

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

	June 1933	Change from May
Bank debits to individual accounts (at 17 cities).....	\$469,646,000	+ 9.5%
Department store sales.....		- 16.9%
Reserve bank loans to member banks at end of month.....	\$ 3,362,742	- 34.9%
Reserve bank ratio at end of month.....	57.4%	+ 3.5 points
Building permit valuation at larger centers....	\$ 1,730,191	+ 62.0%
Commercial failures (number).....	57	- 9.5%
Commercial failures (liabilities).....	\$ 819,128	- 36.9%
Oil production (barrels).....	39,081,000	- 12.6%

Sustained activity in business and industry and increasing optimism generated by the distinct rise in the price of the district's commodities such as cotton, wheat, corn, oats, wool, mohair, and many commodities of lesser importance, were important developments in the Eleventh Federal Reserve District during the past month. Department store sales reflected a seasonal decline of 17 per cent from the previous month, and they were slightly smaller than in the corresponding month last year. Wholesale distribution in a majority of reporting lines showed a further gain over the previous month, although recessions usually occur at this season, and sales in some lines exceeded those of a year ago by a substantial margin. Merchants are enlarging stocks to take care of the expanding consumer demand and in anticipation of the fall trade. Collections evidenced a further gain over the previous month. Reflecting the improvement in trade and industry, charges to depositors' accounts at banks in larger centers showed a further increase of 10 per cent over May, and exceeded those in the corresponding month last year by 3 per cent.

Some improvement in the district's business mortality rate along with the betterment in trade and industry occurred during the past month. The number of defaults and the amount of liabilities were not only smaller than in either

Wholesale Trade

The distribution of merchandise at wholesale in this district was well sustained during June, and a contrary to seasonal expansion in business occurred in the lines of dry goods, farm implements, and hardware. While there was a ten-

fold increase in demand during June to be somewhat spotty, there is accumulating evidence that confidence is becoming more widespread. The sales of dry goods and hardware were substantially in excess of those a year ago, and the volume reported in other lines showed

May this year or June last year, but were lower than in any month in nearly three years. Construction work showed a noticeable expansion during the past month. The valuation of building permits issued at principal cities was 62 per cent larger than in May and was 49 per cent greater than in June, 1932. Increasing activity was also noted in other industries, including textiles and lumber.

Tempering somewhat the enthusiasm created by the constructive influences are the poor prospects for agricultural production. The protracted drouth over a very large area of the district has already greatly reduced the yields of some crops and has caused deterioration in growing crops. According to the July 1 estimates of the Department of Agriculture, the per acre yield of small grains and some feed crops will be the lowest since the drouth year 1925. The cotton crop has held up well in those areas where moisture has been generally adequate, but over a considerable portion of the district substantial deterioration has occurred. While scattered showers have fallen recently, a heavy general rain throughout the district is needed to stimulate growing crops, to permit the planting of late feed crops, and to replenish water supplies. Ranges and livestock have likewise deteriorated over most sections, and in the drier areas the condition is critical with livestock being moved to other sections.

There were no important changes reflected in financial statistics. Federal Reserve Bank loans to member banks after declining in the last half of June turned upward during the subsequent weeks, but on July 15 they were \$727,000 less than a month earlier. While the investments of member banks in selected cities rose substantially between June 7 and July 12, loans showed a moderate decline. The daily average of combined net demand and time deposits of member banks increased slightly in June, the total being \$587,159,000, as compared with \$585,606,000 in May, and \$611,660,000 in the corresponding month of 1933.

BUSINESS

dency for the improvement in demand during June to be somewhat spotty, there is accumulating evidence that confidence is becoming more widespread. The sales of dry goods and hardware were substantially in excess of those a year ago, and the volume reported in other lines showed

decreases of smaller proportions than the average of recent months. Most wholesalers reported larger inventories on June 30 than a month earlier, and the stocks of groceries, dry goods, and farm implements were greater than on the same date a year ago. The general trend of collections during June was upward, which was contrary to the usual seasonal movement in most lines.

The distribution of dry goods at wholesale increased still further during June, contrary to seasonal tendency, and sales were 12.6 per cent larger than in May. As compared with June, 1932, there was an expansion of 76.9 per cent. A substantial amount of forward buying continues to be in evidence, and the price trend is still upward. Jobbers enlarged their stocks by 24.7 per cent between May 31 and June 30. The month's collections were 7.4 per cent above those in May.

The business of wholesale hardware firms in this district during June was on a scale 2.6 per cent above that of the previous month, and 11.9 per cent higher than in the same month last year. Aggregate sales in the first six months of the current year were only 1.2 per cent under those of the same period in 1932. An appreciable increase over May was reflected in the volume of collections.

The demand for groceries at wholesale during June was 2.7 per cent less than in the previous month and 3.1 per cent under that of a year ago. The slight decrease from May was not surprising, inasmuch as each of the three preceding months had witnessed non-seasonal gains in business. Stocks on hand showed a further expansion during the month, and were 7.5 per cent larger than on June 30, 1932. Collections during the month were somewhat in excess of those in May.

A contrary to seasonal increase of 21.5 per cent was witnessed last month in the distribution of farm implements through wholesale channels, a large part of the gain being attributable to the substantial rise in prices of farm commodities. Sales totaled 28.3 per cent less than in June, 1932, and for the first half of the year there was a similar decline of 37.0 per cent. The amount of collections during June was sizably larger than in the previous month.

Following the non-seasonal increase which occurred in the previous month, the demand for drugs in wholesale channels receded somewhat during June, partly because of sea-

sonal influences. The month's total business fell 10.9 per cent under that of May, and was 12.8 per cent below the level of June last year. There was a slight increase in wholesale inventories. Collections were in approximately the same amount as in the preceding month.

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

	Net Sales June, 1933 compared with June, 1932		Net Sales Jan. 1 to date compared with same period last year		Stocks June, 1933 compared with June, 1932		Ratio of collec- tions during June to accounts and notes outstanding on May 31
	1932	1933	1932	1933	1932	1933	
Groceries.....	-3.1	-2.7	-2.8	+7.5	+5.5	69.3	
Dry goods.....	+76.9	+12.6	+7.5	+9.9	+24.7	27.3	
Farm implements..	-28.3	+21.5	-37.0	+3.2	-.6	3.8	
Hardware.....	+11.9	+2.6	-1.2	-13.5	-.4	35.7	
Drugs.....	-12.8	-10.9	-14.4	-16.1	+3.1	34.8	

Retail Trade

Consumer demand for merchandise at department stores in principal cities of the Eleventh District declined somewhat more than seasonal during the past month, but it was approximately the same as in the corresponding month of 1932. Sales averaged 16.9 per cent less than in May, but only 0.6 of one per cent less than in June a year ago. Reports indicate that business in early July held up very well. This bank's seasonally adjusted index of department store sales showed a slight decline during June, being 59.6 per cent of the 1923-25 average, as against 61.2 per cent in May, and 60.8 per cent in June, 1932. Distribution of merchandise during the first half of the current year showed a further betterment over the same period of 1932 than that recorded in the previous month for a similar comparison. Cumulative sales at the close of June were only 10.6 per cent less than a year ago, whereas in May they were 11.9 per cent less.

Stocks of merchandise at department stores reflected another decline during the month, and on June 30 were 3 per cent less than a month earlier, and 11.5 per cent below a year ago. The rate of stock turnover during the first half of 1933 was 1.37, as compared with 1.26 in the same period of 1932.

June collections evidenced a slight seasonal decline, but continued above those a year ago. The ratio of collections to accounts outstanding on June 1 was 31.9 per cent, as against 32.4 per cent in May, and 29.3 per cent in June, 1932.

BUSINESS OF DEPARTMENT STORES

	Dallas	Fort Worth	Houston	San Antonio	Others	Total District
Total sales (percentage):						
June, 1933, compared with June, 1932.....	+ 3.0	- 3.1	- 4.1	- 5.2	+ 2.5	- .6
June, 1933, compared with May, 1933.....	-14.2	-21.6	-19.1	-11.9	-20.8	-16.9
January 1 to date compared with same period last year.....	-10.9	-11.8	- 3.1	-15.1	- 9.9	-10.6
Credit sales (percentage):						
June, 1933, compared with June, 1932.....	+ 6.4	+ 1.2	+ 2.2	- 7.8	+ .9	- 1.7
June, 1933, compared with May, 1933.....	-12.2	-22.8	-20.9	-16.2	-23.0	-17.5
January 1 to date compared with same period last year.....	-11.6	- 1.1	+ 1.8	-15.5	-11.4	-10.6
Stocks (percentage):						
June, 1933, compared with June, 1932.....	-14.5	-12.0	+ 5.9	-18.9	- 9.6	-11.5
June, 1933, compared with May, 1933.....	- 4.0	- 2.0	- 4.0	- 5.9	+ .4	- 3.0
Stock turnover (rate):						
Rate of stock turnover in June, 1932.....	.20	.18	.24	.26	.17	.20
Rate of stock turnover in June, 1933.....	.25	.19	.23	.31	.21	.24
Rate of stock turnover January 1 to June 30, 1932.....	1.32	1.06	1.26	1.52	1.17	1.26
Rate of stock turnover January 1 to June 30, 1933.....	1.41	1.16	1.37	1.70	1.30	1.37
Ratio of June collections to accounts receivable outstanding June 1, 1933.....	33.7	24.3	37.0	37.1	29.1	31.9
Indexes of department store sales:						
Unadjusted—June, 1933.....	52.3	64.0	60.0*	50.4	.....	54.8*
Adjusted—June, 1933.....	60.1	68.1	56.6*	51.4	.....	59.6*
Indexes of department store stocks:						
Unadjusted—June, 1933.....	40.0	60.1	49.5*	31.3	.....	46.0*
Adjusted—June, 1933.....	41.7	63.3	55.0*	35.6	.....	48.9*

*Subject to change.

Commercial Failures

The record of commercial failures during June showed a considerable improvement over that of the preceding month and was also much better than in June, 1932. According to the figures compiled by Dun & Bradstreet, there were 57 insolvencies in this district during the month, as compared with 63 in May and 112 a year ago. Liabilities of these firms totaled

\$819,128, as against \$1,297,219 in the previous month and \$2,283,041 in June last year. During the first half of the current year, there were 434 defaulting firms with an aggregate indebtedness of \$7,198,692, whereas in the same period in 1932 there were 690 commercial failures and their liabilities amounted to \$14,627,773.

AGRICULTURE*Crop Conditions*

Crop deterioration was general over a very large area of the Eleventh District during the past month. Rainfall since late

Louisiana, but that for Arizona is slightly higher than last year.

in May has been spotty and generally deficient, and in portions of West and Northwest Texas the condition has become acute. In this area there have been many instances where the moisture has been insufficient to bring up the crops and in others the plants are at a standstill. Toward the middle of June, rains occurred in Southeastern Arizona and Southern New Mexico and in portions of South and Southeast Texas. In other sections the rainfall has been local and mostly light to moderate in amount. The exceedingly high temperatures prevailing during the month have sapped soil moisture and have wilted the plants. According to the July 1 report of the United States Department of Agriculture, production of practically all crops in states attached to this district, except Arizona, will fall considerably short of that last year, due both to the smaller acreage and the lower per acre yields.

The condition of the Texas rice crop was placed at 87 per cent of normal which indicates a production of 7,191,000 bushels, as against 8,880,000 bushels in 1932. The lower production, however, is more than accounted for by the decrease in acreage. It will be recalled that the crop in 1932 was substantially reduced by the tropical storm in August. Most of the other minor crops also showed a substantial reduction in production as compared with a year ago.

The harvesting and threshing of small grains have been carried on under ideal conditions, but the dry weather during June further reduced prospective yields. The July 1 estimates of the Department of Agriculture forecasted the lowest per acre yield and total production for small grain crops in Texas since the drouth year 1925. These crops were affected adversely by weather conditions throughout practically the entire growing season. The per acre yield of wheat in Texas was placed at seven bushels, which indicates a total production of 12,012,000 bushels, as compared with an estimate of 15,810,000 bushels on June 1, and an actual production of 29,580,000 bushels in 1932. A sharp decline in production as compared with a year ago was also forecasted for New Mexico and Oklahoma, but the Arizona production was indicated to be substantially higher due in part to the increase in acreage. The July 1 forecast indicated a harvest of 18,882,000 bushels of oats for Texas this year, as compared with 41,976,000 bushels a year ago. Noticeable reductions in the production of these crops were also indicated for Oklahoma and New Mexico. In Louisiana the per acre yield was higher this year, but due to the reduced acreage, total production was slightly smaller.

The July 1 report of the Department of Agriculture estimated the area planted to cotton in Texas as 15,767,000 acres, as compared with 13,592,000 acres a year ago, or an increase of 16 per cent. An increase in plantings occurred in all sections of the State. These figures of course do not take into account any reductions in acreage that may be made by farmers under the cotton program of the Agricultural Adjustment Administration. Noticeable increases in acreage also occurred in the other states attached to this district. Late reports indicate that the progress of the crop is spotty. It has made fair to good progress along the Coast and in East Texas, where rains have fallen. In much of Central and Northeast Texas the crop has begun to deteriorate because of the long period of dry weather. In other sections, poor to good progress has been made depending upon moisture conditions. In North Louisiana and Southern Oklahoma progress has been poor to fair.

Livestock

Ranges and livestock over a large portion of the Eleventh District suffered from the effects of dry weather during June. While rainfall in Southern New Mexico and Southeastern Arizona, and portions of South and Southwest Texas, toward the middle of June brought about an improvement in ranges, most other sections are becoming very dry. There has been no relief from the drouth in West and Northwest Texas and the condition is becoming very critical in these areas. Ranges are very poor, surplus feed supplies are about exhausted, and it has been too dry to plant feed crops. Livestock are being moved from these sections to more favorable areas. In South and Southeast Texas, where moisture has fallen, the ranges have improved, but they are again becoming dry. Heavy deterioration has occurred in all other sections of Texas, except in a few local areas where rain has fallen. While cattle have held up well generally despite the dry conditions, they are beginning to shrink. The sheep ranges, which were the most favored early in the season, are now becoming dry and the situation in the western half of the territory is becoming serious. While there were good calf and lamb crops this year, the young animals have not made the usual gains.

The indicated production for feed crops is likewise considerably under that in 1932. The July 1 estimate for the corn crop in Texas was placed at 71,658,000 bushels as compared with 102,726,000 bushels in 1932. The per acre yield is indicated as the lowest since 1925. The dry weather over a large portion of the State occurred at the critical period and consequently reduced the prospective yields. In Oklahoma the July 1 condition indicated a production of only 22,323,000 bushels, as against a total production of 65,760,000 bushels in 1932. Reduced yields were also indicated for Louisiana and New Mexico. Tame hay production in Texas is forecasted at 503,000 tons, as against 642,000 tons a year ago, and that of wild hay was placed at 164,000 tons as compared with 184,000 tons last year. Reduced production in these crops was also forecasted for Oklahoma and

The July 1 condition of cattle ranges in Texas was rated by the Department of Agriculture at 74 per cent of normal, as compared with 82 per cent on June 1, and 85 per cent on July 1 last year. Sheep and goat ranges were reported as 75 per cent of normal condition on July 1, which repre-

sents a decline of 12 points from that a month earlier, and 9 points from a year ago. The condition of cattle declined 4 points during June, and that of sheep 3 points, and in each instance the condition figure was 6 points lower than a year earlier. The July 1 condition of goats declined 1 point as compared with June 1, and 2 points as compared with the same date last year. Conditions were somewhat improved over a month earlier in New Mexico and Arizona, but were still considerably under a year ago.

Movements and Prices Receipts of all classes of livestock at the Fort Worth market reflected a substantial decline between May and June. The largest reduction occurred in hogs and sheep. As compared with a year ago, the June arrivals of cattle were slightly larger and those of hogs showed a very large gain. In fact, hog receipts during the first six months of 1933 exceeded those during the entire year 1932. A large decline occurred in the receipts of sheep and calves.

The cattle trade at the Fort Worth market was generally slow and lifeless during the past month as the supplies were chiefly of the plain and common grades for which a demand was lacking. There was rarely sufficient quality stock to test the market, but quality grades usually found a good outlet. The price of the better quality hogs fluctuated

between \$4.20 and \$4.50 during the month, and at the middle of July was near the upper limit. The market for lambs declined somewhat during the last half of June, but the upward reaction in the subsequent two weeks carried prices above those prevailing a month earlier.

FORT WORTH LIVESTOCK RECEIPTS
(Number)

	June 1933	June 1932	Change over year	May 1933	Change over month
Cattle.....	42,786	42,246	+ 540	52,633	- 9,847
Calves.....	13,394	16,790	- 3,396	14,378	- 984
Hogs.....	45,636	13,524	+ 32,112	59,014	-13,378
Sheep.....	103,264	233,967	-130,703	181,226	-77,962

COMPARATIVE TOP LIVESTOCK PRICES
(Dollars per hundredweight)

	June 1933	June 1932	May 1933
Beef steers.....	\$5.50	\$7.00	\$5.60
Stocker steers.....	5.00	4.65	5.00
Butcher cows.....	3.75	4.00	3.50
Stocker cows.....	3.00	..	..
Calves.....	5.25	4.85	5.75
Hogs.....	4.60	4.50	4.65
Sheep.....	3.50	2.50	2.50
Lambs.....	6.25	4.75	6.00

FINANCE

Operations of the Federal Reserve Bank The loans of the Federal Reserve Bank to member banks, which stood at \$4,446,000 on June 15, reflected a further recession during the subsequent two weeks, reaching a low point of \$3,194,000 on July 3. During the next two-week period, these loans rose slightly and amounted to \$3,719,000 on July 15. These fluctuations were accounted for by changes in borrowings by both reserve city and country banks, but the larger portion of the liquidation has come from the latter banks partly as a result of the sale of agricultural and livestock commodities on the higher price levels. On July 15, 1932, the borrowings of member banks totaled \$15,856,000. There were 118 banks indebted to the Federal Reserve Bank at the middle of July, as compared with 139 banks a month earlier, and 252 banks on July 15, 1932. The investments of this bank in United States securities were increased \$2,559,000 between June 15 and July 15, and on the latter date were \$18,278,000 larger than a year ago. During the past month there was a gradual increase in the reserve deposits of member banks, the total of \$55,682,000 on July 15 being \$4,451,000 greater than on June 15, and \$10,393,000 in excess of those on the same date of 1932. While there was a slight decline in the actual circulation of Federal reserve notes during the month, it was more than offset by an increase in the circulation of Federal reserve bank notes.

Condition of Member Banks in Selected Cities

The reports from member banks in selected cities during the five-week period ending July 12 reflected an increase in investments and deposits, but a further decline in loans. The investments of these banks, which amounted to \$107,024,000 on July 12 were \$15,211,000 larger than on June 7, and \$19,406,000 greater than on the same date in 1932. Holdings of other stocks and bonds were reduced \$1,349,000 between June 7 and July 12, and on the latter date were \$5,404,000 below those a year ago. Their loans on securities declined \$2,684,000 during the five-week period and "all other" loans (largely commercial) receded \$749,000. Loans of the latter classification, however, were increased somewhat during the last two weeks of the period. As compared with the corresponding date in 1932, total loans on July 12 were \$33,011,000 smaller. The net demand deposits of these banks rose \$2,261,000 between June 7 and July 12, but were still \$19,909,000 below those on the same date last year. Time deposits increased \$2,911,000 during the five-week period and were \$1,308,000 greater than a year ago. Reserves with the Federal Reserve Bank on July 12 were substantially larger than on either comparative date. Their borrowings from the Federal Reserve Bank amounted to \$354,000 on July 12, as compared with \$965,000 on June 7, and \$3,609,000 on July 13, 1932.

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

	July 15, 1933	July 15, 1932	June 15, 1933
Total cash reserves.....	\$53,800	\$44,420	\$51,657
Discounts for member banks.....	3,719	15,856	4,446
Other bills discounted.....	None	1,382	None
Bills bought in the open market.....	306	306	335
United States securities owned.....	48,999	30,721	46,440
Other investments.....	5	5	5
Total earning assets.....	53,029	47,964	51,226
Member bank reserve deposits.....	55,682	45,289	51,231
Federal reserve notes in actual circulation.....	34,985	37,488	35,595
Federal reserve bank notes in actual circulation.....	1,972	None	975

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

	July 12, 1933	July 13, 1932	June 7, 1933
United States securities owned.....	\$107,024	\$ 87,618	\$ 91,813
All other stocks, bonds, and securities owned.....	51,863	57,267	53,212
Loans on securities.....	61,993	74,440	64,677
All other loans.....	144,280	164,844	145,029
Total loans.....	206,273	239,284	209,706
Net demand deposits.....	212,081	231,990	209,820
Time deposits.....	127,183	125,875	124,272
Reserve with Federal Reserve Bank.....	32,290	27,828	27,983
Bills payable and rediscounts with Federal Reserve Bank.....	354	3,609	965

Deposits of Member Banks

Despite the fact that bank deposits usually reflect a material seasonal reduction in June, the daily average deposits of member banks in this district last month were \$1,553,000 larger than in May, and the comparison with the like month in 1932 continued to improve. The combined daily average of net demand and time deposits during June amounted to \$587,159,000, as against \$585,606,000 in the previous month, and \$611,660,000 in the same month a year ago. The time deposits of country banks were somewhat smaller than in May, but for the first time in several years they exceeded the average of the corresponding month in the previous year.

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
June, 1932.....	\$422,504	\$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	73,655
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
June, 1933.....	399,781	187,378	192,396	113,390	207,385	73,988

Debits to Individual Accounts

Debits to individual accounts at seventeen cities in this district during June aggregated \$469,646,000, reflecting a non-seasonal gain of 9.5 per cent over the previous month. There was also an increase of 2.6 per cent as compared with June, 1932, this being the first time in three and a half years that the total for any month has exceeded that of the corresponding month of the preceding year. While the improvement was fairly general over the district, some cities failed to register further gains.

SAVINGS DEPOSITS

	June 30, 1933			June 30, 1932			May 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	7,723	\$ 3,164,630	6,536	\$ 3,027,983	+ 4.5	7,709	\$ 3,048,132	+ 3.8
Dallas.....	9*	72,868	24,491,773	75,410	26,002,379	- 5.8	73,172	24,174,716	+ 1.3
El Paso.....	2	10,108	3,443,390	10,929	3,333,545	+ 3.3	10,213	3,384,323	+ 1.7
Fort Worth.....	4	32,863	10,904,887	34,267	11,448,741	- 4.8	33,099	10,777,915	+ 1.2
Galveston.....	4	16,361	9,850,495	17,003	10,428,112	- 5.5	16,444	9,754,547	+ 1.0
Houston.....	11*	64,807	29,500,750	66,976	31,311,625	- 5.8	64,882	29,337,598	+ .6
Port Arthur.....	2	4,362	1,889,720	4,328	1,765,613	+ 7.0	4,363	1,932,922	- 2.2
San Antonio.....	8	21,071	14,191,408	21,788	14,588,755	- 2.7	21,067	13,976,300	+ 1.5
Shreveport.....	4	21,892	9,209,387	24,791	10,139,020	- 9.2	21,840	8,979,081	+ 2.6
Waco.....	3	10,317	5,690,391	10,092	5,598,535	+ 1.6	10,425	5,579,835	+ 2.0
Wichita Falls.....	3	5,553	2,390,291	5,683	2,317,509	+ 3.1	5,518	2,332,652	+ 2.5
All others.....	84*	52,424	22,355,782	56,265	23,358,944	- 4.3	52,722	22,247,606	+ .5
Total.....	137	320,349	\$137,082,904	334,068	\$143,320,761	- 4.4	321,454	\$135,525,627	+ 1.1

*Only 8 banks in Dallas, 10 in Houston, and 75 in "All others" reported the number of savings depositors.

DEBITS TO INDIVIDUAL ACCOUNTS
(In thousands of dollars)

	June 1933	June 1932	Percentage change over year	May 1933	Percentage change over month
Abilene.....	\$ 4,174	\$ 3,695	+13.0	\$ 3,884	+ 7.5
Austin.....	15,368	17,379	-11.6	15,257	+ .7
Beaumont.....	12,192	13,878	-12.1	11,170	+ 9.1
Corsicana.....	2,096	2,344	-10.6	2,167	+ 3.3
Dallas.....	126,031	120,526	+ 4.6	116,262	+ 8.4
El Paso.....	14,313	14,181	+ .9	14,202	+ .8
Fort Worth.....	50,320	52,287	- 3.8	45,895	+ 9.6
Galveston.....	15,563	17,008	- 8.5	15,762	+ 1.3
Houston.....	116,766	108,617	+ 7.5	107,852	+ 8.3
Port Arthur.....	4,490	4,397	+ 2.1	4,142	+ 8.4
Roswell.....	2,535	1,952	+29.9	1,923	+31.8
San Antonio.....	46,382	43,252	- 3.9	40,019	+15.9
Shreveport.....	26,831	22,242	+20.6	20,913	+28.3
Texarkana.....	6,056	5,410	+11.9	5,023	+20.6
Tucson.....	7,543	8,291	- 9.0	7,691	+ 1.9
Waco.....	9,456	8,700	+ 8.7	9,066	+ 4.3
Wichita Falls.....	9,530	8,545	+11.5	7,510	+26.9
Total.....	\$469,646	\$457,704	+ 2.6	\$428,747	+ 9.5

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

Acceptance Market

While there was a large reduction during June in the amount of outstanding bankers' acceptances based on the domestic shipment and storage of goods, those executed against import and export transactions reflected a substantial expansion which more than offset this decline. Acceptances executed by banks in this district and outstanding on June 30 amounted to \$1,363,388, as compared with \$1,127,701 a month earlier, and \$398,293 on the same date last year. The increase over May 31 was contrary to the usual seasonal trend.

Savings Deposits

Savings deposits reported by 137 banks in the Eleventh District rose to a total of \$137,082,904 on June 30, as compared with \$135,525,627 a month earlier, and \$143,320,761 on the same date last year. The increase during the month appeared to be general, and at five cities the figures were larger than a year ago.

JULY DISCOUNT RATES

Prevailing rates:

	Dallas	El Paso	Fort Worth	Houston	San Antonio	Waco
Rate charged customers on prime commercial paper such as is now eligible for rediscount under the Federal Reserve Act.....	3-7	6-8	3½-8	5-7	6-8	3-6
Rate charged on loans to other banks secured by bills receivable.....	5-6	5-6	5-6	5-6	6-8	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.....	4-6	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.....	2½-7	8	5-7	5-7	6-8	5-6
Rate on cattle loans.....	6-8	6-8	6-8	7-10	6-10	8

INDUSTRY

Cottonseed Products Although a seasonal decline was registered during June in the operations of cottonseed oil mills in both Texas and the United States, activities remained on a much higher scale than the average for that month. The crushings of seed and the production of all products also exceeded the operations of June, 1932, by a wide margin. Total receipts of cottonseed during the month were slightly less than a year ago. During the eleven months of the current season, August, 1932, through June, 1933, Texas establishments showed an increase over the corresponding period of the 1931-32 season in the crushings of seed and the production of oil, cake and meal, and hulls. At United States mills, however, operations during the season remained below those of the preceding season. Stocks of cottonseed held by crushing establishments on June 30 were considerably less than those a month earlier or a year ago. Supplies of all cottonseed products continued to decline seasonally, but stocks of crude oil and cake and meal were above those on the same date last year.

STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS

	Texas		United States	
	August 1 to June 30 This season	Last season	August 1 to June 30 This season	Last season
Cottonseed received at mills (tons).....	1,434,590	1,641,510	4,475,636	5,581,881
Cottonseed crushed (tons).....	1,505,487	1,466,004	4,457,746	5,237,752
Cottonseed on hand, June 30 (tons).....	104,371	188,665	316,764	352,113
Crude oil produced (pounds).....	458,289,623	441,274,815	1,393,617,808	1,664,841,990
Cake and meal produced (tons).....	694,374	691,136	2,018,846	2,359,994
Hulls produced (tons).....	449,872	424,127	1,269,968	1,481,982
Linters produced (running bales).....	180,686	196,270	711,597	859,865
Stocks on hand, June 30:				
Crude oil (pounds).....	14,047,495	11,765,840	39,059,719	30,594,443
Cake and meal (tons).....	50,470	24,921	197,902	135,516
Hulls (tons).....	28,616	40,659	80,558	179,777
Linters (running bales).....	22,573	70,597	112,164	257,846

Textile Milling Following the sustained demand for merchandise in wholesale and retail channels of distribution, operations in the domestic cotton textile industry during June reached unprecedented high levels for that month, as reflected by the consumption of cotton. Activities were also in excess of those a month earlier, again evidencing a contrary to seasonal trend. Consuming establishments converted 696,472 bales of cotton into cloth during the month, as against 620,909 bales in May, and 322,706 bales in June, 1932. Consumption during the month was also 38.1 per cent above the average for June. During the eleven months of the current season, August through June, there were 5,535,382 bales of cotton consumed, which represents an increase of 20.7 per cent over the 4,587,448 bales consumed in the same period of the previous season. Stocks of raw cotton held by consuming establishments on June 30 were slightly larger

COTTON CONSUMED AND ON HAND
(Bales)

	June	June	August 1 to June 30	
	1933	1932	This season	Last season
Cotton-growing states:				
Cotton consumed.....	565,644	275,832	4,603,153	3,794,282
On hand June 30 in—				
Consuming establishments.....			1,092,144	1,022,638
Public storage and compresses.....			5,879,156	6,688,745
United States:				
Cotton consumed.....	696,472	322,706	5,535,382	4,587,448
On hand June 30 in—				
Consuming establishments.....			1,400,804	1,320,703
Public storage and compresses.....			6,318,944	7,150,937

than those a month earlier or a year ago.

The operations of reporting Texas textile mills likewise showed considerable improvement during the past month. Both the consumption of cotton and the production of cloth were in greater volume than a month earlier or a year ago, and stocks of finished products on hand on June 30 were much smaller than those held thirty days earlier, or on the same date of 1932. On the other hand, orders for products held on June 30, while continuing in excess of those a year ago, were considerably less than a month earlier.

Cotton Movements The exports of cotton from the ports of Houston and Galveston were in much greater volume than in the corresponding month last year, and at Houston they were in excess of those a month earlier, which was contrary to the usual seasonal trend. The receipts of cotton during June reflected the customary decline as compared with the previous month, but they exceeded the volume received in June, 1932, by a wide margin. Stocks of cotton on hand at both ports on June 30 were considerably smaller than those held on May 31, but they remained above the holdings on the like date of 1932.

Foreign exports of cotton from all United States ports during June reached an exceedingly high level for that month, and for the second consecutive time ran contrary to seasonal tendencies by exceeding the shipments of the previous thirty-day period. There were 614,561 bales of American cotton imported by foreign countries during June, as against 591,647 bales in May, and only 360,205 bales in June, 1932. It is also very significant to note that June exports were in larger volume than any like month since 1919. Despite the past month's large increase over a year ago total exports during the current season continued below those of the preceding season. The large increase over a year ago in exports is due to increased takings of the United Kingdom, Continental countries, and Japan, while the increase over the previous month is attributable to the United Kingdom, France, Japan, and some of the smaller countries outside of Europe.

COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON
(Bales)

	June	June	August 1 to June 30	
	1933	1932	This season	Last season
Receipts.....	70,190	24,582	2,074,426	2,328,824
Exports.....	161,252	99,241	1,999,993	2,183,147
Stocks, June 30.....			536,612	534,176

COTTON—GALVESTON STOCK STATEMENT
(Bales)

	June 30,	June 30,
	1933	1932
For Great Britain.....	2,000	1,500
For France.....	2,000	700
For other foreign ports.....	16,500	9,600
For coastwise ports.....	3,000	500
In compresses and depots.....	513,112	521,876
Total.....	536,612	534,176

COTTON MOVEMENTS THROUGH THE PORT OF HOUSTON
(Bales)

	June	June	August 1 to June 30	
	1933	1932	This season	Last season
Receipts.....	96,949	17,053	2,814,604	3,167,876
Exports.....	272,146	97,630	2,531,271	2,685,237
Stocks, June 30.....			1,348,471	1,174,137

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

	August 1 to June 30	
	This season	Last season
Receipts.....	8,678,027	9,860,736
Exports: United Kingdom.....	1,368,297	1,260,518
France.....	819,960	446,847
Italy.....	749,939	613,030
Germany.....	1,729,249	1,496,831
Other Europe.....	961,519	758,103
Japan.....	1,549,062	2,206,088
All other countries.....	549,366	1,476,655
Total foreign ports.....	7,727,392	8,258,072
Stocks at all United States ports, June 30.....	3,438,138	3,607,843

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

	June, 1933		July 15, 1933
	High	Low	
New York.....	10.45	8.95	11.40
New Orleans.....	10.29	8.85	11.40
Dallas.....	9.95	8.45	11.00
Houston.....	10.35	8.75	11.35
Galveston.....	10.20	8.70	11.30

Petroleum

A decline of 5,649,500 barrels was reflected in the output of crude oil in this district during June, following the large increase which was witnessed in the previous month. The total production was reported to be 39,081,000 barrels, as against 44,730,500 barrels in May, and 27,850,250 barrels in June a year ago. Daily average yield for the district in June amounted to 1,302,700 barrels, as compared with 1,442,919 barrels in the preceding month, and 928,342 barrels in the same month last year. Field activity was substantially reduced, as was evidenced by the fact that only 209 producing wells were completed during the month, having an initial production of 648,976 barrels, as against 300 producers reported in May, with a flush output of 954,855 barrels. In June, 1932, there were 807 successful wells completed, with a combined initial yield amounting to 5,847,847 barrels.

A majority of Texas areas registered decreases in daily output during June, the greatest of which occurred in East Texas. Daily average production for the State as a whole amounted to 1,241,650 barrels, which compares with 1,379,719 barrels in May, and 862,535 barrels in the corresponding month in 1932. The East Texas section accounted for 129,019 barrels of the 138,069-barrel decrease from the previous month, and it was likewise accountable for most of the gain over June a year ago. In North Louisiana, there was a further substantial decline in daily production.

General price increases, averaging around \$.19 per barrel, were announced by most companies shortly after the middle of June.

Note: The production figures published in the July 1, 1933, Review should be revised to read: East Central Texas, 27,000,050 barrels; Total Texas, 42,771,300 barrels; and Total District, 44,730,500 barrels.

OIL PRODUCTION—(Barrels)

	June, 1933		Increase or decrease over May, 1933	
	Total	Daily Avg.	Total	Daily Avg.
North Texas.....	2,758,500	91,950	— 152,400	— 1,950
Central West Texas.....	5,289,000	176,300	— 315,800	— 4,500
East Central Texas.....	23,258,500	741,950	— 4,741,550	— 129,019
Texas Coastal.....	5,421,000	180,700	— 278,350	— 3,150
South Texas.....	1,522,500	50,750	— 33,700	+ 550
Total Texas.....	37,249,500	1,241,650	— 5,521,800	— 138,069
New Mexico.....	1,080,000	36,000	— 39,100	— 100
North Louisiana.....	751,500	25,050	— 88,600	— 2,050
Total District.....	39,081,000	1,302,700	— 5,649,500	— 140,219

JUNE DRILLING RESULTS

	Completions	Producers	Gas Wells	Failures	Initial Production
North Texas.....	54	20	2	32	5,619
Central West Texas.....	28	16	2	10	10,131
East Central Texas.....	87	81	..	6	519,962
South Texas.....	55	21	2	32	11,526
Texas Coastal.....	84	67	..	17	99,498
Total Texas.....	308	205	6	97	646,736
New Mexico.....	3	2	..	1	1,400
North Louisiana.....	24	2	5	17	840
June totals, district.....	335	209	11	115	648,976
May totals, district.....	483	300	16	167	954,855

CRUDE OIL PRICES

	July 7, 1933	July 8, 1932
Texas Coastal (34 gr. and above).....	\$.62	\$1.00*
North Texas and North Louisiana (40 gr. and above).....	.52	1.00

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

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

Building

Substantial gains in construction activity throughout the Eleventh Federal Reserve District were witnessed during the past month. The valuation of building permits reported by 14 leading cities in June, which amounted to \$1,730,191, was 62.0 per cent in excess of the May total, and 49.4 per cent larger than the amount reported for June, 1932. With one exception, this is the first month since October, 1929, in which the volume of building permits issued has exceeded that of the corresponding month in the previous year. The number of permits issued during June was also larger than a year ago.

BUILDING PERMITS

	June, 1933		June, 1932		Percentage change valuation over year	May, 1933		Percentage change valuation over month	Six Months				Percentage change valuation over period
	No.	Valuation	No.	Valuation		No.	Valuation		1933		1932		
									No.	Valuation	No.	Valuation	
Amarillo.....	20	\$ 5,972	16	\$ 15,645	— 61.8	25	\$ 37,838	— 84.2	103	\$ 75,186	146	\$ 207,055	— 63.7
Austin.....	118	157,684	83	506,569	— 68.9	98	111,655	+ 41.2	538	900,833	545	4,714,022	— 80.9
Beaumont.....	84	11,984	75	18,372	— 34.8	97	15,530	— 22.8	464	71,756	518	211,190	— 66.0
Corpus Christi..	31	17,299	33	15,484	+ 11.7	18	7,230	+139.3	127	86,222	198	90,757	— 5.0
Dallas.....	498	183,002	295	111,716	+ 63.8	604	246,714	— 25.8	2,147	1,122,230	1,660	1,416,187	— 20.8
El Paso.....	46	10,580	45	10,674	— 46.2	27	7,128	+ 48.4	199	95,690	228	140,665	— 32.0
Fort Worth.....	96	786,110	135	168,754	+371.8	87	256,356	+210.5	507	1,847,989	803	826,450	+123.6
Galveston.....	96	39,443	121	23,884	+ 65.1	100	32,264	+ 22.3	525	207,821	747	335,447	— 38.0
Houston.....	137	270,465	184	145,503	+ 85.9	207	173,638	+ 55.5	999	1,157,798	1,273	1,823,521	— 36.8
Port Arthur.....	38	9,227	39	4,696	+ 96.5	45	6,032	+ 53.0	222	35,139	244	58,167	— 34.4
San Antonio.....	147	117,214	132	47,627	+146.1	160	82,190	+ 42.6	840	574,305	1,146	1,078,044	— 46.7
Shreveport.....	114	64,337	108	48,003	+ 34.0	141	41,668	+ 54.4	606	194,339	725	235,963	— 17.6
Waco.....	22	35,772	24	26,180	+ 36.6	26	32,562	+ 9.9	155	173,286	202	216,326	— 19.9
Wichita Falls...	29	11,102	14	5,881	+ 88.8	19	17,237	— 35.6	162	46,215	91	466,466	— 90.1
Total.....	1,476	\$1,730,191	1,304	\$1,157,988	+ 49.4	1,660	\$1,068,342	+ 62.0	7,594	\$6,586,809	8,526	\$ 11,820,260	— 44.3

Cement

The production of Portland cement at Texas mills during June was on a larger scale than in the previous month, and continued above that a year ago. There were 347,000 barrels of cement manufactured during the month, as against 333,000 barrels in May, and 335,000 barrels in June, 1932. On the other hand, shipments of cement, which totaled 298,000 barrels, were 6.9 per cent less than a month earlier, and 8 per cent below the level of June, 1932. During the first half of the current year, output of cement was 0.9 per cent above that in the same period of 1932, but shipments continued 3.4 per cent less.

Stocks held at the close of June were greater than those a month earlier or a year ago.

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

	June 1933	Percentage change from		January 1 through June 30	Percentage change from year
		June 1932	May 1933		
Production at Texas mills.....	347	+ 3.6	+ 4.2	1,879	+ .9
Shipments from Texas mills....	298	- 8.0	- 6.9	1,828	- 3.4
Stocks at end of month at Texas mills.....	728	+ 4.7	+ 7.4	.....	.....

SUMMARY OF NATIONAL BUSINESS CONDITIONS

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

In June, as in the two preceding months, industrial activity increased rapidly and in the first half of July there was some further advance. Factory employment and payrolls showed a considerable increase. Wholesale commodity prices rose rapidly until the third week of July when prices of leading raw materials showed a sharp decline.

PRODUCTION AND EMPLOYMENT

Volume of industrial production, as measured by the Board's seasonally adjusted index, advanced from 77 per cent of the 1923-1925 average in May to 89 per cent in June, as compared with 60 per cent in March. Activity in the steel industry continued to increase during June and according to trade reports, during the first two weeks of July; in the third week of the month it showed little change. Demand for steel from the railroads and the construction industry continued at a low level. Output of automobiles which usually declines at this season increased in June and showed little change in July. Consumption of cotton by domestic mills was larger in June than in any previous month, and continued at a high rate during the first half of July. At woolen mills and shoe factories activity increased further in June to unusually high levels. Working forces at factories increased substantially between May and June and the Board's seasonally adjusted index of factory employment advanced from 61 per cent of the 1923-1925 average to 65 per cent. Factory payrolls also increased by a reasonable amount to 46 per cent of the 1923-1925 average. Value of construction contracts awarded, as reported by the F. W. Dodge Corporation, showed an increase in May and June, contrary to the usual seasonal movement. Department of Agriculture estimates, as of July 1, indicated a wheat crop of about 500,000,000 bushels, 350,000,000 bushels below the average of 1926-1930, reflecting chiefly adverse weather conditions. Feed crops have also been seriously damaged. Cotton acreage on July 1 was estimated at about 41,000,000 acres, an increase of 4,000,000 acres over last year, but it is proposed as a part of the program of the Agricultural Adjustment Administration to reduce the area by about 10,000,000 acres.

DISTRIBUTION

Freight traffic continued to increase during June, reflecting in large part heavier shipments of coal, miscellaneous freight, and lumber products. Distribution of commodities through department stores showed about the usual seasonal decline in June.

WHOLESALE PRICES

Wholesale prices of commodities advanced from 64 per cent of the 1926 average in the first week of June to 69 per cent in the middle of July, according to the index of the Bureau of Labor Statistics. This marked upward movement reflected large increases in the prices of most basic raw materials, including grains, cotton, hides, nonferrous metals, steel scrap, petroleum, and rubber. Most of these commodities are traded in on organized exchanges and enter into world trade. The prices of many manufactured products, particularly textiles, leather, and gasoline, also advanced substantially. On July 19, 20, and 21, following rapid advances in the preceding period, prices of leading raw materials declined sharply.

FOREIGN EXCHANGE

In the exchange market the value of the dollar in terms of the French franc declined to 69 per cent of its gold parity on July 18 and then advanced to 72 per cent on July 21.

BANK CREDIT

During the four weeks following the enactment on June 16 of the Banking Act of 1933, which prohibits the payment of interest on demand deposits, net demand deposits of weekly reporting member banks in 90 cities declined by \$500,000,000, reflecting the withdrawal of \$300,000,000 in bankers' balances from banks in New York City and elsewhere, and the transfer of funds from demand to time accounts. Time deposits increased by \$260,000,000. The banks' holdings of United States Government securities increased during the four weeks ending July 12, and there was a further rapid growth in open market brokers loans, while loans to customers declined. Return flow of currency amounted to \$90,000,000 during the five weeks ending July 19. During the same period the Federal Reserve Banks purchased \$85,000,000 of United States Government obligations and member banks reduced their indebtedness to the Reserve banks by \$90,000,000. The withdrawal of bankers' balances from New York City reduced excess reserves of member banks in that city, while surplus reserves of member banks outside New York City increased substantially. Money rates in the open market generally continued at low levels, although recently slight increases have occurred in acceptance rates, time money against stock exchange collateral, and yields on short term United States Government securities.