

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

	July 1932	Change From June
Bank debits to individual accounts (at 17 cities).....	\$430,462,000	- 6.0%
Department store sales.....		- 28.3%
Reserve bank loans to member banks at the end of the month.....	\$ 19,402,844	+ 70.4%
Reserve bank ratio at end of the month.....	47.9%	- 11.1 points
Building permit valuation at larger centers.....	\$ 844,572	- 27.1%
Commercial failures (number).....	72	- 35.7%
Commercial failures (liabilities).....	\$ 2,197,484	- 3.7%
Oil production (barrels).....	29,209,600	+ 5.0%

A noticeable strengthening of sentiment, created by the upward trend in prices of agricultural commodities and livestock and by the favorable prospects for agricultural production, was the outstanding development in the Eleventh Federal Reserve District during the past thirty days. A large volume of feed production is now assured in practically all sections of the district and this together with the generous supply of vegetables canned for home consumption should enable farmers to cultivate 1933 crops with a minimum outlay. While the Department of Agriculture's estimate of cotton production in Texas is the smallest since 1922, this is due largely to the reduced acreage as the per acre yield was estimated to be higher than the ten-year average. Furthermore, the recent rise in the price of cotton to the highest level of the current year will, if sustained during the harvesting season, partially compensate for the lower production. Livestock and their ranges are in good condition and since the recent rains late summer and fall grazing is practically assured. The movement of cattle to markets is smaller than a year ago and the demand for stockers has shown a slight improvement.

While the merchandise distribution in both wholesale and retail channels reached a low level during July due in part to seasonal influences and in part to the waiting attitude of consumers and retailers, late reports indicate that there was an improvement in the first half of August. Consumer buying has been stimulated by the better feeling prevailing generally, the attractively priced clearance sales, and the offering of new fall merchandise. Retailers are still adhering to the policy of purchasing in small lots and to cover immediate needs, yet in some lines there is a tendency to buy a wider assortment of goods. As inventories generally are at a low level any increase in consumer demand should be immediately reflected in a larger distribution at wholesale.

Financial developments were marked by a smaller than seasonal decline in member bank deposits and a heavy demand for the Treasury issues of August 1. The daily average of combined net demand and time deposits of member banks declined only \$2,938,000 between June and July, and the recession from the corresponding month a year ago was the smallest recorded in three months. Subscriptions to the 2 $\frac{1}{8}$ and 3 $\frac{1}{4}$ per cent United States Treasury notes totaled \$89,938,500, against which allotments of only \$15,332,700 were made. Federal Reserve Bank loans to member banks rose sharply in the last half of July, but the liquidation during the subsequent two weeks brought the total of these loans down to \$16,129,000 on August 15, which was only \$273,000 above that a month earlier, and \$2,774,000 larger than on the same date in 1931. The loans and investments of member banks in leading cities reflected a seasonal decline between July 6 and August 10.

The volume of construction activity continued at a low level. The July valuation of building permits issued at principal cities was 27 per cent smaller than in June and 74 per cent less than a year ago.

BUSINESS

Wholesale Trade

Sales of reporting wholesale firms in the Eleventh District during July were materially smaller than in the previous month, the decreases ranging from 8.1 per cent in the case of groceries to 60.1 per cent in the case of farm implements.

Business proceeded on a reduced scale, and in the lines of groceries, dry goods, hardware, and drugs, the reductions from a year ago were heavier than in June. While some encouraging developments occurred during the month, merchants showed a disposition to await further evidence of

actual improvement in consumer demand and general purchasing power before making any commitments other than for immediate necessities. The upward trend in prices for some agricultural commodities, particularly cotton, has generated a greater degree of confidence which has brought about a better demand for goods in some lines of trade. Inventories in most lines were reduced slightly during July. Despite a larger than seasonal gain in the case of farm implements, total collections fell off somewhat.

Contrary to the usual trend, July sales of dry goods at wholesale reflected a decline of 17.4 per cent from the preceding month, and they were 44.1 per cent less than the volume of the same month last year. Merchants are showing much interest in the displays of new fall merchandise, and it is reported that business since August 1 has improved considerably. Dry goods prices have moved upward somewhat, in sympathy with the advance in raw cotton prices. The volume of collections during July was 5.8 per cent less than that of the previous month.

There was a further decline of 10.6 per cent in the demand for drugs at wholesale during July, and distribution was on a scale 33.7 per cent lower than a year ago. In June this decrease amounted to 22.7 per cent. The most important development during the month was the change in sentiment, which in all parts of the district has resulted in a brighter outlook and to some extent in improved business conditions. Collections were on approximately the same scale as in the preceding month.

The sales of reporting wholesale farm implement firms during July were 60.1 per cent less than in June. While this decrease was not of a seasonal character, the 57.8 per cent reduction from the corresponding month last year was a more favorable comparison than that shown in June. Reports indicate that prospects for fall business have improved to some extent. July collections were 52.6 per cent larger than those of the previous month.

A decrease of 19.0 per cent was reflected in the distribution of hardware through wholesale channels during July. Purchases were on a conservative basis and there was little tendency to place orders beyond well defined needs. Total sales were 31.1 per cent less than in July, 1931. Collections were slightly smaller than in June.

Sales of groceries by wholesale firms during July were 8.1 per cent less than in June, and 22.9 per cent below those of July last year. Stocks on hand declined 5.3 per cent during the month, and on July 31 were 21.0 per cent smaller than a year ago. Collections evidenced a seasonal decrease of 4.8 per cent.

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

	Net Sales July, 1932 compared with July 1931		Stocks July, 1932 compared with July 1931		Ratio of collec- tions during July to accounts and notes outstanding on June 30
	1932	1931	1932	1931	
Groceries.....	-22.9	-8.1	-21.0	-5.3	63.7
Dry goods.....	-44.1	-17.4	-38.0	+4.1	19.7
Farm implements.....	-57.8	-60.1	-9.5	-1.1	3.7
Hardware.....	-31.1	-19.0	-12.9	-1.8	25.9
Drugs.....	-33.7	-10.6	-19.0	-3.6	32.6

Retail Trade

An average recession reflecting the customary midsummer dullness was evidenced during July in the distribution of merchandise at department stores in principal cities of the Eleventh District. Total sales during the month were 28.3 per cent less than those a month earlier, and 32.4 per cent below the corresponding month of 1931. The seasonally adjusted index of department store sales declined slightly from 60.8 in June to 59.6 in July. Reports indicate that the recently featured reduced price sales have stimulated the clearance of summer merchandise. Distribution during the first seven months of 1932 was 28.6 per cent less than in the same period of 1931.

Inventories at department stores reflected a further decline during the month, being 7 per cent less than those held on June 30, and 23.7 per cent below those a year ago. The rate of stock turnover during the seven-month period, January through July, 1931, was 1.49, as against 1.67 during the same period of 1931.

July collections were seasonally smaller than those a month earlier, and continued considerably below those a year ago. The ratio of collections to accounts outstanding on July 1 was 28.1 per cent, which represents a decline of 1.2 points from those a month earlier, and 3.6 points from July, 1931.

BUSINESS OF DEPARTMENT STORES

	Dallas	Fort Worth	Houston	San Antonio	Others	Total District
Total Sales (Percentage):						
July, 1932, compared with July, 1931.....	-29.1	-35.5	-35.2	-36.4	-28.2	-32.4
July, 1932, compared with June, 1932.....	-28.5	-28.0	-28.3	-32.7	-23.6	-28.3
January 1 to date compared with same period last year.....	-26.1	-29.3	-31.2	-33.2	-25.9	-28.6
Credit Sales (Percentage):						
July, 1932, compared with July, 1931.....	-31.4	-36.0	-37.6	-38.3	-31.8	-34.2
July, 1932, compared with June, 1932.....	-31.0	-30.9	-32.2	-38.9	-29.2	-32.2
January 1 to date compared with same period last year.....	-27.1	-28.2	-34.4	-32.2	-28.1	-29.3
Stocks (Percentage):						
July, 1932, compared with July, 1931.....	-17.0	-26.0	-46.4	-16.0	-17.5	-23.7
July, 1932, compared with June, 1932.....	-8.6	-8.3	-13.8	+7.5	-5.4	-7.0
Stock Turnover (Rate):						
Rate of stock turnover in July, 1931.....	.19	.16	.20	.26	.17	.19
Rate of stock turnover in July, 1932.....	.16	.13	.23	.21	.15	.17
Rate of stock turnover January 1 to July 31, 1931.....	1.68	1.32	1.78	2.30	1.54	1.67
Rate of stock turnover January 1 to July 31, 1932.....	1.49	1.17	1.78	1.94	1.36	1.49
Ratio of July collections to accounts receivable outstanding July 1, 1932.....	29.0	23.5	31.6	30.0	26.2	28.1
Indexes of department store sales:						
Unadjusted July, 1932.....	38.2	49.5	47.1	38.9	.....	41.7
Adjusted July, 1932.....	57.0	66.0	67.3	57.2	.....	59.6
Indexes of department store stocks:						
Unadjusted July, 1932.....	42.4	62.6	39.0	38.8	.....	47.2
Adjusted July, 1932.....	45.6	68.0	43.8	44.6	.....	51.9

Commercial Failures

The business mortality rate in the Eleventh District during July, which showed a substantial reduction from the previous month, was likewise lower than in any other month since July, 1931. Liabilities of insolvent firms reflected a further slight decline from the preceding month but were considerably larger than a year ago. The report compiled

by R. G. Dun & Company showed a total of 72 commercial failures in this district during July, as against 112 in June, and 60 in July last year. The indebtedness of defaulting firms amounted to \$2,197,484, as compared with \$2,283,041 in the previous month, and \$1,050,406 in the same month a year ago.

AGRICULTURE*Crop Conditions*

Growing crops in most sections of the Eleventh Federal Reserve District made some improvement during the past month. After the first week in July rains generally were light and widely scattered and high temperatures prevailed over wide areas. However, the accumulated moisture together with the scattered rains was a sustaining factor in crop growth. Local rains became more frequent after the first of August and fairly general rains occurred as a result of the tropical disturbance toward the middle of the month. The slight improvement in crops in this district presents a contrast to the widespread decline in crop prospects for the country as a whole as reported by the Department of Agriculture.

The condition of the Texas cotton crop on August 1, as reported by the Department of Agriculture, was 69 per cent of normal and indicated a yield of 134 pounds per acre. While this figure represents a sharp decline from the 165 pound per acre yield last year, it is still 8 pounds above the ten-year average yield. It is to be noted that there is only one other important cotton producing state in which the indicated per acre yield is above the ten-year average. The best condition obtains in West, Northwest, and West-Central sections of the State, while the lowest condition is reported for South Texas. During the past two weeks reports indicate that the crop has made fair to good progress in most sections, but there are complaints of shedding and premature opening in the dry areas. Picking and ginning have made good advance in South Texas. The estimated production on August 1 was placed at 3,826,000 bales as compared with an actual production of 5,320,000 bales last year, the reduction being due both to the smaller yield and reduced acreage. The estimated production for Louisiana was 500,000 bales as against a production of 900,000 bales a year ago. Good yields are anticipated for New Mexico and Arizona but the production in these states is relatively small.

Feed crops made favorable progress during July. The estimated production of corn for this district, as derived from the August 1 report of the Department of Agriculture, was 121,540,000 bushels as compared with prospects for 115,944,000 bushels on July 1, and an actual output of 109,442,000 bushels a year ago. The improvement in the crop in Texas and Louisiana more than offset the decline in Oklahoma and Arizona. The estimated production of tame hay was increased 59,000 tons during the month and the August 1 estimate of 987,000 tons was only 4,000 tons below last year's yield. This increase occurred principally in Texas and Louisiana. The prospects for wild hay improved in Louisiana and Oklahoma and remained unchanged in the other states. The indicated yield of grain sorghums in Texas was placed at 75,258,000 bushels as against an actual production of 60,000,000 bushels in 1931. The condition of the crop was reported as 82 per cent of normal on August 1, as compared with 77 per cent on that date last year. A considerable increase was also reported for Oklahoma, but

there was a substantial decline in the New Mexico crop.

There was little change in the estimate of small grains as reported on July 1. The estimate of the Texas wheat crop was reduced from 32,148,000 bushels on July 1 to 29,779,000 bushels on August 1. The winter wheat crop in New Mexico was reduced 220,000 bushels during the same period, while the oat crop in that State was increased 48,000 bushels. The indicated yield of most of the minor crops increased or showed insignificant declines. The condition of the Texas rice crop was placed at 92 per cent of normal on August 1 as compared with 85 per cent a year ago, but due to the reduced acreage the indicated production was placed at 9,882,000 bushels as against an actual yield of 10,653,000 bushels a year ago. Most fruit crops turned out slightly better than was anticipated a month ago.

Livestock

The generally good condition of ranges and livestock in the Eleventh Federal Reserve District continued during the past month. While there were some areas in South and Southwest Texas which suffered from the lack of moisture and a shortage of stock water during late July and early August, a considerable portion of this territory was benefited by rains toward the middle of August. Over most of the district there is ample range grass for grazing and practically all feed producing areas expect a surplus of feed.

The August 1 report of the Department of Agriculture showed the condition of cattle ranges in Texas as 85 per cent of normal which is the same as a month earlier, whereas the average deterioration is 3 points. The condition a year ago was 82 per cent of normal. Sheep and goat ranges declined 2 points during the month which was less than normal, and on August 1 was 3 points less than a year ago. The condition of cattle and goats showed no change during July and were 1 and 2 points respectively below a year ago. The condition of sheep on August 1 was rated as 85 per cent of normal, being 2 points less than on July 1, and 3 points below August 1 a year ago. In New Mexico the condition of cattle and ranges were slightly lower than a month earlier and that of sheep remained unchanged. The condition of ranges and livestock in Arizona showed no change during July and on August 1 was somewhat higher than a year ago.

Movements and Prices

The receipts of sheep at the Fort Worth market during July showed a very large decline from the previous month, but were still well above those of the corresponding month last year. The arrivals of cattle were moderately smaller than in June and considerably lower than in July, 1931. Calf receipts were about the same as in the previous month and were substantially larger than a year ago. Hog arrivals were larger than in either comparative period.

The market on all classes of livestock has followed an uneven course during the past month. While values have tended toward lower levels, prices on quality stock have

been maintained at a level well in line with that obtaining four weeks earlier.

FORT WORTH LIVESTOCK RECEIPTS
(Number)

	July 1932	July 1931	Change over year	June 1932	Change over month
Cattle.....	39,313	50,322	-11,009	42,246	- 2,933
Calves.....	16,705	13,618	+ 3,087	16,790	- 85
Hogs.....	14,608	11,493	+ 3,115	13,524	+ 1,084
Sheep.....	115,014	66,509	+48,505	233,967	-118,953

Operations of the Federal Reserve Bank

Federal Reserve Bank loans to member banks reflected a steady expansion throughout July, rising from \$11,384,000 on June 30 to a high point of the year at \$19,403,000 on the last day of July. During the next two weeks there was a steady decline in these loans, the total on August 15 being \$16,129,000. This latter figure was \$273,000 larger than on July 15, \$4,745,000 above that on June 30, and exceeded the August 15, 1931, figure by \$2,774,000. Last year there was a steady increase in loans from the end of June to the early days of September. During the six-week period ending August 15 this year the borrowings of country banks reflected a steady expansion, but those of reserve city banks, after rising sharply during July, declined during the subsequent two weeks. At the middle of August there were 272 banks borrowing from the Federal Reserve Bank as compared with 252 banks on July 15 this year and August 15 last year. This bank's holdings of bills purchased amounted to \$907,000 at the middle of August as compared with \$1,382,000 a month earlier, and \$3,735,000 a year ago. There was no change during the month in the holdings of United States securities. The reserve deposits of member banks declined from \$45,289,000 on July 15 to \$43,559,000 on August 15, and on the latter date were \$8,632,000 smaller than a year ago. Federal reserve notes in actual circulation amounted to \$37,610,000 on August 15 which was \$122,000 larger than a month ago, and \$10,556,000 greater than on the corresponding date last year.

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

	Aug. 15, 1932	Aug. 15, 1931	July 15, 1932
Total cash reserves.....	\$ 43,199	\$ 45,850	\$ 44,420
Discounts for member banks.....	16,129	13,355	15,856
Other bills discounted.....	None	6	None
Bills bought in the open market.....	907	3,735	1,382
United States securities owned.....	30,721	30,141	30,721
Other investments.....	5	47	5
Total earning assets.....	47,762	47,284	47,964
Member bank reserve deposits.....	43,559	52,191	45,289
Federal reserve notes in actual circulation...	37,610	27,054	37,488

Condition of Member Banks in Selected Cities

There was a decline in the investments, loans, deposits, and reserves of member banks in selected cities during the five-week period ending August 10. This recession was due in large part to seasonal factors brought about by summer slackness in trade and industry, but on the whole the falling-off was less marked than at this time last year. The investments of these banks in United States securities were reduced \$3,245,000 during the five-week period, but on August 10 were still \$16,566,000 greater than a year ago. Investments in other stocks and

COMPARATIVE TOP LIVESTOCK PRICES
(Dollars per hundredweight)

	July 1932	July 1931	June 1932
Beef steers.....	\$8.00	\$7.00	\$7.00
Stocker steers.....	5.75	5.15	4.65
Butcher cows.....	4.00	4.65	4.00
Stocker cows.....	2.75	.....	.....
Calves.....	5.25	6.75	4.85
Hogs.....	5.05	8.50	4.50
Sheep.....	2.00	4.00	2.50
Lambs.....	4.60	6.00	4.75

FINANCE

bonds showed very little variation during the period. Loans on securities declined \$380,000 between July 6 and August 10, and "all other" loans (largely commercial) dropped \$2,792,000. As compared with August 12 a year ago, total loans were \$54,958,000 smaller. The net demand deposits of these banks showed a recession of \$9,086,000 during the five-week period and time deposits decreased \$85,000. The combined net demand and time deposits on August 10 were \$61,921,000 less than on the corresponding date a year ago. The borrowings of these banks from the Federal Reserve Bank amounted to \$3,621,000 on August 10, as compared with \$1,825,000 on July 6, and \$1,119,000 on August 12, 1931.

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

	Aug. 10, 1932	Aug. 12, 1931	July 6, 1932
United States securities owned.....	\$ 85,950	\$ 69,384	\$ 89,195
All other stocks, bonds, and securities owned.....	56,542	59,203	56,503
Loans on securities.....	73,610	89,290	73,990
All other loans.....	163,119	202,397	165,911
Total loans.....	236,729	291,687	239,901
Net demand deposits.....	163,119	202,397	165,911
Time deposits.....	126,224	140,815	126,309
Reserve with Federal Reserve Bank.....	27,078	31,539	31,355
Bills payable and rediscounts with Federal Reserve Bank.....	3,621	1,119	1,825

Debits to Individual Accounts

Total debits to individual accounts during July at leading cities in the Eleventh District amounted to \$430,462,000, being 6.0 per cent less than in the previous month and 28.9 per cent below the level of the same month last year. In June, the volume was \$457,704,000, and in July a year ago the total amounted to \$605,625,000.

DEBITS TO INDIVIDUAL ACCOUNTS
(In thousands of dollars)

	July 1932	July 1931	Percentage change over year	June 1932	Percentage change over month
Abilene.....	\$ 3,386	\$ 5,290	-36.0	\$ 3,695	- 8.4
Austin.....	13,230	17,463	-24.2	17,379	-23.9
Beaumont.....	12,702	18,491	-31.3	13,878	- 8.5
Corsicana.....	2,026	4,283	-52.7	2,344	-13.5
Dallas.....	113,518	154,639	-26.6	120,526	- 5.8
El Paso.....	12,346	23,119	-46.6	14,181	-12.9
Fort Worth.....	53,466	67,162	-20.4	52,287	+ 2.3
Galveston.....	17,108	25,960	-34.1	17,008	+ 6
Houston.....	105,160	144,748	-27.3	108,617	- 3.2
Port Arthur.....	3,839	7,376	-48.0	4,397	-12.7
Roswell.....	2,012	3,653	-44.9	1,952	+ 3.1
San Antonio.....	41,273	59,924	-31.1	48,252	-14.6
Shreveport.....	20,751	27,939	-25.7	22,242	- 6.7
Texarkana*.....	5,578	8,957	-37.7	5,410	+ 3.1
Tucson.....	7,797	10,196	-23.5	8,291	- 6.0
Waco.....	7,792	12,400	-37.2	8,700	-10.4
Wichita Falls.....	8,478	14,025	-39.6	8,545	- 8
Total.....	\$430,462	\$605,625	-28.9	\$457,704	- 6.0

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

Deposits of Member Banks

The combined daily average of net demand and time deposits of member banks in this district during July amounted to \$608,722,000, as compared with \$611,660,000 in June, and \$763,161,000 in July last year. The decrease from the previ-

ous month amounted to only 0.5 per cent. Net demand deposits of reserve city banks were larger than in June.

Acceptance Market

Acceptances executed by banks in this district and outstanding at the close of July totaled \$779,204, as against \$398,293 on June 30, and \$1,233,571 on the last day of July, 1931. The increase during the month was reflected in acceptances based on the domestic shipment and storage of goods, as a decline was shown in the classification of acceptances executed against import and export transactions.

Savings Deposits

A reduction of 2.3 per cent was reflected during July in the amount of savings deposits reported by 143 banks in this district. These deposits aggregated \$141,594,789 at the close of the month, as against \$144,991,999 on June 30, and \$168,272,817 on the last day of July, 1931. The number of savings depositors amounted to 324,516 on July 31, as compared with 327,001 a month earlier, and 355,376 a year ago.

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
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
June, 1932.....	422,594	189,066	207,155	115,634	215,439	73,432
July, 1932.....	421,727	186,995	209,225	114,505	212,502	72,490

SAVINGS DEPOSITS

	Number of Reporting Banks	July 31, 1932		July 31, 1931		Percentage Change Over Year in Savings Deposits	June 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*	6,021	\$ 2,948,480	4,432	\$ 3,439,796	-14.3	6,085	\$ 3,025,281	-2.5
Dallas.....	9*	73,976	25,374,941	76,381	27,082,030	-6.3	74,208	25,983,551	-2.5
El Paso.....	2	10,836	3,236,812	11,535	3,983,418	-18.7	10,929	3,333,545	-2.9
Fort Worth.....	4	34,137	11,216,154	35,210	13,224,498	-15.2	34,267	11,448,741	-2.0
Galveston.....	4	16,591	10,125,448	17,889	11,746,862	-13.8	17,103	10,428,112	-2.9
Houston.....	11*	67,011	30,180,512	80,581	34,038,917	-11.3	67,276	31,386,380	-3.8
Port Arthur.....	2	4,266	1,761,759	4,565	1,885,005	-6.5	4,328	1,765,544	-2
San Antonio.....	8*	16,534	14,324,285	22,191	21,195,914	-32.4	16,537	14,589,501	-1.8
Shreveport.....	4	24,229	10,004,211	25,758	12,300,957	-18.7	24,791	10,189,020	-1.3
Waco.....	3	10,390	5,593,528	10,571	6,352,913	-12.0	10,087	5,598,535	-1
Wichita Falls.....	3*	2,910	2,297,056	3,484	2,934,687	-21.7	2,925	2,317,515	-1.9
All others.....	90*	57,615	24,531,603	62,779	30,087,820	-18.5	58,465	24,976,274	-1.8
Total.....	143	324,516	\$141,594,789	355,376	\$168,272,817	-15.9	327,001	\$144,991,999	-2.3

*Only 2 banks in Beaumont, 6 in Dallas, 10 in Houston, 7 in San Antonio, 2 in Wichita Falls, and 75 in "All others" reported the number of savings depositors.

AUGUST 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.....	3½-7	6-8	5-7	5-6	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.....	5-7	6-8	6-10	6-7	6-8	8
Time.....	6-8	6-8	6-10	5½-7	6-8	8
Rate charged on commodity paper secured by warehouse receipts, etc.....	4½-6	8	6-8	5-6	6-8	7
Rate on cattle loans.....	6-7	6-8	6-8	7-8	7-10	8

INDUSTRY

Cottonseed Products

While the receipts and crushings of cottonseed and the production of products at all United States mills during July were seasonally smaller than those a month earlier, operations at Texas mills evidenced an increase over June contrary to seasonal tendencies. Further substantial gains over the corresponding month of 1931 were witnessed at both the State's and Nation's mills. During the 1931-32 season activities were, with the exception of the output of linters at Texas mills, noticeably above those in the previous twelve-month period, and shipments of all products from United States mills were substantially greater than those in the previous season. At Texas mills the shipments of oil, cake and meal, and hulls were larger. Inventories of cottonseed, cottonseed oil, and linters were very large on July 31.

STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS

	Texas		United States	
	August 1 to July 31 This Season	Last Season	August 1 to July 31 This Season	Last Season
Cottonseed received at mills (tons).....	1,655,035	1,258,531	5,616,385	4,694,516
Cottonseed crushed (tons).....	1,495,275	1,261,741	5,327,740	4,715,148
Cottonseed on hand July 31 (tons).....	172,919	13,493	296,629	24,784
Crude oil produced (pounds).....	450,135,007	372,112,013	1,694,114,916	1,441,881,530
Cake and meal produced (tons).....	704,011	603,182	2,402,078	2,164,820
Hulls produced (tons).....	432,674	358,482	1,511,172	1,303,504
Linters produced (running bales).....	194,963	195,898	875,872	823,944
Stocks on hand July 31:				
Crude oil (pounds).....	7,348,171	715,301	17,954,405	2,186,854
Cake and meal (tons).....	21,569	24,332	114,258	146,888
Hulls (tons).....	37,893	25,088	165,207	47,723
Linters (running bales).....	65,231	36,762	238,120	175,904

Textile Milling

A seasonal decline somewhat larger than usual was evidenced during July in the domestic consumption of cotton, and there was also a further large reduction from the corresponding month a year ago. There were only 278,656 bales of cotton consumed during the month, as against 320,783 bales in June, and 450,884 bales in July, 1931. Total consumption during the past season was 4,869,103 bales, which represents a decline of 7.5 per cent from the previous season. This amount was also the lowest for any corresponding twelve months in several years. Stocks of cotton held on July 31 showed a further decline from those a month earlier, but were again above a year ago.

Some of the reporting textile mills in Texas remained inactive during July. On the other hand, those mills that continued operations again evidenced increased activity. The consumption of cotton was above that in June, and only slightly less than a year ago, while the production of cloth was above both the previous month and the same month of 1931. Both orders and stocks of finished products held on July 31 were smaller than those held on both comparative dates.

COTTON CONSUMED AND ON HAND
(Bales)

	July		August 1 to July 31	
	1932	1931	This Season	Last Season
Cotton-growing states:				
Cotton consumed.....	239,186	353,944	4,034,629	4,147,573
On hand July 31 in—				
Consuming establishments.....			935,445	679,559
Public storage and compresses.....			6,241,581	4,152,447
United States:				
Cotton consumed.....	278,656	450,884	4,869,103	5,262,974
On hand July 31 in—				
Consuming establishments.....			1,218,863	995,526
Public storage and compresses.....			6,703,453	4,524,467

Cotton Movements

Although seasonal declines usually occur during the closing month of the season, the receipts and exports of cotton at the ports of Houston and Galveston during July reflected a substantial increase over the preceding month, and were again noticeably above the corresponding month of 1931. During the past season the combined total exports of cotton from both Houston and Galveston aggregated 5,080,943 bales, and receipts totaled 5,552,285 bales. These amounts represent increases of 37.4 per cent and 26.0 per cent, respectively, over the twelve months of the previous season. Stocks held on July 31 were somewhat larger than those held at the close of the 1930-31 season at both ports.

The total foreign exports of cotton from all United States ports during July were materially above the July average. Exports aggregated 449,476 bales during the month, as compared with 360,205 bales in June, and 259,059 bales in July, 1931. During the 1931-32 season 8,707,055 bales of domestic cotton were shipped to foreign countries, which represents an increase of 28.8 per cent over the 6,760,003 bales exported during the preceding season. The strong foreign demand for American cotton which was in evidence during the latter half of the 1930-31 season was maintained throughout the greater part of the succeeding twelve months. With the exception of France and Germany all major importers of American cotton increased their takings considerably during the past season.

COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON
(Bales)

	July		August 1 to July 31	
	1932	1931	This Season	Last Season
Receipts.....	37,518	18,483	2,366,342	1,563,875
Exports.....	109,356	80,498	2,292,503	1,346,842
Stocks, July 31.....			462,179	401,062

COTTON—GALVESTON STOCK STATEMENT
(Bales)

	July 31, 1932	July 31, 1931
For Great Britain.....	300	500
For France.....	100	500
For other foreign ports.....	5,900	2,200
For coastwise ports.....	100	300
In compresses and depots.....	455,779	397,562
Total.....	462,179	401,062

COTTON MOVEMENTS THROUGH THE PORT OF HOUSTON
(Bales)

	July		August 1 to July 31	
	1932	1931	This Season	Last Season
Receipts.....	18,067	8,248	3,185,943	2,843,534
Exports.....	103,213	88,097	2,788,440	2,350,242
Stocks, July 31.....			1,075,164	729,307

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

	August 1 to July 31	
	This Season	Last Season
Receipts.....	10,061,016	9,041,448
Exports:		
United Kingdom.....	1,345,023	1,053,774
France.....	463,092	914,223
Italy.....	649,059	476,503
Germany.....	1,569,408	1,639,947
Other Europe.....	836,553	708,999
Japan.....	2,294,300	1,228,410
All other countries.....	1,549,620	738,147
Total foreign ports.....	8,707,055	6,760,003
Stocks at all United States ports, July 31.....	3,377,773	2,767,029

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

	July, 1932		August 15, 1932
	High	Low	
New York.....	6.20	5.70	7.50
New Orleans.....	6.06	5.53	7.34
Dallas.....	5.65	5.10	6.80
Houston.....	6.00	5.45	7.25
Galveston.....	6.05	5.50	7.25

Petroleum

Production of crude oil in the Eleventh Federal Reserve District was at a higher level during July than in the previous month. The output totaled 29,209,600 barrels, as compared with 27,850,250 barrels in June, and 34,850,900 barrels in July last year. Daily average yield, which amounted to 942,245 barrels, was 13,903 barrels higher than in the preceding month. Drilling operations, while still on a large scale, were appreciably smaller than in June. Of the 862 wells completed in July, 726 were successful, having an initial yield of 4,602,184 barrels. In the previous month, there were 983 wells completed, including 807 producers with a total flush output of 5,847,847 barrels.

Daily average production in Texas amounted to 877,050 barrels, being 14,515 barrels larger than in June. South Texas and the Gulf Coast accounted for most of the increase, and Central-West Texas was the only major area that regis-

tered a decline. Increased field activity was reported in the latter area and in South Texas. New Mexico and North Louisiana showed only slight declines in daily output during July.

OIL PRODUCTION—(Barrels)

	July, 1932		Increase or Decrease Over June, 1932	
	Total	Daily Avg.	Total	Daily Avg.
North Texas.....	3,244,150	104,650	+ 109,350	+ 157
Central West Texas.....	6,291,450	202,950	+ 193,650	+ 310
East Central Texas.....	12,192,300	393,300	+ 460,700	+ 2,247
Texas Coastal.....	3,713,800	119,800	+ 270,550	+ 5,025
South Texas.....	1,746,850	56,350	+ 278,250	+ 7,396
Total Texas.....	27,188,550	877,050	+1,312,500	+14,515
New Mexico.....	1,103,600	35,600	+ 18,050	+ 585
North Louisiana.....	917,450	29,595	+ 28,800	+ 27
Total District.....	29,209,600	942,245	+1,359,350	+18,903

CRUDE OIL PRICES

	August 12, 1932	August 11, 1931
Texas Coastal (40 gr. and above).....	\$ 1.00	\$.51*
North Texas and North Louisiana (40 gr. and above).....	1.00	.42

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

JULY DRILLING RESULTS

	Completions	Producers	Gas Wells	Failures	Initial Production
North Texas.....	44	20	1	23	4,435
Central West Texas.....	84	47	7	30	7,846
East Central Texas.....	600	591	1	8	4,545,960
South Texas.....	73	38	6	29	10,953
Texas Coastal.....	31	17	1	13	13,593
Total Texas.....	832	713	16	103	4,582,787
New Mexico.....	4	4	..	.....	16,412
North Louisiana.....	26	9	2	15	2,985
July totals, district.....	862	726	18	118	4,602,184
June totals, district.....	983	807	17	159	5,847,847

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

Building Construction operations in this district during July were on a scale substantially smaller than in either June this year or July last year. The valuation of building permits issued at principal cities amounted to \$844,572, as compared with \$1,157,988 in the preceding month, and \$3,259,703 in the corresponding month last year. The decreases amounted to 27.1 per cent and 74.1 per cent, respectively. As was the case in June, five of the reporting cities showed an improvement over the previous month.

BUILDING PERMITS

	July, 1932		July, 1931		Percentage Change Valuation Over Year	June, 1932		Percentage Change Valuation Over Month	Seven Months				Percentage Change Valuation Over Period
	No.	Valuation	No.	Valuation		No.	Valuation		1932		1931		
									No.	Valuation	No.	Valuation	
Amarillo.....	15	\$ 8,352	45	\$ 161,599	-94.8	16	\$ 15,645	-46.6	161	\$ 215,407	347	\$ 1,959,902	-89.0
Austin.....	93	91,392	106	218,045	-58.1	83	506,569	-82.0	638	4,805,414	652	1,538,716	+212.3
Beaumont.....	74	12,135	67	71,792	-83.1	75	18,372	-33.9	592	223,325	742	864,530	-74.2
Corpus Christi.....	35	11,026	52	34,455	-68.0	33	15,484	-28.8	233	101,783	375	354,780	-71.3
Dallas.....	242	201,831	251	274,245	-26.4	295	111,716	+80.7	1,902	1,618,018	2,268	3,141,600	-48.5
El Paso.....	37	19,006	62	69,390	-71.3	45	19,674	+ 1.2	265	160,571	503	761,598	-78.9
Fort Worth.....	94	158,245	161	353,668	-55.3	135	168,754	- 6.2	897	984,695	1,378	3,052,910	-67.7
Galveston.....	97	41,089	112	82,562	-50.2	121	23,884	+ 72.0	844	376,536	872	1,740,750	-78.4
Houston.....	179	135,088	305	1,331,521	-89.9	184	145,503	- 7.2	1,452	1,658,609	2,243	8,013,909	-75.6
Port Arthur.....	27	5,696	64	273,829	-67.9	39	4,696	+21.3	271	63,863	423	840,156	-92.4
San Antonio.....	151	120,516	246	238,239	-49.4	132	47,627	+153.0	1,297	1,198,560	1,577	1,672,521	-28.3
Shreveport.....	103	17,456	137	52,495	-66.7	108	48,003	- 63.6	828	253,419	1,024	676,744	-62.6
Waco.....	20	16,887	22	33,780	-50.0	24	26,180	- 35.5	222	233,213	195	1,621,096	-85.6
Wichita Falls.....	17	4,953	11	64,103	-62.3	14	5,881	-15.8	108	471,419	79	120,525	+291.1
Total.....	1,184	\$ 844,572	1,641	\$3,259,703	-74.1	1,304	\$1,157,988	-27.1	9,710	\$12,664,832	12,678	\$ 26,359,737	-52.0

Cement Following the substantial increase which occurred in the previous month, a reduction of 17.0 per cent was reflected in the output of Portland cement in Texas during July. The month's production totaled 278,000 barrels, as compared with 335,000 barrels in June, and 646,000 barrels in July a year ago. Aggregate shipments were 307,000 barrels, being 5.2 per cent less than in the previous month, and 55.9 per cent under the corresponding month last year. Stocks on hand declined during the month and amounted to 667,000 barrels on July 31, as

against 695,000 barrels a month earlier, and 626,000 barrels a year ago.

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

	July 1932	% change from		Jan. through		% change from year
		July 1932	July 1931	July 31	from year	
Production at Texas mills.....	278	-17.0	-57.0	2,140	-39.9	
Shipments from Texas mills.....	307	- 5.2	-55.9	2,199	-41.2	
Stocks at end of month at Texas mills	667	- 4.0	- 6.5	.....	.....

SUMMARY OF NATIONAL BUSINESS CONDITIONS

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

Volume of industrial output declined seasonally from June to July, while factory employment and payrolls decreased by more than the usual seasonal amount. In July the general level of wholesale prices was about 1 per cent higher than in June, and in the first half of August prices of many leading commodities advanced considerably. Reserve bank credit declined somewhat in the four weeks end-

ing August 17, reflecting chiefly a substantial growth in the country's stock of monetary gold.

PRODUCTION AND EMPLOYMENT

Industrial production declined by about the usual seasonal amount in July and the Board's index, which is adjusted to allow for the usual seasonal variations, remained

unchanged at 59 per cent of the 1923-1925 average. Activity decreased seasonally in the steel industry, by slightly more than the usual seasonal amount in the lumber, cement, newsprint, and meat packing industries, and by substantially more than the seasonal amount in the automobile and lead industries. Output of shoes, which ordinarily increases in July, declined. At woolen mills activity increased by a substantial amount and at silk mills there was a seasonal increase in production. Activity at cotton mills decreased as is usual in July, while sales of cotton cloth by manufacturers increased considerably. Output of coal increased from the low level prevailing in June. Reports on the volume of factory employment and payrolls showed substantial declines from the middle of June to the middle of July. In the machinery, women's clothing and hosiery industries, and at railroad repair shops, the number employed decreased by considerably more than the usual seasonal amount, and at shoe factories the increase reported was smaller than usual. In the woolen goods industry a substantial increase in employment was reported. Value of building contracts awarded, as reported by the F. W. Dodge Corporation, continued at a low level during July and the first half of August. Prospects for many leading crops, including corn, spring wheat, potatoes, and tobacco, were reduced somewhat during July, according to the Department of Agriculture. The estimated total wheat crop, based on August 1 conditions, is 723,000,000 bushels, a decrease of about 175,000,000 bushels from last year's large crop reflecting a reduction of 350,000,000 bushels in the winter wheat crop, offset in part by an estimated increase of 175,000,000 bushels in the spring wheat crop. The first official cotton estimate, as of August 1, was 11,300,000 bales, as compared with crops of 17,100,000 bales last season and 13,900,000 bales the year before. The indicated production of corn is 2,820,000,000 bushels, which is substantially larger than the crops of the last two seasons and slightly larger than the five-year average.

DISTRIBUTION

Volume of freight traffic decreased somewhat from June to July, and value of department store sales was substantially reduced.

WHOLESALE PRICES

The general level of wholesale prices, as measured by the monthly index of the Bureau of Labor Statistics, advanced from 63.9 per cent of the 1926 average in June to 64.5 per cent in July. Between the middle of July and the third week of August prices of livestock and meats which had previously advanced considerably, declined somewhat while price increases were reported for many other leading commodities, including wheat, textile raw materials and finished products, non-ferrous metals, hides, sugar, coffee, and rubber.

BANK CREDIT

The total volume of reserve bank credit outstanding, which had increased \$850,000,000 between the end of March and the third week of July, declined \$95,000,000 in the four weeks to August 17, and in the same period member banks increased the reserve balances by \$45,000,000, these changes reflecting chiefly the addition of \$95,000,000 to the country's stock of monetary gold and an inflow to the banks of \$30,000,000 in currency. Total loans and investments of reporting member banks in leading cities were \$250,000,000 larger on August 17 than four weeks earlier. Total loans of these banks continued to decline throughout the period, while the investments increased substantially, reflecting an increase in holdings of United States Government securities in connection with Treasury financing operations. Time deposits increased by \$95,000,000 and net demand deposits by \$85,000,000. Money rates in the open market remained at low levels. Successive reductions brought the prevailing rates on prime commercial paper to a range of 2-2 $\frac{1}{4}$ per cent in the first part of August.