



Federal Reserve Bank of Dallas

This summary of agricultural and commercial conditions in the Eleventh Federal Reserve District is issued in the belief that a concise review of trade will be of interest to our member banks, business men of the district and friends of the Federal Reserve System.

The information given is obtained by the Federal Reserve Agent from various sources throughout the district, and in our opinion the same is reliable.

Those desiring the letter furnished them regularly will receive it without charge upon application.

DALLAS, SEPTEMBER, 1919

The agitation over the high cost of living, advancing prices of commodities and other factors of an unfavorable and disturbing character of which so much has been heard recently have apparently not affected general business conditions in the district. According to our correspondents the volume of trade now being transacted at retail and wholesale is very satisfactory, the financial situation is good, and the dullness usually experienced at this mid-summer season is conspicuously absent.

There is considerable liquidation from the small grain crop and this is having a very favorable effect on business. The outlook for fall crops is not as good as a month ago, as cotton has deteriorated within that time; nevertheless, we look for unusually large yields in the principal money-producing commodities and see no reason to revise earlier predictions of a satisfactory fall business in practically every line.

The condition of the cotton crop varies to a considerable extent; insects have done much damage in the past thirty days. In the black land belts of north, east and central Texas, the crop is fairly good and shows excellent foliage and fruitage. There is much complaint at boll weevil and worms. In south and southwest Texas, excessive rainfall has done great damage and much of the staple has already been destroyed by boll worms and weevils.

Weeds are very rank in those sections on account of excessive moisture and inability to work the fields, and the crop will be very disappointing as the result. As this is written the crop in the more favored section show much improvement with the hot weath-

er. Authorities report that if the weather continues hot and dry for the next few weeks the crop will be greatly benefited. Ordinarily at this season there is an active movement of cotton in south Texas, but the crop is quite late this year and we do not anticipate any activity before September 1st or later.

The outlook for corn continues very favorable. The crop has not been materially affected during the past 30 days. We anticipate an unusually large crop and it is practically already made. The increased acreage will be from 10 to 25 per cent.

Rice is being harvested in south Texas and the crop promises to be very good. There is a shortage in acreage and the labor situation is not favorable. The peach crop in Texas was the best in recent years; the quality of the fruit was excellent and prices received have been very satisfactory.

Shipments from Winnsboro were approximately 225 cars and sold at an average of \$1.75 per bushel; from Jacksonville 185 cars were shipped and the price averaged \$2.25 per bushel. Shipments of ripe tomatoes from Jacksonville aggregated 605 cars, selling at an average of \$1.00 per crate, and 201 cars of green tomatoes, bringing an average of 85c per crate

The month of August has not developed any changes of interest in the banking situation. There is a good demand for funds but it is being met without disturbance or inconvenience. The returns from the small grain crop are having a favorable influence on the situation and deposits are steadily increasing as the result.

Banks in central and northwest Texas especially

are benefiting from the crop liquidation and the distribution of capital from the oil fields. Deposits with those institutions are the heaviest of record and the number of new accounts is very large.

Clearings at the principal cities in July show an increase of 45.9 per cent over the same month of 1918 and were as follows:

	1918	1919	Inc. %
Austin	\$ 10,640,065	\$ 5,829,187	-45.2
Beaumont	5,538,525	5,602,929	1.2
Dallas	74,579,287	117,304,130	57.3
El Paso	19,994,890	23,182,306	15.9
Fort Worth	52,268,968	73,917,492	41.4
Galveston	17,695,788	35,874,800	102.7
Houston	50,284,369	76,783,347	52.7
Shreveport	8,270,678	13,045,934	57.7
Waco	8,000,000	9,312,000	16.4
Total.....	\$247,272,570	\$360,852,125	45.9 -Decrease

A comparison of the principal items of assets and liabilities on the books of member banks in the reserve cities, on the dates shown below, proves interesting:

	44 (000 omitted)	43 June 13	43 July 11	43 Aug. 8
U. S. Bonds to secure circulation	\$18,324	\$18,723	\$18,727	
Other U. S. bonds, including Liberty Bonds	20,414	17,513	18,418	
U. S. Victory Notes.....	5,138	4,231	4,289	
U. S. Certificates of Indebtedness....	39,581	23,600	31,835	
Total U. S. Securities.....	\$83,457	\$64,067	\$73,269	
Loans secured by U. S. Bonds, etc.	7,389	6,901	6,984	
All other loans and investments.....	187,614	179,339	188,041	
Reserve balances with F. R. bank....	19,668	21,395	21,630	
Cash in vault	9,603	10,582	10,299	
Net demand deposits.....	181,726	179,818	191,134	
Time deposits	30,228	30,772	30,431	
Government deposits	10,882	6,015	14,554	

Further progress is noted in the resumption of building activities during the month. **BUILDING** Permits issued at the principal cities of the district in July show a healthy increase, both in number and valuation, over the same month a year ago. While a large per cent of the permits cover repairs and additions, rather than new structures, in the larger cities at any rate, as the figures below disclose, permits issued for new buildings show a gratifying increase.

The demand for space, residential and business, greatly exceeds the supply and we confidently expect a continuation of activities into the fall and winter months. There is no immediate prospect of a decline in building costs and present activities indicate that price levels are being accepted by those contemplating work.

	1918		1919		%
	No.	Valuation.	No.	Valuation.	Inc.
Austin	12	\$ 10,030	16	\$ 20,785	107.2
Beaumont	88	107,034	99	139,539	30.3
Dallas	50	94,854	156	2,228,810	2,249.7
El Paso	74	45,224	101	236,170	422.2
Fort Worth	60	198,180	179	2,043,495	931.1
Galveston	308	16,194	577	47,962	196.2
Houston	197	192,927	408	677,803	251.3
San Antonio	240	189,178	253	518,955	174.3
Shreveport	51	130,938	147	334,142	155.2
Total.....	1080	\$984,559	1936	\$6,247,391	534.5

Range conditions are generally good and the outlook in the cattle industry shows **LIVESTOCK** steady improvement. There is some complaint of poor ranges in parts of the west, particularly in the Pecos section, where the rains have not been sufficient to insure good grazing for any length of time. Feed and water are reported as plentiful in other sections of the range country, however, and cattle are in excellent condition. All classes are bringing good prices and if the cattlemen were able to finance themselves, which seems to be the outstanding difficulty at this time, prosperous conditions should obtain in the industry the remainder of the year.

There is much complaint of inability of cowmen to obtain loans for restocking their herds. The banks in the cattle country are carrying large lines of livestock paper and are unable to take on new loans. It is also impossible to obtain the needed assistance from the commission companies. This is forcing heavy shipments on the markets and means a sacrifice of breeding stock.

Drouth conditions for the past three years have created a heavy shortage of cows, and unless relief is afforded in the present situation we may see a further depletion of herds.

Favorable reports are received as to hogs and sheep.

Prices obtaining for both animals are the highest ever recorded, heavy hogs selling at \$21.00 to \$22.50; first-class wethers, \$12.00; breeding ewes, \$12.00 to \$15.00; lambs, fall delivery, \$8.00.

Lumber manufacturers report the demand greatly in excess of production and further advances in prices. **LUMBER** While most of the mills report adequate supply of labor, it is of an inefficient and indifferent character, and agitation as to wages and working conditions is rife. The belief is expressed that mills are trying to stabilize prices, but due to disturbing conditions very little has been accomplished in this direction. The heavy crop movement has caused a serious shortage in cars.

The outlook for heavy demand for fall and winter is favorable. The situation is so uncertain, however,

that the mills hesitate to predict conditions very far in the future, beyond a very heavy demand for the output.

Manufacturers of food products, clothing, textiles, and other principal commodities, are enjoying a volume of business fully 25% ahead of the same period last year. Reports are unanimous as to scarcity of raw material, increasing costs of production and a very unsatisfactory situation as regards labor. The demand for high-priced goods continues to increase, notwithstanding the abnormal situation and agitation over the prices of commodities.

MINING The operations of the sulphur mines of south Texas are lighter than in 1918, due to the extraordinary demand of our own and allied governments for the product for munition purposes prior to the signing of the armistice; otherwise, the activity of the mines compares favorably with a year ago and the outlook for the remainder of 1919 is satisfactory.

There is no surplus of labor but no special difficulty is experienced in maintaining sufficient workmen.

OIL Production in the Ranger and Burkburnett fields continues heavy and prices are high. Reports vary as to the labor supply; in Burkburnett the supply is ample, while in Wichita Falls a shortage is reported.

Business of every description in those cities and the adjacent towns is of record volume and there seems to be no evidence of diminution in activities. Conservative authorities report that the petroleum industry in the Ranger section is in its infancy; with a proven territory of possibly 75 miles in length and 10 to 15 miles in width, which has been developed only in places where the production is large, it would seem that the activity is just commencing.

RETAIL TRADE The retail distribution of seasonable merchandise is satisfactory and exceeds last year's volume. The outlook for the next sixty days is favorable, except for the difficulty of securing deliveries of stocks.

Specifically, reports on the principal lines disclose the following:

Furniture: The volume is in excess of last year, cash sales very heavy and the demand for high-priced articles increasing. Outlook for fall favorable.

Groceries: The volume is very heavy and exceeds 1918, cash sales heavy and the demand for high-priced goods and fancy and imported stocks increasing; outlook favorable.

Hardware: The volume is ahead of 1918, cash sales increasing; demand for higher priced goods heavy and the outlook is favorable.

Men's Clothing: The volume greatly exceeds 1918, cash sales heavy and the demand for high-priced goods is greater than ever before; outlook for fall very favorable.

Women's Clothing: The volume is heavy, cash sales exceed those of 1918 and the demand for better grade of merchandise is increasing. The outlook for fall is favorable.

Shoes: The volume exceeds the previous year, cash sales ahead of 1918 and the outlook for fall is favorable.

A very general inquiry among dealers in important lines develops that the volume of business is very heavy. **WHOLESALE TRADE** The trade has evidently grown accustomed to advancing prices and activities are limited only by the inability of houses to fill orders.

Special activities are noted in the following:

Drugs: In wholesale drugs the volume of orders is heavy, with prices advancing and excellent collections. The prospects for fall are very favorable and the demand for the better class of goods is increasing.

Dry Goods: The volume exceeds 1918; prices advancing, collections very good and the demand for high-priced merchandise increasing. The outlook for fall is good, but the question of prices for future deliveries is very uncertain.

Furniture: Volume is heavy and exceeds a year ago; prices are advancing, collections good and there is an increasing demand for the better grade. Outlook encouraging.

Groceries: Measured in dollars and cents the volume is heavier than in previous years; prices are advancing, but it is believed in some quarters the present regulatory measures and sale of army supplies will force a decline. Collections are exceptionally good at present. Dealers enjoying a large country trade anticipate rather slow collections until the liquidation of cotton is begun. A satisfactory fall business is expected provided the present agitation does not cause the consumer to defer buying in anticipation of lower prices. The future is very uncertain.

Hardware: The volume is very heavy; prices are firm, with collections good. The building activity is creating a very satisfactory business and the demand for the better grade of material is quite noticeable.

Millinery: Volume is good, prices advancing, with good collections. The demand for better grade of goods shows an increase.

STATEMENT OF CONDITION OF THE FEDERAL RESERVE BANK OF DALLAS

At the close of Business AUGUST 22, 1919

RESOURCES

Gold coin and certificates in vault.....	\$ 10,676,010.00
Gold settlement fund.....	4,743,848.62
Gold redemption fund.....	2,451,555.00
Gold with Agent for retirement of F. R. Notes.....	16,488,240.00
Total	\$ 34,359,653.62
Legal tender notes, silver, etc.....	2,144,741.89
Other cash and cash items.....	3,298,087.75
Total	\$ 39,802,483.26
5% redemption fund—F. R. Bank Notes.....	459,800.00
Bills discounted—members	59,060,022.90
Bills bought in open market.....	810,609.00
Total Bills on Hand.....	\$ 59,870,631.90
Investments—U. S. Bonds.....	3,966,000.00
U. S. Certificates of indebtedness.....	6,300,000.00
Total earning assets.....	\$ 70,136,631.90
Federal Reserve Banks—Transfers Bought —(net).....	2,053,628.24
Checks and drafts in process of collection.....	14,519,120.70
Due from other F. R. Banks.....	1,259,942.61
All other resources.....	824,301.65
Total Resources	\$ 129,055,908.36

LIABILITIES

Capital paid in.....	\$ 3,293,300.00
Surplus	2,028,868.33
Government deposits	3,140,021.34
Due to member banks' reserve account.....	45,744,541.46
Deferred credits, account checks and drafts in process of collection.....	16,241,822.81
Federal Reserve Notes in circulation.....	46,806,875.00
F. R. Bank Note circulation.....	8,811,950.00
Foreign Government credits	2,010,945.46
All other liabilities.....	977,583.96
Total Liabilities	\$ 129,055,908.36
Rediscounts with other Federal Reserve Banks.....	\$ 2,000,000.00

OFFICERS

W. F. RAMSEY, Federal Reserve Agent.	R. L. VAN ZANDT, Governor.
LYNN P. TALLEY, Deputy Governor-Cashier.	
CHARLES C. HALL, Asst. Federal Reserve Agent.	PAUL G. TAYLOR, Assistant Cashier.
FRED HARRIS, Assistant Cashier.	R. BUCKNER COLEMAN, Assistant Cashier.
DWIGHT P. REORDAN, Assistant Cashier.	