

MONTHLY BUSINESS REVIEW

OF THE

FEDERAL RESERVE BANK OF DALLAS

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DISTRICT SUMMARY

THE SITUATION AT A GLANCE
Eleventh Federal Reserve District

	June 1935	Change from May
Bank debits to individual accounts (at 18 cities).....	\$592,726,000	— 2.1%
Department store sales.....		— 13.2%
Reserve bank loans to member banks at end of month.....	\$ 363,645	— 30.1%
Reserve bank ratio at end of month.....	62.5%	+ 3.0 points
Building permit valuation at larger centers....	\$ 1,959,451	— 15.2%
Commercial failures (number).....	21	— 30.0%
Commercial failures (liabilities).....	\$ 320,409	— 4.3%
Oil production (barrels).....	33,822,000	— 1.6%

A noticeable improvement in agricultural conditions, brought about by favorable weather and an ample supply of moisture in most areas, occurred in this district during the past thirty days. The Department of Agriculture in its July 1 report estimated that the production of most crops in this district during the current season will greatly exceed that of a year ago. This is particularly true of feed crops and the large supply now available will greatly benefit farmers during the current season as well as provide ample feed generally for the cultivation of 1936 crops. The Department's estimate also reflected a moderate increase in the area of cotton in cultivation on July 1 as compared with that on the same date last year. While the crop is later than usual this year, commercial reports indicate that plants have made good growth in recent weeks. Livestock and their ranges reflected a further substantial improvement and conditions are now materially better than a year ago.

The betterment in the agricultural situation has engendered a stronger undertone of confidence in trade channels. Sales of department stores, while reflecting a seasonal decline of 13 per cent as compared with the previous month,

were 6 per cent larger than in the same month of 1934, despite the fewer business days in June this year. Distribution of merchandise in wholesale channels was maintained at a level which compared favorably with a year ago, and the declines from the previous month registered in some lines were largely seasonal. Collections on accounts at both wholesale and retail establishments were well sustained for this season of the year. Debits to individual accounts at banks in principal cities reflected a decline of 2 per cent as compared with May, but were 2 per cent larger than in June, 1934.

Deposits of member banks in June rose to the highest level since February. The daily average of combined net demand and time deposits during June amounted to \$802,513,000, which was \$4,202,000 greater than in May, and \$90,336,000 above that in June last year. Federal Reserve Bank loans to member banks showed only minor fluctuations between June 15 and July 15, but there was a moderate increase in this bank's advances to established industrial and commercial businesses for working capital purposes and in its commitments to make such advances. Federal reserve notes in actual circulation rose from \$50,467,000 on June 15 to \$53,643,000 on July 15, and the latter figure compares with \$40,906,000 on the same date last year. The loans and investments of member banks in selected cities declined between June 12 and July 10.

The valuation of building permits issued at principal cities in this district reflected a further decline of 15 per cent in June, but the month's volume was 79 per cent larger than in June last year. The total for the first half of the current year exceeded that for the same period of 1934 by 109 per cent, and was the largest for any half-year period since 1931.

BUSINESS

Wholesale Trade

While wholesale trade activity in the Eleventh District followed a mixed trend during June, the demand for merchandise was generally well sustained. Contrary-to-seasonal increases were registered in the sales of farm implements and hardware, and the reductions which occurred in the other reporting lines were in large part accounted for by seasonal factors. Distribution in the lines of groceries, dry goods, and

farm implements was substantially larger than a year ago, and in the case of the other two lines there was only a small decline. Favorable weather conditions during recent weeks are reported to have resulted in a materially improved business sentiment in most sections of the district. While the collections of hardware and farm implement firms during June showed a gain over the preceding month, those of the other lines recorded decreases which were to some extent seasonal.

The distribution of dry goods at wholesale during June evidenced a decline of 8.6 per cent from the previous month, which was attributable in large part to seasonal influences. While aggregate sales reported during the first six months of this year were 7.4 per cent below those of the same period in 1934, the volume of June business was 2.4 per cent greater than that of the same month last year. Stocks on hand at mid-year were 1.5 per cent less than at the close of May, and 16.9 per cent smaller than on June 30, 1934. A seasonal decrease of 5.9 per cent was shown in the amount of collections during June.

The demand for groceries at wholesale slackened somewhat in June, partly because of the smaller number of business days during the month. Business was 1.4 per cent smaller than in May, but 12.7 per cent better than in the corresponding month a year ago. Total sales during the first half-year were 16.3 per cent in excess of the volume reported during the first half of 1934. Wholesale inventories reflected a further reduction of 4.7 per cent between May 31 and June 30. The month's collections fell slightly below those reported in May.

While there was a decrease of 21.6 per cent from May in the sales of reporting wholesale drug firms in this district last month, the reduction was due in part to seasonal factors and was to some extent accounted for by the substantial contrary-to-seasonal increase which was shown in the earlier month. June business was 2.0 per cent under that of a year ago, whereas a gain of 4.3 per cent over 1934 was registered during the first six months of this year. Collections declined seasonally in June, being 6.0 per cent smaller than in the preceding month.

A contrary-to-seasonal gain of 3.1 per cent over May occurred last month in the demand for hardware at wholesale. Despite this expansion, however, there was a slight decrease in sales as compared with June, 1934. Stocks at the close of June totaled somewhat less than either a month earlier or a year ago. There was an increase of 2.2 per cent in the volume of collections during the month as compared with May.

Contrary to the usual tendency in June, the sales of reporting wholesale farm implement firms showed a further substantial increase last month. Distribution was in 21.5 per cent larger volume than in May, and exceeded that of

June, 1934, by 96.1 per cent. Collections during the month reflected a large seasonal expansion over those in May.

CONDITION OF WHOLESALE TRADE DURING JUNE, 1935
Percentage of increase or decrease in—

	Net Sales June, 1935 compared with June, 1934		Net Sales Jan. 1 to date compared with same period last year		Stocks June, 1935 compared with June, 1934		Ratio of collec- tions during June to accounts and notes outstanding on May 31
	1934	1935	1934	1935	1934	1935	
Groceries.....	+12.7	-1.4	+16.3	+9.3	-4.7	78.5	
Dry goods.....	+2.4	-8.6	-7.4	-16.9	-1.5	33.1	
Farm implements..	+96.1	+21.5	+67.8	+16.4	-1.8	7.1	
Hardware.....	.8	+3.1	.8	-1.1	-1.7	50.3	
Drugs.....	-2.0	-21.6	+4.3	+4.7	+3.0	48.4	

Retail Trade

The business of department stores in principal cities of the Eleventh District held up well during June. Sales of reporting firms reflected a seasonal decline of 13.2 per cent from the previous month, but they exceeded those of the corresponding month of 1934 by 5.8 per cent. This increase is more significant when allowance is made for the fact that June, 1935, had one less business day than did June a year ago. The active demand for merchandise during June is further indicated by this bank's seasonally adjusted index of department store sales. The index stood at 80.5 per cent of the 1923-25 average in June, which was 5.2 points higher than a month earlier, and compares with 73.4 per cent in June, 1934. Distribution of merchandise during the first half of 1935 was 4.5 per cent greater than in the corresponding period of 1934.

The dollar volume of merchandise on hand June 30 at reporting firms was seasonally 9.2 per cent smaller than a month earlier, and a slight reduction of 0.6 per cent was reflected in the comparison with June 30, 1934. The rate of stock turnover during the first half of 1935 was 1.53, as compared with 1.51 in the same period last year.

Collections on both open and installment accounts evidenced a seasonal decline during June. The ratio of collections to open accounts outstanding on June 1 was 38.6 per cent, as against 40.7 per cent in May, and 38.4 per cent in June a year ago. Collections on installment accounts declined from 14.6 per cent in May to 13.8 per cent in June, and the latter figure compares with 14.4 per cent in June, 1934.

BUSINESS OF DEPARTMENT STORES

Total sales (percentage):	Dallas	Fort Worth	Houston	San Antonio	Others	Total District
June, 1935, compared with June, 1934.....	+11.0	+8.4	-4.3	+8.1	+4.0	+5.8
June, 1935, compared with May, 1935.....	-12.7	-17.9	-12.3	-13.8	-11.0	-13.2
January 1 to date compared with same period last year.....	+9.0	+2.4	-2.6	+6.7	+3.6	+4.5
Credit sales (percentage):						
June, 1935, compared with June, 1934.....	+15.5	+15.6	-4.4	+10.7	+6.1	+9.4
June, 1935, compared with May, 1935.....	-11.2	-20.8	-12.1	-10.5	-12.9	-12.9
January 1 to date compared with same period last year.....	+12.9	+6.8	+2.5	+9.7	+6.1	+8.7
Stocks on hand at end of month (percentage):						
June, 1935, compared with June, 1934.....	+.2	-5.0	-1.4	+4.5	-1.1	-.6
June, 1935, compared with May, 1935.....	-10.7	-7.5	-11.3	-8.0	-7.7	-9.2
Stock turnover (rate):						
Rate of stock turnover in June, 1934.....	.25	.19	.25	.29	.20	.24
Rate of stock turnover in June, 1935.....	.27	.21	.24	.29	.21	.25
Rate of stock turnover January 1 to June 30, 1934.....	1.67	1.25	1.53	1.84	1.26	1.51
Rate of stock turnover January 1 to June 30, 1935.....	1.75	1.28	1.44	1.73	1.31	1.53
Ratio of June collections to open accounts receivable outstanding June 1, 1935.....	38.6	34.5	40.5	42.9	37.2	38.6
Ratio of June collections to installment accounts receivable outstanding June 1, 1935.....	14.6	9.3	.....	17.9	18.4	13.8
Indexes of department store sales:						
Unadjusted—May, 1935.....	79.7	88.5	80.3	70.8	.....	78.3
Unadjusted—June, 1935.....	74.8	79.2	76.4	69.4	.....	74.1
Adjusted—May, 1935.....	82.2	88.5	80.3	66.8	.....	75.3
Adjusted—June, 1935.....	86.0	84.3	72.1	70.8	.....	80.5
Indexes of department store stocks:						
Unadjusted—May, 1935.....	54.5	68.7	49.5	48.1	.....	58.8
Unadjusted—June, 1935.....	48.6	63.6	42.9	42.3	.....	53.1
Adjusted—May, 1935.....	53.4	68.0	48.5	48.6	.....	58.2
Adjusted—June, 1935.....	50.6	66.9	47.7	48.1	.....	56.5

Commercial Failures

Both the business mortality rate and the combined liabilities of defaulting firms in this district reflected a further decline

in June as compared with the previous month, but they continued to be somewhat higher than in the corresponding month last year. Commercial failures during June, as reported by Dun & Bradstreet, Inc., totaled 21, which com-

pared with 30 in May, and 17 in the same month a year ago. Their indebtedness amounted to \$320,409, as against \$334,699 in the preceding month and \$288,909 in June, 1934. While there were slightly more insolvencies reported in the first half of the current year than in the same period in 1934, the total amount of indebtedness involved was substantially smaller.

AGRICULTURE*Crop Conditions*

The heavy rains during the first half of June provided good moisture supplies in practically all sections of the district,

except a few counties in the extreme western portion of Texas and in portions of southern New Mexico. While there is still a deficiency in moisture in these areas, conditions are greatly improved. Although floods did considerable damage in some sections, the Department of Agriculture, in its July 1 report, indicated that production will be much larger than a year ago. The Department stated that, with the exception of wheat and Irish potatoes, the acreages of the various crops in Texas are greater than were grown in 1934. Likewise, the July 1 estimates of total production and per acre yields were larger than last year's harvest. An increased production of most crops for other states attached to this district was also forecast by the Department's July 1 report.

The indicated production of winter wheat in this district was increased somewhat during the past month. The Department of Agriculture estimated the Texas crop at 10,010,000 bushels on July 1, as compared with 9,184,000 bushels on June 1, and a harvest of 25,749,000 bushels in 1934. The Oklahoma crop estimate was increased 3,427,000 bushels and the current forecast is approximately the same as last year's production. The oat crop was damaged considerably by the June rains, yet the indicated production on July 1 was materially larger than last year's crop. The Texas crop was estimated at 40,181,000 bushels, whereas only 32,466,000 bushels were harvested in 1934. The estimated production of oats in other states attached to this district is practically double that of a year ago.

Weather conditions generally have been favorable for the growing and maturity of feed crops and present indications point toward abundant supplies in most sections of the district. The Department of Agriculture estimated the Texas corn crop at 108,471,000 bushels, as compared with last year's production of 45,873,000 bushels. If the current estimate materializes, it will be the largest amount harvested since 1921, and there have been only two years during the period when the per acre yield has equaled or exceeded this year's estimate of 19 bushels. The indicated production of corn in other states attached to this district is likewise considerably greater than the 1934 crop. The July 1 estimate of tame hay in Texas was placed at 598,000 tons, as against only 379,000 tons produced last year. A production of 221,000 tons of wild hay was forecast for this year, whereas 130,000 tons were harvested in 1934. While the production of hay was also larger than a year ago in other states, the largest increase occurred in Oklahoma and Arizona. Commercial reports indicate that the production of forage crops has been heavy in the eastern half of the district and that grain sorghums have made a good start in west and northwest Texas.

The Department of Agriculture reported that the area of cotton in cultivation in Texas on July 1 was 11,357,000

acres, or an increase of 5 per cent over that a year earlier. The report stated that while all sections registered some increase in acreage, the smaller increases occurred in East Texas, the Edwards Plateau area, and in extreme South Texas. The acreage was increased 10 per cent in Louisiana and New Mexico and 12 per cent in Arizona, but there was a decrease of 7 per cent in Oklahoma. Since the middle of June the weather has been generally favorable for cultivation and crop growth. Farmers have been able to rid the fields of weeds and grass and the crop in most sections is in a good state of cultivation. While much of the crop is considerably later than usual, plants generally have made good growth in recent weeks. Picking has begun in South Texas.

The acreage of the Irish potato crop in Texas was reported by the Department of Agriculture to be unchanged from last year, but the estimated production was placed at 3,240,000 bushels, as compared with a production of 3,780,000 bushels in 1934. A smaller outturn was also forecast for Oklahoma and Louisiana. A substantial increase in production of sweet potatoes was indicated for Texas, Louisiana, and Oklahoma. The July 1 condition of peanuts in Texas was considerably better than a year ago, but it was less favorable in Oklahoma and Louisiana. The acreage and prospective production of rice in Texas was reported to be larger than a year ago. The yield of fruit crops generally is considerably better than last year.

Livestock

A further substantial improvement in the condition of ranges and livestock in this district was in evidence during the past month. The Department of Agriculture reported that ranges are now in good condition for the greater part of Texas, and prospects for summer ranges are good for the State as a whole. More rain would be very beneficial in portions of the Northwest and Trans-Pecos regions of Texas, most of the southern half of New Mexico, and southeastern Arizona. Livestock generally have made good gains and are now in good condition except in the driest areas.

The condition of cattle ranges in Texas, as reported by the Department of Agriculture, rose to 86 per cent of normal on July 1, as compared with 79 per cent on June 1, and 62 per cent on the same date last year. Sheep and goat ranges, which averaged 89 per cent of normal condition on July 1, were 10 points higher than a month earlier, and 25 points above that obtaining a year ago. The condition of cattle was reported as 84 per cent, representing a rise of 7 points in June and 13 points from that on July 1, 1934. Sheep and goats improved 5 points in June and on July 1 the condition figures were 12 points and 11 points, respectively, higher than on the same date last year. The condition of ranges and livestock in Arizona and ranges in New Mexico remained unchanged during June, but livestock in the latter state showed an improvement. Conditions in these states, however, are much better than a year ago.

Movements and Prices

The June receipts of all classes of livestock at the Fort Worth market were substantially lower than in the previous month and the arrivals of hogs continued sharply below those in the corresponding month last year. On the other hand, the receipts of cattle, calves, and sheep again exceeded those in June, 1934, and the totals for the half year were larger than in the same period of the preceding year.

The market on practically all classes of cattle reflected

FORT WORTH LIVESTOCK RECEIPTS
(Number)

	June 1935	June 1934	Change over year	May 1935	Change over month
Cattle.....	68,651	59,491	+ 9,160	75,182	- 6,531
Calves.....	22,189	19,614	+ 2,575	25,467	- 3,278
Hogs.....	12,909	31,733	-18,824	20,533	- 7,624
Sheep.....	109,980	63,774	+46,206	148,174	-38,194

a downward trend during the past thirty days. Hog prices showed a substantial decline during the last half of June and toward the end of the month the best offerings were selling under \$9.00. However, the market turned upward in the first half of July and around the middle of the month prices reached a new high for the year. Sheep and lamb prices tended toward lower levels.

COMPARATIVE TOP LIVESTOCK PRICES
(Dollars per hundredweight)

	June 1935	June 1934	May 1935
Beef steers.....	\$10.50	\$ 8.00	\$10.75
Stocker steers.....	7.60	4.50	7.50
Heifers and yearlings.....	10.10	7.00	12.50
Butcher cows.....	7.00	3.65	8.00
Stocker cows.....	.....	.....	3.25
Calves.....	7.75	5.00	8.65
Hogs.....	9.70	4.85	9.65
Sheep.....	4.50	3.50	5.00
Lams.....	7.50	8.00	8.00

FINANCE**Operations of the Federal Reserve Bank**

Member bank borrowings from the Federal Reserve Bank reflected little variation during the past month, the total on July 15 being \$383,000 as compared

with \$389,000 a month earlier, and \$439,000 a year ago. There were 23 banks indebted to the Federal Reserve Bank on July 15 as compared with 20 banks on June 15, and 18 banks on July 15, 1934. Investments of this bank in United States securities amounted to \$76,475,000 at the middle of July, which was \$5,000,000 greater than a month earlier or a year ago. The reserve deposits of member banks showed considerable fluctuation during the month, but the total of \$113,050,000 on July 15 was only \$750,000 greater than at the middle of June, and \$1,734,000 lower than on the corresponding date last year. Federal reserve notes in actual circulation rose from \$50,467,000 on June 15 to \$53,643,000 on July 15, and on the latter date were \$12,737,000 greater than on July 15, 1934.

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

	July 15, 1935	July 15, 1934	June 15, 1935
Total cash reserves.....	\$105,403	\$ 94,254	\$101,077
Discounts for member banks.....	383	439	389
Industrial advances.....	1,854	None	1,781
Bills bought in the open market.....	122	142	122
United States securities owned.....	76,475	71,475	71,475
Other investments.....	None	None	None
Total earning assets.....	78,834	72,056	73,767
Member bank reserve deposits.....	113,050	114,784	112,300
Federal reserve notes in actual circulation...	53,643	40,906	50,467

Condition of Member Banks in Selected Cities

The deposits of member banks in selected cities reflected a further increase between June 12 and July 10, but there was a decline in loans and investments.

The net demand deposits of these banks reached a new high level at \$333,084,000 on July 10, the total being \$7,554,000 greater than four weeks earlier, and \$62,546,000 larger than on the corresponding date last year. Their time deposits declined \$343,000 during the four-week period and were \$1,540,000 lower than a year earlier. Holdings of United States securities on July 10 were \$150,153,000 as compared with \$166,311,000 on June 12, and \$177,836,000 on July 11, 1934. While investments in other stocks and bonds declined \$667,000 during the four-week period, the total on July 10 was \$28,520,000 larger than a year ago.

Loans on securities reflected a further decline of \$168,000 during the four-week period ending July 10 and on that date were \$16,414,000 lower than on the corresponding date in 1934. "All other" loans (largely commercial) showed a recession of \$3,656,000 between June 12 and July 10, but on the latter date were \$8,180,000 greater than a year earlier. Their reserve deposits with the Federal Reserve Bank increased \$7,498,000 during the four-week period.

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

	July 10, 1935	July 11, 1934	June 12, 1935
United States securities owned.....	\$150,153	\$177,836	\$166,311
All other stocks, bonds, and securities owned.....	79,667	51,147	80,334
Loans on securities.....	42,271	58,685	42,439
All other loans.....	132,950	124,770	136,606
Total loans.....	175,221	183,455	179,045
Net demand deposits.....	333,084	270,538	325,530
Time deposits.....	122,969	124,509	123,312
Reserve with Federal Reserve Bank.....	75,566	73,480	68,068
Bills payable and rediscounts with Federal Reserve Bank.....	None	None	None

Deposits of Member Banks

Despite the fact that time deposits at both reserve city and country banks were smaller in June than in May, the combined daily average of net demand and time deposits reflected a substantial gain. The major portion of the increase in net demand deposits occurred at banks located in reserve cities. The combined daily average in June, which amounted to \$802,513,000, was \$4,202,000 greater than in the preceding month, and \$90,336,000 higher than that of the corresponding month last year.

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

	Combined Total		Reserve City Banks		Country Banks	
	Net demand deposits	Time deposits	Net demand deposits	Time deposits	Net demand deposits	Time deposits
June, 1934.....	\$519,465	\$192,712	\$256,456	\$109,597	\$263,009	\$83,115
July, 1934.....	521,333	197,600	255,210	112,632	266,123	85,058
Aug., 1934.....	527,054	196,825	260,061	111,551	266,993	85,274
Sept., 1934.....	557,318	194,215	275,831	109,110	281,487	85,159
Oct., 1934.....	583,558	194,618	287,250	109,459	296,308	85,430
Nov., 1934.....	596,441	196,512	292,685	111,082	303,756	83,750
Dec., 1934.....	597,645	195,380	286,965	111,630	310,680	83,181
Jan., 1935.....	590,459	196,436	279,110	113,255	311,349	84,589
Feb., 1935.....	609,125	197,155	289,957	112,586	319,168	84,375
Mar., 1935.....	605,672	193,394	294,281	112,019	311,391	81,597
April, 1935.....	606,348	193,849	299,163	112,252	307,185	81,597
May, 1935.....	603,787	194,524	296,770	113,128	307,017	81,396
June, 1935.....	609,260	193,253	300,625	112,838	308,635	80,415

Debits to Individual Accounts

The volume of debits to individual accounts during June at banks in leading centers of the Eleventh Federal Reserve District amounted to \$592,726,000, as against \$605,449,000 in May, and \$579,075,000 in the corresponding month in 1934. The decline from the previous month was 2.1 per cent and the gain over a year ago

amounted to 2.4 per cent. While the latter percentage represents the least favorable such comparison reported in two years, it should be recalled that a substantial non-seasonal increase was witnessed in June last year. Five cities last month reported gains over both comparative months.

Acceptance Market

A larger decrease from the previous month than is usual at this season was shown in the amount of bank acceptances executed in this district and outstanding at the close of June. The total reported was \$927,553, which compares with \$1,980,543 on May 31, and \$160,330 on the last day of June, 1934. The reduction from May occurred in the volume of acceptances based on the domestic shipment and storage of goods, as those executed against import and export transactions increased further from \$178,467 in the earlier month to \$221,186 on June 30.

Savings Deposits

An increase from \$150,461,813 on May 31 to \$153,054,593 on June 30 was reflected in the combined savings deposits of 124 banks in the Eleventh Federal Reserve District, and the latter figure compares with a total of \$139,546,620 on the corresponding date last year. The gain over the previous month amounted to 1.7 per cent, and that over a year ago to 9.7 per cent. As was the case both at the close of April and on the last day of May, all reporting cities participated in the expansion over the same date in 1934.

DEBITS TO INDIVIDUAL ACCOUNTS
(In thousands of dollars)

	June 1935	June 1934	Percentage change over year	May 1935	Percentage change over month
Ablene.....	\$ 4,987	\$ 4,889	+ 2.0	\$ 5,152	- 3.2
Austin.....	27,580	18,774	+46.9	29,932	- 7.9
Beaumont.....	17,203	16,922	+ 1.7	18,654	- 7.8
Corsicana.....	2,219	2,175	+ 2.0	2,129	+ 4.2
Dallas.....	153,957	166,229	- 7.4	159,694	- 3.6
El Paso.....	19,593	16,747	+17.0	19,819	- 1.1
Fort Worth.....	65,893	61,801	+ 6.6	63,654	+ 3.5
Galveston.....	20,951	19,519	+ 7.3	18,911	+10.8
Houston.....	142,881	141,151	+ 1.2	144,138	- .9
Port Arthur.....	5,791	5,303	+ 9.2	5,857	- 1.1
Roswell.....	2,507	2,289	+ 9.5	2,335	+ 7.4
San Antonio.....	55,374	48,887	+13.3	58,024	- 4.6
Shreveport.....	25,737	28,843	-10.8	29,021	-11.3
Texarkana*.....	5,637	4,811	+17.2	4,809	+17.2
Tucson.....	8,882	8,140	+ 9.1	9,351	- 5.0
Tyler.....	11,435	9,785	+16.9	11,482	- .4
Waco.....	10,293	10,116	+ 1.7	10,536	- 2.3
Wichita Falls.....	11,806	12,694	- 7.0	11,951	- 1.2
Total.....	\$592,726	\$579,075	+ 2.4	\$605,449	- 2.1

*Includes the figures of 2 banks in Texarkana, Arkansas, located in the Eighth District.

SAVINGS DEPOSITS

	Number of reporting banks	June 30, 1935		June 30, 1934		Percentage change over year in savings deposits	May 31, 1935		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	8,943	\$ 3,599,764	8,429	\$ 3,368,166	+ 6.9	8,928	\$ 3,545,629	+ 1.5
Dallas.....	9*	77,044	25,768,879	74,966	24,580,639	+ 4.8	77,012	25,248,080	+ 2.0
El Paso.....	2	12,195	5,724,224	10,812	4,660,073	+22.8	12,188	5,594,265	+ 2.3
Fort Worth.....	3	34,726	11,364,595	33,123	10,293,725	+10.4	34,661	11,101,064	+ 2.4
Galveston.....	4	16,840	10,246,327	16,670	9,732,645	+ 5.3	16,930	10,113,451	+ 1.3
Houston.....	11*	66,414	31,798,990	66,881	28,699,595	+10.8	66,072	31,193,676	+ 1.9
Port Arthur.....	2	5,293	2,109,619	5,078	1,889,895	+11.6	5,244	2,074,379	+ 1.7
San Antonio.....	6*	17,582	16,548,668	16,215	14,722,213	+12.4	17,473	16,271,220	+ 1.7
Shreveport.....	3	22,234	10,479,577	23,050	10,043,112	+ 4.3	22,269	10,616,912	- 1.3
Waco.....	3	10,879	6,527,645	10,502	6,071,140	+ 7.5	10,883	6,449,361	+ 1.2
Wichita Falls.....	3	6,069	3,063,526	5,743	2,863,633	+ 7.0	6,082	2,981,016	+ 2.8
All others.....	75*	50,383	25,829,779	48,329	22,621,784	+14.2	51,094	25,272,760	+ 2.2
Total.....	124	328,611	\$153,054,593	319,798	\$139,546,620	+ 9.7	328,836	\$150,461,813	+ 1.7

*Only 8 banks in Dallas, 10 in Houston, 5 in San Antonio, and 67 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.....	3-7	5-8	3-7	4-7	6-7	3-6
Rate charged on loans to other banks secured by bills receivable.....	4-5	.....	3-6	5-6	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	.....	4-7	4-7	6-8	6-8
Time.....	6	8	4-7	4-7	6-7	6-8
Rate charged on commodity paper secured by warehouse receipts, etc.....	4	7-8	6-8	3-7	6-8	5-6
Rate on cattle loans.....	6-8	6-8	6-10	7-10	6-10	8

Cottonseed Products

The receipts of cottonseed at oil mills in both Texas and the United States during June were in larger volume than those a month earlier, but they continued in much smaller volume than a year ago. Crushings of seed at Texas mills also showed an increase over May, while at all domestic mills a decline was evidenced. The production of cottonseed products during the past month evidenced a further seasonal recession, and continued smaller than in the same month of

1934. Operations of oil mills during the eleven months of the current season were far below those of the corresponding period of the previous season, with the exception of the output of linters at all United States mills. Holdings of cottonseed at crushing establishments on June 30 were seasonally smaller than a month earlier, and materially below those on the same date a year ago. Stocks of all classes of cottonseed products reflected the usual seasonal decline on June 30, but the supplies of cake and meal, and hulls were

larger than on the corresponding date a year ago.

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).....	719,382	1,327,294	3,385,718	4,116,328
Cottonseed crushed (tons).....	805,604	1,310,677	3,481,539	4,056,212
Cottonseed on hand June 30 (tons).....	16,439	115,403	126,840	280,537
Crude oil produced (pounds).....	231,772,769	385,640,713	1,087,519,795	1,271,241,475
Cake and meal produced (tons).....	381,889	611,221	1,585,233	1,842,807
Hulls produced (tons).....	214,889	357,953	895,025	1,078,453
Linters produced (running bales).....	171,694	225,427	788,134	781,235
Stocks on hand June 30:				
Crude oil (pounds).....	3,936,588	11,306,059	18,474,064	26,965,149
Cake and meal (tons).....	33,853	29,620	224,849	175,441
Hulls (tons).....	19,987	17,255	91,915	43,174
Linters (running bales).....	26,970	29,230	98,972	108,197

Textile Milling

Although the domestic consumption of cotton during June reflected a much larger decline from May than is usual

for that month, an increase was registered over the corresponding month of 1934 following three consecutive months of declines. Consumption in June totaled 385,946 bales as compared with 469,250 bales in May, and 363,262 bales in June, 1934. Total consumption of domestic cotton during the eleven months of the current season ended June 30 amounted to 4,952,067 bales, which compares with 5,340,302 bales in the corresponding period of the previous season. Stocks of cotton held by consuming establishments on June 30 were seasonally smaller than a month earlier, and continued substantially below those on the same date a year ago.

The consumption of cotton at reporting Texas textile mills during June reflected a moderate increase over the previous month, but was considerably less than a year ago. The production of cotton cloth at these mills, while below that in June, 1934, was above the output in May this year. Orders for finished products and stocks of goods on hand June 30 reflected substantial declines from both comparative months.

COTTON CONSUMED AND ON HAND (Bales)

	June 1935	June 1934	August 1 to June 30	
			This season	Last season
Cotton-growing states:				
Cotton consumed.....	313,512	292,576	3,976,222	4,260,027
On hand June 30 in—				
Consuming establishments.....			680,659	1,015,835
Public storage and compresses.....			5,922,454	5,681,112
United States:				
Cotton consumed.....	385,946	363,262	4,952,067	5,340,302
On hand June 30 in—				
Consuming establishments.....			882,947	1,326,089
Public storage and compresses.....			6,077,634	5,984,939

Cotton Movements

Exports of cotton through the ports of Houston and Galveston evidenced the usual seasonal decline during June, and while total shipments from Galveston were materially smaller than in June a year ago, they were only slightly smaller at Houston. Receipts of cotton continued unusually low, being seasonally smaller than a month earlier and substantially smaller than in the same month of 1934. Stocks of cotton held at these ports on June 30 were less than a month earlier, and remained far below those held on the same date last year.

Notwithstanding a decline as compared with the like month of 1934, a noticeable improvement was witnessed in the total exports of cotton from all United States ports during the past month. There were 344,955 bales of cotton exported in June, as compared with 278,977 bales in May, and 459,226 bales in June, 1934. Exports during the eleven months of the present season totaled 4,518,717 bales, which is 37.5 per cent smaller than in the same period of the previous season. The Department of Agriculture reports, however, that the foreign consumption of American cotton has been considerably higher this year than exports, and as a result stocks of American cotton in foreign countries are much lower than at this time last year.

COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON (Bales)

	June 1935	June 1934	August 1 to June 30	
			This season	Last season
Receipts.....	13,380	44,439	936,563	2,214,048
Exports.....	74,260	139,118	1,189,732	2,096,053
Stocks, June 30.....			258,324	552,962

COTTON—GALVESTON STOCK STATEMENT (Bales)

	June 30, 1935	June 30, 1934
For Great Britain.....	1,400	300
For France.....	700	200
For other foreign ports.....	15,000	32,400
For coastwise ports.....	1,000	1,500
In compresses and depots.....	240,224	518,562
Total.....	258,324	552,962

COTTON MOVEMENTS THROUGH THE PORT OF HOUSTON (Bales)

	June 1935	June 1934	August 1 to June 30	
			This season	Last season
Receipts.....	10,249	31,749	1,076,449	2,228,449
Exports.....	133,336	136,163	1,429,812	2,440,401
Stocks, June 30.....			394,852	899,297

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

	August 1 to June 30	
	This season	Last season
Receipts.....	4,374,576	7,615,606
Exports: United Kingdom.....	707,787	1,226,462
France.....	353,201	704,382
Italy.....	454,785	628,678
Germany.....	319,391	1,274,139
Other Europe.....	836,474	988,654
Japan.....	1,467,902	1,772,427
All other countries.....	379,177	633,853
Total foreign ports.....	4,518,717	7,228,595
Stocks held at all United States ports, June 30.....	1,296,345	2,555,120

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

	June, 1935		July 15, 1935
	High	Low	
New York.....	12.20	11.50	12.40
New Orleans.....	12.20	11.60	12.25
Dallas.....	11.80	11.20	11.95
Houston.....	12.05	11.60	12.05
Galveston.....	12.05	11.50	12.15

Petroleum

The output of crude oil in the Eleventh District during June, which amounted to 33,822,000 barrels, reflected a decline of 549,250 barrels as compared with May, and was 213,000 barrels under the production reported in the corresponding month last year. However, all sections of the district with the exception of North Texas and North Louisiana showed an increase over the previous month in daily average production. There were fewer new wells completed during the month and drilling operations were relatively less successful than in the preceding month, as evidenced by the fact that 714 oil producers were reported among the total of 978 wells completed in June and they had an initial yield of 2,571,209 barrels, whereas 764 of the 1,005 new wells reported in May were successful and their combined flush production amounted to 2,975,328 barrels.

Texas fields registered an increase of 16,900 barrels in daily yield, the June average amounting to 1,051,600 barrels. This figure compares with 1,034,700 barrels in the previous month, and 1,061,200 barrels in the same month last year. While East Texas accounted for the major part of the expansion over May, this area was the only one to show a large decline from a year ago. The daily average output of

fields in New Mexico rose from 50,950 barrels in May to 52,950 barrels in June; in North Louisiana it was reduced from 23,100 barrels in the earlier month to 22,850 barrels in the latter month.

JUNE DRILLING RESULTS

	Com-pletions	Pro-ducers	Gas Wells	Fail-ures	Initial production
North Texas.....	196	115	4	77	23,639
Central West Texas.....	90	52	5	33	21,969
East Texas.....	413	390	1	22	2,417,740
South Texas.....	152	73	2	77	29,372
Texas Coastal.....	88	63	3	22	25,960
Total Texas.....	939	693	15	231	2,518,680
New Mexico.....	19	17	1	1	52,205
North Louisiana.....	20	4	7	9	324
June totals, district.....	978	714	23	241	2,571,209
May totals, district.....	1,005	764	19	222	2,975,328

CRUDE OIL PRICES

	July 12, 1935	July 13, 1934
Texas Coastal (34 gr. and above).....	\$1.12	\$1.12
North Texas (40 gr. and above).....	1.03	1.03
North Louisiana (40 gr. and above).....	1.08	1.08

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

OIL PRODUCTION—(Barrels)

	June, 1935		Increase or decrease over May, 1935	
	Total	Daily Avg.	Total	Daily Avg.
North Texas.....	3,519,000	117,300	-238,200	- 3,900
Central West Texas.....	5,380,500	179,350	- 97,200	+ 2,650
East Texas.....	15,345,500	511,550	- 80,650	+13,900
South Texas.....	1,822,500	60,750	-31,300	+ 950
Texas Coastal.....	5,479,500	182,650	- 80,350	+ 3,300
Total Texas.....	31,548,000	1,051,600	-527,700	+16,900
New Mexico.....	1,888,500	52,950	+ 9,050	+ 2,000
North Louisiana.....	685,500	22,850	- 30,900	- 250
Total District.....	33,822,000	1,127,400	-549,250	+18,650

Building

While the total valuation of construction permits issued during June at fourteen leading cities in this district was 15.2 per cent smaller than in the preceding month, an expansion of 79.3 per cent was reflected as compared with the same month last year. The month's volume amounted to \$1,959,451, which compares with \$2,311,945 in May, and \$1,092,754 in June, 1934. All except three of the reporting cities participated in the gain over a year ago.

BUILDING PERMITS

	June, 1935		June, 1934		Percentage change valuation over year	May, 1935		Percentage change valuation over month	January 1 through June 30				Percentage change valuation over period
	No.	Valuation	No.	Valuation		No.	Valuation		1935		1934		
									No.	Valuation	No.	Valuation	
Amarillo.....	31	\$ 22,803	54	\$ 23,575	- 3.3	27	\$ 25,211	- 9.6	159	\$ 128,437	145	\$ 166,605	- 22.9
Austin.....	156	319,460	79	65,697	+386.3	158	658,030	- 51.5	862	3,404,333	428	336,642	+911.3
Beaumont.....	104	43,261	91	19,889	+117.5	115	61,843	- 30.0	677	251,597	505	120,608	+108.6
Corpus Christi..	48	35,180	25	28,361	+ 24.0	76	72,275	- 65.2	328	249,645	141	164,215	+ 52.0
Dallas.....	349	272,539	391	187,723	+ 45.2	433	304,105	- 10.4	2,374	1,697,173	2,328	1,256,212	+ 35.1
El Paso.....	44	96,296	38	9,281	+937.6	56	24,747	+289.1	279	828,193	222	129,810	+538.0
Fort Worth.....	122	192,703	78	84,770	+127.3	142	115,200	+ 67.3	655	1,381,150	475	400,840	+244.6
Galveston.....	100	27,958	121	134,838	- 79.3	120	43,811	- 36.2	643	387,906	708	312,159	+ 24.3
Houston.....	234	551,115	186	368,745	+ 49.5	301	644,974	- 14.6	1,497	2,983,051	1,090	2,609,460	+ 14.3
Port Arthur.....	86	89,616	64	9,741	+820.0	76	29,057	+208.4	433	223,432	260	72,109	+209.9
San Antonio.....	322	119,616	151	82,923	+ 44.2	524	201,991	- 40.8	4,617	1,200,481	807	391,719	+206.5
Shreveport.....	111	118,804	157	49,095	+142.0	130	72,417	+ 64.1	821	633,308	899	387,031	+ 63.6
Waco.....	21	54,773	12	11,287	+385.3	27	38,567	+ 42.0	161	232,002	112	175,255	+ 32.4
Wichita Falls...	45	15,327	232	16,829	- 8.9	16	19,717	- 22.3	173	182,252	362	77,485	+135.2
Total.....	1,773	\$1,959,451	1,679	\$1,092,754	+ 79.3	2,201	\$2,311,945	- 15.2	13,679	\$13,782,960	8,482	\$ 6,600,130	+108.8

Cement

There was a reduction in activity at Portland cement mills in Texas during June. After three consecutive monthly increases, the volume of production declined from 355,000 barrels in May to 275,000 barrels in the subsequent month. The latter figure was 27.1 per cent less than the amount produced in June, 1934. Shipments, decreasing by a smaller margin, amounted to 313,000 barrels in June, as compared with 340,000 barrels in the preceding month, and 339,000 barrels in the same month last year. Stocks on hand at the close of the month totaled 651,000 barrels, being 5.4 per cent under those on

hand a month earlier, but 9.4 per cent greater than a year ago.

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

	June 1935	Percentage change over		January 1 through June 30, 1935	Percentage change over year
		June 1934	May 1935		
Production at Texas mills.....	275	-27.1	-22.5	1,770	- 8.6
Shipments from Texas mills....	313	- 7.7	- 7.9	1,780	- 6.0
Stocks at end of month at Texas mills.....	651	+ 9.4	- 5.4	.....	.....

SUMMARY OF NATIONAL BUSINESS CONDITIONS

(Compiled by the Federal Reserve Board as of July 25, 1935)

Factory production declined seasonally in June, while output of mines increased. Employment and payrolls at factories showed more than seasonal declines. There was little change in the average level of wholesale prices, and a decrease in retail food prices.

PRODUCTION AND EMPLOYMENT

Daily average output at factories, according to the Federal Reserve Board's production index, declined by about the usual seasonal amount during June. Output of mines increased, and the Board's combined index of industrial production, which is adjusted for usual seasonal changes, advanced from 85 per cent of the 1923-1925 average in May to 86 per cent in June. Daily average output of automobiles and lumber increased in June, while activity at cotton mills, shoe factories, and meat packing establishments declined. Activity at steel mills declined seasonally during June, but according to trade reports, increased after the first week of July. There were sharp increases in the production of anthracite and bituminous coal during June and output of crude petroleum was also larger than in May. Factory employment and payrolls decreased between the middle of May and the middle of June. More than seasonal declines in employment were reported by producers of automobiles, clothing, shoes, and cotton fabrics, and employment at lumber mills also decreased, while the number of workers at woolen mills increased. In most other manufacturing industries changes in employment from May to June were largely seasonal in character. Employment and payrolls at mines increased considerably. Daily average construction contracts awarded, according to reports of the F. W. Dodge Corporation, were larger in value in June and the first half of July than in May. Awards of residential building contracts were twice as large as a year ago, while contracts for public projects continued smaller than last year. The Department of Agriculture's July 1 estimates forecast corn and wheat crops larger than a year ago, but smaller than the five-year average for 1928-1932. Acreage of cotton in cultivation on

July 1 was reported as about 5 per cent larger than at the same time last year.

DISTRIBUTION

Daily average loadings of freight on railroads increased during June, reflecting larger shipments of coal. Daily average value of department store sales showed little change from May to June, when a decline is usual, and the Board's seasonally adjusted index advanced from 76 per cent of the 1923-1925 average to 80 per cent.

COMMODITY PRICES

Wholesale prices of farm products and foods declined during June, while the prices of other commodities as a group showed little change. Retail prices of food, which had increased sharply in the two years ending last April, according to the index of the Bureau of Labor Statistics, declined somewhat in May and June.

BANK CREDIT

Member bank reserve balances with the Federal Reserve banks and excess reserves showed declines for the four weeks ending July 17, reflecting in large measure an increase in the balance of the Treasury with the Federal Reserve banks following a sale of Treasury notes. Total loans and investments of reporting banks in leading cities increased by \$260,000,000 during the five-week period ending July 17. Subscriptions by reporting banks to new security offerings by the Treasury exceeded retirement of bonds held by these banks, and consequently their holdings of direct obligations of the United States increased by \$200,000,000. Holdings of other securities increased by \$125,000,000, while loans declined by \$60,000,000. Government deposits with these banks were reduced by over \$200,000,000, while other deposits, exclusive of interbank balances, showed an increase of a similar amount. Yields on government securities declined slightly during this period, while other short-term open-market money rates remained at low levels.