

AGRICULTURAL AND BUSINESS CONDITIONS

IN THE TWELFTH FEDERAL RESERVE DISTRICT

Monthly Report to the Federal Reserve Board

by
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DESPITE the retarding influence of strikes in the railroad and coal mining industries of the nation, business activity in this district continued to increase during July. Bank debits in 20 principal cities were 12 per cent greater in value than in July, 1921, by far the largest increase in any month of this year compared with the same month a

The Month year ago. Retail sales of 32 representative department stores were 3.1 per cent greater in value than in July, 1921, this being the third consecutive month during which such an increase has been noted. Although wholesale dealers in 10 lines of business report generally that retailers are still buying to meet current needs only, nevertheless the value of sales in nine of the 10 lines was greater in July, 1922, than in the same month last year. Customs reports from the four largest ports of the district covering the first half of 1922 show that there was a substantial increase, compared with the corresponding period of 1921, in the physical volume of the principal commodities exported and imported. As compared with a year ago, employment conditions are completely reversed. In July, 1921, unemployment throughout the district was general: today reports of a shortage of laborers are not uncommon. In the mining districts of Arizona, Idaho, Nevada and Utah particularly, there is a strong demand for skilled miners.

Productive activity in the district has generally continued at the high levels reached in June. Mining of copper, gold, lead and silver has proceeded more actively than at any time this year. The production of gold is increasing steadily, partly because of enlarged dredger operations in California and partly because of the reopening of deep quartz mines in that state and other gold producing states of the district. Lumber camps and mills have been

forced to curtail their operations on account of the unusual fire hazard this summer, but production of finished lumber during July was 41 per cent in excess of the output in July, 1921. Petroleum production in California at 373,695 barrels per day set a new high record, the increase occurring despite the closing of 620 wells in the older producing fields in order to conserve storage facilities and prevent overproduction. On July 31st, stored stocks of petroleum in that state totaled 45,187,910 barrels, the highest figure reached in the past five years. There was a seasonal decline in the number of building permits issued during July as compared with previous months of this year, but compared with July, 1921, there was an increase of 18.8 per cent.

As threshing has progressed, estimates of the yield of wheat in the district have been further reduced. A total production of 98,300,000 bushels was forecasted on August 1st, compared with a forecasted yield of 103,518,000 bushels on July 1, 1922, and a total yield of 122,000,000 bushels in 1921. The crop of barley in California, now estimated at 38,400,000 bushels, is approximately 9,000,000 bushels greater than the 1921 crop. Prices of grain are below those of last year, and the movement to market is proceeding more slowly than it was a year ago. Climatic factors have favored the fruit crops of the district, and if existing train service can be maintained throughout the remainder of the summer, their movement to market will be accomplished without the serious losses which were threatened by recent temporary embargoes on shipments of perishable products, imposed as a result of the railroad strike. A record production of dried fruits is already in prospect. Opening prices named on all varieties, except raisins, have been higher than in 1921, when prices were unusually low because of the necessity of moving

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large carryover stocks as well as the new crop.

Contrary price tendencies have appeared during the month, advances and declines in the **prices** of the principal products of the district being equally numerous. In the country as a whole raw materials have declined approximately 2 per cent. The general wholesale price level, as reported by the U. S. Department of Labor, increased 3.3 per cent during the month and is now 9.9 per cent higher than one year ago. The **cost of living** in the four principal cities of the district, as reported by the same agency, was relatively stable during the second quarter of 1922, continuing to range from 14.4 to 24.1 per cent below the peak of June, 1920.

Country banks are now being called upon to aid in **financing** the harvesting and marketing of the district's crops, and they have slightly increased their borrowings from the Federal Reserve Bank. The banks in the large cities continue to meet the demands of their customers without seeking aid from the Federal Reserve Bank. Loans and discounts of 68 reporting member banks increased \$17,600,000 during the month and their deposits increased by an equal amount. Their rediscounts with the Federal Reserve Bank declined by \$6,913,000 to a total of \$9,362,000; with one exception, the lowest point reached this year. Total rediscounts of city and country member banks combined on August 16th, at \$43,388,000, were approximately the same as on July 15th. The prevailing **interest rate** charged customers by banks in the largest cities of the district is unchanged at 5½-6 per cent.

Harvesting of winter wheat in this district is practically completed, and threshing is progressing rapidly. Yields are reported to be good in quality but small in quantity **Grains** as compared with recent years. Continued dry, hot weather has further reduced yields of spring wheat in the Pacific Northwest, the condition of this grain in Washington having been estimated on August 1st as 50 per cent of normal. The United States Department of Agriculture's forecast of the 1922 yield of all wheat in this district, as of August 1st, was 98,300,000 bushels, a reduction of 5,218,000 bushels from July 1st estimates (see table "A"). In 1921, this district produced 122,035,000 bushels of wheat.

Commercial factors report that the 1922 wheat crop is not moving to market as rapidly as usual. Wheat now being marketed in the Pacific Northwest is reported to be bringing from \$0.80 to \$1.00 per bushel at grower's selling points, which is from 5 to 10 cents per

bushel less than the growers received during July, 1921. In contrast to the active export market existing in July, 1921, at the opening of the wheat year, export demand for Pacific Northwestern wheat was small during July, 1922. Moderate amounts of wheat have been contracted for shipment to Japan and England during September, but only small sales for immediate shipment are reported. Declining prices during the month caused buyers to purchase cautiously, thus reducing the volume of forward contracts by millers and other domestic consumers for 1922 crop wheat.

Threshing returns from the 1922 barley crop harvested in California are reported excellent. On August 1st the total yield was estimated at 38,400,000 bushels or 914,000 tons. In 1921, the California barley crop totaled 29,700,000 bushels or 707,000 tons. Distributors of California barley estimate that the commercial crop available for marketing during the 1922 season will be considerably greater than the 1921 commercial crop, as shown by the following figures:

	1922-1923 (tons)	1921-1922 (tons)
Commercial Crop	800,000	650,000
Carryover	50,000	125,000
Total Available	850,000	775,000

Averages of several commercial estimates of the probable distribution of the supply of barley available this year are as follows:

	Tons
Domestic feed	340,000
Domestic seed and malt	85,000
Available for export	425,000

Barley has moved to terminal concentration points less rapidly than during the corresponding weeks of 1921, but supplies at these points are more than sufficient to take care of export orders, which are reported to be considerably less than at this time a year ago. Demand for feed barley is reported as normal, but that for brewing barley, both export and domestic, has been light. Shipping barley is now, August 15th, quoted at \$1.27½ to \$1.35 per cental in the San Francisco market, an advance of 5

(A) Estimated Yield of All Wheat—

	August Forecast of Yield, 1922 (bushels)	July Forecast of Yield, 1922 (bushels)	Estimated Actual Yield, 1921 (bushels)
Arizona	1,274,000	1,330,000	830,000
California	14,900,000	13,243,000	8,355,000
Idaho	23,752,000	23,810,000	27,079,000
Nevada	651,000	630,000	493,000
Oregon	19,300,000	21,127,000	24,317,000
Utah	5,419,000	5,610,000	6,299,000
Washington	33,004,000	37,768,000	54,662,000
Twelfth District.	98,300,000	103,518,000	122,035,000
United States ...	805,043,000	816,936,000	795,137,000

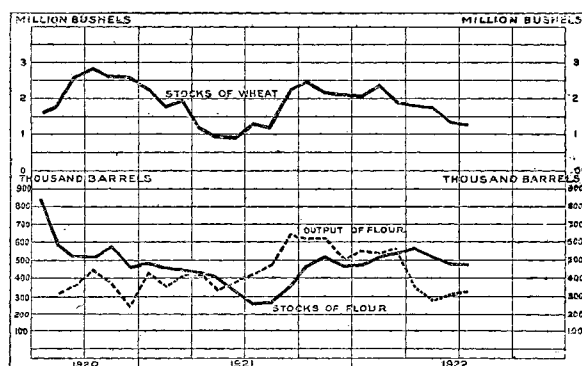
cents per cental compared with prices quoted a month ago. Growers are reported to be receiving \$0.95 to \$1.05 per cental for feed barley at interior shipping points, which is 10 cents per cental under the prices offered during August, 1921.

Although July is normally a month of seasonal dullness in flour milling operations, the output of mills in this district was unusually curtailed during the past month. Re-

Milling porting mills operated at an average of 28.7 per cent of capacity during July, 1922, as compared with 32.1 per cent of capacity during June, 1922, and 41.2 per cent during July, 1921 (see table "B").

California and Oregon millers report fair domestic but no export demand for flour during the month, while large millers in Washington report a strong export demand at low prices. The trend of wheat prices was downward during July, and millers did little buying.

Milling activity in this district during the past two crop seasons, as indicated by comparable reports from 16 large milling companies, is shown in the accompanying chart.



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

Strikes and threats of strikes on the principal railroads serving the fruit producing sections of the district, and more especially of California, have greatly in-

Green **Fruits** convenient shippers of green fruits.

In a few cases fruit which had been loaded, but could not be moved, or which had

been picked but could not be loaded, has been lost. Embargoes on the shipment of perishable products from California were announced during the first two weeks of August, but, with the recent increases in train movement have been cancelled. The movement of fresh fruits to Eastern markets and to local canneries has been hampered, but a prompt resumption of normal train service now in prospect will prevent serious loss.

Carlot shipments of deciduous fruits from California during the 1922 season to August 1st, the estimated total number of cars which will be shipped during 1922, and shipments during 1921 and 1920 are shown in the following table:

	Shipments to date Aug. 13, 1922 (cars)	Forecasted total shipments during 1922 season (cars)	Estimated Shipments	
			1921 (cars)	1920 (cars)
Apricots	190	190	285	312
Cherries	493	493	665	494
All Grapes ...	512	40,000	28,259	24,280
Peaches	1,513	3,500	3,334	3,148
Pears	2,908	4,000	4,160	4,391
Plums	3,076	3,400	3,099	2,564
	8,692	51,582	40,072	35,189

Adverse conditions now prevailing, both as to the transportation of and market demand for California fruits, indicate that actual carlot shipments during the 1922 season will be less than the foregoing estimate of 51,282 cars.

Transportation companies serving California fruit shippers have added to their refrigerator car equipment during the past year and have improved and enlarged their icing plants, both at primary shipping points and at renewal stations along the route to Eastern markets. They report 34,500 refrigerator cars fit for service compared with 28,300 a year ago, equipment which, it is claimed, would have been adequate under normal conditions to move the record 1922 crops of fruit. Continuance of strike conditions in any branch of the railroad service would hamper the efficient use of available equipment during the peak of the shipping season in late August and early September.

Price returns to California growers for plums

(B) Milling—

	No. Mills Reporting		Output		Per Cent Mill Capacity in Operation		
	July, 1922	June, 1922	July, 1922 (barrels)	June, 1922 (barrels)	July, 1922	June, 1922	July, 1921
California	10	10	151,739	196,808	35.9	46.8	54
Idaho	2	3	7,662	9,300	65.0	53.0	44
Oregon	19	22	87,196	61,089	25.0	16.4	32
Washington	24	28	165,327	213,541	25.3	30.7	38
District	55	63	411,924	480,738	28.7	32.1	41.2

and pears marketed during July were reported from 25 to 50 per cent less than price returns a year ago, and the general market for fresh deciduous fruits shipped from this state has not compared favorably with the 1921 market. This has been due largely to the following factors:

1. Fruit crops in Eastern states, which were curtailed by frost damage in the spring of 1921, have been normal this year. These fruits are actively competing with Pacific Coast fruits in the large Eastern markets.
2. Reduced purchasing power of a considerable part of the population in Eastern markets due to strikes in the coal, railroad and minor industries, has curtailed the demand for fruit.

Current developments in the California fruit situation indicate a larger pack of canned fruits in 1922 than was anticipated earlier in the season, when predictions were that it would exceed 10,000,000 cases.

Canned Fruits Growers' prices for canning fruits have been reduced as the season has progressed. The uncertainties as to railroad transportation and relatively low prices prevailing in Eastern markets have caused large amounts of fruits suitable for both table and cannery to be sent to canneries.

The market for California canned fruits is reported quiet at present. Packers of the better known brands report a considerable volume of advance sales of all varieties, and the short packs of apricots and cherries have been in active demand. In other lines, jobbers are reported to have covered their requirements for early fall months, and to be awaiting more definite information concerning the size of the pack and the probable consumer demand before making further purchases.

A record production of dried fruits, which may be augmented if the shipment of green fruit is further hindered by railroad strike conditions, is forecasted for the 1922 season in California. It is estimated that the raisin crop will be 62 per cent larger than the 1921 crop, that the output of dried peaches will be 50 per cent greater than last year, and that 5 per cent more prunes will be produced. Minor dried fruit crops show small increases or decreases in 1922 compared with 1921.

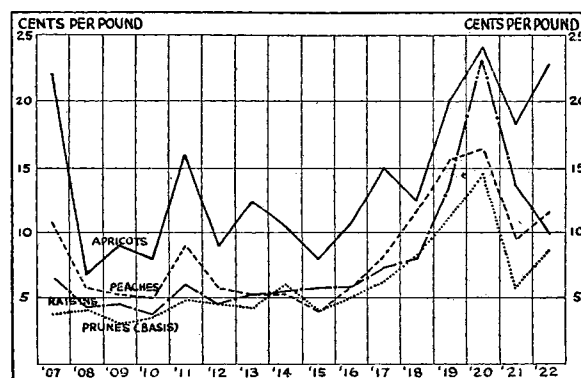
California Dried Fruits			
	Commercial Forecasts of 1922 tonnage (as compared with 1921)	Final Estimates 1921 (tons)	1922 (tons)
Apples	Doubtful	7,000	5,500
Apricots	Decrease	12,000	9,500
Figs	Same	9,600	12,300
Peaches	50% Increase	21,000	26,000
Prunes	105,000 tons	100,000	97,500
Pears	Increase	1,200	2,700
Raisins	225,000 tons	138,500	176,870
Total		289,300	330,370

It is estimated that the 1922 prune crop in Oregon will approximate 30,000 tons as compared with a 1921 crop of 14,000 tons.

The 1922 opening prices on all varieties of dried fruit have been announced by the largest factors in each line excepting prunes, and independent dealers are quoting prices on the latter. Excepting raisins, dried fruit prices this year are uniformly higher than the 1921 opening prices, as shown by the following comparative quotations.

Dried Fruits (Choice Grades)	Present Spot Price Aug. 15, 1922 (cents per pound)	Opening Price— 1922 1921 1920 (cents per pound)		
		1922	1921	1920
Apples, 50-lb. boxes.....	11	12	10¾	11
Apricots, Northern	24	22¾	18¾	24
Figs, White Adriatic.....	8	8½	8	11
Figs, Black Mission.....	13¾	11¾	8	10
Peaches, Unpeeled Yellow	11½	11½	9½	16½
Pears, 50-lb. boxes.....	14½	15	12¾	15¾
Prunes, 50/60	11	10¾	8¾	17
Raisins, 3 cr. Muscatel...	10	10	13¾	23¾

Opening prices quoted on the principal varieties of California dried fruits for the past 13 seasons by one of the principal factors in the State are shown in the accompanying chart.



Representative Opening Prices of California Dried Fruits, 1907-1922 (Choice Grades)

The marketing prospect for the 1922 output of dried fruits is reported favorable. Practically no carryover stocks are held by producers, while stocks in the hands of distributors and of dealers are thought to be small.

The volume of advance orders evidences the strength of both domestic and foreign demand for 1922 crop dried fruits. Prune buying has been stimulated by the absence of carryover stocks and by reports of a short crop in France. Opening prices on 1922 crop prunes as announced by independent factors, have recently been revised upward. The growers' association controlling the majority of prunes in California has not named opening prices, but reports the receipt of a large volume of advance orders on a "firm at opening price" basis. A

small proportion of the 1922 dried peach tonnage has been sold. Independent packers are now quoting dried peaches slightly below opening prices. The 1922 apricot crop was small, the dried portion of it sold rapidly at advancing prices, and most distributors have withdrawn from the market. Raisins have not been so favorably situated in the market as have other California dried fruits. Stocks of 1921 crop raisins have moved slowly, and in July, 1922, the carryover was estimated to be more than 40,000 tons out of a total crop of 135,000 tons. On August 1st the Sun Maid Raisin Growers Company, which controls the majority of the crop, reduced spot prices for 3 crown Muscatel raisins from $14\frac{1}{8}$ cents per pound to $9\frac{1}{2}$ cents per pound, and proportionately for other varieties. Holdover raisins have moved rapidly out of growers' hands since that time, almost exhausting their stocks. Opening prices on the large 1922 crop of raisins were $\frac{1}{2}$ cent a pound above the August 1st prices on the holdover of 1921 crop raisins. This was lower than was generally expected and a large volume of sales is already reported.

Plantings of 1922 cotton in this district will total approximately 315,000 acres, including 128,000 acres in that portion of the Imperial Valley which lies in Mexico. In 1921 **Cotton** plantings of cotton totaled 230,000 acres, including 45,000 acres in Lower California. Comparative acreages and forecasted yields in 1922 and 1921 are shown in the following table:

	Estimated Acreage		Estimated Yield	
	1922 (acres)	1921 (acres)	1922 (bales)	1921 (bales)
Arizona	105,000	90,000	59,000	44,000
California*	210,000	140,000	120,000	74,000
Total	315,000	230,000	179,000	118,000

*Includes plantings in Lower California, Mexico, of 128,000 acres of cotton in 1922, and 45,000 acres in 1921.

Of the forecasted yield of 59,000 bales of cotton in Arizona during the 1922 season, 37,000 bales are of the long staple (Pima) variety. The 1921 crop of Pima cotton in Arizona was estimated to be 35,000 bales.

An increasing demand for Pima cotton during the past three months is reported by commercial factors, who estimate that between 15,000 and 20,000 bales of this cotton have moved from Arizona to Eastern marketing centers since May 1st. According to these estimates the unsold carryover of Pima cotton in Arizona on August 1st amounted to 6,100 bales; while additional stocks which have been sold but not yet shipped amount to 5,600 bales,

bringing total holdings in that state to approximately 12,000 bales. A year ago, the unsold carryover of Pima cotton in Arizona was approximately 65,000 bales. Estimates furnished by the United States Census Bureau corroborate trade reports that consumption of American Egyptian (Pima) cotton by textile mills is increasing. During July, 1922, 5,919 bales of Pima cotton were consumed, as compared with 2,471 bales consumed in July, 1921. Pima cotton consumption during the 12 months' period ending July 31, 1922, was 49,548 bales, compared with 16,828 bales consumed during the crop year ending July 31, 1921. Price quotations on both long staple (Pima) and short staple cotton have advanced approximately 6 cents per pound since May 1, 1922. No. 2 grade Pima now being quoted at $36\frac{1}{2}$ cents per pound in New England markets, and short staple cotton around 22 cents per pound on the New York cotton exchange.

A fundamental factor in the market position of cotton is that the world's surplus supplies of raw cotton are now decidedly subnormal. At the end of the recent crop season, on July 31, 1922, carryover stocks of American cotton in the world were estimated to be 4,934,000 bales, as compared with a carryover of 9,843,000 bales on July 31, 1921, and 6,665,000 bales on July 31, 1920. The adjustment between the world supply of and demand for cotton appears to be close.

Pasture and livestock conditions improved slightly during July. Showers in Pacific Northwestern and Intermountain areas relieved prevailing drought conditions, although valley pastures in Oregon and Washington are still unusually dry. The supply of hay for winter feeding of livestock will apparently be ample, preliminary estimates of the 1922 crop in this district forecasting a yield of 11,500,000 tons, which is only 11 per cent below the abnormally large crop of 13,000,000 tons harvested in 1921.

Cattle and hog receipts at the principal markets of the district during July, 1922, were greater than in the same month a year ago. Sheepmen generally are selling only strictly market animals and receipts of sheep were 21 per cent less than in July, 1921. Restocking of depleted flocks is proceeding actively. The sheep industry has been greatly stimulated by the early sale of the season's wool clip at prices profitable to the grower, and by the favorable market which has prevailed for lambs. Receipts of all varieties of livestock show a seasonal decrease during July, 1922, as compared with June, 1922.

Cattle prices in the principal markets of the district were fairly stable during July, although a slight recession occurred near the end of the month (see table "D"). At the present time growers in California are reported to be receiving from 6.25 to 6.50 cents per pound for average quality steers while sales of prime fat steers are reported at 6.75 and 7.00 cents per pound. There is a strong demand for feeder cattle in all parts of the district, and marked activity in restocking depleted herds is reported. Prices of hogs and lambs increased during the month. Livestock prices in the

principal markets of this district during July, 1922, as compared with the same month a year ago, were as follows:

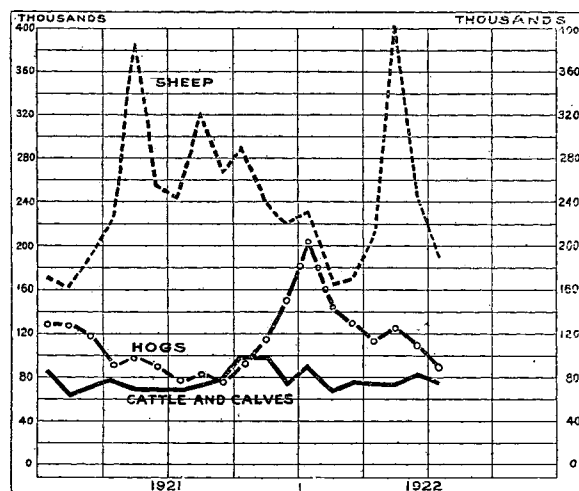
	Range in Top Prices During July	
	1922	1921
Fat Steers	\$ 6.50- 8.50	\$6.00- 7.75
Cows	4.50- 6.50	4.85- 6.00
Calves	6.00-10.00	6.00-11.00
Hogs	10.00-13.00	8.45-13.75
Lambs	8.50-12.50	5.00- 8.00

Butter production was maintained at a high level during July, due to the lateness of the spring season of heavy production. It was in excess of the output during July,

Dairy Products 1921, and its movement into storage was also larger than a year ago.

Holdings of cold storage butter in the four principal markets of the district on August 1, 1922, totaled 4,664,416 pounds, as compared with holdings of 3,927,617 pounds on July 1, 1922, and 3,170,786 pounds on August 1, 1921 (see table "E" on opposite page). Total holdings of cold storage butter in the United States on August 1, 1922, were estimated to be 102,892,000 pounds, as compared with 82,838,000 pounds held on August 1, 1921, and five-year average holdings on this date of 97,027,000 pounds.

The price of 93 score fresh creamery butter in the San Francisco market has ranged between 37 and 42 cents per pound during the past month, and is now, August 15th, quoted at 41¾ cents per pound, practically the same as one month ago.



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)

(C) Receipts of Livestock—

	Cattle		Calves		Hogs		Sheep		Horses and Mules	
	July, 1922	July, 1921	July, 1922	July, 1921	July, 1922	July, 1921	July, 1922	July, 1921	July, 1922	July, 1921
*Los Angeles....	18,859	14,360	7,912	6,373	31,197	22,491	44,878	44,666	..	..
Ogden	849	885	355	80	8,751	10,633	25,610	34,478	2	1
Portland	11,377	9,302	1,571	524	14,919	6,905	22,306	43,238	57	37
Salt Lake City...	1,263	2,992	238	63	4,009	3,857	11,660	7,993	22	52
*San Francisco ..	16,917	17,391	5,447	4,984	18,645	23,072	76,840	85,369	..	..
Seattle	4,236	3,859	108	221	5,229	5,167	5,170	9,706	..	..
Spokane	3,376	2,703	231	324	2,987	1,731	953	8,577	47	39
Tacoma	1,887	2,183	189	146	3,491	3,629	3,725	9,798	..	..
Twelfth District..	58,764	53,675	16,051	12,715	89,228	77,485	191,142	242,825	128	129

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

(D) Range in Livestock Prices—

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

Week of	Fat Steers	Cows	Calves	Hogs	Lambs
July 10.....	\$6.50-8.50	\$4.50-6.50	\$6.00-10.00	\$10.25-12.25	\$8.50-12.00
July 17.....	6.50-8.50	4.50-6.50	6.00-10.00	10.20-12.50	8.00-12.50
July 24.....	6.50-8.50	4.50-6.50	6.00- 9.00	10.25-12.50	8.50-12.50
July 31.....	6.50-8.00	4.50-6.50	6.00- 9.00	10.00-13.00	8.50-12.50

The average price to producers for raw milk advanced 7 cents per 100 pounds in the Mountain section during July, 1922, and decreased 2 cents per 100 pounds in the Pacific section during the same period (see table "F"). Compared with July, 1921, milk prices have declined \$0.36 per pound in both the Mountain and Pacific sections.

Mid-summer curtailment of lumber production has been accompanied by a decline in the volume of lumber sold and shipped, but activity in the camps and mills of the **Lumber** district continues greatly to exceed that of a year ago. Figures showing the percentage increase or decrease in activity of 155 mills in the four lumber associations in this district follow:

	July, 1922, Compared with July, 1921	July, 1922, Compared with June, 1922
Production	41.5% increase	18.1% decrease
Shipments	81.5% increase	19.8% decrease
Orders	61.8% increase	25.5% decrease
Unfilled Orders ...	68.0% increase	12.1% decrease

(E) Movement of Stocks of Cold Storage Butter—

	July, 1922 Net Increase (pounds)	July, 1921 Net Increase (pounds)	Aug. 1, 1922 Holdings (pounds)	Aug. 1, 1921 Holdings (pounds)
Los Angeles..	160,676	26,645	1,559,749	684,366
Portland	184,402	228,104	672,809	437,652
San Francisco.	114,867	73,382	1,584,111	1,361,033
Seattle	276,854	45,094	847,747	687,735
Totals	736,799	373,225	4,664,416	3,170,786

(F) Prices Received by Milk Producers*—

Section†	July, 1922 Range	July, 1922 Average	June, 1921 Average	July, 1921 Average
Mountain (5 Mkts.)...	\$1.46-2.20	\$1.85	\$1.78	\$2.21
Pacific (6 Mkts.).....	1.52-3.20	2.38	2.40	2.74
U. S. (100 Mkts.).....	1.20-4.82	2.18	2.08	2.55

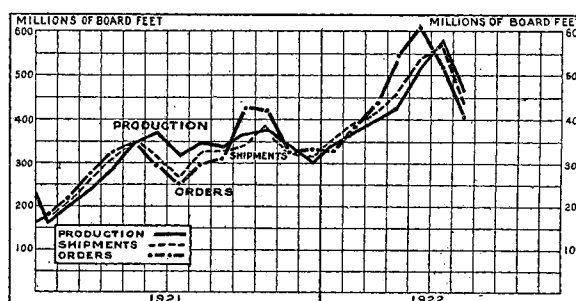
*All prices per hundredweight for milk testing 3.5 per cent butter fat.

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

Figures now available on the cut, orders and shipments of the seven principal soft wood lumbering associations in the United States, four of which are in this district, indicate that during the first half of 1922 the industry has enjoyed a more substantial period of activity than in any previous half year. Consolidated reports for the first six months of 1922 show that while production was 11 per cent below the peak period in the first six months of 1920, orders gained 18 per cent and shipments 3 per cent over that previous record half year. In 1920 production exceeded shipments which in turn were greater in amount than the volume of new orders received, while this year the exact reverse of this situation has prevailed. Compared with 1921, production in 1922 increased 30 per cent, shipments 32 per cent and orders 36 per cent. The consolidated figures of the seven associations for the first six months of the past three years follow:

	1922 (feet)	1921 (feet)	1920 (feet)
Cut	5,026,559,542	3,851,238,236	5,657,274,474
Shipments .	5,263,704,416	3,959,427,201	5,115,299,374
Orders	5,540,694,529	4,044,635,725	4,656,343,417

Seasonal diminution of activity characterized the domestic market during July, shipments to Pacific Coast and eastern consuming centers decreasing noticeably. Notwithstanding this decrease, it was difficult in some instances to secure adequate rail service due to



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	
	July, 1922	July, 1921	July, 1922	July, 1921	July, 1922	July, 1921	July, 1922	July, 1921	July, 1922	July, 1921
Average No. of Mills Reporting.	92	92	45	43	6	7	12	12	155	154
Cut*	246,606	160,140	125,863	89,695	30,768	28,558	31,379	22,957	434,616	301,350
Shipments*	268,313	144,364	109,246	58,877	18,422	13,338	25,551	15,574	421,532	232,153
Orders*	225,149	139,357	87,925	60,500	22,179	13,039	25,030	9,714	360,283	222,610
Unfilled Orders*	278,116	208,591	108,025	38,200	..	..	55,181	27,645	441,322	274,436

*In thousands of feet.

the competition of agricultural crops for available freight cars and the railroad strike difficulties. Prices remained firm during the month.

There was little change in the export demand for lumber during July. The amount of new business placed decreased slightly but inquiries from Japan and Australia increased in number. The Douglas Fir Exploitation & Export Company, which controls 85 per cent of the foreign business done in Douglas fir, received new orders totaling 16,000,000 feet in July compared with 17,000,000 feet in June and 28,000,000 feet in July a year ago.

Log production in the Pacific Northwest during July, 1922, was less than in June, 1922, and July, 1921, due to the unusually dry season, which has increased the fire hazard and forced many camps to remain closed longer than is usual at this period of the year. As a result, there has been a shortage of good logs in many sections. It is estimated that the production of logs during July, 1922, was approximately 50 per cent of normal, compared with 90 per cent in June, 1922, and 70 per cent in July, 1921. The lumber industry of the Pacific Northwest has suffered unusually severe losses by fire this year. It is estimated that fire losses have lowered total productive capacity 3 per cent and logging capacity 2 per cent. During the 1921 season, the reported loss due to fire did not exceed one-half of 1 per cent of the total productive capacity. The loss of logs, green timber, and property thus far in 1922 is conservatively estimated at \$3,000,000, an amount far in excess of the 10-year average for June and July.

Distinct improvement in all branches of the metal mining industry has been noticeable during the past few months of this year, and compared with one year ago there is **Mining** greatly increased activity in both production and marketing. This improvement is reflected in the following figures which show the national production of copper, silver and zinc in June, 1922, and June, 1921.

	June, 1922	June, 1921
Copper (mine production) ..	93,739,847 lbs.	18,033,954 lbs.
Silver (commercial bars) ..	4,760,160 ozs.	4,023,175 ozs.
Zinc (slab)	28,547 tons	19,443 tons

Figures on the production of lead are not available.

Activity in copper mining, which began in April of this year, continued through June and July at an accelerated pace. Nine of the 17 principal copper mines in this district produced 29,297,000 pounds of copper in June,

1922, compared with 24,883,000 pounds produced in May, 1922, an increase of 4,414,000 pounds or 17.7 per cent. In June, 1921, only three of these mines were producing metal, and their combined output was 6,055,000 pounds. Copper produced since the general resumption of mining activity in April and May of this year is now appearing on the market in the refined state. The increased supply has been accompanied by an increase in demand, and prices have held steady or improved slightly. Estimated stocks of refined and blister copper in the United States on July 1st totaled 486,200,000 pounds compared with estimated holdings of 502,100,000 pounds on June 1st and 791,000,000 pounds on January 1st.

The production of gold in the district, and in California especially, has been steadily increasing during the present year, according to reports of the United States Geological Survey. This has been due principally to the increased output of dredging properties in California, but the resumption of operations at many small quartz mines has been a contributing factor. In California the output of gold from deep or quartz mines has increased 4 per cent during the present year, and the output of placer mines and dredges combined has increased 15 per cent.

The metal market has been comparatively stable during July, slight increases occurring in the prices of copper and zinc and slight decreases in the prices of lead and silver.

	Average Prices		
	July, 1922 (cents)	June, 1922 (cents)	July, 1921 (cents)
Copper (lbs.)			
New York Electrolytic...	13.90	13.82	12.42
Lead (lbs.)			
New York	5.72	5.74	4.41
Silver (oz. troy)			
New York Foreign.....	70.24	71.14	60.26
Zinc (lbs.)			
St. Louis	5.69	5.34	4.23

Notwithstanding the closing of 620 producing wells in the older fields of the San Joaquin Valley and Santa Maria districts, a new high record for the production of petroleum in California was established during July. Daily production averaged 373,695 barrels compared with 355,274 barrels in June, 1922, and 357,376 barrels in May, 1922, the previous record month.

Daily shipments during July were 55,183 barrels less than daily production and stored stocks on July 31, 1922, totaled 45,187,910 barrels, the highest figure reached during the past five years. Present stocks are equivalent to 141 days' supply of oil at the current rate of consumption. Development work in the older

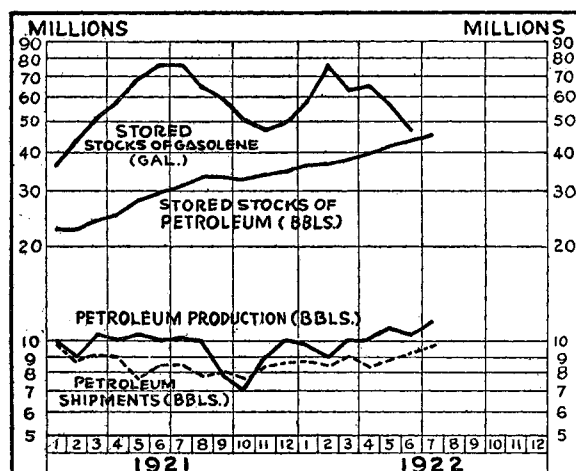
fields has practically ceased, and some producing wells have been closed in order to conserve storage capacity and prevent a large oversupply of oil. Active drilling continues in the newer fields at Long Beach, Huntington Beach, and Santa Fe Springs.

One hundred new wells with an initial daily

production of 66,195 barrels were completed during July and two wells abandoned, a net increase of 98 producing wells during the month.

Statistics on oil field operations as furnished by the Standard Oil Company of California are shown in table "H."

Sales of electric power for industrial purposes increased in all sections of the district during June, 1922. Total industrial sales were 15.6 per cent greater than during June, 1921, and 13.7 per cent greater than during May, 1922. In California, sales of power to agricultural consumers during June increased readily to a point 31 per cent above comparable sales in the same month a year ago. Other sections of the district reported large seasonal gains in consumption of power by agricultural industries but sales were lower than in 1921 despite the unusually dry weather experienced this year which might be expected to increase the need for power for irrigation purposes. Increased sales of power to oil producers in California and lumber operators in the Pacific Northwest during June reflect gains in productive activity in these industries over the preceding month and the same month a year ago. Power sales to



CALIFORNIA

Production, Shipments and Stored Stocks of Petroleum, and Refinery
Stored Stocks of Gasoline 1921-1922

(H) Petroleum—

	July, 1922	June, 1922	July, 1921
Production (daily average).....	373,695 bbls.	355,274 bbls.	331,252 bbls.
Shipments (daily average).....	318,512 bbls.	307,415 bbls.	271,073 bbls.
Stored stocks (end of month).....	45,187,910 bbls.	43,477,237 bbls.	31,634,179 bbls.
New Wells Opened.....	100	68	76
With Daily production.....	66,195 bbls.	35,985 bbls.	19,675 bbls.
Wells Abandoned	2	7	5

(I) Electric Energy—

(1) Production—	Plant Capacity K. W.			Peakload K. W.			Plant Output K. W. H.		
	June, 1922	May, 1922	June, 1921	June, 1922	May, 1922	June, 1921	June, 1922	May, 1922	June, 1921
California (8 companies reporting)	969,075	969,075	932,055	777,766*	687,326*	755,064*	349,705,289	333,370,897	313,896,015
Pacific Northwest (5 companies reporting) ..	356,585	359,495	331,585	224,720*	149,236*	201,908*	105,927,639	101,630,669	100,508,098
Intermountain States (6 companies reporting) ..	238,657	239,157	222,897	139,921*	132,661*	113,784*	73,733,648	67,173,457	54,937,384
Twelfth District (19 companies reporting) ..	1,564,317	1,567,727	1,486,537	1,142,407*	969,223*	1,070,756*	529,366,576	502,175,023	469,341,497

(2) Sales—	Number of Industrial Consumers			Connected Industrial Load H. P.			Industrial Sales K. W. H.		
	June, 1922	May, 1922	June, 1921	June, 1922	May, 1922	June, 1921	June, 1922	May, 1922	June, 1921
California	51,398	43,604	44,619	1,722,268	1,415,273*	1,536,625	225,406,211	193,195,259	198,597,375
Pacific Northwest	10,907	9,981	10,327	176,656*	160,196*	167,599*	65,006,148	62,420,638	59,021,127
Intermountain States ..	10,141	10,020	9,339	295,251*	274,221*	272,650*	52,370,259	45,749,274	38,585,527
Twelfth District	72,446	63,605	64,285	2,194,175*	1,849,690*	1,976,874*	342,782,618	301,365,171	296,204,029

*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.

the mining industry decreased slightly during June compared with the preceding month, but were approximately equal to similar sales a year ago. June, 1922, sales of power for industrial purposes by industries and by sections of this district, are compared with June, 1921, sales, in the following percentage table:

	Agriculture	Mining	Manufacturing	Total Industrial Sales
California	+31.3%	— .9%	+19.5%	+13.5%
Pacific Northwest—	8.3%	+10.7%	—10.4%	+10.1%
Intermountain ...	—22.0%	— 7.0%	+ 6.0%	+35.7%
Twelfth District..	+26.7%	— .8%	+ 8.8%	+15.6%

During July, 1922, wholesale prices in the country at large, as shown by the United States Bureau of Labor index numbers, advanced 3.33 per cent and the general **Prices** price level is now 9.9 per cent higher than during July, 1921. The weekly index number of prices of 20 basic commodi-

ties, compiled by the Federal Reserve Bank of New York, declined 2 per cent during the month of July, standing at 138.3 on August 5th compared with 143.6 on July 8th. This decline reflects recent downward trends in the prices of raw products, which, in the index number of the United States Department of Labor, are counterbalanced by the upward movement of prices of producers' goods and consumers' goods.

The general average of prices of the principal commodities of this district remained approximately stationary during June, advances for rice, sugar, oranges, copper and lead, being offset by declines for livestock, grains, cotton, lemons, and petroleum. Continued active demand for California rice during the month was accompanied by an advance in price from \$5.25 per hundred pounds to \$5.55 per hundred pounds of cleaned rice. Sugar advanced from \$6.70 per 100 pounds on July 7th to \$7.10 per 100 pounds on August 4th.

(J) Commodity Prices—

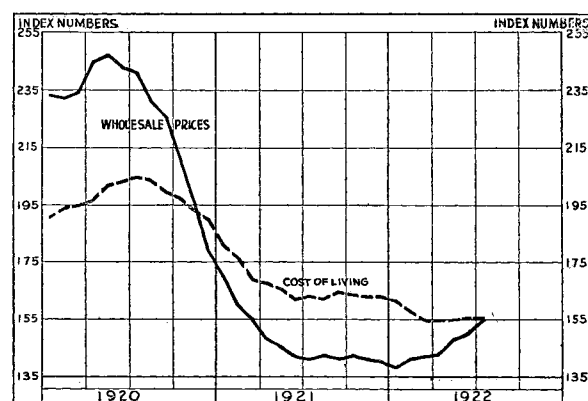
Commodity	Unit	August 4, 1922	One Month Ago	One Year Ago
Twenty Basic Commodities (F. R. B. of N. Y.) 1913=100.		138.3	143.6	121.4
Wholesale Prices (U. S. Bureau of Labor*) 1913=100....		155.0	150.0	141.0
Cost of Living (National Industrial Conference Board) July, 1914=100		155.6	155.4	162.0
Cattle (Native Beef)...Weekly average price at Chicago..	100 lbs.	\$9.65	\$9.40	\$8.60
Sheep	100 lbs.	6.00	6.50	5.15
Lambs	100 lbs.	12.50	12.90	10.25
Hogs	100 lbs.	9.20	10.05	10.30
Wheat	Chicago contract prices for July† and Sept.†	1.06–1.08¼†	1.13¾–1.15½†	1.19¾–1.25½†
Barley	Shipping Barley F. O. B. San Francisco.	1.25–1.30	1.25–1.35	1.30–1.40
Rice	California Fancy Japan at San Francisco.	5.55	5.25	3.90
Cotton	Middling Uplands—Weekly range of spot quotations at New Orleans.....	lb.	21.50¢	22.50¢
Wool	Average of 98 quotations at Boston.....	lb.	73.98¢	74.01¢
Sugar	Beet granulated F. O. B. San Francisco.	lb.	7.10¢	6.70¢
Apples	Gravensteins at San Francisco.....	box	2.25–2.75	..
Oranges	Valencias, special brands, Los Angeles..	box	10.00–10.50	7.75–8.50
Lemons ...	Special Brands Fancy at Los Angeles...	box	6.50	6.65–7.50
Dried Apples ...	Choice in 50-lb. boxes F. O. B. California	lb.	.11–.11½	.12¾
Dried Apricots ..	Choice in 25-lb. boxes F. O. B. California	lb.	.24	.23½–.24
Prunes	Size 40/50 in 25-lb. boxes F. O. B. Calif.	lb.	.12¼–.12½	.12½–.12¾
Raisins	Loose Muscatel in 25-lb. boxes F. O. B. California	lb.	.11	.15¾
Canned Apricots..	Choice 2½s F. O. B. California.....	doz.	3.25	3.25
Canned Peaches..	Cling choice, 2½s F. O. B. California....	doz.	2.60	2.60
Canned Pears....	Bartlett, Standard 2½s F.O.B. California	doz.	2.85	2.85
Butter	93 score at San Francisco.....	lb.	.41¼	.40
Eggs	Extras—San Francisco.....	doz.	.28½	.31½
Copper	Electrolytic; New York Spot.....	lb.	.14	.13¾–.14
Lead	New York Spot.....	lb.	5.80¢	5.75¢
Petroleum	California 35° and above.....	bbl.	1.95	2.45
Douglas Fir	2x4, 16-ft. No. S1S1E F. O. B. Seattle...	M ft.	17.50	17.50
Douglas Fir	12x12 Timbers F. O. B. Seattle.....	M ft.	17.00	17.00

*Revised figures.

In the Chicago livestock market, beef prices advanced during July, while prices of sheep, lambs and hogs declined. This was exactly the reverse of livestock price trends in the principal markets of this district.

Nearly all markets were heavily supplied with fresh deciduous fruits during the month, and prices declined. Canned fruit prices remained steady, but the trend of prices for dried fruits, except apricots, was downward.

Changes in the prices of some of the principal commodities of the district are shown in table "J" on opposite page.



Wholesale Prices and the Cost of Living, 1920-1922

United States Bureau of Labor Index of Wholesale Prices (1913=100).
National Industrial Conference Board Index of the Cost of Living (July 1914=100).

The demand for both skilled and unskilled workmen in the states of this district continued to improve during July, 1922. A shortage of certain classes of laborers is

Employment now reported from some sections. The number of idle railroad workers in the district, due to strike conditions, has been partly offset by increased payrolls in the building and mining industries and by the seasonal absorption of workers in the agricultural sections, where the harvest is in progress. Farmers and canning and packing plants have generally been able to obtain sufficient seasonal help to meet their needs. They are paying the same or slightly higher wages than at this time last year.

Employment in California during July increased compared with June due principally to increased activity in the agricultural sections and in the mountain districts where extensive lumbering operations and electric power plant construction work are being carried on. The total number of workers employed in the Pacific Northwest was greater in July than in June, the principal increases in employment oc-

curing in the building, lumbering and agricultural industries. Reports from mills and camps in the lumbering sections of Oregon, Washington and Idaho show that 78,769 men were on the payrolls August 1, 1922, compared with 77,500 on July 1, 1922, and 53,750 on August 1st a year ago. Increased activity in mining has further added to employment in the Inter-mountain States, including Arizona, southern Idaho, Nevada and Utah. Reports received from 10 of the largest mining companies operating in these states, indicate a marked shortage of both skilled and unskilled miners, the average reported shortage being 20 per cent of the number of men required.

Public employment offices in some of the larger cities of this district report fewer applicants for work, more calls from employers, and an increase in the number of positions actually filled during July, 1922, compared with July, 1921. Figures showing the number of positions filled by public employment offices in seven cities of this district follow:

	Number of Positions Filled		
	July, 1922	June, 1922	July, 1921
Los Angeles	9,929	11,073	4,761
San Francisco	4,183	5,681	1,641
Seattle	4,500*	4,355	1,955
Oakland	2,410	2,814	1,423
Sacramento	1,279	1,489	574
San Jose	1,056	1,334	717
Phoenix	353	616	215

*Estimated.

Employment in the manufacturing industries of the four largest cities of the district increased during July, 1922, compared with July, 1921. Figures showing the total number of workers on the payrolls of 40 manufacturing firms in Los Angeles, Portland, San Francisco and Seattle, usually employing 501 men or more are given in the following table:

	Number of firms	Number of Men on Payroll*			Percentage increase in number of men on payroll July 31, 1922 compared with July 31, 1921
		July 31, 1922	June 30, 1922	July 31, 1921	
Los Angeles..	16	27,272	26,250	23,452	16.2
Portland	8	6,645	7,811	6,189	7.3
San Francisco	10	7,092	7,067	6,460	9.4
Seattle	6	2,159	2,282	2,001	7.8
	40	43,168	43,410	38,102	13.2

*These figures do not represent the total number of men engaged in manufacturing activities in these cities, but only the payroll figures of a selected number of firms.

In July, for the third consecutive month, trade at retail in this district was greater in value than in the corresponding month a year ago. The dollar value of sales of 32 representative department stores during July, 1922, was 3.1 per cent greater than in July, 1921. This increase in the dollar value of sales also indicates an increase in the physical volume of merchandise sold, as retail prices on the average have changed little or not at all during the past year. The usual seasonal decrease in value and volume of sales in July as compared with June was noted in all cities and averaged 14.0 per cent for the district.

A statistical record of the movement of stocks on hand, outstanding orders, and the

rate of turnover of stocks for reporting stores is given in the following table:

	Percentage increase or decrease (—) in the value of stocks at end of month compared with same month of previous year	Percentage outstanding orders at end of month to total purchases during year 1921	Annual rate of turnover of stocks indicated at end of month
January, 1922..	3.4	8.9	2.4
February, 1922..	—4.3	10.3	2.3
March, 1922..	—2.4	9.5	2.3
April, 1922..	—4.3	7.2	2.4
May, 1922..	—9.0	9.1	2.6
June, 1922..	—1.9	11.2	2.5
July, 1922..	—1.4	10.7	2.4

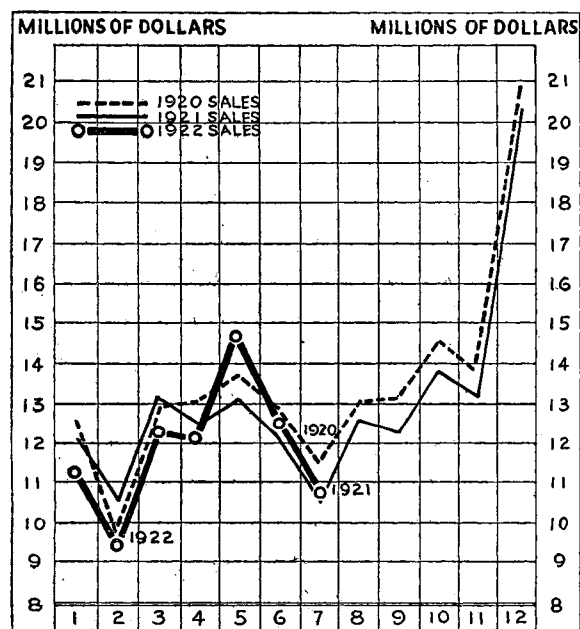
Table "K" gives in detail statistics in regard to sales, as furnished by 32 department stores in this district.

Representative wholesale firms in ten lines of business report the dollar value of July, 1922, sales in excess of those of July, 1921, in all lines except automobile tires.

Wholesale Trade The percentages of increase ranged between 2.2 per cent for automotive supplies and 23.3 per cent for hardware. Sales of automobile tires at wholesale were 10.8 per cent less in value in July, 1922, than in July, 1921, but tire prices have been considerably reduced during that period.

The mid-season period of dullness in trade, which affects several of the reporting lines, accounts in most cases for the decrease in the value of sales in July, 1922, compared with June, 1922, shown by all lines except dry goods. The marked decline in sales of automobile tires and the small decline in the sales of automotive equipment in July as compared with June cannot, however, be ascribed entirely to seasonal influences.

No changes in the buying habits of retailers are indicated in the replies received from wholesale dealers in answer to a question concerning the volume and character of summer buying this year as compared with previous



Net Sales of 32 Department Stores in Twelfth Federal Reserve District
(In Millions of Dollars)

(K) Retail Trade Activity—

CONDITION OF RETAIL TRADE DURING JULY, 1922

In Federal Reserve District No. 12 (32 Stores Reporting)

	Los Angeles	Oakland	Salt Lake City	San Francisco	Seattle	Spokane	District
No. of reporting firms.....	6	4	4	8	5	3	32
Net sales (percentage increase or decrease) July, 1922, compared with July, 1921	6.6	— 6.1	— 5.6	2.4	10.0	— 5.5	3.1
July, 1922, compared with June, 1922..	—10.7	—25.4	—23.0	—14.3	— 8.8	—23.7	—14.0

years. Nearly 200 firms were addressed and of these 120 responded. Only 18 firms reported a tendency on the part of retailers to increase their stocks in anticipation of future needs while 102 firms stated that retailers were still buying conservatively and only to the extent of their immediate requirements.

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

	July, 1922 compared with July 1921	June 1922	Seven Months ending July 31, 1922 compared with same period in 1921
Agricultural Implements.....	10.5	— 7.9	12.1
Automotive Supplies.....	2.2	— 2.1	— 3.8
Automobile Tires.....	—10.8	—28.5	9.2
Drugs	6.4	— 5.3	4.7
Dry Goods.....	14.3	3.0	4.3
Furniture	8.7	—22.4	5.9
Groceries	5.3	— 2.1	— 1.9
Hardware	23.3	—12.6	8.7
Shoes	6.1	—13.4	— 3.6
Stationery	7.8	— 4.5	— 5.0

One hundred and eight firms reported their collections on August 1, 1922, and August 1, 1921, as follows:

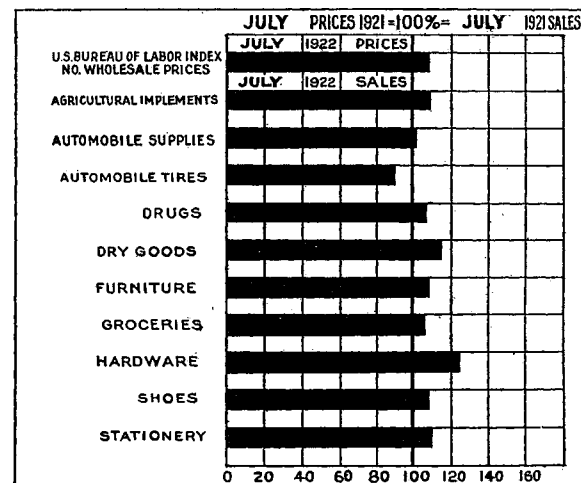
	Number of Firms	1922	1921
Agricultural Implements....	2	36.5	20.5
Automobile Tires.....	8	15.3	12.8

Percentage of Collections during Month (July) to Total Amount Due from Customers (outstanding) on First of that Month

	Number of Firms	1922	1921
Automobile Supplies.....	14	58.8	60.8
Drugs	4	80.5	85.6
Dry Goods.....	10	41.4	46.6
Furniture	10	49.6	50.6
Hardware	18	47.2	43.8
Shoes	9	33.7	36.8
Stationery	11	60.7	59.2

Percentage of Outstandings August 1, 1922 to July, 1922 Sales

Groceries	22	120.2	114.7
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Dollar Value of Sales of Representative Wholesale Houses and General Wholesale Prices in July, 1922. Compared with July, 1921

(L) Wholesale Trade—

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

	Agricultural Implements	Auto Supplies	Auto Tires	Drugs	Dry Goods	Furniture	Groceries	Hardware	Shoes	Stationery
Number of re- porting firms..	22	22	20	9	16	16	30	22	15	26
Los Angeles....	123.3	4.0	— 6.6	..	21.3	—12.0	— 2.3	40.7	26.8	11.3
Portland	11.9	12.6	—15.6	1.0	..	38.5	5.0	14.0	44.4	—16.9
Salt Lake City..	—13.5	—15.9	32.8	..	..	..	— .1	2.0	..	—19.5
San Francisco ..	176.1	— 1.2	—14.3	—23.6	9.2	11.4	15.8	19.6	— 9.3	8.6
Seattle .....	..	2.3	—12.8	..	35.8	..	..	32.1	27.4	36.5
Spokane	—23.6	..	—31.2	..	..	..	— 9.9	— 3.3	..	2.2
Tacoma .....	..	..	..	..	23.7	24.3	28.2	— 9.8	..	..
District	10.5	2.2	—10.8	6.4	14.3	8.7	5.3	23.3	6.1	7.8

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

	Agricultural Implements	Auto Supplies	Auto Tires	Drugs	Dry Goods	Furniture	Groceries	Hardware	Shoes	Stationery
Number of re- porting firms..	22	22	20	9	16	16	30	22	15	26
Los Angeles....	77.6	1.0	27.5	..	—13.1	— 9.3	— .6	31.8	10.2	..8
Portland	61.7	— 3.4	6.9	2.2	..	17.7	— 2.3	..4	— .5	—16.2
Salt Lake City..	—20.2	—10.3	17.1	..	..	..	7.0	—20.5	..	— 6.6
San Francisco ..	9.8	—10.1	— 7.6	—12.9	..5	5.0	— 2.9	— .9	—10.3	—12.0
Seattle .....	..	— 6.3	14.0	..	31.8	..	..	19.5	14.2	13.8
Spokane	—31.3	..	— 6.3	..	..	..	—11.8	—11.4	..	— 5.6
Tacoma .....	..	..	..	..	25.6	24.7	10.6	— 9.8	..	..
District	12.1	— 3.8	9.2	4.7	4.3	5.9	— 1.9	8.7	— 3.6	— 5.0

Reports received from the five customs districts of the Pacific Coast show that exports during the first six months of 1922 were valued at \$145,272,362, an increase of 2.6 per cent over the announced valuation of \$141,551,169 in the corresponding period of 1921. Comparing the same two periods, imports increased 114.3 per cent, being valued at \$188,597,362 in 1922 and \$87,983,268 in 1921. There can be no doubt, therefore, that there has been a great increase in the physical volume of imports. During the past year the general level of prices has risen slightly, and it is accordingly uncertain whether an increase of 2.6 per cent in value of all exports represents an increase in the physical volume of exported goods. But available figures on the physical quantities of exports of petroleum products, dried and canned fruits, canned fish, wheat flour, wheat, lumber, hides, and rice, which together make up a large part of the export trade of the Pacific Coast, show that they were greater, in both volume and value, during the first five months of 1922 than during the first five months of 1921. Export shipments of cotton declined approximately 60 per cent in volume comparing the same two periods. The principal imports passing through the ports of the district are raw silk, sugar, coffee, copra, wool and crude rubber, and the receipts of each of these commodities were greater in actual volume in 1922 than in 1921.

These increases in the foreign trade of this Coast during 1922 as compared with 1921, may be traced to the improvement in world wide trade conditions, the lower freight rates now prevailing, and the increase in the dollar value of the currencies of many of the countries which are our principal customers. Present

ocean freight rates on the principal commodities shipped from the Pacific Coast to Australasia, the West Coast of South America, Europe and the Orient are approximately 20 per cent below the freight rates charged on the same commodities in 1921. A comparison of average exchange rates for June, 1922, with the rates in June, 1921, shows that with the exception of the Italian lira and the Japanese yen, which are practically unchanged, and the German mark, advances have occurred during the year in all the leading foreign currencies.

Countries	Monetary Unit	Gold Par of Exchange (cents)	June, 1922 Average (cents)	June, 1921 Average (cents)
France	Franc	19.30	8.76	8.07
Germany	Mark	23.82	.32	1.44
Great Britain.	Pound	486.65	445.19	378.15
Italy	Lira	19.30	4.96	4.97
Denmark	Krone	26.80	21.66	17.21
Norway	Krone	26.80	17.07	14.61
Sweden	Krona	26.80	25.81	22.56
Canada	Dollar	100.00	98.84	88.76
Argentina ...	Peso (gold)	96.48	81.86	69.85
Brazil	Milreis	32.44	13.72	11.64
China	Shanghai Tael	66.85*	79.03	66.35
India	Rupee	48.66	28.91	24.54
Japan	Yen	49.85	47.75	47.97

*1913 Average.

Comparative figures of the value of exports and imports of the five customs districts on the Pacific Coast are shown in table "M."

Fewer permits for building were issued in this district during July than in any month of the present year since February. The decline was partly seasonal, however, and building activity continues greatly in excess of that reported one year ago. Building departments of 20 cities report that the total number of permits issued during July, 1922, was 1,490, or 18.8 per cent greater, and the value of con-

(M) Foreign Commerce—

Exports	June, 1922	June, 1921	Percentage increase or decrease (—) June, 1922 compared with June, 1921	Six Months Ending		Percentage increase or decrease (—) six months 1922 compared with first six months 1921
				June, 1922	June, 1921	
Los Angeles	\$ 1,472,423	\$ 2,343,977	— 37.1	\$ 8,783,065	\$ 11,659,349	—25.5
Portland	7,324,399	7,263,262	.8	27,088,867	28,892,338	— 6.2
San Diego	662,972	199,586	232.1	3,212,711	1,659,455	93.6
San Francisco	10,243,306	10,700,847	— 4.2	57,427,985	56,393,147	1.8
Seattle	7,725,073	6,516,069	18.5	48,759,734	42,946,880	13.4
Total	\$27,428,173	\$27,023,741	1.4	\$145,272,362	\$141,551,169	2.6
Imports						
Los Angeles	\$ 1,235,742	\$ 592,258	108.6	\$ 7,784,700	\$ 4,869,153	59.8
Portland	626,351	382,835	63.6	3,820,698	1,789,681	113.4
San Diego	148,971	80,474	85.1	3,785,713	4,161,593	— 9.0
San Francisco	18,836,329	6,196,564	203.9	83,919,142	53,410,754	57.1
Seattle	16,915,974	3,779,317	347.5	89,287,109	23,752,087	275.9
Total	\$37,763,367	\$11,031,448	242.3	\$188,597,362	\$ 87,983,268	114.3

templated construction \$7,092,318, or 46.3 per cent greater, than building permits issued during July, 1921. Inasmuch as the price level of building materials is slightly higher than one year ago, the increase in the number of permits granted is more representative of the physical volume of construction than would be a comparison of the dollar values of the permits granted. Comparative figures of the number and value of building permits issued in 20 principal cities during July, 1922, June, 1922, and July, 1921, are shown in table "N."

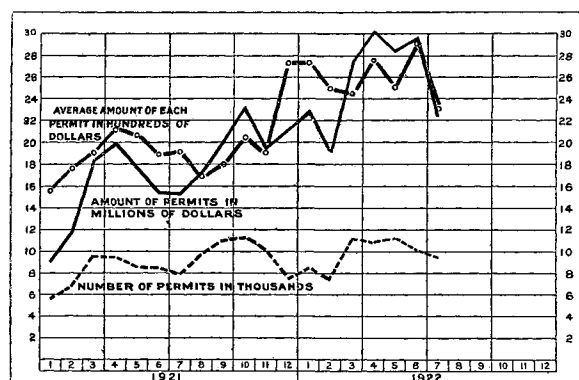
Figures compiled from the Federal Census of 1920 show that among 35 cities in the United States having a population of 100,000 or more, there were fewer persons per dwelling, but also a smaller percentage of homes owned, in

the cities of this district than in the country as a whole.

	No. of Dwellings	Population	Persons per dwelling	Per-centage of owned homes	Per-centage of rented homes
Los Angeles.	125,004	576,673	4.6	34.7	65.3
Oakland	47,297	216,261	4.6	42.0	58.0
Portland	54,664	258,288	4.7	44.6	55.4
San Francisco	90,132	506,676	5.6	27.4	72.6
Salt Lake City	23,685	118,110	5.0	44.3	55.7
Seattle	60,516	315,312	5.2	46.3	53.7
Spokane	22,389	104,437	4.7	44.6	55.4
Twelfth Dist.	423,687	2,095,757	4.9	38.1	61.9
United States	3,066,387	21,719,805	7.0	44.6	55.4

The volume of business transactions in this district during July, 1922, as measured by debits to individual bank accounts in 21 principal clearing house centers, was slightly greater than in June, 1922, and, as reported by 20 cities, was 12 per cent greater than in July, 1921.

This latter increase of 12 per cent, which amounted to \$219,578,000, was more than double the percentage increase noted in June, 1922, as compared with June, 1921. When it is considered that wholesale prices, as reported by the United States Bureau of Labor, have increased only 9.9 per cent in the year period July, 1921, to July, 1922, and that retail prices are practically unchanged, an increase of 12.0 per cent in bank debits indicates that the physical volume of business transacted in July of this year was substantially larger than it was in July, 1921.

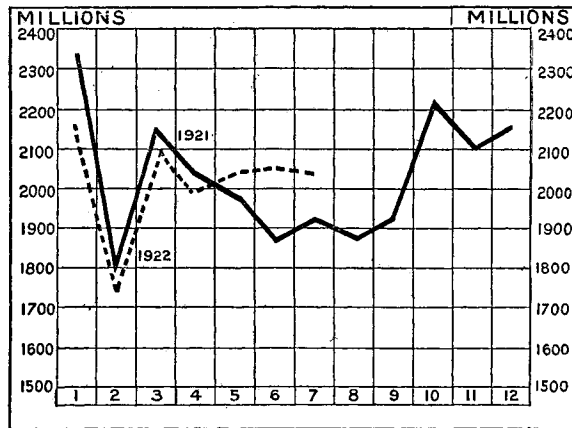


Building Permits Issued in 20 Principal Cities, Twelfth Federal Reserve District, 1921-1922

(N) Building Permits—

	July, 1922		June, 1922		July, 1921		Per Cent Increase or Decrease (—) in Value July, 1922 compared with July, 1921
	No.	Value	No.	Value	No.	Value	
Berkeley	101	\$ 527,250	216	\$ 671,800	131	\$ 161,760	225.9
Boise	85	49,906	70	51,639	61	295,342	— 83.1
Fresno	133	370,288	190	433,195	169	202,406	82.9
Long Beach	208	535,884	239	1,123,049	206	516,700	3.7
Los Angeles	3,393	8,064,018	3,751	10,652,265	2,717	5,503,363	46.5
Oakland	721	1,900,712	773	3,381,045	492	1,162,628	63.4
Ogden	41	87,660	60	137,375	48	119,040	— 26.3
Pasadena	308	987,826	306	900,092	274	701,247	40.8
Phoenix	45	137,082	45	140,380	60	110,354	24.2
Portland	1,313	2,206,615	1,317	2,230,855	1,119	1,446,324	52.7
Reno	29	69,120	22	44,100	26	50,500	36.8
Sacramento	213	367,858	240	753,914	175	183,417	100.5
Salt Lake City	159	569,951	178	738,737	117	363,182	56.9
San Diego	369	710,006	379	608,326	319	385,138	84.3
San Francisco	595	3,024,036	648	3,336,701	446	1,000,240	202.3
San Jose	79	166,245	76	215,150	64	79,913	108.0
Seattle	842	1,559,205	892	2,892,030	825	2,217,270	— 29.6
Spokane	248	273,022	267	391,575	217	180,775	51.0
Stockton	109	409,196	101	221,060	51	365,218	12.0
Tacoma	424	375,136	386	674,990	408	253,881	47.7
District	9,415	\$22,391,016	10,156	\$29,598,278	7,925	\$15,298,698	46.3

Bank debits during July, 1922, compared with July, 1921, were greater in 18 of the reporting cities. Compared with June, 1922, there was an increase in eight cities. Comparative figures of debits to individual accounts in 21 clearing house centers during the four weeks ending August 2, 1922, June 28, 1922, and August 3, 1921, are shown in table "O."



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

Note: The figures used in preparing the above chart are for calendar months and are partly estimated.

(O) Bank Debits*—

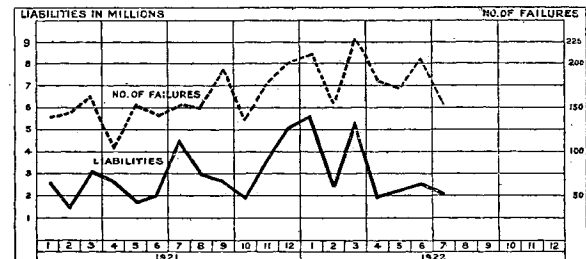
	Four weeks ending August 2, 1922	Four weeks ending June 28, 1922	Four weeks ending August 3, 1921
Berkeley	\$ 14,375	\$ 15,544	\$ 11,897
Boise	11,135	11,615	11,661
Fresno	40,760	37,086	32,669
Long Beach	35,909	29,132	22,866
Los Angeles	476,051	475,926	394,944
Oakland	77,227	79,698	70,965
Ogden†	15,779	10,615	9,574
Pasadena	23,237	23,620	19,249
Phoenix‡	15,135	18,335	..
Portland	123,935	128,370	122,747
Reno	10,164	10,710	9,894
Sacramento	56,902	58,992	51,864
Salt Lake City ...	52,055	50,402	50,580
San Diego	36,834	36,374	30,876
San Francisco ...	675,287	667,003	625,183
San Jose	19,464	17,900	17,549
Seattle	134,945	139,669	123,215
Spokane	39,354	43,047	40,803
Stockton	19,871	19,966	17,498
Tacoma	35,285	36,103	31,557
Yakima	8,960	9,348	7,495
Total	\$1,922,664	\$1,919,455	\$1,703,086

*000 Omitted.

†Figures for 1921 based on three weeks.

‡Figures for 1921 not available.

Business failures in this district during July, 1922, were approximately the same in number but 54.3 per cent less in total liabilities than during July, 1921, and were 25.7 per cent less in number and 17.8 per cent less in liabilities than in June, 1922. The average liabilities of business failures in July, 1922, were \$13,540 compared with \$12,248 in June, 1922, and \$30,045 in July, 1921.



Business Failures, Twelfth Federal Reserve District, 1921-1922

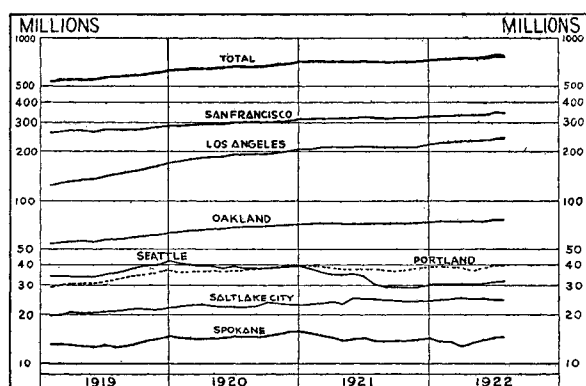
R. G. Dun & Company's comparative figures of the number and liabilities of business failures in the states of this district during July, 1922, and June, 1922, follow:

	July, 1922		June, 1922	
	No.	Liabilities	No.	Liabilities
Arizona	3	\$ 10,500	2	\$ 10,000
California	77	1,003,096	91	623,622
Idaho	8	86,593	9	465,360
Nevada	1	7,420	2	31,000
Oregon	21	127,370	39	432,231
Utah	10	563,516	11	197,618
Washington	33	273,267	52	763,422
District	153	\$2,071,762	206	\$2,523,253

The total amount in all savings accounts as reported by 75 banks in seven principal cities declined 65 hundredths of 1 per cent during the month ending July 31st, being on that date \$766,807,000, compared with \$771,793,000 on June 30th. The decrease was due almost entirely to the smaller total reported for the later date by San Francisco banks. Savings accounts in the seven cities on July 31st were 2.3 per cent greater than on May 31st and 7.3 per cent greater than on July 31, 1921.

The changes in savings accounts in the seven cities from one month and one year ago are shown in table "P," and in the accompanying chart are shown the changes since January, 1919. In July for the first time since August, 1920, the total of savings accounts in the reporting banks of Seattle exceeded that of the corresponding month in the preceding year. The peak of savings accounts in Seattle was reached in December, 1919. At the lowest

point, in September, 1921, they were 30 per cent below the peak. They are now 5.6 per cent greater than last September. In Spokane, savings accounts are 10 per cent less than at their peak in December, 1920.



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

Reports received by this bank from the principal accepting banks in the district show a marked increase in the volume of their acceptance business in July compared with June. The total of bills accepted in July was \$8,151,861, an increase of \$4,023,984 or 97.4 per cent over the June figure. The amount of bills bought, including both those created in this district and

in other districts, also increased, rising from \$5,405,427 in June to \$11,597,826 in July. The total amount of acceptances in the portfolios of reporting banks on July 31, 1922, was \$14,489,634 compared with \$10,397,680 held on June 30, 1922. The principal commodities upon which these acceptances were based were raisins, canned and dried fruits, grain and cotton. Purchases and holdings of acceptances of reporting banks appear in table "Q."

The general market for acceptances in the month ending August 15th was featured by a short period of activity followed by a relapse to the previous state of dullness. The bulk of the demand for this paper is still from city banks. Occasional inquiries come from country banks but the latter are generally remaining out of the market. An increasing interest in trade acceptances is being manifested and bills of that type which appear in the open market are being absorbed readily.

The supply of new bills being offered on the open market is increasing and during the past month reached proportions which exceeded the demand. Most of the increased supply of bills consists of acceptances growing out of domestic shipment or storage of commodities.

Rates have held steady at 3 per cent and 3½ per cent for all maturities up to four months, although for a few days at the beginning of the period 2⅞ per cent was asked during a

(P) Savings Accounts*—

	Number of Banks	July 31, 1922	June 30, 1922	July 31, 1921	Per Cent Increase or Decrease (—) July 31, 1922 over July 31, 1921
Los Angeles	13	\$235,987	\$235,981	\$213,087	10.7
Oakland	7	76,115	76,388	73,630	3.4
Portland	9	39,688	39,663	37,828	4.9
Salt Lake City.....	9	24,028	24,242	24,591	— 2.3
San Francisco	16	345,660	350,432	321,853	7.4
Seattle	15	31,261	30,918	30,160	3.7
Spokane	6	14,068	14,169	13,779	2.1
Total	75	\$766,807	\$771,793	\$714,928	7.3

*000 Omitted.

(Q) Acceptances†—

	Amount Accepted		Amount Bought				Amount held at close of month	
	July, 1922	June, 1922	Created in Twelfth District	All Other	Total	Total	July, 1922	June, 1922
Pacific Northwest	\$ 353,399	\$ 512,341	\$ 96,348	\$ 10,000	\$ 160,555	\$ 51,544	\$ 256,903	\$ 61,544
Northern California ..	6,676,445	3,162,520	4,070,030	1,908,292	2,829,765	1,784,590	6,899,795	3,788,651*
Southern California ..	1,122,027	453,016	724,247	351,900	3,716,881	1,203,332	4,441,128	1,555,232
Other Districts .....	..	..	..	..	..	..	..	..
Total	\$8,151,861	\$4,127,877	\$4,890,625	\$2,270,192	\$6,707,201	\$3,039,466	\$11,597,826	\$5,405,427

†35 Banks reporting.

*Figures of one bank included in "Total Amount Bought" but not included under headings amount bought "Created in Twelfth District" or "All Other."

temporary shortage of bills bearing prime names. A general classification according to maturity of acceptances marketed during the past two months shows a marked preference among buyers for bills of 60 and 90-day maturities.

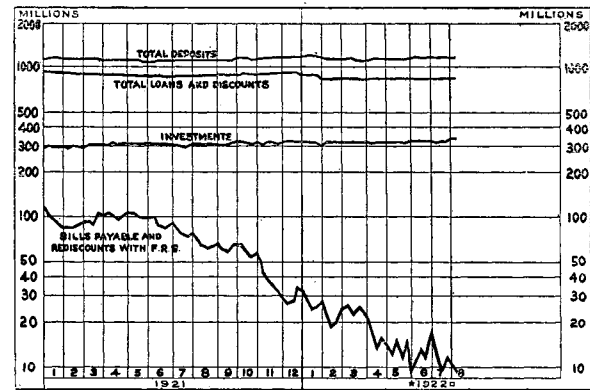
Maturities	July 15 to August 15	June 15 to July 15
30 days.....	3.8%	10.4%
60 days.....	27.8%	34.6%
90 days.....	67.8%	49.0%
120 days.....	0.6%	6.0%

On June 15th, the Treasury Department offered, in exchange for $4\frac{3}{4}$ per cent Victory Notes, an issue of $4\frac{3}{8}$ per cent Treasury Notes, designated Series B-1925, dated June 15, 1922, and maturing December 15, 1925. In order that all holders of $4\frac{3}{4}$ per cent Victory Notes might have ample opportunity to make this exchange, if they so desired, the Treasury Department held the subscription books open until the close of business, June 22, 1922. The total amount of Victory Notes exchanged for Treasury Notes of Series B-1925 was \$335,141,300, of which \$11,363,200 was exchanged through the Federal Reserve Bank of San Francisco.

On July 26th, the Treasury Department offered Treasury Notes, designated Series B-1926, in exchange for $4\frac{3}{4}$ per cent Victory Notes of certain series, and for cash sale. The notes, bearing interest at the rate of $4\frac{1}{4}$ per cent, were dated August 1, 1922, and will mature on September 15, 1926. The amount of the offering was \$300,000,000 or thereabouts, with the right reserved by the Secretary of the Treasury to allot additional notes to the extent that payment was tendered in $4\frac{3}{4}$ per cent Victory Notes. The subscription books for this second offering of Treasury Notes in exchange for Victory Notes were held open until close of business on August 8th, although subscriptions under the cash sale offering were closed August 1st.

Total subscriptions to the primary or cash sale offering of these notes amounted to \$1,236,861,450, of which \$345,425,000 was allotted. In this district, the subscriptions under the primary offering amounted to \$69,407,200, and allotments subsequently authorized amounted to \$24,357,000. Under the conversion provision, there were issued in exchange for Victory Notes, Treasury Notes of Series B-1926 aggregating \$141,515,700, of which \$10,467,000 were exchanged through the Federal Reserve Bank of San Francisco.

The large city banks throughout the district continue in a strong and liquid condition in the face of increasing credit demands upon them incident to the harvesting and marketing of seasonal products. Total loans and discounts of 68 reporting member banks on August 9, 1922, had increased \$17,600,000 over the July 5th figure, and total deposits had increased by an

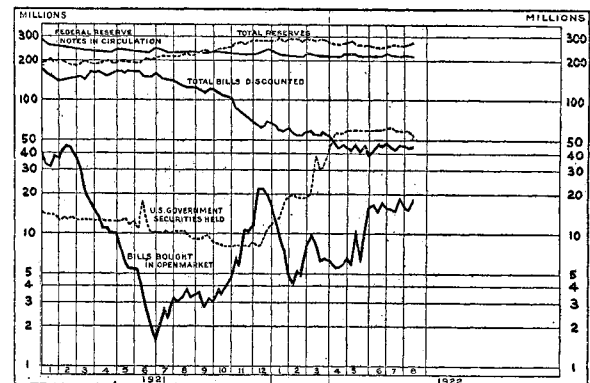


* \$7,060,000 on June 7, 1922

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

approximately equal amount. The ratio of total loans and discounts of reporting banks to their total deposits was 73 per cent, compared with 75 per cent at the beginning of the year 1922. Investment holdings of these banks were greater by \$8,645,000 on August 7th than on July 5th. Borrowings from the Federal Reserve Bank, following a sharp rise at the close of the fiscal year, on June 30th, dropped back to previous levels and on August 9th stood at \$9,362,000, next to the lowest figure reached this year.

Figures are now available covering a period of five weeks since July 8th, when the redis-



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

count rate of the Federal Reserve Bank of San Francisco on all classes of paper was reduced from $4\frac{1}{2}$ to 4 per cent. During that period, the total volume of rediscounts has fluctuated but little, being on August 16th \$43,388,000, approximately the same as on July 15th. The reduction of \$7,000,000 in rediscounts of reserve city member banks, noted above, has been offset by increased borrowings of country member banks, a normal condition when the

district's crops are being harvested. Bills discounted, secured by United States Government obligations, increased from \$8,923,000 on July 5th to \$11,007,000 on July 26th but have since declined to \$10,113,000, the net increase from July 5th to August 16th being \$1,190,000, or 13.3 per cent.

Federal Reserve Notes in circulation on August 16th amounted to \$216,013,000, a decrease of \$2,926,000 from one month ago.

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

	Aug. 9, 1922	July 5, 1922	Aug. 10, 1921
Number of Reporting Banks	68	68	70
Loans and Discounts (exclusive of rediscounts).....	\$ 863,027,000	\$ 845,427,000	\$ 864,803,000
Investments	334,555,000	325,910,000	305,855,000
Cash in Vault and with Federal Reserve Bank.....	104,934,000	105,516,000	98,265,000
Total Deposits	1,184,485,000	1,169,037,000	1,120,405,000
Bills Payable and Rediscounts with Federal Reserve Bank.....	9,362,000	16,275,000	67,672,000

COMPARATIVE STATEMENT OF CONDITION OF FEDERAL RESERVE BANK OF SAN FRANCISCO AT CLOSE OF BUSINESS, AUGUST 16, 1922

RESOURCES

	Aug. 16, 1922	July 12, 1922	Aug. 17, 1921
Total Reserves	\$259,093,000	\$253,765,000	\$222,783,000
Bills Discounted	43,388,000	43,990,000	129,731,000
Bills Bought in Open Market.....	17,702,000	15,264,000	3,311,000
United States Government Securities.....	53,977,000	62,104,000	10,227,000
Total Earning Assets.....	\$115,067,000	\$121,358,000	\$143,269,000
All Other Resources*.....	45,656,000	49,840,000	39,872,000
Total Resources	\$419,816,000	\$412,789,000	\$405,924,000

LIABILITIES

Capital and Surplus.....	\$ 22,789,000	\$ 22,617,000	\$ 22,621,000
Total Deposits	141,308,000	142,422,000	119,550,000
Federal Reserve Notes in Actual Circulation.....	216,013,000	218,939,000	225,944,000
All Other Liabilities†.....	39,706,000	40,985,000	37,809,000
Total Liabilities	\$419,816,000	\$412,789,000	\$405,924,000
*Includes "Uncollected Items".....	38,914,000	43,303,000	32,997,000
†Includes "Deferred Availability Items".....	35,172,000	35,991,000	28,177,000

BUSINESS RECOVERY IN THE TWELFTH FEDERAL RESERVE DISTRICT

A statistical summary of the condition of agriculture, business, employment, and finance in the Twelfth Federal Reserve District in July, 1922, is presented in the following table. To facilitate comparison of the various items, index numbers are used, with the month of July, 1920, representing 100 in each case. In that month, prosperity in this district, following the post-armistice business expansion, was approximately at its peak. The trough of the ensuing depression occurred about one year later, and therefore the month of July, 1921, is also included. Comparison of present conditions may thus be made with what were approximately the best and the worst conditions since the armistice.

PRODUCTION—Physical Volume

	July, 1922	July, 1921	July, 1920
Agriculture			
Grains—Wheat, barley and rice (12th District).....	104.4	110.7	100
Fruits—Apples, grapes, peaches, pears, prunes, lemons, oranges (12th District).....	101.6	98.6	100
Receipts of Livestock at 6 Markets			
Cattle	89.2	78.7	100
Sheep	62.5	101.8	100
Hogs	134.8	109.3	100
Flour Milling (12th District).....	84.2	107.9	100
Lumber (3 Associations).....	118.4	81.8	100
Petroleum (California Production).....	135.1	118.6	100
Stocks in California.....	185.1	129.6	100

BUSINESS ACTIVITY

Prices—U. S. Bureau of Labor average of 404 commodities.....	64.3	58.5	100
Department Store Sales; dollar value, 32 stores.....	92.0	90.0	100
Wholesale Trade; total value sales 147 firms in 10 lines.....	74.4	73.7	100
Bank Debits in 20 cities.....	81.7	74.4	100
Building Permits; number issued in 20 cities.....	148.4	124.9	100
Business Failures; number in 12th District.....	151.4	149.5	100

EMPLOYMENT

Actual Number of Workers on Payroll of 40 firms.....	113.2	100*	..
Savings Deposits in seven largest cities.....	113.9	106.1	100

FINANCE

Rediscount Rate Federal Reserve Bank (Actual).....	4	5½	6
Rates Charged Commercial Borrowers by San Francisco Banks (Actual)	5½	6½	6½
Borrowings of Member Banks from Federal Reserve Bank.....	30.3	100.4	100
Deposits of 68 Reporting Member Banks.....	101.7	95.5	100
Loans and Discounts of 68 Reporting Member Banks.....	91.0	93.7	100

*July, 1921=100.