

MONTHLY REVIEW OF BUSINESS AND INDUSTRIAL CONDITIONS

IN THE ELEVENTH FEDERAL RESERVE DISTRICT FEDERAL RESERVE BANK OF DALLAS

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DISTRICT SUMMARY

THE SITUATION AT A GLANCE Eleventh Federal Reserve District

	July	June	Inc. or Dec.	
Bank debits to individual accounts (at 13 cities).....	\$520,674,000	\$569,142,000	Dec.	8.5%
Department store sales.....			Dec.	27.6%
Reserve Bank loans to member banks at end of month.....	44,757,058	33,931,450	Inc.	31.9%
Reserve Bank ratio at end of month.....	46.3%	47%	Dec.	.7 point
Building permit valuations at larger centers.....	5,029,604	6,511,509	Dec.	22.8%
Commercial failures (number).....	81	97	Dec.	16.5%
Commercial failures (liabilities).....	2,576,000	1,293,018	Inc.	99.2%
Oil production (barrels).....	13,306,105	11,911,230	Inc.	11.7%
Lumber orders at pine mills (per cent of normal production)	90%	76%	Inc.	14 points

The sharp deterioration in the condition of the growing cotton crop, caused by the dry weather, excessive temperatures, and hot winds, was the outstanding development in the agricultural and business situation in the Eleventh District during the past thirty days. While a month ago prospects pointed toward a crop equivalent to the large production figure of 1920, the present outlook is indicative of a greatly reduced yield. Considerable shedding has been reported in all sections of the district, and the premature opening of cotton is reflected in the early ginnings, which are heavier than usual. The ravages of the insects, which gave evidence of much destruction earlier in the season, have been checked by the weather conditions and present indications are that the damage from this source will not be excessive.

The recovery of the cotton market since the issuance of the Government's July 25th condition report has offset to some extent the effects of the heat and drouth, and has served to restore the confidence of the producers in the outcome of the present crop.

Financial conditions reflected the influences of seasonal factors. The Federal Reserve Bank's loans to member banks showed an expansion of approximately \$12,000,000 between June 1st and August 15th, as a result of the increased demand for bank credit to finance business and agricultural operations.

Wholesale trade reflected a satisfactory distribution during July, four reporting lines showing larger sales than the previous month, and all lines reporting a substantially larger distribution than in July a year ago. Trade leaders are generally optimistic over the outlook for fall business, and are confident that a more normal distribution will be obtained. While retail sales reflected a sharp reaction from the previous month, this development was expected as a slackening in sales always occurs during the summer months.

Progressive reduction in the volume of debits to individual accounts at the principal cities of the district has occurred during the past four months, and

the volume of debits is now closely approximating those during 1921 and 1922.

Building operations, which have been exceptionally active during the present year, were on a greatly reduced scale during July. The valuation of building

permits issued at eleven cities of the district was 22.8 per cent smaller than June and 24.1 per cent smaller than July a year ago. However, lumber orders at pine mills rose 14 points during July, and production was the largest reported since January.

CROP CONDITIONS

The dry weather and high temperatures, together with the hot winds, have been detrimental to the best growth of the cotton plant, and have caused considerable deterioration during the past month. The Department of Agriculture in its July 25th condition report estimated the Texas crop at 4,075,000 bales, but it is generally believed that the crop has been materially reduced since that time. It should be remembered that every month this year since April has failed to record normal precipitation, and the lack of sufficient rainfall in the early days of August, coupled with high temperatures and hot winds, has caused excessive shedding and premature opening.

The cotton plant (except in scattered localities where the drouth has been most severe, and in some of the late planted fields) has made a good growth over most sections of the state, and indications point toward a more uniform yield in the state's production than was the case a year ago, when the crop was very spotted.

While insects of one kind or another have been active in practically every section of the state, and the loss from this source is still problematical, the dry, hot weather has held in check ravages of these insects and it is now generally believed that the damage will not be excessive.

Picking and ginning have been active in South Texas since late June. The yield is reported to be good and field operations have been carried on under favorable weather conditions. In the east, north, and central sections of the state cotton has begun to move freely, and the bolls are opening rapidly.

While the actual yield of the wheat crop proved to be approximately 1,500,000 bushels less than the estimated production a month ago, a good yield was obtained, the production estimate being placed at 16,370,000 bushels as compared to 9,992,000 bushels harvested last year. The yield per acre on this year's crop averaged 10.5 bushels, as compared to 8 bushels last year. The quality of the wheat marketed is reported to be grading higher than usual, No. 2 and above representing four-fifths of the crop.

The outcome of the oat crop shows a production

of 51,225,000 bushels, which is 17,760,000 bushels more than was harvested last year.

The latest reports on the Louisiana rice crop indicate a reduction in the state's yield of approximately 3,600,000 bushels, as compared to last year's production. In Texas, however, the condition figure on August 1st was reported to be 87 per cent of normal as against 78 per cent on that date last year, and while the crop is generally late, it is well watered and growing satisfactorily.

According to the August 1st report, the Texas corn crop will show a material reduction from last year's yield. The forecast for this year's crop is estimated at 87,660,000 bushels as compared to 114,580,000 bushels last season. While a reduction in the acreage planted to corn is partly responsible for the decreased production, the average yield is estimated at 18 bushels per acre as compared to 20 bushels per acre last year.

While the condition of the major crops in New Mexico showed a decline during the past month, the estimated production of these crops will show a considerable gain over last year's yield.

Cotton

Movements

Despite the substantially larger amount of cotton ginned in Texas from the 1922 crop as compared to the 1921 crop, the receipts and exports at the port of Galveston reflected a falling off during the past season. Receipts at Galveston for the past twelve months, August 1, 1922, to July 31, 1923, were 192,098 bales less than those for the season 1921-1922, and exports declined 323,986 bales. The exports from all United States ports for the season just closed amounted to 4,822,589 bales as compared to 6,184,094 bales during the previous season, reflecting the lessened foreign demand which was evident during the past year.

Stocks on hand both at Galveston and at all United States ports were the lowest recorded in several years. Stocks at Galveston on July 31st this year amounted to 18,671 bales, as compared to 64,735 on July 31, 1922, and stocks at all United States ports

amounted to 183,791 on July 31, 1923, as compared to 446,929 on July 31, 1922.

Movements and Prices

The receipts of cattle and calves at the Fort Worth market during July exceeded the heavy June movements

and reached the highest total for any month of the present year. The supply of cattle was the most liberal offered in any July since 1919. The movement of sheep not only showed a large gain over the previous month, but was the heaviest ever recorded in July. Hogs, however, were not so plentiful, the supply being about the same as during the previous month.

Under the pressure of heavy receipts cattle and calf values suffered a steady decline throughout the month. Fed steers brought a top price of \$9.15 during the second week, but the month closed with the best bringing around \$8.15 and the bulk going at \$4.00 to \$6.00. Good calves sold as high as \$7.75 early in July, but by the end of the month the desirable kind ranged from \$6.25 to \$6.75. Early in the month choice wethers reached a top price at \$7.60, and lambs at \$14.00, but after a series of declines the month closed with a top price of \$6.75 for wethers, and \$12.00 for lambs. The receipts of hogs were at all times below the demand and strong competition was evident among buyers with the result that prices were well maintained.

While the heavy receipts of cattle and calves during the first week of August caused a further downward revision in prices, the smaller supply of desirable grades during the second week left the market on a steady basis. The top price for hogs rose to \$8.25 early in August, but later declined to \$8.00.

COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON

	July 1923	July 1922	Aug. 1st to July 31st This Season	Last Season
Gross receipts.....	27,352	79,703	2,402,879	2,594,977
Exports	50,309	144,620	2,448,943	2,772,929
Stocks, July 31st.....			18,671	64,735

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

	This Season	Last Season
Receipts since Aug. 1, 1922....	5,827,306	6,242,839
Exports: Great Britain	1,284,201	1,713,143
France	617,678	745,962
Continent	2,055,833	2,583,926
Japan-China	647,716	909,345
Mexico	19,185	2,650
Other foreign countries	197,976	229,068
Total foreign ports	4,822,589	6,184,094
Stocks at all U. S. Ports, July 31st.....	183,791	446,929

GALVESTON STOCK STATEMENT

	July 31, 1923	July 31, 1922
For Great Britain.....	100	200
For France.....	200	100
For other foreign ports.....	2,950	4,430
For coastwise ports.....	950	500
In compresses.....	15,221	59,505
Total	18,671	64,735

LIVESTOCK

A moderate amount of rainfall covering most sections of the District's range territory during the last weeks of July was generally beneficial to the ranges. In Arizona and western New Mexico the rains have relieved the drouthy conditions, have caused a steady improvement in ranges, and have supplied an adequate amount of stock water. However, in other sections, late reports indicate that the hot, dry weather during the past two weeks has been unfavorable to the ranges and in many places there is a scarcity of stock water.

The condition of Texas cattle ranges declined 7 points during July, being 83 per cent of normal on August 1st; sheep ranges declined from 89 per cent of normal to 87 per cent. Despite the deterioration of the ranges, the condition of livestock generally is fairly good, and only a slight decline is noted as compared to the previous month.

FORT WORTH LIVESTOCK RECEIPTS

	July 1923	June 1923	Gain or Loss	July 1922	Gain or Loss
Cattle	102,434	93,436	G 8,998	59,664	G 42,770
Calves	36,163	21,040	G 15,123	23,990	G 12,173
Hogs	19,914	20,024	L 110	22,622	L 2,748
Sheep	60,312	41,476	G 18,836	20,787	G 39,525

COMPARATIVE TOP LIVESTOCK PRICES

	July 1923	June 1923	July 1922
Beef Steers.....	\$ 9.15	\$ 9.50	\$ 8.50
Stocker Steers.....	7.50	6.60	6.25
Butcher Cows.....	5.00	6.00	5.75
Stocker Cows.....		3.50	4.00
Calves	7.75	8.40	8.00
Hogs	8.10	7.75	10.80
Sheep	7.60	7.35	7.25
Lambs	14.00	14.25	10.50

WHOLESALE TRADE

In the wholesale channels of distribution some lines of trade reflected a renewed buying activity, while seasonal quietitude prevailed in other lines. The sales of dry goods, drugs, farm implements, and hardware were in a larger volume than the previous month, but sales of groceries and furniture reflected seasonal declines. All reporting lines reflected substantial gains over the corresponding month of the previous year.

Trade leaders as a general rule are looking forward to an active business during the fall season, and business so far has been encouraging. Nevertheless, retailers seem to be operating on a conservative basis and are limiting current buying to their near-by needs. The deterioration of the cotton crop during the past month has caused hesitation in some quarters, and the retailers are showing a disposition to await more definite information concerning the outcome of this year's crop before laying in their fall stocks. However, the upward trend of the cotton market has had a tendency to develop more active buying of cotton goods.

Collections were generally reported to be slow as a result of seasonal influences, but payments were satisfactory.

Dry Goods

An active demand for dry goods at wholesale developed during July as the retailers began making their purchases for the fall trade. The net sales of ten dry goods firms reflected an increase of 29.7 per cent over June sales, and 5.9 per cent over sales during July a year ago. Reports indicate that the opening of the fall buying season in many centers early in August brought many merchants to the markets with the result that sales for that month will show a substantial increase over July sales.

The rising cotton market has brought about more stable price conditions in the primary textile markets and has stimulated buying among retailers. However, purchases are being made conservatively, and forward commitments are being limited to the well-defined requirements for the fall trade.

That the wholesalers are well prepared to take care of their customers during the fall season is shown by the fact that stocks at the close of July were 43.8 per cent greater than on the corresponding date a year ago.

The present operations point toward a good fall business and dealers are optimistic over the present outlook.

Collections were reported to be satisfactory.

Farm Implements

Although the July sales of farm implement firms increased 6.4 per cent as compared to the previous month and 96.2 per cent as compared to the corresponding month a year ago, the buying demand is generally light. The high prices being asked for implements and the deterioration of the cotton crop have been large factors in the light current demand as the farmers are restricting purchases until more definite information is available concerning the outcome of this year's crop. However, the recent upturn in the cotton market is a reassuring factor and to a certain extent counterbalances the unfavorable elements. A good price for the present cotton crop will place a large amount of surplus funds in the hands of the farmers, and will be an encouragement for them to buy more liberally the long needed implements. While buying during the past year has shown a remarkable improvement over the previous year, farmers generally are not adequately supplied with implements.

Dealers state that collections are already beginning to come in and the fall payments are expected to be good.

Furniture

Seasonal influences were responsible for a decline of 16.2 per cent in the net sales of reporting furniture firms during July, as compared to June sales. However, July sales were five per cent larger than sales for July a year ago. The distribution of furniture generally slows down during the summer months, as retailers feature clearance sales to reduce stocks and do not make extensive replacements until the fall trade begins to materialize.

Hardware

Although the hardware trade showed the effects of seasonal dullness in some sections of the district, the July sales were 1.7 per cent greater than June sales, and reflected an increase of 41.4 per cent as compared with the corresponding month a year ago. The summer business on the whole has been good and dealers are looking forward to an active fall business.

Prices as a rule have remained stationary, but some declines have been noted.

Drugs

The July sales of seven drug firms disclosed a gain of 6.5 per cent as compared to June sales, and were 9.8 per cent greater than sales during July, 1922, being the largest in-

crease of a current month's sales over the corresponding month of the previous year that has been registered since January of this year. The trade buying during July and August has been more brisk than the previous months of the summer, and the July sales were the largest since March. The sentiment of the trade seems to be that there will be active business throughout the fall season.

While August collections were somewhat slower than July collections, they were reported to be satisfactory for this season.

Groceries There was a more restricted demand for groceries during the past month than has been evident during any month of the summer, but this development is largely seasonal, and firms generally are optimistic regarding the outlook for the fall trade. July sales declined 10.1 per cent as compared to June sales, but reflected a gain of 4.5 per cent as compared to July a year ago. The market quotations on the various lines of the grocery trade have shown a weakness during the past two

months, and numerous recessions have been reported. However, dealers state that the market at the present time is on a steady basis.

While collections were reported to be slow during July and early August, this situation was to be expected at this season of the year, because of the dull trade at retail. However, as soon as the fall trade begins to develop and the cotton crop begins to move freely, a material improvement in the collection situation is expected.

CONDITION OF WHOLESALE TRADE DURING JULY, 1923

Percentage of Increase or Decrease in

	NET SALES July, 1923, compared with		STOCKS July, 1923, compared with	
	July 1922	June 1923	July 1922	June 1923
Groceries	+ 4.5	-10.1	+16.5	- 2.4
Dry Goods.....	+ 5.9	+29.7	+43.8	+ 2.4
Hardware	+41.4	+ 1.7	+23.9	+ 3.3
Farm Implements..	+96.2	+ 6.4	-12.8	- 1.8
Furniture	+ 5.0	-16.2		
Drugs	+ 9.8	+ 6.5	+14.7	+ 1.3

RETAIL TRADE

The effects of midsummer dullness were visible in the retail channels of distribution during July, when the net sales of twenty-two department stores declined 27.6 per cent as compared to the previous month. However, sales were 2.8 per cent in excess of those during the corresponding month a year ago. Clearance sales were featured extensively during the month and met with fairly good success.

There was a further reduction of 1.2 per cent in the stocks of these stores at the end of July as compared to those on hand at the close of June. How-

ever, they were 7.5 per cent larger than those on hand at the close of July a year ago. The ratio of stocks to sales for July was 580.9 per cent as compared to 559.7 per cent during July a year ago.

The ratio of outstanding orders to last year's purchases was 9.1 per cent on July 31st as compared to 6.0 per cent on June 30th, and 10.7 per cent on July 31st a year ago.

The ratio of July collections to accounts receivable on July 1st was 36.8 per cent as compared to 38.1 per cent for June and 34.1 per cent for July last year.

BUSINESS OF DEPARTMENT STORES

	Dallas	Ft. Worth	Houston	All Other	Total District
Total Sales—					
July 1923, compared with July, 1922.....	+ 2.3	+ 2.6	+ 9.5	— .6	+ 2.8
July, 1923, compared with June, 1923.....	-26.6	-22.0	-36.2	-26.7	-27.6
Credit Sales—					
July, 1923, compared with July, 1922.....	+ 4.4	+14.7	+21.4	+ 6.3	+ 9.0
July, 1923, compared with June, 1923.....	-26.6	-25.3	-45.1	-30.4	-31.6
Stocks—					
July, 1923, compared with July, 1922.....	+12.5	+ 7.6	- 2.0	+ 7.4	+ 7.5
July, 1923, compared with June, 1923.....	- 2.4	- 3.5	+ 1.6	+ .3	- 1.2
Ratio of stocks to sales.....	631.1	544.1	542.1	563.2	580.9
Ratio of outstanding orders to last year's purchases.....	9.6	13.5	6.4	6.7	9.1
Ratio of July collections to Accounts Receivable, due and outstanding on July 1, 1923.....	31.6	34.7	39.8	47.6	36.8

FINANCIAL

The summer inactivity of business was reflected in the July volume of public spending as measured by debits to individual accounts at the principal cities of this district. The total amount of debits

to individual accounts at thirteen cities amounted to \$520,674,000 during July as compared to \$569,142,000 for June and \$520,511,000 for July, 1922. This represents a decline of 8.5 per cent as compared to the previous month.

CHARGES TO DEPOSITORS' ACCOUNTS

	July, 1923	June, 1923	Inc. or Dec.	July, 1922	Inc. or Dec.
Albuquerque	\$10,261,000	\$ 10,534,000	— 2.6	\$ 9,389,000	+ 9.3
Austin	11,956,000	13,842,000	—13.6	11,758,000	+ 1.7
Beaumont	16,300,000	17,250,000	— 5.5	13,538,000	+20.4
Dallas	128,462,000	145,210,000	—11.5	128,096,000	+ .3
El Paso	28,252,000	33,095,000	—14.6	30,920,000	— 8.6
Fort Worth	62,194,000	72,995,000	—15.0	88,408,000	—29.7
Galveston	71,839,000	76,209,000	— 5.7	61,498,000	+16.8
Houston	104,581,000	105,658,000	— 1.0	93,540,000	+11.8
San Antonio	27,961,000	31,193,000	—10.4	26,069,000	+ 7.3
Shreveport	31,047,000	33,662,000	— 7.8	30,151,000	+ 3.0
Texarkana	8,445,000	8,614,000	— 2.0	6,821,000	+23.8
Tucson	6,605,000	7,375,000	—10.4	7,248,000	— 8.8
Waco	12,771,000	13,505,000	— 5.4	13,075,000	— 2.3
Totals, Eleventh District	\$520,674,000	\$569,142,000	— 8.5	\$520,511,000	none

Acceptance
Market

There was a slight increase in the volume of acceptances executed by accepting banks of this district during July, and which were outstanding on the last day of the month. Acceptances outstanding on July 31st amounted to \$1,321,257.94 as compared to \$1,195,499.89 on June 30th, and \$879,783.08 on July 31, 1922. Acceptances executed against import and export transactions declined from \$454,281.21 on June 30th to \$357,436.56 on July 31st, while those based on the domestic shipment and storage of goods increased from \$741,218.68 on June 30th to \$963,821.38 on July 31st. The Federal Reserve Bank of Dallas decreased its holdings of this class of paper from \$12,354,595.35 on June 30th to \$1,594,407.44 on July 31st, on account of the increased demand for credit accommodations from member banks.

Condition of
Reserve City
Banks

The loans of reserve city banks rose \$1,773,000 during the five-week period between June 27th and August 1st, and their net demand deposits dropped \$8,695,000. The United States securities owned by these banks were reduced from \$62,914,000 on June 27th to \$54,265,000 on August 1st, or a net reduction of \$8,649,000. Their holdings of United States securities on August 1st were \$4,274,000 greater than those held on August 2, 1922. These banks increased their rediscounts and bills payable with the Federal Reserve Bank from \$8,163,000 on June 27th to \$14,218,000 on August 1st. This is the greatest amount carried for these banks by the Federal Reserve Bank since the latter part of 1921. Due to the increase in loans and the falling off in deposits a sharp rise occurred in the ratio of loans to deposits, being 98 per cent on August 1st as compared to 93 per cent on June 27, 1923, and August 2, 1922.

CONDITION STATISTICS OF MEMBER BANKS IN SELECTED CITIES

	Aug. 1, 1923	June 27, 1923	Aug. 2, 1922
1. Number of reporting banks.....	52	52	52
2. U. S. securities owned.....	\$ 54,265,000	\$ 62,914,000	\$ 49,991,000
3. All other stocks, bonds, and securities owned.....	10,350,000	9,291,000	7,251,000
4. Loans secured by U. S. Government obligations.....	4,002,000	4,047,000	4,449,000
5. Loans secured by stocks and bonds other than U. S. Government obligations	50,470,000	49,024,000	42,728,000
6. All other loans.....	196,906,000	195,088,000	187,570,000
7. Net demand deposits.....	205,480,000	214,175,000	206,093,000
8. Time deposits.....	74,930,000	75,806,000	65,747,000
9. Reserve with Federal Reserve Bank.....	21,116,000	22,698,000	22,760,000
10. Bills payable and rediscounts with Federal Reserve Bank.....	14,218,000	8,163,000	3,741,000
11. Ratio of loans (*) to net demand deposits.....	98%	93%	93%

*Loans include only items 4 and 6.

Operations of the Federal Reserve Bank A further rapid expansion of loans to member banks occurred during the past month, when the total volume of loans reached the high mark of \$44,004,063.23 on July 31st, as compared to \$33,931,449.98 on June 30th, resulting in a net increase of \$10,825,607.62. While the aggregate amount of outstanding loans increased \$1,404,879.92 during the first fifteen days of August, the number and volume of offerings declined somewhat during that period. Some liquidation has occurred in the southern part of Texas, due to the movement of the cotton to market in that section.

The total volume of bills held by this bank increased from \$46,286,045.33 on June 30th to \$46,351,465.04 on July 31st, distributed as follows:

Member banks' collateral notes secured by U. S. Government obligations.....	\$ 6,427,350.00
Rediscounts and all other loans to member banks	38,329,707.60
Open market purchases (Bankers' Acceptances)	1,594,407.44
Total bills held.....	\$46,351,465.04

Federal reserve notes in actual circulation reflected a further increase of \$2,517,570 during the past month. The actual circulation of these notes amounted to \$31,467,340 on July 31st as compared to \$28,949,770 on June 30th, and \$26,798,180 on July 31, 1922. The reserve deposits of member banks amounted to \$44,004,063.23 on July 31st as compared to \$46,241,704.06 on June 30th and \$44,095,907.27 on July 31, 1922. This represents a decrease of \$2,237,640.83 from last month, and \$91,844.04 from the corresponding date a year ago.

Discount Rates

There is presented the "high," "low," and "customary" rates charged by commercial banks in cities listed below:

JULY 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	5½	10	6	8	8	6	6	7	5	6	8	6	6½	8	6	7
Customers' 4 to 6 months.....	6	5	5½	10	8	8	8	6	6	7	5	6	8	6	6½	8	6	7
Open market 30 to 90 days.....	6	5	5½	5½	4	4½	5	4½	5	5	5	5	....	....	....	....	....	....
Open market 4 to 6 months.....	6	5	5½	10	8	8	5	4½	5	5	5	5	....	....	....	....	....	....
Interbank loans.....	7	5	5½	9	6	8	7	6	6½	6	5	5½	8	6	6	7	5	6½
Collateral loans, demand	8	6	7	10	8	8	10	6	8	7	5½	6	8	6	7½	8	6	7½
Collateral loans, 3 months	8	6	7	10	8	8	10	6	8	7	5	6	8	6	7	8	6	7½
Collateral loans, 3 to 6 months.....	8	6	7	10	8	8	10	6	8	7	5	6	8	6	7½	8	7	7½
Cattle loans.....	8	7	7½	10	8	8	8	8	8	7	7	7	8	6	7½	....	....	....
Loans secured by warehouse receipts, Bs-L, etc.	8	6	7	10	8	8	8	6	7	7	6	7	8	6	7½	8	7	7½
Loans secured by government securities	8	4½	6	10	8	8	6	6	6	6	5	5½	8	6	7	8	6	7½

Savings Deposits

For the first time during the past year savings deposits of reporting banks in this district which operate a savings department reflected a slight decline as compared to the previous month. The aggregate savings deposits of 123 reporting banks on July 31st amounted to three-tenths of one per cent less than those on June 30th, but were 17.9 per cent larger than those on July 31st a year ago. The decline

from last month seemed to be general over the entire district. In the table presented below it will be seen that among the larger cities of the district, Beaumont and El Paso were the only cities to show a larger volume of savings on July 31st than on June 30th. However, most of the declines were small.

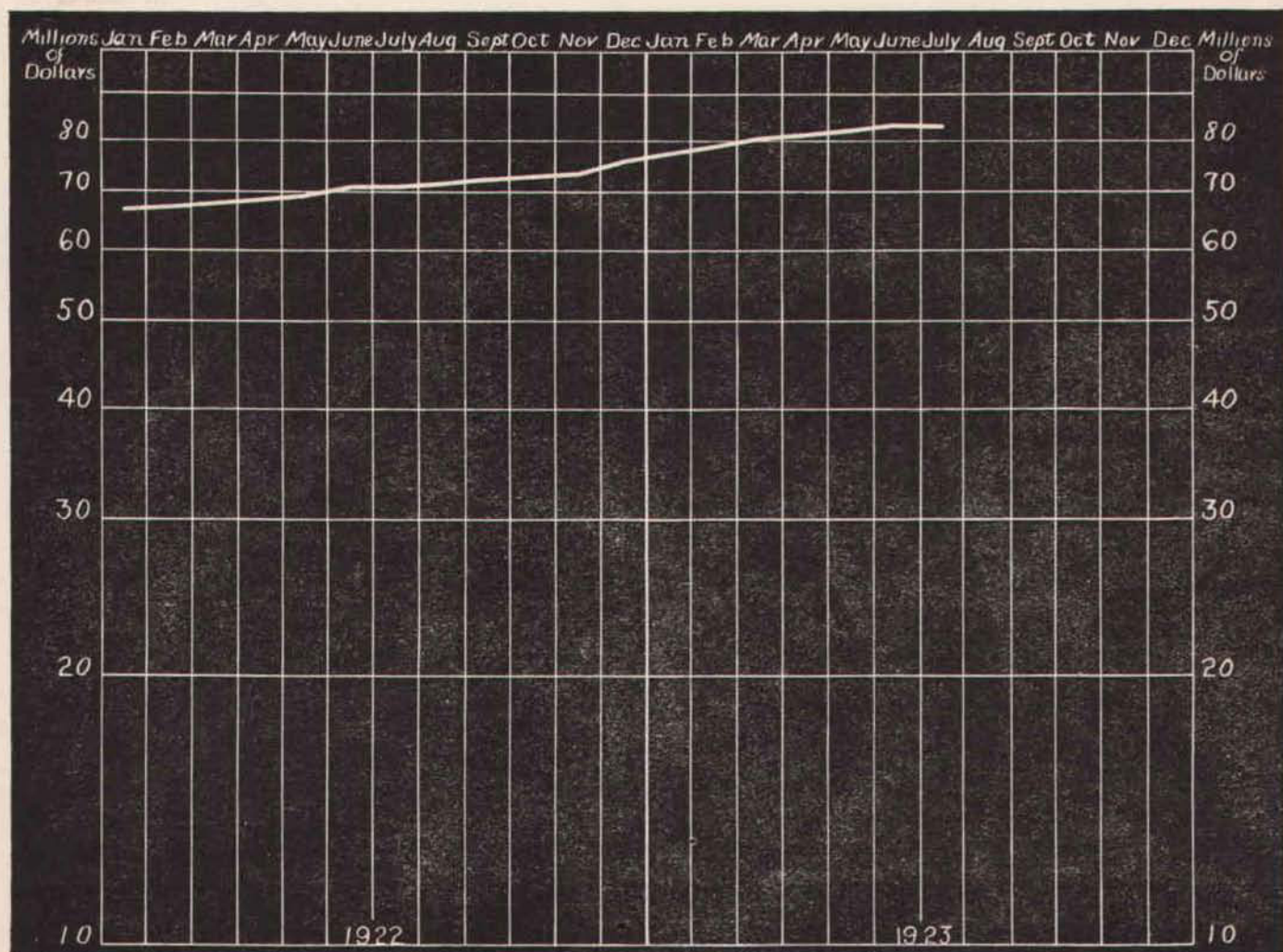
In the accompanying chart, which shows the month to month changes in savings deposits of 110 banks from which continuous reports were received

during 1922 and 1923, it will be noted that there has been an almost uninterrupted rise since the beginning of 1922. In only two months, July, 1922 and 1923, has there been a loss from the previous month. The decline at this time of the year is probably due

to the withdrawal of savings for vacation trips. The total increase in the aggregate savings deposits during the eighteen months' period amounted to approximately \$16,000,000.

SAVINGS DEPOSITS

	Number of Reporting Banks	July 31, 1923	July 31, 1922	Inc. or Dec.	June 30, 1923	Inc. or Dec.
Albuquerque	3	1,765,527	1,598,636	+10.4	1,811,384	— 2.5
Beaumont	4	2,125,632	1,708,812	+24.4	2,039,297	+ 4.2
Dallas	6	10,529,052	8,097,801	+30.0	11,157,159	—5.6
El Paso	4	7,707,221	6,292,639	+22.5	6,678,372	+15.4
Fort Worth	7	7,307,078	6,748,054	+ 8.3	7,611,174	— 4.0
Houston	14	18,708,471	15,400,799	+21.5	18,870,520	— .9
San Antonio	6	9,411,014	8,692,169	+ 8.3	9,466,430	— .6
Shreveport	3	7,637,426	6,463,445	+18.2	7,685,390	— .6
Waco	5	2,351,448	1,712,560	+37.3	2,357,680	— .3
Wichita Falls	4	2,189,982	2,372,496	— 7.7	2,323,950	— 5.8
All others	67	21,812,113	18,573,895	+17.4	21,853,262	— .2
Total	123	91,544,964	77,661,006	+17.9	91,854,618	— .3



SAVINGS DEPOSITS OF 110 BANKS IN THE ELEVENTH FEDERAL RESERVE DISTRICT DURING 1922 AND 1923

FAILURES

Insolvency statistics for July reflect a sharp decline in the number of defaulting firms, but an increase in the amount of indebtedness involved. There were 81 failures during July with liabilities aggregating \$2,576,000 as compared to 97 insolvencies during June with a total indebtedness of \$1,293,018. As compared to a year ago an increase in both the number of failures and the amount of liabilities was

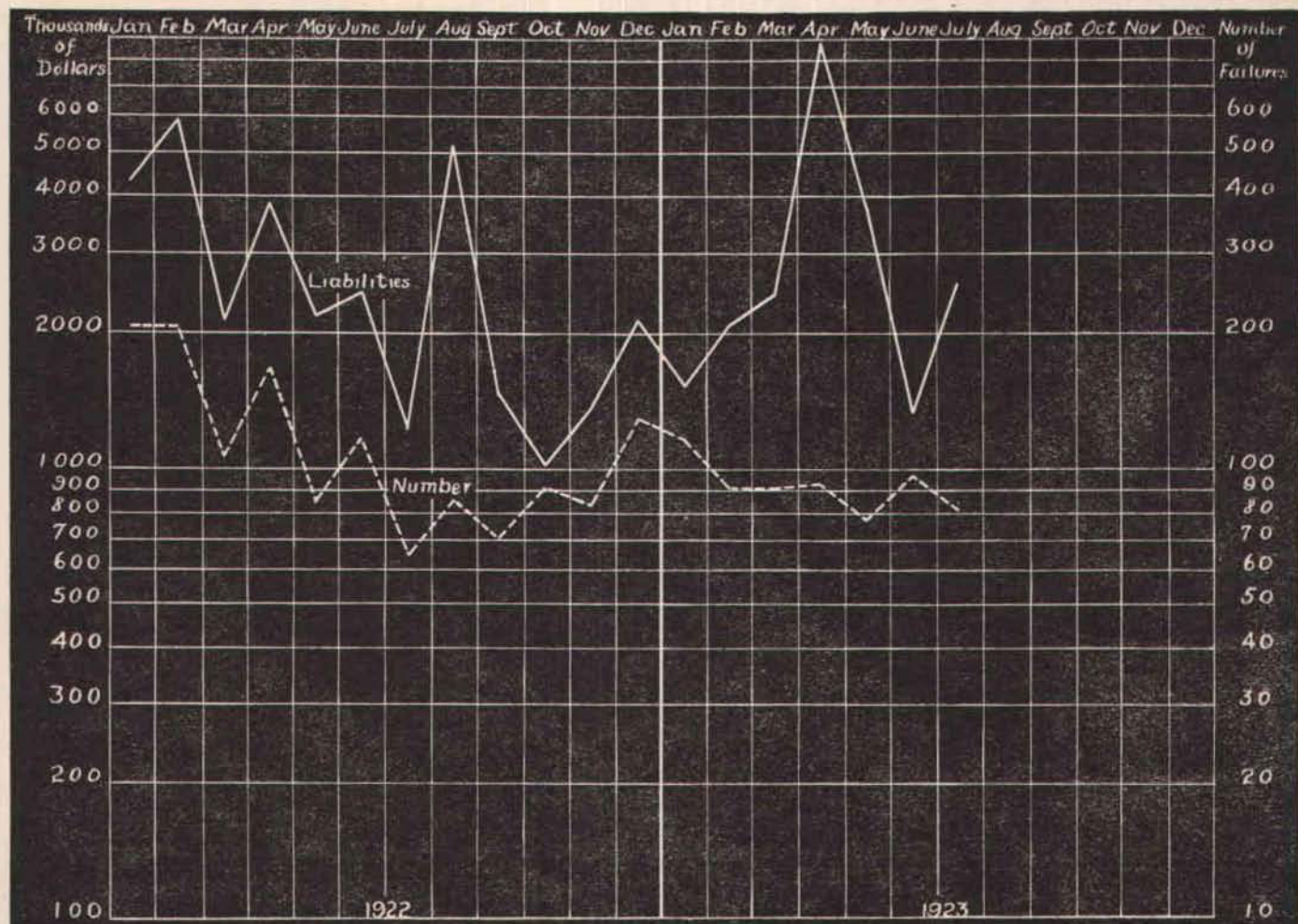
registered, there being 64 insolvencies in that month with a total indebtedness of \$1,230,581.

In the United States as a whole insolvencies were the smallest in number for any month since November, 1920, but there was an increase as compared to the previous month in indebtedness involved.

It will be seen from the appended chart that the trend of failures has been very irregular during the present year.

COMMERCIAL FAILURES

	Eleventh Federal Reserve District				All Federal Reserve Districts			
	1923		1922		1923		1922	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
January	117	1,524,107	207	4,326,594	2,126	49,210,497	2,723	73,795,780
February	91	2,104,596	207	5,889,143	1,508	40,627,939	2,331	72,608,393
March	91	2,474,504	107	2,121,725	1,682	48,393,138	2,463	71,608,192
April	93	8,874,897	167	3,865,301	1,520	51,491,941	2,167	73,058,637
May	78	3,779,959	84	2,175,351	1,530	41,022,277	1,960	44,402,886
June	97	1,293,018	114	2,481,679	1,358	28,678,276	1,740	38,242,450
July	81	2,576,000	64	1,230,581	1,231	35,721,188	1,753	40,010,313
Total, seven months	648	22,627,081	950	22,090,374	10,955	295,145,256	15,137	413,726,651



THE NUMBER OF FAILURES AND THE AMOUNT OF LIABILITIES IN THE ELEVENTH FEDERAL RESERVE DISTRICT DURING 1922 AND 1923

PETROLEUM

The district's output of crude oil reached a new high mark for the year during July, when the total production of all fields amounted to 13,306,105 barrels as compared to 11,911,230 barrels during the previous month, or an increase of 32,188 barrels in the daily average run. Completions in the major fields of the district fell below those of the previous month, but there was a large increase in the initial production. A total of 506 wells was finished, including 338 producers with an initial yield of 239,757 barrels, as against 752 wells completed during June, of which 507 were successful with a flush production of 128,837 barrels. This large increase in the new production added was largely responsible for the increased production, as this more than offset the decline in the old wells.

There were 444 wells completed in Texas fields, including 295 producers yielding an initial flow of 236,232 barrels, as compared to 691 completions during June, of which 459 were producers with an initial flow of 125,087 barrels.

The production of the Central-West Texas fields increased from 3,925,830 barrels during June to 5,529,395 barrels during July, which was due entirely to the augmented output of the Corsicana-Powell field, where there was 187,145 barrels of new production added from 35 successful completions. The exceptionally large initial production obtained from the new wells brought the month's total production in this field to 2,029,455 barrels, as against 349,330 barrels during June. While there were 67 producers completed in the other fields of this section, they added only 5,978 barrels of new production.

The total production in the North Texas district reached a new high level for the year, but showed a slight decrease from the previous month in the daily average run, due to the longer month. The output for the month amounted to 2,484,315 barrels as compared to 2,413,660 barrels during June. The July completions numbered 205 wells, of which 121 were producers as compared to 268 completions in June, of which 183 were successful. The new production added from the successful completions dur-

ing July amounted to only 12,941 barrels, as compared to 22,340 barrels during June. While there were fewer completions and a considerable reduction in initial production in the Archer County field, the month's production showed a substantial gain, and was a large factor in the increased output of the district for the month.

Despite the large initial flow obtained from the new wells in the Orange and Hull fields, the production of the Texas Coastal fields dropped from 2,747,590 barrels in June to 2,669,215 barrels in July, or a net loss of 5,482 barrels in the daily average run. While there were only 32 completions in July as compared to 66 in June, the new production added from the 27 producers completed during July amounted to 25,830 barrels as compared to 21,535 barrels obtained from 52 producers completed during June.

The Louisiana production amounted to 2,243,120 barrels during July, as compared to 2,487,700 barrels during June, or a net decline of 10,565 barrels in the daily average yield. While all Louisiana fields (with the exception of Haynesville and Caddo) registered an increase, the declines in these fields more than offset the increase in other fields. The decline in the Haynesville field amounted to approximately 350,000 barrels. Drilling operations in the Louisiana fields remained on practically the same basis as the previous month.

Crude Oil Prices

During the past month some fields reported a further reduction in the posted price of crude oil. Corsicana light oil was reduced to 75 cents per barrel, but was later increased to \$1.00 per barrel. Corsicana heavy oil was reduced to 50 cents per barrel. On July 25th the price of Texas Coastal oil was reduced from \$1.50 per barrel to \$1.25 per barrel. On August 3rd the former grading basis which was in effect prior to December, 1922, was readopted for Louisiana fields. The price now paid for the best grade of Louisiana oil ranges from \$1.30 to \$1.45 per barrel.

CRUDE OIL PRICES

Texas		Aug. 9, 1923	Aug. 10, 1922	Louisiana		Aug. 9, 1923	Aug. 10, 1922
Corsicana light.....		\$1.00	\$1.00	Caddo (38 gravity and above).....		\$1.45	\$1.25
Corsicana heavy .....		.50	.65	Bull Bayou (38 gravity and above).....		1.35	1.15
Texas Coastal.....		1.25	1.25	Homer (35 gravity and above).....		1.45	1.25
Mexia		1.00	1.25	Haynesville (33 gravity and above)....		1.30	1.10
Currie		1.00	1.50	De Soto Crude.....		1.45	1.00
North Texas (41 gravity and above)....		2.20	*				

(*) 1922 Prices for North Texas oil are not comparable with 1923 prices, due to the fact that this oil was not purchased on a gravity basis until December, 1922. North Texas crude on August 10, 1922, was selling for \$2.00 per barrel.

OIL PRODUCTION

Field—	July		June		Increase or Decrease	
	Total	Daily Avg.	Total	Daily Avg.	Total	Daily Avg.
North Texas.....	2,484,315	80,139	2,413,660	80,455	Inc. 70,655	Dec. 317
Central-West Texas.....	5,529,395	178,367	3,925,830	130,861	Inc. 1,603,565	Inc. 47,507
Texas Coastal.....	2,669,215	86,104	2,747,590	91,586	Dec. 78,375	Dec. 5,482
Miscellaneous fields.....	380,060	12,260	336,450	11,215	Inc. 43,610	Inc. 1,045
Totals, Texas.....	11,062,985	356,870	9,423,530	314,117	Inc. 1,639,455	Inc. 42,753
North Louisiana.....	2,243,120	72,359	2,487,700	82,924	Dec. 244,580	Dec. 10,565
Totals, 11th District.....	13,306,105	429,229	11,911,230	397,041	Inc. 1,394,875	Inc. 32,188

JULY DRILLING RESULTS

Field—	Completions	Producers	Failures	Initial Production
North Texas.....	205	121	84	12,941
Central-West Texas.....	131	102	29	193,123
Texas Coastal.....	32	27	5	25,830
Miscellaneous fields.....	25	24	1	4,135
Texas Wildcats.....	51	21	30	203
Totals, Texas.....	444	295	149	236,232
North Louisiana.....	62	43	19	3,525
July totals, District.....	506	338	168	239,757
June totals, District.....	752	507	245	128,837

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

LUMBER

Increased activity was evident among Eleventh District pine mills during July, when the actual production of reporting mills exceeded the normal production rates for the first time since January of this year. Deliveries were also made in a larger volume, the July shipments being only slightly under the month's production, as compared to 8 per cent below production during June. The new orders received at the mills reflected a healthy improvement during the month, having increased from 76 per cent of normal production in June to 90 per cent during July. That the mills are now making prompt deliveries on new orders is evidenced by the fact that the unfilled orders on the books of the mills amounted to 47,082,342 feet on July 31st as compared to 62,939,457 feet on June 30th. Stocks on hand at the mills were 20 per cent below normal on July 31st as compared to 19 per cent on June 30th.

While the lumber market has undergone some decline within the past two months, it has now taken a turn for the better and is showing a steady improvement.

JULY PINE MILL STATISTICS

Number of reporting mills.....	41
Production	99,049,667 feet
Shipments	98,401,526 feet
Orders	88,837,246 feet
Unfilled orders, July 31st.....	47,082,342 feet
Normal production.....	98,819,199 feet
Stocks, July 31st.....	243,257,477 feet
Normal stocks.....	305,956,766 feet
Shipments, below production.....	648,141 feet=0.6%
Actual production above normal	230,468 feet=0.2%
Orders below normal production	9,981,953 feet=10%
Stocks below normal.....	62,699,289 feet=20%

BUILDING

Building operations in this district, which have been maintained at a high level throughout the present year, reflected a sharp decline during July when

the valuation of building permits issued at the principal cities of the district declined 22.8 per cent as compared to the previous month, and 24.1 per cent

as compared to the corresponding month of 1922. The total volume of building permits valuations at these cities amounted to \$5,029,604 in July, as compared to \$6,511,509 in June, and \$6,626,586 in July a year ago.

BUILDING PERMITS

	July, 1923		June, 1923		Inc. or Dec.	July, 1922		Inc. or Dec.
	No.	Valuation	No.	Valuation		No.	Valuation	
Austin	53	75,476	51	65,286	+15.6	24	63,080	+19.7
Beaumont	243	351,122	187	180,689	+94.3	128	304,449	+15.3
Dallas	370	1,761,603	329	1,648,155	+6.9	304	1,409,442	+25.0
El Paso	89	87,715	85	94,460	-7.1	127	617,184	-85.8
Fort Worth	232	567,454	243	634,665	-10.6	185	612,779	-7.4
Galveston	395	110,488	359	79,770	+38.5	336	114,829	-3.8
Houston	591	748,609	550	1,720,608	-56.5	529	1,624,373	-53.9
Port Arthur	156	193,380	222	264,772	-27.0	88	118,409	+63.3
San Antonio	308	659,762	301	1,009,630	-20.3	380	609,599	+8.2
Shreveport	255	406,600	261	756,614	-46.3	228	587,221	-30.8
Waco	32	67,395	32	56,860	+18.5	45	565,221	-88.1
Total	2,724	5,029,604	2,620	6,511,509	-22.8	2,374	6,626,586	-24.1

CEMENT

The production of portland cement in this district during July amounted to 397,000 barrels or a gain of 63,000 barrels over the previous month. The total output for the first seven months of the year amounted to 2,516,000 barrels, showing an increase of 32.7 per cent over the production for the corresponding period of 1922.

Shipments from the mills during July totalled 411,000 barrels, which was 43,000 barrels in excess of last month's shipments, and 14,000 barrels in excess of the month's production.

Due to the heavy shipments, stocks on hand at the close of the month declined 7 per cent from those on hand at the end of the previous month.

PRODUCTION, SHIPMENTS AND STOCKS OF PORTLAND CEMENT
(Barrels)

	July, 1923	July, 1922	Inc. or Dec.	June, 1923	Inc. or Dec.	Seven Months		Inc. or Dec.
						1923	1922	
Production of Texas mills.....	397,000	362,000	+9.7	334,000	+18.9	2,516,000	1,896,000	+32.7
Shipments from Texas mills.....	411,000	424,000	-3.1	368,000	+11.7	2,525,000	2,017,000	+25.2
Stocks at the end of the month at Texas Mills.....	187,000	173,000	+8.1	201,000	-7.0			

SUMMARY OF NATIONAL BUSINESS CONDITIONS

(Compiled by the Federal Reserve Board as of August 24, 1923.)

Production of basic commodities and employment at industrial establishments decreased in July and there was a further decline in wholesale prices. The distribution of goods, as indicated by railroad freight shipments, maintained record totals and the sales of merchandise, though showing the usual seasonable decline, continued to be relatively heavy.

PRODUCTION

Production in basic industries according to the index of the Federal Reserve Board declined one per cent in July. Mill consumption of cotton, steel, ingot production and sugar meltings were considerably smaller than in June. New building operations during the month, as measured by the value of permits granted and of contracts awarded, showed more than the usual seasonable decline. Employment at industrial establishments located in various sections of the country decreased two per cent during July. Manufacturers of automobiles, tires and cotton goods showed large reductions in number of employees. There were some further announcements of wage advances but these were not as numerous as in the three previous months. Average weekly earnings of factory workers, due to a decrease in full time operations, were three per cent less than in June. Crop forecasts of the department of agriculture on the basis of condition on August 1st indicated that yields of wheat and rye would be below July estimates, while larger yields of cotton, corn, oats and barley were forecast. Due to seasonable increase in grain shipments and continued large shipments of industrial raw materials and manufactured goods, car loadings in the last week of July reported the largest total on record.

TRADE

The volume of wholesale trade was about the same in July as in June, while there was a decline in retail trade, which was largely seasonal in nature. Among the wholesale line, sales of dry goods and clothing were larger in June, while sales of groceries, hardware and shoes were considerably smaller. Business in all reporting lines was larger than in July, 1922, and the average increase, as indicated by the Federal Reserve Board's index of wholesale trade, was 13

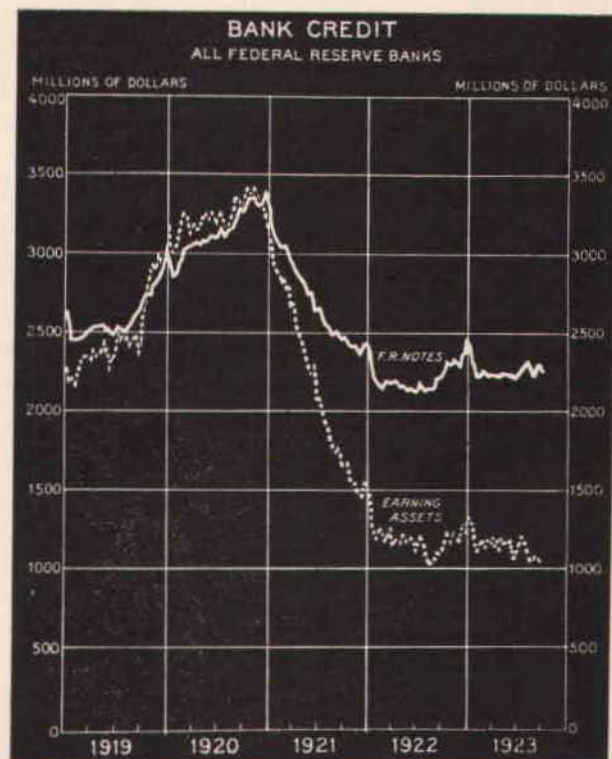
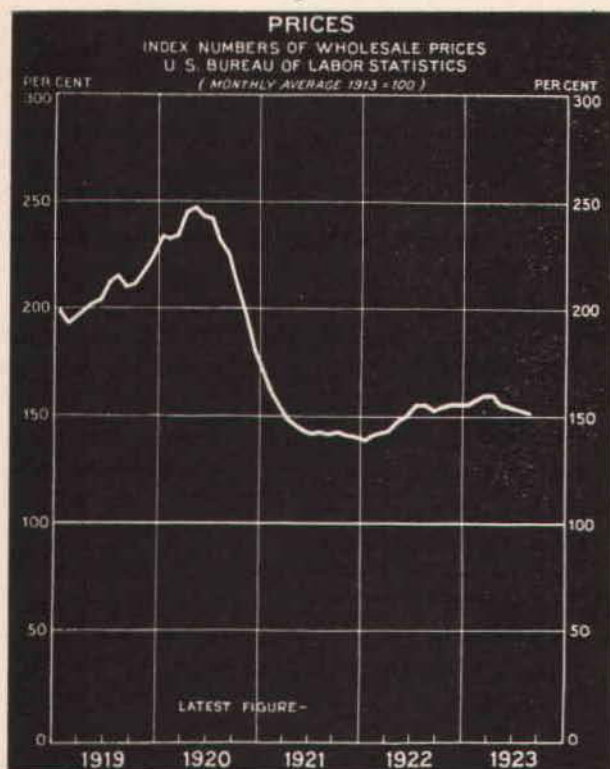
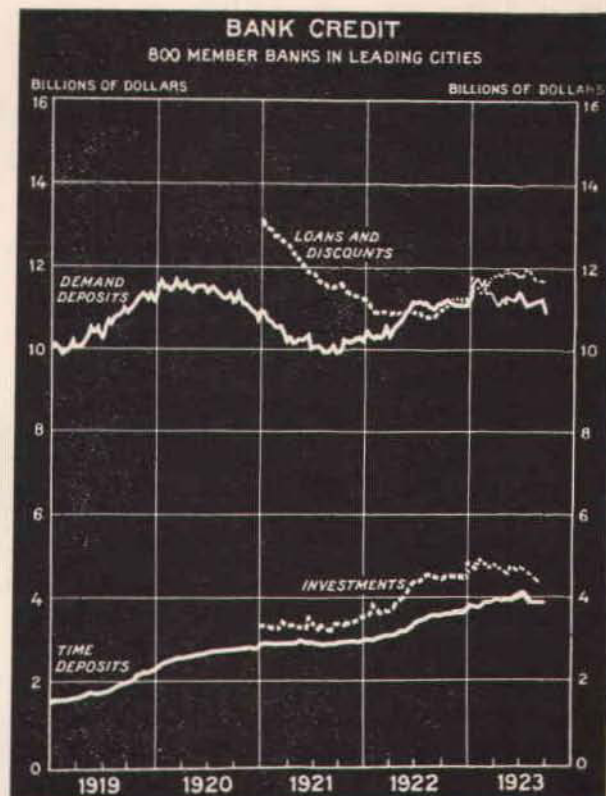
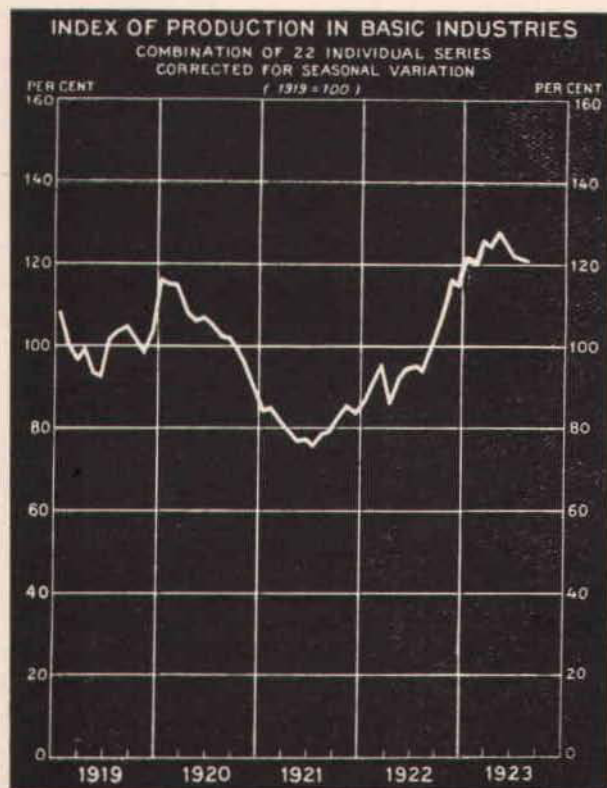
per cent. Sales of department stores were 10 per cent larger than a year ago, while mail order sales showed a gain of 27 per cent. Stocks of department stores showed a seasonal reduction during July and were smaller than in any month since January.

PRICES

Wholesale commodity prices declined during July for the third consecutive month. The index of the bureau of labor statistics was 5 per cent below the April peak. Prices of all groups of commodities, except house furnishings, were lower in July. The largest declines occurred in quotations of clothing, drugs and chemicals, farm products and building materials. During the first half of August price changes were more moderate and quotations of cotton, spring wheat, hogs, sheep and rubber advanced.

BANK CREDIT

Since the middle of July the volume of bank credit in use has shown a reduction, largely because of the substantial liquidation of loans on stocks and bonds at New York City banks. Between July 18th and August 15th loans of member banks in leading cities secured by stocks and bonds decreased by \$94,000,000 to the lowest point for the year \$258,000,000 below the amount outstanding at the beginning of the year. Commercial loans, however, increased so that the net reduction in total loans for the period amounted to \$60,000,000. Security investments declined \$73,000,000 to a new low level for the year. The volume of discounted paper held at the Federal Reserve Banks showed a slight decrease, while their holdings of acceptances and United States securities reached new low points for the year. Between the middle of July and the middle of August gold holdings of the Federal Reserve Banks increased by \$21,100,000, reflecting in part net gold imports during July of \$27,400,000. Federal reserve note circulation increased by about \$15,000,000 and there were also substantial increases in the volume of gold certificates and national bank notes in circulation. Slightly firmer tendencies in money rates during the month were reflected in a gradually increasing proportion of commercial paper sales at $5\frac{1}{4}$ per cent as compared with 5 per cent in the previous month.



Note: Base Adopted by United States Bureau of Labor Statistics

ELEVENTH FEDERAL RESERVE DISTRICT

