

MONTHLY REVIEW

OF

BUSINESS CONDITIONS

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

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No. 1

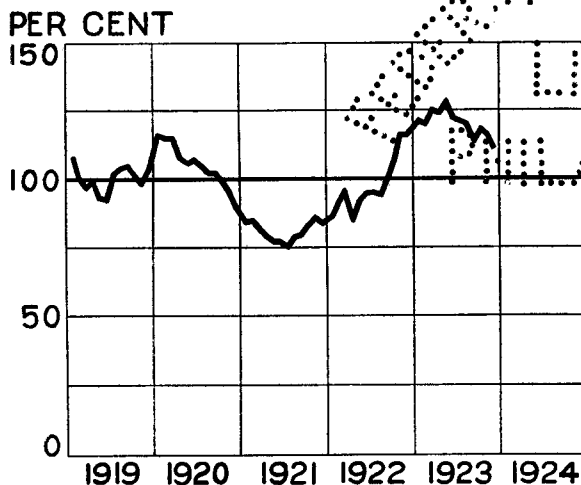
Summary of National Conditions

Production of basic commodities showed a further decline in December, and wholesale prices receded slightly. Christmas trade was somewhat larger than a year ago. Changes in the banking situation in January reflected, chiefly, an unusually large return flow of currency after the holiday season.

Production. The index of production in basic industries declined 4 per cent in December to the low point of the year. The decrease for the month reflected, principally, a large reduction in consumption of cotton, but also reduced operations in the woolen, petroleum, sugar, and lumber industries. Production of pig iron and anthracite coal increased. The Federal Reserve

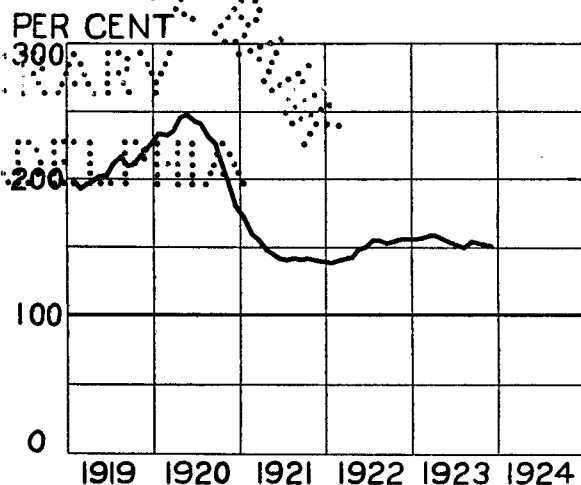
Board's index of factory employment decreased 1 per cent during December, and was 4 per cent lower than in the spring of 1923. The largest decreases were at plants manufacturing food products and railroad equipment. Building contract awards in December were smaller than in November, but almost 25 per cent larger than a year ago.

Trade. Railroad shipments continued to decrease during December and were slightly less than in December, 1922. Loadings of coal and grain were smaller than a year ago, while loadings of miscellaneous merchandise and livestock were larger. The volume of wholesale trade showed more than the usual seasonal decrease, and was at about the same level as a



Production in Basic Industries

Index of 22 basic commodities corrected for seasonal variation (1919=100).
Latest figure, December 111.



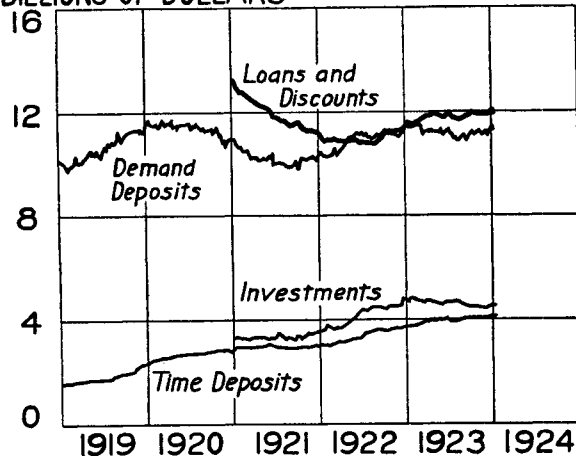
Wholesale Prices

Index of U. S. Bureau of Labor Statistics, (1913=100, base adopted by Bureau.)
Latest figure, December 151.

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year ago. Sales of meat, hardware, and drugs were larger than in December, 1922, while sales of dry goods and shoes were smaller. Retail trade, though larger in December, 1923, than in any other month on record, did not show as large an increase over November as is usual at the Christmas season.

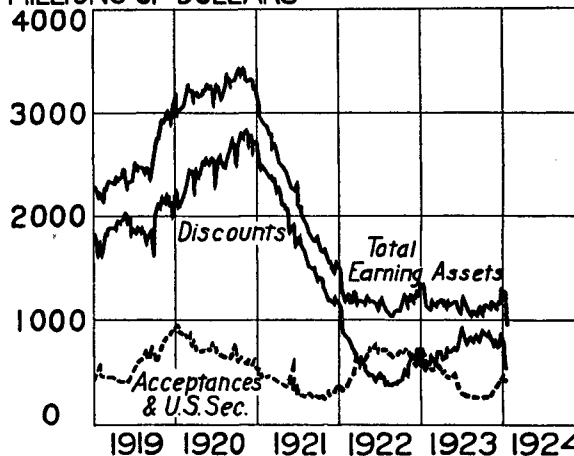
BILLIONS OF DOLLARS



Member Bank Credit

Weekly figures for member banks in 101 leading cities. Latest figure, January 9.

MILLIONS OF DOLLARS



Reserve Bank Credit

Weekly figures for 12 Federal Reserve Banks. Latest figure, January 16.

Prices. Wholesale prices, according to the index of the Bureau of Labor Statistics, decreased less than 1 per cent during December. The chief reductions occurred in prices of fuel and building materials, while prices of clothing and metals increased, and prices of farm products remained unchanged. During the first two weeks of January, prices of corn, wheat, pig iron, petroleum, and lumber advanced, while quotations on cotton, sugar, and copper declined.

Bank credit. The volume of credit extended by the Federal Reserve banks showed the usual sharp increase during the latter part of December in response to holiday requirements for credit and currency and financial settlements falling due on the first of January. With the passing of the seasonal demands there was an unusually rapid return flow of currency to the Reserve banks, reflected both in an increase of reserves and a decline of Federal Reserve note circulation. Member banks used the currency returned from circulation to reduce their borrowing, with the consequence that the earning assets of the Federal Reserve banks declined by \$360,000,000 during the four weeks following Christmas, or approximately \$150,000,000 more than during the corresponding period of

1923. At the middle of January the volume of Reserve bank credit outstanding was below \$1,000,000,000 for the first time since early in 1918.

Loans made largely for commercial purposes by member banks in principal cities declined between December 12th and January 16th to a

point \$264,000,000 lower than at the peak in October, and to about the level of July, 1923. This decrease in loans, which was general throughout the country, was accompanied by a movement of funds to the financial centers and an increase in loans on securities, principally in New York.

Easier money conditions in January were reflected in a further slight decline in the rate on prime commercial paper to 4¾ per cent (compared with 4¾ to 5 per cent in December) and in increased activity in the investment markets.

Summary of District Conditions

Less than the normal seasonal decline of activity in the principal industries of this district occurred during December, while trade, although characterized by caution, was maintained at the high levels of recent months. Debits to individual accounts at banks in 20 clearing house centers, figures which afford an approximate index of the total volume of business carried on in the district, were smaller, when corrected for seasonal variation, than in previous months of 1923 (except September), but were larger by more than 7 per cent than in December, 1922. An index of debits to individual accounts prepared by this bank shows

the following figures for December of the past five years (1919 monthly average=100):

| 1923 | 1922 | 1921 | 1920 | 1919 |
|-------|-------|-------|-------|-------|
| 120.4 | 112.1 | 103.2 | 113.4 | 108.5 |

These figures are not corrected for price changes during the period, but comparative stability of the general price level during the past year makes such correction unnecessary when comparing December, 1923, with December, 1922, and correction for price changes since 1920 would increase the index number for 1923.

Detailed figures of activity in industry and trade, now available for the full year 1923, confirm previous estimates of record production and distribution of the chief products of the district. Of particular significance are the figures compiled by the United States Department of Agriculture showing gains of 20 and 23 per cent, respectively, in the total dollar value of grains and of field crops produced in this district during 1923 as compared with 1922, gains which were offset to some extent by a decline of 10 per cent in the dollar value of fruit crops. Products of the farm, however, have advanced in price during the year by 1.4 per cent, while prices of other commodities have declined 3.2 per cent, thus improving the position of the agriculturist even without the increase in total value of his crop which the grain and field crop farmer has experienced. Disquieting reports are being received from agriculturists and livestock men in all parts of California, where the seasonal rainfall to date has been approximately one-third of normal, although damage now in prospect from drought would be materially diminished by abnormally heavy rains in February.

Output of **lumber** during the year, as reported by 200 mills of the district, was approximately 25 per cent larger than in 1922. Shipments of lumber and the volume of orders received increased as did production, and no abnormal growth of stocks has been reported. The value of **gold** and **silver** produced in the mines of the district was 11.6 per cent greater in 1923 than in 1922, and physical volume of output of the principal **industrial metals** (copper, lead, and zinc) increased by even greater percentages. The **canned fruit** pack in three principal producing states was 1.4 per cent above the average of the past four years. A reduction of 20 per cent from the record pack of 1922 was the immediate result of a difficult marketing situation at the beginning of the packing year, a situation which improved as it became certain that the year's pack would be

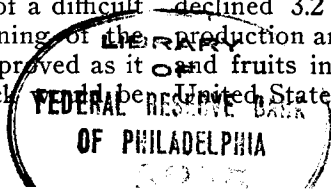
considerably smaller than that produced in 1922. Average daily production of **petroleum** in California declined rapidly during the last three months of 1923, but total output for the year was approximately twice as great as in the previous record year 1922. In December, 1923, for the first time since late in 1921, production of petroleum in California was less than consumption, as indicated by producers' shipments, and stored stocks declined by a fraction of 1 per cent. In mid-January prices of crude oil and gasolene, which had been at low levels since September, 1923, were advanced. Figures of **building** permits issued in 20 cities during December indicate no abatement in building activity during coming months. Both the number and value of permits issued in this district during the year 1923 were of record proportions. The figures follow:

| | 1923 | 1922 | Percentage Increase |
|-------------------|----------------|---------------|---------------------|
| Number of Permits | 144,673 | 122,295 | 36 |
| Value of Permits. | .\$419,726,221 | \$310,644,294 | 35 |

Bank credit has continued relatively abundant, and since the turn of the year an easier tendency in interest rates has been noted. During the past six weeks changes in conditions of member banks and the Reserve Bank in this district have been largely in response to year end demands for credit and currency. Loans and discounts of reporting member banks and their borrowings from the Reserve Bank were slightly higher on January 9, 1924, than on January 10, 1923, reflecting the increased demand for funds incident to rising activity in industry during the past year. The deposits of these banks reached the highest point on record, \$1,344,183,000 on January 9, 1924, and the ratio of their total deposits to total loans stood at 133.6 on that date compared with 139.8 a year ago.

Agriculture

The volume of agricultural production in this district increased substantially during 1923, accompanied by an advance in farm value of all products excepting fruits. That the increase in value of farm crops has resulted in an increase in actual purchasing power of farming communities appears probable from the fact that prices of farm products, as a group, have risen approximately 1.4 per cent during the past year, while the general level of prices has declined 3.2 per cent. Weighted indexes of production and farm value of **grains, field crops** and **fruits** in the Twelfth District and in the United States, and of the purchasing power of



farm products in the United States during the years 1919 to 1923, inclusive, are given in Table "A." The actual value of crops included in the indexes for the Twelfth District is given in Table "B."

Combined production of the principal grain crops of the district during 1923 increased 27.9 per cent over 1922, according to the grain index prepared by this bank, which reveals a general upward trend of production during the past five years. Segregated figures for wheat, barley, and oats indicate that the increase in grain production during 1923 was due chiefly to a record wheat crop, the greater part of which was produced in the Pacific Northwest. The combined total farm value of the three grains increased 20.1 per cent during 1923 compared with 1922. Combined production and combined farm value of wheat, barley, and oats in the United States were slightly smaller during 1923 than during 1922.

Production of the district's chief field crops during 1923 was larger than in 1922. Relatively large increases in yields of beans, cotton, and sugar beets during 1923 were offset by declines in production of potatoes and rice. The combined total farm value of five selected field crops of this district was 22.7 per cent greater in 1923 than in 1922. During 1923, total United States production of crops included in the index increased but little over 1922.

The production index for fruits shows an increasing yearly volume and a steady decrease in farm values during the past five years, both in the Twelfth District and in the United States. Production in the district during 1923 was 3.3 per cent greater than in 1922. The district index of farm value of fruits dropped from

86.1 for 1922 to 76.8 for 1923, a decline of 10.8 per cent. There was a decline of 1.4 per cent in the index for the United States during the same period. The farm value indexes for the district and for the United States during 1923 were 41.4 per cent and 26.7 per cent, respectively, lower than their high points in 1919.

Acreage sown to winter wheat in this district during the autumn of 1923 was 0.8 per cent less than was sown during the autumn of 1922. The condition of the crop on December 1, 1923, was better than the 10-year average on that date in all states except California. Up to the present time (January 16th) weather and soil conditions in the Pacific Northwest, where the bulk of winter wheat produced in this district is grown, have been favorable for growing grains. Grain crops sown during the present season in California have suffered because of insufficient rainfall. The acreage and condition of winter wheat by states in this district and for the United States are given in the following table:

| | Area Sown (Acres) | | Per Cent Decrease 1923 compared with 1922 | Condition Dec. 1st 10-Year Average | |
|-------------------|----------------------------|------------------------|---|------------------------------------|---------|
| | Autumn 1923 (Preliminary)* | Autumn 1922 (Revised)* | | 1923 | Average |
| Arizona | 32 | 46 | 30 | 95 | 94 |
| California | 691 | 813 | 15 | 82 | 92 |
| Idaho | 368 | 409 | 10 | 94 | 89 |
| Nevada | 3 | 3 | 0 | 98 | 89 |
| Oregon | 896 | 896 | 0 | 97 | 92 |
| Utah | 152 | 152 | 0 | 93 | 88 |
| Washington | 1,559 | 1,417 | 10† | 94 | 85 |
| Twelfth District. | 3,701 | 3,736 | 0.8 | .. | .. |
| United States ... | 40,191 | 45,950 | 12.6 | 88.0 | 86.5 |

*000 omitted.
†Increase.

(A) Weighted Indexes of Production, Farm Value and Purchasing Power of Farm Products—

| | 1919 | | 1920 | | 1921 | | 1922 | | 1923 | |
|--|------------|---------------|------------|---------------|------------|---------------|------------|---------------|------------|---------------|
| | 12th Dist. | United States | 12th Dist. | United States | 12th Dist. | United States | 12th Dist. | United States | 12th Dist. | United States |
| Production—Physical Volume | | | | | | | | | | |
| GrainWheat, barley and oats*.... | 100.5 | 101.3 | 100.8 | 101.5 | 111.4 | 88.9 | 97.5 | 96.6 | 123.8 | 93.7 |
| Field Crops...Potatoes, beans, sugar beets, cotton and rice†..... | 97.6 | 99.9 | 105.9 | 118.2 | 90.4 | 79.2 | 94.9 | 96.5 | 96.8 | 97.0 |
| FruitsApples, oranges, raisins, peaches, prunes and pears†.. | 105.4 | 96.5 | 84.0 | 100.6 | 91.8 | 79.6 | 103.8 | 111.3 | 115.0 | 112.0 |
| Farm Value‡ | | | | | | | | | | |
| GrainsWheat, barley and oats*.... | 144.3 | 141.4 | 99.0 | 92.6 | 67.2 | 52.5 | 69.3 | 66.3 | 83.9 | 62.9 |
| Field Crops...Potatoes, beans, sugar beets, cotton and rice†..... | 129.4 | 149.9 | 103.6 | 83.3 | 71.8 | 60.5 | 68.2 | 81.6 | 83.7 | 107.5 |
| FruitsApples, oranges, raisins, peaches, prunes and pears†.. | 131.1 | 123.5 | 105.3 | 107.2 | 100.8 | 87.0 | 86.1 | 91.8 | 76.8 | 90.5 |
| Purchasing Power of Farm Products§..... | | 111 | | 86 | | 67 | | 69 | | 72 |

*Five-year average 1918-1922=100.

†Five-year average 1919-1923=100.

‡Based on prices as of December 1st except where other dates conform more closely to the period of heaviest marketing by producers.

§Computed by United States Department of Agriculture.

SOURCE: United States Department of Agriculture.

NOTE: These index numbers are based upon the relation of the total annual production and farm value figures for each group to the five-year average, 1918-1922 (1919-1923 for fruits). The proportion of the total farm value of each commodity within a group, for the indicated five-year period, to the total farm value of all commodities in that group for the same period, is used as a basis for weighting the different commodities.

Livestock

Ample seasonal rainfall and a plentiful supply of feed on winter ranges in the Intermountain States and the Pacific Northwest were factors favoring the livestock industry of the district during the past month, as was the occurrence of scattered rains over parts of California. Severe cold weather in some sections during the first weeks of January, 1924, and a serious shortage of grass feeds on those California ranges now or previously suffering from drought were unfavorable factors.

Receipts of all classes of livestock, except hogs, normally decreased in December, due to heavy shipments and consumption of poultry during the year end holiday season and other purely seasonal causes. Livestock receipts at eight principal markets of the district during December, 1923, were, however, uniformly larger than during December, 1922. Receipts

during December and November of the past two years are given in the following table:

| | Cattle | Calves | Hogs | Sheep |
|--------------------|---------|--------|---------|---------|
| December, 1923.... | 93,513 | 22,353 | 251,443 | 204,871 |
| November, 1923.... | 101,593 | 23,393 | 218,471 | 213,732 |
| December, 1922.... | 74,217 | 17,734 | 217,124 | 199,526 |
| November, 1922.... | 102,964 | 18,921 | 167,073 | 228,091 |

Prices for cattle, hogs, and lambs in the chief markets of the district generally tended toward higher levels during December, although a slight downward trend was noted for cattle and lambs in Southern California markets.

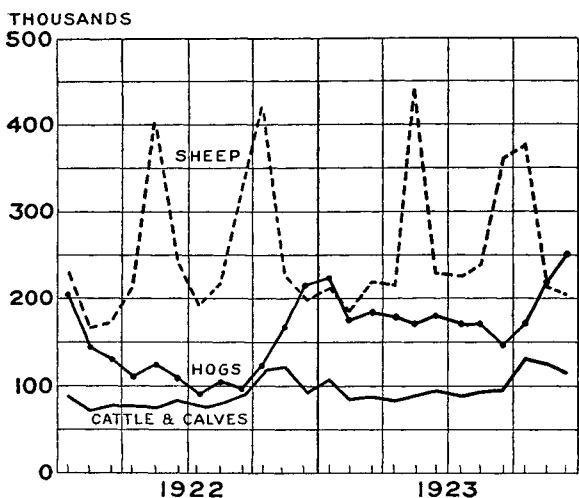
Dairy and Poultry Products

Abnormal declines in production of butter in many sections of California, where lack of rainfall has caused deterioration of pastures, have accentuated the downward trend of output regularly evidenced during the winter months. Heavy withdrawals of butter from cold storage have been necessary, but stocks have continued larger than a year ago. Holdings of storage butter in four principal markets of the district, at 1,203,128 pounds on January 1, 1924, were 175.2 per cent greater than on January 1, 1923, when there were but 437,061 pounds of butter in storage at those markets. Reported cold storage holdings of butter in the United States were 30,282,000 pounds on January 1, 1924, compared with a five-year average of 46,312,000 pounds.

During December, 1923, holdings of cold storage eggs at six principal markets of the district declined from 192,685 cases to 76,304 cases, the figure reported on January 1, 1924, which was 306.3 per cent greater than total holdings of 24,908 cases on January 1, 1923.

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

| | Jan. 1, 1924 | Dec. 1, 1923 | Dec. 1, 1922 | Jan. 1, 1923 |
|------------------|--------------|--------------|--------------|--------------|
| Butter (pounds) | 1,203,128 | 2,212,735 | 1,117,208 | 437,061 |
| Eggs (cases) ... | 76,304 | 192,685 | 75,657 | 24,908 |



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)

(B) Crop Values—Twelfth District*

| | Farm Value December 1st | | |
|-------------------|-------------------------|-----------|-----------|
| | 1923 | 1922† | 1921† |
| Wheat | \$125,701 | \$100,489 | \$106,412 |
| Barley | 31,809 | 27,707 | 21,729 |
| Oats | 19,803 | 16,643 | 13,682 |
| Potatoes | 27,702 | 21,341 | 38,229 |
| Beans | 22,492 | 21,394 | 11,005 |
| Sugar Beets | 18,400 | 10,762 | 16,430 |
| Cotton | 21,950 | 16,886 | 9,018 |
| Rice | 6,126 | 8,470 | 8,384 |
| Apples | 33,891 | 32,405 | 48,332 |
| Oranges | 41,567 | 24,200 | 46,574 |
| Raisins | 18,960 | 24,885 | 27,550 |
| Peaches | 13,310 | 21,310 | 26,564 |
| Prunes | 8,000 | 15,400 | 11,700 |
| Pears | 11,134 | 11,979 | 9,829 |

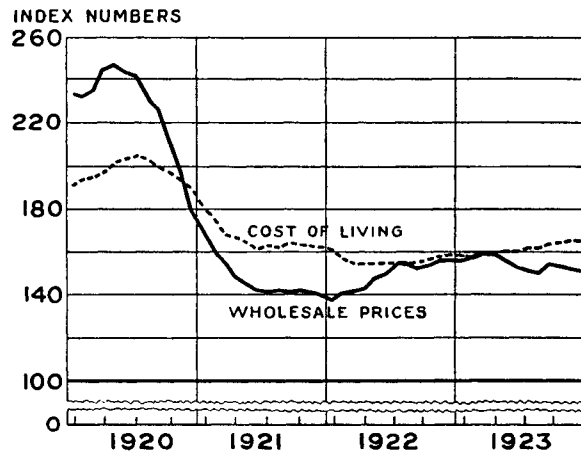
*000 omitted.
†Revised figures.

Prices

Stability characterized the general price level during December, although readjustments within groups and between different groups of commodities continued. Seasonal adjustment of prices within the livestock group advanced Chicago quotations for sheep, lambs, and hogs, while cattle prices declined. The latter decline was smaller than that noted in December, 1922, however, and present prices for cattle are higher than a year ago. Sheep, lambs, and hogs, on the contrary, are now selling at lower levels than at the close of 1922. The trend of grain prices was downward during December, 1923. Quotations for contract wheat at Chicago and cash prices for shipping barley at San Francisco

were lower at the beginning of January, 1924, than at the beginning of December, 1923, or January, 1923. Relative stability, with a slight upward tendency, marked the course of daily quotations for raw cotton and wool during the last month of 1923. On January 4, 1924, the quotation for spot middling uplands cotton at New Orleans was 32.7 per cent higher than one year ago. The average of 98 wool quotations at Boston on the same date was fractionally higher than on January 5, 1923. Refined beet sugar quotations at San Francisco declined steadily from \$9.15 per 100 pounds on December 1, 1923, to \$8.25 per 100 pounds on January 9, 1924, but advanced to \$8.50 per 100 pounds on January 16th. The later quotation is 19.7 per cent higher than one year ago. Prices for fresh, canned, and dried fruits changed little during December. During the first two weeks of January prices for prunes and raisins were revised downward by the growers' associations which control the majority of these crops, but prices for the larger sizes of prunes were advanced later.

In non-ferrous metal markets, lead prices advanced approximately 10 per cent during the month to a point 9.4 per cent higher than one year ago, copper declined slightly, and quotations for zinc and silver increased fractionally.



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)

(C) Commodity Prices—

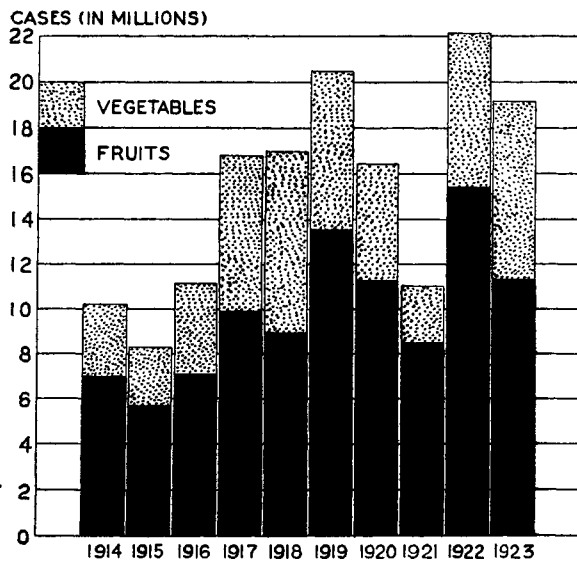
| Commodity | Unit | Jan. 4, 1924 | One Month Ago | One Year Ago |
|---|----------|--------------|---------------|--------------|
| Twenty Basic Commodities (F. R. B. of N. Y.) 1913=100.. | | 146.1 | 146.8 | 148.7 |
| Wholesale Prices (U. S. Bureau of Labor) 1913=100..... | | 151.0 | 152.0 | 156.0 |
| Cost of Living (National Industrial Conference Board) July, 1914=100..... | | 165.0 | 165.3 | 158.9 |
| Purchasing Power of Farm Products (U. S. Department of Agriculture) 1913=100 | | 73.0 | 73.0 | 68.0 |
| Cattle (Native Beef)...Weekly Average Price at Chicago.. | 100 lbs. | \$ 9.50 | \$ 9.65 | \$ 8.90 |
| Sheep | 100 lbs. | 7.50 | 7.00 | 7.75 |
| Lambs | 100 lbs. | 13.20 | 12.75 | 13.90 |
| Hogs | 100 lbs. | 7.15 | 7.00 | 8.50 |
| Wheat | bu. | 1.07¼-1.08¾ | 1.09½-1.11¼ | 1.17¾-1.18½ |
| Barley | cental | 1.55-1.65 | 1.55-1.70 | 1.60-1.70 |
| Rice | cental | 5.15 | 5.20 | 4.40 |
| Cotton | | | | |
| Middling Uplands—Weekly range of spot quotations at New Orleans..... | lb. | 35.00-36.00¢ | 34.50-36.00¢ | 26.50-26.75¢ |
| Wool | lb. | 79.61¢ | 78.28¢ | 79.50¢ |
| Flour | | | | |
| First Grade Family Patent f. o. b. Cali- fornia Mills | bbl. | 7.14 | 7.14 | 7.88 |
| Sugar | lb. | 8.70¢ | 9.15¢ | 7.10¢ |
| Apples | | | | |
| Extra Fancy Winesaps f. o. b. Pacific Northwest | box | 1.25-1.40 | 1.15-1.40 | 1.65-1.75 |
| Oranges | | | | |
| Navels, Fancy—Wholesale at San Fran- cisco | box | 3.00-5.50 | 3.50-4.50 | 3.50-4.75 |
| Lemons | box | 1.50-2.00 | 3.00-3.75 | 5.00-6.00 |
| Dried Apples...Choice in 50-lb. boxes f. o. b. California.. | lb. | .12 | .10-10¼ | .08¾ |
| Dried Apricots...Choice in 25-lb. boxes f. o. b. California.. | lb. | .10¾-11 | .10-10½ | .23-24 |
| Prunes | lb. | .10¾-11 | .10¾-11 | .11¾-12 |
| Raisins | | | | |
| Loose Muscatel in 25-lb. boxes f. o. b. California | lb. | .08¾ | .08¾ | .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. | 2.40 | 2.40 | 2.90 |
| Raw Milk.....Pacific Coast—December average..... | 100 lbs. | 2.90 | 2.89 | 2.72 |
| Butter | lb. | .48 | .49½ | .49½ |
| Eggs | doz. | .42 | .50 | .47 |
| Copper | lb. | .127½ | .13 | .14¾ |
| Lead | lb. | 8.10¢ | 7.30¢ | 7.40¢ |
| Silver | oz. | .643½ | .64½ | .645½ |
| Zinc | lb. | 6.27-6.30¢ | 6.25-6.30¢ | 7.05-7.10¢ |
| Petroleum | bbl. | .76 | .76 | 1.95 |
| Douglas Fir.....2x4, 16 ft. No. S1S1E f. o. b. Seattle..... | M ft. | 18.50 | 18.50 | 20.50 |
| Douglas Fir.....12x12 Timbers f. o. b. Seattle..... | M ft. | 25.00 | 25.00 | 20.00 |

The latter three metals are now selling at lower prices than at the beginning of 1923. Prices paid producers for crude petroleum were unchanged during December, remaining approximately 60 per cent lower than a year ago. Lumber prices were comparatively steady, some grades and kinds selling for less and some for more than in November, 1923, or December, 1922, but the general level remaining approximately the same.

Canned and Dried Fruits

Total output of canned fruits in three principal producing states of this district during 1923 was 19.7 per cent less than the record production of 1922, but 1.5 per cent above the average of the past four years. Production in California, where approximately 75 per cent of the total pack of the district is canned, was 26.6 per cent less than in 1922. The pack in Oregon and Washington was 12.0 per cent greater than the combined output of these states during 1922, a relatively large increase in Washington more than offsetting a slight decrease in Oregon. Figures follow:

| | 1923 (cases) | 1922 (cases) | 1921 (cases) | 1920 (cases) | 1919 (cases) |
|------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| California | 11,351,536 | 15,477,865 | 8,511,851 | 11,382,863 | 13,696,403 |
| Oregon | 1,694,805 | 1,793,854 | 1,304,457 | 1,019,391 | 1,233,735 |
| Washington | 2,050,560 | 1,549,087 | 1,307,548 | 1,003,936 | 1,211,177 |
| District | 15,096,901 | 18,820,806 | 11,123,856 | 13,406,190 | 16,141,315 |



California, Oregon, and Washington combined produced 8,347,886 cases of all varieties of canned vegetables during 1923, the largest pack on record. Production of canned vegetables in these three states totaled 7,509,829 cases in 1922, the previous record year, and 7,266,550 cases during 1919, an active year in the industry.

The 1923 season in the fruit canning industry has been marked by conservatism both in production and in distribution of product. Packers of the district generally held large stocks, principally of lower grade fruits, at the beginning of 1923, and the presence of these stocks exerted a depressing influence on both domestic and foreign markets. Wholesale dealers and jobbers in the country were content to satisfy their current needs without placing orders for future delivery in most cases, and foreign distributors purchased approximately 25 per cent less canned fruit during 1923 than during 1922. The combination of a heavy carryover and a small volume of future sales at the beginning of the canning season was reflected in the announced intention of the majority of packers to can little fruit in excess of that needed to fill orders actually received or surely in prospect. Demand became more active as the season progressed, but packers, except in the Pacific Northwest, found it impossible or undesirable to expand their output. Commercial factors report that, on January 1, 1924, the carryover of canned fruit in California was approximately the same, in proportion to the quantity packed, as on January 1, 1923, although considerably smaller in number of cases. Carryover stocks in Oregon and Washington are reported to be smaller than a year ago.

Prices paid producers for canning fruit during the 1923 season ranged from 3.0 per cent to more than 60.0 per cent below those paid during 1922. Representative returns to growers in Central California for some of the principal varieties of canning fruits during the past two seasons are given in the following table:

| | 1923 (per ton) | 1922 (per ton) | Percentage Decrease 1923 compared with 1922 |
|----------------------|-------------------|-------------------|--|
| Apricots | \$ 35 | \$ 90 | 61.1 |
| Cherries, Royal Anne | 180 | 196 | 8.8 |
| Peaches, Clingstone | 30 | 55 | 45.4 |
| Peaches, Freestone | 25 | 45 | 44.4 |
| Pears, Bartlett | 35 | 70 | 50.0 |

Packers' 1923 opening prices for the principal varieties of canned fruits were from 2.0 per cent to 20.0 per cent lower than 1922 opening prices. As the market for canned fruits strengthened during the latter part of the year, prices on items which were in relatively small supply were advanced. The figures follow:

| No. 2½ cans, choice grade | Opening Prices 1923 (per doz.) | 1922 (per doz.) | Spot Price Jan. 1, 1924 (per doz.) |
|---------------------------|--------------------------------------|--------------------|--|
| Apricots, Sliced | \$2.15 | \$2.70 | \$2.60 |
| Cherries, Royal Anne | 3.25 | 3.90 | 3.25 |
| Peaches, Yellow Cling | 2.10 | 2.60 | 2.25 |
| Pears, Bartlett | 2.65 | 3.25 | 2.75 |

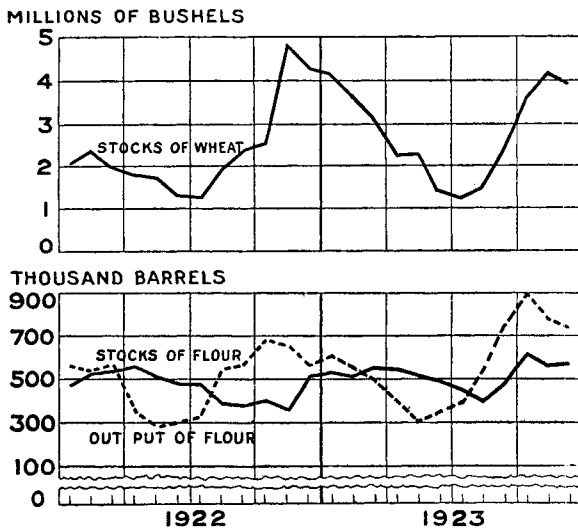
Production of the principal **dried fruits** in California during 1923 did not reach expected figures (except in the case of apricots), largely because of crop losses resulting from unfavorable climatic conditions. Distributors have been chiefly concerned with the marketing of the apricot, prune, and raisin output, the large crop of apricots and the presence of heavy carryover stocks of 1922 crop prunes and raisins making it difficult to dispose of these products, even at reduced prices. Pertinent data relating to dried fruits in California are given in the following table:

| | Production* | | Prices (cents per pound) | | |
|-----------------------------------|----------------|----------------|-----------------------------|--------|--------------------------|
| | 1923 (tons) | 1922 (tons) | Choice Grade in 25lb. Boxes | | Spot Jan. 14, 1924 |
| | | | Opening 1923 | 1922 | |
| Apricots, Northern | 17,500 | 10,250 | 10 | 24½ | 11½ |
| Figs, Black Mission | 9,000 | 11,000 | 7 | 14¾ | 8¾ |
| Peaches, Unpeeled Yellow. | 23,400 | 28,000 | 7½ | 11¾ | 7¾ |
| Prunes—40/50 | 80,000 | 110,000 | 10½ | 11¾-12 | 10½ |
| Raisins, Thompsons | 237,000 | 235,000 | 8½ | 10 | 8 |

*Production figures cover all grades and varieties of specified dried fruits.

Milling

Seasonal declines in flour milling activity were smaller than usual during December, 1923, according to reports received from 16 large milling companies, being but 5.3 per cent smaller than during November, 1923, whereas



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

production decreased 14.5 per cent during December, 1922, as compared with November, 1922. Their total output during December (736,300 barrels) was 30.3 per cent greater than during December, 1922. Sales of the 16 companies during December, 1923, were slightly less than production, as indicated by an increase of 1.6 per cent during the month in stocks

of flour held by them. Flour stocks on January 1, 1924, were 9.1 per cent greater than one year ago.

Figures of output and stocks for 16 milling companies for which a continuous record is kept are given in the following table:

| | Dec., 1923 | Nov., 1923 | Dec., 1922 |
|---------------------|-----------------|------------|------------|
| Output | (bbls.) 736,300 | 777,795 | 564,743 |
| Stocks of Flour* .. | (bbls.) 569,430 | 560,189 | 521,501 |
| Stocks of Wheat* .. | (bu.) 3,901,986 | 4,150,492 | 4,337,362 |

*As of the first day of the following month.

Figures obtained from 42 mills through sectional millers' associations show the same general trend as those collected by this bank. They follow:

| | No. of Mills Reporting | | Output | | |
|----------------|------------------------|------------|-------------------------|-------------------------|--------------------------|
| | Dec., 1923 | Nov., 1923 | Dec., 1923 (barrels) | Nov., 1923 (barrels) | Dec., 1922* (barrels) |
| California ... | 10 | 10 | 350,382 | 387,235 | 286,977 |
| Idaho | 2 | 2 | 9,929 | 8,654 | 9,019 |
| Oregon | 14 | 16 | 266,530 | 254,217 | 155,162 |
| Washington . | 16 | 16 | 468,133 | 523,736 | 360,984 |
| District ... | 42 | 44 | 1,094,974 | 1,173,842 | 812,142 |

*46 mills reporting.

Lumber

The year 1923 was one of record activity in the lumber industry of the district. Production proceeded at a high rate throughout the year, demand was substantial and steady, prices were relatively stable, and transportation facilities generally adequate. A statistical summary of the operations of approximately 200 mills reporting to four lumber associations of the district during 1923, 1922, and 1921 is presented in the following table (000 omitted):

| | 52 Weeks Ending | | |
|------------------|-------------------------------|-------------------------------|-------------------------------|
| | Dec. 29, 1923 (board feet) | Dec. 30, 1922 (board feet) | Dec. 31, 1921 (board feet) |
| Production | 8,403,620 | 6,580,965 | 4,192,500 |
| Shipments | 7,803,345 | 6,063,165 | 4,114,445 |
| Orders | 7,403,666 | 6,819,623 | 4,383,680 |

Exceptionally active winter demand for lumber continued during December, the bulk of the business originating in the domestic market, principally on the Atlantic Coast. The foreign market was relatively quiet, little new business being placed in Japan where a large part of the foreign sales of recent months has been made.

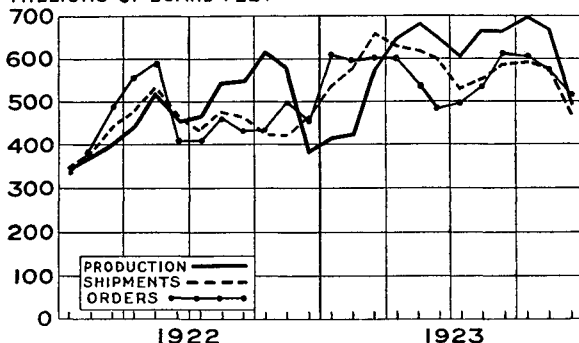
The majority of the mills in the Pacific Northwest closed for repairs or to await improved weather conditions during the latter part of December, and reported production during that month was less by 26 per cent than in the previous month. Reports indicate that mills will not be idle for more than the customary two to four weeks, a resumption of operations being scheduled for the last two weeks of January. Figures showing activity of nearly 200

mills during December, 1923, follow (000 omitted):

| | Dec., 1923 (board feet) | Nov., 1923 (board feet) | Dec., 1922 (board feet) |
|----------------------|----------------------------|----------------------------|----------------------------|
| Production | 491,780 | 666,754 | 388,354 |
| Shipments | 467,230 | 574,877 | 465,488 |
| Orders | 512,238 | 572,967 | 460,315 |
| Unfilled Orders..... | 530,144 | 481,551 | 500,511* |

*Figures for one association based on five weeks.

MILLIONS OF BOARD FEET



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

Mining

The value of gold and silver produced in the states of this district during 1923 has been estimated by the Director of the United States Mint at \$69,334,598, an increase of 11.6 per cent over the \$62,121,862 of gold and silver produced in the same states during 1922. National production of gold and silver during 1923 was valued at \$110,919,884 compared with \$104,606,859 in 1922. Segregated figures follow:

| | 1923 | | 1922 | |
|------------------|--------------|--------------|--------------|--------------|
| | Gold | Silver | Gold | Silver |
| Twelfth District | \$28,428,400 | \$40,906,698 | \$24,738,300 | \$37,383,562 |
| United States... | 51,378,700 | 59,541,184 | 49,096,000 | 55,510,859 |

There was little change in production of the principal industrial metals of the district during December as compared with preceding months of 1923 according to preliminary returns received by this bank. The figures of national production of copper, silver, zinc, and quicksilver during November, 1923 (December figures are not available), October, 1923, and November, 1922, are presented in the following table:

| | Nov., 1923 | Oct., 1923 | Nov., 1922 |
|---|-------------|-------------|-------------|
| Copper (lbs.) mine production | 127,410,543 | 132,934,701 | 102,593,152 |
| Silver (oz.) (commercial bars)... | 4,894,135 | 5,428,071 | 4,869,905 |
| Zinc (tons) (slab) | 44,280 | 42,098 | 38,746 |
| Quicksilver (flasks—75 lbs., estimated) | 800 | 800 | 550 |

Figures for lead are not available.

The market for copper was dull during December, prices for electrolytic copper on the

New York market having fluctuated between 12.625 cents and 13.00 cents per pound. These prices were approximately the same as those prevailing in November, but were more than a cent a pound below prices paid a year ago. Lead prices advanced during the month, reaching 7.85 cents per pound at New York on January 9, 1924, and on that date were 0.45 cents higher than one month ago and 0.35 cents higher than one year ago. Zinc prices continued to fluctuate in response to frequent changes in the prevailing relation between supply and demand. Average prices paid for the principal non-ferrous metals during December, 1923, November, 1923, and December, 1922, follow:

| | Dec., 1923 (cents) | Nov., 1923 (cents) | Dec., 1922 (cents) |
|---|-----------------------|-----------------------|-----------------------|
| Copper (lb.) | | | |
| New York Electrolytic.. | 12.82 | 12.73 | 14.07 |
| Lead (lb.) | | | |
| New York..... | 7.37 | 6.85 | 7.16 |
| Silver (oz.) | | | |
| New York..... | 64.71 | 63.82 | 63.91 |
| Zinc (lb.) | | | |
| St. Louis..... | 6.26 | 6.35 | 7.00 |
| Quicksilver (dollars per flask) San Francisco.... | 59.75 | 61.09 | 70.75 |

Petroleum

Production of petroleum in California during 1923 was almost twice as great as in the previous record year 1922, and the proportion of total United States output produced in that state increased from 25.3 to 35 per cent. The figures for recent years follow:

| | California Production (barrels) | United States Production (barrels) | Per Cent California to United States |
|------------|------------------------------------|---------------------------------------|--------------------------------------|
| 1920..... | 105,668,000 | 443,402,000 | 23.8 |
| 1921..... | 114,709,000 | 469,639,000 | 24.4 |
| 1922..... | 139,671,000 | 551,197,000 | 25.3 |
| 1923*..... | 262,000,000 | 745,000,000 | 35.0 |

*Estimated.

The peak of production in California was reached during September, 1923, when output of the newer flush fields in Southern California was at its height, and during the last three months of the year the flow of oil declined steadily.

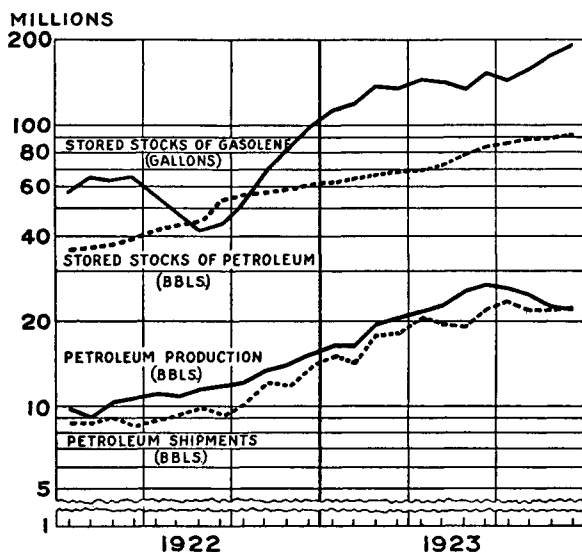
Average Daily Production of Petroleum in California (in barrels)

| Dec., 1923 | Nov., 1923 | Oct., 1923 | Sept., 1923 | Dec., 1922 |
|------------|------------|------------|-------------|------------|
| 706,427 | 746,595 | 792,787 | 858,750 | 497,639 |

During December, 1923, for the first time in two years, consumption of California petroleum, as indicated by producers' shipments, was greater than production, and stored stocks declined slightly. At 91,925,153 barrels, stocks held in that state on January 1, 1924, were 0.2 per cent less than the 92,081,143 barrels (revised figure) held on December 1, 1923, but 50.2

per cent greater than the 61,184,928 barrels held on January 1, 1923.

Refinery output of gasolene declined 2.2 per cent during December, 1923, as compared with November, 1923, but was 60.8 per cent greater than in December, 1922. Consumption during December declined more than did production, however, and stored stocks of gasolene on January 1, 1924, had risen to 191,780,375 gallons, an increase of 9.9 per cent over the 174,452,019 gallons held on December 1, 1923, and of 93.0 per cent over the 99,366,400 gallons held on January 1, 1923.



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

On January 21, 1924, prices of crude oil in California were advanced 25 cents per barrel, and refined products (including gasolene) were advanced 2 cents per gallon. Prices paid producers of crude oil now range from 85 cents per barrel of oil of 14 to 19.9 degrees gravity to \$1.01 per barrel of oil of 35 or more degrees gravity. The service station price of gasolene in the San Francisco Bay region is now 16 cents per gallon (not including state tax of 2 cents per gallon). High and low points of retail gasolene prices (in cents per gallon) at San Francisco during recent years are shown in the following table:

| | | | |
|--------------------|-----|----------------------|----|
| May, 1914..... | 14¼ | August, 1920..... | 27 |
| July, 1915..... | 11 | September, 1923..... | 14 |
| January, 1924..... | 16 | | |

Electric Energy

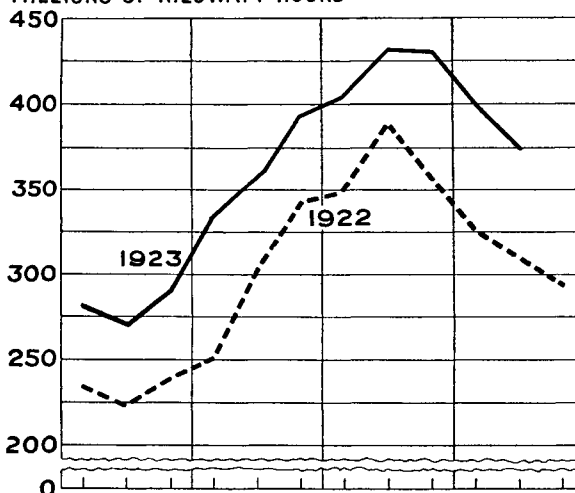
Sales of electric energy for industrial purposes reported by 20 principal power companies in this district were 19.7 per cent greater during November, 1923, than during November, 1922,

all industries for which segregated figures are available showing increases. Not all of this increase, however, represents an increase in total business of the district. A part of it (statistics are too recent to permit an estimate of how large a part) represents the normal annual growth of the power companies at the expense of distributors of coal, oil, and other forms of fuel for power. As compared with October, 1923, sales during November, 1923, decreased 6.4 per cent, due principally to a further seasonal decline amounting to 41 per cent in the use of electric power for agricultural purposes. Sales to manufacturing establishments declined 4.3 per cent as compared with the preceding month. Percentage comparisons of sales by certain industries and by sections of the district are presented in the following table:

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

| | Agriculture | Mining | Manufacturing | Total Industrial Sales |
|-----------------------|-------------|--------|---------------|------------------------|
| California | 17.9 | 7.2 | 15.9 | 20.0 |
| Pacific Northwest.... | - 8.2 | - 2.0 | 32.5 | 13.4 |
| Intermountain States. | -57.0 | 65.3 | 14.3 | 29.9 |
| Twelfth District..... | 14.7 | 14.0 | 19.5 | 19.7 |

Millions of Kilowatt Hours



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

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

| | Number of Industrial Consumers | | Industrial Sales K. W. H. | |
|-----------------------|--------------------------------|------------|---------------------------|-------------|
| | Nov., 1923 | Nov., 1922 | Nov., 1923 | Nov., 1922 |
| California | 74,659 | 55,702 | 230,782,427 | 192,271,684 |
| Pacific Northwest ... | 12,576 | 11,158 | 87,948,424 | 77,515,688 |
| Intermountain States | 5,062* | 10,650* | 55,225,609 | 42,498,896 |
| Twelfth District | 92,297 | 77,510 | 373,956,460 | 312,286,268 |

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

Employment

Steady employment of practically all kinds of workers, a lower rate of labor turnover, and improved industrial relations characterized the employment situation in this district during the past year. Employment in most of the major industries of the district increased as compared with 1922, and during the period of greatest industrial activity in the spring and early summer there was some shortage of workers, particularly in mining districts and in the building trades. Curtailment of activity in some lines during the summer months and an influx of workers from other parts of the country relieved this shortage, but during the autumn the number of farm laborers in several sections was inadequate. The month of December witnessed a normal seasonal decline in volume of employment as activity in farming areas and in outdoor construction work of all kinds abated. Seasonal closing of many of the lumber mills and camps in the Pacific Northwest also resulted in temporary unemployment of a large group of workers. The number of men employed in lumber operations in this section was estimated at 74,600 on January 1, 1924, compared with 90,000 on December 1, 1923.

Wages during the year have been relatively stable, although a slight upward trend in the building trades and in agriculture was noted. The following table shows average wages paid farm laborers in the United States during the year 1913 and the five years since the close of the war.

| | AVERAGE WAGES OF MALE FARM LABOR* | | |
|-----------|-----------------------------------|---|--------|
| | Per Month With Board | Per Day at Harvest With Board Without Board | |
| 1913..... | \$21.38 | \$1.57 | \$1.94 |
| 1919..... | 39.82 | 3.15 | 3.83 |
| 1920..... | 46.89 | 3.60 | 4.36 |
| 1921..... | 30.14 | 2.24 | 2.79 |
| 1922..... | 29.17 | 2.20 | 2.72 |
| 1923..... | 33.18 | 2.45 | 3.03 |

*United States Department of Agriculture.

Automobile Registrations

There was an increase of 29.5 per cent in the number of new passenger cars registered in reporting states of the district during November, 1923, compared with November, 1922, and registrations of new commercial vehicles increased by 15.7 per cent. During the first 11 months of 1923 as compared with the same period of 1922 increased registrations amounting to 63.3 per cent for passenger cars and 31.9 per cent for trucks were noted. Figures showing registrations of new automobiles in the states of this district (except for Nevada, for which figures are not available) for the first 11

months of 1923 and 1922 are presented in the following table:

| | Total New Passenger Cars Registered Jan. 1 to Dec. 1 1923 1922 | | Total New Commercial Cars Registered Jan. 1 to Dec. 1 1923 1922 | |
|------------------|---|---------|--|--------|
| | Arizona | 9,515 | 4,563 | 834 |
| California | 208,646 | 135,319 | 22,199 | 17,051 |
| Idaho | 8,586 | 4,200 | 647 | 396 |
| Oregon | 32,239 | 14,538 | 1,602 | 1,451 |
| Utah | 10,530 | * | 975 | * |
| Washington | 42,976 | 16,680 | 271 | * |
| Total | 258,986 | 158,620 | 25,282 | 19,157 |

*Not available.

Total registrations of old and new automobiles in six states of the district (the figures for Nevada are not available) during 1923 have been estimated at 1,707,172, an increase of 27.6 per cent over the 1,337,421 cars registered in 1922. Total registrations of automobiles in the United States during 1923 have been estimated at 14,500,000, an increase of 18 per cent over the 12,239,114 cars registered in the preceding year.

Seasonal declines in the production of automobiles occurred during December, 1923, according to preliminary figures compiled by the Federal Reserve Bank of Chicago, but output continued considerably greater than a year ago. Estimates of the National Automobile Chamber of Commerce place total production of automobiles for 1923 at 4,014,000 vehicles (3,644,000 passenger cars and 370,000 trucks), an increase of 50 per cent over the 2,659,064 cars produced in 1922, the previous record year. Figures showing the national production of automobiles during December, 1923, November, 1923, and December, 1922, as compiled by the Federal Reserve Bank of Chicago, are presented in the following table:

| | Dec., 1923* | Nov., 1923* | Dec., 1922 |
|---------------------|-------------|-------------|------------|
| Passenger Cars..... | 228,765 | 236,351 | 207,483 |
| Trucks | 24,171 | 23,599 | 19,640 |
| Total | 252,936 | 259,950 | 227,123 |

*Preliminary figures.

Retail Trade

Christmas trade at retail, as shown by the value of sales of 34 department stores in seven cities of the district during December, 1923, was 14.4 per cent greater than in 1922. All sections of the district participated in the increase.

Stocks of goods on retailers' shelves were greatly reduced by holiday sales, and were 16.1 per cent less in value on January 1, 1924, than on December 1, 1923. They were 9.9 per cent greater in value on January 1, 1924, than on January 1, 1923. The average annual rate of turnover of department store stocks for the last six months of 1923 was 2.57, compared with a

rate of turnover of 2.64 for the same period in 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 Dec., 1923, compared with | | Percentage increase or decrease (—) in value of stocks Dec., 1923, compared with | |
|---------------------|---------------|---|------------|--|------------|
| | | Dec., 1922 | Nov., 1923 | Dec., 1922 | Nov., 1923 |
| Los Angeles..... | 6 | 30.0 | 60.1 | 22.3 | -12.6 |
| Oakland | 4 | 8.6 | 87.3 | 3.1 | -17.6 |
| Salt Lake City... 4 | 4 | 1.8 | 65.5 | *9.7 | -16.0 |
| San Francisco†... 9 | 9 | 6.1 | 62.3 | 7.2 | -16.2 |
| Seattle | 5 | 5.5 | 61.6 | 3.8 | -21.1 |
| Spokane | 5 | 0.6 | 41.8 | 3.0 | -14.3 |
| District* | 34 | 14.4 | 61.7 | 9.9 | -16.1 |

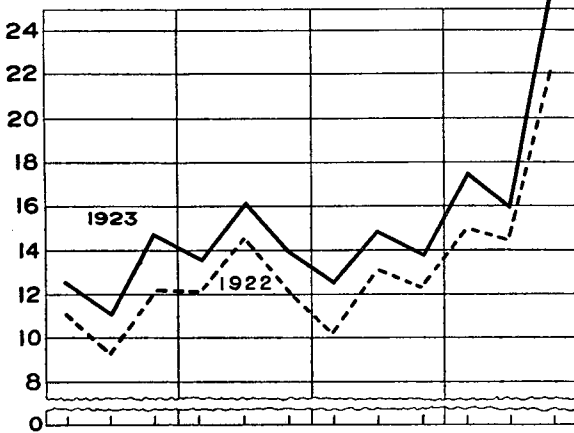
*Figures for one store included in district figures, but not included in figures for cities shown above.
†Preliminary.

sales of these 11 lines were less than in November, a decline which is doubtless largely seasonal in character.

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

| | Number of Firms | Twelve Months Ending Dec. 31, 1923, compared with same period in 1922 | |
|---------------------------|-----------------|---|------------|
| | | Dec., 1922 | Nov., 1923 |
| Agricultural Implements | 23 | -5.2 | -4.8 |
| Automobile Supplies.... | 18 | 11.9 | -8.8 |
| Automobile Tires..... | 18 | -10.4 | -0.1 |
| Drugs | 9 | 8.9 | -17.9 |
| Dry Goods..... | 13 | 4.3 | -21.7 |
| Electrical Equipment... 6 | 6 | 12.5 | 16.5 |
| Furniture | 16 | 20.4 | 5.5 |
| Groceries | 26 | -2.1 | -27.9 |
| Hardware | 21 | 6.6 | -6.1 |
| Shoes | 14 | -21.5 | -19.9 |
| Stationery | 29 | -3.7 | -1.6 |

MILLIONS OF DOLLARS



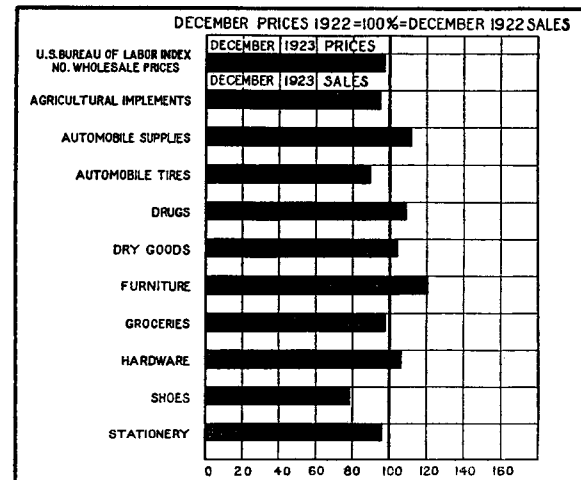
Net Sales of 31 Department Stores in Twelfth Federal Reserve District (In Millions of Dollars)

Wholesale Trade

Considerable irregularity is revealed in the December reports of 11 wholesale lines. As compared with sales of December, 1922, the results of December, 1923, showed a decrease in five lines, and an increase in six, as follows:

| | | | |
|-------------------------------|--------|-------------------------|--------|
| Shoes | -21.5% | Furniture | +20.4% |
| Automobile Tires | -10.4 | Electrical Equipment. + | 12.5 |
| Agricultural Implements | -5.2 | Automobile Supplies.. + | 11.9 |
| Stationery | -3.7 | Drugs | +8.9 |
| Groceries | -2.1 | Hardware | +6.6 |
| | | Dry Goods..... | +4.3 |

Wholesale prices as a whole in December, 1923 (United States Bureau of Labor index=151) were approximately the same as in December, 1922 (United State Bureau of Labor index=156), so that the disparities apparent in the above comparisons are chiefly due to differences of conditions in the particular lines of trade. Excepting in electrical equipment and furniture, where increases of 16.5 per cent and 5.5 per cent, respectively, occurred, December



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

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

| | Number of Firms Reporting Collections as | | | |
|---------------------|--|------|------|------|
| | Excellent | Good | Fair | Poor |
| October, 1923..... | 9 | 57 | 77 | 4 |
| November, 1923..... | 6 | 55 | 50 | 6 |
| December, 1923..... | 8 | 39 | 65 | 7 |

Building Activity

The year 1923 established a record for building activity in the Twelfth Federal Reserve District. There were 144,673 permits authorizing construction valued at \$419,726,221 issued in 20 cities of the district during the year. In 1922, the previous record year, the number of permits issued was 122,295 and their value \$310,644,294.

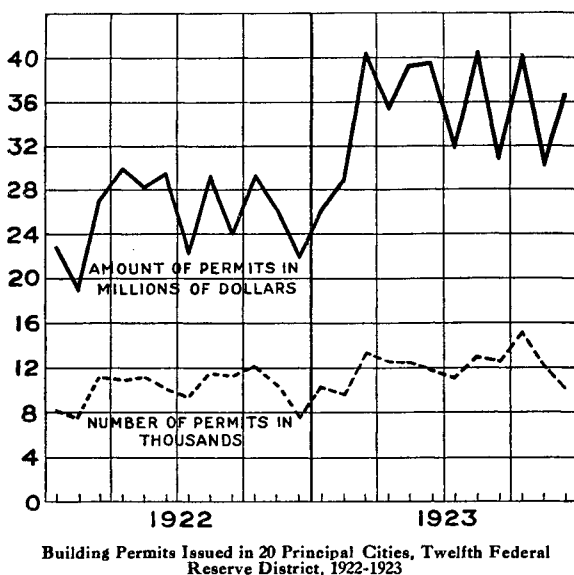
Continuance of active building is forecast by the record of building permits issued in these cities during the past few months. The usual winter decline in these figures has been of small

proportions, and in December there was an actual gain in the value of permits issued as compared with the previous month, although their number showed a normal seasonal decrease.

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

| | Dec. 1923, compared with | |
|-------------------------------|--------------------------|------------|
| | Dec., 1922 | Nov., 1923 |
| Number of Permits Issued..... | 30.1 | —18.3 |
| Value of Permits Issued..... | 66.3 | 20.6 |

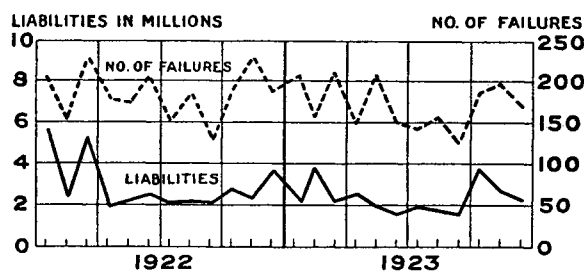
The United States Department of Labor index number of building materials prices stood at 178 in December (1913 prices=100). This is 1.7 per cent lower than a month ago, 3.8 per cent lower than a year ago, and 12.7 per cent below the peak of April, 1923.



Business Failures

The total number of business failures in this district during 1923 was 7.2 per cent less than the number of failures during 1922, and liabilities involved were less by 19.5 per cent. Average liabilities amounted to \$13,718 compared with \$18,874 in 1922, and \$18,411 in 1921. The following table, based on R. G. Dun & Company's figures for this district, shows the total number and liabilities of business failures for the years 1920-1923, inclusive, together with average liabilities of failing concerns during those years:

| | Number of Failures | Liabilities | Average Liability |
|-----------|--------------------|--------------|-------------------|
| 1923..... | 2,050 | \$28,123,072 | \$13,718 |
| 1922..... | 2,209 | 34,936,823 | 18,874 |
| 1921..... | 1,851 | 34,280,351 | 18,411 |
| 1920..... | 1,187 | 28,407,979 | 23,932 |



There were declines both in number and liabilities of business failures in this district during December, 1923, as compared with November, 1923, amounting to 13.7 and 17.5 per cent, respectively. Compared with December, 1922, the number of business failures during December, 1923, declined 9.1 per cent, and liabilities involved declined 39.1 per cent. The average liabilities of business failures in this district during December, 1923, amounted to \$13,053, compared with \$13,647 in November, 1923, and \$19,484 in December, 1922.

R. G. Dun & Company's preliminary figures of the number and liabilities of business failures in the states of the district during December, 1923, and November, 1923, follow:

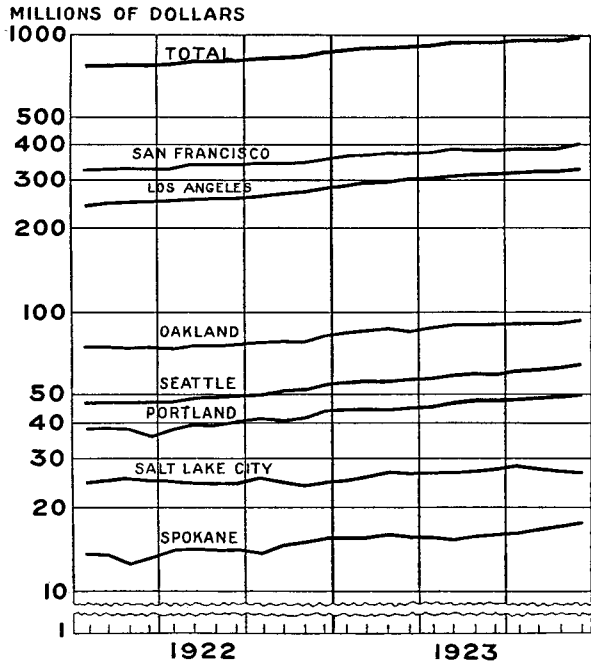
(D) Building Permits—

| | December, 1923 | | December, 1922 | |
|----------------|----------------|--------------|----------------|--------------|
| | No. | Value | No. | Value |
| Berkeley | 189 | \$ 601,600 | 112 | \$ 278,135 |
| Boise | 30 | 37,215 | 32 | 9,460 |
| Fresno | 126 | 142,940 | 187 | 1,261,176 |
| Long Beach... | 342 | 1,255,104 | 318 | 851,360 |
| Los Angeles.. | 4,721 | 20,758,194 | 3,613 | 8,955,597 |
| Oakland | 874 | 2,583,312 | 602 | 2,070,582 |
| Ogden | 18 | 263,500 | 25 | 120,950 |
| Pasadena | 332 | 551,314 | 298 | 766,086 |
| Phoenix | 59 | 149,515 | 52 | 69,475 |
| Portland | 886 | 1,452,860 | 593 | 808,725 |
| Reno | 6 | 15,050 | 16 | 54,400 |
| Sacramento .. | 205 | 607,633 | 159 | 750,259 |
| Salt Lake City | 59 | 293,300 | 69 | 766,950 |
| San Diego.... | 410 | 1,047,301 | 374 | 559,603 |
| San Francisco | 746 | 4,952,444 | 528 | 2,439,658 |
| San Jose..... | 83 | 114,030 | 74 | 170,750 |
| Seattle | 617 | 1,060,930 | 456 | 1,792,685 |
| Spokane | 81 | 76,622 | 52 | 69,270 |
| Stockton | 116 | 351,725 | 60 | 125,270 |
| Tacoma | 212 | 341,796 | 147 | 114,253 |
| District | 10,112 | \$36,656,385 | 7,767 | \$22,034,644 |

| | December, 1923 | | November, 1923 | |
|------------------|----------------|-------------|----------------|-------------|
| | No. | Liabilities | No. | Liabilities |
| Arizona | 4 | \$ 26,877 | 2 | \$ 167,836 |
| California | 81 | 743,851 | 107 | 1,385,578 |
| Idaho | 10 | 157,265 | 8 | 64,063 |
| Nevada | 1 | 6,618 | 1 | 24,099 |
| Oregon | 30 | 347,003 | 33 | 214,533 |
| Utah | 9 | 298,458 | 8 | 266,666 |
| Washington | 34 | 625,896 | 37 | 551,979 |
| District | 169 | \$2,205,968 | 196 | \$2,674,754 |

Savings Accounts

Savings deposits in 74 banks in seven principal cities of the district increased from \$957,980,000 on November 30, 1923, to \$980,205,000 on December 31, 1923, a gain of 2.3 per cent. All cities participated in the increase except Salt Lake City which showed a decline of 0.5 per cent. Compared with December, 1922, the



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

district figures for December, 1923, show an increase of 13.7 per cent. Detailed changes in the amount of savings deposits since one month ago and one year ago as reported by 74 banks in seven cities follow:

| | Number of Reporting Banks | Per Cent Increase or Decrease (—) Dec., 1923, compared with | |
|---------------------|---------------------------|---|------------|
| | | Dec., 1922 | Nov., 1923 |
| Los Angeles..... | 13 | 17.8 | 1.6 |
| Oakland* | 7 | 11.6 | 2.3 |
| Portland | 9 | 13.9 | 1.9 |
| Salt Lake City..... | 8 | 11.3 | — .5 |
| San Francisco..... | 15† | 10.4 | 2.9 |
| Seattle | 16 | 19.0 | 2.7 |
| Spokane | 6 | 13.9 | 2.5 |
| Total | 74† | 13.7 | 2.3 |

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

†The consolidation of two reporting banks has reduced their number by one, but has not affected the value of reported figures for comparative purposes.

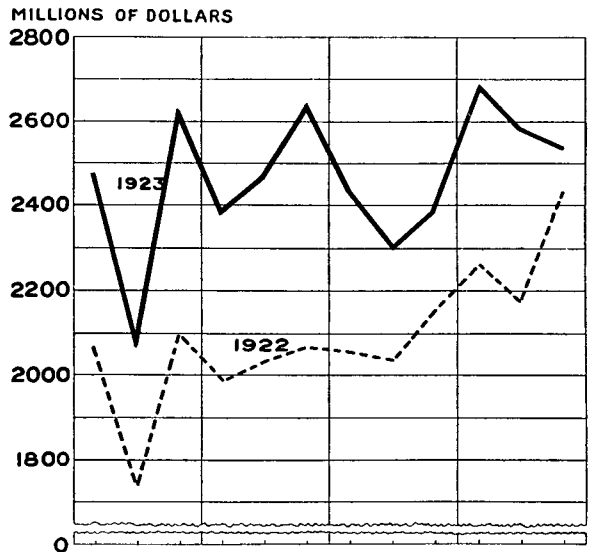
Bank Debits

Debits to individual accounts at banks in 20 clearing house centers increased by less than the normal seasonal amount during December, and this bank's index, which allows for seasonal

variations, shows that the December total was smaller than in any other month of 1923 except September. The figures follow:

| (1919 AVERAGE = 100) | | | |
|----------------------|-------|-----------------|-------|
| January | 125.6 | July | 126.2 |
| February | 128.2 | August | 123.9 |
| March | 134.9 | September | 117.2 |
| April | 131.3 | October..... | 125.5 |
| May | 131.4 | November | 127.9 |
| June | 140.9 | December | 120.4 |

The movement of these figures gives a fairly accurate picture of the course of business in the district during the past year. Activity in industry and trade noted during the closing months



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

(E) Bank Debits*—

| | Four weeks ending Jan. 2, 1924 | Four weeks ending Jan. 3, 1923 |
|----------------------------|--------------------------------|--------------------------------|
| Berkeley | \$ 14,275 | \$ 14,333 |
| Boise | 11,917 | 14,739 |
| Fresno | 41,017 | 57,102 |
| Long Beach..... | 52,075 | 44,352 |
| Los Angeles..... | 690,312 | 564,251 |
| Oakland | 115,774 | 103,854 |
| Ogden | 26,733 | 31,545 |
| Pasadena | 30,000 | 26,810 |
| Phoenix | 21,455 | 18,303 |
| Portland | 149,106 | 128,633 |
| Reno | 10,342 | 10,522 |
| Sacramento | 50,314 | 73,459 |
| Salt Lake City..... | 71,524 | 69,579 |
| San Diego..... | 43,860 | 43,159 |
| San Francisco..... | 718,145 | 681,698 |
| San Jose..... | 20,073 | 21,079 |
| Seattle | 160,423 | 149,254 |
| Spokane | 45,845 | 44,385 |
| Stockton | 24,073 | 21,121 |
| Tacoma | 35,489 | 35,807 |
| Yakima | 9,683 | 9,210 |
| Total | \$2,342,435 | \$2,163,195 |

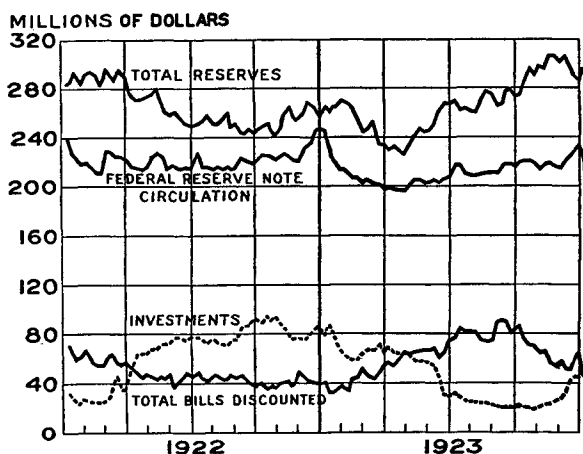
*000 omitted.

of 1922 continued at an accelerated pace during the spring of 1923, reaching a peak in the early summer of that year. Then followed a sharp decline, bred partly of fear of the consequences of the previous rapid rise, which culminated in the early autumn. Since that time some revival of activity has occurred, but, as is illustrated by the figures for December, the movement is a cautious one.

Total debits to individual accounts during 1923 amounted to \$29,453,000,000 compared with \$25,122,000,000 during 1922, an increase of \$4,331,000,000 or 17.2 per cent.

Banking and Credit Situation

Year end financial adjustments have obscured credit trends during recent weeks, but figures now available for the first half of January indicate that bank credit in this district is now somewhat more abundant than it was before the turn of the year, accompanying the



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

pronounced ease reflected in the New York money market since January 1st.

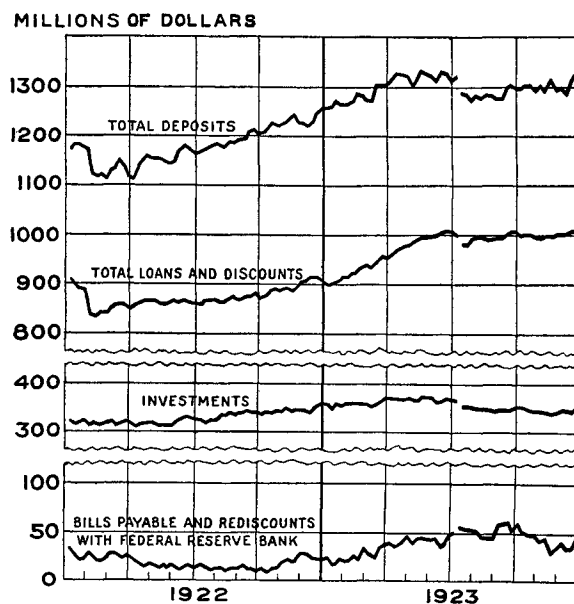
Principal items in statements of reporting member banks in large cities of the district increased, in most cases, during the first three weeks of December, and then declined to previous levels in the following three weeks. Total deposits, however, moved steadily upward throughout the entire period, and at \$1,344,183,000 on January 9, 1924, were at the highest point ever reported. The ratio of total deposits to total loans at these banks stood at 133.6 on January 9, 1924, compared with 128.2 on December 5, 1923, and 139.8 on January 10, 1923.

A similar seasonal movement to that experienced by member bank figures characterized the fluctuations of items shown in the statements of the Federal Reserve Bank. Member

banks increased their borrowings at the Reserve bank from \$51,563,000 on December 12, 1923, to \$64,955,000 on December 26, 1923, and then reduced them to \$45,296,000 by January 16, 1924. The temporary demand for additional hand to hand currency normally experienced during the Christmas holiday period was met by an increase in Federal Reserve note circulation from \$214,853,000 on November 28, 1923, to \$232,397,000 on December 26, 1923. Since the latter date, the need for additional currency having passed, circulation has fallen, and on January 16, 1924, the amount of notes outstanding was \$212,616,000.

The downward trend of interest rates from the autumn peak continued during December and early January. Weekly average interest rates on various classes of paper in the New York market are shown in the following table. (Figures are for week ending on date shown.)

| | Jan. 12, 1924 | Dec. 8, 1923 | Autumn Peak | Jan. 13, 1923 |
|------------------------------------|---------------|--------------|-------------|---------------|
| Time Money..... | 4¾-5 | 5-5¼ | 5½ | 4.63 |
| Commercial Paper (4-6 months)..... | 4¾ | 4¾-5 | 5¼ | 4½ |
| Bankers' Acceptances | 4⅞ | 4⅞ | 4⅞ | 4 |



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

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

| | December, 1923, compared with Nov., 1923 | Dec., 1922 |
|--|--|------------|
| Amount of bills accepted | +17.7% | - 0.9% |
| Amount of bills bought | -22.3% | -33.5% |
| Amount of bills held at close of month | -18.9% | -73.9% |

The principal commodities upon which these acceptances were based were canned and dried fruits, raisins, lumber, coffee, merchandise, and sugar.

The amount of long term credit extended to agriculture by special agencies created for that purpose has increased in all states of the district during the past year, outstanding loans of Federal Land Banks and Joint Stock Land Banks being, respectively, 11.5 and 133.0 per cent larger on December 31, 1923, than on December 31, 1922. The figures by states of the district follow:

| LOANS OUTSTANDING AT CLOSE OF YEAR | | | | | Advances Through | | | | Outstanding Nov. 30, 1923 |
|------------------------------------|---------------|------------------------|--------------|------------------|------------------|--------------|--------------|--------------|---------------------------------|
| Federal Land Banks | | Joint Stock Land Banks | | Outstanding with | Approved | Advanced | Repaid | | |
| | 1923 | 1922 | 1923 | 1922 | | | | | |
| Arizona | \$ 4,342,800 | \$ 2,917,000 | \$ 1,320,000 | \$ 232,300 | | | | | |
| California | 12,284,100 | 15,558,400 | 12,213,350 | 6,281,100 | | | | | |
| Idaho | 22,909,895 | 18,845,645 | 1,645,300 | 55,600 | \$16,516,814 | \$14,371,597 | \$13,662,674 | \$ 708,922 | |
| Nevada | 566,200 | 528,100 | 292,700 | .. | | | | | |
| Oregon | 19,639,080 | 17,715,105 | 7,474,700 | 3,609,700 | | | | | |
| Utah | 13,845,200 | 11,911,200 | 645,300 | 120,700 | 21,210,718 | 18,881,338 | 12,623,044 | 6,258,293 | |
| Washington .. | 27,734,345 | 23,366,445 | 1,747,700 | 576,250 | | | | | |
| District | \$101,421,620 | \$90,841,895 | \$25,339,050 | \$10,875,650 | 19,240,189 | 3,707,185 | 3,707,185 | .. | |
| | | | | | Totals | \$56,967,721 | \$36,960,120 | \$29,992,903 | \$6,967,215 |

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

| | January 9, 1924 | December 5, 1923 | January 10, 1923 |
|---|-----------------|------------------|------------------|
| Number of Reporting Banks | 68* | 65* | 66* |
| Loans and Discounts (including rediscounts) | \$1,005,658,000 | \$1,001,779,000 | \$ 902,427,000 |
| Investments | 344,192,000 | 343,740,000 | 347,582,000 |
| Cash in Vault and with Federal Reserve Bank | 127,085,000 | 119,313,000 | 119,315,000 |
| Total Deposits | 1,344,183,000 | 1,284,881,000 | 1,261,296,000 |
| Bills Payable and Rediscounts with Federal Reserve Bank | 32,746,000 | 33,996,000 | 14,480,000 |

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

COMPARATIVE STATEMENT OF CONDITION OF FEDERAL RESERVE BANK OF SAN FRANCISCO AT CLOSE OF BUSINESS, JANUARY 16, 1924

| | January 16, 1924 | December 12, 1923 | January 17, 1923 |
|---|----------------------|----------------------|----------------------|
| RESOURCES | | | |
| Total Reserves | \$290,732,000 | \$299,183,000 | \$263,836,000 |
| Bills Discounted | 45,296,000 | 51,563,000 | 33,289,000 |
| Bills Bought in Open Market | 34,134,000 | 33,506,000 | 35,290,000 |
| United States Government Securities | 12,542,000 | 9,185,000 | 40,767,000 |
| Total Earning Assets | \$ 91,972,000 | \$ 94,254,000 | \$109,346,000 |
| All Other Resources* | 57,366,000 | 62,134,000 | 54,438,000 |
| Total Resources | \$440,070,000 | \$455,571,000 | \$427,620,000 |
| LIABILITIES | | | |
| Federal Reserve Notes in Actual Circulation | \$212,616,000 | \$224,905,000 | \$219,075,000 |
| Total Deposits | 161,410,000 | 159,917,000 | 146,682,000 |
| Capital and Surplus | 23,182,000 | 23,127,000 | 23,008,000 |
| All Other Liabilities† | 42,862,000 | 47,622,000 | 38,855,000 |
| Total Liabilities | \$440,070,000 | \$455,571,000 | \$427,620,000 |
| *Includes "Uncollected Items" | 44,938,000 | 47,994,000 | 42,847,000 |
| †Includes "Deferred Availability Items" | 41,267,000 | 45,268,000 | 37,907,000 |

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.