

# MONTHLY BUSINESS REVIEW

OF THE

## FEDERAL RESERVE BANK OF DALLAS

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### DISTRICT SUMMARY

THE SITUATION AT A GLANCE  
Eleventh Federal Reserve District

	September 1931	Change From August
Bank debits to individual accounts (at 17 cities).....	\$582,258,000	+ 10.0%
Department store sales.....		- 26.7%
Reserve bank loans to member banks at end of month.....	\$ 13,674,937	- 2.7%
Reserve bank ratio at end of month.....	53.1%	- 3.3 points
Building permit valuation at larger centers.....	\$ 2,528,059	- 8.9%
Commercial failures (number).....	93	+ 14.8%
Commercial failures (liabilities).....	\$ 2,229,515	+103.7%
Oil production (barrels).....	28,839,500	- 21.2%

According to the October 1 estimates of the Department of Agriculture, the production of all major and most minor crops will greatly exceed that of a year ago, which will materially aid the farmers in making adjustments to present conditions. With an abundance of feed and large supplies of food for use during the coming year, the district's farmers are in a strategic position to hold the cost of producing 1932 crops to a low level. The low prices being received for cash crops have impaired his debt paying and purchasing power, yet this condition is being partially overcome by the intensive effort of farmers to gather crops with family labor. Rapid progress was made with the harvesting of crops in the Eleventh District during September owing to the prevalence of ideal weather conditions for this work. While the lack of moisture reduced the prospective yields of some crops and retarded the seeding of winter grains, the light to heavy rains which fell over a large area of the district toward the middle of October will be beneficial to late maturing crops, and will enable farmers to proceed with seeding and plowing operations. Ranges in some portions of the district deteriorated rapidly during the month due to the lack of moisture, but livestock generally remained in good flesh. The situation was greatly improved by the recent rains.

Distribution of merchandise in both wholesale and retail channels during the past month was affected adversely by the unseasonably warm weather prevailing throughout the month, as purchases of seasonal goods were delayed. While sales of department stores in larger cities reflected an increase of 22 per cent over the previous month, it was less than seasonal, and sales were 27 per cent smaller than a year ago. Sales in most lines of wholesale trade were larger than in the previous month, and in some instances were more than seasonal; yet these gains are accounted for largely by the fact that merchants bought sparingly early in the season and have made replacement purchases as consumer demand developed. As compared to October last year, sales in all reporting lines reflected a large decline. Commercial failures showed a further increase, both the number of defaults and the volume of indebtedness greatly exceeding those of the previous month and the corresponding month in 1930.

The past month witnessed a rapid expansion in the demand for Federal reserve bank funds. Loans by this bank to member banks rose from \$13,651,000 on September 15 to \$19,339,000 on October 15, and on the latter date compared to \$10,578,000 on the same date in 1930. Commercial loans of reserve city banks reflected a moderate expansion during the four-week period ending October 7, and investments were increased by a substantial amount. The daily average of combined net demand and time deposits of member banks showed a further decline, the September average being \$724,824,000, as compared to \$746,063,000 in August, and \$830,125,000 in September, 1930.

The valuation of building permits issued at principal cities was 9 per cent smaller than in August, and was 59 per cent below the figure for the corresponding month last year. Shipments of cement from Texas mills reflected an increase over both the previous month and the same month last year, but production was moderately smaller than in either comparative period.

### BUSINESS

#### Wholesale Trade

Distribution of merchandise at wholesale in the Eleventh Federal Reserve District evidenced a fair degree of stability during September, following the unfavorable record made in August. Of the five reporting lines, all except farm implements showed increased sales, which fact is of particular significance since one of the gains was contrary to seasonal tendency and another was of more than the usual size. As compared with a year ago, business showed substantial

reductions in every line, but in two cases this comparison was more favorable than in the previous month. Wholesalers felt the effect of high temperatures which prevailed over most of the district in September, resulting in a delayed demand for goods of a seasonal nature. There were general decreases in inventories during September, and they continued materially smaller than a year ago. Every wholesale line witnessed an improvement in collections. The increases, which were for the most part seasonal, ranged from 0.5 per

cent in the case of drugs to 23.2 per cent in the case of dry goods.

The distribution of dry goods at wholesale in this district during September showed a substantial increase of 9.4 per cent over August, whereas there is usually a falling-off in this month's business following the marked expansion in August. This year merchants bought only small quantities of merchandise early in the season and are making replacement orders as consumer demand arises, which has tended to sustain wholesale distribution. Sales during September were 29.4 per cent smaller than in the same month last year, while in August they showed a decrease of 38.0 per cent. Collections reflected an improvement of 23.2 per cent as compared to the preceding month.

The dry, hot weather in September, which delayed fall plowing and seeding operations and aided harvesting, had the affect of delaying demand for farm implements. Furthermore, the low prices on agricultural products, which has greatly reduced the farmers' crop returns, have caused farmers to limit purchases of implements largely to actual necessities. Sales were in fact 49.3 per cent less than in the previous month, and 58.7 per cent under the same month a year ago. September collections reflected a seasonal gain of 19.4 per cent.

Although the distribution of drugs through wholesale channels during September was 17.8 per cent less than in the same month last year, every reporting firm showed a substantial increase over August. Total sales during September were 9.5 per cent larger than in the previous month, the increase being due partly to seasonal influences, and partly to the fact that during August business was in much smaller volume than usual. Stocks on hand were reduced 5.1 per cent during the month. Collections continued in practically the same volume as in August.

There was little change in the sales of wholesale hardware firms during September. In several localities business showed an appreciable expansion, but it was primarily seasonal in nature. For the month of September, distribution reflected a decrease of 34.5 per cent from a year ago, and during the third quarter of the current year, sales averaged 29.5 per cent under the same period in 1930. Most wholesalers reported a slight improvement in collections.

A seasonal increase of 1.7 per cent, which is smaller than usual for this month, was reflected in the sales of wholesale grocery firms during September. There was a reduction of 24.4 per cent as compared to the same month last year. While buying was light in most sections, reports show that there was a good demand in some parts of the State. Although collections during September reflected a small gain over August, their ratio to accounts and notes outstanding continued its downward tendency.

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

	Net Sales Sept., 1931 compared with Sept. 1930		Net Sales July 1 to date compared with same period last year		Stocks Sept., 1931 compared with Sept. 1930		Ratio of collec- tions during Sept. to accounts and notes outstanding on August 31
	Sept. 1930	Aug. 1931	same period last year	Sept. 1930	Aug. 1931		
Groceries.....	-24.4	+1.7	-17.6	-12.9	-2.2	64.2	
Dry goods.....	-29.4	+9.4	-31.1	-28.0	-6.4	26.6	
Farm implements..	-58.7	-49.3	-37.5	-3.7	-.8	3.9	
Hardware.....	-34.5	+1.9	-29.5	-13.3	-.3	29.4	
Drugs.....	-17.8	+9.5	-18.1	-13.5	-5.1	35.1	

### Retail Trade

The exceedingly warm weather which prevailed during September was a restraining influence on retail buying in the Eleventh Federal Reserve District. This is evidenced by the sharp decline from a year ago in the sales of most items of strictly fall merchandise. The aggregate sales of reporting firms during September reflected an increase of 22.3 per cent over the preceding month, which was considerably less than seasonal, while the comparison with a year ago showed a decline of 26.7 per cent. Distribution during the nine months of the current year reflected a decline of 14.0 per cent, as compared to the corresponding period of 1930.

Inventories of merchandise held on September 30 showed a seasonal increase of 8.9 per cent, but continued 12.8 per cent below a year ago. The stock turnover rate during the period January 1 through September 30, 1931, was 2.08, as compared to 2.04 in the same period of 1930.

Collections declined further during the month. The ratio of charge accounts collected during September to accounts outstanding on the first of the month was 27.8 per cent, as against 28.1 per cent in August, and 31.0 per cent in September, 1930.

### BUSINESS OF DEPARTMENT STORES

	Dallas	Fort Worth	Houston	Others	Total District
<b>Total Sales (Percentage):</b>					
September, 1931, compared with September, 1930.....	-26.0	-22.1	-27.5	-29.1	-26.7
September, 1931, compared with August, 1931.....	+9.9	+23.0	+42.3	+25.6	+22.3
January 1 to date, compared with same period last year.....	-13.6	-8.2	-15.6	-16.3	-14.0
<b>Credit Sales (Percentage):</b>					
September, 1931, compared with September, 1930.....	-28.8	-25.8	-27.5	-26.9	-27.6
September, 1931, compared with August, 1931.....	+10.6	+27.3	+51.9	+29.6	+24.5
January 1 to date, compared with same period last year.....	-16.0	-9.4	-15.9	-16.0	-15.1
<b>Stocks (Percentage):</b>					
September, 1931, compared with September, 1930.....	-12.8	-9.3	-9.8	-16.8	-12.8
September, 1931, compared with August, 1931.....	+10.7	+4.2	+9.8	+9.3	+8.9
<b>Stock Turnover (Rate):</b>					
Rate of stock turnover in September, 1930.....	.28	.21	.32	.27	.27
Rate of stock turnover in September, 1931.....	.24	.17	.26	.23	.23
Rate of stock turnover January 1 to September 30, 1930.....	2.20	1.75	2.22	2.15	2.04
Rate of stock turnover January 1 to September 30, 1931.....	2.13	1.70	2.18	2.19	2.08
Ratio of September collections to accounts receivable outstanding September 1, 1931.....	27.8	25.7	31.4	26.9	27.8

### Commercial Failures

According to the report issued by R. G. Dun & Company for the month of September, both the number and liabilities of defaulting firms in the Eleventh Federal Reserve District reflected a further increase over the previous month. They were also appreciably larger than in September, 1930. There were 93 commercial failures during the month, as against 81

in August, and 60 in the corresponding month last year. Aggregate indebtedness amounted to \$2,229,515 in September, as compared to \$1,094,300 in the preceding month, and \$1,320,965 in the same month a year ago. During the third quarter of the current year, the average liability of insolvent firms amounted to \$18,693.

## AGRICULTURE

*Crop Conditions*

Weather conditions during September were very favorable for harvesting operations, but the exceedingly light rainfall

over a considerable portion of the district had the effect of reducing slightly prospective yields of some crops and delayed the seeding of winter grain crops. Toward the middle of October, light to heavy rains fell over a considerable portion of the district. While the rains delayed harvesting work and damaged to some extent the open cotton, they will be of considerable benefit to late maturing crops and will leave the ground in good condition for fall plowing and seeding operations.

The estimated production of cotton in this district declined during September as the slight gain in Texas was more than offset by the smaller indicated yields in other states attached to this district. The district's cotton production, as derived from October 1 estimates of the Department of Agriculture, was placed at 6,063,000 bales, as against a prospective yield of 6,077,000 bales on September 1, and an actual production of 4,849,000 bales in 1930. While the estimated production of 5,100,000 bales for Texas was only slightly larger than a month ago, prospects within the State have changed somewhat. Unfavorable weather has reduced prospects in Northwest Texas, but the favorable conditions in other sections have more than offset this reduction. The Department stated that Southeast Texas is making one of its largest crops and all other sections, except South Texas, will produce a better crop than in 1930. In South Texas production will fall considerably short of the five-year average and the good crop of 1930. In Oklahoma the estimated production was lowered 59,000 bales as a result of the hot, dry weather which caused the shedding of late blooms and small bolls, and premature opening. Weather conditions during September and early October were ideal for cotton picking, and rapid progress was made with this work even though many farmers are endeavoring to harvest the crop with family labor. Ginnings prior to October 1 were as follows: Texas, 2,269,319 bales; Oklahoma, 280,613 bales; Louisiana, 300,095 bales; New Mexico, 5,568 bales; Arizona, 11,778 bales. Rains over a large portion of the district since October 1 have delayed picking, and have damaged to some extent the grade of open cotton.

The dry, hot weather during September reduced the prospects for grain sorghums in Texas and Oklahoma. The October 1 estimate for Texas was placed by the Department of Agriculture at 68,244,000 bushels, which was 3,102,000 bushels lower than the estimate a month earlier, and compares with an actual outturn of 46,816,000 bushels in 1930. While the yield is somewhat spotted, on the whole there is a good to excellent crop. The estimated production of this crop in Oklahoma dropped 2,394,000 bushels during the month, yet the forecasted yield of 23,142,000 bushels is materially above last year's harvest of 13,059,000 bushels. There were no changes in the estimates for New Mexico and Arizona. The indicated production of corn in New Mexico was reduced from 6,248,000 bushels on September 1 to 5,964,000 bushels on October 1, but no change was made in the estimates of other states attached to this district, as the crop was practically made at the earlier report date. The production for the district, as derived from the October 1 estimates of the Department of Agriculture, was placed at 128,149,000 bushels, as compared to an output of 96,478,000 bushels in 1930. The tame hay crop improved during the month in Texas, Louisiana, Arizona, and New Mexico, but deterior-

ated in Oklahoma. Production for the district was estimated at 1,130,000 tons, which reflects a gain of 74,000 tons during the month, and 229,000 tons over the 1930 production.

While the prospective production of most minor crops was lowered in September as a result of the drouth, yields are very satisfactory and show a large increase over a year ago. The heaviest reductions were in Oklahoma, where the drouth was most severe. The sweet potato crop in Texas promised 5,106,000 bushels on October 1, as compared to 6,003,000 bushels a month earlier, and a harvest of 3,570,000 bushels last year. In Louisiana the indicated production was 7,310,000 bushels, being 344,000 bushels lower than on September 1, but 1,898,000 bushels higher than a year ago. While there was a sharp decline in the estimate for Oklahoma, that for New Mexico was increased. The Irish potato crop in Texas, estimated at 5,419,000 bushels on October 1, was higher than either a month earlier or a year ago. The estimated yield in Louisiana was placed at 4,005,000 bushels, as against 4,266,000 bushels indicated on September 1, and 2,480,000 bushels harvested last year. The indicated yield of peanuts in Texas on October 1 was 89,320,000 bushels and while lower than the estimate on September 1, it was considerably larger than production in 1930. The Louisiana crop showed a noticeable improvement during the month and the estimated production of 9,350,000 bushels, compared to a harvest of 6,225,000 last year. The condition of the Texas rice crop reflected a further improvement, and the yield was forecasted as 9,653,000 bushels, as against 9,456,000 bushels on September 1, and a production of 8,463,000 bushels in 1930. While the Department of Agriculture made no forecast of production of citrus fruit for Texas, it stated that production, according to informed men, will more than double last year's harvest and that the quality of the fruit is good to excellent.

*Livestock*

Contrary to the usual seasonal trend, the condition of ranges in Texas reflected a noticeable decline during September, and that of livestock receded moderately. This was due to the exceptionally light rainfall throughout the State during the month. While ranges in most sections carry a large crop of dry grass, which is sufficient for present needs, and light to heavy rains fell in many sections of the State toward the middle of October, considerably more moisture is needed to assure winter range feed. It should be noted that there is a large crop of hay, grains, and other feeds, which should furnish an ample supply of dry feed to carry stock through the winter. The Department of Agriculture stated that there has been a relatively heavy movement of feeder lambs into the high plains area in the Northwestern part of the State. In New Mexico and Arizona both livestock and their ranges have remained in good condition, with range and feed prospects generally very good to excellent. Throughout the district livestock are reported by the Department to be in good flesh. The lower condition figure for livestock in Texas resulted more from high temperatures and lack of water than from insufficient feed. According to the Department of Agriculture, the condition of ranges in Texas averaged 71 per cent of normal, as compared to 79 per cent a month earlier, and 67 per cent on the same date in 1930. Sheep and goat ranges declined 10 points during the month, but were 7 points above a year ago. While the condition of cattle dropped 4 points during September, on October 1 it was 5 points higher than last year. The 81 per cent condition figure for sheep on October 1, which was 3 points lower than on September 1, was 7

points higher than on October 1, 1930. In New Mexico, the condition of ranges declined 1 point during the month, and that of cattle and sheep showed no change. In each instance, the condition figure was substantially higher than a year ago. The condition of both livestock and ranges in Arizona on October 1 showed a moderate improvement over the previous month and the corresponding month last year.

#### Movements and Prices

Receipts of all classes of livestock at the Fort Worth market during September reflected a very large decline from the corresponding month a year ago. The arrivals of cattle and sheep were considerably smaller than in August, but those of calves and hogs were larger. Receipts of all classes except

sheep were smaller in the first half of October than in the corresponding period of 1930.

Market prices on most classes of cattle worked to lower levels during the past six weeks. Prices for calves and beef steers were somewhat erratic but the trend was downward. The market on cows at the end of the period was a shade stronger. Despite the small receipts, hog prices declined steadily throughout September, losing about \$1.00, but approximately half of the loss was regained during the first half of October. Lamb prices were lower at the close of the period, but sheep values were slightly higher.

FORT WORTH LIVESTOCK RECEIPTS  
(Number)

	September 1931	September 1930	Change over year	August 1931	Change over month
Cattle.....	46,809	84,425	-37,616	55,343	- 8,534
Calves.....	27,934	52,143	-24,209	23,866	+ 4,068
Hogs.....	11,917	15,354	- 3,437	10,664	+ 1,253
Sheep.....	42,181	54,193	-12,012	64,283	-22,102

COMPARATIVE TOP LIVESTOCK PRICES  
(Dollars per hundred-weight)

	September 1931	September 1930	August 1931
Beef steers.....	\$8.35	\$10.00	\$8.25
Stocker steers.....	4.40	7.00	5.25
Butcher cows.....	4.25	5.50	4.50
Stocker cows.....	3.00	5.85	...
Calves.....	6.00	8.50	6.50
Hogs.....	6.50	10.75	8.00
Sheep.....	3.75	4.50	3.75
Lambs.....	6.00	8.00	5.85

## FINANCE

#### Condition of Member Banks in Selected Cities

The investments of member banks in selected cities reflected a large increase during the past month, and on October 7 were materially higher than on the corresponding date a year ago. The United States securities owned by these banks on October 7 totaled \$76,325,000, which was \$17,342,000 greater than four weeks earlier, and \$7,433,000 larger than a year ago. While investments in other stocks and bonds were increased only \$454,000 during the four-week period, they were \$13,382,000 above those on the corresponding date last year. Loans on securities declined \$6,268,000 between September 9 and October 7, but "all other" loans (largely commercial) were increased \$4,746,000 during the same period. Total loans of these banks amounted to \$291,456,000 on October 7, as compared to \$338,254,000 on October 8, 1930. The combined net demand and time deposits of these banks showed a further decline of \$14,584,000 during the period ending October 7, and were \$38,592,000 less than on the corresponding date in 1930. Borrowings of these banks at the Federal Reserve Bank amounted to \$5,527,000 on October 7, as compared to \$4,863,000 four weeks earlier, and \$2,086,000 a year ago.

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

	Oct. 7, 1931	Sept. 9, 1931	Oct. 8, 1930
United States securities owned.....	\$ 76,325	\$ 58,983	\$ 68,892
All other stocks, bonds, and securities owned.....	61,100	60,646	47,718
Loans on securities.....	83,213	89,481	94,722
All other loans.....	208,243	203,497	243,532
Total loans.....	291,456	292,978	338,254
Net demand deposits.....	254,463	265,997	278,910
Time deposits.....	134,930	137,980	149,075
Reserve with Federal Reserve Bank.....	33,440	33,322	32,754
Bills payable and rediscounts with Federal Reserve Bank.....	5,527	664	2,086

#### Operations of the Federal Reserve Bank

Federal Reserve Bank loans to member banks remained generally steady during the last half of September, and then reflected a rapid expansion during the succeeding fifteen days, reaching a peak on October 15 at \$19,

339,000. This figure compares with \$13,651,000 on September 15, and \$10,578,000 on October 15, 1930. During the past thirty days the amount of borrowings by country banks showed little change, but those of reserve city banks, which have been at a low level for the past year, increased considerably. The number of banks which have completely liquidated their indebtedness at the Federal Reserve Bank has more than offset the number opening new lines, with the result that there were 245 borrowing banks on October 15, as compared to 248 a month earlier. Investments of this bank in bankers' acceptances were greatly increased during the period, rising from \$5,290,000 on September 15 to \$23,443,000 on October 15. On the corresponding date last year, holdings of these bills amounted to \$7,769,000. On the other hand, holdings of United States Government securities, which totaled \$20,165,000 on October 15, were \$4,965,000 less than thirty days earlier, and \$9,064,000 below those a year ago. The reserve deposits of member banks rose \$1,463,000 between September 15 and October 15, but on the latter date were \$10,254,000 less than on that date in 1930. Federal reserve notes in actual circulation amounted to \$51,396,000 on October 15, as compared to \$30,227,000 on September 15, and \$34,550,000 on the corresponding date last year.

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

	Oct. 15, 1931	Sept. 15, 1931	Oct. 15, 1930
Total cash reserves.....	\$ 56,251	\$ 51,357	\$ 60,617
Discounts for member banks.....	19,339	13,651	10,578
Other bills discounted.....	31	6	1
Bills bought in open market.....	23,443	5,290	7,769
United States securities owned.....	20,165	25,130	29,227
Other investments.....	7	7	7
Total earning assets.....	62,985	44,084	47,584
Member bank reserve deposits.....	53,408	51,945	63,662
Federal reserve notes in actual circulation...	51,396	30,227	34,550

#### Deposits of Member Banks

Contrary to the usual seasonal movement, the daily average of combined net demand and time deposits of member banks in this district during September reflected a further substantial decline. The average amounted to \$724,824,000, as compared to \$746,063,000 for August, and \$830,125,000 for

the month of September, 1930. While the reduction was shared by all classifications, the net demand deposits of reserve city banks showed the largest decline.

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
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
Nov., 1930.....	598,534	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
Feb., 1931.....	576,803	236,250	264,844	143,681	311,959	92,569
Mar., 1931.....	567,465	234,767	263,123	143,080	304,345	91,687
April, 1931.....	567,009	234,141	269,207	142,589	297,802	91,552
May, 1931.....	563,222	233,653	267,010	140,362	296,212	93,291
June, 1931.....	543,155	231,880	254,063	139,890	289,092	91,990
July, 1931.....	537,233	225,928	257,244	135,499	279,989	90,429
Aug., 1931.....	523,797	222,266	255,584	133,568	268,213	88,698
Sept., 1931.....	508,850	215,974	242,731	129,116	266,119	86,858

Acceptance Market

Total acceptances executed by member banks in this district and outstanding at the close of September failed to show the

usual large increase over the previous month. They amounted to \$1,370,181, as compared to \$1,369,626 on August 31, and \$6,952,731 on the last day of September a year ago. Although acceptances based on the domestic shipment and storage of goods increased to \$537,000 on September 30, those executed against import and export transactions declined to \$833,181.

Debits to Individual Accounts

Reflecting a seasonal increase somewhat smaller than the eight-year average for this month, the volume of debits to individual accounts during September at

principal centers in this district totaled \$582,258,000. This

amount, while 10.0 per cent larger than in August, was 27.6 per cent below the volume of September, 1930. Fourteen of the seventeen reporting cities participated in the increase over the previous month.

DEBITS TO INDIVIDUAL ACCOUNTS  
(In thousands of dollars)

	September 1931	September 1930	Percentage change over year	August 1931	Percentage change over month
	Abilene.....	\$ 4,567	\$ 6,342	-28.0	\$ 4,379
Austin.....	18,626	20,749	-10.2	15,867	+17.4
Beaumont.....	17,457	23,177	-24.7	16,123	+ 8.3
Corsicana.....	3,397	5,078	-33.1	2,775	+22.4
Dallas.....	165,516	221,860	-25.4	136,404	+21.3
El Paso.....	18,923	30,387	-37.7	21,115	-10.4
Fort Worth.....	62,740	89,123	-29.6	58,982	+ 6.4
Galveston.....	21,248	31,676	-32.9	20,392	+ 4.2
Houston.....	137,632	190,724	-27.8	129,504	+ 6.3
Port Arthur.....	6,389	10,126	-36.9	7,003	- 8.8
Roswell.....	2,408	3,647	-34.0	2,160	+11.5
San Antonio.....	59,823	79,064	-24.3	55,614	+ 7.6
Shreveport.....	24,895	34,886	-28.6	23,017	+ 8.2
Texarkana*.....	8,020	10,194	-21.3	7,847	+ 2.2
Tucson.....	7,943	8,831	-10.1	7,769	+ 2.2
Waco.....	12,842	16,958	-24.3	10,346	+24.1
Wichita Falls....	9,832	21,293	-53.8	9,831	0.0
Total.....	\$582,258	\$804,115	-27.6	\$529,128	+10.0

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

Savings Deposits

The savings deposits of 81 reporting member banks amounted to \$136,836,013 on September 30, which compares with \$139,445,459 at the close of August, and \$147,237,996 on the same date last year. Expressed in percentages, the declines amounted to 1.9 per cent from the previous month, and 7.1 per cent from a year ago. While only two of the ten larger cities reflected increases over August 31, four of them showed larger savings deposits than on September 30, 1930.

SAVINGS DEPOSITS

	Number of Reporting Banks	September 30, 1931		September 30, 1930		Percentage Change Over Year in Savings Deposits	August 31, 1931		Percentage Change Over Month in Savings Deposits
		Number of Savings Depositors	Amount of Savings Deposits	Number of Savings Depositors	Amount of Savings Deposits		Number of Savings Depositors	Amount of Savings Deposits	
Beaumont.....	4*	5,664	\$ 2,635,976	5,772	\$ 2,625,781	+ .4	5,678	\$ 2,700,379	- 2.4
Dallas.....	4	62,972	24,014,782	65,065	26,929,849	-10.8	63,135	24,519,232	- 2.1
Fort Worth.....	2	20,848	7,266,435	18,781	7,578,186	- 4.1	21,027	7,382,415	- 1.6
Galveston.....	3	12,982	8,444,984	12,939	8,300,961	+ 1.7	12,777	8,166,965	+ 3.4
Houston.....	11*	73,862	33,750,244	72,510	35,387,729	- 4.6	73,987	34,110,590	- 1.1
Port Arthur.....	2	4,688	1,921,519	4,884	1,814,546	+ 5.9	4,677	1,905,476	+ .8
San Antonio.....	6*	20,748	20,564,264	19,006	19,804,051	+ 3.8	21,051	20,641,900	- .4
Shreveport.....	4*	20,987	11,089,240	20,854	13,344,375	-16.9	21,020	11,195,014	- .9
Waco.....	4	10,318	6,076,507	10,541	6,878,543	-11.7	10,493	6,257,256	- 2.9
Wichita Falls.....	2	3,313	1,355,146	3,742	1,652,684	-18.0	3,432	1,413,920	- 4.2
All others.....	39*	41,807	19,716,916	45,041	22,921,291	-14.0	43,469	21,152,312	- 6.8
Total.....	81	278,189	\$136,836,013	279,135	\$147,237,996	- 7.1	280,746	\$139,445,459	- 1.9

\*Only 3 banks in Beaumont, 10 in Houston, 5 in San Antonio, 3 in Shreveport, and 35 in "All others" reported the number of savings depositors.

OCTOBER DISCOUNT RATES

Prevailing Rates:

	Dallas	El Paso	Fort Worth	Houston	San Antonio	Waco
Rate charged customers on prime commercial paper such as is now eligible for rediscount under the Federal Reserve Act.....	3-6	6-8	4-8	5-6	6-8	6-8
Rate charged on loans to other banks secured by bills receivable.....	5-6	5½-6	5-6	4½-5	6	5-6
Rate on loans secured by prime stock exchange or other current collateral (not including loans placed in other markets through correspondent banks):						
Demand.....	4-6	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.....	4-6	8	6-8	5-6	6-8	5-7
Rate on cattle loans.....	5-7	6-8	6-8	7-8	7-8	8

INDUSTRY

Cottonseed Products

Following the unseasonably low operations of cottonseed oil mills during August, activity increased perceptibly in September, with the pronounced upturn in the movement of the

current cotton crop. At Texas mills both receipts and crushings of seed exceeded those a month earlier and a year ago, while at all United States mills declines were registered as compared to September, 1930. Production of cottonseed

products at the latter mills during September, likewise, was below the corresponding month last year. During August and September of the present season, operations at both Texas and United States mills were below those of the same months of the 1930-31 season. Stocks of crude oil, and hulls on hand at Texas mills on September 30 were above those a year ago, while those of cake and meal, and linters were smaller. At United States mills supplies of oil were below those a year ago with inventories of all other products in greater volume.

#### STATISTICS ON COTTONSEED AND COTTONSEED PRODUCTS

	Texas		United States	
	August 1 to September 30 This Season	Last Season	August 1 to September 30 This Season	Last Season
Cottonseed received at mills (tons).....	492,029	568,153	970,062	1,383,594
Cottonseed crushed (tons).....	243,412	278,159	510,472	728,659
Cottonseed on hand (tons).....	262,110	306,715	484,374	700,369
Crude oil produced (pounds).....	71,376,909	81,117,708	153,894,979	219,198,415
Cake and meal produced (tons).....	113,938	131,794	229,723	328,305
Hulls produced (tons).....	69,307	77,092	142,515	202,514
Linters produced (running bales).....	32,757	46,029	77,897	127,058
Stocks on hand Sept. 30:				
Crude oil (pounds).....	19,024,658	14,549,605	44,591,452	45,091,216
Cake and meal (tons).....	30,398	36,204	118,845	117,078
Hulls (tons).....	57,569	35,843	101,505	92,594
Linters (running bales).....	53,836	61,326	201,160	183,570

#### Textile Milling

Although a small recession from the previous month occurred during September in operations of Eleventh District textile mills, activity continued on a larger scale than in the corresponding month a year ago. Cotton consumed, by reporting mills, during the month amounted to 1,270 bales, as against 1,386 bales in August, and 1,028 bales in September, 1930. Production of cloth reflected a decrease of 1.9 per cent as compared with a month earlier, but was 12.7 per cent above a year ago. The volume of orders held at the close of the month, while below those a month earlier, was considerably above those held on September 30, 1930. Stocks of finished products on hand at the close of September were below those on both comparative dates.

The domestic consumption of cotton during the past month evidenced a moderate gain of 8.9 per cent over the previous month, and was 17.9 per cent above the low volume for September, 1930. There were 463,704 bales of cotton consumed by American mills during the month, as against 425,819 bales in August, and 393,390 bales in September, 1930. Although consumption during the two months of the

#### TEXTILE MILLING STATISTICS—TEXAS

	September 1931	September 1930	August 1931
Number bales consumed.....	1,270	1,028	1,386
Number spindles active.....	46,952	51,851	48,304
Number pounds cloth produced.....	623,744	553,543	635,909

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

	September 1931	September 1930	August 1 to September 30 This Season	Last Season
Cotton growing states:				
Cotton consumed.....	375,911	313,912	717,453	597,947
On hand Sept. 30 in—				
Consuming establishments.....			510,184	642,492
Public storage and compresses.....			5,957,419	4,891,446
United States:				
Cotton consumed.....	463,704	393,390	889,523	746,016
On hand Sept. 30 in—				
Consuming establishments.....			775,523	970,988
Public storage and compresses.....			6,296,546	5,241,062

current season is substantially above the corresponding period of the previous season, it will be recalled that consumption during the first seven months of the 1930-31 season was at a very low level. Supplies of cotton held by consuming establishments on September 30 continued considerably below those a month earlier and a year ago.

#### Cotton Movements

The seasonal movements of cotton to concentration points were reflected by the heavy receipts at the ports of Houston and Galveston during the past month. Both receipts and exports at Galveston during September exceeded those of the preceding month, and the same month of 1930, while at Houston noticeable declines were registered as compared to a year ago. Stocks of cotton on hand at both ports on September 30 were considerably larger than those a month earlier, and continued above those of last year.

Aggregate foreign exports of cotton during September from all United States ports, while showing the usual seasonal increase over the previous month, were the lowest for any like month in several years. Shipments of cotton to foreign countries totaled 583,192 bales during September, as against 211,030 bales in August, and 902,956 bales in September, 1930. During the first two months of the present season exports were on a scale 39.4 per cent less than in the like period of 1930. Takings of cotton by Japan and China continued materially above a year ago, while exports to Great Britain, France, and Germany were on a much smaller scale due principally to European financial conditions.

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

	September 1931	September 1930	August 1 to September 30 This Season	Last Season
Receipts.....	228,073	200,247	234,439	249,800
Exports.....	83,008	79,910	105,064	111,227
Stocks September 30.....			530,437	323,825

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

	Sept. 30, 1931	Sept. 30, 1930
For Great Britain.....	600	4,500
For France.....	700	3,600
For other foreign ports.....	15,200	15,600
For coastwise ports.....	500	500
In compresses and depots.....	513,437	299,625
Total.....	530,437	323,825

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

	September 1931	September 1930	August 1 to September 30 This Season	Last Season
Receipts.....	437,693	645,405	484,991	883,615
Exports.....	228,514	280,013	310,041	375,899
Stocks September 30.....			892,806	1,005,029

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

	August 1 to September 30 This Season	Last Season
Receipts.....	1,267,329	2,330,235
Exports:		
United Kingdom.....	35,276	180,952
France.....	28,072	209,613
Italy.....	61,942	69,358
Germany.....	142,256	441,492
Other Europe.....	97,555	138,577
Japan.....	215,429	170,014
All other countries.....	188,692	58,986
Total foreign ports.....	769,222	1,268,992
Stocks at all United States ports September 30.....	3,210,860	2,660,335

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

	September, 1931		October 15,
	High	Low	1931
New York.....	6.95	5.95	6.20
New Orleans.....	6.67	5.70	5.98
Dallas.....	6.15	5.20	5.35
Houston.....	6.65	5.70	5.90
Galveston.....	6.75	5.80	5.85

corded in the South Texas and Gulf Coastal regions. In North Louisiana, both production and field activity were on a materially smaller scale than in the previous month. Of eight wells completed, only one was successful, having an initial yield of 255 barrels.

SEPTEMBER DRILLING RESULTS

	Com- pletions	Pro- ducers	Gas Wells	Fail- ures	Initial Production
North Texas.....	35	10	4	21	1,025
Central West Texas.....	40	20	6	14	1,748
East Central Texas.....	349	331	..	18	2,561,425
South Texas.....	31	11	2	18	2,534
Texas Coastal.....	26	10	1	15	9,345
<b>Total Texas.....</b>	<b>481</b>	<b>382</b>	<b>13</b>	<b>86</b>	<b>2,576,077</b>
New Mexico.....	..	..	..	..	..
North Louisiana.....	8	1	3	4	255
September totals, district....	489	383	16	90	2,576,332
August totals, district.....	541	425	14	102	2,810,574

**Petroleum**  
The output of crude oil in this district during September, which totaled 28,839,500 barrels, was 7,749,100 barrels smaller than in the previous month, but reflected a gain of 2,777,350 barrels as compared to the same month last year. The number of new wells completed declined from 541 in August to 489 in September, and the initial production from successful wells decreased from 2,810,574 barrels in the former month to 2,576,332 barrels in the latter month.

CRUDE OIL PRICES

	October 13, 1931	October 14, 1930
Texas Coastal (35 gr. and above).....	\$.66	\$1.15*
North Texas and North Louisiana (40 gr. and above)....	.70	1.57**

\*Price paid for Texas Coastal, grade "A".  
\*\*Price paid for oil, 44 gr. and above.

Daily yield in Texas showed a reduction of 219,595 barrels as compared to August, which was more than accounted for by the restrictions placed on output in East Texas. The daily average in that section declined from 578,105 barrels in August to 352,885 barrels in September. While daily output in North Texas and Central West Texas during September registered an upturn, further declines were re-

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

OIL PRODUCTION—(Barrels)

	September, 1931		Increase or Decrease Over August, 1931	
	Total	Daily Avg.	Total	Daily Avg.
North Texas.....	3,564,950	118,832	+ 56,900	+ 5,669
Central West Texas.....	7,002,950	233,431	- 52,600	+ 5,833
East Central Texas.....	10,586,550	352,885	-7,334,700	-225,220
Texas Coastal.....	3,770,400	125,680	- 272,650	- 4,741
South Texas.....	1,682,100	56,070	- 91,300	- 1,136
<b>Total Texas.....</b>	<b>26,606,950</b>	<b>886,898</b>	<b>-7,694,350</b>	<b>-219,595</b>
New Mexico.....	1,345,150	44,838	..	+ 1,446
North Louisiana.....	887,400	29,580	- 54,750	- 812
<b>Total District.....</b>	<b>28,839,500</b>	<b>961,316</b>	<b>-7,749,100</b>	<b>-218,961</b>

**Building**  
A further decline of 8.9 per cent, due in part to seasonal influences, was reflected in the valuation of building permits issued during September at principal cities in this district. The month's volume, which amounted to \$2,528,059, was 59.3 per cent smaller than that of September, 1930. A favorable factor is the further gain in number of permits issued. This figure amounted to 1,820 in September, as against 1,733 in the previous month, and 2,008 in the same month last year. The valuation of building permits issued during the first three quarters of the current year was 41.4 per cent below the total for the same period last year.

BUILDING PERMITS

	Sept., 1931		Sept., 1930		Percentage Change Valuation Over Year	Aug., 1931		Percentage Change Valuation Over Month	Nine Months				Percentage Change Valuation Over Period
	No.	Valuation	No.	Valuation		No.	Valuation		1931		1930		
									No.	Valuation	No.	Valuation	
Amarillo.....	35	\$ 248,769	48	\$ 84,005	+106.1	44	\$ 363,387	- 31.5	426	\$ 2,572,058	512	\$ 1,661,367	+54.8
Austin.....	92	88,196	66	80,901	+ 9.0	116	124,188	- 29.0	860	1,751,110	832	2,846,660	-38.5
Beaumont.....	110	33,425	161	782,100	- 95.7	80	75,726	- 55.9	932	973,681	1,813	2,378,634	-59.1
Corpus Christi.....	35	23,590	59	33,525	- 29.6	42	61,950	- 61.9	452	440,320	502	940,888	-53.2
Dallas.....	369	368,377	370	1,920,191	- 80.8	270	293,005	+ 25.7	2,907	3,802,982	2,987	8,366,452	-54.5
El Paso.....	102	47,460	96	210,819	- 77.5	60	80,193	- 40.8	665	889,251	1,000	2,407,514	-63.1
Fort Worth.....	175	386,694	187	588,708	- 34.3	147	408,223	- 4.1	1,700	3,842,827	2,116	8,648,592	-55.6
Galveston.....	124	117,384	155	79,341	+ 47.9	127	56,092	+109.3	1,123	1,914,226	1,116	987,183	+93.9
Houston.....	307	846,723	302	1,873,506	- 54.8	335	812,185	+ 4.3	2,885	9,672,817	2,946	14,083,478	-31.2
Port Arthur.....	58	17,276	100	48,094	- 64.1	64	14,876	+16.1	545	872,308	372	2,535,063	-65.6
San Antonio.....	234	227,501	251	324,795	- 30.0	244	361,033	- 37.0	2,055	2,261,055	2,485	5,981,135	-62.2
Shreveport.....	145	55,123	167	84,205	- 34.5	170	85,647	- 35.6	1,339	817,514	1,551	1,414,079	-42.2
Waco.....	26	61,709	26	81,072	- 23.9	22	29,060	+112.4	243	1,711,865	297	959,314	+78.4
Wichita Falls.....	8	5,832	20	22,257	- 73.8	12	13,580	- 67.1	99	139,937	209	884,697	-84.2
<b>Total.....</b>	<b>1,820</b>	<b>\$2,528,059</b>	<b>2,008</b>	<b>\$6,213,519</b>	<b>- 59.3</b>	<b>1,733</b>	<b>\$2,774,145</b>	<b>- 8.9</b>	<b>16,231</b>	<b>\$31,661,941</b>	<b>18,841</b>	<b>\$ 54,065,665</b>	<b>-41.4</b>

**Cement**  
Although the production of portland cement at Texas mills during September reflected a decrease as compared to both the previous month and the same month last year, there was a material increase over both periods in the amount of cement shipped from these mills during the month. Production declined from 644,000 barrels in August to 625,000 barrels in September, while shipments rose from 667,000 barrels in the former month to 688,000 barrels in the latter month. Shipments

were 14.9 per cent larger than in September, 1930. Stocks on hand at the close of the month, which totaled 539,000 barrels, reflected a further monthly reduction of 10.6 per cent, and were at the lowest level reached since October, 1929. Aggregate production during the first three quarters of the current year was 10.6 per cent below the corresponding period of 1930, and total shipments showed a like decrease amounting to 7.5 per cent.

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

	Sept., 1931 Number	Percentage Change Over		Jan. 1 through September 30 Number	Percentage Change Over Period
		Month	Year		
Production at Texas mills.....	625	- 3.0	- 8.0	4,831	-10.6
Shipments from Texas mills.....	688	+ 3.1	+14.9	5,093	- 7.5
Stocks at end of month at Texas mills.....	539	-10.6	-23.8	.....	.....

## SUMMARY OF NATIONAL BUSINESS CONDITIONS

(Compiled by the Federal Reserve Board as of October 22, 1931)

Industrial production and factory employment, which usually increase at this season, showed little change from August to September, and consequently, the Board's seasonally adjusted indexes declined. The general level of wholesale prices also declined. Gold exports and earmarkings, together with an increase in domestic currency demand between the middle of September and the middle of October, resulted in a large growth of reserve bank credit in use, and a rise in money rates.

### PRODUCTION AND EMPLOYMENT

Industrial production, as measured by the Board's seasonally adjusted index, declined from 79 per cent of the 1923-25 average in August to 76 per cent in September. Activity at steel mills decreased from 31 per cent of capacity to 28 per cent; output of automobiles was reduced substantially and lumber production continued to decline. At cotton mills production increased seasonally, while activity at woolen mills and shoe factories declined contrary to the usual seasonal tendency. Output of petroleum was smaller in September than in August, but the rate of output prevailing at the end of September was higher than at the end of August. The number employed at factories showed little change from the middle of August to the middle of September, a period when employment usually increases. In iron and steel mills, automobile factories, and lumber mills employment decreased further, contrary to the seasonal tendency; in the clothing and silk industries there were substantial increases in employment, partly of a seasonal character; in mills producing cotton goods, employment increased less than usual, and in woolen mills it declined from recent relatively high levels. Data on value of building contracts awarded for the period between the first of August and the middle of October, as reported by the F. W. Dodge Corporation, show a continuation of the downward movement of recent months for residential as well as for other types of construction. Estimates by the Department of Agriculture, based on October 1 conditions, indicated a cotton crop of 16,284,000 bales, the largest crop reported, except that of 1926, a total wheat crop somewhat larger than usual, and a corn crop of 2,700,000,000 bushels, 29 per cent larger than last year, and 2 per cent smaller than the five-year average.

### DISTRIBUTION

Freight-car loadings of merchandise, and sales by department stores increased in September, but by less than the usual seasonal amount.

### WHOLESALE PRICES

The general level of wholesale prices declined from 70.2 per cent of the 1926 average in August to 69.1 per cent in September, according to the Bureau of Labor Statistics. Decreases in the prices of livestock, meats, hides, woolen goods, cotton, and cotton goods were offset in part by increases in prices of dairy products, petroleum, and petroleum products. Further declines in the price of cotton during the first few days of October were followed by substantial increases in subsequent days.

### BANK CREDIT

During the four weeks following the suspension of gold payments in England on September 20, \$600,000,000 of gold was withdrawn from this country's monetary stock in the form of exports and earmarkings. Domestic demand for currency continued to increase, the growth for the month, ending in the middle of October, being about \$400,000,000. The growth in the amount of currency outstanding, however, slowed down after the first few days in October. The demands for credit arising from gold movements and currency growth were met by member banks through the sale of acceptances to the reserve banks and by rediscounts. Volume of reserve bank credit outstanding consequently increased between the week ending September 19 and the week ending October 17 by \$904,000,000, and on October 17 stood at \$2,169,000,000, the highest level for ten years. Gold and currency withdrawals resulted in a decrease of deposits at member banks in leading cities. Loans and investments of these banks also declined, reflecting reductions in loans to security brokers, as well as sales of acceptances to the reserve banks, and sales of United States securities. During the period, there was a rise in short-time money rates in the open market, and in yields on high grade bonds. On October 9 the Federal Reserve Bank of New York advanced its discount rate from 1½ to 2½ per cent and on October 16 to 3½ per cent. Discount rates were also advanced at the Boston, Richmond, Philadelphia, Cleveland, Chicago, St. Louis, Dallas and San Francisco reserve banks.