

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

	January 1931	Change from December
Bank debits to individual accounts (at 17 cities).....	\$770,689,000	— 5.7%
Department store sales.....		— 54.0%
Reserve bank loans to member banks at end of month.....	\$ 5,931,658	+ 36.6%
Reserve bank ratio at end of month.....	61.6%	+ 2.4 points
Building permit valuation at larger centers.....	\$ 3,301,082	+ 32.8%
Commercial failures (number).....	127	+ 44.3%
Commercial failures (liabilities).....	\$ 1,954,681	+ 1.5%
Oil production (barrels).....	23,349,000	— 3.6%
Lumber orders at pine mills (per cent of normal production).....	65%	+ 18.0 points

tract showed a sharp recovery from the low level of December. Petroleum production reflected a further decline as compared to the previous month and was materially less than a year ago.

In no recent year has the opening period found the agricultural and livestock industries in a better condition from a physical standpoint. There is a good season in the ground, land preparation is more advanced than usual, planting operations are being commenced early, and growing crops generally are in good to excellent condition. Range conditions are fair to good throughout the district and indications are that excellent grazing will be available early in the spring. Livestock have wintered well and are improving steadily. With prospects for excellent pasturage, livestock should take on flesh rapidly during the succeeding weeks. Tempering the good physical outlook, however, are the low prices obtaining for agricultural and livestock products. To combat the effects of the low prices, farmers are showing a greater disposition to raise their living at home and to practice greater diversification as well as to reduce the costs of production wherever possible.

The financial situation reflected a further decline in deposits and an increased demand for Federal Reserve Bank credit from the country banks. The daily average of combined net demand and time deposits of member banks declined from \$810,023,000 in December to \$798,354,000 in January and in the latter month were \$86,225,000 less than a year ago. Federal Reserve Bank loans to member banks amounted to \$6,129,000 on February 15, as compared to \$5,021,00 a month earlier, and \$12,452,000 on the corresponding date a year ago. The heavy borrowings a year ago were due largely to the large amount of funds being absorbed by the reserve city banks, whereas the borrowings of those banks this year are very small.

BUSINESS

Wholesale Trade

A renewed demand for merchandise at wholesale made its appearance during January, stimulated principally by seasonal influences. Wholesalers in the Eleventh Federal Reserve District reported appreciable increases over the previous month in the distribution of farm implements, dry goods, drugs, and groceries, but a small decline in the sales of

hardware. Distribution continued to fall substantially short of the same month a year ago, although drugs and farm implements showed a more favorable comparison than they did last month. The good physical condition of the agricultural and livestock industries is creating a more optimistic feeling on the part of both retailers and the consuming public, yet the small purchasing power is restricting the

distribution of merchandise. Merchants are, therefore, making purchases on a very conservative basis and are holding orders to a minimum. Prices are showing more stability. Collections in most lines are still in small volume.

While the business of wholesale dry goods firms during January was 31.7 per cent better than in December, the increase was not as large as usual, and there was a decline of 30.1 per cent from the sales volume of January, 1930. However, it should be remembered that a substantial part of the drop from a year ago is due to the extensive price reductions which have taken place. The opening of the spring buying season in certain centers around the first of February, brought in some new buying but merchants generally are restricting purchases to actual needs. Stocks on hand were larger than on December 31, but showed a reduction of 37.2 per cent from January 31, 1930. Collections came in more slowly than they did during December.

Wholesale drug firms reported a fairly general increase in sales volume during January. Distribution averaged 8.7 per cent larger than in December, and was only 6.7 per cent below that of January a year ago. This comparison with a year ago was more favorable than in any month since October, 1929. Nevertheless, retailers are operating conservatively, and continue to place their orders principally for current requirements. Collections during the month evidenced an improvement, both in volume and in their ratio to accounts outstanding.

There was a seasonal gain of 7.9 per cent in the demand for groceries at wholesale during January, but the figures show a drop of 18.4 per cent as compared to the same month last year. Merchants pursued their same cautious buying policy. Business was hampered somewhat by bad roads in some rural sections. Collections decreased 20.4 per cent from the amount reported in December.

A seasonal improvement was in evidence during January in the wholesale farm implement business in this district. Although sales of reporting firms were 62.1 per cent smaller than in January last year, they registered an increase of 57.2 per cent over the low level of December. Farmers are restricting purchases to actual needs. Collections continued slow during the month.

The January sales of wholesale hardware firms in this

district were 9.7 per cent less than in December and 27.8 per cent less than in January a year ago. Business was fairly active in North and East Texas during the month, being aided somewhat by the development of new oil fields in the East Central part of the State. There was a further decrease in collections.

CONDITION OF WHOLESALE TRADE DURING JANUARY, 1931
Percentage of increase or decrease in—

	Net Sales January, 1931 compared with		Stocks January, 1931 compared with		Ratio of collec- tions during Jan. to accounts and notes outstanding on December 31
	Jan. 1930	Dec. 1930	Jan. 1930	Dec. 1930	
Groceries.....	-18.4	+ 7.9	-18.9	+ .8	65.8
Dry goods.....	-30.1	+31.7	-37.2	+11.8	22.4
Farm implements.....	-62.1	+57.2	+ 3.1	+ 5.6	3.9
Hardware.....	-27.8	- 9.7	+ 2.5	+ 1.9	31.0
Drugs.....	- 6.7	+ 8.7	-15.4	+ .4	40.4

Retail Trade

The volume of business transacted by department stores located throughout the Eleventh District declined seasonally in January, and again reflected a substantial recession from a year ago. Sales averaged 53.7 per cent lower than in December, and 9.0 per cent below January, 1930. Reports indicate that the reduced price sales featured during January stimulated purchases noticeably during the first half of the month, but the persistence of cloudy, rainy weather and the unusually high temperatures during the latter part of the month greatly curtailed the demand for winter merchandise even at the lower price levels.

Stocks of merchandise on hand at the end of the month, valued at retail prices, showed a seasonal reduction of 6.5 per cent from those a month earlier and a decline of 11.3 per cent from a year ago. While stocks held on December 31 were the lowest of any month in several years, the decline from a year ago is largely accounted for by the lower price level. Due to the reduction in stocks the ratio of stock turnover in January this year exceeded that for January, 1930, amounting to .24 in January, 1931, as against .23 in January a year ago.

Collections evidenced a slight decline during the month. The ratio of charge accounts collected in January was 32.7 per cent as against 32.8 per cent in December and 35.3 per cent in January, 1930.

BUSINESS OF DEPARTMENT STORES

	Dallas	Fort Worth	Houston	Others	Total District
Total Sales (Percentage):					
January, 1931, compared with January, 1930.....	-15.4	- 2.7	-12.0	- 4.5	- 9.0
January, 1931, compared with December, 1930.....	-53.1	-59.7	-54.4	-49.5	-53.7
Credit Sales (Percentage):					
January, 1931, compared with January, 1930.....	-17.5	- 8.3	-11.7	- 2.5	-10.4
January, 1931, compared with December, 1930.....	-51.6	-61.6	-50.1	-49.2	-52.5
Stocks (Percentage):					
January, 1931, compared with January, 1930.....	- 9.4	+ 3.3	-19.8	-15.7	-11.3
January, 1931, compared with December, 1930.....	- 7.1	+ 2.3	-14.0	- 6.0	- 6.5
Stock turnover (Rate):					
Rate of stock turnover in January, 1930.....	.25	.19	.23	.25	.23
Rate of stock turnover in January, 1931.....	.23	.18	.24	.28	.24
Ratio of January collections to accounts receivable outstanding January 1, 1931.....	28.9	31.2	36.2	36.2	32.7

Commercial Failures

According to the statistics compiled by R. G. Dun & Company, the business mortality rate in the Eleventh Federal Reserve District reflected a sharp increase in January. Failures for the month totaled 127, which was the largest num-

ber reported for any month since January, 1927. The liabilities of defaulting firms showed only a slight increase, being \$1,954,681 in January as compared to \$1,925,910 in December, and \$739,826 in January a year ago.

AGRICULTURE

Crop Conditions

The first six weeks of the new year proved very favorable to the agricultural interests of this district. Timely rains have

maintained an excellent surface and subsoil season in the ground, and except in a few areas where the soil has been too wet, farm work is more advanced than usual. The planting of spring gardens and truck crops is general in many portions of the district and the seeding of row crops is progressing in the southern part of Texas and in portions of Louisiana. Wheat and oats have grown rapidly and their condition is mostly good to excellent. Farmers in many areas are now seeding the spring oat crop. The adverse factors are mainly potential in their nature. There has not been sufficient cold weather to kill insect life, which may mean a considerable increase this year in damage to crops from insect activity. Fruit trees and tender vegetation are abnormally advanced and should a severe cold wave occur in the near future, serious damage to these crops would result.

The South Texas truck crops made a further marked improvement during January. While the precipitation was excessive at times, the weather generally was favorable. The spinach crop made a remarkable recovery during the month, the condition figure advancing from 67 per cent on January 1 to 84 per cent on February 1. The condition of other crops gained 2 to 10 points. All crops are in a considerably better condition than a year ago, as the extremely severe weather in January, 1930, materially reduced the condition of crops. The production of beets, carrots, spinach, and cabbage will greatly exceed that of a year ago.

CONDITION OF COMMERCIAL TRUCK CROPS IN TEXAS

	Feb. 1, 1931	Jan. 1, 1931	Feb. 1, 1930
Beets.....	86	79	40
Broccoli.....	85	79	..
Cabbage.....	92	82	57
Carrots.....	85	77	76
Lettuce.....	90	85	58
Onions.....	84	82	63
Green peas.....	66
Spinach.....	84	67	55
Strawberries.....	80	86	76
Turnips.....	86	82	..

SOURCE: United States Department of Agriculture.

According to the Department of Agriculture, Texas fruits and vegetables are moving in large volume. While shipments declined somewhat toward the middle of February due to price recessions on some commodities, they were considerably in excess of those a year ago when movements were light on account of the damage resulting from the severe freezes. Shipments during the week ending February 14 this year totaled 1,887 cars as compared to 1,286 cars during the same period last year and the total movement for the current season amounted to 13,584 cars as against 11,958 cars during the corresponding period of the previous season.

An important feature of the agricultural program for the current season is the widespread diversification which reports indicate will be practiced this year. The living at home movement is gaining headway and farmers are showing a disposition to expand the acreage planted to minor crops.

Livestock

Livestock and their ranges made favorable progress during the past month

under the stimulus of ample moisture and mild temperatures. The condition of cattle ranges in practically all sections of Texas showed some improvement with the largest

gains being shown in West, West-Central, and Central Texas. The Department of Agriculture reported that South Texas is the most favored area with the February 1 condition at 80 per cent of normal, which is, with one exception, the highest figure for that date since 1924. Feed supplies are generally abundant in most areas as the open winter has enabled cattle to go through the winter with little supplemental feeding. Ranges are now greening and if no unusually cold weather occurs, early and abundant spring grazing is assured. The condition of Texas cattle on February 1 was 79 per cent of normal, the same as during the preceding three months, but 5 points above the condition obtaining a year earlier. Cattle generally have already begun to mend and old steers in South Texas are getting fat. The condition of sheep and goat ranges in Texas was placed at 82 per cent of normal on February 1, which was 6 points higher than a month ago and 13 points above the condition at this time last year. Grass and weeds are growing rapidly and are furnishing good grazing in most areas. In fact, the Department of Agriculture reported that the present condition is well in line with other good years and that moisture conditions have seldom been better. The condition of sheep gained 3 points during the month, while that of goats remained unchanged. With the continuation of present conditions, prospects are favorable for a good lamb and kid crop. In view of the fact that range and livestock conditions usually decline about 2.5 points during January, the progress during the past month may be considered very favorable. This is particularly true as both ranges and livestock throughout the State were in very poor condition when the fall rains set in last October.

The condition of ranges in New Mexico showed no change during January but on February 1 was 7 points below that a year earlier. The condition of cattle and sheep gained 1 point during the month. Range feeding is fair to good but stock water is short in a few places. The 90 per cent condition of ranges in Arizona on February 1, while 2 points lower than a month earlier, was 5 points higher than on that date in 1930. The condition of cattle and sheep showed no change during the month. Cattle and sheep generally have wintered in good condition.

The Department of Agriculture estimated that 41,600,000 pounds of wool were produced in Texas in 1930 as compared to 41,300,000 pounds in 1929. While the fleece weight in 1930 was lighter than the previous year's clip, the increase in the number of sheep shorn more than offset the lighter clip.

Livestock Values Decline

The accompanying table reflects the number and value of livestock on farms in Texas, Louisiana, and New Mexico on January 1, 1931, with comparative figures for the same date in 1930. These statistics, which were compiled from the report of the Department of Agriculture, indicate clearly the sharp decline which occurred in livestock values during the past year. Every class of livestock shared in the decline, but it was the most drastic in the case of sheep even though values had suffered a substantial recession in 1929. Despite the decline in prices, the number of sheep on farms showed a further increase during 1930. The value of cattle also reflected a heavy decline. While the number of all cattle on farms on January 1, 1931, in the above states, was practically the same as a year earlier, the number of milk cows increased, indicating an expansion in the dairy industry. The price of swine held up better than

that for any other class of livestock. This may be attributable in part to the fact that the supply in this district has been declining since the beginning of 1928. The decline in the value of all classes was relatively larger in Texas than in Louisiana and New Mexico.

NUMBER AND VALUE OF LIVESTOCK ON FARMS AS OF
JANUARY 1, 1930, AND 1931

	Number (000's omitted)		Average Price Per Head		Total Value (000's omitted)	
	1931	1930	1931	1930	1931	1930
TEXAS						
Mules.....	951	1,001	\$54.00	\$71.00	\$ 51,383	\$ 70,704
Horses.....	602	661	35.00	45.00	21,008	30,073
Milk cows.....	1,003	974	36.00	56.00	36,108	54,544
All cattle.....	5,563	5,563	24.20	37.90	134,754	210,998
Swine.....	884	1,028	8.20	9.70	7,216	9,974
Sheep.....	6,050	5,550	4.10	6.90	24,774	38,527
Goats.....	3,305	3,117	3.05	4.90	10,080	15,273
LOUISIANA						
Mules.....	171	171	73.00	84.00	12,490	14,353
Horses.....	92	97	45.00	51.00	4,124	4,929
Milk cows.....	212	206	36.00	47.00	7,632	9,682
All cattle.....	613	595	22.90	31.10	14,063	18,493
Swine.....	394	415	7.40	9.10	2,896	3,783
Sheep.....	118	115	2.70	3.40	322	391
NEW MEXICO						
Mules.....	34	34	37.00	46.00	1,274	1,575
Horses.....	142	150	28.00	33.00	3,927	5,013
Milk cows.....	68	67	50.00	65.00	3,400	4,355
All cattle.....	1,045	1,045	30.40	40.60	31,792	42,386
Swine.....	66	73	9.40	10.90	619	794
Sheep.....	2,780	2,527	4.80	7.90	13,299	20,031

SOURCE: United States Department of Agriculture.

Movements and Prices

The supply of cattle and calves at the Fort Worth market during January was considerably smaller than in either the previous month or the corresponding month last year. The

arrivals of hogs, while substantially larger than in December, were fewer than in January last year. The receipts of sheep were larger than in either comparative period.

During the past thirty days, there was a restricted demand for practically all classes of cattle and prices worked to lower levels. A steadier tone, however, was in evidence toward the middle of February. The hog market followed an uneven course, with the trend of prices downward. Sheep and lamb prices remained fairly steady.

FORT WORTH LIVESTOCK RECEIPTS
(Number)

	January 1931	January 1930	Change over Year	December 1930	Change over Month
Cattle.....	40,764	51,716	-10,952	48,598	- 7,834
Calves.....	17,371	22,884	- 5,513	27,609	-10,233
Hogs.....	25,712	28,584	- 2,872	16,866	+ 8,846
Sheep.....	35,908	33,815	+ 2,093	29,059	+ 6,849

COMPARATIVE TOP LIVESTOCK PRICES
(Dollars per hundred-weight)

	January 1931	January 1930	December 1930
Beef steers.....	\$ 9.40	\$11.75	\$11.25
Stocker steers.....	7.50	11.75	7.75
Butcher cows.....	5.25	10.50	5.35
Stocker cows.....	4.60	5.00	5.35
Calves.....	8.50	12.00	8.50
Hogs.....	8.25	10.50	8.40
Sheep.....	5.50	9.50	5.50
Lambs.....	8.00	13.25	7.60

FINANCE

Operations of the Federal Re- serve Bank

An increased demand for Federal Reserve Bank credit has been in evidence since the turn of the year. Standing at \$4,342,000 on December 31, Federal Reserve Bank loans to member banks showed a gradual expansion during the first six weeks of the new year and amounted to \$6,129,000 on February 15. While reserve city banks have gradually reduced borrowings, the decrease has been more than offset by the increased demands of country banks. Bills bought in the open market reflected a substantial decline, the total being only \$2,488,000 on February 15 as compared to \$5,831,000 on January 15, and \$14,255,000 on the corresponding date in 1930. While the reserve deposits of member banks rose \$2,575,000 during the past 30 days, they were still \$7,724,000 less than a year ago. The return flow of currency from circulation has been in substantial volume, but it has been smaller than usual at this season. It should be borne in mind, however, that Federal reserve note circulation did not show as large a seasonal expansion as usual last fall and that the present circulation is considerably below the low point reached in the summer of 1930.

Condition of Member Banks in Selected Cities

A further decline in loans but an increase in investments and deposits were the outstanding features of the reports of member banks in selected cities during the five-week period ending February 11. The investments of these banks in United States securities on February 11 were \$4,728,000 greater than five weeks earlier and \$4,241,000 larger than a year ago. Holdings of other stocks and bonds declined \$1,515,000 between January 7 and February 11, but on the latter date were \$10,332,000 greater than on February 12, 1930. Loans on securities were reduced \$3,065,000 during the period and all other loans declined \$1,929,000. Total loans on February 11 were \$44,548,000 less than on the corresponding date a year ago. The combined net demand and time deposits of these banks rose from \$415,687,000 on January 7 to \$426,536,000 on February 11, but on the latter date they were \$4,797,000 below those on February 12, 1930. Their borrowings at the Federal Reserve Bank stood at \$350,000 on February 11 as compared to \$1,140,000 five weeks earlier and \$6,303,000 a year ago.

CONDITION OF THE FEDERAL RESERVE BANK
(In thousands of dollars)

	Feb. 15, 1931	Jan. 15, 1931	Feb. 15, 1930
Total cash reserves.....	\$57,405	\$54,830	\$63,999
Discounts for member banks.....	6,129	5,020	12,453
Other bills discounted.....	134	2	3
Bills bought in open market.....	2,488	5,831	14,255
United States securities owned.....	29,437	29,437	25,666
Other investments.....	7	7	7
Total earning assets.....	38,195	40,297	52,384
Member banks' reserve deposits.....	60,182	57,607	67,906
Federal reserve notes in actual circulation...	27,199	29,844	40,468

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

	Feb. 11, 1931	Jan. 7, 1931	Feb. 12, 1930
United States securities owned.....	\$ 67,987	\$ 63,259	\$ 63,746
All other stocks, bonds, and securities owned.....	51,155	52,670	40,823
Loans on securities.....	91,111	94,176	109,298
All other loans.....	224,596	226,525	250,957
Total loans.....	315,707	320,701	360,255
Net demand deposits.....	274,852	268,112	285,790
Time deposits.....	151,684	147,575	145,543
Reserve with Federal Reserve Bank.....	32,105	32,899	32,128
Bills payable and rediscounts with Federal Reserve Bank.....	350	1,140	6,303

Deposits of Member Banks

Average deposits of member banks in this district during January reflected a further recession from the level of the preceding month, and amounted to \$798,354,000, as against \$810,023,000 in December, and \$884,579,000 in January a year ago. Figured on a percentage basis, the decline from the previous month was 1.4 per cent and that from January, 1930, was 9.7 per cent. The largest decrease was shown in the net demand deposits of country banks. The only increase over December occurred in the time deposits of reserve city banks which rose \$1,357,000 to \$141,257,000.

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
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	138,980	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	241,260	256,176	141,675	322,916	99,594
Sept., 1930.....	592,530	237,595	262,310	139,040	330,220	97,655
Oct., 1930.....	593,126	237,945	265,782	141,153	327,344	96,792
Nov., 1930.....	588,534	239,453	266,796	142,250	321,738	97,203
Dec., 1930.....	574,904	235,119	262,124	139,900	312,780	95,219
Jan., 1931.....	565,388	232,966	258,313	141,257	307,075	91,709

Acceptance Market

Total acceptances executed and held by banks in this district reflected a somewhat seasonal decline during January. The aggregate on the last day of the month amounted to \$6,174,001, as compared to a volume of \$6,521,161 a month earlier, and \$8,159,595 on January 31 last year. An increase over the previous month was shown in the acceptances based on import and export transactions, which rose from \$2,211,309 on December 31 to \$2,412,295 at the end of January, but this gain was more than offset by a decline of the banks' acceptance liability on account of domestic shipments and storage of goods. The volume of outstanding acceptances based on the latter classification amounted to \$3,761,706 on January 31, as against a total of \$4,309,852 on the last day of December, and \$5,307,041 on the corre-

sponding date a year ago.

Debits to Individual Accounts

The volume of debits to individual accounts during January at banks in the principal cities of the Eleventh District amounted to \$770,689,000 reflecting a seasonal decrease of 5.7 per cent from the total of the preceding month. This figure compares with \$932,053,000 in January, 1930, the reduction from a year ago amounting to 17.3 per cent. With the exception of Tucson, Arizona, all reporting cities participated in this decline. On the other hand, eight of the seventeen cities were able to show an increase as compared to December.

DEBITS TO INDIVIDUAL ACCOUNTS
(In thousands of dollars)

	January 1931	January 1930	Percentage change over Year	December 1930	Percentage change over Month
Abilene.....	\$ 7,669	\$ 10,641	-27.9	\$ 7,805	- 1.7
Austin.....	18,702	20,553	- 9.0	19,002	- 1.6
Beaumont.....	25,023	27,593	- 9.3	24,781	+ 1.0
Corsicana.....	6,984	7,991	-12.6	5,860	+19.2
Dallas.....	195,534	249,792	-21.7	228,246	-14.3
El Paso.....	31,845	42,338	-24.8	32,948	- 3.3
Fort Worth.....	94,917	101,931	- 6.9	84,519	+12.3
Galveston.....	27,562	37,991	-27.5	34,268	-19.6
Houston.....	172,341	206,468	-16.5	193,511	-10.9
Port Arthur.....	9,221	11,850	-22.2	9,496	- 2.9
Roswell.....	4,030	4,412	- 8.7	4,559	-11.6
San Antonio.....	78,409	83,674	- 6.3	82,980	- 5.5
Shreveport.....	32,485	49,125	-33.9	30,735	+ 5.7
Texarkana.....	12,789	16,196	-21.0	10,684	+19.7
Tucson.....	15,712	12,633	+24.4	13,021	+20.7
Waco.....	17,451	20,557	-15.1	15,524	+12.4
Wichita Falls....	20,015	28,308	-29.3	19,546	+ 2.4
Total.....	\$770,689	\$932,053	-17.3	\$817,485	- 5.7

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

Savings Deposits

The savings deposits of 84 reporting banks aggregated \$151,436,104 on January 31. This figure represents an increase of 2.3 per cent as compared to the same date last year, but it shows a decline of 1.1 per cent from the volume reported on December 31. The number of savings depositors at 77 of these banks increased during the month and amounted to 313,011 on January 31, as against 310,551 on the last day of the previous month, and 308,806 at the end of January last year.

SAVINGS DEPOSITS

	January 31, 1931			January 31, 1930			December 31, 1930		
	Number of Reporting Banks	Number of Savings Depositors	Amount of Savings Deposits	Number of Savings Depositors	Amount of Savings Deposits	Percentage Change Over Year in Savings Deposits	Number of Savings Depositors	Amount of Savings Deposits	Percentage Change Over Month in Savings Deposits
Beaumont.....	4*	5,527	\$ 2,543,683	5,698	\$ 2,443,605	+ 4.1	5,741	\$ 2,632,198	- 3.4
Dallas.....	4	65,105	26,576,733	68,542	25,435,430	+ 4.5	64,322	27,268,242	- 2.5
El Paso.....	2	16,060	5,497,364	16,030	6,147,768	-10.6	16,057	5,655,716	- 2.8
Fort Worth.....	2	20,912	7,697,301	18,258	7,653,765	+ .6	19,391	6,380,988	+20.6
Galveston.....	3	12,852	7,952,759	13,594	8,088,933	- 1.7	13,648	8,064,239	- 1.4
Houston.....	11*	74,734	35,083,700	69,063	33,320,086	+ 5.3	74,069	35,643,885	- 1.6
Port Arthur.....	2	4,822	1,739,438	4,699	1,716,555	+ 1.3	4,838	1,679,356	+ 3.6
San Antonio.....	7	39,168	23,763,259	37,253	22,849,997	+ 4.0	38,797	23,909,050	- .6
Shreveport.....	4*	20,784	13,327,274	21,496	11,006,078	+21.1	20,653	13,570,581	- 1.8
Waco.....	4	10,498	6,462,930	9,998	7,118,583	- 9.2	10,499	6,970,335	- 7.3
Wichita Falls.....	2	3,705	1,538,016	3,791	1,691,797	- 9.1	3,719	1,532,762	+ .3
All others.....	39*	38,844	19,253,647	40,884	20,568,077	- 6.4	38,817	19,742,181	- 2.5
Total.....	84	313,011	\$151,436,104	308,806	\$148,040,674	+ 2.3	310,551	\$153,049,533	- 1.1

*Only 3 banks in Beaumont, 10 banks in Houston, 3 banks in Shreveport, and 35 banks in "All others" reported the number of savings depositors.

FEBRUARY 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.....	4-7	6-8	6-8	5-6	5-6	6-8
Rate charged on loans to other banks secured by bills receivable.....	5-6	5½-6	5-6	5-6	5-6	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	6-8	5-6	6-8	6-8
Time.....	6-8	6-8	6-8	5-6	6-8	6-8
Rate charged on commodity paper secured by warehouse receipts, etc.....	6-7	8	6-8	5-6	6-8	6-7
Rate on cattle loans.....	6	6-8	6-8	7-8	6-8	8

INDUSTRY

*Cottonseed
Products*

The production of hulls during January at cottonseed oil mills located in Texas reflected a slight increase over January, 1930, while all other operations evidenced a decline as compared to both the previous month and the corresponding month last year. Activity at all United States mills also showed a noticeable recession as compared to both periods. During the six months of the present season, however, operations of the latter mills, with the exception of linters produced, continued to be on a larger scale than during the same period of the preceding season. Stocks of seed on hand at United States mills at the close of January were less than those held a year ago or a month earlier, while at Texas mills they were larger than on January 31, 1930. Inventories of crude oil at Texas mills showed a noticeable decline as compared to a year ago. Stocks of all other products at both Texas and United States mills were greater than on the same date last year.

STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS

	Texas		United States	
	August 1 to January 31 This Season	Last Season	August 1 to January 31 This Season	Last Season
Cottonseed received at mills (tons).....	1,189,222	1,185,572	4,299,928	4,297,509
Cottonseed crushed (tons).....	1,029,176	1,033,940	3,725,113	3,579,957
Cottonseed on hand (tons).....	176,749	171,747	620,231	757,874
Crude oil produced (pounds)...	300,535,534	301,405,313	1,125,462,886	1,106,472,748
Cake and meal produced (tons)...	483,998	482,223	1,685,778	1,590,901
Hulls produced (tons).....	289,521	276,001	1,032,086	984,558
Linters produced (running bales).....	160,828	217,259	647,089	737,719
Stocks on hand January 31:				
Crude oil (pounds).....	19,567,689	30,383,178	80,757,112	77,782,983
Cake and meal (tons).....	80,209	65,505	343,665	206,452
Hulls (tons).....	60,255	58,070	153,862	130,945
Linters (running bales).....	97,751	84,546	346,855	263,999

*Textile
Milling*

While the consumption of cotton and the production of cloth at Eleventh District textile mills were on a larger scale than in the previous month the demand for cotton goods declined during January, and stocks held at the end of the month were larger than those a month earlier or a year ago. The production of reporting mills amounted to 893,579 pounds as compared to 800,765 pounds in December, and 1,157,844 pounds in January a year ago. These mills consumed 2,053 bales of raw cotton during the month as compared to 1,777 bales in December, and 2,454 bales in January, 1930.

TEXTILE MILLING STATISTICS—TEXAS

	January 1931	January 1930	December 1930
Number bales consumed.....	2,053	2,454	1,777
Number spindles active.....	65,698	90,428	64,553
Number pounds cloth produced.....	893,579	1,157,844	800,765

COTTON CONSUMED AND ON HAND
(Bales)

	January 1931	January 1930	August 1 to January 31 This Season	Last Season
Cotton growing states:				
Cotton consumed.....	359,879	450,620	1,966,343	2,568,749
On hand January 31 in—				
Consuming establishments.....			1,206,748	1,398,117
Public storage and com- presses.....			7,542,445	5,168,569
United States:				
Cotton consumed.....	454,188	576,160	2,466,432	3,314,345
On hand January 31 in—				
Consuming establishments.....			1,613,475	1,825,793
Public storage and com- presses.....			7,939,454	5,404,731

The domestic consumption of cotton in the United States during January totaled 454,188 bales as compared to 406,207 bales in December, and 576,160 bales in January, 1930. Consumption during the first half of the present season averaged 25.6 per cent less than during the same period of the previous season. Cotton on hand in consuming establishments on January 31 was less than that held at the close of the preceding month or the same month last year.

*Cotton
Movements*

The movements of cotton through the ports of Houston and Galveston showed a further seasonal decline during the past month, but at Houston both receipts and exports reflected an increase over January, 1930. Stocks on hand at both ports on January 31 were 38.9 per cent greater than on the corresponding date of 1930, but were 5.7 per cent less than those held at the close of the preceding month. Total exports of cotton from the United States amounted to 624,631 bales during January, which represents a decline of 18.4 per cent from the previous month and 14.3 per cent from January, 1930. During the first six months of the current season exports aggregated 4,571,227 bales as compared to 4,891,012 bales in the same period of the preceding season. The takings of cotton in January by the United Kingdom, Italy, and Germany were considerably smaller than in either the previous month or the corresponding month last year, while exports to France and Japan were substantially larger than in either of the preceding periods.

COTTON MOVEMENTS THROUGH THE PORT OF GALVESTON
(Bales)

	January 1931	January 1930	August 1 to January 31 This Season	Last Season
Receipts.....	111,366	127,131	1,309,065	1,692,893
Exports.....	150,838	196,545	829,834	1,329,140
Stocks, January 31.....			664,383	439,345

COTTON—GALVESTON STOCK STATEMENT
(Bales)

	Jan. 31, 1931	Jan. 31, 1930
For Great Britain.....	5,700	9,500
For France.....	6,200	6,000
For other foreign ports.....	29,600	38,500
Coastwise ports.....	2,000	3,000
In compresses and depots.....	620,883	382,348
Total.....	664,383	439,348

COTTON MOVEMENTS THROUGH THE PORT OF HOUSTON
(Bales)

	January 1931	January 1930	August 1 to January 31 This Season	Last Season
Receipts.....	156,191	129,614	2,628,802	2,419,609
Exports.....	215,060	196,231	1,557,700	1,337,945
Stocks, January 31.....			1,424,090	1,064,315

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

	January, 1931 High	Low	Feb. 14, 1931
New York.....	10.60	10.00	10.95
New Orleans.....	10.16	9.66	10.67
Dallas.....	9.70	9.30	10.15
Houston.....	10.20	9.80	10.70
Galveston.....	10.25	9.90	10.75

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

	August 1 to January 31	
	This Season	Last Season
Receipts.....	7,531,463	7,416,400
Exports:		
United Kingdom.....	800,144	988,240
France.....	811,816	629,544
Italy.....	313,748	450,311
Germany.....	1,147,438	1,263,477
Other Europe.....	458,915	563,548
Japan.....	636,405	738,652
All other countries.....	402,761	257,240
Total foreign ports.....	4,571,227	4,891,012
Stocks at all United States ports, January 31.....	4,218,250	2,492,471

OIL PRODUCTION—(Barrels)

	January, 1931		Increase or Decrease Over	
	Total	Daily Avg.	December, 1930	Daily Avg.
North Texas.....	3,658,050	118,002	-482,050	-15,550
Central West Texas.....	8,412,450	271,369	-158,500	-5,113
East Central Texas.....	1,329,000	42,871	+ 70,200	+ 2,265
Texas Coastal.....	4,973,750	160,443	- 61,850	- 1,996
Southwest Texas.....	2,442,850	78,802	-169,200	- 5,458
Total Texas.....	20,816,100	671,487	-801,400	-25,852
New Mexico.....	1,259,600	40,632	- 14,450	- 466
North Louisiana.....	1,273,300	41,074	- 60,850	- 1,963
Total District.....	23,349,000	753,193	-876,700	-28,281

Petroleum

Actual production of crude oil in the Eleventh Federal Reserve District continued its downward course during January, and the total for the month amounted to 23,349,000 barrels, being 876,700 barrels smaller than in December, and 4,613,100 barrels below the output of January last year. With the exception of the recently discovered areas in East Texas, all portions of this district shared in the decline. Field activity likewise was curtailed somewhat, and resulted in a considerable decrease in the amount of new production. Of the 466 wells completed during January, 203 were producers having an initial yield of 206,661 barrels, while in December there were 514 new wells completed, of which 220 were producers with a flush production of 267,969 barrels.

Despite the energetic development that is taking place in the new fields of East Texas, the combined daily output of all Texas fields in January registered a further material curtailment from the preceding month. During January the average production was 671,487 barrels, as compared to 697,339 barrels in December and 853,110 barrels in January, 1930.

Fewer wells were completed in North Louisiana during January than in December, but there was a substantial gain in the initial production. Five wildcat wells, completed in this section during the month, netted a combined new production of 8,075 barrels. Although 14 completions were registered in New Mexico as against 11 during December, they were less successful and yielded a new production of only 34,608 barrels, as compared to 88,398 barrels in December.

On January 14 and 15, lower crude oil prices went into effect in North Texas (including the Panhandle) and on the Gulf Coast. The reductions ranged from \$.02 to \$.28 per barrel.

JANUARY DRILLING RESULTS

	Completions	Producers	Gas Wells	Failures	Initial Production
North Texas.....	171	69	17	85	22,713
Central West Texas.....	82	32	9	41	10,933
East Texas.....	25	23	2	...	93,355
Southwest Texas.....	47	12	10	25	1,055
Texas Coastal.....	67	47	3	17	27,789
Texas wildcats.....	24	1	1	22	7,700
Total Texas.....	416	184	42	190	163,545
New Mexico.....	14	9	1	4	34,608
North Louisiana.....	36	10	11	15	8,508
January totals, district.....	466	203	54	209	206,661
December totals, district....	514	220	75	219	267,969

CRUDE OIL PRICES

	Feb. 3, 1931	Feb. 4, 1930
Texas Coastal grade "A".....	\$.80	\$1.05
North Texas (40 gr. and above).....	.79	1.44*
North Louisiana (44 gr. and above).....	1.19	1.44

*Price paid for oil 44 gr. and above.

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

Building

Following an appreciable upturn in December, the value of building permits issued during January at principal cities in this district fell below the November level and amounted to only \$3,301,082. This figure represents a decline of slightly more than one-third from the January, 1930, total and a recession almost as great as compared to the December valuation. In spite of this decrease of 32.8 per cent from the preceding month, seven of the fourteen reporting cities were able to show increases for the month.

BUILDING PERMITS

	January, 1931		January, 1930		Percentage Change Valuation Over Year	December, 1930		Percentage Change Valuation Over Month
	No.	Valuation	No.	Valuation		No.	Valuation	
Amarillo.....	55	\$ 519,610	34	\$ 92,360	+462.6	34	\$ 69,505	+647.6
Austin.....	65	136,871	129	367,470	- 62.8	54	406,573	- 66.3
Beaumont.....	103	68,729	122	445,663	- 84.6	135	129,734	- 47.0
Corpus Christi.....	44	33,218	64	311,667	- 89.3	27	31,755	+ 4.6
Dallas.....	287	551,284	215	535,830	+ 2.9	248	1,275,638	- 56.8
El Paso.....	66	86,248	131	220,713	- 60.9	66	126,325	- 31.7
Fort Worth.....	200	408,500	157	477,580	- 14.5	185	473,673	- 13.8
Galveston.....	116	39,661	80	66,277	- 40.2	85	699,948	- 94.3
Houston.....	308	1,026,742	286	1,096,413	- 6.4	224	1,008,310	+ 1.8
Port Arthur.....	67	54,095	80	137,747	- 60.7	34	12,326	+388.9
San Antonio.....	209	213,140	270	733,860	- 71.0	242	607,959	- 64.9
Shreveport.....	132	125,891	135	235,305	- 46.5	126	33,341	+277.6
Waco.....	24	28,383	23	149,384	- 81.0	21	27,820	+ 2.0
Wichita Falls.....	14	8,710	17	92,381	- 90.6	13	7,235	+ 20.4
Total.....	1,690	\$ 3,301,082	1,743	\$ 4,962,650	- 33.5	1,494	\$ 4,910,142	- 32.8

Lumber

Following the sharp year-end decline, an appreciable improvement was noted in the demand for lumber, and the January shipments from

pine mills in this district increased materially. On the other hand, the curtailment of production, which has been in evidence for some time, was continued throughout the greater

part of the month, there being only a slight gain in the output. New orders for lumber increased 18 points, from 47 per cent of normal production on December 27 to 65 per cent of normal on January 24, while shipments showed an increase of 17 points during the period and on the latter date stood at 60 per cent of normal production. Due to the excess of shipments over production, stocks on hand on January 24 were 3.1 per cent less than those four weeks earlier. Unfilled orders recorded on the books of 45 reporting mills reflected an increase of 12.9 per cent during the period. An outstanding feature of interest in the industry in the past month was the large number of inquiries put out

by railroads, which amounted to approximately 8 million feet.

Cement

The production and shipments of portland cement during January at Texas mills showed further declines, partly seasonal, amounting to 17.9 per cent and 6.1 per cent, respectively. There were 322,000 barrels of cement manufactured in January, as against 321,000 barrels in the initial month of 1930. Total shipments from Texas mills amounted to 340,000 barrels in January this year, as compared to 317,000 barrels in the corresponding month a year ago. Stocks on hand declined somewhat and at the end of the month amounted to 782,000 barrels as compared to 799,000 barrels on December 31, and 817,000 barrels on the last day of January, 1930.

PINE MILL STATISTICS
(Four-week period ending January 24, 1931)

Number of reporting mills.....	45
Production.....	34,612,000 feet
Shipments.....	44,427,000 feet
Orders.....	47,441,000 feet
Unfilled orders January 24.....	27,657,000 feet
Normal production.....	73,544,000 feet
Stocks, January 24.....	311,275,000 feet
Shipments below normal production.....	29,117,000 feet—40%
Actual production below normal.....	38,932,000 feet—53%
Orders below normal production.....	26,105,000 feet—35%

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

	Number	January, 1931	
		Month	Percentage Change Over Year
Production at Texas mills.....	322	—17.9	+ .3
Shipments from Texas mills.....	340	— 6.1	+ 7.3
Stocks at end of month at Texas mills.....	782	— 2.1	— 4.3

SUMMARY OF NATIONAL BUSINESS CONDITIONS

(Compiled by the Federal Reserve Board as of February 24, 1931)

Industrial activity increased in January by slightly less than the usual seasonal amount and factory employment and payrolls declined. Money rates in the open market declined further from the middle of January to the middle of February.

PRODUCTION AND EMPLOYMENT

The Board's index of industrial production, which is adjusted for seasonal variation, showed a decrease of less than 1 per cent in January, compared with declines of 3 per cent in November and in December. Activity in the steel industry, which was at a low level in December, increased during the following month by considerably more than the usual seasonal amount; output of automobiles, which had shown an unusual increase in December, increased less in January than in the corresponding month of other recent years. The cotton and wool textile industries were more active in January, while the output of copper, petroleum, and coal declined. The number of wage earners employed at factories was smaller in the payroll period ending nearest the 15th of January than in the preceding month, reflecting in part extended year-end shut-downs. There were large declines in employment at foundries and at establishments producing hosiery, women's clothing, lumber, brick, cement, and tobacco products; employment in the men's clothing, leather, and agricultural implement industries increased somewhat more than usual for the season. Factory payrolls were considerably reduced in January. Value of contracts awarded for residential building continued to decline in January, according to the F. W. Dodge Corporation, while contracts for public works and utilities increased. In the first half of February the daily average of contracts awarded for residential building increased.

DISTRIBUTION

Volume of freight car loadings was reduced further in January, contrary to the usual seasonal tendency, reflecting decreases in shipments of coal, merchandise, and miscel-

laneous freight. Department store sales, which always show a sharp reduction from December to January, declined by less than the estimated seasonal amount.

WHOLESALE PRICES

The general level of wholesale commodity prices declined further by 2 per cent in January, according to the Bureau of Labor Statistics. Prices of many leading agricultural products, and of copper and silver decreased substantially, while prices of cotton and silk advanced. In the first half of February the price of cotton continued to rise and in the middle of the month copper also advanced, while the price of silver declined to new low levels and prices of livestock continued to decrease.

BANK CREDIT

Volume of credit at member banks in leading cities showed little change from January 14 to February 11, further declines of \$200,000,000 in loans on securities and of \$115,000,000 in all other loans, being largely offset by an increase of \$310,000,000 in the banks' holdings of investments. In the first three weeks of February bank suspensions declined sharply and a number of banks, previously suspended, resumed operations. Volume of reserve bank credit outstanding decreased by \$175,000,000 between the weeks ending January 17 and February 14, reflecting a reduction of \$70,000,000 in member bank balances and \$80,000,000 in money in circulation, together with an increase of \$25,000,000 in the stock of monetary gold. The principal reduction has been in acceptance holdings of the Reserve banks.

MONEY RATES

Money rates in the open market continued to decline after the middle of January and by the middle of February were at new low levels. The prevailing rate on prime commercial paper declined to a range of $2\frac{1}{2}$ - $2\frac{3}{4}$ per cent; and the rate on bankers' acceptances was reduced to $1\frac{1}{4}$ per cent, but subsequently advanced to $1\frac{1}{2}$ per cent.