H.	
	Nov., 1922	Nov., 1921	Nov., 1922	Nov., 1921
California	55,702	45,182	192,171,684	168,181,427
Pacific Northwest...	11,158	10,208	74,919,485	60,761,695
Intermountain States.	10,648	9,745	43,514,132	27,535,773
Twelfth District...	77,508	65,135	310,605,301	256,478,895

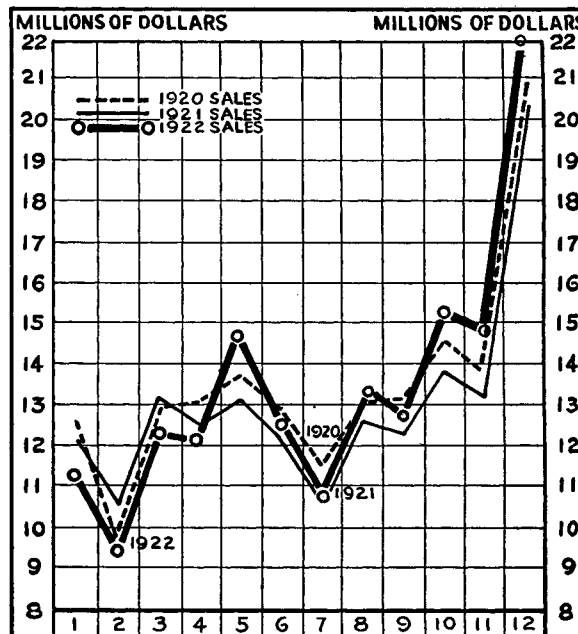
Retail Trade

The value of sales at reporting department stores during December was greater than in any previous month of which this bank has record. Every store and every city participated in the increase in sales incident to the holiday season. The total value of all reported sales was \$21,881,967, an increase of 11.9 per cent over December, 1921, of 8.1 per cent over December, 1920, and of 12.0 per cent over December, 1919. Merchants state that practically all departments of their stores contributed to the increase in sales during the 1922 Christmas season and that the demand for lower prices was not so insistent as in the two previous years. Statistics in regard to sales, stocks, and outstanding orders as furnished by 32 stores in this district follow:

Net sales (percentage increase or decrease)	
December, 1922, compared with December, 1921	11.9
December, 1922, compared with November, 1922	54.3
Period July 1 to December 31, 1922, compared with same period in 1921.....	8.8
Stocks December, 1922 (percentage increase or decrease):	
Compared with December, 1921.....	3.7
Compared with November, 1922.....	-11.2*
Percentage of average stocks on hand at close of each month since July, 1922, to average monthly sales during same period	379.1
Percentage outstanding orders at close of December, 1922, to total purchases during year 1921.....	8.6

*(-) Denotes decrease.

Retail prices have changed but little during the past year. An increase of 11.9 per cent in the value of sales during December, 1922, compared with December, 1921, is therefore indicative of a corresponding increase in the physical volume of goods sold.



Net Sales of 32 Department Stores in Twelfth Federal Reserve District (In Millions of Dollars)

Wholesale Trade

In December for the second consecutive month the value of sales in all reporting lines of wholesale trade was greater than in the corresponding month a year ago. In one line the increase was over 30 per cent, in four lines over 20 per cent, and in seven lines over 15 per cent.

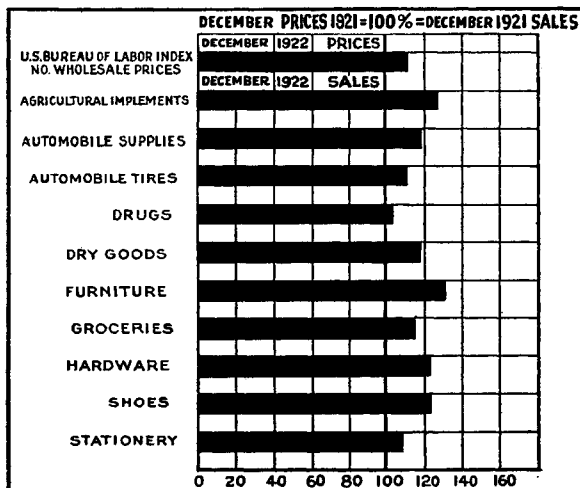
The average net increase or decrease (-) in the value of sales of 191 reporting firms in 10 lines of wholesale business was as follows:

	Number of Firms	Dec., 1922 compared with Dec., 1921	Year 1922 compared with Year 1921
Agricultural Implements..	24	27.5	8.0
Automobile Supplies.....	20	18.6	1.3
Automobile Tires.....	15	11.4	- 5.7
Drugs	9	3.5	5.0
Dry Goods.....	14	18.3	8.7
Furniture	15	31.4	10.8
Groceries	31	15.9	4.8
Hardware	21	22.3	11.6
Shoes	14	22.7	- 1.7
Stationery	28	8.8	3.4

The general level of wholesale prices as indicated by the index numbers of the United States Department of Labor was 11.4 per cent higher in December, 1922, than in December, 1921.

Collections during the past three months have been reported as follows:

	Number of Firms Reporting Collections as			
	Excellent	Good	Fair	Poor
October	5	68	70	12
November	5	53	73	8
December	2	57	67	13



Dollar Value of Sales of Representative Wholesale Houses and General Wholesale Prices in December, 1922, Compared with December, 1921

Employment

Employment in practically every major industry of the district has increased during the past year. In some sections and in some trades, such as mining and building construction, a shortage of skilled labor has been reported during the last few months and this condition continued in the mining camps during December. Cessation of practically all farm work, decreased activity in the lumber industry, and the winter suspension of work on highways and other public enterprises during December, caused the customary seasonal decrease in employment among unskilled laborers. The trend of employment in manufacturing industries is indicated in the following table showing the total number of workers on the payrolls of 40 manufacturing firms usually employing 501 men or more.

	Number of Firms	Number of Men on Payroll*		
		Dec. 31, 1922	Nov. 30, 1922	Dec. 31, 1921
Los Angeles.....	16	29,253	29,161	23,087
Portland	8	7,486	7,494	7,236
San Francisco.....	10	6,904	7,050	6,258
Seattle	6	2,396	2,331	1,996
Total	40	46,039	45,731	38,577

*These figures do not represent the total number of men engaged in manufacturing activities in these cities, but only the payroll figures of a selected number of firms.

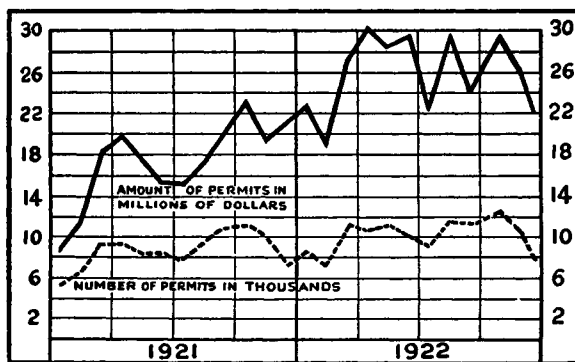
An employment survey of 30 manufacturing industries in California conducted by the Bu-

reau of Labor Statistics of that state showed that there had been an increase of 18.0 per cent in the number of employees on December 1, 1922, compared with December 1, 1921. The total figures for all reporting concerns follow:

Number of Firms	Number of Persons Employed			Percentage Increase over Dec. 1, 1921
	Dec. 1, 1922	Oct. 1, 1922	Dec. 1, 1921	
521.....	107,724	116,094	91,269	18.0

Building Activity

Although building activity during December, 1922, receded from the record levels of the previous eight months, construction continued greater in value and volume than in the same month a year ago. Building departments of 20 cities report that 7,767 building permits were issued during December, 1922, with an estimated value of \$22,034,644, compared with 7,672 permits issued during December, 1921, with an estimated value of \$21,004,120. These



Building Permits Issued in 20 Principal Cities, Twelfth Federal Reserve District, 1921-1922

(D) Building Permits—

	December, 1922		December, 1921	
	No.	Value	No.	Value
Berkeley	112	\$ 278,135	130	\$ 294,955
Boise	32	9,460	43	20,389
Fresno	187	1,261,176	203	500,539
Long Beach..	318	851,360	270	1,392,700
Los Angeles..	3,613	8,955,597	3,364	9,168,851
Oakland	602	2,070,582	500	2,149,756
Ogden	25	120,950	20	93,800
Pasadena	293	766,086	209	396,278
Phoenix	52	69,475	52	77,930
Portland	593	808,725	731	854,055
Reno	16	54,400	15	36,730
Sacramento ..	159	750,259	224	420,266
Salt Lake City	69	766,950	117	404,595
San Diego....	374	559,603	265	1,775,711
San Francisco.	528	2,439,658	568	2,007,705
San Jose.....	74	170,750	59	121,370
Seattle	456	1,792,685	518	494,835
Spokane	52	69,270	115	88,225
Stockton	60	125,270	68	163,133
Tacoma	147	114,253	201	542,297
District	7,767	\$22,034,644	7,672	\$21,004,120

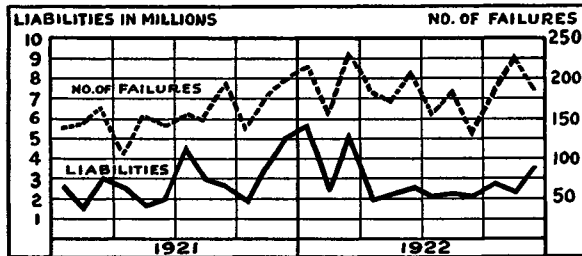
figures represent an increase of 1.2 per cent in number and 4.9 per cent in value of construction involved in December, 1922, compared with December, 1921.

Reports from the same 20 cities for the whole year 1922 reveal the record magnitude of recent building operations. From January to December, 1922, inclusive, 122,295 permits valued at \$310,644,294 were issued. During 1921, the previous record year, 106,177 permits were issued, representing construction valued at \$208,968,615. The increase in 1922 compared with 1921 was 15.1 per cent by number and 48.6 per cent by value. Inasmuch as the wholesale price level of building materials advanced throughout the year and was 17.0 per cent higher in December, 1922, than in December, 1921, an increase of 48.6 per cent in the value of permits issued is less indicative of the expansion in physical volume of construction than is the increase of 15.1 per cent in number of permits issued.

Business Failures

The number of business firms failing during December was smaller than in November, 1922, or December, 1921, and, while the liabilities involved were greater than in November, they were 28.8 per cent less than in December, 1921.

During the year 1922 business failures in the Twelfth Federal Reserve District were larger both in number and amount of liabilities than in any previous year for which records have



Business Failures, Twelfth Federal Reserve District, 1921-1922

been kept. There were 2,209 failures reported with liabilities of \$34,936,823. In 1921 there were 1,851 failures with liabilities of \$34,280,351, the increase in 1922 compared with 1921 being 19.3 per cent by number and 1.9 per cent by amount of liabilities involved. The average liabilities of business failures during 1922 were \$18,874 compared with \$18,411 during 1921 and \$23,932 during 1920. Changes in the general price level during the three-year period have corresponded roughly with these changes in liabilities of business failures and have probably been largely responsible for them.

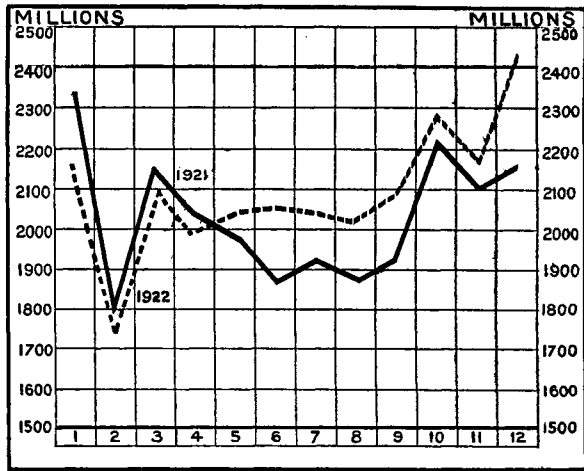
R. G. Dun & Company's comparative figures of the number and liabilities of business fail-

ures in this district during December, 1922, and November, 1922, follow:

	December, 1922		November, 1922	
Twelfth Federal Reserve District.	No.	Liabilities	No.	Liabilities
	186	\$3,623,837	228	\$2,335,805

Bank Debits

The volume of business transacted in this district during December, 1922, as measured by charges to bank accounts in 21 principal clearing house centers, was four-tenths of one per cent greater than in November, 1922, and, as reported from 20 cities, was 5.5 per cent greater than in December, 1921. Contrary to the normal seasonal trend, bank debits in San



Debits to Individual Accounts in 20 Principal Cities, Twelfth Federal Reserve District, 1921-1922

(E) Bank Debits*—

	Four weeks ending Dec. 27, 1922	Four weeks ending Nov. 29, 1922	Four weeks ending Dec. 28, 1921
Berkeley	\$ 15,368	\$ 15,625	\$ 14,200
Boise	14,592	12,547	11,278
Fresno	62,262	68,821	51,954
Long Beach.....	45,085	39,180	25,057
Los Angeles.....	544,800	512,685	461,350
Oakland	105,240	92,905	82,540
Ogden	32,365	31,519	14,958
Pasadena	27,319	25,053	18,945
Phoenix†	18,393	19,285	..
Portland	125,670	131,536	121,221
Reno	9,911	10,667	9,409
Sacramento	72,386	52,420	73,347
Salt Lake City....	69,967	65,315	77,941
San Diego.....	40,115	37,171	34,506
San Francisco....	655,298	692,863	734,389
San Jose.....	20,852	25,113	21,356
Seattle	143,712	159,123	126,314
Spokane	44,241	41,305	40,864
Stockton	21,979	25,139	21,276
Tacoma	36,209	36,340	33,319
Yakima	9,327	11,100	11,660
Total	\$2,115,091	\$2,105,712	\$1,985,884

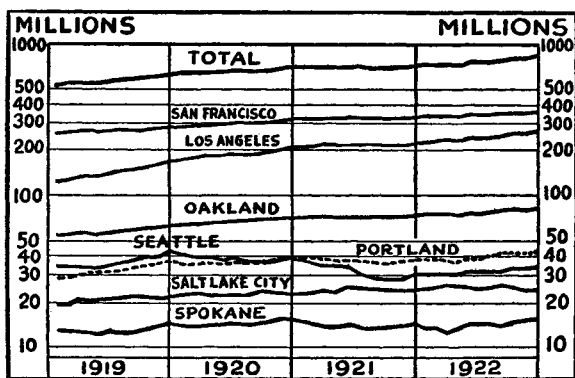
* (000) Omitted.
 † December, 1921, figures for Phoenix not available.

Francisco, Seattle, and Portland, the leading financial centers of California, Washington, and Oregon, respectively, declined 5.9 per cent during December, 1922, compared with November, 1922. Were it not for the decline in figures for these cities, the increase in bank debits would be 6.0 per cent for the district as a whole, compared with one month ago. In December, 1922, for the third consecutive month, bank debits in San Francisco were less than in the corresponding month a year ago. Omitting the figures for San Francisco, bank debits for the district as a whole during December, 1922, would be 11.6 per cent greater than during December, 1921.

In interpreting the figures presented in table "E" allowance must be made for advances in the price level during the past year, which would result in an increase in the number of dollars necessary to transact a given volume of business. The general level of wholesale prices, as indicated by the United States Department of Labor's index number, was 11.4 per cent higher in December, 1922, than in December, 1921. Retail dealers state that prices to customers have changed little during the same period. An increase of 11.6 per cent in debits to individual accounts in the district outside of San Francisco would therefore indicate that the physical volume of business transacted in this territory was greater in December, 1922, than in December, 1921.

Savings Accounts

The total amount in all savings accounts in 75 banks in seven cities increased 4.4 per cent between November 30th and December 30th, or from \$796,128,000 to \$831,018,000. Increases



Savings Accounts in Banks in Seven Principal Cities of the Twelfth Federal Reserve District, 1919-1922

were reported by all cities, but about half the total increase occurred in Los Angeles, and increases in San Francisco and Oakland were unusually large.

Savings accounts in the seven cities are now 13.3 per cent greater than one year ago. Substantial gains are shown for all cities, that for Los Angeles being especially large. Gains in Seattle, Spokane, and Portland during recent months have been noteworthy.

The accompanying chart shows the changes in savings accounts in each of the seven cities since January, 1919.

Government Financing

On January 9th the Treasury Department opened subscription books for an issue of Treasury Notes designated as Series A-1927, dated January 15, 1923, and payable December 15, 1927. The notes bear interest at the rate of 4½ per cent per annum, payable semi-annually on June 15th and December 15th of each year. They are not subject to call for redemption before maturity. The offering was for \$300,000,000 or thereabouts, sales to be effected for cash and in exchange for unregistered War Savings Certificates, Series of 1918, and 4¾ per cent Victory Notes whether or not the latter had been called for redemption.

Subscription books were closed January 13, 1923. All subscriptions were allotted in full up to amounts not exceeding \$100,000 for any one subscriber. Subscriptions of single subscribers amounting to more than \$100,000 were allotted on a graduated percentage basis. All subscriptions for which either 4¾ per cent Victory Notes or unregistered War Savings Certificates of the Series of 1918 were tendered in payment, however, were allotted in full. In this district total subscriptions amounted to \$42,254,400 of which \$20,957,300 were allotted. In the United States as a whole total subscriptions amounted to \$581,550,800 of which \$366,982,100 were allotted.

Note: The Treasury Department has invited the attention of Victory Loan subscribers to the fact that considerable amounts of Victory Notes, already called for redemption, have not yet been redeemed.

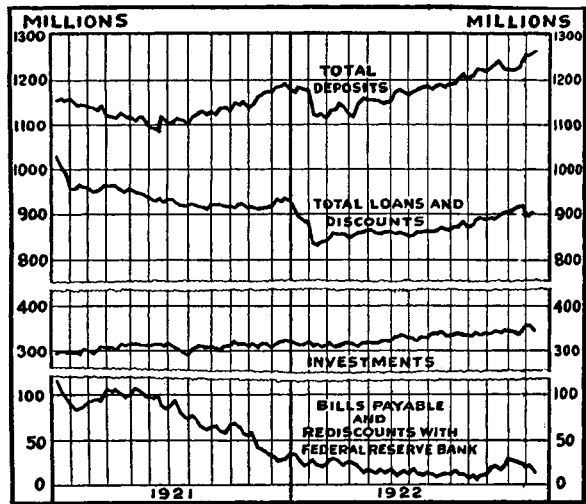
Victory Notes of the 3¾ per cent series were all called for redemption on June 15, 1922, and interest ceased to accrue on that date. According to the most recent figures available about \$3,500,000 of these notes are still outstanding.

Victory Notes of the 4¾ per cent series, bearing the distinguishing letters A, B, C, D, E, or F, prefixed to their serial numbers, were called for redemption on December 15, 1922, and interest ceased to accrue on that date. There are about \$225,000,000 of these notes still outstanding.

Holders of these notes should present them for immediate redemption in order to avoid further loss of interest.

Banking and Credit Situation

Total loans and discounts of 66 reporting member banks in the principal cities of this district advanced from \$910,859,000 on December 6th to \$917,658,000 on December 20th, the highest point yet reached in the upward movement, which began nearly a year ago, and then declined to \$899,765,000 on January 3, 1923. During the following week they again advanced and were reported at \$902,427,000 on January 10th. Investments of the same banks tended upward throughout the past month and, at \$347,582,000 on January 10th, were \$4,782,000 above the figure reported on December 6th. Borrowings of these banks from the Federal



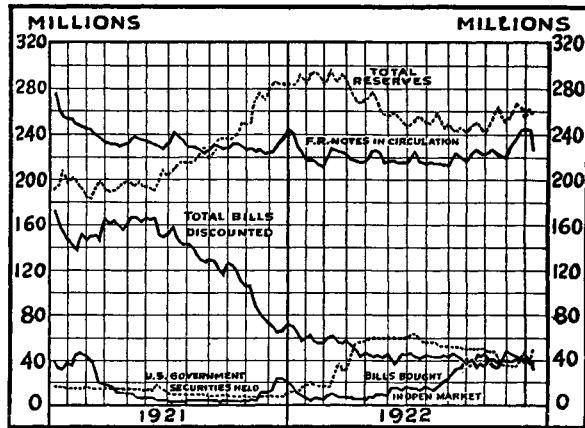
Total Deposits, Loans and Discounts, Investments, and Bills Payable and Rediscounts of Reporting Member Banks

Reserve Bank declined throughout December, increased moderately at the close of the year, and then declined rapidly until they stood at \$14,480,000 on January 10th, the lowest point reached since October 25, 1922. Total deposits of reporting banks reached the record figure of \$1,261,296,000 on January 10th, an increase of \$38,813,000 since December 6th and of \$20,000,000 since the previous peak on November 15, 1922.

Country bank borrowings, estimated by subtracting city bank borrowings from the total discounts of the Federal Reserve Bank, changed little during the month. At \$18,000,000 on January 10, 1923, they were approximately the same as on December 13, 1922.

As a result of changes in member bank borrowings, noted above, total discounts of the Federal Reserve Bank of San Francisco declined from \$43,403,000 on December 13, 1922, to \$32,874,000 on January 10, 1923, a decrease of \$10,529,000, or 24 per cent. Total discounts on the latter date were smaller than at any

time since April, 1918. Federal Reserve note circulation in this district reached its peak for the holiday season at \$244,596,000 on December 27th, and has since declined to \$226,388,000, where it stood on January 10th, compared with \$235,842,000 on December 13, 1922. Earning assets of the Federal Reserve Bank of San Francisco, at \$119,726,000 on January 10th, were only slightly below the figure reported in the statement of December 13th.



Total Reserves, Federal Reserve Note Circulation, Bills Discounted, U. S. Government Securities Held, and Bills Bought in the Open Market, Federal Reserve Bank of San Francisco

Interest rates in New York City declined slightly at the close of the year. The New York open market rate on prime commercial paper, which had stood at 4¾ per cent since November 11th, declined to 4½ per cent during the week ending December 30th, and now (January 13th) stands at that point. In this district there has been no change in the general level of interest rates.

The market for bankers acceptances in the district has been moderately active during the past month, a marked increase in buying being noted after the first of the present year. The rate on prime bills remains at 4 per cent, at which figure it has stood since October 25, 1922. Reports received by this bank from 35 of the principal accepting banks in the district show the following increases or decreases in the amount of bills purchased and bills accepted in December, 1922, compared with November, 1922, and December, 1921.

	December, 1922 compared with December, 1921	December, 1922 compared with November, 1922
Amount of bills accepted ...	+83.2	+22.9
Amount of bills bought	-22.9	+13.8
Amount of bills held at close of month	-31.7	- 5.6

The principal commodities upon which these acceptances were based were wheat, canned fruit, and cotton.

**PRINCIPAL RESOURCE AND LIABILITY ITEMS OF REPORTING MEMBER BANKS IN RESERVE
CITIES IN TWELFTH FEDERAL RESERVE DISTRICT**

	Jan. 10, 1923	Dec. 6, 1922	Jan. 4, 1922
<i>Number of Reporting Banks</i>	66*	66*	68*
Loans and Discounts (including rediscounts).....	\$ 902,427,000	\$ 910,859,000	\$ 878,885,000
Investments	347,582,000	342,800,000	314,766,000
Cash in Vault and with Federal Reserve Bank.....	119,315,000	110,574,000	105,744,000
Total Deposits.....	1,261,296,000	1,222,483,000	1,172,000,000
Bills Payable and Rediscounts with Federal Reserve Bank.....	14,480,000	28,327,000	32,637,000

*Mergers have reduced the number of reporting banks but comparisons of resource and liability items have not been affected.

**COMPARATIVE STATEMENT OF CONDITION OF FEDERAL RESERVE BANK OF SAN FRANCISCO
AT CLOSE OF BUSINESS, JANUARY 10, 1923**

RESOURCES

	Jan. 10, 1923	Dec. 13, 1922	Jan. 11, 1922
Total Reserves.....	\$259,788,000	\$267,108,000	\$285,422,000
Bills Discounted.....	32,874,000	43,403,000	65,348,000
Bills Bought in Open Market.....	37,086,000	41,363,000	12,447,000
United States Government Securities.....	49,766,000	36,098,000	12,515,000
Total Earning Assets.....	\$119,726,000	\$120,864,000	\$ 90,310,000
All Other Resources*.....	56,666,000	54,361,000	49,337,000
Total Resources.....	\$436,180,000	\$442,333,000	\$425,069,000

LIABILITIES

Capital and Surplus.....	\$ 23,008,000	\$ 22,769,000	\$ 22,579,000
Total Deposits.....	146,143,000	141,751,000	129,943,000
Federal Reserve Notes in Actual Circulation.....	226,388,000	235,842,000	230,970,000
All Other Liabilities†.....	40,641,000	41,971,000	41,577,000
Total Liabilities.....	\$436,180,000	\$442,333,000	\$425,069,000
*Includes "Uncollected Items".....	45,440,000	47,649,000	41,949,000
†Includes "Deferred Availability Items".....	39,658,000	39,082,000	35,585,000

PRODUCTION AND TRADE IN THE TWELFTH FEDERAL RESERVE DISTRICT

A statistical summary of production, business activity, employment, and finance in the Twelfth Federal Reserve District during the years 1921 and 1922 is presented in the following table. Substantial increases in the value or volume of practically every item of production and distribution, in 1922 compared with 1921, indicate the extent of the business and industrial recovery which took place during the past year.

PRODUCTION

	1922	1921
Agriculture		
Grains (wheat, barley, oats)—Farm Value.....	\$147,714,000	\$141,823,000
Hay—Farm Value.....	\$202,011,000	\$149,214,000
Fruits (apples, peaches, pears, oranges)—Farm Value.....	\$115,252,000	\$113,971,000
Receipts of Livestock at 8 Markets—Number		
Cattle	850,292	759,672
Sheep	3,005,141	2,976,107
Hogs	1,632,599	1,236,169
Flour Milling—(Output of 16 mills in barrels).....	5,944,977	5,652,952
Lumber—(Output of four associations in board feet).....	6,180,000,000	4,142,000,000
Petroleum—(California production in barrels).....	140,117,546	114,849,075
(California stocks in barrels at end of December) ..	61,184,928	35,021,912
Metals—(Value of gold, silver, copper, lead, and zinc produced).	\$163,340,471	\$101,638,967

BUSINESS ACTIVITY

Department Store Sales; value, 32 stores.....	\$161,952,606	\$156,643,695
Wholesale Trade; total value of sales of 143 firms in 10 lines.....	\$248,618,097	\$236,787,664
Bank Debits in 20 cities.....	\$25,031,609,000	\$24,262,840,000
Building Permits—Number issued in 20 cities.....	122,295	106,177
Value in 20 cities.....	\$310,644,294	\$208,968,615
Business Failures—Number in Twelfth District	2,209	1,851
Amount of liabilities	\$34,936,823	\$34,280,351
Prices—United States Bureau of Labor average of 404 commodities for December (1913=100).....	156	140

EMPLOYMENT

Actual Number of Workers on Payrolls of 40 Firms during December	46,039	38,577
Savings Deposits in Seven Largest Cities, December 30th.....	\$831,018,000	\$733,220,000

FINANCE

Rediscount Rate of Federal Reserve Bank, December 30th.....	4%	5%
Rates Charged Commercial Borrowers by San Francisco banks, December 30th.....	5-5½%	6-6½%
Borrowings of Member Banks from Federal Reserve Bank at close of year.....	\$37,304,000	\$67,093,000
Deposits of 66 Reporting Member Banks at close of year.....	\$1,254,765,000	\$1,178,938,000
Loans and Discounts of 66 Reporting Member Banks at close of year	\$908,690,000	\$929,734,000

Those desiring this review sent them regularly will receive it without charge upon application.