



Not to be released for publication before
the afternoon of **January 26, 1920**

FEDERAL RESERVE BANK
OF SAN FRANCISCO

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GENERAL BUSINESS AND AGRICULTURAL CONDITIONS
IN THE TWELFTH FEDERAL RESERVE DISTRICT

January 15, 1920.

HEAVY snows and severe cold weather in the Pacific Northwest and the interior sections of this district have brought livestock off the ranges and forced earlier winter feeding than usual, requiring heavy purchases of feed, at exceptionally high prices. It is anticipated, however, that the snowfall will result in satisfactory range conditions in the late spring and early summer. Winter wheat was practically undamaged by the cold and the heavy snows will greatly increase the moisture content of the soil, thereby improving the prospects for large per acre yields during 1920. Fruit trees in Oregon, particularly peach and pear trees, have suffered from freezing. The exact amount of damage, however, will not be ascertainable for some time. In California, barley is sprouting very slowly and lack of rain is causing some anxiety concerning prospects for 1920 crops.

The major portion of the Washington commercial apple crop of 19,320,000 boxes, which compares with a 1918 crop of 12,888,000 boxes, is out of the hands of the growers, having been marketed at record prices. The dealers are now suffering a loss reported at approximately \$750 per car through the recent drop in prices and the heavy losses due to freezing of fruit in common storage and in transit.

The 1919 fruit and vegetable pack in California exceeded that of 1918 by 3,518,365 cases as shown by the following figures:

| | 1919 (cases) | 1918 (cases) |
|---------------------------|-------------------|------------------|
| Apricots | 4,395,204 | 2,233,314 |
| Pears | 1,071,687 | 811,950 |
| Free peaches | 1,962,700 | 1,393,595 |
| Cling peaches | 5,096,249 | 3,122,458 |
| Other fruits | 1,170,563 | 1,382,420 |
| TOTAL FRUITS | 13,696,403 | 8,943,737 |

VEGETABLES

| | 1919 (cases) | 1918 (cases) |
|-------------------------------------|-----------------|-----------------|
| Asparagus | 1,031,269 | 902,236 |
| Tomatoes | 3,809,979 | 3,884,973 |
| Tomato products | 885,906 | 1,809,805 |
| Other vegetables | 1,324,365 | 1,688,806 |
| TOTAL VEGETABLES | 7,051,519 | 8,285,820 |
| TOTAL PACK (fruit and vegetables) . | 20,747,922 | 17,229,557 |

The largest consignment of California rice ever exported from this state, amounting to 13,000 tons, approximately 10 per cent of the 1919 crop, is now being shipped to Belawan, Sumatra, via Singapore. The average price was reported as approximately 12 cents per pound as compared with earlier season prices of from 7½ to 8½ cents. It is estimated that after this shipment 90 per cent of the 1919 California rice crop will have been marketed.

The 1919 salmon pack of the Pacific Coast will be approximately 1,600,000 cases short of that of 1918. Estimates, by districts, in 1919 as compared with 1918 are as follows:

| | 1919 (Estimated) (cases) | 1918 (cases) |
|------------------------|-----------------------------|-----------------|
| Columbia River | 531,000 | 590,021 |
| Outside rivers | 200,000 | 183,095 |
| British Columbia | 1,395,000 | 1,614,734 |
| Alaska | 4,600,000 | 6,676,918 |
| Puget Sound | 1,300,000 | 624,041 |
| TOTAL | 8,026,000 | 9,688,809 |

Car shortage is seriously interfering with lumber production and shipment in the Pacific Northwest, the lumber industry in Washington and Oregon being 75,000 cars behind in shipments. As a result, mill yards are stacked to capacity, many mills are running only part time and many are refusing to book additional orders. Continued demand, coupled with inability to make deliveries, has resulted in continued advance in lumber prices during the year, bids for logs having advanced from \$17, \$23 and \$27 to \$19, \$26 and \$30 per thousand feet in Gray's Harbor district. In Portland, common lumber has advanced from \$16.50 per thousand feet in January, 1919 to from \$25.50 to \$34.50 in December. During the same period the price of number one flooring advanced from \$42 to from \$68 to \$77 per thousand feet. The greater part of the present demand is for stocks used in house building. During the four weeks ending December 31, 1919, an average of 122 mills in the Pacific Northwest reported a cut of 220,921,012 feet, 54.9 per cent below normal, orders of 194,188,284 feet, 13.8 per cent below production and shipments of 174,691,662 feet, 26.5 per cent below production. During the four weeks ending January 3, 1920, an average of thirteen California red-

wood mills reported a cut of 18,841,000 feet, as compared with 27,039,000 feet during the four weeks ending December 3, 1919, shipments of 26,646,000 feet and orders received of 23,679,000 feet.

Building permits in nineteen principal cities of this district aggregated \$10,814,000 in December, 1919, as compared with \$12,886,000 in November and \$3,430,000 in December, 1918. As compared with November, December permits increased in San Diego, California, by \$417,000; in Long Beach, California, by \$283,000, and in Fresno, California, by \$194,000, other cities showing decreases or slight increases. During 1919 building permits in these nineteen cities amounted to \$111,045,000 as compared with \$57,249,000 in 1918. Comparative statement for those cities reporting permits in excess of \$5,000,000 during 1919 is given below:

| | 1919 | 1918 | Increase |
|--------------------------|--------------|--------------|--------------|
| LOS ANGELES, Calif..... | \$27,346,000 | \$ 8,866,000 | \$18,480,000 |
| SEATTLE, Wash. | 15,613,000 | 10,899,000 | 4,714,000 |
| SAN FRANCISCO, Calif.... | 14,729,000 | 8,985,000 | 5,744,000 |
| PORTLAND, Ore. | 9,781,000 | 6,178,000 | 3,603,000 |
| LONG BEACH, Calif..... | 7,217,000 | 2,897,000 | 4,320,000 |
| OAKLAND, Calif. | 7,135,000 | 5,381,000 | 1,754,000 |

The value of minerals produced in the Twelfth Federal Reserve District decreased from \$460,237,834, in 1917, to \$407,778,869, in 1918, and to \$223,047,965, in 1919. High operating costs, labor scarcity accompanied by strikes and poor markets for some metals, have been the principal contributing factors in this decrease. In the case of silver, however, a large proportion of which comes from copper ores, the small demand for copper is responsible for the decreased production in the face of increased silver prices. The United States Geological Survey estimates metal production in the various states in this district, during 1918 and 1919, as follows:

| STATE | Year | GOLD (Fine Ozs.) | SILVER (Fine Ozs.) | COPPER (Pounds) | LEAD (Pounds) | RECOVERABLE | TOTAL VALUE |
|------------|------|---------------------|-----------------------|--------------------|------------------|------------------|----------------|
| | | | | | | ZINC (Pounds) | |
| ARIZONA | 1919 | 202,038 | 4,927,000 | 522,000,000 | 10,000,000 | 1,717,000 | \$108,707,000 |
| | 1918 | 262,919 | 6,686,152 | 764,885,874 | 12,503,689 | 2,269,643 | 202,134,880 |
| CALIFORNIA | 1919 | 840,758 | 1,121,069 | 22,299,656 | 4,455,161 | 965,259 | 23,124,045 |
| | 1918 | 797,732 | 1,427,711 | 47,331,769 | 13,372,057 | 5,561,393 | 31,064,747 |
| IDAHO | 1919 | 34,365 | 5,701,000 | 3,100,000 | 184,000,000 | 16,565,000 | 19,376,000 |
| | 1918 | 33,999 | 9,172,340 | 6,533,888 | 294,695,993 | 45,161,712 | 36,552,158 |
| NEVADA | 1919 | 230,004 | 7,177,000 | 51,000,000 | 12,558,000 | 8,182,000 | 23,634,000 |
| | 1918 | 320,239 | 10,000,599 | 116,316,441 | 23,316,534 | 16,724,753 | 48,528,124 |
| OREGON | 1919 | 51,848 | 211,523 | 2,638,714 | 2,000 | | 1,808,920 |
| | 1918 | 61,459 | 107,323 | 2,451,016 | 10,601 | | 1,983,942 |
| UTAH | 1919 | 104,137 | 11,569,000 | 123,626,000 | 121,249,000 | 4,467,000 | 45,439,000 |
| | 1918 | 142,666 | 13,455,597 | 227,169,630 | 167,008,224 | 18,399,417 | 86,047,597 |
| WASHINGTON | 1919 | 14,987 | 299,000 | 1,321,000 | 1,700,000 | | 959,000 |
| | 1918 | 14,738 | 310,000 | 1,922,000 | 5,271,818 | 38,873 | 1,467,421 |
| TOTALS | 1919 | 1,478,137 | 31,006,552 | 725,985,370 | 333,964,161 | 31,896,259 | \$223,047,965 |
| | 1918 | 1,633,752 | 41,159,815 | 916,611,024 | 516,178,913 | 88,155,791 | 407,778,869 |

Daily production of petroleum in California averaged 267,497 barrels in December, 1919, as compared with 270,339 barrels in November, 1919, and shipments averaged 289,391 barrels per day, thereby decreasing stored stocks by 678,714 barrels to 30,480,323 barrels on December 31, 1919. Production during 1919 amounted to 101,221,784 barrels and shipments to 102,784,384 barrels, stored stocks decreasing 1,562,600 barrels during the year.

No strikes or labor disturbances of any importance are now in progress in this district and seasonal unemployment is much less than at the same period a year ago. Seattle, Washington, reports from 3,000 to 6,000 unemployed, as compared with 8,000 in January, 1919; Spokane, Washington, from 500 to 800, approximately the same number as a year ago; Portland, Oregon, 3,000, as compared with from 7,000 to 10,000 at this time last year; Salt Lake City, Utah, "no material unemployment," as compared with more than 3,000 unemployed in January, 1919. Accurate estimates for San Francisco are unobtainable because of the large number of former ship-yard employees who have not availed themselves of opportunities to return to work and many of whom are seeking employment in other lines.

Retail trade continues active, averaging 45 per cent greater by value in December, 1919, than in December, 1918, and 70 per cent greater than in November, 1919.

Bank clearings in twenty-four principal cities of the district amounted to \$1,781,084,000 in December, 1919, as compared with \$1,266,195,000 in December, 1918, an increase of 40.6 per cent, and \$1,626,120,000 in November, 1919, an increase of 9.5 per cent. The largest increases over November were made in San Francisco, 14.1 per cent, and in Los Angeles, 10.9 per cent. Comparative statement of clearings for 1919 and 1918 in those cities in this district whose clearings exceeded \$500,000,000 is as follows:

| | 1919* | 1918* | Increase* |
|---------------------------|---------|---------|-----------|
| SAN FRANCISCO, Calif..... | \$7,285 | \$5,629 | \$1,656 |
| LOS ANGELES, Calif..... | 2,339 | 1,547 | 792 |
| SEATTLE, Wash. | 2,019 | 1,860 | 159 |
| PORTLAND, Ore. | 1,653 | 1,323 | 330 |
| SALT LAKE CITY, Utah..... | 827 | 697 | 130 |
| SPOKANE, Wash. | 554 | 422 | 132 |

* 000,000 omitted.

Interest and discount rates have shown a tendency to stiffen during the past month, now averaging 6 per cent in industrial centers and 8 per cent in agricultural sections.