

MONTHLY BUSINESS REVIEW

OF THE

FEDERAL RESERVE BANK OF DALLAS

C. C. WALSH
Chairman and Federal Reserve Agent

CHAS. C. HALL—W. J. EVANS
Assistant Federal Reserve Agents

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DISTRICT SUMMARY

THE SITUATION AT A GLANCE Eleventh Federal Reserve District

	June 1931	Change From May
Bank debits to individual accounts (at 17 cities).....	\$628,285,000	- 1.0%
Department store sales.....		-16.2%
Reserve bank loans to member banks at end of month.....	\$ 9,674,145	+ 6.4%
Reserve bank ratio at end of month.....	57.9%	0.0
Building permit valuation at larger centers....	\$ 3,528,819	-26.3%
Commercial failures (number).....	61	-12.9%
Commercial failures (liabilities).....	\$ 1,522,700	-61.1%
Oil production (barrels).....	31,521,800	+ 1.3%

products mean low returns for the surplus above home requirements, the large supplies will be a material aid in holding down the cost of production during the coming year. The area of cotton in cultivation on July 1, according to the Department of Agriculture, is considerably less than a year ago, the reduction ranging from 8 per cent in Texas to 17 per cent in Oklahoma and Arizona. Late reports indicate that the crop, although still somewhat late, is in fair to good condition in most sections of the district. The recent rains have greatly stimulated the growth of plants, but have been conducive to the propagation and spread of insects. The increased insect activity is now the most serious potential danger to cotton during the current season.

General quietude prevailed in both wholesale and retail channels of distribution during June. Sales of department stores in larger centers reflected a seasonal decline of 16 per cent as compared to May, and were 11 per cent smaller than in June, 1930. The recession in most reporting lines of wholesale trade was greater than the seasonal average and sales continued considerably lower than in the corresponding month a year ago, yet the comparison was slightly more favorable than was shown in May. Reports indicate that merchants are adhering to the cautious policy of making replacements as consumer demand arises with the result that new orders are in small quantity and represent mostly fill-in merchandise. Collections were seasonally slow, but an improvement was noticeable in some areas.

The past month witnessed a substantial seasonal reduction in the deposits of member banks. The combined daily average of net demand and time deposits declined to \$775,035,000 during June, which was \$21,840,000 less than the May average, and \$72,011,000 below the average for June, 1930. Federal reserve bank loans to member banks reflected a net increase of approximately \$500,000 between June 15 and July 15. While some liquidation was obtained from banks in the wheat growing territory, it was more than offset by the demand from banks in other agricultural sections. The commercial loans of reserve city banks, for the first time since last fall, showed a slight increase between June 10 and July 8 and these banks added materially to their investments during the same period. In some centers there was an easing of rates on commercial and commodity loans.

A significant feature of the Department of Agriculture's July 1 report was the large prospective production of food and feed crops in states attached to this district due both to the larger acreage and heavy per acre yields. From the standpoint of physical production, the farmers' program of diversification has been very successful and has provided the farmers with ample food and feed for home consumption. While the prevailing low prices for agricultural

There was a noticeable recession in construction activity during the past month. The valuation of building permits issued at principal cities during June was 26 per cent lower than in either the previous month or the corresponding month last year. The production and shipments of cement from Texas mills were somewhat larger than in May, and production was considerably larger than in June, 1930. Shipments, however, showed a slight decline from a year ago.

BUSINESS

Wholesale Trade
Seasonal slackness was in evidence in the distribution of merchandise at wholesale during June. While the demand for harvesting machinery, because of the exceedingly large grain crops, increased the sales of farm implements, sales in all other reporting lines reflected a decline as compared to both

the previous month and the same month last year. In most reporting lines the declines from a year ago in June were slightly smaller than those recorded in May. While collections continued seasonally slow, increases over May were reflected in the case of groceries and farm implements. Due to the continued slackness of consumer demand and cautious

merchandising policies, retailers are holding orders in strict alignment with consumer buying and are showing no disposition to make forward commitments. New orders generally were in small amounts and were for replacement purposes.

The partly seasonal decline of 17.6 per cent, which was reflected in the June sales of dry goods at wholesale in this district, was not general and was smaller than the recession which occurred in this month a year ago. Total sales were only 13.6 per cent below the volume of June, 1930, and for the first half of the current year they averaged 27.1 per cent smaller than in the same period last year. Immediate needs are being filled as they arise, but merchants are placing very few orders for future delivery. The demand for summer goods has been stimulated in recent weeks by hot weather. June collections evidenced a material reduction as compared to the previous month.

A further increase of 16.1 per cent in the distribution of agricultural implements at wholesale during June brought the dollar volume of sales in this district to a level 52.1 per cent above that of June, 1930. This increase, which was contrary to the seasonal trend, resulted largely from the heavy demand for grain harvesting machinery. Cumulative sales from January 1 through June 30 were 34.4 per cent smaller than in the same period last year. Collections during June, while showing diverse trends, were in noticeably larger volume than in the previous month.

There was a further slackening in the demand for hardware at wholesale during June. Sales were 6.3 per cent less than in May, and reflected a decrease of 21.9 per cent from June last year. While business in some areas was better than in others, the reduction was practically general over the district. Cumulative sales for the current year to date remained about one-fourth below the level of a year ago. Collections showed a slight decline.

The distribution of drugs through wholesale channels was 10.1 per cent smaller in June than in May, reflecting the quietude which is usually characteristic of early summer. June sales registered a decline of 9.7 per cent as compared to a year ago, and for the first six months of 1931, business was 10.9 per cent less than in the first half of 1930. A seasonal decline in collections was in evidence.

The demand for groceries at wholesale during June showed a further decline of 2.9 per cent as compared to the previous month, and was 15.0 per cent smaller than in the same month a year ago. Buying seems to be showing an improvement in some areas. Collections were about the same as in the previous month.

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

	Net Sales June, 1931 compared with June 1930		Net Sales January 1 to date same period last year		Stocks June, 1931 compared with June 1930		Ratio of collec- tions during June to accounts and notes outstanding on May 31	
	1931	1931	1931	1931	1931	1931	1931	1931
Groceries.....	-15.0	-2.9	-17.0	-11.8	-5.9	66.5		
Dry goods.....	-13.6	-17.6	-27.1	-40.7	-3.7	24.2		
Farm implements..	+52.1	+16.1	-34.4	-6.6	-6.2	5.1		
Hardware.....	-21.9	-6.3	-25.0	-10.8	.9	32.6		
Drugs.....	-9.7	-10.1	-10.9	-6.6	+3.1	37.2		

Retail Trade

A reduction in retail distribution, which was more than seasonal, occurred during June when the sales of reporting department stores declined 16.2 per cent as compared to the previous month. Sales continued materially below the corresponding month a year ago, reflecting a decline of 11.4 per cent, but the comparison was slightly more favorable than that registered during the preceding month. In view of the mid-summer dullness merchants are featuring reduced price "sales" to clear out summer goods to make room for fall merchandise. Distribution during the first half of the current year reflected a decline of 10.5 per cent as compared to the same period of 1930.

Inventories of merchandise on hand at the close of June showed a further decline of 6.1 per cent as compared to the preceding month and were 14.2 per cent below a year ago. The rate of stock turnover during the first six months of 1931 was 1.47 as against 1.44 in the corresponding period of 1930.

Collections during June evidenced a decline as compared to May but were slightly better than in June, 1930. The ratio of June collections to accounts outstanding on June 1 was 33.0 per cent as against 34.1 per cent in May and 32.7 per cent in June a year ago.

BUSINESS OF DEPARTMENT STORES

	Dallas	Fort Worth	Houston	San Antonio	Others	Total District
Total Sales (Percentage):						
June, 1931, compared with June, 1930.....	-12.0	-6	-12.5	-5.4	-19.2	-11.4
June, 1931, compared with May, 1931.....	-16.2	-14.5	-13.9	-12.8	-21.5	-16.2
January 1 to date, compared with same period last year.....	-11.5	-3.8	-13.3	-5.8	-11.0	-10.5
Credit Sales (Percentage):						
June, 1931, compared with June, 1930.....	-14.7	+1.5	-12.9	-4.2	-20.5	-12.6
June, 1931, compared with May, 1931.....	-13.9	-16.1	-10.3	-12.1	-25.8	-16.1
January 1 to date, compared with same period last year.....	-14.2	-4.8	-14.0	-6.1	-11.9	-12.2
Stocks (Percentage):						
June, 1931, compared with June, 1930.....	-14.7	+ .5	-13.0	-19.4	-21.7	-14.2
June, 1931, compared with May, 1931.....	-6.2	-5.3	-5.6	-5.5	-6.4	-6.1
Stock Turnover (Rate):						
Rate of stock turnover in June, 1930.....	.23	.19	.24	.29	.25	.23
Rate of stock turnover in June, 1931.....	.24	.20	.25	.34	.26	.24
Rate of stock turnover January 1 to June 30, 1930.....	1.48	1.19	1.49	1.87	1.55	1.44
Rate of stock turnover January 1 to June 30, 1931.....	1.48	1.16	1.54	2.05	1.67	1.47
Ratio of June collections to accounts receivable outstanding June 1, 1931.....	31.1	32.4	36.4	35.2	34.6	33.0

Commercial Failures

The insolvencies record in the Eleventh Federal Reserve District during June, as reported by R. G. Dun & Company, was more favorable than in either the previous month or the same month last year. There were 61 commercial failures

during the month, as against 70 in May and 62 in June a year ago. The indebtedness of firms defaulting during June totaled \$1,522,700; in May the combined liability amounted to \$3,908,589; and in June, 1930, the corresponding figure was \$8,454,866.

AGRICULTURE

Crop Conditions

Weather conditions during the past month were favorable for some crops but unfavorable for others. The maturity and harvesting of small grain has taken place under generally favorable conditions and yields are very large. The dry weather enabled farmers to make rapid progress with crop work, and fields are now generally clean and in a good state of cultivation. Prospective corn production was reduced in some areas because of the prolonged period of dry weather, yet the recent rains should aid materially the maturity of this crop. On the other hand, the dry weather held in check the propagation and spread of insects and was conducive to the formation of good tap-roots on the cotton plants. According to the July 1 report of the Department of Agriculture, the production of food and feed crops will be materially larger than in 1930, due both to the larger acreage and higher per acre yields.

The Department's July 1 estimate on the Texas wheat crop was 58,720,000 bushels, an increase of 12,546,000 bushels during June, as compared with an actual production of 33,638,000 bushels for 1930. The estimate for Oklahoma was raised 17,132,000 bushels, bringing the estimate to 69,632,000 bushels as against a production of 36,708,000 bushels last year. In New Mexico and Arizona, the estimates were revised downward, but the prospects are for a production in excess of a year ago. The production of oats in Texas was estimated at 76,398,000 bushels as compared to 40,012,000 bushels in 1930. Substantial increases in production are also in prospect for other states attached to this district. The large increases in Texas, Louisiana, and Oklahoma are due both to the substantially larger acreage and per acre yields. The Department also estimated that the production of barley and rye, in states attached to this district, will be considerably larger than a year ago.

The initial estimates of the corn crop by the Department of Agriculture, for the three principal corn producing states attached to this district, were as follows: Texas—101,517,000 bushels as against 86,710,000 bushels in 1930; Oklahoma—56,538,000 bushels as against 36,436,000 bushels; and Louisiana—18,135,000 bushels as against 12,309,000 bushels. The estimated production for New Mexico was considerably larger than a year ago but in Arizona it was slightly smaller. The corn crop in many portions of the district was affected adversely by dry weather during June and early July, but the recent rains, which were fairly general, will materially aid in maturing the crop. Indications point toward a larger tame hay crop in all states except Arizona.

The area of cotton in cultivation on July 1, as estimated by the Department of Agriculture, is considerably smaller than a year ago in all states attached to the Eleventh District. The reduction by states was as follows: Texas—8 per cent; Louisiana and New Mexico—10 per cent; Oklahoma and Arizona—17 per cent. In Texas the greatest reduction occurred in Northeast, Northwest, and West-Central districts. These districts were followed closely by the South, East, West, and North districts. In the heavy producing district of Central Texas there was a reduction of only 2 per cent. While the dry weather during June retarded, to some extent, the growth of cotton, which was already late, it enabled farmers to bring the crop to a good state of cultivation, retarded insect activity, and developed a good tap-root system. Since the last days of June, moderate to heavy rainfall has covered a large portion of the cotton growing territory

and the plants have shown a good response to the increased supply of moisture. Reports indicate that the crop is now in fair to good condition in most sections. Considerable insect activity has been reported in South Texas since the rains late in June.

Practically all minor crops promise good yields. Crops in which the prospective production for the current year equals or exceeds a year ago in all states are as follows: white potatoes, sweet potatoes, apples, grapes, and peaches, as well as some of the vegetable crops. The indicated production of the Texas rice crop is 8,865,000 bushels as compared to 8,463,000 bushels in 1930.

Livestock

Ranges in many parts of the Eleventh District deteriorated rapidly during June due to the deficiency of moisture. Since the last days of June, however, rains have fallen over much of the dry area and at the middle of July conditions were much improved. This is particularly true of South Texas and portions of the Edwards Plateau region. While the condition of livestock deteriorated somewhat, it is reported to be good and above that obtaining a year ago.

According to the Department of Agriculture, the condition of cattle ranges in Texas on July 1 was 82 per cent of normal, which was 8 points below that obtaining a month earlier and 4 points lower than a year ago. Sheep and goat ranges declined only 3 points, and the 87 per cent of normal condition compared with 88 per cent on July 1, 1930. The condition of Texas cattle was 87 per cent of normal on July 1, as compared to 91 per cent on June 1, and 86 per cent on July 1 a year ago. The condition of sheep and goats was 88 per cent of normal, representing declines of 3 and 2 points, respectively, during the month. The condition of ranges in New Mexico declined 5 points during the month, but that of cattle remained unchanged and sheep gained 1 point. In each instance the condition obtaining on July 1 was materially above that a year ago. In Arizona the condition of ranges and livestock showed no change during the month.

Movements and Prices

The receipts of sheep at the Fort Worth market, which were exceedingly heavy during April and May, reflected a sharp decline in June, but were still greatly in excess of those in the same month last year. During the first half of July, however, movements were only slightly above the usual volume for that period. The arrivals of hogs were materially lower than in either the previous month or the corresponding month a year ago. The receipts of cattle, while smaller than in May, were considerably in excess of those for June, 1930. The receipts of calves reflected a noticeable gain over the previous month, but were slightly smaller than in June a year ago.

Cattle prices showed an uneven trend during the past six weeks. While the market was badly depressed at times, value showed a tendency to rebound when pressure was removed. Although practically all classes suffered a severe decline during the last week in June, prices rebounded considerably during the first half of July and at the middle of the month were somewhat above the low level reached in May. Hog prices, after reaching a low level in May, showed a steady gain during the first three weeks of June and reached a level approximately \$2.00 above the May level. While part of the gain was cancelled during the last week of the month, some of the loss was regained during the first half of July. The trend of sheep prices was downward throughout the six-

week period. While the lamb market suffered a severe decline during June and the early days of July, it was a little stronger toward the middle of the month.

FORT WORTH LIVESTOCK RECEIPTS
(Number)

	June 1931	June 1930	Change over Year	May 1931	Change over Month
Cattle.....	58,554	44,277	+14,277	61,313	- 2,759
Calves.....	16,534	17,427	- 893	13,334	+ 3,200
Hogs.....	14,949	18,213	- 3,264	20,086	- 5,137
Sheep.....	121,003	48,005	+72,998	299,050	-178,047

COMPARATIVE TOP LIVESTOCK PRICES
(Dollars per hundred-weight)

	June 1931	June 1930	May 1931
Beef steers.....	\$7.00	\$11.00	\$ 7.50
Stocker steers.....	6.50	10.50	6.40
Butcher cows.....	4.50	8.50	4.75
Stocker cows.....	3.25	5.35	4.50
Calves.....	8.50	11.75	10.00
Hogs.....	7.70	10.05	7.25
Sheep.....	4.25	6.50	4.90
Lambs.....	7.25	9.50	8.25

FINANCE

Operations of the Federal Re- serve Bank

The volume of Federal reserve bank loans to member banks showed an irregular trend during the past thirty days. These loans, which amounted to \$10,019,000 on June 15, were increased approximately \$500,000 during the subsequent ten days and then declined steadily until July 3 when the low point was reached at \$9,602,000. By July 15 these loans had again increased to \$10,503,000, representing a net gain of \$484,000 for the period. While some liquidation was obtained from the marketing of wheat, it was insufficient to offset the demand for funds from banks in other agricultural areas. The borrowings by reserve city banks showed a slight decline and continued in a relatively small volume. This bank's holdings of bankers' acceptances reflected a further decline during the month and amounted to \$2,583,000 on July 15, as compared to \$3,945,000 on June 15, and \$5,014,000 on July 15, 1930. Other investments also declined \$1,269,000. Total earning assets aggregated \$43,389,000 on July 15, as compared to \$45,536,000 a month earlier, and \$44,358,000 on the corresponding date last year. The reserve deposits of member banks increased slightly during the month, but on July 15 were \$6,683,000 less than a year ago. Federal reserve notes in actual circulation amounted to \$27,012,000 at the middle of July, as compared to \$26,961,000 on June 15, and \$31,703,000 on July 15, 1930.

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

	July 15, 1931	June 15, 1931	July 15, 1930
Total cash reserves.....	\$ 48,706	\$ 44,461	\$ 56,680
Discounts for member banks.....	10,503	10,019	10,913
Other bills discounted.....	6	6	254
Bills bought in open market.....	2,583	3,945	5,014
United States securities owned.....	30,130	31,239	28,170
Other investments.....	167	327	7
Total earning assets.....	43,389	45,536	44,358
Member bank reserve deposits.....	54,200	54,021	60,883
Federal reserve notes in actual circulation....	27,012	26,961	31,703

Condition of Member Banks in Selected Cities

Reports from member banks in selected cities reflected a sharp increase in the total loans and investments between June 10 and July 8, due largely to the heavy purchases of Government securities on June 15. Their investments in Government securities rose from \$68,342,000 on June 10 to \$76,681,000 on July 8 and investments in other stocks and bonds were increased \$2,885,000. On July 8 total investments were \$23,518,000 larger than on the corresponding date in 1930. Loans on securities by these banks showed a slight decline, but all other loans (largely commercial), which had been declining

since last fall, were increased \$1,073,000 during the four-week period. The net demand deposits of these banks rose from \$268,678,000 on June 10 to \$269,889,000 on July 8, and on the latter date compared with \$276,242,000 on July 9, 1930. Their time deposits declined \$2,539,000 during the four-week period, most of which occurred early in July and reflected the withdrawals following the crediting of the semi-annual interest because of the reduction in interest rates which was put into force in recent weeks. Borrowings of these banks from the Federal Reserve Bank amounted to \$675,000 on July 8, as compared to \$915,000 on June 10, and \$2,147,000 on July 9, 1930.

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

	July 8, 1931	June 10, 1931	July 9, 1930
United States securities owned.....	\$ 76,681	\$ 68,342	\$ 64,667
All other stocks, bonds, and securities owned.....	58,911	56,026	47,407
Loans on securities.....	91,123	91,691	98,765
All other loans.....	207,259	206,186	230,413
Total loans.....	298,382	297,877	329,178
Net demand deposits.....	269,889	268,678	276,242
Time deposits.....	144,488	147,027	151,305
Reserve with Federal Reserve Bank.....	32,026	32,527	32,855
Bills payable and rediscounts with Federal Reserve Bank.....	675	915	2,147

Deposits of Member Banks

The combined daily average of net demand and time deposits of member banks in this district, which during June amounted to \$775,035,000, was 2.7 per cent smaller than in May and showed a decline of 8.5 per cent as compared to the corresponding month last year. The reduction was general and was due primarily to seasonal influences. More than half of the decrease occurred in the net demand deposits of reserve city banks, which declined from \$267,010,000 in May to \$254,063,000 in June.

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

	Combined Total		Reserve City Banks		Country Banks	
	Net demand deposits	Time deposits	Net demand deposits	Time deposits	Net demand deposits	Time deposits
June, 1930.....	\$603,020	\$244,026	\$260,854	\$143,753	\$352,166	\$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
June, 1931.....	543,155	231,880	254,063	139,890	289,092	91,990

Debits to Individual Accounts

While there was a further decrease of 1.0 per cent in the volume of debits to individual accounts during June at banks in principal cities in this district, the comparison with the corresponding month last year was slightly better than in May. Charges to depositors' accounts totaled \$628,285,000 in June, as against \$634,684,000 in May and \$792,975,000 in June a year ago. Further increases in debits

were reflected at Austin, Texas, and Tucson, Arizona, and while these two cities also showed increases over June, 1930, all others reported substantial declines.

Acceptance Market

A further seasonal decline of \$540,096, which occurred during June, brought the volume of bankers' acceptances executed in this district and outstanding at the close of the month to \$1,967,067, the smallest amount reported since July, 1926. This figure compares with \$2,507,163 on the last day of May, and \$2,353,451 on June 30, 1930. The decline during the month was divided proportionately between acceptances based on import and export transactions and those executed against the domestic shipment and storage of goods. On June 30, the volume of acceptances outstanding of the former classification amounted to \$1,036,938 and those of the latter classification totaled \$930,129.

Savings Deposits

During June there was a widely distributed increase of 1.2 per cent in the volume of savings deposits held by 85 reporting member banks in this district. On the last day of the month, the aggregate amounted to \$150,975,507, as compared to \$149,254,971 on May 31, and \$153,475,559 at the end of June last year. The number of savings depositors reported by 76 of these banks totaled 306,436 on June 30, being smaller than a month earlier but larger than on the same date a year ago.

DEBITS TO INDIVIDUAL ACCOUNTS
(In thousands of dollars)

	June 1931	June 1930	Percentage change over Year	May 1931	Percentage change over Month
Ablene.....	\$ 5,423	\$ 7,664	-29.3	\$ 5,723	- 5.3
Austin.....	20,033	18,521	+ 8.2	19,050	+ 5.2
Beaumont.....	20,139	27,003	-25.4	19,382	+ 3.9
Corsicana.....	4,164	4,710	-11.6	3,482	+19.6
Dallas.....	157,345	192,763	-18.4	158,469	- 7
El Paso.....	24,932	34,231	-27.2	26,143	- 4.6
Fort Worth.....	69,959	88,854	-21.3	68,887	+ 2.3
Galveston.....	19,688	29,349	-32.9	20,608	- 4.5
Houston.....	146,569	182,078	-19.5	155,908	- 6.0
Port Arthur.....	7,802	10,888	-28.3	8,091	- 3.6
Roswell.....	3,164	4,598	-31.2	2,712	+16.7
San Antonio.....	71,354	88,100	-19.0	70,083	+ 1.8
Shreveport.....	29,782	38,635	-22.9	32,306	- 7.8
Texarkana.....	9,330	12,966	-28.0	9,523	- 2.0
Tucson.....	14,104	13,835	+ 1.9	10,739	+31.3
Waco.....	11,556	14,030	-17.6	10,996	+ 5.1
Wichita Falls.....	12,941	24,750	-47.7	13,082	- 1.1
Total.....	\$628,285	\$792,975	-20.8	\$634,684	- 1.0

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

SAVINGS DEPOSITS

	June 30, 1931			June 30, 1930			May 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*	5,634	\$ 2,625,202	5,734	\$ 2,655,531	- 1.1	5,618	\$ 2,580,113	+1.7
Dallas.....	4	63,530	25,996,015	67,842	27,298,750	- 4.8	63,610	25,170,999	+3.3
El Paso.....	2	15,525	5,522,244	16,341	6,143,352	-10.1	15,587	5,320,465	+3.8
Fort Worth.....	2	21,186	8,094,062	18,768	7,816,664	+ 3.5	21,170	7,941,040	+1.9
Galveston.....	3	12,850	8,113,603	13,078	8,075,687	+ 5	12,912	8,088,291	+ 3
Houston.....	11*	74,705	34,942,133	72,101	34,874,072	+ 2	74,447	34,739,324	+ 6
Port Arthur.....	2	4,673	1,857,991	4,783	1,760,426	+ 5.5	4,854	1,841,623	+ 9
San Antonio.....	7*	35,077	24,865,403	31,677	22,816,016	+ 9.0	35,093	24,737,186	+ 5
Shreveport.....	4*	21,178	12,272,846	20,878	12,910,964	- 4.9	21,161	12,421,545	+1.2
Waco.....	4	10,482	6,528,903	10,400	6,978,305	- 6.4	10,664	6,319,831	+3.3
Wichita Falls.....	2	3,595	1,552,175	3,747	3,729,991	-10.3	3,773	1,508,451	+2.9
All others.....	40*	38,001	18,604,030	39,314	20,415,801	- 9.0	38,358	18,586,103	+ 1
Total.....	85	306,436	\$150,975,507	304,663	\$153,475,559	- 1.6	307,247	\$149,254,971	+1.2

*Only 3 banks in Beaumont, 10 in Houston, 6 in San Antonio, 3 in Shreveport, and 35 in "All others" reported the number of savings depositors.

JULY DISCOUNT RATES

Prevailing Rates:

	Dallas	El Paso	Fort Worth	Houston	San Antonio	Waco
Rate charged customers on prime commercial paper such as is now eligible for rediscount under the Federal Reserve Act.....	2½-6	6-8	3½-6	5-6	5-6	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.....	4½-6	6-8	5-8	5-6	6-8	6-8
Time.....	5-8	6-8	5-8	5-6	6-8	6-8
Rate charged on commodity paper secured by warehouse receipts, etc.....	5-7	8	5-8	5-6	6-8	6-7
Rate on cattle loans.....	5-7	6-8	6-8	7-8	7-8	7

INDUSTRY

Textile Milling

While the consumption of cotton and the production of cloth at Eleventh District textile mills reflected a large decline during June as compared with both the previous month and the corresponding month last year, the demand for cloth, as measured by orders on hand at the close of the month, evidenced a substantial increase over both comparative periods. Consumption of raw cotton by reporting mills amounted to only 1,077 bales during June as against 1,290 bales in May, and 1,783 bales in June, 1930. The amount of cloth manufactured during the month stood at 391,167 pounds, which

was 40.4 per cent and 53.6 per cent less than in May this year, and June last year, respectively. Stocks of finished products on hand at the end of the month continued to be less than those a month earlier or a year ago.

The domestic consumption of cotton during June, for the first time since October, 1929, reflected an increase over the corresponding month of the previous year, amounting to 12.4 per cent. Although a seasonal decline of 2.2 per cent was registered as compared to the previous month, this recession was much smaller than the average for the past ten years. During June 455,388 bales of cotton were consumed

by American mills as against 465,770 bales in May, and 405,236 bales in June, 1930. The maintenance of consumption during June may be attributable in part to the stronger demand for finished products, particularly in the latter part of the month, following the upward trend in the price of raw cotton. Supplies of raw cotton on hand in consuming establishments on June 30 showed a further decline from those a month earlier or a year ago.

	June 1931	June 1930	May 1931
Number bales consumed.....	1,077	1,783	1,290
Number spindles active.....	65,080	69,080	68,580
Number pounds cloth produced.....	391,167	843,434	656,251

	June 1931	June 1930	August 1 to June 30 This Season	Last Season
Cotton growing states:				
Cotton consumed.....	357,872	320,190	3,801,537	4,446,529
On hand June 30 in—				
Consuming establishments.....			793,005	933,488
Public storage and com- presses.....			4,590,180	2,728,371
United States:				
Cotton consumed.....	455,388	405,236	4,820,430	5,726,818
On hand June 30 in—				
Consuming establishments.....			1,130,514	1,356,664
Public storage and com- presses.....			4,970,626	3,105,226

Cottonseed Products Contrary to seasonal tendencies, the production of cake and meal at Texas mills during June reflected an increase over the previous month and was larger than in the corresponding month of 1930. The volume of cottonseed received during the month also showed an increase over both comparative months. All other operations, while showing the customary seasonal decline as compared to the preceding month, evidenced further increases over the same month a year ago. Activity at all United States mills reflected declines as compared to both May, 1931, and June, 1930. All operations during the current season, August through June, at American mills were below those of the corresponding period of the preceding season. Supplies of crude oil on hand at the close of June showed a sharp decline from those a month earlier and were considerably smaller than those held a year ago. Supplies of other cottonseed products at United States mills on June 30 were smaller than those on May 31, but larger than those a year ago, while at Texas mills linters reflected a decline as compared to June, 1930.

	Texas		United States	
	August 1 to June 30 This Season	Last Season	August 1 to June 30 This Season	Last Season
Cottonseed received at mills (tons).....	1,250,644	1,261,210	4,681,858	4,991,627
Cottonseed crushed (tons).....	1,251,198	1,270,987	4,694,937	4,953,954
Cottonseed on hand (tons).....	16,149	10,165	33,237	77,164
Crude oil produced (pounds).....	368,236,010	377,190,840	1,434,863,544	1,552,896,323
Cake and meal produced (tons).....	597,268	598,875	2,153,651	2,203,465
Hulls produced (tons).....	355,050	341,033	1,297,460	1,366,054
Linters produced (running bales).....	193,827	268,266	820,566	1,024,260
Stocks on hand June 30:				
Crude oil (pounds).....	3,212,605	4,223,358	5,803,486	9,461,395
Cake and meal (tons).....	36,875	25,308	192,136	85,277
Hulls (tons).....	31,488	10,953	69,070	42,764
Linters (running bales).....	43,030	45,091	208,618	160,122

Cotton Movements While exports of cotton during June through the ports of Houston and Galveston registered the usual seasonal decline as compared to the previous month, they again reflected a

substantial increase over the corresponding month of 1930. Receipts of cotton during the month declined considerably from both the preceding month and the same month last year. Stocks of cotton on hand on June 30, while smaller than a month earlier, continued materially larger than a year ago.

Foreign exports of cotton from America continued the customary seasonal decline during June, but they again, for the fifth consecutive month, showed a noticeable increase over the corresponding month last year. Total exports during the month aggregated 255,459 bales as compared to 335,796 bales in May and 185,053 bales in June, 1930. During the eleven months of the present cotton season, August through June, exports amounted to only 0.3 per cent less than in the corresponding eleven months of the previous season. Takings of American cotton in the Orient, Germany, and several smaller countries throughout the world continue to be heavy, while the United Kingdom, France, and Italy are curtailing the importation of cotton.

	June 1931	June 1930	August 1 to June 30 This Season	Last Season
Receipts.....	8,105	18,136	1,545,246	1,904,229
Exports.....	56,890	39,741	1,266,344	1,773,511
Stocks June 30.....			464,154	206,313

	June 30, 1931	June 30, 1930
For Great Britain.....	500	3,000
For France.....	1,000	2,500
For other foreign ports.....	7,000	15,200
Coastwise ports.....	500	1,500
In compresses and depots.....	455,154	184,113
Total.....	464,154	206,313

	June 1931	June 1930	August 1 to June 30 This Season	Last Season
Receipts.....	11,320	20,194	2,835,286	2,621,486
Exports.....	87,470	77,197	2,261,245	1,908,512
Stocks June 30.....			821,729	590,073

	August 1 to June 30 This Season	Last Season
Receipts.....	8,938,624	8,746,669
Exports: United Kingdom.....	1,043,205	1,235,375
France.....	909,062	798,372
Italy.....	456,407	639,537
Germany.....	1,604,601	1,638,071
Other Europe.....	670,639	782,781
Japan.....	1,149,950	1,004,392
All other countries.....	668,045	415,847
Total foreign ports.....	6,496,909	6,514,375
Stocks at all United States ports June 30.....	3,062,552	1,673,568

	June, 1931		July 15, 1931
	High	Low	
New York.....	10.40	8.25	9.05
New Orleans.....	10.21	7.97	8.85
Dallas.....	9.85	7.45	8.55
Houston.....	10.25	8.15	8.85
Galveston.....	10.35	8.30	9.05

Petroleum

The total output of crude oil in the Eleventh Federal Reserve District increased to 31,521,800 barrels during June, as compared to 31,112,800 barrels in the preceding month, and 28,089,420 barrels in the same month a year ago. While East Central Texas was accountable for a gain of 1,400,850 barrels, all other major areas in this district showed perceptible reductions. Practically all sections contributed to a decrease in the rate of field activity, and there were only 566 new wells completed in June, as against 663 in May. The number of producers was reported to be 435, as compared to 461 in the earlier month, and the initial yield of successful wells amounted to 2,723,473 barrels as against 2,878,512 barrels in May.

Daily average production of Texas fields continued to increase and in June amounted to 973,672 barrels. This figure compares with 921,690 barrels in the preceding month, and 873,744 barrels in the corresponding month last year. In East Central Texas, daily yield during June averaged 413,097 barrels; in May it amounted to 354,582 barrels; and in June, 1930, the corresponding figure was only 41,603 barrels. The daily output of North Texas and Central West Texas increased somewhat over May, while the average of the South Texas and Coastal areas declined. Following increases in the previous month, both New Mexico

and North Louisiana showed appreciable reductions in daily yield during June.

On July 8 new schedules which were posted by major purchasing companies in this district reduced the prices being paid for practically all grades of crude oil by \$.15 per barrel.

JUNE DRILLING RESULTS

	Com-pletions	Pro-ducers	Gas Wells	Fail-ures	Initial Production
North Texas.....	47	20	4	23	2,748
Central West Texas.....	53	24	3	26	2,890
East Central Texas.....	379	361	..	18	2,706,020
South Texas.....	32	5	2	25	485
Texas Coastal.....	29	16	..	13	8,415
Total Texas.....	540	426	9	105	2,720,558
New Mexico.....	1	1	1,525
North Louisiana.....	25	8	6	11	1,390
June totals, district.....	566	435	15	116	2,723,473
May totals, district.....	663	461	44	158	2,878,512

CRUDE OIL PRICES

	July 14, 1931	July 15, 1930
Texas Coastal (35 gr. and above).....	\$.42	\$1.15*
North Texas and North Louisiana (40 gr. and above).....	.22	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.)

OIL PRODUCTION—(Barrels)

	June, 1931		Increase or Decrease Over May, 1931	
	Total	Daily Avg.	Total	Daily Avg.
North Texas.....	3,506,450	116,882	+ 92,850	+ 775
Central West Texas.....	7,198,800	239,960	+ 94,550	+ 4,691
East Central Texas.....	12,392,900	413,097	+1,400,850	+58,515
Texas Coastal.....	4,342,500	144,750	- 478,250	-10,758
South Texas.....	1,769,500	58,983	- 97,450	- 1,241
Total Texas.....	29,210,150	973,672	+ 637,750	+51,982
New Mexico.....	1,214,700	40,490	+ 109,300	+ 2,220
North Louisiana.....	1,096,950	36,565	+ 119,450	+ 2,674
Total District.....	31,521,800	1,050,727	+ 409,000	+47,088

Building

A decline of 26.3 per cent, due in part to seasonal factors, was reflected in the volume of building permits issued during June at principal cities in this district. Total valuation for the month amounted to \$3,528,819, which compares with \$4,789,093 in May, and \$4,771,689 in June a year ago. Galveston and Corpus Christi reported increases over both the previous month and the same month last year, and four additional cities showed gains as compared to May. The aggregate valuation of construction permits granted during the first half-year was \$23,100,034, as against \$35,362,058 in the first half of 1930.

BUILDING PERMITS

	June, 1931		June, 1930		Percentage Change Valuation Over Year	May, 1931		Percentage Change Valuation Over Month	Six Months				Percentage Change Valuation Over Period
	No.	Valuation	No.	Valuation		No.	Valuation		1931		1930		
									No.	Valuation	No.	Valuation	
Amarillo.....	65	\$ 148,284	60	\$ 179,300	- 17.3	38	\$ 293,375	- 49.5	302	\$ 1,798,303	366	\$ 1,288,122	+ 39.6
Austin.....	106	145,516	106	240,944	- 39.6	115	153,441	- 5.2	546	1,320,671	597	2,309,653	- 42.8
Beaumont.....	75	44,910	130	144,620	- 68.9	110	346,956	- 87.1	675	792,738	840	1,263,322	- 37.2
Corpus Christi..	69	92,926	57	77,800	+ 19.4	69	77,659	+ 19.7	323	320,325	347	822,021	- 61.0
Dallas.....	343	338,500	393	664,975	- 49.8	332	348,808	- 3.0	2,017	2,867,355	2,055	4,190,394	- 31.6
El Paso.....	63	73,910	92	179,265	- 58.8	54	96,942	- 23.8	441	692,208	711	1,337,005	- 62.3
Port Worth.....	153	310,425	273	717,533	- 56.7	241	942,323	- 67.1	1,217	2,699,242	1,553	4,622,979	- 41.6
Galveston.....	117	878,824	129	109,385	+703.4	133	186,476	+371.3	760	1,658,188	762	780,584	+118.0
Houston.....	301	1,055,130	322	1,280,859	- 17.6	307	777,000	+ 35.8	1,938	6,682,388	2,004	8,963,451	- 25.4
Port Arthur.....	71	31,203	99	239,828	- 87.0	38	51,978	- 40.0	359	566,327	652	1,688,802	- 66.5
San Antonio.....	209	130,797	252	441,750	- 70.4	205	116,165	+ 12.6	1,331	1,434,282	1,745	4,995,455	- 71.3
Shreveport.....	151	210,522	190	355,743	- 40.8	187	67,411	+212.3	887	624,249	1,076	1,109,908	- 43.8
Waco.....	32	58,600	36	72,700	- 19.4	29	1,323,785	- 95.6	173	1,587,336	218	693,282	+129.0
Wichita Falls..	12	9,272	21	66,996	- 86.2	5	6,774	+ 36.9	68	56,422	140	816,480	- 93.1
Total.....	1,767	\$3,528,819	2,160	\$4,771,689	- 26.0	1,863	\$4,789,093	- 26.3	11,037	\$23,100,034	13,066	\$ 35,362,058	- 34.7

Cement

Both production and shipments of portland cement at Texas mills during June reflected their fourth consecutive monthly increase, and the combined output of these mills, amounting to 634,000 barrels, was 13.6 per cent larger than in June last year. Total shipments during the month amounted to 693,000 barrels, as against 644,000 barrels in May and 706,000 barrels in the corresponding month a year ago. Inventories were re-

duced further and at the end of June aggregated 675,000 barrels, as compared to 734,000 barrels a month earlier and 688,000 barrels a year ago. During the first half of the current year, production amounted to 2,916,000 barrels as against 3,442,000 barrels in the like period of 1930. Shipments from January through June totaled 3,042,000 barrels, as compared to 3,566,000 barrels a year ago.

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

	June, 1931		Percentage Change Over		January through June 30	
	Number	Month	Month	Year	Number	Percentage Change Over Year
Production at Texas mills.....	634	+5.7	+13.6		2,916	-15.3
Shipments from Texas mills.....	693	+7.6	-1.8		3,042	-14.7
Stocks at end of month at Texas mills.....	675	-8.0	-1.9	

SUMMARY OF NATIONAL BUSINESS CONDITIONS

(Compiled by the Federal Reserve Board as of July 22, 1931)

Industrial production showed more than the usual seasonal decline in June, and factory employment and pay rolls decreased. Wholesale prices, which had continued to decline until the end of May, advanced in June but for most commodities declined again in the first half of July.

PRODUCTION

A decrease in industrial output from May to June was reflected in a decline in the Board's index of industrial production, which is adjusted for seasonal variations, to 86 per cent of the 1923-1925 output as compared with 89 per cent in May. Taking the second quarter of the year as a whole, production has averaged about 4 per cent above its low level in the last three months of 1930. The reduction of activity in June was most marked in the iron and steel industry, with steel plants operating at 38 per cent of capacity. Automobile output declined further, and there was some recession in production of lumber, meat products, and flour. Petroleum output, however, was not reduced. Activity of textile mills and shoe factories continued in relatively large volume; in the woolen industry, activity was sustained at the unusually high level of May, and the decline in the consumption of cotton was not in excess of the usual seasonal amount. During the first half of July, there were further reductions, partly seasonal in nature, in the output of steel, automobiles, and lumber. Factory employment was further reduced by nearly 3 per cent, and pay rolls declined by 6 per cent between the middle of May and the middle of June. The largest decreases were in the steel, machinery, and women's clothing industries, while reduction at automobile plants and cotton mills were partly seasonal in character, and employment at woolen and hosiery mills increased. Building contracts awarded in June were somewhat larger than in May, but declined again in the first half of July. Since the early spring, awards have not increased as much as is usual for the season. In residential building there has been relatively little change for about a year and a half, except for seasonal fluctuations, and the decline in construction has been chiefly in other types of building, principally public works and utilities.

DISTRIBUTION

At department stores daily average sales were seasonally smaller in June than in May. Freight-car loadings were also reduced, reflecting principally a further reduction in loadings of miscellaneous commodities.

PRICES

During June wholesale prices of many commodities advanced considerably, after having reached low levels late in May and early in June. Prices of livestock and meat increased; and after June 21 there were rapid advances in prices of raw materials important in world markets, especially cotton, hides, sugar, silk, copper, silver, and rubber. Subsequently, however, most of these prices receded somewhat, although in mid-July they were, in general, above their lowest levels. The price of wheat declined during June and the first half of July, as the domestic price became adjusted to world levels.

BANK CREDIT

At reporting member banks in leading cities, loans on securities continued to decline between the middle of June and the middle of July, while all other loans increased by \$140,000,000. This increase was concentrated at New York City banks, and was largely in the form of acceptances purchased in the open market. Member banks' investments continued at about the same level as in May and early June. Notwithstanding a further addition of \$77,000,000 to the country's stock of monetary gold between the weeks ending June 20 and July 13, there was no decrease in Federal reserve bank credit outstanding. During the period the reserve banks' portfolio of United States securities was increased by \$75,000,000, while their combined holdings of acceptances and of discounts for member banks decreased by approximately the same amount. The gold inflow provided member banks with funds to meet an added demand for currency, as well as to increase their balances with the reserve banks. There was also a considerable growth in foreign bank deposits with the reserve banks. Money rates continued at low levels.