

# MONTHLY BUSINESS REVIEW

OF THE

## FEDERAL RESERVE BANK OF DALLAS

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(Compiled August 15, 1933)

Volume 18, No. 7

Dallas, Texas, September 1, 1933

This copy is released for publication in afternoon papers— August 30

### DISTRICT SUMMARY

THE SITUATION AT A GLANCE  
Eleventh Federal Reserve District

	July 1933	Change from June
Bank debits to individual accounts (at 17 cities).....	\$475,333,000	+ 1.2%
Department store sales.....		- 16.6%
Reserve bank loans to member banks at end of month.....	\$ 4,740,321	+ 41.0%
Reserve bank ratio at end of month.....	56.3%	- 1.1 points
Building permit valuation at larger centers.....	\$ 2,009,479	+ 16.1%
Commercial failures (number).....	42	- 26.3%
Commercial failures (liabilities).....	\$ 798,981	- 2.5%
Oil production (barrels).....	37,691,200	- 3.6%

plant late feed crops and fall gardens. This development was very fortunate for farmers as low yields have been obtained from feed crops this year. There is still a large area in West and Northwest Texas, however, where little or no rain has fallen, with the result that crop prospects are very poor. Outside of the drouth area, the condition of the cotton crop, as reported by the Department of Agriculture, is very good and larger per acre yields than a year ago are indicated. The forecasted production is smaller, however, on account of the large acreage being destroyed under the Agricultural Adjustment Administration. The physical condition of ranges and livestock was further reduced in July, with a very acute condition prevailing in the drouth area of West and Northwest Texas. In those sections where rain has fallen recently some improvement has been reported and prospects point toward fair to good fall grazing.

An increased demand for merchandise in both wholesale and retail channels was an outstanding development in the Eleventh Federal Reserve District during July. Sales of department stores in larger centers reflected considerably less than the usual midsummer decline and exceeded those of a year ago by 14 per cent. Wholesale distribution in some reporting lines evidenced a larger than seasonal expansion and in most lines there was a very large increase over a year ago. In certain lines the gain over the previous month was particularly significant as the late spring and summer seasonal recessions were negligible. While the heavier buying at wholesale is attributable in part to the desire of merchants to enlarge inventories in preparation for fall trade, reports indicate that there has been a material improvement in consumer demand in rural sections. Debits to individual accounts at banks in larger centers reflected a further slight gain in July and were 10 per cent larger than in the corresponding month last year.

Financial indices evidenced only minor changes during the past month. Federal Reserve Bank loans to member banks rose somewhat during the last half of July and then declined gradually until the middle of August, at which time they were \$274,000 greater than a month earlier. The loans and investments of member banks in selected cities reflected a moderate recession between July 12 and August 9. The daily average of combined net demand and time deposits of member banks reflected a further gain in July, the total being \$5,450,000 greater than in June and only \$20,884,000 less than a year ago. There was a strong response to the August 15 issue of United States Treasury bonds and notes, bearing  $3\frac{1}{4}$  per cent and  $1\frac{5}{8}$  per cent, respectively. Subscriptions to these issues totaled \$122,529,550, against which allotments of \$28,834,000 were made.

The agricultural situation was improved slightly during July. The scattered showers through the month were very beneficial and the moderate to heavy rains which fell over much of the district in the last week of July and the first half of August were of material aid to all growing crops. The improved moisture supply has enabled the farmers to

Construction activity evidenced a material improvement in July. The valuation of building permits issued at principal cities amounted to \$2,009,479, which was 16 per cent larger than in June, and 138 per cent above the same month last year.

### BUSINESS

**Wholesale Trade**  
Business at wholesale in the Eleventh Federal Reserve District during July reflected somewhat varying trends, but reports generally indicate that there was a further net improvement in the demand for merchandise. While there was but little change in the sales of drugs as compared with either the previous month or the same month last year, con-

siderable gains over July a year ago were registered in the other four reporting lines. A larger than seasonal increase over the preceding month occurred in the distribution of dry goods, and a non-seasonal expansion of 8.3 per cent was shown in the case of groceries. The demand for hardware was slightly larger than in June, and while there was a reduction of 16.9 per cent in the July sales of

farm implements it was due chiefly to the large contrary to seasonal expansion which occurred in the former month. Wholesalers in all lines are enlarging their inventories in order to satisfy the increasing demand. Prices generally are reported to be advancing. While collections in the case of hardware, farm implements, and dry goods were larger than in June, they either declined somewhat or remained about the same in other reporting lines.

A strong demand for dry goods at wholesale was in evidence throughout July. Sales totaled 42.8 per cent more than in June, this increase being larger than seasonal, and they were more than three times as large as the volume in July, 1932. Late reports indicate that August business is being maintained at a high level. Stocks on hand at the close of the month were 24.3 per cent in excess of those on the last day of June, and the increase over a year ago amounted to 32.8 per cent. Collections were in slightly larger volume than in June.

While the wholesale grocery business is not generally characterized by a distinct upward trend during July, sales reported last month exceeded those of June by 8.3 per cent. The volume was also 13.1 per cent larger than in July, 1932, as compared with a decline of 3.1 per cent in June. Wholesalers in this district reported a further expansion in their stocks during July, amounting to 4.0 per cent, and inventories were 16.9 per cent above the level of a year ago. Collections totaled approximately the same as in the preceding month.

Despite a decrease of 16.9 per cent from the previous month, which was reflected in the business of wholesale farm implement firms during July, total sales were 53.7 per cent larger than in the same month a year ago. This is the most favorable such comparison that has been reported in several years. The decline from June was accounted for chiefly by the fact that a contrary to seasonal improvement occurred in that month. Collections during July showed their fourth consecutive improvement as compared with the preceding month.

Sales reported by wholesale hardware firms during the past month were 1.9 per cent larger than in June, and showed an increase of 34.5 per cent as compared with July a year ago. The material improvement over last year was general over the district, and in some sections a further

betterment in the August business was noted. There was an increase of 6.8 per cent in collections during July.

The distribution of drugs at wholesale in this district during July was sustained at about the same level as in the previous month. The dollar volume was also approximately the same as in the corresponding month last year, whereas in each of the six preceding months a substantial decline was reflected. Total stocks on hand were slightly larger than on June 30, but remained 11.9 per cent less than on July 31 last year. There was a decrease of 4.8 per cent in July collections as compared with those in June.

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

	Net Sales July, 1933 compared with		Stocks July, 1933 compared with		Ratio of collec- tions during July to accounts and notes outstanding on June 30
	July, 1932	June, 1933	July, 1932	June, 1933	
Groceries.....	+ 13.1	+ 8.3	+16.9	+ 4.0	67.0
Dry goods.....	+22.7	+42.8	+32.8	+24.3	26.6
Farm implements.....	+ 53.7	-16.9	+ 6.8	+ 2.3	6.6
Hardware.....	+ 34.5	+ 1.9	- 8.6	+ 3.1	34.0
Drugs.....	- .8	+ .8	-11.9	+ 2.2	34.0

### Retail Trade

The business of department stores in principal cities of the Eleventh District during July, while registering a seasonal decline as compared with the previous month, was very active. Sales were 13.6 per cent greater than those in July, 1932, and while a customary midsummer reduction of 16.6 per cent was shown as compared with the June business, this decline was much smaller than that recorded for a similar comparison in any previous year. It is also significant to note that the large increase over a year ago was general throughout most of the district. Reflecting the small seasonal decline in business, this bank's seasonally adjusted index of department store sales showed a marked improvement during the past month, increasing from 59.7 per cent of the 1923-25 average in June to 68.1 per cent in July, and compared with 59.6 per cent in July, 1932. Reports indicate that consumer demand for merchandise during early August was good. During the first seven months of 1933, the distribution of merchandise was only 7.8 per cent less than in the like period of 1932.

Inventories of merchandise at department stores showed

### BUSINESS OF DEPARTMENT STORES

	Dallas	Fort Worth	Houston	San Antonio	All Others	Total District
<b>Total sales (percentage):</b>						
July, 1933, compared with July, 1932.....	+19.6	+22.3	+11.9	+ 5.6	+ 5.5	+13.6
July, 1933, compared with June, 1933.....	-16.9	- 9.2	-16.8	-20.2	-18.7	-16.6
January 1 to date compared with same period last year.....	- 8.0	- 8.3	- 1.7	-13.0	- 8.6	- 7.8
<b>Credit sales (percentage):</b>						
July, 1933, compared with July, 1932.....	+25.0	+35.1	+14.1	+ 8.6	+11.0	+19.5
July, 1933, compared with June, 1933.....	-18.9	- 7.7	-20.7	-19.6	-18.8	-17.8
January 1 to date compared with same period last year.....	- 8.3	- 6.3	+ 1.5	-13.2	- 9.3	- 7.4
<b>Stocks (percentage):</b>						
July, 1933, compared with July, 1932.....	- 6.2	- 7.1	+16.7	- 1.8	- 5.2	- 3.2
July, 1933, compared with June, 1933.....	+ .3	- 3.2	- 6.9	+ 3.9	- .9	- 1.0
<b>Stock turnover (rate):</b>						
Rate of stock turnover in July, 1932.....	.16	.13	.20	.21	.15	.16
Rate of stock turnover in July, 1933.....	.21	.19	.19	.25	.17	.20
Rate of stock turnover January 1 to July 31, 1932.....	1.49	1.20	1.47	1.73	1.32	1.43
Rate of stock turnover January 1 to July 31, 1933.....	1.62	1.34	1.69	1.94	1.47	1.59
Ratio of July collections to accounts receivable outstanding July 1, 1933.....	32.0	22.2	37.7	36.5	27.0	30.7
<b>Indexes of department store sales:</b>						
Unadjusted—July, 1933.....	45.5	60.5	53.1	40.5	.....	47.7
Adjusted—July, 1933.....	67.9	80.7	75.9	59.6	.....	68.1
<b>Indexes of department store stocks:</b>						
Unadjusted—July, 1933.....	40.2	58.2	48.0*	32.3	.....	45.6*
Adjusted—July, 1933.....	43.2	63.3	53.9*	37.1	.....	50.1*

\*Subject to revision.

a further decline. Stocks on July 31 were 1 per cent less than a month earlier, and 3.2 per cent below those on the same date last year. The rate of stock turnover, however, continued to increase, reflecting a turn of 1.59 during the seven months of 1933, as against 1.43 in the corresponding period of 1932.

The ratio of July collections to accounts outstanding on July 1 was 30.7 per cent, as compared with 31.9 per cent in June, and 28.1 per cent in July, 1932.

### *Crop Conditions*

The condition of crops in the Eleventh Federal Reserve District showed some improvement in July but the betterment was

somewhat spotty. Scattered rainfall occurred during the first three weeks of the month and in the last week moderate to heavy rains fell over the Eastern two-thirds of Texas, Southeastern Oklahoma, and North Louisiana. However, the heavy rainfall did not come in time to be reflected in the August 1 condition. In a considerable area of West and Northwest Texas, there has been little or no rainfall with prospects for crops very poor. The August 1 crop estimates by the Department of Agriculture in most instances were either the same or higher than a month earlier.

The cotton crop made generally good progress in most sections of this district during July. According to the August 1 estimate of the Department of Agriculture, the per acre yield in all states attached to this district, excepting Texas, will be higher than in 1932. The Department states that the indicated yield will be higher than a year ago in all sections of Texas, except in the West and Northwest portions, where the prolonged drouth has seriously damaged crops. Furthermore, the number of bolls safe per plant for the state as a whole is larger this year than for any year during the past five years. The estimate for this district compiled by the Federal Reserve Board from the state reports of the Department of Agriculture was placed at 4,225,000 bales, as compared with 5,233,000 bales produced last year. The estimate for Texas was 3,541,000 bales as against a production of 4,500,000 bales in 1932, but this reduction is caused largely by the large acreage that is being destroyed under the direction of the Agricultural Adjustment Administration. The area indicated for harvest this year was 11,095,000 acres which will be the smallest since 1909. Louisiana, Oklahoma, and New Mexico will have a slightly smaller production than a year ago, but a higher production is indicated for Arizona. Insect activity was light prior to the late July rains, but recent reports indicate that there has been some increase lately.

The indicated production of corn on August 1 was increased by the Department of Agriculture in Texas, Louisiana, and New Mexico. There was no change in the estimate for Oklahoma, and a smaller production was indicated for Arizona. The dry weather and high temperatures during the critical growing period greatly reduced production in Texas and Oklahoma this year. The August 1 estimate for Texas was placed at 74,312,000 bushels, as compared with 102,726,000 bushels last year, and that for Oklahoma was only 22,323,000 bushels this year against 65,760,000 bushels produced in 1932. Grain sorghum prospects for these states are likewise very poor this year as the heavy producing areas have been affected by the severe drouth. The estimate for Texas as of August 1 was placed at 38,052,000 bushels, whereas 63,008,000 bushels were produced last year. The

### *Commercial Failures*

Both the number and liabilities of defaulting firms in the Eleventh District during July were the smallest reported in any month for the past three years. Only 42 commercial failures occurred during the month, according to the compilation of Dun & Bradstreet, Inc., as compared with 57 insolvencies in June, and 72 in July a year ago. Total indebtedness amounted to \$798,981, as against \$819,128 in the previous month, and \$2,197,484 in the same month last year.

## AGRICULTURE

production for Oklahoma was placed at 7,610,000 bushels as against 15,219,000 bushels in 1932. The New Mexico production was estimated as 4,120,000 bushels as compared with 3,763,000 bushels a year ago. The indicated yield of hay crops did not show much change during the past month, but in Texas and Oklahoma prospects are considerably under a year ago.

The prospective production of rice in Texas showed no change during July. The heavy rains during the latter part of the month damaged the early crop, but the losses were offset by the improvement in the late crop. July rains benefited the sweet potato crop in Louisiana, Texas, and Oklahoma, but the August 1 forecast was considerably under production last year in the two latter states.

### *Livestock*

The physical condition of ranges and livestock over a large area of this district reflected a further decline during July due to the lack of rainfall and the high temperatures. In the major portion of West and Northwest Texas the drouth is very severe and livestock are in poor condition with feed supplies nearly exhausted and little feed being produced. Rain is urgently needed to correct this situation. In other sections of Texas moderate to heavy rains fell during the last week of July and the first half of August with the result that ranges are showing considerable improvement and should furnish good fall pasturage. There are some of the counties in Eastern New Mexico which are dry, but elsewhere ranges are in fair to good condition.

According to the report of the Department of Agriculture, the August 1 condition of cattle ranges in Texas was 71 per cent of normal, which was the lowest for that date for any of the past ten years, excepting 1925. This figure compares with 74 per cent a month earlier and 85 per cent on the corresponding date in 1932. Sheep and goat ranges were rated as 70 per cent of normal condition on August 1, as compared with 75 per cent on July 1, and 85 per cent a year ago. The August 1 condition of cattle and sheep was 77 per cent, which represents a decline of 3 and 4 points, respectively, during the month. A year ago the condition of cattle was 86 per cent and that of sheep 85 per cent. The condition of goats was rated as 82 per cent on August 1 as compared with 84 per cent a month earlier, and 86 per cent last year. While the condition of ranges in New Mexico and Arizona declined 1 point during July, that of livestock showed an improvement.

The Department of Agriculture estimated the 1933 wool production in Texas as 63,314,000 pounds, which is a new high record for the State. The increase of 6,209,000 pounds over 1932, while due in part to heavier weight per fleece, was brought about mostly by the larger number of sheep shorn. Production in Arizona and New Mexico was slightly smaller than a year ago.

### Movements and Prices

The receipts of cattle and sheep at the Fort Worth market during July reflected a substantial decline as compared with both the previous month and the corresponding month last year. The arrivals of calves were noticeably larger than in June and were in about the same volume as a year ago. While the receipts of hogs fell considerably under those in June, they showed a large increase over July, 1932.

FORT WORTH LIVESTOCK RECEIPTS  
(Number)

	July 1933	July 1932	Change over year	June 1933	Change over month
Cattle.....	36,645	39,313	- 2,668	42,786	- 6,141
Calves.....	16,728	16,705	+ 23	13,394	+ 3,334
Hogs.....	37,334	14,608	+22,726	45,639	- 8,305
Sheep.....	44,636	115,014	-70,378	103,264	-58,628

The demand for cattle during the past month was narrow and at times there was an absence of quality offerings. Prices were bid up in some instances for quality cattle, but at most times trading was slow. Hog prices held up around high for the month during the last half of July, but a decline was registered in the first two weeks of August. The market on sheep and lambs was generally steady.

COMPARATIVE TOP LIVESTOCK PRICES  
(Dollars per hundredweight)

	July 1933	July 1932	June 1933
Beef steers.....	\$6.15	\$8.00	\$5.50
Stocker steers.....	5.50	5.75	5.00
Butcher cows.....	3.25	4.00	3.75
Stocker cows.....	...	2.75	3.00
Calves.....	5.00	5.25	5.25
Hogs.....	4.60	5.05	4.60
Sheep.....	3.25	2.00	3.50
Lambs.....	6.75	4.60	6.25

## FINANCE

### Operations of the Federal Reserve Bank

Member bank borrowings at the Federal Reserve Bank reflected a gradual rise from \$3,719,000 on July 15 to \$4,778,000 on August 4 and then receded steadily to \$3,993,000 on August 15. The latter figure was \$274,000 greater than that a month earlier, but was \$12,136,000 below that obtaining on August 15, 1932. During the past month reserve city banks retired completely their indebtedness at the reserve bank, but that of country banks was increased somewhat. There were 138 banks borrowing from this bank on August 15, as compared with 118 banks a month earlier, and 272 banks on the same date last year. There was a further decline in this bank's holdings of bankers' acceptances purchased in the open market but the recession was slightly more than offset by an increase in the holdings of United States securities. The reserve deposits of member banks stood at \$57,234,000 on August 15, which was \$1,552,000 larger than those a month earlier, and \$13,675,000 above those a year ago. The combined circulation of Federal reserve notes and Federal reserve bank notes amounted to \$38,678,000 on August 15, as compared with \$36,957,000 on July 15, and \$37,610,000 on August 15, 1932.

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

	Aug. 15, 1933	Aug. 15, 1932	July 15, 1933
Total cash reserves.....	59,135	43,199	53,800
Discounts for member banks.....	3,993	16,129	3,719
Other bills discounted.....	None	None	None
Bills bought in the open market.....	198	907	306
United States securities owned.....	49,124	30,721	48,999
Other investments.....	5	5	5
Total earning assets.....	53,320	47,762	53,029
Member bank reserve deposits.....	57,234	43,559	55,682
Federal reserve notes in actual circulation...	33,140	37,610	34,985
Federal reserve bank notes in actual circulation.....	5,538	None	1,972

### Condition of Member Banks in Selected Cities

Reports from member banks in selected cities during the four-week period ending August 9 reflected a decline in loans, investments, and deposits. Holdings of United States securities declined \$1,043,000 between July 12 and August 9, but on the latter date were \$20,031,000 larger than a year earlier. Their investments in other securities were also reduced \$1,225,000 during the four-week period and were \$5,904,000 below those on August 10, 1932. While loans on securities declined \$2,

245,000 between July 12 and August 9, there was a gain of \$517,000 in "all other" loans (largely commercial). Total loans on August 9 were \$32,184,000 under those a year ago. There was a recession in their net demand deposits of \$5,088,000 during the period and the total of \$206,993,000 on August 9 was \$14,796,000 below that on the corresponding date in 1932. On the other hand, time deposits were increased \$192,000 between July 12 and August 9 and were \$1,151,000 larger than a year earlier. The reserve deposits of these banks rose to \$36,435,000 on August 9, which amount was \$4,145,000 greater than four weeks earlier and \$9,357,000 above that a year ago. Their borrowings from the Federal Reserve Bank totaled \$610,000 on August 9, as compared with \$354,000 on July 12, and \$3,621,000 on the corresponding date of 1932.

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

	Aug. 9, 1933	Aug. 10, 1932	July 12, 1933
United States securities owned.....	105,981	85,950	107,024
All other stocks, bonds, and securities owned.....	50,638	56,542	51,863
Loans on securities.....	59,748	73,610	61,993
All other loans.....	144,797	163,119	144,280
Total loans.....	204,545	236,729	206,273
Net demand deposits.....	206,993	221,789	212,081
Time deposits.....	127,375	126,224	127,183
Reserve with Federal Reserve Bank.....	36,435	27,078	32,290
Bills payable and rediscounts with Federal Reserve Bank.....	610	3,621	354

### Deposits of Member Banks

The daily average of both net demand and time deposits of member banks in the Eleventh District during July was larger than in the previous month, and the margin of de-

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
July, 1933.....	\$421,727	\$186,995	\$209,225	\$114,505	\$212,502	\$72,490
Aug., 1933.....	409,254	187,908	201,130	114,532	208,124	73,376
Sept., 1933.....	413,291	187,040	202,121	113,937	211,170	73,103
Oct., 1933.....	413,190	189,716	200,582	116,186	212,608	73,530
Nov., 1933.....	421,165	193,246	204,351	116,816	216,804	74,340
Dec., 1933.....	420,762	192,266	202,933	117,465	217,849	74,801
Jan., 1933.....	416,655	194,407	201,437	119,215	215,218	75,192
Feb., 1933.....	415,200	192,432	199,397	118,756	215,803	73,656
Mar., 1933.....	413,776	188,547	202,276	115,737	211,500	72,810
April, 1933.....	394,790	186,161	193,431	113,723	201,359	72,438
May, 1933.....	394,336	186,596	191,847	113,101	202,489	73,495
June, 1933.....	395,983	186,405	192,396	113,390	203,587	73,015
July, 1933.....	396,783	191,055	196,040	113,908	200,743	77,147

crease from a year ago was further reduced. The combined average amounted to \$587,838,000, as against \$582,388,000 in June, and \$608,722,000 in July last year. Most of the increase as compared with June was reflected in the net demand deposits of reserve city banks and the time deposits of country banks.

**Acceptance Market** The volume of acceptances executed by accepting banks in the Eleventh Federal Reserve District and outstanding at the close of July amounted to \$1,128,966, as against \$1,363,388 a month earlier and \$779,204 on July 31, 1932. Acceptances based on import and export transactions declined from \$838,183 on June 30 to \$204,770 on the last day of July, but those executed against the domestic shipment and storage of goods were increased from \$525,205 on the former date to \$924,196 on the latter date.

**Savings Deposits** The savings deposits of 142 reporting banks in this district reflected a decline of 0.8 per cent during July, but while they were smaller than a year ago the comparison was more favorable than on June 30. The amounts reported by these banks at the close of July aggregated \$136,518,105, as compared with \$137,670,456 a month earlier, and \$140,352,086 a year ago. The number of savings depositors also decreased somewhat during the month.

**Debits to Individual Accounts**

For the fourth consecutive month there was an expansion in the volume of charges to depositors' accounts during July at banks in principal cities in the Eleventh District. These increases have not been seasonal in nature. Total debits in July amounted to \$475,333,000, as compared with \$469,646,000 in the previous month, and \$430,462,000 in the same month last year.

DEBITS TO INDIVIDUAL ACCOUNTS  
(In thousands of dollars)

	July 1933	July 1932	Percentage change over year	June 1933	Percentage change over month
Abilene.....	3,813	3,386	+12.6	4,174	- 8.6
Austin.....	14,400	13,230	+ 8.8	15,368	- 6.3
Beaumont.....	12,662	12,702	- .3	12,192	+ 3.9
Corsicana.....	2,131	2,026	+ 5.2	2,096	+ 1.7
Dallas.....	131,765	113,518	+16.1	126,031	+ 4.5
El Paso.....	13,452	12,346	+ 9.0	14,313	- 6.0
Fort Worth.....	56,339	53,466	+ 5.4	50,320	+12.0
Galveston.....	17,290	17,108	+ 1.1	15,563	+11.1
Houston.....	118,359	105,160	+12.6	116,766	+ 1.4
Port Arthur.....	4,161	3,839	+ 8.4	4,490	- 7.3
Roswell.....	2,319	2,012	+15.3	2,535	- 8.5
San Antonio.....	43,694	41,273	+ 5.9	46,382	- 5.8
Shreveport.....	23,516	20,751	+13.3	26,831	-12.4
Texarkana*.....	5,107	5,578	- 8.4	6,056	-15.7
Tucson.....	7,038	7,797	- 9.7	7,543	- 6.7
Waco.....	9,533	7,792	+22.3	9,456	+ .8
Wichita Falls....	9,754	8,478	+15.1	9,530	+ 2.4
Total.....	475,333	430,462	+10.4	469,646	+ 1.2

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

SAVINGS DEPOSITS

	July 31, 1933			July 31, 1932			June 30, 1933		
	Number of reporting banks	Number of savings depositors	Amount of savings deposits	Number of savings depositors	Amount of savings deposits	Percentage change over year in savings deposits	Number of savings depositors	Amount of savings deposits	Percentage change over month in savings deposits
Beaumont.....	3	8,231	\$ 3,081,648	8,361	\$ 2,758,360	+11.7	8,173	\$ 3,164,630	- 2.6
Dallas.....	9*	72,561	23,871,742	75,159	25,374,941	- 5.9	72,768	24,491,673	- 2.5
El Paso.....	2	9,663	3,996,610	10,836	3,236,812	+23.5	10,108	3,443,399	+16.1
Fort Worth.....	4	32,299	10,587,650	34,137	11,216,154	- 5.6	33,343	10,904,887	- 2.9
Galveston.....	4	16,307	9,838,354	16,471	10,125,448	- 2.8	16,341	9,850,495	- .1
Houston.....	11*	64,239	28,649,419	67,011	30,181,512	- 5.1	64,807	29,500,749	- 2.9
Port Arthur.....	2	4,645	1,814,502	4,266	1,761,766	+ 3.0	4,362	1,889,721	- 4.0
San Antonio.....	8	21,007	13,888,472	21,773	14,324,286	- 3.0	21,061	14,191,408	- 2.1
Shreveport.....	4	21,862	9,870,967	24,229	10,004,211	- 1.3	21,892	9,209,387	+ 7.2
Waco.....	3	10,389	5,583,373	10,391	5,593,528	- .2	10,315	5,690,391	- 1.9
Wichita Falls....	3	5,576	2,343,080	5,628	2,297,056	+ 2.0	5,553	2,390,291	- 2.0
All others.....	89*	53,872	22,992,288	56,647	23,478,012	- 2.1	53,924	22,943,425	+ .2
Total.....	142	320,651	\$136,518,105	334,909	\$140,352,086	- 2.7	322,647	\$137,670,456	- .8

\*Only 8 banks in Dallas, 10 in Houston, and 80 in "All others" reported the number of savings depositors.

AUGUST 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	4-6	5-7	5-8	3-6
Rate charged on loans to other banks secured by bills receivable.....	4½-6	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.....	6-8	6-8	6-8	5-7	7-8	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.....	4½-7	8	5-7	5-7	8	5-6
Rate on cattle loans.....	6-8	6-8	6-8	7-10	8-10	8

INDUSTRY

**Cottonseed Products** The receipts of cottonseed at both Texas and United States mills during July were substantially greater than in the previous month, and continued in much larger volume than in the same month of 1932. Crushings of seed, however, while showing a further increase over those a year ago, were seasonally smaller than a month earlier. The production of all cottonseed products during the past month at both Texas and United States mills continued on a higher scale than in the corresponding month last year, but with the exception

of an unseasonable increase in the output of cake and meal at Texas mills activities evidenced the usual July decline as compared with the previous month.

During the past season the crushings of seed and the production of oil, cake and meal, and hulls at Texas mills exceeded similar operations in the preceding twelve-month period, and shipments of all products except cake and meal, which showed a very slight decline, were greater than those in the 1931-32 season. At all United States mills operations

during the entire season were smaller than those a year earlier, and shipments of oil, and cake and meal also witnessed a decline, while movements of hulls and linters showed an increase. Inventories of cottonseed on July 31 were less than a month earlier or a year ago, and stocks of all products were below those held on June 30, but supplies of crude oil and cake and meal were sizably larger than on the corresponding date of 1932.

#### STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS

	Texas		United States	
	August 1 to July 31 This season	Last season	August 1 to July 31 This season	Last season
Cottonseed received at mills (tons).....	1,481,372	1,657,472	4,541,315	5,620,054
Cottonseed crushed (tons).....	1,557,034	1,495,363	4,619,306	5,328,014
Cottonseed on hand July 31 (tons).....	99,606	175,268	220,883	300,024
Crude oil produced (pounds)....	474,080,191	450,135,007	1,445,362,465	1,694,122,987
Cake and meal produced (tons).....	720,311	704,011	2,093,083	2,401,202
Hulls produced (tons).....	463,655	432,674	1,311,812	1,510,874
Linters produced (running bales).....	187,484	194,963	741,346	875,667
Stocks on hand July 31:				
Crude oil (pounds).....	10,816,563	7,348,171	33,013,337	17,954,405
Cake and meal (tons).....	41,794	21,569	160,681	114,656
Hulls (tons).....	25,480	37,893	76,841	162,773
Linters (running bales).....	15,125	65,231	72,772	235,521

#### Textile Milling

Although a decline was registered as compared with the preceding month, the cotton textile mills in the United States maintained operations on an exceptionally high level during July. There were 600,143 bales of cotton consumed, which establishes a new all time high for the month of July, being more than 100 per cent greater than the consumption in July, 1932, and only 13.8 per cent less than the unprecedented high level recorded in June. During the 1932-33 season, which closed July 31, there were 6,135,595 bales of cotton consumed at domestic mills, which amount represents an increase of 26.1 per cent over the 4,866,016 bales during the preceding season. It is significant to note that consumption during the past season was the largest recorded since the 1928-29 season. Inventories of raw cotton on July 31 at consuming establishments were less than those a month earlier, but they were 10.9 per cent greater than the holdings on July 31, 1932.

Reflecting the customary seasonal curtailment in operations, both the consumption of cotton and the production of cloth during July at Texas textile mills were in smaller volume than a month earlier, but they continued on a much higher scale than a year ago. Orders for finished products on hand at the close of July were also below those a month earlier, but greater than on the corresponding date last year. Stocks of products held at the end of the month were considerably smaller than those on June 30 this year or July 31, 1932.

#### COTTON CONSUMED AND ON HAND (Bales)

	July		August 1 to July 31	
	1933	1932	This season	Last season
Cotton-growing states:				
Cotton consumed.....	483,230	239,069	5,086,883	4,033,351
On hand July 31 in—				
Consuming establishments.....			1,031,994	934,581
Public storage and compresses.....			5,326,214	6,237,992
United States:				
Cotton consumed.....	600,143	278,568	6,135,525	4,866,016
On hand July 31 in—				
Consuming establishments.....			1,351,033	1,217,886
Public storage and compresses.....			5,739,100	6,699,868

#### Cotton Movements

Despite a small seasonal decline, exports of cotton through the ports of Houston and Galveston continued on a very high level during July. Shipments from both ports combined totaled 403,007 bales, which was only 7 per cent less than a month earlier, but 89.6 per cent above those in July, 1932. During the past season exports aggregated 4,934,271 bales, as compared with a total of 5,080,943 bales in the 1931-32 season. Receipts of cotton at Houston and Galveston during July were seasonally smaller than a month earlier, but continued in much larger volume than a year ago. Stocks of cotton on hand at Galveston at the close of the season were less than those held on July 31, 1932, while at Houston there was a substantial increase.

Total foreign exports of cotton from all United States ports showed a further non-seasonal gain during July, and they were also in such volume as to establish a new high for that month. There were 692,007 bales of cotton shipped during the month, as against 614,561 bales in June, and

#### COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON (Bales)

	July		August 1 to July 31	
	1933	1932	This season	Last season
Receipts.....	57,153	37,518	2,131,579	2,366,342
Exports.....	158,618	109,356	2,158,611	2,292,503
Stocks, July 31.....			434,997	462,179

#### COTTON—GALVESTON STOCK STATEMENT (Bales)

	July 31, 1933	July 31, 1932
	For Great Britain.....	600
For France.....	3,000	100
For other foreign ports.....	22,500	5,900
For coastwise ports.....	1,000	100
In compresses and depots.....	407,897	455,779
Total.....	434,997	462,179

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

	August 1 to July 31	
	This season	Last season
Receipts.....	9,124,025	10,061,016
Exports:		
United Kingdom.....	1,491,853	1,344,385
France.....	863,832	463,092
Italy.....	803,857	649,059
Germany.....	1,848,864	1,570,312
Other Europe.....	1,069,757	837,253
Japan.....	1,743,302	2,293,831
All other countries.....	597,934	1,549,616
Total foreign ports.....	8,419,399	8,707,548
Stocks at all United States ports, July 31.....	3,023,954	3,377,773

#### COTTON MOVEMENTS THROUGH THE PORT OF HOUSTON (Bales)

	July		August 1 to July 31	
	1933	1932	This season	Last season
Receipts.....	68,197	18,067	2,882,801	3,185,943
Exports.....	244,389	103,213	2,775,660	2,788,440
Stocks, July 31.....			1,156,132	1,075,164

#### SPOT COTTON PRICES—(Middling Basis) (Cents per pound)

	July, 1933		August 15, 1933
	High	Low	
New York.....	11.75	10.00	8.85
New Orleans.....	11.68	9.98	8.68
Dallas.....	11.35	9.60	8.35
Houston.....	11.65	9.90	8.70
Galveston.....	11.55	9.85	8.65

449,476 bales in July, 1932. During the entire 1932-33 season there were 8,419,399 bales of cotton exported, as compared with 8,707,548 bales in the 1931-32 season. Although this decline was registered during the past season in the American exports of raw cotton, it was far more than offset by a large increase in the domestic consumption, the net result showing an increase of 7.2 per cent in the total distribution of cotton. The past year evidenced a considerable up-turn in the exports of cotton to the United Kingdom and continental countries, while Oriental takings declined noticeably.

**Petroleum** Oil production in the Eleventh Federal Reserve District during July totaled 37,691,200 barrels, as compared with 39,081,000 barrels in the previous month, and 29,209,600 barrels in the same month last year. The decrease from June was attributable to the heavy reduction which was made in East Texas, as all other sections reported appreciable gains in both total and daily average output. The increase over a year ago was smaller than in June. Drilling activity showed some expansion during the month, there being 464 wells completed in July as against 335 in the preceding month.

OIL PRODUCTION—(Barrels)

	July, 1933		Increase or decrease over June, 1933	
	Total	Daily Avg.	Total	Daily Avg.
North Texas.....	3,115,500	100,500	+ 357,000	+ 8,550
Central West Texas.....	5,620,300	181,300	+ 331,300	+ 5,000
East Central Texas.....	19,094,300	615,945	-3,164,200	-126,005
South Texas.....	1,607,350	51,850	+ 84,850	+ 1,100
Texas Coastal.....	6,268,200	202,200	+ 847,200	+ 21,500
<b>Total Texas.....</b>	<b>35,705,650</b>	<b>1,151,795</b>	<b>-1,543,850</b>	<b>- 89,855</b>
New Mexico.....	1,160,950	37,450	+ 80,950	+ 1,450
North Louisiana.....	824,600	26,600	+ 73,100	+ 1,550
<b>Total District.....</b>	<b>37,691,200</b>	<b>1,215,845</b>	<b>-1,389,800</b>	<b>- 86,855</b>

Daily average production of crude oil in Texas amounted to 1,151,795 barrels, which was 89,855 barrels less than the amount reported in June. However, there was an increase of 21,500 barrels in the Coastal region, and other areas with the exception of East Texas showed gains ranging from 1,100 barrels to 8,550 barrels. Increases were also reported for both New Mexico and North Louisiana.

JULY DRILLING RESULTS

	Completions	Producers	Gas Wells	Failures	Initial Production
North Texas.....	72	31	..	41	2,748
Central West Texas.....	39	20	1	18	2,978
East Central Texas.....	151	138	1	12	958,335
South Texas.....	73	29	6	38	14,024
Texas Coastal.....	101	78	2	21	104,498
<b>Total Texas.....</b>	<b>436</b>	<b>296</b>	<b>10</b>	<b>130</b>	<b>1,082,583</b>
New Mexico.....	..	..	..	..	..
North Louisiana.....	28	5	5	18	530
July totals, district.....	464	301	15	148	1,083,113
June totals, district.....	335	209	11	115	648,976

CRUDE OIL PRICES

	August 11, 1933	August 12, 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** There was a further increase in the valuation of building permits issued at leading centers in this district during July. The month's total at fourteen cities amounted to \$2,009,479, as compared with \$1,730,191 in June, and \$844,572 in July last year. Only two cities failed to register material gains over the corresponding month in 1932.

BUILDING PERMITS

	July, 1933		July, 1932		Percentage change valuation over year	June, 1933		Percentage change valuation over month	Seven Months				Percentage change valuation over period
	No.	Valuation	No.	Valuation		No.	Valuation		1933		1932		
									No.	Valuation	No.	Valuation	
Amarillo.....	22	\$ 35,233	15	\$ 8,352	+321.9	20	\$ 5,972	+490.0	125	\$ 110,419	161	\$ 215,407	- 48.7
Austin.....	86	138,514	93	91,392	+ 51.6	118	157,684	- 12.2	624	1,039,347	638	4,805,414	- 78.4
Beaumont.....	57	40,269	74	12,135	+231.8	84	11,984	+236.0	521	112,025	592	223,325	-49.8
Corpus Christi..	31	11,633	35	11,026	+ 5.5	31	17,299	- 32.8	158	97,855	233	101,783	- 3.9
Dallas.....	215	154,091	242	201,831	- 23.7	498	183,002	- 15.8	2,362	1,276,321	1,902	1,618,018	- 21.1
El Paso.....	48	22,944	37	19,906	+ 15.3	46	10,580	+116.9	247	118,634	265	160,571	- 26.1
Fort Worth.....	78	473,140	94	158,245	+199.0	96	796,110	- 40.6	585	2,321,129	897	984,695	+135.7
Galveston.....	94	54,440	97	41,089	+ 32.5	96	39,443	+ 38.0	619	262,261	844	376,536	- 30.3
Houston.....	158	932,329	179	135,088	+590.2	137	270,465	+244.7	1,157	2,085,127	1,452	1,958,609	+ 6.5
Port Arthur.....	38	7,299	27	5,696	+ 28.1	38	9,227	- 20.9	260	45,438	271	63,863	- 28.9
San Antonio.....	108	78,165	151	120,516	- 35.1	147	117,214	- 33.3	948	652,470	1,297	1,198,560	- 45.6
Shreveport.....	88	30,736	103	17,456	+ 76.1	114	64,337	- 52.2	694	225,075	828	253,419	- 11.2
Waco.....	19	23,033	20	16,887	+ 36.4	22	35,772	- 35.6	174	196,319	222	233,213	- 15.8
Wichita Falls...	43	7,653	17	4,953	+ 54.5	29	11,102	- 31.1	205	53,868	108	471,419	- 88.6
<b>Total.....</b>	<b>1,085</b>	<b>\$2,009,479</b>	<b>1,184</b>	<b>\$ 844,572</b>	<b>+137.9</b>	<b>1,476</b>	<b>\$1,730,191</b>	<b>+ 16.1</b>	<b>8,679</b>	<b>\$8,596,288</b>	<b>9,710</b>	<b>\$12,664,832</b>	<b>- 32.1</b>

**Cement** There was a decline of 21.0 per cent in the production of Portland cement at mills in Texas during July. Output totaled 274,000 barrels, as compared with 347,000 barrels in June, and 278,000 barrels in July last year. Shipments decreased from 298,000 barrels in June to 237,000 barrels in the succeeding month,

the latter figure being 70,000 barrels less than in the same month a year ago. Stocks on hand showed a further expansion of 5.1 per cent during July and amounted to 765,000 barrels at the close of the month, as compared with 728,000 barrels on June 30, and 667,000 barrels on the last day of July, 1932.

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

	July 1933	Percentage change from July 1932	June 1933	January 1 through July 31	Percentage change from year
Production at Texas mills.....	274	- 1.4	-21.0	2,153	+ .6
Shipments from Texas mills.....	237	-22.8	-20.5	2,005	- 6.1
Stocks at end of month at Texas mills.....	765	+14.7	+ 5.1	.....	.....

# SUMMARY OF NATIONAL BUSINESS CONDITIONS

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

Industrial production increased further from June to July, contrary to seasonal tendency, and in recent weeks has continued at a relatively high level. Since the middle of July there have been reductions in wholesale prices of leading raw materials, while prices of many other products have advanced.

## PRODUCTION AND EMPLOYMENT

Volume of industrial output, as measured by the Board's seasonally adjusted index, advanced from 91 per cent of the 1923-25 average in June to 98 per cent in July, which compares with 60 per cent in March. The principal increase in July was at steel plants, where activity advanced from 46 per cent of capacity to 59 per cent. Production in the lumber and coal industries was also in larger volume, and daily average output of automobiles showed none of the usual seasonal decline. Output at shoe factories and woolen mills continued at an unusually high rate while consumption of cotton by domestic mills decreased somewhat. Cigarette production declined sharply from the high level of May and June. Since the middle of July a decrease has been reported in the output of steel. Working forces and payrolls at factories increased considerably between the middle of June and the middle of July. As in other recent months the largest increases were generally at establishments fabricating raw materials into semi-finished products. Value of construction contracts awarded, as reported by the F. W. Dodge Corporation, showed a decline in July followed by an increase in the first half of August. Total awards during the six weeks were in about the same volume as in the preceding six weeks and in larger volume than in earlier periods this year. Department of Agriculture estimates as of August 1 indicate harvests generally smaller than a year ago. The cotton crop is forecast at 12,314,000 bales, a reduction of 700,000 bales from last season, reflecting curtailment in acreage as a part of the program of the Agricultural Adjustment Administration, offset in large part by an unusually high yield per acre. The wheat crop is estimated at 500,000,000 bushels, a reduction of 225,000,000 bushels from last year's small harvest, and feed crops are expected to be unusually small.

## DISTRIBUTION

Freight traffic increased further from June to July by a substantial amount, but in recent weeks shipments, par-

ticularly of miscellaneous freight and grains, have been somewhat smaller. Department store sales declined in July by about the usual seasonal amount. They were larger than a year ago, however, and trade reports for the first half of August indicate an increase in sales.

## WHOLESALE PRICES

Wholesale prices of commodities increased further during the first three weeks of July, and according to the index of the Bureau of Labor Statistics, there has been little change in their general level since that time. Prices of grains, cotton, and many imported raw materials, however, were considerably lower in the third week of August than in the middle of July, while prices of textiles were higher, reflecting in part the application of the processing tax on cotton. Prices of leather and coal also advanced during this period.

## FOREIGN EXCHANGE

In the exchange market the value of the dollar in terms of the French franc advanced from a low of 69 per cent of its gold parity on July 18 to 75 per cent at the beginning of August and since that time has fluctuated between 73 and 75 per cent.

## BANK CREDIT

Net demand deposits of weekly reporting member banks in 90 cities declined between the middle of July and the middle of August, owing in large part to further withdrawals of bankers' balances from banks in New York City and elsewhere. The banks' loans decreased by \$71,000,000 during the period, reflecting chiefly a reduction in loans to brokers and dealers in securities. Their holdings of United States Government securities, after declining between July 19 and August 9, increased during the week ending August 16 in connection with Treasury financing at that time. Total reserves of all member banks increased by \$81,000,000 during the four-week period ending August 16, reflecting chiefly the purchase of \$42,000,000 of United States Government securities by the reserve banks and a return of \$23,000,000 of currency from circulation. The growth in member bank reserves, occurring at a time when reserve requirements were being reduced in consequence of a decline in their deposits, brought their excess reserves to a level above \$550,000,000. Money rates in the open market generally continued at low levels.