

MONTHLY BUSINESS REVIEW

OF THE

FEDERAL RESERVE BANK OF DALLAS

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(Compiled July 15, 1929)

Volume 14, No. 6

Dallas, Texas, August 1, 1929

This copy is released for publication in morning papers—

July 29

DISTRICT SUMMARY

THE SITUATION AT A GLANCE Eleventh Federal Reserve District

	June	May	Increase or Decrease	
Bank debits to individual accounts (at 17 cities).....	\$860,969,000	\$925,954,000	Dec.	7.0%
Department store sales.....			Dec.	15.4%
Reserve bank loans to member banks at end of month.....	\$ 15,742,529	\$ 25,908,865	Dec.	39.2%
Reserve bank ratio at end of month.....	74.3%	61.5%	Inc.	12.8 points
Building permit valuation at larger centers.....	\$ 6,142,138	\$ 8,148,240	Dec.	24.6%
Commercial failures (number).....	27	50	Dec.	46.0%
Commercial failures (liabilities).....	\$ 710,082	\$ 1,084,428	Dec.	34.5%
Oil production (barrels).....	25,422,150	25,301,850	Inc.	0.5%
Lumber orders at pine mills (per cent of normal production).....	65%	83%	Dec.	18 points

The remarkable recovery of the wheat market coincident with the harvesting of one of the district's largest wheat crops was an outstanding development during the past thirty days. Throughout the wheat belt there has been a liquidation of indebtedness, a sharp rise in bank deposits, and an active demand for commercial paper and bankers' acceptances.

The business mortality rate in the Eleventh Federal Reserve District during the past month reflected a marked improvement. The number of failures was not only substantially smaller than in either the previous month or the corresponding month last year but was the smallest of any month in more than nine years. The liabilities of defaulting firms were considerably lower than a month earlier but larger than a year ago.

The district as a whole showed a further seasonal decline in deposits during the past month. The daily average of net demand and time deposits of member banks declined from \$903,888,000 in May to \$869,148,000 in June. The actual deposits of these banks on July 11, 1928, amounted to \$884,595,000. While Federal Reserve Bank loans to member banks decreased from \$25,908,865 on May 31 to \$15,742,529 on June 30, they have increased rapidly since the latter date and on July 15 stood at \$29,127,382. This heavy increase in borrowing at the Federal Reserve Bank was brought about largely by the demand for credit in connection with the movement and storage of the large wheat crop, the ordinary agricultural operations, and to meet the withdrawal of deposits.

The demand for merchandise in both wholesale and retail channels was generally quiet. Department store sales reflected a decline of 15 per cent as compared to the previous month and were 3 per cent less than in June last year. The

distribution of merchandise at wholesale was likewise smaller than in either the previous month or the corresponding month in 1928. Some lines, however, report that business has improved somewhat since the early part of July.

Construction activity evidenced a further decline, the valuation of building permits at principal centers being 25 per cent less than in the previous month and 15 per cent smaller than in June, 1928. The production, shipments, and new orders for lumber likewise showed a heavy decline.

The Department of Agriculture reports that the prospective yield of small grain crops will be substantially above that of a year ago. While the indicated yield of the corn crop is considerably smaller than in 1928, it will be sufficient in most instances to take care of the farmers needs during the coming year. Other feed crops likewise promise satisfactory yields. Weather conditions generally have been favorable for the growth and cultivation of the cotton crop and late reports indicate that the crop is now in a good state of cultivation. It should be borne in mind, however, that the condition of the crop is very spotty as a large percentage is much later than usual and the stand of the older cotton was damaged somewhat in ridding the fields of grass caused by the May rains. While the hot, dry weather checked the activity of boll weevils over a large portion of the district, their presence in large numbers, together with the large percentage of young cotton, renders the crop susceptible to the depredations of this insect. Furthermore, the persistence of showery weather since the first of July in South-Central and South Texas has increased weevil activity to some extent. In other sections of the district rain at this time would be beneficial to the crop. Due to the absence of rains during the past month over most of the district's range territory, the condition of ranges showed a marked decline but livestock generally held up well.

CROP CONDITIONS

Weather conditions generally during the past month were very favorable for farm work and crop growth. Farmers have made rapid progress with the cultivation of row crops and late reports indicate that fields generally are clean and crops are in a good state of cultivation.

The harvesting and threshing of small grains have proceeded under favorable conditions and this work is nearing completion in practically all sections except Northwest Texas and New Mexico. The Department of Agriculture in its July 1 report indicated that the production of all grain crops in Texas this year will exceed that in 1928. The per acre yield of wheat in Texas was estimated at 13.5 bushels as against 11 bushels in 1928 and a total yield for the State at 31,676,000 bushels as against 22,176,000 bushels in the previous year. The total yield of the Texas oat crop was estimated at 43,732,000 bushels as compared to 35,751,000 bushels in 1928. The production of barley was estimated at 5,075,000 bushels, whereas, only 3,276,000 bushels was produced in the previous year. This represents an increase of four bushels in the per acre yield. The wheat and oat crops in New Mexico are in fair to good condition with the harvesting of winter wheat well under way.

The dry weather during the past month reduced somewhat the earlier prospects of the corn crop. The Department of Agriculture estimated the condition of this crop in Texas as 67 per cent of normal on July 1 as compared to 80 per cent a year ago. Although there was a slight increase in the acreage this year, the indicated production was placed at 81,479,000 bushels on July 1 as compared to an actual production of 99,162,000 bushels in 1928. The yield is good in those sections where moisture conditions have been favorable but only fair elsewhere. This crop in New Mexico has advanced favorably but a rain is needed for the proper maturity of the crop. A portion of the crop in Louisiana is also suffering from dry weather. The July 1 condition of tame hay in Texas was estimated by the Department of Agriculture as 82 per cent of normal as compared to 83 per cent a year ago, but due to the increased acreage the prospective yield was placed at 768,000 tons as compared to a production of 733,000 tons a year ago. The second cutting of alfalfa is practically completed in Central New Mexico and the third crop is ripening in the Southern portion of the State.

The generally dry weather which has prevailed in most sections of the district since the early part of June has enabled farmers to make rapid progress with the cultivation of the cotton crop and late reports are to the effect that fields generally are clean. A large percentage of the crop, however, is later than usual, and farmers damaged the stand of much of the early cotton in working out of the grass. In practically all sections of the district the condition of the crop is very spotty, the condition of some fields being poor while others are fair to very good. Reports indicate that weevils are present in large numbers in much of the old cotton belt of the district and while the recent hot weather has served to check their activity, the lateness of such a large percentage of the acreage this year renders the crop more susceptible to the ravages of this insect. While additional moisture would be very beneficial to the crop in most sections of the district, it might serve to increase the activity of the weevil. Reports also indicate that root rot is becoming

prevalent in Central, South-Central and portions of South Texas. The Department of Agriculture reported that weevil activity in South Texas has been reduced considerably since mid-June and that the early cotton has bloomed freely and promises a good yield. Picking and ginning is becoming general in this section. The Department of Agriculture estimated that the area of cotton in cultivation on July 1 was greater in every state attached to the Eleventh Federal Reserve District than in 1928. The following table gives the estimated acreage for the current year and the percentage of the 1928 acreage:

	Area in Cultivation	
	July 1, 1929 (Acres)	Percentage of 1928 Acreage
Arizona	226,000	112
Louisiana	2,216,000	108
New Mexico	132,000	107
Oklahoma	4,685,000	106
Texas	18,697,000	102

The condition of the rice crop in Texas was placed at 82 per cent of normal on July 1, as compared to 90 per cent on that date a year ago. The estimated production was shown as 5,845,000 bushels as compared to 7,308,000 bushels in 1928. Fruit crops in Texas promise a larger yield than a year ago.

LIVESTOCK

Ranges in many sections of the Eleventh Federal Reserve District deteriorated during June due to the absence of moisture, and range grass generally had begun to burn. The rains which have fallen over a large area of the range territory since the first of July, however, have been very beneficial and in many areas range grasses have begun to green again. Nevertheless, there are some localities that are urgently in need of moisture and additional rains would be beneficial over much of the range territory. Late reports indicate that pastures are drying out rapidly in portions of New Mexico and while some rain has fallen in Southeastern Arizona more is needed to revive range grass. Due to the abundance of pasturage, cattle generally have held up well and are in a better condition than is usual at this season of the year. Reports from many sections are to the effect that cattle are in good flesh. Cattle in Southeastern Arizona and portions of Western New Mexico are in poor to only fair condition. While sheep and goats have suffered more from the dry weather than cattle, their condition is fair to good. Calf, lamb and kid crops in most sections are above the average and the young animals are strong and healthy. The Department of Agriculture reported that range prices of cattle and goats showed practically no change during June but that the prices of sheep declined materially during the month.

The condition of cattle ranges in Texas on July 1, as reported by the Department of Agriculture, was 87 per cent of normal as compared to 93 per cent a month earlier and 88 per cent a year ago. The condition of sheep and goat ranges was 85 per cent of normal as against 94 per cent on June 1 and 95 per cent on July 1, 1928. The condition of cattle declined one point during June while sheep and goats declined four points.

Movement and Prices The receipts of cattle, calves, and hogs during June were considerably less than in either the previous month or the corresponding month a year ago. The receipts of sheep, however,

showed a gain as compared to both periods.

Despite the smaller receipts, prices on all classes of cattle showed a decline during June with the downward movement being especially severe during the last week of the month. The market recovered somewhat, however, during the first week in July under the stimulus of unusually light receipts. The hog market, after remaining generally steady during June, reflected a substantial advance during the first week of July. Sheep and lamb prices declined somewhat during June but showed some recovery early in July.

FORT WORTH LIVESTOCK RECEIPTS

	June 1929	June 1928	Loss or Gain	May 1929	Loss or Gain
Cattle.....	63,651	80,526	L 16,875	65,973	L 2,322
Calves.....	18,660	19,908	L 1,248	19,472	L 812
Hogs.....	27,430	29,734	L 2,304	30,704	L 3,274
Sheep.....	64,575	59,058	G 5,517	62,610	G 1,965

COMPARATIVE TOP LIVESTOCK PRICES

	June 1929	June 1928	May 1929
Beef steers.....	\$14.40	\$13.50	\$14.40
Stocker steers.....	13.00	12.25	13.75
Butcher cows.....	10.25	10.00	11.00
Stocker cows.....	7.15	7.25	8.50
Calves.....	14.50	13.50	14.50
Hogs.....	11.00	10.60	10.85
Sheep.....	8.75	10.00	9.00
Lambs.....	13.50	16.00	14.00

Cotton Movements The receipts and exports of cotton through the ports of Houston and Galveston during June showed a substantial decline as compared to both the previous month and the same month a year ago. Stocks on hand at these ports at the end of June reflected a further seasonal decline and were smaller than on June 30, 1928. Exports of cotton from all United States ports during June amounted to 299,136 bales as compared to 313,000 bales in May and 444,168 bales in June last year. Exports during the eleven months of the current season, however, were 8.5 per cent greater than in the corresponding period of the previous season. The domestic consumption of cotton which amounted to 570,281 bales in June reflected a seasonal decline as compared to the previous month but was considerably larger than a year ago.

COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON

	June 1929	June 1928	August 1 to June 30 This Season	Last Season
Receipts.....	29,835	66,825	2,980,618	2,552,446
Exports.....	120,109	163,461	2,935,914	2,531,874
Stocks, June 30.....			128,290	166,601

GALVESTON STOCK STATEMENT

	June 30, 1929	June 30, 1928
For Great Britain.....	4,000	6,000
For France.....	4,000	5,000
For other foreign ports.....	19,200	23,700
For coastwise ports.....	3,500	2,000
In compresses and depots.....	97,590	126,301
Total.....	128,290	166,601

COTTON MOVEMENTS THROUGH THE PORT OF HOUSTON

	June 1929	June 1928	August 1 to June 30 This Season	Last Season
Receipts.....	12,841	26,613	2,845,507	2,524,752
Exports.....	87,377	136,364	2,357,033	1,962,262
Stocks, June 30.....			234,297	277,427

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

	This Season	August 1 to June 30 Last Season
Receipts.....	9,324,204	8,937,729
Exports: Great Britain.....	1,829,053	1,404,707
France.....	778,959	866,974
Continent.....	3,588,938	3,957,281
Japan-China.....	1,478,831	1,016,020
Mexico.....	30,657	17,993
Total foreign ports.....	7,706,438	7,262,575
Stocks at all United States ports June 30.....	786,877	874,134

SPOT COTTON PRICES—(Middling Basis)

	June, 1929		July 15, 1929
	High	Low	
New York.....	19.05	18.30	18.00
New Orleans.....	19.09	18.35	18.13
Dallas.....	18.60	17.65	17.50
Houston.....	18.90	18.25	18.00
Galveston.....	18.90	18.25	18.00

COTTON CONSUMED AND ON HAND

	COTTON GROWING STATES				UNITED STATES			
	June 1929	June 1928	August 1 to June 30 This Season	Last Season	June 1929	June 1928	August 1 to June 30 This Season	Last Season
Cotton Consumed.....	431,967	392,052	4,991,833	4,871,118	570,281	510,399	6,552,489	6,394,242
Cotton on hand June 30:								
(a) In consuming establishments.....			875,443	736,958			1,289,294	1,160,888
(b) In public storage and compresses.....			1,100,523	1,461,742			1,375,728	1,646,807

COTTONSEED PRODUCTS

The customary decline that is noticeable toward the end of the season was in evidence in the operation of cottonseed oil mills during the month of June. The production of cottonseed products, however, were on a larger scale than a year ago and the amount of cottonseed on hand at the end of June was about double the amount held on the same date in 1928. Stocks of cottonseed oil on hand at the mills declined to 19,002,270 pounds on June 30 as compared to 32,910,985 pounds a month earlier and 29,046,251 pounds a year ago. While the stocks of cake and meal, hulls, and linters were reduced considerably during the month they were substantially larger than on June 30, 1928.

STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS

	Texas		United States	
	August 1 to June 30 This Season	Last Season	August 1 to June 30 This Season	Last Season
Cottonseed received at mills (tons).....	1,705,982	1,516,396	5,052,674	4,561,749
Cottonseed crushed (tons).....	1,703,667	1,542,513	5,007,306	4,620,787
Cottonseed on hand (tons).....	15,109	7,814	63,401	30,266
Crude oil produced (pounds).....	506,983,849	463,284,413	1,584,793,861	1,465,352,226
Cake and meal produced (tons).....	801,159	717,172	2,254,923	2,079,289
Hulls produced (tons).....	460,993	440,508	1,349,639	1,312,050
Linters produced (running bales).....	354,452	297,367	1,072,555	809,482
Stocks on hand, June 30:				
Crude oil (pounds).....	4,077,202	5,703,767	19,002,270	29,046,251
Cake and meal (tons).....	30,954	17,380	142,014	45,241
Hulls (tons).....	37,914	18,841	87,997	45,892
Linters (running bales).....	26,652	21,470	101,007	59,028

TEXTILE MILLING

While consumption of cotton and output of cloth at Textile mills in the Eleventh District were less in June than in May, they showed an increase over a year ago. There were 3,289 bales of cotton consumed as compared to 3,394 bales in May and 2,973 bales in the corresponding month last year. Production of cloth was 4.8 per cent less than in the previous month but 1.9 per cent above the output in June, 1928. Orders on hand at the close of the month were larger than on May 31 and showed a goodly increase over last year. Stocks held on June 30 reflected a decline as compared to a month earlier and a year ago.

TEXTILE MILLING STATISTICS

	June 1929	June 1928	May 1929
Number bales consumed.....	3,289	2,973	3,394
Number spindles active.....	96,516	94,892	96,516
Number pounds cloth produced.....	1,444,096	1,416,532	1,516,843

WHOLESALE TRADE

A further seasonal recession in the distribution of merchandise in wholesale channels was in evidence during June. Sales in all reporting lines were less than in the previous month and dry goods was the only line to show an increase over a year ago. The volume of business during the first half of the year compared favorably with that of the corresponding period of 1928. While the decline in business was fairly general over the district due in part to the uncertainty in the agricultural outlook, reports from some lines of trade indicate that business is showing some improvement in July. Collections during June were seasonably slow.

The distribution of dry goods at wholesale during June showed a further seasonal decline of 9.6 per cent as compared to the previous month but exceeded that of the corresponding month a year ago by 1.6 per cent. The hot weather during June and July has stimulated the demand for summer goods and some dealers report that business in July has been improving. Collections reflected a noticeable decline as compared to the previous month.

The sales of wholesale farm implement firms during June reflected a further decline of 21.9 per cent as compared to

the previous month and were 16.0 per cent less than in the corresponding month a year ago. Distribution during the first six months of the year, however, averaged 21.7 per cent larger than during the same period of 1928. The falling off in demand during June was fairly general over the district. Collections reflected a substantial decline as compared to the previous month. Prices remained generally steady.

The June demand for drugs at wholesale showed a decline of 11.1 per cent as compared to the previous month and was 2.0 per cent less than in the corresponding month last year. The decline during the current month was fairly general over the district. Sales during the first six months of the current year, however, averaged 4.5 per cent as compared to the same period last year. Collections reflected a substantial decline as compared to the previous month.

The June sales of reporting wholesale grocery firms were 2.3 per cent less than in May and were 1.9 per cent below those in the corresponding month last year. Business was fairly good in some sections but slow in others. Reports indicate that buying is improving in those sections where the crop outlook is promising. Collections were reported to be slow. Prices remained generally steady.

The distribution of hardware at wholesale during June reflected a decline of 2.9 per cent as compared to the previous month and was 2.8 per cent less than in the corresponding period last year. Sales during the first half of the current month exceeded those during the same period of 1928 by 0.7 per cent. Some firms reported buying to be generally slow except on some seasonable items. Prices continued generally steady. Collections showed a decline as compared to the previous month.

CONDITION OF WHOLESALE TRADE DURING JUNE, 1929
Percentage of increase or decrease in:

	Net Sales June, 1929 compared with June, 1928		Net Sales Jan. 1 to date compared with same period last year		Stocks June, 1929 compared with June, 1928		Ratio of Collec- tions during June to accounts and notes outstanding on May 31
	1929	1929	last year	1928	1929		
Groceries.....	- 1.9	- 2.3	- 1.6	+ 7.1	- 7.1	69.1	
Dry Goods.....	+ 1.6	- 9.6	- 1.9	-11.3	- 6.0	26.3	
Farm implements.....	-16.0	-21.9	+21.7	+12.2	+ .4	13.4	
Hardware.....	- 2.8	- 2.9	+ .7	- 4.2	+1.3	42.2	
Drugs.....	- 2.0	-11.1	+ 4.5	+ 1.0	- 2.3	40.9	

RETAIL TRADE

The demand for merchandise at retail was quiet during the past month. Sales of department stores in the larger centers reflected a seasonal decline of 15.4 per cent as compared to the previous month and were 3.1 per cent less than in the corresponding month last year. Sales during the first

half of 1928 were practically the same as during the same period of last year. Clearance sales have been in progress since the first of July and reports indicate that the results have been generally satisfactory.

Stocks on hand at the end of June were 9.3 per cent less

BUSINESS OF DEPARTMENT STORES

	Dallas	Fort Worth	Houston	San Antonio	Others	Total District
Total Sales (Percentage):						
June, 1929, compared with June, 1928.....	+ 3.1	+ 2.5	- 7.5	-11.1	- 4.8	- 3.1
June, 1929, compared with May, 1929.....	-15.6	-14.8	- 7.1	- 7.2	-30.6	-15.4
January 1 to date compared with same period last year.....	+ 3.4	- 1.7	- .9	- 4.3	- .1	- .2
Credit Sales (Percentage):						
June, 1929, compared with June, 1928.....	+ 5.8	+ 9.9	- 4.5	- 8.6	- 2.0	+ .6
June, 1929, compared with May, 1929.....	-14.2	-18.3	- 2.9	- 9.6	-35.8	-16.5
January 1 to date compared with same period last year.....	+ 5.5	+ 2.6	- .7	- 1.1	+ 3.1	+ 2.5
Stocks (Percentage):						
June, 1929, compared with June, 1928.....	- 5.1	- 3.3	- 3.6	- 2.5	+ .6	- 2.9
June, 1929, compared with May, 1929.....	-10.5	- 6.6	-11.5	-12.9	- 6.5	- 9.3
Stock Turnover (Rate):						
Rate of stock turnover in June, 1928.....	.23	.24	.27	.33	.21	.25
Rate of stock turnover in June, 1929.....	.24	.21	.26	.31	.20	.24
Rate of stock turnover January 1 to June 30, 1928.....	1.44	1.26	1.60	1.63	1.38	1.46
Rate of stock turnover January 1 to June 30, 1929.....	1.59	1.28	1.61	1.80	1.37	1.52
Ratio of June collections to accounts receivable outstanding June 1, 1929.....	33.9	32.2	38.4	40.8	32.6	35.0

than a month earlier and 2.9 per cent less than on June 30, 1928. The rate of stock turnover during the first half of 1929 was 1.52 as compared to 1.46 during the corresponding period a year ago.

Collections reflected a decline during the month. The ratio of June collections to accounts outstanding on June 1 was 35.0 per cent as compared to 37.1 per cent in May and 36.1 per cent in June, 1928.

FINANCIAL

Debits to individual accounts at banks in principal cities of the Eleventh District were 7.0 per cent less in June than in May but reflected a slight increase of 0.1 per cent over the corresponding month last year. Charges to individual accounts at banks in these centers aggregated \$860,969,000 as compared to \$925,954,000 in the previous month and \$860,303,000 in June, 1928.

DEBITS TO INDIVIDUAL ACCOUNTS
(In thousands of dollars)

	June 1929	June 1928	Increase or Decrease	May 1929	Increase or Decrease
Abilene	\$ 9,900	\$ 9,653	+ 2.6	\$ 10,472	- 5.4
Austin	19,217	19,104	+ .6	22,030	-12.8
Beaumont	26,818	25,277	+ 6.1	27,608	- 2.9
Corsicana	5,523	5,155	+ 7.2	5,603	- 1.4
Dallas	217,138	212,087	+ 2.4	233,791	- 7.1
El Paso	38,829	35,465	+ 9.5	42,296	- 8.2
Fort Worth	106,258	103,566	+ 2.6	106,203	+ 1
Galveston	29,072	34,582	-15.9	29,989	- 3.1
Houston	188,829	194,741	- 3.0	217,221	-13.1
Port Arthur	12,575	9,813	+35.0	12,517	+ .5
Roswell	4,337	3,993	+ 8.6	4,018	+ 7.9
San Antonio	93,883	95,996	- 2.2	98,632	- 4.8
Shreveport	37,286	41,409	-10.0	40,712	- 8.4
Texarkana*	16,690	15,085	+10.6	16,570	+ .7
Tucson	12,690	12,447	+ 2.0	13,259	- 4.1
Waco	15,468	15,604	- .9	16,778	- 7.8
Wichita Falls	20,447	20,820	- 1.4	28,275	- 6.5
Total	\$800,969	\$860,303	+ .1	\$925,954	- 7.0

*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 amounted to \$5,102,381 on June 30, representing a decline of \$672,734 as compared to May 30 but a gain of \$906,462 over the total of a year ago. Acceptances executed against import and export transactions declined from \$2,244,045 on May 31 to \$1,877,179 on June 30 and those based on the domestic shipment and storage of goods were reduced from \$3,531,070 to \$3,225,202 between the two dates.

Condition of Member Banks in Selected Cities Investments of banks located in principal cities of the Eleventh District declined further in June but loans during the current month, after declining in May, showed a moderate increase. Investments in United States securities declined from \$93,525,000 on June 5 to \$86,086,000 on July 3, and their holdings in other stocks and bonds were reduced from \$40,010,000 on the former date to \$39,913,000 on the latter date. Loans on securities amounted to \$102,967,000, representing an increase of \$4,873,000 during the month but a decline of \$2,203,000 as compared to a year ago. All other loans (largely commercial), standing at \$240,236,000 on July 3 reflected a slight gain of \$186,000 during the month and exceeded those of last year by \$13,729,000. Total loans and investments of these banks amounted to \$469,181,000 as compared to \$471,679,000 on June 5 and \$450,802,000 on July 3, 1928. While net demand deposits showed a further decline of \$2,019,000 during the four-week period ending July 3, time deposits rose \$1,147,000. Reserves of these banks with the Federal Reserve Bank increased \$572,000; on the other hand, their bills payable and rediscounts with this bank declined \$6,518,000.

CONDITION STATISTICS OF MEMBER BANKS IN SELECTED CITIES

	July 3, 1929	June 5, 1929	July 3, 1928
1. Number of reporting banks	43	43	44
2. United States securities owned	\$ 86,086,000	\$ 93,525,000	\$ 80,853,000
3. All other stocks, bonds and securities owned	39,913,000	40,010,000	38,272,000
4. Loans on securities	102,967,000	98,094,000	105,170,000
5. All other loans	240,236,000	240,050,000	226,507,000
6. Total loans	343,203,000	338,144,000	331,677,000
7. Net demand deposits	280,720,000	282,739,000	286,640,000
8. Time deposits	142,954,000	141,807,000	130,061,000
9. Reserve with Federal Reserve Bank	32,751,000	32,179,000	32,225,000
10. Bills payable and rediscounts with Federal Reserve Bank	11,188,000	17,706,000	6,935,000

Savings Deposits Savings deposits of banks in the Eleventh District that operate a savings department amounted to \$152,813,457 on June 30, which was 1.5 per cent larger than on May 31 and 9.2 per

cent greater than on the corresponding date last year. There were 294,436 savings accounts carried at 77 of these banks as compared to 293,927 a month earlier and 269,889 on June 30, 1928.

SAVINGS DEPOSITS

	Number of Reporting Banks	June 30, 1929		June 30, 1928		Increase or Decrease	May 31, 1929		Increase or Decrease
		Number of Depositors	Amount of Deposits	Number of Depositors	Amount of Deposits		Number of Depositors	Amount of Deposits	
Beaumont	4*	5,562	2,620,298	5,432	2,492,117	+ 5.1	5,524	2,518,218	+ 4.1
Dallas	6	63,806	26,050,778	58,996	23,483,600	+10.9	61,390	25,504,917	+ 2.1
El Paso	2	15,224	6,173,434	14,084	5,933,615	+ 4.0	15,148	6,170,718	0.0
Fort Worth	3	23,929	9,341,649	22,367	8,125,723	+15.0	23,870	9,071,414	+ 3.0
Galveston	3	13,881	9,157,834	13,650	9,428,100	- 2.9	13,892	9,133,080	+ .3
Houston	13*	74,403	35,098,040	68,180	32,596,794	+ 7.7	74,040	34,714,061	+ 1.1
San Antonio	8*	25,064	22,046,604	18,669	19,509,953	+13.1	24,898	21,849,523	+ .9
Shreveport	4*	21,211	11,606,548	22,265	11,352,748	+ 2.2	21,264	11,533,191	+ .6
Waco	4	9,967	7,138,095	9,083	6,565,905	+ 8.7	9,939	7,032,985	+ 1.5
Wichita Falls	2	4,150	1,697,098	4,129	1,972,158	-18.5	4,166	1,558,701	+ 3.1
All others	38*	37,239	21,971,879	33,036	18,537,364	+18.5	36,796	21,441,145	+ 2.5
Total	87	294,436	\$152,813,457	269,889	\$139,989,077	+ 9.2	293,927	\$150,527,953	+ 1.5

*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.

JULY DISCOUNT RATES

Prevailing 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.....	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	5½-6	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.....	6-8	6-8	6-8	6	6-8	6-8
(b) Time.....	6-8	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.....	6-7	6-8	6-8	7	4-8	7-8

Deposits of Member Banks A further decline was reflected in the combined daily average of net demand and time deposits of member banks in the Eleventh Federal Reserve District in June. The net demand deposits of these banks declined from a daily average of \$673,097,000 in May to \$643,038,000 in June and that of time deposits receded from \$230,791,000 to \$226,110,000. Actual net demand and time deposits of member banks on July 11, 1928, amounted to \$884,601,000.

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
June, 1929.....	643,038	226,110	260,317	129,412	382,721	96,678

Operations of the Federal Reserve Bank Federal Reserve Bank loans to member banks, after rising somewhat during the first week in June, showed an almost steady decline until the end of the month. Loans

on June 30 amounted to \$15,742,529 or \$10,166,336 less than on May 31. The reduction in loans was due in part to the liquidation obtained by member banks in the wheat and livestock sections and through the sale and redemption of Government bonds. After the first of July, loans rose very rapidly and on July 15 amounted to \$29,127,382, the peak of the current year. This rapid increase was caused largely by the heavy demand for credit in connection with the movement and storage of the district's large wheat crop and the financing of agricultural operations, together with demand for currency incident to the introduction of small size bills. There were 187 borrowing banks on June 30 as compared to 180 a month earlier, and 137 a year ago.

Due to a decline in both loans to member banks and open market purchases, total bills held were reduced from \$35,998,211.46 on May 31 to \$23,246,920.27 on June 30, distributed as follows:

Member banks' collateral notes secured by United States Government obligations.....	\$ 5,577,250.00
Rediscounts and other loans to member banks.....	10,165,279.01
Open market purchases (Bankers' Acceptances).....	7,260,579.26
Discounts for non-member banks.....	243,812.00
Total bills held.....	\$23,246,920.27

Federal Reserve notes in actual circulation amounted to \$38,022,010 at the close of the month as compared to \$37,365,705 on May 31 and \$30,351,545 on June 30 last year. The daily average reserve deposits of member banks aggre-

gated \$63,321,219 as against \$65,054,006 in May and \$64,090,854 in the corresponding month of 1928.

FAILURES

A decline was shown in the indebtedness of defaulting firms in the Eleventh District in June as compared to May and the number of failures was the smallest of any previous month since May, 1920. There were only 27 failures during the month with liabilities of \$710,082 as compared to 50 defaults in May with indebtedness of \$1,084,428 and 46 insolvencies that owed \$539,916 in the corresponding month last year. A factor of significance is the comparatively low mortality rate in this district during the first six months of the current year, both the number of failures and the indebtedness involved being the least of any similar period since the first half of 1920.

PETROLEUM

A further moderate increase was shown in the production of crude oil in the Eleventh District in June. Total output amounted to 25,422,150 barrels, which was 120,300 barrels greater than in May and 4,290,250 barrels above the output in the corresponding month last year. Field work, as shown by the number of completed wells, declined in all areas with but one exception; however, the search for pay sands was more successful than in the previous month. Completions in June numbered 604 of which 315 were producers of oil, yielding 160,023 barrels of new production as compared to 760 completions in May of which 362 were successful with an initial flow of 184,547 barrels of oil.

The daily average yield of Texas rose from 780,788 barrels in the previous month to 811,140 barrels in June, increases being shown in all fields except the Texas Coastal region. Activity increased further in Gray County of North Texas, total output of the former area having doubled during the past five weeks. Production in Pecos County, Central-West Texas, increased while the yield in Winkler County showed a recession. A decline was noted in the output of Salt Flat field in Southwest Texas from the high level which

JUNE DRILLING RESULTS

	Completions	Producers	Gas Wells	Failures	Initial Production
North Texas.....	247	153	13	81	53,869
Central West Texas.....	159	69	7	83	57,746
East Texas.....	10	10
Southwest Texas.....	37	31	3	3	11,050
Texas Coastal.....	60	47	1	12	33,491
Texas Wild-Cats.....	39	3	36	45
Total Texas.....	552	303	34	215	156,201
North Louisiana.....	52	12	20	20	3,822
June totals, district.....	604	315	54	235	160,023
May totals, district.....	760	362	83	315	184,547

was reached in the previous month. The output of oil in North Louisiana totaled 1,087,950 barrels, representing a decline of 9,450 barrels in total production but an increase of 865 barrels in the daily average yield, due to the shorter month.

	July 13, 1928	July 14, 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

	June		May		Increase or Decrease	
	Total	Daily Average	Total	Daily Average	Total	Daily Average
North Texas.....	5,053,050	168,435	4,470,400	144,206	Inc. 582,650	Inc. 24,229
Central West Texas.....	12,492,750	416,425	12,714,200	410,135	Dec. 221,450	Inc. 6,290
East Central Texas.....	574,800	19,160	585,350	18,882	Dec. 10,550	Inc. 278
Texas Coastal.....	3,816,800	127,227	4,049,000	130,613	Dec. 232,200	Dec. 3,386
Southwest Texas.....	2,396,800	79,893	2,385,500	76,952	Inc. 11,300	Inc. 2,941
Total Texas.....	24,331,200	811,140	24,204,450	780,788	Inc. 129,750	Inc. 30,352
North Louisiana.....	1,087,950	36,265	1,097,400	35,400	Dec. 9,450	Inc. 865
Total District.....	25,422,150	847,405	25,301,850	816,188	Inc. 120,300	Inc. 31,217

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

LUMBER

Operations of pine mills in the Eleventh Federal Reserve District were reduced considerably in June. Production of lumber declined from 93 per cent of normal in May to 75 per cent in the current month and shipments dropped from 85 per cent of normal production to 72 per cent. Orders during June, which amounted to 65 per cent of normal pro-

duction, were the smallest of any previous month in several years. Stocks on hand on June 30 increased one point to 95 per cent of normal. Unfilled orders for lumber at 40 mills were recorded at 41,143,550 feet at the close of June as compared to 44,994,924 feet on the books of 36 establishments a month earlier.

JUNE PINE MILL STATISTICS

Number of reporting mills.....	40
Production.....	62,422,539 feet
Shipments.....	59,920,657 feet
Orders.....	53,824,507 feet
Unfilled orders June 30.....	41,143,550 feet
Normal production.....	82,778,382 feet
Stocks June 30.....	201,439,194 feet
Normal stocks.....	211,962,325 feet
Shipments below normal production.....	22,857,725 feet—28%
Actual production below normal.....	20,355,843 feet—25%
Orders below normal production.....	28,953,875 feet—35%
Stocks below normal.....	10,523,131 feet—5%

Lumber Statistics Compiled by the Southern Pine Association

BUILDING

A further decline as compared to the previous month and the same month last year was reflected in the valuation of building permits issued at principal cities in the Eleventh District in June. The valuation of permits issued at these centers amounted to \$6,142,138 as against \$8,148,240 in May and \$7,203,620 in June last year. As compared to the same period of 1928, permits issued at all cities during the first six months of this year were 3.8 per cent smaller in valuation, six centers showing increases and eight reporting declines.

BUILDING PERMITS

	June, 1929		June, 1928		Increase or Decrease	May, 1929		Increase or Decrease	Six Months				Increase or Decrease
	No.	Valuation	No.	Valuation		1929			1928				
						No.	Valuation		No.	Valuation			
Amarillo.....	50	\$ 222,715	129	\$ 187,165	+19.0	44	\$ 62,064	+258.8	290	\$ 1,041,805	566	\$ 2,272,603	- 54.2
Austin.....	68	135,473	76	99,478	+36.2	72	673,993	- 79.9	479	1,688,354	408	1,614,328	+ 4.6
Beaumont.....	163	169,051	157	211,362	-20.0	194	206,862	- 18.3	1,079	1,532,983	1,098	1,496,811	+ 2.4
Corpus Christi.....	59	356,710	92	285,985	+24.7	65	149,355	+138.8	392	1,274,166	460	3,836,916	- 66.8
Dallas.....	262	469,550	293	781,701	-39.9	259	550,780	- 14.7	1,750	5,370,745	2,074	4,011,113	+ 33.9
El Paso.....	95	258,546	99	163,352	+58.3	141	291,687	- 11.4	629	1,504,983	485	863,313	+ 74.3
Fort Worth.....	290	1,400,703	368	730,180	+91.8	371	1,865,891	- 24.9	1,977	6,803,122	2,469	8,764,911	- 22.4
Galveston.....	228	184,019	216	308,345	-40.3	141	174,699	+ 5.3	1,099	1,101,675	1,221	1,689,305	- 34.8
Houston.....	427	1,590,465	449	2,440,361	-34.8	464	1,864,090	- 14.7	2,777	18,302,543	3,306	18,695,541	- 2.1
Port Arthur.....	110	165,775	128	83,332	+98.9	122	169,111	- 2.0	753	1,553,184	724	595,361	+160.9
San Antonio.....	349	684,125	321	1,236,909	-44.7	319	907,255	- 24.6	2,157	11,213,568	2,116	8,883,801	+ 26.2
Shreveport.....	271	310,143	317	385,459	-19.5	290	586,256	- 47.1	1,587	2,009,721	1,501	2,277,929	- 11.8
Waco.....	55	136,763	25	99,981	+36.8	33	569,701	- 76.0	270	1,293,840	200	1,413,578	- 8.5
Wichita Falls.....	29	58,100	51	190,010	-69.4	46	76,496	- 24.0	231	594,336	343	1,034,845	- 42.6
Total.....	2,456	\$ 6,142,138	2,721	\$ 7,203,620	-14.7	2,561	\$ 8,148,240	- 24.6	15,470	\$55,285,025	16,971	\$57,450,355	- 3.8

CEMENT

While production of Portland cement at Texas mills declined in June from the previous month, shipments showed

an increase and both were slightly greater than in the corresponding month last year. There were 554,000 barrels of

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

	June 1929	June 1928	Increase or Decrease	May 1929	Increase or Decrease	Six Months		Increase or Decrease
				1929		1928		
Production at Texas mills.....	554,000	540,000	+ 2.6	655,000	-15.4	3,223,000	3,103,000	+ 3.9
Shipments at Texas mills.....	579,000	573,000	+ 1.0	563,000	+ 2.8	3,236,000	3,154,000	+ 2.6
Stocks at end of month at Texas mills.....	510,000	356,000	+43.3	535,000	- 4.7			

cement produced during June as compared to 655,000 barrels in May and 540,000 barrels in June, 1928. Shipments for the month totaling 579,000 barrels were 2.8 per cent above those in the previous month and 1.0 per cent larger than a year ago. Stocks on hand on June 30 were 4.7 per

cent less than a month earlier but exceeded those of last year by 43.3 per cent. Production during the first half of this year was 3.9 per cent greater than during the same period of 1928 and shipments were 2.6 per cent larger.

SUMMARY OF NATIONAL BUSINESS CONDITIONS

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

Output of manufacturers continued in large volume in June while mineral production declined. There was a rise in the general level of commodity prices, reflecting chiefly an advance in agricultural commodities.

PRODUCTION

Activity of manufacturing establishments continued at a high rate in June. Output of automobiles and of iron and steel showed a seasonal decline smaller than is usual from May to June. Silk mill activity increased and there was a growth in the daily average production of cement, leather, and shoes. Production of copper at smelters and refineries, decreased sharply and output of cotton and wool textiles was also reduced, although production in all of these industries continued larger than in other recent years. The volume of factory employment and payrolls in June showed a small seasonal decline from May but as in earlier months, was substantially larger than in 1928. Output of mines was generally smaller in June than in May reflecting declines in the production of coal, copper and other non-ferrous metals. Output of petroleum, however, increased to new high levels. Reports for the first half of July indicate some further reduction in output of cotton textiles, iron and steel, lumber, and coal. Volume of construction contracts awarded decreased further in June and for the first half year awards were 12 per cent less than in the same period in 1928, reflecting chiefly a substantial decline in residential building. During the first three weeks of July contracts awarded were larger than in the same period a year ago.

AGRICULTURE

Department of Agriculture estimates, based on July first crop conditions report, indicate a wheat crop of 834,000,000 bushels, about 8 per cent smaller than production last year, but larger than average production in preceding five years. The acreage of cotton in cultivation on July first was estimated at 48,457,000 acres, 3 per cent more than a year ago.

DISTRIBUTION

During the month of June freight car loadings were slightly smaller than in May, as a result of decreases in loadings of most classes of freight, except grain products and ores. In comparison with other recent years, however, loadings continued to show an increase. Sales of depart-

ment stores in June, as in earlier months were larger than in the same month in 1928.

PRICES

Wholesale prices according to the Bureau of Labor Statistic Index, advanced from May to June on the average somewhat less than they had declined during the preceding month. Farm products, particularly grains, cattle, beef and hides showed marked advances in prices. Prices of mineral products and their manufactures also averaged higher in June than in May, reflecting largely increases in the prices of petroleum and gasoline. Prices of leading imports, rubber, sugar, silk and coffee showed a decline for the month as a whole. During the first two weeks of July wheat and corn continued to move sharply upward, while hides declined slightly in price. Hog prices increased and prices of rubber and tin, which began to advance in the middle of June, continued to rise.

BANK CREDIT

During the first half of July the volume of credit extended by member banks in leading cities declined somewhat, following a rapid increase in June. On July 17 loans and investments of these banks were about \$400,000,000 above the level at the end of May. The increase reflected chiefly rapid growth in loans to brokers and dealers in securities and also some further increase in commercial loans. The banks holdings of investments continued to decline and were on July 17 about \$700,000,000 below the middle of last year.

The total volume of reserve bank credit outstanding showed an increase of about \$120,000,000 during the four weeks ending July 17, the increase being in discounts for member banks. Demand for additional reserve bank credit arose chiefly out of a considerable increase in the volume of money in circulation which accompanied the issuance of the new small size currency. There was also some increase in reserve balances of member banks accompanying the growth in their loans and consequently in their deposits. Open market rates on 90-day bankers' acceptances declined from $5\frac{1}{2}$ to $5\frac{1}{8}$ per cent between the latter part of June and the middle of July, while rates on prime commercial paper remained unchanged.