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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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The Month

EASIER credit conditions in the district, which became apparent during September, largely as a result of the rapid and heavy marketing of agricultural products, have continued in greater degree during October. Interest rates to customers of banks in two of the largest cities, San Francisco and Seattle, are reported to be ½ per cent less and to stand at 6 and 6½ per cent respectively. The rate on prime bills in the acceptance market is now 4⅜ per cent as compared with 4½ per cent a month ago. Advances to member banks by the reserve bank were reduced by 26 per cent during the month ending November 9th and on that date were $88,000,000, which is the smallest amount advanced at any time since January 23, 1920.

Greater activity is apparent in the field of industry. The improvement discernible during September in the lumber industry continued in October, demand for lumber showing a marked increase over previous months of this year, with recent price advances generally maintained. The amount of orders received by 161 reporting mills (441,221,000 feet) was the largest total booked in any one month since March, 1920. In the mining industry the activity of lead producers is noteworthy. The lead mines of Utah and Idaho, which produce approximately 50 per cent of the United States output of lead, are now operating at full capacity. With the practical ending of the strike in the San Joaquin Valley fields of California, production of petroleum has risen rapidly. As a result of the strike October production was the lowest of any month in several years and stored stocks were consequently drawn upon to meet the demand. Building activity in this district during October passed all records both of number and value of building permits issued, a continuation of the rapid increase in volume of building operations which began in July of this year. Building permits issued in 20 principal cities of the district during October, 1921, numbered 11,442, with an estimated valuation of $23,333,741, exceeding the previous record month of September, 1921, by 373 or 3.3 per cent in number and by $3,198,748 or 15.8 per cent in value. Sales of electric power for industrial purposes in California during September, as reported by the eight principal power producers, were 4.5 per cent greater in kilowatt hours than in September, 1920, the outstanding increases being in the San Joaquin Valley and in southern California. The total output of electric energy by these companies was 35.7 per cent greater than in September, 1920. Increased activity in industrial centers during the month provided sufficient additional employment to offset the decline noticeable in the rural districts with the end of the harvest, and employment conditions as a whole in the district are practically unchanged as compared with those of the preceding month.

In the field of business, bank clearings of 20 principal cities, which were 14.1 per cent less than those of October, 1920, (the highest point ever recorded in the district) indicate that the physical volume of trade in the district is greater than it was a year ago, the percentage of decline in clearings, 14.1 per cent, being less by a considerable margin than the percentage of decline in prices during the year ending October, 1921, which is estimated to have been 37 per cent at wholesale and 20 per cent at retail. Reports from 187 wholesalers in ten lines of business in the district indicate that net sales during the nine months of this year were 10 to 50 per cent less in

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value than those of the corresponding period in 1920. These percentages of decline roughly approximate the percentages of the decline in prices of their wares reported by these merchants and it is probable that the physical volume of wholesale trade today is not greatly different from that of October, 1920, with the exception of agricultural implements, in which line the reduced purchasing power of rural communities is strongly reflected. Reports from 33 representative department stores indicate that their October sales were 6.3 per cent less in value than the sales of October, 1920. They advise that their prices are from 10 to 30 per cent less than they were a year ago, and it seems fair to conclude that the volume of merchandise passing over their counters is now appreciably greater than it was in October, 1920.

Wheat and Barley

Harvesting of the 1921 crop of wheat in this district is completed and production estimates remain unchanged, indicating a yield of 112,890,000 bushels, compared with 100,232,000 bushels produced in 1920. This season's wheat is reported to be excellent in quality by both Government and private authorities, the United States Department of Agriculture grading it from one to two points above the ten-year average in Oregon, Washington and Idaho.

Marketing of the wheat and barley crops of the district this season has been distinguished by the abnormally heavy movement to terminal concentration points immediately after harvest. The rapid movement of California barley is attributed to the unusual export demand which continued up to the latter part of August, causing nearly two-thirds of the crop to move marketward during the months of July, August and early September. Growers of wheat also sold their crops freely immediately after harvest, partly in order to meet financial obligations and partly on account of the active export demand. The rapidity of the movement is shown by a comparison of receipts and exports of wheat and barley at terminal shipping points of the district this year and last year. Receipts and exports of wheat at Portland and Puget Sound ports since the beginning of the crop year follow:

RECEIPTS	July 1-Nov. 12 1921 (cars)	July 1-Nov. 13 1920 (cars)	Percentage Increase 1921 over 1920
Portland	15,490	6,639	133.3
Puget Sound	9,207	5,184	77.6
Totals	24,697	11,823	108.8

EXPORTS	July 1-Nov. 1 1921 (bushels)	July 1-Nov. 1 1920 (bushels)	Percentage Increase 1921 over 1920
Portland	16,776,340	7,703,520	117.7
Puget Sound	3,148,516	2,096,298	50.0
Totals	19,924,856	9,799,818	103.3

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

	July 1-Nov. 1 1921 (centals)*	July 1-Nov. 1 1920 (centals)*	Percentage Increase 1921 over 1920
Receipts	5,504,420	1,488,040	271.2
Exports	5,742,871	1,449,344	289.6

*One cental equals approximately two bushels.

A distinct slowing down of grain marketing was noticeable in October and little grain is moving on new orders at the present time. The market for both wheat and barley is reported to be weak, and prices declined during the past month. Average net returns to the wheat growers of the Pacific Northwest during October of this season are reported to have been 80 cents per bushel, compared with a net return of $1.81 per bushel in October, 1920. California barley growers are reported by commercial factors to be receiving from $1.00 to $1.25 per hundred pounds, f. o. b. shipping points, at the present time, which is the equivalent of 50–62½ cents per bushel. The average net return to California barley growers during October, 1920, was $1.03 per bushel.

Table "A" shows the exports of wheat from Columbia River and Puget Sound ports by principal countries of destination for October and the cereal years 1921 and 1920.

(A) Exports of Wheat from Pacific Northwest*—

	October		July 1st to November 1st	
	1921 (bushels)	1920 (bushels)	1921-1922 (bushels)	1920-1921 (bushels)
Europe	4,704,223	3,712,590	14,224,131	9,065,108
Hawaii	4,210	...	9,598	804
South America	691,065	291,216	1,142,824	499,138
South Africa	...	...	...	198,742
Orient	1,272,242	...	4,055,528	...
India	270,667	...	270,667	...
British Columbia	12,041	13,397	30,745	32,083
Totals	6,954,448	4,017,203	19,733,493	9,795,875

*Figures compiled by the Portland Merchants Exchange.

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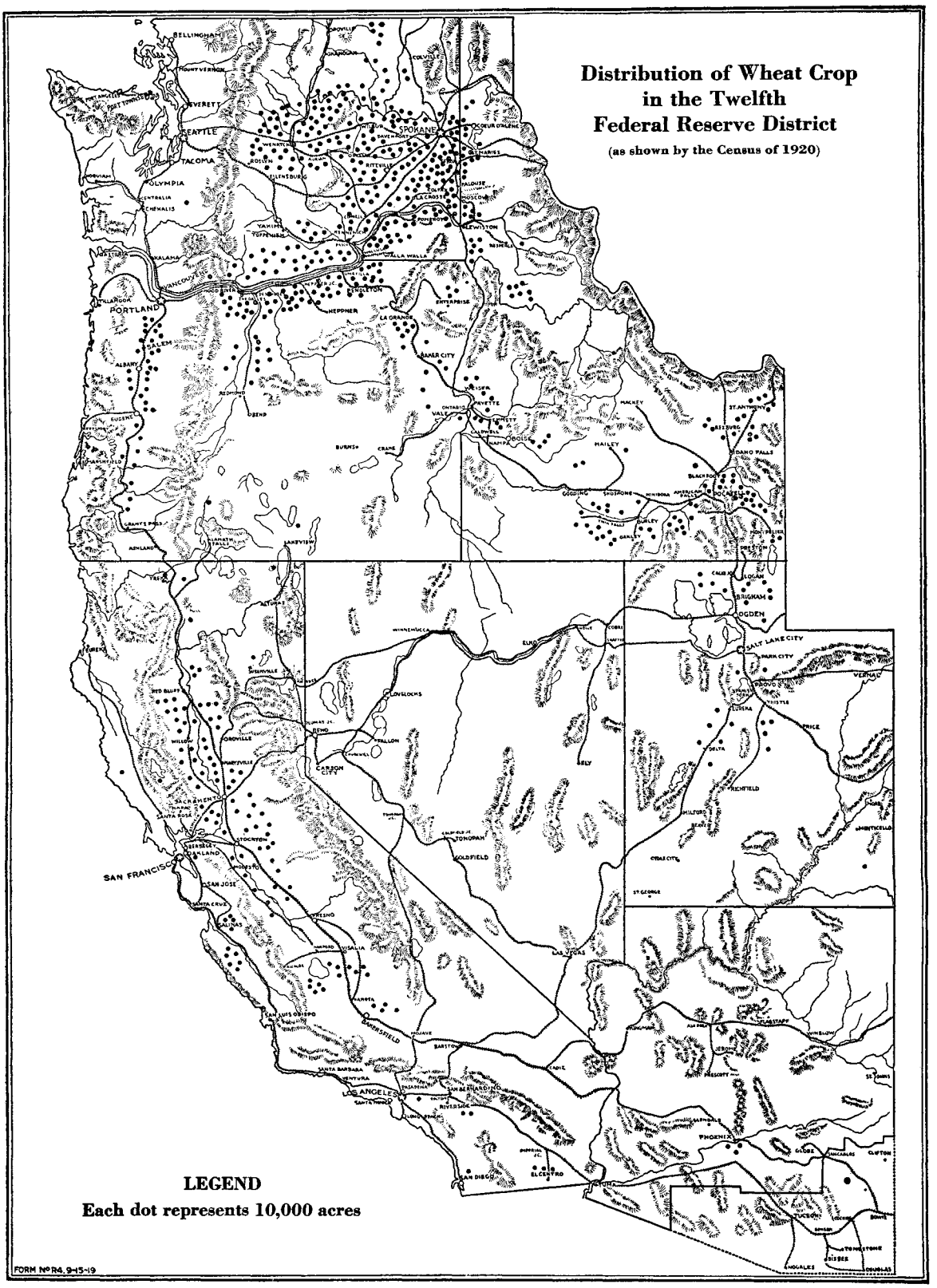

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Milling

Flour mills of the district continued to operate at approximately two-thirds of capacity during the past month. Actual production of 63 reporting mills in October was 61.9 per cent of capacity, compared with 63 per cent in the preceding month and 51.5 per cent one year ago. Domestic demand for flour is reported as only fair, and export demand dwindled to small proportions during the month. The flour market was further weakened by the October decline in wheat prices and millers are reported to be awaiting further developments in the wheat market before buying stocks of wheat and expanding their operations.

Stocks of flour held by millers on November 1st, as reported by 15 large operators, were 309,964 barrels compared with 412,964 barrels held on November 1, 1920. Stocks of wheat held by the same millers were 1,912,769 bushels on November 1st as compared with 1,838,192 bushels held one year ago. Table "B" shows the October production of the reporting mills by states and the percentages of mill capacity in operation this year and last.

Hay

Recent frosts in the alfalfa producing sections of this district marked the end of the 1921 hay producing season, and latest available estimates of tame and wild hay production place the total crop of the district at 13,989,000 tons, as compared with 14,082,000 tons produced in 1920. Estimated production by states for the 1921 hay season, with an estimate of the percentage of hay which is usually baled for market, is as follows:

	1921 Production (tons)	Percentage Baled
Arizona	487,000	59
California	4,414,000	49
Idaho	2,180,000	17
Nevada	753,000	13
Oregon	2,222,000	20
Utah	1,524,000	18
Washington	2,409,000	36

The hay market has been sluggish and growers have experienced difficulty in disposing of their crop, due to several factors, the chief one of which has been the absence of demand for hay by feeders of livestock. Reduced numbers of cattle and sheep in all states, and the poor financial condition of the "feeder industry," with resultant decline in stocker and feeder purchases, have caused a large decrease in the consumption of hay. In the Intermountain states, this condition has been aggravated by a large carryover of 1920 crop hay and an excellent range condition during 1921, which has to date made the purchase of hay almost unnecessary. With the coming of winter, however, demand for hay to feed livestock is expected to relieve the situation to some extent. High freight rates and lack of eastern demand for hay are also reported as contributing factors to the present situation in that section.

Prices of hay to growers this season, as compared with 1920, are reported by the United States Department of Agriculture as follows:

	Alfalfa (per ton)		Loose Hay (per ton)	
	1921	1920	1921	1920
California	$ 9.00	$20.00	$ 9.70	$21.90
Idaho	6.70	13.50	7.70	15.21
Oregon	8.00	16.60	8.10	16.50
Utah	7.00	12.00	6.30	14.00
Washington	8.50	20.70	10.00	22.90

Beans

An increased yield from a somewhat smaller acreage is indicated by preliminary estimates of the 1921 crop of beans in California when compared with 1920 figures. (Figures include lima beans and all others. Bags of 100 pounds each.)

	1921	1920
Estimated acreage	280,000 acres	285,000 acres
Estimated yield	2,300,000 bags	1,710,000 bags

Holdover stocks of 1920 crop beans amounted to 537,810 bags when the new crop began to enter the warehouses of the state, according to figures compiled by the California Bean Growers Association.

The 1921 growing and harvesting season was generally favorable, although a frost in early September did considerable damage to

(B) Milling—

	No. Mills Reporting		Output		Per Cent Mill Capacity in Operation		
	October	September	October (barrels)	September (barrels)	October 1921	September 1921	October 1920
California	9	10	302,790	358,775	71.0	75	49.8
Idaho	4	5	15,543	18,538	50.8	45	..
Oregon	26	21	224,340	144,901	65.5	50	50
Washington	24	28	454,652	448,418	68.0	65	52
District	63	64	997,325	970,632	61.9	63	51.5

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the growing crop in the Stockton Delta district, and although rains and foggy weather have interfered with harvesting operations in the southern lima bean counties.

Accurate figures on production by varieties are not now available but it is stated that this year's yield of white beans is proportionately much smaller than last year and that the yield of colored beans is actually much larger than last year. The California Lima Bean Growers Association estimates the 1921 lima bean crop at 835,000 bags. There were 1,080,000 bags of lima beans produced in 1920.

Informants advise that the market for small white beans has been active, that large white beans are moving to market steadily and that demand for colored beans has been weakening throughout the year, with further declines in price during October. Growers are beginning to withhold the latter varieties from the market. Lima beans are reported to have been readily salable during October, with small price advances recorded. Average market prices per hundredweight on the principal varieties of beans are quoted for October, 1921 and 1920:

	October, 1921	October, 1920
Large White	$ 5.00	$ 5.00
Small White	4.85	4.00
Pinks	4.70	5.75
Red Mexican	4.50	5.50
Black Eyes	3.75	5.50
*Limas	5.10–5.50	6.00–7.00

*Price to grower.

Shipments of apples from this district up to November 1st totaled 24,783 carloads, compared with 13,522 carloads during the corresponding period of 1920. In all 32,722 carloads were shipped during the 1920 season. The 1921 apple crop of this district is now estimated to be 41,392,000 bushels, compared with 30,952,000 bushels in 1920, whereas the total apple crop in the United States is estimated at only 109,710,000 bushels, compared with 244,022,000 bushels last year.

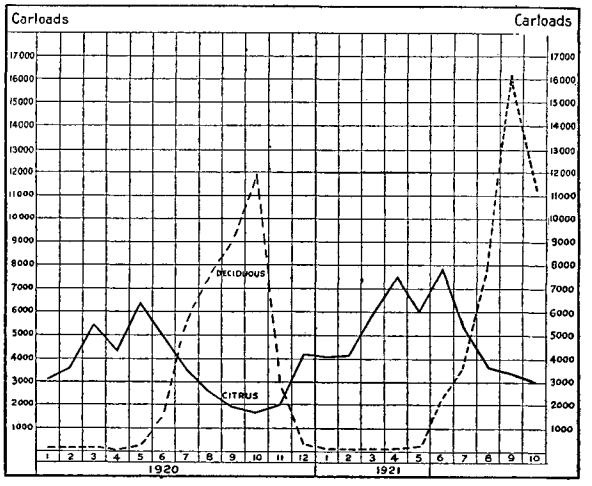
Fruits

This year's heavy crop matured rapidly and storage facilities in growing sections proved to be inadequate. Mid-season varieties were therefore forced on the market at the same time as the eastern barreled crop and the resulting temporary glut caused the market to weaken. Prices of early varieties of apples averaged considerably higher than 1920 prices of the same varieties, but prices of late varieties now compare unfavorably with those of last year at this time. Prices paid to growers thus far this season compared with prices paid for comparable grades and varieties in 1920 have been reported as follows (all quotations for fancy grade apples of medium size):

	1921 (per box)	1920 (per box)
King David	$1.75	$1.40
Winter Banana	2.05	2.25
Grimes Golden	1.85	1.40

Final figures on the heavy crop of Jonathan apples are not yet available but it is estimated that returns to the growers will be slightly in excess of last year's figures, partly due to the better market and partly due to the predominance of large desirable sizes in this year's crop.

Growers of citrus fruits in California during the crop year ending October 31st shipped 48,350 carloads of oranges (including grape fruit) and 11,797 carloads of lemons according



California Fruit Shipments 1920-1921

to figures compiled by the California Fruit Growers Exchange. The following table shows the carlot shipments of citrus fruit from California during the past three fiscal years (citrus fruit fiscal year—September 1st to August 31st), and the estimated shipments to be made during the 1921–1922 year.

	Oranges (cars)	Lemons (cars)	Total (cars)
Season of 1921–1922*	54,000	14,750	68,750
Season of 1920–1921	45,236	11,659	56,895
Season of 1919–1920	38,077	8,680	46,757
Season of 1918–1919	35,913	9,963	45,876

*Estimated.

Exchange growers are reported to have received an average of $2.36 per box for oranges and $2.55 per box for lemons delivered at the packing house during the 1920–1921 season compared with $6.20 per box for oranges and $0.95 per box for lemons in the 1919–1920 season.

Responding to an active demand and favored

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by excellent shipping weather, the grape growers of California have shipped 29,515 cars of wine and table grapes during the present season up to and including November 5th. In the same period last year 25,809 cars were dispatched to market. As was the case last year, the record movement is largely due to heavy shipments of wine grapes which were formerly utilized by wineries in the grape growing sections. Carlot shipments of grapes for the past four years have been reported as follows:

Year	Cars	Percentage Increase Over Preceding Year
*1921	30,000	11.4
1920	26,923	24.6
1919	21,605	29.8
1918	16,639	25.5

*Estimated.

The grape season is now practically over and only small quantities of the later varieties of table grapes remain to be moved to market. Crop estimates indicate that production of wine and table grapes was considerably smaller than last year, a damaging frost early in the growing season, and an extremely hot spell during the ripening period having cut down the expected yields. A total output of 250,000 tons of wine grapes and 138,000 tons of table grapes is reported for the season, compared with yields of 380,000 tons of wine grapes and 160,000 tons of table grapes in 1920. Returns to growers have been approximately the same as last year when it is estimated that growers received an average net return of $75 per ton for table grapes and $65 per ton for wine grapes.

Latest estimates place the 1921 crop of raisins in California at 130,000 tons as compared with 180,000 tons in 1920 and 182,500 tons in 1919. Although the production of raisins this season has been light, the quality is reported exceptionally high, due to a favorable drying season. The carryover of 1920 crop raisins estimated to have been 24,458 tons on October 1st was reduced to 14,500 tons on November 1st and is reported to be strongly held in view of the present season's small yield. It is estimated that the price to growers this year will be 11 cents per pound for Thompsons and 9 cents per pound for Muscats, compared with estimated actual payments of 14½ cents per pound for Thompsons and 11¼ cents per pound for Muscats in 1920.

Olives

Picking of the 1921–1922 crop of California olives has begun and the total yield is estimated to be the same or slightly less than last year when approximately 10,000 tons of olives were produced. Government reports state that the condition of the crop is spotted, fair yields being expected in some districts and a light crop in others.

The prevailing prices to growers are reported to be from $80 to $100 per ton for pickling olives and from $25 to $40 per ton for the varieties normally used in making olive oil. These prices are practically the same as those received last year. Because of large holdover stocks and a comparatively small consumer demand, the requirements of olive packers are reported to be extremely light.

Commercial factors state that there has been a slight increase in the volume of sales of ripe

(C) *Receipts of Livestock—*

	Cattle		Calves		Hogs		Sheep		Horses and Mules	
	Oct., 1921	Oct., 1920	Oct., 1921	Oct., 1920	Oct., 1921	Oct., 1920	Oct., 1921	Oct., 1920	Oct., 1921	Oct. 1920
Ogden	10,827	6,323	272	276	11,015	3,330	44,916	90,940	49	899
Portland	12,299	11,431	1,045	915	11,638	12,247	27,770	16,513	8	42
Salt Lake City	8,761	3,806	508	417	5,038	1,737	53,017	127,252	0	0
Seattle	4,455	5,839	401	388	6,377	7,719	14,896	5,919	26	33
Spokane	3,537	5,099	777	710	3,053	3,756	11,309	27,420	80	164
Tacoma	1,867	1,868	318	317	4,646	2,427	3,860	4,748	0	0
Total	41,746	34,366	3,321	3,023	41,767	31,216	155,768	272,792	163	1,138

(D) *Range in Livestock Prices—*

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

Week of	Fat Steers	Cows	Calves	Hogs	Lambs
October 3	$5.00—6.00	$3.75—5.00	$7.00—11.00	$7.60—10.50	$5.00—6.50
October 10	5.00—6.50	3.75—5.50	7.00—11.00	7.85—10.00	5.00—7.00
October 17	4.50—6.50	3.75—5.50	7.00—11.00	7.85—11.00	5.00—7.00
October 24	5.00—6.50	3.75—5.50	7.00—11.00	7.35—10.50	5.50—7.00
October 31	5.00—6.50	3.75—5.50	6.50—11.00	7.30—10.00	5.75—7.00

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olives in recent months. Last year growers were forced by market conditions to send approximately half of their pickling olives to oil manufacturers. Imports of olive oil during the first nine months of 1921 were 4,904,567 gallons, compared with 3,245,059 gallons imported in the first nine months of 1920, and 7,365,207 gallons imported during the corresponding period in 1919.

Livestock

Practically all cattle and sheep in this district have been driven to winter ranges and grazing conditions are reported to be above normal, although rainfall is now needed to start growth of winter and spring feed. The movement of animals to market has been heavy. Receipts of livestock at the principal markets of this district during October show a large seasonal increase over the preceding month and, in the case of cattle and calves, an increase over the corresponding month a year ago. October receipts of livestock at six of the principal markets of this district are shown in table "C" (see opposite page).

Livestock prices in this district did not change materially during October with the exception of a slight decline in the price of hogs. The range of livestock prices at six of the principal markets in this district is shown in table "D" (see opposite page).

Restocking of farms and ranges, expected to follow the depletion of herds and flocks which occurred during the past two years, continues to be delayed. Figures published by the United States Department of Agriculture show a decrease of 43.0 per cent in stocker and feeder shipments from eight markets of this district during the first nine months of this year compared with the corresponding period in 1920. Shipments of stocker and feeder animals from the same markets were 17.7 per cent less in 1920 than in 1919. A similar situation is reported for the United States as a whole.

Dairy Products

Cold storage holdings of butter were further reduced during October, net withdrawals at the four principal markets of the district amounting to 844,682 pounds. Holdings at the same markets, reported on November 1, 1921, were 940,032 pounds, compared with 2,722,200 pounds on November 1, 1920, a decrease of 1,782,200 pounds or 60.5 per cent. The wholesale price of 93 score fresh creamery butter in the San Francisco market advanced from 46½ cents on October 1st to 48 cents on November 1st. The present market is reported dull, with heavy shipments of Canadian butter entering the district and seasonal imports of Australian butter expected later in November. A statement of the movement and holdings of cold storage butter is shown in table "E."

The average price paid to milk producers during October, 1921, by fluid milk distributors (presented in table "F") increased 14 cents per 100 pounds in the Mountain Section and decreased 3 cents per 100 pounds in the Pacific Section compared with September, 1921, showing a decline of $0.92 and $1.28 respectively compared with October, 1920.

Manufacturers of condensed and evaporated milk report the market inactive with diminishing export business, small domestic demand, and fairly heavy supplies. Shipments to foreign countries for relief purposes supported the market during August and September and exports from the United States were greater than in the corresponding months in 1920 for the first time this year. This temporary demand was largely for evaporated milk and exports of sweetened condensed milk actually decreased, the reason assigned being the low price of sugar.

Lumber

The improvement discernible in the lumber industry during September continued in October, the demand for lumber showed a marked increase over the previous months of this year and price advances were generally maintained. The following factors are cited as the principal reasons for the strength of the lumber market during the past month.

1. An expansion of demand in the woodworking industries affecting all woods.
2. Larger buying of car material to repair damaged wooden railroad cars.

(E) Movement of Stocks of Cold Storage Butter—

City	Oct., 1921 Net Withdrawals (pounds)	Oct., 1920 Net Withdrawals (pounds)	Nov. 1, 1921 Holdings (pounds)	Nov. 1 1920 Holdings (pounds)
Los Angeles...	299,020	98,580	280,295	763,032
Portland	32,181	59,042	96,997	425,356
San Francisco.	459,859	113,657	424,098	809,320
Seattle	53,622	128,319	138,642	724,492
Total	844,682	399,598	940,032	2,722,200

(F) Prices Received by Milk Producers*—

Section†	Oct., 1921 Range	Oct., 1921 Average	Sept., 1921 Average	Oct., 1920 Average
Mountain (9 Mkts.)..	$1.73–$3.03	$2.33	$2.19	$3.25
Pacific (10 Mkts.)....	1.82– 3.28	2.57	2.60	3.88
U. S. (110 Mkts.)....	1.35– 6.55	2.55	2.53	3.80

*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.

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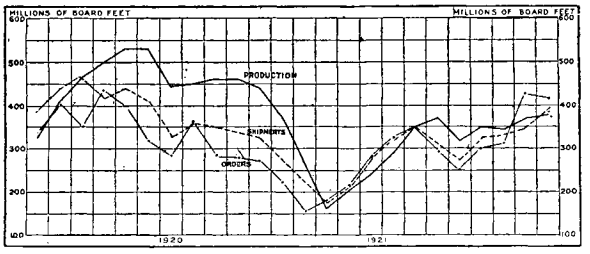
3. Increased yard buying, sustained by an active demand for building materials, especially in California.

4. Increased export shipments of lumber, especially to Japan.

Statistical statements of the four lumber associations in this district support this general summary of conditions in the lumber industry. Orders received by 161 reporting mills totaled 441,221,000 feet, an increase of 72,128,000 feet, or 19.5 per cent over September and of 173,496,000 feet, or 64.8 per cent over October, 1920. The reported volume of orders received was 18.9 per cent greater than actual production, 12.2 per cent in excess of shipments, and represented the largest amount of business booked in any one month since March, 1920.

The October cut of the same mills was 380,406,000 feet, an increase of 33,687,000 feet, or 9.0 per cent compared with the preceding month and only 53,765,000 feet, or 12.3 per cent less than in October, 1920. Production, which was 75 per cent of normal one month ago, is now estimated as 85 per cent of normal. Shipments made during the month amounted to 392,970,000 feet which was approximately 22 per cent greater than shipments in September, 1921, and October, 1920.



Lumber Production, Orders Received, and Shipments in Twelfth Federal Reserve District as Reported by Four Lumber Associations, 1920-1921.

Logging operators report that from 75 to 80 per cent of the normal output of logs is being produced and that nearly all logging camps in the Grays Harbor, Tacoma, Columbia River, Puget Sound, Inland Empire and California districts are operating. The demand for logs is about equal to the supply available, which is approximately 30 per cent less than in October, 1920. Present indications are that all available rafts of logs will be sold before the winter cessation of camp activities.

The shingle branch of the industry is again curtailing production. Decreased demand caused several shingle mills to close down and the market for shingle logs narrowed accordingly. Wholesalers attribute this decline in the demand for shingles to the unwillingness of the trade to meet recent price advances, while the mill operators hold the opinion that the fall demand has been satisfied and that the lull in buying should be expected at this season of the year.

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

Mining

Reports received by this bank from ten mines in the district, engaged in the production of gold, silver, lead and copper, show a small decrease in the output of gold, silver and lead in September, 1921, compared with August, and an increase compared with September a year ago. The September output of reporting copper mines was slightly greater than the production in August, 1921, and September, 1920.

No further improvement in the gold and silver mining industries was reported during October and the copper mining industry continues greatly depressed. At the present time only two of the large producers of copper are taking out ore whereas in previous years 15 of the largest mines in the country operated in this district, producing 56 per cent of the output of blister copper in the United States in 1913, 60 per cent in 1917 and 61 per cent in 1920. Conditions in the lead mining sections are in

(G) Lumber—

	West Coast Lumbermen's Association		*Western Pine Manufacturers' Association*		*California White and Sugar Pine Manufacturers' Association*		*California Redwood Association*		*TOTAL*	
	1921—Four Weeks Ending									
	Oct. 29	Oct. 1	Oct. 29	Oct. 1	Oct. 29	Oct. 1	Oct. 29	Oct. 1	Oct. 29	Oct. 1
Average No. of Mills reporting	102	102	41	45	7	5	11	10	161	162
Cut*	267,751	234,950	59,438	70,388	22,417	13,105	30,800	28,275	380,406	346,719
Shipments*	266,018	217,638	77,790	71,146	25,067	12,422	24,095	19,782	392,970	320,988
Orders*	300,674	254,626	89,226	76,550	18,981	13,895	32,340	24,022	441,221	369,093

*In thousands of feet.

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sharp contrast to prevailing conditions in the copper districts. The lead mines of Utah and Idaho, which produce approximately 50 per cent of the United States production of lead, are operating at full capacity. According to reports, the domestic demand for lead is strong, consumption of lead is outrunning production, and smelters will enter the winter season with smaller stocks than usual. Reporting gold, silver and lead mines are operating at approximately 100 per cent of capacity and those copper mines now producing are operating at 66 per cent of capacity.

Comparative figures of the output of metal of ten reporting mines in September, 1921, August, 1921, and September, 1920, are shown in the following table:

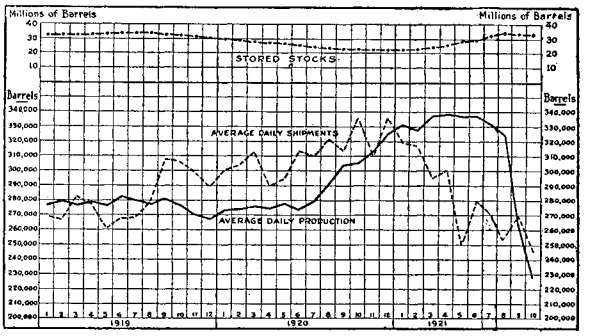
	Sept., 1921	Aug., 1921	Sept., 1920
*Copper (lbs.)	5,353,541	5,336,756	5,215,983
Lead (lbs.)	10,005,669	11,369,162	7,926,043
Silver (oz.)	339,790	417,464	279,368
Gold (oz.)	26,187	33,563	23,739

*Blister.

Petroleum

The most important feature of this month's operations in the oilfields of California was the practical settlement of the oil workers' strike in the San Joaquin Valley fields, after nearly two months of dispute over wage adjustments and working rules. Work is now being resumed on all leases. As a result of this strike, production of petroleum in California was greatly curtailed and in October averaged 227,957 barrels per day, the smallest figure ever reported to this bank. In September, 1921, the average daily production was 264,314 barrels and in September, 1920, 305,102 barrels. Consumption also decreased during October but was considerably in excess of the lowered output and although October daily shipments of 245,861 barrels were 23,727 barrels less than daily shipments in September, stored stocks were reduced by 555,039 barrels, to a total of 33,116,456 barrels held at the end of October, 1921.

Thirty-two new wells with an initial daily production of 14,825 barrels were completed during October and one well was abandoned, a net increase of 31 producing wells during the month. Statistics on oilfield operations as furnished by the Standard Oil Company of California are shown in table "H."



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

Electric Power

Sales of electric energy for industrial purposes during September, as reported to this bank by eight of the principal power producers in California, were 4.7 per cent less than in the previous month and 4.5 per cent greater than in September, 1920. Sales in the San Joaquin Valley and in southern California continue to exceed sales of last year, while sales in northern California remain slightly less than those of a year ago.

A seasonal decrease in the needs of agricultural users of electric power, experienced at the harvest season each year, was in a large measure responsible for the decline in the total volume of September sales compared with August, 1921. Sales for agricultural purposes decreased approximately 13.5 per cent during the month and were slightly less than in September, 1920. The effect of the oil workers' strike in the San Joaquin Valley, which began early in September, was shown in greatly diminished sales to the oil industry in that section. Continued improvement was noted in sales to the mining industry.

The total output of electric energy of the reporting companies during September, 1921, decreased 10.4 per cent compared with August,

(H) Petroleum—

	October, 1921	September, 1921	October, 1920
Production (daily average)	227,957 bbls.	264,314 bbls.	305,102 bbls.
Shipments (daily average)	245,861 bbls.	269,588 bbls.	335,729 bbls.
Stored Stocks (end of month)	33,116,456 bbls.	33,671,495 bbls.	22,545,026 bbls.
New Wells Opened	32	47	47
With Daily Production	14,825 bbls.	8,690 bbls.	12,395 bbls.
Wells Abandoned	1	5	4

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1921, and increased 35.7 per cent compared with September, 1920. This large increase within the past year is due to the construction of a number of new hydro-electric producing plants and to the greater abundance of water this year.

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

Labor

According to reports received by this bank from the seven states of this district there was little change in the amount of employment during October. Completion of the harvest season and winter suspension of work on highways and other public improvements resulted in increased unemployment in some sections, principally in unskilled labor. This numerical increase in unemployment in certain local areas has been offset by increased activity in the building trades, manufacturing industries, and those agricultural sections of the district which have a comparatively late harvest season.

Steady improvement is reported from industrial centers. The monthly report of the United States Employment Service, Department of Labor, based on reports from manufacturing firms employing 500 men or more, shows the following changes in October compared with September for the cities of this district:

	Numerical increase in employment during October compared with September	Percentage increase in employment during October compared with September
Los Angeles...	953	4.0
San Francisco.	312	5.1
*Seattle	34*	1.4*
Portland	156	2.0

*Decrease.

In California the month of October witnessed the customary cessation of seasonal activity in the agricultural districts and an unusual demand for skilled laborers in the building trades. The oil workers' strike in the San Joaquin Valley oilfields which began in September has been practically settled and it is stated that work is being gradually resumed on all leases. Continued depression in the mining, smelting and allied industries has retarded improvement in the labor situation in Arizona, Nevada and Utah. Increased demand for labor in the cotton fields and in railroad maintenance projects has materially relieved the situation in Arizona. Some betterment is also noted in conditions in Utah and the total number of unemployed is now estimated to be less than one month ago and approximately 50 per cent less than six months ago. In Oregon and Washington, agriculture appears to be in a flourishing condition and the farms of these states have offered temporary employment to many workers. The Pacific Northwest also reported increased demands for skilled labor in the building trades and in the lumber industry.

Part time employment which was resorted to during the past eight months in many industrial plants and trades in many of the cities in the Twelfth Federal Reserve District has been largely discontinued. Those industries which were operating on a part time basis have either reduced their forces of workmen or have ceased operations entirely.

California Manufactures

The United States Bureau of Census figures of the results of the census of manufactures in the state of California for 1919 and 1914 are presented in table "J" (see opposite page). The summary shows a consistent increase during the period of 1914-1919.

Cost of Living

According to reports of the United States Department of Labor, the cost of living in the United States decreased 1.7 per cent from May, 1921, to September, 1921, the reductions in four of the principal cities in this district included in the summary being Seattle, 2.6 per cent; San Francisco, 1.3 per cent; Los

(I) *Electric Power*—

Type of Plant	Plant Capacity K. V. A. Sept., 1921	Aug., 1921	Sept., 1920	Peakload K. W. Sept., 1921	Aug., 1921	Sept., 1920	Plant Output K. W. H. Sept., 1921	Aug., 1921	Sept., 1920
(a) Hydro Power	657,575	635,575	499,425	404,290	419,060	302,347	237,524,497	272,100,350	111,501,734
(b) Steam	350,045	342,825	315,720	184,614	176,130	210,612	70,157,706	71,413,639	122,486,997
(c) Purchased	....	....	....	53,450	51,287	49,130	34,553,902*	35,240,765*	26,053,893*
Total	1,007,620	978,400	815,145	642,354	646,477	562,089	307,682,203	343,513,989	233,988,731

Number of Industrial Consumers and Sales:

Number of Industrial Consumers‡ Sept., 1921	Aug., 1921	Sept., 1920	Connected Industrial Load H. P.§ Sept., 1921	Aug., 1921	Sept., 1920	Industrial Sales K. W. H. Sept., 1921	Aug., 1921	Sept., 1920
41,694	41,159	38,141	1,309,979	1,295,715	1,196,762	215,513,533	226,201,183	206,193,933

*Not included in total plant output.
‡Seven companies reporting.
§Six companies reporting.

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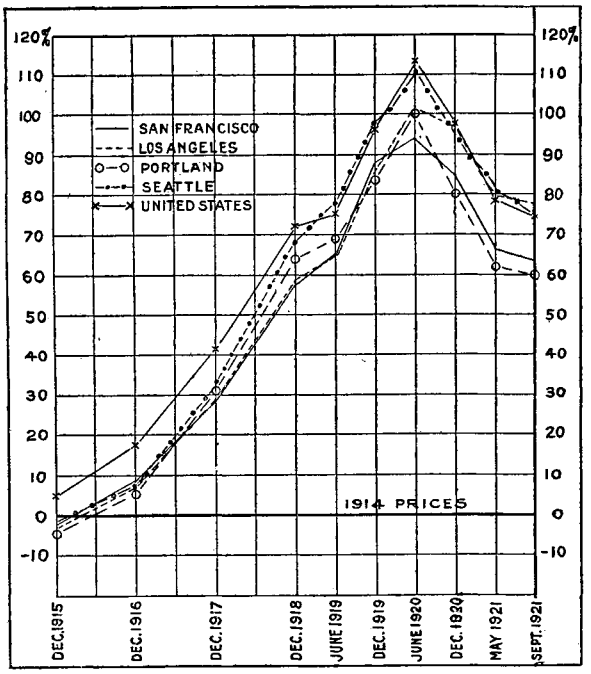
Angeles, 1.1 per cent; Portland, 1.0 per cent. A tabular statement and chart of these changes and a comparison with figures for the high point of last year and with the low point of December, 1915, follows: (Costs of food, clothing, housing, fuel and light, furniture, and miscellaneous items are included in the total cost of living on the basis of December, 1914, prices equal 100).



Changes in the Cost of Living—Per Cent of Increase from December, 1914, to September, 1921.

	Dec., 1915	High June, 1920	May, 1921	Sept., 1921	Per Cent Decline from High
Los Angeles....	98.1	201.7	178.7	176.8	12.3
Portland	96.9	200.4	162.2	160.5	19.9
San Francisco...	98.3	196.0	166.7	164.6	16.0
Seattle	99.0	210.5	180.2	175.5	16.6
United States...	104.9	212.1	178.1	175.0	17.4

During the four months period ending September 1, 1921, the cost of food rose in all reporting cities of this district. Housing costs also rose slightly except in Seattle and charges for fuel, light and miscellaneous articles remained practically stationary. The costs of clothing and of furniture and furnishings showed marked declines in all cities. Similar trends were observed in the United States as a whole.

Retail Trade

Retail trade, as reported by 33 representative department stores and mail order houses in eight cities of this district, averaged 6.3 per cent less by value of sales during October, 1921, than in October, 1920, and 11.6 per cent greater than in September, 1921. The same stores report that prices continue 10 to 30 per cent below those of one year ago, a decline in excess of the percentage of decline in the value of sales, indicating that the physical volume of trade is now greater than it was last fall. Comment upon this fact has been made in the last six issues of this report.

The amount of the average sale (cash, charge and C. O. D.) reported by ten firms was $2.95 in October compared with $2.90 in September and $3.18 in October, 1920.

Following is a statement of the average sale (cash, charge and C. O. D.) in Los Angeles, San Francisco and Seattle:

	Oct., 1921	Sept., 1921	Oct., 1920
Los Angeles.....	$ 2.94	$ 2.97	$ 4.05
San Francisco.....	3.31	3.18	...
Seattle	2.59	2.39	2.08
District	$ 2.95	$ 2.90	$ 3.18

It has been suggested that the difference in amount of the average sale in the three cities may be due to the inclusion in some department stores of furniture and rug departments, in which the average sale is of large amount.

(J) California Manufactures—

	Census 1919	Census 1914	Per Cent of Increase 1914-1919
Number of establishments.....	11,943	10,057	18.8
Persons engaged in manufactures.....	296,999	176,547	68.2
Proprietors and firm members.....	12,460	10,429	19.5
Salaried employees	40,745	26,637	53.0
Wage earners (average number).....	243,794	139,481	74.8
Primary horsepower	768,858	491,025	56.6
Capital	$1,333,382,000	$736,105,000	81.1
Services	380,135,000	140,843,000	169.9
Salaries	75,612,000	35,230,000	114.6
Wages	304,523,000	105,613,000	188.3
Materials	1,218,890,000	447,475,000	172.4
Value of Products.....	1,981,443,000	712,801,000	178.0
Value added by manufacture (value of product less cost of materials).....	762,553,000	265,326,000	187.4

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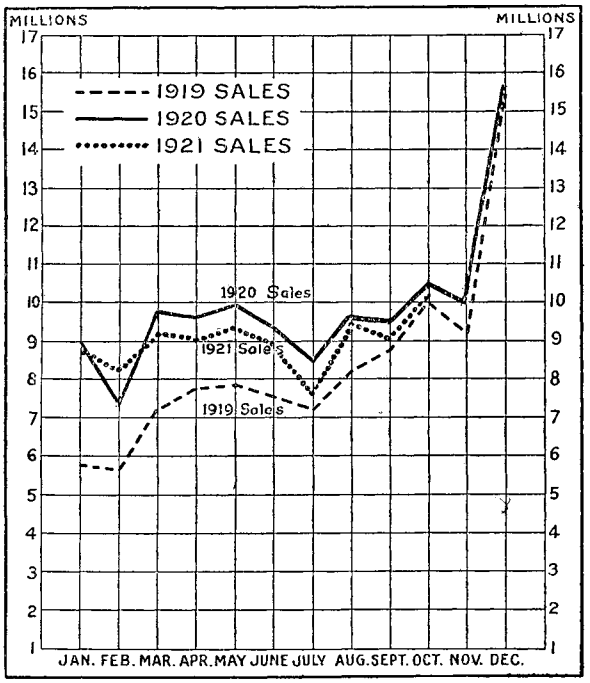

Net Sales of 22 Department Stores in Twelfth Federal Reserve District
(In Millions of Dollars)

The value (selling price) of stocks of reporting firms averaged six-tenths of 1 per cent greater at close of October, 1921, than at close of September, 1921, and 16.8 per cent less than at the close of October, 1920. Stocks now held by department stores are approximately normal, the decline in value compared with last year being mainly due to declines in prices. Average stocks on hand at the close of the four months' period ending October 31, 1921, amounted to 464.9 per cent of the average monthly net sales during the same period, indicating a rate of turnover of stock of 2.58 times a year. Outstanding orders at the close of October, 1921, were 7.0 per cent of the total purchases during the year 1920.

Collections were characterized by reporting firms as follows:

	Excellent	Good	Fair	Poor
Number of Firms	3	14	10	0

Statements of increases or decreases in the value of net sales of 33 representative department stores and mail order houses during October, 1921, compared with September, 1921, and October, 1920, and the four months'

(K) *Retail Trade Activity—*

CONDITION OF RETAIL TRADE DURING OCTOBER, 1921
In Federal Reserve District No. 12
(33 Stores Reporting)

	Los Angeles	Oakland	Sacramento	Salt Lake City	San Francisco	Seattle	Spokane	District
Percentage increase or decrease (—) of net sales during October, 1921, over net sales during same month last year	4.4	— 8.8	— 4.6	—20.9	— 1.0	—12.9	—20.5	— 6.3
Percentage increase or decrease (—) of net sales during October, 1921, over net sales during September, 1921	15.1	20.6	46.6	4.3	18.1	— .1	18.5	11.6
Percentage increase or decrease (—) of net sales from July 1, 1921, to October 31, 1921, inclusive, over net sales during same period last year	.9	— 9.5	— 9.9	—17.2	— 3.4	—13.5	—12.2	— 9.0
Percentage increase or decrease (—) of stocks close of October, 1921, over stocks at close of same month last year	1.8	— 8.8	—17.6	—17.5	— 8.8	—25.1	—19.9	—16.8
Percentage increase or decrease (—) of stocks close of October, 1921, over stocks at close of September, 1921	.5	2.5	— 3.7	1.0	2.3	1.4	— 1.1	.6
Percentage of average stocks close of each month this season to average monthly net sales during same period	462.6	463.7	457.6	513.6	441.2	400.2	517.6	464.9
Percentage outstanding orders close of October, 1921, to total purchases during year 1920	8.3	5.0	7.0	..	8.0	6.2	6.0	7.0

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period ending October 31, 1921, compared with the same period in 1920 are shown in table "K" (see opposite page).

Wholesale Trade

Trade at wholesale continues fair in the opinion of wholesale dealers in the Twelfth Federal Reserve District. Reports from 187 wholesale firms in ten lines of business show that the dollar values of October sales in all lines except furniture were less than in October, 1920, by percentages ranging from 1.1 per cent in drugs to 43.1 per cent in agricultural implements. Sales of wholesale furniture dealers were 7.5 per cent greater than in October of last year. The average net increases or decreases (—) in the value of net sales for the ten reporting lines of business were as follows:

	Oct., 1920	Oct., 1921, compared with Sept., 1921	Ten months ending Oct. 31, 1921 compared with same period in 1920
Agricultural Implements	—43.1	—23.4	—49.9
Auto Supplies	— 9.7	— 5.1	—20.9
Auto Tires	— 9.6	—14.6	—16.1
Drugs	— 1.1	7.0	—10.0
Dry Goods	— 9.3	— 8.6	—32.2
Furniture	7.5	6.0	—26.5
Groceries	—22.1	7.1	—25.5
Hardware	—23.0	— .7	—31.5
Shoes	— 9.1	— 7.6	—24.6
Stationery	—25.7	— 9.2	—23.2

One hundred and fifteen wholesale firms in all reporting lines of business reported the percentage of their collections during October, 1921, to the total amount due from customers (outstanding) on October 1, 1921, and 1920 as follows:

	Number of Firms	Oct., 1921	Sept., 1921	Oct., 1920
Agricultural Implements	10	24.2	34.2	41.7
Auto Supplies	18	58.2	60.1	61.1
Auto Tires	11	62.2	63.7	64.9
Drugs	5	65.0	82.0	67.0
Dry Goods	6	47.0	38.8	49.3
Furniture	10	52.9	59.5	54.2
Groceries	16	68.1	74.4	73.7
Hardware	17	42.7	51.2	49.9
Shoes	11	41.8	36.9	48.9
Stationery	11	57.6	55.6	59.6

Present prices compared with those of one year ago are reported to be from 10 to 40 per cent lower in all lines. No general trend of prices was evident during the past month, some dealers reporting increases and others decreases as compared with September. An exception to this statement may be noted with regard to agricultural implement prices which were reduced from 10 to 20 per cent in October.

Collections were reported excellent by eight firms, good by 65, fair by 77 and poor by 16. Statements of increases or decreases in the net sales of reporting wholesale firms during October, 1921, compared with October, 1920, and the first ten months of 1921, compared with the first ten months of 1920, are shown in table "L."

(L) *Wholesale Trade*—

(1a) Percentage increase or decrease (—) in net sales during October, 1921, compared with October, 1920

	Agricultural Implements	Auto Supplies	Auto Tires	Drugs	Dry Goods	Furniture	Groceries	Hardware	Shoes	Stationery
Number of reporting firms	22	20	12	11	11	15	29	23	17	27
Los Angeles	— 2.9	1.8	— 6.3	..	..	.1	— 9.2	— 2.5	..	—19.0
Portland	—60.9	—17.8	..	..	..	12.0	—23.5	—30.5	— .06	—34.4
Sacramento	..	—15.6	..	..	..	..	—12.7	—12.3	..	..
Salt Lake City	—46.4	—24.0	..	—23.2	..	..	—33.9	—31.2	..	—18.2
San Francisco	—33.7	—19.3	5.0	21.3	— 8.4	11.9	—23.2	—32.4	— 7.0	—29.9
Seattle	..	—12.7	30.4	..	— 5.3	..	..	—23.8	— 7.1	23.4
Spokane	—56.6	..	6.3	..	..	..	—29.9	—31.6	..	—29.3
Tacoma	..	..	..	..	..	16.4	—31.8	—31.1	..	—29.0
District	—43.1	— 9.7	— 9.6	— 1.1	— 9.3	7.5	—22.1	—23.0	— 9.1	—25.7

(1b) Percentage increase or decrease (—) in net sales for January 1 to October 31, 1921, compared with the same period last year

	Agricultural Implements	Auto Supplies	Auto Tires	Drugs	Dry Goods	Furniture	Groceries	Hardware	Shoes	Stationery
Number of reporting firms	22	20	12	11	11	15	29	23	17	27
Los Angeles	—57.1	—11.2	—13.1	..	..	—19.1	—10.6	—24.5	..	—18.3
Portland	—53.8	—26.3	..	..	..	—23.8	—31.5	—32.1	—34.1	—26.1
Sacramento	..	—20.7	..	..	..	..	—20.7	—21.8	..	..
Salt Lake City	—47.7	—28.7	..	—25.6	..	..	—32.9	—38.8	..	—29.7
San Francisco	—48.8	—24.1	—31.3	— .001	—29.8	—34.0	—25.4	—30.2	—20.4	—26.1
Seattle	..	—36.0	—15.6	..	—39.9	..	..	—39.2	—34.8	—18.5
Spokane	—41.6	..	—23.5	..	..	..	—30.1	—28.7	..	—18.1
Tacoma	..	..	..	..	..	—34.9	—27.8	—15.5	..	—22.3
District	—49.9	—20.9	—16.1	—10.0	—32.2	—26.5	—25.5	—31.5	—24.6	—23.2

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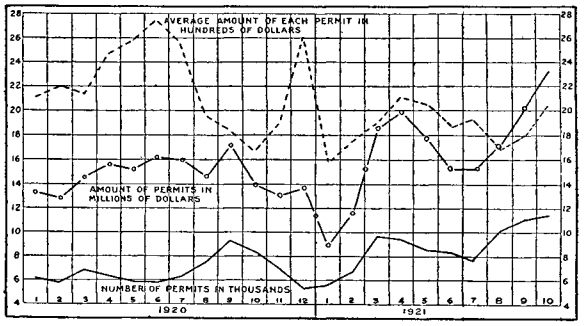
Construction activity in this district during October passed all records both in the number and the value of building permits issued and continued the rapid increase in the volume of building operations which began last July. Building permits issued in 20 principal cities of this district during October, 1921, numbered 11,442 with an estimated valuation of $23,333,741, exceeding the previous record month of September, 1921, by 373, or 3.3 per cent in number, and by $3,198,748, or 15.8 per cent in value. Compared with October, 1920, the figures for October, 1921, represent an increase of 2,982, or 35.2 per cent in number and of $8,965,832, or 62.4 per cent in value. Again, comparing October, 1921, with the same month last year, increases occurred in all reporting cities with the exception of Boise, Ogden, Phoenix, San Jose, Seattle and Stockton. The greatest increase was reported from Sacramento (261.8 per cent) and the greatest decrease from Phoenix (71.4 per cent).

Building Activity

Declining prices of many building materials and reduced labor costs are reported to be the principal factors in stimulating building activity in this district. Price cuts in many building materials have recently been made in the San Francisco Bay region and it is expected that a considerable amount of additional building will result. Comparative prices of representative building materials (F. O. B. San Francisco) on which reductions were announced October 1, 1921, are shown in table "M."

The accompanying chart shows the number, total valuation and the average value of



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

(*M*) *New Building Material Prices**—

	New Price (Oct. 1, 1921)	Old Price	Peak Price	1914 Price
Lime (bbl.—150 lbs.)	$ 2.15	$ 2.75	$ 2.75	$ 1.50
Face Brick (per 1000)	50.00	55.00	60.00	34.00
Hollow Tile (per 1000)	108.00	161.50	...	...
Fire Brick (per 1000)	55.75	60.75	65.75	40.00
Roofing Tile (per square)	21.00	25.00	25.00	14.00
Sewer Pipe (12 inch—per foot)	.617	.657	.756	.364
Common Brick (per 1000)	15.50	16.50	18.00	7.90

*All prices F. O. B. San Francisco.

(*N*) *Building Permits*—

	October, 1921		September, 1921		October, 1920		Per Cent Increase or Decrease (—) Oct., 1921 over Oct., 1920
	No.	Value	No.	Value	No.	Value	
Berkeley	180	$ 371,326	148	$ 312,629	118	$ 334,762	10.9
Boise	121	91,457	117	92,748	97	211,480	— 56.7
Fresno	242	345,468	193	193,424	262	333,470	3.5
Long Beach	434	2,127,360	387	822,675	455	1,097,270	93.8
Los Angeles	4,489	9,781,394	3,931	8,303,665	3,210	6,431,661	52.0
Oakland	673	1,245,220	719	1,478,739	463	520,717	138.9
Ogden	53	111,565	50	104,800	38	248,790	— 55.1
Pasadena	371	1,123,131	387	757,204	300	381,378	194.7
Phoenix	56	75,914	80	216,861	197	265,512	— 71.4
Portland	1,441	1,942,510	1,571	1,789,195	927	694,730	179.5
Reno	26	42,375	33	30,993	12	25,650	65.2
Sacramento	318	489,226	287	918,121	154	135,180	261.8
Salt Lake City	119	284,610	125	251,560	59	94,537	201.0
San Diego	417	1,016,873	415	657,081	335	390,117	160.6
San Francisco	672	2,498,523	631	2,100,163	418	1,399,055	78.6
San Jose	76	116,890	76	78,010	66	227,225	— 48.5
Seattle	960	750,115	1,146	1,355,430	816	758,385	— 1.0
Spokane	271	442,205	268	202,460	171	310,890	42.2
Stockton	129	225,770	105	129,145	82	328,123	— 31.1
Tacoma	394	251,809	500	340,090	280	178,977	40.6
Total	11,442	$23,333,741	11,169	$20,134,993	8,460	$14,367,909	62.4

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building permits issued in this district by months since January, 1920. Comparative figures of the number and value of building permits issued in 20 reporting cities during October, 1921, September, 1921, and October, 1920, are shown in table "N" (see opposite page).

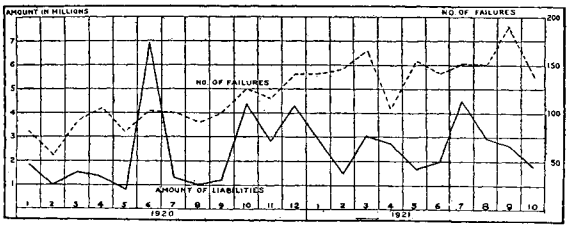
Savings Deposits

The total amount in all savings accounts in this district (as reported by 78 banks in the seven principal cities) increased during the month ending October 15th, eight-tenths of 1 per cent, being on that date $754,370,000, compared with $748,544,000 on September 15th. The increase in savings deposits during the year ending October 15th was 5.8 per cent.

The growth in savings deposits in this district and the changes in each of the seven principal cities are shown in the accompanying table "O." It is to be noted that the figures are not exactly comparable with those published in previous reports, the questionnaire upon answers to which the latest figures are based having defined the total amount in all savings accounts to include "all deposits payable after 30 days, all savings deposit accounts and certificates of deposit subject to not less than 30 days notice." Previously figures were received for "Savings Accounts" only.

Business Failures

Total liabilities of 136 failures in October, 1921, were $1,919,919, compared with liabilities of $4,299,056 for 126 failures in October, 1920, an increase of 10, or 7.9 per cent, in number and a decrease in amount of liabilities of $2,379,137, or 55.3 per cent. Compared with September, the number of failures decreased by 56, or 21.9 per cent, and the amount of liabilities by $761,015, or 28.3 per cent. Liabilities of the average failure in the district were $14,117



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.

compared with $34,119 in October, 1920, and $13,963 in September, 1921. R. G. Dun and Company's comparative figures of the number and liabilities of business failures in the states of this district are shown in table "P."

(O) *Savings Deposits**—

	Number of Banks	Oct. 15, 1921	Sept. 15, 1921	Oct. 15, 1920	Per Cent Increase or Decrease (—) Oct. 15, 1921 over Oct. 15, 1920
Los Angeles	14	$241,138	$237,380	$211,559	13.9
Oakland	7	74,669	74,743	71,788	4.0
Portland	10	38,481	38,737	40,903	— 5.9
Salt Lake City	10	24,772	24,988	24,496	1.1
San Francisco	17	330,933	328,163	309,988	6.7
Seattle	14	30,906	31,101	39,466	—21.7
Spokane	6	13,471	13,432	14,878	— 9.4
Totals	78	$754,370	$748,544	$713,078	5.8

*In thousand of dollars.

(P) *Business Failures*—

	October, 1921		September, 1921		October, 1920	
	No.	Liabilities	No.	Liabilities	No.	Liabilities
Arizona	5	$ 54,000	9	$ 80,600	5	$ 57,400
California	58	755,456	88	1,075,026	67	1,886,585
Idaho	4	79,057	16	169,953	2	1,500,500
Nevada	..	.....	1	5,000	..	.....
Oregon	25	228,426	28	214,944	22	407,223
Utah	5	38,255	10	144,586	7	26,089
Washington	39	764,725	40	990,825	23	421,259
District	136	$1,919,919	192	$2,680,934	126	$4,299,056

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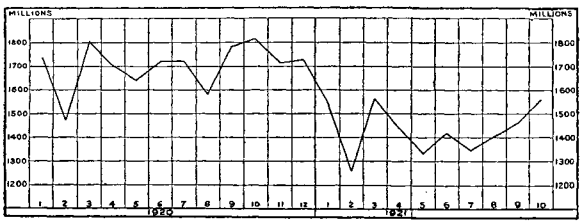
Bank Clearings

Bank clearings in 20 of the principal cities in this district during October totaled $1,559,429,000, an increase of $92,417,000, or 6.2 per cent, over September figures, and a decrease of $255,462,000, or 14.1 per cent, compared with October, 1920, when clearings figures reached their highest point ($1,814,891,000) for that record year. A percentage of decline of 14.1 per cent in bank clearings in a year when commodity prices have declined approximately 37 per cent at wholesale and 20 per cent at retail, continues to indicate that the physical volume of trade in this district is greater than it was in October, 1920. The increase in October compared with September of this year is a seasonal movement related to the marketing of farm products and the expansion of trade in the late fall.

The only increases in October of this year compared with October, 1920, were reported from Berkeley (10.1 per cent), Pasadena (2.5 per cent) and Los Angeles (2.0 per cent). As for some time past, the largest decreases in bank clearings compared with corresponding months last year occurred in the cities of the Pacific Northwest, October clearings in four of the largest cities in that section being 20.4 per cent less than in October, 1920.

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



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

Interest and Discount Rates

The slight easing of interest rates in the Intermountain region noted in last month's report, disappeared during the month ending November 10th, and the prevailing rates on all classes of paper is again 8 per cent. In Los Angeles and San Francisco the open market rate for prime commercial paper declined from ¼ to ½ per cent during October and several banks in Seattle and San Francisco reported a decline of ½ per cent in their rates to customers. Rates elsewhere were unchanged. A statement of interest rates charged by banks in Federal Reserve Bank and Branch cities of this district, tabulated for the thirty-day periods ending November 5, 1921, and October 5, 1921, is given in table "R" (see opposite page).

Effective November 2nd, 3rd and 4th, discount rates at nine of the Federal Reserve Banks in the United States were reduced ½ of 1 per cent, and at three of the banks 1 per cent.

(Q) Bank Clearings*

	October, 1921	September, 1921	October, 1920	Per Cent Increase or Decrease (—) Oct., 1921 over Oct., 1920
Bakersfield	$ 4,760	$ 4,365	$ 5,780	—17.6
Berkeley	14,803	14,452	13,437	10.1
Boise	4,790	4,816	7,715	—37.0
Fresno	27,856	22,945	34,756	—19.8
Long Beach	14,886	14,387	15,832	— 5.9
Los Angeles	365,770	336,748	358,511	2.0
Oakland	46,581	43,564	48,134	— 3.2
Ogden	7,892	6,817	9,413	—16.1
Pasadena	13,473	11,881	13,134	2.5
Portland	153,775	141,181	180,838	—14.9
Reno	2,926	2,803	4,062	—27.9
Sacramento	29,462	24,737	32,613	— 9.6
Salt Lake City	58,441	52,574	75,138	—22.2
San Diego	11,573	11,360	12,742	— 9.1
San Francisco	577,100	551,600	708,300	—18.5
San Jose	10,143	7,618	12,902	—21.3
Seattle	131,096	131,887	171,620	—23.6
Spokane	48,454	48,221	62,653	—22.6
Stockton	22,406	21,801	26,428	—15.2
Tacoma	13,242	13,255	20,883	—36.5
Total	$1,559,429	$1,467,012	$1,814,891	—14.1

*In thousands of dollars.

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The following table gives the present prevailing rate at each bank and the prevailing rate prior to the recent change.

Name of Bank	Present Ruling Rate	Previous Ruling Rate
Boston	4½	5
New York	4½	5
Philadelphia	4½	5
Cleveland	5	5½
Richmond	5½	6
Atlanta	5½	6
Chicago	5	6
St. Louis	5	6
Minneapolis	5½	6
Kansas City	5	6
Dallas	5½	6
San Francisco	5	5½

Acceptance Market

The tendency toward easier money rates which found expression on November 1st in the offering of United States Treasury Certificates of six months' maturity at 4¼ per cent, and on November 3rd in the lowering by ½ per cent of rediscount rates at nine of the twelve Federal Reserve Banks and of 1 per cent at the other three, was reflected in the acceptance market by a reduction of the selling price of prime bills to a 4⅜ per cent basis. the ruling rate today, November 17th, compared with 4½ per cent on October 15th. Up to the time of change in rates, the bill market showed unusual activity, both in strength and breadth of the demand. This activity was halted abruptly by the decrease in yield of acceptances and has not resumed its former proportions although the increasing amount of idle funds has caused a firmer feeling and increasing sales.

The largest dealer on the Coast reports that a rough classification of bills marketed during the past month would show a distinct preference for 90-day acceptances. His figures follow:

30-day	9.0%
60-day	10.5%
90-day	74.5%
120-day	5.0%
150-day	1.0%

Details of purchases and holdings of acceptances by the 36 principal accepting banks in the district appear in table "S." As was the case last month the bills drawn in this district were based primarily upon wheat, canned fruits, sugar and coffee, with an appearance during October of some cotton bills.

Government Financing

There was no offering of Treasury Certificates of Indebtedness or Notes on October 15, 1921. On October 27, the Secretary of the Treasury announced an offering of two series of Treasury Certificates of Indebtedness; both dated and bearing interest from November 1, 1921; the certificates of Series C, 1922, being payable on April 1, 1922, with inter-

(R) *Interest and Discount Rates*—

	Prime Commercial Paper: Customers		Prime Commercial Paper: Open Market		Interbank Loans		Collateral Demand Loans		Secured by L. L. Bonds or U. S. Certificates of Indebtedness	
	Month ending Nov. 5	Oct. 5	Month ending Nov. 5	Oct. 5	Month ending Nov. 5	Oct. 5	Month ending Nov. 5	Oct. 5	Month ending Nov. 5	Oct. 5
Los Angeles	7	7	5¾	6	6	6	7	7	7	7
Portland	7	7	5¾	5¾	7	7	7	7	7	7
Salt Lake City	8	7½	–0–	–0–	8	7	–0–	–0–	8	7
San Francisco	6–6½	6½	5½–5¾	6	6	6	6½	6½	6½	6½
Seattle	6½–7	7	6	6	7	7	7	7	7	7½
Spokane	7	7	–0–	–0–	7	7	7	7	7	7

(S) *Acceptances*†—

	Amount Accepted		Amount Bought: Created in Twelfth District		Amount Bought: All Other		Amount Bought: Total		Amount held at close of month	
	Oct.	Sept.	Oct.	Sept.	Oct.	Sept.	Oct.	Sept.	Oct.	Sept.
Pacific Northwest	$1,140,199	$1,471,129	$ 270,081	$ 635,967	$2,601,886	$1,389,503	$2,871,967	$2,025,470	$ 7,752,824	$ 6,584,358
Northern California	3,580,105	2,395,182	2,078,211	854,000	937,664	1,336,304	3,015,875	2,190,304	3,109,149	3,595,333
*Southern California	539,005	160,000	172,041	627,928	1,332,532	150,418	1,504,573	778,346	2,057,149	1,300,379
Other Districts	–0–	–0–	–0–	–0–	–0–	–0–	–0–	–0–	–0–	–0–
Total	$5,259,309	$4,026,311	$2,520,333	$2,117,895	$4,872,082	$2,876,225	$7,392,415	$4,994,120	$12,919,122	$11,480,070

†36 banks reporting.
*One bank in Los Angeles reporting $336,505 as amount accepted in October did not report in September.

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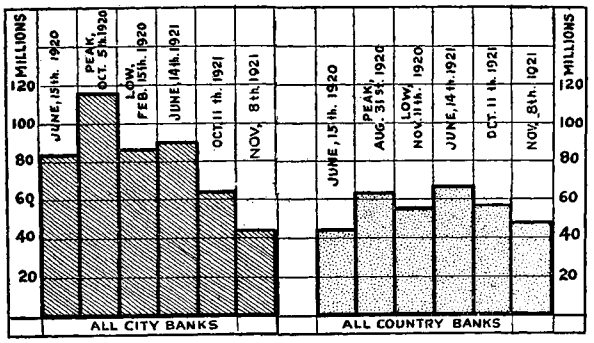
est at the rate of 4¼ per cent per annum; the certificates of Series TS-2 being payable on September 15, 1922, with interest at the rate of 4½ per cent per annum; the combined offering being for $200,000,000 or thereabouts.

Subscriptions for the two series closed at noon, November 1, 1921. The twelve Federal Reserve Districts reported combined subscriptions of $811,064,000 for which the Treasury Department allotted $231,487,500. All of the Federal Reserve Districts over-subscribed their quota. Subscriptions totaling $18,800,000 were received in the Twelfth Federal Reserve District of which $14,450,000 were allotted. The large over-subscription throughout the country indicates a continuing heavy demand for Government securities of this kind, notwithstanding the lower rate of interest and short maturity.

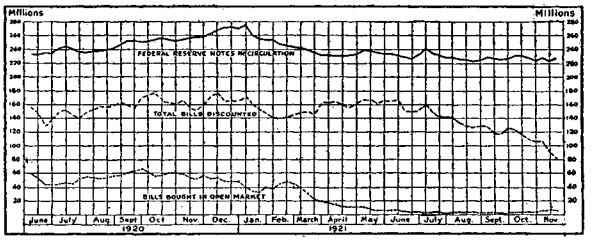
From December 1, 1919, and during the year 1920, Certificate of Indebtedness interest rates rose from 4¼ per cent to 6 per cent; since that time there has been a gradual decline in the rates, one of the September 15, 1921, issues being at 5 per cent, and the two issues of November 1st being at 4¼ per cent and 4½ per cent, respectively.

Loans and discounts of 65 reporting member banks in the nine principal cities of the district increased slightly during the four weeks ending November 2nd, but the decline in their investment holdings (principally in United States Certificates of Indebtedness and Victory notes) more than counterbalanced this increase and the total of loans, discounts and investments at $1,190,091,000 was $5,200,000 less than it was on October 5, 1921. During the same period Government deposits declined approximately the same amount. These banks reduced their indebtedness with the reserve bank during the past four weeks by approximately $10,000,000, or 14 per cent. The total of this indebtedness on November 2, 1921, ($57,570,000) was, with the exception of the total of $54,000,000 the preceding week, the lowest since January 2, 1920.



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

Banking Situation



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

Reduction of member banks' borrowings, which is indicated in the figures for these 65 representative banks, is confirmed by reference to the statement of condition of this reserve bank as of close of business November 9, 1921. Bills discounted for member banks, at $88,029,000, were $31,000,000, or 26 per cent, less than the total held on October 11, 1921, and are the smallest amount held at any time since January 23, 1920. Total reserves of the bank increased during the four weeks by $29,000,000 to $269,443,000, the largest amount ever held by this bank. Federal Reserve notes in actual circulation declined by $8,300,000 to $224,357,000 and total deposits increased by $7,300,000, of which $6,400,000 was in member banks' reserve account.

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

	Nov. 2, 1921	Oct. 5, 1921	Nov. 5, 1920
Number of Reporting Banks	***65***	***66***	***66***
Loans and Discounts	$ 877,038,000	$ 876,289,000	$1,153,430,000
Investments	313,053,000	318,978,000	132,863,000
Cash in Vault and with Federal Reserve Bank	97,059,000	97,040,000	108,216,000
Total Deposits	1,140,012,000	1,148,853,000	1,151,242,000
Bills Payable and Rediscounts with Federal Reserve Bank	57,570,000	67,788,000	110,021,000

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COMPARATIVE STATEMENT OF CONDITION OF FEDERAL RESERVE BANK OF SAN FRANCISCO AT CLOSE OF BUSINESS NOVEMBER 9, 1921

RESOURCES

	Nov. 9, 1921	Oct. 11, 1921	Nov. 12, 1920
Gold and Gold Certificates	$ 17,885,000	$ 17,961,000	$ 14,637,000
Gold Settlement Fund—Federal Reserve Board	60,140,000	41,178,000	51,089,000
Gold With Foreign Agencies	–0–	–0–	3,553,000
Total Gold Held by Bank	$ 78,025,000	$ 59,139,000	$ 69,279,000
Gold With Federal Reserve Agent	182,976,000	167,911,000	97,814,000
Gold Redemption Fund	4,855,000	9,612,000	10,050,000
Total Gold Reserves	$265,856,000	$236,662,000	$177,143,000
Legal Tender Notes, Silver, etc.	3,587,000	3,592,000	472,000
Total Reserves	$269,443,000	$240,254,000	$177,615,000
Bills Discounted: Secured by U. S. Government Obligations	30,201,000	42,189,000	49,328,000
All Other	57,828,000	76,432,000	106,839,000
Bills Bought in Open Market	6,628,000	3,834,000	54,801,000
Total Bills on Hand	$ 94,657,000	$122,455,000	$210,968,000
United States Bonds and Notes	204,000	214,000	2,632,000
One-Year Certificates of Indebtedness (Pittman Act)	7,880,000	7,880,000	10,880,000
All Other Certificates of Indebtedness	89,000	183,000	421,000
Total Earning Assets	$102,830,000	$130,732,000	$224,901,000
Bank Premises	718,000	673,000	231,000
5% Redemption Fund Against Federal Reserve Bank Notes	394,000	444,000	665,000
Uncollected Items	36,810,000	38,630,000	41,461,000
All Other Resources	5,287,000	4,456,000	561,000
Total Resources	$415,482,000	$415,189,000	$445,434,000

LIABILITIES

Capital Paid In	$ 7,410,000	$ 7,382,000	$ 6,862,000
Surplus	15,207,000	15,207,000	11,662,000
Reserved for Government Franchise Tax	2,848,000	2,835,000	–0–
Deposits: Government	4,473,000	3,029,000	944,000
Member Bank Reserve Account	118,326,000	112,742,000	114,818,000
All Other	3,905,000	3,616,000	3,095,000
Total Deposits	$126,704,000	$119,387,000	$118,857,000
Federal Reserve Notes in Actual Circulation	224,357,000	232,684,000	256,661,000
Federal Reserve Bank Notes in Circulation—Net Liability	3,386,000	3,275,000	10,652,000
Deferred Availability Items	33,541,000	32,559,000	34,864,000
All Other Liabilities	2,029,000	1,860,000	5,876,000
Total Liabilities	$415,482,000	$415,189,000	$445,434,000
Memo: Contingent Liability on Bills Purchased for Foreign Correspondents	1,472,000	1,539,000	736,000

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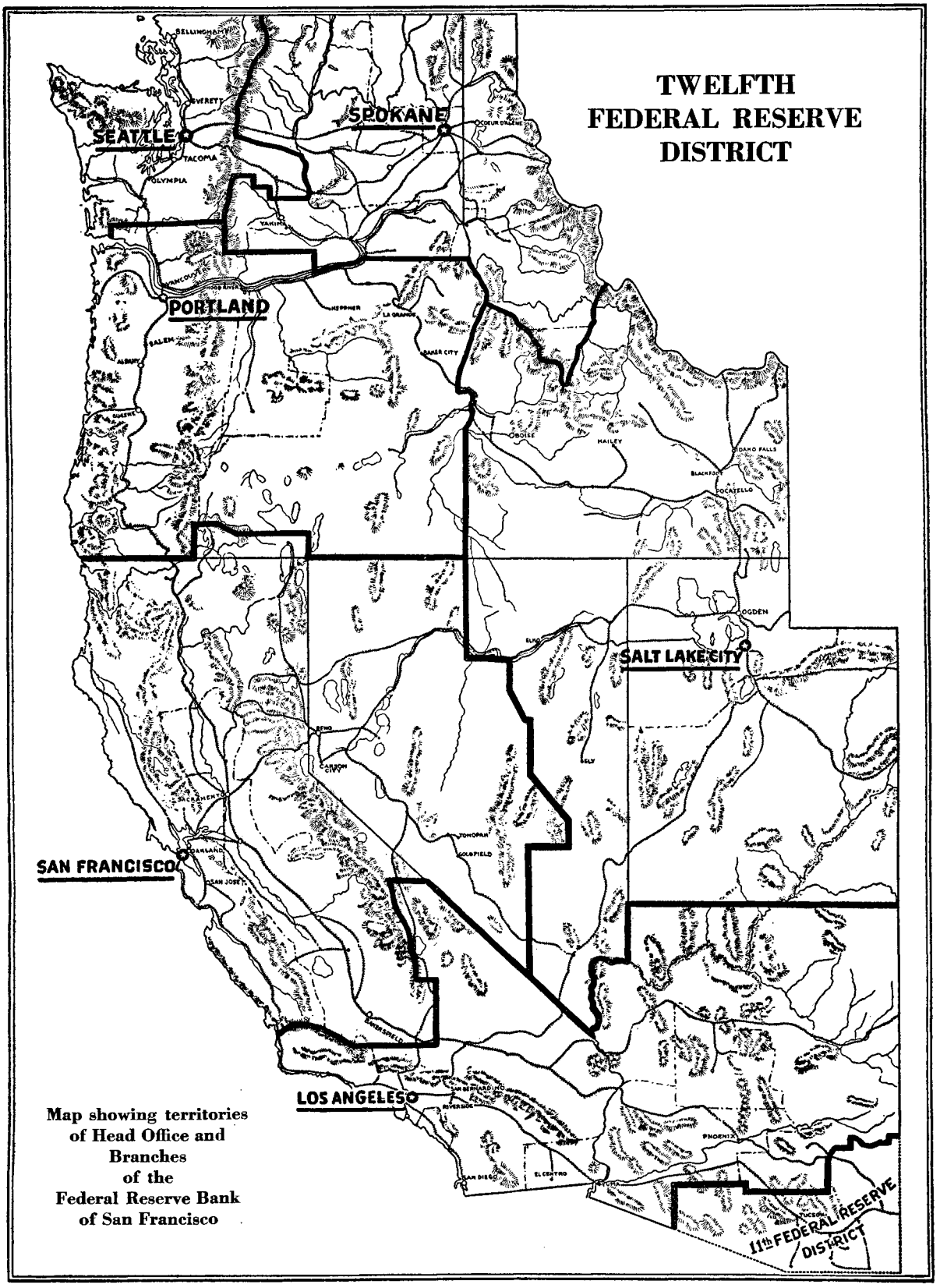

Map showing territories of Head Office and Branches of the Federal Reserve Bank of San Francisco

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