

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

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DISTRICT SUMMARY

THE SITUATION AT A GLANCE Eleventh Federal Reserve District

	June	Change from May
Bank debits to individual accounts (at 17 cities).....	\$792,975,000	- 2.8%
Department store sales.....		- 16.7%
Reserve bank loans to member banks at end of month.....	\$ 9,554,395	+ 1.1%
Reserve bank ratio at end of month.....	65.1%	- .4 points
Building permit valuation at larger centers.....	\$ 4,771,689	- 16.7%
Commercial failures (number).....	62	+ 21.6%
Commercial failures (liabilities).....	\$ 8,454,866	+761.2%
Oil production (barrels).....	27,426,270	+ .5%
Lumber orders at pine mills (per cent of normal production).....	74%	- 4.0 points

tion, shipments, and new orders for lumber showed a sharp decline.

While the growth of crops made fair to good progress during the past thirty days, there are many portions of the district which are badly in need of moisture. Crops in some sections have already begun to deteriorate and unless rain is obtained within a short time, production of some crops will be materially affected. The harvesting of small grains was carried on under ideal conditions and the outturn was better than was expected, yet the production of all grain crops, except oats, was smaller than a year ago. The smaller production, together with the low market price has materially curtailed the purchasing power of a considerable percentage of the district's farmers. Although the prospects for feed crops are generally good, the yield, as indicated by the Department of Agriculture's July 1 report, will be smaller than a year ago. While a large percentage of the cotton crop has made good growth and is fruiting well, there are some sections where the plants are suffering from the lack of moisture. The district's ranges deteriorated somewhat during June but the condition of livestock was well sustained. Livestock prices declined to a lower level and trading on the ranges is at a standstill.

The past month witnessed a further decline in deposits and a slight increase in the demand for credit for agricultural and commercial purposes. The daily average of combined net demand and time deposits which amounted to \$847,046,000 in June reflected a decline of \$17,665,000 as compared to the previous month and was \$22,102,000 smaller than a year ago. It is significant to note, however, that the decline in the deposits this year was smaller than it was in 1929. Federal Reserve Bank loans to member banks fluctuated within narrow limits and on July 15 were only \$1,459,800 greater than six weeks earlier, and were \$17,720,955 less than on the corresponding date a year ago. While the loans on securities of reserve city banks reflected a further sharp decline, commercial loans showed a moderate increase for the first time in seven months.

BUSINESS

The distribution of merchandise in the wholesale channels of distribution reflected a further heavy decline in June.

materially smaller than in the corresponding month last year. During the first half of the year, sales in all reporting lines fell short of that in the same period of 1929, the decline ranging from 3.5 per cent for groceries to 31.7 per cent for farm implements. Restricted consumer buying due to crop

Wholesale Trade

While the recession was in part seasonal, it was much more pronounced than is usual at this season and distribution was

uncertainties and the low level of prices of agricultural commodities, and cautious policies of retailers have materially reduced the demand at wholesale establishments. Collections were reported to be slow in most lines.

Midsummer quietude was evidenced in the wholesale dry goods trade during June. Sales of reporting firms reflected a decline of 19.2 per cent from the previous month, which was more than seasonal, and were 32.1 per cent smaller than in the corresponding month last year. Distribution during the half year averaged 24.3 per cent below that for the same period of 1929. Retailers continue to buy very cautiously due to the downward trend in prices of raw materials and the poor consumer demand. Collections were materially smaller than in either the previous month or the corresponding month last year.

The slow demand for farm implements was again evident during June. Sales have shown a steady decline since January, the June figure being 6.2 per cent less than in May and 35.3 per cent below those for June last year. Distribution for the first six months of the current year averaged 31.7 per cent less than in the corresponding period of 1929. Prices continued generally steady. Collections were slightly smaller than in the previous month.

A further marked decline in the demand for drugs at wholesale was registered during the past month. Sales were not only 11.6 per cent less than in May, but were 13.0 per cent below those in the corresponding month a year ago. Restricted buying was noticeable in all sections of the district. Reports indicate that retailers are holding commitments to a minimum and are buying in small quantities. Collections were smaller than in the previous month.

Sales of reporting wholesale grocery firms during June were 1.9 per cent lower than in the previous month and were 8.5 per cent smaller than in June, 1929. Increased buying was noticeable in those sections where prospects for agricultural production are favorable but in most areas a further recession occurred. Prices evidenced a further weakness.

The June sales of reporting wholesale hardware firms reflected a further substantial recession, the total being 7.9 per cent less than in May and 15.1 per cent under June, 1929. During the first half of the current year, sales averaged 15.1 per cent smaller than in the corresponding period of the previous year. In some areas buying was on a larger scale than in the previous month. Collections were materially smaller than in the previous month.

CONDITION OF WHOLESALE TRADE DURING JUNE, 1930
Percentage of increase or decrease in:

	Net Sales June, 1930 compared with June 1929		Net Sales Jan. 1 to date compared with same period last year		Stocks June, 1930 compared with June 1929		Ratio of collec- tions during June to accounts and notes outstanding on May 31
	1929	1930	1929	1930	1929	1930	
Groceries.....	- 8.5	- 1.9	- 3.5	-11.7	- 4.0	65.5	
Dry goods.....	-32.1	-19.2	-24.3	-27.6	+ .6	20.4	
Farm implements..	-35.3	- 6.2	-31.7	+24.3	- 4.5	6.5	
Hardware.....	-15.1	- 7.9	-15.1	+ 7.2	+10.5	32.1	
Drugs.....	-13.0	-11.6	-15.8	-10.8	- 4.6	41.3	

Retail Trade

A slowing down in the distribution of merchandise at retail in larger centers, which was more pronounced than is usual at this season, was in evidence during June. Sales were 16.7 per cent less than in May and fell 9.2 per cent below those for June last year. Distribution during the first half of the current year reflected a decline of 8.4 per cent as compared to the same period of 1929.

Stocks on hand at the close of June were 7.8 per cent less than a month earlier and were 3.9 per cent smaller than on June 30, 1929. The rate of stock turnover in the first six months of the current year was 1.36 as against 1.44 in the same period last year.

Collections showed a substantial decline in June. The ratio of June collections to accounts outstanding on June 1 was 32.7 per cent as compared to 36.5 per cent in May, and 35.0 per cent in June, 1929.

BUSINESS OF DEPARTMENT STORES

	Dallas	Fort Worth	Houston	San Antonio	Others	Total District
Total Sales (Percentage):						
June, 1930, compared with June, 1929.....	- 5.4	-18.9	-13.2	-15.6	+ 5.0	- 9.2
June, 1930, compared with May, 1930.....	-18.2	-18.4	-13.6	-19.5	-14.0	-16.7
January 1 to date, compared with same period last year.....	- 7.6	-13.8	- 9.8	- 6.3	- 5.0	- 8.4
Credit Sales (Percentage):						
June, 1930, compared with June, 1929.....	- 1.8	-14.7	-10.0	-12.0	+12.3	- 4.6
June, 1930, compared with May, 1930.....	-18.6	-21.2	-10.4	-19.2	-17.5	-17.5
January 1 to date, compared with same period last year.....	- .8	- 7.2	- 4.5	- 3.0	+ .1	- 2.5
Stocks (Percentage):						
June, 1930, compared with June, 1929.....	+ .5	- 3.8	- 6.5	- 7.6	- 5.3	- 3.9
June, 1930, compared with May, 1930.....	-10.1	- 6.4	- 6.2	- 7.3	- 7.2	- 7.8
Stock Turnover (Rate):						
Rate of stock turnover in June, 1929.....	.24	.21	.26	.32	.17	.23
Rate of stock turnover in June, 1930.....	.23	.18	.25	.29	.19	.22
Rate of stock turnover January 1 to June 30, 1929.....	1.58	1.26	1.60	1.82	1.11	1.44
Rate of stock turnover January 1 to June 30, 1930.....	1.43	1.11	1.52	1.86	1.12	1.36
Ratio of June collections to accounts receivable and outstanding June 1, 1930.....	31.1	30.7	36.1	34.9	33.2	32.7

Commercial Failures

Commercial failures in the Eleventh Federal Reserve District during June, as compiled by R. G. Dun & Company, reflected a considerable increase. The number of insolvencies increased to 62 as compared to 51 in the previous month and 27 in June, 1929. Due principally to one large failure, the liabilities rose to \$3,454,866, as against \$981,806 in May

and \$710,082 in the corresponding month last year. There were 346 defaults in the first half of the current year with liabilities of \$14,012,956 which compares to 275 insolvencies in the same period of 1929 with a total indebtedness of \$4,500,102. During the current year, there have been more failures among the larger size firms than was the case a year ago.

AGRICULTURE

Crop Conditions

While there are many sections of the district where additional moisture is needed, crops generally made fair to good progress during the past month. Nevertheless, without additional moisture within a short time deterioration in crops is in prospect for many sections. Small grains, aided by favorable weather at the time of maturity and the prevalence of ideal conditions during the harvesting period, turned out better than was expected. Yet the low market prices for small grains, as well as other agricultural commodities, is very discouraging to the farmers.

The corn crop in Texas has matured rapidly and with the exception of that portion of the crop affected by dry weather, the yield promises to be good. The Department of Agriculture in its report of July 1 estimated this year's production at 78,336,000 bushels as compared to a yield of 86,127,000 bushels last year. Reports indicate that the yields in South Texas and portions of Central Texas will be better than the average. In Louisiana, where the dry weather has materially reduced prospects, the condition figure on July 1 was only 51 per cent of normal as against 74 per cent a year ago, and the Department of Agriculture estimated that the total yield would be approximately one-third less than a year ago on a 10 per cent larger acreage. The Department's estimate for the Oklahoma crop was placed at 67,040,000 bushels as compared to 48,320,000 bushels in 1929. The crop in the latter State was materially benefited by timely rains. The indicated yield of tame hay in Texas on July 1 was 749,000 tons, which represents a slight increase over the 1929 production. On the other hand, the production of wild hay was estimated at 212,000 tons, or a decline of 34,000 tons from the 1929 yield. A lower yield of both tame and wild hay is estimated for New Mexico and Louisiana.

The Department of Agriculture in its report of July 1 estimated that the cotton acreage this year was smaller than in 1929 in every State attached to the Eleventh District except New Mexico and in that State the increase was only 1 per cent. In Texas, where there was a decline of 4 per cent, the Department stated that the greatest reduction occurred in the Southern portion of the State and it gradually became smaller to the West and North until an increase was shown in the West and Northwest portions. There is shown below the 1930 acreage and comparisons with the 1929 acreage:

State	Acreage 1930	Acreage Per Cent of 1929
Arizona.....	212,000	93
Louisiana.....	2,071,000	97
New Mexico.....	133,000	101
Oklahoma.....	4,076,000	92
Texas.....	17,500,000	96

The condition of the cotton crop is somewhat spotted. The early cotton has made generally good progress and reports indicate that it is fruiting satisfactorily in most sections of the district, but late reports indicate some shedding in South Texas. The young cotton has made poor to only fair growth except in those localities where moisture conditions have been favorable. The lack of moisture and the extremely high temperatures recently have retarded plant development in many areas. Rain is badly needed over the major portion of Northwest, Northeast, and in scattered sections of Central and Southeast Texas, Southeastern Oklahoma, and

portions of Northern Louisiana. The best condition obtains in North, South, and portions of Central Texas where plants have made good growth and are fruiting heavily. In the extreme Southern portion of Texas, picking has become general and good yields are in prospect.

The Texas wheat harvest was better than was anticipated a month ago. The Department of Agriculture estimated production at 27,720,000 bushels which was 2,520,000 bushels greater than the June 1 estimate and compares with an actual production of 37,800,000 bushels in 1929. The dry weather during the spring caused a heavy acreage abandonment of winter wheat in New Mexico and reduced the condition of the crop to the point where the July 1 report indicated a production of only 1,328,000 bushels as compared to a production of 4,734,000 bushels in 1929. The yield in Arizona compares favorably with that of a year ago. The Texas oat crop was placed at 53,157,000 bushels, which represents an increase of 6,061,000 bushels over the production last year. The yields in Louisiana and New Mexico are smaller than last year but a larger production is anticipated for Oklahoma.

The Texas rice crop has made rapid growth. The condition figure on July 1 was reported as 86 per cent of normal as compared to 82 per cent a year ago, and with the 20 per cent increase in acreage the prospective production was placed at 8,405,000 bushels as against an actual yield of 7,524,000 bushels in 1929. The production of potatoes in Texas, Oklahoma, and Louisiana, is considerably heavier than a year ago, but a decrease in production is indicated for Arizona and New Mexico. The condition of the sweet potato crop in Texas was shown as 68 per cent of normal on July 1 as compared to 75 per cent a year ago and production was estimated at 7,910,000 bushels, which is slightly larger than the actual production in 1929. The Louisiana crop was estimated at only 4,988,000 bushels as compared to an actual yield of 7,440,000 bushels in 1929.

Livestock

While livestock ranges deteriorated somewhat during the past month, conditions are generally favorable in most sections except East and Northwest Texas and New Mexico. The most rapid deterioration has occurred in East Texas and in New Mexico where the deficiency in moisture has retarded growth of range vegetation. In Northwest Texas the soil is becoming dry but plenty of grass is still available for grazing. According to the Department of Agriculture, the condition of cattle ranges for Texas as a whole remained unchanged during June, and sheep and goat ranges rose three points to 88 per cent of normal on July 1. Cattle ranges in Arizona declined two points during the month, but are in considerably better condition than a year ago. In New Mexico the condition figure dropped from 84 per cent of normal on June 1 to 76 per cent on July 1 and on the latter date, was 14 points below a year ago. Livestock generally have held up well and have shown an improvement in Texas. The Department of Agriculture reported that, in the latter State, the condition of cattle gained 1 point during June and that of sheep and goats three points. The condition of cattle and sheep in New Mexico declined one point during the month, and that in Arizona declined two points. Trading in all classes of livestock is at a standstill in practically all sections of the district and there has been but little contracting for future delivery. The inactivity of range trading is due largely to

the extremely low prices being offered for livestock and to the fact that they are being held in fairly strong hands and that range conditions are such that ranchmen do not feel compelled to dispose of their holdings at the present time. This is particularly true in respect to sheep and lambs, the market for which has become badly demoralized, and the ranges of which are in generally good condition.

Movements and Prices

While the June receipts of cattle and calves at the Fort Worth market were slightly larger than those in May, they were substantially smaller than in June, 1929. The arrivals of hogs and sheep during June reflected a material decline as compared to both the previous month and the corresponding month last year.

Prices on all classes of cattle at the Fort Worth market receded to lower levels during the past six weeks. Despite the small receipts, supplies appeared to be in excess of demand and offerings were taken only at lower prices. While hog prices declined during June, the market was some stronger during the second week in July. The sheep and lamb market suffered a severe decline during the first half

Operations of the Federal Reserve Bank

Borrowings of member banks at the Federal Reserve Bank fluctuated within narrow limits during the month of June. These loans, which stood at \$9,452,815 on May 31, showed a gradual expansion during the following week, reaching a high point of \$10,835,793 on June 6. At the close of the month, loans had again declined to \$9,554,395, a figure only slightly higher than that a month earlier. The borrowings of country banks increased until about the middle of the month and then declined somewhat due largely to the liquidations obtained from the wheat crop. The borrowings of reserve city banks rose somewhat during the last days of June and the first half of July, largely offsetting the decline in loans to country banks. Total loans on July 15 amounted to \$10,912,615 as compared to \$28,633,570 on the corresponding date in 1929. At the close of June there were 211 member banks borrowing from the Federal Reserve Bank as compared to 193 a month earlier and 187 on June 30, 1929.

Due to the decline in the holdings of bankers' acceptances, total bills discounted declined from \$15,606,368.89 on May 31 to \$12,636,391.20 on June 30, distributed as follows:

Member banks' collateral notes secured by United States Government obligations	\$ 1,073,800.00
Rediscounts and all other loans to member banks	8,480,594.83
Open market purchases (Bankers' acceptances)	3,078,137.87
Discounts for non-member banks	3,858.50
Total bills held	\$12,636,391.20

There was a slight increase during the month in the amount of Federal reserve notes in actual circulation, the total on June 30 being \$31,847,500 as compared to \$31,414,750 on May 31. The actual circulation of these notes on June 30, 1929, amounted to \$38,022,010. The daily average of reserve deposits of member banks during June amounted to \$59,938,485, which represents a decline of \$1,448,525 from the previous month and \$3,382,734 from the corresponding month a year ago.

Deposits of Member Banks

Continuing the decline which began last November, the daily average of net demand deposits of member banks in the Eleventh Federal Reserve District fell to \$603,020,000 dur-

ing June when heavy receipts made their appearance, but when the arrivals showed a sharp reduction in the following weeks, the market recovered some of the loss.

FORT WORTH LIVESTOCK RECEIPTS
(Number)

	June 1930	June 1929	Change over Year	May 1930	Change over Month
Cattle.....	44,303	63,565	-19,262	41,791	+2,512
Calves.....	17,393	18,549	-1,156	16,455	+ 938
Hogs.....	17,938	27,837	-9,899	26,586	-8,648
Sheep.....	48,022	64,460	-16,438	54,455	-6,433

COMPARATIVE TOP LIVESTOCK PRICES
(Dollars per hundred weight)

	June 1930	June 1929	May 1930
Beef steers.....	\$11.00	\$14.40	\$11.50
Stocker steers.....	10.50	13.00	12.00
Butcher cows.....	8.50	10.25	7.75
Stocker cows.....	5.35	7.15	4.50
Calves.....	11.75	14.50	13.00
Hogs.....	10.05	11.00	9.95
Sheep.....	6.50	8.75	6.50
Lambs.....	9.50	13.50	10.00

FINANCE

The decline during the month was about equally divided between reserve city banks and country banks. Time deposits of these banks rose from \$241,429,000 during May to \$244,026,000 during June, and were \$17,916,000 larger than the average for the same month a year ago. The daily average of combined net demand and time deposits amounted to \$847,046,000 in June, as against \$864,711,000 in the previous month, and \$869,148,000 for the corresponding month a year ago.

DAILY AVERAGE DEPOSITS OF MEMBER BANKS
(In thousands of dollars)

	Combined Total		Reserve City Banks		Country Banks	
	Net demand deposits	Time deposits	Net demand deposits	Time deposits	Net demand deposits	Time deposits
June, 1929.....	\$643,038	\$226,110	\$260,317	\$129,412	\$382,721	\$ 96,698
July, 1929.....	640,034	230,834	270,374	138,357	369,760	82,477
Aug., 1929.....	629,909	230,643	260,019	137,174	369,890	83,469
Sept., 1929.....	658,520	234,116	268,795	136,950	391,725	97,166
Oct., 1929.....	674,587	225,673	282,630	134,198	391,957	91,475
Nov., 1929.....	668,818	222,773	281,609	132,235	387,209	90,538
Dec., 1929.....	663,839	220,111	279,611	131,879	384,228	88,282
Jan., 1930.....	659,110	225,469	270,951	131,152	388,159	94,317
Feb., 1930.....	655,119	232,758	268,197	136,111	386,922	96,647
Mar., 1930.....	639,586	229,358	269,635	132,932	369,951	96,420
April, 1930.....	630,029	237,274	271,647	138,980	358,382	98,294
May, 1930.....	623,282	241,429	269,858	142,181	353,324	89,248
June, 1930.....	603,020	244,026	260,854	143,753	342,166	100,273

Condition of Member Banks in Selected Cities

For the third consecutive month, the loans of member banks in selected cities showed a substantial decline during June. It is significant to note, however, that "all other" loans (largely commercial), after showing a decline during each month since November, 1929, turned upward during June and on July 9 stood at \$230,413,000, which was \$3,384,000 larger than on June 4, but were still \$12,399,000 less than on the corresponding date a year ago. During the five-week period, loans on securities reflected a further decline of \$14,988,000 and on July 9 were \$6,259,000 less than a year ago. The investments of these banks in United States securities showed practically no change during the five-week period, but investments in other stocks and bonds increased \$3,496,000. Their net demand deposits on July 9 totaled \$276,242,000, which was

\$9,139,000 less than five weeks earlier and \$5,479,000 below those on the corresponding date a year ago. Time deposits reflected a slight decline of \$321,000 during the period, but were still \$9,846,000 greater than a year ago. The borrowings of these banks at the Federal Reserve Bank amounted to \$2,147,000 on July 9 as compared to \$1,359,000 on June 4, and \$15,028,000 on July 10, 1929.

Debits to Individual Accounts

There was a further reduction during June of \$22,867,000 from the previous month in the volume of debits to individual accounts at banks in principal cities in this district. The aggregate of \$792,975,000 represents declines of 2.8 and 7.9 per cent, respectively, from the preceding month and the same month last year. Four cities this month showed increases over both the previous month and the same month last year, as against only one in May.

CONDITION STATISTICS OF MEMBER BANKS IN SELECTED CITIES
(In thousands of dollars)

	July 9, 1930	June 4, 1930	July 10, 1929
United States securities owned.....	\$ 64,667	\$ 64,682	\$ 83,432
All other stocks, bonds, and securities owned.....	47,407	43,911	39,727
Loans on securities.....	98,765	113,753	105,024
All other loans.....	230,413	227,029	242,812
Total loans.....	329,178	340,782	347,836
Net demand deposits.....	276,242	285,381	281,721
Time deposits.....	151,305	152,126	141,459
Reserve with Federal Reserve Bank.....	32,855	32,774	29,183
Bills payable and rediscounts with Federal Reserve Bank.....	2,147	1,359	15,028

DEBITS TO INDIVIDUAL ACCOUNTS
(In thousands of dollars)

	June 1930	June 1929	Percentage change over Year	May 1930	Percentage change over Month
Abilene.....	\$ 7,664	\$ 9,909	-22.7	\$ 8,400	- 8.8
Austin.....	18,521	19,217	- 3.6	21,349	-13.2
Beaumont.....	27,003	26,818	+ .7	24,645	+ 9.6
Coriscana.....	4,710	5,523	-14.7	5,119	- 8.0
Dallas.....	192,763	217,138	-11.2	204,548	- 5.8
El Paso.....	34,231	38,829	-11.8	39,488	-13.3
Fort Worth.....	88,854	106,258	-16.4	89,761	- 1.0
Galveston.....	29,349	29,072	+ 1.0	27,006	+ 8.7
Houston.....	182,078	188,829	- 3.6	189,142	- 3.7
Port Arthur.....	10,888	12,575	-13.4	10,483	+ 3.9
Roswell.....	4,598	4,337	+ 6.0	4,592	+ .1
San Antonio.....	88,100	93,884	- 6.2	89,659	- 1.7
Shreveport.....	38,635	37,286	+ 3.6	39,976	- 3.4
Texarkana*.....	12,966	16,690	-22.3	13,327	- 2.7
Tucson.....	13,835	12,690	+ 9.0	10,666	+29.7
Waco.....	14,030	15,468	- 9.3	14,505	- 3.3
Wichita Falls....	24,750	26,447	- 6.4	23,176	+ 6.8
Total.....	\$792,975	\$860,970	- 7.9	\$815,842	- 2.8

*Includes the figures of two banks in Texarkana, Arkansas, located in the Eighth District.

Acceptance Market

The seventh consecutive monthly decline was registered during June in the volume of acceptances executed by accepting banks in the Eleventh Federal Reserve District and outstanding at the end of the month. While this decline was seasonal in character, it was much more pronounced this year than it was a year ago. Acceptances outstanding totaled \$2,353,451 on June 30, as compared to \$2,869,638 on May 31, and \$5,102,381 on June 30 last year. Acceptances of these banks executed against import and export transactions declined from \$1,683,938 on May 31 to \$1,188,100 on June 30, and those based on the domestic shipment and storage of goods decreased from \$1,185,700 to \$1,165,351 during the same period.

Savings Deposits

The savings deposits of 87 reporting banks in this district on June 30 aggregated \$153,683,481, being 1.0 per cent larger than a month earlier and 0.9 per cent greater than on the same date last year. There were 305,173 savings depositors reported by 76 of these banks, as against 307,260 on May 31, and 297,975 on June 30, 1929.

SAVINGS DEPOSITS

	Number of Reporting Banks	June 30, 1930		June 30, 1929		Percentage Change Over Year in Savings Deposits	May 31, 1930		Percentage Change Over Month in Savings Deposits
		Number of Depositors	Amount of Deposits	Number of Depositors	Amount of Deposits		Number of Depositors	Amount of Deposits	
Beaumont.....	4*	4,754	\$ 2,655,531	4,712	\$ 2,620,387	+ 1.3	4,738	\$ 2,638,534	+ .6
Dallas.....	4	68,076	27,298,750	63,856	26,028,720	+ 4.9	68,617	23,437,297	+ 3.3
El Paso.....	2	16,341	6,143,352	15,224	6,173,434	+ .5	16,318	6,139,572	+ .1
Fort Worth.....	2	18,768	7,816,664	17,782	7,802,617	+ .2	18,727	7,551,292	+ 3.5
Galveston.....	3	13,887	8,105,512	13,881	9,157,834	-11.5	13,879	8,115,249	+ .1
Houston.....	11*	73,001	34,881,718	77,019	35,098,040	- .6	72,658	34,570,893	+ .9
Port Arthur.....	3*	4,783	1,779,265	4,858	1,976,146	-10.0	4,731	2,014,021	-11.7
San Antonio.....	7*	31,677	22,933,570	29,080	22,046,604	+ 4.0	31,548	22,389,111	+ 2.4
Shreveport.....	4*	20,893	12,910,964	21,211	11,596,508	+11.3	22,506	12,890,915	+ .2
Waco.....	4	10,412	7,019,773	9,966	7,138,696	- 1.7	10,483	6,896,481	+ 1.8
Wichita Falls....	2	3,747	1,729,991	3,750	1,607,698	+ 7.6	3,767	1,797,578	- 3.8
All others.....	41*	38,834	20,408,391	36,636	21,002,581	- 2.8	39,288	20,718,847	- 1.5
Total.....	87	305,173	\$153,683,481	297,975	\$152,249,265	+ .9	307,260	\$152,159,790	+ 1.0

*Only 2 banks in Beaumont, 10 banks in Houston, 2 banks in Port Arthur, 6 banks in San Antonio, 3 banks in Shreveport, and 36 banks in "All others" reported the number of savings depositors.

JULY DISCOUNT RATES

Prevailing Rates:

	Dallas	El Paso	Fort Worth	Houston	San Antonio	Waco
Rate charged customers on prime commercial paper such as is now eligible for rediscount under the Federal Reserve Act.....	4-6	8	5-8	6	5-6	6-8
Rate charged on loans to other banks secured by bills receivable.....	5-6	6	5-6	5-6	6	5½-6
Rate on loans secured by prime stock exchange or other current collateral (not including loans placed in other markets through correspondent banks):						
Demand.....	6-7	8	5-8	5½-6	6-8	6-8
Time.....	5½-8	8	5-8	5½-6	6-8	6-8
Rate charged on commodity paper secured by warehouse receipts, etc.....	4½-6	8	6-7	6	6-8	6-8
Rate on cattle loans.....	6-7	8	6-8	7-8	7-8	8

INDUSTRY

Cottonseed
Products

The customary decline that is noticeable toward the end of the season was in evidence in the operation of cottonseed oil mills during the month of June. The production of cottonseed products by both Texas and United States mills during the period August 1 to June 30, of the current season, was below that for the corresponding period of the previous season, excepting hulls, which at all United States mills was slightly higher. The amount of cottonseed on hand at all United States mills at the close of June was above that held on the same date in 1929. Stocks of crude oil, cake and meal, and hulls were considerably smaller on June 30 than those held on either May 31 of the current year or June 30, 1929, while stocks of linters showed an increase over those a year ago.

STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS

	Texas		United States	
	August 1 to June 30		August 1 to June 30	
	This Season	Last Season	This Season	Last Season
Cottonseed received at mills (tons).....	1,261,537	1,705,889	4,990,118	5,053,951
Cottonseed crushed (tons).....	1,271,355	1,701,790	4,952,314	5,006,893
Cottonseed on hand (tons).....	10,124	16,893	77,295	65,091
Crude oil produced (pounds).....	277,190,840	506,983,849	1,552,087,831	1,585,817,572
Cake and meal produced (tons).....	598,875	801,159	2,204,166	2,255,802
Hulls produced (tons).....	341,033	460,993	1,307,146	1,352,747
Linters produced (running bales).....	268,266	354,452	1,024,720	1,072,865
Stocks on hand, June 30:				
Crude oil (pounds).....	4,223,358	4,077,202	9,461,395	19,002,270
Cake and meal (tons).....	25,308	30,954	84,127	142,737
Hulls (tons).....	10,953	37,914	41,884	87,486
Linters (running bales).....	45,091	26,652	158,682	99,559

Textile
Milling

As reflected in cotton consumption and production of cloth, activities at textile mills in the Eleventh District continued downward during June, as compared with the previous month and the same month last year. There were 2,236 bales of raw cotton consumed in June as compared to 2,459 bales in May and 3,414 bales in June last year. The output of cloth was 8.7 per cent smaller than in the previous month and 31.1 per cent below the production in the same month of 1929. Orders on hand on June 30 were less than those of either previous date, while stocks continued to accumulate. Prices of raw cotton continued downward during the month.

Consumption of cotton at all United States mills during June also reflected a further decline. For the period August

TEXTILE MILLING STATISTICS—TEXAS

	June 1930	June 1929	May 1930
Number bales consumed.....	2,236	3,414	2,459
Number spindles active.....	90,668	96,252	91,668
Number pounds cloth produced.....	1,059,357	1,537,640	1,160,480

COTTON CONSUMED AND ON HAND
(Bales)

	June		August 1 to June 30	
	1930	1929	This Season	Last Season
Cotton growing states:				
Cotton consumed.....	320,043	431,450	4,454,795	4,983,124
On hand June 30 in—				
Consuming establishments.....			934,237	875,003
Public storage and compresses.....			2,728,134	1,101,499
United States:				
Cotton consumed.....	405,181	569,414	5,735,097	6,543,900
On hand June 30 in—				
Consuming establishments.....			1,357,394	1,287,740
Public storage and compresses.....			3,104,989	1,376,704

1 to June 30 of the current season, consumption was 12.4 per cent below that in the corresponding period of the previous season. The amount of cotton on hand in consuming establishments on June 30, while less than a month earlier was greater than on the same date of 1929.

Cotton

Movements

The receipts of cotton at the ports of Houston and Galveston during June showed a further decline as compared to the previous month. Exports from Galveston were substantially smaller than in either May this year or June last year. While exports from Houston were larger than in the previous month, they continued smaller than a year ago. Total foreign exports dropped to a lower level, the June figure being 185,053 bales as compared to 208,796 bales in May and 299,136 bales in June last year. Exports during the eleven months of the current season were 17 per cent smaller than in the corresponding period of the previous season.

COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON
(Bales)

	June		August 1 to June 30	
	1930	1929	This Season	Last Season
Receipts.....	18,136	29,835	1,904,229	2,980,618
Exports.....	39,741	120,109	1,773,511	2,935,914
Stocks, June 30.....			206,313	128,290

COTTON—GALVESTON STOCK STATEMENT
(Bales)

	June 30, 1930	June 30, 1929
For Great Britain.....	3,000	4,000
For France.....	2,500	4,000
For other foreign ports.....	15,200	19,200
For coastwise ports.....	1,500	3,500
In compresses and depots.....	184,113	97,590
Total.....	206,313	128,290

COTTON MOVEMENTS THROUGH THE PORT OF HOUSTON
(Bales)

	June		August 1 to June 30	
	1930	1929	This Season	Last Season
Receipts.....	20,194	12,841	2,621,486	2,845,507
Exports.....	77,197	87,377	1,908,512	2,357,033
Stocks, June 30.....			590,073	234,297

SEASON'S RECEIPTS, EXPORTS, AND STOCKS OF COTTON AT ALL
UNITED STATES PORTS—(Bales)

	August 1 to June 30	
	This Season	Last Season
Receipts.....	8,746,669	9,324,204
Exports: United Kingdom.....	1,235,375	1,809,766
France.....	798,372	765,153
Italy.....	639,537	687,247
Germany.....	1,638,071	1,753,229
Other Europe.....	782,781	1,009,940
Japan.....	1,004,392	1,277,566
All other countries.....	415,847	503,180
Total foreign ports.....	6,514,375	7,806,081
Stocks at all United States ports, June 30.....	1,673,568	786,877

SPOT COTTON PRICES—(Middling Basis)
(Cents per pound)

	June, 1930		July 15, 1930
	High	Low	
New York.....	16.15	13.25	13.20
New Orleans.....	15.33	12.36	12.69
Dallas.....	15.20	12.10	12.15
Houston.....	15.25	12.35	12.50
Galveston.....	15.45	12.50	12.60

Petroleum Production of crude oil in the Eleventh Federal Reserve District rose from 27,281,150 barrels during May to 27,426,270 barrels during June, and reflected an increase of 2,004,120 barrels over the total output of June, 1929. Average daily production during June amounted to 914,209 barrels, being 34,172 barrels larger than in the previous month, and 66,804 barrels greater than in the same month last year. There was a general decline in field activity during the month as compared to May, which was shown both by the smaller number of wells completed and by the decrease of 56,454 barrels in the initial flow from new wells.

The daily average output of all Texas fields amounted to 873,744 barrels in June, representing a gain of 33,628 barrels over the May average. Two-thirds of this large increase is to be attributed to North Texas fields. Southwest Texas

showed a daily production gain of 9,056 barrels, and the Coastal and East Central sections reported increases of 3,335 and 3,345 barrels, respectively. For the fifth consecutive month, a sizable reduction was shown in the daily yield of the Central West region. The increase of 544 barrels in the daily production of North Louisiana was due principally to further wildcat activity.

Lumber Activity in the lumber industry in the Eleventh Federal Reserve District evidenced a further decline during the latter part of May and the first two weeks in June. Production, which has been at a relatively high level during the greater part of 1930, declined from 94 per cent of normal to 79 per cent during the four-week period ending June 14. Shipments and new orders for lumber declined from 83 and 78 per cent of normal production to 81 and 74 per cent, respectively, during the four weeks ending June 14. As a result of the curtailment in production, stocks on hand at 47 reporting mills on June 14 were less than those held at the end of the previous four weeks. Unfilled orders for lumber on the books of 47 mills on June 14 amounted to 43,722,000 feet as compared to 49,451,000 feet on hand at 48 establishments on May 17. The lumber market still continues to be weak and most mills have greatly reduced operating schedules.

OIL PRODUCTION—(Barrels)

	June, 1930		Increase or Decrease over May, 1930	
	Total	Daily Avg.	Total	Daily Avg.
North Texas.....	6,269,920	208,997	+ 488,820	+22,510
Central West Texas.....	10,894,400	363,147	- 506,300	- 4,618
East Central Texas.....	1,248,100	41,603	+ 62,100	+ 3,345
Texas Coastal.....	5,528,100	184,270	+ 80,900	+ 3,335
Southwest Texas.....	2,271,800	75,727	+ 205,000	+ 9,056
Total Texas.....	26,212,320	873,744	+ 168,720	+33,628
North Louisiana.....	1,213,950	40,465	- 23,600	+ 544
Total District.....	27,426,270	914,209	+ 145,120	+34,172

JUNE DRILLING RESULTS

	Com-pletions	Pro-ducers	Gas Wells	Fail-ures	Initial Production
North Texas.....	178	99	18	59	24,914
Central West Texas.....	242	112	14	116	26,317
East Texas.....	20	14	3	3	63,010
Southwest Texas.....	53	34	2	17	19,800
Texas Coastal.....	80	59	4	17	33,713
Texas Wild-Cats.....	29	2	..	27	130
Total Texas.....	600	320	41	239	167,884
North Louisiana.....	80	25	22	33	5,202
June totals, district.....	680	345	63	272	173,086
May totals, district.....	779	402	63	314	229,540

CRUDE OIL PRICES

	July 12, 1930	July 13, 1929
Texas coastal grade "A".....	\$1.15	\$1.30
North and Central Texas and North Louisiana (44 gr. and above).....	1.57	1.85

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

PINE MILL STATISTICS

(Four-week period ending June 14, 1930)

Number of reporting mills.....	47
Production.....	64,422,000 feet
Shipments.....	65,576,000 feet
Orders.....	59,923,000 feet
Unfilled orders June 14.....	43,722,000 feet
Normal production.....	81,348,000 feet
Stocks June 14.....	309,065,000 feet
Shipments below normal production.....	15,772,000 feet—19%
Actual production below normal.....	16,926,000 feet—21%
Orders below normal production.....	21,425,000 feet—26%

(Lumber statistics compiled by the Southern Pine Association, New Orleans, La.)

Building Construction activity in the Eleventh District continued to decline during June, as shown by the number and valuation of building permits issued at principal cities. This month's total valuation amounted to \$4,771,689, which represents a decrease of 16.7 per cent from May, and a decline of 22.3 per cent from June last year. However, the cities of Dallas, Port Arthur, and Shreveport reported substantial increases over both the previous month and the same month a year ago. The valuation of permits issued during the first half of the year was 36.2 per cent smaller than the aggregate for the same period in 1929.

BUILDING PERMITS

	June, 1930		June, 1929		Percentage Change Valuation Over Year	May, 1930		Percentage Change Valuation Over Month	Six Months				Percentage Change Valuation Over Period
	No.	Valuation	No.	Valuation		1930			1929				
						No.	Valuation		No.	Valuation			
Amarillo.....	60	\$ 179,300	50	\$ 222,715	-19.5	58	\$ 217,096	- 17.4	366	\$ 1,288,122	290	\$ 1,041,805	+23.6
Austin.....	106	240,944	68	135,473	+77.9	93	771,963	- 68.8	597	2,309,653	479	1,688,354	+36.8
Beaumont.....	130	144,620	163	169,051	-14.5	142	148,856	- 2.8	840	1,263,322	1,079	1,532,983	-17.6
Corpus Christi.....	57	77,800	59	356,710	-78.2	45	116,075	- 33.0	347	822,021	392	1,274,166	-35.5
Dallas.....	393	664,975	262	469,550	+41.6	339	569,997	+ 16.7	2,055	4,190,394	1,750	5,370,745	-22.0
El Paso.....	92	179,265	95	258,546	-30.7	96	275,678	- 35.0	711	1,837,605	629	1,504,983	+22.1
Fort Worth.....	273	717,533	290	1,400,703	-48.8	316	640,091	+ 12.1	1,553	4,622,979	1,977	6,803,122	-32.0
Galveston.....	129	109,385	228	184,019	-40.6	138	213,402	- 48.7	762	760,584	1,099	1,101,675	-31.0
Houston.....	322	1,280,850	427	1,590,465	-19.5	291	1,119,978	+ 14.4	2,004	8,963,451	2,777	18,302,543	-51.0
Port Arthur.....	99	239,828	110	165,775	+44.7	123	148,489	+ 61.5	652	1,688,802	753	1,553,184	+ 8.7
San Antonio.....	252	441,750	349	684,125	-35.4	305	1,270,535	- 65.2	1,745	4,995,455	2,157	11,213,565	-55.5
Shreveport.....	190	355,743	271	310,143	+14.7	185	116,905	+204.3	1,076	1,109,908	1,587	2,009,721	-44.8
Waco.....	36	72,700	55	136,763	-46.8	23	37,034	+ 96.3	218	693,282	270	1,413,004	-50.9
Wichita Falls.....	21	66,996	29	58,100	+15.3	26	83,816	- 20.1	140	816,480	231	594,336	+37.4
Total.....	2,160	\$4,771,689	2,456	\$6,142,138	-22.3	2,180	\$5,729,915	- 16.7	13,066	\$35,362,058	15,470	\$5,404,189	-36.2

Cement

In comparison with the previous month there was a further decline of 11.4 per cent in the amount of portland cement produced at Texas mills during June. The month's output of 558,000 barrels, however, was slightly larger than in June, 1929. Shipments rose to 706,000 barrels, showing an increase of 13.9 per cent over the preceding month, and a gain of 21.9 per cent over

the same month last year. While stocks were reduced 17.7 per cent during June, they were still 34.9 per cent larger than on June 30 a year ago.

Production and shipments of cement in Texas from January through June showed increases of 6.8 per cent and 10.2 per cent, respectively, over the first half of 1929.

PRODUCTION, SHIPMENTS, AND STOCKS OF PORTLAND CEMENT
(In thousands of barrels)

	June	Percentage Change		January through June 30	Percentage Change
	1930	Over	Year	Number	
	Number	Month	Year	Number	Over Year
Production at Texas mills.....	558	-11.4	+ .7	3,442	+ 6.8
Shipments from Texas mills.....	706	+13.9	+21.9	3,566	+10.2
Stocks at end of month at Texas mills.....	688	-17.7	+34.9		

SUMMARY OF NATIONAL BUSINESS CONDITIONS

(Compiled by the Federal Reserve Board as of July 23, 1930)

Industrial production decreased in June by more than the usual seasonal amount and factory employment and payrolls declined to new low levels. The volume of building contracts awarded was large. Prices declined sharply and money rates continued downward.

periods of 1928 and 1929. Preliminary reports indicate that the decline in department store sales from a year ago was of larger proportions in June than in any previous month this year.

INDUSTRIAL PRODUCTION AND EMPLOYMENT

In June industrial production showed a further substantial decrease and the Board's index, which is adjusted for ordinary seasonal variations, declined to the lowest level since last December. Output of steel ingots declined in June and early July more than is usual at this season, while automobile production was sharply curtailed to a level considerably below that of the same period of the past two years. Cotton consumption, already at a low level, declined further in June. Output of bituminous coal and copper continued in small volume. Wool consumption and shoe production increased slightly and cement output, as in the preceding month was at a high level. Factory employment and payrolls decreased further in June. The number employed at steel plants and in the auto, agricultural implement, and cotton goods industries, declined more than is usual at this season, and employment in the woolen goods and lumber industries continued at unusually low levels. The value of building contracts awarded in June, which totaled \$600,000,000, according to the F. W. Dodge Corporation, was about thirty per cent more than in May and the largest since last July. The increase reflected chiefly unusually large awards for natural gas pipe lines and power plants; the volume of contracts for residential building was somewhat smaller than in May. In early July the total volume of contracts was small.

Department of Agriculture estimates, based on July 1 conditions, indicate a decrease from last year of about 20,000,000 bushels in the winter wheat crop and a corresponding increase in spring wheat. The corn crop is expected to be about 2,800,000,000 bushels, 7 per cent larger than last year and 6 per cent above the five year average. Area planted to cotton is estimated at 45,815,000 acres, 2.7 per cent less than last year.

DISTRIBUTION

The volume of freight car loadings in June and early July continued to be substantially below the corresponding

WHOLESALE PRICES

Commodity prices declined more rapidly in June than in any other recent month and the index of the Bureau of Labor Statistics at 86.8 per cent of the 1926 average was about 10 per cent below the level of a year ago. Prices of many important agricultural commodities and their manufactures declined further and those of certain leading imported raw products, silk, rubber, and coffee, reached new low levels. There were also further declines in iron, steel and copper. Prices of raw wool, hides, and raw sugar increased slightly during June. Early in July prices of meats were stronger but there were further declines in many other commodities.

BANK CREDIT

Loans of reporting member banks in leading cities declined somewhat between the middle of June and the middle of July and on July 16 were \$60,000,000 smaller than five weeks earlier. Loans on securities decreased by \$140,000,000, while "all other" loans increased by \$80,000,000. The banks' investments increased further by about \$280,000,000 during this period and were in larger volume than at any other time in the past two years.

Member bank balances at the reserve banks increased and in the week ending July 19 averaged \$60,000,000 more than five weeks earlier and at the same time their borrowings from the Reserve banks declined by nearly \$20,000,000, reflecting an increase in the reserve banks' holdings of acceptances and Government securities, a further slight growth in gold stock, and a continued decline in the volume of money in circulation.

Money rates in the open market continued to ease and in the middle of July rates on 90-day bankers' acceptances at $1\frac{7}{8}$ per cent were at a new low level while rates on commercial paper at $3\frac{3}{4}$ per cent were at the low point of 1924.

During July the Reserve bank discount rate was reduced at Boston from $3\frac{1}{2}$ to 3 per cent and at Philadelphia, Atlanta, and Richmond from 4 to $3\frac{1}{2}$ per cent.