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**FEDERAL RESERVE BANK  
OF SAN FRANCISCO**

**JOHN FERRIN  
CHAIRMAN OF THE BOARD  
AND FEDERAL RESERVE AGENT**

**GENERAL BUSINESS AND AGRICULTURAL CONDITIONS  
IN THE TWELFTH FEDERAL RESERVE DISTRICT**

March 15, 1920.

**R**ECENT rains have materially improved prospects for 1920 crops in the Twelfth Federal Reserve District, although seasonal rainfall is still from 30 to 60 per cent below normal. In California, the rice, bean and sugar beet acreage is being materially curtailed and a serious shortage of hydro-electric power is probable because of lack of precipitation. Shortage of water for irrigation purposes may somewhat reduce the acreage sown to spring crops in the Pacific Northwest and indications are that the fall-sown wheat crop will average about 70 per cent of normal. While acreage planted will be undiminished in the irrigated sections of Idaho, Nevada and Utah, the yield will approximate only 80 per cent of normal. In the dry farming portions of these states, the prospects for normal crops are excellent.

Range conditions are favorable in all parts of the district except in Northern Utah. The open winter has resulted in small loss of live stock through exposure and there has now been enough precipitation to assure sufficient feed during the summer, although grazing has had to be postponed for several weeks in California. Lambing is about 50 per cent completed, with large increases reported.

Lumber stocks are so depleted in the Pacific Northwest that it is probable that a normal volume of mill stocks will not be attained for more

than a year, although plants are running to capacity and are accepting only about 50 per cent of the business offered. A slight improvement in the car situation has been noticed during the past few weeks, the movement of 2,028 cars, during the week ending March 6, decreasing unfilled rail orders from 12,601 to 12,273 cars. It is anticipated, however, that there will be no relief from car shortage for several months. During the five weeks ending March 6, an average of 122 mills reported a cut of 404,000,000 feet, 6.2 per cent below normal, and orders of 300,000,000 feet, 35 per cent below production. During the five weeks ending March 6, an average of thirteen California redwood mills reported a cut of 31,846,000 feet and orders received of 29,792,000 feet, as compared with a cut of 24,814,000 feet and orders of 30,181,000 feet during the preceding five weeks.

Building permits in 18 principal cities of the district aggregated \$12,374,930 during February, as compared with \$12,934,829 during January, and \$4,890,198 during February, 1919. It is estimated that at the present rate of building it will take five years to overcome the existing shortage of housing facilities in the larger cities of the district. Comparative statement of building permits in those cities reporting permits in excess of \$500,000 in February is given below:

CITY	FEBRUARY, 1920		JANUARY, 1920	
	Number	Amount	Number	Amount
LOS ANGELES.....	1585	\$3,286,415	1928	\$4,186,266
SAN FRANCISCO.....	538	2,648,272	490	1,636,733
PORTLAND .....	819	1,021,355	694	924,305
LONG BEACH.....	335	1,011,143	581	1,271,820
SEATTLE .....	785	939,160	771	1,291,310
OAKLAND .....	316	921,502	354	548,693
FRESNO .....	208	633,659	224	875,540

Both the retail and wholesale trade report the customary decreases in business during February as compared with January, sales by values, of department stores decreasing from 20 to 25 per cent; of wholesale hardware stores from 5 to 10 per cent; of wholesale drygoods stores from 15 to 20 per cent, and of wholesale grocery stores from 25 to 30 per cent. As compared with February, 1919, however, department stores report increases in sales by value of from 25 to 30 per cent; wholesale hardware stores from 60 to 65 per cent; wholesale drygoods stores from 65 to 70 per cent, and wholesale grocery stores from 20 to 25 per cent. Wholesale firms report that present demand is primarily for staples and essential goods rather than specialties and luxuries and that

retail dealers are purchasing supplies for current use only. Wholesale grocery prices show a tendency to decline slightly, but in other lines wholesale prices continue to advance. Collections during February were reported as fair to good, as compared with good to excellent during January. Comparative statement of retail and wholesale trade of reporting firms in principal cities of this district is as follows:

CITY	RETAIL TRADE*		WHOLESALE TRADE†	
	Comparison of net sales during February, 1920, with those of		Comparison of net sales during February, 1920, with those of	
	January, 1920 % Decrease	February, 1919 % Increase	January, 1920 % Decrease	February, 1919 % Increase
LOS ANGELES.....	14.4	51.6	...	...
OAKLAND.....	20.5	27.4	...	...
SACRAMENTO.....	22.2	22.8	28.4	8.1
SAN FRANCISCO.....	23.2	26.9	21.3	40.8
PORTLAND.....	...	...	31.3	18.5
SALT LAKE CITY.....	20.7	11.5	21.4	26.6
SEATTLE.....	25.7	22.4	15.5	94.1
SPOKANE.....	15.5	23.6	30.5	56.0
DISTRICT.....	21.1	31.3	23.1	41.2

\* Department stores.

† Groceries, drygoods, hardware, drugs.

During February there were 54 failures in this district, as compared with 80 during January. Liabilities amounted to \$1,075,790 and assets to \$332,418, as compared with liabilities of \$1,869,237 and assets of \$904,932 during the preceding month. Comparative statement by states, giving number of failures and liabilities, is as follows:

STATE	NUMBER		LIABILITIES	
	January 1920	February 1920	January 1920	February 1920
ARIZONA.....	3	None	\$ 9,000	None
CALIFORNIA.....	41	31	373,102	\$ 620,689
IDAHO.....	2	1	14,000	11,000
OREGON.....	7	7	45,059	41,414
NEVADA.....	None	1	None	50,000
UTAH.....	13	2	165,476	13,420
WASHINGTON.....	14	12	1,262,600	339,267
Total.....	80	54	\$1,869,237	\$1,075,790

(Figures furnished by R. G. Dun & Company)

Interest and discount rates have shown a tendency to become somewhat firmer during the past month, the prevailing rates being 6 to 6½ per cent in industrial centers, and 8 per cent in agricultural sections.

Bank clearings in 20 principal cities of the district aggregated \$1,389,940,000 in February as compared with \$1,660,307,000 in January, a decrease of 15.1 per cent, although increasing \$259,940,000, or 22.3 per cent, as compared with February, 1919.

Labor is fully employed in all sections of the district, except in and around Seattle, where there are approximately 4,000 unemployed, and many agricultural sections now report a shortage of labor, although there is generally some unemployment throughout the district at this time of the year. There have been no strikes or labor disturbances of any importance during the past month and there are no immediate prospects of any labor difficulties in the district.

Daily production of petroleum in California during February averaged 274,026 barrels as compared with 273,087 barrels in January. Shipments averaged 304,120 barrels per day, thereby decreasing stored stocks by 872,704 barrels to 28,738,921 barrels on February 29, 1920.