

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

	May 1931	Change From April
Bank debits to individual accounts (at 17 cities).....	\$634,684,000	— 3.0%
Department store sales.....		+ 1.0%
Reserve bank loans to member banks at end of month.....	\$ 9,088,094	+ 15.6%
Reserve bank ratio at end of month.....	57.9%	— 1.9 points
Building permit valuation at larger centers....	\$ 4,789,093	+ 8.5%
Commercial failures (number).....	70	— 17.6%
Commercial failures (liabilities).....	\$ 3,908,589	+136.8%
Oil production (barrels).....	31,112,800	+ 8.1%

A well sustained demand for merchandise in both wholesale and retail channels of distribution was in evidence in the Eleventh Federal Reserve District during the past month. Department store sales were again slightly larger than in the previous month, and the 12 per cent decline from the corresponding month of 1930 was the same as that shown for April. Wholesale distribution was slightly smaller than in April and continued considerably below the volume for May, 1930; yet the size of the decline from a year ago was smaller than was shown in April. Merchants continue to make purchases on a hand-to-mouth basis, and the sustained consumer demand has been reflected in frequent reorders from wholesale establishments. While Southwestern carloadings during May reflected a seasonal decline as compared to the previous month, it was less than usual, and the decline from the corresponding month of a year ago was the smallest during the current year.

The prevalence of more normal temperatures since the latter part of May has stimulated the growth of row crops which are gradually overcoming the handicaps of adverse factors earlier in the season; yet the lateness of certain crops, particularly corn and cotton, still remains as an important factor in the prospective production. Farmers have made rapid progress with field work and reports indicate that

crops generally are in a good state of cultivation. While some parts of the district are in need of rain to replenish surface moisture, a good subsoil season obtains in practically all sections of the district, and this will be an important factor in sustaining crop growth during the summer months. The district's farmers are now harvesting small grain crops and indications are that the yields will be very heavy. The physical condition of ranges and livestock continued good to excellent throughout the district, and present indications point toward a good supply of grass for summer grazing. Tempering to some extent the good physical outlook, however, was the drastic decline in livestock prices during May. While cattle prices have shown some recovery from the low point in May, they are still considerably below the level obtaining at the end of April.

The demand for funds for agricultural purposes was reflected in a steady expansion of Federal Reserve Bank loans to member banks. These loans rose from \$8,345,000 on May 15 to \$10,019,000 on June 15, but on the latter date they were slightly lower than at the middle of June, 1930. The combined net demand and time deposits of member banks reflected a small seasonal decline, the daily average for May being \$796,875,000 as compared to \$801,150,000 in April, and \$864,711,000 in May a year ago. The commercial loans of reserve city banks reflected a further decline during the month and were considerably smaller than a year ago. The exceedingly large amount of funds seeking an investment outlet was evidenced by subscriptions to the June 15 issue of 3 1/8 per cent United States Treasury bonds totaling \$137,870,650, against which allotments of \$22,786,750 were made.

Construction activity, as evidenced by the valuation of building permits issued in principal cities in the district, showed a further gain of 9 per cent over the previous month, but was 16 per cent less than in May a year ago. The May production and shipments of cement were larger than in April and shipments exceeded those in the corresponding month of 1930.

BUSINESS

Wholesale Trade

Although mixed trends were visible, the volume of merchandise distribution at wholesale during May was fairly well sustained. Sales of groceries, hardware, and drugs were smaller than in the previous month, but those of dry goods and farm implements increased. The further gain in dry goods sales may be attributed in part to the fact that mer-

chants bought sparingly early in the season and have found it necessary to make frequent reorders to supply consumer demand. In the case of farm implements, the unusually large grain crops created a heavy demand for harvesting machinery. As compared to May, 1930, sales in all lines except farm implements reflected a substantial decline; yet the comparisons generally were more favorable than in April. Reports

indicate that retailers are still adhering to the policy of keeping purchases closely aligned to consumer demand. Collections in two reporting lines were larger than in the previous month, while they were smaller in three lines.

Although the volume of business transacted by reporting wholesale dry goods firms was 1.7 per cent larger in May than in April, the number of firms participating in the gain was smaller than the number that reported decreases. Sales during May were 15.4 per cent less than in the corresponding month a year ago, as against 27.4 per cent in April, and this comparison is the most favorable presented since October, 1929. Cumulative sales for the first five months of the year showed a decline of 29.0 per cent as compared to the same months in 1930. Inventories were reduced 6.7 per cent during the month, and on May 31 they were 37.1 per cent smaller than a year ago. Collections were in larger volume during May than in April.

Following the large expansion during April, the May sales of reporting wholesale farm implement firms reflected considerably more than the usual seasonal increase, and for the first time since October, 1929, were larger than in the corresponding month a year previous. An important factor contributing to the increase was the heavy buying of harvesting machinery for use in harvesting the large grain crops. Sales during May were 35.5 per cent greater than in April, and while they showed a gain of 32.5 per cent over May, 1930, the total from January 1 to May 31 was 44.9 per cent less than in the same period last year. There was a general decrease in collections.

While the distribution of hardware through wholesale channels during May was 9.9 per cent below that of April, the decline was tempered somewhat by the fact that each of the two preceding months witnessed material increases, the April gain being contrary to the seasonal trend. Business during May was on a scale 23.9 per cent below that of a year ago. Merchants are keeping orders in strict alignment with consumer demand. There was a slight falling-off in the month's collections.

The demand for drugs at wholesale during May in the Eleventh Federal Reserve District reflected a slight decrease of 2.5 per cent as compared to the previous month, and was 11.4 per cent smaller than in May last year. While in a few sections business was fair to good, in others it continued to

be in unsatisfactory volume. The collections situation reflected a slight but general improvement.

Sales of groceries at wholesale during May were 3.1 per cent smaller than in April, and showed a decline of 14.8 per cent as compared to May a year ago. While reports continued to reflect an unsatisfactory volume of distribution in practically all sections of the district except the East Texas oil area, it is indicated that since June 1 a somewhat stronger tone of confidence has been evident. Total sales from January to May, inclusive, were 17.3 per cent less than in the same months of 1930. The month witnessed a perceptible decline in collections.

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

	Net Sales May, 1931 compared with May 1930		Net Sales Jan. 1 to date compared with same period last year		Stocks May, 1931 compared with May 1930		Ratio of collec- tions during May to accounts and notes outstanding on April 30
	1930	1931	1930	1931	1930	1931	
Groceries.....	-14.8	-3.1	-17.3	-10.5	-2.5	65.7	
Dry goods.....	-15.4	+1.7	-29.0	-37.1	-6.7	26.5	
Farm implements..	+32.5	+35.5	-44.9	-4.1	+2.5	3.2	
Hardware.....	-23.9	-9.9	-25.1	-3	-1.3	32.7	
Drugs.....	-11.4	-2.5	-11.1	-16.8	-6.1	39.1	

Retail Trade

The volume of sales at department stores in larger cities of the Eleventh District reflected a further seasonal expansion during May. Sales averaged 1 per cent greater than in April, but fell 11.8 per cent under those in the same month last year. This decline, however, is slightly smaller than that in the preceding month. Recent reports indicate that consumer demand generally was well sustained during the first two weeks of June due principally to favorable weather which stimulated the buying of summer merchandise. Sales during the period from January 1 to May 31 averaged 10.3 per cent less than in the same period of 1930.

Stocks of merchandise on hand at the close of May were 5 per cent less than a month earlier and 15.7 per cent below those a year ago. The rate of stock turnover during the first five months of 1931 was 1.23 as compared to 1.20 in the corresponding period of 1930.

Collections evidenced a slight decline during the month. The ratio of charge accounts collected during May was 34.1 per cent as against 34.4 per cent in April and 36.5 per cent in May, 1930.

BUSINESS OF DEPARTMENT STORES

	Dallas	Fort Worth	Houston	San Antonio	Others	Total District
Total Sales (Percentage):						
May, 1931, compared with May, 1930.....	-14.0	-6.9	-11.8	-12.7	-11.2	-11.8
May, 1931, compared with April, 1931.....	+3.5	+2.4	0.0	-2.3	+16.5	+1.0
January 1 to date, compared with same period last year.....	-11.4	-4.4	-13.4	-5.9	-14.0	-10.3
Credit Sales (Percentage):						
May, 1931, compared with May, 1930.....	-19.3	-6.7	-13.0	-13.0	-9.9	-14.2
May, 1931, compared with April, 1931.....	-7.2	+2.0	-4.1	-6	+19.7	.8
January 1 to date, compared with same period last year.....	-14.1	-5.9	-14.2	-6.5	-14.7	-12.1
Stocks (Percentage):						
May, 1931, compared with May, 1930.....	-18.1	+1.6	-13.7	-21.0	-24.4	-15.7
May, 1931, compared with April, 1931.....	-7.4	-2.0	+1.8	-16.7	-2.2	-5.0
Stock Turnover (Rate):						
Rate of stock turnover in May, 1930.....	.26	.23	.27	.34	.23	.26
Rate of stock turnover in May, 1931.....	.26	.22	.28	.35	.27	.27
Rate of stock turnover January 1 to May 31, 1930.....	1.23	1.00	1.24	1.57	1.05	1.20
Rate of stock turnover January 1 to May 31, 1931.....	1.24	.96	1.29	1.71	1.15	1.23
Ratio of May collections to accounts receivable and outstanding May 1, 1931.....	32.1	32.2	37.5	35.9	36.2	34.1

Commercial Failures

While the business mortality rate in the Eleventh District during May declined to the lowest point since last October, the liabilities of insolvent firms rose considerably and with one exception were the largest recorded since November, 1923. The report compiled by R. G. Dun & Co. shows that there were 70 defaults during the month, with a total indebtedness

of \$3,908,589. In the preceding month 85 insolvencies were registered, owing \$1,650,741, and in May last year there were 51 failures, with aggregate indebtedness of \$981,806. The average liability of firms defaulting during May amounted to \$55,837, as compared to \$19,420 in April and \$19,251 in the corresponding month a year ago.

AGRICULTURE

Crop Conditions

While the weather was most too cool during the greater part of May to permit the proper development of row crops, growth since the first of June has been rapid and the condition of these crops at the present time may be considered generally satisfactory. Planting operations are practically completed in all sections of the district and farmers have made rapid progress with the cultivation of crops. Fields generally are clean and in a good state of cultivation. Timely rains during May increased the prospects of all small grain crops and late reports indicate that yields will be heavy.

According to the Department of Agriculture, the June 1 condition of the Texas wheat crop was 77 per cent of normal as compared to 55 per cent on that date a year ago. The Department estimated that the outturn for the State would reach 46,174,000 bushels, which exceeds any crop on record and compares with last year's production of 28,270,000 bushels, and a five-year average of 23,454,000 bushels. The condition of winter wheat in New Mexico was rated as 89 per cent of normal, with a prospective yield of 6,300,000 bushels, as against an actual production of 1,361,000 bushels last year. This crop in Oklahoma promises a yield of 52,500,000 bushels as against an outturn of 33,696,000 bushels in 1930. The condition of the Texas oat crop was placed at 86 per cent of normal on June 1, as compared to 65 per cent a year ago, and while no forecast of production was made, the Department stated that prospects point toward a yield only slightly below the record yields of 1919 and 1926. The crop is especially good in the black lands of North-Central and Central Texas. In other states attached to this district this crop is likewise in good condition and prospects point toward very satisfactory yields. The rye and barley crops are likewise in good condition throughout the district and considerably heavier yields than a year ago are expected. All grain crops are being harvested under generally favorable conditions.

The district's corn crop has made fair to good progress, but it is later than usual, and in many areas additional moisture will be needed to insure the proper maturity of the crop. The tame hay crop in Louisiana and Texas was in slightly better condition on June 1 than on that date in 1930. The first cutting of alfalfa is nearing completion in Central New Mexico and the second cutting is beginning in the Southern part of the State. The condition of the wild hay crop in Texas was slightly lower than a year ago, but in Louisiana it was higher.

While the cotton crop made slow progress during the most of May because of subnormal temperatures, it has made fair to good advancement during the past two weeks under the stimulus of warmer weather, but the crop in most sections is still about two weeks late. The crop generally is in a good state of cultivation and chopping is well advanced. Cotton is fruiting in South Texas and squares are forming in portions of East and Southeast Texas. In portions of Southeast and East Texas, and in scattered areas elsewhere, rain would be very beneficial. Reports indicate that insects are numerous in some areas and this, together with the lateness of the crop, presents a potential danger to this year's yield.

Although the spring frosts did considerable damage to the Texas peach crop, weather since has been very favorable and the quality and size of the fruit promises to be better

than the average. The crop on June 1 was rated by the Department of Agriculture at 43 per cent of normal condition as compared to 31 per cent a year ago, and the forecasted production was placed at 1,209,000 bushels as against 750,000 bushels in 1930. On the other hand, citrus prospects for the State declined drastically during May because of the unusually heavy "drop".

Late spring and early summer truck crops showed some improvement during May. During the week ending June 13, shipments of green corn, onions, potatoes, tomatoes, and watermelons were in large volume and considerably heavier than a year ago.

Livestock

Ranges and livestock throughout most of the Eleventh Federal Reserve District continued in good condition during the past month. While the weeds had sapped the surface moisture over a considerable area, the general rains during the latter part of May furnished the needed surface moisture and this, together with the abundance of subsoil moisture, gave the summer grass a good start in practically all areas. According to the Department of Agriculture, range conditions in most areas are ideal and all classes of livestock are fat. In Texas there is a large crop of lambs and the young animals have made unusually good growth. The lamb crop in New Mexico varies from poor to very good, with considerable losses in a few areas. There is also a good crop of late lambs in Arizona. While the calf crop in Texas is smaller than in 1930, calves generally have made good growth.

The Department of Agriculture reported that the condition of ranges in Texas on June 1 was 1 point lower than a month earlier, but 4 points higher than a year ago. The condition of cattle advanced 1 point, while that of goats remained unchanged and that of sheep declined 1 point. In each instance, however, the condition was considerably higher than on June 1, 1930. In New Mexico, the condition of livestock and their ranges reflected a marked improvement during the month and was considerably higher on June 1 than on that date a year ago. The condition of ranges, cattle, and sheep in Arizona on June 1 was 2 points higher than a month earlier, but not quite so favorable as the good condition obtaining on June 1, 1930.

Movements and Prices

The movements of sheep during May continued exceedingly heavy and exceeded by a substantial margin the large April shipments. May receipts at the Fort Worth market totaled 299,050 head as compared to 257,066 head in April, and 52,307 head in May, 1930. The arrivals of cattle were slightly larger than in April and considerably above May a year ago. While the receipts of calves were larger than in the previous month, they were considerably smaller than in the corresponding month of 1930. The number of hogs yarded showed a decline from both comparative periods.

The demand for all classes of cattle during May was weak and prices suffered a severe decline, especially in the last half of the month. In the first half of June, however, the market reflected a better tone and prices on most classes advanced somewhat. Hog prices showed a downward trend throughout May but some of the loss was regained during the first half of June. While the market for sheep and lambs at times showed considerable resistance to the downward trend, the

unusually heavy supplies exceeded requirements with the result that prices showed a downward trend throughout the six-week period.

FORT WORTH LIVESTOCK RECEIPTS
(Number)

	May 1931	May 1930	Change over Year	April 1931	Change over Month
Cattle.....	61,313	42,257	+ 19,056	58,405	+ 2,908
Calves.....	13,334	16,500	- 3,166	11,342	+ 1,992
Hogs.....	20,086	27,220	- 7,134	22,531	- 2,445
Sheep.....	299,050	52,307	+246,743	257,066	+41,984

COMPARATIVE TOP LIVESTOCK PRICES
(Dollars per hundred-weight)

	May 1931	May 1930	April 1931
Beef steers.....	\$ 7.50	\$ 11.50	\$ 8.25
Stocker steers.....	6.40	12.00	5.75
Butcher cows.....	4.75	7.75	5.75
Stocker cows.....	4.50	4.50	5.25
Calves.....	10.00	13.00	10.00
Hogs.....	7.25	9.95	8.00
Sheep.....	4.90	6.50	5.50
Lambs.....	8.25	10.00	8.75

FINANCE

Operations of the Federal Reserve Bank

The past thirty days witnessed a steady expansion in the demand for Federal Reserve Bank funds. This demand came almost entirely from country banks and reflected the need for funds for use in the cultivation of crops, for harvesting the large grain crops, and to offset the decline in deposits. Some liquidation was obtained from the marketing of sheep, wool, and mohair, but it was insufficient to offset the demands for agricultural and other purposes. Total loans to member banks on June 15 amounted to \$10,019,000, as compared to \$8,345,000 on May 15, and \$10,647,000 on the corresponding date in 1930. There were 202 banks borrowing from the Federal Reserve Bank at the middle of June, as against 172 banks thirty days earlier. Holdings of bankers' acceptances reflected a decline of \$1,661,000 during the month, but the amount of United States Government securities owned was increased \$2,015,000. The earning assets of this bank, which totaled \$45,536,000 on June 15, were \$2,348,000 greater than a month earlier and \$2,645,000 larger than a year ago. While the reserve deposits of member banks were approximately the same on June 15 as on May 15, the daily average for the period was \$55,315,000, as against \$56,977,000 in the previous period and \$60,674,000 during the corresponding period of 1930. Federal Reserve notes in actual circulation amounted to \$26,961,000 on June 15, which was \$689,000 less than on May 15, and \$4,802,000 below the circulation on June 15, 1930.

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

	June 15, 1931	May 15, 1931	June 15, 1930
Total cash reserves.....	\$ 44,461	\$ 47,480	\$ 58,300
Discounts for member banks.....	10,019	8,345	10,647
Other bills discounted.....	6	6	4
Bills bought in open market.....	3,945	5,606	3,676
United States securities owned.....	31,239	29,224	28,557
Other investments.....	327	7	7
Total earning assets.....	45,536	43,188	42,891
Member bank reserve deposits.....	54,021	54,249	60,935
Federal reserve notes in actual circulation....	26,961	27,650	31,763

Condition of Member Banks in Selected Cities

A sharp decline in the loans and investments and deposits of member banks in selected cities was in evidence during the four-week period ending June 10. The investments of these banks in United States Government securities declined \$15,710,000 during the period, but their investments in other stocks and bonds rose \$1,086,000. Total investments on June 10 were \$15,642,000 greater than on June 11, 1930. While their loans on securities increased from \$88,943,000 on May 13 to \$91,691,000 on June 10, they were \$20,735,000 less than on June 11 a year ago. All other loans (largely commercial) showed a further decline of \$5,268,000 during the four-week period and on June 10 were \$19,108,000 smaller than a year ago. The total loans and investments of these banks were \$17,144,000 less than

four weeks earlier and \$24,201,000 below those on June 11, 1930. The net demand deposits of these banks, which had shown a gradual expansion from January 1 through the middle of May, declined sharply during the latter part of May and showed only a slight increase during the week ending June 10. On the latter date, these deposits were \$268,678,000 as compared to \$280,943,000 on May 13, and \$280,048,000 on June 11, 1930. Time deposits reflected a decline of \$745,000 during the four-week period and were \$4,901,000 smaller than a year ago. The borrowings of these banks from the Federal Reserve Bank amounted to \$915,000 on June 10, as compared to \$860,000 on May 13, and \$1,738,000 on the corresponding date last year.

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

	June 10, 1931	May 13, 1931	June 11, 1930
United States securities owned.....	\$ 68,342	\$ 84,052	\$ 64,318
All other stocks, bonds, and securities owned.....	56,026	54,940	44,408
Loans on securities.....	91,691	88,943	112,426
All other loans.....	206,186	211,454	225,294
Total loans.....	297,877	300,397	337,720
Net demand deposits.....	268,678	280,943	280,048
Time deposits.....	147,027	147,772	151,928
Reserve with Federal Reserve Bank.....	32,527	33,468	32,247
Bills payable and rediscounts with Federal Reserve Bank.....	915	860	1,738

Deposits of Member Banks

The daily average of combined net demand and time deposits of member banks in the Eleventh Federal Reserve District evidenced a further seasonal decline in May. While these deposits are at the lowest level recorded in several years, it should be noted that the decline this spring has been less than usual. These deposits amounted to \$796,875,000, as compared to \$801,150,000 in April, and \$864,711,000 in May, 1930. The daily average combined deposits of country banks reflected a slight gain over the previous month, but it was insufficient to offset the decline in the deposits of reserve city banks. The time deposits of country banks were larger than in any preceding month of the current 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
May, 1930.....	\$623,282	\$241,429	\$269,958	\$141,181	\$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	266,796	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
Mar., 1931.....	567,468	234,767	263,123	143,080	304,345	91,687
April, 1931.....	567,009	234,141	269,207	142,589	297,802	91,552
May, 1931.....	563,222	233,653	267,010	140,362	296,212	93,291

Debits to Individual Accounts

Debits to depositors' accounts at banks in leading centers in the Eleventh District during May reflected a decline of 3.0 per cent from the April volume and remained substantially below the level of a year ago. The month's aggregate charges amounted to \$634,684,000, as compared to \$654,464,000 in the previous month, and \$815,842,000 in

May last year. Cities showing increases over April were Tucson, Arizona, Shreveport, Louisiana, and Austin and Port Arthur, Texas.

Acceptance Market

A small increase during May in domestic acceptances executed by banks in this district slightly more than offset a decline in acceptances based on import and export transactions, resulting in a net gain of \$45,958. Acceptances outstanding on May 31 amounted to \$2,507,163, of which \$1,337,988 represented import and export transactions and \$1,169,175 were executed against the domestic shipment and storage of goods. At the close of April the volume of outstanding acceptances amounted to \$2,461,205, and on May 31, 1930, the total reported was \$2,869,638.

Savings Deposits

The reports of 86 member banks in this district that operate a savings department indicate that savings deposits of these banks, totaling \$149,580,563 on May 31, were 0.8 per cent less than a month earlier, and 1.9 per cent smaller than a year ago. Increases over the previous month were reported for seven of the eleven larger cities. At the end of May there were 316,433 savings accounts on the books of 79 reporting banks, as against 316,666 on April 30, and 313,346 on May 31 last year.

DEBITS TO INDIVIDUAL ACCOUNTS
(In thousands of dollars)

	May 1931	May 1930	Percentage change over Year	April 1931	Percentage change over Month
Abilene.....	\$ 5,723	\$ 8,400	-31.9	\$ 6,290	-9.0
Austin.....	19,050	21,349	-10.8	18,968	+ .4
Beaumont.....	19,382	24,645	-21.4	21,052	-7.9
Corsicana.....	3,482	5,119	-32.0	3,647	-4.5
Dallas.....	158,469	204,548	-22.5	162,304	-2.4
El Paso.....	26,143	39,488	-33.8	26,974	-3.1
Fort Worth.....	68,887	89,761	-23.8	72,327	-5.4
Galveston.....	20,608	27,006	-23.7	20,675	-3
Houston.....	155,908	189,142	-17.6	160,788	-3.0
Port Arthur.....	8,091	10,483	-22.8	7,616	+ 6.2
Roswell.....	2,712	4,592	-40.9	2,766	-2.0
San Antonio.....	70,083	89,659	-21.8	70,103	0.0
Shreveport.....	32,306	39,976	-19.2	31,570	+ 2.3
Texarkana.....	9,523	13,327	-28.5	10,145	-6.1
Tucson.....	10,739	10,666	+ .7	9,983	+ 7.6
Waco.....	10,996	14,505	-24.2	11,623	-5.4
Wichita Falls.....	13,082	23,176	-43.6	17,633	-25.8
Total.....	\$634,684	\$815,842	-22.2	\$654,464	-3.0

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

SAVINGS DEPOSITS

	May 31, 1931			May 31, 1930			Percentage Change Over Year in Savings Deposits	April 30, 1931			Percentage Change Over Month in Savings Deposits
	Number of Reporting Banks	Number of Savings Depositors	Amount of Savings Deposits	Number of Savings Depositors	Amount of Savings Deposits	Amount of Savings Deposits		Number of Savings Depositors	Amount of Savings Deposits	Amount of Savings Deposits	
Beaumont.....	4*	5,589	\$ 2,579,709	5,728	\$ 2,638,534	2,638,534	- 2.2	5,567	\$ 2,592,529	2,592,529	- .5
Dallas.....	4	63,637	25,160,107	68,273	26,444,770	26,444,770	- 4.9	63,649	25,114,198	25,114,198	+ .2
El Paso.....	2	15,589	5,320,465	16,318	6,139,572	6,139,572	-13.3	15,726	5,366,641	5,366,641	- .9
Fort Worth.....	2	21,170	7,941,040	18,648	7,528,171	7,528,171	+ 5.5	21,200	7,855,535	7,855,535	+ 1.1
Galveston.....	3	13,725	8,088,291	13,820	8,115,249	8,115,249	- .3	13,750	8,072,734	8,072,734	+ .2
Houston.....	11*	74,442	34,739,324	70,783	34,617,424	34,617,424	+ .4	74,903	35,385,896	35,385,896	+ 1.8
Port Arthur.....	2	4,854	1,841,623	4,801	1,787,844	1,787,844	+ 3.0	4,898	1,833,068	1,833,068	+ .5
San Antonio.....	7	41,154	24,734,757	37,273	22,369,111	22,369,111	+10.6	40,826	24,610,694	24,610,694	+ .5
Shreveport.....	4*	21,161	12,421,545	22,506	12,890,915	12,890,915	- 3.6	21,168	13,081,617	13,081,617	- 5.0
Waco.....	4	10,667	6,319,831	10,466	6,889,063	6,889,063	- 8.3	10,462	6,250,585	6,250,585	+ 1.1
Wichita Falls.....	2	3,767	1,503,732	3,767	1,795,602	1,795,602	-16.3	3,768	1,490,383	1,490,383	+ .9
All others.....	41*	40,678	18,930,139	40,963	21,308,636	21,308,636	-11.2	40,749	19,137,434	19,137,434	- 1.1
Total.....	86	316,433	\$149,580,563	313,346	\$152,524,891	\$152,524,891	- 1.9	316,666	\$150,791,314	\$150,791,314	- .8

*Only three banks in Beaumont, ten in Houston, three in Shreveport, and thirty-seven in "All others" reported the number of savings depositors.

JUNE DISCOUNT RATES

Prevailing Rates:

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

INDUSTRY

Activity at Eleventh District textile mills during May continued its downward movement. The consumption of raw cotton by reporting mills amounted to only 1,694 bales during

the month, as compared to 2,101 bales in April, and 2,474 bales in May, 1930. Production of cloth reflected a decline of 10.8 per cent as compared with the previous month, and 30.9 per cent as compared with the corresponding month last year. New orders for cloth received during the month were 15 per cent less than in April, and 35.4 per cent smaller

than in May a year ago. Stocks of finished products held on May 31 were smaller than those a month earlier or a year ago. Prices of cotton goods continued their downward trend.

The domestic consumption of cotton during May likewise reflected a decline compared with the previous month and the corresponding month last year. Consumption totaled 465,770 bales, as against 508,744 bales in April and 473,284 bales in May, 1930. During the present season consumption of cotton amounted to 4,365,042 bales, which is 18 per cent

Textile Milling

ton by reporting mills amounted to only 1,694 bales during the month, as compared to 2,101 bales in April, and 2,474 bales in May, 1930. Production of cloth reflected a decline of 10.8 per cent as compared with the previous month, and 30.9 per cent as compared with the corresponding month last year. New orders for cloth received during the month were 15 per cent less than in April, and 35.4 per cent smaller

less than in the like period of last season. Stocks of cotton on hand in consuming establishments on May 31 were less than those a month earlier or a year ago.

TEXTILE MILLING STATISTICS—TEXAS

	May 1931	May 1930	April 1931
Number bales consumed.....	1,694	2,474	2,101
Number spindles active.....	83,644	89,184	85,200
Number pounds cloth produced.....	791,695	1,146,500	887,124

COTTON CONSUMED AND ON HAND (Bales)

	May 1931	May 1930	August 1 to May 31 This Season	Last Season
Cotton growing states:				
Cotton consumed.....	362,136	370,087	3,443,665	4,126,339
On hand May 31 in—				
Consuming establishments.....			909,485	1,091,816
Public storage and com- presses.....			5,093,568	3,019,929
United States:				
Cotton consumed.....	465,770	473,284	4,365,042	5,321,582
On hand May 31 in—				
Consuming establishments.....			1,258,222	1,527,853
Public storage and com- presses.....			5,494,025	3,379,414

Cottonseed Products

The operations of cottonseed oil mills in Texas during May evidenced an increase over the corresponding month of 1930, while at all United States mills substantial declines were registered. Seasonal recessions were reflected in the production of all cottonseed products at both Texas and United States mills compared with that of April. Stocks of cottonseed on hand at the close of May at Texas mills were larger than on the same date last year, while at United States mills they were considerably smaller. Supplies of crude oil held at the close of the month showed a decline from those a month earlier and a year ago. Stocks of all other products, while smaller than those held at the close of April, were greater than on May 31, 1930.

STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS

	Texas		United States	
	August 1 to May 31		August 1 to May 31	
	This Season	Last Season	This Season	Last Season
Cottonseed received at mills (tons).....	1,238,579	1,251,636	4,649,832	4,947,022
Cottonseed crushed (tons).....	1,236,083	1,264,678	4,649,873	4,867,585
Cottonseed on hand (tons).....	19,199	6,900	45,375	118,928
Crude oil produced (pounds).....	364,049,756	375,243,289	1,420,137,363	1,523,643,516
Cake and meal produced (tons).....	588,578	595,315	2,130,507	2,164,729
Hulls produced (tons).....	350,510	338,575	1,286,317	1,343,919
Linters produced (running bales).....	192,196	267,074	813,303	1,004,821
Stocks on hand May 31:				
Crude oil (pounds).....	5,077,606	8,070,092	17,387,852	21,557,461
Cake and meal (tons).....	42,221	34,345	223,084	100,371
Hulls (tons).....	35,187	14,803	82,993	52,328
Linters (running bales).....	58,760	51,293	248,340	185,299

Cotton Movements

Exports of cotton through the port of Galveston during May reflected a substantial increase over both the preceding month and the same month last year; exports at Houston showed a decline as compared with April, but continued materially larger than a year ago. Receipts of cotton during May continued their seasonal decline. Cotton held at both ports on May 31 was 10.9 per cent less than a month earlier but was 60 per cent greater than a year ago.

The total foreign exports of cotton from all United States ports reflected a further large increase over the correspond-

ing month of 1930, but they declined seasonally from the preceding month. Exports amounted to 335,796 bales during May as against 391,871 bales in April, and 208,796 bales in May, 1930. During the present season 6,245,525 bales of American cotton have been exported to foreign countries, representing a decline of only 1.3 per cent compared with the same period of the 1929-30 season. This small decline is significant when it is recalled that just three months ago exports during the current season were 7.2 per cent less than in the previous one. Takings of American cotton by Japan and China continue to be heavy.

COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON (Bales)

	May 1931	May 1930	August 1 to May 31 This Season	Last Season
Receipts.....	25,337	24,864	1,537,141	1,886,093
Exports.....	71,932	53,725	1,209,454	1,733,770
Stocks, May 31.....			512,939	227,918

COTTON—GALVESTON STOCK STATEMENT (Bales)

	May 31, 1931	May 31, 1930
For Great Britain.....	2,000	4,000
For France.....	2,500	3,500
For other foreign ports.....	13,800	21,100
Coastwise ports.....	2,000	1,300
In compresses and depots.....	492,639	198,018
Total.....	512,939	227,918

COTTON MOVEMENTS THROUGH THE PORT OF HOUSTON (Bales)

	May 1931	May 1930	August 1 to May 31 This Season	Last Season
Receipts.....	14,293	21,380	2,823,966	2,601,292
Exports.....	127,443	66,927	2,173,775	1,831,315
Stocks, May 31.....			903,620	657,484

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

	August 1 to May 31	
	This Season	Last Season
Receipts.....	8,842,253	8,581,657
Exports:		
United Kingdom.....	1,027,159	1,219,575
France.....	900,613	790,193
Italy.....	437,686	624,571
Germany.....	1,531,723	1,587,376
Other Europe.....	643,126	739,159
Japan.....	1,089,802	967,491
All other countries.....	615,416	400,957
Total foreign ports.....	6,245,525	6,329,322
Stocks at all United States ports, May 31.....	3,285,123	1,750,331

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

	May, 1931		June 15, 1931
	High	Low	
New York.....	10.00	8.65	8.65
New Orleans.....	9.70	8.34	8.43
Dallas.....	9.30	7.80	7.80
Houston.....	9.80	8.45	8.55
Galveston.....	9.90	8.65	8.65

Petroleum

After showing some curtailment in the early part of May, the production of crude oil in the Eleventh Federal Reserve District again turned upward and the daily average for the month exceeded one million barrels. Total production during May amounted

to 31,112,800 barrels, as compared to 28,581,200 barrels in the previous month, and 27,802,100 barrels in the same month last year. The number of wells completed rose from 475 in April to 663 in May, and the number of producers increased from 308 in the former month to 461 in the latter month. The initial output of new wells showed a further conspicuous gain, and amounted to 2,878,512 barrels in May, as against 1,662,775 barrels in April and 506,148 barrels in March.

Daily production in Texas reflected a net increase of 47,538 barrels as compared to the preceding month, and during May the average was 921,690 barrels as compared with 840,116 barrels in the same month a year ago. For the seventh consecutive month Central West Texas showed a substantial reduction, and South Texas (outside the Gulf Coast) has followed the same trend. Daily production in North Louisiana was only slightly larger than in the previous month. In New Mexico, the daily average yield increased to 42,710 barrels as against 39,508 barrels in April.

Widespread price reductions, ranging from 25c to 30c per barrel, were announced by all major companies in the first days of June. Most of them eliminated the posting of Gulf Coast, grade "A" and grade "B," and are buying the oil on a gravity basis.

OIL PRODUCTION—(Barrels)

	May, 1931		Increase or Decrease Over April, 1931	
	Total	Daily Avg.	Total	Daily Avg.
North Texas.....	3,599,300	116,107	+ 245,350	+ 4,309
Central West Texas.....	7,293,350	235,269	— 165,000	— 13,343
East Central Texas.....	10,992,050	354,582	+ 2,218,800	+ 62,140
Texas Coastal.....	4,820,750	155,508	+ 63,250	— 3,075
South Texas.....	1,866,950	60,224	— 14,550	— 2,493
Total Texas.....	28,572,400	921,690	+ 2,347,850	+ 47,538
New Mexico.....	1,324,000	42,710	+ 138,750	+ 3,262
North Louisiana.....	1,216,400	39,239	+ 45,000	+ 192
Total District.....	31,112,800	1,003,639	+ 2,531,600	+ 50,932

MAY DRILLING RESULTS

	Com-pletions	Pro-ducers	Gas Wells	Fail-ures	Initial Production
North Texas.....	76	31	10	35	3,935
Central West Texas.....	81	29	14	38	5,728
East Central Texas.....	399	361	2	36	2,842,095
South Texas.....	35	14	7	14	3,866
Texas Coastal.....	44	20	1	23	20,530
Total Texas.....	635	455	34	146	2,876,154
New Mexico.....
North Louisiana.....	28	6	10	12	2,358
May totals, district.....	663	461	44	158	2,878,512
April totals, district.....	475	308	25	142	1,662,775

CRUDE OIL PRICES

	June 9, 1931	June 10, 1930
Texas Coastal (35 gr. and above).....	\$.55	\$1.15*
North Texas and North Louisiana (40 gr. and above).....	.37	1.57**

*Price paid for Texas Coastal grade "A".
**Price paid for oil 44 gr. and above.

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

Building

The valuation of building permits issued at principal centers in the Eleventh District during May aggregated \$4,789,093, reflecting an increase of 8.5 per cent over the previous month, but a decline of 16.4 per cent as compared to the same month last year. The May total was augmented considerably by the issuance of a permit for one large project in Waco. There were five cities in which the valuation of permits in May was considerably larger than in April and four cities reflected a substantial gain over May last year. The gross valuation of building permits issued from January to May, inclusive, amounted to \$19,571,215, being 44.5 per cent less than in the like period a year ago.

BUILDING PERMITS

	May, 1931		May, 1930		Percentage Change Valuation Over Year	April, 1931		Percentage Change Valuation Over Month	Five Months				Percentage Change Valuation Over Period		
	No.	Valuation	No.	Valuation		No.	Valuation		1931		1930				
									No.	Valuation	No.	Valuation			
Amarillo.....	38	\$ 293,375	58	\$ 217,096	+	51	\$ 377,575	—	22.3	237	\$ 1,650,019	306	\$ 1,108,822	+	48.8
Austin.....	115	153,441	93	771,963	—	93	228,518	—	32.9	440	1,175,155	491	2,068,709	—	43.2
Beaumont.....	110	346,956	142	148,856	+	132	121,412	+	185.8	600	747,828	710	1,118,702	—	33.2
Corpus Christi.....	69	77,659	45	116,075	—	40	19,637	+	295.5	254	227,399	290	744,221	—	69.4
Dallas.....	332	348,808	339	569,997	—	408	540,273	—	35.4	1,674	2,528,855	1,662	3,525,419	—	28.3
El Paso.....	54	96,942	96	275,678	—	88	183,906	—	47.3	378	618,298	619	1,658,340	—	62.7
Fort Worth.....	241	942,323	316	640,091	+	230	419,609	+	124.6	1,064	2,388,817	1,280	3,905,446	—	38.8
Galveston.....	133	186,476	138	213,402	—	139	379,981	—	50.9	643	779,364	633	651,199	+	19.7
Houston.....	307	777,000	291	1,119,978	—	421	1,430,782	—	45.7	1,637	5,627,258	1,682	7,682,601	—	26.8
Port Arthur.....	38	51,978	123	148,489	—	52	12,434	+	318.0	288	535,124	553	1,448,974	—	63.1
San Antonio.....	205	116,165	305	1,270,535	—	271	544,894	—	78.7	1,122	1,303,485	1,493	4,553,705	—	71.4
Shreveport.....	187	67,411	185	116,905	—	153	83,816	—	19.6	736	413,727	886	754,165	—	45.1
Waco.....	29	1,323,785	23	37,034	+	26	63,007	+	2,001.0	141	1,528,736	182	620,582	+	146.3
Wichita Falls.....	5	6,774	26	83,816	—	13	6,875	—	1.5	56	47,150	119	749,484	—	93.7
Total.....	1,863	\$4,789,093	2,180	\$5,729,915	—	2,117	\$4,412,719	+	8.5	9,270	\$19,571,215	10,906	\$ 30,590,369	—	44.5

Cement

Increased activity was in evidence at Texas as portland cement mills during May. Production rose from 585,000 barrels in the previous month to 600,000 barrels in May, and the decline from the corresponding month a year ago was only 4.8 per cent, as compared to 22.7 per cent in April. Shipments totaled 644,000 barrels during the month, as against 581,000 barrels in

April, and 620,000 barrels in May last year. Stocks on hand decreased to 734,000 barrels on May 31, showing a reduction of 5.5 per cent as compared to April 30, and a decline of 12.2 per cent from the corresponding date last year. From January 1 to May 31 of the current year, production and shipments were, respectively, 20.9 per cent and 17.9 per cent less than in the same period last year.

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

	May, 1931		Percentage Change		January through May 31	
	Number	Month	Over	Year	Number	Percentage Change
Production at Texas mills.....	600	+ 2.6		- 4.8	2,282	-20.9
Shipments from Texas mills.....	644	+10.8		+ 3.9	2,349	-17.9
Stocks at end of month at Texas mills.....	734	- 5.5		-12.2

SUMMARY OF NATIONAL BUSINESS CONDITIONS

(Compiled by the Federal Reserve Board as of June 24, 1931)

Volume of industrial production showed little change between April and May following upon increases for four consecutive months, while factory employment declined by the usual seasonal amount. The general level of wholesale prices continued to decline.

PRODUCTION AND EMPLOYMENT

Volume of industrial production, as measured by the Board's seasonally adjusted index, was about the same in May as in April, 9 per cent larger than in December, and 14 per cent smaller than in May, 1930. Steel output continued to decline more rapidly than is usual at this season and consumption of cotton by domestic mills was also curtailed, while wool consumption continued to increase, contrary to the usual seasonal tendency, and shoe production, which ordinarily declines in May, showed little change. Daily average output of automobiles, according to preliminary reports, was about the same as in April. During the first three weeks of June activity at steel mills declined further. In the first five months of the year taken as a whole, output of textile mills and shoe factories has been in about the same volume as in the corresponding period last year, while output of steel, automobiles, and lumber has been about one-third smaller. Changes in employment from the middle of April to the middle of May were of the usual seasonal character in many manufacturing industries. In the iron and steel industry, however, at car-building shops, and at establishments producing machinery, employment declined considerably, while it increased in the automobile and tire industries. At textile mills employment increased somewhat contrary to seasonal tendency, while in the clothing industry the number employed decreased. The value of building contracts awarded in May was somewhat smaller than in April, reflecting chiefly a decline in awards for public works and utilities. In the first half of June, daily average value of contracts awarded increased somewhat, reflecting larger awards for public works and utilities, offset in part by a decrease in awards for other types of construction.

DISTRIBUTION

Sales by department stores decreased in May, contrary to the usual seasonal tendency, and the Board's index de-

clined to the level prevailing before the sharp increase in April. Total freight-car loadings increased somewhat less than usual.

WHOLESALE PRICES

The general level of wholesale prices declined 2.7 per cent further in May, according to the Bureau of Labor Statistics, reflecting large decreases in prices of agricultural products, textiles, nonferrous metals, and building materials. In the first half of June, prices of livestock, which had declined rapidly in April and May, advanced, while prices of petroleum continued to decline.

BANK CREDIT

Loans and investments of reporting member banks in leading cities declined further by about \$285,000,000 in the four weeks ending June 17, reflecting reductions of loans on securities. All other loans, largely commercial, have shown little change since the early part of May. The banks' investments, which reached a new high level late in April, were reduced somewhat during May and have fluctuated within a range from \$7,800,000,000 to \$7,850,000,000 since that time. During the four weeks ending June 17, there were imports of gold from Argentina and Canada, and in addition, a large amount of gold previously earmarked for foreign account was released in the United States. The total increase in the stock of monetary gold was \$120,000,000 for the period, of which \$90,000,000 was added during the last week. Payments of currency into circulation, accompanying bank suspensions in the Chicago district, absorbed a large part of the funds arising out of the additions to the gold stock, with the consequence that there was little change in the volume of reserve bank credit.

MONEY RATES

Money rates in the open market continued at a low level during May and the first three weeks of June. There was a further decline in prevailing rates on commercial paper from a range of 2-2¼ per cent to a level of 2 per cent, while rates on bankers' acceptances were unchanged at 7/8 of 1 per cent. Rates paid on deposits by banks were further reduced, and clearing house banks in a number of financial centers established a rate of ½ of 1 per cent on bankers' balances.