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AGRICULTURAL AND BUSINESS CONDITIONS
IN THE TWELFTH FEDERAL RESERVE DISTRICT

Monthly Report to the Federal Reserve Board
by

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The Month

PROSPECTS for 1921 crops of all kinds in this district are exceptionally favorable. Wheat in the Pacific Northwest has come through the winter satisfactorily and there will be practically no reseeding. Opportune rains and warm weather have caused deciduous fruit trees to bud and blossom profusely and, if unseasonable frosts do not occur, their yields should be record ones. The winter has continued favorable for the livestock industry. Hay has been cheap where feeding was necessary and there has been abundance of early spring grass. Spring lambing has been unusually free from loss.

Stocks of 1920 agricultural products have continued to move slowly but steadily to market. Holdings of wheat on farms in this district are one and one-half times greater than the five-year average for this season but stocks of millers and dealers are abnormally low, and it is generally reported that the entire holdover of 1920 wheat will be marketed before July 1st. Canners' stocks of canned fruits which are now approximately 26 per cent of last year's pack, were moving sluggishly until, during February, substantial reductions—in some cases 50 per cent—were made in canners' list prices, since which time accelerated marketing is reported. Canners estimate that their 1921 pack will be approximately 75 per cent of last year's and that costs will average 30 per cent less. Increased export demand has reduced stocks held by milk condensaries and they are now increasing output. Approximately 60 per cent of the heavy navel orange crop has gone to market and less than 11 per cent of the Northwest apple crop remains to be moved. Market demand for cotton, wool, and rice, however, is still limited.

Lumber mills are resuming operations, although production generally is but 50 per cent of normal. Reductions have been announced in transcontinental freight rates to St. Paul, Omaha and Chicago as well as in ocean charter rates to the Orient. February witnessed more numerous inquiries for lumber from Oriental ports. Statistics for building permits issued indicate that spring activity in building operations is beginning.

Production of copper by the principal mines of this district is still being curtailed in view of the price of refined copper, which was recently quoted at pre-war levels in New York City. Production of gold, silver and lead in the district during February was slightly greater than in January.

The peak of unemployment in this district has been passed. Resumption of operations in lumber mills and the beginning of seasonal agricultural work are rapidly relieving congestion in the cities.

Although the output of petroleum in California during February was 1 per cent less than during the record month of January, 1921, shipments were correspondingly less, and the amount added to storage stocks (approximately 330,000 barrels) was the same in each month.

Retail trade in the cities of the district was more active than during February last year, but enough less active in the country districts to make the total value of net sales for the district as a whole 2.4 per cent less than in February, 1920. With retail prices from 10 to 30 per

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cent less than a year ago it is probable that the decline of only 2.4 per cent in value of sales reflects an increase in volume of turn-over. All reporting lines at wholesale show decreases in values of sales during February, 1921, compared with February, 1920, but if allowance is made for a drop in wholesale prices of approximately 40 per cent in this period, indications are that wholesale business generally is not much less in physical volume than it was a year ago at this time.

Bank clearings and debits to individual accounts are respectively 18 per cent and 11 per cent less for February than for January, due in part to a smaller number of business days but also to slackening of business activity and falling commodity prices. Business failures during February were 10 per cent more numerous than in January, but 50 per cent less in liabilities. The month witnessed further contraction in the circulation of Federal reserve notes of this bank, which are now 12 per cent beneath the peak of December 23, 1920. Member banks' borrowings, which increased by approximately ten millions during the month, are now 27 per cent beneath the peak reached on December 10, 1920. During February also, this bank's secondary reserve of bankers' acceptances purchased in the open market was permitted to decline by 30 per cent and the bank's reserve percentage is now 54.1 compared with 53.9 on February 11th.

Weather and Crop Conditions

Weather conditions during the past month have continued exceptionally favorable to the agricultural interests of the entire Twelfth Federal Reserve District, and present prospects indicate larger and better yields of nearly all crops than have been harvested for several years.

Reports from Washington and Oregon confirm previous statements that the mild winter and exceptionally heavy rainfall have proved a boon to all farming and livestock communities. Winter wheat is in excellent shape and practically all out of danger from frost injury. Little re-seeding, if any, will be necessary. Spring work has already begun in some sections and plowing should proceed rapidly from this time on.

All sections of Utah and Idaho have had a fairly heavy snowfall, without extremely cold weather or blizzards, and soil conditions are reported ideal for the growing crop of winter wheat. Predictions are for an early spring, and a sufficient supply of moisture to start the growth of spring sown crops.

Rainfall in the coast sections of Southern California during the past two months has been sufficient for seasonal needs although in Los Angeles and San Diego the precipitation is still below normal. The prospects for the 1921 bean and sugar beet crops along the coast are therefore more encouraging than they have been for some weeks past. Approximately 75 per cent of the 1920-1921 crop of navel oranges has already been harvested under good weather conditions. In Northern and Central California early grain is reported further advanced than usual at this time of the year owing to opportune rainfall and warm weather.

Orchard and vineyard pruning, spraying and cultivating have been progressing in all sections whenever the weather permitted. Deciduous fruit trees of various varieties have been blooming throughout the month in California, and no serious damage has been reported from frosts. Trees are now budding in the intermountain district and in the Pacific Northwest. Unless they are nipped by late frosts the fruit crop should be one of the largest ever grown in this section. The setting of buds on fruit trees has been so heavy that radical thinning out will be necessary to insure large sized fruits.

Stocks of Wheat on Farms

According to figures compiled by the United States Department of Agriculture, stocks of wheat held on farms in the states of the Twelfth Federal Reserve District are without exception larger than last year, as is shown by table "A." The decline in the price of wheat which began last September has undoubtedly caused farmers to hold their wheat for higher prices, but receipts at terminal points show that there has been considerable liquidation in spite of this tendency. Although the total wheat held on farms in this district on March 1st, 17,284,000 bushels, is nearly one and one-

(A) Stocks of Wheat Held on Farms—

(In thousands of bushels)

	March 1 1921	March 1 1920	March 1 1919	Five-Year Average 1914-1918
Arizona	69	48	99	84
California	1,638	1,143	531	503
Idaho	5,900	2,670	2,838	2,631
Nevada	113	38	128	228
Oregon	2,748	2,081	1,523	2,110
Utah	1,878	638	1,293	1,617
Washington	4,938	3,144	2,335	5,430
12th District	17,284	9,762	8,747	12,603
United States	207,591	164,624	128,703	165,532

half times the five year average (1914 to 1918) of 12,603,000 bushels, this does not indicate an oversupply of wheat in the district, as reports from millers and dealers show a considerable decrease in their reserve stocks. At no time has there been real difficulty in securing sufficient wheat to fill either export or domestic orders, and a continuation of the present orderly marketing of the 1920 crop should consume the present supply by the beginning of the new crop year on July 1st.

Milling

February brought little improvement in the flour milling industry in this district and mills are still operating at approximately one-half of capacity. The demand for flour has been light, buyers conservative, and prices stationary. There is keen competition for business on the local markets, not only between mills within the district, but with Middle Western millers, and the same competition prevails in the Southern and Southeastern states which usually consume considerable quantities of Pacific Coast flour. Export demand has been negligible, the only activity reported being a few small shipments to Mexican and Central American ports.

Reports from 82 of the principal millers in the district show that their February output of flour was approximately the same as that of January and one-half of normal production for the month. Stocks of wheat in millers' hands as reported by 21 large millers amounted to 1,762,953 bushels on March 1, 1921, compared with holdings of 4,350,059 bushels on March 1, 1920. This decrease in the holdings of wheat by millers is largely due to the lack of demand for flour, although the unwillingness of many farmers to sell their grain at the prices offered has hindered accumulation of large stocks. Flour stocks are slightly below those of one year ago, the same mills reporting 452,044 barrels on hand on March 1, 1921, and 526,960 barrels on March 1, 1920.

Table "B" shows the February production of the reporting mills by states and the percentage of mill capacity in operation this year and last year.

Fruit Canning

According to a February survey made by the Canners' League of California, the unsold carryover of canned fruit remaining in the cannery warehouses of the state amounted to 3,066,871 cases, or 26.9 per cent of the 1920 pack of 11,382,863 cases. There has been some movement since these figures were compiled, but it is reported that the majority of shipments have either gone east on a consignment basis or are being shipped to consuming centers by the canners in anticipation of an increased demand during the next few months, and have not actually gone into consumption.

Canners report that retailers until recently have failed to reduce to present market levels their quotations on stocks purchased at the prices of last summer and fall. However, the largest packing company in the trade has reduced its prices on all available lines of canned fruit from 25 to 50 per cent, and this has stimulated similar reductions at retail and has contributed materially toward stabilizing the market. It is stated that the present supply will be entirely consumed in the five or six months which will elapse before the new pack is ready.

Due to the uncertainty of marketing conditions, and the losses sustained on this year's output, reports from the entire Pacific Coast indicate that the 1921 pack will be approximately 25 per cent smaller than last year. Although it is estimated that the costs of putting up fruit will be reduced approximately 30 per cent below the level of last year, the packers have not purchased large stocks of cans, box-shook or other supplies. The 33⅓ per cent advance in freight rates to eastern consuming centers will tend to offset some of the reductions in the costs of labor and materials, as applied to the price of the finished product to the consumer in distant markets.

The estimated carryover of canned fruits in California as reported by the Canners' League of California and a comparison of the 1920 opening prices of the California Packing Corporation with their recently announced prices

(B) Milling—

	No. Mills Reporting		Output		Per Cent Mill Capacity in Operation		
	February	January	February	January	February 1921	January 1921	February 1920
California	11	10	184,317 barrels	217,209 barrels	58.5	50.5	66
Oregon	29	29	95,027 "	135,419 "	29	40.2	67
Washington	35	35	274,298 "	237,053 "	36	32.1	84.5
Idaho	6	3	19,778 "	5,106 "	55	42.0	70
Utah	1	3	(Included in California Figures)				
Twelfth District	82	80	573,420 barrels	594,787 barrels	44.8	40.3	71.8

on the unsold portion of their 1920 pack are shown in table "C."

Interests in the dried fruit industry of California have been largely occupied with the probable results of a three-cornered controversy between the California Prune and Apricot Growers' Association, the independent fruit packers, and the intercoastal steamship companies regarding the freight rates to be charged on dried fruits, shipped in bags and in boxes, to the Atlantic Coast.

Dried Fruit Controversy

Early in February the California Prune and Apricot Growers' Association announced that they had secured a freight rate of 60 cents a hundredweight on unprocessed dried fruit, shipped in bags to New York. They further announced that they had made the necessary arrangements to pack the prunes thus shipped in the Bush terminal in Brooklyn, and that they would thereafter be able to distribute prunes advantageously from New York to the territory as far west as Pittsburgh. The rate by water which had prevailed prior to this time was $1.30 a hundredweight for fruit in bags and 90 cents a hundredweight for fruit in boxes. Practically all of the dried fruit heretofore shipped from California has been boxed in this state.

The California Prune and Apricot Growers' Association claims that their action was taken in order that large unsold stocks of the 1920 prune crop might be placed on the eastern market at lower prices and in better condition than was formerly possible, and that the danger of an embarrassing holdover would be minimized by the anticipated increase in consumption.

The independent packers, supported by various civic organizations, assert that a continuation of the newly announced rates will mean the transference of the industry of packing California dried fruit to the eastern states, with a corresponding loss to the state of the subsidiary and dependent industries connected with it. They have petitioned the steamship companies for a rate of 40 cents a hundredweight on boxed fruit so that the differential which previously existed in favor of the processed product will be maintained.

The steamship companies concerned have issued a statement that due to the fact that boxed fruit is adversely affected by the climatic conditions encountered in the voyage through the Panama Canal, all the boxed fruit offered them for shipment in the past season would not fill one boat, and that the steamship rate on boxed fruit is therefore of no importance.

Although several conferences of the different interests have been held, no decision has been reached.

Harvesting of rice in California has been resumed on a small scale during the past few weeks, but there has been no general movement to gather the crop which remains in the fields, in many cases because the cost of harvesting would exceed the prospective returns for rain-damaged paddy. Of the total crop of 4,000,000 bags of paddy rice it is estimated that 1,400,000 bags have been cut and shocked and allowed to lie in the fields and that approximately 800,000 bags are standing uncut. A recent check of the warehouse holdings of California rice discloses 1,400,000 sacks of paddy which have not been milled. Milling operations have been greatly curtailed as compared with previous years and only 400,000 bags of paddy rice or 220,000 pockets of cleaned rice have been placed on the market. (A pocket equals 100 pounds net weight).

Rice

The rice being milled either under the control milling plan of the Pacific Rice Growers' Association, or by independent millers, is slowly moving into distributing channels. The outstanding feature of the month in the local rice market was the heavy shipment of rice from the southern states to the Pacific Coast

(C) California Canned Fruits—

Variety	Total Pack (Cases)	Unsold Stock (Cases)	1920 List Prices ‡Per Doz. Cans	Feb. 1921 Prices* ‡Per Doz. Cans
Apples	9,041	981	$4.00	3.25
Apricots	2,312,020	856,451	4.75	...
Blackberries	161,359	33,930	4.50	$2.35
Cherries	647,977	179,706	5.25	3.10
Grapes	114,886	18,449	4.50	3.20
Loganberries	14,267	635	4.15†	...
Pears	1,184,288	297,875	5.25	3.50
Free Peaches	1,547,687	280,900	4.65	...
Cling Peaches	5,205,511	1,212,960	5.00	2.70
Plums	164,740	64,437	4.25	...
Strawberries	5,525	2,618	5.50†	...
Other Fruits	15,562	5,429	...	...
Totals	11,382,863	3,054,371		
Estimated carryover two concerns from whom detailed report not received		12,500		
Total		3,066,871		

‡ No. 2½ Cans, Fancy Grade.
† Standard Grade.
* Fruits for which no quotation appears have been sold out in this grade and size of can.

at prices which would permit selling the rice in Seattle, Portland, San Francisco and Los Angeles at $4.25 and $4.50 per hundred pounds. Even though California rice was reduced to $4.40 per hundred pounds for number one Fancy Japan, it could not compete with the southern shipments except on the San Francisco market.

Apples

In spite of the low market prices for apples this season as compared with last, it is estimated that there are only 3000 carloads of the apple crop of the Pacific Northwest remaining unshipped out of an estimated crop of 26,000 cars.

The bulk of the apples shipped out of the Northwest during this season have been small in size, and did not command the best prices on the eastern markets, where they were forced to meet the competition of the heavy crop of barrelled apples grown in the eastern states. A sustained demand prevailed for large sized boxed apples, due to their scarcity, the poorer grades of large sized apples selling more readily and at better prices than small stock of better grade.

Due to favorable climatic conditions which have prevailed throughout the apple raising districts this winter, growers are anticipating a record crop for the 1921 season. The trees are heavy with fruit spurs, the buds are swelling much earlier than usual and provided there is no extremely cold weather in the next thirty days, the crop should run to large sizes and be of fine quality.

Table "D" shows comparative carlot shipments of apples by states during the past two years.

Livestock

Range conditions throughout the Twelfth Federal Reserve District have been excellent with the exception of several large dry areas in the state of Arizona, where the rainfall and snowfall continue below normal. In the latter state the water shortage has restricted the feeding area for livestock to the immediate locality of the more favored water holes and streams and as these locations are now overstocked, the animals are beginning to lose flesh. In all other sections the winter has continued mild and an abundance of moisture in the ground has provided liberal quantities of green feed. Favorable range conditions and an abundance of good pasture, coupled with the prevailing low prices of concentrated stock feeds and hay, have made it possible and desirable for the growers to hold their animals on range and farm in anticipation of increased

(D) *Comparative Carlot Apple Shipments**—

	Feb. 1921	Feb. 1920	Season to Feb. 28 1921	Season to Feb. 29 1920	Total Last Season
California	81	151	4,033	3,872	4,153
Idaho	132	174	2,565	3,625	3,943
Oregon	208	432	2,739	4,909	5,443
Utah	5	2	568	195	199
Washington	1,566	1,717	17,446	22,752	27,167
Totals	1,992	2,476	27,351	35,353	40,905

*Carlots of 756 boxes each.

(E) *Receipts of Livestock*—

	Cattle 1921	Cattle 1920	Calves 1921	Calves 1920	Hogs 1921	Hogs 1920	Sheep 1921	Sheep 1920	Horses and Mules 1921	Horses and Mules 1920
Portland	8,328	10,517	535	979	18,997	17,340	19,054	9,881	99	92
Salt Lake City	3,661	3,604	10	73	4,987	3,926	24,047	17,488	90	224
Seattle	3,860	5,816	317	283	21,449	13,896	4,590	6,444	—	35
Spokane	1,188	7,521	84	715	2,976	3,649	2,302	1,451	91	234
Tacoma	1,431	1,596	322	106	3,471	3,624	3,838	756	—	—
Total	18,468	29,054	1,268	2,156	51,880	42,435	53,831	36,020	280	585

(F) *Purchases for Local Slaughter*—

	Cattle 1921	Cattle 1920	Calves 1921	Calves 1920	Hogs 1921	Hogs 1920	Sheep 1921	Sheep 1920
Portland	3,798	4,540	244	686	13,724	11,148	8,246	4,955
Salt Lake City	1,502	1,072	60	73	2,596	3,713	3,883	1,670
Seattle	3,717	5,336	317	242	21,356	13,896	4,590	6,224
Spokane	717	2,357	79	317	2,328	2,792	2,253	334
Tacoma	1,431	1,596	322	106	3,471	3,624	3,838	756
Total	11,165	14,901	1,022	1,424	43,475	35,173	22,810	13,939

weights and better prices. Notwithstanding these conditions, however, the demand for feeder and stocker animals is still reported slight and the livestock interests burdened by financial responsibilities assumed during the past two years are proceeding cautiously.

The run of cattle on the five principal markets of the district has been lighter than last year but the demand has been strong and trading active. Top prices ranged from $6.50 to $8.50 a hundredweight for fat steers, $5.25 to $6.00 for cows and $10.00 to $12.50 for calves. These prices are slightly below those quoted in January. Sheep and yearling lambs are in considerably greater supply than in February, 1920. There was a noticeable downward trend in prices during the month, top prices for lambs on different markets ranging from $8.25 to $9.50 per hundredweight during the first weeks in February and from $7.60 to $8.50 during the last week in that month.

The outstanding feature of the month's trading was the continued heavy demand for hogs. The market absorbed supplies slightly in excess of last year. Although prices fluctuated during the month they were higher on the 1st of March than on the 1st of February. Top prices ranged from $9.65 to $11.00 a hundredweight. Carloads of swine from middle western points continue to pour into the markets of the district. Although some local feeders are enlarging their operations the district remains strictly non-self-supporting as far as pork and pork products are concerned.

A comparative statement of the receipts of livestock and purchases for local slaughter at the five principal markets of the district during the month of February is given in tables "E" and "F."

Livestock Statistics

Figures recently published by the United States Department of Agriculture show that there has been a reduction in the number of all kinds of animals on the farms and ranges of this district during the past year. The severe winter of 1919-20 and the abnormally high prices of feed at that time made the carrying of large herds unprofitable, as the prices for the finished animals were not correspondingly high. This resulted in the slaughter of numbers of unfinished stock and she-animals which would normally have been retained to build up the herds and flocks. The decrease in the number of animals was no greater than in other sections of the United States, however, and under present conditions the rebuilding of local herds can be pushed forward rapidly. Table "G" shows the number and value of the livestock in this district by states in 1921 and 1920. It is interesting to note that while this district contains 12.1 per cent of the country's cattle and 29.9 per cent of the sheep, it raises only 2.8 per cent of the hogs. At the present time carloads of hogs are being shipped into this district from the feed lots of the middle west and are meeting a strong demand on local markets.

Sheep and Wool

Approximately 75 per cent of the 1920 wool clip of the Twelfth Federal Reserve District (81,000,000 pounds) is still either in the hands of the growers or on consignment in distributing centers, with little prospect of considerable amounts being moved before the 1921 clip comes on the market. Due to the favorable winter, the clip this spring will average heavier fleeces than a year ago, and the

(G) Livestock on Farms and Ranges—*

	CATTLE				HOGS				SHEEP			
	1921		1920		1921		1920		1921		1920	
	No.	Value	No.	Value	No.	Value	No.	Value	No.	Value	No.	Value
Arizona	1,100	$ 41,800	1,000	$ 44,000	40	$ 640	42	$ 756	1,200	$ 7,920	1,200	$ 11,520
California	1,683	74,052	1,634	83,988	930	13,485	1,033	18,594	2,950	20,060	2,950	31,860
Idaho	540	18,215	575	25,357	206	2,580	240	4,272	2,623	16,260	2,914	30,306
Nevada	540	19,440	585	24,075	30	330	32	448	1,532	11,643	1,596	16,438
Oregon	561	24,412	680	31,476	272	3,482	302	5,889	2,270	15,633	2,522	27,742
Utah	473	13,812	493	19,375	103	1,339	114	1,710	2,245	15,266	2,245	23,123
Washington	290	9,947	305	13,359	267	4,005	300	6,990	645	4,579	725	8,047
12th District	5,187	$ 201,678	5,272	$241,630	1,848	$ 25,861	2,063	$ 38,659	13,465	$ 91,361	14,152	$149,036
United States	42,870	$1,346,665	44,750	$1,934,185	66,649	$865,633	71,727	$1,363,269	45,067	$288,732	47,114	$495,660
Per Cent District to U. S.	12.1	14.9	11.7	12.5	2.8	2.9	2.8	2.8	29.9	31.6	30.0	30.0

* 000 omitted.

wool will be of a better quality. This fact, it is reported, has influenced mill buyers to wait until the new clip is available before offering to contract for wool.

In spite of the stagnation of the wool market, which led some growers to send sheep to the slaughter-house, the decrease in the number of sheep in the district, as shown by figures issued by the Department of Agriculture, was only 687,000 head during the past year. The outlook for the present lambing season is generally excellent, and in sections where shed lambing is already in progress the death-rate is reported to be unusually low. In Arizona, however, lambing is proceeding under unfavorable circumstances due to the poor condition of the ewes and many losses are reported.

An added element of encouragement for the sheep men of the district is the reduction in labor costs this season. The wages of experienced herders are now $75.00 and board—in some cases as low as $60.00 and board, compared with $100.00 and board last year. Shearers' wages this year will average from 12½ cents to 15 cents per sheep, compared with 17 cents and 20 cents last year.

Dairying

According to figures gathered by the United States Department of Agriculture there were 1,331,000 milk cows on the farms of the Twelfth Federal Reserve District on January 1, 1921, compared with 1,342,000 on January 1, 1920. Following a year of abnormally high feed and labor costs, which caused some dairy herds to be disbanded, this decrease of only 1 per cent in the total number of dairy cattle in this district is a wholesome indication of the stability of the dairy industry. The value of dairy animals showed a greater decrease than their numerical strength, totaling $112,116,000 this year, compared with $120,987,000 last year, a decrease of 7.3 per cent. The decline in the value of dairy products, as well as the general lowering of livestock prices during the year, account for this shrinkage of value. Table "H" shows comparative figures of the number and value of milk cows on the farms of this district in 1921 and 1920.

Dairy Products

Demand has been increasing for condensed and evaporated milk, and the improvement noted last month has continued. As stored stocks decrease, condensaries are gradually increasing their output. An encouraging factor is the improvement of the export market for canned milks. Exports of evaporated milk from the United States during February showed an increase of 100 per cent over the exports of the preceding month and the corresponding month of last year.

Prices paid to milk producers by fluid milk distributors continue to decline. The February average price in the Intermountain district was $2.79 per hundredweight of milk containing 3.5 per cent butter fat and on the Pacific Coast $3.09 per hundredweight. These prices are 10 cents and 31 cents, respectively, below the prices paid in January, 1921, and 15 cents and 53 cents, respectively, below the prices paid in February, 1920. Table "I" gives comparative figures of prices paid to producers in this district and in the United States as a whole.

(*I*) *Prices Received by Milk Producers—**

† Section	Feb. Range	Feb. Average	Jan. Average	Feb. 1920 Average
Mountain (128 mkts.)	$2.10-$3.50	$2.79	$2.89	$2.94
Pacific (229 mkts.)	2.09- 3.87	3.09	3.40	3.62
U. S. (3138 mkts.)	1.69- 4.09	2.96	3.28	3.76

* All prices per hundredweight for milk testing 3.5 per cent butter fat.

† Mountain section includes Idaho, Utah, Nevada and Arizona. Pacific section includes Washington, Oregon and California.

(*H*) *Milk Cows*—

	Per Cent Compared with 1920	1921		1920	
		Number	Value	Number	Value
Arizona	90	45,000	$4,725,000	50,000	$4,750,000
California	101	577,000	54,815,000	571,000	55,387,000
Idaho	101	137,000	9,864,000	136,000	11,560,000
Nevada	103	32,000	2,752,000	31,000	2,728,000
Oregon	98	216,000	16,200,000	220,000	18,260,000
Utah	99	108,000	7,560,000	109,000	8,502,000
Washington	96	216,000	16,200,000	225,000	19,800,000
Twelfth District	99	1,331,000	112,116,000	1,342,000	120,987,000
United States	98.7	23,321,000	$1,491,900,000	23,619,000	$2,010,128,000
Per cent Dist. to U. S.		5.7	7.5	5.7	6.0

Considerable reduction in cold storage holdings of butter in the district occurred during the month, net withdrawals of 576,162 pounds occurring at the four principal markets. This reduced the district holdings to 728,703 pounds, which is no greater than the holdings of last year when increases in urban population are considered. The resumption of milk canning in the condensaries of the Pacific Northwest has reduced the output of butter and caused a strengthening of the butter market in that section. Prices fluctuated during the month but averaged slightly higher than in January. On the San Francisco market 93 score butter was quoted at 45 cents a pound on March 1st, compared with 42½ cents a pound on February 1st.

A comparative statement of cold storage withdrawals during February, 1921 and 1920, and total holdings on March 1st at the four principal markets of the district is given in table "J."

California Fish

Estimates of the 1920 pack of California fish place the output of sardines at 1,062,996 cases; tuna at 835,645 cases; and salmon at 31,019 cases. The pack of tuna and salmon during the past season has been better than any previous year, while the pack of sardines shows a large decrease over 1919. The decrease was not caused by the scarcity of sardines, but was occasioned by a decrease in demand for the canned product. The factories in Southern California engaged in preparing sardines ceased operations early in the fall of 1920, whereas they usually run throughout the winter and early spring.

Compared with the pack of salmon in the Pacific Northwest and Alaska which amounted to 6,462,883 cases in 1920, the California pack is relatively unimportant.

The California sardine is the only true sardine packed in the United States. It is stated that the Maine pack, which is labelled sardines, is young herring and equal in size to the California pack in normal years. Practically all the tuna packed in the United States, except a small amount prepared on the Atlantic coast, is prepared in California. There are several varieties of fish which are sold as tuna including albacore, yellowfin, bluefin, skipjacks and bonita.

Demand for these products in common with the demand for other canned fish has not been active this season, but due to the limited pack, present holdover stocks are not abnormal for this period of the year.

Comparative statistics on the pack of sardines, tuna and salmon in California for the past six years are given in table "K."

Lumber

With the approach of spring, the lumber mills of the district are gradually increasing their output, but the combined production of all mills in the district is still only 50 per cent of the normal cut. The logging industry is also quiet, and present indications are that large-scale logging operations will not be resumed before April 1st, as many loggers are contracting for new tools and machinery for April 1st delivery.

February output of lumber, according to reports received from the four lumber associations of this district, amounted to 202,970,000 board feet, compared with 160,116,000 feet during the preceding four weeks, an increase of 26.8 per cent and compared with 409,071,147 feet in February, 1920, a decrease of 50.4 per cent. Orders increased 21.2 per cent and shipments 20 per cent compared with the preceding month.

(K) Estimate of California Fish Pack 1915-1920—

	Sardines (Cases)	Tuna (Cases)	Salmon (Cases)
1915.........	75,000	350,000	23,000
1916.........	166,395	367,000	42,900
1917.........	1,179,045	700,000	39,000
1918.........	1,483,978	290,000	26,500
1919.........	1,151,327	465,372	30,521
1920.........	1,062,996	835,645	31,019

(J) Holdings and Withdrawals of Cold Storage Butter—

City	February, 1921 Net Withdrawals	February, 1920 Net Withdrawals	March 1, 1921 Holdings	March 1, 1920 Holdings
Los Angeles.............	101,783 pounds	1,700 pounds	87,097 pounds	22,062 pounds
Portland.................	103,697 "	251,708 "	122,449 "	38,179 "
San Francisco............	226,974 "	*78,598 "	388,622 "	312,019 "
Seattle....................	143,708 "	303,082 "	130,535 "	110,773 "
Totals................	576,162 pounds	477,892 pounds	728,703 pounds	483,033 pounds

* Net increase.

No material change in marketing conditions which have prevailed during the past few months was noticeable in February. Increase in the volume of business was accompanied by a continuance of price declines, due to active competition for orders. Favorable factors influencing the situation are the need for additional housing facilities, the resumption of repair work, the reduction of railroad freight rates to Middle Western points, and the revival of the Oriental demand for lumber.

During the month, the western transcontinental railroads announced reductions in freight rates on lumber from 80 cents to 73 cents a hundredweight to Chicago, and 73½ cents to 66½ cents to St. Paul and Omaha. No reductions in freight rates from Chicago eastward were granted.

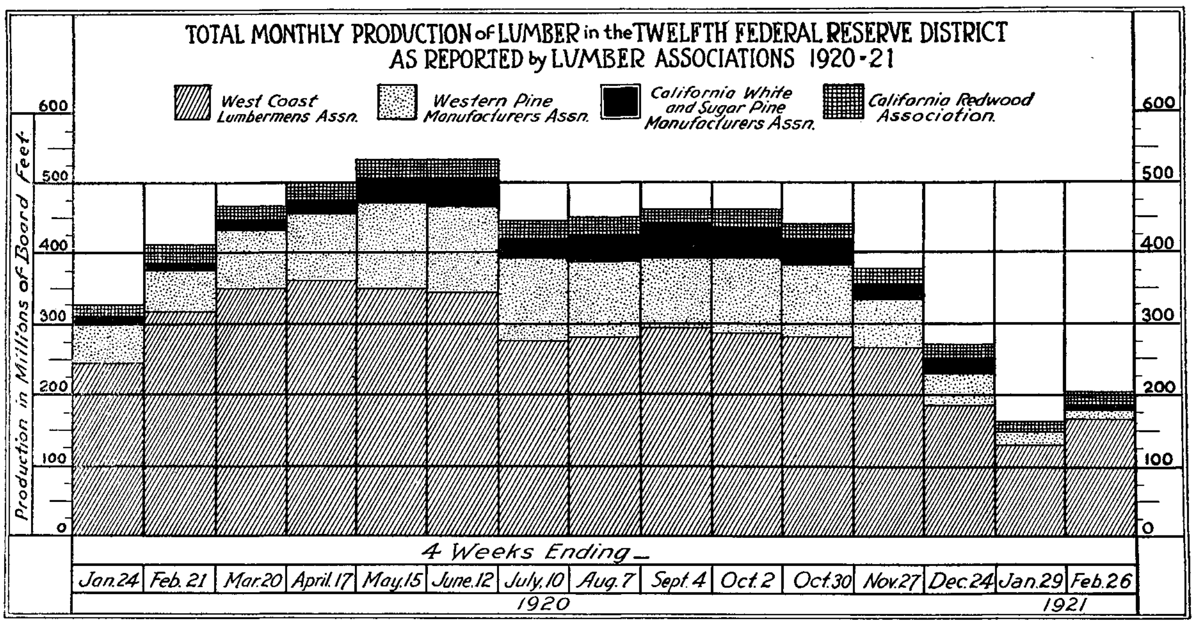
Cargo rates by water to the Atlantic coast have remained approximately the same during the past month, the intercoastal shippers' conference maintaining a rate of $20 a thousand board feet and independent steamers quoting rates as low as $17.50 per thousand. Active preparations for increased shipments through the Panama Canal are reported. An assembling and distributing yard at Baltimore with a capacity of 100,000,000 board feet is now being made ready to receive lumber shipments from Puget Sound. Freight rates on shipments to the Orient have again been reduced, the present rate of $10 per thousand board feet of lumber and timber being the result of gradual reductions from the rate of $27.50 per thousand which was in effect in September, 1920.

Comparative figures of cut, shipments and orders for the reporting mills of the four associations of this district are shown in table "L." A chart showing the production of the same associations during the past year is presented below.

(L) Lumber—

	West Coast Lumbermen's Association		Western Pine Manufacturers' Association		California White and Sugar Pine Manufacturers' Association		California Redwood Association		TOTAL	
	4 Weeks ending Feb. 26	Previous Four Weeks	4 Weeks Ending Feb. 26	Previous Four Weeks	4 Weeks Ending Feb. 26	Previous Four Weeks	4 Weeks Ending Feb. 26	Previous Four Weeks	4 Weeks Ending Feb. 26	Previous Four Weeks
Average No. of Mills Reporting....	118	114	35	36	6	5	11	9	170	164
Cut*........	162,648	130,865	16,964	18,203	5,378	740	17,980	10,308	202,970	160,116
Shipments* .	157,970	133,645	37,337	29,942	5,827	2,263	9,784	9,197	210,918	175,892
Orders*.....	167,483	140,221	36,850	30,300	5,587	4,729	7,478	4,413	217,398	179,802

*In thousands of board feet.



Slight increases in the output of gold, silver and lead and a further decrease in the production of copper are indicated in reports covering the January operations of twenty-two of the largest mining companies in this district.

Mining

Gold mining continues at a low ebb in the lode mining regions but dredges are operating at practically 100 per cent of their capacity and their operations are entirely responsible for the increased output as compared with last year. Of the seven reporting copper mines, four report that they are curtailing production and three were closed down during the month of January. The mines not engaged in the production of metal are proceeding with development and construction work, preparing to resume their mining activities when the metal market shall provide a more satisfactory outlet for their product.

Comparative figures of the output of metal of twenty-two reporting mines in January, 1921; December, 1920, and January, 1920, are given in the following table:

	January, 1921	December, 1920	January, 1920
Gold (oz.)	45,091	28,129	27,595
Silver (oz.)	885,306	457,542	670,511
Lead (lbs.)	11,987,256	10,587,333	9,800,000
*Copper (lbs.)	16,144,980	18,688,511	16,743,931

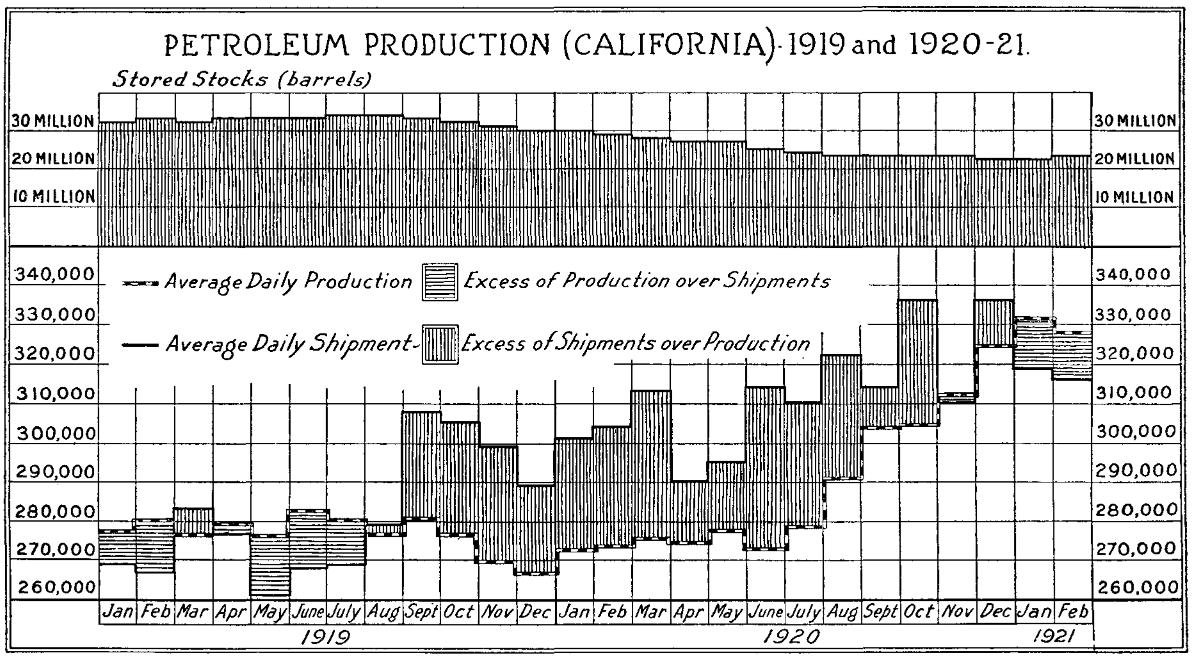
* Blister Copper.

In February, for the first time in five months, the increasing daily output of the petroleum wells of California was checked and the average daily production (327,864 barrels) was 3322 barrels less than in January, 1921 (331,186 barrels). Daily shipments were also less than in January, averaging 316,812 barrels in February compared with 319,769 barrels the previous month, a decrease of 2957 barrels. Stored stocks were consequently increased by 309,449 barrels during the month and now total 22,903,639 barrels.

Petroleum

(M) Petroleum—

	February	January	December, 1920
Production (Daily Average)	327,864 barrels	331,186 barrels	324,933 barrels
Shipments (Daily Average)	316,812 "	319,769 "	335,967 "
Stored Stocks (End of Month)	22,903,639 "	22,594,190 "	22,240,271 "
New Wells Opened	60	64	58
With Initial Daily Production	15,855 barrels	29,852 barrels	16,625 barrels
Wells Abandoned	7	5	9



Sixty new wells, with an initial daily production of 15,855 barrels, were completed during February and seven wells were abandoned, a net gain of 53 producing wells during the month. Statistics on oil field operations as furnished by the Standard Oil Company of California are given in table "M." A chart showing the production, shipments and stored stocks of petroleum by months for the past two years is presented on page 10.

Retail Trade

According to reports submitted to this bank by twenty-five representative department stores and mail order houses in the Twelfth Federal Reserve District, February sales at retail in the principal cities of the district were 8.1 per cent greater by value than sales in February, 1920. In the rural sections, largely due to their decreased buying power coincident with the decline in value of farm products, sales were less in amount than a year ago, offsetting the increase in the cities, and for the district as a whole retail sales were 2.4 per cent less by value than in February, 1920. As the dollar will buy more commodities at present prices than it would have in February, 1920, this figure does not mean that the volume of trade has been smaller. Sales totals for the first two months of this year, expressed in dollars show a 5.9 per cent decrease compared with sales during the same period last year. Retail prices are approximately 10 to 30 per cent less than a year ago. It is probable therefore that a greater volume of merchandise has been turned over this year than last year.

The average net increase or decrease in the value of net sales for the reporting cities is as follows:

	February, 1921, Compared to:	
	Feb., 1920	Jan., 1921
Los Angeles	14.6	—14.9
San Francisco	.4	— 7.4
Seattle	— 2.4	—12.0
Spokane	12.2	7.3
Oakland	8.2	—11.1
Salt Lake City	5.2	—15.2

Stocks on hand at the close of February, 1921, were 7.6 per cent less than at the close of the same month a year ago, and 2.2 per cent greater than at close of January, 1921. The percentage of outstanding orders at the

(*N*) *Retail Trade Activity—*

CONDITION OF RETAIL TRADE DURING FEBRUARY, 1921
In Federal Reserve District No. 12
(25 Stores Reporting)

	Oakland	Los Angeles	San Francisco	Seattle	Spokane	Salt Lake City	District
Percentage increase or decrease of net sales during February, 1921, over net sales during same month last year	8.2	14.6	.4	—2.4	12.2	5.2	— 2.4
Percentage increase or decrease of net sales during February, 1921, over net sales during January, 1921	—11.1	—14.9	— 7.4	—12.0	7.3	—15.2	—12.7
Percentage increase or decrease of net sales from January, 1921, to February 28, 1921, inclusive, over net sales during same period last year	— 2.2	13.3	— 6.5	— 9.3	.005	1.9	— 5.9
Percentage increase or decrease of stocks at close of February, 1921, over stocks at close of same month last year	—27.8	—12.4	—16.5	—27.5	—14.0	..	— 7.6
Percentage increase or decrease of stocks close of February, 1921, over stocks at close of January, 1921	4.2	.5	6.1	6.6	4.4	..	2.2
Percentage of average stocks close each month this season to average monthly net sales during same period	467.1	355.6	444.6	468.1	610.9	..	448.2
Percentage outstanding orders close of February, 1921, to total purchases during year 1920	..	11.5	8.2	6.0	5.2	..	8.6

close of February to the total purchases during 1920 was 8.6 per cent compared with 5.4 per cent in January and 5.8 per cent in December.

Of the reporting firms 43 per cent characterized collections as "good" in February compared with 66 per cent in January and 50 per cent in December. Collections were reported as "fair" by 36 per cent of the reporting stores compared with 20 per cent in January.

Table "N" gives in detail the statistics in regard to sales, stocks and outstanding orders, which were supplied by 25 reporting department and mail order houses.

Wholesale Trade

Detailed reports received from 142 representative wholesale firms in eight lines of business in this district indicate that the wholesale trade is still depressed, largely due to the hesitancy of retailers to liquidate high priced inventories, taking their losses, where necessary, and to restock with goods at present wholesale prices which could be offered to the public at lower, but still profitable prices. Compared with February, 1920, all lines of business show recessions in the value of net sales but a comparison with January, 1921,

(O) *Wholesale Trade—*

(1a) Percentage of increase or decrease (—) in net sales for February, 1921, over January, 1921

	Hardware	Dry Goods	Groceries	Drugs	Shoes	Stationery	Furniture	Auto Tires
No. of reporting firms	22	10	28	10	14	24	15	14
Los Angeles	—19.4	..	9.3	— 5.4	40.6	— 8.9	43.7	26.2
San Francisco	—10.7	8.9	9.3	— 7.3	38.9	—13.4	35.7	7.6
Seattle	— 8.7	..	—10.0	..	—12.8	— 2.1	14.9	14.7
Portland	— 6.6	..	— 1.1	2.4	50.0	— 3.7	54.7	..
Tacoma	41.6	..	.4	..	..	—38.0	1.7	..
Spokane	3.9	..	7.1	..	..	—19.0	..	26.8
Salt Lake City	10.9	..	1.2	..	..	—22.0	..	53.3
Sacramento	9.5	..	9.6	..	..	..	..	..
District	—10.0	9.1	4.9	— 4.4	35.0	—12.2	41.5	30.4

(1b) Percentage increase or decrease (—) in net sales for February, 1921, over February, 1920

	Hardware	Dry Goods	Groceries	Drugs	Shoes	Stationery	Furniture	Auto Tires
No. of reporting firms	22	10	28	10	14	24	15	14
Los Angeles	—38.3	..	19.4	— .9	—24.1	—21.1	—27.0	—55.9
San Francisco	—31.5	—28.9	— 2.4	—12.2	—37.1	—10.9	—37.7	—61.0
Seattle	—43.8	..	—28.7	..	—62.6	—12.8	— 5.0	..
Portland	—34.0	..	—13.1	—37.3	—48.0	16.0	—56.9	—66.6
Tacoma	13.3	..	—23.9	..	..	—29.1	—54.6	..
Spokane	—23.3	..	—23.2	..	..	2.6	..	—59.6
Salt Lake City	—44.0	..	— 8.8	..	..	—11.3	..	—67.1
Sacramento	—22.1	..	16.3	..	..	..	..	..
District	—35.6	—33.8	— 4.7	—13.6	—39.8	— 8.2	—35.7	—56.6

(1c) Percentage of increase or decrease (—) in net sales for January 1, to February 28, 1921, over same period last year

	Hardware	Dry Goods	Groceries	Drugs	Shoes	Stationery	Furniture	Auto Tires
No. of reporting firms	22	10	28	10	14	24	15	14
Los Angeles	—32.4	..	— 1.4	6.0	—31.4	— 8.4	—51.0	—50.4
San Francisco	—31.0	—38.8	—20.8	—13.0	—50.1	—13.3	—40.0	—63.1
Seattle	—43.6	..	—33.4	..	—61.4	—17.5	—24.4	—55.6
Portland	—26.6	..	—24.5	—35.9	—62.1	10.3	—62.5	—60.6
Tacoma	— 1.6	..	—38.2	..	..	— 9.0	—56.1	..
Spokane	—34.6	..	—33.4	..	..	— 5.9	..	—68.6
Salt Lake City	—35.3	..	—30.4	..	..	—10.1	..	—82.2
Sacramento	—25.7	..	— 7.0	..	..	..	..	..
District	—33.4	—41.5	—20.7	—19.6	—56.3	— 2.6	—46.6	—61.6

shows an increase in the value of net sales in dry goods, groceries, shoes, furniture and automobile tires.

The average net increase or decrease in the value of net sales for the eight reporting lines of business was as follows:

	February, 1921, Compared to:	
	Feb., 1920	Jan., 1921
Hardware	—35.6	—10.0
Dry Goods	—33.8	9.1
Groceries	— 4.7	4.9
Drugs	—13.6	— 4.4
Shoes	—39.8	35.0
Stationery	— 8.2	—12.2
Furniture	—35.7	46.4
Automobile Tires	—56.6	30.4

In the automobile tire and grocery trade the majority of the reports received indicate that retailers have liquidated their high priced merchandise and are now buying for stock at new wholesale prices. In the other six lines of business the tendency is not defined, some firms reporting that liquidation is still going on but that present buying is merely to fill in depleted stocks. Current unfilled orders are reported as considerably smaller than usual.

Prices are showing a downward tendency except in stationery and furniture. In these lines monthly fluctuations occur without materially lowering prices. Shoe and dry goods prices are reported as "steady" during the month with yearly changes ranging from 25 to 40 per cent below the peak levels of 1920.

According to Bradstreet's Index Number of wholesale prices based on the price per pound of 96 articles of common consumption, prices in the United States on March 1st showed a decrease of 4 per cent from February 1st and of 43.1 per cent from February, 1920.

Collections during the month were characterized as "excellent" by 2 per cent, "good" by 32 per cent, "fair" by 59 per cent and "poor" by 7 per cent of the reporting firms, compared with 4, 32, 52 and 12 per cent respectively in January.

Table "O" shows the percentage increases or decreases in sales of reporting wholesale firms during February as compared with February, 1920, and January, 1921, and for the first two months of 1921 compared with the same period in 1920.

Labor

The peak of unemployment in this district has been passed, and, with the gradual reopening of lumber mills and the resumption of agricultural activity, there has been a steady diminution of unemployment.

In the Pacific Northwest, Seattle and Portland report conditions slightly better than last month and Spokane as unchanged. Lumber mills are slowly resuming operations and calls for agricultural labor are beginning to appear. In Idaho, Utah and Nevada, the principal unemployment is in mining, railroad construction and building trades. It is expected that the resumption of highway construction, the renewal of activity on reclamation projects, and the seasonal call for aid in spring planting and preparation of farm lands will provide employment for all outdoor laborers during the next few months. California reports less unemployment in February than in January, due to the call for laborers from the country districts. In Los Angeles a reduction of unemployment from 25 to 30 per cent is noted, partly due to the homeward movement of migratory laborers who spend the winter in Southern California.

Present wages are reported to be from 20 to 33⅓ per cent below those of last year.

In the manufacturing industries, as contrasted with the extractive industries, unemployment increased slightly during the month

(*P*) *Los Angeles Manufactures*—

	Census 1919	Census 1914	Per cent of Increase 1914-1919
Number of establishments	2,543	1,911	33.0
Persons engaged in manufactures	59,249	31,540	87.9
Proprietors and firm members	2,520	1,767	42.6
Salaried employes	9,591	6,029	59.1
Wage earners (average number)	47,138	23,744	98.5
Primary horsepower	94,876	64,665	46.7
Capital	$158,861,000	$101,681,000	56.2
Services	71,956,000	26,025,000	176.5
Salaries	16,721,000	7,748,000	115.8
Wages	55,235,000	18,277,000	202.2
Materials	159,718,000	58,941,000	171.0
Value of products	279,327,000	103,458,000	170.0
Value added by manufacture (value of products less cost of materials)	119,609,000	44,517,000	168.7

of February, according to figures recently released by the United States Employment Service of the Department of Labor. Based on reports of firms in the cities of Los Angeles, Portland, San Francisco and Seattle usually employing 500 or more men the number of unemployed increased 3115 during February, as compared with January. Figures showing the actual and the percentage increase or decrease in employment in manufacturing industries by cities are given in the following table:

	Increase or Decrease (—) In Employment During February, 1921	Per Cent Increase or Decrease (—) In Employment During February, 1921
Los Angeles	—1,257	— 5.1
San Francisco	—2,146	—22.1
Seattle	— 176	— 7.7
Portland	460	7.4

Preliminary figures on the general results of the census of manufactures for the city of Los Angeles were recently issued by the Bureau of the Census. As in the case of the 1914 census, the census of 1919 excluded the hand trades, the building trades, and the neighborhood industries and took into account only establishments conducted under the factory system. Table "P" shows a comparative summary of the city for 1914 and 1919. These statistics represent the manufactures located within the corporate limits of the city. They are subject to such change and correction as may be found necessary from a further examination of the reports submitted.

Los Angeles Manufactures

Foreign Commerce

Foreign commerce returns in the Twelfth Federal Reserve District continue to lag behind the figures of one year ago. Exports during the month of January were $31,278,992, 39.6 per cent less than last year, but 14.2 per cent greater than in December, 1920. Imports in January, 1921, amounted to $14,911,-972, which is a 53.8 per cent decrease compared with January, 1920, and a 19.3 per cent increase over December, 1920.

The Los Angeles and Oregon customs districts were the only districts to report increases when compared with January a year ago. The former showed a gain both in imports and exports, due more to increasing activity in the port of Los Angeles than to any quickening of foreign trading. Oregon balanced an 85.6 per cent decline in imports as compared with January, 1920, with a 227 per cent increase in exports. Heavy movement of grain to Europe and an increase in the number and amount of general cargoes offered at Portland, was responsible for this showing.

The receipt of many inquiries from Japan and other trans-Pacific countries presages an early awakening of the Oriental lumber demand. Two new steamers have been allocated to the Columbia river for exclusive lumber loading, and shipments totaling 3,000,000 feet have already been booked.

Comparative figures on the exports and imports of the principal ports of this district are given in table "Q."

(*Q*) *Exports and Imports*—*

	Exports — Month ending Jan. 31 1921	Exports — Month ending Jan. 31 1920	Per cent Increase or Decrease	Imports — Month ending Jan. 31 1921	Imports — Month ending Jan. 31 1920	Per cent Increase or Decrease
San Francisco	$12,986,683	$32,199,202	—59.6	$ 7,938,461	$13,313,471	—40.3
Los Angeles	2,313,944	1,289,700	79.4	1,167,876	361,771	223.2
Oregon	4,634,688	1,417,453	227.0	266,460	1,856,653	—85.6
Washington	11,021,786	15,883,758	—30.6	4,151,197	13,969,717	—70.2
San Diego	321,891	1,048,410	—69.3	1,387,978	2,804,487	—50.5
Total	$31,278,992	$51,838,523	—39.6	$14,911,972	$32,306,099	—53.8

*000 omitted.

(*R*) *Shipbuilding—*

	March 1, 1921 Vessels	March 1, 1921 Total D. W. Tonnage	February 1, 1921 Vessels	February 1, 1921 Total D. W. Tonnage	January 1, 1921 Vessels	January 1, 1921 Total D. W. Tonnage
For U. S. S. B.	14	142,900	16	155,750	18	173,950
For Private Account	21	262,090	24	278,130	30	342,270
Foreign	9	82,280	9	82,280	9	82,280
Total	44	487,270	49	516,160	57	598,500

On February 1st shipyards of the Pacific coast had under construction 49 steel merchant vessels of an aggregate dead weight tonnage of 516,160 tons. No new contracts were announced during January, while deliveries during that month totalled eight vessels of 82,340 tons. The figures of vessels under construction on February 1st were therefore below those of January 1st and continued the decline which had been in progress for the previous six months.

Shipbuilding

Deliveries during January included two freighters of 9100 tons each for the United States Shipping Board and six tankers totaling 64,140 tons for private account.

Two new contracts, the first since the early fall of 1920, were announced during February, and call for the construction of two combination ore and coal carriers of 20,000 deadweight tons each. These vessels will be the largest merchantmen ever laid down in a Pacific Coast shipyard. Deliveries during February numbered seven vessels of 68,890 tons including one concrete tanker and one freighter for the United States Shipping Board and five tankers for private account. There were therefore 44 steel merchant vessels of 487,270 deadweight tonnage under construction on March 1st compared with 49 vessels of 516,160 tons on February 1st.

Table "R" gives comparative figures of vessels under construction on March 1st, February 1st, and January 1st, as furnished by the Pacific Marine Review.

Building permits issued in the twenty reporting cities of the district during February were 31.6 per cent greater by value and 12.8 per cent greater by number than those issued in January. Compared with February, 1920, they show a 9.3 per cent increase in number and a decrease of 8.3 per cent in value. The average value of permits issued in the district as a whole during February, 1921, was $1842 as compared with $1577 in January, 1921, and $2199 in February, 1920. The decrease in value of permits as compared with February, 1920, is due both to the decreased cost of materials and the greater ratio of repair work to new construction.

Building Activity

In Seattle, Spokane, Reno and Salt Lake City the decline in the cost of building materials has been small and the prospect of decreased rentals and unsettled labor conditions have combined to retard building at this time. Portland, Oakland, San Francisco, Los Angeles and Pasadena report a marked increase of building activity with the downward movement of the cost of materials and labor. There is an apparent need for dwellings and apartment houses in all sections of the district and the greatest activity is being shown in this type of construction. Comparative figures for the twenty reporting cities of the district are shown in table "S."

(S) Building Permits—

	February, 1921		January, 1921		February, 1920		Increase or decrease Feb., 1921 over Jan., 1921	Increase or decrease Feb., 1921 over Feb., 1920
	No.	Value*	No.	Value*	No.	Value*		
Phoenix	103	110,746	128	178,872	148	419,947	—38.0	—73.6
Fresno	228	189,650	182	341,550	96	214,460	—44.4	—11.5
Berkeley	110	168,514	82	138,533	208	633,659	21.6	—71.8
Los Angeles	1,887	3,131,670	1,871	3,301,714	1,585	3,286,415	— 5.1	— 4.7
Long Beach	226	614,000	216	472,570	335	1,011,143	30.0	—39.2
Oakland	587	966,203	352	546,329	316	921,502	76.9	— 4.8
Pasadena	170	298,706	142	179,016	120	195,408	66.4	52.8
Sacramento	163	288,180	124	148,712	129	266,867	94.5	8.2
San Diego	..	260,380	256	499,342	538	138,968	—47.8	88.3
San Francisco	468	3,126,581	368	1,246,808	150	2,648,272	150.8	15.2
San Jose	63	114,365	58	98,772	68	166,660	16.3	—31.3
Stockton	89	115,930	58	97,650	63	143,750	18.5	—19.5
Boise	41	24,767	30	11,218	60	71,810	118.2	—66.1
Reno	18	31,840	13	22,135	21	41,150	40.9	—24.3
Portland	899	1,334,220	656	646,560	819	1,021,355	106.5	30.6
Ogden	33	60,475	22	41,910	31	117,175	26.8	—48.7
Salt Lake City	73	127,640	48	70,495	73	284,044	81.4	—55.2
Seattle	839	578,925	734	683,840	785	939,160	—15.3	—38.4
Spokane	112	44,625	74	37,120	90	198,450	18.9	—77.7
Tacoma	286	196,092	254	179,169	211	137,987	9.4	—42.3
Total	6,395	11,783,509	5,668	8,942,315	5,846	12,858,182	31.6	— 8.2

* 000 omitted.

Commercial defaults, exclusive of bank failures, in this district were greater in number but less in amount of liabilities in February, than in January, 1921, and greater both in number and in amount of liabilities than in February, 1920. The comparison with January, 1921, is a better index of present business trends than the comparison with February, 1920, however, as at this time last year business mortality was abnormally moderate. The total liabilities of 144 failures in February amounted to $1,456,366 compared with liabilities of $2,628,296 for 138 failures in January, a decrease in the amount of liabilities of $1,171,930 or 44.5 per cent. The average failure in the district had liabilities of $10,113 compared with average liabilities of $19,045 in January.

Business Failures

R. G. Dun & Company's comparative figures for the states of this district are given in Table "T."

Bank Clearings and Debits to Individual Accounts

Bank clearings of the twenty reporting cities of this district for February, 1921, totaled 1,254,462,000 or 18.6 per cent less than January clearings, and 14.7 per cent less than those of February, 1920. This decline is in part due to fewer business days in February, in part to a slackening of business activity, and in part to continually receding prices at wholesale and retail. Considered geographically, decreases appear in all reporting cities with the exception of Berkeley, Long Beach, Los Angeles and Pasadena. The greatest decrease in comparison with February, 1920, was that of 39.8 per cent in Salt Lake City, and the greatest increase that of 50 per cent in Pasadena.

Debits to individual accounts, as reported by 113 banks in the twenty reporting cities of the district, during the month of February totaled $1,770,367,000, a decrease of 11.9 per cent, and 17.3 per cent compared with January, 1921, and February, 1920, respectively. These decreases bear out the indications of the bank clearings of the district with regard to present business trends. Comparative figures for the six Fed-

(T) *Business Failures—*

	February, 1921 No.	February, 1921 Amount	January, 1921* No.	January, 1921* Amount	February, 1920 No.	February, 1920 Amount
Arizona	5	$ 37,100	10	$ 57,000	-0-	-0-
California	54	423,426	58	851,793	31	$620,689
Idaho	10	130,525	12	80,075	1	11,000
Nevada	2	4,000	1	20,000	1	50,000
Oregon	30	343,082	18	632,962	7	41,414
Utah	5	136,243	11	516,096	2	13,420
Washington	38	381,990	28	470,370	12	339,267
District	144	$1,456,366	138	$2,628,296	54	$1,075,790

* The January, 1921, figures are in correction of figures which appeared in the February issue of the report which included bank failures.

(U) *Bank Clearings and Debits to Individual Accounts—February, 1921*—*

	Clearings Feb., 1921	Clearings Jan., 1921	Clearings Feb., 1920	Per Cent Increase or Decrease (—) of Feb., 1921 over Feb., 1920	Debits to Individual Accounts Feb., 1921	Debits to Individual Accounts Jan., 1921	Debits to Individual Accounts Feb., 1920	Per Cent Decrease (—) Feb., 1921 over Feb., 1920
San Francisco	$ 481,900	$ 606,000	$ 579,147	—16.8	691,381	843,242	757,260	— 8.5
Los Angeles	304,308	365,468	277,682	9.6	370,272	438,335	379,578	— 2.4
Portland	105,366	122,493	128,285	—17.9	138,280	152,923	168,509	—17.9
Seattle	98,558	123,787	155,891	—36.7	116,651	159,098	194,798	—40.1
Salt Lake City	47,242	71,360	77,706	—38.9	53,361	84,937	66,969	—20.3
Spokane	35,177	45,142	47,723	—25.5	39,445	50,372	49,110	—19.6
Total	$1,072,551	$1,334,250	$1,266,434	—15.3	$1,409,390	$1,728,907	$1,616,224	—12.8
District †	$1,254,462	$1,542,802	$1,471,338	—14.7	$1,770,367	$2,141,253	$2,011,171	—11.9

* 000 omitted.

† 20 cities reporting.

eral Reserve Bank and Branch cities and comparative totals for the twenty reporting cities are given in table "U."

Interest and Discount Rates

A statement of interest and discount rates charged by banks in Federal Reserve Bank and Branch cities of this district tabulated for the thirty-day periods ending March 10, 1921, and February 10, 1921, is given in table "V."

Government Financing

On March 9th, the Treasury Department offered for sale United States Treasury Certificates of Indebtedness amounting to $400,000,000, to be issued in two series dated March 15, 1921, one series bearing 5½ per cent interest and maturing September 15, 1921, the other bearing 5¾ per cent interest and maturing March 15, 1922. Subscription books were closed promptly at the close of business March 15th, and the issue was heavily oversubscribed. The quota for the Twelfth District was increased by approximately $2,500,000 to $30,815,000, in order to accommodate those whose applications were received after the original quota had been reached. Three significant and encouraging features of this issue were:

(1) The marked increase in the number of *individual* subscribers;

(2) Its quick absorption, particularly in view of the reduced interest rate, this being the first time that one-year certificates have been offered at less than 6 per cent since March, 1920; and

(3) The large percentage of cash payments in proportion to the total subscriptions (only 8 per cent of the $30,815,000 allotted in this district having been paid by maturing certificates) at a time when some hundreds of millions of dollars were being paid in income and excess profits taxes.

Federal Reserve Bank

Borrowings from this bank by its members on March 11th ($149,248,000) were $9,667,000 in excess of the $139,581,000 borrowed four weeks previously, on February 11th, and $27,624,000 beneath the peak of $176,872,000 which was reached on December 10, 1920. The entire increase during the four weeks ending March 11th represented notes secured by United States war obligations. During the same period Federal Reserve notes in circulation decreased by $7,494,000, continuing the contraction which began December 30th, and now stands at $239,809,000, a decline of $32,739,000 or 12.01 per cent from the high point of $272,548,000 on December 23, 1920. Member banks reserve account during the month declined by slightly over $5,000,000 as did also this bank's total reserves, while its secondary reserve of banker's acceptances purchased in the open market was permitted to decline by $14,704,000 to $30,276,000. As a result of these changes the percentage of this bank's cash reserves on March 11th to its combined deposit and note liabilities was 54.1, compared with 53.9 on February 11th.

(*V*) *Interest and Discount Rates—*

	Prime Commercial Paper				Interbank Loans		Collateral Demand Loans		Secured by L. L. Bonds or U. S. Certificates of Indebtedness	
	Customers		Open Market							
	Mar.	Feb.	Mar.	Feb.	Mar.	Feb.	Mar.	Feb.	Mar.	Feb.
San Francisco........	6½	6½	7¾	8	6½	6½	7	6½	7	6½
Los Angeles..........	7	7	7	8	7	6	7	7	7	7
Seattle...............	7	7	8	8	7	7	7	7	8	8
Portland.............	7	7	7¾	8	7	7	7	7	7	7
Salt Lake City........	8	8	7¾	8	7	7	8	8	8	8
Spokane............	7	7½	none	none	7	7	8	8	8	8

COMPARATIVE STATEMENT OF CONDITION OF FEDERAL RESERVE BANK OF SAN FRANCISCO AT CLOSE OF BUSINESS MARCH 11, 1921

RESOURCES—	Mar. 11, 1921	Feb. 11, 1921	Mar. 12, 1920
Gold and Gold Certificates	$ 17,987,000	$ 18,024,000	$ 11,546,000
Gold Settlement Fund—F. R. Board	38,807,000	31,729,000	36,272,000
Gold with Foreign Agencies	–0–	–0–	5,188,000
Total Gold Held by Bank	$ 56,794,000	$ 49,753,000	$ 53,006,000
Gold With Federal Reserve Agent	122,857,000	132,618,000	92,125,000
Gold Redemption Fund	8,437,000	10,892,000	9,115,000
Total Gold Reserves	$188,088,000	$193,263,000	$154,246,000
Legal Tender Notes, Silver, etc.	2,009,000	1,962,000	404,000
Total Reserves	$190,097,000	$195,225,000	$154,650,000
Bills Discounted:			
Secured By Government War Obligations	47,811,000	38,209,000	52,951,000
All Other	101,437,000	101,372,000	63,253,000
Bills Bought in Open Market	30,276,000	44,980,000	80,880,000
Total Bills on Hand	$179,524,000	$184,561,000	$197,084,000
U. S. Government Bonds	1,822,000	1,822,000	2,633,000
U. S. Victory Notes	–0–	–0–	–0–
U. S. Certificates of Indebtedness	11,025,000	11,010,000	10,881,000
All Other Earning Assets	–0–	–0–	–0–
Total Earning Assets	$192,371,000	$197,393,000	$210,598,000
Bank Premises	515,000	393,000	231,000
Uncollected Items and Other Deductions from Gross Deposits	43,257,000	36,857,000	52,219,000
5% Redemption Fund Against F. R. Bank Notes	665,000	665,000	1,465,000
Gold Abroad, in Custody, or in Transit	152,000	152,000	–0–
All Other Resources	461,000	421,000	311,000
TOTAL RESOURCES	$427,518,000	$431,106,000	$419,474,000
LIABILITIES—			
Capital Paid In	7,169,000	7,006,000	5,996,000
Surplus	14,194,000	14,194,000	7,539,000
Government Deposits	3,067,000	2,422,000	7,760,000
Due to Members—Reserve Account	108,079,000	113,346,000	120,234,000
Deferred Availability Items	34,502,000	29,732,000	31,546,000
Other Deposits, including Foreign Government Credits	8,956,000	5,978,000	7,993,000
Total Gross Deposits	$154,604,000	$151,478,000	$167,533,000
F. R. Notes in Actual Circulation	239,809,000	247,303,000	224,805,000
F. R. Bank Notes in Circulation—Net Liability	8,901,000	8,848,000	10,810,000
All Other Liabilities	2,841,000	2,277,000	2,791,000
TOTAL LIABILITIES	$427,518,000	$431,106,000	$419,474,000
MEMO: Contingent Liability on Bills Purchased for Foreign Correspondents	1,472,000	736,000	–0–