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**FEDERAL RESERVE BANK
OF SAN FRANCISCO**

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

April 15, 1920.

MATERIAL improvement over the previously unsatisfactory agricultural outlook has resulted from rainfall, which was general throughout the district during March and the first half of April. The condition of winter wheat is now 85 per cent of normal in California, 91 per cent in Oregon, 87 per cent in Idaho, 94 per cent in Nevada and 98 per cent in Utah, as compared with the district condition of approximately 95 per cent at the same period in 1919. In Washington, which normally produces approximately one-third of the winter wheat grown in this district, the condition is only 73 per cent of normal, as compared with 97 per cent a year ago, and it will be necessary to reseed from 10 to 20 per cent of the fall-sown wheat in that state. Spring wheat acreage throughout the district will approximate that of a year ago. The ground is in excellent condition for seeding, except in Oregon, where planting is being somewhat retarded by the late spring. In the Inter-Mountain region heavy snowfall during March and the early part of April has assured sufficient moisture for dry farming sections and abundant water for irrigated lands.

California fruits and nuts were severely injured by rains and frost during March. Brown rot, it is reported, will destroy from 30 to 40 per cent of the anticipated apricot crop, and prunes have been slightly damaged by the thrip. The almond crop will probably not exceed 45 to 50 per cent of that of a year ago. Shipments of California oranges during the first three months of 1920 aggregated 9,855 carloads, as compared with 11,413 carloads during the same period in 1919; and of lemons 2,133 carloads, as compared with 2,086 in the first quarter of 1919. Prospects for other crops in the state are much better than at this time last month. Planting of beans is proceeding under favorable conditions, although acreage will be materially reduced as compared with 1919. In the Imperial Valley, including that part located in Mexico,

225,000 acres have been planted to cotton, as compared with 145,000 acres in 1919, and practically all of the anticipated Pima or Long Staple crop is under contract.

Range conditions have improved during the past month, but remain unsatisfactory, particularly in Oregon and Washington, where stock is still on expensive winter feed and is in only fair condition. Wool shearing has commenced and early indications are that the quality will be good. The market, however, is dull, as Eastern manufacturers are purchasing from Government sales and from auctions of imported wool rather than from the 1920 domestic clip.

Lumber mills in the Pacific Northwest continue to restrict acceptance of orders because of inability to secure cars. During the five weeks ending April 3rd, an average of 128 mills reported orders booked of 347,564,000 feet, as compared with a cut of 438,055,000 feet, which was 6.5 per cent below normal. Unfilled orders on April 3rd aggregated 438,905,000 feet, of which 324,660,000 feet were rail orders, 61,736,000 feet domestic cargo orders, and 52,509,000 feet export orders. During the five weeks ending April 10th, an average of twelve California redwood mills reported a cut of 30,860,000 feet and orders of 28,482,000 feet, as compared with a cut of 31,864,000 feet during the preceding five weeks and orders accepted of 29,972,000 feet.

Building continues active. Building permits in nineteen principal cities of the district aggregated \$14,183,079 in March, 1920, as compared with \$12,438,235 in February, 1920, and \$6,113,438 in March, 1919, increases of 14 and 132 per cent, respectively. Comparative statement of building permits in those cities reporting permits in excess of \$500,000 during March, 1920, is given below:

	MARCH, 1920	MARCH, 1919	1st QUARTER 1920	1st QUARTER 1919
LOS ANGELES.....	\$3,076,763	\$1,122,415	\$10,549,444	\$2,941,861
SAN FRANCISCO.....	2,759,087	908,631	7,044,092	1,693,114
SEATTLE	1,390,275	705,780	3,620,745	2,903,060
TACOMA	1,198,282	232,737	1,548,016	441,270
PORTLAND	846,105	685,605	2,791,765	1,166,405
LONG BEACH.....	844,290	613,469	3,127,253	1,933,511
OAKLAND	687,173	494,706	2,157,368	1,248,543
FRESNO	583,290	208,757	2,092,489	454,874
SPOKANE	524,110	45,245	820,065	92,212
Totals	\$11,909,375	\$5,017,345	\$33,751,237	\$12,874,850

Sales of retail stores in this district averaged from 35 to 40 per cent greater, by value, during March, 1920, than during the same month in 1919, and from 30 to 35 per cent greater than in February, 1920. Sales by wholesale stores were approximately 60 per cent greater by value during

March, 1920, than during March, 1919, and from 20 to 25 per cent greater than in February, 1920. Department stores report that prices continued to advance during March, although there was a tendency for prices of some commodities, such as silk fabrics, to decline slightly. Wholesale drygoods and hardware stores report the market firm, with a tendency to advancing prices. With the exception of sugar, wholesale prices of foodstuffs declined slightly during March. Retail merchants in all lines are purchasing goods only for current requirements. The increase in sales during March was largely in essentials. During March collections were good, as compared with fair to good during February. Statement of increases in retail and wholesale trade of reporting firms in the principal cities of this district for March, 1920, as compared with March, 1919, is given below:

INCREASE IN SALES IN MARCH, 1920, OVER MARCH, 1919

	RETAIL TRADE		WHOLESALE TRADE		
	Department Stores Per Cent	Hardware Per Cent	Dry Goods Per Cent	Groceries Per Cent	Total* Per Cent
LOS ANGELES	58.4	91.2	....	46.9	72.2
OAKLAND	31.0	...	....	...	...
SACRAMENTO	65.1	74.8	....	38.7	49.7
SAN FRANCISCO	35.4	77.4	93.7	53.0	68.9
PORTLAND .....	...	64.4	25.1	47.0	49.0
SALT LAKE CITY.....	10.5	...	...	44.8	53.8
SEATTLE	19.2	49.6	108.1	...	61.4
SPOKANE	19.8	159.5	74.7	26.4	38.0
TACOMA .....	...	65.9	71.8	21.0	43.5
DISTRICT	37.8	71.7	84.2	44.3	58.9

* Including reporting wholesale drug firms.

During March there were 88 failures in this district, as compared with 54 during February. Liabilities amounted to \$1,555,932 and assets to \$1,045,399, as compared with liabilities of \$1,075,790 and assets of \$332,418 during the preceding month. Comparative statement of failures by states is given below:

	NUMBER		LIABILITIES	
	March	February	March	February
ARIZONA .....	..	..	.....	.....
CALIFORNIA	46	31	\$ 324,565	\$ 620,689
IDAHO	5	1	2,400	11,000
NEVADA .....	..	1	.....	50,000
OREGON	14	7	194,467	41,414
UTAH	9	2	744,516	13,420
WASHINGTON	14	12	289,984	339,267
TOTAL	88	54	\$1,555,932	\$1,075,790

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

Bank clearings in 18 principal cities of the district aggregated \$1,808,203,000 in March, 1920, as compared with \$1,438,383,000 in February and \$1,198,875,000 in March, 1919, increases of 25.7 per cent and 50.9 per cent, respectively. Comparative statement of clearings in Federal Reserve Bank and branch cities in this district is given below:

	MARCH, 1920	FEBRUARY, 1920	MARCH, 1919
SAN FRANCISCO.....	\$ 721,369,000	\$ 579,147,000	\$ 525,196,000
LOS ANGELES.....	332,862,000	277,682,000	162,381,000
SEATTLE	212,472,000	155,891,000	152,235,000
PORTLAND	173,173,000	128,285,000	124,130,000
SALT LAKE CITY.....	69,462,000	77,706,000	56,109,000
SPOKANE	61,387,000	47,723,000	36,583,000
TOTAL	\$1,570,725,000	\$1,266,434,000	\$1,056,634,000

Interest and discount rates in industrial centers have shown a tendency to stiffen during the past month, prevailing rates now being from 6 to 7 per cent, as compared with from 6 to 6½ per cent at the same period in March. In agricultural sections the prevailing rate remains 8 per cent.

Labor shortage exists in all sections of the district, particularly in farming communities. The demand for farm labor averages from 100 to 105 per cent of that of a year ago and the supply is approximately 95 per cent of the demand, except in California, where it equals only 80 per cent of the demand. Except for the unauthorized strike of railroad switchmen, a strike of approximately 300 carpenters in Spokane, and a strike of electrical workers in the San Francisco Bay district involving between 500 and 1000 men, there have been no strikes or labor disturbances of any importance in this district during the past month.

Daily production of petroleum in California during March averaged 276,001 barrels, as compared with 274,026 barrels in February. Shipments averaged 313,438 barrels per day, thereby decreasing stored stocks by 1,160,557 barrels to 27,578,364 barrels, as compared with 32,671,059 barrels on March 31, 1919. Fifty-one new wells, with a daily capacity of 9,215 barrels, were opened and 12 producing wells were abandoned during the month. Consumption of California petroleum has exceeded production each month since July, 1919, and a serious shortage of crude oil is threatened unless consumption is materially curtailed.