

AGRICULTURAL AND BUSINESS CONDITIONS

IN THE TWELFTH FEDERAL RESERVE DISTRICT

Monthly Report to the Federal Reserve Board

by

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No. 3

EASIER credit conditions in agricultural sections have been the immediate results of advancing prices for the principal agricultural products of the district, including cattle, sheep, hogs, the grains, the fruits, wool and sugar. During the four weeks ending March 8th, normally a period of some credit expansion in this district, coun-

The Month try member banks reduced their borrowings from this bank by approximately \$3,000,000, or 8.2 per cent. In the same period the prevailing interest rate charged borrowers in Salt Lake City, the financial center of the intermountain district, declined from 8 to 7 per cent and in Spokane, the center of another great agricultural section, from 7 to 6½ per cent. Advances during the past two months in the prices of farmers' products, accompanied as they have been by stability or a continued moderate decline in the price of most other groups of commodities, have effected a more nearly normal relation between the prices of things the farmer sells and the prices of the things he must buy than has prevailed for the past year and a half. Such an adjustment has long been considered essential to any marked improvement of the general business situation.

In contrast with conditions prevailing a year ago, **carryover stocks** of agricultural products are at present normal or below normal. The March 1st report of the United States Department of Agriculture showed that stocks of wheat on the farms of the principal wheat growing states of the district amounted to but 10 per cent of the former season's crop. Last year on the same date approximately 16 per cent of the 1920 crop was still held by the producers. Stocks of barley in California have been similarly reduced from the exceptionally high levels of 1921 and holdings of wool and

of canned and dried fruit are less than the amounts customarily on hand at this season.

Productive activity in this district was well sustained during the short month of February. In the **lumber industry**, production, shipments, and orders received were greater than in January, 1922, or February, 1921. The mills operated at approximately 85 per cent of normal capacity compared with 50 per cent a year ago. The resumption of inquiries for lumber from the agricultural states of the middle west was a particularly hopeful sign, especially for the inland mills which have not shared in the thriving water trade with the Atlantic Coast and Japan. Continued slow improvement was noticeable in the **mining industry** effected more by lowered costs of production than by appreciation in mineral prices. Work is proceeding slowly at the five large copper mines of the district, which in January announced that operations would be resumed. No ore has yet been mined by them.

Figures now available on the January sales of **electric power** provide further evidence of increased industrial activity. Total industrial sales were 8 per cent greater in the Pacific Northwest and slightly greater in California than in January, 1921, the latter increase occurring despite a marked reduction in consumption for agricultural purposes. Similar improvement in the intermountain states is not yet discernible.

Increased productive activity and the resumption of seasonal outdoor work in some sections have combined to relieve the unemployment situation and more men were employed in February than in January. The peak of **unemployment** appears to have been passed.

Notwithstanding accumulating evidence of better business in the future, buyers, both at retail and at wholesale are proceeding cau-

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tiously. Retail sales, as reported by 33 department stores and mail order houses, compared less favorably in February with those of the previous year than did January sales. The dollar value of sales in February was 9.1 per cent less than a year ago, compared with a decline of but 6.3 per cent from January, 1921, to January, 1922. Sales at wholesale, reported by 185 firms in ten lines of business, did not continue the improvement noted in each month since October, 1921. Comparison of sales in January and February of this year with sales in the corresponding months last year shows that in seven of the ten lines there was an increase, during February, in the percentage of decline in value of sales as compared with January. In five of the ten lines the decline in the value of sales was greater than the average decline of wholesale prices during the past year, indicating a decrease in the physical volume as well as in the value of sales.

Building continues more active than a year ago. The number of permits issued in 20 principal cities in February, 1922, exceeded the number issued in February, 1921, by 14.0 per cent and the value of the 1922 permits exceeded the value of the 1921 permits by 60.5 per cent. Substantial improvement in the physical volume of business being transacted throughout the district is indicated by figures on debits to individual accounts in 20 clearing house centers. In the four weeks ending March 1, 1922, debits to individual accounts were only 3 per cent less than in the same period in 1921. In January, 1922, the decline compared with the previous year was 8.2 per cent.

Stocks of wheat on farms of the Pacific Northwestern States of this district as shown by the Department of Agriculture estimates of

Grains March 1st, are considerably smaller than stocks held at this time last year.

Comparison of March 1st holdings of wheat by the farmers of these states over the past three seasons, considered as percentages of the total crop produced, indicates that an unusually large share of the 1921 wheat crop has already been marketed.

STOCKS OF WHEAT ON FARMS, MARCH 1st
(thousands of bushels)

	1922	Per Cent of 1921 Crop	1921	Per Cent of 1920 Crop	1920	Per Cent of 1919 Crop
Idaho	4,333	16	6,150	25	2,908	14
Oregon	2,675	11	2,691	12	2,074	10
Washington ..	4,373	8	5,416	13	3,351	8

In contrast with a year ago, when there was a large carryover of barley in this district,

March 1st estimates of the stocks of barley on farms show normal holdings as follows:

STOCKS OF BARLEY ON FARMS, MARCH 1st
(thousands of bushels)

	1922	Per Cent of 1921 Crop	1921	Per Cent of 1920 Crop	1920	Per Cent of 1919 Crop
California	2,673	9	5,462	19	2,132	8
Idaho	668	24	966	30	328	14
Oregon	493	22	749	31	263	17
Utah	154	30	213	36	51	14
Washington ..	587	21	1,042	36	536	21

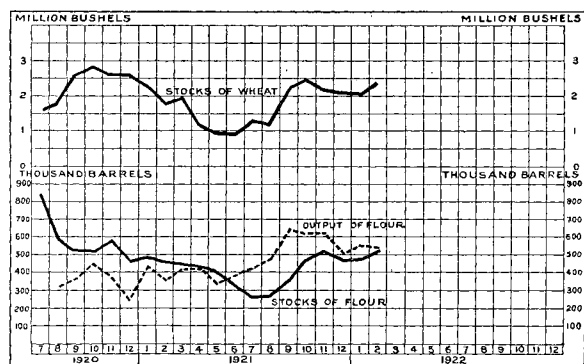
Wheat prices in Pacific Coast markets continued to rise during February and the first two weeks of March, in spite of reactions in Eastern markets. Some export demand was reported from the Pacific Northwest, and a scarcity of hard white milling wheat in that section contributed to the firmness of the market. In California, No. 1 hard wheat which was selling at \$2.15 to \$2.25 per 100 pounds (\$1.29 to \$1.35 per bushel) on February 15th, is now (March 15th) quoted at \$2.25 to \$2.35 per 100 pounds (\$1.35 to \$1.41 per bushel).

Weather developments during the past two months have favorably affected the condition of winter wheat and other growing grains in all the states of this district, excepting Oregon. In that state winter killing of wheat and oats has been extensive, according to reports, and considerable re-seeding will be necessary. In Utah, Idaho, and Washington, where wheat went into the winter in a low and uneven condition, a continuous snow cover has been favorable, and little winter killing has been reported up to the present time. In California, the condition of barley and other grains is reported to be satisfactory, although growth has been retarded by cold weather. Reports from the states of this district where spring wheat is sown, forecast an increase in acreage this season, induced by favorable price trends and reports of damage to the winter wheat crop in other sections of the United States.

Flour mills of the district slightly increased their output during February, production of 64 reporting mills (table "A," see opposite page) averaging 50.4 per cent of capacity, as compared with 48.7 per cent during January, and 44.8 per cent in February, 1921. California mills continued to show the most substantial gains in output, and operated at 57.2 per cent of capacity during the month. Millers attribute the increased flour output to a strong domestic demand stimulated by advancing prices of wheat and flour, and a prospective gain in the export movement of flour from the Pacific Northwest.

The trend of milling activity in this district,

as indicated by comparable reports of 16 large milling companies is presented graphically in the accompanying chart. Stocks of wheat held by these mills totaled 2,401,610 bushels at the end of February, a considerable increase over the previous month, and over February a year ago, when 1,797,406 bushels were held. Stocks of flour held at the end of the month totaled 529,771 barrels, also an increase over the previous month and the same month a year ago. Flour production by these mills during February, 1922 was 536,620 barrels, as compared with an output of 360,303 barrels during February, 1921.



Monthly Flour Output, and Stocks of Wheat and Flour at End of Month, of 16 Reporting Milling Companies

According to commercial estimates, approximately 2000 cars of apples out of a total crop of nearly 42,000 cars remain to be shipped from the Pacific Northwest. Movement out of local storage has been normal during the past two months and consumption in the large Eastern and Middle Western marketing centers slightly heavier than usual. Carlot shipments of apples from this district during this season, as compared with last season, follow:

	Carlot Shipments to March 4th	
	1922	1921
California	4,619	4,302
Idaho	5,660	2,743
Oregon	6,005	3,018
Utah	714	615
Washington	30,337	18,447
District	47,335	29,125

The apple market strengthened during January and February. Advancing prices drew large amounts of fruit from storage, and some markets suffered from an over-supply, but price gains were generally held. At the close of the first week in March, Extra Fancy Wine-sap apples were selling at \$2.50 per box f. o. b. shipping point, as compared with \$2.00 - \$2.25 per box two months ago, and \$2.00 per box a year ago.

March 1st estimates of the California Fruit Growers' Exchange indicate that citrus fruit shipments from California during the 1921-1922 season will total 15,400,000 boxes of oranges and 4,125,000 boxes of lemons. This report modifies considerably the losses estimated soon after the killing frosts in January. Shipments from California during the 1920-1921 season (considered a record breaking year) were approximately 22,000,000 boxes of oranges and 4,678,000 boxes of lemons. Up to March 5th of this season, approximately 5,250,000 boxes of oranges and 929,000 boxes of lemons had been shipped. During February, 1922, Exchange growers received an average price (f. o. b. California) of \$3.39 per box for oranges and \$3.93 per box for lemons, as compared with \$2.15 per box for oranges and \$2.09 per box for lemons received in February, 1921.

An unusually large export movement, supplemented by a steady domestic demand, has reduced to a minimum stocks of dried fruit held in California. Exports of dried fruits from the United States (principally from the Pacific Coast) during 1921 were notably larger than during 1920, as shown by the following figures:

EXPORTS OF DRIED FRUITS (U. S.)

Dried	1921 (pounds)	1920 (pounds)
Apples	19,962,306	8,827,806
Apricots	21,375,149	9,881,256
Peaches	6,893,124	7,924,831
Prunes	117,933,740	75,138,779
Raisins	32,968,664	53,312,126

Two months ago commercial factors estimated the total crop of dried fruit produced in

(A) Milling—

	No. Mills Reporting		Output		Per Cent Mill Capacity in Operation		
	Feb., 1922	Jan., 1922	Feb. 1922 (barrels)	Jan., 1922 (barrels)	February 1922	January 1922	February 1921
California	10	10	233,570	217,713	57.2	52.4	48.4
Idaho	3	5	6,648	13,536	34.6	48.5	29
Oregon	22	25	150,497	146,920	43.5	45.3	36
Washington	29	27	354,935	333,123	50.4	48.2	55
District	64	67	745,650	711,292	50.4	48.7	44.8

California during 1921 and the stocks then unsold, to be as follows:

CALIFORNIA DRIED FRUITS

Dried	Produced 1921 (tons)	Remaining Stocks January, 1922 (tons)
Apples	6,000	100
Apricots	10,000	300
Peaches	21,000	2,400
Prunes	95,000	21,000

Since that time export movement of dried fruits has been accelerated by improvement in exchange rates, and domestic markets have been increasingly active. It is reported that only small scattered holdings of all dried fruits, excepting Muscat raisins, are now available on the Pacific Coast and that raisins are moving in sufficient volume to reduce the carryover to normal size before the new crop comes on the market. An especially rapid marketing of prunes during the past month is reported.

Small and rapidly diminishing stocks of dried fruit in California have caused advances in the prices quoted by packers, as the following comparative quotations show:

DRIED FRUITS (f. o. b. California) (Packers quotations—per pound)

Fancy Grade	March 11, 1922	Jan. 7, 1922	March 11, 1921
Apples	18½	15¾	9
Apricots	33½	30	23
Peaches	20	14½	14
Prunes (30-40)	14¾	11½	10½
Raisins	15½	14¾	21¾

Estimates received from commercial factors in California indicate that approximately 15 per cent of the 1921 pack of canned fruits in California (8,511,851 cases) remains in the hands of canners at the present time. **Canned Fruits** It will be five months before the bulk of the 1922 pack will come on the market. According to the reports of canners, Yellow Free peaches and lower grade apricots make up the majority of fruit held in the state. Outside of California there is little canned fruit held in the district, with the exception of a small stock of canned apples in the hands of Pacific Northwestern packers.

An unusually heavy export movement of canned fruits from the Pacific Coast (principally to England) has developed during the past two months, favored by the rise in sterling exchange and low ocean freight rates. An improvement in general trade conditions is reported to have stimulated domestic consumption of canned fruits, and the spot market was

strengthened during February by the demand from jobbers who had not anticipated their needs earlier in the season.

Canned fruit prices have advanced as stocks diminished, and are now considerably above 1921 opening prices for the principal varieties, as shown by comparative quotations of the California Packing Corporation, which follow:

WHOLESALE PRICES OF CANNED FRUITS

Canned	(f. o. b. California)		
	1921 Pack Mar. 10, 1922	1921 Pack July 23, 1921	1920 Pack Mar. 10, 1921
Apricots, No. 2½ (choice).....	\$3.00	\$2.35	\$3.85
Peaches (Cling) No. 2½ (choice)	2.60	2.35	4.15
Pears, No. 2½ (standard).....	3.00	2.85	4.15
Cherries, No. 2½ (standard)....	2.25	2.10	3.50

Based on the supposition that California fruit yields will be normal or better than normal, as present conditions indicate, canners' opinions as to the size of the forthcoming 1922 pack of canned fruits vary from a minimum estimate of 10,000,000 cases to a maximum of 12,500,000 cases, as compared with a pack of 8,500,000 cases in 1921. Conservative canning factors are of the opinion that a pack as large as that of 1920 (11,382,000 cases) would be in excess of market demand, and feel that it would be unreasonable to expect a continuance of the unusually favorable marketing developments of this season through the forthcoming season. It will be recalled that demand for California canned fruits was materially increased by the severe frost damage in the spring of 1921 to fruit crops in several important producing districts of the Middle West.

Ample supplies of cheap hay and favorable weather conditions have brought the livestock of this district through the winter season with few losses. At the present time, **Livestock** early pasture in California is showing some improvement, after having been retarded by poor growing weather during the past two months. Due to this delay, California grass fed cattle are expected to come on the market in May, a month later than usual. Abnormally low temperatures have stunted feed on the Oregon ranges. Arizona pastures are in fair condition and improving, and sheep are now on the desert ranges for the lambing season. The major ranges of Washington, Idaho, and Utah are still partially snow covered and feeding of stock is necessary.

Scarcity of all varieties of marketable animals, accompanied by rising prices, which have made livestock men less anxious to sell unfinished stock, resulted in decreased receipts of livestock at eight principal markets of this dis-

trict during February as compared with the preceding month. However, receipts still remain higher than at this season last year, as indicated by the accompanying chart and table "B."

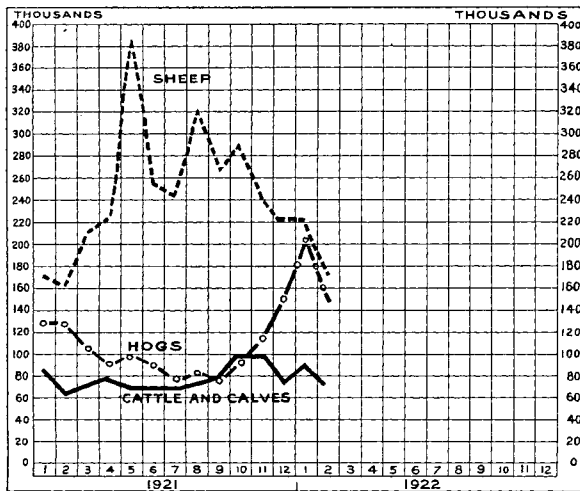
Advancing prices in Eastern markets diminished shipments of corn fed Middle Western stock to the Pacific Coast, further depleting market supplies. The shortage of hogs and lambs was acute, and prices in this district increased rapidly. Weekly average top prices at eight of the principal markets of this district (table "C") show noteworthy advances in lamb and hog prices to new high levels for the season. As compared with a year ago, the

range of top prices per hundredweight for livestock in this district during February was as follows:

	February, 1922	February, 1921
Prime Steers	\$6.35—\$ 7.75	\$ 6.50—\$ 8.50
Cows	5.00— 6.25	5.25— 6.00
Calves	7.00—10.00	10.00—12.50
Hogs	8.70—12.50	9.65—11.00
Lambs	8.50—12.25	8.25— 9.50

Wool growers in all states of the district, with the exception of California and Oregon, report that weather developments have been favorable to sheep men throughout the winter, and that the condition of both animals and wool at the present time is normal or better than normal. In Washington, Idaho and Utah, the prolonged winter season has necessitated more feeding than usual, but consistently cold weather, with no sudden changes, has kept sheep healthy and fleeces will benefit accordingly. In California the condition of flocks and the forthcoming wool clip is reported to be below normal, due to retarded growth of feed on the ranges, and unfavorable weather. The feeding period in Oregon is reported to have been longer than usual, and some sheepmen, because of their limited capital, were unable to keep their flocks in prime condition.

Growers estimate that the forthcoming 1922 wool clip in this district will total approximately 78,000,000 pounds. The Department of Agriculture estimated last season's clip



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

(B) Receipts of Livestock—

	Cattle		Calves		Hogs		Sheep		Horses and Mules	
	Feb., 1922	Feb., 1921	Feb., 1922	Feb., 1921	Feb., 1922	Feb., 1921	Feb., 1922	Feb., 1921	Feb., 1922	Feb., 1921
*Los Angeles	17,484	13,579	6,195	5,058	33,939	15,091	41,568	32,172	..	..
Ogden	5,778	5,931	396	23	24,902	25,493	23,425	13,432	..	..
Portland	8,529	8,328	629	535	20,189	18,997	10,037	19,054	41	99
Salt Lake City...	6,897	3,671	..	..	4,285	4,987	20,963	24,047	210	90
*San Francisco...	15,322	15,640	1,925	3,272	35,572	34,449	65,462	61,885	..	..
Seattle	3,032	3,860	277	317	17,383	21,449	879	4,590	70	..
Spokane	2,208	1,188	143	84	2,983	2,976	443	2,302	128	91
Tacoma	1,367	1,431	70	322	4,671	3,471	3,253	3,838	..	..
Twelfth District.	60,617	53,628	9,635	9,611	143,924	126,913	166,030	161,320	449	280

*Receipts in the Los Angeles and San Francisco Bay districts represent a majority of the animals slaughtered in California.

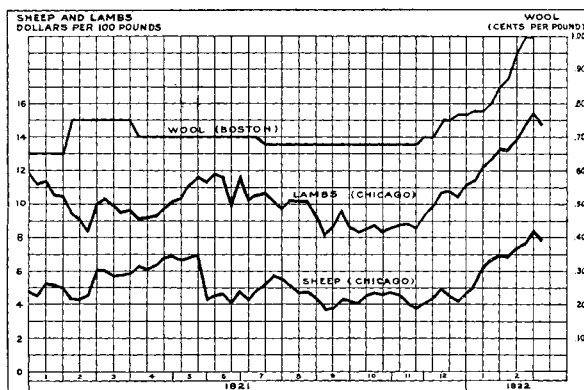
(C) Range in Livestock Prices—

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

Week of	Fat Steers	Cows	Calves	Hogs	Lambs
February 6.....	\$6.35—7.75	\$5.00—6.00	\$7.00—10.00	\$ 8.70—11.00	\$8.50—10.50
February 13.....	6.50—7.50	5.00—6.25	7.00—10.00	9.00—11.25	8.00—11.00
February 20.....	6.50—7.50	5.00—6.25	7.00—10.00	9.50—12.00	7.75—12.00
February 27.....	6.50—7.75	5.25—6.25	7.00—10.00	10.50—12.50	8.50—12.25

as approximately 78,156,000 pounds. While these two estimates are not strictly comparable, indications are that this district will produce practically the same amount of wool this year as it did in 1921.

The market position of wool is encouraging to growers. Beginning November 15th wool prices advanced steadily for three months. About February 15th the rise ceased and prices have remained steady at the new levels. Contracting in this district for 1922 clip wool was active up to February 15th, and contract offers reached an average top price of 30 cents per pound for raw wool (75 to 100 per cent higher than prices paid for last season's clip). Approximately 75 per cent of the Nevada wool clip has been contracted; 50 per cent of the Utah clip; 20 per cent of the California clip; and 10 per cent of the Washington clip. Since



Weekly Average Price of Territory Wool (Half Blood Combing), Choice Lambs, and Aged Sheep, 1921-1922

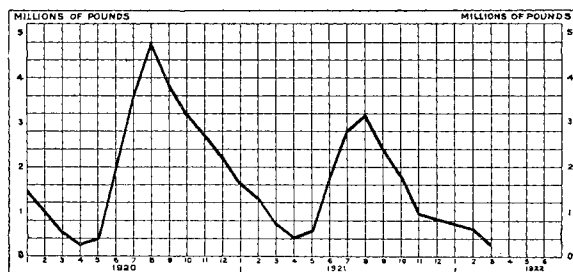
February 15th buyers have not increased their offers, and are reported to be withdrawing from the field, as growers are unwilling to contract further except at advanced prices.

Sheepmen are reported to be optimistic over the outlook for this season. Prices for sheep and lambs, as well as wool, are in many instances 100 per cent higher than prices one year ago, as shown on the accompanying chart.

Seasonal reduction of holdings of cold storage butter at four principal markets was unusually large during February, net withdrawals amounting to 376,721 pounds, an

Dairy Products increase of 189.9 per cent compared with withdrawals in January, 1922 (129,958 pounds). Net withdrawals in February, 1921 (607,392 pounds) were only 66.9 per cent greater than in January, 1921 (363,913 pounds). Holdings of cold storage butter at these markets on March 1st (see table "D") were lower than at any time since April 1, 1920, being 246,239 pounds, as com-

pared with 622,960 pounds held a month ago, and 697,473 pounds held on March 1, 1921. Seasonal movement of cold storage holdings of butter at the four principal markets of this district for the past two years, is presented in the accompanying chart.



Seasonal Movement of Holdings of Cold Storage Butter at Four Principal Markets of the District, 1920-1922

Due to small surplus holdings of butter, prices in the local market have fluctuated widely during the past month, quotations responding quickly to increases or decreases in production and receipts. During the last two weeks of February butter production increased and prices dropped 10 cents per pound. Since then the butter market has strengthened, and 93 score fresh creamery butter is now (March 15th) selling at 35½ cents per pound, compared with 44¼ cents per pound a month ago.

Average prices of raw milk have shown a steady downward trend since the fall season of 1920. Prices received by milk producers in this district during February (table "E") show that the average price per 100 pounds increased 4 cents per pound in the Mountain section and decreased 2 cents per pound in the

(D) Movement of Stocks of Cold Storage Butter—

City	Feb. 1922 Net Withdrawals (pounds)	Feb. 1921 Net Withdrawals (pounds)	Mar. 1, 1922 Holdings (pounds)	Mar. 1, 1921 Holdings (pounds)
Los Angeles...	21,112	101,783	148,291	87,097
Portland	8,802	103,697	4,439	122,449
San Francisco..	298,520	258,204	62,200	357,392
Seattle	48,287	143,708	31,309	130,535
Totals.....	376,721	607,392	246,239	697,473

(E) Prices Received by Milk Producers*—

Section†	Feb., 1922 Range	Feb., 1922 Aver- age	Jan., 1922 Aver- age	Feb., 1921 Aver- age
Mountain (6 Mkts.)....	\$1.40-2.30	\$2.12	\$2.08	\$2.79
Pacific (7 Mkts.).....	1.70-2.90	2.43	2.45	3.09
U. S. (90 Mkts.).....	1.25-5.91	2.40	2.48	2.96

*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.

Pacific section, as compared with January, and declined \$0.67 and \$0.66 in the Mountain and Pacific sections, respectively, as compared with February, 1921.

Although in a few cases high points had been reached and minor declines had begun, prices of agricultural products generally held the advances made in January and in some instances moved to higher levels during February. Cattle prices reached the highest average price levels of the winter, and the demand for stocker and feeder animals has been particularly noteworthy, indicating as it does the returning confidence of cattlemen in the future of the industry. Prices of sheep, lambs and hogs were higher on March 3d than on February 3d, although in the case of sheep and lambs there was a slight decline in prices at the close of February.

The grains, cotton, wool, sugar, green and dried fruits all advanced in price during the month. Rice prices were slightly lower at the close of February but were substantially higher than one year ago. Canned fruit prices were steady or advancing.

This advance in the prices of agricultural products which has now been in progress for two months, accompanied as it has been by relatively stable or declining prices for the commodities which the farmer has to buy, is enhancing the purchasing power of the farmer, thus laying the foundation for improved conditions in other branches of industry.

Changes in prices of some of the principal products of the district during the past month and the past year are shown in table "F."

Reports received from three lumber associations in this district show an increase in production, orders and shipments during February, 1922, compared with January, 1922, and February a year ago. February production of lumber was 347,678,000 feet compared with 327,624,000 feet in the preceding four weeks and 184,992,000 feet in February, 1921, an increase of 6.1 per cent during the month and 87.9 per cent during the year. Production of reporting mills during the month averaged approximately 85 per cent of normal compared with 50 per cent in February a year ago. Orders received by 178 reporting mills totaled 355,758,000 feet, an increase of 12,193,000 feet, or 3.5 per cent, over January and 145,837,000 feet, or 69.4 per cent, over February, 1921, when little new business was available. Shipments from the same mills increased from 345,249,000 feet in January, 1922, to 353,234,000 feet in February, 1922, and were 145,837,000 feet greater in the latter month than in February, 1921. Orders and shipments exceeded production for the third consecutive month, the former by 2.3 per cent and the latter by 1.5 per cent. Stocks on hand were consequently further reduced.

Although the domestic lumber market in general was reported less active during February than in January, a slight increase in de-

(F) Commodity Prices—

Commodity	Unit	Mar. 3, 1922	One Month Ago	One Year Ago	
Native Beef Cattle..	Weekly average price at Chicago.....	100 lbs.	\$8.05	\$7.25	\$9.00
Sheep	Weekly average price at Chicago.....	100 lbs.	7.90	6.95	6.00
Lambs	Weekly average price at Chicago.....	100 lbs.	14.75	13.25	10.25
Hogs	Weekly average price at Chicago.....	100 lbs.	11.00	9.05	10.20
Wheat	Chicago contract prices for May wheat..	bushel	1.48-1.44¾	1.26¼-1.22¾	1.60½-1.57½
Barley	Shipping Barley F. O. B. San Francisco..	cental	1.35-1.50	1.30 -1.40	1.40 -1.50
Rice	California Fancy Japan at San Francisco.	cental	4.90	5.00	4.75
Cotton	Middling Uplands—Weekly range of spot quotations at New Orleans.....	lb.	17.00¢	15.50¢	11.00¢
Wool	Average of 98 quotations at Boston.....	lb.	59.72¢	54.71¢	42.48¢
Sugar	Beet granulated F. O. B. San Francisco..	lb.	5.40¢	5.30¢	8.15¢
Apples	Fancy Winesaps at New York.....	box	3.75-4.25	3.00-3.50	3.25-4.50
Oranges	Navels—Market pack at Los Angeles...	box	2.50-3.50	2.50-4.00	2.50-3.00
Lemons	Loose pack—at Los Angeles.....	box	3.00-3.50	2.25-2.50	1.50-2.25
Dried Apples.....	Choice in 50-lb. boxes F. O. B. Calif....	lb.	.17-.17¼	.14	.07 - .07¼
Prunes	Size 40-50 in 25-lb. boxes F. O. B. Calif..	lb.	.14½	.12¼	.09¾- .10
Raisins	Loose Muscatel, in 25-lb. boxes F. O. B. Calif.	lb.	.15¾	.15½	.24¾
Dried Apricots...	Choice in 25-lb. boxes F. O. B. Calif....	lb.	.26	.23-.23½	.17-.18
Canned Apricots.	Choice 2½s F. O. B. Calif.....	doz.	3.00	3.00	2.10
Canned Peaches..	Cling choice, 2½s, F. O. B. Calif.....	doz.	2.60	2.60	2.70
Canned Pears....	Bartlett, Standard 2½s, F. O. B. Calif...	doz.	3.00	3.00	2.75
Butter .....	.93 Score at San Francisco.....	lb.	.32¾	.39	.41
Eggs	Extras—San Francisco.....	doz.	.26½	.32½	.32

mand from Middle Western states was a distinctly hopeful sign, as this section of the country has been practically out of the far western market during the readjustment period. Douglas fir from Washington and Oregon was shipped to the Atlantic Coast in fair volume but there was a reduction in railroad purchases and in yard buying in many sections of the country. Purchases by foreign countries in February declined considerably, but some improvement in foreign demand has been reported during the first weeks of March. The total of all Pacific Northwest lumber cargo shipments in 1921 was 1,963,193,482 feet compared with 1,840,791,139 feet in 1920, a gain of 7 per cent. The following table taken from the annual report of the Pacific Lumber Inspection Bureau shows the cargo business of the Pacific Northwest during 1921 and 1920:

PACIFIC NORTHWEST LUMBER CARGO SHIPMENTS		
Destination	1921 Feet	1920 Feet
California	978,583,129	1,066,125,859
Japan	378,382,519	78,557,036
United States Atlantic Coast.....	211,404,483	49,706,591
China	131,915,056	136,503,846
Australia	66,155,378	106,110,992
Hawaiian Islands	56,618,294	59,690,547
West Coast South America	53,229,085	98,189,391
Europe	27,150,841	146,368,638
Philippines	11,708,420	7,420,988
India	10,928,509	9,316,238
Egypt	8,566,400	1,615,335
New Zealand	7,821,482	7,413,972
Mexico	6,361,631	4,154,486
*All Other	14,368,255	59,864,534
	1,963,193,482	1,840,791,139

*Includes Alaska, Arabia, Central America, East Indies, India, Manchuria, Panama, South Africa, South America (East Coast), South Sea Islands and West Indies.

Logging operators were working at approximately 60 per cent of normal during February

compared with 50 per cent a month ago. The present supply of logs is about equal to the demand, in contrast to the situation one year ago when the supply was much in excess of the demand. The Department of Public Works of the State of Washington has announced a 17½ per cent reduction of railroad rates on logs, effective on or before February 23d. This order placed in effect a new schedule of log rates on all railroads in the state ranging from a minimum of \$1.15 per 1000 feet for a haul of five miles or less to a maximum of \$3.95 for a haul of more than 140 miles.

Comparative figures of cut, order and shipments during February, 1922, and 1921 are shown in table "G."

Reports from the mining centers of the district covering conditions during February, showed little change as compared with January. Resumption of operations on the Phelps Dodge, Calumet and Arizona, Inspiration, and Arizona Commercial Copper properties in Arizona was carried out on a limited scale, but no ore has been mined. It is significant to note that coincident with the announcement that a number of inactive copper mines were to be reopened, the demand for the metal slackened. From an average price of 13.82 cents per pound in December, the price of electrolytic copper (New York delivery) fell to 13.75 cents per pound in January and 13.17 cents per pound in February. When the price reached 12.75 cents per pound in the latter part of February, buyers reentered the market, and since March 1st, increased sales and somewhat firmer prices are reported. The slow improvement of conditions in the gold, silver, lead and zinc mining sections continued during February.

(G) Lumber—

	West Coast Lumbermen's Association		Western Pine Manufacturers' Association		California White and Sugar Pine Manufacturers' Association		TOTAL	
	Feb. 25, 1922	Feb. 26, 1921	Feb. 25, 1922	Feb. 26, 1921	Feb. 25, 1922	Feb. 26, 1921	Feb. 25, 1922	Feb. 26, 1921
Average No. of Mills reporting.....	132	118	40	35	6	6	178	159
Cut*	312,005	162,650	34,673	16,964	1,000	5,378	347,678	184,992
Shipments*	271,804	157,972	73,741	37,337	7,689	5,827	353,234	201,136
Orders*	271,449	167,484	74,600	36,850	9,709	5,587	355,758	209,921

*In thousands of feet.

(H) Petroleum—

	February, 1922	January, 1922	February, 1921
Production (daily average).....	324,767 bbls.	315,755 bbls.	327,864 bbls.
Shipments (daily average).....	306,292 bbls.	278,251 bbls.	316,812 bbls.
Stored Stocks (end of month).....	36,701,810 bbls.	36,184,527 bbls.	22,903,639 bbls.
New Wells Opened.....	45	59	60
With Daily Production.....	10,805 bbls.	11,210 bbls.	15,855 bbls.
Wells Abandoned	4	7	7

Wages of miners were unchanged or slightly lower except in the Bingham Canyon and Tintic districts of Utah where wages were increased 50 cents a shift beginning February 15th (wages in these districts were reduced 50 cents a shift on January 16th). Day wages paid to workers in some of the principal metal mining districts this year, last year and two years ago are shown in the following table: (From the "Engineering and Mining Journal")

State	Camp	Feb. 1 1922	Jan. 1 1921	Jan. 1 1920
Arizona....	Globe-Miami	\$4.00	\$4.65	\$5.65
	Jerome	4.00	5.60	5.60
California..	Sutter Creek	3.75	4.25	4.00
	Engelmine	4.50	5.00	4.50
Idaho.....	Kellogg	4.00	4.50	5.00
	Wallace	4.00	4.50	5.25
Nevada....	Tonopah	4.75	5.50	5.50
	Round Mountain..	5.00	5.00	5.00
Utah	Eureka	3.50	4.00	4.75
	Bingham Canyon..	3.25	4.75	4.50

Statistical reports received from 15 mines engaged in the production of gold, silver, copper and lead show a decrease in the output of gold and silver and an increase in the output of copper and lead in January, 1922, compared with December, 1921. Compared with January, 1921, the same mines report an increased production of copper and decreased production of gold, silver, and lead. All of the reporting gold, silver and lead mines were operating at full capacity and the reporting copper mines at 66 per cent of capacity. Comparative figures of the output of metal of reporting mines during January, 1922, January, 1921, and December, 1921, are shown in the following table:

	Jan., 1922	Dec., 1921	Jan., 1921
Gold (oz.).....	30,542	32,606	41,741
Silver (oz.).....	649,550	686,807	703,138
Lead (lbs.).....	9,797,261	8,550,314	11,989,606
*Copper (lbs.)....	8,077,455	7,749,567	7,507,025

*Blister.

Average daily production of petroleum in California increased slightly during February, and at 324,767 barrels exceeded the average daily output in January by 9,012 barrels. Daily shipments were also greater than in January, averaging 306,292 barrels compared with 278,251 barrels the previous month, an increase of 28,041 barrels.

Continuation during February of the increase in stored stocks customary in the winter months, raised storage holdings to 36,701,810 barrels on March 1st. On the corresponding date in 1921 stored stocks were 22,903,639 barrels. Forty-five new wells were completed during the month with an initial daily production of 10,805 barrels, and four wells abandoned, a net increase of 41 producing wells in the oilfields of the state.

According to figures recently released by the Bureau of Mines, California refineries produced more gasoline, gas, and fuel oil, and less kerosene, lubricating oil, wax, and asphalt during the year 1921 than in 1920. Comparative figures of the output of gasoline and other petroleum derivatives of California refineries during 1921 and 1920 are shown below:

	1921	1920
Crude Oil (bbls.)		
Run to stills.....	85,749,432	76,745,480
Other Oils (bbls.)		
Run to stills.....	4,550,681	5,709,079
Gasoline (gals.)	515,236,181	496,425,909
Kerosene (gals.)	161,995,349	207,462,688
Gas—Fuel (gals.)	2,532,816,985	2,205,955,551
Lubricating Oil (gals.) ...	79,497,394	92,021,707
Wax (lbs.)	1,167,560	2,857,909
Asphalt (tons)	216,658	256,393
Miscellaneous (gals.)	385,175,784	323,294,109

Statistics on oilfield operations as furnished by the Standard Oil Company of California are shown in table "H," (see opposite page).

(I) Electric Power—

	Plant Capacity K. W.			Peakload K. W.			Plant Output K. W. H.		
	Jan., 1922	Dec., 1921	Jan., 1921	Jan., 1922	Dec., 1921	Jan., 1921	Jan., 1922	Dec., 1921	Jan., 1921
California (8 companies reporting)	961,925	961,925	779,415	767,358*	668,930*	595,175*	264,646,079	268,080,338	261,365,782
Pacific Northwest (3 companies reporting).	174,430	174,430	158,930	142,519	68,198*	130,652	65,169,580	65,054,716	62,882,140
Intermountain States (4 companies reporting).	212,997	204,397	204,872	97,208	99,965	116,794	46,101,496	43,578,745	56,332,447
Twelfth District (15 companies reporting).....	1,349,352	1,340,752	1,143,287	1,007,085*	837,093*	842,621*	375,917,155	376,713,799	380,580,369
	Number of Industrial Consumers			Connected Industrial Load H. P.			Industrial Sales K. W. H.		
	Jan., 1922	Dec., 1921	Jan., 1921	Jan., 1922	Dec., 1921	Jan., 1921	Jan., 1922	Dec., 1921	Jan., 1921
California	42,605*	42,732*	39,182*	1,297,651*	1,336,602*	1,233,016*	148,217,652	143,468,552	147,634,778
Pacific Northwest.....	4,756	4,811	4,720	189,938	150,761*	178,073*	30,475,502	22,124,651	28,209,694
Intermountain States...	9,695	9,599	8,691	283,331	312,106	268,531	22,542,905	20,311,162	35,302,782
Twelfth District.....	57,056*	57,142*	52,593*	1,770,920*	1,799,469*	1,679,620*	201,236,059	185,904,365	211,147,254

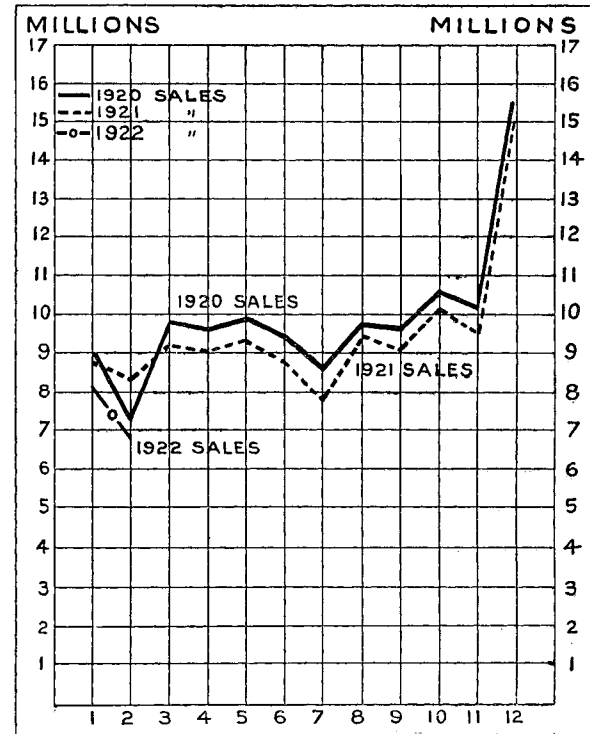
*Not reported by all companies. Figures so marked are comparable under respective headings and dates, but not strictly accurate for comparison with other portions of the table.

Figures now available on the January sales of electric energy for industrial purposes substantiate previous reports on the trend of industry in the district. In Oregon, Washington and Northern Idaho, **Electric Energy** sales of electric power reflect a marked improvement in conditions compared with one year ago. In California the improvement is less definite, sales to some industries showing an increase and sales to others a decrease in activity. In the intermountain states the effect of last year's depression in the agricultural and mining industries is still clearly visible.

In the Pacific Northwest total industrial sales during January were 8 per cent above sales during the same month a year ago. The lumber industry consumed 37 per cent more power and the mining industry 11 per cent more than in January, 1921. Sales in California during January, 1922, exhibited a fractional increase over sales in January, 1921, despite a large decline in the purchases of agricultural consumers, presumably due to the more abundant rainfall this winter. Sales of power to the oil producing industry of this state were 12 per cent larger than a year ago. In the intermountain section (southern Idaho, Utah, Nevada and Arizona), January sales of power to agricultural consumers were nearly 75 per cent less, to the mining industry 18 per cent less, and to all industrial consumers, 36 per cent less, than during the corresponding month a year ago.

Statistics on production and total industrial sales of electric energy during January, as furnished by 15 reporting power companies, are presented in table "I," (see preceding page).

The value of department store and mail order house sales during February, 1922, was 9.1 per cent less than in February, 1921, total sales of 33 reporting stores amounting to \$10,135,183 this year compared with \$11,153,070 last year. Sales at retail for the first two months of this year were 4.1 per cent less in value than in the corresponding period a year ago. Inasmuch as



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

(J) Retail Trade Activity—

CONDITION OF RETAIL TRADE DURING FEBRUARY, 1922
In Federal Reserve District No. 12

	(33 Stores Reporting)						
	Los Angeles	Oakland	Salt Lake City	San Francisco	Seattle	Spokane	District
No. of reporting firms.....	6	4	4	8	5	3	33
Percentage increase or decrease (—) of net sales during February, 1922, compared with net sales during same month last year	— 3.2	—22.9	—22.1	—10.5	—13.2	—15.5	— 9.1
Percentage increase or decrease (—) of net sales during February, 1922, compared with net sales during January, 1922.....	—15.5	—19.1	—14.6	—18.7	—15.8	— 2.7	—16.3
Percentage increase or decrease (—) of net sales from January 1, 1922, to February 28, 1922, inclusive, compared with net sales during the same period last year	— 2.8	—18.8	—20.9	— 7.4	—12.5	—15.9	— 4.1

the general price level of goods and services at retail (as shown by the cost of living index of the National Industrial Conference Board) declined 10.5 per cent from February, 1921, to February, 1922, it appears that the volume of business at retail in February and in the first two months of this year has been greater than in the same months of 1921.

The number of individual sales transactions of ten stores that keep such records was seven-tenths of one per cent less in February, 1922, than in February, 1921. The amount of the average sale (cash, charge and C. O. D.) reported by ten stores was \$2.34 in February, 1922, compared with \$2.48 in January, 1922, and \$2.63 in February, 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.

	Feb., 1922	Jan., 1922	Feb., 1921
Los Angeles	\$3.79	\$3.73	\$4.06
Salt Lake City.....	1.65	1.70	...
San Francisco	2.13	2.00	...
Seattle	1.47	1.56	1.66
District.....	\$2.34	\$2.48	\$2.63

The value (selling price) of stocks of the reporting firms at the close of February was 4.7 per cent greater than at the close of January, 1922, and 6.0 per cent less than on February 28, 1921. Average stocks on hand at the close of the two months period ending February 28, 1922, amounted to 515.9 per cent of

the average monthly net sales during the same period, indicating a rate of turnover of 2.32 times per year.

Collections were characterized by reporting firms as follows:

	Excellent	Good	Fair	Poor
Number of firms.....	0	10	11	1

Statements of increases or decreases (—) in the value of net sales of 33 reporting stores during February, 1922, compared with February, 1921, January, 1922, and the two months of 1922 compared with the same period in 1921, are shown in table "J," (see preceding page).

According to reports received from 185 wholesale firms in ten lines of business, the improvement in trade at wholesale, which has been noted for the past three months, was checked, temporarily at least, in February. Although sales of drugs, furniture, and hardware were greater in value than in February, 1921, sales in all other reporting lines were not only less in value than in February, 1921, but the percentage of decline was greater than the percentage of decline in January, 1922, compared with January, 1921. In five of the ten reporting lines the decline in the value of sales in February, 1922, compared with February, 1921, was greater than the decline in wholesale prices during the year period, indicating a decrease in the physical volume as well as in the value of the business transacted.

(K) Wholesale Trade—

(1a) Percentage of increase or decrease (—) in net sales during February, 1922, compared with February, 1921

	Agricultural Implements	Auto Supplies	Auto Tires	Drugs	Dry Goods	Furniture	Groceries	Hardware	Shoes	Stationery
Number of reporting firms..	21	20	16	9	12	15	31	21	13	27
Los Angeles.....	-21.6	-3.8	-6.3	..	..	-18.2	-15.5	27.6	..	13.3
Portland	-51.6	-10.4	..	..	..	18.3	-22.5	.7	-.1	-22.1
Salt Lake City....	-66.0	-12.9	-33.3	..	..	..	-13.1	-27.6	..	-9.2
San Francisco....	-39.6	-19.5	-34.0	-13.1	.03	10.2	-18.2	-3.9	-5.7	-28.0
Seattle .....	..	-20.2	26.5	..	..	..	-7.7	1.4	23.7	5.5
Spokane	-66.6	-8.3	-40.1	..	..	..	-24.1	-30.7	..	-12.0
Tacoma .....	..	..	..	..	..	56.0	-4.0	-26.4	..	13.6
District	-46.9	-12.9	-23.3	7.5	-1.3	4.3	-17.8	1.1	-4.5	-12.4

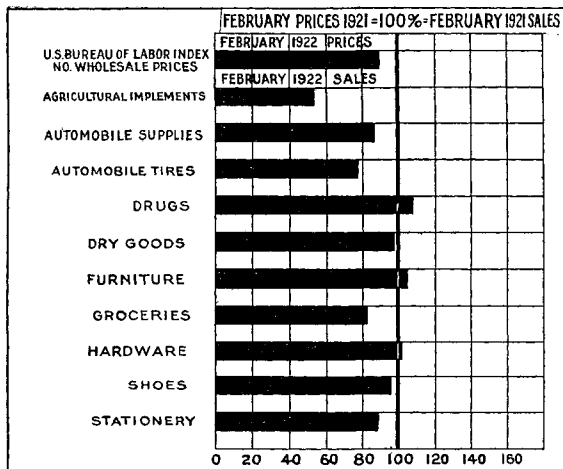
(1b) Percentage of increase or decrease (—) in net sales from January 1, to February 28, 1922, compared with the same period last year.

	Agricultural Implements	Auto Supplies	Auto Tires	Drugs	Dry Goods	Furniture	Groceries	Hardware	Shoes	Stationery
Number of reporting firms..	21	20	16	9	12	15	31	21	13	27
Los Angeles.....	-11.4	5.2	23.9	..	..	-.2	-9.4	28.9	..	.5
Portland	-55.7	-8.2	..	..	..	25.6	-11.6	-14.2	13.3	-13.5
Salt Lake City....	-68.7	-10.2	-5.0	..	..	..	-11.9	-25.4	..	-14.1
San Francisco....	-42.5	-17.8	-17.0	-11.9	4.7	26.8	-9.4	-5.8	4.6	-24.3
Seattle .....	..	-25.1	15.4	..	..	..	4.5	2.0	21.5	5.0
Spokane	-66.6	7.4	-3.4	..	..	..	-17.0	-23.8	..	-14.3
Tacoma .....	..	..	..	..	..	52.0	-.2	-15.5	..	-11.9
District	-47.7	-8.5	-15.6	3.0	9.0	17.3	-10.1	-.1	6.2	-12.0

The average net increase or decrease (—) in the value of sales of each reporting line was as follows:

	Feb. 1922, compared with Feb. 1921		Two Months ending Feb. 28, 1922, compared with same period in 1921
	Jan., 1922	Feb., 1922	
Agricultural Implements...	35.8	-46.9	-47.7
Automobile Supplies	-19.3	-12.9	- 8.5
Automobile Tires	-31.4	-23.3	-15.6
Drugs	3.6	7.5	3.0
Dry Goods	- 4.5	- 1.3	9.0
Furniture	2.0	4.3	17.3
Groceries	-14.2	-17.8	-10.1
Hardware	- 5.5	1.1	- .1
Shoes .....	.3	- 4.5	6.2
Stationery	-12.7	-12.4	-12.0

The majority of the reporting wholesale firms state that retailers are still buying conservatively, and that future business has been less in volume than in the first months of 1921.



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

Present prices are reported to be lower in all lines than in February, 1921. During the past month further reductions in prices were reported by dealers in automotive supplies and hardware. In the grocery trade some price advances were noted during the month.

Collections during February were characterized by reporting firms as follows:

	Excellent	Good	Fair	Poor
Number of Firms.....	1	28	78	36

Statements of increases or decreases (—) in net sales of 185 reporting wholesale firms during February, 1922, compared with February, 1921, and the two months of 1922 compared with the same period of 1921 are shown in table "K" (see preceding page).

Employment increased slightly in most sections of the district during February compared with January, and with the approach of spring

it is expected that a more rapid decline in the number of unemployed will occur. It now appears that the peak of unemployment in the Pacific Northwest has been passed.

Labor Steadily increasing activity of the lumber mills, the near approach of the Alaska fishing season, and the beginning of railroad and highway construction work, resulted in a steady diminution of unemployment there during the month. One authority estimates that the number of unemployed in the State of Washington decreased from 10 to 15 per cent during February. Reports from the 10 principal lumbering districts of the Pacific Northwest show that 60,697 loggers and lumbermen were on the payrolls February 15, 1922, compared with 54,350 men a year ago.

Employment conditions in California during February also improved considerably, despite severe weather conditions which retarded the demand for outdoor labor for early seasonal work. An employment survey recently made by the California State Department of Labor shows that 382 manufacturing firms in California employed 74,662 workers during February compared with 73,231 workers employed in January, an increase of 1,431, or 1.9 per cent.

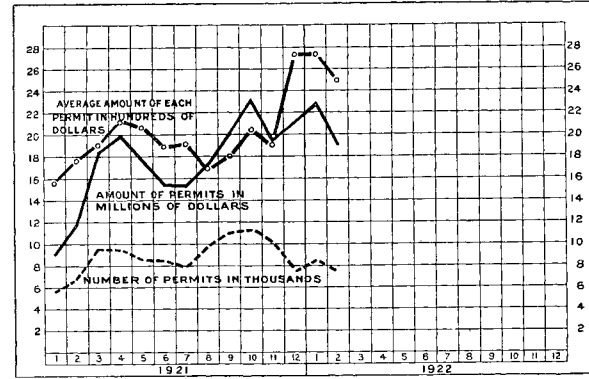
The number of unemployed in Arizona, Nevada, Idaho and Utah is less than it was a month ago, according to reports received from these states. The principal increases in employment occurred in the building, lumbering, mining, manufacturing, and meat packing industries.

In three of the four principal cities of the district, employment in manufacturing industries increased during February, according to figures compiled by the United States Employment Service, Department of Labor. Based on reports of firms in the cities of Los Angeles, Portland, Seattle and San Francisco, actually employing 501 men or more, the number of employed increased 1,350 during February compared with January. Figures showing the actual and the percentage increase or decrease in employment in the manufacturing industries by cities are given in the following table:

	Numerical increase or decrease (—) in employment during Feb., 1922, compared with Jan., 1922	Percentage increase or decrease (—) in employment during Feb., 1922, compared with Jan., 1922
Los Angeles	1,016	4.3
Portland	618	7.9
San Francisco....	-320	-4.4
Seattle	36	1.7

Building activity in 20 principal cities of this district during February declined moderately from the high levels reached during the five preceding months but continued much greater than one year ago. There were 7,600

permits issued in February, 1922, with an estimated value of \$18,917,868, compared with 8,298 permits with a value of \$22,872,876 issued in January, 1922, a decrease of 698 or 8.4 per cent in number and of \$3,955,008, or 17.2 per cent, in value. In comparison with February a year ago, when 6,661 permits with a value of \$11,783,509 were reported, there was an in-



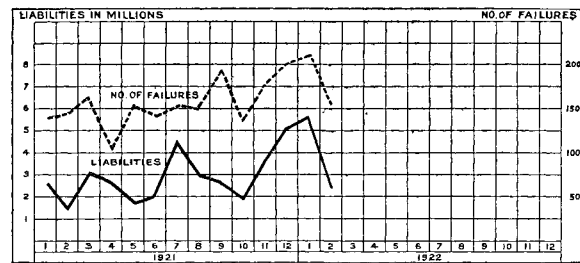
Building Permits Issued in 20 Principal Cities, Twelfth Federal Reserve District, 1921-1922

crease in number of 939, or 14.0 per cent, and in estimated value of \$7,134,359, or 60.5 per cent. The increase in the physical volume of construction compared with one year ago has been greater than permit valuation figures indicate, however, due to the fact that prices of several major building materials and the wages of labor are now lower than they were at that time. Of the 20 reporting cities, 15 show an

increase in the value of permits issued during February, 1922, compared with February, 1921, and 10 cities an increase in the number of permits for the same period.

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

The number of business failures reported in February, 1922, is smaller, when compared with one year ago, than have been the figures for any other month since April, 1921, but failures were above normal for the month both in number and amount of liabilities. There were 154 failures reported in February, 1922, with liabilities amounting to \$2,350,807. Compared with February, 1921, when 144 failures with liabilities of \$1,456,366 were reported, this represents an increase of 10, or 6.9 per cent, in number and of \$894,441, or 61.4 per cent, in liabilities. Failures in February, 1922, were 25.5 per cent less in number and 58.2 per cent



Business Failures, Twelfth Federal Reserve District, 1921-1922

(L) Building Permits—

	February, 1922		January, 1922		February, 1921		Per Cent Increase or Decrease (—) in Value Feb., 1922 compared with Feb., 1921
	No.	Value	No.	Value	No.	Value	
Berkeley	151	\$ 432,766	136	\$ 338,332	110	\$ 168,514	156.8
Boise	47	20,757	84	13,550	41	24,767	— 16.1
Fresno	175	819,714	180	367,509	228	189,650	332.2
Long Beach	301	1,164,084	319	759,218	226	614,000	89.5
Los Angeles	2,842	7,579,798	3,416	7,975,168	1,887	3,131,670	142.3
Oakland	537	1,424,772	581	1,329,405	587	966,203	47.4
Ogden	6	6,325	16	43,250	33	60,475	— 89.5
Pasadena	195	402,772	225	347,745	170	298,706	34.8
Phoenix	48	120,466	54	74,982	103	110,746	8.7
Portland	934	1,541,745	875	1,147,960	899	1,334,220	15.5
Reno	8	27,600	10	9,200	18	31,840	— 13.3
Sacramento	203	678,307	249	1,897,862	163	288,180	135.3
Salt Lake City	37	47,630	35	81,900	73	127,640	— 62.6
San Diego	308	490,357	361	539,210	266	260,380	88.3
San Francisco	609	2,830,991	620	5,528,510	468	3,126,581	— 9.4
San Jose	74	121,570	65	75,365	63	114,365	6.3
Seattle	691	611,635	665	1,806,200	839	578,925	5.6
Spokane	84	132,190	74	203,445	112	44,625	196.2
Stockton	81	134,428	74	72,995	89	115,930	15.9
Tacoma	269	329,961	259	261,070	286	196,092	68.2
District	7,600	\$18,917,868	8,298	\$22,872,876	6,661	\$11,783,509	60.5

less in amount of liabilities than in January, 1922, a normal seasonal decline partly accounted for by the fewer business days in February.

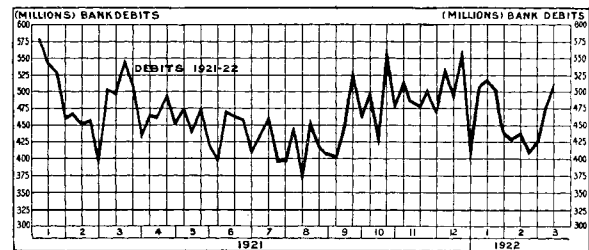
Separated according to states, the February, 1922, statement reveals a decreased number of defaults compared with February, 1921, in all states except California and Utah, while the liabilities were larger in four of the seven states; the exceptions being Arizona, Nevada, and Oregon.

Liabilities of the average failure in the district amounted to \$15,264 in February, 1922, compared with \$27,200 in January, 1922, and \$10,113 in February, 1921.

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

	February, 1922		January, 1922	
	No.	Liabilities	No.	Liabilities
Arizona			4	\$ 52,300
California	75	\$1,054,772	92	2,062,199
Idaho	10	133,752	13	104,966
Nevada				
Oregon	28	227,242	25	200,090
Utah	13	144,620	18	298,834
Washington	28	790,421	55	2,912,060
District.....	154	\$2,350,807	207	\$5,630,449

The volume of business transacted in the district during February, as indicated by reports of debits to individual accounts received from 20 clearing house centers, was greater than in February, 1921.



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

In the four weeks period ending March 1, 1922, debits to individual accounts totaled \$1,749,449,000 compared with \$1,804,430,000 during the same period in 1921, a decrease of \$54,981,000, or 3 per cent. When it is considered that wholesale prices declined approximately 10 per cent and retail prices slightly less, during the year ending March 1, 1922, it becomes evident that the physical volume of business transacted in February, 1922, was greater than it was one year ago.

Comparative figures of debits to individual accounts in 20 clearing house centers during the four weeks ending March 1, 1922, February 1, 1922, and March 2, 1921, are shown in table "M."

The total amount in all savings accounts as reported by 74 banks in seven principal cities, increased during the month ending February 28th 1 per cent, being on that date \$741,695,000 compared with \$734,126,000 on January 31st. The in-

(M) Bank Debits*—

	Four weeks ending Mar. 1, 1922	Four weeks ending Feb. 1, 1922	Four weeks ending Mar. 2, 1921
Berkeley	\$ 16,167	\$ 14,578	\$ 11,153
Boise	9,505	12,851	9,354
Fresno	36,352	38,572	50,959
Long Beach.....	25,555	26,888	20,557
Los Angeles.....	437,489	479,571	385,073
Oakland	72,346	76,236	73,923
Ogden	16,013	19,095	12,473
Pasadena	20,571	25,048	22,243
Portland	114,376	117,929	144,553
Reno	7,943	8,955	9,110
Sacramento	48,007	55,252	47,987
Salt Lake City....	44,947	51,911	53,994
San Diego	32,864	36,027	32,973
San Francisco....	629,252	673,901	699,595
San Jose	15,167	21,034	16,357
Seattle	128,555	127,296	118,078
Spokane	36,193	37,453	40,156
Stockton	18,018	20,174	18,594
Tacoma	30,002	31,580	28,887
Yakima	10,127	9,389	8,411
Total.....	\$1,749,449	\$1,883,740	\$1,804,430

*000 Omitted.

(N) Savings Deposits*—

	Number of Banks	Feb. 28, 1922	Jan. 31, 1922	Feb. 28, 1921	Per Cent Increase or Decrease (—) Feb. 28, 1922 over Feb. 28, 1921
Los Angeles	13	\$231,091	\$226,426	\$215,599	7.2
Oakland	7	75,020	75,066	73,210	2.5
Portland	10	39,561	39,504	40,452	— 2.2
Salt Lake City.....	9	24,732	24,217	23,253	6.4
San Francisco	16	331,645	329,304	316,259	4.9
Seattle	13	26,100	25,921	31,262	—16.5
Spokane	6	13,546	13,688	14,857	— 8.8
Total.....	74	\$741,695	\$734,126	\$714,892	3.7

*In thousands of dollars.

crease in savings accounts during the year ending February 28th was 3.7 per cent, gains in five cities more than offsetting losses in Seattle, Spokane and Portland.

The changes in the savings accounts in each city from one month and one year ago are shown in table "N" (see opposite page).

Note: "The term 'savings accounts' shall be held to include those accounts of the bank in respect to which, by its printed regulations, accepted by the depositor at the time the account is opened:

"(a) The pass book, certificate, or other similar form of receipt must be presented to the bank whenever a deposit or withdrawal is made, and

"(b) The depositor may at any time be required by the bank to give notice of an intended withdrawal not less than 30 days before a withdrawal is made." (Federal Reserve Board definition.)

Increased returns for farm products have improved financial conditions in the predominantly agricultural sections, and interest rates in the principal financial center of the Intermountain territory, which have been at 8 per cent since early in 1920 (with the exception of a brief decline to 7½ per cent in October, 1921) were lowered to 7 per cent in February. At Spokane, which is also in the center of a large agricultural area, the rate on high-grade customers' paper declined from 7 to 6½ per cent. Interest rates at other cities were generally unchanged although fractionally lower quotations on commercial paper bought in the open market were reported from Portland and San Francisco.

A statement of the prevailing interest rate on commercial paper charged by banks in Federal Reserve Bank and Branch cities for the 30 day periods ending March 5th and February 5, 1922, follows:

	Commercial Paper of Customers		Paper Bought Through Brokers	
	Mar. 5	Feb. 5	Mar. 5	Feb. 5
Los Angeles	6½	6½	5	5
Portland	7	7	4¾	5
Salt Lake City	7	8	4¾	..
San Francisco	6	6	4¾-5	5
Seattle	7	7	5	5
Spokane	6½	7	5	5

Reports received by this bank from 36 of the principal accepting banks in the district show a marked increase in the volume of their acceptance business in February compared with January. The total of bills accepted in February was \$4,426,227, an increase of \$655,161 over the January figure. The amount of bills bought, including both those created in this district and in other districts, also increased, rising from \$9,300,953 in January to \$12,963,002 in February. A steady demand was noted from a few sections, but the necessity of accumulating funds to provide for new crop financing diminished the number of country banks which had surplus funds for investment. A tendency was also noticeable among bankers to conserve cash holdings for the purpose of meeting withdrawals for income tax payments. As the middle of March approached it became evident that in many cases the need for funds had been overestimated, and the acceptance market was used as an outlet for spare funds, causing a brisk demand and a tendency towards lower rates. On March 15th quoted rates in the open market were 4 per cent on eligible prime members bills and 4⅛ per cent on eligible non-members bills.

The supply of acceptances created by Pacific Coast banks and seeking discount in the open market remained small. A rough classification of bills marketed, as reported by the principal dealer on the Pacific Coast, shows a continued preference for 90-day bills. The approximate percentage of each class to the total sales of all classes follows:

	Feb. 15 to Mar. 15	Jan. 15 to Feb. 15
30 days	10.0%	15.0%
60 days	37.2%	18.0%
90 days	50.0%	55.0%
120 days	2.8%	12.0%

Wheat, sugar, cotton and canned fruits continued as the principal commodities on which acceptances executed during the month were based. Purchases and holdings of reporting banks appear in table "O."

(O) Acceptances†—

	Amount Accepted		Amount Bought				Total		Amount held at close of month	
			Created in Twelfth District		All Other					
	Feb., 1922	Jan., 1922	Feb., 1922	Jan., 1922	Feb., 1922	Jan., 1922	Feb., 1922	Jan., 1922	Feb., 1922	Jan., 1922
Pacific Northwest	\$1,250,447	\$1,253,130	\$ 917,500	\$ 258,564	\$1,564,554	\$2,604,606	\$ 2,482,054	\$2,863,170	\$ 5,106,045	\$ 4,883,097
Northern California	2,267,076	2,159,692	1,880,969	1,741,049	2,060,108	805,790	3,941,077	2,546,839	2,138,744	3,103,260
Southern California	908,704	358,244	756,336	534,115	5,783,535	3,356,829	6,539,871	3,890,944	11,405,435	6,610,217
Other Districts	..	..	..	..	..	..	..	..	..	..
Total	\$4,426,227	\$3,771,066	\$3,554,805	\$2,533,728	\$9,408,197	\$6,767,225	\$12,963,002	\$9,300,953	\$18,650,224	\$14,596,574

†36 Banks reporting.

On March 9th the Secretary of the Treasury announced an offering of 4¾ per cent four year Treasury Notes to be distributed only in exchange for 4¾ per cent Victory Loan Notes. These Treasury Notes were designated as Series A-1926, dated March 15, 1922, and maturing March 15, 1926. At the same time an offering of approximately \$250,000,000 of one year 4¼ per cent Treasury Certificates of Indebtedness was announced. These certificates were designated as Series TM-1923, dated March 15, 1922, and maturing March 15, 1923.

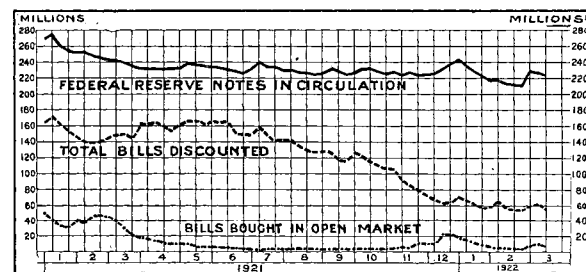
Subscriptions to both offerings closed at 3 o'clock on March 15, 1922. For the offering of Treasury Notes, total subscriptions received and allotted amounted to \$617,767,700. For the offering of Treasury Certificates of Indebtedness total subscriptions received amounted to \$674,830,500 of which the Treasury Department allotted \$266,250,000. In the Twelfth Federal Reserve District subscriptions received and allotted on Treasury Notes totaled \$31,180,000. Subscriptions for Treasury Certificates of Indebtedness in the District amounted to \$37,472,500 of which \$17,650,000 was allotted.

The Treasury Department has extended to April 1, 1922, the authority given to Federal Reserve Banks to purchase 4¾ per cent Victory Notes (up to an amount not exceeding \$100,000,000) direct from holders at par and accrued interest.

Liquidation of old loans following recent advances in the prices of the principal agricultural products of the district has been counterbalanced by increasing demands for new loans

incident to the spring planting needs of agricultural sections and the seasonal expansion of activity in other industries. Reports received from 68 reporting member banks show that their loans and discounts, which amounted to \$819,085,000 on February 8th, totaled \$842,008,000 on March 8th, an increase of 2.8 per cent. Investments on March 8th (\$307,733,000) were slightly below the figure for the previous month (\$309,663,000). The net increase in total loans, discounts and investments during the four weeks' period was \$20,993,000, while total deposits increased only \$13,796,000. During the latter part of February and the first week of March additional borrowing from the Federal Reserve Bank was necessary. Bills payable and rediscounts with the Federal Reserve Bank fell from \$21,071,000 on February 8th to \$19,869,000 on February 15th (the low point for the readjustment period) and then rose to \$27,614,000 on March 8th.

Statement of condition of the Federal Reserve Bank of San Francisco as of March 8th



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

(P) Reduction of Borrowings by All Banks in Twelfth Federal Reserve District—

Reduction of Borrowings by All Banks in Twelfth Federal Reserve District, Compared with Total of Advances Made by War Finance Corporation and Mortgage Loans Closed by Federal Land Banks, June 30, 1921, to December 31, 1921

(In thousands of dollars)

State	Total Bank Borrowings		Reduction	Advances June 30, 1921 to December 31, 1921			Ratio of War Finance Corp. and Federal Land Bank Advances to Total reduction in bank borrowings*
	June 30, 1921	Dec. 31, 1921		War Finance Corporation	Federal Land Bank	Total	
Arizona	\$ 8,523	\$ 10,321	\$ 1,798†	\$ 1,271	\$ 329	\$ 1,600	..
California	112,328	52,198	60,130	1,981	1,378	3,359	5.6%
Idaho	25,788	18,386	7,402	970	2,061	3,031	40.4%
Nevada	1,312	11,189	123	248	66	314	53.7%
Oregon	17,096	10,235	6,861	1,444	2,045	3,489	44.8%
Utah	20,844	11,129	9,715	7,233	1,202	8,435	86.8%
Washington	21,002	9,717	11,285	865	3,201	4,066	35.4%
Twelfth District	\$206,893	\$123,175	\$93,718	\$14,012	\$10,282	\$24,294	25.1%

*After excluding amounts advanced direct to banks by War Finance Corporation, which are included in Bank Borrowings, Dec. 31, 1921, as follows: Nevada, \$248,000; Oregon, \$445,200; Washington, \$75,000; Idaho, \$39,495. Total, \$807,695.

†Increase.

indicates that the \$6,543,000 increase in borrowings of city bank members (reporting member banks) was offset to the extent of some \$3,000,000 through reduction of borrowings by country member banks, the discounts of all member banks having increased but \$3,598,000 (from \$57,508,000 to \$61,106,000) or 6.2 per cent, during the four week period. Total primary reserves of the Federal Reserve Bank declined \$4,567,000 while the secondary reserve consisting of acceptances purchased in the open market and Government securities increased \$7,499,000. Total earning assets increased \$11,097,000, or 13.7 per cent. The amount of Federal Reserve notes in circulation, responding to the seasonal increase in agricultural and business activity, rose from \$216,336,000 on February 8th to \$227,807,000 on March 8th.

Table "P" (see opposite page), shows, by states, the loan operations of the War Finance Corporation and the Federal Land Banks in this district, in comparison with the reduction in borrowed money effected by all banks in the district during the six months ending December 31, 1921. The ratio of advances by these two agencies to the reduction in bank

borrowings for the district during this period is 25.1 per cent.

Additional advances amounting to \$13,035,427 were made by the War Finance Corporation, and mortgages aggregating \$4,083,600 closed by Federal Land Banks in this district in the two months ending February 28, 1922. In the same period a reduction of \$5,524,000 in borrowings was effected by all Member banks in the district (figures for all banks are not available since December 31, 1921). The ratio of borrowings by member banks to borrowings by all banks on December 31, 1921, was 62.36 per cent. Assuming that the same ratio was maintained on February 28, 1922, the reduction in borrowings by all banks during the two months would be approximately \$8,858,000. After deducting advances made direct to banks, which would be included in "bank borrowings," the total advances made in this district during January and February by the War Finance Corporation and the Federal Land Banks (\$17,119,027) would exceed by \$6,825,694 the estimated total reduction in borrowings by all banks in the district during the two months ending February 28, 1922.

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

	Mar. 8, 1922	Feb. 8, 1922	Mar. 11, 1921
Number of Reporting Banks	68	68	68
Loans and Discounts.....	\$ 842,008,000	\$ 819,085,000	\$ 874,030,000
Investments	307,933,000	309,663,000	293,766,000
Cash in Vault and with Federal Reserve Bank.....	98,552,000	97,817,000	96,811,000
Total Deposits	1,131,448,000	1,117,652,000	1,118,498,000
Bills Payable and Rediscounts with Federal Reserve Bank.....	27,614,000	21,071,000	90,411,000

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

	RESOURCES	Mar. 8, 1922	Feb. 8, 1922	Mar. 11, 1921
Total Reserves		\$289,668,000	\$294,235,000	\$190,097,000
Bills Discounted		61,106,000	57,508,000	149,248,000
Bills Bought in Open Market.....		10,067,000	3,917,000	30,276,000
United States Government Securities.....		20,767,000	19,418,000	12,847,000
Total Earning Assets.....		\$ 91,940,000	\$ 80,843,000	\$192,371,000
All Other Resources*.....		40,356,000	40,154,000	45,050,000
Total Resources		\$421,964,000	\$415,232,000	\$427,518,000
	LIABILITIES			
Capital and Surplus.....		\$ 22,579,000	\$ 22,570,000	\$ 21,363,000
Total Deposits		136,244,000	141,196,000	120,102,000
Federal Reserve Notes in Actual Circulation.....		227,807,000	216,336,000	239,809,000
All Other Liabilities†.....		35,334,000	35,130,000	46,244,000
Total Liabilities		\$421,964,000	\$415,232,000	\$427,518,000
*Includes "Uncollected Items".....		33,934,000	32,852,000	43,257,000
†Includes "Deferred Availability Items".....		29,563,000	29,158,000	34,502,000

CHANGES IN THE COST OF LIVING

Changes in the cost of living in the four principal cities of the Twelfth Federal Reserve District, as recently reported by the United States Bureau of Labor, are summarized in the accompanying table and chart. The dates selected for comparison are December, 1914 (in a pre-war normal year), June, 1920 (approximately the high point of the rise in the cost of living), and May, 1921 (the date from which relative stability in wholesale and retail prices has obtained).

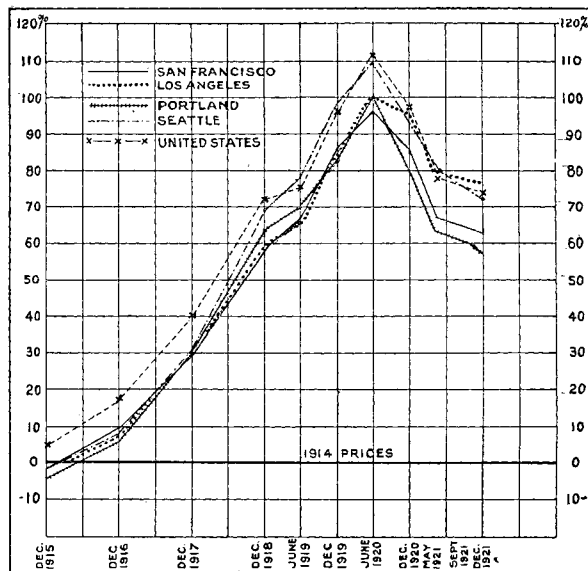
There appears a gradual flattening out of the curve of declining living costs, which is in agreement with the various national wholesale and retail price indices, these having been relatively stable in the past few months. The cost of living in the Pacific Northwest has declined further, and is evidently still declining faster, than in California. In the itemized figures the following facts are noteworthy:

1. The relatively small increase in the cost of food in all cities from 1914 to 1921 and the rebound in food prices since May, 1921.
2. The small increase in the cost of clothing from 1914 to 1921 in Portland and Seattle and continued rapid decline of clothing prices in all cities from May to December, 1921.
3. The noticeably small increase in housing costs in San Francisco since 1914 and the increasing cost of housing except in Seattle since June, 1920.
4. The practically stationary cost of fuel and light in Los Angeles since June, 1920, while costs in other cities were increasing.

5. The very large increase in furniture prices since 1914 and the tendency to maintain prices in this line. A large part of the decrease since the peak of 1920 has taken place since May, 1921.

6. The failure of miscellaneous items* of the budget to decline since June, 1920.

*Miscellaneous items include street car fares, moving picture admissions, newspapers, medical services and medicines, dentist services, spectacles, laundry, cleaning supplies, barber services, toilet articles, telephone and tobacco.



Changes in Cost of Living—Per Cent Increase From December, 1914 to December, 1921

COST OF LIVING IN THE TWELFTH FEDERAL RESERVE DISTRICT

City	Food			Clothing			Housing			Fuel and Light		
	Per Cent In-crease Dec., 1914 to Dec., 1921	Per Cent De-crease May 1921 to Dec., 1921	Per Cent De-crease June 1920 to Dec., 1921	Per Cent In-crease Dec., 1914 to Dec., 1921	Per Cent De-crease May 1921 to Dec., 1921	Per Cent De-crease June 1920 to Dec., 1921	Per Cent In-crease Dec., 1914 to Dec., 1921	Per Cent De-crease May 1921 to Dec., 1921	Per Cent De-crease June 1920 to Dec., 1921	Per Cent In-crease Dec., 1914 to Dec., 1921	Per Cent De-crease May 1921 to Dec., 1921	Per Cent De-crease June 1920 to Dec., 1921
Los Angeles	38.4	3.9*	27.4	94.3	14.5	31.7	90.1	2.6*	33.3*	52.7	‡	0.5
Portland	33.1	5.6*	35.7	65.3	13.5	36.1	43.3	.2*	7.6*	59.4	4.6	8.5*
San Francisco	40.4	5.3*	27.6	106.3	14.3	29.1	25.8	3.4*	14.9*	65.3	1.2*	12.3*
Seattle	30.5	2.7*	35.5	88.7	17.4	31.1	69.2	3.2	3.2	69.0	5.4	1.9*

COST OF LIVING, Continued

City	Furniture			Miscellaneous			Total		
	Per Cent In-crease Dec., 1914 to Dec., 1921	Per Cent De-crease May 1921 to Dec., 1921	Per Cent De-crease June 1920 to Dec., 1921	Per Cent In-crease Dec., 1914 to Dec., 1921	Per Cent De-crease May 1921 to Dec., 1921	Per Cent De-crease June 1920 to Dec., 1921	Per Cent In-crease Dec., 1914 to Dec., 1921	Per Cent De-crease May 1921 to Dec., 1921	Per Cent De-crease June 1920 to Dec., 1921
Los Angeles	143.2	5.2	19.5	99.6	1.4*	.49†	76.4	1.2	12.5
Portland	121.9	10.5	21.8	80.0	.6	.16*	58.3	2.4	21.0
San Francisco	113.9	12.3	23.6	86.8	1.3*	4.0*	63.6	1.9	16.5
Seattle	149.9	9.8	22.2	102.6	1.4	6.4*	71.5	4.8	18.5

*Increase.

†Since peak of December, 1920.

‡No change.