

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

	September	August	Inc. or Dec.
Bank debits to individual accounts (at 15 cities).....	\$693,444,000	\$593,647,000	Inc. 16.8%
Department store sales.....			Inc. 43.9%
Reserve Bank loans to member banks at end of month.....	\$7,648,597	\$10,716,676	Dec. 28.6%
Reserve Bank ratio at end of month.....	59.0	59.9	Dec. .9 point
Building permit valuations at larger centers.....	\$8,384,202	\$9,519,535	Dec. 11.9%
Commercial failures (number).....	46	66	Dec. 30.8%
Commercial failures (liabilities).....	\$412,370	\$1,039,183	Dec. 60.3%
Oil production (barrels).....	13,618,835	14,129,550	Dec. 3.6%
Lumber orders at pine mills (per cent of normal production).....	104%	97%	Inc. 7 points

The development of a more optimistic feeling in trade circles, together with the actual increases in the distribution of merchandise at wholesale, were the outstanding features of the business situation during the past month. Reports indicate that buying is on a large scale in those sections outside the drouth area and that the distribution during the fall months will exceed that of a year ago. While buying continues light in the drouth area and is partially offsetting the excellent showing in other sections, the seriousness of the situation seems to have been exaggerated earlier in the season, as the demand is becoming more active than was generally expected. Trade at department stores was retarded during September by warm weather. Sales reflected a large seasonal increase over the previous month, but were 4 per cent less than in September a year ago.

A material improvement in agricultural conditions occurred during the past month. The widely distributed rains benefited all growing crops, furnished the needed moisture for the sowing of small grains, and enabled the farmers to sow a large acreage of late hay and sorghums for forage. The increase in the feed supply from these sources will serve to greatly reduce the farmers' expenditures for feed with which to make the 1926 crop. The rains stopped the premature opening of cotton and caused the bolls to mature normally, but have retarded picking operations and have been conducive to the increased activity of the boll and leaf worms. While the effect of the widespread activity of these insects is still problematical, it seems certain that it will preclude the harvesting of a "top crop" in most sections of the district.

The district's ranges are now in excellent condition and give promise of ample fall and winter pasturage. All classes of livestock are fattening rapidly and will soon be ready for the market. However, the fall movement is expected to be

lighter than usual, due to the heavy movement earlier in the summer. Trading on the ranges continues active and a strong demand for stockers has developed as considerable restocking is taking place in many sections. The excellent physical conditions, together with the enhancement in the market value of livestock, which has taken place during the past year, present a very favorable outlook for this industry.

There has been a heavy liquidation of indebtedness at commercial banks and deposits are rising at a rapid rate. Member banks deposits increased \$52,500,000 during the past month and on September 23rd were \$88,800,000 greater than a year ago. While the reduction in member bank borrowing at the Federal Reserve Bank has been small, this has been due to the fact that the heavy temporary borrowing of the reserve city banks in connection with financing the movement of cotton has tended to offset the liquidation from country banks. The increase in deposits and reduction in loans at country banks have again created a strong demand for short term investments.

While the valuation of permits issued at the principal cities of this district reflected a decline of 12 per cent from the large August total, it was 17 per cent greater than a year ago, and indicates the large volume of building now under construction. This district's pine mills were exceptionally active during September and the demand for lumber is increasing.

The heavy demand for farm labor, together with the increased industrial employment, has almost completely absorbed the large surplus of labor which existed earlier in the season. Practically every industry reported increased working forces. In the West and Northwest the demand for labor to harvest the row feed crops and the cotton crop greatly exceeds the supply.

CROP CONDITIONS

The heavy and widely distributed rainfall which has covered every section of the district since the first of September,

effectually broke the long drouth, was of material benefit to all growing crops, and furnished the much needed

moisture for the sowing of wheat, oats, barley, and rye. The farmers took advantage of the first rains to sow late hay crops and sorghums for forage and if the frost does not come too early, considerable feed will be harvested, which will to some extent relieve the extreme shortage. Furthermore, the large proportion of small grain acreage, which is being sown early, will furnish winter grazing for stock and will be of material aid in reducing the farmers feed bill.

Practically all feed crops have undergone a decided improvement during the past month. Such crops as sudan, millet, alfalfa, cowpeas, soybeans, velvet beans, and sorghums are making rapid growth. Wild hay has made a good growth and is now being harvested. The grain sorghums were revived by the rains and the condition of the Texas crop had advanced to 72 per cent of normal on October 1st, although a decline usually occurs during this period. On the basis of the above condition figure, the estimated production for the state totals 43,735,000 bushels, as compared to 45,375,000 bushels last year. Much of the early crop which had been cut for forage has made a new growth since the rains and promises well if frost does not come too early. In many sections where the corn crop was a failure, farmers are growing various varieties of grain sorghums for the first time, and in case the crop turns out well, it may mean a forward step toward the establishment of the principle of diversification of crops in this district.

Rapid progress was made in the gathering of the cotton crop during September, but picking has been greatly retarded since the first of October by the almost continuous rainfall. This is particularly true of West and Northwest Texas, where the picking of cotton is just now becoming general. While the rains have stopped premature opening of bolls, and have caused the immature ones to fill out normally, a large amount of open cotton has been damaged to some extent. Some of the cotton was beaten out on the ground and the lint stained. Furthermore, the damp weather has been conducive to activity of insects which have made their appearance in large numbers. Reports indicate that the possibility of a top crop in most sections is about gone, due to the fact that boll worms and leaf worms are not only stripping the plants of leaves, but are destroying the tender bolls.

The October 1st report of the Department of Agriculture indicated a production of 3,875,000 bales for Texas, as against 4,951,000 bales last year. Prior to October first, there were 1,881,189 bales ginned in Texas or 49.8 per cent of the estimated production, as compared to 2,277,124 bales during the same period last year, which amounted to 46.9 per cent of the final ginnings. This year the crop in all sections of the state, except the West and Northwest, is considerably earlier than usual, but in the latter sections it is very late.

The condition of the Texas rice crop on October 1st indicated a production of 5,796,000 bushels, as compared to a total yield of 5,600,000 bushels for the state last year. The harvesting and threshing of rice has been delayed on account of the wet weather and some sprouting in the shock has been noted.

LIVESTOCK

The past two months have witnessed a decided change for the better in the physical condition of ranges and livestock in the Eleventh Federal Reserve District, and the outlook for the livestock industry is now more favorable than

at any time during the past five years. The grass and weeds have made rapid growth as a result of the heavy general rains during the past thirty days, and the ranges are now reported to be in excellent condition with good prospects for fall and winter grazing. The livestock are taking on flesh rapidly and as a general rule will go into the winter in good condition.

The condition of cattle ranges in Texas averaged 86 per cent of normal on October 1st, which represents a gain of 13 points during the month. The condition of cattle rose from 76 per cent of normal on September 1st to 85 per cent on October 1st. The condition of sheep and goats on October 1st was reported as 92 per cent of normal.

Movements and Prices.

September cattle receipts at Fort Worth were considerably smaller than during the three preceding months and in the corresponding month last year. The calf arrivals were below the August totals but were in excess of receipts for other months of the year. The receipts of hogs and sheep were in a larger volume than in August but were smaller than in the same month of the previous year.

The advance in the calf market was the outstanding feature of the month. Light calves gained \$1.00 to \$1.50, and heavy calves advanced to the extent of \$2 to \$3 above the low level late in August. Cattle values showed but little change. The price of hogs reflected an upward trend during the greater part of the month and reached a top price of \$13.90, but settled to \$13.55 on the close. The moderate receipts of sheep met a strong demand and the markets were usually very active.

FORT WORTH LIVESTOCK RECEIPTS

	Sept., 1925	Sept., 1924	Loss or Gain	August 1925	Loss or Gain
Cattle	82,854	111,525	L 28,671	106,377	L 23,523
Calves	33,188	44,812	L 11,624	46,968	L 13,780
Hogs	15,830	25,531	L 9,701	12,363	G 3,467
Sheep	31,999	36,568	L 4,569	21,641	G 10,358

COMPARATIVE TOP LIVESTOCK PRICES

	Sept., 1925	Sept., 1924	August, 1925
Beef steers	\$ 8.10	\$ 7.10	\$ 9.75
Stocker steers	7.09	5.50	6.80
Butcher cows	6.00	5.00	5.50
Stocker cows	4.00	3.00	3.25
Calves	9.50	7.50	9.00
Hogs	13.90	10.20	14.20
Sheep	8.50	7.25	8.50
Lambs	14.00	11.50	13.00

Cotton

Movements.

While the receipts of cotton at all United States ports between August 1st and September 30th were substantially greater than during the corresponding period in 1924, the exports during the same period were slightly less than last year.

COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON

	Sept., 1925	Sept., 1924	Aug. 1st to Sept. 30th This Season	Last Season
Net receipts.....	368,535	572,356	478,374	729,145
Exports	209,288	395,393	256,165	549,108
Stocks Sept. 30.....			274,281	222,566

GALVESTON STOCK STATEMENT

	Sept. 30, 1925	Sept. 30, 1924
For Great Britain	37,000	3,300
For France	15,500	200
For other foreign ports.....	53,500	8,000
For coastwise ports	5,000	6,000
In compresses and depots.....	163,281	205,066
Total	274,281	222,566

HOUSTON COTTON MOVEMENTS

	Sept., 1925	Sept., 1924	Aug. 1st to Sept. 30th	
			This Season	Last Season
Receipts—Gross	816,361	853,883	1,196,994	1,060,360
Receipts—Net	529,223	509,779	778,058	620,453
Exports	317,351	200,261	434,676	265,465
Stocks Sept. 30.....			392,848	303,660

SEASON'S RECEIPTS, EXPORTS, AND STOCKS AT ALL UNITED STATES PORTS

	This Season	Last Season
Receipts since Aug. 1st.....	1,803,139	1,498,293
Exports: Great Britain	222,903	365,490
France	90,189	161,845
Continent	582,382	445,087
Japan-China	63,326	54,764
Mexico	2	100
Total foreign ports.....	958,802	1,027,236
Stocks at all U. S. ports, Sept. 30.....	923,393	510,917

SPOT COTTON PRICES
(Middleling basis)

	September, 1925		Oct. 15, 1925
	High	Low	
New York	24.75	22.35	21.60
New Orleans	24.23	21.50	20.95
Dallas	24.50	21.90	21.15
Houston	24.35	22.00	21.05
Galveston	24.50	22.10	21.20

COTTONSEED PRODUCTS

The 72 reporting cottonseed oil mills of this district made heavy shipments of all classes of cottonseed products during September but the average price received for each product shipped was considerably below the average price received during August. Crude oil brought an average price of \$.0896 per pound in September, as against \$.1010 in August; cake and meal \$36.00 per ton, as compared to \$38.47; hulls \$11.32 per ton, as compared to \$13.75; and linters \$.0494 per pound as compared to \$.0546. These mills purchased 122,217 tons of cottonseed in September at an average price of \$37.86 per ton as compared to 48,365 tons in August at an average price of \$42.43 per ton.

COTTONSEED PRODUCTS SHIPPED AND AVERAGE PRICE RECEIVED

	September, 1925	
	Products Shipped	Average Price F. O. B. Mill
Crude oil	17,092,382 lbs.	\$.0896 per lb.
Cake and meal.....	27,470 tons	\$6.00 per ton
Hulls	13,427 tons	11.32 per ton
Linters	5,569,188 lbs.	\$.0494 per lb.

COTTONSEED RECEIVED AT MILLS

	September, 1925	August, 1925
Cottonseed received.....	122,217	48,365
Average price per ton (inc. freight).....	\$ 37.86 per ton	\$42.43 per ton

STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS

	Texas		United States	
	Aug. 1st to Sept. 30th		Aug. 1st to Sept. 30th	
	This Season	Last Season	This Season	Last Season
Cottonseed received at mills (tons).....	377,000	427,000	1,341,000	746,000
Cottonseed crushed (tons)	192,000	200,000	597,000	377,000
Cottonseed on hand (tons)	205,000	237,000	776,000	390,000
Crude oil produced (pounds)	55,506,000	56,269,068	176,785,000	109,961,550
Cake and meal pro- duced (tons).....	92,000	93,912	280,000	173,882
Hulls produced (tons)	54,000	57,753	165,000	106,497
Linters produced (500-lb. bales).....	35,000	37,134	112,000	70,179
Stocks on hand Sep- tember 30th.....				
Crude Oil (pounds).....	9,893,000	11,385,791	31,458,000	23,847,612
Cake and meal (tons)	29,000	16,209	88,000	47,856
Hulls (tons).....	24,000	33,460	76,000	62,612
Linters (500-lb. bales)	10,000	19,850	48,000	65,929

TEXTILE MILLING

The September production of reporting textile mills was 8.2 per cent less than in the previous month, but 10.1 per cent greater than in the corresponding month last year. There were 1,806 bales of cotton consumed by these mills in September as compared to 2,000 bales in August and 1,667 bales in September a year ago. The unfilled orders on hand at the mills continue to increase and stocks are declining. While the erratic cotton market has a tendency to keep the price situation in an unsettled state, fundamental conditions appear to be improving. Some mills report that the demand for products is improving to some extent and that the outlook is some brighter.

TEXTILE MILLING STATISTICS

	Sept., 1925	Sept., 1924	August, 1925
Number bales cotton consumed.....	1,806	1,667	2,000
Number spindles active.....	60,524	60,524	60,524
Number pounds cloth produced.....	866,707	786,913	950,494

WHOLESALE TRADE

Developments in the wholesale trade situation during September were generally favorable. Reports indicate that there was a healthy volume of business during the month and that the sentiment of the business community is becoming more optimistic. The large early movement of cotton has brought the farmers a satisfactory return and confirmed the earlier reports that the crop in many sections would make a larger yield than a year ago. Furthermore, the heavy general rains which broke the long drouth in South and Central Texas and enabled the farmers throughout the district to plant quick maturing feedstuff to offset to some extent the feed shortage, have materially improved the agricultural situation and have given a new impulse to early fall buying. In fact a strong consumer demand has already developed in those sections of the cottonbelt which escaped the drouth and while buying continues light in the drouth area, late reports are to the effect that business is gradually becoming more active.

While collections are still slow in the drouth area, they are showing a considerable improvement elsewhere. Prices in most lines are generally firm.

The distribution of dry goods at wholesale reflected a marked decline during September, sales being 13.3 per cent less than during the previous month, and 14.7 per cent less than in the corresponding month last year. Sales during the three months period ending September 30th were 13.3 per cent below those during the same period in 1924. Due to the warm weather which prevailed throughout September, the consumer demand for merchandise was small and reports indicate that the fall goods are moving slowly. The retailers continue to limit orders to well defined requirements and as consumer buying has not improved materially, business at wholesale has been curtailed. However, a heavy buying movement is expected with the advent of cooler weather. The heavy general rains during the past month have done much to create an optimistic feeling in Central and South Texas and while buying is still light, a perceptible improvement is becoming evident.

The September sales of reporting wholesale grocery firms were 15.4 per cent greater than in August, and 4.9 per cent larger than in the corresponding month last year. There was an active demand during the month in all sections of the district but the volume of business is falling

below a year ago in those sections where a poor cotton crop is being harvested. The smaller demand in the latter sections is due to the shifting of laborers to the sections which have a large cotton crop and in part to the reduced purchasing power of the consumers. The full employment of labor in practically all sections of the district has greatly increased the demand for groceries. Prices continue firm and collections are improving.

A broad demand for drugs at wholesale was in evidence during September, when the sales of reporting firms were 15.2 per cent greater than in August, and 2.7 per cent greater than in September, 1924. That the increased demand was general over the district is reflected by the fact that every reporting firm showed a gain over the previous month. While distribution in South Central Texas is falling considerably below a year ago, heavy buying in other sections more than offset the decline in that section. Buyers continue to limit orders largely to nearby requirements and the heavy consumer demand is being quickly reflected in wholesale channels. The outlook in most sections of the district is promising. Prices are firm and collections are improving.

Some further improvement was in evidence in the wholesale farm implement trade during September, when the sales of reporting firms were 33 per cent greater than in August and were only 4 per cent less than in September a year ago. However, the demand is extremely light for this season of the year. The improvement in the agricultural situation since the rains has created an optimistic feeling among farmers and a heavier demand for implements is expected during the remainder of the year.

The September sales of reporting hardware firms were 12.6 per cent greater than in August but were 3.2 per cent less than in September a year ago. The demand is reported to be good in most sections but buying is still light in South and Central Texas. Dealers report that the outlook is generally good. Prices remained firm.

CONDITION OF WHOLESALE TRADE DURING SEPT., 1925 Percentage of Increase or Decrease in

	—Net Sales— Sept., 1925 compared with		Net Sales— July 1, 1925 to date compared with same period last year		—Stocks— Sept., 1925 compared with	
	Sept., 1924	Aug., 1925	Sept., 1924	Aug., 1925	Sept., 1924	Aug., 1925
Groceries	+ 4.9	+15.4	+ 6.5	— 3.9	+ 4.3	
Dry goods	—13.3	—14.7	—13.3	+ 2.8	+ 4.2	
Farm implements	— 4.0	+33.0	—22.2	— 8.0	+ 2.1	
Drugs	+ 2.7	+15.2	None	+ 3.6	+ 1.7	
Hardware	— 3.2	+12.6	— 2.6	+ 5.4	— .6	

RETAIL TRADE

The September sales of reporting department stores reflected a seasonal increase of 43.9 per cent as compared to the previous month, but were 4.2 per cent less than in September of last year. The warm weather during September greatly retarded the distribution of fall and winter merchandise, but the heavy buying is expected with the advent of cooler weather.

While the stocks on hand at the close of September were only slightly above those on hand at the close of September last year, they showed a further increase of 6.2 per cent over those on hand at the close of August. The ratio of sales to average stocks during the first nine months of 1925 was 173.5 per cent, as compared to 165.7 per cent during the same period in 1924.

The ratio of outstanding orders to last year's purchases, was 7.7 per cent on September 30th, as compared to 11.0 per cent on August 31st and 8.5 per cent on September 30th last year.

There was a slight improvement in collections during the past month. The ratio of September collections to accounts outstanding on September 1st was 35.6 per cent as compared to 33.7 per cent in August and 36.6 per cent in September, 1924.

BUSINESS OF DEPARTMENT STORES

	Dallas	Ft. Worth	Houston	All Others	Total District
Total sales—					
Sept., 1925, compared with Sept., 1924.....	+ .7	— 2.7	+ 4.2	— 14.5	— 4.2
Sept., 1925, compared with Aug., 1925.....	+ 64.1	+ 18.7	+ 44.3	+ 34.1	+ 43.9
Jan. 1st to date compared with same period last year.....	+ 6.5	+ 3.2	+ 6.6	+ 1.0	+ 4.2
Credit sales—					
Sept., 1925, compared with Sept., 1924.....	+ 11.0	— 5.2	+ 6.8	— 7.8	+ 3.0
Sept., 1925, compared with Aug., 1925.....	+ 84.3	+ 33.2	+ 67.4	+ 46.5	+ 64.6
Jan. 1st to date compared with same period last year.....	+ 12.0	+ 7.0	+ 9.4	+ 4.5	+ 8.7
Stocks—					
Sept., 1925, compared with Sept., 1924.....	+ .6	— 7.9	— .2	+ 5.4	— .8
Sept., 1925, compared with Aug., 1925.....	+ 3.1	+ 11.4	+ 6.5	+ 7.6	+ 6.2
Percentage of sales to average stocks in					
September, 1924	21.8	16.7	21.9	22.7	21.4
September, 1925	22.3	17.1	22.3	18.1	20.2
Percentage of sales to average stocks—					
January 1st to September 30, 1924.....	157.2	148.7	181.3	175.0	165.7
January 1st to September 30, 1925.....	171.2	154.7	196.6	172.4	173.5
Ratio of outstanding orders to last year's purchases.....	9.2	5.9	11.2	4.7	7.7
Ratio of September collections to accounts receivable due and outstanding September 1, 1925.....	34.3	33.1	37.2	37.4	35.6

FINANCIAL

The September volume of checks charged to depositors' accounts at banks in fifteen principal cities of this district was 16.8 per cent greater than in the previous month and 3.8 per cent larger than in September, 1924. However, it should be borne in mind that the increase over last year is the smallest reported this year.

Acceptance Market.

Reports from accepting banks of this district reflect a further large seasonal increase in the volume of acceptances executed and outstanding at the close of September. Outstanding acceptances amounted to \$3,280,166.64 on September 30th

CHARGES TO DEPOSITORS' ACCOUNTS

	September, 1925	September, 1924	Inc. or Dec.	August, 1925	Inc. or Dec.
Albuquerque	\$ 9,194,000	\$ 8,264,000	+11.3	\$ 10,248,000	—10.3
Austin	19,082,000	21,020,000	— 9.2	15,899,000	+20.0
Beaumont	17,208,000	15,050,000	+14.3	16,282,000	+ 5.7
Corsicana	7,391,000	8,242,000	—10.3	6,742,000	+ 9.6
Dallas	211,992,000	190,790,000	+11.1	168,769,000	+25.6
El Paso	29,526,000	29,523,000	+ .1	27,479,000	+ 7.4
Fort Worth	66,536,000	75,385,000	—11.7	67,937,000	— 2.1
Galveston	44,659,000	54,929,000	—18.7	37,038,000	+20.6
Houston	166,381,000	153,080,000	+ 8.7	136,541,000	+21.9
Roswell	2,837,000	2,246,000	+26.3	3,260,000	—13.0
San Antonio	40,933,000	36,755,000	+11.5	35,684,000	+14.8
Shreveport	40,335,000	32,446,000	+24.3	36,590,000	+10.2
Texarkana	9,726,000	8,173,000	+19.0	9,165,000	+ 6.1
Tucson	8,554,000	7,206,000	+18.7	7,209,000	+18.7
Waco	19,040,000	25,243,000	—24.6	14,804,000	+28.6
Total, 11th District.....	693,444,000	668,352,000	+ 3.8	\$593,647,000	+16.8

as against \$2,168,032.70 on August 31st and \$1,552,902.57 on September 30, 1924. The volume of acceptances executed against import and export transactions rose from \$563,219.23 on August 31st to \$2,620,774.64 on September 30th, but those based on the domestic shipment and storage of goods declined from \$1,604,813.47 on August 31st to \$659,392.00 on September 30th.

Condition of Member Banks in Selected Cities. A further substantial increase in the loans and deposits of member banks in selected cities occurred during the past month. Total loans on September 30th were \$11,806,000 greater than on September 2nd, \$10,522,000 of which was reported under the item "All

other loans" (largely commercial). There was a gain of \$15,260,000 in net demand deposits of these banks. Their investments in Government securities were increased \$2,704,000 during the month. Their bills payable and rediscounts at the Federal Reserve Bank rose from \$3,089,000 on September 2nd to \$3,176,000 on September 30th.

The total loans and investments of these banks on September 30th this year were \$45,446,000 greater than on October 1, 1924. This increase represents a gain of \$12,748,000 in investments and \$32,698,000 in loans. It is worthwhile to note, however, that the loans against corporate securities increased \$20,312,000 or nearly two-thirds of the total increase in loans. There was a gain of \$44,514,000 in the total deposits of these banks.

CONDITION STATISTICS OF MEMBER BANKS IN SELECTED CITIES

	Sept. 30, 1925	Oct. 1, 1924	Sept. 2, 1925
1. Number of reporting banks.....	49	50	49
2. U. S. securities owned.....	\$ 52,978,000	\$ 45,983,000	\$ 50,274,000
3. All other stocks, bonds and securities owned.....	21,932,000	16,179,000	22,156,000
4. Loans secured by U. S. Government obligations.....	3,069,000	3,334,000	3,182,000
5. Loans secured by stocks and bonds other than U. S. Government obligations.....	79,101,000	58,789,000	77,704,000
6. All other loans.....	220,624,000	207,973,000	210,102,000
7. Net demand deposits.....	270,318,000	231,926,000	255,058,000
8. Time deposits.....	95,281,000	89,159,000	95,032,000
9. Reserve with Federal Reserve Bank.....	28,685,000	26,810,000	28,554,000
10. Bills payable and rediscounts with Federal Reserve Bank.....	3,176,000	1,620,000	3,089,000
11. Ratio of loans* to net demand deposits.....	83%	91%	84%

*Loans include only items 4 and 6.

Savings Deposits. Savings deposits reported on September 30th by 100 banks of this district, which operate savings departments were 1.0 per cent greater than the deposits held by these banks on August

31st, and were 9.1 per cent above those of September 30, 1924. There were 249,338 savings depositors on record as of September 30, 1925, as compared to 247,627 on August 31, 1925, and 225,634 on September 30, 1924.

SAVINGS DEPOSITS

	Number of Reporting Banks:	Sept. 30, 1925		Sept. 30, 1924		Inc. or Dec.	August 31, 1925		Inc. or Dec.
		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.....	4*	4,836	2,250,777	4,782	2,429,058	- 7.3	4,832	2,239,895	+ .5
Dallas.....	7	45,644	15,839,840	39,189	13,257,744	+19.5	45,947	15,682,514	+ 1.0
El Paso.....	3	16,692	5,546,597	17,470	6,715,373	-17.4	16,599	5,514,201	+ .6
Fort Worth.....	3	12,673	4,990,880	11,639	4,456,642	+12.0	12,668	4,932,074	+ 1.2
Galveston.....	3	13,446	8,085,210	12,497	7,555,290	+ 7.0	13,478	8,373,510	- 3.4
Houston.....	13	62,911	24,430,215	55,126	21,297,036	+14.7	61,482	24,222,334	+ .9
San Antonio.....	6*	19,268	11,588,376	16,765	10,484,401	+10.5	19,102	11,658,241	- .6
Shreveport.....	5	25,398	11,186,180	23,803	11,199,495	- .1	25,283	10,250,152	+ 9.1
Waco.....	4	7,107	3,771,673	5,244	2,461,701	+53.2	7,098	3,758,066	+ .4
All others.....	52*	41,363	17,640,741	39,119	16,712,555	+ 5.6	41,138	17,650,562	- .1
Total.....	100	249,338	105,330,489	225,634	96,569,295	+ 9.1	247,627	104,282,049	+ 1.0

*Only three banks in Beaumont, five banks in San Antonio and forty-nine in all others reported the number of savings depositors.

OCTOBER DISCOUNT RATES

Prevailing Rates

	Dallas	El Paso	Ft. Worth	Houston	San Antonio	Waco
Rate charged customers on prime commercial paper such as is now eligible for rediscount under the Federal Reserve Act:						
(a) running 30-60-90 days.....	4 1/4-6	6-8	5-6	5-6	5-8	5-7
(b) running 4-6 months.....	4 1/2-6	6-8	5-6	5-6	5-8	5-8
Rate charged on loans to other banks, secured by bills receivable.....	5-6	6-7	5-6	4 1/2-5	6	5-5 1/2
Rate on ordinary commercial loans running 30-60-90 days secured by Liberty Bonds and certificates of indebtedness (not including loans to enable purchase of bonds).....	5-6	7-8	6-8	5-6	6-8
Rate on loans secured by prime stock exchange or other current collateral.....						
(a) demand.....	5-6	7-8	6-8	5-6	6-8	6-7
(b) time.....	5-6	6-8	6-8	5-6	6-8	7
Rate on commodity paper secured by warehouse receipts, etc.....	5-6	8	6-8	5-6	6-8	6-8
Rate on cattle loans.....	7-8	8	6-8	6-8	7-8

Deposits of Member Banks. The net demand deposits of member banks in this district increased \$42,120,000 between August 26th and September 23rd, and their time deposits gained \$10,433,000 during the same period. The combined deposits of these banks on September 23rd were \$88,784,000 greater than on September 24, 1924.

DEPOSITS OF MEMBER BANKS

	All Member Banks		Banks in Cities with a population of less than 15,000		Banks in Cities with a population of over 15,000	
	Total Demand	Total Time	Demand	Time	Demand	Time
Sept. 24, 1924.....	562,282	160,260	276,886	46,029	285,397	114,231
Oct. 29, 1924.....	609,594	159,889	303,481	44,983	306,113	114,906
Nov. 26, 1924.....	641,603	158,722	315,786	43,967	325,817	114,755
Dec. 24, 1924.....	670,487	158,107	322,361	41,676	348,126	116,431
Jan. 28, 1925.....	660,847	160,584	320,036	44,219	340,811	116,366
Feb. 26, 1925.....	680,428	166,895	321,650	45,834	358,778	121,061
Mch. 25, 1925.....	662,862	163,780	304,459	45,182	358,403	118,648
Apr. 22, 1925.....	635,576	165,531	292,385	47,963	343,191	117,569
May 27, 1925.....	605,626	166,006	277,145	48,771	328,481	117,235
June 24, 1925.....	588,601	167,218	267,143	47,978	321,458	119,240
July 29, 1925.....	581,038	168,600	261,957	47,643	319,081	120,957
Aug. 26, 1925.....	590,664	168,110	268,000	47,585	322,664	120,525
Sept. 23, 1925.....	632,784	178,543	296,777	57,521	336,007	121,022

Operations of The Federal Reserve Bank. Federal Reserve Bank loans to member banks reflected a decline of \$3,068,080 during September, and on the last day of the month the volume of these loans amounted to \$7,648,597. There were 93 member banks which retired in full their indebtedness to the Federal Reserve Bank during the month, and on September 30th there were only 152 banks borrowing from us as compared to 249 banks on the last day of August. While the liquidation of indebtedness by country banks has continued during the first half of October, it has been at a slower rate due to the fact that cotton picking has been retarded by the continued rains. The temporary borrowing by the Reserve City banks, incident to the financing of the movement of cotton, has been in a sufficient volume to more than offset the liquidations with the result that Federal Reserve Bank loans to member banks showed a gradual increase during the first half of October.

Due to the increase in our holdings of bankers' acceptances, the total of all classes of bills held increased from \$19,475,635.51 on August 31st to \$23,726,478.08 on September 30th, distributed as follows:

Member banks' collateral notes (secured by U. S. Government obligations)	\$ 1,481,300.00
Rediscounts and all other loans to member banks.....	6,167,296.66
Open market purchases (Bankers' acceptances).....	16,077,881.42
Total bills held.....	\$23,726,478.08

The seasonal expansion in the demand for currency was reflected by a further increase of \$3,362,950 in our Federal Reserve note circulation. The actual circulation of these notes amounted to \$46,047,995 on September 30th, as compared to \$42,685,045 on August 31st. There was an increase of \$2,225,877 in the reserve deposits of member banks during September. These deposits amounted to \$58,716,727 on the last day of the month.

FAILURES

There were 46 business suspensions in the Eleventh Federal Reserve District during September as compared to 66 in August and 34 in September a year ago. The indebtedness of defaulting firms amounted to \$412,370 in Septem-

ber as compared to \$1,039,183 in August and \$580,455 in September, 1924.

PETROLEUM

For the fourth consecutive month the daily average production of crude oil in the Eleventh District has shown a decline, as compared to production during the previous month. Daily average production during September amounted to 453,961 barrels as compared to a daily average production of 455,792 barrels in August, a net decrease of 1,831 barrels.

That this decrease occurred despite the fact that drilling activities increased during September shows that the old wells are falling off in production to such an extent that new production does not cover the losses sustained. There were 591 wells drilled during September, of which 382 were flowing wells and yielded a flush production of 87,968 barrels of crude oil, while in August there were only 516 wells completed, of which 298 were successful and netted an initial flow of 42,389 barrels of crude oil.

There were only 11,852,260 barrels of oil produced at the Texas fields, which represented a loss in daily average production from the previous month of 3,999 barrels of oil. All fields shared in this loss with the exception of the Big Lake field, where the completion of some large producers ran production over the million barrel mark for the first time in the history of this field. The Louisiana fields showed increased activity and daily average production during September registered an increase of 2,168 barrels over August production figures.

Crude Oil Prices.

During the period from September 11th to October 14th there were no changes in the posted prices on crude oil at the oil fields of the Eleventh District.

CRUDE OIL PRICES

	Oct. 14, 1925	Oct. 17, 1924
TEXAS—		
Texas Coastal	\$1.50	\$1.25
North and Central Texas (44 gravity and above).....	2.31	*
LOUISIANA—		
Caddo (38 gravity and above).....	\$1.95	\$1.35
Bull Bayou (38 gravity and above).....	1.75	1.15
Homer (35 gravity and above).....	1.75	1.10
Haynesville (33 gravity and above).....	1.65	1.00
De Soto Crude	1.80	1.20

*Prices for October 17, 1924, not available on a comparable basis.

SEPTEMBER DRILLING RESULTS

Field	Com-pletions	Pro-ducers	Fail-ures	Initial Production
North Texas	266	175	91	12,795
Central-West Texas	98	60	38	23,685
East Central Texas.....	16	3	13	785
Texas Coastal	59	45**	14	29,870
East Texas	6	6*
Miscellaneous fields	51	51***	16,955
Texas wildcats	49	9	40	20
Totals, Texas	545	349	196	84,010
North Louisiana	46	33****	13	3,958
September Totals, District.....	591	382	209	87,968
August Totals, District.....	516	298	218	42,389

*Gas wells. **1 gas well. ***3 gas wells. ****5 gas wells.

OIL PRODUCTION

Field	September		August			Increase or Decrease	
	Total	Daily Average	Total	Daily Average		Total	Daily Avg.
North Texas	2,974,880	99,163	3,082,950	99,450	Dec.	108,070	Dec. 287
Central-West Texas	2,112,875	70,429	2,145,285	69,203	Dec.	32,410	Inc. 1,226
East-Central Texas	2,780,525	91,017	3,018,510	97,210	Dec.	282,985	Dec. 6,193
Texas Coastal	2,706,180	90,206	2,754,820	88,865	Dec.	48,640	Inc. 1,341
Miscellaneous fields	1,827,800	44,260	1,874,725	44,346	Dec.	46,925	Dec. 86
Total, Texas	11,852,260	395,075	12,371,290	399,074	Dec.	519,030	Dec. 3,999
North Louisiana	1,766,575	58,886	1,758,260	56,718	Inc.	8,315	Inc. 2,168
Total, 11th District	13,618,835	453,961	14,129,550	455,792	Dec.	510,715	Dec. 1,831

(Oil Statistics compiled by The Oil Weekly, Houston, Texas.)

LUMBER

A greatly increased demand for lumber during September was reflected by the large volume of new orders received and shipments made by the pine mills of the Eleventh Federal Reserve District. The orders received at the mills, which were 4 per cent above normal production, were the largest reported during any month in more than a year. The shipments from these mills increased from 3 per cent below production in August to 2 per cent above production in September, despite the fact that production rose from 3 per cent below normal to normal. Stocks of lumber held at the mills at the end of September were 9 per cent below the normal stocks for that date, as compared to stocks 12 per cent below normal on August 31st.

Unfilled orders on hand at the 49 reporting mills on September 30th were for 64,729,434 feet of lumber, an increase of 2,812,219 feet over the orders held at the close of August.

Prices of several lines of lumber have shown a decided stiffening in the past month.

SEPTEMBER PINE MILL STATISTICS

Number of reporting mills	49
Production	105,310,210 feet
Shipments	107,012,318 feet
Orders	109,466,000 feet
Unfilled orders, September 30th	64,729,434 feet
Normal production	105,327,857 feet
Stocks, September 30th	278,687,480 feet
Normal stocks	306,623,944 feet
Shipments above production	1,702,108 feet=2%
Actual production below normal	17,647 feet=None
Orders above normal production	4,138,143 feet=4%
Stocks below normal	27,936,464 feet=9%

BUILDING

While the total valuation of building permits issued at the larger centers of this district during September was considerably below the high total for August, there was a material increase as compared to September, 1924. The estimated valuation of building at these centers during September amounted to \$8,384,202, while in August their valuation was \$9,519,535, and in September last year the total was \$7,156,087. Building permits issued at the reporting centers during the third quarter of 1925 showed an increase of 3 per cent in number, and 14.9 per cent in valuation over permits issued during the corresponding period of the previous year.

SEPTEMBER BUILDING PERMITS

	September, 1925		September, 1924		Inc. or Dec.	August, 1925		Inc. or Dec.	First Nine Months				Inc. or Dec.
	No.	Valua- tion	No.	Valua- tion		No.	Valua- tion		1925		1924		
									No.	Valuation	No.	Valuation	
Austin.....	65	69,657	29	46,525	+ 49.7	31	401,827	- 82.7	422	1,062,799	368	1,116,635	- 4.8
Beaumont.....	137	99,436	233	206,273	- 51.8	168	120,735	- 17.6	1,479	1,255,476	1,928	2,025,449	- 38.0
Dallas.....	484	2,611,204	354	2,472,733	+ 5.6	365	1,496,753	+ 74.5	4,370	22,005,133	3,724	21,781,864	+ 1.0
El Paso.....	70	800,228	78	50,893	+1,472.4	55	142,335	+462.2	594	1,933,471	609	1,333,923	+ 44.9
Fort Worth.....	245	1,137,285	226	1,575,599	- 27.8	212	556,355	+104.4	2,090	7,344,407	1,928	7,648,831	- 4.0
Galveston.....	300	97,912	278	86,902	+ 12.7	315	136,446	- 28.2	2,614	1,383,966	2,721	2,334,431	- 40.7
Houston.....	520	1,976,323	578	1,092,820	+ 80.8	501	4,460,884	- 55.7	4,946	19,447,785	5,192	13,027,917	+ 49.3
Port Arthur.....	138	82,938	136	89,282	- 7.1	111	61,051	+ 35.9	1,216	911,199	1,428	1,164,894	- 21.7
San Antonio.....	326	606,975	308	463,495	+ 31.0	325	831,152	- 27.0	2,919	7,233,179	3,004	5,901,600	+ 22.6
Shreveport.....	261	334,534	278	630,330	- 46.9	255	715,274	- 53.2	2,254	4,504,503	2,571	6,312,326	- 28.6
Waco.....	39	72,690	57	238,980	- 69.6	53	193,610	- 62.5	549	1,627,216	567	1,637,031	- .6
Wichita Falls.....	159	495,020	96	202,255	+ 144.8	141	403,113	+ 22.8	1,230	4,596,241	673	1,780,539	+158.1
Total.....	2,744	8,384,202	2,651	7,156,087	+ 17.2	2,532	9,519,535	- 11.9	24,683	73,305,375	24,713	66,064,440	+ 11.0

CEMENT

There were 399,000 barrels of Portland cement produced at the cement plants in Texas during September, as compared to 481,000 barrels in August, and 343,000 barrels in September, 1924. Shipments made from the mills also declined, being 17.7 per cent less than during the previous

month, and 2.1 per cent below shipments during the same month last year. Stocks on hand at the end of September were 9.9 per cent greater than those held at the close of August, and exceeded September 30, 1924, stocks by 39.1 per cent.

PRODUCTION, SHIPMENTS, AND STOCKS OF PORTLAND CEMENT. (Barrels)

	Sept., 1925		Sept., 1924	Per Cent Inc. or Dec.	Aug., 1925		Per Cent Inc. or Dec.	First Nine Months		Per Cent Inc. or Dec.
								1925	1924	
Production of Texas Mills	399,000	343,000		+16.3	481,000		-17.0	3,585,000	3,395,000	+5.6
Shipments from Texas Mills	372,000	380,000		-2.1	452,000		-17.7	3,687,000	3,465,000	+6.4
Stocks at end of the month at Texas Mills	288,000	207,000		+39.1	262,000		+ 9.9			

SUMMARY OF NATIONAL BUSINESS CONDITIONS

(Compiled by the Federal Reserve Board, as of October 24, 1925.)

Production in basic industries and factory employment increased in September. Distribution of commodities, both at wholesale and at retail, continued in large volume, and the level of prices remained practically unchanged.

PRODUCTION.

The Federal Reserve Board's index of production advanced 2 per cent in September, notwithstanding the suspension of anthracite mining. The volume of output increased considerably in the iron and steel, bituminous coal, and textile industries, while the decreases which occurred in some other industries were relatively small. Automobile production was larger than in August, but continued to reflect the effects of curtailment incidental to changes in models. The number of employees on factory payrolls in September was larger than in August in nearly all reporting industries. Building contracts awarded during September did not equal the record level of August, but continued large as compared with earlier months. Total contracts awarded during the first nine months of this year were nearly as large as for the entire year 1924.

Crop conditions, as reported by the Department of Agriculture, showed considerable improvement in September and the indicated yield of cotton, corn, oats, barley, and hay were larger than a month earlier, while forecasts of wheat and tobacco production were slightly smaller. Marketing of crops increased further in September, but was smaller than last year.

TRADE.

Wholesale trade was 9 per cent larger in September than in August, and sales in all lines except dry goods were larger than a year ago. Sales of department stores and mail order houses showed considerably more than the usual increase in September, and were larger than a year ago. Stocks of merchandise at department stores also increased in September more than usual, and at the end of the month were 4 per cent greater than a year ago. Wholesale firms in all leading lines except groceries reported smaller stocks on September 30th than a month earlier.

Total merchandise freight carloadings in September were larger than during the same month of any previous year. Coal shipments were smaller than in August, owing to the anthracite strike, and shipments of coal and of grain products were smaller than in September of last year.

PRICES.

The level of wholesale prices, as measured by the index of the Bureau of Labor Statistics, declined slightly in September. Among groups of commodities, grains, woolen goods, and furniture showed price declines, while prices of coal and building materials advanced. In the first half of October prices of grains, wool, and rubber increased, while prices of sheep, hogs, sugar, and cotton declined.

BANK CREDIT.

At member banks in leading cities the volume of loans, both for commercial purposes and on securities, increased further between September 16th and October 14th, and the middle of October total loans of these banks were nearly \$650,000,000 larger than at the end of July. During the same period demand deposits of these banks increased by about \$360,000,000, but were below the level of the beginning of the year, while the volume of their borrowings at the reserve banks increased by about \$200,000,000 to the highest point of the year.

The total volume of reserve bank credit outstanding was larger in October than at any other time during 1925, reflecting increases during the two preceding months, both in discounts for member banks and in acceptances bought in the open market. This growth has been due primarily to the seasonal increase during the period of about \$100,000,000 in currency in circulation, and there has also been a considerable increase in member bank reserve balances, accompanying a growth in their deposits.

In October the rates on prime commercial paper were firmer and the renewal rate on call loans averaged higher than September.