

# Monthly Review of Business and Industrial Conditions

in the Eleventh Federal Reserve District, Federal Reserve Bank of Dallas

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Summarized, the outstanding features of the district's business indices for the month of September are as follows: A shrinkage in wholesale trade activity; an increase in commercial failures; an increased volume of sales and better collections in retail trade; a marked improvement in transportation service and in labor conditions; and a gratifying increase in the volume of bank clearings, building permits and postoffice receipts. While the downward course of the cotton market has had a depressing effect upon that industry and has somewhat checked the free course of fall trade, it is worthy of note that a goodly portion of the South Texas crop was picked and sold before the heavy decline in the market occurred, while an encouraging development in the Northern part of the belt is the fact that the 1920 crop is grading much higher, and therefore promises a much smaller proportion of unmarketable staple than was the case last year.

## AGRICULTURE:

Fine progress in the maturing and harvesting of fall crops has been maintained in most of the Eleventh District since about September 10th. On that date the heavy rains, which began in August, ceased, and conditions since then have permitted an uninterrupted advance in agricultural activities incident to the gathering and marketing of crops and preparing the soil for fall seeding.

### New Cotton Crop Grades Higher Than Last Year's Cotton

The Texas cotton crop on September 25th showed a loss of 6 points in condition as compared with August 25th, according to the Federal Bureau of Crop Estimates, which at the end of September reported the condition to be 61 per cent of normal, as against 67 per cent at the end of the previous month, and 74 per cent on July 25th, making a total loss of 13 points during the period from July 25th to September 25th. The Government report of September 25th forecasts a total production of 3,583,000 bales for the States of Texas, as compared with last year's production of 3,064,998.

September deterioration was the result of continued ravages by weevils and worms. The destruction of young or late cotton has been especially severe, and, except in a few localities, there will be little or no top crop made in the district. Notwithstanding the insect damage which the crop has suf-

fered this year on account of an unusually wet growing season, most of the new crop, according to reports received by the MONTHLY REVIEW from all parts of the district, is much superior in quality to last year's crop. The staple raised in 1919 generally fell below middling grade; while the present crop gives every promise of making an average grade of middling or better. The improvement in grade is due partly to better weather conditions prevailing during the harvesting and ginning period, and partly to the fact that "bollies" and stained cotton are being left in the field this year to a much greater extent than was the case last year.

A survey made by the Federal Reserve Bank of Dallas as of October 1st, 1920, covering the heaviest cotton-producing sections of the district, elicited reports from 76 Texas counties showing the condition and prospects of the crop in those counties, with the results summarized below:

1. Asked whether the average grade of the 1920 cotton crop will be higher or lower than that of 1919, correspondents representing 75 per cent of the reporting counties answered "much higher," 19 per cent replied "about the same," and 7 per cent reported "lower." It is believed that these statistics are fairly representative of the district as a whole. For the 57 Texas counties which reported marked improvement in the quality of the staple this year the estimated total production in 1920 amounts to 1,444,000 bales, or 40 per cent of the estimated total for the State.

2. According to the best information available very little of the early ginnings were withheld from the market. Until the "middling" spot price fell below 25 cents per pound, cotton in this section was offered freely on the spot market. During the past three weeks, however, the decline in the market has given a distinct check to the marketing movement, the farmers being inclined to hold back as much of their product as their financial situation will permit. While in some sections the local buyers themselves have temporarily withdrawn from the market pending a stabilization of price levels.

3. Picking has been practically completed in the Southern tier of counties in this district. In the central zone about 50 per cent of the crop has been gathered, while in the Northern belt (where the crop is about 30 days late) picking has just fairly started. The expected general shortage of labor has failed to materialize. While a few counties

report a serious scarcity of pickers, complaints on this score are surprisingly few, and in most sections cotton is being harvested at a normal rate, due, it is understood, to the fact that the favorable weather now prevailing enables many farmers to gather their own crop without outside help. Wages demanded by pickers are higher than a year ago, the ruling rate having advanced in most sections from \$1.50 to \$2.00 and \$2.50 per hundred pounds.

**Other Crops** Corn harvesting is progressing well in Texas, the yield being large and the quality good, most of it grading No. 1. In Arizona prospects have improved, though much of the late corn in the dry lands of that State will not mature before frost. Hailstorms are reported to have destroyed a considerable portion of the corn crop in New Mexico during the early part of September. In Southern Oklahoma the harvesting of early corn, favored by good weather, is making excellent progress, and the late crop is now safe from the danger of early frosts.

Threshing of wheat in the Panhandle has made slow progress, due to delays caused by August rains. Elsewhere in the district the movement of the 1920 crop is well under way, and fall seeding for the next crop has begun, though a late start will be made in some sections of the district owing to the lack of sufficient moisture in the soil to produce proper germination.

Harvesting of rice, hay, peanuts, sweet potatoes and feed crops is making good headway, with yields reported to be satisfactory.

**Cotton Movements** Movements of cotton through the port of Galveston during the past month were on a larger scale than during the corresponding month a year ago. Receipts showed an increase of 140,595 bales, or 140 per cent, and exports an increase of 65,894 bales or 62 per cent. Total receipts during the present season (August 1st to September 30th) exceed last season's receipts by 146,678 bales, or 80 per cent, although current exports since August 1st have not yet reached the volume exported during the corresponding period last year, largely because the crop matured much later this year. The season's exports to September 30th total 246,073 bales, as against 267,823 last season.

#### SEPTEMBER COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON

	September, 1920	September, 1919
Receipts .....	242,844	102,249
Exports .....	169,471	103,577
Stocks September 30th.....	192,822	177,877

#### GALVESTON STOCK STATEMENT

	September 30, 1920	September 30, 1919
For Great Britain.....	9,917	20,291
For France .....	16,159	.....
For other foreign ports.....	24,201	14,354
For coastwise ports.....	3,000	300
In compresses .....	139,545	82,932
Total.....	192,822	117,877

#### COTTON MOVEMENTS AT ALL U. S. PORTS (August 1st to September 30th)

	This Season	Last Season
Receipts .....	601,126	580,785
Foreign exports .....	422,186	759,742
Stocks September 30th.....	830,719	831,518

**Grain Movements** September witnessed a heavily increased movement of wheat in this district. Field agents of the Department of Agriculture estimate that on October 1st 9,288,000 bushels of the Texas wheat crop, or approximately 71 per cent, had been marketed. At the corresponding period a year ago the movement had made but little progress, owing to the shortage of freight cars.

September wheat exports from the port of Galveston totaled 7,759,355 bushels, or an increase of 5,716,612 bushels over the total amount exported in July. Total exports since July 1, 1920, have been 19,416,758 bushels, as against only 5,608,672 for the corresponding three months in 1919. During the same comparative periods the exports of barley increased from 134,544 bushels in 1919 to 344,544 in 1920.

Receipts of wheat and corn at five leading grain centers for the month of September showed increases over the preceding month, while oats registered a decrease as shown below.

#### COMPARATIVE GRAIN RECEIPTS

	September (cars)	August (cars)
Wheat .....	6,752	6,350
Corn .....	146	66
Oats .....	392	685

#### LIVESTOCK:

**Ranges** Since the date of our last report there has been some deterioration in range conditions in certain sections of the district. As a result of continued dry weather in New Mexico the condition of the ranges in that State is estimated to have declined from 90 per cent of normal on September 1st to 80 per cent on October 1st, and observers report that unless more general rains are received in that State before frost, further deterioration will ensue. Our Arizona correspondents report that the ranges in that State have partially recovered from the August drouth as a result of September rainfall, which, however, was comparatively light. Locally, there is also need of rain in the pastures of South and West Texas. With the excep-

tions noted above, conditions throughout the district were generally favorable to livestock during the past month, particularly in the process of range curing. In fact, on the whole, it may be said that those engaged in the livestock industry in this district are well equipped to carry their cattle through the winter, having, as a rule, an adequate supply of stock water and an abundance of feed.

**September Prices**

Livestock values at local markets showed a narrow range of fluctuations during the month of September. The cattle market was weak and listless, conditions being unfavorable for the sale of such grades as were offered. Beef cattle and butcher stock closed the month at a loss of from \$1.00 to \$1.25. At the end of September heavy steers were being offered at \$8.00 and good cows were slow sale at from \$7.00 to \$7.25. The demand for calves was somewhat more active. During most of the month the best grades of vealers commanded \$11.00 to \$11.25, though at the closing values had receded to \$10.50. There was a brisk demand in the hog and sheep divisions, the former reaching a top of \$17.20, as compared with the August maximum of \$16.60. The end of the month found hog prices shrinking as a result of the drop in the corn market, the closing quotations being around \$15.25. Lambs found ready sale at rising prices during most of the month, registering a net gain of \$2.00. In all divisions of the local markets livestock prices were generally irregular and unsettled as a result of conditions in outside markets and the downward tendency displayed by the grain markets.

**TOP LIVESTOCK PRICES AT THE FORT WORTH MARKET**

	September, 1920	August, 1920	September, 1919
Beef steers.....	\$11.25	\$12.25	\$11.00
Stocker steers .....	8.65	8.60	10.00
Butcher cows .....	8.35	8.75	9.50
Stocker cows .....	7.50	7.75	8.75
Calves .....	12.00	11.25	14.50
Hogs .....	17.20	16.60	20.00
Sheep .....	19.25	19.50	14.00
Lambs .....	13.00	13.60	15.00

**Livestock Movements**

The bulk of cattle shipments reaching the market in September came from West Texas ranges. Receipts also included a fairly liberal quota from East Texas, while a few consignments were contributed by Oklahoma and North Texas. A notable feature of the month was the increase in volume of hogs arriving at the markets, the supply being almost double that of the corresponding month a year ago and more than twice as large as the receipts for August, 1920. Receipts of sheep showed an increase over both the months of July and August, but despite that fact the September total was the smallest recorded for that month since the year 1915.

**FORT WORTH LIVESTOCK RECEIPTS**

	September, 1920	August, 1920	Loss or Gain	Sept'ber, 1919	Loss or Gain
Cattle .....	69,316	67,387	G 1,929	66,938	G 2,378
Calves .....	34,987	36,713	L 1,726	36,841	L 1,854
Hogs .....	33,458	16,214	G17,244	18,334	G15,124
Sheep .....	20,716	16,392	G 4,324	32,122	L11,406

**LUMBER:**

**Pine Mill Operations**

According to the reports rendered to the Southern Pine Association by 28 pine mills located in the Eleventh district, the production of Southern pine lumber in September was about equal to the volume milled in August. An improvement in the car situation is reflected in the statistics of September shipments, which, for the first time since February of this year, exceeded the volume of production, though the margin of excess was slight.

Unfilled orders on the books of the reporting mills at the close of business October 1st amounted to 58,448,655 feet, as compared with a total of 75,778,485 feet on August 27th. After making due allowance for the fact that the latter total represents 32 reporting mills, while only 28 mills reported at the close of September, the comparison shows a substantial decrease in the volume of unfilled orders at the end of the month, due in part to better deliveries and in part to a falling off in new orders. Some slackening in the demand during the month of September is not surprising, in view of the fact that a number of distributors and large consumers unquestionably found it desirable to stock up heavily during the month of August in anticipation of the freight rate increase which became effective on August 26th. Despite the slackening in the new business booked by the reporting mills last month, our reports show that the demand is still well ahead of the supply, as the volume of unfilled orders at the end of the month was equivalent to about four weeks' normal production, with an increasing demand in prospect as a result of the revival of building activity indicated by September statistics of building permits.

There is presented in the following statement a summary of mill operations in this district for the month of September.

**SEPTEMBER PINE LUMBER STATISTICS**

Number of reporting mills.....	28
Average weekly production.....	9,417,105 ft.
Average weekly shipments.....	10,363,527 ft.
Average weekly orders received.....	7,460,463 ft.
Unfilled orders on hand October 1st.....	58,448,655 ft.
Average weekly normal production.....	14,363,724 ft.

**OIL:**

**Production Off**

A decrease both in the district's total oil production for the month and daily average yield is shown by the record for the month of September, as compared

with that of the previous month. In Texas the September daily average was 290,448 barrels, compared with the August average of 299,729 barrels; while in North Louisiana the daily flow decreased from 98,460 barrels in August to 92,535 barrels in September. The district's total production last month was 11,489,510 barrels, or 854,376 barrels less than the total for August. The best showing was again made by the central West Texas field, where the run for the month, amounting to 3,331,227 barrels, although less than was produced in the longer month of August, reflected an actual increase in the daily average production of this field. With the exception of the Texas Coastal field, the district held its September production well up to a normal rate despite the slight decrease from the high August total. The loss shown in the coastal section is largely accounted for by the fact that the output of one of the largest wells in that territory decreased from 20,000 to about 7,000 barrels per day.

Stephens County was again the center of greatest activity. This field seems to be in its infancy, as the proven territory in this county which yet remains to be drilled is so large it is believed several years will be required to carry out the drilling program.

**Fewer Completions** ; Both Texas and North Louisiana drilling results for September were less fruitful than those of the preceding month. For the district as a whole a total of 636 wells were completed last month, of which 435 proved to be producers with an aggregate initial production of 80,587 barrels. This compares with the August record of 706 completions, 441 producers and initial production totaling 103,205 barrels.

Rainy weather prevailing in most of the district's oil fields during the early part of September was largely responsible for the decline in both drilling operations and production during that month. Among the favorable developments of the month was the bringing in of a number of good wells in the Hull and West Columbia fields of the Texas Coastal section. During the latter part of the month a well was completed in the proven area at West Columbia which made around 15,000 barrels the first day and greatly stimulated interest in other wells in that vicinity now nearing completion.

Wildcat operations produced little results of value during the month, as all activities in unproven territory have for some time felt the restraining influence of financial conditions and scarcity of material.

**Crude Oil Prices** Crude oil prices continue steady and unchanged. Premiums are still being paid in many instances, and well authenticated reports indicate that some of the smaller refineries in this section have until recently found it difficult, if not impossible, to obtain sufficient crude oil to meet their operating requirements.

There is some evidence, however, of a growing tendency on the part of such buyers as are paying premiums for crude oil to resist or reduce the payment of such premiums, due, it is said, to the new burden assumed by the refiner as a result of the recent freight rate increase, and to the approach of winter with its lessened demand for gasoline. At the same time, this tendency toward price resistance seems to be confined to the matter of premiums, and is therefore to be considered as a development of local rather than general significance.

#### OIL PRODUCTION

Field—	August		September		—Increase or Decrease—	
	Total	Daily Avg.	Total	Daily Avg.	Total	Daily Avg.
North Texas .....	2,751,182	88,748	2,598,650	86,621	Dec. 152,532	Dec. 2,127
Central West Texas.....	3,399,778	109,670	3,331,227	111,041	Dec. 68,551	Inc. 1,371
Texas Coastal .....	3,090,166	99,682	2,708,583	90,286	Dec. 381,583	Dec. 9,396
Corsicana Misc. ....	50,500	1,629	75,000	2,500	Inc. 24,500	Inc. 871
<b>Totals Texas .....</b>	<b>9,291,626</b>	<b>299,729</b>	<b>8,713,460</b>	<b>290,448</b>	<b>Dec. 578,166</b>	<b>Dec. 9,281</b>
North Louisiana .....	3,052,260	98,460	2,776,050	92,535	Dec. 276,210	Dec. 5,925
<b>Totals, Eleventh District.....</b>	<b>12,343,886</b>	<b>398,189</b>	<b>11,489,510</b>	<b>382,983</b>	<b>Dec. 854,376</b>	<b>Dec.15,206</b>

#### SEPTEMBER DRILLING RESULTS

Field—	Completions	Producers	Failures	Initial Production
North Texas .....	192	130	62	9,755
Central West Texas.....	219	157	62	36,354
Texas Coastal .....	70	59	11	21,289
Texas Wildcats .....	46	13	33	449
<b>Total Texas .....</b>	<b>527</b>	<b>359</b>	<b>168</b>	<b>67,847</b>
North Louisiana .....	109	76	33	12,740
<b>September totals, Dist. ....</b>	<b>636</b>	<b>435</b>	<b>201</b>	<b>80,587</b>
<b>August totals, Dist. ....</b>	<b>706</b>	<b>441</b>	<b>265</b>	<b>103,205</b>

#### CRUDE OIL PRICES

TEXAS		LOUISIANA	
Corsicana light.....	\$3.50	(38 Gravity and Above)	
Corsicana heavy.....	1.75	Caddo .....	\$3.50
Texas Coastal fields.....	3.00	Homer .....	3.25
All other Texas fields....	3.50	Bull Bayou .....	3.15
		De Soto .....	3.40

(Oil statistics compiled by the Oil Weekly, Houston, Texas.)

## TRADE:

### Wholesale Trade

Measured in dollar amounts, the September sales of nearly all lines of wholesale trade reporting to the Federal Reserve Bank of Dallas showed a diminished volume of trade both as compared with August, 1920, and September, 1919. Reduced prices, of course, had something to do with the showing made by groceries and dry goods, as these lines bore the brunt of the price-cutting wave which set in about the first of September. Our reports almost unanimously agree that the retailers are still restricting orders to present necessities, postponing the matter of their future needs until the probable demands and buying power of their customers take more definite form.

Collections made by the wholesale trade during the month of September showed varied progress, the reports varying with different lines of merchandise and with geographical districts. On the whole, payments were slower than usual for the month, as evidenced by an unusual number of requests for extensions of account.

The disturbed condition of business reflected in the reports reaching us from wholesale houses is attributed by them largely to the discouraging outlook now confronting the district's cotton producers as a result of the recent decline in the price of that staple. To meet the situation wholesale merchants have resolutely set themselves to overcome the inertia of the demand. A number of them have tried special sales and price reductions with varying degrees of success. In most instances these measures have effectively stimulated sales, while in some cases they are said to have had the opposite effect by creating the belief among buyers that further reductions were imminent.

Wholesale dry goods firms report a shrinkage in sales and a heavy reduction in prices during the past month. Large stocks are generally held by wholesalers in this line, who are frank to admit that in order to turn some of the goods they purchased before prices started downward they will be compelled to absorb a loss. It is significant of the general strength of their condition, however, that they seem, as a rule, determined to use replacement values if necessary instead of cost values, as a basis of their future selling prices even though it means a loss. Apparently they are both able and willing to shoulder their share of the trade's price adjustment burdens in order to hasten the arrival of a stabilized situation.

In contrast with other lines of wholesale activity, the drug trade reported an increased volume of transactions for the month of September. Following a rather quiet trade during August, buying took an upward turn, and the average sales for September showed an increase of 9 per cent over August, 1920, and 21 per cent over September, 1919. Retail buying in this line manifested a spirit of increased confidence on the part of the merchants. Price trends are reported to be downward on drugs and chemicals, but on drug sundries the quotations generally have ruled firm and unchanged to higher.

Dealers handling groceries at wholesale report that buying is slow and prices on sugar, beans, coffee and a few other staples continue to trend downward. Stocks on hand at the end of the month, contrary to conditions in most other lines of wholesale trade, were smaller than those of the preceding month and of the corresponding month last year.

The table below contains statistics of increases and decreases in sales, prices and stocks for the month of September, as reported by our correspondent firms:

SEPTEMBER, 1920, WHOLESALE TRADE, COMPARED WITH AUGUST, 1920, AND SEPTEMBER, 1919

	Compared with:	Sales:	Selling Prices:	Stocks at end of mo.:
Groceries	August, 1920	Dec. 1.1%	Dec. 3 %	Dec. 2.9%
	September, 1919	Dec. 10.7%	Dec. 3 %	Dec. 9.2%
Drugs	August, 1920	Inc. 9.3%	Same	Inc. 2.4%
	September, 1919	Inc. 21.3%	Inc. 12.7%	Inc. 20 %
Dry Goods	August, 1920	Dec. 22.2%	Dec. 10 %	Inc. 18 %
	September, 1919	Dec. 1.2%	Dec. 15 %	Inc. 57.3%
Hardware	August, 1920	Dec. 2.7%	Same	Inc. 3.7%
	September, 1919	Dec. 20 %	Inc. 7.3%	Inc. 16.3%
Auto Supplies	August, 1920	Dec. 3.6%	Same	Dec. 2 %
	September, 1919	Dec. 11.2%	Inc. 9 %	Inc. 33 %

### Retail Trade

A more vigorous activity in sales and a more satisfactory progress in collections were the outstanding features of retail trade during September, as reflected in the reports received by the Federal Reserve Bank of Dallas from sixteen representative department stores located in the cities of Dallas, Fort Worth,

Houston, San Antonio, Austin and El Paso. Scattering reports also obtained from leading retail establishments other than department stores are remarkable for the similarity of their figures to those of reporting department stores, thus demonstrating the reliability of the latter as an index to general retail trade conditions.

Net sales during September showed, for all reporting firms, an average increase of 12.4 per cent over sales for the corresponding month last year, and an increase of 29.3 per cent over August, 1920. The actual increase in the volume of transactions was even greater than is indicated by these percentages (which are based on sales measured in terms of selling prices) since each \$1.00 of sales in September represented, on the average, a larger quantity of merchandise than was purchasable for \$1 in August, 1920, or in September, 1919, due to the sharply reduced prices prevailing during the past month, which have been a conspicuous feature of department store advertising for the past six weeks. The percentage of customers' accounts collected during the month was 42.2% as compared with 37.8% for the month of August.

While stocks on hand on September 30th were 52 per cent larger than a year ago, the ratio of average stocks to average monthly sales since July 1st shows a fairly satisfactory rate of turnover, and it should be remembered that a year ago stocks were greatly depleted by the interruptions of deliveries resulting from strikes and other difficulties affecting transportation.

The improved supply situation, which is perhaps largely responsible for the tendency among retailers to buy on a smaller scale and with greater frequency than was their custom when merchandise was more difficult to procure, is enabling the distributor to pursue, with increased confidence, the conservative course in buying which he has been endeavoring to follow for several months.

#### BUSINESS OF DEPARTMENT STORES

	September, 1920 Increase
Net Sales:	
September, 1920, compared with September, 1919..	12.4%
September, 1920, compared with August, 1920.....	29.3%
July, August and September, 1920, compared with same period last year.....	20.9%
Stocks at end of September, 1920:	
Compared with same month, 1919.....	52.8%
Compared with stocks at end of August, 1920.....	6.6%
Ratio of average stocks at end of each month, from July 1st to September 30th, to average monthly sales over same period.....	523.9%
Ratio of outstanding orders on September 30, 1920, to total purchases 1919 .....	10 %
Ratio of September collections to total accounts receivable on September 1st.....	42.2%

#### TRANSPORTATION:

Eleventh district carriers have made good progress during the past month in the matter of expediting the handling and increasing the supply of freight cars. Systematic efforts, initiated some months ago, to induce consignees to unload cars promptly are now bearing fruit, and during most of the month of September a number of lines were able to handle all freight offered for shipment and to complete deliveries on schedule time. The rapid movement of

the wheat crop by the railways of the district is a striking illustration of the recent improvement in traffic conditions generally. This improvement is likewise reflected in the increasing volume of merchandise and livestock now being handled by Southwestern roads.

At present the most serious feature of the district's transportation problem is the fuel shortage in West Texas, where carriers have been unable to supply the requisite number of coal cars to provide that section with coal for the coming winter. To meet this situation the Interstate Commerce Commission has been petitioned to apportion a sufficient supply of rolling stock to the lines operating between the Colorado mines and West Texas points to insure the delivery of an adequate fuel supply within the next 60 days. This order, if issued, should relieve what appears to be a coal shortage of serious proportions, affecting a large area of the western section of the district.

#### FINANCIAL:

**Operations of the Federal Reserve Bank.** A further increase of \$9,352,280.12 occurred during September in the indebtedness of Eleventh District banks to the Federal Reserve Bank of Dallas. Member bank collateral notes held on September 30th amounted to \$18,936,735.74; rediscounts totaled \$59,893,802.28; bankers acceptances, \$662,500.00; outstanding rediscounts with other Federal Reserve banks, \$38,036,352.27, making total outstanding paper on September 30th, \$117,529,390.29, as against the August 31st total of \$108,117,110.17.

The total of outstanding Federal Reserve notes on September 30th was \$92,577,145, which was \$9,251,550 more than the total for August 31st. Member bank reserve deposits showed an increase of \$5,103,236.76 during September, the total at the end of the month being \$53,847,748.68.

The distribution by maturities of paper held under discount on September 30th was as follows:

Due within 15 days.....	\$36,805,079.36
Due 16 to 30 days.....	9,065,849.94
Due 31 to 60 days.....	19,499,265.92
Due 61 to 90 days.....	10,278,807.44
Due after 90 days.....	3,844,035.34
Total.....	\$79,493,038.02

### Condition of Member Banks in Reserve Cities.

During the period from August 27th to October 1st 51 member banks in the reserve cities increased their loans \$3,587,000, while at the same time their net demand deposits showed a net gain of \$2,704,000. For the corresponding period last year there

was a loan expansion of \$14,112,000, and a gain in deposits of \$1,375,000.

At the end of September the ratio of loans to deposits was 126%, as compared with 108% a year ago.

Further details of condition statistics are shown in the appended table.

### CONDITION STATISTICS OF MEMBER BANKS IN SELECTED CITIES

	October 1, 1920	August 27, 1920	October 3, 1919
Number of reporting banks.....	51	51	43
U. S. securities owned.....	48,629,000	49,973,000	75,967,000
Loans secured by U. S. war obligations.....	8,457,000	8,496,000	6,692,000
All other loans and investments.....	277,733,000	274,107,000	204,849,000
Net demand deposits.....	227,306,000	224,602,000	195,719,000
Reserve with Federal Reserve Bank.....	23,762,000	25,631,000	21,615,000
Bills payable with Federal Reserve Bank.....	50,754,000	43,563,000	32,408,000

### Bank Clearings

A gain of 19 per cent was shown by the combined bank clearings of eleven cities for the month of September over the clearings for the previous month.

A healthy increase, amounting to 20.4 per cent was also recorded over the total for month of September, 1919.

### BANK CLEARINGS

	September, 1920	August, 1920	%Inc or Dec.	September, 1919	%Inc. or Dec.	—Nine months—		%Inc. or Dec.
						1920	1919	
Austin .....	\$ 8,440,094	5,693,702	+ 48.2	6,220,227	+35.7	62,782,739	186,488,243	-66.0
Beaumont .....	6,014,314	6,003,126	+ .2	5,371,479	+12.0	58,055,396	51,567,935	+12.6
Dallas .....	149,931,451	123,091,965	+ 21.8	143,617,151	+ 4.4	1,396,116,124	1,043,127,010	+33.8
El Paso .....	27,326,010	28,000,000	- 2.4	25,157,001	+ 8.6	260,218,046	217,455,104	+19.7
Fort Worth .....	80,810,884	84,865,476	- 4.7	70,790,006	+14.2	767,837,180	604,533,292	+27.0
Galveston .....	39,500,300	27,911,256	+ 41.5	37,569,287	+ 5.1	275,973,307	250,370,435	+10.2
Houston .....	163,324,075	121,162,794	+ 34.8	101,213,740	+61.4	1,095,723,488	675,851,777	+62.1
San Antonio .....	39,076,482	33,661,878	+ 16.1	31,870,056	+22.6	319,914,868	264,079,170	+21.1
Shreveport .....	18,220,629	18,229,477	.....	15,578,086	+17.0	195,199,274	111,857,961	+74.5
Waco .....	17,125,000	10,302,295	+ 66.2	14,760,000	+16.0	125,936,838	92,626,472	+36.0
Wichita Falls .....	15,462,512	15,764,291	- 1.9	16,969,514	- 8.9	185,486,874	146,297,750	+26.8
Total .....	565,231,751	474,686,260	+ 19.1	469,116,547	+20.5	4,743,244,134	3,644,255,149	+30.2

### FAILURES

	September, 1920	August, 1920	September, 1919
Number of failures reported in the Eleventh Federal Reserve District .....	36	33	7
Liabilities involved .....	\$864,924	\$411,027	\$48,883

### BUILDING PERMITS

	September				
	—1919—		—1920—		Inc. or Dec.
No.	Valuation	No.	Valuation		
Austin .....	15	\$ 25,910	15	\$ 15,340	-40.8
Beaumont .....	100	157,000	503	220,819	+40.6
Dallas .....	129	1,076,118	224	1,065,997	— .9
El Paso .....	95	206,547	104	378,137	+83.1
Ft. Worth .....	184	2,115,187	140	322,734	-84.7
Galveston .....	423	92,191	355	46,390	-49.7
Houston .....	409	864,255	110	347,970	-59.7
San Antonio .....	146	549,048	231	386,130	-29.7
Shreveport .....	152	306,636	182	501,324	+63.5
Total .....	1653	\$5,392,892	1864	\$3,284,841	-39.1
August totals .....			1548	\$2,950,694	+11.1

POSTAL RECEIPTS

	Third Quarter		Inc or Dec.	Nine months		Inc or Dec.
	1919	1920		1919	1920	
Austin .....	\$ 51,862	\$ 60,313	+16.3	\$ 180,372	\$ 181,904	+ .8
Beaumont .....	36,581	42,130	+15.7	128,701	130,215	+ 1.2
Dallas .....	490,807	552,024	+12.5	1,559,424	1,718,172	+10.2
El Paso .....	102,006	106,474	+4.4	306,694	331,952	+ 8.2
Ft. Worth .....	217,191	281,286	+29.5	659,935	880,998	+33.5
Galveston .....	51,240	51,135	— .2	160,708	154,677	— 3.8
Houston .....	288,588	316,463	+ 9.7	859,392	986,172	+14.8
San Antonio .....	200,680	206,765	+ 3.0	631,632	627,678	— .6
Shreveport .....	72,704	88,957	+22.4	238,754	280,735	+17.6
Waco .....	53,136	59,980	+12.9	182,690	180,312	— .6
Wichita Falls .....	50,269	54,455	+ 8.3	152,209	183,095	+20.3
<b>Total .....</b>	<b>\$1,615,064</b>	<b>\$1,819,982</b>	<b>+12.7</b>	<b>\$5,060,513</b>	<b>\$5,655,909</b>	<b>+11.8</b>