

# 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

	October 1930	Change from September
Bank debits to individual accounts (at 17 cities).....	\$868,558,000	+ 8.0%
Department store sales.....		+ 9.8%
Reserve bank loans to member banks at end of month.....	\$ 9,900,255	- 12.6%
Reserve bank ratio at end of month.....	60.8%	+ 3.0 points
Building permit valuation at larger centers.....	\$ 5,163,049	- 16.9%
Commercial failures (number).....	51	- 15.0%
Commercial failures (liabilities).....	\$ 839,861	- 36.4%
Oil production (barrels).....	25,410,050	+ 3.0%
Lumber orders at pine mills (per cent of normal production).....	66%	+ 4.0 points

weather for a reasonable period, livestock generally should go into the winter in good shape.

After showing some improvement during September, the distribution of merchandise slackened somewhat in October. While the sales of department stores in larger centers exceeded those of the previous month by 10 per cent, the increase was less than normal and sales for the month were 8 per cent under those of a year ago. The distribution of merchandise at wholesale was in smaller volume than in either the previous month or in the same month last year. Reports indicate that merchants are continuing a very conservative buying policy and that orders largely represent fill-in merchandise. Collections have shown a seasonable increase but are smaller than usual at this season.

The commercial loans of banks in reserve cities reflected a further slight increase and deposits rose to a higher level. The deposits of country banks, however, showed a decline. The daily average of combined net demand and time deposits of member banks in this district, which amounted to \$831,071,000 in October, reflected a slight increase over that for September, but was \$69,189,000 less than during October, 1929. Federal Reserve Bank loans to member banks declined from \$11,332,987 on September 30 to \$8,198,043 on November 15, and on the latter date were \$17,627,709 less than on the corresponding date a year ago. The decline during the past six weeks was due entirely to the retirement of loans by country banks.

The valuation of building permits issued at principal centers during October reached the lowest level recorded since June. The October volume was 17 per cent smaller than a month earlier and 39 per cent below October a year ago. Production and shipments of lumber showed no change from the previous month, but new orders received were in larger volume. The production and shipments of cement reflected a large decline as compared to both the previous month and the corresponding month a year ago.

A material improvement in the outlook for livestock and agriculture made its appearance during the past thirty days, following the heavy general rains during October. According to the November 1 report of the Department of Agriculture, the prospective production of principal feed crops and some minor crops is substantially larger than was indicated a month earlier and in some instances will exceed the actual production of a year ago. Under the stimulus of ample moisture and favorable weather conditions, small grains have made rapid growth and in many areas are furnishing considerable supplemental pasturage. A good season is now in the ground in all sections of the district, which will enable farmers to proceed with winter plowing. The additional revenue from minor crops and the increased supply of feed will assist farmers in meeting maturing obligations and will serve to reduce the outlay for making 1931 crops. On the other hand, the indicated yield of cotton was slightly lower than a month earlier and the rains slowed down picking operations, damaged open cotton, and lowered the grade. The physical condition of livestock and their ranges showed rapid improvement and these are now in better condition than in several months. With the continuance of favorable

### BUSINESS

#### Wholesale Trade

There was a noticeable slowing down during October in the demand for merchandise at wholesale in the Eleventh Federal

Reserve District. Hardware and farm implements were the only reporting lines to show increases over the preceding month, and these were not as large as is usual at this time of the year. Sales for all lines in October registered a greater decline as compared to the same month a year ago

than they showed in September. The poor return from agriculture, together with low production in many areas as a result of the summer drouth, has caused farmers generally to limit purchases to actual necessities. A seasonal improvement in collections was shown in all lines, but the increase was smaller than usual at this season.

The past month witnessed a material falling off in the demand for dry goods at wholesale in this district. Sales

were 13.8 per cent lower than in September, and they reflected a decline of 35.7 per cent as compared to October last year. Orders are small and continue to be made principally for fill-in purposes. Cumulative sales from July 1 through October 31 were 37.2 per cent below the same period in 1929. Wholesalers reduced their stocks 10.4 per cent during the month. While collections were slower than is usual at this season, they reflected a further increase of 19.7 per cent over the preceding month.

After showing a seasonal gain during the preceding three months, business in the wholesale grocery line turned downward in October. Sales were 3.0 per cent smaller than in September and 12.9 per cent below October last year. From July 1 to October 31 sales averaged 11.5 per cent less than in the corresponding period of 1929. Reports indicate that inventories at the end of October were larger than a month earlier but smaller than a year ago. Prices showed a downward trend. There was a further improvement in collections, but it was not general.

Contrary to the usual seasonal trend, the sales of reporting wholesale drug firms reflected a decline of 5.6 per cent as compared to the previous month and were 22.9 per cent smaller than in the same month of 1929. Buying has been slow in practically all sections of the district as merchants are maintaining a cautious policy and are making commitments mainly as requirements are disclosed. Collections during the month showed a slight improvement.

The demand for farm implements at wholesale during October, while 10.6 per cent greater than in September, showed less than the usual seasonal expansion and sales were 49.5 per cent less than in the same month of 1929. Distribution during the four months ending October 31 was 45.5 per cent smaller than in the same months of 1929. Prices showed no material change. The low prices being received for agricultural commodities continued as a deterrent factor. Collections reflected a substantial increase over the previous month but were smaller than usual at this season.

The demand for hardware at wholesale during October was somewhat spotty, being fair to good in some sections of this district and poor in others. While there was a further net increase of 7.4 per cent over the preceding month, October sales showed a decline of 25.5 per cent as compared to the same month last year. There was a decline of 27.1 per

cent in sales during the period July 1 to October 31, as compared to the corresponding period in 1929. There was a seasonal increase in collections.

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

	Net Sales October, 1930 compared with Oct. 1929		Net Sales July 1 to date compared with same period last year		Stocks October, 1930 compared with Oct. 1929		Ratio of collec- tions during Oct. to accounts and notes outstanding on September 30
	1929	1930	1929	1930	1929	1930	
Groceries.....	-12.9	-3.0	-11.5	-11.9	+11.8	72.5	
Dry goods.....	-35.7	-13.8	-37.2	-23.1	-10.4	30.4	
Farm implements..	-49.5	+10.6	-45.5	+18.8	+4.4	7.7	
Hardware.....	-25.5	+7.4	-27.1	+8.8	-1.9	38.5	
Drugs.....	-22.9	-5.6	-19.4	-13.4	+3.7	41.2	

### Retail Trade

The October volume of retail distribution in larger cities, as reflected by department store sales, evidenced a further seasonal increase of 9.8 per cent as compared to September, but continued to be less than in the corresponding month of 1929, by 7.7 per cent. In an effort to stimulate sales, merchants have been advertising extensively and have given wide publicity to price reductions. Some lines of seasonal merchandise have been moving in good volume, while others have reflected a substantial decline. The departments showing increases in October as compared to the same month in 1929 included the following: gloves, knit underwear, women's coats, juniors' and girls' wear, and furs. The departments reflecting a noticeable decline were as follows: neckwear and scarfs, handkerchiefs, women's and children's shoes and hosiery, women's suits and dresses, and misses' dresses, all men's and boys' wear, most piece goods, and home furnishings.

Stocks on hand on October 31 were 10.2 per cent greater than at the close of September but were 9.1 per cent less than a year earlier. The rate of stock turnover during the first ten months of 1930 was 2.40 as against 2.39 in the same period of 1929.

Collections reflected a substantial seasonal increase during the month. The ratio of October collections to accounts outstanding on October 1 was 34.9 per cent as compared to 31.0 per cent a month earlier and 37.8 per cent in October, 1929.

### BUSINESS OF DEPARTMENT STORES

	Dallas	Fort Worth	Houston	San Antonio	Others	Total District
<b>Total Sales (Percentage):</b>						
October, 1930, compared with October, 1929.....	-9.1	-3.6	-6.7	-2.6	-13.5	-7.7
October, 1930, compared with September, 1930.....	+19.5	+24.2	-8.9	-2	+13.8	+9.8
January 1 to date, compared with same period last year.....	+5.2	-8.9	-9.1	-1.0	-7.2	-6.4
<b>Credit Sales (Percentage):</b>						
October, 1930, compared with October, 1929.....	-8.9	+8	-3.1	-3.4	-3.3	-5.0
October, 1930, compared with September, 1930.....	+18.7	+25.1	-10.5	+1.4	+17.1	+11.0
January 1 to date, compared with same period last year.....	-2.9	-1.0	-3.6	+9	-2.4	-2.2
<b>Stocks (Percentage):</b>						
October, 1930, compared with October, 1929.....	-3.0	-1.3	-17.8	-14.1	-12.9	-9.1
October, 1930, compared with September, 1930.....	+14.2	+8.2	+9.2	+16.8	+3.6	+10.2
<b>Stock Turnover (Rate):</b>						
Rate of stock turnover in October, 1929.....	.33	.23	.23	.30	.23	.27
Rate of stock turnover in October, 1930.....	.32	.23	.28	.36	.23	.28
Rate of stock turnover January 1 to October 31, 1929.....	2.60	2.04	2.51	2.86	1.97	2.39
Rate of stock turnover January 1 to October 31, 1930.....	2.52	1.99	2.53	3.24	1.98	2.40
Ratio of October collections to accounts receivable and outstanding October 1, 1930.....	32.4	32.0	39.1	38.3	36.5	34.9

### Commercial Failures

Insolvencies in the Eleventh District during October were smaller both in number and in liabilities than those of the preceding month, but there continued to be an appreciable increase as compared to the corresponding month last year. The figures reported by R. G. Dun & Company show a total indebtedness of insolvent firms amounting to \$839,861 in

October, as against \$1,320,965 in September, and \$579,600 in October, 1929. There were 51 failures recorded during the month, as compared to 60 in the previous month and 47 in October a year ago. The average liability of defaulting firms, which amounted to \$16,468, was the lowest it has been since last March.

## AGRICULTURE

*Crop Conditions*

The heavy general rains throughout the Eleventh District during October effectively broke the long drouth and created a brighter outlook for agriculture. Fall grains, ranges and late crops were greatly benefited and the indicated production of some crops on November 1 was somewhat larger than that of a month earlier. Winter wheat and oats are showing good growth and in many areas are affording supplemental grazing. The improved moisture supply also enabled farmers to complete the seeding of small grains except in those areas where rains have continued at frequent intervals. The frequent rains, however, delayed the picking of cotton, lowered the grade, and, in some instances, caused a considerable loss of cotton.

On the basis of figures compiled from the report of the Department of Agriculture on November 1, the indicated production in the Eleventh Federal Reserve District was 4,983,000 bales as compared to 5,060,000 bales on October 1. In every state attached to this district, except Texas, the prospective production on November 1 was the same or higher than that a month earlier. In Texas, the Department of Agriculture reduced its estimate to 4,175,000 bales or 100,000 bales less than a month earlier. According to the Bureau of Census there had been ginned in Texas 3,293,085 bales prior to November 1 as compared to 3,144,600 bales on the same date in 1929; in Louisiana 607,574 bales as compared to 745,205 in the previous year; in Oklahoma 589,676 bales as compared to 705,697 bales a year ago; in New Mexico 49,178 bales as against 37,028 bales in 1929; and in Arizona 61,192 bales as compared to 60,423 in the previous year. In many areas of the district, the October rains delayed picking and ginning and did considerable damage to open cotton.

The Texas corn crop showed a further improvement during October with the result that the indicated production on November 1 was placed at 90,576,000 bushels as against an estimate of 88,128,000 bushels a month earlier. This compares with an actual production of 86,127,000 bushels in 1929. The Department estimated that 77 per cent of this year's crop was of merchantable quality. In the other states attached to this district, the prospective production of corn remained unchanged during October but in all states except Arizona, the outturn will be considerably smaller than a year ago. Late grain sorghums in Texas were likewise benefited by the October rains with the result that the estimated production was increased from 37,674,000 bushels on October 1 to 42,021,000 bushels on November 1 and compares with an actual production of 46,920,000 bushels in 1929. Grain sorghums in Arizona and New Mexico likewise reflected a substantial improvement. In Arizona, the indicated production rose from 1,800,000 bushels on October 1 to 2,400,000 bushels on November 1, and in New Mexico there was a gain from 2,343,000 bushels on the former date to 2,556,000 bushels on the latter date. In 1929, there were 4,466,000 bushels produced in New Mexico and 1,560,000 bushels in Arizona.

The sweet potato crop in Texas, New Mexico and Louisiana reflected an improvement, while the crop in Arizona remained unchanged and that in Oklahoma declined. The estimated production of this crop in Texas was 8,023,000 bushels on November 1 as against 6,780,000 bushels a month earlier and an actual production of 7,384,000 bushels in

1929. The per acre yield was indicated as 71 bushels, or eleven bushels greater than on October 1 and the same as that harvested a year ago. The estimate for Louisiana was placed at 7,052,000 bushels or 688,000 bushels larger than a month ago. In 1929, the State produced 7,440,000 bushels. The prospective production of peanuts on November 1 in Oklahoma and Texas was larger than a month earlier but considerably below the output a year ago. The estimate for Texas was placed at 59,040,000 pounds as compared to 56,580,000 pounds on October 1 and an outturn of 71,050,000 pounds in 1929. The Texas pecan crop promises a yield of only 9,500,000 pounds as compared with a production of 17,496,000 pounds the previous year.

The October rains which covered all the fall and winter truck growing areas of Texas left ample moisture in the soil to insure proper preparation of seed beds and germination of seed in all non-irrigated sections. The movement of citrus fruits from the Rio Grande Valley has begun, but the yield will be considerably smaller than a year ago due to the severe freezes last winter. The Department of Agriculture estimated the condition of grapefruit on November 1 as 49 per cent as compared to 38 per cent last year, and that of oranges as 57 per cent as against 91 per cent a year ago.

*Livestock*

The condition of livestock and their ranges showed a marked improvement during the past month and prospects are now brighter than they have been in several months. Following the heavy general rains in October, the grass and weeds on the ranges made rapid growth and are affording good grazing for livestock. Wheat pastures are also in excellent condition and will afford an abundance of supplemental grazing. Hay and roughage in most sections are adequate for local needs. Stock water is likewise plentiful. The condition of cattle ranges in Texas on November 1 was reported by the Department of Agriculture as 77 per cent of normal, which represents a gain of 10 points during the month, but it was 3 points below that on November 1, 1929. Sheep and goat ranges showed an improvement of 17 points during the month and at 82 per cent of normal were only 1 point below a year ago. The Department stated that moisture conditions throughout the Edwards Plateau region seldom have been better than at the present time and that with grass and weeds growing rapidly there is an abundant supply of winter weeds in sight. The November 1 condition of ranges in New Mexico was 82 per cent of normal, which was 3 points above that on October 1 but 14 points less than on November 1, 1929. The condition of cattle in Texas advanced 4 points during the month but on November 1 was still 4 points below that on the same date a year ago. Cattle generally have maintained their flesh well and with the improved range conditions they bid fair to enter the winter in good shape. According to the Department of Agriculture, only a few areas reported that ranges are over-stocked with cattle as most of the old and culled stuff has been cleaned out, leaving only the choice animals. The condition of cattle in New Mexico advanced 2 points to 88 per cent of normal, which figure was 7 points below that obtaining a year ago. During October the condition of sheep in Texas rose 7 points and that of goats 6 points. While the condition is lower than a year ago, sheep and goats should show considerable improvement before cold weather sets in, due to the good condition of the ranges.

### Movements and Prices

The receipts of sheep and cattle at the Fort Worth market during October reflected a large decline as compared to both the previous month and the corresponding month last year. The arrivals of calves were slightly larger than in September and were practically the same as in October, 1929. The receipts of hogs, while moderately larger than in the previous month, showed a substantial decline from a year ago.

Following the heavy rains in October, market receipts of cattle declined considerably and prices were noticeably

FORT WORTH LIVESTOCK RECEIPTS  
(Number)

	October 1930	October 1929	Change over Year	September 1930	Change over Month
Cattle.....	69,056	87,341	-18,285	84,110	-15,054
Calves.....	53,377	53,471	- 94	52,199	+ 1,178
Hogs.....	17,312	23,201	- 5,889	14,889	+ 2,423
Sheep.....	28,777	42,446	-13,669	54,178	-25,401

### Operations of the Federal Reserve Bank

Loans of the Federal Reserve Bank to member banks, which stood at \$11,332,987 on September 30, declined approximately \$1,000,000 during the first week of October but rose somewhat during the following week. During the last half of the month, these loans showed a steady decline, reaching the low point for the month at \$9,359,446 on October 30. On the following day, however, loans again rose to \$9,900,255, but there was a gradual liquidation during the first half of November, which carried loans down to \$8,198,043 on November 15. On that date in 1929, our loans to member banks stood at \$25,825,752. Throughout the six-week period, loans to country banks showed a gradual decline and at the end of the period were only slightly larger than a year ago. Reserve city banks increased their borrowings somewhat during October and the early days of November but there was some liquidation during the second week of the month. There were 172 borrowing banks on October 31, as compared to 218 on September 30, and 121 on October 31, 1929.

Due both to the liquidation of loans by member banks and to the reduction of purchases in the open market, total bills held by this bank were reduced from \$19,745,752.36 on September 30 to \$15,943,349.85 on October 31, distributed as follows:

Member banks' collateral notes secured by United States Government obligations	\$ 1,334,500.00
Rediscounts and all other loans to member banks	8,565,754.91
Open market purchases (Bankers' acceptances)	6,042,040.44
Discounts for non-member banks	1,054.50
<b>Total bills held</b>	<b>\$15,943,349.85</b>

The past month witnessed a decline of \$2,004,120 in Federal reserve notes in actual circulation, which carried the total down to \$32,925,650 on October 31. This figure was \$18,358,895 less than the actual circulation on the same date in 1929. The daily average of reserve deposits of member banks during October amounted to \$59,068,741 as compared to \$58,546,194 in September, and \$65,750,579 in October, 1929.

### Deposits of Member Banks

The daily average of combined net demand and time deposits held by member banks in this district amounted to \$831,071,000 in October, reflecting a very light increase of 0.1 per cent over September. In October last year the average

stronger. Toward the latter part of the month, however, the market turned reactionary and prices declined during the subsequent three weeks. During the past month, the demand for all classes of stocker cattle have shown some improvement and prices were somewhat stronger. During the second week in October, the price of hogs was bid up considerably but the market eased off somewhat in the following weeks. After reaching a low level early in October, sheep and lamb values showed a gradual improvement.

COMPARATIVE TOP LIVESTOCK PRICES  
(Dollars per hundred weight)

	October 1930	October 1929	September 1930
Beef steers.....	\$10.50	\$12.75	\$10.00
Stocker steers.....	7.00	11.35	7.00
Butcher cows.....	6.50	8.50	5.50
Stocker cows.....	4.50	6.50	5.85
Calves.....	8.75	11.00	8.50
Hogs.....	10.10	10.15	10.75
Sheep.....	4.50	8.25	4.50
Lambs.....	7.50	12.50	8.00

## FINANCE

was \$900,260,000. The seasonal increase between August, the low point for the year, and October was only \$10,710,000, whereas there was a gain of \$39,708,000 during the same period in 1929. Both demand and time deposits of reserve city banks were larger than in the previous month, while those of country banks were somewhat smaller.

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

	Combined Total		Reserve City Banks		Country Banks	
	Net demand deposits	Time deposits	Net demand deposits	Time deposits	Net demand deposits	Time deposits
Oct., 1929.....	\$674,587	\$225,673	\$282,630	\$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	96,426
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	143,763	342,166	100,273
July, 1930.....	591,565	240,952	261,127	142,482	330,438	98,470
Aug., 1930.....	579,032	241,269	256,176	141,675	322,916	99,594
Sept., 1930.....	592,530	237,595	262,310	139,940	330,220	97,655
Oct., 1930.....	593,126	237,945	265,782	141,153	327,344	96,792

### Condition of Member Banks in Selected Cities

Reports from member banks in selected cities during the five-week period ending November 12 showed a noticeable gain in deposits and a slight increase in investments but a decline in loans. Total investments on November 12 amounted to \$117,001,000 as compared to \$116,610,000 on October 8 and \$115,553,000 on November 13, 1929. Loans on securities declined \$2,662,000 during the five-week period and were \$10,474,000

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

	Nov. 12, 1930	Oct. 8, 1930	Nov. 13, 1929
United States securities owned.....	\$ 69,199	\$ 68,892	\$ 72,067
All other stocks, bonds, and securities owned.....	47,802	47,718	43,486
Loans on securities.....	92,060	94,722	102,534
All other loans.....	244,562	243,532	270,897
Total loans.....	336,622	338,254	382,431
Net demand deposits.....	283,318	278,910	303,408
Time deposits.....	152,529	149,075	138,105
Reserve with Federal Reserve Bank.....	33,079	32,754	34,459
Bills payable and rediscounts with Federal Reserve Bank.....	2,204	2,086	22,153

less than on the corresponding date a year ago. While "all other" loans (largely commercial) reflected a further increase of \$1,030,000, they were \$35,335,000 less than on the same date last year. Total loans and investments, which stood at \$453,623,000 on November 12, reflected a decline of \$1,241,000 during the five-week period and were \$44,361,000 less than on November 13, 1929. The net demand deposits of these banks rose \$4,408,000 between October 8 and November 12 and their time deposits increased \$3,454,000. The combined net demand and time deposits on November 12, however, were \$5,666,000 less than on the same date a year ago. Their bills payable and rediscounts with the Federal Reserve Bank amounted to \$2,204,000 on November 12 as compared to \$2,086,000 on October 8, and \$22,153,000 on November 13, 1929.

**Acceptance Market** The volume of acceptances executed by accepting banks in this district and outstanding at the close of the month totaled \$6,389,367 on October 31, which represents a decline of \$563,364 from September 30. While this figure was \$5,064,944 less than the amount on the same date of 1929, it should be remembered that acceptances outstanding during the fall of 1929 reached the highest point on record. The amount of acceptances based on import and export transactions increased from \$2,390,003 on September 30 to \$3,058,058 on October 31, while those executed against domestic shipment and storage of goods declined from \$4,562,728 on the former date to \$3,331,309 on the latter date.

**Debts to Individual Accounts** Debts to individual accounts at banks located in principal cities of the Eleventh District reflected a further seasonal increase of 8.0 per cent during October as compared to the previous month, but were 25.3 per cent

smaller than in the corresponding month of 1929. The volume of debits during October aggregated \$868,558,000 as against \$804,115,000 in September, and \$1,162,702,000 in October last year.

DEBITS TO INDIVIDUAL ACCOUNTS  
(In thousands of dollars)

	October 1930	October 1929	Percentage change over Year	September 1930	Percentage change over Month
Abilene.....	\$ 8,294	\$ 11,150	-25.6	\$ 6,342	+30.8
Austin.....	20,625	24,251	-15.0	20,749	-6
Beaumont.....	25,647	33,409	-23.2	23,177	+10.7
Corsicana.....	5,103	8,351	-38.9	5,078	+5
Dallas.....	245,193	334,837	-26.8	221,860	+10.5
El Paso.....	35,850	44,659	-19.7	30,387	+18.0
Fort Worth.....	94,294	131,232	-28.1	89,123	+5.8
Galveston.....	35,408	53,630	-34.0	31,676	+11.8
Houston.....	198,914	259,559	-23.4	190,724	+4.3
Port Arthur.....	11,428	15,392	-25.8	10,126	+12.9
Roswell.....	3,937	4,769	-17.4	3,647	+8.0
San Antonio.....	84,037	96,356	-12.8	79,064	+6.3
Shreveport.....	37,241	53,805	-30.8	34,886	+6.8
Texarkana.....	11,664	19,918	-41.4	10,104	+14.4
Tucson.....	10,423	11,869	-12.2	8,831	+18.0
Waco.....	18,124	28,505	-36.4	16,958	+6.9
Wichita Falls....	22,376	31,010	-27.8	21,293	+5.1
Total.....	\$868,558	\$1,162,702	-25.3	\$804,115	+8.0

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

**Savings Deposits** The 88 banks that reported savings deposits this month showed an aggregate volume of \$155,299,969 on October 31, as compared to \$154,170,167 on September 30, and \$149,891,720 on the corresponding date last year. There was a tendency for most of the principal centers in the district to report larger savings deposits, while those of the smaller cities and towns showed a downward trend.

SAVINGS DEPOSITS

	October 31, 1930		October 31, 1929		Percentage Change Over Year in Savings Deposit	September 30, 1930		Percentage Change Over Month in Savings Deposits
	Number of Reporting Banks	Number of Savings Depositors	Number of Savings Depositors	Amount of Savings Deposits		Number of Savings Depositors	Amount of Savings Deposits	
Beaumont.....	4*	5,782	5,735	\$ 2,503,759	+ 7.1	5,780	\$ 2,700,379	- .7
Dallas.....	4	64,211	61,574	25,429,527	+ 7.5	65,029	26,929,849	+ 1.5
El Paso.....	2	16,305	15,668	6,122,474	- 6.4	16,274	5,884,008	- 2.7
Fort Worth.....	2	18,871	18,074	7,421,143	+ 3.8	18,801	7,578,186	+ 1.6
Galveston.....	3	18,743	18,690	8,526,264	- 4.4	13,748	8,300,961	- 1.8
Houston.....	11*	73,945	71,067	34,472,972	+ 3.3	73,689	35,387,729	+ .6
Port Arthur.....	2	4,886	4,799	1,845,834	- 3.5	4,890	1,814,546	- 1.8
San Antonio.....	7*	32,731	30,934	22,525,531	+ 3.9	32,407	23,195,685	+ .9
Shreveport.....	4*	20,805	21,492	11,411,037	+22.3	20,854	13,323,430	+ 4.7
Waco.....	4	10,807	9,985	6,894,761	- .1	10,530	6,873,543	+ 1.1
Wichita Falls.....	2	8,743	8,191	1,569,924	+ 1.0	3,742	1,652,684	- 3.2
All others.....	43*	40,763	39,341	21,168,494	- 3.3	41,002	20,524,167	- .3
Total.....	88	306,652	296,559	\$149,891,720	+ 3.6	306,746	\$154,170,167	+ .7

\*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.

NOVEMBER 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	6-8	5½-6	5-6	6-8
Rate charged on loans to other banks secured by bills receivable.....	5-6	5½-6	5-6	5-5½	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.....	4½-7	6-8	6-8	5-6	6-8	6-8
Time.....	5-8	6-8	6-8	5-6	6-8	6-8
Rate charged on commodity paper secured by warehouse receipts, etc.....	3-6	8	6-8	5	6-8	6-7
Rate on cattle loans.....	6-7	6-8	6-8	7-8	7	7-8

INDUSTRY

**Cottonseed Products** The receipts of cottonseed at Texas mills reflected a substantial decline during October as compared to both the preceding month and the corresponding month last year, while at all United States mills an increase over the previous month

was shown. Crashings at both Texas and United States mills were considerably larger than in the previous month, and the latter mills showed an increase over October, 1929, while Texas mills reflected a slight decline. Stocks of cottonseed on hand at Texas mills on October 31 were slightly larger

than on the same date a year ago while at United States mills they were smaller. During the first quarter of the current season production at all United States mills, with the exception of linters, was on a larger scale than during the same period of 1929.

The average price received for cottonseed oil shipped from mills, reporting to the Federal Reserve Bank, increased during the period from October 11 to November 8, while the price of all other products showed a decline. Crude oil, which sold for \$.0613 per pound on the former date, rose to \$.0622 per pound on the latter date. The average price received for cake and meal declined from \$31.25 per ton on October 11 to \$30.05 per ton four weeks later, while hulls brought \$9.04 per ton on the earlier date as compared to \$8.66 per ton on November 8. Linters declined from \$.0193 per pound to \$.0183 per pound during the four-week period. There were 60,298 tons of cottonseed purchased by reporting mills during the period, for which an average price of \$27.25 per ton was paid.

#### STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS

	Texas		United States	
	August 1 to October 31 This Season	Last Season	August 1 to October 31 This Season	Last Season
Cottonseed received at mills (tons).....	829,463	786,004	2,700,097	2,647,170
Cottonseed crushed (tons).....	533,591	493,880	1,664,138	1,511,110
Cottonseed on hand (tons).....	312,593	312,239	1,081,393	1,177,666
Crude oil produced (pounds).....	155,130,968	141,452,473	502,708,196	461,806,392
Cake and meal produced (tons).....	251,495	231,134	748,851	673,861
Hulls produced (tons).....	148,141	130,656	460,776	413,129
Linters produced (running bales).....	85,781	103,794	289,487	312,414
Stocks on hand October 31:				
Crude oil (pounds).....	20,138,737	32,191,601	60,809,083	77,680,283
Cake and meal (tons).....	59,156	49,271	202,156	163,821
Hulls (tons).....	65,531	66,220	162,216	152,681
Linters (running bales).....	76,061	49,132	254,228	155,778

#### Textile Milling

During October there were only 1,084 bales of raw cotton consumed by reporting mills as compared to 1,699 bales in the preceding month and 2,869 bales in the corresponding month last year. Production of cloth was 28.5 per cent less than in September, and 53.4 per cent below that in October, 1929. This was due partly to the fact that some mills closed down during the month. Orders on hand on October 31 were 95.8 per cent greater than those held on September 30, but were 26.7 per cent smaller than on the same date last year. Stocks held at the close of the month were slightly larger than those on hand a month earlier, and continued to exceed those on the corresponding date of 1929 by a

#### TEXTILE MILLING STATISTICS—TEXAS

	October 1930	October 1929	September 1930
Number bales consumed.....	1,084	2,869	1,699
Number spindles active.....	58,574	87,508	81,031
Number pounds cloth produced.....	580,982	1,246,760	812,105

#### COTTON CONSUMED\* AND ON HAND (Bales)

	October 1930	October 1929	August 1 to October 31 This Season	August 1 to October 31 Last Season
Cotton growing states:				
Cotton consumed.....	352,933	488,660	951,287	1,340,620
On hand October 31 in—				
Consuming establishments.....			1,021,492	1,064,794
Public storage and compresses.....			7,192,062	5,132,972
United States:				
Cotton consumed.....	444,494	639,759	1,191,150	1,744,347
On hand October 31 in—				
Consuming establishments.....			1,352,885	1,355,998
Public storage and compresses.....			7,542,596	5,296,077

wide margin. Prices of cotton goods are becoming firmer.

The domestic consumption of cotton in the United States during October rose to 444,494 bales which represents a gain of 12.7 per cent over the former month, but was 30.5 per cent below that of October, 1929. During the first quarter of the current season consumption was 31.7 per cent less than in the same period of the preceding season. The volume of cotton on hand on October 31, at consuming establishments, while 40 per cent greater than a month earlier, was slightly less than that held on October 31, 1929.

#### Cotton Movements

The receipts and exports of cotton at the ports of Houston and Galveston during October reflected a further large seasonal increase as compared to the previous month, but were smaller than in October, 1929, with the exception of exports at Houston, which showed an increase. Stocks on hand at both ports on October 31 were larger than those held on the corresponding date a year ago. Total exports of cotton from the United States aggregated 1,004,120 bales during October as compared to 902,956 bales in the preceding

#### COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON (Bales)

	October 1930	October 1929	August 1 to October 31 This Season	August 1 to October 31 Last Season
Receipts.....	418,030	611,048	667,830	929,816
Exports.....	180,014	312,190	297,241	481,834
Stocks October 31.....			555,841	523,577

#### COTTON—GALVESTON STOCK STATEMENT (Bales)

	Oct. 31, 1930	Oct. 31, 1929
For Great Britain.....	13,500	23,300
For France.....	8,500	21,400
For other foreign ports.....	36,000	68,000
For coastwise ports.....	2,000	4,000
In compresses and depots.....	495,841	406,877
Total.....	555,841	523,577

#### COTTON MOVEMENTS THROUGH THE PORT OF HOUSTON (Bales)

	October 1930	October 1929	August 1 to October 31 This Season	August 1 to October 31 Last Season
Receipts.....	792,350	966,350	1,675,965	1,413,739
Exports.....	382,231	306,487	757,630	563,191
Stocks October 31.....			1,392,063	932,690

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

	August 1 to October 31 This Season	August 1 to October 31 Last Season
Receipts.....	4,472,408	4,222,231
Exports:		
United Kingdom.....	378,626	405,866
France.....	349,941	285,137
Italy.....	146,359	201,995
Germany.....	721,805	639,068
Other Europe.....	231,981	289,383
Japan.....	262,898	277,512
All other countries.....	181,502	104,233
Total foreign ports.....	2,273,112	2,203,194
Stocks at all United States ports, October 31.....	3,691,448	2,353,561

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

	October, 1930		Nov. 15, 1930
	High	Low	
New York.....	11.65	10.15	11.10
New Orleans.....	11.30	10.00	10.72
Dallas.....	10.75	9.40	10.10
Houston.....	11.25	10.00	10.70
Galveston.....	11.40	10.05	10.80

month and 1,251,300 bales in October, 1929. Exports during the three months of the current season were 3.2 per cent greater than those during the same period of the previous season.

**Petroleum**

Total production of oil in the Eleventh District was larger in October than in the preceding month, but the daily average output registered a further slight decline. The month's aggregate production was 25,410,050 barrels, as against 24,671,950 barrels in September. While drilling activity continued to decrease, the results were more satisfactory. The combined initial production of new wells rose to 167,806 barrels in October, as compared to 108,828 barrels in the previous month and 142,344 barrels in the corresponding month last year. A sharp increase in new production of the Van Zandt field accounted for most of the gain over September, as North and Central West Texas registered declines and the initial yield of Southwest Texas remained at nearly the same level.

Texas showed a slightly diminished daily production as compared to the previous month, the average in October being 778,363 barrels. North Texas and the Gulf Coast registered appreciable decreases while the Southwest area of the State was responsible for a rather large increase.

Daily average output in North Louisiana declined from 42,081 barrels in September to 41,316 barrels in October. There was a smaller number of completions during the month, but eight successful wildcat wells brought the total new production to a figure more than twice as large as that of the preceding month.

**Lumber**

While the demand for lumber evidenced an increase during October, the production and shipments of Eleventh District pine mills were at exactly the same level as in the previous month, which amounted to 32 and 33 per cent, respectively, of normal production. During the four-week period ending November 1, orders were 66 per cent of normal production which represents a gain of 4 points over those for the previous four weeks. Stocks on hand on November 1 were 1.2 per cent greater than those held on October 4. Unfilled orders on the books of 47 reporting mills on November 1, aggregated 28,619,000 feet as compared to 29,532,000 feet on hand at 48 establishments on October 4.

**OIL PRODUCTION—(Barrels)**

	October, 1930		Increase or Decrease Over September, 1930	
	Total	Daily Avg.	Total	Daily Avg.
North Texas.....	4,447,250	143,460	- 73,050	-7,217
Central West Texas.....	9,965,400	321,464	+391,250	+2,326
East Central Texas.....	1,278,750	41,250	+ 32,100	- 305
Texas Coastal.....	5,196,850	167,624	- 34,650	-6,743
Southwest Texas.....	3,241,500	104,565	+404,100	+9,985
Total Texas.....	24,129,250	778,363	+719,750	-1,954
North Louisiana.....	1,280,800	41,316	+ 18,350	- 765
Total District.....	25,410,050	819,679	+738,100	-2,719

**OCTOBER DRILLING RESULTS**

	Completions	Producers	Gas Wells	Failures	Initial Production
North Texas.....	65	36	11	18	6,095
Central West Texas.....	103	33	12	58	12,900
East Texas.....	23	21	..	2	104,550
Southwest Texas.....	37	33	3	1	21,619
Texas Coastal.....	79	56	3	20	19,185
Texas Wild-Cats.....	15	1	2	12	10
Total Texas.....	322	180	31	111	164,359
North Louisiana.....	51	12	21	18	3,447
October totals, district.....	373	192	52	129	167,806
September totals, district.....	442	231	54	157	108,828

**CRUDE OIL PRICES**

	Nov. 14, 1930	Nov. 15, 1929
Texas Coastal grade "A".....	\$1.00	\$1.30
North Texas (40 gr. and above).....	1.07	1.85*
North Louisiana (44 gr. and above).....	1.19	1.85

\*Price paid for oil 44 gr. and above.

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

**PINE MILL STATISTICS**

(Four-week period ending November 1, 1930)

Number of reporting mills.....	47
Production.....	53,504,000 feet
Shipments.....	52,639,000 feet
Orders.....	51,487,000 feet
Unfilled orders November 1.....	28,619,000 feet
Normal production.....	78,568,000 feet
Stocks November 1.....	318,476,000 feet
Shipments below normal production.....	25,929,000 feet—33%
Actual production below normal.....	25,064,000 feet—32%
Orders below normal production.....	27,081,000 feet—34%

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

**Building**

The valuation of building permits issued in October at larger centers in the Eleventh Federal Reserve District amounted to \$5,163,049, which represents a further decline of 16.9 per cent from the preceding month and a decrease of 38.5 per cent from October last year. San Antonio and Port Arthur were the only reporting cities to show an increase over both the previous month and the same month a year ago.

At the end of October the total valuation of construction permits issued in 1930 was 30.4 per cent smaller than in the corresponding period of 1929, but it will be noted that five cities reported a larger volume this year than last.

**BUILDING PERMITS**

	October, 1930		October, 1929		Percentage Change Valuation Over Year	September, 1930		Percentage Change Valuation Over Month	Ten Months				Percentage Change Valuation Over Period
	No.	Valuation	No.	Valuation		No.	Valuation		1930		1929		
									No.	Valuation	No.	Valuation	
Amarillo.....	46	\$ 46,783	79	\$ 181,187	- 74.2	48	\$ 84,005	- 44.3	558	\$ 1,708,150	511	\$ 1,592,575	+ 7.3
Austin.....	90	179,539	80	193,305	- 7.1	66	80,901	+121.9	922	3,026,208	885	2,775,521	+29.0
Beaumont.....	190	89,931	159	174,081	- 48.3	161	782,100	- 88.5	1,503	2,468,565	1,739	2,390,487	+33.3
Corpus Christi.....	48	46,189	129	82,701	- 44.1	59	35,525	+ 37.8	550	987,077	733	1,020,659	-48.6
Dallas.....	295	609,942	368	1,655,474	- 63.2	370	1,920,191	- 68.2	3,282	8,976,394	2,996	8,712,857	+ 3.0
El Paso.....	130	183,728	133	245,780	- 25.2	96	210,819	- 12.9	1,130	2,591,242	1,142	2,961,253	-12.5
Fort Worth.....	252	412,725	258	1,132,641	- 63.6	187	588,708	- 29.9	2,371	9,061,317	3,001	10,460,555	-13.4
Galveston.....	127	46,243	169	98,854	- 53.2	155	79,341	- 41.7	1,243	1,033,426	1,829	3,530,854	-70.7
Houston.....	390	1,368,434	470	3,267,646	- 58.1	302	1,875,506	- 27.0	3,336	15,421,912	4,665	27,196,595	-43.3
Port Arthur.....	99	241,384	135	229,841	+ 5.0	100	45,094	+401.9	1,071	2,777,047	1,327	2,563,662	+ 8.3
San Antonio.....	295	1,754,780	423	596,080	+194.4	251	324,795	+440.3	2,780	7,735,915	3,663	14,398,450	-46.3
Shreveport.....	169	66,561	308	190,039	- 65.0	167	84,205	- 21.0	1,720	1,480,640	2,643	3,197,429	-53.7
Waco.....	18	103,754	33	321,526	- 67.7	26	81,072	+ 28.0	315	1,063,068	434	2,488,786	-57.3
Wichita Falls.....	17	13,056	71	20,312	- 35.7	20	22,257	- 41.3	226	897,753	380	955,539	- 6.0
Total.....	2,166	\$5,163,049	2,815	\$8,389,467	- 38.5	2,008	\$6,213,519	- 16.9	21,007	\$59,228,714	25,948	\$ 85,145,222	-30.4

**Cement** There was a substantial curtailment during October in the operations of Texas cement mills. Only 484,000 barrels of portland cement were produced during the month, as compared to 679,000 barrels in the preceding month and 777,000 barrels in October, 1929. Shipments from these mills declined from 599,000 barrels in September to 469,000 barrels in October. Stocks

on hand aggregated 721,000 barrels at the end of the month, being only 2.0 per cent larger than a month earlier but 36.8 per cent greater than a year ago.

Total production during the first ten months declined 3.7 per cent from the same period last year, and shipments registered a similar decline of 2.2 per cent.

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

	October	Percentage Change		January through October 31	Percentage Change
	1930	Over	Over	Number	
	Number	Month	Year	Number	Over Year
Production at Texas mills.....	484	-28.7	-37.7	5,887	-3.7
Shipments from Texas mills.....	469	-21.7	-36.9	5,977	-2.2
Stocks at end of month at Texas mills.....	721	+ 2.0	+36.8	.....	.....

## SUMMARY OF NATIONAL BUSINESS CONDITIONS

(Compiled by the Federal Reserve Board, November 21, 1930)

The volume of industrial production and factory employment declined in October and there was a further downward movement of commodity prices. Volume of sales by department stores increased by more than the usual seasonal amount. There was a considerable inflow of gold from South America and the Orient, and a further slight easing of money rates.

### PRODUCTION AND EMPLOYMENT

Industrial production, including both factories and mines decreased by about 3 per cent in October, according to the Federal Reserve Board's index, which makes allowance for usual seasonal changes. This decline reflected chiefly a further decrease in output of steel ingots, contrary to the usual seasonal movement, and a larger than seasonal decline in the output of automobiles. Output in the shoe industry was also curtailed. Consumption of cotton by domestic mills showed a further increase of slightly more than the usual seasonal amount and stocks of cotton cloth were further reduced. Increased activity was also reported for the silk industry. Output of coal was in substantially larger volume than in September, while production of copper and petroleum declined. The number of workers employed showed a decrease for the month in foundries and in the automobile, machine tool, woolen, and shoe industries, while increases were reported in the number of persons employed in the production of silk goods, hosiery, and radios. Employment at coal mines increased considerably, partly in response to seasonal influences. Value of contracts for residential building, as reported by the F. W. Dodge Corporation, which had shown a growth in September, increased further in October, but by an amount smaller than is usual for that month. Contracts for public works and utilities also increased somewhat, reflecting a larger volume of awards for pipe lines. Owing to a substantial decrease in contracts for industrial building, however, there was little change in the total value of building contracts awarded.

### DISTRIBUTION

Volume of distribution of commodities by rail showed a

decline from September to October. Retail trade, however, as indicated by sales of department stores, increased by considerably more than the seasonal amount, according to preliminary reports to the Federal Reserve System.

### WHOLESALE PRICES

The general level of wholesale prices, as measured by the Bureau of Labor Statistics index, declined in October and the decline continued in the first half of November. Further decreases in the prices of many agricultural products, including grains, livestock and meats, were accompanied by reduction in the prices of hides, tin, petroleum and gasoline, while sugar and copper advanced. The price of cotton rose considerably at the end of October from the low level prevailing early in the month.

### BANK CREDIT

Total volume of credit at reporting member banks in leading cities showed relatively little change for the four-week period ending November 12. Loans on securities declined further by \$350,000,000, reflecting reductions in loans to brokers and dealers in securities, while all other loans increased by \$150,000,000 partly on account of purchases of acceptances by the member banks. The banks also increased their holdings of investments. The volume of reserve bank credit in use showed little change between the middle of October and the middle of November. There was a further addition of \$30,000,000 to the stock of monetary gold and a decline of \$20,000,000 in money in circulation. While member bank reserve balances increased, no material change in the composition of the reserve bank portfolio was shown for the month. Money rates in the open market have eased slightly since the middle of October. The rate on prime commercial paper declined from 3 per cent to a range from  $2\frac{3}{4}$  to 3 per cent and there was a reduction in the rate on bankers' acceptances of the longer maturities. Long time money rates, as measured by yields on United States Government securities, declined slightly.