

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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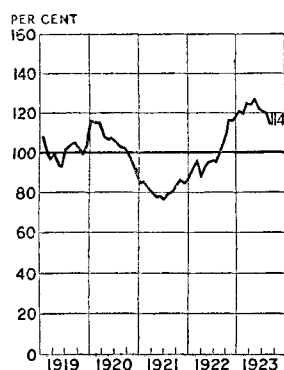
Summary of National Conditions

Production of basic commodities declined during September, wholesale trade continued large, while retail trade, though larger than a year ago, increased less than is usual at this season of the year. Wholesale prices, particularly those of agricultural products, advanced during the month.

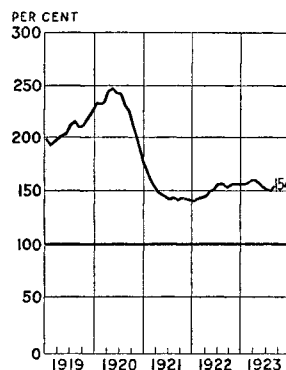
Production. Production in basic industries, according to the Federal Reserve Board's index, declined 5 per cent during September, and was 10 per cent below the peak output of May, 1923. The principal factors in this decline were the suspension of anthracite coal mining for over two weeks and a substantial reduction in the production of iron and steel. Cement production and sugar meltings were larger than in August. The decline in the production index, which is corrected for seasonal variations and

which reflects chiefly changes in the output of raw and semi-finished products, was not accompanied by a reduction of employment at industrial establishments. New building construction showed about the usual seasonal decline in September due to a curtailment in contracts for residences. Contract awards for business and industrial buildings, however, were larger than in August. Estimates by the United States Department of Agriculture on October 1st showed some reduction from the September forecasts in the yields of corn, wheat, oats, and tobacco, but increased yields of cotton, potatoes, and hay.

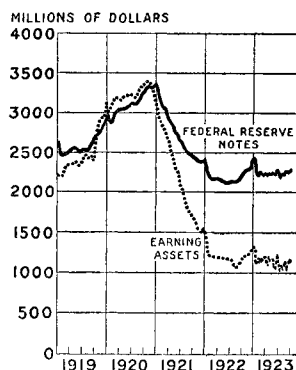
Trade. Distribution of all classes of commodities by railroads continued at a high rate throughout September. Wholesale trade, according to the Federal Reserve Board's index, in September reached the largest total in three



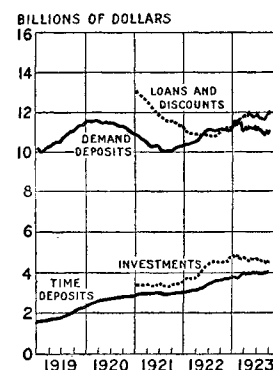
Index of Production in Basic Industries
Combination of 22 individual series corrected for seasonal variation (1919 average = 100 per cent)



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



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years and was 9 per cent larger than a year ago. Sales of meat, hardware, and drugs were considerably larger than during last September, while shoe sales were smaller. Retail trade was slightly larger in September, but the increase was much less than is usual at this season of the year. Department store sales were 6 per cent greater in value than in September, 1922, and stocks at the end of the month were 13 per cent larger than a year ago.

Prices. Wholesale prices increased over 2 per cent during September according to the index of the Bureau of Labor Statistics, particularly large increases occurring in the prices of clothing, farm products, and foods. Fuel prices, on the other hand, declined in September for the eighth successive month, and prices of building materials and metals were also lower. During the first three weeks of October prices of certain farm products continued to advance, wheat and cotton reaching the highest points of the current year, while prices of hogs, coal, and metals declined.

Bank Credit. Demand for bank credit showed a seasonal increase in September and the early part of October, loans of member banks in leading cities increasing by \$116,000,000 between September 12th and October 10th. This increase reflected chiefly the demand for commercial loans, which on the latter date stood at a new high point for the year, almost \$100,000,000 above the total on September 12th. Increases in the holdings of government securities by these banks were partly offset by reductions in corporate security holdings. The demand for accommodation at the Federal Reserve banks in some of the agricultural districts increased, while at the Reserve banks in the East the volume of discounts for member banks declined. Federal Reserve note circulation continued to increase, and in the middle of October was about \$100,000,000 above the July level.

In October, money rates showed an easier tendency and after the fifteenth of the month rates for commercial paper in the New York market declined from a range of 5¼-5½ per cent to 5-5¼ per cent.

Summary of District Conditions

Large production in the principal industries of the district and wide distribution of goods at wholesale and retail during September were offset by declines in other business activities, so that the total volume of trade in the district, as measured by debits to bank accounts cor-

rected for seasonal changes, was smaller during September than in any previous month of 1923. It continued, however, ten per cent in excess of September, 1922, when the volume of trade was large and increasing. Borrowings at member banks during the month were practically unchanged in amount and have, since the midsummer low, shown only a normal seasonal increase of \$22,000,000, or 2.2 per cent, to a total of \$1,000,000,000 on October 12th. At the same time rediscounts at the Federal Reserve bank have recently declined by \$20,000,000 or 22.1 per cent to \$71,000,000 on October 17th. This movement is also largely seasonal, accompanying repayment by customers of their borrowings at member banks following harvesting and marketing of the crops. Total reserves of this bank at \$297,000,000 on October 17th were the largest since its organization. Interest rates both in this district and in the New York market were unchanged during the month, the open market commercial paper rate at New York City remaining at 5¼ to 5½ per cent, and the rates to customers of large city banks of the district at from 5½ per cent in San Francisco to 7 per cent in Portland, Salt Lake City, Seattle and Spokane.

A comparison of credit conditions at the beginning of October, 1923, and 1922, with the peak points of 1923, is tabulated below:

MEMBER BANKS	Oct. 10, 1923	Peak 1923	Oct. 11, 1922
Total Loans	\$1,000,000,000	\$1,008,000,000	\$ 887,000,000*
Total Investments	350,000,000	373,000,000*	338,000,000*
Total Deposits ...	1,303,000,000	1,305,000,000	1,226,000,000*
Borrowings from Federal Reserve Bank	53,000,000	62,000,000	6,000,000
	Oct. 17, 1923	Peak 1923	Oct. 18, 1922
FEDERAL RESERVE BANK			
Total Discounts ..\$	71,000,000	\$ 91,000,000	\$ 37,000,000
Total Investments	21,000,000	87,000,000	94,000,000
Total Reserves ..	297,000,000	297,000,000	243,000,000
Federal Reserve Note Circulation	221,000,000	244,000,000	224,000,000
INTEREST RATES			
New York City (Prime Commer- cial Paper).....	Oct. 13, 1923	Peak 1923	Oct. 14, 1922
	5¼%	5¼%	4½%
San Francisco (Rates to large customer bor- rowers at banks)	Sept., 1923	Peak 1923	Sept., 1922
	5½-6%	5½-6%	5½%

*Owing to a change in the composition of the list of reporting banks these figures are not exactly comparable with those of October 10, 1923.

Continued capacity operation was reported for the lumber industry during September, and the volume of orders received and shipments made increased as the month progressed until at its close new business was in excess of production, this being the first time that such a condition has existed since April, 1923. Some hesitation was apparent in the mining industry during the month, demand for the principal

metals produced in the district remaining sluggish, and although production has been well maintained some of the high cost producers are finding it necessary either to shut down their properties or to operate at a loss. Reporting **flour millers** of the district milled more flour during September than during any month since August, 1920, when figures were first compiled. A large part of the record output was used in the export trade, and the remainder, less current domestic consumption, placed in storage. Daily average production of **petroleum** in California was greater by 6,000 barrels or 0.7 per cent during September than during August. Consumption increased 10 per cent during the same period, and although more oil was produced than was consumed, the amount of the difference, which must be stored, was materially reduced. A further reduction in petroleum prices from those named on August 1st was announced on October 9th. Present prices for this product are but 20 per cent above the pre-war level, compared with 50 per cent for wholesale prices in general. The number and value of **building permits** issued in 20 cities of the district declined seasonally during September, but building continues unusually active in all sections.

Harvesting of the district's **crops** has moved toward completion under generally favorable conditions, and **livestock** are reported to be thriving. The **transportation** situation as it affects the marketing of the perishable crops of the district has improved greatly over a year ago, but the height of the grape shipping season in California finds a small shortage of refrigerator cars. Relatively low prices named on 1923 crop canned and dried fruits have stimulated demand for these products.

Trade at retail reported by 35 department stores was 10.9 per cent greater in value during September, 1923, than during September, 1922. Stocks of goods held by these stores were 13.3 per cent larger on October 1, 1923, than on October 1, 1922, but the annual rate of turnover indicated by the relation of sales to stocks was approximately the same in both years. There was little change in **wholesale trade** conditions during September, five of the eleven reporting lines showing moderate increases in value of sales as compared with August and six small decreases. Trade in all lines except automobile tires and dry goods was greater in value than during September a year ago, while the level of wholesale prices now prevailing is approximately the same as it was then. **Business failures** were less both in number and in amount of liabilities than in August, 1923, or September, 1922.

The general wholesale **price** level in the United States rose from 150 in August to 154 in September (1913 prices=100) according to the index number of the United States Department of Labor, definitely checking the downward price tendency which has been noticeable since last May. Among the commodity groups included in the general index the largest price gains were reported for cloth and clothing, farm products, and food. Prices of the principal agricultural products of this district, with few exceptions, held the gains of the previous month during September. Prices in the building materials group of the Bureau of Labor's index were lower in September than in August, as were prices in the fuel and lighting, and metals and metal products group. The price of copper, one of the principal metals produced in this district, fell to the lowest level reached this year when it sold for 13 cents per pound in the New York market at the close of September, and at a fraction below this price early in October. Lumber prices continued firm.

Crop Conditions and Markets

Early maturing crops of the district had all been harvested by the close of September, and the harvest of later maturing crops was proceeding under generally favorable conditions. Threshing of the district's **wheat** crop, now rapidly approaching completion, has brought fulfilment of previous forecasts of a record yield of this grain. The United States Department of Agriculture's preliminary estimate of production for 1923 now stands at 141,332,000 bushels, compared with the 1922 yield of 99,277,000 bushels. The total United States crop is now estimated by the same authority at 782,000,000 bushels, a reduction of 7,000,000 bushels from the previous month's forecast and 80,000,000 bushels below the final estimate for 1922. The October 1, 1923, preliminary estimates and the final 1922 yield of wheat and oats by states in this district and for the United States, as reported by the Department of Agriculture, are given in the following table:

	Estimated Yield Oct. 1, 1923*		Actual Yield—1922*	
	All Wheat (bushels)	Oats (bushels)	All Wheat (bushels)	Oats (bushels)
Arizona	1,092	710	1,274	620
California	16,456	5,198	15,308	5,250
Idaho	29,855	7,820	24,275	6,156
Nevada	548	123	550	112
Oregon	26,550	10,406	19,744	6,675
Utah	6,170	3,612	5,682	3,354
Washington	60,661	11,312	32,444	7,959
Twelfth District	141,332	39,181	99,277	30,126
United States...	782,000	1,302,453	862,000	1,201,436

*000 omitted.

Seasonal increases in activity in wheat markets of the district were reported during September as compared with the two previous months of the current cereal year. Demand, as measured by the movement of wheat, however, was less active during September, 1923, than during September, 1922, or 1921. Total movement of wheat from this district during the past three months has been nearly equal to that of the corresponding period in 1922, and approximately one-half as great as during the first quarter of the 1921-1922 cereal year. Exports of wheat from Portland and the Puget Sound ports totaled 4,127,320 bushels during September, 1923, compared with exports of 5,439,828 bushels during September, 1922, and 5,306,767 bushels during September, 1921. Prices for wheat advanced slightly during September and the first half of October. Milling wheat was quoted at \$2.00 to \$2.05 per cental (\$1.20 to \$1.23 per bushel) at San Francisco on October 15th, whereas one month ago it was quoted at \$1.90 to \$1.95 per cental (\$1.14 to \$1.17 per bushel). On October 14, 1922, a comparable grade of wheat sold for \$1.95 to \$2.00 per cental (\$1.17 to \$1.20 per bushel).

Harvesting of field crops became general in all sections of this district during September and, for most crops, was approaching completion by the middle of October. A large crop of sugar beets is being dug and shipped to sugar factories of the district. The forecasted yield (1,900,000 tons) as of October 1st is slightly greater than was previously estimated and considerably greater than the production of 1,539,000 tons in 1922. October 1st estimates of the United States Department of Agriculture place the 1923 yield of potatoes in California, Idaho, Oregon, and Washington at 33,844,000 bushels, a small advance over the September 1st forecast, but approximately 17 per cent below the final estimate for 1922, which was 40,740,000 bushels. Prices to growers generally have been higher than last year at this time, an average comparison showing an advance in price of approximately 20 cents per 100 pounds over the year period.

PRICES PAID GROWERS FOR POTATOES

	Oct. 1, 1923 (100 pounds)	Oct. 1, 1922 (100 pounds)
Idaho Falls, Idaho.....	\$.70.....	\$.40-\$.60

Picking and ginning of cotton in Arizona and California is progressing rapidly. On September 25th the 1923 cotton crop in these two states was estimated at 127,000 bales by the United States Department of Agriculture, an increase of 1,000 bales over the forecast of August 25th, and a yield approximately 67 per cent greater than the 1922 production of 76,000 bales. Commercial factors state that Pima long staple cotton comprises about 45 per cent (20,-

000 bales) of the 1923 crop in Arizona, compared with approximately 70 per cent or 32,786 bales last year. This sharp decrease in production of long staple cotton is reported to have followed upon a marked decline in the premium paid for long staple as compared with medium staple varieties of cotton which are more easily grown and produce larger yields per acre. Restricted yields of the shorter staple cottons in the United States during the past two years and increasing competition with Egyptian grown cotton in the long staple markets have been the principal causes of this contraction of price differentials. The following statistical summary presents pertinent data concerning the relative positions of Pima and Egyptian cotton in United States markets during the past two crop years.

	Mill Consumption Year ending July 31.		Crop and Imports Year ending July 31.		Estimated Carryover Stocks July 31.	
	1923 (bales)	1922 (bales)	1923 (bales)	1922 (bales)	1923 (bales)	1922 (bales)
Pima*	65,126	49,359	32,786†	37,094‡	29,221	58,955
Egyptian . . .	261,326	226,330	329,335§	233,729§	137,954	116,290

*Running bales—Egyptian cotton given in 500-pound bales. †1922 crop. ‡1921 crop. §Imports.

Commercial reports indicate that cotton of the 1923 crop has generally been sold as rapidly as it was ginned at prices well above those paid a year ago. Reported returns to growers are shown in the following table :

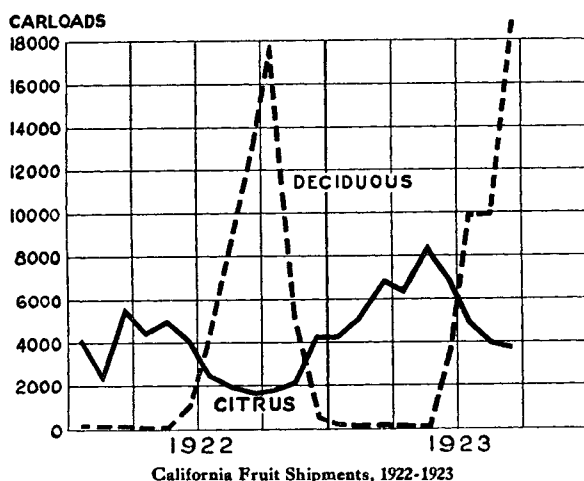
	Oct. 1, 1923 (per pound)	Sept. 1, 1923 (per pound)	Oct. 1, 1922 (per pound)
Pima Long Staple—No. 1 grade	35¢	30¢	34¢
Medium Staple—Average grade	28½¢	26¢	20¢

Rice is now (October 16th) being harvested in California and a total crop of 6,006,000 bushels (2,702,700 centals) is in prospect. The 1922 yield was estimated at 8,260,000 bushels (3,717,000 centals). Large quantities of 1922 crop rice have been shipped to Japan during the past month in connection with relief work being carried on in that country, and the old crop carryover in California has been greatly reduced. Present stocks of 1922 crop rice in that state, estimated at 55,000 centals on October 1st, are but one-third as large as the carryover of 1921 crop rice held on October 1, 1922. During the first weeks of October growers sold number one paddy rice of the 1923 crop (future delivery) at prices ranging from \$2.75 to \$3.00 per cental. Average returns to growers for the 1922 California rice crop have been approximately \$2.50 per cental, and that was the price paid growers in October, 1922.

The California bean crop has not been favored by the weather as have other crops, and earlier estimates of the 1923 yield have been reduced slightly, now standing at 4,336,000 bushels, including 1,620,000 bushels of lima

beans and 2,716,000 bushels of other varieties. The total crop in California amounted to 4,778,000 bushels last year, composed of 2,125,000 bushels of lima beans and 2,653,300 bushels of other varieties. The Department of Agriculture forecasts a 1923 production of beans in Idaho totaling 990,000 bushels, compared with 364,000 bushels produced last year. Lima bean prices have advanced slightly during recent weeks and are now approximately 35 per cent higher than one year ago. Prices for other varieties of beans range from 5 to 20 per cent higher than last year at this time.

Estimates of the 1923 production of the principal deciduous fruits of the district remain approximately the same as reported in the September Review. Heavy shipments of fresh fruits to eastern marketing centers have continued. Transportation facilities proved ade-



quate to handle the increased shipments until the beginning of the major seasonal movement of grapes from California late in September and during the first weeks of October, when a moderate car shortage and some congestion in eastern terminal markets were reported. The transportation situation as it affects the perishable products of this district, however, has improved greatly as compared with a year ago. Total deciduous fruit shipments and shipments of grapes from California up to October 7th of the past two seasons are given in the following table:

	1923 Season to October 7th (cars)	1922 Season to October 7th (cars)
Grapes	26,316	19,428
Total Deciduous Fruits.....	43,267	31,610

October 1st crop reports of the Department of Agriculture place the 1923 commercial apple crop in the Pacific Northwest at 36,729,000 boxes (bushels) and estimate the total commercial crop in the United States at 99,312,000 boxes (bushels), compared with 1922 yields of

28,017,000 boxes (bushels) and 92,865,000 boxes (bushels) respectively. Pacific Northwestern apples are reported to be of excellent quality and well colored this season. Early season varieties of boxed apples met with sharp competition from local grown fruit in eastern consuming centers and prices have been low. Many growers in the Pacific Northwest are reported to be shipping intermediate varieties of apples to eastern markets and placing them in cold storage there.

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

	Nov. 1st to Oct. 1st 1922-1923 (cars)	1921-1922 (cars)
Oranges	48,571	28,169
Lemons	8,177	9,613

Canned and Dried Fruits

The peak of the fruit canning season in California has now been passed, and although official statistics of the 1923 pack are not yet available, commercial reports indicate that canners did not materially alter their early season plans which called for a pack appreciably smaller than that produced in 1922 (15,477,865 cases). Canners in the Pacific Northwest this season have generally followed a policy of packing fruit only to fill orders received. Rising prices for canned fruits during recent weeks have caused an increase in volume of such business, and, as these packers are still operating on the later varieties of fruit, it is reported that the total of the 1923 pack may be somewhat larger than was previously estimated, although still below the pack of 1922.

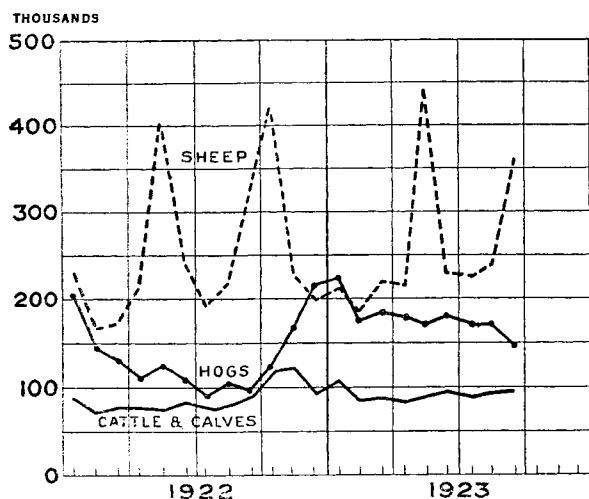
Domestic demand for canned fruits has increased moderately during recent weeks, and some wholesalers and jobbers are reported to have abandoned their earlier plan of buying to meet current needs only, and to be now satisfying a part of their future requirements. Export sales have continued in relatively small volume, although activity in the foreign market during the first weeks of October was reported to have been greater than during any previous period this season. Opening prices, and those advances over opening prices which were announced about the middle of September, have been well maintained during the last four weeks. On October 10th the largest factor in the trade withdrew from the market its offerings of some grades and sizes of apricots, cherries, grapes, peaches, pears, and plums.

Commercial reports indicate that the relatively low prices prevailing for most varieties of dried fruits during recent months have greatly stimulated demand, and that as a result carryover stocks of 1922 crop fruits have been

materially reduced. The growers' association controlling the bulk of dried apricots and prunes produced in California states that practically all of its 1922 crop dried apricots have been sold, and that its carryover of prunes has been reduced by 60 per cent during the past month. On October 11, 1923, it held 5,000 tons of 1922 crop prunes or approximately 5 per cent of that year's crop. Unsold stocks of 1922 crop prunes in the Pacific Northwest are reported to have been reduced by more than 50 per cent during the month. An increasing demand for California raisins is reported to have substantially reduced the carryover of 1922 crop fruit during recent months, stocks of old crop raisins on September 30th being placed at approximately 50,000 tons out of a total crop of 220,000 tons. On October 1st the Department of Agriculture estimated the 1923 California raisin crop at 235,000 tons, including not more than 200,000 tons of standard grade. Unsold stocks of dried peaches and figs held in California on October 1, 1923, were reported to be slightly larger than stocks held one year ago.

Livestock

Adequate supplies of feed and water have been available for livestock on ranges and pastures in practically all sections of the district, and cattle and sheep are generally in excellent



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)

condition. The grazing season on summer ranges in the mountain districts ends during October and livestock are already being moved to winter feeding grounds.

As is usual during September, receipts of cattle and sheep increased and receipts of calves and hogs declined at the eight principal markets in this district. Heavy shipments of

sheep to the Intermountain markets for transshipment to eastern feeder markets contributed greatly to the large increase of sheep receipts. Total receipts of all classes of livestock at eight principal markets in the district were larger than in September, 1922, as shown by the following table:

	Cattle	Calves	Hogs	Sheep
September, 1923..	74,806	20,343	147,026	339,027
August, 1923..	69,256	23,918	170,161	239,364
September, 1922..	70,328	19,295	97,143	321,273

The trend of prices for better grades of beef cattle in the district's markets continued upward during September, a movement contrary to that reported in the large central markets of the United States. There was also a slight advance in sheep and lamb prices. Prevailing prices for feeder sheep and lambs are reported to be higher than one year ago. Prices for hogs in the chief markets of the district declined during the month.

Dairy and Poultry Products

Production of butter declined during September, as is customary at this season of the year, and consumption of cold storage butter increased. Holdings of cold storage butter in the four principal markets of the district decreased from 6,312,719 pounds on September 1st to 4,893,783 pounds on October 1, 1923. Present stocks of cold storage butter in these markets are 24.5 per cent smaller than the record total holdings of 6,488,668 pounds reported on August 1, 1923, but are 65.2 per cent greater than total holdings of 2,961,970 pounds on October 1, 1922.

Although the volume of cold storage holdings of eggs in six principal markets of this district has decreased moderately during the past two months, a normal seasonal movement following the close of the heavy egg producing season in July, stocks held on October 1, 1923, were 21.7 per cent greater than similar stocks held on October 1, 1922.

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

	Oct. 1, 1923	Sept. 1, 1923	Aug. 1, 1923	Oct. 1, 1922
Butter (pounds)	4,893,783	6,312,719	6,488,668	2,961,970
Eggs (cases)	504,392	600,331	665,208	414,205

Prices

Marked price increases in the cloth and clothing, farm products, and food groups of the United States Department of Labor's index number of wholesale prices caused that index to advance from 150 in August to 154 in September (1913 prices=100), an increase of nearly $2\frac{3}{4}$ per cent. The figure reported for

September is the highest since May, 1923, when the recent gradual decline in wholesale prices began. The index numbers for the past six months follow:

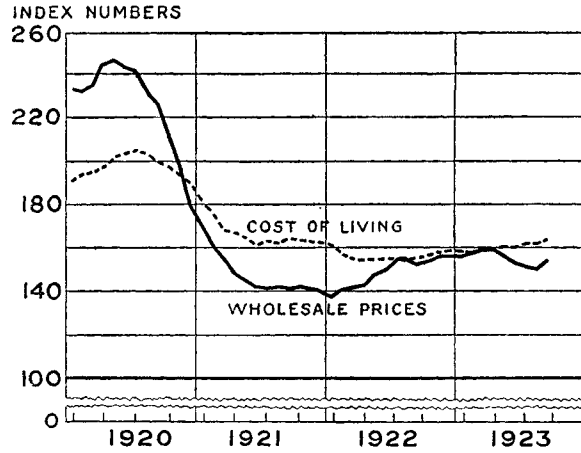
April, 1923.....	159	July, 1923....	151
May, 1923.....	156	August, 1923....	150
June, 1923.....	153	September, 1923....	154

The September, 1923, price level was approximately one-half of one per cent higher than in September, 1922.

Agricultural products in general held much of the price gains of August during the month of September, and in some cases further advances were recorded. All classes of livestock at central markets sold at slightly lower levels during September, however, and declines in prices of wool, barley, and rice were noted. The majority of the principal agricultural and livestock products of this district, including sheep, wool, wheat, barley, rice, cotton, and sugar, sold at prices above those of a year ago.

Wheat prices on the Chicago market strengthened during the past month. December

wheat was quoted at \$1.07½ to \$1.08½ per bushel on October 15th, compared with a quotation of 99⅛ cents per bushel on September 12th and \$1.09¾ to \$1.12½ per bushel on



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	Oct. 5, 1923	One Month Ago	One Year Ago
Twenty Basic Commodities (F. R. B. of N. Y.) 1913=100.		148.8	151.5	145.4
Wholesale Prices (U. S. Bureau of Labor) 1913=100.....		154.0	150.0	153.0
Cost of Living (National Industrial Conference Board)				
July, 1914=100		163.4	161.6	155.6
Cattle (Native Beef)... Weekly average price at Chicago..	100 lbs.	\$10.30	\$10.40	\$10.65
Sheep	100 lbs.	7.10	7.15	6.20
Lambs	100 lbs.	12.90	12.95	13.80
Hogs	100 lbs.	7.70	8.45	8.95
Wheat	bu.	1.07¾-1.08½	1.06-1.07½	1.06½-1.08
Barley	cental	1.40-1.60	1.50-1.70	1.40-1.50
Rice	cental	5.50	5.75	4.75
Cotton				
Middling Uplands—Weekly range of spot quotations at New Orleans.....	lb.	28.25-28.50¢	24.50-25.50¢	20.00-20.50¢
Wool	lb.	74.88¢	76.46¢	72.61¢
Flour				
First Grade Family Patent f. o. b. California mills	bbl.	7.04	7.04	7.41
Sugar	lb.	9.40¢	8.00¢	6.80¢
Apples				
Extra Fancy Jonathans f. o. b. Pacific Northwest	box	1.35-1.50	1.40-1.50	1.25-1.30
Oranges	box	3.50-4.00	3.50-4.00	10.00-11.00
Lemons	box	6.25-6.75	7.75-8.25	8.00-9.00
Dried Apples.... Choice in 50-lb. boxes f. o. b. California..	lb.	08¼-08½	07½-07¾	09½
Dried Apricots... Choice in 25-lb. boxes f. o. b. California..	lb.	09½-09¾	08½-08¾	22½-23½
Prunes	lb.	10¼-10½	09½-09¾	11¼-12
Raisins				
Loose Muscatel in 25-lb. boxes f. o. b. California	lb.	†08¾	.08	.10
Canned Apricots. Choice 2½s f. o. b. California.....	doz.	2.60	2.60	3.25
Canned Peaches.. Cling Choice, 2½s f. o. b. California.....	doz.	2.25	2.25	2.60
Canned Pears.... Bartlett, Standard 2½s f. o. b. California. doz.	doz.	2.40	2.35	2.85
Raw Milk	100 lbs.	2.79	2.74	2.31
Butter	lb.	.49½	.49	.54
Eggs	doz.	.58	.49	.60½
Copper	lb.	.13½	.13¾	.14
Lead	lb.	7.10¢	7.00¢	6.625¢
Silver	oz.	.63¾	.63¾	.69¾
Zinc	lb.	6.25-6.30¢	6.55-6.60¢	6.70¢
Petroleum	bbl.	1.04	1.04	1.95
Douglas Fir..... 2x4, 16 ft. No. 1 S1S1E f. o. b. Seattle... M ft.	M ft.	19.50	19.50	20.50
Douglas Fir..... 12x12 Timbers f. o. b. Seattle..... M ft.	M ft.	25.00	25.00	20.00

†1923 crop opening.

October 14, 1922. The sharp advance of cotton prices which carried middling upland cotton on the New Orleans spot market to 28¾ cents per pound on September 18th was followed by a period of price uncertainty during which the general tendency was downward. On October 13, 1923, this grade of cotton was quoted at 28.38 cents per pound, as compared with 21.13 cents per pound on October 13, 1922. Sugar prices continued upward during September, the quotation for granulated beet sugar in the San Francisco market advancing from \$8.00 per 100 pounds on September 4th to \$9.40 per 100 pounds on September 28th, at which price it is now (October 16th) being sold. Although wool is still selling at slightly higher prices than those quoted a year ago, the steady decline noted during recent months continued in September. The average of 98 wool quotations on the Boston market, at 74.88 cents per pound on October 7th, was approximately 1½ cents lower than one month ago, and about 2 cents higher than one year ago.

Grapes and apples are the only fresh deciduous fruits now being marketed in quantity. Prices for the former have been generally satisfactory to growers during recent weeks, but the apple market has been dull and returns to growers relatively low. The strength in the canned fruit market, noted last month, has continued and while no further price advances have been announced, several lines of goods have been withdrawn from sale by the largest factor in the trade. Present prices on the principal varieties of canned fruits are from 10 to 20 per cent below those of a year ago. Dried fruits are now selling at prices 15 to 60 per cent below those named in September, 1922.

A decline in copper prices to the lowest levels reached this year was the outstanding feature of the non-ferrous metal market during September. The market for other metals was not active, but quotations for lead and silver advanced slightly. Lumber prices generally remained at their August level.

Milling

Greater than seasonal increases in milling activity was reported from many sections of the district during September. Output of sixteen principal milling companies which report to this bank regularly was 739,115 barrels, a figure 51,000 barrels or 7.4 per cent larger than that reported in the former record month of October, 1922, and considerably in excess of any previous month since records were first kept in August, 1920. Output during September, 1923, was 37.1 per cent greater than during August, 1923, and 34.2 per cent greater than during September, 1922. A large part of

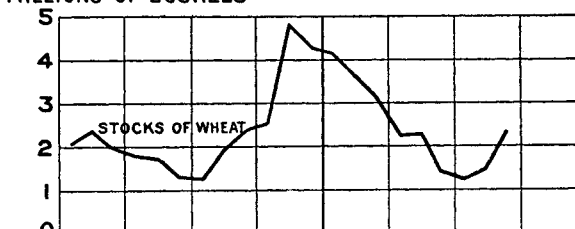
the increased production was used in meeting a strong export demand, which included abnormal flour purchases for relief work in Japan, and the remainder was placed in storage. Domestic demand continued relatively inactive.

Millers' stocks of new crop wheat, at 2,328,000 bushels on October 1, 1923, are approximately the same as one year ago. Figures of output and stocks for sixteen milling companies for which a continuous record is kept are given in the following table:

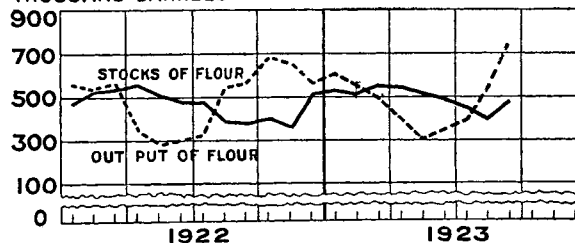
	Sept., 1923	Aug., 1923	Sept., 1922
Output (bbls.)	739,115	538,982	550,505
Stocks of Flour* (bbls.)	477,386	397,391	377,269
Stocks of Wheat* (bu.)	2,328,044	1,460,100	2,384,714

*As of the first day of the following month.

MILLIONS OF BUSHELS



THOUSAND BARRELS



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

Production of 45 flour mills reporting through sectional millers' associations of this district was 37.8 per cent greater during September, 1923, than production of 44 mills reporting during August, 1923, and 39.5 per cent greater than production of 48 mills reporting during September, 1922. The largest increase in volume of production was reported from Pacific Northwestern states. Figures follow:

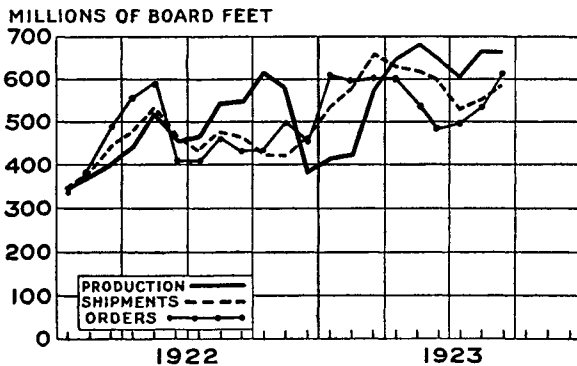
	No. of Mills Reporting		Output		
	Sept., 1923	Aug., 1923	Sept., 1923 (barrels)	Aug., 1923 (barrels)	Sept., 1922 (barrels)
California . . .	10	10	375,659	372,653	285,563
Idaho	3	3	16,446	12,212	7,863
Oregon	14	15	229,315	82,558	139,615
Washington . .	18	16	496,173	343,426	368,034
District	45	44	1,117,593	810,849	801,075

Lumber

Production of lumber during September proceeded at approximately the same high levels as in immediately preceding months, and was 20 per cent greater than during the same month a year ago. The volume of shipments

and of new orders received increased markedly during the month, exceeding the August figures by 5.6 and 14.5 per cent, respectively. Although figures for the whole month of September show an excess of production over orders received, examination of weekly reports indicates that this situation has recently been reversed, demand having been greater than current output during the last week of September and the first weeks of October. Figures showing the activity of approximately 200 reporting mills follow (000 omitted):

	Sept., 1923 (board feet)	Aug., 1923 (board feet)	Sept., 1922 (board feet)
Production	663,054	664,864	550,832
Shipments	582,551	551,355	466,940
Orders	610,722	533,327	434,365
Unfilled Orders.....	427,033	400,964	410,410



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

There was a noticeable increase in activity in domestic lumber markets during the past month. Dealers in California, on the Atlantic Seaboard, and in the Middle West all increased their purchases of lumber from this district. This improvement in market conditions is attributed by commercial observers to the continued heavy demand for lumber in the building industry, accelerated in California by the desire of purchasers to fill their requirements for the immediate future before possible changes in the market resulting from Japanese demands for lumber become effective.

Measures taken by district exporters to prevent undue speculation in lumber following the recent disaster in Japan (which included the withdrawal from the market of one of the principal factors in the trade) curtailed export shipments during September. Normal trading was resumed during the last week of the month, however, and the volume of orders accepted in that brief period was greater by 55.3 per cent than those received during the whole month of August. In addition to Japan the principal export markets for lumber products of the district were Australia, China, and the countries on the West Coast of South

America. Emergency changes in the tariff laws of Japan permit the importation of milled lumber into that country duty free, and Japanese importers are now buying American "standard sizes" in addition to unsawed lumber and "Japanese squares" previously purchased here.

Mining

National output of the principal non-ferrous metals changed but little during September. Some copper properties were closed down and one of the principal zinc-lead mines in Idaho suspended operations, but resulting declines in production in the affected districts were offset by the enlarged output at other mines where operating efficiency increased. Unfavorable factors in the situation were largely concerned with marketing problems, recently reported labor shortages generally having disappeared, and low cost producers of nearly all metals are operating near capacity. Mines with high production costs are in some cases finding it necessary to shut down or to continue operations at a loss in order to maintain their working organization intact. The final figures of national metal production for September, 1923, are not yet available. The figures for August, 1923, July, 1923, and August, 1922, follow:

	Aug., 1923	July, 1923	Aug., 1922
Copper (lbs.) (mine production)	129,377,401	125,249,347	100,838,000
Silver (oz.) (commercial bars)	5,292,607	5,406,000	5,561,523
Zinc (tons) (slab)	41,625	43,065	31,423

Figures for lead are not available.

Production of gold in California has continued at normal levels in recent months according to reports from mining districts.

The principal feature of the metal market during September was the continued decline in copper prices, that metal selling at 13 cents per pound at the close of the month, the lowest level reached this year. Both the domestic and foreign demand for copper was light during the month. Monthly average prices of lead and zinc were higher for September than for August, the market for lead having been particularly strong. Average prices paid for copper, lead, silver, zinc, and quicksilver during September, 1923, August, 1923, and September, 1922, follow:

	Average Prices		
	Sept., 1923 (cents)	Aug., 1923 (cents)	Sept., 1922 (cents)
Copper (lb.)			
New York Electrolytic..	13.32	13.82	13.74
Lead (lb.)			
New York	6.85	6.58	6.11
Silver (oz.)			
New York	64.20	62.79	69.51
Zinc (lb.)			
St. Louis	6.44	6.32	6.55
Quicksilver (dollars per flask)			
San Francisco....	61.34	64.68	57.68

A recent inquiry into the quicksilver (mercury) industry made by this bank reveals that approximately three-fourths of the quicksilver produced in the United States comes from the Twelfth Federal Reserve District, California being the principal producing state, with small amounts produced in Nevada and Oregon. During the past two years the district output of the metal has been greatly curtailed, amounting to 3,772 flasks (75 pounds each) in 1922 and 3,055 flasks in 1921, compared with a pre-war average normal production of approximately 16,000 flasks per year. This marked decline in production was the result of a protracted period during which prices were below the domestic cost of production, which is now estimated at between \$50 and \$60 per flask. In 1921 the average price of quicksilver was \$47.42 per flask and in 1922 it was \$57.83 per flask. Prices during the past nine months have been steadily above \$60 per flask and production has increased rapidly. The figures of the district output (estimated) for August, 1923, July, 1923, and August, 1922, follow:

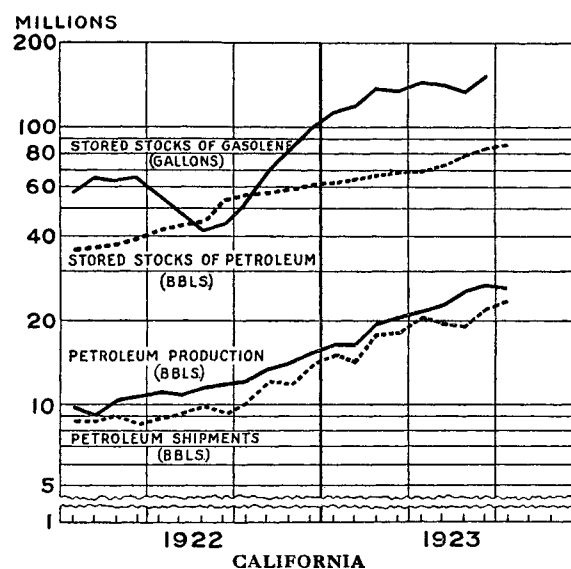
August, 1923 (flasks)	July, 1923 (flasks)	August, 1922 (flasks)
550	747	275

Petroleum

Production and stored stocks of petroleum in California increased during September to record levels. Daily average production during that month was 858,750 barrels, an increase of 0.7 per cent over average daily production during August, 1923 (852,903 barrels), and of 111.1 per cent over daily average production during September, 1922 (406,838 barrels). There were 93 new wells brought in during the month with an initial daily production of 139,960 barrels. There were 37 wells abandoned. Weekly reports covering early October operations indicate that production of oil has recently declined slightly from the high levels of September.

Consumption of petroleum produced in California averaged 779,657 barrels per day during September, 1923, an increase of 10 per cent over August, 1923, and 128.9 per cent over September, 1922. Average daily consumption, however, was still less than production, and stored stocks amounted to 85,496,607 barrels on October 1, 1923, an increase of 2.9 per cent over the 83,123,835 barrels stored on September 1, 1923, and of 52 per cent over the 56,259,301 barrels stored on October 1, 1922. Receipts of California oil at Atlantic and Gulf Coast ports declined from 211,741 barrels per day during August, 1923, to a daily average of 184,267 barrels during September, 1923. Prices for crude oil in California were reduced on October 9, 1923, the second reduction in the

past three months. New prices ranged from 60 cents per barrel for oil of 14 to 19.9 degrees gravity to 76 cents per barrel for oil of 35 or more degrees gravity. The reduction in the latter grade is from \$1.04 per barrel, the price which has obtained since August 1, 1923. It is reported that shipments of crude oil to east coast ports increased to their former large proportions following the price reduction of October 9th.



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

Although refinery output of gasolene in California declined during August, 1923, as compared with July, 1923, there was an even greater decline in consumption resulting in an increase in stocks from 136,585,654 gallons on August 1, 1923, to 153,605,104 gallons on September 1, 1923. The latter figure is the highest ever reported to this bank, and exceeds the previous record figure of 147,125,960 gallons held on June 1, 1923, by 4.4 per cent. Stocks were 247.7 per cent greater on September 1, 1923, than on September 1, 1922. On October 1, 1923, the California State gasolene tax of two cents per gallon became effective and was added to the service station price of the product, which is now 16 cents per gallon in the San Francisco Bay region.

Electric Energy

Sales of electric energy for industrial purposes reported by 20 principal power companies indicate that industrial activity was maintained during August at approximately the same level as in the previous month, a level but slightly below that of the first six months of the year (seasonal influences eliminated). Reported sales during August, 1923, were 14.2 per cent greater than during August, 1922, all

industries for which figures are available using power in excess of their purchases a year ago. Percentage comparisons of sales by certain industries and by sections of the district are presented in the following table:

Percentage Increase or Decrease (—) August, 1923, compared with August, 1922

	Agriculture	Mining	Manu- facturing	Total Industrial Sales
California	2.3	0.4	19.8	13.4
Pacific Northwest ...	—16.3	8.6	22.1	10.5
Intermountain States	— 6.8	98.4	— 3.5	21.9
Twelfth District	1.3	14.1	19.8	14.2

Compared with July, 1923, the figures for August showed an increase of 6.8 per cent in total sales, a normal seasonal movement.

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

	Number of Industrial Consumers		Industrial Sales K.W. H.	
	Aug., 1923	Aug., 1922	Aug., 1923	Aug., 1922
California	73,170	52,908	278,971,322	245,829,604
Pacific Northwest ..	12,314	10,871	82,145,882	74,320,462
Intermountain States	5,456*	7,881*	70,522,293	57,833,510
Twelfth District	90,940	71,660	431,639,497	377,983,576

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

Employment

Full employment of labor in practically all sections of the district was reported for September. The demand for agricultural workers, although generally declining, has continued in several areas where late harvesting operations have been in progress, and in the apple orchards of the Pacific Northwest and the cotton fields of Arizona some difficulty has been experienced in securing an adequate number of harvest hands. Men released from seasonal agricultural work, where harvesting has been completed, have generally been able to find employment in other industries.

In the lumber camps of the Pacific Northwest the number of men employed has increased slightly during the past month, reported figures for identical plants showing 83,700 men on the payrolls on October 1, 1923, compared with 83,000 on September 1, 1923. In the mining districts skilled miners have continued in active demand and fully employed, except in a few cases where the closing of a mine has created a temporary local surplus of workers. Shipping activity on the Pacific Coast has increased, and a growing number of long-shoremen are finding steady employment.

A slight seasonal decline in actual building construction has been noted in several cities during the past month, but no large surplus of building trades workers has been reported. In one or two cities of California carpenters and plumbers have been temporarily out of

work in the recent past, but bricklayers, plasterers, and tile setters have been fully employed in most sections. An inquiry into wages in the building trades conducted during September indicates that there has been little change in rates of pay during the past year. The following table shows in a general way the average daily wages paid certain classes of workers in the district during September, 1923, and 1922.

	Sept., 1923	Sept., 1922
Carpenters	\$8.00	\$7.00-8.00
Brick Masons	10.00-12.00	10.00-12.00
Tile Setters	8.00-10.00	8.00-10.00
Plasterers	10.00	10.00
Sheet Metal Workers.....	8.00-8.50	8.00

Employment in manufacturing industries in the four principal cities of the district increased during September, excepting in Portland, according to reports of the United States Department of Labor. The following figures based on reports of 40 firms employing 501 or more men give a comparison of employment conditions in manufacturing industries during September, 1923, and 1922:

	Number of Firms	Number of Men on Payroll		Per Cent Increase Sept., 1923, over Sept., 1922
		Sept., 1923	Sept., 1922	Sept., 1922
Los Angeles.....	16	34,066	28,092	21.3
Portland	8	9,123	7,289	25.2
San Francisco....	10	8,067	6,817	18.3
Seattle	6	2,433	2,311	5.3

Automobile Registrations

Sales of new automobiles, as evidenced by the number of new cars registered during August, continued greatly in excess of a year ago. In four states for which comparable data are available there were 37.9 per cent more new passenger cars and 22.3 per cent more new commercial vehicles registered during August, 1923, than during August, 1922. During the first eight months of 1923, as compared with the same period in 1922, there was an increase of 71.7 per cent in registrations of new passenger cars in these states and registrations of new trucks increased by 38.2 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 eight months of 1923 and 1922 are presented in the following table:

	Total New Passenger Cars Registered		Total New Commercial Cars Registered	
	Jan. 1 to Sept. 1 1923	Jan. 1 to Sept. 1 1922	Jan. 1 to Sept. 1 1923	Jan. 1 to Sept. 1 1922
Arizona	6,918	3,016	599	168
California	152,403	93,250	16,372	11,815
Idaho	6,676	3,337	446	321
Oregon	24,880	11,593	1,087	1,083
Utah	8,504	*	779	*
Washington	30,006†	11,990	3,002†	*
Total (4 States)	190,877	111,196	18,504	13,387

*Not available. †To August 1st only.

Total registrations of old and new automobiles in six states of the district (figures for Nevada are not available) to October 1, 1923, numbered 1,566,998, an increase of 28.1 per cent over the cars registered in the same period in 1922.

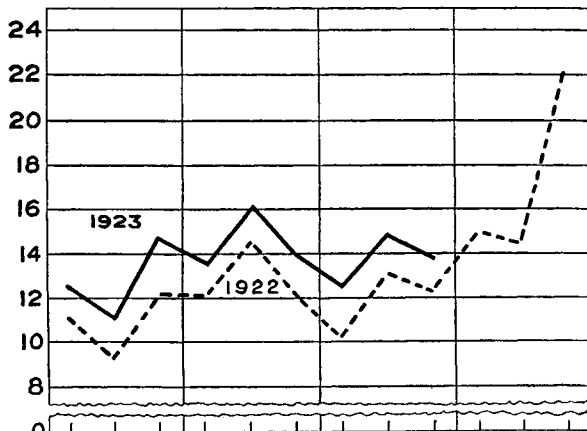
Preliminary figures compiled by the Federal Reserve Bank of Chicago show a slight seasonal decline in national production of automobiles during September as compared with August, but nevertheless September output exceeded that reported for July, 1923, and was over 50 per cent greater than production during September, 1922. The figures follow:

	Sept., 1923	Aug., 1923	Sept., 1922
Passenger Cars	298,600	313,972	187,456
Trucks	27,841	29,882	18,830
Total	326,441	343,854	206,286

Retail Trade

Sales of 35 department stores in seven cities of this district were 10.9 per cent greater in value during September, 1923, than during September, 1922, and trade was maintained at the relatively high levels which have prevailed throughout the year. There was a decline in

MILLIONS OF DOLLARS



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

sales during September, 1923, as compared with August, 1923, amounting to 7.0 per cent, due entirely to a seasonal decline in the volume of sales in California cities resulting from the merchandising policy of the reporting stores rather than from outside influences. Other cities of the district reported increased sales during September as compared with August.

Stocks of goods held by reporting stores increased 5.6 per cent in value during September as further shipments purchased for the fall and winter trade reached retail stock rooms. The value of stocks (selling price) held on October 1, 1923, was 13.3 per cent greater than the

value of stocks held by these stores a year ago. The average annual rate of stock turnover indicated by figures of sales and stocks for September, 1923, was 2.60 compared with a rate of 2.88 for August, 1923, and 2.67 for September, 1922.

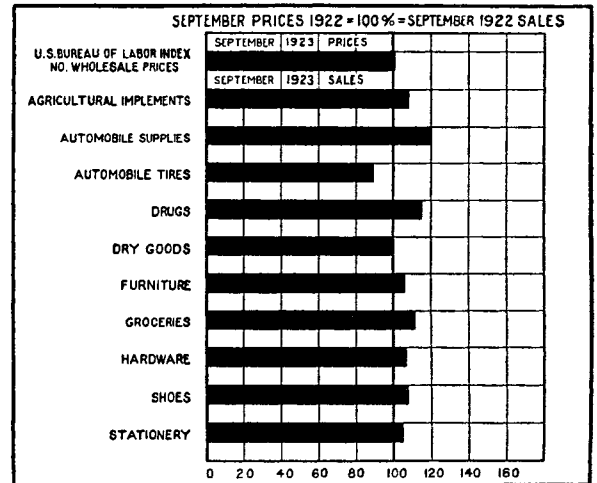
A detailed statement of the percentage changes in the value of sales and stocks of reporting department stores in this district follows:

No. of Stores	Percentage increase or decrease (-) in value of sales Sept., 1923, compared with		Percentage increase or decrease (-) in value of stocks Sept., 1923, compared with		
	Sept., 1922	Aug., 1923	Sept., 1922	Aug., 1923	
Los Angeles.....	6	24.7	-18.0	26.5	6.7
Oakland	4	5.0	-0.1	10.4	8.3
Salt Lake City...	4	1.8	19.9	-2.5	7.9
San Francisco....	10	6.2	-5.3	11.2	4.0
Seattle	5	0.3	6.1	7.3	4.9
Spokane	5	1.6	15.6	.0	1.8
District*	35	10.9	-7.0	13.3	5.6

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

Wholesale Trade

All reporting wholesale lines excepting automobile tires and dry goods showed increases in value of sales as compared with September, 1922, and sales of dry goods were approximately the same as one year ago. As general prices



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

during the year have not changed appreciably it is apparent that the volume of goods being distributed at wholesale is somewhat larger now than it was in the autumn of 1922 when trade was active and expanding in volume.

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

	Number of Firms Reporting Collections as			
	Excellent	Good	Fair	Poor
July, 1923.....	5	43	75	8
August, 1923.....	5	48	79	7
September, 1923.....	2	47	72	4

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

Number of Firms	Nine Months Ending Sept., 30, 1923, compared with same period in 1922		
	Sept., 1922	Aug., 1923	Sept., 1923, compared with same period in 1922
Agricultural Implements	23	8.0	—20.4
Automobile Supplies....	19	19.9	— 1.2
Automobile Tires.....	18	—10.7	—20.7
Drugs	9	15.2	2.3
Dry Goods	14	.0	— 6.6
Electrical Equipment...	6	7.9	11.3
Furniture	17	6.0	9.9
Groceries	29	11.5	10.7
Hardware	21	6.8	— 2.1
Shoes	13	7.7	7.7
Stationery	29	4.7	— 1.3

Building Activity

There was a decline in the number and value of building permits issued during September as compared with the record month of August, but the volume of construction authorized exceeded that authorized in September, 1922, both in number and value of permits issued, and if the number of permits alone be considered, the September, 1923, figures were greater than those reported in any previous month except March, April, and August, 1923.

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

	Sept., 1923, compared with	
	Sept., 1922	Aug., 1923
Number of Permits Issued.....	11.25	— 4.7
Value of Permits Issued.....	28.6	—23.8

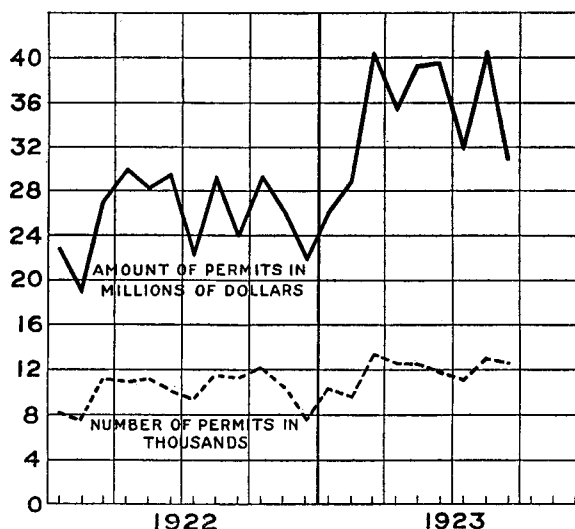
It has been reported that there was a slight seasonal decline in the amount of building actually in progress during late September and early October. Some verification of this state-

(B) Building Permits—

	September, 1923		September, 1922	
	No.	Value	No.	Value
Berkeley	244	\$ 765,160	237	\$ 471,400
Boise	81	110,069	84	39,353
Fresno	149	296,659	193	491,130
Long Beach..	380	1,409,462	314	1,317,438
Los Angeles..	5,268	14,099,353	4,275	10,267,894
Oakland	1,037	2,147,296	868	1,789,439
Ogden	34	267,300	33	48,308
Pasadena	471	1,061,338	395	788,439
Phoenix	71	127,323	55	79,601
Portland	1,428	2,378,060	1,411	1,534,005
Reno	12	16,400	17	176,950
Sacramento ..	303	429,998	236	338,560
Salt Lake City	117	953,775	129	330,800
San Diego....	422	1,306,260	478	861,980
San Francisco.	648	2,907,389	661	2,951,858
San Jose.....	108	184,685	82	124,755
Seattle	907	1,403,825	1,008	1,345,820
Spokane	252	158,410	312	283,680
Stockton	111	316,615	117	148,936
Tacoma	519	507,690	386	585,710
District	12,562	\$30,847,067	11,291	\$23,976,056

ment is contained in reports received which show that the demand for some classes of building trades workers has declined.

The United States Department of Labor index number of building materials prices stood at 182 in September. This is 2.1 per cent lower

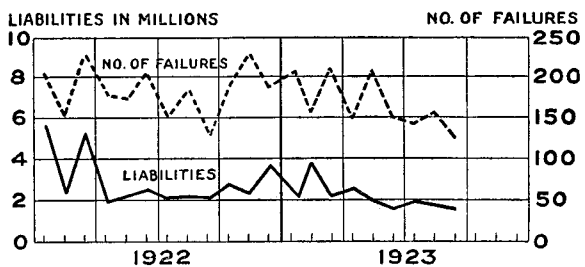


Building Permits Issued in 20 Principal Cities, Twelfth Federal Reserve District, 1922-1923

than a month ago, 1.1 per cent higher than one year ago and 10.8 per cent below the peak of April, 1923.

Business Failures

Business failures in this district during September, 1923, numbered 124, a decrease of 20 per cent from the number of failures reported for August, 1923. Liabilities involved in September failures were 12.4 per cent below August figures and were less than in any month since February, 1921. Compared with September, 1922, the number and liabilities of



Business Failures, Twelfth Federal Reserve District, 1922-1923

business failures in September, 1923, declined 2.4 per cent and 25.4 per cent, respectively. The average liabilities of business failures in this district during September, 1923, amounted to \$12,467 compared with \$11,379 in August, 1923, and \$16,322 in September, 1922.

R. G. Dun and Company's figures of the number and liabilities of business failures in

the states of this district during September, 1923, and August, 1923, follow:

	September, 1923		August, 1923	
	No.	Liabilities	No.	Liabilities
Arizona	1	\$ 1,000	2	\$ 133,833
California	50	580,662	62	685,078
Idaho	10	70,227	4	25,739
Nevada	1	500	2	17,897
Oregon	20	198,932	25	135,043
Utah	11	221,530	14	233,119
Washington	31	473,099	46	533,073
District	124	\$1,545,950	155	\$1,763,782

Bank Debits

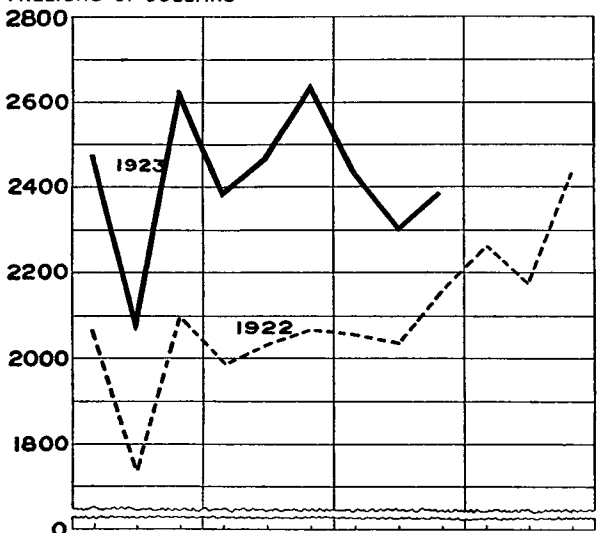
Figures of bank debits for the four weeks ending October 3, 1923 (presented in Table "C"), when compared with figures for the four

weeks ending August 29, 1923, show an increase of 16.3 per cent. If figures for the whole month of September be computed, however, and then be compared with figures for the month of August, making due allowance for normal seasonal variations, it is found that there was a marked decline in debits to individual accounts during the later month. A similar decline has been noted in each month since May, 1923. Insofar as these figures reflect changes in the total volume of business transacted in the district they indicate clearly that trade has not been as active in recent months as in the earlier months of the year, and that the decline was still in progress during September.

A statistical comparison of debits to individual accounts at 21 clearing house centers during September, 1923, and September, 1922, is presented in the following table:

Reported for Four Weeks Ending	Estimated for Month of	Estimated Figures Seasonal Variations Eliminated	
		Sept., 1923	Sept., 1922
Oct. 3, 1923	Oct. 4, 1922	\$2,385,524	\$2,160,526
		\$2,415,156	\$2,053,532

MILLIONS OF DOLLARS



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

Savings Accounts

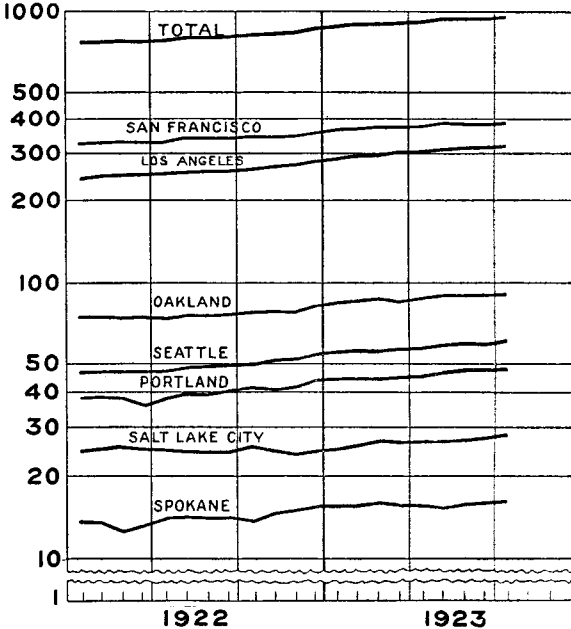
The amount of all savings deposits in 74 banks in seven principal cities of the district increased from \$936,938,000 on August 31, 1922, to \$948,946,000 on September 30, 1923, a gain of 1.2 per cent.

(C) Bank Debits*—

	Four weeks ending Oct. 3, 1923	Four weeks ending Oct. 4, 1922
Berkeley	\$ 14,536	\$ 16,414
Boise	12,167	11,901
Fresno	56,113	54,136
Long Beach.....	58,815	36,267
Los Angeles.....	678,909	494,423
Oakland	117,847	87,022
Ogden	24,296	18,781
Pasadena	27,170	21,922
Phoenix	17,470	14,913
Portland	164,333	144,694
Reno	10,427	10,579
Sacramento	37,478	67,194
Salt Lake City.....	58,291	53,677
San Diego.....	39,986	33,473
San Francisco.....	779,756	709,602
San Jose.....	20,982	21,096
Seattle	170,383	150,829
Spokane	49,493	40,829
Stockton	26,635	20,562
Tacoma	38,688	35,004
Yakima	11,381	10,214
Total	\$2,415,156	\$2,053,532

*000 omitted.

MILLIONS OF DOLLARS



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

1923, to \$948,946,000 on September 30, 1923, a gain of 1.2 per cent. All reporting cities participated in the increase. Compared with September, 1922, the district figures for September, 1923, show an increase of 15.8 per cent.

Los Angeles and Seattle continue to report the largest percentage increases for the year period, amounting to 22.7 per cent for the former city and 22.3 per cent for the latter. Detailed changes in the amount of savings deposits since one month ago and one year ago as reported by the 74 banks follow:

	Number of Reporting Banks	Per Cent Increase Sept., 1923, compared with	
		Sept., 1922	Aug., 1923
Los Angeles.....	13	22.7	1.2
Oakland*	7	14.2	.3
Portland	9	15.0	.5
Salt Lake City.....	8	12.4	3.8
San Francisco.....	15†	10.5	1.2
Seattle	16	22.3	2.6
Spokane	6	17.5	1.7
Total	74‡	15.8	1.2

*Includes one bank in Berkeley which was formerly a branch of an Oakland bank.
 †Two reporting banks have consolidated.
 ‡The consolidation of two reporting banks has reduced their number by one, but has not affected the value of reported figures for comparative purposes.

Banking and Credit Situation

Total loans of 66 reporting member banks in the principal cities of the district increased from \$992,000,000 on September 5th to \$1,008,-

ments of these banks increased \$4,000,000, total deposits increased \$26,000,000, and borrowings from the Federal Reserve bank decreased \$9,000,000.

Since July 18th, when they were at the mid-summer low point, loans of reporting member banks have increased \$22,000,000, or 2.2 per cent. During the corresponding period in 1922 loans increased 2.7 per cent. These and other figures are presented in the following table referring to reporting member banks (in millions of dollars):

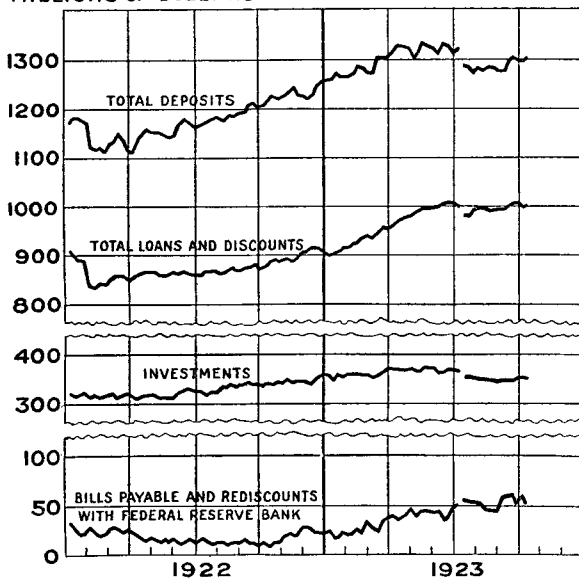
	Midsummer Low 1923	Low 1922	Middle of Oct., 1923	Middle of Oct., 1922
Loans	978	864	1,000	887
Investments	353	325	350	338
Total Deposits	1,284	1,180	1,303	1,225
Borrowings from Reserve Bank	54	9	53	6

It appears that, so far as trends in banking are concerned, the principal differences between the present season and that of a year ago are that investments are not increasing this year and that deposits are increasing at a less rapid rate than last year.

Total discounts of the Federal Reserve Bank of San Francisco declined from \$91,000,000 on September 5th, when they were at the highest point reached since November, 1921, to \$71,000,000 on October 17th. That this decline of \$20,000,000, or 22.1 per cent, was of a seasonal character is suggested by the fact that during the corresponding period in 1922, total discounts declined \$9,000,000, or 19.4 per cent. This is the season of the year during which country banks, as a result of the inflow of funds from the sale of farm products, are reducing their borrowings with city correspondents and at the Reserve bank. Total investments of the Federal Reserve bank reached a new low point on October 17th, and as a result of the decline both of discounts and investments, total earning assets of \$92,000,000 on October 17th were the smallest reported since March, 1922. Accompanying the decline in earning assets there has been an increase in total reserves, which rose to \$297,000,000 on October 17th, the highest figure reached in the history of this bank, exceeding slightly the previous peak figure reported on March 1, 1922. Federal Reserve notes in circulation increased slightly during the five weeks ended October 17th.

No changes in interest rates at New York City were reported during the second half of September and the first half of October, the rate on time money remaining at 5½ per cent and the rate on prime commercial paper at 5¼

MILLIONS OF DOLLARS



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

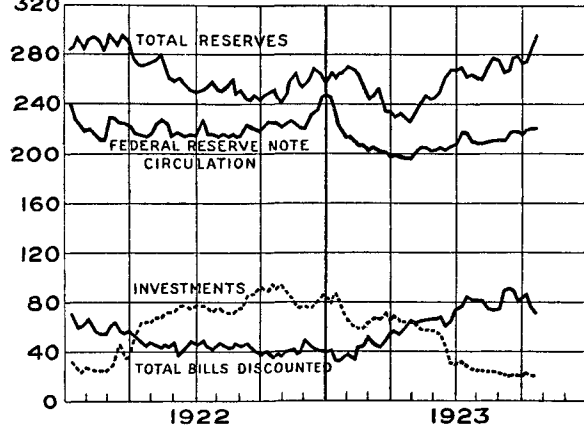
000,000 on September 19th, a new high point this year for the banks now reporting, and then declined to \$1,000,000,000 on October 10th, making a net increase during the five weeks of \$8,000,000. During the same period invest-

per cent. During the same period in 1922 these rates advanced $\frac{3}{8}$ and $\frac{1}{4}$ of 1 per cent, respectively. Average rates charged by large San Francisco banks on prime loans to customer borrowers continued during September at $5\frac{1}{2}$

per cent on 30-90 days paper and $5\frac{1}{2}$ to 6 per cent on 4-6 months' paper.

Conditions in the acceptance market have changed little during recent weeks. City banks have generally remained out of the market, but country banks, placed in funds by the marketing of the district's crops, have purchased bills more freely than for some time past. 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 September, 1923, compared with August, 1923, and September, 1922:

MILLIONS OF DOLLARS



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

	September, 1923, compared with	
	Aug., 1923	Sept., 1922
Amount of bills accepted	—13.0%	—27.6%
Amount of bills bought	—39.5%	—62.6%
Amount of bills held at close of month	—24.6%	—36.1%

The principal commodities upon which these acceptances were based were lumber, coffee, grain, canned goods, and shelled peanuts.

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

	October 10, 1923	September 5, 1923	October 11, 1922
Number of Reporting Banks	65*	66*	66*
Loans and Discounts (including rediscounts)	\$1,000,326,000	\$ 992,315,000	\$ 883,801,000
Investments	350,294,000	346,191,000	338,398,000
Cash in Vault and with Federal Reserve Bank	121,697,000	122,111,000	112,217,000
Total Deposits	1,303,080,000	1,276,789,000	1,225,536,000
Bills Payable and Rediscounts with Federal Reserve Bank	52,995,000	61,638,000	6,381,000

*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, OCTOBER 17, 1923

	October 17, 1923	September 12, 1923	October 18, 1922
RESOURCES			
Total Reserves	\$296,789,000	\$277,464,000	\$243,081,000
Bills Discounted	71,217,000	89,440,000	36,580,000
Bills Bought in Open Market	11,394,000	12,012,000	42,661,000
United States Government Securities	9,185,000	9,185,000	51,407,000
Total Earning Assets	\$ 91,796,000	\$110,637,000	\$130,648,000
All Other Resources*	69,305,000	61,175,000	54,918,000
Total Resources	\$457,890,000	\$449,276,000	\$428,647,000
LIABILITIES			
Capital and Surplus	\$ 23,018,000	\$ 23,034,000	\$ 22,802,000
Total Deposits	163,707,000	160,003,000	138,433,000
Federal Reserve Notes in Actual Circulation	220,519,000	218,676,000	223,519,000
All Other Liabilities†	50,646,000	47,563,000	43,893,000
Total Liabilities	\$457,890,000	\$449,276,000	\$428,647,000
*Includes "Uncollected Items"	54,031,000	47,719,000	48,494,000
†Includes "Deferred Availability Items"	48,472,000	45,554,000	40,388,000

A substantial, black, cloth-covered, three-ring binder, large enough to contain one year's (12) issues of this review, will be mailed prepaid to any address on our mailing list upon receipt of one dollar to cover actual costs.