

AGRICULTURAL AND BUSINESS CONDITIONS IN THE TWELFTH FEDERAL RESERVE DISTRICT

Monthly Report to the Federal Reserve Board

by

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No. 1

FINAL estimates of the yields of the principal crops in this district indicate that production during 1920 was approximately the equivalent of the record yields of 1919, although a slightly smaller acreage was harvested in 1920 than in 1919. The production per acre during 1920 averaged larger than it did in 1919. Weather conditions throughout the district during the past month have been generally favorable to the growth of Fall-sown grain, and the copious rains in all parts of the district save Southern California and Arizona have both aided the growth of crops and filled reservoirs, thus indicating that water supplies for next season will be adequate. In the mountains, heavy, well packed snowfalls are expected to prevent a recurrence, during 1921, of the shortage of hydro-electric power which occurred in the late summer of 1920. The mild and open winter in the Pacific Northwest has continued to favor the livestock men, and where, as in sections of the intermountain region, feeding has become necessary, hay is cheap and abundant.

Demand is still very light for the cotton crop and the wool clip of this district, approximately 90 per cent of the former and 70 per cent of the latter still being in growers' hands or held for them on consignment in warehouses.

The output of lumber in the district during December touched the lowest point in the year, as did also the amounts of orders received and shipments made. This inactivity is in large measure responsible for the slightly abnormal amount of unemployment existing in the Pacific Northwest. Reductions in wages, which in this district have lagged behind similar reductions in the East, occurred during

December when cuts varying from 10 to 20 per cent were made in different sections. December building operations were fewer in number, but greater by 5.8 per cent in value than they were in November.

Production of copper in the district was substantially curtailed during December, several mines having been shut down, while others reduced their operations to 50 per cent of capacity. In the gold fields many of the deep mines are closed entirely and those which are operating are doing so at from 50 to 70 per cent of capacity, although gold dredges report no curtailment.

Retail trade during December was approximately the same in volume of actual sales transactions as it was in December, 1919, although 4.3 per cent less in value of sales reported by 18 representative department stores. The wholesale trade generally reported December activity as less than that of November, 1920, or December, 1919, but the year's sales for 1920 were larger in all lines than they were in 1919.

Weather conditions during the past month have been generally favorable to the agricultural interests of the Twelfth Federal Reserve

District. As a result larger and better crops of winter sown grains and increased yields of fruits are in prospect for 1921.

This condition is in direct contrast to the winter of 1919-1920 when the protracted dry spell in the southern states of the district aided in lowering yields, and the severe cold weather in the northern and interior states caused considerable damage to fruit trees and consequent reduced yields.

The Pacific Northwest, including Oregon, Washington and Northern Idaho has so far

experienced an exceptionally open winter. In Oregon there has been little snow or severe cold. Rainfall in the western part of the state has been 55.3 per cent greater than last year, to the corresponding date, and 21.6 per cent greater in the eastern part of the state. The increased precipitation has been especially beneficial to the dry farming grain and range country in Eastern Oregon and this benefit will more than offset any losses which may occur due to drowning out of field crops in the western part of the state. At most, not more than two per cent of the seeded area would be affected by the latter contingency.

Washington reports an unusually large amount of fall plowing, a mild winter with frequent rains and light snows, and a seven per cent increase in the acreage sown to winter wheat. The wheat has been growing continuously, due to the mild weather prevailing, and was well covered with snow before any possible frost injury could strike it, so that it is now amply protected until Spring. Similar conditions prevail in Northern Idaho where the mildest and wettest winter in several years is now in progress. All reports from the Northwest characterize crop conditions as "excellent," "exceptional" or "best in several years," and state that there have been no killing frosts in the fruit growing sections.

In the Intermountain region, including Utah, Nevada and Southern Idaho, weather conditions have been good, fall plowing is progressing satisfactorily, and crops are reported as doing well. Cold, stormy weather during the latter half of December retarded outdoor activities, but the first two weeks in January were milder and plowing was resumed in a number of areas. Rain and snow has been plentiful, except in Southern Nevada, and winter grain and forage and the desert ranges are in favorable condition.

Arizona and Southern California have not shared in the increased rainfall of the district. In the dry farming areas of this section, the soil is too dry to cultivate and fall and winter sown seed is germinating slowly. The citrus belt has not been visited by any killing frosts and smudge fires in the orange and lemon groves have been lighted only on occasional cold nights. Northern California has been sharing in the wet winter of the other coastal states, and although farm operations have been delayed by the softness of the ground, seeding is now progressing rapidly and the earlier seeded wheat and barley is showing a good stand and a thrifty growth. No damaging frosts have occurred and the unirrigated fruit areas are in better condition than they have been for several years. The snowfall in the Sierra Nevada mountains has been heavy

(A) Crop Estimates—Twelfth Federal Reserve District—

	Acreage (000 omitted)		Yield per acre†		Production‡ (000 omitted)		Average Price December 1		Total Farm Value Basis Dec. 1 Price (000 omitted)	
	1920	1919	1920	1919	1920	1919	1920	1919	1920	1919
Wheat (Spring)	2,605	2,579	16.1	14.8	42,173	38,166	\$ 1.44	\$ 2.11	\$ 55,807	\$ 80,381
Wheat (Winter)	2,864	3,373	20.3	18.5	58,059	62,399	1.66	2.12	82,349	131,025
Wheat (All)	5,470	5,952	18.3	16.9	100,232	100,565	1.66	2.12	138,156	211,406
Barley	1,597	1,351	25.8	30.5	41,134	40,205	1.11	1.42	40,540	56,609
Oats	1,125	1,120	39.6	34.6	44,398	38,711	.83	.97	31,724	36,602
Corn	312	297	33.3	31.7	10,382	9,427	1.31	1.66	12,874	16,674
Rice*	162	155	60.0	60.0	9,720	9,300	1.21	2.67	11,761	24,831
Hay	5,430	5,398	2.4	2.3	13,164	12,344	17.64	20.40	224,725	242,565
Cotton	370	213	.44	.53	161	112	.30	.47	24,150	26,320
Beans	300	420	9.7	12.2	2,925	5,120	3.70	4.42	9,713	22,290
Potatoes	263	255	150.0	126.3	39,445	32,222	1.17	1.57	42,361	50,197
Sugar Beets	292	240	9.7	8.7	2,839	2,092	12.46	12.05	35,374	25,209
Hops	27	24	1,356.7	1,156.6	36,630	27,759	.35	.77	12,821	21,497
Apples (Total)	—	—	—	—	27,372	44,800	—	—	—	—
Apples (Commercial)	—	—	—	—	19,230	32,307	1.57	1.70	30,191	54,922
Pears‡	—	—	—	—	6,568	8,543	2.37	2.22	15,566	18,965
Peaches§	—	—	—	—	15,188	22,354	2.25	1.87	34,173	41,802
 Totals.	 15,348	 15,425							\$664,129	\$849,885

* 2,500,000 bushels of 1920 crop may be lost due to rain damage.

† Yield per acre and production figures for hay in tons (2,240 pounds); cotton in bales (500 pounds); sugar beets in tons (2,000 pounds); hops in pounds; commercial apples in boxes; all others in bushels.

‡ Prices as of November 15 each year.

§ Prices as of October 15 each year.

and is well packed, assuring a good supply of water for irrigation and power purposes, while the heavy rains in lower altitudes have filled reservoirs in excess of levels customary at this date.

The total farm value of 15 of the principal crops of the Twelfth Federal Reserve District in 1920, based on the December 1 price, is estimated at \$664,129,000

Crop Production and Values or \$185,760,000 less than the value of the same crops in 1919 when their estimated value was \$849,889,000. Lower prices on all products except sugar beets, peaches, and pears account for this decrease in value, as the yields of all crops average approximately the same as the record yields of 1919, despite a slightly smaller acreage (15,348,000 acres in 1920 and 15,425,000 acres in 1919 for 12 crops on which acreage figures are available). Increased production per acre is reported for all crops with the exception of barley. The dry season in California, which is the largest producer of barley in this district, was responsible for the decrease in the per acre yield of that grain.

A table showing the estimated acreage, yield per acre, production and farm value of 15 of the principal crops of the district appears on the preceding page (table "A").

The 1920 pack of canned fruits and vegetables in the State of California totaled 16,639,809 cases, 4,115,113 cases less than the previous year and 596,748 cases less than in 1918. The pack of fruits was 11,382,863 cases, a decrease of 2,313,540 cases compared with 1919, and the pack of vegetables was 5,249,946 cases, 1,801,573 cases less than in 1919.

Several reasons are given by canners for this reduction in the size of the pack in 1920. As a natural outcome of the financial and marketing conditions which prevailed during the year, especially in the latter half of 1920, the larger operators adopted a conservative policy and restricted their output, and the smaller operators were unable to finance themselves on their previous large scale, when faced with a slow, declining market. Other reasons assigned are the high price of sugar at the time when canners were contracting for their seasonal supply, the unsettlement, caution and day-to-day buying in the wholesale grocery and jobbing trade, the over-stocked condition of foreign markets, and the inability of the canners to accumulate adequate surplus stocks of tin cans at the time when

they needed them. Figures on the pack for 1920, 1919 and 1918, including all grades and sizes, are shown in table "B."

In the Twelfth Federal Reserve District 78 millers reported that their mills were operating at 26.7 per cent of their capacity during December, 1920, compared with **Milling** 34.7 per cent in November, 1920, and 88.9 per cent in December, 1919. The total output of the reporting mills during the month of December was 399,692 barrels, and most of this flour was consumed within the district. A table showing the December production of the reporting mills by states, and the percentage of mill capacity in operation this year and last year is shown on page 4 (table "C").

The lack of export demand, cautious domestic buying, and the increased railroad freight rates, which, it is alleged, hinder competition with middle western mills in Southern and Eastern markets, are the reasons assigned for the heavy curtailment of operations in 1920 as compared with 1919.

Reports from 26 of the largest mills in the district show stocks of wheat on hand on January 1, 1921, as 3,051,589 bushels, compared with holdings of 4,350,495 bushels on

(B) Canned Fruits and Vegetables—

	1920 Cases	1919 Cases	1918 Cases
Fruits:			
Apples	9,041	134,245	167,705
Apricots	2,312,020	4,395,204	2,233,314
Blackberries ..	161,359	114,349	119,111
Cherries	647,977	460,614	360,090
Grapes	114,886	104,446	99,068
Loganberries ..	14,267	11,708	48,992
Pears	1,184,288	1,071,687	811,950
Free Peaches.	1,547,687	1,962,700	1,393,595
Cling Peaches	5,205,511	5,096,249	3,122,458
Plums	164,740	280,261	148,577
Strawberries ..	5,525	22,123	2,002
Raspberries ..	—	233	4,015
Other Fruits..	15,562	42,584	432,860
Totals	11,382,863	13,696,403	8,943,737

Vegetables:

Asparagus ...	1,024,813	1,031,269	902,236
Beans (String)	99,269	154,278	155,123
Peas	366,679	191,564	265,970
Spinach	685,228	476,866	(Other Vegetables)
Tomatoes ...	1,858,822	3,809,979	3,884,973
Tomato products	833,019	885,906	1,809,805
Other Vegetables	382,116	501,657	1,267,713
Totals	5,249,946	7,051,519	8,285,820
Combined Totals	16,632,809	20,747,922	17,229,557

January 1, 1920, a decrease of 1,298,906 bushels. The same mills report stocks of flour on hand on the same date as 587,877 barrels compared with 418,301 barrels the previous year, an increase of 169,576 barrels.

Decreased wheat stocks are not general throughout the district, however, as the majority of the reporting mills located in the Pacific Northwest have substantially increased holdings at this time as compared with last year. This is apparently partly due to the small flour output and partly to increased buying during the past month. Wheat sales at country points in the latter part of December were more numerous than heretofore, and considerable movement was reported at prices which would net the grower from \$1.40 to \$1.45 a bushel on number one hard white wheat.

In California, 162,000 acres of rice were carried through the 1920 season to harvest time. The estimated yield per acre was 27 bags (100 pounds each), or a total

Rice yield of 4,374,000 bags, compared to 4,185,000 bags gathered from 155,000 acres in 1919. The progress of harvesting and warehousing the 1920 crop has been unsatisfactory due to the continued wet weather in November and December. Approximately 40 per cent (1,750,000 bags) of the total crop has been cut and threshed and either sold or placed in storage. The remaining 60 per cent is still in the field and more than one-third of this remainder has not yet been cut. Some of this rice is in good condition and will be cut and threshed whenever the fields dry out sufficiently to permit the resumption of harvesting operations. It is reported that much of it will be badly rain damaged, however, and in some areas may be a total loss. The estimated damage is placed as equivalent to 20 per cent of the crop (874,800 bags), including allowances for deterioration as well as actual loss.

The price of California fancy Japan rice for immediate delivery was \$4.25 a hundredweight f.o.b. San Francisco at the close of December, as compared with a price of \$12.75 a hundredweight for the same rice in January, 1920.

The Pacific Rice Growers Association has already milled 500,000 bags of rice under its toll milling plan, and this rice is being held for a price of \$5.25 a hundred pounds. There has been plenty of rice available outside of the Association to meet current demands.

Favored by good weather, but hampered by a slight shortage of pickers and lacking the incentive of an active demand for the product, cotton picking and ginning in Arizona and California has proceeded slowly, but is now nearing completion in most districts. On January first 65,000 bales of Arizona-Egyptian (Pima) cotton had been ginned in Arizona and 10,000 bales had been picked and were waiting to be ginned.

Approximately 20,000 bales remain to be picked and the majority of this cotton should find its way to the gins during the month of January.

In the California cotton districts picking and ginning is not so far advanced and in the northern end of the Imperial Valley it is estimated that one-half of the crop is still in the fields. On January first, 46,593 bales of California's 150,000 bale crop (including 75,000 to 85,000 bales grown in Lower California (Mexico), which are ginned in California) had been ginned.

The demand for cotton is still light and prices are below the levels which growers are inclined to accept. It is estimated that 90 per cent of the cotton crop of this district is still in the hands of the growers or held on consignment in eastern storage centers. Some of the long staple cotton was contracted for by tire companies and will eventually be

(D) Cotton—

	Total Acreage	Acreage Arizona- Egyptian	Contracted Acreage Arizona- Egyptian
Arizona	225,000	200,000	44,000
California	145,200	43,000	33,690
Twelfth District	370,200	243,000	77,690

(C) Milling—

	No. Mills Reporting December	No. Mills Reporting November	December Output
California	8	11	138,984 barrels
Oregon	28	33	62,292 barrels
Washington	35	33	189,336 barrels
Idaho	5	7	9,080 barrels
Utah	2	2	—
Twelfth District....	78	86	399,692 barrels

	Per Cent MILL CAPACITY IN OPERATION —		
	December 1920	November 1920	December 1919
November Output	188,779 barrels	34.1	42.8
	99,146 barrels	20.7	32.9
	224,894 barrels	26.1	30.7
	14,295 barrels	29.4	32.2
(Included in California Figures)			
	527,114 barrels	26.7	34.7
			88.9

moved at a minimum price of 60 cents per pound. The table on the preceding page shows the estimated acreage of Arizona-Egyptian (long staple) cotton grown under contract, as compared with the total estimated acreage of all kinds of cotton grown in the district and the total estimated acreage planted to Arizona-Egyptian cotton (table "D"):

In addition to the 77,690 acres which were grown under definite contract, the tire companies financed the planting and cultivation of 33,000 acres distributed throughout the cotton growing areas, at the rate of \$25 an acre, with an option, but no definite contract to purchase the crop.

A comparative statement of the receipts of livestock and purchases for local slaughter at the five principal markets of **Livestock** this district during the month of December, 1920, is given below in tables "E" and "F."

Range, feed and moisture conditions continue favorable in practically all sections of the Twelfth Federal Reserve District and livestock is generally reported as thriving. In the Pacific Northwest there has been little snow or severe weather and stockmen have not had to buy much winter hay or feed. In the Intermountain country there is a layer of snow over most of the winter feeding area and cold weather has made considerable feeding necessary in many sections. Hay is plentiful, however, and the price is low. In California green feed is abundant except in a few

Southern counties. In the latter section and in Southern Arizona, water has been scarce for some time and livestock conditions are only fair. Cold weather prevailed in Northern Arizona during December and some feeding has been necessary. The snow has replenished springs, streams and water holes and stock is benefiting accordingly.

Receipts of all kinds of livestock at the stockyards of the district were lighter in December, 1920, than in December, 1919. The peak of the heavy marketing movement seems to have passed and fewer unfattened animals, young stock and breeding animals, appeared for sale. A renewed interest in swine breeding is also being manifested and in the Pacific Northwest there have been numerous inquiries for brood sows.

With only an average supply of animals on all markets, and a good demand, trading was active during December and prices were generally maintained at November levels. Top steers brought from \$7.00 to \$9.00 a hundredweight and top cows ranged from \$0.75 to \$1.75 a hundredweight below these prices. The price of hogs declined sharply in late December, but rallied quickly and is still \$1.00 per hundredweight over the prevailing price in middle western markets, where top hogs are selling at approximately \$10.00 per hundredweight. The sheep market held its own easily in the face of light receipts and top lambs continued to bring \$8.00 to \$10.00 a hundredweight.

(E) Receipts of Livestock—

	Cattle		Calves		Hogs		Sheep		Horses and Mules	
	1920	1919	1920	1919	1920	1919	1920	1919	1920	1919
Portland	7,594	10,732	850	1,443	10,947	15,218	7,054	15,962	93	—
Salt Lake City.....	4,549	6,417	13	208	3,091	7,694	14,930	38,653	40	109
Seattle	3,981	5,316	189	332	12,450	14,188	7,957	13,596	75	28
Spokane	4,299	8,100	133	1,965	3,690	5,468	5,471	4,862	81	296
Tacoma	1,968	1,280	411	110	3,624	3,831	1,351	3,462	—	—
Totals	22,391	31,845	1,596	4,058	33,802	46,399	36,763	76,535	289	433

(F) Purchases for Local Slaughter—

	Cattle		Calves		Hogs		Sheep	
	1920	1919	1920	1919	1920	1919	1920	1919
Portland	4,159	4,529	654	1,136	4,705	8,165	3,212	8,873
Salt Lake City.....	2,239	1,908	9	140	1,044	4,692	5,205	5,131
Seattle	3,838	5,092	189	332	12,290	13,896	7,957	13,596
Spokane	2,334	3,292	117	696	2,733	4,557	1,849	875
Tacoma	1,968	1,280	411	110	3,624	3,831	1,351	3,462
Totals	14,538	16,101	1,380	2,414	24,396	35,141	19,574	31,937

pared with last season, is not readily ascertainable in the absence of information as to the actual number of sales consummated during December of each year. Only four of the department stores reporting supplied the latter statistics. Three of these show a slight increase in the number of sales made during December, 1920, as compared with the same month of 1919, while one reports a small decrease. Current prices are generally stated to be 10 to 30 per cent lower than they were in December, 1919, and it is probable that the retail trade during the holiday season of 1920 was approximately the same in volume of actual transactions as it was in December, 1919. The attitude of the buying public is still generally characterized as "careful."

Of the reporting department and mail order houses 5 per cent characterized collections as "excellent" in December, as compared with 25 per cent in November, and 50 per cent reported them "good" in December as compared with 20 per cent in November.

The following table gives in detail the statistics in regard to sales, stocks, and outstanding orders, which were supplied by the eighteen reporting department stores (table "K"):

Reports from 133 representative wholesale firms in eight lines of business in this district indicate that the value of net sales during December, 1920, was less than the value of December, 1919, sales in all lines save stationery, and drugs, where increases occurred, of 13 per cent and 2.9 per cent respectively. The percentage decrease reported by dealers in hardware was 17.9 per cent, in dry goods 27.8 per cent, in groceries 19.6 per cent, in shoes 40 per cent, in furniture 37.5 per cent, and in automobile tires 5.8 per cent. The year's business, however, as measured in the comparison of net sales during each of the two years 1920 and 1919, was larger for every line during 1920 than it was in 1919.

Reports from all lines state that prices during the month continued downward, 23 of the firms reporting the reductions as "slight" and 4 per cent advising that prices were stationary. Present prices are reported as averaging 5 to 30 per cent lower than they were a year ago except in the furniture line, in which the trend is not defined, roughly half of the furniture firms reporting prices higher and the other half reporting

(K) Retail Trade Activity—

CONDITION OF RETAIL TRADE DURING DECEMBER, 1920

In Federal Reserve District No. 12

(18 Stores Reporting)

Percentage increase or decrease of net sales during December, 1920, over net sales during same month last year..	Los Angeles	San Francisco	Seattle	Spokane	Salt Lake City	Sacramento	District
13.7	— 3.8	—18.7	11.5	9.1	2.3	— 4.3	
Percentage increase or decrease of net sales during December, 1920, over net sales during November, 1920.....	49.5	50.2	62.1	62.9	48.7	38.4	54.1
Percentage increase or decrease of net sales from July, 1920, to December, 1920, inclusive, over net sales during same period last year.....	28.5	8.7	—11.1	8.6	14.6	7.0	5.0
Percentage increase or decrease of stocks at close of December, 1920, over stocks at close of same month last year.....	—29.7	19.6	—12.3	—12.2	12.7	— 3.6	.3
Percentage increase or decrease of stocks close of December, 1920, over stocks at close of November, 1920....	—45.4	—14.7	—22.5	— 3.6	—22.4	—23.1	—14.3
Percentage of average stocks close each month this season (commencing July 1, 1920) to average monthly net sales during same period.....	432.5	434.3	413.7	458.5	601.4	490.5	490.7
Percentage outstanding orders close of December, 1920, to total purchases during year 1919.....	10.6	4.3	1.6	.05	2.6	—	5.8

them lower. Stationery dealers advise that their prices are 20 per cent higher than they were a year ago.

Of the reporting firms, 48 per cent state that collections were "good" in December as compared with 43 per cent thus designating them in November, and 40 per cent reported them "fair" as compared with 43 per cent in November.

Following are statements of percentage increase or decrease in the sales of reporting wholesale firms during December, 1920, as compared with December, 1919, and November, 1920, (table "L"):

Outside of California, unemployment continues to be in excess of what is normal for this time of the year. In Portland 11,000 men are unemployed compared with a normal of 5,000; in Spokane 2,500 compared with a normal of 1,500, and in Nevada the excess of unemployment among the miners, as compared with last year's figures, is 3,000. In such centers as Salt Lake City and Spokane, immediately adjacent to the agricultural communities, the resumption of outdoor work in the Spring is expected to absorb all the present surplus of labor.

In different localities during December reduc-

(L) Wholesale Trade—

(1a) Percentage of increase or decrease in net sales during December 1920, over December, 1919

	Hard- ware	Dry Goods	Gro- ceries	Drugs	Shoes	Sta- tionery	Fur- niture	Auto Tires
No. of reporting firms.....	22	13	29	9	15	15	18	15
Los Angeles.....	—21.3	2.1	—10.5	—	—	20.2	—57.9	— 8.9
San Francisco.....	—20.4	—35.9	—21.2	10.2	—28.3	—	—44.3	—13.3
Seattle	—17.7	—47.4	—	—	—64.4	81.6	12.5	80.7
Portland3	—26.4	—20.1	—19.6	—70.1	9.3	—41.0	—
Tacoma	—41.2	—	—25.7	—	—	—	—32.4	—
Spokane	—18.9	—.5	—17.3	—	—	6.1	—36.8	— 3.6
Salt Lake City.....	—48.7	—45.5	—27.6	—	—	—	—54.0	—48.2
Sacramento	—13.8	—	—20.3	—	—	—	—	—
District	—17.9	—27.8	—19.6	2.9	—40.0	13.0	—37.5	— 5.8

(1b) Percentage of increase or decrease in net sales, January 1st to December 31, 1920, over same period previous year

	Hard- ware	Dry Goods	Gro- ceries	Drugs	Shoes	Sta- tionery	Fur- niture	Auto Tires
No. of reporting firms.....	22	13	29	9	15	15	18	15
Los Angeles.....	30.2	30.3	17.4	—	—	34.4	14.8	5.6
San Francisco.....	26.5	26.3	12.8	23.5	7.4	—	42.0	17.3
Seattle	12.8	20.8	—	—	—7.5	46.6	16.8	— 6.2
Portland	23.4	13.9	11.4	17.5	—21.9	28.4	16.7	—
Tacoma	11.0	—	10.7	—	—	—	31.1	—
Spokane	34.9	32.1	17.8	—	—	34.1	—	2.9
Salt Lake City.....	2.4	14.6	20.7	—	—	—	—	—15.3
Sacramento	12.4	—	16.5	—	—	—	—	—
District	24.8	24.2	17.1	23.8	3.7	46.2	17.9	2.2

(1c) Percentage of increase or decrease in net sales for December, 1920, over November, 1920

	Hard- ware	Dry Goods	Gro- ceries	Drugs	Shoes	Sta- tionery	Fur- niture	Auto Tires
No. of reporting firms.....	22	13	29	9	15	15	18	15
Los Angeles.....	5.8	—	—12.8	—	—	—16.6	—34.3	45.2
San Francisco.....	—12.5	—37.9	—30.9	— 5.4	—12.5	—	28.3	76.0
Seattle	—11.0	—65.1	—	—	—25.5	38.4	— 2.1	500.0
Portland	— 8.4	—30.0	—26.3	—15.1	—41.1	32.6	— 6.2	—
Tacoma	—16.6	—	—19.0	—	—	0.0	—24.4	—
Spokane	—12.3	— 6.7	—17.4	—	—	34.6	—	95.0
Salt Lake City.....	— 9.4	—35.1	—47.7	—	—	—	—	87.5
Sacramento	—20.1	—	—21.0	—	—	—	—	—
District	—11.2	—46.7	—17.8	— 5.6	—19.2	28.9	—16.7	71.8

tions varying from 10 per cent to 20 per cent were made in wages. There has been part time operation of some plants and reduction in the personnel employed by others.

There have been no strikes or labor disturbances during the month.

Although a new high record for production of petroleum in California was established in December, 1920, shipments were again in excess of production and the steady

Petroleum depletion of stored stocks, which was arrested last month, has been resumed. The average daily output of 324,933 barrels was 12,851 barrels greater than the average daily output during November, 1920, this being the fourth successive month in which a new high record for production has been established. Consumption increased more than proportionately however and the average daily shipments (335,967 barrels) were 11,034 barrels in excess of daily production. Following are the statistics furnished by the Standard Oil Company of California (table "M"):

The effect of recent successive monthly declines in the total value of the foreign commerce

of the ports of this district is now reflected in the totals for the years 1920 and 1919, and statistics for the first eleven months of each year show that the 1920 exports

Foreign Commerce decreased 13.3 per cent as compared with those of 1919, and that imports fell off 4.8 per cent. December exports and imports at San Francisco and Washington (Seattle), the two principal ports of the district, each show decreases of over 50 per cent compared with November figures. At the bottom of this page are comparative figures of exports and imports for the five ports of this district (tables "N" and "O").

No new contracts were announced during December by American shipbuilding yards on the Pacific Coast. During November there were delivered three freighters totaling

Shipbuilding 30,600 tons for the United States Shipping Board, and four tankers totaling 32,400 tons for private account. Contracts for the construction of freighters for the Shipping Board are being completed by some yards, only two companies having ex-

(M) Petroleum—

	December	November	October
Production—Daily Average.....	324,933 barrels	312,082 barrels	305,102 barrels
Shipments—Daily Average.....	335,967 barrels	310,899 barrels	324,896 barrels
Stored Stocks—End of Month....	22,240,271 barrels	22,582,304 barrels	22,545,026 barrels
New Wells Opened.....	58	47	47
With Initial Daily Production.	16,625 barrels	29,520 barrels	12,395 barrels
Wells Abandoned.....	9	9	4

(N) Exports*—

	Month Ending		% Increase or Decrease	Eleven Months Ending		% Increase or Decrease
	Nov. 30 1920	Nov. 30 1919		Nov. 30 1920	Nov. 30 1919	
San Francisco.....	14,386	29,265	—50.8	209,315	211,355	— 0.9
Los Angeles.....	1,605	1,580	1.5	16,550	9,509	74.0
Oregon	4,576	4,323	5.8	55,750	41,810	33.3
Washington	7,688	16,933	—54.6	184,355	274,946	—32.9
San Diego.....	18	39	—53.8	473	371	27.4
District	<u>28,273</u>	<u>52,480</u>	<u>—46.1</u>	<u>466,433</u>	<u>537,991</u>	<u>—13.3</u>

(O) Imports*—

	Month Ending		% Increase or Decrease	Eleven Months Ending		% Increase or Decrease
	Nov. 30 1920	Nov. 30 1919		Nov. 30 1920	Nov. 30 1919	
San Francisco.....	9,790	22,359	—56.2	205,465	218,359	— 5.9
Los Angeles.....	669	339	67.6	8,509	2,871	296.3
Oregon	284	754	—62.3	7,873	2,883	276.5
Washington	6,786	14,346	—52.6	129,938	146,304	—11.6
San Diego.....	43	44	— 2.3	845	505	67.3
District	<u>17,572</u>	<u>37,902</u>	<u>—54.0</u>	<u>352,630</u>	<u>370,668</u>	<u>— 4.8</u>

* 000 omitted.

tensive construction of this character ahead of them. Following are comparative figures for the first of December, November and October, 1920, as furnished by the Pacific Marine Review (table "P").

December business failures were more numerous than those of any month during the past two years and their liabilities were second in amount to the total of June, 1920, which **Business Failures** was unusually high on account of the failure of one large concern in Seattle.

The increase over November in the number of failures was 66% and in total liabilities 53%. No large failure occurred, however, and the average for December was \$21,680 compared with an average of \$23,537 in November. Following are R. G. Dun & Company's comparative figures for the states in this district (table "Q"):

Building activity in the district during December, 1920, was 5.8% greater than that of November. Each of the principal centers, except

Building Activity Los Angeles, where a decline of 39.3% in the value of permits occurred, reported an increase in value but a decrease in the number of permits issued. The value of December building operations in the district generally, and in the principal cities, with the exception of Seattle, is substantially in excess of corresponding values for December, 1919, the increase for the district as a whole being 30.8 per cent. Following are comparative figures for the district as a whole and for those cities the value of whose permits exceeded \$500,000 (table "R"):

December bank clearings for the district were approximately the same as those for November but 2.8 per cent larger than the clearings of De-

(P) Shipbuilding—

	December 1		November 1		October 1	
	Vessels	Total D. W. Tonnage	Vessels	Total D. W. Tonnage	Vessels	Total D. W. Tonnage
For U. S. S. B.	23	218,100	26	248,700	34	316,750
For Private Account	34	382,660	38	415,060	37	440,040
For Private Account—Foreign....	9	82,280	9	82,280	9	82,280
	66	683,040	73	746,040	80	839,070

(Q) Business Failures—

	December		November		October	
	No.	Liabilities	No.	Liabilities	No.	Liabilities
Arizona	4	\$ 23,200	0	0	5	\$ 57,400
California	61	609,339	47	\$ 668,061	67	1,886,585
Idaho	12	148,566	18	397,681	2	1,500,500
Nevada.....	2	22,000	0	0	0	0
Oregon	16	2,686,435	11	92,806	22	407,223
Utah	6	150,670	7	76,846	7	26,089
Washington	41	690,133	35	1,542,063	23	421,259
District	196	\$4,249,343	118	\$2,777,457	126	\$4,299,056

(R) Building Permits—

	December, 1920		November, 1920		% Increase or Decrease (—) in Value During Month	December, 1919		% Increase or Decrease (—) in Value of 1920 Over 1919
	No.	*Value	No.	*Value		No.	*Value	
Los Angeles	1913	3804	2640	6228	— 38.3	1763	3611	56.7
San Francisco	376	1749	384	1470	18.9	461	1368	82.1
San Diego	249	1220	278	919	32.7	150	543	91.6
Portland	594	633	751	590	7.0	453	694	22.6
Oakland	324	630	400	564	11.1	272	782	33.0
Fresno	200	2231	242	321	695.0	180	570	64.9
Seattle	577	1676	750	463	61.9	603	599	—11.8
Total	4,233	11,946	5,445	10,595	13.3	4,453	9,321	64.9
Total District	5,364	13,877	6,946	13,109	5.8	5,320	10,818	30.8

* 000 omitted.

cember, 1919. That the normal seasonal expansion of business activity in December is not reflected in a larger amount of clearings for that month is probably

Bank Clearings and Debits to Individual Accounts due to the lower prices prevailing in December, facilitating a larger number of business transactions for a given expenditure of money.

This increase in the number of business transactions is also indicated in a comparison of the November and December totals of debits to individual accounts as reported by 113 banks in twenty principal cities of the district, which were \$2,745,000,000 in December, 1920, and \$2,241,000,000 during November, an increase during December of 22.4 per cent. December, 1920, figures are 1.8 per cent less than the December, 1919, total of \$2,789,000,000.

Following are comparative figures for the branch cities and comparative totals for twenty reporting cities in the district (table "S").

Following is a statement of interest and discount rates customarily charged by banks in Federal Reserve Bank and Branch cities, tabulated **Interest and Discount Rates** for the thirty day periods ending January 15, 1921, and December 15, 1920, respectively (table "T"):

The shrinkage in the volume of business transactions which normally occurs after the first of the year, due primarily to the contraction in

retail trade with the end of the holidays, the conclusion of periodical payments of interest, rents and taxes, the curtailment of activity attendant upon inventory taking, and, ordinarily,

Federal Reserve Bank in the statement of condition of this bank at close of business January 14, 1921. It shows substantial liquidation of member banks' borrowings during the five preceding weeks, holding of bills discounted for them having decreased from \$176,872,000 on December 10, 1920, to \$159,065,000 on January 14, 1921, a decrease of \$17,807,000, or 10.1 per cent. The decline in the volume of transactions settled in cash, which accompanies liquidation of this character, resulted in a decrease of \$6,743,000 or 2.5 per cent in the volume of Federal reserve notes in circulation. This circulation now stands at \$260,068,000. Federal reserve bank note circulation declined from \$10,290,000 to \$8,402,000. Total cash reserves increased by \$19,279,000 (of which \$18,327,000 was gold) to \$194,777,000 and are now 52.4 per cent of note deposit and net liabilities as against 47.3 per cent on December 10, 1920. The bank's secondary reserve, consisting of bills (bankers acceptances) bought in the open market, was allowed to decline during the period under review from \$53,185,000 to \$33,509,000, a decrease of \$19,676,000 or 37 per cent.

(S) Bank Clearings—

	December, 1920	November, 1920	December, 1919
San Francisco	\$ 664,100,000	\$ 671,900,000	\$ 773,871,000
Los Angeles	380,189,000	351,735,000	265,550,000
Portland	150,605,000	152,476,000	151,642,000
Seattle	145,711,000	150,374,000	183,458,000
Salt Lake	88,117,000	81,295,000	95,592,000
Spokane	50,757,000	53,556,000	58,001,000
Total	\$1,479,479,000	\$1,461,336,000	\$1,528,114,000
Total District*	\$1,733,678,000	\$1,716,906,000	\$1,781,084,000

* 21 cities reporting.

(T) Interest and Discount Rates—

	Prime Commercial Paper				Interbank Loans				Collateral Demand Loans		Secured by L. L. Bonds or U. S. Certificates of Indebtedness	
	Customers		Open Market		Jan.	Dec.	Jan.	Dec.	Jan.	Dec.	Jan.	Dec.
San Francisco.....	6½	6½	8	8	6½	6½	6½	6½	6½	6½	6½	6½
Los Angeles.....	7	7	8	7	6	6	7	7	7	7	7	7
Seattle	7	7	8	8	7	7	8	8	7	7	8	8
Portland	7	7	8	8	7	7	7	7	7	7	7	7
Salt Lake.....	8	8	8	8	8	8	8	8	8	8	8	8
Spokane	7	7	none	none	7	7	none	7	7	8	8	8

**COMPARATIVE STATEMENT OF
CONDITION OF FEDERAL RESERVE BANK OF SAN FRANCISCO
AT CLOSE OF BUSINESS JANUARY 14, 1921**

RESOURCES—	Jan. 14, 1921	Dec. 10, 1920	Jan. 16, 1920
Gold and Gold Certificates.....	\$ 18,129,000	\$ 13,946,000	\$ 12,859,000
Gold Settlement Fund—F. R. Board.....	32,267,000	42,624,000	27,439,000
Gold With Foreign Agencies.....	152,000	3,116,000	5,535,000
Total Gold Held by Bank.....	\$ 50,548,000	\$ 59,686,000	\$ 45,833,000
Gold With Federal Reserve Agent.....	131,137,000	102,632,000	103,382,000
Gold Redemption Fund.....	11,704,000	12,744,000	9,466,000
Total Gold Reserves.....	\$193,389,000	\$175,062,000	\$158,681,000
Legal Tender Notes, Silver, etc.....	1,388,000	436,000	454,000
Total Reserves.....	\$194,777,000	\$175,498,000	\$159,135,000
Bills Discounted:			
Secured By Government War Obligations.....	47,782,000	59,456,000	55,357,000
All Other.....	111,283,000	117,416,000	36,599,000
Bills Bought in Open Market.....	33,509,000	53,185,000	109,693,000
Total Bills on Hand.....	\$192,574,000	\$230,057,000	\$201,649,000
U. S. Government Bonds.....	1,872,000	2,632,000	2,632,000
U. S. Victory Notes.....	0	0	0
U. S. Certificates of Indebtedness.....	12,202,000	11,301,000	12,018,000
All Other Earning Assets.....	0	0	0
Total Earning Assets.....	\$206,648,000	\$243,990,000	\$216,299,000
Bank Premises.....	389,000	231,000	231,000
Uncollected Items and Other Deductions from Gross Deposits.....	44,903,000	43,495,000	53,034,000
5% Redemption Fund Against F. R. Bank Notes...	665,000	665,000	665,000
All Other Resources.....	493,000	566,000	335,000
TOTAL RESOURCES.....	\$447,875,000	\$464,445,000	\$429,699,000
LIABILITIES—			
Capital Paid In.....	\$ 6,949,000	\$ 6,904,000	\$ 5,796,000
Surplus	14,194,000	11,662,000	7,539,000
Government Deposits.....	1,340,000	2,759,000	5,969,000
Due to Members—Reserve Account.....	113,991,000	120,316,000	123,961,000
Deferred Availability Items.....	33,980,000	35,405,000	33,532,000
Other Deposits, including Foreign Government Credits.....	7,315,000	3,476,000	5,461,000
Total Gross Deposits.....	\$156,626,000	\$161,956,000	\$168,923,000
F. R. Notes in Actual Circulation.....	260,068,000	266,811,000	234,142,000
F. R. Bank Notes in Circulation—Net Liability...	8,402,000	10,290,000	11,866,000
All Other Liabilities.....	1,636,000	6,822,000	1,433,000
TOTAL LIABILITIES.....	\$447,875,000	\$464,445,000	\$429,699,000
MEMO: Contingent Liability on Bills Purchased for Foreign Correspondents.....	736,000	736,000	0