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**FEDERAL RESERVE BANK
OF SAN FRANCISCO**

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CHAIRMAN OF THE BOARD
AND FEDERAL RESERVE AGENT

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

June 15, 1920.

CONDITION of crops in this district, as compared with a month ago, is practically unchanged. Cold weather, frosts and deficient precipitation, during May, have prevented improvement, the planting and growth of crops being retarded from three to four weeks. The winter wheat crop of the district is now estimated at 51,164,000 bushels, as compared with 61,051,000 bushels a year ago. If weather conditions are favorable during the remainder of the growing season, the increase in the spring wheat crop will, however, compensate for approximately half of this deficiency, predictions indicating that this crop will amount to 50,277,000 bushels, as compared with 45,425,000 bushels a year ago, the net decrease in all wheat grown in the district being 5,085,000 bushels. Estimated production by states for 1920, as compared with 1919, is reported by the United States Bureau of Crop Estimates as follows:

STATE	WINTER WHEAT (Bushels)		SPRING WHEAT (Bushels)		TOTAL (Bushels)	
	1920 (Estimated)	1919	1920 (Estimated)	1919	1920 (Estimated)	1919
ARIZONA	1,000,000	1,000,000	*	*	1,000,000	1,000,000
CALIFORNIA . .	9,118,000	16,334,000	*	*	9,118,000	16,334,000
IDAHO	7,227,000	6,105,000	15,907,000	17,735,000	23,134,000	23,840,000
NEVADA	68,000	80,000	616,000	587,000	684,000	667,000
OREGON	14,500,000	16,010,000	4,215,000	4,843,000	18,715,000	20,853,000
UTAH	2,912,000	1,722,000	2,998,000	1,960,000	5,910,000	3,682,000
WASHINGTON	16,339,000	19,800,000	26,541,000	20,300,000	42,880,000	40,100,000
TOTAL . . .	51,164,000	61,051,000	50,277,000	45,425,000	101,441,000	106,476,000

*Included with winter wheat. No separate estimate made.

Production of oats in this district will amount to approximately 44,000,000 bushels in 1920, as compared with 43,000,000 bushels during 1919, increases in estimated crop in Idaho, Utah and Washington failing to offset the decreases in California and Oregon by approximately 1,000,000 bushels. In California, which produces three-fourths of the barley grown in this district, the crop is estimated at only 500,000 to 600,000 tons as compared with 900,000 tons a year ago. In other states of the district this crop will probably be approximately the same as in 1919. Between 160,000 and 170,000 acres have been planted to rice in California, as compared with 140,000 acres in 1919; 120,000 in 1918, and 90,000 in 1917. Because of water shortage, however, it is predicted that a considerable portion of this acreage will not be harvested.

The cotton crop of Arizona and the Imperial Valley in California is from two to three weeks late and condition is only 80 per cent of normal, as compared with 90 per cent in 1919. Practically none of this year's crop is as yet under contract, although a few buyers are guaranteeing a minimum price of 60 cents per pound for the coming crop.

The condition of California deciduous fruits is somewhat less favorable than that of a month ago. With the exception of peaches and grapes, most fruit crops will fall short of the record crop of 1919 by from 25 to 30 per cent and will be slightly under the average for the preceding five years. It is now anticipated, however, that the peach crop, though slightly below the crop of 16,000,000 bushels in 1919, will exceed that of any other previous year. Output of grapes and raisins will probably equal, or slightly exceed, the record crop of 1919. The apricot crop will probably equal only about 70 per cent of that of 1919 and the quality of fruit is quite inferior. Opening prices for fresh fruits are in advance of those of a year ago, pears for example now being quoted at \$15 per ton in excess of 1919 prices. Contrary to expectations, canners are offering increased prices over 1919 for the highest grades of fruit requiring large proportions of sugar, and decreased prices for some lower grades, requiring only small proportions of sugar.

In the Pacific Northwest, the prune and cherry crops are estimated at from 55 to 60 per cent of those of 1919; the apple crop at from 50 to 70 per cent; and the pear crop at 50 per cent of that of 1919. The Yakima Valley, in Washington, peach crop will not exceed 200 cars, as compared with 2,200 in 1919. The prospects are that the loganberry crop of West-

ern Washington will not exceed 40 per cent, raspberries 75 per cent and strawberries 85 per cent of normal.

Range conditions throughout the district are better at this time than for several years. The movement of cattle and sheep to ranges, however, has been slow, due to the late spring and lack of early grass. In Arizona, it is reported that sales of yearling stock have been only from 15 to 20 per cent of normal and that yearling steers are priced at from \$4 to \$6 less than a year ago. In the Pacific Northwest, much less young stock is being purchased for slaughter than at this time last year. Comparative statement of receipts of livestock and of purchases for local slaughter in the public yards at Portland, Salt Lake City, Seattle, Spokane and Tacoma is given below:

RECEIPTS OF LIVESTOCK

	May, 1920	April, 1920	May, 1919
CATTLE AND CALVES	25,755	24,065	25,410
HOGS	33,925	32,449	52,578
SHEEP	73,978	36,456	64,217
HORSES AND MULES.....	820	645	514
TOTAL.....	134,478	93,615	142,719

PURCHASES FOR LOCAL SLAUGHTER

	May, 1920	May, 1919
CATTLE AND CALVES	12,263	14,352
HOGS	23,147	37,791
SHEEP	21,385	22,627
TOTAL.....	56,795	74,770

The wool clip in this district is averaging one-half pound lighter per fleece than in 1919. Before shearing began, some buyers were offering to contract the better grades at from 60 to 63 cents per pound and during May a few sales were made at from 50 to 55 cents for finer grades and 35 cents for coarser grades. Normally, most of the clip would now be under contract, but this year buyers have not entered the market and practically none of the 1920 clip has been sold. Cancellation of orders at Eastern mills and transportation difficulties are assigned as reasons for failure to move the clip.

Approximately 1,475,000 cases remain unsold of 8,000,000 cases of salmon packed on the Pacific Coast in 1919. Indications are that the 1920 pack will not exceed 5,000,000 cases as compared with 8,000,000 in 1919; 9,000,000 in 1918, and 10,000,000 in 1917. Statement is given below of 1919 stocks on hand, of present sale prices and prices at which some contracts for the 1920 pack have been made:

	1919 Pack Unsold (Cases)	Sales During May (Per case)	Market Price June 10 (Per case)	Contracts for 1920 Pack (Per case)
TALL REDS .....		....	\$3.40	\$3.35
TALL MEDIUM REDS.....	225,000	\$2.10	2.25	2.50
TALL PINKS	500,000	1.65	1.75	1.75
TALL CHUMS	750,000	1.25	1.35	1.50
	<u>1,475,000</u>			

Shortage of cars has resulted in congestion, which is automatically curtailing lumber output in this district, and night operations have ceased in all producing regions. During the four weeks ending June 5, an average of 124 mills in the West Coast Lumbermen's Association reported a cut of 350,275,000 feet, 4.5 per cent below normal; orders of 231,055,000 feet, 34.3 per cent below cut; and shipments of 287,345,000 feet, 18 per cent below cut. Unfilled orders, on June 5, aggregated 385,466,000 feet, of which 245,250,000 feet were rail orders; 65,724,000 feet domestic cargo orders, and 74,492,000 feet export orders. During the same period an average of twelve California redwood mills reported a cut of 27,136,000 feet; shipments of 22,104,000 feet, and orders accepted of 17,482,000 feet, as compared with a cut of 26,447,000 feet; shipments of 23,386,000 feet and orders accepted of 24,699,000 feet during the preceding four weeks.

Building was generally more active during May than during April. Decreases in building permits of \$711,000 and of \$1,452,000 were reported by Los Angeles, California, and Portland, Oregon, respectively, in May, as compared with April. In the other larger cities of the district, however, permits issued in May materially exceeded those of the preceding month, the permits in nineteen principal cities of the district aggregating \$14,598,075 in May, 1920, as compared with \$14,728,857 in April, 1920, and \$9,304,030 in May, 1919. Comparative statement of

building permits in those cities reporting permits in excess of \$500,000 in May, 1920, is given below:

	May, 1920	April, 1920	May, 1919
SAN FRANCISCO	\$3,879,062	\$2,000,672	\$1,516,778
LOS ANGELES	3,163,042	3,874,472	1,914,470
SEATTLE	1,809,160	1,155,320	1,755,795
OAKLAND	957,679	765,777	704,782
PORTLAND	834,035	2,285,800	1,063,118
LONG BEACH	828,705	773,145	413,926
SPOKANE	555,120	305,955	330,620
PASADENA	505,272	272,914	193,184

Daily production of petroleum in California during May averaged 278,323 barrels, as compared with 274,887 barrels in April and 276,031 barrels in May, 1919. Shipments averaged 295,100 barrels per day, thereby decreasing stored stocks by 520,087 barrels to 26,591,897 barrels on May 31. Fifty-seven new wells, with an initial daily production of 8,795 barrels, were opened and 3 wells were abandoned during May. A shortage of gasoline is reported quite generally throughout the district.

Sales of representative retail stores in this district averaged, by value, 6.5 per cent greater during May than during April and 32 per cent greater during May, 1920, than during May, 1919. Approximately 45 per cent of the increase over May, 1919, was due to increases in price. Sales by representative wholesale firms were approximately 7.5 per cent greater, by value, during May than during April, and approximately 37 per cent greater during May, 1920, than during May, 1919. Approximately 40 per cent of the increase over May, 1919, was due to increases in prices, the proportion of increase due to higher prices in each of the various reporting wholesale lines being as follows: hardware, 35 per cent; groceries, 40 per cent; dry goods, 45 per cent, and shoes 65 per cent. As compared with April, prices showed practically no change. Retail firms reported a slight weakness in prices of some goods, but wholesale prices remained firm, with a slight tendency to increase except in the case of shoes, where there was a slight downward tendency. Retail firms are inclined to purchase for current needs only, stocks on hand on May 31 averaging, by value, 5 per cent less than on April 30, although 53 per cent greater than on May 31, 1919. Collections during May were reported as good in both wholesale and retail trade, as compared with fair to good during April. Statement of increases

in retail and wholesale trade of reporting firms in the principal cities of this district for May, 1920, as compared with May, 1919, is given below:

INCREASES IN SALES IN MAY, 1920, OVER MAY, 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	39.5	52.1	....	38.8	44.6	Good
OAKLAND	17.1	....	....	....	....	Good
SACRAMENTO	21.1	43.2	....	8.9	20.3	Good
SAN FRANCISCO	44.4	55.2	55.5	31.8	38.4	Good
PORTLAND . . . . .	....	45.1	....	59.8	49.2	Good
SALT LAKE CITY	26.4	....	....	20.3	20.3	Good
SEATTLE	6.4	23.0	45.6	....	22.0	Good
SPOKANE	56.9	70.0	....	17.9	23.0	Good
TACOMA . . . . .	....	37.1	....	....	32.6	Good
DISTRICT	31.6	43.1	51.8	33.1	37.0	Good

NOTE.—Percentages for reporting boot and shoe firms—San Francisco, 15.6%; District, 14.8%.

*Including reporting drug, and boot and shoe firms.

Bank clearings in 19 principal cities of the district aggregated \$1,632,432,000 during May, as compared with \$1,721,092,000 during April, a decrease of 5.1 per cent, which compares with a decrease of 5.2 per cent in April as compared with March, the decrease in May as compared with March amounting to \$175,771,000, or 9.7 per cent. As compared with May, 1919, however, the clearings in these cities increased \$326,566,000, or 25.0 per cent. Comparative statement of bank clearings in Federal Reserve bank and branch cities is given below:

	May, 1920	April, 1920	May, 1919
SAN FRANCISCO	\$653,393,000	\$654,430,000	\$564,250,000
LOS ANGELES	317,527,000	328,816,000	179,691,000
SEATTLE	176,341,000	197,952,000	157,362,000
PORTLAND	149,353,000	171,099,000	132,827,000
SALT LAKE CITY	69,132,000	73,379,000	64,283,000
SPOKANE	52,356,000	57,121,000	40,620,000

During May there were 80 failures in this district as compared with 104 during April and 44 during May, 1919. Liabilities amounted to \$753,300 and assets to \$416,518, as compared with liabilities of \$1,302,159

and assets of \$712,437 during April and liabilities of \$900,582 and assets of \$160,674 during May, 1919. Comparative statement of failures by states, as furnished by R. G. Dun and Company, is given below:

	NUMBER			LIABILITIES		
	May, 1920	April, 1920	May, 1919	May, 1920	April, 1920	May, 1919
ARIZONA	1	2	2	\$2,500	\$1,100	\$18,657
CALIFORNIA	41	53	22	437,560	613,714	352,027
IDAHO	3	4	4	16,331	51,440	14,300
NEVADA	1	3	..	4,000	102,200	.....
OREGON	16	22	7	78,577	175,347	219,000
UTAH	3	5	3	10,499	12,858	241,900
WASHINGTON	15	15	6	203,833	345,500	54,698
TOTAL	80	104	44	\$753,300	\$1,302,159	\$900,582

Interest and discount rates have continued to stiffen during the past month, the prevailing rates in industrial centers now being from 6½ to 7½ per cent, as compared with 6 to 7 per cent during the preceding month. In agricultural centers the prevailing rate remains 8 per cent, although some loans are made at 9 and 10 per cent. Statement of customary rates charged by banks in Federal Reserve bank and branch cities for the month ending June 10 is given below:

	PRIME COMMERCIAL PAPER		INTER-BANK LOANS	COLLATERAL LOANS	Secured by Liberty Bonds and United States Certificates of Indebtedness
	Customers	Open Market			
SAN FRANCISCO	6½%	7½%	6%	6½%	6½%
LOS ANGELES	6—7	7	6	7	7
PORTLAND	6½—7	7½	6½	7	7
SALT LAKE CITY	8	8	7	8	8
SEATTLE	7	7½—7¾	7	7	7
SPOKANE	7	7½	6½	7—8	7

The labor situation has improved somewhat during the last month. In and around Seattle, there is a slight excess of both skilled and unskilled labor. In Western Washington, there is a considerable shortage of unskilled railroad help. Elsewhere throughout the district there is a shortage of farm laborers, although not as severe as was anticipated a month ago. With the exception of strikes of bakers and building trades employees in Seattle, there are, at the moment, no strikes or labor disturbances of any importance in this district.

**COMPARATIVE STATEMENT OF CONDITION OF MEMBER BANKS
IN RESERVE CITIES OF
TWELFTH FEDERAL RESERVE DISTRICT**

	April 2, 1920	May 7, 1920	June 4, 1920
Number of Reporting Banks	<u>66</u>	<u>67</u>	<u>67</u>
 United States Government Obligations:			
	(000.00 omitted)		
U. S. Bonds to Secure Circulation.....	\$34,605	\$34,605	\$34,485
Victory Loan Notes.....	12,902	12,382	12,741
Other U. S. Bonds.....	61,736	61,338	61,659
U. S. Certificates of Indebtedness.....	30,550	36,005	39,775
TOTAL	<u>\$139,793</u>	<u>\$144,330</u>	<u>\$148,660</u>
 Loans and Investments:			
Loans Secured by U. S. War Obligations	\$30,723	\$31,894	\$30,946
Loans Secured by Other Stocks and Bonds	144,891	148,456	148,376
Other Loans and Investments.....	911,381	946,948	910,743
TOTAL	<u>\$1,086,995</u>	<u>\$1,127,298</u>	<u>\$1,090,065</u>
 Deposits:			
Demand Deposits	\$613,910	\$597,461	\$622,917
Time Deposits	478,057	484,758	508,059
TOTAL	<u>\$1,091,967</u>	<u>\$1,082,219</u>	<u>\$1,130,976</u>