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DISTRICT SUMMARY

Crop prospects in the Eleventh District declined in August, but the September 1 estimates of total production for major crops, except cotton, were greater than last year's harvest and larger than the 1927-1936 average production. Although department store sales increased more than seasonally in August, there was a noticeable slowing down in the rate of expansion during the first half of September, with actual sales showing the largest decrease from a year ago registered thus far this year. The value of contracts awarded for both residential and total construction increased in August and residential contracts were in the largest volume in nine years. Following the resumption of the two-day shut-down each week in Texas at the beginning of September, petroleum production declined to a level considerably under the production rate in September last year.

BUSINESS

Consumer buying at department stores in principal cities of the Eleventh District, while at a slower rate than a year ago, increased considerably more than seasonally in August, and as a consequence this bank's adjusted index continued the upward trend in evidence since last April, increasing from 103.0 per cent of the 1923-1925 average in July to 107.7 per cent in August. Although the latter figure is 4 points below that in August last year, it is the highest recorded since last January and about equal to the 1937 average. The aggregate dollar volume of sales during the month was one-fourth greater than in July, and was about the same as the heavy volume in August last year; however, as August had one more business day this year than in 1937, daily average sales showed a decline of 3.2 per cent. Total sales for the first eight months of 1938 were only 1 per cent lower than in the corresponding period of 1937.

The inventories held by reporting department stores, after having declined more than seasonally during the preceding three months, increased 15.5 per cent in August, but at the close of the month were still 7.3 per cent less than a year ago. The ratio of collections on open accounts outstanding declined seasonally during August, and continued below that of a year ago.

Distribution of merchandise through reporting wholesale firms in this district increased from July to August, but on the whole, the change between the two months was less favorable than is usual at this season. Total sales of reporting firms in eight lines of trade were 7 per cent larger than in the preceding month, but were 12 per cent under those in August, 1937, which is slightly larger than the average decrease for the first eight months of the year. Although the gains over the previous month were more than seasonal in hardware and farm equipment, sales in these lines continued to show large decreases from a year ago. Inventories showed little change in August and remained considerably below those at the close of August last year. Collections during the month showed no material change.

Following declines during the two preceding months, the number and liabilities of commercial failures in this district increased in August, and continued larger than in the corresponding month last year. According to Dun & Bradstreet,

Incorporated, there were 19 insolvencies during the month owing \$197,000.

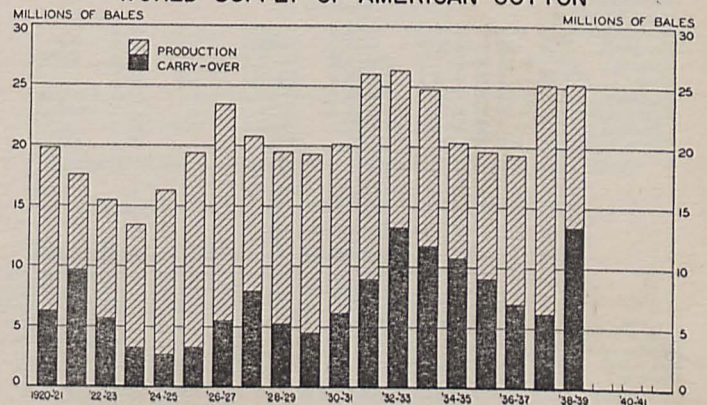
AGRICULTURE

Agricultural conditions in the Eleventh District were affected adversely during August by high temperatures, lack of moisture and insect damage, with the result that on September 1 the prospective production of most crops was smaller than a month earlier. Nevertheless, the indicated yields per acre of practically all summer crops were still above the average and the forecasts of total production for all major crops, except cotton, were larger than the 1937 harvests and the 1927-1936 average production. Widespread rains which fell late in August and in the first half of September were beneficial to all late maturing crops and will enable farmers to prepare the soil for the seeding of small grains.

According to the Department of Agriculture, the cotton crop was damaged in practically all sections of Texas by the hot, dry weather, but the severest decline in prospective production occurred in the north central and northwestern areas where additional damage resulted from the activity of leaf worms, boll worms and other insects. The Texas crop was forecast at 3,200,000 bales on September 1, which compares with an estimate of 3,425,000 bales on August 1 and with an actual harvest of 5,154,000 bales last year. The estimated per acre yield was reduced from 170 pounds on August 1 to 158 pounds at the beginning of September. Acreage abandonment in Texas was placed at 2.5 per cent of the area in cultivation on July 1, leaving 9,711,000 acres for harvest. The indicated production of cotton in Oklahoma was reduced 5 per cent, but small increases were shown for Arizona and Louisiana. The production forecast for the United States was lowered 1.4 per cent to a total of 11,825,000 bales. Ginnings prior to September 1 aggregated 1,331,745 running bales, of which about 50 per cent was in Texas.

Due entirely to a substantial reduction in the estimated production of late corn in Texas, the September 1 forecast for the Eleventh District was reduced 5,100,000 bushels from that a month earlier, but the indicated harvest of 96,000,000 bushels was still 10 per cent greater than in 1937. The prospective production of grain sorghums declined sharply during August in all of the principal producing states attached to this district, whereas the indicated

WORLD SUPPLY OF AMERICAN COTTON



harvest of tame hay increased somewhat.

The increased acreage planted to peanuts in Texas this year, together with the heavy indicated per acre yield, resulted in an initial forecast of 141,900,000 pounds, which is materially larger than the 1937 harvest and the ten-year average production. The estimated production of this crop was also larger than a year ago in Louisiana and Oklahoma. Unfavorable weather, shedding, and insect damage reduced indicated production of pecans in Texas to 17,010,000 pounds, which compares with a harvest of 27,000,000 pounds in 1937. In consequence of an improvement in the Texas rice crop, the production forecast on September 1 was raised to 13,500,000 bushels, the largest on record. The condition of Texas citrus crops was considerably higher on September 1 than a year earlier, and prospects were improved further by the timely rains late in August.

Range conditions in most of the Eleventh District have continued well above the ten-year average despite the noticeable deterioration that occurred in August. Although surface moisture was depleted by the hot, dry weather prevailing during the month, widespread rains late in August and in the first half of September replenished moisture supplies and greatly improved the outlook for winter ranges. Livestock generally remained in good flesh and in most areas are in much better condition than a year ago. Fat cattle are plentiful except in limited areas where grazing conditions have been poor because of the moisture deficiency. Marketing of cattle, although smaller than the heavy shipments last year, has been in fairly large volume. The Department of Agriculture reported that shipments of sheep and lambs from Texas during August probably exceeded the record August movement in 1937.

Prices of cattle and hogs at the Fort Worth market have followed an irregular course during the past six weeks, with prevailing quotations at levels substantially below those a year ago. Sheep and lamb prices, after remaining generally steady in August, declined somewhat in the first half of September.

Reflecting chiefly the low level of prices received for farm products, cash income from marketings of principal crops in the five states wholly or partially attached to the Eleventh District increased less than seasonally from June to July, and was one-fourth smaller than a year ago. On the other hand, receipts from marketings of livestock and livestock products were 11 per cent larger than in June and 18 per cent greater than in July, 1937. In contrast with a decline in income in each of the four states partially attached to this district, total receipts in Texas from the sale of farm products were 1 per cent larger than in July, 1937, as the increase in receipts from the sale of livestock and livestock products more than offset a decline of 17 per cent in receipts from crop marketings. Aggregate income from the sale of principal farm products, excluding Government payments, in the five states during the first seven months of 1938 was 3 per cent larger than in the corresponding period last year.

FINANCE

The loans of weekly reporting member banks in this district, which had shown little change in July and August, increased by about \$4,800,000 in the first two weeks of September due chiefly to the expansion in commercial, industrial and agricultural loans. Total loans on September 14 were about \$6,300,000 smaller than a year earlier. The investments of these banks have shown an upward trend during the past four and one-half months and at the middle of September holdings were about \$24,000,000 above those

CROP PRODUCTION
(In thousands of units)

Crop	Unit	Texas		Eleventh District	
		Estimated 1938	1937	Estimated 1938	1937
Cotton.....	Bales	3,200	5,154	3,930	6,329
Corn.....	Bushels	80,376	72,048	95,979	86,945
Winter wheat.....	Bushels	35,397	41,690	36,371	42,807
Oats.....	Bushels	34,875	30,432	37,502	33,087
Barley.....	Bushels	2,224	1,766	6,508*	4,541*
Rice.....	Bushels	18,500	12,250	18,500†	12,250†
Grain sorghums.....	Bushels	54,777	52,336	74,091*	71,758*
Tame hay.....	Tons	1,091	831	1,487	1,211
Wild hay.....	Tons	256	228	875‡	682‡
Peanuts.....	Pounds	141,900	100,760	168,375§	115,785§
Irish potatoes.....	Bushels	2,950	3,456	3,758	4,288
Sweet potatoes.....	Bushels	4,800	3,744	13,611¶	11,364¶
Pecans.....	Pounds	17,010	27,000	26,203¶	46,009¶

*Oklahoma, Texas, New Mexico and Arizona. †Texas only. ‡Louisiana, Oklahoma, Texas, New Mexico and Arizona. §Louisiana, Oklahoma and Texas.

SOURCE: United States Department of Agriculture. Data for Eleventh District derived from estimates by states.

WHOLESALE AND RETAIL TRADE STATISTICS

	Percentage change in:			Stocks*		Ratio Aug. collections to accounts outstanding Aug. 1	
	Net sales						
	Aug., 1938 from Aug., 1937	Jan. 1 to Aug. 31, 1938 from 1937	Aug., 1938 from Aug., 1937	Aug., 1938 from July, 1938	July, 1938 from Aug., 1937	Regular	Installment
Retail trade:							
Department stores:							
Total 11th Dist.	+ .5	+24.6	- 1.0	- 7.3	+15.5	36.4	13.9
Dallas.....	+ 3.1	+30.4	- 2.1	- 4.0	+10.1	35.7	16.0
Fort Worth.....	+ 8.2	+14.4	+ 1.1	- 5.4	+13.3	33.4	10.6
Houston.....	+ .8	+23.7	+ 1.9	-14.3	+ 9.2	36.6	11.7
San Antonio.....	+ 4.1	+29.0	+ .8	- 4.0	+14.3	40.6	11.7
Other cities.....	+ .5	+18.8	- 4.1	-12.6	+14.3	36.9	16.4
Independent stores:†							
Arizona.....	-19.4	- 1.4	.....	.....	.....	.....	.....
Oklahoma.....	- 7.5	+ 5.3	.....	.....	.....	.....	.....
New Mexico.....	-11.4	+10.5	.....	.....	.....	.....	.....
Texas.....	- 9.4	+ 8.2	.....	.....	.....	.....	.....
Wholesale trade:‡							
Machinery equipment & supplies							
ex'pt electrical.....	-54.9	+20.5	-37.8	.....	.....	18.8	.....
Dry goods.....	-15.9	+47.7	-15.7	-19.8	- 2.7	39.5	.....
Groceries.....	- 4.6	- 2	- 6.5	- 7.2	- 1	90.0	.....
Drugs.....	- 2.7	+ 8.4	+ 1.6	- .8	+1.9	65.7	.....
Hardware.....	-12.5	+13.1	-12.8	- 7.8	+1.2	58.0	.....
Electrical Supplies.....	-15.9	-25.8	-17.5	.....	.....	.....	.....
Tobacco & prod's.....	+ 8.2	- 3.6	.....	- 6.3	0.0	108.1	.....
Surgical eq'p't.....	0.0	-11.1	.....	.....	.....	45.5	.....

*Stocks at close of month. †Compiled by United States Department of Commerce

INDEXES OF DEPARTMENT STORE SALES AND STOCKS
(1923-25 average = 100)

	With seasonal adjustment				Without seasonal adjustment			
	Sales—Aug.		Stocks—Aug.		Sales—Aug.		Stocks—Aug.	
	1938	1937	1938	1937	1938	1937	1938	1937
Total Eleventh Dist.	107.7	111.9	63.0	66.5	82.9	86.2	64.3	67.8
Dallas.....	119.6	127.9	63.7	66.1	86.1	92.1	66.2	68.7
Fort Worth.....	124.2	117.3	59.4	64.8	88.2	83.3	60.6	66.1
Houston.....	122.0	130.0	41.2	42.1	84.2	89.7	42.0	42.9
San Antonio.....	114.5	115.8	54.6	58.0	81.3	82.2	54.1	57.4

CASH FARM INCOME FROM THE SALE OF PRINCIPAL FARM PRODUCTS
(In thousands of dollars)

	July, 1938		Total receipts †	
	Receipts from		Jan. 1 to July 31	
	Crops	Livestock*	1938	1937
Arizona.....	\$ 1,207	\$ 1,167	\$ 2,374	\$ 2,387
Louisiana.....	594	1,424	2,018	2,696
New Mexico.....	353	1,287	1,640	2,123
Oklahoma.....	15,499	7,740	23,239	28,773
Texas.....	16,015	18,797	34,812	34,427
Total.....	\$33,668	\$30,415	\$60,069	\$70,406

†Data excludes Government payments.

*Includes receipts from the sale of livestock and livestock products.

SOURCE: United States Department of Agriculture.

FORT WORTH LIVESTOCK RECEIPTS

	(Number)			
	Aug. 1938	Aug. 1937	Change over year	July 1938
Cattle.....	69,004	90,841	-21,837	80,887
Calves.....	47,730	52,946	- 5,216	35,040
Hogs.....	22,197	22,184	+ 13	17,101
Sheep.....	106,570	98,137	+ 8,433	125,031

COMPARATIVE TOP LIVESTOCK PRICES

	(Dollars per hundredweight)		
	Aug. 1938	Aug. 1937	July 1938
Beef steers.....	\$10.50	\$12.50	\$10.50
Stocker steers.....	8.25	8.25	7.50
Heifers and yearlings.....	10.50	12.50	10.00
Butcher cows.....	6.25	7.25	7.25
Calves.....	8.00	8.35	8.25
Hogs.....	9.60	12.60	10.00
Lambs.....	7.50	9.25	7.50

at the end of April, of which amount approximately one-half represented purchases of securities fully guaranteed by the United States Government. Total investments are now only about \$5,800,000 under those at the middle of September last year.

Adjusted demand deposits of reporting banks fluctuated widely during the five weeks ended September 14, but the net expansion of \$12,000,000 for the period raised the total to the highest level on record. Interbank deposits increased further by \$7,700,000 between August 10 and September 14 but the rise was less marked than in the same period last year. These banks added \$2,400,000 to their reserves with the Federal Reserve Bank and \$7,000,000 to their balances with other domestic banks.

Estimated excess reserves of member banks in this district during the first half of September were about \$5,000,000 below those in the first half of August and the lowest for any semi-monthly period since the decrease in reserve requirements became effective at the middle of April. The decline in excess reserves was due in part to the lower volume of reserves maintained at the Federal Reserve Bank and in part to the increase in required reserves resulting from the expansion in deposits at member banks. Federal Reserve notes in actual circulation showed a seasonal expansion of \$2,171,000 between August 15 and September 15, but the total of \$77,500,000 on the latter date was \$15,100,000 less than a year ago.

In this district cash subscriptions to the September 15 issues of 2½ per cent Treasury bonds and of 1⅛ per cent Treasury notes aggregated \$142,116,400, but allotments amounted to only \$15,856,650. In addition to the above, there were \$3,422,300 of exchange subscriptions which were allotted in full.

INDUSTRY

Construction activity in this district, which had declined considerably in the second quarter of 1938, increased sharply in July and showed a further expansion of 7 per cent in August. Although the value of contracts awarded in August was one-fourth smaller than in that month last year, the decrease resulted from the fact that the August, 1937, volume included one public works contract for an unusually large amount. The outstanding development in the construction situation in this district during the current year has been the marked expansion in residential building. The value of awards, after allowance for seasonal factors, has shown an uninterrupted advance thus far this year, with actual awards reaching a total of approximately \$7,570,000 in August. This figure is about three and one-half times that in December last year, and the largest for any month since the spring of 1929. Non-residential building increased in August to a level about one-fourth larger than in August, 1937. During the first eight months of 1938, the total value of construction contracts awarded in this district showed a gain of 16 per cent over that in the same period last year which contrasts with a decline of 12 per cent in the United States.

Following a sizable decline in July, the value of building permits issued at fourteen principal cities in the Eleventh District increased in August and was more than one-third larger than in the corresponding month last year. The total for the eight months of 1938 exceeds that for the same period in 1937 by 17 per cent. Increases for the period were registered by twelve of the fourteen reporting cities.

The production of crude petroleum in the Eleventh District, which had increased sharply in July, showed a further

slight expansion in August. The daily average output for the month, amounting to 1,578,000 barrels, was about 26,000 barrels higher than in the preceding month and the highest since last October, but it was about 8.5 per cent under the

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

	Sept. 15, 1938	Sept. 15, 1937	Aug. 15, 1938
Total cash reserves	\$206,786	\$202,403	\$200,456
Discounts for member banks	529	453	510
Industrial advances	830	1,166	848
Bills bought in the open market	16	87	16
United States Government securities	84,963	98,634	84,963
Total earning assets	86,338	100,340	86,337
Member bank reserve deposits	167,287	182,493	169,721
Federal Reserve notes in actual circulation	77,477	92,571	75,305
Commitments to make industrial advances	51	302	51

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

	Sept. 14, 1938	Sept. 15, 1937	Aug. 10, 1938
Total loans and investments	\$499,414	\$511,552	\$488,486
Total loans	231,490	237,830	226,507
Commercial, industrial and agricultural loans	147,486	150,979	149,884
Open market paper	1,492	3,421	1,665
Loans to brokers and dealers in securities	2,537	2,727	2,582
Other loans for purchasing or carrying securities	13,993	15,426	13,838
Real estate loans	20,433	21,260	20,703
Loans to banks	636	381	642
All other loans	44,908	43,636	43,213
United States Government direct obligations	175,217	193,611	170,741
Obligations fully guaranteed by United States Govt.	39,693	30,329	39,975
Other securities	53,014	49,782	51,263
Reserves with Federal Reserve Bank	103,816	111,545	101,381
Balances with domestic banks	218,597	159,551	211,600
Demand deposits—adjusted*	412,090	393,231	400,097
Time deposits	132,359	125,451	132,581
United States Government deposits	25,142	19,459	24,932
Interbank deposits	201,762	196,365	194,079
Borrowings from the Federal Reserve Bank	None	None	None

*Includes all demand deposits other than interbank and United States Government, less cash items reported as on hand or in process of collection.

GROSS DEMAND AND TIME DEPOSITS OF MEMBER BANKS
(Average of daily figures—in thousands of dollars)

	Combined total		Reserve city banks		Country banks	
	Gross demand	Time	Gross demand	Time	Gross demand	Time
August, 1938	\$ 988,321	199,824	\$570,488	\$109,534	\$417,833	\$90,290
August, 1937	1,060,580	203,704	586,477	111,312	474,103	92,392
April, 1938	1,074,855	217,942	592,059	120,896	482,796	97,046
May, 1938	1,073,302	219,459	599,164	121,153	474,138	98,306
June, 1938	1,077,586	220,991	605,323	121,945	472,263	99,046
July, 1938	1,089,421	220,912	614,076	121,908	475,345	99,008
August, 1938	1,092,082	222,104	617,125	123,057	474,957	99,047

SAVINGS DEPOSITS

	Aug. 31, 1938			Percentage change in savings deposits from	
	Number of reporting banks	Number of savings depositors	Amount of savings deposits	Aug. 31, 1937	July 31, 1938
Beaumont	3	9,719	\$ 3,804,578	+ 4.2	+ .1
Dallas	8	90,831	26,341,429	+ 2.8	+ .1
El Paso	2	16,138	7,921,097	- .3	- .3
Fort Worth	3	38,324	13,365,555	+ 3.2	- .9
Galveston	4	18,528	11,780,540	+ 5.6	+ .9
Houston	10	71,923	28,944,778	+ 1.8	+ .1
Port Arthur	2	6,134	2,714,968	+ 9.5	- 2.0
San Antonio	5	24,234	18,051,166	+ 7.7	+ 1.0
Shreveport	3	24,701	11,390,016	+ 1.7	- .03
Waco	3	9,276	4,737,245	- 4.7	- .4
Wichita Falls	3	7,312	3,766,275	+10.9	+ 1.7
All other	70	59,603	29,260,105	+ 3.4	+ .6
Total	116	376,723	\$162,077,662	+ 3.3	+ .2

DEBITS TO INDIVIDUAL ACCOUNTS
(In thousands of dollars)

	Aug. 1938	Aug. 1937	Pctg. change over year	July 1938	Pctg. change over month
Abilene	\$ 7,491	\$ 8,421	-11.0	\$ 7,697	- 2.7
Austin	29,885	28,585	+ 2.8	29,479	+ 2.0
Beaumont	21,399	27,083	-21.0	22,087	- 3.1
Corsicana	3,065	3,456	-11.3	2,641	+16.1
Dallas	222,102	240,233	- 7.5	214,666	+ 3.5
El Paso	23,529	23,983	- 1.9	23,438	+ .4
Fort Worth	77,441	85,097	- 9.0	83,913	- 7.7
Galveston	26,636	28,040	- 5.0	26,650	- .1
Houston	200,516	224,406	-10.6	207,763	- 3.5
Port Arthur	8,317	9,256	-10.1	8,226	+ 1.1
Roswell	4,519	3,089	+46.3	4,056	+11.4
San Antonio	61,349	67,055	- 8.5	65,382	- 6.2
Shreveport	40,579	44,788	- 9.4	39,665	+ 2.3
Texarkana*	6,069	7,600	-20.1	6,904	-12.1
Tucson	8,967	10,062	-10.9	9,996	-10.3
Tyler	10,980	13,345	-17.7	11,127	- 1.3
Waco	11,747	14,037	-16.3	11,791	- .4
Wichita Falls	14,196	14,870	- 4.5	15,509	- 8.5
Total	\$ 778,287	\$853,406	- 8.8	\$ 790,990	- 1.6

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

average daily output of 1,725,000 barrels in August last year. Reflecting chiefly the resumption of the two-day shut-down in Texas at the beginning of September, daily average production in this district declined sharply in the first half of September, being about 10 per cent under the August rate and 17 per cent below that in September last year. The rate of well completions in August and the first half of September showed little change from that in July, but was about 25 per cent below that in the corresponding month last year.

Stocks of crude oil in this district showed little change between July 30 and September 3, whereas, for the United States as a whole, there was a further decline of about 3,600,000 barrels. Stocks of gasoline in the United States were reduced further by about 6,350,000 barrels during the five weeks, but supplies on September 3 were 5 per cent in excess of those a year earlier.

In the latter part of August, there was a weakening in the market for both crude oil and refined products and since that time some downward revisions have been made. In this district the posted price of East Texas crude oil was reduced 10 cents per barrel.

Domestic cotton mill activity increased further in August to the highest level in nearly a year. The actual consumption of cotton, after declining to a low level in April, rose steadily throughout the summer and reached a total of 561,406 bales in August, which was only 7 per cent under the 603,617 bales consumed in August, 1937. The adjusted index of cotton consumption, computed by the Board of Governors, stood at 115 per cent of the 1923-1925 average in August, which compares with 77 per cent in April and 129 per cent in August last year. Trade reports indicate that mill sales of cotton textiles during the month were below production, but that both sales and inquiries increased somewhat late in August and early in September. Although mill stocks of raw cotton were reduced 14 per cent in August, the decrease was considerably smaller than that in August last year and as a result holdings on August 31 were about 10 per cent larger than a year earlier and the highest for any corresponding date since 1934.

Exports of cotton from the United States, which had increased sharply in July, showed little change in August. The total for the month aggregated 200,851 bales, as compared

with 195,706 bales in July, and 220,415 bales in August, 1937. Shipments to Japan, while smaller than in July, were about three times greater than the small volume in August last year. Takings by the leading importing countries in Europe were considerably smaller in August than a year earlier.

The world supply of American cotton for the 1938-1939 season is now estimated at about 25,225,000 bales, comprising the August 1 carry-over of 13,400,000 bales and this year's production of 11,825,000 bales. The indicated supply for the current season is slightly larger than that for the preceding season and about 3,125,000 bales larger than the average for the five years ended with the 1936-1937 season, but it is about 1,000,000 bales under the record supply of the 1932-1933 season. During the ten years ended with 1929, the world carry-over of American cotton averaged about 5,400,000 bales, and at the end of the period amounted to 4,500,000 bales. In the subsequent three years, the decline in world utilization of American cotton, together with the large production in 1931, caused a sharp increase in carry-over to a record total of 13,260,000 bales on August 1, 1932. During the five years from 1932 to 1936, inclusive, consumption averaged higher than the restricted production, and in consequence the carry-over was reduced to 6,235,000 bales on August 1, 1937. However, as a result of the record production of cotton in 1937 and the sharp decline in world utilization of American cotton, carry-over at the beginning of the 1938-1939 season rose to a level slightly higher than that six years earlier. Although production this year is estimated at only 11,825,000 bales, or more than one-third less than last season's production, the decrease in production merely counterbalances the increase in carry-over, leaving the supply for the two seasons at about the same level. The supply for the current season is nearly double the average world consumption of American cotton during the past five seasons.

CONSUMPTION, STOCKS AND EXPORTS OF COTTON

	(Bales)		July 1938	August 1 to August 31	
	Aug. 1938	Aug. 1937		This season	Last season
Consumption at:					
Texas mills.....	11,512	10,483	10,731	11,512	10,483
United States mills.....	561,406	603,617	449,511	561,406	603,617
U. S. stocks—end of month:					
In consuming estab'nts.....	1,052,531	958,887	1,226,953		
Public stg., compresses.....	9,825,616	3,500,711	9,641,201		
Exports from U. S. to:					
United Kingdom.....	24,033	47,982	30,707	24,033	47,982
France.....	21,833	20,585	4,398	21,833	20,585
Italy.....	14,200	24,439	22,234	14,200	24,439
Germany.....	25,640	50,011	9,303	25,640	50,011
Other Europe.....	43,914	42,566	41,781	43,914	42,566
Japan.....	52,589	17,049	69,575	52,589	17,049
All other countries.....	18,624	8,783	17,758	18,624	8,783
Total exports.....	200,851	220,415	195,706	200,851	220,415

CRUDE OIL PRODUCTION

	(Barrels)		Increase or decrease in daily average production from:	
	Aug., 1938		Aug., 1937	July, 1938
	Total production	Daily avg. production		
North Texas.....	4,594,750	148,218	- 7,527	+ 1,349
West Texas.....	7,717,700	248,958	- 22,411	+ 5,269
East Texas.....	16,696,600	538,600	- 61,403	+ 5,887
South Texas.....	7,360,650	237,440	- 33,605	+ 1,477
Texas Coastal.....	6,760,850	218,092	- 7,169	+ 6,887
Total Texas.....	43,130,550	1,391,308	- 132,115	+ 20,869
New Mexico.....	3,312,800	106,865	- 7,200	+ 5,949
North Louisiana.....	2,483,100	80,100	- 7,597	- 632
Total District.....	48,926,450	1,578,273	- 146,912	+ 26,188

SOURCE: The Oil Weekly, Houston, Texas.

RECEIPTS, EXPORTS, AND STOCKS OF COTTON AT THE PORTS OF HOUSTON AND GALVESTON

	(Bales)		July 1938	August 1 to August 31	
	Aug. 1938	Aug. 1937		This season	Last season
Receipts.....	101,124	250,934	42,814	101,124	250,934
Exports.....	94,035	55,243	129,434	94,035	55,243
Stocks, end of month.....	1,238,857	714,045	1,236,712	1,238,857	714,045

VALUE OF CONSTRUCTION CONTRACTS AWARDED

(In thousands of dollars)

	Aug. 1938		Aug. 1937		July 1938		January 1 to Aug. 31, 1938	
	No.	Valuation	No.	Valuation	No.	Valuation	No.	Valuation
Eleventh District—total..	56	\$ 16,156	51	\$ 21,531	49	\$ 15,095	51	\$ 112,212
Residential.....		7,572		4,350		4,949		40,275
All other.....		8,584		17,181		10,146		71,937
United States*—total.....	313,141	281,217	239,799	1,850,546	2,096,056			
Residential.....	99,732	73,448	87,978	586,748	670,801			
All other.....	213,409	207,769	151,821	1,263,798	1,425,255			

*37 states east of the Rocky Mountains.

SOURCE: F. W. Dodge Corporation.

BUILDING PERMITS

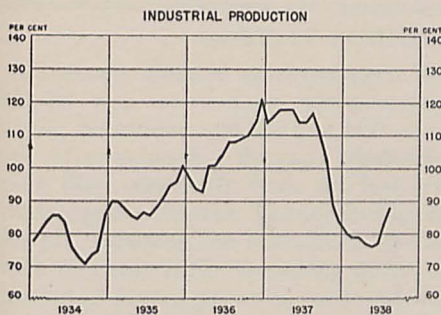
	Aug., 1938		Percentage change valuation from		Jan. 1 to Aug. 31, 1938		Percentage change valuation from 1937	
	No.	Valuation	Aug., 1937	July, 1938	No.	Valuation	No.	Valuation
Amarillo.....	56	\$ 155,077	- 12.3	+ 7.6	337	\$ 1,407,993		+ 100.5
Austin.....	241	537,432	+ 93.6	+ 55.1	1,599	3,871,773		+ 36.1
Baumont.....	175	132,538	+ 28.9	+ 19.4	1,101	929,969		+ 11.8
Corpus Christi.....	112	209,640	+ 35.2	+ 38.6	1,096	2,070,287		- 17.2
Dallas*.....	716	1,094,279	+ 69.7	+ 27.9	5,425	8,002,563		0.0
El Paso.....	69	286,355	+ 470.9	+ 75.9	650	1,177,931		+ 40.9
Fort Worth.....	276	433,052	+ 34.1	- 32.8	1,744	4,261,377		- 21.8
Galveston.....	117	554,039	+ 753.8	+ 434.3	1,234	1,983,015		+ 146.5
Houston.....	561	1,634,845	- 10.0	+ 5.5	3,640	16,973,430		+ 22.2
Port Arthur.....	175	101,121	+ 27.7	- 43.8	1,110	1,137,162		+ 62.5
San Antonio.....	249	413,687	- 14.9	- 20.7	2,209	3,645,343		+ 5.6
Shreveport.....	165	307,190	+ 9.8	+ 41.3	1,190	3,521,510		+ 65.9
Waco.....	45	173,980	+ 83.5	- 37.0	426	961,903		+ 22.8
Wichita Falls.....	50	112,831	+ 335.0	+ 198.2	444	539,893		+ 144.0
Total.....	3,007	\$ 6,146,066	+ 34.2	+ 15.9	22,205	\$ 50,484,149		+ 17.0

*Includes Highland Park and University Park

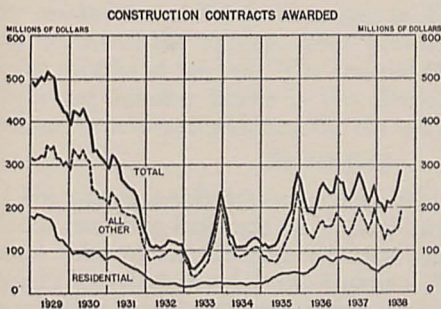
OCTOBER 1, 1938

NATIONAL SUMMARY OF BUSINESS CONDITIONS

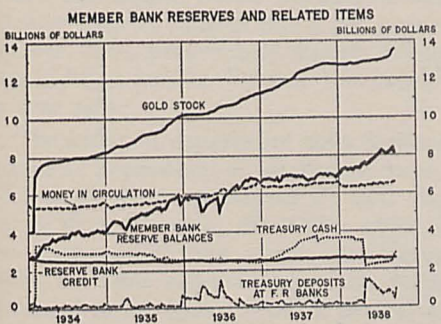
(Compiled by the Board of Governors of the Federal Reserve System)



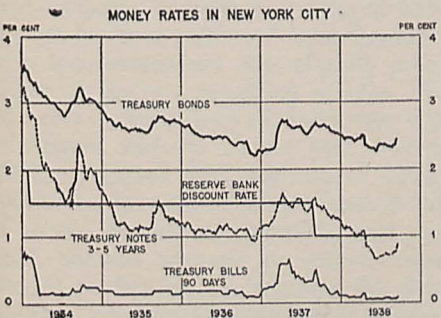
Index of physical volume of production, adjusted for seasonal variation, 1923-1925 average = 100. By months, January, 1934 to August, 1938.



Three-month moving averages of F. W. Dodge data for value of contracts awarded in 37 Eastern States, adjusted for seasonal variation. Latest figures based on data for July and August and estimate for September.



Wednesday figures, January 3, 1934 to September 21, 1938.



Discount rate of Federal Reserve Bank; weekly averages of daily yields on 3- to 5-year Treasury notes and on Treasury bonds callable after 8 years, and weekly average of daily dealers' quotations on 90-day Treasury bills or rate on new bills offered in week. For weeks ending January 6, 1934 to September 17, 1938.

Industrial activity increased considerably in August and advanced further in September. Factory employment and payrolls also showed a substantial rise in August, and distribution of commodities to consumers increased seasonally.

PRODUCTION

Volume of industrial production showed a further considerable increase in August, and the Board's seasonally adjusted index rose from 83 to 88 per cent of the 1923-1925 average. In manufacturing, increases in output were general except in the automobile industry where there was a sharp seasonal decline as plants were closed for inventory taking and for preparation for the shift to new model production. At steel mills where activity had risen considerably in July, there was a further advance in August and production was at an average rate of 42 per cent of capacity as compared with 35 per cent in the previous month. Output of lumber and plate glass also increased. In the textile industry the sharp advance that had been under way since early summer continued. Mill consumption of wool and cotton increased further, and deliveries of rayon were maintained at the high level reached in July. Shoe production showed a further increase and activity at meat-packing establishments showed less than the usual seasonal decline. Production of bituminous coal and crude petroleum increased somewhat further.

In the first three weeks of September steel ingot production continued to increase, while automobile production remained at the low level reached in August. Output of crude petroleum was reduced, as wells in Texas were closed on both Saturdays and Sundays, whereas in August only Sunday closings had been required.

Value of construction contracts awarded in 37 eastern states increased considerably in August, according to figures of the F. W. Dodge Corporation. The increase was in publicly-financed projects and reflected partly the expansion of the Public Works Administration program and the award of the first contract for the slum clearance projects of the United States Housing Authority. Awards for private residential building continued at about the same rate as in July and were close to the level reached in the spring of 1937. Commercial building, which had increased in July owing to the award of a contract for a large office building, declined in August to about the level of other recent months.

EMPLOYMENT

Factory employment and payrolls showed a marked rise from the middle of July to the middle of August, while in non-manufacturing industries employment showed little change. The number employed at factories producing durable goods increased for the first time since the summer of 1937 and in the non-durable goods industries, where employment had increased in July, there was a further rise. Most leading industries reported increases in the number of workers.

DISTRIBUTION

Distribution of commodities to consumers increased seasonally from July to August. Department store sales showed about the usual rise and mail-order sales increased, while variety store sales declined. In the first half of September sales at department stores increased more than seasonally.

Freight-car loadings increased somewhat further in August, reflecting chiefly larger shipments of miscellaneous freight.

COMMODITY PRICES

Prices of silk and rubber showed some advance from the middle of August to the third week of September and there were also increases at the end of the period in nonferrous metals. Wheat prices fluctuated considerably but showed little net change in this period. Prices of cotton and wool declined somewhat, and there were further decreases in prices of some finished industrial products.

BANK CREDIT

A heavy inflow of gold from abroad during the five weeks ending September 21 resulted in an increase of over \$500,000,000 in the monetary gold stock. Member bank reserves were increased by Treasury payments for gold acquired but were sharply reduced in the last week of the period by payments to the Treasury for cash purchases of new securities and quarterly income tax collections. As a consequence of these transactions, excess reserves, which had increased to \$3,130,000,000, were reduced to \$2,740,000,000 on September 21.

Total loans and investments of reporting member banks in leading cities increased sharply during August and the first three weeks of September, reflecting chiefly an increase in holdings of United States Government obligations. Balances held in New York City for foreign banks showed a substantial increase.

MONEY RATES AND BOND YIELDS

The average yield on long-term Treasury bonds increased in September from the low point reached at the end of August. The average rate on new issues of Treasury bills increased to 0.11 per cent, compared with 0.05 per cent. Yields on high-grade corporate bonds increased slightly.