

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

(Compiled July 15, 1934)

Volume 19, No. 6

Dallas, Texas, August 1, 1934

This copy is released for publication in morning papers—

July 30

DISTRICT SUMMARY

THE SITUATION AT A GLANCE
Eleventh Federal Reserve District

	June 1934	Change from May
Bank debits to individual accounts (at 17 cities).....	\$569,290,000	+ 7.4%
Department store sales.....	.....	- 16.1%
Reserve bank loans to member banks at end of month.....	\$ 426,404	- 24.5%
Reserve bank ratio at end of month.....	60.2%	- 1.1 points
Building permit valuation at larger centers.....	\$ 1,092,754	- 46.8%
Commercial failures (number).....	17	- 5.6%
Commercial failures (liabilities).....	\$ 288,909	+ 74.1%
Oil production (barrels).....	34,035,000	- .4%

daily average of combined net demand and time deposits totaled \$712,177,000 in June as compared with \$708,920,000 in May, and \$582,388,000 in June, 1933. Member bank borrowings at the Federal Reserve Bank continued in small volume and reserve deposits were maintained at a high level. The loans and investments of member banks in selected cities increased substantially between June 13 and July 11.

The valuation of building permits issued at principal cities in June declined as compared with May, but the volume was larger than in any of the preceding nine months. The total for the month was 47 per cent less than in May and 37 per cent lower than in June last year.

The drouth which had been prevailing for several months in the western part of the district became more general in June and July and is now affecting to some extent practically the whole of the district. The situation has been aggravated by the abnormally high temperatures, which have caused rapid evaporation of moisture and which have partially nullified the effect of rainfall in some sections. According to the July 1 report of the Department of Agriculture, prospective yields of principal crops are considerably below the average. Feed crops are spotty, being fairly good in some sections to near failure in others. There will be a shortage in many areas unless weather conditions are favorable to the production of fall crops. The cotton crop has withstood the drouth remarkably well, but recent reports indicate that deterioration has set in. Nevertheless, the crop could show rapid recuperation should heavy rains occur in the near future. The condition of livestock and their ranges has declined sharply in nearly all sections, and in many areas the situation is very critical. Particularly in the western part of the district, feed and stock water are scarce. Livestock in substantial numbers are being moved to more favorable areas or sold to the Government. Recent reports indicate considerable losses in some areas.

BUSINESS

groceries. Total sales in all lines except dry goods continued in substantially larger volume than a year ago, but the increases were with one exception smaller than those reported in May. The undertone of confidence which has been visible for a number of months continued to be in evidence during June. Materially larger collections than in May were reported in all lines except drugs and dry goods.

A sharp deterioration in the condition of principal crops and of livestock and their ranges due to the prolonged and widespread drouth was a development of major importance in the Eleventh Federal Reserve District during the past month. Despite the drouth, business has been well sustained. Sales of department stores in principal cities, while reflecting a seasonal decline of 16 per cent as compared with May, were 24 per cent larger than in June, 1933. Distribution in some lines of wholesale trade declined more than seasonally, but this was not surprising because of the heavy volume of May business. Sales in most lines continue to show large increases over the corresponding month last year. Collections generally are holding up well. While merchants are proceeding cautiously in the placement of future orders, reports indicate the maintenance of a strong undertone of confidence. Commercial failures in June were few in number and the liabilities of defaulting firms were small. Debits to individual accounts at banks in larger cities reflected a contrary to seasonal increase of 7 per cent as compared with the previous month and were 21 per cent larger than last year.

Deposits of member banks, after declining seasonally during the preceding three months, turned upward in June. The

Wholesale Trade

District. While declines which were larger than seasonal occurred in the lines of dry goods, drugs, and farm implements, the distribution of hardware was well sustained and there was a further non-seasonal increase in the sales of

A larger than seasonal reduction of 18.1 per cent was recorded in the demand for dry goods at wholesale during June, and for the first time in eight months the volume of sales fell below that of the same month a year ago. In this connection it should be recalled that a large contrary to seasonal increase in distribution occurred at this time last year. As is usual at this season, a decrease was reflected in collections during June.

For the second consecutive month a non-seasonal gain was witnessed in the sales of reporting wholesale grocery firms during June. Business was 2.4 per cent better than in the previous month and 20.1 per cent above that of June last year, the latter comparison being the most favorable reported since February. Inventories, which were reduced 3.7 per cent between May 31 and June 30, remained 8.6 per cent higher than on the same date a year ago. An increase of 9.5 per cent was reflected in the June volume of collections.

While conflicting tendencies in business during June were indicated by reports received from wholesale hardware firms in the Eleventh District, sales nevertheless held well up to the volume of the preceding month, when a non-seasonal expansion was witnessed. Distribution during the month was 34.4 per cent above the scale of a year ago, and for the period from January 1 to June 30 total sales were 56.1 per cent larger than in the first half of 1933. Collections reported in June showed an increase over those of the previous month.

While a larger than seasonal decline of 14.6 per cent was reflected in the June sales of wholesale drug firms in this district, its significance was offset to some extent by the fact that in the previous month a contrary to seasonal increase in business occurred. The demand exceeded that of the same month last year by 19.3 per cent, as compared with a similar gain of 24.8 per cent in May. A further small reduction was shown in the volume of collections during June.

Sales of farm implements at wholesale during June declined substantially, as is usual at this season. They were 16.0 per cent below the level of the preceding month, but 85.9 per cent larger than in the same month last year. Aggregate sales reported during the first half of the current year were 190.7 per cent above those in the first six months of 1933. Collections reflected a large gain over May.

CONDITION OF WHOLESALE TRADE DURING JUNE, 1934
Percentage of increase or decrease in—

	Net Sales June, 1934 compared with June, 1933		Net Sales Jan. 1 to date compared with same period last year	Stocks June, 1934 compared with June, 1933		Ratio of collec- tions during June to accounts and notes outstanding on May 31
	May, 1934			May, 1934		
Groceries.....	+20.1	+ 2.4	+ 20.9	+ 8.6	- 3.7	79.4
Dry goods.....	-15.9	-18.1	+ 47.5	+71.7	+ 2.6	29.4
Farm implements..	+85.9	-16.0	+190.7	+11.5	- .7	9.1
Hardware.....	+34.4	- 2.0	+ 57.1	+ 8.6	+ 1.8	50.0
Drugs.....	+19.3	-14.6	+ 28.0	+ 6.9	+ 1.4	44.7

Retail Trade

Sales of reporting department stores in principal cities of the Eleventh Federal Reserve District showed that consumer demand for merchandise continued active during the past month. While there was a decline of 16.1 per cent from the previous month, this reduction is attributable to the early summer slowing-down in business and the unusually high temperatures that prevailed during June. Sales reflected an increase of 23.8 per cent over those in June a year ago, which compares with a similar increase of 22 per cent in May. This bank's index of department store sales, which is adjusted for seasonal variations, also reflected a sustained demand for merchandise during June by remaining at approximately the same level as in the previous month. The index stood at 73.4 per cent of the 1923-25 average in June, as against 73.8 per cent in May, and 59.6 per cent in June, 1933. Distribution of merchandise during the first half of 1934 was 29.9 per cent greater than in the corresponding period of 1933.

Inventories of merchandise on June 30 evidenced a seasonal decline of 6.2 per cent from the previous month, but continued 21.5 per cent above those held on the same date of 1933. The rate of stock turnover during the first six months of 1934 was 1.54, as against 1.40 in the same period of 1933.

June collections evidenced a seasonal decline, but they remained above those a year ago. The ratio of collections to open accounts outstanding on June 1 was 38.4 per cent, as compared with 39.5 per cent in May, and 31.9 per cent in June last year. Collections on installment accounts declined from 15.1 per cent in May to 14.4 per cent in June.

BUSINESS OF DEPARTMENT STORES

	Dallas	Fort Worth	Houston	San Antonio	Others	Total District
Total sales (percentage):						
June, 1934, compared with June, 1933.....	+24.7	+10.9	+34.7	+20.4	+23.9	+23.8
June, 1934, compared with May, 1934.....	-17.1	-25.5	-11.5	-13.4	-14.2	-16.1
January 1 to date compared with same period last year.....	+37.9	+20.8	+31.5	+27.9	+22.9	+29.9
Credit sales (percentage):						
June, 1934, compared with June, 1933.....	+22.2	+9.8	+46.3	+25.9	+23.0	+25.3
June, 1934, compared with May, 1934.....	-15.3	-28.6	-5.4	-13.1	-10.1	-15.6
January 1 to date compared with same period last year.....	+37.8	+21.8	+34.4	+30.7	+21.5	+31.4
Stocks on hand at end of month (percentage):						
June, 1934, compared with June, 1933.....	+21.9	+11.4	+23.6	+30.8	+22.4	+21.5
June, 1934, compared with May, 1934.....	-6.9	-4.4	-8.1	-4.7	-6.3	-6.2
Stock turnover (rate):						
Rate of stock turnover in June, 1933.....	.25	.19	.23	.31	.21	.24
Rate of stock turnover in June, 1934.....	.25	.19	.25	.29	.22	.24
Rate of stock turnover January 1 to June 30, 1933.....	1.42	1.14	1.40	1.76	1.29	1.40
Rate of stock turnover January 1 to June 30, 1934.....	1.67	1.25	1.53	1.84	1.32	1.54
Ratio of June collections to open accounts receivable outstanding June 1, 1934.....	39.6	33.1	39.6	42.6	35.9	38.4
Ratio of June collections to installment accounts receivable outstanding June 1, 1934.....	15.1	10.4	.....	.....	19.1	14.4
Indexes of department store sales:						
Unadjusted—June, 1934.....	65.1	70.9	79.2	61.0	.....	67.5
Unadjusted—May, 1934.....	75.6	91.7	83.8	65.1	.....	76.7
Adjusted—June, 1934.....	74.8	75.4	74.7	62.2	.....	73.4
Adjusted—May, 1934.....	77.9	91.7	83.8	61.4	.....	73.8
Indexes of department store stocks:						
Unadjusted—June, 1934.....	48.4	66.9	42.6	40.8	.....	52.8
Unadjusted—May, 1934.....	52.4	70.0	48.0	44.5	.....	56.9
Adjusted—June, 1934.....	50.4	70.4	47.3	46.4	.....	56.2
Adjusted—May, 1934.....	51.4	69.3	47.0	44.9	.....	56.3

Commercial Failures

The number of commercial insolvencies in this district during June showed a further decline from the low level of the preceding month, and while the liabilities involved were higher than those in May they were with that exception smaller than in any other month since July, 1924. The report of Dun & Bradstreet, Incorporated, showed that 17 defaults occurred in June, their indebtedness amounting to

\$288,909. In the previous month there were 18 commercial failures, with liabilities of \$165,927, and in the corresponding month last year 57 insolvencies were reported, owing \$819,128. A favorable record was made during the first half of 1934, there being only 147 defaults as against 434 in the same period last year, and a total indebtedness of \$2,330,787, as compared with \$7,198,692 in the first six months of 1933.

AGRICULTURE*Crop Conditions*

Weather conditions during the past month were unfavorable to crops in nearly all sections of the Eleventh Federal Reserve District. The drouth which was affecting some portions on June 1 has now spread to practically all sections of the district. While rains have fallen in widely scattered areas, they have been mostly local and have given largely temporary relief. The drouth has been accompanied by high temperatures which have caused rapid evaporation of remaining moisture and have burned the plants. Most crops have deteriorated considerably and unless rain is received in the near future many crops will be beyond recovery.

In the July 1 report of the Department of Agriculture, the indicated production of wheat was raised in Oklahoma and Arizona, was lowered in New Mexico, and remained unchanged in Texas. The estimated production for this district, as derived from the July 1, 1934 estimates, by states, of the Department of Agriculture, was 26,130,000 bushels as compared with 13,719,000 bushels in 1933. The Texas production was nearly double the low figure of a year ago. The estimated production of oats in Texas and Louisiana was considerably higher than the outturn in 1933, but it was below last year in Oklahoma and New Mexico. Production in Texas was placed at 34,012,000 bushels, whereas only 20,808,000 bushels were harvested last year.

Feed crops in most of the district are in poor to only fair condition and yields are expected to fall considerably short of last year's harvest. Despite the increased acreage, the Department of Agriculture's July 1 forecast for corn in Texas totaled 62,623,000 bushels as compared with an actual production of 74,824,000 bushels in 1933, and a five-year average of 81,615,000 bushels. While some sections report good yields, the crop in the major portion of the State suffered from drouth and hot winds at the critical stage of development, which greatly reduced yields. The Louisiana crop promised an outturn of 16,475,000 bushels on July 1 as compared with a production of 15,574,000 bushels last year, but the increase was more than accounted for by the larger acreage. The estimated production in Oklahoma, New Mexico, and Arizona is considerably under the harvest in 1933. Hay crops in all states attached to this district, except Louisiana, promise a smaller production than a year ago.

The Department of Agriculture reported that the acreage planted to cotton as of July 1 was sharply lower than a year ago. The reductions in acreage as compared with a year ago in states attached to this district were as follows: Texas—32 per cent; Oklahoma—36 per cent; Louisiana—30 per cent; New Mexico—25 per cent; and Arizona—6 per cent. The cotton crop has held up fairly well to date despite the drouth, but reports indicate that deterioration has begun in some areas. From several sections there are complaints of stunted growth, shedding, blooming in top, and premature opening which are typical effects of drouth conditions. Nevertheless, it should be borne in mind that during the

drouth period the plants have developed strong tap and lateral roots which would be conducive to quick plant recuperation should heavy general rains occur in the near future. Insect activity which was prevalent a month ago has greatly diminished. Picking has become general in South Texas and is gradually extending northward.

The drouth has also reduced production in most minor crops. The Texas rice crop was estimated at 6,900,000 bushels on July 1, as compared with an actual production of 7,473,000 bushels last year. Fruit crops in most states promise yields considerably heavier than a year ago, but some deterioration occurred during the past month. While the July 1 estimate of the sweet potato crop in Louisiana was higher than the 1933 production, it was materially lower in Texas and Oklahoma. The Irish potato crop turned out better than a year ago as the commercial crop was harvested prior to the drouth.

Livestock

Range and livestock conditions showed a sharp deterioration during the past month. Rainfall generally has been light and of a local nature and there has been little precipitation in drouth stricken areas of Northwest, West, and South Texas, Southern New Mexico, and Southeastern Arizona. In these areas ranges are very poor and over much of the territory it has been too dry to plant feed crops. Surplus feed is about exhausted and stock water is scarce. Feed is either being shipped in or stock are being moved to more favored areas. In some localities along the Coast, and in East Texas, rains have fallen which should be beneficial but more rain will be needed to insure growth of range vegetation. Dry weather and high temperatures have prevailed in other sections of the State and are causing rapid deterioration of ranges. Livestock have held up better than might be expected, due to feeding, but should the drouth continue heavy shrinkage may be expected.

The Department of Agriculture reported that the condition of cattle ranges in Texas on July 1 was the lowest on record, the figure for that date being 62 per cent of normal as compared with 78 per cent a month earlier and 74 per cent a year ago. Sheep and goat ranges were rated at 64 per cent of normal as compared with 78 per cent on June 1 and 75 per cent on July 1, 1933. The condition of Texas cattle was placed at 71 per cent on July 1, which is 8 points lower than a month ago and 9 points below last year. The condition of sheep declined 7 points during the month and that of goats 4 points. As compared with a year ago, that of sheep was 7 points and goats 6 points lower.

Movements and Prices

The receipts of cattle and calves at the Fort Worth market in June showed a large increase over both the previous month and the corresponding month last year. On the other hand, arrivals of hogs and sheep reflected sharp declines from both comparative periods.

Prices for the better grades of slaughter cattle rose to higher levels during the past month as there was an active demand for this class of offerings. On the other hand, trading in the plain and common grades was slow and prices receded to lower levels. The hog market advanced rapidly during June and toward the end of the month reached the

highest point since February. A moderate reaction occurred during the first half of July. Sheep and lamb prices followed an irregular course with the trend slightly downward.

FORT WORTH LIVESTOCK RECEIPTS
(Number)

	June 1934	June 1933	Change over year	May 1934	Change over month
Cattle.....	64,289	42,786	+21,503	48,257	+16,032
Calves.....	21,978	13,394	+ 8,584	18,510	+ 3,468
Hogs.....	32,479	45,639	-13,160	37,554	- 5,075
Sheep.....	64,774	103,264	-38,490	140,673	-75,899

COMPARATIVE TOP LIVESTOCK PRICES
(Dollars per hundredweight)

	June 1934	June 1933	May 1934
Beef steers.....	\$8.00	\$5.50	\$6.60
Stocker steers.....	4.50	5.00	4.90
Butcher cows.....	3.65	3.75	4.25
Stocker cows.....	....	3.00	4.50
Calves.....	5.00	5.25	6.60
Hogs.....	4.85	4.60	3.65
Sheep.....	3.50	3.60	5.25
Lambs.....	8.00	6.25	9.50

FINANCE

Operations of the Federal Re- serve Bank

Member bank borrowings at the Federal Reserve Bank reflected a decline during the past month. The total on July 15 amounted to \$439,000 as compared with \$583,000 on June 15 and \$3,719,000 on July 15, 1933. There were 18 banks borrowing from the Federal Reserve Bank on July 15 as against 24 a month earlier, and 118 a year ago. There was no change during the month in the holdings of bills purchased in the open market and of United States securities. As compared with a year ago, investments in United States securities were \$22,476,000 larger, but holdings of bills were \$164,000 smaller. The reserve deposits of member banks totaled \$114,784,000 on July 15 as compared with \$111,267,000 at the middle of June, and \$55,682,000 on the corresponding date in 1933. Federal reserve notes in actual circulation amounted to \$40,906,000 on July 15, which compares with \$39,889,000 a month earlier, and \$34,985,000 a year ago. There were \$1,425,000 Federal reserve bank notes in circulation on June 15, and \$1,972,000 on July 15, 1933.

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

	July 15, 1934	July 15, 1933	June 15, 1934
Total cash reserves.....	\$ 94,254	\$ 53,800	\$103,476
Discounts for member banks.....	439	3,719	583
Other bills discounted.....	None	None	None
Bills bought in open market.....	142	306	142
United States securities owned.....	71,475	48,999	71,475
Other investments.....	None	5	None
Total earning assets.....	72,056	53,029	72,200
Member bank reserve deposits.....	114,784	55,682	111,267
Federal reserve notes in actual circulation.....	40,906	34,985	39,889
Federal reserve bank notes in actual circulation.....	None	1,972	1,425

Condition of Member Banks in Selected Cities

Reports from member banks in selected cities during the period from June 13 to July 11 reflected a substantial increase in loans and investments but a decline in deposits. Coincident with the June 15 United States Treasury financing, the investments of the banks in Government securities showed a sharp gain and only moderate recessions occurred in subsequent weeks. Total holdings on July 11 amounted to \$177,836,000, which was \$31,351,000 greater than on June 13 and \$70,812,000 above those on July 12, 1933. Investments in other stocks and bonds declined \$4,463,000 between June 13 and July 11 and on the latter date were \$716,000 lower than a year ago. Loans on securities on July 11 were \$1,433,000 lower than four weeks earlier, and \$3,308,000 below those on the same date in 1933. "All other" loans reflected a gain of \$2,526,000

between June 13 and July 11, but the total on the latter date was \$19,510,000 smaller than a year ago. The net demand deposits of these banks showed a steady decline during the month. The total of \$270,538,000 on July 11 was \$10,557,000 below that on June 13, but was \$58,457,000 in excess of that on July 12, 1933. While time deposits rose \$2,886,000 during the four-week period, they were still \$2,674,000 lower than a year ago. Their reserves with the Federal Reserve Bank showed little change during the month.

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

	July 11, 1934	July 12, 1933	June 13, 1934
United States securities owned.....	\$177,836	\$107,024	\$146,485
All other stocks, bonds, and securities owned.....	51,147	51,863	55,610
Loans on securities.....	58,685	61,993	60,118
All other loans.....	124,770	144,280	122,244
Total loans.....	183,455	206,273	182,362
Net demand deposits.....	270,538	212,081	281,095
Time deposits.....	124,509	127,183	121,623
Reserve with Federal Reserve Bank.....	73,480	32,290	73,914
Bills payable and rediscounts with Federal Reserve Bank.....	None	354	None

Deposits of Member Banks

An up-turn was reflected in the combined daily average of net demand and time deposits of member banks in the Eleventh Federal Reserve District during June. Increasing from \$708,920,000 in May to \$712,177,000 in the succeeding month, this average exceeded that of June last year by \$129,789,000. The major part of the gain over the previous month was shown in net demand deposits of reserve city banks; the time deposits of country banks registered a decline.

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, 1933.....	\$395,983	\$186,405	\$192,396	\$113,390	\$203,587	\$73,015
July, 1933.....	396,783	191,055	196,040	113,908	200,743	77,147
Aug., 1933.....	389,177	190,931	191,302	112,065	197,875	78,266
Sept., 1933.....	400,597	187,508	195,145	110,146	205,452	77,362
Oct., 1933.....	436,027	186,936	210,987	109,264	225,040	77,672
Nov., 1933.....	466,198	187,947	228,265	106,914	237,933	81,033
Dec., 1933.....	494,176	186,687	240,971	106,132	253,205	80,555
Jan., 1934.....	505,909	192,214	249,091	108,317	256,818	83,897
Feb., 1934.....	532,717	195,746	261,770	110,348	270,947	84,381
Mar., 1934.....	535,355	192,766	263,291	108,385	272,064	84,933
April, 1934.....	523,397	192,548	257,838	107,615	265,559	84,684
May, 1934.....	516,090	192,830	253,752	108,146	262,338	83,115
June, 1934.....	519,465	192,712	256,456	109,597	263,009	83,115

Debits to Individual Accounts

A substantial increase was shown in the amount of debits to individual accounts at banks in the leading centers of the Eleventh District during June, despite the fact that a gain does not generally occur in this month. Total

charges amounted to \$569,290,000, which compares with \$530,099,000 in the previous month, and \$469,646,000 in the same month last year. The expansion over the preceding month amounted to 7.4 per cent, and that over the same month a year ago was 21.2 per cent.

DEBITS TO INDIVIDUAL ACCOUNTS (In thousands of dollars)

	June 1934	June 1933	Percentage change over year	May 1934	Percentage change over month
Abilene.....	\$ 4,889	\$ 4,174	+17.1	\$ 4,541	+ 7.7
Austin.....	18,774	15,368	+22.2	17,556	+ 6.9
Beaumont.....	16,922	12,192	+38.8	15,282	+10.7
Corsicana.....	2,175	2,096	+ 3.8	2,268	- 4.1
Dallas.....	166,229	126,031	+31.9	156,807	+ 6.0
El Paso.....	16,747	14,313	+17.0	16,838	- 5
Fort Worth.....	61,801	50,320	+22.8	54,547	+13.3
Galveston.....	19,519	15,563	+25.4	16,021	+21.8
Houston.....	141,151	116,766	+20.9	124,231	+13.6
Port Arthur.....	5,303	4,490	+18.1	4,954	+ 7.0
Roswell.....	2,289	2,535	- 9.7	1,986	+15.3
San Antonio.....	48,887	46,382	+ 5.4	52,822	+ 1.3
Shreveport.....	28,843	26,831	+ 7.5	28,459	+ 2.1
Texarkana.....	4,811	6,056	-20.6	4,712	+ 1
Tucson.....	8,140	7,543	+ 7.9	8,135	+11.6
Waco.....	10,116	9,456	+ 7.0	9,061	+ 6.9
Wichita Falls....	12,694	9,530	+33.2	11,879	+ 6.9
Total.....	\$569,290	\$469,646	+21.2	\$530,099	+ 7.4

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

Acceptance Market

While the total volume of acceptances which were executed by banks in this district and outstanding on June 30 amounted to \$160,330 as against \$166,367 a month earlier, a perceptible increase was reflected in the amount of acceptances based on the domestic shipment and storage of goods. Total acceptances outstanding on June 30, 1933, amounted to \$1,363,388.

Savings Deposits

The savings deposits of 128 banks in this district that operate savings departments rose from \$138,333,213 on the last day of May to \$141,201,833 at the close of June, registering a gain of 2.1 per cent. The total on the latter date was 5.0 per cent larger than on June 30 last year, when the amount reported was \$134,415,128. That the increases were general is indicated by the fact that all cities except one participated in the gain over the previous month, and only two cities showed declines from a year ago.

SAVINGS DEPOSITS

	Number of reporting banks	June 30, 1934		June 30, 1933		Percentage change over year in savings deposits	May 31, 1934		Percentage change over month in savings deposits
		Number of savings depositors	Amount of savings deposits	Number of savings depositors	Amount of savings deposits		Number of savings depositors	Amount of savings deposits	
Beaumont.....	3	8,433	\$ 3,368,166	7,960	\$ 3,164,630	+ 6.4	8,305	\$ 3,273,264	+ 2.9
Dallas.....	9*	74,966	24,705,485	72,768	24,691,772	+ 1	74,588	24,244,430	+ 1.9
El Paso.....	2	10,812	4,660,073	10,108	3,443,390	+35.3	10,720	4,521,189	+ 3.1
Fort Worth.....	4	33,123	10,293,725	32,893	10,904,886	- 5.6	32,986	10,095,319	+ 2.0
Galveston.....	4	16,670	9,732,645	16,361	9,850,495	- 1.2	16,677	9,655,561	+ .8
Houston.....	11*	66,798	28,699,622	64,807	28,500,750	+ .7	66,705	27,935,946	+ 2.7
Port Arthur.....	2	5,073	1,889,895	4,362	1,889,720	0.0	5,015	1,854,525	+ 1.9
San Antonio.....	7	21,629	15,134,443	19,446	13,804,357	+ 9.6	21,360	14,832,126	+ 2.0
Shreveport.....	3	21,595	10,043,112	21,892	9,209,387	+ 9.1	21,536	10,078,855	- .4
Waco.....	3	10,535	6,071,140	10,315	5,690,391	+ 6.7	10,494	5,886,202	+ 3.1
Wichita Falls.....	3	5,743	2,863,633	5,553	2,390,291	+19.8	5,681	2,762,418	+ 3.7
All others.....	77*	51,410	23,739,894	49,279	20,875,059	+13.7	51,511	23,193,378	+ 2.4
Total.....	128	326,787	\$141,201,833	315,744	\$134,415,128	+ 5.0	325,578	\$138,333,213	+ 2.1

*Only 8 banks in Dallas, 10 in Houston, and 69 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 that now eligible for rediscount under the Federal Reserve Act.....	2-7 5	6-8 5-6	1½-7 6	2-7 5-6	5-7 6	3-6 5½
Rate charged on loans to other banks secured by bills receivable.....						
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	5-7	6-8	6-8
Time.....	4-8	6-8	5-8	4½-7	6-8	6-8
Rate charged on commodity paper secured by warehouse receipts, etc.....	5-7 6	7-8 6-8	6-8 5-8	3-7 7-10	6-8 7-10	5-6 8
Rate on cattle loans.....						

INDUSTRY

Cottonseed Products

While the receipts of seed during June at Texas cottonseed oil mills reflected a much smaller increase over the previous

months of the current season remained below those in the same period of the 1932-33 season.

Operations at cottonseed oil mills located throughout the United States, while reflecting the usual seasonal decline during June, were on a level considerably above the average for that month. Receipts of seed during the month were also in greater volume than a year ago, but all other operations were smaller. During the cotton season, August, 1933, through June, 1934, activities remained below those in the corresponding period of the previous season, excepting the

month than is usual at that time, the crushings of seed and the production of cake and meal, hulls, and linters turned upward following the extremely low output during May and evidenced a contrary to seasonal increase. Comparisons with the corresponding month of 1933 showed that receipts of seed continued in greater volume than a year ago, while all other operations were materially smaller. With the exception of the output of linters activities during the eleven

production of linters. Stocks of cottonseed oil, cake and meal, and hulls held by both Texas and United States mills on June 30 were less than those on hand a month earlier or a year ago, and at the latter mills inventories of linters were also smaller.

STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS

	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).....	1,326,712	1,434,811	4,114,946	4,481,683
Cottonseed crushed (tons)....	1,310,133	1,506,008	4,054,891	4,462,934
Cottonseed on hand June 30 (tons).....	115,365	104,071	280,476	317,623
Crude oil produced (pounds)....	385,640,713	458,269,623	1,268,994,519	1,396,051,057
Cake and meal produced (tons).....	611,221	694,374	1,843,170	2,021,539
Hulls produced (tons).....	357,953	449,872	1,079,016	1,270,420
Linters produced (running bales).....	225,427	180,686	780,132	713,160
Stocks on hand June 30:				
Crude oil (pounds).....	11,306,059	14,047,495	26,965,149	39,059,719
Cake and meal (tons).....	29,620	50,470	176,178	196,740
Hulls (tons).....	17,255	28,616	43,607	80,350
Linters (running bales).....	29,230	22,573	108,629	110,644

Textile Milling

Reflecting the general curtailment program together with the summer dullness, cotton consumption in June declined sharply. Activity was on a level far below that in both the previous month and the corresponding month last year. There were only 363,414 bales of cotton consumed by mills throughout the United States during June, as compared with 519,765 bales in May, and 697,261 bales in June last year. The large declines as compared with a year ago that have been witnessed during the past two months were sufficient to offset the appreciable increases that were registered earlier in the season. A total of 5,340,715 bales of cotton was consumed during the eleven months of the current cotton year, as compared with 5,536,764 bales in the same period of the previous year. Stocks of raw cotton held by consuming establishments on June 30 were in smaller volume than those a month earlier or a year ago.

Activities at reporting Texas textile mills during June, while considerably below those a year ago, evidenced an increase over the previous month contrary to seasonal tendencies. Both the consumption of cotton and the production of cloth were greater than in May, and the orders for finished products held on June 30, while materially below those on the same date last year, were slightly larger than a month earlier. Stocks of cloth on hand June 30 continued larger than on either comparative date.

COTTON CONSUMED AND ON HAND (Bales)

	June 1934	June 1933	August 1 to June 30	
			This season	Last season
Cotton-growing states:				
Cotton consumed.....	292,621	565,951	4,260,820	4,602,727
On hand June 30 in—				
Consuming establishments.....			1,016,096	1,091,987
Public storage and compresses.....			5,681,877	5,869,704
United States:				
Cotton consumed.....	363,414	697,261	5,340,715	5,536,764
On hand June 30 in—				
Consuming establishments.....			1,326,480	1,398,448
Public storage and compresses.....			5,985,715	6,309,492

Cotton Movements

Although exports of cotton from the ports of Houston and Galveston during June remained in considerably smaller volume than in the corresponding month of 1933, they reflected an increase over the previous month contrary to the

usual seasonal trend. Shipments through the port of Galveston during the current season continued in excess of those in the first eleven months of the previous season, while at Houston they were smaller as a result of the large and consistent declines registered in recent months. Receipts of domestic cotton at these ports during June continued in much smaller volume than a year ago, but at Houston they were slightly larger than a month earlier. Stocks of cotton held at these ports on June 30 were seasonally smaller than a month earlier; at Galveston they remained in slightly larger volume than a year ago.

Total foreign exports of cotton from the United States during the past month also evidenced a material increase over the low May volume; however, a decrease was shown as compared with the abnormally heavy volume in June, 1933. There were 459,226 bales of cotton exported during June, which was higher than the average for that month, and compares with aggregate shipments of 284,764 bales in May, and 614,561 bales in June last year. Exports during the eleven months of the present cotton season totaled 7,228,595 bales, which compares with 7,727,392 bales in the same period of the preceding season. Declines in the takings of American cotton by the United Kingdom, France, Italy, and Germany account for the reduction in exports this season as compared with the previous season.

COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON (Bales)

	June 1934	June 1933	August 1 to June 30 This season	Last season
Receipts.....	44,439	70,190	2,214,048	2,074,426
Exports.....	139,118	161,252	2,096,083	1,999,993
Stocks, June 30.....			552,962	536,612

COTTON—GALVESTON STOCK STATEMENT (Bales)

	June 30, 1934	June 30, 1933
For Great Britain.....	300	2,000
For France.....	200	2,000
For other foreign ports.....	32,400	16,500
For coastwise ports.....	1,500	3,000
In compresses and depots.....	518,562	513,113
Total.....	552,962	536,612

COTTON MOVEMENTS THROUGH THE PORT OF HOUSTON (Bales)

	June 1934	June 1933	August 1 to June 30 This season	Last season
Receipts.....	31,749	96,949	2,228,449	2,814,604
Exports.....	136,163	272,146	2,440,401	2,531,271
Stocks, June 30.....			899,297	1,348,471

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

	August 1 to June 30 This season	Last Season
Receipts.....	7,615,606	8,680,958
Exports:		
United Kingdom.....	1,226,462	1,367,047
France.....	704,382	819,960
Italy.....	628,678	749,939
Germany.....	1,274,139	1,730,499
Other Europe.....	988,654	961,519
Japan.....	1,772,427	1,549,062
All other countries.....	633,853	549,366
Total foreign ports.....	7,228,595	7,727,392
Stocks held at all United States ports, June 30.....	2,555,120	3,443,527

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

	June, 1934		July 14, 1934
	High	Low	
New York.....	12.45	11.80	13.05
New Orleans.....	12.36	11.72	13.00
Dallas.....	12.00	11.35	12.55
Houston.....	12.35	11.80	12.90
Galveston.....	12.35	11.80	12.90

Petroleum

Despite a further expansion in daily average output during June, the gross production of crude oil in this district was on a slightly smaller scale than in May, and it was appreciably under that of a year ago. The total reported was 34,035,000 barrels, as compared with 34,157,350 barrels in the previous month, and 39,081,000 barrels in June last year. Field activity increased somewhat during the month, as evidenced by the completion of 923 wells last month as against 899 in May. There were 685 producers completed in June, yielding initially 3,027,834 barrels, as compared with 650 successful wells reported in the previous month and having a combined initial production of 2,504,760 barrels.

The daily yield from wells in Texas averaged 1,061,200 barrels during June, which is 31,000 barrels greater than the average of the preceding month, but 180,450 barrels

OIL PRODUCTION—(Barrels)

	June, 1934		Increase or decrease over May, 1934	
	Total	Daily Avg.	Total	Daily Avg.
North Texas.....	3,459,000	115,300	- 92,050	+ 750
Central West Texas.....	5,163,000	172,100	-124,050	+ 1,550
East Texas.....	16,666,500	555,550	+389,950	+30,500
South Texas.....	1,453,500	48,450	- 25,200	+ 750
Texas Coastal.....	5,094,000	169,800	-248,850	- 2,550
Total Texas.....	31,836,000	1,061,200	-100,200	+31,000
New Mexico.....	1,440,000	48,000	+ 15,550	+ 2,050
North Louisiana.....	759,000	25,300	- 37,700	- 400
Total District.....	34,035,000	1,134,500	-122,350	+32,650

less than that of the same month last year. While East Texas accounted for most of the increase over May, the Gulf Coastal area was the only portion of the State to show a reduction. In New Mexico an increase of 2,050 barrels brought the daily output to 48,000 barrels. There was a further small decline in North Louisiana, where the month's daily yield amounted to 25,300 barrels.

JUNE DRILLING RESULTS

	Completions	Producers	Gas wells	Failures	Initial production
North Texas.....	251	165	3	83	35,432
Central West Texas.....	75	49	4	22	213,901
East Texas.....	377	361	2	14	2,712,515
South Texas.....	118	52	9	57	20,295
Texas Coastal.....	67	43	2	22	38,647
Total Texas.....	888	670	20	198	3,020,790
New Mexico.....	5	4	-	1	6,005
North Louisiana.....	30	11	7	12	1,039
June totals, district.....	923	685	27	211	3,027,834
May totals, district.....	899	650	28	221	2,504,760

CRUDE OIL PRICES

	July 13, 1934	July 14, 1933
Texas Coastal (34 gr. and above).....	\$1.12	\$.62
North Texas (40 gr. and above).....	1.03	.52
North Louisiana (40 gr. and above).....	1.08	.52

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

Building

Following the noticeable increase which occurred in May, the valuation of building permits issued at principal cities in this district showed a substantial decline in June, but remained above the level of the first four months of the year. The valuation reported was \$1,092,754, which compares with \$2,055,395 in May, and \$1,730,191 in June a year ago. It should be observed that there was a larger number of permits issued in June than in either the previous month or the same month last year.

BUILDING PERMITS

	June, 1934		June, 1933		Percentage change valuation over year	May, 1934		Percentage change valuation over month	January 1 through June 30				Percentage change valuation over period
	No.	Valuation	No.	Valuation		No.	Valuation		1934		1933		
									No.	Valuation	No.	Valuation	
Amarillo.....	54	\$ 23,575	20	\$ 5,972	+294.8	19	\$ 13,918	+ 69.4	145	\$ 166,605	103	\$ 75,186	+121.6
Austin.....	79	65,697	118	157,684	- 58.3	73	58,335	+ 12.6	428	336,642	538	900,833	- 62.6
Beaumont.....	91	19,889	84	11,984	+ 66.0	90	46,911	- 57.6	505	120,608	464	71,756	+ 68.1
Corpus Christi.....	25	28,361	31	17,299	+ 63.9	32	16,590	+ 71.0	141	164,215	127	86,222	+ 90.5
Dallas.....	391	187,723	498	183,002	+ 2.6	445	256,029	- 26.7	2,328	1,256,212	2,147	1,122,230	+ 11.9
El Paso.....	38	9,281	46	10,580	- 12.3	35	28,413	- 67.3	222	129,810	199	95,690	+ 35.7
Fort Worth.....	78	84,770	96	796,110	- 89.4	78	76,250	+ 11.2	475	400,840	507	1,847,989	- 78.3
Galveston.....	121	134,838	96	39,443	+241.9	134	28,295	+376.5	708	312,159	525	207,821	+ 50.2
Houston.....	186	368,745	137	270,465	+ 36.3	211	1,263,190	- 70.8	1,090	2,609,460	999	1,152,798	+126.4
Port Arthur.....	64	9,741	38	9,227	+ 5.6	37	14,340	- 32.1	260	72,109	222	38,139	+ 89.1
San Antonio.....	151	82,923	147	117,214	- 29.3	140	95,956	+ 48.2	807	391,719	840	574,305	- 31.8
Shreveport.....	157	49,095	114	64,337	- 23.7	212	132,661	- 63.0	899	387,031	606	194,339	+ 99.2
Waco.....	12	11,287	22	35,772	- 68.4	22	33,440	- 66.2	112	175,235	155	173,286	+ 1.1
Wichita Falls.....	232	16,829	29	11,102	+ 51.6	47	31,067	- 45.8	362	77,485	162	46,215	+ 67.7
Total....	1,679	\$1,092,754	1,476	\$1,730,191	- 36.8	1,575	\$2,055,395	- 46.8	8,482	\$6,000,130	7,594	\$6,586,809	+ .2

Cement

hand at the close of the same month last year.

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

	June 1934	Percentage change from		January 1 through June 30, 1934	Percentage change over year
		June 1933	May 1934		
Production at Texas mills.....	377	+ 8.6	+26.9	1,936	+ 3.0
Shipments from Texas mills.....	339	+13.8	- 4.8	1,894	+ 3.6
Stocks at end of month at Texas mills.....	595	-18.3	+ 6.8	.....	.....

The output of Portland cement at Texas mills in June amounted to 377,000 barrels, being 26.9 per cent larger than in the previous month and 8.6 per cent above that in the same month last year. Shipments, though 13.8 per cent greater than in June, 1933, fell off somewhat and amounted to 339,000 barrels, as against 356,000 barrels in May. There was an increase of 6.8 per cent during June in stocks on hand at these mills, but the total of 595,000 barrels reported on the last day of the month was 18.3 per cent less than the amount on

SUMMARY OF NATIONAL BUSINESS CONDITIONS

(Compiled by the Federal Reserve Board, July 25, 1934)

Industrial production, which had increased during each of the six months from December to May, declined in June by somewhat more than the usual seasonal amount. Factory employment and payrolls also showed decreases which were partly of a seasonable nature. The general level of wholesale commodity prices advanced during June and showed little change during the first three weeks of July.

PRODUCTION AND EMPLOYMENT

Volume of industrial output, as measured by the Board's seasonally adjusted index, decreased from 86 per cent of the 1923-25 average in May to 84 per cent in June, reflecting chiefly a sharp reduction in activity at cotton textile mills. Production at lumber mills and at coal mines also showed a decline. In the steel and automobile industries activity decreased in June by an amount somewhat smaller than is usual at this season. Maintenance of activity at steel mills in June reflected in part the accumulation of stocks by consumers, according to trade reports, and at the beginning of July output of steel showed a sharp decline. Employment at factories decreased somewhat between the middle of May and the middle of June, reflecting reductions in working forces in industries producing textile fabrics, wearing apparel, leather products, automobiles, and lumber, offset in part by increases in employment at steel mills and at meat packing establishments. Value of construction contracts awarded, which had shown little change during May and June, showed an increase in the first half of July, according to the F. W. Dodge Corporation. Department of Agriculture estimates, based on July 1 conditions, indicated a wheat crop of 484,000,000 bushels, compared with an average of 886,000,000 bushels for the five years 1927-1931, and a corn crop of 2,113,000,000 bushels, compared with the five-year average of 2,516,000,000 bushels. Crops of other grains, hay, and tobacco were also estimated to be considerably smaller than usual. The acreage of cotton under cultivation was estimated at 28,000,000 acres, about 2,000,000 less than the acreage harvested last season. In the first three weeks of July drought conditions prevailed over wide areas, particularly in the Southwest.

DISTRIBUTION

The number of freight cars loaded per working day showed a further slight increase in June followed by a decline in the first half of July. Sales by department stores decreased in June by more than the estimated seasonal amount.

WHOLESALE COMMODITY PRICES

Wholesale prices of farm products and foods generally advanced during June while other commodities as a group showed a slight decline. Hog prices increased considerably in the middle of the month while wheat declined throughout the month. In the middle of July wheat prices advanced rapidly to levels above those reached at the end of May, and there was a considerable advance in cotton, while lumber prices declined and finished steel prices were reduced somewhat from the advanced quotations previously announced.

BANK CREDIT

Between June 13 and July 18 member bank reserves increased to a new high level of nearly \$4,000,000,000, about \$1,850,000,000 in excess of legal requirements. The growth reflected chiefly a further increase in the monetary gold stock. A seasonal increase in demand for currency over the July 4 holiday period was followed by an approximately equal seasonal return flow during the succeeding two weeks. The volume of reserve bank credit outstanding showed little change. At reporting member banks there was a growth of United States Government deposits during the five-week period, reflecting chiefly the purchase in June of new issues of Government securities by the banks. Bankers' balances also increased but deposits of individuals, firms, and corporations have shown little change. Loans declined somewhat, reflecting a decrease in loans to customers, while loans to brokers showed an increase. Money rates remained practically unchanged at the low levels prevailing in June.