

# 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 1932	Change from May
Bank debits to individual accounts (at 17 cities).....	\$457,704,000	+ 1.1%
Department store sales.....		- 15.1%
Reserve bank loans to member banks at end of month.....	\$ 11,384,041	- 6.5%
Reserve bank ratio at end of month.....	59.0%	+ 7.0 points
Building permit valuation at larger centers.....	\$ 1,157,988	+ 3.3%
Commercial failures (number).....	112	+ 17.9%
Commercial failures (liabilities).....	\$ 2,283,041	- 2.0%
Oil production (barrels).....	27,806,975	- 4.6%

The distribution of merchandise in wholesale and retail channels reflected a further seasonal decline during June. Department store sales were 15 per cent less than in the previous month and were 31 per cent smaller than in the corresponding month last year. While wholesale trade reflected the effects of the in-between season period, there was a stronger demand in some sections. There seems to be a gradual narrowing in the decline of sales as compared to a year ago. Retailers are still buying in small quantities and for quick delivery in order to maintain low inventories. Collections in most lines reflected a seasonal decline as compared with the previous month.

While there was a sharp decline in Federal Reserve Bank loans to member banks during the last half of June, the increased demand for funds during the first half of July carried these loans to \$15,856,000 on the fifteenth of the month, which was slightly greater than those a month earlier, and \$5,353,000 above those on July 15, 1931. An increased demand for currency was reflected in an expansion of \$2,702,000 in the circulation of Federal reserve notes. The investments, deposits and reserves of member banks in selected cities reflected an increase between June 8 and July 6, but their loans declined somewhat. The combined net demand and time deposits of member banks in this district averaged \$611,660,000 during June as compared with \$625,594,000 in May, and \$775,035,000 in June last year.

While the valuation of building permits issued at principal cities during June was slightly larger than in May, it was 67 per cent smaller than in June a year ago. The production of cement was 61 per cent greater than in May, but was 47 per cent smaller than in June, 1931. Shipments, which were practically the same as in the previous month, were considerably smaller than a year ago.

### BUSINESS

Although the distribution of merchandise in wholesale channels continued in small volume, there was some evidence of a strengthening demand. The June sales of groceries and hardware were larger than in the previous month and the decline in drug sales was smaller than usually occurs at this season. Comparisons with a year ago were more favorable in the case of four reporting lines than they were in the previous month. During the period from January 1 to June 30 of the current year, distribution at wholesale showed reductions from the like period in 1931 ranging from 19.2

per cent in the case of groceries to 55.8 per cent in the case of farm implements. Strict adherence on the part of retailers to the policy of purchasing in small lots and as the necessity arises was in evidence throughout the district. While collections in the lines of dry goods, hardware, and drugs declined further from the previous month, the downward movement was due largely to seasonal influences.

Although total sales of dry goods by reporting wholesale firms during June reflected a further decrease of more than the usual seasonal amount, they showed a smaller percentage decline from a year ago than was recorded in May.

#### Wholesale Trade

strengthening demand. The June sales of groceries and hardware were larger than in the previous month and the decline in drug sales was smaller than usually occurs at this season. Comparisons with a year ago were more favorable in the case of four reporting lines than they were in the previous month. During the period from January 1 to June 30 of the current year, distribution at wholesale showed reductions from the like period in 1931 ranging from 19.2



The June volume of business was 16.2 per cent less than that of the preceding month, and 38.7 per cent below the same month last year. An upward trend was visible in certain sections. Collections decreased 9.7 per cent as compared with May.

The demand for groceries at wholesale during June showed a non-seasonal increase of 5.2 per cent over the previous month, and sales were only 13.6 per cent under a year ago as compared with 19.2 per cent in May. The improvement appeared to be rather general. Inventories were increased somewhat during the month. The ratio of collections to accounts outstanding was higher at the close of June than on May 31.

Contrary to the seasonal tendency, distribution of hardware through wholesale channels in the Eleventh District during June increased 2.4 per cent as compared with May. The month's business was 20.0 per cent less than a year ago, and during the first six months of the year sales averaged 27.1 per cent below those of the same period in 1931. There was a good demand for oil field equipment and supplies, because of the increased drilling activity in many petroleum producing areas. The volume of collections fell off somewhat, after having increased in May.

The business of wholesale drug firms in this district continued at a low level during June, but reflected a decrease from the preceding month somewhat smaller than usually occurs at this season. Sales were 3.4 per cent less than in May, and 22.7 per cent below those of June last year, the latter comparison being more favorable than the 28.1 per cent decline which was shown in May. The dollar volume of distribution from January through June was 23.1 per cent under that of the corresponding months in 1931. Stocks on hand increased 4.4 per cent during June. There was a further seasonal decrease in collections.

Following the substantial increases which occurred in the two preceding months, total sales of wholesale farm implement firms during June showed a decline of 29.2 per cent as compared with May, and were 63.4 per cent less

than in the corresponding month last year. There was a sizable gain in the volume of collections during June.

#### CONDITION OF WHOLESALE TRADE DURING JUNE, 1932

Percentage of increase or decrease in—

	Net Sales June, 1932 compared with June 1931		Net Sales Jan. 1 to date compared with same period last year		Stocks June, 1932 compared with June 1931		Ratio of collec- tions during June to accounts and notes outstanding on May 31
	June	May	June	May	June	May	
Groceries.....	-13.6	+ 5.2	-19.2	-12.0	+ 1.7	67.9	
Dry goods.....	-38.7	-16.2	-32.5	-30.6	- 5.1	20.1	
Farm implements..	-63.4	-29.2	-55.8	- 5.8	- 4.5	2.5	
Hardware.....	-21.0	+ 2.4	-27.1	- 9.4	- 2.7	27.2	
Drugs.....	-22.7	- 3.4	-23.1	-12.8	+ 4.4	33.0	

#### Retail Trade

A seasonal recession only slightly larger than the average was witnessed during June in the sales of department stores located in principal cities of the Eleventh District. While a further substantial decline was shown as compared with the corresponding month of 1931, it was smaller than in either May or April. Distribution of merchandise was 15.1 per cent less than that in the previous month, and 30.8 per cent below June, 1931. This bank's seasonally adjusted index of department store sales evidenced a small decline of 2.5 points during the month. With the usual summer lull in evidence throughout the district merchants are featuring attractive sale prices in an attempt to stimulate demand. Dollar volume of sales during the first half of 1932 was 28.2 per cent less than that in the same period of 1931.

Inventories at department stores continued to decline during the month, and on June 30 were 8.3 per cent less than a month earlier, and 23.3 per cent below those held on June 30, 1931. The rate of stock turnover during the first six months of 1932 was 1.32 as against 1.49 in the corresponding period of 1931.

Collections during June evidenced a further decline from those a month earlier and a year ago. The ratio of June collections to accounts outstanding on June 1 was 29.3 per cent, as against 30.5 per cent in May, and 33.0 per cent in June, 1931.

#### BUSINESS OF DEPARTMENT STORES

	Dallas	Fort Worth	Houston	San Antonio	Others	Total District
<b>Total Sales (Percentage):</b>						
June, 1932, compared with June, 1931.....	-28.0	-32.2	-33.5	-33.0	-29.9	-30.8
June, 1932, compared with May, 1932.....	-11.0	-16.6	-12.2	- 9.9	-29.1	-15.1
January 1 to date compared with same period last year.....	-25.7	-28.5	-30.9	-32.8	-25.6	-28.2
<b>Credit Sales (Percentage):</b>						
June, 1932, compared with June, 1931.....	-29.0	-32.2	-35.6	-31.1	-28.9	-30.8
June, 1932, compared with May, 1932.....	-10.6	-19.8	-10.8	- 8.2	-28.6	-14.7
January 1 to date compared with same period last year.....	-26.6	-27.2	-34.0	-31.6	-27.4	-28.7
<b>Stocks (Percentage):</b>						
June, 1932, compared with June, 1931.....	-15.8	-23.4	-43.9	-22.9	-17.7	-23.3
June, 1932, compared with May, 1932.....	- 8.3	- 7.0	- 9.2	- 8.2	- 9.0	- 8.3
<b>Stock Turnover (Rate):</b>						
Rate of stock turnover in June, 1931.....	.24	.20	.25	.34	.21	.24
Rate of stock turnover in June, 1932.....	.20	.18	.27	.30	.18	.21
Rate of stock turnover January 1 to June 30, 1931.....	1.48	1.16	1.65	2.03	1.37	1.49
Rate of stock turnover January 1 to June 30, 1932.....	1.32	1.03	1.54	1.73	1.20	1.32
Ratio of June collections to accounts receivable outstanding June 1, 1932.....	30.2	25.4	33.7	28.5	28.3	29.3
<b>Indexes of department store sales:</b>						
Unadjusted June, 1932.....	51.4	66.1	63.1	55.6	.....	55.9
Adjusted June, 1932.....	59.1	70.3	59.5	56.7	.....	60.8
<b>Indexes of department store stocks:</b>						
Unadjusted June, 1932.....	46.4	68.3	45.5	38.5	.....	51.2
Adjusted June, 1932.....	48.3	71.9	50.6	43.8	.....	54.5

#### Commercial Failures

Despite the fact that the business mortality rate in this district during June was substantially higher than in May, there was a slight reduction in the total indebtedness of defaulting firms. Both the number and liabilities of insolvent firms were larger than in June, 1931. According to the

report compiled by R. G. Dun & Company, there were 112 commercial failures in the Eleventh District during the past month, as compared with 95 in May, and 61 a year ago. Liabilities aggregated \$2,283,041, as against \$2,330,312 in the previous month, and \$1,522,700 in June last year.



## AGRICULTURE

*Crop Conditions*

Growing crops over most of the Eleventh District made generally good progress during the past month. In some areas,

the lack of moisture retarded crop progress, but the late June and early July rains largely corrected this situation. Although frequent rains occurred over much of the district, farmers were able to maintain their crops in a fair to good state of cultivation.

The corn crop throughout most of the district made good progress during the past month, and prospects now point toward a good crop. According to the figures derived from the July 1 estimates of the Department of Agriculture, the indicated production of corn in the Eleventh District was 115,944,000 bushels as compared with a harvest of 109,442,000 bushels in 1931. Most of the increase is accounted for in Texas where the Department's estimate totaled 99,872,000 bushels for the current year as against a final yield of 94,248,000 bushels last year. While a slightly lower production is forecasted for New Mexico and Louisiana, a better crop is indicated for Arizona and Oklahoma. All states attached to this district, except Oklahoma, increased the acreage planted to corn. While there was an expansion in the acreage of tame hay, the July 1 condition indicates a production in this district of 928,000 tons as compared with 991,000 tons harvested last year. The indicated yield of wild hay does not show any material change from a year ago.

The Department of Agriculture in its July 1 report increased its estimate of winter wheat in Texas, Oklahoma, and Arizona, while the estimate for New Mexico was lowered. The indicated yield for this district, as derived from these estimates, was 32,748,000 bushels as compared with a production of 59,876,000 bushels in 1931. The Texas production was placed at 32,148,000 bushels on July 1 as compared with 31,650,000 bushels on June 1 and an output of 57,572,000 bushels last year. The indicated yield of oats on July 1 was materially below that of a year ago in Texas, Louisiana, and Oklahoma. A larger production was forecasted for New Mexico and Arizona. Harvesting and threshing of small grains were delayed during June by the frequent rains and reports indicate that there was some injury to the grain in the shock.

The cotton crop has made fair to good progress over most of the district, although it is some later than usual. The frequent rains caused a rapid growth of the weed, but there are some complaints that the stalk is sappy and fruiting light. While conditions to early July were favorable to the propagation and spread of insects, the recent period of hot, dry weather has tended to check this activity. The Department of Agriculture estimated the cotton acreage in Texas standing on July 1, 1932, at 14,192,000 acres. This represents a reduction of 10 per cent from a year ago and is the smallest acreage reported for any year since 1922. The smallest reduction occurred in North and Northwest Texas where the acreage was 8 per cent less than a year ago. The reduction in other sections of the State was as follows: West Central—9 per cent; Northeast, Central, West, and Southeast—10 per cent; East—12 per cent; and South—13 per cent. There was a reduction of 10 per cent in Louisiana; 11 per cent in Oklahoma; 36 per cent in Arizona; and 4 per cent in New Mexico. The acreage for the United States as a whole was reduced 9.5 per cent.

While the indicated production of rice in Texas on July 1 was 9,150,000 bushels as compared with a harvest of 10,653,000 bushels in 1931, the lower figure is accounted for largely by the reduction in acreage. The July 1 condition of peanuts in Texas and Louisiana was slightly lower than last year, but the acreage is larger. The sweet potato crop in Texas, Louisiana, and Oklahoma promises a substantially larger production than in 1931. The forecasted yield of white potatoes, on the other hand, shows a considerable reduction. Fruit crops throughout the district are considerably smaller than a year ago due to the injury caused by the March freezes.

*Livestock*

Ranges and livestock throughout most of the Eleventh District were maintained in good condition during June and the first half of July. Rainfall has been general and has relieved the dry condition prevailing in some areas. Reports indicate that prospects are bright for summer range feed and that stock water is plentiful in most sections.

According to the report of the Department of Agriculture, the condition of ranges in Texas on July 1 was reported at 85 per cent of normal which was 1 point less than a month earlier, but 3 points above a year ago. While there was an improvement in Northwest Texas, it was slightly more than offset by the poorer condition in the South and East districts where dry weather had prevailed. The latter condition, however, has been mostly relieved by rains since the first of July. The July 1 condition of sheep and goat ranges was 87 per cent of normal condition, which was the same as a year ago and 1 point less than on June 1. There was no change reported in the condition of sheep and cattle in Texas during June, but in each instance the condition figure was 1 point lower than a year ago. Sheep and cattle are reported to be in good flesh. The calf crop, which is much better than last year, is making good growth. The Department of Agriculture states that there has been some improvement in the local demand for cattle during the past month. There was some improvement in the condition of ranges and cattle in New Mexico during June, but there was a slight decline in that of sheep. In Arizona there was an improvement in ranges and sheep and the condition of cattle remained unchanged.

*Movements and Prices*

The receipts of cattle at the Fort Worth market in June were slightly smaller than in May and materially below June last year. The arrivals of calves, while considerably larger than in the previous month, were about the same as a year ago. Hog receipts showed a noticeable decline from both comparative periods. The heaviest arrivals of the year of sheep occurred in June, there being a large increase over both May this year and June last year.

Cattle prices showed considerable strength during June and the first half of July. Beef steer prices reached the high point of the season. While the calf market continued somewhat weak during most of June there was some improvement in July. After touching a low point late in May, the hog market strengthened slightly during the first half of June and then showed a vigorous advance which reached a top at \$5.05 during the first week of July. The price was



\$2.10 above the May low. Under the pressure of heavy receipts, lamb prices have continued weak.

FORT WORTH LIVESTOCK RECEIPTS  
(Number)

	June 1932	June 1931	Change over year	May 1932	Change over month
Cattle.....	42,246	58,807	- 16,561	42,508	- 262
Calves.....	16,790	16,643	+ 147	13,052	+ 3,738
Hogs.....	13,524	15,336	- 1,812	24,005	-10,481
Sheep.....	233,967	121,040	+112,927	186,146	+47,821

COMPARATIVE TOP LIVESTOCK PRICES  
(Dollars per hundred-weight)

	June 1932	June 1931	May 1932
Beef steers.....	\$7.00	\$7.00	\$6.25
Stocker steers.....	4.65	6.50	5.00
Butcher cows.....	4.00	4.50	3.50
Stocker cows.....	.....	3.25	.....
Calves.....	4.85	8.50	7.00
Hogs.....	4.50	7.70	3.40
Sheep.....	2.50	4.25	2.25
Lambs.....	4.75	7.25	5.50

## FINANCE

### Operations of the Federal Reserve Bank

After reaching a high point about the middle of June, Federal Reserve Bank loans to member banks declined sharply during the subsequent two weeks, the low level on June 30 being \$11,384,000. Since July 1 there has been a substantial increase in the demand for Federal Reserve Bank funds, and loans on the fifteenth of the month stood at \$15,856,000 or \$681,000 above those thirty days earlier. As compared with the same date a year ago, these loans were \$5,353,000 greater. During the past month the borrowings of reserve city banks declined somewhat, but those of country banks increased. The increase over a year ago was about equally divided between the two classes of banks. There were 252 banks borrowing from the Federal Reserve Bank on July 15, as compared with 242 banks on June 15, and 217 banks on July 15, 1931. This bank's holdings of bills bought in the open market amounted to \$1,382,000 on July 15, which represents an increase of \$458,000 over those a month ago, but a decline of \$1,201,000 from last year. There was an increase in investments in United States securities over both comparative dates. The reserve deposits of member banks rose \$2,573,000 between June 15 and July 15, but on the latter date were still \$8,911,000 below a year ago. Federal reserve notes in actual circulation amounted to \$37,488,000 on July 15, as compared with \$34,786,000 on June 15, and \$27,012,000 on July 15, 1931.

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

	July 15, 1932	July 15, 1931	June 15, 1932
Total cash reserves.....	\$ 44,420	\$ 48,706	\$ 45,395
Discounts for member banks.....	15,856	10,503	15,175
Other bills discounted.....	None	6	None
Bills bought in open market.....	1,382	2,583	924
United States securities owned.....	30,721	30,130	29,596
Other investments.....	5	167	5
Total earning assets.....	47,964	43,389	45,700
Member bank reserve deposits.....	45,289	54,200	42,716
Federal reserve notes in actual circulation...	37,488	27,012	34,786

### Condition of Member Banks in Selected Cities

The past month witnessed an up-turn in the investments and deposits of member banks in selected cities, but there was a further recession in loans. The investments of these banks in United States Government securities totaled \$89,195,000 on July 6, representing a gain of \$7,442,000 as compared to June 8, and \$12,514,000 as compared to the corresponding date last year. Their holdings of other stocks and bonds were \$279,000 less than four weeks earlier, and \$2,403,000 less than a year ago. The loans of these banks declined \$5,652,000 between June 8 and July 6, there being a recession of \$1,654,000 in loans on securities and \$3,998,000 in "all

other" loans (largely commercial). As compared with a year ago total loans were \$58,481,000 smaller. Although there was a slight decline of \$195,000 in time deposits, there was a gain of \$2,294,000 in net demand deposits. The combined total of net demand and time deposits on July 6 was \$57,193,000 below that on the corresponding date in 1931. The reserves of these banks with the Federal Reserve Bank reflected a sharp gain of \$4,433,000 between June 8 and July 6 and on the latter date were only \$671,000 less than a year ago. Their borrowings from the Federal Reserve Bank amounted to \$1,825,000 on July 6 as compared with \$4,102,000 on June 8, and \$675,000 on July 8, 1931.

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

	July 6, 1932	July 8, 1931	June 8, 1932
United States securities owned.....	\$ 89,195	\$ 76,681	\$ 81,753
All other stocks, bonds, and securities owned.....	56,503	58,911	56,782
Loans on securities.....	73,990	91,123	75,644
All other loans.....	165,911	207,259	169,909
Total loans.....	239,901	298,382	245,553
Net demand deposits.....	230,875	269,889	228,581
Time deposits.....	126,309	144,488	126,504
Reserve with Federal Reserve Bank.....	31,355	32,026	26,922
Bills payable and rediscounts with Federal Reserve Bank.....	1,825	675	4,102

### Debts to Individual Accounts

For the first time in five months there was a small up-turn during June in the volume of charges to depositors' accounts at leading centers in this district. The month's debits totaled \$457,704,000, as compared with \$452,861,000 in May, and \$628,285,000 in June last year. The comparison with a year ago was slightly more favorable than in May.

DEBITS TO INDIVIDUAL ACCOUNTS  
(In thousands of dollars)

	June 1932	June 1931	Percentage change over year	May 1932	Percentage change over month
Abilene.....	\$ 3,695	\$ 5,423	-31.9	\$ 3,639	+ 1.5
Austin.....	17,379	20,033	-13.2	20,535	-15.4
Beaumont.....	13,878	20,139	-31.1	12,958	+ 7.1
Corsicana.....	2,344	4,164	-43.7	2,213	+ 5.9
Dallas.....	120,526	157,345	-23.4	115,203	+ 4.6
El Paso.....	14,181	24,932	-43.1	16,731	-15.2
Fort Worth.....	52,287	69,959	-25.3	50,134	+ 4.3
Galveston.....	17,008	19,688	-13.6	16,821	+ 1.1
Houston.....	108,617	146,569	-25.9	102,854	+ 5.6
Port Arthur.....	4,397	7,802	-43.6	5,022	-12.4
Roswell.....	1,952	3,164	-38.3	2,115	-7.7
San Antonio.....	48,252	71,354	-32.4	47,758	+ 1.0
Shreveport.....	22,242	29,782	-25.3	24,922	-10.8
Texarkana*.....	5,410	9,330	-42.0	5,072	+ 6.7
Tucson.....	8,291	14,104	-41.2	10,619	-21.9
Waco.....	8,700	11,556	-24.7	8,524	+ 2.1
Wichita Falls.....	8,545	12,941	-34.0	7,741	+10.4
Total.....	\$457,704	\$628,285	-27.2	\$452,861	+ 1.1

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



**Deposits of Member Banks**

A further sizable reduction of a seasonal nature occurred in the combined daily average deposits of member banks in the Eleventh District during June. The average amounted to \$611,660,000, as against \$625,594,000 in May, and \$775,035,000 in June last year. The decrease from a year ago

was smaller in June than in the previous month. As compared with May, there was a slight gain in time deposits.

**Acceptance Market**

Acceptances executed by accepting banks and outstanding at the close of June reflected further declines in the classifications reported. Those based on import and export transactions amounted to \$318,672 on June 30, and those executed against the domestic shipment and storage of goods totaled \$79,621. The combined figure was \$398,293, which compares with \$664,201 a month earlier, and \$1,967,067 a year ago.

**Savings Deposits**

The savings deposits reported by 144 banks in this district that operate savings departments aggregated \$142,292,898 on June 30, being 1.0 per cent larger than at the close of May, but 17.2 per cent less than a year ago. There were 307,616 savings depositors on record at 120 of the reporting institutions on the last day of June, as compared with 309,017 a month earlier, and 336,643 on June 30, 1931.

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, 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	133,563	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	248,533	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
June, 1932.....	422,594	189,066	207,155	115,634	215,439	73,432

SAVINGS DEPOSITS

	Number of Reporting Banks	June 30, 1932		June 30, 1931		Percentage Change Over Year in Savings Deposits	May 31, 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*	6,094	\$ 3,025,281	4,448	\$ 3,449,711	-12.3	6,105	\$ 2,980,139	+ 1.5
Dallas.....	9*	74,188	26,002,379	76,969	30,027,861	-13.4	74,325	25,610,359	+ 1.5
El Paso.....	2	10,929	3,333,545	11,579	4,057,905	-17.9	11,005	3,248,288	+ 2.6
Fort Worth.....	4	34,267	11,448,741	35,336	14,088,399	-18.7	34,328	11,212,840	+ 2.1
Galveston.....	4	17,103	10,428,112	18,021	11,700,476	-10.9	17,539	10,845,419	- 3.8
Houston.....	11*	54,417	31,386,380	67,394	34,036,308	- 7.8	54,649	30,691,855	+ 2.3
Port Arthur.....	2	4,328	1,765,614	4,673	1,857,991	- 5.0	4,332	1,718,545	+ 2.7
San Antonio.....	8*	16,537	14,584,502	22,404	21,950,095	-33.6	16,579	14,496,225	+ 6
Shreveport.....	4	24,791	10,139,020	25,963	12,886,149	-21.3	24,841	10,029,005	+ 1.1
Waco.....	3	10,086	5,598,535	10,478	6,528,903	-14.2	10,091	5,446,106	+ 2.8
Wichita Falls.....	3*	2,925	2,317,515	3,474	3,138,324	-26.2	2,893	2,291,714	+ 1.1
All others.....	91*	51,951	22,263,274	55,904	28,063,513	-20.7	52,330	22,296,567	- .1
Total.....	144	307,616	\$142,292,898	336,643	\$171,785,635	-17.2	309,017	\$140,867,062	+ 1.0

\*Only 2 banks in Beaumont, 6 in Dallas, 9 in Houston, 7 in San Antonio, 2 in Wichita Falls, and 75 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 is now eligible for rediscount under the Federal Reserve Act.....	4-7	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	5½-6
Rate on loans secured by prime stock exchange or other current collateral (not including loans placed in other markets through correspondent banks):						
Demand.....	5-6	6-8	6-10	5-7	6-8	7-8
Time.....	5-8	6-8	6-10	5-7	6-8	7-8
Rate charged on commodity paper secured by warehouse receipts, etc.....	4½-7	8	6-8	5-7	6-8	6-7
Rate on cattle loans.....	6-7	6-8	6-10	7-10	7-10	8

**INDUSTRY**

**Textile Milling**

Although the domestic consumption of cotton during June declined to the lowest level for that month in many years, the recession from the preceding month was smaller than seasonal. There were 320,783 bales of cotton consumed during the month, as against 332,439 bales in May, and 453,901 bales in June, 1931. Consumption during the eleven months of the current season, August through June, averaged 4.6 per cent less than in the corresponding period of the preceding season. Inventories of cotton held on June 30 at consuming establishments were smaller than a month earlier, but continued above a year ago.

of cloth, and unfilled orders were in larger volume than in either the previous month or the same month last year.

Several of the textile mills in Texas did not operate in June, but the reporting mills which continued operations showed some improvement. Cotton consumption, production

COTTON CONSUMED AND ON HAND  
(Bales)

	June 1932	June 1931	August 1 to June 30 This Season Last Season	
Cotton-growing states:				
Cotton consumed.....	274,687	356,674	3,795,443	3,793,629
On hand June 30 in—				
Consuming establishments.....			1,023,743	793,205
Public storage and com- presses.....			6,692,046	4,590,138
United States:				
Cotton consumed.....	320,783	453,901	4,590,447	4,812,090
On hand June 30 in—				
Consuming establishments.....			1,322,793	1,131,191
Public storage and com- presses.....			7,154,241	4,970,584



**Cottonseed Products** Although the crushings of cottonseed and the production of oil, cake and meal, and hulls at Texas mills witnessed a noticeable reduction during June as compared with both the previous month and the corresponding month last year, the receipts of seed and the output of linters were contrary to seasonal tendencies, reflecting an increase over the preceding month and a year ago. Activities at all United States mills showed a further seasonal curtailment, but continued materially above those in the same month of 1931. Operations during the eleven months of the current season were well above those in the same period of the 1930-31 season at both the State's and Nation's mills. Stocks of cottonseed held on June 30 were in large volume. Inventories of all products at the close of June were seasonally smaller than a month earlier, but oil, hulls and linters were considerably above those held on the same 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).....	1,640,619	1,249,708	5,580,106	4,681,229
Cottonseed crushed (tons)....	1,465,661	1,249,911	5,234,155	4,693,724
Cottonseed on hand June 30 (tons).....	188,117	16,500	353,935	32,921
Crude oil produced (pounds)...	441,274,815	368,236,010	1,663,376,736	1,434,792,772
Cake and meal produced (tons)	691,136	597,268	2,358,043	2,152,473
Hulls produced (tons).....	424,127	355,050	1,480,733	1,297,485
Linters produced (running bales).....	196,270	193,827	864,042	820,470
Stocks on hand June 30:				
Crude oil (pounds).....	11,765,840	3,212,605	30,594,443	5,803,486
Cake and meal (tons).....	24,921	36,875	133,584	192,293
Hulls (tons).....	40,659	31,488	179,852	68,824
Linters (running bales).....	70,597	43,030	257,781	209,522

**Cotton Movements** The movements of cotton through the ports of Houston and Galveston witnessed the usual seasonal decline during June, but they continued considerably above the corresponding month of 1931. A further substantial increase was also evidenced in both receipts and exports of cotton during the eleven months of the current season over those in the same period of the previous season. Stocks held on June 30 were less than those a month earlier, but were again considerably above a year ago.

Total foreign exports of domestic cotton during June, while showing a large seasonal decline, were slightly above the average for that month, and were again noticeably above those a year earlier. Shipments amounted to 360,205 bales in June, as against 500,871 bales in May, and 255,403 bales in June, 1931. Aggregate exports during the period from August 1, 1931, through June 30, 1932, were 8,257,579 bales, which was substantially greater than those in the like period of the previous season. Most of the larger importers of American cotton reduced their takings during June, while on the other hand takings by some of the smaller importers showed an increase.

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

	August 1 to June 30	
	This Season	Last Season
Receipts.....	9,880,736	8,940,779
Exports:		
United Kingdom.....	1,261,156	1,043,205
France.....	446,847	909,062
Italy.....	613,030	456,407
Germany.....	1,495,927	1,604,550
Other Europe.....	757,403	670,644
Japan.....	2,206,557	1,149,950
All other countries.....	1,476,659	667,126
Total foreign ports.....	8,257,579	6,500,944
Stocks at all United States ports, June 30.....	3,607,843	3,051,084

## COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON (Bales)

	June 1932	June 1931	August 1 to June 30 This Season	Last Season
	Receipts.....	24,582	8,041	2,328,824
Exports.....	99,241	56,890	2,183,147	1,266,344
Stocks, June 30.....			534,176	464,300

## COTTON—GALVESTON STOCK STATEMENT (Bales)

	June 30, 1932	June 30, 1931
For Great Britain.....	1,500	500
For France.....	700	1,100
For other foreign ports.....	9,600	8,900
For coastwise ports.....	500	500
In compresses and depots.....	521,876	453,300
Total.....	534,176	464,300

## COTTON MOVEMENTS THROUGH THE PORT OF HOUSTON (Bales)

	June 1932	June 1931	August 1 to June 30 This Season	Last Season
	Receipts.....	17,053	11,320	3,167,876
Exports.....	97,630	87,470	2,685,227	2,261,245
Stocks, June 30.....			1,174,137	821,729

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

	June, 1932		July 15, 1932
	High	Low	
New York.....	5.80	5.00	5.85
New Orleans.....	5.61	4.95	5.71
Dallas.....	5.25	4.55	5.30
Houston.....	5.55	4.90	5.65
Galveston.....	5.55	5.00	5.70

**Petroleum** A sizable reduction was reflected in the output of crude oil in this district during June. Total production, which amounted to 27,850,250 barrels, was 1,296,350 barrels less than in the previous month, and 3,671,550 barrels under the level of June, 1931. The daily average yield declined from 940,213 barrels in May to 928,342 barrels in June. On the other hand, field activity continued to increase, and operations in nearly all parts of the district were on a higher scale than in the preceding month. There were 983 wells completed in June, as against 848 in May, and 566 a year ago. Initial production from successful wells amounted to 5,847,847 barrels, as compared with 4,583,724 barrels in the previous month, and 2,723,473 barrels in June, 1931.

Texas areas showed a further net reduction in daily output during June. Production averaged 862,535 barrels, or

## OIL PRODUCTION—(Barrels)

	June, 1932		Increase or Decrease Over May, 1932	
	Total	Daily Avg.	Total	Daily Avg.
North Texas.....	3,134,800	104,493	— 28,750	+ 2,443
Central West Texas.....	6,097,800	203,260	— 374,550	— 5,525
East Central Texas.....	11,731,600	391,053	— 465,600	— 2,405
Texas Coastal.....	3,443,250	114,775	— 53,650	+ 1,972
South Texas.....	1,468,600	48,954	— 212,450	— 5,274
Total Texas.....	25,876,050	862,535	— 1,135,000	— 8,789
New Mexico.....	1,085,550	36,185	— 52,150	— 515
North Louisiana.....	888,650	29,622	— 109,200	— 2,567
Total District.....	27,850,250	928,342	— 1,296,350	— 11,871



8,789 barrels less than in May. For the third consecutive month, however, increases were reported for North Texas and for the Gulf Coast. Substantial declines were in evidence in the South and Central West portions of the State. Material decreases were also recorded in New Mexico and North Louisiana.

JUNE DRILLING RESULTS

	Completions	Producers	Gas Wells	Failures	Initial Production
North Texas.....	120	51	3	66	9,885
Central West Texas.....	52	23	3	26	2,568
East Central Texas.....	678	665	1	12	5,783,685
South Texas.....	62	30	6	26	9,637
Texas Coastal.....	36	24	..	12	18,902
Total Texas.....	948	793	13	142	5,824,677
New Mexico.....	6	4	1	1	20,620
North Louisiana.....	29	10	3	16	2,550
June totals, district.....	983	807	17	159	5,847,847
May totals, district.....	848	706	14	128	4,583,724

CRUDE OIL PRICES

	July 15, 1932	July 14, 1931
Texas Coastal (40 gr. and above).....	\$ 1.00	\$ .42*
North Texas and North Louisiana (40 gr. and above).....	1.00	.22

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

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

Cement

The production of Portland cement at Texas mills during June was on a considerably larger scale than in the previous month, but continued substantially smaller than a year ago. There were 335,000 barrels of cement manufactured in June, as against 208,000 barrels in May, and 634,000 barrels in June last year. Shipments, which totaled 324,000 barrels, were only slightly higher than in the preceding month, and showed a reduction of 53.2 per cent from the level of June, 1931. There were 695,000 barrels of cement on hand at the close of June, as compared with inventories of 685,000 barrels on May 31, and 675,000 barrels a year ago.

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

	% change from Jan. through				% change from year
	June 1932	May 1932	June 1931	June 1932	
Production at Texas mills.....	335	+61.1	-47.2	1,862	-36.1
Shipments from Texas mills.....	324	+ .3	-53.2	1,892	-37.8
Stocks at end of month at Texas mills.....	695	+ 1.5	+ 3.0	.....	.....

Building

The valuation of building permits issued during June at fourteen principal cities in the Eleventh District amounted to \$1,157,988 as against \$1,120,579 in May, and \$3,528,819 in June last year. Only five cities participated in the increase of 3.3 per cent over the previous month. The decline from a year ago amounted to 67.2 per cent as compared with 76.6 per cent in May.

BUILDING PERMITS

	June, 1932		June, 1931		Percentage Change Valuation Over Year	May, 1932		Percentage Change Valuation Over Month	Six Months				Percentage Change Valuation Over Period
	No.	Valuation	No.	Valuation		No.	Valuation		1932		1931		
									No.	Valuation	No.	Valuation	
Amarillo.....	16	\$ 15,645	65	\$ 148,284	- 89.4	30	\$ 63,255	- 75.3	146	\$ 207,055	302	\$ 1,798,303	- 88.5
Austin.....	83	506,569	108	145,516	+248.1	102	200,697	+152.4	545	4,714,022	546	1,320,671	+256.9
Beaumont.....	75	18,372	75	44,910	- 59.1	87	38,278	- 52.0	518	211,190	675	792,738	- 73.4
Corpus Christi.....	33	15,484	69	92,926	- 83.3	36	30,483	- 49.2	198	90,757	323	320,325	- 71.7
Dallas.....	295	111,716	343	338,500	- 67.0	324	187,410	- 40.4	1,660	1,416,187	2,017	2,867,355	- 50.6
El Paso.....	45	19,674	63	73,910	- 73.4	40	14,013	+ 40.4	228	140,665	441	692,208	- 79.7
Fort Worth.....	135	168,754	153	310,425	- 45.6	127	86,262	+ 95.6	803	826,450	1,217	2,699,242	- 69.4
Galveston.....	121	23,884	117	878,824	- 97.3	125	72,893	- 67.2	747	335,447	760	1,658,188	- 79.8
Houston.....	184	145,503	301	1,055,130	- 86.2	215	265,405	- 45.2	1,273	1,823,521	1,938	6,682,388	- 72.7
Port Arthur.....	39	4,696	71	31,203	- 85.0	48	6,710	- 30.0	244	58,167	359	566,327	- 89.7
San Antonio.....	132	47,627	209	130,797	- 63.6	236	80,479	- 40.8	1,146	1,078,044	1,331	1,434,282	- 24.8
Shreveport.....	108	48,003	151	210,522	- 77.2	121	39,018	+ 23.0	725	235,963	887	624,249	- 62.2
Waco.....	24	26,180	32	58,600	- 55.3	27	32,694	- 19.9	202	216,326	173	1,587,336	- 86.4
Wichita Falls.....	14	5,881	12	9,272	- 36.6	11	2,982	+ 97.2	91	466,466	68	56,422	+726.7
Total.....	1,304	\$1,157,988	1,767	\$3,528,819	- 67.2	1,529	\$1,120,579	+ 3.3	8,526	\$11,820,260	11,037	\$ 23,100,034	- 48.8

SUMMARY OF NATIONAL BUSINESS CONDITIONS

(Compiled by the Federal Reserve Board as of July 23, 1932)

Industrial activity decreased further from May to June by somewhat more than the usual seasonal amount and there was a considerable reduction in factory employment and payrolls. The general level of commodity prices advanced between the middle of June and the middle of July, reflecting chiefly a rise in the prices of livestock and meats.

PRODUCTION AND EMPLOYMENT

Volume of industrial production, as measured by the Board's seasonally adjusted index, declined from 60 per cent of the 1923-1925 average in May to 59 per cent in June. There were large decreases in output in the steel, coal, and meat packing industries, while at automobile factories

daily average production showed a smaller decline than is usual at this season and at woolen mills activity increased, contrary to seasonal tendency. Consumption of cotton by domestic mills showed the usual seasonal decline. At manufacturing establishments there was a further reduction of 3.6 per cent in the number of employees and of 7.8 per cent in earnings between the middle of May and the middle of June. Decreases in employment were general, with the exception of the automobile and tobacco industries, and of seasonally active industries such as vegetable and fruit canning and the manufacture of ice cream. The largest decreases were in the steel, textile, chemical, and machinery industries and at railway repair shops. Daily average value of building



contracts awarded, as reported by the F. W. Dodge Corporation, declined in June, but increased in the first half of July. Department of Agriculture estimates as of July 1 indicate a corn crop of 3,000,000,000 bushels, the largest since 1923; a winter wheat crop of 432,000,000 bushels, 45 per cent smaller than last year and 21 per cent less than the five-year average; a spring wheat crop of 305,000,000 bushels, three times as large as last year and slightly larger than the average; and a tobacco crop one-fifth smaller than usual.

#### DISTRIBUTION

Volume of railroad freight traffic declined somewhat further in June and value of merchandise sold by department stores decreased by more than the usual seasonal amount.

#### WHOLESALE PRICES

The level of prices in wholesale markets, after declining steadily during May, was relatively stable early in June and after the middle of the month there was an advance which continued through the second week in July. Prices of several leading commodities including livestock and meats, cotton, and sugar, increased considerably during June and the first half of July, but later showed some recession. Prices of wheat declined to unusually low levels and markets for copper and lead continued weak.

#### BANK CREDIT

Volume of reserve bank credit continued to increase be-

tween the middle of June and the middle of July reflecting principally further purchases of United States Government securities by the reserve banks. In addition, member banks obtained reserve bank funds through an increase in the monetary stock of gold and a decline in deposits held with the reserve banks by foreign central banks. Funds released from these sources were absorbed by an increase in the demand for currency, which also caused the member banks to draw on their balances with the reserve banks and to increase their discounts somewhat. The demand for currency, which for the period amounted to \$270,000,000, was caused by banking disturbances largely in the Chicago District, by seasonal requirements at the turn of the month and the Fourth of July holiday, and by increased use of cash to avoid the tax on checks. Loans and investments of reporting member banks after fluctuating widely during June declined in the first two weeks of July and on July 13 totaled \$18,475,000,000, about \$540,000,000 less than on June 1. There was a further decline in loans, while the banks' investments in United States Government securities, after increasing substantially during the period of Treasury financing in mid-June, declined gradually but on July 13 were still \$90,000,000 larger than six weeks earlier. Money rates in the open market declined further during June and the first half of July. At the Federal Reserve Bank of New York buying rates for bankers' acceptances maturing within 90 days were reduced from  $2\frac{1}{2}$  to 1 per cent on June 24. On the same day the bank lowered its discount rate from 3 per cent to  $2\frac{1}{2}$  per cent, and on the following day the rate at the Chicago bank was reduced from  $3\frac{1}{2}$  per cent to  $2\frac{1}{2}$  per cent.