

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

	May 1933	Change from April
Bank debits to individual accounts (at 17 cities).....	\$428,747,000	+ 5.4%
Department store sales.....		+ 4.4%
Reserve bank loans to member banks at end of month.....	\$ 5,165,377	- 41.4%
Reserve bank ratio at end of month.....	53.9%	+ 5.5 points
Building permit valuation at larger centers....	\$ 1,068,342	- .2%
Commercial failures (number).....	63	- 3.1%
Commercial failures (liabilities).....	\$ 1,297,219	+ 52.2%
Oil production (barrels).....	29,907,250	+ 11.6%

net demand and time deposits in this district showed little change, the May total being \$585,606,000, as compared with \$585,834,000 in April, and \$625,594,000 in May, 1932. The continued strong demand for investment outlets was reflected by the heavy subscriptions to the United States Treasury Certificates of Indebtedness and Notes, dated June 15, and bearing $\frac{3}{4}$ per cent and $\frac{2}{8}$ per cent, respectively. Total subscriptions amounted to \$122,916,400, against which allotments of \$28,013,200 were made.

The heavy general rains during the latter part of May greatly improved agricultural conditions, but there are sections in the western part of the district where conditions are acute because of lack of moisture. In the drought area, plants are deteriorating rapidly and a portion of the crops is still unplanted. Over most of the district moisture is generally ample for the present, and row crops are in fair to good condition. Farmers have made rapid progress with field work, and crops are in a good state of cultivation. Harvesting of small grains is under way, but reports indicate that yields are poor. Ranges and livestock have improved since the May rains, and conditions are generally good except in a few areas which are still very dry.

Wool and mohair led all other commodities in the general upward price trend of the district's products. Top prices for wool touched the 28-cent level for the first time in several years, and served as a sharp stimulant to business and financial activities throughout the district's sheep-producing areas.

Construction activity was well sustained during the past month. The valuation of building permits issued at principal cities during May was practically the same as in the previous month, and was only 5 per cent under a year ago. While the production of cement was moderately smaller than in April, it was greatly in excess of that during the corresponding month of 1932. Shipments were slightly lower than in either comparative period.

BUSINESS

Wholesale Trade

Distribution of merchandise in wholesale channels reflected a noticeable improvement during the past month. Sales in all

reporting lines showed a further gain over the previous month, and in a majority of lines they were larger than in the corresponding month of 1932. The gains over April ranged from 1.5 per cent for farm implements to 16.6 per cent for hardware, and in some lines the increase was contrary to the usual seasonal trend. The buying of merchandise

at both wholesale and retail has been expanding in consequence of rising prices, particularly agricultural commodities, and the strengthening of confidence among the general public. In some sections the marketing of commodities at the higher level of prices has not only created a demand for goods but has been reflected in increased payments on both current and carryover indebtedness. The May collections in all reporting lines were either equal to or in excess of those in April.

The demand for dry goods at wholesale in this district during May reflected a further gain of 14.0 per cent over the previous month, which was contrary to the usual seasonal trend, and exceeded that of the corresponding month last year by 34.0 per cent. The increase was general over the district. Retailers, who have been carrying low inventories for some time, are having to buy a larger volume of merchandise in response to consumer demand, and are placing substantial forward orders in preparation for fall trade. Prices on finished goods have been advancing, reflecting the higher prices of raw materials. Collections showed a further moderate improvement.

Although usually showing a decline between April and May, the sales of wholesale drug firms in May this year were 10.6 per cent larger than in the previous month. While there was a decline of 4.8 per cent as compared to the same month in 1932, it was the most favorable comparison reported during the current year. Buying at wholesale is still spotty and quiet in some sections, but reports indicate that demand at retail is picking up. Collections were practically the same as in the previous month.

There was a substantial pickup in the wholesale grocery business during the past month. Sales of reporting firms were 7.1 per cent in excess of those in the previous month and were 4.8 per cent larger than in May, 1932. While there are some sections where business is still quiet, sales in most areas of the district are expanding. Prices were reported to be firm to higher. Collections in May were 4.2 per cent larger than in April.

For the third consecutive month the sales of reporting wholesale hardware firms have shown a substantial increase over the previous month, and the May total exceeded that of the same month in 1932 by a considerable margin. The gain over the previous month was 16.6 per cent, and that over the same month last year was 12.6 per cent. The increased consumer demand for merchandise is becoming fairly general and this is being reflected in a larger volume of wholesale distribution. There was a further increase of 12.5 per cent in collections in May as compared to the preceding month.

While the May sales of reporting farm implement firms reflected a less than seasonal gain of 1.5 per cent over the previous month, they were 54.4 per cent below those in May last year. The demand for tillage implements has been generally fair to good, but it has been light for harvesting

machinery due to the poor small grain crops. Because of the more optimistic feeling among farmers, brought about by the higher level of agricultural prices, consumer demand is showing a gradual improvement. Collections reflected a substantial gain over the previous month.

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

	Net Sales May, 1933 compared with May, 1932		Net Sales Jan. 1 to date compared with same period last year		Stocks May, 1933 compared with May, 1932		Ratio of collec- tions during May to accounts and notes outstanding on April 30
	May, 1932	April, 1933	same period last year	May, 1932	April, 1933		
Groceries.....	+ 4.8	+ 7.1	- 2.7	+ 1.2	+12.9	67.6	
Dry goods.....	+34.0	+14.0	- 3.0	-15.9	- .6	26.3	
Farm implements..	-54.4	+ 1.5	-39.4	+ .6	+ 1.8	2.9	
Hardware.....	+12.6	+16.6	- 3.0	-16.6	- 3.1	34.9	
Drugs.....	- 4.8	+10.6	-14.7	-16.2	- 5.3	34.3	

Retail Trade

The sustained consumer demand for merchandise in retail channels following the Easter buying season was evidenced by a further increase in the sales volume of department stores in leading cities of the Eleventh District. A significant feature was the increase in sales over the corresponding month of the previous year, this being the first recorded in three years. The dollar volume of sales during May was 4.4 per cent greater than in April and exceeded that in May, 1932, by 1.8 per cent. On the other hand, the seasonally adjusted index of department store sales reflected a decline during the past month as a result of May sales being slightly smaller than the average. The index for May was 61.2 per cent of the 1923-25 average, as against 66.8 per cent in April. Distribution of merchandise during the first five months of the current year was 11.9 per cent less than that for the same period last year, this figure being considerably better than that shown in April for a similar comparison.

Inventories of merchandise on May 31 were slightly less than those a month earlier, and continued 14.2 per cent less than on the same date last year. The rate of stock turnover during May showed a further increase over a year ago, and for the first five months of the current year was 1.16 as against 1.07 in the like period of 1932.

May collections evidenced a further increase over the previous month, and were again in excess of those a year ago. The ratio of collections to accounts outstanding on May 1 was 32.4 per cent, as compared with 31.9 per cent in April, and 30.5 per cent in May, 1932.

BUSINESS OF DEPARTMENT STORES

	Dallas	Fort Worth	Houston	San Antonio	Others	Total District
Total sales (percentage):						
May, 1933, compared with May, 1932.....	+ 6.7	+ 3.1	+ 9.1	- 7.5	+ 5.7	+ 1.8
May, 1933, compared with April, 1933.....	+ 5.1	+16.8	- 2.6	- 4.3	+10.8	+ 4.4
January 1 to date compared with same period last year.....	-13.3	-13.4	- 3.6	-16.9	-12.0	-11.9
Credit sales (percentage):						
May, 1933, compared with May, 1932.....	+ 8.3	+ 5.1	+16.6	- 3.5	- 5.4	+ 4.8
May, 1933, compared with April, 1933.....	+ 5.6	+16.9	+ 1.7	- 2.8	+10.2	+ 5.7
January 1 to date compared with same period last year.....	-14.6	-12.7	0.0	-16.9	-13.1	-12.2
Stocks (percentage):						
May, 1933, compared with May, 1932.....	-18.3	-16.2	+ 5.1	-15.7	-18.5	-14.2
May, 1933, compared with April, 1933.....	- 3.4	- .7	+ 6.1	- 1.8	- 3.1	- 1.1
Stock turnover (rate):						
Rate of stock turnover in May, 1932.....	.21	.19	.27	.28	.21	.23
Rate of stock turnover in May, 1933.....	.27	.24	.31	.34	.25	.28
Rate of stock turnover January 1 to May 31, 1932.....	1.11	.87	1.20	1.26	.94	1.07
Rate of stock turnover January 1 to May 31, 1933.....	1.16	.96	1.37	1.40	1.03	1.16
Ratio of May collections to accounts receivable outstanding May 1, 1933.....	33.6	23.8	38.0	36.3	30.7	32.4
Indexes of department store sales:						
Unadjusted—May, 1933.....	58.9	78.6	72.5	54.2	.....	63.6
Adjusted—May, 1933.....	60.7	78.6	72.5	51.1	.....	61.2
Indexes of department store stocks:						
Unadjusted—May, 1933.....	41.8	61.3	51.6	33.6	.....	47.5
Adjusted—May, 1933.....	41.0	60.7	50.6	33.9	.....	47.0

Commercial Failures

While the number of commercial failures in this district declined slightly in May, there was a substantial increase in the amount of indebtedness involved. As compared to the corresponding month of 1932, both the number and liabilities of

failures showed a sharp decline. There were 63 defaults in May with a total indebtedness amounting to \$1,297,219, as compared with 65 insolvencies in April, involving \$852,051, and 95 failures in May, 1932, with aggregate liabilities of \$2,330,312.

AGRICULTURE

Crop Conditions

While dry weather during the first three weeks of May was unfavorable to growing crops, the heavy general rains in the latter part of the month and the subsequent fair weather were very beneficial, and crops have made rapid growth where moisture is plentiful. Nevertheless, there are considerable areas in West and Northwest Texas, Southern New Mexico, and Southeastern Arizona which are still dry and are urgently in need of rain. Crops generally are in a good state of cultivation.

According to the June 1 report of the Department of Agriculture, the prospective production of all small grain crops is very poor. The indicated production of wheat in Texas was 15,810,000 bushels, which was the same as a month earlier, and compares with an actual production of 29,580,000 bushels in 1932. In the extreme northern part of the High Plains area, the crop is a near failure, and yields over the entire State are low. No change was made in the estimated production for New Mexico, but it was increased somewhat in Oklahoma and Arizona. The Texas oat crop was rated at 49 per cent of normal on June 1, as compared to 55 per cent a month earlier and 64 per cent a year ago. While the May rains were beneficial to the late crop, they came too late to cause very much improvement. Poor yields are also indicated for New Mexico. May weather was generally favorable to this crop in Louisiana and South-eastern Oklahoma, and fair to good yields are anticipated.

The May rains were generally beneficial to hay crops, as they were abundant in the main producing areas. Adverse weather earlier in the spring, however, gave the crop a poor start. While dry weather in the first part of the month retarded the growth of corn, the subsequent rains materially improved prospects. In the southern part of Texas the rains came too late to prevent the loss of a substantial portion of the crop.

Although late in some sections, the cotton crop has made good growth in all sections of the district except in portions of West and Northwest Texas, where moisture is insufficient. Farmers have progressed rapidly with chopping and cultivation, and late reports indicate that fields generally are fairly clean. Cotton is nearing maturity in the extreme southern part of Texas, and is reaching the blooming stage in Central and East Texas. Conditions in portions of Northwest Texas are becoming critical because of dry weather and the lateness of the crop.

The citrus crop was greatly benefited by the May rains, which broke a prolonged drought in that section. The Department of Agriculture reported that the set of the crop is good and that the fruit is sizing up rapidly. The June 1 condition was 80 per cent of normal for both grapefruit and oranges, whereas a year ago it was 32 per cent for grapefruit and 44 per cent for oranges.

Livestock

Range and livestock conditions over a large area of the district reflected a noticeable improvement during the past month, but some sec-

tions have shown a further deterioration due to the lack of moisture. While heavy general rains fell over most of Texas in May and greatly improved pastures, the northern portion of the Panhandle and some areas in West Texas are very dry with ranges and livestock deteriorating. The ranges are also dry in Southern New Mexico and portions of Southeastern Arizona. Stock water in dry sections is getting short. In the eastern two-thirds of Texas, moisture is generally ample with some areas reporting ideal conditions. Livestock are in good flesh except in the dry areas.

The condition of ranges in Texas on June 1, as reported by the Department of Agriculture, was 82 per cent of normal, as compared to 79 per cent a month earlier and 86 per cent on the corresponding date last year. Sheep and goat ranges improved 6 points during May, but on June 1 were 4 points lower than a year ago. The condition of cattle and goats in Texas on June 1 was 3 points higher than on May 1, and that of sheep gained 2 points during the period. As compared with a year ago, the June 1 condition of cattle and goats was 2 points lower and that of sheep was 3 points lower. The condition of ranges and livestock in New Mexico and Arizona declined slightly during May, and on June 1 was considerably under a year ago.

Movements and Prices

The May receipts of cattle, calves, and hogs showed a substantial gain over both the previous month and the corresponding month last year. Hog receipts have been running considerably above a year ago for the past three months. While the month's arrivals of sheep showed a large gain over April, they were smaller than the marketings of May last year.

Prices for practically all classes of cattle reflected an upward trend during the past month. At most times the demand for available supplies was stronger and quality stock cleared to good advantage. There was also a stronger de-

FORT WORTH LIVESTOCK RECEIPTS
(Number)

	May 1933	May 1932	Change over year	April 1933	Change over month
Cattle.....	52,391	42,208	+10,183	34,624	+17,767
Calves.....	14,316	13,052	+1,264	10,622	+3,694
Hogs.....	58,563	24,005	+34,558	53,462	+5,101
Sheep.....	181,187	186,146	-4,959	184,727	-46,460

COMPARATIVE TOP LIVESTOCK PRICES
(Dollars per hundredweight)

	May 1933	May 1932	April 1933
Beef steers.....	\$5.60	\$6.25	\$5.25
Stocker steers.....	5.00	5.00	4.75
Butcher cows.....	3.50	3.50	3.25
Stocker cows.....	.....	.....	2.50
Calves.....	5.75	7.00	6.50
Hogs.....	4.65	3.40	3.65
Sheep.....	2.50	2.25	3.25
Lambs.....	6.00	5.50	6.50

mand for stockers at higher prices. Hog values rose steadily throughout May, and while there was a slight reaction during the first half of June, the best prices at mid-June were

still considerably above the low point in May. The demand for sheep and lambs has been fairly good, with some advance in prices.

FINANCE

Operations of the Federal Reserve Bank

Federal reserve bank loans to member banks reflected a steady decline between May 15 and June 15, the total on the latter date being \$4,446,000, as against \$6,067,000 thirty days earlier. This recession was accounted for through liquidations by both reserve city and country banks. While some banks have extended their lines to permit financing of farming operations, considerable liquidation has resulted from the marketing of livestock, wool, and mohair. There were only 139 borrowing banks on June 15, as compared to 149 banks on May 15, and 242 banks on June 15, 1932. This bank's holdings of bills purchased in the open market amounted to \$335,000 on June 15, as compared to \$508,000 a month earlier and \$924,000 a year ago. Investments in United States Government securities were increased \$2,501,000 during the past month, and on June 15 were \$16,844,000 greater than on the corresponding date in 1932. The reserve deposits of member banks rose from \$49,605,000 on May 15 to \$51,231,000 on June 15, and on the latter date exceeded those of a year ago by \$8,515,000. Federal reserve notes in actual circulation reflected a further seasonal decline of \$2,665,000 between May 15 and June 15.

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

	June 15, 1933	June 15, 1932	May 15, 1933
Total cash reserves	\$51,657	\$45,395	\$46,881
Discounts for member banks	4,446	15,175	6,067
Other bills discounted	None	None	None
Bills bought in the open market	335	924	508
United States securities owned	40,440	29,596	43,939
Other investments	5	5	5
Total earning assets	51,226	45,700	50,519
Member bank reserve deposits	51,231	42,716	49,605
Federal reserve notes in actual circulation	35,595	34,786	38,280
Federal reserve bank notes in actual circulation	975	None	428

Condition of Member Banks in Selected Cities

A decline in the investments, loans, and deposits was reflected by reports of member banks in selected cities during the four-week period ending June 7. While the investments of these banks in United States Government securities were reduced \$769,000 between May 10 and June 7, holdings on the latter date were \$10,060,000 greater than a year ago. Investments in other securities on June 7 were \$1,324,000 less than four weeks earlier, and \$3,570,000 less than on June 8, 1932. Their loans on securities declined \$1,181,000 during the four

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

	June 7, 1933	June 8, 1932	May 10, 1933
United States securities owned	\$ 91,813	\$ 81,753	\$ 92,582
All other stocks, bonds, and securities owned	53,212	56,782	54,586
Loans on securities	64,677	75,644	65,858
All other loans	145,029	169,909	148,277
Total loans	209,706	245,553	214,135
Net demand deposits	209,820	228,581	211,866
Time deposits	124,272	126,504	123,693
Reserve with Federal Reserve Bank	27,983	26,922	27,480
Bills payable and rediscounts with Federal Reserve Bank	965	4,102	1,588

weeks ending June 7, and "all other" loans (largely commercial) dropped \$3,248,000 during the same period. Total loans on June 7 were \$35,847,000 less than on the corresponding date last year. While the time deposits of these banks rose \$579,000 between May 10 and June 7, there was a recession of \$2,046,000 in their net demand deposits. Combined deposits were \$20,993,000 below a year ago. Their borrowings at the Federal Reserve Bank amounted to \$965,000 on June 7, as compared to \$1,588,000 on May 10, and \$4,102,000 on June 8, 1932.

Debits to Individual Accounts

A further contrary to seasonal increase of 5.4 per cent was witnessed during May in the volume of debits to individual accounts at banks in principal cities in this district. The month's total charges amounted to \$428,747,000, as against \$406,847,000 in April, and \$452,861,000 in May last year. The reduction from the corresponding month a year ago amounted to only 5.3 per cent, as against 15.0 per cent in April.

DEBITS TO INDIVIDUAL ACCOUNTS
(In thousands of dollars)

	May 1933	May 1932	Percentage change over year	April 1933	Percentage change over month
Abilene	\$ 3,884	\$ 3,639	+ 6.8	\$ 3,989	- 2.6
Austin	15,257	20,535	-25.7	17,242	-11.5
Beaumont	11,179	12,958	-13.7	11,269	- .8
Corsicana	2,167	2,213	- 2.1	1,878	+15.4
Dallas	116,262	115,203	+ .9	110,680	+ 5.0
El Paso	14,202	16,731	-15.1	12,887	+10.2
Fort Worth	45,895	50,134	- 8.5	43,312	+ 6.0
Galveston	15,762	16,821	- 6.3	14,760	+ 6.8
Houston	107,852	102,854	+ 4.9	100,861	+ 6.9
Port Arthur	4,142	5,022	-17.5	3,952	+ 4.8
Roswell	1,923	2,115	- 9.1	1,806	+ 6.5
San Antonio	40,019	47,758	-16.2	37,926	+ 5.5
Shreveport	20,913	24,922	-16.1	20,969	- .3
Texarkana*	5,023	5,072	- 1.0	4,185	+20.0
Tucson	7,691	10,619	-27.6	6,333	+21.4
Waco	9,066	8,524	+ 6.4	7,877	+15.1
Wichita Falls	7,510	7,741	- 3.0	6,921	+ 8.5
Total	\$428,747	\$452,861	- 5.3	\$406,847	+ 5.4

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

Deposits of Member Banks

The daily average of net demand and time deposits of member banks in this district during May, which amounted to \$585,606,000, was only \$228,000 below the level of the previous month. This is a much smaller decrease than is

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
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	76,480
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
Mar., 1933	413,776	188,547	202,276	115,737	211,500	72,810
April, 1933	398,576	187,258	193,431	113,723	205,145	73,535
May, 1933	398,024	187,582	191,847	113,101	206,177	74,481

usually reflected at this season, and both the net demand and time deposits of country banks were larger than in April. The comparison with the corresponding month a year ago showed a material improvement, there being a decrease of \$39,988,000 in May as against a like decline of \$50,509,000 in April.

Acceptance Market Both the domestic and the import and export classification of outstanding acceptances reflected a moderate expansion during May, and the amount of acceptances based on the domestic shipment and storage of goods was noticeably higher than a year ago. Total acceptances executed by banks

in the Eleventh District and outstanding at the close of the month, which amounted to \$1,127,701, were \$51,545 larger than on April 30, and \$463,500 in excess of the volume reported on the last day of May, 1932.

Savings Deposits The savings deposits of 138 reporting banks in this district reflected a slight increase during May, but the total on the last day of the month was 4.5 per cent below that of the corresponding date last year. The number of savings depositors at 125 banks totaled 310,151 on May 31, as compared to 310,967 on April 30, and 324,993 on May 31, 1932.

SAVINGS DEPOSITS

	Number of reporting banks	May 31, 1933		May 31, 1932		Percentage change over year in savings deposits	April 30, 1933		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	7,945	\$ 3,048,132	8,349	\$ 2,980,136	+ 2.3	8,059	\$ 3,022,740	+ .8
Dallas.....	9*	73,234	24,174,711	75,579	25,610,355	- 5.6	73,384	24,079,081	+ .4
El Paso.....	2	10,213	3,384,322	11,005	3,248,287	+ 4.2	10,427	3,358,319	+ .8
Fort Worth.....	4	33,099	10,751,855	34,328	11,212,839	- 4.1	33,179	10,861,221	- 1.0
Galveston.....	4	16,597	9,754,547	17,539	10,845,418	- 10.1	16,723	9,712,492	+ .4
Houston.....	11*	52,339	29,337,594	54,649	30,691,850	- 4.4	52,980	29,319,733	+ 1.1
Port Arthur.....	2	4,363	1,932,322	4,332	1,718,545	+ 12.4	4,317	1,909,477	+ 1.2
San Antonio.....	8	21,199	13,094,299	21,894	14,496,220	- 3.5	21,165	14,026,362	- .2
Shreveport.....	4	21,840	8,979,080	24,820	10,029,003	- 10.5	21,810	8,950,692	+ .3
Waco.....	3	10,429	5,579,834	10,096	5,446,105	+ 2.5	10,312	5,559,651	+ .4
Wichita Falls.....	3	5,518	2,332,651	5,638	2,201,712	+ 1.8	5,551	2,314,207	+ .8
All others.....	85*	52,875	22,299,900	56,764	23,331,214	- 4.4	53,060	22,365,758	- .3
Total.....	138	310,151	\$135,569,247	324,993	\$141,901,684	- 4.5	310,967	\$135,479,733	+ .1

*Only 8 banks in Dallas, 9 in Houston, and 75 in "All others" reported the number of savings depositors.

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

INDUSTRY

Cottonseed Products The crushings of cottonseed and the production of all products during May at Texas oil mills showed a substantial increase over the previous month, which was unusual as a decline generally occurs at this season. Furthermore, all operations were again on a level appreciably above the corresponding month of 1932. On the other hand, activities at all United States mills continued to decline seasonally, but remained considerably above the 1921-31 average. As compared with May last year, the crushings of seed and the production of oil, cake and meal, and hulls at United States mills reflected increases of fairly large proportions. The large excess over that of a year ago in the production of cottonseed oil and hulls at Texas mills during May was sufficient to offset the declines in earlier months of the current season, and the total for the ten months exceeded that in the same period of the 1931-32 season. All other operations at both Texas and United States mills continued to show a decline for the cumulative comparison. Stocks of cottonseed held on May 31 were much smaller than a month

earlier, and at Texas establishments they were less than a year ago. Inventories of all products were seasonally smaller than a month earlier at both the State's and Nation's mills, and with the exception of cake and meal they were smaller than those held on the same date last year.

STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS

	Texas		United States	
	August 1 to May 31 This season	Last season	August 1 to May 31 This season	Last season
Cottonseed received at mills (tons).....	1,423,287	1,628,619	4,434,977	5,517,180
Cottonseed crushed (tons).....	1,449,515	1,453,745	4,286,077	5,124,789
Cottonseed on hand May 31 (tons).....	149,040	188,033	447,894	400,375
Crude oil produced (pounds).....	441,820,230	437,556,039	1,337,271,231	1,624,387,547
Cake and meal produced (tons).....	668,611	686,352	1,938,871	2,307,690
Hulls produced (tons).....	433,796	421,900	1,220,079	1,448,746
Linters produced (running bales).....	172,868	189,500	679,997	836,215
Stocks on hand, May 31:				
Crude oil (pounds).....	16,614,099	17,322,667	53,557,659	60,499,991
Cake and meal (tons).....	54,146	33,089	207,175	149,548
Hulls (tons).....	33,045	50,709	89,242	200,373
Linters (running bales).....	44,033	74,711	174,424	270,392

Textile Milling

A continued buying movement in all stages of textile distribution reached very encouraging proportions during May, reflecting the strengthened public confidence reported during the past two months. This movement necessitated the cotton textile industry increasing its operations to a point much above the level of recent months. Manufacturing establishments consumed a total of 620,909 bales of cotton during May, which was 16.5 per cent above the 1917-29 average, and compared with a consumption of 470,685 bales in April, and 332,372 bales in May, 1932. During the ten months of the current season, August through May, domestic consumption of cotton aggregated 4,838,910 bales, as against 4,264,742 bales in the corresponding period of the previous season. Inventories of cotton on May 31 were slightly greater than those held a month earlier, but they continued below the volume held on the same date last year.

The operations of reporting Texas textile mills also showed marked increases during May. With orders for finished products showing very large increases over both the previous month and the like month of 1932, mills increased working schedules in an effort to maintain production on a fairly close level with demand. As a consequence the consumption of cotton and the production of cloth were greater than in either the previous month or the same month a year ago. Stocks of finished products held on May 31 were less than those a month earlier or a year ago.

COTTON CONSUMED AND ON HAND (Bales)

	May		August 1 to May 31	
	1933	1932	This season	Last season
Cotton-growing states:				
Cotton consumed.....	514,221	287,657	4,037,509	3,518,450
On hand May 31 in—				
Consuming establishments.....			1,104,072	1,146,660
Public storage and compresses.....			6,848,842	7,154,664
United States:				
Cotton consumed.....	620,909	332,372	4,838,910	4,264,742
On hand May 31 in—				
Consuming establishments.....			1,394,607	1,463,126
Public storage and compresses.....			7,320,977	7,614,500

Cotton Movements

A better foreign demand for American staple was reflected by heavy cotton movements through the ports of Houston and Galveston during May. Exports were in excess of those a month earlier, and the comparison with the like month of 1932 showed a marked increase. The receipts of cotton at both Houston and Galveston were also in greater volume than those a month earlier or a year ago. With exports of cotton continuing in larger volume than receipts, stocks held at the close of May showed a further decline as compared with the previous month, but they remained above those a year ago.

Exports of cotton from all United States ports during May also reflected a contrary to seasonal increase over the previous month, and for the first time since last September shipments were in excess of those in the corresponding month of the previous year. Exports during May totaled 591,647 bales, as against 436,450 bales in April, and 500,871 bales in May, 1932. It is significant to note also that May exports of cotton were 53 per cent greater than the average for that month. Shipments during the current season, however, continued below those last season. There were 7,112,831 bales of cotton exported during the first ten

months of the present season, as against 7,897,374 bales in the same period of the previous season. The increase in exports of cotton during May was due to a general buying movement, as all major importers of American cotton and many small buyers increased their takings considerably.

COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON (Bales)

	May		August 1 to May 31	
	1933	1932	This season	Last season
Receipts.....	102,155	33,313	2,004,236	2,304,242
Exports.....	171,730	113,104	1,838,741	2,083,906
Stocks, May 31.....			627,674	608,837

COTTON—GALVESTON STOCK STATEMENT (Bales)

	May 31,	
	1933	1932
For Great Britain.....	4,000	3,000
For France.....	2,000	1,000
For other foreign ports.....	23,000	21,500
For coastwise ports.....	2,500	1,000
In compresses and depots.....	596,174	582,337
Total.....	627,674	608,837

COTTON MOVEMENTS THROUGH THE PORT OF HOUSTON (Bales)

	May		August 1 to May 31	
	1933	1932	This season	Last season
Receipts.....	103,411	23,125	2,717,655	3,150,823
Exports.....	230,521	97,647	2,259,125	2,587,597
Stocks, May 31.....			1,526,012	1,254,955

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

	August 1 to May 31	
	This season	Last season
Receipts.....	8,327,285	9,679,736
Exports: United Kingdom.....	1,226,510	1,214,983
France.....	768,269	424,181
Italy.....	691,422	587,927
Germany.....	1,589,525	1,430,270
Other Europe.....	885,449	706,035
Japan.....	1,445,069	2,126,471
All other countries.....	506,587	1,407,507
Total foreign ports.....	7,112,831	7,897,374
Stocks at all United States ports, May 31.....	3,904,646	3,285,123

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

	May, 1933		June 15,
	High	Low	1933
New York.....	9.35	8.25	8.95
New Orleans.....	9.35	8.00	8.85
Dallas.....	8.75	7.70	8.45
Houston.....	9.25	8.00	8.75
Galveston.....	9.00	7.90	8.70

Petroleum

There was a sizable increase in the amount of crude oil produced in this district during May, the total for the month amounting to 29,907,250 barrels. This figure compares with 26,800,500 barrels produced in April, and 29,146,600 barrels in May a year ago. Drilling was generally more active, and the number of wells completed in most sections was somewhat larger than in April. There were 300 new producers reported in May, with an initial yield of 954,855 barrels, as against 266 successful wells completed in the previous

month, their combined flush output amounting to 950,580 barrels.

The daily average production of Texas fields during May, which amounted to 901,550 barrels, was 74,350 barrels higher than in the preceding month and 30,226 barrels in excess of May, 1932. Decreases were reported in North Texas and Central West Texas, but these were relatively small compared with the large gains reported in the East Texas and Gulf Coastal regions. A further decrease of 2,800 barrels was shown in the daily output of North Louisiana, and very little change was recorded in that of New Mexico.

OIL PRODUCTION—(Barrels)

	May, 1933		April, 1933		Increase or decrease over
	Total	Daily Avg.	Total	Daily Avg.	
North Texas.....	2,910,900	93,900	— 45,600	— 4,650	
Central West Texas.....	5,604,800	180,800	+ 110,300	+ 2,350	
East Central Texas.....	42,176,800	1,377,360	+ 1,012,800	+ 1,60,800	
Texas Coastal.....	5,699,350	183,850	+ 1,073,350	+ 29,650	
South Texas.....	1,556,200	50,200	+ 81,700	+ 1,050	
Total Texas.....	27,000,050	870,969	+ 3,192,650	+ 74,660	
New Mexico.....	1,119,100	36,100	+ 31,600	— 150	
North Louisiana.....	840,100	27,100	— 56,900	— 2,800	
Total District.....	29,007,250	904,759	+ 3,166,750	+ 71,460	

MAY DRILLING RESULTS

	Com-pletions	Pro-ducers	Gas Wells	Fail-ures	Initial Production
North Texas.....	77	31	4	42	3,784
Central West Texas.....	55	18	6	31	8,023
East Central Texas.....	125	113	..	12	780,485
South Texas.....	78	34	4	40	12,085
Texas Coastal.....	116	93	..	23	136,120
Total Texas.....	451	289	14	148	940,497
New Mexico.....	4	4	2	19	13,885
North Louisiana.....	28	7	..	..	473
May totals, district.....	483	300	16	167	954,855
April totals, district.....	417	266	10	141	950,580

BUILDING PERMITS

	May, 1933		May, 1932		Percentage change valuation over year	April, 1933		Percentage change valuation over month	Five Months				Percentage change valuation over period
	No.	Valuation	No.	Valuation		No.	Valuation		1933		1932		
									No.	Valuation	No.	Valuation	
Amarillo.....	25	\$ 37,838	30	\$ 63,255	— 40.2	17	\$ 4,965	+662.1	83	\$ 69,214	130	\$ 191,410	—63.8
Austin.....	98	111,655	102	200,697	— 44.4	106	123,025	— 9.2	420	743,149	462	4,207,453	—82.3
Beaumont.....	97	15,530	87	38,278	— 59.4	64	8,407	+ 84.7	380	59,772	443	192,818	—69.0
Corpus Christi..	18	7,230	36	30,483	— 76.3	25	35,440	— 79.6	96	68,923	165	75,273	— 8.4
Dallas.....	604	246,714	324	187,410	+ 31.6	317	145,410	+ 69.7	1,649	939,228	1,365	1,304,471	—28.0
El Paso.....	27	7,128	40	14,013	— 49.1	43	9,297	— 23.3	153	85,110	183	120,991	—29.7
Fort Worth.....	87	256,356	127	86,262	+197.2	93	388,000	— 33.9	411	1,051,879	668	657,696	+59.9
Galveston.....	100	32,264	125	72,893	— 55.7	89	29,339	+ 10.0	429	168,378	626	311,563	—46.0
Houston.....	207	173,938	215	265,405	— 34.5	175	182,678	+ 4.8	862	882,333	1,089	1,678,018	—47.4
Port Arthur.....	45	6,032	48	6,710	— 10.1	48	6,920	— 12.8	184	28,912	205	53,471	—45.9
San Antonio.....	166	82,190	236	80,479	+ 2.1	158	77,610	+ 5.9	693	457,091	1,014	1,030,417	—55.6
Shreveport.....	141	41,668	121	39,018	+ 6.8	100	22,433	+ 85.7	492	130,002	617	187,960	—30.8
Waco.....	26	32,562	27	32,694	— .4	37	30,307	+ 7.4	133	137,514	178	190,146	—27.7
Wichita Falls...	19	17,237	11	2,982	+478.0	51	6,847	+151.7	133	35,113	77	460,585	—92.4
Total.....	1,660	\$1,068,342	1,529	\$1,120,579	— 4.7	1,323	\$1,070,678	— .2	6,118	\$4,856,618	7,222	\$10,662,272	—54.5

CRUDE OIL PRICES

	June 9, 1933	June 10, 1932
Texas Coastal (flat price).....	\$.30	\$1.00*
North Texas and North Louisiana (flat price).....	.25	1.00*

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

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

Cement

The production of Portland cement in Texas during May totaled 333,000 barrels, which represents a recession of 10.5 per cent from the previous month but a gain of 60.1 per cent over the same month in 1932. Shipments were 7.8 per cent less in May than in April, and were slightly lower than a year ago. Stocks reflected only minor changes. While production for the five months of 1933 was slightly larger than in the like period in 1932, shipments were 2.4 per cent smaller.

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

	May 1933	Percentage change from		January 1 through May 31	Percentage change from year
		May 1932	April 1933		
Production at Texas mills.....	333	+60.1	—10.5	1,532	+ .3
Shipments from Texas mills....	320	— .9	— 7.8	1,530	— 2.4
Stocks at end of month at Texas mills.....	678	— 1.0	+ 1.8	.....	.....

Building

Construction permits issued during May at leading centers in the Eleventh District were in practically the same volume as in the previous month, and a much better comparison with the corresponding month last year was reflected. The valuation totaled \$1,068,342, as against \$1,070,678 in April, and \$1,120,579 in May a year ago. There were 1,660 permits issued during the month, as compared with 1,323 in the preceding month, and 1,529 in the same month in 1932.

SUMMARY OF NATIONAL BUSINESS CONDITIONS

(Compiled by the Federal Reserve Board as of June 22, 1933)

Industrial activity increased rapidly in May and the early part of June, and there was an advance in the general level of commodity prices. Prices of raw materials traded in on organized exchanges showed wide fluctuations, and a general rapid upward movement, while prices of other commodities as a group showed relatively little increase.

PRODUCTION AND EMPLOYMENT

Volume of industrial production, as measured by the Board's seasonally adjusted index, increased from 67 per cent of the 1923-1925 average in April to 76 per cent in May, as compared with 60 per cent in March, 1933. Operations at steel mills continued to increase in May and the early part of June, contrary to seasonal tendency, and in the week ending June 24, activity is reported at about 50 per cent of capacity. Output of the automobile industry was larger in May than in April, and according to trade reports has increased further in June, although a decline is usual at this season. Lumber output in May showed a considerable increase from previous low levels. Activity at textile mills increased sharply to a higher level for the season than in any other month since November, 1929, and output of shoe factories in May was larger than in May of any previous year. Employment in manufacturing industries increased considerably between the middle of April and the middle of May, and the Board's index, which is adjusted to allow for seasonal variations, advanced from 58 per cent of the 1923-1925 average to 61 per cent. Factory pay rolls increased by a larger percentage to about 42 per cent of the 1923-1925 average. Value of construction contracts awarded during May and the first half of June, as reported by the F. W. Dodge Corporation, showed a non-seasonal increase from the extreme low levels prevailing earlier in the year.

DISTRIBUTION

Freight traffic increased from April to May by more than the seasonal amount, reflecting chiefly larger shipments of miscellaneous freight and merchandise. Department store sales, which had increased substantially from March to April, showed little change in May.

WHOLESALE PRICES

Wholesale commodity prices, as measured by the weekly index of the Bureau of Labor Statistics, advanced from 60.3

per cent of the 1926 average in the week ending April 15 to 64.5 per cent in the week ending June 17. This increase reflected a rapid rise in the prices of commodities traded in on organized exchanges, including wheat, cotton, wool, hides, lard, sugar, silk, rubber, and non-ferrous metals, and also in the prices of flour, textiles, and leather; while prices of petroleum were reduced and most other prices showed relatively little change.

FOREIGN EXCHANGE

The value of the dollar in the exchange market declined by 18 per cent between the middle of April and June 21. On the latter date the noon buying rate on cable transfers for the French franc was 4.81 cents as compared with a gold par of 3.92 cents, and the English pound was quoted at \$4.16 as compared with a rate of \$3.41 on April 12.

BANK CREDIT

A return flow of \$156,000,000 of currency from circulation and purchase of \$118,000,000 of United States Government securities by the reserve banks placed a considerable volume of reserve funds at the disposal of member banks during the five weeks ending June 21. These funds were used in part to reduce further the member banks' indebtedness to the reserve banks and the reserve banks' holdings of acceptances, and in part were added to the member banks' reserve accounts. Loans and investments of member banks in 90 leading cities increased by \$175,000,000, in the four weeks ending June 14, representing chiefly a growth of security loans and other loans at New York City banks. Loans to brokers and dealers in securities made by New York City banks increased by \$160,000,000 during the period, while security loans to other customers declined. Net demand deposits at the reporting banks increased by over \$500,000,000 reflecting in part a further growth of bankers' balances, principally in New York City. Money rates in the open market continued to decline during the period and in the middle of June were only slightly above the lowest levels of recent years. On May 26 the discount rate of the Federal Reserve Bank of New York was reduced from 3 to 2½ per cent, and in the following three weeks rates were lowered from 3½ to 3 per cent at the Federal Reserve Banks of Chicago, Boston, San Francisco, Philadelphia, St. Louis, and Cleveland. At the other Federal Reserve Banks a rate of 3½ per cent prevails.