

MONTHLY BUSINESS REVIEW

OF THE FEDERAL RESERVE BANK OF DALLAS

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(Compiled August 15, 1931)

Volume 16, No. 7

Dallas, Texas, September 1, 1931

This copy is released for publication in afternoon papers— August 31

DISTRICT SUMMARY

THE SITUATION AT A GLANCE
Eleventh Federal Reserve District

	July 1931	Change From June
Bank debits to individual accounts (at 17 cities).....	\$605,625,000	- 3.6%
Department store sales.....		-26.3%
Reserve bank loans to member banks at end of the month.....	\$ 12,394,985	+28.1%
Reserve bank ratio at end of month.....	56.1%	- 1.8 points
Building permit valuation at larger centers....	\$ 3,259,703	- 7.6%
Commercial failures (number).....	60	- 1.6%
Commercial failures (liabilities).....	\$ 1,050,406	-31.0%
Oil production (barrels).....	34,850,900	+10.6%

returns from this year's cotton crop and, consequently, the farmers' debt paying and purchasing power.

The demand for merchandise in both retail and wholesale channels remained sluggish during July and the early part of August. The July sales of department stores reflected a seasonal decline of 26 per cent as compared to the previous month and were 18 per cent less than a year ago, the latter comparison being the most unfavorable shown during the current year. While some lines of wholesale trade evidenced a seasonal gain in sales, all reporting lines showed a considerably smaller volume of distribution than in the corresponding month last year. Consumer demand is at a low ebb and retailers are purchasing sparingly and for current requirements only. Both the number and liabilities of commercial defaults were smaller than in June, but were considerably larger than a year ago.

There was a seasonal expansion in the demand for Federal Reserve Bank funds, the loans to member banks having risen from \$10,503,000 on July 15 to \$13,355,000 on August 15. The latter figure was \$754,000 less than on that date in 1930. The combined net demand and time deposits of member banks averaged \$763,161,000 during July, which was \$11,874,000 less than in June, and \$69,356,000 below July last year. The loans and investments of reserve city banks declined sharply between July 8 and August 12, and on the latter date reached the lowest level in several years.

The valuation of building permits issued at principal cities in this district reflected a further decline of 8 per cent as compared to the previous month and was 39 per cent smaller than in July, 1930. The production and shipments of cement were slightly larger than in June and production was greater than a year ago.

BUSINESS

The general picking up in wholesale business, which usually occurs in July, was not in evidence in some lines this year.

Wholesale Trade
While perceptible gains in sales were recorded in groceries and drugs, decreases were noted in dry goods, farm implements, and hardware. Distribution in all lines was considerably smaller than in July, 1930, yet in the case of groceries and hardware the comparison with a year ago was somewhat better than in June. Retail inventories are being kept at a low level; consequently, many small orders are being placed to fill in depleted stocks, but the volume of commitments for fall delivery is very small. With the excep-

tion of farm implements, collections in all reporting lines either reflected a decline or showed little change from the previous month.

Contrary to the seasonal tendency in July, demand for dry goods at wholesale in this district showed a decrease of 12.4 per cent as compared to the previous month and was 27.7 per cent less than in July last year. A cautious policy is being followed by buyers, who display an inclination to await developments in consumer demand before making future commitments. Reports indicate that business during August is proceeding on a conservative basis and that

orders being placed are for current requirements only. Collections during July were on practically the same scale as in June.

Reports from ten wholesalers of drugs in the Eleventh District indicate that distribution during July was 4.2 per cent larger than in June, but remained 10.9 per cent below the level of a year ago. While most firms participated in the gain over the previous month, the improvement was of a seasonal nature and reflected principally the placing of orders for replacement purposes. Collections continued slow, showing little change from June.

The distribution of hardware through wholesale channels in July fell off 5.1 per cent from June, and reflected a decrease of 23.2 per cent as compared to the same month a year ago. Buying is very conservative, being restricted almost entirely to immediate needs. Despite the general quietude, it is indicated that in some quarters business is showing an upward tendency. July collections reflected a substantial decline from the preceding month.

Following three consecutive monthly increases, the volume of sales reported by wholesale farm implement firms in this district during July reflected a decline of 65.4 per cent as compared to June, and was 42.5 per cent smaller than in July a year ago. Despite the generally light buying demand, prices are reported to be continuing firm. Collections were sizably larger than in June.

Sales of groceries at wholesale during July showed a fairly general improvement in this district, being 3.6 per cent larger than in the previous month and only 10.8 per cent below the level of the same month last year, as compared to a corresponding decrease of 15.0 per cent in June. While varied trends were in evidence, collections reflected a slight downward tendency during the month.

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

	Net Sales July, 1931 compared with July 1930		Stocks July, 1931 compared with July 1930		Ratio of collec- tions during July to accounts and notes outstanding on June 30
	July 1931	June 1931	July 1931	June 1931	
Groceries.....	-10.8	+ 3.6	-10.6	- 1.5	62.9
Dry goods.....	-27.7	-12.4	-34.6	+16.5	24.1
Farm implements.....	-42.5	-65.4	+ .7	+ 2.9	7.5
Hardware.....	-23.2	- 5.1	-11.6	+ .9	32.2
Drugs.....	-10.9	+ 4.2	-10.5	+ 1.9	37.3

Retail Trade

Seasonal dullness was in evidence during July at department stores located in principal cities throughout the Eleventh Federal Reserve District. The volume of business as compared with the corresponding month of 1930 showed a material decline, being the most adverse comparison shown in many months. Sales registered declines of 26.3 per cent as compared with the previous month, and 18.2 per cent as compared with July a year ago. Merchants continue to offer extensive reduced price "sales" in an effort to stimulate the sales of summer merchandise. Distribution during the first seven months of 1931 was 11.4 per cent less than in the corresponding period of 1930.

Stocks of merchandise held at the close of July declined further from the preceding month by 7.2 per cent and were 13.4 per cent less than a year ago. The rate of stock turnover during the period, January through July, 1931, was 1.90 as against 1.86 during the same period of 1930.

Collections during the month reflected a decline as compared to both the previous month and the corresponding month last year. The ratio of charge accounts collected during July was 31.7 per cent as against 33.0 per cent in June, and 32.8 per cent in July, 1930.

BUSINESS OF DEPARTMENT STORES

	Dallas	Fort Worth	Houston	Others	Total District
Total Sales (Percentage):					
July, 1931, compared with July, 1930.....	-14.2	-10.8	-19.4	-26.1	-18.2
July, 1931, compared with June, 1931.....	-27.4	-24.2	-27.7	-25.3	-26.3
January 1 to date, compared with same period last year.....	-11.8	- 4.6	-14.0	-12.8	-11.4
Credit Sales (Percentage):					
July, 1931, compared with July, 1930.....	-15.3	- 9.3	-18.6	-26.8	-18.3
July, 1931, compared with June, 1931.....	-28.6	-26.7	-32.2	-25.3	-28.2
January 1 to date, compared with same period last year.....	-14.3	- 5.3	-14.5	-15.8	-13.5
Stocks (Percentage):					
July, 1931, compared with July, 1930.....	-15.6	+ .4	-13.8	-19.0	-13.4
July, 1931, compared with June, 1931.....	- 7.3	- 5.1	-10.7	- 5.7	- 7.2
Stock Turnover (Rate):					
Rate of stock turnover in July, 1930.....	.18	.17	.21	.22	.20
Rate of stock turnover in July, 1931.....	.19	.16	.19	.20	.19
Rate of stock turnover January 1 to July 31, 1930.....	1.67	1.37	1.71	1.78	1.86
Rate of stock turnover January 1 to July 31, 1931.....	1.68	1.39	1.74	1.89	1.90
Ratio of July collections to accounts receivable and outstanding July 1, 1931.....	30.6	29.0	34.6	33.4	31.7

Commercial Failures

According to the report of R. G. Dun & Company, covering the Eleventh Federal Reserve District, a further improvement over the previous month was reflected in both the number and liabilities of firms becoming insolvent during July. While both were larger than in this month last year, they

were at the lowest level reached in any month since October, 1930. In July, there were 60 commercial failures with a combined indebtedness of \$1,050,406, as compared to 61 defaults in the preceding month, owing \$1,522,700, and 37 insolvencies in the corresponding month a year ago, with total liabilities amounting to \$765,420.

AGRICULTURE

Crop Con- ditions

Weather conditions during the past month were favorable to the growth and harvesting of crops in the Eleventh District. Prospective yields, as estimated by the Department of Agricul-

ture in its August 1 report, of practically all important crops are larger than a month earlier or the final harvest in 1930. The July rains were very beneficial but there are still some localities where moisture is deficient. With small grains

already harvested and other feed crops practically matured, there is every indication that farmers will have large supplies of feed for use during the 1932 crop season. In most areas vegetables and fruits have been produced in large volume and reports indicate that farmers have canned large supplies for future consumption.

According to the August 1 estimate of the Department of Agriculture, the Texas corn crop will yield 106,860,000 bushels, which represents a gain of 5,343,000 bushels during July, and compares with a production of 86,710,000 bushels last year. The indicated output of this crop in Louisiana was 19,828,000 bushels, whereas, only 12,309,000 bushels were produced in 1930. Although the Oklahoma production was reduced 10,994,000 bushels in July, the forecasted production of 45,544,000 bushels on August 1 was 9,108,000 bushels above the production last year. The report also showed a substantial increase in production in New Mexico, but it was slightly smaller for Arizona. Tame hay crops in all states attached to this district, except Arizona, promise a larger yield than a year ago. In New Mexico, Oklahoma, and Texas, a large increase in the production of grain sorghums was forecasted by the Department. The indicated yield was as follows: Texas, 65,142,000 bushels; Oklahoma, 22,344,000 bushels; New Mexico, 5,187,000 bushels. The combined production of grain sorghums in these states in 1930 was only 61,564,000 bushels.

The cotton crop in this district made good progress during July. The dry weather during June enabled the farmers to bring the crop to a good state of cultivation and was conducive to the development of a good tap-root system. Then the heavy and fairly well distributed rains during July, stimulated the growth and fruiting of the plant. Thus, despite the substantial reduction in acreage, the August 1 report of the Department of Agriculture, placed the indicated production of cotton in the three principal cotton states attached to this district, considerably in excess of the actual production last year. In Texas, the Department estimated the condition of the crop at 75 per cent of normal and the prospective per acre yield at 155 pounds, which not only exceeds the 114-pound yield last year by a wide margin, but is the largest since 1920. The Department stated that indications point toward a large crop in the northern two-thirds of the state, a production considerably below last year in the southern district, and a good crop in the section lying between these two areas. Since the first of August, there have been complaints of shedding, root rot, and insect activity. The latter still constitutes a potential threat to late cotton. The Department of Agriculture estimated the per acre yield in Louisiana at 220 pounds, as compared to 162 pounds last year. The most conspicuous gain was in Oklahoma, where the per acre yield was placed at 180 pounds as against only 102 pounds in 1930. In both these states the total indicated production was considerably in excess of a year ago. In Arizona and New Mexico a decrease in total production was indicated, due entirely to the smaller acreage. In the appended table, there is shown the Department of Agriculture's August 1 estimate of yield per acre and total production for 1931 with comparisons with the actual figures for 1930, in those states attached to this district:

	Yield Per Acre Pounds		Total Production Bales	
	1930	1931	1930	1931
Texas.....	114	155	4,038,000	5,018,000
Oklahoma.....	102	180	854,000	1,200,000
Louisiana.....	162	220	715,000	866,000
New Mexico.....	375	375	99,000	86,000
Arizona.....	346	355	155,000	131,000

The August 1 condition of the Texas rice crop was placed at 85 per cent of normal, which indicates a yield of 8,865,000 bushels as compared to a production of 8,463,000 bushels last year. The July rains were very beneficial to the Texas peanut crop and the August 1 condition was rated at 79 per cent of normal as compared to 58 per cent a year ago. The prospective production of sweet potatoes for the State was estimated at 5,520,000 bushels, whereas, only 3,570,000 bushels were harvested last year. The indicated production of this crop in Arizona, New Mexico, Oklahoma, and Louisiana, was also considerably in excess of a year ago. The Texas pecan crop was rated at 60 per cent of normal as against 35 per cent a year ago, and while the Department of Agriculture made no official forecast, it stated that present indications pointed to a production only slightly below the record crop of 1926, when 41,900,000 pounds were produced.

Livestock

Rainfall during July and the early days of August was very beneficial to ranges throughout the Eleventh District. There were scattered areas in West and Northwest Texas, however, where rainfall has been deficient and ranges have deteriorated. Livestock generally have held up well and are reported to be in fair to good condition. The Department of Agriculture reported that the August 1 condition of cattle ranges in Texas was 82 per cent of normal, the same as a month earlier, and 6 points higher than a year ago. The condition of sheep and goat ranges rose 1 point during the month and on August 1 was 12 points higher than on that date in 1930. Cattle, sheep, and goats in Texas showed no change in condition during July but they were in considerably better condition than on August 1 last year. In Arizona and New Mexico, the condition of ranges on August 1 was 85 per cent of normal, representing a decline of 5 points during the month. Cattle in New Mexico lost 2 points and in Arizona 3 points. The condition of sheep remained unchanged in New Mexico but lost 1 point in Arizona.

According to the preliminary estimates of the Department of Agriculture, the amount of wool shorn or to be shorn in Texas in 1931 totals 53,361,000 pounds as compared to 48,262,000 in 1930; in New Mexico 16,128,000 pounds in 1931, as against 16,167,000 in 1930; and in Arizona, 6,684,000 pounds in 1931 as compared to 5,940,000 pounds in 1930.

Movements and Prices

The July receipts of cattle, calves, and hogs at the Fort Worth market reflected a decline as compared to both the previous month and the corresponding month last year. While the arrivals of sheep reflected a sharp decline as compared to the heavy receipts during the three preceding months, they were considerably larger than in July, 1930.

The cattle market generally reflected a further decline during the past six weeks. The most pronounced weakness was in the calf division. Beef steer prices showed a good advance during the second week in August and at the middle of the month were about \$1.00 higher than thirty days earlier. Hog prices rose steadily throughout July but lost

the gain during the first half of August. Following the low levels reached late in June and early July, the market on sheep and lambs showed some betterment.

FORT WORTH LIVESTOCK RECEIPTS
(Number)

	July 1931	July 1930	Change over Year	June 1931	Change over Month
Cattle.....	50,162	52,627	- 2,465	58,554	- 8,392
Calves.....	13,670	26,134	-12,464	16,534	- 2,864
Hogs.....	11,493	17,380	- 5,887	14,949	- 3,456
Sheep.....	66,510	42,157	+24,353	121,003	-54,493

COMPARATIVE TOP LIVESTOCK PRICES
(Dollars per hundred-weight)

	July 1931	July 1930	June 1931
Beef Steers.....	\$7.00	\$9.25	\$7.00
Stocker steers.....	5.15	6.50
Butcher cows.....	4.65	5.50	4.50
Stocker cows.....	3.25
Calves.....	6.75	9.00	8.50
Hogs.....	8.50	9.15	7.70
Sheep.....	4.00	4.85	4.25
Lambs.....	6.00	9.00	7.25

FINANCE

Operations of the Federal Reserve Bank

The past month witnessed a steady increase in the volume of member bank borrowings at the Federal Reserve Bank. These loans rose from \$10,503,000 on July 15 to \$13,355,000 on August 15, and on the latter date, compared to \$14,109,000 on the corresponding date last year. While loans to reserve city banks showed a slight expansion, most of the funds were absorbed by country banks to finance the completion of crop cultivation and to meet the seasonal decline in deposits. There were 252 banks borrowing from the Federal Reserve Bank on August 15, as compared to 217 thirty-one days earlier. Holdings of bills bought in the open market totaled \$3,735,000 at the middle of August, which was \$1,152,000 greater than a month earlier, but \$2,684,000 less than a year ago. Investments in United States securities showed only a slight change. Federal reserve notes in actual circulation showed a very small increase during the period, but on August 15 were \$5,457,000 lower than a year ago. The daily average of member bank reserve deposits amounted to \$53,322,000 during the thirty-one-day period ending August 15, which was \$1,284,000 less than during the previous period, and \$4,638,000 below the corresponding period of 1930.

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

	Aug. 15, 1931	July 15, 1931	Aug. 15, 1930
Total cash reserves.....	\$ 45,850	\$ 48,706	\$ 48,407
Discounts for member banks.....	13,355	10,503	14,109
Other bills discounted.....	6	6	4
Bills bought in open market.....	3,735	2,583	6,419
United States securities owned.....	30,141	30,130	29,229
Other investments.....	47	167	7
Total earning assets.....	47,284	43,389	49,768
Member bank reserve deposits.....	52,191	54,200	57,578
Federal reserve notes in actual circulation...	27,054	27,012	32,511

Condition of Member Banks in Selected Cities

The loans and investments of member banks in selected cities, after showing a substantial increase between June 10 and July 8, declined sharply during the succeeding five weeks and on August 12 were at the lowest level recorded in several years. The total on that date stood at \$420,274,000, which was \$13,700,000 less than on July 8, and \$16,694,000 below those on August 13, 1930. Investments in United States securities were reduced \$7,297,000 during the period, but on August 12 were \$7,840,000 greater than a year ago. Their holdings of other stocks and bonds were increased slightly between July 8 and August 12 and on the latter date were \$12,699,000 larger than on August 13, 1930. During the five-week period loans on securities were reduced \$1,833,000 and "all other" loans (largely commercial) declined \$6,695,000. Total loans,

which amounted to \$291,687,000 on August 12, were \$37,233,000 less than those on the corresponding date in 1930. The net demand deposits of these banks reflected a slight decline during the period and were \$4,662,000 smaller than a year ago. Their time deposits declined \$3,673,000 between July 8 and August 12 and were \$9,916,000 below those at this time last year. The borrowings of these banks at the Federal Reserve Bank amounted to \$1,119,000 on August 12, as compared to \$675,000 five weeks earlier, and \$2,949,000 on the corresponding date last year.

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

	Aug. 12, 1931	July 8, 1931	Aug. 13, 1930
United States securities owned.....	\$ 69,384	\$ 76,681	\$ 61,544
All other stocks, bonds, and securities owned.....	59,203	58,911	46,504
Loans on securities.....	89,290	91,123	99,051
All other loans.....	202,397	207,259	229,869
Total loans.....	291,687	298,382	328,920
Net demand deposits.....	269,119	269,889	273,781
Time deposits.....	140,815	144,488	150,731
Reserve with Federal Reserve Bank.....	31,539	32,026	32,496
Bills payable and rediscounts with Federal Reserve Bank.....	1,119	675	2,949

Deposits of Member Banks

Reflecting the fifth consecutive monthly decline, due largely to seasonal influences, the daily average of both net demand and time deposits of member banks in the Eleventh District registered a substantial recession. The combined daily average during July amounted to \$763,161,000, as compared to \$775,035,000 in the preceding month and \$832,517,000 in the same month last year. While the daily average of net demand deposits of reserve city banks showed an increase of \$3,181,000, it was more than offset by the large decline which was reflected in time deposits. The average net demand deposits of country banks declined \$9,103,000 and their time deposits receded \$1,561,000.

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

	Combined Total		Reserve City Banks		Country Banks	
	Net demand deposits	Time deposits	Net demand deposits	Time deposits	Net demand deposits	Time deposits
July, 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.....	598,534	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
July, 1931.....	537,233	225,928	257,244	135,499	279,989	90,429

Debits to Individual Accounts

The gross volume of debits to individual accounts at principal centers in this district during July amounted to \$605,625,000, as against \$628,285,000 in the previous month, and \$774,791,000 in the corresponding month last year. In comparison with the June volume, July debits

were 3.6 per cent smaller, and a decrease of 21.8 per cent from the volume of July, 1930, was registered. While all reporting cities participated in the latter decline, five of them showed increases over the previous month.

Acceptance Market

Bankers acceptances executed by accepting banks in the Eleventh District and outstanding on July 31 totaled \$1,233,571 as compared to \$1,967,067 at the end of June and \$3,262,870 on the corresponding date last year. The chief decline was in acceptances based on the domestic shipment and storage of goods, which fell from \$930,129 on June 30 to \$236,480 at the end of July. The volume of acceptances executed against import and export transactions reflected a decrease from \$1,036,938 to \$997,091, but on the latter date was larger than on July 31, 1930.

Savings Deposits

A larger than seasonal decline occurred during July in the amount of savings deposits held by 86 member banks in this district. On the last day of the month, total savings deposits amounted to \$146,634,927, as compared to \$151,590,016 at the close of June, and \$152,729,589 on July 31, 1930. The decrease during the month was 3.3 per cent, and was shared by all major cities with the exception of Galveston and Port Arthur.

DEBITS TO INDIVIDUAL ACCOUNTS
(In thousands of dollars)

	July 1931	July 1930	Percentage change over Year	June 1931	Percentage change over Month
Abilene.....	\$ 5,290	\$ 7,600	-30.4	\$ 5,423	- 2.5
Austin.....	17,463	19,445	-10.2	20,033	-12.8
Beaumont.....	18,491	24,211	-23.6	20,139	- 8.2
Corsicana.....	4,283	4,973	-13.9	4,164	+ 2.9
Dallas.....	154,639	188,529	-18.0	157,345	- 1.7
El Paso.....	23,119	34,360	-32.7	24,932	- 7.3
Fort Worth.....	67,162	90,316	-25.6	69,959	- 4.0
Galveston.....	25,960	32,855	-21.0	19,688	+31.9
Houston.....	144,748	173,853	-16.7	146,569	- 1.3
Port Arthur.....	7,376	11,054	-33.3	7,802	- 5.5
Roswell.....	3,653	4,268	-14.4	3,164	+15.5
San Antonio.....	59,924	79,945	-25.0	71,354	-16.0
Shreveport.....	27,039	36,447	-23.3	29,782	- 6.2
Texarkana*.....	8,957	13,050	-31.4	9,330	- 4.0
Tucson.....	10,196	10,337	- 1.4	14,104	-27.7
Waco.....	12,400	14,020	-11.6	11,556	+ 7.3
Wichita Falls.....	14,025	29,528	-52.5	12,941	+ 8.4
Total.....	\$605,625	\$774,791	-21.8	\$628,285	- 3.6

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

SAVINGS DEPOSITS

	July 31, 1931			July 31, 1930			June 30, 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*	5,551	\$ 2,623,786	5,611	\$ 2,640,803	- .6	5,509	\$ 2,625,202	- .1
Dallas.....	4	63,122	24,648,037	67,883	26,767,588	- 7.9	63,474	25,994,976	- 5.2
El Paso.....	2	15,474	5,429,618	16,310	5,958,146	- 8.9	15,525	5,520,244	- 1.6
Fort Worth.....	2	21,069	7,429,167	18,870	7,746,947	- 4.1	21,186	8,094,062	- 8.2
Galveston.....	3	12,784	8,181,593	13,150	8,121,862	+ .7	12,850	8,113,603	+ .8
Houston.....	11*	74,244	33,997,060	71,892	34,694,577	- 2.0	74,567	34,996,400	- 2.9
Port Arthur.....	2	4,665	1,885,005	4,819	1,768,076	+ 7.2	4,673	1,857,991	+ 1.5
San Antonio.....	7*	34,699	24,169,506	31,824	22,734,180	+ 6.3	35,077	24,865,369	- 2.8
Shreveport.....	4*	21,065	11,750,913	20,936	13,215,251	-11.1	21,178	12,272,846	- 4.3
Waco.....	4	10,572	6,352,917	10,382	6,867,708	- 7.5	10,479	6,528,903	- 2.7
Wichita Falls.....	2	3,484	1,479,022	3,747	1,674,116	-11.7	3,615	1,543,620	- 4.2
All others.....	41*	38,648	18,688,303	40,851	20,550,335	- 9.1	38,760	19,176,800	- 2.5
Total.....	86	305,377	\$146,634,927	306,275	\$152,729,589	- 4.0	306,893	\$151,590,016	- 3.3

*Only 3 banks in Beaumont, 10 in Houston, 6 in San Antonio, 3 in Shreveport and 37 in "All others" reported the number of savings depositors.

AUGUST DISCOUNT RATES

Prevailing Rates:

	Dallas	El Paso	Fort Worth	Houston	San Antonio	Waco
Rate charged customers on prime commercial paper such as is now eligible for rediscount under the Federal Reserve Act.....	3-6	6-8	4-6	5-6	5-8	6-8
Rate charged on loans to other banks secured by bills receivable.....	5-6	5-6	5-6	4½-5½	5-6	5½-6
Rate on loans secured by prime stock exchange or other current collateral (not including loans placed in other markets through correspondent banks):						
Demand.....	5-6	6-8	5-8	5-6	6-8	6-8
Time.....	4½-8	6-8	5-8	5-6	6-8	6-8
Rate charged on commodity paper secured by warehouse receipts, etc.....	4-6	8	6-8	5-6	6-8	6-7
Rate on cattle loans.....	5-7	6-8	6-8	7-8	7-8	7

INDUSTRY

Textile Milling

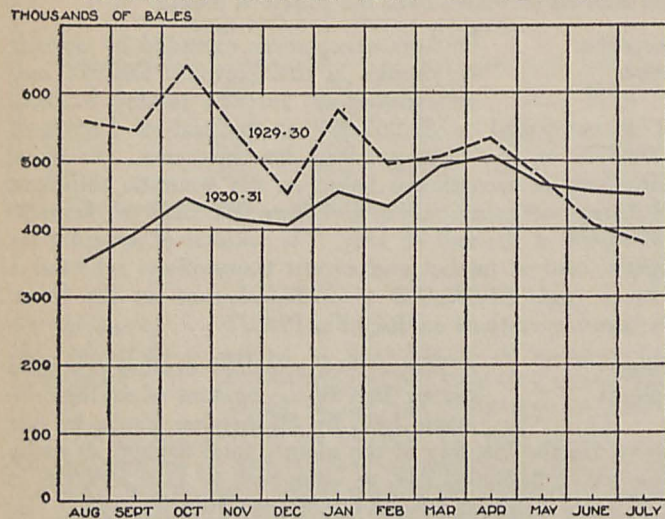
The consumption of cotton and the production of cloth at Eleventh District textile mills reflected an increase over the previous month, contrary to the usual seasonal trend, but declines were registered as compared to the corresponding month last year. The demand for finished cloth as shown by orders on hand at the close of the month again evidenced a noticeable increase over both comparative periods. There were 1,049 bales of cotton consumed by reporting mills during the month as against 857 bales in June, and 1,148 bales in July, 1930. The production of cloth while 21.0 per cent

below July a year ago was 15.1 per cent above the previous month.

The domestic consumption of cotton during July again showed a substantial increase over the corresponding month of 1930, and while a decline was registered as compared to the previous month, the recession was much less than seasonal. While the consumption of cotton during the current season was 13.8 per cent smaller than in the previous season, the accompanying chart shows that as the season advanced the comparison became more favorable, and in June and

July consumption was substantially larger than in the corresponding month of 1930.

DOMESTIC CONSUMPTION OF COTTON



TEXTILE MILLING STATISTICS—TEXAS

	July 1931	July 1930	June 1931
Number bales consumed.....	1,049	1,148	857
Number spindles active.....	52,940	54,540	50,540
Number pounds of cloth produced.....	471,457	596,596	409,612

COTTON CONSUMED AND ON HAND (Bales)

	July 1931	July 1930	August 1 to July 31	
			This Season	Last Season
Cotton growing states:				
Cotton consumed.....	353,611	302,561	4,155,148	4,757,356
On hand July 31 in—				
Consuming establishments.....			679,012	792,138
Public storage and compresses.....			4,152,439	2,515,260
United States:				
Cotton consumed.....	450,518	378,835	5,270,948	6,113,932
On hand July 31 in—				
Consuming establishments.....			994,979	1,183,167
Public storage and compresses.....			4,524,426	2,877,416

Cottonseed Products

Activity at cottonseed oil mills during July at both Texas and United States mills was considerably under the previous month, and excepting the production of hulls and linters at the former mills, operations were on a smaller scale than in July, 1930. During the season ending July 31, operations at United States mills were smaller than in the preceding season, but they were above the average for the past ten seasons. At Texas mills, the production of hulls during the 1930-31 season exceeded that of the 1929-30 season, while that of all other items showed a decline. Shipments of crude oil from the United States mills during the past season were somewhat below those of the previous twelve-month period, yet mill stocks were reduced from the low volume of 2,605,397 pounds held on July 31, 1930, to 2,186,854 pounds on July 31, 1931. Consumption of cake and meal, hulls, and linters was smaller than in the previous season and as a result stocks increased considerably. Shipments of all products from Texas mills likewise reflected declines during the season just closed but stocks of crude oil and linters held at the close of July, 1931, were smaller than those a year ago.

STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS

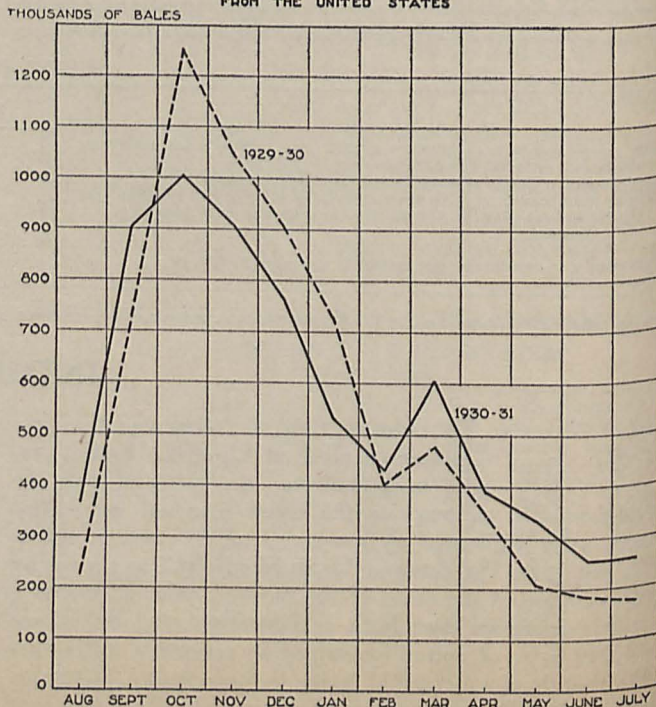
	Texas		United States	
	August 1 to July 31		August 1 to July 31	
	This Season	Last Season	This Season	Last Season
Cottonseed received at mills (tons).....	1,258,512	1,280,630	4,694,363	5,021,657
Cottonseed crushed (tons).....	1,261,741	1,283,851	4,713,776	5,015,714
Cottonseed on hand (tons).....	13,474	16,721	26,003	45,434
Crude oil produced (pounds).....	372,112,013	383,639,851	1,441,781,316	1,572,321,675
Cake and meal produced (tons).....	603,182	605,676	2,162,218	2,231,992
Hulls produced (tons).....	358,482	343,585	1,303,493	1,383,597
Linters produced (running bales).....	195,898	269,007	824,174	1,038,170
Stocks on hand July 31:				
Crude oil (pounds).....	715,301	1,137,837	2,186,854	2,605,397
Cake and meal (tons).....	24,332	17,797	150,291	55,352
Hulls (tons).....	25,088	7,377	47,818	28,495
Linters (running bales).....	36,762	41,392	174,998	135,220

Cotton Movements

Contrary to seasonal tendencies exports of cotton during July from the ports of Houston and Galveston exceeded those of the previous month and again reflected a substantial increase over the corresponding month of 1930. During the 1930-31 cotton season, which ended July 31, the combined exports of cotton from Houston and Galveston averaged 2.4 per cent less than in the 1929-30 season. Receipts during the twelve-month period were 3.2 per cent less than in the preceding twelve months.

Foreign exports of cotton from all United States ports also reflected an increase over the preceding month and they again showed a material increase over the corresponding month of 1930. Exports amounted to 259,059 bales during July as against 255,403 bales in June and 176,435 bales in July, 1930. During the 1930-31 season, 6,760,003 bales of American cotton were exported to foreign countries which represents an increase of 1.0 per cent over the previous season. From the accompanying chart it will be noted that during each month of the last half of the season, exports have exceeded those of the corresponding month of the previous season, indicating a sustained foreign demand for American cotton. An important feature was the large increase in takings by Japan and China.

EXPORTS OF COTTON FROM THE UNITED STATES



COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON
(Bales)

	July	July	August 1 to July 31	
	1931	1930	This Season	Last Season
Receipts.....	18,629	17,632	1,563,875	1,921,861
Exports.....	80,468	38,096	1,346,812	1,811,607
Stocks July 31.....			401,062	185,252

COTTON—GALVESTON STOCK STATEMENT
(Bales)

	July 31,	July 31,
	1931	1930
For Great Britain.....	500	700
For France.....	500	900
For other foreign ports.....	2,000	3,300
For coastwise ports.....	300	100
In compresses and depots.....	397,762	180,252
Total.....	401,062	185,252

COTTON MOVEMENTS THROUGH THE PORT OF HOUSTON
(Bales)

	July	July	August 1 to July 31	
	1931	1930	This Season	Last Season
Receipts.....	8,248	7,981	2,843,534	2,629,467
Exports.....	88,997	68,850	2,350,242	1,977,362
Stocks July 31.....			729,307	515,271

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

	August 1 to July 31	
	This Season	Last Season
Receipts.....	9,041,448	8,856,906
Exports: United Kingdom.....	1,053,774	1,256,042
France.....	914,223	811,520
Italy.....	476,503	652,430
Germany.....	1,639,947	1,687,366
Other Europe.....	708,999	832,688
Japan.....	1,228,410	1,020,117
All other countries.....	738,147	430,647
Total foreign ports.....	6,760,003	6,690,810
Stocks at all United States ports July 31.....	2,767,029	1,548,542

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

	July, 1931		Aug. 15,
	High	Low	1931
New York.....	10.35	8.25	7.05
New Orleans.....	10.16	8.12	6.95
Dallas.....	9.80	7.70	6.50
Houston.....	10.10	8.05	6.90
Galveston.....	10.30	8.15	6.95

Texas figure. With the exception of North Texas, which remained practically the same, all other Texas areas reflected decreases in daily yield during July. New Mexico's daily production increased to 42,560 barrels, while that of North Louisiana showed a decline and amounted to 33,682 barrels.

Posted prices for crude petroleum were increased on July 24 by amounts ranging up to 22 cents per barrel.

OIL PRODUCTION—(Barrels)

	July, 1931		Increase or Decrease Over June, 1931	
	Total	Daily Avg.	Total	Daily Avg.
North Texas.....	3,623,900	116,900	+ 117,450	+ 18
Central West Texas.....	7,101,700	229,087	— 97,100	—10,873
East Central Texas.....	15,774,050	508,840	+3,381,150	+95,743
Texas Coastal.....	4,187,900	135,094	— 154,600	— 9,656
South Texas.....	1,799,850	58,060	+ 30,350	— 923
Total Texas.....	32,487,400	1,047,981	+3,277,250	+74,309
New Mexico.....	1,319,350	42,560	+ 104,650	+ 2,070
North Louisiana.....	1,044,150	33,682	— 52,800	— 2,883
Total District.....	34,850,900	1,124,223	+3,329,100	+73,496

JULY DRILLING RESULTS

	Com-pletions	Pro-ducers	Gas Wells	Fail-ures	Initial Production
North Texas.....	28	9	3	16	1,455
Central West Texas.....	26	9	1	16	1,412
East Central Texas.....	339	312	1	26	2,460,200
South Texas.....	37	10	3	24	1,225
Texas Coastal.....	34	12	1	21	4,985
Total Texas.....	464	352	9	103	2,469,277
New Mexico.....	16	5	5	6	1,557
July totals, district.....	480	357	14	109	2,470,834
June totals, district.....	566	435	15	116	2,723,473

*Figures not available.

CRUDE OIL PRICES

	August 11, 1931	August 12, 1930
Texas Coastal (35 gr. and above).....	\$.51	\$1.15*
North Texas and North Louisiana (40 gr. and above).....	.42	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.)

Cement

There was a small seasonal increase in both the production and shipments of portland cement at Texas mills during July. Total production amounted to 646,000 barrels, as against 634,000 barrels in June and 585,000 barrels in the corresponding month last year. Shipments, which amounted to 696,000 barrels, were 0.4 per cent higher than in the previous month but 1.8 per cent under a year ago. Stocks on hand at the end of July totaled 626,000 barrels, being 7.3 per cent smaller than a month earlier but 11.0 per cent larger than on July 31, 1930. Production during the first seven months of the current year averaged 11.5 per cent less than in the same period last year. In shipments there was a corresponding decrease of 12.6 per cent.

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

	July, 1931		% Change Over		Jan. through July 31	
	Number	Month	Year	Number	% Change Over Year	
Production at Texas mills.....	646	+ 1.9	+10.4	3,562	—11.5	
Shipments from Texas mills.....	696	+ .4	— 1.8	3,738	—12.6	
Stocks at end of month at Texas mills.....	626	— 7.3	+11.0	

Petroleum
As a result of the further steady expansion in the output of East Texas oil fields, production of crude oil during July in the Eleventh Federal Reserve District was on a considerably larger scale than in either the previous month or the same month last year. The month's production in this district amounted to 34,850,900 barrels, establishing a new high record for both total and daily average output. Despite the slightly longer month, there was a material decline in drilling activity, as witnessed by the completion of only 480 wells in July as against 566 in June. The 357 producers completed during July yielded 2,470,834 barrels flush production, as compared to 435 successful completions in the previous month with an initial output of 2,723,473 barrels.

Daily yield in Texas rose above a million barrels for the first time in any month and amounted to 1,047,981 barrels. The daily average in East Texas increased 95,743 barrels, as compared to June, and amounted to 48.6 per cent of the

Building

While the valuation of building permits issued during July at 14 leading centers in this district reflected a further decline of 7.6 per cent as compared to the previous month, more than half of the individual cities reported material increases. The volume of

construction permits issued in July totaled \$3,259,703, being 38.7 per cent smaller than in the same month last year. Valuation for the first seven months of the current year was 35.2 per cent less than in the same period in 1930.

BUILDING PERMITS

	July, 1931		July, 1930		Percentage Change Valuation Over Year	June, 1931		Percentage Change Valuation Over Month	Seven Months				Percentage Change Valuation Over Period
	No.	Valuation	No.	Valuation		1931			1930				
						No.	Valuation		No.	Valuation			
Amarillo.....	45	\$ 161,599	54	\$ 186,126	- 13.2	65	\$ 148,284	+ 9.0	347	\$ 1,959,902	420	\$ 1,474,248	+ 32.9
Austin.....	106	218,045	98	295,393	- 26.2	106	145,516	+ 49.8	652	1,538,716	605	2,005,046	- 40.9
Beaumont.....	67	71,792	154	150,760	- 52.4	75	44,910	+ 59.9	742	864,530	994	1,414,082	- 38.0
Corpus Christi..	52	34,455	54	40,327	- 14.6	69	92,926	- 62.9	375	354,780	401	862,348	- 58.9
Dallas.....	251	274,245	289	1,314,702	- 79.1	343	338,500	- 19.0	2,268	3,141,600	2,344	5,505,096	- 42.9
El Paso.....	62	69,390	103	175,118	- 60.4	63	73,910	- 6.1	503	761,598	814	2,012,723	- 62.2
Fort Worth.....	161	353,668	217	229,374	+ 54.2	153	310,425	+ 13.9	1,378	3,052,910	1,770	4,852,353	- 37.1
Galveston.....	112	82,562	106	59,780	+ 38.1	117	878,824	- 90.6	872	1,740,750	868	820,364	+112.2
Houston.....	305	1,331,521	330	1,874,429	- 29.0	301	1,055,130	+ 26.2	2,243	8,013,909	2,334	10,837,880	- 26.1
Port Arthur.....	64	273,829	126	371,131	- 26.2	71	31,203	+777.6	423	840,156	778	2,059,933	- 59.2
San Antonio.....	246	238,239	236	415,015	- 42.6	209	130,797	+ 82.1	1,577	1,672,521	1,981	5,410,470	- 69.1
Shreveport.....	137	52,495	156	125,422	- 58.1	151	210,522	- 75.1	1,024	676,744	1,232	1,235,330	- 45.2
Waco.....	22	33,760	29	73,720	- 54.2	32	58,600	- 42.4	195	1,621,096	247	767,002	+111.4
Wichita Falls...	11	64,103	21	9,085	+605.6	12	9,272	+501.4	79	120,525	161	825,565	- 85.4
Total.....	1,641	\$3,259,703	1,973	\$5,320,382	- 38.7	1,767	\$3,528,819	- 7.6	12,678	\$26,359,737	15,039	\$ 40,682,440	- 35.2

SUMMARY OF NATIONAL BUSINESS CONDITIONS

(Compiled by the Federal Reserve Board, August 24, 1931)

Industrial production and factory employment declined by somewhat more than the usual seasonal amount in July, while the general level of commodity prices remained unchanged. Conditions in the money market continued easy.

PRODUCTION AND EMPLOYMENT

Industrial production, as measured by the Board's index, which is adjusted to allow for the usual seasonal variations, declined 1 per cent further in July to 83 per cent of the 1923-1925 average, compared with the low point of 82 for last December and the year's high point of 90 in April. Output of iron and steel, automobiles, lumber, and copper decreased further, while activity at textile mills and shoe factories was maintained at a high level. Factory employment and payrolls declined by somewhat more than the seasonal amount from the middle of June to the middle of July. Large decreases in employment were reported at car-building shops and machinery and automobile factories, and at lumber mills. In the textile industries as a whole employment decreased somewhat less than is usual in July; and there were increases in employment in the woolen goods and men's clothing industries. Figures on the value of building contracts awarded during July and the first half of August, as reported by the F. W. Dodge Corporation, show a continuation of the downward movement of recent months. Department of Agriculture estimates based on August 1 conditions indicated an unusually large crop of winter wheat, an exceptionally small yield of spring wheat, and a total wheat crop of 894,000,000 bushels, 72,000,000 bushels larger than the five-year average. The corn crop was estimated at 2,775,000,000 bushels, about the usual size and 700,000,000 bushels larger than last year's small crop. In spite of a 10 per cent reduction in acreage, the cotton crop was estimated by the Department of Agriculture to be about 15,584,000 bales, an increase of 1,600,000 bales over last year.

DISTRIBUTION

Freight-car loadings increased by slightly less than the usual seasonal amount in July and department stores sales, which ordinarily decline sharply at this season, apparently decreased somewhat more than usual.

WHOLESALE PRICES

The general level of wholesale prices in July continued at 70 per cent of the 1926 average, according to the index of the Bureau of Labor Statistics. Increases were reported in the prices of livestock and meats, while prices of building materials and of grains, particularly wheat, declined. During July and the first half of August prices of cotton and cotton textiles declined sharply, while prices of dairy products increased.

BANK CREDIT

Loans and investments of reporting member banks in leading cities declined by about \$340,000,000 between July 15 and August 12, reflecting chiefly further liquidation of loans on securities, and a decrease in all other loans, which was partly a consequence of sales of acceptances to the reserve banks. The volume of the member banks' investments also showed a slight decline for the period. At the reserve banks there was an increase in the total volume of credit of \$190,000,000 between July 15 and August 19. Demand for reserve bank credit during this period increased as a result of an outflow of \$144,000,000 of currency, which was larger than is usual at this season, and further transfers of foreign funds from the open market into balances at the reserve banks. This demand for reserve bank credit was met by the reserve banks for the most part through the purchase of bills and United States Government securities in the open market, but also through increased discounts for member banks. Money rates remained at low levels.