

# AGRICULTURAL AND BUSINESS CONDITIONS IN THE TWELFTH FEDERAL RESERVE DISTRICT

Monthly Report to the Federal Reserve Board  
by  
JOHN PERRIN, Chairman of the Board and Federal Reserve Agent  
Federal Reserve Bank of San Francisco

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**D**EFINITE signs of business revival in certain industries of this district appeared during the past month, during which period also spring activity in agricultural operations began. Lumber production, which has been at the lowest point in two years, was 17.3 per cent greater than in February and approximately 65 per

**The Month** cent of the mills are today in operation—some on part time—as against less than 50 per cent on March 1st of this year. Several milk condensaries, which had been closed since the end of 1920, have resumed operations and others have increased output to meet orders growing out of a more active domestic demand and a slight increase in foreign shipments. Unemployment has decreased, except in the copper mining centers, where shutting down of the principal producers has been ordered until the market price of copper rises to a point which will make production profitable. In the shipbuilding industry two new contracts of record size were announced by one yard, although others are nearing the end of the construction for which they have contracts.

The building industry shows distinct signs of revival, permits in March, 1921, exceeding in value those of March, 1920, by 26.9 per cent and being so far (57.3 per cent) in excess of those of February, 1921, as to indicate more than seasonal increase of activity. Bank clearings were only 15 per cent less in total value than in March, 1920, which, in view of the year's decline in prices, indicates that the volume of business being done is not less and probably greater than that of last year at this

season. Such a conclusion is confirmed by returns from 25 representative department stores of the district which show that, notwithstanding a price level reported by them to be 15 to 25 per cent lower this year than last year, net sales in March were almost identical in value with those of March, 1920. For the first quarter of 1921 the same stores report net sales 1.6 per cent in excess of those of the first quarter of 1920; net sales in the wholesale trade during March were less than in March, 1920, in each of the eight reporting lines (hardware, dry goods, groceries, drugs, shoes, stationery, furniture, and automobile tires), the decrease ranging between 7.3 per cent in the grocery business to 47.4 per cent in automobile tires. Various price indices show that wholesale prices are approximately 40 per cent lower than they were a year ago so that the volume of actual transactions in the wholesale trade generally is probably not less than it was last year at this time.

In the agricultural industries mixed tendencies appear. Certain commodities—rice, cotton, barley, wool, and hops—have not moved marketward in appreciable quantities during the month, but sugar, both cane and beet, and canned fruits have been steadily moving into consumption. In the case of canned fruits, substantial price reductions by the principal factors, which seem to have been passed on rather generally to the public through decreases in retail prices, have been the noteworthy feature of the month. Stocks of 1920 wheat have been offered more freely as the market price continued slowly downward during the month, and advices generally state that

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there will be little, if any, carryover when the new crop enters the market in July.

Liquidation of borrowings by customers of member banks appears to be slow and halting, 69 reporting member banks in the nine reserve cities of the district reporting that, during the four weeks' period ending April 8th, their deposits decreased \$25,000,000 while on account of the normal demands for credit for spring agricultural activities, their loans increased \$15,000,000. In about the same period their rediscounts with the Federal Reserve Bank increased nearly \$14,000,000 as compared with an increase of \$9,000,000 during the corresponding period of last year. In many sections no marked improvement in the position of the commercial banks can occur until the coming crops are harvested and sold, because returns received from sales of 1920 crops have frequently failed to discharge bank indebtedness and have in such cases, of course, failed to yield a profit to the grower. At this writing prospects for large crops of good quality in nearly every section of the district have seldom been better.

Precipitation occurred opportunely during March, but the month was not marked by the abundant rainfall which has characterized the winter of 1920-1921. Conditions are reported exceptionally favorable for growing crops in all sections of the district, save portions of Southern California and Southern Arizona, where the rainfall has been below normal all season.

Fall-sown grain of all kinds made a good growth during the month, and weather and soil conditions were favorable for spring seeding operations. Mild weather brought out blossoms of apricot, cherry, prune and other deciduous fruit trees and a good set of fruit is reported generally. A cold spell followed by a frost occurred over the whole district during the last few days of March and the first few days of April. Some damage is reported from practically every fruit and grape growing area, and individual growers suffered severely in many cases. Reports indicate that a reduction of prospective crops of apricots and grapes may result from this cause.

Effective demand for cotton is still lacking although a few sales have been made at prices ranging from 20 to 28 cents per pound for the American-Egyptian long staple variety. The bulk of the crop, however, remains in the growers' hands. The acreage this season will be reduced approximately 50 per cent, and

much of it will be "volunteer" cotton grown from last year's plantings. Where the ground is comparatively free from grass or weeds, a volunteer crop of fair quality can be grown and the cost of planting and thinning avoided.

Harvesting of the 1920 crop of rice in California has continued on a small scale. This rice, having been left in the fields during the winter, is classified as "damaged" rice, and is quoted about 50 cents lower than the prevailing price of \$4.50 per hundredweight of No. 1 fancy rice. Many growers are making no attempt to salvage their crop. As a result of the difficulty which has been experienced in harvesting and marketing the 1920 crop, it is expected that the 1921 rice acreage will be one-third less than in 1920 when 162,000 acres were planted.

Although the price of hops of the 1920 crop has dropped from last year's peak price of 85 cents per pound to 14 cents per pound, it is estimated that there will be no appreciable carryover when the new crop comes on. At present the prices range between 14 and 20 cents per pound. Weather conditions have been exceptionally favorable for the growing hop vines, but the 1921 acreage is expected to be materially reduced on account of decreased demand incident to prohibition and the British import embargo.

Movement of canned fruits into consuming channels increased materially during March, partially as a result of normal spring consumption, which is usually heavy, but due more particularly to heavy price cuts made by the canners, who are clearing their warehouses at prices in many cases below the cost of production of these goods and in some lines at prices below the anticipated cost of production for next season.

Placing of "distress goods" on the market by canners who found it necessary to dispose of their holdings in order to meet maturing financial obligations, has been influential in precipitating reduction in canners' list prices which have in turn been reflected in increased retail sales at lower prices.

Carryover from the 1920 pack will not be in excess of normal if present demand continues. However, canners in general are making little preparation for the coming season. The average small canner operates with a capital which is slender in proportion to gross sales and in many cases the selling of his remaining stocks at present prices leaves him with little or no operating capital to finance another pack.

#### **Weather and Crop Conditions**

#### **Canned Fruits**

No appreciable increase in milling activity has accompanied the steady decline in wheat prices, and mills continue to operate at approximately one-half capacity. As

**Milling** the new crop year approaches, farmers are tending to sell stocks which they have been holding, and this increase of offerings has been followed by noticeable declines in the price of wheat. On April 12th hard white wheat in Portland sold for \$1.10 a bushel as compared with \$1.41 on March 18th. As a result export buying has increased slightly, and is apparent in heavier shipments to Europe and the dispatch of some cargoes to the Orient. Millers who have stocks of wheat bought at higher prices and holdings of flour milled from the higher priced wheat have shown hesitancy in revising flour prices to correspond with present wheat prices. During the first half of the month of April flour was offered by the mills at from \$8.20 to \$9.00 a barrel for the best family grades. (There are approximately  $4\frac{1}{2}$  bushels of cleaned wheat in a barrel of flour.) Lacking the seemingly necessary stimulus of reduced prices, the domestic demand for flour has, on the whole, remained stationary, although improvements are noted in some local areas. The export trade in flour remains comparatively dormant.

Comparative receipts of wheat and flour at the three principal points of the Pacific Northwest are given in table "A."

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

The best informed factors in the grain trade in California agree that there will be on June 1st, when the new crop of barley comes on the market, a carryover of approximately 200,000 tons of the 1920 crop of California barley. The average annual carryover during the seventeen year period from 1900 to 1916 was 52,000 tons, the highest figure recorded previously being 109,000 tons in 1915, following the abnormally heavy crop of 1914. There is but slight demand for barley at the present time, and on April 15th, No. 1 feed barley was

quoted on the San Francisco market at prices ranging from \$1.00 to \$1.20 per hundredweight, a decline of  $66\frac{2}{3}$  per cent from the peak prices of January, 1920.

Acreage planted to barley during 1921 is expected to be less than that of 1920, although no accurate estimate can be made at this time. Due to the exceptionally favorable growing season thus far, it is possible that the expected reduction in acreage will be offset by an increased yield, provided no droughts occur before harvest.

Reduction in local consumption incident to prohibition, the replacement of draft animals by the tractor and automobile, and uncertainty as to the amount which will be consumed in the United Kingdom, the only important outlet of surplus California barley, have raised a question whether the present barley acreage and production in this state can be profitably maintained.

On April 1st approximately 35 per cent of the navel orange crop, now estimated at 23,000 cars (462 boxes each), remained to be shipped.

**Citrus Fruits** The navel orange crop in 1919-1920 was 16,700 carloads. Weather conditions have been favorable for the distribution of the crop, and demand has been normal.

A trial shipment of oranges recently shipped via the Panama Canal to the Atlantic seaboard, arrived in excellent condition. In order to avoid transfer from train to boat at Atlantic ports, an experimental boatload of oranges was also recently dispatched to Europe. Although there has been no report as to condition of the

#### (A) Northern Carlot Grain Receipts—

	Month of March	Season to April 1st	Last Season to April 1st
PORTLAND: Wheat...	1,521	13,523	7,522
Flour....	99	673	3,436
SEATTLE: Wheat...	246	4,031	5,404
Flour....	49	321	683
TACOMA: Wheat...	448	3,938	6,237
Flour....	110	807	2,707
TOTALS: Wheat...	2,215	21,492	19,163
Flour....	258	1,801	6,826

#### (B) Milling—

	No. Mills March	Reporting February	Output—		Per Cent Mill Capacity in Operation		
			March (barrels)	February (barrels)	March 1921	February 1921	March 1920
California.....	11	11	190,316	184,317	45	58.5	67
Oregon.....	27	29	117,896	95,027	37	29	86
Washington....	33	35	304,222	274,298	41	36	95
Idaho.....	4	6	16,983	19,778	57	55	72
Utah.....	1	1	(Included in California figures)				
District.....	76	82	629,417	573,420	45	44.8	80

fruit upon arrival, no difficulty is anticipated. A comparison of ocean and railroad freight rates on citrus fruits shipped from Southern California to New York follows:

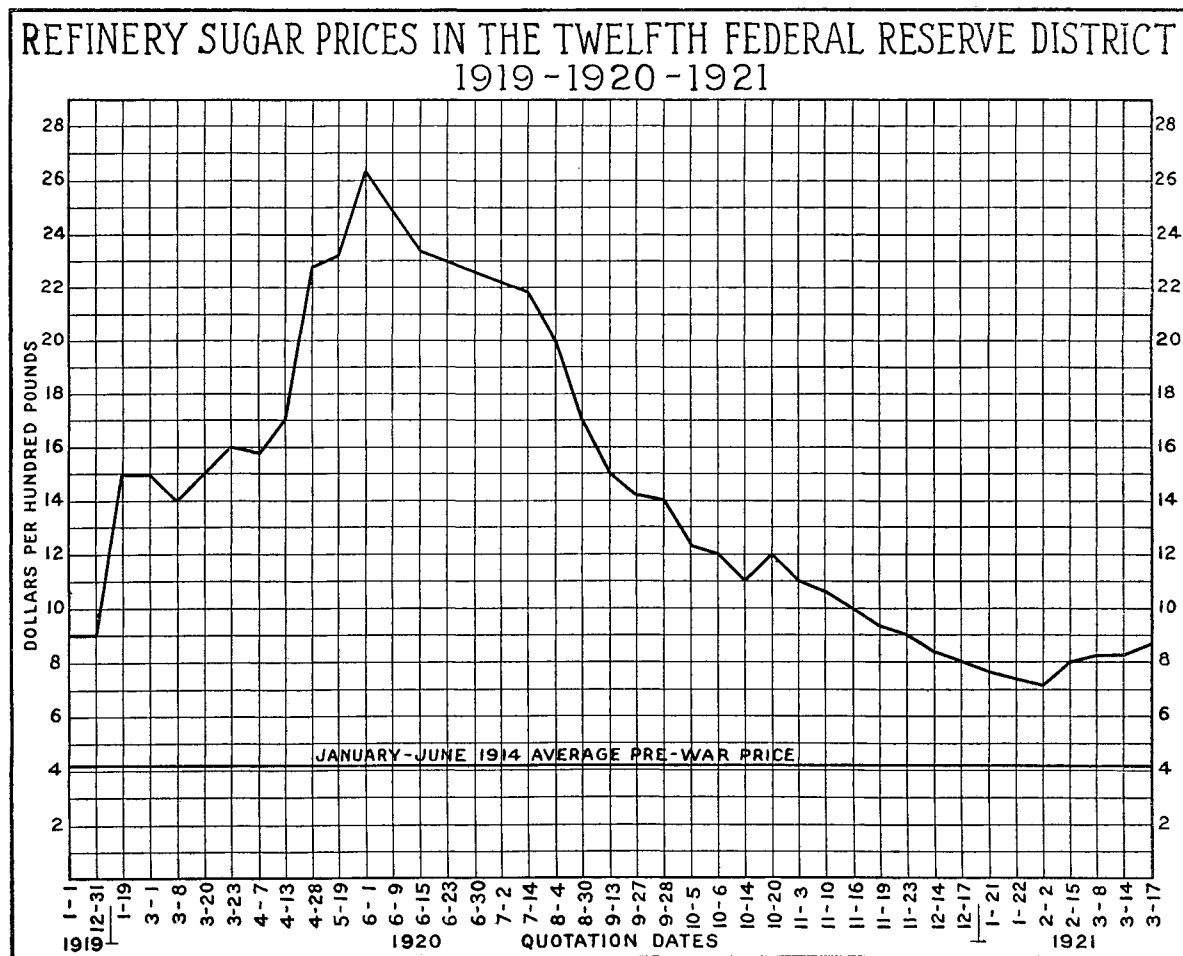
	Water Shipments per 100 pounds	Rail Shipments per 100 pounds	Weight per box (pounds)
Oranges.....	\$0.80	\$1.92	78
Lemons.....	0.70	1.665	84

The Valencia orange crop which will be harvested during the summer months, is estimated at 22,200 cars. The coming crop promises to be the largest ever harvested in the state, and the oranges appear to be of normal size, without an excess of either large or small sized fruit.

The lemon market has not changed during the month. Consumption is less than is customary at this time of year, and there is an abnormal surplus in growers' hands. Shipments in March totaled 936 cars compared with

651 cars in March, 1920, and 897 cars in March, 1919. The comparatively heavy shipments of March, 1921, are the result of an effort to reduce the abnormal holdings of growers following a period of curtailed shipments when large stocks of low priced foreign lemons were being placed on eastern markets. Indications are that there has been a sufficient reduction in the supply of foreign lemons in this country to warrant a feeling of optimism as to the disposal of the bulk of the crop now in the state, during the summer months.

Estimates of the acreage to be planted to sugar beets during the 1921 season vary, but it is expected that the total will closely approximate last year's plantings (292,000 acres). In those areas in which seedling has been completed, ample rainfall and good growing conditions are reported, with the exception of sections in Southern California where the rainfall is below normal.



Reports from beet sugar producers would indicate that from 30 to 40 per cent of the 1920 crop (2,839,000 tons) has been sold, and that the outlook is favorable for the disposition of the remainder of the crop during this year.

Sugar producers are now offering contracts to growers for their 1921 crop guaranteeing a price of \$5.50 to \$6.00 per ton, and providing for an increased return as the market price of refined sugar advances. The contracts are conditioned also on a minimum sugar content of the beets.

The cane sugar market at the present time is quiet and most of the "distress lots" of sugar previously placed on the market have been sold. Large Hawaiian producers report that their 1919-1920 crop has been entirely marketed. The 1920-1921 crop will be approximately 575,000 tons compared with 554,000 tons last year. Culture of this year's crop is being delayed owing to scarcity of competent labor in the Hawaiian Islands and also on account of late and continued rainfall. Cane is reported to be in excellent condition however. A chart showing the fluctuations in the basis price of refined cane sugar during the past two years is presented on the opposite page.

Low prices of feedstuffs and of livestock now prevailing would seem to offer opportunities for profitable investment in stocker and feeder animals, but reports from the principal markets of the district state that inquiries are few and that stockmen are not buying to increase their herds.

Cattle and sheep appearing at terminal markets from winter ranges are in excellent condition due to the mild winter and favorable feed conditions. The fresh pork market remains exceptionally active in the Pacific Northwest, and heavy shipments continue to be received from Middle-Western points.

Conditions in Arizona, where deficient rainfall in the southern part of the State and stagnation in the livestock market have caused serious losses to stockmen, show little improvement. Some shipments from drought stricken areas to the feeding grounds of California, New Mexico and Colorado are reported.

Receipts of livestock, excepting calves, and purchases for local slaughter at the five principal markets of this district during March were heavier than last year, as shown in tables "C" and "D." The range of prices received at the same markets is given in table "E."

### (C) Receipts of Livestock—

	Cattle		Calves		Hogs		Sheep		Horses and Mules	
	March 1921	March 1920	March 1921	March 1920	March 1921	March 1920	March 1921	March 1920	March 1921	March 1920
Portland.....	8,467	9,847	571	983	18,927	18,777	17,045	11,939	82	203
Salt Lake City.....	5,955	4,019	64	52	3,711	3,372	26,875	11,758	20	85
Seattle.....	4,415	3,678	135	97	2,992	2,693	16,878	6,502	30	39
Spokane.....	2,403	3,451	65	681	2,738	4,870	638	1,572	77	413
Tacoma.....	1,959	1,373	2	44	5,124	2,884	2,094	1,314	—	—
Total.....	23,199	22,368	837	1,857	33,492	32,596	63,530	33,085	209	740

### (D) Purchases for Local Slaughter—

	Cattle		Calves		Hogs		Sheep	
	March 1921	March 1920	March 1921	March 1920	March 1921	March 1920	March 1921	March 1920
Portland.....	4,265	4,267	337	361	16,704	12,064	8,878	5,984
Salt Lake City.....	1,934	1,468	183	52	2,529	2,807	5,940	1,962
Seattle.....	4,334	3,521	135	75	2,992	2,693	16,658	6,128
Spokane.....	1,962	2,280	41	153	2,063	3,478	649	442
Tacoma.....	1,959	1,373	2	44	5,124	2,884	2,094	1,314
Total.....	14,454	12,909	698	685	29,412	23,926	34,219	15,830

### (E) Range in Livestock Prices—

Highest and Lowest Average Top Prices Per Hundredweight Received at Five Principal Markets During March						
Week ending	Fat Steers	Cows	Calves	Hogs	Lambs	
March 7.....	\$6.50 - 8.50	\$6.00 - 7.50	\$9.00 - 13.00	\$10.25 - 12.65	\$7.00 - 9.00	
March 14.....	7.10 - 8.50	6.00 - 7.50	9.00 - 13.00	9.85 - 12.00	8.00 - 9.00	
March 21.....	7.20 - 8.50	6.25 - 7.50	9.00 - 13.00	10.10 - 12.00	8.00 - 9.00	
March 28.....	6.75 - 8.50	5.50 - 6.75	9.00 - 13.00	9.90 - 12.65	7.75 - 8.50	

General weakness and uncertainty characterized the butter market on the Pacific Coast during March. This condition was due largely

**Dairy Products** to increased receipts, and a diminution of local and Eastern demand which forced dealers to make price concessions in order to dispose of current product as the storage season in this district is still a month away. Toward the end of the month the situation was relieved by a resumption of Eastern demand. Withdrawals of cold storage butter continued to be heavy, total holdings being reduced during the month from 728,703 pounds to 403,946 pounds.

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

Considerable improvement during the past month occurred in the condensed and evaporated milk industry of the district. Several condensaries, which had been closed temporarily, resumed operations and others have gradually increased their output. Stored stocks have decreased steadily and unfilled orders during March showed an increase over the previous month, following a more active domestic demand and a slight increase in foreign shipments.

Further declines have been witnessed in prices paid to milk producers by fluid milk distributors. The average price in the Inter-mountain district showed a decline of 30 cents per hundredweight compared with February prices, while the Pacific district showed a decline of six cents. Table "G" gives comparative figures of prices paid to producers in this district and in the United States as a whole.

March production of lumber (238,234,000 feet), according to reports from the four lumber associations in this district was 35,264,000 feet greater than the February cut, an increase

of 17.3 per cent. In the corresponding four weeks of March, 1920, the cut was reported at 468,679,396 feet. Although this increase is

**Lumber** partly seasonal it nevertheless represents a continuance of the gradual recovery of the lumber industry, which has been in progress since the early part of February. Shipments during the month totaled 354,563,000 feet, compared with 210,918,000 feet in February, or an increase of 68.1 per cent. The volume of buying is increasing, although it is still conservative and purchases are only to meet current needs. Orders received during the month by the four associations totaled 283,129,000 feet or an increase of 30.2 per cent over the preceding four weeks, and compared with 380,150,129 feet in the corresponding four weeks of last year.

**(F) Holdings and Withdrawals of Cold Storage Butter—**

City	March 1921 Net Withdrawals (Pounds)	March 1920 Net Withdrawals (Pounds)	April 1 1921 Holdings (Pounds)	April 1 1920 Holdings (Pounds)
Los Angeles....	*36,968	18,686	124,065	2,376
Portland.....	79,550	34,220	42,899	3,959
San Francisco...	176,556	91,783	212,086	220,236
Seattle.....	105,639	92,187	24,896	18,586
Totals.....	324,777	236,876	403,946	245,157

\* Net increase.

**(G) Prices Received by Milk Producers\*—**

Section †	March Range	Mar. Aver- age	Feb. Aver- age	Mar. 1920 Aver- age
Mountain (86 Mkts.)...	\$2.10-\$2.98	\$2.47	\$2.77	\$3.07
Pacific (231 Mkts.)...	2.38- 3.58	2.99	3.06	3.48
U. S. (3014 Mkts.)....	1.65- 4.39	2.62	2.90	3.55

\* 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	
	4 Weeks ending Mar. 26	Previous Four Weeks	4 Weeks ending Mar. 26	Previous Four Weeks	4 Weeks ending Mar. 26	Previous Four Weeks	4 Weeks ending Mar. 26	Previous Four Weeks	4 Weeks ending Mar. 26	Previous Four Weeks
Cut*.....	118	118	35	35	7	6	11	11	171	170
Cut*.....	187,917	162,648	22,312	16,964	9,163	5,378	18,842	17,980	238,234	202,970
Shipments*.....	209,970	157,970	41,750	37,337	8,710	5,827	15,743	9,784	354,563	210,918
Orders*.....	213,431	167,483	45,250	36,850	8,734	5,587	15,714	7,478	283,129	217,398

\* In thousands of board feet.

The lumber market in general has been more active during the past month than at any time since the first of the year and it is believed that 75 per cent of the mills in the district will be operating by April 15th. Many mills are now being overhauled preparatory to reopening.

Uncertainty with regard to this season's operations, which has prevailed in the canned fruit and in salmon packing industries is reflected in curtailed operations of the box shook mills. These mills are now operating at approximately 50 per cent of capacity although this is the season when the large users of box shook usually fill their requirements for the year.

Comparative figures of cut, shipments and orders for the four associations in this district are shown in table "H" (see opposite page).

Reports received from fifteen mines in this district engaged in the production of gold, silver, copper and lead indicate a small increase in the production of gold, silver and **Mining** lead in February, 1921, compared with the same month a year ago, and a decrease in the production of copper.

The reporting gold mines are operating at approximately 90 per cent of capacity, the silver mines at 80 per cent of capacity and the lead mines at 100 per cent capacity. Relatively high prices of supplies and labor continue as factors in restricting production, but relief in the form of declining commodity prices and reduced labor expense is now promised.

Comparative figures of the output of metal of the 15 reporting mines in February, 1921, February, 1920, and January, 1921, are shown in the following table:

	Feb. 1921	Feb. 1920	Jan. 1921
*Copper (pounds) ..	6,767,616	8,120,523	10,054,369
Gold (ozs.) .....	37,284	15,023	36,529
Silver (ozs.) .....	758,783	486,331	808,963
Lead (pounds) ....	13,595,286	11,290,825	16,558,474

\* Blister Copper.

According to preliminary figures recently released by the United States Geological Survey this district produced 72.4 per cent (9469 flasks) of the quicksilver mined in the United States in 1920 (13,070 flasks). Of the total output, California was credited with 9366 flasks from 10 mines, Nevada with 79 flasks from one mine and Oregon with 24 flasks from one mine. No production was reported from Idaho or Arizona.

Some of the largest copper producers in this district are among the 16 important copper mines in the United States which have an-

nounced suspension of operations until such time as the present large surplus of metal is reduced and production costs

**Copper Mines Shut Down** and the market price of copper have been so adjusted that the metal may be mined profitably. The following table shows the 1920 output of the principal mines which have shut down:

	1920 Production Blister copper (pounds)
TWELFTH DISTRICT:	
Utah Copper Company.....	106,377,999
Phelps Dodge.....	95,062,000
Inspiration .....	79,250,000
Nevada Consolidated.....	49,621,938
Ray Consolidated .....	49,411,873
Arizona Commercial.....	6,500,000
Total Twelfth District.....	386,223,810

OTHER DISTRICTS:	
Anaconda .....	160,450,000
Calumet and Hecla and subsidiaries.....	101,395,177
Chino .....	46,611,432
Greene-Cananea .....	43,350,000
Old Dominion.....	29,961,700
North Butte.....	16,597,374
Total Other Districts.....	398,365,683
Total All Companies.....	784,589,493

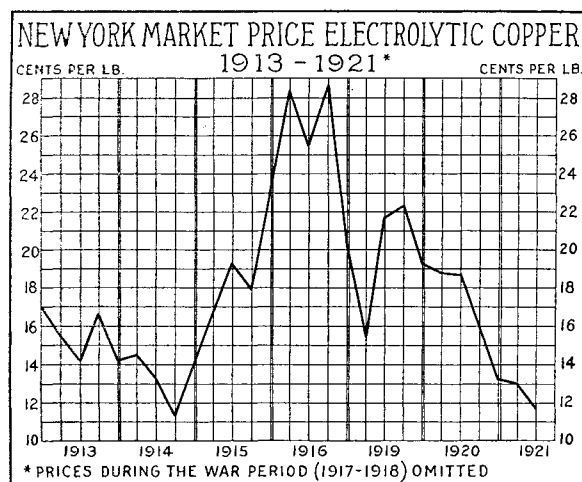
These mines contribute 75 per cent of the total smelter output of the United States.

The refinable surplus of unsold copper in the hands of the producers at the present time amounts to approximately 750,000,000 pounds including 400,000,000 pounds which have been set aside for foreign shipment by the Copper Export Association. This surplus has been steadily increasing and curtailment of operations proved an ineffectual method of meeting the situation. Complete cessation of operations appeared to be the only alternative when unsold stocks became so large that it was unwise to finance further production.

Pre-war output of the copper mines of the United States was between 1,200,000,000 and 1,300,000,000 pounds annually and 40 to 50 per cent of this copper was exported to Europe. During the war production increased to approximately 2,500,000,000 pounds, but in 1920 it was only slightly more than 1,000,000,000 pounds. However, domestic demand declined during the year and exports dwindled to small proportions, Germany, which was formerly our biggest export customer, being a meager buyer.

The price of copper declined rapidly in 1920 and the first months of 1921, while production

costs were only slightly reduced, so that in the latter months of 1920 and the first three months of 1921, most of the companies operated at a loss. Operating costs of production per pound of refined copper range between 13.5 and 16 cents a pound, compared with 7 to 9.5 cents before the war. The market is now stagnant at 12 to 12¾ cents a pound for electrolytic copper. A chart showing the fluctuations of the price of electrolytic copper on the New York market since 1913 follows:



Petroleum production during the month of March established a new record for the state of California, the average daily production being 337,683 barrels. This figure represents an increase of 9819 barrels over the average daily output in February and is 61,682 barrels greater than the daily production in March, 1920. Stored stocks increased 1,309,988 barrels during March and at the end of the month were larger than they have been at any time since July, 1920, totaling 24,213,627 barrels. The large increase in stored stocks is a direct reflection of decreased shipments, the average daily shipments during the month being 295,426 barrels compared with daily shipments of 316,812 barrels in February.

#### (I) Petroleum—

	March, 1921	February, 1921	January, 1921	March, 1920
Production (Daily Average).....	337,683 bbls.	327,864 bbls.	331,186 bbls.	276,001 bbls.
Shipments (Daily Average).....	295,426 "	316,812 "	319,769 "	313,438 "
Stored Stocks (End of Month).....	24,213,627 "	22,903,639 "	22,594,190 "	27,578,364 "
New Wells Opened.....	66	60	64	51
With Initial Daily Production.....	29,835 bbls.	15,855 bbls.	29,852 bbls.	7,895 bbls.
Wells Abandoned.....	6	7	5	12

Sixty-six new wells were opened during March with an initial daily production of 29,835 barrels compared with 60 new wells opened in February with an initial daily production of 15,855 barrels. Figures on oil field operations furnished by the Standard Oil Company of California are shown in table "I."

In March, 1921, net sales of twenty-eight representative department stores (exclusive of mail order houses) in this district averaged six-tenths of one per cent greater than in March, 1920, although 15 of the stores reported their sales less in value in March of this year than in March, 1920. Sales for the first three months of this year were 1.6 per cent greater in value than for the corresponding period a year ago.

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

	March, 1921, Compared to:	
	March 1920	February 1921
Los Angeles.....	9.9	18.2
San Francisco.....	3.1	24.6
Sacramento.....	6.2	..
Oakland.....	.9	26.6
Seattle.....	—14.6	33.4
Spokane.....	4.6	19.4
Salt Lake City.....	1.7	25.1

The amount of the average sale (cash, charge, C. O. D.) reported by ten firms fell from \$3.14 in March a year ago to \$3.01 during March this year. The average sale in March of this year, however, was 7.5 per cent larger than that in February, 1921, when it was \$2.80. Following is a statement of the average sale (cash, charge, C. O. D.) in San Francisco, Los Angeles and Seattle:

	March 1921	Average Sale February 1921	March 1920
San Francisco.....	\$ 3.07	..	..
Los Angeles.....	3.75	\$3.94	\$4.27
Seattle .....	2.74	..	..
District .....	3.01	2.80	3.14

The value (selling price) of stocks of the reporting firms averaged 21.6 per cent lower at the close of March this year than in March, 1920, but increased 4.5 per cent over those on hand at the end of February, 1921. The per-



centage of average stocks on hand at the end of the first three months of this year to the net monthly sales during the same period was 404.7 per cent, a figure which indicates an improvement in the rate of turnover compared with the first three months of 1920, when the percentage of average stocks at the close of each month to net monthly sales was 515.3. The percentage of outstanding orders at the close of March to the total purchases during last year was 7.8 per cent.

Outside of the cities, trade continues less in volume and in value of sales than last year, but a marked improvement was noted in March, as compared with the previous month. The prospect of an abundant harvest of all crops and the decline in price of the materials and labor which the farmer must purchase have served to stimulate buying in the rural districts. Including the sales of mail order houses, the value of the net sales of all reporting firms in the district during March was 4.0 per cent less than in March, 1920, but 28.8 per cent greater than in February, 1921. This reported improvement in

rural trade activity is especially significant since a large part of the buying power in this largely agricultural district is found in the farming communities.

Collections during March were reported as "good" by twelve of the reporting firms, "excellent" by one, "fair" by six, and "poor" by one firm. Similar reports were received in January and February indicating that there has been little change in collections during the present year.

Prices of goods sold by department stores are reported from 20 to 33 per cent less than at this time a year ago, although the percentages are not uniform for all classes of goods sold. It is stated that goods temporarily "in style" and for which, consequently, a sharp and concentrated demand exists, have not declined as have other articles.

Table "J" gives in detail the statistics in regard to sales, stocks and outstanding orders which were supplied by 28 representative department stores (exclusive of mail order houses) in March.

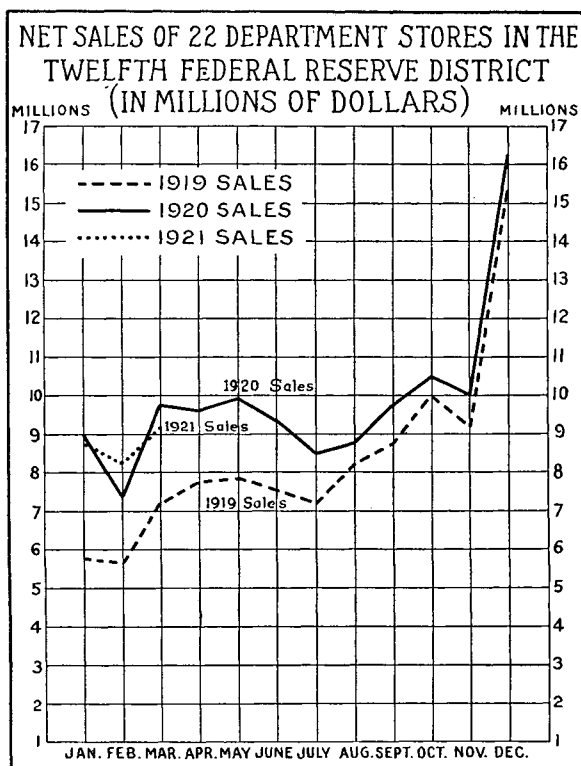
### (J) Retail Trade Activity—

#### CONDITION OF RETAIL TRADE DURING MARCH, 1921 In Federal Reserve District No. 12

(28 Stores Reporting)

	Oakland	Los Angeles	San Francisco	Seattle	Spokane	Salt Lake City	Sacramento	District
Percentage increase or decrease of net sales during March, 1921, over net sales during same month last year.....	.9	9.9	— 3.1	—14.6	4.6	1.7	— 6.2	.6
Percentage increase or decrease of net sales during March, 1921, over net sales during February, 1921.....	26.6	18.2	24.6	33.4	19.4	25.1	..	24.7
Percentage increase or decrease of net sales from January, 1921, to March 31, 1921, inclusive, over net sales during same period last year.....	9.8	11.9	— 4.3	—15.6	1.3	6.0	— 4.2	1.6
Percentage increase or decrease of stocks at close of March, 1921, over stocks at close of same month last year.....	—27.2	—12.8	—21.9	—33.8	—20.9	—15.1	—30.3	—21.6
Percentage increase or decrease of stocks close of March, 1921, over stocks at close of February, 1921.....	7.7	6.2	3.1	3.1	1.4	6.6	6.8	4.5
Percentage of average stocks close each month this season to average monthly net sales during same period.....	455.3	353.2	401.5	438.0	621.6	..	..	404.7
Percentage outstanding orders close of March, 1921, to total purchases during year 1920.....	..	10.2	6.9	5.6	6.3	..	..	7.8

The chart shown below presents graphically the movement of the value of the net sales of 22 representative department stores in this district for 1919, 1920 and the first three months of 1921. (It will be noted that the figures in the chart are for 22 stores, while those in the current monthly table are for 28 stores).



Reports received from 149 representative wholesale firms in eight lines of business in this district show that sales are less than those of last year by percentages ranging between 7.3 per cent in groceries to 47.4 per cent in automobile tires.

#### Wholesale Trade

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

	March, 1921, Compared to:	
	March 1920	February 1921
Hardware .....	—33.6	33.9
Dry Goods .....	—29.1	28.5
Groceries .....	— 7.3	20.9
Drugs .....	—10.4	14.3
Shoes .....	—16.0	68.4
Stationery .....	— 9.7	1.3
Furniture .....	—30.6	19.7
Automobile Tires .....	—47.4	46.7

Various price indices show that wholesale prices are approximately 40 per cent lower than they were a year ago, so that the volume of actual transactions in the wholesale trade generally is probably not less than it was last year at this time.

Retailers of this district are still buying conservatively and to meet current needs only. Reports from wholesalers in all lines are to the effect that the volume of orders for spring and summer deliveries is much smaller than it was last year, the reason alleged being a general lack of confidence in the stability of present price levels.

Present prices when compared with prices a year ago are lower in all reporting lines excepting stationery and furniture where the trend is not defined. It is a noticeable fact that prices during the month were firmer than they have been for some time past in all lines, excepting hardware and stationery, in which a majority of the reporting wholesalers indicated price reductions. Collections were reported "excellent" by 11 of the reporting firms, "good" by 43, "fair" by 74 and "poor" by 4.

Statements of increases or decreases in sales of reporting wholesale firms during March compared with February, 1921, and March, 1920, and for the first three months of 1921 compared with the same period in 1920, are shown in table "K," (see opposite page).

Unemployment in the district is less than it was a month ago, excepting in those sections of Arizona and Utah where the large copper mines have closed. Outside of mining the greatest amount of unemployment is reported in the lumbering industry, but the continued resumption of lumbering operations in prospect for the present month should relieve the situation there. From all reports, manufacturing interests are not reducing their forces, but in some cases are employing additional men.

The resumption of seasonal farm, highway and reclamation work has served to reduce unemployment in urban centers well below the peak reached during the winter. That this relief has not been greater is largely due to the fact that farmers generally are doing more work themselves and depending less on hired help than has been the case in the past few years.

Portland reports a marked decrease in unemployment, and employment in Seattle is also increasing. More men are at work than one month ago and a considerable number are being directed to work in other sections. In

Spokane conditions remain practically the same, with approximately 2000 men out of employment, the reduced demand for agricultural labor compared with former years being most noticeable in this section. In Utah and Arizona conditions are, if anything, less favorable than last month largely due to the cessation or curtailment of copper mining operations. In California industrial concerns are employing more men than one month ago and the demand for outdoor workers in the seasonal occupations has increased.

Bureau of Census figures of the results of the census of manufactures in Arizona for 1919 and 1914 are printed in table "L" (see following page). These figures exclude the hand trades, 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 of 1914-1919.

The motion picture industry which, due to climatic conditions, is confined chiefly to California, has anticipated the reduction in admission charges to motion picture theatres which will be incident to the general revision of prices now occurring, and is planning to produce pictures henceforth at an average cost of \$50,000, compared with the average cost of \$100,000 a year ago. The principal producers are now increasing production.

A statement of the number of registrations of motor vehicles in the states of this district for the past six years is shown in table "M" (see following page). These figures include both passenger and commercial automobiles, but are exclusive of motorcycles.

### (K) Wholesale Trade—

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

	Hardware	Dry Goods	Groceries	Drugs	Shoes	Stationery	Furniture	Auto Tires
No. of reporting firms	23	11	30	12	15	20	19	14
Los Angeles.....	18.9	..	11.0	14.8	31.7	—15.0	11.1	28.0
San Francisco.....	29.8	30.0	28.2	13.2	82.3	36.9	6.1	51.0
Seattle.....	33.1	..	..	..	55.8	— 5.7	29.7	—32.6
Portland.....	44.5	32.1	27.1	8.5	76.7	—15.2	15.4	..
Tacoma.....	—11.7	..	16.5	..	..	..	89.8	..
Spokane.....	68.3	..	13.4	..	..	9.7	23.3	34.4
Salt Lake City.....	51.5	47.8	23.1	..	..	43.5	..	—17.3
Sacramento.....	40.1	..	20.8	..	..	..	..	..
District.....	33.9	28.5	20.9	14.3	68.4	1.3	19.7	46.7

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

	Hardware	Dry Goods	Groceries	Drugs	Shoes	Stationery	Furniture	Auto Tires
No. of reporting firms	23	11	30	12	16	24	19	15
Los Angeles.....	—40.7	..	4.1	16.0	7.6	—30.8	—22.9	—39.8
San Francisco.....	—28.6	—29.5	4.3	— 7.4	— 6.1	— 4.3	—39.5	—42.9
Seattle.....	—44.3	..	..	..	—28.3	—20.7	— 6	—75.0
Portland.....	—25.6	—27.6	— 9.5	—38.1	—37.7	—18.6	—47.7	..
Tacoma.....	—16.6	..	—17.1	..	..	..	—34.5	..
Spokane.....	—27.3	..	—15.8	..	..	— 6.9	—47.2	—43.4
Salt Lake City.....	—36.8	—21.9	—37.2	..	..	—13.8	..	—26.9
Sacramento.....	—12.0	..	— 5.5	..	..	..	..	..
District.....	—33.6	—29.1	— 7.3	—10.4	—16.0	— 9.7	—30.6	—47.4

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

	Hardware	Dry Goods	Groceries	Drugs	Shoes	Stationery	Furniture	Auto Tires
No. of reporting firms	23	11	30	12	16	24	19	15
Los Angeles.....	—35.6	..	1.6	9.4	—17.3	—15.2	—38.8	—45.7
San Francisco.....	—30.6	—36.2	—13.0	—11.0	—38.2	—12.1	—39.4	—47.0
Seattle.....	—43.9	..	..	..	—52.4	—20.4	— 3.9	—61.3
Portland.....	—27.4	—43.6	—20.4	—36.7	—48.0	— 8.0	—57.0	..
Tacoma.....	— 7.3	..	—12.5	..	..	..	—46.8	..
Spokane.....	—12.4	..	—31.6	..	..	— 6.1	—59.0	—56.5
Salt Lake City.....	—41.8	—43.9	—31.9	..	..	—11.5	..	—66.3
Sacramento.....	—20.2	..	— 9.9	..	..	..	..	..
District.....	—33.7	—37.7	—16.7	—14.9	—38.1	—10.9	—39.3	—52.1

Imports into Pacific Coast ports during February were 62 per cent less and exports 37.1 per cent less in value than in February, 1920. For the two months ending February 28, 1921, imports **Foreign Commerce** were valued at \$28,174,458 compared with \$67,273,378 for the same period in 1920, a decrease of 58.1 per cent. Exports for the first two months of this year totaled \$53,989,586 compared with \$88,021,520 for January and February, 1920, a decrease of 39.7 per cent.

The Los Angeles customs district was the only Pacific Coast district to show an increase in both exports and imports during February, 1921, compared with February a year ago. Comparative figures on the exports and imports of the principal ports of this district are given in tables "N" and "O" (see opposite page).

That this decline in the value and amount of foreign commerce is not confined to the Pacific Coast is shown by the report that up to March 14th the United States Shipping Board had withdrawn from commercial operation 536 steel vessels and 286 wooden ships, or more than 30 per cent of the tonnage of the Government owned merchant fleet. Of the 536 idle steel vessels, 40 are stationed on the Pacific Coast.

Table "P" (see opposite page) presents a

statistical comparison of shipping activity in the principal ports of this district during the year 1920 and also shows the proportion of the foreign commerce of this district carried in American and foreign bottoms.

Steel merchant vessels under construction in Pacific Coast yards on April 1st numbered 40 of an aggregate deadweight tonnage of 449,670 tons. Two new contracts, the first in several months, have been announced calling for the construction of two combination ore and coal carriers. The vessels will be 20,000 deadweight tons and will be the largest **Shipbuilding** merchantmen ever laid down in a Pacific Coast yard. Delivery is expected to be made early in 1922.

One of the large shipbuilding companies in California has announced that its yard will be closed in June upon the completion of a freighter which it is now constructing for the United States Shipping Board. This yard became active during the war period and has been curtailing its operations for some time past. No statement has been made by the company as to disposition of plant and equipment.

Table "Q" (see opposite page) gives comparative figures of vessels under construction on April 1st, March 1st and February 1, 1921, as furnished by the Pacific Marine Review.

#### (L) Arizona Manufactures—

	Census		Per cent of Increase 1914-1919
	1919	1914	
Number of establishments.....	478	322	48.4
Persons engaged in manufactures.....	9,954	8,014	24.2
Proprietors and firm members.....	416	267	55.8
Salaried employees.....	1,331	849	56.8
Wage earners (average number).....	8,207	6,898	19.0
Primary horsepower.....	96,377	54,697	76.2
Capital.....	\$170,679,000	\$40,300,000	323.5
Services.....	14,395,000	7,647,000	88.2
Salaries.....	2,950,000	1,418,000	108.0
Wages.....	11,445,000	6,229,000	83.7
Materials.....	87,501,000	39,283,000	122.7
Value of Products.....	113,015,000	64,090,000	76.3
Value added by manufacturer (value of product less cost of material).....	25,514,000	24,807,000	2.9

#### (M) Registrations of Motor Vehicles, Passenger and Commercial— (Exclusive of Motorcycles) in States of Twelfth Federal Reserve District

	1915	1916	1917	1918	1919	1920
Arizona.....	7,308	12,120	19,888	23,905	28,979	34,559
California.....	163,795	232,440	306,916	364,800	477,450	583,623
Idaho.....	..	..	24,768	23,000	42,500	50,861
Nevada.....	2,000	4,655	6,724	8,150	9,304	10,459
Oregon.....	23,585	33,917	48,632	63,325	83,302	103,790
Utah.....	7,994	13,507	21,576	22,525	39,748	42,571
Washington*.....	..	46,000†	70,032	103,001	131,369	173,934

\* Year runs from March 1st to February 28th.

† From June 1 to February 28, 1916.

Building permits issued in the 20 principal cities of this district during March amounted to \$18,542,835, which was 57.3 per cent greater than the value of those granted during February, 1921, and 26.9 per cent greater than those reported in March, 1920. The num-

ber of permits (including new construction and repairs) increased 47.2 per cent over February, 1921, and 38.3 per cent over March, 1920.

The March showing is, on the whole, an encouraging one, and marks a definite turning point in the building industry after months of inactivity. As a result of war restrictions and

(N) Exports—	Month Ending		Per cent Increase or Decrease (—)	Two Months Ending		Per cent Increase or Decrease (—)
	Feb. 28 1921	Feb. 28 1920		Feb. 28 1921	Feb. 28 1920	
San Francisco.....	\$ 9,217,676	\$17,616,367	—47.6	\$22,506,908	\$50,353,461	—55.3
Los Angeles.....	2,037,322	1,290,140	57.9	4,351,266	2,579,840	68.7
Oregon.....	4,007,080	99,311	3,947.4	8,641,768	1,516,764	469.9
Washington.....	6,855,613	15,889,197	—56.8	17,877,399	31,772,955	—43.7
San Diego.....	290,354	750,090	—61.3	612,245	1,798,500	—65.9
Total.....	\$22,408,045	\$35,645,105	—37.1	\$53,989,586	\$88,021,520	—39.7

(O) Imports—	Month Ending		Per cent Increase or Decrease (—)	Two Months Ending		Per cent Increase or Decrease (—)
	Feb. 28 1921	Feb. 28 1920		Feb. 28 1921	Feb. 28 1920	
San Francisco.....	\$ 7,233,109	\$18,763,492	—61.4	\$15,171,570	\$32,076,963	—52.7
Los Angeles.....	634,808	419,794	51.3	1,802,684	781,565	13.0
Oregon.....	301,781	353,727	—14.7	568,241	2,210,380	—74.2
Washington.....	3,529,918	13,398,510	—73.6	7,681,117	27,368,227	—71.8
San Diego.....	1,562,868	2,031,756	—23.0	2,950,846	4,836,243	—63.9
Total.....	\$13,262,484	\$34,967,279	—62.0	\$28,174,458	\$67,273,378	—58.1

#### (P) Exports and Imports—

Entrances and Clearances, Deadweight Tonnage and Cargo Tons of Vessels at Pacific Coast Ports—  
By Ports and Flags During Calendar Year 1920

Figures from United States Shipping Board

	Imports			Exports		
	No. of Entrances	Deadweight Tonnage	Cargo (Tons)	No. of Clearances	Deadweight Tonnage	Cargo (Tons)
Los Angeles.....	64	393,536	80,352	105	628,082	411,660
Portland.....	27	193,404	26,267	100	731,126	426,660
San Francisco.....	415	2,397,289	826,405	292	1,920,587	858,558
Seattle.....	436	1,473,747	324,061	476	1,611,494	403,770
All Other Ports.....	238	630,199	131,769	336	1,190,624	636,255
Total.....	1,180	5,088,175	1,388,854	1,309	6,081,913	2,736,903
Total Pacific Coast—By Flags						
U. S. S. B.....	132	1,124,361	326,422	225	1,932,921	1,000,155
Independent American.....	645	2,144,780	650,391	675	2,193,868	967,354
Foreign.....	403	1,819,034	412,012	409	1,955,124	769,394

#### (Q) Ships Under Construction—

	April 1, 1921		March 1, 1921		Feb. 1, 1921	
	Vessels	Total D. W. Tonnage	Vessels	Total D. W. Tonnage	Vessels	Total D. W. Tonnage
For U. S. S. B.....	13	133,500	14	142,900	16	155,750
For Private Account.....	18	233,490	21	262,090	24	278,130
Foreign*.....	9	82,680	9	82,680	9	82,680
Total.....	40	449,670	44	487,670	49	516,560

\* A correction of 400 tons has been made in the tonnage of vessels under construction for foreign account.

subsequent high costs of labor and materials, new construction has for several years been below normal and consequently a shortage of houses and structures for public and business purposes exists in many cities.

Declining prices of building materials and some reduction in labor costs have reduced the number of factors which have been retarding building operations, and further improvement in business conditions should be accompanied by a marked increase in building activity.

The following chart shows the percentage change in prices of building materials today as compared with a year ago in the San Francisco market based on a survey made by the San Francisco Chamber of Commerce.

Comparative figures of the number and value of building permits issued in the twenty

reporting cities of this district are shown in table "R."

PERCENT OF CHANGE IN PRICES OF BUILDING MATERIAL IN SAN FRANCISCO-MARCH 1921 COMPARED WITH MARCH 1920																				
DECREASE											INCREASE									
	50	45	40	35	30	25	20	15	10	5	0	5	10	15	20	25	30	35	40	
LUMBER.....																				
STRUCTURAL STEEL.....																				
NAILS & HARDWARE.....																				
PAINT.....																				
WHITE LEAD.....																				
OIL.....																				
PLATE-WINDOW GLASS.....																				
PRESSED BRICK.....																				
PLUMBING GOODS.....																				
ELECTRICAL MATERIAL.....																				
CEMENT & LIME.....																				
COMMON BRICK.....																				
SHEET METAL.....																				
CRUSHED ROCK NO.3.....																				

### (R) Building Permits—

	March, 1921		February, 1921		March, 1920		Per cent Increase or Decrease (—) Mar., 1921 over Mar., 1920
	No.	Value	No.	Value	No.	Value	
Phoenix.....	138	\$ 357,889	103	\$ 110,746	206	\$ 424,594	—15.7
Fresno.....	283	393,445	228	189,650	204	583,290	—32.5
Berkeley.....	158	339,333	110	168,514	108	220,192	54.0
Los Angeles.....	2,911	6,915,216	1,887	3,131,670	1,595	3,076,763	124.8
Long Beach.....	414	1,359,609	226	614,000	301	844,290	61.0
Oakland.....	703	1,314,457	587	966,203	401	687,173	91.2
Pasadena.....	247	409,012	170	298,706	140	388,714	5.4
Sacramento.....	142	320,100	163	288,180	169	357,520	—10.3
San Diego*.....	..	326,377	..	260,380	187	280,366	16.4
San Francisco.....	591	2,941,401	468	3,126,581	650	2,759,087	6.6
San Jose.....	73	105,523	63	114,365	62	119,348	—11.7
Stockton.....	106	220,443	89	115,930	94	454,879	—51.5
Boise.....	136	98,517	41	24,767	80	120,190	—18.3
Reno.....	24	31,130	18	31,840	21	80,535	—61.2
Portland.....	1,362	1,527,805	899	1,334,220	1,039	846,105	80.4
Ogden.....	46	79,190	33	60,475	34	85,500	—7.0
Salt Lake City.....	161	250,583	73	127,640	59	166,460	50.6
Seattle.....	1,196	923,180	839	578,925	996	1,390,275	—33.5
Spokane.....	284	267,690	112	44,625	182	524,110	—49.0
Tacoma.....	444	361,935	286	196,092	281	1,198,282	—69.8
Total.....	9,419	\$18,542,835	6,395	\$11,783,509	6,809	\$14,607,673	26.9

\* Number of permits for San Diego not included in 1921 figures.

### (S) Business Failures—

	March, 1921		February, 1921		March, 1920	
	No.	Amount*	No.	Amount*	No.	Amount*
Arizona.....	10	\$ 29,600	5	\$ 37,100	—0—	—0—
California.....	72	513,643	54	423,426	46	\$324,565
Idaho.....	7	49,000	10	130,525	5	2,400
Nevada.....	1	2,600	2	4,000	—0—	—0—
Oregon.....	28	1,745,178	30	343,082	14	194,467
Utah.....	4	10,500	5	136,243	9	744,516
Washington.....	43	696,170	38	381,990	14	289,984
District.....	165	\$3,046,691	144	\$1,456,366	88	\$1,555,932

\* Amount of liabilities before deducting assets.

Business failures during the month of March increased both in number and liabilities compared with February and with March a year ago. There were 165 failures reported in March with liabilities

**Business Failures** amounting to \$3,046,691 compared with 144 failures with liabilities of \$1,456,366 reported in February or an increase in amount of liabilities of 109 per cent during the month. This increase follows the trend shown in other sections of the country. The average failure in the district had liabilities of \$18,464. In Arizona the average failure had liabilities of \$2960; in California \$7133; in Idaho \$7000; in Oregon \$62,327; in Utah \$2625, and in Washington \$16,190.

R. G. Dun and Company's comparative figures for the states of this district are shown in table "S" (see opposite page).

Bank clearings during March in the twenty reporting cities of the district were 13 per cent less than in March, 1920, which, in view of the decrease in general prices

**Bank Clearings and Debits to Individual Accounts** during the year indicates approximately the same amount of business activity. Southern California is an exception to the experience

of the rest of the district, the cities reporting from that section showing an increase of 10 per cent in the clearings of March, 1921, over March, 1920. Oakland and Berkeley show fractional increases, all other cities reporting decreases. Comparative figures for the twenty reporting cities are given in table "T."

A comparison with the month of March, 1920, of debits to individual accounts during March, 1921, as reported by 113 banks in twenty cities of the district, leads to a conclusion similar to that drawn from a comparison of monthly bank clearings. Although the cities of the Pacific Northwest and Salt Lake

City, the trading and financial center of the Inter-mountain region, show marked decreases, San Francisco and Los Angeles both show slight increases and the weight of their returns reduces the decrease for the district as a whole to 8.2 per cent.

Comparative figures for the six Federal Reserve Bank and Branch cities are given in table "U."

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 period ending April 10, 1921, and March 10, 1921, is given in table "V" (see following page).

**(T) Bank Clearings\*—**

	March 1921	March 1920	Per Cent Increase or Decrease (—) Mar. 1921 over Mar. 1920
San Francisco.....	\$ 602,700	\$ 721,369	—16.7
Los Angeles.....	373,773	332,862	20.8
Seattle.....	144,612	212,472	—31.9
Portland.....	133,304	173,173	—23.0
Salt Lake City....	55,331	69,462	—20.3
Spokane.....	46,051	61,387	—24.9
Oakland.....	48,629	47,388	2.6
Fresno.....	17,015	21,452	—20.6
Long Beach.....	15,493	13,771	12.5
Pasadena.....	15,049	10,579	42.2
Sacramento.....	22,771	24,347	— 6.4
Stockton.....	21,484	25,770	—16.6
San Diego.....	11,580	13,594	—14.8
San Jose.....	6,998	9,049	—33.7
Bakersfield.....	6,046	5,614	7.7
Boise.....	5,150	..	..
Ogden.....	6,913	11,517	—39.9
Tacoma.....	16,404	29,312	—44.0
Reno.....	2,924	3,880	—24.4
Berkeley.....	13,067	12,425	5.1
Total.....	\$1,565,294	\$1,799,423	—13.0

\* 000 omitted.

**(U) Debits to Individual Accounts\*—**

	March 1921	February 1921	March 1920	Per Cent Increase or Decrease (—) March, 1921 over March, 1920
San Francisco.....	\$1,018,836	\$ 691,381	\$1,015,416	.3
Los Angeles.....	539,644	370,272	529,637	1.8
Portland.....	182,457	138,280	242,262	—24.6
Seattle.....	158,592	116,651	256,486	—38.1
Salt Lake City.....	63,031	53,361	94,643	—33.3
Spokane.....	55,009	39,445	67,868	—18.9
Total.....	2,017,569	1,409,390	2,206,312	— 8.5
Other Cities.....	461,209	360,977	488,767	— 5.6
District †.....	\$2,478,778	\$1,770,367	\$2,695,079	— 8.2

\* 000 omitted.

† 20 cities—113 banks, reporting.

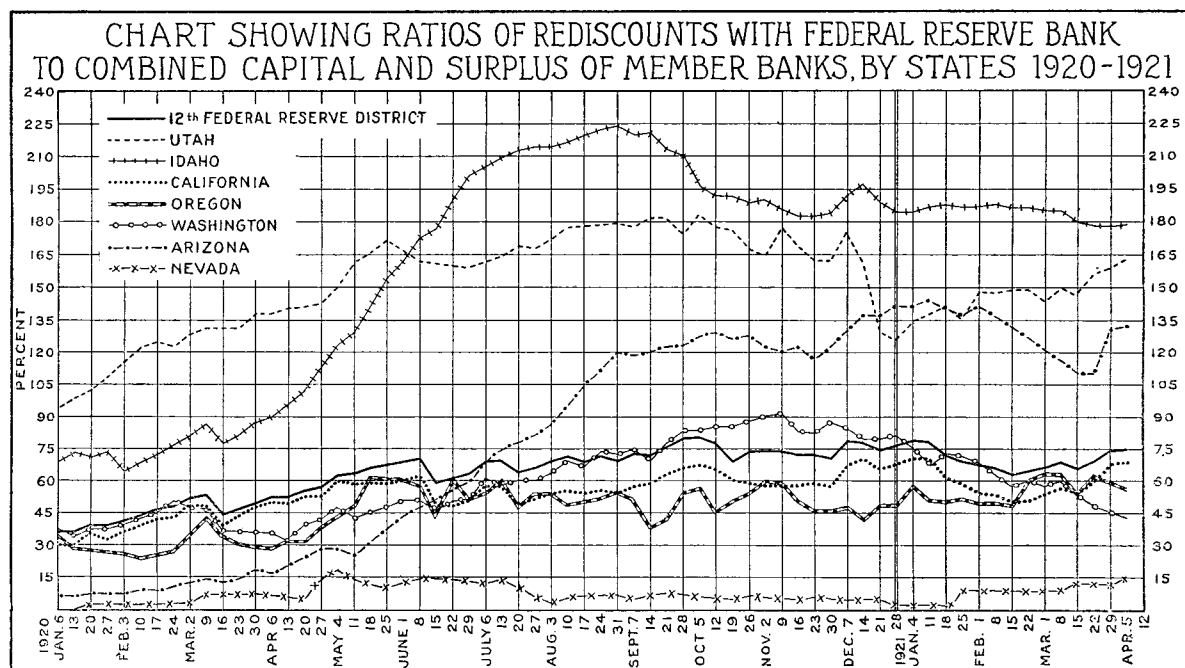
On April 11th the Treasury Department announced an offering of \$150,000,000 of United States Treasury Certificates of Indebtedness, designated as "Series H-1921," maturing in six months from the date of issue and bearing interest at the rate of  $5\frac{1}{2}$  per cent per annum. Subscriptions were closed promptly at the close of business on April 15th and, though there had been but four days allowed for the filing of applications, the issue was already nearly 100 per cent oversubscribed. Out of a total of 637 subscriptions received in the Twelfth Federal Reserve District, 334 were tendered by individuals, showing a considerable increase in the demand by private investors for this class of security. The aggregate amount subscribed through the Federal Reserve Bank of San Francisco was \$19,100,000.

### Government Financing

During the four weeks ending April 8th, borrowings by member banks from the Federal Reserve Bank of San Francisco increased by approximately \$13,900,000 to \$163,139,000, an increase 50 per cent greater than that occurring in the preceding four weeks or in the corresponding period of 1920. This accommodation reflects increased borrowings by their customers from the member banks of the district, which is to be expected at this season of the year, when spring planting and other seasonal agricultural operations are occurring.

### Banking and Credit Conditions

During the four weeks ending April 8th, Federal Reserve Notes of this bank in actual circulation decreased by \$8,600,000 and now stand at \$231,266,000 compared with the peak of \$272,548,000 reached on December 23, 1920. Practically the entire decrease occurred in the



### (V) Interest and Discount Rates—

	Prime Commercial Paper		Open Market		Interbank Loans		Collateral Demand Loans		Secured by L. L. Bonds or U. S. Certificates of Indebtedness	
	Customers	March	April	March	April	March	April	March	April	March
San Francisco.....	6½	6½	7¾	7¾	6½	6½	6½	7	6½	7
Los Angeles.....	7	7	7¾	7	7	7	7	7	7	7
Seattle.....	7	7	7¾	8	7	7	8	7	8	8
Portland.....	7	7	7¾	7¾	7	7	7	7	7	7
Salt Lake City.....	8	8	7¾	7¾	8	7	8	8	8	8
Spokane.....	7	7	—0—	—0—	7	7	8	8	8	8



last two weeks of March, since which time the amount in circulation has not fluctuated materially.

Total reserves of this bank on April 8th, after a sharp increase and equally sharp decline in the last two weeks of March now amount to \$191,835,000, approximately \$1,800,000 more than they were on March 11, 1921. Bills (banker's acceptances) purchased in the open market declined by \$16,200,000 during the same period and on April 8th stood at \$14,030,000, compared with a maximum holding of this class of paper of \$119,000,000 on January 30, 1920. During this same period bills discounted for member banks increased \$81,000,000, indicating that funds previously invested in outside paper were diverted to meeting the demands of member banks for funds to lend their customers in this district.

During the month of March, 40 banks which had not discounted or rediscounted bills of any character during the current year received such accommodation from this bank as compared with 36 banks during February. Of a total of 856 member banks, 53.8 per cent (461 banks) discounted or rediscounted during March, as

compared with 50.7 per cent (429) banks, out of a total membership of 847 banks, during February.

It would appear that liquidation of loans by customers of commercial banks is proceeding haltingly. Reports from 69 member banks, located in the nine reserve cities of this district show that, in the four weeks' period ending April 1st, their combined loans and investments rose from \$1,245,000,000 to \$1,260,000,000, an increase of approximately \$15,000,000, while at the same time their combined time and demand deposits declined from \$1,130,000,000 to \$1,105,000,000, a decrease of \$25,000,000. These contradictory tendencies involving as they do resort by members to this bank for funds, through rediscounting, when adequate funds should be coming to them through normal liquidation of their customers' loans, are most pronounced in the Inter-mountain section and in Arizona, as will appear in the chart on the opposite page, showing by states, the ratio which total rediscounts with this bank of the member banks in the seven states of this district bear to their combined capital and surplus.

**COMPARATIVE STATEMENT OF  
CONDITION OF FEDERAL RESERVE BANK OF SAN FRANCISCO  
AT CLOSE OF BUSINESS APRIL 8, 1921**

<b>RESOURCES—</b>	<b>Apr. 8, 1921</b>	<b>Mar. 11, 1921</b>	<b>Apr. 8, 1920</b>
Gold and Gold Certificates.....	\$ 17,892,000	\$ 17,987,000	\$ 10,378,000
Gold Settlement Fund—F. R. Board.....	39,994,000	38,807,000	29,926,000
Gold With Foreign Agencies.....	—0—	—0—	5,188,000
Total Gold Held By Bank.....	57,886,000	56,794,000	45,492,000
Gold With Federal Reserve Agent.....	121,218,000	122,857,000	91,004,000
Gold Redemption Fund.....	10,048,000	8,437,000	8,805,000
Total Gold Reserves.....	\$189,152,000	\$188,088,000	\$145,301,000
Legal Tender, Notes, Silver, etc.....	2,683,000	2,009,000	481,000
Total Reserves.....	\$191,835,000	190,097,000	145,782,000
Bills Discounted:			
Secured By U. S. Government Obligations....	49,250,000	47,811,000	54,359,000
All Other.....	113,889,000	101,437,000	69,062,000
Bills Bought in Open Market.....	14,030,000	30,276,000	79,250,000
Total Bills on Hand.....	\$177,169,000	\$179,524,000	\$202,671,000
U. S. Government Bonds.....	1,523,000	1,822,000	2,632,000
U. S. Victory Notes.....	—0—	—0—	—0—
One-Year Certificates of Indebt. (Pittman Act) ..	10,880,000	11,025,000	10,880,000
All Other Certificates of Indebtedness.....	165,000	—0—	2,001,000
Total Earning Assets.....	\$189,737,000	\$192,371,000	\$218,184,000
Bank Premises.....	529,000	515,000	231,000
5% Redemption Fund Against F. R. Bank Notes.	665,000	665,000	1,465,000
Gold Abroad in Custody or in Transit.....	—0—	152,000	—0—
Uncollected Items.....	38,231,000	43,257,000	39,026,000
All Other Resources.....	508,000	461,000	369,000
TOTAL RESOURCES.....	\$421,505,000	\$427,518,000	\$405,057,000
<b>LIABILITIES—</b>			
Capital Paid In.....	7,231,000	7,169,000	6,030,000
Surplus .....	14,194,000	14,194,000	7,539,000
Government Deposits.....	4,549,000	3,067,000	2,554,000
Due to Members—Reserve Account.....	112,221,000	108,079,000	120,588,000
Other Deposits, Including Foreign			
Government Credits.....	10,177,000	8,956,000	8,581,000
Total Deposits.....	\$126,947,000	120,102,000	131,723,000
F. R. Notes in Actual Circulation.....	231,266,000	239,809,000	221,947,000
F. R. Bank Notes in Circulation—Net Liability..	8,546,000	8,901,000	9,461,000
Deferred Availability Items.....	29,794,000	34,502,000	24,606,000
All Other Liabilities.....	3,527,000	2,841,000	3,751,000
TOTAL LIABILITIES.....	\$421,505,000	\$427,518,000	\$405,057,000
Memo: Contingent Liability on Bills Purchased for Foreign Correspondents.....	1,472,000	1,472,000	—0—