

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

	December 1932	Change from November
Bank debits to individual accounts (at 17 cities).....	\$532,954,000	+ 16.8%
Department store sales.....		+ 47.2%
Reserve bank loans to member banks at end of month.....	\$ 5,202,622	— 26.7%
Reserve bank ratio at end of month.....	48.0%	— 1.6 points
Building permit valuation at larger centers....	\$ 1,115,348	+ 80.8%
Commercial failures (number).....	75	+ 21.9%
Commercial failures (liabilities).....	\$ 1,643,815	— 22.1%
Oil production (barrels).....	25,647,150	— 8.7%

Business and industry in the Eleventh District was generally well sustained during the past month. Department store sales in the larger cities reflected a gain of 47 per cent between November and December, which was slightly larger than seasonal. As compared with the corresponding month last year, sales were 22 per cent smaller. Wholesale distribution, while normally quiet in the closing month of the year, gave some evidence of improvement. In some lines the less than seasonal recession and the narrowing of the margin of decline as compared with a year ago are indicative of the betterment in underlying conditions. Retailers continue to move forward cautiously and are making replenishments only in response to consumer demand.

Another significant development was a decline of 22 per cent in the number and liabilities of commercial failures during December. The financial strain incident to year-end settlements usually increases the mortality rate, but this year

there was a further recession from the previous month as well as a sharp decline as compared with December, 1931. In fact, there were only two months in 1932 which showed fewer failures and smaller liabilities than December.

The agricultural situation was improved materially by the general rains and snows during December and early January. A good season now obtains in most sections of the district. Small grains, while in very poor condition, have shown some improvement recently. The December freezes pulverized the soil and left it in excellent condition for working, but land preparation is still backward in many areas due to the wet soil. Livestock and their ranges are in generally good condition and livestock are expected to go through the winter in fine shape.

The loans and investments of commercial banks in larger cities reflected the usual seasonal decline in December and the first half of January. Federal Reserve Bank loans to member banks showed a gradual decline between December 15 and January 15. The figure on the latter date amounted to \$4,369,000, as compared with \$16,572,000 on the same date last year. The daily average of combined net demand and time deposits evidenced less than the usual seasonal recession in December, the total for the month being \$613,028,000, as compared with \$614,411,000 in November, and \$677,029,000 in December, 1931.

The valuation of building permits issued at larger cities, after declining to a conspicuously low level in November, rose sharply in December and reached the highest point registered since June.

BUSINESS

Wholesale Trade

Varying trends characterized the wholesale trade situation in this district during December. While the usual mid-winter dullness was visible in most lines, a general and substantial increase was reflected in the sales of wholesale drug firms, and their business was larger than a year ago. In the line of groceries the decrease from November was somewhat less than seasonal. More favorable comparisons with the same month a year ago were registered in groceries and drugs than were shown in November. Total sales during the last six months of the year, as compared with the like period in 1931, reflected decreases ranging from 8.8 per cent in

the case of groceries to 30.9 per cent in the case of farm implements. These comparisons are more favorable than the similar figures that were reported for the first half of the year, when the reductions ranged from 19.2 per cent in the former case to 55.8 per cent in the latter case. Retailers, generally, continue to buy on a conservative basis and with careful budgeting of their requirements. In four of the five reporting lines, the volume of collections during December showed a seasonal reduction from the preceding month.

The noticeable lull in business, which is normally visible in dry goods during December, was only slightly more pro-

nounced this season than usual. Total sales were one-half as large as those in November, and there was a decrease of 36.2 per cent as compared with December a year ago. Distribution during the last six months of the year was on a scale 17.8 per cent below that of the same period in 1931. Merchants, as well as wholesalers, closed the year with low stocks, and as business has been largely on a hand-to-mouth basis, any pick-up in consumer buying is expected to be reflected immediately at wholesale. Collections evidenced a seasonal reduction in volume, but their ratio to accounts receivable remained the same as in the preceding month.

An appreciable pick-up of 9.2 per cent occurred in the December sales of wholesale drug firms in the Eleventh District, this improvement being contrary to the usual seasonal movement. An increase of 2.8 per cent over the same month in 1931 was reflected, which compared with an average decrease of 15.7 per cent for the six months ending December 31. Nine of the ten reporting firms participated in the gain over November, and seven showed an improvement over a year ago. Collections showed little change from November.

For the second successive month a smaller than seasonal reduction was shown in the demand for groceries at wholesale. Total dollar sales, which were 7.1 per cent below the level of the previous month, were in practically the same volume as in December a year ago, the decrease amounting to only 0.6 per cent. In November there was a corresponding reduction of 10.2 per cent. Although inventories were very low at the year-end, depleted stocks of merchandise on dealers' shelves are being replenished only as the necessity arises. December collections were only 2.9 per cent smaller than those of the previous month.

The business of reporting wholesale hardware firms during December was seasonally 13.1 per cent less than in the preceding month, and there was a decline of 19.5 per cent as compared with a year ago. It is indicated that conditions are better in some portions of the district than in others. The volume of distribution from July through December was 13.5 per cent below the total for the same months of the previous year. December witnessed a further decrease of 9.1 per cent in collections.

A further decline as compared with the previous month was reflected in the distribution of farm implements by wholesalers in this district during December. Sales totaled

7.5 per cent less than in November, and there was a reduction of 7.7 per cent from the same month a year ago. For the period from July 1 to December 31, the demand for implements averaged 30.9 per cent under that of the last six months in 1931. A further substantial decrease was shown in collections during the month.

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

	Net sales Dec., 1932 compared with Dec., 1931	Net sales July 1 to date compared with same period last year	Stocks Dec., 1932 compared with Dec., 1931	Ratio of collec- tions during Dec. to accounts and notes outstanding on Nov. 30
Groceries.....	— .6	— 7.1	— 8.8	— 11.2
Dry goods.....	— 36.2	— 50.1	— 17.8	— 12.5
Farm implements..	— 7.7	— 7.5	— 30.9	— 6.3
Hardware.....	— 19.5	— 13.1	— 13.5	— 14.6
Drugs.....	+ 2.8	+ 9.2	— 15.7	+ 1.6

Retail Trade

Despite the inclement weather prevailing during the greater part of December, the distribution of merchandise at department stores in principal cities of this district reflected a seasonal increase larger than the average. On the other hand, the comparison with the corresponding month of 1931 showed another unfavorable percentage, and was larger than that registered in November. Sales during December were 47.2 per cent above those in the previous month, but 22.2 per cent less than a year ago. Following the above seasonal trend in sales, this bank's seasonally adjusted index increased from 60.3 in November to 61.8 in December. During 1932 the dollar volume of sales of reporting firms declined to a level 24 per cent below that in 1931, however, a substantial portion of that reduction was due to further recessions in the commodity price level.

Inventories held on December 31 were exceedingly low in volume, being 23.4 per cent less than those on hand at the close of 1931, which was the lowest for that month in many years. Stocks were 24.4 per cent below those held on November 30, this year. The rate of stock turnover during 1932 was 2.94, as against 3.01 in the previous year.

December collections continued on approximately the same level as in the preceding two months, but they were slightly below those a year ago. The ratio of collections during December to accounts outstanding on the first of the month was 32.9 per cent, as compared with 32.8 per cent in November, and 33.1 per cent in December, 1931.

BUSINESS OF DEPARTMENT STORES

	Dallas	Fort Worth	Houston	San Antonio	Others	Total District
Total sales (percentage):						
December, 1932, compared with December, 1931.....	—23.6	—26.3	—19.1	—23.1	—18.7	—22.2
December, 1932, compared with November, 1932.....	+46.8	+56.7	+51.6	+42.4	+40.2	+47.2
January 1 to date compared with same period last year.....	—22.4	—25.7	—25.3	—27.6	—21.1	—24.0
Credit sales (percentage):						
December, 1932, compared with December, 1931.....	—24.9	—30.3	—24.3	—25.9	—24.3	—25.7
December, 1932, compared with November, 1932.....	+39.3	+45.3	+42.2	+37.7	+40.2	+40.6
January 1 to date compared with same period last year.....	—23.6	—25.1	—28.9	—28.7	—25.8	—25.8
Stocks (percentage):						
December, 1932, compared with December, 1931.....	—17.2	—25.1	—36.5	—19.2	—22.7	—23.4
December, 1932, compared with November, 1932.....	—21.2	—35.4	—26.9	—18.6	—21.6	—24.4
Stock turnover (rate):						
Rate of stock turnover in December, 1931.....	.42	.39	.41	.45	.35	.40
Rate of stock turnover in December, 1932.....	.38	.37	.51	.45	.36	.40
Rate of stock turnover January 1 to December 31, 1931.....	3.10	2.41	3.13	4.00	2.73	3.01
Rate of stock turnover January 1 to December 31, 1932.....	2.92	2.31	3.61	3.80	2.64	2.94
Ratio of December collections to accounts receivable outstanding December 1, 1932.....	34.1	26.4	35.7	37.0	31.3	32.9
Indexes of department store sales:						
Unadjusted December, 1932.....	91.1	122.5	118.8	85.5	.....	100.8
Adjusted December, 1932.....	56.9	69.2	72.4	55.2	.....	61.8
Indexes of department store stocks:						
Unadjusted December, 1932.....	40.4	50.5	42.8	33.9	.....	43.4
Adjusted December, 1932.....	45.9	61.6	46.0	38.1	.....	49.9

Commercial Failures

Contrary to the usual upward trend at the year-end, the record of commercial insolvencies in the Eleventh District during December reflected a further reduction from the previous month, and was more favorable than in the closing month of either 1931 or 1930. The report of R. G. Dun & Company for the past month showed a total of 75 defaults in this district, as compared with 96 in November, and 134 in the same month a year ago. Liabilities aggregated \$1,643,815, as against \$2,111,500 in the preceding month, and

\$2,365,202 in December, 1931. While most of the failures occurred in the trading group, a major portion of the indebtedness was reported in the manufacturing group.

There was a total of 1,195 insolvencies in 1932, owing \$26,909,360, as against 1,134 suspensions in 1931, with liabilities amounting to \$23,041,466. It is noted that both the number and liabilities of defaulting firms during the year were considerably smaller than in the depression years of 1921 and 1922, and the total indebtedness was appreciably less than in 1923.

AGRICULTURE*Crop Conditions*

The rains and snows of the past month, which were general over the district, were very beneficial to agriculture. A fair to good season now obtains in practically all sections, which will materially aid land preparation. The December freezes pulverized the soil and left it in excellent condition for working. Winter plowing is progressing rapidly where the soil has dried sufficiently, but in many areas farmers are considerably behind schedule with this work.

Small grains in most sections of the district have made poor growth. Conditions during the fall were very unfavorable for germination and plant development. Due to the prolonged period of dry weather, many fields did not have sufficient moisture to germinate the seed and in others the stands obtained were very poor and irregular. In the early planted fields where good stands were obtained, the moisture deficiency prevented the development of a healthy root system. The Department of Agriculture estimated the condition of the Texas wheat crop on December 1 as 56 per cent as compared with 83 per cent a year ago, and reported that, with the exception of 1921, this is the lowest December 1 figure in the last thirty-three years. Due partly to poor condition, small grains suffered further injury from the mid-December freezes but reports indicate that some improvement occurred after the rains and the return of moderate temperatures. The Department estimated the acreage sown to winter wheat in Texas in the fall of 1932 as 3,833,000 acres as compared with 4,035,000 acres in the fall of 1931. It was stated that considerably more volunteer acreage than usual was included in the total.

Some vegetable crops were damaged severely by the December freezes. The Department of Agriculture reported that the crops damaged included spinach, beets, carrots, broccoli, turnips, cabbage, parsley, peas and radishes. While the actual damage to some crops was small, growth was retarded. The onion crop was reported as in good condition with the advancement of the crop nearly normal. While the indicated production of cabbage, spinach, and carrots is substantially above a year ago, it is due entirely to the larger acreage. Truck shipments this year are running considerably under those of last year. Farmers are rushing preparation of the soil for spring truck crops and plantings are expected to be well under way in the Rio Grande Valley before the end of the month.

Crop Production Statistics

The final report of the Department of Agriculture reflects the effects upon crop production of the variable weather during the 1932 growing season. In Texas and Oklahoma, there was a substantial reduction in total production of small grains as compared with the previous year, due both to the heavy acreage abandonment and the small yield per acre. The acreage planted to most feed crops

was increased somewhat and as the per acre yield was above a year ago, the total production of these crops was materially larger than last year. The cotton acreage was smaller and the per acre yield declined with the result that the final outturn was considerably under 1931 production. Among the minor crops there was no definite trend, the production of some crops showing an increase, while that of others declined. The production of all classes of fruit was materially reduced by the March freeze. The output of a majority of the commercial truck crops also declined. In Louisiana and New Mexico the yield per acre and the total production of practically all major crops were lower than in 1931.

COMPARATIVE STATISTICS ON PRODUCTION OF PRINCIPAL CROPS IN TEXAS—1931 AND 1932

		Thousands of acres harvested		Yield per acre		Production in thousands of units	
		1931	1932	1931	1932	1931	1932
Corn.....	(bushels)	5,236	5,707	17.5	18.0	91,630	102,726
Wheat.....	(bushels)	3,892	2,958	14.4	10.0	56,045	29,580
Oats.....	(bushels)	1,732	1,749	34.0	24.0	58,888	41,976
Barley.....	(bushels)	221	210	23.5	17.0	5,194	3,570
Grain sorghums.....	(bushels)	3,871	4,065	15.5	15.5	60,000	63,008
Hay—wild.....	(tons)	205	205	.85	.90	174	184
Hay—tame.....	(tons)	543	558	1.12	1.15	606	642
Broom corn.....	(tons)	10	9	300*	290*	1,500	1,300
Potatoes—white.....	(bushels)	67	62	73.0	67.0	4,891	4,154
Potatoes—sweet.....	(bushels)	77	100	72.0	76.0	5,544	7,600
Rice.....	(bushels)	205	185	52.5	48.0	10,762	8,880
Peanuts.....	(pounds)	201	223	53.0	55.0	106,530	125,950
Cotton.....	(bales)	15,421	13,922	165*	153*	5,320	4,445

*Pounds.

Livestock

The heavy, general rains during December broke the long period of dry weather over the range territory, replenished the supply of stock water, and provided the needed moisture to improve grain pastures and start new feed. While ranges in most areas carry a good crop of old feed, green pastures, which have been lacking throughout the fall, are needed to keep livestock in good condition. The Department of Agriculture reports that moisture conditions are more favorable than they were a year ago and prospects are good for early spring grazing. The low temperatures, which accompanied the December rains and snows, caused considerable shrinkage in livestock but losses were light and the generally mild weather since mid-December has given livestock a chance for improvement.

According to the January 1 report of the Department of Agriculture, the condition of cattle ranges in Texas was 81 per cent of normal, reflecting a decline of 1 point from December 1, but an increase of 3 points as compared with a year ago. Sheep and goat ranges showed no change in condition during December and on January 1 were 1 point better than last year. The condition of cattle and goats declined 3 points during December, and that of sheep dropped 2 points. As compared with a year ago, the condition of cattle on January 1 was 1 point higher; that of sheep 1 point

lower; and that of goats remained unchanged. There was practically no change in the condition of ranges and live-stock in Arizona and New Mexico during December, but the condition in Arizona is more unfavorable than a year ago.

Movements and Prices

Movements of livestock to market during December reflected largely seasonal trends. The receipts of cattle, calves, and sheep at the Fort Worth market were substantially smaller than in the previous month while those of hogs were larger. As compared with December, 1931, the arrivals of cattle and hogs were smaller, but those of calves and sheep were greater.

Cattle prices during December and the early part of January were irregular with the trend toward lower levels due both to the poor demand and the lack of quality receipts. During the second week in January the market was stronger, and prices on all classes were steady to higher. After the middle of December, the hog market turned weak and at the close of the month registered the lowest price since June. The market showed a firmness near the December low during the first half of January. The sheep and

lamb market reflected a stronger undertone during the past thirty days and the trend of prices has been upward.

FORT WORTH LIVESTOCK RECEIPTS
(Number)

	December 1932	December 1931	Change over year	November 1932	Change over month
Cattle.....	24,129	43,959	-19,830	36,618	-12,489
Calves.....	17,147	16,269	+ 878	32,516	-15,369
Hogs.....	16,167	18,309	- 2,142	12,995	+ 3,172
Sheep.....	35,587	25,562	+10,025	39,663	- 4,076

COMPARATIVE TOP LIVESTOCK PRICES
(Dollars per hundredweight)

	December 1932	December 1931	November 1932
Beef steers.....	\$5.25	\$6.65	\$5.65
Stocker steers.....	5.15	5.00	5.25
Butcher cows.....	3.00	4.25	3.25
Stocker cows.....	.....	4.00	3.00
Calves.....	5.25	5.65	5.25
Hogs.....	3.50	5.05	3.95
Sheep.....	2.00	3.25	2.50
Lambs.....	4.75	4.75	4.50

FINANCE

Condition of Member Banks in Selected Cities

Coincident with year-end liquidation and adjustments, the reports from banks in selected cities reflected a substantial decline in loans, and an increase in investments during the five-week period ending January 11. The investments of these banks in United States securities rose \$4,223,000 between December 7 and January 11, and on the latter date were \$10,524,000 larger than a year ago. Investments in other stocks and bonds, which increased \$791,000 during the period, showed a decline of \$3,955,000 as compared with a year ago. The loans of these banks, reflecting largely seasonal operations, declined \$14,301,000 between December 7 and January 11. Of this amount \$2,537,000 represents a decline in loans on securities and \$11,764,000 occurred in "all other" loans (largely commercial). While net demand deposits declined \$1,234,000 during the five-week period, time deposits rose \$2,531,000. As compared with January 13, 1932, total deposits on January 11 this year were \$23,094,000 lower. On January 11 these banks were entirely out of debt at the Federal Reserve Bank and five weeks earlier the indebtedness amounted to only \$20,000. On January 13, 1932, however, the borrowings of these banks from the Federal Reserve Bank totaled \$5,509,000.

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

	Jan. 11, 1933	Jan. 13, 1932	Dec. 7, 1932
United States securities owned.....	\$ 92,322	\$ 81,798	\$ 88,099
All other stocks, bonds, and securities owned.....	56,159	60,114	55,368
Loans on securities.....	69,725	81,829	72,262
All other loans.....	157,014	192,922	168,778
Total loans.....	226,739	274,751	241,040
Net demand deposits.....	221,246	245,024	222,480
Time deposits.....	130,821	130,137	128,290
Reserve with Federal Reserve Bank.....	27,865	29,780	26,831
Bills payable and rediscounts with Federal Reserve Bank.....	None	5,509	20

Operations of the Federal Reserve Bank

Federal Reserve Bank loans to member banks reflected a gradual recession between December 15 and January 15, the total on the latter date being \$4,369,000, as compared with \$5,613,000 on the former date. These loans normally decline during the closing weeks of the year

and then turn upward early in the new year. This year, however, member banks continued to liquidate their indebtedness at the Federal Reserve Bank. On January 15, 1932, their indebtedness at this bank amounted to \$16,572,000. Shortly after the turn of the year, reserve city banks completely liquidated their lines and country banks continued to decrease their indebtedness. On January 15 this year there were 120 borrowing banks as compared with 131 on December 15, and 200 on the corresponding date last year. The investments of this bank in United States securities were reduced \$836,000 during the past month, but are still \$15,022,000 greater than a year ago. Holdings of bills purchased in the open market were increased slightly. The reserve deposits of member banks totaled \$46,683,000 on January 15, as compared with \$47,292,000 on December 15, and \$48,510,000 on the same date in 1932. Reflecting the return flow of currency from circulation after the holiday season, Federal Reserve notes in actual circulation on January 15 amounted to \$37,515,000, which was \$1,450,000 below that a month earlier, and \$8,057,000 below that for the previous year.

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

	Jan. 15, 1933	Jan. 15, 1932	Dec. 15, 1932
Total cash reserves.....	\$ 42,983	\$ 56,945	\$ 43,613
Discounts for member banks.....	4,369	16,572	5,613
Other bills discounted.....	None	1	None
Bills bought in the open market.....	858	3,131	830
United States securities owned.....	44,885	29,863	45,721
Other investments.....	5	5	5
Total earning assets.....	50,115	49,572	52,169
Member bank reserve deposits.....	46,683	48,510	47,292
Federal reserve notes in actual circulation...	37,515	45,572	38,965

Deposits of Member Banks

The decline which was shown in the daily average of net demand and time deposits of member banks in the Eleventh District during December was considerably smaller than the reduction that usually occurs at this season. The combined average for the month amounted to \$613,028,000, as against \$614,411,000 in November, and \$677,029,000 in December, 1931. The comparison with the same month a year ago was the most favorable reported in some time. Both the time

deposits of reserve city banks and the net demand deposits of country banks reflected further increases over the previous 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
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
Sept., 1932.....	413,291	187,040	202,121	113,937	211,170	73,103
Oct., 1932.....	413,190	189,716	200,582	116,186	212,608	73,580
Nov., 1932.....	421,165	193,246	204,361	116,816	216,804	76,430
Dec., 1932.....	420,762	192,266	202,913	117,465	217,849	74,801

Acceptance Market

Reflecting a decrease of \$578,376 during December, the total of bankers' acceptances executed by banks in this district and outstanding at the close of the month amounted to \$1,385,620, as compared with \$1,963,996 on the last day of November, and \$4,294,244 on December 31, 1931. Acceptances based on the domestic shipment and storage of goods were reduced from \$1,799,884 on November 30 to \$1,279,541 on December 31; those executed against import and export transactions declined from \$164,112 on the former date to \$106,079 on the latter date.

Debits to Individual Accounts

Charges to depositors' accounts during December at banks in principal cities in this district reflected a larger than seasonal increase of 16.8 per cent, the total for the month amounting to \$532,954,000. This compares

with \$456,103,000 in November, and \$626,484,000 in December a year ago. A further improvement was shown in the comparison with the same month in 1931, the decrease amounting to 14.9 per cent in December, as against 17.3 per cent in November, and 30.4 per cent in October.

DEBITS TO INDIVIDUAL ACCOUNTS
(In thousands of dollars)

	December 1932	December 1931	Percentage change over year	November 1932	Percentage change over month
Abilene.....	\$ 4,956	\$ 5,290	- 6.3	\$ 5,271	+ 6.0
Austin.....	15,422	16,389	- 5.9	13,553	+13.8
Beaumont.....	13,697	19,404	-29.4	12,473	+ 9.8
Corsicana.....	2,560	5,295	-51.7	2,349	+ 9.0
Dallas.....	144,561	181,133	-20.2	132,077	+ 9.5
El Paso.....	15,875	20,336	-21.9	15,014	+ 5.7
Fort Worth.....	55,285	71,408	-22.6	50,319	+ 9.9
Galveston.....	28,581	27,631	+ 3.4	22,400	+27.6
Houston.....	140,707	142,580	- 1.3	106,569	+32.0
Port Arthur.....	4,200	7,169	-41.4	3,933	+ 6.8
Roswell.....	2,063	2,589	-20.3	2,115	+ 2.5
San Antonio.....	46,396	56,906	-18.5	38,338	+21.0
Shreveport.....	23,511	26,772	-12.2	19,533	+20.4
Texarkana*.....	5,026	7,447	-32.5	4,963	+ 1.3
Tucson.....	9,922	10,863	- 8.7	7,111	+39.5
Waco.....	11,484	13,941	-17.6	11,622	+ 1.2
Wichita Falls....	8,708	11,331	-23.1	8,463	+ 2.9
Total.....	\$532,954	\$626,484	-14.9	\$456,103	+16.8

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

Savings Deposits

A rather general increase of 0.7 per cent occurred during December in the amount of savings deposits at 141 banks in the Eleventh Federal Reserve District, and there was a smaller decrease from a year ago than was shown at the close of the previous month. On the last day of December, savings deposits of reporting banks totaled \$141,653,433, which compares with \$140,611,303 a month earlier, and \$152,087,361 on December 31, 1931. At the El Paso and Port Arthur banks, the amount reported was larger than a year ago.

SAVINGS DEPOSITS

	Number of reporting banks	December 31, 1932		December 31, 1931		Percentage change over year in savings deposits	November 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	8,154	\$ 3,045,393	5,559	\$ 3,393,665	-10.3	8,216	\$ 2,999,774	+ 1.5
Dallas.....	9*	73,850	25,647,714	75,871	26,613,903	- 3.6	73,902	25,473,515	+ 1.7
El Paso.....	2	10,622	3,459,920	10,553	3,214,904	+ 7.6	10,639	3,366,458	+ 2.8
Fort Worth.....	4	33,529	11,011,142	34,703	11,512,956	- 4.4	33,621	11,328,892	+ 2.8
Galveston.....	4	16,993	9,903,040	17,652	12,080,101	-18.0	17,090	9,758,719	+ 1.5
Houston.....	11*	65,145	30,784,662	64,583	32,669,611	- 5.8	65,664	30,344,213	+ 1.5
Port Arthur.....	2	4,153	1,834,784	4,543	1,821,786	+ .7	4,083	1,803,961	+ 1.7
San Antonio.....	8	21,744	14,882,118	22,528	15,593,995	- 4.6	21,733	14,635,836	+ 1.7
Shreveport.....	4	22,331	9,831,528	25,187	11,020,922	-10.8	22,607	9,875,660	+ .4
Waco.....	3	10,344	5,604,750	10,315	5,891,989	- 4.9	10,352	5,568,051	+ .7
Wichita Falls.....	3*	2,926	2,260,526	3,053	2,543,630	-11.1	2,890	2,263,206	+ .1
All others.....	88*	52,633	23,387,856	56,027	25,729,899	- 9.1	53,572	23,193,018	+ .8
Total.....	141	322,424	\$141,653,433	330,574	\$152,087,361	- 6.9	324,375	\$140,611,303	+ .7

*Only 6 banks in Dallas, 10 in Houston, 2 in Wichita Falls, and 74 in "All others" reported the number of savings depositors.

JANUARY 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	4½-8	5-7	6-8	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	6-8	5-8	5-7	6-8	7-8
Time.....	4-8	6-8	5-8	5-7	6-8	7-8
Rate charged on commodity paper secured by warehouse receipts, etc.....	3½-7	8	6-8	5-7	6-8	6-7
Rate on cattle loans.....	6-7	6-8	6-8	6-8	7-10	7

INDUSTRY

Cottonseed Products

A large seasonal reduction was witnessed during December in the operations of cottonseed oil mills in both Texas and the United States, and activities were again below those in the same month of 1931. The December receipts of seed at American mills were less than those in any similar month since 1924. During the first five months of the current season the receipts and crushings of cottonseed and the production of all products remained considerably below those operations in the corresponding period of the preceding season. The stocks of seed at Texas mills on December 31 were unusually large, and at United States mills they were substantially above the average for that date. Supplies of oil and hulls on December 31 at Texas mills were slightly less than a year ago, while cake and meal, and linters were greater. Inventories of all products except linters at United States mills were greater on December 31 than a year ago.

STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS

	Texas		United States	
	August 1 to December 31	August 1 to December 31	August 1 to December 31	August 1 to December 31
	This season	Last season	This season	Last season
Cottonseed received at mills (tons).....	1,187,287	1,413,445	3,620,530	4,357,555
Cottonseed crushed (tons).....	863,201	984,658	2,589,763	2,958,060
Cottonseed on hand Dec. 31 (tons).....	499,354	442,280	1,328,607	1,409,601
Crude oil produced (pounds)...	257,584,067	290,668,393	797,239,580	919,450,115
Cake and meal produced (tons).....	399,087	458,780	1,165,469	1,325,887
Hulls produced (tons).....	252,820	284,437	734,532	828,790
Linters produced (running bales).....	102,005	127,860	409,220	465,882
Stocks on hand Dec. 31:				
Crude oil (pounds).....	32,168,011	32,926,871	99,058,468	81,106,132
Cake and meal (tons).....	88,184	51,017	366,626	203,196
Hulls (tons).....	93,525	96,868	236,120	226,974
Linters (running bales).....	83,549	82,860	283,895	291,177

Textile Milling

As reflected by the consumption of cotton at all United States mills, the textile industry evidenced the usual year-end decline, but operations were maintained at a level appreciably above the like month of 1931. Total domestic consumption during December was 440,062 bales, as compared with 503,722 bales in November, and 415,401 bales in December a year ago. During the five months of the current season, there were 2,340,284 bales of cotton consumed, which compares very favorably with the total consumption of 2,191,017 bales in the same period of the 1931-32 season. Most textile mills began 1933 on a high production basis, and reports indicate that they have sufficient orders on hand to maintain that basis for several weeks. Stocks of cotton held by consuming establishments on December 31 were above those a month earlier, but less than a year ago.

COTTON CONSUMED AND ON HAND
(Bales)

	December 1932	December 1931	August 1 to December 31 This season	August 1 to December 31 Last season
Cotton-growing states:				
Cotton consumed.....	371,079	344,206	1,953,386	1,795,993
Cotton on hand Dec. 31 in—				
Consuming establishments.....			1,237,322	1,298,399
Public storage and compresses.....			9,877,812	10,002,235
United States:				
Cotton consumed.....	440,062	415,401	2,340,284	2,191,017
Cotton on hand Dec. 31 in—				
Consuming establishments.....			1,530,110	1,630,719
Public storage and compresses.....			10,349,808	10,414,412

The orders recorded on the books of reporting Texas textile mills on December 31 reflected a small decline from

those a month earlier, but were again above those held on the same date of 1931. The consumption of cotton and the production of cloth during December evidenced the usual seasonal decline and were slightly less than in the closing month of 1931. Stocks of cotton goods on December 31 were above those a month earlier and a year ago.

Cotton Movements

Although shipments of cotton during December from the port of Houston reflected another large decline, as compared with the corresponding month of 1931, they were in much larger volume than a month earlier, contrary to the usual seasonal trend. Exports from Galveston, however, fell off noticeably from the high level reached in November, and were also less than in December, 1931. During the first five months of the current season shipments from Galveston were 5.8 per cent greater than those in the same period of the preceding season, but this increase was more than offset by a decrease at Houston. Cotton received at these ports during December was seasonally smaller than a month earlier, but at Houston it was greater than a year ago. Stocks of cotton on December 31 at Galveston were less than a month earlier or a year ago, while at Houston they were larger.

Contrary to seasonal trends, total foreign exports of cotton from all United States ports reached a high level for the season in December, and while they were less than total shipments in the final month of 1931, they were 21.2 per cent greater than the average for December. There were 1,039,795 bales exported during the month, as against 1,012,411 bales in November, and 1,181,031 bales in December last year. Notwithstanding the three consecutive monthly declines in exports as compared with a year ago, movements during the five months of the current season continue substantially above those in the same period last season. Japan and Germany continue to be the heaviest importers of American cotton, having taken 44 per cent of the season's aggregate exports.

COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON
(Bales)

	December 1932	December 1931	August 1 to December 31 This season	August 1 to December 31 Last season
Receipts.....	260,995	311,078	1,460,766	1,511,980
Exports.....	315,487	351,598	1,034,006	976,967
Stocks, December 31.....			888,441	923,514

COTTON—GALVESTON STOCK STATEMENT
(Bales)

	Dec. 31, 1932	Dec. 31, 1931
For Great Britain.....	16,000	4,000
For France.....	7,000	4,000
For other foreign ports.....	52,500	52,700
For coastwise ports.....	2,000	2,000
In compresses and depots.....	819,941	860,814
Total.....	888,441	923,514

COTTON MOVEMENTS THROUGH THE PORT OF HOUSTON
(Bales)

	December 1932	December 1931	August 1 to December 31 This season	August 1 to December 31 Last season
Receipts.....	341,740	318,432	1,966,040	2,439,915
Exports.....	301,321	417,310	1,257,654	1,539,509
Stocks, December 31.....			1,780,784	1,596,944

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

	August 1 to This season	December 31 Last season
Receipts.....	5,751,196	6,282,742
Exports: United Kingdom.....	730,304	587,771
France.....	508,859	161,196
Italy.....	371,216	323,201
Germany.....	946,998	780,447
Other Europe.....	482,337	374,875
Japan.....	938,981	993,041
All other countries.....	207,353	814,545
Total foreign ports.....	4,246,048	4,035,056
Stocks at all United States ports December 31.....	4,808,932	4,705,505

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

	December, 1932		Jan. 14, 1933
	High	Low	
New York.....	6.20	5.70	6.25
New Orleans.....	6.06	5.56	6.18
Dallas.....	5.65	5.15	5.70
Houston.....	5.95	5.45	6.10
Galveston.....	6.00	5.55	6.15

Petroleum

Reflecting a further substantial curtailment, the production of crude oil in the Eleventh Federal Reserve District during December amounted to 25,647,150 barrels, as compared with 28,099,500 barrels in the previous month, and 30,722,400 barrels in the same month a year ago. The sizable reduction was chiefly attributable to the shut-down order which was in effect in East Texas from December 17 to the close of the month, as a larger volume of output was reported for other sections of this district with the exception of New Mexico. A further decline also occurred in drilling activity during the month, as evidenced by the completion of 670 wells in December, against 760 in November. The initial yield from successful wells totaled 2,697,297 barrels, as compared with 3,569,003 in the preceding month.

The daily output from Texas fields during December, which averaged 770,365 barrels, was 105,435 barrels less than in November, and 149,333 barrels below the level of December a year ago. On the basis of daily yield, all portions of the district except the Gulf Coast showed decreases from the previous month. The reduction in East Texas amounted to 102,876 barrels, but the other declines were relatively small.

Major purchasers of crude oil in Texas and adjoining states have announced material reductions in posted prices, most of which were effective on December 15.

OIL PRODUCTION—(Barrels)

	December, 1932		Increase or decrease over November, 1932	
	Total	Daily Avg.	Total	Daily Avg.
North Texas.....	2,911,150	93,908	+ 88,150	— 192
Central West Texas.....	5,730,900	184,868	+ 116,400	— 2,282
East Central Texas.....	9,426,300	304,074	— 2,782,200	— 102,876
Texas Coastal.....	4,186,050	135,034	+ 148,050	+ 434
South Texas.....	1,626,900	52,481	+ 36,900	— 519
Total Texas.....	23,881,300	770,365	— 2,392,700	— 105,435
New Mexico.....	874,250	28,202	— 72,250	— 3,348
North Louisiana.....	891,600	28,761	+ 12,600	— 539
Total District.....	25,647,150	827,328	— 2,452,350	— 109,322

DECEMBER DRILLING RESULTS

	Com- pletions	Pro- ducers	Gas wells	Fail- ures	Initial production
North Texas.....	99	50	3	46	11,021
Central West Texas.....	44	20	3	21	3,480
East Central Texas.....	345	330	..	15	2,578,852
South Texas.....	73	51	2	20	17,849
Texas Coastal.....	62	45	..	17	60,172
Total Texas.....	623	496	8	119	2,671,374
New Mexico.....	6	5	..	1	23,838
North Louisiana.....	41	13	4	24	2,085
December totals, district....	670	514	12	144	2,697,297
November totals, district....	760	585	17	158	3,569,003

CRUDE OIL PRICES

	Jan. 13, 1932	Jan. 12, 1933
Texas Coastal (35 gr. and above).....	\$.91	\$.86*
North Texas and North Louisiana (40 gr. and above).....	.77	.85

*Price paid for oil, 40 gr. and above.

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

Building

The valuation of building permits issued at principal centers in this district during December, which amounted to \$1,115,348, was 80.8 per cent higher than in the previous month. The decrease from the corresponding month a year ago amounted to 34.3 per cent, as against 77.8 per cent in November. Five of the reporting cities showed increases. Aggregate permits issued during the year 1932 amounted to \$16,975,085, as compared with \$39,523,179 in 1931, the reduction being 57.1 per cent.

BUILDING PERMITS

	December, 1932		December, 1931		Percentage change valuation over year	November, 1932		Percentage change valuation over month	Twelve Months				Percentage change valuation over period
	No.	Valuation	No.	Valuation		1932			1931				
						No.	Valuation		No.	Valuation			
Amarillo.....	10	\$ 5,503	21	\$ 43,241	— 87.3	14	\$ 5,179	+ 6.3	242	\$ 287,695	522	\$ 2,737,571	— 89.5
Austin.....	42	48,752	60	85,361	— 42.9	63	48,906	— .3	1,023	5,175,415	1,132	2,317,913	+123.3
Beaumont.....	50	12,845	68	40,659	— 68.4	88	13,606	— 5.6	1,003	298,505	1,191	1,097,354	— 72.8
Corpus Christi..	16	44,198	34	16,055	+175.3	27	8,678	+409.3	371	182,716	565	496,150	— 63.2
Dallas.....	142	59,884	183	363,657	— 83.5	270	113,780	— 47.4	3,147	2,352,222	3,621	4,750,223	— 50.5
El Paso.....	24	18,989	24	17,425	+ 9.0	26	34,656	— 45.2	457	367,412	770	961,756	— 61.8
Fort Worth.....	52	73,950	92	258,413	— 71.4	87	106,577	— 30.6	1,402	1,430,930	2,091	5,797,910	— 75.3
Galveston.....	56	521,819	78	28,036	*	84	14,911	*	1,550	1,019,923	1,439	2,542,278	— 59.9
Houston.....	92	245,891	149	350,490	— 29.8	140	137,110	+ 79.3	2,283	2,874,040	3,547	11,674,450	— 75.4
Port Arthur.....	21	4,831	23	6,112	— 21.0	28	3,656	+ 32.1	416	90,532	667	917,592	— 90.1
San Antonio.....	119	36,363	163	445,741	— 91.8	113	40,783	— 10.8	2,057	1,536,708	2,608	3,281,862	— 53.2
Shreveport.....	56	10,276	105	30,870	— 66.7	86	39,187	— 73.8	1,368	458,033	1,753	937,141	— 51.1
Waco.....	10	26,653	13	10,906	+144.4	18	46,909	— 43.2	331	401,280	308	1,860,411	— 78.4
Wichita Falls...	10	5,394	10	1,815	+197.2	13	2,920	+ 84.7	179	499,674	128	150,568	+231.9
Total.....	700	\$1,115,348	1,023	\$1,698,781	— 34.3	1,057	\$ 616,858	+ 80.8	15,829	\$16,975,085	20,342	\$39,523,179	— 57.1

* Increase over 1000 per cent

Cement

A recession somewhat larger than seasonal was reflected in the activity of Texas Portland cement mills during December. Production

of cement totaled 289,000 barrels, and while that amount was 17.7 per cent less than the output in November, it was only 0.7 per cent below that in the like month of 1931.

Shipments of cement declined to the extremely low level of 165,000 barrels, which represents a decline of 53.1 per cent from the previous month, and 22.9 per cent from December, 1931. Stocks were increased considerably during the month and on December 31 amounted to 677,000 barrels, as against 546,000 barrels a month earlier, and 726,000 barrels on the final day of 1931.

Production of cement in Texas during 1932 totaled 3,750,000 barrels, which was 39.3 per cent less than the 6,182,000 barrels produced in 1931. Shipments aggregated

3,798,000 barrels during the past year, as compared with 6,268,000 barrels in the preceding year.

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

	Dec., 1932	Nov., 1932	Dec., 1931	Jan. through Dec. 31 1932	% change from year
Production at Texas mills.....	289	-17.7	— .7	3,750	-39.3
Shipments from Texas mills.....	165	-53.1	-22.9	3,798	-38.6
Stocks at end of month at Texas mills	677	+24.0	- 6.7	.....	.....

SUMMARY OF NATIONAL BUSINESS CONDITIONS

(Compiled by the Federal Reserve Board as of January 23, 1933)

Volume of industrial production declined in December by slightly less than the usual seasonal amount, while factory employment and payrolls showed a decrease somewhat larger than is usual at this season. The general level of wholesale commodity prices, after declining in December, showed relatively little change in the first half of January.

PRODUCTION AND EMPLOYMENT

In December the Board's seasonally adjusted index of industrial output showed an increase from 65 per cent of the 1923-1925 average to 66 per cent, the level prevailing in September and October. There was a substantial increase in output of automobiles in connection with the introduction of new models, and lumber production showed a less than seasonal decline. In the textile industries there were decreases in output in accordance with the usual seasonal tendency. Activity at steel mills showed a substantial decline in December, followed by a seasonal increase in the first three weeks of January. Volume of employment in manufacturing industries decreased from the middle of November to the middle of December by somewhat more than the usual seasonal amount. Working forces were reduced in the clothing, leather, and building material industries, while at automobile factories there was a substantial increase in employment. Value of construction contracts awarded, as reported by the F. W. Dodge Corporation, declined by more than the usual seasonal amount in the fourth quarter, following a non-seasonal increase in the third quarter. Contracts awarded in the first half of January showed an increase, as measured by daily average figures, reflecting the award of large contracts in connection with construction of a bridge at New Orleans.

DISTRIBUTION

Freight traffic decreased in December by an amount somewhat smaller than is usual at this season. Sales by department stores increased by somewhat less than the usual seasonal amount and were smaller than a year ago by 23 per cent, reflecting in part a decline in prices.

FOREIGN TRADE

Value of exports in December was smaller than in December, 1931, by about one-fourth. For the year as a whole,

the decline was about one-third, reflecting decreases ranging in the first eleven months, from 8 per cent for crude materials to 45 per cent for finished manufactures. Value of imports into this country during 1932 was smaller than in 1931 by 37 per cent.

WHOLESALE PRICES

Wholesale prices of many leading commodities, including non-agricultural as well as agricultural products, declined from November to December, and the monthly index of the Bureau of Labor Statistics showed a decrease from 63.9 per cent of the 1926 average to 62.6 per cent, as compared with 68.6 per cent a year ago. In the first half of January wheat prices advanced from the low levels reached at the end of December and cotton prices also increased somewhat, while prices of silk, rubber, and gasoline declined considerably.

BANK CREDIT

In the four weeks from December 21 to January 18, the stock of monetary gold increased by \$80,000,000 and there was a seasonal decline of \$130,000,000 in the volume of money in circulation, a considerably smaller decline than usual, reflecting a smaller than usual increase for the holiday trade in December and some withdrawal of funds accompanying bank suspensions in the middle of January. The reserve funds arising from these two sources were absorbed in part by a reduction of member bank borrowings at the Federal Reserve Banks and through a decline of \$73,000,000 between January 4 and January 18 in the Reserve bank holdings of United States Government securities. Member bank reserve balances, however, increased further during the four-week period by about \$100,000,000 to a level of \$575,000,000 higher than a year ago. Excess reserves of member banks, which have been in substantial volume for several months, also increased during the period. Volume of member bank credit continued to decline during December and the first part of January. From the middle of December to January 11, total loans and investments of reporting member banks in leading cities declined by \$165,000,000 to a level about \$350,000,000 above the low point of last summer. The decline was entirely in the banks' loans, while investments showed relatively little change. Money rates in the open market continued at low levels.