

AGRICULTURAL AND BUSINESS CONDITIONS IN THE TWELFTH FEDERAL RESERVE DISTRICT

Monthly Report to the Federal Reserve Board

by

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THE cumulative effect of a greater movement of goods at retail than at wholesale, which has been evident for several months from the trade reports received by this bank, is now being reflected in one of the major industries of this district. Cannerymen of fruits and of salmon report a distinctly stronger demand for their products within the last few weeks,

The Month and the opening prices of the principal fruit canner have twice been raised on certain varieties of fruit while other varieties have been sold out entirely. Through the cannerymen this influence has been transmitted to the growers of fruits who are now reported to be receiving for peaches—the staple line in this industry—around \$50 per ton compared with \$35 per ton bid by the cannerymen at the opening of the season.

Reports from the retail and wholesale trade for July affirm conclusions drawn from earlier reports and mentioned above; namely, that the volume of the movement of goods at retail exceeds that at wholesale. For the district generally, retail sales of department stores were 12.9 per cent less in dollar value during the month than during July, 1920, and the value of sales for the year to August 1st is but 7.2 per cent less than the value of sales during the same period of 1920. The average percentage of decline in the selling prices of their goods reported by these stores during the year is at least 20 per cent, and it is apparent that the volume of goods now being sold by these large retailers is in excess of that moved by them a year ago. In the wholesale trade, on the other hand, the percentages of decline in value of sales during the current month compared with July, 1920,

are in several cases stated to be greater than the reported decline in the selling price of the product, and it is probable that the movement of goods at wholesale throughout the district is generally less than it was last year at this time. Continuation of such a discrepancy must eventually produce a condition in other lines analogous to that now obtaining in the canning industry.

Generalizations cannot be used in summarizing conditions affecting the raw products of the district other than fruits. Marketing is proceeding rapidly with some and with others movement is sluggish. The 115,000,000 bushel wheat crop of the district has thus far been marketed in volume 130 per cent greater than that of last year to this date, and exports this season are 30 per cent larger than they were at this time a year ago. Approximately 75 per cent of the district's 1921 wool clip of nearly 73,000,000 pounds has passed out of the growers' hands by actual sale to dealers and mill buyers at prices of from 12-18c per pound. Marketing of livestock generally is in about the same volume as it was in July, 1920, there having been during recent months a noticeable decline in the marketing of sheep from the range areas. Heavy showers have benefited those ranges previously suffering from drought in all areas except southern California. Operators in the lumber industry of the Pacific Northwest, where production is about 65 per cent of normal, express more hopeful sentiments concerning the immediate future, basing them upon several factors, among which are anticipated buying by the railroads, increasing export demand from Australia and the Orient, enlarged purchasing power in rural districts as a result of

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marketing crops, and the small stocks of lumber believed to be remaining in the hands of jobbers and in retail yards throughout the country. Petroleum output in California declined slightly during the month but not so much as shipments, and stocks were added to during July. Prices of crude petroleum and gasoline were reduced August 3rd; all grades of petroleum falling 25 cents per barrel at the well and gasoline from 25c to 23c per gallon. The mining industry of the district awaits revival of industrial demand for its products.

It is equally difficult to generalize from the conventional statistics of business activity. July bank clearings of the district, approximately 22 per cent less than those of a year ago, would indicate, in view of the decline in wholesale and retail prices, that the volume of business being done is somewhat greater than it was a year ago, but business failures for July were, with one exception, the greatest in the last eighteen months both in number and total liabilities involved. Building permits in July outnumbered by 25 per cent those of July, 1920, with dwellings and apartment houses the predominant type of construction. Unemployment during July was approximately the same in amount as in June. The ability of farmers to dispense with much harvest help which last year they considered essential has so reduced the normal demand from that quarter that it has not more than balanced the decline in the number of those employed in lumbering, mining, fishing, and shipbuilding. Savings deposits of 79 banks in the district on July 15th were approximately the same as those of June 15th last and 6.8 per cent greater than they were a year ago. Considering the decline in prices during that time savings bank depositors can now command a considerably larger volume of goods than they could in July, 1920.

The banking structure of the district grows progressively stronger. Reporting member

banks (67 in number) did not increase their loans and discounts during July, compared with June, money deposited with them by their customers from sales of early product evidently being sufficient to care for demands incident to later harvesting and marketing operations. On the contrary, member banks continued to reduce their borrowings from this bank, whose holdings of bills discounted for member banks declined \$12,600,000 (8 per cent) during the month. Federal reserve notes of this bank in circulation also declined \$9,400,000 (4 per cent), and the reserve ratio of the bank accordingly rose 2.4 per cent during the month to 62.6 per cent on August 10th, compared with 46.7 per cent on August 13, 1920. Reduction in the discount rate of the reserve bank to 5½ per cent has been reflected by slightly easier money rates in the larger cities of the district, but rates in the country are unchanged.

Harvesting of grains in the southern states of the district is about completed. In the northern states winter wheat has been cut and is being threshed, and the cutting of spring wheat is now under way.

Wheat and Barley Estimates of yields, which have not materially changed since July 1st, are given in table "A."

Marketing of this year's grain crop is proceeding rapidly and many farmers are selling their grain immediately after threshing, in contrast with the tendency to hold for higher prices which obtained at this time last year. Receipts and shipments at terminal points have been heavy.

Receipts of wheat at Portland, Oregon, and at Puget Sound shipping points:

	July 1-Aug. 12 1921 (Cars*)	July 1-Aug. 12 1920 (Cars*)	Per Cent Increase 1921 Season over 1920 Season
Portland	3,198	1,597	100
Puget Sound.....	1,441	418	245
Total	4,639	2,015	130

*Average number of bushels per car 1,500.

(A) Estimated Yields of Wheat and Barley—

	Wheat		Barley	
	Aug. 1, 1921 (bushels)	1920 (bushels)	Aug. 1, 1921 (bushels)	1920 (bushels)
Arizona	882,000	864,000	905,000	680,000
California	8,080,000	9,100,000	29,000,000	28,750,000
Idaho	25,590,000	23,600,000	3,247,000	3,486,000
Nevada	555,000	420,000	302,000	304,000
Oregon	22,975,000	22,900,000	2,485,000	2,576,000
Utah	6,265,000	5,366,000	623,000	685,000
Washington	51,014,000	37,982,000	3,712,000	3,883,000
Totals	115,361,000	100,232,000	40,274,000	40,364,000

Stocks of barley in warehouses and on wharves at Port Costa, California:

Aug. 1, 1921	July 1, 1921	Aug. 1, 1920	Per Cent Increase Aug., 1920-Aug., 1921
3,571,083 bu.	1,487,494 bu.	1,549,958 bu.	130

Exports of wheat from Portland and Puget Sound ports during July, 1921, were 2,972,519 bushels compared with 2,213,923 bushels in July, 1920.

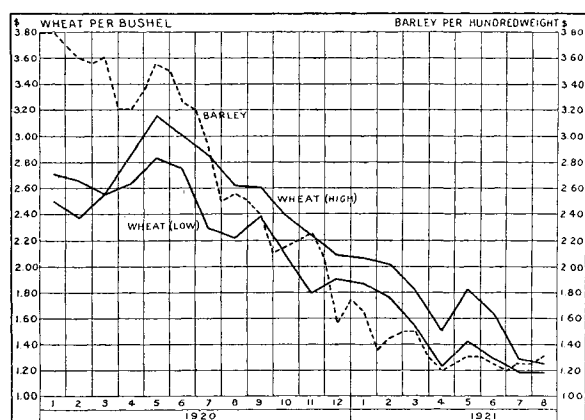
Reported prices to growers of wheat and barley in some of the states of the district as compared with those of a year ago are shown below:

Wheat	1921 (per bushel)	1920 (per bushel)
Washington	\$.90—\$.95	\$2.00—\$2.65
Oregon .....	.95—1.00	2.00—2.25
Utah .....	.75—.80	2.00—2.25
California	\$1.95*	3.75—4.00*

Barley	1921	1920
California	\$1.15—\$1.25†	\$2.25—\$2.50†

*No. 1 hard white wheat delivered at San Francisco, per hundredweight.

†Per hundredweight.



Monthly Average High and Low Prices of No. 2 Red Winter Wheat at Chicago. Semi-Monthly Export Barley Prices at San Francisco.

Production of reporting flour mills in this district was approximately the same during July as during June, an increased output in Oregon being offset by smaller production in California.

Milling Operations were 41.2 per cent of capacity compared with 41.7 per cent in June and 38 per cent in July, 1920. Millers report that domestic buying continues on a day to day basis with prices steady or tending slightly downward. Increased demand from the export trade has been noted recently.

Stocks of flour in millers' hands on August 1st, as reported by 24 large operators were 203,214 barrels, compared with 338,977 barrels on the same day in 1920. Stocks of wheat held by 21 operators on August 1st were 869,760 bushels compared with 1,257,288 bushels on August 1st, a year ago, the entire decrease occurring in California.

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

Final disposition of the California apricot crop has been made during the past four weeks. The yield is estimated to have been 105,000 tons, compared with

Deciduous Fruits

115,000 tons last year. During the same period the peak of the movement to market of California peaches and pears was passed and shipments from Washington and Oregon began. The heaviest shipments from the latter states will be made during late August and early September. Picking and shipping of Gravenstein apples in California and early apples in Oregon and Washington is under way. Estimated 1921 yields of peaches, pears and apples in the

(B) Milling—

	No. Mills Reporting		Output—		Per Cent Mill Capacity in Operation		
	July	June	July (barrels)	June (barrels)	July 1921	June 1921	July 1920
California	14	15	221,876	260,169	54	65	36
Idaho	4	5	13,174	12,945	44	43	..
Oregon	25	25	100,250	78,788	32	22	..
Washington	29	31	263,315	271,232	38	38	44
District	72	76	598,615	623,134	41.2	41.7	38

(C) Estimated Yields of Peaches, Pears and Apples—

	Peaches (In thousands of bushels)		Pears (In thousands of bushels)		Apples (In thousands of bushels)	
	1921	1920	1921	1920	1921	1920
California	320,000*	345,000*	65,000*	100,000*	5,356	6,003
Idaho	166	40	73	83	3,585	3,631
Oregon	199	100	630†	560	4,800†	3,300
Utah	864	825	47	60	918	918
Washington	1,386	423	1,397	2,246	24,538	17,000

*In tons (approximately 41½ bushels per ton).

†July 1st estimate.

principal fruitgrowing states of the district, compared with yields in 1920, are shown in table "C" (see preceding page).

Prices to growers of fruit advanced generally during the latter part of July. Increased demand from eastern fresh fruit buyers came with the decline in the movement to market of a record peach crop in Georgia. A sudden revival of demand for western canned fruits caused packers to advance their bids to growers in order to obtain additional supplies of the rapidly disappearing fruits. Apricots sold for \$40 to \$60 per ton, cling peaches for \$50 to \$55 per ton (as high as \$60 in Washington) and pears for \$65 to \$75 per ton. The increased price for peaches was especially acceptable to growers, the opening bids of the canners for this fruit having been \$35, compared with 1920 prices of \$90 to \$110 per ton. The California Pear Growers' Association disposed of the fruit under its control at its fixed price of \$61.75 per ton for No. 1 Bartletts, while the Oregon Growers' Co-operative Association sold its pool for \$65 per ton.

Shipments of peaches and pears from California during July were considerably less than those of twelve months ago, as shown by the following carload shipment figures:

	Peaches	Pears
June, 1921.....	70	....
June, 1920.....	314	6
July, 1921.....	761	1,431
July, 1920.....	1,811	2,249
Two months, 1921.....	831	1,431
Two months, 1920.....	2,125	2,255

The difference in shipments of pears corresponds to the reduction in the crop yield, but the decrease in peach shipments is out of proportion to the smaller yield and is to be attributed to the competition offered in the East

by a record breaking crop (10,000 carloads) of Georgia Elberta peaches.

California fruit canneries will put up from 55 to 65 per cent of their 1920 pack of 11,382,863 cases, according to latest estimates available. In the opening weeks of the canning season, packers hesitated to contract for fresh fruit, in view of losses suffered on the 1920 pack of the relatively large holdover stocks, and a prospective small demand. The pack of cherries and apricots accordingly was but one third to one-half of last year's pack. As July progressed, however, the demand for Pacific Coast canned fruits increased, partly due to more general realization by the trade of the fruit shortage resulting from small yields in other parts of the country, and partly due to the increasing consumer demand, which became evident after prices were lowered in the spring. Prices of canned goods were advanced above opening levels in many cases and canners hastened to make delayed purchases of fruit from the growers. The result has been higher prices to growers, and higher quotations on the canned product. As an example of the change in prices of canned fruits, table "D" is presented. It shows the opening prices and recent advances of the largest operator in the canned fruit industry.

Approximately 40 per cent of the California yellow free peach crop, and practically the entire crop of yellow clings was taken by the canners. Nearly 80 per cent of the California pear crop went to the canneries. It is estimated that about 10 per cent of the southern Oregon pear crop, 20 per cent of the Washington pear crop and 15 per cent of the Utah peach crop are being canned. The canning of peaches in the Northwest and of pears in Utah is relatively unimportant.

(D) Canned Fruit Prices—

Fruit (Choice Grade—Can Size No. 2½)	July 21 Opening Prices 1921 Pack (per doz.)	Revised Prices 1921 Pack (per doz.)		Per Cent Increase Compared with Opening Prices	
		Aug. 1	Aug. 10	Aug. 1	Aug. 10
Apricots	\$2.35	\$2.50	\$2.60	6.4	10.6
*Blackberries	2.25	2.25	2.25	..	..
Cherries, Black.....	3.00	..	—†—	..	..
Cherries, Royal Anne.....	3.00	..	—†—	..	..
Grapes, Muscat.....	2.35	2.35	2.35	..	..
*Loganberries	2.35	2.35	2.35	..	..
Peaches, Yellow Free.....	2.30	2.50	2.50	8.7	8.7
Peaches, Yellow Cling.....	2.35	2.50	2.60	6.4	10.6
Peaches, White Cling.....	2.35	2.50	2.60	6.4	10.6
Pears, Bartlett.....	3.00	3.25	3.25	8.3	8.3
Plums (Green Gage).....	2.05	2.15	2.25	4.8	9.7
*Raspberries	2.40	..	..	..	..
*Strawberries	2.90	..	..	..	..

*Standard grade.

†Advanced 10c dozen on standard grade.

Weather and range conditions were favorable for the livestock industry of the district during July. Heavy showers in the range

Livestock sections of Arizona greatly benefited growing feed and replenished the failing water supply.

Range and pasture lands in other states remained in excellent condition with the exception of small drought-stricken areas in southern California. Indications are that hay and grain will be abundant at country points adjacent to range areas at prices not far from \$6 per ton for hay and \$1 per hundred pounds for feed grain.

More cattle were received during July at the principal markets of the district than during June, and receipts approximated more closely than a month ago receipts during the summer of 1920. Calves continue to be sent to market in numbers about half those of 1920. July witnessed a marked decline in the arrivals of sheep at market, though these continue to be greater than receipts a year ago. At Spokane and Salt Lake City, where conditions in the northwestern range states are most clearly reflected, declines in receipts of cattle and sheep compared with July, 1920, were particularly large. Information from 60 markets in the United States shows that the amount of feeder stock sent to market during the first six months of this year was 25 per cent less than last year's figures.

Receipts of livestock at the five principal markets of the district during July, 1921, and 1920, are shown in table "E."

With the exception of hogs, prices of which advanced materially as is customary at this season, quotations for livestock at the markets of the district during July changed little from those prevailing in June. Calves were slightly

higher at the end of the month than at the beginning, but steers and cows were slightly lower. Prices of cattle at Spokane in the middle of July were the lowest reported in five years. In Chicago, on the other hand, prices of cattle rose during July and the prices of sheep advanced proportionately as much as those of hogs (about 30 per cent). The range in livestock prices at the five principal markets of the district is shown in table "F."

Final figures on the 1921 wool clip in the Twelfth Federal Reserve District are not available, but it is estimated that it was approximately 90 per cent of the 1920 **Wool** clip of 81,000,000 pounds. Marketing of the 1921 clip has proceeded rapidly and reports indicate that 75 per cent of the wool produced has been sold outright by the grower to mill buyers and wool dealers. At the present time it would appear that eastern buyers have purchased all the desirable clips that growers are willing to sell at present prices, and have temporarily retired from the field. The eastern market for wool is reported to be slowly broadening with a large number of mills running to capacity on orders received for spring goods.

Three significant features of the recent marketing of wool in this district are worthy of comment.

1. Presence of "distress" lots of wool from both the 1920 and 1921 clips. Approximately 75 per cent of the 1920 clip remained to be marketed at the opening of the 1921 season. Some sales of small lots have been made since that time but usually at "distress" prices. Manufacturers were also able to buy considerable quantities of the 1921 clip at practically their own prices, due to the pressure of growers' financial obligations. There was, there-

(E) Receipts of Livestock—

	Cattle		Calves		Hogs		Sheep		Horses and Mules	
	July 1921	July 1920	July 1921	July 1920	July 1921	July 1920	July 1921	July 1920	July 1921	July 1920
Portland	9,303	9,198	524	892	6,905	13,046	43,238	31,246	..	..
Salt Lake City....	3,055	4,549	63	207	3,857	2,754	7,993	10,207	52	128
Seattle	3,859	4,283	221	314	5,167	3,353	9,706	9,434	6	21
Spokane	2,703	3,873	324	686	1,731	3,490	8,577	15,943	39	124
Tacoma	2,183	2,206	146	238	3,629	2,595	9,798	6,534	..	..
Total	21,103	24,109	1,278	2,337	21,289	25,238	79,312	73,364	97	273

F) Range in Livestock Prices—

Highest and Lowest Average Top Prices Per Hundredweight Received at Five Principal Markets During July.

Week of	Fat Steers	Cows	Calves	Hogs	Lambs
July 5.....	\$5.60—7.25	\$4.85—6.00	\$6.00— 9.50	\$ 8.45— 9.50	\$5.00—7.50
July 11.....	6.00—7.75	5.00—6.00	6.00— 9.00	9.50—11.00	6.50—8.00
July 18.....	6.00—7.75	5.00—6.00	6.00—11.00	9.80—14.25	6.30—8.00
July 25.....	5.50—7.00	4.50—6.00	6.00—11.00	10.30—13.75	6.00—7.75

fore, little competitive bidding. A possible exception to this last statement was noticed in the case of fine staple wools. There was an apparent scarcity of the finer grades of wool and competition among purchasers was relatively keen.

2. Adjustment of prices to pre-war levels. Prices paid to producers for wool were approximately the same as those prevailing in 1915. There have been numerous sales at prices ranging between 12 and 18 cents a pound, depending upon the grade and fineness of the wool and the financial necessities of the seller. Because of the necessity of adjusting woolgrowers' overdrafts on their consignments of last year's clip, many sales of this year's wool have resulted in actual payment to the grower of less than 15c per pound.

3. Shipment of wool to the Atlantic Coast by way of the Panama Canal. A large proportion of the wool going to eastern markets, both on purchase by manufacturers' agents and on consignment, has been shipped by rail to Pacific Coast points and thence by boat through the Panama Canal.

Stocks of butter in cold storage in four cities of this district increased only 338,521 pounds during July as compared with an increase of 1,236,429 pounds in June and an

Dairy Products increase of 1,178,542 pounds during July, 1920. This decline in the rate at which holdings of butter are being accumulated, contrary to the usual seasonal movement, is attributed to an unusually active consuming demand and to small receipts. The wholesale price of 93 score fresh creamery butter at San Francisco rose from 37¾ cents per pound, July 1st to 41¾ cents per pound August 1st. Butter in storage in four cities of this district on August 1st of this year totaled 3,170,786 pounds, a decrease of 1,644,698 pounds, or 34 per cent, from the same date in 1920. A statement of the movement of stocks of cold storage butter during July, 1921, and 1920, and holdings on August 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 two cents per hundredweight in the Mountain Section and a decline of eight cents in the Pacific Section, compared with June, 1921, and a decline of 79 cents and 85 cents, respectively, compared with July, 1920. (According to corrected figures received this month, the average price paid to milk producers in the Pacific Section during

June, 1921, was \$2.82 per hundredweight instead of \$3.07 as stated in our July report.)

Reduced prices and a seasonal increase in consumption have quickened the movement of canned salmon into consuming channels and an appreciable reduction of the large holdover (chiefly pinks and chums or lower grade salmon) from the 1920 pack has taken place. On August 1st spot prices of the majority of grades of canned salmon were 35 to 50 per cent below 1920 opening prices and the holdover of 1920 pack goods remaining on the Pacific Coast was estimated at 2,000,000 cases or more than 40 per cent of last year's pack. During the second week of this month a strong domestic and export demand developed, causing the price of chums to advance from 70 to 90 cents per case and the price of pinks from 80 cents to \$1.00 per case. Holdings were reported to have been materially decreased during this period of activity.

(G) Movement of Stocks of Cold Storage Butter—

City	July, 1921 Net Increase (Pounds)	July, 1920 Net Increase (Pounds)	Aug. 1, 1921 Holdings (Pounds)	Aug. 1, 1920 Holdings (Pounds)
Los Angeles...	408	271,507	684,366	995,722
Portland	162,222	302,731	437,652	878,182
San Francisco...	73,382	157,454	1,361,033	1,559,000
Seattle	102,509	446,850	687,735	1,382,572
Total	338,521	1,178,542	3,170,786	4,815,482

(H) Prices Received by Milk Producers*—

Section†	July, 1921 Range	July, 1921 Average	June, 1921 Average	July, 1920 Average
Mountain (5 Mkts.‡)...	\$1.73-\$2.65	\$2.21	\$2.23	\$3.00
Pacific (7 Mkts.‡)....	1.67- 3.65	2.74	2.82	3.59
U. S. (111 Mkts.‡)....	1.20- 4.70	2.55	2.41	3.33

*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.

‡Beginning with this issue the markets are the cities for which prices are reported instead of the country stations at which milk is bought for these cities.

(I) Estimated Pack of Salmon for 1921, Compared with 1920—

District	Canneries Operating 1921	1920	Estimated 1921 Pack	Actual 1920
Western Alaska.	27	28	1,200,000	913,000
Central Alaska..	23	35	600,000	1,280,000
S. E. Alaska....	25	80	600,000	2,202,000
Puget Sound....	20*	11*	300,000	167,000
Columbia River.	18	19	300,000	481,000
Totals	113	173	3,000,000	5,043,000

*Approximate.

On August 15th one large factor announced opening prices on the 1921 pack. They compare with 1920 opening prices as follows:

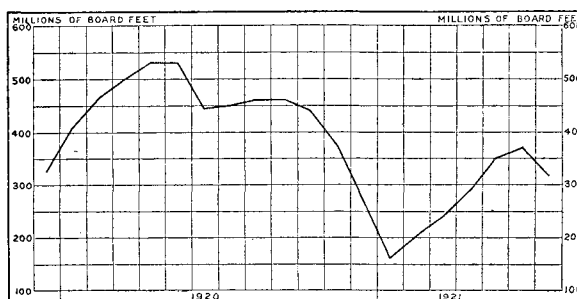
One Pound Tall Cans	1920 Opening Prices (per doz.)	1921 Opening Prices (per doz.)
Reds	\$3.25	\$2.25
Medium Reds.....	2.75	1.50
Kings	3.00	1.75
Pinks	1.50	1.15
Chums	1.15	1.05

Preliminary estimates of the 1921 pack of salmon in the five principal fishing districts on the Pacific Coast place this year's output at approximately 3,000,000 cases, compared with 5,043,000 cases packed in the same sections in 1920. Less than 70 per cent of the canneries which operated last year are open this season and the run of fish has been generally light. However, preliminary estimates will undoubtedly have to be revised, as fishing is still in progress.

It is estimated that the pack on Puget Sound will be about twice that of 1920 (167,000 cases) as this is the year in the four-year cycle when the Sockeyes run in the Sound. The run has thus far been light, however, and later estimates will probably show a reduction in the pack of this district. On the Columbia River, there were floods and disputes between canners and fishermen during May and June, and since July 1st, the run has been below normal. The pack may not be more than 50 per cent of last year's pack (481,000 cases). Table "I" (opposite page) shows estimates of the 1920 and 1921 packs of salmon in the five principal fishing districts on the Pacific Coast.

Production of lumber in this district, which has been increasing steadily since January of this year, decreased slightly during July. The cut (329,343,000 feet) reported by the four lumber associations in this district, was 48,262,000 feet, or 12.7 per cent less than the June cut, and operations are reported to be approximately 65 per cent of normal. Orders and shipments in July also declined compared with last month, due in part to the fact that buyers and shippers are postponing purchases in anticipation of announced freight rate reductions which are not

yet effective. Orders received decreased from 292,190,000 feet in June to 263,416,000 feet in July, or 9.5 per cent, while shipments declined from 318,697,000 feet in June to 286,727,000 feet in July, or 10.0 per cent.



Production of Lumber in Twelfth Federal Reserve District as Reported by Lumber Associations 1920-1921

Lumbermen of this district generally consider the present outlook favorable, basing their opinions upon the following factors:

1. Anticipated resumption of buying by railroads of the country, which are normally among the principal consumers of lumber.
2. Early and continuous marketing of their crops by farmers, which is expected to stimulate rural consumption of lumber.
3. Increased building operations in the cities of the country, as wages and the prices of building materials decline.
4. Reduced railroad freight rates to markets east of the Mississippi River announced July 11, and to take effect as soon as the tariffs can be published. The new rate will be 95 cents instead of \$1.06½ per hundred pounds to the Atlantic Seaboard.
5. Limited stocks of lumber in the hands of distributors. Present buying is largely confined to "fill-in" orders and it is believed a marked increase in public demand could not be met from dealers' stocks.
6. An improved export situation. Japan is buying, Australia is showing renewed interest, and China is taking her normal volume of Douglas fir.

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

(J) 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	
	July 30	June 25	July 30	June 25	July 30	June 25	July 30	June 25	July 30	June 25
1921—Four Weeks Ending										
reporting	106	111	44	44	7	6	11	11	168	172
Cut*	189,471	227,461	88,191	95,891	28,558	24,723	23,123	29,530	329,343	377,605
Shipments*	200,157	236,932	58,002	56,069	13,338	12,288	15,230	13,408	286,727	318,697
Orders*	181,207	218,280	59,650	51,500	13,039	8,001	9,520	14,409	263,416	292,190

*In thousands of feet.

Metal production in this district during the first six months of 1921 was below that of the same period in 1920, and recent previous years, according to reports of the

Mining United States Geological Survey. Low market prices prevailing have caused a substantial reduction in the output of copper, lead and zinc. The greatly decreased production of these metals has caused a corresponding, although proportionately smaller, decline in the production of gold and silver, inasmuch as considerable quantities of the latter metals are extracted from ores mined principally for their copper or lead content. Labor troubles in Nevada mining districts have been a factor in reducing the output there.

During June, reporting mining properties in this district which are being operated, produced more gold, silver and lead, and less copper, than in the corresponding month last year according to reports received from 12 large mines located in California, Idaho, Utah, Nevada and Arizona. Compared with May, 1921, decreases in the production of copper, lead and gold, and a small increase in the production of silver were reported. Of the mines which are operating at all, reporting gold, silver and lead mines are operating at 100 per cent, and copper mines at 66 per cent of capacity.

Favorable factors in the present situation are the reduced costs of production, made possible by lower wage scales for mine labor, and reduced freight rates on ore and bullion. Improvement in the industry now awaits revival of domestic and foreign demand for copper, lead and zinc.

Comparative figures of the output of metal of 12 mines reporting to this bank are shown in the following table:

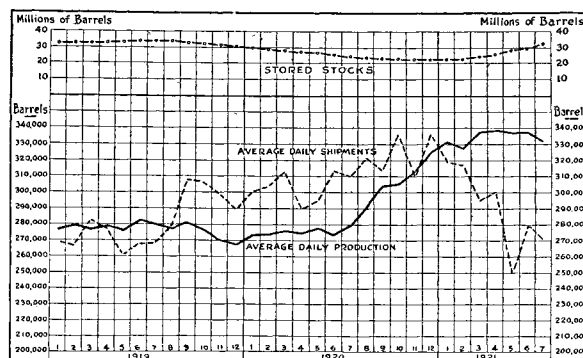
	June, 1921	June, 1920	May, 1921
*Copper (pounds)...	4,755,463	5,130,142	5,448,669
Lead (pounds)...	13,132,304	10,872,870	14,104,001
Silver (ounces)...	454,129	278,600	450,106
Gold (ounces)...	30,808	24,521	31,273

*Blister

The significant feature of the July operations in the oil fields of California was the continued increase in stored stocks of pe-

troleum, which on July 31st stood at 31,634,179 barrels compared with 29,768,643 barrels on June 30th and 24,406,753 barrels on July 31, 1920. The present figure repre-

Petroleum sents the largest stock of petroleum in storage in the state of California since October, 1919, the trend now being opposite to that which prevailed last year at this time when stored stocks were being rapidly depleted and a shortage of petroleum products, particularly gasoline, was experienced.



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

Production was lowered slightly during July, the average daily output being 331,252 barrels compared with 337,625 barrels in June a decrease of 6,373 barrels per day. The sharp upward movement in shipment figures recorded in June was not sustained and the decline in consumption, which began in December, 1920, was resumed. Average daily shipments during July were 271,073 barrels and for June, 280,494 barrels, a decrease of 9,421 barrels per day.

On August 3rd, the Standard Oil Company of California announced a horizontal reduction of 25 cents per barrel in the buying prices of all grades of crude oil at the wells in the producing fields. A similar reduction was made in May of this year and present prices are from 16.9 per cent to 31.2 per cent below the level of July, 1920. The price of gasoline was reduced from 25 to 23 cents per gallon.

(K) Petroleum—

	July, 1921	June, 1921	July, 1920
Production (daily average).....	331,252 bbls.	337,625 bbls.	279,169 bbls.
Shipments (daily average).....	271,073 bbls.	280,494 bbls.	310,271 bbls.
Stored Stocks (end of month).....	31,634,179 bbls.	29,768,643 bbls.	24,406,753 bbls.
New Wells Opened.....	76	76	51
With daily production.....	19,675 bbls.	19,965 bbls.	21,330 bbls.
Wells Abandoned.....	5	2	6

Seventy-six new wells with an initial daily production of 19,675 barrels were completed during July and five wells were abandoned, a net gain of 71 producing wells during the month.

Statistics on oil field operations as furnished by the Standard Oil Company of California are shown in table "K" (opposite page).

Reports received by this bank from eight of the principal power companies in California, covering their operations during the month of June, indicate that the

Electric Power consumption of electrical energy for industrial purposes was 8.7 per cent less in June, 1921, than in June, 1920. The reduction occurred chiefly in agricultural districts, where this year's more abundant supply of surface water for irrigating purposes, and a reduction in the acreage of crops (especially rice) which require large amounts of water, have lessened the need for power to operate pumps. The mining industry of the state is also using less electrical power than one year ago, some mines being closed down and others operating at reduced capacity. Other industries combined appear to be taking their usual

quota of electrical energy. In southern California an increase in the total industrial consumption of electrical energy has been shown, notwithstanding lessened agricultural demand.

Again comparing June, 1921, and June, 1920, the plant capacity of the reporting companies has increased 18.9 per cent, the plant output 3.9 per cent, the number of industrial consumers 10.7 per cent and the connected load, or motor capacity, of these consumers 8.9 per cent.

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

Bureau of Census figures of the results of census of manufactures in the state of Washington for 1919 and 1914 are shown in table "M." These figures ex-

Washington Manufactures include 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 at the census of 1919, as compared with that for 1914.

(L) Electric Power—

Type of Plant	Plant Capacity K. V. A.		Peakload K. W.		Plant Output K. W. H.	
	June, 1921	June, 1920	June, 1921	June, 1920	June, 1921	June, 1920
(a) Hydro power...	509,620	414,270	399,548	300,160	244,495,918	179,533,960
(b) Steam	303,295	268,910	135,052	207,982	37,764,569	91,873,692
(c) Purchased .....	...	...	56,290	26,580	...	...
Total	812,915	683,180	652,590*	576,377*	282,260,487	271,407,652

No. of Consumers and Sales:

	Number of Consumers		Connected Load H. P.		Sales K. W. H.	
	June, 1921	June, 1920	June, 1921	June, 1920	June, 1921	June, 1920
	38,402	34,690	1,235,854	1,134,654	159,776,640	175,050,601

*61,700 K. W. in 1921 and 41,655 K. W. in 1920 included in total but not in segregated figures.

(M) Washington Manufactures—

	Census		Per Cent of Increase 1914-1919
	1919	1914	
Number of Establishments.....	4,919	3,829	28.5
Persons engaged in manufactures.....	150,482	78,448	91.8
Proprietors and firm members.....	4,196	3,155	33.0
Salaried employees.....	13,354	8,088	65.1
Wage earners (average number).....	132,932	67,205	97.8
Primary Horsepower.....	587,702	399,567	47.1
Capital	\$553,125,000	\$277,715,000	99.2
Services	225,757,000	63,207,000	257.2
Salaries	30,574,000	11,504,000	165.8
Wages	195,183,000	51,703,000	277.5
Materials	443,202,000	136,609,000	224.4
Value of Products.....	809,635,000	245,326,000	230.0
Value added by manufacture (value of product less cost of materials).....	366,433,000	108,717,000	237.1

The dollar value of sales of 30 representative department stores and mail order houses in this district during July declined 12.9 per cent compared with July, 1920. However, present retail prices are reported to average 20 per cent less than in July, 1920, and the value of the average sale as reported by 11 stores is 16.3 per cent less than a year ago, indicating that the physical volume of trade continues greater than last year.

In July, for the first time this year, the value of sales in Los Angeles was less than in the corresponding month a year ago, a slight decline (1.5 per cent) being reported. The average net increase or decrease (—) during the past month in value of net sales in the reporting cities of this district, is as follows:

	July, 1921, compared with July, 1920	June, 1921	Seven months ending July 30, 1921, compared to seven months ending July 30, 1920
Los Angeles...	— 1.5	— 9.8	7.0
Oakland	— 7.9	—24.3	.4
Sacramento ...	—11.4	—13.8	— 9.4
Salt Lake City..	—16.2	—22.8	— 5.6
San Francisco..	—11.6	—12.5	— 5.0
Seattle	—18.6	—12.4	—16.1
Spokane	—22.0	—18.0	— 9.6
District	—12.9	—12.6	— 7.2

The amount of the average sale (cash, charge and C. O. D.) reported by 11 firms was \$2.30 in July, compared with \$2.52 in June and \$2.75 in July, 1920. Following is a statement of the average sale (cash, charge and C. O. D.) in Los Angeles, San Francisco, Seattle and the district:

	July, 1921	June, 1921	July, 1920
Los Angeles.....	\$ 2.93	\$ 2.88	\$ 3.85
San Francisco.....	2.63	2.77	3.03
Seattle	1.89	2.05	2.22
District	2.30	2.52	2.75

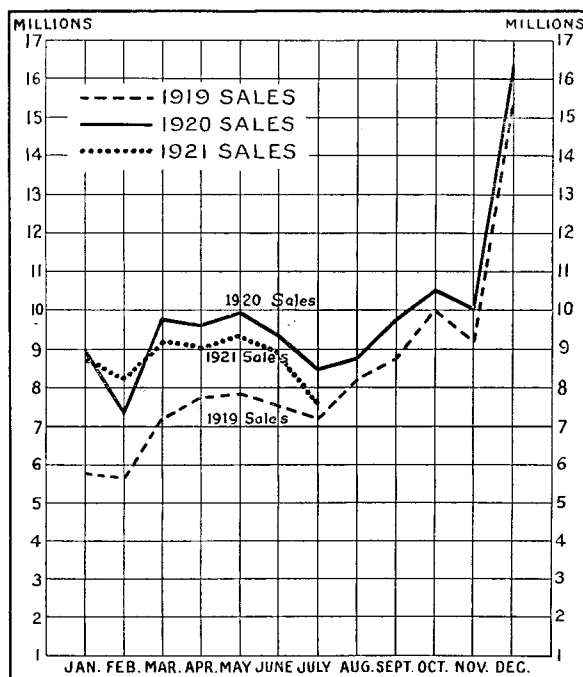
Value of stocks (selling price) of the reporting firms averaged 18.3 per cent lower at

the close of July this year than in July, 1920. The percentage of outstanding orders at the close of July to total purchases during the year 1920 was 10.0 per cent compared with 8.4 per cent in June and 5.4 per cent in January.

Collections were characterized by the reporting firms as follows:

	Excellent	Good	Fair	Poor
No. of Firms....	1	13	11	0

Table "N" gives in detail statistics in regard to sales, stocks and outstanding orders reported by 30 representative department stores and mail order houses in this district.



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

(N) Retail Trade Activity—

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

	(30 Stores Reporting)							
	Los Angeles	Oakland	Sacramento	Salt Lake City	San Francisco	Seattle	Spokane	District
Percentage increase or decrease of net sales during July, 1921, over net sales during same month last year.....	— 1.5	— 7.9	—11.4	—16.2	—11.6	—18.6	—22.0	—12.9
Percentage increase or decrease of net sales during July, 1921, over net sales during June, 1921..	— 9.8	—24.3	—13.8	—22.8	—12.5	—12.4	—18.0	—12.6
Percentage increase or decrease of net sales from January, 1921, to July 31, 1921, inclusive, over net sales during same period last year.....	7.0	.4	— 9.4	— 5.6	— 5.0	—16.1	— 9.6	— 7.2

Trade at wholesale during July was less in value and probably in volume than it was in July a year ago. Reports to this bank from 185 representative wholesale firms in ten lines of business in this district show decreases varying from 17.1 per cent to 50.1 per cent in the value of net sales during July, 1921, compared with July, 1920, in all lines except automobile tires, where an increase of 6.1 per cent was recorded. Compared with June, 1921, the net value of July sales of reporting stores was less in all lines except automobile tires, automotive equipment and groceries. The average net increase or decrease (—) in the value of net sales for the ten reporting lines of business was as follows:

	July, 1921, compared to July, 1920	June, 1921	First seven months of 1921 compared to first seven months of 1920
Hardware	—35.4	—13.5	—32.5
Dry Goods.....	—50.1	—14.7	—34.1
Groceries	—20.7	12.0	—26.4
Drugs	—17.1	— 2.9	—15.3
Shoes	—36.7	—16.9	—32.9
Stationery	—39.1	— 3.4	—21.5
Furniture	—26.2	—11.8	—33.4
Auto Tires.....	6.1	11.2	—20.4
Auto Equipment	—17.4	1.6	—23.2
*Agricultural Implements	—46.0	— 2.7	—51.7

*Beginning with this issue, figures on wholesale agricultural implement business will be regularly included in the monthly wholesale trade report.

The majority of wholesalers report that there has been an increase in the proportion of sales of staple goods to fancy goods during the present year, retailers having sensed the careful buying attitude of the consuming public and made their purchases accordingly.

Present prices compared with those of one year ago are substantially lower in all reporting lines of business. With the exception of groceries and automobile equipment, including tires, the reported percentage of decline in the price of the particular commodity during the year is less than the percentage of decline in the value of sales, which indicates that the physical volume of merchandise now being sold at wholesale is, on the whole, less than it was a year ago. During the month of July, however, prices were reported as steadier than they have been at any time during the past year. Some further reductions in prices were reported by dealers in hardware and furniture but previous declines in these lines have not been so great as in other classes of goods.

Collections were characterized as follows by the reporting firms.

	Excellent	Good	Fair	Poor
No. of Firms.....	3	51	91	11

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

(O) Wholesale Trade—

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

	Agricultural Implements	Auto Supplies	Auto Tires	Drugs	Dry Goods	Furniture	Groceries	Hardware	Shoes	Stationery
Number of re- porting firms..	20	18	15	9	12	15	28	24	15	29
Los Angeles....	—42.1	—20.8	25.4	..	..	— 7.6	—13.0	—23.7	—29.8	—29.3
Portland	—46.6	—22.3	..	..	—40.0	—47.0	—23.2	—30.3	—44.6	—38.1
Sacramento .....	..	— 5.5	..	..	..	..	—28.3	—31.8	..	..
Salt Lake City..	—34.7	— 5.7	15.6	—23.9	—36.2	..	—18.6	—42.8	..	—33.8
San Francisco...—	78.6	—18.4	3.6	..	—50.7	11.3	—19.9	—42.0	—38.3	—49.8
Seattle .....	..	—26.6	59.0	—23.7	—58.0	..	..	—38.4	—20.8	—45.3
Spokane	—47.1	..	24.7	..	..	..	—20.1	—40.1	..	—31.5
Tacoma .....	..	..	..	..	..	—43.4	—27.3	—13.9	..	—29.8
District	—46.0	—17.2	6.1	—17.1	—50.1	—26.2	—20.7	—35.4	—36.7	—39.1

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

	Agricultural Implements	Auto Supplies	Auto Tires	Drugs	Dry Goods	Furniture	Groceries	Hardware	Shoes	Stationery
Number of re- porting firms..	20	18	15	9	12	15	28	24	15	29
Los Angeles....	—49.3	—14.2	—18.2	..	..	—24.3	—15.3	—29.4	—15.6	—13.9
Portland	—53.0	—31.1	..	..	—38.0	—50.6	—33.0	—30.6	—37.8	—23.2
Sacramento .....	..	—19.5	..	..	..	..	—18.3	—21.8	..	..
Salt Lake City..	—53.2	—34.4	—46.3	—25.0	—30.3	..	—33.9	—39.9	..	—29.4
San Francisco...—	45.9	—22.7	—38.5	..	—33.6	—43.2	—23.7	—30.0	—27.8	—23.8
Seattle .....	..	—40.3	—29.1	..	—52.6	..	..	—41.1	—43.5	—30.4
Spokane	—50.7	..	—45.4	..	..	..	—30.4	—27.6	..	—17.0
Tacoma .....	..	..	..	..	..	—44.2	—25.6	—14.5	..	—45.1
District	—51.7	—23.2	—20.4	—15.3	—34.1	—33.4	—26.4	—32.5	—32.9	—21.5

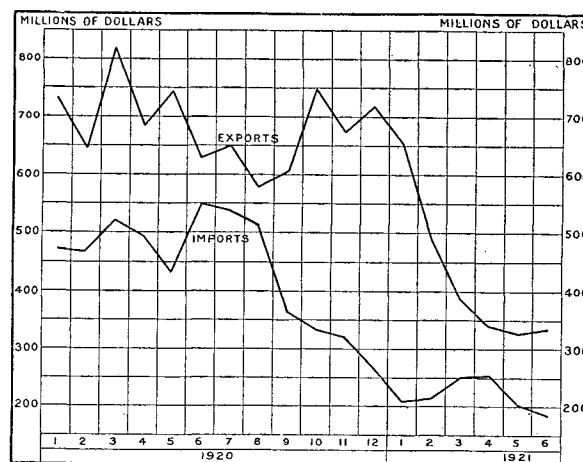
Reports received from the five customs districts of the Pacific Coast show that total exports during the first six months of 1921

Foreign Commerce

were valued at \$134,650,000 compared with \$290,369,000 in the corresponding period in 1920, a decline of 53.6 per cent. During the same period imports showed a decline of 60.5 per cent, having been valued at \$87,120,000 in 1921 and \$220,815,000 in 1920. While a part of these declines in dollar values of our foreign trade may be attributed to falling commodity prices, it is a fact that the volume of trade passing through Pacific Coast ports has suffered a marked reduction, estimated to be from 25 to 40 per cent. The world-wide trade depression (which has been keenly felt in the Orient and South America) and the depreciated exchanges of most of the countries with which we trade are cited as the underlying causes for this decline. Shipment from foreign countries direct through the Panama Canal to the eastern seaboard of goods which formerly were shipped to Pacific Coast ports and thence east by rail, has also served to reduce the foreign trade figures of this particular district.

The value of exports declined steadily from January to May, but a sharp upward movement in June carried figures for that month to the highest point reached in the present year, with the exception of the January figure. The value of imports was relatively steady during the period and considering price changes it is probable that there has been an expansion in the volume of import trade during the year. The so-called "favorable balance" of trade of the ports of the district

was \$15,366,000 in January, 1921, declined to \$2,576,000 in May, and rose to \$15,992,000 in June.



Value of Imports and Exports of the United States
(In Millions of Dollars)

By commodities, there has been, during the first six months of 1921 as compared with the same period of 1920, an increase in the volume (not value) of exports of wheat, barley, dried fruits, canned fruits and in the foodstuffs group as a whole, which forms the major part of the export trade of this coast. Iron and steel shipments have shown a considerable decline. Imports, which normally include principally foodstuffs, vegetable oils, and other products of the Orient and Central and South America, and manufactured goods from Europe, have shown differing tendencies. A general decline is noted in imports of goods from the Orient and Latin America

(P) Exports—

	Month Ending		Per Cent Increase or Decrease (—) June, 1921 over June, 1920	Six Months Ending		Per Cent Increase or Decrease (—) First Six Months 1921 over 1920
	June 30, 1921	June 30, 1920		June 30, 1921	June 30, 1920	
Los Angeles...	\$ 2,343,977	\$ 2,088,958	12.2	\$ 11,659,349	\$ 10,280,893	13.4
Portland	7,263,262	5,705,452	27.3	28,892,338	21,191,341	36.3
San Diego.....	199,586	453,030	—56.0	1,659,455	4,447,934	—62.6
San Francisco..	10,700,847	15,938,263	—32.8	56,393,147	127,047,925	—55.6
Seattle	6,516,089	18,392,975	—64.5	36,045,543	127,401,475	—71.7
Total	\$27,023,761	\$42,578,678	—36.5	\$134,649,832	\$290,369,568	—53.6

(Q) Imports—

	Month Ending		Per Cent Increase or Decrease (—) June, 1921 over June, 1920	Six Months Ending		Per Cent Increase or Decrease (—) First Six Months 1921 over 1920
	June 30, 1921	June 30, 1920		June 30, 1921	June 30, 1920	
Los Angeles...\$	592,258	\$ 2,725,442	—78.2	\$ 4,869,153	\$ 5,355,207	—9.0
Portland	382,835	980,889	—61.0	1,789,681	4,993,852	—64.1
San Diego.....	80,474	519,465	—84.5	4,684,775	6,807,245	—31.1
San Francisco..	6,196,564	24,574,775	—74.7	53,410,754	116,814,639	—54.2
Seattle	3,779,317	15,981,888	—76.3	22,365,325	86,844,420	—74.2
Total	\$11,031,448	\$44,782,459	—75.3	\$87,119,688	\$220,815,363	—60.5

(excepting sugar and coffee), but the important import trade with Europe has improved during the year.

Comparative trade of this coast with certain trading areas during the first six months of 1921 and 1920 may be summarized as follows:

Increases (+) or decreases (—) in the value of foreign trade of this district during the first six months of 1921 compared with first six months of 1920:

	Exports	Imports
Australasia	—	=
China	—	—
Japan	—	—
South America.....	—	—
Europe	+	+

Comparative figures of exports and imports of the principal ports of this district are shown in tables "P" and "Q" (see opposite page).

Unemployment in the Twelfth Federal Reserve District during July was about equal in volume to that of June. Increased demands for labor from agricultural areas were largely offset by reduced employment rolls in the mining, lumbering, fishing and shipbuilding industries. Despite abundant crops in nearly all sections, harvesting operations have been carried on with less additional seasonal labor than for a number of years past, and the supply of harvest hands continues to exceed the demand.

With the exception of San Francisco, where the building trades strike is still in progress, there was a slight improvement in employment conditions in the larger cities of the district. The monthly report of the United States Employment Service of the Department of Labor, based on reports from firms employing 500 men or over, shows the following changes in July, compared with June, for the cities included:

	Numerical increase or decrease (—) in employment during July compared with June	Percentage increase or decrease (—) in employment during July compared with June
Los Angeles	677	3.0
Portland	794	14.7
Seattle	45	2.3
San Francisco	—597	—8.5

Part time employment is still reported by some industrial plants in San Francisco, Oakland, Stockton, Seattle, Spokane and Tacoma.

The past year has witnessed a general, although uneven, reduction of commodity prices. Wages have likewise declined generally but irregularly and in most of the principal

industries of this district reductions in wages have now been put into effect or are contemplated, according to reports received by this bank during the past month. Average wage reductions during the year August 1, 1920-August 1, 1921, for labor employed in the industries listed, have been as follows:

Wage Adjustments

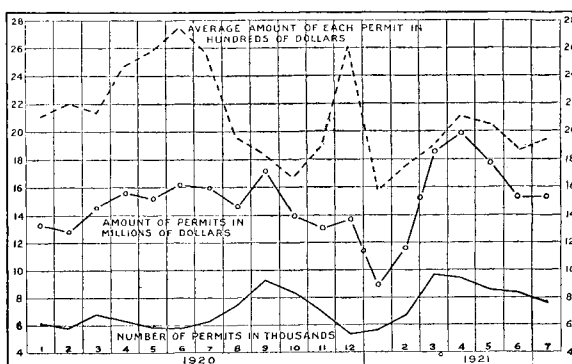
Mining	25%
Lumbering	33%
Fishing	10%
Oil	0%†
Milling (Flour).....	8%
Metal Trades (shipbuilding).....	10%
Building Trades.....	10%
Public Utilities.....	20%*
Agriculture	45%
Miscellaneous	12½%-20%

*New employees and common labor now being hired at \$1.00 per day less than previous wage (\$4.50 per day).

†No reduction possible in majority of companies until August 31, 1921, due to working agreements entered into between oil companies and their employees in August, 1920.

Building permits issued in 20 principal cities of this district during July, numbered 7925 with an estimated valuation of \$15,298,698, compared with 6343 permits issued

in July, 1920, with a valuation of \$16,033,054. Due to declines in the cost of building operations during the past year, the increase of 1582, or 24.9 per cent, in the number of permits is more representative of the actual volume of construction than would be a comparison of the dollar values of the permits granted.



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

Of the 20 reporting cities, 17 show an increase in the number of permits issued during July, 1921, over July, 1920, and 12 cities an increase in value of permits. Increases are confined to no particular section of the district. A noteworthy feature of the month

was the increased activity in all reporting cities in the Pacific Northwest. Compared with July, 1920, the value of permits issued in July, 1921, increased 118.4 per cent in Seattle, 24.1 per cent in Spokane, 3.4 per cent in Portland, and 1.6 per cent in Tacoma. Building activities in San Francisco and vicinity are still curtailed, due to strike conditions in the building trades.

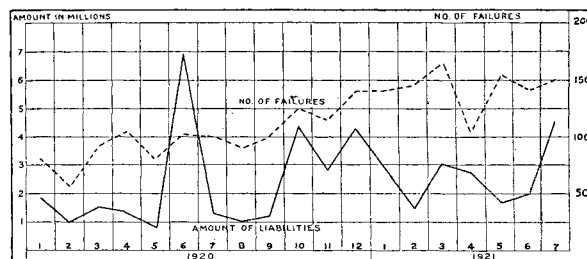
Answers to a questionnaire circulated by this bank indicate that the construction of moderate priced homes and dwellings constitutes a large part of present building activity. Further evidence of demand for dwellings is contained in the report received from several large cities that there is a shortage of apartment house buildings.

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

A slight increase in the number of business failures in this district carried July figures

to the highest point in the past eighteen months, with the exception of March, 1921.

Business Failures A marked upward movement in the amount of liabilities involved also occurred, and disregarding the abnormally large figures of June, 1920, (caused by the failure of one concern), the July figures were the largest in the present readjustment period.



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.

(R) Building Permits—

	July, 1921			June, 1921			July, 1920		Decrease (—) July, 1921 over July, 1920
	No.	Value	No.	Value	No.	Value			
Berkeley	131	\$ 161,760	162	\$ 292,583	125	\$ 212,979	—	24.0	
Boise	61	295,342	94	118,948	45	112,600	—	180.3	
Fresno	169	202,406	156	235,505	128	203,460	—	.4	
Long Beach.....	206	516,700	249	775,700	351	713,850	—	27.6	
Los Angeles.....	2,717	5,503,363	2,712	6,269,546	2,154	5,121,050	—	7.4	
Oakland	492	1,162,628	533	1,486,022	368	1,374,005	—	15.4	
Ogden	48	119,040	54	96,750	21	34,270	—	250.0	
Pasadena	274	701,247	275	552,318	215	335,294	—	109.2	
Phoenix	60	110,354	54	152,985	102	225,160	—	51.1	
Portland	1,119	1,446,324	1,149	1,428,685	791	1,398,330	—	3.4	
Reno	26	50,500	22	115,200	14	24,350	—	108.3	
Sacramento	175	183,417	153	261,450	101	180,665	—	1.6	
Salt Lake City.....	117	363,182	132	244,614	78	415,730	—	12.5	
San Diego.....	319	385,138	360	799,944	190	261,327	—	47.5	
San Jose.....	64	79,913	50	62,255	63	111,381	—	27.9	
San Francisco.....	446	1,000,240	475	920,965	364	3,723,623	—	73.1	
Seattle	825	2,217,270	850	919,740	757	1,015,620	—	118.4	
Spokane	217	180,775	231	141,505	112	145,579	—	24.1	
Stockton	51	365,218	74	142,655	80	174,198	—	109.7	
Tacoma	408	253,881	416	433,324	284	249,583	—	1.6	
Total	7,925	\$15,298,698	8,201	\$15,450,694	6,343	\$16,033,054	—	4.5	

(S) Business Failures—

	July, 1921		June, 1921		July, 1920	
	No.	Amount	No.	Amount	No.	Amount
Arizona	8	\$ 64,800	10	\$ 216,900	2	\$ 9,000
California	72	2,285,031	66	761,186	53	365,363
Idaho	11	56,832	5	48,863	0	0
Nevada	0	0	0	0	0	0
Oregon	30	980,020	21	548,247	16	239,710
Utah	6	133,582	11	48,065	0	0
Washington	24	1,016,603	30	342,656	30	678,178
District	151	4,536,868	143	1,965,917	101	1,292,251

Failures in the Twelfth Federal Reserve District numbered 151 in July, compared with 143 in June, and 101 in July, 1920, the percentage increase being 5.6 for the month and 49.5 for the year. Liabilities involved amounted to \$4,536,868 compared with \$1,965,917 in June (an increase of 130.8 per cent), and \$1,292,251 in July, 1920, (an increase of 251.0 per cent). The average failure in the district had liabilities of \$30,045 compared with \$13,747 in June, 1921, and \$12,794 in July, 1920. R. G. Dun's comparative figures for the states of this district are shown in table "S" (see opposite page).

Total clearings in 20 principal cities of the district during July, were \$1,348,251,000, a decrease of \$69,346,000, or 4.8 per cent, from June and of \$376,360,000, or 21.8 per cent, from July, 1920. July clearings are \$466,640,000, or 25.6 per cent below the peak of October, 1920, (\$1,814,891,000). The percentage decline in bank clearings during the past year is less than the per cent of decline in commodity prices at wholesale and retail during the same period, and it is probable, therefore, that the physical volume of trade is as great as, or greater than, it was a year ago. Decreased clearings in July of this year compared with July, 1920, were reported from all cities with the exception of Long Beach and Pasadena, where increases occurred of 22.9 and 48.6 per cent, respectively.

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

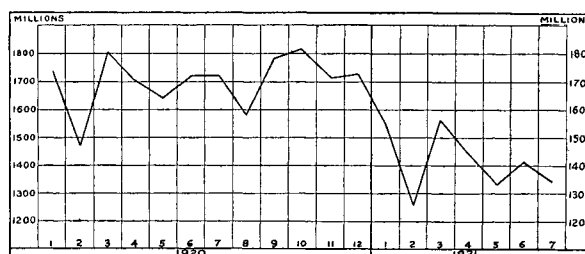
In conformity with the declining price level during the past year and, in certain localities

with retarded business activity, there has been a continuous increase in the percentage of decline in debits to individual account during each month of 1921 as compared with the corresponding month of 1920.

DEBITS TO INDIVIDUAL ACCOUNTS

(In Millions of Dollars)

	District		Per Cent Decline
	1921	1920	
January	2,141	2,155	— 6.7
February	1,770	2,011	—11.97
March	2,479	2,695	— 8.03
April	1,865	2,180	—14.45
May	1,808	2,171	—16.73
June	2,194	2,761	—20.5
July	1,691	2,273	—25.6



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

Improvement in general credit conditions and the appearance of funds from the marketing of crops have been reflected during the month ending August 15th by a steadily increasing demand for acceptances, especially from banks in the agricultural district which have already moved their products. It is apparent that the idea of including a certain proportion of acceptances in the

(T) Bank Clearings*—

	July, 1921	June, 1921	July, 1920	Per Cent Increase or Decrease (—) July, 1921 over July, 1920
Bakersfield	\$ 5,018	\$ 5,201	\$ 6,153	—16.6
Berkeley	11,552	12,115	13,000	— 7.6
Boise	4,889	3,912	22,735	—77.2
Fresno	13,575	13,622	16,377	—18.7
Long Beach	15,125	15,215	12,299	22.9
Los Angeles	332,929	353,224	337,506	— 1.4
Oakland	42,758	41,634	47,431	— 8.5
Ogden	6,081	16,775	7,481	—18.7
Pasadena	12,885	13,610	8,667	48.6
Portland	107,852	121,189	157,540	—31.8
Reno	3,059	2,845	3,815	—19.0
Sacramento	22,777	19,641	26,737	—15.3
Salt Lake City	47,773	49,080	70,265	—31.4
San Diego	11,421	11,438	13,426	—15.3
San Jose	7,208	6,084	10,452	—30.0
San Francisco	514,400	531,100	697,500	—26.2
Seattle	116,695	123,958	170,892	—31.7
Spokane	40,289	42,862	52,327	—23.0
Stockton	18,558	19,757	28,000	—32.1
Tacoma	13,407	14,335	22,008	—36.3
Total	\$1,348,251	\$1,417,597	\$1,724,611	—21.8

*(000 omitted).

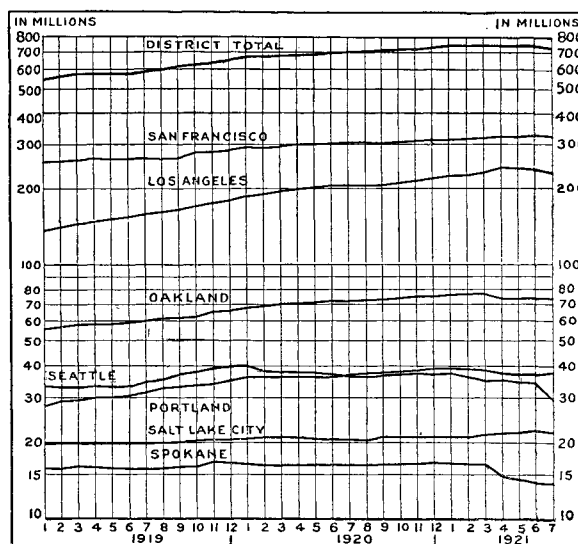
secondary reserve of banks is meeting with wider favor. Demand from country banks has so far been most active in California, although there is a growing interest in the Northwest.

The supply of bills has been somewhat larger, due in part to the renewal of a large block of sugar bills. As is natural at this season, canned goods have also been the basis of many acceptance transactions. Bills drawn for the purpose of creating dollar exchange have not been a factor in this market.

The gradual decline in the bill rate which began in June continued during July and early August, being accelerated by the lowering of the Federal Reserve Bank's rediscount rate on July 25th to $5\frac{1}{2}$ per cent. Two days later the basic rate on prime ninety-day bills dropped to $5\frac{1}{8}$ per cent and on July 29th was again reduced to 5 per cent at which rate it now stands (August 15th), for all maturities under 90 days. (The rate for eligible non-member bills is $5\frac{1}{4}$ per cent.) The bill rate also reflects the extreme ease of the money market in Eastern centers which prevailed towards the close of July, but the subsequent stiffening there has as yet had no effect on the bill market here.

Savings deposits in this district (as reported by 79 banks in the seven principal cities) totaled \$739,493,000 on July 15th. If the savings deposits of one bank which closed its doors in June be deducted from the total as of June 15th, the decrease in savings deposits in the district during the month ending July 15th was 6 tenths of 1 per cent. Noteworthy decreases were reported from Seattle and Los Angeles and an increase from San Francisco. Again allowing for the failed bank, savings deposits on July 15, 1921, were 6.8 per cent greater than on the same date in 1920, all cities reporting an increase except Seattle and Portland.

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



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

On July 27th, the Secretary of the Treasury announced an offering of treasury certificates of indebtedness in two series, both dated and bearing interest from August 1, 1921; series TM-2 1922, maturing on March 15, 1922, with interest at the rate of $5\frac{1}{4}$ per cent per annum; series B-1922 maturing on August 1, 1922, with interest at the rate of $5\frac{1}{2}$ per cent per annum. Subscriptions to both series were closed at noon, August 1, 1921.

The combined total subscription was \$1,030,006,500, of which \$376,362,500 was allotted. The Twelfth Federal Reserve District reported subscriptions totaling \$25,000,000, of which \$21,630,000 was allotted by the Secretary of the Treasury. The heavy subscription indicates the increasing demand on the part of investors for this class of short-term government securities.

Loans and discounts of 67 reporting member banks in this district on August 3rd last at \$862,470,000 were almost identical in amount with holdings a month ago, July 6,

(U) Savings Deposits*—

Cities	Number of Banks	July 15, 1921	June 15, 1921	July 15, 1920	Per Cent Increase or Decrease (—) July 15, 1921 over July 15, 1920
Los Angeles.....	14	\$236,393	\$240,006	\$208,337	13.4
Oakland	7	73,890	73,825	72,936	1.3
Portland	10	36,958	36,507	37,376	— 1.1
Salt Lake City.....	10	22,295	22,641	21,609	3.2
San Francisco.....	17	327,137	322,913	302,036	8.3
Seattle	15	29,465	34,539	37,224	—20.8
Spokane	6	13,355	13,510	12,557	6.3
Totals	79	\$739,493	\$743,941	\$692,075	6.8

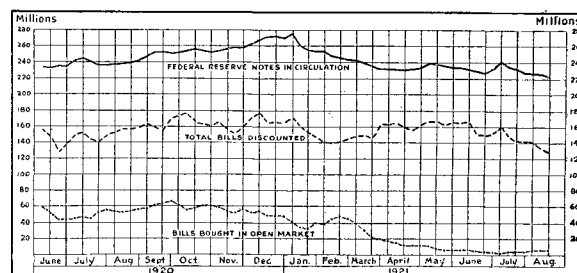
* (000 omitted).

1921. The only material changes revealed in the reports of these banks on August 3, 1921, were a decline of approximately \$6,000,000 (20 per cent) in vault cash, an increase of \$11,000,000 in government deposits (as a result of the public offering of Treasury Certificates dated August 1, 1921) and a decline of \$15,000,000 (13 per cent) in bills payable and rediscounts with this bank, which on August 3rd last were \$77,077,000, compared with \$92,540,000 a month ago and \$93,134,000 a year previous, (August 6, 1920).

A reduction in holdings of bills discounted by \$12,600,000 (8 per cent), a decline in Federal Reserve note circulation of \$9,400,000, (4 per cent), and an increase in gold reserves of \$4,300,000

Federal Reserve Bank (2 per cent) were the principal changes in the report of condition of this bank on August 10, 1921, compared with the report of July 13, 1921. Progress by member banks in paying off their indebtedness to the reserve bank may be measured by comparing its total holdings of bills discounted on August 10, 1921, (\$134,336,000) with the \$152,812,000 held a year ago (August 13, 1920) and with the \$176,872,000 carried by this bank at the peak of such holdings, December 10, 1920. The amount

of Federal reserve notes now in circulation, \$227,821,000 compares with \$238,949,000 a year ago (August 13, 1920), and \$272,548,000 at the peak of December 23, 1920. Since the peak in each case, there has been a 24 per cent decline in holdings of bills discounted and a 5 per cent decline in the amount of reserve notes in circulation. Since August 13, 1920, also, the reserves of this bank have been augmented by \$53,000,000 (of which \$51,000,000 was gold) to \$217,990,000 on August 10th last, an increase of 32 per cent. The bank's reserve ratio on August 10, 1921, was 62.6 per cent compared with 60.2 per cent on July 13, 1920, and 46.7 per cent on August 13, 1920.



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

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

	Aug. 3, 1921	July 6, 1921	Aug. 6, 1920
*Number of Reporting Banks.....	67	67	66
1. Loans and discounts (exclusive of rediscounts):			
(a) Secured by United States Government Obligations...\$	23,787,000	\$ 24,956,000	\$ 35,024,000
(b) Secured by Stocks and Bonds other than U. S. Bonds	146,458,000	146,757,000	144,868,000
(c) All Other	692,225,000	691,437,000	963,654,000†
(See explanatory foot note below concerning item 1 (c) in 1920)			
2. Investments:			
(a) United States Bonds.....	97,551,000	102,370,000	94,679,000
(b) United States Victory Notes.....	15,281,000	13,746,000	11,554,000
(c) United States Certificates of Indebtedness.....	19,059,000	14,425,000	26,285,000
(d) Other Bonds, Stocks and Securities.....	168,083,000	173,102,000	—0—
(e) United States Treasury Notes.....	4,192,000	2,417,000	—0—
3. Total Loans and Discounts and Investments.....	1,166,636,000	1,169,210,000	276,064,000
4. Reserve Balance with Federal Reserve Bank.....	72,130,000	73,231,000	79,069,000
5. Cash in Vault.....	23,418,000	29,448,000	27,275,000
6. Net Demand Deposits on which reserve is computed.....	554,128,000	553,589,000	621,783,000
7. Time Deposits, including Savings Deposits.....	543,137,000	545,327,000	512,443,000
8. Government Deposits	15,431,000	4,833,000	4,510,000
9. Bills Payable with Federal Reserve Bank:			
(a) Secured by United States Government Obligations...	19,956,000	25,245,000	23,965,000
(b) All Other	141,000	393,000	360,000
10. Bills Rediscounted with Federal Reserve Bank:			
(a) Secured by United States Government Obligations...	3,437,000	3,988,000	4,276,000
(b) All Other	53,543,000	62,914,000	64,533,000

*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.

**COMPARATIVE STATEMENT OF
CONDITION OF FEDERAL RESERVE BANK OF SAN FRANCISCO
AT CLOSE OF BUSINESS AUGUST 10, 1921**

RESOURCES—	August 10, 1921	July 13, 1921	August 13, 1920
Gold and Gold Certificates.....	\$ 20,689,000	\$ 20,056,000	\$ 13,879,000
Gold Settlement Fund—Federal Reserve Board..	32,843,000	32,528,000	39,550,000
Gold with Foreign Agencies.....	—0—	—0—	5,130,000
Total Gold Held by Bank.....	\$ 53,532,000	\$ 52,584,000	\$ 58,559,000
Gold with Federal Reserve Agent.....	152,099,000	150,560,000	95,006,000
Gold Redemption Fund.....	9,063,000	7,187,000	10,031,000
Total Gold Reserves	\$214,694,000	\$210,331,000	\$163,596,000
Legal Tender, Notes, Silver, etc.....	3,296,000	3,372,000	983,000
Total Reserves.....	\$217,990,000	\$213,703,000	\$164,579,000
Bills Discounted:			
Secured by U. S. Government Obligations....	\$ 37,047,000	\$ 38,082,000	\$ 50,405,000
All Other.....	97,289,000	108,852,000	102,407,000
Bills Bought in Open Market.....	3,057,000	2,229,000	52,224,000
Total Bills on Hand.....	\$137,393,000	\$149,163,000	\$205,036,000
U. S. Bonds and Notes.....	204,000	208,000	2,632,000
One-Year Certificates of Indebt. (Pittman Act)..	9,880,000	9,880,000	11,203,000
All Other Certificates of Indebtedness.....	269,000	1,000	—0—
Total Earning Assets.....	\$147,746,000	\$159,252,000	\$218,871,000
Bank Premises.....	586,000	560,000	231,000
5% Redemption Fund Against F. R. Bank Notes	494,000	494,000	665,000
Gold Abroad in Custody or in Transit.....	—0—	—0—	—0—
Uncollected Items.....	34,459,000	41,202,000	40,057,000
All Other Resources.....	5,808,000	3,549,000	325,000
Total Resources.....	\$407,083,000	\$418,760,000	\$424,728,000
LIABILITIES—			
Capital Paid In.....	\$ 7,404,000	\$ 7,342,000	\$ 6,783,000
Surplus	15,207,000	15,207,000	11,662,000
Reserved for Government Franchise Tax.....	2,390,000	2,225,000	—0—
Deposits:			
Government	3,852,000	1,431,000	1,227,000
Member Bank Reserve Account.....	111,434,000	110,782,000	119,035,000
All Other.....	5,017,000	5,816,000	3,301,000
Total Deposits.....	\$120,303,000	\$118,029,000	\$123,563,000
F. R. Notes in Actual Circulation.....	227,821,000	237,217,000	238,949,000
F. R. Bank Notes in Circulation—Net Liability	5,709,000	6,535,000	11,070,000
Deferred Availability Items.....	26,423,000	30,509,000	29,748,000
All Other Liabilities.....	1,826,000	1,696,000	2,953,000
Total Liabilities.....	\$407,083,000	\$418,760,000	\$424,728,000
Memo: Contingent Liability on Bills Purchased for Foreign Correspondents.....	2,589,000	1,472,000	736,000