

# 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

	August	Change from July
Bank debits to individual accounts (at 17 cities).....	\$739,302,000	— 4.6%
Department store sales.....		+ 11.3%
Reserve bank loans to member banks at end of month.....	\$ 14,875,824	+ 16.7%
Reserve bank ratio at end of month.....	53.8%	— 3.0 points
Building permit valuation at larger centers.....	\$ 7,169,706	+ 34.8%
Commercial failures (number).....	48	+ 29.7%
Commercial failures (liabilities).....	\$ 890,025	+ 16.3%
Oil production (barrels).....	26,904,350	— 1.0%
Lumber orders at pine mills (per cent of normal production).....	60%	— 1.0 points

mum. Seasonal liquidation has improved collections to some extent; yet they are somewhat spotty. Sales of department stores in larger centers during August exceeded those in July by 11 per cent, but they showed a decline of 8 per cent from the corresponding month last year. While the number and liabilities of commercial failures were slightly larger than in July, they compared favorably with a year ago.

The usual demand for funds for use in completing the cultivation of crops and the movement of cotton was in evidence during August. Federal reserve bank loans to member banks rose from \$12,744,365 on July 31 to \$14,875,824 at the close of August, but after the first of September there was a gradual liquidation of borrowings which carried these loans down to \$13,338,877 on the 15th of the month. On that date a year ago, Federal reserve bank loans amounted to \$45,855,522 due principally to the heavy borrowings of reserve city banks while most of the funds this year are being absorbed by country banks. The combined daily average of net demand and time deposits of member banks reflected a further seasonal decline of \$12,156,000 and were \$40,191,000 less than in August, 1929. There has been a slight shading of interest rates charged customers by large commercial banks, and the Federal Reserve Bank of Dallas reduced its discount rate from 4 to 3½ per cent, effective August 9. The continued strong demand for short term investments was evidenced by the heavy subscriptions to the September 15 issue of United States Treasury Certificates of Indebtedness bearing 2¾ per cent, which amounted to \$50,072,000, against which allotments of \$21,200,000 were made.

Some improvement was noticeable in the construction industry. The valuation of permits issued at principal cities in August reflected an increase of 35 per cent over the previous month, but was 15 per cent lower than in the same month in 1929. The production, shipments, and new orders for lumber were smaller than in either the previous month or a year ago. The production and shipments of cement declined from July but production was greater than in August last year.

### BUSINESS

The low prospective returns from agriculture, due both to the smaller production resulting from the drouth and the

low prices for agricultural products, continues to affect adversely the demand for merchandise in wholesale chan-



nels. While business in every reporting line except farm implements reflected a seasonal improvement over the previous month, sales in all lines were substantially smaller than in the corresponding month of 1929. Due to the uncertainty regarding consumer demand and the continued weakness of commodity prices, retailers are purchasing in small lots and are making re-orders as the need for additional merchandise arises. Reports indicate that merchants are holding inventories to a minimum. While collections are somewhat spotty, they showed an increase over July in all reporting lines.

Wholesale dry goods firms in this district reported the usual heavy increase in demand during August, coincident with the opening of the fall buying season in leading centers, but the volume was considerably smaller than in other recent years. Sales, which were 82.6 per cent larger than in July, reflected a decline of 41.8 per cent from August, 1929. Business during July and August averaged 42.5 per cent lower than in the same two months a year ago. Merchants have been buying in small quantities and making frequent re-orders as consumer demand makes its appearance in order to keep inventories at a low level. Reports indicate that business in September has been holding up fairly well. Stocks on hand August 31 were 27.5 per cent smaller than a year ago and showed a decline of 4.1 per cent from a month earlier. Cotton goods prices have reflected a further weakness in sympathy with the trend of the raw cotton market. Collections during August were in larger volume than in July.

The sales of agricultural implements by wholesale firms in this district dropped 16.6 per cent from July and were 59.9 per cent below August last year. While the decline was due in part to seasonal influences, the small demand prevailing at the present time is traceable to the poor returns from agriculture which are causing farmers to hold purchases to absolute necessities. Collections were slightly higher than in July.

Although the demand for drugs at wholesale was 9.7 per cent larger in August than in July, it was 21.1 per cent less than in the same month last year. Eight of the ten reporting firms showed heavier sales than in the preceding month, due to seasonal influences, but all had declines from last year both in August and combined July-August sales. Collections reflected a slight increase and were in the same proportion to outstanding accounts as they were last month.

Wholesale hardware firms in the Eleventh District reported an increase in sales of 8.3 per cent over July, but their August volume was still 31.0 per cent below that of 1929. Stocks at the end of the month were 9.3 per cent larger than a year ago. As compared to the previous month, collections reflected a slight increase.

Sales of groceries at wholesale in this district were 6.8 per cent larger during August than in July, but reflected a decline of 12.0 per cent from the same month a year ago. The demand, which is being affected by poor crops and low agricultural prices, appears to be sluggish throughout the district. Collections showed an improvement over the previous month. The trend of prices continued downward.

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

	Net Sales August, 1930 compared with Aug. 1929	Net Sales July 1 to date compared with same period last year	Stocks August, 1930 compared with Aug. 1929	Ratio of collec- tions during Aug. to accounts and notes outstanding on July 31
Groceries.....	-12.0	+ 6.8	-12.7	+ .5
Dry goods.....	-41.8	+82.6	-27.5	+ 4.1
Farm implements..	-59.9	-16.6	-48.2	.....
Hardware.....	-31.0	+ 8.3	-30.2	+ 2.0
Drugs.....	-21.1	+ 9.7	-18.9	-1.5

#### Retail Trade

The demand for merchandise at retail in larger cities during August reflected the usual summer dullness. The sales of department stores, while showing a gain of 11.3 per cent over the previous month, were 8.1 per cent less than in the corresponding month last year. The sizable increase over the previous month was due in part to widespread reduced price sales, which were featured during the month in an effort to clear out the stocks of summer goods. Sales during the first eight months of the current year averaged 7.6 per cent smaller than during the corresponding period of 1929.

Stocks on hand at the close of August reflected a seasonal increase of 6.1 per cent, yet they were 14.8 per cent smaller than on August 31, 1929. The rate of stock turnover during the first eight months of the current year was 1.82 as compared to 1.87 during the corresponding period last year.

Collections reflected a seasonal decline during the month. The ratio of August collections to accounts outstanding on August 1 was 29.9 per cent as compared to 32.8 per cent in July, and 32.7 per cent in August, 1929.

#### BUSINESS OF DEPARTMENT STORES

Total Sales (Percentage):	Dallas	Fort Worth	Houston	San Antonio	Others	Total District
August, 1930, compared with August, 1929.....	-1.4	-9.0	-23.3	+ 7.8	-12.4	- 8.1
August, 1930, compared with July, 1930.....	+28.7	+ 9.0	- 4.4	+ 5.0	+ 9.2	+11.3
January 1 to date compared with same period last year.....	- 4.3	-13.2	-11.3	- 4.0	- 6.2	- 7.6
Credit Sales (Percentage):						
August, 1930, compared with August, 1929.....	+ 1.2	- 3.3	-20.0	+10.0	- 9.5	- 4.1
August, 1930, compared with July, 1930.....	+36.5	+17.9	+ .1	+ 4.8	+14.9	+18.5
January 1 to date compared with same period last year.....	- 1.2	- 6.8	- 5.9	+ .1	- 1.3	- 2.7
Stocks (Percentage):						
August, 1930, compared with August, 1929.....	-14.6	-16.3	-13.2	-21.6	-11.7	-14.8
August, 1930, compared with July, 1930.....	+ 4.9	+ 3.9	+10.5	+ 5.7	+ 6.0	+ 6.1
Stock Turnover (Rate):						
Rate of stock turnover in August, 1929.....	.23	.17	.23	.24	.19	.21
Rate of stock turnover in August, 1930.....	.25	.19	.20	.33	.18	.22
Rate of stock turnover January 1 to August 31, 1929.....	2.00	1.61	2.05	2.28	1.55	1.87
Rate of stock turnover January 1 to August 31, 1930.....	1.92	1.46	1.94	2.49	1.54	1.82
Ratio of August collections to accounts receivable and outstanding August 1, 1930.....	27.4	28.1	32.8	36.4	29.3	29.9

#### Commercial Failures

Insolvencies in the Eleventh Federal Reserve District, according to the report issued by R. G. Dun & Company, were more numerous in August than in the preceding month but were fewer than in the same month a year ago. There were

48 failures during the month as against 37 in July and 50 in August last year. The indebtedness of defaulting firms during August amounted to \$890,025, as compared to \$765,420 for the previous month and \$817,829 for the same month in 1929.



## AGRICULTURE

*Crop Conditions*

The continuance of the drouth during August in a large area of Texas and Southeastern Oklahoma caused a substantial reduction in the prospective yields of major crops and the situation became critical in portions of Northwest and Northeast Texas, where the drouth was most severe.

While some rain has fallen over much of this territory in recent weeks and will be beneficial to late crops, a heavy general rain is needed to enable farmers to seed small grains for winter pasturage. In New Mexico and Arizona, where rainfall has been generally ample, most crops have either held their own or have shown an improvement. While rains during the latter half of August benefited some crops in Louisiana, the indicated production of most crops on September 1 was considerably under the final yields in 1929.

According to the report of the Department of Agriculture, the condition of the cotton crop in Texas showed a further marked deterioration during August, being 53 per cent of normal on September 1, as compared to 61 per cent a month earlier. On the basis of the September 1 condition figure, the indicated production was placed at 4,321,000 bales, which represents a reduction of 175,000 bales from the August 1 estimate. While the prospective yield this year is 381,000 bales larger than the 1929 production, it should be remembered that the yield last year was very poor. The per acre yield in 1929 was only 108 pounds and this year it is estimated at 122 pounds. The condition of the crop declined in all sections of Texas except West and South with the most marked decline occurring in the North, Northeast, Northwest and West Central sections. The best condition obtains in South and Southeast Texas where a very poor crop was raised last year. The Department of Agriculture stated that fruiting was still slightly more advanced than the average for the past five years and that boll weevil infestation is reported considerably below that of the past three years. Cotton has opened rapidly and prematurely in the drier sections. Due to the continuance of open weather, picking and ginning have made unusually rapid progress. The Bureau of Census reported that 1,120,441 bales had been ginned prior to September 1, as compared to 810,653 bales last year and reached the highest total prior to that date on record. The September 1 report placed the production of cotton in Louisiana at 649,000 bales, which is 17,000 bales greater than the August 1 estimate, but still considerably under the 809,000 bales produced in 1929. There was no change in the estimate for New Mexico and that for Arizona was reduced 3,000 bales. The condition of the Oklahoma crop declined to 42 per cent of normal, which indicated a production of 925,000 bales or 167,000 bales less than the August 1 estimate.

The dry weather during August materially affected the late corn in Texas, Louisiana, and Oklahoma. According to the September 1 report of the Department of Agriculture the indicated production of corn in Texas was 83,232,000 bushels, which was 4,896,000 bushels less than on August 1, and compares with an actual production of 86,127,000 bushels in 1929. The Oklahoma crop was reduced 3,352,000 bushels during the month and is 16,476,000 bushels under the 1929 crop. The crop in Arizona promises a larger yield than was estimated for the previous month or the actual production of a year ago. The estimate for New Mexico, was 110,000 bushels below that indicated on August 1, and

676,000 bushels less than the yield in 1929. The grain sorghum crops suffered rapid deterioration in all states attached to this district except Arizona and the indicated production is considerably below that of 1929. The Texas crop was estimated at 40,572,000 bushels, which compares to an actual harvest of 46,920,000 bushels in 1929. The indicated yield of hay crops showed but little change during the month but in every state except Arizona the indicated yield is materially less than the 1929 production.

The production of sweet potatoes in Texas on September 1, as reported by the Department of Agriculture, was 7,232,000 bushels as compared to an actual yield of 7,384,000 bushels in 1929. The crop showed some improvement during the month. The indicated yield for this crop in Louisiana was 5,590,000 bushels on September 1, as compared to 5,160,000 bushels on August 1, and with an actual production of 7,440,000 bushels in 1929. The yield in Oklahoma was reduced 144,000 bushels during the month but the crop still promises a production of 90,000 bushels greater than a year ago. The prospective production of peanuts in Texas, Louisiana, and Oklahoma is considerably smaller than that for 1929.

The Texas rice crop reflected a material improvement during August, the September 1 production being indicated at 8,405,000 bushels, as compared to 8,200,000 bushels on August 1 and an actual yield of 7,524,000 bushels a year ago. Harvesting has proceeded under generally favorable conditions.

*Livestock*

A marked deterioration in the condition of ranges over much of Texas was caused by the continued dry weather during August and prospects for fall and winter grazing are poor. Only a few favored localities received an appreciable amount of moisture during the month. While some rain has fallen over a considerable area since September 1, in most instances it has been insufficient to relieve the drouthy condition and a heavy general rain is urgently needed to revive pastures and permit the sowing of fall grains to furnish winter grazing. The Department of Agriculture reported the condition of cattle ranges at 67 per cent of normal on September 1, as compared to 76 per cent a month earlier and a year ago. The condition of sheep and goat ranges was placed at 68 per cent, which represents a decline of 8 points during the month and 7 points from that obtaining last year. Livestock have held up remarkably well under the circumstances but they are beginning to show the effects of the protracted drouth. The condition of cattle declined 4 points; that of sheep 5 points, and that of goats 6 points. On the other hand, livestock and their ranges are in generally good condition in New Mexico and Arizona. Rains have provided sufficient moisture in these states except in portions of Southeastern New Mexico, where ranges are becoming dry. In New Mexico the condition of ranges improved 2 points and cattle and sheep 3 points. Stock water and feed supplies in these latter states are generally ample and prospects are fairly good for fall and winter pasturage. Throughout the district, range trading has continued slow.

*Movements and Prices*

The August receipts of cattle and calves were considerably larger than in the previous month and the arrivals of calves were in excess of those in that month of 1929. Sheep and



hog receipts showed a heavy decline as compared to both the previous month and the corresponding month last year.

Livestock prices, after showing an almost steady decline for several months, developed some strength during the last half of August and the first half of September. While the cattle market experienced an uneven trend, prices on most classes at the middle of September were higher than four weeks earlier. At the close of July, the best hogs were bringing only \$9.00 but the market showed a steady advance

FORT WORTH LIVESTOCK RECEIPTS  
(Number)

	August 1930	August 1929	Change over Year	July 1930	Change over Month
Cattle.....	59,639	60,707	- 1,068	52,505	+ 7,134
Calves.....	38,632	32,359	+ 6,273	25,910	+12,722
Hogs.....	15,743	27,351	-11,608	16,799	- 1,056
Sheep.....	18,054	35,391	-17,337	42,137	-24,083

during August and the top price reached \$10.75 early in September, which price has not been exceeded since the decline set in last fall. During the subsequent week, however, the market declined somewhat. The sheep and lamb market developed some strength, but prices are still very unsatisfactory. The month's receipts were the smallest for any August in ten years.

COMPARATIVE TOP LIVESTOCK PRICES  
(Dollars per hundred weight)

	August 1930	August 1929	July 1930
Beef Steers.....	\$ 8.50	\$13.75	\$ 9.25
Stocker steers.....	6.00	12.50	.....
Butcher cows.....	5.50	9.00	5.50
Stocker cows.....	3.25	5.75	.....
Calves.....	10.00	12.75	9.00
Hogs.....	10.55	11.35	9.15
Sheep.....	4.00	9.00	4.85
Lambs.....	8.25	13.00	9.00

## FINANCE

### Operations of the Federal Re- serve Bank

A further seasonal increase in the demand for Federal reserve bank funds was in evidence during August. The borrowings of member banks, which stood at \$12,744,365 on July 31, reflected an almost steady gain throughout August and reached a peak on the last day of the month at \$14,875,824. The expansion in demand came largely from country banks as the borrowings of reserve city banks remained generally stable. During the first half of September, loans to member banks reflected a gradual decline, amounting to \$13,338,877 on the 15th of the month. On that date in 1929, these loans totaled \$45,855,522. There were 268 borrowing banks on August 31 as compared to 260 a month earlier, and 263 on the same date a year ago.

Due to the increase both in member bank borrowings and in open market purchases, total bills held rose from \$16,891,687.43 on July 31 to \$22,153,272.23 on August 31, distributed as follows:

Member banks' collateral notes secured by United States Government obligations.....	\$ 2,545,150.00
Rediscounts and other loans to member banks.....	12,330,674.47
Open market purchases (Bankers' acceptances).....	7,273,539.26
Discounts for non-member banks.....	3,858.50
<b>Total bills held.....</b>	<b>\$22,153,272.23</b>

A sharp seasonal increase in the actual circulation of Federal reserve notes occurred during the month, the total being \$34,352,395 on August 31 as compared to \$30,747,150 a month earlier. The daily average of reserve deposits of member banks, which amounted to \$57,561,455 in August, was \$1,485,949 smaller than in July and \$3,606,097 below the average for August, 1929.

### Condition of Member Banks in Selected Cities

An increase in loans and deposits and a decline in investments were the principal features reflected in the reports from member banks in selected cities during the five-week period ending September 10. Their investments in United States securities were reduced \$1,531,000 and their holdings of other securities fell off \$1,287,000. Loans on securities were \$687,000 higher on September 10 than on August 6, and "all other" loans (largely commercial) were increased by \$2,752,000. Total loans and investments, which amounted to \$436,836,000 on September 10, were \$621,000 larger than five weeks earlier but were still \$45,099,000 smaller than on the correspond-

ing date last year. Due largely to the marketing of cotton, there was a steady flow of funds to city banks and was reflected in the rise in funds "due to banks" from \$88,551,000 on August 6 to \$105,482,000 on September 10. At the same time, these banks increased their deposits with other banks \$15,273,000. The net demand deposits of these banks rose \$12,292,000 during the period, but time deposits declined \$2,060,000. Their borrowings at the Federal Reserve Bank amounted to \$2,357,000 on September 10, as compared to \$2,721,000 on August 6, and \$31,799,000 on September 11, 1929.

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

	Sept. 10, 1930	Aug. 6, 1930	Sept. 11, 1929
United States securities owned.....	\$ 59,020	\$ 61,451	\$ 77,833
All other stocks, bonds, and securities owned.....	45,200	46,487	41,640
Loans on securities.....	98,736	98,049	102,278
All other loans.....	232,980	230,228	260,184
Total loans.....	331,716	328,277	362,462
Net demand deposits.....	278,636	266,344	289,072
Time deposits.....	148,688	150,748	142,052
Reserve with Federal Reserve Bank.....	34,535	32,173	33,427
Bills payable and rediscounts with Federal Reserve Bank.....	2,357	2,721	31,799

### Deposits of Member Banks

The daily average net demand deposits of member banks in this district during August, which amounted to \$579,092,000, registered a further decline of \$12,473,000 from the previous month and was \$50,817,000 smaller than in August,

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
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	281,609	132,235	387,209	90,538
Dec., 1929.....	663,839	220,111	279,611	131,879	384,228	88,232
Jan., 1930.....	659,110	225,469	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	96,426
April, 1930.....	630,029	237,274	271,647	138,980	358,382	98,294
May, 1930.....	623,282	241,420	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
Aug. 1930.....	579,092	241,269	256,176	141,675	322,916	99,594



1929. Average time deposits rose to \$241,269,000, as compared to \$240,952,000 in July, and \$230,643,000 in August a year ago. The time deposits of country banks increased while those of reserve city banks decreased.

### Acceptance Market

There was a substantial seasonal increase during August in the aggregate of acceptances held by accepting banks in the Eleventh Federal Reserve District. The total of \$5,891,431, outstanding on August 31, represents a gain of \$2,628,561 over the previous month, and an increase of \$2,621,778 over the same date last year. For the first time in nine months, the volume of acceptances based upon import and export transactions showed an increase over the preceding month, and at the end of August the total was \$1,566,471, as compared to \$939,861 on the last day of July, and \$1,441,123 on August 31, 1929. Acceptances executed against domestic shipment and storage of goods rose from \$2,323,009 on July 31 to \$4,324,960 on the last day of August.

### Savings Deposits

Savings deposits, as reported by 89 banks in the Eleventh District, aggregated \$156,680,806 on August 31 as against \$155,451,500 at the end of July and \$153,577,819 on the same date last year. The increases represented by these figures amount to 0.8 per cent and 2.0 per cent, respectively. The number of savings depositors at 82 of these banks increased to 320,154 at the end of August, as compared to 319,283 a month earlier, and 313,065 on August 31, 1929.

### Debits to Individual Accounts

The volume of debits to individual accounts during August at banks located in principal cities of this district declined 4.6 per cent from the previous month, and was at the lowest level reached since May, 1928. Total charges in August amounted to \$739,302,000, as compared to a volume of \$911,879,000 in the same month last year, and \$774,791,000 in July this year.

DEBITS TO INDIVIDUAL ACCOUNTS  
(In thousands of dollars)

	August 1930	August 1929	Percentage change over Year	July 1930	Percentage change over Month
Abilene.....	\$ 6,884	\$ 9,312	-26.1	\$ 7,600	- 9.4
Austin.....	16,786	21,266	-21.1	19,445	-13.7
Beaumont.....	22,045	27,638	-20.2	24,211	- 8.9
Corsicana.....	4,625	6,500	-28.8	4,973	- 7.0
Dallas.....	190,588	237,562	-19.8	188,529	+ 1.1
El Paso.....	33,063	37,951	-12.9	34,360	- 3.8
Fort Worth.....	82,660	113,478	-27.2	90,316	- 8.5
Galveston.....	28,813	35,514	-18.9	32,855	-12.3
Houston.....	174,736	203,648	-14.2	173,853	+ .5
Port Arthur.....	10,627	12,002	-12.9	11,054	- 3.9
Rowell.....	3,434	3,855	-10.9	4,268	-19.5
San Antonio.....	78,203	89,205	-12.3	79,945	- 2.2
Shreveport.....	32,794	43,032	-23.8	36,447	-10.0
Texarkana.....	11,893	15,222	-21.9	13,050	- 8.9
Tucson.....	8,214	10,197	-19.4	10,337	-20.5
Waco.....	13,839	18,171	-23.8	14,020	- 1.3
Wichita Falls....	20,098	27,326	-26.4	29,528	-31.9
Total.....	\$739,302	\$911,879	-18.9	\$774,791	- 4.6

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

SAVINGS DEPOSITS

	Number of Reporting Banks	August 31, 1930 Number of Savings Depositors	August 31, 1930 Amount of Savings Deposits	August 31, 1929 Number of Savings Depositors	August 31, 1929 Amount of Savings Deposits	Percentage Change Over Year in Savings Deposits	July 31, 1930 Number of Savings Depositors	July 31, 1930 Amount of Savings Deposits	Percentage Change Over Month in Savings Deposits
Beaumont.....	4*	5,976	\$ 2,674,077	5,918	\$ 2,592,593	+ 3.1	6,009	\$ 2,640,803	+1.3
Dallas.....	4	68,196	26,943,450	63,773	25,443,371	+ 5.9	67,942	26,767,588	+ .7
El Paso.....	2	16,329	6,224,881	15,364	5,820,814	+ 6.9	16,310	5,958,146	+4.5
Fort Worth.....	2	18,926	7,760,054	17,840	7,348,318	+ 5.6	18,870	7,746,947	+ .2
Galveston.....	3	13,918	8,141,279	13,923	8,853,142	- 8.0	13,959	8,121,862	+ .2
Houston.....	11*	72,487	35,056,127	77,429	34,994,428	+ .2	72,323	34,615,890	+1.3
Port Arthur.....	2	4,879	1,790,985	4,907	1,989,134	-10.0	4,829	1,758,076	+1.9
San Antonio.....	7	37,902	23,045,416	34,559	22,584,567	+ 2.0	37,702	22,734,180	+1.4
Shreveport.....	4*	20,962	13,157,354	21,197	11,211,803	+17.4	20,936	13,232,964	- .6
Waco.....	4	10,650	7,004,852	9,981	6,924,071	+ 1.2	10,388	16,867,659	+2.0
Wichita Falls.....	2	3,746	1,664,854	4,241	1,585,340	+ 5.0	3,747	1,674,116	- .6
All others.....	44*	46,183	23,217,477	43,933	24,230,238	- 4.2	46,208	23,333,269	- .5
Total.....	89	320,154	\$156,680,806	313,065	\$153,577,819	+ 2.0	319,283	\$155,451,500	+ .8

\*Only 3 banks in Beaumont, 10 banks in Houston, 3 banks in Shreveport, and 40 banks in "All others" reported the number of savings depositors.

SEPTEMBER 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.....	4½-6	6-8	4-6	5-6	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.....	5-7	6-8	6-7	5-6	6-8	6-8
Time.....	5-8	6-8	6-7	5-6	6-8	6-8
Rate charged on commodity paper secured by warehouse receipts, etc.....	3½-6	8	6-7	5-6	6-8	6-8
Rate on cattle loans.....	6-7	6-8	6-8	7-8	6-8	7-10

## INDUSTRY

### Textile Milling

For the fifth consecutive month, operations of textile mills in the Eleventh District evidenced a decline during August as compared with the previous month and the corresponding month last year. Production of cloth was 6.5 per cent below that in July, and 40.3 per cent less than the output in August, 1929. There were 2,235 bales of raw cotton con-

sumed during the month as compared to 2,433 bales in the previous month and 4,173 bales in the same month last year. The volume of orders recorded on the books of reporting mills on August 31 showed a sharp decline from that a month earlier and a year ago. Stocks on hand at the end of the month, while slightly less than those on July 31, were considerably larger than on the same date last year. Prices



of raw cotton and most classes of cotton goods evidenced a further decline during the month.

The August consumption of cotton at all United States mills totaled 352,335 bales, which was 7.0 per cent less than in the previous month and 36.9 per cent below that of August, 1929. The amount of cotton on hand at consuming establishments, while less than a month earlier, was 26.3 per cent greater than on the same date of 1929.

#### TEXTILE MILLING STATISTICS—TEXAS

	August 1930	August 1929	July 1930
Number bales consumed.....	2,235	4,173	2,433
Number spindles active.....	96,005	105,756	97,172
Number pounds cloth produced.....	1,101,070	1,845,712	1,177,637

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

	August 1930	August 1929	August 1 to August 31 This Season	Last Season
Cotton growing states:				
Cotton consumed.....	283,731	428,771	283,731	428,771
On hand August 31 in—				
Consuming establishments.....			647,900	496,388
Public storage and com- presses.....			3,116,353	1,194,941
United States:				
Cotton consumed.....	352,335	558,754	352,335	558,754
On hand August 31 in—				
Consuming establishments.....			1,011,661	800,989
Public storage and com- presses.....			3,464,699	1,382,226

#### Cottonseed Products

With the harvesting of the cotton crop well advanced, the movement of cottonseed is increasing rapidly and a large percentage of the mills have resumed operation. The receipts and crushings of cottonseed during August at both Texas and United States mills and the production of cottonseed products showed a substantial increase as compared to a year ago.

Stocks of cake and meal, and hulls on hand at the end of the month at United States mills were less than a year ago, while those of linters were larger.

#### STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS

	Texas		United States	
	August 1 to August 31 This Season	Last Season	August 1 to August 31 This Season	Last Season
Cottonseed received at mills (tons).....	199,229	146,113	336,129	239,069
Cottonseed crushed (tons).....	90,719	71,249	165,770	120,023
Cottonseed on hand (tons).....	124,508	94,979	214,965	160,652
Crude oil produced (pounds).....			49,321,710	35,217,974
Cake and meal produced (tons).....			76,770	56,303
Hulls produced (tons).....			45,878	32,064
Linters produced (running bales).....			28,578	23,310
Stocks on hand August 31:				
Crude oil (pounds).....				
Cake and meal (tons).....			45,340	48,894
Hulls (tons).....			29,590	56,719
Linters (running bales).....			135,488	53,830

#### Cotton Movements

The marketing of the current cotton crop was reflected in a substantial increase in the August receipts of cotton at Houston and Galveston as compared to the previous month. Those at Houston were materially larger than a year ago but those at Galveston were slightly smaller. The August exports of cotton at Galveston were smaller than in either the previous month or the corresponding month last year but exports from Houston reflected a large increase over both periods.

Total foreign exports of cotton from all United States ports aggregated 366,036 bales in August as compared to 176,435 bales in July and 226,018 bales in August, 1929. This was the first month since last October that the exports for the current month exceeded those of the corresponding month of the previous year and the large gain over the low July figure is distinctly encouraging. The countries showing a large increase in takings in August as compared to a year ago were, United Kingdom, France, Germany, and Japan.

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

	August 1930	August 1929	August 1 to August 31 This Season	Last Season
Receipts.....	49,553	52,212	49,553	52,212
Exports.....	31,317	35,065	31,317	35,065
Stocks August 31.....			203,488	92,742

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

	August 31, 1930	August 31, 1929
For Great Britain.....	1,800	3,900
For France.....	1,200	3,500
For other foreign ports.....	6,800	16,700
For coastwise ports.....	800	3,000
In compresses and depots.....	192,888	65,642
Total.....	203,488	92,742

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

	August 1930	August 1929	August 1 to August 31 This Season	Last Season
Receipts.....	238,210	91,481	238,210	91,481
Exports.....	95,386	51,175	95,386	51,175
Stocks August 31.....			653,183	174,291

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

	August 1 to August 31 This Season	Last Season
Receipts.....	681,964	452,811
Exports: United Kingdom.....	55,444	25,559
France.....	56,773	35,552
Italy.....	21,707	21,003
Germany.....	125,405	66,381
Other Europe.....	51,615	49,989
Japan.....	37,119	14,072
All other countries.....	17,973	13,462
Total foreign ports.....	366,036	226,018
Stocks at all United States ports August 31.....	1,882,931	653,548

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

	August, 1930		Sept. 15, 1930
	High	Low	
New York.....	13.15	11.00	10.95
New Orleans.....	12.80	10.56	10.63
Dallas.....	12.25	10.65	10.10
Houston.....	12.75	10.70	10.85
Galveston.....	12.80	10.75	10.85

#### Petroleum

The output of crude oil in the Eleventh Federal Reserve District decreased from 27,170,500 barrels in July to 26,904,350 barrels in August, and showed an appreciable reduction from the August, 1929, yield of 28,500,100 barrels. Daily average production during the month amounted to 867,882 barrels, representing a decline of 8,585 barrels from July. Drilling activity likewise reflected a curtailment, as evidenced by the smaller



number of wells completed during the month, but the initial output from new wells was somewhat larger than in the previous month.

The daily average yield in Texas amounted to 826,406 barrels during August, as compared to 835,880 barrels in July and 882,726 barrels in August, 1929. Southwest Texas contributed an increase of 23,220 barrels over the preceding month, while Central West Texas showed a decline of 27,598 barrels. The largest new production was in East Texas, where 18 producers completed in the Van field had a combined initial output of 100,620 barrels.

There were 87 wells completed during August in North Louisiana as against 73 in July. Increased wildcat activity was responsible for most of the new production.

## OIL PRODUCTION—(Barrels)

	August, 1930		Increase or Decrease Over July, 1930	
	Total	Daily Avg.	Total	Daily Avg.
North Texas.....	5,368,200	173,168	+ 1,750	+ 57
Central West Texas.....	10,476,850	337,963	-885,550	-27,598
East Texas.....	1,235,200	39,845	- 100	- 3
Texas Coastal.....	5,521,750	178,121	-159,650	- 5,150
Southwest Texas.....	3,016,600	87,309	+719,850	+23,220
Total Texas.....	25,618,600	826,406	-293,700	- 9,474
North Louisiana.....	1,285,750	41,476	+ 27,550	+ 889
Total District.....	26,904,350	867,882	-266,150	- 8,585

## AUGUST DRILLING RESULTS

	Com-pletions	Pro-ducers	Gas Wells	Fail-ures	Initial Production
North Texas.....	151	71	22	58	29,449
Central West Texas.....	177	77	12	88	39,026
East Texas.....	20	18	1	1	100,620
Southwest Texas.....	102	82	12	8	29,122
Texas Coastal.....	128	87	1	40	47,598
Texas Wild-Cats.....	30	2	..	28	75
Total Texas.....	608	337	48	223	245,890
North Louisiana.....	87	20	32	35	6,039
August totals, district.....	695	357	80	258	251,929
July totals, district.....	823	418	69	336	244,086

## CRUDE OIL PRICES

	Sept. 10, 1930	Sept. 11, 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.)

## Lumber

The situation in the lumber industry in the Eleventh District continued slow and unsatisfactory during August and the first week in September, as reflected by a further decline in production, shipments, and new orders for lumber. During the four-week period ending September 6, shipments declined from 67 per cent of normal production to 63 per cent, and production and new orders each evidenced a decline of 1 point from 70 and 61 per cent, respectively. Stocks of lumber on hand at reporting mills on September 6 were slightly higher than those held at the end of the previous four weeks.

Unfilled orders for lumber on the books of 42 mills on September 6 aggregated 32,396,000 feet as against 35,360,000 feet on hand at 44 establishments on August 9.

## PINE MILL STATISTICS

(Four-week period ending September 6, 1930)

Number of reporting mills.....	42
Production.....	51,535,000 feet
Shipments.....	46,780,000 feet
Orders.....	44,687,000 feet
Unfilled orders September 6.....	32,396,000 feet
Normal production.....	74,190,000 feet
Stocks September 6.....	300,717,000 feet
Shipments below normal production.....	27,416,000 feet—37%
Actual production below normal.....	22,661,000 feet—31%
Orders below normal production.....	26,509,000 feet—40%

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

## Building

Construction operations during August at leading cities in the Eleventh Federal Reserve District, as evidenced by the valuation of building permits issued, reflected a further increase over the previous month, but continued on a smaller scale than in the same month last year. The valuation of building permits issued in August totaled \$7,169,706, representing an increase of 34.8 per cent over the preceding month but a decline of 14.5 per cent from August a year ago.

For the first eight months of the current year the aggregate valuation at reporting cities amounted to \$47,852,146, being 31.9 per cent smaller than in the corresponding period of 1929.

NOTE: The valuation of building permits issued at Dallas during July was erroneously reported as \$6,860,397 and that figure was published in our Review dated August 1, 1930. The correct total was \$1,314,702 and the necessary adjustments are made in the following table:

## BUILDING PERMITS

	August, 1930		August, 1929		Percentage Change Valuation Over Year	July, 1930		Percentage Change Valuation Over Month	Eight Months				Percentage Change Valuation Over Period
	No.	Valuation	No.	Valuation		No.	Valuation		1930		1929		
									No.	Valuation	No.	Valuation	
Amarillo.....	44	\$ 103,114	57	\$ 154,470	— 33.2	54	\$ 186,126	— 44.6	464	\$ 1,577,362	388	\$ 1,342,223	+17.5
Austin.....	71	160,722	101	205,404	- 21.8	98	295,393	- 45.6	766	2,765,768	694	2,362,133	+17.1
Beaumont.....	158	182,452	160	218,814	- 16.6	154	150,760	+ 21.0	1,152	1,596,534	1,413	2,030,266	-21.4
Corpus Christi.....	42	15,015	83	99,410	- 54.7	54	40,327	+ 11.6	443	907,363	526	1,555,713	-41.7
Dallas.....	273	941,165	263	501,331	+ 87.7	289	1,314,702	- 28.4	2,617	6,446,261	2,325	6,289,016	+ 2.5
El Paso.....	90	183,972	114	628,529	- 70.7	103	175,118	+ 5.1	904	2,196,695	898	2,450,496	-10.4
Fort Worth.....	162	3,207,531	242	427,731	+649.9	217	229,374	+1298.4	1,932	8,059,884	2,507	7,916,517	+ 1.8
Galveston.....	93	87,478	219	1,671,227	- 94.8	106	59,780	+ 46.3	961	907,842	1,499	3,332,637	-72.8
Houston.....	310	1,342,092	470	2,369,429	- 43.4	330	1,874,429	- 28.4	2,644	12,179,972	3,665	22,306,280	-45.4
Port Arthur.....	94	427,636	173	490,213	- 12.8	126	371,131	+ 15.2	872	2,487,569	1,027	2,120,156	+17.3
San Antonio.....	253	245,870	389	949,650	- 74.1	236	415,015	- 40.8	2,234	5,656,340	2,864	12,996,330	-56.5
Shreveport.....	152	94,544	255	380,451	- 75.1	156	125,422	- 24.6	1,384	1,329,874	2,103	2,693,481	-50.6
Waco.....	24	111,240	40	103,446	+ 7.5	29	73,720	+ 50.9	271	878,242	361	2,048,150	-57.1
Wichita Falls...	28	36,875	24	184,845	- 80.1	21	9,085	+ 805.9	189	862,440	282	846,679	+ 1.9
Total.....	1,794	\$7,169,706	2,581	\$8,384,950	- 14.5	1,973	\$5,320,382	+ 34.8	16,833	\$47,852,146	20,552	\$ 70,290,077	-31.9



**Cement**

There were 697,000 barrels of portland cement produced at Texas mills during August, as compared to 585,000 barrels in the preceding month and 707,000 barrels in the same month last year. Shipments declined to 634,000 barrels, being 10.6 per cent smaller than in July, and 19.3 per cent less than in August a year ago. Stocks on hand at these mills increased from

564,000 barrels on July 31 to 627,000 barrels at the end of August, and were 34.5 per cent larger than on August 31, 1929. Aggregate production through August 31 of the current year showed an increase of 2.0 per cent over 1929, and shipments during the same period reflected a gain of 4.7 per cent.

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

	August 1930 Number	Percentage change Over		January through August 31 Percentage Change Over Year
		Month	Year	
Production at Texas mills.....	697	+19.1	- 1.4	4,724
Shipments from Texas mills.....	634	-10.6	-19.3	4,909
Stocks at end of month at Texas mills.....	627	+11.2	+34.5	.....

## SUMMARY OF NATIONAL BUSINESS CONDITIONS

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

Industrial production as a whole was in the same volume in August as in July, contrary to the usual upward trend at this season, although there were seasonal increases in activity in a number of basic industries. Factory employment and payrolls declined further. The general level of commodity prices at wholesale, which had declined continuously for a year, remained unchanged between July and August, advances in prices being reported in certain important agricultural staples.

### PRODUCTION

The Board's index of industrial production, which makes allowance for seasonal variations, continued to decline in August. Production of automobiles, pig iron, lumber, and sugar decreased, and there was a reduction in the consumption of cotton and wool. In the bituminous coal and silk industries, there was less increase than is usual at this season, while in steel, cement, flour, and shoes the increase was slightly more than seasonal. During the first two weeks of September, activity at steel plants increased, while a further reduction in output of automobiles was reported. Building contracts awarded, as reported to the F. W. Dodge Corporation, were in slightly smaller volume during August, largely on account of reduction in educational and industrial construction projects. Residential building contracts continued small. During the first two weeks in September, awards averaged about the same as in August. At the middle of August, the latest date for which figures are available, the number of wage earners employed in factories and the volume of factory payrolls was smaller than in the middle of July. There were decreases in employment in the iron and steel and cotton textile industries, and at foundries and machine shops, automobile plants, and saw mills. Substantial seasonal increases occurred in the canning and preserving, bituminous coal mining, and clothing industries.

### AGRICULTURE

September 1 estimates by the Department of Agriculture indicate a corn crop of 1,983,000,000 bushels, about 700,000,000 bushels less than the five-year average; a spring wheat crop of 240,000,000 bushels, slightly larger than last year's unusually small crop, making the total wheat crop about equal to the five-year average; and a crop of oats of

about the usual size. Condition of pastures on September 1 was reported to be unusually poor. The cotton crop is expected to be about 14,340,000 bales, nearly one-half million bales less than last year.

### DISTRIBUTION

Volume of freight shipped by rail increased by slightly less than the usual seasonal amount during August. Sales of department stores were larger than in July, but continued considerably smaller than a year ago.

### WHOLESALE PRICES

There were increases during August in prices of many agricultural products, especially meats, livestock and grains, while the price of cotton decreased. Prices of mineral and forest products and of imported raw materials and their manufactures in general declined, with the principal exception of silk. The Bureau of Labor Statistics index of wholesale prices showed no change from the preceding month. During the first half of September, there were pronounced declines in prices of wheat, corn, hogs, pork and rubber. Prices of cotton and woolen textiles remained fairly stable, while those of hides and coffee increased.

### BANK CREDIT

Between August 20 and September 17, there was an increase in member bank holdings of investments and in their loans on securities, while all other loans, which include loans for commercial purposes, declined, contrary to the usual seasonal trend. The volume of reserve bank credit outstanding showed a growth for the period as is usual at this season but the increase was relatively small owing to the fact that the seasonal demand for currency was smaller than in other recent years and owing to an addition of \$15,000,000 to the country's stock of gold. The increase was in holdings of acceptances, offset in part by a further decline in discounts for member banks to the lowest level since 1927. Money rates continued at low levels during August and the first half of September and the yield on high grade bonds declined further. Discount rates at the Federal Reserve Banks of Dallas and Minneapolis, the only banks which had maintained a 4 per cent rate, were reduced to 3½ per cent during September.