

MONTHLY REVIEW OF BUSINESS AND INDUSTRIAL CONDITIONS

IN THE ELEVENTH FEDERAL RESERVE DISTRICT FEDERAL RESERVE BANK OF DALLAS

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(Compiled July 15, 1922)

Volume 7

Dallas, Texas, August 1, 1922

No. 6

GENERAL SUMMARY

Favorable weather conditions prevailing throughout the district, which enabled the farmers to clean out their crops and was conducive to an excellent growth of the cotton plant, have given unmistakable evidence of brighter crop prospects. Showers, which were general throughout most of the district, have insured a good corn crop, greatly improved range conditions, supplied an abundance of stock water, and enlivened the cotton plant. While the boll weevils have made their appearance in all cotton growing sections, except the extreme western and Panhandle regions, the dry, hot weather has done much to check their activity. However, as the crop is from two to three weeks late, it is too early to foretell the extent of damage to the crop from weevil infestation. The sharp upturn in the cotton market following June 25th condition and acreage report of the Department of Agriculture and the increased cotton consumption places a distinctly favorable outlook upon the industry.

Unfavorable reports are coming from the wheat belt where thrashing operations are disclosing smaller yields than were anticipated a month ago.

The demand for livestock at the Fort Worth market was lacking in June and prices were revised downward to meet the cuts at other markets.

While wholesale trade is experiencing midsummer quietness, an encouraging feature of the trade situation is the fact that sales in a majority of lines were well above those of a year ago. Much optimism is found in trade circles, where it is thought good crop prospects will increase the buying power of the agricultural consumers. Retail distribution, though smaller than a month ago, was active under the

stimulus of reduced prices. Collections were less favorable than during the previous month.

The district's pine mills, which evidenced the largest production in many months during May, continued at approximately the same rate throughout June, but shipments and orders were greatly reduced. However, with prices remaining steady, with the stocks at the retail yards continually dwindling, and with building operations expanding, the buyers, during the first two weeks in July, were again reported to be in the market with heavy orders for immediate shipment.

Debits to individual accounts in the larger cities reflected an increase over the previous month but were less than a year ago.

Loans at reserve city banks were reduced approximately one million dollars during the month, but the increase in rediscounts at the Federal Reserve Bank of Dallas reflects the increased seasonal demand for funds. However, the increase was small, indicating that the agricultural communities have reduced the cost of producing this year's crop and that the demand for funds for trade purposes is lighter than usual.

The reopening of several metal mines in the mining regions of Arizona and New Mexico and the employment of additional miners were the outstanding developments of the month in the district's mining industry.

The disturbing factor of the labor situation as well as the drawback to business recovery is the strike of the Railway Shopmen, which materialized during the first week in July. However, as yet it has not seriously affected trade.

CROP CONDITIONS

A decided improvement has marked the general trend of agricultural conditions in this district during the past thirty days. Weather conditions have been favorable for the harvesting and thrashing of small grains, hay-making, and the cultivation of row crops. The dry, hot weather has afforded the farmers every opportunity to rid the fields of grass and weeds, has greatly benefited the growth of the cotton plant, and has done much toward checking the ravages of the boll weevil. However, the showers which have fallen in most sections have insured a good corn crop and have added strength to the cotton plant. Replanting in the flooded areas of Texas and Louisiana has been completed and the cotton is now up to a good stand and reported to be clean. Although the cotton crop throughout the district is from two to three weeks late on account of late planting, due to excessive rains in the spring, most sections report that the fields are clean and that the plant is healthy and growing vigorously as a result of the excellent weather conditions. There is an abundance of moisture in the subsoil and with a sufficiency of surface moisture the cotton plant, which in many sections is reported to have a good tap root, should continue thrifty for some time without additional rain. While the boll weevils have appeared in all sections except the extreme western and Panhandle areas, only a very few sections report any great damage as the plant is not far enough advanced to admit of extensive infection. In the southern portion of the state picking has commenced, but will not be well under way until the last week in July or the first week in August. In the Central and North Texas areas squares are forming and the exceptionally old cotton is blooming and fruiting.

Showers during the closing days of June revived the late planted corn, which had begun to deteriorate, and assured an excellent crop. For the most part the Texas corn crop is practically made and the yield has been estimated at 122,300,000 bushels.

Wheat and oats showed further deterioration during the month, the condition of wheat dropped ten points, while oats dropped 12 points. From the present condition there is a prospective yield of 9,565,000 bushels of wheat and 41,025,000 bushels of oats. The unfavorable turn in the case of wheat has been due, for the most part, to the disappointing yields which have been obtained throughout a large part of the north and central districts of the state where there were prospects for a much higher return. In the Panhandle the wheat crop is excellent but the acreage has been so reduced by heavy abandonment due to the drouth during the fall and winter

that the offset which this section would ordinarily make in the state's total production will not be had this year. Harvesting in the Eleventh District is practically complete and thrashing operations are well under way.

The acreage planted to rice in Texas this year shows an increase of 8 per cent over the 1921 acreage, but there was an enormous reduction in acreage in 1921 as compared with 1920. The acreage this year would probably have been larger had more favorable weather prevailed during the planting season. The crop is in good growing condition, though somewhat late in some sections. The condition July 1st was established at 84 per cent of normal, which gives promise of a total production of 5,344,000 bushels for the state.

The growing condition of grain sorghums for the state is excellent, and with a good stand in every section, there is promise of a fine crop. The condition figure on July 1st was placed at 88 per cent of normal, which indicates a prospective yield of 55,160,000 bushels. The acreage figure shows only a small increase, being 1 per cent greater than last year, which took place mostly in the south district.

Truck crops throughout the state are doing well and large movements of tomatoes, cabbage, onions, watermelons and muskmelons have been under way for some time. The fruit crop, on the other hand, is rather disappointing as the condition is given as only 37 per cent of normal, thus indicating a yield of 1,714,000 bushels for the state as a whole. The freeze damage during April was the primary cause of this low yield.

The winter wheat crop in New Mexico was almost a failure, but the abandoned acreage was planted to corn, beans, and grain sorghum, all of which are growing well and a good yield is forecasted.

Texas Cotton Acreage According to the United States Bureau of Crop Estimates, the Texas cotton acreage was estimated to be 10 per cent greater than the 1921 average. The condition of the crop as of June 25th was given out to be 72 per cent of normal, with a forecasted yield of 3,525,000 bales as against a total production for the state in 1921 of 2,200,000 bales. On July 1st the Federal Reserve Bank of Dallas sent out an inquiry to member banks in the cotton growing counties and answers were received from 171 counties. The result of this survey showed that the estimated increase in acreage was approximately 11 per cent, which closely approximates the percentage of increase as estimated by the Department of Agri-

culture. The largest increase was found to be in the southern district and in the Panhandle and South Plains area, where a large part of the wheat abandoned land was planted to cotton. A summary of the survey is presented below:

CONDITION OF THE TEXAS COTTON CROP, BY COUNTIES, AS OF JULY 1, 1922

County:	Acreage: Percentage of Inc. Dec.	Condition of Plant	Boll Weevil Infestation
Anderson	10	Fair	Numerous.
Angelina	7	Very good	Fewer than usual.
Archer	66	Normal	None.
Atascosa	12	Poor to good	Present but no damage.
Austin	25	Good	Present. Not alarming.
Bastrop	5	Good	No damage yet.
Baylor	37	Very good	None.
Bee	22	Fairly healthy	Present. Not alarming.
Bell	5	Fair	Numerous.
Bexar	10	Improving	Numerous.
Blanco	None	Good	Present. Not alarming.
Bosque	11	Good	Numerous.
Bowie	None	Fair to very good	Numerous.
Brazoria	None	Poor	Very few.
Brazos	5	Fair	Present. Slight damage.
Brooks	2	Good	Very few.
Brown	22	Good	Few. No damage.
Burleson	None	Fair	Few. No damage.
Burnet	12	Normal	Very few found.
Caldwell	4	Good	Present. Damage usual.
Calhoun	17	Fair	Present. Not alarming.
Callahan	22	Good	Few present.
Cameron	37	Good	Present. Not increasing.
Camp	2	Fair to good	Present. Not alarming.
Cass	10	Fair	Fewer than last year.
Cherokee	None		Fewer than usual.
Childress	25	Excellent	None.
Clay	26	Good	Present in lowlands.
Coke	10	Fair	Present. Little damage.
Coleman	15	Good	Very few.
Collin	10	Good	Present. Very active.
Collingsworth	55	Excellent	None.
Colorado	10	Fair	Present 25% of crop.
Comal	10	Fair	Scattered.
Comanche	40	Fair	None.
Concho	7	Fair to excellent	Numerous.
Cooke	2	Good	None.
Cottle	27	Excellent	None.
Coryell	15	Very good	Numerous.
Crosby	29	Fair to very good	None.
Dallas	8	Good	Present. Great damage.
Dawson	29	Good	None.
Delta	9	Good	No material damage.
Denton	5	Fair	Numerous.
Dewitt	5	Very good	Decreasing.
Dickens	30	Good to excellent	None.
Donley	80	Good to excellent	None.
Duval	None	Good	None.
Eastland	7	Fairly good	Present, as usual.
Ellis	10	Healthy	Present in some localities.
Erath	5	Fair	Fewer than last year.
Falls	2	Poor to fair	Present. No great damage.
Fannin	8	Good	Numerous.
Fayette	None	Poor	Present. Little damage.
Fisher	15	Excellent	None.
Floyd	60	Good	None.
Foard	50	Good	None.
Fort Bend	20	Good	Present. Little damage.
Franklin	5	Fair to good	Numerous.
Freestone	9	Fair	Present. Little damage.
Frio	10	Fair	Numerous.
Garza	15	Fair	None.
Gaudalupe	None	Good	Numerous.
Gillespie	7	Fair to very good	Present. Little damage.
Goliad	10	Poor to very good	Numerous, damage increasing
Gonzales	3	Very good	Little damage.
Grayson	8	Very good	Numerous.
Gregg	None	Very good	Present. Little damage.
Grimes	7	Fair to good	Very few.
Hale	75	Fair to good	None.
Hall	22	Excellent	None.
Hamilton	12	Good	Numerous.
Hardeman	25	Good	None.
Harris	10	Fair	More than usual.
Harrison	8	Good	Present. Little damage.
Hays	25	Fair	Very few.
Haskell	25	Good	None.
Henderson	25	Good	Present. As usual.
Hidalgo	10	Fair	Much damage.
Hill	11	Good	Numerous in sandy land.
Hood	5	Good	Present. Some damage.
Hopkins	None	Good	Present locally.
Houston	2	Good	Present. No damage.
Hunt	8	Good	Numerous.
Jack	2	Fair	Present. Scattered.
Jackson	35	Fair	Few. No damage yet.
Jasper	12	Fair	Present. Little damage.
Johnson	None	Fair to good	Numerous.
Jones	17	Good	None.
Karnes	2		Present 25% of crop.

County:	Acreage: Percentage of Inc. Dec.	Condition of Plant	Boll Weevil Infestation
Kaufman	None	Good	Numerous.
Kendall	35	Fair	Numerous.
Kleberg	2	Fair	Present. Little damage.
Knox	41	Excellent	None.
Lamar	3	Excellent	Present. Some damage.
Lampasas	10	Very good	No damage yet.
Lavaca	5	Good to excellent	Not very numerous.
Leon	10	Good	Very few.
Liberty	7	Good	Numerous.
Limestone	None	Fair	Normal number present.
Live Oak	6	Thrifty	Little damage.
Llano	12	Good	None.
Lubbock	175	Excellent	None.
Lynn	30	Good	None.
Madison	5	Good	Present. Little damage.
Marion	None	Good	50% cotton affected.
Mason	25	Good	Very few.
Matagorda	17	Fair	Fewer than last year.
McCulloch	7	Fair	Very few.
McLennan	10	Poor to good	Little damage.
Medina	None	Poor to fair	Bad in sections.
Menard	12	Excellent	None.
Mitchell	13	Good	None.
Milam	20	Excellent	None.
Mills	15	Good	Bad in some sections.
Montague	15	Good	Present. Some damage.
Montgomery	20	Very good	None.
Morris	None	Good	Few present.
Motley	35	Excellent	None.
Nacogdoches	10	Fair	Very few.
Navarro	10	Fair	Very numerous.
Newton	17	Fair	None.
Nolan	20	Fair	None.
Nueces	11	Fair to good	Present in some localities.
Palo Pinto	10	Fair	Present. Some damage.
Panola	15	Very good	Numerous.
Parker	2	Good	Numerous.
Polk	2	Good	Present. Little damage.
Rains	2	Fair to good	Numerous.
Red River	5	Good	Present as usual.
Refugio	10		Present. Some damage.
Robertson	15		Very few.
Rockwall	12	Fair to good	Numerous.
Runnels	10	Good	None.
Rusk	10	Good	Present. Some damage.
Sabine	10	Fair	About same as usual.
San Augustine	15		Present. Little damage.
San Jacinto	25	Fair	Present. Little damage.
San Patricio	6	Poor	80% crop infested.
San Saba	8	Good	Very few.
Scurry	30	Good	None.
Shackelford	15	Good	Very few.
Shelby	2	Good to excellent	Numerous.
Smith	20		Numerous.
Somervell	None	Excellent	Very few.
Stephens	50	Poor	Numerous.
Tarrant	10	Good	Numerous.
Taylor	10	Good	None.
Throckmorton	125	Good	None.
Titus	7	Fairly good	Present. Some damage.
Tom Green	10	Normal	None.
Travis	5	Fair	Numerous.
Trinity	20	Fair to good	Numerous.
Tyler	15	Good	Present. Little damage.
Upshur	10	Very good	Very few.
Van Zandt	10	Poor to fair	Just appearing.
Victoria	6	Fair to good	Present. Little damage.
Walker	25	Good	Numerous.
Washington	10	Good	Numerous.
Webb	150	Very good	None.
Wharton	10	Good	Very few.
Wheeler	37	Excellent	None.
Wichita	25	Good	None.
Wilbarger	12	Excellent	None.
Willacy	2	Good	Numerous.
Williamson	5	Fair to good	Very few.
Wilson	8	Poor to good	Numerous.
Wise	5	Fair	Very numerous.
Wood	10	Good	Some present.
Yoakum	100	Good	None.
Young	25		None.

Cotton Movements

Due to the seasonal factors both receipts and exports of cotton at the port of Galveston showed a considerable falling off from the May movements. Exports from Galveston during June totalled 165,735 bales as compared to 200,517 bales during May, and 205,524 bales during June, 1921. June receipts were 115,583 bales as against 162,182 bales during May and 189,113 bales during June, 1921. As the export movement continues to exceed receipts, Galveston stocks

31st. While this season's receipts at all United States ports have been slightly under those of last season, exports from these ports exceeded those of last season by approximately 13 per cent.

COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON

	June 1922	June 1921	Aug. 1st to June 30th	
			This Season	Last Season
Gross Receipts	115,583	189,113	2,510,769	2,976,523
Exports	165,735	205,524	2,597,227	2,715,637
Stocks, June 30th....			156,229	369,972

GALVESTON STOCK STATEMENT

	June 30 1922	June 30 1921
For Great Britain	14,465	17,431
For France	17,252	7,515
For other foreign ports.....	27,853	81,253
For coastwise ports	2,000	2,000
In compresses	94,659	261,773
Total	156,229	369,972

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

	This Season	Last Season
Receipts since Aug. 1.....	6,046,226	6,319,757
Exports: Great Britain	1,607,654	1,638,911
France	699,473	525,728
Continent	2,364,375	2,220,542
Japan-China	856,879	509,259
Mexico	2,150	25,717
Total foreign ports	5,530,531	4,920,157
Stocks at all U. S. ports, June 30th.....	746,464	1,559,923

Grain Movements The June export movement of wheat through the port of Galveston registered a decided drop as compared with the previous month and the same month a year ago. The total number of bushels consigned to foreign ports during June was 538,000 as compared to the May figure of 1,122,740 bushels. The record for June, 1921, was 7,757,073 bushels. The amount exported through Galveston for the year ending June 30, 1922, was 43,299,895 bushels, which shows a large reduction from the 74,919,786 bushels exported during the year ending June 30, 1921. Reflecting the movement of the new wheat crop, receipts at Dallas, Fort Worth, Wichita Falls, Waco and Galveston showed an increase from 514 cars in May to 1,031 cars in June. Receipts during June this year show a large reduction from receipts during June, 1921, when the total reached 7,448 cars. This was partly accounted for by the fact that the grain crop is somewhat later this year. Receipts of oats at these centers increased from 85 cars in May to 202 cars in June.

COMPARATIVE GRAIN RECEIPTS

	June (cars)	May (cars)
Wheat	1,031	514
Corn	228	205
Oats	202	85

LIVESTOCK

Range Conditions The drouth in Southern Arizona was relieved during the month by good rains and the major grazing fields are now reported to be good and the livestock are in fair to good condition. Heavy showers fell in the southwestern portion of New Mexico during the first week in July, which greatly benefited ranges and replenished the water supply. While there was a deficiency in rainfall as compared with previous years, earlier rains have kept the lakes filled and stock water is abundant except in isolated sections in eastern New Mexico. Although conditions in the region of the Pecos Valley are reported good, some deterioration is noted west of the Valley. Ranges in West and Northwest Texas, which received an unusual amount of rain last spring, were benefited by additional rain during June and July and are in excellent condition. Weather conditions have been favorable both to livestock and ranges. Reports indicate plenty of grass and an abundant water supply. Precipitation in Southwest Texas was light last spring, and although beneficial showers greatly improved the ranges during June, the extreme southwest portion is now beginning to feel the effects of dry weather.

Movements and Prices Receipts of all classes of livestock displayed a big decrease as compared with June averages. Although the receipts of cattle and hogs were well above the 1921 figure, it should be remembered that receipts during June, 1921, were exceedingly light. However, cattle receipts were the largest for any month of the year with the exception of May, but most of the run was for through billing and calf receipts were the largest since January. On the other hand, hog and sheep receipts were the lightest of the year with the exception of the March sheep receipts. The larger portion of the cattle and calf supply was shipped from South Texas. A relatively large number of good fed steers and yearlings were offered on the market but many cars of steers failed to find an outlet; however, yearlings sold well throughout the month.

Although receipts for the month were light, the demand was easily met and buyers pounded the market, forcing a steady decline in prices throughout the month. As the packers had occasion to handle but very few cattle, the larger portion went to shippers and speculators. One of the chief causes of the decline was lower values elsewhere, and prices were adjusted at Fort Worth to meet outside competition. However, after adjustments were made the demand did not strengthen with the exception of the price of hogs, the top price of which advanced from \$10.40 in May to \$10.65 in June. Top prices on all other classes of livestock either held steady or were reduced.

FORT WORTH LIVESTOCK RECEIPTS

	June 1922	May 1922	Loss or Gain	June 1921	Loss or Gain
Cattle	59,150	73,733	L 14,583	50,400	G 8,750
Calves	17,179	9,571	G 7,608	27,380	L 10,201
Hogs	31,903	45,020	L 13,117	21,206	G 10,697
Sheep	18,344	20,883	L 2,539	24,954	L 6,610

COMPARATIVE TOP LIVESTOCK PRICES

	June 1922	May 1922	June 1921
Beef steers	\$ 8.00	\$ 8.75	\$ 9.00
Stocker steers	6.25	7.00	4.75
Butcher cows	6.25	7.00	5.50
Stocker cows	4.00	4.00	4.00
Calves	8.75	8.75	7.75
Hogs	10.65	10.40	9.10
Sheep	7.00	9.00	4.50
Lambs	12.00	13.50	8.00

WHOLESALE TRADE

Seasonal quietness which prevailed in most lines of trade characterized the wholesale trade situation in June, but the slackening this year appears to be less marked than usual. Sales of dry goods, farm implements, hardware, drugs, and furniture reflected a falling off as compared with May, but the decrease in all lines except farm implements was small. On the other hand, June grocery sales showed an increase over May sales. A noteworthy feature of the reports was that sales in four lines—groceries, hardware, farm implements, and furniture—reflected a substantial increase over the sales of the previous year, and in other lines the decreases were small. In the case of groceries and hardware, it was the first time since the beginning of the depression period that sales for a current month showed an increase over the corresponding month of the previous year.

The present buying seems to be in small quantities for immediate delivery. In reality the retailers are still pursuing a hand-to-mouth policy of buying, and few orders have been placed for forward delivery. While the sentiment in all lines seems to be that trade will show a large expansion this fall, in case good crops materialize, preparations for this expanded business are lacking at present; the attitude being to wait until the increased consumer demand is made manifest.

The price situation is quite different from that which obtained a year ago. Whereas in 1921 prices in all lines were being revised downward, this year they are firm with a distinct upward tendency.

Dry Goods

The wholesale dry goods trade felt the effects of seasonal dullness and the June sales of 12 firms decreased 2.8 per cent from May sales and 9.1 per cent from June, 1921, sales. The small decrease from May and the close approximation of sales of the previous year would seem to indicate that trade is holding up well for this season of the year. The buying demand, while still very conservative, is steadily increasing, but the retailers appear to be buying their merchandise as the trade demands it and are making careful selections of goods purchased. The recent advance in the raw cotton market has forced higher prices on textiles in the primary markets, which, in turn, has had a tendency to check future buying.

Hardware

While the sales of eleven hardware firms reflected a decrease of 1.8 per cent as compared with the previous month's sales, there was a gain of five tenths of one per cent over the June, 1921, sales. This was the first time in approximately two years that a current month has shown an increase over the corresponding month of the previous year. While careful buying continues and there is little evidence of any material forward purchasing, the prospects for a good fall demand to replenish the depleted stocks of the retailer are in sight as a result of the improved crop conditions. Following the continuance of the unprecedented volume of building operations, a scarcity is becoming evident in all metal articles used in building. Some fine tools are now being quoted by manufacturers at an advance of five to ten per cent. Other manufactured goods, such as steel washers, rivets, sash weights, bolts, nuts, screws, etc., are beginning to reflect the advanced price on steel bars. Cotton goods—such as twine, ropes, and sash cords—have advanced twenty-five to thirty per cent, following the rise in raw cotton.

Furniture Reports from wholesale furniture firms reflect a seasonal decrease of 4.4 per cent as compared to the previous month, but sales continue well above those of the corresponding month a year ago. The buying demand slumped to some extent during June, due to the fact that the retailers are holding off buying until manufacturers make the regular semi-annual price revisions in July. After the new prices are quoted, buying is expected to be resumed in a large volume as the retail buying has continued good. The distribution of furniture has been stimulated in a large measure by the continuance of residence building in a large volume. During the past two years the demand has been greater for medium and cheaper grades of furniture, but the tendency to shift to the better grades is now beginning to appear.

Drugs The net sales of seven drug firms showed a decrease of three-tenths of one per cent as compared with sales of the previous month, and 6.5 per cent as compared with sales during the corresponding month last year. The small percentage of decrease from last month reflects merely the mid-summer dullness. It is encouraging to note that June sales showed a better comparison with the same month last year than did May sales; however, the present orders are for small quantities; and there is practically no future buying. The merchants seem to be awaiting the assurance of fair crops before making heavy purchases.

Farm Implements Each month throughout the spring the sales of farm implement firms showed an increase over the previous month, but during June they reflected a decrease of 30.8 per cent as compared with May. However, June sales were 44.8 per cent greater than

June, 1921, and sales for the first six months of 1922 were 23.3 per cent greater than for the same period of 1921. Due to the small prospective returns from the grain crop, the distribution of harvesting and thrashing machinery has been very small this year. Implements for use in the cultivation of row crops have moved fairly well, but the menace from the boll weevil has caused farmers to limit buying as much as possible until the outcome of the present crop can be determined to some extent.

Due to the continued stiffening of the steel market firm prices have been maintained.

Groceries A further gain of 3.1 per cent in the net sales of twelve wholesale grocery firms as compared with the previous month was a noteworthy feature in this line of trade during the month. June sales reflected an increase of 1.2 per cent over June, 1921, sales, which was the first time since the depression period set in that a current month's sales exceeded those of the corresponding month of the previous year. This increase is all the more encouraging for the distribution of groceries at this season is usually at a low ebb, due to the large volume of truck and fruit which is coming on the market. The improvement in the crop outlook has brought about an increased volume of buying for fall delivery. This is especially true of California fruits and canned goods.

Prices on all items have remained firm and advances have occurred in some instances. Sugar and syrup continue to advance steadily. The rise in sugar is due to increased demand from the canning industry. The buying demand reflects steady improvement, and the prospects are bright for an excellent fall business in case good crops materialize.

CONDITION OF WHOLESALE TRADE DURING JUNE, 1922
Percentage of Increase or Decrease in

	NET SALES June, 1922, compared with		NET SALES January 1 to date, compared with same period 1921	STOCKS June, 1922, compared with	
	June, 1921	May, 1922		June, 1921	May, 1922
Groceries	+ 1.2	+ 3.1	- 9.6	+ 6.8	- 2.4
Dry Goods	- 9.1	- 2.8	-11.5	- 2.3	- 1.7
Hardware	+ .5	- 1.8	-11.3	- 2.7	+ 3.5
Farm Implements.....	+44.8	-30.8	+23.3	....	....
Furniture	+ 3.0	- 4.4	- 3	....	....
Drugs	- 6.5	- .3	-11.4	-16.6	- 3.8

RETAIL TRADE

Distribution at retail continued in a large volume during June, but was on a smaller scale than in May. This large scale distribution seems to have been induced by extensive price reductions which were put into effect early in the month. A period of keen competition has developed among the retailers which has been a potent factor in bringing prices to a level which is more advantageous to the consumer than at any time since the peak of retail prices was reached in 1920. Another factor in the June business was the heavy purchasing of those preparing to leave the cities on summer vacations.

The net sales of twenty-two department stores reflected a decrease of 7.7 per cent as compared with last month, and 10.2 per cent as compared with June last year.

Stocks on hand at the close of June showed a further reduction of 8.9 per cent as compared to those on hand at the close of May, and were 9.3 per cent less than those on hand at the close of June, 1921. While stocks were reduced the decrease in sales was large enough to cause the ratio of stocks to sales to increase to 456.8 per cent as against 445 per cent at the close of May.

The ratio of outstanding orders to last year's purchases again showed a slight increase, being 5.8 per cent at the close of June as compared to 5.5 per cent at the close of May.

The ratio of June collections to accounts receivable on June 1st reflected a decrease during the month, being 36.2 per cent as compared with 38.3 per cent in May.

BUSINESS OF DEPARTMENT STORES

Total Sales—	Dallas	Fort Worth	Houston	All Other	Total District
June, 1922 compared with June, 1921.....	— 8.2	— 9.0	— 7.1	—15.4	—10.2
June, 1922 compared with May, 1922.....	—11.7	—10.0	+ 7.0	—10.5	— 7.7
Jan. 1st to date compared with same period last year....	—13.2	—14.9	— 7.8	—17.7	—13.8
Credit Sales—					
June, 1922 compared with June, 1921.....	— 4.9	— 6.0	+ 3.0	— 6.3	— .8
June, 1922 compared with May, 1922.....	—11.1	—17.3	+ 9.7	—18.3	—10.0
Jan. 1st to date compared with same period last year....	—10.3	—11.2	— .3	— 9.8	— 8.6
Stocks—					
June, 1922 compared with June, 1921.....	— 8.6	— 6.5	— 2.8	—16.1	— 9.3
June, 1922 compared with May, 1922.....	— 7.3	— 5.0	—14.0	— 9.5	— 8.9
Ratio of stocks to sales.....	461.2	513.3	448.0	429.6	456.8
Ratio of outstanding orders to last year's purchases.....	6.5	7.9	4.1	4.2	5.8
Ratio of June collections to Accounts Receivable, due and outstanding June 1, 1922.....	30.7	39.7	40.4	44.7	36.2

FINANCIAL

Debits to individual accounts at the principal cities of this district reflected a slight increase during the month of June. Although there was a general slowing down in trade activity due to the summer dullness which would be normally reflected in debits, the June 15th payments of the Federal Income Tax were large enough to bring the total amount of debits above those of May. The weekly average amount of checks charged against depositors' accounts during June was \$128,480,000 as compared to \$128,061,000 during May. The weekly average during June this year compares with a weekly average of \$131,030,000 for June, 1921, showing a decrease of 1.9 per cent. This decrease from a year ago was due to the smaller volume of public spending and to smaller receipts from income tax payments.

Acceptance Market

According to reports received from accepting banks of this district, there was a slight increase in the volume of acceptances outstanding at the close of June as compared with the close of the previous month. The acceptances outstanding on June 30th amount to \$516,610.50, as against \$479,201.21 on May 31st. The amount outstanding on June 30th which was executed against import and export transactions amounted to \$5,856.08 as compared to \$127,202.91 on May 31st. However, the amount based on domestic shipments and storage of goods increased from \$351,998.30 on May 31st to \$510,754.42 on June 30th. During the month the Federal Reserve Bank of Dallas increased its holdings of bankers' acceptances from \$717,804.86 on May 31st to \$2,876,227.22 on June 30th, the bulk of which was acquired in the New York market.

CHARGES TO DEPOSITORS' ACCOUNTS

	AVERAGE WEEKLY DURING		
	June, 1922	May, 1922	June, 1921
Albuquerque	\$ 2,193,000	\$ 2,043,000	\$ 1,784,000
Austin	3,019,000	2,946,000	2,544,000
Beaumont	3,322,000	3,167,000	3,130,000
Dallas	33,127,000	31,071,000	30,602,000
El Paso	7,579,000	7,451,000	8,596,000
Fort Worth	23,330,000	23,850,000	19,448,000
Galveston	12,820,000	13,142,000	19,527,000
Houston	22,563,000	23,547,000	25,138,000
San Antonio	6,357,000	6,182,000	7,524,000
Shreveport	7,386,000	8,079,000	6,167,000
Texarkana, Texas	1,810,000	1,728,000	1,545,000
Tucson	1,759,000	1,713,000	1,983,000
Waco	3,215,000	3,142,000	3,042,000
Totals, Eleventh District	\$128,480,000	\$128,061,000	\$131,030,000

Condition of Reserve City Banks Reports from reserve city banks as of June 28th disclose a reduction of \$1,295,000 in loans and \$850,000 in net demand deposits. These banks showed a further increase in their bills payable with the Federal Reserve Bank from \$5,825,000 on May 31st to \$6,758,000 on June 28th. Further purchases of U. S. Government securities, amounting to approximately four million dollars, were made during the

month. The total amount of these securities owned on June 28th was \$49,802,000, as compared to \$42,948,000 on May 31st. These banks increased their reserve accounts with the Federal Reserve Bank from \$21,752,000 on May 31st to \$23,072,000 on June 30th. The ratio of loans to deposits on June 28th was 91 per cent, which compares with the same percentage on May 31st and 108 per cent on June 29, 1921.

CONDITION STATISTICS OF MEMBER BANKS IN SELECTED CITIES

	June 28, 1922	May 31, 1922	June 29, 1921
1. Number of reporting banks.....	52	52	52
2. U. S. securities owned.....	\$49,802,000	\$45,948,000	\$38,056,000
3. All other stocks, bonds, and securities owned.....	8,112,000	8,290,000	10,555,000
4. Loans secured by U. S. Government obligations.....	4,662,000	4,482,000	6,378,000
5. Loans secured by stocks and bonds other than U. S. Government obligations.....	43,154,000	43,634,000	36,689,000
6. All other loans.....	185,264,000	186,739,000	197,847,000
7. Net demand deposits.....	208,737,000	209,587,000	188,267,000
8. Time deposits.....	64,964,000	65,500,000	61,360,000
9. Reserve with Federal Reserve Bank.....	23,072,000	21,752,000	20,240,000
10. Bills Payable with Federal Reserve Bank.....	6,758,000	5,825,000	18,962,000
11. Percentage of loans (*) to net demand deposits.....	91%	91%	108%

*Loans include only items 4 and 6.

Operations of The Federal Reserve Bank Our loans to member banks have been steadily increasing since they reached the low point of the year on May 15th at \$30,503,478.60. At the close of business on June 30th, our loans to member banks had increased to \$32,263,976.40. This represents a net gain of \$932,916.78 since May 31st, when our loans stood at \$31,331,059.62, and \$1,760,497.80 since the low point of May 15th. The member banks' collateral notes secured by U. S. Government obligations, which have been steadily declining throughout the year, were reduced from \$1,327,513.50 on May 31st to \$1,088,428.50 on June 30th. On June 30th, 1921, our total loans to member banks were \$71,571,594.20, of which amount we had rediscount-

ed with other Federal reserve banks \$9,405,000. Besides retiring our rediscounts with other Federal reserve banks during the last year, we have reduced our discounts \$29,902,617.80. This bank has made further investments in bankers' acceptances, the amount having increased from \$717,804.86 on May 31st to \$2,876,227.22. Due to the increased loans to member banks, and the further investments in bankers' acceptances and Government securities, our total reserves against combined deposits and note liabilities decreased from 68 per cent on May 31st to 57.8 per cent on June 30th.

The total bills held by this bank on May 31st was \$32,048,864.48 as compared with \$35,140,203.62 on June 30th, distributed as follows:

while on May 31st they amounted to \$43,931,324.22, showing an increase of \$1,875,101.85 during the month.

Discount Rates

The Federal Reserve Bank of Dallas reduced its discount rate on all classes of paper from 5 per cent to 4½ per cent, effective July 12, 1922. The fluctuations in the discount rates charged by commercial banks at the cities listed below have been within narrow limits but the tendency has been downward. The customary rate charged on customers' paper decreased ½ per cent at Waco, and ¼ per cent at Dallas, but increased ½ per cent at San Antonio. The "high," "low," and "customary" rates during the thirty-day period ending July 15th are presented below.

Member banks' collateral notes secured by United States Government obligations.....	\$ 1,088,428.50
Rediscounts and other loans to member banks	31,175,547.90
Open market purchases (Bankers' acceptances)	2,876,227.22
Total bills held.....	\$35,140,203.62

Federal Reserve notes in actual circulation at the close of business June 30th amounted to \$26,240,776, as compared with \$26,256,177 on May 31st, reflecting a decrease in the amount of these notes in circulation of \$15,403. However, on July 15th the circulation of these notes had increased to \$26,289,490, indicating that the low point has been reached and a wider circulation will follow the increase in rediscounts. Member banks' reserve deposits on June 30th amounted to \$45,806,426.07,

JUNE DISCOUNT RATES

	Dallas			El Paso			Ft. Worth			Houston			San Antonio			Waco		
	H	L	C	H	L	C	H	L	C	H	L	C	H	L	C	H	L	C
Prime commercial paper:																		
Customers' 30 to 90 days	6	5	6	10	6	8	5½	4	5	7	5½	6	8	6	7½	8	6	7½
Customers' 4 to 6 months	6	5	6	10	8	8	....	....	....	7	6	6	8	6	7½	8	5½	7½
Open market 30 to 90 days	6	5	6	5½	4½	5	....	....	....	....	....	....	....	....	..	6	4½	5
Open market 4 to 6 months	8	5	6	10	8	8	....	....	....	....	....	....	....	....	....	....	....	....
Interbank loans	7	6	6	9	6	8	8	6	6	7	5	6	8	6	7	7	6	7
Collateral loans, demand	7	5	6½	10	6	8	10	8	8	8	6	7	8	6	7	8	7	7½
Collateral loans, 3 months	8	5	6½	10	6	8	8	8	8	8	6	7	8	6	7	8	7	7½
Collateral loans, 3 to 6 months	8	5	6½	10	6	8	8	8	8	8	6	7	8	6	7	8	7	7½
Cattle loans	8	8	8	10	7	8	8	8	8	8	7	7	8	6	7½	8	8	8
Loans secured by warehouse receipts, Bs-L, etc.	8	6	6½	10	6	8	8	6	7	8	6	7	8	6	7½	8	6	8
Loans secured by Government securities	8	5	6	10	6	8	10	6	8	7	5	6	8	6	6	8	6	8

Savings Deposits

Reports as of June 30th from 116 banks in this district which operate a savings department reflect an

increase in savings deposits of 2.3 per cent as compared with May 31st and a gain of 8.9 per cent since June 30, 1921.

SAVINGS DEPOSITS

	Number of Reporting Banks	June 30, 1922	June 30, 1921	Inc. or Dec.	May 31, 1922	Inc. or Dec.
Albuquerque	3	1,618,557	1,549,743	+ 4.4	1,576,201	+ 2.7
Beaumont	3	1,514,476	1,403,809	+ 7.9	1,451,757	+ 4.3
Dallas	7	9,879,560	8,554,213	+15.5	9,345,204	+ 5.7
El Paso	6	7,094,417	7,364,476	- 3.7	7,039,210	+ .8
Fort Worth	4	5,499,941	5,260,385	+ 4.6	5,269,965	+ 4.4
Galveston	3	5,960,371	5,815,058	+ 2.5	5,982,925	- .4
Houston	6	11,885,997	10,784,861	+10.2	11,588,479	+ 2.6
San Antonio	5	5,808,818	5,371,145	+ 8.1	5,645,556	+ 2.9
Shreveport	4	4,316,613	4,112,650	+ 5.0	4,248,298	+ 1.6
Waco	4	1,464,185	1,104,570	+32.6	1,430,108	+ 2.4
Wichita Falls	2	1,728,078	1,142,859	+51.2	1,955,448	-11.6
All others	69	15,805,232	14,154,892	+11.7	15,412,430	+ 2.5
Total, District	116	72,576,245	66,618,661	+ 8.9	70,945,581	+ 2.3

FAILURES

With the slowing down in trade activity the insolvency statistics for the month of June reflect an increase in both the number and liabilities of defaulting firms. During June there were 114 failures with a total indebtedness of \$2,481,679, which compares to 84 failures during May with liabilities amounting to \$2,175,351. Although there was a greater number of failures during June this year than during June, 1921, the liabilities of the defaulting firms were less.

The business mortality rate for the second quarter showed a decided improvement over the first quarter. The number of commercial failures decreased from 521 in the first quarter to 365 in the second, while the liabilities decreased 44.8 per cent. A still more favorable comparison is shown with the corresponding periods of 1921. In the first quarter the liabilities were 50 per cent greater and in the second quarter they were only 16 per cent greater.

COMMERCIAL FAILURES

	1922		1921	
	Number	Liabilities	Number	Liabilities
January	207	\$ 4,326,594	155	\$ 3,359,871
February	207	5,889,143	137	2,117,068
March	107	2,121,725	98	2,702,583
Total, First Quarter.....	521	\$12,337,462	390	\$ 8,179,522
April	167	3,865,301	98	2,905,847
May	84	2,175,351	92	1,851,774
June	114	2,481,679	105	2,588,787
Total, Second Quarter.....	365	\$ 8,522,331	295	\$ 7,346,408

PETROLEUM

Despite the increased drilling operations, the crude oil output in the Eleventh Federal Reserve District showed a further decrease during June, making the third consecutive month that a decline was registered since the record production in March of this year. The June production amounted to 12,228,257 barrels as compared to 13,211,360 barrels during May, representing a decrease of approximately one million barrels. The daily average flow for June was 407,608 barrels as against 426,173 barrels during May. Texas production decreased from 10,400,120 barrels in May to 9,333,220 barrels in June, registering the lowest yield since November, 1921. The Central-West Texas field was the source of the big decline in Texas. The decrease in the Mexia district alone amounted to 1,142,625 barrels, bringing the daily average for the field down to 56,850 barrels as against 91,875 barrels during May. The production from the old wells in this field is declining rapidly and but few new wells are being added that have a flush production large enough to augment to any extent the output of the field. Due to the fact that the natural decline in the old wells was greater than the new production added, the June output of the Stephens County area decreased 50,095 barrels as compared with the previous month. However, the increased flow in some of the smaller areas reduced the decrease in the whole field to 1,013,720 barrels. The production in the Texas Coastal field fell off

67,350 barrels but the North Texas field increased 13,370 barrels. The Louisiana field reflected a small gain in production during June, being 2,895,037 barrels as compared to 2,811,240 during May. After showing a decided falling off during May, the Haynesville field came back in June with an additional output of 120,115 barrels. Production in the Midcontinent field showed a decline during the month as the increased yield in Oklahoma, Louisiana, and Kansas was more than offset by the declines in Texas and Arkansas.

Drilling Results

The month of June witnessed renewed drilling operations in several sections of the district and many new wells were drilled in the semi-proven territory. There were 507 new wells completed during May, of which 381 were producers, as against 473 completions during June, which included 358 producers. However, the new producers completed during June yielded a flush production of only 145,349 barrels as against an initial production of 161,115 from the producers completed in May. There were 365 wells completed in the Texas fields, which yielded an initial flow of 116,112 barrels. In the Mexia district there were 92 completions but only 48 yielded production. The initial flow of the new producers amounted to only 35,431 barrels. The majority of the new wells are now being drilled in the out-

lying territory and the flush production is ranging around 500 barrels to the well. The new Pioneer field continues as the center of attraction. Although drilling operations were temporarily halted during May due to over-production, this situation has been relieved by the reduction in the output from old wells and the completion of pipe lines which are able to take care of the production. As a result drilling activity was more marked during June and this field contributed some fair sized producers. This field was yielding approximately 20,000 barrels daily by the 15th of July. The North Texas field continued to register increased drilling activity in all districts and established a new record during June both in respect to the monthly recovery of oil and in the new production added. There were 75 producing wells completed with an initial flow of 11,663 barrels as against 73 producers completed in May yielding 10,765 barrels. The South Electra field was the center of interest as the producing area was extended in all directions. Drilling activity in Louisiana slowed down during June, there

being 142 completions including 122 producers, as compared to 153 completions during May, of which 132 yielded production. The initial flow amounted to 29,237 barrels, as against 46,695 barrels for the previous month. However, the Haynesville field registered renewed activity, there being 93 new wells of which 90 were producers yielding 25,042 barrels flush production.

Crude Oil Prices

On July 13th an increase from \$1.50 to \$1.75 per barrel in the price of Currie crude was posted. This grade of oil, which has a high gravity of gasoline content, has been selling as Mexia crude. Due to the rapid decline in the Mexia production, a premium of ten cents per barrel is now being paid by some buyers for Mexia crude. The premium of ten to twenty cents per barrel, which has been paid for some time by the independent refineries for the North Texas crude, reached as high as thirty-five to forty-five cents per barrel during June.

OIL PRODUCTION

Field	June		May		Increase or Decrease	
	Total	Daily Avg.	Total	Daily Avg.	Total	Daily Avg.
North Texas	1,922,595	64,086	1,909,225	61,588	Inc. 13,370	Inc. 2,498
Central-West Texas	4,042,370	134,746	5,056,090	163,100	Dec. 1,013,720	Dec. 28,354
Texas Coastal	3,276,005	109,200	3,343,355	107,850	Dec. 67,350	Inc. 1,350
San Antonio District.....	92,250	3,075	91,450	2,950	Inc. 800	Inc. 125
Totals, Texas	9,333,220	311,107	10,400,120	335,488	Dec. 1,066,900	Dec. 24,381
North Louisiana	2,895,037	96,501	2,811,240	90,685	Inc. 83,797	Inc. 5,816
Totals, 11th District	12,228,257	407,608	13,211,360	426,173	Dec. 983,103	Dec. 18,565

JUNE DRILLING RESULTS

Field	Completions	Producers	Failures	Initial Production
North Texas	90	75	15	11,663
Central-West Texas	174	117	57	62,041**
Texas Coastal	59	46	13	42,264
San Antonio District.....	19	19	....	144
Texas Wildcats	23	2	21	
Totals, Texas	365	259	106	116,112
North Louisiana	142	122*	20	29,237
June Totals, District.....	507	381	126	145,349
May Totals, District.....	473	358	115	161,115

*Includes 9 gas wells.

**76,000,000 cubic feet gas.

CRUDE OIL PRICES

	Texas		Louisiana	
	June 29 1922	June 25 1921	June 29 1922	June 25 1921
Corsicana light.....	\$1.30	\$1.00	\$2.00	\$1.50
Corsicana heavy.....	.75	.50	1.90	1.15
Texas Coastal fields.....	1.25	.80	2.00	1.25
Mexia.....	1.50	---	1.85	---
All other Texas fields.....	2.25	1.00	2.00	1.40

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

LUMBER

While the demand for lumber at the mills slowed down to some extent during June, production continued at a heavy rate in an effort to catch up with the unfilled orders. The actual production of 41 mills in the Eleventh District amounted to 103,878,136 feet, or one per cent above normal production, which compares with six-tenths of one per cent during May. On the other hand, shipments fell off considerably during the month. While the rate of production remained practically steady, the June production figure was two per cent above shipments, as compared to 12 per cent below shipments during May. This condition is due largely to the fact that some retail yards have been holding off buying in an effort to clean out stocks on hand in order to await further developments in prices. However, new orders during June were one per cent below normal production as compared to 27 per cent above normal production in May. The unfilled orders on the books of 41 mills as of June 30th amounted to 89,122,422 feet, as compared to 99,561,260 feet on the books

of 45 mills as of May 31st. Due to the reduced shipments stocks on hand June 30th were 17 per cent below normal, as compared to 21 per cent below normal on May 31st.

Although retail buying has subsided to some extent, prices in the main have remained steady. While reductions on some items have been noted, no material changes have taken place.

JUNE PINE MILL STATISTICS

Number of reporting mills.....	41
Production.....	103,878,136 feet
Shipments.....	102,166,037 feet
Orders.....	101,717,624 feet
Unfilled orders June 30th.....	89,127,422 feet
Normal production.....	102,989,838 feet
Stocks, June 30th.....	250,264,218 feet
Normal stocks.....	302,613,951 feet
Production above shipments.....	1,712,099 feet= 2%
Actual production above normal..	888,296 feet= 1%
Orders below normal production..	1,272,214 feet= 1%
Stocks below normal.....	52,349,733 feet=17%

BUILDING

After showing a decided falling off in May, building operations in the principal cities of the Eleventh District reflected an increase of 3.5 per cent as compared with the previous month. All cities reflected an increased permit valuation with the exceptions of Shreveport and Waco, but these cities showed a relatively large valuation for May. The total valuation of permits issued in this district during June

amounted to \$5,350,383, as compared to \$5,167,178 during May, and \$4,259,690 during June, 1921. During the first six months of 1922 the number of permits showed only a small increase over the corresponding period of 1921, but the valuation of these permits was 31.7 per cent greater in 1922 than in 1921.

BUILDING PERMITS

	June, 1922		May, 1922		Inc. or Dec.	June, 1921		Inc. or Dec.	Six Months				Inc. or Dec.
	No.	Valuation	No.	Valuation		No.	Valuation		1922		1921		
					No.			Valuation	No.	Valuation	No.	Valuation	
Austin.....	44	110,195	28	21,965	+401.7	39	46,010	+139.5	195	348,962	173	205,056	+70.2
Beaumont.....	112	134,245	148	129,481	+ 3.7	112	112,313	+ 19.5	613	676,938	890	662,189	+ 2.2
Dallas.....	358	1,533,046	474	1,388,355	+ 10.4	436	1,247,932	+ 22.8	2,378	9,749,406	2,367	7,652,850	+27.4
El Paso.....	99	344,465	131	321,508	+ 7.1	134	334,640	+ 2.9	607	1,632,277	828	2,173,533	-24.9
Fort Worth.....	237	636,812	237	435,002	+ 46.4	237	379,329	+ 67.9	1,279	3,331,096	1,059	2,330,504	+42.9
Galveston.....	387	378,956	384	160,728	+135.8	480	293,245	+ 29.2	2,129	1,493,761	2,510	809,543	+84.5
Houston.....	706	1,339,822	727	1,107,431	+ 21.0	633	910,756	+ 53.7	3,533	7,484,323	3,110	4,577,740	+63.5
San Antonio.....	365	528,810	355	503,873	+ 4.9	300	476,355	+ 11.0	2,135	3,762,379	1,581	3,411,455	+10.3
Shreveport.....	237	270,468	310	684,299	- 60.5	246	355,160	- 23.8	1,448	2,788,907	1,496	2,107,225	+32.3
Waco.....	27	73,564	59	414,536	- 82.3	18	103,950	- 41.3	259	916,069	167	504,309	+81.6
Total.....	2,572	5,350,383	2,853	5,167,178	+ 3.5	2,635	4,259,690	+ 25.6	14,576	32,184,118	14,181	24,434,404	+31.7