

# MONTHLY BUSINESS REVIEW

OF THE

## FEDERAL RESERVE BANK OF DALLAS

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### DISTRICT SUMMARY

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

	July	Change from June
Bank debits to individual accounts (at 17 cities).....	\$774,791,000	- 2 3%
Department store sales.....		- 21.2%
Reserve bank loans to member banks at end of month.....	\$ 12,744,365	+ 33.4%
Reserve bank ratio at end of month.....	56.8%	- 8.3 points
Building permit valuation at larger centers.....	\$ 10,866,077	+ 127.7%
Commercial failures (number).....	37	- 40.3%
Commercial failures (liabilities).....	\$ 765,420	- 90.9%
Oil production (barrels).....	27,170,500	- .9%
Lumber orders at pine mills (per cent of normal production).....	61%	+ 1.0 points

The severe drouth over a large area of the Eleventh District has caused a rapid deterioration in growing crops and has intensified the slackness in business and industry. On the basis of the August 1 report of the Department of Agriculture the indicated production of major crops, cotton excepted, is smaller than a year ago. While the prospective yield of cotton is somewhat larger than the small 1929 crop, the lower level of prices prevailing for this commodity will offset the advantage of larger production. The low indicated returns from the cotton crop, together with the reduced income from other crops, will materially affect the purchasing power of the district's farmers during the coming year. In some areas of the district, there has been sufficient moisture to mature fair to good crops but conditions are becoming acute in those sections where the drouth has been most severe.

The demand for merchandise in both wholesale and retail channels continued at a low level during the month. The sales of department stores in larger centers reflected a decline of 21 per cent from the previous month, due in part to seasonal influences, and was 7 per cent lower than in the corresponding month a year ago. While sales in some lines of wholesale trade showed a seasonal improvement over June,

#### Wholesale Trade

A slow demand for merchandise in wholesale channels was in evidence during July.

While sales in some lines showed a seasonal improvement as compared to the previous month, the gain was less than usual and sales in all reporting lines were materially less than in July, 1929, the declines ranging from

the gain was less than usual and business was on a considerably smaller scale than in 1929. The low prospective returns from agriculture, added to the prevailing dullness of trade, has increased the cautious attitude of merchants with the result that they are limiting purchases to actual requirements.

The number and liabilities of commercial failures in this district, after reaching a high point in June, showed a distinct betterment during the past month. Both the number of defaults and the amount of indebtedness involved were smaller than in either the previous month or the corresponding month last year.

The valuation of building permits at principal cities in this district, which dropped to the lowest level in several years during June, showed a decided gain in July, the total being 128 per cent greater than in the previous month and 67 per cent larger than a year ago. This gain, however, was due principally to the activity in one city. The operations of the district's lumber mills remained at practically the same level as in the previous month but were substantially smaller than a year ago. The production and shipments of cement were larger than in June but production fell considerably below that for July, 1929.

The financial situation reflected largely the effects of seasonal influences. The daily average of net demand and time deposits of member banks declined from \$847,046,000 in June to \$832,517,000 in July, and those for the latter month were \$38,351,000 less than in the corresponding month of 1929. The borrowings of member banks at the Federal Reserve Bank rose from \$9,554,395 on June 30 to \$14,109,182 on August 15, but on the latter date they were \$28,550,777 less than on the same date a year ago. The loans to reserve city banks have remained at a low level during the current season, whereas, a year ago they represented a very large percentage of the total. The loans to country banks have been running slightly lower than during the previous year.

### BUSINESS

13.8 per cent in the case of groceries to 47.8 per cent in the case of farm implements. The reduced demand for merchandise which has been in evidence during the current year has been accentuated by the low level of agricultural prices and the severe drouth, which have materially affected the prospective purchasing power of the farm population. Re-



tailers are operating on an unusually cautious basis and are limiting purchases to actual requirements.

The sales of reporting wholesale dry goods firms during July were 1.7 per cent greater than those in June, but were 43.6 per cent less than in the corresponding month last year. While the opening of the fall market season at principal centers attracted a large number of merchants, reports indicate that buying has been on a considerably smaller scale than in previous years as merchants have preferred to buy in small lots and to make replacement orders as consumer demand materializes. The prices of cotton goods continued weak in sympathy with the raw cotton market. Collections were slightly larger than in June.

The decline in the demand for farm implements at wholesale which began in February continued through July, the sales of reporting firms being 4.6 per cent less than in June and 47.8 per cent below July, 1929. Due to the poor outlook for agricultural production, farmers have held the purchase of implements to actual necessities, particularly in the large area affected by the drouth. Prices remained firm.

The past month witnessed a gain of 5.5 per cent in the sales of wholesale drug firms as compared to the previous month, yet they were 16.5 per cent smaller than in the corresponding month a year ago. Reports indicate that retailers are making purchases in small lots to cover only immediate requirements. The trend of prices was toward lower levels. Collections showed a decline from the previous month.

The sales of reporting wholesale hardware firms reflected a decline of 1.3 per cent as compared to June, and 29.4 per cent as compared to July, 1929. Buying has been slow in practically all sections. Prices on most items declined to a lower level. Collections were slightly larger than in the previous month.

The demand for groceries during the past month was practically the same as in the previous month and was 13.8

per cent below that for July, 1929. While business has continued poor in most sections, some firms report that sales have been improving recently. Merchandise prices showed a further decline. Collections were smaller than in the previous month.

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

	Net Sales July, 1930 compared with		Stocks July, 1930 compared with		Ratio of collec- tions during July to accounts and notes outstanding June 30
	July 1929	June 1930	July 1929	June 1930	
Groceries.....	-13.8	+ .2	-7.9	-3.0	62.2
Dry goods.....	-43.6	+ 1.7	-28.6	+ 8.2	20.6
Farm implements.....	-47.8	-4.6	+18.7	-2.9	6.5
Hardware.....	-29.4	-1.3	+10.9	+ 1.8	34.0
Drugs.....	-16.5	+ 5.5	-14.1	+ 4.7	40.3

### Retail Trade

The sales of department stores in larger cities reflected a seasonal recession of 21.2 per cent as compared to the previous month and were 6.7 per cent less than in the corresponding month last year. Distribution during the seven months ending July 31 averaged 7.6 per cent smaller than in the corresponding period of 1929. While business was affected to some extent by the unusually hot weather, widespread clearance sales stimulated the buying of certain classes of merchandise.

Stocks on hand at the close of July were reduced 8.5 per cent as compared to those a month earlier and were 7.7 per cent below those a year ago. The rate of stock turnover during the first seven months of the current year was 1.61 as compared to 1.67 during the same period of 1929.

Collections showed but little change. The ratio of July collections to accounts outstanding on July 1 was 32.8 per cent as compared to 32.7 per cent in June and 35.4 per cent in July, 1929.

### BUSINESS OF DEPARTMENT STORES

	Dallas	Fort Worth	Houston	San Antonio	Others	Total District
Total Sales (Percentage):						
July, 1930, compared with July, 1929.....	-8.0	-12.9	-9.8	+11.7	-8.7	-6.7
July, 1930, compared with June, 1930.....	-25.1	-17.4	-21.2	-11.1	-26.1	-21.2
January 1 to date, compared with same period last year.....	-4.8	-13.7	-9.9	-5.3	-5.3	-7.6
Credit Sales (Percentage):						
July, 1930, compared with July, 1929.....	-6.9	-6.8	-1.0	+17.8	-3.3	-1.9
July, 1930, compared with June, 1930.....	-27.7	-20.4	-27.5	-15.3	-27.8	-24.9
January 1 to date, compared with same period last year.....	-1.4	-7.2	-4.1	-1.0	0.0	-2.5
Stocks (Percentage):						
July, 1930, compared with July, 1929.....	-2.4	-8.4	-9.0	-22.0	-5.4	-7.7
July, 1930, compared with June, 1930.....	-6.4	-8.4	-8.8	-15.5	-7.6	-8.5
Stock Turnover (Rate):						
Rate of stock turnover in July, 1929.....	.20	.17	.22	.23	.17	.20
Rate of stock turnover in July, 1930.....	.19	.17	.21	.30	.16	.19
Rate of stock turnover January 1 to July 31, 1929.....	1.79	1.45	1.83	2.05	1.37	1.67
Rate of stock turnover January 1 to July 31, 1930.....	1.68	1.28	1.75	2.18	1.37	1.61
Ratio of July collections to accounts receivable and outstanding July 1, 1930.....	31.2	30.7	36.3	36.3	32.4	32.8

### Commercial Failures

A sharp decline in the business mortality rate in the Eleventh District during July was evidenced by the report of R. G. Dun & Company. The 37 failures reported for July compares to 62 in June and 39 in the same month last year. In fact,

failures were fewer than in any month since November, 1929. The liabilities of defaulting firms totaled \$765,420, which represents a heavy decline from the \$8,454,866 indebtedness of firms failing in June and the \$1,975,746 liabilities of concerns which became insolvent in July, 1929.

## AGRICULTURE

### Crop Conditions

Rapid deterioration of crops over a large area of the district occurred during the past thirty days as a result of the severe drouth and very high temperatures. Every growing crop in the drouth area has been affected to some extent, and in some instances, the yield has been materially reduced. The weather,

however, has been favorable for the completion of the grain harvest and the picking of cotton. A heavy general rain is needed to relieve the high temperatures and stimulate the growth and maturity of crops.

The cotton crop is now at a critical stage and a heavy general rain, followed by favorable cotton weather, is



needed to improve the situation. The progress of cotton in the southern third of Texas has continued fair to good, even though some shedding is reported, but in the northern two-thirds of the State, there has been considerable deterioration with complaints of small plants and bolls, blooming at the top, and premature opening. The Department of Agriculture estimated that the condition of the Texas crop on August 1 was 61 per cent of normal, which indicated a yield of 4,496,000 bales as compared to the low yield of 3,940,000 bales in 1929. The best condition prevailed in the Southern and Southeastern sections where the condition figures were placed at 70 and 73 per cent, respectively, and the poorest condition prevailed in the West Central section, where the figure was placed at 46 per cent. Rapid deterioration has also occurred in Southeastern Oklahoma and in Northern Louisiana where the plants are under-sized and where there has been excessive shedding and premature opening of bolls. The August 1 condition figure in Louisiana dropped to 54 per cent of normal as compared to 69 per cent a year ago, and the indicated production was 632,000 bales, as compared to an actual harvest of 809,000 bales a year ago. Cotton in New Mexico and Arizona is in good condition and reports indicate that the plants are fruiting heavily and that the crop is making better progress than usual. The picking of cotton is proceeding rapidly in the Southern part of Texas and is becoming general in other sections of the district.

The Department of Agriculture reported the condition of the Texas corn crop as 64 per cent of normal on August 1, which indicates a crop of 88,128,000 bushels, or an average yield of 18 bushels per acre. This compares to an indicated yield of 78,336,000 bushels on July 1, and an actual production of 86,127,000 bushels in 1929. The crop varies from very good in the South and Southeast portions of the State to a near failure in the severe drouth areas of the West and East. Most of the early corn is ripe but rain is urgently needed to mature the late crop. The early corn in Louisiana was greatly damaged by the drouth with the result that the August 1 condition figure was only 47 per cent of normal and the indicated production was 14,278,000 bushels as against a yield of 21,476,000 bushels in 1929. The 70 per cent condition of this crop in New Mexico forecasts a yield of 3,614,000 bushels as compared to a production of 4,180,000 bushels last year. The prospects in Arizona are for a slightly larger crop than a year ago.

A sharp decline occurred in the condition of tame hay in Texas, the figure for August 1 being only 65 per cent of normal, as compared to 79 per cent a month ago and 82 per cent on the same date last year. The Department estimated the production, exclusive of sorghum hay, at 681,000 tons, which compared with an indicated production of 749,000 tons on July 1, and an actual production of 744,000 tons in 1929. While the condition of wild hay is some better than that of tame hay, it is below the usual. In Louisiana the August 1 condition of tame and wild hay indicates a harvest considerably under that for 1929. While there is a substantial decline in production indicated for wild hay in New Mexico, the prospective yield of tame hay is only slightly smaller.

According to the Department of Agriculture, the August 1 condition of grain sorghums in Texas was 59 per cent of normal which indicates a total production of 46,368,000 bushels as compared to an actual harvest of 46,920,000 bushels in 1929. A fair to very good crop was matured in

the South, Southeast and Central areas of Texas but the crop has suffered severely from the drouth in the important producing counties of Northwest Texas. A heavy rain is needed to revive the crop in the latter section. The estimated production for Oklahoma was placed at 15,256,000 bushels and for New Mexico at 3,408,000 bushels.

While the condition of the Texas rice crop declined from 86 per cent on July 1 to 82 per cent on August 1, the indicated production was placed at 8,200,000 bushels, which compares to an actual yield of 7,524,000 bushels last year. The prospects for peanuts are poor in all areas of Texas and the Western area is urgently in need of rain. The Department of Agriculture stated that the 58 per cent of normal condition reported on August 1 was, with the exception of 1925, the lowest condition figure for that date recorded in 15 years. The crop would be greatly benefited by heavy rains. The sweet potato crop for the State was estimated at 53 per cent of normal, indicating a total production of 6,780,000 bushels against a harvest of 7,384,000 bushels last year. The 57 per cent of normal condition for this crop in Louisiana forecasts a yield of 5,160,000 bushels as compared to a production of 7,440,000 bushels in 1929.

#### *Livestock*

The protracted drouth and the unusually high temperatures which have prevailed over practically all of Texas have caused a sharp deterioration in range conditions and in some localities the situation is becoming acute. The Department of Agriculture reported that every section of the State showed a decline in range conditions and that only a few Northwestern counties, which have received rains, were in splendid condition. The condition of ranges on August 1 was estimated at 76 per cent of normal, which represented a 10 point decline during July in cattle ranges and 12 points in sheep and goat ranges. The condition figure was, likewise, materially below that on August 1, 1929. Livestock, however, have held up remarkably well in the face of the adverse conditions. The August 1 condition of cattle was reported at 82 per cent of normal, which was 4 points below that a month earlier and 6 points below a year ago. The condition of sheep declined 6 points during the month and that of goats 2 points. In Arizona and New Mexico the rains during the past six weeks have materially improved range conditions and there are good prospects for an ample supply of fall feed. Stock water is also plentiful. Range conditions in New Mexico rose 6 points to 82 per cent of normal on August 1 and the condition of cattle showed an improvement of 1 point. The condition figure for ranges in Arizona was 95 per cent of normal on August 1, as compared to 90 per cent a month earlier, and 87 per cent a year ago. The condition of cattle rose 1 point during the month and was 16 points higher than on August 1, 1929. The condition of sheep gained 2 points during the month. In all sections of the district reports indicate that there has been little buying or contracting of livestock.

The Department of Agriculture reported that the lamb crop in Texas was materially less than in 1929, and that losses were heavier than usual. In New Mexico the lamb crop was considerably larger than a year ago and in Arizona it was slightly larger. Losses in the latter states were light. The report showed that the combined wool production in these states in 1930 was 63,019,000 pounds as compared to 62,020,000 pounds in 1929, the decline in Texas being more than offset by the large increase in New Mexico.



**Movements and Prices**

A substantial increase was reflected in the receipts of cattle and calves at the Fort Worth market during July as compared to the previous month, but the arrivals of cattle were materially smaller than in the corresponding month of 1929. The receipts of hogs and sheep were considerably smaller than in either June this year or July last year.

Prices on all classes of cattle declined to lower levels during the past six weeks and at times it was difficult to

FORT WORTH LIVESTOCK RECEIPTS  
(Number)

	July 1930	July 1929	Change over Year	June 1930	Change over Month
Cattle.....	52,505	68,595	-16,090	44,303	+8,202
Calves.....	25,910	25,743	+ 167	17,393	+8,517
Hogs.....	16,799	24,161	-7,362	17,938	-1,139
Sheep.....	42,137	46,869	-4,732	48,022	-5,885

dispose of available supplies. Toward the close of the period, trading became more active and price changes became narrower with an undertone of strength noticeable on some classes. Hog prices fluctuated within narrow limits during most of the period and then scored an advance toward the middle of August. Sheep and lamb values showed a further decline.

COMPARATIVE TOP LIVESTOCK PRICES  
(Dollars per hundred weight)

	July 1930	July 1929	June 1930
Beef steers.....	\$9.25	\$14.75	\$11.00
Stocker steers.....		12.25	10.50
Butcher cows.....	5.50	9.50	8.50
Stocker cows.....			5.35
Calves.....	9.00	14.25	11.75
Hogs.....	9.15	11.85	10.05
Sheep.....	4.85	9.00	6.50
Lambs.....	9.00	13.25	9.50

**FINANCE**

**Operations of the Federal Reserve Bank** The past six weeks witnessed a steady increase in the demand for Federal Reserve Bank funds. Loans to member banks, which amounted to \$9,554,395 on June 30, had risen to \$12,744,365 on July 31 and to \$14,109,182 on August 15. The borrowings of reserve city banks have continued at a low level while those of country banks have shown a steady increase in order to meet deposit withdrawals and to finance the completion of crop cultivation and the early movement of cotton. The demand for funds this year shows a marked contrast to that of a year ago when reserve city banks were borrowing very heavily and when the country banks were borrowing on a substantially larger scale than at the present time. It should be observed that while total borrowings this year are approximately only one-third of those a year ago, the funds are more widely distributed as is evidenced by the fact that 260 banks were borrowing at the Federal Reserve Bank at the close of July this year as compared to 247 on that date in 1929.

Due to the increase in both member bank loans and open market purchases, total bills held rose from \$12,636,391.20 on June 30 to \$16,891,687.43 on July 31 distributed as follows:

Member banks' collateral notes secured by United States Government obligations.....	\$ 1,768,050.00
Rediscounts and all other loans to member banks.....	10,976,315.31
Open market purchases (Bankers' Acceptances).....	4,143,463.62
Discounts for non-member banks.....	3,858.50
Total bills held.....	\$16,891,687.43

In contrast to the usual seasonal movement, Federal Reserve notes in actual circulation, which amounted to \$30,747,150 on July 31, were \$1,100,350 less than a month earlier and were \$12,292,050 less than on the corresponding date a year ago. The daily average reserve deposits of member banks amounted to \$59,047,404 in July as compared to \$59,938,485 in June and \$62,465,456 in July, 1929.

**Deposits of Member Banks** The combined daily average of net demand and time deposits of member banks in the Eleventh Federal Reserve District reflected a further decrease of \$14,529,000 during July, and was \$38,351,000 smaller than in July, 1929. Net demand deposits dropped to \$591,565,000 during the month, and time deposits, after three monthly increases, declined to \$240,952,000. Although the net demand deposits of reserve city

banks increased from \$260,854,000 in June to \$261,127,000 in July, those of country banks declined from \$342,166,000 in the earlier month to \$330,438,000 in the latter month.

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
July, 1929.....	\$640,034	\$230,834	\$270,274	\$138,357	\$369,760	\$92,469
Aug., 1929.....	629,909	230,643	260,019	137,174	369,890	93,469
Sept., 1929.....	658,520	234,116	266,795	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	281,600	132,235	387,209	90,538
Dec., 1929.....	663,839	220,111	279,611	131,879	384,228	88,232
Jan., 1930.....	659,110	225,460	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	132,632	369,951	96,426
April, 1930.....	630,029	237,274	271,647	138,980	358,382	98,294
May, 1930.....	623,282	241,429	269,958	142,181	353,324	99,248
June, 1930.....	603,020	244,026	260,854	143,753	342,166	100,273
July, 1930.....	591,565	240,952	261,127	142,482	330,438	98,470

**Condition of Member Banks in Selected Cities** Reports from member banks in selected cities reflected a decline in loans, investments, and deposits during the four-week period ending August 6. The falling-off in loans amounted to only \$901,000, but on August 6 they were \$24,157,000 less than on the same date a year ago. Investments of these banks in United States securities were \$3,216,000 less than a month earlier and were \$21,607,000 less than a year ago. Investments in other stocks and bonds, while \$920,000 less than on July 9, were \$5,814,000 greater than on August 7, 1929. Their total loans and investments amounted to \$436,215,000 on August 6 as compared to \$441,252,000 on July 9 and \$476,165,000

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

	August 6, 1930	July 9, 1930	August 7, 1929
United States securities owned.....	\$ 61,451	\$ 64,667	\$ 83,058
All other stocks, bonds, and securities owned.....	46,487	47,407	40,673
Loans on securities.....	93,049	98,765	103,377
All other loans.....	230,228	230,413	249,057
Total loans.....	328,277	329,178	352,434
Net demand deposits.....	266,344	276,242	277,454
Time deposits.....	150,748	151,305	145,127
Reserve with Federal Reserve Bank.....	32,173	32,855	32,292
Bills payable and rediscounts with Federal Reserve Bank.....	2,721	2,147	25,314



on the corresponding date last year. The net demand deposits of these banks, which stood at \$266,344,000 on August 6, were \$9,898,000 less than four weeks earlier and were at the lowest level reached in three years. Their time deposits declined \$557,000 during the four-week period but were still \$7,621,000 greater than a year ago. Their bills payable and rediscounts with the Federal Reserve Bank amounted to \$2,721,000 on August 6 as compared to \$2,147,000 on July 9 and \$25,314,000 on August 7, 1929.

**Acceptance Market** In contrast to the steady decline which has been in progress since last November, the volume of acceptances executed by accepting banks in the Eleventh District registered a marked increase during July, and at the end of the month amounted to \$3,262,870. This figure compares with \$2,353,451 on June 30, and \$2,961,005 on July 31 a year ago. The increase occurred in acceptances based upon the domestic shipment and storage of goods, of which there was outstanding a total of \$2,323,009 on July 31, as against \$1,165,351 on the last day of June. The volume of acceptances executed against import and export transactions showed a further decline from the preceding month, aggregating \$939,861 at the end of July as compared to \$1,188,100 on June 30.

**Debits to Individual Accounts** The downward trend of charges against depositors' accounts at principal cities in this district, which has been in evidence since March, continued during July. The total volume of debits to individual accounts during July was \$774,791,000 as compared to \$792,975,000 in June and \$918,467,000 in July a year ago. The decline of 15.6 per

cent as compared to the corresponding month of 1929 was the largest reported for any month during the current year.

#### DEBITS TO INDIVIDUAL ACCOUNTS (In thousands of dollars)

	July 1930	July 1929	Percentage change over Year	June 1930	Percentage change over Month
Abilene.....	\$ 7,600	\$ 9,283	-18.1	\$ 7,664	- .8
Austin.....	19,445	18,670	+ 4.2	18,521	+ 5.0
Beaumont.....	24,211	27,201	-11.0	27,003	-10.3
Corsicana.....	4,973	5,803	-15.2	4,710	+ 5.6
Dallas.....	188,529	223,045	-15.7	192,763	- 2.2
El Paso.....	34,360	36,242	-12.4	34,231	+ .4
Fort Worth.....	90,316	130,836	-31.0	88,854	+ 1.6
Galveston.....	32,855	31,179	+ 5.4	29,349	+11.9
Houston.....	173,853	210,800	-17.5	182,078	- 4.5
Port Arthur.....	11,054	12,847	-14.0	10,888	+ 1.5
Roswell.....	4,268	4,757	-10.3	4,598	- 7.2
San Antonio.....	79,945	88,606	- 9.8	88,100	- 9.3
Shreveport.....	36,447	41,137	-11.4	38,635	- 5.7
Texarkana.....	13,050	16,038	-18.6	12,966	+ .6
Tucson.....	10,337	10,435	- .9	13,835	-25.3
Waco.....	14,020	16,737	-16.2	14,030	- .1
Wichita Falls....	29,528	31,191	- 5.3	24,750	+19.3
Total.....	\$774,791	\$918,467	-15.6	\$792,975	- 2.3

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

#### Savings Deposits

Total savings deposits held by 88 banks in the Eleventh District on July 31 amounted to \$152,535,578, as compared to \$154,193,983 on the last day of June, and \$149,822,650 on the same date a year ago. The number of savings accounts carried by 80 of the reporting banks declined from 308,523 at the end of June to 308,422 at the end of July, but was 2.6 per cent larger than on July 31, 1929.

#### SAVINGS DEPOSITS

	July 31, 1930			July 31, 1929			June 30, 1930		
	Number of Reporting Banks	Number of Savings Depositors	Amount of Savings Deposits	Number of Savings Depositors	Amount of Savings Deposits	Percentage Change Over Year in Savings Deposits	Number of Savings Depositors	Amount of Savings Deposits	Percentage Change Over Month in Savings Deposits
Beaumont.....	4*	6,009	\$ 2,640,803	5,865	\$ 2,607,143	+ 1.3	5,993	\$ 2,654,531	- .5
Dallas.....	4	67,041	26,767,589	63,632	25,444,856	+ 5.2	68,052	27,298,750	- 1.9
El Paso.....	2	16,310	5,958,146	15,264	5,857,073	+ 1.7	16,341	6,143,352	- 3.0
Fort Worth.....	2	18,870	7,746,947	17,832	7,351,850	+ 5.4	18,708	7,816,664	- .9
Galveston.....	3	13,959	8,121,862	13,934	8,922,754	- 9.0	13,887	8,075,687	+ .6
Houston.....	11*	72,398	34,516,633	76,302	34,696,988	- .5	72,951	34,776,548	- .8
Port Arthur.....	2	4,823	1,758,076	4,928	1,914,462	- 8.2	4,783	1,760,426	- .1
San Antonio.....	7*	31,856	22,734,180	28,627	21,685,104	+ 4.8	31,677	22,933,570	- .9
Shreveport.....	4*	20,936	13,215,251	21,195	11,341,310	+16.5	20,878	12,910,964	+ 2.4
Waco.....	4	10,379	6,869,193	9,962	6,993,766	- 1.9	10,404	7,019,836	- 2.3
Wichita Falls....	2	3,747	1,674,116	4,281	1,551,310	+ 7.9	3,747	1,729,991	- 3.2
All others.....	43*	41,194	20,541,782	38,819	21,456,034	- 4.3	41,042	21,070,964	- 2.5
Total.....	88	308,422	\$152,535,578	300,641	\$149,822,650	+ 1.8	308,523	\$154,193,983	- 1.1

\*Only 3 banks in Beaumont, 10 banks in Houston, 6 banks in San Antonio, 3 banks in Shreveport, and 39 banks in "All others" reported the number of savings depositors.

#### AUGUST 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	6-8	4-6	5-6	6	6-8
Rate charged on loans to other banks secured by bills receivable.....	5-6	5-6	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.....	5½-7	6-8	6-8	5½-6	6-8	7-8
Time.....	6-8	6-8	6-8	5½-6	6-8	7-8
Rate charged on commodity paper secured by warehouse receipts, etc.....	3½-6	8	6-7	5½-6	6-8	7
Rate on cattle loans.....	6-7	6-8	6-8	7-8	6-8	7-8

## INDUSTRY

**Cottonseed Products** An increase in the activity of cottonseed oil mills in Texas was noticeable during the past month, yet operations were on a smaller scale than in July, 1929. On the other hand, the operations of all United States mills were reduced from June, but

larger than a year ago. During the season ending July 31, the production of crude oil, cake and meal, and linters was smaller than in the previous season at both Texas and all United States mills. The output of hulls, while slightly larger at United States mills, showed a substantial decline.



at Texas mills. While the shipments of crude oil from the United States mills during the season just closed were slightly below those of the previous season, it should be noted that mill stocks were reduced from 10,939,944 pounds on July 31, 1929 to 2,605,397 on July 31, 1930, the latter figure being the lowest on any corresponding date since 1926. Consumption of hulls and cake and meal were larger than in the previous season and stocks were considerably reduced. On the other hand, the consumption of linters during the season showed a decline and the July 31 stocks were the largest on that date of any year since 1920.

#### STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS

	Texas		United States	
	August 1 to July 31		August 1 to July 31	
	This Season	Last Season	This Season	Last Season
Cottonseed received at mills (tons).....	1,279,751	1,727,912	5,019,677	5,084,631
Cottonseed crushed (tons).....	1,283,695	1,720,591	5,014,562	5,061,058
Cottonseed on hand (tons).....	15,998	20,115	44,606	41,606
Crude oil produced (pounds).....	383,639,851	512,247,599	1,572,059,267	1,604,131,038
Cake and meal produced (tons).....	605,676	810,167	2,231,682	2,281,576
Hulls produced (tons).....	343,585	468,519	1,383,461	1,368,279
Linters produced (running bales).....	269,007	358,316	1,037,212	1,085,766
Stocks on hand, July 31:				
Crude oil (pounds).....	1,137,837	3,795,791	2,605,397	10,939,944
Cake and meal (tons).....	17,797	14,702	54,308	76,667
Hulls (tons).....	7,377	27,885	27,318	63,917
Linters (running bales).....	41,392	20,622	136,463	70,854

#### Textile Milling

Activities at the Eleventh District textile mills continued downward during July. There were 2,154 bales of raw cotton consumed during the month as compared to 2,328 bales in June and 2,808 bales in July last year. The production of cloth was 6.3 per cent less than in the previous month and 24.4 per cent below the output in the same month of 1929. Orders on hand on July 31 were less than those of either previous date, while stocks were larger. Prices of raw cotton continued downward during the month touching new lows for the year, and trading in the industry slackened considerably.

Consumption of cotton at all United States mills during July reflected a further decline of 6.5 per cent as compared with the previous month and was 30.8 per cent less than in July, 1929. During the current season ending July 31, consumption amounted to 6,113,932 bales which was 13.8 per cent less than in the previous season. The amount of cotton on hand at consuming establishments, while 12.8 per cent

#### TEXTILE MILLING STATISTICS—TEXAS

	July 1930	July 1929	June 1930
Number bales consumed.....	2,154	2,808	2,328
Number spindles active.....	88,892	96,476	88,892
Number pounds cloth produced.....	1,046,487	1,377,384	1,117,335

#### COTTON CONSUMED AND ON HAND (Bales)

	July		August 1 to July 31	
	1930	1929	This Season	Last Season
Cotton growing states:				
Cotton consumed.....	302,561	409,141	4,757,356	5,892,205
On hand July 31 in—				
Consuming establishments.....			792,138	691,083
Public storage and compresses.....			2,515,260	743,671
United States:				
Cotton consumed.....	378,835	547,165	6,113,932	7,091,065
On hand July 31 in—				
Consuming establishments.....			1,183,167	1,052,128
Public storage and compresses.....			2,877,416	984,860

less than a month earlier, was 12.5 per cent greater than on the same date of 1929.

#### Cotton

##### Movements

The receipts and exports of cotton at the ports of Houston and Galveston reached a low level for the season during July, and were on a smaller scale than a year ago. For the twelve-month period ending July 31, both receipts and exports were considerably below those for the previous season. Total foreign exports amounted to 176,435 bales in July as compared to 185,053 in June and 237,507 in July, 1929. Exports for the current season were 17 per cent smaller than in the previous season.

#### COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON (Bales)

	July 1930	July 1929	August 1 to July 31 This Season	Last Season
Receipts.....	17,632	32,031	1,921,861	3,012,649
Exports.....	38,096	84,553	1,811,697	3,020,467
Stocks, July 31.....			185,252	75,595

#### COTTON—GALVESTON STOCK STATEMENT (Bales)

	July 31, 1930	July 31, 1929
For Great Britain.....	700	2,500
For France.....	900	1,100
For other foreign ports.....	3,300	8,700
For coastwise ports.....	100	100
In compresses and depots.....	180,252	63,175
Total.....	185,252	75,595

#### COTTON MOVEMENTS THROUGH THE PORT OF HOUSTON (Bales)

	July 1930	July 1929	August 1 to July 31 This Season	Last Season
Receipts.....	7,981	23,706	2,629,467	2,869,213
Exports.....	68,850	72,163	1,977,362	2,429,196
Stocks, July 31.....			515,271	152,044

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

	August 1 to July 31	
	This Season	Last Season
Receipts.....	8,856,906	9,589,597
Exports: United Kingdom.....	1,256,042	1,830,846
France.....	811,520	774,574
Italy.....	652,430	716,802
Germany.....	1,687,366	1,796,798
Other Europe.....	832,688	1,002,588
Japan.....	1,020,016	1,309,183
All other countries.....	430,647	522,797
Total foreign ports.....	6,690,709	8,043,588
Stocks at all United States ports, July 31.....	1,547,708	534,810

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

	July, 1930		August 15, 1930
	High	Low	
New York.....	13.65	12.55	11.99
New Orleans.....	12.20	12.18	11.42
Dallas.....	12.70	11.60	10.90
Houston.....	13.00	12.10	11.55
Galveston.....	13.10	12.15	11.55

#### Petroleum

There was a noticeable reduction during July in the amount of oil produced in the Eleventh Federal Reserve District. Aggregate output for the month was 27,170,500 barrels, reflecting a decline of 255,770 barrels from the preceding month and 234,700 barrels



from the same month last year. The daily average yield decreased from 914,209 barrels during June to 876,467 barrels during July. On the other hand, field activity showed a decided pick-up during the month, there being a total of 823 wells completed in July, of which 418 were oil producers, as compared to 680 completions in June, of which 345 were successful. Initial production of new wells rose from 173,086 barrels in June to 244,086 barrels in July.

Texas fields registered a daily output during July of 835,880 barrels, as against the June average of 873,744 barrels. The only section of the State to show an increase for the later month was West Texas, and its gain in production was accounted for in part by the completion of some

## OIL PRODUCTION—(Barrels)

	July, 1930		Increase or Decrease over June, 1930	
	Total	Daily Avg.	Total	Daily Avg.
North Texas.....	5,366,450	173,111	-903,470	-35,886
Central West Texas.....	11,332,400	365,561	+438,000	+ 2,414
East Central Texas.....	1,235,300	39,848	- 12,800	- 1,755
Texas Coastal.....	5,681,400	183,271	+153,300	- 999
Southwest Texas.....	2,296,750	74,089	+ 24,950	- 1,638
Total Texas.....	25,912,300	835,880	-300,020	-37,864
North Louisiana.....	1,258,200	40,587	+ 44,250	+ 122
Total District.....	27,170,500	876,467	-255,770	-37,742

## JULY DRILLING RESULTS

	Com- pletions	Pro- ducers	Gas Wells	Fail- ures	Initial Production
North Texas.....	212	125	22	65	21,930
Central West Texas.....	280	121	11	148	91,115
East Texas.....	24	21	1	2	85,000
Southwest Texas.....	63	50	5	8	13,470
Texas Coastal.....	130	79	1	50	26,799
Texas Wild-Cats.....	41	1	..	40	400
Total Texas.....	750	397	40	313	238,714
North Louisiana.....	73	21	29	23	5,372
July totals, district.....	823	418	69	336	244,086
June totals, district.....	680	345	63	272	173,086

## 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.)

unusually large wells in Pecos County. The daily yield of North Louisiana during July, amounting to 40,587 barrels, showed a further slight increase over the previous month.

## Lumber

While the production of lumber in July was at practically the same level as the June output of 71 per cent of normal, the demand for lumber, as measured by shipments and new orders, evidenced a slight improvement. During the four-week period ending August 9 shipments amounted to 67 per cent of normal production which was 4 points above those for the previous four weeks. Orders increased from 60 per cent of normal production during the four weeks ending July 12 to 61 per cent for the period closing August 9. As a result of the increase in shipments and the maintenance of production on a relatively stable basis, stocks of lumber on hand at reporting mills on August 9 were less than those held at the end of the previous four weeks. Unfilled orders for lumber on the books of 44 mills on August 9 were 7.3 per cent less than those of 43 mills on July 12.

## PINE MILL STATISTICS

(Four-week period ending August 9, 1930)

Number of reporting mills.....	44
Production.....	52,896,000 feet
Shipments.....	50,209,000 feet
Orders.....	45,672,000 feet
Unfilled orders, August 9.....	25,360,000 feet
Normal production.....	75,376,000 feet
Stocks, August 9.....	299,490,000 feet
Shipments below normal production.....	25,167,000 feet—33%
Actual production below normal.....	22,480,000 feet—30%
Orders below normal production.....	29,704,000 feet—39%

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

## Building

The valuation of construction permits at principal centers in the Eleventh Federal Reserve District rose from the low level of \$4,771,689 in June to \$10,866,077 in July. This volume represents an increase of 127.7 per cent over the June valuation and a gain of 67.2 per cent over July a year ago. The heavy gain during the past month was due principally to the issuance of several large permits in the city of Dallas. While the aggregate valuation of permits issued during the first seven months of the current year was 25.3 per cent below that of last year, six of the fourteen reporting cities showed noticeable increases for the period.

## BUILDING PERMITS

	July, 1930		July, 1929		Percentage Change Valuation Over Year	June, 1930		Percentage Change Valuation Over Month	Seven Months				Percentage Change Valuation Over Period
	No.	Valuation	No.	Valuation		1930			1929				
						No.	Valuation		No.	Valuation			
Amarillo.....	54	\$ 186,126	41	\$ 145,948	+ 27.5	60	\$ 179,300	+ 3.8	420	\$ 1,474,248	331	\$ 1,187,753	+24.1
Austin.....	98	295,393	114	408,375	— 36.9	106	240,944	+ 22.6	995	2,605,046	593	2,156,729	+20.8
Beaumont.....	154	150,760	174	278,469	— 45.9	130	144,620	+ 4.2	994	1,414,082	1,253	1,811,452	—21.9
Corpus Christi.....	54	40,327	51	182,137	+ 77.9	57	77,800	+ 48.2	401	862,348	443	1,456,303	—40.8
Dallas.....	294	6,860,397	312	416,940	+1547.2	393	664,975	+ 931.7	2,349	11,050,791	2,062	5,787,685	+90.9
El Paso.....	103	175,118	155	316,984	— 44.8	92	179,265	+ 2.3	814	2,012,723	784	1,821,967	+10.5
Fort Worth.....	217	229,374	288	685,664	— 66.5	273	717,533	— 68.0	1,770	4,852,353	2,265	7,488,786	—35.2
Galveston.....	106	59,780	181	559,735	— 89.3	129	100,385	+ 45.3	868	820,364	1,280	1,661,410	—50.6
Houston.....	330	1,874,429	418	1,634,308	+ 14.7	322	1,280,850	+ 46.3	2,334	10,837,880	3,195	19,936,851	—45.6
Port Arthur.....	126	371,131	101	76,759	+ 383.5	99	239,828	+ 54.7	778	2,059,933	854	1,629,943	+26.4
San Antonio.....	236	415,015	327	833,112	— 50.2	252	441,750	+ 6.1	1,981	5,410,470	2,484	12,046,680	—55.1
Shreveport.....	156	125,422	261	303,309	— 58.6	190	355,743	— 64.7	1,232	1,235,330	1,848	2,313,030	—46.6
Waco.....	29	73,720	51	531,700	— 86.1	36	72,700	+ 1.4	247	767,002	321	1,944,704	—60.6
Wichita Falls.....	21	9,085	27	67,498	— 86.5	21	66,990	— 86.4	161	825,565	258	661,834	+24.7
Total.....	1,978	\$10,866,077	2,501	\$6,500,938	+ 67.2	2,160	\$4,771,689	+ 127.7	15,044	\$46,228,135	17,971	\$ 61,905,127	—25.3

## Cement

Production of portland cement at Texas mills in July amounted to 585,000 barrels, which represents an increase of 4.8 per cent over the previ-

ous month but a decrease of 16.5 per cent from the output of July a year ago. Shipments during July, which totaled 709,000 barrels, gained only 0.4 per cent over the preceding



month, but were 6.5 per cent larger than in July, 1929. While stocks on hand declined from 688,000 barrels at the end of June to 564,000 barrels on the last day of July, they were still 3.3 per cent larger than on July 31 last year.

Texas mills manufactured 4,027,000 barrels of cement

during the first seven months of 1930, as compared to 3,924,000 barrels in the same period of 1929. Shipments from January through July aggregated 4,275,000 barrels this year, as against 3,902,000 barrels last year.

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

	July 1930 Number	Percentage Change Over		January through July 31 Number	Percentage Change Over Year
		Month	Year		
Production at Texas mills.....	585	+ 4.8	-16.5	4,027	+ 2.6
Shipments from Texas mills.....	709	+ .4	+ 6.5	4,275	+ 9.6
Stocks at end of month at Texas mills.....	564	-18.0	+ 3.3		

## SUMMARY OF NATIONAL BUSINESS CONDITIONS

(Compiled by the Federal Reserve Board as of August 22, 1930)

Business activity declined further during July and industrial production and factory employment reached the lowest levels in recent years. Crops were damaged by prolonged drought. Wholesale prices declined further until early in August when agricultural prices increased. Money rates continued easy.

### PRODUCTION AND EMPLOYMENT

Output of factories and mines decreased by about 6 per cent during July according to the Board's index of production, which makes allowance for seasonal fluctuations. A number of automobile factories were closed during part of the month and there was substantial reduction in the output of iron and steel and cotton textiles. Daily average production of bituminous coal, lumber, and shoes continued small. In the first half of August, the output of steel showed a further slight decrease. Some automobile plants resumed operations on a limited scale. Factory employment and wage payments decreased further and at the middle of July were at the lowest level since 1922. The reduction in the number of workers employed was largest at steel and automobile plants, car shops and foundries, hosiery and cotton mills, and clothing factories. There was a seasonal increase in employment in the canning, flour, and shoe industries. Working forces at bituminous coal mines were further reduced, and the Department of Agriculture reported an unusually small demand for farm labor. Building contracts awarded during July and the first half of August were in exceptionally small volume, according to reports by the F. W. Dodge Corporation. The reduction from June was primarily on account of smaller awards for public works and utility construction. Building in other lines continued relatively inactive. Feed crops and pasturage have been severely damaged by drought, which was not broken until the middle of August. The August 1 crop report of the Department of Agriculture indicated a corn crop of 2,212,000,000 bushels, the smallest since 1901, and the smallest hay crop in ten years. Food crops were less severely affected, with wheat production estimated at 821,000,000 bushels, 15,000,000 bushels larger than last year. The cotton crop was estimated at 14,362,000 bales, or slightly less than a year ago.

### DISTRIBUTION

Freight car loadings have been in smaller volume than at the same season of any other recent year. Department store sales declined in July to the lowest level since the summer of 1924.

### PRICES

The sharp downward movement of wholesale prices continued through July, and the Bureau of Labor Statistics index fell to a level 14 per cent below that of a year ago. The most pronounced decreases from June to July were in the prices of cattle, beef, wheat, cotton, silk, and rubber, and nearly all commodities showed some decline. During the first half of August, prices of grains moved upward, reflecting the influence of the drought. There have also been recent increases in the prices of cattle, hogs, silver, and silk, while the prices of cotton, copper, iron and steel, and rubber have declined further to the lowest level in recent years.

### BANK CREDIT

Loans and investments of reporting member banks in leading cities decreased slightly between July 16 and August 13 largely as a result of a decline of \$48,000,000 in security loans. All other loans showed little change, while investments increased further. Reserve bank credit outstanding increased by about \$60,000,000 during the first three weeks of August, reflecting a seasonal increase in the demand for currency and a decrease of about \$25,000,000 in the country's gold stock chiefly on account of gold exports to France. The increase in reserve bank credit was in the form of bankers' acceptances and United States Government securities; member bank borrowings showed little change. Money rates continued easy. The prevailing rate on commercial paper was reduced to 3 per cent around the first of August and remained at that level during the first three weeks of the month. Bond yields continued to decline. Discount rates at the Federal Reserve Banks of St. Louis, San Francisco and Kansas City were lowered from 4 to 3½ per cent during August.