

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	Increase or Decrease
Bank debits to individual accounts (at 17 cities).....	\$927,851,000	\$966,259,000	Dec. 4.0%
Department store sales.....			Dec. 9.0%
Reserve bank loans to member banks at end of month.....	\$ 22,525,972	\$ 14,328,235	Inc. 57.2%
Reserve bank ratio at end of month.....	63.6%	68.4%	Dec. 4.8 points
Building permit valuation at larger centers.....	\$ 19,442,938	\$ 8,682,845	Inc. 123.9%
Commercial failures (number).....	51	49	Inc. 4.1%
Commercial failures (liabilities).....	\$ 515,003	\$ 559,130	Dec. 7.9%
Oil production (barrels).....	24,480,070	25,530,200	Dec. 4.1%
Lumber orders at pine mills (per cent of normal production).....	90%	109%	Dec. 19 points

A sustained volume of trade in both wholesale and retail channels of distribution, the continuance of a low business mortality rate, a further improvement in agricultural conditions, and a record breaking volume of construction work were developments of major importance in the business and industrial situation of the Eleventh Federal Reserve District during the past month. Department store sales in principal cities reflected a seasonal decline of 9 per cent from the heavy March volume but exceeded those of the corresponding month a year ago by 2 per cent. The distribution of merchandise in wholesale channels, while showing the usual decline at this season of the year, was in a substantially larger volume than in April, 1928. Nevertheless, reports indicate that merchants are confining purchases largely to immediate needs. While the number of commercial failures was slightly higher than a month earlier, the indebtedness involved in these defaults not only showed a further decline from the previous month but was smaller than in any corresponding month in several years.

Although high winds, sand storms, dry weather, and torrential rains have affected adversely in varying degrees agricultural developments in some sections of the district, farmers generally have made favorable progress with planting operations and farm work. The heavy general rains toward the middle of May offset the bad effects of the drying winds which prevailed earlier in the month and left a good season in the ground in practically all sections of the district to sustain growing crops through the summer. The wheat crop which had begun to deteriorate was greatly benefited and present indications point toward satisfactory

yields. The physical condition of livestock and ranges has also evidenced an improvement. Range vegetation has made excellent growth and livestock are getting fat. Range prices of livestock have again turned upward following the slump earlier in the year.

New construction work commenced in April broke all previous records. The valuation of building permits issued at principal cities totaled \$19,442,938 as compared to \$16,134,114 in March, 1928, the previous high record. The April volume was 124 per cent larger than in March, and 186 per cent greater than in April, 1928. The production and shipments of cement reflected a substantial gain over both the previous month and the corresponding month last year. The production of lumber increased but new orders received showed a decline.

The past month witnessed a further withdrawal of deposits and a heavy demand for credit. The daily average of combined net demand and time deposits of member banks declined from \$949,031,000 during March to \$924,644,000 in April and compared with actual deposits of \$892,128,000 on May 9, 1928. Federal Reserve Bank loans to member banks rose from \$14,328,235 on March 31st to a high point of \$25,060,593 on May 4, but had receded to \$22,112,269 at the middle of May. While loans to reserve city banks have remained comparatively steady since the middle of April, the loans to country banks have shown a noticeable upward trend due largely to the demand for funds in connection with the financing of operations in the livestock and agricultural industries.

CROP CONDITIONS

A general improvement in agricultural conditions in the Eleventh Federal Reserve District occurred during the past thirty days and farmers generally have made good progress

with planting operations and field work. While the high winds and sand storms during the last days of April and the early days of May dried out the surface soil and did

considerable damage to growing crops in some sections of the district, the heavy general rains toward the middle of May did much to correct this situation. Late reports indicate that growing crops in most sections of the district are in a good state of cultivation and are making favorable growth.

The planting of corn has been completed and most of the crop is well cultivated. The early planted corn in the Southern portion of Texas is beginning to mature. Some damage to the crop resulted from the high winds and dry weather but it has improved considerably since the rains. According to the Department of Agriculture, the May 1st condition of the Texas hay crop was 83 per cent of normal. The sowing of the hay crop this year was retarded somewhat by the wet soil in the Eastern part of the State and by the dry weather in the Western part. The first cutting of alfalfa is under way in the Southern valleys of New Mexico.

While the wheat crop had begun to deteriorate in the Northwest and West-Central portions of Texas following the dry weather and high winds, the heavy rains recently have stopped deterioration and late reports indicate that the crop is now showing rapid improvement. The May 1st condition of the Texas crop was estimated by the Department of Agriculture as 78 per cent of normal as compared to 55 per cent on the same date in 1928. The Department reported that indications point to a production of 26,524,000 bushels this year which is the highest since the large crop of 1926. Except in a few localities where the drying winds have caused considerable injury, both the spring and fall sown oats have done well, particularly in the heavy producing sections of North and Central Texas. The crop in the South-Central counties of Texas is ripening and harvesting operations will soon begin. The Texas crop was reported as 77 per cent of normal on May 1.

The planting of cotton in all sections of the district except Northwest Texas, is now nearing completion and a considerable portion of the crop, especially in the Southern half of the district, is chopped to a stand. However, reports indicate that some replanting will be necessary since the recent rains. The sand storms in the Western part of Texas on May 1st destroyed practically all of the cotton which was up but the abundance of moisture will enable farmers to do the necessary replanting. The cotton in the Southern counties of Texas has already begun to square. The Department of Agriculture reports that there has been a heavy emergence of weevils and boll worms and that careless worms and cotton hoppers are more abundant than at this time in 1928 and, furthermore, that the weevils are already active in the Southern part of Texas.

Fruit and berry crops in Texas promise well. According to the Department of Agriculture, prospects point toward a 79 per cent of a full peach crop despite the damage resulting from hail storms in April and early May. The strawberry and blackberry crop in East Texas promise good yields. The movement of fruit and vegetables from South Texas has already exceeded that of last year by several thousands cars. The fruit crop continues promising in Southern New Mexico.

LIVESTOCK

A further improvement in the condition of livestock and their ranges occurred in most sections of the Eleventh Federal Reserve District during the past six weeks. Range

grass in most sections has grown rapidly and with the improved grazing conditions livestock have put on flesh rapidly. Sheep and goats are fat and cattle are in good condition. The calf and lamb crops are reported to be better than the average, with losses comparatively small and physical conditions good. While some deterioration of the ranges occurred as the result of the dry winds during the last days of April and the early days of May, the recent general rains have done much to correct the situation except in a few localities. In portions of Southeastern Arizona and Southern New Mexico, late reports indicate that the soil is dry and that ranges are deteriorating. Indications generally are that good summer grazing is practically assured in most sections. Following the decline during February and March, the range prices of cows and steers advanced somewhat during April and prices of all classes of livestock are now higher than they were a year ago. Trading on the ranges generally has been slow due to the high prices and scarcity of stock. The contracting of calves and yearlings for fall delivery, however, has been active in some sections.

The condition of cattle ranges in Texas was reported as 90 per cent of normal on May 1, as compared to 85 per cent a month earlier and 78 per cent a year ago. Sheep and goat ranges were 88 per cent of normal as compared to 87 per cent on April 1, and 76 per cent on May 1, 1928. The condition of cattle rose to 88 per cent of normal on May 1, which represents a gain of 5 points during the month and 6 points over a year ago. The condition of sheep shows a gain of 4 points during the month and that of goats 7 points. The shearing of goats has been completed and practically all the spring mohair clip has been sold at prices materially lower than those obtaining a year ago. Sheep shearing is well under way but the sales of wool have been slow.

Movement and Prices

The April receipts of cattle, calves, and sheep at the Fort Worth market reflected a large increase as compared to both the previous month and the corresponding month last year. The receipts of hogs while smaller than in March, were materially larger than in April a year ago.

Despite the large receipts, the market prices on most classes of cattle were steady to higher. Throughout the month there was a broad demand for beef steers and cows and most of the offerings cleared at good prices. During the first three weeks of the month, the market was generally strong and prices reached the highest level of the current year. Prices reacted somewhat during the first half of May. Hog prices followed an uneven course during the six-week period, with the trend toward lower levels. The sheep market after holding relatively steady during the first three weeks of the month, reflected a noticeable decline during the latter part of April and the first half of May due to the continuance of heavy receipts.

COMPARATIVE TOP LIVESTOCK PRICES

	April 1929	April 1928	March 1929
Beef steers.....	\$13.60	\$13.25	\$12.60
Stocker steers.....	14.25	14.00	14.00
Butcher cows.....	10.00	9.35	9.00
Stocker cows.....	9.25	8.00	8.25
Calves.....	13.25	12.50	12.65
Hogs.....	11.35	10.10	11.15
Sheep.....	11.50	11.00	10.50
Lambs.....	17.25	17.00	17.50

FORT WORTH LIVESTOCK RECEIPTS

	April 1929	April 1928	Loss or Gain	March 1929	Loss or Gain
Cattle.....	95,529	69,423	G 26,106	39,836	G 55,693
Calves.....	19,197	15,975	G 3,222	10,258	G 8,939
Hogs.....	53,620	44,859	G 8,761	58,834	L 5,214
Sheep.....	97,418	68,574	G 28,844	44,192	G 53,226

Cotton
Movements

While the exports of cotton from the ports of Houston and Galveston during April were smaller than in the previous month, they were substantially larger than in the corresponding month of 1928. Stocks on hand at these ports reflected a seasonal decline from those a month earlier but were larger than a year ago. Total foreign exports from all United States ports which amounted to 7,212,088 bales during the period August 1, 1928, to April 30, 1929, were 17 per cent larger than during the same period of the previous season. The domestic consumption of cotton in April while slightly less than in March was considerably larger than in April, 1928. The domestic consumption for the current season is now running slightly higher than in the corresponding period of the previous season.

SPOT COTTON PRICES—(Middling Basis)

	April, 1929		May 15, 1929
	High	Low	
New York.....	20.75	19.40	19.60
New Orleans.....	19.65	18.35	18.65
Dallas.....	19.35	17.55	17.80
Houston.....	19.85	18.25	18.55
Galveston.....	19.85	18.25	18.55

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

	August 1 to April 30 This Season	Last Season
Receipts.....	9,065,251	7,837,295
Exports: Great Britain.....	1,742,932	1,227,891
France.....	735,643	797,341
Continent.....	3,211,087	3,337,160
Japan—China.....	1,342,175	859,993
Mexico.....	29,393	16,395
Total foreign ports.....	7,061,230	6,238,780
Stocks at all United States ports, April 30.....	1,450,420	1,500,560

GALVESTON STOCK STATEMENT

	April 30, 1929	April 30, 1928
For Great Britain.....	7,100	10,500
For France.....	6,900	6,800
For other foreign ports.....	31,300	34,300
For coastwise ports.....	1,500	3,000
In compresses and depots.....	256,114	256,526
Total.....	302,914	311,126

COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON

	April 1929	April 1928	August 1 to April 30 This Season	Last Season
Receipts.....	62,628	117,882	2,891,822	2,350,553
Exports.....	178,183	139,587	2,671,139	2,185,556
Stocks, April 30.....			302,914	311,126

COTTON MOVEMENTS THROUGH THE PORT OF HOUSTON

	April 1929	April 1928	August 1 to April 30 This Season	Last Season
Receipts.....	49,821	49,710	2,807,886	2,443,646
Exports.....	160,837	134,915	2,157,972	1,715,632
Stocks, April 30.....			496,017	508,079

COTTON CONSUMED AND ON HAND

	COTTON GROWING STATES				UNITED STATES			
	April 1929	April 1928	August 1 to April 30 This Season	Last Season	April 1929	April 1928	August 1 to April 30 This Season	Last Season
Cotton consumed.....	477,865	396,510	4,055,471	3,946,483	631,710	524,765	5,313,979	5,306,459
Cotton on hand April 30.....								
(a) In consuming establishments.....			1,146,004	1,019,219			1,606,832	1,507,599
(b) In public storage and compresses.....			2,239,899	2,666,609			2,523,574	2,919,278

COTTONSEED PRODUCTS

While the operations of cottonseed oil mills in both Texas and the United States reflected the usual seasonal slowing down, they were materially larger than in the corresponding month last year. The production of all classes of products during the current season was materially larger than during the previous season. While the stocks of crude cottonseed oil on hand at the mills are smaller than a year ago, those of other products are larger.

STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS

	Texas August 1 to April 30 This Season		United States August 1 to April 30 This Season	
Cottonseed received at mills (tons).....	1,689,699	1,507,712	5,004,626	4,535,151
Cottonseed crushed (tons).....	1,665,576	1,513,336	4,831,611	4,516,591
Cottonseed on hand (tons).....	36,917	28,307	191,048	107,844
Crude oil produced (pounds).....	494,451,869	453,836,012	1,523,553,552	1,427,788,664
Cake and meal produced (tons).....	782,786	704,035	2,176,222	2,028,916
Hulls produced (tons).....	454,964	431,125	1,307,549	1,279,663
Linters produced (running bales).....	345,923	291,170	1,030,890	846,844
Stocks on hand April 30.....				
Crude oil (pounds).....	17,417,797	19,660,428	57,209,133	64,498,411
Cake and meal (tons).....	48,755	25,142	225,362	84,515
Hulls (tons).....	52,487	34,498	123,543	85,793
Linters (running bales).....	45,763	34,862	167,263	111,253

TEXTILE MILLING

Although less than in the previous month, consumption of cotton and production of cloth at Textile mills in the Eleventh District were greater in April than in the corresponding month last year. There were 3,684 bales of raw cotton consumed as compared to 3,959 bales in March and 2,847 bales in April, 1928. Production of cloth was 8.9 per cent below that in March but 23.6 per cent in excess of output in the same month last year. A substantial increase was noted in orders on hand on April 30th as compared to March 31, but they were slightly below those a year ago. Stocks held at the close of the month were larger than on March 31st but less than on the same date a year previous.

TEXTILE MILLING STATISTICS

	April 1929	April 1928	March 1929
Number bales consumed.....	3,684	2,847	3,959
Number spindles active.....	102,776	101,652	102,776
Number pounds cloth produced.....	1,691,066	1,368,385	1,855,450

WHOLESALE TRADE

While the volume of merchandise distribution in wholesale channels reflected a seasonal decline as compared to the

previous month, it showed a substantial gain over the corresponding month last year. Sales during the first four months of the year in all reporting lines except groceries and dry goods were larger than in the same period of 1928. Reports, however, disclose considerable irregularity in some lines of trade due to the fact that adverse weather had affected the agricultural outlook in some sections of the district. Retailers generally are continuing the policy of buying on a conservative basis and are showing no disposition to make purchases in excess of well defined requirements. Wholesalers have likewise shown a tendency to reduce the volume of stocks on hand.

The sales of reporting dry goods firms reflected a seasonal decline of 8.3 per cent as compared to the previous month but were 13.8 per cent larger than those in the corresponding month last year. Developments in the dry goods trade this year have been in marked contrast to those a year ago. In the opening months of 1928 the demand for merchandise was exceedingly heavy and in subsequent months it showed a marked decline, whereas, during the current year business has been generally steady with a tendency to improve. During the first four months of the year sales fell only 4.1 per cent below those of the same period a year ago. Reports indicate that buying during the first half of May was generally satisfactory. Collections in April showed a substantial improvement over the previous month.

While the distribution of farm implements showed a seasonal decline of 7.0 per cent as compared to March, it exceeded that of April, 1928, by 63.9 per cent. In this connection it should be remembered that the buying of implements was also heavy in the latter month. Late reports indicate that numerous orders for harvesting machinery are

being received since the recent rains. Prices are reported to be generally steady.

The sales of reporting drug firms were 2.4 per cent less than in the previous month but 7.5 per cent larger than a year ago. Business appeared to be somewhat spotty, sales being generally good in some sections but slow in others. Collections were maintained on about the same basis as in the previous month.

The demand for hardware at wholesale was well sustained during the past month. Sales of reporting firms were slightly larger than in March and showed a gain of 8.6 per cent as compared to the corresponding month last year. The comparison with a year ago is more impressive by reason of the fact that business in April, 1928, was very active. Collections reflected a substantial improvement during the past month.

Sales of reporting wholesale grocery firms were 1.0 per cent larger than those in the previous month and were 0.9 per cent less than in the same month of 1928. Business was reported to be generally good in some sections but slow in others. Prices remained generally steady. Collections showed some improvement.

CONDITION OF WHOLESALE TRADE DURING APRIL, 1929

	Percentage of increase or decrease in:					
	Net Sales		Net Sales		Stocks	
	April, 1929	Jan. 1 to date	April, 1929	Jan. 1 to date	April, 1929	Ratio of collec-
	1928	1929	1928	1929	1928	tions during April
	1928	1929	1928	1929	1928	to accounts and
	1928	1929	1928	1929	1928	notes outstanding
	1928	1929	1928	1929	1928	on March 31
Groceries.....	— .9	+ 1.0	— 1.2	+ 2.5	— 2.5	73.3
Dry Goods.....	+13.8	— 8.3	— 4.1	—13.2	— .4	31.3
Farm implements..	+63.9	— 7.0	+31.4	— 2.0	+ 3.7	20.7
Hardware.....	+ 8.6	+ .2	+ 3.1	— 3.1	— 1.5	42.8
Drugs.....	+ 7.5	— 2.4	+ 5.0	+ 2.7	— .3	43.2

RETAIL TRADE

The distribution of merchandise at retail was well sustained during April. Sales of reporting department stores in larger cities reflected a seasonal decline of 9.0 per cent as compared to the previous month but were 2.1 per cent larger than in the corresponding month last year. The volume of trade during the first four months of 1929 exceeded that of the same period of 1928 by 1.1 per cent. Among the departments showing a large increase in sales as compared to a year ago were: Linens; neckwear and scarfs; handkerchiefs; silk and muslin underwear; women's suits; misses'

dresses; waists, blouses, sweaters, and bathing suits; men's clothing; domestic floor coverings; and draperies, curtains and upholstery.

Stocks on hand at the close of April were 1.7 per cent greater than those a month earlier but were 2.6 per cent less than a year ago. The rate of stock turnover during the first four months of 1929 was 1.00 as compared to 0.94 in 1928.

The ratio of April collections to accounts receivable on April 1 was 37.1 per cent as compared to 37.0 per cent in March and 36.3 per cent in April, 1928.

BUSINESS OF DEPARTMENT STORES

	Dallas	Ft. Worth	Houston	San Antonio	Others	Total District
Total Sales (Percentage):						
April, 1929, compared with April, 1928.....	+ 3.6	— 4.7	+ 4.4	+ 2.5	+ 3.6	+ 2.1
April, 1929, compared with March, 1929.....	— 9.9	— 8.9	—12.3	— 4.6	— 6.5	—9.0
January 1 to date compared with same period last year.....	+ 3.7	— 3.5	+ 3.1	— 1.9	+ 1.3	+ 1.1
Credit Sales (Percentage):						
April, 1929, compared with April, 1928.....	+ 7.2	— 3.5	+ 7.6	+ 6.4	+ 1.1	+ 4.4
April, 1929, compared with March, 1929.....	— 8.1	— 8.7	—11.6	— 5.7	— 8.6	— 8.6
January 1 to date compared with same period last year.....	+ 6.0	— .2	+ 3.1	+ 1.1	+ 1.5	+ 3.1
Stocks (Percentage):						
April, 1929 compared with April, 1928.....	— .4	— 5.9	— 2.1	—11.8	+ 3.0	— 2.6
April, 1929, compared with March, 1929.....	+ 2.2	+ 1.3	+ 3.2	+ .9	+ .4	+ 1.7
Stock Turnover (Rate):						
Rate of stock turnover in April, 1928.....	.25	.22	.23	.24	.21	.23
Rate of stock turnover in April, 1929.....	.26	.22	.25	.28	.21	.24
Rate of stock turnover January 1 to April 30, 1928.....	.96	.89	.98	1.03	.87	.94
Rate of stock turnover January 1 to April 30, 1929.....	1.06	.88	1.06	1.16	.88	1.00
Ratio of April collections to accounts receivable and outstanding April 1, 1929.....	35.2	35.3	38.9	40.1	39.9	37.1

FINANCIAL

Debits to individual accounts at banks located in principal cities of the Eleventh District declined 4.0 per cent in April as compared to March but showed a gain over the corresponding month last year of 15.3 per cent. Charges to individual accounts at banks in these centers aggregated \$927,851,000 as compared to \$966,259,000 in the previous month and \$804,564,000 in April, 1928.

DEBITS TO INDIVIDUAL ACCOUNTS
(In thousands of dollars)

	April 1929	April 1928	Increase or Decrease	March 1929	Increase or Decrease
Abilene.....	9,638	9,789	- 1.5	10,638	- 9.4
Austin.....	25,046	22,529	+11.2	26,010	- 3.7
Beaumont.....	30,259	23,924	+26.5	28,563	+ 5.9
Corsicana.....	5,494	5,290	+ 3.9	6,711	-18.1
Dallas.....	248,497	209,428	+18.7	271,141	- 8.4
El Paso.....	41,864	34,085	+22.8	40,798	+ 2.6
Fort Worth.....	111,294	97,049	+14.7	107,650	+ 3.4
Galveston.....	30,950	32,456	- 4.6	39,188	-21.0
Houston.....	201,107	170,936	+17.7	211,102	- 4.7
Port Arthur.....	11,674	9,136	+27.8	10,873	+ 7.4
Roswell.....	3,693	3,485	+ 6.0	3,843	- 3.9
San Antonio.....	92,359	82,431	+12.0	92,279	+ .1
Shreveport.....	43,558	38,717	+12.5	42,347	+ 2.9
Texarkana.....	16,579	14,282	+16.1	15,578	+ 6.4
Tucson.....	11,552	9,695	+19.2	12,313	- 6.2
Waco.....	16,346	15,413	+ 6.1	18,975	-13.9
Wichita Falls.....	27,941	25,919	+ 7.8	28,250	- 1.1
Total.....	927,851	804,564	+15.3	966,259	- 4.0

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

Acceptance
Market

The volume of acceptances executed by accepting banks in the Eleventh District and outstanding at the close of the month which amounted to \$4,103,881 on April 30 reflected a further de-

cline of \$594,444 during the past thirty days. Acceptances executed against import and export transactions declined from \$2,474,978 on March 31 to \$2,049,881 on April 30, and those based on the domestic shipment and storage of goods were reduced from \$2,223,347 on the former date to \$2,054,000 on the latter date.

Condition of
Member Banks
in Selected
Cities

A further decline was shown in loans on securities of member banks in selected cities of the Eleventh District during the current month and "all other loans," after increasing considerably in March, declined sharply in April. Amounting to \$102,141,000 on May 8, loans on securities were \$2,713,000 less than on April 10, and all other loans (largely commercial) which stood at \$243,074,000 were \$9,399,000 less than four weeks earlier. Investments of these banks in U. S. securities declined \$160,000 and aggregated \$94,375,000 on May 8, while their holdings in other stocks and bonds, totaling \$40,979,000, reflected an increase of \$1,411,000. Total loans and investments amounted to \$480,569,000 as against \$491,430,000 on April 10 and \$444,583,000 on May 9, 1928. Net demand deposits declined \$4,270,000 during the four week period ending May 8, and were \$5,405,000 below those a year ago but time deposits reflected an increase of \$1,721,000 between April 10 and May 8, and showed a gain of \$19,248,000 over last year. Following the trend of deposits, reserves of these banks with the Federal Reserve Bank declined \$2,802,000 during the month while their bills payable and rediscounts with this bank rose \$5,287,000.

CONDITION STATISTICS OF MEMBER BANKS IN SELECTED CITIES

	May 8, 1929	April 10, 1929	May 9, 1928
1. Number of reporting banks.....	43	43	45
2. United States securities owned.....	94,375,000	94,535,000	75,785,000
3. All other stocks, bonds and securities owned.....	40,979,000	39,568,000	32,262,000
4. Loans on securities.....	102,141,000	104,854,000	105,663,000
5. All other loans.....	243,074,000	252,473,000	230,873,000
6. Total loans.....	345,215,000	357,327,000	336,536,000
7. Net demand deposits.....	296,401,000	300,761,000	301,896,000
8. Time deposits.....	141,288,000	139,567,000	122,040,000
9. Reserve with Federal Reserve Bank.....	33,522,000	36,324,000	34,196,000
10. Bills payable and rediscounts with Federal Reserve Bank.....	14,987,000	9,600,000	3,902,000

Savings
Deposits

Savings deposits of 88 reporting banks in the Eleventh District which operate a savings department amounted to \$148,039,855 on April 30, representing a decline of 0.2 per cent as com-

pared to March 31 but an increase of 9.7 per cent over those a year ago. There were 298,160 accounts carried at 80 of these banks as against 298,999 a month earlier and 268,295 on April 30, 1928.

SAVINGS DEPOSITS

		April 30, 1929		April 30, 1928		Increase or Decrease	March 31, 1929		Increase or Decrease
	Number of Banks	Number of saving Depositors	Amount of saving Depositors	Number of saving Depositors	Amount of saving Depositors		Number of saving Depositors	Amount of saving Deposits	
Beaumont.....	4*	6,989	2,510,498	6,700	2,424,202	+ 3.6	7,184	2,485,250	+ 1.0
Dallas.....	6	64,088	25,221,050	53,457	22,399,993	+12.6	63,556	25,097,229	+ .5
El Paso.....	2	15,072	6,503,246	13,805	5,578,721	+16.6	14,970	6,440,700	+ 1.0
Fort Worth.....	3	23,769	8,931,226	22,161	7,704,700	+15.9	23,660	8,766,155	+ 1.9
Galveston.....	3	13,962	9,287,306	13,507	9,519,416	- 2.4	14,004	9,609,202	- 3.3
Houston.....	13*	71,675	34,690,686	65,376	31,806,239	+ 8.8	73,263	34,771,242	+ .5
San Antonio.....	8*	29,559	22,116,876	24,161	19,191,944	+15.2	29,303	21,934,599	+ .8
Shreveport.....	4*	21,309	11,653,894	22,371	11,154,150	+ 4.5	21,303	12,198,131	+ 4.5
Waco.....	4	9,886	7,005,047	8,924	6,449,107	+ 8.6	9,842	6,970,607	+ .5
Wichita Falls.....	2	4,119	1,563,819	4,133	2,032,395	-23.1	4,164	1,550,196	+ .9
All others.....	39*	37,732	18,646,122	33,700	16,149,816	+15.5	37,810	18,532,116	+ .6
Total.....	88	298,160	148,039,855	268,295	134,410,683	+ 9.7	298,999	148,355,427	- .2

*Only 3 banks in Beaumont, 11 banks in Houston, 7 banks in San Antonio, 3 banks in Shreveport and 36 banks in "All others" reported the number of saving depositors.

MAY DISCOUNT RATES

Prevailing Rates

	Dallas	El Paso	Fort Worth	Houston	San Antonio	Waco
Rates charged customers on prime commercial paper such as is now eligible for rediscount under the Federal Reserve Act.....	6	7-8	6-8	6	6	6-8
Rate charged on loans to other banks secured by bills receivable.....	5-7	6	5-6	5-6	5-6	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.....	6-7	6-8	6-8	6	6-8	6-8
(b) Time.....	6-8	6-8	6-8	6	6-8	6-8
Rate charged on commodity paper secured by warehouse receipts, etc.....	6-7	7-8	6-8	6	6-8	6-8
Rate on cattle loans.....	6	6-8	6-8	7-8	4-8	7-8

Deposits of Member Banks A further seasonal decline was shown in combined daily average of net demand and time deposits of member banks in the Eleventh District in April, the average for the month being \$924,644,000 as compared to \$949,031,000 in March. The daily average net demand deposits declined from \$718,066,000 in March to \$693,137,000 in April but that of time deposits increased from \$230,965,000 in the previous month to \$231,507,000 in the latter month. Actual net demand and time deposits of these banks aggregated \$892,128,000 on May 9, 1928.

Operations of the Federal Reserve Bank Loans to member banks in the Eleventh District increased rather steadily throughout April and at the close of the month amounted to \$22,525,972, which was \$8,197,737 greater than on March 31. The increase over a month ago was due to an expansion in loans to both country and reserve city banks. While borrowings of banks in rural sections were almost doubled during April they continue considerably less than those of banks in larger cities. During the first half of May, banks in the smaller cities further increased their borrowings from the Federal Reserve Bank but loans to reserve city banks were slightly lowered. Total loans on May 15th aggregated \$22,112,269 as compared to \$7,327,347 on the corresponding date last year. Although borrowings of member banks from this bank are materially larger this year than they were a year ago, the spread is

The output of crude oil in the Eleventh Federal Reserve District, which amounted to 24,480,070 barrels in April, showed a reduction of 823,554 barrels from the high level reached in the previous month. Although the number of completed wells was slightly larger than in March, initial production was considerably smaller. There were 553 completions during the month of which 272 were producers of oil yielding 126,689 barrels of new production as compared to 548 completions in the previous month that netted 281 oil producers with an initial flow of 206,640 barrels.

The daily average production of crude oil in Texas declined from 787,754 barrels in March to 778,305 barrels in April. The continuance of the conservation program embodied in the proration plan lowered the total output of oil in Central West Texas 1,259,900 barrels which largely accounted for the decline shown for the State. A substantial gain was noted in the daily average production of the Gulf

CRUDE OIL PRICES

	May 14, 1928	May 18, 1928
Texas coastal grade "A".....	\$1.20	\$1.20
North and Central Texas and North Louisiana (52 gr. and above).....	1.44	1.60

not as great, as indicated in the number of borrowing banks which totaled 99 on April 30 as against 103 on April 30, 1928.

Due to the increase in member bank loans, total bills held rose from \$29,068,317.90 on March 31st to \$33,426,550.06 on April 30, distributed as follows:

Member banks' collateral notes secured by United States Government obligations.....	\$11,986,500.00
Rediscounts and all other loans to member banks.....	10,539,471.80
Open market purchases (Bankers' acceptances).....	10,900,578.26
Total bills held.....	\$33,426,550.06

Federal Reserve notes in actual circulation, aggregating \$37,568,715 at the close of the month, reflected a further decline of \$201,500 during April and compares with a net circulation of \$32,980,480 on April 30, 1928. The daily average reserve deposits of member banks amounted to \$67,509,298, which was \$2,451,854 less than in March but \$2,143,443 greater than in the same month last year.

FAILURES

While a slight increase was noted in the number of failures in the Eleventh District in April, the indebtedness involved showed a further decline from the previous month, which is significant in view of the comparatively low failure rate throughout the current year. There were 51 defaults with indebtedness of \$515,003 as compared to 49 failures in March that owed \$559,130. In April last year, there were 46 insolvencies with indebtedness aggregating \$1,283,614.

PETROLEUM

Coastal area but East Central Texas reported a slight decline. Shallow oil strikes in Archer and Young counties of North Texas stimulated field work in these localities; on the other hand, a subsidence occurred in activities in Wichita and Wilbarger counties. Activities increased in the Salt Flat field whose gain in production accounted for the increase shown in the daily average yield of South West Texas. In North Louisiana, total production of oil amounted to 1,130,900 barrels as compared to 1,109,800 barrels in the previous month.

MARCH DRILLING RESULTS

	Com- pletions	Pro- ducers	Gas Wells	Failures	Initial Production
North Texas.....	177	99	16	62	11,934
Central West Texas.....	199	96	14	89	64,569
East Texas.....	11	1	9	1	15
Southwest Texas.....	15	13	1	1	5,575
Texas Coastal.....	64	51	2	11	41,701
Texas Wild Cats.....	52	4	1	47	2,545
Total Texas.....	518	264	43	211	126,339
North Louisiana.....	35	8	21	6	350
April Totals, District.....	553	272	64	217	126,689
March Totals, District.....	548	281	50	217	206,640

OIL PRODUCTION

	April		March		Increase or Decrease	
	Total	Daily Average	Total	Daily Average	Total	Daily Average
North Texas.....	4,479,700	149,323	4,338,300	139,945	Inc.	141,400
Central West Texas.....	12,244,250	408,142	13,504,150	345,618	Dec.	1,259,900
East Central Texas.....	579,450	19,315	627,600	20,245	Dec.	48,150
Texas Coastal.....	3,878,470	129,282	3,901,300	125,848	Dec.	22,830
Southwest Texas.....	2,167,300	72,243	2,049,050	66,098	Inc.	118,250
Total Texas.....	23,349,170	778,305	24,420,400	787,754	Dec.	1,071,230
North Louisiana.....	1,130,900	37,697	1,109,800	35,800	Inc.	21,100
Total District.....	24,480,070	816,002	25,530,200	823,554	Dec.	1,050,130

Oil statistics compiled by the Oil Weekly, Houston, Texas

LUMBER

As shown in the production and shipments of lumber, activities at pine mills in the Eleventh District were at practically the same level in April as in March. Production of lumber was 95 per cent of normal as compared to 92 per cent in the previous month and shipments which amounted to 96 per cent of normal production were the same as in March. Following a sharp increase in the former month, orders for lumber declined to 90 per cent of normal production in April, or 19 points below those in the previous month. Stocks declined further and were 81 per cent of normal on April 30 as compared to 91 per cent a month earlier. Unfilled orders for lumber, totaling 42,399,132 feet, were recorded at 37 mills at the end of April as against

57,267,845 feet on record at 41 establishments on March 31.

APRIL PINE MILL STATISTICS

Number of reporting mills.....	37
Production.....	71,856,812 feet
Shipments.....	72,573,499 feet
Orders.....	68,118,439 feet
Unfilled orders April 30.....	42,399,132 feet
Normal production.....	75,616,195 feet
Stocks, April 30.....	178,966,889 feet
Normal stocks.....	193,622,829 feet
Shipments below normal.....	3,042,696 feet—4%
Actual production below normal.....	3,759,383 feet—5%
Orders below normal production.....	7,497,756 feet—10%
Stocks below normal.....	14,655,940 feet—19%

Lumber statistics compiled by the Southern Pine Association

BUILDING

The valuation of building permits issued at principal cities in the Eleventh Federal Reserve District reached the highest level on record in April. Considerable expansion in the building program in the cities of Houston and San Antonio boosted the valuation of permits issued at all cities to \$19,442,938 which was 123.9 per cent greater than in March and 186.4 per cent above that in the corresponding month of last year. The valuation of permits issued during

March this year and April last year was \$8,682,845 and \$6,788,238 respectively. While the phenomenal increase over the same month of 1928 was due to the large gains in the two cities already mentioned, it will be observed that a majority of the centers likewise reported increases over the same period. The valuation of permits issued during the four months of 1929 was 4.1 per cent larger than in the same period of 1928.

BUILDING PERMITS

	April, 1929		April, 1928		Increase or Decrease	March, 1929		Increase or No.	Four Months				Increase or Decrease
	No.	Valuation	No.	Valuation		No.	Valuation		1929		1928		
									No.	Valuation	No.	Valuation	
Amarillo.....	63	\$ 150,280	76	\$ 247,632	— 36.9	51	\$ 224,241	— 30.3	196	\$ 757,026	326	\$ 1,154,992	— 34.5
Austin.....	88	338,007	67	327,111	+ 3.3	105	185,754	+ 82.0	339	878,888	276	1,396,813	— 37.1
Beaumont.....	203	324,209	218	306,735	+ 5.7	218	198,389	+ 63.4	722	1,157,070	729	989,072	+ 17.0
Corpus Christi.....	77	170,900	75	170,895	0.0	67	260,660	— 34.4	268	768,101	285	2,671,121	+ 71.2
Dallas.....	343	1,294,212	372	798,573	+ 62.1	343	1,708,728	— 24.3	1,229	4,350,415	1,403	2,749,862	+ 58.2
El Paso.....	87	119,508	106	112,294	+ 6.4	119	400,278	— 70.1	393	954,750	295	532,574	+ 79.3
Fort Worth.....	422	1,065,071	289	469,867	+126.7	399	1,274,881	— 15.5	1,316	3,536,528	1,744	7,260,229	— 51.3
Galveston.....	231	165,655	185	120,221	+ 37.8	199	233,202	— 29.0	730	742,957	761	778,363	— 4.5
Houston.....	508	8,455,771	523	2,301,189	+267.5	530	2,267,725	+272.9	1,886	14,847,988	2,246	13,366,880	+ 11.1
Port Arthur.....	161	196,265	121	101,702	+ 93.0	151	550,832	— 64.4	521	1,218,298	469	408,116	+198.5
San Antonio.....	408	6,604,425	357	1,304,166	+406.4	396	890,345	+641.8	1,489	9,622,188	1,427	4,709,404	+104.3
Shreveport.....	340	292,090	240	316,563	— 7.7	263	211,430	+ 38.2	1,026	1,113,322	898	1,505,650	— 26.1
Waco.....	61	176,199	36	77,240	+128.1	46	165,519	+ 6.5	182	587,376	146	1,188,612	— 50.6
Wichita Falls.....	54	84,346	50	134,050	— 37.1	41	110,861	— 23.9	156	459,740	240	673,885	— 31.8
Total.....	3,046	\$19,442,938	2,706	\$ 6,788,238	+186.4	2,928	\$ 8,682,845	+123.9	10,453	\$40,994,647	12,145	\$ 39,385,573	+ 4.1

CEMENT

A further increase was shown in the activities at Portland cement mills in Texas during April; in fact, production and shipments were the largest recorded for any previous month

in several years. The output of 622,000 barrels was 95,000 barrels greater than in March and 65,000 barrels above production in the corresponding month of last year. Ship-

PRODUCTION, SHIPMENTS, AND STOCKS OF PORTLAND CEMENT—(Barrels)

	April 1929		April 1928		Increase or Decrease	March 1929		Increase or Decrease	Four Months 1929		1928		Increase or Decrease
Production at Texas mills.....	622,000		557,000		+11.7	527,000		+18.0	2,014,000		2,032,000		— .9
Shipments at Texas mills.....	625,000		538,000		+16.2	594,000		+ 5.2	2,094,000		1,971,000		+ 6.2
Stocks at end of month at Texas mills.....	443,000		468,000		— 5.3	446,000		— .7					

ments aggregated 625,000 barrels, exceeding those in the previous month by 31,000 barrels and were 87,000 barrels above shipments in April, 1928. Stocks on hand at the close of the month were 0.7 per cent less than a month earlier and 5.3 per cent below stocks at the end of April

last year. As compared to the same period of 1928, production of cement at these mills during the four current months of this year was 0.9 per cent smaller but shipment reflected a gain of 6.2 per cent.

SUMMARY OF NATIONAL BUSINESS CONDITIONS

(As Compiled by the Federal Reserve Board as of May 25, 1929)

Industrial activity continued at a high level in April and the volume of factory employment and payroll increased further. Loans and investments of member banks in leading cities continued to decline between the middle of April and the middle of May, and were at that time at approximately the same level as a year ago.

PRODUCTION

Industrial activity increased in April to the highest level on record. The iron and steel and automobile industries continued exceptionally active during April. Activity in copper refining, lumber, cement, silk and wool textiles, and the meat packing industry increased, and production of cotton textiles showed a less than seasonal reduction. Factory employment and payrolls increased, contrary to the seasonal trend. Output of mines was also larger in April. Copper and anthracite coal production increased and the seasonal decline in output of bituminous coal was smaller than usual. Petroleum production declined slightly. Preliminary reports for the first half of May indicate a continued high rate of operation in the iron and steel industry. Output of lumber and bituminous coal was somewhat larger during the first part of May than at the end of April. Building contracts awarded during the month of April increased sharply and for the first time in five months approximated the total for the corresponding month in the preceding year. The increase was not continued, however, in the first part of May when awards averaged 20 per cent below the same period in May, 1928. During April most classes of building showed seasonal increases over March the largest being in contracts for residential buildings and public works and utilities.

DISTRIBUTION

Shipments of commodities by rail increased during April and were the largest for this month in any recent year. The increase from March reflected larger loadings of miscellaneous freight, lumber, livestock, and ore. During the first half of May shipments of freight continued to increase. Sales at wholesale declined seasonally in April, except in the case of grocery and hardware firms. In comparison with April, 1928, all lines of trade reporting to the Federal

Reserve System showed increases. Department store sales were also smaller in April than in March, but continued above the level of a year ago.

PRICES

Wholesale commodity prices averaged slightly lower in April than in March according to the index of the United States Bureau of Labor Statistics, reflecting primarily declines in prices of farm products and their manufactures. Prices of mineral and forest products and their manufactures, on the average, showed little change. There were increases in the prices of iron and steel, and sharp declines in copper, lead, and tin. Seasonal declines occurred in prices of coal and coke, while gasoline prices advanced. Prices of farm products and their manufactures averaged lower in April than in March. Prices of grain, especially wheat, moved downward more sharply and wool and cotton continued to decline. Livestock and meat prices continued the upward movement of the previous month but at a slower rate. Hides averaged slightly higher in prices and leather somewhat lower. Among imported raw materials, rubber, sugar, and coffee showed marked price recessions. Early in May, cattle, hides and wheat prices declined sharply and the price of rubber increased.

BANK CREDIT

During the four weeks ending May 15, loans and investments of member banks in leading cities showed a decrease of nearly \$200,000,000 largely in loans on securities together with some further decline in investments. All other loans, chiefly for commercial and agricultural purposes, remained unchanged at a relatively high level. There was a further reduction in the average volume of Reserve Bank credit outstanding between the weeks ending April 24 and May 22, owing largely to additions to the country's monetary stock of gold. The decline was in discounts for member banks as holdings of acceptances and of United States Securities showed practically no change. Open market rates for commercial paper remained unchanged as did rates on prime bankers' acceptances, except for a temporary decline at the end of April and the first week in May. In the first three weeks of May, rates on collateral loans averaged considerably higher than in April.