

# MONTHLY REVIEW

OF

## BUSINESS CONDITIONS

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

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No. 12

### Summary of National Conditions

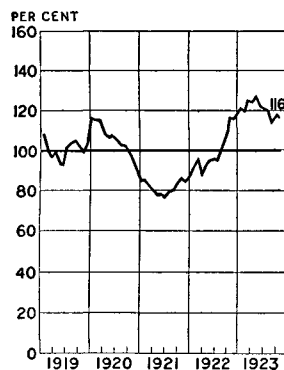
Production of basic commodities and factory employment decreased in November. Distribution of merchandise by wholesalers and retailers was somewhat less active, and wholesale prices showed a slight further recession.

**Production.** Production in basic industries decreased about 2 per cent in November. The decline was due chiefly to reduced production of pig iron and steel, and smaller sugar meltings. The Federal Reserve Board's new index of factory employment which is shown in one of the accompanying charts also declined, due to lessened activity at iron and steel plants and large seasonal reductions at clothing establishments. The volume of employment is now 2 per cent smaller than in the spring, but 3 per cent larger than a year ago. Contract awards

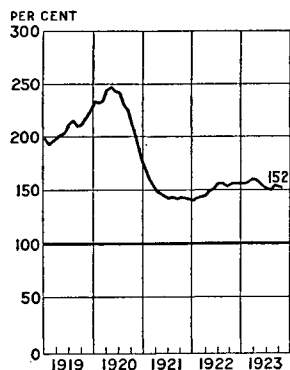
for new buildings were smaller in November than in October in all reporting districts except New York, but were 20 per cent larger than a year ago.

Final estimates by the Department of Agriculture show larger yields of corn, oats, tobacco, and cotton than in 1922, and smaller yields of wheat, hay, and potatoes. The total value of agricultural production at December 1st prices was 12 per cent larger than in 1922. Each of ten principal crops, except wheat, showed an increase in value.

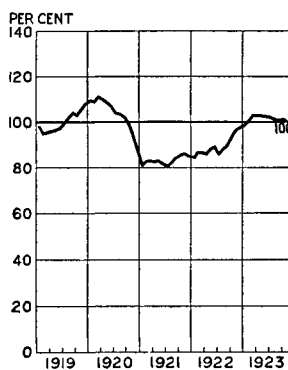
**Trade.** Railroad freight shipments in November showed about the usual seasonal decline from October, but were in heavier volume than in November of previous years. Wholesale trade was 13 per cent less in value in November than in October, which is more than the usual decrease at this season, but sales con-



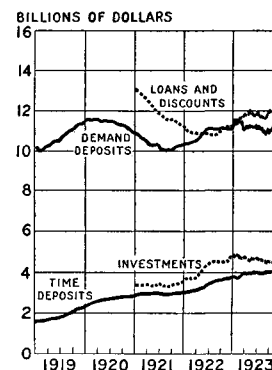
**Index of Production in Basic Industries**  
Combination of 22 individual series corrected for seasonal variation (1919 average = 100 per cent)



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



**Index of Employment in Manufacturing Industries\***  
(Monthly average, 1919=100)  
\*See note on page 178



**Bank Credit**  
800 member banks in leading cities

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tinued to be slightly larger in value than a year ago. Sales of hardware, drugs, and meat were larger than in November, 1922, while sales of shoes were smaller. Retail business was smaller in volume than in October in most lines. Sales of mail order houses declined more than sales of department stores, but were 11 per cent larger in value than a year ago.

**Prices.** The Bureau of Labor Statistics index of wholesale prices declined in November to a point 4 per cent lower than last spring, and about 3 per cent lower than a year ago. The chief reductions occurred in prices of animal products, fuel, and house furnishings. Prices of clothing and crops, on the other hand, increased, and the latter group averaged higher than in any month since 1920. During the first half of December prices of sheep, beef, sugar, cotton, silk, and rubber declined, while quotations on crude oil, wheat, and wool were slightly higher.

**Bank credit.** The total volume of credit extended by member banks in leading cities showed but little change between the middle of November and the middle of December. A seasonal reduction in commercial and agricultural loans in most districts was accompanied by increased loans on securities, with the result that total loans remained practically constant.

During the same period borrowings at the Federal Reserve banks were also practically unchanged. Holdings of acceptances increased somewhat, partly in connection with the financing of cotton exports. The increased demand for currency for holiday trade was reflected in both a moderate expansion in Federal Reserve note circulation and a reduction in gold certificates held by the Reserve banks.

Rates on commercial paper sold in the open market continued to show an easier tendency as indicated by increased sales at  $4\frac{3}{4}$  per cent, particularly in interior districts. The December issues of one year  $4\frac{1}{4}$  per cent and six months 4 per cent Treasury Certificates were largely over-subscribed. The last previous issue of six months Treasury Certificates sold in September, 1923, bore interest at the rate of  $4\frac{1}{4}$  per cent per annum.

NOTE: This month we present for the first time a chart showing the new index of employment in manufacturing industries, compiled by the Federal Reserve Board's Division of Research and Statistics. Wide industrial and geographical representation in the composition of the index is obtained by using data collected by a number of Federal and state agencies covering 33 separate industries which are grouped into 10 general classes, as follows: Metals; textiles; lumber; vehicles; paper and printing; food; leather; stone, clay and glass; tobacco; and chemicals. The final index and each of the 10 group indexes were obtained by combining the 33 individual industry series, weighting them in accordance with their relative importance as determined by the number employed according to the census of manufactures of 1919 and 1921. The index is expressed in terms of percentages with the monthly average for 1919 as the base, i. e., 100 per cent. It is so constructed that its movements, although they do not measure the total volume of employment, reflect increases or decreases in this volume. No corrections were made for normal seasonal variations, because, although these fluctuations are noticeable in individual industries, they vary as to time and degree, and in the final index largely offset each other. A full description of the data and methods used in compiling this index and of the results obtained was published in the December issue of the Federal Reserve Bulletin.

### Summary of District Conditions

Sound and substantial economic progress characterized the year 1923 in the Twelfth Federal Reserve District despite irregularity in a few fields, notably agriculture. Complete returns for 11 months and partial returns for December indicate that the year has been one of record activity in production and business, while bank credit for growing, harvesting, and marketing the district's crops, as well as for financing commerce and industry, has been continuously available at moderate cost.

**Production** in the major industries of the district attained high levels during the spring months of the year and, except for seasonal declines, was generally maintained during later months. The following comparisons of November, 1923, with November, 1922, illustrate the situation:

Lumber production .....	20%	increase
Mineral Production*		
Copper .....	28%	increase
Silver .....	5%	increase
Petroleum production .....	59%	increase
Flour production.....	17.5%	increase
Building activity .....	15%	increase

\*October, 1923, compared with October, 1922.

**Employment** conditions, on the whole, have been normal or better than normal, and thus far this winter seasonal unemployment has been no greater than usual.

The total volume of business transacted in the district is most accurately reflected in figures of checks drawn against individual accounts at commercial banks, which also indicate record activity during 1923. An index of such debits\* prepared by this bank, in the construction of which the 1919 monthly average was taken as 100, has stood above 120 in every month of the present year, except September, and the average for the year was 128.5. The average for the previous record year, 1920, was 122.9. Any allowance necessary for normal year to year growth would be more than offset

\*Based on figures of banks in 20 clearing house centers situated in all sections of the district.

by the correction for changes in the price level between 1920 and 1923 (prices have been approximately 25 per cent lower during 1923 than during 1920), and it therefore follows that the physical volume of business transacted during 1923 was substantially greater than in any previous year. The high level of consuming power which has followed naturally the full employment of labor at good wages has been reflected in increased sales of **retail stores**. During November, 1923, the value of sales of 35 representative department stores reporting to this bank was 9.3 per cent greater than in November, 1922, and in several earlier months of 1923 the margin of increase over 1922 was even larger. **Trade at wholesale** has shown moderate gains during 1923 as compared with 1922, an active year, with no evidence of the feverish activity which characterizes periods of speculative buying. During November of this year nine of the eleven lines of wholesale trade for which this bank collects sales figures showed an increase in value of sales as compared with a year ago.

At no time during the year has there been serious strain upon the credit structure of the district. Country banks have not borrowed from the Reserve Bank, except in small amounts, their total discounts rising from \$19,729,000 at the beginning of the year to a peak of \$32,698,000 on August 28th, and then declining to \$22,000,000 by the first week of December. Total loans of reporting city member banks, although they have increased steadily throughout 1923, were but 11 per cent greater on December 5th than on January 3rd, and practically all of this increase took place during the first six months of the year. Borrowings of city member banks from the Reserve Bank rose from \$21,000,000 in January to \$64,000,000 in October, but declined rapidly thereafter, and on December 11th stood at \$34,000,000. **Interest rates** have changed little during the year period. Customers of large San Francisco banks have generally been able to secure accommodation on prime 30-90 day paper at 5½ per cent, and in other cities of the district rates on this class of paper have fluctuated between 6 and 7 per cent.

Final judgment concerning the year 1923 must, of course, await and to some extent be based upon a showing of the results of the year's operations in **agriculture**, and here the statistical testimony is least authoritative and most conflicting. It is known that physical yields of the principal **crops** of the district have generally been large, and in some cases, notably wheat, of record proportions. Profitable disposition of the crops grown has not been easy in

all instances, however, and it may be said that two large groups of farmers, those engaged in producing wheat and those raising deciduous fruits, have experienced considerable difficulty in selling their crops at prices which would return them a profit on the year's work. Specific information concerning the **livestock** industry is even more difficult to secure than that relating to general agriculture. There can be little doubt, however, that the sheepraising industry has almost completely recovered from the depression of 1920-1921. Improvement in the cattle raising industry has been more tardy in appearance, but there has been progress. On the whole, available information concerning business conditions in the rural districts, although not altogether favorable, presents no evidence of general agricultural depression. Some statistical support for this view of the situation is afforded by reports of mail order houses which transact the larger part of their business in rural communities. The value of such sales in this district during the first 11 months of 1923 was approximately 15 per cent greater than during the first 11 months of 1922.

Two other major industries of the district, **copper** mining and **petroleum** production, have experienced difficulties during the latter half of 1923. In each case output was markedly in excess of current consumption, and a depressed market with falling prices resulted. An increase in demand for copper and a decline in production of petroleum in California during the last two months of the year have tended to improve conditions in these two industries.

### Crop Conditions and Markets

Final figures of yields of the district's crops, recently released by the United States Department of Agriculture, emphasize the fact that whatever difficulties the farmer may have experienced during the past year have been those of marketing, not of production. Yields have been generous and in most cases, considering the acreage planted, in excess of the average of immediately preceding years. Crop estimates, as of December 1, 1923, for ten important crops of the district and of the United States, are presented in table "A" together with comparative figures for the years 1921 and 1922.

**Wheat** growers of the district have faced the difficult task of selling at profitable prices a record crop of wheat on a sluggish market, and thus far progress has been slow. Well-informed factors in the trade estimate that producers in the major wheat raising sections of the Pacific Northwest still hold (December 1st) approximately 50 per cent of their 1923 wheat crop. Exports of wheat from Portland and the Puget

Sound ports during the first five months of each of the past three seasons are shown in the following table:

	WHEAT EXPORTS		
	July 1st to November 30th (inclusive)		
	1923 (bushels)	1922 (bushels)	1921 (bushels)
Portland .....	11,899,643	10,246,068	20,677,164
Puget Sound ....	2,661,636	2,041,942	2,965,467
Total .....	14,561,279	12,288,010	23,642,631

Thus far this season the export movement of Pacific Coast wheat has been characterized by a large increase in demand from the Orient, and a marked decrease in demand from European countries, as compared with shipments in previous years.

**Barley**, the grain second in importance in the district, has been favored with a more active market than wheat, and it is estimated that approximately 75 per cent of the 1923 crop (36,864,000 bushels) in California, the principal producing state, had been marketed by December 1st at prices favorable to the grower. A fluctuating but generally active domestic demand has been the chief support of the market. Export shipments from California during the period July 1 to December 1, 1923, amounted to 3,389,040 bushels compared with 5,347,659 bushels and 6,643,617 bushels exported during the corresponding periods in 1922 and 1921, respectively. Barley prices in the San Francisco market during the period when growers sold the majority of their holdings ranged from \$1.40 to \$1.45 per bushel for feed barley and \$1.52 to \$1.60 per bushel for shipping barley, quotations which compare favorably with those of the past two years.

**Field crops** of the district such as beans, cotton, rice, and sugar beets have generally found favorable markets at harvest time, and with the possible exception of beans have been moving rapidly out of producers' hands. December 1st estimates place the 1923 cotton crop in Arizona and California at 132,000 bales compared with the November estimate of 124,000 bales and a

1922 crop of 70,000 bales. Reports to the Bureau of the Census show that 84,015 bales of 1923 crop cotton had been ginned in these states up to December 8th. Prices for cotton have recently reached the highest level since 1920. Harvesting of rice in California was practically completed by December 1st under unusually favorable weather conditions. The 1923 crop is estimated at 5,470,000 bushels grown on 105,000 acres compared with 8,260,000 bushels grown on 140,000 acres in 1922. During the past two months paddy rice from the 1923 crop has been selling at \$2.80 per bushel. The average price received by grower members of the Rice Growers Association of California for 1922 crop paddy rice, including a considerable amount of low-grade rain-damaged rice, was \$2.30 per bushel.

Of the **deciduous fruit** crops, apples and grapes are the only ones which have occupied the attention of shippers during recent weeks. The **apple** growers of the district have been confronted by a situation similar to that confronting the wheat growers; a record crop has been produced, demand has been only moderate, and the fruit has been moved with difficulty at declining prices. Shipments of apples from the four principal producing states of the district during the season to December 15th of the past two years are compared in the following table:

	APPLE SHIPMENTS		Total Commercial	
	Season to December 15th		Crop in Cars	
	1923 (cars)	1922 (cars)	1923	1922
California .....	5,879	4,181	6,193	4,639
Idaho .....	4,996	3,225	5,095	3,769
Oregon .....	4,577	2,687	6,494	4,871
Washington .....	24,952	16,576	35,083	27,463
Total .....	40,404	26,669	52,865	40,742

It is reported that much of the 1923 shipments has been placed in cold storage at Eastern consuming centers, to be held until heavy supplies of cheaper locally grown fruit, at present available, have been consumed. The 1923 grape shipping season was extended beyond its

(A) *Grains and Field Crops—Twelfth Federal Reserve District and the United States\**—

Unit	Twelfth Federal Reserve District			United States			
	Estimated Yield December 1st			Estimated Yield December 1st			
	1923	1922	1921	1923	1922	1921	
Wheat .....	bushels	142,823	99,280	122,045	785,741	867,598	794,893
Barley .....	"	46,205	45,358	39,148	198,185	182,068	151,181
Oats .....	"	39,323	30,126	34,343	1,299,823	1,215,803	1,060,737
Corn .....	"	14,158	13,148	11,806	3,054,395	2,906,020	3,068,584
Hay .....	tons	15,849	15,456	16,115	106,576	112,013	96,802
Potatoes .....	bushels	35,544	46,667	35,371	412,198	453,396	346,823
Rice .....	" †	5,470	8,260	5,880	33,256	41,405	35,105
Beans .....	"	5,723	5,166	3,902	15,740	12,734	9,150
Cotton .....	bales	132	76	90	10,081	9,762	7,954
Beet Sugar .....	tons	308	231	384	884	675	1,020

\*000 omitted.

†One bushel of paddy rice contains approximately 45 pounds.

normal limits this year by the unusually dry weather of late autumn, and this fact, together with markedly improved transportation facilities, enabled growers to move a record tonnage of grapes. On December 15th a total of 52,661 cars of grapes had been shipped from California, compared with a total movement of approximately 44,000 cars during the 1922 season.

Citrus fruit crops in California were damaged slightly by frosts and high winds during the first weeks of December. The full extent of the damage has not yet (December 17th) been estimated, but preliminary reports indicate that it was not great. Total shipments of citrus fruits from California up to December 9th of the past two seasons have been as follows:

	Nov. 1st to Dec. 9th 1923 (cars)	1922 (cars)
Oranges .....	4,993	3,747
Lemons .....	525	528

The **canned fruits** situation has changed little during the past month. The larger packers are not attempting to force sales upon buyers, who are unwilling at the present time to anticipate their future requirements. An increased demand from foreign buyers has strengthened somewhat the **dried fruit** market. The Prune Growers Association announced the sale of the last of its holdings of old crop fruit shortly after the middle of December. Authoritative statistics of the amount, if any, of 1922 crop raisins still unsold in the hands of the producers' association are not obtainable.

**Livestock**

Weather conditions during most of the year 1923 have been exceptionally favorable for the growth and preservation of feed and the maintenance of ample water supplies on livestock ranges of the district. Cattle and sheep raisers state that winter ranges, excepting areas in the Intermountain States and California which have suffered because of scanty rainfall, are now in better condition than is usual at this time of year; that flocks and herds entering on winter range are generally well-fed and healthy; and that supplies of hay, where winter feeding is necessary, are plentiful.

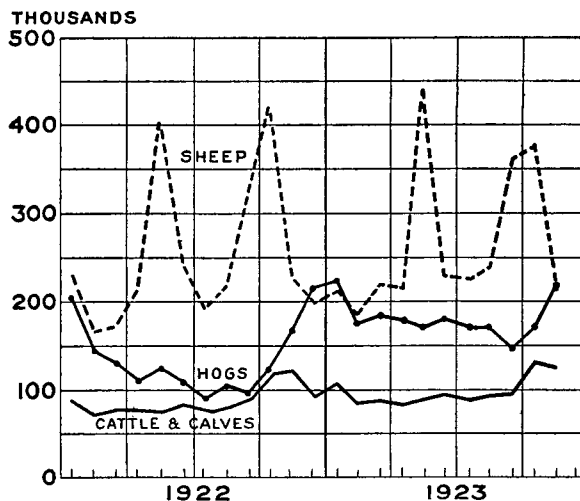
Physical conditions favorable to the livestock industry have been supplemented in the case of sheep by favorable market conditions, which resulted in prices satisfactory to the growers of sheep, lambs, and wool during most of the 1923 season. In consequence, many sheep raisers are reported to be planning a moderate increase in the size of their flocks. The cattle industry has not fared so well during 1923, and although the year witnessed some

improvement in market conditions, it is reported that readjustments, including retirement of some of the weaker units in the business and a reduction in the size of herds of many of the stronger factors, are still going forward.

The tendency of many cattle raisers to market all available stock has resulted in an unusually heavy movement of beef cattle and calves to the markets of the district during the present year, and receipts have continued in excess of normal during recent months.

Receipts of all classes of livestock at eight principal markets of the district during the first 11 months of 1923, 1922, and 1921, and monthly receipts during October and November follow:

	First Eleven Months			Nov.,	Oct.,	Nov.,
	1923	1922	1921	1923	1923	1922
Cattle ..	855,558	776,075	697,429	101,593	101,269	102,964
Calves ..	225,168	170,141	145,622	23,393	29,176	18,921
Hogs ...	1,994,054	1,415,475	1,085,445	218,471	170,809	167,073
Sheep ..	2,898,412	2,806,615	2,254,965	213,732	375,127	228,091



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)

Poorer grades of beef cattle, in particular, have been in heavy supply during the autumn months, and prices received by growers for low grade animals have been depressed. Better quality beef cattle, however, have sold at prices generally satisfactory to the grower.

**Dairy and Poultry Products**

Seasonally small production of butter and eggs continued during November, and as demand for these products continues active during the winter, heavy withdrawals of stock from cold storage were necessary. Holdings of cold storage butter at four principal markets of the district were reduced 37.6 per cent during the month, declining from 3,548,212 pounds on November 1st to 2,212,735 pounds on December 1, 1923. The latter figure was 98 per cent

greater, however, than total holdings on December 1, 1922. Reported holdings of cold storage butter in the United States on December 1, 1923, totaled 51,559,000 pounds, compared with 47,773,000 pounds held on December 1, 1922, and a five year United States average on that date of 66,283,000 pounds.

Cold storage holdings of eggs are also larger this year than last. Withdrawals during November amounting to 64 per cent of total holdings at six markets on November 1st left stocks on December 1st 115 per cent larger than a year ago. Holdings of cold storage eggs at these markets were but 50 per cent greater on November 1, 1923, and 21.7 per cent greater on October 1, 1923, than on corresponding dates in 1922, indicating that the rate of withdrawal during recent months has been slower than in the same months last year.

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

	Dec. 1, 1923	Nov. 1, 1923	Oct. 1, 1923	Dec. 1, 1922
Butter (pounds)	2,212,735	3,548,212	4,893,783	1,117,208
Eggs (cases)...	192,685	333,894	504,392	75,657

### Prices

No definite price trends were discernible in the movement of quotations on the principal products of the district during November. As in recent months, price changes were the result of readjustments of price levels within or between groups of commodities, and not the result of a general advance or decline in all prices.

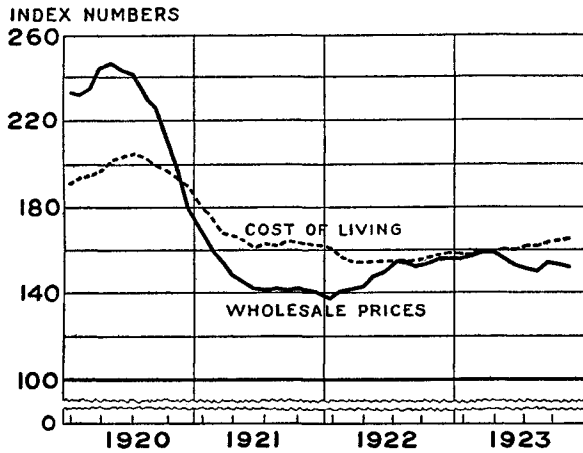
Among the more important agricultural products, cattle, lambs and hogs (at Chicago), wheat, apples, and citrus fruits declined in price during the month, and at the beginning of December were selling for less than in December, 1922. Prices of sheep (at Chicago), wool, barley, cotton, and sugar, on the contrary, advanced during November, and on December 7th prices for these products, excepting wool, were higher than on the same date a year ago. Changes in cotton prices were particularly marked during the month, and were dominated by an upward tendency which carried spot middling cotton on the New Orleans market to 36.00 cents per pound on December 1st, the

### (B) Commodity Prices—

Commodity	Unit	Dec. 7, 1923	One Month Ago	One Year Ago
Twenty Basic Commodities (F. R. B. of N. Y.) 1913=100..		146.8	145.4	147.6
Wholesale Prices (U. S. Bureau of Labor) 1913=100.....		152.0	153.0	156.0
Cost of Living (National Industrial Conference Board)				
July, 1914=100.....		165.3	164.1	158.4
Cattle (Native Beef)...Weekly Average Price at Chicago..	100 lbs.	\$ 9.65	\$ 9.90	\$ 9.65
Sheep .....	100 lbs.	7.00	6.75	7.00
Lambs .....	100 lbs.	12.75	13.05	14.35
Hogs .....	100 lbs.	7.00	7.25	8.15
Wheat .....	bu.	1.03¾-1.05½	1.06¾-1.07	1.18¾-1.19¾
Barley .....	cental	1.55-1.70	1.40-1.60	1.50-1.55
Rice .....	cental	5.20	5.35	4.55½
Cotton .....	lb.	34.50-36.00¢	30.50-31.50¢	24.50-25.25c
Wool .....	lb.	78.28¢	74.28¢	78.43¢
Flour .....	bbl.	7.14	7.05	7.82
Sugar .....	lb.	9.15¢	8.80¢	7.45¢
Apples .....	box	1.15-1.40	1.25-1.50	1.65-1.75
Oranges .....	box	3.50-4.50	5.75-6.00	3.50-5.00
Lemons .....	box	3.00-3.75	4.00-4.50	6.50-8.50
Dried Apples....	lb.	.10-.10½	.08-.08¾	.09-.09¾
Dried Apricots...	lb.	.10-.10½	.10-.10½	.23-.24
Prunes .....	lb.	.10¾-.11	.10¾-.11	.12-.12¾
Raisins .....	lb.	.08¾	.08¾	.10
Canned Apricots. Choice 2¼s f. o. b. California.....	doz.	2.60	2.60	3.25
Canned Peaches..	doz.	2.25	2.25	2.60
Canned Pears....	doz.	2.40	2.40	2.90
Raw Milk .....	100 lbs.	2.75	2.73	2.66
Butter .....	lb.	.49½	.49½	.47
Eggs .....	doz.	.50	.60	.57
Copper .....	lb.	.13	.12½	.14
Lead .....	lb.	7.30¢	6.85¢	7.375¢
Silver .....	oz.	.64¾	.63	.64¾
Zinc .....	lb.	6.25-6.30¢	6.35-6.40¢	7.25-7.35¢
Petroleum .....	bbl.	.76	.76	1.95
Douglas Fir.....	M ft.	18.50	19.50	20.50
Douglas Fir.....	M ft.	25.00	25.00	20.00

highest price quoted since July, 1920, when prices were declining from the peak reached in April of that year. The price level for canned and dried fruits was generally unchanged during November, current prices continuing definitely lower than at this time last year. Prices of dairy and poultry products have recently changed seasonally, but have continued higher than a year ago.

The decline in copper prices, which has been a feature of the non-ferrous metal market during recent months, terminated in November, the quotation on that metal being higher at the close of the month than at its beginning. Zinc prices did not hold the gains of October and early November on the sluggish market which prevailed during the latter part of that month, and fell back to the levels of July and August. All of the principal non-ferrous metals sold during November at prices lower than those of November, 1922. Crude petroleum prices were unchanged during the month at levels approximately 60 per cent below those of a year ago.



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)

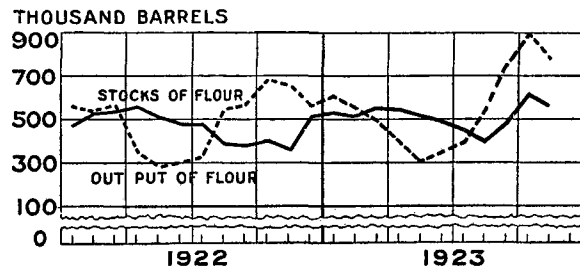
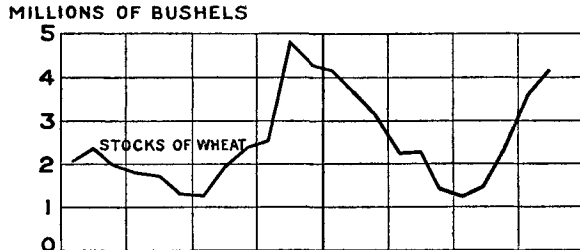
**Milling**

Flour milling activity in this district declined slightly during November, the total output of 16 large milling companies (777,795 barrels) being 13.1 per cent less than the record output of 895,470 barrels reported for October, 1923. Production of these same mills during November, 1922, was 661,012 barrels. The decline in production in November as compared with October was at least partially seasonal, as is evidenced by the fact that a similar decline has occurred in former years of which there is record, and also by the fact that millers found it necessary during the month to draw upon previously milled stocks of flour in order to meet current demands. Stocks of flour held by 16 companies on December 1st, at 560,189

barrels, were 8.5 per cent less than the 612,735 barrels held on November 1st. Figures of output and stocks for 16 milling companies for which a continuous record is kept are given in the following table:

	Nov., 1923	Oct., 1923	Nov., 1922
Output . . . . . (bbls.)	777,795	895,470	661,012
Stocks of Flour* (bbls.)	560,189	612,735	366,620
Stocks of Wheat* (bu.)	4,150,492	3,611,781	4,807,665

\*As of the first day of the following month.



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

During November production of 44 mills reporting through sectional millers' associations of the district declined 3.9 per cent as compared with production of 46 mills reporting during October, 1923. Production of these mills during November, 1923, was 24.1 per cent greater than that of the same number of reporting mills in November, 1922. Figures follow:

	No. of Mills Reporting		Output		
	Nov., 1923	Oct., 1923	Nov., 1923 (barrels)	Oct., 1923 (barrels)	Nov., 1922* (barrels)
California . . .	10	10	387,235	451,964	368,512
Idaho . . . . .	2	3	8,654	13,765	13,091
Oregon . . . . .	16	15	254,217	214,965	180,761
Washington . .	16	18	523,736	539,409	384,064
District . . .	44	46	1,173,842	1,220,103	946,398

\*44 mills reporting.

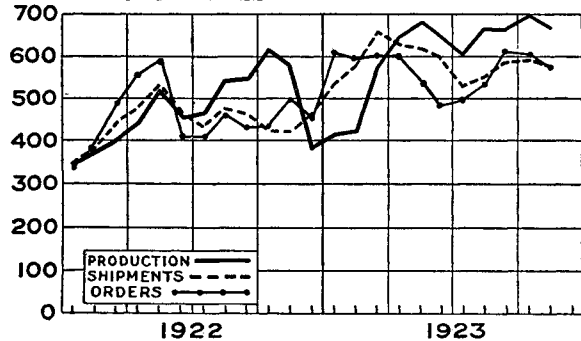
**Lumber**

There was a slight seasonal decline in activity in the lumber industry of this district during November, as mills in some sections closed down for the winter season, but production and distribution, nevertheless, continued at record levels. Production, according to reports of mills in four lumber associations, was 4.4 per cent less than in October, 1923, but, excepting the latter month and the month of May, 1923, was greater than in any other month of which

this bank has record. As compared with November, 1922, output of reporting mills increased 19.8 per cent. The volume of both shipments and orders declined from the preceding month, but continued at levels well above those of a year ago. Figures showing the activity of about 200 reporting mills follow (000 omitted) :

	Nov., 1923 (board feet)	Oct., 1923 (board feet)	Nov., 1922 (board feet)
Production .....	666,754	697,489	556,708
Shipments .....	574,877	591,241	430,555
Orders .....	572,967	602,939	482,248
Unfilled Orders....	481,551	438,866	479,880

MILLIONS OF BOARD FEET



Lumber Production, Orders Received, and Shipments in Twelfth Federal Reserve District as Reported by Four Lumber Associations, 1922-1923

The domestic market for lumber was seasonally quiet during November, and prices for some grades of wood tended downward. In California, where building continued relatively active, normal seasonal amounts of lumber were sold. Middle western lumber dealers were reported to be increasing their purchases slightly, but prices in this large consuming area continued weak. A distinct seasonal decline in shipments to the Atlantic Coast was noted during November, but early December reports indicated that the market in that section was again active.

Export trade in lumber increased during November, due principally to the abnormal Japanese demand, and this trade was the chief element of strength in the lumber market for the month. Reports from one of the largest factors in the export field show that the volume of foreign orders was nearly trebled during November as compared with October, Japanese orders alone amounting to about twice the total volume of export business accepted for all accounts during the earlier month. Large orders were also received from China and Australia. Shipments to foreign countries were extremely light, however, due to difficulties encountered in obtaining cargo space. This shortage of lumber carrying vessels temporarily checked export business, and in some sections, where mills had cut wood in excess of amounts previously sold, a surplus of export dimensions has accumulated.

### Mining

Preliminary reports of production of non-ferrous metals during November showed little change as compared with immediately preceding months. Output of copper was maintained at normal levels despite the unfavorable market situation which had persisted throughout the autumn quarter. The situation improved notably during November, as both domestic and foreign consumers increased their purchases of the metal, and it is estimated that consumption of copper during November exceeded production, a reversal of conditions which have obtained for several months past. Shipments to both foreign and domestic users of the metal increased. Production of silver has continued remarkably steady since the cessation on July 1st of purchases by the United States Government at \$1.00 per ounce under the terms of the Pittman Act. In many silver mining districts, however, where emphasis had been placed on immediate production at the expense of sound development programs prior to July 1st, the reverse condition now prevails, and development work is proceeding actively. The market for zinc has continued unstable and production has fluctuated violently as mines have endeavored to regulate production in accordance with current demands.

Final figures of production of non-ferrous metals during November are not available. The figures for October, 1923, together with comparable figures for September, 1923, and October, 1922, follow:

	Oct., 1923	Sept., 1923	Oct., 1922
Copper (lbs.) (mine production) ...	132,934,701	124,523,025*	103,881,223
Silver (oz.) (commercial bars) ..	5,428,071	4,998,386	5,160,732
Zinc (tons)			
(slab) .....	42,098	39,105	39,940
Quicksilver (flasks—75 lbs., estimated)	800	800	550

\*Revised.

Figures for lead are not available.

The market for all of these metals was slightly more active during November than in the previous month, and the general trend of prices was upward. The gains were small, however, and in the case of zinc did not hold through the early weeks of December. Average prices of the principal non-ferrous metals during November, 1923, October, 1923, and November, 1922, follow:

	Nov., 1923 (cents)	Oct., 1923 (cents)	Nov., 1922 (cents)
Copper (lb.)			
New York Electrolytic..	12.73	12.57	13.84
Lead (lb.)			
New York.....	6.85	6.83	7.04
Silver (oz.)			
New York .....	63.82	63.65	65.17
Zinc (lb.)			
St. Louis .....	6.35	6.29	7.00
Quicksilver (dollars per flask) San Francisco....	61.09	61.09	70.41



**Petroleum**

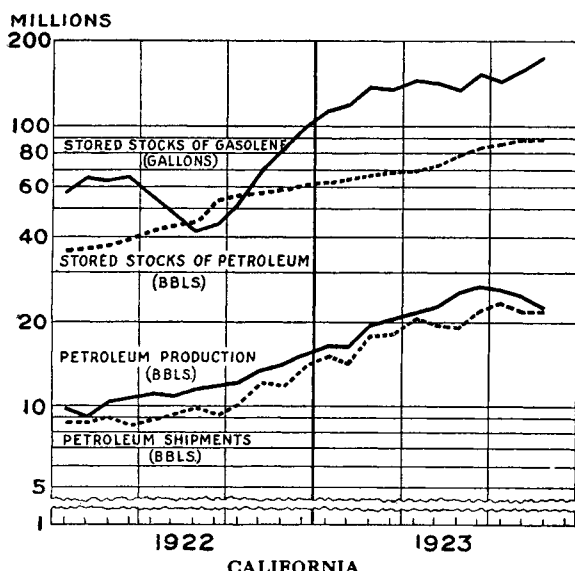
Production of petroleum in California appears to have reached a peak in September, 1923, output since that month having declined steadily. Average daily production in November was 5.8 per cent less than in October, and 13 per cent less than in September. The figures follow:

Average Daily Production of Petroleum in California  
(in barrels)

Nov., 1923	Oct., 1923	Sept., 1923	Nov., 1922
746,595	792,787	858,750	467,851

There were 11 new wells brought in during November with an initial daily production of 99,797 barrels. Wells abandoned numbered 35.

Consumption of California petroleum, as in-



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

indicated by producers' shipments, averaged 724,802 barrels per day during November, an increase of 3.4 per cent over the previous month. As a result of the decline in output and the increase in shipments during November, indicated consumption was more nearly equal to production than for five months past, and stored stocks increased but 0.7 per cent. Figures of stored stocks held in California follow (figures in barrels):

December 1, 1923	November 1, 1923	December 1, 1922
89,003,345	88,349,550	59,754,724

Refinery output of gasolene in California declined 10.9 per cent during November, 1923, as compared with October, 1923. Consumption during November remained practically the same as in the preceding month, but was still well below production, and stored stocks advanced to new high levels for the year. Holdings at refineries on December 1st amounted to 174,452,019 gallons, an increase of 10.1 per cent over

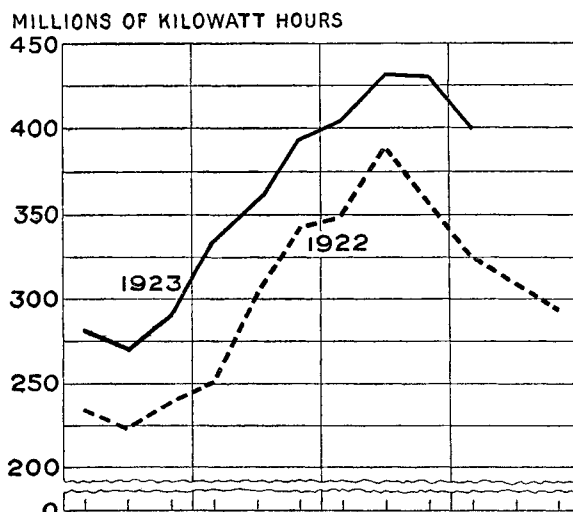
the 158,441,451 gallons held on November 1, 1923, and 75.6 per cent over the 99,366,400 gallons held on December 1, 1922.

**Electric Energy**

Sales of electric energy for industrial purposes reported by 20 principal power companies in this district were 22.8 per cent greater during October, 1923, than during October, 1922, all industries for which segregated figures are available showing increases. As compared with September, 1923, sales during October declined 7.0 per cent, a decline due entirely to seasonal decreases in the use of power for agricultural purposes, all other industries showing an increase in consumption over the preceding month. During previous years for which figures are available the decline in sales of electric power from September to October has been greater than 7 per cent. Percentage comparisons of sales by certain industries and by sections of the district are presented in the following table:

Percentage Increase or Decrease (—) October, 1923, compared with October, 1922

	Agriculture	Mining	Manufacturing	Total Industrial Sales
California .....	1.0	12.5	22.0	18.7
Pacific Northwest...	-23.0	0.2	37.3	27.0
Intermountain States	-0.4	5.4	8.1	37.1
Twelfth District....	0.8	8.2	25.1	22.8



Total Industrial Sales (K. W. H.) of 20 Power Companies in Twelfth  
Federal Reserve District, 1922-1923

Figures showing the number of industrial consumers and industrial sales of reporting companies during October, 1923, and 1922 follow:

	Number of Industrial Consumers		Industrial Sales K. W. H.	
	Oct., 1923	Oct., 1922	Oct., 1923	Oct., 1922
California .....	74,390	54,685	254,469,484	214,289,020
Pacific Northwest...	12,352	11,304	86,828,850	68,366,616
Intermountain States	5,204*	10,616*	58,581,407	42,723,980
Twelfth District ....	91,946	76,605	399,879,741	325,379,616

\*Due to a change in the statistical method of one reporting company these figures are not comparable.

### Employment

A decline in employment, not wholly seasonal, was reported from several sections of the district during November. The demand for workers in the mines, which as late as last August was reported to be in excess of the supply, has decreased during recent months, partly as a result of actual curtailment of activity and partly as a result of increased operating efficiency made necessary by narrowing margins of profit on the metals produced. A slight surplus of mine workers in some sections has resulted. In the newer oil fields of Southern California a number of temporary workers were released during November, following the recent decline from the peak of flush production period, during which their employment was necessary. Employment in the lumber camps of the Pacific Northwest continued at high levels during November, even though some seasonal curtailment in log and lumber production was reported.

Many seasonal agricultural workers, until recently employed on the farms of the district, are now idle, but the number of these workers who have been unable to find winter employment is reported to be no larger than in former years of normal activity in trade and industry. In parts of the district activity in the building industry has, of necessity, been curtailed as the winter season advanced, and some building trades workers are temporarily unemployed.

Employment in manufacturing industries in four principal cities of the district increased during November, although slight declines were reported for San Francisco and Seattle. The following figures based on reports of 40 firms employing 501 or more men give a comparison of employment conditions in manufacturing industries during November, 1923, and 1922:

	Number of Firms	Number of Men on Payroll		Per Cent Increase Nov., 1923, over Nov., 1922
		Nov., 1923	Nov., 1922	
Los Angeles.....	16	34,438	29,161	18.1
Portland .....	8	8,805	7,494	17.5
San Francisco.....	10	8,411	7,050	19.3
Seattle .....	6	2,360	2,331	1.2

### Automobile Registrations

Sales of new automobiles in the district as evidenced by the number of new cars registered during October continued greatly in excess of a year ago, the extent of the increase reflecting, in part, the growing tendency of buyers to purchase and use both passenger and commercial automobiles in the winter months as well as in other seasons of the year. In four states for which comparable data are available there were 67.9 per cent more new passenger cars and 33 per cent more new commercial vehicles reg-

istered during October, 1923, than during October, 1922. During the first ten months of 1923, as compared with the same period in 1922, there was an increase of 67.5 per cent in registrations of new passenger cars, and registrations of new trucks increased by 34 per cent. Figures showing registrations of new automobiles in the states of this district (except Nevada, for which figures are not available) for the first ten months of 1923 and 1922 are presented in the following table:

	Total New Passenger Cars Registered Jan. 1 to Nov. 1		Total New Commercial Cars Registered Jan. 1 to Nov. 1	
	1923	1922	1923	1922
Arizona .....	8,750	4,078	761	232
California .....	189,169	119,715	20,266	15,254
Idaho .....	8,030	3,993	601	382
Oregon .....	30,187	13,210	1,430	1,331
Utah .....	9,909	*	917	*
Washington .....	37,547†	15,463	3,991†	*
Total (4 states)	236,136	140,996	23,058	17,199

\*Not available.

†To October 1st only.

Total registrations of old and new automobiles in six states of the district (figures for Nevada are not available) to December 1, 1923, number 1,645,877, an increase of 28.7 per cent as compared with registrations in the same period of 1922.

Production of automobiles during November, 1923, was at record levels for this season of the year, and more than 30 per cent above production in November, 1922. A seasonal decline in output as compared with October, 1923, was reported. Figures covering more than 90 per cent of the national output of automobiles as compiled by the Federal Reserve Bank of Chicago follow:

	Nov., 1923*	Oct., 1923*	Nov., 1922
Passengers Cars.....	284,517	333,185	215,225
Trucks .....	27,228	29,432	21,291
Total .....	311,745	362,617	236,516

\*Preliminary figures.

### Retail Trade

The usual November lull in trade at retail was of normal extent and duration this year, according to reports received from 35 department stores in seven cities of the district. Value of sales continued in excess of a year ago, although by a much smaller percentage than in October, and in view of the relative stability of the retail price level over the year period it appears probable that a greater volume of goods was sold in November, 1923, than in November, 1922.

Retail department stores are generally carrying larger stocks than they were at this time last year, but the increase has been no greater,

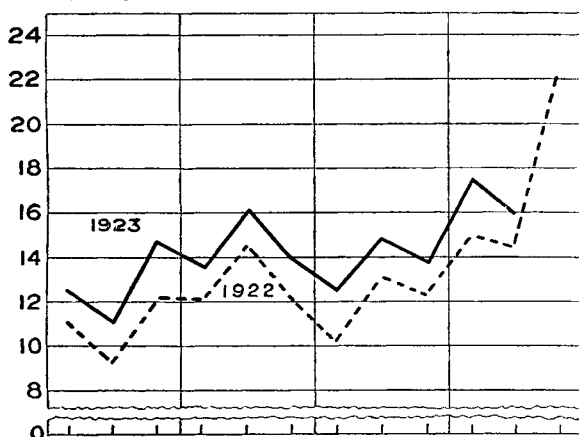
apparently, than has been warranted by their increased sales. The average annual rate of stock turnover indicated by figures of stocks and sales for the period July 1 to December 1, 1923, was 2.36 compared with a rate of 2.32 for the same period in 1922.

A detailed statement of the percentage changes in the value of sales and stocks of reporting department stores in this district follows:

	No. of Stores	Percentage increase or decrease (—) in value of sales Nov., 1923, compared with		Percentage increase or decrease (—) in value of stocks Nov., 1923, compared with	
		Nov., 1922	Oct., 1923	Nov., 1922	Oct., 1923
Los Angeles.....	6	21.4	— 3.1	29.8	7.4
Oakland .....	4	.5	—15.0	10.8	.2
Salt Lake City... 4	— 3.9	—16.2	4.2	1.8	
San Francisco....10	3.3	— 9.4	12.2	2.9	
Seattle .....	5	3.6	— 8.4	6.6	1.8
Spokane .....	5	1.5	—19.2	2.4	—2.7
District* .....	35	9.3	— 8.5	15.3	3.5

\*Figures for one store included in district figures, but not included in figures for cities shown above.

MILLIONS OF DOLLARS



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

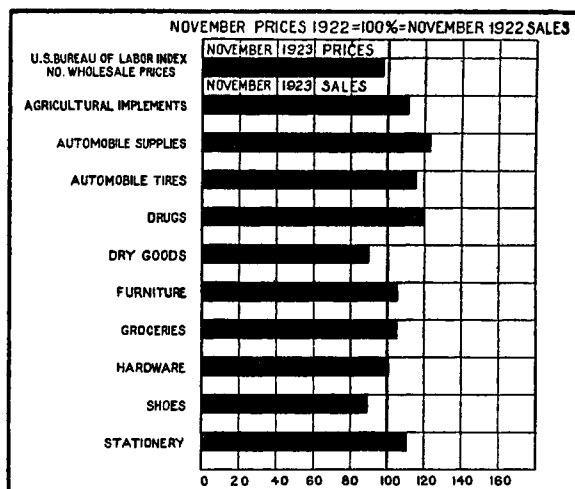
**Wholesale Trade**

Sales of reporting firms were generally smaller during November than in the two previous months, reflecting the normal seasonal declines which, in most cases, had not appeared during October. An exception to this general rule occurred in the case of automobile tires, the value of sales in this line increasing 4.3 per cent during the month. Nine lines of business reported increases in the value of their sales during November, 1923, as compared with November, 1922, the exceptions being dry goods and shoes. Dealers in the latter two lines of goods ascribe a large part of the decrease in trade this year to the excellent weather enjoyed in many sections of the district

during the late fall which resulted in a slow movement of winter merchandise on retailers' shelves.

Percentage increases or decreases (—) in the value of November sales of all reporting firms in each line of business are presented in the following table:

	Number of Firms	Eleven Months Ending Nov. 30, 1923, compared with		
		Nov., 1922	Oct., 1923	Nov., 1922, compared with same period in 1922
Agricultural Implements	18	11.4	—15.7	13.0
Automobile Supplies....	19	23.2	— 6.4	21.8
Automobile Tires.....	19	15.9	4.3	8.4
Drugs .....	9	19.7	— 8.3	16.5
Dry Goods.....	13	—10.2	—22.8	13.4
Electrical Equipment... 5	17.4	— .9	31.2	
Furniture .....	17	5.5	— 7.5	20.3
Groceries .....	28	5.4	— 2.2	11.4
Hardware .....	21	1.1	—13.9	17.1
Shoes .....	14	—11.0	—15.6	7.7
Stationery .....	28	10.8	— 3.9	12.9



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

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

	Number of Firms Reporting Collections as			
	Excellent	Good	Fair	Poor
September, 1923.....	2	47	72	4
October, 1923.....	9	57	77	4
November, 1923.....	6	55	50	6

**Building Activity**

A seasonal decline in the number and value of building permits issued in 20 principal cities of this district occurred during November, 1923, but the volume of prospective building continued more than 15 per cent larger than one year ago. As compared with the record month of October, 1923, the number of permits issued during November was less by 18.2 per cent, and the value of permits granted declined 24 per

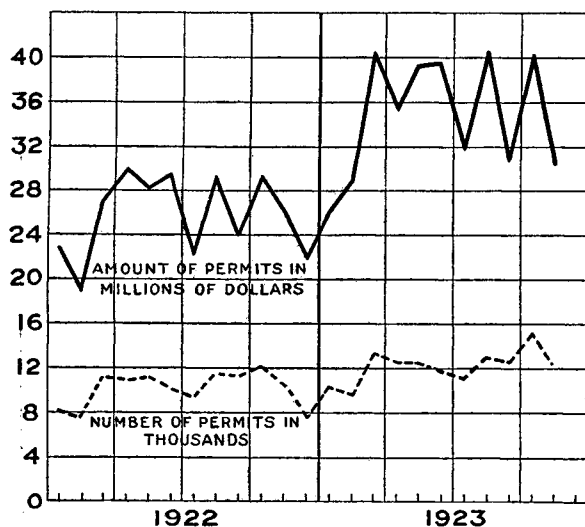
cent, the latter decline carrying these figures to the lowest point since February, 1923.

**Percentage Increase or Decrease (—) in the Number and Value of Building Permits issued in 20 Cities**

	Nov., 1923, compared with	
	Nov., 1922	Oct., 1923
Number of Permits Issued.....	18.0	—18.2
Value of Permits Issued.....	16.0	—24.0

The principal declines during the month were in Fresno, Long Beach, Los Angeles, and Portland, cities where, in most cases, particularly heavy building programs have been carried on during the present year.

The United States Department of Labor index number of building materials prices stood at 181 in November (1913 prices=100). This



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

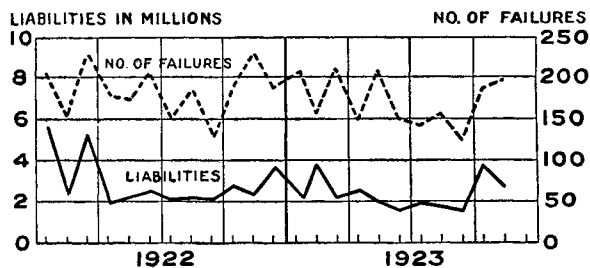
**(C) Building Permits—**

	November, 1923		November, 1922	
	No.	Value	No.	Value
Berkeley .....	227	\$ 730,235	157	\$ 331,980
Boise .....	79	26,359	58	26,916
Fresno .....	198	382,598	272	491,136
Long Beach...	475	1,925,828	369	1,046,465
Los Angeles..	5,595	13,512,042	4,614	11,355,710
Oakland .....	1,041	2,336,472	853	2,584,752
Ogden .....	38	93,625	19	65,050
Pasadena .....	329	1,668,641	319	548,707
Phoenix .....	59	80,397	51	297,713
Portland .....	1,191	1,672,145	1,006	1,858,550
Reno .....	21	46,650	20	40,275
Sacramento ..	312	464,476	211	445,770
Salt Lake City	102	526,650	74	276,690
San Diego....	465	984,499	444	2,231,890
San Francisco	786	3,850,265	638	2,620,471
San Jose.....	93	204,370	78	161,575
Seattle .....	785	1,147,805	788	1,259,610
Spokane .....	160	181,563	187	161,927
Stockton .....	114	221,044	78	187,308
Tacoma .....	310	336,241	254	207,977
District .....	12,380	\$30,391,905	10,490	\$26,200,472

is 0.6 per cent less than a month ago, 2.2 per cent less than a year ago, and 11.3 per cent below the peak of April, 1923.

**Business Failures**

There has been an increase both in number and liabilities of business failures in this district during the past two months, which cannot be ascribed to seasonal causes alone. During November, 1923, business failures in this district numbered 196, an increase of 5.3 per cent over the number reported during October, 1923, and liabilities of failing concerns, although less than in the preceding month, were still greater than in any previous month since February, 1923. Compared with November, 1922, the number of business failures during November, 1923, declined 14 per cent and liabilities increased 14.5 per cent. The average liabilities of business failures in the district during November, 1923, amounted to \$13,647, compared with \$20,061 in October, 1923, and \$10,245 in November, 1922.



Business Failures, Twelfth Federal Reserve District, 1922-1923

R. G. Dun & Company's preliminary figures of the number and liabilities of business failures in the states of the district during November, 1923, and October, 1923, follow:

	November, 1923		October, 1923	
	No.	Liabilities	No.	Liabilities
Arizona .....	2	\$ 167,836	2	\$ 14,943
California .....	107	1,385,578	96	2,327,693
Idaho .....	8	64,063	6	24,597
Nevada .....	1	24,099	5	16,306
Oregon .....	33	214,533	28	345,119
Utah .....	8	266,666	6	27,636
Washington .....	37	551,979	43	975,063
District .....	196	\$2,674,754	186	\$3,731,357

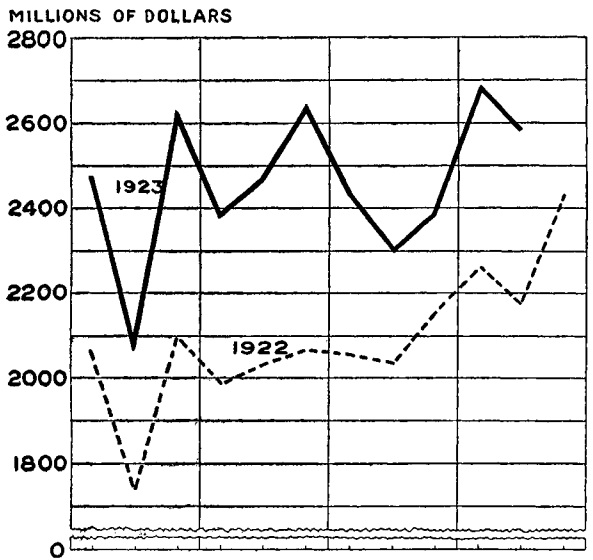
**Bank Debits**

Debits to individual accounts at banks in 20 cities of the district were less by nearly \$100,000,000 in November, 1923, than in October, 1923, reflecting the normal seasonal decline in volume of business during November. Eliminating seasonal variations the total volume of business transacted in the district, as indicated by bank debits figures, was greater during November than in any month since the recent peak

in June, 1923. Index numbers of the movement of debits to individual accounts in this district during the present year are presented in the following table (seasonal variations eliminated):

(1919 AVERAGE = 100)			
January .....	125.6	July .....	126.2
February .....	128.2	August .....	123.9
March .....	134.9	September .....	117.2
April .....	131.3	October .....	125.5
May .....	131.4	November .....	127.9
June .....	140.9		

The figure for November, 1923, was greater by 18.8 per cent than the figure for November, 1922, and, even if allowance be made for price changes over the year period, the November,



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

(D) Bank Debits*—	Four weeks ending Nov. 28, 1923	Four weeks ending Nov. 29, 1922
Berkeley .....	\$ 16,953	\$ 15,625
Boise .....	11,252	12,547
Fresno .....	56,688	68,821
Long Beach .....	56,027	39,180
Los Angeles .....	689,351	512,685
Oakland .....	106,789	92,905
Ogden .....	32,962	31,519
Pasadena .....	29,506	25,053
Phoenix .....	23,217	19,285
Portland .....	155,702	131,536
Reno .....	10,973	10,667
Sacramento .....	47,147	52,420
Salt Lake City .....	62,323	65,315
San Diego .....	45,763	37,171
San Francisco .....	746,721	692,863
San Jose .....	22,478	25,113
Seattle .....	165,851	159,123
Spokane .....	49,039	41,305
Stockton .....	25,242	25,139
Tacoma .....	35,876	36,340
Yakima .....	12,330	11,100
<b>Total .....</b>	<b>\$2,402,190</b>	<b>\$2,105,712</b>

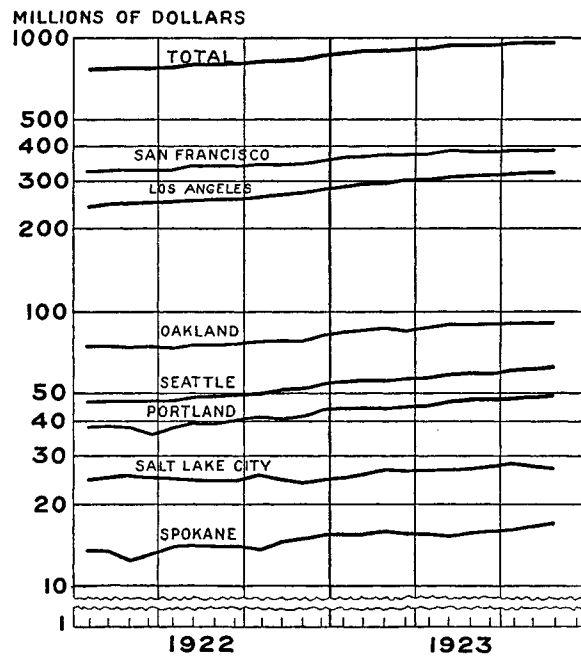
\*000 omitted.

1923, total was greater by more than 10 per cent than the total for November, 1922.

Detailed uncorrected figures by cities are presented in table "D."

**Savings Accounts**

Savings deposits in 74 banks in seven principal cities of the district increased from \$955,447,000 on October 31, 1923, to \$957,986,000 on November 30, 1923, a gain of 0.2 per cent. Five cities participated in the increase, the exceptions being Los Angeles and Salt Lake City which showed declines of 0.1 per cent and 1.6 per cent, respectively. Compared with November, 1922, the district figures for November, 1923, show an increase of 15.5 per cent. Detailed changes in the amount of savings de-



Savings Accounts in Banks in Seven Principal Cities of the Twelfth Federal Reserve District, 1922-1923

posits since one month ago and one year ago as reported by the 74 banks in seven cities follow:

	Number of Reporting Banks	Per Cent Increase or Decrease (—) Nov., 1923, compared with	
		Nov., 1922	Oct., 1923
Los Angeles .....	13	19.6	— .1
Oakland* .....	7	14.5	.05
Portland .....	9	16.5	1.0
Salt Lake City .....	8	12.9	—1.6
San Francisco .....	15†	10.5	.3
Seattle .....	16	20.7	1.9
Spokane .....	6	13.9	2.5
<b>Total .....</b>	<b>74†</b>	<b>14.9</b>	<b>.2</b>

\*Includes one bank in Berkeley which was formerly a branch of an Oakland bank.

†The consolidation of two reporting banks has reduced their number by one, but has not affected the value of reported figures for comparative purposes.

**Government Financing**

On December 10th the Treasury Department opened subscription books for an offering of Treasury Certificates of Indebtedness in two series, both dated and bearing interest from December 15, 1923, the first series (TJ-1924) at 4 per cent interest being for six months, maturing June 16, 1924, and the second series (TD-1924) at 4¼ per cent interest being for one year, maturing December 15, 1924. The combined offering of certificates was for \$300,000,000, or thereabouts, sales to be effected for cash and in exchange, at par with adjustment of accrued interest, for Treasury Certificates maturing December 15, 1923.

Subscription books were closed December 12, 1923. Total subscriptions received in the United States amounted to \$765,505,500, of which \$63,743,000 were subscribed in this district. All subscriptions for which maturing certificates of indebtedness were tendered in payment were allotted in full, and cash subscriptions were allotted on a graduated scale, the proportion which the allotment bore to the subscription depending upon the amount of the latter. Allotments in the United States totaled \$349,277,500, and in this district \$25,315,000. The Twelfth Federal Reserve District stood fourth among the twelve districts in the amount of its total subscriptions, and fifth in the amount of subscriptions allotted.

Subscriptions	Series TJ-1924	Series TD-1924
Twelfth District.....	\$ 26,294,000	\$ 37,449,000
United States.....	287,475,000	478,030,000

Allotments	Series TJ-1924	Series TD-1924
Twelfth District.....	\$ 9,835,000	\$ 15,480,000
United States.....	135,128,000	214,149,000

It is interesting to note that the rate of interest borne by these certificates was one-quarter of 1 per cent less for each maturity than that borne by the corresponding certificates issued in September and March of this year.

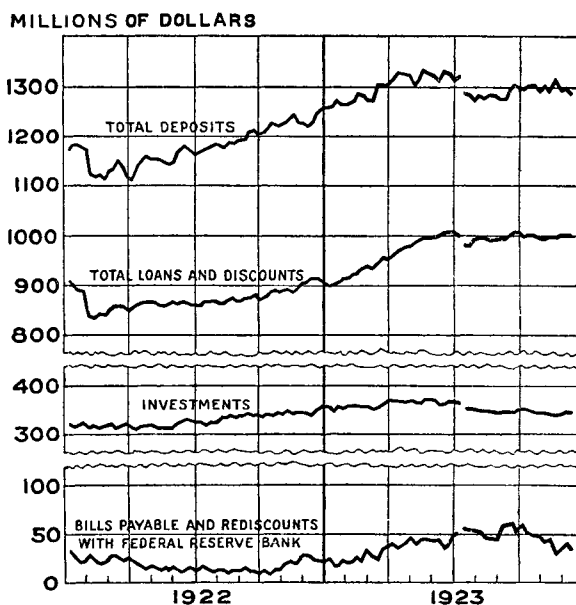
The Treasury Department has announced that the proceeds of this offering of certificates will be used, with balances already on hand, to provide for payments coming due in December over and above tax receipts, and to cover the Treasury's further cash requirements. It is expected that no additional financing will be necessary before March 15, 1924.

**Banking and Credit Situation**

The condition of reporting member banks was little different at the close of November

than at its beginning, the principal items in their combined statement having fluctuated narrowly during the month. Due to the increase in net demand deposits, total deposits reached a high point for the year on November 14th, but in the following three weeks declined to the lowest level since September 12th. Loans and discounts and investments of these banks were slightly higher on December 5th than on November 7th.

A review of the year's banking developments based upon reports of this group of banks is difficult because the composition of the list of reporting banks was materially changed last July, so that figures received since that time are not strictly comparable with those for the first half of the year. Certain preliminary conclusions may, however, be drawn. During the first

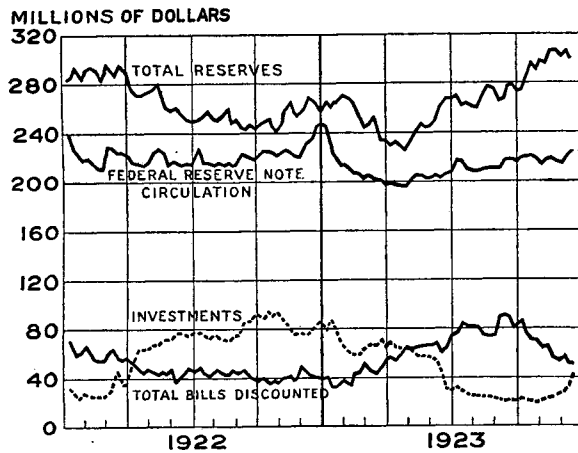


Total Deposits, Loans and Discounts, Investments, and Bills Payable and Rediscounts of Reporting Member Banks

six months of 1923 (a period of great activity in industry and trade) there was a rapid upward movement of both deposits and loans at these banks, a tendency which had been pronounced since February, 1922. Loans during the first six months of 1923 increased more rapidly than did deposits, the ratio of deposits to loans declining from 140 per cent in January to less than 130 in July. Since July, however, the increase in deposits and loans has been of only moderate proportions. Investments of reporting member banks have changed but little during the year period, and accommodation at the Reserve Bank has shown only seasonal fluctuations.

Further seasonal declines in total discounts of the Federal Reserve Bank of San Francisco were recorded during November, and at \$51,563,000 on December 12th they were \$5,000,000 or 8.9 per cent lower than one month ago and \$40,000,000 or 44 per cent below the autumn peak reached on September 5th. Investments of the Reserve Bank were increased from \$14,000,000 to \$33,000,000 during the four weeks ending December 12th, the major part of the increase being in holdings of bankers' acceptances. Additional investments being greater than the decline in discounts, total earning assets were greater by \$14,000,000 at the close of the period than at its beginning.

During the past year rediscount requirements of member banks have been largely seasonal. The general trend was upward from January to September, 1923, but since that month there has been a sharp decline which has carried this item to the levels of last April.



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

Purchases of bills in the open market in a general way have increased or decreased in volume as total discounts have declined or advanced. Total reserves of the bank declined from 1922 levels during the first four months of the year, but have risen steadily since the beginning of May, and on November 21st reached the record figure of \$306,462,000.

Interest rates in the New York money market continued easy during November, although the rate on time money strengthened slightly after declining to an average of 5 per cent in the week ending November 3rd. During the week ending November 24th it averaged 5¼ per cent, and at the close of the month 5-5¼ per cent.

The commercial paper rate declined from 5 per cent to 4¾-5 per cent during the month. Interest rates charged their customers by banks in the larger cities of this district remained steady during November, 5½-6 per cent prevailing in San Francisco and 7 per cent in Portland, Spokane, and Salt Lake City.

The supply of acceptances has been in excess of the demand during the past month and the market has shown some weakness, although the quoted bill rate remained at 4½ per cent. Reports received by this bank from 35 of the principal accepting banks of this district show the following changes in the amount of bills purchased and accepted during November, 1923, compared with October, 1923, and November, 1922:

	November, 1923, compared with	
	Oct., 1923	Nov., 1922
Amount of bills accepted.....	-26.6%	+ 3.4%
Amount of bills bought.....	-13.1%	- 4.2%
Amount of bills held at close of month .....	-13.2%	-69.6%

The principal commodities upon which these acceptances were based were coffee, lumber, raisins, canned and dried fruits.

A comparison of credit conditions at the middle of December, 1923, and 1922, with peak points of 1923, is tabulated below:

Member Banks	Dec. 19, 1923 (000 omitted)	Peak 1923 (000 omitted)	Dec. 20, 1922 (000 omitted)
Total Loans.....	\$1,010,000	\$1,010,000	\$ 904,000*
Total Investments.	352,000	373,000	351,000*
Total Deposits....	1,323,000	1,331,000	1,244,000*
Borrowings from Federal Reserve Bank .....	41,000	62,000	23,000*

Federal Reserve Bank	Dec. 19, 1923 (000 omitted)	Peak 1923 (000 omitted)	Dec. 20, 1922 (000 omitted)
Total Discounts...\$	59,000	\$ 91,000	\$ 41,000
Total Investments.	45,000	87,000	82,000
Total Reserves....	290,000	306,000	264,000
Federal Reserve Note Circulation	229,000	244,000	243,000

Interest Rates	Dec. 22, 1923	Peak 1923	Dec. 23, 1923
New York City (Prime Commercial Paper).....	4¾-5%	5¼%	4¾%
San Francisco (Rates to large customer borrowers at banks)	Nov., 1923	Peak 1923	Nov., 1922
	5½-6%	5½-6%	5-5½%

\*Owing to a change in the composition of the list of reporting banks these figures are not exactly comparable with those of December 19, 1923.

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

	December 5, 1923	November 7, 1923	December 6, 1922
<i>Number of Reporting Banks</i> .....	<b>65*</b>	<b>65*</b>	<b>66*</b>
Loans and Discounts (including rediscounts).....	\$1,001,779,000	\$ 999,462,000	\$ 898,227,000
Investments .....	343,740,000	340,815,000	342,800,000
Cash in Vault and with Federal Reserve Bank.....	119,313,000	118,324,000	110,574,000
Total Deposits.....	1,284,881,000	1,290,582,000	1,222,483,000
Bills Payable and Rediscounts with Federal Reserve Bank.....	33,996,000	44,438,000	28,327,000

\*Due to changes in the composition of the list of reporting banks, current figures are not exactly comparable with those of a year ago.

**COMPARATIVE STATEMENT OF CONDITION OF FEDERAL RESERVE BANK OF SAN FRANCISCO  
AT CLOSE OF BUSINESS, DECEMBER 12, 1923**

RESOURCES

	December 12, 1923	November 14, 1923	December 13, 1922
Total Reserves.....	\$299,183,000	\$306,106,000	\$267,108,000
Bills Discounted.....	51,563,000	56,579,000	43,403,000
Bills Bought in Open Market.....	33,506,000	14,276,000	41,363,000
United States Government Securities.....	9,185,000	9,185,000	36,098,000
Total Earning Assets.....	\$ 94,254,000	\$ 80,040,000	\$120,864,000
All Other Resources*.....	62,134,000	69,440,000	54,361,000
<b>Total Resources</b> .....	<b>\$455,571,000</b>	<b>\$455,586,000</b>	<b>\$442,333,000</b>

LIABILITIES

Capital and Surplus.....	\$ 23,127,000	\$ 23,123,000	\$ 22,769,000
Total Deposits.....	159,917,000	161,691,000	141,751,000
Federal Reserve Notes in Actual Circulation.....	224,905,000	218,795,000	235,842,000
All Other Liabilities†.....	47,622,000	51,977,000	41,971,000
<b>Total Liabilities</b> .....	<b>\$455,571,000</b>	<b>\$455,586,000</b>	<b>\$442,333,000</b>
*Includes "Uncollected Items".....	47,994,000	53,101,000	47,649,000
†Includes "Deferred Availability Items".....	45,268,000	49,779,000	39,082,000