

AGRICULTURAL AND BUSINESS CONDITIONS

IN THE TWELFTH FEDERAL RESERVE DISTRICT

Monthly Report to the Federal Reserve Board

by
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Federal Reserve Bank of San Francisco

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No. 4

THE banking situation in this district continues to improve. Borrowings from the Federal Reserve Bank of both city and country member banks combined fell from \$61,106,000 on March 8th, to \$49,025,000 on April 12th, a decline of \$12,081,000, or 19.7 per cent. This reduction was accomplished, at least

The Month

in the case of the country member banks, at a season of the year when the requirements of their customers are usually heavy, and indicates a growing ability on the part of these banks to meet customers' needs without securing outside assistance.

The most striking industrial development in recent weeks is the record activity in **building operations**. Figures of building permits for March were, in point of value, the largest figures ever reported in this district, exceeding the previous record month of October, 1921, by 17.5 per cent. Compared with the month of March a year ago, this year's figures exhibit an increase of 47.9 per cent in value and 14.7 per cent in number, indicating a period of unusual activity in construction lines during the summer and fall.

Among other industries of the district **lumbering** is most active. Production during March was approximately 90 per cent of normal, the highest percentage reported by this industry in the past 16 months. New orders received by mills in the four principal lumber associations were 22.4 per cent greater than March production. Five more of the largest **copper mines** in the district have announced the resumption of operations and on April 1st 11 of the 15 principal mines which closed down one year ago were again working their properties, although on a greatly curtailed scale. Sales of **electric power** for industrial purposes in February continued on the same high level

as in January, primarily reflecting the activity in lumbering and mining industries.

Agriculturally there have been few new developments during the month. In many sections the winter season extended well into March and farm work has been delayed from two to three weeks. The winter wheat crop now appears to be in better condition than on December 1st, but it is not expected that the record crop of last year (78,000,000 bushels) will be equaled. The present outlook for the deciduous fruit crops of the district is excellent, with the exception of apricots, the yield of which has been reduced as much as 60 per cent in some sections by attacks of brown rot and killing frosts. Preliminary estimates of cotton and sugar beet plantings indicate a slight increase in acreage of cotton in the principal growing sections and a reduction of approximately 25 per cent in the acreage of sugar beets, compared with last year. **Prices** of agricultural products, while they have not continued the steady gains which characterized their movement in the first two months of the year, have fluctuated at levels appreciably higher than those of January 1st.

An increased demand for unskilled laborers, partly seasonal and partly due to greater productive activity in the district, has increased the number of men employed and all states report that the peak of **unemployment** has apparently been passed.

Trade at retail during the month was 6.2 per cent less in value than in March, 1921, but the comparison loses much of its significance when it is remembered that Easter buying occurred in March last year and will be largely reflected in April sales this year. After making due allowance for declines in retail prices of from 5 to 10 per cent over the year period it is probable that the physical volume of business in

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March, 1922, was at least equal to that in March, 1921. At **wholesale**, trade in general was dull, and did not compare favorably with 1921 figures either in value or in physical volume of sales.

Debits to individual accounts in 20 principal clearing house centers were only 6 per cent less than in March, 1921. This is approximately the same percentage of decline as in the wholesale and retail price indices during the year period, and if allowance be made for a smaller amount of income tax payments in March, 1922, than in March, 1921, it would appear that the volume of business represented by these debits was greater in 1922 than in 1921. **Business failures** in March were greater in number and, with the exception of January of this year, greater in the amount of liabilities than in any other month during the present readjustment period.

Although the winter season of 1921-1922 has been characterized by unusually low temperatures and long continued cold weather, the

April 1st report of the United States **Grains** Department of Agriculture shows an improvement in the condition of fall sown wheat in all states of the district except Oregon. In the latter state grain crops have been damaged by alternate freezing and thawing during the late winter and spring. Until recently a uniform snow cover protected the wheat fields of Washington, Idaho and Utah, and its gradual dispersion has insured favorable moisture conditions for the coming crop. In California, where growth has been retarded by cold weather and an over-abundance of moisture, grains have shown rapid improvement during the first two weeks of April. Sowing of barley in that state has been delayed, but it is estimated that total plantings will be approximately equal to those of last year (1,188,000 acres).

Comparison of the condition of winter wheat on April 1, 1922, and December 1, 1921, with the same dates a year ago, as reported by the United States Department of Agriculture, follows:

	Condition April 1st			Condition December 1st		
	1922	1921	10 year average	1921	1920	10 year average
Arizona	95	80	..	95	93	95
California ..	94	93	89	90	95	90
Idaho	92	97	95	81	95	92
Nevada	88	93	..	85	90	91
Oregon	90	99	95	92	97	93
Utah	89	97	..	80	97	92
Washington .	85	100	90	79	97	89
Total U. S. . .	78.4	91.0	84.3	76.0	87.9	89.0

Comparatively light stocks of the 1921 crop of wheat held in the Pacific Northwest were further reduced by moderate export movement during March. Commercial factors estimate that the surplus of wheat available for export from this section during the remaining three months of the cereal year, is approximately 12,000,000 bushels, or 11.3 per cent of the last crop. Shipments of wheat by water from Northwestern ports during this season to date (July 1, 1921, to April 1, 1922) show a 60 per cent increase over shipments during the corresponding period last season and were as follows (flour included at wheat content):

EXPORTS*	July 1, 1921 to April 1, 1922 (bushels)	July 1, 1920 to April 1, 1921 (bushels)	Percentage Increase 1921-1922 over 1920-1921
Portland	36,946,513	21,466,976	72
Puget Sound . . .	18,571,372	12,854,738	46
Total	55,517,885	34,321,714	61

*Includes some domestic shipments by water.

Export demand for California barley, which was light during the winter months, improved during March. Exports of barley from this port during the present season, as compared with a year ago, follow:

EXPORTS	July 1, 1921 to April 1, 1922 (centals)*	July 1, 1920 to April 1, 1921 (centals)*	Percentage Increase 1921-1922 over 1920-1921
San Francisco . .	6,249,994	3,716,741	68

*One cental (of barley) approximates two bushels.

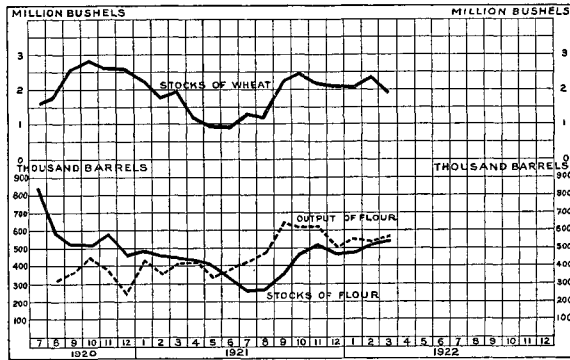
After a short reaction during the latter part of March, wheat prices in the Pacific Coast markets rose to former levels (\$1.35 to \$1.41 per bushel on the San Francisco market on April 15th) and are generally firm, due to a scarcity of desirable grades of milling wheat. In response to increased export demand, the price of shipping barley in the San Francisco market advanced 5 cents per 100 pounds during March, and is now (April 15th) quoted at \$1.45 to \$1.60 per 100 pounds, as compared with \$1.20 to \$1.25 per 100 pounds one year ago.

California millers continued to increase their output of flour in March, while production was further curtailed in the Pacific Northwest.

As a result the average production of 61 reporting mills remained unchanged from the previous month at approximately 50 per cent of capacity, compared with 45 per cent of capacity during March, 1921 (see table "A" on opposite page). California mills increased their percentage of capacity in operation from 57.2 in February, 1922, to 69.2 in March, 1922.

A majority of millers report decreased sales during March, due to uncertainty in buyers' minds regarding the trend of flour prices. The present flour market is reported to lack the strength of and to be below the market for wheat, a contrast which is more marked locally because of the strength imparted to the wheat market by a scarcity of desirable milling wheat.

It is reported that approximately 41 per cent of the California Navel orange crop remained to be shipped on March 1st. Stimulated by high prices and strong demand, growers shipped the majority of this supply during March, and at the present time only a small percentage of this fruit remains to be moved. Total shipments of oranges (principally Navels) and lemons from California during the period from November 1, 1921, to April 3, 1922, and during the corresponding period a year ago follows:



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

	Nov. 1, 1921 to April 3, 1922 (cars)	Nov. 1, 1920 to April 3, 1921 (cars)
Oranges	15,254	19,113
Lemons	3,159	3,120

Exchange growers are reported to have received an average price of \$4.54 per box (f.o.b. shipping point) for oranges marketed during March, 1922 as compared with \$2.23 per box during March, 1921. The average price of lemons shipped during this month was \$3.76 per box, as compared with \$2.01 per box one year ago.

The trend of milling activity in the district, as indicated by the reports of 16 large milling companies, is shown in the accompanying chart. Stocks of wheat held by these companies decreased during March, while total output and stocks of flour increased.

Although it is too early in the season to estimate accurately the forthcoming yield of the several deciduous fruit crops of the district, reports from all of the principal growing sections indicate that the outlook is favorable and a large crop of most varieties of fruit is expected. Heavy rains at frequent intervals have given promise of an adequate supply of soil and surface moisture during the growing season and the backward spring has delayed budding and blooming so that the danger from killing frosts is greatly reduced. In California, large yields of all of the principal fruits except apricots are forecasted. The size of the apricot crop has been doubtful since early in the season, due to an infestation of apricot brown rot in the coast growing sections, and the crop was further reduced by killing frosts early in April (the crop in the Santa Clara Valley and adjacent territory is now estimated at 40 per cent of a normal crop).

Gradual movement of remaining stocks of apples from common storage in the Pacific Northwest was reported during the past month, approximately 1,000 cars having been shipped to distributing centers.

Fruits Total carlot shipments of apples from this district up to April 1st this season, were 49,045 cars, as compared with 30,673 cars shipped by the same date last season. Shippers anticipated strengthening markets and rising prices in the months of March and April for remaining stocks of common and cold storage apples, but consumer demand is reported to have remained weak and price advances did not materialize.

(A) Milling—

	No. Mills Reporting		Output		Per Cent Mill Capacity in Operation		
	Mar., 1922	Feb., 1922	Mar., 1922 (barrels)	Feb., 1922 (barrels)	Mar., 1922	Feb., 1922	Mar., 1921
California	10	10	303,859	233,570	69.2	57.2	45
Idaho	3	3	9,640	6,648	43.4	34.6	37
Oregon	21	22	102,989	150,497	38.8	43.5	41
Washington	27	29	300,734	354,935	45.6	50.4	57
District	61	64	707,202	795,650	50.1	50.4	45

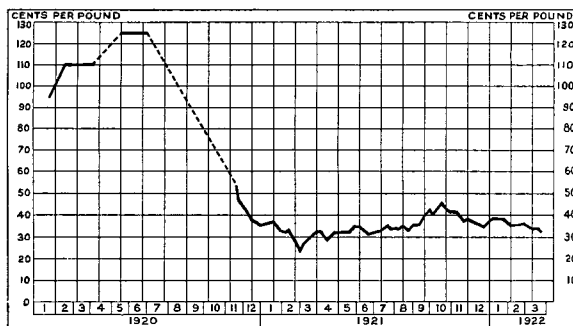
Cotton planting is proceeding rapidly and reports indicate a substantial increase in acreage in the principal growing sections (Salt River and Imperial Valleys) as compared with last season. In less favored sections, discouraging results of the operations during the past two years have caused many farmers to plant other crops, and there will be little (if any) increase over last year in the total cotton acreage of the district. Estimated plantings this year and last year are shown in the following table:

	Unofficial Estimates of Acreage, 1922 (acres)	U. S. D. A. Estimates of Cotton Acreage and Production, 1921 Season (acres) (bales)
Arizona	105,000	90,000 43,926
California	75,000	95,000 34,809
Lower California* ..	175,000	45,000 24,000
Twelfth District . . .	180,000	185,000 77,735

*Not included in total for Twelfth District.

It is reported that approximately 85,000 acres of Pima (long staple) cotton will be planted in Arizona this season, as compared with 65,000 acres planted in 1921. Very little Pima cotton will be grown outside of the Salt River Valley, as other sections have found shorter stapled varieties more profitable under present conditions. Increased acreage of short staple cotton is reported from the Imperial Valley, chiefly from the section below the Mexican line, in Lower California.

Marketing of the 1921 crop of Pima (long staple) cotton (and the heavy carry-over of the



Weekly Price Quotations on No. 2 Grade Pima Cotton (1 $\frac{1}{8}$ to 1 $\frac{1}{2}$ inches Staple Length) F. O. B. New England Mill Points

1920 crop) has been slow and is still far from complete. With the exception of a brief period of activity in September, when prices of No. 2 grade Pima cotton rose to 46 cents per pound in the New England markets, quotations for this representative grade have averaged around 35 cents per pound, as shown by the accompanying chart. Recent bids on this grade to growers in Arizona are reported to

have averaged approximately 30 cents per pound. It is reported that on March 1st there remained in the hands of growers (in the Salt River Valley) 28,716 bales of the 1920 crop of Pima cotton, and 14,283 bales of the 1921 crop, or a total carry-over of 42,999 bales. On April 1st the total amount held by growers was reported to approximate 40,000 bales.

Movement of short staple cotton has been fairly satisfactory, and it is estimated that between 80 and 85 per cent of the 1921 crop has been sold. Growers are reported to have obtained an average of 15 to 16 cents per pound for the majority of their short staple cotton this season (1921-1922) compared with 9 to 10 cents received during the previous cotton year.

Contracts between sugar beet factories and growers are now being made and the new crop is being planted. Complete information as

to the terms of the contracts and as to the acreage of the new plantings is not yet available. It is reported that the two principal sugar companies in

Idaho and Utah have agreed to guarantee to growers minimum prices of \$5.50 per ton of beets in Idaho and \$5.00 per ton in Utah, compared with guaranteed minimum prices of \$6.00 and \$5.50 last year. It is reported that in California the same contracts as were in force last year are now being entered into. These contracts provide for payments on a sliding scale according to the sugar content of the beets and the average prices received by the factories for refined sugar. Early estimates place the prospective acreage in the three principal beet-growing states of the district at about 25 per cent less than the 1921 acreage.

The chief interest of growers as well as factories throughout the district this year will be the price of refined sugar. This price has averaged so low during the recent months, in comparison with 1921 costs of production, that both factories and growers are said to have had an unprofitable year. In each case costs of production in 1922 will be lower than in 1921, but the future course of refined sugar prices is uncertain. The recent trend of sugar prices has been upward. Refined beet sugar, f. o. b. San Francisco, after a continuous decline from a price of 26.10 cents per pound established on June 1, 1920, to 5 cents per pound established on December 30, 1921, has gradually advanced to the present price of 5.70 cents per pound. The principal cause of the recent strengthening of prices is reported to be the

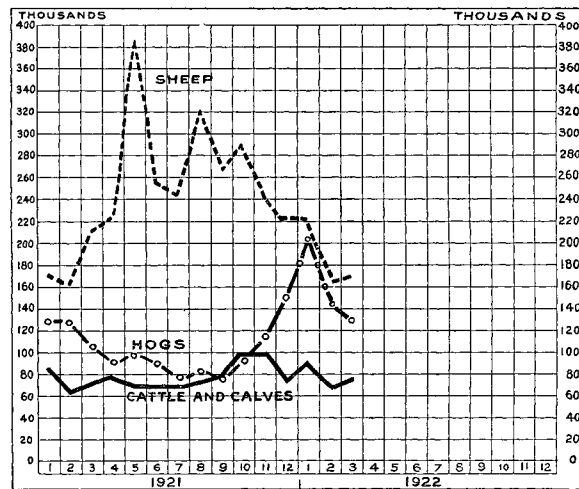
considerable inroads into stocks of raw sugar in Cuba. Though raw sugar from Cuba is subjected to an import duty of 1.60 cents per pound, stocks in that country are in reality part of United States domestic stocks. European countries, where stocks are subnormal, have been purchasing unusually large quantities of Cuban sugar recently, and the size of the Cuban holdover, which has been the chief factor in depressing the United States market, has been reduced accordingly.

Until the middle of April winter weather prevailed over a large area in the range livestock sections, prolonging the feeding season beyond its normal limits, and in

Livestock some cases causing considerable hardship to stock. In general, however, livestock are reported to be in normal condition, although serious losses due to extremely cold weather have occurred in local areas in Idaho, Nevada and Utah. Range conditions in California and Arizona have improved rapidly during the past month, but reports indicate that shipments of grass fattened cattle will be from two to three weeks later than usual in reaching the market.

Sheep are reported to have withstood the long winter better than cattle, but there has been a high mortality among early lambs in some sections, due to rigorous weather conditions.

Spring lambing is practically finished in California (the increase is estimated as slightly below normal) and is now in progress in the more northern states. Shearing of sheep has been in progress for some time in Arizona, but



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)

cold weather has retarded the work both there and in all other states of the district.

Preliminary reports of the United States Department of Agriculture indicate that the

(B) Receipts of Livestock—

	Cattle		Calves		Hogs		Sheep		Horses and Mules	
	March, 1922	March, 1921	March, 1922	March, 1921	March, 1922	March, 1921	March, 1922	March, 1921	March, 1922	March, 1921
Los Angeles.....	18,561	16,112	7,173	6,154	36,318	28,307	47,512	41,003	..	..
Ogden	4,431	5,819	153	48	13,398	14,586	17,317	31,113	..	..
Portland	9,604	8,467	601	571	18,754	18,927	11,233	17,045	67	82
Salt Lake City...	7,006	5,955	218	64	5,985	3,711	14,147	26,875	80	20
San Francisco....	17,435	16,713	2,938	3,594	31,485	28,944	71,680	74,172	..	..
Seattle	3,136	4,415	179	135	17,515	16,876	7,222	2,992	30	30
Spokane	2,706	2,403	139	65	3,528	2,738	177	638	194	77
Tacoma	1,903	1,959	62	2	4,682	5,124	970	2,094	..	..
Twelfth District..	64,782	61,843	11,463	10,633	131,665	119,213	170,258	195,932	371	209

(C) Range in Livestock Prices—

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

Week of	Fat Steers	Cows	Calves	Hogs	Lambs
March 6.....	\$6.50—7.75	\$5.25—6.25	\$6.50—10.00	\$10.55—12.50	\$8.50—12.25
March 13.....	6.50—8.00	5.25—6.50	6.50—10.00	10.55—13.00	8.50—14.50
March 20.....	6.40—8.02	5.25—6.50	7.00—12.00	9.80—11.75	8.50—14.50
March 27.....	6.60—9.36	5.00—6.50	6.50—12.00	9.50—12.00	8.50—14.50

number of brood sows in this district has changed but little during the past year, the number on farms April 1st being reported as 188,940, compared with 187,400 on the same date a year ago. The figures are chiefly significant in that they show a decline in the number of brood sows in Washington and Oregon, which is contrary to the trend in the other states of the district and in the country as a whole. The figures by states follow:

	April 1, 1922		Estimated Number April 1, 1921
	Per Cent of Preceding Year	Number	
Arizona	100	5,400	5,400
California	101	86,860	86,000
Idaho	108	17,280	16,000
Nevada	110	4,400	4,000
Oregon	98	34,300	35,000
Utah	110	12,100	11,000
Washington	96	28,800	30,000
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Twelfth District..	100.08	188,940	187,400
United States....	111.1	12,424,000	8,786,000

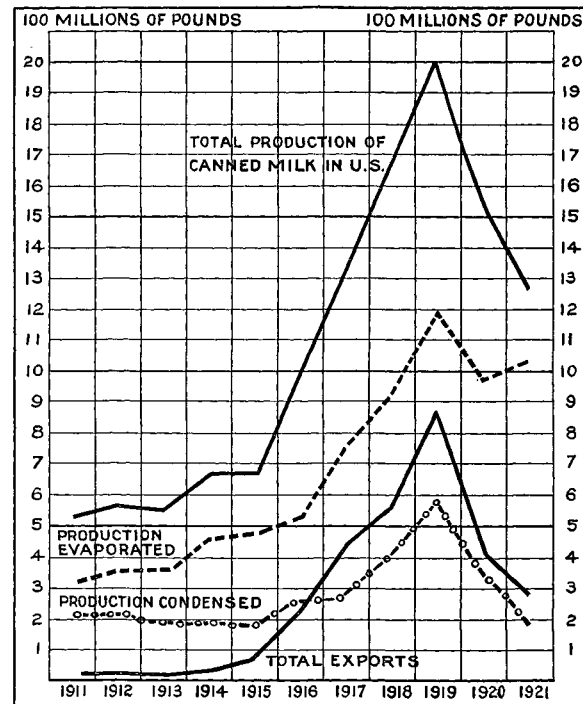
Favorable prices for cattle and sheep during March had a tendency to draw forth all marketable stock, and receipts of these animals at eight principal markets of the district (see accompanying chart and table "B," on preceding page) show an increase over February. Hogs declined in price near the middle of March and show a corresponding decrease in receipts as compared with February. Receipts of cattle and hogs were larger, and of sheep smaller, during March, 1922, than during March, 1921.

Reports indicate that fat cattle will be late and scarce in this district, and prices of steers, cows and calves have strengthened accordingly. During March early lamb prices rose to new high levels for the season (approximately \$14.50 per hundredweight in the Portland market). Weekly average top prices for livestock at eight principal markets of the district during March are shown in table "C" (see preceding page).

Anticipating the spring and summer movement of new butter into cold storage, holdings in the principal markets of this district have been reduced to the lowest point of the 1921-1922 season. Net withdrawals of butter from storage during March, 1922, amounted to 134,187 pounds, as compared with 292,117 pounds in March, 1921, and cold storage holdings of butter on April 1st (see table "D") had been reduced to 134,187 pounds. On April 1, 1921 (the lowest point last season) holdings were 405,356 pounds.

Dairy Products

Increased production caused an abrupt drop in butter prices early in March, and prices continued slowly downward during the latter part of the month, but contrary to expectations, prices strengthened during the first two



United States Production and Exports of Canned Milk by Years 1911-1921

(D) Movement of Stocks of Cold Storage Butter—

City	Mar., 1922 Net Withdrawals (pounds)	Mar., 1921 Net Withdrawals (pounds)	April 1, 1922 Holdings (pounds)	April 1, 1921 Holdings (pounds)
Los Angeles...	75,568	36,968*	72,723	124,065
Portland	3,729	79,550	710	42,899
San Francisco..	24,379	143,896	37,821	213,496
Seattle	30,511	105,639	798	24,896
Totals	134,187	292,117	112,052	405,356

*Net addition.

(E) Prices Received by Milk Producers*—

Section†	Mar., 1922 Range	Mar., 1922 Aver- age	Feb., 1922 Aver- age	Mar., 1921. Aver- age
Mountain (6 Mkts.)....	\$1.40-2.80	\$2.01	\$2.05	\$2.47
Pacific (11 Mkts.).....	1.64-3.39	2.51	2.51	2.99
U. S. (95 Mkts.).....	1.22-6.09	2.26	2.38	2.62

*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.

weeks of April. Fresh creamery butter (93 score) which sold in the local market on March 15th at 35½ cents per pound, is now (April 13th) quoted at 33½ cents per pound.

Prices received for raw milk by producers in this district during March as compared with the previous month (table "E," see opposite page) declined 4 cents per 100 pounds in the Mountain section, and remained unchanged in the Pacific section, and were \$0.46 and \$0.58 less in the Mountain and Pacific sections respectively than in February a year ago.

With the season of increased milk production at hand, manufacturers of evaporated milk in this district are reported to be faced with the necessity of keeping output at a minimum to avoid accumulating stocks. Profitable production of evaporated (and condensed) milk is also reported to be hampered by the continuation of relatively high costs of raw milk, due to well maintained prices of butter and cheese, while wholesale prices of canned milk have been cut vigorously in attempts to dispose of accumulated stocks.

In 1919, the peak year of production and exports of canned milk, the output of the condensaries in the states of Washington, California, Oregon and Utah (in order of productive importance) was 241,048,267 pounds of evaporated milk, or 20 per cent of the total evaporated milk produced in the United States. During the past two years this district has produced approximately the same proportion of the total output of evaporated milk in this country.

As shown in the chart on preceding page, the general position of the canned milk industry has been unfavorable during the past two years. A mushroom growth of exports during the war period stimulated production of canned milk to a point apparently beyond present ordinary consumption of the product. Since 1919, resumption of competitive production in foreign countries and exchange rates unfavorable for foreign purchasers of United States products, have caused exports from the United States to dwindle rapidly. Large unsold stocks have consequently accumulated. These

(F) Commodity Prices—

Commodity	Unit	April 1, 1922	One Month Ago	One Year Ago
Twenty Basic Commodities (F. R. B. of N. Y.) 1913=100.		126.7	132	135.2
Wholesale Prices (U. S. Bureau of Labor) 1913=100.....		152*	151	162
Cost of Living (National Industrial Conference Board) July, 1914=100.....		154.7*	157.7	168.7
Cattle (Native Beef)... Weekly average price at Chicago..	100 lbs.	\$ 7.75	\$ 8.05	\$8.70
Sheep	100 lbs.	9.50	7.90	6.25
Lambs	100 lbs.	14.00	14.75	9.05
Hogs	100 lbs.	10.05	11.00	9.30
Wheat	Chicago contract prices for May wheat..	bushel 1.35-1.32½	1.48-1.44¾	1.36¾-1.34½
Barley	Shipping Barley F. O. B. San Francisco..	1.40-1.55	1.35-1.50	1.30 -1.40
Rice	California Fancy Japan at San Francisco..	cental 4.92½	4.90	4.50
Cotton	Middling Uplands—Weekly range of spot quotations at New Orleans.....	lb. 16.63¢	17.00¢	11.50¢
Wool	Average of 98 quotations at Boston.....	lb. 60.03¢	59.72¢	40.04¢
Sugar	Beet granulated F. O. B. San Francisco..	lb. 5.70¢	5.40¢	8.40¢
Apples	N. W. Winesaps at New York.....	box 2.25-4.25	3.75-4.25	..
Oranges	Navels—Market pack at Los Angeles....	box 4.00-5.00	2.50-3.50	3.00-3.50
Lemons	Loose pack at Los Angeles.....	box 2.25-2.50	3.00-3.50	1.25-2.25
Dried Apples....	Choice in 50-lb. boxes F. O. B. California	lb. .17	.17- .17¾	.07- .07¼
Dried Apricots...	Choice in 25-lb. boxes F. O. B. California	lb. .26	.26	.18- .19
Prunes	Size 40-50 in 25-lb. boxes F. O. B. Calif..	lb. .14- .14½	.14½	.09½- .09¾
Raisins	Loose Muscatel, in 25-lb. boxes F. O. B. California	lb. .15¾¢	.15¾¢	.24¾
Canned Apricots.	Choice 2½s F. O. B. California.....	doz. 3.00	3.00	2.10
Canned Peaches..	Cling choice, 2½s, F. O. B. California...	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. .31¼	.32¾	.37
Eggs	Extras—San Francisco.....	doz. .26½	.26½	.25
Copper	Electrolytic, New York Spot.....	lb. .12¾	.12¾- .13	.12¾
Lead	New York Spot.....	lb. 4.80¢	4.70¢-4.80¢	4.35¢
Petroleum	California, 35° and above.....	bbbl. 2.45	2.45	2.95
Douglas Fir.....	2x4, 16-ft. No. 1 S1S1E F. O. B. Seattle..	M feet 11.50	13.50	13.50
Douglas Fir.....	12x12 Timbers F. O. B. Seattle.....	M feet 15.00	14.00	21.00

*Figure for March, 1922.

stocks were slowly reduced during the latter part of 1921, the principal export movement being evaporated milk bought for relief purposes, and at the present time the canned milk industry is reported to be in a slightly better statistical position than it was a year ago.

Prices of the principal farm products of the district paused in their upward movement during March and, numerically, gains and losses were evenly distributed. In no case, however, did the decline in prices during March approximate the gain in price recorded during the first two months of 1922.

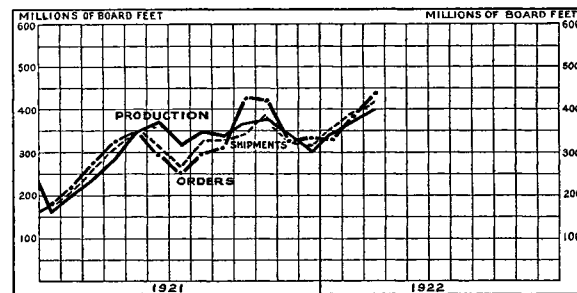
Livestock prices on the Chicago market, sheep prices excepted, were generally lower, the price of cattle reaching the lowest point in the past six weeks. The local cattle markets did not follow the Chicago market as closely as usual, largely due to the shortage of stock here available for slaughter, and prices were from $\frac{1}{2}$ cent to one cent higher at the close of the month than they were at its beginning.

Wheat prices fluctuated during the month but the trend was steadily toward lower levels. Some resistance to this movement was noted in Pacific Coast markets, due to a scarcity of desirable milling wheat. The price of barley moved upward under the influence of a persistent domestic and foreign demand. Wool prices were unchanged during the month and cotton prices declined. Rice and beet sugar advanced in price. Quotations on the fruits, fresh, canned and dried, remained the same as at the close of February, with the exception of a marked rise in the price of oranges, of which there is a short crop, and a decline in the price of Pacific Northwestern boxed apples.

The same uncertain price tendencies apparent among farm products were noted in the non-agricultural group of commodities. Some commodities advanced in price, some declined, and some remained at the same level throughout the month. Changes in the prices of some

of the principal products of the district during the past month and the past year are shown in table "F" (see preceding page).

The lumber industry is now more active than at any time since the boom period in the spring of 1920. The improvement in the volume of production, new orders and shipments noted in the first two months of this year continued at an accelerated pace during March, stimulated alike by the seasonal demand for lumber products to be used in outdoor construction, and by the improved conditions now prevailing in many sections of the country. March production of lumber, as reported by 168 mills in the four lumber associations in this district, was 381,572,000 feet, an increase of 49,457,000 feet, or 14.8 per cent, over February and of 144,497,000 feet, or 60.9 per cent, over March, 1921. Present production is approximately 90 per cent of normal. Orders received by the same mills were 68.0 per cent greater than one year ago and 33.3 per cent greater than one month ago, totaling 467,346,000 feet in March, 1922, compared with 278,017,000 feet in March, 1921, and 350,415,000 feet in February, 1922. The volume of orders received was 22.4 per cent greater than the actual production during the month, 11.2 per cent in excess of shipments, and represented the largest amount of new business booked in



Lumber Production, Orders Received, and Shipments in Twelfth Federal Reserve District as Reported by Four Lumber Associations, 1921-1922

(G) Lumber—

	West Coast Lumbermen's Association		Western Pine Manufacturers' Association		California White and Sugar Pine Manufacturers' Association		California Redwood Association		TOTAL	
	March, 1922	March, 1921	March, 1922	March, 1921	March, 1922	March, 1921	March, 1922	March, 1921	March, 1922	March, 1921
Average No. of Mills reporting..	102	102	43	37	9	7	14	11	168	157
Cut*	275,481	165,009	63,700	34,279	6,706	8,759	35,685	29,028	381,572	237,075
Shipments*	253,269	165,801	110,754	55,468	23,595	7,239	32,490	19,969	420,108	248,477
Orders*	279,429	184,486	128,725	63,200	23,711	7,490	35,481	22,841	467,346	278,017
Unfilled Orders* ..	242,901	157,765	87,425	40,000	..	..	48,014	32,423	378,340	230,188

*In thousands of feet.

any one month since March, 1920. Shipments made during the month totaled 420,108,000 feet compared with 347,660,000 feet in February and 248,477,000 feet in March a year ago. In the three associations for which figures are available, unfilled orders amounted to 378,340,000 feet compared with 354,570,000 feet on February 28th and 230,188,000 feet on March 31, 1921.

The domestic market was most active during the month, the movement to local and Eastern consuming centers, particularly to the agricultural sections of the Middle West, increasing noticeably from week to week. Higher price levels of many varieties and grades of lumber have accompanied the return of the industry toward normal levels of production and consumption. Prices (f. o. b. mills) of representative items of Douglas fir, California redwood and sugar pine as of April 1, 1922, February 25, 1922, and April 2, 1921, are shown in the following table:

	Apr. 1, 1922	Feb. 25, 1922	Apr. 2, 1921
Douglas Fir (f.o.b. mills)			
No. 2 grade and better F. G. Finish 1x8-10, 6 to 16 feet...	\$51.00	\$49.50	\$46.00
No. 2 grade and better F. G. ceiling 5/8x4, 10 to 16 feet....	28.00	26.27	22.00
No. 2 grade and better Drop Siding 1x6, 10 to 16 feet.....	30.00	28.00	25.00
No. 1 Common Timber 12x 12x32 and under.....	15.00	14.00	21.00
Redwood (f.o.b. mills) Clears			
1x5, 14 to 20 feet.....	80.00	80.00	85.00
Rustic 1x4, 14 to 20 feet.....	80.00	80.00	90.00
Sugar Pine (f.o.b. mills) No. 1 and 2 clear, 4x4.....	155.00	160.00	152.50
No. 1 Shop, 5 and 6x4.....	64.80	66.00	57.50

The logging industry of the Pacific Northwest is keeping pace with the mill industry, and the supply of fir logs was at all times sufficient to meet the current needs of the saw mills. There was no surplus of logs, although log production was greatly increased due to the fact that several large logging camps that were previously prevented from operating by climatic conditions are now bringing out logs.

The export demand for Douglas fir decreased during March compared with February, due to a decline of Japanese buying. The Douglas Fir Exploitation and Export Company, which controls a majority of the foreign business done in Douglas fir, received new orders totaling 31,484,000 feet in March compared with 37,861,000 feet in February and

28,170,000 feet in March a year ago. Sales of California redwood to Australian buyers by the Redwood Export Company, totaled 10,496,161 feet in the first quarter of 1922. This represents an increase of 400,000 feet over the amount sold to Australia during the entire year 1921. The foreign business outlook improved during the first two weeks of April.

Comparative figures of the cut, orders, shipments and unfilled orders of reporting mills of the four lumber associations in this district are shown in table "G" (see opposite page).

Interest in the mining industry has recently centered around the resumption of ore production by the principal copper mines of the district. Of the 15 large mines here which have been inoperative since April 1, 1921, all but four have announced the resumption of work on their properties. The Old Dominion and Verde Extension mines in Arizona were added to the list during the latter part of March and the Utah, Ray, and Nevada Consolidated Companies (members of the so-called porphyry group) began preliminary operations on the first of April.

Copper production in the United States during February was 30 per cent of normal, compared with 21 per cent of normal during January. The principal mines of Montana were reopened in January and the largest operator in Michigan resumed operations on April 1st. The general resumption of operations is believed to be due to the expectation of the producers that before the copper in newly mined ores will reach the market in large quantities as refined metal, present stocks will have been reduced to approximately normal proportions. Producers state that output will be limited by the needs of the market. Consumers have taken the position that increased output may so add to available supplies that prices may decline further, and they have been purchasing only for immediate requirements. Sales in March were the largest since November, but the price of electrolytic copper delivered in New York is now (April 17th) 12 7/8 cents per pound, compared with 14 cents per pound in December, the highest price in recent months, and 14.11 cents per pound, the average pre-war price.

Reports received by this bank from 19 mines in the district engaged in the production of gold, silver, lead and copper, indicate a small decrease in the output of these metals in February, 1922, compared with January, 1922. Compared with February, 1921, the same mines report a decrease in the output of gold

and lead and an increase in the production of silver and copper. The reporting gold, silver and lead mines are operating at approximately 100 per cent capacity.

Comparative figures of the output of metal of 19 reporting mines in February, 1922, January, 1922, and February, 1921, are shown in the following table:

	Feb., 1922	Jan., 1922	Feb., 1921
Gold (oz.).....	32,238	32,533	42,310
Silver (oz.)....	599,199	639,041	594,364
Lead (lbs.)....	10,552,068	11,659,627	10,933,582
*Copper (lbs.)..	7,346,000	8,077,000	7,043,000

*Blister.

Production of petroleum increased slightly during March, the daily average output being 333,737 barrels compared with 324,767 barrels in February, an increase of 8,970

Petroleum barrels (2.7%) per day. The sharp upward movement in consumption of petroleum recorded in February was not sustained during March, average daily shipments being but 292,128 barrels, a decline of 14,164 barrels per day from the previous month. March production exceeded consumption by 41,609 barrels per day and stored stocks were consequently increased, being on March 31st, 37,991,694 barrels, an increase of 1,289,884 barrels over the figure reported on February 28, 1922.

Fifty-eight new wells were opened during the month with an initial daily production of 22,000 barrels, and two wells were abandoned, an increase of 56 producing wells.

Statistics of oilfield operations as furnished by the Standard Oil Company of California are shown in the accompanying chart and in table "H."

Total sales of electric energy for industrial purposes were approximately the same in February, 1922, as in February, 1921, decreased sales in the Intermountain

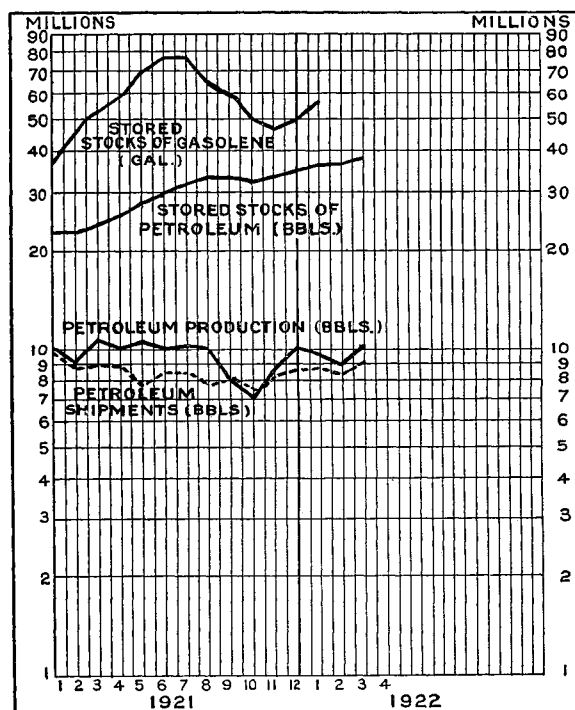
Electric section offsetting increases in California and the Pacific Northwest.

Compared with January, 1922, sales in February declined 4 per cent. This decline reflects the fewer working days in February

rather than a decrease in industrial activity in the district.

Sales of electric power to the lumber industry in the Pacific Northwest during February, 1922, showed an increase of 44 per cent over sales during the corresponding month a year ago. Activity in oil producing, mining, and manufacturing industries in California was reflected in increased purchases of electric power, as compared with the previous month, and the same month a year ago. Consumption of power for agricultural purposes continued at the low levels customary at this period of the year, when extensive irrigation is unnecessary.

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



Production, Shipments and Stored Stocks of Petroleum, and Stored Stocks of Gasolene (California) 1921-1922

(H) Petroleum—

	March, 1922	February, 1922	March, 1921
Production (daily average).....	333,737 bbls.	324,767 bbls.	337,683 bbls.
Shipments (daily average).....	292,128 bbls.	306,292 bbls.	295,426 bbls.
Stored Stocks (end of month).....	37,991,694 bbls.	36,701,810 bbls.	24,213,627 bbls.
New Wells Opened.....	58	45	66
With Daily Production.....	22,000 bbls.	10,805 bbls.	29,835 bbls.
Wells Abandoned	2	4	6

The peak of unemployment in this district has evidently been passed, and reports from labor authorities in seven states indicate a marked increase in employment during the past thirty days. These reports reflect a number of favorable factors, chief among which were the absorption of workers in agricultural pursuits, steady expansion in building operations, the beginning of highway construction and repair work, and increased activity in many of the lead and copper mines of the district which heretofore have been either closed down or operating at greatly reduced capacity. It is to be noted, however, that there has been an apparent reversal in the character of the demand for labor, the present need being more largely for unskilled than for skilled laborers.

Employment in the Pacific Northwest increased gradually during the month. Reports from the 10 principal lumbering sections of Oregon and Washington show that 61,427 loggers and lumbermen were on the payrolls March 25th compared with 60,697 men on February 15th and 55,426 men on March 25th a year ago. The opening of the Alaska fishing season and the beginning of new highway construction are expected to absorb from 3,000 to 5,000 unskilled workers during the next thirty days. Increased building activity in several cities of the Pacific Northwest provided steady employment for many classes of skilled labor.

In California, seasonal agricultural work is now in progress and is making its normal demands for common labor. According to reliable authorities, employment in the metal

industries of California (exclusive of shipbuilding) increased 19 per cent during the last two months. Reports filed with the California State Labor Commissioner show that the public employment bureaus in the larger cities of California filled 13,271 positions during March, compared with 9,089 positions in February, an increase of 4,182, or 46 per cent. In that state wage reductions applying to both skilled and unskilled labor were reported during the month. A large lumber company in Northern California reduced wages of all employes 5 per cent on April 1st. The California Metal Trades Association has announced a reduction of 10 per cent in wages of all metal workers, to take effect April 17th. On April 11th the basic minimum wage for women and minors employed in manufacturing, fruit, vegetable and fish canning and packing industries, as well as unclassified occupations, was reduced from \$16.00 to \$15.00 a week by the California State Industrial Welfare Commission.

In the Intermountain states (Arizona, Nevada, Idaho and Utah) the trend in employment was decidedly upward. Reports from these states indicate a steady increase during the month in the demand for mine, farm and railroad labor. The present number of unemployed in Nevada is estimated to be 4,500, in Idaho 3,000 and in Arizona 2,500. An authorized program of public improvements consisting mainly of city and highway paving is now being started and will further relieve the present unemployment of unskilled labor in these states.

(I) Electric Energy—

(1) Production—	Plant Capacity K. W.			Peakload K. W.			Plant Output K. W. H.		
	February, 1922	January, 1922	February, 1921	February, 1922	January, 1922	February, 1921	February, 1922	January, 1922	February, 1921
California (8 companies reporting)	961,925	961,925	779,415	740,405*	767,358*	556,307*	244,427,027	264,646,079	228,750,921
Pacific Northwest (3 companies reporting).	198,545	174,430	183,045	149,557	142,519	128,132	58,521,207	65,169,580	76,194,355
Intermountain States (4 companies reporting).	212,997	212,997	204,872	93,416	97,208	107,927	40,286,604	46,101,496	48,813,031
Twelfth District (15 companies reporting)	1,373,467	1,349,352	1,167,332	983,378*	1,007,085*	792,366*	343,234,838	375,917,155	353,758,307
(2) Sales—	Number of Industrial Consumers			Connected Industrial Load H. P.			Industrial Sales K. W. H.		
	Feb., 1922	Jan., 1922	Feb., 1921	Feb., 1922	Jan., 1922	Feb., 1921	Feb., 1922	Jan., 1922	Feb., 1921
California	41,921*	42,605*	38,920*	1,362,716*	1,297,651*	1,227,920*	141,748,548	148,217,652	135,818,594
Pacific Northwest.....	4,769	4,756	4,707	121,920	189,938	115,163	29,152,726	30,475,502	25,740,263
Intermountain States...	9,656	9,695	8,726	289,900	283,331	267,159	20,829,088	22,542,905	30,918,787
Twelfth District.....	56,346*	57,056*	52,353*	1,774,536*	1,770,920*	1,610,242*	191,730,362	201,236,059	192,477,644

*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.

Increased activity in manufacturing industries in three of the four largest cities of the district is indicated by the March report of the United States Employment Service, Department of Labor, compared with February returns. Figures showing the actual and percentage increase or decrease in employment of firms in the manufacturing industries employing 501 men or more are given in the following table:

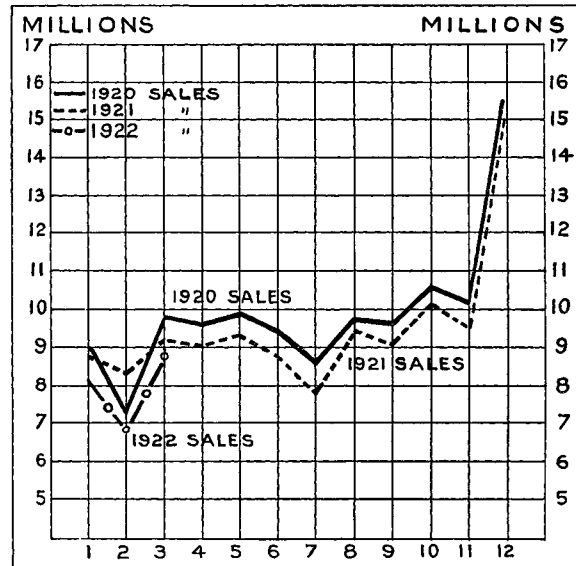
	Numerical increase or decrease (-) in employment during Mar., 1922 compared with Feb., 1922	Percentage increase or decrease (-) in employment during Mar., 1922, compared with Feb., 1922
Los Angeles	367	1.5
Portland	-682	- 8.1
San Francisco	344	5.0
Seattle	274	13.0

Measured by dollar value, the net sales of 33 reporting stores during March, 1922, were 6.2 per cent less than in March, 1921, and sales for the three months period ending March 31, 1922, were 7.4 per cent less than in the same period in 1921.

Retail Trade

Making due allowance for the decline in prices of goods at retail during the year (estimated to be between 5 and 10 per cent), sales during March, 1922, were approximately equal in volume to sales during March, 1921. The comparison in those stores which record the total number and the average value of their sales was not so favorable. The number of individual sales transactions of 13 stores

was 3.4 per cent less in March, 1922, than in the same month a year ago, and the amount of the average sale declined 3.1 per cent. The comparison of March, 1922, with March, 1921, lacks great significance because Easter buying was included in the March returns of 1921, whereas this year it will be largely reflected in April reports.



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

(J) Retail Trade Activity—

CONDITION OF RETAIL TRADE DURING MARCH, 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
Net sales (percentage increase or decrease) March, 1922, compared with March, 1921 .....	.9	-16.6	-20.7	- 3.9	- 4.7	-15.4	- 6.2
March, 1922, compared with February, 1922	26.5	34.7	23.6	33.7	46.4	22.2	30.4
Period Jan. 1 to March 31, 1922, compared with same period in 1921.	- 1.5	-18.0	-20.9	- 6.2	- 9.5	-15.7	- 7.4
Stocks: (percentage increase or decrease) March, 1922, compared with March, 1921	22.7	15.3	4.2	10.4	- 6.9	2.6	- 2.4
March, 1922, compared with February, 1922	6.7	2.6	11.7	15.7	17.5	18.3	7.1
Percentage of average stocks on hand at close of each month since Jan. 1, 1922, to average monthly sales during same period.....	466.7	648.9	575.4	489.3	472.8	751.0	500.7
Percentage outstanding orders at close of March, 1922, to total purchases during year 1921.....	6.1	..	..	10.3	6.3	6.3	9.5

The following statement shows the amount of the average sale (cash, charge and c. o. d.) in Los Angeles, Salt Lake City, San Francisco and Seattle:

	March 1922	February 1922	March 1921
Los Angeles	\$2.23	\$2.33	\$2.34
Salt Lake City.....	1.58	1.65	...
San Francisco	2.53	2.33	3.09
Seattle	1.80	1.47	1.73
	<u>\$2.14</u>	<u>\$1.99</u>	<u>\$2.21</u>

On March 31st the value of stocks (selling price) in the reporting stores was 2.4 per cent below the reported value at the close of March, 1921, but 7.1 per cent above the figure for February 28, 1922. The amount of outstanding orders at close of March was 9.5 per cent of the total purchases during the year 1921.

Collections were characterized by reporting firms as follows:

	Excellent	Good	Fair	Poor
Number of firms.....	1	13	9	0

Table "J" (see opposite page) gives in detail statistics in regard to sales, stocks and outstanding orders as furnished by 33 department stores and mail order houses in this district.

Trade at wholesale during March was less active than is customary at this season. Reports from 195 representative

Wholesale Trade wholesale firms in 10 lines of business show that sales in every line except drugs were less in value in March, 1922, than in March, 1921, and that in

six lines the decline in the value of sales was greater than the decline in wholesale prices (6.1 per cent according to the United States Bureau of Labor) during the year period. It therefore seems probable that in all except four lines (drugs, dry goods, furniture and hardware) the physical volume of business at wholesale during March was less than one year ago. Compared with February, 1922, increases were reported in the value of sales in all lines, the greatest gains being in the sales of highly seasonal goods such as agricultural implements and automobile tires.

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

	Mar. 1922, compared with Mar., 1921 Feb., 1922		Three Months ending Mar. 31, 1922, compared with same period in 1921
Agricultural Implements..	-17.1	87.4	-34.6
Automotive Supplies.....	-16.4	22.5	-11.9
Automobile Tires.....	-6.2	45.2	-11.7
Drugs	11.9	22.9	6.4
Dry Goods.....	-2.1	23.5	6.9
Furniture	-4.4	18.8	6.5
Groceries	-12.9	21.1	-11.2
Hardware	-3.8	24.8	-1.5
Shoes	-21.4	38.6	-4.3
Stationery	-13.2	11.1	-12.5

Collections during March were characterized by reporting firms as follows:

	Excellent	Good	Fair	Poor
Number of Firms.....	3	30	92	26

(K) Wholesale Trade—

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

	Agricultural Implements	Auto Supplies	Auto Tires	Drugs	Dry Goods	Furniture	Groceries	Hardware	Shoes	Stationery
Number of re- porting firms..	24	21	15	9	13	16	32	21	15	29
Los Angeles....	86.3	-6.9	40.0	..	..	-24.7	-14.6	29.6	..	-9.7
Portland	-41.7	-16.0	-15.8	..	..	6.5	-17.2	-23.7	-39.5	-15.7
Salt Lake City...	-46.7	-33.7	-54.2	..	..	..	-6.8	-24.9	..	-10.8
San Francisco..	7.0	-26.6	-26.2	16.2	-6.2	-4.5	-10.3	-17.0	-13.4	-18.3
Seattle .....	..	-8.4	70.4	..	20.3	..	-8	20.2	-6.0	-4.9
Spokane	-68.3	..	-28.7	..	..	..	-19.0	-26.4	..	-11.1
Tacoma .....	..	..	..	..	..	18.5	1.5	-1.3	..	-7.5
District	-17.3	-16.4	-6.2	11.9	-2.1	-4.4	-12.9	-3.8	-21.4	-13.2

(1b) Percentage of increase or decrease (—) in net sales from January 1, to March 31, 1922, compared with the same period last year.

	Agricultural Implements	Auto Supplies	Auto Tires	Drugs	Dry Goods	Furniture	Groceries	Hardware	Shoes	Stationery
No. of re- porting firms..	24	21	15	8	13	16	32	21	15	29
Los Angeles....	32.5	-1.9	30.4	..	..	-9.9	-11.2	29.1	..	-3.0
Portland	-50.8	-15.4	12.8	..	..	17.7	-14.2	-18.3	-13.1	-14.1
Salt Lake City...	-59.8	-21.1	-7.9	..	..	..	-9.7	-25.2	..	-12.7
San Francisco...	-26.6	-21.3	-15.0	..03	1.2	14.4	-9.5	-10.0	-1.5	-21.1
Seattle .....	..	-19.5	31.5	..	44.0	..	2.4	9.1	9.1	1.0
Spokane	-69.5	..	14.4	..	..	..	-13.7	-24.8	..	-11.6
Tacoma .....	..	..	..	..	..	35.5	.1	-10.8	..	-10.4
District	-34.4	-11.9	-11.7	6.4	6.9	7.0	-11.2	-1.5	-4.3	-12.5

One hundred and two firms reported their collections on April 1, 1922, and April 1, 1921, as follows:

Percentage of Past Due Accounts on April 1, 1922, to Total Amount Due from Customers on the Same Date

	Number of Firms	1922	1921
Agricultural Implements.....	6	24.1	20.6
Automobile Tires.....	6	21.5	18.1

Percentage of Collections during month (March) to total amount Due from Customers (outstanding) on first of that month

	Number of Firms	1922	1921
Automobile Supplies	20	52.9	58.1
Drugs	3	86.2	74.0
Dry Goods	6	36.6	41.9
Furniture	7	55.1	58.5
Hardware	14	47.1	44.6
Shoes	9	33.6	41.5
Stationery	16	58.4	55.7

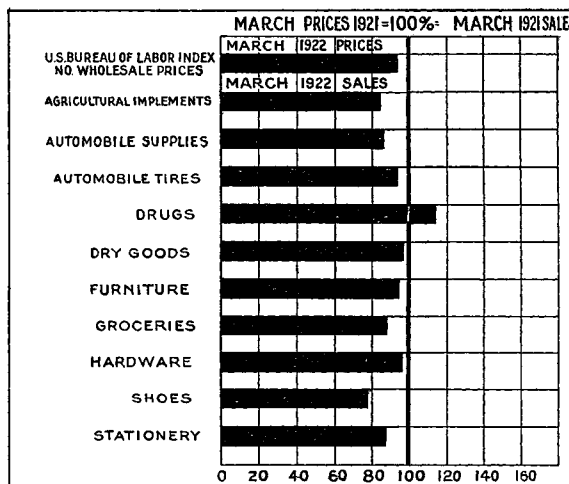
Percentage of Outstandings April 1, 1922 to March, 1922 Sales

	Number of Firms	1922	1921
Groceries	15	88.8	88.6

A majority of the reports received from wholesalers in drugs, dry goods, groceries and stationery state that the volume of orders placed for spring and summer deliveries has been as large or larger this year than last year. In the hardware, automobile tire and furniture business, the trend was not defined, some firms reporting a larger and others a smaller volume

of future orders. Dealers in agricultural implements, automotive equipment and shoes report a smaller volume of orders this year than in 1921. No price changes were reported during the month except in groceries and hardware, where some advances were noted.

Statements of increases or decreases (—) in the value of sales of 195 reporting firms during March, 1922, compared with March, 1921, and the three months of 1922 compared with the same period in 1921 are shown in table "K" (see preceding page).



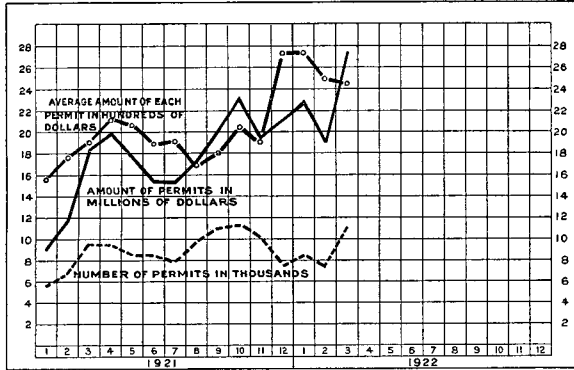
Dollar Value of Sales of Representative Wholesale Houses and General Wholesale Prices in March, 1922, Compared with March, 1921

(L) Building Permits—

	March, 1922		February, 1922		March, 1921		Per Cent Increase or Decrease (—) in Value March, 1922 compared with March, 1921
	No.	Value	No.	Value	No.	Value	
Berkeley	195	\$ 512,000	151	\$ 432,766	158	\$ 339,333	50.8
Boise	93	111,461	47	20,757	136	98,517	13.1
Fresno	240	607,966	175	819,714	283	393,445	54.5
Long Beach	350	1,154,083	301	1,164,084	414	1,359,609	— 15.1
Los Angeles	4,241	10,964,829	2,842	7,579,798	2,911	6,915,216	58.5
Oakland	732	1,925,577	537	1,424,772	703	1,314,457	46.1
Ogden	26	46,885	6	6,325	46	79,190	— 40.7
Pasadena	312	643,877	195	402,772	247	409,012	57.4
Phoenix	54	384,558	48	120,466	138	357,889	7.4
Portland	1,388	3,162,855	934	1,541,745	1,362	1,527,805	107.0
Reno	24	88,275	8	27,600	24	31,130	183.5
Sacramento	315	813,737	203	678,307	142	320,100	154.2
Salt Lake City	107	245,310	37	47,630	161	250,583	— 2.1
San Diego	382	581,700	308	490,357	338	326,377	78.2
San Francisco	848	3,289,251	609	2,830,991	591	2,941,401	11.8
San Jose	75	120,160	74	121,570	73	105,523	13.8
Seattle	968	1,791,670	691	611,635	1,196	923,180	94.0
Spokane	295	302,418	84	132,190	284	267,690	12.9
Stockton	150	384,143	81	134,428	106	220,443	74.2
Tacoma	401	301,531	269	329,961	444	361,935	— 16.6
District	11,196	\$27,432,286	7,600	\$18,917,868	9,757	\$18,542,835	47.9

The value of building permits issued in March, 1922, was the highest figure ever recorded in this district, exceeding the previous record month of October, 1921, by 17.5 per cent and the month of March, 1921 (also an active month), by 47.9 per cent. This percentage is the more significant when allowance is made for the decline of approximately 6 per cent in wholesale prices during this period. The advent of the spring season of outdoor work and a belief in the comparative stability of present prices of building materials were apparently the major factors in initiating this record building program, which should do much to relieve the present shortage of many types of buildings.

Reports from the building departments in 20 principal cities of this district show 11,196 permits issued during March with a valuation of \$27,432,286, compared with 9,757 permits issued during March, 1921, with a valuation of \$18,542,835, or an increase of 14.7 per cent in number and 47.9 per cent in value during the year. During the first quarter of 1922 there were 27,094 permits with a valuation of \$69,223,030 issued in the same 20 cities compared with 22,086 permits with a valuation of \$39,268,659 issued in the first quarter of 1921. These figures represent an increase of 5,008, or 22.6 per cent, in number and of \$29,954,371,



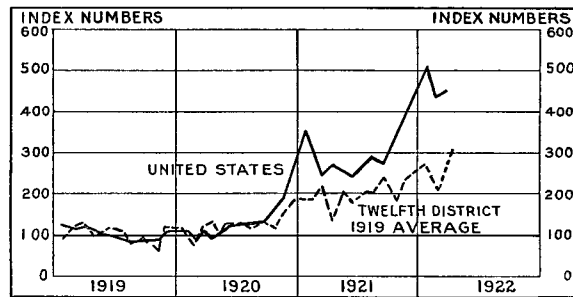
Building Permits Issued in 20 Principal Cities, Twelfth Federal Reserve District, 1921-1922

or 76.2 per cent, in value of building permits issued during the period January 1 to March 31, 1922, compared with the same period in 1921. Seasonal improvement in construction activity is shown by the fact that building permits issued during March were greater in number in all cities and greater in value in 16 cities than in February.

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

permits issued in this district since January, 1921. Comparative figures of number and value of building permits issued in 20 reporting cities during March, 1922, February, 1922, and March, 1921, are shown in table "L" (see opposite page).

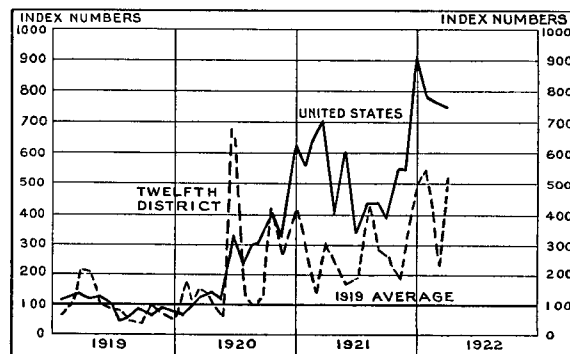
Business Failures during March (229) were more numerous than during any previous month of the readjustment period, and excepting January of this year, the amount of liabilities (\$5,272,387) was also greater. Compared with the 154 failures with liabilities of \$2,350,807 reported in February, the March figures show an increase of 75, or 48.6 per cent, in



Number of Business Failures, Twelfth Federal Reserve District and United States, 1919-1922

number and of \$2,921,580, or 124.2 per cent, in the amount of liabilities involved. In comparison with March a year ago, when 165 failures with liabilities of \$3,046,691 were reported, there was an increase in number of 64, or 38.7 per cent, and of \$2,225,696, or 73.5 per cent, in amount of liabilities. Commercial defaults during the first quarter of 1922 numbered 590 with liabilities of \$13,253,643, compared with 447 failures having liabilities of \$7,131,253 in the corresponding period of 1921.

Notwithstanding the rising curve of business failures, the situation in this district has been and is relatively better than in the coun-



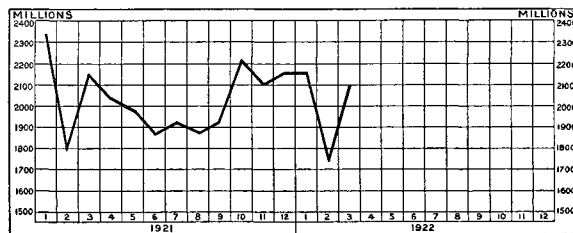
Liabilities of Business Failures, Twelfth Federal Reserve District and United States, 1919-1922

try as a whole, as is shown by the charts on preceding page. Although the trend of the number of business failures has been steadily upward since the middle of 1920 in both cases, it has not advanced so rapidly nor to such great heights in this district as in the whole United States. Both lines registered a sharp upward movement in March.

R. G. Dun & Company's comparative figures of the number and liabilities of business failures in the states of this district during March, 1922, and February, 1922, are shown in the following table:

	March, 1922		February, 1922	
	No.	Liabilities	No.	Liabilities
Arizona	3	\$ 32,000	..	.....
California	105	1,440,083	75	\$1,054,772
Idaho	11	211,234	10	133,752
Nevada	1	8,500	..	.....
Oregon	47	487,164	28	227,242
Utah	9	86,450	13	144,620
Washington	53	3,006,956	28	790,421
District	229	\$5,272,387	154	\$2,350,807

Debits to individual accounts (as reported by 178 banks in 20 clearing house centers) during the four weeks ending March 29th, were \$1,862,146,000, a decrease of **Bank Debits** \$120,809,000, or 6.0 per cent, compared with March, 1921. This percentage of decline compared with the corresponding month a year ago is greater than that reported in February (3 per cent)



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

but less than that reported in January (8 per cent). Inasmuch as the March figures are greatly affected by income tax payments, which are estimated to have been much smaller this year than last year, it is probable that the improvement in actual business transacted, noted in the first two months of the year, continued during March.

Bank debits during March, 1922, compared with March, 1921, were greater in 13 of the 20 reporting cities, the increases not being confined to any particular section of the district. The accompanying chart shows the monthly movement of debits to individual accounts during 1921 and 1922 to date:

Comparative figures of debits to individual accounts in 20 clearing house centers during the four weeks ending March 29, 1922, March 1, 1922, and March 30, 1921, are shown in table "M."

(M) **Bank Debits***—

	Four weeks ending Mar. 29, 1922	Four weeks ending Mar. 1, 1922	Four weeks ending Mar. 30, 1921
Berkeley	\$ 17,114	\$ 16,167	\$ 11,588
Boise	9,027	9,505	8,796
Fresno	36,151	36,352	39,601
Long Beach	27,659	25,555	23,386
Los Angeles.....	461,910	437,489	428,419
Oakland	74,032	72,346	76,233
Ogden	17,335	16,013	12,447
Pasadena	25,204	20,571	24,790
Portland	126,615	114,376	141,282
Reno	8,778	7,943	9,845
Sacramento	55,035	48,007	49,648
Salt Lake City....	46,053	44,947	56,127
San Diego.....	34,938	32,864	30,755
San Francisco.....	656,888	629,252	819,764
San Jose.....	17,584	15,167	15,933
Seattle	140,322	128,555	125,323
Spokane	42,594	36,193	44,090
Stockton	19,086	18,018	18,597
Tacoma	35,316	30,002	37,165
Yakima	10,505	10,127	9,166
Total	\$1,862,146	\$1,749,449	\$1,982,955

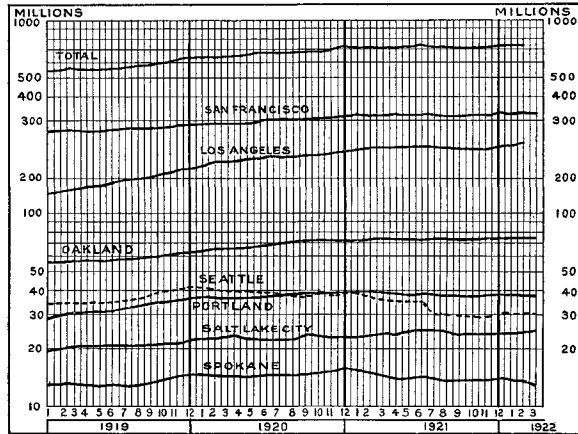
*000 Omitted.

(N) **Savings Accounts***—

	Number of Banks	Mar. 31, 1922	Feb. 28, 1922	Mar. 31, 1921	Per Cent Increase or Decrease (—) Mar. 31, 1922 over Mar. 31, 1921
Los Angeles.....	12	\$216,377	\$214,741	\$200,551	7.9
Oakland	7	74,909	75,020	73,309	2.2
Portland	9	38,015	38,501	38,433	— 1.1
Salt Lake City.....	9	25,105	24,732	23,923	4.9
San Francisco.....	16	333,685	331,645	318,415	4.8
Seattle	15	30,246	30,339	35,619	—15.1
Spokane	6	12,794	13,546	14,487	—11.7
Total	74	\$731,131	\$728,524	\$704,737	3.7

*000 Omitted.

The total amount in all savings accounts as reported by 74 banks in seven principal cities increased 36 hundredths of 1 per cent during the month ending March 31st, being on that date \$731,131,000, compared with \$728,524,000 on February 28th. During the month ending February 28th the amount of savings accounts in the same banks increased 1 per cent and during the month ending January 31st, 2.7 per cent. The noteworthy changes during the month of March were an increase in the amount of savings deposits in San Francisco and a decrease in Spokane.



Savings Accounts in Banks in Seven Principal Cities of the Twelfth Federal Reserve District, 1919-1922

Note: As figures from only 12 of 13 reporting banks in Los Angeles are available, point for Los Angeles and the District, as of March 31, is omitted.

The increase in savings account deposits during the year ending March 31st was 3.7 per cent. In comparison with figures of a year ago, Portland and Seattle have lately bettered their position, as is shown by the accompanying chart.

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

Tendency of the banks of the district to conserve their resources to meet expected

spring demands in agricultural and industrial fields (especially building) resulted in a dull acceptance market during the greater part of the period from March 15th to April 15th. Buying of acceptances was also retarded by a gradual decline in rates, prospective purchasers being reluctant to purchase in the decline. Present rates (3 3/8 per cent) have apparently seemed stable in the minds of buyers, for they have been followed by fairly strong buying in both outlying and city districts in the week ending April 15th.

Reports received by this bank from 36 of the principal accepting banks in the district show a decrease of \$7,163,802, or 55.3 per cent, in the amount of acceptances bought in March, compared with February, and, comparing the same two months, a decrease of \$962,376, or 21.7 per cent, in the amount of bills accepted. In both cases the decline occurred in the Pacific Northwest and in Southern California, the volume of acceptance business in Northern California remaining practically unchanged (see table "O").

During the past 60 days, the Pacific Coast has released sizable blocks of acceptances against export shipments of coast commodities. These bills have been readily absorbed, often in preference to the same class of eastern collateral. Principal supplies of new bills arose from transactions in wheat, sugar, cotton and canned fruits.

The total supply of bills remains small, with an increasing demand. The present (April 15th) quotations are 3 3/8 per cent on eligible prime members' bills and 3 1/2 per cent on eligible non-members' bills. A general classification, according to maturity, of bills marketed during the past two months follows:

	March 15 to April 15	February 15 to March 15
30 days	30.7%	10.0%
60 days	42.8%	37.2%
90 days	31.4%	50.0%
120 days	3.1%	2.8%

(O) Acceptances†

	Amount Accepted		Created in Twelfth District		All Other		Total		Amount held at close of month	
	Mar., 1922	Feb., 1922	Mar., 1922	Feb., 1922	Mar., 1922	Feb., 1922	Mar., 1922	Feb., 1922	Mar., 1922	Feb., 1922
Pacific Northwest	\$ 327,874	\$1,250,447	\$ 38,607	\$ 917,500	\$ 847,638	\$1,564,554	\$ 886,245	\$ 2,482,054	\$ 3,868,206	\$ 5,106,045
Northern California ..	2,802,478	2,267,076	2,651,284	1,880,969	1,021,338	2,060,108	3,672,622	3,941,077	3,502,891	2,138,744
Southern California ..	333,499	908,704	287,662	756,336	952,671	5,783,535	1,240,333	6,539,871	9,781,241	11,405,435
Other Districts .....	..	..	..	..	..	..	..	..	..	..
Total	\$3,463,851	\$4,426,227	\$2,977,553	\$3,554,805	\$2,821,647	\$9,408,197	\$5,799,200	\$12,963,002	\$17,152,338	\$18,650,224

†36 Banks reporting.

A further decline of one-half of 1 per cent (from 6½ per cent to 6 per cent) in the rate charged on high-grade customers' paper in Spokane was the principal change in interest rates prevailing in the cities of the district during March. A 6 per cent rate on this class of paper is now reported in Los Angeles, San Francisco and Spokane. Interest rates on other classes of paper were generally unchanged, although a decline of one-half of 1 per cent in the quotations on prime paper bought through brokers was also reported from Spokane.

A statement of the prevailing interest rate on commercial paper charged banks in Federal Reserve Bank and Branch cities for the 30-day period ending April 5 and March 6, 1922, follows:

	Commercial Paper of Customers		Paper Bought Through Brokers	
	Apr. 5	Mar. 6	Apr. 5	Mar. 6
Los Angeles....	6	6½	5	5
Portland	7	7	4¾	4¾
Salt Lake City..	7	7	5	4¾
San Francisco ..	6	6	4¾-5	4¾-5
Seattle	7	7	5	5
Spokane	6	6½	4½	5

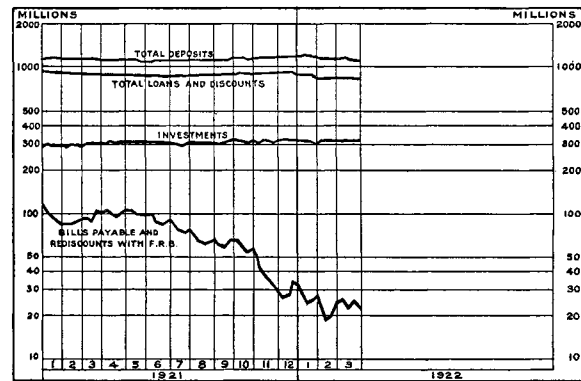
On April 12th, the Secretary of the Treasury announced an offering of 3½ per cent Treasury Certificates of Indebtedness. These certificates were designated as Series D-1922, dated April 15, 1922, and maturing October 16, 1922. Subscriptions to this series of certificates closed at the close of business on April 15, 1922, the amount offered being approximately \$150,000,000. All of the Federal reserve districts over-subscribed their quota, total subscriptions received amounting to \$309,212,000. In the Twelfth Federal Reserve District subscriptions totaling \$18,163,000 were received, of which \$10,590,000 were allotted.

The Treasury Department has extended to May 15, 1922, the authority granted 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.

Expansion in the loans and discounts (exclusive of rediscounts with this bank) of 68 member banks in the principal cities of this district, which has been uninterrupted for seven weeks, has temporarily ceased. On April 5th loans and discounts were \$834,263,000, compared with \$846,754,000 on March 22nd, \$842,008,000 on March 8th and \$818,102,000 on

February 1st. Borrowings of the reporting member banks from the Reserve Bank, after increasing during the four weeks ending March 8th, from \$19,869,000 to \$27,614,000, declined to \$22,651,000 on April 5th. Net demand and time deposits of the 68 reporting banks have shown a similar increase and decrease, rising from \$1,097,144,000 on February 1st to \$1,142,194,000 on March 15th and declining to \$1,104,241,000 on April 5th. There has been little change in their investments.

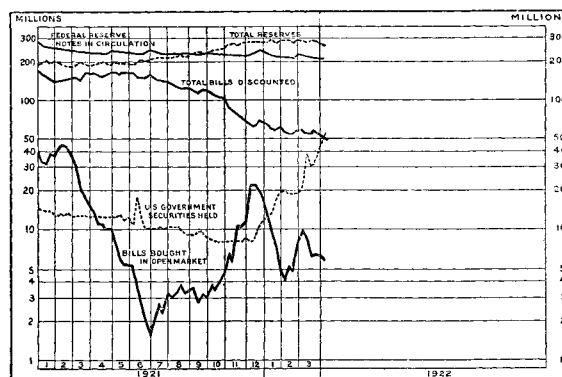
Statements of the Federal Reserve Bank of San Francisco show that its discounts for all member banks have fluctuated irregularly downward since February 1st. Total bills discounted by this bank were \$64,705,000 on February 1st, from which amount they declined to \$55,241,000 on February 21st, rose to \$61,106,000 March 8th and declined to \$49,025,000 on April 12th. If from the weekly figures of bills discounted by this bank, the borrowings of the 68 reporting banks be subtracted, figures will be obtained representing the borrowings of non-reporting member



Total Deposits, Loans and Discounts, Investments, and Bills Payable and Rediscounts of Reporting Member Banks

banks, those located in the smaller cities and the rural communities. Such borrowings have steadily fallen, excepting a slight upward movement during the third week of March. On February 1st they were \$37,037,000, on March 8th \$33,493,000 and on April 5th \$31,930,000. In view of the usual need for bank credit in the agricultural sections during the early spring, this contraction of borrowings from the Federal Reserve Bank is indicative of increasing ability of the banks outside the larger cities to provide, without assistance, their customers' requirements. It probably also indicates considerable liquidation of old loans as a result of the recent advances in the prices of principal farm products.

While bills discounted by this bank decreased during the five weeks ending April 12th, and bills bought in the open market have been reduced in the same period from \$10,067,000 to \$5,562,000, total earning assets have increased, due to the rise in holdings of United States Government securities from \$20,767,000 on March 8th to \$56,940,000 on April 12th. Total cash reserves have fallen from \$289,668,000 to \$269,788,000. Total deposits have increased from \$136,244,000 to \$146,666,000. Federal Reserve notes in actual circulation have declined from \$227,807,000 to \$217,671,000. Note circulation is only slightly lower than it was on February 1st, despite the considerable decline in bills discounted.



Total Reserves, Federal Reserve Note Circulation, Bills Discounted, U. S. Government Securities Held, and Bills Bought in the Open Market, Federal Reserve Bank of San Francisco

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

	April 5, 1922	Mar. 8, 1922	April 8, 1921
Number of Reporting Banks	68	68	68
Loans and Discounts.....	\$ 834,263,000	\$ 842,008,000	\$ 875,154,000
Investments	308,678,000	307,933,000	294,988,000
Cash in Vault and with Federal Reserve Bank.....	100,399,000	98,552,000	97,413,000
Total Deposits	1,114,092,000	1,131,448,000	1,102,533,000
Bills Payable and Rediscounts with Federal Reserve Bank.....	22,651,000	27,614,000	101,471,000

COMPARATIVE STATEMENT OF CONDITION OF FEDERAL RESERVE BANK OF SAN FRANCISCO AT CLOSE OF BUSINESS, APRIL 12, 1922

RESOURCES

	April 12, 1922	Mar. 8, 1922	April 15, 1921
Total Reserves	\$269,788,000	\$289,668,000	\$195,876,000
Bills Discounted	49,025,000	61,106,000	159,456,000
Bills Bought in Open Market.....	5,562,000	10,067,000	11,497,000
United States Government Securities.....	56,940,000	20,767,000	12,593,000
Total Earning Assets	\$111,527,000	\$ 91,940,000	\$183,556,000
All Other Resources*.....	45,294,000	40,356,000	46,811,000
Total Resources	\$426,609,000	\$421,964,000	\$426,243,000

LIABILITIES

Capital and Surplus.....	\$ 22,590,000	\$ 22,579,000	\$ 21,432,000
Total Deposits	146,666,000	136,244,000	128,308,000
Federal Reserve Notes in Actual Circulation.....	217,671,000	227,807,000	230,225,000
All Other Liabilities†.....	39,682,000	35,334,000	46,278,000
Total Liabilities	\$426,609,000	\$421,964,000	\$426,243,000
*Includes "Uncollected Items".....	38,775,000	33,934,000	45,120,000
†Includes "Deferred Availability Items".....	33,914,000	29,563,000	34,315,000

THE MOVEMENT OF PRICES AND OF FEDERAL RESERVE BANK LOANS

General wholesale prices (327 commodities) in the United States have been approximately stable since June, 1921, and since that date the prices of 20 basic raw materials* have risen 7.66 per cent (see Chart "B"). This apparent stability of the general wholesale price level, together with the steady increase during the last eight months in prices of basic raw materials, prompts an inquiry into the comparative movements of wholesale prices and of the rediscounts of Federal reserve banks.

The decline in wholesale prices which began in this country in May, 1920, and extended uninterruptedly until June, 1921, was part of a world-wide downward movement in prices, the extent and rapidity of which are portrayed in Chart "A." It will be noted that the decline first appeared in Japan in March, 1920, and that in Japan, also, the upward movement first occurred—in April, 1921. Stability, and even a slight upward movement, next appeared in the United States and France in the summer of 1921. The upward reaction has been succeeded

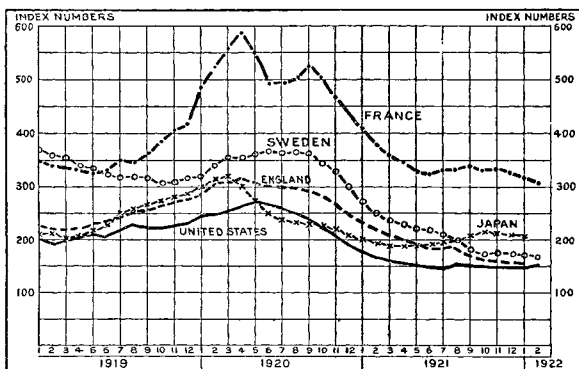


CHART A—Movement of Wholesale Prices in England, France, Japan, Sweden and the United States, 1919-1922 (1913=100)

in Japan and France by a renewed downward movement. In England and Sweden the wholesale price level is still declining, although more slowly.

Total discounts of Federal Reserve banks increased steadily from May, 1920, (when the decline in the general level of wholesale prices began) until October of that year (see Chart "B") and, on December 31, 1920, were 8.58 per cent **higher** than they were on May 7, 1920, whereas wholesale prices had during the same interval **declined** 34.9 per cent. Inasmuch as the total decline in wholesale prices from the peak in May, 1920, to the trough of June, 1921,

*Wheat, corn, hogs, steers, sugar, hides, wool, silk, cotton, rubber, pig iron, copper, lead, coal, petroleum, Southern yellow pine, cement, paper, sulphuric acid, tobacco.

was 45.5 per cent, it will appear that three-fourths of this decline occurred during the seven months' period in which Federal Reserve Bank loans to member banks were **increasing**.

As the physical volume of business decreased, and as customers of member banks began to pay off bank loans contracted at higher prices, member banks in turn paid off

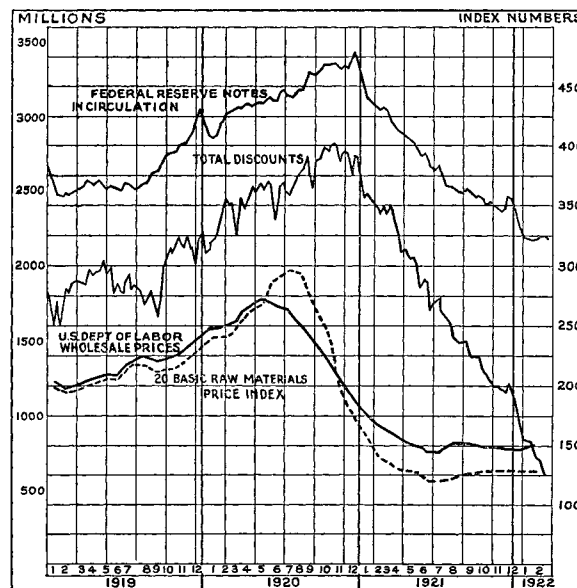


CHART B—Movement of Total Discounts and Federal Reserve Note Circulation of all Federal Reserve Banks (in millions of dollars) Compared with General Wholesale Prices and Prices of 20 Basic Raw Materials (1913=100) 1919-1922

their borrowings from the Federal Reserve Bank.

Since June, 1921, the wholesale price level in the United States (as measured by the Bureau of Labor Index) has been approximately constant, the February index number being 2.0 per cent greater than that of June, 1921. If, therefore, the amount of rediscounts by Federal reserve banks governed the movement of wholesale prices, such rediscounts would have had to remain approximately constant in amount during the period, June, 1921, to February, 1922. On the contrary, they **declined** 54.0 per cent. It appears, then—

1. That loans of Federal reserve banks to member banks increased steadily during the first six months of the price decline which began in May, 1920;

2. That at the end of eight months of decline, when wholesale prices had **fallen** 34.9 per cent, total rediscounts of Federal reserve banks were 8.58 per cent **greater** in amount than they had been before the decline in prices commenced;

3. That while wholesale prices were stable, or **rising** slowly between June, 1921, and February, 1922, loans of Federal reserve banks **declined** further by 54.0 per cent.