

MONTHLY BUSINESS REVIEW

OF THE

FEDERAL RESERVE BANK OF DALLAS

LYNN P. TALLEY,
Chairman and Federal Reserve Agent

CHAS. C. HALL—W. J. EVANS,
Assistant Federal Reserve Agents

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DISTRICT SUMMARY

THE SITUATION AT A GLANCE Eleventh Federal Reserve District

	May	April	Inc. or Dec.
Bank debits to individual accounts (at 15 cities).....	\$594,098,000	\$612,375,000	Dec. 3.0%
Department store sales.....			Inc. .1%
Reserve Bank loans to member banks at end of month.....	\$ 5,220,394	\$ 3,705,510	Inc. 40.9%
Reserve Bank ratio at end of month.....	61.4%	77.9%	Dec. 16.5 points
Building permit valuations at larger centers.....	\$ 8,709,658	\$ 9,600,242	Dec. 9.3%
Commercial failures (number).....	56	59	Dec. 5.1%
Commercial failures (liabilities).....	\$ 1,956,286	\$ 792,113	Inc. 147.0%
Oil production (barrels).....	15,609,072	14,853,198	Inc. 5.1%
Lumber orders at pine mills (per cent of normal production).....	88%	98%	Dec. 10 points

The unseasonably hot wave over this district during the first half of June, which in a large measure counteracted the beneficial effects of the rains of April and May in many sections of the district, was the outstanding development during the past thirty days. Conditions are generally favorable where timely rains have fallen, but prospects are discouraging to the agricultural and livestock interests in the drouth area, particularly in the southern third of Texas and New Mexico, and in southeastern Arizona. With the harvesting of the small grains well under way, it is now evident that the yield of these crops will be the smallest in years. The corn crop generally has made poor progress, being almost a complete failure in the drouth belt, and indications are that this will be another year of small production. While the average condition of cotton is fair, the crop in the tier of counties in central and southern Texas, which normally produce from 25 to 40 per cent of the state's total production, has suffered severely from the deficiency in moisture. Even in the most favored sections subsoil moisture is generally lacking, and good rains at frequent intervals will be needed to sustain the plants during the hot summer months. Some encouragement, however, is afforded from the fact that the insect menace which seemed imminent a month or six weeks ago has almost completely disappeared, due to the hot, dry weather that has prevailed. Furthermore, in many localities where the corn crop has proved a failure, farmers are planting grain sorghums to supplement their feed supply.

The distribution of merchandise at wholesale continues to evince the restricted consumer demand in rural sections.

Retailers are adhering strictly to a hand-to-mouth policy of buying and are making purchases only as the consumer demand materializes. Distribution in the larger cities, however, was well sustained, department store sales being practically the same as in the previous month and the same month last year. Charges to depositors' accounts in fifteen principal cities reflected a small seasonal decline but were 10.7 per cent greater than a year ago.

The financial situation reflected normal seasonal developments. Member banks reported a further decline in deposits of approximately \$30,000,000, and member bank borrowing at the Federal Reserve Bank had risen to \$6,000,000 on June 15th. That there is still a large volume of funds in this district seeking an investment outlet is shown by the heavy over-subscription to the June 15th issue of United States Treasury Certificates of Indebtedness bearing 3 per cent interest. Subscriptions from this district totaled \$17,466,000, and allotments to the extent of \$4,668,000 were made.

Activity in the building industry continued unusually heavy. The valuation of permits issued at twelve principal cities in May was only 9 per cent below the large April volume and was 36 per cent above the corresponding month of 1924. However, the production and shipments of cement and the production and new orders of lumber declined.

The past month witnessed a reduction in the working forces of a large number of industries in this district, and although, with the exception of a few localities, skilled labor is well employed, a general surplus of unskilled labor is evident throughout the district.

CROP CONDITIONS

Reports from various sections of the district indicate that agricultural conditions are very spotted and irregular. In many counties of the north, northeast, northwest and west-center sections of Texas the best crop conditions in years

are reported. Conditions are likewise good in southeastern Oklahoma and north Louisiana. On the other hand, in central, south, parts of east Texas, and in New Mexico conditions are very irregular, ranging from good to very poor.

The harvesting of small grains is well under way and indications are that an unusually large percentage of these crops was cut immature or used for pasture only, as the poor stands in many sections did not justify the use of the binder. Reports are to the effect that the yields from these crops will be unusually light this year. The winter freezes and the subsequent drouth caused heavy abandonment, and the yield from the remaining acreage will be considerably below the average. There was a substantial improvement in the Texas wheat crop following the May rains, but the condition figure of 42 per cent on June 1st forecasted a production for the state of only 4,844,000 bushels as compared to a total production of 25,826,000 bushels last year. The estimated production for this year is only about half the amount produced in the short years of 1918 and 1922. The condition of the oat crop on June 1st, which was estimated at 52 per cent of normal, forecasts a total yield of 21,560,000 bushels for the state as against a total production of 48,892,000 bushels last year. In New Mexico the drouth has been disastrous to the grain crops. On the basis of the June 1st condition the production of winter wheat was estimated at 108,000 bushels as compared to 1,650,000 bushels a year ago, and the production of spring wheat was estimated at 259,000 bushels as compared to 901,000 bushels in 1924. The yield of other grain crops—oats, barley and rye—will likewise show a substantial reduction from the 1924 production.

The condition of the cotton crop is spotted. While many sections have ample moisture for the present, there are other sections which have had but little rain and subsoil moisture is generally lacking throughout the cotton growing territory of the district. The most favorable conditions prevail in northeast Texas, where the prospects for a cotton crop are the best in years. Good conditions also obtain in southeastern Oklahoma, north Louisiana, and in much of the north, northwest, west and west-center sections of Texas. However, conditions are generally poor in the center and southern sections of Texas, where 40 per cent of the Texas crop was produced last year. While the average condition of the Texas cotton crop was estimated at 70 per cent of normal on May 25th as compared to 66 per cent on that date last year, it must be borne in mind that the poor condition last year was due to the continued heavy rains which left a deep subsoil season in the ground to sustain the plants during the subsequent drouth, and that the low condition figure this year is due to the dry weather, and unless rains are obtained at regular intervals during the summer to compensate for the deficiency in subsoil moisture, the outlook is for a rapid deterioration toward the end of the growing season.

The outcome of the corn crop is still uncertain, and conditions are very irregular. The yield will be good in sections where ample rain has fallen, but over much of the southern area of Texas and New Mexico the yield will be poor. There is a tendency to plant grain sorghums in sections where the corn crop has failed. Prospects point toward a slight increase in the yield of hay in Texas, but a reduction of this crop in New Mexico.

There has been a large increase in the acreage sown to rice in Texas and the condition of this crop remains good.

LIVESTOCK

A substantial improvement in range and livestock conditions in this district occurred during the past month, following the rains late in April and early in May. However, there

are many sections where the rainfall was light and the moisture was not sufficient to revive the ranges to any great extent. This was particularly true in southeastern Arizona, New Mexico and the south and south-central section of Texas, and in these sections little or no improvement in conditions occurred. Recent rains have improved to some extent the situation in southeastern Arizona and southwestern New Mexico, but southeastern New Mexico continues mostly dry with ranges and livestock in very poor condition.

The average condition of Texas ranges rose 11 points and the condition of cattle gained 5 points during the past month. While there has been a marked improvement in the condition of both ranges and cattle in those sections where ample rain has fallen, conditions over most of the southern third of the state are very discouraging. Responding to the generous rains, the sheep ranges showed an improvement of 17 points and the condition of sheep rose 9 points during the month. Summer weeds and grass on the sheep ranges are growing rapidly and stock are fattening. Sheep shearing, although delayed by rains, will soon be completed.

Movements and Prices.

The receipts of all classes of livestock at the Fort Worth market during May were considerably below the usual receipts for that month. The decreases were most noticeable in the cattle and sheep divisions. The smaller movement in May was due in part to the heavy marketing and shipments to outside points during the earlier months of the year and partly to the rains and the subsequent improvement in the ranges. The prospects for betterment in range conditions caused many stockmen to delay marketing until the stock were in better condition.

Prices were relatively satisfactory, but values did not show the enhancement generally expected. Hogs brought a top price of \$12.95, but on the close the best were going at \$12.25, which represented an advance of about \$1.00 above the previous month's close. Lambs sold as high as \$15.00, but the range at the close was \$13.00 to \$13.25. Wethers closed steady at around \$8.00. Price movements in the cattle division were mixed, but the trend on most classes was toward lower levels.

FORT WORTH LIVESTOCK RECEIPTS

	May 1925	May 1924	Loss or Gain	April 1925	Loss or Gain
Cattle	69,585	114,203	L 44,618	90,616	L 21,031
Calves	15,053	25,610	L 10,557	10,817	G 4,236
Hogs	21,437	30,571	L 9,134	29,507	L 8,070
Sheep	23,823	82,128	L 58,305	19,760	G 4,063

COMPARATIVE TOP LIVESTOCK PRICES

	May 1925	May 1924	April 1925
Beef steers	\$ 10.00	\$ 8.25	\$ 9.50
Stocker steers	7.75	8.50	7.85
Butcher cows	6.75	7.00	6.85
Stocker cows	3.50	3.25	4.00
Calves	9.50	8.75	10.00
Hogs	12.95	7.75	13.25
Sheep	8.50	8.35	8.50
Lambs	15.00	15.50	15.00

Cotton

Movements.

The May receipts, exports, and stocks of cotton at the ports of Houston and Galveston reflected a noticeable decline from the previous month, but were well above the corresponding month last year.

COTTON CONSUMED AND ON HAND

COTTON GROWING STATES

UNITED STATES

	May 1925	May 1924	Aug. 1st to May 31st		May 1925	May 1924	Aug. 1st to May 31st	
			This Season	Last Season			This Season	Last Season
Cotton consumed	358,986	290,220	3,553,873	3,369,920	531,471	413,967	5,200,686	4,983,434
Cotton on hand at end of month:								
(a) in consuming establishments.....			733,575	636,305			1,348,804	1,157,428
(b) in public storage and compresses.....			864,268	962,357			1,184,920	1,126,282

COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON

	May 1925	May 1924	Aug. 1st to May 29th	
			This Season	Last Season
Net receipts.....	51,692	34,585	3,604,332	2,799,274
Exports	108,525	93,064	3,546,018	2,762,565
Stocks, May 29th.....			167,481	70,560

GALVESTON STOCK STATEMENT

	May 29,	
	1925	1924
For Great Britain	1,000	4,600
For France	10,100	5,500
For other foreign ports.....	31,900	8,300
For coastwise ports	4,500	2,000
In compresses and depots.....	119,981	50,160
Total	167,481	70,560

HOUSTON COTTON MOVEMENTS

	May 1925	May 1924	Aug. 1st to May 31st	
			This Season	Last Season
Receipts—Gross	39,577	32,081	4,713,551	3,446,436
Receipts—Net	14,189	13,810	2,613,358	1,803,155
Exports	66,410	17,202	1,774,288	1,048,876
Stocks, May 31st.....			149,544	74,497

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

	This Season		Last Season	
	Aug. 1st to May 31st	Aug. 1st to May 31st	Aug. 1st to May 31st	Aug. 1st to May 31st
Receipts since Aug. 1st.....	9,205,622	6,543,212		
Exports: Great Britain	2,477,380	1,599,624		
France	858,345	672,739		
Continent	3,373,353	2,340,025		
Japan-China	845,077	571,032		
Mexico	19,910	8,292		
Total foreign ports.....	7,574,065	5,191,712		
Stocks at all U. S. Ports, May 29th.....	543,121	363,997		

SPOT COTTON PRICES
(Middling basis)

	May, 1925		June 15, 1925
	High	Low	
New York	24.40	22.20	24.30
New Orleans	24.50	22.40	24.40
Dallas	24.45	22.20	23.95
Houston	25.00	22.90	24.15
Galveston	24.95	23.00	24.30

COTTONSEED PRODUCTS

A further reduction in the volume of cottonseed products shipped was reflected by reports from 67 cottonseed oil mills in this district. The average price received for cottonseed oil declined from \$.0966 per pound in April to \$.0915 in May. The average price received for shipments of cake and meal and hulls showed a fractional increase over the previous month.

COTTONSEED PRODUCTS SHIPPED AND AVERAGE PRICE RECEIVED

	May	
	Products Shipped	Average Price F. O. B. Mill
Crude oil	12,520,468 lbs.	\$.0915 per lb.
Cake and meal.....	17,107 tons	36.54 per ton
Hulls	10,339 tons	10.74 per ton
Linters	6,007,368 lbs.	\$.0377 per lb.

STATISTICS OF COTTONSEED AND COTTONSEED PRODUCTS

	Texas		United States	
	Aug. 1st to May 31st		Aug. 1st to May 31st	
	This Season	Last Season	This Season	Last Season
Cottonseed received at mills (tons).....	1,552,000	1,312,853	4,554,000	3,286,750
Cottonseed crushed (tons)	1,535,000	1,279,761	4,514,216	3,225,908
Cottonseed on hand (tons)	23,000	41,223	53,259	66,182
Crude oil produced (pounds)	451,896,000	360,804,472	1,372,356,126	953,866,632
Cake and meal produced (tons).....	720,000	595,494	2,078,697	1,478,530
Hulls produced (tons).....	445,000	371,274	1,295,000	914,429
Linters produced (500-lb. bales).....	297,000	250,588	877,005	652,108
Stocks on hand April 30th				
Crude Oil (pounds).....	10,776,000	11,121,964	35,865,000	40,036,693
Cake and meal (tons).....	21,000	27,863	100,548	119,939
Hulls (tons).....	26,000	29,294	100,000	63,082
Linters (500-lb. bales).....	11,000	32,864	54,685	121,437

TEXTILE MILLING

The May production rate of reporting textile mills reflected a decline from the previous month, but was on a larger scale than a year ago. There were 1,897 bales of cotton consumed by these mills in May as compared to 2,187 in April and 1,439 bales in May, 1924. The production during May was 10.0 per cent less than last month, but 23.4 per cent greater than last year. Some mills report only part time operation. Unfilled orders on hand at the close of May were smaller than at the end of April, but were considerably greater than at the end of May last year.

The demand continues relatively light, and buying represents largely orders for immediate shipment.

TEXTILE MILLING STATISTICS

	May 1925	May 1924	April 1925
Number bales cotton consumed.....	1,897	1,439	2,187
Number spindles active.....	60,524	60,524	60,524
Number pounds cloth produced.....	891,135	722,036	990,041

WHOLESALE TRADE

Despite the increased buying following the rains late in April, and early in May, trade, in the wholesale channels of distribution, was generally unsatisfactory during the past month. Sales of farm implements showed a large gain over both the previous month and the corresponding month a year ago, but in all other reporting lines sales were less than in either last month or the same month last year. Reports indicate that trade conditions are very spotted, due to the varying conditions of agriculture. Buying continues fairly active in those sections where prospects for crops are good but in those sections where the drouth is still seriously affecting crop conditions, business is slow and the demand for merchandise is gradually declining. In the latter area, consumer demand has been small and the general disposition seems to be to restrict purchases to actual necessities until crop yields can be fairly accurately determined. Re-

tailers throughout the district continue to buy on a hand-to-mouth basis, and purchases are being made largely as the consumer demand for merchandise actually materializes.

Following the rains during the closing days of April and early May there was a distinct improvement in the demand for farm implements. The May sales of reporting firms were 54.1 per cent greater than in April, and were 13.4 per cent in excess of May, 1924. However, this year's business is still considerably below that of last year, as is shown by the fact that sales for the first five months of this year have averaged 15.3 per cent less than for the corresponding period last year. While the outlook in the implement trade is greatly improved, the spotted condition of agriculture in this district has tended to hold back buying. In the sections where the crop outlook is bright the demand for implements has been active, but in the dry sections the demand is still light.

Prospects for poor crops in many sections of the district and unseasonable weather greatly affected the May business of wholesale drug firms. Sales of reporting firms were 9.2 per cent below April sales and 3.1 per cent less than in the corresponding month a year ago. Consumer demand was generally light and as retailers are buying on a hand-to-mouth basis, a restricted demand was evident in wholesale channels. Collections continue spotted, being fairly good in some sections and very poor in others.

The distribution of dry goods at wholesale reflected a further decline of 8.8 per cent as compared to the previous month and was 14.1 per cent less than in May, 1924. While the volume of business is measuring well up to a year ago in those sections which have good crop prospects, dealers report that buying in the drouthy area is considerably below normal. Retailers continue to limit their purchases to immediate needs. Prices are generally steady.

Sales of hardware reflected a further decline of 4.1 per cent from the previous month, and were 4.5 per cent less than in May last year. Business in the drouth stricken area is slow and the demand is declining, but in the sections which have favorable crop prospects buying continues fairly

good. Prices were generally steady. Collections showed but little change from last month.

The sales of reporting grocery firms were practically the same as in April, but were 3.3 per cent less than in May last year. Some sections report that buying continues active, but in the sections seriously affected by the drouth it is slowing down.

CONDITION OF WHOLESALE TRADE DURING MAY, 1925
Percentage of Increase or Decrease in

	Net Sales May, 1925 compared with		Net Sales Jan. 1 to date compared with same period last year	Stocks May, 1925 compared with	
	May 1924	April 1925		May 1924	April 1925
Groceries	- 3.3	- .2	+ 2.8	+ 2.6	- 6.5
Dry goods	-14.1	- 8.8	-10.0	-13.4	- .9
Farm implements	+13.4	+54.1	-15.3	+ .9	- .9
Drugs	- 3.1	- 9.2	+ 1.9	+ 1.7	- 3.3
Hardware	- 4.5	- 4.1	+ 6.1	- .4	- 2.1

RETAIL TRADE

While the volume of retail trade at the larger cities of the district was fairly well sustained, it will be noted that the gain over the previous year evident during the earlier months of the year was reduced to a narrow margin in May. The sales of twenty-four firms were practically the same as in April, and were nine-tenths of one per cent larger than in the corresponding month last year.

The stocks of these firms were reduced 2.3 per cent during May, but at the close of the month they were practically the same as at the close of May last year. The ratio of sales to average stocks during the first five months of 1925 was 104.3 per cent as compared to 95.8 per cent in the same period of 1924, indicating that department stores are obtaining a better turnover this year.

There was a slowing down in collections during the past month, the ratio of May collections to accounts outstanding on May 1st being 40.3 per cent as compared to 41.6 per cent in April.

BUSINESS OF DEPARTMENT STORES

	Dallas	Ft. Worth	Houston	All Others	Total District
Total sales—					
May, 1925, compared with May, 1924.....	+ 3.6	- 3.9	+ 5.5	- 1.7	+ .9
May, 1925, compared with April, 1925.....	- 4.0	- 8.4	+ 3.3	+ 6.9	+ .1
Jan. 1st to date compared with same period last year.....	+ 8.6	+ 5.5	+ 7.2	+ 7.1	+ 7.4
Credit sales—					
May, 1925, compared with May, 1924.....	+12.2	- 1.4	+ 7.1	+ 4.0	+ 7.0
May, 1925, compared with April, 1925.....	- 5.2	-12.8	+ 4.1	+ 8.6	- .3
Jan. 1st to date compared with same period last year.....	+12.3	+ 8.8	+10.1	+10.2	+10.9
Stocks—					
May, 1925, compared with May, 1924.....	+ .3	None	- 6.2	+ 2.5	- .2
May, 1925, compared with April, 1925.....	- .8	+ .6	- 2.2	- 5.7	- 2.3
Percentage of sales to average stocks in					
May, 1924.....	18.5	17.4	21.9	23.7	20.4
May, 1925.....	19.5	16.4	24.0	22.5	20.6
Percentage of sales to average stocks—					
January 1st to May 31, 1924.....	92.5	81.1	103.9	103.1	95.8
January 1st to May 31, 1925.....	103.6	83.4	115.3	110.8	104.3
Ratio of outstanding orders to last year's purchases.....	7.9	5.8	7.5	3.9	6.7
Ratio of May collections to accounts receivable, due and outstanding					
May 1, 1925.....	39.0	35.8	43.0	42.3	40.3

FINANCIAL

The well sustained activity in business in the larger cities during May was reflected in the volume of checks charged to depositors' accounts at banks in fifteen principal cities of this district. While there was a decline of 3.0 per cent from the previous month, the increase over the corresponding month last year amounted to 10.7 per cent.

Acceptance Market.

A further slight decline in the volume of acceptances executed and which were outstanding at the close of May was reflected by the reports of accepting banks in this district. Acceptances of these banks outstanding on May 31st totaled \$568,536.69 as compared to \$614,553.31 on April 30th. Those executed against import and export transactions declined from \$507,526.22 on April 30th to \$376,096.84 on May 31st,

while those based on the domestic shipments and storage of goods increased from \$107,027.09 to \$192,439.85 during the same period.

CHARGES TO DEPOSITORS' ACCOUNTS

	May 1925	May 1924	Inc. or Dec.	April 1925	Inc. or Dec.
Albuquerque	\$ 9,484,000	\$ 9,555,000	— .7	\$ 8,841,000	+ 7.3
Austin	19,148,000	14,754,000	+29.8	23,761,000	—19.4
Beaumont	18,272,000	16,124,000	+13.3	17,816,000	+ 2.6
Corsicana	8,467,000	7,713,000	+ 9.8	9,000,000	— 5.9
Dallas	175,781,000	156,441,000	+12.4	184,462,000	— 4.7
El Paso	30,120,000	32,484,000	— 7.3	30,240,000	— .4
Fort Worth	66,443,000	63,183,000	+ 5.2	68,096,000	— 2.4
Galveston	35,729,000	27,483,000	+30.0	37,192,000	— 3.9
Houston	118,450,000	104,914,000	+12.9	123,492,000	— 4.1
Roswell	2,850,000	2,012,000	+41.7	2,434,000	+17.1
San Antonio	41,170,000	33,168,000	+24.1	36,723,000	+12.1
Shreveport	35,932,000	35,666,000	+ .7	36,544,000	— 1.7
Texarkana	8,313,000	8,500,000	— 2.2	8,970,000	— 7.3
Tucson	9,063,000	9,975,000	— 9.1	8,739,000	+ 3.7
Waco	14,876,000	14,470,000	+ 2.8	16,065,000	— 7.4
Total, 11th District	\$594,098,000	\$536,442,000	+10.7	\$612,375,000	— 3.0

Condition of Member Banks in Selected Cities.

For the third consecutive month the loans and deposits of member banks in selected cities registered a decline. During the four weeks period from May 6th to June 2nd there was a loss of \$1,561,000 in net demand deposits and a reduction of \$8,540,000 in total loans. While there was a sizeable decline in loans on corporate securities, the large reduction was in all other loans (largely commercial) amounting to \$7,738,000. There was a further slight increase in their investments in government securities. Reserve deposits with the Federal Reserve Bank reflected a gain of \$3,135,000. The ratio of loans to net demand deposits declined from 84 per cent on May 6th to 82 per cent on June 2nd.

CONDITION STATISTICS OF MEMBER BANKS IN SELECTED CITIES

	June 2, 1925	June 4, 1924	May 6, 1925
1. Number of reporting banks	49	50	49
2. U. S. securities owned	\$ 56,755,000	\$ 47,292,000	56,401,000
3. All other stocks, bonds and securities owned	19,653,000	13,883,000	19,829,000
4. Loans secured by U. S. Government obligations	3,269,000	3,312,000	3,039,000
5. Loans secured by stocks and bonds other than U. S. Government obligations	69,992,000	62,331,000	71,024,000
6. All other loans	212,808,000	195,707,000	220,546,000
7. Net demand deposits	264,659,000	213,788,000	266,220,000
8. Time deposits	93,223,000	85,790,000	93,282,000
9. Reserve with Federal Reserve Bank	33,061,000	22,740,000	29,926,000
10. Bills payable and rediscounts with Federal Reserve Bank	1,241,000	1,969,000	1,297,000
11. Ratio of loans* to net demand deposits	82%	93%	84%

*Loans include only items 4 and 6.

Savings Deposits.

The savings deposits of 105 banks in this district which operate a savings department reflected a gain of nine-tenths of one per cent during May, and at the close of the month were 8.5 per

cent greater than on May 31, 1924. There were 245,577 savings depositors on May 31st as compared to 244,001 on April 30th, and 221,053 on May 31st last year.

SAVINGS DEPOSITS

	May 31, 1925			May 31, 1924			April 30, 1925		
	Number of Reporting Banks:	Number of Savings Depositors	Amount of Savings Deposits	Number of Savings Depositors	Amount of Savings Deposits	Inc. or Dec.	Number of Savings Depositors	Amount of Savings Deposits	Inc. or Dec.
Beaumont	4*	4,670	2,213,493	4,711	2,369,872	— 6.6	4,698	2,202,217	+ .5
Dallas	7	45,775	15,533,647	38,177	12,817,393	+21.2	45,401	15,252,542	+ 1.8
El Paso	3	16,407	5,798,222	16,676	6,519,102	—11.1	16,217	5,688,934	+ 1.9
Fort Worth	4	17,815	5,486,519	16,092	4,900,296	+12.0	17,975	5,436,124	+ .9
Galveston	3	13,549	8,336,421	11,663	7,258,618	+14.8	13,452	8,140,421	+ 2.4
Houston	12	53,352	20,453,271	48,752	18,942,870	+ 8.0	52,759	20,076,516	+ 1.9
San Antonio	6*	18,907	11,021,457	15,914	9,907,510	+11.2	18,862	11,112,342	— .8
Shreveport	5*	22,428	10,160,375	21,359	11,001,006	— 7.6	22,368	10,401,711	— 2.3
Waco	5	7,890	4,400,052	5,786	3,079,263	+42.9	7,869	4,343,283	+ 1.3
Wichita Falls	3	6,878	2,157,317	6,765	1,492,340	+44.6	6,829	1,756,268	+22.8
All others	53*	37,906	15,318,825	35,158	14,659,653	+ 4.5	37,571	15,539,881	— 1.4
Total	105	245,577	100,879,599	221,053	92,947,923	+ 8.5	244,001	99,950,239	+ .9

*Only 3 banks in Beaumont, 5 banks in San Antonio, 4 banks in Shreveport, and 49 banks in all others reported the number of savings depositors.

JUNE DISCOUNT RATES

Prevailing Rates

	Dallas	El Paso	Ft. Worth	Houston	San Antonio	Waco
Rate charged customers on prime commercial paper such as is now eligible for rediscount under the Federal Reserve Act:						
(a) running 30-60-90 days	5-6	8	4½-6	5-6	5½-8	5-7
(b) running 4-6 months	5-6	8	4½-6	5-6	5½-8	5-7
Rate charged on loans to other banks, secured by bills receivable	5-6	6-7	5-6	4½-5	6	5-6
Rate on ordinary commercial loans running 30-60-90 days secured by Liberty Bonds and certificates of indebtedness (not including loans to enable purchase of bonds)	5-6	8	6	5-6	6-8	6
Rate on loans secured by prime stock exchange or other current collateral						
(a) demand	5-6	8	6-8	5-6	6-8	4-7
(b) time	5-7	8	6-8	5-6	6-8	6-7
Rate on commodity paper secured by warehouse receipts, etc.	5-8	8	6-8	5-6	6-8	6-8
Rate on cattle loans	7-8	8	6-8	6-8	6-8	—

Deposits of Member Banks. Net demand deposits of member banks declined \$29,950,000 between April 22nd and May 27th, but time deposits increased slightly during the same period. The total deposits of member banks, which amounted to \$771,632,000 on May 27th, were \$94,727,000 greater than on May 28th last year.

DEPOSITS OF MEMBER BANKS

	All Member Banks		Banks in Cities with a population of less than 15,000		Banks in Cities with a population of over 15,000	
	Total Demand	Total Time	Demand	Time	Demand	Time
May 28, 1924.....	522,820	154,085	250,732	45,837	272,088	108,248
June 25, 1924.....	512,565	157,153	244,723	46,329	267,842	110,824
July 23, 1924.....	502,763	157,714	237,982	47,006	264,781	110,708
Aug. 27, 1924.....	510,092	160,201	242,995	46,387	267,097	113,814
Sept. 24, 1924.....	562,283	160,260	276,886	46,029	285,397	114,231
Oct. 29, 1924.....	609,594	159,889	303,481	44,983	306,113	114,906
Nov. 26, 1924.....	641,603	158,722	315,786	43,967	325,817	114,755
Dec. 24, 1924.....	670,487	158,107	322,361	41,676	348,126	116,431
Jan. 28, 1925.....	660,847	160,584	320,036	44,219	340,811	116,365
Feb. 25, 1925.....	680,428	166,895	321,650	45,834	358,778	121,061
Mch. 25, 1925.....	662,862	163,780	304,459	45,132	358,403	118,648
Apr. 22, 1925.....	635,576	165,531	292,385	47,963	343,191	117,568
May 27, 1925.....	605,626	166,006	277,145	48,771	328,481	117,235

Operations of the Federal Reserve Bank. There was a noticeable increase in the demand for Federal Reserve bank funds during the past month which originated largely in the cotton growing territory.

At the close of May we were loaning \$5,220,393.86 to 157 member banks as compared to \$3,705,509.91 to 113 banks on April 30th. This represents an increase of 44 in the number of banks accommodated and \$1,514,883.95 in the total amount borrowed. During the first half of June this year our loans showed a further increase of \$779,793.63. While the demand for funds is showing an increase as the season advances, it is considerably lighter than a year ago, as is shown by the fact that on May 31, 1924, there were 281 borrowing banks which owed the Federal Reserve Bank \$15,418,210.86.

The volume of bills held increased from \$10,799,918.41 on April 30th to \$13,939,419.62 on May 31st, distributed as follows:

Member banks collateral notes (secured by U. S. Government obligations).....	\$ 422,300.00
Rediscounts and all other loans to member banks.....	4,798,093.86
Open market purchases (Bankers' Acceptances).....	8,719,025.76
Total bills held.....	\$13,939,419.62

Federal reserve notes in actual circulation, which amount-

OIL PRODUCTION

Field	May		April		Increase or Decrease	
	Total	Daily Average	Total	Daily Average	Total	Daily Avg.
North Texas	3,076,535	99,243	2,909,375	96,979	Inc. 167,160	Inc. 2,264
Central-West Texas	2,079,455	67,079	1,559,905	51,997	Inc. 519,550	Inc. 15,082
East-Central Texas	4,045,785	130,509	4,395,075	146,503	Dec. 349,290	Dec. 15,994
Texas Coastal	3,005,956	96,967	2,857,590	95,253	Inc. 148,366	Inc. 1,714
Miscellaneous fields	1,553,895	50,126	1,389,993	46,333	Inc. 163,902	Inc. 3,793
Total, Texas	13,761,626	443,924	13,111,938	437,065	Inc. 649,688	Inc. 6,859
North Louisiana	1,847,446	59,595	1,741,260	58,042	Inc. 106,186	Inc. 1,553
Total, 11th District.....	15,609,072	503,519	14,853,198	495,107	Inc. 755,874	Inc. 8,412

MAY DRILLING RESULTS

Field	Completions	Producers	Failures	Initial Production
North Texas	328	204	124	18,250
Central-West Texas	78	53	25	31,830
East Central Texas	44	38	6	5,585
Texas Coastal	114	94	20	54,561
East Texas	11*	10*	1	
Miscellaneous fields	84	76	8	35,482
Texas wildcats	62	12	50	7,970
Totals, Texas	721	487	234	153,678
North Louisiana	55	40**	15	9,463
May totals, District.....	776	527	249	163,141
April totals, District.....	650	437	213	137,427

*Gas wells. **Includes 10 gas wells.

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

ed to \$40,861,585.00 on May 31st, reflected a further recession of \$1,338,555.00 during the month. Due to the withdrawal of funds to meet seasonal demands, the reserve deposits of member banks declined \$2,673,116.21 during the month and on May 31st totaled \$58,286,824.34.

FAILURES

Commercial failures were fewer in May than in the previous month but the indebtedness of the defaulting firms showed a large increase. There were 56 insolvencies during the month with liabilities amounting to \$1,956,286 as compared to 59 failures in April owing \$792,113, and 58 defaults in May last year with an indebtedness of \$720,652.

PETROLEUM

There were 15,609,072 barrels of crude oil produced in the Eleventh District during May, as compared to 14,853,198 barrels produced in April. However, when the allowance is made for the extra day in May, the daily average production showed an increase of only 8,412 barrels over the daily average production during April. That successful drilling programs are being carried on on a large scale is evident from the fact that there were 776 wells completed during May including 527 producers which added a total flush production of 163,141 barrels of oil, as compared to 650 completions in April of which 437 were successful and yielded 137,427 barrels of initial production.

The Big Lake and Stephens County fields in the central-west Texas district showed the largest production gains during the month. All other fields except those in east-Central Texas showed small gains in production. In east-central Texas the new wells are not yielding a sufficient quantity of production to offset the declines in the old wells, and the district continues to show decreased production. The daily average production of crude oil in Louisiana showed an increase of 1,553 barrels as compared to April production.

Crude Oil Prices.

Posted prices on all grades of crude oil produced in this district remained firm during the period from May 15th to June 12th, 1925. A strengthening in the North Texas crude market was evidenced by the resumption of premium payments by independent refiners.

CRUDE OIL PRICES

	June 12, 1925	June 14, 1924
TEXAS	1925	1924
Corsicana light	\$2.00	\$2.00
Corsicana heavy	1.00	1.00
Texas Coastal	1.75	2.00
Mexia	2.00	2.00
Currie	2.00	2.25
North Texas (42 gravity and above).....	2.35	
LOUISIANA	June 12, 1925	June 14, 1924
Caddo (38 gravity and above).....	\$2.05	\$1.85
Bull Bayou (38 gravity and above).....	1.85	1.80
Homer (35 gravity and above).....	1.80	1.85
Haynesville (33 gravity and above).....	1.70	1.75
De Soto Crude.....	1.90	1.85

LUMBER

Production of lumber at the pine mills of the Eleventh District and orders received during May declined as compared to April activities, but shipments were maintained at practically the same rate as during the previous month. Orders for lumber received during May called for only 88 per cent of normal production as compared to orders for 98 per cent of normal production received in April. Production declined from practically normal during April to 8 per cent below normal during May. Total May shipments were only 2 per cent below actual production during the month, the same ratio as in April. Stocks held at the close of the month were 21 per cent below the normal stocks for that date as compared to 18 per cent below normal on April 30th.

The 51 reporting mills had orders on their books for 52,684,569 feet of lumber at the end of May as compared to orders for 54,157,838 feet held at the end of April by the same number of mills.

MAY PINE MILL STATISTICS

Number of reporting mills.....	51
Production	106,086,399 feet
Shipments	103,988,708 feet
Orders	101,473,879 feet
Unfilled orders, May 31st.....	52,684,569 feet
Normal production	115,619,924 feet
Stocks, May 31st.....	269,571,499 feet
Normal stocks	339,400,208 feet
Shipments below production.....	2,107,691 feet= 2%
Actual production below normal.....	9,523,525 feet= 8%
Orders below normal production.....	14,146,045 feet=12%
Stocks below normal.....	69,828,709 feet=21%

BUILDING

Although the valuation of new building enterprises launched in the Eleventh District during May, as measured by permits issued at twelve of the larger centers, declined from the high mark of April, the total was higher than for any of the other months of this year. There were 2,628

permits issued at the reporting centers during May valued at \$8,709,658, a decrease of 9.3 per cent from the 2,953 permits issued in April valued at \$9,600,242, but was 36.1 per cent in excess of the 2,702 permits issued during May last year valued at \$6,398,257.

BUILDING PERMITS

	May 1925		May 1924		Inc. or Dec.	April, 1925		Inc. or Dec.	First Five Months				Inc. or Dec.
	No.	Valuation	No.	Valuation		No.	Valuation		1925		1924		
									No.	Valuation	No.	Valuation	
Austin.....	32	78,425	32	45,140	+ 73.7	47	63,989	+ 22.6	238	397,119	235	572,623	— 30.6
Beaumont.....	187	119,517	216	167,674	— 28.7	185	168,040	+ 28.9	867	830,484	1,070	1,236,540	— 32.8
Dallas.....	437	3,804,113	365	2,726,780	+ 39.5	591	3,343,282	+ 13.8	2,544	14,256,858	2,168	12,836,792	+ 11.1
El Paso.....	61	246,427	68	192,377	+ 28.1	82	55,541	+343.7	354	705,802	373	888,946	+ 15.9
Fort Worth.....	208	510,913	211	784,454	— 34.9	245	888,710	— 42.5	1,081	3,647,688	1,036	3,266,095	+ 11.7
Galveston.....	263	154,229	303	157,051	— 1.8	272	132,047	+ 16.7	1,435	679,195	1,628	1,718,208	— 60.5
Houston.....	542	1,648,674	592	999,327	+ 65.0	598	2,152,273	— 23.4	2,819	9,246,745	2,996	7,567,495	+ 22.2
Port Arthur.....	126	45,784	156	96,515	— 52.6	159	156,748	— 70.8	731	498,596	900	749,276	— 33.5
San Antonio.....	298	796,055	326	525,451	+ 51.5	329	643,485	+ 23.7	1,632	3,786,347	1,783	3,656,925	+ 3.5
Shreveport.....	249	311,120	284	424,741	— 26.8	235	1,416,340	— 78.0	1,293	2,811,501	1,449	4,037,173	— 30.4
Waco.....	62	261,200	67	112,261	+132.7	65	138,165	+ 89.0	346	1,117,471	325	955,697	+ 16.9
Wichita Falls.....	163	733,201	82	166,486	+340.4	145	441,622	+ 66.0	650	2,676,333	357	1,035,716	+158.4
Total.....	2,628	8,709,658	2,702	6,398,257	+ 36.1	2,953	9,600,242	— 9.3	13,990	40,653,639	14,320	38,471,486	+ 3.7

CEMENT

There were 429,000 barrels of Portland cement shipped from the Texas mills during May as compared to 451,000 barrels shipped in April, and 440,000 barrels in May, 1924. Production of cement at the mills fell 3.2 per cent below April production, and 4.9 per cent below production during

the corresponding month last year. Stocks continued to decrease, and at the end of May were 12.5 per cent less than at the close of the previous month and 16.2 per cent below those held on May 31, 1924.

PRODUCTION, SHIPMENTS, AND STOCKS OF PORTLAND CEMENT. (Barre's)

	May 1925		May 1924		Per Cent Inc. or Dec.	April, 1925	Per Cent Inc. or Dec.	First five months		Per Cent Inc. or Dec.
								1925	1924	
Production of Texas Mills.....	392,000	412,000	— 4.9	405,000	— 3.2	1,862,000	1,839,000	+1.3		
Shipments from Texas Mills.....	429,000	440,000	— 2.5	451,000	— 4.9	1,956,000	1,809,000	+8.1		
Stocks at end of the month at Texas Mills.....	258,000	308,000	—16.2	295,000	—12.5					

SUMMARY OF NATIONAL BUSINESS CONDITIONS

(Compiled by the Federal Reserve Board, as of June 25, 1925.)

Production in basic industries and factory employment continued to decline in May, and there was a further recession in wholesale prices. Distribution of commodities was in greater volume than at this time last year, but was slightly less than in April.

PRODUCTION

The Federal Reserve Board's index of production in basic industries declined 6 per cent in May to a level 12 per cent below the high point in January. There were further considerable decreases in the output of the iron and steel and woolen industries, and declines also occurred in the mill consumption of cotton and in copper, sole leather, and news print production. The number of automobiles manufactured during May fell slightly below the record figures of April. Employment at industrial establishments was slightly less in May than in the month before with decreases, partly seasonal, in the clothing, boot and shoe, and iron and steel industries and increases in the industries producing automobiles, tobacco products, and certain building materials. Building contracts awarded during May were smaller in value and in square feet than those for April, but were larger than for any other month on record.

TRADE

Department store sales in May were smaller than in April, but somewhat larger than a year ago, and mail order sales were 5 per cent larger than in May, 1924. Department stores stocks declined in May, and were at the same level as a year ago. Wholesale trade was in about the same volume as the month before, and about 3 per cent larger than a year ago, increases over last year in sales of meats and dry goods offsetting decreases in sales of groceries,

shoes, hardware, and drugs. Wholesale stocks of groceries in dollar values were larger than a year ago, while stocks of dry goods and shoes were substantially smaller. Car loadings of miscellaneous products and merchandise decreased slightly during May, but were greater than a year ago.

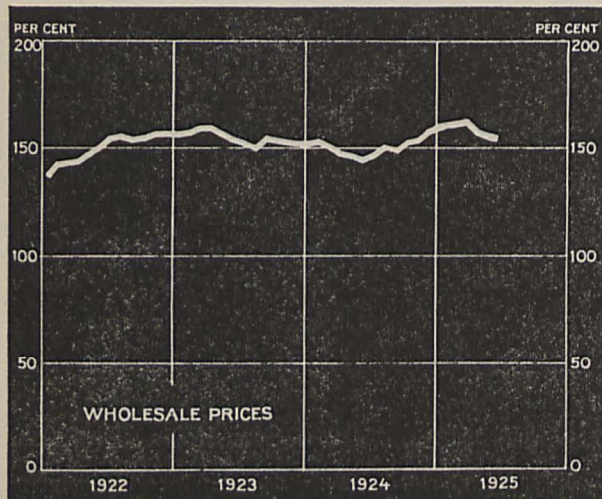
PRICES

Wholesale prices continued to decline in May, but the decreases were considerably smaller than for the preceding month. All groups of prices represented in the Bureau of Labor statistics index declined except the house furnishings and miscellaneous groups. In the first three weeks of June prices of wheat, corn, flour, cotton goods, and pig iron declined, while quotations on sheep, hogs, gasoline, hides, and rubber advanced.

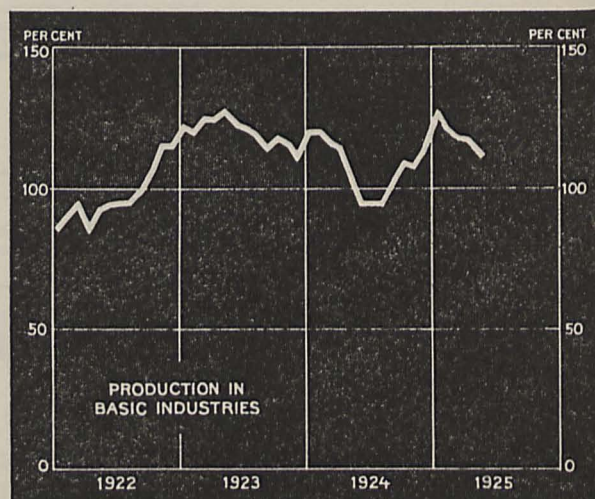
BANK CREDIT

Borrowing for commercial purposes at member banks in leading cities declined further between the middle of May and the middle of June to a level lower than at any time this year, while loans on securities increased and reached a new high level in June. Investment holdings of these banks also increased, and at the reserve banks there was an increase in member bank borrowing between May 20th and June 24th, and on that date discounts for member banks were in larger volume than at any time since the opening of the year. Further decreases in the holdings of acceptances and of United States securities brought the volume of open market holdings in June to the lowest level since last summer.

Conditions in the money market remained relatively steady during the latter part of May and the first three weeks of June, notwithstanding the heavy Treasury operations in the middle of June.



Index of U. S. Bureau of Labor Statistics (1913=100, base adopted by Bureau.) Latest figure—May, 155.



Index of 22 basic commodities corrected for seasonal variations (1919=100). Latest figure—May, 112.