

# 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           | Change from April |
|--|---------------|-------------------|
| Bank debits to individual accounts (at 17 cities).....           | \$815,842,000 | - 3.4%            |
| Department store sales.....                                      |               | + .1%             |
| Reserve bank loans to member banks at end of month.....          | \$ 9,452,815  | + 15.5%           |
| Reserve bank ratio at end of month.....                          | 65.5%         | + 2 points        |
| Building permit valuation at larger centers....                  | \$ 5,729,915  | - 25.7%           |
| Commercial failures (number).....                                | 51            | - 12.1%           |
| Commercial failures (liabilities).....                           | \$ 981,806    | - 36.7%           |
| Oil production (barrels).....                                    | 27,281,150    | + 4.6%            |
| Lumber orders at pine mills (per cent of normal production)..... | 78%           | - 1.0 points      |

Loans to customers by banks in reserve cities showed a substantial decline during the month. Due principally to the demand for funds for agricultural purposes, Federal Reserve Bank loans to member banks rose from \$7,765,883 on May 15 to \$10,647,450 on June 15 but on the latter date were \$11,983,811 less than a year ago. It should be noted that the smaller volume of loans this year is due almost entirely to reduced borrowings on the part of the reserve city banks. The daily average of net demand and time deposits of member banks reflected a further seasonal decline during May, the average for the month being \$864,711,000 as compared to \$867,303,000 in the previous month and \$903,888,000 in the same month of 1929. The large volume of funds in the district seeking an investment outlet was disclosed by subscriptions to the United States Treasury Certificates of Indebtedness dated June 15 and bearing  $2\frac{7}{8}$  per cent interest. Subscriptions to this issue amounted to \$47,273,500 against which allotments totaling \$12,824,500 were made.

Business and industry in the Eleventh Federal Reserve District during the past month continued at a generally low level. Department store sales showed but little change from the previous month and were 8 per cent less than in the corresponding month a year ago. Wholesale distribution showed a larger recession than is usual at this season and was considerably smaller than in May, 1929. Consumer demand in rural sections was on a small scale during the greater part of May on account of the torrential rains over a large area of the district which for a time seriously impaired the outlook for agricultural production. However, since the appearance of fair weather and the general improvement in the agricultural situation, reports indicate a strengthening of confidence and a moderate increase in buying.

Construction activity as measured by the valuation of building permits issued at principal cities, reflected a decline of 26 per cent as compared to the previous month and was 30 per cent less than in the corresponding month of last year. The production, shipments, and new orders for lumber showed a further recession from the previous month, and the production and shipments of cement reflected a sharp decline as compared to April.

Financial statistics disclose a falling off in the demand for commercial funds and a further easing in money rates.

So far as physical conditions are concerned, the agricultural outlook is now much brighter than it was a month ago. The heavy rains which occurred at frequent intervals during the first three weeks of May caused an almost complete suspension of farm work, and weeds and grass grew rapidly. Furthermore, row crops suffered considerable damage as a result of the packing and washing of the soil. This, together with the grassy fields, made it necessary for farmers to replant a considerable percentage of the cotton crop in some portions of the district. However, the generally fair weather prevailing during the past three weeks has enabled farmers to largely overcome the effects of the setback during May and crops are now reported to be in a good state of cultivation. The persistence of cool nights has prevented crops from making the best development. The physical condition of the district's ranges and livestock reflected a marked improvement during May but it is still below a year ago. Nevertheless, the abundance of pasturage and the ample supply of stock water in most sections presage a further betterment in the condition of livestock.

### BUSINESS

**Wholesale Trade**  
A general recession in the demand for merchandise in wholesale channels was in evidence during the past month. Sales in all reporting lines reflected more than the usual seasonal

decline and were materially smaller than in the corresponding month a year ago. While the smaller volume of buying at wholesale was largely an outcome of the decreased consumer demand resulting from the poor crop outlook caused

by the heavy rains at frequent intervals during the greater part of May, retailers are holding commitments to a minimum to await developments in the commodity price situation and to obtain a clearer perception of the agricultural outlook. Reports indicate that consumer buying has shown a moderate improvement since the return of fair weather and the betterment in the agricultural situation. Collections were reported to be slow in most lines.

A sharp decline in the sales of reporting wholesale dry goods firms was in evidence during May. The total for the month was not only 12.7 per cent less than in the previous month, but was 24.0 per cent smaller than in the corresponding month last year. While the decline was in part seasonal, it was due more directly to the unseasonal temperatures, the uncertain agricultural outlook, and the conservative buying policies being followed by retailers. Collections were generally poor. Prices continued downward on numerous items.

The demand for farm implements at wholesale continued on a small scale during the past month. Sales of reporting firms showed a further decline of 18.5 per cent from the previous month and were 46.2 per cent smaller than in the same month last year. While the farm implement business has shown a downward trend since January due in part to seasonal factors, the decline was accentuated in May by the suspension of work and the uncertainty surrounding the prospects for agricultural production. Prices remained generally firm.

The sales of reporting wholesale drug firms reflected a seasonal decline of 1.2 per cent as compared to the previous month and were 12.4 per cent less than in the corresponding month last year. Reports indicate that business has continued slow in most sections of the district. Retailers generally are still following the policy of buying in small lots. Collections were slightly smaller than in the previous month.

The distribution of hardware at wholesale showed a decline of 8.6 per cent as compared to the previous month and was 16.1 per cent below that in the corresponding month of 1929. Sales for the five months of the current year averaged 16.8 per cent less than in the same period a year ago. The decline in business during May was general throughout the district. Collections reflected a considerable improvement

over the previous month.

While the May sales of reporting wholesale grocery firms were 3.7 per cent less than a month earlier and 8.1 per cent smaller than a year ago, trade was somewhat spotty. Buying, which was affected by the varying agricultural outlook, continued fair to good in some sections but poor in others. Prices generally reflected a further downward trend. Collections were not so good as in the previous month.

CONDITION OF WHOLESALE TRADE DURING MAY, 1930  
Percentage of increase or decrease in:

|                   | Net Sales May, 1930 compared with |            | Net Sales Jan. 1 to date compared with same period last year | Stocks compared with |            | Ratio of collections during May to accounts and notes outstanding on April 30 |
|-------------------|-----------------------------------|------------|--|----------------------|------------|---|
|                   | May 1929                          | April 1930 |  | May 1929             | April 1930 |   |
| Groceries.....    | - 8.1                             | - 3.7      | - 3.3  | -10.9                | - 7.4      | 67.2  |
| Dry goods.....    | -24.0                             | -12.7      | -23.0  | -24.3                | - 5.3      | 23.7  |
| Farm implements.. | -46.2                             | -18.5      | -31.2  | +30.7                | - 4.9      | 6.8   |
| Hardware.....     | -16.1                             | - 8.6      | -16.8  | + 3.4                | - 1.9      | 40.4  |
| Drugs.....        | -12.4                             | - 1.2      | -16.3  | - 7.7                | - 7.1      | 41.4  |

Retail Trade

The volume of distribution at retail in larger cities as evidenced by department store sales was about the same as in the previous month, but fell 8.0 per cent under that in the same month last year. While trade usually shows an expansion in May, it should be borne in mind that sales in April this year were larger than usual on account of the lateness of Easter. Business was affected to some extent by the unseasonable temperatures and the large percentage of rainy days during the month. Sales during the first five months of the current year averaged 7.2 per cent less than in the same period of 1929. The demand for summer merchandise has been stimulated to some extent recently by the more favorable weather.

Stocks on hand at the end of May were 5.9 per cent smaller than a year ago and 4.4 per cent below those on hand a month earlier. The rate of stock turnover during the first five months of 1930 was 1.14 as compared to 1.20 during the corresponding period of the previous year.

Collections showed some improvement in May. The ratio of May collections to accounts outstanding on May 1 was 36.5 per cent as compared to 35.2 per cent in April, and 37.1 per cent in May, 1929.

BUSINESS OF DEPARTMENT STORES

|  | Dallas | Fort Worth | Houston | San Antonio | Others | Total District |
|--|--------|------------|---------|-------------|--------|----------------|
| <b>Total Sales (Percentage):</b>   |        |            |         |             |        |                |
| May, 1930, compared with May, 1929.....  | - 2.1  | -15.4      | - 6.8   | - 2.6       | -14.3  | - 8.0          |
| May, 1930, compared with April, 1930.....  | - 1.4  | + 5.2      | - 2.4   | - .8        | + 1.7  | + .1           |
| January 1 to date, compared with same period last year.....                      | - 4.2  | -12.7      | - 9.1   | - 4.4       | - 7.4  | - 7.2          |
| <b>Credit Sales (Percentage):</b>  |        |            |         |             |        |                |
| May, 1930, compared with May, 1929.....  | + 3.5  | -11.6      | - 2.7   | - 1.2       | -11.1  | - 3.6          |
| May, 1930, compared with April, 1930.....  | - 3.2  | + 3.1      | - 4.4   | - 2.6       | - .1   | - 1.9          |
| January 1 to date, compared with same period last year.....                      | - .6   | - 5.7      | - 3.4   | - 2.6       | - 1.2  | - 2.3          |
| <b>Stocks (Percentage):</b>  |        |            |         |             |        |                |
| May, 1930, compared with May, 1929.....  | - 1.3  | - 4.1      | -11.1   | -14.2       | - 4.7  | - 5.9          |
| May, 1930, compared with April, 1930.....  | - 7.3  | - 4.0      | - .8    | - 4.1       | - 3.7  | - 4.4          |
| <b>Stock Turnover (Rate):</b>  |        |            |         |             |        |                |
| Rate of stock turnover in May, 1929.....   | .26    | .24        | .27     | .31         | .22    | .26            |
| Rate of stock turnover in May, 1930.....   | .26    | .21        | .28     | .34         | .20    | .25            |
| Rate of stock turnover January 1 to May 31, 1929.....                            | 1.33   | 1.05       | 1.33    | 1.48        | .94    | 1.20           |
| Rate of stock turnover January 1 to May 31, 1930.....                            | 1.24   | .93        | 1.26    | 1.56        | .93    | 1.14           |
| Ratio of May collections to accounts receivable and outstanding May 1, 1930..... | 35.0   | 34.3       | 39.2    | 38.2        | 37.9   | 36.5           |

Failures

According to the figures compiled by R. G. Dun & Company, commercial failures in the Eleventh Federal Reserve District reflected a noticeable decline as compared to the previous month. It should be noted that failures during the month were fewer than in

any month of the current year except February. There were 51 defaults during the month with an aggregate indebtedness of \$981,806 as compared to 58 failures in the previous month with liabilities of \$1,551,409, and 50 insolvencies in May, 1929, owing a total of \$1,084,428.

## AGRICULTURE

### *Crop Conditions*

The torrential rains over a large area of the district during the first three weeks of May caused an almost complete stop-

page of farm work, damaged growing crops through the washing and packing of the soil, stimulated the growth of grass and weeds, and necessitated considerable replanting of row crops. The precipitation was lightest in West and Northwest Texas and Southeastern New Mexico where there was already a large accumulated deficiency in moisture and the high drying winds subsequent to the rains have depleted to some extent soil moisture. Over most of these sections, more rain would be beneficial and in some areas it is urgently needed. The fair weather prevailing over most of the district during the past three weeks has enabled the farmers to make rapid progress with farm work with the result that replanting operations are about completed and crops generally are in a fair to good state of cultivation. The persistence of cool nights, however, has had the effect of retarding plant growth and in some instances cool nights are producing unhealthy plants and are causing insect activity.

The small grains were greatly benefited by the May rains, but the insufficiency of moisture and high winds have caused these crops to deteriorate in portions of West and Northwest Texas and Southeastern New Mexico. Harvesting operations are well under way in Central and South Texas and are beginning in North Texas. Grain is maturing rapidly in West and Northwest Texas and harvesting will begin in a short time. According to the Department of Agriculture the June 1 condition of the Texas wheat crop was 55 per cent of normal as compared to 68 per cent a month earlier, 72 per cent a year ago, and 67 per cent for the 10-year average. The Department stated that on the basis of the June 1 condition figure, the probable per-acre yield was estimated at 10.5 bushels, which, on the basis of the 2,400,000 acres remaining for harvest, indicated a total production of 25,200,000 bushels. Last year the per-acre yield was 15.0 bushels and total production was 37,800,000 bushels. The wheat crop in portions of New Mexico has been affected adversely by dry weather, and in those areas prospects are very poor. The condition of the Texas oat crop on June 1 was 65 per cent of normal as compared to 68 per cent on May 1, and 70 per cent a year ago. Complaints of rust are being reported in the North-Central and Eastern portions of the State.

The condition of tame hay in Texas, as reported by the Department of Agriculture, rose 8 points during the month to 75 per cent of normal on June 1. The greatest improvement occurred in Central and West-Central districts where needed rains fell early in May. Meadows in the heavy rainfall areas are a little weedy and growth has been slow in Northwest Texas where more moisture is needed. The first cutting of alfalfa in New Mexico has been completed and most of it has been sold. The wild hay condition in Texas was rated at 81 per cent of normal. The rains during the month were highly beneficial, and a good crop is in prospect. The corn crop has made good progress although proper cultivation was hampered by the long period of wet weather. The soil has been too wet for proper growth in the lowlands.

The condition of the cotton crop is generally good in South Texas but it is spotty in other sections. In the Eastern

half of Texas and North Louisiana, the heavy May rains did considerable damage and made it necessary to replant large areas. During the period in which field work was impossible, the fields became so foul with grass and weeds that in many fields where cotton was up, it was necessary either to replant or to damage the stand in cleaning the fields. The past three weeks of fair weather enabled farmers to complete the replanting of cotton and to place the crop generally in a fair to good state of cultivation. Most of the old cotton is chopped to a stand and cotton in the replanted areas is up to a good stand and mostly clean. In some of the lowlands, the fields are still too wet for proper cultivation. In South Texas the plants have grown rapidly and are fruiting well. First bales are expected shortly after the first of July. In West and Northwest Texas the crop is in excellent condition in some localities but poor in others because of the lack of moisture. Planting has been practically completed and chopping is making rapid progress. The nights, however, have been too cool in practically all sections of the district for proper plant growth and in some instances lice and worms are damaging the crop.

### *Livestock*

Range and livestock conditions in most sections of the Eleventh Federal Reserve District reflected a material improvement during the past thirty days as a result of the heavy, general rains during May. More moisture, however, is needed in portions of West and Northwest Texas and Southeastern New Mexico to sustain the growth of range vegetation. Grass and weeds on ranges generally have grown rapidly and have furnished ample pasturage for livestock. Stock water is plentiful in most areas. Due to the good grazing, livestock have been putting on flesh rapidly and are now in fair to good condition. The calf crop, while smaller than a year ago, is reported to be good and the young animals are generally strong. The lamb and kid crops, however, will be short, and losses of lambs are reported to be larger than a year ago. Losses of sheep and goats have been heavy. Shearing of sheep has been completed and the Department of Agriculture reports that much of the wool has been sold at unsatisfactory prices.

The report of the Department of Agriculture stated that the condition of cattle ranges in Texas gained 9 points during the month but on June 1 was 7 points below that a year ago. The 86 per cent condition of cattle on June 1, while 4 points lower than a year earlier, represented a gain of 7 points during the month. Sheep and goat ranges in Texas reflected a marked improvement during the month, the condition figure having risen from 69 per cent of normal on May 1 to 85 per cent on June 1 but was still considerably below the 94 per cent reported on June 1, 1929. The condition of sheep and goats showed gains of 9 and 8 points respectively, during the month.

### *Movements and Prices*

The May receipts of cattle and hogs at the Fort Worth market reflected a sharp decline as compared to both the previous month and the corresponding month last year. While the arrivals of calves and sheep were larger than a month earlier, they were in smaller volume than a year ago.

Despite the small receipts, prices on practically all classes of cattle suffered a further decline during the past month. The market for hogs, on the other hand, has evidenced a

gradual upward trend. Sheep and lamb values have followed an uneven course but at the close of the period were at a higher level than a month earlier.

FORT WORTH LIVESTOCK RECEIPTS  
(Number)

|             | May 1930 | May 1929 | Change over Year | April 1930 | Change over Month |
|-------------|----------|----------|------------------|------------|-------------------|
| Cattle..... | 41,791   | 66,306   | -24,515          | 53,903     | -12,112           |
| Calves..... | 16,455   | 19,429   | -2,974           | 15,805     | + 650             |
| Hogs.....   | 26,586   | 31,294   | -4,708           | 36,713     | -10,127           |
| Sheep.....  | 54,455   | 62,532   | -8,077           | 41,039     | +13,416           |

COMPARATIVE TOP LIVESTOCK PRICES  
(Dollars Per Hundred Weight)

|                     | May 1930 | May 1929 | April 1930 |
|---------------------|----------|----------|------------|
| Beef steers.....    | \$11.50  | \$14.40  | \$12.50    |
| Stocker steers..... | 12.00    | 13.75    | 12.00      |
| Butcher cows.....   | 7.75     | 11.00    | 8.50       |
| Stocker cows.....   | 4.50     | 8.50     | 6.35       |
| Calves.....         | 13.00    | 14.50    | 11.50      |
| Hogs.....           | 9.95     | 10.85    | 9.90       |
| Sheep.....          | 6.50     | 9.00     | 6.15       |
| Lambs.....          | 10.00    | 14.00    | 12.00      |

FINANCE

Operations of the Federal Reserve Bank

During the first ten days of May the demand for Federal Reserve Bank credit continued the expansion which was evident throughout April, but during the next few days there was a substantial decline. After the middle of the month, however, there was a steady growth in Federal Reserve Bank loans to member banks and on May 31, these loans stood at \$9,452,815 as compared to \$8,185,872 a month earlier, and \$25,908,865 on May 31, 1929. The borrowings of reserve city banks have remained at a low level and largely account for the smaller volume of Federal Reserve Bank loans this season as compared to a year ago. Country bank borrowings declined slightly toward the middle of May due to the slackening demand for credit from customers because of the stoppage of farm work but since that time the demand for funds from country banks has shown a gradual expansion. Total loans to member banks had risen to \$10,647,450 on June 15, which compared to \$22,631,261 on the same date last year. There were 193 banks borrowing from the Federal Reserve Bank on May 31, as compared to 167 banks on April 30, and 180 banks on May 31, 1929.

Due to the increased borrowings of member banks, total bills held by this bank rose from \$14,610,309.02 on April 30 to \$15,606,368.89 on May 31, distributed as follows:

|   |                        |
|---|------------------------|
| Member banks' collateral notes secured by United States Government obligations..... | \$ 1,028,150.00        |
| Rediscounts and all other loans to member banks.....                                | 8,424,665.36           |
| Open market purchases (Bankers' Acceptances).....                                   | 6,149,695.03           |
| Discounts for non-member banks.....   | 3,858.50               |
| <b>Total bills held.....</b>  | <b>\$15,606,368.89</b> |

Federal Reserve notes in actual circulation reflected a further seasonal decline, amounting to \$31,414,750 on May 31 as compared to \$32,408,950 on April 30 and \$37,365,705 on May 31, 1929. The daily average of reserve deposits of member banks, which amounted to \$61,387,010 in May, was \$346,631 less than in the previous month and \$3,666,996 below the average for May last year.

Condition of Member Banks in Selected Cities

Reports from member banks in selected cities reflected a further decline in loans and investments during the past month. The investments of these banks in United States securities declined \$1,937,000 between May 7 and June 4, and on the latter date were \$28,843,000 less than on the corresponding date a year ago. Investments in other stocks and bonds showed a slight increase during the month and were \$3,901,000 greater than on the corresponding date last year. During the four-week period loans on securities were reduced \$5,184,000 and "all other" loans (largely commercial) declined \$6,093,000. Total

loans of these banks on June 4 were \$2,638,000 higher than a year ago, as the decline in commercial loans was more than offset by an increase in loans on securities. The decline of \$1,141,000 in the net demand deposits of these banks between May 7 and June 4 was more than offset by a gain of \$2,641,000 in time deposits. Combined net demand and time deposits on the latter date were \$12,961,000 greater than on June 5, 1929. Their bills payable and rediscounts at the Federal Reserve Bank amounted to \$1,359,000 on June 4 as compared to \$1,821,000 on May 7 and \$17,706,000 on June 5, 1929.

CONDITION STATISTICS OF MEMBER BANKS IN SELECTED CITIES  
(In Thousands of Dollars)

|  | June 4, 1930 | May 7, 1930 | June 5, 1929 |
|--|--------------|-------------|--------------|
| United States securities owned.....                          | \$ 64,682    | \$ 66,619   | \$ 93,525    |
| All other stocks, bonds and securities owned.....            | 43,911       | 43,588      | 40,010       |
| Loans on securities.....                                     | 113,753      | 118,937     | 98,094       |
| All other loans.....   | 227,029      | 233,122     | 240,050      |
| Total loans.....   | 340,782      | 352,059     | 338,144      |
| Net demand deposits.....                                     | 285,381      | 286,522     | 282,739      |
| Time deposits.....   | 152,126      | 149,485     | 141,807      |
| Reserve with Federal Reserve Bank.....                       | 32,774       | 33,864      | 32,179       |
| Bills payable and rediscounts with Federal Reserve Bank..... | 1,359        | 1,821       | 17,706       |

Deposits of Member Banks

The combined daily average of net demand and time deposits of member banks in this district declined from \$867,303,000 during April to \$864,711,000 during May. The daily average of net demand deposits was \$623,282,000 in May, as compared to \$630,029,000 in April, and \$673,097,000 in May, 1929; and the daily average of time deposits amounted to \$241,429,000 in May, as against \$237,274,000 in the previous month and \$230,791,000 for the same month last year. While deposits of country banks were \$4,104,000 smaller than in April, those of reserve city banks reflected an increase of \$1,512,000.

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 |
| 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             | 96,698        |
| July, 1929.....  | 640,034             | 230,834       | 270,274             | 138,357       | 369,760             | 92,477        |
| Aug., 1929.....  | 629,909             | 230,643       | 260,019             | 137,174       | 369,890             | 93,469        |
| Sept., 1929..... | 658,520             | 234,116       | 266,795             | 136,950       | 391,725             | 97,166        |
| Oct., 1929.....  | 674,587             | 225,673       | 282,630             | 134,198       | 391,957             | 91,475        |
| Nov., 1929.....  | 668,818             | 222,773       | 281,639             | 132,235       | 387,209             | 90,538        |
| Dec., 1929.....  | 663,839             | 220,111       | 279,611             | 131,879       | 384,228             | 88,232        |
| Jan., 1930.....  | 659,110             | 225,469       | 270,951             | 131,152       | 388,159             | 94,317        |
| Feb., 1930.....  | 655,119             | 232,758       | 268,197             | 136,111       | 386,922             | 96,647        |
| Mar., 1930.....  | 639,586             | 229,358       | 269,635             | 132,932       | 369,951             | 96,426        |
| April, 1930..... | 630,029             | 237,274       | 271,617             | 138,989       | 358,382             | 98,294        |
| May, 1930.....   | 623,282             | 241,429       | 269,958             | 142,181       | 353,324             | 99,248        |

Debits to Individual Accounts

In May, there was a further decline of \$28,967,000 from the preceding month in the volume of debits to individual accounts at banks located in seventeen principal cities of the Eleventh District. The aggregate of these charges was \$815,842,000 during May, as compared to \$925,954,000 for the corresponding month last year, and

\$844,809,000 during April. With the single exception of Roswell, New Mexico, all cities reported decreases from May, 1929, but seven reporting cities showed increases over April.

Acceptance Market

For the sixth consecutive month there was a decline during May in the volume of acceptances executed by accepting banks in the Eleventh District and outstanding at the end of the month. On May 31, there was outstanding a total of \$2,869,638 in acceptances, as compared to \$3,811,264 a month earlier, and \$5,775,115 a year ago. Acceptances based on import and export transactions decreased from \$2,309,514 on April 30 to \$1,683,938 on May 31, and those executed against the domestic shipment and storage of goods declined from \$1,501,750 on the former date to \$1,185,700 on the latter date.

Savings Deposits

Savings deposits reported by 88 banks in the Eleventh Federal Reserve District aggregated \$152,577,724 on May 31, as compared to \$150,210,289 on the same date last year, and \$151,326,329 at the end of the previous month. The increase over May, 1929, amounted to 1.6 per cent, and that over April of this year was 0.8 per cent. The number of savings depositors at 80 of these banks was 317,913 at the end of May, as against 305,386 on May 31, 1929, and 317,828 on the last day of April.

DEBITS TO INDIVIDUAL ACCOUNTS  
(In Thousands of Dollars)

|                    | May 1930  | May 1929  | Percentage change over Year | April 1930 | Percentage change over Month |
|--------------------|-----------|-----------|-----------------------------|------------|------------------------------|
| Abilene.....       | \$ 8,400  | \$ 10,472 | -19.8                       | \$ 7,687   | + 9.3                        |
| Austin.....        | 21,349    | 22,030    | - 3.1                       | 24,833     | -14.0                        |
| Beaumont.....      | 24,645    | 27,608    | -10.7                       | 26,131     | - 5.7                        |
| Corsicana.....     | 5,119     | 5,603     | - 8.6                       | 5,755      | -11.1                        |
| Dallas.....        | 204,548   | 233,791   | -12.5                       | 237,646    | -13.9                        |
| El Paso.....       | 39,488    | 42,296    | - 6.6                       | 38,466     | + 2.7                        |
| Fort Worth.....    | 89,761    | 106,203   | -15.5                       | 85,120     | - 5.6                        |
| Galveston.....     | 27,006    | 29,989    | - 9.9                       | 26,167     | + 3.2                        |
| Houston.....       | 189,142   | 217,221   | -12.9                       | 183,295    | + 3.2                        |
| Port Arthur.....   | 10,483    | 12,517    | -16.2                       | 10,971     | - 4.4                        |
| Roswell.....       | 4,592     | 4,018     | +14.3                       | 4,035      | +13.8                        |
| San Antonio.....   | 89,659    | 98,632    | - 9.1                       | 80,992     | +10.7                        |
| Shreveport.....    | 39,976    | 40,712    | - 1.8                       | 39,795     | + 5                          |
| Texarkana*.....    | 13,327    | 16,570    | -19.6                       | 14,236     | - 6.4                        |
| Tucson.....        | 10,666    | 13,239    | -19.4                       | 11,276     | - 5.4                        |
| Waco.....          | 14,505    | 16,778    | -13.5                       | 14,940     | - 2.9                        |
| Wichita Falls..... | 23,176    | 28,275    | -18.0                       | 23,464     | - 1.2                        |
| Total.....         | \$815,842 | \$925,954 | -11.9                       | \$844,809  | - 3.4                        |

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

SAVINGS DEPOSITS

|                    | Number of Reporting Banks | May 31, 1930         |                    | May 31, 1929         |                    | Percentage Change Over Year in Savings Deposits | April 30, 1930       |                    | Percentage Change Over Month in Savings Deposits |
|--------------------|---------------------------|----------------------|--------------------|----------------------|--------------------|---|----------------------|--------------------|--|
|                    |                           | Number of Depositors | Amount of Deposits | Number of Depositors | Amount of Deposits |   | Number of Depositors | Amount of Deposits |  |
| Beaumont.....      | 4*                        | 5,518                | \$ 2,638,532       | 5,402                | \$ 2,518,066       | + 4.8   | 5,517                | \$ 2,641,475       | - .1   |
| Dallas.....        | 4                         | 68,606               | 26,437,297         | 64,285               | 25,507,720         | + 3.6   | 68,844               | 26,151,152         | + 1.1  |
| El Paso.....       | 2                         | 16,318               | 6,139,572          | 15,148               | 6,170,718          | - 5   | 16,352               | 6,136,276          | + .1   |
| Fort Worth.....    | 2                         | 18,727               | 7,551,292          | 17,742               | 7,546,450          | + .1  | 18,560               | 7,366,161          | + 2.5  |
| Galveston.....     | 3                         | 13,879               | 8,115,249          | 13,887               | 9,133,080          | -11.1   | 13,853               | 8,160,429          | - .6   |
| Houston.....       | 11*                       | 74,658               | 34,525,705         | 76,652               | 34,650,937         | - 4   | 74,393               | 34,872,113         | - 1.0  |
| Port Arthur.....   | 3                         | 5,672                | 1,807,277          | 4,954                | 1,979,670          | - 8.7   | 5,715                | 1,807,352          | 0 0  |
| San Antonio.....   | 7                         | 37,248               | 22,389,111         | 34,658               | 21,851,524         | + 2.5   | 37,248               | 22,230,306         | + .7   |
| Shreveport.....    | 4*                        | 22,506               | 12,890,915         | 21,264               | 11,533,191         | +11.8   | 22,516               | 12,109,742         | + 6.5  |
| Waco.....          | 4                         | 10,483               | 6,896,114          | 9,946                | 7,032,985          | - 1.9   | 10,465               | 6,856,376          | + .6   |
| Wichita Falls..... | 2                         | 3,767                | 1,797,578          | 4,166                | 1,558,701          | +15.3   | 3,786                | 1,727,387          | + 4.1  |
| All others.....    | 42*                       | 40,531               | 21,389,082         | 37,282               | 20,727,247         | + 3.2   | 40,579               | 21,267,560         | + .6   |
| Total.....         | 88                        | 317,913              | \$152,577,724      | 305,386              | \$150,210,289      | + 1.6   | 317,828              | \$151,326,329      | + .8   |

\*Only 3 banks in Beaumont, 10 banks in Houston, 3 banks in Shreveport and 37 banks in "All others" reported the number of savings depositors.

JUNE 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.....                           | 4½-6   | 6-8     | 5-8        | 5½-6    | 5-6         | 6-8  |
| Rate charged on loans to other banks secured by bills receivable.....  | 5½-6   | 6       | 5-6        | 5-6     | 5-6         | 6-8  |
| Rate on loans secured by prime stock exchange or other current collateral (not including loans placed in other markets through correspondent banks): |        |         |            |         |             |      |
| Demand.....  | 6      | 6-8     | 6-8        | 5½-6    | 6-8         | 6-8  |
| Time.....  | 6-7    | 6-8     | 6-8        | 6       | 6-8         | 6-8  |
| Rate charged on commodity paper secured by warehouse receipts, etc.....  | 6      | 8       | 6-8        | 6-6½    | 6-8         | 6-7  |
| Rate on cattle loans.....  | 7-8    | 6-8     | 6-8        | 7-8     | 6-8         | 7-8  |

INDUSTRY

Cottonseed Products

While the operations of cottonseed oil mills in the United States were on a larger scale than in May, 1929, those of Texas mills reflected a noticeable decline as compared to both the previous month and the same month last year. The production of products by all United States mills during the period August 1 to May 31, of the current season, was only slightly less than in the corresponding period of the

previous season, but the output of Texas mills was considerably smaller. Stocks of cottonseed on hand at Texas mills on May 31 were less than on the corresponding date in 1929, while at United States mills they were larger. Stocks of oil, cake and meal, and hulls showed a reduction as compared to those on April 30 this year, and May 31, 1929, and stocks of linters, while smaller than on the last day of the previous month, were considerably larger than those for

the same date last year.

#### STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS

|  | Texas              |             | United States      |               |
|--|--------------------|-------------|--------------------|---------------|
|  | August 1 to May 31 |             | August 1 to May 31 |               |
|  | This Season        | Last Season | This Season        | Last Season   |
| Cottonseed received at mills (tons)..... | 1,251,390          | 1,699,919   | 4,944,734          | 5,028,404     |
| Cottonseed crushed (tons).....           | 1,264,656          | 1,692,085   | 4,867,245          | 4,945,881     |
| Cottonseed on hand (tons).....           | 6,876              | 19,028      | 116,980            | 100,556       |
| Crude oil produced (pounds).....         | 375,243,289        | 503,233,636 | 1,522,840,472      | 1,563,813,722 |
| Cake and meal produced (tons).....       | 595,315            | 795,495     | 2,163,276          | 2,226,860     |
| Hulls produced (tons).....               | 338,575            | 461,418     | 1,343,073          | 1,335,074     |
| Linters produced (running bales).....    | 267,074            | 351,827     | 1,005,037          | 1,057,357     |
| Stocks on hand May 31:                   |                    |             |                    |               |
| Crude oil (pounds).....                  | 8,070,092          | 9,169,997   | 21,557,461         | 32,910,985    |
| Cake and meal (tons).....                | 34,345             | 41,851      | 99,580             | 190,834       |
| Hulls (tons).....                        | 14,803             | 45,841      | 51,487             | 104,898       |
| Linters (running bales).....             | 51,293             | 37,052      | 187,174            | 130,139       |

#### Textile Milling

Consumption of cotton and production of cloth at reporting textile mills in the Eleventh District reflected a further decline in May as compared with the previous month and the corresponding month last year. There were 2,875 bales of raw cotton consumed during the month as compared to 3,025 bales in April and 3,814 bales in May, 1929. Production of cloth was 3.7 per cent below that in the previous month and 26.4 per cent less than the output in the same month last year. Orders on hand on May 31 were smaller than those of either previous date. Stocks held at the close of the month were larger than on April 30, but less than on the same date a year previous. Prices of raw cotton continued downward during May.

The May consumption of cotton at all United States mills totaled 473,917 bales as compared to 532,382 bales in April and 668,650 bales in May, 1929. Consumption for the ten months of the current season was 10.8 per cent less than in the corresponding period of the previous season. While the amount of cotton on hand at consuming establishments on May 31 was less than a month earlier, it was greater than on the same date of 1929.

#### TEXTILE MILLING STATISTICS—TEXAS

|                                   | May 1930  | May 1929  | April 1930 |
|-----------------------------------|-----------|-----------|------------|
| Number bales consumed.....        | 2,875     | 3,814     | 3,025      |
| Number spindles active.....       | 98,192    | 103,276   | 97,192     |
| Number pounds cloth produced..... | 1,313,182 | 1,785,387 | 1,363,660  |

#### COTTON CONSUMED AND ON HAND (Bales)

|                                    | May     |         | August 1 to May 31 |             |
|------------------------------------|---------|---------|--------------------|-------------|
|                                    | 1930    | 1929    | This Season        | Last Season |
| Cotton growing states:             |         |         |                    |             |
| Cotton consumed.....               | 370,676 | 504,513 | 4,134,752          | 4,551,674   |
| On hand May 31 in—                 |         |         |                    |             |
| Consuming establishments.....      |         |         | 1,094,442          | 1,037,172   |
| Public storage and compresses..... |         |         | 2,977,875          | 1,558,541   |
| United States:                     |         |         |                    |             |
| Cotton consumed.....               | 473,917 | 668,650 | 5,329,916          | 5,974,486   |
| On hand May 31 in—                 |         |         |                    |             |
| Consuming establishments.....      |         |         | 1,531,346          | 1,475,837   |
| Public storage and compresses..... |         |         | 3,337,360          | 1,845,771   |

#### Cotton Movements

The receipts and exports of cotton from the ports of Houston and Galveston reached a new low level in May and were materially smaller than in the corresponding month a year ago. Stocks of cotton on hand at Houston on May 31 were nearly double those on the same date in 1929, but those at

Galveston were only slightly larger. Total foreign exports of cotton during May amounted to 208,796 bales as compared to 349,762 bales in April, and 313,003 bales in May, 1929. Exports during the ten months of the current season averaged 15.8 per cent smaller than in the corresponding period of the previous season.

#### COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON (Bales)

|                     | May 1930 | May 1929 | August 1 to May 31 This Season | Last Season |
|---------------------|----------|----------|--------------------------------|-------------|
| Receipts.....       | 24,864   | 58,961   | 1,886,093                      | 2,950,783   |
| Exports.....        | 53,725   | 144,666  | 1,733,770                      | 2,815,805   |
| Stocks, May 31..... |          |          | 227,918                        | 218,564     |

#### COTTON—GALVESTON STOCK STATEMENT (Bales)

|                               | May 31, 1930 | May 31, 1929 |
|-------------------------------|--------------|--------------|
| For Great Britain.....        | 4,000        | 5,000        |
| For France.....               | 3,500        | 7,000        |
| Other foreign ports.....      | 21,100       | 23,600       |
| Coastwise ports.....          | 1,300        | 5,000        |
| In compresses and depots..... | 198,018      | 177,964      |
| Total.....                    | 227,918      | 218,564      |

#### COTTON MOVEMENTS THROUGH THE PORT OF HOUSTON (Bales)

|                     | May 1930 | May 1929 | August 1 to May 31 This Season | Last Season |
|---------------------|----------|----------|--------------------------------|-------------|
| Receipts.....       | 21,380   | 24,780   | 2,601,292                      | 2,832,666   |
| Exports.....        | 66,927   | 111,684  | 1,831,315                      | 2,269,656   |
| Stocks, May 31..... |          |          | 657,484                        | 339,576     |

#### SEASON'S RECEIPTS, EXPORTS AND STOCKS OF COTTON AT ALL UNITED STATES PORTS—(Bales)

|  | August 1 to May 31 |             |
|--|--------------------|-------------|
|  | This Season        | Last Season |
| Receipts.....                                  | 8,581,657          | 9,403,447   |
| Exports:                                       |                    |             |
| United Kingdom.....                            | 1,219,575          | 1,785,454   |
| France.....                                    | 790,193            | 753,195     |
| Italy.....                                     | 624,571            | 635,002     |
| Germany.....                                   | 1,587,376          | 1,719,949   |
| Other Europe.....                              | 739,159            | 898,625     |
| Japan.....                                     | 967,491            | 1,228,408   |
| All other countries.....                       | 400,957            | 492,980     |
| Total foreign ports.....                       | 6,329,322          | 7,513,613   |
| Stocks at all United States ports, May 31..... | 1,750,331          | 1,087,574   |

#### SPOT COTTON PRICES—( Middling Basis) (Cents Per Pound)

|                  | May, 1930 |       | June 14, 1930 |
|------------------|-----------|-------|---------------|
|                  | High      | Low   |               |
| New York.....    | 16.70     | 16.20 | 13.95         |
| New Orleans..... | 16.05     | 15.39 | 13.18         |
| Dallas.....      | 15.85     | 15.30 | 13.30         |
| Houston.....     | 15.95     | 15.35 | 13.10         |
| Galveston.....   | 16.10     | 15.45 | 13.25         |

#### Petroleum

Crude oil production during May in the Eleventh Federal Reserve District, which reached a total of 27,281,150 barrels, was up 1,979,300 barrels from May of last year, and showed a gain of 1,206,850 barrels over April this year. The daily average output in the district during May amounted to 880,037 barrels, being 10,894 barrels larger than it was in April. While there were 190 more completions in May than in the previous month, the increase in the number of oil producers totaled only 85 wells, and the initial production from new wells was only 9,777 barrels larger.

Texas registered a greater increase in daily average production during the month of May than any other state in the Union. The increase, amounting to 14,519 barrels, brought the May average to 840,116 barrels daily. North Texas alone showed a gain of 12,707 barrels, of which the counties of Archer and Gray were responsible for a substantial part. While on a smaller scale than last month, the field activity and new output of the Darst Creek field continued to be the center of interest in the Southwest section. East Texas recorded a further increase of 3,918 barrels in daily production over last month, but the Central West and Gulf Coast areas showed losses of 4,352 and 5,250 barrels, respectively.

The falling off in North Louisiana's daily yield was accounted for principally by declines in the Zwolle field and in Caddo Parish. Drilling of wild-cats proved to be the predominant activity in North Louisiana during May. Of

the 89 new wells completed during the month, 54 were wild-cats; and of these, 24 were producers of oil, with a combined initial output of 7,239 barrels.

**Lumber**

That the situation in the lumber industry in the Eleventh Federal Reserve District continued slow during the latter part of April and the first half of May was evidenced by a further decline in shipments and new orders and a slight reduction in the output. During the four-week period ending May 17, shipments of lumber amounted to 83 per cent and new orders 78 per cent of normal production, which was 2 points and 1 point, respectively, below those for the previous four-week period ending April 19. Stocks on hand at 48 reporting mills on May 17 were 2.9 per cent greater than at the end of the previous four weeks as a result of the reduction in shipments and the maintenance of production at a comparatively high level. Unfilled orders on the books of 48 mills on May 17 were 10.1 per cent less than those of 49 mills on April 19. In some instances, prices of lumber have advanced but there is still some unsettlement in the industry and some mills are making a reduction in operating schedules.

**OIL PRODUCTION—(Barrels)**

|                         | May, 1930  |            | Increase or Decrease over April, 1930 |            |
|-------------------------|------------|------------|---------------------------------------|------------|
|                         | Total      | Daily Avg. | Total                                 | Daily Avg. |
| North Texas.....        | 5,781,100  | 186,487    | + 567,700                             | +12,707    |
| Central West Texas..... | 11,400,700 | 367,765    | + 237,200                             | - 4,352    |
| East Texas.....         | 1,186,000  | 38,258     | + 155,800                             | + 3,918    |
| Texas Coastal.....      | 5,609,000  | 180,935    | + 23,450                              | - 5,250    |
| Southwest Texas.....    | 2,066,800  | 66,671     | + 291,550                             | + 7,496    |
| Total Texas.....        | 26,043,600 | 840,116    | +1,275,700                            | +14,519    |
| North Louisiana.....    | 1,237,550  | 39,921     | - 68,850                              | - 3,625    |
| Total District.....     | 27,281,150 | 880,037    | +1,206,850                            | +10,894    |

**PINE MILL STATISTICS**

(Four-week period ending May 17, 1930)

|                                     |                     |
|-------------------------------------|---------------------|
| Number of reporting mills.....      | 48                  |
| Production.....                     | 77,164,000 feet     |
| Shipments.....                      | 68,382,000 feet     |
| Orders.....                         | 64,041,000 feet     |
| Unfilled orders May 17.....         | 49,451,000 feet     |
| Normal production.....              | 81,800,000 feet     |
| Stocks May 17.....                  | 310,661,000 feet    |
| Shipments below normal.....         | 13,498,000 feet—17% |
| Actual production below normal..... | 4,636,000 feet—6%   |
| Orders below normal production..... | 17,759,000 feet—22% |

Lumber statistics compiled by the Southern Pine Association, New Orleans, La.

**MAY DRILLING RESULTS**

|                             | Completions | Producers | Gas Wells | Failures | Initial Production |
|-----------------------------|-------------|-----------|-----------|----------|--------------------|
| North Texas.....            | 207         | 123       | 16        | 68       | 48,650             |
| Central West Texas.....     | 245         | 126       | 15        | 104      | 30,828             |
| East Texas.....             | 14          | 12        | 2         | ..       | 33,050             |
| Southwest Texas.....        | 67          | 32        | ..        | 35       | 65,932             |
| Texas Coastal.....          | 113         | 79        | 5         | 29       | 42,503             |
| Texas Wild-Cats.....        | 44          | 1         | ..        | 43       | 125                |
| Total Texas.....            | 690         | 373       | 38        | 279      | 221,088            |
| North Louisiana.....        | 89          | 29        | 25        | 35       | 8,452              |
| May totals, district.....   | 779         | 402       | 63        | 314      | 229,540            |
| April totals, district..... | 589         | 317       | 44        | 228      | 219,763            |

**Building**

There was a substantial decline in the volume of construction activity during May at 14 leading cities in the Eleventh Federal Reserve District. The total valuation of building permits issued during the month amounted to \$5,729,915 as against a volume of \$7,707,175 for April, and a gross valuation of \$8,148,240 for May, 1929. These figures represent a decrease in May of 25.7 per cent from the preceding month, and a decline of 29.7 per cent from the corresponding month last year. From January 1 through May 31 of this year the aggregate valuation of building permits issued was \$30,590,369, as compared to a volume of \$49,262,051 for the corresponding period in 1929.

**CRUDE OIL PRICES**

|   | June 10, 1930 | June 11, 1929 |
|---|---------------|---------------|
| Texas coastal grade "A".....  | \$1.15        | \$1.30        |
| North and Central Texas and North Louisiana (44 gr. and above)..... | 1.57          | 1.85          |

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

**BUILDING PERMITS**

|                     | May, 1930 |             | May, 1929 |             | Percentage Change Valuation Over Year | April, 1930 |             | Percentage Change Valuation Over Month | Five Months |              |        |               | Percentage Change Valuation Over Period |
|---------------------|-----------|-------------|-----------|-------------|---------------------------------------|-------------|-------------|--|-------------|--------------|--------|---------------|---|
|                     | No.       | Valuation   | No.       | Valuation   |                                       | 1930        |             |  | 1929        |              |        |               |   |
|                     |           |             |           |             |                                       | No.         | Valuation   |  | No.         | Valuation    |        |               |   |
| Amarillo.....       | 58        | \$ 217,096  | 44        | \$ 62,064   | +249.8                                | 82          | \$ 286,212  | - 24.1                                 | 306         | \$ 1,108,822 | 240    | \$ 819,080    | +35.4                                   |
| Austin.....         | 93        | 771,963     | 72        | 673,993     | + 14.5                                | 107         | 163,389     | +358.4                                 | 491         | 2,068,709    | 411    | 1,552,881     | +33.2                                   |
| Beaumont.....       | 142       | 148,856     | 194       | 206,862     | - 28.0                                | 154         | 144,314     | + 3.1                                  | 710         | 1,118,702    | 916    | 1,363,932     | -18.0                                   |
| Corpus Christi..... | 45        | 116,075     | 65        | 149,355     | - 22.3                                | 66          | 55,275      | +110.0                                 | 290         | 744,221      | 333    | 917,456       | -18.9                                   |
| Dallas.....         | 339       | 569,997     | 259       | 550,780     | + 3.5                                 | 396         | 1,034,935   | - 44.9                                 | 1,662       | 3,525,419    | 1,488  | 4,901,195     | -28.1                                   |
| El Paso.....        | 96        | 275,678     | 141       | 291,637     | - 5.5                                 | 119         | 524,965     | - 47.5                                 | 619         | 1,658,340    | 534    | 1,246,437     | +33.0                                   |
| Fort Worth.....     | 316       | 1,119,978   | 464       | 1,865,891   | - 65.7                                | 366         | 844,760     | - 24.2                                 | 1,280       | 3,905,446    | 1,087  | 5,402,419     | -27.7                                   |
| Galveston.....      | 138       | 213,402     | 141       | 174,699     | + 22.2                                | 123         | 85,849      | +148.6                                 | 633         | 651,199      | 871    | 917,656       | -29.0                                   |
| Houston.....        | 291       | 1,119,978   | 464       | 1,864,090   | - 39.9                                | 395         | 2,859,831   | - 60.8                                 | 1,682       | 7,682,601    | 2,350  | 16,712,078    | -54.0                                   |
| Port Arthur.....    | 123       | 148,489     | 122       | 169,111     | - 12.2                                | 127         | 901,558     | - 83.5                                 | 553         | 1,448,974    | 643    | 1,387,409     | + 4.4                                   |
| San Antonio.....    | 305       | 1,270,535   | 319       | 907,255     | + 40.0                                | 254         | 370,905     | +242.5                                 | 1,493       | 4,553,705    | 1,808  | 10,529,443    | -56.8                                   |
| Shreveport.....     | 185       | 116,905     | 290       | 586,256     | - 80.1                                | 195         | 123,579     | - 5.4                                  | 886         | 754,165      | 1,316  | 1,699,578     | -55.6                                   |
| Waco.....           | 23        | 37,034      | 33        | 569,701     | - 93.5                                | 54          | 189,473     | - 80.5                                 | 182         | 620,582      | 215    | 1,276,241     | -51.4                                   |
| Wichita Falls.....  | 26        | 83,816      | 46        | 76,496      | + 9.6                                 | 24          | 117,130     | - 28.4                                 | 119         | 749,484      | 202    | 536,236       | +39.8                                   |
| Total.....          | 2,180     | \$5,729,915 | 2,561     | \$8,148,240 | - 29.7                                | 2,462       | \$7,707,175 | - 25.7                                 | 10,906      | \$30,590,369 | 13,014 | \$ 49,262,051 | -37.9                                   |

**Cement**

Production of portland cement at Texas mills during May, which totaled 630,000 barrels, was 16.8 per cent smaller than the output for April, and 3.8 per cent less than in May, 1929. Shipments from these mills declined from 775,000 barrels during April to 620,000 during May, but were 10.1 per cent larger than the volume of May a year ago, which amounted to 563,000 barrels. Stocks on hand increased to 836,000 barrels at the

end of the month, reflecting a gain of 1.3 per cent over the previous month and an increase of 56.3 per cent over the same month last year. Aggregate cement production in Texas during the first five months of the current year was 8.1 per cent larger than in the same period of 1929, and shipments showed a corresponding increase over last year of 7.6 per cent.

PRODUCTION, SHIPMENTS, AND STOCKS OF PORTLAND CEMENT  
(In thousands of barrels)

|   | May 1930 |       | Percentage Change Over |        | January through May 31 |           |
|---|----------|-------|------------------------|--------|------------------------|-----------|
|   | Number   | Month | Year                   | Number | Percentage Change      | Over Year |
| Production at Texas mills .....             | 630      | -16.8 | -3.8                   | 2,884  |                        | +8.1      |
| Shipments from Texas mills .....            | 620      | -20.0 | +10.1                  | 2,860  |                        | +7.6      |
| Stocks at end of month at Texas mills ..... | 836      | +1.3  | +56.3                  |        |                        |           |

## SUMMARY OF NATIONAL BUSINESS CONDITIONS

(Compiled by the Federal Reserve Board on June 23, 1930)

The volume of industrial production declined in May by about the same amount as it increased in April. Factory employment decreased more than is usual at this season and the downward movement of prices continued. Money rates eased further, to the lowest level in more than five years.

### INDUSTRIAL PRODUCTION AND EMPLOYMENT

The Board's index of industrial production, adjusted for usual seasonal variations, declined about 2 per cent in May. In 1930 industrial production has fluctuated between 4 and 7 per cent above the 1923-1925 average, and the preliminary estimate for May is 4 per cent above the average for those years. Production at steel and automobile plants declined, cotton mills curtailed output, and activity at woolen and silk mills continued at low levels. Cement production increased sharply, while output of petroleum and of copper showed little change. In the first half of June, output at steel plants declined further. The decrease in factory employment in May was larger than usual and there was also a decline in factory payrolls. The number employed in the cotton and silk goods industries decreased further, while in the woolen goods industry there was an increase from the extreme low point of April. Employment in the agricultural implement and electrical machinery industries decreased from April but remained large relative to earlier years. Employment in the cement industry increased, but in the lumber industry continued at an unusually low level. Building contracts awards in May, as reported by the F. W. Dodge Corporation, continued to be in substantially smaller volume than in any other year since 1924.

### DISTRIBUTION

Freight carloadings increased by less than the usual seasonal amount during May and continued to be in somewhat smaller volume than in the corresponding period of 1928 and substantially below the unusually active period of 1929. Department store sales in May were approximately the same as those of a year ago.

### WHOLESALE PRICES

A further decline in the wholesale prices of commodities occurred in May and the first half of June. The downward

movement was interrupted in the last half of May by substantial increases in the prices of grains, meats, and live-stock, but became pronounced about the middle of June when the prices of cotton, silk, rubber, copper, and silver reached exceptionally low levels. Wheat, meats, livestock, and cotton textiles also declined in price at that time, while prices of wool and woolen goods, pig iron, and steel showed little change.

### BANK CREDIT

Loans and investments of reporting member banks increased further by \$265,000,000 in the four weeks ending June 11, to a level considerably higher than a year ago. The increase was entirely in investments and in loans on securities, of which a large part represented loans made by New York City banks to brokers and dealers in securities in replacement of loans withdrawn by other lenders. "All other" loans continued to decline and at \$8,400,000,000 on June 11, were the smallest since 1926. Expansion of member bank credit during this period was reflected in larger demand deposits and an increase of \$30,000,000 in member bank reserves at the Reserve banks. The volume of money in circulation showed a net increase of \$13,000,000. Funds for these uses were obtained largely from further additions of \$24,000,000 to the stock of monetary gold and from an increase of \$22,000,000 in the volume of reserve bank credit outstanding. Reserve bank holdings of U. S. securities increased by about \$50,000,000 and their holdings of acceptances declined by about half this amount. For the week ending June 18, the total volume of reserve bank credit declined somewhat and there was a decline in the volume of money in circulation. Money rates in the open market continued to decline during the latter half of May and the first half of June, and at the middle of the month commercial paper at  $3\frac{1}{2}$ - $3\frac{3}{4}$  per cent and acceptances at  $2\frac{1}{8}$  per cent were at the lowest levels since 1924 and early 1925. Bond yields moved slightly lower in June. In the first week of June the rediscount rate at Cleveland was reduced from 4 to  $3\frac{1}{2}$  per cent; in the third week the rate at New York was reduced from 3 to  $2\frac{1}{2}$  per cent and the rate at Chicago from 4 to  $3\frac{1}{2}$  per cent.