

# 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

	February 1931	Change From January
Bank debits to individual accounts (at 17 cities).....	\$645,086,000	- 16.3%
Department store sales.....		+ 1.3%
Reserve bank loans to member banks at end of month.....	\$ 7,207,929	+ 21.5%
Reserve bank ratio at end of month.....	62.1%	+ .5 points
Building permit valuation at larger centers.....	\$ 3,784,310	+ 14.6%
Commercial failures (number).....	114	- 10.2%
Commercial failures (liabilities).....	\$ 2,152,893	+ 10.1%
Oil production (barrels).....	21,482,650	- 8.0%
Lumber orders at pine mills (per cent of normal production).....	76%	+ 11.0 points

issues amounted to \$102,417,750, of which \$41,555,000 represented subscriptions to the 1½ and 2 per cent Treasury Certificates of Indebtedness and \$60,862,750 represented subscriptions to the 3¾ per cent bonds. Allotments of Treasury Certificates of Indebtedness totaled \$29,255,000, while allotments of bonds amounted to \$8,839,450 and were made only against exchange subscriptions. The commercial loans of banks in the reserve cities reflected a further decline, reaching the lowest level recorded in several years. Member banks' borrowings at the Federal Reserve Bank showed a further increase during the four-week period ending March 15, and on that date were slightly larger than a year ago.

The actual distribution of merchandise at wholesale and retail has not shown any noticeable improvement; yet the undercurrent of good feeling has been sustained and in many quarters is gaining ground due to the good agricultural conditions, improvement in some lines of industry, and the strengthening of the cotton market. Department store sales in larger cities were slightly larger than in January, but were 12 per cent less than in February a year ago. Wholesale distribution was smaller than in either January this year or February last year. Merchants generally are maintaining a very conservative buying policy and are making replacements only when the actual demand arises. Southwestern carloadings were slightly larger in February than in the previous month, but were considerably smaller than in February, 1930.

While the valuation of building permits at principal centers was 15 per cent larger than the low January volume, it was 28 per cent smaller than in the corresponding month a year ago. The production of lumber was maintained at practically the same level as in the previous month; yet new orders and shipments again showed a considerable expansion. Both shipments and new orders are running considerably in excess of production. Production and shipments of cement, on the other hand, reflected a substantial decline as compared to both the previous month and the same month a year ago, with production showing the larger decline.

Further improvement in the agricultural and livestock industries, which placed them in an excellent physical condition at the opening of spring, has strengthened sentiment underlying business and industry throughout the district. Ample moisture, favorable weather, and the good condition of the soil are factors which are enabling farmers to proceed with confidence in their planting operations. Livestock and their ranges again showed a material improvement during February and the first half of March. According to the Department of Agriculture, ranges are now in excellent condition and livestock will be fat somewhat earlier than usual. Large calf, lamb and kid crops are in prospect. Trading on the ranges, however, is at a standstill and prices of most classes of livestock at central markets have tended downward.

The most significant developments in the financial field were the rise in member bank deposits and the heavy subscriptions to the various Government securities issued on March 16. The daily average of the combined net demand and time deposits of member banks was \$14,699,000 higher than in January and while \$74,824,000 less than during the corresponding month in 1930, the decline was smaller than in January. Total subscriptions to the various Government

### BUSINESS

**Wholesale Trade**  
Sales of merchandise in this district during February through wholesale channels were somewhat smaller than in the previous month, although farm implements showed a slight increase. Substantial declines from last year were in evidence

in all lines, ranging from 18.6 per cent in the case of drugs to 57.9 per cent in the case of farm implements. Merchants generally continue to operate on a conservative basis, limiting purchases to actual necessities; yet indications are that in certain lines, purchases are being made with greater confi-



dence. Collections in most lines were slow, groceries being the only line to report an improvement over the previous month.

Contrary to the usual seasonal trend, the distribution of dry goods at wholesale during February reflected a decline of 2.8 per cent as compared to the previous month, and was 42.5 per cent smaller than in February, 1930. At the opening of the buying season merchants bought sparingly so that purchases might be kept in close alignment with consumer demand. Reports indicate that with the appearance of favorable weather in March and with a firmer undertone of cotton goods prices, buying has shown some expansion. Collections reflected a substantial decline, which was partly seasonal.

After showing an improvement in January, the distribution of drugs at wholesale in this district slowed down somewhat during February and reflected a decline of 13.3 per cent from the preceding month. Total sales were 13.6 per cent smaller than in February a year ago, but for the first two months of the current year they were only 13.0 per cent below the corresponding period of 1930. Business was slow in West and Northwest Texas, while the demand in Southern Texas appeared better than in other sections. Collections generally were poor.

While the consumer demand for farm implements has been limited to actual necessities, thereby affecting materially wholesale distribution, the opening of the planting season under favorable conditions has stimulated buying to some extent. Sales of implements, while 57.9 per cent below the volume in February, 1930, were 2.8 per cent larger than in the preceding month. The increase is of particular significance because of the fact that it is contrary to the usual seasonal movement. There was little change in the rate of collections.

Distribution of hardware at wholesale during February was 3.4 per cent less than in the preceding month, and showed a larger decline from a year ago than was reflected in January. Aggregate sales in January and February combined were 29.9 per cent smaller than in the same period a year ago. Retailers are operating to a large extent on a hand-to-mouth basis and do not show any inclination to place orders beyond current needs. Collections during February reflected a slight decline from the previous month.

Sales of groceries at wholesale during February reflected a seasonal decline of 6.1 per cent from the previous month, and were 21.2 per cent smaller than in the same month last year. While business in some sections of the district was reported to be discouraging, in other sections distribution was fairly well sustained. Collections during the month were 14.8 per cent larger than in January.

CONDITION OF WHOLESALE TRADE DURING FEBRUARY, 1931  
Percentage of increase or decrease in—

	Net Sales Feb., 1931 compared with Feb. 1930		Net Sales Jan. 1 to date compared with same period last year		Stocks Feb., 1931 compared with Jan. 1931		Ratio of collec- tions during Feb. to accounts and notes outstanding on January 31
	1930	1931	1930	1931	1930	1931	
Groceries.....	-21.2	-6.1	-19.7	-15.7	+3.9	72.4	
Dry goods.....	-42.5	-2.8	-36.8	-35.8	0.0	19.6	
Farm implements..	-57.9	+2.8	-60.1	+4.1	+ .6	3.6	
Hardware.....	-31.9	-3.4	-29.9	+2.6	+ .4	29.3	
Drugs.....	-18.6	-13.3	-13.0	-18.5	-1.1	37.2	

### Retail Trade

Despite the shorter month, which usually causes a decline, February sales of department stores located throughout the Eleventh District, reflected an increase of 1.3 per cent over those in January. When sales were reduced to a daily average basis, the increase amounted to 9.8 per cent. As compared to a year ago, however, sales were 11.8 per cent smaller, accounted for in part by the lower level of prices. Furthermore, it will be recalled that business in February, 1930, was well maintained. Reports indicate that merchants generally have had fairly good success in clearing stocks of winter merchandise, and the demand for spring goods is being stimulated by generally favorable weather.

Stocks on hand at the close of February were 5.5 per cent greater than those a month earlier, but 13.5 per cent smaller than a year ago. The rate of stock turnover during the first two months of the present year again exceeded that of the same period last year, being .46 per cent in 1931 as compared to .44 per cent in 1930.

For the fourth consecutive month collections evidenced a decline. The ratio of charge accounts collected during the month was 32.1 per cent as against 32.7 per cent in January and 34.0 per cent in February, 1930.

### BUSINESS OF DEPARTMENT STORES

	Dallas	Fort Worth	Houston	Others	Total District
<b>Total Sales (Percentage):</b>					
February, 1931, compared with February, 1930.....	-9.2	-5.2	-18.7	-13.8	-11.8
February, 1931, compared with January, 1931.....	+17.1	+4.2	-5.5	-14.0	+1.3
January 1 to date, compared with same period last year.....	-9.3	-4.4	-15.4	-9.3	-9.9
<b>Credit Sales (Percentage):</b>					
February, 1931, compared with February, 1930.....	-10.3	-8.0	-17.7	-14.5	-12.4
February, 1931, compared with January, 1931.....	+22.2	+2.7	-4.6	-16.3	+3.5
January 1 to date, compared with same period last year.....	-10.5	-8.4	-14.7	-9.5	-10.8
<b>Stocks (Percentage):</b>					
February, 1931, compared with February, 1930.....	-18.0	+4.5	-18.9	-14.5	-13.5
February, 1931, compared with January, 1931.....	+3.8	+10.4	+6.1	+3.6	+5.5
<b>Stock Turnover (Rate):</b>					
Rate of stock turnover in February, 1930.....	.24	.18	.23	.23	.23
Rate of stock turnover in February, 1931.....	.26	.16	.23	.23	.23
Rate of stock turnover January 1 to February 28, 1930.....	.45	.37	.46	.47	.44
Rate of stock turnover January 1 to February 28, 1931.....	.49	.33	.47	.50	.46
Ratio of February collections to accounts receivable outstanding February 1, 1931.....	30.8	28.9	36.2	33.7	32.1

### Commercial Failures

The number of commercial insolvencies in the Eleventh Federal Reserve District during February showed a noticeable decline as compared to the previous month, as is usual at this season, but was considerably larger than a year ago. According to the statistics compiled by R. G. Dun & Company, there were 114 defaults in February, as against 127 in the preceding month and 42 in the corresponding month last

year. Total indebtedness of these firms amounted to \$2,152,893, as compared to aggregate liabilities of \$1,954,681 in January, and \$1,359,396 for the month of February, 1930. The average liability of insolvent firms during February amounted to \$18,885, being larger than in the previous month but considerably smaller than in the same month a year ago.



AGRICULTURE

*Crop Conditions*

The past month witnessed a continuance of the generally favorable weather conditions which have prevailed throughout the winter. Moisture conditions are good to excellent throughout the district and while the soil has been too wet in some sections for land preparation, this work is well advanced generally. The planting of corn is well underway in South Texas and is gradually extending northward. The planting of cotton has begun in some portions of South Texas. Wheat has made good growth, and reports from many sections of the district indicate that moisture conditions are now better than they have been in many years. While the sowings of wheat in Texas last fall were only 3 per cent larger than in the fall of 1929, they were 23 per cent above the acreage harvested in 1930 due to the heavy abandonment. There has been a large acreage sown to oats and reports indicate that this crop is doing well.

According to the Department of Agriculture, the stocks of corn remaining on Texas farms on March 1 amounted to 26,508,000 bushels as compared to 23,254,000 bushels on that date in 1930. These figures represent 29 and 27 per cent, respectively, of the previous year's crop. Stocks of wheat remaining on Texas farms on the above date totaled 1,696,000 bushels as compared to 2,268,000 bushels on the same date last year. Farm stocks of oats in Texas totaled 8,395,000 bushels, representing 18 per cent of the previous year's production, whereas, the 6,476,000 bushels remaining on farms on March 1, 1930, represented only 15 per cent of the previous year's production.

While the March 1 condition of some vegetable crops in the Rio Grande Valley was lower than a month earlier, the condition generally was very favorable. The onion, cabbage, broccoli, and spinach crops reflected a decline while beets, carrots, lettuce, green peas and turnips showed some improvement. The potato and tomato crops suffered some from damp ground due to the January rains and from blight. The report of the Department of Agriculture stated that with favorable March weather the Bermuda onion yields in most areas should be good with the quality above the average. During the second week of March heavy frosts damaged severely some of the tender vegetables in the Coastal area and in the lower Rio Grande Valley. Shipments of spinach and cabbage are declining. Total movements of all vegetables and fruits for the season to March 4 amounted to 19,637 cars, as compared to 16,890 cars during the same period of the previous season.

*Livestock*

Ranges and livestock throughout the district have shown further improvement during the past month and present prospects are excellent for early and abundant grazing. The range weeds have grown rapidly and grass is greening in most sections. According to the Department of Agriculture, cattle and sheep will be fat early as conditions are about 30 days ahead of usual. Moisture conditions are excellent and stock water ample.

The condition of cattle ranges in Texas advanced 8 points during February and on March 1 was 86 per cent of normal, as against 72 per cent a year ago. The March 1 condition of sheep and goat ranges was 89 per cent of normal, being 7 points higher than a month earlier and 18 points above the March 1, 1930, figure. The condition of Texas cattle im-

proved 5 points during the month and was 8 points above a year ago. There has been little feeding necessary this winter and with the early and abundant pasturage, cattle are expected to fatten rapidly. The condition of Texas sheep was rated at 88 per cent of normal on March 1, which was 4 points higher than a month earlier and 14 points above the figure obtaining on that date in 1930. According to the Department of Agriculture, sheep are getting fat and will soon be ready for the market. The Department further states that there will be more fat sheep in Texas this year than has been the case in a number of years. Early lambs are reported to be in good to excellent condition in all areas and present indications point toward an unusually large crop.

Range conditions in New Mexico advanced 4 points during February, but on March 1 were 3 points lower than a year ago. The condition of cattle showed no change but sheep advanced 1 point. The March 1 condition of ranges in Arizona remained the same as a month earlier but was 5 points higher than on that date in 1930. Heavy precipitation caused some shrinkage in cattle in Arizona but they are mostly in good flesh. Sheep and early lambs are doing well with little loss as the results of the rains.

*Movements and Prices*

Receipts of all classes of livestock at the Fort Worth market during February reflected a substantial decline as compared to the previous month. When receipts are compared to a year ago, those of cattle and hogs showed a material falling off, those of calves were slightly higher and those of sheep gained considerably.

Despite the smaller receipts, the market on most classes of cattle reflected a further downward trend in February but showed some resistance during the first half of March. Calf values followed an uneven course with the market slightly lower at the middle of March than six weeks earlier. Hog prices reflected a steady decline throughout February but the market was considerably stronger during the first two weeks of March and values on March 14 were somewhat higher than at the beginning of the month. Under the pressure of heavy receipts, prices of sheep and lambs have shown a downward trend.

	February 1931	February 1930	Change over Year	January 1931	Change over Month
Cattle.....	31,860	35,633	- 3,773	40,764	-8,904
Calves.....	12,940	12,364	+ 576	17,371	-4,431
Hogs.....	23,235	36,256	-13,021	25,712	-2,477
Sheep.....	32,433	23,984	+ 8,449	35,908	-3,475

	February 1931	February 1930	January 1931
Beef steers.....	\$ 7.65	\$12.00	\$ 9.40
Stocker steers.....	7.50	12.00	7.50
Butcher cows.....	5.00	9.00	5.25
Stocker cows.....	4.00	5.50	4.60
Calves.....	10.00	12.00	8.50
Hogs.....	7.75	10.75	8.25
Sheep.....	5.50	9.50	5.50
Lambs.....	8.25	11.85	8.00



## FINANCE

*Operations of the Federal Reserve Bank*

An increasing demand for Federal Reserve Bank funds has made itself felt in this district during the past month, contrary to the usual seasonal trend. Loans to member banks rose from \$6,129,000 on February 15 to \$7,823,000 at the middle of March, while during the same period in 1930 there was a decline from \$12,452,000 to \$7,345,000. The reduction last year occurred as a result of the liquidations by reserve city banks whereas the expansion this year was about equally divided between reserve city and country banks. The latter banks on March 15 were absorbing approximately 87 per cent of Federal Reserve Bank loans, while a year ago borrowings were about equally distributed between the two classes of banks. Bills bought in the open market were increased from \$2,488,000 on February 15 to \$4,405,000 on March 15; yet holdings of these bills on the latter date were materially smaller than the \$12,733,000 held on the corresponding date in 1930. While the reserve deposits of member banks stood at \$56,726,000 on March 15, as compared to \$60,182,000 a month earlier, the daily average during the past thirty-day period was only \$268,000 less than during the previous month. Nevertheless, they were \$5,960,000 less than during the same period a year ago. Federal reserve notes in actual circulation reflected a further slight recession during the month and on March 15 stood at \$26,859,000 as against \$37,211,000 on the same date a year ago.

CONDITION OF THE FEDERAL RESERVE BANK  
(In thousands of dollars)

	March 15, 1931	February 15, 1931	March 15, 1930
Total cash reserves.....	\$ 49,528	\$ 57,405	\$ 62,930
Discounts for member banks.....	7,823	6,129	7,346
Other bills discounted.....	4	134	3
Bills bought in open market.....	4,405	2,488	12,733
United States securities owned.....	29,331	29,437	27,605
Other investments.....	7	7	7
Total earning assets.....	41,570	38,195	47,694
Member bank reserve deposits.....	56,726	60,182	67,137
Federal reserve notes in actual circulation....	26,859	27,199	37,211

*Condition of Member Banks in Selected Cities*

The total loans of member banks in selected cities evidenced a further recession during the four-week period ending March 11, and reached the lowest point recorded since the summer of 1927. These loans declined from \$315,707,000 on February 11 to \$312,377,000 on March 11, and on the latter date compared with \$345,946,000 on the corresponding date in 1930. While loans on securities increased \$531,000 during the month, "all other" loans declined \$3,861,000. These banks increased their investments in United States Government securities \$268,000 during the four-week period but reduced their in-

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

	March 11, 1931	Feb. 11, 1931	March 12, 1930
United States securities owned.....	\$ 68,255	\$ 67,987	\$ 64,900
All other stocks, bonds, and securities owned.....	59,621	51,155	40,974
Loans on securities.....	91,642	91,111	108,422
All other loans.....	220,735	224,596	237,524
Total loans.....	312,377	315,707	345,946
Net demand deposits.....	275,250	274,852	282,362
Time deposits.....	149,601	151,684	143,066
Reserve with Federal Reserve Bank.....	32,304	32,105	33,827
Bills payable and rediscounts with Federal Reserve Bank.....	1,068	350	4,710

vestments in other securities \$534,000. Total investments on March 11 were \$13,002,000 greater than on March 12, 1930. The net demand deposits of these banks rose from \$274,852,000 on February 11 to \$275,250,000 four weeks later while time deposits declined \$2,083,000 within the same period. Their borrowings at the Federal Reserve Bank amounted to \$1,068,000 on March 11 as compared to \$350,000 four weeks earlier and \$4,710,000 on March 12, 1930.

*Deposits of Member Banks*

In contrast to the trend of the several months preceding, the daily average during February of combined net demand and time deposits of member banks in this district showed an upturn and amounted to \$813,053,000, as compared to \$798,354,000 in January, and \$887,877,000 in the corresponding month last year. While there was an increase in net demand and time deposits of both country and reserve city banks as compared to the previous month, the time deposits of reserve city banks was the only classification to show a gain over February, 1930. This increase was sufficient to offset the decline in time deposits of country banks with the result that time deposits of all member banks averaged higher in February than in the corresponding month last year.

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
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	241,429	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
Aug., 1930.....	579,092	241,269	256,176	141,675	322,916	99,594
Sept., 1930.....	592,530	237,595	262,310	139,940	330,220	97,655
Oct., 1930.....	593,126	237,945	265,782	141,153	327,344	96,792
Nov., 1930.....	588,534	239,453	265,796	142,250	321,738	97,203
Dec., 1930.....	574,904	235,119	262,124	139,900	312,780	95,219
Jan., 1931.....	565,388	232,966	258,313	141,257	307,075	91,709
Feb., 1931.....	576,803	236,250	264,844	143,681	311,959	92,569

*Debits to Individual Accounts*

Checks charged to depositors' accounts during February at banks in leading centers in this district were in materially smaller volume than in either the previous month or the corresponding month last year. Total

DEBITS TO INDIVIDUAL ACCOUNTS  
(In thousands of dollars)

	February 1931	February 1930	Percentage change over Year	January 1931	Percentage change over Month
Abilene.....	\$ 6,970	\$ 9,118	-23.6	\$ 7,660	-9.1
Austin.....	19,188	19,856	-3.4	18,702	+2.6
Beaumont.....	23,350	30,300	-22.9	25,023	-6.7
Corsicana.....	4,043	5,649	-28.4	6,984	-42.1
Dallas.....	168,140	210,891	-20.3	195,534	-14.0
El Paso.....	29,888	41,361	-27.7	31,845	-6.1
Fort Worth.....	63,997	90,844	-29.6	64,917	-32.6
Galveston.....	24,750	28,573	-13.3	27,562	-10.2
Houston.....	150,518	179,905	-16.3	172,341	-12.7
Port Arthur.....	8,137	11,365	-28.4	9,221	-11.8
Roswell.....	2,735	4,325	-36.8	4,030	-32.1
San Antonio.....	69,533	80,540	-13.7	78,409	-11.3
Shreveport.....	27,301	38,109	-28.4	32,485	-16.0
Texarkana*.....	9,813	12,881	-23.8	12,789	-23.3
Tucson.....	8,526	9,539	-10.6	15,712	-45.7
Waco.....	13,192	16,952	-22.2	17,451	-24.4
Wichita Falls....	14,996	24,336	-38.4	20,015	-25.1
Total.....	\$405,086	\$814,544	-20.8	\$770,689	-16.3

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



debits to individual accounts at these cities amounted to \$645,086,000, as against \$770,689,000 in January, and \$814,544,000 in February, 1930. The declines were general throughout the district, and amounted to 16.3 per cent for the month and 20.8 per cent for the year.

**Acceptance Market** A further seasonal decrease occurred in February in the volume of bankers' acceptances executed by accepting banks in the Eleventh Federal Reserve District and outstanding at the close of the month. The amount outstanding on February 28 was \$4,488,626, which compares with \$6,174,001 at the close of January, and \$7,003,513 on February 28, 1930. The major decline was in acceptances based on the domestic shipment and storage of goods, which on February 28 were 38.2 per cent less than a month earlier and 44.2 per cent below a year ago. Acceptances executed against import and

export transactions declined 10.3 per cent from the preceding month, and were 23.7 per cent smaller than on the corresponding date last year.

**Savings Deposits** During February a further small decline of 0.5 per cent occurred in the volume of savings deposits held by reporting banks in this district. On February 28, the 85 banks from which reports were received had on deposit in their savings departments a total of \$150,136,011, as compared to \$150,837,300 at the close of January and \$146,823,183 on the corresponding date last year. The increase over a year ago amounted to 2.3 per cent but it was not general, being restricted principally to the larger centers. The number of savings depositors at 77 of the reporting banks was larger than either a month earlier or on February 28, 1930.

SAVINGS DEPOSITS

	February 28, 1931			February 28, 1930			January 31, 1931		
	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*	5,512	\$ 2,562,959	5,719	\$ 2,553,229	+ .4	5,477	\$ 2,543,683	+ .8
Dallas.....	4	63,720	25,618,112	68,258	25,450,468	+ .7	64,264	26,576,733	-3.6
El Paso.....	2	15,983	5,334,570	16,210	5,987,756	-10.9	16,060	5,497,364	-3.0
Fort Worth.....	2	21,014	7,749,056	18,293	7,220,943	+ 7.3	20,912	7,697,716	+ .7
Galveston.....	3	12,995	7,979,762	13,636	7,972,352	+ .1	12,852	7,952,759	+ .3
Houston.....	11*	75,204	35,699,322	69,853	33,717,616	+ 5.9	74,584	35,085,700	-1.7
Port Arthur.....	2	4,827	1,786,557	4,741	1,750,460	+ 2.1	4,822	1,739,438	+2.7
San Antonio.....	7*	33,729	24,034,080	30,644	22,324,699	+ 7.7	33,234	23,776,226	-1.1
Shreveport.....	4*	20,653	13,060,234	22,311	11,164,934	+17.0	20,784	13,327,274	-2.0
Waco.....	4	10,501	6,402,389	10,051	6,963,511	- 8.1	10,496	6,462,930	- .9
Wichita Falls.....	2	3,693	1,542,226	3,860	1,726,972	-10.7	3,705	1,538,016	+ .3
All others.....	40*	37,676	18,366,744	39,593	19,990,243	- 8.1	37,887	18,639,461	-1.5
Total.....	85	305,507	\$150,136,011	303,169	\$146,823,183	+ 2.3	305,077	\$150,837,300	- .5

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

MARCH 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.....	3½-6	6-8	6-8	5-6	5-6	6-8
Rate charged on loans to other banks secured by bills receivable.....	5-6	5-6	5-6	4½-5½	5-6	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.....	4½-6	6-8	6-8	5-6	6-8	6-8
Time.....	5-8	6-8	6-8	5-6	6-8	6-8
Rate charged on commodity paper secured by warehouse receipts, etc.....	3-6	8	6-8	5	6-8	6-8
Rate on cattle loans.....	5-7	6-8	6-8	6-7	6-8	7-8

INDUSTRY

**Cottonseed Products** The operations of cottonseed oil mills in both Texas and the United States reflected a substantial seasonal decline in February and were on a noticeably smaller scale than a year ago. During the first seven months of the present season the production of hulls, at Texas mills, was slightly greater than in the like period a year ago, while production of other products was on a lower level. For the first time during the current season the receipts of seed and the production of crude oil at United States mills fell below those of the corresponding month of the previous season. Stocks of cottonseed oil on February 28 at both Texas and United States mills reflected a sharp decline from those a month earlier and were the lowest for that date since 1926. Stocks of all other products at American mills were larger than those a year ago, while at Texas mills linters were smaller. The supplies of cottonseed at the mills reflected a substantial reduction during February as compared with the

previous month and at United States mills were considerably smaller than a year ago.

STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS

	Texas		United States	
	August 1 to February 28	August 1 to February 28	August 1 to February 28	August 1 to February 28
	This Season	Last Season	This Season	Last Season
Cottonseed received at mills (tons).....	1,211,388	1,224,608	4,458,024	4,584,459
Cottonseed crushed (tons).....	1,127,628	1,158,147	4,126,849	4,099,091
Cottonseed on hand (tons).....	100,463	86,403	376,591	525,517
Crude oil produced (pounds)...	329,996,110	340,330,687	1,249,855,070	1,269,911,992
Cake and meal produced (tons).....	533,531	541,521	1,876,092	1,818,955
Hulls produced (tons).....	318,148	310,659	1,142,213	1,129,833
Linters produced (running bales).....	175,829	243,885	716,745	844,942
Stocks on hand February 28:				
Crude oil (pounds).....	13,830,223	27,347,333	69,519,554	72,565,007
Cake and meal (tons).....	80,578	67,925	363,201	206,685
Hulls (tons).....	54,079	42,061	132,747	96,795
Linters (running bales).....	85,730	88,408	329,701	269,191



**Textile Milling**

Due in part to the shorter month, the February consumption of cotton and the production of cloth at Eleventh District textile mills were smaller than in the previous month. There were 1,459 bales of raw cotton consumed by reporting mills during the month as against 1,605 bales a month earlier and 1,920 bales in the same month last year. The production of cloth was 9.6 per cent less than in January and 30.7 per cent below February, 1930. Orders and stocks on hand at the close of the month were considerably larger than those held on February 28, 1930, but they reflected a noticeable decline from those a month earlier.

The total domestic consumption of cotton aggregated 433,510 bales during February as against 454,188 bales in January, and 494,396 bales in February, 1930. Consumption during the period from August 1 to February 28 of the current season was 23.9 per cent less than in the corresponding period of the preceding season.

**TEXTILE MILLING STATISTICS—TEXAS**

	February 1931	February 1930	January 1931
Number bales consumed.....	1,459	1,920	1,605
Number spindles active.....	68,721	78,171	54,868
Number pounds cloth produced.....	605,606	874,338	670,214

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

	February		August 1 to February 28	
	1931	1930	This Season	Last Season
<b>Cotton-growing States:</b>				
Cotton consumed.....	341,216	381,365	2,307,559	2,950,114
On hand February 28 in—				
Consuming establishments.....			1,152,820	1,366,016
Public storage and com- presses.....			6,913,447	4,620,813
<b>United States:</b>				
Cotton consumed.....	433,510	494,396	2,899,942	3,808,741
On hand February 28 in—				
Consuming establishments.....			1,547,759	1,806,040
Public storage and com- presses.....			7,314,450	4,858,243

**Cotton Movements**

The past month witnessed a further decline in the exports of cotton from the ports of Houston and Galveston, as compared with both the previous month and the corresponding month last year. Receipts during February, while much smaller than in the preceding month, were substantially larger than in February, 1930. Stocks on hand on February 28 at both ports reflected a further increase over those a year ago, but continued smaller than those held at the close of the previous month. Total foreign exports of cotton from the United States dropped to 432,996 bales in February, which was 30.7 per cent less than a month earlier, but they exceeded those of the corresponding month last year by 7.7 per cent. It is significant to note that this increase is the first registered since last September. The gain is accounted for by the increased takings of Japan, China, France, and

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

	February		August 1 to February 28	
	1931	1930	This Season	Last Season
Receipts.....	76,108	69,947	1,388,173	1,762,840
Exports.....	117,249	145,003	947,083	1,474,143
Stocks, February 28.....			626,342	364,292

some of the smaller countries throughout the world. Exports during the seven months of the present season showed a reduction of 5.5 per cent as compared with the same period a year ago.

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

	Feb. 28, 1931	Feb. 28 1930
For Great Britain.....	4,500	8,800
For France.....	4,000	5,600
For other foreign ports.....	22,800	32,800
Coastwise ports.....	1,500	3,000
In compresses and depots.....	593,542	314,092
<b>Total.....</b>	<b>626,342</b>	<b>364,292</b>

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

	February		August 1 to February 28	
	1931	1930	This Season	Last Season
Receipts.....	96,278	78,725	2,725,080	2,498,334
Exports.....	132,901	136,668	1,690,601	1,474,613
Stocks, February 28.....			1,374,359	977,917

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

	August 1 to February 28	
	This Season	Last Season
Receipts.....	8,025,040	7,719,803
Exports: United Kingdom.....	861,760	1,064,447
France.....	879,257	681,747
Italy.....	344,333	504,603
Germany.....	1,232,420	1,350,038
Other Europe.....	499,601	607,992
Japan.....	732,419	790,551
All other countries.....	454,433	293,708
Total foreign ports.....	5,004,223	5,293,086
Stocks at all United States ports February 28.....	4,168,570	2,239,256

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

	February, 1931		March 14,
	High	Low	1931
New York.....	11.35	10.45	10.75
New Orleans.....	10.97	10.16	10.41
Dallas.....	10.65	9.60	10.05
Houston.....	11.05	10.15	10.55
Galveston.....	11.10	10.25	10.65

**Petroleum**

The February output of crude oil in the Eleventh Federal Reserve District, amounting to 21,482,650 barrels, showed a substantial decline from both the preceding month and the same month last year. The daily average yield, however, reflected an increase of 14,045 barrels over January due to the shorter month. The poor market situation and declines in petroleum prices were reflected in diminished drilling activity. There were 315 new wells completed during the month, of which 150 were producers yielding a flush production of 187,516 barrels, as compared to 466 completions in January, which included 203 producers with a combined new output of 206,661 barrels.

Crude oil production in Texas during February averaged 682,463 barrels daily, reflecting a decline of 160,363 barrels from the same month last year but an increase of 10,976 barrels over the daily average in January. The latter increase was due entirely to recent developments in East



Central Texas, particularly Rusk and Gregg counties, since the other major regions of the State showed decreases ranging from 764 barrels to 3,777 barrels daily.

Daily yield in North Louisiana fields turned upward in February and amounted to 43,938 barrels, as against 41,074 barrels in the previous month and 39,663 barrels in the corresponding month last year. In New Mexico there was a marked decline in field activity, but the daily average production, amounting to 40,837 barrels, reflected a small gain as compared to the previous month.

Extensive further reductions in petroleum prices were posted on March 5 and March 10. The revisions were almost general, and ranged from \$ .12 to \$ .52 per barrel.

OIL PRODUCTION—(Barrels)

	February, 1931		Increase or Decrease Over January, 1931	
	Total	Daily Avg.	Total	Daily Avg.
North Texas.....	3,198,300	114,225	- 459,750	- 3,777
Central West Texas.....	7,535,850	269,138	- 876,600	- 2,231
East Central Texas.....	1,745,100	62,325	+ 416,100	+19,454
Texas Coastal.....	4,444,650	158,737	- 529,100	- 1,706
South Texas.....	2,185,050	78,038	- 257,800	- 764
Total Texas.....	19,108,950	682,463	-1,707,150	+10,976
New Mexico.....	1,143,450	40,837	- 116,150	+ 205
North Louisiana.....	1,230,250	43,938	- 43,050	+ 2,864
Total District.....	21,482,650	767,238	-1,866,350	+14,045

FEBRUARY DRILLING RESULTS

	Completions	Producers	Gas Wells	Failures	Initial Production
North Texas.....	102	43	4	55	5,798
Central West Texas.....	56	26	7	23	4,072
East Central Texas.....	32	29	..	3	154,955
South Texas.....	27	15	6	6	3,813
Texas Coastal.....	56	30	2	24	12,228
Texas wildcats.....	10	....	1	9	.....
Total Texas.....	283	143	20	120	180,866
New Mexico.....	3	3	..	....	5,465
North Louisiana.....	29	4	11	14	1,185
February totals, district.....	315	150	31	134	187,516
January totals, district.....	466	203	54	209	206,661

CRUDE OIL PRICES

	March 10, 1931	March 11, 1930
Texas Coastal grade "A".....	\$ .80	\$1.05
North Texas and North Louisiana (40 gr. and above)....	.67	1.44*

\*Price paid for oil 44 gr. and above.

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

Lumber

New orders and shipments of lumber at Eleventh District pine mills evidenced a further substantial improvement during the four-week period ending February 21, while production was maintained at about the same level as during the previous period. Although mills are showing a disposition to curtail production, some mills have found it necessary to resume operations to replenish depleted supplies on some items and to fill orders for special cutting. Shipments from pine mills increased 10 points during the four weeks and on February 21, were 70 per cent of normal production, which was the most favorable percentage recorded since last June. New orders received during the period rose to 76 per cent of normal production, as compared with 65 per cent during the preceding four weeks. Stocks of lumber showed a further decline of 4.8 per cent. Unfilled orders on the books of 41 mills on February 21 were for 27,523,000 feet, which is approximately the same as that reported by 45 establishments four weeks earlier.

Activity at lumber mills in East Texas, and West Louisiana was stimulated by demands for materials in the newly developed Northeast Texas oil fields.

PINE MILL STATISTICS

(Four-week period ending February 21, 1931)

Number of reporting mills.....	41
Production.....	31,921,000 feet
Shipments.....	45,232,000 feet
Orders.....	49,145,000 feet
Unfilled orders February 21.....	27,523,000 feet
Normal production.....	64,840,000 feet
Stocks February 21.....	205,281,000 feet
Shipments below normal production.....	19,608,000 feet—30%
Actual production below normal.....	32,919,000 feet—51%
Orders below normal production.....	15,695,000 feet—24%

Building

The volume of construction permits issued in February, at leading centers in this district, was 14.6 per cent larger than in the preceding month, but reflected a decline of 27.8 per cent from the corresponding month last year. Seven cities reported increases as compared to January, and an equal number registered decreases. Total valuation of building permits for the month of February amounted to \$3,784,310, as against \$3,301,082 in January. The increase appears to be of more significance when it is remembered that the former named month was three days shorter than the one preceding it.

BUILDING PERMITS

	February, 1931		February, 1930		Percentage Change Valuation Over Year	January, 1931		Percentage Change Valuation Over Month	Two Months				Percentage Change Valuation Over Period
	No.	Valuation	No.	Valuation		No.	Valuation		1931		1930		
									No.	Valuation	No.	Valuation	
Amarillo.....	58	\$ 371,174	61	\$ 308,826	+ 20.2	55	\$ 519,610	- 28.6	113	\$ 890,784	95	\$ 401,186	+122.0
Austin.....	84	524,061	75	169,376	+209.4	65	136,871	+282.9	149	660,932	204	536,846	+ 23.1
Beaumont.....	131	68,199	128	136,373	- 50.0	103	68,729	- 8	234	136,928	250	582,036	- 76.5
Corpus Christi.....	31	18,830	51	51,099	- 63.1	44	33,218	- 43.3	75	52,048	115	362,766	- 85.7
Dallas.....	321	542,235	306	589,012	- 7.9	287	551,284	- 1.6	608	1,093,519	521	1,124,842	- 2.8
El Paso.....	81	102,910	124	316,660	- 67.5	66	86,248	+ 19.3	147	189,158	255	537,373	- 64.8
Fort Worth.....	193	318,110	207	759,734	- 58.1	200	408,500	- 22.1	393	726,610	364	1,237,314	- 41.3
Galveston.....	111	76,117	142	151,614	- 49.8	116	39,661	+ 91.9	227	115,778	222	217,891	- 46.9
Houston.....	261	1,327,767	340	1,246,891	+ 6.5	308	1,026,742	+ 29.3	569	2,354,509	626	2,343,304	+ .5
Port Arthur.....	63	54,923	123	106,928	- 48.6	67	54,095	+ 1.5	130	109,018	203	244,675	- 55.4
San Antonio.....	205	243,343	320	1,132,455	- 78.5	209	213,140	+ 14.2	414	456,483	590	1,866,315	- 75.5
Shreveport.....	112	61,757	178	111,466	- 44.6	132	125,891	- 50.9	244	187,648	313	346,771	- 45.9
Waco.....	29	69,594	44	149,284	- 53.4	24	28,383	+145.2	53	97,977	67	298,668	- 67.2
Wichita Falls.....	9	5,290	19	13,475	- 60.7	14	8,710	- 39.3	23	14,000	36	105,856	- 86.8
Total.....	1,689	\$3,784,310	2,118	\$5,243,193	- 27.8	1,690	\$3,301,082	+ 14.6	3,379	\$ 7,085,392	3,861	\$10,205,843	- 30.6



**Cement** Production of portland cement in February at Texas mills, which amounted to 286,000 barrels, was at the lowest level recorded since December, 1923. This figure compares with an output of 322,000 barrels in January and 482,000 barrels in the corresponding month a year ago. Shipments amounted to 328,000 barrels in February, being 3.5 per cent less than in the previous month and 37.0 per cent below those in February, 1930. Stocks on hand at the close of the month aggregated 740,000 barrels, as against 782,000 barrels a month earlier and 779,000 barrels a year ago.

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

	February 1931 Number	Percentage Change Over Month Year		January through February 28 Number	Percentage Change Over Year
Production at Texas mills.....	286	-11.2	-40.7	608	-24.3
Shipments from Texas mills.....	328	-3.5	-37.0	668	-20.3
Stocks at end of month at Texas mills.....	740	-5.4	-5.0	.....	.....

## SUMMARY OF NATIONAL BUSINESS CONDITIONS

(Compiled by the Federal Reserve Board as of March 23, 1931)

Output of most of the important industries increased more than seasonally in February; and although factory employment advanced at a less rapid rate, the volume of wage payments at factories also rose by more than the usual seasonal amount. The general level of commodity prices continued to decline.

### PRODUCTION

Industrial production, as measured by the Board's index, which is adjusted to allow for seasonal variations, increased by 4 per cent in February from the low level prevailing in December and January. On the basis of the average for 1923-1925 as 100 the volume of production in February was 85, compared with 82 for the two preceding months, and 107 for February of last year. At steel mills activity increased considerably, and the output of automobiles advanced by somewhat more than the usual seasonal amount. Output of shoe factories and textile mills increased substantially, while the output of coal continued to decline. During the first half of March activity at steel mills continued to increase.

Value of building contracts awarded in February was slightly larger than in January, according to the F. W. Dodge Corporation. An increase in residential building was accompanied by a decrease in contracts for public works and utilities, while awards for factories and commercial buildings continued in small volume. In the first half of March there was an increase in the daily average of contracts awarded, as is usual at this season.

### FACTORY EMPLOYMENT AND PAYROLLS

Factory employment increased slightly less than usual in February, while factory payrolls increased by more than the seasonal amount from the low level of January. In many industries the rate of increase in payrolls was about the same as in February of other recent years, but in the automobile, shoe, woolen goods, and clothing industries, the rate

of increase was larger than usual.

### DISTRIBUTION

Daily average freight carloadings showed little change from January to February, while ordinarily there is an increase at this season. Sales by department stores increased slightly.

### WHOLESALE PRICES

Wholesale commodity prices declined further in February, and the Bureau of Labor Statistics index, at 75.5 per cent of the 1926 average, was about 18 per cent below the level of a year ago. Prices of many agricultural products decreased considerably, while the price of cotton advanced further. In the first half of March there were considerable increases in prices of silver, livestock, meats, and hides, and declines in the prices of petroleum and cotton.

### BANK CREDIT

Loans and investments of member banks in leading cities changed relatively little between the end of January and the middle of March. Total loans on securities declined, notwithstanding the growth in brokers' loans in New York City, and all other loans showed considerable further liquidation, while the banks' investments continued to increase. Volume of reserve bank credit tended downward in February and showed little change between March 4 and March 18. Funds arising from gold imports in February were largely absorbed in meeting a seasonal demand for currency, while in the early part of March there was an increase in member bank reserve balances. Money rates in the open market continued at low levels from the middle of February to the middle of March. Rates on commercial paper were reduced from a range of 2½ to 2¾ to a prevailing level of 2½ per cent, while rates on 90-day bankers' acceptances remained at 1½ per cent. Yields on high grade bonds continued to decline.