

# AGRICULTURAL AND BUSINESS CONDITIONS

## IN THE TWELFTH FEDERAL RESERVE DISTRICT

### Monthly Report to the Federal Reserve Board

by

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**T**HE larger volume of movement of goods at retail than at wholesale during recent months, the effect of which in increasing prices of canned fruits in this district was mentioned last month, has been reflected during August in advances in the opening prices of two large co-operative associations in California handling dried prunes, apricots, peaches, and figs. Prices of hops of the 1920 crop have also advanced to 18-24 cents per pound compared with 13-15 cents earlier in the season. Reports from several sources indicate that the physical volume of business in the district at the present time is greater than it was last year at this season, and that it is manifesting the seasonal increase customary in the first weeks of the autumn. Bank clearings during August were only 11 per cent less than they were in August, 1920, whereas, July clearings were 22 per cent less than those of July, 1920. The 11 per cent decline for August is, with the exception of the short month of February, the smallest decrease in any yearly comparison so far during 1921. Net sales of 31 representative department stores during August were reported to be 6.2 per cent less than they were in August, 1920. The July percentage of decline compared with July, 1920, was 13 per cent. These same stores report that their average prices are between 20 and 30 per cent less than they were at this time last year, indicating a considerable increase in the physical volume of merchandise sold by them. In the wholesale trade, reports indicate for the first time this year that the percentage of decline in value of monthly sales as compared with the same month of 1920, is less than for the preceding month of

the current year. These declines for August range between 11.4 per cent in the case of automobile tires to 44.6 per cent in the case of agricultural implements. The average of the standard indices of wholesale prices shows a decline in the general level of such prices of approximately 40 per cent during the twelve months ending with August, and it is therefore apparent that in the wholesale trade also the physical volume of business is probably greater than it was a year ago, but not by so large a margin as appears to be the case in the retail trade. Building activity during August continued to increase, the number of permits issued being 33.1 per cent in excess of those granted during August, 1920, and the valuation, notwithstanding the substantial decline in prices during the past year, 14.2 per cent greater. Work which had been discontinued in several parts of the district due to wage controversies in the building trades was resumed during the month. Business failures during August, although practically the same in number (150) as in the month of July, were 35 per cent less in amount of liabilities involved. They were 66 per cent greater in number than in August, 1920.

Harvesting of the basic crops of the district reveals that yields this year will be large in nearly all cases. The apple crop of 33,000,000 bushels in prospect is 40 per cent greater than it was last year. This increase comes at a time when the crop in the United States generally is considerably less than half what it was last year. The district's potato crop of 40,000,000 bushels is about the same as last year's, whereas, the United States' crop is reported to promise a yield of about 25 per cent less than the quantity harvested in 1920. The wheat

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crop of the Pacific Northwest at 115,000,000 bushels is 15 per cent greater than last year's record crop and is being sent to the principal seaboard cities in volume 185 per cent greater than was the case during the same period of the 1920 marketing season. In California barley a similar tendency is noted, terminal receipts so far this season having been 530 per cent greater than those of last season to September 1st, and exports 566 per cent greater.

The effect of this marketing of crops and the increasing activity in the retail and wholesale trades, in building activity, and in other business as reflected in bank clearings, upon the financial situation in the district is apparent from the reports of the 66 reporting member banks located in the seven principal cities. These institutions during the four weeks ending September 7th, reduced their rediscounts with this bank by \$14,000,000 or 25 per cent, notwithstanding an increase in accommodation to their customers through bills discounted of a like amount during the same period. From the reports of these banks, all located in the principal cities of the district, it would appear that the business and industrial interests whom they principally serve have made substantial progress since the summer of 1920, in reducing their indebtedness to banks. Rediscounts of this bank for the city member banks on September 6th last were \$66,000,000 compared with \$83,000,000 on June 15, 1920, a decrease of \$17,000,000 or 20 per cent during the year. Among the country member banks, serving primarily the agricultural and livestock interests of the district, an opposite tendency is observed. Their rediscounts with this bank on June 15, 1920, were \$44,000,000. On September 6th last they had risen to \$66,000,000, an increase of \$22,000,000 or 50 per cent. Figures are not yet available showing the effect upon the rediscounts of country banks of the heavy marketing of agricultural products which is now in progress.

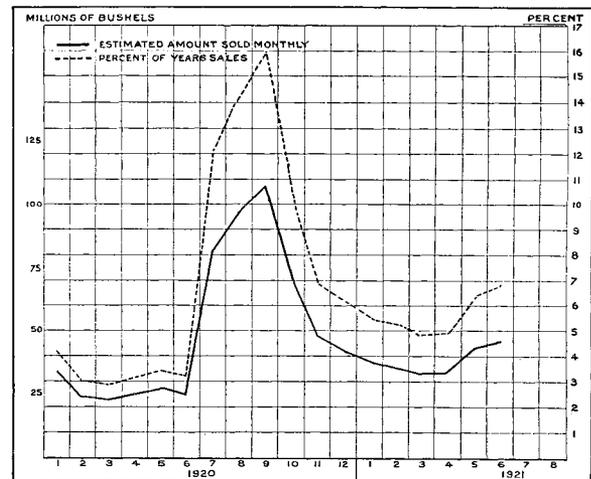
Savings deposits in the district increased nominally during the month of August and

are now 7 per cent larger than they were a year ago. Interest rates in the larger centers are reported to be slightly easier, particularly the open market rate for commercial paper.

Production of reporting flour mills in this district during August, increased slightly over July, a slight increase in domestic demand being reported. Export demand for both **Milling** wheat and flour also increased during the month. Millers in the Pacific Northwest report that receipts from rural districts are in excess of receipts for the same period last year. This report is substantiated by the table of receipts of wheat at terminal points shown on the following page.

Stocks of flour in millers' hands on September 1st, as reported by 16 large operators, were 194,190 barrels, compared with 384,286 barrels on September 1, 1920. Stocks of wheat held by the same operators were 885,262 bushels, compared with 1,611,987 bushels a year ago.

Table "A" shows the August production of the reporting mills by states, and the percentages of mill capacity in operation this year and last year.



Estimated Monthly Marketing of Wheat (in millions of bushels) by Farmers in the United States and Per Cent of Crop Marketed Monthly

#### (A) Milling—

	No. Mills Reporting		Output		Per Cent Mill Capacity in Operation		
	August	July	August (barrels)	July (barrels)	August 1921	July 1921	August 1920
California .....	11	14	239,379	221,876	47	54	47
Idaho .....	5	4	16,473	13,174	45	44	43
Oregon .....	25	25	112,697	100,250	41	32	35
Washington ...	29	29	293,641	263,315	42	38	31
District .....	70	72	662,190	598,615	43	41.2	39

Harvesting of winter wheat was practically completed in all states of the district during August, and threshing was well advanced. A large acreage of spring wheat remains to be harvested, especially in the elevated sections of Oregon and Washington. Local showers delayed harvesting in Utah and Idaho but permitted plowing and sowing for winter crops. Estimates of yields have not materially changed since August 1st, when a crop of 115,361,000 bushels for the district was in prospect, compared with 100,232,000 bushels in 1920.

Receipts and exports of wheat at Portland, Puget Sound, and San Francisco shipping points since the beginning of the crop year follow:

	July 1-Sept. 1 1921 (bushels)	July 1-Sept. 1 1920 (bushels)	Percentage Increase 1921 over 1920
<b>RECEIPTS</b>			
Portland .....	9,024,000	3,733,500	141.7
Puget Sound.....	4,306,500	1,278,000	236.9
San Francisco....	183,383	80,552	127.6
Total .....	13,513,883	5,092,052	165.3
<b>EXPORTS</b>			
Portland .....	6,649,729	3,153,214	110.8
Puget Sound.....	171,958	515,368	66.6
San Francisco....	11,366	2,096	442.2
Total .....	6,833,053	3,670,678	87.9

Receipts, exports and stocks of barley at San Francisco, for July and August, 1921, and 1920, were as follows:

	July and Aug. 1921 (centals)*	July and Aug. 1920 (centals)*	Percentage Increase 1921 over 1920
Receipts .....	2,850,820	451,900	530.8
Exports .....	3,406,250	517,296	566.4
Stocks† .....	378,580	585,480	35.9

\*One cental equals two bushels.  
†Stocks at San Francisco, Port Costa and Stockton.

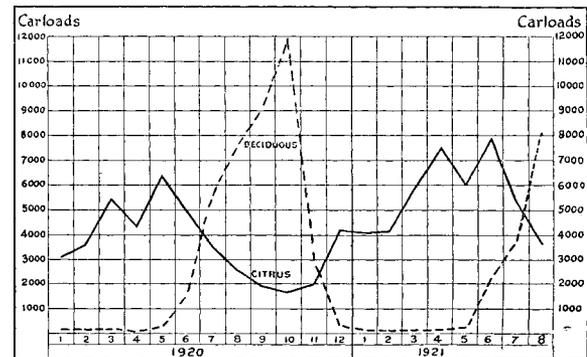
Estimated average prices to growers (per bushel) for wheat and barley, compared with last year at this time are as follows (United States Department of Agriculture figures):

	Wheat		Barley	
	1921	1920	1921	1920
California .....	\$1.29	\$2.38	\$0.57	\$1.52
Idaho .....	.81	2.32	.64	1.44
Oregon .....	.97	2.36	.83	1.93
Washington .....	.92	2.37	.62	1.43

Deciduous fruits continued to mature satisfactorily in all states of the district during the month of August. Harvest of apples, pears, peaches, plums, prunes, and raisin and table grapes, continued in California. In Washington and Oregon the peak of the pear shipments has

been passed and the movement of early varieties of apples is well under way. Fresh fruit shipments from California by rail this year approximate those of the corresponding period of 1920, as will appear from the accompanying chart.

The chief factor in the market prospects for apples from this district is the small total crop of the United States, the yield this year being estimated at 107,000,000 bushels compared with 244,000,000 bushels in 1920. The apple crop of the Pacific Northwest is now placed at 33,118,000 bushels this year, compared with 23,931,000 bushels in 1920.



California Fruit Shipments 1920-1921

On August 1st, the California Associated Raisin Company, the dominant factor in this field, announced new quotations on the carry-over of 1920 raisins, calculated to net the growers about 9 cents per pound, whereas the opening prices in 1920 were based upon a return of 15 cents per pound to growers. This reduction was made in the endeavor to reduce the carryover on that date (estimated at 50,000 tons out of a total of 180,000 tons) before the appearance of the 1921 crop on the market. Demand for raisins strengthened following the price reduction, and substantial reductions in 1920 stocks are reported.

The 1921 opening prices, announced by the Association on September 15th, ranged from 13 cents to 19 cents, depending upon size, and method of preparation, compared with 1920 opening prices of from 20 cents to 23½ cents per pound.

On August 22nd transcontinental freight rates were reduced from \$1.66½ to \$1.25 per hundred pounds for packed fruit and to \$1.45 per hundred pounds for sacked fruit. Following this action there occurred a heavy eastward movement of California fruit, part of which was a record shipment of five trainloads of raisins sent from Fresno, California.

The California Peach and Fig Growers announced an advance in the prices of dried peaches in August, the prices for September and October shipment now being, standards 10½-10¾ cents per pound, choice 11-11¼ cents per pound, and extra choice 11½-12 cents per pound, an increase of ¼ cent, ⅜ cent and ½ cent per pound, respectively, over prices previously announced.

Announcement was made late in August by the California Prune and Apricot Growers that the heavy carryover of 1920 crop prunes had been largely marketed as the result of heavy purchases by Middle West and European buyers. On August 28th, this Association increased its 1921 opening prices by one-fourth of a cent per pound.

Opening prices announced by the Association compared with 1920, follow:

	August 17, 1921 (Basis Price) (cents per pound)	1920 (Basis Price) (cents per pound)
30-40s.....	8¾-9	16½-17
40-50s.....	7¾-8	15 -15½
50-60s.....	6¼-6½	12½-13
60-70s.....	5¾-6	11 -11½
70-80s.....	5¼-5½	10 -10½

It has subsequently been reported that the Oregon and Washington growers' associations have temporarily withdrawn from the market because the amount of sales already booked approximated the small yields in prospect. California growers of prunes are reported to be receiving 5 to 6 cents per pound for their product, compared with 11 to 12 cents last year.

The prune crop in California is estimated to be less than 90,000 tons this year compared with 95,000 tons in 1920. A yield of about 10,000 tons was predicted in August for Oregon, about half the yield last year.

The present prices per pound on 1921 almonds which are one cent above opening prices, as announced by the California Almond Growers Exchange are as follows: Nonpariel, 24 cents; I. X. L., 24 cents; Ne Plus Ultra, 22 cents; and Drakes, 14½ cents. The 1920 opening prices for the same varieties were 25, 25, 24 and 17 cents per pound, respectively. A

large part of the California crop is reported to have been sold on the basis of the opening prices.

Estimates of the Department of Agriculture show a gain on September 1st, compared with August 1st, of 7,082,000 bushels in the potato crop of the United States but the total yield (323,000,000 bushels) is still 105,368,000 bushels below the estimated production of last year (428,368,000 bushels). California and Oregon crops are reported to have declined in condition during the month, but the anticipated production of the district closely approximates the 1920 estimate of 39,414,000 bushels.

Prices now being received by growers, averaging \$1.25 per hundred pound sack, approximate those of last year at this time. The general trend of the market while not steady and continuous has been upward, in contrast with a general downward trend at this date last season. The principal market factor at the present time is the prospective demand from eastern points, due to reported adverse weather conditions in middle western and eastern growing areas.

The heavy carryover of 1920 crop potatoes, which by competition tended to depress the price of the early 1921 varieties, has largely disappeared. Additional stability has thus been afforded the market. The percentage of condition compared with normal, the forecast of production for September 1st, and the estimated yield of 1920, are shown in table "B."

#### (B) Condition of Potatoes—

State	Condition Per Cent of Normal Sept. 1, 1921	Forecast from Condition Sept. 1, 1921 (bushels)	1920 December Estimate (bushels)
Arizona .....	93	535,000	450,000
Utah .....	85	2,774,000	3,298,000
Nevada .....	82	1,119,000	1,032,000
Idaho .....	93	9,464,000	7,380,000
Washington .....	84	7,832,000	8,680,000
Oregon .....	78	4,591,000	5,559,000
California .....	83	13,132,000	13,015,000
12th District.....	85	39,447,000	39,414,000
United States....	63.7	323,000,000	428,368,000

#### (C) Condition of Hops—

State	Condition Per Cent of Normal Sept. 1, 1921	10-Year Av. (Aug. 1)	Forecast from Condition Sept. 1, 1921 (pounds)	1920 December Estimate (pounds)	1921 Preliminary Area (acres)
Washington .....	85	93	4,080,000	5,730,000	3,000
Oregon .....	77	88	9,450,000	9,900,000	11,800
California .....	78	93	15,912,000	21,000,000	12,000
Twelfth District.....	80	91	29,442,000	36,630,000	26,800
United States.....	81	89.5	31,000,000	38,918,000	28,500

Harvesting of early varieties of hops occurred during August in California, Oregon and Washington, and in some localities picking of the later maturing (cluster) crop had commenced.

**Hops** The estimated production for this district is 29,442,000 pounds compared with the December, 1920, estimate of 36,630,000, and there is an estimated shortage in the United States, compared with last year of 7,918,000 pounds. In consequence of a reported shortage in all other hop growing districts of the world and buying by dealers in expectation of higher values, the market for this commodity has manifested a brisk revival during the past few months. Hops of the 1920 crop, of which there is reported a carryover of 3,700,000 pounds (20,000 bales of 185 pounds net per bale) are being sold readily at prices ranging from 18 cents to 24 cents per pound, compared with 13 cents to 15 cents at the beginning of this year. Growers are being offered from 28 cents to 35 cents per pound for 1921 crop hops compared with opening prices of 55 cents to 65 cents in 1920.

The condition of the hop crop on September 1st, compared with normal and the production estimated by the United States Department of Agriculture are shown in table "C" on opposite page. New York is the only other district which produces a crop of commercial importance, having 1,500 acres of a total of 28,500 in the United States.

Despite insufficient moisture in local areas, general range conditions in all states of this district are above the average for this time of

year. In Arizona, as a result of favorable range conditions, fat range cattle are being shipped to market and many cattle that were shipped out of the state during the drought

**Livestock** are being returned to home pastures. Despite a slight decline in Nevada, ranges are still reported 98 per cent of normal, while Utah ranges are reported 15 points above the average of 83. Washington, Oregon, California and Idaho are reported 85, 88, 83 and 82 per cent of normal, respectively.

Receipts of cattle and hogs at the principal markets of the district during August were slightly below the July figures but approximated the figures of August, 1920. In Portland and Salt Lake City an increase was evident in receipts of sheep and calves, compared with July, but both were below the figures of August, 1920. The small number of receipts, especially of feeder cattle, during the past few months, compared with a similar period in previous years, is attributed to excellent range conditions, which, in view of the low prices for cattle now prevailing would induce growers to hold their stock until it is fully prepared for market. Receipts of livestock at the five principal markets of the district during August, 1921, and 1920, are shown in table "D."

Slight change occurred in prices of livestock compared with July. Hogs continue to command favorable prices, especially in the Pacific Northwest, as the packing season is at hand, and supply in this district continues short of demand. The range of livestock prices at the five principal markets of the district is shown in table "E."

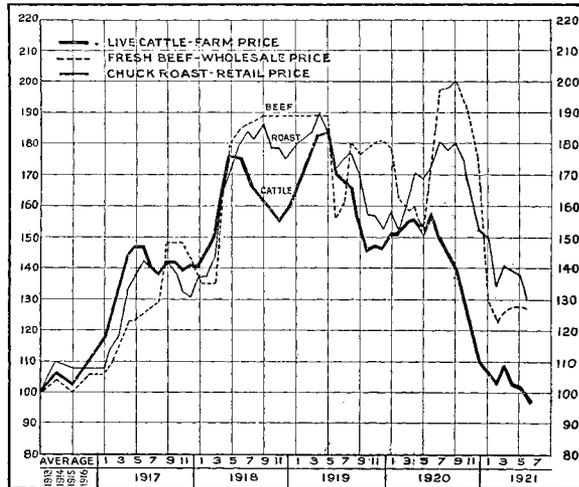
#### (D) Receipts of Livestock—

	Cattle		Calves		Hogs		Sheep		Horses and Mules	
	Aug. 1921	Aug. 1920	Aug. 1921	Aug. 1920						
Portland .....	9,691	13,249	1,099	2,037	9,198	12,471	35,516	25,388	28	131
Salt Lake City ....	3,132	1,936	313	..	3,542	1,179	33,075	49,812	..	20
Seattle .....	3,330	5,604	197	319	4,173	3,075	7,572	5,896	..	16
Spokane .....	2,175	5,118	292	534	1,856	3,270	6,724	9,121	50	161
Tacoma .....	1,673	1,688	146	582	2,404	2,293	2,428	4,432	..	..
Total .....	20,001	27,595	2,047	3,472	21,173	22,288	85,315	94,649	78	328

#### (E) Range in Livestock Prices—

Week of	Highest and Lowest Average Top Prices Per Hundredweight Received at Above Markets During August.				
	Fat Steers	Cows	Calves	Hogs	Lambs
Aug. 1.....	\$5.00—7.00	\$4.00—5.25	\$6.00—11.00	\$10.50—12.75	\$6.00—8.00
Aug. 8.....	5.25—6.50	4.00—5.75	6.00—11.00	10.25—13.00	6.00—7.25
Aug. 15.....	5.00—6.50	4.00—5.75	6.00—10.50	11.00—12.50	6.00—7.25
Aug. 22.....	5.75—6.50	4.00—5.75	6.00—11.00	10.00—12.00	6.00—8.25
Aug. 29.....	5.75—6.50	4.50—5.75	8.00—11.00	9.35—11.00	6.50—7.50

The trend of prices in the United States from 1913 to May, 1921, of the farm price of live cattle, the wholesale price of fresh beef and the retail price of chuck roast is shown in the accompanying chart.



Comparison of Price Trends of Cattle (Farm Price), Fresh Beef, (Wholesale Price) and Chuck Roast, (Retail Price) in the United States, 1913-1921

A marked falling off in receipts of fresh butter caused by the seasonal decline in its production and a continued strong consuming demand caused a heavy reduction (752,077 pounds) in cold storage holdings in the four principal markets of this district during August. Holdings on September 1st, totaled 2,418,727 pounds, compared with 3,854,357 pounds on that date in 1920, a decrease of 39 per cent. The wholesale price of 93 score fresh creamery butter rose from 41¾ cents per pound on August 1st, to 43½ cents per pound September 1, 1920. Eastern markets did not show proportionate strength and shipments of outside butter into California were made. A statement of the movement of stocks of cold storage butter during August, 1921 and 1920, and holdings on September 1st at the four principal markets in this district are shown in table "F."

The average price paid to milk producers during August, by fluid milk distributors (presented in table "G"), advanced three cents per hundred pounds in the Mountain section and declined six cents per hundred pounds in the Pacific section compared with July, 1921, and represented a decline of 58 cents and 93 cents, respectively, compared with August, 1920.

Some actual improvement in demand for and stiffening of prices in the upper grades of Douglas fir, stationary or declining prices for California redwood, and white and sugar pine, and decidedly more hopeful feeling as to future business prospects, summarizes the situation in the lumber industry.

August production of lumber (356,233,000 feet) according to reports from the four lumber associations in this district was 26,890,000 feet greater than July cut, an increase of 8.1 per cent. In the corresponding four weeks of August, 1920, the cut was reported to be 468,491,000 feet. About 75 per cent of the lumber

(F) Movement of Stocks of Cold Storage Butter—

City	Aug., 1921 Net Decrease (Pounds)	Aug., 1920 Net Decrease (Pounds)	Sept. 1, 1921 Holdings (Pounds)	Sept. 1, 1920 Holdings (Pounds)
Los Angeles...	13,648*	30,350	698,014	964,374
Portland .....	133,988	204,881	303,664	673,301
San Francisco...	301,772	471,571	1,059,261	1,087,435
Seattle .....	329,965	253,325	357,788	1,129,247
<b>Total .....</b>	<b>752,077</b>	<b>960,127</b>	<b>2,418,727</b>	<b>3,854,357</b>

\*Increase.

(G) Prices Received by Milk Producers\*—

Section†	Aug., 1921 Range	Aug., 1921 Aver- age	July, 1921 Aver- age	Aug., 1920 Aver- age
Mountain (5 Mkts.)..	\$1.73-\$2.74	\$2.43	\$2.39	\$3.01
Pacific (11 Mkts.)....	1.67- 3.22	2.72	2.78	3.65
U. S. (112 Mkts.)....	1.59- 5.82	2.91	2.81	3.59

\*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) Lumber—

Average No. of Mills reporting .....	West Coast Lumbermen's Association		Western Pine Manufacturers' Association		California White and Sugar Pine Manufacturers' Association		California Redwood Association		TOTAL	
	Aug. 27	July 30	Aug. 27	July 30	Aug. 27	July 30	Aug. 27	July 30	Aug. 27	July 30
Cut* .....	232,950	189,471	72,133	88,191	23,978	28,558	27,172	23,123	356,233	329,343
Shipments* .....	249,978	200,157	66,136	58,002	11,903	13,338	8,924	15,230	336,941	286,727
Orders* .....	241,778	181,207	63,550	59,650	9,064	13,039	16,924	9,520	331,316	263,416

\*In thousands of feet.

mill capacity in the Pacific Northwest and 60 per cent in the Inland Empire is reported as being in operation, while logging operations are reported as 40 per cent of normal. Shipments and orders kept pace with the increased cut and were greater than in July. Orders are reported to require much sales effort, but increased from 263,416,000 feet in July to 331,316,000 feet in August, or 25.7 per cent. Shipments made during the month totaled 336,941,000 feet compared with 286,727,000 feet in July, an increase of 17.5 per cent. Shipments of lumber by water to the Atlantic seaboard have increased 5,868 per cent during the first six months of 1921, compared with the same period in 1920. Notwithstanding the tremendous increase in water movement, the total volume of business of Pacific Northwest mills in Atlantic Coast markets is stated to be less than it was a year ago, indicating a heavy decline in rail shipments. The report of the Pacific Lumber Inspection Bureau reveals gains in waterborne shipments to all destinations at nine cargo markets and losses in a like number with a net loss of 13 per cent. Shipments to European markets show a decline of approximately 52 per cent, to the West Coast of South America of 41 per cent, to Australia of 58 per cent, and to China of 12 per cent. Shipments to Japan which is rebuilding six of her largest cities, showed an increase of 31 per cent. All comparisons are of the first six months of 1921, with the first six months of 1920.

Little change appears in the log market. Stocks are being reduced gradually and the tendency is to log as little as possible and to use up all available material. It is reported that mills owning stumpage are virtually the only ones cutting, commercial loggers preferring not to trade except on a "camp run" basis (all logs from a given operation), while mills desire to purchase on a stumpage, or graded basis, asserting that the lumber market will not warrant buying in any other manner at this time.

The shingle market has been active during the month. The increase in the volume of

business is customary at this season of the year which is that of heaviest demand for shingles, especially for repair purposes.

Comparative figures of cut, orders and shipments of the reporting mills of the four lumber associations in this district are shown in table "H" on opposite page.

Of 15 of the principal copper mining companies in this district (which a year ago produced slightly over half the crude copper produced in the United States) only two **Mining** are now operating, the majority of the others having ceased operations last April. In June the output of the two producers was 5,239,000 pounds, compared with 8,064,000 pounds in June, 1920. The production of the 13 companies now inoperative was, in June, 1920, 54,462,000 pounds.

Lower prices characterized the copper market in August, the average price during the month for electrolytic copper, net refinery, in New York having been 11.71 cents per pound, compared with average prices of 12.46 cents in July and 19 cents in August, 1920. A stiffening of prices upon good export demand was noted in the first week of September. Sales of copper generally continue larger than world production of the metal.

Comparative figures of the output of lead, silver and gold by 11 reporting mines in this district in July, 1921, June, 1921, and July, 1920, are shown in the following table:

	July, 1921	June, 1921	July, 1920
Lead (lbs.).....	10,512,687	10,732,954	7,980,006
Silver (oz.).....	369,743	358,519	340,279
Gold (oz.).....	33,277	32,321	25,094

Notwithstanding a decline in actual amount of oil raised (during August as compared with July) production of petroleum in California continued greater than consumption, due to a more than corresponding decline in the latter.

**Petroleum** Stored stocks were consequently increased and at the end of the month totaled 33,829,725 barrels, an increase of 2,195,546 barrels over the previous record figure of 31,634,179 barrels at the close of July. Average daily production of

### (I) Petroleum—

	August, 1921	July, 1921	August, 1920
Production (daily average).....	323,616 bbls.	331,252 bbls.	290,590 bbls.
Shipments (daily average).....	252,792 bbls.	271,073 bbls.	321,955 bbls.
Stored Stocks (end of month).....	33,829,725 bbls.	31,634,179 bbls.	23,434,464 bbls.
New Wells Opened.....	83	76	56
With Daily Production.....	20,895 bbls.	19,675 bbls.	20,550 bbls.
Wells Abandoned.....	3	5	5

petroleum during August was 323,616 barrels, an increase of 33,026 barrels a day, compared with August, 1920, and a decrease of 7,636 barrels a day compared with July, 1921. Daily shipments in August were also less than in July, averaging 252,792 barrels compared with 271,073 barrels the previous month, a decrease of 18,281 barrels.

Eighty-three new wells were opened during the month with an initial daily production of 20,895 barrels and three wells were abandoned, an increase of 80 producing wells.

Statistics on oil field operations furnished by the Standard Oil Company of California are shown in table "I" on preceding page.

Reports received by this bank from eight of the principal power companies in California, covering their operations in the month of July, 1921, indicate that sales of electric

**Electric Power** energy for industrial purposes were 25.9 per cent greater than in June, 1921, and closely approximated figures for July, 1920. The increase over June, 1921, was due chiefly to seasonal demand for power to operate pumps in agricultural districts, due to diminishing flow of surface water.

The total output of electric energy of the reporting companies during July, 1921, increased 9 per cent compared with July, 1920, and 18 per cent compared with June, 1921. The development of new hydroelectric enterprises is reflected in the comparison of the output of steam generated and hydro-generated power in use this year and last.

Statistics on the electrical power industry of the State of California as reported by eight of the principal power companies are shown in table "J."

The United States Bureau of Census figures of the results of the census of manufactures in the state of Oregon for 1919 and 1914 are presented in table "K." These figures exclude the hand trades, **Oregon Manufactures** building trades and neighborhood industries, and take into account only establishments conducted under the factory system. The summary shows a consistent increase during the period 1914-1919.

The value of net sales during August of 31 representative department stores in this district was 6.2 per cent less than the value of such sales in August, 1920. Approximately the

### (J) Electric Power—

Type of Plant	Plant Capacity K. V. A.			Peakload K. W.			Plant Output K. W. H.		
	July, 1921	June, 1921	July, 1920	July, 1921	June, 1921	July, 1920	July, 1921	June, 1921	July, 1920
(a) Hydro Power .....	516,020	509,620	414,270	386,522	399,548	315,590	250,441,090	244,495,918	182,628,840
(b) Steam .....	316,995	303,295	270,160	177,690	135,052	228,805	51,519,891	37,764,569	105,073,210
(c) Purchased .....	.....	.....	.....	53,125	56,290	33,425	33,182,720	.....	20,057,876
Total .....	833,015	812,915	684,430	617,337	652,590*	577,820	335,143,700	282,260,487	307,759,926

### Number of Industrial Consumers and Sales:

	Number of Industrial Consumers			Connected Industrial Load H. P.			Industrial Sales K. W. H.		
	July, 1921	June, 1921	July, 1920	July, 1921	June, 1921	July, 1920	July, 1921	June, 1921	July, 1920
	54,265	38,402	50,180	1,261,744	1,235,854	1,095,819	200,658,960	159,776,640	200,821,624

\*61,700 K. W. included in total but not in segregated figures.

### (K) Oregon Manufactures—

	Census		Per Cent of Increase 1914-1919
	1919	1914	
Number of establishments.....	2,707	2,320	16.7
Persons engaged in manufactures.....	68,004	35,449	91.8
Proprietors and firm members.....	2,540	2,189	16.0
Salaried employees.....	6,905	4,431	55.8
Wage earners (average number).....	58,559	28,829	103.1
Primary horsepower.....	303,751	219,222	38.6
Capital .....	\$439,982,000	\$139,500,000	215.4
Services .....	94,986,000	26,615,000	256.9
Salaries .....	13,999,000	5,683,000	146.3
Wages .....	80,987,000	20,932,000	286.9
Materials .....	206,206,000	63,258,000	226.0
Value of products.....	366,783,000	109,762,000	234.2
Value added by manufacture (value of products less cost of materials).....	106,577,000	46,504,000	245.3

same percentage of decline (7.2 per cent) appears in comparing net sales of these stores for the eight months ending August 31, 1921, with their sales for the same period of last year. As the average percentage of decline during this period in the selling price of their wares reported by these stores is 25 per cent, it would appear that the quantity of goods moving over retail counters continues greater today than it was a year ago. The seasonal increase in August sales over those of July was particularly noticeable (30 per cent) in San Francisco and Los Angeles. The average increase over the district was 20.1 per cent. The average net increase or decrease (—) during the past month in value of net sales in the reporting cities of this district is shown as follows:

	Aug., 1921, compared with		Eight months ending Aug. 31, 1921, compared to eight months ending Aug. 31, 1920
	Aug., 1920	July, 1921	
Los Angeles...	.4	29.3	6.0
Oakland .....	— 8.4	10.6	— 2.6
Sacramento ...	— 8.5	5.6	— 9.4
Salt Lake City..	—15.5	—10.4	— 6.9
San Francisco..	— 1.6	30.2	— 4.6
Seattle .....	—12.5	2.8	—15.6
Spokane .....	— 8.6	17.1	—10.4
District .....	— 6.2	20.1	— 7.2

The amount of the average sale (cash, charge, C. O. D.) reported by 12 firms was \$2.51 in August, compared with \$2.34 in July and \$2.98 in August, 1920. Following is a statement of the average sale (cash, charge and C. O. D.) in Los Angeles, San Francisco and Seattle, and the district.

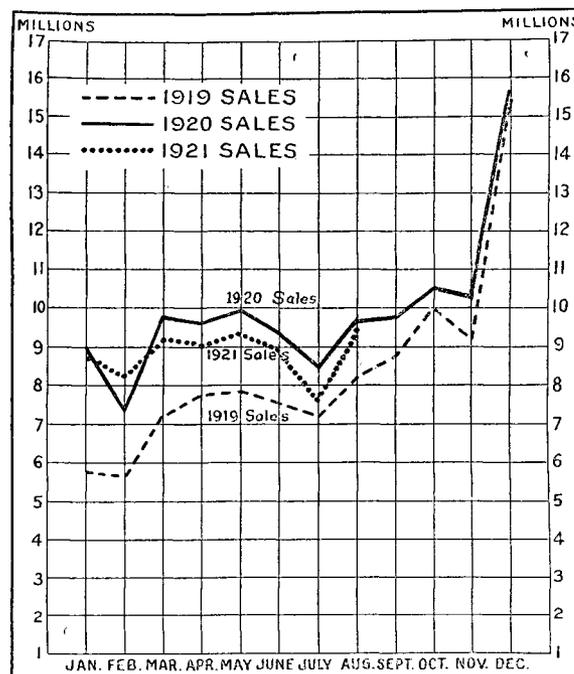
	Aug., 1921	July, 1921	Aug., 1920
Los Angeles.....	\$ 3.19	\$ 2.83	\$ 4.37
San Francisco.....	3.05	2.64	3.18
Seattle .....	2.01	1.60	1.73
District .....	\$ 2.51	\$ 2.34	\$ 2.98

The value (selling price) of stocks of reporting firms averaged 15.5 per cent lower at the close of August than at close of August, 1920, and 4.6 per cent greater than at close of July, 1921.

Collections were characterized by the reporting firms as follows:

	Excellent	Good	Fair	Poor
Number of Firms	2	11	5	1

Statements of increases or decreases (—) in the value of net sales of reporting retail firms during August, 1921, compared with July, 1921, and August, 1920, and the first eight months of 1921 compared with the first eight months of 1920 are shown in table "L."



Net Sales of 22 Department Stores in Twelfth Federal Reserve District (In Millions of Dollars)

(L) Retail Trade Activity—

CONDITION OF RETAIL TRADE DURING AUGUST, 1921

In Federal Reserve District No. 12

(31 Stores Reporting)

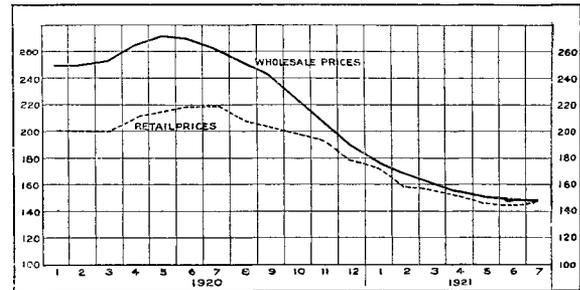
	Los Angeles	Oakland	Sacramento	Salt Lake City	San Francisco	Seattle	Spokane	District
Percentage increase or decrease of net sales during August, 1921, over net sales during same month last year.....	.4	— 8.4	— 8.5	—15.5	— 1.6	—12.5	— 8.6	— 6.2
Percentage increase or decrease of net sales during August, 1921, over net sales during July, 1921 .....	29.3	10.6	5.6	—10.4	30.2	2.8	17.1	20.1
Percentage increase or decrease of net sales from January, 1921, to August 31, 1921, inclusive, over net sales during same period last year.....	6.0	— 2.6	— 9.4	— 6.9	— 4.6	—15.6	—10.4	— 7.2

Reports from 181 wholesale firms in ten lines of business in this district show that, with the exception of groceries and automotive equipment where decreases are noted, the value of net sales was greater in August than in July, indicating that retailers are stocking their shelves. For the first eight months of 1921 as compared with 1920, decreases in value of sales ranging from 17.8 per cent in automobile tires to 49.2 per cent in agricultural implements, were reported. The average net increase or decrease (—) in the value of sales of ten reporting lines of business was as follows:

	Aug., 1921, compared with Aug., 1920	July, 1921	Eight months ending Aug. 31, 1921 compared with same period in 1920
Agricultural Implements ..	-44.6	11.8	-49.2
Auto Tires.....	-18.5	6.7	-17.8
Auto Supplies...	-11.4	- 3.7	-23.9
Drugs .....	-17.6	7.6	-20.6
Dry Goods.....	-41.1	29.0	-36.5
Furniture .....	-17.3	18.9	-32.0
Groceries .....	-28.2	- 9.8	-25.6
Hardware .....	-30.0	6.9	-33.2
Shoes .....	-22.5	29.8	-28.0
Stationery .....	-27.8	36.1	-23.1

The majority of reports received indicate that summer orders for fall deliveries have been considerably fewer in all lines than last year. Prices during the month were reported steady in all lines with the exception of wholesale groceries where a slight upward tendency was

indicated by a majority of the reporting wholesale grocery firms.



United States Department of Labor Index Numbers of Wholesale and Retail Prices

Wholesale Prices—327 Commodities  
Retail Food Prices—22 articles in 1920; 43 in 1921

One hundred and seven wholesale firms in all lines reported that the percentage of their collections during August, 1921, to the total amount due from customers (outstanding) on August 1, 1921, and 1920 was as follows:

	Aug. 1, 1921	Aug. 1, 1920
Agricultural Implements.....	35.2	36.7
Automotive Supplies.....	61.3	62.4
Automobile Tires.....	60.0	62.0
Drugs .....	91.9	76.4
Dry Goods.....	35.0	35.0
Furniture .....	51.6	48.0
Groceries .....	82.0	84.3
Hardware .....	46.3	52.4
Shoes .....	40.7	37.0
Stationery .....	53.0	57.9

(M) Wholesale Trade—

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

	Agricultural Implements	Auto Supplies	Auto Tires	Drugs	Dry Goods	Furniture	Groceries	Hardware	Shoes	Stationery
Number of reporting firms..	20	20	13	8	10	15	29	23	13	28
Los Angeles.....	-83.5	-11.3	-16.0	..	..	-13.9	-23.9	- 2.9	..	-22.2
Portland .....	-49.5	-16.6	..	..	..	-11.6	-30.4	-36.4	-31.7	-25.6
Sacramento .....	..	-22.4	..	..	..	..	-28.6	-15.7	..	..
Salt Lake City....	-23.5	9.0	38.8	-28.1	..	..	-16.8	-34.5	..	-41.5
San Francisco....	-82.0	-30.3	-22.6	..	-40.6	..	-32.6	-30.5	-18.5	-35.5
Seattle .....	..	-23.0	31.3	..	-43.4	..	..	-32.6	-17.5	-11.3
Spokane .....	-60.2	..	19.2	..	..	..	-37.2	-27.1	..	-22.0
Tacoma .....	..	..	..	..	..	-22.0	-15.5	4.0	..	-23.6
District .....	-44.6	-18.5	-11.4	-17.6	-41.1	-17.3	-28.2	-30.0	-22.5	-27.8

(1b) Percentage increase or decrease (—) in net sales for January 1, to August 31, 1921, over same period last year

	Agricultural Implements	Auto Supplies	Auto Tires	Drugs	Dry Goods	Furniture	Groceries	Hardware	Shoes	Stationery
Number of reporting firms..	20	20	13	8	10	15	29	23	13	28
Los Angeles.....	-60.1	-11.3	-17.9	..	..	-24.4	-11.5	-32.8	..	-15.0
Portland .....	-60.0	-28.5	..	..	..	-30.5	-32.6	-31.3	-38.4	-23.6
Sacramento .....	..	-20.0	..	..	..	..	-19.7	-21.3	..	..
Salt Lake City....	-48.1	..	-18.6	-49.0	..	..	-31.4	-39.2	..	-31.2
San Francisco....	-60.8	-23.9	-36.3	..	-34.7	-41.7	-25.0	-30.6	-23.2	-27.5
Seattle .....	..	-38.5	-22.3	..	-45.6	..	..	-40.0	-40.1	-28.7
Spokane .....	-57.5	..	-30.6	..	..	..	-31.3	-27.5	..	-18.0
Tacoma .....	..	..	..	..	..	-40.4	-29.1	-12.0	-12.0	-17.2
District .....	-49.2	-23.9	-17.8	-20.6	-36.5	-32.0	-25.6	-33.2	-28.0	-23.1

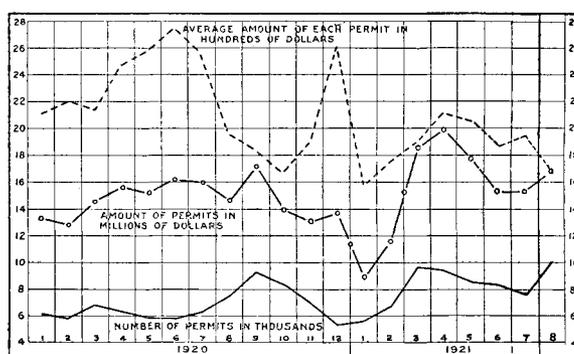
Collections were reported excellent by five firms, good by 60, fair by 76 and poor by 11. Statements of increases and decreases in net sales of reporting wholesale firms during August, 1921, compared with August, 1920, and the first eight months of 1921 compared with the first eight months of 1920, as shown in table "M" on opposite page.

Unemployment in a few sections of the district has been somewhat relieved during the month by increased agricultural activities, but in general the situation shows little change. Reports indicate 45,000 unemployed in California, with conditions adversely affected by an influx of workers from outside points. A report of the California State Highway Commission indicates that 53 highway contracts are now being executed. Oregon and Washington report a slight increase in employment due chiefly to seasonal activities and public works. Although the depression in metal mining still exists in Arizona, Nevada and Utah, increased building activity, civic improvements, and railroad demand have decreased the number of unemployed. Unemployment in the larger cities of the district remains unchanged over July and August. Part time employment continues in some plants in San Francisco, Portland, Tacoma and Seattle. According to figures compiled by the United States Employment Service, Department of Labor, from reports received from manufacturing firms employing 500 or more men, the number employed in August compared with July increased in Seattle (16.9 per

cent) and in Portland (3.1 per cent) and decreased in San Francisco (8.2 per cent) and in Los Angeles (1.5 per cent).

The need for new dwellings, combined with declining costs of building materials and the settlement of several wage controversies in the building trades, caused a large increase in both the number and value of building permits issued during August. In San Francisco work has been resumed on the majority of those buildings upon which operations were suspended when the building trades struck on May 13th, last.

Reports from the building departments in 20 principal cities of this district show 10,187 permits issued during August, 1921, with a



Building Permits Issued in 20 Principal Cities, Twelfth Federal Reserve District, 1920-1921

valuation of \$17,226,365, compared with 7,577 permits issued in August, 1920, with a valuation of \$15,079,736, or an increase of 33.1 per

(N) Building Permits—

	August, 1921		No.	July, 1921		August, 1920		Per Cent Increase or Decrease (—) Aug., 1921 over Aug., 1920
	No.	Value		Value	No.	Value		
Berkeley	130	\$ 248,664	131	\$ 161,760	111	\$ 405,625	— 38.7	
Boise	110	64,327	61	295,342	78	37,640	70.9	
Fresno	199	383,572	169	202,406	126	178,040	115.4	
Long Beach	300	889,164	206	516,700	368	969,699	— 8.2	
Los Angeles	3,554	7,015,861	2,717	5,503,363	2,643	6,970,312	.6	
Oakland	652	1,852,609	492	1,162,628	438	672,074	175.8	
Ogden	54	115,600	48	119,040	20	76,900	50.3	
Pasadena	295	566,531	274	701,247	257	291,646	94.2	
Phoenix	54	58,344	60	110,354	118	293,351	— 80.1	
Portland	1,591	1,486,982	1,119	1,446,324	1,039	1,022,115	45.4	
Reno	23	54,375	26	50,500	7	3,850	1,312.3	
Sacramento	260	348,788	175	183,417	82	137,665	153.3	
Salt Lake City	160	346,620	117	363,182	62	137,480	152.1	
San Diego	365	442,109	319	385,138	225	482,714	— 8.4	
San Jose	46	39,075	64	79,913	54	243,479	— 83.9	
San Francisco	381	1,316,937	446	1,000,240	452	1,517,916	— 13.2	
Seattle	1,113	1,340,430	825	2,217,270	904	1,072,065	25.0	
Spokane	251	222,992	217	180,775	156	260,810	— 14.5	
Stockton	88	115,140	51	365,218	69	93,379	23.3	
Tacoma	561	318,245	408	253,881	353	212,976	49.4	
Total	10,187	\$17,226,365	7,925	\$15,298,698	7,577	\$15,079,736	14.2	

cent in number and 13.5 per cent in value during the year. Compared with July, 1921, the August building permits were 27.3 per cent greater in number and 11.9 per cent in value. As has been previously suggested, the measure of building activity may be had more accurately from a comparison of the number of permits issued during the periods under review than from a comparison of the value of construction authorized, the latter not being fairly comparable on account of the substantial price changes of the past year.

The chart on page 11 shows the number, total valuation and average value of building permits issued in this district by months since January, 1920.

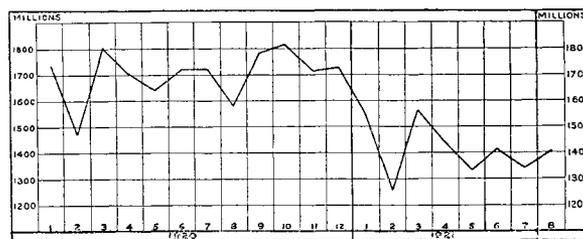
Comparative figures of the number and value of permits issued in 20 reporting cities during August, 1921, July, 1921, and August, 1920, are shown in table "N" on preceding page.

Business failures in the Twelfth Federal Reserve District were about the same in number, but 35 per cent less in liabilities than they were in July, 1921, and greater in both

**Business Failures** respects than in August, 1920. The total liabilities of 150 failures in August were \$2,936,363, compared with liabilities of \$4,536,868 for 151 failures in July, 1921. Compared with August, 1920, the number of failures increased by 60 (66 2-3 per cent) and the amount of liabilities increased \$1,929,125 or 191.5 per cent. Liabilities of the

average failure in the district were \$19,575, compared with \$30,045 in July, 1921, and \$11,191 in August, 1920. R. G. Dun and Company's comparative figures for the states of this district are shown in table "O."

Total payments through the banks (clearings) in the 20 reporting cities of the district during August totaled \$1,405,522,000, a decrease of \$175,293,000, or 11.0 per cent, from August, 1920, and an increase of \$57,270,000, or 4.2 per cent, over July, 1921. August clearings make a better showing as compared with August, 1920, than have other recent months compared with the same months of 1920. The 11 per cent decrease for August,

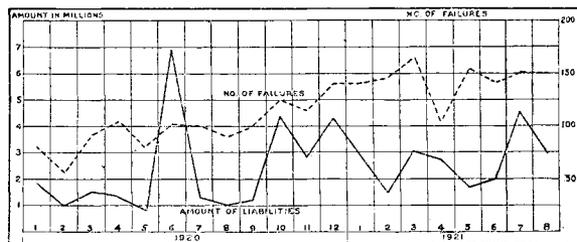


Bank Clearings in 20 Principal Cities, Twelfth Federal Reserve District, 1920-1921. (In Millions of Dollars)

compared with August, 1920, is the smallest decrease noted in any month this year, with the exception of the short month of February. The average decline in wholesale and retail prices during the year ending in August is considerably in excess of 11 per cent and it would appear that the physical volume of business transacted in August was somewhat greater than it was in August, 1920.

The only increases in August of this year over August, 1920, were reported from Berkeley (20.0 per cent), Long Beach (26.0 per cent), Los Angeles (6.4 per cent), Oakland (4.6 per cent), and Pasadena (17.1 per cent).

Comparative figures of clearings for the 20 reporting cities are shown in table "P" on opposite page.



Business Failures, Twelfth Federal Reserve District, 1920-1921

NOTE—The great increase in liabilities in June, 1920, was due to the failure of one concern in Seattle, Washington.

(O) Business Failures—

	August, 1921		July, 1921		August, 1920	
	No.	Liabilities	No.	Liabilities	No.	Liabilities
Arizona .....	4	\$ 1,200	8	\$ 64,800	0	\$ 0
California .....	83	1,541,075	72	2,285,031	41	209,254
Idaho .....	11	129,601	11	56,832	5	33,844
Nevada .....	0	0	0	0	1	1,000
Oregon .....	22	629,206	30	980,020	16	263,658
Utah .....	5	32,780	6	133,582	6	131,882
Washington .....	25	602,501	24	1,016,603	21	367,600
District .....	150	\$2,936,363	151	\$4,536,868	90	\$1,007,238

The improvement noted in the discount market for acceptances last month has continued during the month ending September 15th. This has been reflected not so much in a larger volume of sales as in a general broadening of the demand, which has spread slightly more in the Northwest. The southern section of California with a few notable exceptions is still generally out of the market.

With a slight revival of foreign trade and the necessity for moving Coast crops, the supply of bills originating in this district has become larger. This supply has by no means, however, reached a point sufficient to supply even a majority of the Coast demand for acceptances.

Bills of four, five and six months duration are beginning to make their appearance in increasing numbers. After a slight hesitancy, the market has begun to absorb this new type of acceptance with increasing readiness, especially bills with a maturity of around 120 days.

The decline in the open market rate which started early in June has been arrested, at least temporarily, and rates have been steady during the whole month at the following figures:

	30 days	60 days	90 days
Eligible member banks	5%	5%	5%
Eligible non-members..	5¼%	5¼%	5¼%

Reports from 37 of the principal accepting banks of the district show a total of \$3,377,000

of bills accepted during August, \$2,996,000 of acceptances purchased, and a total in portfolios at the end of the month of \$4,075,000. Their reports indicate that canned goods were the principal commodity upon which acceptance transactions were based, followed by sugar, grains and miscellaneous import commodities from the Orient and Central America, chief among which was silk. Six firms are reported to have drawn acceptances for the first time during the month.

On September 9, 1921, the Secretary of the Treasury announced to the banking institutions of the country an offering of Three-year 5½% Treasury Notes, dated September 15, 1921, due September 15, 1924; One-year 5¼% Treasury Certificates of Indebtedness, dated September 15, 1921, due September 15, 1922; Six-months' 5% Treasury Certificates of Indebtedness, dated September 15, 1921, due March 15, 1922; the combined offering to be \$600,000,000.

Subscription books were closed at noon, September 15, 1921. The total amount of subscriptions received throughout the country was \$1,587,838,900, and the total amount allotted was \$698,149,100. The Twelfth Federal Reserve District reported total subscriptions of \$45,750,000, and was allotted \$42,700,000.

The heavy over-subscription indicates an unsatisfied demand for short-term Government securities, an indication confirmed by the gradual advance in market quotations of the short maturity Government bonds and notes.

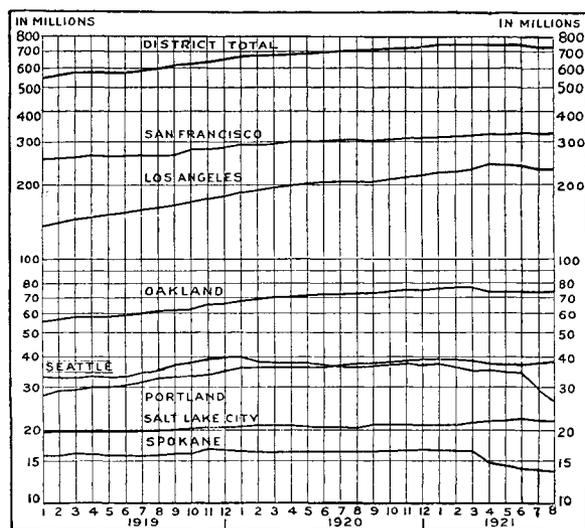
**(P) Bank Clearings\*—**

	August, 1921	July, 1921	August, 1920	Per Cent Increase or Decrease (—) August, 1921 over August, 1920
Bakersfield .....	4,507	5,018	5,030	—10.3
Berkeley .....	14,607	11,552	12,163	20.0
Boise .....	4,476	4,889	...	..
Fresno .....	16,070	13,575	17,815	— 9.7
Long Beach.....	15,337	15,125	12,168	26.0
<b>Los Angeles</b> .....	329,817	332,929	309,955	6.4
Oakland .....	45,785	42,758	43,569	4.6
Ogden .....	6,087	6,081	8,522	—25.0
Pasadena .....	11,964	12,885	10,211	17.1
<b>Portland</b> .....	130,150	107,852	150,498	—13.3
Reno .....	3,049	3,059	3,852	—20.8
Sacramento .....	23,737	22,777	26,905	—11.5
<b>Salt Lake City</b> .....	47,965	47,773	61,021	—22.9
San Diego.....	11,427	11,421	11,741	— 2.6
San Jose.....	7,621	7,208	9,728	—21.6
<b>San Francisco</b> .....	530,300	514,400	645,480	—17.8
<b>Seattle</b> .....	127,321	116,696	156,990	—18.5
<b>Spokane</b> .....	41,747	40,289	49,601	—16.3
Stockton .....	20,343	18,558	24,881	—18.2
Tacoma .....	13,212	13,407	20,685	—35.0
<b>Total</b> .....	1,405,522	1,348,252	1,580,815	—11.0

\*(In thousands of dollars.)

Savings deposits in this district (as reported by 79 banks in the seven principal cities) increased during the month ending August 15th, twenty-three hundredths of 1 per cent, being on that date \$741,206,000 compared with \$739,493,000 on July 15th. The increase in savings deposits in the district during the year ending August 15th was 7 per cent. As compared with last year, increases (nominal in the case of Portland) are reported for each of the seven cities except Seattle.

The growth of savings deposits in the seven principal cities in the district is shown in the accompanying table "Q" and chart.



Average Monthly Savings Deposits in Banks in Principal Cities of Twelfth Federal Reserve District, 1919-1921  
(In Millions of Dollars)

An easing of approximately  $\frac{1}{4}$  per cent in the open market rate for prime commercial paper occurred in the principal financial centers of the district during August, and in Seattle the customary bank rate to customers for similar paper declined from  $7\frac{1}{2}$  per cent to 7 per cent. On other classes of paper rates were generally unchanged. 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 September 10, 1921, and August 10, 1921, is given in table "R."

Loans and discounts of 66 reporting member banks in this district reflect the increased accommodation to borrowers which is customary at this season of

harvesting and marketing of crops. On September 7th they stood at \$876,586,000, an increase of \$14,116,000 since August 3rd, when they totaled \$862,470,000. During the same period these banks reduced their rediscounts with the Federal Reserve Bank by nearly \$14,000,000, or 25 per cent, this figure standing at \$39,697,000 on September 7th, compared with \$53,543,000 on August 3, 1921. It would appear, therefore, that customers of the city member banks are paying off their loans rapidly enough to provide the banks with sufficient funds to care for seasonal requirements and in addition to reduce their indebtedness to the reserve bank. There is to be noted a decline in the amount of 3 year United States Treasury notes held by these banks, the total

### (Q) Savings Deposits\*—

	Number of Banks	Aug. 15, 1921	July 15, 1921	Aug. 15, 1920	Per Cent Increase or Decrease (—) Aug. 15, 1921 over Aug. 15, 1920
San Francisco.....	17	329,482	327,137	303,029	8.7
Oakland .....	7	74,807	73,890	73,314	2.0
Spokane .....	6	13,150	13,355	12,581	4.5
Seattle .....	15	26,765	29,465	36,786	—27.2
Portland .....	10	37,872	36,958	37,802	.2
Salt Lake City.....	10	22,221	22,295	21,799	1.9
Los Angeles.....	14	236,909	236,393	207,720	14.1
Totals .....	79	741,206	739,493	693,031	7.0

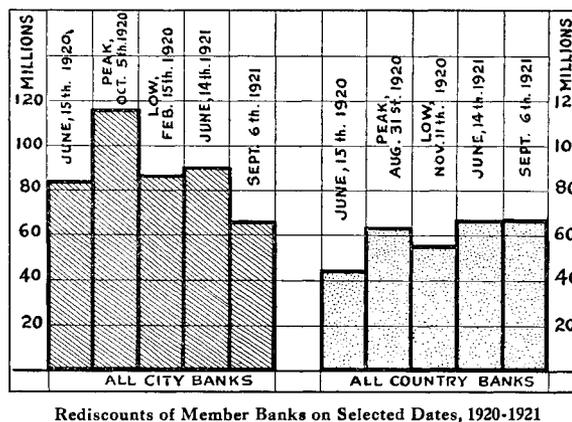
\*(In thousands of dollars.)

### (R) 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		Sept.	Aug.	Sept.	Aug.	Sept.	Aug.
	Sept.	Aug.	Sept.	Aug.						
Los Angeles....	7	7	$6\frac{1}{2}$	$6\frac{3}{4}$	$6\frac{1}{2}$	7	7	7	7	7
Portland .....	7	7	$6\frac{1}{4}$	$6\frac{3}{4}$	7	7	7	7	7	7
Salt Lake City..	8	8	—0—	—0—	8	8	8	8	8	8
San Francisco...	$6\frac{1}{2}$	$6\frac{1}{2}$	$6\frac{1}{4}$	$6\frac{1}{2}$	$6\frac{1}{2}$	$6\frac{1}{2}$	$6\frac{1}{2}$	$6\frac{1}{2}$	$6\frac{1}{2}$	$6\frac{1}{2}$
Seattle .....	7	$7\frac{1}{2}$	$6\frac{1}{2}$	$6\frac{1}{2}$	7	7	7	7	7	7
Spokane .....	7	7	—0—	7	7	7	7	7	7	7

being \$2,887,000 on September 7th, compared with \$4,192,000 on August 3rd, indicating their steady absorption by private investors in this district. As the 66 reporting member banks aforementioned are all located in one or another of the seven principal cities of the district, and hence are chiefly engaged in catering to the credit requirements of industry and business, their reports do not indicate the trend of bank credit developments in the smaller cities and country districts where the banks serve primarily those engaged in agricultural activities, including the livestock industry. Statistics are maintained by this office showing the rediscount activities of all country banks and all city banks separately, and graphic exhibits of the course of such operations during the past year are presented in the accompanying chart. From this it appears that rediscounts with this bank of member banks in agricultural and livestock areas of the district were \$66,000,000, on September 6, 1921, as compared with \$44,000,000 on June 15,

1920, an increase of \$22,000,000, or 50 per cent, but that the rediscounts of city banks, serving primarily the industrial and business interests of the district were on the same date \$66,000,000 as compared with \$83,000,000 on June 15, 1920, a decrease of \$17,000,000, or 20 per cent.



**(S) Principal Resource and Liability Items of Reporting Member Banks in Reserve Cities in Twelfth Federal Reserve District—**

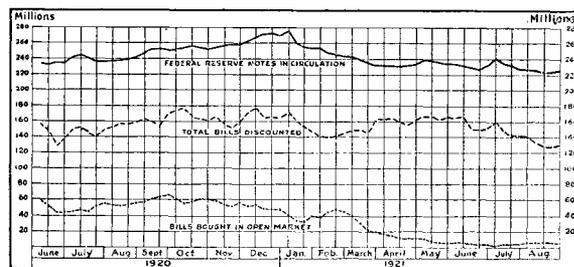
	Sept. 7, 1921	Aug. 3, 1921	Sept. 10, 1920
<b>*Number of Reporting Banks.....</b>	<b>66</b>	<b>67</b>	<b>66</b>
1. Loans and discounts (exclusive of rediscounts):			
(a) Secured by United States Government Obligations...\$	24,021,000	\$ 23,787,000	\$ 32,846,000
(b) Secured by Stocks and Bonds other than U. S. Bonds	146,523,000	146,458,000	149,598,000
(c) All Other.....	706,042,000	692,225,000	969,268,000†
(See explanatory foot note below concerning item 1 (c) in 1920.)			
2. Investments:			
(a) United States Bonds.....	97,593,000	97,551,000	95,589,000
(b) United States Victory Notes.....	16,058,000	15,281,000	11,513,000
(c) United States Certificates of Indebtedness.....	19,238,000	19,059,000	26,212,000
(d) Other Bonds, Stocks and Securities.....	167,258,000	168,083,000	—
(e) United States Treasury Notes.....	2,887,000	4,192,000	—
3. Total Loans and Discounts and Investments.....	1,179,620,000	1,166,636,000	1,285,026,000
4. Reserve Balance with Federal Reserve Bank.....	76,314,000	72,130,000	78,211,000
5. Cash in Vault.....	23,648,000	23,418,000	30,489,000
6. Net Demand Deposits on which reserve is computed.....	574,301,000	554,128,000	648,908,000
7. Time Deposits, including Savings Deposits.....	541,682,000	543,137,000	507,840,000
8. Government Deposits.....	6,535,000	15,431,000	1,496,000
9. Bills Payable with Federal Reserve Bank:			
(a) Secured by United States Government Obligations...	23,003,000	19,956,000	26,629,000
(b) All Other.....	141,000	141,000	85,000
10. Bills Rediscounted with Federal Reserve Bank:			
(a) Secured by United States Government Obligations...	2,917,000	3,437,000	2,777,000
(b) All Other.....	39,697,000	53,543,000	67,838,000

\*Total resources of reporting banks are approximately 44 per cent of total resources of all banks, and 67 per cent of total resources of all member banks in Twelfth Federal Reserve District. Reporting banks embrace all member banks in San Francisco, Los Angeles, Oakland, Portland, Seattle, Tacoma, Spokane, Salt Lake City and Ogden.

†Prior to Jan. 1, 1921, this figure included "all other investments" as well as "all other loans." After that date, "all other investments" were reported separately as "other bonds, stocks and securities," in item 2 (d). Consequently a figure in 1921 comparable to item 1 (c) in 1920 would be the total of item 1 (c) and 2 (d) in 1921.

The aforementioned liquidation of their indebtedness to the reserve bank by city member banks is reflected in the statement of condition of this bank as of close of business, September 14th. Bills discounted, at \$119,397,000, were approximately \$15,000,000, or 11 per cent less than the total of \$134,336,000 held on August 10th, last. The reduction in this same item was \$12,600,000 or 8 per cent during the preceding four weeks. Accompanying the decline in amount of bills under rediscount was an increase of \$18,000,000 (almost entirely in gold) in total cash reserves. Federal Reserve notes in circu-

lation on September 14th (\$228,674,000) were practically unchanged in amount as compared with the total outstanding a month previous.



Federal Reserve Note Circulation, Bills Discounted and Bills Bought in the Open Market, Federal Reserve Bank of San Francisco  
(In Millions of Dollars)

COMPARATIVE STATEMENT OF CONDITION OF FEDERAL RESERVE BANK OF SAN FRANCISCO  
AT CLOSE OF BUSINESS SEPTEMBER 14, 1921

	Sept. 14, 1921	Aug. 10, 1921	Sept. 17, 1920
<b>RESOURCES</b>			
Gold and Gold Certificates.....	\$ 20,804,000	\$ 20,689,000	\$ 12,907,000
Gold Settlement Fund—Federal Reserve Board.....	34,392,000	32,843,000	46,285,000
Gold With Foreign Agencies.....	—0—	—0—	5,127,000
Total Gold Held by Bank.....	\$ 55,196,000	\$ 53,532,000	\$ 64,319,000
Gold With Federal Reserve Agent.....	167,746,000	152,099,000	88,826,000
Gold Redemption Fund.....	8,973,000	9,063,000	10,806,000
Total Gold Reserves.....	\$231,915,000	\$214,694,000	\$163,951,000
Legal Tender Notes, Silver, etc.....	3,822,000	3,296,000	625,000
Total Reserves.....	\$235,737,000	\$217,990,000	\$164,576,000
Bills Discounted: Secured by U. S. Government Obligations....	34,558,000	37,047,000	48,957,000
All Other.....	84,839,000	97,289,000	105,646,000
Bills Bought in Open Market.....	3,655,000	3,057,000	63,329,000
Total Bills on Hand.....	\$123,052,000	\$137,393,000	\$217,932,000
U. S. Bonds and Notes.....	204,000	204,000	2,632,000
One-Year Certificates of Indebtedness (Pittman Act).....	8,880,000	9,880,000	11,188,000
All Other Certificates of Indebtedness.....	11,000	269,000	—0—
Total Earning Assets.....	\$132,147,000	\$147,746,000	\$231,752,000
Bank Premises.....	638,000	586,000	231,000
5% Redemption Fund Against F. R. Bank Notes.....	494,000	494,000	665,000
Gold Abroad in Custody or in Transit.....	—0—	—0—	—0—
Uncollected Items.....	45,358,000	34,459,000	54,459,000
All Other Resources.....	5,001,000	5,808,000	389,000
<b>Total Resources.....</b>	<b>\$419,375,000</b>	<b>\$407,083,000</b>	<b>\$452,072,000</b>
<b>LIABILITIES</b>			
Capital Paid In.....	\$ 7,359,000	\$ 7,404,000	\$ 6,849,000
Surplus.....	15,207,000	15,207,000	11,662,000
Reserve for Government Franchise Tax.....	2,664,000	2,390,000	—0—
Deposits: Government.....	3,703,000	3,852,000	11,582,000
Member Bank Reserve Account.....	114,799,000	111,434,000	114,086,000
All Other.....	3,902,000	5,017,000	4,949,000
Total Deposits.....	\$122,404,000	\$120,303,000	\$130,617,000
F. R. Notes in Actual Circulation.....	228,674,000	227,821,000	252,350,000
F. R. Bank Notes in Circulation—Net Liability.....	4,100,000	5,709,000	11,267,000
Deferred Availability Items.....	37,241,000	26,423,000	35,229,000
All Other Liabilities.....	1,726,000	1,826,000	4,098,000
<b>Total Liabilities.....</b>	<b>\$419,375,000</b>	<b>\$407,083,000</b>	<b>\$452,072,000</b>
Memo: Contingent Liability on Bills Purchased for Foreign Correspondents.....	1,569,000	2,589,000	736,000