

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

	February 1933	Change from January
Bank debits to individual accounts (at 17 cities).....	\$400,235,000	- 14.6%
Department store sales.....		+ 2.1%
Reserve bank loans to member banks at end of month.....	\$ 5,117,620	+ 22.5%
Reserve bank ratio at end of month.....	53.8%	+ 5.5 points
Building permit valuation at larger centers.....	\$ 1,051,521	+ 46.1%
Commercial failures (number).....	93	- 5.1%
Commercial failures (liabilities).....	\$ 1,665,933	- 1.6%
Oil production (barrels).....	24,686,200	- 0.1%

during the past month due to the banking disturbances. Member bank borrowings at the Federal Reserve Bank rose from \$4,024,000 on February 15 to \$7,253,000 on March 15, and the actual circulation of Federal reserve notes increased from \$35,842,000 to \$57,645,000 during the same period. There was also a large increase in the reserve deposits of member banks. Between February 8 and March 15, the loans of member banks in selected cities declined further, but their investments were increased. The daily average of combined net demand and time deposits of member banks amounted to \$607,612,000 in February, as compared with \$611,062,000 in January, and \$665,682,000 in February, 1932. Subscriptions to the 4 and 4 $\frac{1}{4}$ per cent United States Treasury Certificates of Indebtedness, dated March 15, totaled \$47,535,500, against which allotments of \$17,536,000 were made.

While the severe freezes early in February did considerable damage to small grains, pastures, fruits, and early vegetables, conditions have been very favorable since, and farming operations have progressed rapidly. General rains over most of the district have left a good season in the ground and the soil is in excellent condition for spring planting. This work is now well under way in South Texas and is being extended northward. Ranges and livestock are reported to be in fair to good condition.

Construction activity showed some improvement during February, the valuation of building permits issued at principal cities being 46 per cent above January, but still 33 per cent lower than a year ago. The production and shipments of cement reflected substantial declines as compared with both the previous month and the corresponding month last year.

BUSINESS

lines were less favorable than in January. During the past ten days there has developed a strong undertone of confidence, and while cautious operations are being continued, reports indicate that the demand for merchandise is better. Inventories were held to minimum levels. Decreases in the volume of collections during February occurred in all lines except farm implements.

A further gain of 1.5 per cent, which is smaller than seasonal, was reflected in the distribution of dry goods by wholesalers in this district during February. Some firms re-

A hesitant, waiting attitude was manifested by many merchants and jobbers in this district during most of February.

As a consequence, the demand for merchandise at wholesale was at a generally low level. With one exception, all five of the lines from which reports are received registered decreases in sales as compared with both the previous month and the same month last year, but in the case of three of these lines the reduction from January was partly due to seasonal influences. The comparisons with a year ago in all

Wholesale Trade

ported decreases during the month, and a net decline of 13.3 per cent was shown as compared with February, 1932. Business during the first two months of the current year totaled 9.9 per cent less than in the same two months a year ago. Stocks on hand were increased somewhat during the month, but remained materially lower than at this time last year. Collections continued slow.

The distribution of groceries through wholesale channels in February was on a 7.7 per cent lower basis than in the preceding month. A decline of 8.7 per cent was shown in total sales as compared with a year ago; yet in certain localities the volume of business was somewhat larger. Retailers are showing little disposition to stock their shelves beyond the requirements of daily business. Wholesale stocks on February 28 were 24.1 per cent less than a year ago, as against 19.7 per cent at the close of January. Total collections reflected a further decline from the previous month.

Sales of reporting wholesale hardware firms totaled 7.6 per cent less than in January, and were 11.7 per cent smaller than in February last year. In January and February, combined, they were only 6.5 per cent below the volume of the same two months in 1932. Unfavorable weather conditions resulted in a tendency to hold up orders for some types of merchandise. There was a decline of 7.1 per cent in the amount of collections during February.

There was a decline of 15.6 per cent from the previous month in the business of wholesale drug firms in this district during February. Although this reduction was largely due to seasonal factors, certain other retarding influences were perceivable. Total sales were 22.5 per cent below the level of the same month last year, this being the largest decrease reported in several months. Collections during February declined by more than the usual seasonal amount.

The demand for farm implements during February was 16.3 per cent smaller than in the previous month and 47.8 per cent under that of the same month in 1932. Freezing temperatures in the first part of the month had a damaging effect upon growing crops, and to some extent accounted for the further slowing down of business. Collections showed

a slight increase as compared with January.

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

	Net Sales Feb., 1933 compared with Feb., 1932		Net Sales Jan. 1 to date compared with same period last year		Stocks Feb., 1933 compared with Feb., 1932		Ratio of collec- tions during Feb. to accounts and notes outstanding on January 31
	1933	1932	1933	last year	1933	1932	
Groceries.....	-8.7	-7.7	-5.4	-24.1	-1.7	48.0	
Dry goods.....	-13.3	+1.5	-9.9	-8.5	+5.6	21.6	
Farm implements..	-47.8	-16.3	-32.7	-6.2	+0.4	1.7	
Hardware.....	-11.7	-7.6	-6.5	-16.9	+1.5	26.6	
Drugs.....	-22.5	-15.6	-15.6	-14.1	-1.7	33.9	

Retail Trade

Notwithstanding fewer business days, and unusually low temperatures early in the month, the February business of department stores in leading cities of the Eleventh District evidenced an increase over that in the preceding month. The comparison with the corresponding month a year ago, however, continued to show a substantial decline. Sales averaged 2.1 per cent greater than those in January, but 22.1 per cent less than in February, 1932. The index of department store sales, which is adjusted for seasonal variations, increased considerably during February, keeping in line with the unseasonable increase in business. The February index stood at 58.0, as against 53.7 in January. Distribution of merchandise during the first two months of the current year was 20.1 per cent less than a year ago. Late reports indicate that business during March witnessed a very encouraging pick-up toward the middle of the month.

Inventories of merchandise held on February 28 showed a decline of 20 per cent as compared with a year ago, this reduction being approximately the same as that shown in January. A seasonal increase of 7.9 per cent was registered over the holdings on January 31. The rate of stock turnover during the initial two months of 1933 was .41, which was the same as that in January and February, 1932.

Collections during the past month reflected a small increase over those a month earlier and a year ago. The ratio of February collections to accounts outstanding on the first day of the month was 30.9 per cent, as against 30.4 per cent in January, and 29.8 per cent in February, 1932.

BUSINESS OF DEPARTMENT STORES

	Dallas	Fort Worth	Houston	San Antonio	All Others	Total District
Total sales (percentage):						
February, 1933, compared with February, 1932.....	-24.0	-20.6	-23.9	-28.1	-11.1	-22.1
February, 1933, compared with January, 1933.....	+13.7	+4.7	-4.5	-9.0	-3.6	+2.1
January 1 to date, compared with same period last year.....	-22.2	-20.3	-18.5	-25.6	-12.8	-20.1
Credit sales (percentage):						
February, 1933, compared with February, 1932.....	-26.4	-25.0	-18.4	-31.4	-15.3	-24.0
February, 1933, compared with January, 1933.....	+17.2	+6.3	-5.6	-11.4	-2.1	+4.1
January 1 to date, compared with same period last year.....	-25.0	-24.2	-16.2	-29.0	-17.3	-22.8
Stocks (percentage):						
February, 1933, compared with February, 1932.....	-18.8	-23.9	-12.7	-33.1	-18.1	-20.0
February, 1933, compared with January, 1933.....	+9.0	+16.5	+5.1	-2.6	+8.2	+7.9
Stock turnover (rate):						
Rate of stock turnover in February, 1932.....	.24	.15	.26	.25	.16	.21
Rate of stock turnover in February, 1933.....	.22	.16	.23	.27	.18	.21
Rate of stock turnover January 1 to February 29, 1932.....	.44	.30	.43	.52	.33	.41
Rate of stock turnover January 1 to February 28, 1933.....	.41	.34	.47	.54	.37	.41
Ratio of February collections to accounts receivable outstanding February 1, 1933.....	32.1	24.4	33.5	33.7	28.4	30.9
Indexes of department store sales:						
Unadjusted—January, 1933.....	42.1	48.0	52.4	43.7*	.....	45.1
Unadjusted—February, 1933.....	50.0	52.4**	52.4	40.8	.....	48.7**
Adjusted—January, 1933.....	49.0	64.9	58.9	48.0*	.....	53.7
Adjusted—February, 1933.....	56.8	63.1**	61.6	49.2	.....	58.0**
Indexes of department store stocks:						
Unadjusted—January, 1933.....	38.4	51.1	42.0	31.4*	.....	42.1*
Unadjusted—February, 1933.....	42.9	57.8**	43.4	30.9	.....	45.6**
Adjusted—January, 1933.....	44.1	59.4	48.8	34.1*	.....	48.4*
Adjusted—February, 1933.....	44.7	60.2**	46.7	30.6	.....	47.5**

*Revised.

**Subject to revision.

Commercial Failures The record of business insolvencies in this district during February, as reported by R. G. Dun & Company, was lower than in the previous month and showed a substantial decline from the level of the same month last year. A total of 93 firms

defaulted during the month, their liabilities amounting to \$1,665,933. There were 98 commercial failures in January, owing \$1,693,202; in February, 1932, the number of insolvencies was 121, and the indebtedness involved totaled \$2,567,674.

AGRICULTURE

Crop Conditions The severe freezes during the first half of February caused extensive damage to small grains, fruits, and vegetable crops throughout the district, but the widespread rains and generally favorable temperatures during the past thirty days have been very beneficial and have partially offset the freeze damage. The preparation of the soil for spring planting is being rushed to completion and the soil is in excellent condition due to the pulverization by the freezes and the good season obtaining. There are still a few areas where rainfall is badly needed. The planting of corn and early vegetable crops is in full swing in the southern part of the district and is being gradually extended northward. Cotton planting has started in the extreme southern portion of Texas.

“High Plains” section of Texas where moisture is badly needed. Ranges are now greening and with the good season obtaining generally, an abundance of green feed should soon be available with the continuance of warm weather. Livestock have been mending rapidly and have regained much of the flesh lost during the period of low temperatures.

Small grains throughout the district received a severe set-back by the freezes, but that part of the crop which survived has made rapid recovery during the past month due to the moderate temperatures and heavy rains over most areas. A large acreage of oats was killed, but farmers reseeded immediately and the new crop is up to a good stand and growing rapidly.

The condition of cattle in Texas on March 1, as reported by the Department of Agriculture, was 78 per cent of normal as compared with 81 per cent on February 1, and 82 per cent on March 1, 1932. Sheep and goat ranges dropped from 82 per cent on February 1 to 74 per cent on March 1, the latter figure being 11 points lower than that obtaining a year ago. The condition of cattle on March 1 was reported as 79 per cent, which was 3 points lower than a month earlier, and 1 point below last year. During February the condition of sheep declined 5 points and that of goats 6 points; as compared with the same date last year, the March 1 condition of sheep and goats was 6 points lower. Changes in the condition of ranges and livestock in New Mexico and Arizona were relatively small during February.

Commercial vegetables made rapid recovery from the effects of the February freezes and frosts, but the condition of most truck crops on March 1, as reported by the Department of Agriculture, was very low and showed a sharp drop from both the previous month and the same date a year earlier. The low condition figures have been reflected in both the lowered quality and reduced tonnage of winter vegetables marketed. Car lot shipments of cabbage, beets, carrots, and spinach are running considerably behind a year ago. The following table gives the comparative condition of principal commercial vegetable crops in Texas:

The Department of Agriculture reported that the 1932 wool production in Texas reached the largest total on record at 57,105,000 pounds. The increase in production was brought about by the larger number of sheep shorn and the heavier fleece weight. Production in Arizona and New Mexico declined slightly due to the fewer number shorn.

Movements and Prices The Fort Worth receipts of cattle, calves, and sheep in February this year reflected a substantial decline as compared with both the previous month and the corresponding month last year. While the arrivals of hogs were larger than in January, they were considerably smaller than in February, 1932.

Cattle prices were somewhat irregular during the past month and moderate declines were registered in some divisions. Lamb prices, after showing some strength in January, eased off in February and early March. The demand for wethers broadened and prices reflected some improvement.

CONDITION OF COMMERCIAL TRUCK CROPS IN TEXAS

	March 1, 1933 (per cent)	March 1, 1932 (per cent)	February 1, 1933 (per cent)
Beans (snap).....	70	81	83
Beets.....	60	84	74
Broccoli.....	33	45	64
Cabbage.....	54	67	65
Cantaloupes.....	75	95	..
Carrots.....	58	85	76
Corn.....	75	83	..
Cucumbers.....	91	88	..
Garlic.....	60	..	80
Lettuce.....	31	72	72
Onions.....	58	78	80
Peas (green).....	55	78	54
Peppers (green).....	50	85	..
Potatoes (Irish).....	65	89	79
Spinach.....	45	66	68
Strawberries.....	60	88	80
Tomatoes.....	58	91	75
Turnips.....	52	48	59

FORT WORTH LIVESTOCK RECEIPTS
(Number)

	February 1933	February 1932	Change over year	January 1933	Change over month
Cattle.....	22,928	28,870	- 5,942	28,711	- 5,783
Calves.....	7,733	8,692	- 959	16,092	- 8,359
Hogs.....	26,721	33,254	- 6,533	25,208	+ 1,513
Sheep.....	37,819	58,222	-20,403	50,886	-13,067

COMPARATIVE TOP LIVESTOCK PRICES
(Dollars per hundredweight)

	February 1933	February 1932	January 1933
Beef steers.....	\$4.60	\$5.75	\$5.00
Stocker steers.....	4.10	4.25	4.60
Butcher cows.....	2.50	3.25	3.00
Stocker cows.....	2.50	3.00	2.60
Calves.....	5.40	5.25	4.90
Hogs.....	3.60	4.40	3.25
Sheep.....	2.65	3.75	2.50
Lambs.....	5.00	5.50	5.40

Livestock Ranges and livestock in the Eleventh Federal Reserve District received a severe set-back by the low temperature during the first half of February. Green feed on the ranges and small grain pastures were killed back and livestock suffered heavy shrinkage. Since the middle of February, however, the freeze damage has been partially offset by the warmer weather and the heavy rains in all sections except the northern half of the

Hog prices held fairly steady around \$3.30 during the last half of February and the first week in March. During the

second week, prices jumped to \$3.95 but had receded to \$3.55 at the middle of the month.

FINANCE

Operations of the Federal Reserve Bank

The shifting of funds from Eastern centers by member banks in this district during the past month greatly changed the position of the Federal Reserve Bank of Dallas. The reserve deposits of member banks rose from \$50,817,000 on February 15 to \$76,622,000 on March 15 and during the same period the cash reserves of the Federal Reserve Bank increased from \$45,981,000 to \$82,525,000. While the borrowings of member banks amounted to \$7,253,000 on March 15, as compared with \$4,024,000 on February 15, they were still \$6,767,000 below those on the corresponding date last year. Bills bought in the open market also reflected a large increase, amounting to \$3,450,000 on March 15, as against \$842,000 a month earlier, and \$3,842,000 a year ago. Investments in United States securities were increased slightly during the month. Due to the increased demand for currency incident to the opening of banks following the holiday, Federal reserve notes in actual circulation reflected a large expansion. The total amounted to \$57,645,000 on March 15, as compared with \$35,842,000 on February 15, and \$41,271,000 on March 15, 1932.

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

	March 15, 1933	March 15, 1932	Feb. 15, 1933
Total cash reserves.....	\$82,525	\$54,646	\$45,981
Discounts for member banks.....	7,253	14,020	4,024
Other bills discounted.....	None	1	None
Bills bought in the open market.....	3,450	3,842	842
United States securities owned.....	48,939	27,364	48,002
Other investments.....	5	5	5
Total earning assets.....	59,647	45,232	52,873
Member bank reserve deposits.....	76,622	47,803	50,817
Federal reserve notes in actual circulation.....	57,645	41,271	35,842

Condition of Member Banks in Selected Cities

Reports from member banks in selected cities reflected a substantial rise in deposits and a moderate increase in investments, but a decline in loans between February 8 and March 15. Investments in United States Government securities were increased \$1,307,000 and those of other securities rose \$745,000. As compared to March 16, 1932, holdings of United States Government securities were \$1,593,600 larger, but other investments were \$5,485,000 lower. During the five-week period, loans on securities were reduced \$545,000 and there was a recession of \$5,867,000 in "all other" loans (largely commercial). Total loans on March 15 were \$52,622,000 less than a year ago. While a decline of \$4,100,000 in time deposits was reflected between February 8 and March 15, it was more than offset by a substantial rise of \$11,364,000 in net demand deposits. Combined deposits were only \$15,

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

	March 15, 1933	March 16, 1932	February 8, 1933
United States securities owned.....	\$ 96,318	\$ 94,725	\$ 95,011
All other stocks, bonds, and securities owned.....	54,511	59,996	53,766
Loans on securities.....	67,739	78,755	68,284
All other loans.....	146,195	187,841	152,062
Total loans.....	213,934	266,596	220,346
Net demand deposits.....	231,567	245,848	220,203
Time deposits.....	126,130	127,566	130,230
Reserve with Federal Reserve Bank.....	53,180	29,484	28,613
Bills payable and rediscounts with Federal Reserve Bank.....	1,605	3,282	20

717,000 below a year ago, which is the most favorable comparison shown in nearly two years. The reserves of these banks with the Federal Reserve Bank amounted to \$53,180,000 on March 15, which was \$24,567,000 greater than five weeks earlier, and \$23,696,000 above those a year ago. Borrowings at the Federal Reserve Bank totaled \$1,605,000 on March 15, as compared with \$20,000 on February 15, and \$3,282,000 on March 15, 1932.

Deposits of Member Banks

The daily average of combined net demand and time deposits of member banks in this district totaled \$607,612,000 during February, which was \$3,450,000 lower than in the previous month, and \$58,070,000 below the same month of 1932. The decline from January was about equally divided between net demand and time deposits, but the recession from a year ago was mostly in net demand deposits.

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
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
Feb., 1933.....	415,200	192,412	199,397	118,756	215,803	73,656

Debts to Individual Accounts

While a seasonal reduction of 14.6 per cent was shown in aggregate charges to individual accounts during February at banks in leading centers in this district, there was a slightly more favorable comparison with the same month a year ago than was recorded in January. The volume of debts during the month amounted to \$400,235,000, as against \$468,867,000 in the preceding month, and \$504,572,000 in February last year. At Austin, Texas, an increase over both comparative months was reported.

DEBITS TO INDIVIDUAL ACCOUNTS
(In thousands of dollars)

	February 1933	February 1932	Percentage change over year	January 1933	Percentage change over month
Ablene.....	\$ 4,155	\$ 4,910	-15.4	\$ 4,663	-10.9
Austin.....	17,027	16,108	+ 5.7	14,493	+17.5
Beaumont.....	11,704	17,008	-31.2	14,003	-16.4
Corsicana.....	2,083	2,712	-23.2	2,756	-24.4
Dallas.....	109,397	139,356	-21.5	122,484	-10.7
El Paso.....	13,326	19,088	-30.2	14,286	- 6.7
Fort Worth.....	39,984	50,644	-21.0	41,945	- 4.7
Galveston.....	15,025	25,013	-39.9	21,587	-30.4
Houston.....	101,838	116,409	-12.5	124,985	-18.5
Port Arthur.....	3,501	5,269	-33.6	4,464	-21.6
Roswell.....	1,530	1,777	-13.0	2,130	-28.2
San Antonio.....	35,307	47,495	-25.7	47,237	-25.3
Shreveport.....	18,560	23,397	-19.4	21,477	-12.2
Texarkana.....	4,657	6,544	-28.8	5,364	-13.2
Tucson.....	6,580	8,289	-20.6	7,112	- 7.5
Waco.....	8,215	11,363	-27.7	10,718	-23.4
Wichita Falls.....	7,046	9,190	-23.3	9,163	-23.1
Total.....	\$400,235	\$504,572	-20.7	\$468,867	-14.6

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

Acceptance Market

The volume of acceptances executed by accepting banks in the Eleventh District and outstanding on February 28 amounted to \$910,500, which compares with \$796,481 a month earlier, and \$2,750,908 a year ago. The up-turn during the month was attributable to an increase in the amount of acceptances executed against the domestic shipment and storage of goods. Acceptances based on import and export transactions were reduced from \$125,910 on January 31 to \$111,186 at the close of the subsequent month.

Savings Deposits

A reduction of 1.2 per cent was shown during February in the amount of savings deposits on record at 132 reporting banks in the Eleventh Federal Reserve District. On the last day of the month the total amounted to \$131,526,624, as compared with \$133,142,646 on January 31, and \$134,847,156 on February 28 last year. At six cities there were increases over a year ago, and four cities registered gains over the previous month.

SAVINGS DEPOSITS

	February 28, 1933			February 29, 1932			January 31, 1933		
	Number of reporting banks	Number of savings depositors	Amount of savings deposits	Number of savings depositors	Amount of savings deposits	Percentage change over year in savings deposits	Number of savings depositors	Amount of savings deposits	Percentage change over month in savings deposits
Beaumont.....	3	8,064	\$ 3,041,808	5,633	\$ 2,591,396	+17.4	8,103	\$ 3,046,051	-.1
Dallas.....	8*	65,275	22,640,228	66,146	22,994,577	-1.5	65,469	23,023,590	-1.7
El Paso.....	2	10,615	3,336,474	10,745	3,048,742	+9.4	10,615	3,428,620	-2.7
Fort Worth.....	4	33,615	11,381,443	34,667	11,163,413	+2.0	33,587	11,422,419	-.4
Galveston.....	4	16,814	9,776,165	17,610	10,991,683	-11.1	16,881	9,736,846	+4
Houston.....	10*	55,476	26,507,188	56,869	26,485,771	+1	55,818	26,802,062	-1.1
Port Arthur.....	2	4,252	1,849,372	4,396	1,770,581	+4.5	4,217	1,841,266	+4
San Antonio.....	8*	20,283	14,456,781	20,159	14,722,388	-1.8	20,019	14,666,318	-1.4
Shreveport.....	4	23,539	9,143,427	25,232	10,426,285	-12.3	23,082	9,523,939	-4.0
Waco.....	3	10,314	5,608,586	10,144	5,435,741	+3.2	10,267	5,552,407	+1.0
Wichita Falls.....	3	5,630	2,297,756	5,935	2,318,745	-.9	5,741	2,290,557	+3
All others.....	81*	50,947	21,487,396	55,042	22,897,834	-6.2	51,006	21,808,571	-1.5
Total.....	132	304,824	\$131,526,624	312,578	\$134,847,156	-2.5	304,805	\$133,142,646	-1.2

*Only 7 banks in Dallas, 9 in Houston, 7 in San Antonio, and 71 in "All others" reported the number of savings depositors.

MARCH 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	4 1/2-8	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	5 1/2-6
Rate on loans secured by prime stock exchange or other current collateral (not including loans placed in other markets through correspondent banks):						
Demand.....	5-6	6-8	6-8	5-7	6-8	6-8
Time.....	4-8	6-8	6-8	5-7	6-8	6-8
Rate charged on commodity paper secured by warehouse receipts, etc.....	5-7	8	6-7	5-7	6-8	6-8
Rate on cattle loans.....	6-7	6-8	6-8	6-10	7-10	7

INDUSTRY

Cottonseed Products

The operations of cottonseed oil mills were rather irregular during the past month. The receipts of seed at both Texas and all United States mills reflected the usual seasonal recession, and were less than in February, 1932, while crushings were unseasonably larger than a month earlier. At Texas mills the amount of cottonseed crushed was above that a year ago. The production of cottonseed oil and hulls at local establishments was also greater than that in the preceding month, while the output of cake and meal, and

linters was slightly smaller. The February production of all products at these mills was greater than in the corresponding month last year. On the other hand, the output of products at all United States mills was greater than a month earlier, contrary to the seasonal trend, but continued smaller than a year ago. Operations during the current season remained below those in the 1931-32 season. Supplies of cottonseed on hand at the close of February were much smaller than a month earlier, but were again larger than a year ago at both Texas and American mills. Stocks of crude oil showed a further increase over those held a month earlier, and exceeded the holdings on February 29, 1932, by a wide margin.

STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS

	Texas		United States	
	August 1 to February 28 This season	Last season	August 1 to February 28 This season	Last season
Cottonseed received at mills (tons).....	1,342,759	1,557,887	4,119,574	4,986,692
Cottonseed crushed (tons).....	1,162,698	1,280,809	3,449,450	4,074,743
Cottonseed on hand Feb. 28 (tons).....	355,329	290,237	969,398	921,721
Crude oil produced (pounds)...	349,876,177	381,890,357	1,067,115,767	1,274,516,016
Cake and meal produced (tons).....	535,884	601,502	1,555,174	1,826,169
Hulls produced (tons).....	342,259	369,967	976,431	1,148,666
Linters produced (running (bales).....	137,821	165,905	543,554	647,822
Stocks on hand Feb. 28:				
Crude oil (pounds).....	38,057,633	30,038,940	116,562,069	89,609,470
Cake and meal (tons).....	81,483	48,908	332,624	230,364
Hulls (tons).....	64,774	79,760	146,330	219,447
Linters (running bales).....	88,954	90,055	290,345	313,401

Textile Milling

Despite the fact that total consumption of cotton during February was less than that of the previous month and the corresponding month last year, operations of textile mills in the United States remained on the advanced scale which has been in evidence for several months. The daily average consumption of cotton was actually greater in February than in either the opening month of 1933 or February, 1932. There were 441,663 bales of cotton consumed during the 28 days of February, as compared with 471,202 bales in the 31 days of January, and 451,239 bales during February, 1932, which

was composed of 29 days. Consumption during the current season continued appreciably above that in the previous season, being 5.7 per cent greater for the seven-month period. Stocks of cotton at consuming establishments on February 28 showed a further decline from those a month earlier and a year ago.

The consumption of cotton and the production of cloth at cotton mills located in Texas were greater than in January, the increase being contrary to the usual trend at that season. The comparison with the like month of 1932, however, continued smaller. Orders for finished products on hand at the close of February were also greater than a month earlier, but smaller than a year ago. Stocks of products held on February 28 were greater than those a month earlier, or a year ago.

COTTON CONSUMED AND ON HAND (Bales)

	February 1933	February 1932	August 1 to February 28 This season	Last season
Cotton-growing states:				
Cotton consumed.....	370,607	366,601	2,721,667	2,521,642
On hand February 28 in—				
Consuming establishments.....			1,155,987	1,307,300
Public storage and com- presses.....			8,882,061	9,093,175
United States:				
Cotton consumed.....	441,663	451,239	3,253,149	3,076,982
On hand February 28 in—				
Consuming establishments.....			1,441,641	1,634,344
Public storage and com- presses.....			9,379,990	9,510,820

Cotton Movements

The exports of cotton during February from the ports of Houston and Galveston were seasonally smaller than in the preceding month, and while a marked decline was shown as compared with the corresponding month last year, it will be recalled that shipments during February, 1932, were unusually large. During the seven months of the current season the combined shipments from both ports aggregated 3,108,561 bales, as compared with last season's total of 3,690,472 bales. The customary seasonal decline was recorded during February in the receipts of cotton at both concentration points. Stocks at the close of February were less than those on January 31 at both Houston and Galveston, and at the latter port they were less than on February 29, 1932.

Shipments of cotton from all United States ports during the past month also witnessed a large seasonal decline. There were 557,022 bales exported during February, as against 793,666 bales in January, and 970,419 bales in February, 1932. During the first seven months of the present season total exports of cotton were 5.5 per cent less than those in the same period last season. All of the heavy importers of American cotton reduced their takings considerably during February, which accounts for the seasonal reduction, while the decline from a year ago is attributable largely to the smaller importations of Great Britain, Germany, Japan, and China.

COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON (Bales)

	February 1933	February 1932	August 1 to February 28 This season	Last season
Receipts.....	98,560	214,720	1,753,057	2,085,475
Exports.....	151,912	348,925	1,409,051	1,592,609
Stocks, February 28.....			806,185	881,367

COTTON—GALVESTON STOCK STATEMENT (Bales)

	Feb. 28, 1933	Feb. 29, 1932
For Great Britain.....	12,500	12,500
For France.....	8,500	5,000
For other foreign ports.....	41,000	48,500
For coastwise ports.....	500	2,000
In compresses and depots.....	748,685	813,367
Total.....	806,185	881,367

COTTON MOVEMENTS THROUGH THE PORT OF HOUSTON (Bales)

	February 1933	February 1932	August 1 to February 28 This season	Last season
Receipts.....	161,060	193,433	2,434,303	2,951,282
Exports.....	203,980	295,839	1,699,510	2,097,863
Stocks, February 28.....			1,805,086	1,549,453

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

	August 1 to February 28 This season	Last season
Receipts.....	7,220,885	8,386,619
Exports: United Kingdom.....	982,164	861,863
France.....	648,302	246,699
Italy.....	516,969	441,010
Germany.....	1,211,308	1,068,043
Other Europe.....	649,727	506,701
Japan.....	1,202,748	1,694,831
All other countries.....	388,518	1,106,159
Total foreign ports.....	5,596,736	5,925,306
Stocks at all United States ports, February 28.....	4,586,086	4,746,155

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

	February, 1933		March 16, 1933
	High	Low	
New York.....	6.15	5.00	6.85
New Orleans.....	6.07	5.76	6.80
Dallas.....	5.65	5.40	6.40
Houston.....	6.00	5.70	6.60
Galveston.....	6.00	5.80	6.65

Petroleum

The total output of crude oil in this district during February, which amounted to 24,686,200 barrels, was only 18,500 barrels less than in the previous month, and there was a reduction of 1,190,500 barrels from a year ago, as compared with a like decrease of 3,631,850 barrels in January. Sizable gains over the preceding month were registered in East Texas and New Mexico. Activity in drilling continued to decline while the number of failures reported during the month showed a further increase. There were 352 producing wells completed in February, as against 452 in January, and their combined flush production amounted to 1,511,614 barrels, as com-

OIL PRODUCTION—(Barrels)

	February, 1933		Increase or decrease over January, 1933	
	Total	Daily Avg.	Total	Daily Avg.
North Texas.....	2,515,800	89,850	- 309,850	- 1,300
Central West Texas.....	5,132,400	183,300	- 532,850	+ 550
East Central Texas.....	10,099,600	360,700	+1,444,250	+81,495
Texas Coastal.....	3,668,000	131,000	- 422,450	- 950
South Texas.....	1,387,400	49,550	- 190,500	- 1,350
Total Texas.....	22,803,200	814,400	- 11,400	+78,445
New Mexico.....	1,038,800	37,100	+ 61,650	+ 5,579
North Louisiana.....	844,200	30,150	- 68,750	+ 700
Total District.....	24,686,200	881,650	- 18,500	+84,724

pared with 2,235,531 barrels in the earlier month.

Daily yield in Texas during the month averaged 814,400 barrels, which was 78,445 barrels higher than in January, but 12,378 barrels below February last year. North Texas, South Texas, and the Gulf Coast showed further reductions from the preceding month. With the exception of the latter area, all major divisions of the State recorded declines from a year ago. Daily production in New Mexico increased 5,579 barrels over the January average, and a gain of 700 barrels occurred in North Louisiana.

FEBRUARY DRILLING RESULTS

	Com- pletions	Pro- ducers	Gas Wells	Fall- ures	Initial Production
North Texas.....	79	24	2	53	1,647
Central West Texas.....	48	27	3	18	3,946
East Central Texas.....	191	172	1	18	1,312,955
South Texas.....	86	33	10	43	10,937
Texas Coastal.....	108	84	1	23	139,415
Total Texas.....	512	340	17	155	1,468,900
New Mexico.....	8	6	..	2	40,654
North Louisiana.....	17	6	1	10	2,060
February totals, district.....	537	352	18	167	1,511,614
January totals, district.....	623	452	16	155	2,235,531

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

CRUDE OIL PRICES

	March 10, 1933	March 8, 1932
Texas Coastal (34 gr. and above).....	\$.62	\$.86*
North Texas (40 gr. and above).....	.52	.73
North Louisiana (40 gr. and above).....	.52	.85

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

Building

There was a substantial increase in the valuation of building permits issued in February at principal cities in this district. The total amounted to \$1,051,521, which is 46.1 per cent larger than the volume of the previous month. While there was a decline of 32.9 per cent from the corresponding month a year ago, this is the most favorable comparison shown in several months.

BUILDING PERMITS

	February, 1933		February, 1932		Percentage change valuation over year	January, 1933		Percentage change valuation over month	Two Months				Percentage change valuation over period
	No.	Valuation	No.	Valuation		No.	Valuation		1933		1932		
									No.	Valuation	No.	Valuation	
Amarillo.....	4	\$ 740	37	\$ 27,935	- 97.4	13	\$ 15,511	- 95.2	17	\$ 16,251	48	\$ 50,520	-67.8
Austin.....	63	385,490	67	636,577	- 39.4	85	50,624	+661.5	148	436,114	158	752,425	-42.0
Beaumont.....	75	17,905	102	23,123	- 22.6	56	9,278	+ 93.0	131	27,183	169	68,271	-60.2
Corpus Christi..	13	9,963	29	16,250	- 38.7	17	3,800	+162.2	30	33,763	47	19,065	-27.8
Dallas.....	211	278,304	220	142,491	- 95.3	277	170,006	+ 63.7	488	448,310	453	421,310	+ 6.4
El Paso.....	23	47,380	30	16,439	+188.2	28	10,269	+361.4	51	57,649	158	36,031	+60.0
Fort Worth.....	58	67,000	159	101,725	- 65.1	96	85,400	- 21.5	154	152,400	274	310,457	-50.9
Galveston.....	59	28,955	113	54,001	- 46.4	74	20,130	+ 43.8	133	49,085	250	114,878	-57.3
Houston.....	116	123,805	207	290,587	- 57.4	162	258,547	- 52.1	278	382,352	394	649,680	-41.1
Port Arthur.....	27	3,300	27	4,337	- 23.9	25	4,905	- 32.7	52	8,205	55	22,592	-63.7
San Antonio....	106	26,317	148	81,033	- 67.5	120	48,841	- 46.1	226	75,158	315	193,617	-61.2
Shreveport.....	84	34,247	112	43,299	- 20.9	77	15,114	+126.6	161	49,361	240	64,178	-23.1
Waco.....	21	23,453	29	36,302	- 35.4	25	25,306	- 7.5	46	48,819	65	92,313	-47.1
Wichita Falls...	13	4,062	7	2,630	+ 77.3	23	1,945	+139.7	36	6,607	18	437,330	-98.5
Total.....	873	\$1,051,521	1,287	\$1,566,729	- 32.9	1,078	\$ 719,736	+ 46.1	1,951	\$ 1,771,257	2,544	\$ 3,232,667	-45.2

Cement

Rather substantial declines were reflected in both the production and shipments of Portland cement during February at mills in Texas. Total output reached a new low of 197,000 barrels, being 22.7 per cent less than the previous month, and 29.6 per cent under a year ago. Shipments aggregated 203,000 barrels, as compared with 285,000 barrels in January, and 256,000 barrels in February last year. Inventories at the close of the month, which totaled 639,000 barrels, were reduced 1.1 per cent from January 31, and 24.6 per cent from a year ago. While the combined January and February production at Texas mills was 26.9 per cent smaller than in the same two months

in 1932, shipments reflected a decrease amounting to only 1.8 per cent.

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

	Feb., 1933	Percentage change from		January 1 through Feb. 28	Percentage change from year
		Jan., 1933	Feb., 1932		
Production at Texas mills.....	197	-22.7	-29.6	452	-26.9
Shipments from Texas mills.....	203	-28.8	-20.7	488	- 1.8
Stocks at end of month at Texas mills.....	639	- 1.1	-24.6	....	....

SUMMARY OF NATIONAL BUSINESS CONDITIONS

(Compiled by the Federal Reserve Board as of March 25, 1933)

The course of business in the latter part of February and the first half of March was largely influenced by the development of a crisis in banking, culminating in the proclamation on March 6 of a national banking holiday by the President of the United States. Production and distribution of commodities declined by a substantial amount during this period, but showed some increase after banking operations were resumed in the middle of March.

PRODUCTION AND EMPLOYMENT

Volume of output at factories and mines, which usually increases at this season, showed little change from January to February, and declined considerably in the first half of March. In the steel and automobile industries output decreased between the middle of February and the middle of March; subsequently some of the automobile plants, which had been closed, resumed operations, while activity at steel

mills showed little change. In February, output at cotton and woolen mills continued at the level prevailing in January, while at silk mills activity declined. Shoe production increased by more than the usual seasonal amount. Reports from important industrial states indicate that factory employment increased between the middle of January and the middle of February as is usual at this season. Construction contracts awarded to March 15, as reported by the F. W. Dodge Corporation, indicate that for the first quarter of the year the total value of contracts will show a considerable decline from the fourth quarter of 1932.

DISTRIBUTION

Freight traffic, which usually increases at this season, showed little change from January to February, on a daily average basis, and declined considerably in the first two weeks of March. Department store sales in the country as a whole were at about the same rate in February as in January, but were substantially smaller in areas affected by suspension of banking operations; early in March sales were sharply reduced but with the reopening of banks showed some increase.

WHOLESALE PRICES

Wholesale commodity prices declined somewhat further in February. In the early part of March the commodity exchanges were closed; when they reopened on March 15 and 16, prices of grains, cotton, silk, non-ferrous metals, hides, and sugar were substantially above those prevailing at the beginning of the month; subsequently, prices of many of these commodities declined somewhat.

BANK CREDIT

During February member banks in leading cities were subjected to withdrawals of deposits on a large scale, reflecting in part withdrawals of balances by interior banks from their city correspondents and in part withdrawals of currency by the public. As a consequence, net demand de-

posits of these banks declined by \$1,306,000,000 during the month, and their time deposits by \$360,000,000. In order to meet these withdrawals the banks reduced their loans by \$539,000,000 partly through the sale of acceptances to the Federal reserve banks, and their investments by \$363,000,000. They also increased considerably their borrowings at the Reserve banks. March figures for member banks are incomplete. At the Federal reserve banks the banking crisis manifested itself between February 1 and March 4 in a domestic demand for \$1,833,000,000 of currency, including about \$300,000,000 of gold and gold certificates and in a foreign demand for about \$300,000,000 of gold. As a consequence, the reserve ratio of the Federal reserve banks declined from 65.6 per cent to 45.0 per cent. This reflected a loss of \$655,000,000 in reserves and an increase of \$1,436,000,000 in Federal reserve note circulation, offset in part by a decrease of \$486,000,000 in deposit liabilities. Between March 4 and March 22, there was a return flow to the reserve banks of \$558,000,000 of gold coin and gold certificates and of \$319,000,000 of other currency, and the reserve ratio advanced to 55.5 per cent. Discounts for member banks, which had increased to \$1,432,000,000 by March 4, declined to \$671,000,000 on March 22. Money rates in the open market advanced during the banking crisis, and at the resumption of business after the banking holiday, rates were at considerably higher levels than those prevailing on March 3. Subsequently, rates declined as more funds became available to the market. On March 3, the discount rate of the Federal Reserve Bank of New York was raised from $2\frac{1}{2}$ to $3\frac{1}{2}$ per cent, and on March 4 there was a similar increase at the Federal Reserve Bank of Chicago. The New York Reserve Bank's buying rate on bills was raised by successive steps from $\frac{1}{2}$ of 1 per cent on February 26 for bills of the shorter maturities, to $3\frac{1}{4}$ per cent on March 3. On March 13 the rate for these maturities was raised to $3\frac{1}{2}$ per cent; subsequently, the rate was reduced and on March 22 was 2 per cent.