

AGRICULTURAL AND BUSINESS CONDITIONS IN THE TWELFTH FEDERAL RESERVE DISTRICT

Monthly Report to the Federal Reserve Board

by

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FINANCIAL CONDITIONS IN THE TWELFTH FEDERAL RESERVE DISTRICT

A SURVEY of financial conditions in the seven states composing this Federal Reserve district, based upon reports of condition of all banks (state and national) has recently been concluded as of April 28, 1921, the latest date on which reports of both national and state banks have been simultaneously published. The study related primarily to conditions in the agricultural regions of the district and did not include the cities of San Francisco, Oakland, Berkeley, Los Angeles, Portland, Seattle and Salt Lake City.

As an index to the financial condition of a given area, there was chosen the ratio of total loans and investments of all banks in that area to their total deposits, and the various zones were then placed in three categories; the first including all districts where the ratio of bank loans and discounts to deposits was less than 80 per cent, and where financial conditions therefore may be considered "good" (colored blue on accompanying map); the second including all districts where the ratio was between 80 per cent and 100 per cent, and where financial conditions may therefore be considered "fair" (colored yellow on accompanying map); and the third including all districts where the ratio exceeded 100 per cent (where, consequently many banks were borrowing from the Federal Reserve Bank or from their correspondents), and where financial conditions may therefore be characterized as "poor" (colored green on accompanying map).

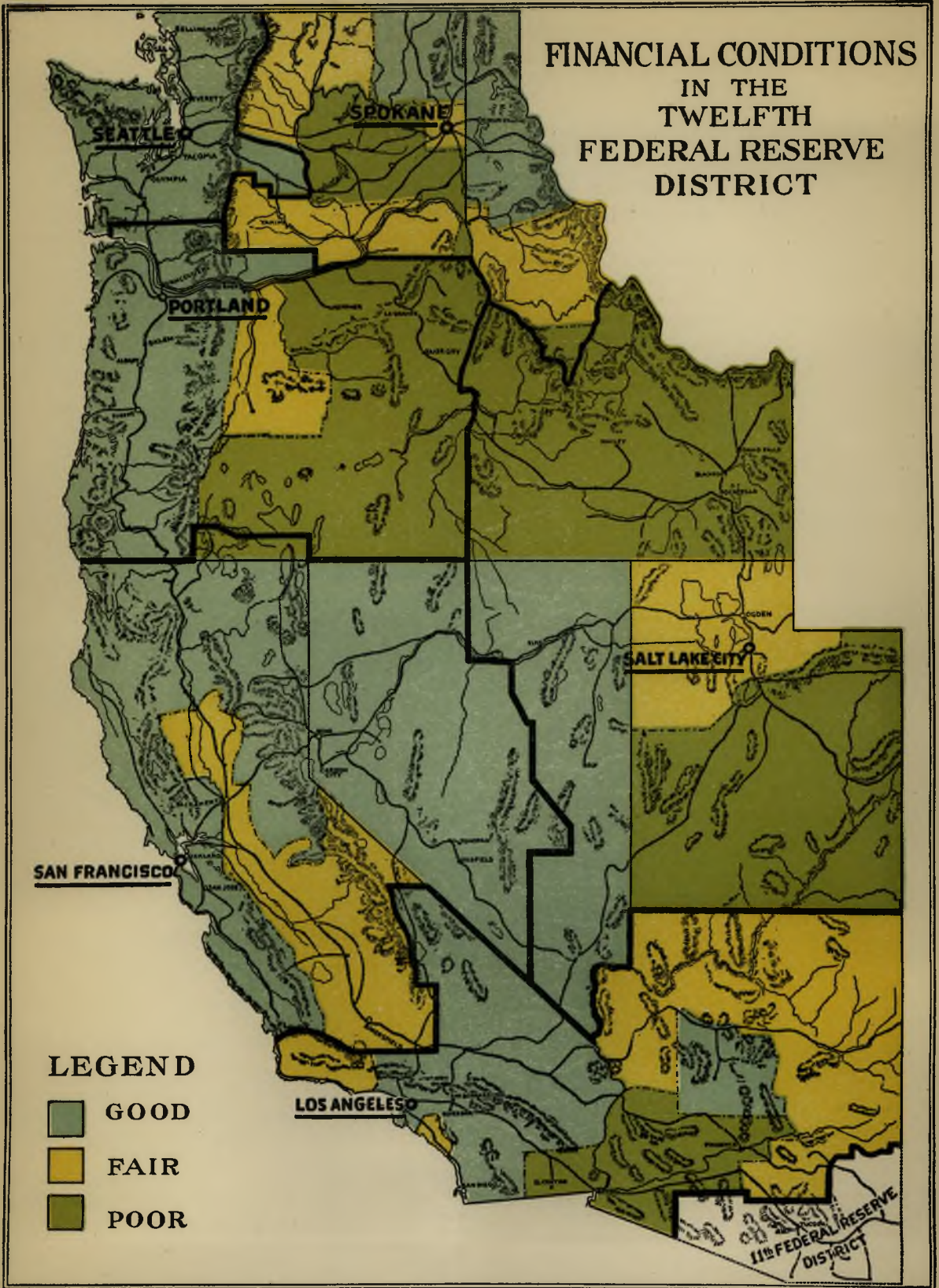
The first category, embracing districts where financial conditions were good, included the western halves of the three Pacific Coast states (Washington, Oregon and California), the

State of Nevada and the vicinity of Prescott, Arizona, (where financing of the principal industries, livestock and mining, is done chiefly by city, instead of country banks), and small areas in the northern part of Idaho and northwestern Washington. The total deposits of banks in this category were 54.9 per cent of total country bank deposits of the district, indicating that on April 28th financial conditions in over one-half the country districts were good.

The second category, embracing districts where financial conditions were fair, included chiefly the Sacramento and San Joaquin valleys (where complete marketing of 1920 crops had not then been achieved) and certain coastal sections in California where beans are grown, together with the fruit-raising sections of Washington and Utah. Total deposits of banks in this category were 34.8 per cent of total country bank deposits of the district; so that on April 28th financial conditions could be classed as fair to good in approximately 90 per cent (34.8+54.9) of the country districts.

The third category, embracing districts where financial conditions were poor, included a broad area stretching from eastern Oregon and the dry farming country west of Spokane, Washington, through central and southern Idaho, Utah, and Arizona (excluding the Prescott area). Substantially similar reasons account for conditions in this zone; crop failures and unfavorable conditions for livestock in the years preceding 1920 and unwillingness or inability to market the products raised or harvested in that year, with the consequent inadequacy of banking capital to handle commercial and agricultural requirements which is now

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remarked in this area. Deposits of banks in this category, however, were but 10.3 per cent of total country bank deposits of the Twelfth District (which in turn were but 42.8 per cent of total bank deposits of the district) indicating that, despite its geographical extent, the area where financial conditions were poor contains a relatively small proportion of the banking deposits of the district.

The movement of wholesale prices of representative products of this district indicates that the full force of readjustment has probably

been felt in the basic products of **The Month** the soil, including metals, which provide the major portion of the annual production of the district. The table quoted elsewhere in this issue, showing present prices compared with those during and preceding the war, shows that quotations for **beans, copper, cotton, rice, wheat and wool** are at present higher than the low points which were reached in the price decline which commenced in the spring of 1920. The fact that so many of these prices are at or approaching pre-war levels illustrates the unequal character of the period of readjustment. The wholesale price index of the Bureau of Labor is now approximately 50 per cent above the 1913 levels whereas an index of representative raw materials prepared by the Federal Reserve Bank of New York was on July 9th, 4.1 per cent above the 1913 level.

Until recently retail prices had not recorded declines commensurate with the drop in wholesale prices, particularly those of raw materials. In recent months, however, especially in the large city department stores reporting to this bank, sharp price reductions in nearly all lines have been made. The effect has been to stimulate sales and the physical volume of retail trade in the district generally continues greater than it was in June, 1920. The decline in dollar value of sales was but 7.8 per cent for June last compared with June, 1920, whereas it is probable that retail prices in the larger department stores are now at least 20 per cent less than they were a year ago.

The yield of deciduous fruits generally this season is less than it was a year ago, but demand for fresh fruit in eastern markets has been above normal and shipments from California have been considerably greater than they were last season to this date. The movement of citrus fruits—**oranges and lemons**—has also exceeded all previous records. Lemon prices during the first week in July recorded sharp advances, reaching \$7.50 per box f. o. b. California, compared with \$2.00

earlier in the season. Lacking orders for futures fruit canners will pack only from 40 to 75 per cent of last year's pack. Opening prices for 1921 quoted by the largest factor in the trade show reductions from 35 to 45 per cent compared with opening prices of 1920. The record wheat crop of the Pacific Northwest is now moving to market and carload sales of No. 1 Turkey Red wheat are reported at prices of \$1.06 to \$1.01 per bushel at growers' shipping point.

The customary closing of lumber mills at the Fourth of July is expected to last longer than usual this year, as mill stocks have recently been increasing. Approximately 50 per cent of the salmon canneries which operated last year are operating this season and only small amounts of the cheaper grades of fish will be packed. The closing of certain fisheries and shipyards in coastal regions of the Pacific Northwest has increased unemployment there, but the situation is rapidly being relieved by the demand for agricultural labor in fields and orchards. Except in San Francisco, where no settlement has been made of a building trades dispute, there has been a slight increase in employment compared with the month of May.

In the district as a whole, building operations continue to exceed by a large margin those of a year ago and statistics for the first six months of 1921 indicate that building permits have been 30.4 per cent larger in number and 5.5 per cent greater in value than they were in the first six months of 1920, indicating a substantial increase in the volume of building during 1921. Average reductions of \$1 per day have been made during the past six months in the wages paid in the various building trades throughout the district. The percentage reduction has ranged between 10 and 20 per cent.

The steady decline in combined bank clearings of 20 principal cities which has obtained since October, 1920, was arrested during the past month, figures for June showing a 6 per cent increase over May clearings. The per cent of decrease compared with June, 1920 (17.8 per cent), is substantially less than the average reduction in combined wholesale and retail commodity prices during the same period, and it is therefore altogether probable that the physical volume of business in this district is greater now than it was last year at this time. It is significant to note, during the past year of readjustment, that savings deposits throughout the district have increased 8.3 per cent. The total for the district on June 15, 1921, was fractionally (27/100 per cent) less than the total for May, 1921.

Reduction of approximately 8 per cent in rediscounts with the Federal Reserve Bank by 67 reporting member banks in the seven principal cities of the district, chiefly in rediscounts secured by United States government obligations, occurred during the month ending July 6th. A similar liquidation of borrowings from this bank by the other member banks of the district also occurred, so that all classes of discounts declined 12 per cent during the month, and on July 13th were 16 per cent beneath the peak of \$176,862,000 on December 19, 1920. This liquidation was reflected chiefly in stronger cash reserves of the bank which registered an increase of \$21,000,000. The reserve ratio rose from 57 on June 13th to 60.2 on July 13th. The circulation of Federal Reserve notes increased by \$5,500,000 (2.5 per cent) chiefly in response to harvesting and other seasonal requirements in the agricultural sections of the districts.

The effect of post-war price adjustments on some of the principal products of this district is shown in table "A." **Cattle, rice, and lima beans** have fallen below their pre-war levels. **Barley, beans, copper, cotton, lambs, hogs, wheat and wool** have approached the prices of 1913 and 1914. **Lumber and petroleum** continue to bring prices considerably in excess of pre-war returns.

Advances in the prices of beans, copper, cotton and rice have occurred since their low points of the present readjustment period.

Wool and wheat in this district have shown considerable strength recently and a sharp upturn in prices has been recorded. Pre-war peak, low-since-peak, and July 1st wholesale prices of the commodities listed are presented in table "A."

The total wheat crop of this district is estimated, as of July 1st, to be 114,461,000 bushels compared with 105,671,000 bushels produced in 1920. The holdover on July 1st is estimated to be 10 per cent of last year's crop or 3,800,000 bushels in Washington, 6 per cent or 1,400,000 bushels in Idaho and 4 per cent or 844,000 bushels in Oregon, a total of 6,044,000 bushels in the Pacific Northwest. The movement of 1920-1921 crop winter wheat to market has begun. In Oregon one car of Turkey Red wheat is reported to have sold on July 2nd for \$1.06 per bushel and two cars on July 9th for \$1 per bushel.

Forecasts of this year's wheat crop in the states of this district and estimates of the 1920 yield are as follows:

	July 1, 1921 (bushels)	1920 (bushels)
Washington	49,602,000	37,982,000
Idaho	26,279,000	23,600,000
Oregon	22,400,000	21,104,000
California	8,565,000	16,335,000
Utah	6,055,000	5,366,000
Arizona	958,000	864,000
Nevada	602,000	420,000
Total	114,461,000	105,671,000

(A) Commodity Prices—

(All prices based on San Francisco quotations unless otherwise noted)

Commodity	Unit	Pre-War Price	Peak Price	Low Since Peak	Present Price	Date of Present
Barley	Dollars per 100 lbs. ....	.97	3.60	1.10	1.10	7/1/2
	Dollars per bushel ....	.46	1.72	.53	.53	.....
Beans:						
Pinks	Dollars per 100 lbs.	4.35	13.00	5.45	6.40	7/1/2
Small Whites.....	Dollars per 100 lbs.	5.40	16.25	3.60	3.65	7/1/2
Limas	Dollars per 100 lbs.	6.90	16.50	5.75	5.75	7/1/2
Copper (New York Electrolytic).....	Cents per lb.	11.	28.5	12.5	12.62	7/1/2
Cotton:						
Short Staple (New York Spot).....	Cents per lb.	9.85	43.75	10.38	12.00	7/1/2
Long Staple (to Grower).....	Cents per lb.	20.	80.	25-30.	25-30.	7/1/2
Livestock (Prices Portland, Oregon)						
Cattle (Steers).....	Dollars per 100 lbs.	8.22	15.50	7.00	7.00	6/30/2
Lambs	Dollars per 100 lbs.	6.80	20.00	6.75	7.50	6/30/2
Hogs	Dollars per 100 lbs.	9.01	23.35	9.00	9.00	6/30/2
Lumber (2x4-12 No. 1 Common Douglas fir)	Dollars per 1000 feet ..	6.25	38.50	12.50-14.00	14.00	6/192
Petroleum (21° gravity).....	Dollars per barrel ....	.425	1.70	1.45	1.45	6/192
Kerosene	Cents per gallon	9.	16.5	14.5	14.5	6/30/2
Gasoline	Cents per gallon	14.5	27.	25.	25.	6/30/2
Rice (California Fancy Japan).....	Dollars per 100 lbs.	4.25	12.75	3.90	3.95	7/1/2
Wheat (California Wheat).....	Dollars per 100 lbs.	1.55	5.00	1.60	2.15	7/1/2
	Dollars per bushel ....	.93	3.00	.96	1.29	.....
Wool, Uncleaned (to Grower).....	Cents per lb.	7.-24.	65.	10.	10.-22.	6/30/2

Flour mills in this district increased their output during June, operating at 42 per cent of capacity compared with 34 per cent in May and 63 per cent of capacity in June,

Milling 1920. Increased activity among California millers was largely responsible for the improvement noted for June compared with May of this year, millers in Washington having increased production slightly and Oregon and Idaho millers having further curtailed their production.

Stocks of flour in millers' hands on July 1st, as reported by 25 large operators, were 276,389 barrels, compared with 465,349 barrels on the same day in 1920. Stocks of wheat held by the 25 operators on the same date amounted to 872,381 bushels, while a year ago they held 1,503,333 bushels.

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

Deciduous Fruit Conditions Estimated yields of California deciduous fruits now being marketed are as follows:

	1921 (tons)	1920 (tons)
Cherries	15,000	17,500
Plums	35,000	35,000
Pears	67,000	100,000
Apricots	100,000	115,000
Peaches	325,000	345,000

The California crop of berries of all sorts is estimated to be slightly smaller than last year.

During the first week of July strong winds of high temperature in the Sacramento Valley blew from the trees many plums, apricots and pears and caused considerable damage, especially to pears, the loss to the latter being estimated at 6,000 tons. High temperatures prevailed over northern California during the second week of this month and a small amount of fruit was sunburned, but elsewhere favorable growing conditions were reported.

In Washington a peach crop of 25,125 tons is predicted for 1921 compared with 8,813 tons

last year when the crop was unusually poor, and a crop of 30,333 tons of pears is forecasted, compared with 46,792 tons in 1920. In Oregon the peach crop is again reported to be a failure and the pears to be equal to the 10-year average. Oregon produced 2,083 tons of peaches and 11,667 tons of pears in 1920. In both Washington and Oregon the yields of all berries are reported to be about 50 per cent larger than they were last year, and supplies now going to market are temporarily in excess of the combined demands of the fresh fruit markets and the canners.

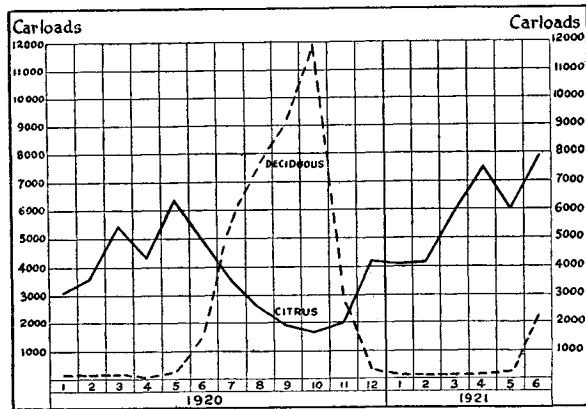
Despite decreased yields of deciduous fruits this year, shipments out of California have been considerably greater thus far than those of last year, reflecting both the weakness of the local demand from canners and the curtailment, on account of spring frosts, of green fruit yields in the Middle West. Railroads of the state have amply prepared for the increased traffic. The Pacific Fruit Express Company reports that it has 4,000 new standard refrigerator cars available for this season's business, and that its total equipment is now approximately 19,300 cars. In addition, this company, which handles the fruit-shipping of the Southern Pacific Railway Company, has arranged to receive 4,000 to 5,000 refrigerator cars from eastern roads during the heavy shipping season. The refrigerator department of the Atchison, Topeka and Santa Fe Railway Company reports that it has received 2,500 new refrigerator cars this year and now has more than 5,000 cars available for loading in California and Arizona. In contrast to conditions prevailing last year, its cars are being returned promptly from eastern destinations. In view of the lighter movement of other commodities, shipments on shorter schedules, and the absence of congestion at terminals, it is thought that perishable crops this season will not suffer from a shortage of refrigerator cars.

Of citrus fruits there were 44,733 cars shipped out of California from November 1,

(B) Milling—

	No. Mills Reporting		Output		Per Cent Mill Capacity in Operation		
	June	May	June (barrels)	May (barrels)	June 1921	May 1921	June 1920
California	15	11	260,169	190,788	65	44	69
Oregon	25	25	78,788	98,604	22	28	60
Washington	31	31	271,232	223,118	38	29	50
Idaho	5	5	12,945	12,882	43	47	..
Utah .....	..	..	.....	.....	..	..	..
District	76	72	623,134	525,392	41.7	34	63

1920, to July 3, 1921, (36,539 cars of oranges and 8,194 cars of lemons) as compared with 35,763 cars in the corresponding period of 1919-20 (29,300 cars of oranges and 6,463 cars of lemons). Lemon shipments have been heavy for several weeks past, due to the hot weather demand from sections of the Middle West, the East and Canada. With only average supplies on the various markets to meet the sharply increased demand, prices have risen rapidly, reaching \$7.50 per box f. o. b. shipping point at the end of June. Shippers are hastening to take advantage of the situation.



California Fruit Shipments 1920-1921

Imports of lemons from Italy in the period January 1 to June 1, 1921, were valued at \$302,564, and in the same period in 1920 at \$1,245,623. Allowing for price declines during the year (the average price of Italian lemons on the New York auction market for the year 1920 was \$2.35 a box compared with an average price of \$1.96 a box in the first quarter of 1921) these figures indicate a marked decrease in the volume of lemon imports this year.

The accompanying chart shows shipments of citrus fruits from California and of decidu-

ous fruits from that part of the state north of the Tehachapi Pass for the first six months of 1921 and for the year 1920.

Canners of fruit in this district will pack considerably less than last year when 13,658,072 cases were packed in California, Oregon, Washington and Idaho. In California the **Canned Fruit** general forecast is a fruit pack from 50 to 75 per cent of the 1920 pack of 11,382,863 cases. In Oregon and Washington the reduction will probably be greater as the industry is not so firmly established in those states and many of the smaller canneries will not operate this year. The general program seems to be to pack as many cases this season as, added to the carry-over from last season, will produce a total supply of canned fruits equal to the number of cases sold during 1920.

Hesitancy prevails among both canners and jobbers of canned fruits. Both these groups were forced to take losses on fruit packed in 1920 which was not disposed of before the decline in prices which commenced in June, 1920. As distributors, buying chiefly to meet current needs, are placing few orders for future delivery, canners are disposed to curtail their pack. There is noted a continued active demand for California canned fruit for immediate delivery, which would indicate that the holdover of last year's pack in jobbers' and retailers' hands has been consumed.

Costs of production, including the costs of green fruit, labor, sugar, labels and box shock have been reduced and it is estimated that it will cost from 35 to 50 per cent less this year than last year to put up a case of canned fruit. The approximate percentage decline since last year in the cost of the principal items entering into the total cost of production has been for green fruit 50 per cent; sugar 75 per cent;

(C) Canned Fruit Prices—1920 and 1921—

Fruit (Choice Grade—Can Size No. 2½)	Opening Prices 1920 Pack (per doz.)	Revised Prices 1920 Pack (Spring 1921) (per doz.)	Opening Prices 1921 Pack (per doz.)	Per Cent Decrease 1920-1921
Apricots	\$3.85	\$1.80	\$2.35	—39.0
*Blackberries	3.00	2.35	2.25	—25.0
Cherries, Black	4.00	..	3.00	—25.0
Cherries, Royal Anne.....	4.50	2.70	3.00	—33.3
Grapes, Muscat	3.40	2.70	2.35	—30.9
*Loganberries	4.15	..	2.35	—43.4
Peaches, Yellow Free.....	3.90	2.50	2.30	—41.0
Peaches, Yellow Cling.....	4.15	2.70	2.35	—43.4
Peaches, White Cling.....	4.15	..	2.35	—43.4
Pears, Bartlett	4.65	3.10	3.00	—35.5
Plums	3.40	1.80	2.15	—36.8
*Raspberries	5.65	..	2.40	—57.5
*Strawberries	5.50	..	2.90	—47.3

*Standard Grade.

labor (male), 5 to 20 per cent; labels 15 per cent; box shook, 25 per cent. There has been no reduction in the cost of tin can containers. The following table presents a summary of the prevailing prices reported paid or bid and asked for green fruit from the principal growing sections, the wide range in prices being due either to differences in the quality of fruit in different sections or to differences between the growers and canners regarding prices:

	1921	1920
Cherries (Royal Anne), per lb.	\$ 0.04-\$ 0.05	\$ 0.10-\$ 0.13
Apricots, per ton	25.00- 60.00	75.00- 110.00
*Peaches (Cling), per ton	35.00- 60.00	90.00- 110.00
*Peaches (Freestone), per ton	35.00	50.00- 75.00
*Pears (No. 1 Bartlett), per ton	40.00- 61.75	100.00
Loganberries, per lb....	.035	.10- .13
Raspberries, per lb.....	.05- .06	.19- .20
Strawberries, per lb.....	.04- .05	.18- .19

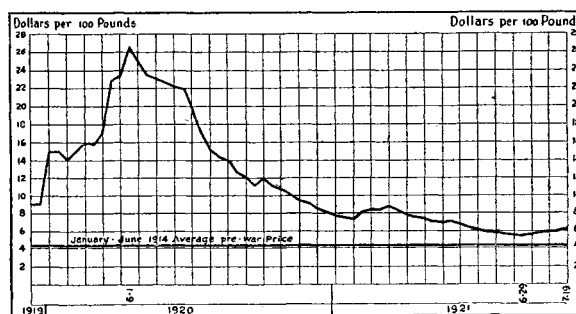
*Prices on the bulk of the crop not yet determined.

Due to the present unsettled condition of the canned fruit market and doubt as to the costs of green fruit, canners have been slow to announce prices on this year's pack. The California Packing Corporation, the largest packer of canned fruits in the district, recently published formal opening prices, the list showing reductions of from 35 to 45 per cent on most fruits compared with the opening prices in 1920. Table "C" shows the opening prices on the 1920 pack and the 1921 pack of this large operator.

Growing sugar beets in all of the producing states of this district are reported to be well above the 10-year average of condition at this date. In Utah, Idaho and Washington the open winter permitted early preparation of the seed beds and opportune rainfall and a warm spring have favored healthy growth. Similar conditions have prevailed in California. The acreage planted to this crop is reported as about the same as in 1920 in California (a decrease in Orange County being balanced by an increase in other districts), 15 per cent less in Utah and Idaho, and slightly greater in Washington (a comparatively small producer) but because of the excellent condition of the crop a greater yield than last year is in prospect. The United States Department of Agriculture estimated the 1920 acreage, production, and average sugar extraction (based on the weight of beets) as follows:

	Acreage		Production (Short Tons)	Average Extraction (Per Cent)
	Planted	Harvested		
California	135,700	123,500	1,037,000	15.79
Idaho	57,600	55,600	498,000	12.97
Utah	116,100	112,700	1,304,000	11.40
U. S.	978,500	880,500	8,530,000	12.99

Average prices paid to growers last year were \$13 per ton in California and \$12 per ton in Utah and Idaho. This year one of the principal refineries in the Intermountain states says growers will receive "somewhere in the neighborhood of six dollars per ton for beets of average quality, if the sugar market meets expectations" and another guarantees a return of \$5.50 per ton in Utah and \$6 per ton in Idaho and Washington. Prices in California generally rule slightly higher than in the Intermountain district because of the greater sugar content of the beets grown in that state. Practically all prices are based on a sliding scale, the return to the growers depending partly on the sugar content of their beets and partly on the prices which factories receive for their output of refined sugar. Sugar refiners state that the margin between manufacturing costs and selling price promises to be narrow. With the exception of the elements of railroad rates and coal prices, cost of production is being reduced.



Beet Sugar Prices in the Twelfth Federal Reserve District 1919-1921 (Quotations F. O. B. Refinery—San Francisco)

Range and pasture conditions continued above normal throughout the district with the exception of Arizona and southern Utah where deficient rainfall has caused a **Livestock** shortage of grass and water. Hot weather is drying up the grazing areas in lower altitudes, but most of the stock is now in the mountains where the grass is reported plentiful.

Receipts of cattle and calves at the principal markets of the district during June were below those of a year ago, the decrease being most noticeable in Portland. In order to meet maturing obligations, a larger proportion than usual of the herds of the district was sold last fall, and there is now a shortage of beef cattle in the range country. Low prices now obtaining, excellent range conditions, and surplus feed in many sections have created a demand for stocker animals but there are few available and livestock men generally are unable to finance

their purchase in large numbers where they can be obtained.

Sheep and lambs are coming to market in larger numbers than in 1920. The new lamb crop is now being marketed and bringing prices ranging from \$5.50 to \$10 a hundred-weight on the markets of this district. Despite the fact that no hay was fed to sheep during the winter, the spring lamb crop has been the best in several years and the lambs generally have been larger and better finished than they normally are.

Receipts of livestock and purchases for local slaughter at the five principal markets of the district during June, 1921 and 1920, are shown in tables "D" and "E."

Prices of all kinds of livestock were slightly lower at the end of June than at the beginning of the month, with hogs holding steadiest and lambs showing the greatest variations. Average June prices were lower than those of May, the decline being most marked in calves. Compared with June a year ago, livestock prices are from 25 per cent lower in the case of calves to 40 per cent lower in the case of hogs. The range in livestock prices at the five principal markets of the district is shown in table "F."

Butter in cold storage in four cities of this district increased 1,114,943 pounds during June

as compared with an increase of 1,236,429 pounds in May. During June of last year the increase in holdings was 1,717,656 pounds.

Butter in storage on July 1st of this year totaled 2,832,265 pounds, a decrease of 22 per cent from the same date in 1920. A statement of the movement of stocks of cold storage butter during June, 1921 and 1920, and holdings on July 1st at the four principal markets of this district are shown in table "G."

The average price paid to milk producers by fluid milk distributors, presented in table "H," shows a decline of seven cents in the Mountain Section and no change in the Pacific Section, compared with May, 1921, and a decline of 81 cents and 35 cents, respectively, compared with June, 1920.

(G) Movement of Stocks of Cold Storage Butter—

City	June, 1921 Net Increase (Pounds)	June, 1920 Net Increase (Pounds)	July 1, 1921 Holdings (Pounds)	July 1, 1920 Holdings (Pounds)
Los Angeles...	185,780	341,697	683,958	724,217
Portland	166,658	370,004	275,430	575,451
San Francisco.	421,951	376,814	1,287,651	1,401,552
Seattle	340,554	629,141	585,226	935,722
Totals.....	1,114,943	1,717,656	2,832,265	3,636,942

(D) Receipts of Livestock—

	Cattle		Calves		Hogs		Sheep		Horses and Mules	
	June 1921	June 1920	June 1921	June 1920	June 1921	June 1920	June 1921	June 1920	June 1921	June 1920
Portland	8,818	14,006	703	1,401	9,667	17,065	49,295	22,072	84	126
Salt Lake City....	2,744	7,332	283	556	3,005	3,302	15,843	42,642	44	95
Seattle	3,303	5,455	109	281	11,513	4,946	9,608	5,551	22	40
Spokane	3,956	5,338	485	628	2,998	3,288	10,438	20,246	74	186
Tacoma	1,744	1,782	12	184	4,972	2,986	4,830	2,358	..	..
Total	20,565	33,913	1,592	3,050	32,155	31,587	90,014	72,869	224	447

(E) Purchases for Local Slaughter—

	Cattle		Calves		Hogs		Sheep	
	June 1921	June 1920	June 1921	June 1920	June 1921	June 1920	June 1921	June 1920
Portland	3,615	5,566	336	571	6,304	9,952	23,000	7,770
Salt Lake City	2,063	859	277	17	2,720	1,975	4,331	1,411
Seattle	2,995	5,235	109	281	11,035	4,660	9,608	5,267
Spokane	2,106	3,018	251	490	2,339	2,578	2,055	1,371
Tacoma	1,744	1,782	12	184	4,972	2,986	4,830	2,358
Total	12,523	16,460	1,035	1,543	27,370	22,151	43,824	16,177

(F) Range in Livestock Prices—

Week of	Highest and Lowest Average Top Prices Per Hundredweight Received at Five Principal Markets During June.				
	Fat Steers	Cows	Calves	Hogs	Lambs
June 6.....	\$7.50—8.25	\$6.00—7.00	\$9.50—12.00	\$7.50—9.75	\$6.00— 9.00
June 13.....	7.15—7.75	5.50—6.75	9.00—10.50	7.50—9.25	5.50—10.00
June 20.....	5.75—7.50	4.50—6.50	6.00—10.00	7.60—9.25	6.50— 8.50
June 27.....	6.50—7.50	5.25—6.00	6.00— 9.50	8.75—9.25	6.15— 8.00

June production of lumber, as reported by the four lumber associations of the district, was 377,605,000 feet, the highest figure reached during the current year, and 17,530,000 feet or 4.8 per cent greater than the May cut. In the corresponding weeks of 1920 the cut was reported to be 525,630,000 feet. Shipments and orders did not keep pace with the increased cut and were less than in June, 1920, or May, 1921. Shipments decreased from 335,805,000 feet in May to 318,697,000 feet in June or 4.7 per cent and were 15.6 per cent less than the June cut, stocks on hand at the mills being increased accordingly. Orders received during the month totaled 292,190,000 feet compared with 342,724,000 feet in May, a decrease of 14.7 per cent. A large part of the orders received by the mills during the month called for mixed lots of lumber whereas, under normal conditions, many of these orders would be for straight cars of one kind of lumber. Lumbermen take this to mean that the concerns making such purchases have small stocks and are buying to meet current needs only. The extreme quiet now prevailing in lumber production is expected to pass with the application of new freight rates to eastern points (the new rate on fir to New York to be 95 cents compared with the present rate of \$1.06½) to be made effective as soon as the tariffs can be published and with the resumption of railroad buying which is expected in the near future. Spruce is in more active demand, especially in the box grades, as northern fruit growers and packers are now placing orders for fall supplies.

The combination of a sluggish lumber market, the marine strike, and high water in the Columbia and Willamette rivers, which caused the closing of several saw mills, has reduced log requirements to the lowest point in years. At present 75 per cent of the logging camps are closed down and loggers state that they will not resume operations until improvement is evident in lumber demand.

Further wage readjustments in the lumbering industry are reported and a scale calling for a minimum wage of \$3 per day for common labor is now in effect. The former wage—about the first of the year—was \$3.40 per day. Wages of other classes of laborers have been similarly readjusted. Eight hours remains the basic working day.

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

Increased production of gold, silver and lead and a decrease in the production of copper in May, 1921, as compared with May, 1920, are reported by 13 mines in the district. **Mining** Compared with April, 1921, the same mines report increases in copper, lead, and silver production and a reduced output of gold.

The activity of reporting mines cannot be used as an index of general conditions in the mining industry at the present time, as many properties are not being operated, particularly in the copper mining sections. Those mines which are still bringing out metal are the lowest cost producers and they are operating at reduced capacity.

Reporting gold, silver and lead mines which are still operating continue at 100 per cent capacity. Comparative figures of the output of metal of 13 reporting mines in May, 1921, April, 1921, and May, 1920, are shown in the following table:

	May, 1921	May, 1920	April, 1921
*Copper (pounds) ..	5,448,669	5,967,308	5,186,846
Lead (pounds)	13,673,327	10,370,920	11,339,279
Silver (ounces)	428,120	268,456	373,274
Gold (ounces)	39,178	29,314	44,968

*Blister.

(H) Prices Received by Milk Producers*—

Section†	June, 1921 Range	June, 1921 Average	May, 1921 Average	June, 1920 Average
Mountain (126 Mkts.) .	\$1.57-\$2.91	\$2.23	\$2.30	\$3.04
Pacific (151 Mkts.)...	1.90- 3.39	3.07	3.07	3.42
U. S. (3,085 Mkts.)....	1.00- 4.05	2.11	2.55	3.21

*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.

(I) 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	
	June 25	May 28	June 25	May 28	June 25	May 28	June 25	May 28	June 25	May 28
reporting	111	115	44	43	6	7	11	9	172	174
Cut*	227,461	233,753	95,891	82,440	24,723	24,230	29,530	19,652	377,605	360,075
Shipments*	236,932	255,325	56,069	57,207	12,288	12,619	13,408	10,654	318,697	335,805
Orders*	218,280	260,049	51,500	53,950	8,001	14,025	14,409	14,700	292,190	342,724

*In thousands of feet.

Average daily production of petroleum in California during June was 337,625 barrels, an increase of 64,556 barrels a day compared with June, 1920, and of 524 barrels a day compared with May, 1921.

Daily shipments in June were also greater than during the previous month averaging 280,494 barrels compared with 250,020 barrels, an increase of 30,424 barrels a day. Production continues greater than consumption, however, and stored stocks at the end of June totaled 29,768,643 barrels representing an increase of 1,713,933 barrels during the month.

Seventy-six new wells were opened, with an initial daily production of 19,965 barrels, and two wells were abandoned during the month, an increase of 74 producing wells.

Petroleum and petroleum derivatives faced by decreasing consumption and increasing stored stocks are now yielding to pressure of the present price readjustment period and reductions in the prices of crude oil, gasoline and kerosene have recently been announced. A comparison of pre-war, peak, and present prices in five states of this district follows:

	Pre-War	Peak	Present
California			
Crude petroleum (bbl.)	\$0.40	\$1.60	\$1.35
Kerosene (gal.)	.09	.165	.145
Gasoline (gal.)	.145	.27	.25
Oregon			
Kerosene (gal.)	.10	.175	.155
Gasoline (gal.)	.15	.30*	.28*
Washington			
Kerosene (gal.)	.10	.175	.155
Gasoline (gal.)	.15	.28	.27†
Nevada			
Kerosene (gal.)	.14	.265	.245
Gasoline (gal.)	.185	.35	.29
Arizona			
Kerosene (gal.)	.14	.235	.215
Gasoline (gal.)	.18	.37	.305

*Includes Oregon State Tax 2c per gallon.

†Includes Washington State Tax 1c per gallon.

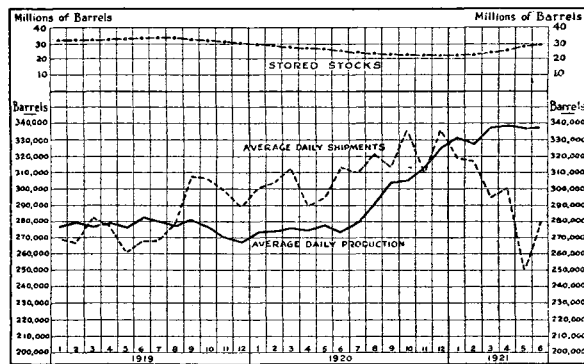
Statistics on oilfield operations as furnished by the Standard Oil Company of California are shown in table "J."

Unemployment in the district as a whole decreased during June due largely to calls from agricultural sections for harvest hands in the grain fields and orchards. Labor conditions in the principal cities of the district are practically unchanged, the large increase in the number of unemployed in San Francisco (due to the strike in the building trades) being more than offset by decreases in Los Angeles, Portland and Seattle.

The following table is taken from the monthly review of the United States Employment Service of the Department of Labor and is based on reports from firms employing 500 men or more in the four cities included:

	Numerical increase or decrease (—) in employment during June compared with May	Percentage increase or decrease (—) in employment during June compared with May
Los Angeles	1,431	6.7
Portland	1,009	2.3
Seattle	5	.12
San Francisco	—2,362	—25.0

During the first two weeks of July the labor situation in San Francisco and nearby communities improved. In San Francisco, while the building trades strike remains unsettled, it is stated that work is being gradually resumed under the so called "open shop" plan. In Oakland a similar strike was ended when



Petroleum Production, Shipments and Stored Stocks (California) 1919-1921

(J) Petroleum—

	June, 1921	May, 1921	June, 1920	6 Months Period Jan.-June, 1921	6 Months Period Jan.-June, 1920
Production (daily average)...	337,625 bbls.	337,101 bbls.	273,069 bbls.	335,157 bbls.	274,917 bbls.
Shipments (daily average)....	280,494 bbls.	250,070 bbls.	313,769 bbls.	.....	.....
Stored Stocks (end of month)	29,768,643 bbls.	28,054,710 bbls.	25,370,903 bbls.	29,768,643 bbls.	*22,240,271 bbls.
New Wells Opened.....	76	59	36	383	215
With Daily Production....	19,965 bbls.	21,130 bbls.	6,455 bbls.	.....	.....
Wells Abandoned.....	2	6	4	31	36

*December 31, 1920.

workers and employers agreed on a 7½ per cent reduction in wages and the resumption of work under the "open shop" system. Part time employment is being resorted to in some plants in Portland, Spokane and Tacoma.

Curtailed operations in the fishing and lumbering industries and the closing down of shipyards have caused increases in unemployment in the coastal regions of the Pacific Northwest. In the mining centers activity has not revived, many of the copper mines being shut down and those mines which are operating are running at less than capacity. The increased demand for farm labor has absorbed the labor supply released by other industries but except in predominantly agricultural communities the total of unemployment has not been greatly reduced.

The monthly industrial survey of the United States Employment Service, Department of Labor, shows that 1,428 firms in 65 principal industrial centers of the United States employed 1,527,124 workers on June 30, 1921, compared with 1,573,538 on May 31, 1921, a net decrease of the number employed of 46,414

or 2.9 per cent. The net decrease in the same establishments since January 1, 1921, has been 101,010 or 6.2 per cent.

Bureau of Census figures of the results of census of manufactures in Nevada for 1919 and 1914 are printed in table "K." 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 certain increases at the census of 1919 as compared with that for 1914, but the totals for the state are seriously affected by the decrease in the smelting and refining of copper in 1919 as compared with 1914.

A statement of the total number of automobile registrations in the states of this district during June, 1921, June, 1920, and the six months period (January-June, 1921 and 1920) is given in table "L." These figures include passenger and commercial vehicles but are exclusive of motorcycles.

(K) Nevada Manufactures—

	Census		Per Cent of Increase* 1914-1919
	1919	1914	
Number of Establishments.....	166	180	— 7.8
Persons engaged in manufactures.....	3,566	4,113	—13.3
Proprietors and firm members.....	136	179	—24.0
Salaried employees.....	311	279	11.5
Wage earners (average number).....	3,119	3,655	—14.7
Primary Horsepower.....	13,874	18,748	—26.0
Capital.....	\$16,835,000	\$13,591,000	23.9
Services.....	4,906,000	4,049,000	21.2
Salaries.....	588,000	471,000	24.8
Wages.....	4,318,000	3,578,000	20.7
Materials.....	16,491,000	9,317,000	77.0
Value of Products.....	22,874,000	16,083,000	42.2
Value added by manufacture (value of product less cost of materials).....	6,383,000	6,766,000	— 5.7

*A minus sign (—) denotes decrease.

(L) Registrations of Motor Vehicles, Passenger and Commercial—

	June, 1921	June, 1920	Six Months ending June 30, 1921	Six Months ending June 30, 1920
Arizona.....	632	....	32,234	30,850
†California.....	17,767	15,434	588,863†	466,702†
Idaho.....	3,077	2,728	46,318	46,469
Nevada.....	446	376	9,868	....
Oregon.....	2,115	1,745	102,274	89,173
Utah.....	1,951	2,687	41,153	37,389
Washington.....	9,334	6,425	170,470	162,831*

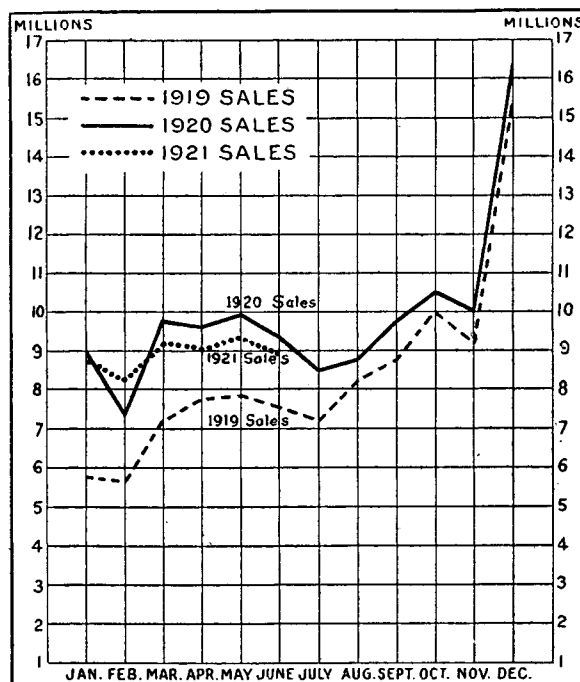
†February 1st to June 30th.

*March 1st to June 30th.

The physical volume of retail trade in the district generally continues greater than last year, declines in the dollar value of sales being considerably less than the average decline in retail prices. The dollar value of June, 1921, sales of 31 representative department stores and mail order houses in this district was 7.8 per cent less than in June, 1920, and in the first six months of the present year was but 6.6 per cent less than in the corresponding period in 1920. Retail prices in the reporting stores have declined approximately 20 per cent during the year June, 1920—June, 1921.

The amount of the average sale (cash, charge and C. O. D.) reported by nine firms was \$2.55 in June, 1921, compared with \$2.83 in May, 1921, and \$3.37 in June, 1920. Following is a statement of the average sale (cash, charge and C. O. D.) in Los Angeles, San Francisco and Seattle:

	June, 1921	May, 1921	June, 1920
Los Angeles.....	\$ 3.23	\$ 2.82	\$ 4.07
San Francisco.....	2.77	2.99	...
Seattle	2.66	3.07	...
District	2.55	2.83	3.37



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

(M) Retail Trade Activity—

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

(31 Stores Reporting)

	Oakland	Los Angeles	San Francisco	Seattle	Spokane	Salt Lake City	Sacramento	District
Percentage increase or decrease of net sales during June, 1921, over net sales during same month last year.....	— 3.9	2.9	— 5.7	—13.5	—23.4	— 6.1	—13.8	— 7.8
Percentage increase or decrease of net sales during June, 1921, over net sales during May, 1921..	13.9	2.3	—27.6	5.5	— 1.2	— 8.0	—14.8	— 5.8
Percentage increase or decrease of net sales from January, 1921, to June 30, 1921, inclusive, over net sales during same period last year .....	.5	8.0	— 4.1	—15.6	— 8.2	— 7.3	— 9.2	— 6.6
Percentage increase or decrease of stocks close of June, 1921, over stocks at close of same month last year.....	—18.4	—17.6	—16.3	—28.3	—16.3	—25.7	—32.6	—20.9
Percentage increase or decrease of stocks close June, 1921, over stocks at close of May, 1921.....	— 4.7	— 9.1	— 8.6	— 5.1	— 7.1	— 8.3	— 6.8	— 7.6
Percentage of average stocks close of each month this season to average monthly net sales during same period.....	468.2	376.0	394.4	410.1	575.5	..	422.0	469.7
Percentage outstanding orders close of June, 1921, to total purchases during year 1920.....	5.0	11.1	10.3	6.2	9.2	4.0	..	8.4

Seven stores reported sales greater in value in June, 1921, than in June, 1920. Los Angeles was the only city showing a similar increase (2.9 per cent) in the value of sales in this period. Both Los Angeles (8.0 per cent) and Oakland (0.5 per cent) reported increases in the value of sales in the first six months of 1921 compared with the first six months of 1920. The average net increase or decrease (—) in the value of sales in reporting cities of this district is as follows:

	June, 1921, compared with		Six months ending June 30, 1921, compared with six months ending June 30, 1920
	June, 1920	May, 1921	
Los Angeles...	2.9	2.3	8.0
San Francisco...	5.7	—27.6	—4.1
Sacramento	—13.8	—14.8	—9.2
Oakland	—3.9	13.9	.5
Seattle	—13.5	5.5	—15.6
Spokane	—23.4	—1.2	—1.8
Salt Lake City...	6.1	—8.0	—7.3

Retailers continued to purchase goods sparingly and to reduce their inventories during June. On June 30th the value of stocks (selling price) of the 31 reporting stores was 20.9 per cent below the reported value in June, 1920, and 7.6 per cent below the reported value on May 31, 1921. The percentage of average stocks on hand to average monthly net sales was approximately the same as on May 31st and indicated a rate of turnover of two and one-half times a year.

Collections were characterized by the reporting firms as follows:

	Excellent	Good	Fair	Poor
No. of Firms....	2	12	11	0

Table "M" gives in detail statistics in regard to sales, stocks and outstanding orders as reported by 31 representative department stores and mail order houses in the district.

(N) Wholesale Trade—

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

	Hardware	Dry Goods	Groceries	Drugs	Shoes	Stationery	Furniture	Auto Tires	Automotive Equipment and Supplies
Number of re- porting firms...	23	11	31	10	15	25	15	13	19
Los Angeles.....	6.1	..	6.3	..	—20.1	18.0	7.2	23.5	2.9
San Francisco....	1.0	—3.7	—17.3	..	—4	—18.0	—7	34.3	6.8
Seattle	11.2	5.8	..	5.6	25.0	4.8	..	..	..
Portland	16.1	12.9	—6.8	..	15.2	—1.6	—10.3	..	9.0
Tacoma	12.5	..	9.7	..	..	..	—13.0	..	..
Spokane	—2.0	..	13.0	..	..	13.8	—3.5	72.8	..
Salt Lake City....	18.8	..	3.6	—5	..	22.4	..	154.1	23.0
Sacramento	—6.5	..	1.0	..	..	..	..	..	..
District	7.7	—8	—3.9	2.4	—3	..2	—5	32.7	6.6

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

	Hardware	Dry Goods	Groceries	Drugs	Shoes	Stationery	Furniture	Auto Tires	Automotive Equipment and Supplies
Number of re- porting firms...	23	11	31	10	15	25	15	13	19
Los Angeles.....	—20.4	..	—3.5	..	—26.2	—16.3	2.2	—4	—18.8
San Francisco....	—32.6	—10.6	—37.0	..	—19.7	—47.2	—39.4	—17.2	—24.9
Seattle	—35.4	—36.5	..	—21.6	—46.2	—22.9	..	..	..
Portland	—24.9	—30.7	—25.9	..	—9.7	—30.7	—32.6	..	—6.6
Tacoma	—10.0	..	—27.7	..	..	..	—40.3	..	..
Spokane	—20.3	..	—20.1	..	..	—21.2	—33.3	17.2	—14.3
Salt Lake City....	—40.5	..	—43.2	—23.7	..	—22.2	..	8.9	—33.3
Sacramento	—34.8	..	—18.9	..	..	..	..	..	—10.8
District	—29.2	—17.0	—26.4	—17.8	—18.1	—34.4	—27.0	2.5	—16.2

(1c) Percentage of increase or decrease (—) in net sales for January 1, to June 30, 1921, over same period last year

	Hardware	Dry Goods	Groceries	Drugs	Shoes	Stationery	Furniture	Auto Tires	Automotive Equipment and Supplies
Number of re- porting firms...	23	11	31	10	15	25	15	13	19
Los Angeles.....	—35.3	..	—8.5	..	—13.7	—11.0	—28.5	—24.6	—16.9
San Francisco....	—27.8	—27.5	—24.0	..	—26.0	—17.6	—44.1	—43.7	—23.7
Seattle	—41.5	—45.3	..	..	—45.5	—30.2	..	..	..
Portland	—30.6	—33.2	—34.8	..	—51.8	—20.1	—51.0	..	—30.7
Tacoma	—14.3	..	—30.6	..	..	..	—41.8	..	..
Spokane	—24.8	..	—32.2	..	..	—19.6	—42.9	—45.3	—29.6
Salt Lake City....	—39.4	..	—34.3	—25.2	..	—20.8	..	—53.1	—38.8
Sacramento	—22.4	..	—16.0	..	..	..	..	..	—23.5
District	—33.2	—29.4	—25.1	—15.6	—29.4	—16.4	—39.4	—23.0	—25.4

Reports from 162 representative wholesale firms in nine lines of business in the district indicate that the value of net sales during June, 1921, was less than the value of June, 1920 sales in all lines except automobile tires where an increase of 2.5 per cent occurred. Compared with May, 1921, increases were reported in value of sales of hardware, drugs, stationery, automobile tires and automotive equipment, the largest gain being in sales of automobile tires, reflecting the usual seasonal increase in purchases of this article.

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

	June, 1921, compared with June, 1920	May, 1921	First six months of 1921 compared with first six months of 1920
Hardware	-29.2	7.7	-33.2
Dry Goods.....	-17.0	— .8	-29.4
Groceries	-26.4	— 3.9	-25.1
Drugs	-17.8	2.4	-15.6
Shoes	-18.1	— .3	-29.4
Stationery	-34.4	.2	-16.4
Furniture	-27.0	— .5	-39.4
Auto Tires.....	2.5	32.7	-23.0
Auto Equipment and Supplies...	-16.2	6.6	-25.4

In the district as a whole the seasonal decline in volume of business which occurs in several lines of wholesale trade during the summer months has not been abnormally large this year, although some dealers in all lines report a larger decline than usual.

Present wholesale prices are 10 to 40 per cent lower in all lines than they were one year ago. The general trend of prices during June was downward except in stationery and shoes. Stationery prices continue to fluctuate without material reductions and shoe prices are reported as steady.

Collections during June were characterized by reporting firms as follows:

	Excellent	Good	Fair	Poor
No. of Firms....	5	39	63	5

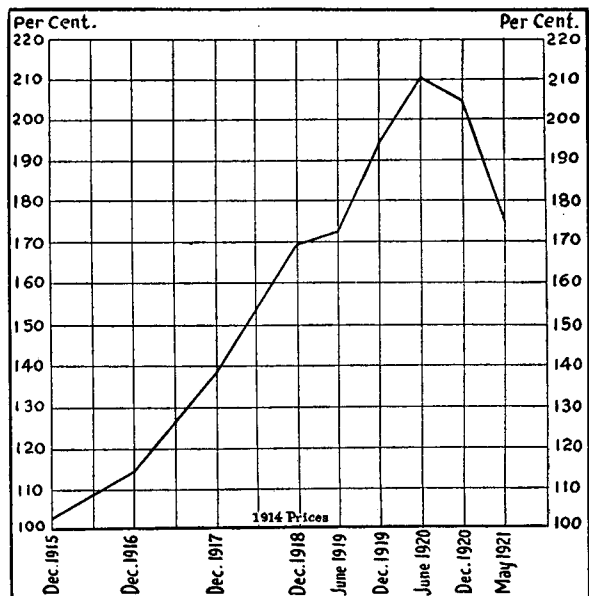
There has been practically no change in collection conditions during the present year, the majority of reporting firms stating each month that collections are fair to good.

Statements of increases and decreases (—) in the value of sales of reporting wholesale firms during June, 1921, compared with June, 1920, and May, 1921, and the first six months of 1921 compared with the same period in 1920, are shown in table "N." (See preceding page.)

Changes in the cost of living in the United States and in four of the principal cities of this district from December, 1914, to May, 1921, are shown in the following table and chart based on figures recently published by the United States Department of Labor. Costs of food, clothing, housing, fuel and light, furniture and miscellaneous items are included in the total cost of living (December, 1914=100).

	Dec., 1915	High June, 1920	May, 1921	Per Cent Decline from High
Los Angeles...	98.1	201.7	178.7	11.4
Portland	96.9	200.4	162.2	19.1
San Francisco..	98.3	196.0	166.7	14.9
Seattle	99.0	210.5	180.2	14.4
United States..	98.0	210.1	175.1	16.6

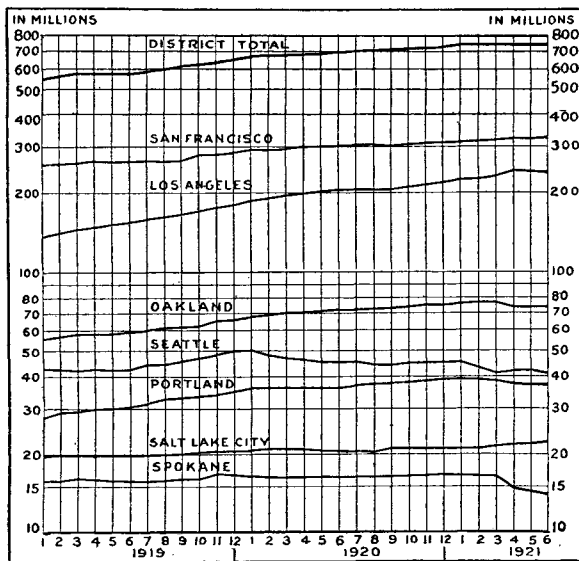
According to these figures living costs in this district did not rise so rapidly as those for the whole United States during the period of rising prices and are now falling at approximately the same rate as in the rest of the country. The greatest increase in the district is reported for Seattle and the decline since the peak of June, 1920, has been smaller there than in the other cities except Los Angeles. The smallest increase in the cost of living during the period of generally rising prices was reported for San Francisco which reached a peak of 196.0 in June, 1920. Living costs since June, 1920, have declined most rapidly in Portland and that city now has the lowest comparative cost of living of reporting cities in the district.



The Cost of Living in the United States Expressed as Percentages of Figures for July, 1914

Savings deposits in this district (as reported by 80 banks in the seven principal cities) declined 27 hundredths of one per cent during the four weeks ending June 15th, the total on that date being \$750,386,000 as compared with \$752,443,000 on May 15th, and \$693,024,000 on June 15, 1920. The increase in savings deposits during the last year has been 8.3 per cent. During the four weeks ending June 15th last, increases were shown in San Francisco, Oakland and Salt Lake City, and decreases in Los Angeles, Seattle, Portland and Spokane.

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



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

An official statement of postal receipts at 50 of the principal post offices in the United States shows that postal receipts during June, 1921, were 19 hundredths of one per cent less than in June, 1920, and 1.3 per cent greater than in May, 1921. Included in this list of 50 cities are San Francisco, Los Angeles, Seattle, Portland and Salt Lake City, all of which recorded increases in June, 1921, compared with June, 1920, ranging from 2 per cent in Seattle to 18.9 per cent in Los Angeles. Compared with May, 1921, June postal receipts were greater in all reporting cities in this district except Portland where a decrease of 56 hundredths of one per cent was recorded. San Francisco ranked sixth in amount of postal receipts among the cities of the country during June, 1921.

Following are figures of postal receipts in reporting cities in the Twelfth Federal Reserve District and in all of the reporting cities of the United States:

	June, 1921	June, 1920	May, 1921	Per Cent Increase June, 1921 over June, 1920
San Francisco....\$	474,887	\$ 435,930	\$ 451,315	8.9
Los Angeles	379,274	318,950	369,185	18.9
Seattle	182,683	179,090	166,708	2.0
Portland	159,047	152,622	159,938	4.2
Salt Lake City...	75,340	71,653	74,213	9.7
U. S. (50 cities).	19,751,690	19,789,909	19,503,793	* .19

*Decrease.

Building permits issued in the 20 principal cities of the district during June, represented construction valued at \$15,450,694 which was 4.0 per cent less than the value of

Building Activity permits issued during June, 1920, and 13.2 per cent less than the value of those reported in May, 1921. The number of permits including new construction, alterations, and repairs, increased 39.8 per cent over June, 1920, but was 3.8 per cent less than the number issued in May, 1921. Comparing June, 1921, with the same month last year it is interesting to note that in June, 1920, the number of permits issued was at the low point for the year (except December) but that the average value of each permit was the highest it has ever been. (See accompanying chart.)

Reports from the same 20 cities tabulated for the six months period, January to June, show that there were 48,224 permits issued in 1921 with a valuation of \$92,390,706 compared with 36,973 permits issued in the corresponding period in 1920 with a valuation of \$87,553,343, an increase of 30.4 per cent in number and 5.5 per cent in value in the first six months of 1921. The large increase in the number of permits issued indicates much greater activity in building this year than in 1920, a fact not completely revealed by the increase in the value of permits, as prices have declined considerably during the year. Considering reductions in the cost of building materials during the past year, averaging 25 per cent, an increase in the dollar value of permits issued this year compared with 1920 indicates a more than proportional increase in actual construction.

As presented by the monthly reports the greatest gains in building activity during the six months period have been in southern California. Los Angeles, which is the leading city of the district in the number and value of permits issued, reported an increase of 41.7 per cent in this period and gains were also reported from other southern California cities including San Diego (190.7 per cent), Long Beach (7.8

per cent), and Pasadena (38.0 per cent). Oakland, Portland, Reno, and Ogden are the other cities in the district which reported greater building activity thus far this year than in 1920.

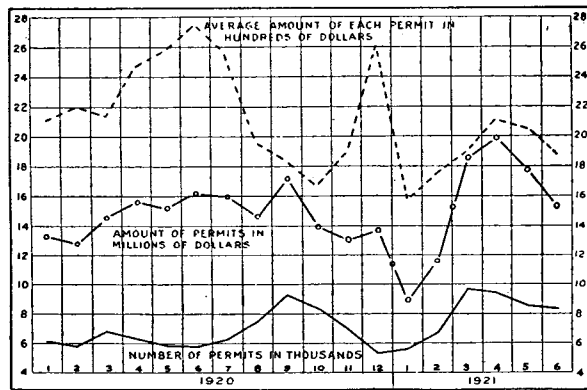
Reports from the larger cities in this district indicate an average reduction of a dollar a day during the present year in the wages paid in the various building trades. Decreases are reported from San Francisco (7½ per cent), Oakland (7½ per cent), Portland (10 per cent), Spokane and Phoenix (12 per cent), Los Angeles (plasterers and bricklayers 16 per cent; common laborers 20 per cent), Salt Lake City (20 per cent), Seattle (20 per cent reduction in February, 1921). Long Beach, Ogden and Reno report that up to the present time there have been no reductions in wages of union labor in the building trades while in Boise a reduction of 10 per cent has been made in the wages of some crafts.

The accompanying chart shows the number, valuation and average value of building permits issued in this district by months since

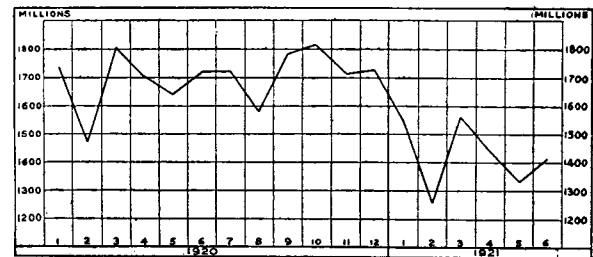
January, 1920. Comparative figures of the number and value of building permits issued in the 20 reporting cities of the district are shown in table "O."

The steady decline in bank clearings of the 20 principal cities of the district, which has been in progress since October, 1920 (disregarding the rebound in March from the low point reached in the short month of February), was arrested in June and clearings for that month totaled \$1,417,597,000, an increase of 6.0 per cent compared with the May total of \$1,332,166,000. Compared with June, 1920, clearings during June, 1921, showed a decrease of 17.8 per cent. Increases in June of this year over June, 1920, were reported from Ogden (67.7 per cent), Pasadena (55.2 per cent), Long Beach (32.6 per cent), and Los Angeles (5.1 per cent).

In the six months period, January to June, 1921, bank clearings in the reporting cities totaled \$8,551,195,000 compared with \$10,077,095,000 in the corresponding period in 1920, a decrease of 15.1 per cent. In the year period, June, 1920, to June, 1921, prices at both retail and wholesale declined from 10 to 45 per cent which indicates that the physical volume of



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



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

(O) Building Permits—

	June, 1921		June, 1920		Jan.-June, 1921,		Jan.-June, 1920		Per Cent Increase or Decrease (—) June, 1921 over June, 1920	Per Cent Increase or Decrease First 6 M 1921 or First 6 M 1920
	No.	Value	No.	Value	No.	Value	No.	Value		
Los Angeles	2,712	\$ 6,269,546	1,691	\$ 6,610,681	14,909	\$34,302,477	9,647	\$24,197,639	— 5.2	41.
Oakland	533	1,486,022	323	1,050,642	3,376	6,667,580	2,104	4,931,466	41.4	35.
Portland	1,149	1,428,685	743	1,035,785	6,634	8,331,895	5,020	6,947,385	37.1	19.
San Francisco	475	920,965	480	1,949,692	2,999	11,246,498	3,197	14,873,518	—52.8	—24.
Seattle	850	919,740	800	1,323,230	5,754	6,111,545	5,298	7,908,455	—30.5	—22.
San Diego	360	799,944	168	204,935	1,854	3,959,396	992	1,361,899	290.3	190.
Long Beach	249	775,700	340	980,210	1,753	6,156,144	2,188	5,709,313	—20.9	7.
Pasadena	275	552,318	186	258,675	1,341	2,447,546	904	1,773,153	113.5	38.
Tacoma	416	433,324	223	256,003	2,196	1,837,734	1,437	3,307,953	69.3	—44.
Berkeley	162	292,583	100	553,314	798	1,549,153	655	1,757,203	—47.1	—11.
Sacramento	153	261,450	88	320,405	1,003	1,915,152	758	1,939,978	—18.4	— 1.
Salt Lake City	132	244,614	68	131,360	759	1,400,542	416	1,405,809	86.2	—
Fresno	156	235,505	143	219,743	1,222	1,829,575	1,101	3,100,305	7.2	—41.
Phoenix	54	152,985	127	378,752	591	1,173,064	988	2,872,731	—59.6	—59.
Stockton	74	142,655	62	125,688	478	770,845	428	1,463,311	13.5	—47.
Spokane	231	141,505	158	203,380	1,288	869,175	830	1,884,520	—30.4	—53.
Boise	94	118,948	81	169,000	500	438,372	403	544,774	—29.6	—19.
Reno	22	115,200	11	12,377	122	256,179	88	242,762	830.7	5.
Ogden	54	96,750	23	57,350	292	567,045	166	419,275	68.7	35.
San Jose	50	62,255	49	260,467	355	560,789	355	911,894	—76.1	—38.
Total	8,201	\$15,450,694	5,864	\$16,101,689	48,224	\$92,390,706	36,975	\$87,553,343	— 4.0	5.

business and trade in this district has probably been greater during the first six months of 1921 than during the corresponding period of 1920.

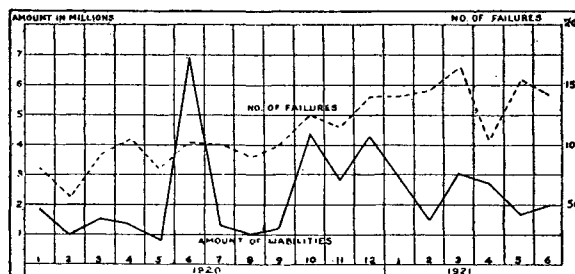
Comparative figures of clearings for the 20 reporting cities are shown in table "P."

Business failures in the Twelfth Federal Reserve District during June, 1921, were greater in number but less in amount of liabilities than in June, 1920, and less in number

Business Failures and greater in liabilities than in May, 1921. Failures in June last numbered 143 compared with 103 in June, 1920. Comparison of total liabilities involved in each case is not significant as there was one failure in June, 1920, large enough to swell the figures abnormally. In the six months period ending June 30, 1921, there were 843 failures reported with liabilities amounting to \$13,489,600 compared to 509 failures with

liabilities of \$13,457,015 in the corresponding period of 1920, an increase of 65.6 per cent in the number and two-tenths of 1 per cent in the amount of liabilities.

R. G. Dun and Company's comparative figures for the states of this district are shown in table "Q."



Business Failures, Twelfth Federal Reserve District, 1920-1921

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

(P) Bank Clearings*—

	June, 1921	May, 1921	June, 1920	Jan.-June 1921	Jan.-June 1920	Per Cent Increase or Decrease (—) June, 1921 over June, 1920	Per Cent Increase or Decrease (—) First 6 Months 1921 over First 6 Months 1920
San Francisco...	\$ 531,100	\$ 509,900	\$ 693,000	\$3,268,400	\$4,022,815	—23.4	—18.7
Los Angeles.....	353,224	323,552	336,263	2,062,292	1,909,433	5.1	8.0
Seattle	123,958	114,707	183,220	733,700	1,101,176	—32.2	—33.4
Portland	121,189	114,732	166,642	736,411	933,391	—27.2	—21.1
Salt Lake City..	49,080	47,812	72,995	322,789	447,503	—32.7	—27.9
Spokane	42,862	38,989	55,190	248,839	333,297	—22.3	—25.3
Oakland	41,634	42,872	47,364	258,848	271,933	—12.1	— 4.8
Stockton	19,757	19,412	22,354	125,761	141,125	—11.6	—10.9
Sacramento	19,641	18,122	25,723	125,847	147,175	—23.2	—14.4
Ogden	16,775	5,908	10,000	55,588	71,440	67.7	—22.2
Long Beach.....	15,215	13,515	11,473	88,375	75,419	32.6	17.2
Tacoma	14,335	14,146	22,640	86,878	138,726	—36.7	—37.4
Fresno	13,622	13,991	17,017	95,790	128,071	—19.9	—25.2
Pasadena	13,610	12,294	8,769	82,494	56,841	55.2	45.1
Berkeley	12,115	13,257	13,077	74,978	73,811	— 7.4	1.6
San Diego.....	11,438	10,696	12,455	69,141	76,127	— 8.2	— 9.2
San Jose.....	6,084	6,394	8,703	40,703	53,496	—30.1	—23.9
Bakersfield	5,201	5,379	5,753	32,080	32,632	— 9.6	— 1.7
Boise	3,912	3,744	7,501	25,512	†40,691	—47.8	—37.3
Reno	2,845	2,744	4,080	16,769	21,993	—30.3	—23.7
Total	\$1,417,597	\$1,332,166	\$1,724,219	\$8,551,195	\$10,077,095	—17.8	—15.1

†March, 1920, Clearings not included.
*000 omitted.

(Q) Business Failures—

	June, 1921		June, 1920		Jan.-June, 1921		Jan.-June, 1920		Per Cent Increase or Decrease (—) June, 1921 over June, 1920	Per Cent Increase or Decrease (—) First 6 Months 1921 over First 6 Months 1920
	No.	Amount	No.	Amount	No.	Amount	No.	Amount		
California ...	66	\$ 761,186	61	\$ 564,279	371	\$ 4,097,089	273	\$ 2,933,910	34.9	39.6
Oregon	21	548,247	15	377,600	131	3,838,554	81	912,464	45.2	320.7
Washington .	30	342,656	25	5,920,717	178	2,971,858	95	8,361,901	—94.2	—64.5
Arizona	10	216,900	2	38,000	37	516,600	8	50,600	470.8	920.9
Idaho	5	48,863	..	.....	60	1,277,035	15	95,171	100.0	124.2
Utah	11	48,065	..	.....	41	761,164	32	946,769	100.0	—19.6
Nevada .....	..	.....	..	.....	5	27,300	5	156,200	..	—82.5
District	143	\$1,965,917	103	\$6,900,596	843	\$13,489,600	509	\$13,457,015	—71.5	.2

Demand for bankers' acceptances has been uneven during the month ending July 15th. Just previous to July 1st, buying fell off materially, but since then, there has been a brisk movement of bills, especially those with longer maturities.

Buying has been fairly well distributed over the whole coast, although the bulk of the demand has come from California banks.

Prime bills are still scarce and are absorbed rapidly by the market upon appearance.

The rate for prime 90's continued to drop during the month due to the continuing easy condition of the call money market. On June 29th, this basic rate fell to $5\frac{3}{8}$ per cent, followed by another drop to a $5\frac{1}{4}$ basis on July 8th. It stands at the latter figure at the present time, July 15th.

Attention of bankers and others is being directed to the advantages of this form of investment for deposited funds which may be subject to withdrawal independently of the normal industrial or agricultural liquidation in a community. Examples of such funds are county, state and municipal deposits.

The prevailing rate on the commercial paper of customers of banks in the six Federal Reserve Bank and Branch cities of the district remains unchanged at $6\frac{1}{2}$

per cent for San Francisco and 7 per cent for all other cities save Salt Lake City, where it remains at 8 per cent. Rates on other classes of paper show no uniform trend but a slight tendency towards lower rates is manifested in the larger cities and an equally slight tendency towards higher rates in the country districts, as the season agricultural demands become greater. (See table "R.")

Effective July 21st at the Federal Reserve Banks of New York, Philadelphia and Boston and July 25th at the Federal Reserve Bank of San Francisco, discount rates on all classes of

paper of all maturities were reduced from 6 to $5\frac{1}{2}$ per cent.

Reduction of approximately 8 per cent in the borrowings from the Federal Reserve Bank by the 67 reporting member banks in this district occurred during the four weeks ending July 6th. Bills payable and rediscounts of these banks with the Federal

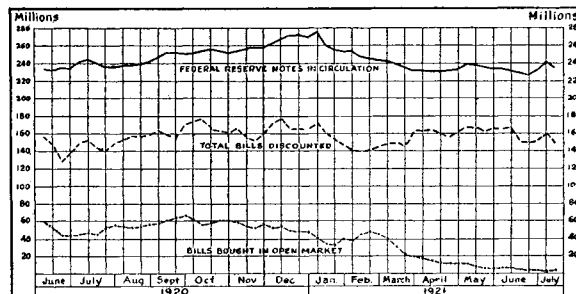
Reserve Bank then stood at \$92,540,000 compared with \$100,811,000 on June 8th. Of the \$8,300,000 reduction, \$6,800,000 represents decrease in borrowings secured by U. S. government obligations. The investments of these same banks in short term government obligations (certificates of indebtedness and victory and treasury notes) declined by approximately \$9,000,000 or 25 per cent during the period, indicating a gratifying absorption of such securities by investors. A small decline of \$2,000,000 in demand deposits was balanced by an increase of over \$11,000,000 in time and \$4,000,000 in government deposits. Loans and discounts to commercial borrowers increased approximately \$5,000,000, less than 1 per cent, during the month. Total loans and investments of these reporting member banks on June 8, 1921, were \$1,171,933,000, of which sum their total borrowings from the reserve bank (\$100,811,000) were 8.6 per cent. On July 6, 1921, their total loans and investments were \$1,169,210, of which their borrowings with the reserve bank (\$92,540,000) were 7.9 per cent. (See table "S.")

All classes of discounts with the bank declined during the month ending July 13th, the total amount then held, \$149,163,000, being over 12 per cent less than the June 8th figure of \$170,830,000 and 16 per cent beneath the peak of \$176,872,000 on December 10, 1920. Reduction was greatest in discounts secured by U. S. government obligations, holdings of \$38,082,000 on July 13th being \$14,000,000, or 27 per cent less than the

(R) Interest and Discount Rates—

	Prime Commercial Paper				Interbank Loans		Collateral Demand Loans		Secured by L. L. Bonds or U. S. Certificates of Indebtedness	
	Customers		Open Market		July	June	July	June	July	June
San Francisco...	$6\frac{1}{2}$	$6\frac{1}{2}$	7	7	$6\frac{1}{2}$	$6\frac{1}{2}$	7	7	$6\frac{1}{2}$	7
Los Angeles....	7	7	7	6	6	7	7	7	7	7
Salt Lake City..	8	8	-0-	-0-	7	7	8	8	8	7
Portland	7	7	7	$7\frac{1}{4}$	7	7	7	7	7	7
Seattle	7	7	7	7	7	7	7	7	$7\frac{1}{2}$	8
Spokane	7	7	-0-	-0-	7	7	7	7	7	7

\$52,087,000 held on June 8th. Accompanying this liquidation an increase of approximately the same amount (\$21,000,000) occurred in the money reserves of the bank, \$20,500,000 of which represented increase in gold holdings. Demands for additional currency to pay harvest hands and otherwise to facilitate seasonal operations caused an increase of \$5,500,000 (2½ per cent) in issues of federal reserve notes. The bank's reserve ratio on July 13th was 60.2 per cent compared with 55 per cent on June 8, 1921, and 43.9 per cent on July 16, 1920.



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

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

	July 6, 1921	June 8, 1921	July 9, 1920
*Number of Reporting Banks.....	67	68	68
1. Loans and Discounts (exclusive of rediscounts):			
(a) Secured by United States Government Obligations... \$	24,956,000	\$ 25,154,000	\$ 33,015,000
(b) Secured by Stocks and Bonds other than U. S. Bonds	146,757,000	148,595,000	145,706,000
(c) All Other	691,437,000	686,855,000	‡989,046,000
(See explanatory foot note below concerning item 1 (c) in 1920)			
2. Investments:			
(a) United States Bonds.....	102,370,000	101,834,000	97,972,000
(b) United States Victory Notes.....	13,746,000	17,031,000	13,078,000
(c) United States Certificates of Indebtedness.....	14,425,000	19,442,000	25,594,000
(d) Other Bonds, Stocks and Securities.....	173,102,000	173,022,000	—
(e) United States Treasury Notes.....	2,417,000	—	—
3. Total Loans and Discounts and Investments.....	1,169,210,000	1,171,933,000	1,304,420,000
4. Reserve Balance with Federal Reserve Bank.....	73,231,000	72,734,000	83,082,000
5. Cash in Vault.....	29,448,000	25,141,000	31,751,000
6. Net Demand Deposits on which reserve is computed.....	553,589,000	555,612,000	630,775,000
7. Time Deposits, including Savings Deposits.....	545,327,000	533,983,000	523,171,000
8. Government Deposits	4,833,000	897,000	2,344,000
9. Bills Payable with Federal Reserve Bank:			
(a) Secured by United States Government Obligations...	25,245,000	30,856,000	28,347,000
(b) All Other	393,000	118,000	85,000
10. Bills Rediscounted with Federal Reserve Bank:			
(a) Secured by United States Government Obligations...	3,988,000	5,182,000	2,471,000
(b) All Other	62,914,000	64,655,000	70,959,000

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

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

ANNOUNCEMENT

Under date of July 12, 1921, announcement has been made by the Stock Growers' Finance Corporation that it is ready to receive applications for rediscount from banks and cattle loan companies who have filed with the corporation a satisfactory financial statement. Not having the organization to properly inspect and investigate loans, and recognizing that the situation requires that the funds be made available promptly, the corporation has adopted the policy of making no direct loans. This corporation is the organization which has been formed by the bankers of the country who assembled at Chicago during the month of June to consider means of rendering financial assistance to the livestock industry. Information as to the method of making application for loans to the corporation, or other information of interest to prospective borrowers or banks which have agreed to furnish funds to the corporation, may be had by addressing the

STOCK GROWERS' FINANCE CORPORATION
1054 Continental & Commercial Bank Building
CHICAGO, ILLINOIS

**COMPARATIVE STATEMENT OF
CONDITION OF FEDERAL RESERVE BANK OF SAN FRANCISCO
AT CLOSE OF BUSINESS JULY 13, 1921**

RESOURCES—	July 13, 1921	June 8, 1921	July 16, 1920
Gold and Gold Certificates.....	\$ 20,056,000	\$ 18,651,000	\$ 12,267,000
Gold Settlement Fund—Federal Reserve Board..	32,528,000	36,190,000	35,289,000
Gold with Foreign Agencies.....	—0—	—0—	5,130,000
Total Gold Held by Bank.....	\$ 52,584,000	\$ 54,841,000	\$ 52,686,000
Gold with Federal Reserve Agent.....	150,560,000	124,325,000	112,803,000
Gold Redemption Fund.....	7,187,000	10,708,000	10,909,000
Total Gold Reserves.....	\$210,331,000	\$189,874,000	\$176,398,000
Legal Tender Notes, Silver, Etc.....	3,372,000	2,840,000	816,000
Total Reserves.....	\$213,703,000	\$192,714,000	\$177,214,000
Bills Discounted:			
Secured by U. S. Government Obligations....	38,082,000	52,087,000	44,191,000
All Other	108,852,000	113,352,000	100,374,000
Bills Bought in Open Market.....	2,229,000	5,391,000	44,125,000
Total Bills on Hand.....	\$149,163,000	\$170,830,000	\$188,690,000
U. S. Bonds and Notes.....	208,000	424,000	2,632,000
One-Year Certificates of Indebt. (Pittman Act)..	9,880,000	10,380,000	15,186,000
All Other Certificates of Indebtedness.....	1,000	2,000	—0—
Total Earning Assets.....	\$159,252,000	\$181,636,000	\$206,508,000
Bank Premises.....	560,000	559,000	231,000
5% Redemption Fund Against F. R. Bank Notes..	494,000	544,000	665,000
Gold Abroad in Custody or in Transit.....	—0—	—0—	—0—
Uncollected Items.....	41,202,000	34,485,000	51,441,000
All Other Resources.....	3,549,000	2,576,000	329,000
Total Resources.....	\$418,760,000	\$412,514,000	\$436,388,000
LIABILITIES—			
Capital Paid In.....	\$ 7,342,000	\$ 7,278,000	\$ 6,399,000
Surplus	15,207,000	14,194,000	11,662,000
Reserved for Government Franchise Tax.....	2,225,000	2,012,000	—0—
Deposits:			
Government	1,431,000	1,764,000	—0—
Member Bank Reserve Account.....	110,782,000	108,486,000	125,772,000
All Other.....	5,816,000	8,568,000	5,756,000
Total Deposits.....	\$118,029,000	\$118,818,000	\$131,528,000
F. R. Notes in Actual Circulation.....	237,217,000	231,730,000	241,135,000
F. R. Bank Notes in Circulation—Net Liability..	6,535,000	7,164,000	10,718,000
Deferred Availability Items.....	30,509,000	28,529,000	32,790,000
All Other Liabilities.....	1,696,000	2,789,000	2,156,000
Total Liabilities.....	\$418,760,000	\$412,514,000	\$436,388,000
Memo: Contingent Liability on Bills Purchased for Foreign Correspondents.....	1,472,000	1,472,000	736,000