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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**

May 15, 1920.

**P**ROSPECTS for good crops throughout the Twelfth Federal Reserve District are now better than at any other time this year, although the season is from three to four weeks late. In California, lack of rain, cold nights, and north winds during the past month, have seriously interfered with growth of field crops; but in the Pacific Northwest and Intermountain sections heavy rains and snows have assured abundant moisture for summer field crops. Although condition of winter wheat is somewhat better than at this time last month, production in the principal wheat states in the district will be approximately 20 per cent short of the 1919 crop, as indicated in the following table:

	PRODUCTION (Bushels)		CONDITION (% of normal)		
	1920 (Estimated)	1919	May 1, 1920	April 1, 1920	May 1, 1919
CALIFORNIA .....	10,021,000	16,334,000	80	85	85
IDAHO .....	7,248,000	6,105,000	90	100	87
OREGON .....	14,500,000	16,010,000	93	91	99
WASHINGTON .....	15,737,000	19,800,000	78	73	99
TOTAL .....	47,506,000	58,249,000			

In some parts of the Pacific Northwest fully 50 per cent of the fall-sown wheat had to be reseeded, but acreage and yield of spring wheat promise to be sufficiently high to counterbalance the shortage in winter wheat. Condition of hay has improved materially during the past month, but is inferior to that of a year ago, as indicated by the following estimates of the United States Bureau of Crop Estimates:

	CONDITION (% of normal)	
	May 1, 1920	May 1, 1919
ARIZONA .....	89	94
CALIFORNIA .....	85	92
IDAHO .....	91	99
NEVADA .....	90	101
OREGON .....	93	99
UTAH .....	92	97
WASHINGTON .....	89	99

Cotton prospects in the Imperial Valley of California, and Mexico, are only fair at this time. While acreage has been increased from 145,000 acres in 1919, to 225,000 in 1920, winds have damaged the crop, the condition of which is reported at only 80 per cent of normal. The Arizona crop is in fair condition, 210,000 acres being planted to cotton in this state this year, as compared with 87,000 a year ago. A few contracts for future delivery have been made on the basis of a minimum price of 75 cents per pound. It is anticipated that the average price for this year's crop will be between 85 and 90 cents per pound.

Although prospects for field crops in California remain unfavorable, the deciduous fruit situation, while not entirely satisfactory, has improved during the past month. The apricot crop is now estimated at 70 per cent and the prune crop at 75 per cent of that of 1919. New prunes are being offered by a few packers at an advance of approximately one-half cent per pound over 1919 prices. The output of grapes and raisins promises to equal or exceed that of a year ago, and while output of other fruits will probably not equal the record crop of 1919, it is predicted that it will exceed that of 1918. Normally, much of the California fruit crop would now be under contract for canning, but, owing to high prices demanded by buyers, high cost of sugar, and uncertainty with regard to the ability of the market to absorb canned fruits at even

higher prices, practically no contracts for the 1920 crop have been made. The canteloupe crop of the Imperial Valley is now estimated at 10,500 cars. Movement to market will be about ten days late, because of cold weather and winds during the latter half of April.

The 1920 Valencia orange crop, which is moving to market, is estimated at 4,700,000 boxes, 75 per cent of normal; and the lemon crop at 2,730,000 boxes, 86 per cent of normal. Because of car shortage, shipments of oranges for the first four months of 1919 were approximately 1,500 cars below normal, and of lemons 300 to 400 cars short of normal.

Unless damage from freezing during the winter is greater than at present anticipated, the prune, cherry, and apricot crops of the Pacific Northwest will be approximately normal; the berry crop between 80 and 100 per cent of normal; and the pear crop 50 per cent of normal. Peach trees were badly frozen, particularly in the Yakima Valley, and, as a result, practically no peach crop is expected.

Late rains and heavy snows, except in California, have assured excellent range for the coming season, but have retarded the movement of livestock to the ranges, with the result that many cattle are now in only fair condition. Lambing was generally satisfactory, but some abnormal lamb losses were reported, particularly in Oregon and Washington. Although shearing has been delayed from three to six weeks, the early-shorn wools are showing good condition, average growth, and light shrinkage. Buyers have not yet entered the market actively, and because of this and car shortage, wool movement is small. Such sales as are being made average from 60 to 70 cents per pound.

Comparative statement of receipts of livestock in the public yards at Portland, Salt Lake City, Seattle, Spokane, and Tacoma, is given below:

#### RECEIPTS OF LIVESTOCK

	April, 1920	March, 1920	April, 1919
Cattle and Calves.....	24,065	23,529	26,213
Hogs .....	32,449	37,083	47,575
Sheep .....	36,456	24,768	66,729
Horses and Mules.....	645	763	548
Total .....	93,615	86,143	141,065

Car shortage continues to restrict lumber operations in the Pacific Northwest. During the five weeks ending May 8, an average of 124 mills reported a cut of 438,490,000 feet, 3.7 per cent below normal; orders of 317,771,000 feet, 27.5 per cent below cut; and shipments of 349,914,000 feet. Unfilled orders on May 8 aggregated 411,227,000 feet, of which 274,050,000 feet were rail orders, 53,207,000 feet domestic cargo orders, and 83,970,000 feet export orders. During the four weeks ending May 8, an average of twelve California redwood mills reported a cut of 26,447,000 feet, shipments of 24,421,000 feet, and orders accepted of 22,398,000 feet; as compared with a cut of 26,359,000 feet, shipments of 23,386,000 feet, and orders accepted of 24,699,000 feet during the preceding four weeks.

Building was less active during April than in any previous month in 1920. Los Angeles, California; Portland, Oregon; and Phoenix, Arizona, in the order named, showed large increases in building permits in April, as compared with March, but with few exceptions, in the other cities of the district, building activities were on a small scale, permits in twenty principal cities of the district aggregating \$15,622,985 in April, as compared with \$14,607,673 in March, an increase of \$1,015,312, or 7 per cent. The increases in Los Angeles, Portland, and Phoenix were, however, \$2,706,938, the decrease in other cities amounting to \$1,691,616, or 16.4 per cent. As compared with April, 1919, permits in twenty principal cities of the district showed an increase of \$7,460,844, or 91.4 per cent. Comparative statement of building permits in those cities reporting permits in excess of \$500,000 in April, 1920, is given below:

	April, 1920	March, 1920	April, 1919
LOS ANGELES.....	\$3,874,472	\$3,076,763	\$1,610,255
PORTLAND .....	2,285,800	846,105	989,970
SAN FRANCISCO.....	2,000,672	2,759,087	1,092,706
TACOMA .....	1,187,376	1,198,282	268,612
SEATTLE .....	1,155,320	1,390,275	1,341,415
PHOENIX .....	894,128	424,594	132,027
LONG BEACH.....	773,145	844,290	458,929
OAKLAND .....	765,777	687,173	573,387
FRESNO .....	598,288	583,290	401,430
TOTAL .....	\$13,534,978	\$11,809,859	\$6,868,731

The high price of silver continues to stimulate production of silver and lead, but lack of labor supply, equaling only about 60 to 85 per cent of demand, is retarding extraction of ores and resulting in neglect of development work. The present low price of copper, combined with high wages and high cost of production, is materially curtailing copper production, most of the copper mines in the district now operating at only 50 per cent of capacity.

Daily production of petroleum in California during April averaged 274,877 barrels, as compared with 276,001 barrels in March. Shipments averaged 290,423 barrels per day, thereby decreasing stored stocks by 466,380 barrels. Thirty-seven new wells, with an initial daily production of 5,510 barrels, were opened, and five wells were abandoned during April. At the present rate of production and consumption, supplies of stored stocks in California usable for commercial purposes will probably be exhausted before the close of 1921. A comparison of figures for April, 1920, 1919, 1918, and 1917, is given below:

	Average Daily Production (Bbls.)	Average Daily Shipments (Bbls.)	Stored Stocks April 30 (Bbls.)
April, 1920.....	274,877	290,423	27,111,984
April, 1919.....	279,154	277,244	32,543,145
April, 1918.....	276,471	287,423	30,502,447
April, 1917.....	269,085	309,001	39,976,386

Sales of retail stores in this district averaged, by value, 1.3 per cent smaller during April than during March, but 25 per cent greater during April, 1920, than during April, 1919. Sales by wholesale firms were approximately 1 per cent smaller by value, during April than during March, but 42 per cent greater during April, 1920, than during April, 1919. In all reporting wholesale lines, with the exception of groceries, where sales during April exceeded those in March by 11.2 per cent, April sales were from 7 to 18 per cent less than during the preceding month, although from 15 to 40 per cent greater than during the same month in 1919. While the price tendency continues upward, retail stores report a softening in prices of a few commodities, wholesale dry-goods stores report a tendency for prices of silks to decline, and wholesale boot and shoe firms report a noticeable tendency for prices to decline. Collections were fair to good during April, as compared with

good during March. Statement of increases in retail and wholesale trade of reporting firms in the principal cities of this district for April, 1920, as compared with April, 1919, is given below:

# INCREASES IN SALES IN APRIL, 1920, OVER APRIL, 1919

RETAIL TRADE		WHOLESALE TRADE				
	Department Stores	Hardware	Dry Goods	Groceries	Total*	Collections
	Per Cent	Per Cent	Per Cent	Per Cent	Per Cent	
LOS ANGELES....	43.6	61.0	....	24.0	56.1	Good
OAKLAND .....	14.9	....	....	....	....	Good
SACRAMENTO ....	33.9	38.1	....	36.7	35.5	Good
SAN FRANCISCO..	28.5	35.4	29.3	56.2	48.6	Good
PORTLAND .....	....	31.8	12.4	80.4	52.5	Fair to good
SALT LAKE CITY.	7.1	....	....	19.6	19.6	Fair
SEATTLE .....	4.3	36.9	54.2	11.5	33.3	Fair to good
SPOKANE .....	17.0	103.5	60.9	31.5	38.5	Fair to good
TACOMA .....	....	37.0	....	49.7	28.4	Good
DISTRICT ...	25.6	45.0	31.8	48.1	42.5	Fair to good

NOTE 1.—District percentage for reporting drug firms: PORTLAND, 20.7%; DISTRICT, 22.5%.

NOTE 2.—Percentages for reporting boot and shoe firms: SAN FRANCISCO, 69.6%; DISTRICT, 55.7%

\* Including reporting drug, and boot and shoe firms.

Bank clearings in nineteen principal cities of this district aggregated \$1,713,406,000 during April, as compared with \$1,808,203,000 during March, a decrease of 5.2 per cent, and \$1,179,092,000 during April, 1919, an increase of 45.3 per cent. Comparative statement of bank clearings in Federal reserve bank and branch cities is given below:

	April, 1920	March, 1920	April, 1919
SAN FRANCISCO.....	\$654,430,000	\$721,369,000	\$491,127,000
LOS ANGELES.....	328,816,000	332,862,000	169,363,000
SEATTLE .....	197,952,000	212,472,000	155,434,000
PORTLAND .....	171,099,000	173,173,000	129,556,000
SALT LAKE CITY....	73,396,000	69,462,000	60,738,000
SPOKANE .....	57,121,000	61,387,000	38,171,000
TOTAL .....	\$1,482,814,000	\$1,570,725,000	\$1,044,389,000

During April there were 104 failures in this district, as compared with 88 during March, and 43 during April, 1919. Liabilities amounted to \$1,302,159, and assets to \$712,437, as compared with liabilities of \$1,555,932, and assets of \$1,045,399, during the preceding month; and

liabilities of \$429,398, and assets of \$229,875, during April, 1919. Comparative statement of failures, by states, as furnished by R. G. Dun and Company, is given below:

	NUMBER			LIABILITIES		
	April, 1920	March, 1920	April, 1919	April, 1920	March, 1920	April, 1919
ARIZONA .....	2	..	2	\$ 1,100	.....	\$ 8,525
CALIFORNIA .....	53	46	20	613,714	\$ 324,565	128,677
IDAHO .....	4	5	..	51,440	2,400	.....
NEVADA .....	3	..	..	102,200	.....	.....
OREGON .....	22	14	4	175,347	194,467	13,420
UTAH .....	5	9	5	12,858	744,516	61,550
WASHINGTON .....	15	14	12	345,500	289,984	217,226
TOTAL .....	104	88	43	\$1,302,159	\$1,555,932	\$429,398

Interest and discount rates in industrial centers continued to show a tendency to stiffen during the past month, although not sufficiently to change prevailing rates previously reported of from 6 to 7 per cent. In agricultural sections the prevailing rate remains 8 per cent. Statement of customary rates charged by banks in Federal reserve bank and branch cities of this district for the month ending May 10, is given below:

	PRIME COMMERCIAL PAPER		INTERBANK LOANS	COLLATERAL LOANS	Secured by Liberty Bonds and United States Certificates of Indebtedness
	Customers	Open Market			
SAN FRANCISCO.....	6%	7%	6%	6%-6 ½%	6%
LOS ANGELES.....	6 ½%	6-7	6	6 ½-7	7
PORTLAND .....	7	7	6	7	7
SALT LAKE CITY.....	8	7	7	8	8
SEATTLE .....	7	7	7	7-7 ½	7
SPOKANE .....	7	7	6	7-8	7

Labor shortage exists in all sections of the district, particularly in the case of miners, farm laborers, and domestics. Some labor unrest is reported in all sections of the district, but with the exception of the bakers' strike, in Portland and Seattle, there are at the moment, no strikes or labor disturbances of any importance in this district.