

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

	October	September	Inc. or Dec.
Bank debits to individual accounts (at 15 cities).....	\$807,212,000	\$693,444,000	Inc. 16.4%
Department store sales.....			Inc. 25.7%
Reserve Bank loans to member banks at end of month.....	\$9,482,319	\$7,648,597	Inc. 24.0%
Reserve Bank ratio at end of month.....	42.6%	59%	Dec. 16.4 points
Building permit valuations at larger centers.....	\$13,894,352	\$8,384,202	Inc. 65.7%
Commercial failures (number).....	55	46	Inc. 19.6%
Commercial failures (liabilities).....	\$590,436	\$412,370	Inc. 43.2%
Oil production (barrels).....	13,715,852	13,618,835	Inc. .7%
Lumber orders at pine mills (per cent of normal production).....	104%	104%	None

The sharp reaction in the cotton market since our last report has had the effect of curtailing the demand for merchandise in the wholesale channels of distribution, and of dampening the spirit of optimism prevailing among business men and farmers during September and the greater part of October. While the distribution of goods at wholesale during the latter month showed a further increase as compared to September, it continued on a smaller scale than a year ago, and late reports indicate that buying has been generally light since the first of November. On the other hand consumer demand in the larger cities has been very active. Sales at department stores in October were not only 26 per cent larger than in the previous month, but showed a gain of 10 per cent over the corresponding month last year. Charges to depositors' accounts reflected a seasonal expansion of 16 per cent, and were slightly larger than a year ago.

Another favorable feature of the business and industrial situation is the generally full employment of labor throughout the district. Increased employment during October was noted in Texas and North Louisiana in such industries as food and kindred products, metal and metal products, oil refineries, paper and printing establishments, iron and steel plants, and miscellaneous industries. Lumber and textile mills appear to be running on full time schedule. The large volume of new building construction is furnishing steady employment for these craftsmen. Many sections report a shortage of cotton pickers. While increased industrial activity and fall harvesting operations are absorbing a large amount of labor in New Mexico, a surplus still exists. In Arizona, metal mining activities continued brisk, with considerable new development work in progress. This, together with the unusually favorable agricultural and livestock conditions, makes it a bright spot in the nation as well as in the district.

The volume of new building, as measured by the valuation of permits issued at principal cities during October, set a new high record for this district. While this increase was due largely to activity in the city of Houston, other cities showed substantial gains. The new orders for lumber at pine mills again exceeded their normal production by 4 per cent, but there was a slight decline in production and shipments. Production of cement showed a gain, as compared to both the previous month and the same month last year.

There was a further increase of approximately \$32,000,000 in the deposits of member banks. The farmers continued to liquidate their indebtedness at banks in the rural districts, and those banks which were indebted to the Federal Reserve Bank have either reduced or completely retired their lines. While total Federal Reserve Bank loans to member banks reflected a sizeable increase, this was due entirely to the borrowing operations of reserve city banks.

While the continued rains have retarded the harvesting of crops and seeding of small grains, they have left the soil in good condition. The early sown grain is making rapid growth. Cotton picking made fair progress during the month.

A further improvement in the condition of both livestock and ranges has taken place. Reports indicate that livestock generally are taking on flesh rapidly, and will go into the winter in fine shape. Unless there is an extremely severe winter, it appears that the ranges will furnish ample rough feed to carry the stock. Trading on the ranges continues active with the demand in some instances exceeding the supply. The foot-and-mouth disease, which threatened the whole of South Texas earlier in the fall, now seems to be under control. There have been no new outbreaks in more than a month and the quarantine has been lifted in all counties except the immediate infected zone.

CROP CONDITIONS

The continued heavy rainfall throughout the district has retarded the harvesting of crops and has delayed the seeding of small grains, but has placed a good season in the ground and left the soil in fine condition for fall and

winter seeding and plowing operations. The early-sown grain is up to a good stand and growing rapidly. Indications are that this part of the grain crop will furnish much winter grazing and will be of considerable benefit particularly in Central and South Texas, due to the shortage of feed.

The November 1st estimate of the Texas corn crop promises an average yield of only 8 bushels per acre, or a total production for the state of 31,648,000 bushels. This compares with a production of 78,200,000 bushels last year, and a 5-year average of 116,972,000 bushels. The late planted feed crops generally did well and greatly augmented the district's feed supply, but the recent freezes damaged to some extent the crops in West and Northwest Texas. Although the farmers will find it necessary to purchase large quantities of feed with which to make next year's crops, the feed situation is not nearly so serious as was generally thought early in the fall.

The Department of Agriculture in its November 1st report estimated the production cotton in Texas at 4,100,000 bales which represents an increase of 225,000 bales over its October 1st estimate. However, reports have been received to the effect that the recent freeze and frost did considerable damage to the large acreage of late cotton in the West and Northwest, and this will to some extent reduce the production in those sections. There have been many complaints that the bolls are rotting and dropping off the stalk. Furthermore, considerable damage has resulted from the activity of the boll and leaf worms. The situation in those sections is complicated by the serious shortage of pickers, as there is a large amount of open cotton, some of which is being wasted and damaged by the heavy rains.

Despite the continued rains and the shortage of pickers, fair progress was made during the month in gathering the crop. The Bureau of Census reported that 2,850,072 bales had been ginned prior to November 1st, which shows that October ginning for the State totaled 968,883 bales. Ginning prior to November 1st amounted to 70.9 per cent of the estimated production.

The rains have delayed the threshing of the rice crop with the result that a large proportion of the crop still remains in the field and is being damaged in both quality and yield.

LIVESTOCK

Range and livestock conditions throughout the Eleventh Federal Reserve district are now in good to excellent condition. The grass made rapid growth during the past three months and indications are that it will cure well in most sections. The early sown wheat and oats are growing rapidly and should furnish considerable pasturage. In fact, prospects are that there will be an abundance of rough feed in most sections, and that livestock should winter well and cheaply. Most of the livestock are now in good condition, and will go into the winter in fine shape. Owing to the drouth during the past year, most of the undesirable stock was culled out, so that the stock held is of a better average quality than was the case a year ago. Due to the improvement in conditions, there is a tendency in many sections to restock the ranges, and this has brought about a strong demand for she-stuff as stockmen in some sections are showing a disposition to restock with she-stuff rather than with young steers, as has been the practice for the past several years.

The condition of the Texas ranges on November 1st averaged 90 per cent of normal, as compared to 86 per cent

on October 1st, and 78 per cent on November 1, 1924. There was an advance of 5 points in the condition of cattle during the past month, and sheep gained 4 points. Sheep ranges advanced to 96 per cent of normal, which is 5 points above the condition figure a month ago, and 14 points above that of a year ago.

Movements and Prices.

The receipts of sheep at Fort Worth during October were slightly less than in the previous month, but were greatly in excess of those during the corresponding month last year. Receipts of calves and hogs declined both from the previous month and a year ago. The supply of cattle was in a larger volume than in September, but slightly less than in October, 1924.

The cattle market during October reflected a mixed trend. Beef steers and canner cows were generally steady, but fat cows showed a slight decline. Prices on heifers and yearlings were revised downward early in the month, but toward the close were working to higher levels. Veal calves reached a high mark at \$10.00 during the second week, but a reaction followed, and at the close the best light calves were selling for \$8.50. The continued improvement in range conditions created a broader demand for stockers and feeders, and trading was active at satisfactory prices. During the first days of the month, hogs sold as high as \$13.65, but showed a steady decline throughout the remainder of the month, despite the small supply. On the last day of the month, the best were selling for \$11.60. There was an active demand for sheep and lambs throughout the month. Choice fed lambs ranged up to \$14.00 and good woolled wethers brought \$8.75.

FORT WORTH LIVESTOCK RECEIPTS

	Oct., 1925	Oct., 1924	Loss or Gain	September 1925	Loss or Gain
Cattle	84,092	86,702	L 2,610	80,843	G 3,249
Calves	33,039	44,222	L 11,183	36,345	L 3,306
Hogs	14,610	24,601	L 9,991	15,669	L 1,059
Sheep	32,343	11,022	G 21,321	33,987	L 1,644

COMPARATIVE TOP LIVESTOCK PRICES

	October, 1925	October, 1924	Sept., 1925
Beef steers	\$ 7.75	\$ 6.65	\$ 8.10
Stocker steers	7.85	5.85	7.00
Butcher cows	6.00	4.50	6.00
Stocker cows	3.35	3.25	4.00
Calves	10.00	6.65	9.50
Hogs	13.65	11.35	13.90
Sheep	8.75	7.50	8.50
Lambs	14.00	12.25	14.00

Cotton

Movements.

The combined exports of cotton from all United States ports during October reflected a large increase over the corresponding month of 1924, but those at Houston and Galveston declined. Stocks on hand at the close of the month were considerably in excess of a year ago.

COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON

	October, 1925	October, 1924	Aug. 1st to This Season	Oct. 31st Last Season
Net receipts.....	601,771	760,423	1,080,645	1,489,568
Exports	382,511	602,170	698,676	1,151,278
Stocks, October 31st....			494,068	380,919

GALVESTON STOCK STATEMENT

	Oct. 31, 1925	Oct. 31, 1924
For Great Britain	41,700	3,070
For France	20,300	2,300
For other foreign ports.....	58,500	11,700
For coastwise ports	11,000	7,000
In compresses and depots.....	362,568	356,849
Total	494,068	380,919

COTTON CONSUMED AND ON HAND

	COTTON GROWING STATES				UNITED STATES			
	October, 1925	October, 1924	Aug. 1st to Oct. 31st This Season	Aug. 1st to Oct. 31st Last Season	October, 1925	October, 1924	Aug. 1st to Oct. 31st This Season	Aug. 1st to Oct. 31st Last Season
Cotton consumed.....	366,099	373,339	998,562	924,373	543,679	534,283	1,475,610	1,330,036
Cotton on hand at end of month:								
(a) in consuming establishments.....			894,725	468,984			1,216,437	733,440
(b) in public storage and compresses.....			4,407,513	3,982,033			4,499,382	4,226,427

HOUSTON COTTON MOVEMENTS

	October, 1925	October, 1924	Aug. 1st to Oct. 31st This Season	Aug. 1st to Oct. 31st Last Season
Receipts—Gross.....	971,927	1,038,745	2,168,871	2,066,985
Receipts—Net.....	548,223	597,102	1,326,281	1,199,968
Exports.....	278,842	286,858	726,811	454,628
Stocks, October 31st.....			598,092	511,432

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

	This Season	Last Season
Receipts since Aug. 1st.....	3,653,989	3,238,090
Exports: Great Britain.....	576,949	684,103
France.....	216,033	292,008
Continent.....	1,159,944	910,413
Japan-China.....	243,856	191,144
Mexico.....	1,871	1,622
Total foreign ports.....	2,198,653	2,079,290
Stocks at all U. S. ports, Oct. 31st.....	1,387,167	1,062,442

SPOT COTTON PRICES
(Middling basis)

	October, 1925		Nov. 14, 1925
	High	Low	
New York.....	23.55	19.40	20.90
New Orleans.....	22.80	18.05	19.85
Dallas.....	23.10	18.35	20.10
Houston.....	23.15	18.75	20.20
Galveston.....	23.20	18.80	20.25

COTTONSEED PRODUCTS

There was a substantial increase in the volume of all classes of cottonseed products shipped from the 69 reporting cottonseed oil mills in this district during October. However, the average price received for these products showed a further decline from the previous month. Crude oil declined from \$.0896 per pound in September to \$.0871 per pound in October; cake and meal declined from \$36.00 per ton to \$34.40 per ton; and hulls from \$11.32 per ton to \$10.23 per ton. These mills purchased 168,030 tons of cottonseed during October at an average price of \$37.92 per ton, as compared to 122,217 tons in September at an average price of \$37.86 per ton.

STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS

	Texas		United States	
	Aug. 1st to Oct. 31st This Season	Aug. 1st to Oct. 31st Last Season	Aug. 1st to Oct. 31st This Season	Aug. 1st to Oct. 31st Last Season
Cottonseed received at mills (tons).....	710,000	847,000	2,647,000	1,951,000
Cottonseed crushed (tons).....	411,000	452,000	1,409,000	1,096,000
Cottonseed on hand (tons).....	319,000	403,000	1,271,000	873,000
Crude oil produced (pounds).....	114,725,000	128,542,440	409,351,000	323,620,140
Cake and meal produced (tons).....	194,000	210,609	653,000	501,351
Hulls produced (tons).....	116,000	132,087	390,000	315,882
Linters produced (500-lb. bales).....	76,000	83,313	266,000	203,261
Stocks on hand October 31st.....				
Crude Oil (pounds).....	14,418,000	17,803,502	48,298,000	49,387,859
Cake and meal (tons).....	50,000	22,455	168,000	96,171
Hulls (tons).....	54,000	64,098	147,000	138,388
Linters (500-lb. bales).....	20,000	30,464	89,000	109,229

COTTONSEED RECEIVED AT MILLS

	October, 1925	September, 1925
Cottonseed received.....	168,030 tons	122,217 tons
Average price per ton (inc. freight).....	\$37.92 per ton	\$37.86 per ton

COTTONSEED PRODUCTS SHIPPED AND AVERAGE PRICE RECEIVED

	October, 1925	
	Products Shipped	Average Price F. O. B. Mill
Crude oil.....	26,063,666 lbs.	\$.0871 per lb.
Cake and meal.....	39,545 tons	34.40 per ton
Hulls.....	16,614 tons	10.23 per ton
Linters.....	8,742,093 lbs.	.0495 per lb.

TEXTILE MILLING

The reports from textile mills in this district reflected increased activity during October. The month's production showed a gain of 18.1 per cent over the previous month, and was 25.3 per cent greater than in the corresponding month last year. These mills consumed 2,727 bales of cotton in October as compared to 2,130 in September, and 2,096 bales in October 1924. Unfilled orders on hand at the close of the month showed a further increase over those on hand at the close of September, and were substantially greater than at the close of October last year. Stocks on hand increased over those held a month earlier but were considerably less than those on hand a year ago.

Reflecting the reaction in the cotton market, the trend of prices is downward. Reports indicate that there is a lull in the demand for goods.

TEXTILE MILLING STATISTICS

	October, 1925	October, 1924	Sept., 1925
Number bales cotton consumed.....	2,727	2,096	2,130
Number spindles active.....	72,704	69,452	74,644
Number pounds cloth produced.....	1,251,334	998,281	1,059,925

WHOLESALE TRADE

A further moderate expansion in the demand for merchandise in the wholesale channels of distribution was evident during October when sales in all reporting lines except groceries showed a gain as compared to the previous month. However, the volume of distribution continues to fall below a year ago. While this is due in a large measure to the small scale buying in Central and South Texas, reduced buying is beginning to make its appearance in other sections as well. Reports from various sections of the district are to the effect that the demand early in November was unusually light, due largely to the continued rains which have retarded all farm operations, the sharp decline in the price of cotton, and the return of higher temperatures. Some dealers have characterized the lull as a period of waiting on the part of the retailer in order that he may more definitely ascertain the future trend of business. Indications are that the retailers are continuing their policy of conservative buying and are holding their commitments well in line with consumer demand. Numerous complaints have been received to the effect that collections are slowing down and that they are becoming unsatisfactory. On the other hand collections in some sections are reported to be very satisfactory.

The past month witnessed a moderate increase in the demand for dry goods at wholesale. While the sales of reporting firms fell 8.0 per cent below those of a year ago, they were 4.0 per cent greater than in September. The lower temperatures, which prevailed during October, greatly increased the consumer demand for winter merchandise. As the retailers generally are carrying small stocks, the increased buying brought a large volume of fill-in orders to the wholesalers. However, there has been a recession in demand since the first of November, which is attributable in part to warmer weather and the sharp reaction in the cotton market. Collections are spotted, some dealers reporting them as satisfactory while others state that they are slow.

There was a further increase of 3.4 per cent in the sales of reporting drug firms, as compared to the previous month, but a decline of 3.5 per cent as compared to the corresponding month last year. The broad demand for drugs evident in September continued during the first half of October, but the continued rains slowed down the demand considerably during the second half and the early part of November. Some sections report that buying is extremely light. Some dealers report that collections are falling off. Prices remained steady.

While the sales of reporting farm implement firms reflected a further increase of 11.8 per cent as compared to the previous month, they were 15.2 per cent below those of October a year ago. The continued rains, which have retarded the harvesting of crops and the fall seeding and plowing operations have naturally checked the buying of farm implements. Another disturbing factor has been the gradual decline in the price of cotton, which has reduced the buying power of the farmer, and which to some extent dulled the optimistic feeling generated earlier in the fall by the relief from the long drouth. Prices continued generally firm.

There was a noticeable falling off in the demand for groceries at wholesale during October. Sales for the month were 8.8 per cent below those of the previous month, and 1.8 per cent less than in the same month of 1924. However, sales during the four month period ending October 31st were 5.5 per cent above those during the corresponding period last year. The decline was in part seasonal and

was fairly evenly distributed throughout the district. Prices continued firm. Collections were generally very good.

The sales of reporting hardware firms reflected an increase of 16.5 per cent as compared to the previous month, and were 17.6 per cent larger than a year ago. The increase over last month seemed to be fairly general over the district, but distribution in South and Central Texas is still falling below a year ago. The buying of seasonal goods during October was stimulated by cooler weather. Prices have shown but little change. Collections appear to be slowing down.

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

	—Net Sales— Oct., 1925 compared with		—Net Sales— July 1, 1925 to date compared with same period last year	—Stocks— Oct., 1925 compared with	
	Oct., 1924	Sept., 1925		Oct., 1924	Sept., 1925
Groceries	- 1.8	- 8.8	+ 5.5	- 3.7	+ 9.5
Dry Goods.....	- 8.0	+ 4.0	-12.0	+ 3.9	-11.8
Farm Implements.....	-15.2	+11.8	-20.1	- 6.1	+ 1.5
Drugs	- 3.5	+ 3.4	- .5	+ 8.8	+ 2.6
Hardware	+17.6	+16.5	+ 3.5	+ 2.0	- 3.2

RETAIL TRADE

Lower temperatures over the district, which prevailed in October following an unusually warm September, greatly stimulated the demand for merchandise at retail. The sales of twenty-three reporting department stores in this district reflected a gain of 25.7 per cent over the previous month, and were 9.7 per cent greater than in October, 1924. Among the departments which showed a substantial increase in sales as compared to a year ago, were men's clothing, boy's wear, women's coats, and misses', juniors', and girls' ready-to-wear.

The stocks of these firms at the close of October were practically the same as at the end of September, but were 2.4 per cent less than a year ago. The ratio of sales to average stocks during the first ten months of this year was 201 per cent, as compared to 190.4 per cent during the same period last year.

Collections showed a substantial improvement during the month, the ratio of October collections to accounts outstanding on October 1st being 42.1 per cent, as compared to 35.6 per cent in September.

BUSINESS OF DEPARTMENT STORES

	Dallas	Ft. Worth	Houston	All Others	Total District
Total sales—					
Oct., 1925, compared with Oct., 1924.....	+ 21.3	+ 11.4	+ 13.2	- 3.7	+ 9.7
Oct., 1925, compared with Sept., 1925.....	+ 24.7	+ 39.5	+ 19.0	+ 25.2	+ 25.7
Jan. 1st to date compared with same period last year.....	+ 8.4	+ 4.4	+ 7.4	+ .5	+ 4.9
Credit sales—					
Oct., 1925, compared with Oct., 1924.....	+ 30.4	+ 25.3	+ 16.0	+ 9.5	+ 20.8
Oct., 1925, compared with Sept., 1925.....	+ 22.5	+ 54.4	+ 17.4	+ 28.0	+ 25.7
Jan. 1st to date compared with same period last year.....	+ 14.5	+ 9.5	+ 10.3	+ 5.5	+ 10.4
Stocks—					
Oct., 1925, compared with Oct., 1924.....	- 3.3	- 7.1	- .7	- .4	- 2.4
Oct., 1925, compared with Sept., 1925.....	- 1.2	+ 1.9	+ 2.4	- 1.5	- .3
Percentage of sales to average stocks in					
October, 1924	22.2	19.1	23.0	24.9	22.8
October, 1925	27.6	22.6	25.6	23.1	25.1
Percentage of sales to average stocks—					
January 1st to Oct. 31st, 1924.....	179.7	168.2	204.4	205.1	190.4
Jan. 1st to Oct. 31st, 1925.....	199.9	177.8	222.6	201.0	201.0
Ratio of outstanding orders to last year's purchases.....	8.5	7.8	10.3	4.1	7.2
Ratio of October collections to accounts receivable due and outstanding					
October 1, 1925.....	41.7	38.8	42.2	43.6	42.1

FINANCIAL

The increased activity of business during the past month was reflected in the volume of charges to depositors' accounts at banks in the principal cities of this district. The October volume amounted to \$807,212,000 which reflects

an increase of 16.4 per cent as compared to the previous month and 1.7 per cent as compared to the corresponding month last year.

CHARGES TO DEPOSITORS' ACCOUNTS

	October, 1925	October, 1924	Inc. or Dec.	September, 1925	Inc. or Dec.
Albuquerque	\$11,949,000	\$11,844,000	+ .9	\$ 9,194,000	+30.0
Austin	20,987,000	28,365,000	-10.2	19,082,000	+10.0
Beaumont	18,599,000	17,329,000	+ 7.3	17,208,000	+ 8.1
Corsicana	8,094,000	9,653,000	-16.2	7,391,000	+ 9.5
Dallas	265,837,000	236,115,000	+12.6	211,992,000	+25.4
El Paso	36,805,000	35,670,000	+ 3.2	29,526,000	+24.7
Fort Worth	89,524,000	95,657,000	- 6.4	66,536,000	+34.5
Galveston	57,940,000	70,351,000	-17.6	44,659,000	+29.7
Houston	165,009,000	164,001,000	+ .6	166,381,000	- .8
Roswell	4,083,000	3,340,000	+22.2	2,837,000	+43.9
San Antonio	41,216,000	40,268,000	+ 2.4	40,933,000	+ .6
Shreveport	45,262,000	39,274,000	+15.2	40,335,000	+12.2
Texasarkana	10,053,000	10,481,000	- 4.1	9,726,000	+ 3.4
Tucson	9,971,000	9,414,000	+ 5.9	8,554,000	+16.6
Waco	21,883,000	27,210,000	-19.6	19,040,000	+14.9
Total, 11th District	\$807,212,000	\$793,972,000	+ 1.7	693,444,000	+16.4

Acceptance
Market

A further large increase in the volume of acceptances outstanding at the close of October was reflected in the reports from accepting banks in this district. Acceptances outstanding on October 31st amounted to \$4,371,668.62, as compared to \$3,280,166.64 at the close of September. The volume of acceptances executed against import and export transactions

rose from \$2,620,774.64 on September 30th to \$3,102,682.19 on October 31st, and those based on the domestic shipment and storage of goods increased from \$659,392.00 on September 30th to \$1,268,986.43 on the last day of October.

Condition of Member Banks in Selected Cities The loans, deposits, and investments of member banks in selected cities reflected a further large increase during the five week period ending November 5th. The investments of these banks showed a gain

of \$4,934,000 and their deposits rose \$15,510,000. The item "All other loans" (largely commercial) rose from \$220,624,000 on September 30th to \$234,109,000 on November 5th, or an increase of \$13,485,000 during the period. Another outstanding feature of the report was the heavy increase in borrowing at the Federal Reserve Bank, bills payable and rediscounts at the Federal Reserve Bank being \$8,763,000 on November 5th, as compared to \$3,176,000 on September 30th, and \$1,646,000 on November 4, 1924. The reserve deposits of these banks at the Federal Reserve Bank rose from \$28,685,000 on September 30th to \$32,299,000 on November 5th.

CONDITION STATISTICS OF MEMBER BANKS IN SELECTED CITIES

	Nov. 5, 1925	Nov. 4, 1924	Sept. 30, 1925
1. Number of reporting banks	49	50	49
2. U. S. securities owned	\$54,316,000	\$46,436,000	\$ 52,978,000
3. All other stocks, bonds and securities owned	25,528,000	18,870,000	21,932,000
4. Loans secured by U. S. Government obligations	3,125,000	3,148,000	3,069,000
5. Loans secured by stocks and bonds other than U. S. Government obligations	78,852,000	59,144,000	79,101,000
6. All other loans	234,109,000	219,950,000	220,624,000
7. Net demand deposits	284,834,000	250,575,000	270,318,000
8. Time deposits	96,275,000	90,611,000	95,281,000
9. Reserve with Federal Reserve Bank	32,299,000	25,366,000	28,685,000
10. Bills payable and rediscounts with Federal Reserve Bank	8,763,000	1,646,000	3,176,000
11. Ratio of loans* to net demand deposits	83%	89%	88%

*Loans include only items 4 and 6.

Savings
Deposits.

Reports from 99 banks in this district, which operate a savings department, show that savings deposits on October 31st were 0.6 per cent greater than on September 30th, and 10.7 per

cent greater than on October 31, 1924. There were 251,577 savings depositors on October 31st as compared to 250,143 at the close of September, and 228,855 at the end of October last year.

SAVINGS DEPOSITS

	Number of Reporting Banks:	October 31, 1925		October 31, 1924		Inc. or Dec.	September 30, 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*	4,869	2,281,066	4,879	2,394,589	- 4.7	4,851	2,250,477	+ 1.4
Dallas	7	45,796	16,049,165	39,637	13,482,149	+19.0	45,680	15,797,934	+ 1.6
El Paso	3	16,890	5,557,331	17,604	6,743,526	-17.6	16,692	5,531,342	+ .5
Fort Worth	3	22,420	5,062,972	20,304	4,500,809	+12.5	22,302	4,990,880	+ 1.4
Galveston	3	13,383	8,198,157	12,854	7,645,761	+ 7.2	13,446	8,085,210	+ 1.4
Houston	13	55,681	24,671,862	48,662	21,284,290	+15.9	55,311	24,430,214	+ 1.0
San Antonio	6*	19,412	11,697,161	16,982	10,541,763	+11.0	19,268	11,659,376	+ .3
Shreveport	4	23,078	12,454,260	21,408	10,721,024	+16.2	22,800	11,851,306	+ 5.1
Waco	4	5,887	3,963,814	4,162	2,714,581	+46.0	5,883	3,919,262	+ 1.1
Wichita Falls	3	6,981	2,576,905	6,532	1,436,153	+79.4	6,911	2,980,831	-13.6
All others	49*	37,180	15,509,732	35,891	16,123,434	- 3.9	36,999	15,877,016	- 2.3
Total	99	251,577	108,022,425	228,855	97,588,079	+10.7	250,143	107,373,849	+ .6

*Three banks in Beaumont, 5 banks in San Antonio, and 46 banks in all others reported the number of savings depositors.

NOVEMBER 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	4½-6	6-8	5-7	5-6	5-8	5-7
(b) running 4-6 months	4½-6	6-8	5-7	5-6	5-8	5-7
Rate charged on loans to other banks, secured by bills receivable	5-6	6-7	5-6	4½-5	6	5-6
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	6-8	6	6	6-8	8
Rate on loans secured by prime stock exchange or other current collateral						
(a) demand	6	8	6-8	5-6	6-8	6-7
(b) time	6-7	6-8	6-8	5-6	6-8	6-7
Rate on commodity paper secured by warehouse receipts, etc.	5-6	6-8	6-8	5-6	6-8	6-8
Rate on cattle loans	6-8	8	6-8	6-8	7-8	---

Deposits of Member Banks. There was a further large seasonal increase of \$34,629,000 in the net demand deposits of member banks between September 23rd and October 28th. Time deposits during the same period reflected a decline of \$2,814,000.

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
Oct. 29, 1924.....	609,594	159,889	303,481	44,988	306,113	114,906
Nov. 26, 1924.....	641,608	158,722	315,786	48,967	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	116,365
Feb. 25, 1925.....	680,428	166,895	321,650	45,834	358,778	121,061
Mch. 25, 1925.....	662,862	163,780	304,459	45,132	358,403	118,648
Apr. 22, 1925.....	635,576	165,581	292,385	47,963	343,191	117,568
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.....	581,088	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	169,415	296,777	48,393	336,007	121,022
Oct. 28, 1925.....	667,413	166,601	318,802	45,861	349,111	120,740

Operations of the Federal Reserve Bank. Heavy borrowing at the Federal Reserve Bank by member banks in reserve cities was responsible for a sharp increase in Federal Reserve Bank loans during October and the early part of November. These rose from \$7,648,597 on September 30th to \$9,482,319 on October 31st and to \$11,305,049 on November 4th, but since the latter date there has been a steady decline. On November 14th they amounted to \$9,213,849. The continued liquidation of indebtedness by country banks is shown by the fact that only 97 banks were owing the Federal Reserve Bank on October 31st, as compared to 152 banks on September 30th. However, this liquidation has been retarded to some extent by the rainy weather, which has checked the gathering and marketing of cotton.

The volume of bills held by this bank reflected a further sharp increase during the past month, due to the large amount of bankers' acceptances purchased in the open market. Total bill holdings increased from \$23,726,478.08 on September 30th to \$41,967,549.89 on October 31st, distributed as follows:

Member banks' collateral notes (secured by U. S. Government obligations).....	\$2,884,700.00
Rediscounts and all other loans to member banks.....	6,597,619.03
Open market purchases (Bankers' acceptances).....	32,485,230.86
Total bills held.....	\$41,967,549.89

Federal reserve notes in actual circulation on October 31st amounted to \$47,623,145 which represents a further expansion of \$1,575,150 during the month. The reserve deposits of member banks rose from \$58,716,727 on September 30th to \$62,354,924 on October 31st.

FAILURES

While there was a slight increase during October in both the number of commercial failures and the volume of indebtedness involved, the failure rate in this district continued at a relatively low level. The 55 defaults reported during the month with liabilities aggregating \$590,436 compare with 46 insolvencies in September having a combined indebtedness of \$412,370 and 46 failures in October last year with liabilities amounted to \$543,300.00.

PETROLEUM

There were 13,715,852 barrels of crude oil produced in the Eleventh Federal Reserve District during the month of October, which was a slight gain over the September production of 13,618,835 barrels. However, when allowance is made for the difference of one day in the length of the months, the daily average production amounted to only 442,447 barrels, or a decline of 11,514 barrels from the daily average production rate of 453,961 barrels maintained during September. This decrease is apparently accounted for by the same condition as existed last month, the new wells are not producing a sufficient volume of oil to cover the natural decreases in production of the old wells. Drilling operations were carried on at practically the same rate during October as in the previous month, but the number of successful wells declined as well as the initial production. There were 591 wells finished in October but only 360 were successful and netted a flush production of 67,879 barrels of oil, as against 382 flowing wells producing an initial flow of 87,968 barrels from the 591 completions in September.

Texas fields produced 11,854,677 barrels of crude oil in October as compared to 11,852,260 barrels in September. Archer, Young, and Stephens counties showed gains in monthly production, but production at the Big Lake field slumped somewhat. Daily average production showed decreases at all Texas fields. There were 1,861,175 barrels of oil produced in Louisiana during October, as compared to 1,766,575 barrels in September.

Crude Oil Prices.

Markets for all crude oils produced in this district were firm during the period from October 4th to November 4th and there were no changes in posted prices at any of the fields.

CRUDE OIL PRICES

		Nov. 4, 1925	Nov. 7, 1924
TEXAS—			
Texas Coastal		\$1.50	\$1.25
North Central Texas (44 gr. 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 Nov. 7, 1924, not available on a comparable basis.

OCTOBER DRILLING RESULTS

Field	Completions	Producers	Failures	Initial Production
North Texas	282	180	102	19,271
Central-West Texas	102	61	41	16,280
East Central Texas.....	13	10	3	868
Texas Coastal	59	38	21	14,968
East Texas	7	6*	1	160
Miscellaneous fields	35	35**	—	7,200
Texas wildcats	41	4	37	297
Totals, Texas	539	334	205	59,044
North Louisiana	52	26***	26	8,835
Oct. Totals, District.....	591	360	231	67,879
Sept. Totals, District.....	591	382	209	87,968

*Includes 4 gas wells. **Includes 3 gas wells. ***Includes 2 gas wells.

OIL PRODUCTION

Field	October			September			Increases or Decreases	
	Total	Daily	Average	Total	Daily	Average	Total	Daily Avg.
North Texas	3,073,565		99,147	2,974,880		99,163	Inc.	98,685
Central-West Texas	2,136,085		68,906	2,112,875		70,429	Inc.	23,210
East-Central Texas	2,642,750		85,250	2,730,525		91,017	Dec.	87,775
Texas Coastal	2,641,625		85,214	2,706,180		90,206	Dec.	64,555
Miscellaneous fields	1,360,652		43,892	1,327,800		44,260	Inc.	32,852
Total, Texas	11,854,677		382,409	11,852,260		395,075	Inc.	2,417
North Louisiana	1,861,175		60,038	1,766,575		58,886	Inc.	94,600
Total, 11th District	13,715,852		442,447	13,618,835		453,961	Inc.	97,017

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

LUMBER

Although there was a lull in activities at the pine mills of the Eleventh District during October, due to the rainy weather, the demand for lumber continues to be very active, as shown by the large volume of orders received at the reporting mills. The lumber produced during October was 2 per cent below normal production for the month, as compared to practically normal production during September. Shipments made from the mills decreased from 2 per cent above production in September to 1 per cent below production in October, but orders received during the month called for 4 per cent more than the normal October production of these mills, which was the same percentage as during September. Stocks of lumber on hand at the mills at the close of October were 14 per cent below normal

stocks for that date, as compared to 9 per cent on September 30th.

Unfilled orders held at the 45 reporting mills on October 31st called for 59,685,711 feet of lumber, as compared to orders for 64,729,434 feet held by the 49 reporting mills on September 30th.

BUILDING

Building activity in the principal centers of the Eleventh Federal Reserve District during October, as measured by the valuation of permits issued at the reporting centers, was the greatest of any month on record. There were 2,705 permits issued having an estimated valuation of \$13,894,352, an increase of 56.2 per cent over the 2,996 permits issued in October, 1924, which were valued at \$8,897,407, and an increase of 65.7 per cent over those of the previous month, when 2,744 permits were issued, valued at \$8,384,202. The smaller number of permits issued during October, notwithstanding the great increase in valuation, would indicate that the increase in building activity was in commercial building. During the period from January 1st to October 31, 1925, the valuation of permits issued shows an increase of 16.3 per cent over those issued during the corresponding period of the previous year.

OCTOBER PINE MILL STATISTICS

Number of reporting mills	45
Production	97,325,775 feet
Shipments	95,948,061 feet
Orders	103,310,157 feet
Unfilled orders, Oct. 31st	59,685,711 feet
Normal production	98,985,711 feet
Stocks, Oct. 31st	252,860,715 feet
Normal stocks	294,899,910 feet
Shipments below production	1,377,714 feet=1%
Actual production below normal	1,659,936 feet=2%
Orders above normal production	4,324,446 feet=4%
Stocks below normal	42,039,195 feet=14%

OCTOBER BUILDING PERMITS

	October, 1925		October, 1924		Inc. or Dec.	September, 1925		First Ten Months				Inc. or Dec.	
	No.	Valuation	No.	Valuation		Inc. or Dec.	No.	Valuation	1925		1924		
									No.	Valuation	No.		Valuation
Austin.....	51	541,395	50	97,790	+ 453.6	65	69,657	+ 677.2	473	1,604,194	418	1,214,425	+ 32.1
Beaumont.....	195	159,170	236	249,822	- 36.3	137	99,436	+ 60.1	1,674	1,414,646	2,164	2,275,271	- 37.8
Dallas.....	361	2,239,490	400	2,769,282	- 19.1	484	2,611,204	- 14.2	4,731	24,244,623	4,124	24,550,646	- 1.2
El Paso.....	72	107,107	60	55,405	+ 93.3	70	800,228	- 86.6	666	2,040,578	669	1,389,328	+ 46.9
Fort Worth.....	190	540,430	191	1,282,910	- 53.9	245	1,137,285	- 52.5	2,280	7,884,837	2,119	8,931,741	- 11.2
Galveston.....	306	102,288	284	79,423	+ 28.8	300	97,912	+ 4.5	2,920	1,486,254	3,005	2,413,854	- 38.4
Houston.....	536	8,572,730	672	1,662,994	+ 415.5	520	1,976,323	+ 333.8	5,482	28,020,515	5,864	14,690,911	+ 90.7
Port Arthur.....	145	66,200	193	86,048	- 23.1	138	82,938	- 20.2	1,361	977,399	1,621	1,250,442	- 21.8
San Antonio.....	340	694,454	406	1,637,325	- 57.6	326	606,975	+ 14.4	3,259	7,927,633	3,410	7,538,925	+ 5.2
Shreveport.....	293	294,794	340	595,642	- 50.5	261	334,534	- 11.9	2,547	4,799,297	2,911	6,907,968	- 30.5
Waco.....	46	102,318	60	153,934	- 33.5	39	72,690	+ 40.8	595	1,729,534	627	1,790,965	- 3.4
Wichita Falls.....	170	473,976	104	226,832	+ 109.0	159	495,020	- 4.3	1,400	5,070,217	777	2,007,371	+ 152.6
Total.....	2,705	13,894,352	2,996	8,897,407	+ 56.2	2,744	8,384,202	+ 65.7	27,388	87,199,727	27,709	74,961,847	+ 16.3

CEMENT

Reflecting the activity of building in this district, the production of Portland cement from the Texas mills increased materially as compared to the previous month. Production of cement during October was 7.5 per cent above September production, and also showed an increase of 3.4 per cent over October, 1924, production. There

were 335,000 barrels of cement shipped from the mills during October, as compared to 372,000 barrels shipped in September, and 407,000 barrels shipped during October last year. Stocks held at the mills at the close of October were 32.6 per cent greater than those held at the end of September and were 77.7 per cent above October 31, 1924, stocks.

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

	Oct., 1925		Inc. or Dec.	Sept., 1925		Inc. or Dec.	First Ten Months		Inc. or Dec.
	1925	1924		1925	1924		1925	1924	
Production of Texas Mills	429,000	415,000	+3.4	399,000	372,000	+7.5	4,014,000	3,810,000	+5.4
Shipments from Texas Mills	335,000	407,000	-17.7	372,000	288,000	+9.9	4,022,000	3,872,000	+3.9
Stocks at end of the month at Texas Mills	382,000	215,000	+77.7			+32.6			

SUMMARY OF NATIONAL BUSINESS CONDITIONS

(Compiled by the Federal Reserve Board, as of November 25, 1925.)

Industrial activity and the volume of wholesale and retail trade increased in October. Wholesale prices declined somewhat to the level prevailing at mid-year.

PRODUCTION.

The Federal Reserve Board's index of production in basic industries, which makes allowance for seasonal changes, rose by about 4 per cent in October, reflecting increases in the output of most of the 22 commodities included in the index. Particularly large increases in activity were shown for the iron and steel and textile industries, and the output of bituminous coal and of lumber was in large volume. Production of automobiles in October was the largest on record. Payrolls at factories, including industries not covered by the production index, increased in October to the highest level since early 1924. The value of building contracts awarded declined further in October contrary to the usual seasonal tendency in building activity between September and October, but the total was considerably larger than in the corresponding month of any other year. Estimates by the Department of Agriculture in November indicate a corn crop of 3,013,000,000 bushels and a cotton crop of 15,298,000 bales, compared with 2,437,000,000 bushels and 13,628,000 bales in 1924. Marketing of crops was seasonally larger in October than in September, but averaged nearly 10 per cent less than a year ago.

TRADE.

Wholesale trade, according to the Federal Reserve Board's combined index of sales in six leading lines, reached a seasonal peak in October and was in larger volume than for any month of the past five years. Sales at department stores and mail order houses, owing partly to favorable weather conditions, showed considerably more than the usual increase in October and were the largest on record for that month. Stocks of dry goods, shoes and hardware at wholesale firms were smaller at the end of October than on September 30th, but stocks of groceries were larger. Merchandise stocks at department stores showed slightly more than the usual increase in October, and were somewhat larger than at the end of October a year ago.

Freight carloadings reached a seasonal peak in October and totaled more than in any previous month, notwithstanding reduced shipments of anthracite and of grains and grain products.

PRICES.

The Bureau of Labor Statistics index of wholesale prices, after remaining relatively constant for three months, declined from 160 in September to 158 in October, reflecting declines in the prices of agricultural products, particularly grains, livestock, meats, cotton, and sugar. Since November 1 prices of grains, wool, sugar, pig iron and rubber have increased.

BANK CREDIT.

Between the middle of October and the middle of November loans for commercial and industrial purposes at member banks in leading cities continued in a volume about \$450,000,000 larger than at mid-summer. Loans on securities increased further and the total loans on November 11th were about \$1,000,000,000 larger than at the opening of the year. Demand deposits increased further during October and early November to a level near the high point of last January. At the Reserve Banks total bills and securities in November were in the largest volume for the year and about \$200,000,000 larger than a year ago. Member bank borrowing declined somewhat from the high point reached early in October, while acceptance holdings continued to increase and on November 18th were larger than at any previous time for the year. The growth in Reserve bank credit since mid-summer was chiefly in response to the seasonal increase of money in circulation, which, on November 1st, was about \$180,000,000 larger than on August 1st.

During the latter part of October and early part of November open market rates for commercial paper and bankers' acceptances remained substantially unchanged at the levels reached during the early autumn. Discount rates at the Federal Reserve Banks of Boston, Cleveland, Philadelphia, and San Francisco were advanced from 3½ to 4 per cent during November.