

# MONTHLY BUSINESS REVIEW

## OF THE

### FEDERAL RESERVE BANK OF DALLAS

C. C. WALSH  
Chairman and Federal Reserve Agent

CHAS. C. HALL—W. J. EVANS  
Assistant Federal Reserve Agents

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## DISTRICT SUMMARY

### THE SITUATION AT A GLANCE Eleventh Federal Reserve District

	December 1933	Change from November
Bank debits to individual accounts (at 17 cities).....	\$594,394,000	+ 12.0%
Department store sales.....	.....	+ 63.3%
Reserve bank loans to member banks at end of month.....	\$ 573,107	— 54.5%
Reserve bank ratio at end of month.....	60.6%	— 6.3 points
Building permit valuation at larger centers....	\$ 797,213	+ 16.7%
Commercial failures (number).....	33	+ 3.1%
Commercial failures (liabilities).....	\$ 303,290	— 42.5%
Oil production (barrels).....	29,720,550	+ 3.0%

A stronger undertone of confidence and a noticeable expansion in the demand for merchandise were outstanding developments in this district during the past month. Sales of department stores in principal cities reflected an increase of 63 per cent over the previous month, which was considerably larger than seasonal, and exceeded those of the closing month of 1932 by 22 per cent. While wholesale distribution is usually quiet in December, sales in some lines were greater than in November, and in others the declines were less than seasonal. Sales in all reporting lines were substantially larger than a year ago. Due to the active consumer buying, many retailers had to make replacement purchases to meet the demand. Collections were well sustained during the month. Debits to individual accounts were 12 per cent larger than in either the previous month or the corresponding month last year.

Reflecting the improved trade conditions, the number of

commercial failures remained near the low November figure and the liabilities of defaulting firms were smaller than in any month since July, 1927.

General rains over a large portion of this district since late in December have greatly benefited winter crops and livestock ranges. Nevertheless, there remains a deficiency in sub-soil moisture due to the fall drouth, and much additional rainfall is needed to overcome this shortage. Farmers generally have made good progress with winter plowing. Ranges are still in poor condition over a large area, but livestock have held up fairly well.

Member bank deposits showed a further expansion in December. The daily average of combined net demand and time deposits amounted to \$680,863,000 as compared with \$654,145,000 in November, and \$613,028,000 in December, 1932. This figure is the highest reported since late in 1931, and is \$100,000,000 above the low point reached in August, 1933. Federal reserve bank loans to member banks totaled only \$440,000 on January 15, as compared with \$1,003,000 a month earlier, and \$4,369,000 a year ago. Following the Christmas buying season there has been a substantial return flow of Federal reserve currency. The actual circulation on January 15 totaled \$51,909,000 as compared with \$54,102,000 on December 15, and \$37,515,000 at the middle of January last year.

Construction work showed some improvement during the month. The valuation of building permits in December was 17 per cent larger than the low November figure, but was still 29 per cent below that a year earlier.

## BUSINESS

### Wholesale Trade

Business at wholesale in this district during December made a generally favorable showing, and the underlying sentiment of confidence on the part of both retailers and consumers continued to be well in evidence. Increased sales over the preceding month were reported in the lines of farm implements and drugs, the latter being contrary to seasonal tendency. In two other lines the decreases occurring were of less than the usual seasonal amount. All lines continued to show a substantial expansion as compared with the same month a year ago, and in three cases the increase was larger than in No-

vember. Aggregate sales reported during the last six months of 1933 reflected gains over the same period in 1932 ranging from 4.4 per cent in the case of drugs to 136.4 per cent in the case of farm implements. Stocks on hand at the close of December were smaller than on November 30 in every reporting line. A decline from the previous month was reflected in the total volume of collections during December, but the reduction was smaller than seasonal.

Reports from wholesale dry goods firms in this district indicate that business held up well during December. While



sales totaled 41.0 per cent less than in the previous month, this reduction is somewhat smaller than usually occurs in this month. An expansion of 42.5 per cent over December, 1932, was registered, whereas the like increase amounted in November to 27.0 per cent and in October to only 8.5 per cent. Inventories on December 31, while slightly less than a month earlier, showed an increase of 78.3 per cent over a year ago. A decline of only 1.4 per cent as compared with November was reflected in the volume of collections during the month.

December witnessed a further contrary to seasonal increase of 0.9 per cent in the demand for drugs at wholesale, and sales were in 4.3 per cent greater volume than in the same month a year ago. Business was somewhat spotty, being appreciably better in some areas than in others. Inventories are being held at low levels, the total on December 31 being less than a month earlier or a year ago. Collections were larger than in November.

The business of wholesale hardware firms in this district reflected a smaller than seasonal decrease of 2.1 per cent as compared with November, and was on a scale 67.7 per cent larger than in December, 1932. Despite the further improvement, buying in certain scattered sections followed the downward trend which is generally to be expected at the year-end. A slight reduction in collections was reported.

While the demand for groceries at wholesale in December showed a seasonal recession of 10.8 per cent, the comparison with a year ago continued to be favorable. The month's sales were 14.3 per cent above those in the closing month of 1932, and the total volume between July 1 and December 31 was 12.9 per cent larger than in the same period in the earlier year. Collections declined seasonally in December by 7.8 per cent.

Reflecting to some extent the effect of seasonal influences, the distribution of agricultural implements through wholesale channels during December was on a scale 8.2 per cent larger than in the preceding month. As compared with the same month last year there was an increase of 312.9 per cent. Total dollar sales during the latter half of 1933 showed an expansion of 136.4 per cent over those in the correspond-

ing period in the previous year. As is usual at this season, collections fell off appreciably during the month.

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

	Net Sales Dec., 1933 compared with Dec., 1932	Net Sales July 1 to date compared with same period last year	Stocks Dec., 1933 compared with Dec., 1932	Ratio of collec- tions during Dec. to accounts and notes outstanding on November 30
Groceries.....	+ 14.3	-10.8	+ 12.9	+26.4 — 6.8
Dry goods.....	+ 42.5	-41.0	+ 27.1	+78.3 — 2.0
Farm implements..	+312.9	+ 8.2	+136.4	- 1.2 — 2.8
Hardware.....	+ 67.7	- 2.1	+ 35.2	- 1.7 — .7
Drugs.....	+ 4.3	+ .9	+ 4.4	- 5.7 — 3.0
				73.6
				37.0
				7.1
				47.2
				43.1

### Retail Trade

The active demand for merchandise, which has been in evidence during the past several months at department stores in principal cities of the Eleventh District, increased further in December. The total dollar volume of sales was 63.3 per cent greater than in November, which was considerably larger than the average seasonal increase for that month, and was 22.1 per cent above that in December, 1932. It is significant to note that the increased buying during the last five months of 1933 was sufficient to more than offset the declines registered in the early months of the year, and as a result total distribution of merchandise during the entire year was 1 per cent greater than in 1932. Due to the larger than seasonal increase in sales, this bank's seasonally adjusted index advanced from 66.3 per cent of the 1923-25 average in November to 78.2 per cent in December, which is the highest figure recorded since December, 1931.

Inventories held on December 31 were 25.4 per cent less than a month earlier, but they remained 8.3 per cent greater than those on hand a year ago. The stock turnover of all reporting firms during 1933 was 2.97, as compared with 2.75 in 1932.

December collections reflected a seasonal increase over the previous month, and were proportionately greater in volume than in any month since November, 1929. The ratio of collections during December to accounts outstanding on the first of the month was 36.8 per cent, as against 35.0 per cent in November, and 32.9 per cent in December, 1932.

### BUSINESS OF DEPARTMENT STORES

	Dallas	Fort Worth	Houston	San Antonio	Others	Total District
Total sales (percentage):						
December, 1933, compared with December, 1932.....	+29.3	+22.3	+21.2	+15.0	+16.3	+22.1
December, 1933, compared with November, 1933.....	+64.3	+81.2	+51.5	+59.9	+65.4	+63.3
January 1 to date compared with same period last year.....	+ 3.0	+ .9	+ 6.7	- 5.8	- 2.3	+ 1.0
Credit sales (percentage):						
December, 1933, compared with December, 1932.....	+30.3	+24.1	+22.2	+18.4	+12.2	+23.1
December, 1933, compared with November, 1933.....	+56.6	+70.8	+41.8	+53.1	+57.7	+55.3
January 1 to date compared with same period last year.....	+ 3.1	+ 2.7	+ 9.7	- 3.9	- 4.3	+ 1.8
Stocks on hand at end of month (percentage):						
December, 1933, compared with December, 1932.....	+ 6.3	+ 2.5	+30.1	+ 5.4	+ 6.6	+ 8.3
December, 1933, compared with November, 1933.....	-24.2	-31.2	-21.8	-21.4	-27.5	-25.4
Stock turnover (rate):						
Rate of stock turnover in December, 1932.....	.38	.36	.45	.43	.37	.39
Rate of stock turnover in December, 1933.....	.45	.44	.43	.46	.39	.44
Rate of stock turnover January 1 to December 31, 1932.....	2.93	2.33	2.99	3.14	2.46	2.75
Rate of stock turnover January 1 to December 31, 1933.....	3.20	2.66	3.08	3.28	2.60	2.97
Ratio of December collections to accounts receivable outstanding December 1, 1933.....	39.0	26.2	39.7	42.4	36.2	36.8
Indexes of department store sales:						
Unadjusted—December, 1933.....	121.7	155.9	148.3	101.1	.....	127.5
Unadjusted—November, 1933.....	73.5	86.0	98.0	62.4	.....	76.9
Adjusted—December, 1933.....	76.1	88.1	90.4	65.2	.....	78.2
Adjusted—November, 1933.....	62.3	71.7	83.8	54.3	.....	66.3
Indexes of department store stocks:						
Unadjusted—December, 1933.....	43.3	54.3	51.3	35.8*	.....	47.2*
Unadjusted—November, 1933.....	57.7	79.0	69.4	46.5	.....	64.6
Adjusted—December, 1933.....	49.2	66.2	55.2	40.2*	.....	54.3*
Adjusted—November, 1933.....	52.9	69.9	60.3	41.9	.....	57.7

\*Subject to revision.



**Commercial Failures**

The business mortality rate in this district during December continued at approximately the same low level as in the preceding month, and the indebtedness of insolvent firms evidenced a further substantial decrease, which is contrary to the usual tendency in the closing month of the year.

**Crop Conditions**

The agricultural situation was greatly improved by the light to heavy rains which fell over most of this district during the last days of December and the first half of January. Some areas have ample surface moisture but in the sections where the rainfall was light there is still a deficiency in topsoil moisture. Due to the prolonged fall drouth, a deep subsoil season is lacking over most of the district, and heavy rains will be needed during the remaining winter months to store up adequate subsoil moisture reserves. Harvesting operations have been completed in most sections and farmers generally have made good progress with land preparation.

Small grains, which were in poor condition on December 1, suffered further deterioration during most of the month, but have shown considerable recovery since the rains set in late in December. Plants have taken on new growth and a good root system is developing. There are some areas, however, where more rain is needed to sustain growth. The Department of Agriculture reported that the acreage seeded to wheat during the fall of 1933 was smaller than that seeded in the fall of 1932 in every state attached to this district. The area seeded to wheat in Texas in the fall of 1933 was 4,042,000 acres as compared with 4,491,000 acres in 1932, and was the smallest area seeded since 1929.

The Department of Agriculture reported that the stocks of wheat, oats, and corn on farms in Texas, Oklahoma, New Mexico, and Louisiana on January 1, 1934, were materially smaller than a year ago. Farm stocks of wheat in Texas on January 1 this year were 1,172,000 bushels as compared with 5,376,000 bushels a year ago; farm stocks of corn were 40,580,000 bushels as against 62,016,000 bushels; and farm stocks of oats were 7,907,000 bushels as compared with 20,988,000 bushels on January 1, 1933.

Figures compiled by Dun & Bradstreet, Incorporated, showed a total of 33 insolvencies in December, with liabilities of \$303,290, as compared with 32 defaulting firms in the previous month, owing \$527,099, and 75 suspensions in December, 1932, with an indebtedness amounting to \$1,643,815.

**AGRICULTURE**

Weather conditions during December were very unfavorable for the development of commercial vegetable crops in Texas. The Department of Agriculture reported that moisture conditions were generally favorable in the Lower Rio Grande Valley and that most crops there showed improvement in December. On the other hand, the continued drouth in other non-irrigated counties, and the scarcity of irrigation water in some localities resulted in a marked deterioration in the condition of growing crops.

**Crop Production and Value in 1933**

According to the December 1 report of the Department of Agriculture the farm value of crops in Texas, exclusive of money received from the Government on cotton and wheat acreage reduction contracts, amounted to \$353,378,000 as compared with \$233,164,000 in 1932. This increase in value resulted from the higher farm prices of products as price advances were registered for every major crop and most minor crops. The production of most crops reflected a decline due to the smaller acreage harvested and to unfavorable weather conditions. In the case of small grains and most feed crops there was a smaller acreage harvested and the early summer drouth reduced yields. The per acre yield of cotton, on the other hand, was the highest in twenty-one years and because of this fact, the total production almost equaled that of a year ago despite the acreage taken out of production through the plan of the Agricultural Adjustment Administration. The farm value of crops produced in other states attached to this district likewise showed a substantial increase over 1932. The following table, compiled from the records of the United States Department of Agriculture, gives the comparative figures on the production and value of Texas farm products and the value of farm products in other states attached to this district.

COMPARATIVE PRODUCTION AND VALUE OF TEXAS FARM PRODUCTS AS COMPILED BY THE UNITED STATES DEPARTMENT OF AGRICULTURE

Commodity	Production		Increase or decrease in production	Value based on Dec. 1 farm price (000's omitted)		Increase or decrease in value
	1933	1932		1933	1932	
Cotton (lint).....	4,475,000 bales	4,500,000 bales	— 25,000 bales	\$205,850	\$126,000	+\$ 79,850
Cottonseed.....	1,994,000 tons	2,006,000 tons	— 12,000 tons	26,321	16,650	+ 9,671
Corn.....	74,824,000 bushels	102,726,000 bushels	—27,902,000 bushels	38,160	23,627	+ 14,533
Wheat.....	13,022,000 bushels	28,293,000 bushels	—15,271,000 bushels	8,985	7,922	+ 1,063
Oats.....	20,808,000 bushels	41,976,000 bushels	—21,168,000 bushels	7,907	5,457	+ 2,450
Barley.....	1,720,000 bushels	3,570,000 bushels	— 1,850,000 bushels	757	607	+ 150
Grain sorghums.....	46,508,000 bushels	63,008,000 bushels	—16,500,000 bushels	19,068	11,341	+ 7,727
Rice.....	7,473,000 bushels	9,065,000 bushels	— 1,592,000 bushels	6,053	3,626	+ 2,427
Hay (tame and wild).....	682,000 tons	826,000 tons	— 144,000 tons	5,214	4,405	+ 809
Broomcorn.....	1,200 tons	1,300 tons	— 100 tons	126	46	+ 80
Potatoes (white).....	3,648,000 bushels	4,154,000 bushels	— 506,000 bushels	2,991	3,199	— 208
Potatoes (sweet).....	6,240,000 bushels	7,600,000 bushels	— 1,360,000 bushels	3,432	2,432	+ 1,000
Peanuts.....	128,340,000 pounds	125,950,000 pounds	+ 2,390,000 pounds	3,080	1,511	+ 1,569
Pecans.....	24,000,000 pounds	19,500,000 pounds	+ 4,500,000 pounds	1,458	830	+ 628
Texas—Total farm value of 14 crops listed above.....				\$329,402	\$207,653	+\$121,749
Texas—Total farm value of all crops*.....				353,378	233,164	+ 120,214
Oklahoma—Total farm value of all crops*.....				122,755	74,890	+ 47,865
Louisiana—Total farm value of all crops*.....				67,982	54,556	+ 13,426
New Mexico—Total farm value of all crops*.....				17,025	9,878	+ 7,147
Arizona—Total farm value of all crops*.....				15,984	12,494	+ 3,490

\*Based on 64 principal crops.

**Livestock**

Winter ranges and small grain pastures showed a material improvement following the light to heavy rains which fell over a large portion

of the district's range territory late in December and early in January. There are still some areas where little or no rain has occurred and moisture is urgently needed. The long



drouth caused a deficiency in soil moisture and much additional rain will be needed to insure good spring and summer grazing. Considerable feeding on the ranges and generally mild temperatures have aided in maintaining livestock in fairly good condition.

The condition of ranges showed a further decline during December and on January 1 was 12 points lower than a year earlier. Cattle were rated at 74 per cent of normal condition on January 1 as compared with 76 per cent on December 1 and 82 per cent a year ago. The condition of sheep declined 3 points during December and was 12 points lower than on January 1, 1933. There was little change in the condition of ranges and livestock in Arizona and New Mexico during the month.

#### Movements and Prices

A further decline in the receipts of cattle, calves, and sheep at the Fort Worth market was registered between November and

December. As compared with a year ago, the December arrivals of cattle were about the same, calf receipts were substantially larger, while the number of sheep yarded was considerably smaller. The receipts of hogs again showed a substantial increase over both the previous month and the same month last year.

Trading in most classes of cattle was slow during the greater part of December and prices drifted to lower levels.

After the turn of the year, however, trading became more active, demand was stronger, and prices for nearly all classes strengthened. Hog prices were somewhat erratic and at the middle of January they were slightly lower than a month earlier. The sheep and lamb market remained generally steady during December and then advanced somewhat in the first half of January.

FORT WORTH LIVESTOCK RECEIPTS  
(Number)

	December 1933	December 1932	Change over year	November 1933	Change over month
Cattle.....	24,174	23,975	+ 199	33,197	-9,023
Calves.....	23,981	17,150	+ 6,831	28,735	-4,754
Hogs.....	26,861	15,803	+11,058	22,426	+4,155
Sheep.....	18,292	31,712	-13,420	26,006	-7,714

COMPARATIVE TOP LIVESTOCK PRICES  
(Dollars per hundredweight)

	December 1933	December 1932	November 1933
Beef steers.....	\$4.65	\$5.25	\$5.00
Stocking steers.....	3.00	5.15	3.00
Butcher cows.....	3.00	3.00	3.00
Stocking cows.....	2.50	.....	2.20
Calves.....	3.75	5.25	3.75
Hogs.....	3.90	3.50	4.70
Sheep.....	3.25	2.00	3.25
Lambs.....	6.25	4.75	6.25

## FINANCE

#### Operations of the Federal Reserve Bank

The past month witnessed a further recession in Federal reserve bank loans to member banks. The total of \$440,000 on January 15 was the lowest figure reached

since the early days of the System, and compares with \$1,003,000 on December 15, and \$4,369,000 on January 15, 1933. There were only 13 banks borrowing from the Federal Reserve Bank on January 15 as compared with 23 banks a month earlier, and 120 banks a year ago. Bills discounted for other than member banks amounted to \$617,000 on January 15. Holdings of bills bought in the open market were increased from \$4,542,000 on December 15 to \$10,225,000 on January 15, and the latter figure compares with holdings of \$856,000 on the corresponding date last year. There was no change during the month in this bank's holdings of United States securities. The reserve deposits of member banks, which reached a new high point in December, subsequently declined and amounted to \$94,443,000 on January 15 as compared with \$102,867,000 a month earlier, and \$46,683,000 a year ago. The actual circulation of Federal reserve currency reflected the usual seasonal decline following the Christmas holidays. The total circulation on January 15 amounted to \$51,909,000, which was \$2,193,000

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

	Jan. 15, 1934	Jan. 15, 1933	Dec. 15, 1933
Total cash reserves.....	\$ 82,468	\$ 42,983	\$ 97,041
Discounts for member banks.....	440	4,369	1,003
Other bills discounted.....	617	None	None
Bills bought in open market.....	10,225	856	4,542
United States securities owned.....	66,475	44,885	66,475
Other investments.....	5	5	5
Total earning assets.....	77,762	50,115	72,025
Member bank reserve deposits.....	94,443	46,683	102,867
Federal reserve notes in actual circulation.....	41,470	37,515	41,777
Federal reserve bank notes in actual circulation.....	10,439	None	12,325

less than at the middle of December, but \$14,394,000 greater than the circulation on the corresponding date in 1933.

#### Deposits of Member Banks

Despite the fact that for the past several years daily average deposits of member banks in December have shown material declines from the previous month, a sizable increase was recorded in this figure last month. The combined daily average of net demand and time deposits of member banks in the Eleventh District during December, 1933, amounted to \$680,863,000, as compared with \$654,145,000 in November, and \$613,028,000 in December, 1932. The gain over the preceding month occurred in net demand deposits, as a slight decrease in time deposits was reported at both reserve city and country banks.

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
Dec., 1932.....	\$420,762	\$192,266	\$202,913	\$117,465	\$217,849	\$74,801
Jan., 1933.....	416,655	194,407	201,437	119,215	215,218	75,192
Feb., 1933.....	415,200	192,412	199,397	118,756	215,803	73,656
Mar., 1933.....	413,776	188,547	202,276	115,737	211,500	72,810
April, 1933.....	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
Aug., 1933.....	389,177	190,931	191,302	112,665	197,875	78,266
Sept., 1933.....	400,597	187,508	195,145	110,146	205,452	77,362
Oct., 1933.....	436,027	186,936	210,987	109,264	225,040	77,672
Nov., 1933.....	466,198	187,947	228,265	106,914	237,933	81,033
Dec., 1933.....	494,176	186,687	240,971	106,132	253,205	80,555

#### Condition of Member Banks in Selected Cities

Reports from member banks in selected cities covering the four-week period ending January 10 reflected a further substantial increase in investments, but a seasonal recession in loans. Deposits showed little change during the period. The investments of these



banks in United States securities on January 10 totaled \$139,541,000 which was \$14,460,000 greater than four weeks earlier, and \$47,219,000 above holdings on the corresponding date in 1933. Their investments in other stocks and bonds declined \$1,315,000 during the four-week period and were \$2,882,000 less than a year ago. Loans on securities were increased \$381,000 between December 13 and January 10, but the total on the latter date was \$10,651,000 less than on the corresponding date last year. "All other" loans (largely commercial) declined \$10,168,000 during the four-week period and were \$14,087,000 below those a year ago. The net demand deposits of these banks reflected a slight recession of \$1,204,000 between December 13 and January 10, but this decline was more than offset by a rise of \$1,798,000 in time deposits. As compared with a year ago, the combined net demand and time deposits of these banks were \$36,656,000 larger. Their reserves with the Federal Reserve Bank amounted to \$56,573,000 on January 10 which was \$6,946,000 less than on December 13, but \$28,708,000 greater than on January 11, 1933. Their borrowings from the Federal Reserve Bank amounted to \$190,000 on January 10 as compared with \$400,000 four weeks earlier.

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

	Jan. 10, 1934	Jan. 11, 1933	Dec. 13, 1933
United States securities owned.....	\$ 139,541	\$ 92,322	\$ 125,081
All other stocks, bonds, and securities owned.....	53,277	56,150	54,592
Loans on securities.....	59,074	69,725	58,693
All other loans.....	142,927	157,014	153,095
Total loans.....	202,001	226,739	211,788
Net demand deposits.....	266,716	221,246	267,920
Time deposits.....	122,007	130,821	120,209
Reserve with Federal Reserve Bank.....	56,573	27,865	63,519
Bills payable and rediscounts with Federal Reserve Bank.....	190	None	400

#### Debits to Individual Accounts

There was a partially seasonal expansion of 12.0 per cent in the amount of charges to depositors' accounts during December at banks located in leading cities in the Eleventh District. Total debits, which amounted to \$594,394, were also 11.5 per cent larger than in the corresponding month a year ago. All except one of the seventeen reporting cities participated in the increase over November.

#### DEBITS TO INDIVIDUAL ACCOUNTS (In thousands of dollars)

	December 1933	December 1932	Percentage change over year	November 1933	Percentage change over month
Abilene.....	\$ 6,214	\$ 4,956	+25.4	\$ 7,869	-21.0
Austin.....	18,102	15,422	+17.4	13,571	+33.4
Beaumont.....	16,668	13,697	+21.7	13,137	+26.9
Corsicana.....	3,084	2,560	+20.5	2,870	+7.5
Dallas.....	177,772	144,561	+23.0	164,407	+8.1
El Paso.....	17,176	15,875	+8.2	16,562	+3.7
Fort Worth.....	63,333	55,285	+14.6	54,831	+15.5
Galveston.....	23,455	28,581	-17.9	20,128	+16.5
Houston.....	150,016	140,707	+6.6	130,300	+15.1
Port Arthur.....	5,364	4,200	+27.7	5,137	+4.4
Roswell.....	2,494	2,063	+20.9	2,340	+6.6
San Antonio.....	45,516	46,396	-1.9	39,158	+16.2
Shreveport.....	28,294	23,511	+20.3	26,352	+7.4
Texarkana*.....	5,585	5,026	+11.1	5,064	+10.3
Tucson.....	7,624	9,922	-23.2	6,932	+10.0
Waco.....	12,884	11,484	+12.2	11,565	+11.4
Wichita Falls.....	10,813	8,708	+24.2	10,268	+5.3
Total.....	\$594,394	\$532,954	+11.5	\$530,491	+12.0

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

#### Savings Deposits

A moderate but rather general increase in the savings deposits of 133 reporting banks throughout the Eleventh District occurred in December. At the close of the month these deposits aggregated \$135,163,890, which compares with \$134,101,982 reported on November 30, and \$138,992,117 on December 31, 1932. The percentage decline from a year ago amounted to 2.8 per cent, as against 3.2 per cent on November 30.

#### SAVINGS DEPOSITS

	December 31, 1933			December 31, 1932			November 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	8,124	\$ 3,045,032	8,145	\$ 3,045,393	0.0	8,031	\$ 3,005,592	+1.3
Dallas.....	9*	72,749	23,619,640	74,488	25,647,714	-7.9	73,299	23,326,905	+1.3
El Paso.....	2	9,872	4,120,784	10,622	3,459,920	+19.1	9,784	3,986,464	+3.4
Fort Worth.....	4	31,598	10,131,384	33,529	11,011,142	-8.0	31,509	10,236,507	+1.0
Galveston.....	4	16,480	9,931,970	16,840	9,903,040	+3.3	16,491	9,926,855	+1.1
Houston.....	11*	64,382	27,373,973	65,146	30,776,114	-11.1	64,429	27,235,191	+5.5
Port Arthur.....	2	4,698	1,920,578	4,144	1,832,784	+4.8	4,666	1,867,166	+2.9
San Antonio.....	7	19,856	14,030,139	20,129	14,458,541	-3.0	19,745	13,850,743	+1.3
Shreveport.....	3	21,229	11,624,301	22,328	9,831,527	+18.2	21,358	11,623,690	0.0
Waco.....	3	10,401	5,831,655	10,343	5,604,750	+4.0	10,477	5,685,449	+2.6
Wichita Falls.....	3	5,579	2,541,607	5,717	2,260,526	+12.4	5,541	2,478,737	+2.5
All others.....	82*	51,485	20,992,827	52,861	21,160,666	-1.8	51,496	20,873,683	+1.6
Total.....	133	316,453	\$135,163,890	324,292	\$138,992,117	-2.8	316,826	\$134,101,982	+2.8

\*Only 8 banks in Dallas, 10 in Houston, and 74 in "All others" reported the number of savings depositors.

#### JANUARY DISCOUNT RATES

#### Prevailing rates:

	Dallas	El Paso	Fort Worth	Houston	San Antonio	Waco
Rate charged customers on prime commercial paper such as that now eligible for rediscount under the Federal Reserve Act.....	3-7	6-8	1½-6	5-7	6	3-6
Rate charged on loans to other banks secured by bills receivable.....	....	5-6	5-6	5-6	6	5½
Rate on loans secured by prime stock exchange or other current collateral (not including loans placed in other markets through correspondent banks):						
Demand.....	6	6-8	5-10	5-7	6-8	6-8
Time.....	4-8	6-8	5-10	5-7	6-8	6-8
Rate charged on commodity paper secured by warehouse receipts, etc.....	4½-6	8	5-8	5-7	6-8	5-6
Rate on cattle loans.....	....	6-8	6-8	7-10	8-10	8



**Acceptance  
Market**

Acceptances executed by banks in the Eleventh District and outstanding at the close of December amounted to \$3,058,066, which compares with \$3,054,486 a month earlier, and \$1,385,620 on the last day of December, 1932. While a

moderate decrease was reflected during the month in acceptances based on import and export transactions, it was somewhat more than offset by a gain in the volume of those executed against the domestic shipment and storage of goods.

**INDUSTRY****Cottonseed  
Products**

Further seasonal reductions were evidenced during December in the operations of Texas cottonseed oil mills, and the receipts and crushings of seed and the production of oil and hulls continued in smaller volume than in the corresponding month last year. With the exception of the output of linters activities at these mills during the current season remained on a considerably lower level than in the period from August 1 through December 31, 1932.

Although operations reflected the usual seasonal decline during December, the receipts of seed and the production of linters at cottonseed oil mills throughout the United States showed an increase over those in December a year ago. Also excepting linters activities at these mills during the five months of the current season remained below those in the same period of the previous year. Stocks of cottonseed oil on December 31 at both Texas and United States mills were greater than those a month earlier or a year ago, while supplies of cake and meal and hulls were smaller than on either comparative date. Stocks of linters were larger than a month earlier, but considerably smaller than a year ago.

**STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS**

	Texas		United States	
	August 1 to December 31 This season	Last season	August 1 to December 31 This season	Last season
Cottonseed received at mills (tons).....	1,162,123	1,189,250	3,505,010	3,623,794
Cottonseed crushed (tons).....	797,743	861,828	2,425,506	2,586,677
Cottonseed on hand Dec. 31 (tons).....	463,683	502,690	1,300,442	1,336,391
Crude oil produced (pounds)....	234,971,057	257,584,067	749,832,880	796,376,046
Cake and meal produced (tons)....	372,087	399,087	1,095,766	1,163,972
Hulls produced (tons).....	221,236	252,820	651,477	733,217
Linters produced (running bales).....	127,353	102,005	437,145	409,029
Stocks on hand Dec. 31:				
Crude oil (pounds).....	41,604,021	32,168,011	131,954,331	99,058,468
Cake and meal (tons).....	81,328	88,184	312,096	367,289
Hulls (tons).....	57,525	93,525	124,892	235,320
Linters (running bales).....	45,084	83,549	161,824	284,317

**Textile  
Milling**

The consumption of cotton at domestic textile mills declined during December to a level far below the average for that month. There were only 348,393 bales of cotton consumed during the month, as compared with 475,368 bales in November, and 440,439 bales in December, 1932. Notwithstanding this large decline as compared with the previous year, consumption of cotton during the current season, August 1 through December 31, remained above that in the corresponding five months of the previous season. Supplies of raw cotton held by consuming establishments at the close of 1933 were in larger volume than those on November 30, 1933, or December 31, 1932.

In like manner activity at Texas cotton textile mills declined seasonally during December, and was considerably short of last year's operations. Declines occurred in both the consumption of cotton and the production of cloth. Orders for finished products on hand December 31 were in larger volume than those a month earlier or a year ago. Stocks of cotton products held by these mills at the close of December

were larger than on November 30 but slightly below the holdings on the final day of 1932.

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

	December 1933	December 1932	August 1 to This season	December 31 Last season
Cotton-growing states:				
Cotton consumed.....	282,941	371,318	1,933,086	1,953,832
On hand Dec. 31 in—				
Consuming establishments.....			1,290,590	1,237,202
Public storage and com- presses.....			9,947,799	9,877,817
United States:				
Cotton consumed.....	348,393	440,439	2,415,690	2,342,005
On hand Dec. 31 in—				
Consuming establishments.....			1,641,742	1,530,040
Public storage and com- presses.....			10,313,461	10,349,811

**Cotton  
Movements**

A recession somewhat larger than seasonal was witnessed during December in the combined exports of cotton from the ports of Houston and Galveston, and a substantial decline was evidenced as compared with the corresponding month of 1932. Despite these unfavorable trends, exports during the current season were in excess of those in the first five months of the 1932-33 season, reflecting the large shipments made during the early part of the present cotton year. Receipts of cotton at Houston and Galveston during December showed a further seasonal decline, but those at the latter port were larger than a year ago. Stocks held on the final day of 1933 at Galveston were greater than those on hand a month earlier or a year ago, while at Houston they were smaller than the holdings on either comparative date.

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

	December 1933	December 1932	August 1 to This season	December 31 Last season
Receipts.....	284,001	260,995	1,557,562	1,460,766
Exports.....	280,357	315,487	1,090,707	1,034,006
Stocks, December 31.....			901,852	888,441

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

	Dec. 31, 1933	Dec. 31, 1932
For Great Britain.....	8,500	16,000
For France.....	7,000	7,000
For other foreign ports.....	48,000	52,500
For coastwise ports.....	5,000	2,000
In compresses and depots.....	833,352	819,941
Total.....	901,852	888,441

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

	December 1933	December 1932	August 1 to This season	December 31 Last season
Receipts.....	242,838	341,740	1,853,455	1,966,040
Exports.....	247,019	301,321	1,433,037	1,257,654
Stocks, December 31.....			1,571,311	1,780,784



The foreign exports of cotton from all United States ports reflected a decline during December only slightly larger than usually occurs in that month, but shipments were noticeably below those in December, 1932. Aggregate exports during the past month were 820,099 bales, as compared with 915,304 bales in November, and 1,039,795 bales in December a year ago. As a result of the large declines in exports during the past two months, shipments during the current season fell below those in the previous season. German takings of American cotton have declined materially during recent months, which largely accounts for the downward trend in exports.

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

	August 1 to Decemb 31	
	This season	Last season
Receipts.....	5,625,952	5,751,196
Exports: United Kingdom.....	727,716	730,304
France.....	496,528	508,859
Italy.....	371,059	371,216
Germany.....	757,378	946,998
Other Europe.....	519,914	482,337
Japan.....	1,018,750	938,981
All other countries.....	288,753	267,353
Total foreign ports.....	4,180,098	4,246,048
Stocks at all United States ports, December 31.....	4,151,802	4,808,932

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

	December, 1933		Jan. 15, 1934
	High	Low	
New York.....	10.35	10.00	11.65
New Orleans.....	10.14	9.75	11.40
Dallas.....	9.85	9.45	11.05
Houston.....	10.15	9.75	11.35
Galveston.....	10.15	9.75	11.35

Coastal region. The largest decline was reported in East Texas. The daily production in New Mexico and North Louisiana was on only a slightly higher scale than in November.

#### OIL PRODUCTION—(Barrels)

	December, 1933		Increase or decrease over November, 1933	
	Total	Daily Avg.	Total	Daily Avg.
North Texas.....	3,072,550	99,115	+142,600	+1,450
Central West Texas.....	4,477,800	144,445	+128,850	+ 520
East Central Texas.....	13,803,400	445,271	+257,400	+6,262
South Texas.....	1,323,050	42,679	+ 35,200	+ 250
Texas Coastal.....	4,935,650	159,214	+226,100	+2,229
Total Texas.....	27,612,450	890,724	+790,150	+3,353
New Mexico.....	1,303,650	42,053	+ 43,800	+ 58
North Louisiana.....	804,450	25,950	+ 27,200	+ 42
Total District.....	29,720,550	958,727	+861,150	+3,253

#### DECEMBER DRILLING RESULTS

	Completions	Producers	Gas wells	Failures	Initial production
North Texas.....	129	72	3	54	7,621
Central West Texas.....	63	37	3	23	104,903
East Central Texas.....	338	328	1	9	2,378,745
South Texas.....	113	61	7	45	22,380
Texas Coastal.....	99	66	2	31	77,540
Total Texas.....	742	564	16	162	2,591,189
New Mexico.....	5	4	..	1	994
North Louisiana.....	29	15	4	10	1,711
December totals, District....	776	583	20	173	2,593,894
November totals, District...	730	576	13	141	2,760,849

#### CRUDE OIL PRICES

	January 12, 1934	January 13, 1933
Texas Coastal (34 gr. and above).....	\$1.12	\$ .91*
North Texas and North Louisiana (40 gr. and above).....	1.03	.77

\*Price paid for oil 35 gr. and above.

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

#### Petroleum

While there was a decline from the previous month in the daily average production of crude oil in this district during December, the month's total yield reflected an increase of 861,150 barrels. This output, which amounted to 29,720,550 barrels, was 4,073,400 barrels in excess of that in December, 1932. The number of new wells completed rose from 730 in November to 776 in the subsequent month, but drilling was relatively less successful as there was a decrease in the initial flush production from 2,760,849 barrels in the earlier month to 2,593,894 barrels in the latter month.

Daily average yield in Texas during December totaled 890,724 barrels, as compared with 894,077 barrels in the preceding month. Despite the reduction which was shown, material gains occurred in North Texas and in the Gulf

#### Building

The valuation of building permits issued in December at fourteen leading cities in this district totaled \$797,213, which is 16.7 per cent larger than the amount reported in November. As compared with the final month in 1932 there was a decline of 28.5 per cent, which was chiefly attributable to a sizable reduction at one city where unusual activity was reported a year ago. Total construction permits issued last month numbered 835, as against 1,114 in the previous month, and 700 in the same month a year ago.

#### BUILDING PERMITS

	December, 1933		December, 1932		Percentage change valuation over year	November, 1933		Percentage change valuation over month	Total year				Percentage change valuation over period
	No.	Valuation	No.	Valuation		No.	Valuation		1933		1932		
									No.	Valuation	No.	Valuation	
Amarillo.....	17	\$ 4,521	10	\$ 5,503	— 17.8	14	\$ 3,327	+ 35.9	199	\$ 156,995	242	\$ 287,695	—45.4
Austin.....	36	27,356	42	48,752	— 43.9	71	88,828	— 69.2	959	1,345,109	1,023	5,175,415	—74.0
Beaumont.....	57	90,661	50	12,845	+605.8	76	15,675	+478.4	982	278,617	1,003	298,505	— 6.7
Corpus Christi..	13	7,710	16	44,198	— 82.6	18	12,788	— 39.7	281	164,489	371	182,716	—10.0
Dallas.....	238	109,039	142	59,884	+ 82.1	330	128,610	— 15.2	3,903	1,959,774	3,147	2,352,222	—16.7
El Paso.....	24	48,498	24	18,989	+155.4	26	39,785	+ 21.9	407	248,666	457	367,412	—32.3
Fort Worth.....	56	70,184	52	73,950	— 5.1	80	40,169	+ 74.7	1,003	2,688,160	1,402	1,430,930	+87.9
Galveston.....	85	74,086	56	521,819	— 85.8	90	40,388	+ 83.4	1,125	472,070	1,550	1,019,923	—53.7
Houston.....	117	281,722	92	245,891	+ 14.6	117	130,800	+115.4	2,038	3,188,739	2,283	2,874,040	+10.9
Port Arthur....	41	9,643	21	4,831	+ 99.6	41	8,026	+ 20.1	554	109,667	416	90,532	+21.1
San Antonio....	80	32,775	119	36,363	— 9.9	103	99,994	— 67.2	1,543	1,003,218	2,057	1,536,708	—34.7
Shreveport.....	56	25,551	56	10,276	+148.6	119	25,983	— 1.7	1,248	441,201	1,368	458,033	— 3.7
Waco.....	11	13,967	10	26,653	— 47.6	20	44,912	— 68.9	259	332,080	331	401,280	—17.2
Wichita Falls...	4	1,500	10	5,394	— 72.2	9	3,710	— 59.6	293	80,031	179	499,674	—84.0
Total.....	835	\$797,213	700	\$1,115,348	— 28.5	1,114	\$682,995	+ 16.7	14,794	\$12,468,816	15,829	\$16,975,085	—26.5



## SUMMARY OF NATIONAL BUSINESS CONDITIONS

(Compiled by the Federal Reserve Board, January 24, 1934)

Industrial activity, as measured by the Federal Reserve Board's seasonally adjusted index, showed an increase in December following upon four months of decline. Factory employment declined somewhat, while employment by public agencies showed a considerable increase.

### PRODUCTION AND EMPLOYMENT

The Board's index of industrial production, which is adjusted to allow for seasonal variation, advanced from 73 per cent of the 1923-1925 average in November to 74 per cent in December. For the fourth quarter of 1933 as a whole the volume of industrial output was 13 per cent larger than for the corresponding period of 1932. Activity in the steel industry, contrary to seasonal tendency, increased considerably in December and there was also an increase in the output of automobiles. Shoe production declined by an amount smaller than is usual in December. At textile mills, activity declined further by considerably more than the usual seasonal amount to about the low level of last spring. The number of employees at factories declined between the middle of November and the middle of December by somewhat more than the usual seasonal amount, reflecting chiefly reductions in working forces at cotton, woolen, and silk mills and at clothing factories. At automobile factories there was a substantial increase in employment. Value of construction contracts awarded, as reported by the F. W. Dodge Corporation, increased further in December and in the first half of January. There was a large increase in contracts awarded for public works, and private construction also increased. In the fourth quarter of 1933 as a whole construction contracts in 37 states totaled \$500,000,000 as compared with \$300,000,000 in the last quarter of 1932.

### DISTRIBUTION

Freight-car loadings, particularly in miscellaneous freight, declined in December as compared with November by less

than the usual seasonal amount. Dollar value of sales by department stores showed an increase slightly larger than is usual for December.

### DOLLAR EXCHANGE

The foreign exchange value of the dollar, which had fluctuated around 64 per cent of parity from the end of November to January 13, declined to 62 per cent on January 17, and subsequently advanced to a range from 62 to 63 per cent.

### PRICES

Wholesale commodity prices, which had shown a slight decline between the middle of November and the third week of December, advanced in the following month, reflecting chiefly increases in the prices of farm products and foods. Cotton and grains showed marked increases and livestock prices also advanced somewhat.

### BANK CREDIT

At the reserve banks the seasonal return of currency from circulation after the holiday demand amounted to about \$250,000,000 from the high point on December 22 to January 17. A large part of the funds arising from this inflow of currency to the reserve banks was added to the reserve balances of member banks, with the consequence that these balances increased by January 17 to \$900,000,000 in excess of legal requirements. The return flow of currency from circulation and the reduction of balances held by commercial banks for the United States government were reflected in an increase of demand deposits at reporting member banks. Loans of the banks declined between December 13 and January 17, while holdings of United States Government and other securities increased. Short-term money rates in the open market, which had shown a slight advance in December, declined in January to the previous level.