

MONTHLY REVIEW

OF BUSINESS CONDITIONS

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Federal Reserve Bank of San Francisco

Vol. VII

San Francisco, California, August 16, 1923

No. 8

Summary of National Conditions

Production of basic commodities and employment at industrial establishments decreased in July, and there was a further decline in wholesale prices. The distribution of goods, as indicated by railroad freight shipments, was maintained at record levels, and sales of merchandise, though showing the usual seasonal decline, continued relatively heavy.

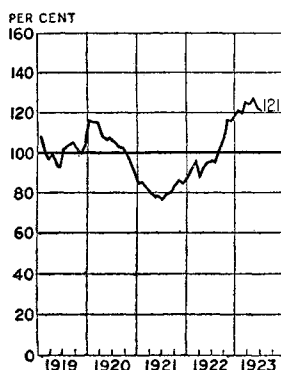
Production. Production in basic industries, according to the index of the Federal Reserve Board, declined one point in July. Mill consumption of cotton, steel ingot production, and sugar meltings were considerably smaller than in June. New building operations during the month, as measured by the value of permits granted and of contracts awarded, showed more than the usual seasonal decline.

Employment at industrial establishments located in various sections of the country de-

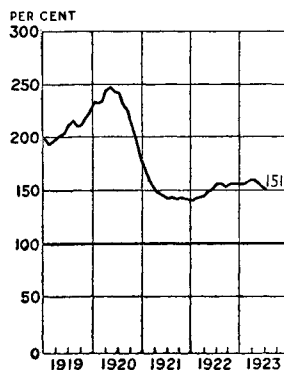
creased two per cent during July. Manufacturers of automobile tires and cotton goods reported large reductions in number of employees. There were some further announcements of wage advances, but these were not as numerous as in the three previous months. Average weekly earnings of factory workers, due to a decrease in full time operations, were three per cent less than in June.

Crop forecasts of the Department of Agriculture on the basis of condition on August 1st indicated that yields of wheat and rye would be below July estimates, while larger yields of cotton, corn, oats, and barley were forecasted. Due to seasonal increases in grain shipments and continued large shipments of industrial raw materials and manufactured goods, carloadings in the last week of July reached the largest total on record.

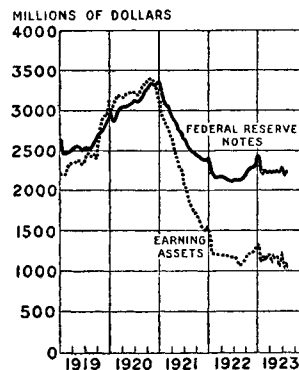
Trade. The volume of wholesale trade was about the same in July as in June, while there



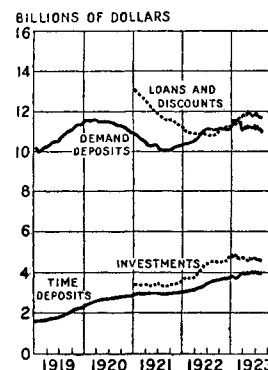
Index of Production in Basic Industries
Combination of 22 individual series corrected for seasonal variation (1919 average = 100 per cent)



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



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was a decline in retail trade, which was largely seasonal in nature. Among the wholesale lines, sales of dry goods and clothing were larger than in June, while sales of groceries, hardware, and shoes were considerably smaller. Business in all reporting lines was larger than in July, 1922, the average increase as indicated by the Federal Reserve Board's index of wholesale trade being 13 per cent. Retail sales of department stores were 10 per cent larger than a year ago, while mail order sales showed a gain of 27 per cent. Stocks of department stores showed a seasonal reduction during July, and were smaller than in any month since January.

Prices. Wholesale commodity prices declined during July for the third consecutive month, and the index of the Bureau of Labor Statistics was 5 per cent below the April peak. Prices of all groups of commodities, except house furnishings, were lower in July than in June. The largest declines occurred in prices of clothing, drugs and chemicals, farm products, and building materials. During the first half of August, price changes were more moderate, and quotations on cotton, spring wheat, hogs, sheep, and rubber advanced.

Bank Credit. Since the middle of June the volume of bank credit in use has shown a reduction, largely because of substantial liquidations of loans on stocks and bonds at New York City banks. Between July 18th and August 15th loans of member banks in leading cities secured by stocks and bonds decreased by \$94,000,000 to the lowest point for the year. On the latter date the total of such loans was \$258,000,000 below the amount outstanding at the beginning of the year. Commercial loans of reporting member banks increased during the four week period ending August 15th, however, so that the net reduction in total loans for the period amounted to \$60,000,000. Security investments declined \$73,000,000 to a new low level for the year.

The volume of discounted paper held at the Federal Reserve banks showed a slight decrease, while their holdings of acceptances and United States government securities reached new low points for the year. Between the middle of July and the middle of August, gold holdings of the Federal Reserve banks increased by \$21,100,000, reflecting in part net gold imports during July of \$27,400,000. Federal Reserve note circulation increased by about \$15,000,000, and there were also substantial increases in the volume of gold certificates and national bank notes in circulation.

Slightly firmer tendencies in money rates during the month were reflected in a gradually increasing proportion of commercial paper sales at $5\frac{1}{4}$ per cent, as compared with 5 per cent in the previous month.

Summary of District Conditions

The volume of business transacted throughout the Twelfth District during July was considerably larger than a year ago. Some falling off was reported in comparison with figures of the late spring of this year, but such a decline is a normal seasonal occurrence during the summer months. It is not clear to what extent the decline at this time is purely seasonal and to what extent, if any, it is due to actual curtailment of business activity, but reports indicate that most of the principal industries of the district were able, during the month, to adjust production to current demand without greatly reducing output from the record levels of the spring months of this year.

Trade at retail, as indicated by sales of 35 department stores in 7 cities, was 19.8 per cent greater in value during July, 1923, than during July, 1922, the largest increase, as compared with the corresponding month a year ago, reported since March, 1923. Stocks of merchandise held by these stores are slightly larger than one year ago, but the rate of turnover is more rapid than it was at that time. All of the eleven lines of **wholesale trade** which report to this bank, excepting agricultural implements and automobile tires, transacted a larger volume of business during July, 1923, than during July, 1922, the increases in the value of their sales ranging from 7.5 to 20.3 per cent. Despite a decline which was in excess of the normal seasonal movement between June and July, **debts to individual accounts** at banks in 21 clearing house centers during the latter month were 18.4 per cent greater than one year ago. This increase is slightly less than that reported for the first six months of the present year, but is still in excess of the increase in prices over the year period, and undoubtedly indicates a substantial gain in the physical volume of business transacted. Figures of the number and liabilities of **business failures** are now at normal levels. The number of failures in the district was less in July than in June, 1923, and liabilities were less than in any month since May, 1921, excepting June, 1923.

Production and shipment of **lumber** declined during July, but the amount of new business entered on the books of reporting mills increased for the first time since April. This increase in the demand for lumber came at a time when mills were completing delivery on the record volume of orders received during the first quarter of the year. A shortage of mill stocks of lumber is still reported in many sections. The effect upon production of continued dull markets and declining prices for the principal metals produced in the district became apparent in the preliminary production figures

for July. The output of lead, silver, and zinc was noticeably curtailed, and although figures of copper production showed no decline from the previous month, reports of a reduction in output became increasingly frequent toward the close of the period. Further gains in the production of **petroleum** were reported from California during July, the record for the past two months standing as follows:

	July, 1923	June, 1923	July, 1922
Average daily production (bbls.)	814,906	750,570	373,695

Shipments were far below production and stored stocks increased from 72,637,147 barrels on July 1st to 78,655,604 barrels on August 1st. Prices of both crude oil and gasoline were reduced on August 1st, and the latter product is now selling in Pacific Coast cities at the lowest levels since 1916. A slight decline in the volume of **building** under construction and a marked decline in prospective construction, as indicated by the number and value of building permits issued, was reported during the past month. That building continues extremely active, however, is shown by the fact that the present and prospective volume of construction is considerably greater than it was one year ago, when the building industry was experiencing a period of greater than normal activity. Shortages of certain classes of **labor** which seemed possible a month ago did not materialize during July. Laborers are everywhere reported fully employed.

Promise of bountiful yields of most of the principal **crops** of the district has been contained in reports received from the harvest fields. The wheat crop which is now moving to market is the largest which has been produced in the district in recent years, present estimates forecasting a total yield of 136,739,000 bushels compared with 99,086,000 bushels produced in 1922, 126,548,000 bushels in 1921, and 105,307,000 bushels in 1920. Yields of the important fruit crops of the district are well up to the average of previous seasons, and transportation facilities for their rapid movement to market are better than they have been for some years past.

The general trend of all **prices** was downward during July, the prices of most of the principal agricultural products of this district, particularly wheat and California fruits, sharing in the general movement. Prices of non-agricultural products in many cases reached the low point of the present downward movement during the month, and turned upward during its closing days or in the first weeks of August. Prices of lumber, lead, and zinc were included in this latter category. Building materials prices, according to the index number of the United States Department of Labor,

decreased 2.06 per cent during the month and are now 6.8 per cent below the peak of April, 1923, although still 11.7 per cent higher than one year ago.

Loans of reporting member banks of the district increased by \$16,000,000 during the four-week period ending August 8th, and their deposits declined by \$11,000,000 during the same period. These movements reflect, to a large extent, the **credit** needs of the district in harvesting and moving its crops. Total discounts of the Federal Reserve Bank declined \$8,000,000 during the four weeks ending August 15th, and at \$73,000,000 on the latter date were \$42,000,000 above the low point of January 10, 1923. Investments of the reserve bank have declined since the first of the year by a greater amount than the increase in discounts, so that total earning assets were \$23,000,000 less on August 15th than on January 10th.

Crop Conditions

Harvesting and threshing of the **grain** crops of the district has proceeded without serious interruption during the past month. Threshing of winter **wheat** has been practically completed in California, and is progressing rapidly in the Pacific Northwest. The spring wheat crop of the latter section is now ready for the harvest. As threshing returns have become more generally available the United States Department of Agriculture has revised previous estimates of the yield of wheat in this district, and on August 1st placed the total crop in its principal producing states at 135,430,000 bushels, compared with a July 1st forecast of 131,847,000 bushels, and a final estimate of 97,453,000 bushels for the 1922 crop. Revised estimates of condition and yield are given for five states of this district and for the United States in the following table:

	Spring Wheat Condition Aug. 1st (Per Cent of Normal)		Forecasted Yield* All Wheat		Actual Yield* All Wheat 1922 (bushels)
	1923	1922	Aug. 1, 1923 (bushels)	July 1, 1923 (bushels)	
California .....	..	..	16,456	14,589	15,308
Idaho	93	82	28,657	27,106	24,275
Oregon	96	62	26,056	24,527	19,744
Utah	95	89	6,059	6,234	5,682
Washington ..	96	50	58,202	59,382	32,444
Totals .....	..	..	135,430	131,847	97,453
United States..	69.6	80.4	793,376	821,000	862,000

*000 omitted.

The greater part of the **barley** crop in California has been harvested and threshed, and the total output is now estimated at 36,292,000 bushels, compared with 36,864,000 bushels produced in that state in 1922.

The relative inactivity in wheat markets of the district which characterized the 1922-1923 cereal year continued during the first month of the 1923-1924 season. Exports of wheat from Portland and the Puget Sound ports during

July, 1923, totaled 770,002 bushels, compared with a movement of 785,008 bushels in July, 1922, and 2,996,330 bushels in July, 1921. Wheat prices declined slightly during July. On August 14, 1923, milling wheat on the San Francisco market was quoted at \$1.75 to \$1.85 per cental (\$1.05 to \$1.11 per bushel), compared with \$1.80 to \$1.90 per cental (\$1.08 to \$1.14 per bushel) one month previous and \$1.80 to \$1.85 per cental (\$1.08 to \$1.11 per bushel) on August 14, 1922.

Favorable weather stimulated the growth of most field crops in this district during July, according to the August 1st crop reports of the United States Department of Agriculture, and in many cases estimates of yields have been revised upward. The excellent condition of the **sugar beet** crop in California, Idaho, and Utah on August 1st indicated that the yield would be approximately 1,882,000 tons, compared with a July 1st forecast of 1,887,000 tons and a final estimate of 1,539,000 tons last year. Scattered improvement in the condition of the **potato** crop has resulted in an advance of the forecasted yield in California, Idaho, Oregon, and Washington from 32,738,000 bushels on July 1st to 33,803,750 bushels on August 1st. The 1922 yield in these states was 40,740,000 bushels. The condition of **cotton** on July 25th was 91 per cent of normal in Arizona and 88 per cent of normal in California, a slight decline from the reported condition on June 25th. Picking has commenced in the earlier maturing fields in Arizona and California. Cool weather during much of the present growing season has retarded the development of **rice** in California. The reported condition of the crop in that state was 81 per cent of normal on August 1st, compared with 91 per cent a year ago and a ten year average of 91 per cent. Estimates based on the acreage and present condition of the growing crop indicate a yield of 5,571,000 bushels (2,506,950 bags of 100 pounds each) for this season. There were 8,260,000 bushels (3,717,000 bags) of rice grown in California last year. The **bean** crop in unirrigated sections of California has suffered slightly from a lack of water during the past month, the supply of soil moisture being deficient as a result of the uneven distribution of rainfall during the present year. A yield of 4,359,000 bushels of all varieties of beans is now forecasted, compared with a July 1st forecast of 4,470,000 bushels, and the 1922 production of 4,778,000 bushels.

Deciduous fruit crops of the district are maturing rapidly, and a large part of the crop has already been marketed. The condition and forecasted yields of the principal deciduous fruits grown in California changed but little during

July, with the exception of the grape crop which suffered considerable damage from mildew. The exact amount of the loss in yield is not yet ascertainable. Condition and yield figures for California fruits follow:

	Condition (Per Cent of Normal)			Forecasted Yield Aug. 1, 1923 (tons)	Forecasted Yield July 1, 1923 (tons)	Final Estimate of 1922 Yield (tons)
	Aug. 1, 1923	July 1, 1923	Aug. 1, 1922			
Apples*	82	..	..	7,069,000*	6,977,000*	7,656,000*
Apricots ... 102	102	59	..	210,000	210,000	120,000
Figs 97	92	91	..	..	..	12,000
Grapes† ... 88	96	96	..	1,653,000	1,743,000	1,660,000
Olives 72	75	50	..	..	..	5,400
Peaches ... 92	92	96	..	393,000	393,000	420,000
Pears 80	80	80	..	112,000	112,000	125,000
Plums 99	97	79	..	..	..	46,000
Prunes 63	63	76	..	80,000	80,000	110,000

*Total crop (commercial and non-commercial in boxes).
†Including all varieties (table, wine, and raisin).

In the Pacific Northwest large yields of most fruits are anticipated. Previous estimates of the 1923 commercial apple crop in Oregon and Washington have been increased, and the probable yield is now placed at 31,065,000 boxes (bushels), compared with a yield of 25,092,000 boxes (bushels) in these two states last year. The Department of Agriculture's August 1st crop report forecasts a total commercial apple production of 98,631,000 bushels (boxes) in the United States. The 1922 commercial apple crop in the United States totaled 93,270,000 bushels (boxes).

Prices obtainable for deciduous fruits, whether in the fresh fruit market, from canners, or in the dried form, have been lower than for some years past. Many growers, rather than accept prevailing prices for canning and drying fruits, have shipped a larger proportion of their crops than usual to the fresh fruit markets. This tendency is in part responsible for the heavy railroad movement of California fruits thus far this season. Shipments up to August 5th of the past two years are given in the following table:

	1923 Season to Aug. 5th (cars)	1922 Season to Aug. 5th (cars)
Apricots	682	193
Cherries	612	502
Grapes	611	350
Peaches	2,910	448
Pears	4,584	2,262
Plums	4,988	2,802
Mixed	90	16
Totals	14,477	6,573

Transportation facilities for the movement of the perishable fruit crops of California have been adequate thus far this season. The railroads have increased their refrigerator car and icing equipment, larger loads per car are being carried, and a faster schedule than in previous years is being maintained both in the movement of loaded cars eastward and empty cars

westward. The railroads serving California report that when the peak of the shipping season is reached in late August and early September, they will have approximately 44,475 refrigerator cars in service. In addition to these cars owned by the western roads, it is estimated that from 6,000 to 7,000 refrigerator cars owned by lines in other parts of the country may be temporarily available for service here at the height of the season. There were approximately 42,000 refrigerator cars used during the 1922 fresh fruit shipping season in California, and 53,961 cars of fresh deciduous fruits were shipped from the state. Commercial estimates of the possible total movement this season range from 50,000 to 65,000 cars.

Total shipments of oranges and lemons from California up to August 1st of the past two seasons have been reported as follows:

	Nov. 1st to Aug. 1st	
	1922-1923 (cars)	1921-1922 (cars)
Oranges	42,106	25,726
Lemons	6,938	8,361

Canned and Dried Fruits

Recent developments in the **canned fruit** industry have confirmed previous reports of a general tendency among canners to operate conservatively during the present season, and it still appears probable that the 1923 pack will be smaller than the record pack of last year. Reports from commercial factors state that the majority of the canners are limiting the amount of their pack to the volume of sales already completed or practically certain of completion. Up to the present time (August 16th) packers' purchases of canning fruit from the growers have been relatively small in volume, only the best grade and quality of fruit having been accepted.

Stocks of unsold canned fruit from the previous year's pack in California remain larger than at this time a year ago, and the volume of future sales during the current season has so far been smaller than during the corresponding period last year. Announcement of opening prices for canned fruits by most of the larger operators is reported to have stimulated activity in the domestic market during the past month. Foreign demand is reported to be inactive.

The 1923 opening prices for canned fruits, recently announced by packers, conform in general to the spot prices which have prevailed during recent months, and range from 10 to 20 per cent below 1922 opening prices, excepting prices for blackberries and loganberries which are higher than last year. Opening prices of the largest factor in the trade for the past four

years, and percentage comparisons of 1923 opening prices with 1922 opening prices are given in the following table:

Choice Grade No. 2½ Cans	1920 (per doz.)	Opening Prices (F. O. B. Cannery)			1923 (per doz.)	Percentage Increase or Decrease (—) 1923 Compared with 1922
		1921 (per doz.)	1922 (per doz.)	1923 (per doz.)		
Apples		\$2.60	\$2.25	\$2.20	— 2.2	
Apricots	\$3.85	2.35	2.70	2.15	—20.3	
Blackberries ..	3.00	2.25	2.60	3.00	15.3	
Cherries, Black	4.00	3.00	3.75	3.15	—13.3	
Cherries, R. A.	4.50	3.00	3.90	3.25	—16.7	
Grapes, Muscat	3.40	2.35	2.35	2.10	—10.6	
Loganberries*	4.15	2.35	2.25	3.10	37.8	
Peaches, Y. C..	4.15	2.35	2.60	2.25	—13.4	
Peaches, Y. F..	3.90	2.30	2.35	2.10	—10.6	
Pears, Bartlett.	4.65	3.15	3.25	2.65	—18.5	
Plums, Egg...	3.40	2.00	2.15	1.85	—13.9	

*F. O. B. San Francisco.

Present indications, as interpreted by leading marketing factors, point to a slightly smaller production than last year of the principal **dried fruits** (excepting apricots) of this district. Commercial estimates place the yield of prunes at 80,000 tons in California and 22,500 tons in the Pacific Northwest, compared with estimated yields of 110,000 tons and 36,000 tons, respectively, in 1922. Preliminary estimates of the production of dried peaches in California range from 5 to 15 per cent below the 1922 yield of 28,000 tons. Total production of dried apricots in California is at present placed at approximately 20,000 tons, compared with 10,250 tons produced last year. The size of the forthcoming raisin crop is still uncertain. Approximately 32,000 acres of young vines have come into bearing this year, and production might therefore be expected to exceed that of 1922 (220,000 tons). The growing crop has been considerably damaged by mildew during the past six weeks, however, and insofar as this results in a loss of raisins rather than in a reduction of the amount of raisin grapes shipped to the fresh fruit market, the crop will be smaller than was anticipated earlier in the season. Carryover stocks of all classes of dried fruits remain larger than they were a year ago. The dried fruit market is reported to be relatively inactive, despite recent price reductions ranging from 10 to more than 50 per cent for the various kinds and grades of fruits.

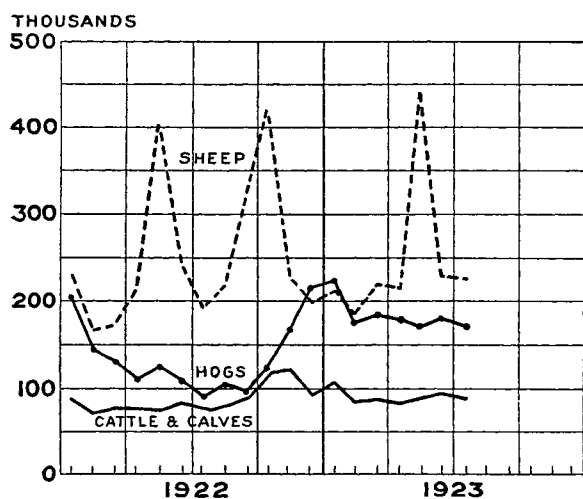
Livestock

Livestock pastures and ranges in California and the Pacific Northwest continue in excellent condition. In the Intermountain states where small losses of livestock, due to failing feed or water supplies, had previously been reported, conditions improved greatly during the latter part of July and the first weeks of August.

Seasonal rains replenished water supplies and stimulated the growth of forage grasses.

Receipts of all classes of livestock at eight principal markets in this district during July, 1923, were substantially larger than in July, 1922, but were less than receipts in June, 1923, this latter movement being a seasonal one. A noteworthy feature of the figures for July, 1923, as compared with July, 1922, was the large increase in receipts of hogs, amounting to 91.3 per cent for the eight reporting markets.

	Cattle	Calves	Hogs	Sheep
July, 1923.....	66,013	22,189	170,721	225,836
June, 1923.....	74,750	19,915	179,457	229,663
July, 1922.....	58,794	16,051	89,228	191,142



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)

Commercial reports continue to indicate an active demand for feeder and stocker animals of all classes in the markets of this district, particularly those in the Pacific Northwest. This demand is partly seasonal, due to the ready availability of feeds at this, the harvest period of the year. An upward tendency in hog prices was noted in the livestock markets of the district during July. Prices for beef cattle, sheep and lambs remained relatively stable, although in California markets there was a tendency towards rising prices.

Dairy and Poultry Products

Butter production in this district continued at a high level during July, and a large proportion of the output was placed in cold storage. The total holdings of cold storage butter in the four principal markets of this district, at 6,488,668 pounds on August 1, 1923, were 39.0 per cent greater than on July 1, 1923, and 39.1 per cent greater than on August 1, 1922.

Present stocks of cold storage butter in these markets are 34.7 per cent greater than on August 1, 1920, when total holdings amounted to 4,815,484 pounds, hitherto the highest figure reported since accurate records have been available. Butter prices on the San Francisco wholesale market advanced slightly during July and the first two weeks of August. On August 16th they were approximately 12 per cent higher than on August 16, 1922. During the past month large shipments of butter from Middle Western and Intermountain states have reached California markets, prices in that state having been relatively higher than in other sections of the country.

There was a moderate increase in the holdings of cold storage eggs during July. Total cold storage stocks of eggs in six principal markets of the district on August 1, 1923, were 17.7 per cent greater than on August 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:

	Aug. 1, 1923	July 1, 1923	June 1, 1923	Aug. 1, 1922
Butter (pounds)	6,488,668	4,666,429	2,041,196	4,664,416
Eggs (cases)...	665,208	633,519	514,751	564,901

Prices

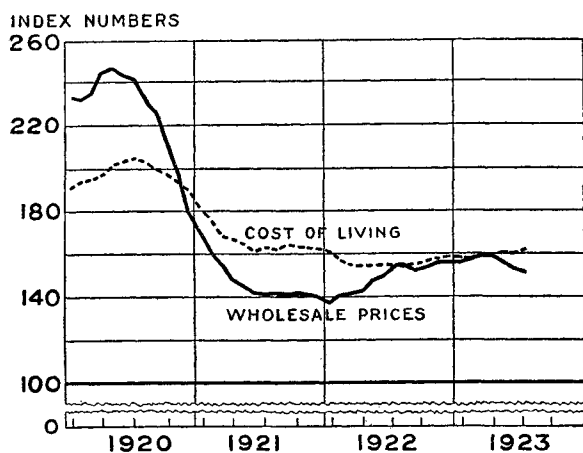
The general trend of prices was downward during July, the prices of many of the principal agricultural products of this district participating in the movement. Quotations for livestock of all kinds in the central markets were lower at the close of the month than at its beginning and, with the exception of cattle, prices for livestock are now below those of one year ago. Prices of wool, wheat, sugar, and cotton moved toward lower levels during the month, but in the case of these products August 1st prices for all except wheat were still slightly above the figures quoted at the beginning of August, 1922. The steady decline in wheat prices which began in April reached a new low for the present movement on July 28th, when September wheat was quoted at 95¾ cents per bushel on the Chicago market. Since that time wheat prices have advanced slightly. Spot middling upland cotton on the New Orleans market sold for 22 cents per pound on August 3, 1923, a decrease of 5 cents per pound from the price quoted on July 6, 1923, and but three-fourths of a cent per pound above the price on August 3, 1922. Granulated cane sugar, which was quoted at \$9.45 per 100 pounds (San Francisco) on July 6th, dropped to \$8.75 per 100 pounds on July 12th, advanced to \$9.00 per 100 pounds on July 17th, and had declined to \$7.90 per 100 pounds by August 16th. Wool prices in eastern markets have tended toward slightly lower

levels, but in the west there have not been enough sales recently to establish a market price.

During the past month the principal canners of the district have announced 1923 opening prices for canned fruit ranging from 10 to 20

per cent below the prices named a year ago. In general the recently named prices approximate the spot prices for 1922 pack fruit which have prevailed during the past few months. The downward trend of dried fruit prices continued during the month. Present prices are from 10 to 25 per cent lower than one year ago.

Greater price stability among the principal non-agricultural products of the district than for some time past was reported during July and early August. Prices of lead and zinc, which have been declining since April, reached a low point for the movement and turned definitely upward. Copper prices were unchanged. Slight weakness in the lumber market persisted, but prices strengthened during the first weeks of August.



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)

Milling

Figures of sixteen regularly reporting milling companies of this district show an increase in production during July, 1923, as compared with the previous month and with July, 1922. At 393,330 barrels, output of flour from these mills during July was 13 per

(A) Commodity Prices—

Commodity	Unit	August 3, 1923	One Month Ago	One Year Ago
Twenty Basic Commodities (F. R. B. of N. Y.) 1913=100.		143.1	152.4	138.3
Wholesale Prices (U. S. Bureau of Labor) 1913=100.....		151.0	153.0	155.0
Cost of Living (National Industrial Conference Board) July, 1914=100		161.9	160.1	155.6
Cattle (Native Beef)..... Weekly average price at Chicago..	100 lbs.	\$ 9.80	\$10.05	\$ 9.65
Sheep	100 lbs.	5.90	6.15	6.00
Lambs	100 lbs.	12.40	15.65	12.50
Hogs	100 lbs.	6.95	7.05	9.20
Wheat	bu.	.96 ³ / ₈ -.97 ¹ / ₄	1.02 ³ / ₈ -1.03 ⁷ / ₈	1.06-1.08 ¹ / ₄
Barley	cental	1.35-1.45	1.35-1.50	1.25-1.30
Rice	cental	4.85	4.65	5.55
Cotton	lb.	22.00-23.00¢	27.00-28.75¢	21.25-22.50¢
Wool	lb.	78.47¢	81.93¢	73.98¢
Flour	bb1.	6.95	7.44	7.15
Sugar	lb.	8.25	9.45	7.30
Oranges	box	3.75-4.00	3.75-4.50	10.00-10.50
Lemons	box	7.50-8.00	7.75-8.75	6.50
Dried Apples..... Choice in 50-lb. boxes f. o. b. California..	lb.	.06 ¹ / ₂ -.06 ³ / ₄	.06 ³ / ₄	.11-.11 ¹ / ₄
Dried Apricots... Choice in 25-lb. boxes f. o. b. California..	lb.	*.09 ¹ / ₄ -.09 ¹ / ₂	*.10-.10 ¹ / ₂	.24
Prunes	lb.	.09 ¹ / ₄ -.09 ¹ / ₂	.09 ¹ / ₂ -.10	.12 ¹ / ₄ -.12 ¹ / ₂
Raisins	lb.	.08	.10	.09 ¹ / ₂
Canned Apricots. Choice, sliced, 2 ¹ / ₂ s f. o. b. California....	doz.	†2.60	3.30	3.25
Canned Peaches.. Cling, Choice, sliced, 2 ¹ / ₂ s f. o. b. Calif..	doz.	†2.25	2.75	2.60
Canned Pears.... Bartlett, Standard, 2 ¹ / ₂ s f. o. b. California doz.	doz.	†2.35	2.35	2.85
Raw Milk..... Pacific Coast—July average.....	100 lbs.	2.65	2.55	2.38
Butter	lb.	.44 ³ / ₄	.42 ³ / ₄	.41 ¹ / ₄
Eggs	doz.	.36	.32 ¹ / ₂	.28 ¹ / ₂
Copper	lb.	.14 ¹ / ₂	.14 ¹ / ₂	.14
Lead	lb.	6.70¢	6.50¢	5.80¢
Silver	oz.	.62 ³ / ₈	.63 ³ / ₈	.69 ³ / ₈
Zinc	lb.	6.15-6.20¢	5.85-5.90¢	6.35¢
Petroleum	bb1.	1.04	1.04	1.95
Douglas Fir..... 2x4, 16 ft. No. S1S1E f. o. b. Seattle.....	M ft.	20.50	22.50	17.50
Douglas Fir..... 12x12 Timbers f. o. b. Seattle.....	M ft.	25.00	26.00	17.00

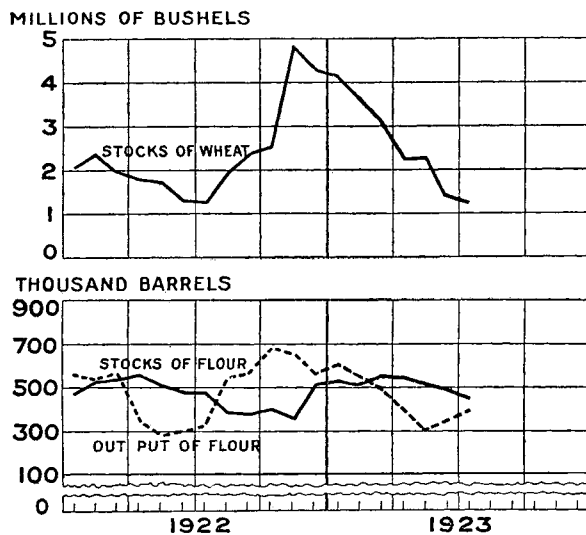
*1923 Crop prices.

†1923 Opening prices.

cent greater than during June, and 30.7 per cent greater than during July, 1922, when 300,729 barrels of flour were produced. That increased production resulted from a more active market demand for flour is shown by the fact that stocks of flour decreased from 492,571 barrels on July 1st to 452,435 barrels on August 1st. Stocks of wheat reported by these companies declined 15 per cent during July. Figures for sixteen milling companies for which a continuous record is kept are given in the following table:

	July, 1923	June, 1923	July, 1922
Output of Flour.....	393,330	345,342	300,729
Stocks of Flour*.....	452,435	492,571	461,185
Stocks of Wheat*.....	1,233,375	1,418,798†	1,191,668

*As of the first day of the following month.
†Revised figure. Owing to an error in computing the stocks of wheat held by one of the reporting milling companies the figure given in the July Review (2,899,607 bushels) was incorrect.



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

Production of 44 flour mills reporting through sectional millers' associations increased 16.9 per cent during July when compared with the reported production of 48 mills during June. A large increase of production in the Pacific Northwest caused the increase in the district. Figures follow:

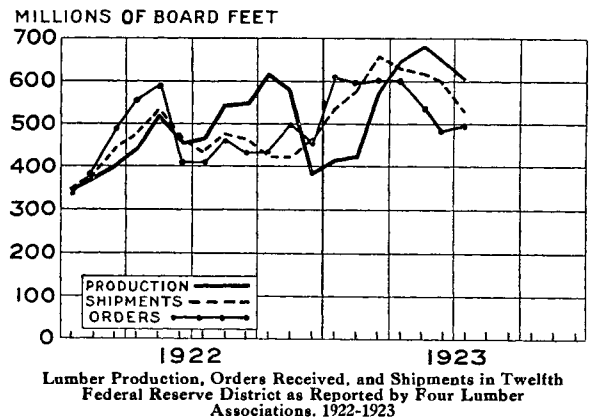
	No. of Mills Reporting		Output		Per Cent Increase or Decrease (-)	
	July 1923	June 1923	July, 1923 (barrels)	June, 1923 (barrels)	July, 1923 Compared with June, 1923	June, 1923 Compared with May, 1923
California	10	10	210,860	212,468	- 0.7	5.6
Idaho	2	3	7,469	7,021	6.3	10.3
Oregon	15	17	134,471	109,993	22.2	28.3
Washington.	17	18	223,733	167,637	33.4	-23.3
District	44	48	576,533	497,119	16.9	- 2.8

Lumber

Further declines in production and shipments of lumber, which were, however, partly seasonal, were reported during July. The

amount of orders received by reporting mills, on the contrary, increased, the first increase in this item since April. The large excess of production over new orders which has persisted since that month was thus greatly reduced, indicating that mills have now filled a large part of the record volume of orders received during the first three months of the year, and are regulating present production with some regard for current requirements. Stocks of lumber held by the mills have continued below the estimated normal, 61 mills for which actual figures are available reporting that their present stocks are but 62 per cent of those normally held. Figures showing the activity of approximately 200 reporting mills follow (000 omitted):

	July, 1923 (board feet)	June, 1923 (board feet)	July, 1922 (board feet)
Production	604,376	647,408	465,863
Shipments	528,350	600,160	435,627
Orders	495,277	482,498	403,829
Unfilled Orders....	429,558	487,690	454,234



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

The increase in the volume of orders received by mills has followed a quickening of the demand for lumber in the domestic markets of the Atlantic Coast and some sections of the Middle West. Perhaps the most significant feature of the lumber trade of this district during recent months has been the increase in shipments to Atlantic Coast markets by way of the Panama Canal. During the first six months of 1923 such shipments were equal to 78 per cent of the total shipments during the entire year 1922, and were more than twice as large as the shipments during the year 1921. The export trade in lumber products of this coast has continued steady, although shipments have recently decreased owing to a temporary shortage of cargo space.

The usual July shut-down at the logging camps was curtailed this year, as the demand for logs continued unabated and the supply available was but little in excess of current mill demands. Fortunately there have been few occasions for stopping operations on account of forest fires.

Mining

Available preliminary estimates for the month of July show a slight decrease in the production of the principal non-ferrous metals. Dull markets of the preceding three months and the steady decline in prices during that period induced a curtailment of output, particularly at mines with high production costs. Final national figures for July are not yet available. The figures of national production for June, 1923, May, 1923, and June, 1922, follow:

	June, 1923	May, 1923	June, 1922
Copper (lbs.) (mine production)	125,433,000	124,784,916	93,739,847
Silver (oz.) (commercial bars)	5,100,840	6,835,221	4,760,160
Zinc (tons) (slab)	42,840	47,347	28,547

Figures for lead are not available.

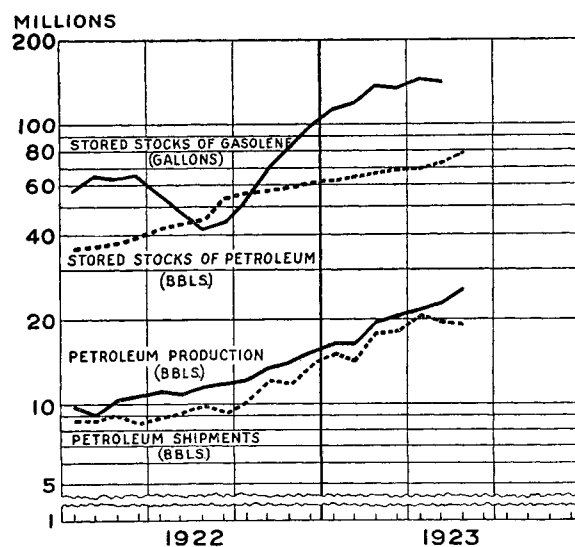
Preliminary reports for July contained the first intimation of a reduction in copper output, although production appears to have been maintained at previous levels during that month. Stocks of refined copper in this country on July 1, 1923, were estimated at 197,500,000 pounds, the smallest total reported since the end of the war. A slight increase in stocks is reported to have occurred since that date. The market for the other two important industrial metals of the district, lead and zinc, has responded quickly to the stimulus of lessened output and renewed demand. The price of zinc (St. Louis market) advanced from 5.75 cents per pound on July 2, 1923, to 6.25 to 6.35 cents per pound at the close of that month. Similarly the price of lead (New York spot) advanced from 6.50 to 6.70 cents per pound during the month. Silver miners are still engaged in adjusting their production to conform with present market conditions now that government purchases at the price of \$1.00 per ounce fixed by the Pittman Act have been completed. Those mines whose principal product is silver are mining on a light schedule or have temporarily closed down. The market price of silver at New York declined from 63³/₈ to 62⁵/₈ cents per ounce during July. Average prices paid for copper, lead, silver, and zinc during July, 1923, June, 1923, and July, 1922, follow:

	Average Prices		
	July, 1923 (cents)	June, 1923 (cents)	July, 1922 (cents)
Copper (lb.)			
New York Electrolytic..	14.32	14.91	13.90
Lead (lb.)			
New York	6.24	7.14	5.72
Silver (oz.)			
New York Foreign.....	63.015	64.86	70.24
Zinc (lb.)			
St. Louis	6.09	6.62	5.69

Petroleum

Further increases in production and stored stocks of petroleum in California, and a marked decline in prices of crude oil and gasoline, were reported during July. Daily average production of petroleum in California during that month was 814,906 barrels, an increase of 8.6 per cent over average daily production in June, 1923 (750,570 barrels), and of 118.1 per cent over the corresponding figures for July, 1922 (373,695 barrels). Rapid development of the newer oil fields in Southern California continued responsible for the greatly increased production. There were 95 new wells brought in during July with an initial daily output of 161,599 barrels. There were 29 wells abandoned.

Consumption of petroleum produced in California, although continuing at levels nearly 100 per cent above those of a year ago, has declined slightly during the past two months. Consumption, as indicated by shipments during



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

July, amounted to 620,762 barrels per day, a decline of nearly 30,000 barrels from the June figures. Average daily consumption has been far below production, and stored stocks on August 1, 1923, at 78,655,604 barrels, were 6,018,457 barrels or 8.3 per cent greater than on July 1, 1923. On August 1, 1922, stored stocks amounted to 45,187,910 barrels.

Prices paid for crude oil in all fields except those of Ventura County were reduced on August 1, 1923. The new price list contained reductions ranging gradually upward from 1 cent per barrel on oil of 20-20.9 degrees gravity to 41 cents per barrel on oil of 35 degrees gravity and above. On the same date a general

reduction of 2 cents per gallon in the price of gasoline in the Pacific Coast territory was announced by distributors. New prevailing prices per gallon in some of the principal cities of the district were then: San Francisco and Los Angeles, 17 cents; Portland, 21 cents; and Tacoma, 19 cents. Prices for gasoline are now lower than at any time since 1916. 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 (per barrel)*	\$0.73	\$1.96	\$0.55
Gasolene—San Francisco (per gallon)†	.17	.27	.155

*Field price.
†Service station price.

Increased foreign and domestic demand for gasoline during June resulted in an excess of consumption over production amounting to approximately 22 per cent. As a consequence stored stocks of gasoline at refineries in California declined from 147,125,960 gallons on June 1, 1923, to 142,859,892 gallons on July 1, 1923. Stocks on the latter date were still 4.5 per cent greater than those held on May 1, 1923, and 194 per cent greater than stocks at refineries on July 1, 1922.

Electric Energy

Throughout the first six months of the present year sales of electric energy for industrial purposes in this district have been greater by approximately 20 per cent than in the corresponding months a year ago. Sales of 20 reporting companies during June, 1923, were 20.2 per cent greater than during June, 1922, all lines of industry for which separate figures are available participating in the increase. The largest gain in sales of power, 32 per cent, was to the general manufacturing industries, followed by the lumbering and petroleum industries whose purchases increased by 25.5 and 20.9 per cent respectively. Percentage comparisons of sales of 20 of the principal power companies by certain industries and by sections of the district are presented in the following table:

	Percentage Increase or Decrease (—) June, 1923, compared with June, 1922			
	Agriculture	Mining	Manufacturing	Total Industrial Sales
California	14.4	— 4.3	29.1	22.3
Pacific Northwest	1.2	33.1	48.7	11.0
Intermountain States	5.4	18.2	16.2	22.9
Twelfth District	13.6	8.5	32.0	20.2

Figures of total sales for June, 1923, show an increase of 9 per cent over May, 1923, almost wholly due to an increase in the needs of agricultural consumers who used 64.5 per cent

more power during the later month. Consumption of electric energy at the mines of the district declined slightly from May to June.

Figures showing the number of industrial consumers and industrial sales of reporting companies during June, 1923, and June, 1922, follow:

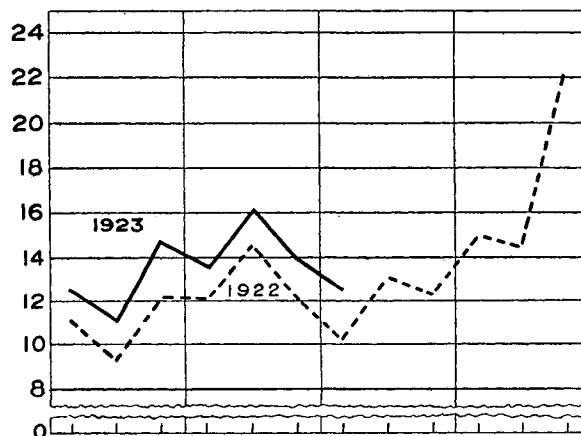
	Number of Industrial Consumers		Industrial Sales K. W. H.	
	June, 1923	June, 1922	June, 1923	June, 1922
California	71,055	51,474	259,469,731	212,005,029
Pacific Northwest	12,191	10,840	71,407,928	64,316,835
Intermountain States	2,857*	3,123*	62,490,230	50,807,319
Twelfth District	86,103	65,437	393,367,889	327,129,178

*Due to a change in the statistical method of one reporting company these figures are not comparable.

Retail Trade

Sales of 35 reporting department stores in this district during July, 1923, were 19.8 per cent greater in value than during July, 1922. This is the largest increase over the same month in the preceding year recorded since

MILLIONS OF DOLLARS



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

March, 1923, when the increase was 21.2 per cent. Compared with June, 1923, the sales of July, 1923, were 9.1 per cent less in value, a seasonal decline which has occurred in similar degree in each July since 1919, when this bank first began compiling records of retail trade.

Stocks of goods held by reporting stores declined slightly during July, the decrease amounting to 1.1 per cent. The value of stocks (selling price) on August 1, 1923, was 10.1 per cent greater than the value of stocks held by the same stores on August 1, 1922. The average annual rate of stock turnover indicated by the figures of sales and stocks for July, 1923, was 2.6 compared with a rate of 2.4 for July, 1922. The average annual rate of stock turnover for the first six months of 1923 was 2.9, and for the same period in 1922 it was 2.6.

A detailed statement of the percentage changes in the value of sales and stocks of reporting department stores in this district follows:

	No. of Stores	Percentage increase or decrease (—) in value of sales July, 1923, compared with		Percentage increase or decrease (—) in value of stocks July, 1923, compared with	
		July, 1922	June, 1923	July, 1922	June, 1923
Los Angeles.....	6	33.3	— 2.5	16.3	2.5
Oakland	4	9.9	—27.9	9.3	—1.1
Salt Lake City... 4	4	12.9	—23.3	—19.1	—7.6
San Francisco....	10	16.0	— 5.6	12.5	— .6
Seattle	5	3.8	—14.4	6.3	—8.2
Spokane	5	11.4	—20.1	4.1	— .1
District*	35	19.8	— 9.1	10.1	—1.1

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

Percentage increases or decreases (—) in the value of July sales of all reporting firms in each line of business are presented in the following table:

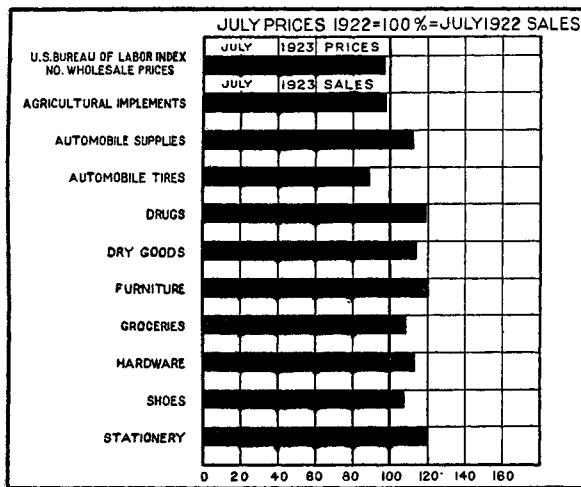
	Number of Firms	July, 1923, compared with		Seven Months Ending July 31, 1923, compared with same period in 1922
		July, 1922	June, 1923	
Agricultural Implements	23	— 2.2	— 8.6	12.6
Automobile Supplies....	19	12.4	—11.3	24.8
Automobile Tires.....	17	—11.1	9.9	14.3
Drugs	9	19.2	5.6	12.4
Dry Goods.....	15	13.8	3.7	22.2
Electrical Equipment... 5	5	20.2	— 1.1	36.3
Furniture	16	20.3	—24.9	32.3
Groceries	28	8.8	— .8	14.2
Hardware	20	12.9	—12.9	28.6
Shoes	13	7.5	— 9.9	12.7
Stationery	29	19.5	— 5.1	21.0

Wholesale Trade

There was little change in the condition of trade at wholesale during July, the usual summer quiet prevailing in most lines of business. Of the eleven lines which report the value of their sales to this bank, nine showed increases during July, 1923, as compared with July, 1922, the exceptions being agricultural equipments and automobile tires. Sales of drugs, electrical equipment, furniture, and stationery increased by 15 per cent or more during the year period.

Foreign Commerce and Shipping

The value and volume of foreign trade transacted through Pacific Coast ports increased greatly during the first six months of 1923 as compared with the first six months of 1922. As in the foreign commerce of the country as a whole, the import trade was most active on this Coast, each of five customs districts reporting substantial gains. In the export field the aggregate value of trade passing through all customs districts was slightly greater in 1923 than in 1922, but the ports of the Pacific Northwest did not share in the increase, due to a marked decline in shipments of wheat, one of the principal export commodities of the section. Figures received from five customs districts follow:



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

	January-June, 1923	January-June, 1922	Percentage Increase 1923 Compared with 1922
IMPORTS			
Los Angeles.....	\$ 13,605,992	\$ 7,784,700	74.7
Oregon (Portland)	5,606,962	3,820,698	46.7
San Francisco ...	99,169,696	83,919,142	18.1
Washington (Seattle-Tacoma)	110,312,508	89,287,109	23.5
Totals	\$228,695,158	\$184,811,649	23.7
EXPORTS			
Los Angeles.....	\$ 16,913,276	\$ 8,783,065	92.5
Oregon (Portland)	16,527,436	27,088,867	38.9*
San Francisco	69,587,501	57,427,985	21.1
Washington (Seattle-Tacoma)	48,203,877	48,759,734	1.1*
Totals	\$151,232,090	\$142,059,651	6.4

*Decrease.

An increasing number of firms is reporting collections as "fair" instead of "good" or "excellent." Collections during the past three months have been reported as follows:

	Number of Firms Reporting Collections as			
	Excellent	Good	Fair	Poor
May, 1923.....	6	69	60	6
June, 1923.....	3	56	72	8
July, 1923.....	5	43	75	8

Domestic coastal and intercoastal commerce of these ports during the first six months of 1923 was greater by from 25 to 100 per cent than during the first six months of 1922. The large increase in intercoastal trade was directly reflected in figures on the amount of traffic passing through the Panama Canal, of which traffic intercoastal trade forms a principal part. Cargo tonnage moving through the canal dur-

ing the first six months of 1923 exceeded the movement during any previous twelve month period. Large shipments of petroleum from California to Atlantic-Gulf Coast ports were primarily responsible for this record movement. Figures on commercial traffic through the canal for the past four fiscal years follow:

Fiscal Year	No. of Vessels	Cargo Tonnage
1920	2,478	9,374,499
1921	2,892	11,599,214
1922	2,736	10,884,910
1923 (July-December)	1,640	7,923,063
1923 (January-June)	2,327	11,644,812

Ocean freight rates continued at relatively low levels during the first six months of 1923, increases on some items being offset by decreases on others. A general advance in inter-coastal freight rates averaging approximately 30 per cent went into effect on August 1st.

Employment

Shortages of certain classes of labor reported one month ago have practically disappeared. The lack of harvest hands, which was threatening in the Pacific Northwest last month, has not become serious, and thus far harvesting of the district's crops has not been generally delayed because of the inability of farmers to secure sufficient help in the fields and orchards. A small but general decline in building activity has relieved the previously noted shortage of building trades craftsmen, although employment in this industry is still readily obtainable. A slight scarcity of plasterers and sheet metal workers has been reported from several sections of the district. The closing of some silver mines and the curtailment of production at others has lessened the demand for experienced miners, and the supply of workers in that industry is now more nearly equal to the demand than has been the case for some time past. In the Mother Lode district of California, however, a shortage of miners serious enough to cause a noticeable curtailment of production has recently been reported. Wages in this region have advanced approximately 50 cents a day.

Activity in the lumber industry continued during July, and lumber workers are reported to be fully employed in most sections of the district. In some lumbering regions there is a slight surplus of common laborers and a corresponding shortage of skilled laborers. The oil fields of California are still operating below capacity, and in the older producing regions of the San Joaquin Valley considerable unemployment is reported.

The following figures based on the reports of 40 large firms usually employing 501 or more

men give a comparison of employment conditions in manufacturing industries during July, 1923, and 1922:

	Number of Firms	Number of Men on Payroll July, 1923	Number of Men on Payroll July, 1922	Per Cent Increase July, 1923, over July, 1922
Los Angeles.....	16	32,846	27,272	20.4
Portland	8	9,233	6,645	39.2
San Francisco....	10	8,291	7,092	16.9
Seattle	6	2,508	2,159	16.2

Compared with June, 1923, figures for July, 1923, show increases in Portland, San Francisco, and Seattle, and no change in Los Angeles.

Figures recently collected by this bank show that employment in retail and wholesale merchandising establishments has increased during the past year as it has in the industries. There was an increase of 6.0 per cent in the number of workers on the payrolls of 23 reporting retail stores on July 1, 1923, as compared with July 1, 1922, and an increase of 8.4 per cent in the figures reported by 100 wholesale firms as of the same two dates.

Automobile Registrations

Figures of new automobile registrations continue to evidence the increased purchasing power of the district's population as compared with one year ago. In four states for which comparative data are available there were 51.1 per cent more new passenger cars and 24.6 per cent more new commercial vehicles registered during June, 1923, than during June, 1922. During the first six months of 1923 as compared with the same period in 1922, there was an increase of 82.8 per cent in the registration of new passenger cars, and registrations of new trucks increased by 45.8 per cent. Figures showing registrations of new automobiles in the states of this district (except Nevada, for which figures are not available) for the first six months of 1923 and 1922 are presented in the following table:

	Total New Passenger Cars Registered Jan. 1 to July 1		Total New Commercial Cars Registered Jan. 1 to July 1	
	1923	1922	1923	1922
Arizona	4,917	1,801	383	102
California	114,745	66,346	11,784	8,174
Idaho	4,795	2,292	307	221
Oregon	16,417	6,636	727	555
Utah	6,241	*	648	*
Washington	18,899†	8,353	1,994†	*
Total (4 states)	140,875	77,075	13,201	9,052

*Not available. †To June 1st only.

Total registrations of old and new automobiles in six states of the district (figures for Nevada are not available) during the first seven months of 1923 amounted to 1,468,927, an increase of 27.5 per cent over the 1,152,520 cars registered in the first seven months of 1922.

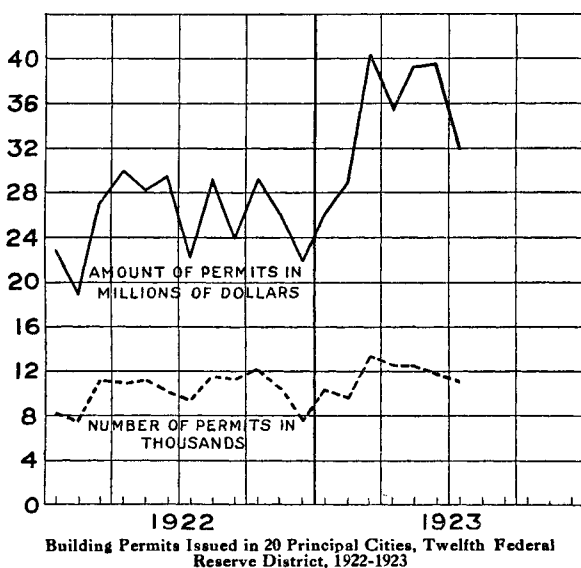
Building Activity

Reports of a slight slackening in the demand for building trades workers indicate that the volume of construction in this district decreased in July as compared with June and the months immediately preceding. There was a noticeable decline in the number and value of building permits issued, but how much of this movement was seasonal and how much due to the uncertainty of prospective builders regarding the cost of building during coming months cannot yet be ascertained.

Percentage Increase or Decrease (—) in the Number and Value of Building Permits issued in 20 Cities

	July, 1923, compared with	
	July, 1922	June 1923
Number of Permits Issued.....	16.1	— 7.5
Value of Permits Issued.....	42.6	—19.0

The cost of building materials, as shown by the index number of the United States De-



(B) Building Permits—

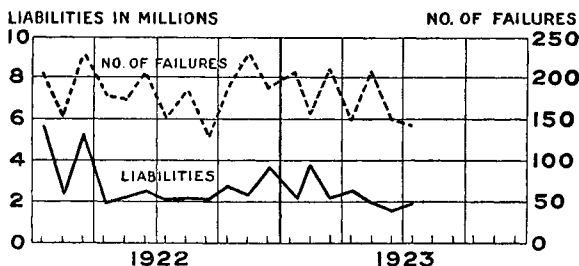
	July, 1923		July, 1922	
	No.	Value	No.	Value
Berkeley	222	\$ 444,700	101	\$ 527,250
Boise	25	25,305	85	49,906
Fresno	136	271,916	133	370,288
Long Beach..	339	1,377,332	208	535,884
Los Angeles..	4,722	15,083,273	3,393	8,064,018
Oakland	892	1,947,324	721	1,900,712
Ogden	25	58,290	41	87,660
Pasadena	332	760,079	308	987,826
Phoenix	55	94,242	45	137,082
Portland	1,059	1,532,115	1,313	2,206,615
Reno	23	40,132	29	69,120
Sacramento ..	263	1,065,330	213	367,858
Salt Lake City	120	676,025	159	569,951
San Diego....	363	1,177,045	369	710,006
San Francisco	733	3,227,115	595	3,024,036
San Jose.....	79	157,480	79	166,245
Seattle	890	3,122,315	842	1,559,205
Spokane	205	181,645	248	273,022
Stockton	82	323,740	109	409,196
Tacoma	373	386,445	424	375,136
District	10,938	\$31,951,848	9,415	\$22,391,016

partment of Labor, declined 2.06 per cent during the past month. As compared with a year ago present building materials costs show an increase of 11.7 per cent. Inasmuch as this increase is considerably less than the increase in the value of building permits issued in this district over the year period, it appears likely that the evidence of an increase in the physical volume of building afforded by figures of the number of permits issued is correct.

Comparative figures of the number and value of building permits issued in 20 cities of the district during July, 1923, and July, 1922, are presented in table "B."

Business Failures

The number of business failures in this district was 5.33 per cent smaller in July, 1923, than in June, 1923, and the amount of liabilities involved, although larger than in the



Business Failures, Twelfth Federal Reserve District, 1922-1923

previous month, was less than in any other month since May, 1921. Compared with July, 1922, failures during July, 1923, were less both in number and liabilities, the decline in each case approximating 7.5 per cent. The average liabilities of business failures in this district during July, 1923, were \$13,415 compared with \$10,478 in June, 1923, and \$13,540 in July, 1922.

R. G. Dun and Company's figures of the number and liabilities of business failures in the states of this district during July, 1923, and June, 1923, follow:

	July, 1923		June, 1923	
	No.	Liabilities	No.	Liabilities
Arizona	2	\$ 84,500	..	..
California	77	1,074,872	74	\$ 849,910
Idaho	5	122,071	5	93,489
Nevada	1	3,800	..	..
Oregon	22	217,914	22	203,751
Utah	8	128,112	8	16,701
Washington	27	273,664	41	407,120
District	142	\$1,904,933	150	\$1,570,971

Bank Debits

A greater than seasonal decline in debits to individual accounts at banks in 21 clearing house centers during July, 1923, indicates that the total volume of business transacted during that month was less than in June, 1923,

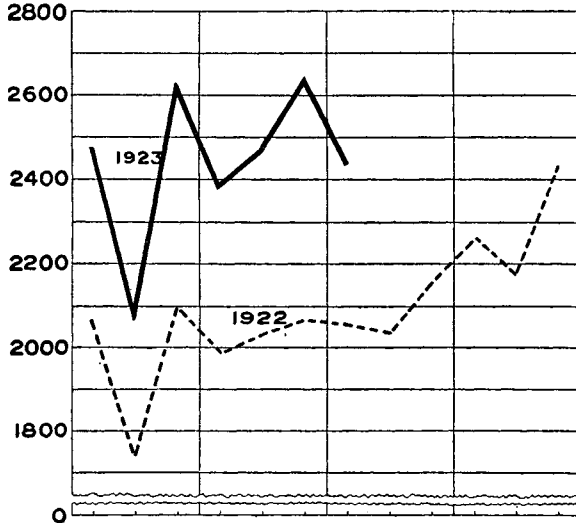
and, if allowance be made for seasonal variations, less than in any month since February, 1923. Compared with July, 1922, the figures for July, 1923, show an increase of 18.4 per cent, but this increase is also the smallest reported in any month since February, 1923, when comparison has been made with the corresponding month a year ago. The percentage increase over 1922, as in previous months, is considerably greater than the increase in commodity prices over the year period, indicating that the physical volume of business transacted remains greater than one year ago. Part of this increase is due, of

course, to the normal growth and development of the district, but the amount of the increase makes it seem probable that there is greater activity in trade now than in 1922.

Considered geographically, bank debits during July, 1923, increased as compared with July, 1922, in 16 of the 21 cities, the exceptions being Pasadena, Phoenix, Reno, and Yakima. The figures for Sacramento, which show a decline of more than 40 per cent for the year period, must be disregarded, as one of the largest banks in that city has changed its method of reporting bank debits, and thus temporarily destroyed the value for comparative purposes of the figures for that city.

Detailed figures of bank debits by cities during July, 1923, and July, 1922, are presented in table "C".

MILLIONS OF DOLLARS



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

(C) Bank Debits*—

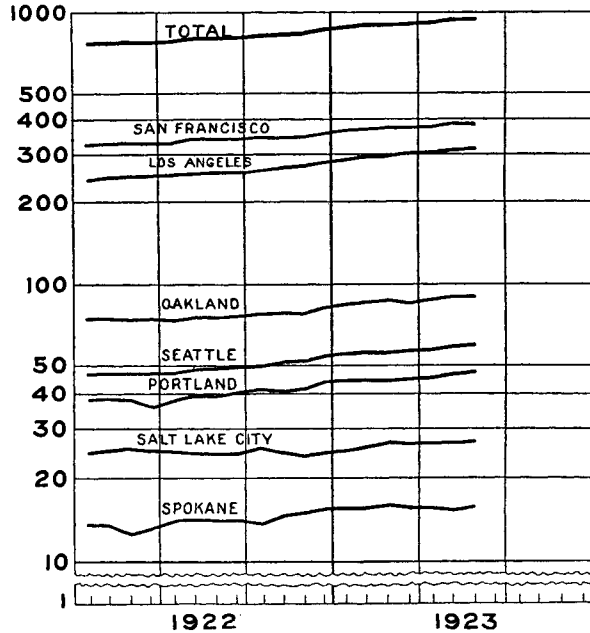
	Four weeks ending Aug. 1, 1923	Four weeks ending Aug. 2, 1922
Berkeley	\$ 16,039	\$ 14,375
Boise	12,390	11,135
Fresno	43,946	40,760
Long Beach.....	55,676	35,909
Los Angeles.....	671,798	476,051
Oakland	113,310	77,227
Ogden	23,297	15,779
Pasadena	28,359	23,237
Phoenix	14,780	15,135
Portland	147,594	123,935
Reno	9,967	10,164
Sacramento	33,965	56,902
Salt Lake City.....	55,287	52,055
San Diego.....	45,581	36,834
San Francisco.....	709,404	675,287
San Jose.....	20,476	19,464
Seattle	158,957	134,945
Spokane	45,602	39,354
Stockton	24,210	19,871
Tacoma	37,405	35,285
Yakima	8,374	8,960
Total	\$2,276,417	\$1,922,664

*000 Omitted.

Savings Accounts

The amount of all savings deposits in 75 banks in seven principal cities of the district increased from \$934,834,000 (revised figures) on June 30, 1923, to \$936,123,000 on July 31, 1923, a gain of 0.1 per cent. Two of the three California cities included in the reports show losses for the month of July, and the third a smaller increase than was reported by cities in all other sections of the district. Compared

MILLIONS OF DOLLARS



Savings Accounts in Banks in Seven Principal Cities of the Twelfth Federal Reserve District, 1922-1923

NOTE: It has been necessary to revise the published figures for Los Angeles (and therefore for the district as a whole), because, due to a misunderstanding of the definition of "savings accounts," figures reported by individual banks there were not strictly comparable. General trends in both Los Angeles and the district are unchanged.

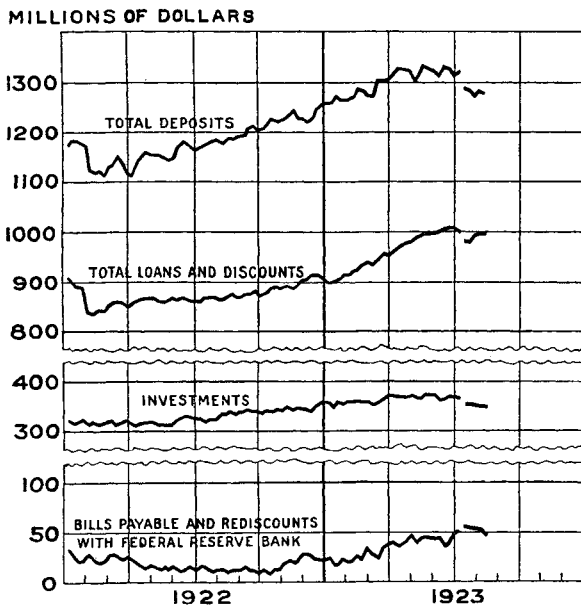
with July, 1922, the district figures for July, 1923, show an increase of 16.6 per cent. Los Angeles and Seattle continue to report the largest percentage increases over the year period. Detailed changes in the amount of savings deposits since one month ago and one year ago as reported by 75 banks in seven cities follow:

	Number of Reporting Banks	Per Cent Increase or Decrease (—) July, 1923, compared with	
		July, 1922	June, 1923
Los Angeles.....	13	23.7	.7
Oakland*	7	17.1	— .4
Portland	9	19.5	2.6
Salt Lake City.....	8	11.8	1.2
San Francisco.....	16	10.7	— .8
Seattle	16	21.7	1.2
Spokane	6	12.9	2.4
Total	75	16.6	.1

*Includes one bank in Berkeley which was formerly a branch of an Oakland bank.

Banking and Credit Situation

Total loans of 66 reporting member banks in the principal cities of the district increased \$16,000,000 during the four weeks ended August 8th. During the previous four weeks they had increased but \$1,000,000. A change



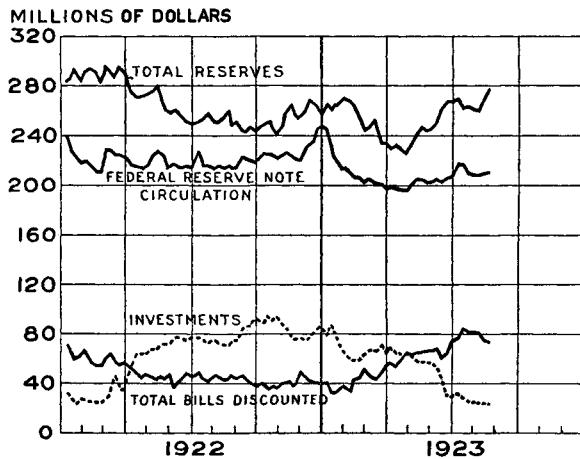
Total Deposits, Loans and Discounts, Investments, and Bills Payable and Rediscounts of Reporting Member Banks

NOTE: The break in the lines indicates a change in the composition of the list of reporting banks.

in the composition of the list of reporting banks prevents exact comparisons of current figures with those reported previous to July 11th, but it is probably true that total loans of member banks now reporting have reached a new high point for the year. Total loans

of approximately 775 reporting member banks in the principal cities of the United States, on the other hand, have been gradually declining since May 2nd. Investments of the reporting banks in this district declined \$3,000,000 during the four weeks ended August 8th, whereas during the four weeks ended July 3rd they had increased \$3,000,000. The trend of these investment holdings has been downward in this district since the middle of May, and it has been downward in the reporting banks of the country as a whole since January.

Total deposits of reporting banks in the district declined \$11,000,000 during the four weeks ended August 8th, compared with an advance of \$7,000,000 during the four weeks



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

ended July 3rd. Total deposits of these banks have been, with minor fluctuations, comparatively stable since early in April, this period of stability following a steady advance which had been in progress for approximately a year. Total deposits of reporting member banks in the country as a whole reached their peak in January, 1923, and since the middle of May have been declining.

Total discounts of the Federal Reserve Bank of San Francisco declined \$8,000,000 during the four weeks ended August 15th, after having increased \$23,000,000 during the four weeks ended July 11th. At \$73,000,000 on August 15th they were \$42,000,000 greater than on January 10th, when they reached the lowest point in recent years. Investments of the Reserve bank declined \$2,000,000 during the four weeks ended August 15th, a continuation of a movement which has been in progress throughout the present year. This decline in the amount of investment holdings of the bank has been greater than the increase in total discounts, and total earning assets on August 15th were \$23,000,000 less than on

January 10th. Excepting June 20, 1923, total earning assets are now the smallest since March, 1922.

The amount of Federal Reserve notes in circulation on August 15th was \$7,000,000 less than on July 3rd (there is a normal seasonal increase in circulation at the end of the fiscal year and over the 4th of July holiday), but was still \$15,000,000 greater than on April 25th, when the amount of notes in circulation was the smallest in recent years.

Interest rates at New York advanced during the first 10 days of August, the rate on time money increasing from $5\frac{1}{8}$ per cent to $5\frac{1}{4}$ per cent and the rate on commercial paper increasing from 5 to $5\frac{1}{4}$ per cent. This hardening may have been partly due to seasonal influences, but it is noteworthy that the com-

mercial paper rate is now $1\frac{1}{4}$ per cent higher than it was at this time last year. The average rate charged by large San Francisco banks on loans to borrowers continued during July at $5\frac{1}{2}$ per cent.

Dullness has characterized the acceptance market in this district during recent weeks. 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 July, 1923, compared with June, 1923, and July, 1922:

	July, 1923, compared with	
	June, 1923	July, 1922
Amount of bills accepted	+18.5%	-17.0%
Amount of bills bought	+ 7.3%	-62.2%
Amount of bills held at close of month	-30.8%	-54.6%

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

	August 8, 1923	July 11, 1923	August 9, 1922
Number of Reporting Banks	66*	66*	68*
Loans and Discounts (including rediscounts).....	\$ 995,684,000	\$ 979,965,000	\$ 863,027,000
Investments	349,073,000	352,868,000	334,555,000
Cash in Vault and with Federal Reserve Bank.....	118,108,000	128,720,000	104,934,000
Total Deposits.....	1,275,900,000	1,287,056,000	1,184,485,000
Bills Payable and Rediscounts with Federal Reserve Bank.....	45,293,000	56,853,000	9,362,000

*Due to changes in the composition of the list of reporting banks, current figures are not exactly comparable with those of a year ago.

COMPARATIVE STATEMENT OF CONDITION OF FEDERAL RESERVE BANK OF SAN FRANCISCO AT CLOSE OF BUSINESS, AUGUST 15, 1923

	RESOURCES		
	August 15, 1923	July 18, 1923	August 16, 1922
Total Reserves.....	\$277,821,000	\$263,956,000	\$259,093,000
Bills Discounted.....	73,440,000	81,590,000	43,388,000
Bills Bought in Open Market.....	14,895,000	16,641,000	17,702,000
United States Government Securities.....	9,185,000	9,185,000	53,977,000
Total Earning Assets.....	\$ 97,520,000	\$107,416,000	\$115,067,000
All Other Resources*.....	56,692,000	56,675,000	45,656,000
Total Resources.....	\$432,033,000	\$428,047,000	\$419,816,000
	LIABILITIES		
Capital and Surplus.....	\$ 22,992,000	\$ 23,071,000	\$ 22,789,000
Total Deposits.....	154,628,000	152,671,000	141,308,000
Federal Reserve Notes in Actual Circulation.....	210,860,000	210,244,000	216,013,000
All Other Liabilities†.....	43,553,000	42,061,000	39,706,000
Total Liabilities.....	\$432,033,000	\$428,047,000	\$419,816,000
*Includes "Uncollected Items".....	42,746,000	40,574,000	38,914,000
†Includes "Deferred Liability Items".....	41,690,000	40,316,000	35,172,000

CORRECTION

In the "Summary of Provisions of the Agricultural Credits Act of 1923," dated July 16, 1923, and recently mailed to those who receive the *Monthly Review* of this bank, the maximum rate of interest for which it is competent for persons to contract in California should be changed from "no limit" to 12%. This item occurs in the middle of the inside pages under the caption "Rate of Interest."