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**FEDERAL RESERVE BANK  
OF SAN FRANCISCO**

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

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

February 15, 1920.

**L**ACK of rain threatens to seriously curtail 1920 crops in the Twelfth Federal Reserve District. Precipitation during January averaged from 50 to 90 per cent below normal throughout the district, and the seasonal average since July 1, 1919, has been 50 per cent below normal in California, and from 20 to 40 per cent below normal in the Pacific Northwest. As a consequence approximately one-half of the 1919 California wheat acreage has been planted to barley and with a good rainfall during the spring months the California barley crop should amount to 1,000,000 tons, exceeding previous records by 100,000 tons. Germination and growth of barley, wheat and oats in California has, however, been exceedingly slow because of the drought. In Idaho, Oregon and Washington, fall sown wheat is wintering well and the indications are that the crop will average about 70 per cent of normal.

Because of car shortage, much of the 1919 grain crop of Oregon is still held in interior warehouses awaiting transportation. In Washington approximately 1,500,000 bushels of wheat were moved during January, but of this amount only about 10 per cent was carried outside of the state. About 90 per cent of the wheat received in Seattle in 1919 is still held in that city either as manufactured flour, as flour in process of manufacture, or as wheat held in storage by millers.

In spite of hay shortage in some sections and the exceptionally high price of feed throughout the district, cattle are wintering comparatively well and are in fair condition. According to government estimates, there were 25,117,000 head of livestock, valued at \$711,431,000 in this district on January 1, 1920, as compared with 25,196,000 head, valued at \$720,571,000 on January 1, 1919. Details by classes of livestock are as follows:

(000 omitted)

STATE	Horses	Mules	Milch Cows	Other Cattle	Sheep	Swine
ARIZONA .....	132	10	57	1200	1300	50
CALIFORNIA .....	400	59	571	1634	2972	973
IDAHO .....	270	4	136	537	3234	187
NEVADA .....	75	3	35	535	1596	32
OREGON .....	282	10	224	708	2547	314
UTAH .....	145	2	109	518	2245	114
WASHINGTON .....	303	20	228	298	757	291
TOTALS {						
Jan. 1, 1920.....	1607	108	1360	5430	14651	1961
Jan. 1, 1919.....	1678	112	1351	5369	14597	2089
VALUES {						
Jan. 1, 1920....	\$135,276	\$11,962	\$122,600	\$250,663	\$154,112	\$36,818
Jan. 1, 1919....	145,706	12,737	104,439	247,503	170,328	39,858

Car shortage continues to restrict operations in the lumber industry. In the Pacific Northwest lumber mills are receiving only 30 per cent of the cars required, and lumber manufacturers report production as equalling only 87 per cent of plant capacity and orders accepted as only 50 per cent of business offered. During five weeks ending February 5th, an average of 125 lumber mills in the Pacific Northwest reported a cut of 327,189,535 feet, 26.6 per cent below normal, and orders of 342,392,340 feet, 4.4 per cent above production. During the four weeks ending January 31st, an average of 13 California redwood mills reported a cut of 22,106,000 feet, as compared with 18,841,000 feet during the preceding four weeks, and orders of 27,635,000 feet. During 1919, sixteen mills in California produced 16,066,885 feet of white and sugar pine and 5,863,077 feet of white and red fir. During the same period shipments amounted to 35,599,104 feet of pine and 7,170,655 feet of fir.

Building permits in nineteen principal cities of the district aggregated \$13,009,429 in January, 1920, as compared with \$10,814,293 in December, 1919, and \$2,965,564 in January, 1919. Comparative statement of building permits in those cities reporting permits in excess of \$500,000 in January, 1920, is given below:

	January, 1920		December, 1919	
	Number	Amount	Number	Amount
LOS ANGELES, Calif.....	1928	\$4,186,266	1763	\$3,611,083
SAN FRANCISCO, Calif....	490	1,636,733	461	1,368,827
SEATTLE, Wash.....	771	1,291,310	603	599,360
LONG BEACH, Calif.....	581	1,271,820	571	1,154,180
PORTLAND, Ore.....	694	924,305	453	694,682
FRESNO, Calif.....	224	875,540	180	570,465
OAKLAND, Calif.....	354	548,693	272	782,648
SACRAMENTO, Calif.....	143	517,641	92	112,366

Retail trade averaged 40 per cent smaller by value in January, 1920, than in December, 1919, due to the heavy Christmas purchases in De-

ember, but averaged 50 per cent greater in January, 1920, than in January, 1919. Comparative statement of percentage increases and decreases in sales by representative department stores in the larger cities of this district is given below:

**COMPARISON OF RETAIL TRADE JANUARY, 1919—JANUARY, 1920  
IN TWELFTH FEDERAL RESERVE DISTRICT**

	—Percentage of increase or decrease—		
	(1) Comparison of net sales with those of January, 1919	(2) Stocks at end of month compared with	
		A Jan., 1919	B Dec., 1919
LOS ANGELES .....	83.8	44.0	9.7
OAKLAND .....	41.4	10.6	8.4*
SAN FRANCISCO .....	53.5	45.9	4.7
SALT LAKE CITY .....	23.8	...	..
SEATTLE .....	23.9	44.5	2.0*
SPOKANE .....	36.2	25.4	9.4
DISTRICT .....	50.9	38.3	2.7
	(3) % of average stocks at end of January to sales during January	(4) % of outstanding orders at end of month to total purchases during calendar year 1919	
LOS ANGELES .....	422.7	33.3	
OAKLAND .....	490.6	...	
SAN FRANCISCO .....	405.2	18.2	
SALT LAKE CITY .....	....	...	
SEATTLE .....	427.1	18.4	
SPOKANE .....	508.8	37.2	
DISTRICT .....	428.3	28.0	

\*Decrease

Bank clearings in 21 principal cities in the district aggregated \$1,745,119,000 during January, 1920, as compared with \$1,781,084,000 in December, 1919, and \$1,259,131,000 in January, 1919. In those cities whose clearings exceeded \$50,000,000 during January, Los Angeles and Spokane alone showed increases over December. The opening of a Federal Reserve Bank branch in Los Angeles on January 2nd is largely responsible for the increased clearings in that city. Comparative statement of clearings in Federal Reserve Bank and branch cities in the district is given below:

	January, 1920	December, 1919	% Decrease
SAN FRANCISCO, Calif.....	\$721,476,000	\$773,871,000	8.8
LOS ANGELES, Calif.....	316,283,000	265,550,000	19.1*
SEATTLE, Wash.....	175,300,000	183,458,000	4.5
PORTLAND, Ore.....	144,839,000	151,642,000	4.5
SALT LAKE CITY, Utah....	84,812,000	95,592,000	11.5
SPOKANE, Wash.....	59,480,000	58,001,000	1.7*

\*Increase.

Interest and discount rates have shown a tendency to become somewhat firmer, although perhaps not sufficiently to change those previously quoted of 6 per cent in industrial centers and 8 per cent in agricultural sections.

During January of 1920 there were 80 failures in this district as compared with 70 during January, 1919. Liabilities amounted to \$1,869,237 in January, 1920, as compared with \$692,022 in January, 1919. Detailed statement by states for January, 1920, as furnished by R. G. Dun and Company is as follows:

STATE	Number	Assets	Liabilities
ARIZONA .....	3	\$ 3,500	\$ 9,000
CALIFORNIA .....	41	85,095	373,102
IDAHO .....	2	11,200	14,000
OREGON .....	7	21,296	45,059
NEVADA .....	None	None	None
UTAH .....	13	114,841	165,476
WASHINGTON .....	14	669,000	1,262,600
TOTALS .....	80	\$904,932	\$1,869,237

Daily production of petroleum in California averaged 273,087 barrels in January, 1920, as compared with 267,497 barrels in December, 1919, and daily shipments averaged 301,110 barrels, as compared with 289,391 barrels in December, 1919. Stored stocks were decreased by 868,698 barrels to 29,611,625 barrels on January 31, 1920.

Unemployment during the winter months has been nominal, the estimated number of unemployed in the district not exceeding 10,000 at present, as compared with 50,000 at this time during 1919. Strikes and labor disturbances were at a minimum during the first month and a half of 1920, but at present 2000 electrical workers employed by the Pacific Telephone and Telegraph Company in California, Idaho, Oregon, Nevada, and Washington have been called on strike, the company reporting, however, that but few employees have responded to the call, and in Utah 1200 to 1400 miners are striking.