

MONTHLY REVIEW OF BUSINESS AND INDUSTRIAL CONDITIONS

IN THE

ELEVENTH FEDERAL RESERVE DISTRICT FEDERAL RESERVE BANK OF DALLAS

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DISTRICT SUMMARY

THE SITUATION AT A GLANCE Eleventh Federal Reserve District

	April	March	Inc. or Dec.	
Bank debits to individual accounts (at 13 cities).....	\$603,416,000	\$660,590,000	Dec.	8.7%
Department store sales.....			Dec.	10.5%
Reserve Bank loans to member banks at end of month.....	\$ 26,117,134	\$ 19,961,117	Inc.	30.8%
Reserve Bank ratio at end of month.....	47.6%	45.5%	Inc.	2.1 points
Building permit valuations at larger centers.....	\$ 6,733,979	\$11,661,391	Dec.	42.3%
Commercial failures (Number).....	93	91	Inc.	2.2%
Commercial failures (Liabilities).....	\$ 8,874,897	\$ 2,474,504	Inc.	258.7%
Oil production (barrels).....	11,033,880	11,212,490	Dec.	1.6%
Lumber orders at pine mills (per cent of normal production)	88%	87%	Inc.	1 point

A slowing up of industrial activity and a spirit of hesitancy and uncertainty in trade circles were noticeable features of the developments in the district's business situation during the month of April. The sharp and unexpected slump in the cotton market was perhaps the outstanding and most direct cause responsible for the disturbance which dimmed, at least temporarily, the exceptionally bright outlook which had characterized the situation through the first three months of the year, although reports of a general slowing up of trade and industry in other districts indirectly affected the local situation by adding to the uncertainty of the outlook.

April reports from the district's wholesale houses reflected a slackening of business and a somewhat slower rate in the flow of collections. Seasonal conditions to some extent account for these changes, but in no small degree they can be traced to the unsettled condition of the cotton market and a feeling of uncertainty as to the probable effect of steadily rising merchandise prices upon consumption. Notwithstanding these unfavorable conditions, however, there is a persistent undertone of confidence and sober optimism in trade circles generally, due to the

exceptionally fine crop outlook in this section, and the belief that the statistical position of raw cotton is still sufficiently strong to insure a fairly prosperous year for the district's farmers, whose buying power is now stronger than it has been for the past three years.

A seasonal increase in the use of bank credit was witnessed during the month of April, when outstanding loans of the Federal Reserve Bank of Dallas to its member banks increased from \$19,961,000 to \$26,117,000. This compares with outstanding loans of \$34,484,000 at the end of April, 1922. During the first two weeks of May there has been no appreciable increase in the volume of our loans to member banks, and on May 18th we were still carrying a "secondary reserve" of approximately \$18,000,000 invested in convertible securities (open-market bills and United States Treasury Certificates.)

There was a marked diminution in the volume of new building contracts awarded in April as contrasted with the record-breaking month of March, but this slowing up is regarded as a wholesome development in view of the strain which has recently been imposed upon the supply of labor and materials

by the unprecedented volume of construction this year.

The commercial failure statistics for April disclose a startling increase in the aggregate of debts scheduled by insolvent concerns, but investigation developed that this was due to the fact that included in the month's casualties was one firm in Oklahoma whose liabilities were listed as aggregating \$7,000,000.

CROP CONDITIONS

Wet weather and low temperatures in April resulted in a general setback to this district's principal crops, cotton being the principal sufferer from these unfavorable conditions. The frequent and heavy rains which fell in April and early May were not needed, as a generous winter precipitation had supplied an abundance of subsoil moisture in most sections of the district. Much replanting of cotton has been necessary in the southern counties, and the crop as a whole is from ten days to two weeks late. Chopping is well advanced in the Rio Grande Valley, and planting has been completed in all sections except in the northwestern part of the belt. The cold wet weather of the past sixty days has been favorable to the propagation of weevils and worms. The extent to which these pests will be held in check remains to be seen, as a vigorous use of poison (such as reports indicate will be resorted to this year) and a period of hot, dry weather during the next two months would go far towards enabling the farmers to overcome the advantage gained by insects from early weather conditions.

Spring plowing is practically completed throughout the district, due to the early start made possible by an open winter. Planting and sowing, however, have been retarded in Texas, Louisiana, and Southern Oklahoma, although in New Mexico and Arizona these operations are reported to be well advanced.

The condition of winter wheat in Texas is 14 points above that of a year ago, and 5 points above the ten-year average. There has been little abandonment except in the Texas Panhandle, and New Mexico, and while reports from those important areas show a heavy damage due to drouth, the remainder of the crop has been benefitted by spring rains and is in much better condition than was the case a year ago.

The corn, rice, sugar cane, and kaffir corn crops have been materially retarded by wet weather, although with favorable temperatures in June and July the outlook is for a normal production of these staples.

Employment at the larger centers showed moderate gains in all crafts during the month of April, although a surplus of metal workers and common labor is still in evidence. No shortage of farm labor has yet become apparent in this district, as the demand for farm help during the planting season is a negligible factor in the labor situation, although it becomes an important item when the harvest season arrives.

Cotton Movements Receipts of cotton at the port of Galveston dropped from a total of 76,591 bales in March to only 38,243 in April. Exports decreased from 180,483 bales to 104,364. The April export movement was the smallest for that month recorded in many years, both at the port of Galveston and all United States ports combined. Thus far the total exports for the present season from all American ports have been less, by 700,000 bales, than those of last season, although the 1922 crop was approximately 20 per cent larger than the 1921 crop.

COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON

	April 1923	April 1922	Aug. 1 to April 30	
			This Season	Last Season
Gross Receipts.....	38,243	132,316	2,303,473	2,237,886
Exports.....	104,364	191,737	2,258,560	2,230,975
Stocks, April 30th..			109,648	249,598

SEASON'S RECEIPTS, EXPORTS, AND STOCKS AT ALL UNITED STATES PORTS

	This Season	Last Season
Receipts since Aug. 1, 1922....	5,464,540	5,241,091
Exports: Great Britain	1,218,278	1,301,973
France	547,027	601,513
Continent	1,755,778	2,002,738
Japan-China	536,423	800,012
Mexico	16,365	2,100
Total foreign ports	4,073,871	4,708,336
Stocks at all U. S. ports, April 30th	474,037	938,577

GALVESTON STOCK STATEMENT

	April 30, 1923	April 30, 1922
For Great Britain.....	1,200	27,418
For France.....	6,800	12,237
For other foreign ports.....	7,373	25,585
For coastwise ports.....	3,500	5,000
In compresses.....	90,775	179,358
Total	109,648	249,598

Range Conditions More seasonable temperatures and moderate to heavy rains during April and May have left the district's ranges for the most part in excellent condi-

tion. According to the United States Division of Crop and Livestock Estimates, the condition of Texas ranges and cattle is as good as, if not better than, it has been in many years. The supply of stock water is ample, and grass has shown rapid growth and is furnishing plenty of sustenance for cattle. Feeding in most sections has been discontinued. The condition of cattle on May 1st was reported to be 92 per cent of normal as compared to 84 per cent on April 1st. While the calf crop is somewhat late, calves are strong and healthy and are getting an ample supply of milk. The sheep ranges are covered with a good growth of grass and weeds, and sheep were reported to be in normal condition. A fine clip of desirable length and light shrinkage has been obtained from the shearing during April.

Ranges in New Mexico and Arizona are reported to be in fair condition, with improvement taking place. However, more rain is needed to insure an ample supply of grass.

Movements and Prices

Although the April receipts of all classes of livestock at the Fort Worth market displayed an increase as compared to those for April of last year, movements were comparatively light as compared to the average of previous years. With plenty of grass on Texas ranges, movements of cattle to outside ranges have been light, this being a factor in accounting for the month's small cattle receipts. Another important feature of the situation was the fact that the freezing weather in March greatly retarded the fattening of cattle, and thus delayed the spring movement to market centers. April marked the real opening of the season on South Texas cattle and West Texas sheep, but no big runs were received until near the end of the month. In fact a large por-

tion of the month's totals was received during the last days of April.

With receipts of butcher stock insufficient to supply the demand, trading was fairly active throughout April and the month closed with the market steady at a 50 cent advance. However, the more liberal receipts early in May caused the South Texas runs to meet with indifferent demand, with the result that prices were forced to lower levels and the gains of the previous month were lost. The sheep and lamb market held steady under moderate receipts during April, but with receipts increasing during May the market registered a decline of 50 to 75 cents. The demand for hogs was light throughout the month, with prices moving downward. Despite relatively small receipts in May, further downward price revisions were made.

FORT WORTH LIVESTOCK RECEIPTS.

	April 1923	March 1923	Gain or Loss	April 1922	Gain or Loss
Cattle	53,810	37,341	G 16,469	49,346	G 4,464
Calves	8,224	6,388	G 1,836	6,290	G 1,934
Hogs	49,908	67,567	L 17,659	46,473	G 3,435
Sheep	16,344	7,373	G 8,971	13,905	G 2,439

COMPARATIVE TOP LIVESTOCK PRICES

	April, 1923	March, 1923	April, 1922
Beef steers	\$ 8.25	\$ 9.25	\$ 8.75
Stocker steers	7.40	7.00	7.25
Butcher cows	6.60	5.50	6.75
Stocker cows	4.00	4.00	4.25
Calves	8.75	9.25	9.25
Hogs	8.25	8.45	10.15
Sheep	8.00	9.00	9.50
Lambs	15.00	16.00	16.50

WHOLESALE TRADE

Seasonal slackening in the wholesale channels of distribution became apparent during April, when all lines of trade reflected a smaller volume of sales than during the previous month. This decline ranged from 4.6 per cent in groceries to 24 per cent in farm implements. It is to be noted that two lines of trade—dry goods and furniture—showed a smaller volume of sales than during the corresponding month of last year. While seasonal dullness accounted for the larger portion of the April decline, other factors have made their appearance. Increased caution is observable in some lines of trade with buyers showing a tendency to defer orders until future price trends can be more accurately gauged. While fac-

tories are running at or near capacity, production represents actual orders and there is but little indication that manufacturers are maintaining this high rate of production beyond their order files.

Considerable anxiety is being felt regarding the effect of rising prices upon consumptive demand. Although labor is employed with wage rates on the upgrade and agricultural prospects promising, the public has already shown a disposition to resist higher prices. Especially is this true in the agricultural districts, where the prices of goods which the community consumes are out of line with the prices of those which it produces for sale.

Dry Goods The slowing down in the wholesale dry goods trade, which made its appearance during March, became more marked during the past month. The April sales of eleven firms were not only 22.9 per cent less than sales during the previous month, but were 2.6 per cent less than during April, 1922. However, the dollar value of sales for the first four months of the year was 21.9 per cent larger than during the same period last year. While the abatement of demand in the dry goods trade has been due in part to unfavorable weather conditions, uncertainty regarding prices has had its effect.

Price advances in the wholesale markets were checked to a very large extent during April. The downward course in raw cotton caused further hesitation and more caution in primary markets, and there has been some evidence of curtailment in production. The wage increases put into effect have not as yet caused increased quotations on goods, and in fact there have been indications of softening of prices in sympathy with raw cotton. Silk prices, while somewhat irregular, have worked to lower levels. Finished wool goods, although displaying a weakness during April, strengthened again during the early part of May.

Dealers generally are optimistic over present conditions, feeling that the present lull is only temporary and that with more seasonable weather a stronger demand will appear.

Farm Implements While the sales of farm implement firms were 42.5 per cent larger than during the corresponding month of last year, there was a decline of 24 per cent as compared with the previous month. Sales for the period January 1st to April 30th were 116.9 per cent larger than those during the corresponding period of 1922. While the farm implement trade has made exceptional improvement during the past year, sales still are noticeably below normal. Considerable hesitation has developed recently, due to the steadily advancing market. At the present time there is a large potential demand for implements, but the farmer, in view of the fact that he is facing uncertainty as to the outcome of the present crop, is slow to purchase all needed equipment at a time when crop and market conditions affecting his income are so unsettled. Then, too, while many of the farm machinery factories are running at capacity, the increasing cost of production, which must be passed on to the consumer, is limiting his purchasing power, and affecting his desire to buy. Although the outlook in this line of trade is considered promising, the future course of prices and the changing conditions in the crop prospects will materially affect future buying.

Drugs Reports from eight wholesale drug firms reflect a decrease in sales of 10.2 per cent as compared to March sales, but a gain of 9.1 per cent over April, 1922. The month of April is considered a short month in the drug trade in the point of sales, but the seasonal decline this year was not so marked as usual. This is shown by the fact that sales during March were 2.9 per cent larger than during March, 1922, but April sales were 9.1 per cent larger than the corresponding month of the previous year. Dealers report that buying has been active for current needs, but that future orders are continuing on a very limited scale. Collections for the month were reported to be well in line with sales of the previous month.

Groceries The April reports from thirteen wholesale grocery firms showed that the increased volume of sales this year as compared to last year was well maintained during the month. The higher totals are in part attributable to a higher level of prices. The sales during April were 17.8 per cent greater than those during April, 1922. Sales for the period January 1st to April 30th were 16 per cent larger than for the corresponding period last year. The distribution of groceries generally slows up at this season of the year as produce begins to come into the market in substantial volume. However, the unseasonable spring weather has hampered truck gardening to some extent, and there was a small decrease of 4.6 per cent from the sales of last month.

Prices generally remained firm with a few dealers reporting a slight weakness on some items. Sugar, after reaching the highest point since 1920, reacted downward; but since the first of May the market has held steady with a slight tendency to stiffen.

The outlook is reported to be from fair to good with some firms reporting improvement.

Furniture The pronounced expansion in this line of trade during the first three months of this year subsided to some extent during April, when the sales of the reporting wholesale furniture dealers reflected a decrease of 6.8 per cent from April, 1922, and 17.8 per cent from last month. Sales for the first four months of the year registered an increase of 15.2 per cent over the same period a year ago. The decrease from April a year ago, however, is not surprising as an exceptionally large volume of business was done in that month. The decline from last month is partly attributed to the more restricted volume of residence building at some centers.

Hardware The April sales of eleven wholesale hardware firms were 27.2 per cent larger than during April, 1922, but there was a decline of 7.6 per cent as compared to last month. The smaller volume of business during April is partly due to seasonal causes, but other factors have been operative. Dealers state that the increase in prices

has caused a slackening in demand. This is indicated by the fact that curtailment in new building programs on account of the rising costs of construction is becoming apparent. Furthermore, the downward course of crude oil prices, which began early in April, has brought a restriction in drilling operations, and a lessened demand for drilling machinery.

CONDITION OF WHOLESALE TRADE DURING APRIL, 1923.
Percentage of Increase or Decrease in

	—Net Sales— April, 1923 compared with		—Net Sales— January 1 to date compared with same period last year	—Stocks— April, 1923 compared with	
	April, 1922	March, 1923		April, 1922	March, 1923
Groceries	+17.8	— 4.6	+ 16.0	+17.2	— 1.8
Dry Goods	— 2.6	—22.9	+ 21.9	+19.4	+ 9.1
Hardware	+27.2	— 7.6	+ 34.3	+14.9	+ 2.6
Farm Implements.....	+42.5	—24.0	+116.9	—18.2	— .7
Furniture	— 6.8	—17.8	+ 15.2
Drugs	+ 9.1	—10.2	+ 9.5	+ 6.3	+ 2.8

RETAIL TRADE

Retail buying during April, favored by more seasonable weather and the offerings of various goods at reduced prices, held closely to normal proportions, although the sales of twenty-two department stores in this district showed a seasonal decrease of 10.5 per cent from sales during March, and were only three-tenths of one per cent larger than sales during April, 1922. As Easter came earlier this year than in 1922, a more accurate comparison is obtained when the sales for March and April are combined. This combination discloses that sales for these two months this year gained approximately five per cent over sales of the corresponding months of last year.

Stocks on hand at the close of April were 4.1 per cent larger than those carried at the close of April last year, and 2.9 per cent larger than at the close of March.

The ratio of stocks to sales for the first four months of this year was 461.6 per cent, which compares to 484 per cent for the corresponding period of

1922. The better rate of turnover was due to the fact that sales for the first four months of this year averaged 5.1 per cent larger than for the similar period of last year, while the average stocks carried by these firms were only slightly larger.

The ratio of outstanding orders to last year's purchases showed a fractional increase during the month, being 7.8 per cent on April 30th, as compared to 7.3 per cent on March 30th. This compares to 5.0 per cent at the close of April a year ago.

Collections during April were rather slow as compared with the previous month. While collections are expected to fall off at this season, the slowing up was more marked than usual. The ratio of April collections to accounts receivable on April 1st was 36.9 per cent, as compared to 40.4 per cent during March. It is to be noted, however, that, while collections slowed down, the volume of cash sales during April represented approximately 50 per cent of total sales, as against 47.4 per cent during March. April collections were approximately the same as during the corresponding month a year ago.

BUSINESS OF DEPARTMENT STORES

	Dallas	Ft. Worth	Houston	All Other	Total District
Total Sales—					
April, 1923, compared with April, 1922.....	+ 7.6	— 7.3	— 3.7	— .6	+ .3
April, 1923, compared with March, 1923.....	—14.6	—11.9	— 6.3	— 6.4	—10.5
Jan. 1st to date compared with same period last year..	+ 7.7	+ 5.4	+ .4	+ 4.7	+ 5.1
Credit Sales—					
April, 1923, compared with April, 1922.....	+ 4.2	— 6.8	+10.2	+ 6.7	+ 4.5
April, 1923, compared with March, 1923.....	—22.0	—15.3	— 5.1	— 6.9	—14.6
Jan 1st to date compared with same period last year..	+10.7	+15.1	+14.3	+11.6	+12.1
Stocks—					
April, 1923, compared with April, 1922.....	+ 4.1	+2.1	— 2.0	+10.0	+ 4.1
April, 1923, compared with March, 1923.....	+ 1.7	+ 1.4	+ 5.6	+ 3.8	+ 2.9
Ratio of stocks to sales.....	453.1	516.3	449.6	453.6	461.6
Ratio of outstanding orders to last year's purchases.....	8.5	6.3	6.7	8.0	7.8
Ratio of April Collections to Accounts Receivable, due and outstanding on April 1, 1923.....	34.4	37.3	42.4	45.7	36.9

FINANCIAL

The volume of business at the principal cities of this district during April, as measured by checks charged to depositors' accounts, evidenced a decline as compared to the previous month, but an increase over the corresponding month of last year. The total amount of debits to individual accounts was \$603,416,000 during April, as compared to \$660,590,000 during March, and \$555,108,000 during

April, 1922. That this decline is due to seasonal factors is shown by the fact that the decline in April of this year as compared to March was 8.7 per cent, while the decline in April, 1922, as compared with the previous month was 9.9 per cent, thereby indicating that the decline this year was not as marked as a year ago.

CHARGES TO DEPOSITORS' ACCOUNTS

	April, 1923	March, 1923	Inc. or Dec.	April, 1922	Inc. or Dec.
Albuquerque	\$ 8,779,000	\$ 9,809,000	-10.5	\$ 7,944,000	+10.8
Austin	16,555,000	16,209,000	+ 2.1	12,981,000	+27.5
Beaumont	16,525,000	16,017,000	+ 3.2	12,851,000	+28.6
Dallas	145,326,000	167,932,000	-13.5	132,670,000	+ 9.5
El Paso	32,124,000	36,070,000	-10.9	28,707,000	+11.9
Fort Worth	95,650,000	111,870,000	-14.5	119,459,000	-19.9
Galveston	87,288,000	81,763,000	+ 6.8	59,625,000	+46.4
Houston	107,969,000	115,945,000	- 6.9	100,510,000	+ 7.4
San Antonio	27,875,000	31,638,000	-11.9	24,656,000	+13.1
Shreveport	34,640,000	38,645,000	-10.4	29,673,000	+16.7
Texarkana	8,727,000	10,587,000	-17.6	6,103,000	+43.0
Tucson	7,505,000	7,843,000	- 4.3	6,851,000	+ 9.5
Waco	14,453,000	16,262,000	-11.1	13,078,000	+10.5
Totals, Eleventh District	\$603,416,000	\$660,590,000	- 8.7	\$555,108,000	+ 8.7

Acceptance Market Reports from accepting banks reflect a sharp decline in the volume of acceptances executed by banks in this district and outstanding on the last day of the month. However, the volume of outstanding acceptances is expected to show a decline at this season of the year. The heaviest movement of commodities against which acceptances are executed begins in the fall and generally reaches a peak in the latter part of the year. The movement subsequently slows down with the result that the volume of acceptances declines. On April 30th the volume of outstanding acceptances executed by banks of this district amounted to \$1,141,325.42 as compared to \$2,465,248.65 on March 31st. Outstanding acceptances based on the domestic shipments and storage of goods declined from \$893,549.42 on March 31st to \$355,779.46 on April 30th, while those executed against export and import transactions dropped from \$1,571,699.23 on March 31st to \$785,545.96 on April 30th. The amount of this class of paper held by the Federal Reserve Bank of Dallas declined from \$20,662,972.96 on March 31st to \$13,255,215.42 on April 30th.

Operations of the Federal Reserve Bank There was a substantial increase in our loans to member banks during April, the total volume outstanding on April 30th being \$26,117,134.39 as compared to \$19,961,116.90 on March 31st. The rate of increase during April was 30.8 per cent as

compared to 18 per cent during March. It is to be noted that this \$6,156,017.49 increase in the volume of borrowings was about evenly divided between the banks located in reserve cities and banks located outside reserve cities. The expansion in loans at this time is a normal seasonal movement, but it presents a marked contrast with conditions existing a year ago. While at the end of April a year ago loans were \$8,382,547.64 greater than on the corresponding date this year, they were showing a constant reduction, due to the fact that at that time liquidation had not been completed, and seasonal needs were more than offset by the steady volume of liquidation which was taking place.

The total volume of bills held by this bank decreased from \$40,624,089.86 on March 31st to \$39,372,349.81 on April 30th, distributed as follows:

Member banks' collateral notes secured by U. S. Government obligations.....	\$ 2,818,300.00
Rediscounts and all other loans to member banks	23,298,834.39
Open market purchases (bankers' acceptances)	13,255,215.42
Total bills held	\$39,372,349.81

The actual circulation of Federal Reserve notes on April 30th amounted to \$27,866,820 as compared to \$29,031,160 on March 31st, showing a contraction of \$1,164,340 during the month. Member banks' reserve deposits dropped from \$51,984,086.46 on March 31st to \$47,133,055.53 on April 30th, reflecting a net loss of \$4,851,030.93.

Condition of Reserve City Banks Reports from reserve city banks as of May 2nd reflect a decrease of \$8,630,000 in loans since March 28th. The net demand deposits of these banks amounted to \$225,609,000 on May 2nd, as compared to \$236,134,000 on March 28th, showing a loss of \$10,525,000 during the five weeks' period. Their investments in government securities were increased \$693,000 and their investments in

other stocks, bonds and securities were increased \$1,784,000. The bills payable and rediscounts with the Federal Reserve Bank of these banks rose from \$2,716,000 on March 28th to \$6,058,000 on May 2nd, while their reserve deposits dropped from \$25,623,000 to \$24,936,000. The ratio of loans to deposits was 92 per cent on May 2nd as compared to 91 per cent on March 28th, and 93 per cent on May 3, 1922.

CONDITION STATISTICS OF MEMBER BANKS IN SELECTED CITIES

	May 2, 1923	March 28, 1923	May 3, 1922
1. Number of reporting banks.....	52	52	52
2. U. S. securities owned.....	\$62,620,000	\$61,927,000	\$42,619,000
3. All other stocks, bonds, and securities owned.....	8,998,000	9,515,000	7,563,000
4. Loans secured by U. S. Government obligations.....	5,260,000	5,137,000	4,921,000
5. Loans secured by stocks and bonds other than U. S. Government obligations.....	47,509,000	52,374,000	43,781,000
6. All other loans.....	202,845,000	211,598,000	186,614,000
7. Net demand deposits.....	225,609,000	236,134,000	205,332,000
8. Time deposits.....	75,595,000	75,666,000	64,272,000
9. Reserve with Federal Reserve Bank.....	24,936,000	25,623,000	22,484,000
10. Bills payable and rediscounts with Federal Reserve Bank.....	6,058,000	2,716,000	3,566,000
11. Ratio of loans (*) to net demand deposits.....	92%	91%	93%

*Loans include only items 4 and 6.

Discount Rates Discount rates at commercial banks in the cities shown below have shown a tendency to stiffen, with the exception of those in San Antonio, where slight-

ly easier rates are noticeable. The "high," "low," and "customary" rates charged by these banks are presented below.

APRIL DISCOUNT RATES

	Dallas			El Paso			Ft. Worth			Houston			San Antonio			Waco		
	H	L	C	H	L	C	H	L	C	H	L	C	H	L	C	H	L	C
Prime commercial paper:																		
Customers' 30 to 90 days.....	6	5	6	10	6	8	8	5	6	7	5	6	8	5½	7	8	6	7
Customers' 4 to 6 months.....	6	5	6	10	8	8	8	5	6	8	6	7	8	6	7	8	6	7
Open market 30 to 90 days.....	6	5	5½	5½	4	4½	5½	4½	5	6	5	6	---	---	---	6	5	5½
Open market 4 to 6 months.....	6	5	5½	10	8	8	5½	4½	5	6	5	6	---	---	---	6	6	6
Interbank loans.....	7	5	5½	9	6	8	7	6	6½	6½	4½	6	8	6	6	7	6	6½
Collateral loans, demand.....	8	5	6½	10	8	8	8	6	8	7	5	6	8	6	7	8	7	7½
Collateral loans, 3 months.....	8	5	6½	10	8	8	8	6	8	8	6	7	8	6	7½	8	7	7½
Collateral loans, 3 to 6 months.....	8	5	6½	10	8	8	8	6	8	8	6	7	8	6	7½	8	7	7½
Cattle loans.....	8	7	7½	10	8	8	8	7	8	8	7	7	8	6	7½	8	8	8
Loans secured by warehouse receipts, Bs-L, etc.	8	6	7½	10	8	8	8	6	7	8	7	7	8	6	7½	8	6	7½
Loans secured by government securities.....	8	4½	6	10	8	8	10	6	8	6	5	5½	8	6	6½	8	5	7½

Savings Deposits Reports from 118 banks which operate savings departments reflect a gain of nine-tenths of one per cent over those on March 31st, and 17.8 per cent over April 29, 1922.

SAVINGS DEPOSITS

	Number of Reporting Banks	April 30, 1923	April 29, 1922	Inc. or Dec.	March 31, 1923	Inc. or Dec.
Albuquerque	3	\$ 1,674,294	\$ 1,611,860	+ 3.9	\$ 1,675,880	— .1
Beaumont	3	1,295,700	1,034,284	+25.3	1,260,402	+ 2.8
Dallas	7	12,510,282	8,936,142	+40.0	12,311,669	+ 1.6
El Paso	5	7,189,229	6,910,864	+ 4.0	7,142,833	+ .6
Fort Worth	4	5,864,054	5,274,959	+11.2	5,836,812	+ .5
Galveston	4	9,704,544	8,780,048	+10.5	9,869,264	— 1.7
Houston	5	12,567,574	11,040,559	+13.8	12,424,264	+ 1.2
San Antonio	6	9,262,189	8,710,625	+ 6.3	9,240,213	+ .2
Shreveport	5	8,697,654	6,759,205	+28.7	8,649,206	+ .6
Waco	5	2,222,396	1,609,738	+38.1	2,186,099	+ 1.7
Wichita Falls	4	2,764,611	2,400,974	+15.1	2,629,960	+ 5.1
All others	67	15,394,215	12,596,173	+22.2	15,155,446	+ 1.6
Total	118	\$89,146,742	\$75,665,431	+17.8	\$88,382,048	+ .9

FAILURES

While the number of commercial firms failing in this district during April showed only a slight increase, the liabilities involved in these failures was the highest on record. The failures during April numbered 93 with the liabilities aggregating \$8,874,897. This compares to 91 failures in March with an indebtedness of \$2,474,504, and 167 failures in April, 1922, involving liabilities amounting to \$3,865,301. It is to be noted that several failures occurred which

had a very large aggregate indebtedness, but the direct cause of the exceptionally large total of liabilities was the failure of one concern which had liabilities amounting to seven million dollars.

In the United States as a whole, there was a reduction in the number of insolvencies but the indebtedness of defaulting firms reflected a slight increase.

COMMERCIAL FAILURES

	Eleventh Federal Reserve District				All Federal Reserve Districts			
	1923		1922		1923		1922	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
January	117	\$ 1,524,107	207	\$ 4,326,594	2,126	\$49,210,497	2,723	\$73,795,780
February	91	2,104,596	207	5,889,143	1,508	40,627,939	2,331	72,608,393
March	91	2,474,504	107	2,121,725	1,682	48,393,138	2,463	71,608,192
April	93	8,874,897	167	3,865,301	1,520	51,491,941	2,167	73,058,637
Total, four months.....	392	\$14,978,104	688	\$16,202,763	6,836	189,723,515	9,684	\$291,071,002

PETROLEUM

Production of crude oil in the Eleventh Federal Reserve District amounted to 11,033,880 barrels during April as compared to 11,212,490 barrels for the previous month. While there was a slight decrease in the total output, the daily average production showed a gain of 6,103 barrels, due to the shorter month of April. The daily average yield of Texas fields amounted to 290,821 barrels as compared to 282,314 barrels during the previous month. On the other hand, the production of the Louisiana fields dropped from 2,460,750 barrels in March to 2,309,250 barrels in April, reflecting a loss of 2,404 barrels in the daily average run.

After showing a decline during the past two months, the Texas Gulf Coast field scored a gain of 770 barrels in the daily average yield. As this gain was made in the face of a large reduction in the

amount of new production added during the month, it would seem to indicate that the old wells produced on a more steady basis during April than during the previous month. The Hull field increased its daily average production from 16,893 barrels in March to 17,185 barrels. A larger gain was shown in the Goose Creek field, where the daily average run amounted to 20,421 barrels in April as compared to 19,300 barrels in March.

After registering a slight increase in production during March, the Central-West Texas fields sustained a loss in production during April of 155,950 barrels, or a reduction of 1,246 barrels in the daily average yield. The total production for April amounted to 3,520,515 barrels, as compared to 3,676,465 barrels during March. The total output of the Mexia-Currie section aggregated 1,823,100 barrels,

or a decline of 116,570 barrels, representing a loss of 1,820 barrels in the daily average yield. This decline is due to the natural depletion of old wells, with the lack of sufficient new production coming in to offset the decline. Heavy losses also occurred in the Stephens County field, the daily average flow being 28,404 barrels in April as compared to 29,621 barrels during the previous month. The old producers in this field showed a considerable loss in production, but the large amount of new production added partly offset the decline. The large declines in Mexia-Currie and Stephens County fields were partially covered by the substantial production gains in the Ranger-Eastland fields, the Moran Shackelford County field, and the Desdemona-Gorman field. The smaller fields showed no material changes in production averages.

The North Texas district continued its upward course in production, with all the major fields sharing in the increase. The Holiday-Archer County field, which has come to the front as an oil producing center during the past three months, increased its daily average output from 7,061 barrels in March to 10,070 barrels during April. The production in Young County aggregated 245,215 barrels in April as compared to 218,460 barrels during March. The Electra field scored a gain in production of 61,650 barrels representing an increase of 2,821 barrels in the daily average yield. The Burkburnett fields registered a gain of 1,509 barrels in the daily average run, due to the new production coming in from the Hirschi pool.

The daily average output of the Haynesville (La.)

field declined from 35,701 barrels in March to 34,340 barrels in April. The Bellevue field produced 198,075 barrels in April as compared to 206,150 barrels in March.

Drilling Results

There was a general slackening in drilling operations in practically all fields of the district during April.

The wells completed during the month numbered 379, out of which 282 were producers, as against 539 completions in March including 370 producers. Despite the fact that there were 88 fewer producers completed in April than in March, the new production added during April amounted to 47,388 barrels, as compared to 50,888 barrels during the previous month.

Texas fields as a whole reported 329 completions, 240 of which were producers yielding a total initial production of 44,238 barrels. This compares to 479 completions in March, of which 326 were producers with an initial output of 46,998 barrels.

Louisiana operations continued on practically the same scale as during the previous month. There were 50 wells completed, including 31 producers of oil and 11 gas wells.

Crude Oil Prices

The reaction in the crude oil market which appeared early in April continued throughout that month and the first half of May. This reaction has affected all the fields shown below with the exception of the Gulf Coast district. The declines in the various fields have ranged from 10 cents to 30 cents per barrel.

OIL PRODUCTION

Field:	April		March		Increase or Decrease	
	Total	Daily Avg.	Total	Daily Avg.	Total	Daily Avg.
North Texas.....	2,193,495	73,117	\$1,996,970	64,418	Inc. 196,525	Inc. 8,699
Central-West Texas.....	3,520,515	117,350	3,676,465	118,596	Dec. 155,950	Dec. 1,246
Texas Coastal.....	2,734,950	91,165	2,802,250	90,395	Dec. 67,300	Inc. 770
Miscellaneous fields.....	275,670	9,189	276,055	8,905	Dec. 385	Inc. 284
Totals, Texas.....	8,724,630	290,821	8,751,740	282,314	Dec. 27,110	Inc. 8,507
North Louisiana.....	2,309,250	76,975	2,460,750	79,379	Dec. 151,500	Dec. 2,404
Totals, 11th District.....	11,033,880	367,796	11,212,490	361,693	Dec. 178,610	Inc. 6,103

CRUDE OIL PRICES

Texas	May 4, 1923	May 4, 1922	Louisiana	May 4, 1923	May 4, 1922
Corsicana light.....	\$1.30	\$1.30	Caddo (39 gravity and above).....	\$2.10	\$2.00
Corsicana heavy.....	.70	.75	Bull Bayou (38 gravity and above).....	1.70	1.90
Texas Coastal.....	1.75	1.25	Homer (39 gravity and above).....	2.10	2.00
Mexia.....	1.90	1.50	Haynesville (39 gravity and above).....	2.10	2.00
Currie.....	2.10	*	De Soto crude.....	2.00	2.00
North Texas (41 gravity and above).....	2.20	*			

*1922 prices for North Texas oil are not comparable with 1923 prices, due to the fact that this oil was not purchased on a gravity basis until December, 1922. North Texas crude on May 4, 1922, was selling for \$2.00 per barrel.

APRIL DRILLING RESULTS

Field	Completions	Producers	Failures	Initial Production
North Texas	181	129	52	20,312
Central-West Texas	80	59	21	12,021
Texas Coastal	36	30	6	9,610
Miscellaneous fields	21	21	1,995
Texas Wildcats	11	1	10	300
Totals, Texas	329	240	89	44,238
North Louisiana	50	42*	8	3,150
April totals, District.....	379	282	97	47,388
March totals, District.....	539	370	169	50,888

*Includes 11 gas wells

(Oil statistics compiled by The Oil Weekly, Houston, Texas.)

LUMBER

The production rate of Eleventh District mills reflected a sharp decline during the month, having dropped from normal production in March to 20 per cent below normal in April. While production fell off, shipments continued in a large volume. April shipments were 18 per cent above production as compared to 3 per cent during the previous month. Orders received at the mills were equivalent to 88 per cent of normal monthly production, which was practically the same as during the previous month. The unfilled orders on the books of 47 mills on April 30th amounted to 94,865,275 feet as compared to 92,023,393 feet on the books of 48 mills at the close of March. Stocks on hand at the mills continued to dwindle, due to the heavy shipments and the slower rate of production. Stocks as of April 30th were 21 per cent below normal as compared to 15 per cent on March 31st.

The lumber market reflected a weakness on common lumber during the month and by the middle of May the price on common had declined, on an average, two dollars per thousand. On the other hand, the better grades are scarce and the market has strengthened on this class of lumber.

APRIL PINE MILL STATISTICS

Number of reporting mills.....	47
Production	92,360,873 feet
Shipments	109,461,384 feet
Orders	101,942,514 feet
Unfilled orders, April 30th.....	94,865,275 feet
Normal production	115,704,303 feet
Stocks, April 30th.....	259,382,575 feet
Normal stocks	328,958,316 feet
Shipments above production.....	17,100,511 feet=18%
Actual production below normal..	23,343,430 feet=20%
Orders below normal production..	13,761,789 feet=12%
Stocks below normal.....	69,575,741 feet=21%

BUILDING

The valuation of building permits issued at the principal cities of this district reflects a decline of 42.3 per cent from the March valuation, but an increase of 4.7 per cent over April, 1922. However,

the March valuation was the highest amount ever recorded in this district. The April valuation was \$6,733,979, as compared to \$11,661,391 in March and \$6,434,537 in April a year ago.

BUILDING PERMITS

	April, 1923		March, 1923		Inc. or Dec.	April, 1922		Inc. or Dec.
	No.	Valuation	No.	Valuation		No.	Valuation	
Austin.....	40	\$ 83,847	54	\$ 53,295	+ 57.3	40	\$ 61,902	+ 35.5
Beaumont.....	142	378,166	120	173,274	+118.2	114	100,105	+277.8
Dallas.....	455	1,926,066	470	2,059,537	- 6.5	407	1,326,197	+ 45.2
El Paso.....	101	238,363	102	212,517	+ 12.2	112	436,958	- 45.4
Fort Worth.....	311	934,444	284	655,122	+ 42.6	268	557,486	+ 67.6
Galveston.....	327	110,836	277	174,952	- 36.8	396	183,258	- 39.6
Houston.....	233	1,314,916	584	5,348,319	- 75.4	698	1,689,967	- 22.2
Port Arthur.....	243	262,088	184	155,455	+ 68.7	103	79,838	+228.3
San Antonio.....	344	571,723	378	1,137,511	- 49.7	290	1,150,605	- 50.3
Shreveport.....	306	817,520	320	1,612,344	- 49.3	261	721,907	+ 13.2
Waco.....	48	96,010	37	79,065	+ 21.4	41	126,314	- 24.0
Total.....	2,550	\$6,733,979	2,810	\$11,661,391	- 42.3	2,730	6,434,537	+ 4.7

SUMMARY OF NATIONAL BUSINESS CONDITIONS

(Compiled by the Federal Reserve Board as of May 25, 1923.)

Production and trade continued in large volume during April. There was some slackening of business activity in the latter part of the month and during the early weeks of May, partly on account of seasonal influences.

PRODUCTION

The Federal Reserve Board's index of production in basic industries declined about one per cent in April. Production of lumber, anthracite coal, and mill consumption of cotton decreased, while there were increases in the output of pig iron, and petroleum. There was a further increase in the value of building contracts awarded in April, but the value of building permits issued in 168 cities was 16 per cent less than the record figures of March. The decrease was due chiefly to a curtailment of new projects in New York, as the aggregate value of permits at other reporting cities showed an increase of 20 per cent. Car loadings continued to be much larger than in the corresponding weeks of previous years, owing chiefly to heavy shipments of manufactured goods. In spite of present heavy traffic, the shortage of freight cars has largely disappeared. Employment at industrial establishments continued to increase during April, although plants in eastern states reported some reductions in their forces and there was an increase in those states in the number of concerns working part time. Increases in wage rates were announced by many concerns, and average weekly earnings of factory workers increased about one per cent.

TRADE

Wholesale and retail trade were somewhat smaller in April than in March, which is the customary trend at this season of the year. Both were well above the level of a year ago. Decreased sales by department stores in April as compared with March were in part due to the fact that Easter purchases

were made in March, and the unseasonably cold weather in many localities. Mail order sales during April were 10 per cent less than in March, but 32 per cent larger than a year ago.

WHOLESALE PRICES

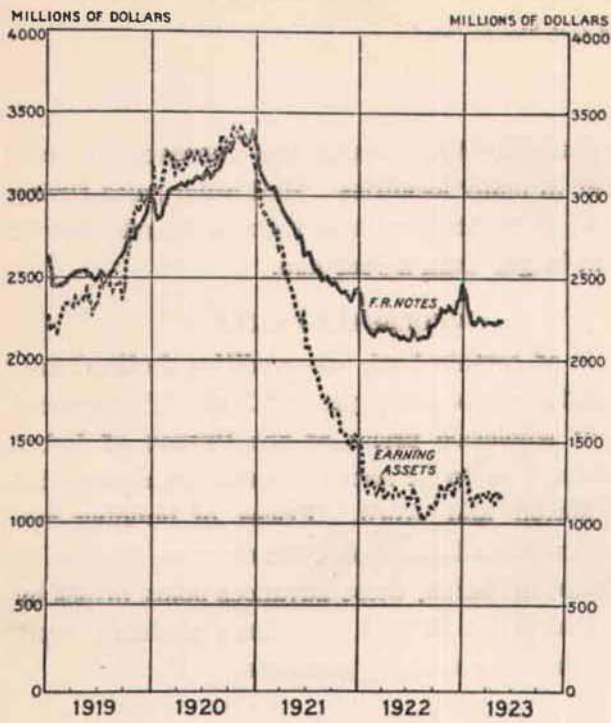
Prices of certain basic commodities declined during April and the early part of May. The general index of wholesale prices of the Bureau of Labor Statistics, it is to be noted, showed no change between March and April. Prices of building materials, metals, cloth, and clothing were higher in April than in March, these advances being offset by declines in prices of fuel, and farm products, especially livestock and dairy products.

BANK CREDIT

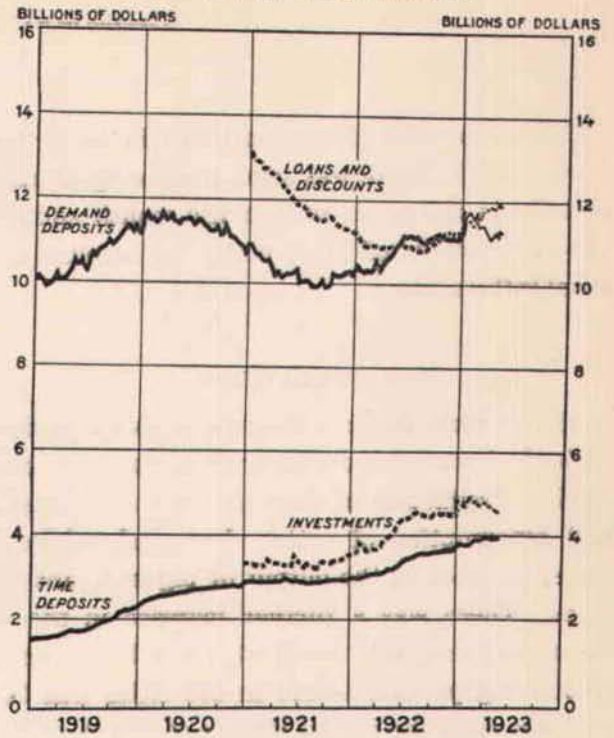
Since the middle of April the volume of bank credit in use has remained relatively constant. Between April 11th and May 9th the loans of member banks in leading cities showed an increase of nearly \$100,000,000, a large part of which occurred in the Chicago District. These increases in loans were accompanied by a somewhat larger liquidation of investments, which was general throughout the country. Partly through the sale of these investments reporting member banks have met the demand for additional loans without obtaining increased accommodation at the reserve banks. The volume of Federal reserve bank credit has consequently continued to remain fairly steady at the level which has prevailed since the middle of January, and the volume of Federal reserve notes in circulation has remained practically unchanged.

Somewhat easier money conditions are indicated by slightly lower rates on commercial paper and lower yields on outstanding treasury certificates. The Treasury offering of approximately \$400,000,000 $4\frac{3}{4}$ per cent notes maturing March, 1927, was heavily oversubscribed and the issue was subsequently quoted at a slight premium in the open market.

BANK CREDIT
ALL FEDERAL RESERVE BANKS

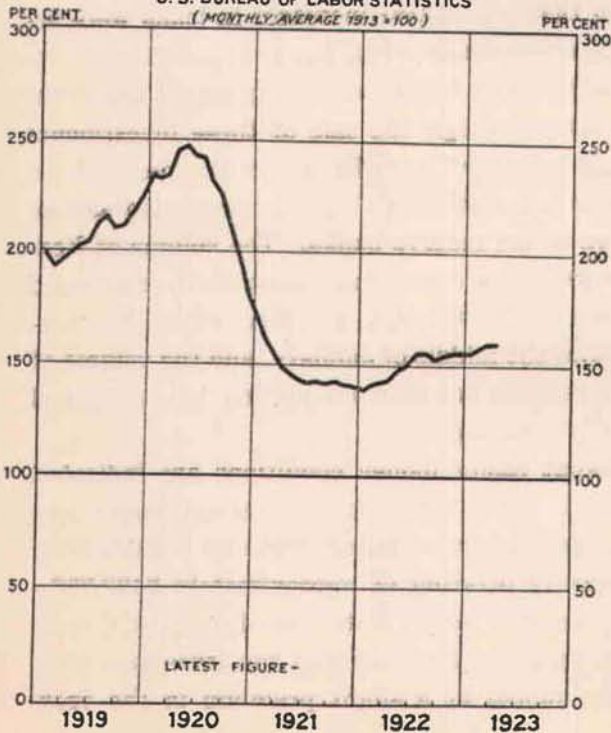


BANK CRÉDIT
800 MEMBER BANKS IN LEADING CITIES

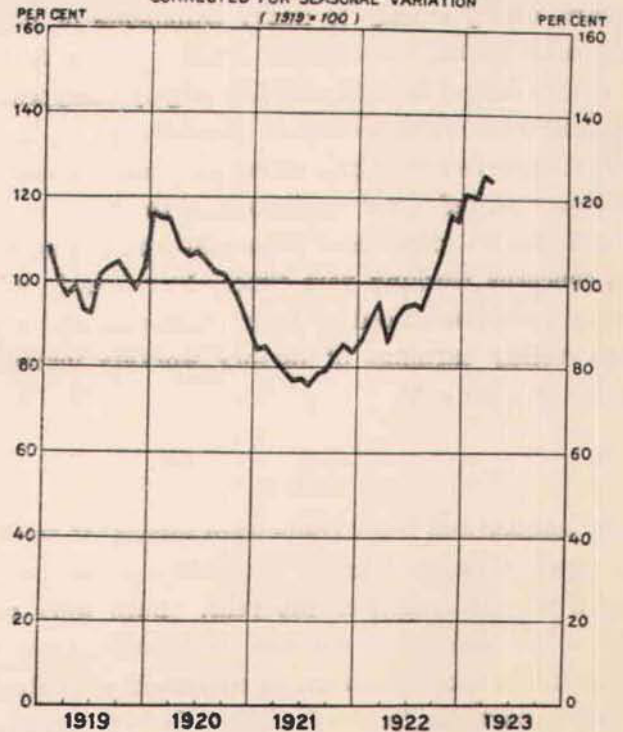


PRICES

INDEX NUMBERS OF WHOLESALE PRICES
U. S. BUREAU OF LABOR STATISTICS
(MONTHLY AVERAGE 1913 = 100)



INDEX OF PRODUCTION IN BASIC INDUSTRIES
COMBINATION OF 22 INDIVIDUAL SERIES
CORRECTED FOR SEASONAL VARIATION
(1919 = 100)



Note: Base Adopted by United States Bureau of Labor Statistics