

MONTHLY REVIEW

OF

BUSINESS CONDITIONS

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

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No. 6

Summary of National Conditions

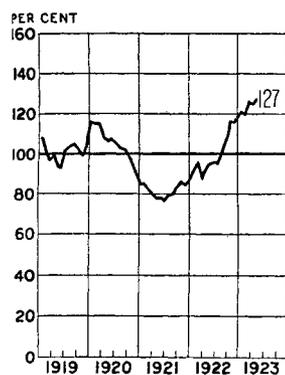
Production and shipment of goods continued in heavy volume during May. The volume of employment was sustained and many wage advances were reported. Wholesale commodities declined in price during May and the early weeks of June.

Production. Production of iron and steel, cement, and petroleum was larger in May than in any previous month, and mill consumption of cotton was close to the previous maximum. The high level of production in these industries, together with increases in practically all other reporting lines, are reflected in an advance of two per cent in May in the Federal Reserve Board's index of production in basic industries. In the building industry the value of building permits granted, which represents prospective building operations, declined in the principal cities of the country. Contract

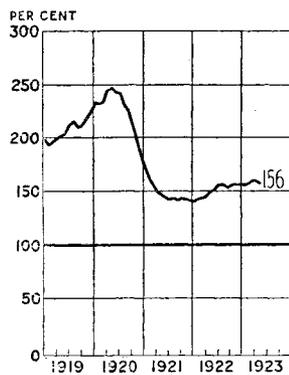
awards, however, which represent actual current undertakings, continued to increase, though declines were reported in the New York and Chicago districts.

This industrial activity has been accompanied by a slight increase of employment at industrial establishments. The demand for labor was also reflected in a larger number of wage advances during the thirty-day period ending May 15th than in earlier months of this year, and average weekly earnings in all reporting industries increased by 3.8 per cent. The advances were most general in the cotton, steel, meat packing, and sugar refining industries.

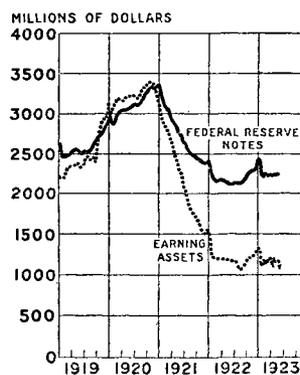
In agriculture the condition of both winter and spring wheat is reported less favorable than a year ago, while the condition of the cotton crop is slightly better than last year, owing entirely to more favorable growing conditions in Texas. Shortage of farm labor is reported from most sections of the country.



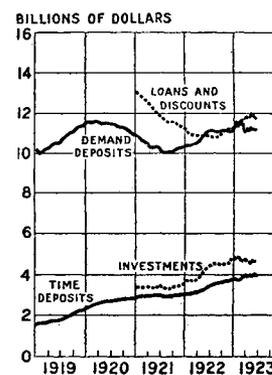
Index of Production in Basic Industries
Combination of 22 individual series corrected for seasonal variation (1919 average = 100 per cent)



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



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Trade. Active distribution of commodities is indicated by a heavy rail movement of merchandise and miscellaneous freight, and carloadings continue to exceed all previous records for this season. In certain lines of trade a decline in the volume of manufacturers' orders for future delivery is reported. The volume of both wholesale and retail trade was larger in May than in April. Among the wholesale lines sales of meat, hardware, and shoes showed particularly large increases, while sales of clothing and drygoods decreased. The Federal Reserve Board's index of wholesale trade which makes no allowance for seasonal changes, was 5 per cent higher in May than in April and 14 per cent higher than a year ago. Sales of department stores increased about 8 per cent in May, and all reporting lines of chain store business reported increases. Mail order sales were 6 per cent less than in April, but were larger than in any previous May.

Wholesale prices. Price declines were reported during May and the first three weeks of June for a large number of commodities. All of the nine groups in the Bureau of Labor Statistics index, except food and house furnishings, show decreases for May, and the average for all commodities declined 2 per cent.

Bank credit. Loans of reporting member banks in principal cities, which had been increasing since the early part of the year, declined by \$115,000,000 between May 16th and June 13th. Bank holdings of government securities, which increased by over \$100,000,000, in connection with the Treasury transactions of May 15th, later declined as the securities were distributed by the banks.

These decreases in loans of member banks and the receipt during May of \$45,000,000 of gold from abroad were accompanied by a decrease in the earning assets of Federal Reserve Banks by \$120,000,000 for the four weeks ending June 20th. At that time the volume of Federal Reserve Bank credit in use reached the lowest point since the opening of the year and approached the low point reached in August, 1922. Reserve bank holdings of bankers' acceptances and government obligations are now lower than at any time since January, 1922.

The total volume of money in circulation increased by \$38,000,000 between May 1st and June 1st, the increase being chiefly in gold and silver certificates rather than in Federal Reserve Notes.

Money rates continued to show a slightly easier tendency. The June 15th issue of \$150,000,000 six months Treasury Certificates carried a rate of interest of 4 per cent, compared with $4\frac{1}{4}$ per cent on a similar issue sold in March.

Summary of District Conditions

During May production and distribution proceeded at levels only slightly below those of the first quarter of the year, such declines as were noted compared with April having been largely seasonal. The business situation has been characterized, nevertheless, by a spirit of caution which best finds expression in figures showing the movement of bank funds during the month. Total loans of 66 reporting member banks in the principal cities of the district, which had increased nearly \$100,000,000 during the four months ending May 9th, advanced only \$9,000,000 during the four-week period ending June 6th. Investment holdings of the same banks declined by approximately \$5,000,000 during this latter period, so that the total volume of credit advanced by the banks in all forms increased but \$4,000,000, compared with increases of \$18,000,000 and \$35,000,000 during April and March, respectively. Accompanying this diminishing demand upon member banks, discounts of the Federal Reserve Bank of San Francisco declined from the recent peak of \$68,000,000 to \$61,000,000 on June 13th. The Reserve Bank also sold some of its investments during the past month, its combined holdings of acceptances and United States Government securities declining from \$58,500,000 on May 16th to \$44,000,000 on June 13th, so that total earning assets on that date at \$104,801,000 were 16 per cent less than the \$124,904,000 held on May 16th.

No such check in productive activity has been noted. The **lumber** mills of the district were operated at greater than single shift capacity during May. New orders received and shipments made were less than production, but stocks of lumber held in mill yards generally are still below normal. The mines of the district produced metal in slightly increased quantities as new equipment was placed in operation and recently recruited labor forces gained in experience. **Building** activity continued unabated. The value of permits issued during May was 10 per cent greater than the value of those issued during April, and the number was practically the same. The May figures were but little below the record month of March, 1923. Another new record of **petroleum** production in California was set during May, but the increase over the previous month was the smallest reported this year. Further accumulation of stocks of oil carried storage holdings from 68,935,000 barrels on May 1st to 69,480,000 barrels on June 1st, but this increase was also the smallest reported in recent months. Efforts of the larger operators to curtail production were continued. Full **employment** of labor is reported from all sections of the dis-

trict, and the demand for workers increased as seasonal labor requirements multiplied.

The volume of business transacted in the district during May, 1923, as indicated by debits to individual accounts at banks in 21 cities, was 20.8 per cent greater than during May, 1922, this increase being approximately the same as the increases reported in previous months of this year when comparisons have been made with corresponding months of 1922. Sales at retail, as reported by 34 department stores, were 10.3 per cent greater in value during May, 1923, than during May, 1922, and, excepting the month of December in each year, were greater in value than in any month of the past four years. At wholesale the movement of goods showed a seasonal decline in many lines, but with the exception of agricultural implements continued greater than one year ago. In eight of the eleven lines which report their sales to this bank the value of sales increased 15 per cent or more during May, 1923, as compared with May, 1922. The number of business failures increased during the month, but small concerns were chiefly involved, the total amount of liabilities reported being less than in any month since January, 1922.

The general level of prices declined slightly during May. The index number of wholesale prices published by the United States Department of Labor stood at 156 for the month, a decline of three points, or 1.9 per cent from the previous month. Certain price discrepancies continued in the agricultural products group, some commodities selling at prices below those of a year ago, while others were quoted at prices well above the prices of May, 1922. Prices of the non-ferrous metals, including copper, lead, and zinc, again declined, and are now approximately 15 per cent below the recent peak of March, 1923.

Weather conditions have been generally favorable for the growth of farm crops and of feed for livestock. The condition of the growing grains improved in all states of the district during May. A yield of wheat well in excess of last year's short crop is now reported to be in prospect. Shearing of wool has been completed and 75 to 80 per cent of the total clip of approximately 78,000,000 pounds has been sold by the growers at the highest prices received since 1919. Livestock generally are reported to be in good condition and marketing is proceeding in an orderly manner.

Crop Conditions

Favorable growth of all grain crops of the district during May was reported by the United States Department of Agriculture. In the Pacific Northwest, general rainfall during the

last week of the month greatly benefited the growing crops, and in a few small areas of deficient rainfall prevented actual losses from drought. Light rains in some parts of California and the soil moisture stored from earlier rainfall assisted the healthy growth of wheat, barley, and other grain crops in that state.

Basing its estimates upon the present acreage and condition of winter and spring wheat, the Department of Agriculture's report places the 1923 yield of all wheat in the principal grain growing states of the district at 122,929,000 bushels, compared with a final 1922 yield of 97,453,000 bushels. In 1922 the yield was estimated at 110,152,000 bushels on June 1st, but unfavorable weather conditions in succeeding months reduced the size of the crop. The estimated yield of all wheat for the United States is now 816,580,000 bushels, compared with a final yield of 862,091,000 bushels in 1922. The Department's estimate of the condition of winter and spring wheat, and of the acreage planted to spring wheat during 1923 and 1922, both in this district and in the United States, are herewith reproduced:

	— Winter Wheat — Condition (Per Cent of Normal)			— Spring Wheat — Condition		Acreage Sown*	
	June 1, 1923	May 1, 1923	June 1, 1922	June 1, 1923	June 1, 1922	1923 (acres)	1922 (acres)
California ...	91	88	90	..	..	..	..
Idaho	96	92	85	97	91	693	679
Oregon	97	95	90	95	85	237	249
Utah	93	90	91	94	92	131	135
Washington.	92	88	79	92	83	1,060	1,000
Totals ....	..	..	..	..	..	2,121	2,063
United States	76.3	80.1	81.9	90.2	90.7	18,503	19,103

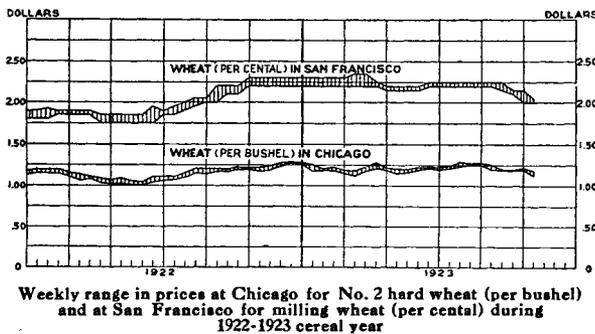
*000 Omitted.

Farmers of the district have sown less wheat this season than was planted last year, the decrease being due in some measure to the sluggish wheat market which has prevailed during most of the period since the 1922 crop was harvested. A tendency to plant the coarser grains and hay in fields formerly sown to wheat has been reported, particularly in sections of the Pacific Northwest and the Intermountain States. The following table gives United States Department of Agriculture estimates of the total 1923 plantings, the 1922 acreage, the estimated 1923 yield, and the 1922 yield of all wheat, barley, and oats in the principal grain raising states of this district:

	Estimated Acreage 1923 (acres)	Acreage 1922 (acres)	Estimated Yield 1923 (bushels)	Yield 1922 (bushels)
All Wheat.	5,637,000	5,648,000	122,929,000	97,453,000
Barley	1,376,000	1,409,000	45,018,000	44,357,000
Oats	885,000	867,000	34,956,000	29,394,000

Wheat markets of the district continued relatively inactive during May. The export movement of wheat from Portland and the Puget

Sound ports from July 1, 1922, to June 1, 1923, has totaled but 17,845,964 bushels, compared with shipments of 39,945,212 bushels from July 1, 1921, to June 30, 1922, and of 25,353,220 bushels during the corresponding period of the 1920-1921 cereal year. Commercial factors estimate that on June 1st unsold holdings of wheat (exclusive of wheat held on farms) in the Pacific Northwest totaled between 7 and 9 per cent of the 1922 crop of that section, 76,463,000 bushels. Although present unsold stocks are no greater in volume than those held on June 1, 1922, the proportion of the crop remaining to be marketed is nearly twice as large as a year ago. Commercial estimates place unsold holdings of wheat in California on June 1, 1923, at 1,460,666 bushels (exclusive of wheat held on farms), compared with a carryover of 952,366 bushels on June 1, 1922. The accompanying chart shows the trend of wheat prices on the Chicago and San Francisco markets during the past year. On June 15th the price of milling wheat in San Francisco was \$1.90 per cental (\$1.14 per bushel), compared with \$2.00 per cental (\$1.22 per bushel) on June 15, 1922.



It is estimated that 1,099,000 acres of **barley** will be harvested in California during 1923, a decrease of 5 per cent from the 1922 acreage. The United States Department of Agriculture reports the condition of the crop in that state on June 1st as 91 per cent of normal, compared with an estimated condition of 89 per cent of normal one year ago. Based upon the present condition of the acreage sown, the government estimates the 1923 yield of barley in California at 35,498,000 bushels. Production in 1922 was 36,864,000 bushels. Although barley is reported to have been in but moderate demand during recent months, commercial estimates indicate that holdings in California (exclusive of barley held on farms) on June 1st were 1,572,208 bushels, or 19.8 per cent less than the carryover of 1,962,750 bushels held on the same date last year.

Late spring planting operations, generally favored by good weather, are rapidly being

completed in all states of the district. Growing crops are uniformly reported in better condition than a year ago. The condition of the **cotton** crop on May 25th, as reported by the United States Department of Agriculture, was 93 per cent of normal in California and 92 per cent of normal in Arizona, compared with a condition of 84 per cent and 81 per cent, respectively, a year ago. The government's crop report places the condition of **sugar beets** on June 1st at 90 per cent of normal in California and 95 per cent of normal in Utah. One year ago the condition of this crop was reported as 85 per cent of normal in California and 88 per cent of normal in Utah. Early planted **beans** in California are reported to be growing well. Planting of this crop usually continues throughout the month of June.

No uniformity is apparent in reports concerning the **deciduous fruit** crops of the district, but in general the yields of apples, apricots, and plums are expected to be larger than in 1922, and the yields of other fruits smaller than last year. In California the crop of pears was greatly reduced by excessive dropping of immature fruits during May, the Department of Agriculture placing the condition of the crop at 75 per cent of normal on June 1st, compared with a reported condition of 90 per cent of normal on May 1st. The outlook for the peach crop of the district improved during May, but the yield is still placed below that of last year. In California the Department of Agriculture states that the present condition of the crop indicates a yield of 390,000 tons. Production in 1922 was 420,000 tons. It is reported that the peach crops in many of the principal producing states of the East have been seriously injured by frosts during recent weeks. Prices for canning peaches have been set by the canning peach growers' association of California at \$45 per ton for number one clingstone peaches and \$35 per ton for Lovell freestone peaches, a reduction of \$15 and \$10, respectively, from the prices named in 1922. In the Pacific Northwest, the apple crop is reported to be in excellent condition, with a 1923 commercial yield of apples in Washington, the principal producing state of the district, forecasted at 23,991,000 boxes, compared with 21,312,000 boxes produced in 1922. The present condition of the apple crop in California indicates a yield of 6,384,000 boxes, compared with the 1922 production of 7,656,000 boxes.

Practically all of the 1922-1923 Navel **orange** crop of more than 10,000,000 boxes had been shipped from California by June 1st. The Valencia orange crop, which is now moving to market, is also expected to total over 10,000,000 boxes. Approximately 15 per cent of this crop

had been shipped by the first of June. Total shipments of oranges and lemons up to June 1st of the past two seasons have been as follows:

	Nov. 1st to June 1st 1922-1923 (cars)	Nov. 1st to June 1st 1921-1922 (cars)
Oranges	32,526	21,818
Lemons	4,720	5,863

Livestock

The mild weather of recent weeks has favored the growth of grasses and forage crops on the summer ranges of the district, and the condition of livestock generally has improved. Seasonal dry spells in some sections of Arizona have been unfavorable to the livestock industry in the areas affected, but the situation has not become serious.

Spring lambing has been practically completed in all sections of the district, with an increase reported to be larger than normal. The average increase is from 80 to 85 per cent of the number of ewes bred, but this year increases of 90 per cent have been common, and

many old ewes which have passed the age of greatest productivity, and which have only been held during the past two or three years because ewe lambs had to be sold to assist growers to obtain working capital. The improvement in the sheep raising industry which this situation suggests has been counterbalanced in some sections, particularly in Idaho, by the increasing cost and scarcity of desirable range land and the inability of growers to secure capable herdsmen.

Receipts of all classes of livestock at eight principal markets in this district during May, 1923, were considerably larger than during May, 1922. A marked seasonal increase in the receipts of sheep during May, 1923, as compared with April, 1923, was noted.

	Cattle	Calves	Hogs	Sheep
May, 1923....	67,895	20,511	170,364	440,028
April, 1923....	65,824	17,269	178,937	214,977
May, 1922....	58,465	14,611	125,742	403,390

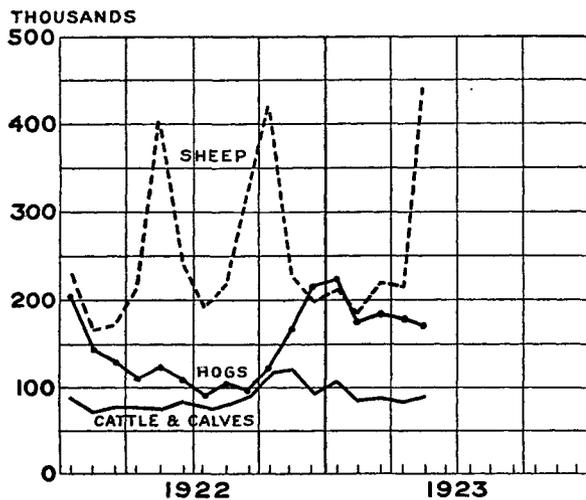
Prices for all classes and grades of livestock at the principal markets of the district tended slightly downward during May.

Wool

Shearing of wool in this district had been practically completed by June 15th, and with 75 to 80 per cent of the clip already sold, activity in the wool growing sections has subsided. The total clip is now estimated at 78,000,000 pounds, a slight decrease compared with early season estimates, but still 4,000,000 pounds in excess of the 1922 clip.

Prices paid producers for wool during the past season have been higher than at any time since 1919 and 1918, when the record figure of 60 cents per pound was reached. Early in the present season buyers entered the field and offered growers from 30 to 40 cents per pound for their wool, the price depending partly on the grade and the cost of transportation to consuming centers. It is reported that very few sales were made until after shearing, however, when prices had advanced to a range of from 40 to 55 cents per pound. One year ago the same wools sold at from 25 to 42 cents per pound. Buyers have not been active during the past month but prices have held steady.

Woolen mills in the United States consumed approximately 229,500,000 pounds of wool (grease equivalent weight) during the first quarter of 1923, compared with an estimated consumption of 194,000,000 pounds during the first three months of 1922. Both worsted and woolen spindles have been operated at nearly 100 per cent of single shift capacity during the past six months, and manufacturers report that orders booked are sufficient to continue capacity operations of their mills during the next



Receipts of Livestock at Eight of the Principal Markets of the District 1922-1923. (Los Angeles, Ogden, Portland, Salt Lake City, San Francisco, Seattle, Spokane, and Tacoma included)

in many districts the increase is reported to have approximated 100 per cent. The bulk of the spring lambs raised in California has already been marketed, approximately 300,000 head having been shipped from that state by June 16th. In the northern states of the district the lamb shipping season began about the first of June, and lambs from these states are just beginning to reach eastern markets.

A significant feature of the reports received from sheep raising districts is that sheep-men generally are retaining a larger number of ewe lambs for the purpose of building up their flocks than has been the case for some years past. At the same time they are disposing of

few months. Heavier imports of wool have accompanied increasing wool consumption. During the eight months ending February 28, 1923, wool imports totaled 307,000,000 pounds, compared with imports of 122,000,000 pounds during the eight months ending February 28, 1922.

Dairy and Poultry Products

There was a large seasonal increase in butter production during May, and a considerable proportion of the output was placed in cold storage. Holdings of cold storage butter at the four principal markets of the district on June 1st were nearly four times as large as on May 1st, and 13.0 per cent larger than on June 1, 1922. Butter prices continue approximately 25 per cent higher than one year ago.

The heavy movement of eggs into cold storage noted during March and April continued during May, and holdings in cold storage warehouses of the principal markets of the district were increased by 63.5 per cent during the month. On June 1, 1923, they were 11.3 per cent greater than on June 1, 1922. On the San Francisco wholesale market extra grade eggs are now (June 15th) selling at 27 cents per dozen. One year ago they sold for 26 cents per dozen.

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

	June 1, 1923	May 1, 1923	April 1, 1923	June 1, 1922
Butter (pounds)	2,041,196	532,956	66,173	1,805,178
Eggs (cases)	514,751	314,697	145,204	462,215

Salmon

The 1922 salmon pack of approximately 5,178,000 cases has been marketed at firm or rising prices during the year just closing and present unsold stocks, with the exception of the Alaska Red variety, are reported to be unusually small. This latter variety made up approximately 40 per cent of the total pack, the other 60 per cent consisting chiefly of cheaper grades of fish—Medium Reds, Pinks, and Chums.

The market for canned salmon has been active during the present season. Abnormally heavy stocks of the lower grades of salmon, which had depressed the market during 1921 and the first half of 1922, were largely disposed of before the 1922 pack became available for distribution. Following the sale of these surplus stocks of the cheaper grades of salmon at comparatively low prices, a demand for them continued throughout the 1922-1923 marketing season, and prices advanced as the season progressed. The demand for canned Red Salmon,

the pack of which exceeds that of any other single variety, has not been as active as for the lower grades of fish, partly due to the fact that foreign markets, which in past years have taken a considerable part of the American pack of this variety, have been unusually well supplied with Red Salmon from Canadian and Siberian waters. Published prices on this grade of salmon have remained unchanged throughout the season. Packers' quotations on the principal varieties of canned salmon, as of the date of opening prices and on June 1, 1923, are given below (all quotations f. o. b. Pacific Coast points):

Variety	Spot Price June 1, 1923 (Per doz. No. 1 tall cans)	Opening Price, 1922 (Per doz. No. 1 tall cans)
Alaska Reds	\$2.25	\$2.25
Medium Reds (Cohos)	1.50	1.35
Pinks	1.30	1.25
Chums	1.25	1.05

Basing their estimates on the preparations made by canners for the present fishing and packing season, commercial factors report that the 1923 pack of salmon in United States waters will be approximately equal to last year's pack. Several of the most important fishing districts in Alaskan waters have been placed in fishery reservations by the United States government during the past year, and this fact, combined with more stringent regulations of fishing in all waters, may operate to restrict the forthcoming pack. It is the general opinion of those engaged in the industry, however, that the effect on this year's pack will be small and that the possibility of large packs in the future will be greatly improved by the government regulations.

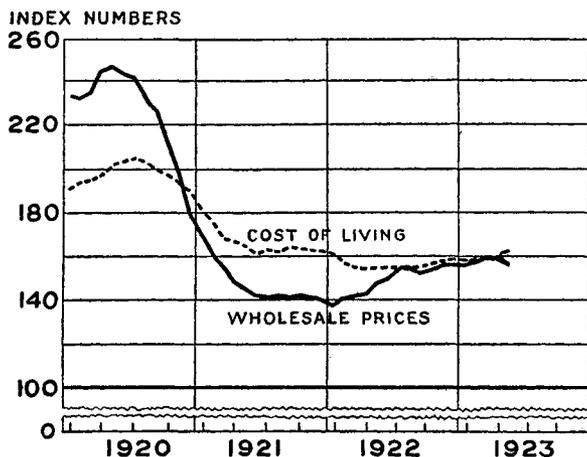
Prices

Wide divergencies among prices of farm products continued during May. Producers are now receiving less for wheat, rice, fresh and dried deciduous fruits, oranges, hogs, and sheep than they were paid a year ago. Another group of products of the farm, including barley, sugar, cotton, lemons, wool, dairy and poultry products, lambs, and cattle, is selling at prices well above those paid in May, 1922. The general level of wholesale prices has advanced 5.4 per cent during the past year.

The average of 98 wool quotations on the Boston market advanced fractionally during the month, and at 83.93 cents per pound on June 1st was 17.4 per cent higher than one year ago. The price of refined beet sugar on the San Francisco market declined from the high point of \$10.05 per hundred pounds reached on April 30th to \$9.90 per hundred pounds on May 3rd and stood at the latter figure until June 11th, when a further decline carried it down to \$9.70 per hundred pounds, the present (June

16th) quotation. Cotton prices (spot quotations on middling upland cotton at New Orleans) advanced slightly during May, and are now approximately 40 per cent higher than a year ago. Rice advanced moderately in price during the month.

The downward trend of prices of the non-



Wholesale Prices and the Cost of Living, 1920-1923
 United States Bureau of Labor Index of Wholesale Prices (1913=100)
 National Industrial Conference Board Index of the Cost of Living (July 1914=100)

ferrous metals noted during April continued during May. The price of copper declined 1½ cents per pound, and lead and zinc prices were fractionally lower. Present prices of copper, lead, and zinc are, respectively, 15.1, 13.5, and 18.1 per cent lower than in March, 1923, the recent peak, but remain 6.3, 28.9, and 20.7 per cent higher than in June, 1922.

Milling

Inactivity in the flour market has caused further curtailment of the operations of millers of the district. Production of 47 reporting mills during May, 1923, at 511,834 barrels, was 9.1 per cent less than production during April, 1923, the principal declines being reported by mills in the state of Oregon.

	No. of Mills Reporting		Output		Per Cent Decrease May, 1923 Compared with Apr., 1923
	May, 1923	April, 1923	May, 1923 (barrels)	April, 1923 (barrels)	
California ...	10	10	201,150	214,879	6.3
Idaho	3	3	6,362	8,912	28.6
Oregon	16	17	85,687	115,118	25.5
Washington .	18	16	218,635	224,651	2.7
District	47	46	511,834	563,560	9.1

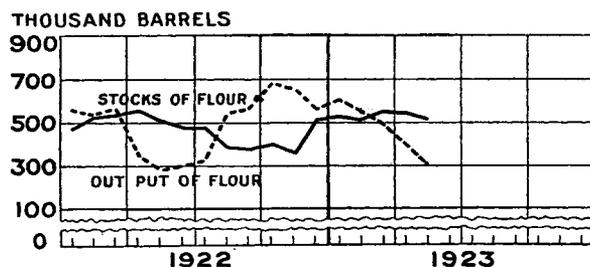
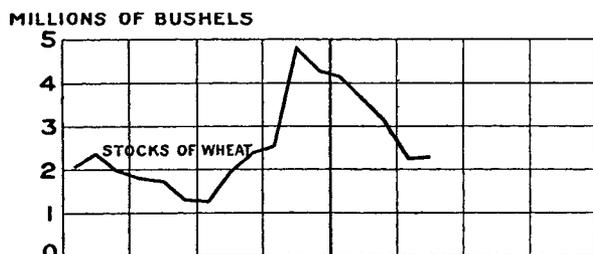
(A) Commodity Prices—

Commodity	Unit	June 1, 1923	One Month Ago	One Year Ago
Twenty Basic Commodities (F. R. B. of N. Y.) 1913=100.		157.6	157.4	138.1
Wholesale Prices (U. S. Bureau of Labor*) 1913=100....		156.0	159.0	148.0
Cost of Living (National Industrial Conference Board) July, 1914=100.....		160.3	159.1	154.9
Cattle (Native Beef)... Weekly average price at Chicago..	100 lbs.	\$ 9.85	\$ 9.05	\$ 8.40
Sheep	100 lbs.	6.50	8.35	7.10
Lambs	100 lbs.	13.50	13.75	12.20
Hogs	100 lbs.	7.10	8.00	10.45
Wheat	bu.	1.09¾-1.13¾	1.17½-1.20	1.18-1.19¾
Barley	cental	1.35-1.40	1.60-1.65	1.35-1.40
Rice	cental	4.45	4.30	4.85
Cotton				
Middling Uplands—Weekly range of spot quotations at New Orleans.....	lb.	28.00-28.50¢	27.00-28.25¢	20.50¢
Wool	lb.	83.93¢	83.49¢	71.44¢
Flour				
First Grade Family Patent f. o. b. Pacific Coast mills	bb1.	7.56	7.79	8.14
Sugar	lb.	9.90	9.90	5.90
Oranges	box	3.75-4.50	4.00-4.50	7.50-8.00
Lemons	box	3.00-3.50	3.00-3.25	2.50-2.75
Dried Apples..... Choice in 50-lb. boxes f. o. b. California..	lb.	.06½	.07¼-.07½	Nominal
Dried Apricots... Choice in 25-lb. boxes f. o. b. California..	lb.	†.12½-.12¾	†.14½	.24
Prunes	lb.	.10¼-.11	.10¾-.11	.12¼-.12½
Raisins	lb.	.11	.11	.15¾
Canned Apricots... Choice 2½s f. o. b. California.....	doz.	3.30	3.30	3.00
Canned Peaches... Cling Choice, 2½s f. o. b. California.....	doz.	2.75	2.75	2.60
Canned Pears.... Bartlett, Standard 2½s f. o. b. California..	doz.	2.75	2.75	3.00
Raw Milk..... Pacific Coast—May average.....	100 lbs.	2.69	2.75	2.16
Butter	lb.	.44½	.43½	.38½
Eggs	doz.	.32	.32	.27½
Copper	lb.	.14¾	.16¾	.13¾
Lead	lb.	7.35¢	7.75¢	5.70¢
Silver	oz.	.65½	.67¾	.71¾
Zinc	lb.	6.40¢	7.00-7.05¢	5.30¢
Petroleum	bb1.	1.04	1.04	2.45
Douglas Fir..... 2x4, 16-ft. No. S1S1E f. o. b. Seattle.....	M ft.	23.50	23.50	14.50
Douglas Fir..... 12x12 Timbers f. o. b. Seattle.....	M ft.	26.00	26.50	17.00

* Revised figures.
 † 1923 Prices.

The production of 16 large milling companies, for which a continuous record is kept, was 302,129 barrels during May, 1923, a decrease of 23.7 per cent when compared with the output of 396,348 barrels during April, 1923, but an increase of 7.8 per cent over their production during May, 1922.

Millers accumulated small amounts of wheat in the low markets of the past month, and stocks held by 16 reporting mills amounted to 2,288,340 bushels on June 1st compared with 2,243,886 bushels held on May 1st. Present



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

stocks of wheat at these mills are 30 per cent larger than stocks held on June 1, 1922. Stocks of flour continue to decline as the new milling season approaches. At 517,704 barrels on June 1, 1923, the holdings of 16 mills were 23,500 barrels less than on May 1, 1923, and approximately equal to stocks held on June 1, 1922.

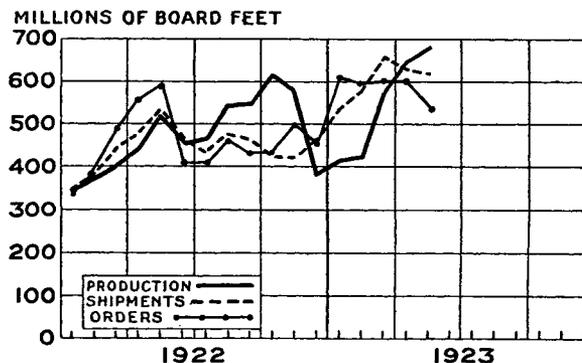
Lumber

The urgent demand for lumber, which resulted in capacity operation of the saw mills of the district during recent months, slackened during May. Although the amount of new business entered on the books of the mills continued ample to insure full time operation, it was less in volume than in any previous month of the present year and also less than in May, 1922. With the exception of October, 1922, when a shortage of freight cars caused mills to refuse a certain amount of new business, this is the first time since July, 1921, when orders received during the current month have been less in volume than in the corresponding month of the previous year.

Practically all lumber manufacturing plants in California, Oregon, Washington, and Idaho were in operation on June 1, 1923. Mills in the four lumber associations in this district operated at approximately 120 per cent of their single shift capacity during May, 1923. One year ago mills operated at approximately 100 per cent of capacity. During May, for the second consecutive month, production exceeded shipments and new orders, with a consequent slight increase in total stocks of lumber at producing centers, raising them on June 1st to more nearly normal levels than have been reported for some months past. Figures showing the activity of reporting mills follow (000 omitted):

	May, 1923 (board feet)	April, 1923 (board feet)	May, 1922 (board feet)
Production	680,193	646,508	536,260
Shipments	618,534	630,596	515,523
Orders	535,299	601,184	557,333
Unfilled Orders ...	561,690	639,430	584,248

The domestic market for Pacific Coast lumber was less active during May than during April, 1923, as evidenced by the decline in new



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

orders noted above. Buyers are purchasing conservatively, meeting their needs, where possible, with "mixed" cars of lumber rather than with straight carload lots. In the foreign market approximately the same volume of new business was transacted during May, 1923, as during April, 1923, or May, 1922. The principal foreign buyers were Japan, Australia, South America, and China.

The general level of prices for lumber (f. o. b. mills) changed little during the month. Compared with prices on June 1, 1922, present price quotations are considerably higher on most items. Prices (f. o. b. mills) of representative items of Douglas fir as of June 1, 1923, May 1, 1923, and June 1, 1922, are shown below. These price quotations indicate the pre-

vailing trend and the general basis upon which orders have been negotiated.

	June 1, 1923 (per M b. f.)	May 1, 1923 (per M b. f.)	June 1, 1922 (per M b. f.)
Douglas Fir:			
Flooring, 1x4 No. 1 VG	\$60.00	\$60.00	\$56.00
Ceiling 5/8x4 No. 2 & B	44.00	43.00	33.00
Drop Siding, 1x6 No. 2 & B.....	46.00	46.00	36.00
Boards and S/L 1x4 No. 1S1S	18.00	19.50	12.00
Planks and small timbers 4x4-6 12/16 No. 1S4S	26.50	26.50	17.50

Log production in the Pacific Northwest increased during May, 1923, compared with April, 1923, and was approximately 20 per cent greater than during May, 1922. The loggers' strike which began late in April was short lived, curtailing output only temporarily. On May 7th a majority of the striking loggers had returned to work, and since that date there has been a steady increase in activity in all logging districts. It is estimated that 100 per cent of the logging capacity in the Pacific Northwest is now (June 16th) in operation. The log supply in all sections of the district has been reported sufficient to meet mill requirements.

Mining

Activity in the mining industry, which has been a feature of the industrial situation during the past year, continued during April, 1923, and reported production and shipments of the principal non-ferrous metals were greatly in excess of the figures for April a year ago. Figures showing the national production of copper, silver, and zinc, three of the most important metals produced in this district, are presented in the following table:

	April, 1923	Mar., 1923	April, 1922
Copper (lbs.) (mine production)	118,423,571	122,193,969	77,025,860
Silver (oz.) (commercial bars)	6,615,535	6,109,841	4,138,580
Zinc (tons) (slab)	46,866	40,480	25,506

Figures for lead are not available.

An announcement of considerable importance to metal producers of the district was that of the United States Treasury made public on May 29th, suspending purchases of silver from domestic mines under the Pittman Act. Purchases thus far made by the Treasury approximate 208,000,000 ounces of silver, at the fixed price of \$1.00 per ounce. The average open market price of silver during May, 1923, was 67 cents per ounce. There are approximately 62 large mines in the United States which are not exclusively silver producers, but whose ore product contains silver in varying proportions.

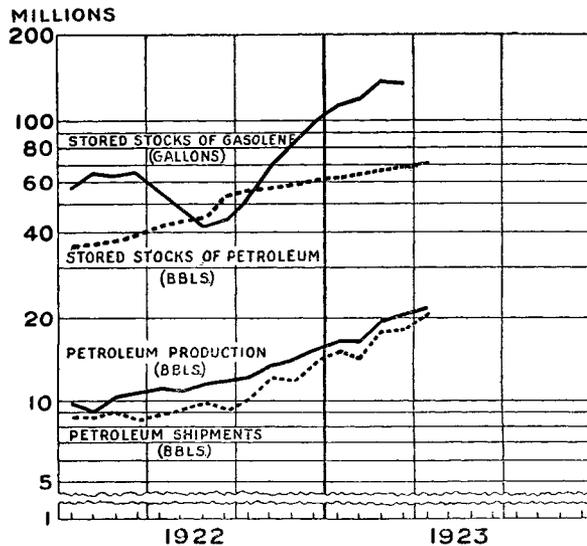
Of this number 47 are located in the Twelfth Federal Reserve District, their principal products being copper, lead, and zinc.

The decline in prices of copper, lead, and zinc noted during April, continued during May, but average prices during the latter month were still well above those of a year ago.

	May, 1923 (cents)	Average Prices April, 1923 (cents)	May, 1922 (cents)
Copper (lb.)			
New York Electrolytic.	15.69	16.91	13.36
Lead (lb.)			
New York.....	7.30	8.10	5.42
Silver (oz.)			
New York Foreign.....	67.04	66.85	71.54
Zinc (lb.)			
St. Louis.....	6.62	7.19	5.11

Petroleum

Although production of petroleum in California during May, 1923, at 694,689 barrels per day, exceeded all previous records, the increase compared with April, 1923, amounted to but eight-tenths of 1 per cent, the smallest monthly increase reported this year. This check in the rapidly rising curve of production reflects the



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

efforts of operators to limit output to existing consumptive demand and storage facilities. In the older fields development work has been practically discontinued for some time past, and recently many producing wells have been closed in. Active drilling has continued, however, in the newer fields of Southern California, where production is highly competitive and the number of small operators is large. Fifty-six new wells, with an initial daily production of 96,420 barrels, were completed during May,

1923, and 24 wells abandoned, a net increase of 32 producing wells during the month.

Shipments of petroleum increased in volume during May as compared with April, a normal seasonal movement. Average daily shipments totaled 677,175 barrels. Subtracting this figure from the average daily production of 694,689 barrels leaves a surplus of 17,514 barrels per day. Storage stocks of petroleum were consequently further increased and stood at 69,480,405 barrels on June 1, 1923, compared with 68,935,559 barrels on May 1, 1923, and 42,041,461 barrels on June 1, 1922.

Production of gasoline by refineries in California averaged 3,414,000 gallons per day during April, 1923, compared with 3,368,000 gallons during March, 1923, and 1,700,000 gallons during April, 1922. The steady increase in storage stocks of gasoline in California, which had been in progress since July, 1922, did not continue during April, 1923. Total holdings of gasoline on May 1st were reported at 136,684,477 gallons, a decline of 1,374,303 gallons from the total of 138,058,780 gallons held on April 1st. On May 1, 1922, stored stocks of gasoline in California amounted to 65,841,000 gallons.

Electric Energy

In April, for the sixth consecutive month, sales of electric power for industrial purposes were more than 20 per cent greater than in the corresponding month one year ago. Figures for April, 1923, reported by 20 of the principal power companies in the district, show increases in sales of electric power to agricultural, lumbering, mining, manufacturing, and oil producing consumers, the total increase as compared with April, 1922, being 31.6 per cent. Percentage comparisons of sales by certain industries and by sections of the district are presented in the following table:

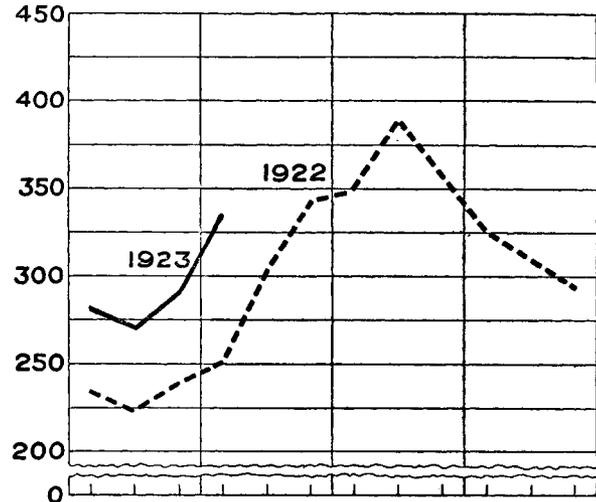
Percentage Increase April, 1923, compared with April, 1922				
	Agriculture	Mining	Manufacturing	Total Industrial Sales
California	274.2	2.1	27.4	36.1
Pacific Northwest..	64.7	16.1	30.6	10.5
Intermountain	64.7	54.2	6.2	63.1
Twelfth District...	243.6	17.6	27.8	31.6

Sales of electric power to oil producers in California and to lumber mills of the Pacific Northwest were, respectively, 20.3 per cent and 42.8 per cent larger in April, 1923, than in April, 1922.

Compared with March, 1923, total industrial sales of power during April, 1923, were greater by 14.7 per cent, a seasonal gain resulting largely from increased sales to farm users of power. The lumber industry in the Pacific

Northwest, the oil industry in California, and the mining industry in the Intermountain States also purchased more power during April, 1923, than during March, 1923.

MILLIONS OF KILOWATT HOURS



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

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

	Number of Industrial Consumers		Industrial Sales K.W. H.	
	April, 1923	April, 1922	April, 1923	April, 1922
California	56,821	49,266	213,532,197	156,924,648
Pacific Northwest ..	11,686	10,684	68,262,220	61,775,363
Intermountain States	2,492	3,029	51,731,780	31,707,830
Twelfth District	70,999	62,979	333,526,197	250,407,841

Retail Trade

The total value of sales of 34 reporting department stores in this district was 10.3 per cent greater during May, 1923, than during May, 1922. Excepting the month of December in each year, total sales during May, 1923, were greater in value than in any month during the past four years. Making due allowance for changes in prices at retail during this period it still appears probable that the physical volume of business transacted during May, 1923, was of record proportions. Comparing the value of sales during May, 1923, with similar figures for April, 1923, an increase of 18.1 per cent is noted. The records of this bank indicate that this is a normal seasonal movement reflecting the increased business resulting from special May "sales."

Stocks of goods held by department stores on June 1, 1923, were 9.8 per cent greater in value than those held on June 1, 1922. Comparison of this increase with the reported in-

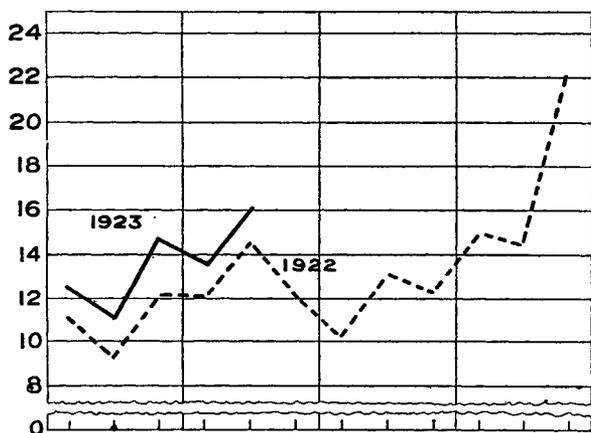
crease of 10.3 per cent in the value of sales during the year period is informing as to the physical quantity of merchandise now on the shelves of department stores and the rapidity of its turnover. The annual rate of turnover indicated by the figures for May, 1923, was 2.8 times per year, compared with an annual rate of turnover of 2.6 times per year in May, 1922.

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

	No. of Stores	Percentage increase or decrease (—) in value of sales May, 1923 compared with		Percentage increase or decrease (—) in value of stocks May, 1923 compared with	
		May, 1922	April, 1923	May, 1922	April, 1923
Los Angeles.....	6	11.6	10.1	11.8	— 2.0
Oakland	4	9.2	13.8	6.3	2.1
Salt Lake City... 4	4	13.9	25.7	—13.3	— 7.8
San Francisco... 9	9	9.4	35.7	11.5	— 7.3
Seattle	5	10.6	6.4	18.6	— 3.2
Spokane	5	5.4	1.9	.2	— 1.1
District*	34	10.3	18.1	9.8	— 4.0

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

MILLIONS OF DOLLARS



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

Wholesale Trade

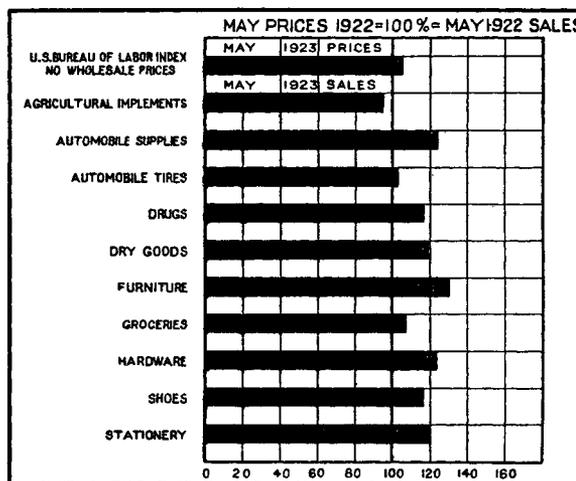
Some evidence of a decline in activity of trade at wholesale during May was contained in the reports received by this bank from 197 firms engaged in 11 lines of business in this district. How much of this decline was seasonal and how much resulted from the general hesitancy of business during the past month cannot be accurately determined, but marked increases in the value of sales in at least eight reporting lines during May, 1923, as compared with May, 1922, indicate that the seasonal factor was probably of greatest importance. Such increases were reported for all lines except

agricultural implements, and in eight of the eleven lines amounted to 15 per cent or more. In response to a specific inquiry wholesale dealers have reported that retailers of this district are purchasing goods to meet their current needs only, and that there has been no evidence of the placing of duplicate orders nor of speculation in the commodities which the wholesalers sell.

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

	Number of Firms	Percentage increase or decrease (—) in value of sales May, 1923 compared with		Five Months Ending May 31, 1923, compared with same period in 1922
		May, 1922	Apr., 1923	
Agricultural Implements	23	— 5.0	—1.5	17.0
Automobile Supplies....	19	24.2	3.3	25.8
Automobile Tires.....	19	2.8	—5.9	33.4
Drugs	9	16.8	3.7	11.5
Dry Goods.....	15	19.0	.3	33.9
Electrical Equipment... 5	5	24.1	—7.3	35.2
Furniture	16	29.4	2.4	38.7
Groceries	28	7.1	—7.6	15.0
Hardware	20	23.8	3.7	36.3
Shoes	14	16.4	.6	19.7
Stationery	29	19.7	—2.0	21.0

The general level of wholesale prices, according to the index numbers of the United



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

States Department of Labor, was 5.4 per cent higher in May, 1923, than in May, 1922, and 1.8 per cent lower than in April, 1923.

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

	Number of Firms Reporting Collections as			
	Excellent	Good	Fair	Poor
March, 1923.....	5	53	69	13
April, 1923.....	7	50	74	10
May, 1923.....	6	69	60	6

Automobile Registrations

The total number of new automobiles purchased in this district during the first four months of the year was nearly 100 per cent greater than the number purchased during the corresponding months of 1922. Insofar as sales of new automobiles indicate changes in the purchasing power of the community, these figures furnish significant evidence of improved business conditions. The figures for five states of the district are presented in the following table:

	Total New Passenger Cars Registered Jan. 1, to May 1, 1923		Total New Commercial Cars Registered Jan. 1, to May 1, 1923	
	1923	1922	1923	1922
Arizona	2,816	903	199	54
California	71,463	38,078	7,103	4,402
Idaho	2,336	921	158	114
Oregon	10,925	3,801	428	253
Utah	2,700	..*	285	..*
Total	90,240	43,703	8,173	4,823

*Not available.

That there has been an actual increase in the number of automobiles in operation, as well as in the sales of new cars, is shown by the figures of total registrations which include motor vehicles purchased in previous years and registered again during the current year. The figures follow:

	January 1 to June 1, 1923		Percentage Increase 1923 over 1922
	1923	1922	
Arizona	40,108	31,735	26.3
California	901,274	699,908	28.7
Idaho	49,070	42,865	14.4
Oregon	130,868	106,380	23.0
Utah	49,714	35,997	38.1
Washington	182,443	141,806	28.6
Total	1,353,477	1,058,691	27.8

National production of passenger cars and trucks during April, 1923, exceeded the previous record month of March, 1923, and was approximately 75 per cent greater than production during April, 1922. The following production figures collected from manufacturers representing over 90 per cent of the national output have been compiled by the Federal Reserve Bank of Chicago.

Production	Per Cent Increase Apr., 1923, over Apr., 1922		
	Apr., 1923	Apr., 1922	Apr., 1922
Passenger Cars....	343,793	196,788	74.7
Trucks	36,786	21,862	68.2
Total	380,579	218,650	74.0

Preliminary figures for May, 1923, show an output of nearly 400,000 passenger cars and trucks. Accepting this figure as approximately correct, national production during the first five months of 1923 has totaled 1,655,501 vehicles compared with 856,625 vehicles manufactured during the same period in 1922.

Employment

Full employment of all available workers in the district was reported during May, 1923. Skilled laborers in all lines of work are in active demand and unskilled workers are finding employment on the farms, in lumber camps, in mines, and in highway and general construction work. The need for building trades workers continues abnormally large. Compared with May, 1922, employment during May, 1923, was greater in all sections and industries of the district.

The strike of loggers and woodsmen called during the last week of April in the lumbering regions of the Pacific Northwest ended early in May, practically all of the men affected having returned to work by June 1st. The number of men employed in the 10 principal lumbering districts of Idaho, Oregon, and Washington reached 92,000 on June 1, 1923, compared with 90,000 on May 1, 1923, and 85,000 on June 1, 1922. In the coast territory of Oregon and Washington a considerable number of men have found employment in the fishing industry, which now enters upon its period of seasonal activity. In the Intermountain States (Arizona, Idaho, Nevada, and Utah) employment continues to increase. Full employment of unskilled workers and a few shortages of skilled miners and building trades workers have been reported. In California, in addition to the usual demands for workers in the industries mentioned above, there has been added the labor requirements of the canning and packing industry, which employs a large number of both men and women at this season.

Recent trends of employment in manufacturing industries are indicated in the following table, showing the total number of workers on the payrolls of 40 large manufacturing firms:

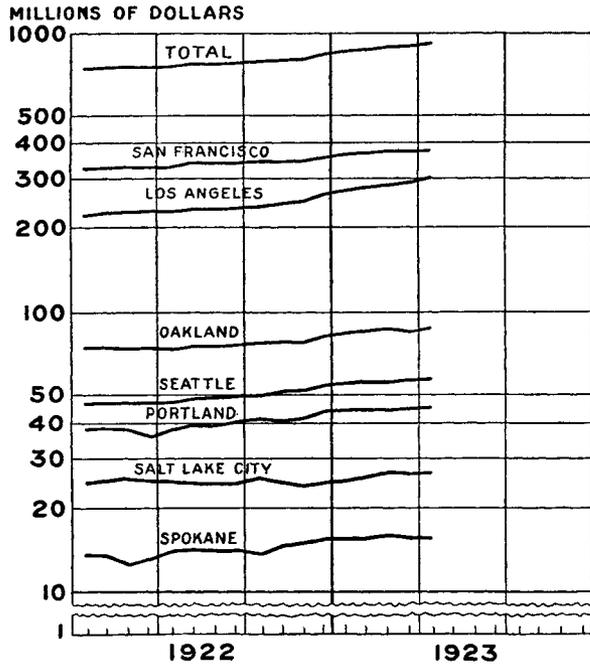
	Number of Firms	Number of Men on Payroll*		Per Cent Increase May 1923, over May 1922
		May 31, 1923	May 31, 1922	
Los Angeles....	16	31,616	25,501	23.9
Portland	8	9,112	7,792	16.9
San Francisco..	10	8,130	7,244	12.2
Seattle	6	2,653	2,209	20.0
Total	40	51,511	42,746	20.5

*These figures do not represent the total number of men engaged in manufacturing activities in these cities, but only the payroll figures of a selected number of firms.

During the past five months wages in most of the principal industries of this district have advanced. Present wages of workers employed in the agricultural, lumbering, mining, and metal trades industries are from 5 to 15 per cent above those paid one year ago. The cost of living, as reported by the National Industrial Conference Board, increased during the same period by 3.5 per cent.

Savings Accounts

The total amount in all savings accounts as reported by 74 banks in seven principal cities increased 2.0 per cent between April 30th and May 31st, or from \$890,921,000 to \$909,004,000. The latter figure is the largest total reached in the four years during which records have been kept by this bank. This is the eleventh consecutive month during which there has been an increase in total savings deposits. Of the 74 reporting banks, 53, located in all sections



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

of the district, participated in the increase. A comparison of the amount of savings deposits in reporting banks on May 31, 1923, with the amount held on the same date in previous years shows an increase of 18.7 per cent over 1922, 24.8 per cent over 1921, 34.9 per cent over 1920, and 60.0 per cent over 1919. Detailed changes in the amount of savings deposits since one month and one year ago as reported by 74 banks in seven cities follow:

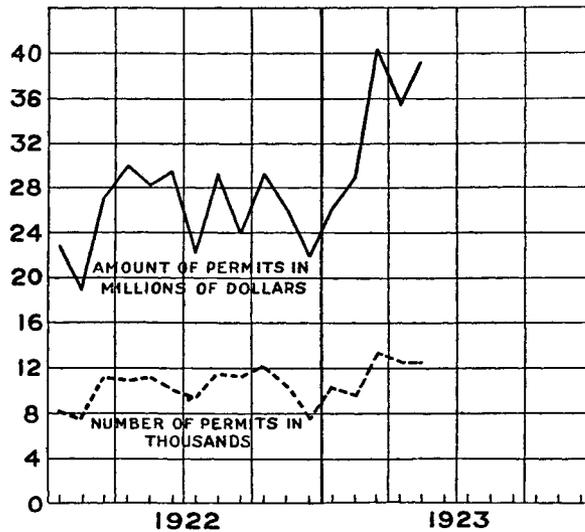
	Number of Reporting Banks	Per Cent Increase or Decrease (—) May 31, 1923, compared with	
		May 31, 1922	April 30, 1923
Los Angeles.....	13	30.1	3.5
Oakland	6	16.0	2.6
Portland	9	17.2	1.1
Salt Lake City.....	8	7.0	.6
San Francisco.....	16	12.3	.8
Seattle	16	21.9	1.1
Spokane	6	10.8	— .5
Total	74	18.7	2.0

Building Activity

Building activity continues at record levels. Although the spring peak in number and value of building permits granted in 20 cities of the district appears to have been reached in March, the recession since that month has been small. The value of permits granted during May was 10.8 per cent greater than in April, and only slightly below the record figures of March. Comparison of May, 1923, figures with those for April, 1923, and May, 1922, follows:

	Percentage Increase or Decrease (—) in the Number and Value of Building Permits	
	May, 1923, compared with May, 1922	April 1923
Number of Permits Issued.....	11.3	— .9
Value of Permits Issued.....	38.9	10.8

Segregated according to cities, the May, 1923, building returns show an increase com-



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

(B) Building Permits—

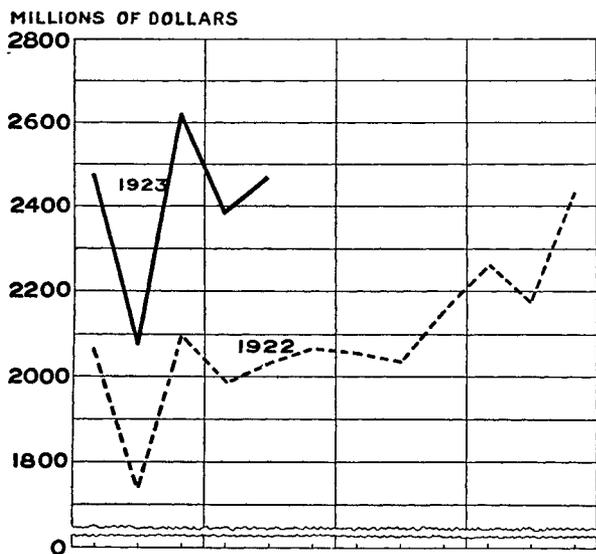
	May, 1923		May, 1922	
	No.	Value	No.	Value
Berkeley	247	\$ 816,510	192	\$ 652,400
Boise	82	164,000	103	61,705
Fresno	146	241,583	192	993,500
Long Beach...	478	1,740,817	301	1,502,551
Los Angeles..	5,184	18,926,881	4,024	9,327,504
Oakland	935	2,373,020	813	2,243,745
Ogden	78	227,000	76	139,660
Pasadena	272	896,373	297	851,924
Phoenix	62	133,287	59	119,810
Portland	1,322	2,594,620	1,404	2,916,755
Reno	17	87,996	23	69,190
Sacramento .	297	703,740	347	507,210
Salt Lake City	179	1,516,295	195	538,105
San Diego ...	432	765,865	382	628,883
San Francisco.	948	4,928,986	786	4,377,066
San Jose	132	337,360	78	166,640
Seattle	933	1,867,280	990	1,643,030
Spokane	288	277,155	480	395,817
Stockton	121	342,871	147	357,810
Tacoma	388	328,101	377	777,933
District	12,541	\$39,269,740	11,266	\$28,271,238

pared with May, 1922, in the number of permits granted in 10 of the 20 cities and in the value of construction involved in 15 of the 20 cities. (See detailed figures in table "B.")

The cost of building was relatively unchanged during the month. In the year period May, 1922, to May, 1923, the United States Department of Labor's index of building material prices has advanced 26.2 per cent. This rise is reflected, of course, in the value of building permits granted this year as compared with the value of those granted a year ago. Inasmuch as the value of construction authorized in this district during May, 1923, was 38.9 per cent greater than in May, 1922, however, it appears probable that there has been a substantial increase in the physical volume of construction involved. Evidence supporting this conclusion is found in the reported increase of 11.3 per cent in the number of permits issued during May, 1923, compared with May, 1922.

Bank Debits

The volume of business transacted in this district during the four weeks ending May 29, 1923, as measured by debits to individual accounts in banks of 21 principal clearing house centers, was 20.8 per cent greater than in the corresponding weeks of May, 1922, and 6.6 per cent less than in the four weeks ending May 2, 1923, the latter decline being largely seasonal. Bank debits for May exhibit approximately the same percentage of increase (20 per cent) over



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

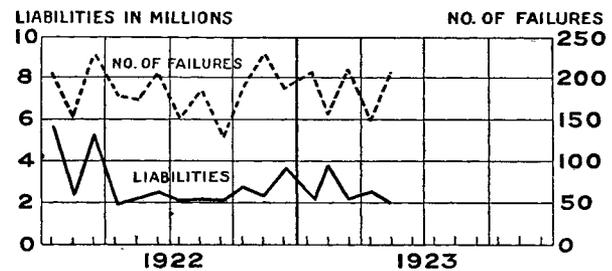
last year's figures, as have debits during the preceding months of 1923, compared with the corresponding months in 1922. This, in conjunction with the fact that prices at wholesale

have increased considerably less than 20 per cent during the year, indicates a substantial increase in the physical volume of business transacted in 1923 compared with 1922.

Considered geographically, bank debits during May, 1923, compared with May, 1922, increased in 14 of the 20 reporting cities. Compared with April, 1923, they decreased in all except Phoenix and San Diego.

Business Failures

The number of business failures reported in this district during May reacted from the low level of the previous month and was approximately the same as in March and January, when slightly over 200 bankruptcies were reported. Liabilities of reported failures during



Business Failures, Twelfth Federal Reserve District, 1922-1923

May, 1923, at \$1,999,056, were considerably less than for some time past, however, it being necessary to go back to January, 1922, to find a smaller figure. Compared with April, 1923, the number of business failures during May, 1923, was greater by 38.9 per cent, but the

(C) Bank Debits*

	Four weeks ending May 29, 1923	Four weeks ending May 31, 1922
Berkeley	\$ 14,339	\$ 18,688
Boise	10,777	11,119
Fresno	38,640	35,667
Long Beach.....	52,949	26,744
Los Angeles.....	625,922	463,754
Oakland	105,914	75,652
Ogden	25,856	19,299
Pasadena	30,071	23,192
Phoenix	16,799	18,460
Portland	133,324	112,617
Reno	8,670	8,884
Sacramento	41,290	51,165
Salt Lake City.....	55,391	49,224
San Diego	40,784	34,627
San Francisco.....	703,928	613,065
San Jose	18,260	16,233
Seattle	149,082	122,798
Spokane	42,076	42,710
Stockton	20,720	18,603
Tacoma	34,101	31,304
Yakima	8,349	8,961
Total	\$2,177,242	\$1,802,766

*000 Omitted.

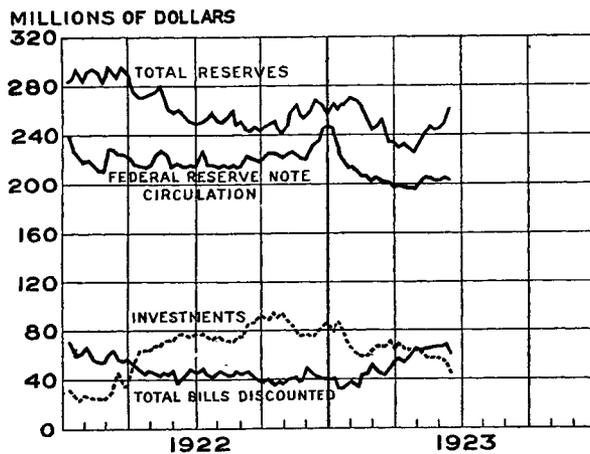
amount of liabilities involved was less by 21.2 per cent. The average liabilities of business failures during May, 1923, were \$9,657, compared with \$17,041 in April, 1923, and \$12,718 in May, 1922.

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

	May, 1923		April, 1923	
	No.	Liabilities	No.	Liabilities
Arizona	2	\$ 45,500	..	..
California	109	742,669	73	\$1,015,054
Idaho	7	40,137	10	180,293
Nevada	3	16,074	1	3,596
Oregon	32	272,003	17	130,789
Utah	10	56,089	13	221,974
Washington	44	826,584	35	987,501
District	207	\$1,999,056	149	\$2,539,207

Banking and Credit Situation

Total loans of 66 reporting member banks in the principal cities of the district increased \$9,000,000 during the four weeks ended June 6th, a smaller increase than in any preceding four-week period of the present year. It compares with an increase of \$20,000,000 during the four weeks ended May 9th, and of \$25,000,000



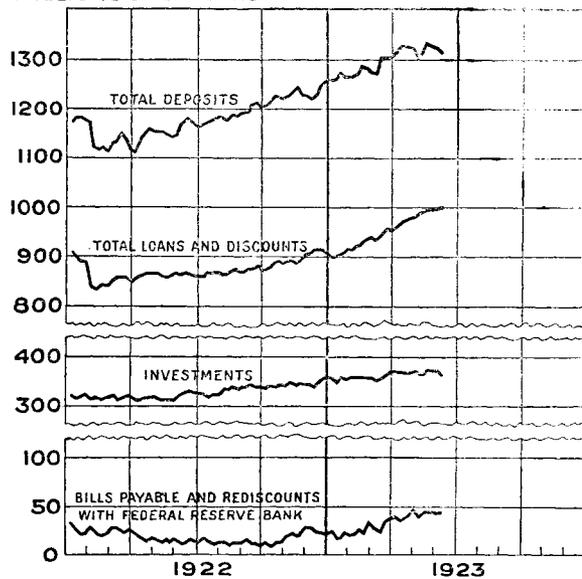
Total Reserves, Federal Reserve Note Circulation, Bills Discounted, and Investments, Federal Reserve Bank of San Francisco

during the four weeks ended April 11th. Investments of these banks, which reached the highest point of the year on May 16th at \$373,000,000, declined during subsequent weeks, and on June 6th were \$363,000,000. As a result of these changes the total volume of credit extended by the reporting member banks, as measured by total loans and investments, increased only \$4,000,000 during the period under review, compared with an increase of \$18,000,000 during the preceding four weeks, and an increase of \$35,000,000 during the four weeks ended April 11th. Total deposits in recent

weeks have fluctuated with little apparent trend, a considerable decline in time deposits the first week in May having been offset by a rise in demand deposits.

Total discounts of the Federal Reserve Bank of San Francisco, after increasing from \$33,000,000 on January 10th to \$65,000,000 on April 25th, increased slightly during May and then declined to \$61,000,000 on June 13th. The reduction in its investment holdings of bankers' acceptances and United States Government securities, which began in November, 1922, has continued, the reduction during the first two weeks of June (\$12,000,000) having been especially marked. These investments totaled \$44,000,000 on June 13th, compared with \$80,000,000 on January 3, 1923.

MILLIONS OF DOLLARS



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

The tendency of interest rates to seek slightly lower levels, which became noticeable the latter part of April, continued throughout May and the first two weeks of June. The rate on time money at New York has fallen below 5 per cent, and some sales of commercial paper in that market have been reported at 4¾ per cent. These rates are approximately one-half of 1 per cent below those of the middle of April, the decline being probably no greater than, if as large as, is customary at this season of the year. The average rate charged by San Francisco banks on prime paper of customers was 5½ per cent during May, compared with 5½ to 6 per cent during April.

Rates on acceptances were unchanged during May at 4¼ per cent. Reports received by this bank from 35 of the principal accepting banks of this district show the following per-

centage changes in the amount of bills purchased and accepted during May, 1923, compared with April, 1923, and May, 1922:

	May, 1923, compared with	
	April, 1923	May, 1922
Amount of Bills Accepted	-42.8	- 3.0
Amount of Bills Bought	- 4.3	-23.3
Amount of Bills Held at Close of Month	+25.5	-14.6

The principal commodities upon which acceptances during May, 1923, were based were sugar, coffee, raisins, and wheat.

On June 11, 1923, the Treasury Department announced an offering of Treasury Certificates, designated as Series TD2-1923, dated June 15, 1923, and maturing December 15, 1923. The notes bear interest at the rate of 4 per cent per annum, which is a reduction of one-quarter per cent from the rate borne by the last issue of six

months' Treasury Certificates issued in March, 1923. The offering was for \$150,000,000 or thereabouts, and was primarily to provide funds with which to redeem Treasury Certificates amounting to approximately \$200,000,000 which matured on June 15th.

Subscription books were closed on June 13, 1923. Total subscriptions received amounted to \$342,462,800, of which \$304,118,800 were cash subscriptions and \$38,344,000 exchanges of Treasury Certificates maturing June 15, 1923. Exchange subscriptions were allotted in full, and allotments on cash subscriptions amounted to \$151,489,500, making total allotments for the issue \$189,833,500. In this district total subscriptions amounted to \$26,314,500, of which \$12,918,000 were allotted. Exchanges of Treasury Certificates maturing June 15, 1923, included in the total of subscriptions allotted in this district amounted to \$593,500.

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

	June 6, 1923	May 9, 1923	June 7, 1922
Number of Reporting Banks	66*	66*	68*
Loans and Discounts (including rediscounts).....	\$ 999,912,000	\$ 991,029,000	\$ 853,560,000
Investments	362,709,000	367,538,000	324,471,000
Cash in Vault and with Federal Reserve Bank.....	122,060,000	116,426,000	98,971,000
Total Deposits.....	1,314,502,000	1,312,789,000	1,168,061,000
Bills Payable and Rediscounts with Federal Reserve Bank.....	43,056,000	43,428,000	7,060,000

*Mergers have reduced the number of reporting banks, but comparisons of resource and liability items have not been affected.

COMPARATIVE STATEMENT OF CONDITION OF FEDERAL RESERVE BANK OF SAN FRANCISCO AT CLOSE OF BUSINESS, JUNE 13, 1923

	June 13, 1923	May 16, 1923	June 14, 1922
RESOURCES			
Total Reserves.....	\$261,598,000	\$246,869,000	\$255,008,000
Bills Discounted.....	60,629,000	66,246,000	42,024,000
Bills Bought in Open Market.....	24,962,000	31,062,000	16,764,000
United States Government Securities.....	19,210,000	27,596,000	60,049,000
Total Earning Assets.....	\$104,801,000	\$124,904,000	\$118,837,000
All Other Resources*.....	56,579,000	55,408,000	49,208,000
Total Resources	\$422,978,000	\$427,181,000	\$423,053,000
LIABILITIES			
Capital and Surplus.....	\$ 23,077,000	\$ 23,066,000	\$ 22,562,000
Total Deposits.....	154,047,000	157,493,000	142,591,000
Federal Reserve Notes in Actual Circulation.....	202,441,000	205,266,000	217,233,000
All Other Liabilities†.....	43,413,000	41,356,000	40,667,000
Total Liabilities	\$422,978,000	\$427,181,000	\$423,053,000
*Includes "Uncollected Items".....	43,363,000	43,124,000	42,357,000
†Includes "Deferred Liability Items".....	41,582,000	39,724,000	35,417,000

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