

# MONTHLY BUSINESS REVIEW

## OF THE

### FEDERAL RESERVE BANK OF DALLAS

C. C. WALSH,  
Chairman and Federal Reserve Agent

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

(Compiled July 15, 1925)

Volume 10, No. 6.

Dallas, Texas, August 1, 1925.

This copy released for publication in morning papers July 29

## DISTRICT SUMMARY

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

	June	May	Inc. or Dec.
Bank debits to individual accounts (at 15 cities).....	\$612,305,000	\$594,098,000	Inc. 3.1%
Department store sales.....			Dec. 12.3%
Reserve Bank loans to member banks at end of month.....	\$ 6,681,118	\$ 5,220,394	Inc. 28.0%
Reserve Bank ratio at end of month.....	59.9%	61.4%	Dec. 1.5 points
Building permit valuations at larger centers.....	\$ 7,384,697	\$ 8,709,658	Dec. 15.2%
Commercial failures (number).....	44	56	Dec. 21.4%
Commercial failures (liabilities).....	\$ 586,229	\$ 1,956,651	Dec. 72.6%
Oil production (barrels).....	\$ 14,982,080	15,609,072	Dec. 4.0%
Lumber orders at pine mills (per cent of normal production).....	84%	88%	Dec. 4 points

The cotton and feed situation continues to overshadow all other factors in business and agriculture in the Eleventh Federal Reserve District. Following closely upon the report of exceedingly short wheat and oat crops comes the estimate of the shortest corn crop in thirty years. The low yields of these crops means that the farmers of this district will be forced to make heavy purchases of feed with which to make next year's crops. In fact, the feed problem has already reached such serious proportions in the south-central counties of Texas that feed is being shipped in and emergency freight rates have been requested on shipments of feed into the drouth stricken area. The only hope for a feed crop depends upon the proper maturity of the grain sorghums. In west and northwest Texas fair to good conditions prevail and many farmers elsewhere are holding themselves in readiness to plant as soon as sufficient moisture to germinate the seed is obtained. The lack of subsoil moisture and the continued deficiency in rainfall accounts for the steadily declining condition of the cotton crop. In the drouth stricken area of south central Texas—the heavy cotton producing counties—this year's cotton production will be only a small percentage of the 1924 yield. While conditions range from fair to good in the other sections of the district, there are localities in every section where the crop is at a standstill due to the lack of moisture. A factor of no little importance is that while the crop in Texas is backward it is advanced well beyond normal in a substantial portion of the other cotton producing area, which may mean that whereas Texas generally leads in the marketing of cotton, thereby gaining the advantage of early season prices, this year the state will probably trail the other states and will lose the usual marketing advantage.

Despite the unfavorable agricultural development, trade was well sustained during the past month. Department store sales reflected a seasonal decline from the previous month, but were slightly greater than in the corresponding month last year. Distribution at wholesale, while reflecting the normal seasonal recession from last month, was in excess of a year ago in four reporting lines. Nevertheless orders are being restricted to goods to cover immediate requirements and merchants are operating very cautiously. Collections are slow in many sections of the district.

There has been a moderate expansion in the demand for credit accommodations. Federal Reserve Bank loans to member banks rose \$3,100,000 between June 1st and July 15th, as compared to an increase of \$2,700,000 during the corresponding period of 1924. There was a net decline of approximately \$16,000,000 in the deposits of member banks during the past month, but on June 24th they were \$86,000,000 greater than a year ago.

The district's commercial failure rate showed a marked improvement during June. Both the number of defaults and the volume of indebtedness involved were the smallest of any month of the current year, and were smaller than during the corresponding month of 1924.

Reflecting the usual seasonal slowing down, the June volume of new building, as measured by the valuation of permits issued at principal cities, showed a marked decline from the previous month. However, June operations were 31 per cent greater than in June last year, and the volume of building during the first half of 1925 was 9 per cent in excess of that during the same period of 1924. The production, shipments, and new orders for lumber at Eleventh District mills reflected a further decline during the month.

### CROP CONDITIONS

The continued deficiency in rainfall over practically every part of the Eleventh District, ranging from a small deficiency in a few counties to a marked deficiency over a

larger area, accounts for the poor progress of crops during the past month and is causing growing anxiety among farmers as to the outcome of this year's crops. Subsoil mois-



ture is lacking in all but a few sections which have had rains in a sufficient quantity. In parts of New Mexico and in many of the south-central counties of Texas, the soil contains no available moisture. Added to the deficiency in rainfall has been the hot winds which have almost totally destroyed crops in some sections.

The condition of the district's cotton crop showed a marked decline during the past month. On July 16th the Texas crop was estimated at 56 per cent of normal, which represents a decline of 14 points since May 25th. Conditions appear to be fair to good in southeastern Oklahoma, North Louisiana, and in the north, north-east, north-west, west, west-center, and Rio Grande Valley sections of Texas. However, in every section there are localities where the crop is at a standstill due to the lack of moisture. On account of the absence of subsoil moisture, rains at frequent intervals will be needed to keep the cotton growing. The crop is in all stages of development ranging from plants just up to those with open bolls. The fields are generally clean and well cultivated. With the large area on which the cotton did not come up eliminated, the Texas cotton acreage was estimated on June 25th by the Department of Agriculture to be 3 per cent in excess of the large 1924 acreage.

The harvesting of small grains in Texas was completed under generally ideal conditions, and threshing has made good progress. The per acre yield of wheat is reported to be very light this year, being less than half of the average yield of 18 bushels per acre harvested in 1924. The quality of the grain is the lowest reported in years, being only 81 per cent. It is estimated that the spring oats averaged 13 bushels per acre, and the fall sown oats 11 bushels. Last year the per acre yield averaged 34 bushels.

Due to the untoward weather conditions the acreage planted to corn in Texas this year was estimated at 3,956,000 acres, or a reduction of 14 per cent from the 1924 acreage. The extreme drouth and hot winds had reduced the condition of the crop to 40 per cent of normal on July 1st. On the basis of the estimated yield of only 10 bushels per acre, the indicated production totals 39,560,000 bushels, which is the smallest production in Texas since 1896. Conditions remain fair to good in localities in north, northeast, east, and southeast Texas, but the crop is very poor elsewhere. In the south-central counties the crop was almost a complete failure, there being many localities where the corn was not even harvested for fodder.

The acreage planted to grain sorghums in Texas has been increased 19 per cent over the 1924 acreage, due to the heavy abandonment of small grains and the poor stands of corn. The July 1st condition figure of 81 per cent of normal indicates a total yield of 49,680,000 bushels as compared to a production of 45,375,000 bushels last year.

The July 1st condition of the Texas rice crop was placed at 90 per cent of normal, which forecasts a yield for the state of 5,651,000 bushels as compared to 5,600,000 bushels last year. There has been an increase in acreage in practically every section. Some of the early rice is heading and in general has come up to a good stand and is starting well.

*Special Investigation of Crop Conditions in Drouth Area of Texas.* The reports of the exceedingly poor condition of crops obtaining in the drouth stricken area of Texas were confirmed by an inspection tour made by a representative of the Federal Reserve Bank of Dallas through 31 south-central counties where the drouth is most acute. In addition to these counties there are a number of adjacent counties, not covered by

our survey, which are affected more or less severely by the drouth. The investigation brought to light the fact that the feed crops in every county visited were almost a complete failure. Most of these counties are already obtaining feed from outside sources, and unless sufficient rains fall in time to enable the farmers to grow a feed crop between now and frost, the farmers will find it necessary to draw on outside sources for the total feed supply with which to make the 1926 crops. In many of the counties (especially in the south where the average frost date is late in the year), farmers have made preparation to plant feed crops as soon as sufficient precipitation is obtained to germinate the seed. While there are some few localities where the prospects for a cotton crop are fair, the cotton crop in most of the area is very poor. There is a large acreage on which there has not been sufficient rain to germinate the seed and these fields are barren. In the fields where the cotton did come up, the plants are badly stunted and are blooming prematurely. The effect of the drouth on the cotton crop may be more clearly visualized when it is realized that these 31 counties produced 1,130,000 bales last year and that the maximum estimate of this year's production will not exceed 300,000 bales. In the valuation of this report it should be borne in mind that heavy general rains at an early date would greatly improve the situation. Such rains would probably increase the estimated production of cotton and would enable the farmers to grow feed crops which would lessen the expense of growing next year's crops. There is presented below a report by counties on the condition of the cotton crop.

SPECIAL REPORT ON THE CONDITION OF THE COTTON CROP IN THIRTY-ONE SOUTH-CENTRAL COUNTIES OF TEXAS

County :	Production 1924 (bales)	Estimated % of deficiency in rainfall during the past 12 mo.	General Comments
Atascosa	16,543	68	Good stand, fairly well fruited.
Austin	23,980	*	Plants have quit blooming and cotton opening prematurely.
Bastrop	27,655	88	Plant badly stunted. Shedding leaves, dying and blooming in top.
Bell	73,229	86	Some cotton not up. Plants average size but blooming prematurely.
Bexar	26,933	83	Most of cotton not up. Plant badly stunted.
Brazos	19,805	71	Much of cotton not up. Early cotton fair. Blooming in top.
Burleson	25,967	86	Plant badly stunted, blooming in top, root rotting.
Caldwell	51,415	80	Most fields barren, plants too small to bloom.
Colorado	22,571	68	Cotton not up in bottoms. Otherwise fair stand and fruitage.
Comal	10,259	71	Very little cotton up. Very poor.
Fayette	33,443	*	Poor stand, plant small, blooming in top.
Gonzales	44,023	90	Much cotton not up. Good stand where up. Plant small and blooming in top.
Grimes	21,395	81	Plant small. One or two bolls to stalk. Cotton opening.
Guadalupe	42,770	80	Very little cotton up.
Hays	19,312	83	Very little cotton up. Fields barren.
Hill	93,950	50	Plant small but fruiting fairly well in part of county.
Houston	30,515	43	Plant fair size and well fruited, opening.
Karnes	48,603	83	Much cotton not up. In sections bolls are opening and plants dying.
Lavaca	35,956	*	Many fields barren. Plants small and blooming in top.
Lee	10,968	76	Very little cotton up in bottoms. Plant badly stunted and blooming in top.
Leon	20,865	77	Fairly good stand. Bolls opening prematurely.
Madison	11,604	71	Cotton on upland well fruited; in bottoms opening prematurely and dying.
Medina	7,549	88	Very little cotton up, plants up are about an inch high and blooming.
Milam	60,102	93	In parts of county plants blooming prematurely and dying.



McLennan	104,815	72	Plants badly stunted. Some cotton is not up or has died.
Robertson	32,399	93	Plants badly stunted and opening prematurely. Cotton in bottoms not up.
Travis	45,028	80	Many fields barren. Plants badly stunted and blooming in top.
Waller	11,336	*	Fields in bottom barren. Plants badly stunted. One or two bolls to stalk and opening prematurely.
Washington	27,913	77	Very little cotton up in bottoms, elsewhere plants fair size and fairly well fruited.
Williamson	106,672	83	Much cotton not up. Plants badly stunted and blooming in top.
Wilson	21,652	80	Much cotton not up. Plants badly stunted and blooming in top. Some dying.

\*No estimate obtained.

## LIVESTOCK

A further marked deterioration during the past month in the condition of ranges in a large area of this district was reflected in reports received at this bank. In southeastern New Mexico and in the central and southern sections of Texas, there is little grass or weeds for grazing, stock water supply is low, and livestock are in poor condition. In southeastern Arizona and southwestern New Mexico ranges and livestock are in poor condition, but since the recent heavy rains new feed is starting, livestock are improving and the water supply was replenished. Conditions vary from fair to excellent in the north-west and west-center sections of Texas. In other sections of the district conditions are irregular, being good in localities where sufficient rain has fallen and poor elsewhere.

The average condition of ranges in Texas was reported as 71 per cent of normal on July 1st, or a decline of 4 points during the month. The average condition of cattle remained constant at 75 per cent of normal. The condition of sheep and sheep ranges gained two points during the month.

**Movements and Prices** The June receipts of livestock at Fort Worth showed a substantial increase over the previous month and with the exception of sheep were larger than a year ago. Receipts of cattle and calves were the largest of any month of the current year.

During the first two weeks of June the cattle market was characterized by slow trading and prices were revised downward. Then prices turned upward and during the week ending June 27th more active trading was experienced, and substantial price advances were noted. However, unusually heavy receipts during the last two days of June and the early days of July precipitated one of the most severe price declines of the year in the cattle division. Following a top price of \$11.90 at the close of May, the hog market worked up to \$13.60 then dropped back to \$13.25 on the close. Packers continue to draw heavily on other markets for supplies as receipts are insufficient to meet the demand. Sheep prices worked to lower levels in June. Early in the month the best wethers brought \$8.00, then dropped to \$7.00, but later regained 50 cents of the loss. Lambs usually sold around \$13.00 to \$13.50, but a few sales topped the market at \$13.75.

## FORT WORTH LIVESTOCK RECEIPTS

	June 1925	June 1924	Loss or Gain	May 1925	Loss or Gain
Cattle	105,355	82,649	G 22,706	69,898	G 35,457
Calves	22,522	21,612	G 910	15,248	G 7,274
Hogs	25,439	20,590	G 4,849	21,546	G 3,893
Sheep	24,884	54,259	L 29,375	23,763	G 1,121

## COMPARATIVE TOP LIVESTOCK PRICES

	June 1925	June 1924	May 1925
Beef steers	\$ 9.90	\$ 7.75	\$ 10.00
Stocker steers	7.00	6.55	7.75
Butcher cows	6.50	6.00	6.75
Stocker cows	3.50	3.50	3.50
Calves	9.00	8.50	9.50
Hogs	13.60	7.55	12.95
Sheep	7.50	7.00	8.50
Lambs	13.75	14.75	15.00

## Cotton Movements

The June receipts of cotton at the ports of Houston and Galveston were small, but exports were well in line with those of the previous month and greatly exceeded those during the same month of 1924.

## COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON

	June 1925	June 1924	Aug. 1st to June 30th This Season	Last Season
Net receipts	14,751	23,135	3,619,083	2,822,409
Exports	104,866	55,383	3,650,876	2,817,948
Stocks, June 30th			77,396	84,424

## GALVESTON STOCK STATEMENT

	June 30, 1925	June 30, 1924
For Great Britain	2,200	100
For France	6,000	200
For other foreign ports	23,300	900
For coastwise ports	1,000	300
In compresses and depots	44,896	36,924
Total	77,396	38,424

## HOUSTON COTTON MOVEMENTS

	June 1925	June 1924	Aug. 1st to June 30th This Season	Last Season
Receipts—Gross	13,809	14,524	4,727,360	3,460,960
Receipts—Net	7,376	4,268	2,625,734	1,807,423
Exports	49,232	16,237	1,823,520	1,065,113
Stocks			87,631	47,257

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

	This Season	Last Season
Receipts since Aug. 1st	9,324,784	6,721,951
Exports: Great Britain	2,516,816	1,649,483
France	885,526	707,812
Continent	3,540,684	2,511,663
Japan-China	877,424	573,323
Mexico	19,916	9,294
Total foreign ports	7,840,366	5,451,575
Stocks at all U. S. ports, June 30th	356,952	276,254

## SPOT COTTON PRICES (Middling basis)

	June, 1925	July 15, 1925
	High	Low
New York	24.80	23.35
New Orleans	24.85	23.00
Dallas	24.70	23.00
Houston	24.75	23.30
Galveston	25.05	23.55

## COTTON CONSUMED AND ON HAND

### COTTON GROWING STATES

	June 1925	June 1924	Aug. 1st to June 30th This Season	Last Season
Cotton consumed	337,651	247,240	3,891,524	3,617,160
Cotton on hand at end of month:				
(a) in consuming establishments			597,862	490,888
(b) in public storage and compresses			536,519	749,202

### UNITED STATES

	June 1925	June 1924	Aug. 1st to June 30th This Season	Last Season
			1,123,813	949,647
			759,945	882,197



## COTTONSEED PRODUCTS

The volume of cottonseed products shipped by 68 reporting cottonseed mills in this district reflected a further decline during the past month. The average price received by these mills for cake and meal, and linters showed an increase over the previous month, but there was a slight decline on crude oil and hulls. Crude oil sold for an average price of \$.0902 per pound in June as against \$.0915 in May.

## COTTONSEED PRODUCTS SHIPPED AND AVERAGE PRICE RECEIVED

	June	
	Products Shipped	Average Price F. O. B. Mill
Crude oil .....	9,658,527 lbs.	\$ .0902 per lb.
Cake and meal.....	12,032 tons	37.27 per ton
Hulls .....	8,356 tons	10.69 per ton
Linters .....	3,038,021 lbs.	.0438 per lb.

## STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS

	Texas		United States	
	Aug. 1st to June 30th	Aug. 1st to June 30th	Aug. 1st to June 30th	Aug. 1st to June 30th
	This Season	Last Season	This Season	Last Season
Cottonseed received at mills (tons).....	1,561,000	1,318,744	4,590,000	3,309,175
Cottonseed crushed (tons) .....	1,556,000	1,310,466	4,575,000	3,285,462
Cottonseed on hand (tons) .....	10,000	16,409	29,000	29,053
Crude oil produced (pounds) .....	456,600,000	369,254,737	1,390,850,000	972,459,080
Cake and meal produced (tons).....	731,000	609,250	2,112,000	1,507,027
Hulls produced (tons).....	456,000	381,316	1,321,000	932,930
Linters produced (500-lb. bales).....	291,000	256,294	856,000	664,714
Stocks on hand June 30th .....				
Crude Oil (pounds).....	3,212,000	2,826,701	13,664,000	12,847,497
Cake and meal (tons).....	13,000	18,433	66,000	84,953
Hulls (tons).....	16,000	24,726	71,000	53,565
Linters (500-lb. bales).....	4,000	21,853	36,000	95,925

## TEXTILE MILLING

There was a decline in the production of reporting cotton mills during June as compared to the previous month, but a large increase as compared to June last year. These mills produced 851,984 pounds of cloth in June as against 926,038 pounds in May and 474,577 pounds in June, 1924. Some of the mills are operating on a part time schedule. Unfilled orders on hand at the close of June were greater than at the close of May or at the close of June a year ago.

The market on cotton goods is still on an unstable basis, due to the fluctuations in the raw cotton market. The demand for goods continues light.

## TEXTILE MILLING STATISTICS

	June 1925	June 1924	May 1925
Number bales cotton consumed.....	1,794	1,032	1,960
Number spindles active.....	66,772	66,772	66,772
Number pounds cloth produced.....	851,984	474,577	926,038

## WHOLESALE TRADE

Although the usual midsummer dullness was evident during June, trade in the wholesale channels of distribution was well sustained. The June sales of hardware, dry goods, and farm implements were less than in May, but sales in all reporting lines except dry goods were above those of June a year ago. However, it must be remembered that trade in June last year reflected more than the usual

seasonal slackening. The present period may be characterized as one of hesitancy. While the demand is holding up well for this season of the year in those sections where the prospects for a cotton crop are good, it is extremely light in the drouth area, and the interior merchants throughout the district are operating very cautiously and are limiting orders to their day-to-day needs. Everyone is now waiting to see what changes will take place during the next six weeks in the agricultural situation.

While most of the dealers are optimistic over the outlook for business during the next six months, yet there are some dealers who have expressed the opinion that distribution during the last half of 1925 will show a decrease as compared to the corresponding period of 1924.

Collections have shown no improvement. In some sections they are reported to be from fair to good, but over the major portion of the district they are very slow. Reports indicate that an increasing number of accounts are becoming hard to collect and that many retail merchants are asking for an extension of time on their accounts.

Reflecting the midsummer quietitude, the June distribution of dry goods at wholesale reflected a further decline of 3.7 per cent as compared to May, and was 6.7 per cent under the corresponding month of 1924. The dry goods trade generally throughout the district is dull at this time as buying represents largely fill in orders. The outlook for fall business is spotted, being fair to good in some sections, but poor in others. Prices remain steady.

The June sales of reporting grocery firms were practically the same as during the two previous months and during the corresponding month last year. Buying continues good in those sections where the prospects for a cotton crop are favorable, but quiet in other sections. Prices are reported to be generally steady.

Although the June sales of hardware showed a further decline of 2.9 per cent from the previous month, they were 9.2 per cent greater than those during June a year ago. The demand for hardware is reported to be generally light throughout the district, but in some cities it is being fairly well sustained. Prices on staple items were reported to be lower but were steady on other items.

Following the active demand in May, the distribution of farm implements declined 30.0 per cent during June but was 10.0 per cent greater than during the corresponding month of 1924. The sales of reporting firms during the first six months of 1925 averaged 13.3 per cent less than during the same period of last year. The demand for implements continues light and the outlook in this line of trade is dependent largely upon the progress of crops during the next sixty days. In those sections most seriously affected by the drouth buying will undoubtedly be light but in those sections where crop prospects are good the outlook for future business is encouraging.

The demand for drugs was well sustained during June when the sales of reporting firms reflected an increase of 1.0 per cent over the previous month and a gain of 5.0 per cent as compared to the same month last year. However, some dealers report that trade is quiet in both the cities and the rural sections. Retailers continue to buy only for their immediate requirements. The outlook is good in those sections where the prospects for a cotton crop are promising but in other sections it is reported to be very discouraging.



### CONDITION OF WHOLESALE TRADE DURING JUNE, 1925

Percentage of Increase or Decrease in

	Net Sales June, 1925 compared with		Net Sales Jan. 1 to date compared with same period last year	Stocks June, 1925 compared with	
	June 1924	May 1925		June 1924	May 1925
Groceries.....	+ .8	+ .8	+ 2.5	+ 6.9	- 6.6
Dry goods.....	- 6.7	- 8.7	- 10.0	- 13.8	+ 8.1
Farm implements.....	+ 10.0	- 30.0	- 13.3	None	- 4.2
Drugs.....	+ 5.0	+ 1.0	+ 2.3	+ 1.2	- .5
Hardware.....	+ 9.2	- 2.9	+ 1.8	- 12.7	- 3.0

responding month last year. Sales during the first half of 1925 were 6.5 per cent in excess of those during the same period of 1924. The hot weather and widely advertised "clearance sales" have stimulated buying. Sales of silks and velvets, men's furnishings, and misses' ready-to-wear were among the departments to show the largest increases.

Stocks on hand at the close of June were 6.7 per cent less than at the close of May, and were practically the same as those carried a year ago. The ratio of sales to stocks during the first half of 1925 was 125 per cent, as compared to 115.9 per cent during the corresponding period of 1924.

### RETAIL TRADE

The June volume of department store trade reflected a seasonal decline of 12.3 per cent as compared to the previous month, but was 2.4 per cent greater than during the cor-

The ratio of June collections to accounts outstanding on June 1st was 41.8 per cent as compared to 40.3 per cent for May, and 38.5 per cent for June, 1924.

### BUSINESS OF DEPARTMENT STORES

	Dallas	Ft. Worth	Houston	All Others	Total District
Total sales—					
June, 1925, compared with June, 1924.....	+ 4.6	+ 13.5	+ 4.3	+ 4.2	+ 2.4
June, 1925, compared with May, 1925.....	- 13.8	+ 1.7	- 3.0	- 19.9	- 12.3
Jan. 1st to date compared with same period last year.....	+ 8.0	+ 7.1	+ 5.9	+ 5.2	+ 6.5
Credit sales—					
June, 1925, compared with June, 1924.....	+ 5.5	+ 27.5	+ 7.6	- 1.3	+ 5.1
June, 1925, compared with May, 1925.....	- 16.1	+ 5.2	+ 3.0	- 25.1	- 14.4
Jan. 1st to date compared with same period last year.....	+ 11.0	+ 13.3	+ 9.2	+ 8.3	+ 9.9
Stocks—					
June, 1925, compared with June, 1924.....	+ 1.0	- 6.5	- 6.6	+ 3.2	- .5
June, 1925, compared with May, 1925.....	- 3.8	- 14.2	- 10.1	- 5.6	- 6.7
Percentage of sales to average stocks in					
June, 1924.....	16.6	15.7	21.2	20.9	19.0
June, 1925.....	17.5	18.5	22.1	19.0	19.3
Percentage of sales to average stocks—					
January 1 to June 30, 1924.....	109.6	96.8	110.7	123.4	115.9
January 1 to June 30, 1925.....	121.7	101.9	119.5	129.3	125.0
Ratio of outstanding orders to last year's purchases.....	6.7	4.6	9.2	6.8	6.9
Ratio of June collections to accounts receivable, due and outstanding June 1, 1925.....	35.9	37.0	40.4	55.0	41.8

### FINANCIAL

Contrary to the usual trend at this season of the year, charges to depositors' accounts at banks in fifteen principal cities in the district reflected an increase during June amounting to 3.1 per cent over the previous month. The June volume was 18.7 per cent larger than that during the same month of 1924.

### CHARGES TO DEPOSITORS' ACCOUNTS

	June 1925	June 1924	Inc. or Dec.	May 1925	Inc. or Dec.
Albuquerque.....	\$ 10,760,000	\$ 10,304,000	+ 4.4	\$ 9,484,000	+ 13.5
Austin.....	16,280,000	12,556,000	+ 29.7	19,148,000	- 15.0
Beaumont.....	18,187,000	18,462,000	- 1.5	18,272,000	- .5
Corsicana.....	7,585,000	7,818,000	- 3.0	8,467,000	- 10.4
Dallas.....	184,294,000	145,519,000	+ 26.6	175,781,000	+ 4.8
El Paso.....	31,980,000	36,325,000	- 12.0	30,120,000	+ 6.2
Fort Worth.....	68,761,000	60,333,000	+ 14.0	66,443,000	+ 3.5
Galveston.....	32,820,000	23,935,000	+ 37.1	35,729,000	- 8.1
Houston.....	123,945,000	101,774,000	+ 21.8	118,450,000	+ 4.6
Roswell.....	3,287,000	2,412,000	+ 36.3	2,850,000	+ 15.3
San Antonio.....	43,498,000	33,990,000	+ 28.0	41,170,000	+ 5.7
Shreveport.....	36,028,000	33,560,000	+ 7.4	35,932,000	+ .3
Texarkana.....	10,016,000	7,339,000	+ 36.5	8,313,000	+ 20.5
Tucson.....	9,523,000	8,880,000	+ 13.6	9,063,000	+ 5.1
Waco.....	15,341,000	13,183,000	+ 16.4	14,876,000	+ 3.1
Total, 11th District.....	\$612,305,000	\$515,890,000	+ 18.7	\$594,098,000	+ 3.1

**Acceptance Market** The volume of acceptances executed by accepting banks of this district and which were outstanding at the close of June showed a further slight decline during the month. Acceptances outstanding on June 30th totaled \$507,402.01 as compared to \$568,536.69 on May 31st.

**Condition of Member Banks in Selected Cities** Following a decline during the three previous months, the loans of member banks in selected cities reflected a substantial increase in June. While there was a decrease of \$324,000 in loans secured by government securities, this decrease was more than offset by an increase of \$3,905,000 against corporate securities and an increase of \$905,000 in all other loans (largely commercial). The demand deposits of these banks showed a further decline of \$7,442,000, but time deposits rose \$1,811,000. Their investments in government securities declined \$2,678,000 during the month.

### CONDITION STATISTICS OF MEMBER BANKS IN SELECTED CITIES

	July 1, 1925	July 2, 1924	June 2, 1925
1. Number of reporting banks.....	49	50	49
2. U. S. securities owned.....	\$ 54,077,000	\$ 46,536,000	\$ 56,755,000
3. All other stocks, bonds and securities owned.....	18,649,000	13,402,000	19,653,000
4. Loans secured by U. S. Government obligations.....	2,945,000	3,059,000	3,269,000
5. Loans secured by stocks and bonds other than U. S. Government obligations.....	73,897,000	59,059,000	69,992,000
6. All other loans.....	213,713,000	196,020,000	212,808,000
7. Net demand deposits.....	257,217,000	211,049,000	264,659,000
8. Time deposits.....	95,034,000	87,505,000	93,223,000
9. Reserve with Federal Reserve Bank.....	28,508,000	22,281,000	33,061,000
10. Bills payable and rediscounts with Federal Reserve Bank.....	1,049,000	3,043,000	1,241,000
11. Ratio of loans* to net demand deposits.....	84%	94%	82%

\*Loans include only items 4 and 6.



Savings  
Deposits

Reports as of June 30th from 102 banks in this district which operate a savings department reflect a gain of 3.1 per cent in savings deposits over those of May 31st, and a gain of 11.1

per cent over those of June 30th last year. There were 231,858 savings depositors on June 30th as compared to 236,358 on May 31st, and 209,380 on June 30, 1924.

## SAVINGS DEPOSITS

	Number of Reporting Banks:	June 30, 1925		June 30, 1924		Inc. or Dec.	May 31, 1925		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*	4,680	2,250,553	4,761	2,411,176	- 6.7	4,766	2,307,886	- 2.5
Dallas	7	46,256	16,187,587	38,784	13,287,293	+21.8	46,124	15,533,647	+ 4.2
El Paso	8	16,619	5,947,277	16,907	7,075,140	-15.9	16,407	5,798,221	+ 2.6
Fort Worth	3	12,902	5,189,446	11,490	4,568,475	+13.6	12,848	4,956,632	+ 4.7
Galveston	3	13,490	8,629,167	11,790	7,367,620	+17.1	13,549	8,336,421	+ 3.5
Houston	12*	47,049	23,822,392	42,809	20,769,213	+14.7	46,905	23,395,870	+ 1.8
San Antonio	6*	18,905	11,727,603	16,113	10,386,093	+12.9	23,738	11,163,457	+ 5.1
Shreveport	5	24,912	10,389,867	23,313	10,995,727	+ 5.5	24,629	10,111,276	+ 2.8
Waco	5	7,883	4,542,248	5,794	3,144,122	+44.4	7,893	4,399,852	+ 3.2
All others	54*	39,162	17,472,386	37,619	15,568,292	+12.2	39,499	16,932,372	+ 3.2
Total	102	231,858	106,158,446	209,380	95,573,151	+11.1	236,358	102,935,635	+ 3.1

\*Only 3 banks in Beaumont, 11 banks in Houston, 5 banks in San Antonio, and 51 banks in all others reported the number of savings depositors.

## JULY 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	5-6	8	4½-6	5-6	5-8	5-7
(b) running 4-6 months	5-6	8	4½-6	5-6	5-8	5-7
Rate charged on loans to other banks, secured by bills receivable	5-6	6-8	5-6	4½-5	6	5-6
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	6-8	5-6	6-8	6
Rate on loans secured by prime stock exchange or other current collateral						
(a) demand	5-6	8	6-8	5-6	6-8	6-7
(b) time	5-7	8	6-8	5-6	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	7-8	8-10	6-8	7-8	7-8	....

*Deposits of Member Banks* There was a further seasonal decline of \$17,025,000 in the demand deposits of member banks between May 27th and June 24th, but an increase of \$1,212,000 in time deposits. The total deposits of these banks on June 24th were \$86,101,000 greater than on June 25, 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
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
Feb. 25, 1925	680,428	166,895	321,650	45,334	358,778	121,061
Mar. 25, 1925	682,862	163,780	304,459	45,132	358,403	118,648
Apr. 22, 1925	635,576	165,531	292,385	47,963	343,191	117,568
May 27, 1925	605,626	166,006	277,145	48,771	328,481	117,235
June 24, 1925	588,601	167,218	267,143	47,978	321,458	119,240

Operations of  
the Federal  
Reserve Bank.

The past month witnessed a further broadening in the demand for Federal Reserve Bank credit. Total loans to member banks amounted to \$6,681,118.29 on June 30th, or an increase of \$1,460,724.43 during the month. On July 15th these loans had increased to \$8,305,247.74. At the end of June there were 208 banks owing the Federal Reserve Bank as compared to 157 banks at the close of May.

On June 30, 1924, there were 317 banks owing the Federal Reserve Bank \$15,445,810.51.

Due to the substantial increase in both rediscounts and holdings of bankers' acceptances, the total volume of bills held by this bank increased from \$13,939,419.62 on May 31st to \$19,075,650.22 on June 30th, distributed as follows:

Member banks' collateral notes (secured by U. S. Government obligations)	\$ 636,800.00
Rediscounts and all other loans to member banks	6,054,818.29
Open market purchases (Bankers' acceptances)	12,394,531.93

Total bills held.....\$19,075,650.22

Federal Reserve notes in actual circulation declined from \$40,861,585 on May 31st to \$38,511,855 on June 30th. The reserve deposits of member banks which stood at \$56,688,613.39 on June 30th, reflected a further decline of \$1,598,210.95 during the month.

## FAILURES

The trend of commercial failures in this district continued downward during the past month. Defaults in June totaled 44, the smallest number reported in any month since September, 1924, and compares with 56 failures in May, and 50 insolvencies in June, 1924. The liabilities of firms defaulting in June were the smallest of any month during the current year, amounting to \$536,229 as compared to \$1,956,651 in May, and \$765,071 in June a year ago. During the first half of 1925 there were 375 insolvencies with liabilities amounting to \$6,951,566 as against 363 defaults with a combined indebtedness of \$5,769,172 during the corresponding period of 1924.



## PETROLEUM

The daily average production of crude oil in the Eleventh Federal Reserve District during June amounted to 499,403 barrels as against 503,519 barrels in May, a decrease of 4,116 barrels. Drilling activity showed a decided slowing down in June as compared to May. There were 528 wells completed in June, of which 335 were successful and netted a flush production of 87,832 barrels of oil, as contrasted with 776 completions during May including 527 wells which produced 163,141 barrels of new production.

The Central-West Texas and miscellaneous fields showed substantial gains in production during June, but these gains did not offset the large decreases in the Corsicana-Powell

and Wortham fields. North Texas fields made an increase in production, but production in the Gulf Coast fields was practically stationary. The Big Lake field continues to increase its production as it is developed. There were 1,834,800 barrels of oil produced in Louisiana during June, as compared to 1,847,446 barrels in May, but the daily average production increased 1,565 barrels.

## Crude Oil Prices

There were no changes in the posted prices of crude oils in this district during the period June 12th to July 8th. However, premiums are still being paid in the North Texas markets for conveniently located crude.

## OIL PRODUCTION

Field	June			May			Increase or Decrease	
	Total	Daily	Average	Total	Daily	Average	Total	Daily Avg.
North Texas .....	2,939,300	97,977	97,977	3,076,535	99,243	99,243	Dec. 137,235	Dec. 1,266
Central-West Texas .....	2,199,170	73,306	73,306	2,079,455	67,079	67,079	Inc. 119,715	Inc. 6,227
East-Central Texas .....	3,516,350	117,211	117,211	4,045,785	130,509	130,509	Dec. 529,435	Dec. 13,298
Texas Coastal .....	2,909,390	96,980	96,980	3,005,956	96,967	96,967	Dec. 96,566	Inc. 13
Miscellaneous fields .....	1,583,070	52,769	52,769	1,553,895	50,126	50,126	Inc. 29,175	Inc. 2,643
Total, Texas .....	13,147,280	438,243	438,243	13,761,626	443,924	443,924	Dec. 614,346	Dec. 5,681
North Louisiana .....	1,834,800	61,160	61,160	1,847,446	59,595	59,595	Dec. 12,646	Inc. 1,565
Total, 11th District .....	14,982,080	499,403	499,403	15,609,072	503,519	503,519	Dec. 626,992	Dec. 4,116

## JUNE DRILLING RESULTS

Field	Com- pletions	Pro- ducers	Fail- ures	Initial Production
North Texas .....	239	145	94	12,565
Central-West Texas .....	63	45	18	23,945
East Central Texas .....	37	35	2	2,265
Texas Coastal .....	87	64	23	84,371
East Texas .....	3*	1	2	---
Miscellaneous fields .....	12	12	---	7,960
Texas wildcats .....	47	8	39	985
Totals, Texas .....	488	310	178	82,091
North Louisiana .....	40	25**	15	5,741
June totals, District .....	528	335	193	87,832
May totals, District .....	776	527	249	163,141

\*Gas wells. \*\*Includes 4 gas wells.

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

## CRUDE OIL PRICES

	July 8, 1925		July 12, 1924	
	1925	1924	1925	1924
TEXAS—				
Corsicana light .....	\$2.00	\$1.75		
Corsicana heavy .....	1.00	1.00		
Texas Coastal .....	1.75	1.75		
Mexia .....	2.00	1.75		
Currie .....	2.00	2.00		
North Texas (42 gravity and above) .....	2.35			
LOUISIANA				
Caddo (38 gravity and above) .....	\$2.05	\$1.60		
Bull Bayou (38 gravity and above) .....	1.85	1.55		
Homer (35 gravity and above) .....	1.80	1.60		
Haynesville (33 gravity and above) .....	1.70	1.50		
De Soto Crude .....	1.90	1.60		

## CEMENT

The production of Portland cement at Texas mills was practically the same in June as in the previous month, and the same month of 1924. There were 389,000 barrels of cement produced in June, as compared to 392,000 barrels during May, and 390,000 barrels in June last year. Shipments of cement from the mills during June were 3.5 per

cent greater than May shipments, and were 10.7 per cent greater than shipments made during the corresponding month last year. Stocks held at the close of June were 21.3 per cent less than stocks on hand at the close of May, and were 31.9 per cent less than June 30, 1924, stocks.

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

	June 1925		June 1924		Per Cent Inc. or Dec.	May 1925	Per Cent Inc. or Dec.	First Six Months		Per Cent Inc. or Dec.
	1925	1924	1925	1924				1925	1924	
Production of Texas Mills .....	389,000	390,000	389,000	392,000	— .3	392,000	— .8	2,251,000	2,229,000	+ 1.0
Shipments from Texas Mills .....	444,000	401,000	444,000	429,000	+ 10.7	429,000	+ 3.5	2,400,000	2,210,000	+ 8.6
Stocks at end of the month at Texas Mills .....	203,000	298,000	203,000	258,000	— 31.9	258,000	— 21.3			

## LUMBER

The usual summer lull in activities was evident at the pine mills of Texas and North Louisiana during June. Shipments of lumber from the mills declined to 4 per cent below the June production, as compared to only 2 per cent below production in May. Production reached a further low level, being 10 per cent below normal as against 8 per cent below normal during the previous month. Orders received during June were for 84 per cent of normal production for the month, a decline from May when orders were booked for 88 per cent of normal production. Stocks on hand at the close of June were 12 per cent below normal stocks at that time, while at the end of May stocks were 21 per cent below normal.

Orders on the books of the 48 reporting mills on June 30th called for 52,758,807 feet of lumber, as compared to orders for 52,684,569 feet held by 51 reporting mills on May 31st.

## JUNE PINE MILL STATISTICS

Number of reporting mills .....	48
Production .....	88,149,197 feet
Shipments .....	84,717,996 feet
Orders .....	84,136,335 feet
Unfilled orders, June 30th .....	52,758,807 feet
Normal production .....	97,480,503 feet
Stocks, June 30th .....	259,069,619 feet
Normal stocks .....	292,835,144 feet
Shipments below production .....	3,431,201 feet= 4%
Actual production below normal .....	9,331,306 feet= 10%
Orders below normal production .....	13,344,168 feet= 16%
Stocks below normal .....	38,765,525 feet= 12%



## BUILDING

There were 2,712 permits for building construction, valued at \$7,384,697, issued at the twelve reporting centers during June, as compared to 2,644 permits having a total valuation of \$5,631,223 issued in June, 1924, and 2,628 per-

mits valued at \$8,709,658 for May, 1925. While these figures show a decrease during June in the valuation of construction activity of 15.2 per cent as compared to May figures, there was an increase of 31.1 per cent over the corresponding month last year.

## BUILDING PERMITS

	June 1925		June 1924		Inc. or Dec.	May 1925		Inc. or Dec.	First Six Months				Inc. or Dec.
	No.	Valuation	No.	Valuation		No.	Valuation		1925		1924		
									No.	Valuation	No.	Valuation	
Austin.....	49	105,195	38	64,707	+ 62.6	32	78,425	+ 34.1	287	502,314	273	637,330	- 21.2
Beaumont.....	159	110,144	200	143,506	- 25.8	187	119,517	- 7.8	1,026	940,628	1,270	1,385,046	- 32.1
Dallas.....	473	1,649,972	397	1,882,666	- 12.4	437	3,804,113	- 56.6	3,017	15,906,830	2,565	14,719,458	+ 8.1
El Paso.....	42	85,820	53	155,929	- 45.0	61	246,427	- 65.2	396	791,122	426	994,875	- 20.5
Fort Worth.....	286	1,249,186	205	506,770	+146.5	208	510,913	+144.5	1,367	4,896,874	1,241	3,772,865	+ 29.8
Galveston.....	270	191,312	293	158,404	+ 20.8	263	154,229	+ 24.0	1,705	870,507	1,921	1,876,612	- 53.6
Houston.....	568	2,224,380	592	1,462,243	+ 52.1	542	1,648,674	+ 34.9	3,387	11,471,125	3,587	9,005,700	+ 27.4
Port Arthur.....	119	160,507	149	116,781	+ 37.4	126	45,784	+250.6	850	659,103	1,049	866,057	- 23.9
San Antonio.....	302	661,195	313	361,730	+ 82.8	298	796,055	- 16.9	1,934	4,447,542	2,096	4,018,655	+ 10.7
Shreveport.....	233	309,986	274	486,752	- 36.3	249	311,120	- .4	1,526	3,121,487	1,723	4,523,925	- 31.0
Waco.....	64	145,700	47	106,720	+ 36.5	62	261,200	- 44.2	410	1,263,171	372	1,062,417	+ 18.9
Wichita Falls.....	147	491,300	83	180,015	+172.9	163	733,201	- 33.0	797	3,167,633	440	1,215,731	+160.6
Total.....	2,712	7,384,697	2,644	5,631,223	+ 31.1	2,628	8,709,658	- 15.2	16,702	48,038,336	16,963	44,078,671	+ 9.0

## SUMMARY OF NATIONAL BUSINESS CONDITIONS

(Compiled by the Federal Reserve Board, as of July 24, 1925.)

Production in basic commodities and factory employment declined further in June, while railway freight shipments and the volume of wholesale trade increased. Wholesale prices, after declining for two months, advanced in June.

## PRODUCTION

Production in basic industries, as indicated by the Federal Reserve Board's index, declined about one per cent in June to the lowest level since the autumn of 1924, but was 17 per cent above the low point of last summer. The output of pig iron, steel ingots, lumber, newsprint, and petroleum, and mill consumption of cotton declined in June, while production of bituminous coal, sole leather, and wheat flour increased. The number of automobiles manufactured during June was slightly less than in May. Factory employment declined 1 per cent and factory payrolls over 2 per cent between May 15th and June 15th, reflecting substantial declines in the automobile, boot and shoe, textile, and iron and steel industries. Building contracts awarded during June were larger in value than during May and almost equalled the peak figure for April, in square feet of floor space the June awards were a little smaller than those for May. Residential contracts in June were the smallest for any month since February, but greatly exceeded those of a year ago.

The Department of Agriculture estimate of the condition of all crops combined on July 1st showed some improvement from the month before. The corn crop forecast places it at approximately 550,000,000 bushels above last year.

The July 15th cotton crop estimate was 13,588,000 bales compared with a forecast of 14,339,000 bales on June 25th.

## TRADE

Freight car loadings were larger during June than during May, as is usual at that season, and also considerably exceeded the figures for June, 1924, the low point of last year. Sales at department stores during June were seasonally smaller than in May, but totaled 5 per cent more than last year. It should be borne in mind, however, that in June of this year there were four Sundays as compared with five in the preceding month, as well as in June, 1924. Mail order sales were 6 per cent larger than in May, and exceeded the amount of June, 1924. Sales of wholesale firms were 5 per cent greater than in May, and larger than in any

June in the last five years. Department store stocks were reduced further in June, but were slightly larger than a year ago. Wholesale stocks of groceries, shoes, and hardware were smaller at the end of June than a month earlier, but those of dry goods and drugs were larger. Compared with a year ago stocks of groceries, and drugs were larger in value, while stocks of dry goods shoes, and hardware were smaller.

## PRICES

Wholesale commodity prices advanced 1.4 per cent in June according to the index of the Bureau of Labor Statistics following declines in April and May. The largest increase for any commodity group was for the miscellaneous group, which includes crude rubber. Prices of farm products, foods, fuel, and lighting also advanced, while prices of building materials declined considerably. In the first half of July quotations on flour, beef, hogs, wool, copper, petroleum, hides, and rubber increased, while prices of sugar, bituminous coal, and hardwood lumber declined.

## BANK CREDIT

At member banks in leading cities the volume of loans on securities continued to increase after the middle of June, and during the first half of July was at a higher level than at any previous time. Demand for bank credit for commercial purposes was relatively inactive, and the volume of commercial loans at reporting member banks remained near the low level for this year, although considerably above the amount for the corresponding period of 1924.

At the reserve banks the seasonal demand for credit and currency was reflected in increased borrowing by member banks, which carried discounts at the beginning of July to the highest level in more than a year, and notwithstanding the subsequent decline, the total on July 22nd was still at a relatively high level. Total earning assets on that date showed little change as compared with the figures for four weeks earlier.

Firmness in the money market at the close of the fiscal year was followed by an easing of money after the first week of July. In the latter part of the month there was again evidence of firmer money conditions. These changes were reflected chiefly in the movement of rates for call money, quoted rates on prime commercial paper, and on bankers' acceptances remaining throughout the period at 3¾, 4 per cent and 3¼ per cent.