

MONTHLY BUSINESS REVIEW

OF THE

FEDERAL RESERVE BANK OF DALLAS

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(Compiled March 15, 1932)

Volume 17, No. 2

Dallas, Texas, April 1, 1932

This copy is released for publication in morning papers— March 30

DISTRICT SUMMARY

THE SITUATION AT A GLANCE Eleventh Federal Reserve District

	February 1932	Change From January
Bank debits to individual accounts (at 17 cities).....	\$504,572,000	— 15.4%
Department store sales.....		+ 11.2%
Reserve bank loans to member banks at end of month.....	\$ 14,872,813	— 1.4%
Reserve bank ratio at end of month.....	56.6%	— 1.9 points
Building permit valuation at larger centers.....	\$ 1,566,729	— 6.0%
Commercial failures (number).....	121	— 32.0%
Commercial failures (liabilities).....	\$ 2,567,674	— 36.6%
Oil production (barrels).....	25,876,700	— 8.7%

A stronger demand for merchandise in both wholesale and retail channels of distribution was in evidence in the Eleventh Federal Reserve District during the past month. Sales of department stores in larger cities reflected a gain of 11 per cent over the previous month, and while 22 per cent below those of a year ago, they showed a much better comparison than in January. This bank's index of department store sales, adjusted for seasonal variation, rose from 65.8 in January to 73.8 in February. Distribution of merchandise at wholesale reflected more than the usual seasonal increase and comparisons with a year ago were much more favorable than in the previous month. There has been a gradual strengthening of sentiment and it is being reflected in better consumer buying. Retailers, however, show no disposition to make purchases beyond immediate needs. Collections continue generally slow.

Financial operations reflected no significant changes. Federal Reserve Bank loans to member banks, which

amounted to \$14,020,000 on March 15, were slightly lower than a month earlier, but considerably larger than on the corresponding date last year. The daily average of combined net demand and time deposits of member banks totaled \$665,682,000 during February as compared with \$664,954,000 in January, and \$813,053,000 in February, 1931. The loans, investments, and deposits of reserve city banks were somewhat lower on March 9 than on February 10. Subscriptions to the 3½ and 3¾ per cent Treasury Certificates of Indebtedness, dated March 15, amounted to \$55,023,000 against which allotments of \$19,245,500 were made.

Farm work, which had been retarded considerably during the first six weeks of the year, proceeded fairly satisfactorily during the latter part of February and early March, yet there is still much land which is not prepared for spring planting. This situation was aggravated during the past ten days when severe freezes damaged considerably early planted crops. Fruit and truck crops likewise suffered much injury. Although considerably behind schedule, farmers should be able to overcome this handicap in a short time in the event favorable weather prevails. A good season obtains in all sections of the district. Ranges and livestock showed a noticeable improvement in February and while ranges were set back by the March freezes, livestock generally held up well.

The valuation of building permits issued at principal cities amounted to \$1,566,729 which was 6 per cent less than in January, and 59 per cent below February, 1931. Production of cement declined to a new low level but shipments were larger than in the previous month.

BUSINESS

Wholesale Trade

A general improvement in distribution of merchandise at wholesale was in evidence during the past month. In four

reporting lines of trade sales were larger than in the previous month, and the declines in all reporting lines as compared with the corresponding month a year ago were smaller in February than in January. While the increased distribution was attributable in part to the necessitous buying following the small purchases made in January, there is a stronger undertone of confidence and consumer demand is quickening in some localities. As retailers are still adhering strictly to the policy of limiting purchases to well defined immediate needs, any improvement in consumer

buying is quickly reflected in wholesale channels. Inventories of wholesale firms showed but little change from the previous month, but were considerably smaller than a year ago. Collections in some lines increased, but declined in other lines, reflecting largely seasonal trends.

Sales of wholesale dry goods firms during February evidenced an expansion of 6.7 per cent as compared with the previous month, which was somewhat less than seasonal, yet the decline of 23.2 per cent from the corresponding month last year was smaller than in January. Merchants bought sparingly at the opening of the buying season, but have been making frequent reorders as con-

sumer demand materialized. Prices on most items of merchandise have shown greater stability. Collections reflected a seasonal decline.

Although the buying of farm implements is still at a low level, February sales were 42.5 per cent larger than those in the previous month. Sales were 53.9 per cent less than in the same month of 1931, yet the comparison was the most favorable shown since last August. Due to the low purchasing power, farmers are limiting their implement buying to actual necessities, and are repairing old implements wherever possible to carry them through the crop season. Collections showed an increase over the previous month but were considerably smaller than a year ago.

The buying of groceries at wholesale during February was on practically the same scale as in the previous month, but was 20.7 per cent below that in February, 1931. The latter comparison, however, was better than in January. Business was somewhat spotty with sales showing a substantial increase in some sections but a decline in others. Collections were 3.6 per cent larger than in the previous month and showed a considerably higher ratio to outstandings at the end of January.

Following the sharp decline in January, the sales of reporting wholesale hardware firms showed a gain of 6.7 per cent in February, which was considerably larger than the usual seasonal increase. While sales were 24.8 per cent smaller than a year earlier, this figure was lower than that shown for any month since last summer. The improvement was fairly general over the district. Reports indicate that seasonal items were in good demand. Collections were 6.0 per cent smaller than in the previous month.

The demand for drugs at wholesale during February continued on practically the same level as in January. Sales were 15.5 per cent lower than in February, 1931, yet there was a considerable improvement over that shown in December and January. Reports indicate that there has been a noticeable pick-up in demand in some sections, but it

continues slow in others. Retailers are still buying to cover immediate needs. Collections were smaller than in either the previous month or the corresponding month last year.

CONDITION OF WHOLESALE TRADE DURING FEBRUARY, 1932
Percentage of increase or decrease in—

	Net Sales Feb., 1932 compared with Feb. 1931	Net Sales Jan. 1 to date compared with same period last year	Stocks Feb., 1932 compared with Feb. 1931	Ratio of collec- tions during Feb. to accounts and notes outstanding January 31
Groceries.....	-20.7 + .2	-23.0	-17.5 + .5	62.6
Dry goods.....	-23.2 + 6.7	-25.7	-30.7 + 1.4	20.6
Farm implements..	-53.9 +42.5	-60.3	-12.0 — .7	2.2
Hardware.....	-24.8 + 6.7	-27.1	-5.8 + 2.1	27.0
Drugs.....	-15.5 — .6	-21.4	-17.3 — .6	34.6

Retail Trade

Despite a smaller number of business days, a considerable improvement characterized the past month's trade developments in retail channels of distribution. February sales of merchandise were 11.2 per cent greater than those in the previous month, and while a decline of 22.2 per cent was recorded as compared with the corresponding month a year ago, this is much better than the showing made in January. Distribution during the first two months of 1932 was 26.1 per cent less than in the same period last year. Although demand for spring merchandise was retarded considerably during the first half of March by the low temperatures, business is now being stimulated by favorable weather and the early date of Easter.

Inventories held at the close of February reflected a substantial seasonal increase of 10.2 per cent, but were 18.1 per cent less than those held on the same date a year ago. The rate of stock turnover during January and February of 1932 was .40 as compared with .44 in those months of 1931.

A seasonal decline was evidenced in collections during the month. The ratio of February collections to accounts receivable on February 1 was 29.8 per cent, as against 31.3 per cent in January, and 32.1 per cent in February, 1931.

BUSINESS OF DEPARTMENT STORES

Total Sales (Percentage):	Dallas	Fort Worth	Houston	San Antonio	Others	Total District
February, 1932, compared with February, 1931.....	-21.4	-22.3	-25.1	-29.5	-23.5	-22.2
February, 1932, compared with January, 1932.....	+19.5	+7.5	+5.9	+2.0	-8.9	+11.2
January 1 to date compared with same period last year.....	-22.6	-23.7	-28.5	-30.1	-28.1	-26.1
Credit Sales (Percentage):						
February, 1932, compared with February, 1931.....	-23.6	-20.6	-35.7	-30.6	-23.7	-25.6
February, 1932, compared with January, 1932.....	+22.7	+11.0	-4.4	-2.2	-2.8	+10.2
January 1 to date compared with same period last year.....	-24.4	-22.6	-35.7	-32.2	-28.5	-27.5
Stocks (Percentage):						
February 29, 1932, compared with February 28, 1931.....	-16.3	-17.3	-31.2	-13.4	-15.4	-18.1
February 29, 1932, compared with January 31, 1932.....	+11.5	+13.1	+12.8	+5.0	+6.1	+10.2
Stock Turnover (Rate):						
Rate of stock turnover in February, 1931.....	.25	.16	.19	.30	.19	.22
Rate of stock turnover in February, 1932.....	.24	.16	.21	.25	.17	.21
Rate of stock turnover January 1 to February 28, 1931.....	.47	.33	.37	.62	.42	.44
Rate of stock turnover January 1 to February 29, 1932.....	.44	.31	.36	.54	.35	.40
Ratio of February collections to accounts receivable outstanding February 1, 1932.....	30.5	26.8	33.2	28.8	30.3	29.8
Indexes of department store sales:						
Unadjusted—January, 1932.....	53.5	61.2	57.9	53.8	.....	55.3
Unadjusted—February, 1932.....	64.7	65.8	70.8*	54.8	.....	62.0*
Adjusted—January, 1932.....	62.2	82.7	65.1	59.1	.....	65.8
Adjusted—February, 1932.....	73.5	79.3	83.3*	66.0	.....	73.8*
Indexes of department store stocks:						
Unadjusted—January, 1932.....	46.3	68.7	56.7	44.1	.....	53.9
Unadjusted—February, 1932.....	52.4	77.7	64.8*	46.3	.....	59.8*
Adjusted—January, 1932.....	53.2	79.9	65.9	47.9	.....	62.0
Adjusted—February, 1932.....	54.6	80.9	69.7*	45.8	.....	62.3*

*Subject to change.

Commercial Failures

According to the report of R. G. Dun & Company, the business mortality rate in this district during February was lower than in the previous month. Commercial failures totaled 121, as against 178 in January, and 114 in February last year.

The combined indebtedness of firms becoming insolvent during February amounted to \$2,567,674, as compared with \$4,051,626 in the previous month, and \$2,152,893 in the same month a year ago.

AGRICULTURE

Crop Conditions

The period of fair weather during the last days of February and early March, following almost continuous cloudy and

rainy weather since the first of the year, enabled farmers to proceed with land preparation and spring planting; this work made generally good progress, yet farmers are from two to four weeks behind with field work. A further setback was caused by the severe March freezes which killed most of the early planted cotton, and damaged considerably much of the corn and spring oats. A substantial amount of replanting will be necessary. Severe damage to fruit and vegetable crops was also in evidence. Practically all of the tender vegetables were killed and most of the hardier vegetables suffered some injury. While peaches, pears, plums, and apples were greatly damaged, it is too early to determine the full extent of the loss. On the other hand, the freezes pulverized the soil and likely killed many insects. An excellent season obtains in all sections of the district, and although farm work is considerably behind schedule, farmers should be able to overcome the handicap of a late start in a short time if fair weather prevails.

Vegetable shipments from South Texas have fallen off considerably since the freeze but they still compare rather favorably with a year ago. Prices are reported to be firm to higher on most crops.

According to the March 1 report of the Department of Agriculture, the stocks of all classes of grain on farms in states attached to this district were greatly in excess of those a year ago. Stocks of wheat on Texas farms were 13 per cent of last year's production, or 7,466,000 bushels, as compared with 1,908,000 bushels a year ago. The acreage sown to wheat in Texas last fall was 3,768,000 acres, or 1 per cent less than was sown in the fall of 1930. Wheat has made good growth and moisture supplies are ample. Stocks of corn on farms in Texas totaled 39,584,000 bushels on March 1, as against 21,502,000 bushels last year. Supplies of oats amounted to 21,591,000 bushels whereas only 6,096,000 bushels remained on Texas farms on March 1, 1931.

Livestock

Range and livestock conditions throughout the Eleventh District reflected an im-

provement during February. Weather conditions were almost ideal and with ample moisture range vegetation grew rapidly. According to the Department of Agriculture, the condition of cattle ranges in Texas advanced 4 points and stood at 82 per cent of normal on March 1; that of sheep and goat ranges advanced 5 points. In each instance, the condition figure this year was 4 points below that of a year ago. The condition of cattle on March 1 was 80 per cent of normal as compared with 79 per cent a month earlier, and 84 per cent on the corresponding date of 1931. The

condition of sheep and goats showed an improvement of 2 points during the month. In New Mexico the condition of ranges showed an improvement, but that of livestock declined slightly. The condition of both ranges and livestock in Arizona was better on March 1 than a month earlier. The severe cold spell during the second week of March affected adversely both ranges and livestock. The tender vegetation on the ranges was injured and will retard considerably spring pastures. While livestock held up fairly well, considerable shrinkage occurred in some sections. There was some loss of lambs and kids over Southwestern Texas and a heavier loss of lambs over Southeastern New Mexico where the snowfall was deeper. There has been little contracting of livestock and marketings generally have been light.

Movements and Prices

The February receipts of cattle and calves at the Fort Worth market reflected a substantial decline as compared with both the previous month and the corresponding month last year. On the other hand, the arrivals of hogs showed a noticeable gain over both periods. While the February receipts of sheep fell considerably under those in January, they were materially larger than in February, 1931.

The cattle market generally followed an uneven course, yet prices at the middle of March were not materially different from those a month earlier. Prices on most grades of calves were firm to slightly higher. The price of hogs, after declining during the latter part of February, turned upward and at the middle of March was slightly higher than a month earlier. Sheep and lamb prices have been generally steady to slightly higher.

FORT WORTH LIVESTOCK RECEIPTS
(Number)

	February 1932	February 1931	Change over year	January 1932	Change over month
Cattle.....	28,870	31,797	- 2,927	40,452	-11,582
Calves.....	8,692	12,909	- 4,217	14,045	- 5,353
Hogs.....	33,254	23,418	+ 9,836	24,322	+ 8,932
Sheep.....	58,220	32,391	+25,829	75,028	-16,808

COMPARATIVE TOP LIVESTOCK PRICES
(Dollars per hundred-weight)

	February 1932	February 1931	January 1932
Beef steers.....	\$5.75	\$7.65	\$6.60
Stocker steers.....	4.25	7.50	5.00
Butcher cows.....	3.25	5.00	4.00
Stocker cows.....	3.00	4.00	3.75
Calves.....	5.25	10.00	5.50
Hogs.....	4.40	7.75	4.80
Sheep.....	3.75	5.50	4.25
Lambs.....	5.50	8.25	5.50

FINANCE

Operations of the Federal Reserve Bank

After declining to \$14,168,000 at the middle of February, Federal Reserve Bank loans to member banks reflected a slow but steady expansion during the subsequent two weeks and reached a high point at \$16,660,000 on March 3. After that date, these loans declined gradually to \$14,020,000 on March 15, which was \$148,000 be-

low the total on February 15. While the borrowings of reserve city banks on March 15 were \$992,000 less than a month earlier, they were \$1,079,000 greater than a year ago. Loans to country banks showed an expansion of \$844,000 between February 15 and March 15, and on the latter date were \$5,115,000 above those on the same date of 1931. That there was a wider distribution of Federal Reserve

Bank funds is reflected by the fact that 187 banks were indebted to us on March 15, as compared with 130 banks on February 15, and 150 banks on March 15, 1931. This bank's holdings of bankers' acceptances totaled \$3,842,000 on March 15, which was \$636,000 less than a month earlier. Our investments in United States Government securities were reduced \$2,501,000 during the same period. The reserve deposits of member banks declined \$2,058,000 during the month and at the middle of February were \$8,923,000 less than a year ago. Federal reserve notes in actual circulation amounted to \$41,271,000 on March 15, as compared with \$41,835,000 on February 15, and \$26,859,000 on March 15, 1931.

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

	March 15, 1932	March 15, 1931	Feb. 15, 1932
Total cash reserves.....	\$ 54,646	\$ 49,528	\$ 55,029
Discounts for member banks.....	14,020	7,823	14,168
Other bills discounted.....	1	4	1
Bills bought in open market.....	3,842	4,405	4,478
United States securities owned.....	27,364	29,331	29,865
Other investments.....	5	7	5
Total earning assets.....	45,232	41,570	48,517
Member bank reserve deposits.....	47,803	56,726	49,861
Federal reserve notes in actual circulation...	41,271	26,859	41,835

Condition of Member Banks in Selected Cities

The past month witnessed a decline in the loans, investments, and deposits of member banks in selected cities of this district. The investments of these banks in United States securities declined \$3,705,000 between February 10 and March 9, and their investments in other stocks and bonds declined \$440,000 during the same period. As compared with the corresponding date of 1931, however, total investments on March 9 were \$24,615,000 larger. During the four-week period ending March 9, total loans declined \$4,923,000, representing a drop of \$1,062,000 in loans on securities, and \$3,861,000 in "all other" loans (largely commercial). Total loans and investments on March 9 were \$9,068,000 less than four weeks earlier and \$18,797,000 below a year ago. While the net demand deposits of these banks increased \$637,000 during the four-week period, time deposits reflected a further decline of \$2,214,000. Their borrowings at the Federal Reserve Bank amounted to \$5,482,000 on March 9 as compared with \$5,548,000 on February 10, and \$1,068,000 on March 11, 1931.

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

	March 9, 1932	March 11, 1931	Feb. 10, 1932
United States securities owned.....	\$ 83,209	\$ 68,255	\$ 86,914
All other stocks, bonds, and securities owned.....	60,282	50,621	60,722
Loans on securities.....	79,527	91,642	80,589
All other loans.....	189,438	220,735	193,299
Total loans.....	268,965	312,377	273,888
Net demand deposits.....	245,304	275,250	244,667
Time deposits.....	128,386	149,601	130,600
Reserve with Federal Reserve Bank.....	28,600	32,304	30,366
Bills payable and rediscounts with Federal Reserve Bank.....	5,482	1,068	5,548

Deposits of Member Banks

The daily average of combined net demand and time deposits of member banks amounted to \$665,682,000 in February, which was \$728,000 greater than in January, but

\$147,371,000 below the average for February, 1931. The increase in net demand deposits was about equally divided between reserve city banks and country banks. The time deposits of reserve city banks increased, while those of country banks declined.

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

	Combined Total Net demand deposits	Combined Total Time deposits	Reserve City Banks Net demand deposits	Reserve City Banks Time deposits	Country Banks Net demand deposits	Country Banks Time deposits
Feb., 1931.....	\$576,803	\$236,250	\$264,844	\$143,681	\$311,959	\$ 92,569
Mar., 1931.....	567,468	234,707	263,123	143,080	304,345	91,687
April, 1931.....	567,009	234,141	269,207	142,589	297,802	91,552
May, 1931.....	563,222	233,653	267,010	140,362	296,212	93,291
June, 1931.....	543,155	231,880	254,063	139,890	289,092	91,990
July, 1931.....	537,233	225,928	257,244	135,499	279,989	90,429
Aug., 1931.....	523,797	222,266	255,584	133,568	268,213	88,608
Sept., 1931.....	508,850	215,974	242,731	129,116	266,119	86,858
Oct., 1931.....	487,314	202,524	232,544	119,826	254,770	82,608
Nov., 1931.....	483,979	203,719	231,919	121,817	252,060	81,902
Dec., 1931.....	474,935	202,094	226,397	122,674	248,538	79,420
Jan., 1932.....	468,172	196,782	221,799	118,475	246,373	78,307
Feb., 1932.....	469,110	196,572	222,116	118,993	246,994	77,579

Debits to Individual Accounts

The month of February witnessed a further seasonal decline of 15.4 per cent in volume of debits to individual accounts at seventeen cities in the Eleventh District. Total charges during the month amounted to \$504,572,000, as compared with \$596,515,000 in January, and \$645,086,000 in February last year. The percentage decrease from a year ago amounted to 21.8 per cent, as against 22.6 per cent in the preceding month.

DEBITS TO INDIVIDUAL ACCOUNTS
(In thousands of dollars)

	February 1932	February 1931	Percentage change over year	January 1932	Percentage change over month
Abilene.....	\$ 4,910	\$ 6,970	-29.6	\$ 5,459	-10.1
Austin.....	16,108	19,188	-16.1	16,101	0.0
Beaumont.....	17,008	23,350	-27.2	19,764	-13.9
Corsicana.....	2,712	4,043	-32.9	5,032	-46.1
Dallas.....	139,356	168,140	-17.1	161,590	-13.8
El Paso.....	19,088	29,888	-36.1	18,195	+ 4.9
Fort Worth.....	50,644	63,997	-20.9	70,191	-27.8
Galveston.....	25,013	24,759	+ 1.0	26,345	- 5.1
Houston.....	116,409	150,518	-22.7	136,575	-14.8
Port Arthur.....	5,269	8,137	-35.2	5,864	-10.1
Roswell.....	1,777	2,735	-35.0	2,330	-23.7
San Antonio.....	47,495	69,533	-31.7	54,127	-12.3
Shreveport.....	23,397	27,301	-14.3	31,804	-26.4
Texarkana*.....	6,544	9,813	-33.3	7,593	-13.8
Tucson.....	8,289	8,526	- 2.8	10,770	-23.0
Waco.....	11,363	13,192	-13.9	13,710	-17.1
Wichita Falls....	9,190	14,996	-38.7	11,065	-16.9
Total.....	\$504,572	\$645,086	-21.8	\$596,515	-15.4

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

Acceptance Market

While the volume of acceptances executed against import and export transactions in this district and outstanding at the close of February was \$231,229 larger than a month earlier, those based on the domestic shipment and storage of goods reflected a seasonal decrease of \$477,837. Total acceptances executed by banks in this district and outstanding on February 29 amounted to \$2,750,908, as against \$2,997,516 on January 31, and \$4,488,626 on the last day of February, 1931.

Savings Deposits The savings deposits of 150 banks in this district which operate a savings department amounted to \$144,965,520 on February 29, representing a decline of 1.1 per cent as compared with a month earlier, and 16.1 per cent as compared with February 28, 1931. The number of savings accounts in 138 banks totaled 327,942 as against 328,668 on January 31, and 348,086 on the corresponding date last year.

SAVINGS DEPOSITS

	February 29, 1932			February 28, 1931			January 31, 1932		
	Number of Reporting Banks	Number of Savings Depositors	Amount of Savings Deposits	Number of Savings Depositors	Amount of Savings Deposits	Percentage Change Over Year in Savings Deposits	Number of Savings Depositors	Amount of Savings Deposits	Percentage Change Over Month in Savings Deposits
Beaumont.....	4	6,879	\$ 2,796,459	6,682	\$ 2,711,635	+ 3.1	6,870	\$ 2,808,832	— .4
Dallas.....	9	77,279	25,576,900	79,734	29,418,552	—13.1	77,722	25,724,688	— .6
El Paso.....	2	10,743	3,048,742	11,309	3,667,500	—16.9	10,644	3,101,750	— 1.7
Fort Worth.....	4	34,666	11,171,104	34,750	13,323,348	—16.2	34,663	11,351,209	— 1.6
Galveston.....	4	17,542	10,991,683	17,211	11,637,176	— 5.5	17,503	11,284,951	— 2.6
Houston.....	11*	54,941	30,464,240	67,508	35,734,257	—14.7	55,078	30,831,557	— 1.2
Port Arthur.....	2	4,396	1,770,581	4,843	1,786,557	— .9	4,552	1,790,739	— 1.1
San Antonio.....	8*	16,596	14,722,390	20,934	21,018,142	—30.0	16,522	14,763,083	— .3
Shreveport.....	4	25,232	10,426,285	25,380	14,280,717	—27.0	25,188	10,639,723	— 2.0
Waco.....	3	10,147	5,435,741	8,240	5,744,355	— 5.4	10,150	5,523,610	— 1.6
Wichita Falls.....	3	5,995	2,318,194	6,193	3,044,100	—23.8	5,976	2,361,891	— 1.9
All others.....	96*	63,526	26,243,201	65,302	30,428,493	—13.8	63,800	26,330,561	— .3
Total.....	150	327,942	\$144,965,520	348,086	\$172,794,832	—16.1	328,668	\$146,512,594	— 1.1

*Only 9 banks in Houston, 7 in San Antonio, and 87 in "All others" reported the number of savings depositors.

MARCH DISCOUNT RATES

Prevailing rates:

	Dallas	El Paso	Ft. Worth	Houston	San Antonio	Waco
Rate charged customers on prime commercial paper such as is now eligible for rediscount under the Federal Reserve Act.....	5-6	6-8	5-6	5-7	5½-6	6-8
Rate charged on loans to other banks secured by bills receivable.....	5-6	5-6	6	4½-6	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.....	5-8	6-8	6-8	5-7	6-8	6-8
Time.....	5½-8	6-8	6-8	5-7	6-8	6-8
Rate charged on commodity paper secured by warehouse receipts, etc.....	5-6	8	6-8	5½-7	6-8	5½-7
Rate on cattle loans.....	5-7	6-8	6-8	6-10	7-10	8

INDUSTRY

Cottonseed Products

Further seasonal declines as compared with the preceding month were evidenced during February in the receipts and crushings of cottonseed and the production of all products at both Texas and United States mills. Activities were, however, on a substantially higher scale than in February, 1931. During the first seven months of the current season operations at Texas mills, excepting the output of linters, evidenced a further increase over the corresponding period of the preceding season. Stocks of cottonseed on hand as of February 29 were smaller than those at the close of January at establishments in both the State and Nation, but continued in greater volume than on the corresponding date

of earlier years. Supplies of crude oil, cake and meal, and hulls at mills located in Texas were less than those a month earlier, while at United States establishments inventories of all cottonseed products were greater.

Textile Milling

Very encouraging developments were witnessed during the past month in the operations of Texas textile mills. Despite the shorter month, which is usually accompanied with reductions in total operations, the production of cloth exceeded that a month earlier by a wide margin, and was much larger than in February, 1931. The volume of cotton consumed was practically the same as in January, but the daily average consumption was on an increased scale. Orders for finished products recorded on the books of reporting mills as of February 29 were above those a month earlier, and showed a substantial increase over those held on the same date last year.

Contrary to the usual seasonal trend, the total domestic consumption of cotton reflected an expansion during February, and operations were on a higher scale than in the same month of the previous season. Total consumption amounted to 450,018 bales in February, as against 435,337 bales in January, and 433,376 bales in February, 1931. Cotton consumed during the seven months of the present season continued above that in the same period of the 1930-31 season. Inventories of cotton held by consuming establishments on February 29 were fractionally smaller than a

STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS

	Texas		United States	
	August 1 to February 29		August 1 to February 29	
	This Season	Last Season	This Season	Last Season
Cottonseed received at mills (tons).....	1,557,897	1,212,765	4,984,785	4,461,884
Cottonseed crushed (tons).....	1,283,359	1,129,356	4,077,408	4,127,823
Cottonseed on hand Feb. 29 (tons).....	287,731	100,112	917,183	379,477
Crude oil produced (pounds)...	381,890,357	329,996,110	1,275,317,632	1,250,461,980
Cake and meal produced (tons)...	601,502	533,531	1,828,359	1,878,120
Hulls produced (tons).....	369,967	318,148	1,149,108	1,142,438
Linters produced (running bales).....	165,905	175,829	648,020	717,199
Stocks on hand February 29:				
Crude oil (pounds).....	30,038,940	13,830,223	89,609,470	69,519,554
Cake and meal (tons).....	48,908	80,578	230,677	362,688
Hulls (tons).....	79,760	54,079	219,406	132,341
Linters (running bales).....	90,055	85,730	312,441	328,544

month earlier, but reflected a further increase over a year ago.

COTTON CONSUMED AND ON HAND (Bales)

	February 1932	February 1931	August 1 to February 29 This Season	Last Season
Cotton-growing states:				
Cotton consumed.....	365,075	341,439	2,523,307	2,301,447
On hand February 29 in—				
Consuming establishments.....			1,305,612	1,155,589
Public storage and com- presses.....			9,093,045	6,913,013
United States:				
Cotton consumed.....	450,018	433,376	3,081,290	2,893,626
On hand February 29 in—				
Consuming establishments.....			1,633,380	1,550,351
Public storage and com- presses.....			9,510,690	7,313,912

Cotton Movements

Representing the second occurrence of its kind this season, shipments of cotton from Houston and Galveston were noticeably contrary to seasonal tendencies, being much greater than those a month earlier, and materially above the 1918-30 average; as compared with the corresponding month of 1931, February exports, which amounted to 644,764 bales were over one and one-half times greater. On the other hand, the customary seasonal decline was recorded during the month in receipts of cotton.

Total foreign exports of cotton from all United States ports likewise reflected an unseasonable increase during February as compared with the previous month, and were over one hundred per cent greater than in February, 1931. Aggregate shipments totaled 970,419 bales, as against 919,338 bales in January, and 432,996 bales in February a year ago. The volume of exports during the past month is of greater significance when it is noted that, with one exception, February 1927, they were greater than in any corresponding month on record. The amount of exports during the current season as compared with those a year ago increased from an amount 10.6 per cent greater in January to 20.6 per cent in February. Shipments totaled 5,924,813 bales for the seven-month period ending February 29. Japanese takings of American cotton aggregated 396,006 bales during February, or 41 per cent of total exports. There was also a better demand from the United Kingdom.

COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON (Bales)

	February 1932	February 1931	August 1 to February 29 This Season	Last Season
Receipts.....	214,720	79,108	2,085,475	1,388,173
Exports.....	348,925	117,249	1,592,609	947,083
Stocks, February 29.....			881,367	626,342

COTTON—GALVESTON STOCK STATEMENT (Bales)

	Feb. 29, 1932	Feb. 28, 1931
For Great Britain.....	12,500	4,500
For France.....	5,000	4,000
For other foreign ports.....	48,500	22,800
For coastwise ports.....	2,000	1,500
In compresses and depots.....	813,367	593,542
Total.....	881,367	626,342

COTTON MOVEMENTS THROUGH THE PORT OF HOUSTON (Bales)

	February 1932	February 1931	August 1 to February 29 This Season	Last Season
Receipts.....	193,433	96,278	2,951,282	2,725,080
Exports.....	295,839	132,901	2,097,863	1,690,601
Stocks, February 29.....			1,547,453	1,374,359

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

	August 1 to February 29 This Season	Last Season
Receipts.....	8,386,619	8,025,040
Exports:		
United Kingdom.....	862,501	861,760
France.....	246,699	787,447
Italy.....	441,010	344,333
Germany.....	1,067,139	1,232,420
Other Europe.....	506,001	499,601
Japan.....	1,695,300	732,419
All other countries.....	1,106,163	454,433
Total foreign ports.....	5,924,813	4,912,413
Stocks at all United States ports February 29.....	4,746,155	4,168,570

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

	February, 1932		March 15,
	High	Low	1932
New York.....	7.15	6.55	6.95
New Orleans.....	6.91	6.41	6.83
Dallas.....	6.65	5.90	6.45
Houston.....	6.95	6.35	6.85
Galveston.....	6.95	6.40	6.95

Petroleum

The past month witnessed a further substantial decline in the output of petroleum in the Eleventh Federal Reserve District. The February production amounted to 25,876,700 barrels as compared with 28,336,550 barrels in January, and 21,482,650 barrels in February, 1931. Daily average production was 21,782 barrels less than in the previous month. Drilling operations were also on a reduced scale. There were 409 producing wells completed in February, as compared with 490 in the previous month, and 150 in the corresponding month last year. The initial production from new wells declined from 3,365,767 barrels in January to 2,939,350 barrels in February. The flush production from new wells completed in February, 1931, amounted to only 187,516 barrels.

There was a decline in the daily average output of all Texas fields except Central-West Texas, where a slight increase was registered. The biggest decline occurred in the East-Central Texas field as a result of a reduction in the

OIL PRODUCTION—(Barrels)

	February, 1932		Increase or Decrease Over January, 1932	
	Total	Daily Avg.	Total	Daily Avg.
North Texas.....	2,796,950	96,447	— 326,100	— 4,297
Central West Texas.....	5,811,550	200,398	— 360,200	— 1,309
East Central Texas.....	10,611,950	365,929	— 1,269,900	— 17,356
Texas Coastal.....	3,252,600	112,159	— 239,400	— 486
South Texas.....	1,503,500	51,845	— 114,250	— 340
Total Texas.....	23,976,550	826,778	— 2,309,850	— 21,170
New Mexico.....	1,076,850	37,098	— 79,250	— 163
North Louisiana.....	824,300	28,424	— 70,750	— 449
Total District.....	25,876,700	892,300	— 2,459,850	— 21,782

proration allowances in that field. There was a small decline in the average daily production in New Mexico and North Louisiana.

FEBRUARY DRILLING RESULTS

	Com- pletions	Pro- ducers	Gas Wells	Fail- ures	Initial Production
North Texas.....	58	24	1	33	3,315
Central West Texas.....	24	11	2	11	1,005
East Central Texas.....	342	329	4	9	2,896,955
South Texas.....	47	24	5	18	6,352
Texas Coastal.....	28	14	1	13	7,924
Total Texas.....	499	402	13	84	2,915,551
New Mexico.....	3	2	1	..	22,689
North Louisiana.....	15	5	1	9	1,110
February totals, district.....	517	409	15	93	2,939,350
January totals, district.....	607	490	18	99	3,365,767

CRUDE OIL PRICES

	March 8, 1932	March 10, 1931
Texas Coastal (40 gr. and above).....	\$.86	\$.80*
North Texas (40 gr. and above).....	.73	.67
North Louisiana (40 gr. and above).....	.85	.67

*Price paid for Texas Coastal, grade "A".

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

Cement

The production of Portland cement at Texas mills, which amounted to 280,000 barrels in February, reflected a decline of 17.2 per cent as

compared with the previous month, and was 2.1 per cent smaller than in the corresponding month last year. While February shipments were 6.2 per cent larger than in January, they were 22.0 per cent below a year ago. Due to the excess of production over shipments, stocks at the end of February reflected a further increase of 2.9 per cent. Production of cement during the first two months of the year was 1.6 per cent larger than in a like period of 1931, but shipments were 25.6 per cent smaller.

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

	Feb. 1932	% change from Jan. 1932	Feb. 1931	Jan. through Feb. 1932	% change from year
Production at Texas mills.....	280	-17.2	2.1	618	+1.6
Shipments from Texas mills.....	256	+6.2	-22.0	497	-25.6
Stocks at end of month at Texas mills	847	+2.9	+14.5	.....	.....

Building

Construction permits issued during February at leading centers in the Eleventh District were 6.0 per cent below the volume of the previous month, and 58.6 per cent less than in the same month last year. The month's valuation amounted to \$1,566,729, as compared with a total of \$1,665,938 in January, and \$3,784,310 in February a year ago. While Austin was the only reporting city to show an increase over both comparative periods, four other cities also registered an improvement over January.

BUILDING PERMITS

	Feb., 1932		Feb., 1931		Percentage Change Valuation Over Year	Jan., 1932		Percentage Change Valuation Over Month	Two Months				Percentage Change Valuation Over Period
	No.	Valuation	No.	Valuation		No.	Valuation		1932		1931		
									No.	Valuation	No.	Valuation	
Amarillo	37	\$ 27,935	58	\$ 371,174	-92.5	11	\$ 22,585	+ 23.7	48	\$ 50,520	113	\$ 890,784	-94.3
Austin	67	636,577	84	524,061	+21.5	91	115,848	+449.5	158	752,425	149	660,932	+13.8
Beaumont	102	23,123	131	68,199	-66.1	67	45,148	- 48.8	169	68,271	234	136,928	-50.1
Corpus Christi	29	16,250	31	18,830	-13.7	18	2,815	+477.3	47	19,065	75	52,048	-63.4
Dallas	220	142,491	321	542,235	-73.7	233	278,819	-48.9	453	421,310	608	1,093,519	-61.5
El Paso	30	16,439	81	102,910	-84.0	28	19,592	-16.1	158	36,031	147	189,158	-81.0
Fort Worth	159	191,725	193	318,110	-39.7	115	118,732	+ 61.5	274	310,457	393	726,610	-57.3
Galveston	113	54,001	111	76,117	-29.1	137	60,877	-11.3	250	114,878	227	115,778	- 8
Houston	207	290,587	261	1,327,767	-78.1	187	359,093	-19.1	394	649,680	569	2,354,509	-72.4
Port Arthur	27	4,337	63	54,923	-92.1	28	18,255	-76.2	155	22,592	130	109,018	-79.3
San Antonio	148	81,033	205	243,343	-66.7	167	112,584	-28.0	315	193,617	414	456,483	-57.6
Shreveport	112	43,299	112	61,757	-29.9	128	20,879	+107.4	240	64,178	244	187,648	-65.8
Waco	29	36,302	29	69,594	-47.8	36	56,011	-35.2	65	92,313	53	97,977	- 5.8
Wichita Falls	7	2,630	9	5,290	-50.3	11	434,700	-99.4	18	437,330	23	14,000	*
Total	1,287	\$1,566,729	1,689	\$3,784,310	-58.6	1,257	\$1,665,938	- 6.0	2,544	\$ 3,232,667	3,379	\$ 7,085,392	-54.4

*Increase over one thousand per cent.

SUMMARY OF NATIONAL BUSINESS CONDITIONS

(Compiled by the Federal Reserve Board as of March 25, 1932)

Volume of industrial production and factory employment increased from January to February by an amount smaller than usual at this season. Improvement in the banking situation during February and the first three weeks of March was reflected in a decline in bank suspensions and a return flow of currency from the public to the banks.

PRODUCTION AND EMPLOYMENT

Output of industrial products increased less than seasonally in February and the Board's index, which makes allowance for the usual seasonal variations, declined from 71 per

cent of the 1923-1925 average to 70 per cent. Activity in the steel industry during February and the first three weeks of March showed little change from the January rate, although ordinarily substantial increases are reported at this time of year. Automobile production continued in small volume, showing none of the usual seasonal expansion, and the number of cars produced in the three-month period ending in February was about 35 per cent less than in the corresponding period a year ago. In the lumber industry, output declined further, contrary to seasonal tendency. Activity at cotton mills and shoe factories increased by more than the

seasonal amount and was at about the same level as in the corresponding month last year. Volume of employment at factories increased in February by somewhat less than the usual seasonal amount. In the iron and steel, automobile, and machinery industries, the number employed showed an increase smaller than is usual in this month, and at lumber mills a continued decline in employment was reported. At establishments producing fabrics, wearing apparel, and shoes, volume of employment increased by more than the seasonal amount. Daily average value of total building contracts awarded, as reported by the F. W. Dodge Corporation, showed little change in February and the first half of March, and for the period between the first of January and the middle of March the value of contracts was 65 per cent less than a year ago, reflecting continued declines in residential building as well as in other types of construction. Part of the decrease in the value of awards reflects reduction in building costs.

DISTRIBUTION

Car loadings of merchandise and of miscellaneous freight showed none of the usual seasonal increase in February, while sales at department stores remained unchanged, as is usual at this season.

WHOLESALE PRICES

Wholesale commodity prices, as measured by the index of the Bureau of Labor Statistics, declined further from 67 per cent of the 1926 average for January to 66 per cent for February. Between the first week of February and the third

week of March, there were increases in the prices of cotton, livestock, and meats, while prices of grains, nonferrous metals, and imported raw materials including silk, sugar, and rubber declined considerably.

BANK CREDIT

In the banking situation the important developments in February and the first half of March were a considerable reduction in the number of bank suspensions, and a return flow of currency from the public to the banks. The country's stock of monetary gold declined in February but increased somewhat in the first half of March. Member bank reserve balances, after decreasing almost continuously since last summer, showed a slight increase for the first two weeks in March. Purchases of United States Government obligations by the Federal Reserve Banks beginning in March were accompanied by a considerable decline in member bank indebtedness to the reserve banks. Loans and investments of member banks in leading cities continued to decline until the middle of March when there was a substantial increase, owing largely to the banks' purchases of United States Government securities issued on March 15. Demand and time deposits of these banks decreased further during February but showed little change in the first half of March. Open market rates on acceptances and commercial paper declined during February and the first half of March. During this period yields on Treasury and other high grade bonds decreased to the lowest point since early December, but after the middle of the month yields on high grade corporate bonds increased somewhat.