

# MONTHLY REVIEW OF BUSINESS AND INDUSTRIAL CONDITIONS

IN THE

## ELEVENTH FEDERAL RESERVE DISTRICT FEDERAL RESERVE BANK OF DALLAS

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JULY 2

### DISTRICT SUMMARY

#### THE SITUATION AT A GLANCE

Eleventh Federal Reserve District

	May	April	Inc. or Dec.
Bank debits to individual accounts (at 13 cities).....	\$595,142,000	\$603,416,000	Dec. 1.4%
Department store sales.....			Inc. 19.5%
Reserve Bank loans to member banks at end of month.....	\$ 30,329,881	26,117,134	Inc. 16.1%
Reserve Bank ratio at end of month.....	48.7%	47.6%	Inc. 1.1 point
Building permit valuations at larger centers.....	\$ 7,004,576	6,733,979	Inc. 4.0%
Commercial failures (Number).....	78	93	Dec. 16.1%
Commercial failures (Liabilities).....	\$ 3,779,959	8,874,897	Dec. 57.4%
Oil production (barrels) .....	11,771,760	11,033,880	Inc. 6.7%
Lumber orders at pine mills (per cent of normal production)	86%	88%	Dec. 2 points

The recovery of the cotton market during the past month brought about a general restoration of confidence in Southwestern trade channels, which has been accentuated to some degree by favorable reports of the progress of farm operations. Clearing weather has enabled the district's farmers to make satisfactory headway in cultivating the growing crops and in harvesting their grain crops. Although cotton growers in many sections of the district report that the annual invasion of the cotton fields by weevils and cutworms has begun in such force as to threaten another serious curtailment of production this year it is believed that the present price level of the cotton market, if maintained, will go far towards encouraging and justifying a more vigorous campaign against the insects than usual. A noteworthy feature of the cotton crop situation is the recent appearance and destructive activity of the grasshopper in many of the heaviest cotton producing counties in central Texas, a comparatively new enemy to the plant in this section.

Statistics of the Texas cotton acreage published elsewhere in this issue of the REVIEW, based on

reports furnished by local observers believed to be well informed, indicate that the state has increased its acreage to some extent this year, but the added acreage is partially offset by the depredations already begun by insects, and there is no evidence to indicate the probability of an excessive production.

Trade reports for the past month are uniformly favorable. The district's department stores reported the heaviest sales of any month during the year, the record for the month of May being the best reported for that month since the banner year of 1920. Wholesale houses also report a larger volume of distribution than during the previous month, with the exception of the farm implement trade. Building statistics reflect a moderate expansion in construction work, although activity in this industry is still somewhat below the feverish pace set during the earlier months of the year. The May record of commercial failures showed a decline both in the number and magnitude of insolvencies.

Banking operations during May reflected a moderate increase in the demand for credit, our loans to member banks increasing from \$26,117,000 on

April 30 to \$30,329,000 on June 30, bringing the total up to approximately the same amount of loans that were outstanding on June 30, 1922. Very little change in the volume of member bank deposits occurred during the month so far as can be judged from their reserve position. The ratio of reserve city banks' loans to deposits at the end of the month stood at 91%, indicating a continuance of the comparatively easy tone of the credit situation.

The livestock industry continues to reflect gradual but steady improvement, with range conditions fair to excellent and livestock prices fairly stable. The improved demand for wool during the past month, together with the continued firmness of the sheep market, has had an encouraging effect upon

the sheepmen, many of whom are reported to be arranging and expecting to lift their indebtedness to banks during the current year.

Employment conditions show no material change since the date of our last report. Skilled labor is well absorbed and evenly distributed in industrial enterprises, while the demand for farm labor, though increasing, is being taken care of without difficulty. The balance between supply and demand for farm help is expected to continue until the fall harvest season. While there is still a slight excess of common labor in the district, it is being absorbed, temporarily, by the requirements of the June grain harvest.

### AGRICULTURE

Higher temperatures and a more evenly distributed rainfall have materially benefited crop conditions in the Southwest during the month just passed. The warmer weather invigorated cotton and accelerated the ripening of the small grain crops.

Threshing of wheat is now under way and while the yield is below normal the Texas crop, estimated by the Department of Agriculture at 18,240,000 bushels, has greatly exceeded early expectations and represents an increase of approximately 100 per cent over last year's production. A few reports have been received of damage to wheat in the shock by untimely rains, but the loss from this source is not expected to be heavy.

The oat crop is being harvested under favorable conditions. According to the government's estimate

the Texas oat acreage, of 1,557,000 acres, representing a 7 per cent increase over last year, will yield an average of 31.5 bushels per acre, or 49,046,000 bushels, reflecting an increase of 46 per cent over last year's production.

On the whole the condition of the district's cotton crop is showing steady improvement as the result of the warmer weather and rapid progress in chopping, although locally excessive rains have damaged young cotton in some sections where it is now too late to replant, and some damage has also been reported as a result of insect activity, particularly cutworms and grasshoppers. The condition of the Texas crop on June 1 was estimated by the Department of Agriculture at 77 per cent of normal, which is 16 points higher than that of June 1, 1922, and 4 points above the ten year average.

### SURVEY OF TEXAS COTTON ACREAGE

In response to inquiries addressed June 1 to 600 bankers and county agricultural agents in the cotton producing counties of Texas we received 446 replies submitting estimates of the increase or decrease in the cotton acreage of these counties, as compared to the 1922 acreage. The results of this survey are tabulated in the subjoined table, which also includes production figures for 1922 and comments made by the observers as to the condition of the present crop, insect damage, etc. The per cent of acreage increase or decrease shown for each county is a composite of the estimates made by our correspondents in such county, consisting in most cases of two bankers and the county agricultural agent. While these observers were believed to be in an exceptionally favorable position to obtain authentic and accurate information concerning the acreage in their respective counties, it should be borne in mind that

the figures furnished by them are based on reports obtained from farmers in their respective counties, and are offered merely as an approximation of the changes that have actually occurred in the acreage since 1922.

It will be noted that the heaviest increases have been made in the western counties and the Panhandle, where cotton is a comparatively new crop, very little increase being reported by the older counties which are the sources of heaviest production. An unusual feature of the situation, as disclosed by the replies to our questionnaire, is the destructive activity of grasshoppers in a large area of the cotton belt. The depredations of this insect in the west-central counties are reported to be causing more damage than at any time since 1901. Reports also indicate that the weevil has appeared in large numbers in East Texas and that the cutworm is active

in the southeastern and west-central counties. In fact the insect menace generally is a serious factor that must be reckoned with in connection with the apparent substantial increase in the state's cotton acreage this year.

County	Per cent of Increase	Per cent of Decrease	Number of Bales ginned in 1922	Comments	County	Per cent of Increase	Per cent of Decrease	Number of Bales ginned in 1922	Comments
Anderson	11 1/4		16,909		Jefferson	40			
Angelina	19		3,470	Crop late.	Jim Wells	9		5,084	
Archer	3 1/3		2,809		Johnson	11		36,122	
Atascosa	7 1/2		9,769	Badly damaged by cutworms.	Jones	10		44,792	Crop late, fair stand.
Austin	25		20,249		Karnes	2 1/2		27,497	Weevils puncturing squares.
Bastrop	2 1/2		22,741		Kaufman	8		51,476	Crop late, poor stand.
Baylor	16 1/2		9,015	Badly damaged by grasshoppers.	Kerdistall	50		252	
Bee	None		10,107	40% damage by cutworms.	Kent	25		7,127	
Bell	7 1/2		42,116		Kleburg	7 1/2		2,952	
Bexar	5		13,669	Crop late.	Knox	21		24,914	
Blanco	6		3,165		Lamar	10		48,762	
Bosque	203		13,119		LaSalle	41 1/2		7,241	Increase offset by insect damage.
Bowie	13 1/4		21,500	If rains continue abandonment will show decrease.	Lavaca	7 1/2		30,195	
Brazos	None		14,529	Shortage of labor. Some abandonment.	Lee	7 1/2		9,846	
Brooks	20		15,105	Damaged by grasshoppers.	Leon	12 1/2		14,895	
Brown	12 1/2		17,292		Liberty	20		1,161	Poor stand account excessive rains.
Burleson	10		10,496		Limestone	None		42,116	Poor stand; too dry.
Burnet	25		37,884		Live Oak	None		3,041	Crop cut 10% by cutworms.
Caldwell	5		4,815		Llano	10		2,630	Grasshoppers are damaging crop.
Calhoun		5	10,784	Grasshoppers doing great damage.	Lubbock	51		20,701	
Callahan	29		6,051	Some hail damage.	Lynn	35		16,050	
Cameron	83 1/3		17,206		Madison	9		8,080	
Camp	19 1/3		19,499		Marion	15		4,615	
Cass	22 1/3		18,917		Mason	20		4,328	Damage by high winds, hail, and grasshoppers.
Cherokee	34		13,002	Some replanting to be done.	Matagorda	5		4,618	
Childress	6		14,757		McCullough	10 2/3		16,811	
Clay	11 1/4		7,042		McLennan	9		72,315	
Coke	15		30,398	Grasshoppers have destroyed 20%.	Medina	6 1/2		4,593	
Coleman	12		66,709		Menard	12 1/2		1,879	
Collin	10		15,852		Midland	25			
Colorado	12		12,448		Milam	5		44,198	Need rain, poor stand, crop late.
Collingsworth	10		5,921		Mills	23 1/3		7,716	
Comal	12 1/2		8,027		Mitchell	17 1/2		22,397	
Comanche	37 1/2		6,403	Grasshoppers have destroyed 25%.	Montague	102		9,980	
Concho		4	12,181		Montgomery	20		4,161	
Cooke	15		22,778	Heavy rains causing damage.	Morris	15		8,826	
Coryell	15		10,115		Motley	20		4,551	Crop late.
Cottle	None		19,087		Nacogdoches	10 1/2		14,140	
Crosby	18 1/3		39,898		Navarro	10		72,976	
Dallas	12 1/2		12,674		Newton	35		203	
Dawson	37 1/2		23,531		Nolan	10		15,689	Grasshoppers active and beyond control.
Delta	10 1/2		20,159		Nueces	9		31,462	
Denton	23 1/2		33,407	Damaged by hailstorms and cutworms.	Palo Pinto	51 2/3		2,228	
Dewitt	8 1/3		14,281		Panola	17 1/3		15,370	
Dickens	18		8,117		Parker	183 1/3		3,761	
Donley	10		5,317	Need rain.	Polk	10		6,397	
Duval		30	6,921		Rains	8 1/2		5,000	
Eastland	125		82,260		Refugio	5		8,453	
Ellis	9 1/2		6,548		Red River	15		28,593	Reduced 15% by excessive rains.
El Paso	200		10,460		Robertson	14		22,784	
Erath	37 1/2		53,818		Rockwall	12 1/2		15,785	
Fannin	10		29,622		Runnels	16		40,887	Reduced 7% by grasshoppers.
Fayette	2 1/2		25,328		Rusk	10		25,648	
Fisher	20		6,255		Sabine	21 2/3		2,826	
Floyd		12 1/2	7,926		San Augustine	18 3/4		6,314	Crop late.
Foard	25		22,314		San Jacinto	13 1/3		4,012	Damaged by cutworms.
Ft. Bend		8 1/3	6,240		San Patricio	10		23,393	Damaged by grasshoppers.
Franklin	16		20,544		San Saba	9 2/3		10,273	
Freestone	7 1/2		6,595	Boll weevils abundant.	Scurry	15		24,211	Grasshoppers have destroyed increase.
Frio	10		9,636	Hailstorms caused replanting.	Shackelford	15			
Garza	3 1/4		8,459	Grasshoppers are damaging.	Shelby	10		13,145	
Gillispie	15		12,587	10% destroyed by cutworms.	Smith	16 2/3		25,959	
Goliad		5	29,122	Crop late.	Somerville	75		683	
Gonzales	5		33,689		Stephens	50		9,232	Crop prospects good.
Grayson	16		11,337		Stonewall	10		15,680	Grasshoppers very active.
Gregg	15 1/3		16,327		Tarrant	20		30,385	
Grimes	7 1/2		27,494		Taylor	18 1/2		4,749	
Guadalupe	None		5,706		Throckmorton			9,549	
Hale	250		17,502		Titus	20		5,712	Grasshoppers damaged 1/3 of crop.
Hall	None		13,692	Need rain.	Tom Green	20			
Hamilton	18 3/4		16,981		Travis	10 1/4		39,669	
Hardeman	28 1/3		3,696		Trinity	20		4,102	
Harris	16		19,312		Tyler	32 1/2		1,276	Crops very late.
Harrison	12 1/2		28,085		Upshur	1		18,117	
Haskell	16		14,496		Uvalde	30		2,443	
Hays	7 1/2		13,427		Van Zandt	10		29,577	Dry weather, poor stand, cutworms.
Henderson	20		31,793	Cotton late, weevils bad.	Victoria		5 2/3	20,118	Crop late.
Hidalgo	30		73,899		Walker	None		8,096	
Hill	14		3,420	Need rain.	Waller	10		4,571	
Hood	90		28,913		Ward	10		3,950	Condition normal.
Hopkins	12 1/2		24,015		Washington	12 1/3		24,048	Condition 85% normal.
Houston	12 1/2		13,123		Wharton	9 1/3		21,079	Condition favorable.
Howard	15		59,766		Wheeler	24		10,030	
Hunt	11 1/2		1,517		Wichita	12		5,013	
Jack	87 1/2		7,632		Wilbarger	12 1/3		27,128	Crop damaged by rain and hail storms.
Jackson		2 1/2	738		Willacy	33 1/3		2,393	
Jasper	78 1/3				Williamson	2 1/2		83,314	
					Wilson	11 1/2		13,151	
					Wise	57 3/4		4,915	
					Wood	20		18,950	
					Young	15		12,799	

### Cotton Movements

Cotton receipts at the port of Galveston continued at a very low ebb during the past month, while stocks on hand for export dwindled to the lowest point (with one exception) touched during the past five years. Exports totalled 82,460 bales, while the total since August 1, 1922, was 2,341,020, which is within 3,000 bales of the total for the corresponding period last season.

The rapidity of the current rate of cotton consumption is reflected in the statistics of cotton on hand at all United States ports, which showed a total of only 391,921 bales on May 31 as compared to 872,847 bales on the corresponding day of last year.

#### COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON

	May 1923	May 1922	August 1 to May 31	
			This Season	Last Season
Gross Receipts.....	39,833	161,808	2,343,306	2,399,694
Exports.....	82,460	213,420	2,341,020	2,444,395
Stocks, May 31.....			67,021	197,986

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

	This Season	Last Season
Receipts since Aug. 1, 1922....	5,604,761	5,568,181
Exports: Great Britain .....	1,231,581	1,493,705
France .....	572,163	677,873
Continent .....	1,829,238	2,217,399
Japan-China .....	581,629	820,502
Mexico .....	18,185	2,100
Total foreign ports	4,232,796	5,211,579
Stock at All U. S. Ports May 31 .....	391,921	872,847

#### GALVESTON STOCK STATEMENT

	May 31, 1923	May 31, 1922
For Great Britain.....	1,500	15,985
For France.....	4,000	6,000
For other foreign ports.....	5,887	37,413
For coastwise ports.....	1,500	3,000
In compresses.....	54,134	135,588
Total .....	67,021	197,986

### LIVESTOCK

Reports from most sections of the district agree that the cattle ranges (with the exception of those in New Mexico and Arizona) have been benefited by weather conditions during the past month. Lighter but better distributed rains, together with warmer weather, have imparted a sturdier growth to range vegetation, and as a result cattle have been taking on flesh rapidly. The condition of Texas ranges reached 93 per cent of normal on June 1, which was

the highest point of the year to date. In the two western states, however, high winds have dried out the ranges causing a shortage of grass and a need for rain. It is believed, however, that the grazing in those states is sufficient to carry stock through to the summer rainy season.

The sheep range is reported to be a little short, but unless a summer drouth occurs the sheep men anticipate an unusually profitable season. The heavy spring wool clip is being contracted at prices ranging from 42 to 55 cents per pound, the latter figure being realized for the best of a consignment of 450,000 pounds recently sold at the San Angelo market.

### Market Conditions

Shipments of cattle from Texas ranges have steadily increased in volume since the first of the year, the movement for the first five months being materially larger than that of the corresponding period last year, although few shipments are being made to northern pastures. Excellent range conditions in Texas have enabled the stockmen to fatten their animals at home, and this has augmented the receipts at Texas slaughter markets.

Receipts of cattle and sheep at the Fort Worth market in May were the heaviest for any month of the year, although the month's record went to the opposite extreme in the matter of hog receipts. Cattle prices displayed a marked weakness during the past month, the market being unfavorably affected by the heavy supply and also by the rather poor quality of most shipments. Although there was a downward trend in hog and sheep values, there was a firmer demand in these divisions and a fairly steady basis of quotations was maintained. The best consignments of South Texas grass steers scored a top price of \$7.35, with stockers reaching a maximum of \$7.15, hogs \$7.95 and lambs \$13.75. These price levels were slightly below those of the previous month. Sheep prices, however, held relatively steady at around \$8.00.

#### FORT WORTH LIVESTOCK RECEIPTS

	May 1923	April 1923	Gain or Loss	May 1922	Gain or Loss
Cattle .....	98,819	53,968	G 44,851	73,733	G 25,086
Calves .....	21,111	8,740	G 12,371	9,571	G 11,540
Hogs .....	37,219	50,302	L 13,083	45,020	L 7,801
Sheep .....	86,187	16,423	G 69,764	20,883	G 65,304

## COMPARATIVE TOP LIVESTOCK PRICES

	May 1923	April 1923	May 1922
Beef Steers .....	\$ 9.50	\$ 8.25	\$ 8.75
Stocker Steers .....	7.15	7.40	7.00
Butcher Cows .....	6.00	6.60	7.00
Stocker Cows .....	4.00	4.00	4.00
Calves .....	10.00	8.75	8.75
Hogs .....	7.95	8.25	10.40
Sheep .....	8.10	8.00	9.00
Lambs .....	13.75	15.00	13.50

## WHOLESALE TRADE

Following a seasonal lull during April, a moderate increase in the volume of wholesale distribution characterized trade conditions during May. Substantial increases in sales over the corresponding month of last year were registered in all reporting lines with the exception of dry goods, which again reflected a decrease. Farm implements showed a decline from the previous month.

The price situation, which has been giving dealers some concern, displayed an easier trend during the month. In the textile markets slightly lower prices prevailed, in contrast with the rising market which was in evidence only a few weeks ago. Price advances in the hardware market have ceased and quotations are now on a steady basis. Farm implement prices, however, are still advancing.

Retailers in all lines are again following a more conservative buying policy and are placing orders only as the current demand materializes.

With the approach of the summer which is usually accompanied by a slackening in both retail and wholesale channels, the trade is anxiously awaiting the developments within the next two months. However, with good crops in prospect dealers are generally optimistic over the future and are looking forward to a normal distribution in the fall.

**Dry Goods** The net sales of ten wholesale dry goods firms during May reflected a gain of 2.5 per cent over April sales but were 1.8 per cent less than sales during May a year ago. While the movement of dry goods has been somewhat slow during the past two months, the warmer weather prevailing during May augmented consumer buying, which in turn has created a better demand in wholesale channels due to the fact that retailers have been buying largely as the demand for goods materialized. Retailers are able to obtain all the spot merchandise wanted and in some instances have been able to secure price concessions on account of the clearance sales offered by some jobbing houses.

Uncertainty as to price trends in the primary textile markets due to the erratic cotton market is still a prominent feature of the trade. This uncertainty in the price situation, together with the seasonal dullness has caused a heavy curtailment of mill orders, which has resulted in a slowing down in textile production. Silk prices are being reduced in anticipation of the new crop of raw silk which will be on the market in a short time.

While the dry goods trade is relatively quiet at the present time, dealers are looking forward to an active business in the fall unless unfavorable conditions develop in the crop outlook.

Collections for May were reported to be good.

**Drugs** The net sales of eight wholesale drug firms reflected a gain of 1.9 per cent over sales during April and 5.5 per cent over sales during the corresponding month of last year. The sales of these firms have remained relatively steady throughout the present year and sizeable increases have been maintained over the corresponding months of 1922. While the season's sales this year have shown a tendency to more closely approximate those of 1922 as the season advances, it will be recalled that sales showed a marked upward trend last year. Some dealers report that the demand for drugs has been good during the past two months despite the dull season of the year and it appears to be increasing. However, the retailers appear to be continuing their policy of placing orders to cover only their current needs. Most articles in the drug line have shown an advance in prices as compared to those prevailing a year ago and some advances have been noted as compared to those of the previous month. Collections appear to be holding up well for this season of the year.

**Hardware** The active demand for hardware which has characterized the trade throughout the year continued at a high level during May when the sales of twelve firms were 10.8 per cent greater than April sales and 36.3 per cent in excess of sales during May, 1922. The sales of these firms for the first five months of the year were 35.8 per cent greater than during the corresponding period of last year. While this percentage represents the increase in the dollar value of sales, the increase in the actual delivery of goods was not so large as prices have shown a substantial advance within the past year. The demand for all classes of hardware appears active, especially for building hardware and automobile accessories.

Although distribution is large, a change in the retailers' buying policy has occurred in recent

months. Whereas several months ago retailers were placing forward orders in a large volume and in some instances were paying premiums on prompt deliveries, they appear at the present time to be buying to meet only their immediate needs. Nevertheless they are inclined to maintain a good assortment of merchandise to fully supply their customers' needs. This more conservative buying policy on the part of the retailers has had the effect of stabilizing prices and very few changes have been in evidence recently. The hardware dealers appear optimistic over the present conditions and consider the outlook favorable.

**Groceries** The sales of twelve grocery firms for May showed an increase of 2.5 per cent as compared to April sales and an increase of 14.9 per cent as compared to the same month of last year. The sales of these firms for the first five months of the year were 17.3 per cent larger than for the corresponding period of the previous year. The wholesale dealers report that prices are holding steady with some items showing a slight advance. The demand for goods continues active despite the dull season of the year. The outlook appears promising due to the full employment of labor and the prospects for good crops.

**Farm Implements** The May sales of farm implement firms were 18.1 per cent above the sales during the same month last year but declined 7.3 per cent as compared with the previous month. While this year's sales of farm implements have greatly exceeded those of a year ago, there have been two outstanding factors which have curtailed distribution this year. First, as most

of the factories were closed during 1922, when the heavy demand for implements materialized last fall stocks were soon reduced to a low point, and factory production was not sufficient to supply the demand; second, the farm implement firms suffered heavy losses following the depression and consequently were unable to absorb the rising costs of production. The steadily rising market has in recent months restricted buying to a considerable extent.

While the movement during May was well distributed among all classes of implements, dealers report that there has been a heavy movement of harvesting machinery. This presents a marked contrast with last year. The sales of harvesting machinery at that time were light because the farmer did not feel that he could invest in harvesting machinery when the prospects for a low grain yield were in evidence.

Although the buying demand has been greatly reduced within the past two months, and dealers are seriously concerned over the price situation, conditions are favorable for a good distribution in the fall provided satisfactory returns are received from this year's crops.

**Furniture** The distribution of furniture at wholesale was one per cent greater than during April and 9.1 per cent greater than during May, 1922. Sales during the season (January 1 to May 31) were not only 14 per cent larger than for the corresponding period of last year but were in greater volume than during any corresponding period since 1920. It will be remembered that the furniture trade was one of the first lines to recover from the depression and the trade has enjoyed a good business since the fall of 1921.

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

	Net Sales May, 1923 Compared with		—Net Sales— January 1 to date compared with same period last year	—Stocks— May, 1923 compared with	
	May 1922	April 1923		May 1922	April 1923
Groceries .....	+14.9	+ 2.5	+17.3	+17.6	— 5.0
Dry Goods .....	— 1.8	+ 2.5	+17.3	+31.6	+ 3.7
Hardware .....	+36.3	+10.8	+35.8	+22.0	+ 2.7
Farm Implements.....	+18.1	— 7.3	+92.9	—10.9	+ 3.2
Furniture .....	+ 9.1	+ 1.0	+14.0	.....	.....
Drugs .....	+ 5.5	+ 1.9	+ 8.7	+10.3	— 1.5

### RETAIL TRADE

With the advent of summer weather the May distribution of merchandise at retail was in a larger volume than during any previous month of the present year and exceeds that of any May since 1920. The net sales of twenty-two department stores were

19.5 per cent greater than April sales and were 9.6 per cent larger than sales during May, 1922. Early in June the department stores launched clearance sales featuring ready-to-wear, silks and wash goods. While these special offerings have met with a ready

response reports indicate that sales generally are not as heavy as in May.

While stocks on hand at the close of May were 1.4 per cent less than those on hand at the close of April, they were 5.3 per cent greater than those on hand at the close of May, 1922.

The ratio of stocks to sales for the first five months of the year was 446.9 per cent as compared to 461.6 per cent for the first four months of this

year and 445.0 per cent for the five months' period of 1922.

The ratio of outstanding orders to last year's purchases was 6.4 per cent on May 31 as compared to 7.8 per cent on April 30 and 5.5 per cent on May 31, 1922.

Collections during the month reflected a substantial improvement, the ratio of May collections to accounts receivable on May 1 being 39.3 per cent as compared to 36.9 per cent during April. This compares to 38.3 per cent during May a year ago.

#### BUSINESS OF DEPARTMENT STORES

Total Sales—	Dallas	Ft. Worth	Houston	All Other	Total District
May, 1923, compared with May, 1922.....	+10.8	+ 6.9	+11.8	+ 8.4	+ 9.6
May, 1923, compared with April, 1923.....	+17.8	+22.4	+19.9	+19.8	+19.5
Jan. 1st to date compared with same period last year..	+ 8.4	+ 5.8	+ 2.9	+ 5.6	+ 6.1
<b>Credit Sales—</b>					
May, 1923, compared with May, 1922.....	+14.0	+11.4	+25.8	+17.2	+16.6
May, 1923, compared with April, 1923.....	+24.1	+24.4	+22.3	+24.2	+24.2
Jan 1st to date compared with same period last year..	+11.4	+14.2	+16.9	+13.0	+13.1
<b>Stocks—</b>					
May, 1923, compared with May, 1922.....	+ 3.7	+ 5.6	— 1.4	+12.7	+ 5.3
May, 1923, compared with April, 1923.....	+ 2.8	— 3.2	+ .1	— 7.0	— 1.4
Ratio of stocks to sales.....	444.9	491.5	435.3	434.7	446.9
Ratio of outstanding orders to last year's purchases.....	5.7	8.0	5.3	7.6	6.4
Ratio of May collections to Accounts Receivable due and outstanding on May 1, 1923.....	34.7	38.5	43.6	46.2	39.3

#### FINANCIAL

There was a slight decrease in the volume of public spending at the principal cities of this district during May. The total amount of checks charged to depositors' accounts was \$595,142,000 for May, as compared to \$603,416,000 for April and \$574,428,-

000 for May, 1922. The spread between the two years, which amounted to 16.6 per cent during January, has been gradually narrowing and during May debits to individual accounts were only 3.6 per cent above May 1922.

#### CHARGES TO DEPOSITORS' ACCOUNTS

	May, 1923	April, 1923	Inc. or Dec.	May, 1922	Inc. or Dec.
Albuquerque .....	\$ 9,674,000	\$ 8,779,000	+10.2	\$ 8,967,000	+ 7.9
Austin .....	14,091,000	16,555,000	-14.9	13,268,000	+ 6.2
Beaumont .....	17,283,000	16,525,000	+ 4.6	14,211,000	+21.6
Dallas .....	150,244,000	145,326,000	+ 3.4	138,789,000	+ 8.3
El Paso .....	31,090,000	32,124,000	- 3.2	33,779,000	- 8.0
Fort Worth .....	89,311,000	95,650,000	- 6.0	106,776,000	-16.4
Galveston .....	72,409,000	87,288,000	-17.0	59,688,000	+21.3
Houston .....	111,761,000	107,969,000	+ 3.5	105,059,000	+ 6.4
San Antonio .....	32,839,000	27,875,000	+17.8	28,033,000	+17.1
Shreveport .....	34,812,000	34,640,000	+ .5	36,504,000	- 4.6
Texarkana .....	9,020,000	8,727,000	+ 3.4	7,831,000	+15.2
Tucson .....	8,710,000	7,505,000	+16.1	7,426,000	+17.3
Waco .....	13,898,000	14,453,000	- 3.8	14,097,000	- 1.4
Totals, Eleventh District .....	\$595,142,000	\$603,416,000	- 1.4	\$574,428,000	+ 3.6

#### Acceptance Market

According to reports received from accepting banks of this district, there was a slight increase in the volume of acceptances executed and outstanding on the last day of the month. The total amount of

acceptances outstanding on May 31 was \$1,357,148.71 as compared to \$1,141,325.42 on April 30. The outstanding acceptances executed against import and export transactions amounted to \$661,221.07 on May 31 as compared to \$785,545.96 on

April 30, while those based on domestic shipments and storage of goods increased from \$355,779.46 on April 30 to \$695,927.64 on May 31. The investment of the Federal Reserve Bank of Dallas in this type of paper showed a further decline during the month, being \$9,179,949.93 on May 31 as compared to \$13,255,215.42 on April 30.

**Condition of Reserve City Banks** There was a further decrease in the loans and deposits of reserve city banks during May. The loans of these banks on May 30 amounted to \$201,220,000 as compared to \$208,105,000 on May 2, showing a reduction of \$6,885,000. The net demand

deposits dropped from \$225,609,000 on May 2 to \$220,570,000 on May 30, or \$5,039,000. The present movement of loans and deposits shows a marked contrast with the movement at this time a year ago when both loans and deposits were steadily rising. These banks reduced their investments in government securities from \$62,620,000 on May 2 to \$60,582,000 on May 30, but their investments in these securities were still \$14,634,000 greater than on May 31, 1922. Their bills payable and rediscounts with the Federal Reserve Bank were increased \$1,426,000 during the month, being \$7,484,000 on May 30 as compared to \$6,058,000 on May 2. The ratio of loans to deposits was decreased from 92 per cent on May 2 to 91 per cent on May 30.

#### CONDITION STATISTICS OF MEMBER BANKS IN SELECTED CITIES

	May 30, 1923	May 2, 1923	May 31, 1922
1. Number of reporting banks.....	52	52	52
2. U. S. securities owned.....	\$ 60,582,000	\$ 62,620,000	\$ 45,948,000
3. All other stocks, bonds, and securities owned.....	9,036,000	8,998,000	8,290,000
4. Loans secured by U. S. Government obligations.....	5,400,000	5,260,000	4,482,000
5. Loans secured by stocks and bonds other than U. S. Government obligations.....	46,927,000	47,509,000	43,634,000
6. All other loans.....	195,820,000	202,845,000	186,739,000
7. Net demand deposits.....	220,570,000	225,609,000	209,587,000
8. Time deposits.....	73,667,000	75,595,000	65,500,000
9. Reserve with Federal Reserve Bank.....	24,147,000	24,936,000	21,752,000
10. Bills payable and rediscounts with Federal Reserve Bank.....	7,484,000	6,058,000	5,825,000
11. Ratio of loans (*) to net demand deposits.....	91%	92%	91%

\*Loans include only items 4 and 6.

#### MAY 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	5½	10	6	8	7	5	6	7	5	6	8	6	7½	8	5½	7
Customers' 4 to 6 months.....	6	5	5½	10	8	8	7	5	6	8	6	7	8	6	7½	8	6	7
Open market 30 to 90 days.....	6	5	5½	5½	4	4½	5½	4½	5	6	5	6	....	....	....	7	5½	5½
Open market 4 to 6 months.....	6	5	5½	10	8	8	....	....	....	6	5	6	....	....	....	5½	5½	5½
Interbank loans.....	7	4½	5½	9	6	8	7	6	6	6½	4½	6	8	6	6	7	6	6½
Collateral loans, demand.....	8	5	6	10	8	8	10	6	8	7	5	6	8	6	7	8	6	8
Collateral loans, 3 months.....	8	5	6½	10	8	8	10	6	8	8	6	7	8	6	7	8	6	8
Collateral loans, 3 to 6 months.....	8	5	7	10	8	8	10	6	8	8	6	7	8	6	7	8	7	8
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	5	7	10	8	8	8	5	6	8	7	7	8	6	7½	8	6	7½
Loans secured by government securities.....	8	4½	6	10	8	8	8	6	6	6	5	5½	8	6	7	8	5	7½

**Operations of the Federal Reserve Bank** A further gradual expansion in loans to member banks occurred during the month as business and agricultural activities made a new demand

for credit. The amount of loans outstanding on May 31 was \$30,329,881.32 as compared to \$26,117,134.39 on April 30 representing an increase of \$4,212,746.93 during the month. However, approx-



imately \$1,000,000 of this increase is represented by the discount of member banks' 15-day notes secured by U. S. Government obligations made necessary by substantial withdrawals of government deposits. That the expansion of credit is reaching a wide territory is evidenced by the fact that there were 423 banks owing us on May 31 as compared to 362 on April 30.

The total volume of bills held by this bank on April 30 was \$39,372,349.81 as compared to \$39,509,831.25 on May 31 distributed as follows:

Member banks' collateral notes secured by U. S. Government obligations.....	\$ 3,761,250.00
Rediscounts and all other loans to member banks .....	26,568,631.32
Open Market Purchases (Bankers' Acceptances) .....	9,179,949.93
<b>Total bills held.....</b>	<b>\$39,509,831.25</b>

The volume of Federal reserve notes in actual circulation, which has shown an almost continuous decline since the first of the year, was further reduced during May. The actual circulation of these notes on May 31 was \$26,724,070 as compared to \$27,866,820 on April 30, or a decline of \$1,142,750 during the month. However, the circulation was \$467,893 in excess of the amount of these notes in circulation on May 31, 1922. The member banks' reserve deposits on May 31 were \$47,028,552.11 or practically the same as those on April 30.

**Savings Deposits** According to reports received from 105 banks of this district which operate savings departments, savings deposits on May 31 were 1.7 per cent greater than those on April 30 and 18.1 per cent greater than on May 31 last year.

SAVINGS DEPOSITS

	Number of Reporting Banks	May 31, 1923	May 31, 1922	Inc. or Dec.	April 30, 1923	Inc. or Dec.
Albuquerque .....	3	1,733,060	1,576,202	+10.0	\$ 1,674,294	+ 3.5
Beaumont .....	3	1,321,947	1,081,313	+22.3	1,295,779	+ 2.0
Dallas .....	6	10,716,472	7,585,837	+41.3	10,636,243	+ .8
El Paso .....	4	6,569,220	6,490,023	+ 1.2	6,565,829	+ .1
Fort Worth .....	3	3,583,420	3,170,081	+13.0	3,475,985	+ 3.1
Galveston .....	3	6,800,359	6,043,925	+12.5	6,811,766	— .2
Houston .....	5	12,604,706	11,131,888	+13.2	12,509,732	+ .8
San Antonio .....	6	9,218,809	8,638,556	+ 6.7	9,260,832	— .5
Shreveport .....	4	7,936,361	6,570,910	+20.8	7,819,633	+ 1.5
Waco .....	5	2,268,205	1,887,422	+20.2	1,994,417	+13.7
Wichita Falls .....	4	2,631,499	2,236,190	+17.7	2,757,997	— 4.6
All others .....	59	16,562,457	12,983,202	+27.6	15,788,310	+ 4.9
<b>Total .....</b>	<b>105</b>	<b>\$81,946,515</b>	<b>\$69,395,549</b>	<b>+18.1</b>	<b>\$80,590,817</b>	<b>+ 1.7</b>

FAILURES

There were 78 commercial failures in this district during May with an aggregate indebtedness of \$3,779,959, as compared to 93 failures in April involving liabilities amounting to \$8,874,897. While the May statistics disclose a substantial reduction both in the number of failures and the total indebtedness, the mortality rate continues heavy. It will be noted

from the table below that the trend of liabilities of defaulting firms has been upward since the first of the year, indicating that a large number of the weaker firms have been unable to overcome their financial difficulties despite the increased business activity.

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
May .....	78	3,779,959	84	2,175,351	1,530	41,022,277	1,960	44,402,886
<b>Total, five months.....</b>	<b>470</b>	<b>18,758,063</b>	<b>772</b>	<b>18,378,114</b>	<b>8,366</b>	<b>230,745,792</b>	<b>11,644</b>	<b>335,473,888</b>

## PETROLEUM

The production of crude oil in the Eleventh Federal Reserve District registered a sharp increase during May, the output amounting to 11,771,760 barrels for the month as compared to 11,033,880 barrels during the previous month. This increase was largely due to the completion of a considerably larger number of new wells with a substantial increase in new production. Completions for May numbered 532 wells, of which 382 were producers, yielding an initial output of 78,332 barrels which compares to 379 completions during April, including 282 producers with a combined flush production of 47,388 barrels.

A general increase in production was shown in all Texas fields. The combined output of Texas fields amounted to 9,415,285 barrels as compared to 8,724,630 barrels during the previous month, representing a gain of 12,898 barrels in the daily average yield. There were 468 completions during the month which added 73,576 barrels of new production from the 338 successful wells. This compares to 329 completions during April including 240 producers with an initial flow of 44,238 barrels.

The Central-West Texas fields produced more oil during May than during any month since last December. The output for the month amounted to 3,803,870 barrels as against 3,520,515 barrels during April. There were 142 completions in this section during the month of which 94 were successful, yielding an initial flow of 25,906 barrels which compares to 80 completions during April of which 59 were producers with only 12,021 barrels of new production added. This increase in new production was a large factor in the total output for the month. However, the wells completed in May were those which were begun before the drop in crude oil prices began during the early part of April and there seems to be a tendency to hold up further drilling work until the crude oil market becomes more stable. The present activity is largely confined to offset and test wells. The feature of the month in this section was the bringing in of a big deep producer in the old Corsicana shallow field which yielded an initial production of 5,000 barrels of high grade oil.

The North Texas field again showed good gains in production the total yield for the month being 2,414,700 barrels as compared to 2,193,495 barrels during April. The drilling activity in this section has not been curtailed to any noticeable extent despite the reduction of 40 cents per barrel (since about the middle of April) in the posted price of crude oil, which seems to indicate that operations are being

carried on profitably at the lower scale of prices. There were 200 wells completed during May, of which 151 were producers with a combined initial output of 21,268 barrels, while during April only 181 wells were completed with 20,312 barrels of flush production obtained from 129 producers. Archer County continues as the most active field in the North Texas District, the month of May being the third consecutive month in which there were more completions and a greater amount of new production added than in any other field in the district. The 74 successful completions in this field netted 13,560 barrels of new production.

The Texas Gulf Coast field which has shown a steady decline since January registered an increase during May, the month's total production being 2,846,770 barrels as compared to 2,734,950 barrels for the previous month, or an increase of 111,820 barrels during the month. These fields also showed a large increase in the amount of new production, being more than double that added during the previous month. Of the 61 completions, 46 were successful with a combined flush production of 20,510 barrels. This compares to 9,610 barrels of new production added from 30 producers completed during the previous month. This gain in initial production was distributed among all the fields of the district with the Hull field taking the lead.

The North Louisiana territory witnessed the completion of 64 wells of which 44 were successful and yielded an initial flow of 4,756 barrels as compared to 50 completions during April including 42 producers with a combined flush production of 3,150 barrels. The total output of the Louisiana fields amounted 2,356,475 during May as against 2,309,250 barrels during the previous month. While these figures show an increase of 47,225 barrels in actual production the daily average yield decreased 960 barrels due to the longer month of May.

### Crude Oil Prices

A further reduction in the price of crude oil was posted at the various fields of the district during May. In the Texas fields, the price of Corsicana light oil was reduced five cents per barrel, Mexia oil thirty cents per barrel, and Currie oil twenty cents per barrel. With the exception of De Soto crude oil, which suffered a reduction of twenty cents per barrel, the posted price at the Louisiana fields declined ten cents per barrel.

## OIL PRODUCTION

Field—	MAY		APRIL		INCREASE OR DECREASE	
	Total	Daily Avg.	Total	Daily Avg.	Total	Daily Avg.
North Texas .....	2,414,700	77,894	2,193,495	73,117	Inc. 221,205	Inc. 4,777
Central-West Texas .....	3,803,870	122,705	3,520,515	117,350	Inc. 283,355	Inc. 5,355
Texas Coastal .....	2,846,770	91,831	2,734,950	91,165	Inc. 111,820	Inc. 666
Miscellaneous fields .....	349,945	11,289	275,670	9,189	Inc. 74,275	Inc. 2,100
Totals, Texas .....	9,415,285	303,719	8,724,630	290,821	Inc. 690,655	Inc. 12,898
North Louisiana .....	2,356,475	76,015	2,309,250	76,975	Inc. 47,225	Dec. 960
Totals, 11th District.....	11,771,760	379,734	11,033,880	367,796	Inc. 737,880	Inc. 11,938

## MAY DRILLING RESULTS

Field	Completions	Producers	Failures	Initial Production
North Texas .....	200	151	49	21,268
Central-West Texas .....	142	94	48	25,906
Texas Coastal .....	61	46	15	20,510
Miscellaneous fields .....	43	41	2	5,843
Texas Wildcats .....	22	6	16	49
Totals, Texas .....	468	338	130	73,576
North Louisiana .....	64	*44	20	4,756
May Totals, District.....	532	382	150	78,332
April Totals, District.....	379	282	97	47,388

\*Includes 14 gas wells.

## CRUDE OIL PRICES

TEXAS	June 14	June 14	LOUISIANA	June 14	June 14
	1923	1922		1923	1922
Corsicana Light .....	\$1.25	\$1.30	Caddo (39 gravity and above) .....	\$2.00	\$2.00
Corsicana Heavy .....	.70	.75	Bull Bayou (38 gravity and above)....	1.60	1.90
Texas Coastal .....	1.75	1.25	Homer (39 gravity and above).....	2.00	2.00
Mexia .....	1.60	1.50	Haynesville (39 gravity and above)...	2.00	2.00
Currie .....	1.90	*	De Soto Crude .....	1.80	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 June 14, 1922, was selling for \$2.00 per barrel.

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

## LUMBER

The production rate of Eleventh District pine mills reflected a substantial improvement during the month, having risen from 20 per cent below normal production during April to 4 per cent below normal production during May. Shipments continued above production but were not as large as during the previous month. They were 10 per cent above production during May as compared to 18 per cent during April. The new orders received during the month showed a slight decrease, being equivalent to 86 per cent of normal production during May as against 88 per cent for the previous month. During May a year ago the orders received at the mills were 27 per cent above normal production and mills were producing on a normal basis. The unfilled orders on the books of 41 mills at the close of May amount-

ed to 61,416,660 feet as compared to 94,865,275 feet on the books of 47 mills at the close of April. Stocks at these mills on May 31 were about the same as at the close of the previous month.

The lumber market suffered a sharp decline following the meeting of the National Construction Council on May 16 and the passing of a resolution urging the entire nation to defer all building construction of a speculative character for several months because of excessive building costs. There was a general slump in buying for a while, but as the consumer buying has continued and the retailers' stocks have dwindled to a low point, by the middle of June new buying was in evidence in various quarters. However, dealers are buying very carefully and are seeking bargains at the mills.

## MAY PINE MILL STATISTICS

Number of Reporting Mills.....	41
Production .....	91,075,931 feet
Shipments .....	100,562,805 feet
Orders .....	80,813,985 feet
Unfilled orders, May 31.....	61,416,660 feet
Normal production .....	94,395,550 feet
Stocks, May 31.....	213,937,390 feet
Normal Stocks .....	272,275,483 feet
Shipments above production.....	9,486,874 feet=10%
Actual production below normal..	3,319,619 feet= 4%
Orders below normal production..	13,581,565 feet=14%
Stocks below normal.....	58,338,093 feet=21%

## BUILDING

The district's building activity, as evidenced by the valuation of building permits issued at eleven principal cities, continued on a large scale during May. The valuation of building permits issued at these cities amounted to \$7,004,576 as compared to \$6,733,979 during April and \$5,391,256 during May a year ago.

## BUILDING PERMITS

	May, 1923		April, 1923		Inc. or Dec.	May, 1922		Inc. or Dec.
	No.	Valuation	No.	Valuation		No.	Valuation	
Austin.....	103	238,387	40	83,847	+184.3	28	21,965	+985.3
Beaumont.....	151	108,155	142	378,166	- 71.4	148	129,481	- 16.5
Dallas.....	414	1,894,824	455	1,926,066	- 1.6	474	1,388,355	+ 36.5
El Paso.....	106	268,130	101	238,363	+ 12.5	131	321,508	- 16.6
Fort Worth.....	344	1,092,961	311	934,444	+ 17.1	237	435,002	+151.3
Galveston.....	351	281,806	327	110,836	+154.3	384	160,728	+ 75.3
Houston.....	697	1,080,256	233	1,314,916	- 17.8	727	1,107,431	- 2.5
Port Arthur.....	165	183,787	243	262,088	- 29.9	120	224,078	- 18.0
San Antonio.....	366	1,062,540	344	571,723	+ 85.8	355	503,873	+110.9
Shreveport.....	315	613,823	306	817,520	- 24.9	310	684,299	- 10.3
Waco.....	63	179,907	48	96,010	+ 87.4	59	414,536	- 56.6
Total.....	3,075	7,004,576	2,550	6,733,979	+ 4.0	2,973	5,391,256	+ 29.9

## CEMENT

There is presented in this issue of the REVIEW a table showing the production, shipments and stocks of Portland cement in Texas. From the appended table it will be seen that production has been maintained on a relatively steady basis during the present year and has greatly exceeded the 1922 produc-

tion. The five months production this year amounted to 1,785,000 barrels as compared to 1,259,000 barrels during the same period of 1922. Shipments for this period during 1923 amounted to 1,746,000 barrels as compared to 1,263,000 barrels during 1922.

## PRODUCTION, SHIPMENTS AND STOCKS OF PORTLAND CEMENT

	Production of Texas Mills		Shipments from Texas Mills		Stock at End of Month at Texas Mills	
	1923	1922	1923	1922	1923	1922
January .....	372,000	234,000	353,000	182,000	209,000	349,000
February .....	307,000	204,000	252,000	202,000	265,000	331,000
March .....	371,000	256,000	370,000	278,000	272,000	332,000
April .....	360,000	290,000	347,000	273,000	285,000	344,000
May .....	375,000	271,000	424,000	323,000	235,000	291,000
Total 5 Months.....	1,785,000	1,259,000	1,746,000	1,263,000		

# SUMMARY OF NATIONAL BUSINESS CONDITIONS

(Compiled by the Federal Reserve Board as of June 26, 1923.)

Production and shipment of goods continued in heavy volume during May. The volume of employment was sustained and many wage advances were reported. Wholesale commodity prices declined during May and the early weeks of June.

## PRODUCTION

Production of iron and steel, cement, and petroleum was larger in May than in any previous month, and mill consumption of cotton was close to maximum. The high level of production in these industries, together with increases in practically all other reporting lines, are reflected in an advance of two per cent in May in the Federal Reserve Board's index of production in basic industries. In the building industry there was a further decline in principal cities in the value of permits granted which represent prospective building operations. Contract awards, however, which represent actual current undertakings, continued to increase, though declines are reported in the New York and Chicago districts.

This industrial activity has been accompanied by a slight increase of employment at industrial establishments. The demand for labor was also reflected in a larger number of wage advances during the thirty-day period ending May 15th, than in any earlier month this year and average weekly earnings in all reporting industries increased by 3.8 per cent. The advances were most general in the cotton, steel, meat packing, and sugar refining industries.

In agriculture the condition of both winter and spring wheat is reported less favorable than a year ago, while the condition of the cotton crop is slightly better than last year, owing entirely to more favorable growing conditions in Texas. Shortage of farm labor is reported from most sections of the country.

## TRADE

Active distribution of commodities is indicated by heavy movement of merchandise and miscellaneous freight and car loadings continue to exceed all previous records for this season. In certain lines of trade a decline in the volume of manufacturers orders for future delivery is reported. The volume of both wholesale and retail trade was larger in May than in April. Among the wholesale lines sales of meats, hardware, and shoes showed particularly large in-

creases while sales of clothing and dry goods decreased. The Federal Reserve Board's index of wholesale trade which makes no allowance for seasonal change, was five per cent higher than in April and fourteen per cent higher than a year ago. Sales of department stores increased about eight per cent in May, and all reporting lines of chain store business reported increases. Mail order sales were six per cent less than in April, but were larger than in any previous May.

## WHOLESALE PRICES

Price declines were reported during May and the first three weeks of June for a large number of commodities. All of the nine groups in the Bureau of Labor Statistics index, except food and house furnishings, show decreases for May and the average for all commodities declined by two per cent.

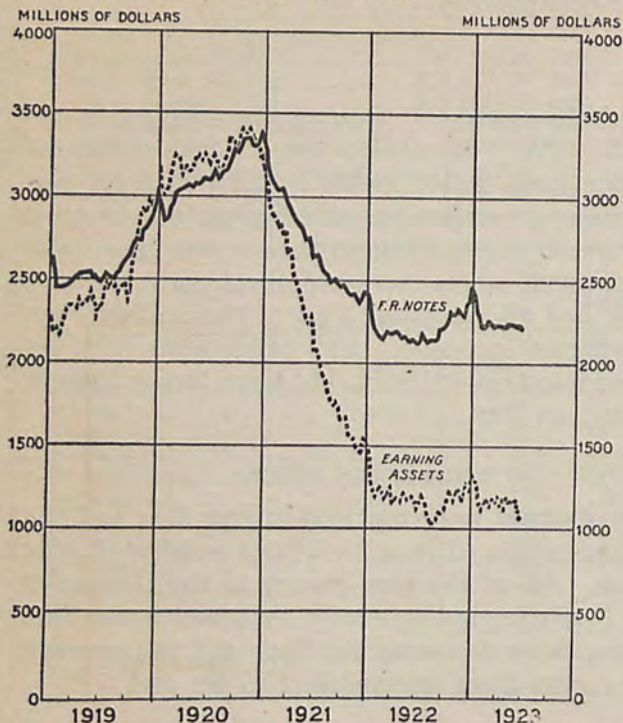
## BANK CREDIT

Loans of reporting member banks in principal cities, which have been increasing since the early part of the year, declined by \$115,000,000 between May 16th and June 13th. Bank holdings of Government Securities which increased by over \$100,000,000 in connection with Treasury transactions of May 15th later declined as the securities were distributed by the banks. These decreases in loans of member banks and the receipt during May of \$45,000,000 of gold from abroad were accompanied by a decrease in the earning assets of Federal Reserve Banks by \$120,000,000 for the four weeks ending June 20th. At that time the volume of Federal Reserve Bank credit in use reached the lowest point since the opening of the year and approached the low point reached in August, 1922. Reserve Bank holdings of bankers acceptances and Government obligations are now lower than at any time since early in 1922.

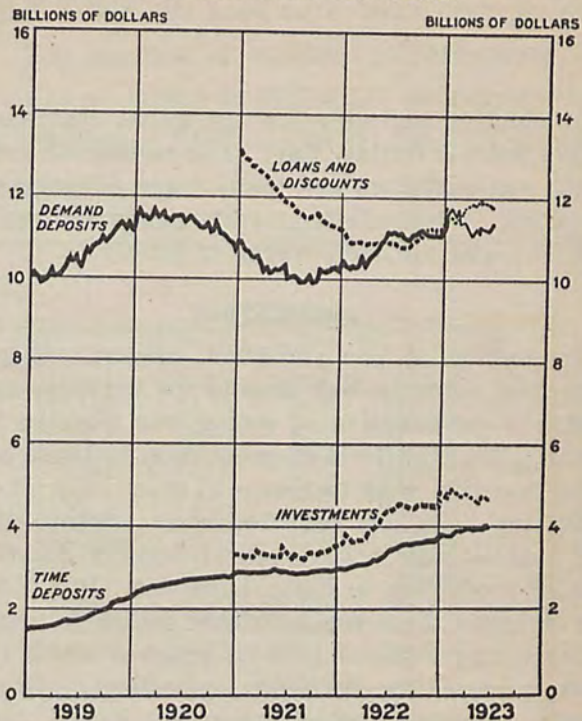
The total volume of money in circulation increased by \$38,000,000 between May 1, and June 1, the increases being chiefly in gold and silver certificates rather than in Federal reserve notes.

Money rates continued to show a slightly easier tendency. The June 15th issue of \$150,000,000 six months Treasury Certificates carried a rate of interest of four per cent, compared with four and one-fourth per cent on a similar issue sold in March.

**BANK CREDIT**  
ALL FEDERAL RESERVE BANKS

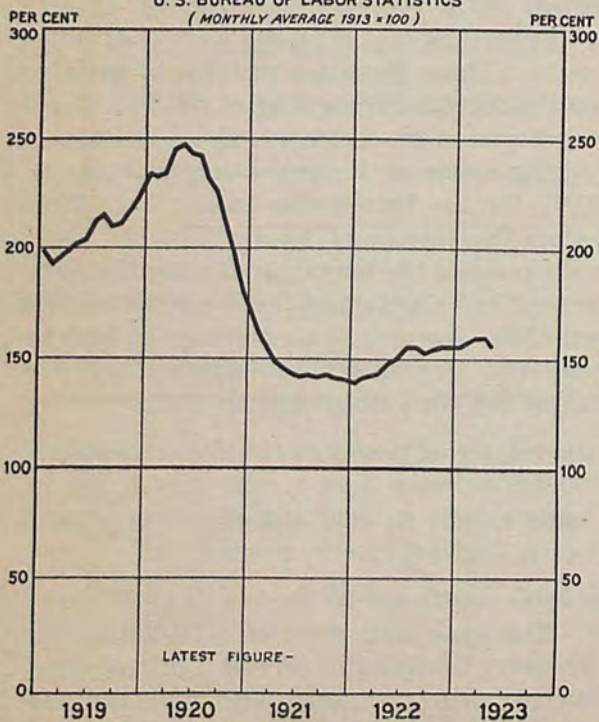


**BANK CREDIT**  
800 MEMBER BANKS IN LEADING CITIES



**PRICES**

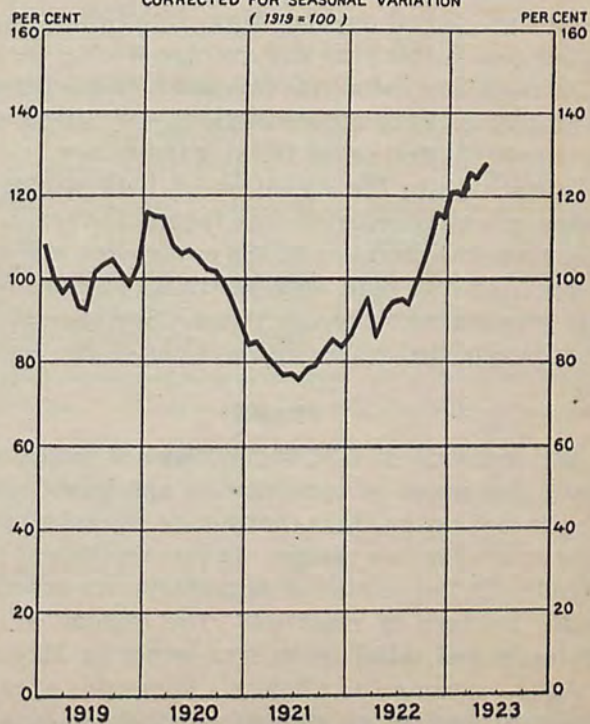
INDEX NUMBERS OF WHOLESALE PRICES  
U. S. BUREAU OF LABOR STATISTICS  
(MONTHLY AVERAGE 1913 = 100)



Note: Base Adopted by United States Bureau of Labor Statistics

**INDEX OF PRODUCTION IN BASIC INDUSTRIES**

COMBINATION OF 22 INDIVIDUAL SERIES  
CORRECTED FOR SEASONAL VARIATION  
(1913 = 100)



# ELEVENTH FEDERAL RESERVE DISTRICT

