

AGRICULTURAL AND BUSINESS CONDITIONS

IN THE TWELFTH FEDERAL RESERVE DISTRICT

Monthly Report to the Federal Reserve Board

by

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

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No. 10

PROMPT marketing of the abundant crops of this district has been reflected during the past month in an easier credit condition, particularly in the rural sections of the district. For the first time in more than a year and a half the customary rate charged customers by banks in the leading financial center of the intermountain states

The Month (Idaho, Utah and Nevada) is reported to be $7\frac{1}{2}$ per cent instead of 8 per cent. Combined rediscounts of all country banks in the district show a steady decline since August 16th, and the total of \$60,000,000 under rediscount for country banks on October 4th was less than the total at any time since early summer. Funds received from the early and heavy sales of agricultural products this season have apparently supplied the credit need which in normal years is met by an increase of bank borrowings at this season. The statement of the 65 reporting member banks in this district as of October 5th last shows that their borrowings during the past month from the Federal Reserve Bank have not increased, despite a small expansion (\$3,723,000) in loans to their customers.

In the industrial field expansion of building activity is noteworthy. September building returns from 20 principal cities reached the highest point since this bank has kept records (1917), with the number of permits 19 per cent, and their value 17.6 per cent, greater than the corresponding totals for September, 1920. Active cargo buying and large seasonal orders from domestic consumers during September produced a volume of new business for the reporting lumber mills of this district greater than the amount reported for any month since May, 1920. Lumber production in the first week of October was reported to be 80 per cent of normal. Continuing declines in prices

of materials have operated to encourage silver and gold mining in the district, particularly the deep (as distinguished from placer) gold mines, and a moderate increase of activity is noted in these fields.

Petroleum production in California during September, on account of a strike in the San Joaquin Valley oil fields, was the smallest monthly production in two and a half years, and for the first time this year consumption exceeded production, with a resultant decrease in storage stocks.

Both retail and wholesale trade experienced the increased activity which is customary in September as compared with August. Sales of 30 representative department stores during September were 8.7 per cent less in dollar value than in September, 1920, whereas similar percentages in the ten lines of wholesale trade reporting to this bank vary from 12.2 per cent in the case of automobile tires to 52.3 per cent in the case of agricultural implements. Having regard for the greater percentage of decline in wholesale than in retail prices, it is probably true that the physical volume of goods now moving at wholesale (with the exception of agricultural implements and perhaps stationery) is about the same as that of September, 1920, while the volume of retail movement is appreciably larger than it was a year ago.

Slightly increased employment in the four largest cities of the district during September scarcely counterbalanced the cessation of harvest activities in many rural districts, and the net change in employment conditions during the month has been negligible.

The heavy marketing of grain observed last month has continued during the month of September. Receipts at seaboard cities in the Pacific Northwest thus far this season have been 114 per cent greater than those of the

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corresponding period of 1920. Activity in flour milling has increased substantially, 64 reporting mills now operating at 63 per cent of capacity compared with 43 per cent a month ago and 44 per cent in September, 1920. Reporting mills assign as a reason for this activity an increase in both domestic and foreign demand for flour.

Other seasonal crops of this district now moving to market are apples from the Pacific Northwest, cotton from Arizona and southern California, rice from northern California, and California specialty fruits such as raisins, prunes, almonds and walnuts. The early maturity of the apple crop of the Pacific Northwest has permitted shipments so far this season 200 per cent greater in amount than those of last year to the same date, and at prices which have averaged approximately the same as those received in 1920. Cotton growers in the district have been particularly benefited by the recent increase in cotton prices, inasmuch as there has been no loss of crop due to the weevil, this pest not having infested the cotton growing areas of this district.

In California the substantial carryover of their 1920 crop, which a few months ago was disturbing the producers of raisins and prunes in California, is now reported to have been sold and demand for the new crops is steady at opening prices. Almonds and walnuts, of which commodities California grows over 90 per cent of the United States production, have been bought rapidly at opening prices, and growers have now practically sold out.

Harvesting of spring wheat in this district is rapidly being completed. As threshing has progressed a slight reduction in the estimated yield has been made and it is now placed at 43,713,000 bushels compared with 46,099,000 bushels estimated on September 1st and 42,173,000 bushels harvested in 1920. Intermittent rainfall has delayed threshing in some sections but has been favorable for field preparation for next year's crops.

Grains from the abundant harvests of the district continue to move to market rapidly. Receipts and exports of wheat at Portland and

Puget Sound shipping points since the beginning of the crop year follow:

	July 1-Oct. 15 1921 (cars)	July 1-Oct. 15 1920 (cars)	Percentage Increase 1921 over 1920
RECEIPTS			
Portland	13,190	5,881	124.3
Puget Sound.....	7,738	3,878	96.9
Totals	20,928	9,759	114.4
EXPORTS	July 1-Oct. 1 1921 (bushels)	July 1-Oct. 1 1920 (bushels)	
Portland	11,584,332	5,090,149	127.5
Puget Sound....	997,398	677,308	47.2
Totals	12,581,730	5,767,457	118.1

Receipts and exports of barley at San Francisco for the season July 1 to October 1, 1921 and 1920, were as follows:

	July 1-Oct. 1 1921 (centals)*	July 1-Oct. 1 1920 (centals)*	Percentage Increase 1921 over 1920
Receipts	4,469,820	866,140	416.1
Exports	4,803,045	888,284	440.7

(*One cental equals approximately two bushels.)

Grain prices have fluctuated during the month but the net result of the movement has been a decline. The estimated average price to growers (per bushel) for wheat and barley compared with prices received last year at this time are quoted by the United States Department of Agriculture as follows:

	Wheat		Barley	
	1921	1920	1921	1920
California	\$1.12	\$2.20	\$0.58	\$1.3
Idaho .....	.77	1.99	.57	1.5
Oregon .....	.92	2.08	.70	1.4
Washington .....	.93	2.17	.59	1.2

An increasing volume of business, both in domestic and export flour markets, was reflected in greater activity of flour mills of the district during September. Production of 64 reporting mills increased more than 46 per cent and they are now operating at 63 per cent of capacity compared with 43.3 per cent one month ago and 44 per cent a year ago. Domestic demand is reported to be steady to increasing. Foreign buyers have been heavy purchasers in the Pacific Northwest, but trade with the Orient has been hampered by the inability of flour millers and sellers to secure sufficient cargo space for immediate shipments. September ex

(A) Milling—

	No. Mills Reporting		Output		Per Cent Mill Capacity in Operation		
	September	August	September (barrels)	August (barrels)	September 1921	August 1921	September 1920
California	10	11	358,775	239,379	75	47	50
Idaho	5	5	18,538	16,473	45	45	41
Oregon	21	25	144,901	112,697	50	41	40
Washington	28	29	448,418	293,641	65	42	43
District	64	70	970,632	662,190	63	43.3	44

ports of flour from Portland and Puget Sound shipping points follow:

	September, 1921 (barrels)	September, 1920 (barrels)	Percentage Increase 1921 over 1920
Portland	221,918	81,751	171.4
Puget Sound.....	241,142	162,506	48.9

Stocks of flour in millers' hands on October 1st, as reported by 17 large operators, were 295,139 barrels compared with 369,806 barrels on October 1, 1920. Stocks of wheat held by the same millers were 1,976,634 bushels compared with 2,335,877 bushels held one year ago. Table "A" (see opposite page) shows the September production of the reporting mills by states and the percentages of mill capacity in operation this year and last year.

The record crop of apples (33,307,000 bushels) in prospect in the Pacific Northwestern states is being harvested and shipped to market. Shipments thus far this season have been approximately 200 per cent greater than last year, the increase being partly due to the size of the crop and partly to its earlier maturity. They are reported as follows:

	1921 Season to October 8th (cars)	1920 (cars)
Idaho	1,964	404
Oregon	620	167
Washington	5,907	2,172
Totals	8,491	2,743

This heavy movement, coinciding with the California grape shipping season, has taxed the refrigerator car service of the western railroads to capacity and the shortage of cars in some sections has become serious. Box cars have been utilized to ship fruit to some extent and railroads are requesting maximum loading of refrigerator cars, prompt unloading at destination, and quick return of empty cars to shipping points. The car service division of the American Railway Association estimates that the amount of perishable freight in sight to be moved in the final quarter of 1921 is about 40 per cent in excess of the amount moved during the same period in 1920.

Apple buyers have been active in placing orders for immediate requirements but sales of future consignments are less numerous. Present prices to the growers range from 15 per cent above to slightly below the prices paid in 1920 for comparable grades and varieties of apples when prices averaged as follows: Jonathans, \$2.20 per box; Grimes Golden, \$1.85 per box; King David, \$1.75 per box; Winter Banana, \$2.90 per box; Delicious, \$2.95 per box.

California grape shipments have been slightly in excess of last year's record movement, total-

ing 19,658 cars up to October 8th compared with 17,484 cars shipped in the same period in 1920. The peak of the shipping season has now been passed. Prices of wine grapes were maintained at phenomenally high levels, the growers receiving from \$75 to \$100 a ton for the raw grapes.

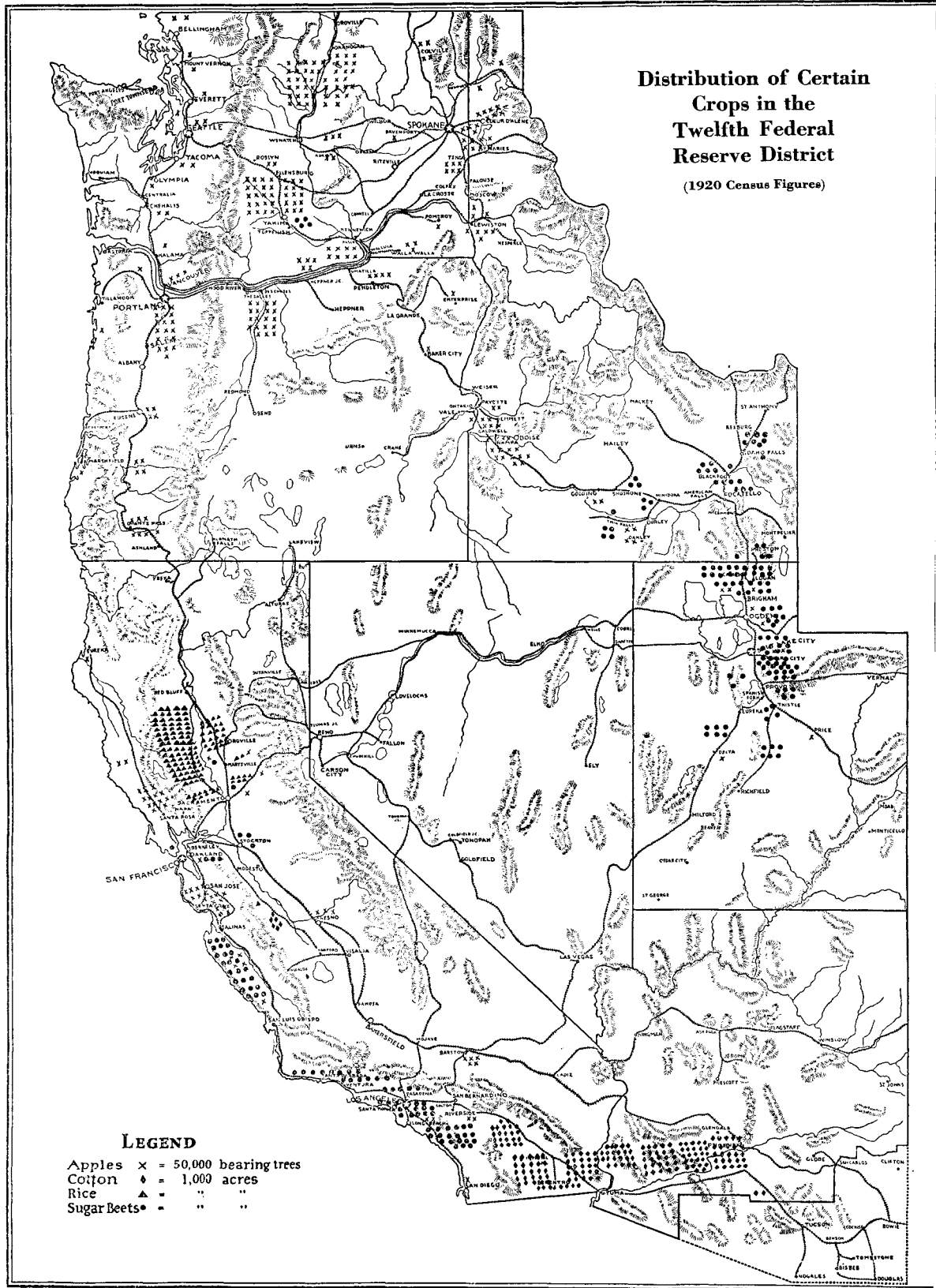
September weather was excellent for drying fruits, the light rainfall in the middle of the month causing practically no damage. All of the drying fruits are now under cover.

The October 1st estimate of the United States Department of Agriculture places the California prune crop at 95,000 tons, the same as last year, and the Oregon crop at 10,000 tons or approximately one-half of the 1920 yield. The California Prune and Apricot Growers' Association reports that the market was practically cleared of 1920 crop prunes by the middle of October and that the market for 1921 crop prunes, both domestic and foreign, has been steady at opening prices. Domestic buyers continue to purchase in small lots from consigned stocks at eastern distributing centers but the total amount of all purchases has been large. The Oregon and Washington Growers' Co-operative Association, which temporarily withdrew from the market until they could ascertain the exact quantities of the various sizes of prunes which they would have to sell, are again quoting prunes at their opening prices.

The 1921 crop of raisins in California will probably amount to 125,000 tons according to October 1st estimates. Last year 180,000 tons of raisins were produced. The holdover of 1920 crop raisins, which amounted to 50,000 tons in July, is reported to have been reduced to less than 10,000 tons consisting principally of seeded muscat raisins, and considerable strength is again apparent in the raisin market. Allotments from the 1921 crop are being sold rapidly, the California Associated Raisin Company reporting that 90 per cent of the New York allotment has already been moved and that lesser distributing centers are purchasing almost as heavily.

Almonds and walnuts of the 1921 crop have found active markets. Only small lots of later varieties of almonds remain to be disposed of and stocks of walnuts have been completely sold out at opening prices or above. Opening prices announced by the California Walnut Growers' Association were as follows:

	1921 (per pound)	1920 (per pound)
No. 1 Soft Shell.....	24½c	22½c
No. 2 Soft Shell.....	17c	16½c



Digging of sugar beets is now in progress in all producing sections of the district, and as the harvest progresses slight decreases in the condition of the crop and the estimated production are reported. Estimated yields by states compared with last year are as follows:

	1921 (tons)	1920 (tons)
California	958,000	1,073,828
Idaho	380,274	404,078
Utah	1,310,000	1,389,000
Total	2,648,274	2,866,906

Under contract with refineries entered into last spring, many growers of sugar beets are guaranteed minimum payments of \$5.50 to \$6.00 per ton for their product. Additional payments are promised if the sugar content of the beets or the price received for the refined sugar by the factories during the year ending October 1, 1922, average above certain figures. Last year growers were guaranteed a minimum payment of \$12 per ton.

The present (October 15th) San Francisco quotation for refined beet sugar is \$5.50 per 100 pounds, compared with \$5.85 one month ago and \$12.30 per 100 pounds one year ago. The large holdover of sugar in Cuba (now estimated at 1,700,000 tons) and the expectation voiced in the trade that the 1921-22 outturn in the United States and those producing countries which normally seek a market here will probably be in excess of consumption requirements are assigned as causes for the present level of sugar prices.

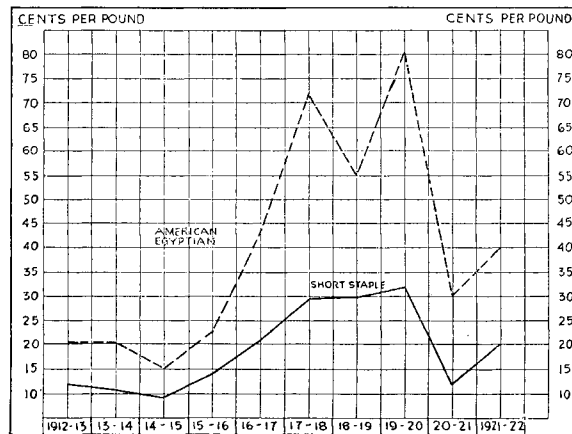
A decrease of over 50 per cent in production compared with last year, increased prices, and a more active demand have been the outstanding features of the national cotton situation during the past month and

growers in California and Arizona are particularly well situated to share in the general market improvement which has resulted, inasmuch as reduced production in this district is the result of reduced acreage only and does not reflect crop losses caused by unfavorable cultural conditions or insect pests.

The 1920 crop of cotton in California which was estimated at 150,000 bales (including 89,000 bales grown in Lower California, Mexico,) and approximately 90 per cent of which was short staple cotton, has been gradually disposed of during the past year to domestic and Japanese buyers. The 1921 crop is estimated to be 68,000 bales (including 34,000 bales grown in Lower California, Mexico). Present

prices are from 18 to 20 cents per pound and represent an increase of approximately 9 cents per pound since the low point of the year in the month of June. Growers are reported willing to sell and it is expected that the crop will move to market as fast as it is ginned.

The 1921 production forecast for Arizona indicates a yield of 45,000 bales, including 32,000 bales of Pima long staple cotton. Last year



Average Yearly Price to the Producer
American-Egyptian (Pima) and Short Staple Cotton

*1921-22 figures are October 1st quotations, not yearly average prices.

103,000 bales, including 80,000 bales of Pima long staple cotton were produced in this state. In the Salt River Valley approximately 50,000 bales of 1920 crop long staple cotton, out of a total crop of 78,500 bales, remained in producers' hands when picking of the 1921 crop commenced. Between 7,500 and 10,000 bales of this 1920 crop cotton were sold during September and the demand is improving slowly. One favorable factor in the future market for Pima long staple cotton is the greatly reduced crop in Egypt, as the Egyptian product is now the chief competitor of Pima cotton in the extra staple market. The 1921 crop in Egypt is estimated at approximately 688,000 bales of 500 pounds each, or less than 50 per cent of the estimated production in 1920. Price quotations in the Salt River Valley of Arizona for number 1 Pima cotton advanced from approximately 27 cents per pound in mid-August to 42 cents a pound in the latter part of September and the first week of October. A recession in price to 38 cents per pound has been reported for the second week in October.

The accompanying chart shows the prices received by growers of cotton in this district by years since the commercial introduction of the crop.

Weather conditions during the latter part of September and the first two weeks of October favored the rice crop in California. The condition of the crop as a whole has improved about 5 per cent compared with one month ago and it is now expected that a fair yield will be secured in many fields which were previously thought to be failures. Harvesting is proceeding rapidly and October 1st production estimates place this year's yield at 3,475,000 bags of 100 pounds each, compared

with an estimate of 3,000,000 bags on September 1st and a total crop of 4,000,000 bags in 1920.

New crop California Fancy Japan rice for October delivery was quoted at \$5.00 per 100 pound bag on October 15th at San Francisco. This compares with prices paid in previous years as follows:*

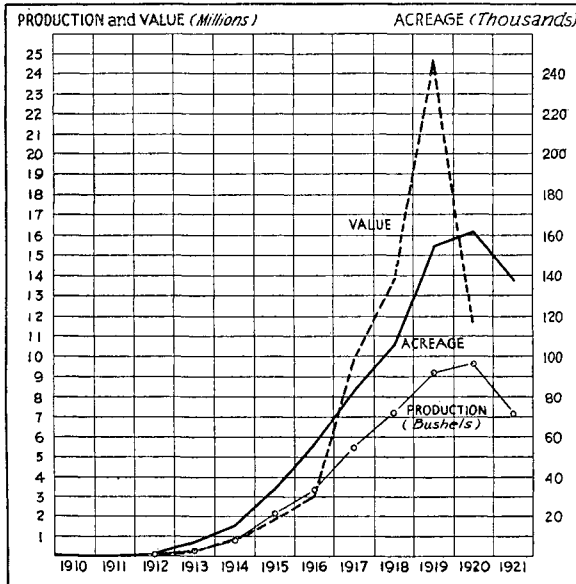
	Per 100 pound b
1921.....	\$5.00
1920.....	\$5.35-6.00
1919.....	10.00
1918.....	7.00

*All price quotations are for fancy Japan grade California cleaned rice at San Francisco.

The market has been steady and reports from competing production sections in the United States have been favorable. September 1st estimates of the total yield of 1921 rice in the United States (including California) place it at 14,715,000 bags of 100 pounds each compared with 24,169,000 bags in 1920, a decrease in yield of 40 per cent. Asiatic rice crops are harvested several months later than the California crop and no reliable crop estimate from Asiatic fields are yet available. At the present time, however, there is an actual shortage of rice in Japan and large shipments of California rice have recently been made to the market.

The accompanying chart shows the growth of the rice growing industry in California since its commercial introduction.

Range conditions over the entire district remain above the average. The recent rains in



Acreage, Production, and Value (in millions of dollars) of Rice Crop in California 1910-1921. (Preliminary Estimates for 1921)

(B) Receipts of Livestock—

	Cattle		Calves		Hogs		Sheep		Horses and Mules	
	Sept., 1921	Sept., 1920	Sept., 1921	Sept., 1920	Sept., 1921	Sept., 1920	Sept., 1921	Sept., 1920	Sept., 1921	Sept., 1920
Ogden	3,065	3,033	221	50	7,216	4,483	61,503	81,852	74	1,100
Portland	11,304	11,552	1,021	1,061	11,938	10,140	32,135	30,475	555	555
Salt Lake City....	3,195	3,639	112	106	2,634	725	14,679	38,948	26	26
Seattle	3,292	4,928	115	315	2,974	3,743	7,771	8,742	17	17
Spokane	2,167	3,725	243	695	2,264	3,660	8,974	23,362	27	100
Tacoma	1,799	1,743	278	196	3,266	2,188	3,879	3,974	..	..
Total	24,822	28,620	1,990	2,423	30,292	24,939	128,941	187,353	699	1,500

(C) Range in Livestock Prices—

Highest and Lowest Average Top Prices Per Hundredweight Received at Above Markets During September.

Week of	Fat Steers	Cows	Calves	Hogs	Lambs
September 5.....	\$5.00—6.50	\$4.00—5.75	\$6.00—11.00	\$9.00—11.75	\$6.00—7.00
September 12.....	5.75—6.50	4.00—5.75	8.50—11.00	8.75—12.50	5.25—6.75
September 19.....	5.35—6.25	4.50—5.50	7.00—11.00	8.40—12.00	6.00—6.50
September 26.....	5.50—6.25	4.25—5.25	8.00—11.00	8.00—11.65	6.00—7.00

southern Arizona have improved the desert range and unusually good grazing is reported in the northern part of that state. In Utah and the northwestern part of the district cattle are reported in good condition and moving toward the market and winter ranges.

Livestock

Receipts of livestock for September at the principal markets of the district show the usual seasonal increase over August but in a majority of cases were lighter than in the corresponding month of 1920. The noteworthy exception to this tendency is the receipts of hogs, which show nearly a 50 per cent increase over the month of August and a higher total number than in September, 1920. Receipts of cattle showed a considerable increase over August, and were approximately the same as the 1920 figures for September. Receipts of livestock at six of the principal markets of the district are shown in table "B" (see opposite page).

Increase in the receipt of hogs is reflected in some of the markets by a slight decline in prices, as compared to those of August, but the scarcity of the local supply is keeping the market firm. Prices for other varieties of livestock show no change worthy of note. The range of livestock prices at the principal markets of the district is shown in table "C" (see opposite page).

Reduction of cold storage holdings of butter continued during the month of September, and net withdrawals at the four principal markets of the district amounted to 634,013 pounds. Holdings at these same markets as reported on October 1, 1921, were 1,784,714 pounds compared with 3,121,798 pounds on October 1, 1920, a decrease of 42 per cent. Large shipments of butter are being made to southern California, where a shortage exists, and the cold storage holdings at Portland and Seattle are exceptionally low.

The wholesale price of 93 score fresh creamery butter on the local markets has risen steadily, advancing at San Francisco from 43½ cents on September 1st, to 46½ cents on October 1st. Scarcity of the best grade butter is holding the eastern market firm. A statement of the movement of stocks of cold storage butter during September, 1921 and 1920, and holdings on October 1st at the four principal markets in this district are shown in table "D."

The average price paid to milk producers during September, 1921, by fluid milk distributors (presented in table "E") increased 2 cents per 100 pounds in the Mountain Section and decreased 1 cent per 100 pounds in the Pacific

Section, compared with August, 1921, and showed a decline of 83 cents and 85 cents respectively, compared with September, 1920.

The cumulative effect of several favorable factors which have been increasingly apparent in the lumber situation was reflected in the late September reports of the four

Lumber lumber associations in this district.

Active cargo buying, especially by Japan, and large seasonal orders from domestic distributors sent the total of new business secured during the month to the highest point since May, 1920, orders being placed for 369,093,000 feet of lumber. This figure is 36,486,000 feet, or 19.0 per cent greater than the total orders received during August, and 88,246,000 feet, or 31.4 per cent, greater than the orders received in September, 1920.

September production of lumber as reported by the four associations in this district was 346,719,000 feet, compared with 355,187,000 feet in the preceding four weeks and 461,479,000 feet in September, 1920, a decrease of 2.3 per cent during the month and 24.0 per cent during the year. Production averaged approximately 75 per cent of normal during the month but in the final week increased rapidly and during that time was over 80 per cent of normal. Shipments declined from 341,906,000 feet in August to 320,988,000 feet in September, or 6.1 per cent.

The anticipated resumption of normal buying of lumber by the railroads of the country has not materialized and present purchases are reported to be for necessary repair work only. The seasonal demand for shingles has been

(D) Movement of Stocks of Cold Storage Butter—

City	Sept., 1921 Net Decrease (pounds)	Sept., 1920 Net Decrease (pounds)	Oct. 1, 1921 Holdings (pounds)	Oct. 1, 1920 Holdings (pounds)
Los Angeles...	118,699	102,762	579,315	861,612
Portland	174,486	189,003	129,178	484,398
San Francisco.	175,304	164,458	883,957	922,977
Seattle	165,524	276,436	192,264	852,811
Total	634,013	732,659	1,784,714	3,121,798

(E) Prices Received by Milk Producers*—

Section†	Sept., 1921 Range	Sept., 1921 Aver- age	Aug., 1921 Aver- age	Sept., 1920 Aver- age
Mountain (5 Mkts.)..	\$1.73-\$2.77	\$2.51	\$2.49	\$3.34
Pacific (9 Mkts.)....	1.80- 3.28	2.83	2.84	3.68
U. S. (104 Mkts.)....	1.15- 6.41	2.84	2.88	3.79

*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.

exceptionally heavy and stocks on hand are greatly depleted, due to the limited production during the summer months when the market was unusually inactive.

Logging operations are now proceeding at approximately 75 per cent of capacity and the situation is distinctly improved over that which prevailed one month ago. Many operators are opening camps for fall operations in order to accumulate a surplus of logs before the customary closed period in the winter months.

The National Lumbermen's Association reports that out of a normal employment of 57,013 men in the saw mills of Oregon and Washington, 35,159 are at present on the payroll. In the Inland Empire (Idaho, and Eastern Oregon) employment is approximately 55 per cent of normal. Reports from California pine mills indicate that five out of 47 association mills are operating full time. About 6,000 men are employed compared with a normal payroll of 12,000. Redwood mills report practically normal labor conditions.

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

Ten mines in this district engaged in the production of gold, silver and lead report an increased output of metal during August, 1921, both as compared with July, 1921, and August, 1920. Copper mining continues on the same restricted scale noted heretofore and at the present time only one of the 15 large copper mines in this district is operating.

The most significant development during the past month has been the slight revival in gold and silver mining activity. Several of the smaller gold mines of the district which have been closed, have reopened or are engaged in construction and repair work preparatory to reopening. The improvement is noted chiefly in deep gold mining properties as placer mines have operated at or near capacity throughout the year. The supply of water this year has

been more favorable for placer mining and dredge mining than in 1920.

The present condition of the mining industry is not fairly reflected by the figures in the table shown below, however, as many mines are still shut down because of unsatisfactory market prices for their product. Those mines which are operating are the low cost producers with high grade ore.

Decreasing costs for mining supplies are a favorable factor in the situation but wage adjustments continue to be a source of contention between operators and miners' unions.

Following are comparative figures of the output of metal of ten reporting mines in this district for August, 1921, July, 1921, and August, 1920:

	Aug., 1921	July, 1921	Aug., 1920
Gold (oz.).....	35,026	34,665	25,10
Silver (oz.).....	402,276	322,228	250,12
Lead (lbs.).....	11,369,169	10,512,687	7,287,56
*Copper (lbs.)...	4,280,221	4,112,746	4,628,33

*Blister.

The outstanding feature of September operations in the oilfields of California was the large decline in production of crude oil, caused by the cessation of work on many

Petroleum leases as a result of a strike of oil field employees in the northern California oil district (located in the Southern San Joaquin Valley). This district is the heaviest producing area in the state and includes the Midway, Coalinga and the Kern River fields.

The daily average production of petroleum in California during September was 264,314 barrels, the smallest figure reported in the past two and one-half years. Daily average production in August, 1921, was 323,616 barrels, and in September, 1920, 304,340 barrels. Consumption, continuing at normal levels, exceeded the curtailed production, average daily shipment during the month being 269,588 barrels or 5,274 barrels in excess of daily production. To meet this deficit stored stocks were drawn upon and on September 30th they stood at 33,671,495 barrels compared with 33,829,721 barrels on August 31, 1921. Until last month

(F) Lumber—	West Coast Lumbermen's Association		Western Pine Manufacturers' Association		California White and Sugar Pine Manufacturers' Association		California Redwood Association		TOTAL	
	Oct. 1	Sept. 3	Oct. 1	Sept. 3	Oct. 1	Sept. 3	Oct. 1	Sept. 3	Oct. 1	Sept. 3
Average No. of Mills reporting	102	103	35	40	5	6	10	10	152	159
Cut*	234,950	235,187	70,388	69,237	13,106	24,700	28,275	26,063	346,719	355,18
Shipments*	217,638	250,023	71,146	68,049	12,422	15,104	19,782	8,730	320,988	341,90
Orders*	254,626	236,034	76,550	66,200	13,895	11,940	24,022	18,433	369,093	332,60

*In thousands of feet.

California has been placing oil in storage at the rate of about 1,000,000 barrels a month since December, 1920. Forty-seven new wells were reported opened during the month with an initial daily production of 8,690 barrels and five wells abandoned, an increase of 42 producing wells during the month.

Statistics on oil field production, as furnished by the Standard Oil Company of California, are shown in table "G."

Sales of electric energy for industrial purposes during August, as reported to this bank by nine of the principal power producers in

California, were 4.6 per cent greater than in July, 1921, and 4.9 per cent greater than in August, 1920. The increase, compared with the previous month, was general throughout the state. Compared with August, 1920, a reduction in sales was reported from northern California but this reduction was more than counterbalanced by increased sales in southern California and the San Joaquin Valley.

As the dry season advanced, needs of agricultural power users in irrigated districts increased. The influence of the abundant early season supply of surface water also became less noticeable and the demand from agricultural sections was slightly larger than in August, 1920. A small increase in the consumption of electric energy by the mining industry of the

state was also noted both as compared with July, 1921, and August, 1920.

The total output of electric energy of the reporting companies during August, 1921, increased 8.7 per cent compared with August, 1920, and 2.4 per cent compared with July, 1921.

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

In September, 1921, the dollar value of net sales of 30 representative department stores and mail order houses in this district averaged 8.7 per cent less than in September,

1920. As has been previously suggested, this percentage of decline is substantially less than the percentage

of decline in average selling prices of goods in these stores during the year, indicating that the physical volume of goods moving at retail is larger now than it was a year ago. Four stores reported the value of their sales in September of this year to be greater than in September, 1920. Compared with the previous month of this year, September sales declined 1.2 per cent in value, the decline being largely due to dullness in the retail trade in Los Angeles. Twenty-one of the 30 reporting stores stated that the value of their sales was greater in September than in August. The average net increase or decrease (—) during the past

(G) Petroleum—

	September, 1921	August, 1921	September 1920
Production (daily average).....	264,314 bbls.	323,616 bbls.	304,340 bbls.
Shipments (daily average).....	269,588 bbls.	252,792 bbls.	313,533 bbls.
Stored Stocks (end of month).....	33,671,495 bbls.	33,829,725 bbls.	23,158,657 bbls.
New Wells Opened.....	47	83	55
With Daily Production.....	8,690 bbls.	20,895 bbls.	21,775 bbls.
Wells Abandoned.....	5	3	5

(H) Electric Power—

Type of Plant	Plant Capacity K. V. A.			Peakload K. W.†			Plant Output K. W. H.		
	Aug., 1921	July, 1921	Aug., 1920	Aug., 1921	July, 1921	Aug., 1920	Aug., 1921	July, 1921	Aug., 1920
(a) Hydro Power	659,020	626,020	522,870	436,855	476,522	354,395	282,408,030	293,865,610	198,435,960
(b) Steam	342,825	349,995	308,440	176,130	127,820	201,925	71,413,639	51,519,891	126,808,902
(c) Purchased .....	.....	.....	.....	51,287	53,125	36,845	35,421,117*	33,182,720*	27,749,522*
Total	1,001,845	976,015	831,310	664,272	657,467	593,165	353,821,669	345,385,501	325,244,862

Number of Industrial Consumers and Sales:

Number of Industrial Consumers‡			Connected Industrial Load H. P.‡			Industrial Sales K. W. H.		
Aug., 1921	July, 1921	Aug., 1920	Aug., 1921	July, 1921	Aug., 1920	Aug., 1921	July, 1921	Aug., 1920
41,661	41,586	36,030	1,328,857	1,249,269	1,232,248	233,899,623	223,556,517	222,887,834

†58,060 K. W. in August, 1921; 60,870 K. W. in July, 1921; and 47,110 K. W. in August, 1920, included in total but not in segregated figures.

*Not included in total plant output.

‡Eight companies reporting.

§Seven companies reporting.

month in the value of net sales in the reporting cities of this district is shown as follows:

	September, 1921, compared with		Three months ending September 30, 1921, compared with the three months ending September 30, 1920
	Sept., 1920	Aug., 1921	
Los Angeles....	.3	-18.9	.2
Oakland	-12.8	-2.2	9.5
Sacramento	-21.6	21.9	-12.5
Salt Lake City..	-13.9	35.4	-15.7
San Francisco...	4.7	-4.2	5.7
Seattle	-10.8	18.9	-13.9
Spokane	-11.4	16.1	-12.8
District	-8.7	-1.2	8.8

The amount of the average sale (cash, charge, c. o. d.) reported by nine firms was \$2.94 in September compared with \$2.68 in August and \$3.26 in September, 1920. Following is a statement of the average sale (cash, charge, c. o. d.) in Los Angeles, San Francisco and Seattle.

	Sept., 1921	Aug., 1921	Sept., 1920
Los Angeles.....	\$ 3.52	\$ 3.16	\$ 4.25
San Francisco.....	3.19	3.05	3.38
Seattle	2.38	2.02	2.32
District	\$ 2.94	\$ 2.68	\$ 3.26

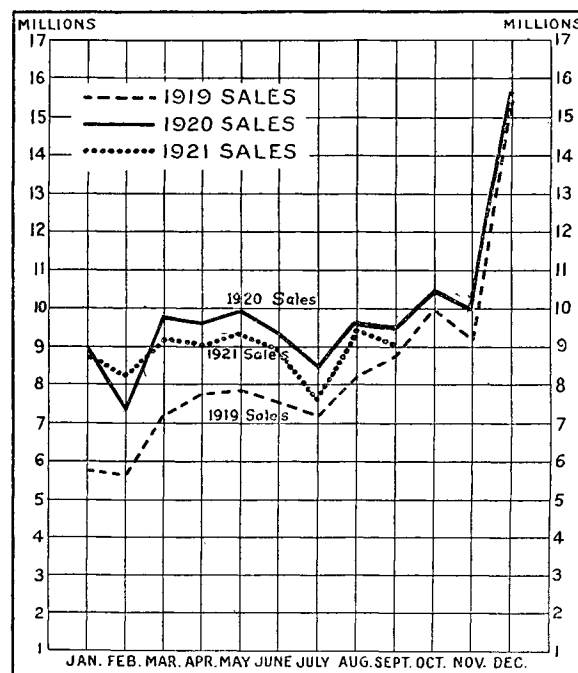
The value (selling price) of stocks of reporting firms at the close of September, 1921, was 15.7 per cent less than at the close of September, 1920, and 4.3 per cent greater than at close of August, 1921. The comparison with September, 1920, is informing as to the physical quantity of merchandise now on the shelves of these retailers. Most of them report an average decline of over 20 per cent during the year in retail selling prices (on which basis their stocks are computed and reported to this bank) and it is altogether probable, therefore, that the physical volume of merchandise now carried by these firms is at least equal to and probably exceeds the quantities carried in September, 1920. The percentage of outstanding

orders on October 1st to total purchases during the year 1920 was 8.1 per cent compared with 10.0 per cent on September 1st.

Collections were characterized by reporting firms as follows:

	Excellent	Good	Fair	Poor
Number of Firms	2	10	6	0

Statements of increases or decreases in the value of net sales of 30 representative department stores and mail order houses during September, 1921, compared with September, 1920, and August, 1921, and the three months ending September 30, 1921, compared with same period in 1920, are shown in table "I."



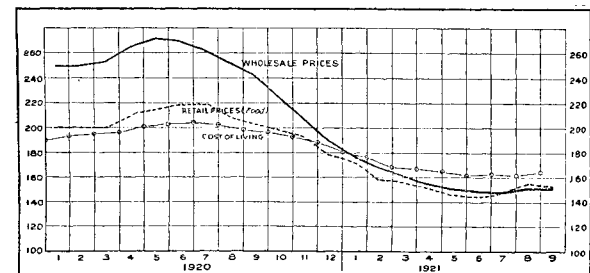
Net Sales of 22 Department Stores in Twelfth Federal Reserve District
(In Millions of Dollars)

(I) Retail Trade Activity—

CONDITION OF RETAIL TRADE DURING SEPTEMBER, 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 September, 1921, over net sales during same month last year.....	.3	-12.8	-21.6	-13.9	4.7	-10.8	-11.4	-8.7
Percentage increase or decrease of net sales during September, 1921, over net sales during August, 1921.....	-18.9	-2.2	21.9	35.4	-4.2	18.9	16.1	-1.2
Percentage increase or decrease of net sales from July 1, 1921, to September 30, 1921, inclusive, over net sales during same period last year.....	.2	-9.5	-12.5	-15.7	-5.7	-13.9	-12.8	-8.8

Detailed reports received by this bank from 194 representative wholesale firms in ten lines of business in this district indicate that the dollar value of September sales was less than the value of sales in September of last year, the percentage of decrease ranging from 12.2 per cent in automobile tires to 52.3 per cent in agricultural implements. Before estimating the physical quantity of goods moving at wholesale, however, it is necessary to consider with these percentages the item of price decline. In those lines in which during the year the average decline in selling prices has



Wholesale Prices, Retail Food Prices and the Cost of Living
 U. S. Bureau of Labor Wholesale Prices—327 Commodities
 U. S. Bureau of Labor Retail Food Prices—22 articles in 1920; 43 in 1921
 National Industrial Conference Board Cost of Living—Based on prices of food, clothing, shelter, fuel, light and sundries.

been greater than the percentages quoted in column one below it is probable that the physical volume of goods moving has not diminished. Such a condition would appear to ob-

tain in each of the reporting lines excepting agricultural implements and possibly stationery. With the advance of autumn, demands of retailers have increased materially and September sales were greater in value than August sales in all reporting lines except automobile tires, automobile supplies and agricultural implements, sales of which normally decline at this season of the year. The average net increases or decreases (—) in dollar value of sales of the ten reporting lines of business were as follows:

Agricultural	Sept., 1921, compared with		Nine months ending Sept. 30, 1921 compared with same period in 1920
	Sept., 1920	Aug., 1921	
Implements ..	-52.3	-31.4	-52.2
Auto Supplies...	-20.3	.09	-26.3
Auto Tires.....	-12.2	-20.7	-22.3
Drugs	-18.8	.3	-15.9
Dry Goods.....	-19.5	24.7	-33.5
Furniture	-13.2	32.7	-30.3
Groceries	-27.7	3.1	-26.3
Hardware	-22.8	6.0	-33.4
Shoes	-13.0	29.2	-26.6
Stationery	-27.3	12.1	-23.7

Reports received from 148 wholesale dealers concerning the character of the present buying demand indicate that retailers are still buying conservatively to meet current needs, only six wholesalers reporting a tendency among retail dealers to increase their stocks. A majority of the same firms report that staples are selling more readily than fancy goods. On hundred and nine wholesale firms in all reporting lines

(J) Wholesale Trade—

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

	Agricultural Implements	Auto Supplies	Auto Tires	Drugs	Dry Goods	Furniture	Groceries	Hardware	Shoes	Stationery
Number of reporting firms..	24	20	15	9	13	17	29	22	16	28
Los Angeles.....	-60.1	-14.2	-20.3	..	..	-11.5	-17.5	-19.3	-10.6	-34.9
Portland	-70.3	-24.1	..	..	..	-10.4	-30.5	-38.7	-33.1	-30.0
Sacramento .....	..	-33.9	..	..	..	..	-33.2	-24.0	..	..
Salt Lake City..	-38.3	-10.4	-10.3	-27.2	..	..	-29.9	-33.6	..	-29.8
San Francisco...	-67.4	-30.4	-18.1	..	-15.7	-3.4	-32.5	-27.9	1.7	-29.0
Seattle .....	..	-30.9	11.7	..	-21.0	..	..	-33.4	-25.8	-10.3
Spokane	-44.4	..	43.0	..	..	..	-25.9	-36.0	..	-10.8
Tacoma .....	..	..	..	..	..	-18.9	-26.1	-23.8	..	-44.0
District	-52.3	-20.3	-12.2	-18.8	-19.5	-13.2	-27.7	-30.1	-13.0	-27.3

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

	Agricultural Implements	Auto Supplies	Auto Tires	Drugs	Dry Goods	Furniture	Groceries	Hardware	Shoes	Stationery
Number of reporting firms..	24	20	15	9	13	17	29	22	16	28
Los Angeles.....	-60.2	-12.2	-18.7	..	..	-23.9	-15.5	-33.8	-15.7	-18.2
Portland	-51.3	-27.2	..	..	..	-28.1	-32.9	-32.2	-37.4	-24.8
Sacramento .....	..	-21.1	..	..	..	..	-21.7	-21.5	..	..
Salt Lake City..	-49.8	-33.1	-17.7	-25.6	..	..	-32.5	-38.6	..	-31.0
San Francisco...	-54.5	-24.6	-34.5	..	-32.0	-38.3	-25.6	-30.2	-20.0	-27.6
Seattle .....	..	-37.6	-18.8	..	-42.2	..	..	-39.6	-50.1	-25.0
Spokane	-56.2	..	-25.7	..	..	..	-30.7	-26.6	..	-16.7
Tacoma .....	..	..	..	..	..	-37.6	-25.0	-13.4	..	-21.8
District	-52.2	-22.3	-26.3	-15.9	-33.5	-30.3	-26.3	-33.4	-26.6	-23.7

of business reported the percentage of their collections during September, 1921, to the total amount due from customers (outstanding) on September 1, 1921, and 1920 as follows:

	Number of Firms	Sept., 1921	Aug., 1921	Sept., 1920
Agricultural Implements.	11	34.2	35.2	44.1
Automotive Supplies.....	18	60.1	61.3	61.5
Auto Tires.....	11	63.7	60.0	64.9
Drugs	5	82.0	91.9	69.0
Dry Goods.....	6	38.8	35.0	38.1
Furniture	8	59.5	51.6	64.9
Groceries	16	74.4	82.0	83.0
Hardware	13	51.2	46.3	55.4
Shoes	10	36.9	40.7	39.7
Stationery	11	55.6	53.0	64.0

No definite trend of prices was indicated for September, some dealers reporting increases and others decreases as compared with the previous month. Present prices are from 10 to 45 per cent lower than one year ago in all lines. Collections were reported excellent by four firms, good by 65, fair by 83 and poor by nine. Statements of increases or decreases in net sales of reporting wholesale firms during September, 1921, compared with September, 1920, and first nine months of 1921 compared with first nine months of 1920 are shown in table "J" (see preceding page).

Decreased unemployment in some industries and sections during the month of September was offset by increased unemployment in others, and the total number of men **Labor** employed in gainful occupations at the end of the month was approximately unchanged.

The close of the fishing season in Oregon and Washington caused a marked reduction in employment rolls and a further decline was reported in the shipbuilding industry. Considerable improvement is noted in the lumbering sections of these states and the coal mines of

Washington, which have been closed because of labor troubles since last March, have resumed operations. In California the demand for unskilled labor, to harvest the later crops has furnished employment to numerous transient workers, but has not materially increased the total number of men employed. A slight decrease in unemployment is reported from the mining districts of Utah, Nevada, and Arizona, but the situation is otherwise unchanged. An increased demand for harvest labor and the commencement of railroad construction work have improved conditions in Idaho.

The monthly report of the United States Employment Service, Department of Labor, based on reports from manufacturing firms employing 500 men or over, shows the following changes in September over August for the cities in this district:

	Numerical increase in employment during September compared with August	Percentage increase in employment during September compared with August
Los Angeles..	571	2.5
San Francisco.	219	3.7
Seattle	81	3.5
Portland	1,387	21.7

Part time employment still obtains in many plants, the industries chiefly affected being the metal trades and shipbuilding. Building activity has shown a marked improvement over last month in practically all cities of the district and the demand for skilled labor in the building trades has improved.

The results of a special survey conducted in the State of California by the United States Bureau of Labor Statistics, showing the number of persons employed by 272 establishments in various industries throughout California during September, 1921, August, 1921, and September, 1920, are shown in table "K."

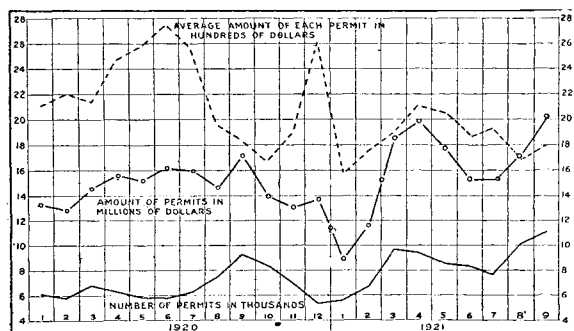
(K) California Employment Statistics—

	Number of Establishments	Month Ending		Per Cent Increase or Decrease (—) from Sept., 1920	
		Sept., 1921	Aug., 1921		Sept., 1920
Slaughtering and Packing.....	14	3,164	3,196	3,303	— 4
Clothing, Wearing Apparel.....	22	4,014	4,091	4,447	—10
Agricultural Implements, Tractors.....	7	738	743	2,019	—63
Gas Engines, Pumps, Boilers.....	14	1,233	1,293	2,343	—47
Foundry—Machine Shops.....	37	3,008	3,155	4,447	—32
Planing Mills—Manufacturers of Lumber	37	6,637	6,318	6,663	—3
Tannery, Wool Scouring.....	10	712	678	652	9
Printing, Publishing.....	16	3,316	3,082	3,090	1
Mineral, Oil Refining.....	8	4,788	5,165	9,454	—49
Railroad Repair Shops.....	32	17,087	16,341	20,712	—18
Canning, Drying, Preserving.....	44	5,308	8,345	8,290	—36
Shipbuilding, Naval Repairs.....	8	13,538	16,457	33,837	—60
Logging Mills.....	23	10,480	10,310	11,585	—10
	272	74,023	79,174	110,842	—33.2

September building returns reached the highest point ever touched in this district. Official reports to this bank from the building departments of 20 cities in the district show 11,169 permits issued during September, 1921, with a valuation of \$20,134,993 compared with 9,382 permits issued during September, 1920, with a valuation of \$17,117,294 or an increase of 19.0 per cent in number and 17.6 per cent in value during September of this year compared with September, 1920. Considering the decrease in the price level during the year, these figures represent a substantial increase in the physical volume of construction. Of the 20 reporting cities, 13 show an increase in the value of permits issued during September, 1921, over September, 1920, and 17 cities an increase in the number of permits for the same period.

Building Activity

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

Construction activity has steadily improved since midsummer, the August and September reports having shown large increases over the preceding month both in number and value of permits issued. Building permits issued during September were 9.6 per cent greater in number and 11.0 per cent greater in value than those issued during August and exceeded the number and value of permits issued during July, 1921, by 40.8 and 31.6 per cent, respectively.

The accompanying chart shows the number, total valuation and average value of building permits issued in this district by months since January, 1920. Comparative figures of the number and value of permits issued in 20 reporting cities during September, 1921, August, 1921, and September, 1920, are shown in table "L."

Business failures in this district during September exceeded in number those of any other month during the present readjustment period.

The amount of liabilities involved in business failures was less than in the preceding month but considerably greater than in the corresponding month in 1920.

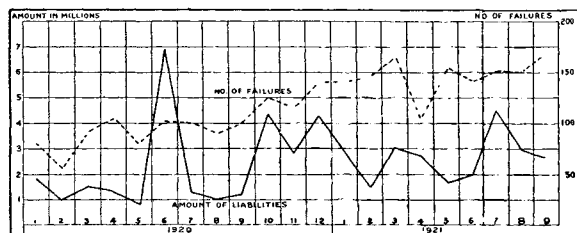
September reports included 192 failures with total liabilities amounting to \$2,680,934, an increase of 90 per cent in number and 115.4 per cent in amount of liabilities compared with September, 1920. In comparison with the preceding month of the present year, when 150 failures with liabilities of \$2,936,363 were reported, there was an increase in number of 42, or 28 per cent, and a decrease in the amount of liabilities of \$255,429, or 8 per cent.

Liabilities of the average failure in the district amounted to \$13,963 in September com-

(L) Building Permits—

	September, 1921		August, 1921		September, 1920		Per Cent Increase or Decrease (—) Sept., 1921 over Sept., 1920
	No.	Value	No.	Value	No.	Value	
Berkeley	148	\$ 312,629	130	\$ 248,664	117	\$ 187,545	66.6
Boise	117	92,748	110	64,327	106	33,644	175.5
Fresno	193	193,424	199	383,572	265	411,705	— 53.0
Long Beach.....	387	822,675	300	889,164	475	1,231,250	— 33.2
Los Angeles.....	3,931	8,303,665	3,554	7,015,861	3,515	7,231,440	14.8
Oakland	719	1,478,739	652	1,852,609	510	798,169	85.2
Ogden	50	104,800	54	115,600	27	48,150	117.6
Pasadena	387	757,204	295	566,531	359	383,562	97.6
Phoenix	80	216,861	54	58,344	192	589,638	— 63.2
Portland	1,571	1,789,195	1,591	1,486,982	1,074	802,860	123.3
Reno	33	30,993	23	54,375	11	16,675	85.8
Sacramento	287	918,121	260	348,788	142	546,065	68.1
Salt Lake City.....	125	251,560	160	346,620	72	88,360	184.6
San Diego.....	415	657,081	365	442,109	338	554,952	18.4
San Francisco.....	631	2,100,163	381	1,316,937	435	1,996,612	5.2
San Jose.....	76	78,010	46	39,075	63	134,733	— 42.1
Seattle	1,146	1,355,430	1,113	1,340,430	1,046	865,330	56.6
Spokane	268	202,460	251	222,992	189	277,100	— 27.0
Stockton	105	129,145	88	115,140	87	423,669	— 69.5
Tacoma	500	340,090	561	318,245	359	495,835	— 31.4
Total	11,169	\$20,134,993	10,187	\$17,226,365	9,382	\$17,117,294	17.6

pared with \$19,575 in August, 1921, and \$12,322 in September, 1920. R. G. Dun & Company's figures of the number and liabilities of business failures (exclusive of bank failures) in this district are shown in table "M."



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.

Bank clearings of the 20 reporting cities of this district for September, 1921, totaled \$1,467,012,000, an increase of 4.4 per cent compared with last month and a decrease of 17.9 per cent compared with September of last year. In the year period September, 1920, to September, 1921, wholesale and retail prices have declined from 45 to 15 per cent, depending upon the commodity, and it is accordingly apparent that the physical volume of business being transacted in this district continues greater this year than it was last year. Decreases in September of this year compared with September, 1920, were reported from all cities, with exception of Berkeley, where an increase of 6.3 per cent occurred.

In the nine months' period, January to September, 1921 (inclusive), bank clearings in the reporting cities totaled \$12,771,981,000 compared with \$15,169,456,000 in the corresponding period of 1920, a decrease of 15.8 per cent.

Compared with the previous month, September clearings were greater in 13 of the 20 reporting cities, the increase being most noticeable in cities in agricultural districts and in those seaboard cities which are particularly interested in the movement of seasonal agricultural products.

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

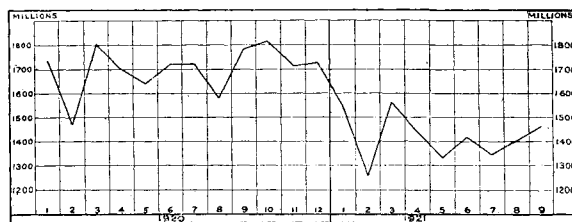
The noteworthy feature of the San Francisco bill market during the month ending October 10th was the steady decline in rates.

Acceptance Market

From 5 per cent, at which figure it had remained for over a month, the rate fell successively to 4 7/8 per cent, 4 3/4 per cent, 4 5/8 per cent, and finally 4 1/2 per cent on October 11th. This decline is attributed to the pronounced easing of the call money and bill rates in the East. In spite of this diminution of return on acceptances, demand is reported to have been fairly well maintained throughout the month. Northern California and the Pacific Northwest continue to accept over 90 per cent of the bills drawn in this district, and to buy 80 per cent of all acceptances sold here. Bills of 120 and 150 day maturities have become more popular, doubtless due to anticipation of further rate declines in the immediate future. Maturities of bills purchased during the month ending October 11th were divided roughly as follows:

30 day....	26.0%	120 day....	6.0%
60 day....	25.0%	150 day....	0.5%
90 day....	42.5%		

Bills originating in this district are still somewhat larger in total amount than they were during the summer months, doubtless due to continuation of crop marketing. The 37 principal accepting banks of the district reported total September purchases of acceptances of \$5,994,000 compared with \$2,996,000 in August. Of the \$5,994,000 purchased, \$2,118,000



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

(M) Business Failures—

	September, 1921		August, 1921		September, 1920	
	No.	Liabilities	No.	Liabilities	No.	Liabilities
Arizona	9	\$ 80,600	4	\$ 1,200	3	\$ 1,500
California	88	1,075,026	83	1,541,075	45	401,032
Idaho	16	169,953	11	129,601	10	163,929
Nevada	1	5,000	0	0	2	8,602
Oregon	28	214,944	22	629,206	11	87,258
Utah	10	144,586	5	32,780	11	290,261
Washington	40	990,825	25	602,501	19	291,978
District	192	\$2,680,934	150	\$2,936,363	101	\$1,244,560

represented bills drawn in this district, based primarily upon canned goods, wheat, sugar and coffee. These 37 banks reported a total of \$11,480,000 acceptances held at close of September compared with \$4,075,000 on hand at the end of August.

Rates in the open discount market at the end of the period were as follows:

	30 days Per Cent	60 days Per Cent	90 days Per Cent
Eligible member banks.....	4½	4½	4½
Eligible non-members.....	4¾	4¾	4¾

On October 13th the Federal Reserve Board approved a minimum rate of 4 per cent for purchases by this bank of bankers' acceptances in the open market.

For the first time in a year and a half the monthly reports to this bank of interest rates

prevailing in the district show a tendency toward easier money in the country districts. The customary rate in Salt Lake City, which

Interest and Discount Rates

has been reported at 8 per cent since early in 1920 is now reported to be 7½ per cent. The open market commercial paper rate throughout the whole district reflects, in its decline of from ¼ to ½ per cent during the past month, the easier credit condition which declining rates in eastern centers have foretold for the last several weeks.

A statement of interest and discount rates charged by banks in Federal Reserve Bank and Federal Reserve Branch cities of this district tabulated for the 30 day periods ending October 5, 1921, and September 5, 1921, is given in table "O."

(N) Bank Clearings*—

	September, 1921	August, 1921	September, 1920	Per Cent Increase or Decrease (—) Sept., 1921 over Sept., 1920
Bakersfield	\$ 4,365	\$ 4,507	\$ 6,054	—27.8
Berkeley	14,452	14,607	13,593	6.3
Boise	4,816	4,476	7,390	—34.9
Fresno	22,945	16,070	25,144	— 8.7
Long Beach.....	14,387	15,337	15,410	— 6.6
Los Angeles.....	336,748	329,817	346,945	— 2.9
Oakland	43,564	45,785	48,620	—10.3
Ogden	6,817	6,087	10,406	—34.4
Pasadena	11,881	11,964	12,718	— 6.5
Portland	141,181	130,150	180,364	—21.7
Reno	2,803	3,049	3,859	—27.3
Sacramento	24,737	23,737	31,734	—22.0
Salt Lake City.....	52,574	47,965	69,379	—24.2
San Diego.....	11,360	11,427	13,263	—14.3
San Francisco.....	551,600	530,300	712,000	—22.5
San Jose.....	7,618	7,621	11,222	—32.1
Seattle	131,887	127,321	175,874	—25.0
Spokane	48,221	41,747	57,662	—16.3
Stockton	21,801	20,343	25,043	—12.9
Tacoma	13,255	13,212	20,255	—34.5
Total	\$1,467,012	\$1,405,522	\$1,786,935	—17.9

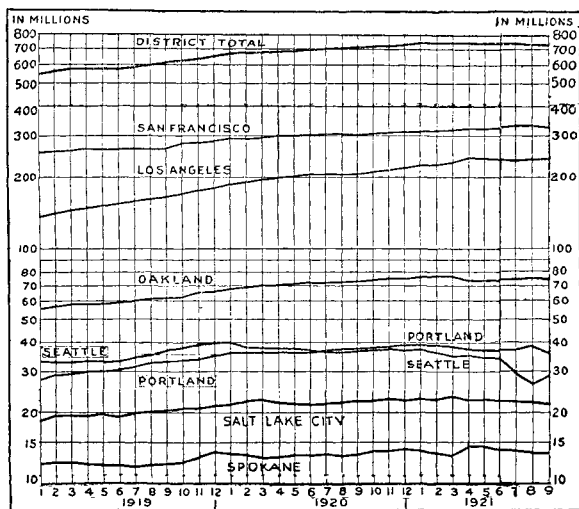
*In thousands of dollars.

(O) Interest and Discount Rates—

	Prime Commercial Paper				Interbank Loans		Collateral Demand Loans		Secured by U. S. Bonds or U. S. Certificates of Indebtedness	
	Customers		Open Market							
	Month ending Oct. 5	Sept. 5	Month ending Oct. 5	Sept. 5	Month ending Oct. 5	Sept. 5	Month ending Oct. 5	Sept. 5	Month ending Oct. 5	Sept. 5
Los Angeles.....	7	7	6	6½	7	6½	7	7	7	7
Portland	7	7	6	6¼	7	7	7	7	7	7
Salt Lake City..	7½	8	—0—	—0—	7	8	—0—	8	7	8
San Francisco...	6½	6½	6	6¼	6	6½	6½	6½	6½	6½
Seattle	7	7	6	6½	7	7	7	7	7½	7
Spokane	7	7	—0—	—0—	7	7	7	7	7	7

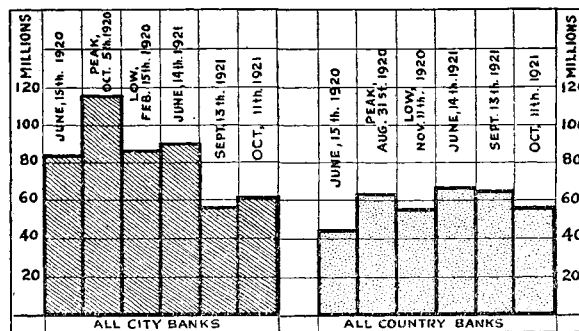
Savings deposits in this district (as reported by 79 banks in the seven principal cities) increased during the month ending September 15th, thirteen hundredths of 1 per cent being on that date \$742,144,000 compared with \$741,206,000 on August 15th. The increase in savings deposits during the year ending September 15th was 6.3 per cent.

Financial operations of the Government and investment purchases of United States securities are reflected in the combined statement of the 65 reporting member banks in this district as of October 5th last. Government deposits rose by \$14,000,000 to \$20,668,000 accompanied by a decline of approximately the same amount in net demand deposits. An increase of approximately \$13,000,000 occurred in the investments by these banks in United States bonds, treasury certificates and treasury notes, probably representing investment of a part of the increase of \$24,000,000 in their time deposits which occurred during the month. Loans to commercial borrowers ("all other" loans and discounts) rose slightly (\$3,723,000) to \$709,765,000. This increase was counterbalanced by a decline of \$4,000,000 in loans secured by stocks and bonds other than United States bonds. Borrowings by the 65 reporting member banks from the Federal Reserve Bank on October 5th last, as compared with September 7, 1921, were unchanged at \$67,700,000. In normal years it is customary for banks in this district to increase their borrowings at this season to handle the marketing of crops and livestock and the autumn movement of merchandise.



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

The growth of savings deposits in the seven principal cities in the district is shown in the accompanying table "P" and chart. The line representing the savings deposits of Spokane has been corrected. In previous reports Spokane was credited from January, 1919, to May, 1921, with approximately four million dollars in excess of its actual deposits so that what appeared to have been a drop of two and one-half millions in April last was in reality an increase in savings deposits in Spokane of one and one-fourth million dollars.



Rediscounts of Member Banks on Selected Dates, 1920-1921
(In Millions of Dollars)

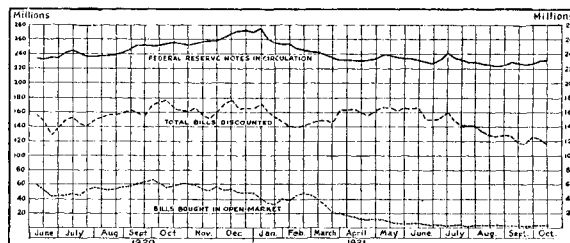
(P) Savings Deposits*—

	Number of Banks	Sept. 15, 1921	Aug. 15, 1921	Sept. 15, 1920	Per Cent Increase or Decrease (—) Sept. 15, 1921 over Sept. 15, 1920
San Francisco	17	\$327,461	\$329,482	\$305,328	7.2
Oakland	7	73,337	74,807	73,762	— .6
Spokane	6	13,531	13,150	13,313	1.6
Seattle	15	29,674	26,765	36,788	—19.3
Portland	10	36,069	37,872	37,863	— 4.7
Salt Lake City	10	22,264	22,221	22,350	— .4
Los Angeles	14	239,808	236,909	208,964	14.8
Totals	79	\$742,144	\$741,206	\$698,368	6.3

*In thousands of dollars.

A customary autumn demand for additional currency to facilitate the more numerous transactions attending the marketing of agricultural products and the quickening of wholesale and retail trade at this season was reflected during the month ending October 11th by an increase of \$4,000,000 (1.75 per cent) in the circulation of Federal Reserve notes of this bank, the total on that date rising to \$232,684,000. Last year at this time the volume outstanding was \$256,213,000. Total bills discounted on October 11th at \$118,600,000 were practically unchanged in amount as compared with September 17, 1921, but were nearly 30 per cent less than the total of \$165,600,000 of such bills held last year at this season. That customers of member banks are succeeding in reducing their indebtedness to the latter may be inferred from the decline dur-

ing the month of \$8,400,000 in this bank's holding of rediscounts of customers' paper. Bills discounted secured by Government obligations, however, *increased* by practically the same amount. Total reserves on October 11, 1921, of \$240,254,000 represented a gain of \$4,500,000 for the month, over \$4,200,000 of which was in gold.



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

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

	Oct. 5, 1921	Sept. 7, 1921	Oct. 8, 1920
*Number of Reporting Banks.....	65	66	66
1. Loans and discounts (exclusive of rediscounts):			
(a) Secured by United States Government Obligations...\$	24,097,000	\$ 24,021,000	\$ 32,880,000
(b) Secured by Stocks and Bonds other than U. S. Bonds	142,427,000	146,523,000	145,723,000
(c) All Other.....	709,765,000	706,042,000	989,504,000†
(See explanatory foot note below concerning item 1 (c) in 1920.)			
2. Investments:			
(a) United States Bonds.....	102,568,000	97,593,000	96,024,000
(b) United States Victory Notes.....	19,048,000	16,058,000	13,350,000
(c) United States Certificates of Indebtedness.....	20,204,000	19,238,000	24,379,000
(d) Other Bonds, Stocks and Securities.....	170,394,000	167,258,000	—0—
(e) United States Treasury Notes.....	6,764,000	2,887,000	—0—
3. Total Loans and Discounts and Investments.....	1,195,267,000	1,179,620,000	1,301,860,000
4. Reserve Balance with Federal Reserve Bank.....	74,030,000	76,314,000	79,121,000
5. Cash in Vault.....	23,010,000	23,648,000	27,732,000
6. Net Demand Deposits on which reserve is computed.....	562,772,000	574,301,000	623,053,000
7. Time Deposits, including Savings Deposits.....	565,413,000	541,682,000	514,263,000
8. Government Deposits.....	20,668,000	6,535,000	9,318,000
9. Bills Payable with Federal Reserve Bank:			
(a) Secured by United States Government Obligations...	28,668,000	23,003,000	31,665,000
(b) All Other.....	596,000	141,000	210,000
10. Bills Rediscounted with Federal Reserve Bank:			
(a) Secured by United States Government Obligations...	2,595,000	2,917,000	3,288,000
(b) All Other.....	35,929,000	39,697,000	81,862,000

*Total resources of reporting banks are approximately 44 per cent of total resources of all banks, and 64 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 OCTOBER 11, 1921**

RESOURCES

	Oct. 11, 1921	Sept. 14, 1921	Oct. 15, 1920
Gold and Gold Certificates.....	\$ 17,961,000	\$ 20,804,000	\$ 13,289,000
Gold Settlement Fund—Federal Reserve Board.....	41,178,000	34,392,000	36,175,000
Gold With Foreign Agencies.....	—0—	—0—	3,984,000
Total Gold Held by Bank.....	\$ 59,139,000	\$ 55,196,000	\$ 53,448,000
Gold With Federal Reserve Agent.....	167,911,000	167,746,000	98,580,000
Gold Redemption Fund.....	9,612,000	8,973,000	12,910,000
Total Gold Reserves.....	\$236,662,000	\$231,915,000	\$164,938,000
Legal Tender Notes, Silver, etc.....	3,592,000	3,822,000	420,000
Total Reserves.....	\$240,254,000	\$235,737,000	\$165,358,000
Bills Discounted: Secured by U. S. Government Obligations....	42,189,000	34,558,000	53,388,000
All Other.....	76,432,000	84,839,000	112,168,000
Bills Bought in Open Market.....	3,834,000	3,655,000	57,749,000
Total Bills on Hand.....	\$122,455,000	\$123,052,000	\$223,305,000
United States Bonds and Notes.....	214,000	204,000	2,632,000
One-Year Certificates of Indebtedness (Pittman Act).....	7,880,000	8,880,000	10,880,000
All Other Certificates of Indebtedness.....	183,000	11,000	283,000
Total Earning Assets.....	\$130,732,000	\$132,147,000	\$237,100,000
Bank Premises.....	673,000	638,000	231,000
5% Redemption Fund Against Federal Reserve Bank Notes....	444,000	494,000	665,000
Uncollected Items.....	38,630,000	45,358,000	52,603,000
All Other Resources.....	4,456,000	5,001,000	335,000
Total Resources.....	\$415,189,000	\$419,375,000	\$456,292,000

LIABILITIES

Capital Paid In.....	\$ 7,382,000	\$ 7,359,000	\$ 6,884,000
Surplus	15,207,000	15,207,000	11,662,000
Reserved for Government Franchise Tax.....	2,835,000	2,664,000	—0—
Deposits: Government.....	3,029,000	3,703,000	1,214,000
Member Bank Reserve Account.....	112,742,000	114,799,000	120,180,000
All Other.....	3,616,000	3,902,000	3,482,000
Total Deposits.....	\$119,387,000	\$122,404,000	\$124,876,000
Federal Reserve Notes in Actual Circulation.....	232,684,000	228,674,000	256,213,000
Federal Reserve Bank Notes in Circulation—Net Liability.....	3,275,000	4,100,000	10,622,000
Deferred Availability Items.....	32,559,000	37,241,000	40,951,000
All Other Liabilities.....	1,860,000	1,726,000	5,084,000
Total Liabilities.....	\$415,189,000	\$419,375,000	\$456,292,000
Memo: Contingent Liability on Bills Purchased for Foreign Correspondents	1,539,000	1,569,000	736,000