

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

	May 1932	Change from April
Bank debits to individual accounts (at 17 cities).....	\$452,861,000	- 5.4%
Department store sales.....		+ 0.2%
Reserve bank loans to member banks at end of month.....	\$ 12,181,724	- 11.8%
Reserve bank ratio at end of month.....	52.0%	- 7.0 points
Building permit valuation at larger centers....	\$ 1,120,579	- 61.8%
Commercial failures (number).....	95	+ 15.9%
Commercial failures (liabilities).....	\$ 2,330,312	+ 34.5%
Oil production (barrels).....	29,146,600	+ 2.5%

A general improvement in the condition of agriculture and livestock followed in the wake of the favorable weather which prevailed during the past thirty days. The frequent rains which covered all sections of the district except limited areas maintained the top soil in good condition and this, together with the good subsoil season already existing will be a sustaining factor in crop growth during the remainder of the summer. The harvesting of small grains is now in progress and while yields are irregular and considerably under a year ago, prospects point toward per acre yields not far below the 1919-1928 average. Row crops have made rapid growth and are generally in good condition. Although reports indicate that insects are present in large numbers over a considerable area of the district, crop damage from this source so far has been slight, yet the presence of the insects presents a potential danger.

The demand for merchandise in wholesale and retail channels continued at a low level. Department store sales failed to show the usual increase between April and May, and were 32 per cent less than in May, 1931. Wholesale dis-

tribution, while somewhat spotty, was in smaller volume than in the previous month, and was materially less than a year ago. As merchants continue to follow a hand-to-mouth buying policy, purchases are being made in small quantities and for immediate delivery. Collections were in smaller volume than in the previous month.

The business mortality rate in this district in May was higher than in either the previous month or the same month last year. While the indebtedness of defaulting firms was larger than in April, it was substantially smaller than in May, 1931.

Federal Reserve Bank loans to member banks rose from \$11,320,000 on May 15 to \$15,175,000 on June 15, and on the latter date were \$5,157,000 greater than on that date a year ago. The actual circulation of Federal reserve notes reflected a further slight decline. There was a further recession in the loans, investments, and deposits of member banks in selected cities during the four-week period ending June 8. The combined net demand and time deposits of member banks in this district averaged \$625,594,000 during May, as compared with \$636,343,000 during April, and \$796,875,000 during May, 1931. There was a strong response to the June 15 issues of Treasury Notes and Certificates. Subscriptions in this district amounted to \$73,360,800, against which allotments of \$24,819,300 were made.

There was a further sharp recession in building activity in this district during the past month. The valuation of permits issued at principal cities during May was 62 per cent less than in April, and 77 per cent below the corresponding month of 1931. The production and shipments of cement in May reflected a sharp recession from both the previous month and the same month last year.

BUSINESS

Wholesale Trade

A slow demand for merchandise at wholesale in the Eleventh Federal Reserve District was in evidence during most of May. The distribution of groceries, dry goods, and drugs was on a smaller scale than in the previous month; sales of hardware continued at about the same level; and farm implements, though remaining considerably below May last year, reflected a decided gain over April. Decreases as compared with a year ago ranged from 19.2 per cent in the case of groceries to 47.4 per cent in the case of farm implements. With the exception of drugs and dry goods,

these comparisons were more favorable than those recorded in April. A slight improvement in the business of some lines was visible toward the end of May. Merchants generally are keeping orders in close alignment with consumer demand, and frequent orders for replacement purposes are made necessary by the generally low inventories. Stocks of wholesalers showed further material decreases during the month. In the case of all lines except hardware, May witnessed a largely seasonal reduction in the volume of collections.

Distribution of dry goods at wholesale during May was on a scale 12.7 per cent below that of April, the decrease being larger than is usual at this time of year. Total sales were 43.2 per cent smaller than in May, 1931, as compared with a like decline of 34.3 per cent in the April volume. A medium to fair demand was apparent in some portions of the district. Stocks on hand May 31 were 5.4 per cent less than a month earlier, and 27.8 per cent below the same date last year. Collections during May were somewhat smaller than in the preceding month.

While a net decrease of 2.5 per cent was reflected in the volume of groceries sold at wholesale during May, seven of the sixteen reporting firms showed increases and there was a slightly more favorable comparison with the same month last year than was shown in April. During the first five months of the current year, total sales were 20.3 per cent below those of the corresponding period in 1931. Although business was somewhat spotty, it continued slack in most sections. There was a 7.0 per cent decline from the previous month in collections.

The distribution of hardware through wholesale channels during May was in approximately the same volume as in the previous month, and the decline from the corresponding month a year ago was materially smaller than in April. It was indicated that orders were largely for current needs. During the months from January to May, inclusive, aggregate sales were 28.5 per cent below those of the same period in 1931. Total collections during the month reflected a gain of 3.0 per cent over April.

There was a further material pick-up during May in the business of reporting wholesale farm implement firms. Although total sales were 75.9 per cent larger than in April, they fell 47.4 per cent short of the volume reached in May last year. The favorable conditions and brighter outlook for crops and livestock served to create a firmer tone of confidence throughout the district. Collections declined appreciably, after having increased in April.

A further reduction of 4.7 per cent was in evidence in the demand for drugs at wholesale. Business in some locali-

ties reflected an improvement, but merchants are still buying with much caution and in small lots. Sales during the month were 28.1 per cent less than a year ago. Inventories at the close of May reflected their ninth consecutive monthly decline. The volume of collections was 6.0 per cent below that of April.

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

	Net Sales May, 1932 compared with May 1931		Net Sales Jan 1 to date compared with same period last year		Stocks May, 1932 compared with May 1931		Ratio of collec- tions during May to accounts outstanding on April 30
	1932	1931	1932	last year	1932	1931	
Groceries.....	-19.2	-2.5	-20.3	-20.3	-3.1	-3.1	54.8
Dry goods.....	-43.2	-12.7	-31.4	-31.4	-5.4	-5.4	21.6
Farm implements..	-47.4	+75.9	-53.4	-53.4	-3.2	-3.2	1.8
Hardware.....	-26.3	.2	-28.5	-28.5	-2.2	-2.2	28.0
Drugs.....	-28.1	-4.7	-23.2	-23.2	-5.5	-5.5	34.3

Retail Trade

The business of department stores in leading cities of the Eleventh District showed very little change during May as compared with the preceding month. Sales averaged 0.2 per cent greater than in April, which is a smaller increase than usual, and 32 per cent below the corresponding month of 1931. The latter comparison, however, was only four-tenths of one per cent larger than that in the previous month. As a result of the small seasonal increase during the past month this bank's seasonally adjusted index of department store sales declined from 70.2 in April to 63.3 in May. The demand for men's and boys' wear during the month was substantially better than in April, while that for women's and misses' wear and several accessory items was smaller.

Inventories held on May 31 were 5.8 per cent less than those a month earlier and 21.4 per cent below those a year ago. The rate of stock turnover during the current year continued less than that last year.

Collections during May reflected a decline from those a month earlier and a year ago. The ratio of collections to accounts outstanding on May 1 was 30.5 per cent, as against 31.7 per cent in April, and 34.1 per cent in May, 1931.

BUSINESS OF DEPARTMENT STORES

	Dallas	Fort Worth	Houston	San Antonio	Others	Total District
Total Sales (Percentage):						
May, 1932, compared with May, 1931.....	-32.2	-30.6	-36.0	-35.1	-25.3	-32.0
May, 1932, compared with April, 1932.....	-7.4	+9.6	-.8	-6.2	+17.9	+.2
January 1 to date compared with same period last year.....	-25.3	-27.8	-30.5	-32.8	-24.9	-27.8
Credit Sales (Percentage):						
May, 1932, compared with May, 1931.....	-31.6	-28.9	-36.6	-33.6	-30.0	-32.0
May, 1932, compared with April, 1932.....	-10.3	+7.4	-3.6	-6.0	+13.1	-2.8
January 1 to date compared with same period last year.....	-26.2	-26.3	-33.7	-31.7	-27.2	-28.3
Stocks (Percentage):						
May, 1932, compared with May, 1931.....	-13.9	-22.3	-41.4	-20.6	-16.3	-21.4
May, 1932, compared with April, 1932.....	-3.6	-3.5	-10.4	-12.1	-5.7	-5.8
Stock Turnover (Rate):						
Rate of stock turnover in May, 1931.....	.26	.22	.29	.35	.27	.27
Rate of stock turnover in May, 1932.....	.21	.18	.29	.30	.24	.23
Rate of stock turnover January 1 to May 31, 1931.....	1.24	.96	1.32	1.70	1.15	1.23
Rate of stock turnover January 1 to May 31, 1932.....	1.11	.85	1.27	1.43	1.02	1.10
Ratio of May collections to accounts receivable outstanding May 1, 1932.....	30.3	26.8	33.8	30.3	32.2	30.5
Indexes of department store sales:						
Unadjusted May, 1932.....	57.5	79.2	71.9	61.7	.....	65.8
Adjusted May, 1932.....	59.3	79.2	71.9	58.2	.....	63.3
Indexes of department store stocks:						
Unadjusted May, 1932.....	50.7	73.2	50.1	41.9	.....	55.8
Adjusted May, 1932.....	49.7	72.5	49.1	42.3	.....	55.2

Commercial Failures

The record of commercial failures reported by R. G. Dun & Company was less favorable in May than in April, and while the rate of mortality was higher than a year ago, the indebtedness of defaulting firms was materially smaller.

There were 95 insolvencies in the Eleventh District during May, as compared with 82 in the previous month, and 70 in the same month last year. Total liabilities involved amounted to \$2,330,312, as against \$1,732,916 in April, and \$3,908,589 in May, 1931.

AGRICULTURE

Crop Conditions

Weather conditions during the past month were generally favorable throughout most of the district and practically

all crops showed average or better than average growth. There has been ample rainfall in all sections except portions of Northwest Texas and Southwestern New Mexico, and late reports indicate that some rain has fallen recently in those areas.

According to the June 1 report of the Department of Agriculture the indicated production of wheat in Texas and New Mexico showed no change from the previous month which was 31,650,000 bushels for Texas and 1,647,000 bushels for New Mexico. Last year Texas produced 57,433,000 bushels and New Mexico 4,626,000 bushels. Substantial deterioration occurred in this crop in Oklahoma and the indicated production on June 1 was only 32,526,000 bushels, as compared with an actual production of 74,919,000 bushels last year. There was also a slight decline in the Arizona crop. The Texas oat crop showed a material improvement during May as the result of the beneficial rains and on June 1 the condition was 64 per cent of normal as compared with 56 per cent a month earlier, but it was still considerably below the 86 per cent reported for June 1, 1931. There was a slight decline in the condition of oats in Louisiana and Oklahoma. The barley and rye crops have made poor growth. Harvesting of grain crops is well under way in Texas.

There has been a substantial improvement in the condition of tame hay in Texas and Louisiana. Tame hay in Texas on June 1 was rated at 73 per cent of normal as compared with 65 per cent a month earlier, and in Louisiana there was a gain of 8 points. Wild hay condition in Texas was 74 per cent on June 1 as compared with 80 per cent a year ago. Although the corn crop is still late in some areas, it has made good growth over most of the district.

The planting of cotton has been practically completed in all sections of the district and chopping will be completed in all sections except Northwest Texas within a short time. Reports indicate that stands are generally good and that the plants are healthy and are making rapid growth. Farmers have made good progress with the cultivation of the crop, but due to frequent rains some fields are still grassy. A period of fair weather would be beneficial in enabling farmers to bring the fields to a good state of cultivation.

The outlook for fruit this year is very poor. The condition of the Texas peach crop was 23 per cent of normal on June 1 and the indicated production was 660,000 bushels as compared with a harvest of 1,581,000 bushels last year. The pear crop was rated at 25 per cent of normal, with an estimated production of 266,000 bushels as against 400,000 bushels last year. Citrus fruits also showed a further deterioration with the condition on June 1 as 32 per cent for grapefruit and 44 per cent for oranges. On that date a year ago the condition of grapefruit was rated at 73 per cent and oranges at 80 per cent. The "set" of the fruit is irregular and averages light. Truck crops showed a marked improvement during the month.

Livestock

Range and livestock conditions in the Eleventh Federal Reserve District re-

flected a marked improvement during May. With the exception of a few limited areas there was heavy rainfall throughout the district with the result that range vegetation grew rapidly and livestock put on considerable flesh. With the

continuance of rain during the first half of June, reports indicate that most areas have sufficient moisture to insure good pasturage throughout the summer.

The Department of Agriculture estimated that cattle ranges in Texas were 86 per cent of normal on June 1, as compared with 80 per cent a month ago, and 90 per cent on June 1 last year. All sections shared in the improvement except the "High Plains" area, where the lack of moisture prevented an improvement. Rains have since fallen in some of this territory. The condition of cattle improved 4 points during May, but on June 1 was still 5 points below that a year earlier. The improvement during May was 4 points above the average for ranges and 2 points above the average for cattle. The calf crop is fully average this year and is considerably above the small crop of a year ago. Calves are making good growth in most areas. The condition of sheep and goat ranges in Texas advanced 10 points during May and at 88 per cent on June 1 was only 2 points below a year ago. The Department of Agriculture reports that moisture conditions throughout the Edwards Plateau region are almost ideal and that summer range prospects are very good. The condition of sheep showed an improvement of 4 points during the month and that of goats 6 points. The lamb crop is considerably smaller than last year and losses have been heavier than usual due largely to the unfavorable weather during the lambing season. The condition of livestock and ranges in most of Arizona and New Mexico showed a considerable improvement during May, but conditions in New Mexico are still considerably under those a year ago.

Movements and Prices

The May receipts of cattle, hogs, and sheep at the Fort Worth market were moderately smaller than in April. Those of calves reflected an increase. The arrivals of hogs in May were larger than in the corresponding month last year, but receipts of cattle and sheep reflected a large decline.

Market prices on all classes of livestock followed a downward course during May, but there has been some improvement in demand since early June and prices have been stronger. Prices on calves have suffered most in the cattle division. Toward the close of May the best prices on hogs dropped below the \$3.00 level but were back to \$3.20 at the middle of June. Sheep and lamb prices, after declining during May, held generally steady during the first half of June, and the market for good wethers advanced.

FORT WORTH LIVESTOCK RECEIPTS
(Number)

	May 1932	May 1931	Change over year	April 1932	Change over month
Cattle.....	42,508	61,442	- 18,934	45,378	-2,870
Calves.....	13,052	13,219	- 167	11,084	+1,968
Hogs.....	24,005	20,315	+ 3,690	29,442	-5,437
Sheep.....	186,146	298,561	-112,415	194,439	-8,293

COMPARATIVE TOP LIVESTOCK PRICES
(Dollars per hundred-weight)

	May 1932	May 1931	April 1932
Beef steers.....	\$6.25	\$7.50	\$5.85
Stocker steers.....	5.00	6.40	5.00
Butcher cows.....	3.50	4.75	4.00
Stocker cows.....	.....	4.50	.....
Calves.....	7.00	10.00	7.50
Hogs.....	3.40	7.25	4.05
Sheep.....	2.25	4.90	4.00
Lambs.....	5.50	8.25	7.25

FINANCE

Operations of the Federal Reserve Bank

The loans of the Federal Reserve Bank to member banks, after remaining fairly steady during the last half of May, showed a noticeable expansion during the first half of June. These loans on June 15 amounted to \$15,175,000 as compared with \$11,320,000 on May 15, and \$10,019,000 on June 15, 1931. The major part of the expansion of \$3,856,000 during the month occurred at reserve city banks, but there was some increase in the demand from country banks. At the middle of June there were 242 borrowing banks as compared with 213 a month earlier, and 202 a year ago. This bank's holdings of bills bought in the open market amounted to only \$924,000 on June 15, as compared with \$1,421,000 on May 15, and \$3,945,000 on June 15 last year. Investments in Government securities showed a decline of \$2,126,000 between May 15 and June 15, and on the latter date were \$1,643,000 less than a year ago. The reserve deposits of member banks reflected a further decline of \$4,451,000 during the month and at the middle of June were \$11,305,000 less than in 1931. Federal reserve notes in actual circulation on June 15 amounted to \$34,786,000 as compared with \$35,444,000 on May 15, and \$26,961,000 on the same date last year.

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

	June 15, 1932	June 15, 1931	May 15, 1932
Total cash reserves.....	\$ 45,395	\$ 44,461	\$ 51,269
Discounts for member banks.....	15,175	10,019	11,320
Other bills discounted.....	None	6	
Bills bought in open market.....	924	3,945	1,421
United States securities owned.....	29,596	31,239	31,722
Other investments.....	5	327	5
Total earning assets.....	45,700	45,536	44,468
Member bank reserve deposits.....	42,716	54,021	47,167
Federal reserve notes in actual circulation...	34,786	26,961	35,444

Deposits of Member Banks

Continuing the downward trend which is usually in evidence at this season of the year, the daily average of combined net demand and time deposits of member banks in this district during May amounted to \$625,594,000, as compared with \$636,343,000 in the previous month, and \$796,875,000 in the corresponding month last year. Time deposits reflected only a small 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
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	88,698
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	82,698
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
Mar., 1932.....	461,557	194,887	221,835	117,339	239,722	77,548
April, 1932.....	445,050	191,293	216,649	115,732	228,401	75,561
May, 1932.....	434,865	190,729	212,117	115,372	222,748	75,357

Condition of Member Banks in Selected Cities

There was a further substantial decline in the loans, investments, and deposits of member banks in selected cities during the four-week period ending June 8. The investments of these banks totaled \$138,535,000 on June 8, which represents a decline of \$3,441,000 as compared with May 11, but an increase of \$14,167,000 as

compared with June 10, 1931. Loans on securities declined \$751,000 between May 11 and June 8, and on the latter date were \$16,047,000 smaller than a year ago. "All other" loans (largely commercial) totaled \$169,909,000 on June 8 as compared with \$173,383,000 on May 11, and \$206,186,000 on June 10, 1931. The net demand deposits of these banks reflected a seasonal decline of \$6,576,000 during the four-week period, but time deposits showed a slight increase. Their combined net demand and time deposits on June 8 were \$60,620,000 less than on the corresponding date of 1931. The bills payable and rediscounts of these banks stood at \$4,102,000 on June 8 as compared with \$1,340,000 on May 11, and \$915,000 on June 10 last year.

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

	June 8, 1932	June 10, 1931	May 11, 1932
United States securities owned.....	\$ 81,753	\$ 68,342	\$ 83,634
All other stocks, bonds, and securities owned.	56,782	56,026	58,342
Loans on securities.....	75,644	91,691	76,395
All other loans.....	169,909	206,186	173,383
Total loans.....	245,553	297,877	249,778
Net demand deposits.....	228,581	268,678	235,157
Time deposits.....	126,504	147,027	126,409
Reserve with Federal Reserve Bank.....	26,922	32,527	27,770
Bills payable and rediscounts with Federal Reserve Bank.....	4,102	915	1,340

Debits to Individual Accounts

Largely as a result of seasonal factors, total charges to individual accounts during May at banks in seventeen leading cities in this district declined 5.4 per cent from the previous month. The aggregate amounted to \$452,861,000, as against \$478,681,000 in April, and \$634,684,000 in May a year ago. At Austin, the volume was larger than in either the preceding month or a year ago, and at six of the other cities it was higher than in April.

DEBITS TO INDIVIDUAL ACCOUNTS
(In thousands of dollars)

	May 1932	May 1931	Percentage change over year	April 1932	Percentage change over month
Abilene.....	\$ 3,639	\$ 5,723	-36.4	\$ 4,207	-13.5
Austin.....	20,535	19,050	+ 7.8	18,521	+10.9
Beaumont.....	12,958	19,382	-33.1	14,213	- 8.8
Corsicana.....	2,213	3,482	-36.4	2,720	-18.6
Dallas.....	115,203	158,469	-27.3	128,270	+ 3.7
El Paso.....	16,731	26,143	-36.0	16,132	- 9.4
Fort Worth.....	50,134	63,387	-26.7	55,353	- 4.5
Galveston.....	16,821	20,608	-18.4	17,618	- 9.0
Houston.....	102,854	155,908	-34.0	113,035	+ 4.2
Port Arthur.....	5,022	8,091	-37.9	4,818	+11.1
Roswell.....	2,115	2,712	-22.0	1,903	+ 9.3
San Antonio.....	47,758	70,083	-31.9	43,695	+ 5.0
Shreveport.....	24,922	32,306	-22.9	23,725	- 2.1
Texarkana*.....	5,072	9,523	-46.7	6,511	+19.0
Tucson.....	10,619	10,739	- 1.1	8,923	-13.3
Waco.....	8,524	10,996	-22.5	9,837	-15.9
Wichita Falls....	7,741	13,082	-40.8	9,200	- 5.4
Total.....	\$452,861	\$634,684	-28.6	\$478,681	- 5.4

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

Acceptance Market

A further sharp decline from the previous month was reflected in the volume of acceptances executed by banks in this district and outstanding at the close of May. There was a volume of \$664,201 reported, as compared with \$1,530,614 on April 30, and \$2,507,163 on May 31 a year ago. The major part of the reduction was in acceptances based on the domestic shipment and storage of goods, which declined from \$951,084 on the last day of April to \$155,129 on May 31.

Savings Deposits

There was a decrease of only 0.3 per cent during May in the savings deposits of 144 reporting banks in this district. The total amount on record May 31 was \$143,133,269, as against

\$143,511,679 on the last day of April, and \$172,497,342 at the close of May, 1931. Most of the cities reported only slight declines from the previous month, and several showed perceptible increases.

SAVINGS DEPOSITS

	Number of Reporting Banks	May 31, 1932		May 31, 1931		Percentage Change Over Year in Savings Deposits	April 30, 1932		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*	6,114	\$ 2,980,139	4,424	\$ 2,782,755	+ 7.1	6,106	\$ 3,095,761	- 3.7
Dallas.....	9*	74,277	25,610,359	76,947	29,145,260	-12.1	74,250	25,478,890	+ .5
El Paso.....	2	11,005	3,248,288	11,575	3,922,545	-17.2	10,820	3,134,990	+ 3.6
Fort Worth.....	4	34,328	11,212,840	35,246	13,739,547	-18.4	34,456	11,183,799	+ .3
Galveston.....	4	17,539	10,845,419	18,018	11,803,888	- 8.1	17,671	10,843,865	+ 0.0
Houston.....	11*	54,449	30,691,855	66,610	34,783,036	-11.8	54,930	30,518,487	+ .6
Port Arthur.....	2	4,332	1,718,545	4,854	1,841,623	- 6.7	4,529	1,807,557	- 4.9
San Antonio.....	8*	16,561	14,496,225	22,480	21,695,151	-33.2	16,504	14,585,234	- 2.8
Shreveport.....	4	25,042	10,029,005	25,991	13,039,964	-23.1	24,910	10,313,650	+ 2.8
Waco.....	3	10,094	5,446,106	10,655	6,319,826	-13.8	10,278	5,469,631	- .4
Wichita Falls.....	3*	2,890	2,291,714	3,782	3,053,422	-24.9	11,910	2,295,830	- .2
All others.....	91*	57,469	24,562,774	61,150	30,370,325	-19.1	57,607	24,783,985	- .9
Total.....	144	314,300	\$143,133,269	341,732	\$172,497,342	-17.0	323,971	\$143,511,679	- .3

*Only 2 banks in Beaumont, 6 in Dallas, 9 in Houston, 7 in San Antonio, 2 in Wichita Falls, and 78 in "All others" reported the number of savings depositors.

JUNE DISCOUNT RATES

Prevailing rates:

	Dallas	El Paso	Fort Worth	Houston	San Antonio	Waco
Rate charged customers on prime commercial paper such as is now eligible for rediscount under the Federal Reserve Act.....	4 1/2-7	6-8	5-8	5-7	5-6	6-8
Rate charged on loans to other banks secured by bills receivable.....	5-6	5-6	5-6	5-6	6	5 1/2-6
Rate on loans secured by prime stock exchange or other current collateral (not including loans placed in other markets through correspondent banks):						
Demand.....	5-7	6-8	6-10	5-7	6-8	7-8
Time.....	6-7	6-8	6-10	5-7	6-8	7-8
Rate charged on commodity paper secured by warehouse receipts, etc.....	5-7	8	6-8	5-7	6-8	6-7
Rate on cattle loans.....	6-7	6-8	6-10	7-10	6-10	8

INDUSTRY

Textile Milling

A downward tendency in the operations of reporting textile mills in this district was again in evidence during May. With the demand for cotton goods, as measured by orders on hand at the close of the month, showing a further reduction mill operators continued to curtail consumption of cotton and correspondingly the production of cloth. Supplies of finished products held on May 31 continued above those a month earlier, but were smaller than on May 31, 1931.

Another seasonal decline somewhat larger than the average was shown during May in the domestic consumption of cotton, and a further large reduction was evidenced as compared with the same month a year ago. There were 332,439 bales of cotton consumed during May, which was 9.5 per cent less than a month earlier, and 28.6 per cent below May, 1931. As a consequence of the further large decline in the consumption of cotton during May, the total

for the season, August through May, dropped below that in the same period last season. Inventories of cotton in consuming establishments continued to decline seasonally, but on May 31 were 16.4 per cent larger than a year ago.

Cottonseed Products

While operations of cottonseed oil mills in both Texas and the United States continued their seasonal recession during the past month, they were maintained on a higher scale than those in the corresponding month of several preceding years. The receipts and crushings of seed and the production of all products except linters at Texas mills were greater than in any like month since 1927, and at the Nation's mills the output of hulls was the largest for that month in four years with all other activities exceeding those of any similar period during the past decade. Production of linters at the

COTTON CONSUMED AND ON HAND (Bales)

	May 1932	May 1931	August 1 to May 31 This Season	August 1 to May 31 Last Season
Cotton-growing states:				
Cotton consumed.....	287,655	361,680	3,520,756	3,436,955
On hand May 31 in—				
Consuming establishments.....			1,146,675	909,570
Public storage and compresses.....			7,148,768	5,089,660
United States:				
Cotton consumed.....	332,439	465,363	4,269,664	4,358,189
On hand May 31 in—				
Consuming establishments.....			1,463,389	1,257,616
Public storage and compresses.....			7,608,604	5,490,017

STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS

	Texas		United States	
	August 1 to May 31 This Season	Last Season	August 1 to May 31 This Season	Last Season
Cottonseed received at mills (tons).....	1,626,385	1,238,745	5,513,977	4,650,935
Cottonseed crushed (tons).....	1,456,869	1,236,083	5,123,761	4,650,773
Cottonseed on hand May 31 (tons).....	182,675	19,365	398,200	45,578
Crude oil produced (pounds).....	437,556,039	364,049,756	1,623,687,841	1,420,617,591
Cake and meal produced (tons).....	686,352	588,578	2,306,815	2,130,624
Hulls produced (tons).....	421,900	350,510	1,448,094	1,285,785
Linters produced (running bales).....	189,500	192,196	835,791	812,317
Stocks on hand May 31:				
Crude oil (pounds).....	17,322,667	5,077,606	60,499,991	17,387,852
Cake and meal (tons).....	33,089	42,221	150,165	224,282
Hulls (tons).....	50,700	35,187	201,405	83,096
Linters (running bales).....	74,711	58,760	270,527	248,728

State's mills during the ten months of the current season continued slightly less than in the same period of the previous season, while all other operations at both Texas and American mills showed a further increase. Shipments of cottonseed products during the month were well above production, consequently inventories held on May 31 were considerably smaller than those a month earlier, but stocks of oil, hulls, and linters continued substantially above those a year ago.

Cotton Movements

Another decline of a seasonal nature was witnessed during May in the movements of cotton through the ports of Houston and Galveston. While exports at Houston showed a reduction of 23.4 per cent from May, 1931, this decline was more than offset by a favorable balance at Galveston. The receipts of cotton were considerably above those a year ago at both ports. Stocks showed a further decline from a month earlier, but were still above last year.

Although total foreign exports of domestic cotton during May reflected a decline from those a month earlier, the recession was much smaller than usual and total shipments for the month were considerably above those a year ago. Exports aggregated 500,871 bales during the month, as against 544,563 bales in April and 335,796 bales in May, 1931. A further increase in exports during the present season over those of the 1930-31 season was registered, takings for the first ten months of the current season being 7,897,374 bales, as compared with 6,245,541 bales in the same period of the previous season. Exports to the United Kingdom and Japan turned noticeably upward during May, while shipments to the majority of other countries declined.

COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON (Bales)

	May	May	August 1 to May 31	
	1932	1931	This Season	Last Season
Receipts.....	33,313	21,226	2,304,242	1,537,351
Exports.....	113,104	71,321	2,083,906	1,209,454
Stocks, May 31.....			608,837	513,149

COTTON—GALVESTON STOCK STATEMENT (Bales)

	May 31, 1932	May 31, 1931
For Great Britain.....	3,000	2,000
For France.....	1,000	3,000
For other foreign ports.....	21,500	15,500
For coastwise ports.....	1,000	2,000
In compresses and depots.....	582,337	490,649
Total.....	608,837	513,149

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

	August 1 to May 31	
	This Season	Last Season
Receipts.....	9,679,736	8,844,737
Exports: United Kingdom.....	1,214,983	1,027,159
France.....	424,181	900,613
Italy.....	587,927	437,686
Germany.....	1,430,270	1,531,723
Other Europe.....	706,035	643,126
Japan.....	2,126,471	1,089,802
All other countries.....	1,407,507	615,432
Total foreign ports.....	7,897,374	6,245,541
Stocks at all United States ports, May 31.....	3,866,739	3,285,123

COTTON MOVEMENTS THROUGH THE PORT OF HOUSTON (Bales)

	May	May	August 1 to May 31	
	1932	1931	This Season	Last Season
Receipts.....	23,125	14,293	3,150,823	2,823,966
Exports.....	97,047	127,443	2,587,597	2,173,775
Stocks, May 31.....			1,254,955	903,620

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

	May, 1932		June 15, 1932
	High	Low	
New York.....	5.95	5.30	5.35
New Orleans.....	5.89	5.31	5.25
Dallas.....	5.40	4.80	4.85
Houston.....	5.80	5.15	5.15
Galveston.....	5.85	5.25	5.20

Petroleum

The production of crude oil in the Eleventh District during May totaled 29,146,600 barrels, as compared with 28,444,529 barrels in the preceding month, and 31,112,800 barrels in the corresponding month last year. However, there was a decrease of 7,938 barrels in daily average output as compared with April, the gain in total yield being entirely attributable to the longer month. Drilling activity continued at a high level, and showed a further substantial increase over April. Of the 848 new wells completed during the month, 706 were producers having a combined initial output of 4,583,724 barrels.

Although most areas in Texas reported increases in their daily output, the material reduction in East Texas was more than sufficient to offset the gains shown in other sections. The net decrease for the State amounted to 11,122 barrels, the average during May being 871,324 barrels. Daily production in New Mexico reflected a further slight decline, while in North Louisiana there was an appreciable increase.

OIL PRODUCTION—(Barrels)

	May, 1932		Increase or Decrease Over April, 1932	
	Total	Daily Avg.	Total	Daily Avg.
North Texas.....	3,163,550	102,050	+156,920	+ 1,829
Central West Texas.....	6,472,350	208,785	+317,960	+ 3,639
East Central Texas.....	12,197,200	393,458	-237,730	-21,040
Texas Coastal.....	3,496,900	112,803	+214,098	+ 3,376
South Texas.....	1,681,050	54,228	+ 86,428	+ 1,074
Total Texas.....	27,011,050	871,324	+537,676	-11,122
New Mexico.....	1,137,700	36,700	+ 24,220	- 416
North Louisiana.....	997,850	32,189	+140,175	+ 3,600
Total District.....	29,146,600	940,213	+702,071	- 7,938

MAY DRILLING RESULTS

	Com- pletions	Pro- ducers	Gas Wells	Fail- ures	Initial Production
North Texas.....	98	52	3	43	5,603
Central West Texas.....	53	28	6	19	5,889
East Central Texas.....	604	581	2	21	4,549,025
South Texas.....	44	17	1	26	5,539
Texas Coastal.....	32	19	1	12	12,741
Total Texas.....	831	697	13	121	4,578,797
New Mexico.....	3	3	..	..	2,267
North Louisiana.....	14	6	1	7	2,660
May totals, district.....	848	706	14	128	4,583,724
April totals, district.....	722	586	15	121	4,146,045

CRUDE OIL PRICES

	June 10, 1932	June 9, 1931
Texas Coastal (40 gr. and above).....	\$1.00	\$.55*
North Texas and North Louisiana (40 gr. and above).....	1.00	.37

*Price paid for Texas Coastal, 35 gr. and above.

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

shipments aggregated approximately two-thirds of the volume recorded in the same period in 1931.

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

	% change from			Jan. through		
	May 1932	April 1932	May 1931	May 1932	1932	% change from year
Production at Texas mills.....	208	-47.6	-65.3	1,527		-33.1
Shipments from Texas mills.....	323	-12.2	-49.8	1,568		-33.2
Stocks at end of month at Texas mills	685	-14.4	-6.7	.....	.....	.....

Cement

Activity in the Portland cement industry in Texas showed a decided recession during the past month. May production amounted to only 208,000 barrels, as against 397,000 barrels in April, and 600,000 barrels in May a year ago. Shipments declined to 323,000 barrels, which is 12.2 per cent under the volume of the previous month, and 49.8 per cent less than in the same month last year. Stocks on hand at the end of May totaled 685,000 barrels, being 14.4 per cent smaller than on the last day of April, and 6.7 per cent under a year ago. For the first five months of the current year, both production and

Building

The month of May witnessed a heavy reduction in the valuation of construction permits issued at leading centers in the Eleventh District. The valuation of building permits issued amounted to \$1,120,579, which is 61.8 per cent below the volume of the preceding month, and 76.6 per cent less than in May last year. From January 1 to May 31 of the current year, the value of permits aggregated \$10,662,272, as against \$19,571,215 in the like period of 1931.

BUILDING PERMITS

	May, 1932		May, 1931		Percentage Change Valuation Over Year	April, 1932		Percentage Change Valuation Over Month	Five Months				Percentage Change Valuation Over Period
	No.	Valuation	No.	Valuation		1932			1931				
						No.	Valuation		No.	Valuation			
Amarillo.....	30	\$ 63,255	38	\$ 293,375	-78.4	27	\$ 33,770	+ 87.3	130	\$ 191,410	237	\$ 1,650,019	- 88.4
Austin.....	102	200,697	115	153,441	+30.8	91	1,467,566	- 89.3	462	4,207,453	440	1,175,155	+258.0
Beaumont.....	87	38,278	110	346,956	-89.0	85	38,997	- 1.8	443	192,818	600	747,828	- 1.8
Corpus Christi..	36	30,483	69	77,659	-60.7	34	6,377	+378.0	165	75,273	254	227,399	- 66.9
Dallas.....	324	187,410	332	348,808	-46.3	290	468,449	- 60.0	1,365	1,304,471	1,674	2,528,855	- 48.4
El Paso.....	40	14,013	54	96,942	-85.6	47	15,773	-11.2	183	120,991	378	618,298	- 80.4
Fort Worth.....	127	86,262	241	942,323	-90.8	141	134,552	- 35.9	668	657,696	1,064	2,388,817	- 72.5
Galveston.....	125	72,893	133	186,476	-60.9	141	60,974	+ 19.5	626	311,563	643	779,364	- 60.0
Houston.....	215	265,405	307	777,000	-65.8	239	360,138	- 26.3	1,089	1,678,018	1,637	5,627,258	- 70.2
Port Arthur.....	48	6,710	38	51,978	-87.1	67	18,692	- 64.1	205	53,471	288	535,124	- 90.0
San Antonio.....	236	80,479	205	116,165	-30.7	212	254,497	- 68.4	1,014	1,030,417	1,122	1,303,485	- 20.9
Shreveport.....	121	39,018	187	67,411	-42.1	125	48,432	-19.4	617	187,960	736	413,727	- 54.6
Waco.....	27	32,694	29	1,323,785	-97.5	33	16,980	+ 92.5	178	190,146	141	1,528,736	- 87.6
Wichita Falls...	11	2,982	5	6,774	-56.0	17	7,000	- 57.4	77	460,585	56	47,150	+876.9
Total.....	1,529	\$1,120,579	1,863	\$4,789,093	-76.6	1,549	\$2,932,197	- 61.8	7,222	\$10,662,272	9,270	\$19,571,215	- 45.5

SUMMARY OF NATIONAL BUSINESS CONDITIONS

(Compiled by the Federal Reserve Board as of June 22, 1932)

Volume of production in basic industries and employment at factories decreased further in May, and wholesale prices declined. Foreign withdrawals of gold, which had been in large volume in May and the first half of June, practically stopped after the middle of the month.

PRODUCTION AND EMPLOYMENT

Production at mines and factories declined further in May, and the Board's seasonally adjusted index of industrial production showed a reduction from 64 per cent of the 1923-1925 average in April to 61 per cent in May. Output of coal was substantially reduced, particularly in the anthracite fields, shipments of iron ore showed less than the usual seasonal increase, production of iron and steel declined, and activity at textile mills and shoe factories was further curtailed. In the automobile industry output increased considerably. In the first part of June activity in the steel and cotton industries was reported to have declined further, while output of automobiles continued at about the

same rate as in the latter part of May. Further reductions in employment and earnings of factory workers accompanied the smaller volume of manufacturing output in May, particularly in the steel and machinery industries, and in the textile and clothing trades. Employment at automobile plants and in the seasonally active food industries showed an increase. Value of building contracts awarded, according to reports to the F. W. Dodge Corporation, after increasing somewhat in April and May, declined slightly in the first half of June, reflecting chiefly smaller awards for public works and other non-residential building.

DISTRIBUTION

Railroad freight traffic decreased further in May, the largest reduction being in shipments of coal and miscellaneous freight. Sales of department stores in leading cities, which had increased substantially during April were smaller in May.

WHOLESALE PRICES

Prices of commodities at wholesale were 1.7 per cent lower in May than in April, according to the Bureau of Labor Statistics. There were large decreases in prices of many domestic agricultural products and of hides and textiles. Prices of petroleum products advanced. During the first three weeks of June market quotations for a number of non-agricultural commodities were relatively steady, and prices of sugar, meats, and livestock increased. Prices of wheat, after considerable fluctuations, were at unusually low levels at the beginning of the third week in June.

BANK CREDIT

Withdrawals of gold from the United States continued through May and the first half of June and the country's stock of monetary gold declined by \$435,000,000 between May 4 and June 15. After that date there was no further

decline in the total stock of monetary gold, continued gold exports representing gold previously earmarked by foreign central banks. During the first part of May continued purchases of United States Government securities by the Reserve banks enabled member banks further to reduce their discounts. In later weeks, however, funds released through these purchases were absorbed by the demand for gold export, and there was also a decrease in member bank reserve balances. Loans and investments of reporting member banks in leading cities, which had declined sharply earlier in the year, showed wide fluctuations after the middle of May. In the middle of June total loans and investments were larger than a month earlier, the increase in holdings of United States securities being more than sufficient to offset a decline in other investments and in loans. Money rates in the open market remained at low levels. Rates on prime commercial paper were reduced to a range of $2\frac{1}{2}$ to $2\frac{3}{4}$ per cent in the second week of June.