

# MONTHLY BUSINESS REVIEW

OF THE

## FEDERAL RESERVE BANK OF DALLAS

LYNN P. TALLEY,  
Chairman and Federal Reserve Agent

CHAS. C. HALL—W. J. EVANS,  
Assistant Federal Reserve Agents

(Compiled February 15, 1925)

Volume 10, No. 1

Dallas, Texas, March 1, 1925

This copy released for publication in afternoon papers March 3.

### DISTRICT SUMMARY

#### THE SITUATION AT A GLANCE Eleventh Federal Reserve District

	January	December	Inc. or Dec.
Bank debits to individual accounts (at 15 cities).....	\$771,944,000	\$780,027,000	Dec. 1.0%
Department store sales.....			Dec. 46.5%
Reserve Bank loans to member banks at end of month.....	\$ 2,705,670	\$ 2,713,179	Dec. .3%
Reserve Bank ratio at end of month.....	67.2%	61.0%	Inc. 6.2 points
Building permit valuations at larger centers.....	\$ 6,958,217	\$ 6,922,981	Inc. .5%
Commercial failures (number).....	78	52	Inc. 50.0%
Commercial failures (liabilities).....	\$ 1,312,836	\$ 368,159	Inc. 256.6%
Oil production (barrels).....	15,775,968	13,645,052	Inc. 15.6%
Lumber orders at pine mills (per cent of normal production).....	86%	80%	Inc. 6 points

The winter drouth which has prevailed throughout practically the whole of the Eleventh District has begun to assume a somewhat serious aspect, interfering with the growth of winter grains, and retarding plowing operations in many sections. It is also seriously affecting the livestock industry in some sections. Reports from many areas indicate that ranges are dry, the grass short, stock water low, the feed supply inadequate, and livestock are in poor to only fair condition. In some sections cattle have been moved to outside pastures and there has been a heavy movement to market to avoid feeding at high prices. Both farming and livestock conditions would be greatly benefitted by an early and general rainfall.

The volume of trade was well sustained during the past month. Department store sales, although showing the usual decline from the December peak, were 7.0 per cent above those of January a year ago. Most lines of wholesale trade scored substantial gains as compared to both the previous month and the corresponding month last year. While merchants are still operating on a conservative basis, confidence in the general business situation seems to be strengthening. Charges to depositors' accounts, reflecting the activity of business, showed only a slight decline from the previous month and reflected a gain of 16 per cent over the same month in 1924.

Despite the active state of trade, the business mortality rate in this district showed a large increase, both the number and indebtedness of defaulting firms being greater than in any month in 1924.

Money conditions remained easy. While there was a decline of approximately \$10,000,000 in the demand deposits of member banks, reflecting the seasonal withdrawal of funds to meet the needs of business and agriculture, the demand for bank credit at both the commercial banks and the Federal Reserve Bank continued at low levels. Member banks continued to increase their investments whenever desirable outlets for funds could be obtained, but at the same time their cash reserves and bank balances remained relatively large.

The petroleum industry, which experienced very unsatisfactory conditions during the greater part of 1924, has shown a notable improvement during the past month. There have been substantial increases in the posted price of crude oil at all producing fields in the district and in some fields a premium is being paid by refiners in order to obtain sufficient oil to keep their plants in operation. The higher prices together with the improved demand for the product has stimulated drilling activity, which, in turn, accounted for the large increase in the district's total production.

The district's building operations, as reflected by the valuation of permits issued at principal cities, were maintained at the December level, but were 18 per cent below January, 1924. It will be recalled, however, that in the latter month the volume of building was exceptionally large. The January shipments of lumber and cement showed an increase as compared to the previous month.

### CROP CONDITIONS

Weather conditions have been generally favorable for farm work during the past thirty days, and farmers have made rapid progress in the preparation of the soil for spring planting. However, reports from many sections, par-

ticularly North Louisiana, East Texas, and Central-West Texas, indicate that farm work is being retarded by the continued drouth which is becoming serious and causing the ground to dry out to such an extent as to interfere consid-



erably with plowing operations. While some sections have been benefitted by rain and snow, the district as a whole is reported to be dry and much rain is needed to enable the farmers to proceed satisfactorily with spring planting operations. Reports indicate that seeding operations have begun in the extreme southern portion of Texas.

Winter wheat and oats generally have made poor progress during the past month, due to the effects of the freezes in the latter part of December and the early days of January and the lack of sufficient moisture. Reports state that much of the early oats and considerable wheat was killed by the freezes. Farmers have been reseeding where the moisture condition would warrant, but the continuance of the drouth together with the high price of seed has restricted operations in many sections.

**Cotton Movements.** The January receipts and exports of cotton at Houston and Galveston were substantially greater than those of the same month last year. While the stocks at these ports on January 31st were somewhat less than those at the close of December, they were much larger than those on the corresponding date last year.

#### COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON

	January 1925	January 1924	Aug. 1st to Jan. 31st	
			This Season	Last Season
Net receipts.....	358,795	253,194	3,056,674	2,495,846
Exports.....	498,699	279,458	2,546,256	2,266,270
Stocks, Jan. 31st.....			573,268	263,188

#### GALVESTON STOCK STATEMENT

	Jan. 31, 1925	Jan. 31, 1924
For Great Britain .....	20,488	1,403
For France .....	23,100	600
For other foreign ports.....	64,300	8,271
For coastwise ports .....	5,000	3,000
In compresses and depots.....	460,380	249,914
Total .....	573,268	263,188

#### HOUSTON COTTON MOVEMENTS

	January 1925	January 1924	Aug. 1st to Jan. 31st	
			This Season	Last Season
Receipts—Gross .....	447,197	221,789	4,071,767	3,156,222
Receipts—Net .....	237,630	104,382	2,290,962	1,686,044
Exports .....	234,147	80,911	1,299,118	897,184
Stocks, Jan. 31st.....			602,729	286,543

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

	This Season	Last Season
Receipts since Aug. 1st.....	7,306,711	5,469,198
Exports: Great Britain .....	1,874,740	1,370,437
France .....	629,918	525,239
Continent .....	2,161,772	1,497,681
Japan-China .....	598,691	433,492
Mexico .....	17,380	5,209
Total foreign ports.....	5,282,501	3,832,058
Stocks at all United States ports, Jan. 31st .....	1,488,627	879,680

#### SPOT COTTON PRICES (Middling basis)

	January, 1925		Feb. 14, 1925
	High	Low	
New York .....	24.30	23.45	24.55
New Orleans .....	23.95	23.20	24.45
Dallas .....	23.40	22.70	24.15
Houston .....	24.10	23.10	24.60
Galveston .....	24.15	23.20	24.55

#### COTTON CONSUMED AND ON HAND

##### COTTON GROWING STATES

	January, 1925	January, 1924	Aug. 1st to Jan. 31st	
			This Season	Last Season
Cotton consumed .....	403,562	391,091	2,031,406	2,072,342
Cotton on hand at end of month:				
(a) in consuming establishments.....			886,755	1,005,420
(b) in public storage and compresses.....			3,585,413	2,659,414

##### UNITED STATES

	January, 1925	January, 1924	Aug. 1st to Jan. 31st	
			This Season	Last Season
Cotton consumed .....	589,725	578,468	2,939,305	3,096,367
Cotton on hand at end of month:				
(a) in consuming establishments.....			1,433,814	1,637,824
(b) in public storage and compresses.....			3,863,475	2,963,983

#### COTTONSEED PRODUCTS

There were 25,574,537 pounds of crude cottonseed oil shipped from 74 mills in the Eleventh District during January, as compared to 27,844,729 pounds shipped from 73 mills during December. Shipments during January brought an average price of \$.0916 per pound, which reflects a slight

gain over the average price of \$ .09 obtained for shipments made during the previous month. The price for hulls, cake, and meal was also slightly above the price received in December, but the price on linters showed a slight decline.

#### COTTONSEED PRODUCTS SHIPPED AND AVERAGE PRICE RECEIVED

	January	
	Products Shipped	Av. Price F.O.B. Mill
Crude oil .....	25,574,537 lbs.	\$.0916 per lb.
Cake and meal.....	49,282 tons	36.07 per ton
Hulls .....	37,111 tons	9.15 per ton
Linters .....	9,283,628 lbs.	.0437 per lb.

#### COTTONSEED RECEIVED AT THE MILLS

	January	December
Cottonseed received at reporting mills (tons).....	59,431	107,119
Average price per ton paid for seed (including freight) .....	\$40.65	\$41.07

#### STATISTICS OF COTTONSEED AND COTTONSEED PRODUCTS

	Texas Aug. 1st to Jan. 31st		United States Aug. 1st to Jan. 31st	
	This Season	Last Season	This Season	Last Season
Cottonseed received at mills (tons).....	1,451,000	1,259,000	4,126,000	2,975,000
Cottonseed crushed (tons) .....	1,124,000	965,000	3,242,325	2,402,545
Cottonseed on hand (tons) .....	332,000	302,000	898,671	578,378
Crude oil produced (pounds) .....	323,300,000	269,820,094	971,257,902	707,186,083
Cake and meal pro- duced (tons).....	521,000	448,772	1,480,358	1,099,755
Hulls produced (tons) Linters produced (500- lb. bales) .....	325,000	283,156	924,841	682,150
Stocks on hand Jan. 31st:				
Crude Oil (pounds).....	30,529,000	32,840,678	92,289,000	110,160,641
Cake and meal (tons).....	36,000	49,624	194,934	219,434
Hulls (tons).....	76,000	74,632	213,000	164,527
Linters (500-lb. bales)	46,000	45,126	168,776	168,290



## LIVESTOCK

The lack of sufficient rainfall throughout practically all of the district's range territory, together with the drouthy conditions which had prevailed previously, caused a further deterioration in livestock and range conditions. In Arizona, the weather has been generally favorable and there has been light to moderate precipitation in places but more rain is needed. Reports indicate that stock water is adequate and that livestock are in poor to good condition. Livestock and range conditions vary considerably in New Mexico. Livestock are holding up well in the southwestern portion, but in the southeastern portion the drouth remains unbroken, the grass short, stock water low, and livestock in poor condition. Practically all of the livestock have been moved to other ranges.

Ranges are dry in practically every section of Texas, and stock water is low in places. Cattle ranges averaged only 70 per cent of normal on February 1st as compared to 74 per cent on January 1st and 89 per cent on February 1st last year. This condition represents a decline of 4 points during January this year as against a gain of one point in that month last year. Reports indicate that there is but little grass to be found and that feed is scarce. Small grain pastures are dry and are affording but little grazing. There are many weeds up in some sections but they will not afford much pasturage until it rains. The February 1st condition of Texas cattle was 74 per cent of normal, which is five points below the January 1st figure and 16 points below that of the same date a year ago. A large percentage of the cattle are thin, with but few fat cattle to be found. However, reports indicate that they are holding up as well as could be expected under the circumstances. With the exception of the Coastal section, losses have been lighter than usual.

*Movements and Prices.*

January cattle receipts at the Fort Worth market showed a heavy decline from December, but were larger than the usual seasonal movement. The supply of calves offered was not only considerably below the previous month, but was less than a year ago. The January hog receipts were substantially greater than in December but less than last year. There was a heavy increase in sheep receipts both as compared to the previous month and the corresponding month last year.

The strength in the sheep market was the outstanding factor during the month, there being an advance of \$1.50 on sheep and \$1.00 on lambs. During the closing week a top price of \$11.25 was paid for sheep and \$16.75 for lambs. A top price of \$11.25 was paid for hogs, which was only ten cents under the highest price paid during 1924. The market at the close of the month was about 15 cents higher than at the end of the previous month. Calves were marked up about 25 cents. Cattle prices generally were steady to slightly lower.

## FORT WORTH LIVESTOCK RECEIPTS

	January 1925	January 1924	Loss or Gain	December 1924	Loss or Gain
Cattle .....	75,411	67,032	G 8,379	113,972	L 38,561
Calves .....	15,078	19,375	L 4,297	37,278	L 22,200
Hogs .....	51,037	53,332	L 2,295	41,956	G 9,081
Sheep .....	30,416	14,849	G 15,567	20,632	G 9,784

## COMPARATIVE TOP LIVESTOCK PRICES

	January 1925	January 1924	December 1924
Beef steers .....	\$ 8.50	\$ 8.50	\$ 8.00
Stocker steers .....	7.25	7.15	7.00
Butcher cows .....	5.50	6.35	5.50
Stocker cows .....	3.75	3.75	3.25
Calves .....	7.60	7.50	7.35
Hogs .....	11.25	7.80	11.10
Sheep .....	11.25	8.50	9.75
Lambs .....	16.75	13.50	14.25

## TEXTILE MILLING

While the demand for cotton goods is still limited and is confined largely to hand-to-mouth buying, underlying conditions continue to show some evidence of improvement. The cotton market fluctuated within narrow limits, and prices on cotton goods were fairly steady with an upward trend. The production at reporting mills reflected a gain of 11.0 per cent over the previous month and 3.5 per cent as compared to a year ago. Orders and stocks on hand at the close of the month were greater than at the end of either December or January a year ago.

## TEXTILE MILLING STATISTICS

	January 1925	January 1924	December 1924
Number bales cotton consumed.....	2,048	1,945	1,842
Number spindles active.....	67,008	66,144	67,008
Number pounds cloth produced.....	1,001,263	967,295	901,809

## WHOLESALE TRADE

The renewed demand for merchandise in the wholesale channels of distribution, which became prominent during December and assumed greater proportions in January, was the outstanding development of the trade situation. Sales in all reporting lines except hardware were greater in January than in the previous month and sales in all lines except dry goods registered a substantial gain over the corresponding month last year. Heavy buying in nearly all lines since the first of the year has materialized because the retailers closed the year with relatively low stocks and they found it necessary to make large replacement orders to meet the improved consumer demand.

While purchases have been large and many retailers are placing orders for forward delivery in a substantial volume, conservatism is still the dominating policy of the retailers. Forward commitments as a rule are being limited to such a volume as can be easily disposed of during the spring season.

Some dealers state that recently buying has shown a falling off in some sections, due to the continued drouth which places an unfavorable outlook on the crop situation. However, the general sentiment is that the distribution this spring will exceed that of a year ago, especially if the drouth is broken in sufficient time to enable the farmers to proceed with planting operations under favorable conditions.

Collections are generally satisfactory in most lines but some dealers state that payments are being received at a slower rate than conditions would seem to warrant.



The January sales of wholesale dry goods firms registered a gain of 44.9 per cent as compared to December, but a decline of 27.2 per cent as compared to the corresponding month of 1924. However, the decrease from a year ago was not surprising to the trade in view of the fact that prior to January 1, 1925, wholesalers had booked practically no orders for January shipment, whereas at the close of 1923 the volume of such orders on their books was comparatively large. The trade excursions, which began at the first of February in practically every distributing center of the district, have brought a large number of merchants to market. Buying is reported to be heavy for both immediate and future shipments. However, indications are that merchants are operating on a conservative basis, and are holding commitments well within the prospective consumer demand. Dealers state that the outlook appears good in view of the fact that the stocks in the hands of the retailers are light and any noticeable improvement in consumptive demand will be quickly reflected in the demand at wholesale. The opinion of the trade seems to be that distribution this spring will equal or exceed that of the previous season.

There was a brisk demand for groceries throughout January, the month's sales being 7.0 per cent greater than in December and 7.7 per cent larger than in January last year. Merchants are showing a disposition to buy freely for nearby requirements, but are proceeding cautiously in placing orders for future delivery. Prices during the month remained generally firm. Dealers state that the outlook for the immediate future is from fair to good.

While the heavy buying of drugs at wholesale evident early in January slowed down in some sections of the district during the latter part of the month, the January sales of reporting firms reflected a gain of 13.0 per cent over

the previous month, and were 5.8 per cent larger than those of the same month last year. Nevertheless, merchants are operating carefully and are buying principally for nearby delivery. Prices remained firm and collections averaged about the same as in December.

The opening of the year witnessed a further market expansion in the demand for farm implements. The January sales of reporting firms exceeded those of the previous month by 56.8 per cent and were 6.2 per cent larger than those of January a year ago. However, reports indicate that there has been some slackening lately, due to the drouth which is retarding farm operations and is causing some apprehension regarding the prospect for this year's crops. However, dealers are expecting a revival in demand as soon as there is sufficient precipitation to enable farmers to proceed satisfactorily with plowing and planting operations.

There was a reaction during January from the heavy buying of hardware during December, as was evidenced by a 7.8 per cent falling off in sales. However, they were 4.1 per cent greater than sales last year, which indicates that the demand is still active in this line of trade. Indications are that orders are increasing and reports state that the outlook for the spring is encouraging.

CONDITION OF WHOLESALE TRADE DURING JANUARY, 1925  
Percentage of Increase or Decrease in

	Net Sales Jan. 1925 compared with		Stocks Jan. 1925 compared with	
	Jan. 1924	Dec. 1924	Jan. 1924	Dec. 1924
Groceries .....	+ 7.7	+ 7.0	+ 9.5	+29.0
Dry goods .....	-27.2	+44.9	-20.0	+32.4
Farm implements.....	+ 6.2	+56.8	- 1.8	- 5.1
Hardware .....	+ 4.1	- 7.8	-11.5	+10.7
Drugs .....	+ 5.8	+13.0	+ 4.2	+11.1

## RETAIL TRADE

The January sales of twenty-three department stores reflected a seasonal decline of 46.5 per cent as compared to December, but were 6.5 per cent greater than in January, 1924. The department stores in practically every section of the state obtained good results from the January clearance sales, and reports indicate the spring goods are beginning to move in a considerable volume.

Stocks at the close of January were practically the same as at the end of December, but were 3.5 per cent less than at the close of January last year.

Outstanding orders at the close of January were larger than those at the close of December, reflecting the increased commitments on spring merchandise.

There was a slight improvement in collections during the month. The ratio of January collections to accounts receivable on January 1st was 42.6 per cent as compared to 41.1 per cent during December and 41.6 per cent during January last year.

BUSINESS OF DEPARTMENT STORES

	Dallas	Ft. Worth	Houston	All Others	Total District
Total Sales—					
Jan. 1925, compared with Jan. 1924.....	+ 7.2	+ 3.6	+ 5.2	+ 7.4	+ 6.5
Jan. 1925, compared with Dec. 1924.....	- 45.1	- 58.4	- 48.3	- 40.7	- 46.5
Credit Sales—					
Jan. 1925, compared with Jan. 1924.....	+ 8.1	+ 9.0	+ 6.8	+ 11.9	+ 9.4
Jan. 1925, compared with Dec. 1924.....	- 46.7	- 56.9	- 45.8	- 46.4	- 46.4
Stocks—					
Jan. 1925, compared with Jan. 1924.....	- 1.9	- .9	- 7.3	- 5.0	- 3.5
Jan. 1925, compared with Dec. 1924.....	+ 1.7	+ 5.8	- 8.0	- .8	+ .3
Ratio of stocks to sales.....	444.1	602.4	367.1	386.0	424.9
Ratio of outstanding orders to last year's purchases.....	11.5	17.4	8.5	9.6	11.2
Ratio of Jan. collections to accounts receivable, due and outstanding January 1, 1925.....	41.6	38.0	40.0	47.5	42.6

## FINANCIAL

The continued improvement in business during January was reflected in the volume of checks charged to depositors' accounts at banks located in the fifteen principal cities of

the Eleventh Federal Reserve District. The total debits for the month amounted to \$771,944,000, representing a decline of only 1.0 per cent from the previous month, which is



considerably less than the usual falling off at this season of the year. The increased activity during January this year as compared to a year ago is shown by the fact that debits averaged 15.9 per cent larger than in the opening month of 1924. Furthermore, it should be noted that each reporting city reflected a substantial gain over last year, ranging from 5.8 per cent at Shreveport to 29.5 per cent at Texarkana.

## CHARGES TO DEPOSITORS' ACCOUNTS

	January 1925	January 1924	Inc. or Dec.	December 1924	Inc. or Dec.
Albuquerque	\$ 11,016,000	\$ 9,821,000	+12.2	\$ 10,396,000	+ 6.0
Austin	25,851,000	21,520,000	+20.1	22,355,000	+15.6
Beaumont	18,912,000	17,734,000	+ 6.6	16,561,000	+14.2
Corsicana	11,441,000	10,175,000	+12.4	12,103,000	- 5.5
Dallas	236,899,000	203,546,000	+16.4	248,773,000	- 4.8
El Paso	35,127,000	31,677,000	+10.9	38,268,000	- 8.2
Fort Worth	91,940,000	76,410,000	+20.3	85,410,000	+ 7.6
Galveston	58,018,000	51,953,000	+11.7	63,061,000	- 8.0
Houston	151,414,000	129,103,000	+17.3	156,713,000	- 3.4
Roswell	2,994,000	2,314,000	+29.4	3,610,000	-17.1
San Antonio	40,528,000	34,513,000	+17.4	36,315,000	+11.6
Shreveport	42,171,000	39,874,000	+ 5.8	40,487,000	+ 4.2
Texarkana	10,904,000	8,422,000	+29.5	11,872,000	- 8.2
Tucson	9,255,000	7,693,000	+20.3	10,115,000	- 8.5
Waco	25,474,000	21,422,000	+18.9	23,988,000	+ 6.2
Total, 11th District	\$771,944,000	\$666,177,000	+15.9	\$780,027,000	- 1.0

## Acceptance Market.

Reports from accepting banks in this district reflected a decline during January in the volume of acceptances which were executed by them and were outstanding on the last day of the month. The volume outstanding on January 31st

totaled \$3,723,473.99 as against \$4,031,594.23 on December 31st. The amount of these acceptances based on import and export transactions declined from \$3,183,770.80 on December 31st, to \$2,259,359.50 on January 31st, while those based on domestic shipment and storage of goods rose from \$847,823.43 on the last day in December to \$1,464,114.49 at the end of January.

## Condition of Member Banks in Selected Cities.

Reports from 49 member banks in selected cities reflected a further increase of \$5,081,000 in their loans and investments during January. The rise in the investments of these banks was represented by an increase of \$2,758,000 in the holdings of United States securities and \$678,000 in the holdings of other stocks and bonds. Loans secured by U. S. Government obligations and those secured by corporate securities evidenced a slight decline, but all other loans increased \$1,818,000, and accounted for the net gain of \$1,645,000 in total loans. The time deposits of these banks rose \$4,595,000, but there was a loss of \$5,520,000 in their net demand deposits, thereby causing a net loss of \$925,000 in total deposits. Their reserve deposits with the Federal Reserve Bank decreased \$1,631,000 between December 31st and February 4th. The ratio of loans to net demand deposits was 85 per cent on February 4th as compared to 82 per cent on December 31st, and 89 per cent on January 30, 1924.

## CONDITION STATISTICS OF MEMBER BANKS IN SELECTED CITIES

	Feb. 4, 1925	Jan. 30, 1924	Dec. 31, 1924
1. Number of reporting banks	49	50	50
2. U. S. securities owned	\$ 49,152,000	\$ 55,419,000	\$ 46,394,000
3. All other stocks, bonds and securities owned	21,277,000	13,697,000	20,599,000
4. Loans secured by U. S. Government obligations	3,710,000	3,118,000	3,870,000
5. Loans secured by stocks and bonds other than U. S. Government obligations	67,384,000	62,019,000	67,397,000
6. All other loans	235,652,000	213,336,000	233,834,000
7. Net demand deposits	283,065,000	243,164,000	288,585,000
8. Time deposits	93,925,000	85,225,000	89,330,000
9. Reserve with Federal Reserve Bank	31,154,000	26,852,000	32,785,000
10. Bills payable and rediscounts with Federal Reserve Bank	2,099,000	3,042,000	2,067,000
11. Ratio of loans* to net demand deposits	85%	89%	82%

\*Loans include only items 4 and 6.

## Operations of the Federal Reserve Bank.

The volume of member bank borrowing at the Federal Reserve Bank fluctuated within narrow limits during the past month. Total loans on January 31st amounted to \$2,705,670.39, or \$7,509.35 less than on the last day of December. A significant feature of the month's operations was the fact that our loans were made up almost entirely of borrowings of reserve city banks to meet short term requirements and that the demand for funds by banks outside reserve cities has been negligible so far in 1925. The light demand for Federal Reserve bank credit on the part of country banks may be attributed, first, to the fact that during the past fall most banks were able to eliminate practically all old carry over loans from their note cases either by liquidation or charging them off, and, second, that large returns from the past two cotton crops have enabled most farmers to liquidate their loans at the banks and to accumulate sufficient funds to finance themselves until farming operations are well under way, thereby reducing the demand for funds at local banks.

Due principally to a reduction in the holdings of bankers' acceptances total bills of all classes held by this bank declined from \$28,909,853.77 on December 31st to \$25,455,441.31 on January 31st, distributed as follows:

Member banks collateral notes( secured by U. S. Government obligations)	\$ 150,000.00
Rediscounts and all other loans to member banks	2,555,670.39
Open market purchases (bankers' acceptances)	22,749,770.92
Total bills held	\$25,455,441.31

Federal reserve notes in actual circulation declined during January, being \$47,709,800.00 on January 31st as compared to \$55,640,950.00 on December 31st, or a net reduction of \$7,931,150.00. However, the actual circulation on January 31st this year was \$1,891,455.00 greater than on the same date in 1924. The reserve deposits of member banks on January 31st were \$64,872,560.88 as compared to \$65,828,199.00 on December 31st, and \$57,694,141.21 on January 31st last year.

## Deposits of Member Banks

There was a decrease of \$9,640,000 in net demand deposits of member banks in this district between December 24th and January 28th, while time deposits for the same period reflected an increase of \$2,477,000. The combined deposits of these banks on January 28th this year show a gain of \$45,591,000 over those reported on January 23, 1924.



## DEPOSITS OF MEMBER BANKS

	All Member Banks		Banks in Cities with a population of less than 15,000		Banks in Cities with a population of over 15,000	
	Total Demand	Total Time	Demand	Time	Demand	Time
Jan. 23, 1924.....	624,577	151,263	311,615	40,931	312,962	110,332
Feb. 27, 1924.....	594,482	157,225	294,406	42,161	300,076	115,124
Mch. 26, 1924.....	568,800	155,257	276,019	43,430	292,781	111,827
Apr. 23, 1924.....	549,057	156,696	265,613	46,326	283,444	110,370
May 28, 1924.....	522,820	154,085	250,732	45,837	272,088	108,248
June 25, 1924.....	512,565	157,153	244,723	46,329	267,842	110,824
July 23, 1924.....	502,763	157,714	237,982	47,006	264,781	110,708
Aug. 27, 1924.....	510,092	160,201	242,995	46,387	267,097	113,814
Sept. 24, 1924.....	562,283	160,260	276,886	46,029	285,397	114,231
Oct. 29, 1924.....	609,594	159,889	303,481	44,983	306,113	114,906
Nov. 26, 1924.....	641,603	158,722	315,786	43,967	325,817	114,755
Dec. 24, 1924.....	670,487	158,107	322,361	41,676	348,126	116,431
Jan. 28, 1925.....	660,847	160,584	320,036	44,219	340,811	116,365

## Savings

## Deposits.

Savings deposits of 111 reporting banks on January 31st were 1.4 per cent greater than those at the end of December, and were 5.7 per cent greater than those reported by these banks on January 31, 1924. The number of savings depositors on January 31st was 231,460 as compared to 225,699 on December 31st, and 204,102 on January 31st last year.

## SAVINGS DEPOSITS

	Number of Reporting Banks:	January 31, 1925		January 31, 1924		Inc. or Dec.	December 31, 1924		Inc. or Dec.
		Number of Savings Depositors	Amount of Savings Deposits	Number of Savings Depositors	Amount of Savings Deposits		Number of Savings Depositors	Amount of Savings Deposits	
Beaumont.....	4*	4,687	2,379,627	4,122	2,269,706	+ 4.8	4,544	2,393,243	— .6
Dallas.....	6	43,214	13,555,101	35,138	11,557,384	+17.3	42,429	12,928,780	+ 4.8
El Paso.....	3	15,724	5,899,518	15,360	6,546,129	— 9.9	15,559	6,205,318	+ 4.9
Fort Worth.....	6	20,432	5,325,372	18,650	4,916,417	+ 8.3	20,196	4,447,819	+19.7
Galveston.....	3	13,274	7,913,550	11,007	7,030,517	+12.6	12,950	7,804,331	+ 1.4
Houston.....	12*	38,342	18,997,039	32,529	17,976,690	+ 5.7	37,500	18,988,506	none
San Antonio.....	6*	18,194	11,159,898	15,275	9,800,762	+13.9	17,786	11,222,732	— .6
Shreveport.....	5	24,021	9,399,211	22,749	11,238,167	+16.4	24,163	9,711,573	+ 3.2
Waco.....	5	7,334	4,105,476	5,636	2,924,459	+40.4	6,160	3,321,078	+23.6
Wichita Falls.....	4*	6,608	1,612,269	6,608	1,750,937	— 7.9	6,520	1,508,397	+ 6.9
All others.....	57*	39,630	18,350,798	37,028	17,365,679	+ 5.7	37,910	18,805,509	— 2.4
Total.....	111	231,460	98,697,909	204,102	93,376,847	+ 5.7	225,699	97,337,286	+ 1.4

\*Only 3 banks in Beaumont, 11 banks in Houston, 5 banks in San Antonio, 3 banks in Wichita Falls, and 53 banks in all others reported the number of savings depositors.

## Discount Rates.

There is presented below the prevailing rates charged during the seven-day period ending February 12th by the commercial banks in the cities listed below.

## FEBRUARY DISCOUNT RATES

## Prevailing Rates

	Dallas	El Paso	Ft. Worth	Houston	San Antonio	Waco
Rate charged customers on prime commercial paper such as is now eligible for rediscount under the Federal Reserve Act:						
(a) Running 30-60-90 days.....	4-6	8	5-8	5-6	5-8	5-7
(b) Running 4-6 months.....	4-6	8	5-8	5-6	6-8	5-7
Rate charged on loans to other banks, secured by bills receivable.....	5-6	6-7	5-6	4½-5	6	5-5½
Rate on ordinary commercial loans running 30-60-90 days secured by Liberty Bonds and certificates of indebtedness (not including loans to enable purchase of bonds).....	5-6	8	5-6	5-6	6-8	6-7
Rate on loans secured by prime stock exchange or other current collateral:						
(a) Demand.....	5-7	8	6-8	4½-6	6-8	6-7
(b) Time.....	6-8	8	6-8	4½-6	6-8	6-7
Rate on commodity paper secured by warehouse receipts, etc.....	5-8	8	6-8	5-6	6-8	6-8
Rate on cattle loans.....	6-7	8	6-8	6-8	7-8	—

## FAILURES.

There was a sharp upturn in the commercial failure record in the Eleventh Federal Reserve District during January, when both the number and liabilities of defaulting firms registered a substantial increase as compared to the previous month and the same month last year. In fact January failures were more numerous and the liabilities

involved were larger than in any month of 1924. The defaults during the month numbered 78 with a combined indebtedness of \$1,312,836 as compared to 52 insolvencies in December with liabilities amounting to \$368,159, and 68 failures in January last year with an indebtedness of \$1,170,988.

## PETROLEUM

While the daily average production of crude oil in the Eleventh District has been increasing for several months, the increase of 68,739 barrels registered in January as compared to the previous month was unusually large. There

were 15,775,968 barrels of oil produced during January as compared to 13,645,052 barrels in December, an increase of 2,130,916 barrels. That a large percentage of this increase was due to new production is shown from the fact



that there were 530 wells completed in January of which 366 were successful and netted an initial production of 376,845 barrels, as compared to 401 completions during December of which 271 were producers and yielded a flush production of 86,049 barrels.

Although the extremely inclement weather in January retarded activities at all Texas fields, the rapid development of the Wortham field was responsible for the enormous increase of 2,268,866 barrels in the production of crude oil in Texas. There were 14,023,724 barrels of oil produced in Texas during January, as against 11,754,858 in December, or an increase of 73,189 barrels in daily average production, despite the fact that the Wortham field apparently reached the crest of its production on January 15th and declined during the remainder of the month. All other Texas fields with the exception of the Texas Coastal showed decreases in production during January. There were 476 wells completed in Texas during January, of which 327 were successful and yielded a flush production of 374,470 barrels of oil, which compares to 356 wells completed in December of which 237 were successful and netted 83,554 barrels of new production.

The production of crude oil in Louisiana during January continued to decline as compared to the previous month, the production being 1,752,244 barrels as against 1,890,194 barrels in December, or a decline in daily average production of 4,450 barrels. There were 23 successful oil wells completed during January and 16 gas wells, with a flush production of 2,375 barrels of oil, as against 15 oil wells with an initial flow of 2,495 barrels and 19 gas wells completed in December.

### Crude Oil Prices

Despite the increased production of oil in Texas prices on all grades were increased during the period January 16th to February 13th. North Texas oil increased 75 cents per barrel; Corsicana light, Mexia, and Currie advanced 55 cents per barrel; Texas Coastal gained 25 cents per barrel; and Corsicana heavy 10 cents per barrel. All grades of Louisiana oil registered an increase of 45 cents per barrel. Due to decreased production in other United States fields, markets remained steady with premiums being paid in many localities.

### OIL PRODUCTION

Field	January		December		Increase or Decrease	
	Total	Daily Average	Total	Daily Average	Total	Daily Avg.
North Texas	2,576,400	83,110	2,800,394	90,335	Dec. 223,994	Dec. 7,225
Central-West Texas	7,654,000	246,903	5,293,380	170,754	Inc. 2,360,620	Inc. 76,149
Texas Coastal	2,207,145	71,198	2,066,134	66,650	Inc. 141,011	Inc. 4,548
Miscellaneous fields	1,586,179	51,167	1,594,950	51,450	Dec. 8,771	Dec. 283
Total, Texas	14,023,724	452,378	11,754,858	379,189	Inc. 2,268,866	Inc. 73,189
North Louisiana	1,752,244	56,524	1,890,194	60,974	Dec. 137,950	Dec. 4,450
Total, 11th District	15,775,968	508,902	13,645,052	440,163	Inc. 2,130,916	Inc. 68,739

### JANUARY DRILLING RESULTS

Field	Completions	Producers	Failures	Initial Production
North Texas	190	125	65	19,968
Central-West Texas	206	147	59	338,025
Texas Coastal	43	27	16	11,399
East Texas	13*	16*	2	
Miscellaneous fields	11	11		5,078
Texas wildcats	8	1	7	
Totals, Texas	476	327	149	374,470
North Louisiana	54	39**	15	2,375
January totals, District	530	366	164	376,845
December totals, District	401	271	130	86,049

\*Gas wells. \*\*16 gas wells.

### CRUDE OIL PRICES

Texas—		Feb. 13, 1925	Feb. 16, 1924
Corsicana light		\$1.80	\$1.85
Corsicana heavy		1.00	1.00
Texas Coastal		1.75	1.65
Mexia		1.80	1.85
Currie		1.80	2.00
North Texas (42 gravity and above)		2.00	
Louisiana—		Feb. 13, 1925	Feb. 16, 1924
Caddo (38 gravity and above)		\$1.80	\$1.70
Bull Bayou (38 gravity and above)		1.60	1.65
Homer (35 gravity and above)		1.55	1.70
Haynesville (33 gravity and above)		1.45	1.60
De Soto Crude		1.65	1.70

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

### LUMBER

Renewed activity due to seasonal factors was reflected in the statistics of the Eleventh District pine mills during January. The production during the month was only 8 per cent below normal January production as compared to 18 per cent below normal in December. Shipments of lumber from the mills were 8 per cent below the January production, while orders received during the month were for 86 per cent of normal production as compared to orders for only 80 per cent of normal production received during December. Due to the increased production, stocks at the end of the month increased from 30 per cent below normal on December 31st to 26 per cent below normal on January 31st. Prices remained firm.

The 48 reporting mills had unfilled orders for 49,152,288 feet of lumber on their books at the close of January, as compared to orders for 50,365,528 feet at the close of December.

### JANUARY PINE MILL STATISTICS

	48
Number of reporting mills	48
Production	95,421,770 feet
Shipments	88,216,613 feet
Orders	88,923,541 feet
Unfilled orders, Jan. 31st	49,152,288 feet
Normal production	108,223,779 feet
Stocks, Jan. 31st	227,747,549 feet
Normal stocks	308,595,069 feet
Shipments below production	7,205,157 feet=8%
Actual production below normal	7,802,009 feet=8%
Orders below normal production	14,300,238 feet=14%
Stocks below normal	80,847,520 feet=26%



## BUILDING

While there was no large seasonal increase in building during January, due to the extremely cold weather which prevailed during the month, that activity was well sustained is evidenced by the fact that the estimated valuation of projects launched during the month at twelve of the principal centers of this district was \$6,958,217, an increase of five-tenths of one per cent over the valuation

of \$6,922,981 permits issued in December. While the January permits showed a decline of 17.7 per cent from those of January, 1924, it will be recalled that the building permits for the latter month were unusually large. There were 2,466 permits issued in January as compared to 1,875 issued in December, and 2,624 in January, 1924.

## BUILDING PERMITS

	January 1925		January 1924		Inc. or Dec.	December, 1924		Inc. or Dec.
	No.	Valuation	No.	Valuation		No.	Valuation	
Austin.....	45	67,175	45	82,245	- 18.3	25	25,405	+164.4
Beaumont.....	187	202,158	184	135,205	+ 49.5	125	113,039	+ 78.8
Dallas.....	474	2,903,070	379	2,996,770	- 3.1	307	940,110	+208.8
El Paso.....	57	49,955	74	89,058	- 43.9	41	88,979	- 43.9
Fort Worth.....	190	690,299	198	619,114	+ 11.5	117	2,026,050	- 65.9
Galveston.....	250	85,029	233	642,372	- 86.8	221	81,666	+ 4.1
Houston.....	444	1,298,866	558	2,068,664	- 37.2	373	1,319,456	- 1.6
Port Arthur.....	124	58,580	175	142,287	- 58.8	127	626,359	- 90.6
San Antonio.....	312	604,470	375	658,910	- 8.3	268	757,249	- 20.2
Shreveport.....	268	356,395	289	761,186	- 53.2	156	441,692	- 19.3
Waco.....	75	278,810	58	151,461	+ 84.1	54	354,154	- 21.3
Wichita Falls.....	90	363,410	56	103,550	+251.0	61	148,822	+144.2
Total.....	2,466	6,958,217	2,624	8,450,822	- 17.7	1,875	6,922,981	+ .5

## CEMENT

For the third consecutive month the production of Portland cement at the Texas plants declined as compared to production during the previous month. There was a decrease of 18.3 per cent in the production of cement during January as compared to December, and a decrease of 3.2 per cent as compared with January, 1924, production. There were 280,000 barrels of cement shipped during Jan-

uary as compared to 258,000 in December, an increase of 8.5 per cent, and 287,000 barrels in January, 1924, a decrease of 2.4 per cent. Stocks of cement held at the mills at the close of January were 6.5 per cent greater than those on December 31st, and 24.3 per cent greater than stocks on January 31, 1924.

## PRODUCTION, SHIPMENTS, AND STOCKS OF PORTLAND CEMENT. (Barrels)

	January 1925	January 1924	Per Cent Inc. or Dec.	December 1924	Per Cent Inc. or Dec.
Production of Texas Mills.....	304,000	314,000	- 3.2	372,000	-18.3
Shipments from Texas Mills.....	280,000	287,000	- 2.4	258,000	+ 8.5
Stocks at end of the month at Texas Mills.....	379,000	305,000	+24.3	356,000	+ 6.5

## SUMMARY OF NATIONAL BUSINESS CONDITIONS

(Compiled by the Federal Reserve Board, as of February 25, 1925.)

Further growth in production during January carried the output of basic commodities to the highest point reached since the spring of 1923. Employment at industrial establishments increased slightly, but remained below the level of a year ago. Prices of farm products continued to advance and there were smaller increases in the wholesale prices of most of the other groups of commodities.

## PRODUCTION

Production in basic industries, after a rapid increase in recent months, advanced 8 per cent in January, and was 34 per cent above the low point of last summer. The most important factor in the increase in the level of production since August has been greater activity in the iron and steel industries, but in January the output of lumber, minerals, and feed products, and paper, and the mill consumption of cotton also showed considerable increases. The woolen industry was somewhat less active in January and the out-

put of automobiles, though larger than in December, was considerably smaller than a year ago. Further increases during the month in employment in the metal, textiles, and leather industries were largely offset by seasonal declines in the number employed in the building materials and food product industries. Building activity, as measured by contracts awarded, though less in January than during the closing months of 1924, was near the high level of a year ago.

## TRADE

Railroad shipments were in record volume for this time of year, and loadings of merchandise and miscellaneous products were particularly heavy. Wholesale trade in January, however, was slightly smaller than in December. Sales of groceries, shoes, and hardware were in smaller volume, while sales of dry goods and drugs increased. Department store sales in most districts were somewhat smaller than a year ago, but sales of mail order houses were considerably larger.



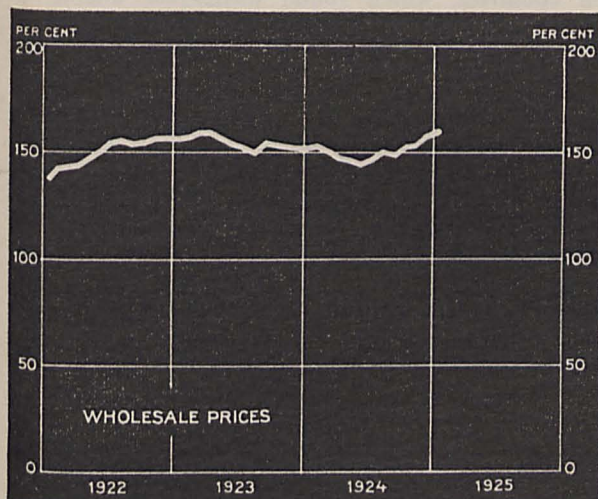
## PRICES

Wholesale prices, as measured by the index of the Bureau of Labor Statistics, rose 2 per cent during January to the highest level in four years. The increase of 10 per cent in the index since last January represents an advance of 19 per cent in prices of agricultural commodities and 3 per cent in other commodities. In the first half of February prices of grains, wool, coal, and lead declined, while petroleum and gasoline prices advanced sharply, and cotton, silk, and rubber showed smaller increases.

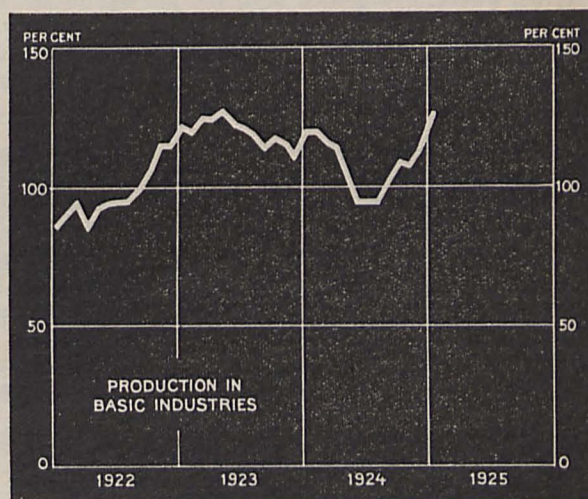
## BANK CREDIT

Loans and investments of member banks in leading cities following the rapid growth during the last half of 1924 declined by about \$100,000,000 between the middle of January and the middle of February. This decrease represented a reduction in the holdings of investments, chiefly at banks in New York, partly offset by an increase in loans. Loans

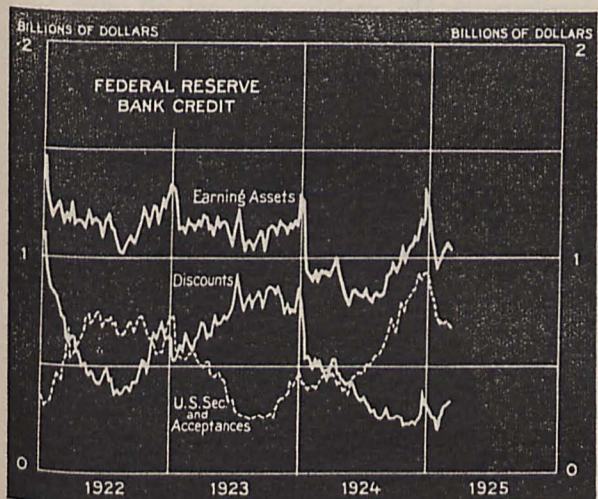
on stocks and bonds increased, though less rapidly than in the latter part of 1924, while loans for commercial purposes declined slightly from the high level reached in the middle of January. Net demand deposits, owing largely to decreases at New York City banks, declined sharply from the high point reached in the middle of January. At the Federal reserve banks the seasonal liquidation resulting from the return flow of currency from circulation came to a close by January 21st and during the following four weeks there was an increase in total earning assets. This increase reflected largely the demand for gold for export, which led member banks to increase their discounts at the reserve banks. Reserve bank holdings of United States securities declined further, while acceptances showed relatively little change for the period. Money rates, after remaining comparatively steady during most of January, showed a firmer tendency during the early part of February, when rates for prime commercial paper advanced to  $3\frac{3}{4}$  per cent.



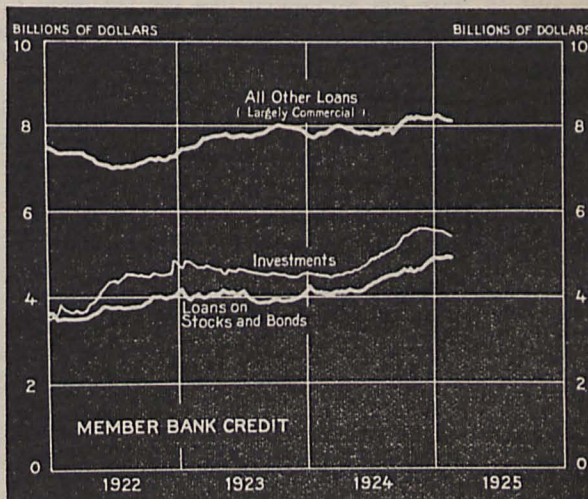
Index of U. S. Bureau of Labor Statistics. (1913=100, base adopted by Bureau.) Latest figures—January, 160.



Index of 22 basic commodities corrected for seasonal variations (1919=100). Latest figures—January, 126.



Weekly figures for 12 Federal Reserve Banks. Latest figure—February, 18.



Weekly figures for member banks in 101 leading cities. Latest figure—February 11th.



# COTTONSEED PRODUCTS INDUSTRY

(Note:—The following is the last of a series of special articles reviewing the growth and development of the cottonseed products industry and some of the financial and economic problems with which it is now confronted.)

## THE TARIFF ON VEGETABLE OILS AND ITS EFFECTS ON THE FOREIGN TRADE IN COTTONSEED OIL

The tariff duties imposed upon the vegetable oils imported into the United States have varied considerably both as to the amount imposed upon the several oils and the amount imposed upon each individual oil under the several tariff acts. Agitation for a duty on cottonseed oil was begun as soon as the industry began to assume some importance, with the result that the tariff bill of 1833 imposed a duty on it at the rate of 25 cents per gallon. However, in 1890 the duty was reduced to 10 cents per gallon and four years later it was placed on the free list. The tariff act of 1897 placed a duty of 4 cents per gallon on cottonseed oil, but in 1909 it was again returned to the free list, where it remained until the passage of the Emergency Tariff Act of 1921, which act imposed a duty of 20 cents per gallon. The Tariff Act of 1922 raised the duty to 3 cents per pound, which is equivalent to 22½ cents per gallon.

Prior to the tariff act of 1913, peanut oil was classified as "an expressed oil not specifically provided for" and carried a duty of 25 per cent ad valorem. However, the act of 1913 specified a duty of 6 cents per gallon on peanut oil. The Emergency Tariff Act of 1921 raised the duty to 26 cents per gallon and the Tariff Act of 1922 imposed a duty of 4 cents per pound, which is equivalent to 30 cents per gallon.

Soya bean oil appears to have been on the free list prior to 1921, at which time a duty of 20 cents per gallon was imposed on it. The Tariff Act of 1922 reduced the duty to 2½ cents per pound.

The tariff act of 1909 imposed a duty of 3½ cents per pound on refined deodorized cocoanut oil, but permitted the cocoanut oil not refined and deodorized to come in free of duty. The tariff act of 1913 made no change in the rate of duty but stipulated that the cocoanut oil coming in free of duty must be "cocoanut oil rendered unfit for use as food or for any but mechanical or manufacturing purposes." The Emergency Tariff of 1921 imposed a duty on all cocoanut oil at a rate of 20 cents per gallon, but the Tariff Act of 1922 reduced it to 2 cents per pound. It seems that no duty has ever been imposed on Chinese nut oil, palm kernel oil, and palm oil.

The following are the duties which have been imposed on the several oil-bearing seeds under the various tariff acts.

	1909	1913	1921	1922
Soya Bean .....	45c per bu.	Free	Free	½c per lb.
Cottonseed .....	Free	Free	Free	½c per lb.
Peanuts (shelled) ..	1c per lb.	¾c per lb.	3c per lb.	4c per lb.
Peanuts (unshelled) ..	½c per lb.	¾c per lb.	3c per lb.	3c per lb.
Cocoanut meats (prepared) .....	2c per lb.	2c per lb.	2c per lb.	3½c per lb.

The tariff duties on vegetable oils did not assume much importance prior to the World War, due to the fact that the imports of cottonseed oil and oils which compete with

cottonseed oil had not reached such proportions as to have a serious effect upon the domestic consumption of cottonseed oil. Neither had the volume of world production and consumption of these oils reached a point where they offered serious competition with cottonseed oil in the world market. However, the war created a world shortage of fats, which gave an impetus to the production and consumption of such oils as cocoanut oil, soya bean oil, peanut oil, palm oil, palm kernel oil, and Chinese nut oil. Not only was there a large increase in the imports of these oils into the United States, due to the heavy demand for them, but they entered world trade in larger volume. The European countries, which found themselves unable to obtain American cottonseed oil, imported the other oils and oil seeds in increasing quantities. The foreign producers of these oils increased their crushing capacity at a rapid rate during the period of heavy consumption in order to take care of the enormous world demand. The high prices obtainable for these oils made the trade in them exceedingly profitable to the producers and an enormous amount of capital was put into these industries. The high prices were made possible by the high price of cottonseed oil and the competing oils made inroads into the fields previously occupied by cottonseed oil, due first to the shortage of cottonseed oil and, secondly, to the fact that they were usually sold at a substantially lower price. The huge imports of these oils into the United States and the increasing amounts of peanut oil and cocoanut oil going into the manufacture of oleomargine and lard substitutes caused a growing anxiety among certain producers of cottonseed oil relative to the future of cottonseed oil. The only relief from the situation which seemed feasible to them was to impose such duties on the imports of competing oils as would bring about a preference for cottonseed oil. Briefs were therefore submitted to Congress specifying the duties which seemed necessary on the various oils and oil seeds and the reasons therefor. The principal arguments for the proposed tariff may be summarized as follows:

1. That duties were vital to the preservation and future development of the cottonseed oil industry.
2. That oriental oils were being used more and more in the manufacture of lard substitutes and oleomargarine—almost, in fact, to the exclusion of cottonseed oil.
3. That although a certain amount of cottonseed oil was being exported, the volume of such exports was negligible as compared with the imports of vegetable oils into the United States.
4. That a practical monopoly of cottonseed oil avails nothing if that product must compete with an oriental product which to all intents and purposes is interchangeable with cottonseed oil.



5. That the cottonseed oil market is controlled by prevailing prices of cocoanut oil, soya bean oil, and oriental peanut oil, because of the tremendous influx of these oils into the United States.
6. That the effect of a tariff would not be to stop the importation of oriental oils, but would simply enable the American producers of cottonseed oil to compete in American markets with producers of oriental oils.
7. That the imposition of duties on vegetable oils would yield a large and substantial revenue to the United States.

There was another group which believed that the interest of all concerned would be served better by permitting the foreign vegetable oils to come in free of duty. The following is a summary of the main points brought out in their briefs as submitted to Congress:

1. That the imposition of tariff duties would mean increased prices of the finished products to the consumer, and thus curtail consumption.
2. That it would divert the oriental oils to European markets, to the consequent damage of America's exports of pure lard and vegetable fats, and that this destruction of our export trade would result in glutting the domestic market with these products, thereby entailing heavy losses not only upon American manufacturers but also upon the American farmers.
3. That the bulk of cottonseed oil is utilized in the vegetable lard industry, in which field it has a virtual monopoly. Attention was called to the fact that, in 1918, 80 per cent of the crude oil produced was used, after having been refined, in the manufacture of lard substitutes, while 8 per cent was exported, and 3 per cent used in the oleomargarine industry.
4. That these foreign oils were largely non-competitive with domestic oils, and that the freedom of importation would increase the value of domestic oils and fats. It was pointed out that the bulk of imported oils, such as soya-bean, cocoanut, china wood, and palm oil, went into the manufacture of soap, paint, varnish, tinplate, nut margarines, and linoleum, and that cottonseed oil cannot be used to replace any of these oils for the specific purposes for which they are used.
5. That the importation of vegetable oils and fats was small compared to the production in this country of

all fats, vegetable and animal—and that this country was a large exporter of fats.

6. That competition with oriental oils and oil seeds is a matter beyond our control, a competition we cannot sidestep by tariff barriers, because, on account of our tremendous production of fats and oils, we must meet it in Europe if not here.
7. That the tariff would act as an embargo on foreign vegetable oils, and therefore the United States would not derive any considerable amount of revenue from that source.

Although the tariff was enacted and has been in force during the past three years, it is difficult to analyze the extent to which the actual operation of the tariff has vindicated or refuted the various arguments outlined above, because it is impossible to judge to what extent general economic conditions have affected our exports of cottonseed oil. However, we can review such facts as (1) the imports of vegetable oils into this country since the passage of the Emergency Tariff Act of 1921, (2) the trend of exports of our cottonseed oil to those European countries which prior to 1921 were the heaviest consumers of our cottonseed oil, and (3) the imports into these European countries of vegetable oil and oil seeds other than cottonseed—both immediately preceeding and following the passage of the Emergency Tariff Act. With reference to the imports of foreign vegetable oils into the United States it will be noted from the accompanying chart that there has been a tendency for the imports of oils on which no duties were levied to increase. On the other hand, there has been a marked decline in imports of oils on which duties were imposed. However, it will be noted that the declines in the importation of these oils had already set in prior to the passage of the tariff act.

From the accompanying table it will be seen that nine European countries took 212,761,000 pounds, or 75.1 per cent of the total exports of cottonseed oil in the year ending June 30, 1921; in 1922 they took 28,065,000 pounds, or 30.6 per cent of total exports; in 1923 they took 8,877,000 pounds, or 13.8 per cent of our exports; and in 1924 they took only 1,964,000 pounds, or 5 per cent of total exports. Thus it will be seen that these countries reduced their takings of our cottonseed oil from 75 per cent of total exports in 1921 to 5 per cent in 1924, despite the fact that our total exports of cottonseed oil decreased 86 per cent within that period. Only three of the nine heavy importing countries in 1921 were taking any of our cottonseed oil in 1924, and their takings were small as compared to the amounts imported during the previous years.

EXPORTS OF COTTONSEED OIL FROM THE UNITED STATES  
YEAR ENDING JUNE 30

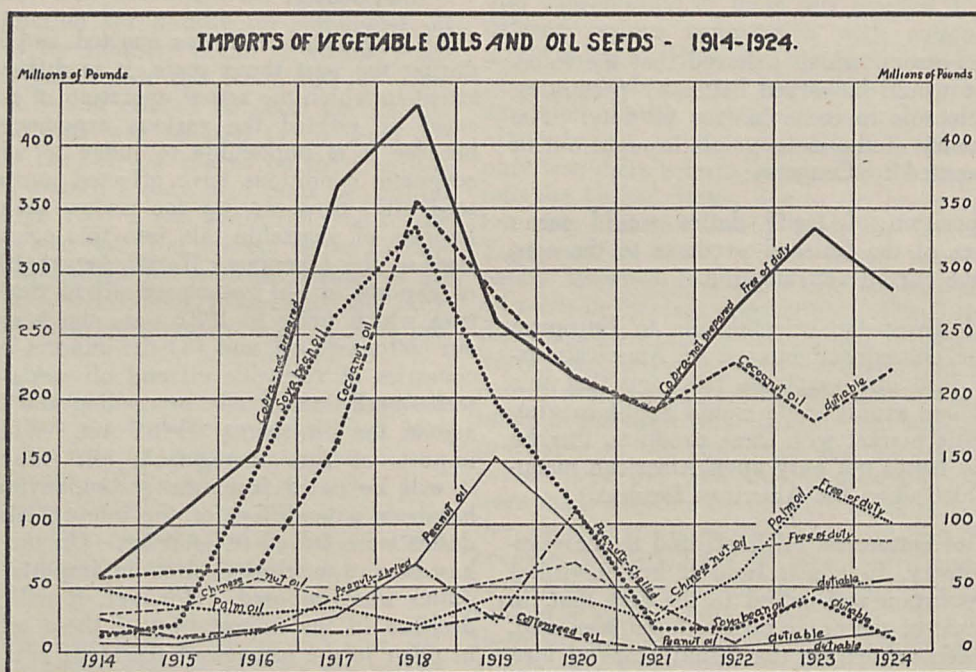
Exported to:	1919 (Pounds)	1920 (Pounds)	1921 (Pounds)	1922 (Pounds)	1923 (Pounds)	1924 (Pounds)
United Kingdom.....	47,736,000	7,498,000	24,482,324	2,526,698	342,188	.....
Netherlands.....	25,529,000	8,015,000	119,737,778	4,265,064	1,312,695	.....
Belgium.....	1,181,000	2,761,000	2,285,002	179,185	.....	.....
Denmark.....	6,693,000	3,205,000	9,413,933	7,867,074	1,705,794	19,016
France.....	3,539,000	11,661,000	8,088,697	1,446,875	.....	.....
Germany.....	.....	1,072,000	8,562,774	1,099,753	361,201	119,734
Italy.....	11,213,000	17,511,000	28,179,075	882,514	.....	.....
Norway.....	8,486,000	17,027,000	10,358,888	9,436,843	5,155,490	1,824,917
Sweden.....	12,181,000	2,478,000	1,652,291	360,788	.....	.....
Other countries.....	62,201,000	88,172,000	70,507,263	63,549,841	55,423,863	37,453,875
Total exports.....	178,709,000	159,400,000	288,268,025	91,614,635	64,301,231	39,417,542



An analysis of the imports of vegetable oils into these countries shows that while they have been decreasing their imports of cottonseed oil, they have been increasing their imports of other vegetable oils and oil seeds.

The United Kingdom has increased her imports principally of soya beans, soya bean oil, copra and palm kernels. Sweden has increased her imports of practically all vegetable oils and oil seeds except cottonseed. There has been a decline in the imports of vegetable oils into Denmark, but a heavy increase in imports of soya beans, peanuts and copra. The Netherlands has increased her imports of soya

beans, copra, palm kernels and cocoanut meats. France has increased her imports of soya bean oil, peanuts, and copra. France continues to import a considerable amount of cottonseed oil, but it comes from sources other than the United States. There have been substantial increases in imports of olive oil, cocoanut oil, and copra into Norway. Comparative statistics on Germany and Italy are not available at the present time. The analysis of the imports statistics of these countries would seem to indicate that as a rule they are increasing their imports of oil-bearing seeds rather than the oil, and are manufacturing their own oil.



(Note: While cocoanut oil is dutiable, most of the imports of this oil come from the Philippine Islands, and, therefore, enter the United States free of duty. In 1924 there were 222,665,376 pounds of cocoanut oil imported free of duty while there were only 128,065 pounds imported which was subject to duty.)