

# 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

	May	April	Increase or Decrease
Bank debits to individual accounts (at 17 cities).....	\$925,954,000	\$927,851,000	Dec. 0.2%
Department store sales.....			Inc. 9.3%
Reserve bank loans to member banks at end of month.....	\$ 25,908,865	\$ 22,525,972	Inc. 15.0%
Reserve bank ratio at end of month.....	61.5%	63.6%	Dec. 2.1 points
Building permit valuation at larger centers.....	\$ 8,148,240	\$ 19,442,938	Dec. 58.1%
Commercial failures (number).....	50	51	Dec. 2.0%
Commercial failures (liabilities).....	\$ 1,084,428	\$ 515,003	Inc. 110.6%
Oil production (barrels).....	25,301,850	24,480,070	Inc. 3.4%
Lumber orders at pine mills (per cent of normal production).....	83%	90%	Dec. 7.0 points

The heavy and frequent rains during the last three weeks of May greatly retarded farm operations, seriously affected the growth and development of row crops and reduced the volume of buying in some lines of trade. In many portions of the District crops were greatly damaged by overflows and the washing of the soil and the growth of crops was impeded by the wet soil and cool nights. Due to the long period in which farm work was retarded, fields became foul and difficult of cultivation. The cotton crop in the older cotton belt of the District made slow growth and a considerable amount of the crop is late due to the delayed planting on account of wet soil and the large amount of replanting which has been necessary. The lateness of the crop together with the appearance of insects in large numbers are factors of major importance in considering the outcome of this year's crops. Offsetting to some extent these adverse factors, the abundance of moisture stimulated the growth of small grains and added considerably to the earlier prospects. The more favorable weather since the first of June has enabled farmers to make rapid progress with the cultivation of crops and to proceed with the harvesting and threshing of small grains. The physical condition of livestock and their ranges showed a further improvement during the past month and is now fair to excellent in most sections of the District.

Trade conditions reflected mostly the effects of seasonal factors. Sales of department stores in larger centers showed an increase of 9 per cent as compared to the previous month but were 2 per cent less than in the corresponding month a year ago. While the distribution of merchandise in wholesale channels was smaller than in the previous month due in part to seasonal influences and in part to the effects of adverse weather conditions, sales in a majority of reporting

lines were larger than in May, 1928. Late reports are to the effect that demand in most lines was fairly well sustained during the first half of June. Debits to individual accounts at banks in leading cities were practically the same as during the previous month and were 12 per cent greater than in the corresponding month a year ago.

The deposits of member banks reflected a further seasonal decline during May, the daily average for the month being \$903,888,000 as compared to \$924,644,000 during the previous month. The actual deposits of these banks on June 13, 1928, amounted to \$867,357,000. Federal Reserve Bank loans to member banks rose from \$22,525,972 on April 30 to \$25,908,865 on May 31 but had declined to \$22,631,261 on June 15. Loans on the latter date compared to \$10,181,998 on the corresponding date of 1928.

The number of commercial failures in the Eleventh Federal Reserve District were slightly lower in May than during the previous month but the volume of indebtedness involved in these defaults was considerably larger. As compared to a year ago, however, both the number of failures and the aggregate liabilities were considerably smaller.

Construction activity during May reflected a sharp decline from the record volume in April. The valuation of building permits issued at principal centers totaled \$8,148,240, which was 58.1 per cent less than in the previous month and 25.7 per cent less than in the corresponding month last year. The production, shipments and new orders for lumber showed a decline as compared to both the previous month and the same month last year. The production of cement was considerably larger than in either of these periods but shipments were smaller than a year ago.

### CROP CONDITIONS

The heavy general rains which fell at frequent intervals throughout the Eleventh Federal Reserve District during the last three weeks of May delayed field work and checked the growth of row crops. In the Eastern half of Texas, Southeastern Oklahoma, and Northern Louisiana, the almost continuous rainfall resulted in a stoppage of practically all farm work and caused considerable damage from overflow and washing of the soil. Plant growth was retarded by the wet soil, cool nights, and grassy fields. More seasonable temperatures since the first of June, however, have enabled farmers to make rapid progress with farm work.

While the May rains came too late to save some of the grain in the Western portion of Texas, the wheat and oat crops in most sections of the District promise well. The Department of Agriculture reported the condition of the Texas wheat crop as 72 per cent of normal on June 1, and the indicated production as 31,013,000 bushels as against an estimated yield of 26,524,000 bushels on May 1, and an actual production of 22,176,000 bushels in 1928. The condition of winter wheat in New Mexico was reported as 84 per cent of normal with an indicated production of 3,612,000 bushels as against an indicated production of 2,741,000 bushels on May 1, and an actual production of 1,500,000 bushels in 1928. In the Panhandle section of Texas, the wheat crop is about the average and is now nearing maturity. While the harvesting of wheat and oats in the North, Central and West-Central portions of Texas was delayed by the wet season which resulted in some damage to the crops, harvesting has been proceeding rapidly since early June and threshing is now well under way. The Department of Agriculture reported the condition of oats in Texas as 70 per cent of normal on June 1 as compared to 77 per cent a month earlier, and 61 per cent a year ago. The condition of the Louisiana crop was placed at 76 per cent of normal on June 1 as against 74 per cent on that date in 1928.

The corn crop generally made good progress during the past month and is now in fair to good condition. The crop in the Southern part of Texas is nearing maturity and roasting ears are becoming plentiful in the Northern part of the State. The crop in Southern New Mexico is in a good state of cultivation and the early fields are in the tassel stage. The condition of both tame and wild hay showed a substantial improvement during the past month and promise good yields. The Department of Agriculture reported that the second cutting of alfalfa in Texas will be heavy. The second cutting of this crop in Southern New Mexico is in progress and reports indicate that the yield is good. Grain sorghums in Texas are up to a good stand.

While the planting of cotton is nearing completion in most sections of the District, an unusual amount of replanting has been necessary and in the old cotton belt of Texas, Southeastern Oklahoma and Northern Louisiana, there are many fields where planting is being delayed due to the wet soil. Planting and stands in Northwest and West-Central portions of Texas are farther advanced than a year ago but in the other portions of the District the crop is late, plants small and growth slow. While the wet weather during the last three weeks of May left the fields grassy, farmers have made rapid progress in the cultivation of the crop since the advent of dry, warm weather early in June. Weevil infesta-

tion is being reported from many sections of Texas and the cutworms and careless worms have reduced the stands in some portions. Several counties have reported activity of the cotton hopper and the grasshoppers are appearing in scattered localities. Some sections report that the cotton plant is developing a shallow root system which may cause considerable shedding should a period of hot, dry weather ensue.

The prospects for peaches in Texas were considerably reduced during the past month by hail, wind, and rains but the condition of apples and pears is better than in several years. Oranges and grapefruit are likewise in good condition. Watermelons and cantaloupes are now moving in car-lots. Fruit crops in Southern New Mexico promise good yields. On account of the continuous rains, severe losses from rotting have been sustained in the early potato crop in Texas. The wet soil delayed the planting of peanuts.

### LIVESTOCK

Range and livestock conditions in most sections of the Eleventh Federal Reserve District showed a marked improvement during the past month. The heavy general rains during the month stimulated the growth of weeds and grass, filled water tanks and left ample moisture in the ground to sustain the growth of range vegetation during the summer months. More rain, however, is needed in portions of Southeastern Arizona and Western New Mexico where the soil is dry and ranges are in poor to only fair condition. Due to the excellent condition of the ranges generally, all classes of livestock are making rapid improvement. Cattle, sheep and goats are becoming fat and should be ready to move to market in a short time. The Department of Agriculture reports that good calf and lamb crops have been saved but that the calf crop is generally late. The early lamb crop was affected adversely by weather conditions but the late crop has made remarkable progress. The spring movement of cattle to Northern pastures has been heavy from many localities but is now practically completed. Trading on the ranges in practically all sections has been slow. Range prices declined somewhat in May but were higher than at this time a year ago.

As reported by the Department of Agriculture, the condition of cattle ranges in Texas was 93 per cent of normal on June 1, which was 3 points higher than on May 1, and 6 points above that a year ago. Sheep and goat ranges were 94 per cent of normal as compared to 88 per cent a month earlier. The condition of cattle in Texas was reported as 90 per cent of normal, representing an increase of 2 points during May and a gain of 3 points during the year. The condition of sheep at 92 per cent of normal was 2 points higher than on May 1, but the same as a year ago. While the June 1 condition of goats showed no change from the 93 per cent reported on May 1, it was 1 point higher than a year earlier. Sheep shearing, following the delay caused by heavy rains, is being rapidly completed. The clip is reported to be clean and of good quality.

*Movement and Prices* The past month witnessed a sharp decline in livestock receipts at the Fort Worth market. The receipts of cattle, hogs, and sheep reflected a heavy decline as compared to both the previous month and the corresponding month last year. While the arrivals of calves were slightly larger than in April, they

were considerably smaller than in May, 1928.

During the first three weeks of the month, cattle prices reflected a substantial decline but due to small receipts during the remainder of the month, the market gained considerable strength and trading was more spirited. Toward the latter part of the month some choice steers and cows cleared at the best price of the current year. The hog market was uneven throughout the month with the trend of values toward lower levels. Sheep and lamb prices worked to lower levels. Toward the end of the month, however, the demand improved somewhat and the market displayed a firmer undertone.

FORT WORTH LIVESTOCK RECEIPTS

	May 1929	May 1928	Loss or Gain	April 1929	Loss or Gain
Cattle.....	65,973	72,597	L 6,624	95,529	L 29,556
Calves.....	19,472	23,165	L 3,693	19,197	G 275
Hogs.....	30,704	45,772	L 15,068	53,620	L 22,916
Sheep.....	62,610	82,195	L 19,585	97,418	L 34,808

COMPARATIVE TOP LIVESTOCK PRICES

	May 1929	May 1928	April 1929
Beef steers.....	14.40	13.50	13.60
Stocker steers.....	13.75	13.00	14.25
Butcher cows.....	11.00	9.75	10.00
Stocker cows.....	8.50	8.75	9.25
Calves.....	14.50	13.25	13.25
Hogs.....	10.85	9.00	11.35
Sheep.....	9.00	11.00	11.50
Lambs.....	14.00	17.50	17.25

Cotton Movements

The May 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 considerably smaller than in the corresponding month last year. Total

SPOT COTTON PRICES—(Middling Basis)

	May, 1929		June 15, 1929
	High	Low	
New York.....	19.90	18.50	18.80
New Orleans.....	19.03	18.51	18.79
Dallas.....	18.20	17.75	18.20
Houston.....	18.95	18.35	18.65
Galveston.....	19.00	18.35	18.65

foreign exports from all United States ports amounted to 313,003 bales in May as compared to 453,591 bales in April and 578,403 bales in May, 1928. Exports of cotton during the first ten months of the current season were 11 per cent larger than during the corresponding period of the previous season. The domestic consumption of cotton which rose to 668,229 bales in May was the largest since January of the current year.

COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON

	May 1929	May 1928	August 1 to May 31 This Season	August 1 to May 31 Last Season
Receipts.....	58,961	134,968	2,950,783	2,485,621
Exports.....	144,666	182,857	2,815,805	2,368,413
Stocks, May 31.....			218,564	263,237

GALVESTON STOCK STATEMENT

	May 31, 1929	May 31, 1928
For Great Britain.....	5,000	10,000
For France.....	7,000	7,600
For other foreign ports.....	23,600	32,100
For coastwise ports.....	5,000	2,000
In compresses and depots.....	177,964	211,537
Total.....	218,564	263,237

COTTON MOVEMENTS THROUGH THE PORT OF HOUSTON

	May 1929	May 1928	August 1 to May 31 This Season	August 1 to May 31 Last Season
Receipts.....	24,780	54,493	2,832,666	2,498,139
Exports.....	111,684	132,266	2,269,656	1,847,898
Stocks, May 31.....			339,576	401,116

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

	August 1 to May 31	
	This Season	Last Season
Receipts.....	9,219,691	8,177,057
Exports: Great Britain.....	1,802,274	1,338,161
France.....	763,319	835,385
Continent.....	3,411,832	3,676,266
Japan-China.....	1,406,095	939,923
Mexico.....	29,977	17,061
Total foreign ports.....	7,413,497	6,806,796
Stocks at all United States ports May 31.....	1,087,574	1,243,605

COTTON CONSUMED AND ON HAND

	COTTON GROWING STATES				UNITED STATES			
	May 1929	May 1928	August 1 to May 31 This Season	August 1 to May 31 Last Season	May 1929	May 1928	August 1 to May 31 This Season	August 1 to May 31 Last Season
Cotton Consumed.....	504,395	442,583	4,559,866	4,389,066	668,229	577,384	5,982,208	5,883,843
Cotton on hand May 31:								
(a) In consuming establishments.....			1,037,697	877,547			1,477,308	1,330,880
(b) In public storage and compresses.....			1,560,458	2,045,050			1,847,688	2,258,763

COTTONSEED PRODUCTS

The operations of cottonseed oil mills in both Texas and the United States reflected a noticeable seasonal decline as compared to the previous month but were on a larger scale than a year ago. Stocks of cottonseed on hand at the close of May were considerably larger than a year ago. Cottonseed oil on hand at oil mills on May 31 amounted to 32,910,985 pounds as compared to 57,209,133 pounds a month earlier and 40,830,167 pounds on the corresponding date of 1928. While the stocks of other products on hand were smaller than at the end of the previous month, they were considerably larger than a year ago.

STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS

	Texas		United States	
	August 1 to May 31 This Season	August 1 to May 31 Last Season	August 1 to May 31 This Season	August 1 to May 31 Last Season
Cottonseed received at mills (tons).....	1,698,828	1,509,525	5,026,633	4,542,997
Cottonseed crushed (tons).....	1,692,783	1,530,488	4,944,032	4,581,832
Cottonseed on hand (tons).....	18,839	12,968	100,634	50,449
Crude oil produced (pounds).....	503,238,636	459,738,428	1,563,241,392	1,451,852,578
Cake and meal produced (tons).....	795,495	712,038	2,226,500	2,059,442
Hulls produced (tons).....	461,418	436,981	1,336,326	1,299,227
Linters produced (running bales).....	351,827	295,303	1,057,278	860,686
Stocks on hand, May 31:				
Crude oil (pounds).....	9,169,997	10,392,221	32,910,985	40,830,167
Cake and meal (tons).....	41,851	19,380	191,983	59,552
Hulls (tons).....	45,841	24,772	105,711	66,042
Linters (running bales).....	37,052	27,275	128,362	82,761

## TEXTILE MILLING

An increase in cotton consumption and in orders on hand at the end of the month was noted in reports received from Textile mills in the Eleventh District in May. There were 3,556 bales of raw cotton consumed during the month as compared to 3,259 bales in April and 3,010 bales in the corresponding month last year. The production of cloth was 5.3 per cent greater than in the previous month and 6.9 per cent larger than the output in May, 1928. Orders on hand on May 31, were larger than a month earlier and exceeded those of a year ago by a considerable margin. Stocks held at the close of May showed an increase over April 30, but were below stocks on May 31, 1928.

## TEXTILE MILLING STATISTICS

	May 1929	May 1928	April 1929
Number bales consumed	3,556	3,010	3,259
Number spindles active	94,976	92,852	94,476
Number pounds cloth produced	1,505,195	1,501,112	1,524,220

## WHOLESALE TRADE

The demand for merchandise in wholesale channels of distribution reflected a further seasonal decline during the past month but it exceeded that of a year ago in a majority of reporting lines. Distribution in many sections of the District was affected adversely by the heavy and almost continuous rains which impeded agricultural operations and placed an unfavorable outlook upon the agricultural situation. This had the natural result of causing consumers to delay purchases until crop prospects became more clearly defined. Furthermore, the unseasonable temperatures prevailing in many portions of the district had a tendency to retard the buying of seasonable merchandise. Late reports, however, indicate that consumer demand has improved somewhat since the appearance of dry, warm weather early in June. This improvement is being reflected in the demand at wholesale as retailers generally are keeping stocks closely aligned with consumer demand.

While the May distribution of dry goods at wholesale reflected a further seasonal decline of 5.5 per cent as compared to the previous month, it exceeded that of a year ago by 2.5 per cent. Reports indicate that the unseasonable temperatures prevailing in many sections of the district retarded the buying of summer merchandise but that the recent period of warm weather is stimulating demand. Collections showed a decline as compared to the previous month.

The demand for drugs at wholesale was well sustained during the past month, sales being slightly larger than in

April and 8.7 per cent greater than in the corresponding month last year. The increase over a year ago was general throughout the district. Some dealers report that buying was being well sustained during the first half of June. Collections were well in line with those of the previous month.

While the May sales of wholesale farm implement firms reflected a further decline of 15.2 per cent as compared to the previous month, they were 16.1 per cent greater than in the corresponding month last year. Sales during the first five months of the current year have averaged 28.7 per cent greater than during the corresponding period of the previous year. Reduced buying during the past month was due in part to the heavy rains throughout the District which seriously retarded farm operations and reduced the demand for tillage implements. Late reports indicate that while the demand during the first half of June was only in moderate volume it is exceeding that of a year ago. Collections showed a considerable decline. Prices remained generally steady.

Sales of reporting wholesale grocery firms during May reflected a slight decline as compared to the previous month and was 4.7 per cent less than in the corresponding month last year. Sales during the first five months of 1929 were 1.9 per cent less than in the same period of the previous year. Buying during the past month appears to have been somewhat spotty, sales being rather slow in those sections most seriously affected by the heavy rains but fairly good elsewhere. Collections were well in line with those of the previous month.

The distribution of hardware at wholesale reflected a sharp decline during the past month, sales being 10.4 per cent less than in the previous month and 5.0 per cent smaller than in May, 1928. The demand for those items used by farmers was reduced as a result of the retarded farming operations. Collections reflected a substantial decline from the previous month. Prices remained generally firm.

## CONDITION OF WHOLESALE TRADE DURING MAY, 1929

	Percentage of increase or decrease in:						Ratio of Collections during May to accounts and notes outstanding on April 30
	Net Sales May, 1929 compared with May, 1928		Net Sales Jan. 1 to date last year compared with same period May, 1928		Stocks May, 1929 compared with May, 1928		
	1928	1929	1928	1929	1928	1929	
Groceries	- 4.7	- .8	- 1.9	+ 1.2	- 5.9	69.5	
Dry Goods	+ 2.5	- 5.5	- 3.0	- 9.7	- .8	29.4	
Farm implements	-16.1	-15.2	+28.7	+2.3	+ .7	16.4	
Hardware	- 5.0	-10.4	+ .9	-5.3	-2.6	42.7	
Drugs	+ 8.7	+ .2	+ 5.7	+ .9	-1.8	43.0	

## RETAIL TRADE

Retail distribution as reflected by department store sales in larger cities showed a seasonal gain of 9.3 per cent as

compared to the previous month but fell 1.8 per cent below that during May, 1928. The decline from a year ago was

## BUSINESS OF DEPARTMENT STORES

	Dallas	Fort Worth	Houston	Others	Total District
Total Sales (Percentage):					
May, 1929, compared with May, 1928	+ 1.8	+ .9	- 7.6	- 2.8	- 1.8
May, 1929, compared with April, 1929	- .6	+15.1	+ 6.8	+18.3	+ 9.3
January 1 to date compared with same period last year	+ 3.4	- 2.5	+ .5	- .5	+ .6
Credit Sales (Percentage):					
May, 1929, compared with May, 1928	+ 3.4	+ 6.1	- 7.7	+ .9	+ 1.0
May, 1929, compared with April, 1929	- 6.9	+17.5	+ 5.2	+21.8	+ 7.1
January 1 to date compared with same period last year	+ 5.5	+ .3	+ .2	+ 1.4	+ 2.5
Stocks (Percentage):					
May, 1929, compared with May, 1928	- 1.3	- 2.9	- 6.2	- 2.5	- 3.0
May, 1929, compared with April, 1929	- 5.9	- 1.2	+ 1.6	- 4.7	- 3.2
Stock Turnover (Rate):					
Rate of stock turnover in May, 1928	.26	.23	.28	.27	.26
Rate of stock turnover in May, 1929	.26	.24	.27	.27	.27
Rate of stock turnover January 1 to May 31, 1928	1.23	1.06	1.26	1.20	1.19
Rate of stock turnover January 1 to May 31, 1929	1.33	1.06	1.33	1.25	1.26
Ratio of May collections to accounts receivable and outstanding May 1, 1929	33.4	36.7	39.8	41.5	37.1

due in part to adverse weather conditions which restricted the demand for seasonal merchandise and in part to the fact that buying in May last year was generally active. The warm weather prevailing during June is stimulating demand for summer goods.

Stocks on hand at the end of May were 3.2 per cent smaller than a year ago and 3.0 below those on hand a month earlier. The ratio of stock turnover during the first five months of 1929 was 1.26 as compared to 1.19 during the corresponding period of the previous year.

The ratio of collections during May to outstanding accounts on May 1 was 37.1 per cent which was the same as during the previous month and compared to 35.9 per cent in May, 1928.

FINANCIAL

While debits to individual accounts at banks located in principal cities of the Eleventh District showed a slight decline of 0.2 per cent as compared to April, they were 12.0

DEBITS TO INDIVIDUAL ACCOUNTS  
(In thousands of dollars)

	May 1929	May 1928	Increase or Decrease	April 1929	Increase or Decrease
Abilene.....	\$ 10,472	\$ 9,509	+10.1	\$ 9,638	+ 8.7
Austin.....	22,030	17,800	+23.8	25,046	-12.0
Beaumont.....	27,608	25,274	+ 9.2	30,259	- 8.8
Corsicana.....	5,603	4,884	+14.7	5,494	+ 2.0
Dallas.....	233,791	213,708	+ 9.4	248,497	- 5.9
El Paso.....	42,296	35,451	+19.3	41,864	+ 1.0
Fort Worth.....	106,203	103,130	+ 3.0	111,294	- 4.6
Galveston.....	29,989	33,953	-11.7	30,950	- 3.1
Houston.....	217,221	171,866	+26.4	201,107	+ 8.0
Port Arthur.....	12,517	9,738	+28.5	11,674	+ 7.2
Roswell.....	4,018	4,030	- 3	3,693	+ 8.8
San Antonio.....	98,632	90,041	+ 9.5	92,359	+ 6.8
Shreveport.....	40,712	39,566	+ 2.9	43,558	- 6.5
Texarkana*.....	16,570	14,533	+14.0	16,579	- 1
Tucson.....	13,239	11,747	+12.7	11,552	+14.6
Waco.....	16,778	15,859	+ 5.8	16,340	+ 2.6
Wichita Falls.....	28,275	25,841	+ 9.4	27,941	+ 1.2
Total.....	\$925,954	\$826,929	+12.0	\$ 927,851	- 2

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

per cent greater than in the corresponding month last year. Charges to individual accounts at these centers aggregated \$925,954,000 as against \$927,851,000 in the previous month and \$826,929,000 in May, 1928.

Acceptance Market

After declining for four consecutive months, acceptances executed by accepting banks in the Eleventh District and outstanding at the close of the month increased in May. Standing at \$5,775,115 on May 31, the volume of acceptances executed by these banks were \$1,671,234 greater than a month earlier. Acceptances executed against import and export transactions increased from \$2,049,881 on April 30 to \$2,244,045 on May 31 and those based on the domestic shipment and storage of goods increased from \$2,054,000 to \$3,531,070.

Condition of Member Banks In Selected Cities

A reduction in both loans and investments was shown in reports received from member banks in selected cities of the Eleventh District in May. Loans on securities declined from \$102,141,000 on May 8 to \$98,094,000 on June 5 which was the lowest level reached since last September. All other loans (largely commercial) amounting to \$240,050,000 were \$3,024,000 less than four weeks earlier but showed an increase of \$14,857,000 over last year. Investments of these banks in United States securities, aggregating \$93,525,000, reflected a decline of \$850,000 and their holdings in other stocks and bonds, which totaled \$40,010,000, showed a reduction of \$969,000. Total loans and investments amounted to \$471,679,000 as against \$480,569,000 on May 8 and \$437,528,000 on June 6, 1928. Net demand deposits declined \$13,752,000 during the current month but time deposits increased \$519,000. Reserves of these banks with the Federal Reserve Bank followed the trend of deposits and declined \$1,343,000; however, their bills payable and rediscounts with this bank rose \$2,719,000 during the month.

CONDITION STATISTICS OF MEMBER BANKS IN SELECTED CITIES

	June, 5 1929	May 8, 1929	June 6, 1928
1. Number of reporting banks.....	43	43	45
2. United States securities owned.....	93,525,000	94,375,000	76,130,000
3. All other stocks, bonds and securities owned.....	40,010,000	40,979,000	33,326,000
4. Loans on securities.....	98,094,000	102,141,000	102,879,000
5. All other loans.....	240,050,000	243,074,000	225,193,000
6. Total loans.....	338,144,000	345,215,000	328,072,000
7. Net demand deposits.....	282,739,000	296,491,000	289,684,000
8. Time deposits.....	141,807,000	141,288,000	125,784,000
9. Reserve with Federal Reserve Bank.....	32,179,000	33,522,000	32,638,000
10. Bills payable and rediscounts with Federal Reserve Bank.....	17,706,000	14,987,000	7,606,000

Savings Deposits

Reports from 86 banks in the Eleventh District which operate savings departments showed that savings deposits on May 31 were 1.4 per cent less than a month earlier but 7.5 per cent

greater than on the corresponding date a year ago. Savings depositors of 77 reporting banks numbered 284,898 on May 31 as compared to 286,788 on April 30 and 265,339 on May 31, 1928.

SAVINGS DEPOSITS

	Number of Reporting Banks	May 31, 1929		May 31, 1928		Increase or Decrease	April 30, 1929		Increase or Decrease
		Number of Depositors	Amount of Deposits	Number of Depositors	Amount of Deposits		Number of Depositors	Amount of Deposits	
Beaumont.....	4*	6,767	2,518,217	6,565	2,460,342	+ 2.4	6,768	2,510,369	+ 3
Dallas.....	6	64,407	23,508,720	57,718	22,806,497	+ 3.1	64,695	25,220,660	-6.8
El Paso.....	2	15,148	6,170,718	13,869	5,660,730	+ 9.0	15,072	6,503,246	-5.1
Fort Worth.....	3	23,870	9,071,414	22,296	7,981,726	+13.7	23,769	8,931,225	+1.6
Galveston.....	3	13,892	9,133,080	13,599	9,443,205	- 3.3	13,962	9,287,396	-1.7
Houston.....	13*	71,586	34,714,061	68,228	32,185,839	+ 7.9	73,839	34,600,907	+ 3
San Antonio.....	7*	19,341	18,754,089	16,837	16,548,096	+13.3	19,229	18,673,454	+ 4
Shreveport.....	4*	21,264	11,530,210	22,170	11,215,633	+ 2.8	21,308	11,653,894	-1.1
Waco.....	4	9,946	7,032,985	8,967	6,402,242	+ 9.9	9,916	7,005,047	+ 4
Wichita Falls.....	2	4,166	1,558,701	4,164	2,116,113	-26.3	4,119	1,563,819	- 3
All others.....	38*	34,508	21,103,004	30,926	18,133,313	+16.4	34,111	21,136,854	- 2
Total.....	86	284,898	145,093,199	265,339	134,953,736	+ 7.5	286,788	147,086,871	-1.4

\*Only 3 banks in Beaumont, 11 banks in Houston, 6 banks in San Antonio, 3 banks in Shreveport and 34 banks in "All others" reported the number of savings depositors.

## JUNE 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.....	6-6½	6-8	6-8	6	6	6-8
Rate charged on loans to other banks secured by bills receivable.....	5½-6	6	6	5½-6	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.....	6-7	6-8	6-8	6-7	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** The combined daily average of net demand and time deposits of member banks in the Eleventh District reflected a further seasonal decline from \$924,644,000 in April to \$903,888,000 in May. The daily average of net demand deposits amounted

to \$673,097,000 which was \$20,040,000 less than in April and the daily average of time deposits, aggregating \$230,791,000, showed a reduction of \$816,000. Actual net demand and time deposits of member banks stood at \$867,357,000 on June 13, 1928.

DAILY AVERAGE DEPOSITS OF MEMBER BANKS  
(In thousands of dollars)

	Combined Total		Reserve City Banks		Country Banks	
	Net Demand Deposits	Time Deposits	Net Demand Deposits	Time Deposits	Net Demand Deposits	Time Deposits
Jan., 1929.....	745,109	225,788	299,004	132,908	446,105	92,880
Feb., 1929.....	733,901	227,359	291,979	130,680	441,922	96,679
Mar., 1929.....	718,066	230,965	292,149	132,987	425,917	97,978
Apr., 1929.....	693,137	231,507	287,987	135,064	405,150	96,443
May, 1929.....	673,097	230,791	280,284	133,018	392,813	97,773

**Operations of the Federal Reserve Bank** A further increase was shown in loans to member banks in the Eleventh Federal Reserve District in May. Borrowings of member banks from this bank, which amounted to \$25,908,866 on May 31, were \$3,382,894 greater than on April 30 and exceeded those of last year by \$14,699,540. The movement of loans to reserve city banks throughout the month was irregular while that to banks in rural sections was steadily upward. Although accommodations to banks in larger centers constituted as in recent months a majority of total loans, the margin between loans to reserve city and country banks was considerably reduced by the substantial increase in borrowings during May of banks in the latter group. On June 15 total loans to member banks aggregated \$22,631,261 as compared to \$10,181,998 on the corresponding date of 1928. A large increase was shown in the number of borrowing banks which totaled 180 on May 31 as compared to only 99 a month earlier and 108 on May 31, 1928.

As a result of the increase in member bank loans, total bills held rose from 33,429,415.06 on April 30 to \$35,-

998,211.46 on May 31, distributed as follows:

Member banks' collateral notes secured by United States Government obligations.....	\$12,987,250.00
Rediscounts and all other loans to member banks.....	12,921,615.20
Open market purchases (Bankers' Acceptances).....	10,086,409.26
Discounts for non-member banks.....	2,937.00
<b>Total bills held.....</b>	<b>\$35,998,211.46</b>

Federal Reserve notes in actual circulation amounting to \$37,365,705 on May 31, showed a further slight decline of \$203,010 as compared to April 30 but reflected an expansion of \$6,085,155 over a year ago. The daily average reserve deposits of member banks amounted to \$65,054,006 as against \$67,509,298 in April and \$64,928,116 in the corresponding month of 1928.

## FAILURES

Although an increase was shown in the indebtedness of defaulting firms in the Eleventh District in May, both the number of failures and the volume of indebtedness continued considerably smaller than in the same month last year. Failures during the month numbered 50 with an indebtedness of \$1,084,428 as compared to 51 defaults in April that owed \$515,003 and 66 insolvencies in May, 1928, with liabilities of \$2,214,149.

## PETROLEUM

Following a decline in April, production of crude oil in the Eleventh Federal Reserve District increased considerably in May. There were 25,301,850 barrels of oil produced during the month which represents a gain of 821,780 barrels over April. A partial lifting of proration rules in some sections together with an advance in crude oil prices partly accounted for the increased output. Field activities increased and a gain was shown in initial production. There were 760 completions in May, of which 362 were producers of oil that yielded 184,547 barrels of new production as compared to 553 completions in April of which 272 were successful with an initial output of 126,689 barrels.

The daily average output of Texas rose from 778,305 barrels in April to 780,788 barrels in May, all fields shar-

ing in the daily average yield except East Central and North Texas areas. Production in Central-West Texas reflected a

## MAY DRILLING RESULTS

	Completions	Producers	Gas Wells	Failures	Initial Production
North Texas.....	255	150	15	90	43,947
Central West Texas.....	221	90	20	111	77,558
East Texas.....	8	..	7	1	..
Southwest Texas.....	64	49	11	4	18,800
Texas Coastal.....	88	61	3	24	43,043
Texas Wild-Cats.....	68	3	5	60	510
<b>Total Texas.....</b>	<b>704</b>	<b>353</b>	<b>61</b>	<b>290</b>	<b>183,858</b>
North Louisiana.....	56	9	22	25	689
<b>May Totals, District.....</b>	<b>760</b>	<b>362</b>	<b>83</b>	<b>315</b>	<b>184,547</b>
<b>April Totals, District.....</b>	<b>553</b>	<b>272</b>	<b>64</b>	<b>217</b>	<b>126,689</b>

further gain partly as a result of the increase in allowable production in the Yates field. Activity in the Panhandle was centered in Gray County which is rapidly becoming the most active field in North Texas. The extension and further development of the Spindle Top field boosted the output of the Texas Coastal region over that of April while the Salt Flat area of Southwest Texas established a new high mark in its output. Total production in North Louisiana declined 33,500 barrels.

On May 22, a new schedule in prices with a differential of 5 cents per barrel was posted in North and Central Texas

and North Louisiana which raised the price of crude oil (52 gr. and above) to \$1.85 per barrel. The price of Texas Coastal grade "A" was advanced to \$1.30 per barrel on May 29.

CRUDE OIL PRICES

	June 11, 1929	June 12, 1928
Texas Coastal Grade "A".....	\$1.30	\$1.20
North and Central Texas and North Louisiana (52 gr and above).....	1.85	1.76

OIL PRODUCTION

	Total	May		Total	April		Increase or Decrease		
		Daily Average	Daily Average		Daily Average	Daily Average	Total	Daily Average	
North Texas.....	4,470,400	144,206	144,206	4,470,700	149,323	Dec.	9,300	Dec.	5,117
Central West Texas.....	12,714,200	410,135	410,135	12,244,250	408,142	Inc.	469,950	Inc.	1,993
East Central Texas.....	585,350	18,882	18,882	570,450	19,315	Inc.	5,900	Dec.	433
Texas Coastal.....	4,049,000	130,613	130,613	3,878,470	129,282	Inc.	170,530	Inc.	1,331
Southwest Texas.....	2,385,500	76,952	76,952	2,167,300	72,243	Inc.	218,200	Inc.	4,709
Total Texas.....	24,204,450	780,788	780,788	23,349,170	778,305	Inc.	855,280	Inc.	2,483
North Louisiana.....	1,097,400	35,400	35,400	1,130,900	37,697	Dec.	33,500	Dec.	2,297
Total District.....	25,301,850	816,188	816,188	24,480,070	816,002	Inc.	821,780	Inc.	186

Oil Statistics Compiled by The Oil Weekly, Houston, Texas

LUMBER

Shipments of lumber at pine mills in the Eleventh District in May showed a sharp decline from April and were considerably less than in the corresponding month last year. Orders were likewise smaller than during the two previous periods. Shipments were 85 per cent of normal production which was 11 points less than in April, and 20 points below those in May, 1928. Orders amounted to 83 per cent of normal production, representing a 7 point decline during the month and a 10 point reduction from a year ago. There was a 2 point decline shown from the previous month in

the output of lumber which amounted to 93 per cent of normal in May and a reduction of 7 points was reflected as compared to the same month last year. While stocks on hand on May 31, were larger than on April 30, they were considerably less than a year ago. Unfilled orders for lumber amounted to 44,994,924 feet at 36 mills at the close of the month as against orders for 42,399,132 feet on record at 37 establishments a month earlier.

BUILDING

Activity in the building industry in May, as reflected in the valuation of permits issued at principal cities of the Eleventh District, declined 58.1 per cent from the high level reached in April and was 25.7 per cent less than in the corresponding month last year. The valuation of permits issued at these centers aggregated \$3,148,240 as compared to \$19,442,938 in April and \$10,961,162 in May, 1928. The decline from the same month last year reduced the total for the first five months of 1929, 2.2 per cent from the valuation of permits issued during the same period of 1928. Out of seven cities reporting increases over a year ago in their cumulative total, it will be observed that five are located in the Southern half of the State.

MAY PINE MILL STATISTICS

Number of reporting mills.....	36
Production.....	72,545,450 feet
Shipments.....	66,255,760 feet
Orders.....	64,525,186 feet
Unfilled orders May 31.....	44,994,924 feet
Normal production.....	77,648,190 feet
Stocks May 31.....	187,409,008 feet
Normal stocks.....	198,825,955 feet
Shipments below normal.....	11,392,430 feet—15%
Actual production below normal.....	5,102,740 feet—7%
Orders below normal production.....	13,123,004 feet—17%
Stocks below normal.....	11,416,949 feet—6%

Lumber Statistics Compiled by The Southern Pine Association

BUILDING PERMITS

	May, 1929		May, 1928		Increase or Decrease	April, 1929		Increase or Decrease	Five Months				Increase or Decrease
	No.	Valuation	No.	Valuation		1929			1928				
						No.	Valuation		No.	Valuation			
Amarillo.....	44	\$ 62,064	111	\$ 930,446	- 93.3	63	\$ 156,280	- 60.3	240	\$ 819,090	437	2,085,438	- 60.7
Austin.....	72	673,993	56	118,037	+471.0	88	338,007	+ 99.4	411	1,552,881	332	1,514,850	+ 2.5
Beaumont.....	194	206,862	212	296,377	- 30.2	203	324,209	- 36.2	916	1,363,932	941	1,285,449	+ 6.1
Corpus Christi.....	65	149,355	83	879,810	- 83.0	77	170,900	- 12.6	333	917,456	368	3,550,931	- 74.2
Dallas.....	259	550,780	378	579,550	- 5.0	343	1,294,212	- 57.4	1,488	4,901,195	1,781	3,229,412	+ 51.8
El Paso.....	141	291,687	91	167,387	+74.3	87	119,508	+144.1	534	1,246,437	386	699,961	+ 78.1
Fort Worth.....	371	1,865,891	357	774,502	+140.9	422	1,065,071	+ 75.2	1,687	5,402,419	2,102	8,034,731	- 32.8
Galveston.....	141	174,699	244	602,597	- 71.0	231	165,655	+ 5.5	871	917,656	1,005	1,380,960	- 33.5
Houston.....	464	1,864,090	611	2,888,300	- 35.5	508	8,455,771	- 78.0	2,350	16,712,078	2,857	16,255,180	+ 2.8
Port Arthur.....	122	169,111	127	103,913	+ 52.7	161	196,265	- 13.8	643	1,387,409	596	512,029	+171.0
San Antonio.....	319	907,255	368	2,937,488	- 69.1	408	6,604,425	- 86.3	1,808	10,529,443	1,795	7,646,892	+ 37.7
Shreveport.....	290	586,256	286	386,820	+ 51.6	340	292,090	+100.7	1,316	1,699,578	1,184	1,892,470	- 10.2
Waco.....	33	569,701	29	124,985	+355.8	61	176,199	+223.3	215	1,157,077	175	1,313,597	- 11.9
Wichita Falls.....	46	76,496	52	170,950	- 55.3	54	84,346	- 9.3	202	536,236	292	844,835	- 36.5
Total.....	2,561	8,148,240	3,005	10,961,162	- 25.7	3,046	19,442,938	- 58.1	13,014	49,142,887	14,251	50,246,735	- 2.2

## CEMENT

While shipments of Portland cement at Texas mills declined in May, production increased and was heavier than in many months. There were 563,000 barrels shipped during May which was 9.9 per cent less than in April, and 7.7 per cent below those in the corresponding month last year. Production, which amounted to 655,000 barrels, was 5.3 per cent greater than in April and exceeded the output in May

last year by 23.4 per cent. Stocks increased 20.8 per cent over April 30 as a result of production exceeding shipments and were 37.5 per cent greater on May 31 than a year ago. As compared to the same period of 1928, production during the five months of this year showed an increase of 4.1 per cent and shipments reflected a gain of 2.9 per cent.

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

	May 1929	May 1928	Increase or Decrease	April 1929	Increase or Decrease	Five Months		Increase or Decrease
						1929	1928	
Production at Texas mills.....	655,000	531,000	+23.4	622,000	+5.3	2,669,000	2,563,000	+4.1
Shipments at Texas mills.....	563,000	610,000	-7.7	625,000	-9.9	2,657,000	2,581,000	+2.9
Stocks at end of month at Texas mills.....	535,000	389,000	+37.5	443,000	+20.8			

## SUMMARY OF NATIONAL BUSINESS CONDITIONS

(As Compiled By The Federal Reserve Board as of June 25, 1929)

Production and distribution of commodities continued at a high rate in May. Wholesale commodity prices declined further during the month, but more recently showed some advance. Total loans and investments of member banks in leading cities have increased since the latter part of May.

## PRODUCTION

Industrial production continued large in May and was accompanied by a further increase in the volume of factory employment and payrolls. Output of the iron and steel industry increased further, and shipments of iron ore during May were the largest for that month of any recent year. Production of pig iron, steel ingots, and coke was at record levels; and semi-finished and finished steel was produced in large volume. During the first half of June steel operations remained close to capacity, although some decline from the high rate of May was reported. Output of automobiles, which has been in unusually large volume since the beginning of the year, showed a slight reduction in May. Copper production in mines, smelters, and refineries decreased during May but continued large. Combined stocks of refined and blister copper at the end of May were the largest since 1927. Zinc, lead, petroleum, and bituminous coal were produced in larger volume than in April while the output of anthracite coal declined. Output in the textile industries continued large in May although there was a decline in activity in silk mills. Meat production, while larger than in April, increased less than is usual at this season. The value of building contracts awarded declined in May, and was below last year's level, the decrease in comparison with 1928 being chiefly in residential building. During the first two weeks in June contracts averaged 15 per cent less than in the same period in 1928. The June 1st crop summary of the Department of Agriculture indicated an increase of 43,000,000 bushels, or more than 7 per cent, in the crop of winter wheat. The condition of spring wheat, barley, and hay was reported to be better than a year ago.

## DISTRIBUTION

The volume of freight shipments increased seasonally in May and continued substantially above the total of a year

ago. Department store sales increased in May and were 2 per cent larger than in the same month in the preceding year.

## PRICES

Wholesale prices continued in May the downward movement of the previous month, according to the Index of the United States Bureau of Labor Statistics. The decline of the general level was chiefly the result of price declines in agricultural products and their manufactures, although prices of other products also declined slightly. Prices of cotton and grains continued sharply downward in May and there were marked declines in the prices of hogs, wool, and lambs. Prices of mineral and forest products and their manufactures averaged lower in May than in April, particularly those of copper, lead, and tin; petroleum and gasoline, and iron and steel advanced in price; while in lumber there was a slight decline. Since the latter part of May prices of cattle and hides have advanced sharply and there have been increases in the prices of grains, hogs, and cotton.

## BANK CREDIT

Total loans and investments of member banks in leading cities, which were at a low point for the year in the latter part of May increased considerably during the subsequent three weeks and on June 19 were about \$250,000,000 larger than a year ago. The recent increase reflected a large growth in the volume of loans on securities, which had declined during the preceding two months, and a further growth in loans chiefly for commercial and agricultural purposes. Investments declined during most of the period and on June 19 were at a level about \$450,000,000 below that of the middle of last year. Volume of Reserve bank credit outstanding, after increasing in the latter part of May declined in June and, following the Treasury financial operations around the middle of the month, showed a small increase for the four weeks ending June 19. Discounts for member banks increased, while holdings of acceptances and United States securities showed a decline. There were some further additions to the country's stock of monetary gold. Open market rates on collateral loans declined in June, while rates on prime commercial paper and 90 day bankers' acceptances remained unchanged.