

AGRICULTURAL AND BUSINESS CONDITIONS IN THE TWELFTH FEDERAL RESERVE DISTRICT

Monthly Report to the Federal Reserve Board

by

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PRICES for most of the principal farm products of this district have risen materially since the first of the year. Wheat, wool and all kinds of livestock benefited particularly, as did also the citrus fruits, but the latter at the expense of damage by killing frosts and winds estimated as high as 50 per cent of the anticipated crop.

The Month Commodities such as barley, rice and cotton which did not participate in the general rise are nevertheless at prices comparing favorably with those of a year ago. Since a large part of last year's crops is already out of the farmers' hands, the recent rise in prices will not operate primarily to increase returns to producers. It is significant, however, in its bearing upon returns to be received from crops now in the ground. That the increased prices have, however, resulted in considerable marketing of products would appear from the condition reports of the 66 reporting member banks in the principal cities of the district. The decline in their loans and discounts between January 4th and February 8th was slightly over \$60,000,000, or 6.9 per cent, and they reduced their borrowings from the Federal Reserve Bank to \$21,000,000, a decline for the month of \$12,600,000, or 37.4 per cent. Bills discounted by the Federal Reserve Bank for all member banks on February 8th (\$57,508,000) were 11.9 per cent less in amount than they were on January 11th, and constitute a new low figure for the readjustment period.

The lumber industry of the district continued to improve during January, increases being registered in production, shipments and orders received, both as compared with the months of December and January, 1921. The cut of the largest lumber association in the district for the week ending February 11th (134 mills reporting) was only 11 per cent below normal.

The export movement of Douglas Fir during 1921 (455,233,000 feet) exceeded by 5,000,000 feet the exports of 1920. In the mining industry the noteworthy development was announcement of decisions to resume operations by five of the principal copper companies of Arizona which have been closed since May, 1921. Their resumption will mean that seven of the fifteen principal copper mines in this district will be in operation.

Petroleum production in California, although decreasing 3 per cent in January, compared with December, 1921, still outruns consumption and stocks are now at the peak (since the low point of December, 1920) of 36,000,000 barrels.

Employment conditions during January were practically unchanged as compared with December with much unemployment in mining centers, metal trades, at the shipyards, and among unskilled workers. Real improvement is anticipated with the resumption of farm work and other out-door labor in the spring.

In the field of **commerce and trade** improvement is apparent in the returns covering the movement of exports and imports through the principal ports of the district during the last six months of 1921. Both imports and exports in the month of December, 1921, exceeded in value those of December, 1920, the former by 154 per cent and the latter by 1 per cent. The greatest improvement is reported in the trade with Japan and the United Kingdom. **Retail trade** as reflected in reports from 33 department stores in the leading cities of the district continues to exceed in volume that of a year ago. The decline in value of total January sales of these department stores, when compared with January, 1921, was only 6.3 per cent whereas these stores report average price declines during the period considerably in excess of this percentage. The improvement

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in the **wholesale trade** which began to be apparent in October, 1921, continues. Of the 10 reporting lines of business, 3 report the value of their sales during January, 1922, in excess of those of January, 1921. Six of the seven remaining lines report a percentage of decline in the dollar value of their January sales which is appreciably less than the percentage of decline reported in the prices of their goods during the year.

Building activity in the district has again reached record proportions, exceeding by \$13,900,000, or 155 per cent, the value of operations reported for January, 1921. Of the 20 cities reporting, 14 advise a larger number of permits issued during January, 1922, than during January, 1921. **Business failures** during January, following the national trend, were larger in number than for any month within recent years. The **volume of business** being done throughout the district generally as measured by debits to individual accounts for January continues larger than it was a year ago. The value of these debits during January, 1922, in 20 principal cities was about 8.3 per cent less than it was in January, 1921, as compared with a decline of 21 per cent in wholesale prices and slightly less than this figure in retail prices during the same period.

The movement of grain from this district thus far during the present cereal year (1921-1922) has been unusually heavy. In response to a strong export demand, a large part of the crop of wheat and barley was sold immediately following the harvest, and the domestic demand, although light, has been steady. During the past three months, export movement has declined but a moderate domestic demand has continued. On February 1, 1922, commercial factors estimated that the total available supplies of wheat in the Pacific Northwest were approximately 35,000,000 bushels (out of a total 1921 crop of 106,058,000 bushels), as compared with 25,000,000 bushels available on February 1, 1921 (out of a total 1920 crop of 88,692,000 bushels). The available surplus of wheat (above local needs) to meet export and domestic demand during the remainder of the cereal year (to July 1, 1922) is estimated to be between 25,000,000 and 30,000,000 bushels.

There has been little export demand for California barley during the past three months, but the heavy exports during July, August and September of 1921, and the steady domestic consumption since then, have reduced the available supply of barley in this state to approximately 190,000 tons (9,030,000 bushels), as estimated by commercial factors on

February 1, 1922. On this date a year previous, holdings of barley in California were estimated at 338,000 tons (15,984,000 bushels). The 1921 yield of barley in California amounted to 707,000 tons, compared with 685,000 tons produced in 1920.

In spite of dull export demand during the past three months, total exports of wheat and barley from Pacific Coast ports during the present cereal year to date are considerably higher than during the same period of the previous season, as shown by the following tables:

*Exports of Wheat from the Pacific Northwest			
	July 1, 1921 to Feb. 1, 1922 (bushels)	July 1, 1920 to Feb. 1, 1921 (bushels)	Percentage In- crease 1921-22 over 1920-21
Portland	32,604,286	18,929,386	72.2
Puget Sound	14,863,925	9,686,870	52.8
Total	47,468,211	28,616,256	65.8

*(Includes flour estimated on wheat content.)

Exports of Barley from San Francisco			
	July 1, 1921 to Feb. 1, 1922 (tons)	July 1, 1920 to Feb. 1, 1921 (tons)	Percentage In- crease 1921-22 over 1920-21
	294,829	154,408	90.9

The rise of wheat prices in eastern marketing centers (from \$1.14½ per bushel on January 3rd to \$1.42¾ on February 15th, for May wheat in the Chicago market), said to be due to a close adjustment between demand and supply in world wheat markets and reports of the poor condition of the forthcoming crop in the United States, has been accompanied by considerable buying activity and advancing prices on wheat and flour in the Pacific Northwest since February 1st. Milling wheat in that portion of the district is reported to be selling at approximately \$1.20 per bushel now, as compared with \$1.55 per bushel a year ago. In California, No. 1 hard wheat sold at \$1.90 to \$1.95 per 100 pounds (\$1.14 to \$1.17 per bushel) on January 4, 1922. On February 15th the same grade of wheat was quoted at \$2.15 to \$2.25 per 100 pounds (\$1.29 to \$1.35 per bushel) as compared with prices of \$2.70 to \$2.80 per 100 pounds (\$1.62 to \$1.68 per bushel) on the same date a year previous. Shipping barley is reported to be selling in the local markets at \$1.20 per 100 pounds, as compared with \$1.35 per 100 pounds one year ago.

Reduction in the output of flour mills of the district noted in the last quarter of 1921 continued through the month of January.

Production of 67 reporting mills during this month was 48.7 per cent of capacity compared with 55.9 per cent in December, 1921, and 40.3 per cent in January, 1921. Declining production was most noticeable in Washington, and, to a lesser

extent, in Oregon. California mills increased their production during the month.

Millers in all parts of the district report an improvement in the domestic demand for flour during the present year. The export demand has been limited, except in California where a normal volume of foreign business has been contracted. Flour prices have recently advanced following the rise in wheat prices (20 to 25 cents per bushel since the first of the year).

Although millers are reported to have been active purchasers of wheat, their holdings at the close of January (2,099,552 bushels) were less than at the beginning of the month and approximately the same as one year ago (2,071,231 bushels). Stocks of flour held by the same millers on February 1st were 448,205 barrels compared with 475,733 barrels held on the same date a year ago.

Production of 67 reporting flour mills during January, 1922, and December, 1921, and the percentages of mill capacity in operation during those months and January, 1921, are shown in table "A."

The prospective yield of citrus fruits in California was materially reduced by damaging winds and killing frosts which occurred in

Southern California and the Southern San Joaquin Valley during January.

Citrus Fruits Although the extent of the frost damage cannot be estimated accurately as yet, officials of the California Fruit Growers' Exchange think that 50 per cent of the estimated orange crop of the state has been made unmerchantable, and that the damage to the lemon crop (which can be calculated more closely) will reach 33½ per cent of the previously estimated yield. If these figures are correct, carlot shipments of citrus fruits from California during the 1921-1922 season will approximate 27,000 cars of oranges and 9500 cars of lemons, as compared with former estimates of 52,300 cars of oranges and 14,700 cars of lemons. Last season (1920-21) 45,236 cars of oranges and 11,659 cars of lemons were shipped from California.

Later figures may substantially change present estimates of the amount of damage caused. Losses varied widely depending upon locality, the situation of groves in a locality, and the frost protection provided in individual groves. Oranges suffered more severely than lemons, as the latter are generally planted in more favored situations and better protected from frost by smudge-fire devices or orchard heating plants.

It is reported that from 25 to 30 per cent of the total crop of navel oranges had been picked, and either stored or shipped, before the freeze of January 19th, as harvesting of that crop was practically completed in the Central and Northern districts of California, and well under way in Southern California. Carlot shipments of oranges and lemons during this season to January 29th, compared with the same period last season are as follows:

	Nov. 1, 1921 to Jan. 29, 1922 (carloads)	Nov. 1, 1920 to Jan. 30, 1921 (carloads)
Oranges	8,952	8,801
Lemons	1,487	1,405
Total Citrus Fruits.....	10,439	10,206

The marked reduction in the prospective supply of citrus fruits has caused a rapid advance in prices of both oranges and lemons. In the Los Angeles market, lemons which were selling at \$1.25 and \$1.50 per box (loose) on January 19th, advanced within a week to \$2.00 and \$2.50 per box, and special brands of navel oranges advanced during the same period from \$3.75 and \$4.00 per box to \$5.00 and \$5.50 per box. A year ago similar grades of lemons sold for \$.75 and \$1.25 per box and special brands of navel oranges sold for \$3.00 and \$3.75 per box. The California Fruit Growers' Exchange reports that the average price to growers (f. o. b. packing house), during January, 1922, was \$3.04 per box for oranges and \$3.22 per box for lemons, as compared with average prices during January, 1921, of \$2.64 per box for oranges and \$2.11 per box for lemons. The influenza epidemic

(A) Milling—

	No. Mills Reporting		Output		Per Cent Mill Capacity in Operation		
	Jan., 1922	Dec., 1921	Jan., 1922 (barrels)	Dec., 1921 (barrels)	January 1922	December 1921	January 1921
California	10	9	217,713	215,314	52.4	50.8	50.5
Idaho	5	5	13,536	15,726	48.5	44.4	42.0
Oregon	25	22	146,920	157,963	45.3	50.8	40.2
Washington	27	25	333,123	386,136	48.2	57.2	32.1
District	67	61	711,292	775,139	48.7	55.9	40.3

is reported to have increased the demand for lemons, and to have been an additional factor in causing price advances on that fruit.

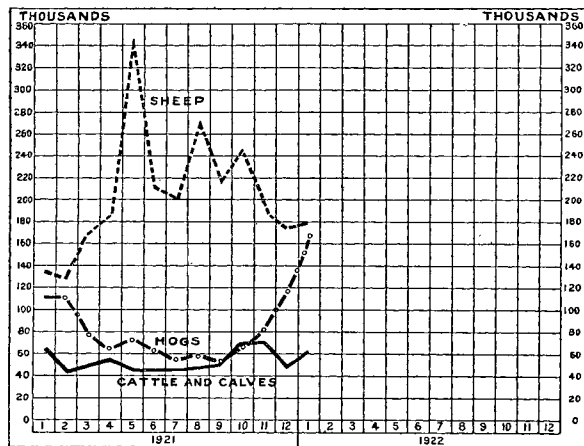
Livestock and range conditions were unfavorably affected by unusually cold weather over the entire district during the month of January. At the present time a **Livestock** snow layer of varying depths covers most of the winter ranges of the district, including the mountainous sections of Northern California. On the ranges of Northern Arizona, Utah, and Idaho, the

cold weather retarded the growth of feed on the ranges and was unfavorable for early lambing.

Livestock reports from seven of the principal markets of the district during January (table "B") show that receipts of cattle were approximately the same as during the corresponding month last year, but 41 per cent in excess of receipts during December, 1921. Receipts of sheep and hogs at these markets continue to be large, showing gains over the previous month, and an increase of 33 and 51 per cent respectively over receipts during January, 1921.

The range of weekly average top prices in the principal markets of the district during January (as presented in table "C") shows slight advances in the prices of steers, cows, and calves, in some of the markets, and a material advance in the prices of hogs and lambs in all markets. Rising prices for livestock in this district are attributed to the generally depleted condition of herds and flocks and to the seasonal shortage usual at this time of the year.

Comparison of the range in average top prices of livestock at the principal markets of this district during January, 1922, with January, 1921, follows:



Receipts of Livestock at Seven of the Principal Markets of the District 1921-1922. (Ogden, Portland, Salt Lake City, San Francisco, Seattle, Spokane and Tacoma included)

continuous cold weather necessitated considerable feeding, and some shrinkage in livestock is reported, losses being about normal for this season of the year. In California, the

	January, 1922 (range)	January, 1921 (range)
Fat Steers	\$6.00—\$ 7.50	\$ 8.00—\$ 9.25
Cows	4.50— 6.00	6.50— 7.50
Calves	7.00— 10.00	11.00— 13.00
Hogs	6.75— 10.00	10.50— 11.00
Lambs	7.50— 9.75	9.00— 10.50

(B) Receipts of Livestock—

	Cattle		Calves		Hogs		Sheep		Horses and Mules	
	Jan., 1922	Jan., 1921	Jan., 1922	Jan., 1921	Jan., 1922	Jan., 1921	Jan., 1922	Jan., 1921	Jan., 1922	Jan., 1921
Ogden	8,620	15,285	251	85	38,788	26,919	38,379	10,726	93	201
Portland	11,549	11,217	637	1,043	21,961	16,018	17,210	14,626	117	76
Salt Lake City....	7,231	4,677	25	82	28,496	5,528	28,006	30,355	108	128
San Francisco ...	18,496	16,654	4,028	4,082	45,685	31,076	84,570	67,601	..	..
Seattle	4,375	4,526	76	214	20,007	21,756	6,564	5,684	40	61
Spokane	3,286	2,672	346	93	5,471	4,195	1,217	1,396	1	115
Tacoma	2,544	2,852	82	257	7,995	5,576	3,672	3,988	..	..
Twelfth District	56,101	57,883	5,445	5,856	168,403	111,068	179,618	134,376	359	581

(C) Range in Livestock Prices—

Highest and Lowest Average Top Prices Per Hundredweight Received at Above Markets During January.						
Week of	Fat Steers	Cows	Calves	Hogs	Lambs	
January 2.....	\$6.00—7.50	\$4.50—6.00	\$7.00— 9.50	\$6.75— 9.00	\$7.50—9.00	
January 9.....	6.25—7.25	4.75—6.00	7.00— 9.50	7.10— 9.00	8.50—9.00	
January 16.....	6.50—7.25	5.00—6.00	7.00— 9.50	7.50— 9.12	9.00—9.50	
January 23.....	6.50—7.25	5.00—6.00	7.00—10.00	8.10— 9.50	9.00—9.75	
January 30.....	6.50—7.25	5.00—6.00	7.00—10.00	8.75—10.00	9.25—9.75	

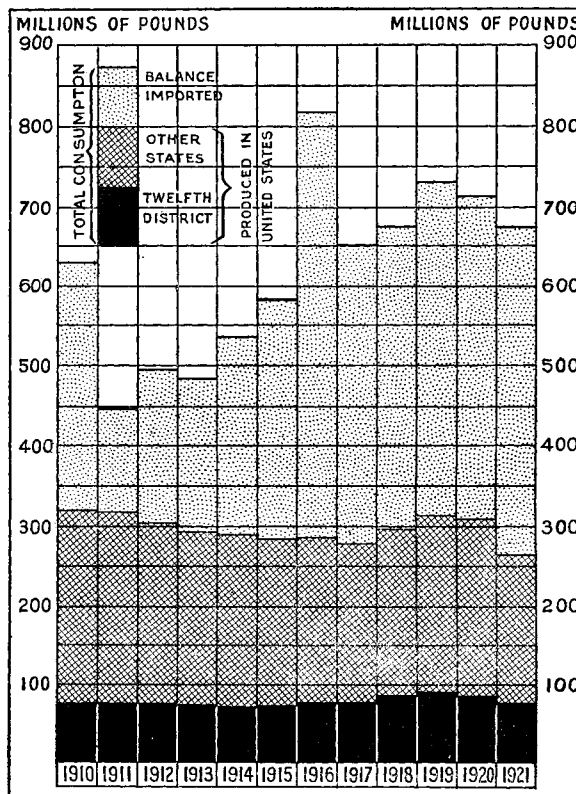
An increase in the number of milk cows in every state in the district, small decreases in the total number of beef cattle and hogs, and a decline of 10.1 per cent in the number of sheep are shown in recently published estimates by the Department of Agriculture of the number of livestock on farms and ranges on January 1, 1922, compared with January 1, 1921, and 1920. (Presented by states in table "D.")

The increase in the number of dairy animals is the expected result of the demonstrated stability of the dairy industry during the past two years and of the prospect of increased profits opened up by declining costs of labor and feed. The decline in the number of beef cattle and sheep is more the result of conditions in the years immediately preceding 1921 than in the past year. The burden of unliquidated financial obligations contracted in 1920 and before, prevented many livestock men from taking advantage of low prices for stocker animals and feed and of favorable range conditions, and restocking of herds did not progress as might have been expected. Further decline in the number of swine is noteworthy at a time when increasing numbers of hogs are being shipped into the district from middle western states.

Sheep on the ranges and farms of the district are reported to be in good condition with fleeces well grown and high in quality. No official estimate of the forthcoming clip

Wool has been made but commercial factors believe that it will be less than last year when 76,997,000 pounds of wool were produced. They base their estimates on the smaller number of sheep to be sheared this spring. The United States Department of Agriculture reports 11,670,000 sheep on the farms and ranges of the district this year compared with 12,203,000 one year ago.

At the present time little or no wool is held by growers in this district. Between 75 and 80 per cent of the 1921 wool clip and carry-over (it is estimated that three-fourths of the 1920 clip of 85,517,000 pounds was carried over into the spring of 1921) was sold between June 1st and November 1, 1921, at prices ranging from 9 to 20 cents per pound, according to the grade of wool and locality where grown. Since November, wool prices have advanced steadily, with a sharp upward turn since the last week in January, and buying has been increasingly active. At the present time, wool buyers are



Production of Wool in the Twelfth Federal Reserve District and the United States and Total Consumption of Wool in the United States, 1910-1921

(D) Livestock on Farms and Ranges†—

	Milk Cows* (January 1st)			Other Cattle* (January 1st)			Sheep* (January 1st)			Swine* (January 1st)		
	1922	1921	1920	1922	1921	1920	1922	1921	1920	1922	1921	1920
Arizona	40	35	39	1,000	1,100	1,000	1,100	1,200	1,200	53	48	50
California	632	620	614	1,380	1,380	1,394	2,450	2,500	2,500	834	828	909
Idaho	153	146	143	521	543	562	2,361	2,623	2,914	196	206	240
Nevada	19	18	17	346	343	340	1,190	1,100	1,180	25	25	27
Oregon	216	212	216	604	616	635	1,823	2,025	2,250	233	240	267
Utah	87	82	81	433	425	425	2,250	2,200	2,245	90	90	90
Washington	286	278	290	256	269	283	500	555	624	212	236	265
12th District	1,433	1,391	1,400	4,540	4,676	4,639	11,674	12,203	12,913	1,643	1,663	1,918
United States ...	24,208	23,594	23,722	41,324	41,993	43,398	36,048	37,452	39,025	56,996	56,097	59,344
Per Cent District to United States	5.9	5.9	5.8	10.9	11.0	10.6	32.0	32.0	33.0	2.8	2.9	3.2

†Estimated by U. S. Department of Agriculture.

*000 Omitted.

offering from 17 to 33 cents per pound for various small holdings in the growers' hands.

Since January 1st, buyers in the field have been actively contracting for 1922 clip wool. Approximately 50 per cent of the new clip in Utah and Nevada is reported to have been contracted for at prices ranging from 23 to as high as 33 cents per pound. California growers state that about 10 per cent of the clip has been contracted for at prices ranging from 26 to 30 cents per pound for fine wool. Washington, Oregon and Arizona wool growers report many offers, but little contracting as yet. Many growers appear to find it necessary to contract their clip in advance of shearing, in order to secure funds to meet expenses incident to collecting the clip.

The market position of wool at the present time is reported to be strong. The accompanying chart of wool consumption in the United States from 1910 to 1921 (see preceding page) indicates that the trend in this country has been toward increased consumption and decreased production of wool, with a corresponding growth in consumption of imported wools. The emergency tariff rates have operated practically to exclude imports of foreign wools, excepting the lowest grades.

With the near approach of increased butter production incident to the spring season, holdings of cold storage butter at the four principal markets of this district are being steadily reduced, net withdrawals during January amounting to 129,950 pounds as compared with 112,991 pounds during December and 363,913 pounds withdrawn from storage during January, 1921. Holdings of cold storage butter at these markets on February 1st were reported

to be 622,960 pounds, compared with 1,304,865 pounds held in storage a year ago, a decrease of 681,905 pounds, or 52 per cent. A statement of the movement and holdings of cold storage butter in this district is presented in table "E."

Butter prices in the San Francisco market have fluctuated during the past month, resulting in an unusual spread between the prices of finer grades of butter (which have advanced) and lower grades, which have remained stationary, due to the preference for low priced Australian butter over the medium and lower grades of local butter. The price of 93 score fresh creamery butter, which on January 14th was 34¼ cents, is now (February 16th) 44¼ cents.

Prices received by milk producers in this district during January, table "F" (see opposite page), show that the average price per 100 pounds decreased 7 cents in the Mountain section and 8 cents per pound in the Pacific section, as compared with December, and declined \$0.75 and \$0.87 in the Mountain and Pacific sections respectively, as compared with January, 1921.

The trend of prices for the principal farm products of this district was definitely upward during January. Since a large part of last

(E) Movement of Stocks of Cold Storage Butter—

City	Jan., 1922 Net Withdrawals (pounds)	Jan., 1921 Net Withdrawals (pounds)	Feb. 1, 1922 Holdings (pounds)	Feb. 1, 1921 Holdings (pounds)
Los Angeles ..	8,276	287,044	169,403	188,880
Portland	10,045	42,552	13,241	226,146
San Francisco.	142,566	148,607*	360,720	615,596
Seattle	30,929*	182,924	79,596	274,243
Totals	129,958	363,913	622,960	1,304,865

*Net addition.

(G) Wholesale Prices—

Commodity	Unit	Feb. 4, 1922	One Month Ago	One Year Ago	
Native Beef Cattle..	Weekly average price at Chicago.....	100 lbs.	\$7.25	\$7.00	\$7.70
Sheep	Weekly average price at Chicago.....	100 lbs.	6.95	5.10	4.25
Lambs	Weekly average price at Chicago.....	100 lbs.	13.25	11.50	9.35
Hogs	Weekly average price at Chicago.....	100 lbs.	9.05	7.30	9.45
Wheat	Chicago contract prices for May wheat.....	bushel	1.29-1.32½	1.08½-1.11¼	1.51½-1.56½
Barley	Shipping Barley F. O. B. San Francisco.....	cental	1.30-1.40	1.35 -1.45	1.40 -1.45
Rice	California Fancy Japan at San Francisco.....	cental	4.97½	5.25	4.85
Cotton	Middling Uplands—Weekly range of spot quotations at New Orleans.....	lb.	.15- .15½	.17¼- .17¾	.13¼- .14¼
Wool	Average of 98 quotations at Boston.....	lb.	.5471	.4738	.4113
Apples	Extra fancy Winesaps at New York.....	box	3.55-3.90	3.00	4.00-4.25
Oranges	Navels—Market pack at Los Angeles.....	box	2.50-4.00	2.50-3.50	2.50-3.00
Lemons	Loose pack—at Los Angeles.....	box	2.00-2.50	1.50	1.25-2.00
Prunes	Size 40-50—Minimum price at New York.....	lb.	.12¾	.13	.14¾
Raisins	Standard loose Muscatels at New York.....	lb.	.16¾	.16¾	.24
Apricots	Choice in 25-lb. boxes F. O. B. California.....	lb.	.23½- .24	.22½- .23	.18 - .19
Butter	92 Score at San Francisco.....	lb.	.42¾	.32	.42¼
Eggs	Extras—San Francisco.....	dozen	.32½	.35	.27½

year's crops is already out of their hands, this does not necessarily increase returns to all farmers. It is significant chiefly in its bearing upon returns to be received from the **Prices** crops now planted. Marked advances in the prices of wheat, wool and all kinds of livestock were recorded during the month of January and the strength continued during the early part of February. An advance in the price of oranges and lemons was stimulated by the reduction of the crop due to frost damage, and boxed apples shared in the resulting upward movement of fresh fruit prices. Dried fruit stocks have been greatly reduced by a steady domestic and foreign demand and present prices are firm. Barley, rice and cotton prices were all slightly lower at the beginning of February than at the first of the year, but present wholesale prices for these products compare favorably with those of one year ago.

Changes in the prices of some of the principal farm products of this district during the past month and the past year are shown in table "G" (see opposite page).

General conditions in the lumber industry improved during January as evidenced by an increase in production, shipments and orders both as compared with December, 1921, and with January a year ago.

Lumber January production of lumber, according to reports received from three lumber associations, totaled 327,624,000 feet compared with 264,544,000 feet in the preceding four

weeks, an increase of 23.7 per cent during the month. Compared with January, 1921, when 152,110,000 feet were cut, there was an increase of 175,514,000 feet or 115.3 per cent. Present cut is approximately 80 per cent of normal production for the reporting mills. Orders received during the month totaled 343,565,000 feet compared with 291,630,000 feet in December and 178,614,000 feet in January a year ago. The January orders exceeded the January cut by 4.8 per cent. Shipments increased from 270,724,000 feet in December to 345,249,000 feet in January and were 5.3 per cent above the actual production, continuing the reduction in stocks which has been in progress since last November. Figures available for two lumber associations show that unfilled orders at the close of January, 1922, totaled 994,945,000 feet compared with 1,140,370,000 feet on December 31, 1921, and 574,392,000 feet on January 31, 1921.

Logging production during January was reported to be approximately 50 per cent of normal. Severe weather conditions have forced many camps to suspend operations during the past three months.

The domestic lumber market continued moderately strong in January, although the heavy buying predicted for the early part of 1922 has not yet materialized. Douglas fir, California redwood, and spruce lumber moved into trade channels in good volume. In the foreign trade the Japanese demand decreased, but a considerable amount of new business was placed with China and Australia. Figures recently compiled show that exports of Douglas fir during 1921 totaled 455,233,000 feet compared with 451,223,000 feet exported in 1920. Of the 1921 exports 244,556,000 feet were shipped to Japan, 94,957,000 feet to China, 44,788,000 feet to Peru and the remainder in smaller lots to miscellaneous countries.

Comparative figures of cut, orders, unfilled orders, and shipments for the reporting mills of the three associations in this district are shown in table "H."

(F) Prices Received by Milk Producers*—

Section†	Jan., 1922 Range	Jan., 1922 Average	Dec., 1921 Average	Jan., 1921 Average
Mountain (5 Mkts.)...	\$1.75-2.48	\$2.13	\$2.20	\$2.88
Pacific (10 Mkts.)....	1.90- 3.20	2.50	2.58	3.37
U. S. (94 Mkts.).....	1.42- 6.78	2.50	2.58	3.25

*All prices per hundredweight for milk testing 3.5 per cent butter fat.

†Mountain Section includes Idaho, Utah, Nevada and Arizona. Pacific Section includes Washington, Oregon and California.

(H) Lumber†—

	West Coast Lumbermen's Association		Western Pine Manufacturers' Association		California White and Sugar Pine Manufacturers' Association		TOTAL	
	Jan. 28, 1922	Dec. 31, 1921	Jan. 28, 1922	Dec. 31, 1921	Jan. 28, 1922	Dec. 31, 1921	Jan. 28, 1922	Dec. 31, 1921
Average No. of Mills reporting	132	101	45	42	5	5	182	148
Cut*	291,745	228,652	32,878	32,283	3,001	3,609	327,624	264,544
Shipments*	268,327	198,076	67,055	59,298	9,867	13,350	345,249	270,724
Orders*	254,245	225,160	81,650	58,025	7,670	8,445	343,565	291,630
Unfilled Orders*	929,695	1,081,945	65,250	58,245	..	..	994,945	1,140,370

†No report received from California Redwood Association since December 17, 1921.

*In thousands of feet.

Preliminary arrangements for resumption of production by several large copper mining companies in the district were the outstanding development in the mining situation during the month. In Arizona preparations are being made to re-open five large copper mines which have been closed since May, 1921. When these properties begin producing, seven of the 15 principal copper mines in the Twelfth Federal Reserve District will be in operation. Buyers of copper have lately been reported inactive partly because they had purchased quantities of copper in the last quarter in 1921 for delivery in 1922, and partly because they desire to see the effect of increased production upon prices, in view of the fact that stocks of copper are already large. The price of electrolytic copper declined from the December peak of 14 cents per pound (New York delivery) to 13¼ cents on February 10th.

Aside from the activity in the copper mines, there has been little change in the general mining situation during the month.

Reports received from 14 of the largest mines in the district show a decreased production of gold, silver and lead and an increase in the production of copper in December, 1921, compared with November, 1921. Compared with December, 1920, the same mines report decreases in gold, lead and copper production and an increased output of silver. The 14 reporting gold, silver and lead mines are operating at 100 per cent of capacity, and reporting copper mines at approximately 66 per cent of capacity. Comparative figures of the output of metal of the reporting mines during December, 1921, November, 1921, and December, 1920, are shown in the following table:

	Dec., 1921	Nov., 1921	Dec., 1920
Gold (oz.).....	26,072	29,846	34,597
Silver (oz.).....	662,513	730,724	656,325
Lead (lbs.).....	8,588,314	10,502,167	10,488,733
Copper (lbs.)....	6,748,041	6,120,000	7,052,771

Average daily production of petroleum in California during January was 315,755 barrels, a decrease of 9,723 barrels a day, compared with December, and of 15,431 barrels a day compared with January a year ago. Consumption which has continued at approximately the

same level during the past three months, was less than the January production, average daily shipments during the month being 278,251 barrels, or 37,504 barrels less than the average daily production. The resultant increase in stored stocks carried the holdings of California oil companies to 36,184,527 barrels, the highest figures which have been reported to this bank.

Fifty-nine new wells with an initial daily production of 11,210 barrels were completed during January and seven wells abandoned, a net increase of 52 producing wells during the month.

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

Reports from 14 of the principal electric power companies in the district show an increase in sales of power for industrial purposes in December, 1921, as compared with December, 1920, in California, little or no change in the Pacific Northwest (Idaho, Oregon and Washington) and a marked decrease in the Intermountain states (Arizona, Utah and Nevada). Compared with November, 1921, there was a decline in sales in all states, chiefly due to seasonal diminution in the needs of agricultural consumers.

Figures on industrial sales of California power companies are now available for a period of several months. Segregated by principal consuming industries they show the extent of seasonal changes in demand in agricultural sections, a gradual but steady improvement in sales to the mining industry, and a similar trend (except through the period of the oil workers' strike in the San Joaquin Valley oil fields) in sales to the oil producing industry. Comparative figures on total power sales to these industries during the last six months of 1921 follow:

	Agriculture K.W. H.	Oil Production K.W. H.	Mining K.W. H.
July	67,450,199	6,458,377	10,045,719
August	71,813,483	6,726,541	11,198,406
September	62,381,265	5,957,184	11,528,174
October	36,828,765	3,762,141	11,780,666
November	22,307,820	5,015,756	11,313,107
December	14,208,172	6,947,954	12,095,172

(I) Petroleum—

	January, 1922	December, 1921	January, 1921
Production (daily average).....	315,755 bbls.	325,478 bbls.	331,186 bbls.
Shipments (daily average).....	278,251 bbls.	275,944 bbls.	319,769 bbls.
Stored Stocks (end of month).....	36,184,527 bbls.	35,021,912 bbls.	22,594,190 bbls.
New Wells Opened.....	59	45	64
With Daily Production.....	11,210 bbls.	16,160 bbls.	29,852 bbls.
Wells Abandoned	7	1	5

Statistics on production and industrial sales of electric energy in this district, as furnished by 14 reporting power companies, are presented in table "J."

Employment conditions in this district were practically unchanged during the past month. In the manufacturing industries employment increased slightly during January according to the monthly report of the United States Employment Service. Figures available for four cities in this district show the following changes:

	Numerical increase in employment during January, 1922, compared with December, 1921	Percentage increase in employment during January, 1922, compared with December, 1921
Los Angeles..	345	1.5
Portland	341	4.6
San Francisco	926	14.8
Seattle	62	3.1

Much unemployment still exists at mining centers, in the metal trades, at the shipyards, and among unskilled workers of all kinds. In several sections of the district, some industries are working on a part time basis. In California, Oregon and Washington, although the number of unemployed is still reported to be above normal, there has been improvement in the outlook. Increased activity in lumbering and other industries is now absorbing many men whose employment terminated with the cessation of various operations dependent on the seasons. Little real improvement can be hoped for until the resumption of farm work and other outdoor labor in the spring. In Arizona, Nevada, Idaho and Utah there has been an increase in mining activity, especially in the copper mining districts, and unemployment there has been relieved to some extent. The total number of unemployed remains ap-

proximately the same, however, as railroad and construction work are reported to have been materially curtailed.

During January, 33 department stores reported total net sales 6.3 per cent less in value than they were in January, 1921. That the percentage of this decline is less than the percentage of decline in retail prices during the past year (estimated by these stores to average in excess of 20 per cent), and that the total number of individual sales transactions (as reported by nine stores that keep such records) was approximately the same in January, 1922, as in January, 1921, indicates that the physical volume of merchandise sold during the month was greater than it was one year ago. The month of January also marked the usual seasonal decline in volume of retail trade, and the sales of these representative department stores averaged 43.5 per cent less in value than in December, 1921.

The amount of the average sale (cash, charge and C. O. D.) reported by 10 stores was \$2.39 in January, 1922, compared with \$2.18 in December, 1921, and \$2.70 in January, 1921. Following is a statement of the average sale (cash, charge and C. O. D.) in Los Angeles, Salt Lake City, San Francisco and Seattle.

	Jan., 1922	Dec., 1921	Jan., 1921
Los Angeles	\$2.80	\$2.72	\$3.14
Salt Lake City.....	1.80	1.84	...
San Francisco.....	3.12	2.67	...
Seattle	1.80	1.63	1.98
District	\$2.39	\$2.18	\$2.70

Stocks on hand at the close of January were 3.4 per cent greater in value than at close of January a year ago, but were 5.5 per cent less

(J) Electric Power—

(1) Production—	Plant Capacity K. W.			Peakload K. W.			Plant Output K. W. H.		
	Dec., 1921	Nov., 1921	Dec., 1920	Dec., 1921	Nov., 1921	Dec., 1920	Dec., 1921	Nov., 1921	Dec., 1920
California (7 companies reporting)	912,975	912,975	730,465	641,222*	625,766*	566,518*	265,656,738	262,991,047	252,803,979
Pacific Northwest (4 companies reporting)	224,870*	224,870*	200,745*	94,453*	95,230*	87,995*	79,332,716	76,815,500	75,667,046
Intermountain States (3 companies reporting)	153,957*	153,957*	153,957*	73,710*	61,542*	94,871*	29,300,745	27,485,637	42,686,778
Twelfth District (14 companies reporting) ...	1,291,802*	1,291,802*	1,085,167*	809,385*	783,378*	749,384*	374,291,199	367,292,184	371,157,803
(2) Sales—	Number of Industrial Consumers			Connected Industrial Load H. P.			Industrial Sales K. W. H.		
	Dec., 1921	Nov., 1921	Dec., 1920	Dec., 1921	Nov., 1921	Dec., 1920	Dec., 1921	Nov., 1921	Dec., 1920
California	41,178*	41,344*	38,230*	1,268,153*	1,223,336*	1,152,910*	135,644,254	148,870,244	121,547,077
Pacific Northwest	15,696	15,942*	14,739	232,940*	.. †	238,493*	24,769,347	31,005,891*	25,594,228
Intermountain States..	7,145*	7,510*	6,298*	230,027*	.. †	220,921*	17,666,466	18,683,257	32,628,488
Twelfth District	64,019*	64,796*	59,267*	1,731,120*	1,223,336†	1,612,324*	178,080,067	198,559,392*	179,769,793

*Not reported by all companies. Figures so marked are comparable under respective headings and dates, but not strictly accurate for comparison with other portions of the table.

†November figures not available for Pacific Northwest and Intermountain States.

than the value of stocks on December 31, 1921. The percentage of outstanding orders at end of January, 1922, to the total purchases during the year 1921 were 8.9 per cent compared with 6.8 per cent in December.

Collections were characterized by reporting firms as follows:

	Excellent	Good	Fair	Poor
Number of Firms	1	11	10	1

Statements of increases or decreases in the value of net sales of 33 representative department stores and mail order houses during January, 1922, compared with December, 1921, and January, 1921, are shown in table "K."

Reports received from 185 wholesale firms in 10 lines of business show that in January, for the third successive month, sales of dry goods and furniture were greater

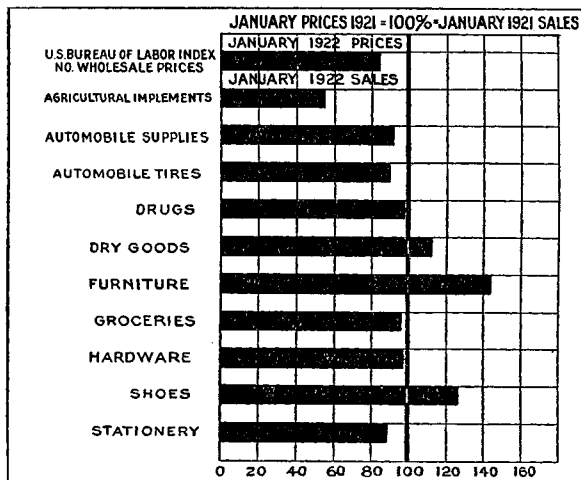
Wholesale Trade in value than in the corresponding month a year ago, and that sales of shoes were greater in value for the

second successive month. Although sales in the other seven reporting lines were less in dollar value than in January, 1921, there was a further diminution in the percentage of decrease, and, in all lines except agricultural implements, the percentage of decline in value of sales was less than the percentage of decline of wholesale prices of the commodity during the year period. The physical volume of business at wholesale is, therefore, probably greater now than it was during January, 1921.

The average net increases or decreases (—) in the value of sales of each reporting line were as follows:

	January, 1922, compared with	
	January, 1921	December, 1921
Agricultural Implements.....	-45.1	-12.5
Automotive Supplies.....	-5.9	.3
Automobile Tires	-11.6	-36.2
Drugs	-.8	-9.4
Dry Goods.....	12.7	15.6
Furniture	43.9	-21.7
Groceries	-1.9	15.7
Hardware	-.7	-2.5
Shoes	26.2	-14.2
Stationery	-11.7	-20.7

Different lines of business and different firms in the same lines of business report varying trends in the volume of orders now being placed for spring and summer delivery. In the dry goods and automobile tire trade, the majority of reports state that the volume of orders thus far received has been greater than last year, a fact which is attributed to the general belief that present prices are more stable than in January, 1921. In the other eight lines no definite tendency has been apparent, some firms reporting a greater and some a lesser volume of orders for spring and summer delivery.



Dollar Value of Sales of Representative Wholesale Houses and General Wholesale Prices in January, 1922, Compared with January, 1921

Prices generally remained unchanged during January although wholesale grocers, hardware firms and stationery dealers reported some reductions. Present prices average approximately 20 per cent below those of one year ago.

Collections were characterized by reporting firms as follows:

	Excellent	Good	Fair	Poor
Number of Firms	4	40	80	31

(K) Retail Trade Activity—

CONDITION OF RETAIL TRADE DURING JANUARY, 1922
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 January, 1922, compared with net sales during same month last year	-2.5	-15.3	-4.6	-19.9	-4.9	-11.8	-14.7	-6.3
Percentage increase or decrease (—) of net sales during January, 1922, compared with net sales during December, 1921.....	-36.9	-52.8	-52.0	-51.0	-44.1	-54.8	-56.3	-43.5

Statements of increases or decreases in the net sales of 185 reporting wholesale firms during January, 1922, compared with January, 1921, are shown in table "L."

Although the foreign trade of the Pacific Coast in 1921 was less in value and in volume than in the peak year of 1920, the last six months of 1921 were months of improvement in both the import and export fields. This is shown in the following table of percentage comparisons of the value of foreign trade of this district in 1921 and 1920.

	Percentage increase or decrease (—) in value of Exports	Percentage increase or decrease (—) in value of Imports
Year 1921 compared with year 1920.	—40.1	—52.4
First six months 1921 compared with first six months 1920.....	—53.6	—60.5
Last six months 1921 compared with last six months 1920.....	—22.0	—40.8
December, 1921, compared with December, 1920	1.07	154.6

Because of changes in the level of prices during the two years under discussion, it is difficult to draw accurate conclusions from figures of dollar values, but the above comparisons, supplemented by such figures on tonnage imports and exports as are available, indicate that the volume of foreign trade on the Pacific Coast was increasing in the last quarter of 1921, and in the closing month of the year exceeded the figures for December, 1920.

As would be expected in a district the major exports of which are agricultural products (harvested in the summer and fall), there was

a steady increase in the volume of exports from July to October and a slight decrease in the last two months of the year. A considerable part of the large wheat crop of the Pacific Northwest found a market in Europe, particularly in the United Kingdom. Barley, rice, cotton, dried fruits, canned fruits and canned salmon were active export commodities and the lumber trade showed a marked improvement, Japan being the principal foreign buyer. The export trade in iron and steel manufactures, canned milk and various minor items of commerce on this Coast was quiet.

Import trade was practically stationary from July to November, but rose to the highest monthly figure of the year in December. Large increases in imports at San Francisco and Seattle were responsible for this gain. Raw materials from the Orient, Australasia, and Central and South America (including sugar, silk, coffee, tea, copra, rice, and wool) and manufactured goods from Europe (notably window glass from Belgium) continue to be the leading import commodities of the district.

In general the ports of the district report an increased trade with the Orient and the United Kingdom during the last six months of the year and slight improvement in the direct trade with continental Europe. South American trade shows a decrease in exports and an increase in imports. The increased trade not only of this district but the whole United States with the Orient is one of the striking changes which occurred in the distribution of our foreign trade during the war, and, although 1921 witnessed a tendency in the direction of the pre-war normal distribution of our imports,

(L) Wholesale Trade—

Percentage of increase or decrease (—) in net sales during January, 1922, compared with January, 1921

	Agricultural Implements	Auto Supplies	Auto Tires	Drugs	Dry Goods	Furniture	Groceries	Hardware	Shoes	Stationery
Number of reporting firms..	23	21	15	9	12	13	31	21	14	26
Los Angeles	13.0	7.9	63.0	..	..	26.2	— 1.8	29.8	..	— 8.6
Portland	—53.5	—11.5	..	..	..	60.6	— .6	—17.7	34.2	— 4.3
Sacramento ....	..	—17.5	..	..	..	..	— 3.2	— 2.9	..	..
Salt Lake City..	—62.6	— 5.8	31.2	—12.9	..	..	—10.7	—22.9	..	—18.3
San Francisco...	—45.2	—16.3	6.2	..	8.5	67.4	— .6	— 7.4	21.1	—22.6
Seattle .....	..	—27.5	2.3	..	74.1	..	..	— 5.6	19.5	10.7
Spokane	—62.8	..	43.9	..	..	..	—11.6	—16.9	..	—12.7
Tacoma .....	..	..	..	..	..	47.4	3.1	1.2	..	..
District	—45.1	— 5.9	—11.6*	— .8	12.7	43.9	— 1.9	— .7	26.2	—11.7

*District total includes sales of large distributors not reported by cities.

Asia continued to gain as a field for our exports. The following table shows the percentage of the total trade of the United States carried on with each major division of the world during the year ending June 30, 1914, and the calendar years 1920 and 1921:

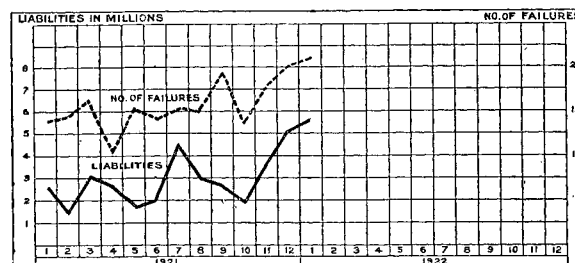
IMPORTS	1914	1920	1921
Europe	47.3	23.3	30.5
North America.....	22.6	31.5	30.0
South America.....	11.8	14.4	11.8
Asia	15.1	24.3	22.6
Oceania	2.2	3.7	3.5
Africa	1.0	2.8	1.6
Total	100.0	100.0	100.0

EXPORTS	1914	1920	1921
Europe	62.8	54.3	52.8
North America.....	22.4	23.4	25.2
South America.....	5.3	7.6	6.1
Asia	4.8	9.4	10.8
Oceania	3.5	3.3	3.5
Africa	1.2	2.0	1.6
Total	100.0	100.0	100.0

The usual seasonal increase in the number and liabilities of business failures occurred in January, the totals being the highest of which this bank has record. There were 207 business failures with liabilities of \$5,630,449 in January, 1922, compared with 201 failures with liabilities of \$5,093,420 reported in December, 1921, an increase of 2.9 per cent in number and 10.5 per cent in amount of liabilities

involved. Compared with January, 1921, the number of failures showed an increase of 50.0 per cent and the reported liabilities an increase of 114.6 per cent.

Liabilities of the average failure in the district amounted to \$27,200 in January, 1922, compared with \$25,340 in December, 1921, and \$19,045 in January, 1921.



Business Failures, Twelfth Federal Reserve District, 1921-1922

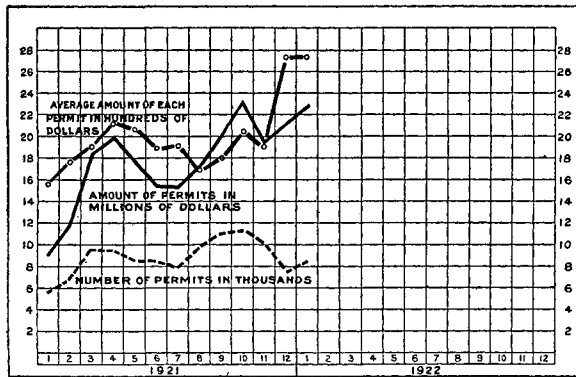
R. G. Dun & Company's comparative figures of the number and liabilities of business failures in the states of this district during January, 1922, and December, 1921, follow:

	January, 1922		December, 1921	
	No.	Liabilities	No.	Liabilities
Arizona	4	\$ 52,300	6	\$ 112,000
California	92	2,062,199	79	1,459,555
Idaho	13	104,966	9	631,342
Nevada .....	..	..	3	24,787
Oregon	25	200,090	41	1,769,432
Utah	18	298,834	12	220,448
Washington	55	2,912,060	51	875,856
District	207	\$5,630,449	201	\$5,093,420

(M) Foreign Commerce—

EXPORTS	Six Months Ending		Per Cent Increase or Decrease (—) Six Months 1921 over 1920	Year Ending		Per Cent Increase or Decrease (—) Year 1921 over 1920
	Dec. 31, 1921	Dec. 31, 1920		Dec. 31, 1921	Dec. 31, 1920	
Los Angeles	\$ 6,290,811	\$ 8,325,228	—24.4	\$ 17,950,160	\$ 18,606,121	— 3.5
Portland	39,012,503	40,237,633	— 3.0	67,904,841	61,428,974	10.5
San Diego	2,078,724	2,672,786	—22.2	3,738,179	7,120,720	—47.5
San Francisco	73,083,105	98,788,019	—26.0	129,476,252	225,835,944	—42.6
Seattle	47,334,341	65,282,834	—27.4	83,379,884	192,684,309	—56.4
Total	\$167,799,484	\$215,306,500	—22.0	\$302,449,316	\$505,676,068	—40.1
IMPORTS						
Los Angeles	\$ 6,982,922	\$ 4,542,129	53.7	\$ 11,852,075	\$ 9,897,336	19.7
Portland	2,709,697	3,224,518	—15.9	4,499,378	8,218,370	—45.2
San Diego	3,836,990	5,576,916	—31.2	8,521,765	12,384,161	—31.2
San Francisco	43,738,338	95,113,593	—54.0	97,149,092	211,928,232	—54.1
Seattle	34,814,394	47,224,113	—26.2	57,179,719	134,068,533	—57.3
Total	\$ 92,082,341	\$155,681,269	—40.8	\$179,202,029	\$376,496,632	52.4

Building activity again reached record proportions when permits issued in the month of January totaled 8,298 in number and \$22,872,876 in estimated value. The latter figure is larger than that for any previous month on record with the exception of October, 1921, and exceeds the estimated value of building projected in January, 1921, by \$13,930,561, or 155.7 per cent. These figures acquire added significance as an indication of the increase in the physical volume of building when allowance is made for declining costs of many building materials and labor during the past year.

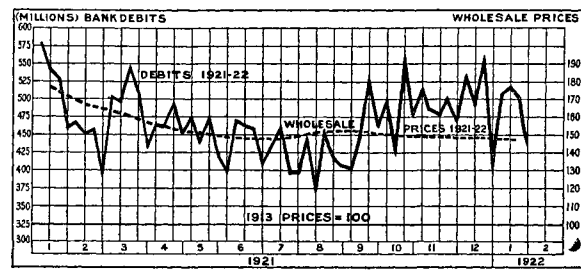


Building Permits Issued in 20 Principal Cities, Twelfth Federal Reserve District, 1921-1922

mits issued in January, 1922, than in January, 1921, and 16 of the reporting cities reported an increase in the value of permits issued this year.

Comparative figures of the number and value of building permits issued in 20 reporting cities during January, 1922, and December, 1921, and January, 1921, are shown in table "N."

Volume of business during the five weeks period ending February 2nd, as measured by total debits to individual accounts in 20 principal clearing house centers, was 8.3 per cent less than in the first five weeks of 1921. This year's total to February 2nd was \$2,393,377,000 compared with \$2,609,729,000 in the same period last year. The percentage decline is considerably less than the



Debits to Individual Account in 20 Principal Cities, Twelfth Federal Reserve District, 1921-1922

Fourteen of the 20 cities from which figures were received reported a larger number of per-

centage of decline in prices both at retail and wholesale (wholesale prices fell 21.1 per

(N) Building Permits—

	January, 1922		December, 1921		January, 1921		Per Cent Increase or Decrease (—) in Value Jan., 1922 compared with Jan., 1921
	No.	Value	No.	Value	No.	Value	
Berkeley	136	\$ 338,332	130	\$ 294,955	82	\$ 138,533	144.9
Boise	84	13,550	43	20,389	30	11,218	20.7
Fresno	180	367,509	203	500,539	182	341,550	7.6
Long Beach	319	759,218	270	1,392,700	216	472,570	60.8
Los Angeles	3,416	7,975,168	3,364	9,168,851	1,871	3,301,714	141.5
Oakland	581	1,329,405	500	2,149,756	352	546,329	143.4
Ogden	16	43,250	20	93,800	22	41,910	3.1
Pasadena	225	347,745	209	396,278	142	179,016	94.4
Phoenix	54	74,982	52	77,930	128	178,872	— 58.1
Portland	875	1,147,960	731	854,055	656	646,560	77.7
Reno	10	9,200	15	36,730	13	22,135	— 58.4
Sacramento	249	1,897,862	224	420,266	124	148,712	1173.8
Salt Lake City	35	81,900	117	404,595	48	70,495	16.1
San Diego	361	539,210	265	1,775,711	256	499,342	8.0
San Francisco	620	5,528,510	568	2,007,705	368	1,246,808	343.3
San Jose	65	75,365	59	121,370	58	98,772	— 23.6
Seattle	665	1,806,200	518	494,835	734	683,840	164.0
Spokane	74	203,445	115	88,225	74	37,120	448.6
Stockton	74	72,995	68	163,133	58	97,650	— 25.2
Tacoma	259	261,070	201	542,297	254	179,169	45.8
Total	8,298	\$22,872,876	7,672	\$21,004,120	5,668	\$8,942,315	155.7

cent in 1921 according to the United States Department of Labor and retail prices slightly less) and indicates an increase in the physical volume of business activity compared with one year ago. Comparative figures of debits to individual accounts in 20 reporting cities during January, 1922, December, 1921, and January, 1921, are shown in table "O."

NOTE—Beginning with this issue debits to individual accounts will be shown in this report instead of bank clearings, it being now generally recognized that bank debits are a more accurate measure of change in business activity than are bank clearings.

The total amount in all savings accounts against which pass books are issued, as reported by 77 banks in seven principal cities, increased 2.9 per cent during the month ending January 14th, being on that date \$770,788,000 compared with \$748,872,000 December 15th. The most noteworthy increases were reported in Los Angeles and San Francisco, the only decline having been in Spokane.

During the year ending January 15th there was an increase of five per cent in savings deposits.

The changes in the savings deposits in each city are shown in the accompanying table "P." The decrease of one in the number of reporting banks in Salt Lake City and the revision of that city's December total are due to a bank failure on January 16th.

Banking centers reported further fractional declines in the interest rate on commercial paper, bought through brokers during January.

Open market rates for this class of interest paper were $\frac{1}{4}$ to $\frac{1}{2}$ per cent lower and are now uniform at 5 per cent throughout the district, (Salt Lake City not included). The general level of rates on all other classes of paper was unchanged during the month. A statement of interest rates on commercial loans prevailing in Federal Reserve Bank and Branch cities for the 30

day periods ending February 5, 1922, and January 5, 1922, follows:

	Commercial Paper of Customers		Paper Bought Through Brokers	
	Feb. 6	Jan. 5	Feb. 6	Jan. 5
Los Angeles...	6½	7	5	5½
Portland	7	7	5	5
Salt Lake City.	8	8	..	..
San Francisco.	6	6	5	5¼
Seattle	7	7	5	5½
Spokane	7	7	5	5¼

The heavy demand for bankers' acceptances which prevailed during the first two weeks of January, and which resulted in a selling rate as low as 3¾ per cent, was not well maintained in the latter part of the month. As holdings of bills in dealer's portfolio increased the rate gradually rose, reaching 4 per cent on January 25th, at which point it now

(O) Bank Debits*—

	Five weeks ending Feb. 2, 1922	Four weeks ending Dec. 29, 1921	Five weeks ending Feb. 2, 1921
Berkeley	\$ 18,053	\$ 14,200	\$ 15,710
Boise	15,762	11,278	14,900
Fresno	49,166	51,954	52,711
Long Beach	32,933	25,057	28,077
Los Angeles	607,583	461,350	534,759
Oakland	94,981	82,540	101,214
Ogden	25,047	14,958	24,589
Pasadena	30,363	18,945	27,449
Portland	146,423	121,221	187,825
Reno	12,196	9,409	13,853
Sacramento	66,385	73,347	69,682
Salt Lake City....	73,839	77,941	98,882
San Diego	44,539	34,506	43,755
San Francisco	863,979	734,389	1,034,212
San Jose	24,213	21,356	29,197
Seattle	163,121	126,314	189,940
Spokane	48,156	40,864	60,580
Stockton	24,544	21,276	24,823
Tacoma	39,943	33,319	45,794
Yakima	12,151	11,660	11,777
Total	\$2,393,377	\$1,985,884	\$2,609,729

* (000) Omitted.

(P) Savings Deposits*—

	Number of Banks	Jan. 14, 1922	Dec. 15, 1921	Jan. 15, 1921	Per Cent Increase or Decrease (—) Jan. 14, 1922 over Jan. 15, 1921
Los Angeles	13	\$252,702	\$244,460	\$225,562	12.0
Oakland	7	76,603	74,434	73,843	3.7
Portland	10	37,463	37,456	38,683	— 3.2
Salt Lake City.....	9	21,798	21,509	21,219	2.7
San Francisco	17	340,292	329,466	323,049	5.3
Seattle	15	30,287	29,689	38,103	—20.5
Spokane	6	11,643	11,858	13,332	—12.7
Total	77	\$770,788	\$748,872	\$733,791	5.0

*In thousands of dollars.

stands (February 16th). This rise in interest rate resulted in a moderate but steady demand, mainly from country banks. With the easing of rates in the New York call money market towards the middle of February, city banks began to buy, and demand again became active.

A rough classification of bills marketed as reported by the principal dealer on the Pacific Coast, shows a marked preference for 90-day bills. The approximate percentages of each class to the total sales of all classes follows:

	Jan. 15 to Feb. 15	Dec. 15 to Jan. 15
30 day.....	15%	22.5%
60 day.....	18%	33.3%
90 day.....	55%	24.4%
120 day.....	12%	19.8%

No increase has been noted in the amount of acceptances created by the banks of this district. The tendency for banks to hold their own acceptances for investment is reported to be increasingly noticeable. Reports received by this bank from 36 of the principal accepting banks in the district show little change in the total amount of bills *accepted* during January although acceptances created by banks in the Pacific Northwest increased from \$320,421 to \$1,253,130. Total *purchases* by banks in this section and in southern California increased sufficiently to offset a decline in purchases by northern California banks and total purchases for the district (\$9,300,953) were \$3,215,585 greater than purchases in December (\$6,085,368). Wheat, sugar, cotton, and canned fruit were the principal commodities on which acceptances executed during the month were based. Purchases and holdings of reporting banks appear in table "Q."

On January 26 the Secretary of the Treasury announced an offering of \$400,000,000, or thereabouts, of 4¾ per cent short term Treasury Notes, designated as Series A 1925, dated February 1, 1922, maturing March 15, 1925. In addition to the primary offering of \$400,000,000 the Treasury offered additional notes up to \$200,000,000 in exchange for Vic-

tory notes, and, to further carry out refunding plans, Federal Reserve Banks were authorized to purchase Victory notes at par and accrued interest direct from holders up to an amount not exceeding \$100,000,000. Purchases under this authority were to be made on or before February 1, 1922, which date was later extended to February 16, 1922.

Subscriptions to the Series A 1925 offering of notes closed at noon February 1, 1922. Total subscriptions received amounted to \$1,249,965,300, of which the Treasury allotted \$601,599,500. Of this amount Victory notes were accepted in payment for \$200,000,000, leaving subscriptions of \$401,599,500 to absorb the primary quota of \$400,000,000. In the Twelfth Federal Reserve District subscriptions totaling \$60,162,000 were received, of which \$40,317,000 were allotted. Of this amount \$6,038,500 was paid for by Victory notes.

On February 9, 1922, the Secretary of the Treasury issued a notice to holders of Victory notes and others concerned, calling for redemption all 3¾ per cent Victory notes at par and accrued interest on June 15, 1922, on which date interest will cease to accrue. This announcement also provides for the redemption of 3¾ per cent Victory notes at par and accrued interest prior to June 15, at the option of the holder. The privilege of converting Victory notes (3¾ per cent to 4¾ per cent and vice versa) was likewise suspended effective February 9, 1922, and will terminate on June 15, 1922.

The effect of restricted agricultural activities, continued marketing of products, and the cautious movement of business of all kinds has been reflected in the banking situation during the past month. Loans and discounts of 66 reporting member banks declined from \$880,604,000 on January 4, 1922, to \$819,085,000 on February 8th, a decrease of 6.9 per cent and investments declined approximately \$6,900,000, or 2.1 per cent, during the same period. The total decline in loans, discounts and investments combined was roughly \$68,000,000.

(Q) Acceptances†—

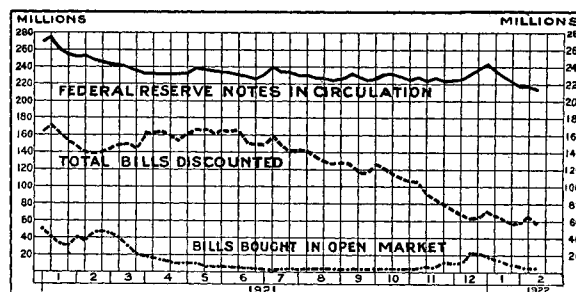
	Amount Accepted		Amount Bought				Amount held at close of month			
	Jan., 1922	Dec., 1921	Created in Twelfth District		All Other		Total			
			Jan., 1922	Dec., 1921	Jan., 1922	Dec., 1921	Jan., 1922	Dec., 1921		
Pacific Northwest	\$1,253,130	\$ 320,421	\$ 258,564	\$ 438,109	\$2,604,606	\$ 353,934	\$2,863,170	\$ 792,043	\$ 4,883,097	\$ 5,625,686
Northern California ..	2,159,692	2,870,742	1,741,049	2,142,686	805,790	1,953,168	2,546,839	4,095,854	3,103,260	3,919,022
Southern California ..	358,244	358,873	534,115	33,639	3,356,829	1,163,832	3,890,944	1,197,471	6,610,217	5,178,955
Other Districts .....	..	..	..	..	..	..	..	..	..	..
Total	\$3,771,066	\$3,550,036	\$2,533,728	\$2,614,434	\$6,767,225	\$3,470,934	\$9,300,953	\$6,085,368	\$14,596,574	\$14,723,663

†36 Banks reporting.

Total deposits were \$56,136,000 less and cash holdings declined \$8,018,000. Borrowings of these city banks from the Federal Reserve Bank fell to \$21,071,000 on February 8th, the net decline for the month being \$12,599,000, or 37.4 per cent.

The statement of condition of the Federal Reserve Bank on February 8th shows a decline of \$7,840,000, or 11.9 per cent, in bills discounted for all banks (city and country) compared with the statement of January 11th, the present figure being a new low for the re-adjustment period. Holdings of acceptances purchased in the open market declined from \$12,447,000 to \$3,917,000 but purchase of Government securities increased the amount of these investments in the hands of this bank from \$12,515,000 to \$19,418,000. The net change in total earning assets was a decline

of \$9,467,000, or 10.4 per cent. The amount of Federal Reserve Notes in actual circulation declined \$14,634,000, or 6.3 per cent. Cash reserves increased \$8,813,000, or 3.1 per cent during the month.



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

PRINCIPAL RESOURCE AND LIABILITY ITEMS OF REPORTING MEMBER BANKS IN RESERVE CITIES IN TWELFTH FEDERAL RESERVE DISTRICT

	Feb. 8, 1922	Jan. 4, 1922	Feb. 11, 1921
<i>Number of Reporting Banks</i>	68	67	68
Loans and Discounts	\$ 819,085,000	\$ 880,604,000	\$ 886,115,000
Investments	309,663,000	316,580,000	289,320,000
Cash in Vault and with Federal Reserve Bank.....	97,817,000	105,835,000	99,210,000
Total Deposits	1,117,652,000	1,173,788,000	1,130,936,000
Bills Payable and Rediscounts with Federal Reserve Bank.....	21,071,000	33,670,000	79,179,000

COMPARATIVE STATEMENT OF CONDITION OF FEDERAL RESERVE BANK OF SAN FRANCISCO AT CLOSE OF BUSINESS, FEBRUARY 8, 1922

RESOURCES

	Feb. 8, 1922	Jan. 11, 1922	Feb. 11, 1921
Total Reserves	\$294,235,000	\$285,422,000	\$195,225,000
Bills Discounted	57,508,000	65,348,000	139,581,000
Bills Bought in Open Market.....	3,917,000	12,447,000	44,980,000
United States Government Securities.....	19,418,000	12,515,000	12,832,000
Total Earning Assets.....	\$ 80,843,000	\$ 90,310,000	\$197,393,000
All Other Resources*.....	40,154,000	49,337,000	38,488,000
Total Resources	\$415,232,000	\$425,069,000	\$431,106,000

LIABILITIES

Capital and Surplus.....	\$ 22,570,000	\$ 22,579,000	\$ 21,200,000
Total Deposits	141,196,000	129,943,000	121,746,000
Federal Reserve Notes in Actual Circulation.....	216,336,000	230,970,000	247,303,000
All Other Liabilities†.....	35,130,000	41,577,000	40,857,000
Total Liabilities	\$415,232,000	\$425,069,000	\$431,106,000

*Includes "Uncollected Items"..... 32,852,000 41,949,000 36,857,000

†Includes "Deferred Availability Items"..... 29,158,000 35,585,000 29,732,000