

MONTHLY BUSINESS REVIEW

OF THE

FEDERAL RESERVE BANK OF DALLAS

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DISTRICT SUMMARY

THE SITUATION AT A GLANCE Eleventh Federal Reserve District

	September	Change from August
Bank debits to individual accounts (at 17 cities).....	\$804,115,000	+ 8.8%
Department store sales.....		+ 38.9%
Reserve bank loans to member banks at end of month.....	\$ 11,332,987	- 23.8%
Reserve bank ratio at end of month.....	57.8%	+ 4.0 points
Building permit valuation at larger centers.....	\$ 6,213,519	- 13.3%
Commercial failures (number).....	60	+ 25.0%
Commercial failures (liabilities).....	\$ 1,320,965	+ 48.4%
Oil production (barrels).....	24,071,950	- 8.3%
Lumber orders at pine mills (per cent of normal production).....	62%	+ 2.0 points

The heavy soaking rains which fell throughout the Eleventh District during the first week in October relieved the prolonged drouth, left a good season in the ground, and created a brighter outlook for agriculture and business. Farmers are now able to proceed with fall plowing and to complete the seeding of small grains. That portion of the small grain crop already sown has come up to a good stand and is growing rapidly. Late feed crops were benefited to some extent and reports indicate that cotton bolls are maturing more normally. The condition of livestock and their ranges, which had become critical in the drouth-stricken areas prior to the rains, has been greatly improved. Grass and weeds on the ranges have started and with a late frost considerable pasturage should be available during the winter. The movement of livestock to market has been considerably reduced and prices have turned upward.

While trade in both wholesale and retail channels has continued on a considerably smaller scale than a year ago, September business showed a substantial improvement over August. The sales of department stores in leading cities reflected an increase of 39 per cent over the previous month and while they were 2 per cent less than in September, 1929,

the latter comparison was the most favorable in several months. Distribution of merchandise at wholesale again showed a heavy decline from a year ago; yet the increase over the previous month in some lines was more than seasonal in character. This was due in part to the fact that merchants bought very sparingly early in the season and have found it necessary to replenish stocks at frequent intervals as the season progressed. Despite the fact that business is at a low ebb there are some indications of returning optimism and a strengthening of the undertone of confidence.

A significant development in the financial situation during the past month was the sharp up-turn in the commercial loans of reserve city banks. These loans early in October reached the highest point recorded since the last days of February. The daily average of net demand and time deposits rose from \$820,361,000 in August to \$830,125,000 in September, but the increase was considerably less than usual at this season. Federal Reserve Bank loans to member banks reflected a gradual decline during September and remained comparatively stable at around \$10,500,000 during the first half of October. The total of these loans on October 15 amounted to \$10,578,327, which reflects a reduction of \$4,297,497 during the six-week period, and was \$19,379,639 lower than on the same date in 1929. Liquidation during the past six weeks has been general throughout the district.

Construction activity, as measured by the valuation of building permits issued at principal centers, was 13 per cent smaller than a month ago and 4 per cent below September, 1929. The decline from a year ago, however, was the smallest recorded since the decline set in last November. The production and shipments of cement reflected a substantial decline as compared to both the previous month and the corresponding month last year, but shipments and new orders for lumber reflected a slight improvement over the previous month.

BUSINESS

Wholesale Trade

A further seasonal improvement in the distribution of merchandise at wholesale was in evidence during September, when

sales in all reporting lines except drugs showed sizable increases over the previous month. While business continued to be on a much smaller scale than a year ago, the September

comparisons were more favorable than those shown in August. Merchants are adhering to the policy of buying in small lots; yet the fact that purchases were made sparingly early in the season has had a tendency to sustain business during the subsequent month. Collections in all lines were seasonally larger than in the preceding month.

Contrary to the usual downward tendency in September, the demand for dry goods at wholesale in this district registered an increase of 2.3 per cent as compared to August, but it was still 28.7 per cent lower than in September last year. The increase over August was due largely to the fact that merchants bought very sparingly early in the season and have found it necessary to make frequent purchases to supply the consumer demand. Sales during the third quarter of the current year declined 37.7 per cent from the same period of 1929. Business in most sections seems to be retarded by the low price of raw cotton. Prices of cotton goods have continued weak in sympathy with the raw cotton market. Collections during September showed an appreciable increase.

The sales of wholesale drug firms during September were at a slightly lower level than in August, and reflected a decrease of 16.9 per cent from the same month last year. Merchants continue to buy very conservatively and are limiting orders to actual needs. Collections were in larger volume than in the preceding month.

The combined sales of reporting wholesale farm implement firms during September reflected an increase of 14.6 per cent over the preceding month. As against the same month last year, however, they were 37.5 per cent smaller. Buying in most sections is still being restricted to actual necessities. Prices remained firm. There was a seasonal increase in the volume of collections.

An improvement in business during September was indicated by the reports of wholesale grocery firms in the Eleventh District. Sales increased 7.2 per cent over the previous month and were only 6.5 per cent less than in the same month last year. The increase over August was general over the district and in some sections business was larger than a year ago. The demand during the third quarter averaged 10.5 per cent smaller than in the same period of 1929. Prices continued weak. The ratio of September collections to accounts and notes outstanding August 31 was 69.2 per cent.

While the distribution of hardware through wholesale channels showed a further increase of 4.9 per cent over the

previous month, it was 23.5 per cent less than in September of last year. Average sales during the past quarter were 26.9 per cent below a year ago. The volume of September collections reflected an increase over the previous month.

CONDITION OF WHOLESALE TRADE DURING SEPTEMBER, 1930
Percentage of increase or decrease in:

	Net Sales Sept., 1930 compared with Sept. 1929	Net Sales July 1 to date compared with same period last year	Stocks Sept., 1930 compared with Sept. 1929	Ratio of collec- tions during Sept. to accounts and notes outstanding on August 31
Groceries.....	-6.5 + 7.2	-10.5	-13.4 + .1	69.2
Dry goods.....	-28.7 + 2.3	-37.7	-26.7 - 9.8	27.0
Farm implements..	-37.5 +14.6	-43.7	+22.0 - .9	9.3
Hardware.....	-23.5 + 4.9	-26.9	+10.4 - .1	35.9
Drugs.....	-16.9 - .5	-18.2	-8.9 + 1.4	40.1

Retail Trade

A noticeable revival from the summer inactivity was evident during September in the business of department stores in larger centers of the Eleventh District. The demand for fall merchandise was stimulated to some extent during the latter part of the month when the first cool weather of the season made its appearance. Sales of reporting firms were 38.9 per cent greater in September than in August but continued to be less than those in the same month of 1929 by 2.0 per cent. It is significant, however, that this decline is, with two exceptions, February and April, the smallest recorded during the current year. Distribution during the nine months of the current year reflected a decline of 5.9 per cent as compared to the same period of 1929.

While stocks on hand at the close of September showed a seasonal increase of 10.5 per cent over those a month earlier, they were 14.3 per cent less than those held on September 30, 1929. The rate of stock turnover during the first nine months of 1930 was the same as that during the corresponding period of the previous year, which was 2.12.

Collections reflected some improvement during the month. The ratio of September collections to accounts receivable on September 1 was 31.0 per cent as compared to 29.9 per cent in August and 33.7 per cent in September a year ago.

BUSINESS OF DEPARTMENT STORES

	Dallas	Fort Worth	Houston	San Antonio	Others	Total District
Total Sales (Percentage):						
September, 1930, compared with September, 1929.....	-6.8	-3.3	+3.6	+9.4	-7.2	-2.0
September, 1930, compared with August, 1930.....	+31.8	+27.0	+73.1	+35.2	+30.1	+38.9
January 1 to date, compared with same period last year.....	-4.6	-9.7	-9.4	-2.6	-6.3	-5.9
Credit Sales (Percentage):						
September, 1930, compared with September, 1929.....	-6.0	+3.8	+10.2	+9.2	-1.4	+ .9
September, 1930, compared with August, 1930.....	+36.6	+40.4	+94.5	+43.4	-36.1	+48.8
January 1 to date, compared with same period last year.....	-1.9	-1.3	-3.7	+1.3	-1.2	-1.0
Stocks (Percentage):						
September, 1930, compared with September, 1929.....	-10.2	-1.0	-23.1	-25.5	-15.1	-14.3
September, 1930, compared with August, 1930.....	+12.3	+19.6	+2.8	+10.2	+8.4	+10.5
Stock Turnover (Rate)						
Rate of stock turnover in September, 1929.....	.28	.19	.25	.29	.20	.24
Rate of stock turnover in September, 1930.....	.30	.21	.32	.41	.21	.28
Rate of stock turnover January 1 to September 30, 1929.....	2.27	1.82	2.28	2.50	1.74	2.12
Rate of stock turnover January 1 to September 30, 1930.....	2.20	1.75	2.26	2.88	1.75	2.12
Ratio of September collections to accounts receivable and outstanding September 1, 1930..	29.0	28.5	34.4	35.4	31.4	31.0

Commercial Failures

During September there was a further increase in the business mortality rate in the Eleventh Federal Reserve District. The statistics compiled by R. G. Dun & Company showed that defaults during the month numbered 60 with an aggregate indebtedness of \$1,320,965, as compared to 38 in-

solencies in the same month last year with liabilities of \$315,886, and 48 failures in August, owing a total of \$890,025. The number of defaulting firms during the third quarter was larger this year than in 1929, but the combined liabilities were somewhat smaller.

AGRICULTURE

Crop Conditions

The scattered showers during September gave some relief from the prolonged drouth but the moisture needed to facilitate fall plowing and the seeding of small grains did not come until the first week of October when heavy soaking rains fell over the entire district. Since the rains, grass and weeds have started, fall grains are springing up and growing rapidly, and late row crops are showing some improvement. With a good season in the ground, the agricultural situation has taken on a somewhat brighter outlook.

The district's cotton crop showed a further slight deterioration during September. The figures derived from the October 1 report of the Department of Agriculture indicated a production for the Eleventh District of 5,060,000 bales, which is 31,000 bales less than that indicated on September 1, and compares with 4,862,000 bales a year ago. The Texas crop declined 46,000 bales during the month, but the Department's estimate on October 1 was still 335,000 bales above the production in 1929. Practically all the deterioration occurred in West and Northwest Texas as other sections of the State either remained about the same or showed an improvement. According to the report of the Census Bureau ginnings in Texas prior to October 1 amounted to 2,585,000 bales, which approximates 62.6 per cent of the estimated production. In 1929 only 56 per cent of the crop had been ginned prior to that date. While the heavy rains early in October delayed picking and damaged, to some extent, the grade of the opened cotton, reports indicate that late bolls are maturing more normally. The estimated production of the Louisiana crop was 16,000 bales larger than a month earlier but is still considerably below a year ago. A slight improvement also occurred in Arizona and New Mexico.

The indicated production of the Texas corn crop on October 1 was placed by the Department of Agriculture at 88,128,000 bushels, or an average of 18 bushels per acre. Last year the State produced 86,127,000 bushels. The rains during September benefited some of the late planted corn. In those sections of the State where the corn was nearing maturity before the drouth became severe, a good crop is being harvested, but in the remainder of the State, it ranges from fair to a near failure. The estimated production of corn in the Eleventh District, as derived from the report of the Department of Agriculture, amounted to 98,526,000 bushels as compared to 93,075,000 bushels on September 1, and 101,149,000 bushels actually produced in 1929. While the grain sorghums in Texas were benefited to some extent by the scattered rains during September, the crop is still far from good. The condition of the crop on October 1 was placed at 47 per cent, which indicated a production of 37,674,000 bushels as compared to a yield of 46,920,000 bushels a year ago. The crop is generally poor in all sections of Texas, excepting the Central and extreme Northwestern portions. The New Mexico crop was reduced from 2,556,000 bushels on September 1 to 2,343,000 bushels on October 1 and compares with a production of 4,466,000 bushels in 1929. The crop in Arizona remained unchanged during September but a larger crop than a year ago is anticipated. The production of tame hay in Texas was estimated at 715,000 tons on October 1, as compared to an actual yield of 744,000 tons last year. There are only a few counties in Central Texas and a few scattered areas in West Texas which will have a surplus this year.

The indicated production of rice in Texas was reduced from 8,405,000 bushels on September 1 to 8,200,000 bushels on October 1. Last year 7,524,000 bushels were produced. The indicated per acre yield this year is 40 bushels as compared to 44 bushels last year. The threshing of rice made good progress until the last days of September when it was delayed by rains.

The sweet potato crop in Texas showed further deterioration during September and the indicated per acre yield of 60 bushels on October 1 is the lowest outturn since 1924. The total production for the State was estimated at 6,780,000 bushels as compared to 7,384,000 bushels last year. The peanut crop received considerable benefit from the September rains and the indicated per acre yield of 460 pounds on October 1 was 20 pounds per acre larger than that indicated a month earlier. Total production for the current year was estimated at 76,360,000 pounds as compared to 94,080,000 pounds last year. The pecan crop is very poor and according to the Department of Agriculture's report, it is unlikely that the crop will be much more than half of last year's production.

According to the Department of Agriculture, farmers in the lower Rio Grande Valley and the Winter Garden area of Texas will increase the acreage planted to vegetables. Crops for which a considerable increase in acreage is intended include spinach, tomatoes, green peppers, carrots, and cabbage.

Livestock

Ranges and livestock over a large portion of the Eleventh District suffered a further deterioration during September and conditions in the drouth-stricken areas were becoming critical. This was particularly true in the drouth areas of West and Northwest Texas and preparations were being resumed for moving livestock from these sections. Ranges were also short and dry in portions of East Central and Southeastern New Mexico. In the Eastern half of Texas, the rains during September gave grass an excellent start and greatly improved conditions. Since the first of October there have been heavy general rains throughout the district which have effectively broken the drouth, filled the water tanks and left a good season in the ground. Winter weeds and grasses are reviving rapidly and should frost hold off until late, they should provide considerable winter feed.

Cattle ranges in Texas on October 1 remained unchanged at 67 per cent of normal and sheep and goat ranges declined 3 points to 65 per cent of normal. In each instance, the October 1 condition figure was 14 points below that obtaining a year earlier. The condition of cattle in Texas on October 1 was reported as 75 per cent of normal, which was 3 points below the figure a month earlier and 8 points below a year ago. The condition of sheep declined 2 points during the month and that of goats 3 points. The condition of ranges in New Mexico declined 5 points during September and on October 1 was 16 points below the condition figure on that date in 1929. The condition of cattle declined 2 points during the month and that of sheep remained unchanged. The above condition figures, however, do not reflect the improvement that has occurred since the heavy general rains. While the condition of cattle is generally low, cattle are generally strong and in much better condition than might be expected considering the adverse conditions. A considerable improvement should take place following the betterment in range conditions.

**Movements
and Prices**

Heavy shipments of livestock from the drouth areas were reflected in the large receipts at the Fort Worth market. Receipts of cattle, calves, and sheep showed a large increase during September as compared to both the previous month and the corresponding month last year. Arrivals, however, have fallen off considerably since the breaking of the drouth. The receipts of hogs were slightly smaller than in August and showed a substantial decline from September, 1929.

Following the up-turn in the cattle market during late August and the early part of September, prices again turned downward and continued weak until the second week in

FORT WORTH LIVESTOCK RECEIPTS
(Number)

	September 1930	September 1929	Change over Year	August 1930	Change over Month
Cattle.....	84,110	67,824	+16,286	59,639	+24,471
Calves.....	52,199	44,281	+7,918	38,632	+13,567
Hogs.....	14,889	25,914	-11,025	15,743	-854
Sheep.....	54,178	46,308	+7,870	18,054	+36,124

**Operations of
the Federal Re-
serve Bank**

Federal Reserve Bank loans to member banks, after reaching the peak of the season on August 31 at \$14,875,824, showed a gradual decline during September and on the last day they amounted to \$11,332,987. The reduction resulted from the liquidation of borrowings by both reserve city and country banks. The liquidation by country banks has come from the banks throughout the cotton territory as the gathering and marketing of the cotton crop has made rapid progress. Loans during the first half of October showed only minor fluctuations as the decline in the borrowings of country banks was offset by increased borrowings by reserve city banks. These loans on October 15 amounted to \$10,578,327 as compared to \$29,957,966 on the same date in 1929. There were 218 borrowing banks on September 30 as compared to 268 on August 31, and 192 at the close of September, 1929.

Due to the decline in loans to member banks, total bills held had declined from \$22,153,272.23 on August 31 to \$19,745,752.36 on September 30, distributed as follows:

Member banks' collateral notes secured by United States Government obligations.....	\$ 1,316,000.00
Rediscounts and all other loans to member banks.....	10,016,986.94
Open market purchases (Bankers' acceptances).....	8,409,099.92
Discounts for non-member banks.....	3,665.50

Total bills held.....\$19,745,752.36

Federal reserve notes in actual circulation amounted to \$34,929,770 on September 30 which was \$577,375 greater than a month earlier. It should be observed that the increase this year has been considerably less than normal and the amount in circulation on September 30 was \$16,727,200 below the circulation on the same date in 1929. In fact, the circulation of these notes on September 30 this year was smaller than on any similar date since 1916. The daily average reserve deposits of member banks during September amounted to \$58,466,990 as compared to \$57,561,455 in August and \$62,780,088 in September, 1929.

**Deposits of
Member Banks**

A seasonal increase in the combined daily average of net demand and time deposits of member banks occurred between August and September, but it was less than usual and the September figure was considerably below a year ago. The total

October. The brighter prospects for range feed during the winter greatly reduced the market supply and prices showed a fair to good advance. Sheep and lamb values reached the lowest level in many years during the first days of October but the greatly reduced supply during the following week brought about some recovery in the market. The strong market for hogs during August, which carried prices to the highest level recorded during the past year, ran its course during the first half of September and was followed by a sharp reaction. A considerable portion of the loss, however, was regained during the second week in October.

COMPARATIVE TOP LIVESTOCK PRICES
(Dollars per hundred weight)

	September 1930	September 1929	August 1930
Beef steers.....	\$10.00	\$13.00	\$ 8.50
Stocker steers.....	7.00	11.50	6.00
Butcher cows.....	5.50	9.00	5.50
Stocker cows.....	5.85	6.25	3.25
Calves.....	8.50	12.00	10.00
Hogs.....	10.75	10.90	10.55
Sheep.....	4.50	8.50	4.00
Lambs.....	8.00	12.75	8.25

FINANCE

for September amounted to \$830,125,000 as compared to \$820,361,000 in August, and \$892,636,000 in September, 1929. The daily average of net demand deposits rose from \$579,092,000 in August to \$592,530,000 in September but this increase was partially offset by a decline of \$3,674,000 in the daily average of time deposits.

DAILY AVERAGE DEPOSITS OF MEMBER BANKS
(In thousands of dollars)

	Combined Total Net demand deposits	Time deposits	Reserve City Banks Net demand deposits	Time deposits	Country Banks Net demand deposits	Time deposits
Sept., 1929.....	\$658,520	\$234,116	\$266,795	\$136,950	\$391,725	\$ 97,166
Oct., 1929.....	674,587	225,673	282,680	134,198	391,957	91,475
Nov., 1929.....	668,818	222,773	281,609	132,235	387,209	90,538
Dec., 1929.....	663,839	220,111	279,611	131,879	384,228	88,232
Jan., 1930.....	659,110	225,469	270,951	131,152	388,159	94,317
Feb., 1930.....	655,119	232,758	268,197	136,111	386,922	96,647
Mar., 1930.....	639,586	229,358	269,635	132,932	369,951	96,428
April, 1930.....	630,029	237,274	271,647	135,980	358,382	98,294
May, 1930.....	623,282	241,429	269,958	142,181	353,324	99,248
June, 1930.....	603,020	244,026	260,854	143,753	342,166	100,273
July, 1930.....	591,565	240,952	261,127	142,482	330,438	98,470
Aug., 1930.....	579,092	241,269	256,176	141,675	322,916	99,594
Sept., 1930.....	592,530	237,595	262,310	139,940	330,220	97,655

**Condition of
Member Banks
in Selected
Cities**

The loans and investments of member banks in selected cities reflected a substantial increase during September. The investments of these banks in United States securities rose from \$59,920,000 on September 10 to \$68,892,000 on October 8 and investments in other stocks and bonds increased \$2,518,000 during the

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

	October 8, 1930	Sept. 10, 1930	October 9, 1929
United States securities owned.....	\$ 68,892	\$ 59,920	\$ 74,105
All other stocks, bonds, and securities owned.....	47,718	45,200	41,728
Loans on securities.....	94,722	98,736	106,432
All other loans.....	243,532	232,980	277,836
Total loans.....	338,254	331,716	384,268
Net demand deposits.....	278,910	278,636	295,837
Time deposits.....	149,075	148,688	140,452
Reserve with Federal Reserve Bank.....	32,754	34,535	33,818
Bills payable and rediscounts with Federal Reserve Bank.....	2,086	2,357	21,479

same period. While loans on securities declined \$4,014,000 during this period, "all other" loans (largely commercial) rose \$10,552,000 and on October 8 stood at the highest point reached since the last days of February. They were, however, still \$34,304,000 below the total on October 9, 1929. The net demand and time deposits of these banks showed only a slight increase during the period. While time deposits on October 8 were \$8,623,000 greater than a year ago, net demand deposits were \$16,927,000 smaller. The bills payable and rediscounts of these banks with the Federal Reserve Bank amounted to \$2,086,000 on October 8 as compared to \$2,357,000 on September 10, and \$21,479,000 on October 9, 1929.

Acceptance Market

Acceptances executed by banks in this district rose from a total of \$5,891,431 on August 31 to \$6,952,731 on September 30.

While the latter figure compares with \$6,390,833 on the same date last year, the increase during the month was slightly smaller than is usual at this time of the year. The volume of acceptances executed against import and export transactions amounted to \$2,390,003 on the last day of September, reflecting a gain of \$823,532. Those based upon the domestic shipment and storage of goods rose \$237,768 during the month, and on September 30 aggregated \$4,562,728.

Debits to Individual Accounts

Charges to depositors' accounts at principal cities in the Eleventh Federal Reserve District in September showed a seasonal increase of 8.8 per cent as compared to the previous month, but were 18.1 per cent smaller than in

the same month last year. The volume of debits during September amounted to \$804,115,000, as against \$739,302,000 in August, and \$981,231,000 in September, 1929.

DEBITS TO INDIVIDUAL ACCOUNTS (In thousands of dollars)

	September 1930	September 1929	Percentage change over Year	August 1930	Percentage change over Month
Abilene.....	\$ 6,342	\$ 9,986	-36.5	\$ 6,884	-7.9
Austin.....	20,749	22,928	-9.5	16,786	+23.6
Beaumont.....	23,177	26,792	-13.5	22,045	+5.1
Corsicana.....	5,078	7,640	-33.5	4,625	+9.8
Dallas.....	221,860	267,390	-17.0	190,588	+16.4
El Paso.....	30,387	35,645	-14.8	33,063	-8.1
Fort Worth.....	89,123	108,732	-18.0	82,660	+7.8
Galveston.....	31,676	42,892	-26.1	28,813	+9.9
Houston.....	190,724	221,892	-14.0	174,736	+9.1
Port Arthur.....	10,126	13,479	-24.9	10,627	+4.7
Roswell.....	3,647	4,257	-14.3	3,434	+6.2
San Antonio.....	79,064	87,391	-9.5	78,203	+1.1
Shreveport.....	34,886	54,723	-36.2	32,794	+6.4
Texarkana*.....	10,194	16,428	-37.9	11,893	-14.3
Tucson.....	8,831	10,409	-15.2	8,214	+7.5
Waco.....	16,958	24,467	-30.7	13,839	+22.5
Wichita Falls....	21,293	26,180	-18.7	20,098	+5.9
Total.....	\$804,115	\$981,231	-18.1	\$739,302	+8.8

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

Savings Deposits

The volume of savings deposits held by 88 reporting banks in this district increased 0.4 per cent during September and on the last day of the month aggregated \$154,132,006. As compared to the same date last year, this amount reflected a gain of 2.2 per cent. The number of savings depositors at 80 of these banks showed a decline from August 31 but was still larger than a year ago.

SAVINGS DEPOSITS

	Number of Reporting Banks	September 30, 1930 Number of Savings Depositors	September 30, 1930 Amount of Savings Deposits	September 30, 1929 Number of Savings Depositors	September 30, 1929 Amount of Savings Deposits	Percentage Change Over Year in Savings Deposits	August 31, 1930 Number of Savings Depositors	August 31, 1930 Amount of Savings Deposits	Percentage Change Over Month in Savings Deposits
Beaumont.....	4*	5,617	\$ 2,699,778	5,564	\$ 2,586,878	+ 4.4	5,645	\$ 2,656,947	+ 1.6
Dallas.....	4	65,029	26,929,849	64,305	25,351,382	+ 6.2	68,072	26,943,450	- .1
El Paso.....	2	16,281	5,884,008	15,453	5,814,889	+ 1.2	16,329	5,929,358	- .8
Fort Worth.....	2	18,801	7,578,186	17,958	7,323,037	+ 3.5	19,002	7,760,054	- 2.3
Galveston.....	3	13,748	8,300,961	13,811	8,867,295	- 6.4	13,918	8,141,279	+ 2.0
Houston.....	11*	73,734	35,387,729	77,455	34,902,793	+ 1.4	73,462	35,056,128	+ .9
Port Arthur.....	2	4,884	1,814,546	4,939	2,004,375	- 9.5	4,879	1,790,985	+ 1.3
San Antonio.....	7*	32,407	23,195,685	30,822	22,832,431	+ 1.6	32,056	23,045,416	+ .7
Shreveport.....	4*	20,854	13,323,430	21,236	11,505,772	+15.8	20,962	13,082,545	+ 1.8
Waco.....	2	10,535	6,869,785	10,021	6,846,127	+ .3	10,649	7,001,228	+ 1.9
Wichita Falls.....	4	3,742	1,652,684	4,215	1,613,342	+ 2.4	3,746	1,644,888	+ .5
All others.....	43*	40,988	20,495,365	38,935	21,187,681	- 3.3	41,050	20,411,962	+ .4
Total.....	88	306,620	\$154,132,006	304,714	\$150,836,002	+ 2.2	309,770	\$153,464,240	+ .4

*Only 3 banks in Beaumont, 10 banks in Houston, 6 banks in San Antonio, 3 banks in Shreveport, and 39 banks in "All others" reported the number of savings depositors.

OCTOBER DISCOUNT RATES

Prevailing Rates:

	Dallas	El Paso	Fort Worth	Houston	San Antonio	Waco
Rate charged customers on prime commercial paper such as is now eligible for rediscount under the Federal Reserve Act.....	4-6	6-8	5-7	5-6	5-7	6-8
Rate charged on loans to other banks secured by bills receivable.....	5-6	5-6	5-6	5-6½	6	5½-6
Rate on loans secured by prime stock exchange or other current collateral (not including loans placed in other markets through correspondent banks):						
Demand.....	5-7	6-8	6-7	5-6	6-8	6-8
Time.....	5-8	6-8	6-7	5-6	6-8	6-8
Rate charged on commodity paper secured by warehouse receipts, etc.....	5-6	8	6	5-6	6-8	6-8
Rate on cattle loans.....	6-7	6-8	6-8	7-8	6-8	8

INDUSTRY

Textile Milling
The recession in the textile industry in the Eleventh District, which has been evident during the preceding six months, continued through September. Production of cloth by reporting mills was 14.3 per cent less than in August, and 37.6 per cent below that in September, 1929. There were

1,602 bales of raw cotton consumed during the month compared with 1,681 bales in the previous month and 2,571 bales in the corresponding month last year. The volume of orders on hand at reporting mills on September 30 was considerably less than that held at the close of August, 1930, or September, 1929, while stocks reflected an increase

over both dates.

The domestic consumption of cotton reflected a moderate gain during September as compared to the previous month, but was substantially below that of September, 1929. There were 394,321 bales consumed during the month as compared to 352,335 bales in August and 545,834 bales in September, 1929. During the two months of the current season consumption was 32.4 per cent less than in the corresponding period of the previous season. Cotton on hand at consuming establishments on September 30 was in smaller volume than that held on August 31, but was greater than on the same date of 1929.

TEXTILE MILLING STATISTICS—TEXAS

	September 1930	September 1929	August 1930
Number bales consumed.....	1,602	2,571	1,681
Number spindles active.....	83,239	89,716	82,965
Number pounds cloth produced.....	769,460	1,232,226	897,753

COTTON CONSUMED AND ON HAND (Bales)

	September 1930	September 1929	August 1 to September 30 This Season	Last Season
Cotton growing states:				
Cotton consumed.....	314,623	423,189	598,354	851,960
On hand September 30 in—				
Consuming establishments.....			639,708	522,580
Public storage and com- presses.....			4,897,547	3,037,350
United States:				
Cotton consumed.....	394,321	545,834	746,656	1,104,588
On hand September 30 in—				
Consuming establishments.....			967,936	780,772
Public storage and com- presses.....			5,247,525	3,208,546

Cottonseed Products

The September receipts and crushings of cottonseed at Texas and all United States mills reflected a substantial increase over both the previous month and the corresponding month last year. Production of cottonseed products during the two months of the current season, with the exception of linters at Texas mills, evidenced an increase over the same period of 1929. Stocks of crude oil on hand on September 30 were smaller than on the same date last year, while those of all other products were larger.

The average price received for all products shipped from mills reporting to the Federal Reserve Bank declined during the three-week period from September 20 to October 11. Crude oil declined from \$.0641 per pound on the former date to \$.0613 per pound on the latter date. Cake and meal sold at an average price of \$35.00 per ton and hulls \$9.11 per ton on September 20, as compared to \$31.25 per ton and \$9.04 per ton, respectively, on October 11. The average price received for linters decreased from \$.0208 per pound

STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS

	Texas		United States	
	August 1 to September 30 This Season	Last Season	August 1 to September 30 This Season	Last Season
Cottonseed received at mills (tons).....	546,863	422,690	1,376,994	1,156,413
Cottonseed crushed (tons).....	279,386	234,576	727,395	609,071
Cottonseed on hand (tons).....	302,198	208,229	695,033	588,948
Crude oil produced (pounds).....	81,117,708	66,956,203	218,779,241	184,338,516
Cake and meal produced (tons).....	131,794	111,873	327,568	271,285
Hulls produced (tons).....	77,092	62,744	202,667	165,815
Linters produced (running bales).....	46,029	49,733	127,091	125,419
Stocks on hand September 30:				
Crude oil (pounds).....	14,549,605	19,708,820	45,091,216	47,305,339
Cake and meal (tons).....	36,204	24,337	116,396	82,541
Hulls (tons).....	35,843	41,414	92,289	88,609
Linters (running bales).....	61,326	39,520	179,982	101,185

on September 20 to \$.0193 per pound three weeks later. There were 22,914 tons of cottonseed purchased by 48 reporting mills during the week ending October 11, for which an average price of \$27.23 per ton was paid.

Cotton Movements

The heavy seasonal movements of cotton to concentration points was reflected in the receipts at the ports of Houston and Galveston. Receipts and exports at Galveston during September were materially larger than in August, but smaller than a year ago, while those at Houston showed a large increase over both periods. Stocks at both ports on September 30 were considerably larger than a year ago. Total foreign exports from the United States during September showed a very large seasonal increase over August, and for the second consecutive month were larger than in the corresponding month last year. Exports so far this season are 33 per cent above those during the corresponding period last season. While the increase in demand for cotton was general, Germany and France were the heaviest importers. There was also a heavy demand from Japan.

COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON (Bales)

	September 1930	September 1929	August 1 to September 30 This Season	Last Season
Receipts.....	200,247	265,556	249,800	318,768
Exports.....	79,910	134,579	111,227	169,644
Stocks September 30.....			323,825	224,719

COTTON—GALVESTON STOCK STATEMENT (Bales)

	Sept. 30, 1930	Sept. 30, 1929
For Great Britain.....	4,500	10,200
For France.....	3,600	8,100
For other foreign ports.....	15,900	42,200
For coastwise ports.....	500	5,500
In compresses and depots.....	299,625	158,719
Total.....	323,825	224,719

COTTON MOVEMENTS THROUGH THE PORT OF HOUSTON (Bales)

	September 1930	September 1929	August 1 to September 30 This Season	Last Season
Receipts.....	645,405	447,389	883,615	538,870
Exports.....	280,013	205,529	375,399	256,704
Stocks September 30.....			1,005,029	393,000

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

	August 1 to September 30 This Season	Last Season
Receipts.....	2,330,285	1,820,376
Exports:		
United Kingdom.....	180,952	165,011
France.....	209,613	128,543
Italy.....	69,358	104,469
Germany.....	441,492	270,263
Other Europe.....	138,577	142,367
Japan.....	170,014	101,302
All other countries.....	58,986	39,939
Total foreign ports.....	1,268,992	951,894
Stocks at all United States ports September 30.....	2,660,335	1,214,205

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

	September, 1930		October 15, 1930
	High	Low	
New York.....	11.65	10.25	10.40
New Orleans.....	11.12	9.78	10.23
Dallas.....	10.65	9.40	9.65
Houston.....	11.30	10.00	10.20
Galveston.....	11.30	10.05	10.30

Petroleum

Crude oil production in Texas and North Louisiana during September aggregated only 24,671,950 barrels, as compared to 26,904,350 barrels in August and 27,299,250 barrels in September, 1929. While the decrease of 2,232,400 barrels from the previous month was partly accounted for by the smaller number of days in September, the daily average output likewise showed a further decline. Field activity was on a noticeably smaller scale, there being only 442 wells completed in September as against 695 in August, and 718 in the same month last year. Flush production of new wells aggregated 108,828 barrels during the month, as compared to 251,929 barrels for the preceding month and 173,864 barrels for September a year ago.

Daily output of Texas fields dropped from 826,406 barrels in August to 780,317 barrels in September. With

OIL PRODUCTION—(Barrels)

	September, 1930		Increase or Decrease Over August, 1930	
	Total	Daily Avg.	Total	Daily Avg.
North Texas.....	4,520,300	150,677	— 847,900	—22,491
Central West Texas.....	9,574,150	319,138	— 902,700	—18,825
East Central Texas.....	1,246,650	41,555	+ 11,450	+ 1,710
Texas Coastal.....	5,231,000	174,367	— 290,750	— 3,754
Southwest Texas.....	2,837,400	94,580	— 179,200	— 2,720
Total Texas.....	23,409,500	780,317	—2,209,100	—46,089
North Louisiana.....	1,262,450	42,081	— 23,300	+ 605
Total District.....	24,671,950	822,398	—2,232,400	—45,484

SEPTEMBER DRILLING RESULTS

	Com- pletions	Pro- ducers	Gas Wells	Fail- ures	Initial Production
North Texas.....	88	38	17	33	11,855
Central West Texas.....	135	65	6	64	14,766
East Texas.....	25	22	1	2	43,676
Southwest Texas.....	50	43	4	3	21,402
Texas Coastal.....	65	45	4	16	15,276
Texas Wild-Cats.....	25	4	..	21	350
Total Texas.....	388	217	32	139	107,325
North Louisiana.....	54	14	22	18	1,503
September totals, district.....	442	231	54	157	108,828
August totals, district.....	695	357	80	258	251,929

CRUDE OIL PRICES

	October 14, 1930	October 15, 1929
Texas coastal grade "A".....	\$1.15	\$1.30
North and Central Texas and North Louisiana (44 gr. and above).....	1.57	1.85

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

the exception of East Central Texas all major sections of the State participated in the decline. Darst Creek has attracted more attention than perhaps any other producing area, and it was the only one in which the initial production of new wells registered a perceptible increase over the preceding month. A material decline in drilling activity was reported for North Louisiana.

Lumber

While a further slight curtailment of production was reflected at the district's lumber mills during September, the demand as measured by shipments and new orders evidenced an improvement. Production, however, was still exceeding shipments by a small margin. During the four-week period ending October 4, shipments amounted to 67 per cent of normal production, which was 4 points above those for the previous four weeks. Orders increased from 60 per cent of normal production during the four weeks ending September 6 to 62 per cent for the period closing October 4. Unfilled orders for lumber on the books of 48 mills on October 4 were 8.8 per cent less than those of 42 mills on September 6.

While the trend of business in the lumber industry seems to be somewhat better, there has been little or no change in the price situation.

PINE MILL STATISTICS

(Four-week period, ending October 4, 1930)

Number of reporting mills.....	48
Production.....	54,373,000 feet
Shipments.....	53,779,000 feet
Orders.....	49,380,000 feet
Unfilled orders October 4.....	29,532,000 feet
Normal production.....	79,844,000 feet
Stocks, October 4.....	314,663,000 feet
Shipments below normal production.....	26,065,000 feet—33%
Actual production below normal.....	25,471,000 feet—32%
Orders below normal production.....	30,464,000 feet—38%

(Lumber statistics compiled by the Southern Pine Association, New Orleans, La.)

Building

Activity in the building industry during September, as measured by the valuation of construction permits issued at principal cities in this district, reflected a recession of 13.3 per cent as compared to the previous month. Total valuation, which amounted to \$6,213,519, was only 3.9 per cent below that reported for September, 1929. Beaumont, Dallas, and Houston showed noticeable increases over both the previous month and the same month last year. As compared to the same period in 1929, the valuation of building permits issued during the first three quarters of the current year registered a decrease of 29.6 per cent.

BUILDING PERMITS

	September, 1930		September, 1929		Percentage Change Valuation Over Year	August, 1930		Percentage Change Valuation Over Month	Nine Months				Percentage Change Valuation Over Period
	No.	Valuation	No.	Valuation		No.	Valuation		1930		1929		
									No.	Valuation	No.	Valuation	
Amarillo.....	48	\$ 84,005	53	\$ 69,165	+ 21.5	44	\$ 103,114	— 18.5	512	\$ 1,661,367	441	\$ 1,411,388	+17.7
Austin.....	66	80,901	102	220,083	— 63.2	71	160,722	— 49.7	832	2,846,660	796	2,582,216	+10.2
Beaumont.....	161	782,100	167	186,140	+320.2	158	182,452	+328.7	1,313	2,378,634	1,580	2,216,406	+ 7.3
Corpus Christi.....	59	33,525	78	282,245	— 88.1	42	45,015	— 25.5	502	940,888	604	1,837,958	—43.8
Dallas.....	370	1,920,191	303	768,367	+149.9	273	941,165	+104.0	2,987	8,366,452	2,628	7,057,383	+18.5
El Paso.....	96	210,819	111	264,977	— 20.4	90	183,972	+ 14.6	1,000	2,407,514	1,009	2,715,473	—11.3
Fort Worth.....	187	588,708	236	1,411,397	— 58.3	162	3,207,531	— 81.6	2,119	8,648,592	2,743	9,327,914	— 7.3
Galveston.....	155	79,341	161	99,363	— 20.2	93	87,478	— 9.3	1,116	987,183	1,660	3,432,000	—71.2
Houston.....	302	1,873,506	530	1,622,669	+ 15.5	310	1,342,092	+ 39.6	2,946	14,053,478	4,195	23,928,949	—41.3
Port Arthur.....	100	48,094	165	213,665	— 77.5	94	427,636	— 88.8	972	2,535,663	1,192	2,333,821	+ 8.6
San Antonio.....	251	324,795	376	806,040	— 59.7	253	245,870	+ 32.1	2,485	5,981,135	3,240	13,802,370	—56.7
Shreveport.....	167	84,205	232	313,909	— 73.2	152	94,544	— 10.9	1,551	1,414,079	2,335	3,007,390	—53.0
Waco.....	26	81,072	40	119,110	— 31.9	24	111,240	— 27.1	297	959,314	401	2,167,260	—55.7
Wichita Falls.....	20	22,257	27	88,548	— 74.9	28	36,875	— 39.6	209	884,697	309	935,227	— 5.4
Total.....	2,008	\$6,213,519	2,581	\$6,465,678	— 3.9	1,794	\$7,169,706	— 13.3	18,841	\$54,065,665	23,133	\$ 76,755,755	—29.6

Cement

Production and shipments of portland cement during September at Texas mills showed a recession as compared to both the preceding month and the same month last year. There were 679,000 barrels of cement produced in September, as against 697,000 barrels in August, and 707,000 barrels in September, 1929. Ship-

ments during the month amounted to 599,000 barrels, being 5.5 per cent smaller than in the previous month and 11.9 per cent less than in the same month a year ago. Stocks on hand September 30 aggregated 707,000 barrels, reflecting a gain of 12.8 per cent over August 31 and an increase of 43.4 per cent over September 30, 1929.

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

	September 1930	Percentage Change Over		January through September 30	Percentage Change Over Year
	Number	Month	Year	Number	
Production at Texas mills.....	679	- 2.6	- 4.0	5,403	+1.2
Shipments from Texas mills.....	599	- 5.5	-11.9	5,508	+2.6
Stocks at end of month at Texas mills.....	707	+12.8	+43.4

SUMMARY OF NATIONAL BUSINESS CONDITIONS

(Compiled by the Federal Reserve Board, October 22, 1930)

The volume of factory production increased by about the usual seasonal amount in September, while factory employment increased somewhat less than in other recent years. The general level of prices, which had advanced during August, declined during September and the first half of October. At member banks in leading cities there was a liquidation of security loans, and a considerable growth in commercial loans and investments.

INDUSTRIAL PRODUCTION AND EMPLOYMENT

Output of factories increased seasonally in September, while that of mines declined. The Board's seasonally adjusted index of production in factories and mines, which had shown a substantial decrease for each of the preceding four months, declined by about one-half per cent in September. Production of iron and steel, lumber, and cement decreased and the output of automobiles continued to be in small volume. Activity in the textile industries including cotton, wool and silk, increased substantially, and the stocks of cotton cloth were further reduced. At bituminous coal mines there was an increase in output of more than the seasonal amount; output of copper was larger than in August, and there was a further increase in stocks of copper. Anthracite coal and petroleum production and shipments of iron ore declined. Employment in manufacturing establishments increased less than is usual at this season, the increase being chiefly in fruit and vegetable canning and in clothing industries, while reductions in number of employees were reported for the iron and steel, automobile, and lumber industries. Outside of factories increased employment was reported in retail establishments and coal mines. Residential building increased materially in September, contrary to the usual seasonal trend, while the volume of contracts for commercial buildings and public works and utilities decreased. Total value of building contracts awarded, as reported by the F. W. Dodge Corporation, showed little change during the month. In the first ten days of October there was an increase in the daily average volume of contracts awarded. The Department of Agriculture estimates based on October 1 conditions, indicate somewhat larger crops than the esti-

mates made a month earlier for cotton, corn, oats, hay, potatoes, and tobacco.

DISTRIBUTION

Freight car loadings continued at low levels during September, the increases reported for most classes of freight being less than ordinarily occur in this month. Dollar volume of department stores sales increased by nearly 30 per cent, an increase about equal to the estimated seasonal growth.

WHOLESALE PRICES

The index of wholesale prices on the average for the month of September as a whole, according to the Bureau of Labor Statistics, was at about the same level as in July and August. The movement of prices, however, was upward in August, reflecting chiefly advances in the prices of livestock and meats, while in September the movement was downward, reflecting declines in a large number of commodities, including grains, livestock, meats, cotton and copper. In the first half of October, there were wide fluctuations in many agricultural prices, decreases in prices of non-ferrous metals, and considerable increases in the prices of sugar and coffee.

BANK CREDIT

Security loans of reporting member banks in leading cities increased in the latter part of September, but declined rapidly in October, the decline reflecting a large volume of liquidation in loans to brokers and dealers in securities. Commercial loans, which up to the last week in September had not shown the usual seasonal growth, increased by \$150,000,000 in the following three weeks. The banks' holdings of investments continued to increase. In response to the seasonal demand for currency, outstanding volume of reserve bank credit showed an increase of \$30,000,000 on the average between the weeks ending September 20 and October 18. Money rates in the open market continued at low levels. The yield on high grade bonds declined further until early in October when bond prices declined and there was a corresponding rise in yields.