

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

	January 1933	Change from December
Bank debits to individual accounts (at 17 cities).....	\$468,867,000	- 12.0%
Department store sales.....		- 56.2%
Reserve bank loans to member banks at end of month.....	\$ 4,176,847	- 19.7%
Reserve bank ratio at end of month.....	48.3%	+ .3 points
Building permit valuation at larger centers.....	\$ 719,736	+ 35.5%
Commercial failures (number).....	98	+ 30.7%
Commercial failures (liabilities).....	\$ 1,693,202	+ 3.0%
Oil production (barrels).....	24,704,700	- 3.7%

A comparatively low business mortality rate was an important feature of the business situation in the Eleventh Federal Reserve District during January. Commercial failures which had declined in November and December contrary to the usual seasonal tendency increased somewhat in January but were substantially lower in both number and liabilities than in the corresponding month of either of the two preceding years.

Business at both wholesale and retail was somewhat irregular during the past month. The sales of department stores in larger cities reflected a seasonal decline of 56 per cent as compared with the previous month, and while they were 18 per cent below January last year, the year-to-year comparison was more favorable than in December. The distribution of merchandise at wholesale evidenced considerable unevenness. In some lines there was a seasonal widening of demand, but in other lines there was a further recession. There still is a general disposition among retailers to hold orders to the lowest level consistent with consumer demand, and as such a policy necessitates frequent reorders, any improvement in consumer buying is quickly reflected at wholesale. Collections were seasonally smaller than in December.

Weather conditions in January were generally favorable

for agriculture and livestock. Land preparation is well advanced and due to the recent freezes the soil is in excellent condition for spring planting. While a fair to good season now obtains in most sections of the district, there are a few areas badly in need of additional moisture. Small grains improved in January, but were damaged to some extent by the dust storms late in January and the low temperatures in February. Vegetable crops also suffered considerable damage. Ranges and livestock continue in fair to good condition. While market prices for livestock have been weak, reports indicate that range trading in some areas is becoming more active, with prices firm to stronger.

Federal Reserve Bank loans to member banks reflected a further decline, the total on February 15 being \$4,024,000, as compared with \$4,369,000 a month earlier, and \$14,168,000 on the corresponding date last year. The loans and deposits of member banks in selected cities were lower on February 8 than on January 12, but their investments were increased slightly during the same period. The combined net demand and time deposits of member banks in this district showed only a small recession in January, the daily average for the month, which amounted to \$611,062,000, being \$1,966,000 less than in December, and \$53,892,000 below January a year ago. The latter comparison was the most favorable recorded in more than two years.

After showing an improvement in December, construction activity in this district turned downward in January, but was still above the low level of November. The valuation of building permits issued at principal cities amounted to \$719,736 for the month, which was 36 per cent below December, and 57 per cent less than in January, 1932. While the shipments of cement from Texas mills reflected a large increase over both the previous month and the same month last year, production showed a decline from both comparative periods.

BUSINESS

Wholesale Trade
Business at wholesale in the Eleventh District during January reflected a mixed trend. There were decreases in three reporting lines, of which two were contrary to the usual seasonal tendency, and two lines showed a noticeable improvement. Sales of dry goods and farm implements reflected

seasonal gains, though they continued to be appreciably below the level of a year ago. The distribution of groceries, hardware, and drugs was also smaller than in January, 1932. Unfavorable weather has retarded business to some extent in recent weeks. Dealers are still very cautious in making commitments and almost no orders are being placed before

actual need for the merchandise has become evident. Total collections in January showed material seasonal decreases in the case of all lines except drugs.

Renewed activity in the business of wholesale dry goods firms was visible following the mid-season lull in December. Although the increase of 44.2 per cent in distribution during January was chiefly due to seasonal influences, the comparison with a year ago was appreciably better than in the previous month. The dollar volume of sales during the month reflected a decrease of 8.0 per cent from that of January, 1932, while in December there was a corresponding decline of 36.2 per cent. Inventories were increased by less than the usual amount at this season. A decline of 30.7 per cent was shown in the volume of collections.

Contrary to the usual trend at this season, the demand for drugs at wholesale during January reflected a falling off of 12.3 per cent. The decrease was attributable in part, however, to the substantial non-seasonal improvement which was witnessed in the previous month. Total sales were 8.8 per cent below the volume of January a year ago. Both merchants and jobbers are maintaining their stocks at minimum levels. Collections during the month were 9.8 per cent larger than in December.

While there was an increase of 29.7 per cent in the sales of farm implements at wholesale during January, this gain was smaller than seasonal and the comparison with a year ago was less favorable than in December. The net decrease as compared with January, 1932, amounted to 11.1 per cent. There was a sizable decline in collections as compared with December.

The demand for hardware in wholesale channels of distribution during January was somewhat spotty. While there were more firms reporting increases over December than showing declines, total sales reflected a reduction of 4.1 per cent, and there was a decline of 1.1 per cent as compared with January last year. The volume of collections during the month was seasonally smaller than in December.

A contrary to seasonal reduction of 7.5 per cent occurred in the distribution of groceries at wholesale during January, but sales were only 2.9 per cent less than the volume of the same month a year ago. In certain sections of the district

business improved somewhat. Stocks on hand declined slightly during the month. There was a seasonal drop of 14.5 per cent in collections.

CONDITION OF WHOLESALE TRADE DURING JANUARY, 1933
Percentage of increase or decrease in—

	Net Sales January, 1933 compared with		Stocks January, 1933 compared with		Ratio of collec- tions during Jan- to accounts and notes outstanding on Dec. 31
	Jan., 1932	Dec., 1932	Jan., 1932	Dec., 1932	
Groceries.....	-2.9	-7.5	-10.7	-1.7	60.0
Dry goods.....	-8.0	+44.2	-16.6	+22.9	25.3
Farm implements.....	-11.1	+29.7	-4.9	+.6	1.6
Hardware.....	-1.1	-4.1	-15.3	+1.7	27.8
Drugs.....	-8.8	-12.3	-13.1	+.9	39.1

Retail Trade

The business of department stores during January in principal cities of the Eleventh Federal Reserve District witnessed a decline somewhat greater than the average recession for that month; and although sales continued below those in the corresponding month of the previous year, the percentage decline was much smaller than in the previous month. The dollar volume of sales was 56.2 per cent less than in December, and 17.8 per cent below those in January, 1932. The seasonally adjusted index of department store sales declined from 61.8 in December to 53.7 in January. Although the higher-than-usual temperatures during January had a retarding influence on the demand for winter goods, the clearance "sales" were stimulated somewhat by the sub-normal weather in the first half of February.

Stocks of merchandise held on January 31 were 4 per cent smaller than the low volume held a month earlier, and 20.3 per cent below those held at the end of January, 1932. Despite a further recession in sales of merchandise, the rate of stock turnover during the initial month of 1933 was above that a year ago, which was due to a corresponding reduction in inventories.

Collections during January evidenced a seasonal decline, and continued below those in the like month a year ago. The ratio of January collections to accounts outstanding on January 1 was 30.4 per cent as against 32.9 per cent in December, and 31.3 per cent in January, 1932.

BUSINESS OF DEPARTMENT STORES

	Dallas	Fort Worth	Houston	San Antonio	Others	Total District
Total sales (percentage):						
January, 1933, compared with January, 1932.....	-20.1	-21.6	-12.5	-20.1	-15.1	-17.8
January, 1933, compared with December, 1932.....	-54.3	-62.3	-57.8	-61.4	-55.3	-56.2
Credit sales (percentage):						
January, 1933, compared with January, 1932.....	-23.1	-25.2	-14.0	-22.7	-19.3	-21.0
January, 1933, compared with December, 1932.....	-53.1	-62.2	-53.8	-48.8	-54.5	-54.4
Stocks (percentage):						
January, 1933, compared with January, 1932.....	-16.9	-25.7	-17.0	.....	-19.2	-20.3
January, 1933, compared with December, 1932.....	-5.1	+1.1	-6.8	.....	-3.2	-4.0
Stock turnover (rate):						
Rate of stock turnover in January, 1932.....	.21	.16	.20	.....	.19	.20
Rate of stock turnover in January, 1933.....	.20	.17	.24	.....	.20	.21
Ratio of January collections to accounts receivable outstanding January 1, 1933.....	28.0	26.7	34.4	38.3	31.4	30.4
Indexes of department store sales:						
Unadjusted January, 1933.....	42.1	48.0	52.4	42.0*	.....	45.1*
Adjusted January, 1933.....	49.0	64.9	58.9	46.2*	.....	53.7*
Indexes of department store stocks:						
Unadjusted January, 1933.....	38.4	51.1	42.0	32.2*	.....	42.2*
Adjusted January, 1933.....	44.1	59.4	48.8	35.0*	.....	48.5*

*Subject to change.

Commercial Failures

While both the number and liabilities of defaulting firms in this district during January were somewhat in excess of those in the previous month, they showed a substantial betterment as compared with the opening month in 1932. According to the report of R. G. Dun & Co., there were 98 commercial

failures during the month, as against 75 in December, and 178 in January a year ago. Liabilities totaled \$1,693,202, as compared with \$1,643,815 in the preceding month and \$4,051,626 in the same month last year. The average indebtedness of insolvent firms was the lowest reported since March.

AGRICULTURE

Crop Conditions

The mild and generally fair weather prevailing over much of the district during January was beneficial to winter crops and enabled the farmers to make rapid progress with field work. Although land preparation has been delayed in some areas, it is well in line with a year ago and in some sections it is more advanced. Rainfall over the district was lighter than the average, but practically all sections except portions of South and Northwest Texas and portions of Southern New Mexico have a fair to good surface and subsoil season. The drier areas are very much in need of moisture, and additional rains would be beneficial in many other sections. The February freezes pulverized the soil and in most sections left it in excellent condition for spring planting.

Small grains in most areas made good growth during January, but the crop in the upper High Plains section of Texas and portions of New Mexico suffered considerably from the dust storms late in the month. Further damage to both wheat and oats over most of the district resulted from the severe freezes in February, as there was insufficient snow cover to provide protection. While it is too early to estimate the full extent of the damage, the greatest injury was to the volunteer grains of which there is a larger than usual acreage. A period of warm weather will do much toward improving prospects.

The freezes, which extended to the coast, did considerable damage to vegetable crops in all South Texas areas. The damage was light in the case of the hardier crops, but there was a total loss of some of the tender vegetables. Snap beans, tomatoes, cucumbers, spinach, broccoli, squash, and turnips were the hardest hit. In most cases, however, the acreage will be replanted, and the harvesting period will be delayed. The blooms on most of the State's strawberry acreage were killed. Citrus fruits suffered only slight damage, but there will be some loss. Peaches, pears, and plums were injured in varying degrees, but late reports indicate that the damage will not be extensive. Vegetable movements, which have been slow this year, were further reduced after the freeze.

Livestock

Weather and moisture conditions were generally favorable for livestock and ranges in this district during January. While some of the counties in Northwest Texas and portions of South Texas are in need of rain, there is a fair to good supply of moisture in other sections. As grain pastures supplied little supplemental grazing during the month, feeding was general over much of Northwest Texas and New Mexico. Livestock were maintained in average flesh. However, the severe blizzard which swept over the district during the second week of February retarded growth of range vegetation and was very hard on livestock. While livestock suffered considerable shrinkage and some losses were sustained, yet late reports indicate that losses were comparatively light.

The Department of Agriculture reported that the February 1 condition of ranges in Texas showed no change from that a month earlier. Cattle ranges were 3 points above a year ago, and sheep and goat ranges were 2 points higher. The condition of cattle and sheep remained unchanged during January, and on February 1 were 2 and 1 points, respectively, higher than a year ago. The February 1 condition of goats was 1 point above that on January 1, and 2 points better than on February 1, 1932. In New Mexico

the condition of ranges and livestock declined 1 point. The condition of ranges improved 5 points in Arizona and that of livestock was unchanged from a month earlier.

Livestock on Farms

The report of the Department of Agriculture on the number and value of livestock on farms as of January 1, 1933, reflected a further increase in the number of cattle, swine, and sheep on farms, but a further decline in the number of horses and mules. Livestock values continued their downward trend in 1932 and at the close of the year were at very low levels. The movements of cattle and calves to market were in smaller volume than a year ago, but those of hogs and sheep were slightly larger.

NUMBER AND VALUE OF LIVESTOCK ON FARMS AS OF JANUARY 1, 1932, AND 1933

	Number (000's omitted)		Average Price (per head)		Total Value (000's omitted)	
	1933	1932	1933	1932	1933	1932
Texas						
Mules.....	922	960	\$47.00	\$47.00	\$43,651	\$45,120
Horses.....	676	704	31.00	30.00	20,911	21,120
Milk cows*.....	1,391	1,312	20.00	29.00	27,820	38,048
All cattle.....	6,495	6,127	13.40	17.30	86,916	105,997
Swine.....	2,033	1,767	3.40	6.00	6,993	10,602
Sheep.....	7,644	7,212	2.50	2.90	18,778	20,915
Louisiana						
Mules.....	180	188	56.00	63.00	10,012	11,907
Horses.....	104	106	32.00	38.00	3,344	4,028
Milk cows*.....	270	260	21.00	30.00	5,670	7,800
All cattle.....	784	740	13.10	18.20	10,280	13,468
Swine.....	672	679	4.10	6.50	2,742	4,414
Sheep.....	147	140	2.00	2.70	288	378
New Mexico						
Mules.....	21	22	37.00	39.00	772	858
Horses.....	125	130	26.00	23.00	3,205	2,990
Milk cows*.....	71	70	25.00	37.00	1,775	2,590
All cattle.....	1,167	1,144	15.20	21.30	17,740	24,367
Swine.....	78	74	3.90	5.70	302	422
Sheep.....	2,820	3,002	2.30	2.30	6,443	6,905

*Two years old and over being kept for milk cows.
SOURCE: United States Department of Agriculture.

Movements and Prices

Receipts of sheep and cattle at the Fort Worth market during January reflected a substantial gain over the previous month but were materially smaller than in January, 1932. The arrivals of hogs were larger than in either comparative period. While the receipts of calves were below those in the previous month, they were larger than in the same month last year.

FORT WORTH LIVESTOCK RECEIPTS
(Number)

	January 1933	January 1932	Change over year	December 1932	Change over month
Cattle.....	28,711	40,452	-11,741	23,975	+ 4,736
Calves.....	16,092	14,045	+ 2,047	17,150	- 1,058
Hogs.....	25,208	24,322	+ 886	15,803	+ 9,405
Sheep.....	50,886	75,026	-24,140	31,712	+19,174

COMPARATIVE TOP LIVESTOCK PRICES
(Dollars per hundredweight)

	January 1933	January 1932	December 1932
Beef steers.....	\$5.00	\$6.60	\$5.25
Stocker steers.....	4.60	5.00	5.15
Butcher cows.....	3.00	4.00	3.00
Stocker cows.....	2.60	3.75	...
Calves.....	4.90	5.50	5.25
Hogs.....	3.25	4.80	3.50
Sheep.....	2.50	4.25	2.00
Lambs.....	5.40	5.50	4.75

The market for all classes of cattle during the past month has been very quiet and the trend of prices has been downward. The demand for supplies has been narrow during most of the period. Hog prices fluctuated within narrow limits during January, but were unevenly higher during the

first half of February. During the second week a top price of \$3.60 was recorded, or \$.50 higher than the January close. On February 15, however, prices had declined to \$3.35. The demand for sheep and lambs has improved somewhat and prices have been firm to higher.

FINANCE

Operations of the Federal Reserve Bank

Contrary to the usual seasonal trend, member bank borrowings at the Federal Reserve Bank have shown an almost steady decline since the first of the year.

These loans, which stood at \$5,203,000 on December 31, 1932, had declined to \$4,369,000 on January 15, and then fluctuated within narrow limits during the succeeding thirty-one-day period. The total on February 15 amounted to \$4,024,000, as compared with \$14,168,000 on the same date in 1932. These funds are being used almost entirely by country banks, as borrowings of reserve city banks continued at a nominal amount. There were 122 banks borrowing at the Federal Reserve Bank at the middle of February, as compared with 120 banks on January 15, and 130 banks on February 15, 1932. Bills bought in the open market showed a decline of \$14,000 during the month. Investments in United States securities were increased \$3,117,000 between January 15 and February 15 and on the latter date were \$18,137,000 larger than a year ago. The reserve deposits of member banks amounted to \$50,817,000 on February 15, which was \$4,134,000 larger than a month earlier, and \$956,000 greater than on that date last year. Reflecting the return flow of currency from circulation, Federal reserve notes in actual circulation amounted to \$35,842,000 on February 15, as compared to \$37,515,000 on January 15. The total, however, was \$5,993,000 less than a year ago.

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

	Feb. 15, 1933	Feb. 15, 1932	Jan. 15, 1933
Total cash reserves	\$45,981	\$55,029	\$42,983
Discounts for member banks	4,024	14,168	4,369
Other bills discounted	None	1	None
Bills bought in the open market	842	4,478	856
United States securities owned	48,002	29,865	44,885
Other investments	5	5	5
Total earning assets	52,873	48,517	50,115
Member bank reserve deposits	50,817	49,861	46,683
Federal reserve notes in actual circulation	35,842	41,835	37,515

Condition of Member Banks in Selected Cities

While the investments of member banks in selected cities showed a slight increase between January 11 and February 8, their loans and deposits reflected a decline. The investments of these banks in

United States Government securities were increased \$2,689,000 during the period, but their holdings of other securities were reduced \$2,393,000. Total investments on February 8 were \$1,141,000 larger than on February 10, 1932. During the four-week period, loans on securities declined \$1,441,000 and "all other" loans (largely commercial) showed a recession of \$4,952,000. Total loans of these banks amounted to \$220,346,000 on February 8, as compared with \$273,883,000 on the corresponding date in 1932. The net demand deposits of these banks declined \$1,043,000 between January 11 and February 8, and on the latter date were \$24,464,000 less than a year ago. Their time deposits showed only a slight

change as compared with both a month ago and last year. Their borrowings from the Federal Reserve Bank amounted to only \$20,000 on February 8 as compared with \$5,548,000 on February 10, 1932.

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

	Feb. 8, 1933	Feb. 10, 1932	Jan. 11, 1933
United States securities owned	\$ 95,011	\$ 86,914	\$ 92,322
All other stocks, bonds, and securities owned	53,766	60,722	56,159
Loans on securities	68,284	80,589	69,725
All other loans	152,062	193,299	157,014
Total loans	220,346	273,888	226,739
Net demand deposits	220,203	244,667	221,246
Time deposits	130,230	130,600	130,821
Reserve with Federal Reserve Bank	28,613	30,366	27,865
Bills payable and rediscounts with Federal Reserve Bank	20	5,548	None

Debits to Individual Accounts

There was a larger than seasonal decrease in the volume of debits to depositors' accounts during January at banks in principal cities in the Eleventh Federal Reserve District. These charges totaled \$468,867,000, reflecting a decline of 12.0 per cent from the previous month and a reduction of 21.4 per cent as compared with January, 1932. While the comparison with a year ago was less favorable than in either November or December, the decline shown was with one exception the smallest recorded in the twelve months preceding. Increases over December were reported at six cities.

DEBITS TO INDIVIDUAL ACCOUNTS
(In thousands of dollars)

	January 1933	January 1932	Percentage change over year	December 1932	Percentage change over month
Abilene	\$ 4,063	\$ 5,459	-14.6	\$ 4,956	- 5.9
Austin	14,493	16,101	-10.0	15,422	+ 6.0
Beaumont	14,003	19,764	-29.1	13,697	+ 2.2
Corsicana	2,756	5,032	-45.2	2,560	+ 7.7
Dallas	122,484	161,590	-24.2	144,561	-15.3
El Paso	14,286	18,195	-21.5	15,875	-10.0
Fort Worth	41,945	70,191	-40.2	55,285	-24.1
Galveston	21,587	26,345	-18.1	28,581	-24.5
Houston	124,985	136,575	- 8.5	140,707	-11.2
Port Arthur	4,464	5,864	-23.9	4,200	+ 6.3
Roswell	2,130	2,330	- 8.6	2,063	+ 3.2
San Antonio	47,237	54,127	-12.7	46,396	+ 1.8
Shreveport	21,477	31,804	-32.5	23,511	+ 8.7
Texarkana*	5,364	7,593	-29.4	5,026	+ 6.7
Tucson	7,112	10,770	-34.0	9,922	-28.3
Waco	10,718	13,710	-21.8	11,484	+ 6.7
Wichita Falls	9,163	11,065	-17.2	8,708	+ 5.2
Total	\$468,867	\$596,515	-21.4	\$532,954	-12.0

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

Deposits of Member Banks

The daily average of combined net demand and time deposits of member banks in this district during January, which amounted to \$611,062,000, was \$1,966,000 smaller than in the previous month, the decline being due to seasonal influences. A further improvement was shown in the comparison with the same month a year ago, when the combined

average amounted to \$664,954,000. The reduction in net demand deposits, as compared with December, was partially offset by an increase in time deposits.

Acceptance Market

As is usual in January, a substantial decline was shown in the amount of acceptances executed by banks in this district and outstanding at the close of the month. The figure reported as of January 31 was \$796,481, which compares with \$1,385,620 a month earlier, and \$2,997,516 a year ago. Acceptances based on the domestic shipment and storage of goods accounted for the reduction, as a small increase was reflected in the total of acceptances executed against import and export transactions.

Savings Deposits

The savings deposits reported by 138 banks in this district on January 31 totaled \$140,459,199, which is only 0.9 per cent less than the amount shown a month earlier, and 3.1 per cent below the level of a year ago. Savings accounts at 120 of these banks numbered 321,729 at the close of January, as against 321,524 on the last day of December, and 332,517 on January 31, 1932.

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
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	73,530
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
Jan., 1933.....	416,655	194,407	201,437	119,215	215,218	75,192

SAVINGS DEPOSITS

	Number of reporting banks	January 31, 1933		January 31, 1932		Percentage change over year in savings deposits	December 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	8,050	\$ 3,046,050	5,534	\$ 3,274,386	- 7.0	8,061	\$ 3,039,079	+ .2
Dallas.....	9*	74,243	25,619,140	75,791	25,724,750	- .4	74,548	25,647,711	- .1
El Paso.....	2	10,615	3,428,619	10,644	3,101,748	+10.5	10,622	3,459,918	- .9
Fort Worth.....	4	33,587	11,422,420	34,663	11,351,208	+ .6	33,529	11,490,523	- .6
Galveston.....	4	16,881	9,736,844	17,633	11,284,951	-13.7	16,993	9,903,039	- 1.7
Houston.....	11*	65,994	30,393,328	68,296	30,824,290	- 1.4	65,146	30,784,662	- 1.3
Port Arthur.....	2	4,217	1,843,267	4,552	1,790,739	+ 2.9	4,144	1,834,785	+ .5
San Antonio.....	8	21,641	14,666,316	21,793	14,763,081	- .7	21,704	14,820,169	- 1.0
Shreveport.....	4	22,218	9,523,939	25,188	10,639,723	-10.5	22,331	9,875,528	- 3.6
Waco.....	3	10,268	5,552,407	10,153	5,523,609	+ .5	10,344	5,604,749	- .9
Wichita Falls.....	3*	2,923	2,290,557	2,986	2,361,391	- 3.0	2,926	2,266,526	+ 1.3
All others.....	85*	51,087	22,936,312	55,284	24,320,779	- 5.7	51,176	23,015,476	- .3
Total.....	138	321,729	\$140,459,199	332,517	\$144,960,655	- 3.1	321,524	\$141,736,165	- .9

*Only 7 banks in Dallas, 10 in Houston, 2 in Wichita Falls, and 71 in "All others" reported the number of savings depositors.

FEBRUARY DISCOUNT RATES

Prevailing rates:

	Dallas	El Paso	Fort Worth	Houston	San Antonio	Waco
Rates 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	5-8	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.....	6	6-8	5-10	5-7	6-8	6-8
Time.....	4-8	6-8	5-10	5-7	6-8	6-8
Rate charged on commodity paper secured by warehouse receipts, etc.....	3½-7	8	6-8	5-7	6-8	6
Rate on cattle loans.....	6-7	6-8	6-10	6-8	7-10	7

INDUSTRY

Textile Milling

With the activities of mills in cotton-growing states proceeding in larger-than-average volume, the textile industry in the United States witnessed a substantial seasonal increase in the consumption of cotton during January, and showed a further appreciable gain over the like month a year ago. There were 471,202 bales of cotton consumed during the month, as against 440,062 bales in the previous month, and 434,726 bales in January, 1932. During the six months of the current season, August through January, consumption averaged 7.1 per cent greater than that in the same period of the preceding season. Supplies of cotton at consuming establishments on January 31 were somewhat smaller than a month earlier, contrary to the usual holdings on that date.

Stocks were also less than those held on the same date last year.

COTTON CONSUMED AND ON HAND
(Bales)

	January 1933	January 1932	August 1 to January 31 This season	Last season
Cotton-growing states:				
Cotton consumed.....	397,774	358,048	2,351,060	2,155,041
On hand January 31 in—				
Consuming establishments.....			1,202,049	1,302,641
Public storage and compresses.....			9,527,283	9,628,725
United States:				
Cotton consumed.....	471,202	434,726	2,811,486	2,625,743
On hand January 31 in—				
Consuming establishments.....			1,495,527	1,638,136
Public storage and compresses.....			10,020,760	10,039,427

Both the consumption of cotton and the production of cloth during January at reporting Texas textile mills were in smaller volume than in either the previous month or the corresponding month a year ago. Orders for finished products held at the close of January were also much smaller than on either comparative date. Stocks of cotton goods on January 31 were approximately the same as a month earlier, but materially greater than a year ago.

Cottonseed Products A further seasonal contraction was evidenced in the operations of cottonseed oil mills in the United States during January.

At Texas mills, however, the production of cake and meal, and linters was above that a month earlier, and the output of cottonseed oil and hulls was only slightly smaller. As compared with the corresponding month a year ago operations were again on a lower level, with the exception of seed receipts at Texas mills. The first half of the 1932-33 season closed with activities at both Texas and United States mills in considerably smaller volume than in the same period of the previous season. Stocks of cottonseed on hand at the close of the month remained exceedingly large. Supplies of oil at all United States mills continue to accumulate notwithstanding the curtailed production; on January 31 they were above those a month earlier, and greatly exceeded those a year ago. Stocks of cake and meal were also above those held at the close of January, 1932. At Texas mills inventories of oil and hulls were less than a year earlier, while cake and meal, and linters were greater.

STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS

	Texas		United States	
	August 1 to January 31 This season	Last season	August 1 to January 31 This season	Last season
Cottonseed received at mills (tons).....	1,292,756	1,504,575	3,921,283	4,721,014
Cottonseed crushed (tons).....	1,011,148	1,149,315	3,009,117	3,540,727
Cottonseed on hand Jan. 31 (tons).....	456,876	368,419	1,211,440	1,190,059
Crude oil produced (pounds).....	302,556,215	342,211,873	927,938,099	1,103,650,447
Cake and meal produced (tons).....	467,767	539,183	1,356,412	1,588,105
Hulls produced (tons).....	295,296	333,222	851,430	995,054
Linters produced (running bales).....	120,252	149,864	475,807	560,090
Stocks on hand Jan. 31:				
Crude oil (pounds).....	33,722,523	34,587,685	100,516,038	88,372,555
Cake and meal (tons).....	87,388	53,328	342,565	217,377
Hulls (tons).....	73,912	86,558	176,098	217,627
Linters (running bales).....	88,979	85,789	288,382	310,616

Cotton Movements Exports of cotton from the ports of Houston and Galveston reflected a large seasonal decline during the initial month of 1933, and shipments were also considerably under those in January a year ago. Exports from Galveston during the first half of the current season showed a further slight increase over the corresponding period of the preceding season, while at Houston they were substantially smaller. Receipts of cotton at both ports likewise witnessed a recession as compared with both the previous month and the same month last year. Stocks of cotton held at Galveston on January 31 were less than those a month earlier or a year ago, but at Houston they continued above those held on both comparative dates.

Although total foreign exports of cotton from the United States reflected a recession somewhat larger than seasonal during January, they were 10.5 per cent above the average shipments for that month. A noticeable decline was witnessed as compared with the corresponding month last year. Exports totaled 793,666 bales during the month, as against

1,039,795 bales in December, and 919,338 bales in January, 1932. Shipments during the period from August 1 to January 31 amounted to 5,039,714 bales, which was 1.7 per cent above the 4,954,394 bales shipped in the like period of the previous season. It is significant to note that exports to all major European countries have been greater this season than last, while shipments to the Far East, and particularly China, have been much smaller.

COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON (Bales)

	January 1933	January 1932	August 1 to January 31	
			This season	Last season
Receipts.....	193,731	358,775	1,654,497	1,870,755
Exports.....	223,133	266,717	1,257,139	1,243,684
Stocks, January 31.....			859,537	1,015,672

COTTON—GALVESTON STOCK STATEMENT (Bales)

	Jan. 31, 1933	Jan. 31, 1932
For Great Britain.....	12,000	9,000
For France.....	5,000	5,500
For other foreign ports.....	33,500	71,000
For coastwise ports.....	500	2,000
In compresses and depots.....	808,537	928,072
Total.....	859,537	1,015,672

COTTON MOVEMENTS THROUGH THE PORT OF HOUSTON (Bales)

	January 1933	January 1932	August 1 to January 31	
			This season	Last season
Receipts.....	307,203	317,934	2,273,243	2,757,849
Exports.....	237,876	262,515	1,495,530	1,802,024
Stocks, January 31.....			1,849,174	1,651,394

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

	August 1 to January 31	
	This season	Last season
Receipts.....	6,729,814	7,529,802
Exports: United Kingdom.....	874,084	719,509
France.....	583,820	200,116
Italy.....	452,895	389,887
Germany.....	1,100,801	925,653
Other Europe.....	577,667	449,367
Japan.....	1,112,123	1,299,294
All other countries.....	337,424	970,588
Total foreign ports.....	5,039,714	4,954,394
Stocks at all United States ports January 31.....	4,764,189	5,007,444

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

	January, 1933		February 15, 1933
	High	Low	
New York.....	6.40	6.00	6.05
New Orleans.....	6.33	5.88	5.93
Dallas.....	5.90	5.50	5.55
Houston.....	6.25	5.80	5.85
Galveston.....	6.30	5.90	5.90

Petroleum Production of crude petroleum in the Eleventh Federal Reserve District during January showed a further decline from the previous month and was materially lower than in the same month a year ago. The total output was 24,704,700 barrels, as against 25,647,150 barrels in December, and 28,336,550 barrels in

January, 1932. There was also a further reduction in field activity, and a larger number of failures was reported. Of the 623 wells completed in January, 452 were producers having an initial flush output of 2,235,531 barrels. There were 670 wells completed in the preceding month, of which 514 were successful and had an initial yield of 2,697,297 barrels.

The daily average production from fields in Texas during January amounted to 735,955 barrels, as compared with 770,365 barrels in December, and 847,948 barrels in the corresponding month last year. Decreases were registered in all sections of the State, the largest being in East Texas. Both New Mexico and North Louisiana showed an up-turn in their output during January.

Further adjustments in prices were made between January 19 and 21. Postings of major companies were reduced by an average of \$.25 per barrel.

JANUARY DRILLING RESULTS

	Com-pletions	Pro-ducers	Gas Wells	Fail-ures	Initial Production
North Texas.....	70	25	2	43	2,103
Central West Texas.....	52	30	5	17	8,496
East Central Texas.....	269	255	1	13	2,026,843
South Texas.....	94	40	4	50	18,937
Texas Coastal.....	107	87	1	19	128,924
Total Texas.....	592	437	13	142	2,185,303
New Mexico.....	7	7	..	..	48,508
North Louisiana.....	24	8	3	13	1,720
January totals, district.....	623	452	16	155	2,235,531
December totals, district....	670	514	12	144	2,697,297

CRUDE OIL PRICES

	Feb. 10, 1932	Feb. 9, 1932
Texas Coastal (34 gr. and above).....	\$.64 ⁷ / ₈	\$.86*
North Texas and North Louisiana (40 gr. and above).....	.52	.85

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

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

OIL PRODUCTION—(Barrels)

	January, 1932		Increase or decrease over December, 1932	
	Total	Daily Avg.	Total	Daily Avg.
North Texas.....	2,825,650	91,150	- 85,500	- 2,758
Central West Texas.....	5,665,250	182,750	- 65,650	- 2,118
East Central Texas.....	8,655,350	279,205	- 770,950	-24,869
Texas Coastal.....	4,090,450	131,950	- 95,600	- 3,084
South Texas.....	1,577,900	50,900	- 49,000	- 1,581
Total Texas.....	22,814,600	735,955	-1,066,700	-34,410
New Mexico.....	977,150	31,521	+ 102,900	+ 3,319
North Louisiana.....	912,950	29,450	+ 21,350	+ 689
Total District.....	24,704,700	796,926	- 942,450	-30,402

Building

Following the sizable improvement which was shown in the preceding month, a decrease of 35.5 per cent was reflected in the valuation of construction permits issued during January at leading centers in the Eleventh Federal Reserve District. The total for the month amounted to \$719,736, as compared with \$1,115,348 in December, and \$1,665,938 in January, 1932. Despite the material decline in total volume from that of the previous month, eight of the fourteen reporting cities showed increases.

BUILDING PERMITS

	January, 1932		January, 1931		Percentage change in valuation over year	December, 1932		Percentage change in valuation over month
	No.	Valuation	No.	Valuation		No.	Valuation	
Amarillo.....	13	\$ 15,511	11	\$ 22,585	-31.3	10	\$ 5,503	+181.9
Austin.....	85	50,624	91	115,848	-56.3	42	48,752	+ 3.8
Beaumont.....	56	9,278	67	45,148	-79.4	50	12,845	- 27.8
Corpus Christi.....	17	9,800	18	2,815	+35.0	16	44,198	- 91.4
Dallas.....	277	170,006	233	278,819	-39.0	142	59,884	+183.9
El Paso.....	28	10,269	28	19,592	-47.6	24	18,989	- 45.9
Fort Worth.....	96	85,400	115	118,732	-28.1	52	73,950	+ 15.5
Galveston.....	74	20,130	137	60,877	-66.9	56	521,819	- 96.1
Houston.....	162	258,547	187	359,093	-28.0	92	245,891	+ 5.1
Port Arthur.....	25	4,905	28	18,255	-73.1	21	4,831	+ 1.5
San Antonio.....	120	48,841	167	112,584	-56.6	119	36,363	+ 34.3
Shreveport.....	77	15,114	128	20,879	-27.6	56	10,276	+ 47.1
Waco.....	25	25,366	36	56,011	-54.7	10	26,653	- 4.8
Wichita Falls.....	23	1,945	11	434,700	-99.6	10	5,394	- 63.9
Total.....	1,078	\$719,736	1,257	\$1,665,938	-56.8	700	\$1,115,348	- 35.5

Cement

The production of Portland cement at Texas mills was reduced somewhat further in January. The month's output amounted to 255,000 barrels, as against 289,000 barrels in December, and 338,000 barrels in January last year. The volume of shipments, recovering appreciably from the low level of the previous

month, amounted to 285,000 barrels, which is 18.3 per cent higher than the total of the corresponding month a year ago. Stocks on hand at the end of January aggregated 646,000 barrels, showing a reduction of 4.6 per cent during the month and a decrease of 21.5 per cent as compared with January 31, 1932.

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

	January, 1932	Percentage change from	
		December, 1932	January, 1931
Production at Texas mills.....	255	-11.8	-24.6
Shipments from Texas mills.....	285	+72.7	+18.3
Stocks at end of month at Texas mills.....	646	- 4.6	-21.5

SUMMARY OF NATIONAL BUSINESS CONDITIONS

(Compiled by the Federal Reserve Board as of February 24, 1933)

Volume of industrial production increased in January by less than the usual seasonal amount and factory employment and payrolls continued to decline. Prices of commodities at wholesale, which declined further in January showed relatively little change in the first three weeks of February.

PRODUCTION AND EMPLOYMENT

Industrial activity as measured by the Board's index, which makes allowance for usual seasonal changes, declined from 66 per cent of the 1923-1925 average in December to 64 per cent in January, which compares with a low level of 58 per cent last July. Output of coal declined considerably contrary to the usual seasonal tendency. Increases in activity in the cotton and silk industries were somewhat less than seasonal in amount, and there was a slight decline in production at woolen mills. Output of shoes increased seasonally. Activity in the steel industry showed a seasonal increase during January, and little change during the first three weeks of February. Automobile production, which had increased substantially in December showed a further slight increase in January. Factory employment declined between the middle of December and the middle of January by considerably more than the seasonal amount. Decreases were reported in most lines except in the cotton, wool, and silk industries, where employment showed little change, and in the automobile and shoe industries, where employment increased. Construction contracts awarded were in about the same volume in January as in December, according to the F. W. Dodge Corporation; in the first half of February the value of awards showed a decline.

DISTRIBUTION

Volume of freight traffic was somewhat smaller in January than in December, reflecting a reduction in shipments of coal. Sales by department stores decreased after Christmas by more than the usual seasonal amount.

WHOLESALE PRICES

The general level of wholesale commodity prices, as measured by the index of the Bureau of Labor Statistics, declined further from 62.6 per cent of the 1926 average in December to 61.0 per cent in January, reflecting substantial reductions in the prices of crude petroleum, gasoline, textiles and dairy and poultry products. Prevailing prices for wheat, cotton, and hogs in January and the first three weeks of February were somewhat above the low levels reached in December.

BANK CREDIT

Between January 4 and February 21 there was an increase of \$319,000,000 in the demand for currency, accompanying banking disturbances in different parts of the country, and a decrease of \$64,000,000 in the country's stock of monetary gold. These demands were met by member banks in part by the use of their balances at the Reserve banks, which declined by \$243,000,000 during the period, but continued to be considerably above legal requirements. Reserve bank holdings of United States securities declined by \$88,000,000 between January 4 and February 1, but increased by \$70,000,000 during the following three weeks; their holdings of acceptances increased by \$141,000,000 and discounts for member banks increased by \$76,000,000. Loans and investments of reporting member banks in leading cities declined by about \$100,000,000 during the five weeks ending February 15. The banks' net demand deposits declined by \$390,000,000, reflecting largely reductions in bankers' balances, and time deposits showed a decrease of \$93,000,000 for the period. Money rates in the open market were slightly firmer during the first half of February. Open market of 90 day bankers' acceptances, which had been $\frac{1}{4}$ of 1 per cent, had increased to $\frac{5}{8}$ of 1 per cent by February 20. Rates on prime commercial paper and on stock exchange loans remained unchanged. The minimum buying rate on bills at the Federal Reserve Banks of Boston, New York, and Chicago, was reduced from 1 to $\frac{1}{2}$ of 1 per cent.