

# MONTHLY REVIEW OF BUSINESS AND INDUSTRIAL CONDITIONS

## IN THE ELEVENTH FEDERAL RESERVE DISTRICT FEDERAL RESERVE BANK OF DALLAS

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### GENERAL SUMMARY

A slight rise in the barometer of general business conditions of this district was discernible during the past month, manifesting itself in the form of increased exports of cotton and grain, a steadier live-stock market, a seasonal increase in wholesale trade activity and a greater degree of stability in prices, both of raw and manufactured products. Among the additional factors contributing to the month's list of favorable developments were the excellent crop and range conditions (particularly in West Texas) and the definite inauguration of the long-expected readjustment of the wages of skilled labor.

Against these tendencies toward improvement, though perhaps not offsetting them entirely, must be set down a sharp contraction in the volume of retail trade (as reflected by department store reports), a steadily mounting business mortality rate, and a further recession of bank clearings. Apparently retail trade is now feeling the effects of the wave of depression which struck wholesale lines some months ago. The present revival of trade in wholesale lines is gratifying and is indicative of an active season in the channels of retail distribution as the fall months advance.

Building enterprises, though temporarily halted

in some instances by steps that are being taken to bring about a readjustment of wage scales, were more numerous and widespread in July than during the corresponding month last year. Unemployment in most cities showed a decrease.

Credit conditions have experienced no perceptible relief during the past month. In fact, the expense of harvesting the new cotton crop has made it necessary for the Federal Reserve Bank of Dallas and its member banks to extend some additional assistance pending the marketing of the crop. These demands, however, have on the whole been comparatively light, and notwithstanding that member banks were advised on August 2nd that under a new ruling of the Federal Reserve Board, they might take further advantage of the Federal Reserve Bank's loan facilities by rediscounting with it such eligible cotton paper as they might be carrying, endorsed by non-member banks, the offer has up to the present time elicited practically no offerings of this kind. One difficulty which tends to obstruct this plan for aiding the nonmember banks is the fact that the latter very rarely use the rediscount method of borrowing. With rare exceptions, they borrow against their direct obligation, which, of course, would be ineligible for rediscount with a Federal reserve bank.

### CROP CONDITIONS

The weather has been almost ideal for harvesting during the past thirty days, but too dry and hot in most sections for the best growth of crops. Government reports show the Texas cotton crop to be in a very spotted condition. With the average condition estimated at 62 per cent of normal, as compared with 72 per cent on June 25th, there has been on the whole a general and rather heavy deterioration in the plant, and the total production for the State this year is now officially estimated at only 2,418,000 bales, which compares with 4,100,000 bales produced in 1920.

Depredations of the boll weevil, which have now extended to more than two-thirds of the cotton-

growing area of Texas, are chiefly responsible for the setback suffered by the plant during the past month. Except in the "black belt" counties, comprising the central and north-central sections of the State, where the plant is generally in fairly good condition, cotton is still fruiting poorly, as a result of insect damage. The hot, dry weather has proven a good antidote for the boll weevil, but the high temperatures have in some instances had blighting effect upon the plant itself, causing much shedding and some killing in areas where the plant has not developed a sufficient tap root to reach the subsoil moisture. Some complaints have also been received since our last report to the effect that boll worms are

making their appearance in Central Texas, while in South Texas the leaf worm is reported to be causing some damage. Picking is progressing rapidly in South Texas, and some "first bales" have appeared in the northern part of the State during the first week in August.

The Texas corn crop, estimated at 174,070,000 bushels, now seems to be safe from adverse weather conditions, as all except very late corn has matured and is being rapidly harvested.

Reports on crop conditions in the western part of the district have lately shown a considerably improved tone. Crop prospects in Arizona are now much better, due to July rains, which broke the drouth that had prevailed in that State for several months. Generous rains also fell in New Mexico, where prospects for a bountiful harvest of all crops, particularly oats, corn and grain sorghums, were never brighter than they are this year.

In Southern Oklahoma a bumper corn crop has reached maturity, and a yield of 40 to 60 bushels per acre is not unusual. Oklahoma cotton is fruiting poorly, due to hot, dry winds and ravages of the weevil.

Rice is doing well both in Louisiana and Texas, although the yield will be unusually low as a result of the heavy acreage reduction in both States.

**Cotton Movements.** July cotton exports through the port of Galveston amounted to 291,085 bales, which was an increase of 82,000 bales over the month of June, and a gain of 232,000 bales over July, 1920. The settlement of the British coal miners' strike and the opening up of many additional mills in Germany are regarded as the chief factors of the very heavy increase in the export movement. Cotton exported from Galveston during the twelve months ending August 1, 1921, amounted to 3,006,722 bales, which compares with the previous season's exports of 2,288,580 bales.

In the following tables are presented comparative statistics of cotton movements at Galveston and other ports of the United States.

#### COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON

	July		This Season	Last Season
	1921	1920		
Gross Receipts .....	168,843	27,674	3,145,366	2,198,633
Exports .....	291,085	58,392	3,006,722	2,288,580
Stocks July 30th.....			242,792	112,622

#### GALVESTON STOCK STATEMENT

	July 1921	July 1920
For Great Britain .....	3,202	7,216
For France .....	2,000	3,416
For other foreign ports.....	51,809	12,460
For coastwise ports .....	2,500	2,000
In compresses .....	183,281	87,530
<b>Total .....</b>	<b>242,792</b>	<b>112,622</b>

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

	This Season	Last Season
Receipts since Aug. 1, 1920.....	6,733,807	6,059,856
Exports: Great Britain .....	1,733,776	2,977,719
France .....	574,924	554,215
Continent .....	2,468,756	1,854,980
Japan-China .....	660,644	855,182
Mexico .....	27,317	1,212
Total foreign exports.....	5,465,417	6,243,308
Stocks at all U. S. ports.....	1,348,234	783,479

**Grain Movements.** Exports of wheat from the port of Galveston broke all previous records during the month of July, with a total of 11,012,096 bushels. The flow of wheat to this port from the fields of Oklahoma and North Texas became so heavy during the month that the Interstate Commerce Commission found it necessary to declare a temporary embargo on shipments to that port. Elevators and terminals have now been cleared, however, and cargoes are being promptly loaded and cleared. Port officials expect the volume of wheat handled in August to reach 16,000,000 bushels. Figures for the month of July show that more grain was exported from Galveston during that month than during the entire year of 1919.

Receipts of wheat, corn and oats at the five principal grain centers of Texas are tabulated below:

#### COMPARATIVE GRAIN RECEIPTS

	July (Cars)	June (Cars)
Wheat .....	12,562	7,448
Corn .....	251	308
Oats .....	553	280

#### LIVESTOCK

**Range Conditions** Despite the high temperatures and lessened rainfall that featured the latter part of July and first half of August, Eleventh District ranges, with few exceptions, are still in excellent condition. Observers in Southwest Texas report that the continued drouth and hot weather has necessitated some feeding, but elsewhere the range country, though in need of rain, has suffered no serious deterioration. Advices from Amarillo indicate that rains over the Panhandle, South Plains and Eastern New Mexico were fairly frequent and well distributed during July. Temperatures in that region have been above normal, however, and precipitation has been gradually diminishing until ranges are beginning to need rain. The condition of livestock in the range country tributary to Amarillo is described as fair to good.

In contrast with the situation in New Mexico and Arizona described in our last report, ranges in those states are now well supplied with moisture, a drouth of several months' duration having been broken by copious and fairly well distributed rains which frequently visited that part of the district in July. Precipitation in Southern Arizona showed a steady in-

crease throughout the month, with the result that ranges and stock are now in fair to good condition, according to recent government reports.

**Livestock Movements and Prices** The past month witnessed a further falling off in the volume of cattle arriving at Southwestern markets. At the same time a sharp increase was noticeable in the receipts of calves and sheep. At the Fort Worth market July cattle receipts totaled 46,195 head, which was 2,350 less than the June total, 55,752 less than the receipts of July, 1920, and more than 100,000 below the total received in July, 1918. The continued decline of the market during recent months seems to have been the principal cause of this enormous shrinkage in the movement of cattle to the slaughter market. July calf receipts, 41,543 head, were almost three times as large as the monthly average for the first six months of 1921, and exceeded all previous July receipts on record. While this increase is largely accounted for by the excellent range conditions of the present season, which have made an unusually large calf crop possible, some authorities see in this unusual volume of sales an evidence of financial distress on the part of cattle growers.

July sheep receipts at Fort Worth totaled 31,043, which was the most liberal supply received during any previous month of the year with the exceptions of April and May. The record was also considerably above the July average of previous years. The improved demand for hogs attracted a much larger supply than was in evidence in June, and while prices were not as attractive as those prevailing a year ago, receipts at Fort Worth for July, 1921, were practically double those of July, 1920.

Livestock values displayed a steadily increasing strength throughout the month. By comparison with the closing quotations of the previous month, prices at the end of July ranged from 25 to 50 cents higher on calves, 50 cents higher on steers and cows, 75 cents higher on sheep, and about \$2.25 higher on hogs. These gains were well maintained through the first two weeks of August, the market being supported by a broad and sustained demand. July prices as a whole exhibited more stability in all branches of the local livestock markets and more real strength in the demand for calves, hogs, sheep and lambs than has been witnessed in the past twelve months. The heavy advance scored by hogs carried values well above the level prevailing at Kansas City, and almost up to the ruling quotations at Chicago.

#### FORT WORTH LIVE STOCK RECEIPTS

	July 1921	June 1921	Loss or Gain	July 1920	Loss or Gain
Cattle .....	46,159	48,509	L 2,350	101,731	L 55,572
Calves .....	41,543	27,238	G 14,305	35,749	G 5,794
Hogs .....	25,461	21,103	G 4,358	13,928	G 11,533
Sheep .....	31,043	24,068	G 6,975	16,469	G 14,574

#### COMPARATIVE TOP LIVESTOCK PRICES

	July 1921	June 1921	July 1920
Beef steers .....	\$ 7.25	\$ 9.00	\$13.00
Stocker steers .....	5.00	4.75	8.50
Butcher cows .....	5.50	5.50	9.50
Stocker cows .....	3.00	4.00	6.50
Calves .....	7.00	7.75	13.50
Hogs .....	11.40	9.10	16.20
Sheep .....	4.85	4.50	9.50
Lambs .....	8.00	8.00	13.50

#### LUMBER

Orders booked by Eleventh District pine mills during the month of July called for an amount of lumber equivalent to 66 per cent of their total normal monthly production, which was exactly the same percentage booked in June according to reports received by the Southern Pine Association from 35 reporting mills. Actual production continued to run slightly ahead of shipments, and was 31 per cent below normal.

Unfilled orders awaiting shipment by 35 pine mills under date of July 29th amounted to 35,175,400 feet, showing quite a decrease by comparison with orders on hand reported at the beginning of the month by the smaller group of 33 mills, amounting to 39,126,826 feet.

Slight recessions in the price of certain kinds of lumber were reported during the latter part of July, although it is difficult to estimate the average reductions in any particular class or grade. Quotations in different parts of the district on Number 2 lumber have recently varied as much as \$7.00 per thousand, and competition in the retail trade has become exceptionally keen.

#### JULY PINE MILL STATISTICS

Number of reporting mills.....	35
Average weekly production.....	14,540,128 feet
Average weekly shipments.....	13,692,510 feet
Average weekly orders received.....	13,821,990 feet
Unfilled orders July 29th.....	35,175,400 feet
Average weekly normal production .....	21,005,336 feet
Production above shipments.....	847,618 feet= 6%
Actual production below normal..	6,465,208 feet=31%
Orders below normal production..	7,183,346 feet=34%

#### PETROLEUM

**Production Again Falls Off.** The Eleventh District oil wells yielded 10,666,346 barrels of oil during July, falling short of the June record by more than 700,000 barrels. The Mid-continent field, comprising the states of Texas, Oklahoma, Kansas, Arkansas and Louisiana, exceeded all previous records with a total production of 25,594,982 barrels. A decrease in monthly yield and daily average flow was registered by all Texas fields except the North Texas group. North Louisiana reported a substantial gain over its June output, and

the center of drilling activity in that state was the new field at Haynesville, where further tests, both west and south of the town, resulted in extensions of the proven field. Among the important developments of the month in Texas was the activity denoted by the new locations in the Mexia field, and a number of extensions in the Electra, Texhoma and South Bend pools in North Texas.

### Drilling Curtailed

The record of July drilling results reflects a further curtailment of drilling enterprises in this district. Only 251 wells were completed during the month, which was in striking contrast with the July total of last year, 868. With the price of oil at the present low point, the cost of drilling deep wells, particularly those of low productivity, is almost prohibitive.

OIL PRODUCTION						
Field	July		June		Increase or Decrease	
	Total	Daily Avg.	Total	Daily Avg.	Total	Daily Avg.
North Texas .....	2,399,855	77,415	2,364,480	78,816	Inc. 35,375	Dec. 1,401
Central-West Texas .....	3,284,070	106,260	3,875,530	129,184	Dec. 581,460	Dec. 22,924
Texas Coastal .....	2,825,429	91,143	3,182,735	106,091	Dec. 357,306	Dec. 14,948
Totals, Texas .....	8,519,354	274,818	9,422,745	314,091	Dec. 903,391	Dec. 39,273
North Louisiana .....	2,146,992	69,257	1,982,410	66,080	Inc. 164,582	Inc. 3,177
Totals, 11th District .....	10,666,346	344,075	11,405,155	380,171	Dec. 738,809	Dec. 36,096

### JULY DRILLING RESULTS

Field	Completions	Producers	Failures	Initial Production
Central-West Texas .....	110	77	33	27,915
North Texas .....	74	45	29	5,815
Texas Coastal .....	23	17	6	18,025
Texas Wildcats .....	15	7	8	1,035
Totals, Texas .....	222	146	76	52,790
North Louisiana .....	29	17	12	8,020
July Totals, District .....	251	163	88	60,810
June Totals, District .....	264	189	75	73,062

### CRUDE OIL PRICES

Texas	Louisiana Gravity (38 and above)
Corsicana light .....	Caddo .....
..... \$ .85	..... \$1.25
Corsicana heavy .....	Homer .....
..... .50	..... 1.00
Texas Coastal Fields.....	Bull Bayou .....
..... .80	..... .90
All other Texas fields.....	De Soto .....
..... 1.00	..... 1.15

(Oil Statistics compiled by The Oil Weekly, Houston, Texas)

### LABOR

A recent survey of labor conditions in the larger cities of the Eleventh District, made by this bank, disclosed the fact that in all of the larger centers contractors have recently undertaken to bring about reductions in wage scales of organized building trades. This effort has met with varying success, as shown by the following summaries:

DALLAS.—A reduction of approximately 10 per cent has been accepted by plasterers, plumbers and theatre employees. Contractors have declared a cut in wages of bricklayers from \$12.00 to \$10.00 per day, but the reduction is being resisted, and work has been suspended on a number of projects. Twenty-three construction firms signed an agreement not to make any verbal or written agreement with labor unions or to renew any contracts now in force. Information obtained from employment agencies and other sources indicates a slight increase in unemployment here during July.

SHREVEPORT.—Local organization of contractors has declared following reductions in daily wage scales: bricklayers \$13.00 to \$10.00; plasterers and plumbers \$12.00 to \$10.00; sheet metal workers, painters and electricians \$10.00 to \$8.00. Painters, plumbers and sheet metal workers have accepted reductions. Plasterers and bricklayers have offered to compromise at \$11.00. Electricians on strike against cut. Common labor, formerly 45 cents per hour and up, now 25 cents to 35 cents. Unemployment decreasing.

SAN ANTONIO.—No reduction in union wages since April 30th. Present scale lower than Dallas scale. Open shop rates substantially same as union scale. No adjustments now taking place between employers and employees.

EL PASO.—Wage scale of unskilled labor approximately 20 per cent lower than level prevailing on April 30, 1921, due to large Mexican labor supply. No reduction in union labor rates, but some union

labor working on open shop projects at about 15 per cent under scale. Approximately 6 per cent increase in unemployment in July over June.

**WICHITA FALLS.**—No official reduction in union wage scale, though it is reported individuals are accepting employment at open shop rates, which average 20 per cent less than the April level. There is a small surplus of labor here, but unemployment is decreasing.

**FORT WORTH.**—Packing houses and railroads have recently increased their forces. Two trunk lines entering Fort Worth report all their rolling stock now in use.

**BEAUMONT.**—Present wage scale as follows: Carpenters, plumbers and electricians \$8.00 per day; bricklayers \$10.00. Majority of contractors operate on open shop basis and do not pay above scales, but pay each individual in accordance with his worth. Unemployment during July showed a slight decrease.

**HOUSTON.**—Following wage reductions have been made since April 30th, 1921: Machinists 11½ per cent; moulders, pattern-makers and boiler-makers 10 per cent. No reduction yet in wages of building crafts, but contractors have notified labor organizations that the building interests will insist upon an early adjustment of wages to a more reasonable relation with other prices, the suggested reductions ranging from \$1.00 to \$1.50 per day.

### WHOLESALE TRADE

Conditions in the various lines of wholesale trade showed a general improvement during the month of July. While the trade has in no sense reached the levels of a year ago, there are factors which indicate a more healthful situation. Whereas during June every line with the exception of farm implements showed a decrease in sales from the previous month, July showed increases in farm implements, dry goods, and groceries. The price recessions which have been noted during the past few months have now reached a more stable basis in drugs, dry goods and groceries, and some articles are beginning to show slight increases. Furniture and hardware prices reflected further recessions, but this was to be expected in view of the fact that reductions in these lines have not been made in proportion to those of other lines. According to figures of the Bureau of Labor Statistics, furniture and house furnishing goods are 150 per cent higher than they were in 1913, while food prices are only about 32 per cent higher and the average of all products is 48 per cent higher.

A general improvement was noted in the wholesale dry goods situation during the month of July. Prices in most lines developed steady tendencies with a slight increase in some instances, and sales showed an increase of 8.0 per cent over those of the previous month. Although caution and conservatism continued to rule the market (and according to reports

from representative firms are expected to dominate trade for some time), there was a more confident buying for normal consumption as demand recovered, but there is as yet no tendency to anticipate the future. Purchases are still being made mostly for immediate delivery, and this practice is, in fact, being openly encouraged by wholesalers and jobbers. As there is no trouble in obtaining immediate delivery on goods, retailers are able to purchase in small lots and to make replacements in a short time, thereby giving them a more rapid turnover.

The wholesale grocery trade showed decidedly more healthful conditions during July. Thirteen firms reported an average increase in net sales of 1.2 per cent over last month. Although purchases were not heavy for that time of the year, the buying demand showed considerable improvement and a fair seasonal business is looked for beginning in the early Fall. While prices showed a tendency to stabilize on slight declines during June, they held firm during July and small increases were noted in some articles. Reporting firms state that on the whole there is a very definite upward trend.

Reporting wholesale drug firms again reflected a decrease in business during July. Net sales fell off 2.1 per cent as compared with the previous month, and 33.3 per cent as compared with the same month last year. Dealers are buying very sparingly, but prices are reaching a more stable level. While the outlook is steadily improving there is still no future buying.

The extreme quietness which prevailed in the wholesale farm implement business throughout the first half of the year continued during July. However, net sales during that month increased 17.5 per cent over sales of the previous month, indicating that farmers are purchasing needed implements where they are able to realize sufficiently from the liquidation of the grain crops. Business in the cotton sections has shown no improvement, having been practically at a standstill for some time. No outstanding decrease in prices has been put into effect since the general reduction in the spring, indicating that prices have about held their own. Collections continue to come in at a very slow rate, but aside from the present conditions, they are expected to be slow at this time as a large per cent of accounts outstanding at this season generally remains unpaid until the harvesting of the cotton crop is well under way. Representative firms report that there is a tendency for outstanding accounts to be paid off instead of new ones being opened.

A weaker buying demand developed during the month in the wholesale hardware trade. Net sales decreased 8.5 per cent from sales during June and 31 per cent from July a year ago. The demand which is generally evident at that season of the year was lacking because the retailers have been reluctant about placing the usual orders which are shipped during the summer months for fall consumption. A further slight reduction in prices was noted.

CONDITION OF WHOLESALE TRADE DURING JULY, 1921  
Percentage of Increase or Decrease in

	NET SALES		STOCKS		PRICES	
	July, 1921, compared with		July, 1921, compared with		July, 1921, compared with	
	July, 1920	June, 1921	July, 1920	June, 1921	July, 1920	June, 1921
Groceries .....	-34.7	+ 1.2	-41.4	+ 6.8	-31.2	— .6
Drugs .....	-33.3	- 2.1	-14.2	- 1.9	-12.5	None
Dry Goods.....	-57.5	+ 8.1	-39.8	+ 9.0	-45.0	None
Farm Implements.....	-71.1	+17.5	.....	.....	-13.8	None
Hardware .....	-31.0	- 8.5	-20.5	- 4.0	-20.0	- 4.3
Furniture .....	-31.9	- 7.4	.....	.....	-37.5	- 7.5

### RETAIL TRADE

The retail trade situation during the month of July may be characterized as having been very quiet and inactive. The reports from twenty Texas department stores showed net sales to have fallen off 27.3 per cent from sales of the previous month, and 22.1 per cent from those of the same month last year. While this large decrease in sales was noted, it should be remembered that this was the period of the normal midsummer dullness, and that fall purchases do not generally begin until August. The summer clearance sales were inaugurated in June and the natural reaction was a lull in the July business. Another factor of considerable consequence in the decrease of sales was that many of the wealthy patrons were away on their vacations during that month.

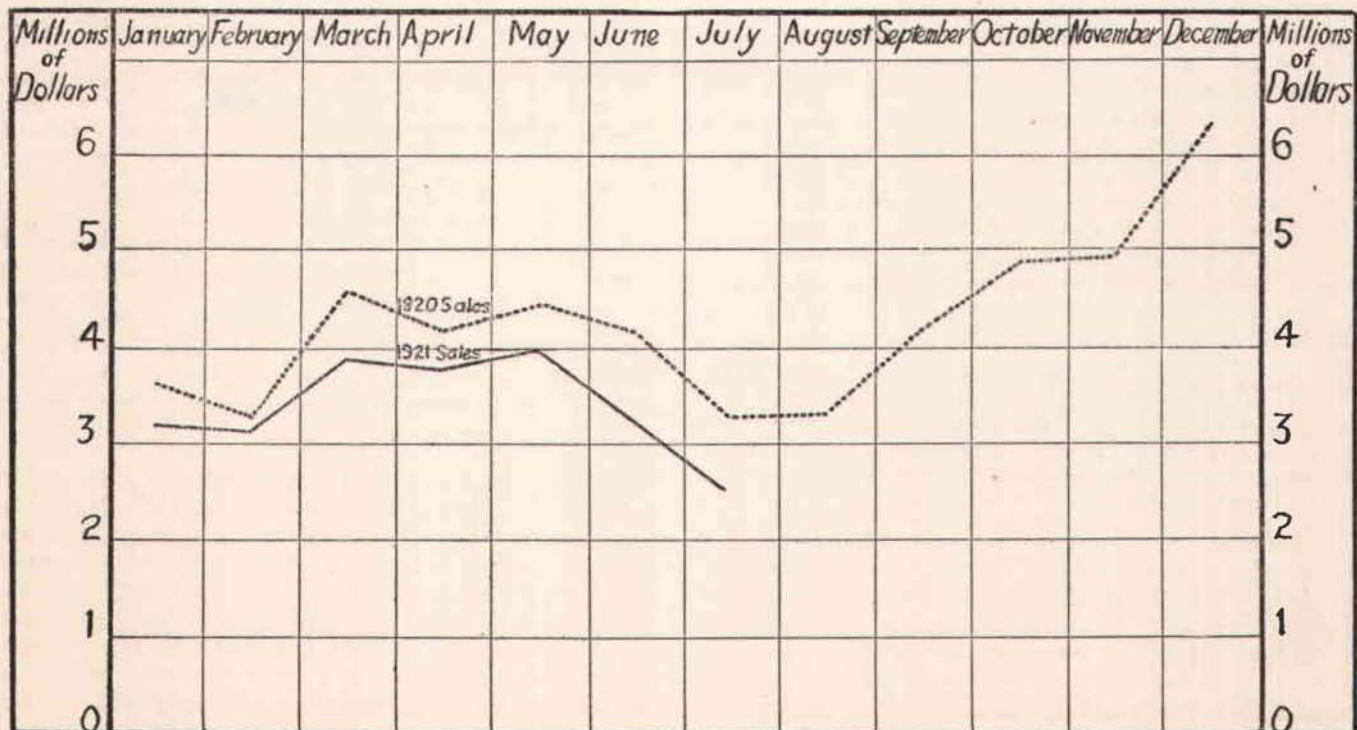
These stores have further liquidated their stocks during the month. The inventory at the end of July reflected a decrease in average stocks of 2.2 per cent from those on hand June 30th. The July ratio of stocks to sales was 543 per cent as compared with 386 per cent for the first half year, showing that

rate of turnover for that month slowed up considerably.

Reports are indicative of the fact that department stores are now beginning to place their fall orders. The ratio of outstanding orders at the close of July was 10.4 per cent as compared with 6.4 per cent at the close of June. This clearly shows that department store buyers now have more confidence in the market and feel justified in making purchases both for the opening up of the fall season and the supplying of the current trade demand.

### BUSINESS OF DEPARTMENT STORES

	Increase or Decrease
Net Sales—	
July, 1921, compared with July, 1920.....	- 22.1%
July, 1921, compared with June, 1921.....	- 27.3%
Stocks at end of July, 1921—	
Compared with same month, 1920.....	- 27.6%
Compared with stocks at end of June, 1921 .....	- 2.2%
Ratio of stocks to sales.....	543.2%
Ratio of outstanding orders to last year's purchases .....	10.4%
Ratio of July collections to accounts receivable, due and outstanding July 1, 1921.....	43.7%



NET SALES OF NINETEEN DEPARTMENT STORES IN THE ELEVENTH FEDERAL RESERVE DISTRICT

**FINANCIAL**

**Loans to Member Banks Increase** During the month of July we granted loans to 630 member banks, as compared with a total of 603 accommodated during the month of June. On July 30th we were lending to 656 banks out of a total membership of 869.

At the close of the month our outstanding loans to member banks totaled \$78,182,884.49, distributed as follows:

Member bank collateral notes.....	\$14,259,660.46
(Secured by government obligations.)	
Other loans to member banks, including ing rediscounts .....	63,823,384.03
Open market purchases of bankers' ac- ceptances .....	99,840.00
<b>Total outstanding loans to member banks</b>	<b>\$78,182,884.49</b>

The above total, which represents an increase since June 30th of \$6,461,290.20, includes paper rediscounted with other Federal Reserve Banks to the amount of \$21,532,000.00, it having been necessary to increase our borrowings from other districts to the extent of \$12,000,000.00. Federal Reserve notes outstanding July 30th aggregated \$42,061,387.00, which reflects a reduction since June 30th of \$4,113,998.00. Member bank reserve deposits also receded \$500,000.00, the total on July 30th being \$42,105,182.00.

**Acceptance Market** July reports show a further reduction in the volume of outstanding acceptances created in this district, the total on July 31st being \$823,000.00, which compares

with \$1,341,000.00 on June 30th. Approximately \$500,000.00 of these bills were used to finance the domestic shipment and storage of goods, while the remainder covered import and export transactions. The Federal Reserve Bank of Dallas at the close of the month had only \$100,000.00 invested in bankers' acceptances, of which about one-half consisted of bills executed by banks in other districts. As has been previously reported, the banks of this district are carrying such a large amount of farmers' loans carried over from 1920 that they have practically no surplus funds available for the purchase of acceptances or other investment paper originating outside of this district, and no important change is expected to occur in this condition until after the harvesting and marketing of the cotton crop. Even then the margin of profit on the crop is expected to be so narrow that it does not seem likely the Eleventh District will develop a broad demand for this class of paper until at least another year has passed.

**Condition of Reserve City Banks** Reserve city banks increased their borrowings with the Federal Reserve Bank from \$18,000,000.00 to \$24,000,000.00 during the past month. The volume of accommodations, however, is still far below the total outstanding at the end of July last year. Loans and investments showed a decrease of \$7,000,000.00, as against a decrease of only \$4,000,000.00 in deposits. Ratio of loans to deposits on July 27th was 113 per cent, reflecting a slight improvement as compared with the close of the previous month. Comparison of this ratio with that of July 30, 1920, however, shows the credit situation to be slightly more strained than was the case a year ago.

**CONDITION STATISTICS OF MEMBER BANKS IN SELECTED CITIES**

	July 27, 1921	June 29, 1921	July 30, 1921
Number of reporting banks .....	52	52	49
U. S. Securities owned .....	\$ 37,080,000	\$ 38,056,000	\$ 49,804,000
Loans secured by U. S. War Obligations.....	6,321,000	6,378,000	8,320,000
All other loans and investments.....	201,026,000	208,402,000	229,700,000
Net demand deposits .....	184,053,000	188,267,000	219,866,000
Reserve with Federal Reserve Bank.....	20,292,000	20,240,000	24,570,000
Bills payable with Federal Reserve Bank.....	24,353,000	18,962,000	41,992,000
Percentage of loans to deposits.....	113%	114%	108%

**BANK CLEARINGS**

	July, 1921	June, 1921	Inc. or Dec.	July, 1920	Inc. or Dec.	Since Jan. 1st, 1921	Since Jan. 1st, 1920	Inc. or Dec.
Austin .....	\$ 4,703,622	\$ 4,969,454	- 5.3	\$ 4,713,113	- 0.2	39,070,248	48,648,943	-19.7
Beaumont.....	3,912,412	4,052,696	- 3.5	5,713,153	-31.5	32,809,206	46,037,957	-28.7
Dallas.....	83,403,931	93,724,950	-11.0	129,530,593	-35.6	724,464,133	1,123,092,708	-35.5
El Paso.....	20,558,306	21,623,927	- 4.9	28,744,062	-28.4	160,091,465	208,047,718	-23.1
Fort Worth.....	46,270,085	44,906,244	+ 3.0	84,760,302	-45.4	353,164,267	602,160,820	-41.3
Galveston.....	27,997,661	29,177,991	- 4.0	26,084,530	+ 7.3	213,540,686	208,561,751	+ 2.4
Houston.....	85,000,000	95,537,947	-11.0	105,634,274	-19.5	671,416,984	811,236,620	-17.2
San Antonio.....	26,329,299	33,769,378	-22.0	31,192,293	-15.6	208,149,828	247,176,508	-15.8
Shreveport.....	13,650,000	14,795,485	- 7.7	19,078,188	-28.5	114,175,975	158,749,168	-28.1
Waco.....	8,660,224	8,228,694	+ 5.2	9,870,807	-12.3	68,389,844	94,974,388	-28.0
Wichita Falls.....	7,692,000	7,924,885	- 2.9	18,758,000	-59.0	69,146,000	154,260,071	-55.2
<b>Totals.....</b>	<b>\$328,177,540</b>	<b>\$358,711,651</b>	<b>- 8.5</b>	<b>464,079,315</b>	<b>-29.3</b>	<b>\$2,654,418,636</b>	<b>\$3,702,946,652</b>	<b>-28.3</b>

## Charges to Depositors' Accounts

approximately

Public spending, as measured by charges reported by banks to depositors' accounts for the week ending July 27, 1921, reflects a shrinkage of 10 per cent as compared with the

week ending June 29th. The decrease is even larger when compared with the figures for July 28, 1920. These changes are approximately in line with the average fluctuations shown by all reporting cities of the United States.

## CHARGES TO DEPOSITORS' ACCOUNTS

	WEEK ENDING		
	July 27, 1921	June 29, 1921	July 28, 1920
Albuquerque .....	\$ 1,398,000	\$ 1,357,000	\$ 1,052,000
Austin .....	2,163,000	2,268,000	2,493,000
Beaumont .....	2,482,000	2,649,000	4,614,000
Dallas .....	25,022,000	27,799,000	30,902,000
El Paso .....	5,695,000	7,405,000	8,773,000
Fort Worth .....	21,420,000	19,941,000	26,181,000
Houston .....	20,500,000	25,176,000	30,943,000
San Antonio .....	5,559,000	7,306,000	5,810,000
Shreveport .....	5,299,000	5,684,000	3,547,000
Texarkana, Texas .....	975,000	1,140,000	1,291,000
Waco .....	2,785,000	2,704,000	2,974,000
Totals, Eleventh District .....	93,298,000	103,429,000	118,580,000
Totals, all reporting cities in United States .....	\$6,695,241,000	\$6,896,123,000	\$8,158,843,000

## FAILURES

The financial strain under which business enterprises of the Eleventh District have been operating during the past twelve months is reflected in the statistics of failures for the month of July, which show that 114 firms in this district suspended operations

with liabilities reaching the record total of \$3,778,098.00. Much of this large aggregate represents the "backwash" of financial troubles accumulated in the earlier months of the year.

The comparative record of failures during the first seven months of the year is shown in the following table:

## COMMERCIAL FAILURES

	1921		1920	
	Number	Liabilities	Number	Liabilities
January .....	155	\$3,359,871	33	\$ 284,096
February .....	137	2,117,068	31	1,830,522
March .....	98	2,702,583	19	203,445
April .....	98	2,905,847	16	100,582
May .....	92	1,851,774	15	168,165
June .....	105	2,588,787	35	278,668
July .....	114	3,778,098	41	1,148,614
Total .....	799	\$19,304,028	190	\$4,014,092

## BUILDING

Construction enterprises launched during the past month exceeded in valuation those of July, 1920, by approximately 4 per cent, based on the building permit statistics submitted by nine cities in the district. There was a slight decrease, however, in number and valuation as compared with the previous month of June. The growth in building activities, as

compared with July, 1920, is larger than the valuation figures would indicate. While these figures show a gain of only 4 per cent, considering the important reductions in the cost of lumber and other materials, it will be seen that the increased volume of construction work is more nearly reflected by the number of building permits issued during the past month, which, by comparison with July, 1920, shows a gain of more than 50 per cent.

## BUILDING PERMITS

	July, 1921		July, 1920		Inc. or Dec.
	No.	Valuation	No.	Valuation	
Austin .....	56	\$ 88,495	28	\$ 186,100	- 52.5
Beaumont .....	119	625,789	139	125,594	+ 398.3
Dallas .....	355	1,289,029	181	859,675	+ 50.0
El Paso .....	101	187,284	115	236,628	- 20.9
Fort Worth .....	197	258,614	147	538,852	- 52.0
Galveston .....	486	115,606	282	72,670	+ 59.1
Houston .....	649	869,049	327	586,823	+ 48.1
San Antonio .....	289	430,915	252	548,055	- 21.4
Shreveport .....	223	268,245	165	824,250	- 67.5
Total .....	2,475	\$4,133,026	1,636	\$3,978,647	+ 3.9