

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

	January 1934	Change from December
Bank debits to individual accounts (at 17 cities).....	\$564,803,000	- 5.0%
Department store sales.....		- 52.6%
Reserve bank loans to member banks at end of month.....	\$ 241,239	- 57.9%
Reserve bank ratio at end of month.....	59.3%	- 1.3 points
Building permit valuation at larger centers.....	\$ 760,294	- 4.6%
Commercial failures (number).....	27	- 18.2%
Commercial failures (liabilities).....	\$ 502,373	+ 65.6%
Oil production (barrels).....	28,644,950	- 3%

The position of the agricultural and livestock industries in the Eastern half of the district has been greatly improved by the heavy general rains during the past six weeks. On the other hand, the Western half of the district continued to reflect the effects of sub-normal rainfall. The condition of small grains and ranges is poor to only fair. Heavy general rains in the immediate future are needed to stimulate the growth of small grains, to start grass and weeds on the ranges, and to provide moisture for the completion of land preparation and the planting of spring crops. Livestock prices, which followed a downward trend in 1933, have shown some recovery since the first of the year and trading on the ranges is more active.

The reserve deposits of member banks reflected a large expansion between January 15 and February 15. The total on the latter date amounted to \$110,622,000, which is \$16,179,000 greater than a month earlier and \$59,805,000 larger than a year ago. Member banks practically liquidated their borrowings at the Federal Reserve Bank during the past month. The daily average of combined net demand and time deposits of member banks rose to \$698,123,000 in January, reflecting a gain of \$17,260,000 over the previous month and \$87,061,000 over a year ago. The loans of member banks in leading cities declined seasonally between January 10 and February 7, but their investments showed a large expansion. The subscriptions to the United States Treasury notes dated February 19 totaled \$111,660,700 and allotments of \$19,791,300 were made.

The valuation of building permits issued in principal cities during January was 5 per cent less than in December but exceeded that in January, 1933, by 6 per cent.

BUSINESS

An active demand for merchandise at wholesale was visible in most portions of the Eleventh Federal Reserve District during the past month. January sales of groceries and dry goods reflected larger gains over December than usually occur in this month, and while a slight decline was shown in the distribution of hardware through wholesale channels it was attributable to seasonal influences. All lines reported

sizable increases as compared with a year ago, which ranged from 27.0 per cent in the case of drugs to 218.9 per cent in the case of farm implements. Stocks on hand were increased somewhat during the month in the case of every reporting line. An upward trend in the prices of some commodities was reported. Seasonal declines were reported in the January volume of collections in all lines with the exception of drugs.

Wholesale
Trade

during the past month. January sales of groceries and dry goods reflected larger gains over December than usually occur in this month, and while a slight decline was shown in the distribution of hardware through wholesale channels it was attributable to seasonal influences. All lines reported

More than the usual seasonal expansion was reflected in the distribution of dry goods during January, the increase over the previous month amounting to 93.6 per cent. Business was on a scale 83.8 per cent larger than in January, 1933, which is the most favorable such comparison reported since last July. Wholesalers enlarged their inventories 17.2 per cent during the month. While collections were seasonally 32.2 per cent smaller than in December, their ratio to accounts receivable outstanding at the close of the previous month reflected an increase.

The large expansion in sales of farm implements at wholesale, which usually occurs in January, was not witnessed last month although business was well sustained on about the same scale as in December. An increase of 218.9 per cent over January, 1933, was reflected, as against a similar increase of 312.9 per cent in the preceding month. Inventories on hand at the close of the month were practically the same as a year ago, a slight gain being shown as compared with December 31. A further seasonal decline in collections was reported.

Due in part to seasonal influences, an increase of 7.0 per cent occurred in the distribution of drugs through wholesale channels during January. As compared with the same month last year, sales were 27.0 per cent larger, whereas in December there was a similar gain of only 4.3 per cent. Stocks on hand increased during the month but remained somewhat below the level of a year ago. The volume of January collections was 7.9 per cent in excess of that of the previous month.

The demand for hardware at wholesale in this district declined seasonally in January by 0.8 per cent, and the volume of sales reported was 65.6 per cent above that in the same month a year ago. Business during the month was rather spotty, and firms located in some areas showed material gains as compared with December. Less than the usual seasonal decline in collections was reflected in January.

The business of reporting wholesale grocery firms in the Eleventh District showed an expansion of 10.5 per cent in January over December, which is larger than seasonal, and it was on a scale 28.3 per cent higher than in January a year

ago. Buying demand appeared to be fair to good in most sections. January collections totaled 9.1 per cent less than those reported in the preceding month.

CONDITION OF WHOLESALE TRADE DURING JANUARY, 1934
Percentage of Increase or decrease in—

	Net Sales January, 1934 compared with		Stocks January, 1934 compared with		Ratio of collec- tions during Jan- to accounts and notes outstanding December 31
	Jan., 1933	Dec., 1933	Jan., 1933	Dec., 1933	
Groceries.....	+ 28.3	+10.5	+27.8	+ 2.4	82.7
Dry goods.....	+ 83.8	+93.6	+66.8	+17.2	39.0
Farm implements.....	+218.9	+ 2	.1	+ 1.8	5.0
Hardware.....	+ 65.6	- .8	+ .1	+ 1.6	47.7
Drugs.....	+ 27.0	+ 7.0	-1.9	+ 3.1	47.0

Retail Trade

The demand for merchandise during January at department stores in principal cities of the Eleventh District was well sustained. Total sales exceeded those in the opening month of 1933 by 31.6 per cent, and while a decline of 52.6 per cent was evidenced as compared with December, the recession was only slightly larger than the 1921-31 average for that comparison. The seasonally adjusted index of department store sales, as compiled by this bank, declined from 78.2 per cent of the 1923-25 average in December to 67.5 per cent in January, but it exceeded that of January, 1933, by 13.8 points. Despite the mild weather that prevailed during the early part of February reports indicate that business continued on a scale well above that a year ago.

Inventories held by merchants on January 31 were 12.9 per cent greater than those on hand at the close of January, 1933, and they were in practically the same volume as the stocks held on the final day of December. The rate of stock turnover during the initial month of 1934 was .24, as compared with .20 in January, 1933.

Collections on open accounts reflected a contrary to seasonal increase during the past month and were in much larger volume than a year ago. The ratio of collections during January to accounts outstanding on January 1 was 37.1 per cent, as against 36.8 per cent in December, and 30.4 per cent in January, 1933.

BUSINESS OF DEPARTMENT STORES

	Dallas	Fort Worth	Houston	San Antonio	Others	Total District
Total sales (percentage):						
January, 1934, compared with January, 1933.....	+42.4	+26.2	+32.6	+20.2	+25.3	+31.6
January, 1934, compared with December, 1933.....	-49.4	-61.1	-53.8	-49.6	-52.5	-52.6
Credit sales (percentage):						
January, 1934, compared with January, 1933.....	+43.4	+30.4	+41.1	+23.1	+19.3	+34.3
January, 1934, compared with December, 1933.....	-47.3	-60.3	-46.6	-49.7	-53.1	-50.3
Stocks on hand at end of month (percentage):						
January, 1934, compared with January, 1933.....	+ 9.4	+ 6.9	+28.4	+17.2	+13.6	+12.9
January, 1934, compared with December, 1933.....	- 1.9	- 2.6	- 8.8	+ 3.2	+10.2	+ .1
Stock turnover (rate):						
Rate of stock turnover in January, 1933.....	.20	.16	.21	.28	.19	.20
Rate of stock turnover in January, 1934.....	.27	.19	.23	.30	.21	.24
Ratio of January collections to installment accounts receivable outstanding Jan. 1, 1934...	15.5	10.1	.....	.....	23.3	14.4
Ratio of January collections to open accounts outstanding January 1, 1934.....	34.5	33.9	39.8	42.6	38.0	37.1
Indexes of department store sales:						
Unadjusted—January, 1934.....	58.0	58.3	64.1	47.8	.....	56.7
Unadjusted—December, 1933.....	119.3	155.1	141.5	111.6	.....	127.5
Adjusted—January, 1934.....	67.4	78.8	72.0	52.5	.....	67.5
Adjusted—December, 1933.....	74.6	87.6	86.3	72.0	.....	78.2
Indexes of department store stocks:						
Unadjusted—January, 1934.....	41.2	57.9	38.7	37.4	.....	46.1
Unadjusted—December, 1933.....	48.7	68.6	60.0	39.8*	.....	47.2
Adjusted—January, 1934.....	47.4	67.3	45.0	40.7	.....	53.0
Adjusted—December, 1933.....	55.3	83.7	64.5	44.7*	.....	54.3

*Revised.

Commercial Failures

According to the report compiled by Dun & Bradstreet, Inc., for the month of January, there were 27 insolvencies in the Eleventh Federal Reserve District as compared with 33 in December, and 98 in January, 1933. Total liabilities of defaulting firms increased somewhat over the previous month,

amounting to \$502,373 in January, as against \$303,290 in December, and \$1,693,202 in the corresponding month last year. The average indebtedness of these firms, though above that reported in either of the two preceding months, was smaller than the average for the year 1933.

AGRICULTURE

Crop Conditions

The agricultural situation in the Eleventh District is very spotty. Moisture reserves in South, Central, and East Texas and North Louisiana were greatly improved by the heavy and frequent rainfall during January and the first half of February. Light to moderate precipitation also occurred in most other sections of the district, but in West and Northwest Texas and Southern New Mexico the subnormal rainfall since the first of the year added to the cumulated deficiency in moisture reserves. Although land preparation has been retarded by wet weather in those sections receiving heavy rainfall and by dry soil in the Western half of the district, this work is generally well advanced.

above normal precipitation since the first of the year and ranges are improving as a good crop of weeds and winter grass is springing up. In West and Northwest Texas, Southern New Mexico, and Southeastern Arizona rainfall has continued below normal and range conditions are poor to only fair. Rains have improved ranges in the Eastern part of the Texas sheep section, but the Western portion is still dry. The mild, open weather during the past month was very favorable for livestock and they have continued in fairly good condition. Despite the poor condition of ranges, supplemental feeding has not been heavy.

Winter wheat and oats have made good progress in those sections which have received ample moisture but the crop has deteriorated in the drier sections. There is a large area in Northwest Texas where seed sown last fall have not germinated. Throughout the drouth area reports indicate that the crop is not stooling out normally which may substantially affect yields. As the growing season is becoming short, the greater portion of the wheat territory needs heavy, soaking rains to enable the crop to make the necessary growth.

The condition of ranges in Texas on February 1 remained unchanged from a month earlier at 69 per cent of normal, as the deterioration in the drier areas was offset by improvement elsewhere. The condition figure a year ago was 81 per cent. There was a decline of 1 point in the condition of cattle during the month and the February 1 condition of 73 per cent was 9 points lower than on the corresponding date last year. The condition of sheep was 74 per cent of normal on February 1, as compared with 70 per cent on January 1 and 82 per cent on February 1, 1933. In New Mexico the condition of ranges and cattle showed a slight improvement as compared with a month earlier and a year ago, while that of sheep remained unchanged. There was a decline in Arizona in the condition of ranges and cattle as compared with both the previous month and the corresponding date last year.

Although retarded by the wet soil, the seeding of corn in South Texas is making fair progress. This area now has ample moisture to give the crop a good start. The planting of cotton has started in the lower Rio Grande Valley.

Movements and Prices

The receipts of cattle at Fort Worth during January were noticeably larger than in December and were slightly greater than in January last year. While the arrivals of calves were less than in the previous month, they were substantially above those in the same month of 1933. The number of hogs yarded reflected a large increase over both last month and last year. The receipts of sheep were sizably larger than in

Commercial vegetable crops in South Texas showed marked improvement in January. While crops were in a critical stage at the turn of the year, due to shortage of moisture, heavy rains at frequent intervals since that time have supplied ample moisture to carry the crops for some weeks. The condition of cabbage, carrots, onions, spinach, beets, and other winter crops reflected sharp increases during the month. While the planting of spring crops was delayed somewhat by the frequent rains, growers are well along with this work and in the absence of killing frost these crops should come to an early maturity.

FORT WORTH LIVESTOCK RECEIPTS
(Number)

	January 1934	January 1933	Change over year	December 1933	Change over month
Cattle.....	29,523	28,711	+ 812	24,415	+ 5,108
Calves.....	20,252	16,092	+ 4,160	24,520	- 4,268
Hogs.....	34,100	25,208	+ 8,892	26,919	+ 7,181
Sheep.....	24,799	50,886	-26,087	18,393	+ 6,406

CONDITION OF COMMERCIAL TRUCK CROPS IN TEXAS

Crop	February 1, 1934 (per cent)	February 1, 1933 (per cent)	January 1, 1934 (per cent)
Cabbage.....	79	65	62
Green peas.....	71	54	80
Strawberries.....	82	80	80
Tomatoes.....	82	75	..
Beets.....	80	74	71
Broccoli.....	80	64	76
Carrots.....	81	76	73
Cauliflower.....	73	60	82
Onions.....	81	80	74
Spinach.....	79	68	72

COMPARATIVE TOP LIVESTOCK PRICES
(Dollars per hundredweight)

	January 1934	January 1933	December 1933
Beef steers.....	\$4.85	\$5.00	\$4.65
Stocker steers.....	4.00	4.60	3.00
Butcher cows.....	3.25	3.00	3.00
Stocker cows.....	2.75	2.60	2.50
Calves.....	4.50	4.90	3.75
Hogs.....	3.90	3.25	3.90
Sheep.....	4.25	2.50	3.25
Lambs.....	8.50	5.40	6.25

Livestock

Light to heavy rains in many portions of the district's range territory further improved pastures during the past month. Practically all areas in South, Central, and East Texas have received normal or

proved pastures during the past month. Practically all areas in South, Central, and East Texas have received normal or

December, but were less than half those in January a year ago.

Since the first of the year there has been a stronger demand for cattle and the market has had a better tone. Prices on all classes of cattle have been firm to higher. Hog prices

fluctuated within narrow limits during January, but showed a substantial increase in the first half of February. At the middle of the month prices paid for the best quality were approximately \$1.35 higher than the low in January. Sheep and lamb prices advanced sharply with the top market at the highest level in about three years.

FINANCE

Condition of Member Banks in Selected Cities During the four-week period ending February 7, there was a large increase in the investments and deposits of member banks in selected cities, but a further seasonal decline in loans. Investments in

United States securities totaled \$170,953,000 on February 7, as compared with \$139,541,000 four weeks earlier, and \$95,011,000 a year ago. Investments in other stocks and bonds showed only small changes during the period. The loans of these banks on securities were reduced \$1,133,000 between January 10 and February 7 and "all other" loans (largely commercial) declined \$5,806,000 during the same period. As compared with a year ago, the total loans of these banks were \$25,284,000 smaller. Their net demand deposits amounted to \$277,788,000 on February 7, which was \$11,072,000 greater than on January 10, and \$57,585,000 larger than on February 8, 1933. The time deposits of these banks increased \$2,285,000 during the four-week period, but on February 7 were \$5,938,000 below those a year ago. Their reserve deposits with the Federal Reserve Bank totaled \$64,180,000 on February 7, which represents a gain of \$7,607,000 as compared with January 10 and an increase of \$35,567,000 as compared with the corresponding date last year.

	Feb. 15, 1934	Feb. 15, 1933	Jan. 15, 1934
Total cash reserves	\$ 95,163	\$ 45,981	\$ 82,468
Discounts for member banks	32	4,024	440
Other bills discounted	None	None	617
Bills bought in open market	12,068	842	10,225
United States securities owned	66,475	48,002	66,475
Other investments	5	5	5
Total earning assets	78,580	52,873	77,762
Member bank reserve deposits	110,622	50,817	94,443
Federal reserve notes in actual circulation	41,076	35,842	41,470
Federal reserve bank notes in actual circulation	9,086	None	10,439

Debits to Individual Accounts Charges to depositors' accounts at banks in leading cities in this district during January aggregated \$564,803,000 as compared with \$594,394,000 in the preceding month, and \$468,867,000 in the opening month of 1933. The reduction from December was seasonal, amounting to 5.0 per cent, and the increase over the same month last year, which amounted to 20.5 per cent, was the largest similar comparison recorded since the current recovery set in.

	Feb. 7, 1934	Feb. 8, 1933	Jan. 10, 1934
United States securities owned	\$ 170,953	\$ 95,011	\$ 139,541
All other stocks, bonds, and securities owned	53,462	53,766	53,277
Loans on securities	57,941	68,284	59,074
All other loans	137,121	152,062	142,927
Total loans	195,062	220,346	202,001
Net demand deposits	277,788	220,203	266,716
Time deposits	124,292	130,230	122,007
Reserve with Federal Reserve Bank	64,180	28,613	56,573
Bills payable and rediscounts with Federal Reserve Bank	None	20	190

	January 1934	January 1933	Percentage change over year	December 1933	Percentage change over month
Abilene	\$ 5,538	\$ 4,663	+18.8	\$ 6,214	-10.9
Austin	17,016	14,493	+17.4	18,102	-6.0
Beaumont	16,594	14,003	+18.5	16,668	-4.4
Corsicana	3,031	2,756	+10.0	3,084	-1.7
Dallas	162,073	122,484	+32.3	177,772	-8.8
El Paso	17,457	14,286	+22.2	17,176	+1.6
Fort Worth	56,490	41,945	+34.7	63,333	-10.8
Galveston	23,921	21,587	+10.8	23,455	+2.0
Houston	140,259	124,985	+12.2	150,016	-6.5
Port Arthur	5,530	4,464	+23.9	5,364	+3.1
Roswell	2,219	2,130	+4.2	2,494	-11.0
San Antonio	47,530	47,237	+6	45,516	+4.4
Shreveport	30,293	21,477	+41.0	28,294	+7.1
Texarkana*	5,915	5,364	+10.3	5,585	+5.9
Tucson	8,037	7,112	+13.0	7,624	+5.4
Waco	12,500	10,718	+16.6	12,884	-3.0
Wichita Falls	10,400	9,163	+13.5	10,813	-3.8
Total	\$564,803	\$468,867	+20.5	\$594,394	-5.0

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

Operations of the Federal Reserve Bank Member bank borrowings at the Federal Reserve Bank were practically liquidated during the past month. On February 15 these loans amounted to only \$32,000 as compared with \$440,000 a month earlier, and \$4,024,000 on February 15, 1933. Holdings of United States Government securities showed no change during the month, but the total on February 15 was \$18,473,000 greater than on the corresponding date last year. Investments in bankers' acceptances totaled \$12,068,000 on February 15, as compared with \$10,225,000 on January 15, and \$842,000 on the same date a year ago. The reserve deposits of member banks showed a large increase during the past month. The total of these deposits on February 15 amounted to \$110,622,000 which was \$16,179,000 greater than a month earlier, and \$59,805,000 larger than a year ago. The actual circulation of Federal reserve currency showed a further seasonal decline. The circulation totaled \$50,162,000 on February 15, as against \$51,909,000 on January 15, and \$35,842,000 on February 15, 1933.

Acceptance Market Bankers' acceptances executed by banks in this district and outstanding on January 31 totaled \$1,822,684, as against \$3,058,066 on December 31, and \$796,481 on the last day of January, 1933. The decline from the previous month was seasonal in character, and it occurred in the volume of acceptances based on the domestic shipment and storage of goods.

Deposits of Member Banks An increase of \$17,260,000 was registered in the combined daily average of net demand and time deposits of member banks in this district during January as compared with December. The gain over January last year amounted to \$7,061,000. Net demand deposits during the month averaged

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
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
Jan., 1934.....	505,909	192,214	249,091	108,317	256,818	83,897

\$505,909,000, as against \$416,655,000 a year ago, and average time deposits amounted to \$192,214,000 as compared with \$194,407,000 in January, 1933. Both classifications of deposits during the past month were substantially larger than in December.

Savings Deposits

Reports received from 129 banks in this district operating savings departments showed a total of \$133,503,999 in savings deposits at the close of January, as compared with \$133,131,518 on December 31, and \$137,861,417 on January 31, 1933. The gain during the month amounted to 0.3 per cent, and the decline from a year ago was 3.2 per cent. Despite the reduction as compared with the same date last year, increases occurred at a majority of the reporting cities.

SAVINGS DEPOSITS

	Number of reporting banks	January 31, 1934		January 31, 1933		Percentage change over year in savings deposits	December 31, 1933		Percentage change over month in savings deposits
		Number of savings depositors	Amount of savings deposits	Number of savings depositors	Amount of savings deposits		Number of savings depositors	Amount of savings deposits	
Beaumont.....	3	8,101	\$ 2,999,843	8,120	\$ 3,039,331	- 1.3	8,102	\$ 3,019,886	- .7
Dallas.....	9*	73,101	23,356,477	74,705	25,619,724	- 8.8	72,749	23,619,640	- 1.1
El Paso.....	2	10,102	4,183,375	10,615	3,428,620	+22.0	9,872	4,120,784	+ 1.5
Fort Worth.....	4	32,427	9,887,742	33,602	11,422,421	-13.4	31,598	10,130,924	- 2.4
Galveston.....	4	16,524	9,993,196	16,723	9,737,698	+ 2.6	16,480	9,932,045	+ .6
Houston.....	11*	65,208	27,240,136	65,994	30,401,326	-10.4	64,382	27,375,134	- .5
Port Arthur.....	2	4,822	1,939,878	4,217	1,841,266	+ 5.4	4,698	1,920,579	+ 1.0
San Antonio.....	7	20,266	14,199,770	20,019	14,296,975	- .7	19,846	14,030,139	+ 1.2
Shreveport.....	3	21,284	10,116,812	22,218	9,523,939	+ 6.2	21,229	9,935,137	+ 1.8
Waco.....	3	10,412	5,717,518	10,270	5,551,957	+ 3.0	10,402	5,831,655	- 2.0
Wichita Falls.....	3	5,654	2,708,557	5,741	2,290,357	+18.3	5,579	2,541,607	+ 6.6
All others.....	78*	50,944	21,160,695	51,332	20,707,803	+ 2.2	50,030	20,673,988	+ 2.4
Total.....	129	318,845	\$133,503,999	323,556	\$137,861,417	- 3.2	314,967	\$133,131,518	+ .3

*Only 8 banks in Dallas, 10 in Houston, and 70 in "All others" reported the number of savings depositors.

FEBRUARY 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.....	2½-7	6-8	3-8	5-7	5-7	3-6
Rate charged on loans to other banks secured by bills receivable.....	5-6	5-6	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.....	5-8	6-8	5-10	5-7	6-8	6-8
Time.....	5-8	6-8	5-10	5-7	6-8	6-8
Rate charged on commodity paper secured by warehouse receipts, etc.....	2½-7	8	6-8	5-7	6-8	5-6
Rate on cattle loans.....	6-8	6-8	6-10	7-10	7-10	8

INDUSTRY

Cottonseed Products

Although receipts of seed at Texas cottonseed oil mills reflected an unusually large seasonal decline during January, crushings and the production of all products turned upward, after a three months decline, and evidenced appreciable increases over those activities in both the previous month and the corresponding month last year. Despite the January increases, total operations during the present season, with the exception of the output of linters, remained below those of the preceding season.

The production of oil and seed receipts at cottonseed oil mills throughout the United States evidenced declines during January as compared with both the previous month and the like month a year ago, but all other operations reflected increases over the two comparative months. Excepting linters, operations at these mills during the current season evidenced declines similar to those of Texas mills. Stocks of cottonseed oil on hand January 31 were larger at both Texas and United

States mills than on either the last day of the previous month or on the same date a year ago, while stocks of all other products showed reductions as compared with both dates.

STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS

	Texas		United States	
	August 1 to January 31 This season	January 31 Last season	August 1 to January 31 This season	January 31 Last season
Cottonseed received at mills (tons).....	1,214,112	1,292,248	3,696,438	3,929,061
Cottonseed crushed (tons)....	965,330	1,010,776	2,896,584	3,019,055
Cottonseed on hand Jan. 31 (tons).....	348,085	456,740	1,020,792	1,209,280
Crude oil produced (pounds)...	283,853,007	302,556,215	859,419,575	931,986,439
Cake and meal produced (tons)...	447,956	467,767	1,306,876	1,362,244
Hulls produced (tons).....	267,049	295,296	778,823	853,590
Linters produced (running bales).....	156,938	120,252	528,092	477,212
Stocks on hand Jan 31:				
Crude oil (pounds).....	46,710,347	33,722,523	147,323,362	100,516,038
Cake and meal (tons).....	79,937	87,388	289,538	344,903
Hulls (tons).....	47,710	78,912	105,555	175,618
Linters (running bales).....	42,592	88,979	160,045	290,181

Textile Milling

Following a large decline in December, the domestic consumption of cotton at all United States textile mills turned sharply upward in January, and reflected a larger than seasonal increase of 45.8 per cent over the previous month. Consumption was also 8.1 per cent above that in January, 1933. There were 508,034 bales of cotton consumed during the past month, as compared with 348,393 bales in December, and 470,182 bales in the first month of 1933. During the current cotton season, August 1 through January 31, there were 2,923,724 bales of cotton manufactured into cloth, which represents an increase of 4 per cent over that in the corresponding period of the preceding season. Stocks of raw cotton held by manufacturing establishments on January 31 were in smaller volume than a month earlier, but remained larger than on the same date a year earlier.

Operations at Texas cotton textile mills during January also evidenced substantial increases over both the previous month and the same month last year. Increases were shown in the consumption of cotton and production of cloth, as well as in the demand for finished products as reflected by orders on hand at the end of the month. Stocks of finished products held on January 31 were less than those on hand December 31, but larger than the holdings on the same date of 1933.

COTTON CONSUMED AND ON HAND
(Bales)

	January 1934	January 1933	August 1 to This season	January 31 Last season
Cotton-growing states:				
Cotton consumed.....	406,343	396,998	2,339,429	2,350,830
On hand January 31 in—				
Consuming establishments.....			1,254,754	1,203,047
Public storage and com- presses.....			9,117,603	9,523,638
United States:				
Cotton consumed.....	508,034	470,182	2,923,724	2,812,187
On hand January 31 in—				
Consuming establishments.....			1,602,044	1,499,129
Public storage and com- presses.....			9,500,915	10,020,533

Cotton Movements

Although the exports of cotton from the port of Galveston during the initial month of 1934 reflected another decline as compared with the preceding month, the recession was considerably smaller than seasonal, and shipments evidenced a material increase over those in the first month of 1933. Exports from Houston in January were in excess of those in both the previous month and the corresponding month last year. Shipments during the current season continued in larger volume at both ports than those in the period from August 1 to January 31 of last season. Receipts of cotton during January at these two concentration points evidenced further seasonal declines and were also smaller than in January, 1933. Stocks of cotton at both Houston and Galveston were in smaller volume than those a month earlier or a year ago.

Despite the favorable showing in exports of cotton from Texas ports, aggregate shipments from all United States ports evidenced a large seasonal decline during January, and continued below those in the corresponding month of the previous year. There were only 739,352 bales of cotton shipped to foreign countries during the month, as compared with 820,099 bales in December, and 793,666 bales in Janu-

ary, 1933. Exports during the first half of the 1933-34 cotton year totaled 4,919,450 bales, as compared with 5,039,714 bales in the same period of the previous season.

COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON
(Bales)

	January 1934	January 1933	August 1 to This season	January 31 Last season
Receipts.....	190,450	193,731	1,748,012	1,654,497
Exports.....	270,947	223,133	1,361,654	1,257,139
Stocks, January 31.....			821,355	859,537

COTTON—GALVESTON STOCK STATEMENT
(Bales)

	Jan. 31, 1934	Jan. 31, 1933
For Great Britain.....	11,000	12,000
For France.....	6,500	5,000
For other foreign ports.....	42,000	33,500
For coastwise ports.....	3,000	500
In compresses and depots.....	758,855	808,537
Total.....	821,355	859,537

COTTON MOVEMENTS THROUGH THE PORT OF HOUSTON
(Bales)

	January 1934	January 1933	August 1 to This season	January 31 Last season
Receipts.....	128,620	307,203	1,982,075	2,273,243
Exports.....	274,614	237,876	1,707,651	1,495,530
Stocks, January 31.....			1,418,938	1,849,174

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

	August 1 to This season	January 31 Last season
Receipts.....	6,169,874	6,729,814
Exports: United Kingdom.....	851,557	874,984
France.....	580,785	583,820
Italy.....	426,364	452,895
Germany.....	913,627	1,100,801
Other Europe.....	621,850	577,667
Japan.....	1,185,550	1,112,123
All other countries.....	339,717	337,424
Total foreign ports.....	4,919,450	5,039,714
Stocks at all United States ports, January 31.....	3,787,115	4,764,189

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

	January, 1934		Feb. 15, 1934
	High	Low	
New York.....	11.75	10.45	12.45
New Orleans.....	11.42	10.29	12.20
Dallas.....	11.05	10.00	11.85
Houston.....	11.40	10.30	12.15
Galveston.....	11.40	10.35	12.20

Petroleum

The production of crude oil in this district totaled 29,644,950 barrels in January, reflecting a decline of 75,600 barrels from December but an expansion of 4,940,250 barrels as compared with January last year. Drilling was more active during the month, as evidenced by the completion of 836 new wells, of which 636 were producers, with an initial output of 2,764,008 barrels. In the previous month 776 wells were completed, of which 583 were successful, yielding 2,593,894 barrels;

and in January a year ago there were 623 completions, which included 452 producing wells with an initial flush production amounting to 2,235,531 barrels.

While the daily average output of fields in Texas declined from 890,724 barrels in December to 887,060 barrels in January, the reduction occurred chiefly in East Texas and appreciable gains were reported for the Central West, South, and Gulf Coastal regions of the State. As compared with January, 1933, there was an increase of 151,105 barrels. In New Mexico the daily average yield during January was reduced moderately from the previous month but was sizably larger than a year ago; daily production in North Louisiana was substantially larger than in December but remained at a lower level than in the same month last year.

OIL PRODUCTION—(Barrels)

	January, 1934		Increase or decrease over December, 1933	
	Total	Daily Avg.	Total	Daily Avg.
North Texas.....	3,054,400	98,529	- 18,150	- 586
Central West Texas.....	4,594,700	148,216	+116,900	+3,771
East Texas.....	13,510,600	435,826	-292,800	-9,445
South Texas.....	1,374,900	44,352	+ 51,850	+1,673
Texas Coastal.....	4,964,250	160,137	+ 28,600	+ 923
Total Texas.....	27,498,850	887,060	-113,600	-3,664
New Mexico.....	1,292,900	41,706	- 10,750	- 347
North Louisiana.....	853,200	27,523	+ 48,750	+1,573
Total District.....	29,644,950	956,289	- 75,600	-2,438

JANUARY DRILLING RESULTS

	Completions	Producers	Gas wells	Failures	Initial production
North Texas.....	141	85	3	53	16,411
Central West Texas.....	75	46	2	27	74,755
East Texas.....	359	342	2	15	2,578,370
South Texas.....	119	71	6	42	17,769
Texas Coastal.....	98	70	3	25	66,575
Total Texas.....	792	614	16	162	2,753,880
New Mexico.....	10	4	1	5	5,530
North Louisiana.....	34	18	4	12	4,598
Jan., 1934, totals, District...	836	636	21	179	2,764,008
Dec., 1933, totals, District...	776	583	20	173	2,593,894

CRUDE OIL PRICES

	Feb. 9, 1934	Feb. 10, 1933
Texas Coastal (34 gr. and above).....	\$1.12	\$.62
North Texas and North Louisiana (40 gr. and above)....	1.03	.52

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

Building

The valuation of construction permits issued during January at principal cities in the Eleventh District, while 4.6 per cent less than in December, exceeded that of the same month a year ago by 5.6 per cent. The total for the fourteen reporting cities amounted to \$760,294 as against \$797,213 in the preceding month, and \$719,736 in January, 1933. The number of building permits reported was larger than in either comparative month.

BUILDING PERMITS

	January, 1934		January, 1933		Percentage change valuation over year	December, 1933		Percentage change valuation over month
	No.	Valuation	No.	Valuation		No.	Valuation	
Amarillo.....	22	\$ 62,854	13	\$ 15,511	+305.2	17	\$ 4,521	*
Austin.....	56	30,788	85	50,624	- 39.2	36	27,356	+ 12.5
Beaumont.....	57	10,550	56	9,278	+ 13.7	57	90,661	- 88.4
Corpus Christi.....	19	62,924	17	3,800	*	13	7,710	+716.1
Dallas.....	377	172,773	277	170,006	+ 1.6	238	109,039	+ 58.5
El Paso.....	35	23,136	28	10,269	+125.3	24	48,498	- 52.3
Fort Worth.....	70	57,420	96	85,400	- 32.8	56	70,184	- 18.2
Galveston.....	95	20,872	74	20,130	+ 3.7	85	74,086	- 71.8
Houston.....	127	160,425	162	258,547	- 38.0	117	281,722	- 43.1
Port Arthur.....	26	9,814	25	4,905	+100.1	41	9,643	+ 1.8
San Antonio.....	100	69,447	120	48,841	+ 42.2	80	32,775	+111.9
Shreveport.....	90	39,819	77	15,114	+163.5	56	25,551	+ 55.8
Waco.....	15	26,147	25	25,366	+ 3.1	11	13,967	+ 87.2
Wichita Falls.....	7	13,325	23	1,945	+585.1	4	1,500	+788.3
Total.....	1,096	\$760,294	1,078	\$719,736	+ 5.6	835	\$797,213	- 4.6

*Increase over one thousand per cent.

Cement

Although activity during January at Portland cement mills in Texas showed a material expansion over the preceding month, it continued to be on a smaller scale than a year ago. Production totaled 195,000 barrels, as compared with 151,000 barrels in December, and 255,000 barrels in January, 1933. The volume of shipments amounted to 264,000 barrels, as against 222,000 barrels in the previous month, and 285,000 barrels in the same month last year. Total stocks on hand were reduced from 557,000 barrels at the close of December to 484,000

barrels on January 31, and on the latter date were one-fourth smaller than a year ago.

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

	January 1934	January 1933	Percentage change from December 1933
Production at Texas mills.....	195	-23.5	+29.1
Shipments from Texas mills.....	264	- 7.4	+18.9
Stocks at end of month at Texas mills.....	484	-25.1	-13.1

SUMMARY OF NATIONAL BUSINESS CONDITIONS

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

Volume of industrial production increased by more than the usual seasonal amount in January and the early part of February. The general level of wholesale commodity prices,

after showing relatively little change during the last five months of 1933, advanced considerably after the turn of the year.

PRODUCTION AND EMPLOYMENT

Output of factories and mines, as measured by the Federal Reserve Board's seasonally adjusted index of industrial production, advanced from 75 per cent of the 1923-1925 average in December to 78 per cent in January. This compares with a recent low level of 72 per cent in November and a level of 65 per cent in January, 1933. The January advance reflected chiefly increases of more than the usual seasonal amount in the textile, meat packing, automobile, and anthracite coal industries. Activity at cotton mills, which had reached an unusually high level in the summer of 1933 and had declined sharply in the latter part of the year, showed a substantial increase in January. Output of automobiles also increased by more than the usual seasonal amount, while activity in the steel industry showed little change following a non-seasonal increase in December. In the first half of February there was a further growth in output at automobile factories, and activity at steel mills showed a substantial increase. Factory payrolls, which usually decline considerably at this season, showed little change between the middle of December and the middle of January while factory employment declined by about the usual seasonal amount. There were substantial increases in employment and payrolls in the automobile, hardware, shoe, and women's clothing industries, while decreases, partly of a seasonal character, were reported for the hosiery, tobacco, furniture, and lumber industries. Value of construction contracts, as reported by the F. W. Dodge Corporation, showed a decline in January and the first half of February, following substantial increases in the latter part of 1933. As in other recent months, public works made up a large part of the total.

DISTRIBUTION

Freight traffic increased in January by more than the usual seasonal amount, reflecting larger shipments of coal and merchandise. Sales by department stores showed the usual seasonal decline after the holiday trade.

DOLLAR EXCHANGE

The foreign exchange value of the dollar in relation to gold currencies, which in January had fluctuated around 63

per cent of par, declined after January 31 to slightly above its new parity of 59.06 per cent.

PRICES

Wholesale commodity prices showed a general increase between the third week of December and the third week of February and the weekly index of the Bureau of Labor Statistics advanced from 70.4 per cent of the 1926 average to 73.7 per cent. There were substantial increases in livestock prices; wool continued to advance; and cotton reached a level higher than at any other time since 1930. Scrap steel advanced to about the level prevailing in the summer of 1933.

BANK CREDIT

As a consequence of the reduction on January 31 of the weight of the gold dollar, together with subsequent imports of gold from abroad, the dollar amount of the country's stock of monetary gold increased from \$4,035,000,000 on January 17 to \$7,089,000,000 on February 14, about \$3,000,000,000 of this increase being reflected in a growth of the cash held by the Treasury, which includes gold bullion. Notwithstanding a further reduction in discounts for member banks in acceptance holdings of the reserve banks, member banks' reserve balances increased moderately during this period, reflecting gold imports, a return of currency from circulation, and a reduction in United States Government deposits with the reserve banks. In the middle of February these balances were more than \$900,000,000 above legal reserve requirements. At reporting member banks there was a growth between January 17 and February 14 of more than \$600,000,000 in holdings of United States Government securities and of more than \$500,000,000 in United States Government deposits, reflecting Treasury financing. Loans on securities and all other loans increased slightly and bankers' balances showed a substantial growth. Short-term money rates in the open market remained at low levels. On February 2, the Federal Reserve Bank of New York reduced its discount rate from 2 per cent to 1½ per cent, and during the succeeding two weeks reductions of ½ per cent were made at the Federal Reserve Banks of Cleveland, Boston, St. Louis, Dallas, Richmond, Kansas City, Atlanta, and San Francisco.