

MONTHLY REVIEW

OF

BUSINESS CONDITIONS

JOHN PERRIN, Chairman of the Board and Federal Reserve Agent
Federal Reserve Bank of San Francisco

Vol. VII

San Francisco, California, February 16, 1923

No. 2

Summary of National Conditions

Further increase in the volume of production in basic industries to a level higher than in 1919 or 1920, a continued advance in the prices of many basic commodities, additional borrowings from banks for commercial purposes, and somewhat higher money rates are the principal recent developments in the business situation.

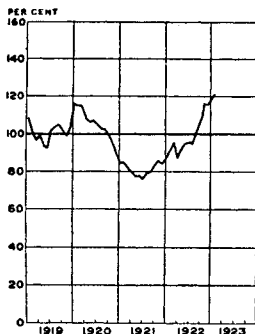
Production. Production in basic industries, as measured by the Federal Reserve Board's index, was 6 per cent higher in January than in December, and reached a volume exceeded only once in the past, in May, 1917. Production of steel ingots, and of anthracite coal, and mill consumption of cotton showed particularly large advances, and most other important industries increased their output. Building operations have been maintained on a large scale.

The expansion in production during January was accompanied by a substantial increase in freight shipments. Car loadings of forest products, reflecting continued building activities, reached the highest monthly total on record, and loadings of merchandise and miscellaneous commodities were higher than in any January of the past four years.

Industrial employment continued to increase

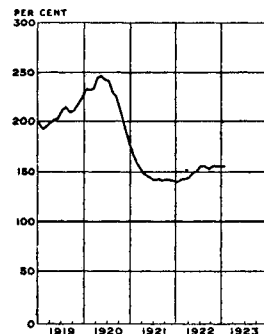
during January and shortages of both skilled and unskilled labor were reported by textile mills, steel mills, and anthracite coal mines. More wage increases at industrial establishments were announced than in December. There is still some unemployment in states west of the Mississippi. In industrial and commercial centers there has recently been a larger demand for office workers, although throughout the country there is much unemployment in this group.

Prices. The index number of the Bureau of Labor statistics computed from the wholesale prices of about 400 commodities, including finished and semi-finished products as well as raw materials, showed the same average level of prices in January as in November and December. Between December and January the prices of clothing, fuel, metals, building material, chemicals, and house furnishings advanced, but these advances were accompanied by declines in farm products and food, so that the combined index remained unchanged. During recent weeks, the prices of a number of basic commodities advanced rapidly and in many cases reached the highest points since 1920 or the early part of 1921. Among commodities reaching new high levels for the current move-



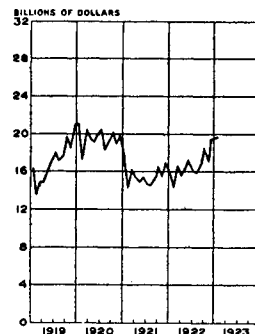
Index of Production in Basic Industries

Combination of 22 individual series corrected for seasonal variation (1919 average=100 per cent)



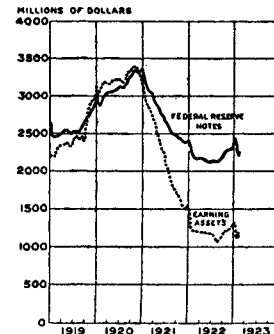
Prices

Index numbers of wholesale prices, United States Bureau of Labor statistics (1913 average=100 per cent)



Volume of Payments by Check

Checks drawn on banks in 140 centers, New York not included



Bank Credit

All Federal Reserve Banks

A substantial, black, cloth-covered, three-ring binder, large enough to contain one year's (12) issues of this review, will be mailed prepaid to any address on our mailing list upon receipt of one dollar to cover actual costs.

ment were corn, beef, cotton, wool, silk, hides, lumber, rubber, linseed oil, copper, lead, and pig iron.

Trade. An active distribution of goods for this season of the year is indicated by reports to the reserve banks both of wholesale and retail dealers for the month of January. Sales of department stores in over 100 cities were 12 per cent larger than in January, 1922. Inventories for January show that there has been no large increase in stocks of goods held by department stores, and the rate of turnover continued rapid. In wholesale lines there were particularly large sales during January of dry goods, drugs, hardware, and farm implements.

Bank credit. The larger volume of commercial borrowing at member banks in recent weeks has been contrary to the usual trend of the season. Commercial loans of reporting member banks on February 14th were \$243,000,000 or 3 per cent larger than at the end of December, and 7 per cent above the level at the end of July when the general demand for credit first showed an upward turn.

This increased demand for credit at the member banks has resulted recently in an increased volume of borrowing by the member banks at the reserve banks, chiefly Boston, New York, and Philadelphia. On February 21st, the loans to member banks were \$628,000,000, or \$248,000,000 higher than in mid-summer. During the same period the volume of Government securities and bankers' acceptances held by all Federal Reserve banks declined \$161,000,000 resulting, therefore, in a net increase of \$87,000,000 in the loans and security holdings of the reserve banks.

The volume of Federal Reserve notes in circulation which showed the usual post holiday decline in January, began to increase on January 31st, a week earlier than last year.

Money rates also showed a tendency to become firmer, especially in recent weeks. The open market rate for commercial paper, which was 4 per cent last summer, rose during February from a range of $4\frac{1}{4}$ - $4\frac{1}{2}$ per cent to a range of $4\frac{3}{4}$ -5 per cent. On February 23rd, the discount rate on all classes of paper at the Boston and New York Reserve banks was advanced from 4 to $4\frac{1}{2}$ per cent.

Summary of District Conditions

Not since 1920 has the opening month of the year been characterized by the industrial and business activity which marked January, 1923. The total volume of business transacted, as indicated by debits to individual accounts at banks in 20 clearing house centers, was 16.5 per cent greater than in January, 1922, 5.9 per cent greater than in January, 1921, and 1.5 per cent greater than in January, 1920. A recent

survey conducted by this bank showed that there had been an average increase of 27.2 per cent in the number of men employed in the principal industries of the district during the year ended February 1, 1923. In the majority of cases increases in employment had been accompanied by advances in wages.

The **lumber** industry is experiencing great activity. Handicapped by adverse weather conditions the camps and mills of the district have been unable to supply the increasing demand. Production during January, 1923, was 17 per cent greater than during January, 1922, shipments 29 per cent greater, and orders received 52 per cent greater. Unfilled orders at the end of the month were 64 per cent in excess of orders held on February 1, 1922. The shortage of experienced workers previously reported from the **mining** camps of the district has become less acute, and production of copper, lead, silver, and zinc is increasing. New records of production are reported from the oil fields of California, the daily output of **petroleum** during January, 1923, having been 530,885 barrels, an increase of 6.6 per cent over the previous month and of 68.1 per cent over January, 1922, raising the amount of oil in storage to 62,635,588 barrels, a new high record. Reporting **flour** millers of the district are producing nearly 20 per cent more flour than they were one year ago. **Building activity** is again increasing, after diminishing temporarily during November and December. Both number and value of building permits issued during January, 1923, were greater than in the previous month or the same month of last year.

Trade at retail during January, 1923, was greater in value and volume than in January of the two previous years and was approximately at the level of January, 1920. **Wholesale** distributors in all of the 10 reporting lines of business advised substantial increases in the value of their sales in January, 1923, compared with January, 1922, significant among which was an increase of 66.1 per cent in the value of sales of agricultural implements. **Business failures** during the first month of 1923 were the same in number as in January, 1922, but the amount of liabilities involved was less by 61.3 per cent.

Expansion of productive and distributive activity has increased the demand for **bank credit**. Loans and discounts of 66 reporting member banks stood at \$919,162,000 on February 7th, \$16,735,000 above the figure for January 10th. Total deposits of the reporting banks continue to rise, each new weekly figure being a record one. At \$1,275,000,000 on February 7th their deposits were \$185,000,000 above the low point of 1921-1922 (June 8, 1921) and \$90,000,000 above the high point of 1920 (November 12th).

There was a gain of \$10,077,000 in total discounts of the Federal Reserve Bank during the period from January 10th to February 14th, all of which occurred in the city of San Francisco. Borrowings of country member banks were practically unchanged at \$18,000,000.

Prices of the principal products of the district fluctuated within narrow limits during the month, but disregarding seasonal changes, the general trend was upward. Important increases in the prices of cotton, wool, lumber, copper, and lead were reported.

Crop Conditions

Fall sown grain crops of this district have improved in condition during the favorable weather of January. Heavy rains and snows over the greater part of the district relieved previous drought conditions in areas of deficient rainfall, and moisture for growing crops is now abundant.

Moderate amounts of 1922 crop wheat were marketed during January, but buying, both for domestic use and for export, continued relatively small in volume. Not only have exports of wheat from Portland and the Puget Sound ports during the current season been less than one-half of the heavy movement of the previous season, but they have been smaller than the light export movement of the 1920-1921 season.

	WHEAT EXPORTS		
	July 1st to January 31st (inclusive)		
	1922-1923 (bushels)	1921-1922 (bushels)	1920-1921 (bushels)
Portland	12,133,403	26,230,531	13,493,626
Puget Sound	3,045,437	6,079,957	4,292,022
Total	15,178,840	32,310,488	17,785,648

Commercial estimates indicate that 6,195,000 bushels (2,787,750 bags of 100 pounds each), or 75 per cent, of the 1922 California rice crop remains in the hands of growers at the present time. Of this amount, approximately 1,444,444 bushels (650,000 bags of 100 pounds each) were damaged to some extent by the rains which fell during the latter weeks of the harvest. Although a considerable quantity of this rice is not now in marketable condition, it is reported that proper handling in storage may make it saleable. Foreign buying has been small in volume during the past month, but an increase in domestic demand has strengthened the rice market and prices have advanced slightly. During January the Rice Growers Association of California sold number one paddy rice at prices ranging from \$2.35 to \$2.45 per 100 pounds. One year ago the same grade of rice sold for \$2.60 to \$2.65 per 100 pounds.

The extent of the acreage contracted to sugar beets in California and the prospective

plantings in Idaho and Utah indicate that there will be a large increase in the area devoted to this crop during the present year. Basing their estimates on the acreage included in contracts already signed in California, commercial factors state that there will be an increase of at least 25 per cent over last year's plantings of 59,000 acres in that state. The figures for Idaho and Utah are not so definite, as sale contracts for the 1923 crop have not yet (February 5th) been agreed upon in those states, but it is reported that last year's figures of 25,000 acres in Idaho and 74,000 acres in Utah will be greatly exceeded. Profits obtained by growers of sugar beets during the past year, the losses sustained by growers of one of the principal competing crops, potatoes, and the prices now prevailing in the domestic sugar market are the factors which have stimulated interest in sugar beet culture.

In California sugar beet factories have offered growers a contract which advances prices 28 per cent above the level of last year. In Idaho and Utah few contracts have yet been signed.

Storage holdings of apples in this district on February 1st remained twice as large as holdings one year ago as will appear from the following table:

	1922-1923 (cars)	1921-1922 (cars)
Total commercial crop of apples	44,800	51,123
Shipments July 1st to January 31st	33,295	45,198
Remaining in storage in the district	11,505	5,925

Apple shipments during January, 1923, were greater by 2,779 cars, or 107 per cent, than during January, 1922. The greater part of the mid-season varieties of apples, previously held in storage, have now moved into consumption and remaining stocks consist largely of the late varieties, which may be held for some time without serious deterioration. Prices to growers for apples declined approximately 7 per cent during January, and are now about 25 per cent below prices a year ago.

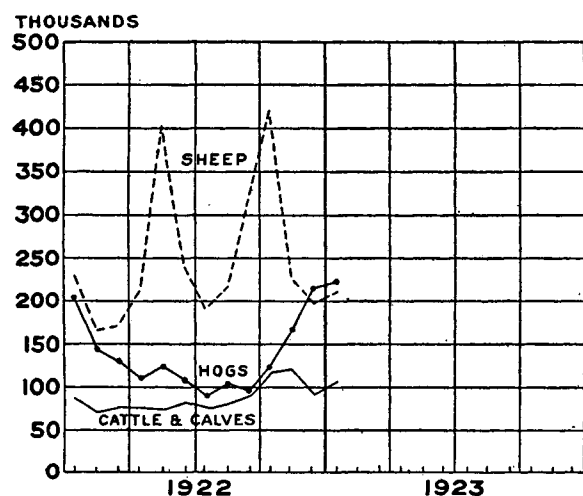
February 1st estimates of the 1922-1923 Navel orange crop in California forecast a yield approximately 5½ per cent greater than the January 1st estimate of 8,400,000 boxes, or 21,000 carloads. If present expectations of a yield of 8,862,000 boxes are realized, the Navel orange crop will be the largest on record, exceeding the previous record crop of the 1920-1921 season by 1,369,000 boxes.

Citrus fruit shipments for the past two seasons have been reported as follows:

	Nov. 1st to Jan. 28th	
	1922-1923 (cars)	1921-1922 (cars)
Oranges	9,107	8,952
Lemons	1,381	1,487

Livestock

Evidence of recovery of the livestock industry from the depression of 1920 and 1921 is contained in the recently published report of the United States Department of Agriculture showing changes in the number of animals on farms and ranges during 1922. Profitable operations during that year enabled growers of cattle, sheep, and hogs to increase and improve their flocks and herds, which had been allowed to decline in numbers and condition during the previous year. The largest increase was in number of hogs, the figure for the district standing at 1,749,000 on January 1, 1923, compared with 1,612,000 on January 1, 1922, a gain of 8.5 per cent. Importation of hogs from states outside the district, which was noticeable during 1921 and the early months of 1922,



Receipts of Livestock at Eight of the Principal Markets of the District 1922-1923. (Los Angeles, Ogden, Portland, Salt Lake City, San Francisco, Seattle, Spokane and Tacoma included)

practically ceased during the latter part of 1922. Improvement in the cattle industry appears in an increase during 1922 in the number of beef animals in the district amounting to 2.3 per cent. During 1921 a decline of 1.4 per cent was reported. Although the number of sheep in the district is still less than in 1921 and

1920, an increase of 3.6 per cent during 1922, following a decrease of 4.1 per cent during 1921, indicates the extent of improvement during the past year.

Dairymen increased the total number of cows in their herds by 2.1 per cent during 1922, compared with an increase of 3.2 per cent during 1921. The small but steady increase in the number of dairy animals during recent years indicates a stability in that industry, even during periods of abrupt change in general business conditions.

Weather and range conditions during January continued favorable to the livestock industry. Hay is plentiful in practically all sections where feeding is necessary. Under the influence of heavier receipts, prices of cattle and hogs at district livestock markets generally tended toward lower levels during the month. Although receipts of sheep were larger during January, 1923, than during December, 1922, they were less than during January, 1922, and an active demand for lamb and mutton maintained prices at or above the December level. Lambing has begun in the southern states of the district and losses have been small.

Total receipts of livestock at 8 of the principal markets of this district during January, 1923, and January, 1922, are given in the following table:

	Cattle	Calves	Hogs	Sheep
January, 1923....	89,640	16,533	222,228	210,808
January, 1922....	74,904	11,834	205,966	230,318

Wool

A combination of favorable factors, both physical and financial, have wrought a marked improvement in the sheep raising industry during the past several months.

The present winter has been comparatively mild and feed generally has been plentiful. Sheep on farms and ranges of the district are reported to be in excellent condition and fleeces, soon to be sheared, well grown and of better than average quality.

The consumption of wool in the United States has increased rapidly since the low point

(A) Livestock on Farms and Ranges—

	MILK COWS*			OTHER CATTLE*			SHEEP*			SWINE*		
	1923	1922	1921	1923	1922	1921	1923	1922	1921	1923	1922	1921
Arizona	46	40	35	1,050	1,050	1,100	1,155	1,100	1,200	57	50	48
California	645	632	620	1,435	1,380	1,380	2,402	2,310	2,500	876	834	818
Idaho	162	153	146	542	521	543	2,642	2,492	2,623	235	196	206
Nevada	21	19	18	356	346	343	1,119	1,190	1,100	25	25	25
Oregon	220	216	212	626	620	616	1,953	1,860	2,025	231	220	240
Utah	90	87	82	455	433	425	2,340	2,250	2,200	108	90	90
Washington	283	289	278	253	261	269	520	500	555	217	197	236
Twelfth District	1,467	1,436	1,391	4,717	4,611	4,676	12,131	11,702	12,203	1,749	1,612	1,663
United States	24,429	24,082	23,594	41,923	41,550	41,993	37,209	36,327	37,452	63,424	57,834	56,097
Per Cent District to United States	6.0	5.9	5.8	11.2	11.0	11.1	32.6	32.2	32.5	2.7	2.7	2.9

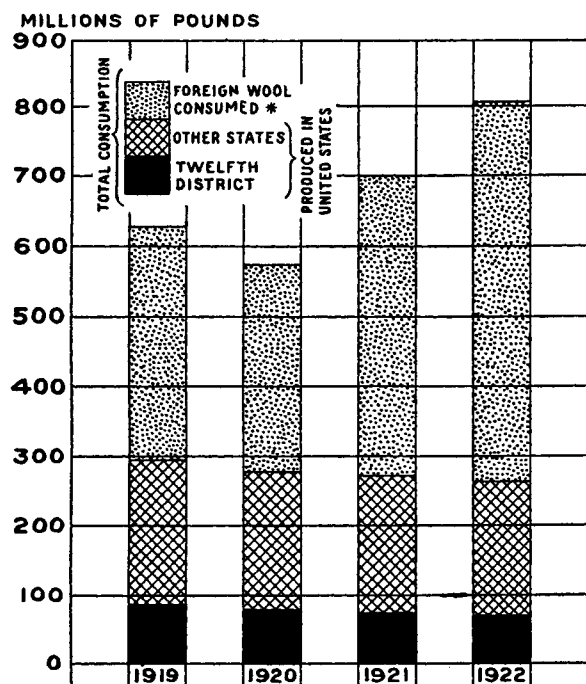
*000 Omitted.

of December, 1920, when less than 25,000,000 pounds were consumed. During November, 1922, the mills of the country used 79,000,000 pounds of wool, grease equivalent weight, the largest monthly figure reported since records were first kept, in January, 1918. Mill takings of wool during December, 1922, totaled 73,000,000 pounds, a slightly smaller figure than in November, but it is reported that woolen and worsted spindles were operated nearer to maximum capacity in December than in any month in recent years. Total consumption of wool in the United States during 1922 is estimated at 803,000,000 pounds, grease equivalent weight, compared with 650,000,000 pounds in 1921 and 578,000,000 pounds in 1920.

United States Department of Agriculture estimates that on January 1, 1923, there were 12,131,000 sheep on the farms and ranges of this district compared with 11,702,000 on January 1, 1922.

Buyers, now in the field, are reported to be offering growers from 30 to 45 cents per pound for the present season's clip, but few sales have been made. At this time a year ago it was estimated that approximately 20 per cent of the 1922 wool clip had already been contracted for sale by growers at prices ranging from 23 to 33 cents per pound.

Official estimates of wool production, by states, in this district and for the United States from 1919 to 1922, inclusive, are given in the following table:



Production of Wool in the Twelfth Federal Reserve District and the United States and Total Consumption of Wool in the United States, 1919-1922

*Estimated

The increasing demand for wool during 1921 had little effect on prices, as large surplus stocks were being pressed for sale in practically all markets of the world. By January, 1922, world stocks had been reduced to more nearly normal proportions, and since that time prices have advanced rapidly under the stimulus of an increasing demand. Present quotations, both in the central markets and in the producing states, are from 50 to 100 per cent higher than one year ago.

Sheep raisers in this district have benefited materially from this change. Flocks have been increased in size and improved in quality by the addition of new and younger stock. The

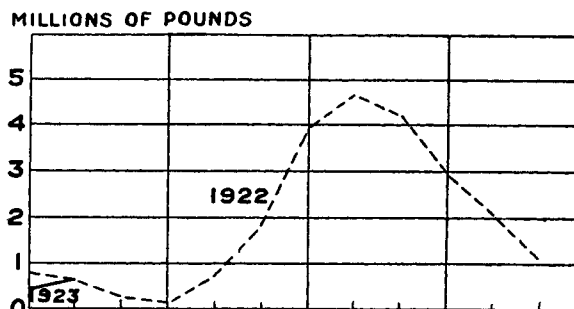
	1919 (pounds)*	1920 (pounds)*	1921 (pounds)*	1922 (pounds)*
Arizona	5,400	4,800	5,000	6,000
California	15,217	14,300	14,070	13,455
Idaho	22,145	18,650	16,800	15,000
Nevada	7,750	7,500	7,000	6,580
Oregon	16,039	14,435	14,435	12,992
Utah	17,000	16,150	16,500	15,984
Washington	5,779	5,201	4,421	4,112

Twelfth District ...	89,330	81,036	78,226	74,123
United States.....	298,258	277,905	273,064	261,095

*000 Omitted.

Dairy and Poultry Products

Contrary to the usual seasonal trend, cold storage holdings of butter in the principal markets of the district were increased during January, 1923. The movement, which may be a temporary one, followed the receipt of unusually large amounts of domestic butter and the arrival on this coast of small shipments of butter from Australia and New Zealand. The net addition of 202,290 pounds of butter to cold storage stocks during the month brought the total holdings in this district up to 639,981 pounds on February 1st, compared with 633,569



Seasonal Movement of Holdings of Cold Storage Butter at Four Principal Markets of the District, 1922-1923

pounds held on February 1, 1922. Butter prices in the San Francisco market since January 1st have been irregular, 93 score creamery butter opening at 50½ cents per pound on January

3rd being quoted at 52½ cents on January 23rd and thereafter declining steadily, standing on February 16th at 48 cents compared with 44¼ cents on February 16, 1922.

Holdings of cold storage eggs in the five principal markets of the district are dwindling rapidly as the season of heavy egg production approaches. Only 706 cases remained in storage on February 1st, a reduction of 90 per cent from the previous month. There were 2,411 cases held in storage on February 1, 1922. The price of extra grade eggs in the San Francisco market declined from 43½ cents per dozen on January 1st to 31½ cents per dozen on January 31st. On February 16th extra grade eggs were quoted at 28½ cents per dozen in the same market.

A summary of the cold storage holdings of butter and eggs in the chief markets of the Twelfth Federal Reserve District is presented in the following table:

	Feb. 1, 1923	Jan. 1, 1923	Dec. 1, 1922	Feb. 1, 1922
Butter (pounds)	639,981	437,061	1,178,460	633,569
Eggs (cases)	706	7,235	73,183	2,411

Prices

Available price index numbers for January indicate that the general level of prices was relatively stable during that month. The wholesale price index number of the United States Bureau of Labor, which includes 404 commodities in the raw, semi-manufactured, and manufactured state, was unchanged at 156 (1913 prices=100). This figure represents an advance of 18 points, or 13 per cent, since January, 1922, when the low point was reached in the price decline which began in 1920. Since July, 1922, there has been an advance of only one point, or less than 1 per cent. The 20 basic commodities index number of the Federal Reserve Bank of New York, which is more sensitive to individual price changes than is the more inclusive index number of the Department of Labor, advanced during January from 148.7 to 151.7 (1913 prices=100). Retail prices, as reflected in the National Industrial Conference Board's index of the cost of living, declined one-half of 1 per cent during the month, standing at 158.1 per cent in January compared

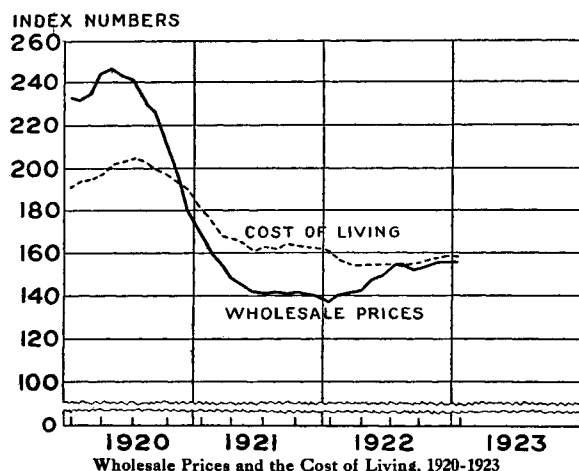
(B) Commodity Prices—

Commodity	Unit	Feb. 2, 1923	One Month Ago	One Year Ago
Twenty Basic Commodities (F. R. B. of N. Y.) 1913=100.		151.7	148.7	128.5
Wholesale Prices (U. S. Bureau of Labor*) 1913=100.		156	156	138
Cost of Living (National Industrial Conference Board) July, 1914=100.		158.1	158.9	161.4
Cattle (Native Beef) Weekly average price at Chicago.	100 lbs.	\$8.80	\$8.90	\$7.25
Sheep Weekly average price at Chicago.	100 lbs.	7.50	7.75	6.95
Lambs Weekly average price at Chicago.	100 lbs.	13.90	13.90	13.25
Hogs Weekly average price at Chicago.	100 lbs.	8.25	8.50	9.05
Wheat Chicago contract prices for May Wheat.	bu.	1.17½-1.18½	1.17½-1.19½	1.23½-1.25½
Barley Shipping Barley f. o. b. San Francisco.	cental	1.60-1.75	1.60-1.70	1.30-1.40
Rice California Fancy Japan at San Francisco.	cental	4.60	4.40	5.00
Cotton Middling Uplands—Weekly range of spot quotations at New Orleans.	lb.	27.62-28.00¢	26.50-26.75¢	15.00-15.75¢
Wool Average of 98 quotations at Boston.	lb.	81.28¢	79.50¢	54.71¢
Flour First Grade Family Patent f. o. b. Pacific Coast mills	bbbl.	7.81	7.73	7.27
Sugar Beet granulated f. o. b. San Francisco.	lb.	6.90	7.10	5.30
Apples Extra Fancy Winesaps f. o. b. Pacific Northwest	box	1.40-1.55	1.65-1.75	2.00-2.10
Oranges Navels, market pack, Los Angeles.	box	2.25-3.25	3.00-3.25	2.50-4.00
Lemons Loose pack at Los Angeles.	box	3.00-3.50	3.25-3.50	2.25-2.50
Dried Apples. Choice in 50-lb. boxes f. o. b. California.	lb.	.08½-.08¾	.08¾	.14
Dried Apricots Choice in 25-lb. boxes f. o. b. California.	lb.	.23½	.23-.24	.23½-.24
Prunes Size 40/50 in 25-lb. boxes f. o. b. Calif.	lb.	.11¾-.12	.11¾-.12	.12¾
Raisins Loose Muscatel in 25-lb. boxes f. o. b. California	lb.	.11	.11	.15½
Canned Apricots. Choice 2½s f. o. b. California.	doz.	3.15	3.25	3.00
Canned Peaches. Cling Choice, 2½s f. o. b. California.	doz.	2.60	2.60	2.60
Canned Pears. Bartlett, Standard 2½s f. o. b. California.	doz.	2.85	2.90	3.00
Raw Milk. Pacific Coast—January average.	100 lbs.	2.82	2.75	2.50
Butter 93 score at San Francisco.	lb.	.48½	.49½	.37¼
Eggs Extras—San Francisco.	doz.	.34	.47	.33½
Copper Electrolytic; New York Spot.	lb.	.15	.14¾	.13¾
Lead New York Spot.	lb.	8.375¢	7.40¢	4.70¢
Silver New York Foreign.	oz.	.64¾	.64½	.66
Zinc East St. Louis Spot.	lb.	7.05-7.10¢	7.05-7.10¢	4.50-4.55¢
Petroleum California 35° and above.	bbbl.	1.45	1.95	2.45
Douglas Fir. 2x4, 16-ft. No. S1S1E f. o. b. Seattle.	M ft.	21.50	20.50	12.50
Douglas Fir. 12x12 Timbers f. o. b. Seattle.	M ft.	24.00	20.00	19.00

*Revised figures.

with 158.9 per cent in December. (July, 1914=100 per cent.) Decreases in the retail costs of food were responsible for the decline.

Eliminating advances and declines due to seasonal influences, changes in the prices of the principal agricultural products of this district were generally limited in extent. The continued strength of the raw textile market, however, has been noteworthy. On the Boston market the average of 98 wool quotations advanced from 79.50 in December to 81.28 in January. Present prices for wool are approximately 50 per cent above those of a year ago. Prices of standard grades of cotton advanced a cent a pound during January, 1923, and were



Wholesale Prices and the Cost of Living, 1920-1923
United States Bureau of Labor Index of Wholesale Prices (1913=100)
National Industrial Conference Board Index of the Cost of Living (July 1914=100).

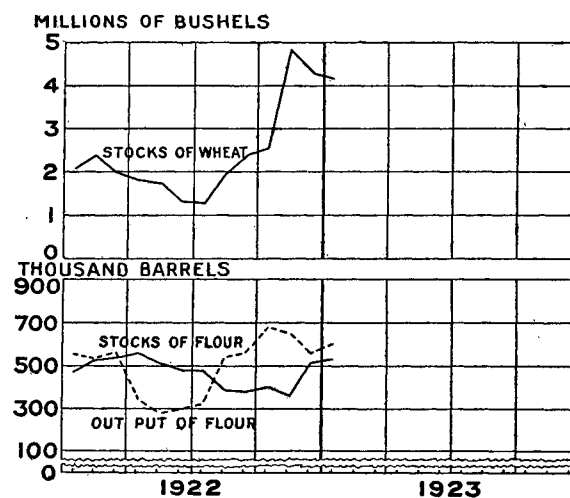
more than 80 per cent above prices in January, 1922. The sugar market has been erratic. The price of refined beet sugar on the San Francisco market declined from \$7.10 per 100 pounds to \$6.90 per 100 pounds during the month ending February 2nd. During the following 11 days quotations advanced to \$8.70 per 100 pounds, the highest point reached since November, 1920, but have since declined to \$8.45 per 100 pounds, the quotation on February 15th.

Noteworthy advances in prices occurred in the metals group. The price of copper reached 15 cents per pound for the first time since 1920 and lead prices advanced sharply to a level 78 per cent above that of a year ago. Lumber prices advanced from 5 to 20 per cent during January, 1923.

Milling

Millers are now consuming the large stocks of wheat which they accumulated during the autumn of 1922, and holdings of 16 companies, which report these figures, declined during January, 1923, for the second consecutive month. At 4,145,927 bushels on February 1st, they are still more than double the stocks of

wheat held a year ago. Stocks of flour held by the same companies on February 1st totaled 530,439 barrels, an increase of 13.3 per cent over their holdings of flour on February 1, 1922, and a slight increase over the previous month.



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

Output of flour mills of this district was greater during January, 1923, than during December, 1922, and at present millers are producing more flour than they were at this time a year ago, as shown by the following table:

	No. of Mills Reporting		Output		
	Jan., 1923	Dec., 1922	Jan., 1923 (barrels)	Dec., 1922 (barrels)	Jan., 1922* (barrels)
California ..	10	10	281,068	286,977	217,713
Idaho	3	3	11,306	9,019	13,536
Oregon	17	17	169,964	155,162	146,920
Washington 18	16		380,024	360,984	333,123
District	48	46	842,362	812,142	711,292

*67 Mills reporting.

Reports from millers indicate that activity in the export market increased, but that the volume of domestic sales declined slightly during the past month. Flour prices in this district continued to advance during January, and on February 1st were approximately 7 per cent higher than they were on February 1, 1922.

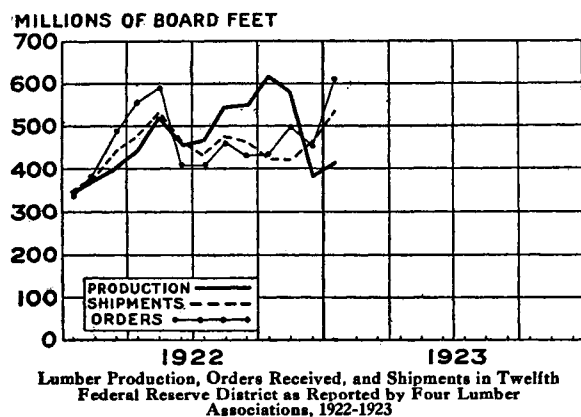
Lumber

Activity in the lumber industry of this district increased notably during January, 1923. Reported production, new orders, and shipments exceeded the figures for both December, 1922, and January, 1922, the increase over the latter month being particularly significant. Practically all of the large lumber manufacturing plants on the Pacific Slope, which were closed for repairs during the latter part of December, resumed operations during January. In the inland lumbering sections, operations

are still greatly curtailed, as is customary at this season of the year. Production of lumber in this district during January, 1923, was estimated to be 85 per cent of normal mill capacity, a particularly high figure for this month. One year ago mills were operated at approximately 75 per cent of capacity. Figures showing the activity of reporting mills in the four lumber associations in this district follow (000 omitted):

	Jan., 1923 (board feet)	Dec., 1922 (board feet)	Jan., 1922 (board feet)
Production	414,985	388,354	353,420
Shipments	475,510	465,488	368,748
Orders	563,299	460,314	371,211
Unfiled Orders....	572,770	500,511	348,242

The domestic market for lumber was unusually active during January, principally because of the large demand from California and the Atlantic Coast. With the exception of the month of May, 1922, new orders booked during



January, 1923, reached the largest total reported in any month during the past three years. For the second consecutive month, new orders and shipments exceeded production. As a result of this excess of demand over available supply, total stocks of lumber at producing centers on February 1, 1923, were reduced to a point considerably below stocks held one year ago. In the foreign market, Australia, China, Japan, and the West Coast of South America continued as the largest purchasers of Pacific Coast lumber. Price advances noted during the latter part of December, 1922, were reported well maintained during January, 1923.

Shingle mills were less active than other branches of the lumber industry during January, 1923. Present production of shingles is estimated to be 60 per cent of normal.

Although handicapped by severe storms and flood conditions in many sections of the Pacific Northwest, logging interests operated at approximately 75 per cent of capacity during January, 1923, compared with 50 per cent of capacity during January, 1922.

Mining

Greater activity in mining than at any time in the past two years marked the first month of the year 1923. Increased production and a firm or rising market for all of the principal metals produced in this district were reported. The shortage of experienced miners, which for a time limited production, has largely disappeared as skilled workers temporarily employed in other occupations have returned to the mining camps. In December, 1922, the production of copper at eight of the thirteen principal copper mines which are operating in this district was 28,516,000 pounds. In December, 1921, the combined output of the three mines then producing copper was 7,749,000 pounds. The lead and silver mines of Idaho and Utah are steadily expanding their operations; the silver mines of Nevada continue to operate at the high level maintained during the past year; and the gold mines and dredges of California have held or increased the gains in production recorded during the latter part of 1922.

Outstanding features of the national metal market during January were increased demand for copper and lead and substantial advances in the prices of these metals. Sales of copper for domestic and foreign shipments during December, 1922, are estimated to have been more than twice as large as December production and expanding activity in the copper market followed. The price of electrolytic copper delivered in New York is now (February 16th) 15.50 cents per pound compared with 14.75 cents per pound on January 16th, and 13.63 cents per pound, the average monthly price during the year 1922. The price of lead in the New York market on February 16th was 8.25 cents per pound compared with 7.5 cents on January 16th and 4.7 cents per pound on February 15, 1922.

Figures of the national production of copper, silver, and zinc, three of the most important metals produced in this district, are shown in the following table which compares the output during December, 1922, with November, 1922, and December, 1921:

	Dec., 1922	Nov., 1922	Dec., 1921
Copper (lbs.)			
(mine production)	103,845,306	102,593,152	18,595,182
Silver (oz.)			
(commercial bars)	5,052,192	4,869,905	3,896,952
Zinc (tons)			
(slab)	42,841	38,746	22,013

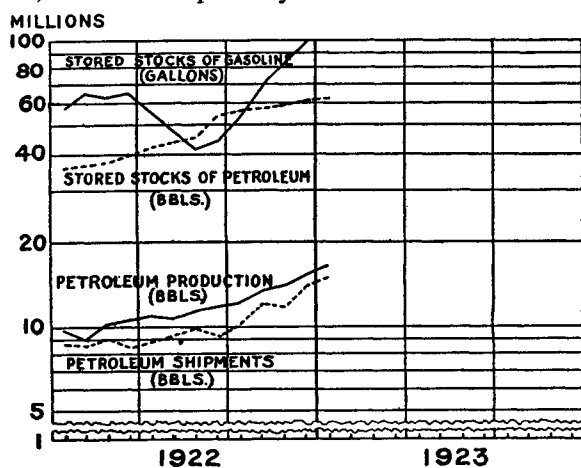
Figures for lead are not available.

Petroleum

The steady increase in petroleum production in California, which has now been in progress for seven months, continued during January, when average daily production of 530,885 barrels was 6.6 per cent greater than in December,

1922, and 68.1 per cent greater than in January, 1922.

Consumption of petroleum, as indicated by shipments to refineries and other consumers, was also greater during January, 1923, than during the previous month, the figures being 484,089 barrels per day for January and 451,150 barrels per day for December. The increase of 32,939 barrels per day was less than the in-



CALIFORNIA
Production, Shipments, and Stored Stocks of Petroleum, and Refinery Stored Stocks of Gasoline, 1922-1923

Figures for months subsequent to August, 1922, furnished by American Petroleum Institute. Figures for previous months partly estimated.

crease in production (33,246 barrels per day), however, and stored stocks rose to the new record figure of 62,635,588 barrels.

Seventy-eight new wells were completed during January and 21 wells abandoned, a net increase of 57 producing wells during the month.

Automobile Registrations

The total number of automobile registrations (passenger cars and trucks) in this district during the year 1922 was 1,350,661, compared with 1,149,560 registrations in the year 1921, an increase of 17.4 per cent. Segregated according to states, the 1922 statement shows an increase in the number of registrations in each of the seven states included in the district. The figures follow:

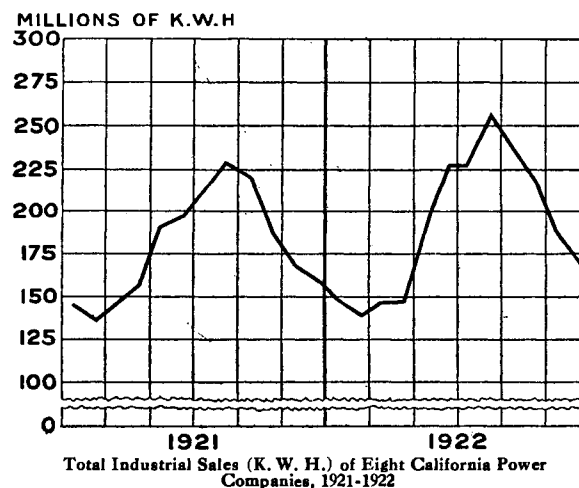
	1922	1921	Per Cent Increase 1922 over 1921
Arizona	38,369	35,049	9.4
California	845,082	691,344	22.2
Idaho	53,751	51,264	4.8
Nevada	12,647	10,820	16.9
Oregon	134,566	118,615	13.4
Utah	49,314	47,485	3.8
Washington	216,932	194,983	11.2
Total Twelfth Federal Reserve District ..	1,350,661	1,149,560	17.4
Total United States	12,357,376	10,505,660	17.5

Electric Energy

Seasonal decreases in the use of electric power for industrial purposes were smaller than usual during December, 1922, and total sales of 20 of the principal power companies of the district were 20.6 per cent greater than during December, 1921. An increased demand for electric power compared with a year ago was reported for all of the major industries of the district except agriculture. The abundant rains of the present winter have been largely responsible for the decline in agricultural consumption of electric energy. Sales of power for industrial purposes by certain industries and by sections of this district are compared in the following percentage table:

	Percentage Increase or Decrease, December, 1922, compared with December, 1921			
	Agriculture	Mining	Manufacturing	Total Industrial Sales
California	-43.2	-1.9	+32.8	+8.7
Pacific Northwest ..	+28.0	+12.8	+19.5	+27.9
Intermountain	-21.9	+58.0	+40.6	+83.5
Twelfth District...	-42.3	+6.8	+29.6	+20.6

Compared with November, 1922, total industrial sales of power during December, 1922, were less by 5.1 per cent. There were seasonal declines in the demand of the agricultural, lumbering, and manufacturing industries. In the accompanying chart are shown the total industrial sales of eight California power companies during 1921 and 1922.



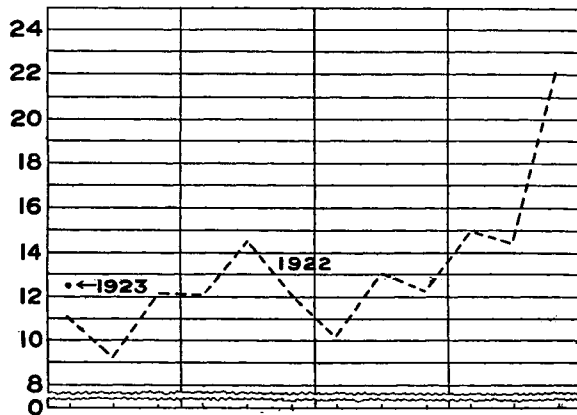
Figures showing the number of industrial consumers and industrial sales of reporting companies during December, 1922, and December, 1921, follow:

	Number of Industrial Consumers		Industrial Sales K.W. H.	
	Dec., 1922	Dec., 1921	Dec., 1922	Dec., 1921
California	58,100	48,046	174,281,634	160,212,857
Pacific Northwest ..	11,029	10,266	77,898,863	60,903,336
Intermountain States	10,036	9,743	42,532,384	23,166,257
Twelfth District ...	79,165	68,055	294,712,881	244,282,450

Retail Trade

The dollar value of sales of 33 representative department stores in this district was 14.9 per cent greater during January, 1923, than during January, 1922. Prices at retail having changed little during the past year, it is probable that the volume of merchandise sold at retail during January, 1923, was likewise approximately 15 per cent greater than in January, 1922. All of the six reporting cities reported increases, the gains in Los Angeles, 17.0 per cent, San Francisco, 13.0 per cent, and Seattle, 18.2 per cent, being particularly noteworthy. The number of individual sales transactions during January, 1923, reported by 11 stores, was 12.6 per cent greater than during January, 1922.

MILLIONS OF DOLLARS



Net Sales of 31 Department Stores in Twelfth Federal Reserve District (In Millions of Dollars)

Statistics concerning sales, stocks, and outstanding orders as furnished by 33 department stores in this district follow:

Net sales (percentage increase or decrease*)	
January, 1923, compared with January, 1922	14.9
January, 1923, compared with December, 1922	-43.5
Stocks (percentage increase or decrease*)	
January, 1923, compared with January, 1922	-2.8
January, 1923, compared with December, 1922	-1.7
Percentage of average stocks on hand at close of January, 1923, to sales during same month	420.6
Percentage outstanding orders at close of January, 1923, to total purchases during year 1922	9.7

*(-) Decrease.

Collections during the past six months have been reported as follows:

	Number of Firms Reporting Collections as			
	Excellent	Good	Fair	Poor
August, 1922	1	10	9	0
September, 1922	2	13	5	0
October, 1922	6	9	6	0
November, 1922	4	10	7	0
December, 1922	3	10	6	1
January, 1923	3	14	6	0

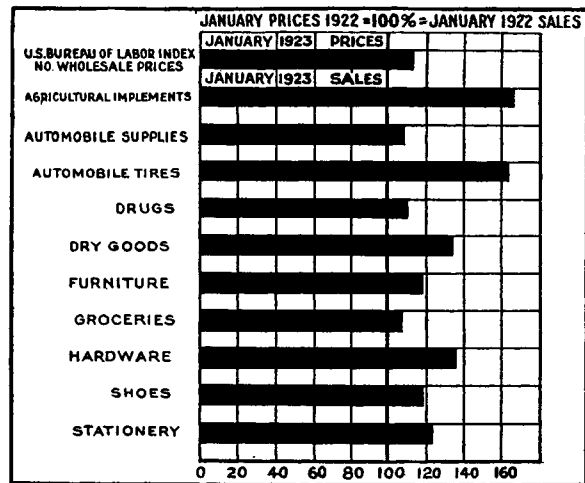
Wholesale Trade

The distinct improvement in wholesale trade, noted during the latter half of 1922, continued during January, 1923. Reports received by this bank from 195 representative wholesale firms in 10 lines of business show that the dollar value of sales in all lines was greater in January, 1923, than in January, 1922. Sales of agricultural implements were greater by 66.1 per cent. In three other lines of business the increase in January, 1923, compared with January, 1922, was over 30 per cent, and in seven of the ten lines increases of 18 per cent or more were reported.

The percentage increase or decrease (—) in the value of sales of 195 reporting firms in 10 lines of wholesale business was as follows:

	Number of Firms	Jan., 1923, compared with	
		Jan., 1922	Dec., 1922
Agricultural Implements	23	66.1	13.8
Automobile Supplies	20	9.1	-10.6
Automobile Tires	22	63.9	15.5
Drugs	10	10.2	3.6
Dry Goods	15	33.4	36.6
Furniture	16	18.4	-14.5
Groceries	29	7.4	6.1
Hardware	20	35.9	5.3
Shoes	14	19.1	-9.4
Stationery	26	22.4	-10.4

According to the United States Department of Labor, wholesale prices have increased 13.0 per cent during the past year.



Dollar Value of Sales of Representative Wholesale Firms and General Wholesale Prices in January, 1923, compared with January, 1922

Collections during the past three months have been reported as follows:

	Number of Firms Reporting Collections as			
	Excellent	Good	Fair	Poor
November, 1922	5	53	73	8
December, 1922	2	57	67	13
January, 1923	5	52	67	12

Employment

A recent survey by this bank of employment conditions in the district discloses the extent of the improvement which has taken place during the past year. Returns were received from 44 of the largest employers of labor in the major industrial activities of the district. They show an increase of 27.2 per cent in the total number of men employed on February 1, 1923, compared with February 1, 1922, and in most cases increases in employment have been accompanied by wage advances. Detailed figures are given in the following table:

Industry	Number of Firms	Percentage Increase in Employment	Percentage Increase in Wages
Building .....	..	..	10
Canning	4	9.3	15
Electric Power	6	31.2	8
Lumbering	4	21.1	10
Milling (flour)	4	10.8	No change
Mining	4	6.5	10
Oil	2	23.1	No change
Miscellaneous*	20	37.4	..
Total	44	27.2	..

*Includes iron and steel works, paper mills, packing companies and shipbuilding companies.

Contrary to the trend in other industries, wages paid farm labor in the western states declined during the year 1922. Figures in the following table are taken from reports of the United States Department of Agriculture:

	Wages by the Month	
	With Board	Without Board
Far Western States		
January 1, 1923.....	\$42.78	\$62.71
1922 average.....	45.57	66.03
United States		
January 1, 1923.....	27.81	40.30
1922 average.....	29.17	41.79

Employment conditions during January, 1923, were unchanged compared with December, 1922. A moderate amount of unemployment exists among unskilled laborers awaiting the commencement of spring work in the seasonal industries.

Recent trends of employment in manufacturing industries are indicated in the following table showing the total number of workers on the payrolls of 40 manufacturing firms usually employing 501 men or more:

	Number of Firms	Number of Men on Payroll*	
		Jan. 31, 1923	Dec. 31, 1922
Los Angeles.....	16	30,895	29,253
Portland	8	7,687	7,486
San Francisco.....	10	6,868	6,904
Seattle	6	2,336	2,396
Total	40	47,786	46,039

*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.

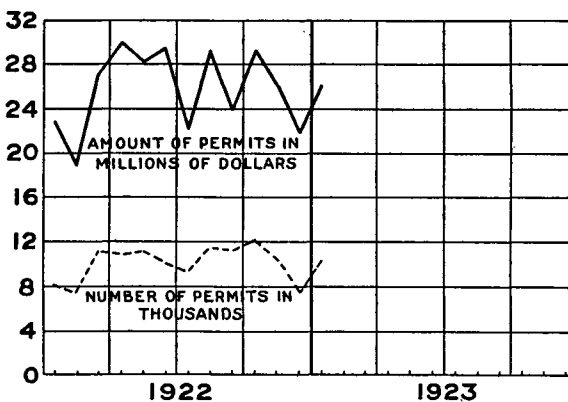
Building Activity

Building permits issued in 20 principal cities of this district during January, 1923, were greater both in number and value than in December, 1922, or January, 1922.

Percentage Increase in Number and Value of Building Permits, January, 1923, compared with

	Jan., 1922	Dec., 1922
Number	24.2	32.7
Value	14.3	18.7

Segregated according to cities, the January, 1923, returns show an increase in the number of permits compared with January, 1922, in 16 of the 20 cities, while the value of construction involved was greater in 15 cities.



Building Permits Issued in 20 Principal Cities, Twelfth Federal Reserve District, 1922-1923

According to the United States Department of Labor the wholesale price level of building materials increased 19.7 per cent in the year period, January, 1922, to January, 1923. It is

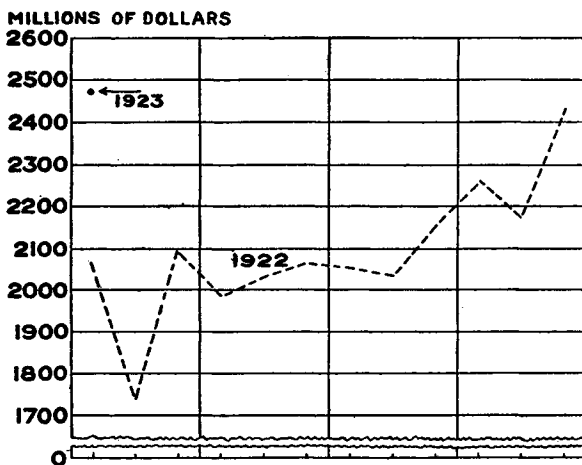
(C) Building Permits—

	January, 1923		January, 1922	
	No.	Value	No.	Value
Berkeley	174	\$ 494,437	136	\$ 338,332
Boise	60	34,975	84	13,550
Fresno	189	1,192,187	180	367,509
Long Beach...	416	1,383,026	319	759,218
Los Angeles..	4,646	11,258,517	3,416	7,975,168
Oakland	806	1,852,438	581	1,329,405
Ogden	19	82,275	16	43,250
Pasadena	379	765,380	225	347,745
Phoenix	69	85,625	54	74,982
Portland	865	1,537,450	875	1,147,960
Reno	12	9,500	10	9,200
Sacramento ..	214	451,554	249	1,897,862
Salt Lake City	47	202,325	35	81,900
San Diego....	427	532,150	361	539,210
San Francisco.	713	3,205,811	620	5,528,510
San Jose.....	96	225,195	65	75,365
Seattle	693	1,045,968	665	1,806,200
Spokane	126	122,570	74	203,445
Stockton	102	183,620	74	72,995
Tacoma	255	1,499,404	259	261,070
District	10,313	\$26,164,407	8,298	\$22,872,876

not clear, therefore, whether or not an increase of 14.3 per cent in the estimated value of permits issued during January, 1923, compared with January, 1922, is indicative of an increase in the physical volume of construction. The large increase in the number of permits (24.2 per cent) over the same period suggests that the units of construction were smaller and less expensive in January, 1923, than in January, 1922.

Bank Debits

The volume of business transacted in this district during January, 1923, as measured by bank debits in 21 principal clearing house centers, was 4.6 per cent greater than in December, 1922, and, as reported by 20 cities, was 16.5 per cent greater than in January, 1922. The latter increase of 16.5 per cent, amounting to \$312,171,000, was approximately three times the percentage increase noted in December, 1922, as compared with December, 1921. In January, 1923, for the first time since Septem-



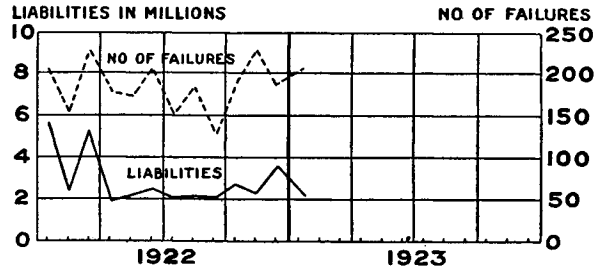
Debits to Individual Accounts in 20 Principal Cities, Twelfth Federal Reserve District, 1922-1923

ber, 1922, bank debits in San Francisco were greater than in the corresponding month a year ago, the increase being 4.3 per cent. In the district outside of San Francisco bank debits in January, 1923, were 24.8 per cent greater than in January, 1922. Noteworthy increases during the year period were reported from Long Beach, 86 per cent, and Ogden, 53 per cent.

When it is considered that wholesale prices as reported by the United States Department of Labor have increased but 13.0 per cent in the year period January, 1922, to January, 1923, and that retail prices are practically unchanged, an increase of 16.5 per cent in bank debits indicates that the physical volume of business transacted in January of this year was substantially larger than it was in January, 1922.

Business Failures

Business failures in this district during January, 1923, were approximately the same in number, but 61.3 per cent less in total liabilities than during January, 1922. Liabilities of the average failure in the district were \$10,554 in



Business Failures, Twelfth Federal Reserve District, 1922-1923

January, 1923, compared with \$27,200 in January, 1922. R. G. Dun & Company's comparative figures of the number and liabilities of business failures in the states of this district follow:

	January, 1923		December, 1922	
	No.	Liabilities	No.	Liabilities
Arizona	3	\$ 38,200	5	\$ 56,190
California	95	828,906	58	976,270
Idaho	12	172,227	20	744,903
Nevada	1	91,000	1	5,317
Oregon	34	324,015	34	604,710
Utah	15	138,273	15	317,549
Washington	46	581,678	53	918,898
District	206	\$2,174,299	186	\$3,623,837

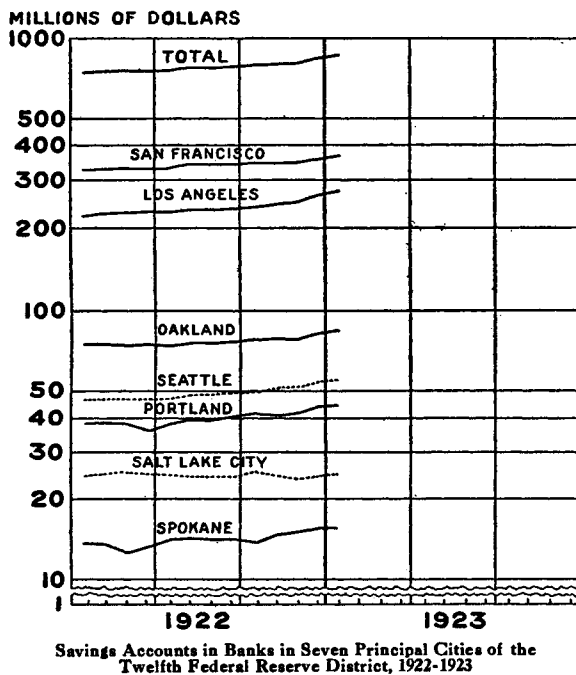
(D) Bank Debits*

	Four weeks ending Jan. 31, 1923	Four weeks ending Feb. 1, 1922
Berkeley	\$ 19,900	\$ 14,578
Boise	13,226	12,851
Fresno	49,014	38,572
Long Beach.....	50,102	26,888
Los Angeles.....	600,928	479,571
Oakland	104,117	76,236
Ogden	29,225	19,095
Pasadena	30,207	25,048
Phoenix	18,669	..
Portland	124,717	117,929
Reno	10,037	8,955
Sacramento	71,572	55,252
Salt Lake City.....	60,385	51,911
San Diego.....	46,368	36,027
San Francisco.....	703,509	673,901
San Jose.....	22,569	21,034
Seattle	149,358	127,296
Spokane	46,742	37,453
Stockton	21,518	20,174
Tacoma	33,763	31,580
Yakima	8,654	9,389
Total	\$2,214,580	\$1,883,740

*000 Omitted.

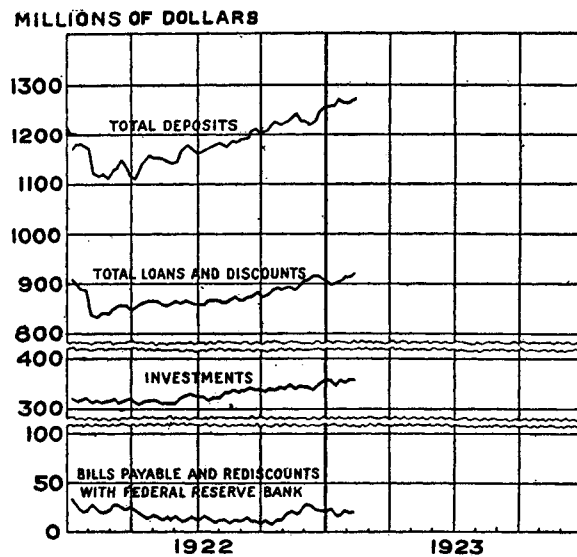
Savings Accounts

The total amount in all savings accounts, as reported by 75 banks in seven principal cities, increased 1.5 per cent during the month ended January 31, 1923, being on that date \$864,077,000 compared with \$851,142,000 on December 31, 1922. Savings accounts in the district as a whole and in Los Angeles, Oakland, Portland, San Francisco, and Seattle are now at the highest point reached since records were first kept in 1919. In Salt Lake City and Spokane the January figures are only slightly below the respective record months of March, 1922, and December, 1920. Savings accounts in the seven cities are now 15.1 per cent greater than one year ago, all of the reporting cities participating in the increase. The gains in Los Angeles, 22.0 per cent, Portland, 15.0 per cent, and Seattle, 20.1 per cent, have been particularly noteworthy.



Banking and Credit Situation

Following a moderate recession immediately after the new year, loans and discounts of 66 reporting member banks again advanced and on February 7, 1923, stood at \$919,162,000, the highest figure reported since the upward movement began a year ago on February 8, 1922. The major part of the recent increase has been in "other loans, largely commercial," as distinguished from "loans secured by stocks and bonds" and has doubtless resulted in large part from the increase in business and industrial activity noticeable in the district. Total deposits of reporting member banks continued at record levels, advancing from \$1,261,296,000 on



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

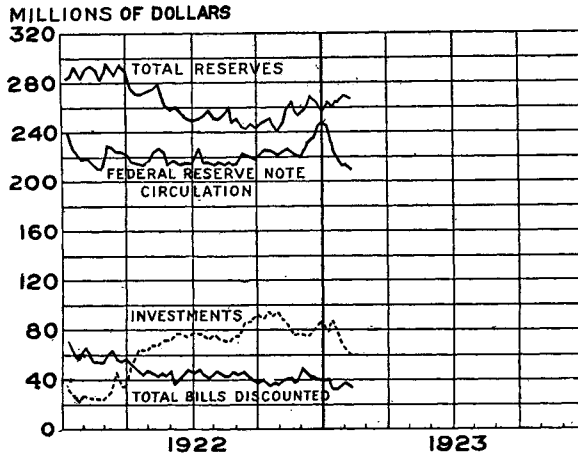
January 10th to \$1,275,439,000 on February 7th. Their investments were increased by \$13,561,000 during this period and now stand at \$361,143,000, the highest point in the past two years. Nearly all of the reported increase in investments during the past year has occurred in holdings of United States Government securities.

(E) Savings Accounts*—

	Number of Banks	Number of Banks			Per Cent Increase Jan. 31, 1923 over Jan. 31, 1922
		Jan. 31, 1923	Dec. 30, 1922	Jan. 31, 1922	
Los Angeles.....	13	\$271,882	\$268,448	\$222,937	22.0
Oakland.....	7	84,051	82,712	75,066	12.0
Portland.....	9	44,172	43,717	38,415	15.0
Salt Lake City.....	8	24,711	24,050	24,217	2.0
San Francisco.....	16	368,477	362,600	330,254	11.6
Seattle.....	16	55,260	54,187	46,016	20.1
Spokane.....	6	15,524	15,428	13,688	13.4
Total.....	75	\$864,077	\$851,142	\$750,593	15.1

*000 Omitted.

Increased loans to their customers by reporting city member banks has been accompanied by an irregular advance in the latter's borrowings from this bank. Their rediscounts stood at \$19,538,000 on February 7th, compared with \$14,480,000 a month previous, an increase of \$5,058,000. Country bank borrowings changed little during the month, and total rediscounts on February 7th were \$4,811,000 above the figure reported on January 10th. The latter figure, \$32,874,000, was the smallest reported since April, 1918.



Total Reserves, Federal Reserve Note Circulation, Bills Discounted, and Investments, Federal Reserve Bank of San Francisco

Federal Reserve note circulation declined by \$19,158,000 during the month ending February 14th, and at \$207,230,000 on that date was at the lowest point since 1919. Total reserves of this bank increased moderately during this period. The reserve ratio was 73.7 on February 14th compared with 69.7 on January 10th.

There has been no change in the general level of interest rates in this district during the past month. In New York City the interest rate on prime commercial paper rose from 4½ to 4¾ per cent during the week ending February 17th. During the first 10 days of the month

time money rates in that market advanced from 4¾ to 5 per cent.

On February 21, 1923, the Federal Reserve banks of Boston and New York announced that, effective February 23, 1923, their rediscount rates on all classes of paper would be advanced from 4 to 4½ per cent. These are the first advances in the rediscount rates of any of the twelve Federal Reserve banks since 1920, when rates of all of the banks reached the highest point in the history of the Federal Reserve System. Rediscount rates of the Federal Reserve banks of Boston and New York previous to the advance of February 23rd had been gradually reduced from a 7 per cent rate announced in June, 1920, to the 4 per cent rate which has been in effect since June 22, 1922. This latter rate was as low as any ruling rate since the establishment of the Federal Reserve System in 1914. The new rate at these two banks, 4½ per cent, is the same as that which prevailed from November, 1921, to June, 1922. The ruling rate of rediscount at all of the Federal Reserve banks except the Federal Reserve Bank of San Francisco is now 4½ per cent. This bank's rate is 4 per cent (February 23, 1923).

The strong demand for bankers' acceptances which characterized the market during the first two weeks of January continued practically undiminished during the four-week period ending February 15th. The rate on prime bills remained unchanged at 4 per cent. Reports received by this bank from 35 of the principal accepting banks in the district show the following increases or decreases in the amount of bills purchased and accepted during January, 1923, compared with December, 1922, and January, 1922:

	January, 1923, compared with	
	Dec., 1922	Jan., 1922
Amount of bills accepted ...	+ 37.3	+136.9
Amount of bills bought	+135.5	+ 18.7
Amount of bills held at close of month	+ 30.7	— 9.9

The principal commodities upon which these acceptances were based were grain, cotton, canned fruits, raisins, lumber, copra and kapoc.

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

	Feb. 7, 1923	Jan. 10, 1923	Feb. 8, 1922
Number of Reporting Banks	66*	66*	68*
Loans and Discounts (including rediscounts).....	\$ 919,162,000	\$ 902,427,000	\$ 819,085,000
Investments	361,143,000	347,582,000	309,663,000
Cash in Vault and with Federal Reserve Bank.....	119,289,000	119,315,000	97,817,000
Total Deposits.....	1,275,439,000	1,261,296,000	1,117,652,000
Bills Payable and Rediscounts with Federal Reserve Bank.....	19,538,000	14,480,000	21,071,000

*Mergers have reduced the number of reporting banks, but comparisons of resource and liability items have not been affected.

**COMPARATIVE STATEMENT OF CONDITION OF FEDERAL RESERVE BANK OF SAN FRANCISCO
AT CLOSE OF BUSINESS, FEBRUARY 14, 1923**

RESOURCES			
	Feb. 14, 1923	Jan. 10, 1923	Feb. 15, 1922
Total Reserves.....	\$263,599,000	\$259,788,000	\$291,305,000
Bills Discounted.....	42,951,000	32,874,000	55,576,000
Bills Bought in Open Market.....	24,684,000	37,086,000	5,243,000
United States Government Securities.....	34,742,000	49,766,000	18,546,000
	<hr/>	<hr/>	<hr/>
Total Earning Assets.....	\$102,377,000	\$ 98,809,000	\$ 79,365,000
All Other Resources*.....	54,182,000	56,666,000	46,667,000
	<hr/>	<hr/>	<hr/>
Total Resources.....	\$420,158,000	\$436,180,000	\$417,337,000
LIABILITIES			
Capital and Surplus.....	\$ 23,034,000	\$ 23,008,000	\$ 22,576,000
Total Deposits.....	150,561,000	146,143,000	141,521,000
Federal Reserve Notes in Actual Circulation.....	207,230,000	226,388,000	213,753,000
All Other Liabilities†.....	39,333,000	40,641,000	39,487,000
	<hr/>	<hr/>	<hr/>
Total Liabilities.....	\$420,158,000	\$436,180,000	\$417,337,000
*Includes "Uncollected Items".....	42,572,000	45,440,000	39,365,000
†Includes "Deferred Availability Items".....	38,337,000	39,658,000	33,621,000

CHANGES IN THE COST OF LIVING

The cost of living, both in the United States and in five of the principal cities of this district, turned definitely upward during 1922 according to reports of the United States Department of Labor. The first increase, following the long decline from the peak of June, 1920, occurred in the period June to September, 1922, when living costs in Oakland, Portland, and San Francisco advanced slightly. Figures from Los Angeles and Seattle show a small decrease in this period. In the last quarter of the year the cost of living increased in all reporting cities of the district. Itemized figures showing percentage changes from September, 1922, to December, 1922, follow (minus sign denotes decrease):

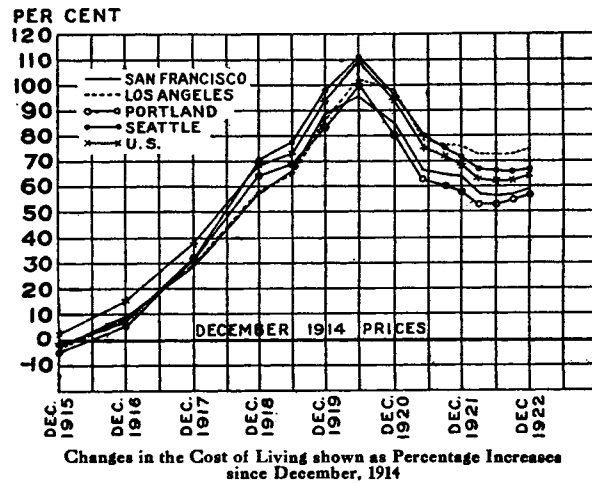
	San Francisco and Oakland	Los Angeles	Seattle	Portland	United States
Food	3.1	4.0	1.7	3.2	4.8
Clothing .....	.3	-.1	.1	.9	.1
Housing	-.2	.2	-.1	-.06	.4
Fuel and Light .....	.3	-.2	-2.0	4.2	1.4
Furniture .....	.7	4.3	.6	1.2	2.6
Miscellaneous .....	.4	-.4	-.4	-.6	-.4
Total	1.0	1.2	.1	1.2	1.9

Little uniformity in the movement of separate items of the family budget in the five cities can be noted. Declines, where they have persisted, have been small, while advances, partic-

ularly in foods, furniture, and house furnishings, have been relatively large.

The reported increase in the total cost of living follows the rise in wholesale prices, which was observable during the whole of 1922. According to the United States Bureau of Labor's index numbers, they were 13.0 per cent higher in January, 1923, than in January, 1922.

Changes in the cost of living in the United States and in five cities of this district from December, 1914, to December, 1922, are summarized in the accompanying table and chart.



COST OF LIVING IN THE TWELFTH FEDERAL RESERVE DISTRICT

Percentage Increase or Decrease (—) December, 1914 to December, 1922,
December, 1921 to December, 1922, and June, 1920 to December, 1922

City	Food			Clothing			Housing			Fuel and Light		
	Dec., 1914 to Dec., 1922	Dec., 1921 to Dec., 1922	June, 1920 to Dec., 1922	Dec., 1914 to Dec., 1922	Dec., 1921 to Dec., 1922	June, 1920 to Dec., 1922	Dec., 1914 to Dec., 1922	Dec., 1921 to Dec., 1922	June, 1920 to Dec., 1922	Dec., 1914 to Dec., 1922	Dec., 1921 to Dec., 1922	June, 1920 to Dec., 1922
Los Angeles....	39.4	.7	-26.9	78.0	-8.3	-37.4	94.8	2.4	36.6	35.6	-11.1	-11.6
Portland	34.3	.9	-35.1	54.9	-6.2	-40.1	43.6	.2	7.7	65.7	3.9	12.8
San Francisco (and Oakland)	38.8	-1.1	-28.4	85.4	-10.1	-36.2	30.0	3.3	18.8	52.5	-7.7	3.6
Seattle	33.9	2.6	-33.8	74.2	-7.6	-36.4	63.1	-3.6	-6.6	59.6	-5.5	-3.7
United States*..	46.6	-2.2	-33.0	71.5	-7.1	-40.3	61.9	.3	20.0	86.4	2.9	8.4

City	Furniture			Miscellaneous			Total		
	Dec., 1914 to Dec., 1922	Dec., 1921 to Dec., 1922	June, 1920 to Dec., 1922	Dec., 1914 to Dec., 1922	Dec., 1921 to Dec., 1922	June, 1920 to Dec., 1922	Dec., 1914 to Dec., 1922	Dec., 1921 to Dec., 1922	June, 1920 to Dec., 1922
Los Angeles.....	138.1	-4.0	-21.2	101.2	.8	7.8	74.5	-1.0	-13.4
Portland	102.9	-8.5	-27.5	79.4	.3	.1	56.1	-1.3	-22.1
San Francisco (and Oakland).....	105.4	-3.9	-26.6	84.2	-1.3	2.5	58.8	-2.9	-18.9
Seattle	136.1	-5.5	-26.4	96.4	-3.0	3.1	66.7	-2.8	-20.8
United States*.....	108.2	-4.4	-28.8	100.5	-3.0	.4	69.5	-2.7	-21.6

*Base year 1913.

Those desiring this review sent them regularly will receive it without charge upon application.