

MONTHLY BUSINESS REVIEW

OF THE

FEDERAL RESERVE BANK OF DALLAS

C. C. WALSH
Chairman and Federal Reserve Agent

CHAS. C. HALL—W. J. EVANS
Assistant Federal Reserve Agents

(Compiled September 15, 1932)

Volume 17, No. 8

Dallas, Texas, October 1, 1932

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

DISTRICT SUMMARY

THE SITUATION AT A GLANCE
Eleventh Federal Reserve District

	August 1932	Change From July
Bank debits to individual accounts (at 17 cities).....	\$419,288,000	- 2.6%
Department store sales.....		+ 19.9%
Reserve bank loans to member banks at the end of the month.....	\$ 15,748,188	- 18.8%
Reserve bank ratio at end of the month.....	53.7%	+ 5.8 points
Building permit valuation at larger centers....	\$ 1,014,495	+ 20.1%
Commercial failures (number).....	92	+ 27.8%
Commercial failures (liabilities).....	\$ 2,327,615	+ 5.9%
Oil production (barrels).....	28,682,040	- 1.8%

A quickening of activities in business and industry, stimulated by a betterment in crop prospects, a further strengthening in public sentiment, and a rise in commodity prices, occurred in this district during August and the first half of September. The August sales of department stores in larger cities reflected an increase of 20 per cent over the previous month and while they were 28 per cent below those in the corresponding month last year, the decline was the smallest registered since March. Wholesale distribution showed a decided expansion due both to broader consumer demand and the necessity for retailers to replenish depleted stocks. While retailers are still following conservative merchandising policies, they are placing orders more liberally to meet the public demand for a wider assortment of goods and to assure immediate delivery of merchandise when needed. While the recent reaction in the cotton market has retarded buying somewhat, goods are still moving in considerable volume.

The business mortality rate in this district, after declining in July, turned upward in August and was considerably above a year ago. The indebtedness of defaulting firms was also larger than in either comparative period.

Weather conditions during August were generally favorable to crops, and according to the September 1 report of the Department of Agriculture, prospective production in states attached to this district was higher than a month earlier. The most important gain occurred in the cotton crop, the estimated production having been increased 315,000 bales. The production forecast was also raised for several minor crops. While the heavy rains early in September did some damage and retarded harvesting operations this work has made good progress recently. Livestock and their ranges continue in good condition and due to the September rains good fall pasturage is assured. Livestock are expected to enter the winter in good shape.

Financial statistics reflected largely the effect of seasonal factors. The loans of the Federal Reserve Bank to member banks, after remaining generally steady during the last half of August, declined sharply during the succeeding two weeks, and the total of \$12,891,000 on September 15 was \$3,238,000 less than on August 15, and \$760,000 below those a year ago. The loans and investments of member banks in selected cities were slightly lower on September 7 than four weeks earlier. The daily average of combined net demand and time deposits of member banks amounted to \$597,162,000 in August, as against \$608,722,000 in July, and \$746,063,000 in August, 1931. There was an unusually strong response to the United States Government 3¼ per cent Notes and 1¼ per cent Certificates issued on September 15. Subscriptions to these issues totaled \$138,825,000 and allotments of only \$14,278,700 were made.

While the August valuation of building permits issued at principal cities was 20 per cent larger than that of July, it was 63 per cent below that of August, 1931. The production and shipments of cement reflected a noticeable expansion over the previous month, but were still considerably under a year ago.

BUSINESS

Wholesale Trade

A general and substantial improvement in business at wholesale was in evidence during August. Jobbers throughout the Eleventh Federal Reserve District reported an expansion in sales which in many instances was considerably larger than

usually occurs at this season. The percentage of increase, as compared with the previous month, ranged from 8.5 per cent in the case of hardware to 153.5 per cent in the case of dry goods. The depleted inventories of many retailers made necessary a large amount of replacement buying in

response to a more active consumer demand. Comparisons with the corresponding month a year ago were more favorable than they have been in some time. The rising trend in prices of certain commodities has had a stimulating effect on business and conditions generally. While retailers are still following a cautious buying policy, the broader consumer demand has necessitated the purchase of a wider assortment of merchandise in larger volume. Dry goods was the only line to show an increase in the volume of collections.

The volume of sales reported by wholesale dry goods firms in this district during August reflected an increase over the previous month of 153.5 per cent, which is twice as large as the usual gain recorded at this season. There was a decline of 12.4 per cent from a year ago, this being with one exception the most favorable comparison shown since October, 1929. Indications are that the demand for merchandise is holding up well during September. Collections were 15.3 per cent larger than in July.

Wholesale drug firms in the Eleventh District reported an average improvement of 13.4 per cent in their August business, the gain being of a seasonal character. The volume of sales reflected a decline of 18.4 per cent from the corresponding month last year, as against a like decrease of 33.7 per cent in July. While collections declined in amount, their ratio to accounts outstanding was practically the same as in the preceding month.

While the pick-up of 8.5 per cent in the business of reporting wholesale hardware firms was less than seasonal, the comparison with August a year ago showed a reduction of only 17.4 per cent, as against 31.1 per cent in the previous month. Distribution was retarded somewhat by adverse weather conditions, but a strengthening of sentiment has been visible in recent weeks. The collections volume was 11.6 per cent under that of July.

The usual seasonal increase, amounting to 10.9 per cent, was reflected in the distribution of groceries at wholesale during August. The month's sales were 11.5 per cent smaller than a year ago, as compared with a similar decline of 22.9 per cent in July. The buying demand was reported to be improving somewhat in the latter part of August and the first part of September. Prices showed an upward tendency. There

was a further reduction in total collections during the month.

Following the large decrease in the previous month, the demand for farm implements during August showed an appreciable expansion. Business was 55.0 per cent better than in July, but continued to be on a considerably smaller scale than a year ago. A decline in collections was reported.

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

	Net Sales August, 1932 compared with August, 1931		Net Sales July 1 to date compared with same period last year		Stocks August, 1932 compared with August, 1931		Ratio of collections during Aug. to accounts and notes outstanding on July 31
	1932	1931	1932	1931	1932	1931	
Groceries.....	-11.5	+10.9	-17.3	-17.7	+2.5	61.2	
Dry Goods.....	-12.4	+153.5	-24.5	-39.2	+1.3	23.6	
Farm Implements..	-45.3	+55.0	-51.0	-4.5	+1.1	2.7	
Hardware.....	-17.4	+8.5	-23.8	-11.7	-1.5	26.4	
Drugs.....	-18.4	+13.4	-26.4	-22.2	-2.6	32.7	

Retail Trade

The initial display of fall wears and further attractive clearance sales of summer merchandise, combined with an improved public sentiment, created an appreciable buying movement during August at department stores in leading centers of the Eleventh District. The increase in sales over July, which was 19.9 per cent, was much larger than seasonal, and while distribution was 28.2 per cent less than that in the corresponding month of 1931 it was more favorable than at any time since last March. This bank's index of department store sales, which is adjusted for seasonal variations, increased from 59.6 in July to 63.6 in August. Late reports indicate that a further improvement was evidenced in department store business during the first half of September.

Stocks of merchandise held by reporting establishments on August 31 showed a small seasonal increase of 2.5 per cent, but were 30 per cent less than a year ago. The rate of stock turnover during the first eight months of 1932 continued below that in the same period of 1931, but for the first time this year the current month's turnover equaled that of the like month a year ago.

A seasonal reduction was evidenced in collections during August. The ratio of collections to accounts outstanding on August 1 was 26.4 per cent, as against 28.1 per cent in both the previous month and the same month of 1931.

BUSINESS OF DEPARTMENT STORES

	Dallas	Fort Worth	Houston	San Antonio	Others	Total District
Total Sales (Percentage):						
August, 1932, compared with August, 1931.....	-29.5	-26.9	-32.5	-25.1	-23.4	-28.2
August, 1932, compared with July, 1932.....	+31.0	+10.2	+10.5	+16.0	+19.5	+19.9
January 1 to date compared with same period last year.....	-26.5	-29.0	-31.4	-32.5	-25.6	-28.6
Credit sales (Percentage):						
August, 1932, compared with August, 1931.....	-31.1	-28.4	-38.2	-30.4	-31.8	-31.8
August, 1932, compared with July, 1932.....	+40.2	+14.7	+14.8	+17.4	+24.4	+27.0
January 1 to date compared with same period last year.....	-27.6	-28.2	-34.8	-32.1	-28.5	-29.6
Stocks (Percentage):						
August, 1932, compared with August, 1931.....	-23.5	-27.8	-46.7	-35.2	-26.6	-30.0
August, 1932, compared with July, 1932.....	+2.1	+3.8	+10.2	-1.5	- .9	+2.5
Stock turnover (Rate):						
Rate of stock turnover in August, 1931.....	.24	.15	.20	.25	.19	.21
Rate of stock turnover in August, 1932.....	.21	.15	.26	.29	.18	.21
Rate of stock turnover January 1, to August 31, 1931.....	1.90	1.46	1.96	2.55	1.72	1.87
Rate of stock turnover January 1, to August 31, 1932.....	1.69	1.32	2.02	2.22	1.54	1.69
Ratio of August collections to accounts receivable outstanding August 1, 1932.....	27.7	21.5	29.6	30.4	23.4	26.4
Indexes of department store sales:						
Unadjusted August, 1932.....	45.2	50.4	48.1	41.8	....	45.8
Adjusted August, 1932.....	62.8	71.0	69.7	58.9	....	63.6
Indexes of department store stocks:						
Unadjusted August, 1932.....	43.7	65.0	43.0	32.7	....	47.8
Adjusted August, 1932.....	42.0	63.7	42.2	33.0	....	46.9

Commercial Failures

An increase over the previous month was reflected in both the number and liabilities of firms becoming insolvent during August. According to the report compiled by R. G. Dun & Company, there were 92 commercial failures in the Eleventh

District during the month, with total indebtedness amounting to \$2,327,615, as compared with 72 defaults in July, owing \$2,197,484, and 81 insolvencies in August last year, with liabilities of \$1,094,300.

AGRICULTURE*Crop Conditions*

Crop prospects in the Eleventh Federal Reserve District remained generally favorable during the past month. While the August rains came too late to benefit some crops, they were of material aid to those crops which had not reached maturity. There is now ample moisture in the ground to assure proper maturity of growing crops and to bring up crops seeded this fall. According to the Department of Agriculture the combined per acre yield of 33 important crops was higher on September 1 than on August 1, and in all states except Oklahoma it was above the ten-year average.

last year. This crop showed a steady improvement during the summer. There was also a betterment of prospects for wild hay in some states.

Practically all fruit crops turned out better than was indicated in the August 1 report. The sweet potato crop showed an improvement during August in Texas, but there was a decline in Louisiana. In both states, however, the September 1 estimate was considerably higher than the actual production in 1931. The production of peanuts in Texas was estimated as 99,900,000 pounds on September 1, as compared with an actual production of 85,330,000 pounds last year. A considerably increased production was also forecasted for Louisiana and Oklahoma.

The most notable improvement during August occurred in the prospective production of cotton. According to the figures derived from the September 1 estimates, by states, reported by the Department of Agriculture, the indicated production of cotton in this district was 4,744,000 bales, which represents a gain of 315,000 bales over the August 1 estimate. Most of this increase occurred in Texas where the estimate was raised 266,000 bales, but the other states attached to this district also showed an improvement. It should be noted that there were no important gains in other cotton states, and in some cases there was a sharp deterioration. Reports indicate, however, that some damage has occurred since the first of September on account of the heavy rains and insect activity. The Department's forecast for the Texas crop was placed at 4,092,000 bales, as against an indicated production of 3,826,000 bales on August 1. The prospective per acre yield was raised from 134 pounds on the latter date to 141 pounds on September 1. The improvement came principally in the Northwest, West, North, and West-Central portions of the State. There was also a smaller acreage abandonment than the average for the past ten years. The Bureau of Census reported that 551,997 bales had been ginned in Texas prior to September 1, as compared with 352,930 bales in 1931. In Louisiana 78,935 bales were ginned prior to September 1, as against only 10,565 bales a year ago.

There was a sharp deterioration in the Texas rice crop during August, as it was damaged to some extent by the tropical storm on August 13 and has suffered additional damage from the frequent rains since that date. Harvesting of the crop has been delayed and dry weather is needed to prevent further deterioration and to save that portion of the crop now ready for harvest.

The indicated production of pecans is considerably smaller than last year in Texas and Louisiana, but substantially larger in Oklahoma. The broomcorn crop deteriorated during the month, and the September 1 estimate was considerably smaller than the 1931 production.

Livestock

Ranges and livestock throughout the Eleventh Federal Reserve District are now in generally good condition. The heavy rains over most of the district during August and the first half of September relieved the dry condition prevailing in some sections; replenished the supply of stock water; and left a good season in the ground to stimulate the growth of range vegetation during the fall. The Department of Agriculture reports that feed supplies are abundant in practically all feed producing areas and the outlook for winter feed supplies is very favorable.

The Department's estimate of the corn crop in Texas, Louisiana, and Arizona showed no change from that on August 1, but the prospects in New Mexico and Oklahoma were reduced somewhat. Thus, the indicated production for the district on September 1 was 121,100,000 bushels, or 440,000 bushels less than the prospects on August 1. Total production, however, in all states except New Mexico is higher than in 1931. The dry weather early in August in Northwest Texas, which is the principal grain sorghum territory, caused a deterioration in that crop. The indicated yield for the State on September 1 was 66,896,000 bushels, as compared with 75,258,000 bushels on August 1, and an actual production of 60,000,000 bushels in 1931. There was also a sharp deterioration in the New Mexico crop, the indicated production on September 1 being considerably smaller than a year ago. There was a substantial improvement in the prospects for grain sorghum in Oklahoma and Arizona. Tame hay was benefited by the rains with the result that the September 1 estimate for this district amounted to 1,009,000 tons, as against an actual production of 991,000 tons

The September 1 report of the Department of Agriculture rated the condition of the cattle ranges in Texas as 83 per cent of normal, which was 2 points below the condition on August 1, but 4 points above the condition obtaining a year ago. The sheep and goat ranges, which received heavy and general rains during August, rose 3 points during the month to a condition of 88 per cent of normal on September 1, which was 6 points higher than a year ago. The condition of cattle in Texas on September 1 was the same as a month earlier, but was 2 points above the condition prevailing a year ago. Reports indicate that cattle generally are in shape to go into the winter in good condition. While the condition of Texas sheep usually declines 4 points during August, there was no change this year, and the September 1 condition figure of 85 per cent was 1 point higher than a year ago. The condition of goats likewise remained unchanged. Range conditions in New Mexico and Arizona declined during August, but the condition of livestock generally remained unchanged.

**Movements
and Prices**

Cattle receipts during August at the Fort Worth market were in about the same volume as in July, but were materially below those for the corresponding month last year. While the arrivals of calves were considerably larger than in the previous month, they were materially smaller than in August, 1931. The number of hogs yarded was substantially larger than in either comparative period. Although the receipts of sheep declined sharply as compared with July,

FORT WORTH LIVESTOCK RECEIPTS
(Number)

	August 1932	August 1931	Change over year	July 1932	Change over month
Cattle.....	38,837	55,160	-16,323	39,313	- 476
Calves.....	22,755	24,173	- 1,418	16,705	+ 6,050
Hogs.....	17,819	11,069	+ 6,750	14,608	+ 3,211
Sheep.....	77,199	64,239	+12,960	115,014	- 37,815

**Operations of
the Federal Re-
serve Bank**

Member bank borrowings at the Federal Reserve Bank, which amounted to \$16,129,000 on August 15, fluctuated within narrow limits in the last half of the month, and then declined sharply during the first half of September. The total of these borrowings on September 15 amounted to \$12,891,000, which was \$3,238,000 less than a month earlier, and \$760,000 less than the corresponding date a year ago. The liquidations during the month were about equally divided between reserve city banks and country banks. There were 255 banks indebted to the Federal Reserve Bank on September 15, as compared with 272 banks on August 15, and 248 banks on the corresponding date of 1931. The Federal Reserve Bank's holdings of bills purchased in the open market showed a further decline of \$40,000 during the thirty-one-day period, and on September 15 were \$4,423,000 below those a year ago. There was no change in the holdings of United States Government securities during the month, but the total was \$5,591,000 greater than on September 15 last year. The reserve deposits of member banks aggregated \$42,034,000 at the middle of September, representing a decline of \$1,525,000 from a month ago, and \$9,911,000 as compared with the corresponding date in 1931. While the actual circulation of Federal reserve notes reflected an expansion of only \$104,000 between August 15 and September 15, the total of \$37,714,000 on the latter date was \$7,487,000 greater than on the same date last year.

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

	Sept. 15, 1932	Sept. 15, 1931	August 15, 1932
Total cash reserves.....	\$ 47,576	\$ 51,357	\$ 43,199
Discounts for member banks.....	12,891	13,651	16,129
Other bills discounted.....	None	6	None
Bills bought in the open market.....	867	5,290	907
United States securities owned.....	30,721	25,130	30,721
Other investments.....	5	7	5
Total earning assets.....	44,484	44,084	47,762
Member bank reserve deposits.....	42,034	51,945	43,559
Federal reserve notes in actual circulation...	37,714	30,227	37,610

**Condition of
Member Banks
in Selected
Cities**

The loans and investments of member banks in selected cities reflected a moderate decline during the four-week period ending September 7, but their deposits and reserves were slightly higher. Their investments in United States securities were reduced from

they were still considerably above those in August last year.

Livestock prices were irregular during the past month. Cattle prices at the middle of September were at about the same level as a month earlier. The hog market declined approximately 40 cents during the period. Sheep and lamb prices ruled generally steady with a slightly firmer trend.

COMPARATIVE TOP LIVESTOCK PRICES
(Dollars per hundredweight)

	August 1932	August 1931	July 1932
Beef steers.....	\$8.00	\$8.25	\$8.00
Stocker steers.....	5.75	5.25	5.75
Butcher cows.....	4.00	4.50	4.00
Stocker cows.....	3.00	3.00	2.75
Calves.....	5.25	6.50	5.25
Hogs.....	4.50	8.00	5.05
Sheep.....	2.25	3.75	2.00
Lambs.....	4.50	5.85	4.60

FINANCE

\$85,950,000 on August 10 to \$82,593,000 on September 7, but the latter figure was \$23,610,000 greater than on the corresponding date in 1931. Investments in other stocks and bonds on September 7 were \$649,000 less than four weeks earlier and \$4,753,000 less than a year ago. The loans of these banks on securities declined \$993,000 between August 10 and September 7, but all other loans (largely commercial) declined only \$17,000 during the period. The total loans of these banks were \$57,259,000 less than on the corresponding date a year ago. Their net demand deposits rose \$1,947,000 during the period between August 10 and September 7, but this increase was partially offset by a decline of \$1,441,000 in time deposits. As compared with a year ago total deposits were \$55,458,000 lower. The bills payable and rediscounts with the Federal Reserve Bank amounted to \$2,143,000 on September 7, as compared with \$3,621,000 on August 10, and \$664,000 on September 9, 1931.

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

	Sept. 7, 1932	Sept. 9, 1931	Aug. 10, 1932
United States securities owned.....	\$ 82,593	\$ 58,983	\$ 85,950
All other stocks, bonds, and securities owned.....	55,893	60,646	56,542
Loans on securities.....	72,617	89,481	73,610
All other loans.....	163,102	203,497	163,119
Total loans.....	235,719	292,978	236,729
Net demand deposits.....	223,736	265,997	221,789
Time deposits.....	124,783	137,980	126,224
Reserve with Federal Reserve Bank.....	27,284	33,322	27,078
Bills payable and rediscounts with Federal Reserve Bank.....	2,143	664	3,621

**Acceptance
Market**

There was a small increase during August in the volume of outstanding acceptances executed by accepting banks in this district. On the last day of the month, total acceptances outstanding amounted to \$869,655, as compared with \$779,204 on July 31, and \$1,369,626 at the close of August last year. Acceptances based on import and export transactions totaled \$129,655, and those executed against the domestic shipment and storage of goods amounted to \$740,000.

**Deposits of
Member Banks**

A largely seasonal reduction in net demand deposits during August brought the combined daily average of net demand and time deposits of member banks in this district down to \$597,162,000, which was \$11,560,000 less than that of July,

and \$148,901,000 smaller than in August last year. The comparison with a year ago improved for the third consecutive month. Average time deposits of both reserve city and country banks reflected a slight increase over the preceding month.

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
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
Aug., 1932.....	409,254	187,908	201,130	114,532	208,124	73,376

Debits to Individual Accounts

Charges to individual accounts during August at banks in principal cities in this district totaled \$419,288,000, being 2.6 per cent below the volume of July, and 20.8 per cent less than in the corresponding month a year ago. The latter comparison is the most favorable reported since last October.

DEBITS TO INDIVIDUAL ACCOUNTS
(In thousands of dollars)

	August 1932	August 1931	% Change Over Year	July 1932	% Change Over Month
Abilene.....	\$ 3,337	\$ 4,379	-23.8	\$ 3,386	-1.4
Austin.....	14,073	15,867	-11.3	13,230	+6.4
Beaumont.....	11,588	16,123	-28.1	12,702	-8.8
Corsicana.....	2,074	2,775	-25.3	2,026	+2.4
Dallas.....	117,010	136,404	-14.2	113,518	+3.1
El Paso.....	13,145	21,115	-37.7	12,346	+6.5
Fort Worth.....	44,699	58,982	-24.2	53,466	-16.4
Galveston.....	16,123	20,392	-20.9	17,108	-5.8
Houston.....	100,720	129,504	-22.2	105,160	-4.2
Port Arthur.....	3,902	7,003	-44.3	3,839	+1.6
Roswell.....	1,761	2,160	-18.5	2,012	-12.5
San Antonio.....	42,085	55,614	-24.3	41,273	+2.0
Shreveport.....	20,802	23,017	-9.6	20,751	+2.2
Texarkana.....	4,885	7,847	-37.7	5,578	-12.4
Tucson.....	6,619	7,769	-14.8	7,797	-15.1
Waco.....	8,228	10,346	-20.5	7,792	+5.6
Wichita Falls....	8,237	9,831	-16.2	8,478	-2.8
Total.....	\$419,288	\$529,128	-20.8	\$430,462	-2.6

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

Savings Deposits

Total savings deposits on record at 144 banks in the Eleventh District at the close of August amounted to \$140,620,148, this figure being 0.5 per cent less than that a month earlier, and 16.3 per cent smaller than a year ago. Savings depositors at 121 of these banks numbered 308,599 on August 31, as compared with 309,984 on July 31, and 338,158 on the same date last year.

SAVINGS DEPOSITS

	Number of Reporting Banks	August 31, 1932		August 31, 1931		Percentage Change Over Year in Savings Deposits	July 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*	6,034	\$ 2,957,332	4,442	\$ 3,452,775	-14.3	6,032	\$ 2,948,480	+ .3
Dallas.....	9*	73,885	25,257,377	76,221	28,284,705	-10.7	73,976	25,375,396	- .5
El Paso.....	2	10,524	3,243,310	11,435	3,952,803	-17.9	10,836	3,236,812	+ .2
Fort Worth.....	4	33,846	11,217,608	35,144	13,065,872	-14.1	34,137	11,216,154	0.0
Galveston.....	4	16,626	10,052,365	17,866	11,759,872	-14.5	16,591	10,125,448	- .7
Houston.....	11*	53,511	30,206,629	65,846	34,506,016	-12.5	53,659	30,181,511	+ .1
Port Arthur.....	2	4,268	1,774,297	4,677	1,905,476	-6.9	4,266	1,761,766	+ .7
San Antonio.....	8*	16,719	14,373,718	22,047	21,030,730	-31.7	16,534	14,324,285	+ .3
Shreveport.....	4	23,941	9,934,262	25,697	11,737,788	-15.4	24,229	10,004,211	- .7
Waco.....	3	10,366	5,546,274	10,490	6,257,254	-11.4	10,390	5,593,528	- .8
Wichita Falls.....	3*	2,820	2,312,448	3,442	2,862,272	-19.2	2,860	2,297,056	+ .7
All others.....	91*	56,059	23,744,629	60,851	29,105,652	-18.4	56,474	24,294,545	-2.3
Total.....	144	308,599	\$ 140,620,148	338,158	\$ 167,921,215	-16.3	309,984	\$ 141,359,192	- .5

*Only 2 banks in Beaumont, 6 in Dallas, 9 in Houston, 7 in San Antonio, 2 in Wichita Falls, and 76 in "All others" reported the number of savings depositors.

SEPTEMBER 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	5-6	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.....	4½-6	8	6-8	5-7	6-8	6-7
Rate on cattle loans.....	6-7	6-8	6-8	7-8	7-10	8

INDUSTRY

Cottonseed Products

With ginnings of the current cotton crop considerably below the average, receipts of cottonseed during August at Texas establishments were slightly smaller than the unusually low volume of August, 1931. At all United States mills seed receipts, while above both the previous month and the corresponding month last year, were considerably below the

average for August. On the other hand, crushings of cottonseed at both Texas and American mills were well above normal, which resulted in the production of all products during the month being maintained on an exceptionally high level. Stocks of seed were reduced considerably as compared with those a month earlier. Supplies of cottonseed oil on hand on August 31 were slightly above those a

month earlier, while inventories of all other products evidenced a reduction. Stocks of hulls and linters continued above those a year ago.

	Texas		United States	
	August 1 to August 31		August 1 to August 31	
	This Season	Last Season	This Season	Last Season
Cottonseed received at mills (tons).....	69,384	71,414	119,936	95,872
Cottonseed crushed (tons).....	83,704	43,911	151,193	59,377
Cottonseed on hand Aug. 31 (tons).....	158,599	40,996	265,372	61,279
Crude oil produced (pounds).....	24,245,558	.....	45,539,089	17,260,320
Cake and meal produced (tons).....	40,566	.....	70,271	28,341
Hulls produced (tons).....	23,698	.....	43,184	16,117
Linters produced (running bales).....	9,689	.....	21,332	8,395
Stocks on hand August 31:				
Crude oil (pounds).....	10,640,557	.....	18,110,824	.....
Cake and meal (tons).....	31,827	.....	97,481	105,793
Hulls (tons).....	44,477	.....	135,895	44,279
Linters (running bales).....	62,007	.....	204,802	164,836

Textile Milling

Following the unexpectedly strong demand for textiles an increase materially larger than seasonal was evidenced during July in the domestic consumption of cotton. Although another decline was registered as compared with the like month of 1931, it was not as sharp as those recorded during the preceding three months. There were 402,601 bales of cotton consumed during the month, which represents an increase of 44.5 per cent over the previous month, and a decline of only 5.3 per cent from August, 1931. Supplies of cotton held by consuming establishments on August 31 were noticeably smaller than those a month earlier, but continued above those a year ago.

The operations of reporting Texas textile mills likewise evidenced an improvement during August. Both the consumption of cotton and the production of cloth were greater than in July, but these activities were on a smaller scale than a year ago. The demand for finished products, as measured by orders on the mills' books at the close of the month, was appreciably greater than that a month earlier or a year ago. Stocks of finished products held on August 31 were smaller than those on either comparative date.

	August 1932	August 1931	August 1 to August 31	
	This season	Last Season	This season	Last Season
Cotton-growing states:				
Cotton consumed.....	338,170	341,765	338,170	341,765
Cotton on hand Aug. 31 in—				
Consuming establishments.....	.....	.....	826,312	546,006
Public storage and compresses.....	.....	.....	6,101,982	4,071,766
United States:				
Cotton consumed.....	402,601	425,030	402,601	425,030
Cotton on hand Aug. 31 in—				
Consuming establishments.....	.....	.....	1,090,421	840,783
Public storage and compresses.....	.....	.....	6,547,563	4,426,399

Cotton Movements

Despite an unusually sharp decline as compared with the previous month in exports of cotton through the port of Galveston, the opening month of the 1932-33 cotton season witnessed a sustained foreign demand for American staple. Shipments from Houston, which evidenced a material increase over July, were more than sufficient to offset the reduction at the former port, consequently, the combined exports reflected a normal seasonal increase. The compari-

sons with the corresponding month of 1931 at both distributing points continued very favorable. The combined receipts of cotton were considerably above those a month earlier and a year ago.

Another month of heavy foreign exports of cotton from all United States ports was witnessed during August. Shipments were seasonally above the heavy July movements, and were more than twice as large as those in August last year. Exports totaled 452,154 bales during the month, as against 449,476 bales in July, and 211,030 bales in the like month of 1931. August exports were also 42.8 per cent above the 1917-29 average for that month. Takings of American cotton by France, Italy, Germany, and several of the smaller importing countries were substantially larger than in either the previous month or the corresponding month a year ago.

COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON (Bales)

	August 1932	August 1931	August 1 to August 31 This Season	Last Season
Receipts.....	33,030	7,776	33,030	7,776
Exports.....	59,526	23,365	59,526	23,365
Stocks, August 31.....	.....	.....	435,683	385,473

COTTON—GALVESTON STOCK STATEMENT (Bales)

	August 31, 1932	August 31, 1931
For Great Britain.....	1,800	500
For France.....	1,100	500
For other foreign ports.....	13,000	5,800
For coastwise ports.....	500	200
In compresses and depots.....	419,283	378,473
Total.....	435,683	385,473

COTTON MOVEMENTS THROUGH THE PORT OF HOUSTON (Bales)

	August 1932	August 1931	August 1 to August 31 This Season	Last Season
Receipts.....	84,281	47,298	84,281	47,298
Exports.....	179,915	81,527	179,915	81,527
Stocks, August 31.....	.....	.....	977,242	686,682

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

	August 1 to August 31	
	This Season	Last Season
Receipts.....	400,728	217,940
Exports: United Kingdom.....	67,353	7,068
France.....	76,003	5,964
Italy.....	42,524	23,083
Germany.....	104,868	33,442
Other Europe.....	55,011	53,116
Japan.....	58,464	67,927
All other countries.....	47,931	.....
Total foreign ports.....	452,154	211,030
Stocks at all United States ports, Aug. 31.....	3,282,514	2,711,033

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

	August, 1932		Sept. 15, 1932
	High	Low	1932
New York.....	9.20	5.90	7.25
New Orleans.....	9.08	5.75	7.17
Dallas.....	8.55	5.25	6.70
Houston.....	9.00	5.60	7.10
Galveston.....	9.05	5.65	7.05

Petroleum

There was a decrease in the amount of oil produced in the Eleventh Federal Reserve District during August. The total yield was placed at 28,682,040 barrels, as against 29,209,600 barrels in the previous month, and 36,588,600 barrels in August, 1931. Daily average output declined from 942,245 barrels in July to 925,227 barrels in August. Drilling activity showed a material expansion, as was evidenced by the fact that 1,062 wells were completed in August as compared with 862 in July. The combined initial yield from new producing wells amounted to 5,560,240 barrels, as against 4,602,184 barrels in the previous month, and 2,810,574 barrels in August last year.

The daily output of Texas fields during August averaged 864,500 barrels, which is 12,550 barrels less than the July average, and 241,993 barrels below the level of August, 1931. While most sections participated in the reduction, East Texas was responsible for the greater part of it. There

were substantial declines in production in both New Mexico and North Louisiana.

AUGUST DRILLING RESULTS

	Com-pletions	Pro-ducers	Gas Wells	Fail-ures	Initial Production
North Texas.....	116	55	4	57	6,860
Central West Texas.....	63	35	4	24	6,081
East Central Texas.....	694	680	....	14	5,496,600
South Texas.....	95	43	7	45	18,826
Texas Coastal.....	52	33	1	18	21,666
Total Texas.....	1,020	846	16	158	5,550,033
New Mexico.....	6	4	....	2	7,775
North Louisiana.....	36	11	1	24	2,432
Aug. totals, district.....	1,062	861	17	184	5,560,240
July totals, district.....	862	726	18	118	4,602,184

CRUDE OIL PRICES

	Sept 9, 1932	Sept 8, 1931
Texas Coastal (40 gr. and above).....	\$1.00	\$.66*
North Texas and North Louisiana (40 gr. and above).....	1.00	.70

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

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

OIL PRODUCTION—(Barrels)

	August, 1932		Increase or Decrease Over July, 1932	
	Total	Daily Avg.	Total	Daily Avg.
North Texas.....	3,236,400	104,400	— 7,750	— 250
Central West Texas.....	6,165,900	198,900	— 125,550	— 4,050
East Central Texas.....	11,894,700	383,700	— 297,600	— 9,600
Texas Coastal.....	3,809,900	122,900	+ 96,100	+ 3,100
South Texas.....	1,692,600	54,600	— 54,250	— 1,750
Total Texas.....	26,799,500	864,500	— 389,050	— 12,550
New Mexico.....	1,005,950	32,450	— 97,650	— 3,150
North Louisiana.....	876,590	28,277	— 40,860	— 1,318
Total District.....	28,682,040	925,227	— 527,560	— 17,018

Building

The valuation of building permits issued at leading centers during August totaled \$1,014,495, being 20.1 per cent larger than in July, but 63.4 per cent less than in August last year. The comparison with a year ago was the most favorable recorded in three months. The number of permits reported showed a material gain and amounted to 1,527 in August, as against 1,184 in the previous month, and 1,733 in August, 1931.

BUILDING PERMITS

	August, 1932		August, 1931		Percentage Change Valuation Over Year	July, 1932		Percentage Change Valuation Over Month	Eight Months				Percentage Change Valuation Over Period
	No.	Valuation	No.	Valuation		1932			1931				
						No.	Valuation		No.	Valuation			
Amarillo.....	14	\$ 34,340	44	\$ 363,387	—90.6	15	\$ 8,352	+311.2	175	\$ 249,747	391	\$ 2,323,289	— 89.3
Austin.....	83	72,654	116	124,188	—41.5	93	91,392	— 20.5	721	4,878,068	768	1,662,904	+193.3
Beaumont.....	85	19,696	80	75,726	—74.0	74	12,135	+ 62.3	677	243,021	822	940,256	— 74.2
Corpus Christi..	36	14,098	42	61,950	—77.2	35	11,026	+ 27.9	269	115,881	417	416,730	— 72.2
Dallas.....	335	255,399	270	293,005	—12.8	242	201,831	+ 26.5	2,237	1,873,417	2,538	3,434,605	— 45.5
El Paso.....	44	93,001	60	80,193	+16.0	37	19,906	+367.2	309	253,572	563	841,791	— 69.9
Fort Worth.....	117	78,480	147	403,223	—80.5	94	158,245	— 50.4	1,014	1,063,175	1,525	3,456,133	— 69.2
Galveston.....	239	36,562	127	56,092	—34.8	97	41,089	— 11.0	1,083	413,098	999	1,796,842	— 77.0
Houston.....	208	183,480	335	812,185	—77.4	179	135,088	+ 35.8	1,660	2,142,089	2,578	8,826,094	— 75.7
Port Arthur.....	39	8,349	64	14,876	—43.9	27	5,696	+146.6	310	72,212	487	855,032	— 91.6
San Antonio.....	144	122,643	244	361,033	—66.0	151	120,516	+* 1.8	1,441	1,321,203	1,821	2,033,554	— 35.0
Shreveport.....	136	65,577	170	85,647	—23.4	103	17,456	+275.7	964	318,996	1,194	762,391	— 58.2
Waco.....	29	26,738	22	29,060	— 8.0	20	16,887	+58.3	251	259,951	217	1,650,156	— 84.2
Wichita Falls..	18	3,478	12	13,580	—74.4	17	4,953	— 29.8	126	474,897	91	134,105	+254.1
Total.....	1,527	\$1,014,495	1,733	\$2,774,145	—63.4	1,184	\$ 844,572	+ 20.1	11,237	\$13,679,327	14,411	\$29,133,882	— 53.0

Cement

An increase of 16.9 per cent was reflected in the output of Portland cement at Texas mills during August. Total production amounted to 325,000 barrels, as against 278,000 barrels in the previous month, and 644,000 barrels in the corresponding month last year. A large gain of 25.7 per cent was shown

in the volume of shipments from these mills, although the total, amounting to 386,000 barrels, was still 42.1 per cent less than a year ago. There was a further reduction of 9.3 per cent in stocks on hand, and at the close of the month inventories were at about the same level as a year ago.

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

	August 1932	% change from July 1932	July 1931	% change from August 1931	Jan. through August '31	% change from year
Production at Texas mills.....	325	+16.9	—49.5	2,465	—41.4	
Shipments from Texas mills.....	386	+25.7	—42.1	2,585	—41.3	
Stocks at end of month at Texas mills.....	605	— 9.3	+ .3	.....	.....

SUMMARY OF NATIONAL BUSINESS CONDITIONS

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

Volume of industrial production increased from July to August by considerably more than the usual seasonal amount, reflecting chiefly expansion in activity at textile mills. Wholesale prices advanced during August and the general level prevailing in the first three weeks of September was somewhat higher than in other recent months. There was a further growth in the country's stock of monetary gold and a non-seasonal return flow of currency to the Reserve banks.

PRODUCTION AND EMPLOYMENT

Industrial output increased substantially in August and the Board's seasonally adjusted index showed an advance from 58 to 60 per cent of the 1923-25 average. Activity at cotton, woolen, silk, and rayon mills increased from the low level of other recent months by considerably more than the usual seasonal amount, and there was also a substantial increase in activity at shoe factories. Output of automobiles, however, declined further and production in the steel and lumber industries showed none of the usual seasonal increase in August. During the first three weeks of September there was a slight advance in steel output. Employment at factories increased slightly more than is usual at this season. There were large additions to working forces in the textile, clothing, and leather industries, while in the automobile, tire, and machinery industries, and at car-building shops the number employed decreased further. Aggregate wage payments increased less than seasonally. Building contracts awarded up to September 15, as reported by the F. W. Dodge Corporation, indicate that for the third quarter the total value of contracts will be about the same as for the second quarter, whereas usually awards for the third quarter are smaller. Currently, contracts for public works are a considerably larger part of the total than they were at the beginning of the year and residential contracts are a smaller part. The Department of Agriculture's crop estimates, based on September 1 conditions, indicate little change in prospects during August. Indicated crops of wheat and tobacco are considerably smaller than in other recent years, while the corn crop is the largest since 1925. The cotton crop is estimated at 11,300,000 bales, a decrease of about 6,000,000 bales from the large crop of a year ago.

DISTRIBUTION

Volume of merchandise and other freight handled by

the railroads increased seasonally during August, while during the corresponding period a year ago no increase was reported. Department store sales of merchandise increased from July to August by somewhat less than the usual seasonal amount.

WHOLESALE PRICES

Wholesale commodity prices advanced from 64.5 per cent of the 1926 average in July to 65.2 per cent in August, according to the monthly index of the Bureau of Labor Statistics. During August prices of many leading commodities, including textile raw materials and finished products, wheat, hides, non-ferrous metals, sugar, rubber, and coffee, increased substantially. In the first half of September there were declines in the prices of many of these commodities, while prices of wool and woolen goods, cattle, and hides advanced.

BANK CREDIT

During recent weeks further growth in monetary gold stock, a return flow of currency from hoards, and new issues of national bank notes have resulted in additions to the reserve funds of member banks. These banks have employed a part of the funds in further reducing their borrowings at the Reserve banks and have accumulated a part as reserve balances, which at the present time are more than \$300,000,000 in excess of required reserves. Reserve bank holdings of United States Government securities and of acceptances remained practically unchanged during the four weeks ending September 14, while the total of Reserve bank credit declined by \$44,000,000 through the reduction of discounts for member banks. Loans and investments of reporting member banks in leading cities showed little change between the middle of August and the middle of September. A further decline of more than \$150,000,000 in loans by banks outside New York City during the past four weeks was offset in large part by continued increase in investment holdings, chiefly at member banks in New York City. There was a considerable growth in deposits of reporting member banks, reflecting in part larger balances held by city banks for the account of other banks. Money rates in the open market remained unchanged at low levels during August and the first half of September.