

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. 4

Summary of National Conditions

Further increases in the production of basic commodities, in wholesale prices, employment, wage rates, and wholesale and retail trade took place in March.

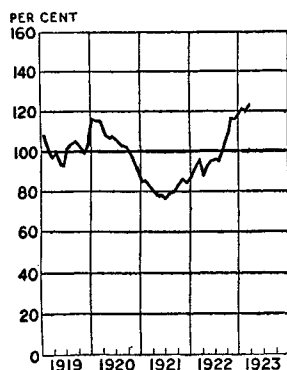
Production. Production in basic industries, according to the Federal Reserve Board's index, increased 4 per cent in March to a level 8 per cent higher than at the 1920 peak and 67 per cent above the low point of 1921. The output of pig iron, steel ingots, automobiles, and crude petroleum, and the mill consumption of cotton exceeded all previously reported monthly totals. Building operations showed a further large expansion, and the value of contracts let for residences in March was the highest on record.

Railroad freight shipments have been larger every week this year than in the corresponding

weeks of the past four years. Car shortage has been reduced to the lowest point since September, chiefly as a result of the addition of new equipment, a decrease in the number of bad order locomotives and cars, and a concerted effort to increase the average loadings.

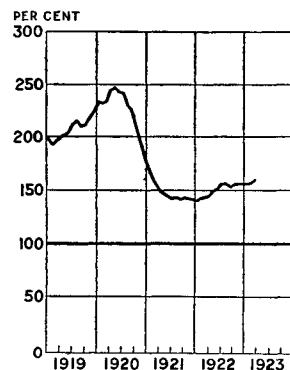
Employment in the building trades and in many lines of manufacturing continued to increase in the Eastern states. The surplus of unskilled labor in the West reported in earlier months is being gradually absorbed by the seasonal increase in farm work. A number of leading textile mills, steel mills, and packing plants announced general wage advances ranging between 11 and 12½ per cent, and numerous wage advances in other industries also were reported.

Trade. March sales by department stores reporting to Federal Reserve Banks were 22 per



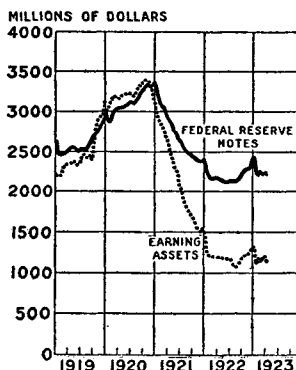
Index of Production in Basic Industries

Combination of 22 individual series corrected for seasonal variation (1919 average = 100 per cent)



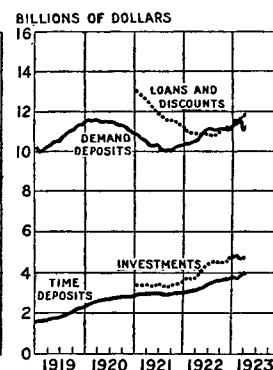
Prices

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



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cent above those of March a year ago, partly because Easter purchases were made in March this year, whereas last year such purchases were largely deferred until April. Stocks of goods held by department stores were 6 per cent larger than those held a year ago, but this increase was not as large as the increase in sales, and hence the rate of stock turnover has been somewhat more rapid. Sales by mail order houses were larger than for any month since November, 1920, and 35 per cent larger than in March, 1922. Wholesale trade in all reporting lines was larger than in March a year ago.

Wholesale prices. Wholesale prices as measured by the Bureau of Labor statistics index advanced 1.2 per cent during March and were 15 per cent above the low point of January, 1922. As in recent months the prices of metals and building materials showed the greatest increases, while fuel prices showed a further decline from recent high levels. Compared with a year ago, metals were 37 per cent and building materials 28 per cent higher. The cost of living increased slightly more than 1 per cent during March to a level of 3 per cent higher than a year ago.

Bank credit. During the month prior to April 11th a more moderate growth in the demand for credit from member banks in leading cities resulted in an increase of about \$48,000,000 in their loans made largely for commercial purposes, as compared with an increase of \$235,000,000 in the preceding month. Through withdrawal of funds from investments and a further inflow of gold, member banks have been able to meet demands of their customers for increased credit and currency independently of the reserve banks. Consequently, the total volume of Federal Reserve Bank credit, measured by total earning assets has remained relatively constant during the past month, and in fact since the seasonal liquidation at the turn of the year. The volume of Federal Reserve notes in circulation has also changed but little as the larger demand for hand to hand money has been met chiefly by an increase in other forms of money in circulation. There has been little change in money rates from those prevailing in March.

Summary of District Conditions

Activity of production and trade, which has been marked since the first of the year, was sustained during March, with records of previous years being steadily approached or ex-

ceeded in numerous lines of activity. Labor is fully employed and wages are advancing. Substantial increases in rates of pay in the lumbering, mining, and metal trades industries were announced during March. Farmers in many sections are having difficulty in securing adequate help for spring planting and cultural work because of the relatively low wages paid agricultural laborers. Practically all of the lumber mills of the district are now in operation, and production during March was estimated to be 10 per cent above normal for that month. The volume of orders received and shipments made continued greater than production. Output of the mines of the district increased, the metal market continued active, and prices of the principal metals produced, except silver, rose. Petroleum production in California at 632,522 barrels per day established another record during March, and storage stocks, already large, were increased. Prices paid for crude oil in Southern California fields were reduced during the month from 1 to 41 cents per barrel, according to the gravity of the oils. Flour millers, having completed their fall and winter production program, curtailed their operations slightly during March. Building permits issued during March were greater both in number and value than in any previous month of which there is record. There were 13,358 permits authorizing construction valued at \$40,203,440 issued in 20 reporting cities.

Retail trade at department stores, during March, exceeding in value that of a year ago by approximately 20 per cent, was being carried on with stocks only slightly larger than those then held. Eleven lines of wholesale business reported increases in the value of their sales during March, 1923, compared with March, 1922, and in the majority of lines the percentage increase was greater than the increase in the wholesale price level during the same period. The total activity of business in the district, as indicated by debits to individual accounts at banks in 21 cities, was 25.8 per cent greater than one year ago, the largest yearly comparison reported since 1920. Business failures during March declined in number and in amount of liabilities.

The business prosperity reflected in the foregoing comparisons has resulted in a steadily expanding volume of bank credit in the district. Total loans, discounts and investments of 66 reporting member banks, located in the principal cities of the district, increased from

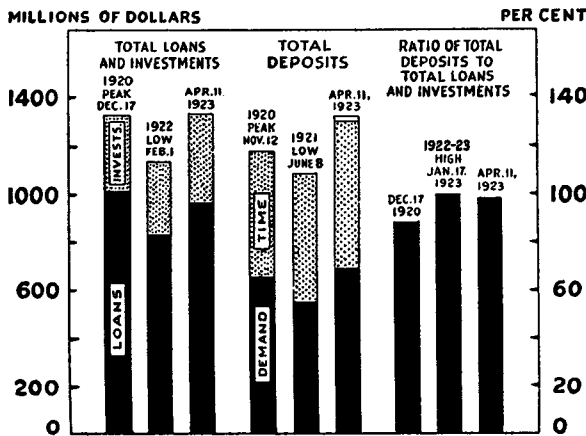
\$1,289,000,000 on March 7, 1923, to \$1,340,000,000 on April 11, 1923, the latter figure being slightly in excess of the highest previous figure, \$1,331,000,000, reported on December 17, 1920. Comparison of the present condition of these banks with their condition then, however, reveals that while total loans and investments are now at the 1920 peak, total deposits at \$1,328,000,000 are considerably above the peak of \$1,185,000,000 reported in the fall of 1920. As a result the total deposits of these banks are today 99.1 per cent of their total loans and investments, as compared with 88.2 per cent at the peak of the credit expansion in 1920 (see accompanying chart). As might be

Crops and livestock of the district are in good condition. The past winter has not been severe and early spring weather has been generally favorable. Rains during the first week of April ended a six-weeks dry spell in California, relieving a situation which was becoming serious both for the livestock and general farming interests.

Crop Conditions

The condition of fall sown grain crops on April 1st was slightly below the average of the past 10 years in six of the seven states of the district, and far below the average in the seventh state, California. Except in the latter state, however, these crops are now in better condition than they were on December 1, 1922, having been favored by a comparatively mild winter and a plentiful supply of moisture. In California the usual seasonal rains did not fall during the latter half of February and the month of March, and not only wheat and barley, but other crops suffered greatly from lack of moisture. General rains during the first week of April did much to improve the situation, and the condition of all crops is now considerably above that reported on April 1st.

United States Department of Agriculture figures showing the condition of fall sown wheat follow:



Condition of Reporting Member Banks in Twelfth District
A comparison of 1920 peaks, 1921-1922 low points, and the latest available figures.

expected under such conditions demands of member banks upon the reserve bank for credit have thus far been light, although during the past month they have tended more strongly upward. Total discounts of this bank, which advanced from \$42,926,000 to \$58,749,000 during the five weeks ending April 18, 1923, are now little more than one-third as large as total discounts at the peak of credit expansion in 1920. Interest rates charged their customers by banks of the district have tended upward during the past month and at San Francisco, the principal financial center of the district, they now stand at 5½ to 6 per cent compared with 5 to 5½ per cent at the beginning of March.

The general price level continued upward during March. Prices of many agricultural products of the district, however, are now lower than one year ago, the principal exceptions being wool, cotton, sugar, and barley, all of which are selling at prices considerably above those of April, 1922. Prices for lumber, copper, lead, and zinc advanced during the past month.

	Condition April 1st			Condition December 1st		
	1923	1922	Ten Year Average	1922	1921	Ten Year Average
Arizona	94	95	93	90	95	95
California	75	94	91	96	90	92
Idaho	91	92	94	81	81	91
Nevada	92	88	95	90	85	90
Oregon	91	90	95	91	92	92
Utah	85	89	95	70	80	90
Washington ..	84	85	89	77	79	88
United States.	75.2	78.4	84.1	79.5	76.0	87.9

Inactivity in the wheat markets of the district, which has obtained during the greater part of the present season, persisted during March, and sales for both domestic and foreign account were relatively small in volume. Exports of 1922 crop wheat from Portland and the Puget Sound ports were lighter during the past month than during any previous month of the current season.

Commercial factors report that plantings of rice in California this year will be somewhat less than the 140,000 acres planted to that crop in 1922. It is estimated that approximately 2,350,000 bags of 100 pounds each, or 63.4 per cent, of the 1922 California rice crop remained unsold on April 1, 1923. Unsold stocks at this time last year totaled approximately 1,650,000 bags of 100 pounds each, or 50 per cent of the

1921 crop. Export movement of rice has been considerably less than during the preceding season, largely due to a marked decline in the volume of shipments to Japan. As a result of comparative inactivity in export markets, and a sluggish domestic demand, prices for rice have tended to decline since the harvesting of the 1922 crop. The present price to growers, \$2.25 per 100 pounds of number one paddy rice, is approximately 9 per cent lower than in January, 1923, and nearly 20 per cent below the growers' price last year at this time.

Planting of cotton has progressed to a point where it is possible to make an estimate of the acreage which will be devoted to the crop this year. Observers in all of the cotton growing sections, including the Salt River and Yuma Valleys of Arizona and the Imperial Valley of California, report that there will be an increase over last year's plantings of 181,000 acres.

Practically all of the 1922 medium staple cotton crop in California, which, according to final ginning reports, amounted to 28,473 bales, has been sold. Growers are reported to have received from 28 to 30 cents per pound for a large part of their 1922 crop, as compared with an average return of approximately 19 cents per pound for the 1921 crop. Present unsold stocks of Pima cotton in Arizona are estimated at approximately 3,000 bales, or less than 10 per cent of the 1922 crop of 32,786 bales. Consumption of Pima cotton by New England cotton mills has increased during recent months and is now ranging between 4,500 and 6,000 bales per month. The increasing demand for Pima cotton has maintained prices at a comparatively high level, despite the active competition of cotton of equal staple length imported from Egypt. Growers are now receiving 34 cents per pound for number two Pima cotton, compared with a price of 29 cents per pound received for the same grade of cotton at this time last year.

Forecasts of prospective increases in plantings of sugar beets this year as compared with last year are being confirmed as the planting season progresses. Weather conditions have been favorable, especially in California where the rains of early April facilitated planting and favored growth. Commercial factors estimate that last year's plantings of 59,000 acres in California will be increased by more than 25 per cent during the forthcoming season. The extent of the acreage already contracted to grow sugar beets in Idaho and Utah indicates that the increase in acreage in those states will be not less than 20 per cent. Growers and sugar companies in Utah and Idaho have now agreed upon a contract which guarantees the

growers a minimum price of \$5.50 per ton for their beets. This represents an advance of 50 cents per ton over last year's guaranteed minimum price in Utah, and is the same as the minimum price paid in Idaho in 1922. As was mentioned in the February review, the 1923 contract between sugar companies and growers in Southern California advanced prices 28 per cent over those paid in 1922, while growers in Central and Northern California are to be paid on the same scale of prices as last year.

Approximately 23,000 acres have been or will be planted to early potatoes in California during the present season, as compared with plantings of 28,340 acres last year, according to an estimate recently published by the United States Department of Agriculture. The record crop of potatoes, 46,307,000 bushels, grown in the district in 1922 brought low prices to the growers, and many fields were not harvested because their owners were unwilling to incur the additional expense of digging the crop. Although the marketable crop was greatly reduced by this failure to harvest all potatoes grown, and by unusually heavy losses resulting from careless storage, present unsold stocks are larger than normal. During the first two weeks of April, however, demand has become more active, prices have risen, and growers in the late producing areas, particularly in Idaho, are now hopeful of disposing of present stocks before the new crop comes on the market.

Stored stocks of boxed apples in this district are more than three times as large as they were at this time last year. The following table shows in a general way the size of present holdings compared with those of a year ago:

	1922-1923 (cars)	1921-1922 (cars)
Total commercial crop of apples.....	44,800	51,123
Shipments July 1st to March 31st....	39,514	49,602
Remaining in storage in the district..	5,286	1,521

The figures of shipments of apples, of course, are somewhat smaller than the total sales of apples within and without the district, and storage losses, which are usually greatest in years characterized by dull markets and low prices, have undoubtedly reduced the amount of the crop which is saleable, so that there are now probably considerably less than 5,000 cars of unsold apples in the district. Prices paid growers for apples continued the downward movement of recent months and on April 1st were approximately 44 per cent lower than they were a year ago.

As the late harvesting season has progressed, further revision of estimates of the 1922-1923 Navel orange crop in California has been necessary. The total yield is now placed at 9,516,000 boxes compared with a yield of 9,260,000 boxes estimated on March 1, 1923, and a final

yield of 6,445,370 boxes during the 1921-1922 season. Preliminary estimates of the forthcoming **Valencia orange** crop in California place the total yield at 9,958,000 boxes, of which only a small quantity has yet been picked. There were 5,905,073 boxes of Valencia oranges produced in 1922. The **lemon** crop is still estimated to be slightly in excess of 4,000,000 boxes.

Total shipments of oranges and lemons up to April 1st of the past two seasons have been as follows:

	Nov. 1st to April 1st 1922-1923 (cars)	Nov. 1st to April 1st 1921-1922 (cars)
Oranges	20,529	19,113
Lemons	2,798	3,120

Deciduous fruit orchards of California, in general, have set large crops as a result of unusually favorable weather during the blossoming season. In the other fruit growing sections of the district the season has not progressed far enough to warrant a statement concerning the new crop, but no unfavorable conditions have been reported.

Canned and Dried Fruits

Although present unsold stocks of canned fruits of the 1922 pack held by canners in this district are estimated to be larger than stocks of 1921 pack fruit held a year ago, it is reported that the proportion of the total pack of the previous year yet to be marketed is practically the same as it was last year at this time. The market situation has improved slightly during the past month. Reduced prices for the lower grades of canned fruit, which grades constituted an unusually large proportion of the 1922 pack, have stimulated the demand for this class of goods and stocks are steadily moving into the hands of distributors and consumers. Present prices of the largest factor in the trade for the four most important canned fruits are contrasted with the opening prices named for the same fruits in the following table:

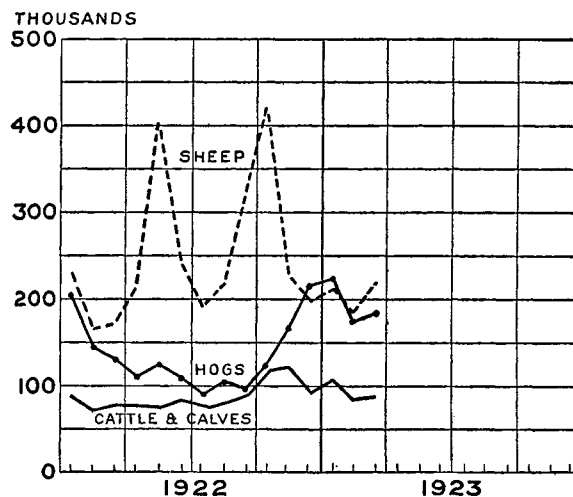
No. 2½ Cans	Opening Price, 1922 Pack		Price on April 1, 1923	
	Choice Grade (per doz.)	Standard Grade (per doz.)	Choice Grade (per doz.)	Standard Grade (per doz.)
Apricots, Sliced	\$2.70	\$2.30	\$3.30	\$1.85
Cherries, Royal Anne	3.90	3.35	4.15	3.00
Peaches, Yellow Cling	2.60	2.20	2.75	1.85
Pears, Bartlett	3.25	2.85	3.10	2.75

During the past month the market for **dried fruits** has been more active than at any time this year. Reports indicate that further declines in independent packers' quotations on dried apricots, prunes, and some varieties of raisins have resulted in material reductions in the smaller holdings of these fruits, thereby

strengthening the whole dried fruit market. Unsold stocks of raisins in California are still large. Including various small holdings of miscellaneous varieties of raisins, in addition to the Thompson seedless and Muscat raisins, which make up the bulk of the crop, it is estimated that approximately 43 per cent of the 1922 crop of 230,000 tons remained to be sold on April 1, 1923. On April 1, 1922, there was approximately 35.7 per cent of the 1921 crop of 145,000 tons unsold in packers' hands.

Livestock

Mild weather in the Intermountain states and timely rains in California during the past month have greatly benefited the livestock industry of the district. Feeding is still necessary in many sections of the Intermountain states, but spring rains and brief periods of warm weather have started the grass on the ranges, and the condition of livestock has already begun to improve. In California, much of the damage suffered by pastures and ranges during the drought of February and March was repaired by the rains of early April.



Receipts of Livestock at Eight of the Principal Markets of the District 1922-1923. (Los Angeles, Ogden, Portland, Salt Lake City, San Francisco, Seattle, Spokane, and Tacoma included)

Lambing has been practically completed in California and Arizona and is progressing rapidly in the Northern states of the district. A large increase and light losses have been reported from all sheep-raising sections. Shipments of spring lambs from California and Arizona, to both local and Eastern markets, are increasing in volume, and the peak of the movement is expected early in May.

Estimates of the United States Department of Agriculture indicate that the number of brood sows has increased during the past year in all of the principal hog-raising states of this

district. The figures for the district and for the United States follow:

BROOD SOWS			
April 1, 1923			
	Per cent of preceding Year	Number	Estimated Number April 1, 1922
Twelfth District ..	105.8	242,353	229,398
United States	106.7	13,256,000	12,424,000

Receipts of all classes of livestock at eight principal markets of the district during March, 1923, were well above receipts during the same month a year ago, and showed a normal seasonal increase over receipts of the previous month of this year. Grass fattened cattle from California ranges are coming into the market from two to three weeks earlier than last year, when the movement was delayed by unfavorable weather and range conditions.

Receipts of Livestock at Eight Principal Markets				
	Cattle	Calves	Hogs	Sheep
March, 1923...	71,503	16,147	184,025	219,540
February, 1923...	69,919	15,683	176,203	185,245
March, 1922...	64,782	11,463	131,665	170,258

Prices for cattle, hogs and sheep at the principal markets of this district advanced slightly during the past four weeks, while the price of lambs at the same markets declined.

Wool

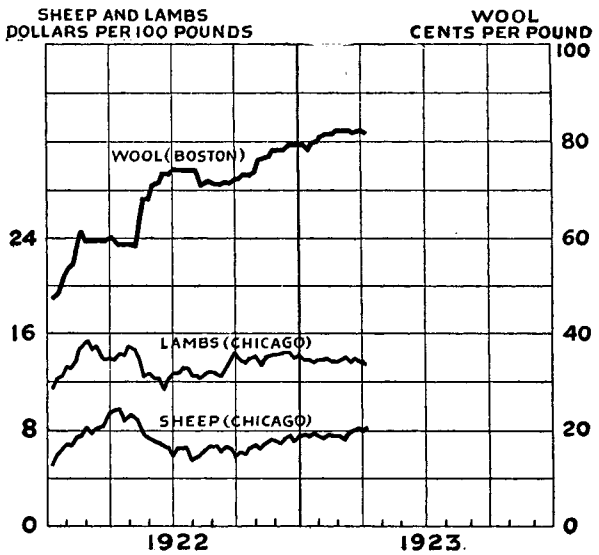
Sheep raisers of the district report that their flocks are in excellent condition, that fleeces are well grown and of better than average quality, and that the total 1923 wool clip will probably exceed the 1922 clip of 74,000,000 pounds. Preliminary commercial estimates of the forthcoming clip by states in this district, as compared with final estimates of the 1922 clip, are given in the following table:

	1923	1922
Arizona	6,750,000	6,000,000
California	14,500,000	13,455,000
Idaho	16,500,000	15,000,000
Nevada	7,500,000	6,580,000
Oregon	14,000,000	12,992,000
Utah	16,000,000	15,984,000
Washington	4,250,000	4,112,000
District	79,500,000	74,123,000

Wool buyers in the range country during the past two months are reported to have offered from 35 to 45 and 50 cents per pound for wool, depending upon the quality of the clip and the location of the nearest shipping point. Growers are not anxious to sell, however, and only a small proportion of the forthcoming clip has been sold on contract before shearing. Shearing has already begun in most sections of the district.

Price trends for wool, sheep, and lambs are graphically presented in the accompanying chart. Wool prices are now approximately 38 per cent higher than one year ago, and sheep

and lambs are selling at prices slightly below those prevailing in April, 1922. Wool growers' costs of production are reported to have increased during the past year, but not in proportion to the advance in the selling price of wool.



Weekly Average Prices of Wool (Average of 98 quotations), Choice Lambs, and Aged Sheep, 1922-1923

Dairy and Poultry Products

Holdings of cold storage butter in the principal markets of this district declined rapidly during March, reaching the lowest point reported since accurate records were first kept in January, 1920. Total cold storage stocks of butter on April 1st, at 66,173 pounds, were 82.5 per cent less than the total holdings on March 1, 1923, and 41.6 per cent less than on April 1, 1922. Seasonal increases in fresh butter production in this district and advancing prices in Eastern markets have induced owners of cold storage butter to ship a considerable part of their holdings out of the district.

There was a heavy movement of eggs into cold storage during March, 1923. Total cold storage holdings of 145,204 cases of eggs on April 1, 1923, were 15.5 per cent greater than they were on April 1, 1922.

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:

	April 1, 1923	March 1, 1923	Feb. 1, 1923	April 1, 1922
Butter (pounds) ..	66,173	378,764	639,981	113,648
Eggs (cases)	145,204	1,352	706	125,670

Prices

Many of the principal agricultural products of this district are now selling at prices below those of a year ago, the list of such commodities including wheat, certain dried fruits, and

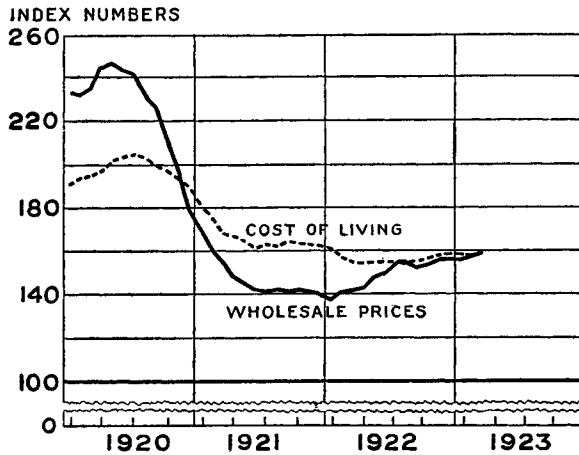
all meat animals except cattle. Insofar as the cost of goods and services which the producers of these crops and animals must purchase have generally risen, the purchasing power of their products has been further reduced.

During March there was little change in the general price level. Prices of all classes of livestock, except lambs, advanced moderately. Wheat sold slightly higher than during the previous month. The average of 98 wool quotations in the Boston market, at 82.14 cents per pound on April 6, 1923, was fractionally lower than the same average on March 2, 1923, but 38 per cent higher than in April, 1922. The price of cotton also declined during March, but continues approximately 43 per cent above the levels of a year ago. Prices for fresh, canned, and dried fruits tended downward during the past month.

The sugar market has moved in an erratic manner in recent weeks, but advances in prices have generally been maintained after temporary reactions. Refined beet sugar in the San Francisco market was quoted at \$9.10 per hundred pounds on March 2nd, advanced to \$9.40

per hundred pounds on March 14th, declined to \$9.00 per hundred pounds on April 6th, and advanced to \$9.40 per hundred pounds on April 13th. The latter price is 61.6 per cent above the price quoted in March, 1922.

The price of copper advanced one-half cent



Wholesale Prices and the Cost of Living, 1920-1923
 United States Bureau of Labor Index of Wholesale Prices (1913=100)
 National Industrial Conference Board Index of the Cost of Living (July 1914=100)

(A) Commodity Prices—

Commodity	Unit	April 6, 1923	One Month Ago	One Year Ago
Twenty Basic Commodities (F. R. B. of N. Y.) 1913=100.		161.3	159.6	127.6
Wholesale Prices (U. S. Bureau of Labor*) 1913=100....		159.0	157.0	142.0
Cost of Living (National Industrial Conference Board) July, 1914=100.....		159.2	157.5	154.7
Cattle (Native Beef).....	100 lbs.	\$9.10	\$8.85	\$7.85
Sheep	100 lbs.	8.20	7.50	9.75
Lambs	100 lbs.	13.45	13.95	13.90
Hogs	100 lbs.	8.40	8.00	10.30
Wheat	bu.	1.21¾-1.23½	1.16¾-1.18¼	1.30-1.33
Barley	cental	1.65-1.75	1.65-1.75	1.40-1.55
Rice	cental	4.15	4.40	5.00
Cotton	lb.	28.00-29.50¢	29.75-30.13¢	16.63-16.75¢
Wool	lb.	82.14¢	82.36¢	59.64¢
Flour	bb1.	7.79	7.79	8.08
Sugar	100 lbs.	9.00	9.10	5.70
Oranges	box	2.25-2.75	2.50-3.00	4.50-5.50
Lemons	box	3.00-3.25	3.00-3.25	2.25-2.50
Dried Apples.....	lb.	.08	.08½-.08¾	.16½-.17
Dried Apricots....	lb.	.21	.22-.23	.26
Prunes	lb.	.10¾	.11½-.11¾	.13¾-.14¾
Raisins	lb.	.11	.11	.15¾
Canned Apricots.....	doz.	3.30	3.15	3.00
Canned Peaches.....	doz.	2.75	2.60	2.60
Canned Pears.....	doz.	2.75	2.85	3.00
Raw Milk.....	100 lbs.	2.69	2.80	2.51
Butter	lb.	.43	.45	.31½
Eggs	doz.	.29½	.27½	.27
Copper	lb.	.17¾	.16¾	.12¾
Lead	lb.	8.30¢	8.50¢	4.90¢
Silver	oz.	.66¾	.66	.65¾
Zinc	lb.	7.45-7.50¢	7.80-7.85¢	4.90-4.95¢
Petroleum	bb1.	1.45	1.45	2.45
Douglas Fir.....	M ft.	23.50	22.50	11.50
Douglas Fir.....	M ft.	25.00	24.00	15.00

*Revised figures.

per pound during the month, and at 17 $\frac{3}{8}$ cents per pound, is now higher than at any time since September, 1920. Lead and zinc quotations declined slightly during March, but present prices of these metals are still 60.9 per cent and 51.4 per cent, respectively, above the prices of a year ago.

Milling

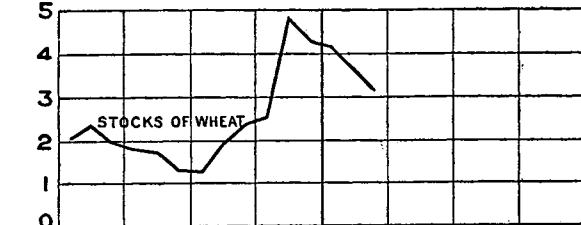
Production of flour at reporting mills of the district declined during March, as millers prepared to dispose of stocks of flour which have been accumulating during the past autumn and winter. The curtailed output of March, 1923, was greater, however, than production in March, 1922.

	No. of Mills Reporting		Output		
	Mar., 1923	Feb., 1923	Mar., 1923 (barrels)	Feb., 1923 (barrels)	Mar., 1922* (barrels)
California ..	10	10	243,179	264,144	303,859
Idaho	3	2	11,386	5,831	9,640
Oregon	18	15	144,273	144,675	102,989
Washington	17	16	311,403	378,624	300,734
District	48	43	710,241	793,274	707,202

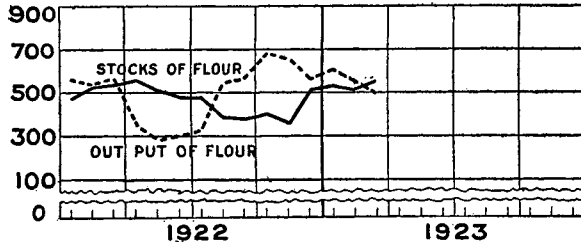
*61 Mills reporting.

The market for flour during March was only moderately active. Notwithstanding the de-

MILLIONS OF BUSHELS



THOUSAND BARRELS



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

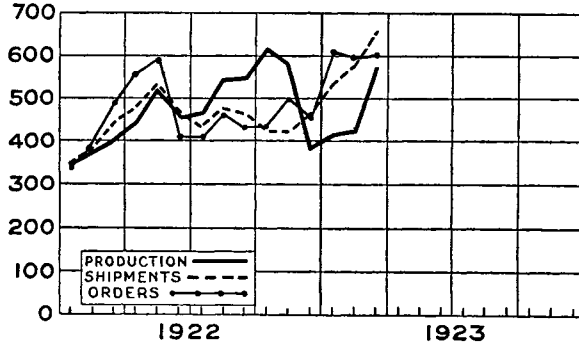
cline in output during the month, millers produced more flour than they sold. Stocks of flour held at mills, as reported by 16 large companies, were increased by 38,940 barrels, and at 549,582 barrels on April 1, 1923, were slightly in excess of stocks held a year ago. Millers' stocks of wheat were further reduced, and are now 58 per cent greater than a year ago. At the close of February, 1923, they were 88 per cent greater than at the close of February, 1922.

Lumber

Practically all of the sawmills of the district are now in operation, many of them on a double shift basis, and production of lumber during March was estimated to be approximately 110 per cent of normal production for that month. Figures on production, new business received, and shipments made during March, 1923, were all greatly in excess of the corresponding figures for February, 1923, or March, 1922. A record of the activity of reporting mills follows (000 omitted):

	Mar., 1923 (board feet)	Feb., 1923 (board feet)	Mar., 1922 (board feet)
Production	573,471	419,321	403,269
Shipments	659,718	574,138	439,281
Orders	601,543	598,805	486,777
Unfilled Orders....	639,430	626,895	382,170

MILLIONS OF BOARD FEET



Lumber Production, Orders Received, and Shipments in Twelfth Federal Reserve District as Reported by Four Lumber Associations, 1922-1923

Continued excess of shipments over production during March resulted in a further decrease in stocks of lumber from the already low level of the previous month. Mill holdings on March 1, 1923, were reported to be less than 50 per cent of normal.

Unusual activity in the lumber market continued during March. In the domestic market the railroads, industrial consumers, and the country trade were the principal purchasers of lumber. Foreign buyers contracted for approximately 42 per cent more lumber during March, 1923, than during March, 1922, and increased the volume of their February, 1923, purchases by more than 20 per cent.

Activity in the shingle branch of the lumber industry, which has been quiet for some time, increased during March. A majority of the shingle mills of the district are now in operation, according to recent reports.

Conforming to the usual seasonal trend, activity in the logging industry increased notably during March, 1923, compared with February, 1923. The supply of logs, which in many cases had declined to very low levels, has been quickly replenished, and mills now in operation

report that present supplies are generally adequate for their needs.

Mining

The mining industry of the district is reported to be in better condition than at any time in the past two and a half years. During February, 1923, the latest month for which figures are available, production of copper, lead, silver, and zinc continued at the high levels reached during January, 1923, and the output of each metal was greatly in excess of that of a year ago. The market for copper, lead, and zinc has been active, with prices advancing slightly. Stocks of lead and zinc held by producers are reported to be small, and stocks of copper have been decreasing steadily.

The present position of silver differs from that of the other non-ferrous metals. The silver mining industry of this country has maintained its output at normal levels throughout the past three years, the lack of fluctuation in production being a reflection of the fixed price of \$1 per ounce paid by the government under the Pittman Act, for silver from domestic mines. Average price during March, 1923, for silver not coming under Pittman Act purchases was 67½ cents per ounce. On March 30th the Director of the United States Mint announced that purchases of silver by the government under the Pittman Act would probably be completed about July 1, 1923, whereas previous reports had indicated that silver purchases would not be completed until October 1, 1923. The silver mines of the district are therefore bending their efforts toward maximum production of the metal during the three months remaining before government purchases at the present fixed price will be discontinued.

Figures showing the national production of copper, silver, and zinc, three of the most important metals produced in this district, are shown in the following table, which compares the output in February, 1923, with January, 1923, and February, 1922:

Copper (lbs.)	Feb., 1923	Jan., 1923	Feb., 1922
(mine production)	102,515,414	112,341,097	37,415,808
Silver (oz.)			
(commercial bars)	4,728,953	5,189,745	3,878,498
Zinc (tons)			
(slab)	35,616	46,317	22,513

Figures for lead are not available.

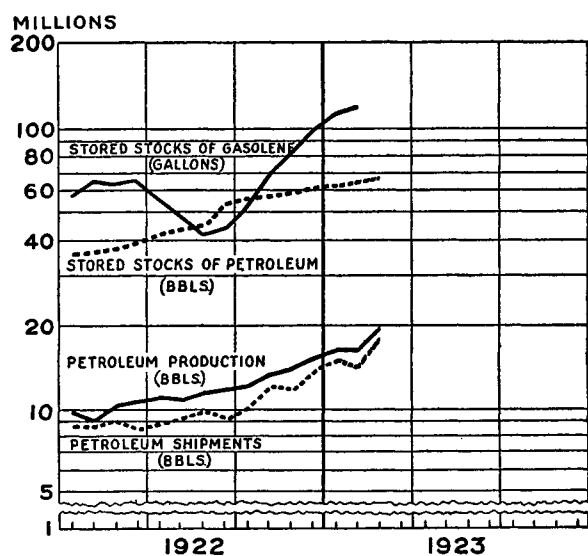
Production of gold in California at deep gold mines and from dredging operations has been maintained at normal levels during the past few months. Gold mines reporting to this bank indicate that operations during the past month were being carried on at 100 per cent of capacity.

Average prices quoted for copper, lead, silver, and zinc during March, 1923, reflect the increases which have occurred in the metal market during the past month and the past year. Copper, silver, and zinc are now quoted at the highest prices reported since October, 1920.

	Mar., 1923 (cents)	Average Prices Feb., 1923 (cents)	Mar., 1922 (cents)
Copper (lb.)			
New York Electrolytic.	17.08	15.60	12.81
Lead (lb.)			
New York	8.25	8.05	4.72
Silver (oz.)			
New York Foreign	67.55	64.31	64.44
Zinc (lb.)			
St. Louis	7.70	7.15	4.65

Petroleum

Each new figure on monthly production of petroleum in California exceeds the record established in the previous month. During March, 1923, the average daily output was 632,522 barrels, an increase of 45,852 barrels or 7.2 per cent over the average daily output in the previous record month of February, 1923. In



CALIFORNIA
Production, Shipments, and Stored Stocks of Petroleum, and Refinery
Stored Stocks of Gasoline, 1922-1923

Figures for months subsequent to August, 1922, furnished by American Petroleum Institute. Figures for previous months partly estimated.

comparison with March, 1922, production has increased by 89.5 per cent. Daily consumption of petroleum during March, 1923, averaged 575,065 barrels, an increase of 12.9 per cent compared with the previous month, and of 96.8 per cent compared with March, 1922. March production exceeded consumption by 56,957 barrels per day and stored stocks of petroleum rose to a new record figure of 66,593,571 barrels. Seventy-one new wells were completed during March and 21 wells abandoned, a net

increase of 50 producing wells during the month.

Stocks of gasoline held at refineries in California on March 1, 1923, totaled 119,809,000 gallons compared with 116,433,560 gallons held on February 1, 1923, and 43,396,946 gallons held on March 1, 1922. The increase compared with a year ago amounted to 56.7 per cent.

Prices of petroleum and petroleum products, which have been declining during the past few months, were again reduced during April, this being the fourth reduction since July, 1922. On April 10th buying prices of crude petroleum from Southern California fields were reduced by amounts ranging from one cent per barrel on oil of 20 degrees gravity to 41 cents per barrel on oil of 35 degrees gravity and above. There were no reductions in buying prices of heavier crude oil of 14 to 19.9 degrees gravity. The price of gasoline in the territory served by California producers was reduced 1 cent per gallon and engine distillate one-half cent per gallon on the same date. A statement of pre-war, peak, and present prices of petroleum and gasoline follows:

	Present	Peak	Pre-war
Crude Petroleum—Southern California Fields 25° gravity (bbl.)*	\$0.74	\$1.96	\$0.55
Gasoline—San Francisco (gallon)†	.19	.27	.155

*Field price.
†Service station price.

Electric Energy

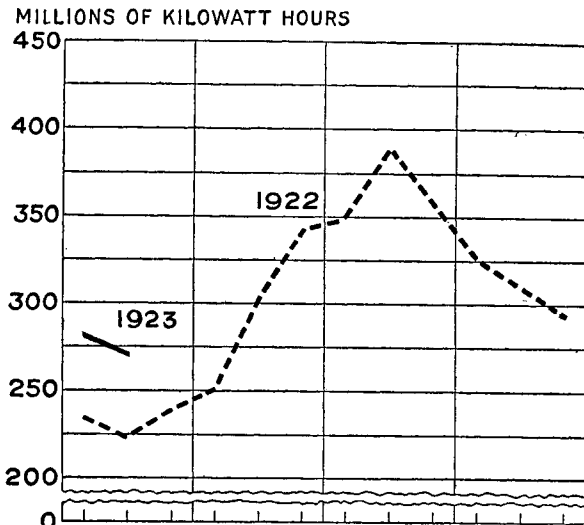
Sales of electric power for industrial purposes continue approximately 20 per cent greater than a year ago. Available figures for February, 1923, reported by 20 of the principal power companies in the district, show increases in sales to the manufacturing, mining, lumbering, oil producing, and agricultural industries, the total increase as compared with February, 1922, being 21.7 per cent. Percentage comparisons of sales by certain industries and by sections of the district are presented in the following table:

Percentage Increase February, 1923, compared with February, 1922

	Agriculture	Mining	Manufacturing	Total Industrial Sales
California	47.3	2.4	33.0	15.6
Pacific Northwest..	50.6	21.5	16.7	10.0
Intermountain	79.4	19.6	37.5	91.9
Twelfth District...	49.1	9.0	28.8	21.7

The large increase in sales to agricultural consumers is partly the result of the needs of California farmers for power to operate irrigation systems during the recent dry spell in that state, which commenced about the middle of February. The reported increase in sales to the lumber industry of the Pacific Northwest, which is not shown in the above table, was 24.7 per cent, and to the oil producing industry of California, 24.0 per cent.

Figures showing the number of industrial consumers and industrial sales of 20 reporting power companies during February, 1923, and February, 1922, are shown in the following table. It is noteworthy that, whereas the number of industrial consumers in the Intermoun-



Total Industrial Sales (K. W. H.) of 20 Power Companies in Twelfth Federal Reserve District, 1922-1923

tain section is slightly less than a year ago, their current purchases of electric power are approximately double the figures for last year.

	Number of Industrial Consumers		Industrial Sales K.W. H.	
	Feb., 1923	Feb., 1922	Feb., 1923	Feb., 1922
California	55,919	48,847	163,910,223	141,748,548
Pacific Northwest ..	14,333	13,385	63,807,405	58,005,918
Intermountain States	4,980	5,427	42,359,847	22,068,438
Twelfth District	75,232	67,659	270,077,475	221,822,904

Automobile Registrations

The total number of automobiles registered in the states of this district (excluding Nevada, for which figures are not available) during the first quarter of 1923, was 1,166,524 compared with 933,201 motor vehicles registered during the first quarter of 1922. This is the annual registration period and by far the greater part of the old cars are registered during these three months. The figures follow:

TOTAL AUTOMOBILE REGISTRATIONS

	January 1 to March 31, 1923	January 1 to March 31, 1922	Percentage Increase 1923 over 1922
Arizona	35,209	28,729	22.5
California	808,719	645,955	25.1
Idaho	32,789	25,567	28.2
Oregon	112,585	93,360	20.5
Utah	28,316	25,223	12.2
Washington	148,906	114,367	30.1
Total	1,166,524	933,201	24.9

This bank has also collected and compiled figures for five states on registrations of new

automobiles as distinguished from automobiles purchased in previous years and registered again during the current year. These figures show a great increase in the number of new car registrations during the first two months of 1923 as compared with the same period in 1922.

	Total New Passenger Cars Registered		Total New Commercial Cars Registered	
	Jan. 1, to Feb. 28, 1923	1922	Jan. 1, to Feb. 28, 1923	1922
Arizona	1,276	344	67	17
California	29,126	14,224	2,752	1,704
Idaho	638	207	70	34
Oregon	3,350	1,107	197	26†
Utah	463	*	53	*
Total	34,853	15,882	3,139	1,781

*Not available.
†February, 1922, only.

NOTE: Figures on registrations of old and new automobiles in the states of the district will appear regularly in the review hereafter, in the belief that registrations of new automobiles may afford a reliable index of changes in the purchasing power of the community, and indirectly, at least, of general business conditions.

Retail Trade

Sales of 33 department stores in this district during March, 1923, were 21.2 per cent greater in value than sales during March, 1922, the largest annual increase reported in any month since August, 1920. Stores in all parts of the district participated in the increase, the greatest gain, 24.5 per cent, being reported from Spokane. The number of individual sales transactions during March, 1923, as reported by 15 stores, was 15.7 per cent greater than during March, 1922.

tivity of merchandise now on the shelves of these retailers, and the rapidity of its turnover. The majority of stores report an average increase in value of sales of over 20 per cent during the year period, whereas the average increase in value of stocks has been only 2.3 per cent. Thirteen of the 33 stores report that their stocks on March 31, 1923, were less in value than on the same date a year ago, yet all but one of these stores report a substantial increase in the value of sales during March, 1923, compared with March, 1922.

A detailed statement of percentage increases in the value of sales of 33 department stores in this district follows:

	Number of Stores	Percentage Increase March, 1923 compared with	
		Mar., 1922	Feb., 1923
Los Angeles.....	6	21.4	23.8
Oakland	4	23.5	38.9
Salt Lake City.....	4	23.7	45.3
San Francisco.....	8	19.7	34.5
Seattle	5	20.8	45.6
Spokane	5	24.5	43.1
District*	33	21.2	32.6

*Figures for one store included in district figures but not included in figures for cities shown above.

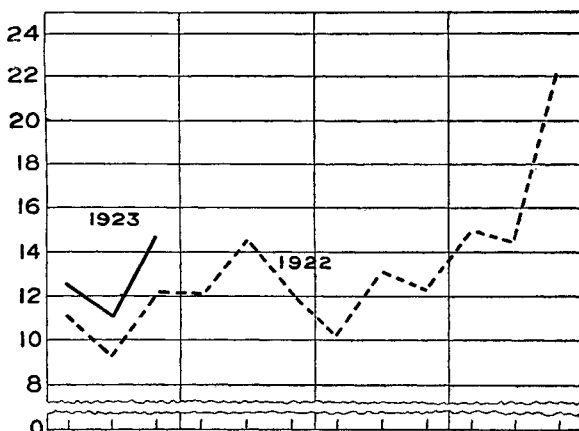
Wholesale Trade

The value of sales at wholesale during March, 1923, was 21.8 per cent greater than during March, 1922, total sales of 201 reporting firms in 11 lines of wholesale business amounting to \$26,781,303 this year compared with \$21,927,432 last year. Segregated according to individual lines of business, increases ranging from nine-tenths of 1 per cent in groceries to 58.6 per cent in electrical equipment were reported. The comparatively small increase in the value of sales of groceries has been attributed to marked declines in sales of sugar and dried fruits during March, 1923, compared with March, 1922. The percentage increase or decrease (—) in the value of sales of all reporting firms in each line of business was as follows:

	Number of Firms	Mar. 1923 compared with		Three Months Ending Mar. 31, 1923 compared with same period in 1922
		Mar., 1922	Feb., 1923	
Agricultural Implements	22	27.9	75.8	37.9
Automobile Supplies....	20	33.1	26.9	23.3
Automobile Tires.....	20	46.4	25.7	5.6
Drugs	10	5.6	20.3	8.7
Dry Goods.....	15	31.0	27.9	30.4
Electrical Equipment*..	6	58.6	21.2	53.5
Furniture	16	34.9	7.4	41.9
Groceries	29	.9	— 2.5	12.2
Hardware	21	42.7	27.5	35.1
Shoes	14	18.5	30.9	21.0
Stationery	28	22.7	14.4	22.4

*Beginning with this issue of the monthly review, figures of the wholesale electrical equipment and supply business will be regularly included in the wholesale trade paragraph.

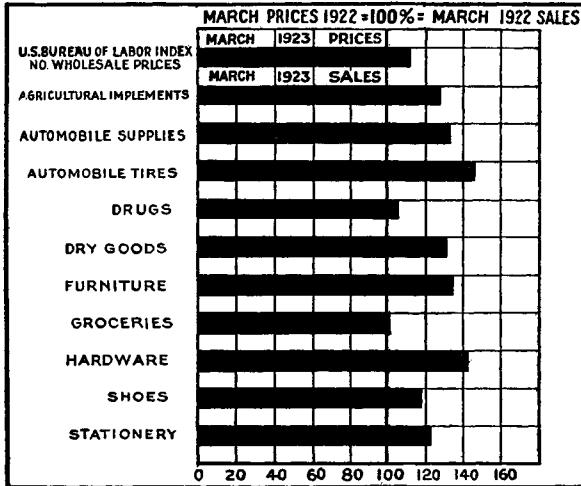
MILLIONS OF DOLLARS



Net Sales of 31 Department Stores in Twelfth Federal Reserve District (in Millions of Dollars)

The value (selling price) of stocks of reporting department stores on March 31, 1923, was 2.3 per cent greater than on March 31, 1922, and 5.7 per cent greater than on February 28, 1923. The comparison with March, 1922, is informing as an indication of the physical quan-

In nine of the eleven lines of business listed above, the increase in value of sales was greater than the increase in wholesale prices during the year period. (The wholesale price level rose 11.9 per cent from March, 1922, to March, 1923, according to the index number of the United States Department of Labor.) It



Dollar Value of Sales of Representative Wholesale Firms and General Wholesale Prices in March, 1923, compared with March, 1922

therefore seems probable that the total physical volume of business transacted at wholesale during March, 1923, was considerably greater than one year ago.

Employment

Conjunction of the usual spring increase in the demand for outdoor workers with the enlarged labor needs of expanding business and industry has resulted in a marked decrease in total unemployment, a shortage of agricultural labor, and wage increases in at least three important industries.

According to figures compiled by the United States Department of Agriculture the present supply of farm labor is below normal in all states of the district, and, except in Idaho and Utah, farmers have already been compelled to curtail their cultural operations because of inability to secure adequate help. The figures for this year and last year are presented in the following table:

	Supply Per Cent of Normal		Demand Per Cent of Normal		Supply Per Cent of Demand	
	1923	1922	1923	1922	1923	1922
Arizona	98	112	96	85	102	132
California	94	107	96	96	98	111
Idaho	92	109	92	86	100	127
Nevada	82	100	86	94	95	106
Oregon	92	103	93	89	96	116
Utah	96	110	92	88	102	125
Washington	88	107	95	92	88	116
United States	83.6	99.5	94.6	89.3	88.4	111.4

Wage increases for skilled and unskilled laborers employed in the lumbering, mining, and metal trade industries were reported during March, 1923. Wages paid mine workers in Arizona, Idaho, and Utah were increased from 7½ to 15 per cent and similar wage adjustments were made or are now being made in other mining sections. Present wages of miners are only slightly below the peak wages of 1918 as shown by the following table:

District	March 1, 1923	Dec., 1, 1922	Nov., 1918	Jan., 1914
Globe-Miami, Arizona	\$5.45	\$4.95	\$6.15	\$3.75
Tonopah, Nevada	5.75	5.75	6.00	4.50
Coeur d'Alene, Idaho	5.50	5.00	5.75	3.50
Park City, Utah	5.25	4.75	5.25	3.25
Randsburg, California	6.25	6.25	6.25	..

The California Metal Trades Association has announced an increase of approximately 5 per cent in the wages of all metal workers in that state.

Reports from the 10 principal lumbering sections in the Pacific Northwest show that employment in the lumber industry on April 1, 1923, was approximately 21 per cent greater than on April 1, 1922. Nineteen of the largest mines in this district report an increase of 24.1 per cent in the number of men on their payrolls now as compared with a year ago. Employment in the manufacturing industries of the four largest cities of the district, as indicated by reports of the United States Department of Labor, increased during March, 1923, compared with March, 1922, and February, 1923.

Building Activity

Building permits issued in 20 principal cities of this district during March, 1923, were greater both in number and in value than in any previous month of which there is record, exceeding by 9.0 per cent the number of permits issued in the peak month of October, 1922, and by 36.6 per cent the value of permits granted in the record month of August, 1922. Comparisons with February, 1923, and March, 1922, show large increases in both number and value of building permits issued.

Percentage Increase in Number and Value of Building Permits March 1923, compared with March, 1922 Feb. 1923

Number of Permits Issued	19.3	38.1
Value of Permits Issued	46.5	39.1

Segregated according to cities, the March, 1923, returns show an increase in the number of permits compared with March, 1922, in 14 of the 20 cities, while the value of construction involved was greater in 13 cities.

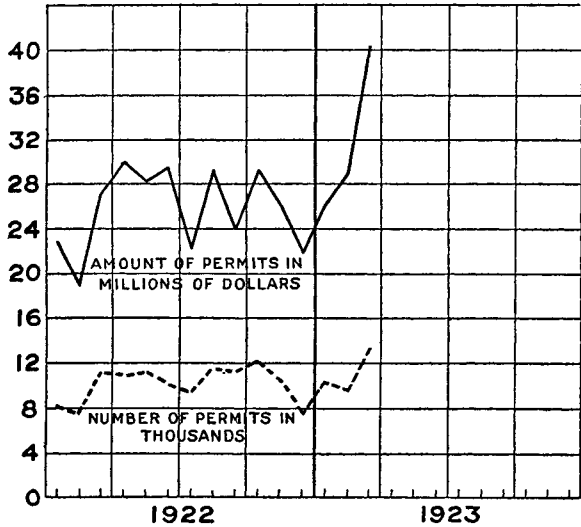
In the year period March, 1922, to March, 1923, the United States Department of Labor index number of building materials prices in-

creased 27.7 per cent. The value of construction involved having increased 46.5 per cent in the same period, it would seem that the total physical volume of building authorized during March, 1923, was greater than in March, 1922. Additional evidence of the increase in the physical volume of construction is found in the increase of 19.3 per cent in number of permits issued during March, 1923, compared with one year ago.

value of building permits issued in Los Angeles bears to the total number and value of building permits issued in the 20 largest cities* of the district follow:

Percentage of Twelfth District Building Activity Originating in Los Angeles			
		Number	Value
March, 1923.....	41.7		52.7
February, 1923.....	42.4		41.9
January, 1923.....	45.0		43.0

*Includes cities shown in table "B."



Building Permits Issued in 20 Principal Cities, Twelfth Federal Reserve District, 1922-1923

The marked increase in building activity recorded during March, 1923, and throughout the past year, has been due in a large measure to the volume of construction of all kinds undertaken in the city of Los Angeles. Figures showing the percentage which the number and

Business Failures

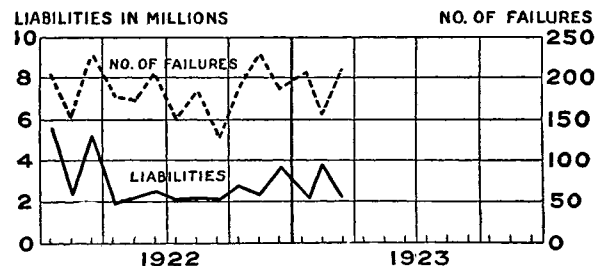
Business failures in this district during the first quarter of 1923 were less in number and the amount of liabilities involved was smaller than in the first quarter of 1922. The figures follow:

	First Quarter 1923	First Quarter 1922	Percentage Decrease 1923 Compared With 1922
Number	572	590	3.0
Liabilities	\$8,187,084	\$13,253,647	38.2

Similar declines in the number and importance of business failures in the country as a whole have accompanied the increased business and industrial activity of recent months. The national record for the first three months of 1923 as compared with the same period of 1922 shows a decrease of 29.2 per cent in the number of failures, and of 36.6 per cent in the amount of liabilities involved.

(B) Building Permits—

	March, 1923		March, 1922	
	No.	Value	No.	Value
Berkeley	238	\$ 703,095	195	\$ 512,000
Boise	83	45,895	93	111,461
Fresno	211	520,668	240	607,966
Long Beach...	517	1,974,618	350	1,154,083
Los Angeles...	5,556	21,196,087	4,241	10,964,829
Oakland	1,014	2,581,989	732	1,925,577
Ogden	34	90,600	26	46,885
Pasadena	350	1,001,770	312	643,877
Phoenix	66	585,843	54	384,558
Portland	1,316	2,761,220	1,388	3,162,855
Reno	21	83,875	24	88,275
Sacramento ...	347	728,688	315	813,737
Salt Lake City	90	380,356	107	245,310
San Diego.....	500	1,409,013	382	581,700
San Francisco..	977	3,229,672	848	3,289,251
San Jose.....	139	280,605	75	120,160
Seattle	1,052	1,362,985	968	1,791,670
Spokane	242	221,205	295	302,418
Stockton	159	533,720	150	384,143
Tacoma	446	511,536	401	301,531
District	13,358	\$40,203,440	11,196	\$27,432,286



Business Failures, Twelfth Federal Reserve District, 1922-1923

Note: The increase in liabilities in February, 1923, was due to the failure of one concern in Salt Lake City, Utah.

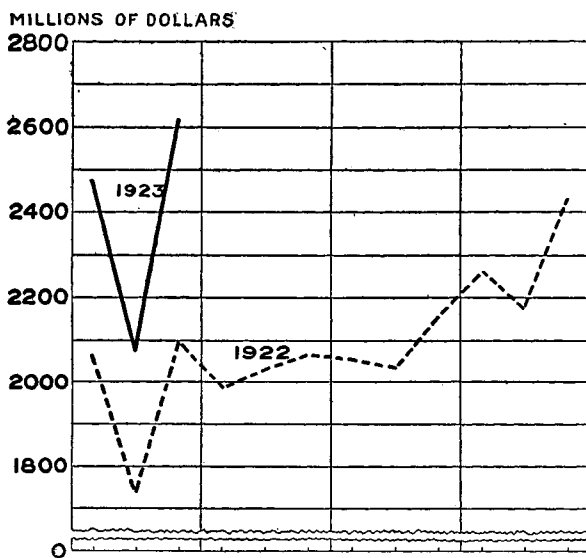
In this district the record for March shows a seasonal increase, as compared with February, in the number of failures and in the amount of their liabilities (excluding the liabilities of one large failure in the state of Utah from the February figure). Compared with March, 1922, when 229 failures with liabilities of \$5,272,387 were reported, there was a decline of 9.0 per cent in number and of 140.5 per cent in amount of liabilities involved. Liabilities of the average failure in the district were \$10,441 in March, 1923, compared with \$24,487 in February, 1923, and \$23,023 in March, 1922.

R. G. Dun & Company's comparative figures of the number and liabilities of business failures in the states of this district follow:

	March, 1923		February, 1923	
	No.	Liabilities	No.	Liabilities
Arizona	1	\$ 14,943
California	94	\$1,022,092	74	701,689
Idaho	10	153,386	10	127,426
Nevada	4	15,100
Oregon	42	404,773	23	195,573
Utah	9	45,427	11	2,243,783
Washington	51	552,011	37	536,592
District	210	\$2,192,789	156	\$3,820,006

Bank Debits

The volume of business transacted in the district during March, 1923, as measured by debits to individual accounts in the banks of 21 principal clearing house centers, was 25.8 per cent greater than in March, 1922, and 12.7 per cent greater than in February, 1923. This latter in-



Debits to Individual Accounts in 20 Principal Cities, Twelfth Federal Reserve District, 1922-1923

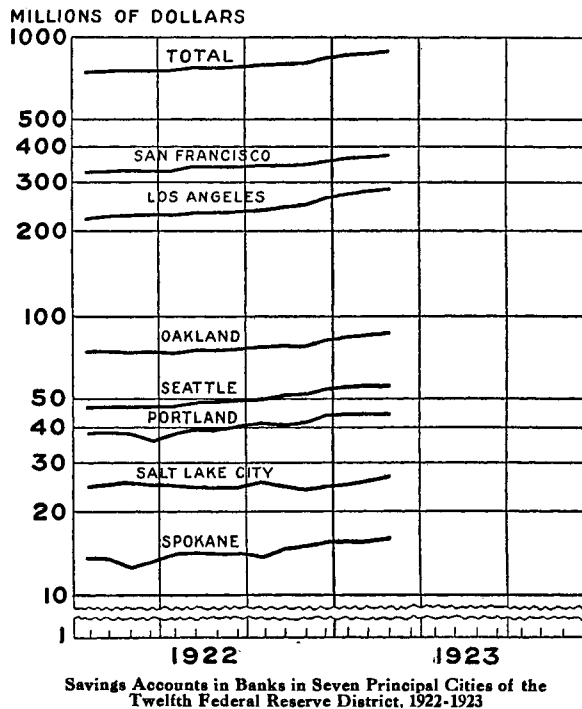
crease is in part due to the larger number of business days in March, and in part to the influence of tax payments made during the first two weeks of March. The increase of 25.8 per cent in bank debits during March, 1923, compared with March, 1922, is the largest reported for any month during the past year when compared with the corresponding month of 1921 or 1922. As noted in previous reviews, the increase in debits to individual accounts during the past year has been greater than the increase in commodity prices, an indication that present business transactions are greater in physical volume than they were one year ago.

Bank debits during March, 1923, compared with March, 1922, were greater in 17 of the re-

porting cities, the increases ranging from 4.1 per cent in Tacoma to 102.9 per cent in Long Beach. Compared with February, 1923, there was an increase in 19 cities.

Savings Accounts

The total amount in all savings accounts, as reported by 75 banks in seven principal cities, increased nine-tenths of 1 per cent during the month ending March 31, 1923, being on that



(C) Bank Debits*—

	Four weeks ending Mar. 29, 1923	Four weeks ending Mar. 28, 1922
Berkeley	\$ 16,057	\$ 17,114
Boise	10,914	9,027
Fresno	45,563	36,151
Long Beach.....	56,335	27,759
Los Angeles.....	668,447	461,910
Oakland	121,055	74,032
Ogden	26,370	17,335
Pasadena	33,616	25,204
Phoenix	17,287	12,840
Portland	132,835	126,615
Reno	8,161	8,778
Sacramento	31,895	55,035
Salt Lake City.....	55,063	46,233
San Diego.....	44,887	34,938
San Francisco.....	799,321	656,888
San Jose.....	19,785	17,584
Seattle	160,505	140,322
Spokane	45,411	42,594
Stockton	20,824	19,086
Tacoma	36,789	35,316
Yakima	9,084	10,505
Total	\$2,360,204	\$1,875,266

*000 Omitted.

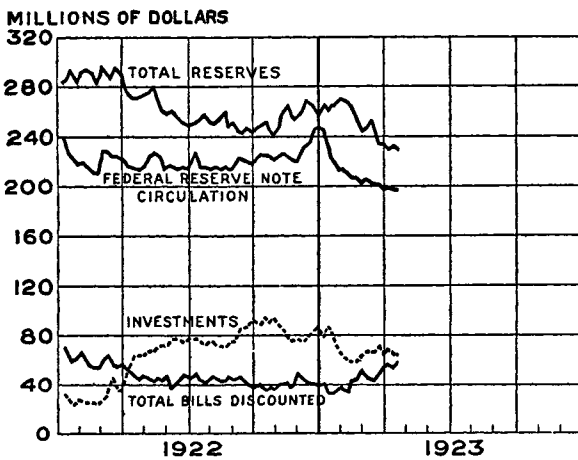
date \$885,590,000 compared with \$877,113,000 on February 28, 1923. This is the ninth consecutive month during which there has been an increase in total savings deposits. Of the 75 reporting banks, 45 banks located in all sections of the district participated in the increase, particularly noteworthy gains being recorded in Salt Lake City and Spokane. A comparison of the amount of savings deposits in reporting banks on March 31, 1923, with the amount held on the same date in previous years shows an increase of 16.2 per cent over 1922, 21.3 per cent over 1921, 32.7 per cent over 1920, and 55.6 per cent over 1919.

Banking and Credit Situation

The increase in member bank loans which has proceeded steadily since February, 1922, was somewhat more pronounced during the past month. Loans and discounts of 66 reporting member banks in the principal cities of the district rose from \$935,000,000 on March 7, 1923, to \$971,000,000 on April 11, 1923, an increase of \$36,000,000 or 3.8 per cent. This in-

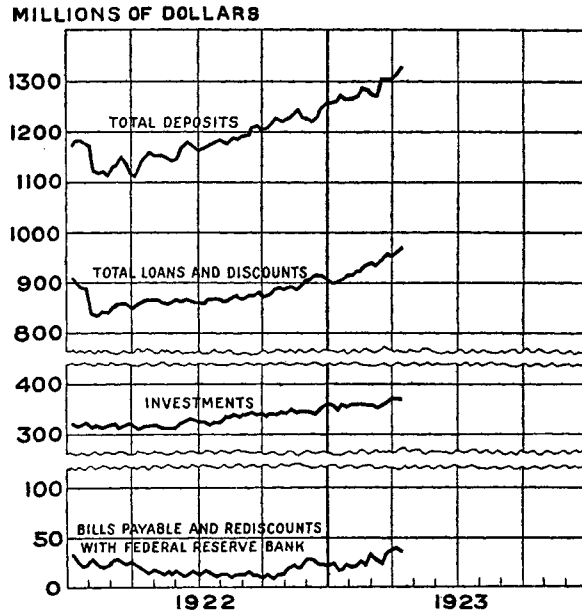
crease was greater than that which occurred in the two previous months combined, and was over one-half the total increase reported during the year 1922. Three-fourths of the increase in total loans and discounts was in the item "other loans, largely commercial" which advanced from \$763,000,000 on March 7th to \$790,000,000 on April 11th. Investments of reporting banks, although they declined slightly during the last week of the period, were increased by \$15,000,000 during the five weeks ending April 11th. Total loans, discounts, and investments at \$1,340,000,000 on April 11, 1923, were \$51,000,000 above the figure for March 7, 1923, and \$9,000,000 above the figure reported on December 17, 1920, the previous peak. Total

deposits of these banks are likewise greater than they were at the 1920 peak, and by an amount proportionately greater than the increase in total earning assets, so that total deposits, at \$1,328,000,000, are now 99.1 per cent of total loans and investments compared with 88.2 per cent at the peak of credit expansion in 1920. City member banks, principally those in San Francisco, had further recourse to the Federal Reserve Bank for funds during March and the first week of April. Their total rediscounts and bills payable advanced from \$28,000,000 to \$35,-



Total Reserves, Federal Reserve Note Circulation, Bills Discounted, and Investments, Federal Reserve Bank of San Francisco

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

000,000, continuing the upward movement which has been noticeable since the beginning of January. Country bank borrowings were unchanged at approximately \$18,000,000. Thus far the banks in the country districts have financed their customers during the spring planting season without increasing their borrowings at the reserve bank.

Federal Reserve Note circulation, which has declined steadily since the first of the year, fell from \$202,000,000 on March 14th to \$197,000,000 on April 18th. The latter figure is well below the average circulation during any of the past three years.

Interest rates in the district have moved upward, both on paper offered in the open market, and on loans of member banks to their customers. The rate charged on customers' prime commercial paper by the principal San Francisco banks is now 5½ to 6 per cent compared with a rate of 5 to 5½ per cent one month ago. In the New York market prime commercial paper which bore a flat rate of 5 per cent a

month ago is now quoted at 5-5¼ per cent. Time money rates in that market have advanced from 5¼ per cent to 5¼-5½ per cent and rates on bankers' acceptances from 4 to 4¼ per cent.

Increased commercial and industrial activity, and seasonal demands for credit in the country districts, where spring planting is now in progress, have reduced the amount of funds available for investment in acceptances, and the market in this district during the past month has not been active. Rates generally remained steady at 4 per cent for prime bills until the second week of April, when dealers advanced the rate to 4¼ per cent on all but the

best paper. Reports received by this bank from 35 of the principal accepting banks of the district show the following changes in the amount of bills purchased and accepted during March, 1923, compared with February, 1923, and March, 1922:

	March, 1923, compared with	
	Mar., 1922	Feb., 1923
Amount of bills accepted ..	+126.9%	+45.5%
Amount of bills bought	- 25.4%	-28.6%
Amount of bills held at close of month.....	- 28.9%	-20.0%

The principal commodities upon which these acceptances were based were wheat, canned fruit, raisins, coffee, and silk.

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

	April 11, 1923	March 7, 1923	April 12, 1922
<i>Number of Reporting Banks</i>	66*	66*	68*
Loans and Discounts (including rediscounts).....	\$ 970,893,000	\$ 934,714,000	\$ 843,820,000
Investments	369,435,000	354,213,000	306,232,000
Cash in Vault and with Federal Reserve Bank.....	111,048,000	117,415,000	101,768,000
Total Deposits.....	1,328,106,000	1,271,271,000	1,141,313,000
Bills Payable and Rediscounts with Federal Reserve Bank.....	35,310,000	27,849,000	18,369,000

*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, APRIL 18, 1923

	RESOURCES		
	April 18, 1923	March 14, 1923	April 19, 1922
Total Reserves.....	\$229,877,000	\$252,534,000	\$269,644,000
Bills Discounted.....	58,749,000	42,926,000	43,810,000
Bills Bought in Open Market.....	37,267,000	31,663,000	5,593,000
United States Government Securities.....	27,617,000	34,742,000	57,009,000
Total Earning Assets.....	\$123,633,000	\$109,331,000	\$106,412,000
All Other Resources*.....	55,528,000	58,719,000	45,679,000
Total Resources	\$409,038,000	\$420,584,000	\$421,735,000
	LIABILITIES		
Capital and Surplus.....	\$ 23,040,000	\$ 23,030,000	\$ 22,596,000
Total Deposits.....	148,996,000	153,817,000	143,194,000
Federal Reserve Notes in Actual Circulation.....	196,796,000	202,383,000	216,458,000
All Other Liabilities†.....	40,206,000	41,354,000	39,487,000
Total Liabilities	\$409,038,000	\$420,584,000	\$421,735,000
*Includes "Uncollected Items".....	42,350,000	42,577,000	39,087,000
†Includes "Deferred Availability Items".....	38,743,000	40,176,000	33,698,000

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