

MONTHLY BUSINESS REVIEW

OF THE

FEDERAL RESERVE BANK OF DALLAS

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DISTRICT SUMMARY

THE SITUATION AT A GLANCE Eleventh Federal Reserve District

	April	March	Inc. or Dec.
Bank debits to individual accounts (at 16 cities).....	\$722,131,000	\$776,474,000	Dec. 7.0%
Department store sales.....			Dec. 6.7%
Reserve Bank loans to member banks at end of month.....	\$ 10,660,905	\$ 5,277,314	Inc. 102.0%
Reserve Bank ratio at end of month.....	60.5%	66.2%	Dec. 5.7 points
Building permit valuations at larger centers.....	\$ 6,788,238	\$ 16,134,114	Dec. 57.9%
Commercial failures (number).....	46	66	Dec. 30.3%
Commercial failures (liabilities).....	\$ 1,283,614	\$ 945,144	Inc. 35.8%
Oil production (barrels).....	23,122,500	22,407,400	Inc. 3.2%
Lumber orders at pine mills (per cent of normal production).....	95%	110%	Dec. 15 points

Adverse weather conditions which retarded farming operations and seriously affected growing crops constituted a development of major importance to business and industry in the Eleventh Federal Reserve District during April. The drouth which had become critical over a very large area of the western half of the district brought about a rapid deterioration of small grains and prevented the planting of row crops. On the other hand, excessive rains in the eastern portion of the district retarded the planting of cotton and made necessary the replanting of a portion of the corn crop with the result that these crops are from two to three weeks late. Furthermore, the cool weather prevented the proper germination of the seed and was conducive to the activity of insects which damaged growing crops. While the heavy general rains during the first half of May broke the drouth in most of the western part of the district and saved a large portion of the wheat crop which was thought beyond redemption, there were some localities which suffered from the excessive rainfall. Range conditions throughout the district reflected a substantial decline during April but the condition of livestock was well maintained. The condition of the ranges, however, was greatly improved by the rains during May.

The distribution of merchandise in both wholesale and retail channels likewise reflected the effects of unfavorable weather conditions. Department store sales in larger cities reflected a decline of 7 per cent as compared to the previous month and were 7 per cent less than in April, 1927. Wholesale distribution showed a large decline from the previous month and while sales in the majority of lines were

larger than a year ago, the margin of increase was considerably smaller than in the earlier months of the year. Debits to individual accounts were 7 per cent less than in the previous month but were 1 per cent larger than in April, 1927.

The deposits of member banks which amounted to \$883,333,000 on April 11, reflected a further seasonal decline of \$15,918,000 as compared to those a month earlier but were \$79,679,000 greater than those on April 27, 1927. Federal Reserve Bank loans to member banks increased from \$5,277,314 on March 31 to \$10,660,905 on April 30 but declined to \$7,327,347 on May 15. Loans on the latter date were \$2,890,319 greater than on the same date in 1927. The wide fluctuation in loans during the six week period was due principally to borrowing of banks in the larger cities. The number of commercial failures in this district during April reflected a large decline as compared to both the previous month and the same month a year ago. While the aggregate liability of defaulting firms was larger than in the previous month it was considerably smaller than a year ago.

Construction activity as measured by the valuation of permits issued in principal cities after reaching a new high mark during March, reflected a sharp decline during April, being 21 per cent less than in the previous month and 58 per cent less than in the corresponding month of the previous year. The production and shipments of cement and the production, shipments and new orders for lumber, however, were considerably larger than a year ago.

CROP CONDITIONS.

Weather conditions during April were very unfavorable to the growth of crops and the progress of farming operations. The excessive rains in the eastern portion of the district and the drouth in the western and southern portions,

together with the unseasonably cool weather over the entire district, have been a serious drawback to the planting of row crops and have been a detriment to the small grains. While the general rains which fell over the western portion

of the district and the warmer weather in the eastern portion during the first half of May partially corrected this situation, all crops are reported to be later than usual, and the adverse weather conditions have entailed a considerable loss to the farmers in the form of costly replanting or abandonment.

While the rains during the first half of May have been of material help to that part of the wheat crop remaining in North and Northwest Texas and have saved a portion of the crop which seemed beyond redemption, there has been a heavy abandonment due to the drouth and high winds, particularly in the South Plains section. The Department of Agriculture estimated that the condition of the Texas wheat crop declined 19 points during April and that the 55 per cent condition on May 1 indicated a probable yield of 13,232,000 bushels on the 1,950,000 acres remaining for harvest. While the winter wheat crop in New Mexico has shown some recovery since early May because of rains, a considerable portion of the crop was lost by previous dryness. The Texas oat crop also showed a decline, the condition figures on May 1 being estimated at 64 per cent of normal as against 72 per cent on April 1 and 85 per cent on May 1, 1927. The progress of this crop has been retarded by too much rain and cool weather in the North and Northeast and insufficient rainfall in the South and Southwest. The recent rains, however, have had a beneficial effect on much of the drier territory. A considerable portion of the crop is heading rather low. The condition of the Louisiana oat crop was reported as 62 per cent of normal on May 1 as against 60 per cent a year ago.

The Texas corn crop has been held back by unseasonable weather and much replanting was necessary as a result of low temperatures, moisture conditions and insect damage. The progress of the hay crop has likewise been slow and the planting of sorghums has been retarded. In New Mexico the planting of corn, cane and kaffirs is well under way with portions of the crops up to a good stand.

In most sections of the district cotton is from two to four weeks late, as the planting and progress of the crop has been retarded by cool weather and drying winds. In practically every portion of the district a large amount of replanting has been necessary and the supply of improved seed has become scarce. In most of West and Northwest Texas only a small portion of the crop has been planted, due to the dry weather. The condition of the crop is very irregular. In some localities there is a good stand but it is very uncertain in other sections. Reports indicate that weevils are plentiful in the southern counties of Texas.

Weather conditions generally have been favorable to truck crops. There has been a heavy movement of Bermuda onions from the Rio Grande Valley section and prospects point toward a total shipment for the season of approximately 6,000 cars as compared to 4,028 cars last year. The movement of new potatoes has likewise been heavy. While the low temperatures have held back the East Texas tomato crop, the early South Texas pinks have started moving. Strawberries, blackberries and dewberries are reported to be plentiful.

The May 1 conditions of the Texas peach crop was reported at 54 per cent of a full crop and there has been severe shedding of small fruit. While the January freeze reduced the fig prospects for this year, some orchards will have a good crop and the market outlook is reported to be the best in several seasons.

LIVESTOCK.

Range and livestock conditions in most sections of the Eleventh District showed a decline during April. While conditions had become critical in most of West and Southwest Texas and Southeastern New Mexico, the heavy rains during the first half of May, with few exceptions, brought needed relief from the drouth, gave range vegetation a good start and filled the water tanks. Over most of the range territory, the spring was cold, windy and dry with the result that the grass and weeds have made slow growth and some losses of livestock have been reported. Restocking of the ranges has been retarded on account of the unfavorable range conditions and in recent weeks the trading has been slow. The spring movements of cattle to northern grass is active. Prospects point toward fair to good calf, lamb, and kid crops.

Cattle ranges in Texas on May 1 averaged 78 per cent of normal as compared to 82 per cent a month earlier and 92 per cent a year ago. Sheep and goat ranges were reported as 76 per cent of normal on May 1 as against 85 per cent on April 1 and 93 per cent on May 1, 1927. The condition of cattle and goats declined 1 point during April and the condition of sheep declined 2 points. It will be noted, therefore, that the condition of livestock held up remarkably well in view of the poor range conditions.

Movements and Receipts of cattle and calves at the Fort Worth Prices

Worth market during April were considerably larger than in the previous month but the receipts of cattle were considerably smaller than a year ago. While the arrivals of hogs were in practically the same volume as in April, 1927, they were considerably less than in March this year. The receipts of sheep showed a heavy gain over the previous month but were slightly less than a year ago.

The trend of prices on most classes of cattle was toward lower levels. Hog prices, after showing a steady decline for several months turned upward during April and during the closing week of the month the best shipments were clearing at \$10.10, the highest price recorded since October, 1927. Despite the heavy receipts there was usually a broad demand for sheep and lambs and sheep prices worked to a higher level. Lamb prices, after reaching a top of \$17.00 early in the month reflected a steady decline during the remainder of the month.

FORT WORTH LIVESTOCK RECEIPTS

	April 1928	April 1927	Loss or Gain	March 1928	Loss or Gain
Cattle	69,591	78,925	L 9,334	43,382	G 26,209
Calves	15,696	13,386	G 2,310	8,690	G 7,006
Hogs	44,227	43,418	G 809	58,607	L 14,380
Sheep	66,545	68,432	L 1,887	31,304	G 35,241

COMPARATIVE TOP LIVESTOCK PRICES

	April 1928	April 1927	March 1928
Beef steers	\$13.25	\$9.50	\$13.25
Stocker steers	14.00	9.15	12.85
Butcher cows	9.35	7.25	9.40
Stocker cows	8.00	6.15	8.10
Calves	12.50	10.25	13.00
Hogs	10.10	11.70	8.35
Sheep	11.00	9.50	9.50
Lambs	17.00	16.50	16.50

Cotton

Movements

The April receipts and exports of cotton through the ports of Houston and Galveston reflected a further seasonal decline as compared to the previous month and were substantially

less than in the corresponding month last year. Exports from all United States ports showed a heavy decline from April, 1927. The domestic consumption of cotton during

April was 9.7 per cent less than in March and 15.1 per cent less than in April a year ago.

COTTON MOVEMENTS THROUGH THE PORT OF HOUSTON

	April 1928	April 1927	August 1 to April 30 This Season	August 1 to April 30 Last Season
Receipts	49,710	101,260	2,443,646	3,477,799
Exports	184,914	163,062	1,715,632	2,312,089
Stocks April 30.....			508,079	604,242

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

	August 1 to April 30 This Season	August 1 to April 30 Last Season
Receipts	7,796,637	12,030,366
Exports: Great Britain	1,227,891	2,342,411
France	797,341	917,435
Continent	3,337,160	4,583,852
Japan-China	859,993	1,599,912
Mexico	62,395	15,797
Total foreign ports.....	6,288,708	9,459,407
Stocks at all United States ports April 30	1,500,560	2,034,286

GALVESTON STOCK STATEMENT

	April 30, 1928	April 30, 1927
For Great Britain.....	10,500	13,700
For France	6,800	8,900
For other foreign ports.....	34,300	56,900
For coastwise ports.....	3,000	2,500
In compresses and depots.....	256,526	332,685
Total.....	311,126	414,685

COTTON CONSUMED AND ON HAND

	COTTON GROWING STATES				UNITED STATES			
	April 1928	April 1927	August 1 to April 30 This Season	August 1 to April 30 Last Season	April 1928	April 1927	August 1 to April 30 This Season	August 1 to April 30 Last Season
Cotton consumed	396,566	447,127	3,947,508	3,846,671	525,158	618,279	5,895,671	5,330,030
Cotton on hand April 30:								
(a) In consuming establishments.....			1,018,738	1,271,035			1,507,992	1,891,137
(b) In public storage and compresses.....			2,668,637	3,298,083			2,921,306	3,669,737

SPOT COTTON PRICES
(Middling Basis)

	April, 1928		May 15, 1928
	High	Low	
New York	22.15	19.80	21.75
New Orleans	21.48	19.35	20.78
Dallas	20.90	18.70	20.45
Houston	21.35	19.25	20.90
Galveston	21.45	19.40	21.05

COTTONSEED PRODUCTS.

The volume of cottonseed received and crushed at both Texas and all United States mills during April reflected a further seasonal decline as compared to the previous month and was considerably smaller than a year ago. Cottonseed on hand at the close of April was in smaller volume than on that date in any year since 1923. The April production of crude oil in Texas, which amounted to 18,438,626 pounds, was substantially less than in either the previous

month or the same month last year. The production of cake and meal, hulls, and linters was likewise smaller.

Stocks on hand at all United States mills of all products on April 30 showed a heavy decline as compared to those a month earlier and were materially less than on April 30, 1927. Stocks of crude oil amounted to 64,389,581 pounds on April 30 as against 99,624,118 pounds on March 31, and 82,370,231 pounds on April 30, 1927. Stocks of cake and meal which amounted to 84,870 tons on April 30 were less than on that date for any year since 1919.

TEXTILE MILLING.

There were 2,541 bales of raw cotton consumed by reporting textile mills in the Eleventh District in April as compared to 2,623 bales in March and 3,679 bales consumed in the corresponding month of last year. Production of cloth was 4.2 per cent below that in the previous month and 28.9 per cent less than in April, 1927. Orders on hand at the close of the month showed an increase over those a month earlier and a year ago. Stocks held on April 30 were somewhat larger than on March 31 and were considerably greater than on April 30, 1927. Mills generally reported an upward movement of prices.

TEXTILE MILLING STATISTICS

	April 1928	April 1927	March 1928
Number of bales consumed.....	2,541	3,679	2,623
Number of spindles active.....	82,084	87,584	82,084
Number pounds cloth produced.....	1,184,594	1,666,046	1,236,854

WHOLESALE TRADE.

The distribution of merchandise in wholesale channels during April reflected a large decline from the previous month, which was due in part to seasonal influences, and in two lines it was smaller than a year ago. While the unfavorable weather conditions during April, which was a

STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS

	Texas		United States	
	August 1 to April 30 This Season	August 1 to April 30 Last Season	August 1 to April 30 This Season	August 1 to April 30 Last Season
Cottonseed received at mills (tons)	1,507,755	1,878,044	4,539,979	6,213,236
Cottonseed crushed (tons)	1,513,277	1,764,856	4,516,244	5,917,627
Cottonseed on hand (tons)	28,409	118,560	113,019	311,931
Crude oil produced (pounds)	453,836,012	493,885,000	1,427,368,487	1,767,055,006
Cake and meal produced (tons)	704,035	814,000	2,029,525	2,658,935
Hulls produced (tons)	431,125	525,000	1,280,220	1,733,106
Linters produced (running bales).....	291,170	287,000	847,426	973,353
Stocks on hand April 30:				
Crude oil (pounds)	19,660,428	20,983,000	64,389,581	82,370,231
Cake and meal (tons)	25,142	38,000	84,870	180,741
Hulls (tons)	34,498	69,000	86,017	239,759
Linters (running bales)	34,862	45,000	111,033	162,789

big drawback to the progress of crops, retarded business in some lines of trade, buying generally was well sustained. Since the heavy rains during the first half of May agricultural prospects are greatly improved and dealers report that the outlook for business for the immediate future is promising. Most lines of business reported fair to good collections during April. Prices in most lines remained generally steady.

The distribution of dry goods at wholesale during April reflected a further decline of 21.1 per cent as compared to the previous month and was 15.5 per cent less than in the same month last year. While the decline from the previous month was due in part to seasonal influences and to the earlier date of Easter this year, reports indicate that consumer demand has shown a marked contraction as a result of the poor outlook for agriculture. Retailers generally are following the policy of keeping commitments closely aligned to consumer demand and a falling off in consumer buying is immediately reflected in wholesale channels. Collections showed a substantial increase over the previous month. Dealers generally are optimistic over the outlook for the future.

The demand for hardware at wholesale was well sustained during April. Sales of reporting firms were practically the same as in the previous month and were 10.2 per cent greater than in the same month last year. Sales during the first four months of 1928 were 17.0 per cent larger than during the same period of 1927. Reports indicate that since the recent rains the outlook for future business is greatly improved.

While the sales of reporting wholesale grocery firms reflected a seasonal decline of 5.6 per cent as compared to the previous month, they were 8.1 greater than in April, 1927. Business was fairly well sustained in all sections of the district. Prices remained generally steady and collections showed some improvement over the previous month. Reports from most sections indicate that conditions are much improved and that the outlook for the immediate future is good.

The sales of reporting farm implement firms reflected a seasonal decline of 34.1 per cent as compared to the previous month but they showed an increase of 48.0 per cent as compared to April, 1927. Buying during the past month was retarded to some extent by the continued drouth in West and Southwest Texas and the poor progress of crops elsewhere. Since the recent rains, however, reports indicate that there is a better demand for implements. While the outlook is generally fair, the volume of purchases will depend largely on the progress of crops. Prices remained generally steady. Collections showed a large increase over the previous month.

While the April sales of wholesale drug firms were 15.6 per cent less than in the previous month, they were practically the same as in the corresponding month of the previous year. Sales for the first four months of 1928 were 8.9 per cent greater than in the same period of 1927. While the falling off in business was heavier than usual in April, reports are to the effect that prospects are bright for the immediate future.

CONDITION OF WHOLESALE TRADE DURING APRIL, 1928

Percentage of Increase or Decrease In

	—Net Sales— April, 1928 Compared with		Net Sales Jan. 1 to Date Compared with Same Period Last Year	—Stocks— April, 1928 Compared with		Ratio of Collec- tions during April to Accounts and Notes outstanding on March 31
	April 1927	March 1928		April 1927	March 1928	
Groceries.....	+ 8.1	— 5.6	+ 8.3	+ 8.3	+ .4	62.9
Dry Goods.....	—15.5	—21.1	+ 8.1	+12.3	—2.2	27.3
Farm Implements.....	+48.0	—34.1	+70.7	—19.4	3.8	21.3
Hardware.....	+10.2	.2	+17.0	+ 8.4	.9	38.8
Drugs.....	— .3	—15.6	+ 8.9	+ .7	None	44.3

RETAIL TRADE.

Following the heavy sales during March, retail trade in the larger cities reflected a decline in April. Sales of reporting firms were 6.7 per cent less than in the previous month, and were 7.0 per cent less than in April, 1928. Sales during the first four months of the year were practi-

cally the same as a year ago. While the decline from the previous month was due in part to seasonal influences, the cool weather retarded the distribution of spring merchandise.

Stocks on April 30 were slightly larger than at the close

BUSINESS OF DEPARTMENT STORES

	Dallas	Fort Worth	Houston	San Antonio	All Others	Total District
Total Sales:						
April, 1928, compared with April, 1927.....	+ 1.7	— 6.6	—14.3	—13.3	— 7.0	— 7.0
April, 1928, compared with March, 1928.....	— 4.1	— 5.4	— 8.7	—12.0	— 5.6	— 6.7
January 1 to date compared with same period last year.....	+ 1.5	+ 1.5	— 2.2	— 3.5	+ 3.3	+ .2
Credit Sales:						
April, 1928, compared with April, 1927.....	+ 8.3	+ 3.5	—15.2	—11.5	— 4.5	— 2.1
April, 1928, compared with March, 1928.....	— 2.0	— 7.5	—13.2	—13.6	— 6.7	— 7.3
January 1 to date compared with same period last year.....	+ 6.6	+ 9.2	None	— .2	+ 6.7	+ 4.7
Stocks:						
April, 1928, compared with April, 1927.....	—13.7	+ 1.2	— .2	—11.6	+ 2.0	— 5.6
April, 1928, compared with March, 1928.....	+ .9	+ 1.6	— 1.9	+ 1.9	+ .2	+ .5
Rate of stock turnover in April, 1927.....	.21	.22	.26	.24	.23	.23
Rate of stock turnover in April, 1928.....	.25	.20	.22	.24	.21	.22
Rate of stock turnover January 1 to April 30, 1927.....	.88	.80	.99	.94	.82	.88
Rate of stock turnover January 1 to April 30, 1928.....	.96	.82	1.01	1.03	.86	.94
Ratio of April collections to accounts receivable and outstanding						
April 1, 1928.....	33.7	34.6	39.9	39.8	38.2	36.3

of March, but were 5.6 per cent less than at the close of April last year. The rate of stock turnover during the first four months of 1928 was .94 as against .88 during the corresponding period of 1927.

The ratio of April collections to accounts outstanding on April 1 was 36.3 per cent which was the same as in the previous month and compares to 35.2 per cent in April, 1927.

FINANCIAL.

A decline of 7.0 per cent was shown in debits to individual accounts at principal cities in the Eleventh District in April as compared to March; however, they were 1.0 per cent larger than in the corresponding month of last year. April charges aggregated \$722,131,000, as compared to \$776,474,000 in the previous month, and \$714,944,000 in April, 1927.

DEBITS TO INDIVIDUAL ACCOUNTS (In Thousands of Dollars)

	April 1928	April 1927	Inc. or Dec.	March 1928	Inc. or Dec.
Abilene	\$ 9,789	\$ 10,637	- 8.0	\$ 11,338	-13.7
Austin	22,529	20,064	+12.3	21,626	+ 4.7
Beaumont	23,923	25,207	- 5.1	25,698	- 6.9
Corsicana	5,290	5,629	- 6.0	6,950	-23.9
Dallas	209,428	203,981	+ 2.7	230,032	- 9.0
El Paso	34,085	30,338	+12.4	35,645	- 4.4
Fort Worth	97,049	90,839	+ 6.8	100,046	- 3.0
Galveston	32,456	40,991	-20.8	36,428	-10.9
Houston	170,936	164,490	+ 3.9	182,667	- 6.4
Port Arthur	9,136	10,372	-11.9	9,067	+ .8
*San Antonio	82,431			83,313	- 1.1
Roswell	3,485	3,142	+10.9	3,620	- 3.7
Shreveport	38,717	40,801	- 5.1	42,700	- 9.3
†Texarkana	14,282	14,436	- 1.1	16,186	-11.8
Tucson	9,694	9,239	+ 4.9	10,141	- 4.4
Waco	15,413	15,542	- .8	16,490	- 6.5
Wichita Falls	25,919	29,236	-11.3	27,940	- 7.2
Total, 11th District	\$722,131	\$714,944	+ 1.0	\$776,474	- 7.0

*San Antonio figures not included in totals.

†Includes the figures of two banks in Texarkana, Arkansas, which is located in the Eighth District.

Acceptance Market

The volume of acceptances executed by accepting banks in this district and outstanding at the close of the month reached a lower level on April 30 than at the close of any month since July last year. Total acceptances executed and outstanding aggregated \$4,154,368 on April 30, as compared to \$6,541,839 a month earlier, and \$3,501,811 on the corresponding date of 1927. Acceptances executed against import and export transactions declined from \$1,765,019 on March 30th to \$1,335,774 on April 30, and those based on the domestic shipment and storage of goods from \$4,776,820 to \$2,818,594.

Condition of Member Banks in Selected Cities

Total loans and investments of member banks in selected cities of the Eleventh District declined slightly in April; however, they were substantially larger than a year ago. Amounting to \$445,072,000 on May 2, total loans and investments of these banks were only \$1,691,000 less than four weeks earlier but \$37,942,000 above those on May 4, 1927. Investments in United States securities amounted to \$77,132,000 which was only \$389,000 below the high level reached on April 4. On the other hand, investments of these banks in other stocks and bonds increased \$1,833,000. Loans on government securities showed a small gain of \$11,000 and corporate loans rose \$2,017,000. After increasing in March, commercial loans declined \$5,213,000 in April and amounted to \$246,106,000 on May 2, as against \$236,990,000 on the corresponding date of last year. Net demand deposits reflected a further decline of \$3,282,000 during the four-week period; however, time deposits increased \$2,763,000. While the reserves of these banks with the Federal Reserve Bank were reduced \$2,015,000, their bills payable and rediscounts with this bank rose \$4,202,000. The ratio of loans to net demand deposits amounted to 84 per cent as against 85 per cent on April 4, and 85 per cent on May 4, 1927.

CONDITION STATISTICS OF MEMBER BANKS IN SELECTED CITIES

	May 2, 1928	April 4, 1928	May 4, 1927
1. Number of reporting banks	45	45	45
2. U. S. securities owned	\$ 77,132,000	\$ 77,521,000	\$ 59,047,000
3. All other stocks, bonds and securities owned	32,167,000	30,284,000	27,324,000
4. Loans secured by U. S. Government obligations	3,496,000	3,485,000	2,738,000
5. Loans secured by stocks and bonds other than U. S. Government obligations	86,171,000	84,154,000	81,031,000
6. All other loans	246,106,000	251,319,000	236,990,000
7. Net demand deposits	297,419,000	300,701,000	280,505,000
8. Time deposits	120,942,000	118,179,000	107,132,000
9. Reserve with Federal Reserve Bank	32,837,000	34,852,000	29,923,000
10. Bills payable and rediscounts with Federal Reserve Bank	6,932,000	2,730,000	2,025,000
11. Ratio of loans* to net demand deposits	84%	85%	85%

*Loans include only items 4 and 6.

APRIL DISCOUNT RATES

	Dallas	El Paso	Fort Worth	Houston	San Antonio	Waco
Rate charged customers on prime commercial paper such as is now eligible for rediscount under the Federal Reserve Act	4½-6	8	5-8	5-6	4¼-6	5½-7
Rate charged on loans to other banks secured by bills receivable	5-6	6	5-6	5	5-6	5½-6
Rate on loans secured by prime stock exchange or other current collateral (not including loans placed in other markets through correspondent banks):						
(a) Demand	5-7	6-8	5-8	5-6	5-7	6-7
(b) Time	5-7	6-8	5-8	5-6	5-8	6-7
Rate charged on commodity paper secured by warehouse receipts, etc.	5-6	7-8	6-8	5-7	6-8	6-8
Rate on cattle loans	6	6-8	6-8	7-8	4-8	8

Savings Deposits

Savings deposits of 91 banks in the Eleventh District operating a savings department showed an increase of 1.2 per cent on April 30, as compared to the previous month and were

10.9 per cent greater than a year ago. There were 276,434 accounts carried at 85 of these banks at the close of the month as against 275,759 a month earlier and 260,983 carried on April 30, 1927.

SAVINGS DEPOSITS

	April 30, 1928			April 30, 1927			March 31, 1928		
	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*	6,295	\$ 2,424,202	5,743	\$ 2,380,410	+ 1.8	6,247	\$ 2,401,418	+ .9
Dallas	6	55,242	23,171,017	51,753	19,317,638	+19.9	54,862	22,699,425	+ 2.1
El Paso	3	15,709	5,825,898	14,832	4,800,571	+21.4	15,523	5,652,730	+ 3.1
Fort Worth	3	22,161	7,704,700	20,605	6,507,684	+18.4	22,282	7,482,651	+ 3.0
Galveston	3	13,518	9,830,898	13,269	9,864,787	— .3	13,558	9,788,782	+ .4
Houston	12*	67,006	31,618,482	60,418	28,292,779	+11.8	66,909	31,257,833	+ 1.2
San Antonio	6*	23,976	14,195,870	23,425	12,808,652	+10.8	23,909	14,850,180	+ 1.1
Shreveport	4*	22,371	11,154,150	23,510	10,508,932	+ 6.1	22,328	10,823,158	+ 3.1
Waco	4	8,713	6,449,107	8,355	5,448,277	+18.4	8,670	6,433,569	+ .2
Wichita Falls	2	4,133	2,032,395	3,939	2,773,431	-26.7	4,179	2,103,178	+ 3.4
All others	44*	37,310	19,792,964	35,134	18,283,312	+ 8.3	37,290	19,622,372	+ .9
Total	91	276,434	\$134,199,683	260,983	\$120,986,473	+10.9	275,759	\$132,615,296	+ 1.2

*Only 3 banks in Beaumont, 11 banks in Houston, 5 banks in San Antonio, 3 banks in Shreveport, and 42 banks in "all others" reported the number of savings depositors.

Deposits of Member Banks Combined deposits of member banks in the Eleventh District which amounted to \$888,333,000 on April 11th were \$15,918,000 less than on March 7th but showed an increase of \$79,679,000 over those on April 27th of last year. Net demand deposits declined \$21,277,000 during the five-week period, but time deposits increased \$5,359,000.

DEPOSITS OF MEMBER BANKS

	Total Demand		Total Time		Banks in cities with a population of less than 15,000		Banks in cities with a population of over 15,000	
					Demand	Time	Demand	Time
April 27, 1927.....	632,818	175,836	272,254	46,624	360,564	129,212		
May 25, 1927.....	613,136	178,895	265,858	47,618	347,278	131,277		
June 22, 1927.....	606,696	180,545	263,813	48,119	342,883	134,786		
July 27, 1927.....	603,312	178,368	261,809	47,666	341,503	136,933		
Aug. 24, 1927.....	611,818	182,793	266,790	48,343	345,028	132,426		
Sept. 28, 1927.....	667,854	183,131	303,977	49,023	363,877	130,702		
Oct. 26, 1927.....	698,939	185,366	322,579	49,887	376,360	134,450		
Nov. 9, 1927.....	721,728	185,415	333,579	48,482	388,149	134,108		
Dec. 7, 1927.....	729,213	186,104	334,427	48,631	337,473	135,479		
Jan. 11, 1928.....	720,401	189,298	329,418	49,942	390,983	139,356		
Feb. 8, 1928.....	736,338	195,834	336,958	52,836	399,385	143,998		
March 7, 1928.....	710,432	193,819	317,918	53,698	392,514	140,121		
April 11, 1928.....	689,155	199,178	302,586	53,334	386,569	145,844		

Operations of the Federal Reserve Bank A further large increase was shown in loans to member banks in the Eleventh Federal Reserve District in April. Loans to member banks amounted to \$10,660,905 at the close of the month which was \$5,383,591 greater than on March 31 and \$6,580,395 above those on the corresponding date of last year. Following a slight decline during the first week of April borrowings of reserve city banks turned upward and at the end of the month were more than double those on March 31. Accommodations to country banks increased moderately throughout the month. On May 15, member bank borrowings had declined to \$7,327,347 due entirely to the contraction of loans to reserve city banks. There were 103 borrowing banks on April 30, as compared to 87 on March 31, and 137 on April 30, 1927.

Due to the increase in both loans to member banks and open market purchases total bills held rose from \$18,485,578.53 on March 31 to \$27,678,701.28 on April 30, distributed as follows:

Member banks' collateral notes secured by United States Government obligations	\$ 4,316,700.00
Rediscounts and all other loans to member banks	6,344,205.22
Open market purchases (Bankers' Acceptances)	17,017,796.06

Total bills held.....\$27,678,701.28

Federal reserve notes in actual circulation showed a further seasonal decline during April and at the close of the

month stood at \$32,980,480 which was \$2,060,985 less than on March 31, and \$4,211,815 below the net circulation on April 30, 1927. The daily average reserve deposits of member banks declined seasonably, from \$67,116,922 in the previous month to \$65,365,855 in April.

FAILURES.

The past month witnessed a sharp reduction in the business mortality rate in the Eleventh Federal Reserve District. Commercial failures, which numbered 46 in April, were fewer than in any month since last October and compares with 66 defaults in March and 75 insolvencies in April, 1927. The aggregate liability of defaulting firms on the other hand, showed an increase amounting to \$1,283,614 in April as compared to \$945,144 in the previous month and \$1,685,229 in the corresponding month a year ago.

PETROLEUM.

Despite efforts to curtail production through the proration plan, which became effective in certain parts during the current month, production of crude oil in the Eleventh District showed a further increase and reached another new high level in April. Total production amounted to 23,122,500 barrels of oil as compared to 22,407,400 barrels in March and 19,871,810 barrels in the corresponding month of last year. Field activities declined somewhat reflecting in part the effects of production restrictions. There were 566 completions during the month of which 276 were producers of oil and 59 were gas wells as compared to 665 completions in March yielding 337 producers of oil and 76 gas wells. Initial production amounted to 264,598 barrels as against 365,189 barrels in the previous month.

The daily average output of crude oil in Texas amounted to 720,527 barrels representing an increase of 42,094 barrels over the previous month and 109,694 barrels over April last year. Production restrictions through the proration of daily output and on a basis of producing acreage and potential production were put into effect in certain sections of Central-West Texas during the month. However, due to increased output in other of its fields Central-West Texas showed a further gain of 878,800 barrels in total yield. Field activities in East Central and Southwest Texas were maintained at practically the same rate as in the previous month. While the total production of oil in North Texas declined, the daily average yield showed an increase of 2,946 barrels due to the shorter month. The daily average output of North Louisiana was 2,503 barrels greater than in March.

OIL PRODUCTION

	April		March		Increase or Decrease	
	Total	Daily Average	Total	Daily Average	Total	Daily Average
North Texas.....	4,293,450	143,115	4,345,250	140,169	Dec. 51,800	Inc. 2,946
Central-West Texas.....	12,926,150	430,871	12,047,350	388,624	Inc. 878,800	Inc. 42,247
East-Central Texas.....	706,750	23,558	722,000	23,290	Dec. 15,250	Inc. 268
Texas Coastal.....	3,080,450	99,348	3,179,900	102,577	Dec. 99,450	Dec. 3,229
Southwest Texas.....	709,050	23,635	736,950	23,773	Dec. 27,900	Dec. 138
Total, Texas.....	21,715,850	720,527	21,031,450	678,433	Inc. 684,400	Inc. 42,094
North Louisiana.....	1,406,650	46,888	1,375,950	44,385	Inc. 30,700	Inc. 2,503
Total, District.....	23,122,500	767,415	22,407,400	722,818	Inc. 715,100	Inc. 44,597

APRIL DRILLING RESULTS

Field—	Comple- tions	Pro- ducers	Gas Wells	Fail- ures	Initial Production
North Texas.....	143	87	8	48	14,658
Central West Texas.....	263	136	13	114	224,656
East Texas.....	7	1	6	—	5
Texas Coastal.....	49	37	1	11	19,564
Southwest Texas.....	12	7	2	3	655
Texas Wildcats.....	43	4	1	38	1,255
Total, Texas.....	517	272	31	214	260,793
North Louisiana.....	49	4	28	17	3,805
April Totals, District.....	566	276	59	231	264,598
March Totals, District.....	665	337	76	252	365,189

CRUDE OIL PRICES

	May 16, 1928	May 18, 1927
Texas Coastal (Grade "A").....	\$1.20	\$1.20
North and Central Texas and North Louisiana (52 gravity and above).....	1.76	1.60

(Oil statistics compiled by the Oil Weekly, Houston, Texas)

LUMBER.

While activities at pine mills in the Eleventh District were less in April than in March they were greater than in the corresponding month of last year. Production of lumber amounted to 95 per cent of normal, as compared to 3 per cent above normal in the previous month and 84 per cent of normal in April, 1927. Shipments amounted to 6 per cent below normal production which was 10 points below those in March but 11 points above shipments in the same month last year. Orders declined from 10 per

cent above normal production in March to 5 per cent below in April; however, they were 13 points greater than a year ago. As in March stocks on hand at the close of the month declined 1 point in April and amounted to 9 per cent above normal on April 30. Unfilled orders for lumber totaled 64,647,668 feet at 45 mills on April 30, as against 70,312,706 feet recorded at 49 mills a month earlier.

APRIL PINE MILL STATISTICS

Number of reporting mills.....	45
Production.....	88,278,996 feet
Shipments.....	87,766,010 feet
Orders.....	88,670,019 feet
Unfilled orders April 30.....	64,647,668 feet
Normal production.....	92,891,718 feet
Stocks April 30.....	253,982,141 feet
Normal stocks.....	233,836,322 feet
Shipments below normal.....	5,125,708 feet—6%
Actual production below normal.....	4,612,722 feet—5%
Orders below normal production.....	4,221,699 feet—5%
Stocks above normal.....	20,145,819 feet—9%

Lumber statistics compiled by the Southern Pine Association

BUILDING.

After reaching the highest point on record in March, the valuation of permits issued at principal cities in the Eleventh District declined in April to the lowest level of any previous month since November, 1926. Permits issued at these centers were valued at \$6,788,238, as compared to \$16,134,114 in March, and \$8,537,537 in the corresponding month of last year. While the decline this month materially lowered the increase over the previous year, the valuation of permits issued during the current year was 10.2 per cent greater at the close of April than during the first four months of 1927.

BUILDING PERMITS

	April, 1928		April, 1927		Inc.	March, 1928		Inc.	Four Months				Inc.
	No.	Valuation	No.	Valuation	or Dec.	No.	Valuation	or Dec.	1928		1927		
									No.	Valuation	No.	Valuation	
Amarillo.....	76	\$ 247,632	174	\$ 667,290	— 62.9	85	\$ 255,190	— 3.0	326	\$ 1,154,992	989	\$ 4,433,634	— 73.9
Austin.....	67	327,111	37	31,742	+930.5	83	324,399	+ .8	276	1,396,813	117	186,572	+648.7
Beaumont.....	218	306,735	205	761,598	— 59.7	202	221,422	+38.5	729	989,072	731	2,406,871	— 58.9
Corpus Christi.....	75	170,895	57	351,655	— 51.4	79	739,771	— 76.9	285	2,671,121	209	614,730	+334.5
Dallas.....	372	798,573	300	576,703	+ 38.5	445	858,466	— 7.0	1,403	2,749,862	1,346	2,602,243	+ 5.7
El Paso.....	106	112,294	52	100,578	+ 11.6	69	203,900	— 44.9	295	532,574	234	250,675	+112.5
Fort Worth.....	280	469,867	349	1,386,431	— 66.1	750	4,487,700	— 89.5	1,744	7,260,229	1,299	4,844,460	+ 49.9
Galveston.....	185	120,221	207	681,963	— 82.4	213	312,528	— 61.5	761	778,363	931	1,627,007	— 52.2
Houston.....	523	2,301,189	580	2,005,829	+ 14.7	575	6,593,317	— 65.1	2,246	13,366,880	2,208	10,827,989	+ 23.4
Port Arthur.....	121	101,702	124	117,611	— 13.5	136	132,372	— 23.2	469	408,116	479	473,063	— 13.7
San Antonio.....	357	1,304,166	355	906,635	+ 43.8	342	1,045,438	+24.7	1,427	4,709,404	1,256	4,051,236	+ 16.2
Shreveport.....	240	316,563	175	497,774	— 36.4	275	348,073	— 9.1	898	1,505,650	772	1,287,206	+ 17.0
Waco.....	36	77,240	45	155,335	— 50.3	45	435,290	— 82.3	146	1,188,612	146	480,599	+147.3
Wichita Falls.....	50	134,050	96	296,393	— 54.8	66	176,248	— 23.9	240	673,885	371	1,641,167	— 58.9
Total.....	2,706	\$6,788,238	2,756	\$8,537,537	— 20.5	3,365	\$16,134,114	— 57.9	11,245	\$39,385,573	11,088	\$35,727,452	+ 10.2

CEMENT.

Although shipments of Portland cement from Texas mills reflected a decline in April as compared to March, the volume was comparatively high and substantially larger than in the corresponding month last year. There were 538,000 barrels shipped as against 563,000 in March and

491,000 barrels in April, 1927. Production of cement showed a further gain amounting to 557,000 barrels during the month which was 0.9 per cent greater than in March and 18.8 per cent above the output in the same month a year ago. After being reduced in March stocks on hand

at the close of the month increased and on April 30th were 4.2 per cent larger than a month earlier and 10.1 per cent in excess of those on April 30, 1927. As compared to

the previous year, production and shipments of cement during the four months of the current year were 18.6 per cent and 15.7 per cent greater, respectively.

PRODUCTION, SHIPMENTS AND STOCKS OF PORTLAND CEMENT (Barrels)

	April 1928	April 1927	Inc. or Dec.	March 1928	Inc. or Dec.	Four Months— 1928 1927		Inc. or Dec.
Production at Texas mills.....	557,000	469,000	+18.8	552,000	+ .9	2,032,000	1,713,000	+18.6
Shipments from Texas mills.....	538,000	491,000	+ 9.6	563,000	-4.4	1,971,000	1,703,000	+15.7
Stocks at end of month at Texas mills.....	468,000	425,000	+10.1	449,000	+4.2			

SUMMARY OF NATIONAL BUSINESS CONDITIONS

(Compiled by the Federal Reserve Board as of May 25, 1928)

Volume of industrial production continued large during April, reflecting chiefly increased output in metal industries, while activity in industries producing foods and clothing decreased. Wholesale and retail trade also declined. The general level of wholesale commodity prices increased in April reflecting advances in farm products. There were large exports of gold in April and May, member bank loans and their borrowings at the reserve banks continued to increase, and money rates showed further advances.

PRODUCTION

Production of manufacturers remained in about the same volume in April as in March, while output of minerals declined slightly owing chiefly to a decrease in production of bituminous coal. Daily average output of iron and steel, copper, and zinc increased in April but since the first of May there has been some curtailment in steel mill activity. Automobile production was maintained in large volume during April and according to preliminary reports also during the first half of May. Textile mill activity, output of boots and shoes, and meat production showed substantial declines during April. Volume of factory employment declined slightly, reflecting chiefly decreases in the food, leather, and textile industries. Building contracts awarded in April exceeded those for any previous month, and awards during the first three weeks of May continued in unusually large volume.

TRADE

Sales by department stores and by wholesale firms in most lines of trade declined in April and were in smaller volume than a year ago. Average daily sales of department stores, after allowance is made for the earlier date of Easter and the usual seasonal changes, were smaller in April than in March and were also smaller than in April a year ago. This decrease was due largely to unfavorable weather con-

ditions. Stocks of department stores, after adjustment for seasonal changes, were in about the same volume as in March and slightly smaller than a year ago. Freight car loadings showed an increase between the beginning of April and the middle of May, but for most classes of commodities continued smaller than a year ago.

PRICES

The general level of wholesale commodity prices, as indicated by the index of the Bureau of Labor Statistics, increased from 96 per cent of the 1926 average in March to 97.4 per cent in April. This increase reflected sharp advances in the prices of grains, cotton, livestock, and hide and leather products. Rubber prices continued to decline, and most of the other groups of commodities showed little change. During the first three weeks of May there were decreases in the prices of grains, flour, sheep, and hogs, and increases in copper, zinc, and rubber.

BANK CREDIT

At member banks, loans largely for commercial and industrial purposes, following a rapid increase during February and March, have shown little change since the early part of April, loans on securities continued to increase, and total loans and investments of reporting member banks in the middle of May were larger than at any previous time. The outward movement of gold continued in May, the decline in monetary gold stock during the four weeks ending May 23 being nearly \$90,000,000. This loss of gold, together with further sales of United States securities by the reserve banks, was reflected in an increase of nearly \$140,000,000 in member borrowing banks at the reserve banks. There were further advances in open market money rates during May, and discount rates at the Federal Reserve Banks of New York, Philadelphia, Cleveland, Atlanta and Dallas were raised from 4 to 4½ per cent.